

UNCLASSIFIED

Annual Budget Submission

FY 1988

GAMBIA

BEST AVAILABLE



June 1986

**Agency for International Development
Washington, D.C.**

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**IT IS PREPARED ANNUALLY AND USED
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**IT DOES NOT REPRESENT
OFFICIAL AGENCY POLICY.**

**FY 1988 ANNUAL BUDGET SUBMISSION
TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)**

635 - THE GAMBIA

	FY 1986 ACTUAL	FY 1986 ESTIMATE	--FY 1987-- CP ESTIMATE	FY 1988 APPL	---PLANNING PERIOD---			
					1989	1990	1991	1992
SAMEL DEVELOPMENT PROGRAM								
TOTAL	4,582	4,000	4,000	4,000	4,000	4,000	4,000	4,000
GRANTS	4,582	4,000	4,000	4,000	4,000	4,000	4,000	4,000
LOANS	---	---	---	---	---	---	---	---
PL400								
TITLE I	(---)	(---)	(---)	(---)	(---)	(---)	(---)	(---)
TITLE III	(---)	(---)	(---)	(---)	(---)	(---)	(---)	(---)
TITLE II	(2,678)	(2,825)	(3,143)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)

FY 1988 ANNUAL BUDGET SUBMISSION
 TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION
 (\$000)

635 - THE GAMBIA				
APPROPRIATION ACCOUNT PROJECT NO. TITLE	L/G	FY 86 ESTIMATE	FY 87 ESTIMATE	FY 88 AAPL
SAMEL DEVELOPMENT PROGRAM				
635-0219 AG. RESEARCH & DIVERSIFICATION	G	3,960	3,960	2,960
635-0221 SMALL PROJECT. ASST. (AID/PC)	G	40	40	40
635-0227 ECONOMIC & FIN. POLICY ANAL. II	G	---	---	1,000
APPROPRIATION TOTALS		4,000	4,000	4,000
GRANTS		4,000	4,000	4,000
LOANS		---	---	---

The Economic and Financial Policy Analyses II project is the planned follow-on to the present first phase project which is scheduled to end in FY 1988. Both of these projects are addressed to the same problem - the recovery, restructuring and other policy measures necessary to create and maintain a viable economy that will support development. This purpose is a stated objective of the mission country development strategy.

The phase one project has in its first year achieved considerable success in assisting the Government of The Gambia plan and initiate a sound economic reform program (ERP). The long-term project adviser was a significant participant along with GOTG and World Bank Representatives in the development of this program and since has assisted in the implementation of the program. The project is the foundation of the Mission's policy dialogue efforts and has been a critical factor in achievement of several policy reforms such as privatization of the rice trade, eliminating fertilizer subsidies, raising producer prices, improving customs duty assessment and collection and has provided analyses of other revenue generation measures and issues necessary for development of medium to long range policy measures.

The present project is focused in three separate but complementary areas of concentration (1) immediate policy measures necessary for quick monetary and fiscal adjustment, (2) training staff for and organizing an economic analysis unit in the Ministry of Finance and Trade, (3) medium to long range measures for economic reform. It is expected that by the end of this phase in FY 1988 considerable progress will have been achieved in all three areas.

However, much will remain to be accomplished to achieve the goal of a government bureaucracy able to analyse issues, develop appropriate policy reforms, implement and monitor them. Expert assistance and additional training will still be needed to achieve the economic and financial analysis capacity required. Therefore, this phase II will concentrate on continued short and long term training and on-the-job technical assistance to bring the unit to an appropriate operational capacity. It will also focus effect on further measures to free trade, privatization of publicly owned and managed enterprises and economic policy measures necessary for continued agricultural development. Consequently, the project will expand the institutional assistance focus from the Ministry of Finance and Trade to include the National Investment Board.

The project will be managed by the mission program office and at the time of its inception will be one of two mission-funded projects. The other one is the Agriculture Research and Diversification project managed by the Agriculture Office. In addition, the PL 480 Section 206 program will be in its third year (also managed by Agriculture Office) and an AKPRP program (managed by the Agriculture Office) may be ongoing. At that point, the only additional activities managed by the mission are possible regionally or centrally funded PVO activities and Gambian specific segments of other regionally or centrally funded projects.

