

The Gambia: Poverty Reduction Strategy Paper—Second Annual Progress Report

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FORWARD

This is the second progress report covering the period of SPA II implementation; January to December 2004. The report brings together the progress achieved so far in operationalizing SPA II concentrating on key programmatic areas, reform measures called for by the strategy and resource mobilization efforts. The report further identifies strengths, weaknesses, threats and opportunities that lie ahead.

I am delighted to note that the report has brought to the fore, the daunting task of transforming policy ideas into action, particularly during a period when the country is faced with limited financial and human resources. Despite the constraints however, significant progress was registered under the year review 2004.

The report is intended to act as a trigger on the road to completion of the year of SPA II implementation. It is hoped that the report will help both government and partners to become responsive and focused on our promises and anticipated actions as evident in the SPA II priority areas. The information in this report will further contribute to focusing our budgetary allocations and pro-poor policies on key issues in fighting poverty and making SPA II a reality.

MOUSSA GIBRIL BABA_GAYE

Secretary of State for Finance and Economic Affairs

LIST OF ABBREVIATIONS

ADB	African Development Bank
ANR	Agriculture and Natural Resources
BADEA	Bank for Economic Development in Africa
CBEMP	Capacity Building For Economic Management
CBO	Community Based organization
CDD	Community Driven Development
CFAA	Country Financial Accountability Assessment
CPI	Consumer Price Index
CSD	Central Statistics Department
CSIP	Community Skills improvement Programme
CSO	Civil Society organization
DFID	Department For International Development
DOP	Department of Planning
DOSE	Department of State for Education
DOSFEA	Department of State For Finance and Economic Affairs
DOSLG	Department of State for Local Government and Lands
EMCBP	Economic Management Capacity Building Project
EMPU	Economic Management and Planning Unit
EPI	Expanded Programme on Immunization
EU	European Union
FASE	Fight Against Social and Economic Exclusion
GCCI	Gambia Chamber of Commerce and Industry
GDP	Gross Domestic Product
GGC	Gambia Groundnut Council
HILEC	High level Economic Committee
HIPC	Highly Indebted Poor Countries
IDSC	Inter-Departmental Steering Committee
IFMIS	Integrated Financial Management Information System
ILO	International Labour organization
IMR	Infant Mortality Rate
LGA	Local Government Authority
MMR	Maternal Mortality Rate
MOU	Memorandum Of Understanding
MTEF	Medium Term Expenditure Framework
MTEP	Medium term Expenditure Plan
NACP	National AIDS control Programme
NEA	National Environment Agency
NEFCOM	National Emergency Fiscal Committee
NGO	Non Government organization
NPCS	National Population Secretariat
PEMU	Programme Evaluation and Monitoring Unit
PER	Public Expenditure Review
PHC	Primary Health Care
PRGF	Poverty Reduction Growth Facility

PRSP	Poverty Reduction Strategy Paper
RDS	Rural Development Strategy
SDF	Social Development Fund
SPA	Strategy For poverty Alleviation
SPACO	Strategy for Poverty Alleviation Co-ordination Office
SPP	Strategy Planning Process
TVET	Technical, Vocational Education and Training
U5MR	Under-five Mortality Rate
UNAIDS	United Nations AIDS Programme
UNDP	United Nations Development Programme
UNICEF	United Nations children's Fund
VDC	Village Development Committee
WDC	Ward Development Committee
PMO	Personnel Management Office
PURA	Public Utility Regulation Authority
SSHFC	Social Security and Housing Finance Association
GPA	Gambia Port Authority
GIA	Gambia International Air land
GPTC	Gambia Public Transport Cooperation
GCAA	Gambia Civil Aviation Authority
MSA	Management Service Agency
DOST	Department of State for Trade
NERICA	New Rice for Africa
GAWFA	Gambia Women Finance Association
NACCUG	National Association of Corporative Credit Union of The Gambia
GAM-SEM	Gambian for Self Employment
UNCCD	UN Convention to Combat Desertification
GABECE	Gambia Basic Education Certification Examination
ECD	Early Childhood Development
AGOA	Africa Growth and Opportunity Act.
DSW	Department of Social Welfare
NAYAFA	National Youth Association for Food Security
AFET	Association of Farmers Entrepreneurs and Traders
WASDA	Wuli and Sandu Development Association
IBAS	Indigenous Business Advisory Service
VISACA	Village Savings and Credit Association
H/H	Household
IHS	Integrated Household Survey
IMF	International Monetary Fund
KMC	Kanifing Municipal Council
MDG	Millennium Develop Goals
PPA	Participatory Poverty Assessment
MA & D	Market Analysis and Development
JFMP	Joint Forest Management Programme
CF	Community Forest
RP	Reproductive Health

CHAPTER 1

INTRODUCTION

1.1. Overview

This report provides information and analysis regarding the achievements and shortfalls experienced between January and December 2004 with respect to the poverty targets, priority public actions, and the monitoring and evaluation systems put in place for the PRSP/SPA II. The report further highlights important changes necessary in the strategy as appropriate in light of implementation experience to date, changes in exogenous factors, and new data and analysis regarding poverty and its dimensions. As the main government document on the status of implementation, the progress report informed and/or involved domestic stakeholders and partners on all issues regarding implementation in order to build support for smooth implementation of SPA II. This report takes stock of the eighteen months of implementation, outlines constraints and highlights necessary measures (policy reforms and programmatic actions) required for effective implementation and subsequently to achieve the objectives and targets set in SPA II.

1.2 Poverty Monitoring

Availability of statistical data continues to be a major problem for the country; results of the National Household Poverty Study carried out in 2003 are yet to be made available. The 2003/04 Integrated Household Survey is in the final data processing stage towards the final analysis. An interim poverty rate from the preliminary analysis of the survey data has been produced in January 2005

- Two rates were produced which were based on poverty lines of the past two surveys i.e. 1992/93 and 1998 household surveys. Whilst the rate based on the former showed lower rate (54%), the 1998 based IHS rate represents a higher rate (74%) as opposed to the 1998 NHPS computed rate of 59%
- This unexplained gap points to, possibly, the weakness of the methodological approaches of the two past surveys. However, the 2003 IHS analysis is expected to further conduct an in-depth assessment of the problem.

It is expected that the final results will be available before end-2005. The same survey is expected to update benchmark data of national accounts and CPI as well as update most of Gambia's social statistics and a new poverty line is to be computed from the survey.

An analysis of poverty reducing public expenditure for the two halves of 2004 has been undertaken and a poverty reducing expenditure report for the periods compiled. Also, a Multi- Sectoral Participatory poverty assessment including a stakeholder assessment of awareness of PRSP programmes and effects of implementation of programmes on livelihoods was undertaken during the period. Sectors continue to produce output data from their respective sectors. These include, the annual agricultural sample surveys, and the health and education statistics published annually. These are the main sources of information for monitoring PRSP implementation.

Table 1.1: PRSP Key performance indicators

SPA II Objective	Outcome Indicators	Baseline (2002)	2003	2004	Target (2005)
Improving the Enabling Policy Environment to promote growth and Poverty Reduction.	<ul style="list-style-type: none"> Poverty head count index Prop. below Food poverty line Inflation rate GDP growth 	47% 30% 8.0 4.0	47% 30% 17.03 7.1	N/A	39% 24% 4% 5.0
Enhancing the Productive Capacity and Social Protection of the Poor and Vulnerable.	<ul style="list-style-type: none"> Average annual HH income Agriculture share (%) of GDP Production & productivity of major crops: groundnuts, rice, maize, millet 	D 4,073 25.8% Details in agric. section	N/A 27.8% Details in agric. section	N/A	N/A 35% Details in agric. section
Improving Coverage of the Unmet Basic Needs of the Poor.	<ul style="list-style-type: none"> Gross Enrollment rates Lower Basic Upper basic Infant Mortality Rate Maternal Mortality Rate Literacy Rates 	85% 66% 84/1000 7.3 37%	90% 72% 84/1000 7.3 47.7%	91% 75% 47.7%	90% 90% 60/1000 6.0 47.7%
Building Capacity for Local, People-centered Development through Decentralization.	<ul style="list-style-type: none"> Functional local governance structures (VDC, WDC) Functional mechanisms for resource/service transfer to Councils Implementation of local development plans 	Operational in 3 divisions	Operational in 3 divisions	Operational in 3 divisions	Operational in all 8 LGAs
Mainstreaming Gender Equity, Environmental Issues, Nutrition, and HIV-AIDS awareness into all development Programs	<ul style="list-style-type: none"> HIV/AIDS prevalence Malnutrition rate Contraceptive Prevalence Rate Female enrolment ratios Lower Basic Upper Basic Total Population Percentage Female Population Density Population Growth Rate 	HIV I – 1.4% HIV II - 1.0% 13.5% 9% 48% 42%	1.5% 1.0% 12.0% 9% 49% 44% 1,360,681 51% 127 per km ² 2.8 %	2.1% 1.0 51% 49% N/A	2.1% 0.8 17.0% 15% 50% 50%

1.3. Update on the poverty situation

Poverty levels

The 2003/04 Integrated Household Survey (IHS) is still at the data processing stage leading to the final analysis. However, an interim poverty measurements based on the preliminary analysis of the survey data was produced in January 2005. Two rates were produced which were based on poverty lines of the past two surveys i.e. 1992/93 and 1998 household surveys. Whilst the rate based on the former showed a poverty rate of 54% for 2003 whilst the 1998 based IHS rate showed a poverty rate of 74% for 2003. This unexplained difference in poverty estimates for 2003 points to, possibly, weaknesses in the methodological approaches of the two past surveys. However, the final analysis of the 2003 IHS expected before the end of 2005, is expected to further resolve the issue. The same survey is expected to update benchmark data for both national accounts and CPI as well as update most of Gambia's social indicators. A new poverty line is to be computed from the survey data.

The long delay in the completion of the IHS, significantly undermined the ability of authorities to assess progress made in the poverty reduction efforts. The central Statistics Department; CSD, faces a number of constraints resulting to the late completion of the survey and other key activities. The reformation of the statistical system has thus become a key issue in public sector reform.

However, under the CBEMP project, the Central Statistics Department is being restructured to a semi-autonomous agency. The project will also help strengthen the statistical system of the Gambia through the following strategies:

- Improve organizational structure of SSG to facilitate provision of timely and accurate information;
- Upgrade the methodology of statistical data collection and compilation to meet relevant domestic users needs and international standards;
- Train personnel to improve qualifications and performance, increase exposure and interaction with the NSOs of other countries; and,
- Modernize the technology used in collecting, organizing, processing and disseminating data.

In this vein, the Statistical Act has been revised and is now being forwarded for Cabinet approval (2005). Also a statistical master plan that outlines the plan of actions for the transformation and establishing of a semi-autonomous statistical agency has been developed. A local donor meeting on the plan was convened and the plan is presently being costed in detail with support from UNDP.

Inflation

In view of the tight macroeconomic policy stance, consumer price inflation fell sharply in 2004, especially in the final quarter of the year when prices barely increased at all. Annual inflation fell from 17.6% in December 2003 to 8% in December 2004. Monthly inflation, which had averaged 1.6% in the final four months of 2003, averaged only 0.1% in the same period in 2004. See chart 1. The stability in the nominal exchange rate in 2004 would also have contributed to the fall in inflation.

Significant progress was made in stabilizing the macro-economy in 2004 with inflation falling sharply in response to a tightening of fiscal and monetary policy; the exchange rate stabilizing

and the CBG rebuilding its foreign reserves. The macroeconomic stance was even tighter than had been programmed, with very strong growth in domestic revenues boosting government's domestic primary surplus to 9% of GDP. Provisional estimates indicate that real GDP growth was reasonably buoyant at 5%, despite the tight macroeconomic stance, mainly because of very strong growth in groundnut and other crop production.

However real interest rates rose to very high levels and bank credit to the private sector contracted in 2004, in response to the tight monetary policy. If real GDP growth is to be sustained over the medium term, it will be essential to reduce real interest rates and increase bank lending to the private sector, while maintaining the progress made in 2004 in controlling inflation. Essentially this will only be possible if the mix of fiscal and monetary policies shifts, with a further reduction in government domestic borrowing, which can allow greater room in the banking system for a resumption of growth in lending to the private sector.

1.5 Public Resource Management

The budget for the fiscal year 2004 did lay considerable emphasis, like the previous budgets, on poverty reduction. However, the increased expenditure on statutory payments such as debt obligations made this an almost impossible task to achieve. The social sectors were given the highest priority in terms of resource allocations and the budget estimates assumed a 6% real GDP growth rate in 2004, improvement in revenue collections and enforcement, expansions in recurrent expenditure due to high debt service payments and an inflation indexed wage adjustment. All these factors resulted in a projected level of deficit of about 10.1% of GDP.

The 2004 budget estimates total revenue and grants at D2581.55 million (including project grants), which is about 24% of GDP. Hence, total revenues and grants were projected to grow by about 38% from the 2003 approved budget of D1.87 billion to D2.58 billion in 2004. This significant growth in revenues is needed to ease the growing fiscal pressures emanating from expenditures that are non-discretionary in nature. Of this amount, total domestic revenue is estimated at D2.2 billion or about 20% of GDP.

Table 1.2: Source of Revenue (Dalasis)

Revenue Source	2003	2004	% Share		% Change
	Appr Est	Appr Est	2003	2004	
Tax Revenue	1,342,627	1,933,278	73.5%	88.4%	44.0%
Non-Tax	158,573	254,921	8.7%	11.6%	60.8%
Non-Project Grants	325,000	0	17.8%	0.0%	-100.0%
Total	1,826,200	2,188,199	100.0%	100.0%	19.8%

The interest element of debt service represents a major concern for budget allocations. In terms of shares of expenditures, the servicing of the interest consumes 44.3% of the recurrent budget. This raised important issues of the need to maintain prudent fiscal management and debt sustainability policies. For poverty reduction to receive its greatest attention in terms of budgetary allocations, significant financial reforms or fiscal discipline are required to ensure greater funding of poverty-focused programmes. Another concern is in the agricultural sector which receives the lowest share of allocations in both the recurrent and development budgets.

Agriculture employs more than half of the workforce, dominated mainly by the poor, and therefore, intervention in this sector would have greater socio-economic impacts on the poor.

Table 1.3: Sectoral Budget Allocation 2004 (Dalasis'000)

	Allocation (Budget Estimates)			% Shares		
	Recurrent	Development	Total Budget	Recurrent	Development	Total Budget
Education	224,276	293,529	517,805	10.0%	17.9%	13.3%
Health & Soc. Welfare	221,880	164,471	386,351	9.9%	10.0%	9.9%
Agriculture	47,240	127,985	175,225	2.1%	7.8%	4.5%
Debt Interest	994,741	-	994,741	44.3%	-	25.6%
Others	759,687	1,052,207	1,811,894	33.8%	64.2%	46.6%
Total	2,247,824	1,638,192	3,886,016	100.0%	100.0%	100.0%

Note: Amortization- D578,286

From the above table, it is clear that the Government of The Gambia finances almost 97% of the recurrent budget. The share of HIPC expenditures is higher in the development budget which indicates the importance given to capital expenditures for poverty reduction by government. Furthermore, the HIPC allocation is larger in the Development budget allocation i.e. D100.0m than in the recurrent allocation D69.450m. Apart from HIPC allocation, GLF provides the lowest funding of the development budget. However, donor interests continue to be mainly on capital expenditure programmes, where their share of expenditures is higher than Government. Based on the sectoral breakdown of the 2004 budget (including debt service) as shown in Table 3, the 2004 budgetary allocation achieved the PRSP target of allocating 25% of the resources to the priority sectors, only as far as donor funds are included in the budget envelope.

CHAPTER 2

MACRO-ECONOMIC DEVELOPMENTS AND PUBLIC RESOURCE MANAGEMENT

2.1. Overall macroeconomic performance

The year 2003 proved to be a turning point in the recent macroeconomic trends affecting The Gambian economy. The fiscal and exchange rate crisis that hit a high in 2001 triggering the adverse economic performance for the next two years was eventually brought under control in the last quarter of 2003, as the monthly inflation rate and the exchange rate both stabilize. The stability was further enhanced by a bumper harvest in the groundnut season for the 2003/2004 season, thereby boosting gross domestic output (GDP). This positive development presented the Fiscal and Monetary Authorities with a golden opportunity to create a meaningful economic recovery in 2004 that can usher in a sustainability to spearhead the crucial budget and financial reform plan beginning in 2004 that includes the MTEF.

All in all, the economic performance in 2004 was very positive as tight macroeconomic policies prevailed throughout the year, helped by a remarkable revenue mobilization effort. Fiscal deficit as a percent of GDP (including grants, commitment basis) was 5.7% in 2004 compared to 4.7% in 2003. Excluding grants, the fiscal deficit in 2004 rose to 10% of GDP from 7.2%. It shows that the deviations from the PRSP targets of 2.7% in 2003 and 2.3% for 2004 is widening as PRSP implementation progressed. The poor performance can be attributed to lack of fiscal discipline that hit a high in 2001-3. Annual inflation rate fell sharply to 8% in December 2004 from 18% a year earlier, mainly as a result of the tight monetary policy implemented. It is evident, therefore, that after the instability of 2001-2003, fiscal and monetary policies have been very effective in stabilizing the macroeconomic situation. Output from most of the non-traded goods sector of the economy recorded contractions in their growth, whilst manufacturing and hotels and restaurants, coupled with Agriculture, boosted overall GDP that culminated in a real GDP growth of 5.1% in 2004.

Table2.1: Performance on PRSP key macroeconomic objectives

	2003		2004		2005
Indicator	PRSP Targets	Outturn	PRSP Targets	Outturn	PRSP Targets
Real GDP growth (%)	6	6.9	6	5.1	6.2
Fiscal Deficit (excluding grants) as % of GDP	2.7	-7.2	2.3	-10.2	1.9
Export Growth (SDR, assuming exchange rate of D21.3)	8.2	-	5.3	-	3.5
Current Account Deficit (excluding grants) as % of GDP	12.3	-13.6	11.6	-21.6	10.3
Current Account Deficit (including grants) as % of GDP	5	-5.1	5.8	-11.8	2.7
Gross Official reserves as months of imports, c.i.f	5.2	4.6	5.4	4.3	5.5
Broad Money Growth	9.9	43.4	9.6	18.3	9.6
Inflation	4	17.6	3	8	3

Source: DOSFEA & Fund Staff Estimates, October 2005

The macroeconomic performance in 2004, was not enough to overturn the dismal performance in terms of achieving PRSP targets. None of the key indicators targets were met during 2004. In fact, the only target that has been met is the 6% real GDP growth projected for 2003.

Even that performance only resulted because The Gambia was coming from a low growth base in 2002. The single biggest contributor to the poor macroeconomic performance relative to the PRSP objectives can be attributed to the high public expenditure outturn from 2002. This translated into the drastic increase in money growth and its resulting inflationary effects. It brought a new constraint for public expenditure management in the sense that the heavy domestic debt burden is seriously eroding needed poverty reducing expenditure whilst at the same time further subjecting the budget to increased domestic borrowing requirement.

However, it is likely that the performance can be improved significantly to the end of 2005, following the efforts of the fiscal authorities to improve public expenditure management.

2.2 Fiscal Policy

Fiscal performance improved in 2004, in terms of the GLF deficit and government's domestic borrowing requirement, although a large increase in externally funded project expenditures led to an increase in the overall fiscal deficit, after grants, compared to the 2003 outturn.

The GLF budget, including HIPC grants and expenditures,¹ recorded a surplus of 3.7% of GDP in 2004, compared to a deficit of 0.2% of GDP in 2003 and a budgeted deficit for 2004 of 0.6% of GDP. Hence government's net domestic borrowing in 2004 was much lower than budgeted. Government's net domestic borrowing in 2004 was only 0.5% of GDP, compared to the budgeted 2.5% of GDP. In fact the outturn relative to budget was even more impressive than would appear because the 2004 budget estimates included a financing gap of 2.8% of GDP and hence the implicit domestic borrowing requirement in the 2004 budget was 4.9% of GDP.

The main reason for the improved fiscal performance in 2004 was the dramatic growth in domestic revenues, which in nominal terms grow by almost 60% over the 2003 outturn. Revenue growth was driven by indirect taxes on international trade which rose by 84%. Growth in indirect taxes on domestic goods and direct taxes was a more modest although still impressive 42% and 37% respectively. The nominal growth in international trade taxes was much stronger than the projected rise in the Dalasi value of non project imports, indicating significant improvements in the efficiency of revenue collection.

The domestic primary balance improved, relative to the 2003 outturn, by 4.8% of GDP in 2004 to a surplus of 9.3% of GDP which indicates that the contribution of the GLF budget to aggregate demand contracted by almost 5% of GDP.² The 2004 primary surplus was 3.3 percentage points of GDP higher than budgeted and was the largest primary surplus achieved by central government since at least the mid 1990s.

¹ Defined as domestic tax and non tax revenues, plus repayments from PEs, programme and HIPC grants minus GLF and HIPC expenditures.

² Fiscal operations also contribute to aggregate demand indications that project expenditures in 2004 were higher by several percentage points of GDP than in 2003, which would have offset the contractionary impact of through project expenditures, which are not included in the GLF data. There are GLF fiscal operations on aggregate demand.

Table 2.2: Fiscal Data: 2003-2004 Percent of GDP

	2003	2004	2004
	outturn	budget	outturn
Revenue and Grants	18.2	20.8	25.5
Domestic Revenue	15.7	17.5	20.9
Tax Revenue	13.8	16.1	18.6
Direct Tax	4.4	4.6	5.0
Domestic Tax on goods and services	2.1	0	2.4
Tax on International Trade	7.3	0	9.1
Nontax Revenue	1.9	2.5	2
Grants	2.5	3.3	4.5
Expenditure and Net Lending	22.9	30.9	31.2
Current Expenditure	17	18.2	16.9
Wages and Salaries	4.5	3.9	4.3
Other Charges	5.9	5.8	4.9
Interest	6.1	8	7.2
External	1.6	1.9	1.9
Domestic	4.4	6	5.3
Capital Expenditure and Net Lending	5.8	12.7	14.2
Capital Expenditure	6.1	12.1	14.4
External	4.7	11.4	12.6
GLF (Gambia Local Fund)	0.6	0.8	0.7
Net Lending	-0.2	-0.2	-0.2
Overall balance (commitment basis)			
Excluding grants	-7.2	-13.4	-10.2
Including grants	-4.7	-10.1	-5.7
Financing	6.2	7.3	4.8
External (net)	5.7	4.8	2.7
Borrowing	9.3	9.4	6.7
Amortization 1/	-3.6	-4.6	-3.2
Domestic	0.5	2.5	0.5
Source: DOSFEA & Fund Staff Estimates			

⁵ Tourism Master Plan; May 2005

2.3 Monetary Policy

Monetary policy was also less expansionary in 2004 than in 2003. Year on year broad money growth slowed to 18% in 2004 from 43% in the previous year. The deceleration in broad money growth was driven by a sharp reduction in growth of reserve money, the CBG's operating target, which fell from 63% in 2003 to 11% in 2004. Both broad money and reserve money growth were lower than programmed in 2004, by two percentage points and four percentage points respectively.

The CBG's net foreign assets (NFA) increased by D 1,286 million in 2004 with usable foreign reserves rising to \$81 million by the end of December 2004. The provisional BOP data indicate that the c.i.f. value of merchandise imports, including imports for re-export, was \$197 million in 2004:

hence usable foreign reserves amounted to the equivalent of 4.3 month's of import cover by the end of 2004.

The total net issuance of TBs during 2004 amounted to D 1,103 million, of which D 570 million were purchased by commercial banks and D 640 million by the non bank sector (the CBG's holdings of TBs fell by D 107 million). The reason why the net issuance of TBs was much larger than programmed, despite the reduced government domestic borrowing, was that the two other main sources of reserve money creation (the CBG's net foreign assets and its Other Items Net) were both larger than programmed in 2004 hence the CBG had to issue more TBs than programmed to control reserve money.

Outstanding government domestic debt rose sharply in 2004, mainly comprising of TBs, and the total cost value rose from D 2,325 million at the end of 2003 to D 3,415 million at the end of 2004. As a share of GDP, government domestic debt rose from 22.6% at the end of 2003 to 27.4% at the end of 2004.

Interest rates remained very high during 2004. The yield on the first issuance of 364 day TBs in 2004 (at the beginning of January 2004) was 31.1%, whereas the yield on the last issuance (on 30 November 2004) had fallen only marginally to 29.9%. In real terms the yield rose dramatically, because while the nominal yield on 364 day TBs remained virtually unchanged, annual inflation fell by almost 10 percentage points during 2004 to 8% by the end of the year. Hence the real ex post yield on the 364 day TBs issued at the start of 2004 was 21.4%. The yield on the 91 day TB fell from 30.9% at the start of October 2004 to 27.4% at the end of December 2004. Because of the sharp fall in inflation during the last quarter of 2004, the annualised ex post real yield on the 91 day TB issued at the start of October 2004 was 29%: a very high return on a virtually risk free and highly liquid financial instrument by any standards. However nominal yields on TBs started to decline during 2005, albeit, slower than desired.

Annual and Monthly CPI Inflation: 2003 and 2004

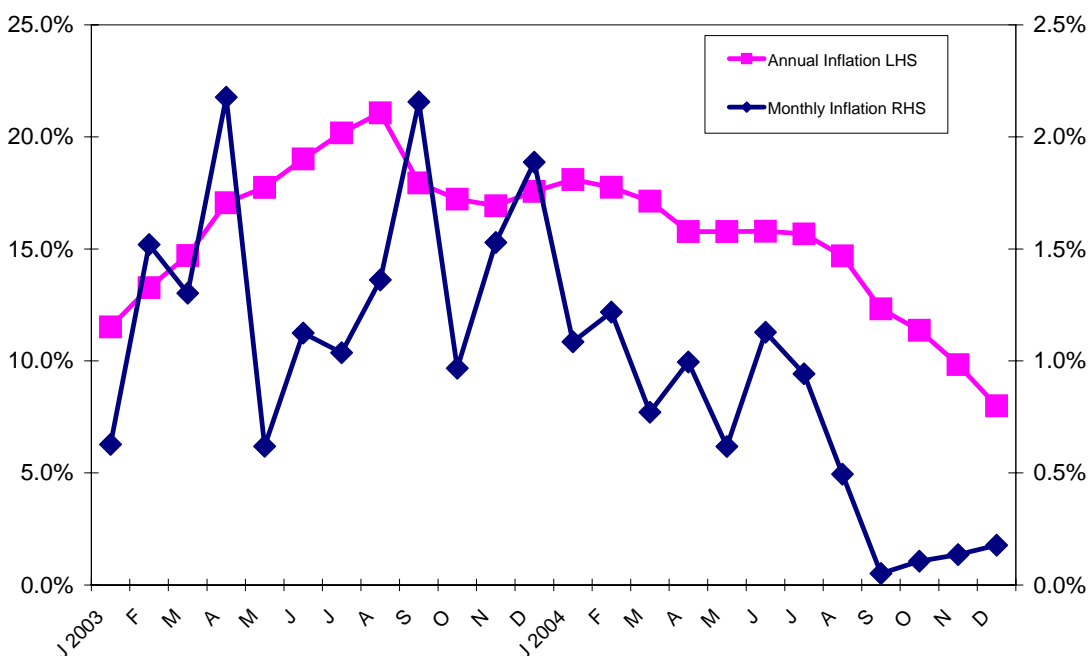


Table 2.3: Source of Budget Funding (Dalis '000s)

Source	Allocation (Budget Estimates)			% Shares		
	Recurrent	Development	Total	Recurrent	Development	Totals
GLF	2,178,374	120,300	2,298,674	96.9%	7.3%	59.2%
HIPC	69,450	100,000	169,450	3.1%	6.1%	4.4%
External Grants	0	240,902	240,902	0.0%	14.7%	8.2%
External Loans	0	1,176,990	1,176,990	0.0%	71.8%	30.3%
Total	2,247,842	1,638,192	3,886,016	100.0%	100.0%	100.0

Note: Amortizations D578, 286

2.3. Governance and Financial Governance

2.3.1 Governance of the Central Bank

The auditing of the accounts of Central Bank of The Gambia for the financial years 2001, 2002 and 2003 were made a primary benchmark in the Staff Monitored Programme (SMP) that was discussed with the IMF in May 2004, and covering the period July – December 2004. Successful completion of the SMP would have lead to a new PRGF program, a criterion, and fundamental to reaching HIPC completion point. The late completion of the CBG audit derailed the approval of the SMP. The completion of these audits paved the way for a new SMP that was negotiated in 2005 with end-December and end-March as test dates. A review of the SMP is scheduled for the end of May 2006, and if successfully completed, will lead to a new PRGF programme for The Gambia. The CBG, in a bid to increase confidence and transparency is striving to implement the recommendations emanating from the audit assessment.

2.3.2 Judicial reforms

During 2004, efforts, largely funded by the Capacity Building for Economic Management Project (CBEMP), were sustained to both strengthen the justice delivery system and to provide that assurance for the expanded role envisaged for the private sector in the economy. Among the

reforms being undertaken include the development of a Legal Sector Strategy, introduction of an IT strategy and Court Case Management System (CCMS) and an Alternative Dispute Resolution (ADR) Initiative to provide an alternative means of accessing justice and also improving the turn around time of cases at the courts.