BUDGET: (\$000)

Technical Assistance:

(1 long term, several short term advisors) \$1,000

Training:

(4 to 5 long term, numerous short term participants plus in-country training) 500

Commodities:

(micro computers, vehicle) 100

Local support, evaluation and contingency

400
\$2,000

This 3 to 3 1/2 year project will be funded by obligations in FY 1988 \$1,000,000 (18 months) and FY 1989 \$1,000,000.

POLICY FACTORS:

This project is in direct support to Agency policy objectives especially institutional strengthening, policy dialogue, technology transfer (analytical technology) and, as already proven through the present project, it is critical to our privatization objectives.

RECURRENT COSTS:

As is the case with the present project, this activity will not add to the GOTG staffing levels therefore will not increase recurrent costs for personnel. The minor commodity element is primarily micro computers which will increase the analytical capacity to such a degree that any recurrent costs increase associated with this item is balanced by savings in time and personnel costs. In addition, with a fully functional economic analysis unit (now titled the Statistics and Special Studies Unit) considerable savings will accrue to the Government by redirecting donor funds now devoted to these activities to to other uses.

DELEGATION OF PID AUTHORITY:

Mission requests delegation of PID Authority based on the fact the present project was developed by mission staff and this is the planned second phase of the present program. The LOP funding is less than \$2,500 and the project does not include activities perviously identified by PPC or the Africa Bureau for exception to its general presumption in favor of delegation. Mission expects to complete PID by May 30, 1987 or earlier.

PROJECT NUMBER AND TITLE	OBLIG THRU FY 85	TOTAL COST- PLAN	ESTIMATED U.S. DOLLAR COST (8000)	PIPE- OBLIG- EXPEND- ATIONS	EXPEND- OBLIG- EXPEND- ATIONS	FY 86 ACTION ITEMS	FY 87	FY 88	SPECIAL CODES	ITEM NO
L INIT FIN	AUTH	PLAN		PIPE	EXPEND					
SAMEL DEVELOPMENT PROGRAM										
6350202	SOIL AND WATER RESOURCES MANAGEMENT	UNIT SUBCAT: PMWD	XPVO:O							
6 78 83	2747	2747	2747	2747	2747	334	340	340		7302
										(RM)
6350203	MIXED FARMING AND RESOURCE MANAGEMENT	SUBCAT: PMAC	XPVO:O							
5 79 84	9000	9000	1960	1960	1960					6477
										(FE)
6350205	GAMBIA FORESTRY	SUBCAT: PMMC	XPVO:O							
5 79 79	1575	1575	242	242	242					7303
6350206	RURAL ROADS MAINTENANCE SYSTEMS	SUBCAT: PMRR	XPVO:O							
5 79 83	6344	6344	1971	1971	1971	340	1020			7304
										(PVO-RM)
6350219	AGRICULTURAL RESEARCH & DIVERSIFICATION	SUBCAT: PMDS	XPVO: 3							
5 85 90	18000	18000	3960	3960	3960	2850	2960			5295
										(PC)
6350221	SMALL PROJECT ASSISTANCE-AID/PC	SUBCAT: SDSH	XPVO:O							
5 83 88	240	240	61	61	61	40	40	40		5904
6350225	ECONOMIC & FINANCIAL POLICY ANALYSES	SUBCAT: SDPP	XPVO: O							
5 84 86	2000	2000	1985	1985	1985	720	700			8009
										(PVO)
6350334	OIL SEEDS PROMOTION (PVO)	SUBCAT: PMPV	XPVO: 100							
5 85 85	581	581	531	531	531	205	175			9723
6350327	ECONOMIC & FINANCIAL POLICY ANALYSES II	SUBCAT: SDPP	% PVO: O							
5 88 89	2000	2000					1000			3

Actual Management Units Required For Mission and Project Administration - FY 86
(In person months per year) (1) (2)

	<u>U.S. PERSONNEL</u>		<u>FOREIGN SERVICE NATIONALS</u>		<u>THIRD COUNTRY NATIONALS</u>		AID/M-TDY ⁶	REDSO ⁶	TOTALS
	USDH ³ OE Funded	Project	FSMDH	OE Funded Project	TCNDH	OE Funded Project			
<u>ADMINISTRATIVE FUNCTIONS</u>									
Program Management	17.00	3.00	1.00	--	--	--	0.50	0.75	22.25
Financial Management	8.50	--	--	12.00	--	7.00	--	--	27.50
Support Staff(4)	--	24.00	24.00	209.00	--	--	--	--	257.00
<u>PORTFOLIO FUNCTIONS</u>									
<u>BILATERAL PROJECTS</u>									
635-0202 Soil & Water Mgt.	4.00	--	2.50	--	--	0.50	--	1.50	8.50
635-0203 Mixed Farm. Res. Mgt.	4.50	--	1.50	--	--	1.00	--	0.50	7.50
635-0205 Gambia Forestry	3.50	--	0.75	--	--	1.00	0.5-	--	5.75
635-0206 Rural Roads Maint.	5.00	--	0.25	--	--	0.25	--	0.50	6.00
635-0219 Ag. Res. & Div. (5)	6.25	--	4.00	--	--	0.50	--	0.50	11.25
635-0221 Small Proj. Ass. (5)	--	--	--	--	--	--	--	--	--
635-0225 Ec. & Fin. Pol. An.	3.50	--	1.00	--	--	--	--	--	4.50
635-0934 CRS Oilseed Prom.	0.75	--	0.50	--	--	--	--	--	1.25
<u>REGIONAL PROJECTS</u>									
625-0928 RFCP	--	--	0.25	--	--	0.25	--	--	0.50
625-0928.35 Integr. Pest Mgt.	2.25	--	4.25	--	--	1.50	--	0.25	8.25
625-0929.35 P. M. & R.	2.00	1.00	0.50	--	--	--	--	--	3.50
625-0936.2 SHDP I	--	--	1.25	--	--	--	--	--	1.25

633 - GAMBIA

PY 1988 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

BUREAU FOR AFRICA

PROJECT NUMBER AND TITLE		ESTIMATED U.S. DOLLAR COST (\$000)		SPECIAL CODES		ITEM NO
OBLIG DATE	TOTAL COST PLAN	PY 85	PY 86	PY 87	PY 88	
INIT FIN	AUTH	PIPE LINE	EXPEND ITURES	END OF OBLIG	EXPEND ITURES	
APPROPRIATION 42487						
TOTAL	40447	26327	13120	6000	4000	
GRANT	40447	26327	13120	6000	4000	
LOAN	---	---	---	---	---	
DA ACCOUNT 40447						
TOTAL	40447	26327	13120	6000	4000	
GRANT	40447	26327	13120	6000	4000	
LOAN	---	---	---	---	---	
COUNTRY TOTAL 42487						
TOTAL	40447	26327	13120	6000	4000	
GRANT	40447	26327	13120	6000	4000	
LOAN	---	---	---	---	---	

Actual Management Units Required For Mission and Project Administration - FY 86
(In person months per year) (1) (2)

	<u>U.S. PERSONNEL</u>		<u>FOREIGN SERVICE NATIONALS</u>		<u>THIRD COUNTRY NATIONALS</u>		AID/M-TDY ⁶	TOTALS	
	USDH ³ OE Funded	Project	FSDNH	OE Funded Project	TCNDH OE Funded	Project			
<u>ADMINISTRATIVE FUNCTIONS</u>									
Program Management	17.00	3.00	1.00	--	--	--	0.75	0.50	22.25
Financial Management	8.50	--	--	12.00	--	7.00	--	--	27.50
Support Staff(4)	--	24.00	24.00	209.00	--	--	--	--	257.00
<u>PORTFOLIO FUNCTIONS</u>									
<u>BILATERAL PROJECTS</u>									
635-0202 Soil & Water Mgt.	4.00	--	2.50	--	--	0.50	1.50	--	8.50
635-0203 Mixed Farm. Res. Mgt.	4.50	--	1.50	--	--	1.00	0.50	--	7.50
635-0205 Gambia Forestry	3.50	--	0.75	--	--	1.00	--	0.5-	5.75
635-0206 Rural Roads Maint.	5.00	--	0.25	--	--	0.25	0.50	--	6.00
635-0219 Ag. Res. & Div.	6.25	--	4.00	--	--	0.50	0.50	--	11.25
635-0221 Small Proj. Ass. (5)	--	--	--	--	--	--	--	--	--
635-0225 Ec. & Fin. Pol. An.	3.50	--	1.00	--	--	--	--	--	4.50
635-0934 CRS 011seed Prom.	0.75	--	0.50	--	--	--	--	--	1.25
<u>REGIONAL PROJECTS</u>									
625-0928 RFCC	--	--	0.25	--	--	0.25	--	--	0.50
625-0928.35 Integr. Pest Mgt.	2.25	--	4.25	--	--	1.50	0.25	--	8.25
625-0929.35 P. M. & R.	2.00	1.00	0.50	--	--	--	--	--	3.50
625-0936.2 SMDP I	--	--	1.25	--	--	--	--	--	1.25

1. Total months in FY 1986 for Mission Personnel: (Project funded advisors not included since they did not perform mission project functions. No. allowance has been made for time away from post. All employees considered at full 12 months with exception of one part-time contractor - 6 months.)