By the end of the year 2004, the drive to recruit consultants for the IT strategy and CCMS, as well as the legal sector strategy, have well advanced with the finalization of the Terms of Reference (TOR) and the publication for expression of interest in the papers. The ADR bill has also passed through cabinet and is slated for enactment in early 2005. In the mean time the needed adjustments to the high court rules to all for the operation for the smooth adoption of the ADR system has already been effected.

2.3.3 Public Expenditure Management

The dominant event in this arena for the best part of 2004 has been institutionalizing the Integrated Financial Management Information System (IFMIS). The process suffered a setback at the point of tendering, when it was noticed that the requisite technical knowledge does not exist in the country to evaluate the impending bids to supply and implement the IFMIS thus requiring the recruitment of an IFMIS Evaluator. The IFMIS Evaluator is to assist with the facilitation of the pre-bid conference, evaluation of the bids and contract negotiation. Following this, the tendering process for the IFMIS was suspended pending the recruitment of an IFMIS Evaluator. To this end, we have invited CVs and are currently negotiating with the suitable candidate.

Another setback has been the problem with regards to the tendering process, relate to the missing attachments to the bidding document and the need to scale down of the IFMIS project which was discussed and agreed to in principle. This information is to be explained to the bidders at the pre-bid conference given that the bidding document has already been sent out.

2.3.4 Privatisation and divestiture

The Gambia Divestiture Agency saw the successful completion of the study on the Regulatory Framework during 2004. A validation workshop was held in March 2004 to discuss the Draft Final Report on the Regulatory Framework Study submitted by the Consultants, the Institute for Public-Private Partnerships (IP3). The final report was subsequently submitted, following the incorporation of comments from relevant stakeholders and the Director General of PURA appointed.

The completion of Regulatory Framework Study paved the way for the commencement of a number of studies on Track I public enterprises. In September 2004, the procurement process for the hiring of consultants to conduct the Transport Sector Study commenced. This study covers GPA, GIA, GPTC and GCAA. As at end December 2004, proposals were received from short listed firms and the evaluation of the proposals was completed.

The draft report on the SSHFC study focusing on the possibility of opening up pension fund management to private sector participation as well as the possibility of splitting the Housing Fund from the Social Security Fund, was submitted by the consultants in February 2004. The draft report is unsatisfactory and the Consultants have been asked to improve on the quality of the work. Failure to do this could lead to re-tendering the study.

The procurement process for the selection of consultants to carry out a study on the setting up of a Redundancy and Compensation Framework for public enterprises slated for divestiture also commenced in August 2004.

By end December, the evaluation process has already been completed, with work scheduled to commence early 2005.

In an effort to dispose of 30% out of Government's 40% shareholding in the Gambia Cotton Company Ltd (GAMCOT), negotiations with the majority shareholder DAGRIS commenced in 2003. During 2004, a revised proposal was received following the failure to reach an agreement during the previous year's negotiations. A Cabinet Paper on the way forward has been prepared and this is expected to be presented to Cabinet sometime in 2005.

The transformation of Gambia Post Office into an autonomous body (GAMPOST) is also in progress. A financial viability study has already been completed and the GAMPOST Bill is expected to be laid before the National Assembly in 2005.

One major development during 2004 was the hiring of Financial Advisors for the divestiture process of Gambia Groundnut Corporation (GGC). This divestiture transaction is expected to be announced in March 2005. The closure of this transaction is particularly likely to bring about tangible benefits in terms of poverty alleviation.

The more efficient running of GGC, coupled with the tendency for capital injection, emanating from private sector involvement is likely to bring about both direct and indirect benefits to the poor. This is because better quality processing will add value to the quality of nuts to be exported and the greater efficiency of processing will reduce cost.

The success of this divestiture exercise very much depends on the continued commitment of our donor partner, the EC, given the magnitude of funds required to successfully see the exercise through to completion.

In an effort to ensure the realization of the aforementioned benefits of divestiture, GDA has, among other things, developed a comprehensive time-bound action plan on the implementation of the divestiture programme. This is expected to be submitted to HILEC for approval during 2005.

Some of the constraints the Agency faced during 2004 include insufficient funding for activities not covered under the Trade Gateway Project. Also attraction and retention of staff have been major constraints.

The aforementioned are achievements despite the slow pace of the programme; and to overcome this, the problems of staff attrition and retention as well as funding need to be addressed if more meaningful progress is to be recorded in 2005 and beyond. With these issues and the existence of political will at the highest level of Government, the divestiture programme will surely register significant success and serve as a major pillar in the crusade to fight poverty in The Gambia.

2.2.3. Civil Service Reform

The main constraint to the realization of the broad objectives of the civil service, both in the short and long term is the high rate of attrition which is common to the majority of Civil Service Departments. During 2004, a study was undertaken with World Bank support through the CBEMP to examine the nature and causes of the problem. The study has been finalized and a number of recommendations have been made. Now Government needs to use the recommendations as a step towards implementing comprehensive civil service reform.

2.2.4. Preparation and auditing of Government accounts

i) Audit Reports

The auditing of the 1992-99 accounts of Central Government began in 2004 following the provision of technical assistance by DFID in the form of a consultant to help the National Audit Office carry out the auditing. The exercise was completed and submitted to the National Assembly for discussion in June 2005.

ii) Backlog of Un-audited Accounts, 1991-1999

The auditing of the Government accounts for 1991-1999 should have been completed in 2004, and was included as a structural benchmark in the SMP. Despite the delay that led to the activity extending to 2005, our development partners welcomed the completion of the auditing of the 1991-99 Government accounts and the finalization of the 2000 accounts. The 2000 accounts have also been submitted to the Auditor General for auditing.

The update of the general ledger for 2002 has also been completed and the staff at the Treasury Directorate of DOSFEA has started working on the update of the general ledger for fiscal data for both the 2003 and 2004 financial years. The organic budget law was passed by the National Assembly in September 2004, following which, a consultant/TA was hired in the last quarter of 2004 to redraft Financial Instructions for central Government operations that will be in line with the new budget law. This work has been completed in 2005.

2.3. Public Spending

The budgetary aspect of public expenditure reform so far focuses on the basic budget structure that needs to be in place before the Medium Term Expenditure Framework (MTEF) can be produced. Work towards the formulation of MTEF was commenced in 2003 and improvements addressing the following areas undertaken between 2003 and end 2004.

- Budget Classification
- Budget presentation & integration of the recurrent & development budgets
- Programme based budgeting
- Budget system & process

These improvements have been implemented as a necessity to produce a more easily understood and accurate budget document in addition to the objective of producing an MTEF. These required substantial changes in the management of DOSFEA. Hence during 2004, a new structure of DOSFEA was designed and incorporated into the 2005 budget.

Budget Classifications have been restructured to a uniform system for both recurrent & development budgets with the coding incorporating the 1986 GFS Classification and poverty indicators. Coding structure provides for programme based budgeting, and during 2004, some work has been piloted with the Department of State for Health (DOSH) to develop their budget into programmes and sub-programmes. Thus, the Health budget for 2005 can now be presented in terms of the defined programmes, with plans to extend programme definition to other major departments.

Some progress has also been made in improving the budget process. Development & Recurrent budgets are now considered together at a series of bilateral departmental meetings, and this is

moving towards the proper assessment of the impact on future current expenditure of capital expenditure to be undertaken in the budget year under consideration.

There has been an improvement in the core circular, in an effort to set realistic departmental ceilings. Although efforts have so far been concentrated on a one-year forecast, the circular does contain broad ceilings for the following 2 years. With the appointment of a macroeconomic advisor at the end of 2004, it should be possible to document more robust forecasts for the 2006 budget ceilings.

A new budget database was compiled in 2003 & has been used to produce the 2004 & 2005 budgets. The database incorporates the complete budget coding structure and produces all reports used in the budget presentation. It contains provisional outturn data for FYs 2001 – 2003 and budgets for 2003 – 2005. The database will form the basis of the MTEF documentation.

Poverty analysis was published as part of both the 2004 & 2005 budget presentations. The format differs between the 2 years, with a more meaningful analysis being produced in 2005. The published report is shown in the following table and is based on the codes devised in 2003. Since these codes are allocated in a subjective manner, they have undergone several revisions.

Furthermore, as part of the reform of government financial systems, the bidding documents were completed and tenders for the supply, installations, and implementation of the Integrated Financial Management Information System (IFMIS) was made in 2004. However, following the evaluation of the bids, it was realized that non of the bidders were qualified to implement the IFMIS which led to the re-tendering of the bids thus affecting the timely implementation of the system. Also, in 2004 there was a mid-term review of the process, which led to the restructuring of the IFMIS into three phases, and efforts are currently being made to get the first phase implemented by end 2006.

2.4 Poverty Focus of public expenditure

The 2004 budgetary allocations maintained the trend of proportionately declining trend of poverty reducing expenditures. Total GLF allocated to PRSP expenditure in 2004 was 13.2% and preliminary data from the Poverty Reducing expenditure report 2004 reveals that the disbursement rates from the sectors has increased.

Overall PRSP allocations based on approved budget figures increased between 2003 and 2004 from D230m to D380m. The share of current expenditures between 2003 and 2004 fell from 97% to 91%. On the other hand, the share of capital expenditures trebled from 3% to 9%. This increase represents a reflection of the importance given to investments in PRSP programs. Furthermore, the proportion of PRSP allocations out of the total budget (excluding debt service) increased from 22% to 29% between 2003 to 2004 respectively.. However, considering debt service obligations, the share of PRSP allocations dropped to 13% in both years. The decline in allocations is sharper in 2004 (i.e. from 29% to 13%) than in 2003 (i.e. from 22% to 13%) due to the huge debt obligations experienced in 2004. Hence, this shows that improved fiscal management is critical for the attainment of overall PRSP objectives since continuous rising debt service payments reduce resources available for poverty-reduction intervention programmes.

Overall, 21.65% of government revenue was allocated for poverty reduction interventions though Government committed itself in the PRSP to utilising 25% of its budgeted revenue to reduce poverty. This falls short of the target set in the PRSP which could be attributed to the high cost of servicing government rising debt stock which continues to consume more than half of

government resources. As shown in the table below, allocation to these sectors increased gradually from 25% in 2003 to 28% in 2004. The distribution is shown below as follows:

Table 2.4: GLF Resource Distributions to Priority Sectors

	Allocation (% shares)- 2003			Allocation (% shares)-2004		
	Recurrent	Development	Total Budget	Recurrent	Development	Total Budget
Education	12.20%	7.30%	9.90%	10.00%	17.90%	13.30%
Health And Social Welfare	10.60%	9.50%	10.10%	9.90%	10.00%	9.90%
Agriculture	3.10%	7.40%	5.20%	2.10%	7.80%	4.50%
Sub-Total	25.90%	24.20%	25.20%	22.00%	35.70%	27.70%
Debt Services	31.60%	0.00%	16.60%	44.30%	-	25.60%
Others	42.50%	75.80%	58.20%	33.80%	64.20%	46.60%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00 %

.Details of overall government expenditure including PRSP expenditure, is shown in table 2.5 below.

TABLE 2.5: OVERALL PRSP INITIATIVES Excluding Debt Service

Excluding Debt Service	(Dalasi '000s)		2004 Budget		2005 Budget	
	2003 Prov		Budget			
Government (GLF Only)	885,917		1,303,934		1,688,950	
Statutory	30,199	3.41%	42,763	3.28%	43,033	2.55%
PRSP	200,480	22.63%	379,711	29.12%	474,617	28.10%
Discretionary	655,238	73.96%	881,460	67.60%	1,171,300	69.35%
Donor (Inc HIPC)	896,822		1,587,342		1,114,362	
PRSP	526,247	58.68%	895,797	56.43%	478,104	42.90%
Discretionary	370,575	41.32%	691,545	43.57%	636,258	57.10%
All Funds	1,782,739		2,891,276		2,803,312	
Statutory	30,199	1.69%	42,763	1.48%	43,033	1.54%
PRSP	726,727	40.76%	1,275,508	44.12%	952,721	33.99%
Discretionary	1,025,813	57.54%	1,573,005	54.41%	1,807,558	64.48%
INCLUDING DEBT SERVICE						
Including Debt Service	(Dalasi '000s)					
	2003 Prov.		2004 Bud		2005 Bud	
Government (GLF Only)	1,948,304		2,876,960		3,155,167	
Statutory	1,092,586	56.08%	1,615,789	56.16%	1,509,250	47.83%
PRSP	200,480	10.29%	379,711	13.20%	474,617	15.04%
Discretionary	655,238	33.63%	881,460	30.64%	1,171,300	37.12%
Donor (Inc HIPC)	896,822		1,587,342		1,114,362	
PRSP	526,247	58.68%	895,797	56.43%	478,104	42.90%
Discretionary	370,575	41.32%	691,545	43.57%	636,258	57.10%
All Funds	2,845,126		4,464,302		4,269,529	
Statutory	1,092,586	38.40%	1,615,789	36.19%	1,509,250	35.35%
PRSP	726,727	25.54%	1,275,508	28.57%	952,721	22.31%
Discretionary	1,025,813	36.06%	1,573,005	35.24%	1,807,558	42.34%
Memorandum: Domestic Borrowing			260,000		270,821	

Source: Multi-sectoral PER 2004

CHAPTER 3

SECTOR IMPLEMENTATION UPDATES

3.1. Agriculture and Natural Resources

3.1.1 Agriculture

Agricultural policy and progress in implementing PRSP policies

Agriculture employs 75% of the population and yet contributing only 30% of the total output of the economy (GDP) which is a clear indication that agricultural production is very low. In its efforts to achieve the PRSP/SPAI objectives, the government is addressing the above mentioned sector-wide constraint through a public and private strategic partnership framework within the context of the new agriculture policy which is under review. With the latter assuming a lead role in the provision of enterprise investment resources and entrepreneurial management facilitated by public sector catalytic roles.

The broad priority activities of the sector are: ensuring water control and management; sustainably improve natural resource management including soil fertility maintenance and biodiversity; revamping pro-poor agricultural research and extension development; and ensuring the affordability and accessibility of Rural Finance/Micro-finance opportunities/facilities.