USDH	72
USPSC	36
FSNDH	48
FSNPSC	234*
TCNPSC	<u>12</u>
	402

*includes drivers, most secretaries, logistics and procurement personnel.

2. Time devoted to each activity has been broken down to weeks shown as .25 of a month.

3. Being a small mission each member of the direct hire staff including AID Representative, Program Officer, and Controller, spend time on project related functions. The Controller and Program Officer have project management responsibilities. Time of these staffers has been apportioned according to individual activities rather than showing it totally in the program and financial categories.

4. Beyond normal administrative support activities. This includes all secretarial work, purchasing and contracting for program funded activities.

5. These projects show no week or month entry because for any category of personnel the amount of time devoted was less than 1 week.

6. Based on time REDSO and AID/W spent in Banjul on TDY. It does not represent time spent on this mission's program in REDSO or AID/W.

AFRICA TABLE II

AFRICA BUREAU
 FY 1986 ANNUAL BUDGET SUBMISSION
 MODIFICATIONS TO AUTHORIZED & PLANNED
 LIFE OF PROJECT COST & PROJECT COMPLETION DATE 1/
 (\$000)

Project Number	Project Name	Date of Initial Obligation	Authorized LOP (\$)	Current LOP (\$)	Proposed Amendment In LOP (\$)	Original PACD	Current PACD	Proposed PACD
635-0202	Soil & Wtr Mgt. Unit	3-20-78	\$2,037	\$2,747	000	9-30-82	12-31-87	12-31-87*
635-0203	Mixed Farm. & Res. Mgt.	8-6-79	\$6,000	\$9,000	000	9-30-83	9-30-86	9-30-86*
635-0205	Gambia Forestry	8-30-79	\$1,575	\$1,575	000	12-31-84	9-30-86	9-30-86*
635-0206	Rural Roads Main.	6-13-79	\$4,744	\$6,344	000	9-30-83	9-30-86	3-31-87
635-0219	Agr. Res. & Div.	6-1-85	\$18,000	\$18,000	000	9-30-92	9-30-92	9-30-92*
635-0221	Small Proj. Assis.**	7-20-83	40	\$160	40	9-30-84	11-30-87	ROLLING
635-0225	Eco. & Fin. Pol. Ana.	7-1-85	\$2,000	\$2,000	000	9-30-88	9-30-88	9-30-88*
635-0934	CRS 011 Seeds Prom.II	6-25-85	\$581	\$581	000	12-31-88	12-31-88	12-31-88*

* Current PACD. No Extension of PACD proposed or anticipated at this time.

** Each year \$40,000 added to this AID/PC project and PACD extended.

AFRICA BUREAU TABLE IV
FY 1988 ANNUAL BUDGET SUBMISSION

PVO ACTIVITY
(\$000)

<u>Project No.</u>	<u>Project Name</u>	<u>PVO Name</u> <u>(US/Non US)</u>	<u>Functional</u> <u>Account</u>	<u>Span of</u> <u>PVO LOP</u>	<u>PVO LOP For</u> <u>Total Project</u> <u>and % of Total</u>	<u>FY-86</u> <u>Obligations</u>	<u>FY-87</u> <u>Obligations</u>	<u>FY-88</u> <u>Obligations</u>
635-0934	Oil Seeds Promotion II (R)	CRS/US	SDA	85-88	\$531-100%	---	---	---
635-0219	Ag. Research & Divers. (B)*	?/US	SDA	85-92	\$540-003%	\$3,960	\$3,960	\$2,960
625-0934	Cow Pea Promotion (R)**	CRS/US	SDA	88-92	\$650-100%	---	---	\$ 650
938-2200	Community Dev. M/G(C)	SCF/US	ARM	86-?	? -100%	?	?	?

*This project has provision for grants to PVO's for the promotion of specific crops and technologies proven to be efficacious through research and on farm trials conducted under the project. At this stage of the project (year 1) information on the efficacy of crops and technologies is not sufficient to develop the promotion package or identify the PVO that can conduct the promotional activities necessary to establish them with a large group of farmers. (LOP funding amount and percentage is based on PP budget).

**This project to promote cultivation of cowpeas is being developed by CRS/Banjul in conjunction with AID/Banjul. Like the extremely successful Oilseeds Promotion project this project will promote the existing technology for production of cowpeas and the tested plant varieties suitable for cultivation in The Gambia. This effort is to be funded from available regional PVO funds and will supplement agricultural diversification being pursued by the Government of The Gambia with assistance from donors.

(B) indicates bilateral; (R) indicates regional; (C) indicates centrally-funded.

AFRICA BUREAU

TABLE 5: PRIVATE SECTOR ACTIVITIES
(\$000)

PROJECT TITLE AND NUMBER	IMPLEMENTING ORGANIZATION	FUNCTIONAL ACCOUNT	LOP (YEARS)	LOP (FUNDS)	PRIVATE SECTOR ACTIVITY (\$)	FY 86 OBLGS.	FY 87 OBLGS.	FY 88 OBLGS.
CRS Oilseeds Promotion II No.: 635-0934	CRS	Sahel Dev. Program	3	\$ 581	100%	-	-	-
Self Help Fund No.: 635-9901	Community Groups	Sahel Dev. Program	on-going	\$ 532	100%	-	-	-
Gambia Agriculture Research & Diversification No.: 635-0219	GOIG/MARR	Sahel Dev. Program	7	\$18,000	3%	\$3,960	\$3,960	\$2,960
Small Project Assistance No.: 635-0221	Peace Corps	Sahel Dev. Program	on-going	\$ 160	100%	\$ 40	\$ 40	\$ 40
PL 480 Title II Section 206 No.: 635-0222(1)	GOIG/NOFT	Food for Peace	3	\$ 6,861	100%	\$1,941 (@300 MT)	\$2,652 (@280 MT)	\$2,268 (@280 MT)
Project Management and Research (PMAR)(2) No.: 625-0929.35	GOIG/NOFT	Sahel Dev. Program	on-going	\$ ' 785	35%	\$ 75	Unknown	Unknown
African Private Enterprise Bureau Funding (PRE)(3)	GOIG/NOFT	?	?	?	100%	?	Unknown	Unknown

(1)The PL 480 Title II Section 206 Program will lead to the divestment and privatization of The Gambia Produce Marketing Board, the largest parastatal enterprise in the nation.

(2)Project Management and Research funds were used to fund studies that assisted the Mission in its policy dialogue with the GOIG, especially as we encouraged the government to liberalize trade, decentralize prices, and subsidize and promote private entrepreneurs in commerce.

(3)PRE funds were utilized to fund a study of parastatal enterprises, and to develop a plan to divest and privatize these institutions. The Mission is currently working with the GOIG to implement the privatization recommendations.

AFRICA BUREAU TABLE VI
FY 1988 ANNUAL BUDGET SUBMISSION

REGIONAL AND CENTRALLY FUNDED ACTIVITIES

<u>Project No.</u>	<u>Project Name</u>	<u>Organization Implementing (US/Non U.S.)</u>	<u>Functional Account</u>	<u>LOP (Yrs)</u>	<u>LOP (\$000)</u>	<u>FY-86 Obligations</u>	<u>FY-87 Obligations</u>	<u>FY-88 Obligations</u>
I. Directly Related To Mission Portfolio:								
625-0928.35	Integr. Pest Mgt	NON/US	SDA	-	1302*	-	-	-
625-0929.35	P. M. A R.	US	SDA	-	-*	75	100	100
625-0960.35	SNOP II	MIXED	SDA	5	1046	-	-	-
625-0977.35	SNOD III	MIXED	SDA	5	1503	266	290	402
625-0970	Pol. Ana. & Support	MIXED	SDA	-	-*	120	100	100
936-4099	FSSP	US	-	-	-	-	-	-
II. Indirectly Related to Mission Portfolio:								
625-0940	Sahel Water Datanet II	-	SDA	-	-	-	-	-
625-0969	Sahel Pop. Init.	US	SDA	-	-*	99	-	-
625-0974	Sahel Reg. Fin. Mgt. II	US	SDA	-	-	-	-	-
625-0012	Gambia Riv. Bas. Dev.	-	SDA	-	-	-	-	-
625-9901.35	Special Self Help	NON/US	SDA	-	-*	30	40	40
699-0433	AFERAD	US	SDA	-	-	-	-	-
699-0972	AFERAD (Sahel?)	US	SDA	-	-	-	-	-
936-0200	SCF Match Grant	US	SDA	-	-	-	-	-
III. Not Related to Mission Portfolio:								
625-0963	Oral Rehydr. Therapy	-	SDA	-	-	-	-	-
625-0911	Coord. and Planning	-	SDA	-	-	-	-	-
625-9801.35	Human Rights	NON/US	SDA	-	-*	5	5	5

*LOP funding not established for The Gambia - increments negotiated yearly. Figures for 87 and 88 are mission estimates of need.