Agriculture Development Strategies in Implementing PRSP Policies

Consistent with its public sector catalytic role, the Government is employing the following investment strategy elements:

- addressing the phenomenon of deteriorating natural resources and biodiversity including declining soil fertility and effectively reversing the trend;
- bringing about major improvements in water resources management;
- ensuring a copious flow of appropriate technology and the dissemination and adoption of the same, through strengthened research and extension capacities; creating the necessary conducive environment through provision of appropriate incentive regime, social and economic infrastructure and a legal framework that affords sufficient protection to private ownership;
- facilitating the development of appropriate rural financial systems that address the requirements of all categories of micro-entrepreneurs;
- developing the human resource base with a focus on creating the critical mass of skills, technicians and professionals;
- and, initiating and adopting appropriate institutional reforms that enhance broad-based participation in the development process such as land reforms and equal access to resources.
- Production, promotion of policies and programmes which continue private sector participation, diversification of the production base, promotion of the agricultural producer organizations, increasing domestic savings and investment, attraction of foreign investment, optimal techniques/projects' outputs,
- Increased use of irrigation and other water harvesting techniques, operationalization of an agricultural development bank/fund, increased use of appropriate agricultural technology/mechanization,
- Regular and timely supply of agricultural inputs (certified seeds, fertilizers, agro-chemicals, vaccines and veterinary drugs) on a sustainable basis with active private sector participation,

- Provision of appropriate processing and storage facilities and gender (mainly women) mainstreaming in the development process.

Performance of sub-sectors in 2003/04 Cropping Season

Crops

The cropping season witnessed a slight increase over last year in the production of both groundnut and cereal crops. Although the first rainfalls were scanty and irregular which prolonged the planting of most crops including groundnuts, the season progressed comparatively well. The details are shown in the table below.

Table 3.1: Crop Production Statistics (0000s of tons) for 2003 and 2004

Crop	2003	2004	% Change
Groundnuts	92.9	135.9	46
Sesame	1.2	1.4	11
Maize	33.4	29.2	-13
Early Millet	107.1	116.0	8
Late Millet	13.2	16.5	25
Sorghum	30.1	29.0	-13
Upland Rice	9.8	12.4	26
Swamp Rice	8.2	8.7	6
Irrigated Rice	11.5	11.5	0
Total Production	213.3*	222.9*	41*

* Groundnut and Sesame not included SOURCE: NASS Statistical Year Book

Divestiture of the Groundnut Trade and the Processing Plants

Government continued its structural reforms to fully privatize the groundnut trade. During the year under review, the private sector operated 43% of the buying points (30) while government, through the Cooperative Department, operated 57% (39) of the buying points that were operational in the trade season. Both players sold their nuts to GAMCO. However both the Cooperative and the private dealers combined purchased only 24% (31,500) of the 135,000 tons of groundnuts produced in 2004. The remaining 103,000 tons (76%) was either kept as seed, purchased through weekly markets, cross border trade and, auto consumption, etc.

All the private buying agents registered profit while those operated by the Cooperative made an accumulated loss of thirteen million Dalasi (D13, 000.000) which government had to repay to GAMCO. At the moment, injudicious pricing policies culminating in barriers to adequate public and private sector partnership and low marketing margins prove to be serious disincentives to operators in the groundnut market.

Expansion of Irrigation

The Lowland Agricultural Development Project (LADEP) through the Soil and Water Management unit (SWMU) embarked on conservation Works to impound rain water so as to improve the water regime along the continuum of valleys and uplands ('Wulunbango' and 'Banta Faro' respectively) and also to control salt intrusion. During the period under review, 3,654 meters of dikes were constructed and 8970 meters upgraded and repaired. 1,050 meters of

spillways were also either constructed, maintenance or repaired. 5289m of causeways and 768m of foot bridges were also constructed across creeks to ease access to tidal swamps in LRD, CRD and parts of NBD

Ploughing assistance was also given to women farmers in the reclaimed sites, One thousand hectares were planned to be ploughed in 15 villages but due to the phasing out of the LADEP project, only 264 hectares of land was ploughed in 13 villages.

Drilling of tube wells for gardening and supplementary rice production was carried out in 3 LADEP scheme sites. Water is tapped from shallow aquifers for dry season crops as well as supplementation of water supplies in LADEP developed rice fields during drought spells in the rainy season

Promoting Private Provision of Inputs

Fertilizer and Groundnut seeds- private sector involvement in the provision of these two most important farm input is very minimal. During the year under review government supplied about 4000 tons of fertilizer out of the (*?) estimated fertilizer used by farmers while about 520 tons of groundnut seeds was also supplied. However due to the poor quality of seeds supplied, farmers bought only about 32 tons. Seven thousand seven hundred and forty tons (7,740) of seeds in general were planted in 313,265 hectares of land during 2004 cropping season (NASS 2004). The main sources of seed planted according to the NASS survey reports were as follows: own produced seeds 196,188 ha, other farmers 17,669 ha, NGO 7,316 ha, Cooperative 1,734 ha, Government assistance 5796 ha and traders 27,845 ha. Private sector involvement is more prevalent in the provision of vegetable seeds, pesticide, herbicides, sprayers and other paraphernalia use in pest control especially.

Locust Invasion-

From the end of November 2003, locust invaded the country. However, this did not inflict much damages crop wise due to the enormous effort the donors, agric staff and other stakeholders put on diverse campaign activities. Pesticides came mainly from donors mainly from FAO, Action-aid The Gambia and the Governments of Algeria and Morocco.

Livestock

Disease Control: With the support of the PACE project DLS has put in place a disease control policy document, the main attribute of which is: 'Effective prevention, progressive control and eradication where applicable'. During the period under review the department worked towards adhering to the guidelines entailed in this document.

Vaccination: In line with disease control policy objectives, vaccinations still remains as the departments major control strategy in fighting against infectious diseases.

Clinical Interventions-these are an integral part of the routine disease control activities. In addition to the clinical intervention services provided by the central veterinary clinic at Abuko and the divisional veterinary clinics, livestock assistants and village auxiliaries render other support services at village level.

Veterinary Public Health-the overall mandate of this unit is the protection of human health against zoonotic and food borne diseases of animal and animal origin as well as the surveillance and control of animal diseases. Some of the specific activities of the unit included: meat and milk hygiene; countrywide daily inspections at abattoirs and slaughter slabs (ante mortem and post mortem); rabies control/vaccination, stray dog control; campaigns against illegal slaughter and cattle theft and certification and verification of all foods of animal origin imported/exported in/out of the country.

Diversification into Horticulture and Agro-processing

Activities included *funding horticulture* research on improved vegetables and roots/tuber varieties with improved agronomic practices, crop protection and post harvest management. Through this program new sweet potato (Njalla White and 94-1) and new cassava (Tokumbo) cuttings were provided to farmers in all the 6 Agricultural Divisions. Trial on okra to identify varieties with good yields, consumer preference as well as pest resistance is also under way

Agro-Processing

In its goal to improve agro-processing, and reduce the drudgery and the increase in the production capacity of small farmers, a Food and Nutrition Unit (FNU) was established in the Department of Agricultural Services (DAS) mandated to improve post harvest handling, processing and utilization of agricultural produce, the development and introduction of appropriate food processing, preservation and storage techniques.

Farmers were trained on processing and preservation of major food crops, fruits and vegetables. Two recipes on two varieties of 'wonjo', mango jam, pepper sauce, tomato jam and paste, pawpaw jam and pepper pickle were developed while training on solar drying activities were conducted in 4 llages two each in NBD and WD. Farmer training on processing and preservation is to be replicated in other divisions but there is no means of mobility **to** enhance the units outreach programs.

For the development of appropriate technology in pre-harvest and post-harvest operations, an MOU was signed with GTTI for mass production of farm implements and post harvest machinery.

Agricultural Research and Diversification of Production

The National Agricultural research Institute (NARI) has been involved in adaptive research on many crops in other to diversify the crop mix and hence agricultural production.

Grain Legumes and oil seeds- Varietal evaluation and maintenance of high yielding pest and disease tolerant grain legumes and oil seeds suitable for Gambian soils have been widely tested for the different regions. So far, are that sesame variety 32-15 is under multiplication and characterisation. Five cultivars of groundnuts (S28/206, 73-33, ICGV 97188 and 47-10) were evaluated for adoption and high yields.

Cereals- high yielding pest resistant maize, millet, and rice and findo varieties have been screened and diffused to farmers. New Rice for Africa (NERICA) demonstration is being implemented in all the six Agricultural Divisions (10 villages per division. Trials were conducted on extra-early, early maturing, hybrid and drought tolerant maize varieties. Two sorghum and one findo seed production activity was also undertaken.

Promotion of improved Livestock Production Techniques for cattle sheep, goat, poultry, and pigs- two hundred and fifty farmers were trained in production, housing and nutrition of livestock. Four broiler production units were established one each in CRD North, CRD South, NBD and WD. Three layer production units have also been established one each in LRD, URD, CRD South and WD.

Fodder trees propagation and promotion of feed production and conservation techniques- Intensive Feed Gardens (IFGs) were established one each in WD, NBD, CRD South and LRD.

The current situation is that agricultural regions are not redefined to facilitate research planning and implementation with a view to addressing zonal priorities.

Agricultural Credit

The Government of The Gambia (GOTG) through projects streamlines and expands rural financial services in order to ease, to some extent, the credit constraints facing agricultural production as well as small enterprise development among rural dwellers. In pursuit of the realization of this objective, agricultural projects such as Rural Finance and Community Inclusive Project (RFCIP) and Peri-urban and Small-holder Improvement Project (PSIP) have established credit schemes managed by the Social Development Fund (SDF), Gambia Women's Finance Association (GAWFA), National Association of Cooperative Credit Unions of the Gambia (NACCUG), National Savers and Credit Associations (NASACA). These are Non-Banking Financial Institutions (NBFI) licensed by The Central Bank of The Gambia. These NBFIs give out loans to the VISACAs, which in turn give out loans to their members.

3.1.2 Natural Resources

a. Fisheries

The fishery Sector continues to play an important role in the socio-economic outlook of The Gambia and contributes tremendously to the food security situation and poverty reduction initiatives. With a continually growing number of operators and actors, it provides increasing quantities of fish for food, employment and earnings, and fetches increasing amounts of foreign exchange to balance trade.

Fisheries production for 2004 was 44,000 metric tonnes of which, artisanal fisheries produced the bulk (75%) of landings. Over 80% of catches of artisanal fisheries are constituted of Bonga (*Ethmalosa Fimbriata*), which is the chief supplier of proteins to the common people. Fish supplies 40% of the total animal protein in the country and rural people are increasingly having access to fish supplies with increasing supplies transported from coastal to inland population.

The sector employs over 60,000 people of which over 90% are in the artisanal or small scale fisheries excluding those in the public sector. However, it is estimated that some 200,000 people depend directly or indirectly on the sector for a living.

During the period under review, the sector continued to implement development projects and activities including the following: The Gambia Artisanal Fisheries Development Project aimed at contributing to improved food security, increased employment and foreign exchange earnings with specific objectives to increase fish production and incomes of folks and improve nutritional standards. Also an SFLP Pilot Project on improvement of livelihoods in the post-harvest fisheries sector is being implemented.

A fish market was constructed in the Sanyang fish landing and processing center to enhance the handling, storage, marketing and distribution of fish for improved availability of fish, reduce fish losses, ensure improved availability of food and income to economic operators.

b. Water Resources

With funding from the European Development Fund, a National Water Resources Policy is being developed to guide the effective and efficient management of the nation's water resource base. The UNDP provided funds for the development of a National Water Resources Management Strategy that will build on and implement the National Water Resources Policy.

c. Forestry

Forest Parks are managed jointly with the neighboring communities, but in all the parks management plans were only signed recently (in May/June 2004) and thus, the actual implementation is just starting.

The Department provided extension services and training to both rural communities and her staff. More than 60 communities were trained by Department of Forestry and an NGO called NACO. This led to ownership and utilization responsibilities of rural communities and the following are some of the benefits realised

- Licensing of women to collect and sell branch wood from CF villages has improved their income.
- Certification of forest product utilization with forest conservation has improved forest vegetation quality and quantity
- Forest fire control has added value to grazing material to wildlife and livestock
- Enterprise Development; Market Analysis and Development (MA & D)
- Small scale forest product enterprises eg. Honey, Logs and Firewood
- Support to the National Bee Keepers Association to promote beekeeping in the country
- Revenue accrued on MA & d project is provided on table 8 below
- Lack of conflicts resolution skills in some communities involved in CF management even though these communities have their CF agreement terms with them.
- Lack of control bushfires and illegal tree felling in some rural communities particularly in the open access forests (State forests).

3.2. Trade, Industry & Employment

Create an enabling policy environment

To promote economic growth and poverty reduction, the Department of State for Trade, Investment and Employment has in 2004 developed policies and implemented strategies as the following.

AGOA:

- Following The Gambia's eligibility into AGOA, a national committee comprising relevant Government Institutions - Private Sector, the US Embassy and the UNDP- was set up by DOSTIE in 2004. This committee was given the responsibility of handling all national issues relating to AGOA. Most importantly, the committee has been seriously working on acquiring the AGOA textile visa as well as Category 9 Textile Certificate of origin to enable

exporters of textiles and apparels, and hand woven fabrics and folkloric articles to export to US market.

- To create awareness about AGOA among economic operators, an AGOA resource centre at GCCCI and backup support unit at GIFPZA to facilitate access to information on AGOA accredited products, quality and standards required to export to US market as well as customs procedures among others. This will enable businesses in The Gambia to access the US market.

Trade Policy Review:

The DOSTIE in collaboration with the WTO Secretariat finalized The Gambia's first Trade Policy Review in February 2004. The findings of this review will be used to formulate National Trade Policy to make The Gambia more competitive in the international market and promote socio-economic development of the country.

Sensitization and awareness raising on multilateral trading systems

A series of sensitization workshops on the general understanding of the WTO and on various WTO agreements were organized for economic operators. In addition, workshops were organized on Sanitary and phytosanitary measures to assist operators to understand the international market requirement for export.

Competition Policy and Law Drafted:

The Gambia Government in collaboration with the Commonwealth Secretariat finally completed the drafting of the competition policy and law to protect consumer welfare as well as facilitate the implementation of fair trade practices in The Gambia. This will enhance investors' confidence as well as encourage foreign direct investment. The bill is now at the cabinet level for consideration and enactment.

Draft Standards Acts:

A draft Consumer Protection Act and Rules and draft Standards and Quality Control Policy and Law has been submitted to the Attorney General's Chambers for vetting. In addition, legislation on Limits of Error for package commodities prepared by Commonwealth Secretariat has already been legislated and gazette. These legislations if adopted will enforce the implementation of standard and quality control; control the level of pilferage and will ensure that permissible errors indicated on the package commodities are strictly adhered to. The legal instruments will also enable consumers to seek redress in the court of law in the wake of unfair trade transactions. The Acts are aimed at developing supply capacities for products with high export potential, increasing market access through harmonization of standards and technical regulations locally and internationally, improved marketability of products and cooperation with export promotion activities and safeguarding the health and safety of the populace.

Sub-regional Trade:

A national impact assessment study on Common External Tariff (CET) was carried in 2004, as part of implementation process, to identify its impact on agriculture, industry and fiscal policy to minimize its impact on the national economy. The results of the study indicate that in the long-run CET would have positive effect on economic growth.