*Blanks for account, LOP yrs/\$. and obligation \$ for most of these projects indicate that accurate data not available to mission.

**AID PROGRAM IN FY 1988
ANNUAL BUDGET SUBMISSION
TABLE V - PROPOSED PROGRAM RANKING**

DECISION UNIT 635 - THE GAMBIA

RANK	PROJECT	TITLE	NEW/ CONT	LOAN/ GRANT	PROGRAM FUNDING (9000)		
					APPROP	INCR	CUR
1	0226	Economic & Plan. Policy Anal. II	N	0	SD	1,000	1,000
2	PL02	Section 286 Program	-	-	PZ	(2,000)	1,000
3	0219	Ag. Research & Diversification	0	0	SD	2,900	3,900
4	0221	Small Proj. Asst (AIB/PC)	0	0	SD	40	4,000
5	PL02	CRS/REN	-	-	PZ	(810)	4,000
				TOTAL		4,000	

LOCAL CURRENCY USE PLAN

In FY 1984 and 1985, OAR/Banjul provided 7150 MT and 6000 MT of rice, respectively, as emergency PL 480 Title II food aid, of which 3284 MT and 3000 MT, respectively, were sold. The proceeds generated by these emergency programs were used to defray the costs of the free rice distributions and to fund activities designed to reduce drought and policy related needs for future assistance. Specifically, as illustrated in Table VI, some of the FY 1984 proceeds paid for the transportation costs associated with the national distribution of 3866 MT of rice. The majority of the FY 1984 funds were used, in conjunction with Gambian Government contributions, to pay for the free distribution of 6230 MT of groundnut seed for the 1985/86 crop year. This was necessary because as a result of the 1984 drought Gambian farmers either consumed their groundnut seed reserves or sold them to buy food and thus they lacked the seeds to maintain cash crop production. The FY 1985 proceeds, along with the small remaining FY 1984 balance (\$131,000), were used to support the groundnut producer price paid to the drought-stricken Gambian farmers for their 1985/86 crop. This enabled The Gambia to improve its prospects for groundnut production and marketing so that its foreign exchange earnings, which come primarily from groundnuts, would not decline.

In FY 1986 a three-year PL 480 Title II Section 206 Program was approved by AID/W. This program envisions approximately 24,000 MT of rice, an average of about 8000 MT of food aid per annum, for sale in The Gambia. We expect to generate approximately \$6.86 million in local currency equivalent funds to help alleviate the causes of the need for assistance. The major reason for the Gambia's reduced food self-reliance, and frequent emergency food aid requests, lies in decreased groundnut production; that is, The Gambia no longer earns the foreign exchange necessary to support traditional levels of food imports or imports of agricultural inputs necessary to support high levels of agricultural production. Therefore, the local currency will be used to recapitalize the groundnut marketing system so that incentive producer prices can be paid to groundnut farmers. This will enable The Gambia to maintain and increase groundnut production, marketing, and foreign exchange earnings, thereby helping restore food self-reliance.

This use of the funds is tied to Gambian self-help policy measures to strengthen agricultural input and produce marketing as well as to redress the previous policy bias against rural production in favor of urban consumption. It thus constitutes support to the local currency costs of structural adjustment and reform as well as to agricultural production. These are the twin objectives of our development assistance strategy.

FY 1988 ANNUAL BUDGET SUBMISSION
TABLE VI: Expenditures of Local Currency Generations
(all in the U.S. dollar equivalents, and in \$ millions)

<u>Source/Purpose</u>	<u>1985</u> <u>ACTUAL</u>	<u>1986</u> <u>EST.</u>	<u>1987</u> <u>PLANNED</u>	<u>1988</u> <u>PROP.</u>
II. PL 480				
A. Public Development Activities				
1.				
2.				
B. Private Sector Programs				
1. Free distribution of groundnut seeds	.96*	--	--	--
2. Groundnut producer price support	--	1.06*	1.94	2.65
3. Transport of emergency food	.05*	--	--	--
C. Public Sector Recurrent Budget				
1. e.g., Child Survival (also indicate the amount of this counterpart which is in direct support of AID projects).				
2. Agriculture or other subsidies				
D. AID Operating Expenses (Trust Funds)				
<hr/>				
TOTALS	1.01	1.06	1.94	2.65

*Figures based on actual exchange rates for the respective year.