Economic Partnership Agreement (EPA):

The Gambia will seek to adopt the implementation of EPA as a strategy to expand its trade links with the European Union. To minimize any possible negative impact on the economy, the government through the assistance from Commonwealth Secretariat and EU commissioned studies to assess the impacts and also to strengthen the national negotiating capacity. Following the study in 2004, a national committee was formed to advise the Government on the implementation of the findings of the study, and also to participate in the EPA negotiation at the regional.

Employment, Human Resources Development and Labour:

In respect of Employment and Human Resources Development, in 2004 DOSTIE has been trying to put in place appropriate institutional mechanisms for the implementation of the National Employment Policy and Action Plan as part of PRSP. This is to ensure that national goals and objectives on reducing unemployment, underemployment and poverty are achieved. Although efforts to create the said environment are constrained by the availability of funds, DOSTIE managed to implement some of the proposals under the Action by conducting training in collaboration with National Women Farmers Association (NAWFA) in the area of agricultural related income generating activities. The focus of the training was mainly on processing and marketing of oil seeds such as sesame and groundnut as well as soap, cereals and horticultural products.

Review of Labour Laws: The review exercise of the 1990 Labour Act has now been completed and draft Bill 2004 is being finalized by the Attorney General's Chambers and Department of State for Justice. The Bill will soon be tabled at the National Assembly for ratification which would make labour laws more responsive to the need of workers as well as employers by ensuring that both have their rights protected and guaranteed. This was done in consultation with Trade Unions, Gambia Chamber of Commerce and Industry (GCCCI) and other key stakeholders with the support of International Labour Organisation (ILO).

Establishment of the Industrial Tribunal: For a speedy resolution of industrial disputes, DOSTIE in 2004 established two Industrial Tribunals in Banjul and KMC, and the panelists and chairpersons of both tribunals have already been sworn in. This is to ensure fair and speedy dispensation of justice in industrial disputes, which is critical in enhancing industrial development.

Labour Migration in West Africa: The Gambia chapter was established and inaugurated in December 2004. The aim of the project is to promote the adoption of new policy framework, strategies, systems and mechanisms for the management of labour migration as an instrument for national development. Consequently, a national committee on managing labour migration for integration and development in West Africa was formed to coordinate the activities of the project.

Private Sector, Investment and Industry

In the area of private sector development, government continues to aim at stimulating growth in the sector and encouraging increased private sector participation particularly in industrial production. Both the public and private sectors share the same objectives of improving the welfare of the Gambian population through the effects of their respective interventions in the efficient utilization and allocation of resources.

Public-Private Sector inter-face: It was in the spirit of strengthening the above partnership that DOSTIE secured funding from African Capacity Building Foundation (ACBF) to establish the public sector, private sector and civil society interface capacity building project (GICAP) in 2003. The objective of the project is to build capacity of the private sector, civil society and NGOs for effective interface with the public sector. Within the same perspective, GICAP in 2004 was engaged in training 50 private and civil society operators. The project also provided DOSTIE, GCCI and TANGO with equipment for information collection, analysis and dissemination as part of institutional capacity building. The establishment of interface organs and structures would assist the government and non-state actors to engage in meaningful policy dialogue. This will enhance policy discuss to strongly articulate the development concerns of the society particularly the poor and the vulnerable.

Investment Promotion: In recognition of the lead role play by private investment in economic growth and poverty alleviation, the Government has taken major strives towards the promotion of private investment by putting in measures to further enhance the friendliness of the investment environment. Recently, in 2004, the Foreign Investment Advisory Service of the Work Bank Group, on the request of the Gambia Government, undertook a diagnostic study of the investment climate in The Gambia. The Government is now working on the implementation of the conclusions of the study. Following the study, Gambia Investment Promotion and Free Zone Agency (GIPFZA) has strengthened its capacity and also refocused its promotional strategy. For example in 2004 GIPFZA have targeted Gambian communities living in the USA as part of its market diversification strategy. GIPFZA has also conducted a survey on investor perception as part of the Balance of Payment Survey supported by DFID, UK.

The impact of GIPFZA's activities in promoting investment: GIPFZA surpassed most of its targets in the first phase of its operation. From September 2002 to **September 2005**, 28 new firms have been established in various sectors such as agriculture, fisheries, manufacturing, ICT, tourism, and services with a total investment value of US\$ 81.04 million. The target for the project for the first five years is 20 new firms. This resulted to the creation of 1845 direct and indirect new jobs. GIPFZA working closely with Customs and Excise Department have succeeded in reducing the customs processing time to 24 hours, which exceeded the original target of 48 hours. This would no doubt facilitate trade and investment. Exports particularly in the areas of horticultural produce and fish products to UK markets have increased significantly in 2004. In addition, the foundation stones of Flourmill Company with an investment capital of US\$ 12million, and Petroleum storage facility respectively have been laid.

Industrial development: The Government of The Gambia is committed to a comprehensive and intensive development effort aimed at transforming the Gambian economy from low levels of output and income and from dependence on agriculture and tourism to a diversified economy. These general objectives can only be achieved through the development of a sound industrial base, integrated as much as possible with the other sectors of the economy. In view of this, Government with the assistance from Commonwealth Secretariat has developed a strategy for the development of rural agro-base industries. A training centre for agro-food processing was established at Banjulinding Women Horticultural Garden to train women in food processing and preservation techniques to encourage value addition and also minimize post harvest loses in production. This will enhance the income level of farmers in the rural areas and hence reduce poverty.

Export Development Strategy: With the support of International Trade Centre (ITC) in Geneva, Government has developed an integrated framework designed to promote prospects for export in fisheries, horticulture and tourism sub-sectors.

The project organized a training workshop for Gambia Horticultural Producers and Exporters (GAMHOPE) in export marketing, document preparation, Sanitary and Phytosanitary Sanitary (SPS) and technical barriers to trade (TBT). This process is besieged by budgetary constraint.

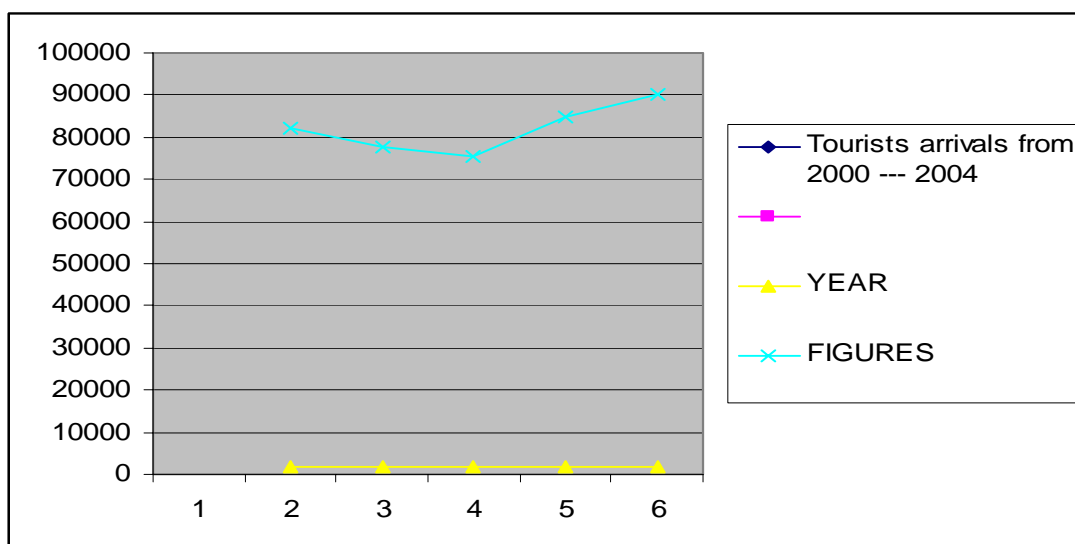
Small and Medium Enterprises (SMEs) Development: Government has finalized the formulation of national SMEs policy for the development of the sub-sector in 2004. The full implementation of the policy will enhance the development of SMEs and increase employment and reduce poverty.

3.3. Tourism

Tourism is the main foreign exchange earner for The Gambia contributing over 12% to the GDP of the country. It also creates significant local employment avenues, which currently stands around 16000. In revenue terms it was projected that it will earn about \$40 million for the economy for the period of 2004. Currently there 35 hotels and high-class guesthouses in the Tourism Development Area (TDA) and other areas within the urban centers. More hotels are also being built. There has also been an improvement in the number of tourists' arrivals in 2004, as indicated in table below.

Arrival of Tourist from 2000 – 2004

YEAR	2000	2001	2002	2003	2004
FIGURES	82117	77486	75479	85000	90098



The economic benefits it can bring are substantial. Based on a projected doubling in tourist arrivals, tourism's contribution to monetary GDP is projected to increase from an estimated 13% in 2004 to around 18% in 2020.⁵ The level of economic impact makes tourism economically significant to The Gambia and the Gambian people.

3.4. Basic Social Services

3.4.1. Education.

The Department of State for Education (DoSE) inter alia is committed to contributing its quota towards improving the coverage of the basic social services in line with the requirements of The Gambia's Poverty Reduction Strategy Paper (PRSP). The main thrust of the New Education Policy (2004 – 2015) is to provide quality basic education for all. Five areas were identified as priority in the PRSP as key to the Department's contribution to poverty reduction and attempts have been made by government to focus the allocation of government budget and other sources of funding to these sectors. Three priority areas are:

- Access to basic education
- Quality of teaching and learning
- Teaching and learning materials
- Non-formal education
- Skills training/appropriate technology

a. Access to Basic Education

Classrooms construction and rehabilitation programmes are being intensified targeting the poor, the 'unreached' and pockets of resistant communities in the country. Every effort is also being made to utilize the existing physical and human resources more effectively and efficiently as well as making the relevant linkages with the Madrassa and the non-formal sectors.

Despite the increase in enrolment over the period 2001~2005 and the expansion in classrooms and schools, the population grew at a much faster rate than the enrolment at the basic level. The Gross Enrolment Ratio (GER) at the Lower Basic Cycle remained stagnant at 91% over the period 2003 -2005 with the madrassa contributing 15%. Enrollment rates at the primary and secondary levels, especially for girls in rural areas have risen considerably since 1998. This is especially true in regions 4, 5, and 6. Many initiatives have also been embarked upon to increase the retention and attainment of girls in school (Girl Friendly Schools, Mothers' clubs etc...). Whereas in 1995-96 enrollment rates for girls in Lower Basic were only 55%, in 2001-02, this rate had increased to 73%. If madrassas are included, the rate would be 86% for the same year (National EFA Plan, 2004

Table:...No. of Schools by Local Government Areas (LGA) 1999-2000

	Lower Basic	Upper Basic	Basic Cycle	Senior Secondary	Total
Region1	36	29	4	14	79
Region 2	73	21	14	4	98
Region 3	64	14	14	3	81
Region 4	40	5	5	1	46
Region 5	70	9	16	2	81
Region 6	63	8	10	1	72
Total	346	86	63	25	457

EMIS

Table: ...No. of Schools by Local Government Areas (LGA) 2004-2005

	Lower Basic	Upper Basic	Basic Cycle	Senior Secondary	Total
Region1	45	36	4	23	108
Region 2	66	32	14	13	125
Region 3	61	10	14	4	89
Region 4	43	4	5	1	53
Region 5	66	8	16	5	95
Region 6	67	7	10	3	87
Total	348	97	63	49	557

In an attempt to consider the inclusion of the remaining 10%, the DOSE streamlined the madrassa into the education system through synchronizing the madrassa curriculum, followed by the posting of English teachers aimed at helping bring up better standards in the madrassa graduates besides providing them with more opportunities for employment. The additional strategies that are currently under consideration to enroll the last 10% include amongst others:

1. Establish through a baseline the whereabouts of this cohort
2. Develop programs and mechanisms to enroll them or support the learning systems in which they are enrolled.
3. Close collaboration with the Majlis, Karanta or Dara system as it is being done with the madrassa
4. Sensitize out of school youth and once identified develop appropriate learning programs that suit their needs and which are above all relevant to their socio-economic context
5. Collaborate with NGOS, civil society organizations and CBOs at community levels to implement agreed plans of operations to ensure that if not all majority of the concerned 10% are back in the learning process

The status of some basic indicators in the education sector is shown in the table 4.1 below.

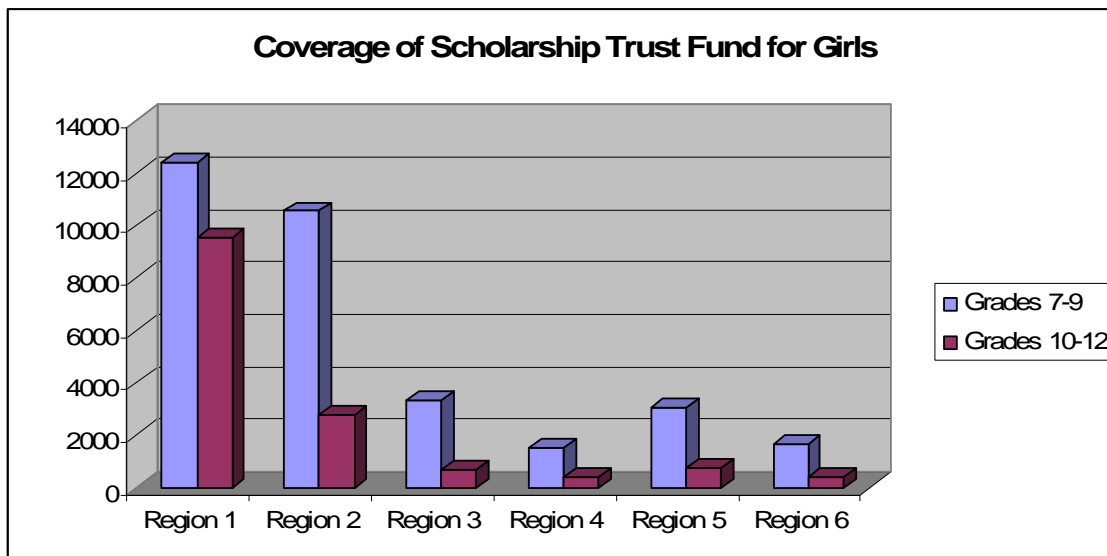
Table 13: Basic education indicators

Indicators	Status (%)			
	2001/02	2002/03	2003/04	2004/05
Lower Basic education				
GER excluding Madrassa	74	75	76	76
GER including Madrassa	85	90	91	91
% of female enrolment including Madrassa	46	44		
% of female enrolment excluding Madrassa	48	49	50	51
Upper Basic education				
GER excluding Madrassa	43	68	65	65
GER including Madrassa	66	72		
% of female enrolment including Madrassa	42	44		
% of female enrolment excluding Madrassa	28	42	46	49

Source: Planning Unit (DOSE)

Some new basic cycles and senior secondary schools are being built furnished and equipped to enhance the coverage of education at these 2 levels. In addition also some junior and senior staff quarters are built to take care of the dire accommodation needs for teachers posted to deprived areas coupled with extra allowances as incentives to motivate and retain teachers in the service. With the policy requirement of 9 years of uninterrupted basic education, every child in grade 6 at the lower basic is guaranteed a place in grade 7.

To provide the foundation for entry into the basic cycle an ECD policy has been developed, which adopts a holistic integrated approach to child development – Nutrition, Health and Education in a minimum package. A curriculum for the minimum package will be developed, and in poor communities centres will be attached to the existing lower basic cycles for support to ensure a smooth transition to grade one. The operational guidelines for ECD have been reviewed, a database established, and the ECD training programme enhanced.



In the formal school system the number of double shift classes and multi-grade teaching has been expanded and increased to address the issue of equity between boys and girls and a number of interventions are being pursued to eliminate the disparity. Providing basic quality education for girls is a priority of the education policy. Education is made free for all girls in all regions through a number of schemes funded by the World Bank, UNICEF, the President's Girls Empowerment Programme, and a number of other international sponsors. A safe and supportive learning environment is being provided for girls in addition to supporting parents to allow their children to go to school. Details are shown below.

b Quality of Teaching and Learning

The number of textbook per pupil is being increased from 2: 1 to 1:1 by the end of the policy period and textbooks are provided free for girls at the upper and senior secondary level. Inspection and continuous monitoring and in-service training of teachers are currently being intensified as a means of motivating them to deliver their better service. Through the BESPOR, the DOSE is piloting a Whole School Development (WSD) approach including teacher training, curriculum, whole school management etc... in Region 5 (Central River Division). This is aimed

at ensuring that quality service delivery is assured at the school level in terms learning outputs, teaching practices and school management amongst others.

The National Assessment Test (NAT), administrated in grades 3 and 5, measured learning achievements in the core subjects including Mathematics, English language, Social and Environmental Studies. The findings show that in all subjects, at least 90% of students did not reach the mastery level of 73%. These low academic results in all core subjects are similar to those of the Monitoring Learning Achievements study and are of great concern.

Learning Achievement Targets (LAT) is now available for grades 1-6. They are targets or benchmarks that students are expected to master at a certain grade level and are to be aligned with the new curriculum. The LAT for grade 6 has been revised but not yet published. Teachers have been trained in grades 3 and 5.

A Participatory Performance Monitoring (PPM) strategy has been designed by the Standard and Quality Directorate (SQAD), formerly inspectorate, team with inspiration from the Ghana PPM system. It is based on the curriculum to be used in all grades and schools and will be conducted by the SQAD. It is envisioned that in the upcoming pilot study, a selected sample of students will be selected (10% of the overall student body). As of May 2004, the PPM was still in the planning stage, and aims to use public gatherings to discuss the assessment results and school performance issues.

The Curriculum Directorate has revised the syllabus for grades 1-4. The core subjects have been reduced to three subjects including English, Math, and Integrated Studies. For grades 1 and 2, the syllabus, teacher guide, and textbooks have been piloted in selected schools within the regions, revised and printed to be fully introduced next school year. Grades 3 and 4 have been revised with grade 3 being currently on trial. The coordinator of the subject area is the main person responsible for the curriculum design but a panel comprised of senior teachers is recruited on a contract basis to provide input on content and methodology.

The provisions in the government budget plus support from other donors have made improvement in these areas possible. The management status of schools at the regional level has been upgraded to directorship level to enhance supervision, M & E, and decision making at that level. This has been further intensified by the establishment of cluster monitoring system at the regional level through the support of the FTI (Fast Track Initiative) and a budget of allocation of 15% of government education recurrent to quality related activities in contrast to the previous 7%.

Higher Teachers Certificate holders Teachers are being offered further training to degree level and the first batch of students that graduated this year have been re-deployed to Basic cycle schools, and management positions within the Department of State for Education, to enhance the quality of teaching and learning in the system. Also expansion on admission at the Gambia College has increased over the years in an attempt to curve teachers shortages and untrained constraints in the department.

The DOSE holds regular Senior Management Team (SMT) Meetings and arranges for the Coordination Committee Meetings (CCM) to be held in different regions every month. This helps to provide those at the center (including the Secretary of State of Education, the Permanent Secretary, Directors and other head of institutions) to experience what is really happening on the ground. However, this is a discrete activity and may not suffice to address the need for more continuous support to the regions, focus on formative evaluation and remediation, reporting and accountability at all levels

The Gambia College is unable to meet teacher demand for some academic years. For example the intake to the PTC for the 2004 academic year was 170 that is 300 short of the projected 470 for 2004 and 130 short of the 300 agreed to in the Credit Agreement of the IDA project. Two reasons have been suggested for this shortfall; the inadequate number of qualified applicants and the lack of budget for Government grants to students (the latter seems to have been the critical consideration). The DOSE should ensure that the Gambia College returns to its normal intake quota of students next school year, in addition to addressing the issues regarding organization and quality of instruction within the College.

The calibre of intake to the PTC program is very low, with many student results on the entrance examination falling in the 30% - 40% range. The college new entrants are very heterogeneous in terms of content knowledge and professional experiences. Although many students are entering the Gambia College the year after high school completion, others have been unqualified teachers for a certain number of years. This may significantly reduce the time available for professional / pedagogical studies during the college-based year.

To address this problem, remedial courses for those students who did not meet the minimum criteria are organized to upgrade their academic skills such as the RIFT. This particular program provides remedial courses (2 hours/a week, in addition to a two-week course during Easter vacation, and a four-week course during the summer vacation) to upgrade the academic standard of the female student-teachers who fall short of the requirements for entry to Gambia College. Whether the program has been successful so far has not been evaluated in depth since the reform of the teacher-training program but it could lay the foundation for future remediation course planning and implementation. A tracer-study has been conducted by UNICEF four years ago and needs to be updated.

The evidence suggests that many students enter the PTC program as a last resort and have little or no interest in primary teaching. They view the program as a stepping-stone to something better. Some, on graduating, transfer to the HTC program, and those who can on to further higher education in The Gambia or elsewhere. Motivation among such students is low and tends to be reflected in most aspects of their college work, including poor attendance.

The dropout rate from teaching in general has been increasing. Not surprisingly, there is a high attrition rate among students enrolled in the program. In the school year of 2003-2004, the School of Education is expected to graduate 227 PTC and 262 HTC students while the admission number was 374 and 332 respectively when this cohort enrolled. This shows quite a significant attrition rate and is of particular concern.

Student-teachers or teacher trainees are very poorly prepared at the College for their work in schools and their mastery of basic teaching skills is rated very low in many quotas. School principals and experienced teachers are unanimous in their view that the quality of teacher preparation has deteriorated since the introduction of the new model of training. However, although a comparative study of the costs of the old and new models had been commissioned, a similar comparative study of the outputs or impact of the two models was not done.

The Gambia and development partners have adopted a Sector Wide Approach (SWAP) for education resulting in a comprehensive sector strategic development plan that maps out the resources requirements and the necessary capacities to realize the EFA and the MDG goals. Six program areas have been identified including Basic Education and ECD (Early Childhood Development), Secondary Education, Tertiary Education, Technical and Vocational Education, Quality Assurance and Sector Management. The mobilization since 2004 of additional resources

under the World Bank Fast track Initiative (FTI) and the strategic sector plan offer new opportunities for increased partnerships to accelerate progress on the achievement of the targets set out in the new Education Policy 2004-2015. Activities supported by the FTI and African Development Bank (AfDB) project are being implemented to support training of teachers, school infrastructural development and provision of teaching and learning materials, curriculum review, monitoring of student performance and improving overall sector management.

c. Teaching and Learning Materials

In a bid to address the issue of quality and relevance of the teaching and learning materials the curriculum at the level of the basic education has been revised with emphasis on the strengthening of school-based assessment system and making it more relevant to the learning needs of the children.

In the Quality and Relevance component, expenditure in this activity has made it possible to review the curriculum for grades 1-4, and has also evaluated the options for introducing instruction in the national languages for grades 1-2. Furthermore, the syllabus and textbooks for all subjects has been revised, free textbooks recycling scheme introduced for grades 1-6, and a continuous assessment manual for teachers has been developed.

In a bid to tackle difficulties encountered in the posting of teachers, especially female teachers, to remote areas adopted, to name a few, the following initiatives were done as part of the Fast track Initiative (FTI):

A. Access and Equity

1. Construction of new Classrooms in Region 1~6
2. Construction of Staff quarters for teachers in difficult areas
3. Rehabilitation of Staff quarters

B. Participation and Retention of Girls

1. Girl Friendly School
2. Remedial courses (RIFT) for female teachers
3. Financial support to needy girls

C. Quality of teaching and Learning

1. Hardship Allowances to teachers serving in remote areas
2. Allowances for teachers in special schools
3. Supervision of teacher trainees

It has been observed that hardship and remote areas which in the past were found unable to accommodate teacher for minimum of a term became the attraction mainly due to the attached incentives not only the allowances but also the provision of housing facilities. A recent phenomenon, unthinkable not long ago, is the request from qualified and experienced teachers serving in the urban areas especially in region 1, to be posted in hardship areas where they will benefit from the associated incentives and other accompanying packages. The incentive schemes under the FTI have definitely contributed in attracting and stabilizing teachers in remote areas.

d. Non-Formal Education

In the area of Adult and Non-Formal education the programmes developed target the 15+ and out-of-school youth, and they vary partially according to the target groups, age, sex, occupation and other needs. More and more adult are now acquiring functional skills that are useful in family life (HIV/AIDS, malaria, and tuberculosis, prevention, household budget, health, childcare, nutrition and occupational skills).

An AfDB funded Community skills Improvement programme is providing adult literacy training throughout the country. The Adult literacy programme is an ongoing activity and aims at reaching as many women and out-of-school youth as possible, through regular assessment of learning that would enable the promotion of qualified learners to higher stages and enrolls new intakes

As at end of 2004, a total of 260 literacy facilitators were identified from all the LGAs and the municipalities and trained on the local orthography, adult teaching techniques and other related topics to enable them facilitate the literacy classes. Currently 50% of the facilitators are female, while the other 50% are male.

Currently 244 literacy classes are functioning with an average enrollment of 35 learners per center and women representing 90% to 95% of total learners. To facilitate the learning process, over 43,800 literacy primers for learners, 430 facilitators' guides and 280 class record books in Wolof, Mandinka, Pular, Jola and Saraxulle were printed and distributed in all the 7 LGAs including the two municipalities of KMC and BCC. Other materials such as blackboards, stationery, etc...are also provided. A good number of regular literacy participants are currently able to read and write in their languages and do basic calculations for basic transactions and avoid being cheated. In addition literacy skills are being used in some communities to facilitate record keeping and the development of a booklet in Wolof on how to perform ablution.

d. Skills Training/Appropriate Technology

Under the skills training and appropriate technology the government in December 2002 through the National Assembly established the National Training Authority, which is private led and autonomous to serve as an observatory for co-ordination of all training institutions and regulate skills training and Appropriate technology in the country.

3.4.2. Health

a. Access to health services

In The Gambia geographical access to health services has greatly improved. More health facilities were built and many expanded. A hospital is being built in Serekunda. Four Minor Health Centres were constructed in Albreda, Sara Kunda, Foday Kunda, and Kafuta. Two major health centres (Basse and Kuntaur) are being upgraded to District Hospitals, all minor health centres are to be upgraded to major health centres, while the Dispensaries will be upgraded to Minor Health centres and some Out-Reach Stations will be upgraded to Dispensaries. This has increased the geographical access and reduced the distance to the nearest basic health care. However, the full functionality of these facilities has been greatly hampered by availability of inadequate trained, skilled and motivated personnel, perennial problems of inadequate fuel supplies and logistics, and shortages of drugs in health facilities¹.

According to the health policy, all communities should be within 5km to the nearest health facility. With regards to economic access of health services, Reproductive and child Health (RCH) services plus family planning are 'free of charge'. An amount of D5.00 is charged for consultation. Diagnosis and Laboratory investigations are charged separately, and the fee usually is D10.00 for Gambians. Admissions and operations are the two most expensive fees in the health sector which are beyond the earnings of the average Gambian.

The Gambia's Maternal Mortality Ratio (MMR)/Contraceptive Prevalence Rate (CPR) Survey – 2001 revealed that Gambia has one of the poorest RH indicators compared to other countries in Sub-Saharan Africa. Maternal Mortality Ratio (MMR) of 730/100,000 live births is unacceptably high by all standards. Accordingly, Perinatal Mortality Rate (PNMR) was estimated at 54.9/1000 live births; Neonatal Mortality Rate (NNMR) indicated a 31.2/1000 live births. The decline in Under-5 mortality has only been marginal. Infant Mortality Rate (IMR) stands at 84/1000 live births; Child Mortality Rate (CMR) was measured at 56/1000 live births; Under-five Mortality Rate (UMR) - 135/1000 live births; Contraceptives Prevalence Rate (CPR) -17.5% (modern 13.4%, traditional 4.1%); Total Fertility Rate (TFR) - 6.04 (children per woman).

The main causes of maternal deaths are eclampsia (18 percent), sepsis (12 percent), anti-partum haemorrhage (10 percent) and post-partum haemorrhage (10 percent). Most of these are preventable by improved prenatal care. The micronutrient survey of 2000 revealed that iron deficiency anaemia was a public health problem in The Gambia with 91% of children 0 – 59 months, 78% of pregnant women and 58% of lactating mothers being anaemic.

The National Reproductive Health Policy (2001 – 2006) approved by Cabinet in 2002 encourages the need for a more cohesive and concerted approach to RH service delivery between DoSH and Partners. RH services forms part of the Essential Health Care Package (EHCP) design on cost-effectiveness basis as a priority intervention for reducing poverty.