OPERATIONAL EXPENSE NARRATIVE

A. Management Improvements:

From 1984 to 1986 OAR/Banjul effected a forty-four percent reduction in OE costs by switching from rental to ownership of office space, reducing FAAS costs by 26 percent, and cutting costs related to expendable supplies. We were able to effect this reduction while, simultaneously engaging a USPSC program analyst to support our economic restructuring, reform, and policy dialogue activities, installing ADP equipment, and undertaking major training programs for both local hire and USDH staff. Consequently, while some additional savings can be achieved between now and 1988, the major thrust of our management improvements is to improve services.

During FY 86 OAR/Banjul planned to make improvements in four major areas; The ADP system, staff training, increased security for office and residences and a review of the FAAS activities to seek out further cost reductions. These improvements have been completed or are in process. Additional functions have been programmed in the Wang PC's enabling OAR/Banjul to do mission accounting project management, budgeting spread sheet and automated document preparation. A third Wang PC and network are presently being installed and further programming such as NXP inventory, project and administrative document preparation, economic and statistical analyses, maintaining economic and social data and participant tracking will be forthcoming. The installation of the network will make the system more readily accessible to the users thereby improving efficiency.

In the continuous effort to improve efficiency of our procurement section, two people from the Management Office attended training courses. One FSN attended the GSO seminar and a USPSC attended the GAPP training course in order to provide greater project and administrative support.

The mission has now organized its own travel section with no further staff increases, thereby increasing efficiency in this area and reducing FAAS costs. Since this has just been organized, it is too early to state how much that cost will be reduced. Security service for office and residences is now being handled by a professional American led organization and has reduced OAR/Banjul staff overtime by 25 hours per week.

The management focus for FY87 is on further automation of OAR/Banjul. A PC IBM emulator and two work stations will be installed in C&R and in the Controller's office. This will enable us to have computerized logging and document retrieval information from any PC station, thus improving speed retrieval and saving personnel time. Also, it will enable Controller's Office to have a more efficient and accurate forms preparation.

The removal of one USDH position at post will put additional strain on staff members. Steps will be taken to minimize this by increasing staff expertise through further training. The loss of this position will not result in any increase in FSN OR PSC costs.

Finally the mission will undertake further review of FAAS activities to achieve cost reduction. We are limited here, however, in that most of the remaining FAAS costs are not within our control. That is, even though only one junior state FSO, at an annual salary cost under \$25,000, is charged to DAS, salary related costs bring our FAAS salary and salary related costs to \$120,000 out of a total FAAS budget of \$185,000. These salary related costs include housing, medical and other travel, and other such charges for Core staff. Should AID/W be able to reduce or avoid these charges, our FAAS budget could be cut dramatically.

OAR/Banjul has 4 FSNDEH and 19 FSNPSC. Along with the usual complement of Secretaries and drivers, the following positions are occupied by FSN's.

Program Specialist
Health and Nutrition Officer
Agriculture Development Assistant
Management Assistant/Sub Cashier
General Services Assistant/Travel Clerk
Secretary to the AID Representative
Voucher Examiner

In order to improve staff capability FSN's have attended five training courses, three in the U.S. and two in West Africa.

B. Justification for funding changes:

Changes in Funding Code U200 are the result of State/Washington reviews of and changes in medical benefits plans and salary scales. These same reviews account for the changes in Code U300. The changes in Funding Code U400 are the result of devaluation of the local currency, reduction in the need for maintenance and repair of housing after an earlier settling in period, and yearly fluctuations in furniture costs. The latter occurs because, with a small mission, some years require purchase of new sets of furniture while other years don't.