Priorities for action on Reproductive Health in The Gambia are Safe motherhood, Family Planning and prevention, and Management of STI/HIV/AIDS. Priority and urgency will be given to strengthening of the referral capabilities of 4 tertiary hospitals in terms of non sophisticated but live-saving medical equipment, operationalize the 6 strategically located Major Health Centres for the provision of basic and comprehensive Emergency Obstetric Care (EOC). This will be followed a year later to strengthen the existing 12 Minor Health Centres and 4 other new ones⁶ to be commissioned in 2006, strengthen the 15 Dispensaries and 442 PHC villages in the provision of basic Essential Obstetric Care.

b. Quality of Services

The health policy goal is to provide quality health care services within an enabling environment, delivered by appropriately and adequately trained, skilled and motivated personnel at all levels of care with the involvement of all stakeholders to ensure a healthy population. Unfortunately quality of service in the health sector is not being given the necessary attention it deserves. There is no policy on quality, standard or norms in the health sector. Quality of services is not defined although standards and norms are defined by the Health Mapping Needs Assessment

⁶ 4 New Minor Health Facilities have already been built, and will be operational soon. This development needs to be taken account of in the planning

Report¹ of 1999. Quality of service has never been formally assessed in the health and sector. So many things come into play when discussing quality of services i.e.:

- Skilled and qualified health personnel
- Quality and functional equipments
- Morbidity and mortality
- Availability of essential drugs.¹

With regards to training of qualified and skilled health workers, health training institutions like Gambia college school of nursing has introduce a double shift for about 40 state registered nurses (SRN) yearly and 20 state certified nurse midwives every one and half (11/2 years). The State Enrolled Nurse (SEN), Community Health Nurse (CHN) and Public Health Officer (PHO) training institutions produce 40 Graduates each yearly. However there is a high attrition rate especially among nurses thus a Human Resources Unit (HRU) has been created under Directorate of Planning and Information (DPI) to be responsible for both human resources planning and capacity building especially training.

DOSH&SW plans to develop the capacity to absorb and retain trained/skilled, experienced and qualified staff, providing the requisite incentives, and emolument commensurate with qualifications, experience and local living costs, provided the resources to do so are available.

That DoSH&SW will provide the necessary equipment and materials to work with, as well as the conducive working environment.

With regards to quality and functional equipments for effective service delivery, most health facilities lack basic essential equipments like delivery kits in labour ward at major health centres like Kuntaur and Soma (RCH baseline survey 2004). Most facilities especially major health centres lack functional laboratory services

Regarding morbidity and mortality, the 2004 statistics revealed that both of them are increasing, especially for diseases like malaria, Tuberculosis, sexually transmitted infection (STIs) HIV/AIDS and non-communicable disease like hypertension, and Diabetics see table below.

Table 14: Reported Disease cases in adults and children age cohort >= 5 years in 2003 and 2004

Disease	2002	2003	2004
Malaria	27,706	21,011	75,897
Tuberculosis	387	494	20
Sexually Transmitted Infections	1166	1059	753
HIV/AIDS (Prevalence Rate) [age cohort 15-49]			
HIV1[age cohort 15-49 years]	1.4%	1.5%	2.1%
HIV2	1.0%	1.0%	0.8%
Hypertension (age cohort >= 5 years)	24,759	18,790	23,329
Diabetes (age cohort >= 5 years)	1009	551	690
Health indicators			
Infant Mortality rate			84/1000
Maternal Mortality rate			730/100,000
Under 5 Mortality			135/1000

Source: Department of State for Health (Planning Unit) and HIV Sentinel Surveillance Data. HIV (Prevalence Rate) Excluded in the totals

¹

Health Mapping Study, 1999: Final Report by Synergy International

With regards to availability of drugs in facilities, about 95% of all the essential drugs are available in all the major/minor health facilities throughout the country.

Following the Gambia's certification status by WHO in 2003 for eradication of neonatal tetanus and leprosy, major efforts were undertaken to sustain achievements in this area. In 2004, in a bid to towards elimination, routine availability of vaccines and injection safety materials with active surveillance for these diseases were ensured through the National Programme of Immunization. The Gambia's National Immunization Days conducted in 2003 with vitamin A supplementation achieved results that were amongst the highest attainable, that is 92% for measles in the first round, 83% for vitamin A respectively. Administrative Cumulative Coverage for all antigens from January – July 2004 indicated DPT/HIP 3 coverage was 97.31 % in 2004. Initial reports indicate that the coverage in 2005 will become even higher, provided the programme receives the required support. The government of the Gambia started the procurement of vaccines and consumables after the phasing out of the Vaccine Independent Initiative (VII) beginning 1998. In a bid to maintain and sustain the EPI programme, a Financial Sustainability Plan (FSP) has recently been developed. The cold chain system has been rehabilitated recently for the entire health system.

The Bamako Initiative was launched since 1993 aimed at ensuring access to affordable essential health services for the poor who form the majority in the population, at the same time reducing costs as well as contribute to improving quality of services through community participation especially in decision-making power. The Initiative continues to be used by the Department of Health (DOSH) to expand both geographical and economic access of basic health care.

Immunization Coverage in 2004

BCC	92.2%
HB3	94.9%
OPU3	91.2%
DPTHIB3	92.2%
MEASLES	89.7%
YELLOW FEVER	88.7%
Fully Immunized Under 1	75.4%
Fully Immunized Under 2	83.1%
JJ2	94.6%

3.4.3 Social Protection and Welfare

The department is still continuing to render financial support to needy destitute and their families, a number of six hundreds and sixty (660) destitute person benefited from the relief assistance fund. The Department is distributing food rations to some families of people living with HIV/AIDS. These families are also given education sponsorship to their children to boost their morals.

The Foster Care Programme is still in progress as we know the number of abandon babies is on the increase everyday although statistical data is unavailable, to establish the magnitude or scale of the problem.

The Department is in the process of decentralizing Social Welfare services in three divisions, i.e. URD, CRD and LRD aimed at making services accessible to rural communities.

Through HIPC funds an estimated four hundred thousand Dalasis was disbursed to three disabled organizations: Gambia Organisation of Visually Impaired (GOVI), Gambia Association of Difficulty in Hearing (GADH) and Gambia Association of Physical Disabled (GAPD) as part of the financial protection for the poor in accessing health. Seventy (17) disabled persons are benefiting from the HIPC fund to embark on income generating activities. The Disaster Relief Assistance has been carrying activities in assisting disaster victims such as flood and fire.

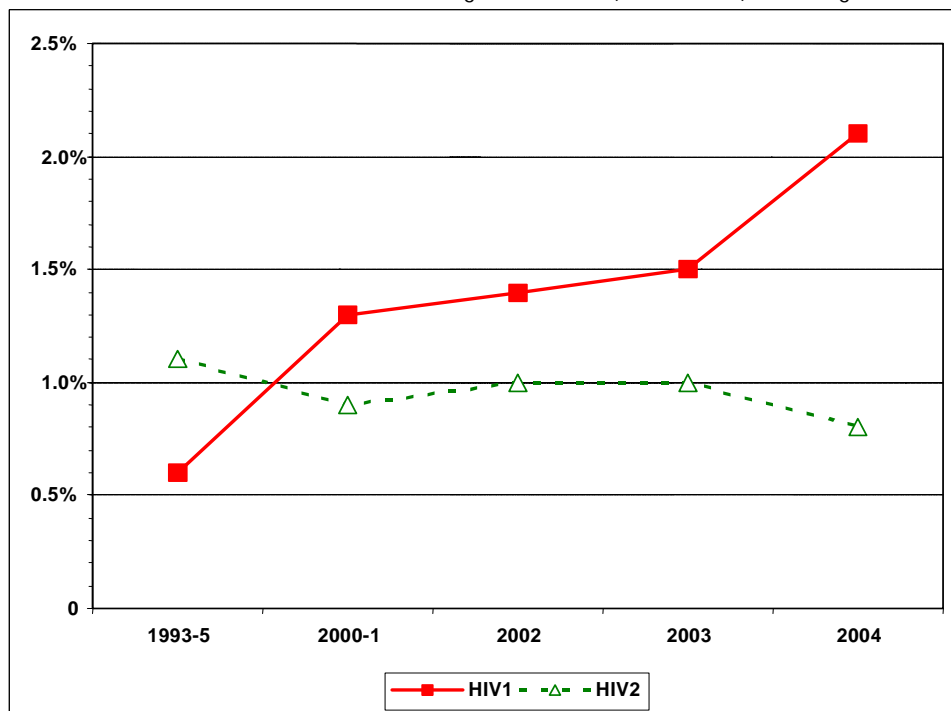
3.5. Cross-cutting issues

3.5.1. HIV/AIDS

In 2004 The Gambia accessed funding from the Global Fund for AIDS, Tuberculosis and Malaria to implement an HIV/AIDS treatment, care and support project for the period September 2004 to October 2008. The goal of this project is to provide the highest standard of available treatment, care and support to PLWHAs, which should be accessible, and affordable in order to live in dignity and maintain a positive and productive life free from discrimination and stigma. This project has expanded access to a range of HIV/AIDS services at community and health facility level. This includes access to Voluntary Counseling and Testing (VCT), prevention of Parent-To-Child Transmission (PTCT) of HIV/AIDS, prevention and treatment of Opportunistic Infections (OIs), Anti-retroviral Treatment (ART), and Community Home Based Care. In this project, NAS who is coordinating this intervention is collaborating with nine sub-recipients from the public, private and non-governmental organizations to implement the project.

Whilst the HIV/AIDS prevalence in The Gambia is categorized as low, at 2.1% for HIV1 and 0.8% for HIV2 among women 15-49 years old attending antenatal clinic, all signs are that the epidemic is on the increase (see Figure 2 below). Like in most of sub-Saharan Africa heterosexual intercourse is the main mode of HIV transmission.

Figure 2. HIV1 and HIV2 Prevalence in Pregnant Women (15-49 Years) Attending Antenatal Clinic



Source: NAS, *The Gambia UNGASS Draft1 Report 2005*

The major challenges facing the programme include the following

- Co-ordination: Weak coordination between stakeholders, including donors, and duplication of efforts without consultation with the relevant coordinating authority
- Capacity: According to a situation analysis report on human resources for health, there is inadequate human resource capacity due to the high attrition rate of mainly nurses and other professional health personnel.
- Limited data on specific groups: Unavailability of data on behavioral and biological characteristics of high-risk groups such as sex workers, uniformed personnel, long distance truck drivers and fisher folks.

The actions needed to address the challenges are:

- The existence of NAS has to be legalised by an act endorsed by the Parliament. The legalisation will give to NAS a more official recognition as the coordinating body for the National Response against HIV/AIDS;
- Mainstreaming HIV/AIDS into all poverty reduction and other national developmental programs and strategies;
- Cross boarder issues on HIV/AIDS to be addressed through sub-regional initiatives (Health for Peace Initiative)
- Promote accelerated training of nurses and doctors; create a conducive working environment and incentive package.
- Improve on data availability through research and continuous updates
- Sustaining the national response: In other to continue and sustained the fight against HIV/AIDS in The Gambia, there is the need for the creation of a budget line for the NAS by the government and to ensure adequate funding for the secretariat and its plans and programs.
- Access to services: Lack of access to HIV/AIDS programs and services, e.g. VCT especially in rural areas can hinder the national scaling up efforts.
- Closing the gap between knowledge and behavior
- Stigma, discrimination and denial: These continue to pose some challenges in spite of the relatively good knowledge on HIV/AIDS

The Gambia is receiving support in the fight against HIV/AIDS from various partners. Other than the GLF and the HIV/AIDS Rapid Response Project Funded by The Gambia Government and the World Bank, resources are coming mainly from the UN System, the Global Fund, and international and national NGOs. Among others, one of the key missing elements is the implementation of the **Three Ones**:

- **One** agreed HIV/AIDS Action Framework that provides the basis for coordinating the work of all partners.
- **One** National AIDS Coordinating Authority, with a broad based multi-sector mandate.
- **One** agreed country level Monitoring and Evaluation System.

Resources required to scale up the national response will be utilized most efficiently if there is maximum coordination between all stakeholders. To leverage resources and have the maximum impact on the national response to AIDS, all partners should strive to target their programs on the priority needs of the country seeking to avoid duplication of effort. The **Three Ones** principle ensures maximum and effective co-ordination of the HIV/AIDS effort. Other support required include::

- Technical assistance on research, data collection, analysis and reporting
- Acquiring data on behavioural and biological indicators among most-at-risk groups
- Assistance in the area of human resource development and retention

The societies of People Living With HIV/AIDS have also been very active and visible in the fight against HIV/AIDS. Through these societies and the courage of the individual members who publicly declare their HIV status, the majority of Gambians were able to put a human face to HIV/AIDS.

3.5.2. Gender

For effective implementation of the National Policy for the Advancement of Women, the role of the Women's Bureau shifted from implementation to a coordinating role, except in the areas of Advocacy, Research and Monitoring and Evaluation. This strategic approach is needed for the effective implementation of gender issues by working in partnership with selected national institutions.

Under the DFID, most of the Community Video halls have been rehabilitated, though there is more to be done for them to operate effectively. Sensitisation and groups' discussions were held with women groups on the HIV/AIDS scourge. The Population Taskforce of the Gender and Development Project of the under the Women's Bureau has been sensitizing communities on population issues. Traditional Communicators and theatre groups have also been trained on population issues as well as on HIV/AIDS, CEDAW and NPAGW as dissemination agents of these information in the community.

Through the intervention of Social Development Fund (SDF) and Local Initiative Fund (LIF), micro credit, labour saving devices and storage facilities were provided to women in the five rural divisions. Through the Department of State for Health, access quality medical services, such as Reproductive Health has improved during the year.

The CSIP Project provided women access to Functional literacy combined with skills training and income generating activities. Through the Department of State for Education, the Presidential Empowerment for Girls Education Project and the Jammeh Foundation, access and retention of the girl child in the school system has increased through the provision of scholarships and other incentives. The school curriculum has also been reviewed to be more gender sensitive.

A National Conference on Women and HIV/AIDS was held as part of the 2004 National Women's week celebration. Women delegates all over the country mapped the way forward to fight HIV/AIDS Pandemic. This supported by the National AIDS Secretariat and Action Aid The Gambia

As part of the activities to make the PRSP more gender sensitive, a Sectoral Investment programme (SIP) for gender mainstreaming into the PRSP was developed in collaboration with SPACO.

The Bureau is improving women's access to productive resources by provision of small loans and or grants to woman's groups financed through a Taiwanese grant to facilitate economic activities of women, government subvention loan for women is in progress, additional labour saving devices (coos mills) from gender development project (UNFPA) as well as resources provided by GGC to pilot women's groundnuts marketing programme.

3.4.3 Youths

Youths were not part of the cross cutting issues in the PRSP but in view of its importance, it is being treated as a priority. Series of studies on youth and poverty were undertaken by SPACO in collaboration with the Department of State for Youths and Sports and funded by UNESCO. A programme for mainstreaming youth into the PRSP is being developed and will form an important component of the next PRSP.

A youth programme is outlined in the National youth policy and will help to empower young men and women to realize and harness their potential for sustainable and gender responsive development. It would help them to plan and make informed decisions that affect their lives. During the process of the early stages of implementation, the programme educated and trained youths in both professional and skills development, Youth and Health, Youths against HIV/Aids, Youth entrepreneurship and skills development and Youths in peace building.

A National Enterprise Development initiative (NEDI) is helping to train the youths in acquiring basic skills in business. A lot of efforts were made by the council with partners like Action Aid, the Gambia, UNFPA, UNICEF, NAS, NAYAFS on food security responsible behaviour, the fight against HIV/Aids among others. Most youths are trained on food production and are now contributing to the productive sector.

The Department of State has established common agreements for the viability of a competent human resource output. The training of staff in both management and professionalism was pursued. This has helped the institutions to improve in all spheres of operation and service delivery. The National Sports Act was formulated in line with Vision 2020, to promote health and develop a sound mind of the citizenry.

3.5.4 Environment

The main policy frameworks for programme interventions in environment are the Gambia Environment Action Plan (GEAP), Vision 2020, MDGs and the PRSP. The NEA is mainly a coordinating institution but implements the GEAP, controls pollution and conducts Environmental Impact Assessment. This is done in the form of networking through Working Groups and Taskforces with representation from different stakeholders.

The Agency does continuous assessment and monitoring of pollution and other environmental hazards. The collaborative implementation of a monthly environment cleaning, removal of derelict vehicles, the analyses of pesticide products and its impact on the environment are other major activities. An EIA handbook has been developed and the Agency does EIA for Government, private sector and NGOs as a key requirement for investment and implementation of development projects.

The NEA Environment Open Days, quiz competition among schools and press releases are annual events of the National Environment Week. There are media programmes and the publication of the Gambia Environmental Newsletter for public sensitisation. There is also a free three-digit environment complaint telephone line (167) established to report environmental complaints. These are some of the activities of the Agency's public awareness and sensitization programme.

In collaboration with other institutions the NEA has been implementing some Multilateral Environment Agreements (MEAs) over the period to address some of the global environmental problems.

These include the Montreal Protocol on ODS, UN Convention to Combat Desertification (CCD), UN Convention on the Conservation of Biological Diversity (CBD), the Protocol to phase out Persistent Organic Pollutants (POPs), UN Framework Convention on Climate Change (UNFCCC), among others.

The feasibility study for the incorporation NAP into SPA II recommended the wholesale submission of the NAP along with its allied action plans for biodiversity and climate change by NEA as the Agency's investment programme content for implementation under SPA II. This recommendation was adopted by a National Validation Workshop in September 2001. NAP is almost fully mainstreamed into SPA II / PRSP. Only eight out of the twenty-five priority issues are yet to be mainstreamed into the PRSP as indicated by the National Report on the Implementation of the CCD.

The National Environmental Youth Corps (NEYC), Capacity Building for Sustainable Development (Cap 2015) is involved in poverty reduction and natural resources management. There is also Coastal Protection Project. The NEYC is engaged in youth employment and environmental management. The main activities are afforestation, horticulture, floriculture, eco-tourism, bee keeping, waste management and livestock management. A total of 465 youths have been trained in 26 groups in four regions (Western, North Bank and Upper River Divisions and the Kanifing Municipal Council) with an average earning of D3000 in 2004. Cap 2015 has been involved in the localisation and sensitisation on the MDGs, PRSP and concept of Sustainable Development. It has conducted sensitisation for the TCC and Permanent Secretaries.

The Coastal Protection Project completed in 2004 has protected the coastal area stretching from the Banjul Ferry Terminal to the Hotel Resort Area. The Project undertook the construction of revetment groynes and beach nourishment at strategic locations in the coastal zone and built the capacity of the recently constituted Coastal Zone Management Unit (CZMU) at the NEA. This restoration of the beaches and protection of the coastline from further erosion is considered as essential for the development of tourism, as the beach is an important tourism product.

3.5.5 Nutrition

Significant achievements have been made in the control of micronutrient deficiencies of public health interest to The Gambia. The National Vitamin A Supplementation Programme, which was initiated in 2000, is ongoing. Fifty two percent (52%) of children 6 – 59 months have received at least once dose of the capsule during MCH services and 91% during National Immunization Days (NIDs).

In the case of Iodine Deficiency Disorders, NaNA and its partners are working with private and community based salt producers to improve the quality and quantity of the salt they produce and also to iodize it. NaNA has supported the installation of an iodisation plant in Sami, North Bank Division and the communities of Bintang, Western Division are being supported to commence production and iodization. The Sami Salt Company now produces iodised salt which is available in the market for sale. The World Food Programme procured 82 tonnes of this iodised salt from Sami for the School Feeding Programme.

The Agency has also coordinated the drafting of a National Food Bill which includes food fortification. When this bill comes into force, it will among other things enforce the production, importation and sale of iodized salt for human consumption in the Gambia. The national

household consumption of iodized salt stands at 13.3% in 2003. There is however a regional difference as shown in the table below.

Table 15 National household consumption of iodized salt

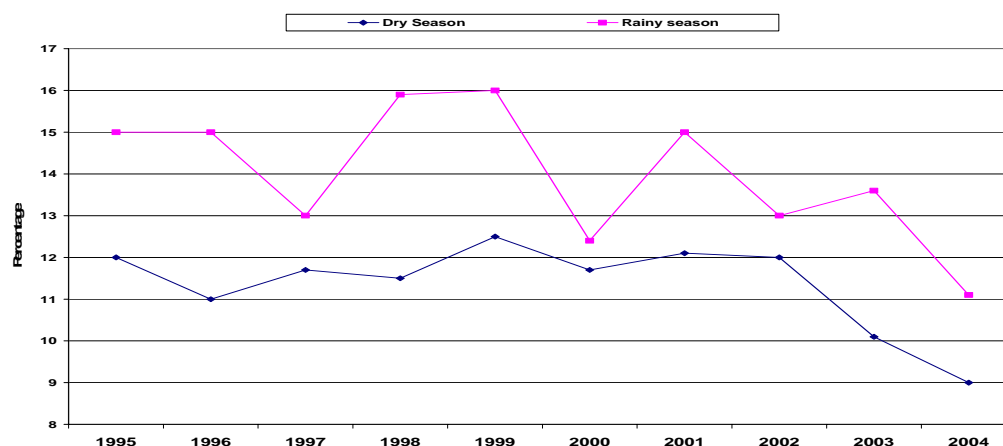
Region	Household consumption Of iodized salt (%)
Banjul/KMC	8.3
Western Division	0.3
NBD West	1.7
NBD East	10.0
LRD	15.0
CRD	42.2
URD	36.7
The Gambia	13.3

The National Nutrition Agency is also embarking on the prevention of micronutrient deficiency through dietary diversification. This is being done through Nutrition Education and supporting communities in the production of micronutrient rich foods. Community gardens have been established in 11 communities with support from NaNA.

National Nutrition Surveillance Programme

In its efforts to improve the health and nutritional status of Gambian children, NaNA continues to monitor the nutritional status of children under 5. This is done through the biannual nutrition surveillance (Gambia National Nutrition Surveillance Programme) since the 80s. The surveillance is done by Community Health Nurses in Primary Health Care villages. At each surveillance, about 50,000 children are assessed across the country. The figure below shows the prevalence of malnutrition (wasting – low weight for height) over the past ten years.

Figure 1: Trends of wasting in children 0-5years over the past 10 years.



CHAPTER 4:

CONCLUSIONS AND RECOMMENDATIONS

4.1. Introduction

The Long Term Goal of SPA II was to eradicate poverty by significantly increasing National Income through stable economic growth and reducing income and non-income inequalities through specific poverty reduction priority interventions. In order to achieve this, five main objectives were identified and pursued during the period. These were:

1. Create an enabling policy environment to promote economic growth and poverty reduction.
2. Enhance the productive capacity and social protection of the poor and vulnerable.
3. Improve coverage of the basic social service needs of the poor and vulnerable.
4. Build the capacity of local communities and Civil Society Organisations (CSOs) to play an active role in the process of poverty reduction.
5. Mainstream poverty-related cross-cutting issues into SPA II.

Implementation was coordinated by the Strategy for Poverty Alleviation Coordination Office, SPACO, a unit within the Department of State for Finance and Economic Affairs. At the start of the PRSP period in January 2003, The Gambia was on a PRGF program with the IMF and had accessed \$62 million (m) from the multilateral donors through the HIPC decision point window. At that point, the prospects for the future looked promisingly bright, with \$135m expected at HIPC completion point, macroeconomic stability was slowly returning, and more important, there was a realistic opportunity to introduce a single fund for donor finance of poverty reducing programmes based on budget support.

During this second year of PRSP implementation, the GOTG continues to be faced with a number of constraints in managing the long-term process of reducing poverty. These constraints are not only related to external shocks, although these shocks played a critical part in poor development outcomes. As PRSP implementation progressed, the situation took a turn for the worse, as slippages in financial governance, mainly the misreporting by the Central Bank on their operations, led to the suspension of the PRGF. Measures to check against the reoccurrence of this, including the conduct of regular independent audits of the Central Bank operations have since been instituted and are now operational.

However, on the side of the agreed level of budgetary financing of priority PRSP sectors, this was less than satisfactory as government revenue contracted and The Gambia's debt burden began to seriously undermine budgetary expenditure on these sectors. This was further worsened by the unsustainable domestic debt burden. Even though there was improved macroeconomic performance since 2003, the adverse effect of debt financing set the stage for a challenging medium-term follow-up period for macroeconomic management. Thus, it remains a huge challenge to ring fence spending earmarked for priority PSRP sectors in the budget in the face of dwindling budget resources.

Likewise, the institutional framework within which PRS programs are to be implemented has suffered considerable delay in its formation. This has led to a lack of ownership of the sector programs by Departments of State and misunderstandings on the priorities to be pursued in the immediate aftermath of the Geneva Round Table Conference.

4.2. Progress on SPA II Action Plan

Progress made in the implementation of the SPA II action plan is shown in the table below.

Table 4.1: Outputs and expected impacts of SPA II Action Plan (2003-2005)

Expected Impact	Outputs	Preogress
Increased security against macro-economic instability.	Memorandum of Economic and Financial Policies for 2003-2005.	A Staff Monitored Program between GOTG and the IMF to pave the way for sustaining Macro-economic and Structural Reforms is being implemented. DOSFEA is also exploring avenues for addressing the Domestic Debt through the creation of a DDF. An Aid Coordination Unit has been established at the DOSFEA and should be operational by early 2005.
Improved Coordination and Funding of the Social Sectors Investment Program.	Program-based SWAP arrangement for the Social Sectors (Health, Education, Agriculture, and NP&HIV-AIDS).	The DOSE SWAP has been finalised and is being implemented. The Health PER up-date will identify the basic health services to be integrated in the Health SWAP. An up-date of the DOSA PER will be conducted after re-appraisal of Agricultural Policy. A cabinet memorandum on the operationalisation of the UFF has been done
Improved coverage, efficiency and sustainability of basic social services.	Achievement of social sector targets.	Acute resource requirements have emerged in the funding of basic social services, due to the effect of debt servicing on allocations to the Social Sectors. It is expected that addressing the Domestic Debt issue will free more resources for allocation to the social sectors.
Improved Management of Public Enterprise Sector	A multi-sector Regulatory Agency.	The Public Utilities and Regulatory Authority has been established and the Authority is gradually becoming fully operational.
A Social Fund for Protection of the poor and vulnerable	Direct Funding for a Country Risk Management Framework.	At the initiative of GOTG, the WB, the ADB, IFAD and the EU have agreed, in principle to the coordination of interventions within a CDD / Social Fund program. GOTG is working to finalise the institutional arrangements and to convene an initial round of consultations with partners..
Improved infrastructure for economic empowerment and private sector development.	Public Infrastructure Investment Program	Road Infrastructure has expanded significantly, but mainly through external financing. A PER has been completed for the infrastructure sector and will help to rationalise a capital expenditure program in Infrastructure and identify suitable measures to sustain the recurrent cost implications of expansion of Infrastructure. Also a road transport authority has been setup by government.
Enhanced participation of CSOs at Macro-, Meso- and Micro Levels.	A Secretariat to co-ordinate Civil Society engagement in SPA II Process.	The Pro-Poor Advocacy Group, an NGO funded mainly by DFID and action aid but also subvented by Government, has been in operation since 2002; the NGO is undertaking participatory budgeting and social accountability exercises with Grass Roots communities. The thematic group on participation and participatory processes is also actively engaged with grassroots institutions
Enhanced Monitoring of SPA II processes, outputs and outcomes.	A Poverty Monitoring System. A Feed-back mechanism to decision-making.	The Poverty Monitoring Strategy was finalised and validated in 2003, integrating monitoring of the MDGs into the plan. Capacity assessment for implementing the PMS has been effected and funding measures are being discussed with the UNDP. Discussions have been held with Local Government Authorities for poverty monitoring activities at the decentralised level.

4.3. Major constraints/challenges

Though Government committed itself in the PRSP to utilising 25% of its budgeted GLF revenue to reduce poverty, actual expenditure fell short of the target set in the PRSP, attributed mainly to the high cost of servicing government rising debt stock which continues to consume more than half of government resources. However, reforms are being undertaken in the budget process to ensure focus of spending on priority sectors as well enhance determination of impact being realized.

It should be noted that however good our strategic orientation towards poverty is, much of how poverty is reduced depends on availability of resources to fund priority programmes, and this was a major set back during PRSP implementation. The main problem was that commitments and pledges made at the Geneva roundtable in 2002 were not honoured and this brought about serious shortfalls in revenue targets, added to the shortfalls that already existed.

Also, the development of the institutional frameworks within which PRSP programs were to be implemented suffered considerable delays which resulted to a lack of ownership of the sector programs by Departments of State, and misunderstandings on the priorities to be pursued in the immediate aftermath of the Geneva Round Table Conference. However, progress is being made towards the setting up of a Unified Funding Framework (UFF) for poverty reduction as envisaged in the PRSP. Also an Aid Co-ordination Unit and a Central Projects Management Unit have setup within the Department of State for Finance and Economic Affairs.

Another major constraint faced in implementation of The Gambia's PRSP was human resource scarcity. The high attrition rate and turn over of staff in the civil service led to major capacity constraints and declining absorptive capacities. Scarce technical and financial resources needed to address the critical implementation bottlenecks faced in implementation aggravated the situation. Serious human resource constraints across all the sectors resulted to sector investment programmes being undeveloped, non-existence of linkages between the sector policy and their budgets, and non finalization of the provisional costing of the PRSP programme.

4.4. The Way forward

Both Government and The Gambia's development partners have identified a whole range of constraints and obstacles that negatively impacted on PRSP implementation. The central question is how the slow pace of implementation can be addressed in the last year of implementation and also in the next PRSP cycle. Equally important is the issue of enlargement and increased intensity for broad based participation of all stakeholders in the PRSP implementation and monitoring.

Capacity gaps at policy, sector and LGA levels due to inadequacy of skills, weak systems and processes, the high attrition rate in the civil service, and the slow pace of implementation of the decentralization and local government reform process were all identified as factors that negatively impacted on implementation. In light of the above, there is need for government to critically review implementation and incorporate lessons learnt.