C. Trust Funds: N/A

TABLE VIII(a)
Information on U.S. PSC Costs

<u>Position Title/Description</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>
MANAGEMENT OFFICER	40.6	42.6	44.8
COMMUNICATIONS & RECORD SUPERVISOR	15.6	16.4	17.2
PROGRAM ANALYST	46.0	48.3	50.7

TABLE VIII(c)
OBLIGATIONS FOR ACQUISITION, OPERATION
AND USE OF INFORMATION TECHNOLOGY SYSTEMS
(\$000)

<u>ITEM AND EXPLANATION</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>
1. Capital Investment	14.0	7.3	2.5
A. Purchase of Hardware Purchase of automation equipment by the Mission; such as WANG VS mini-computer, WANG OIS System, WANG WP equipment and micro-computers and their associated workstations and terminals, printers and telecommunications modems. List on one line, each item of equipment separately, by vender name, name of item and model number. Show cost of acquisition under appropriate fiscal year.			
B. Purchase of Software Purchase of software by the Mission to operate existing or new automation equipment (hardware) such as CP/M, Multiplan, DBASE and Microstat, LOTUS 1-2-3, etc. List on one line, each item of software separately, by vender name, name of item and brief description. Show cost of acquisition under appropriate fiscal year.	2.2	1.6	1.5
C. Site Facility Cost of proposed site construction to prepare for setting up a WANG VS or WANG OIS automation system, such as raised floors, walls, air conditioning and un-interruptible power sources.	2.3	0.0	0.0
SUBTOTAL	<u>18.5</u>	<u>8.9</u>	<u>4.0</u>
<hr/>			
2. Personnel Mission will provide requirements below for personnel involved in the information technology functions, such as systems development and operation, and the percentage of management and secretarial personnel also involved. Personnel that use systems will not be included			
A. Compensation, Benefits and Travel	0	0	0
B. Workyears	<u>0</u>	<u>0</u>	<u>0</u>

TABLE VIII(c)
(Continued)

<u>ITEM AND EXPLANATION</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>
<u>C. Operations and Maintenance</u>	0	0	0
<u>(1) Operations</u> Include funds to be obligated for contractor services to operate a WANG VS computer or an OIS System (System administrator and staff, not workstation operators).			
<u>(2) Maintenance</u> Include obligations for contracts to maintain government-owned equipment (hardware) and software that is currently in place and that is to be acquired in 1A and 1B above.	1.8	2.3	2.7
<u>D. Systems Analysis and Programming</u> Obligations for contractor services to design and program new ADP or OIS application systems and to maintain existing systems.	0	0	0
<u>E. System Design and Engineering</u> (NOT REQUIRED BY AID MISSIONS)	0	0	0
<u>F. Studies and Other</u> Obligations for management and feasibility studies, requirement definitions, and commercial training.			
SUBTOTAL	<u>1.8</u>	<u>2.3</u>	<u>2.7</u>
<hr/>			
5. TOTAL DOLLARS	<u>21.6</u>	<u>12.1</u>	<u>7.7</u>
TOTAL WORKYEARS (From item 2A)	<u>0</u>	<u>0</u>	<u>0</u>
<hr/>			
6. <u>MISSION ALLOWANCE LEVELS</u>			
A. Amounts included in Mission allowances for existing systems (includes 2A, 3, and 4). (Services for equipment in place only.)	<u>3.1</u>	<u>2.6</u>	<u>2.8</u>
B. Amounts included in Mission allowances for new or expanded systems (includes 1, 2A, 3, and 4.) (Equipment and services for new efforts beginning during the FY.)	<u>20.3</u>	<u>11.8</u>	<u>7.6</u>

FY 1988 ANNUAL BUDGET SUBMISSION
TABLE VIII [f] - Information on Foreign & Third Country National Staffing

<u>FSN/TCN</u>	<u>Descriptive Job Title</u>	<u>FY</u> <u>1986</u>	<u>FY</u> <u>1987</u>	<u>FY</u> <u>1988</u>
FSNDH	Program Assistant/Human Resource	1	1	1
FSNDH	Secretary to AID Rep.	1	1	1
FSNDH	General Services Assistant	1	1	1
FSNDH	Agricultural Assistant	1	1	1
TOTAL FNDH		4	4	4
FSNPSC	Project Development Assistant	1	1	1
FSNPSC	Agricultural Assistant	1	1	1
FSNPSC	General Services Assistant	1	1	1
FSNPSC	Secretaries	5	5	5
FSNPSC	Receptionist/Typist	2	2	2
TCNPSC	Financial Analyst	1	1	1
FSNPSC	Voucher Examiner	1	1	1
FSNPSC	Messenger	1	1	1
FSNPSC	Drivers	6	6	6
FSNPSC	Office Cleaners	2	2	2
Total FSN/TCN/PSC		21	21	21

FY 1988 ANNUAL BUDGET SUBMISSION
 TABLE VIII[d] - Information on U.S. Direct Hire Staffing

<u>Posno</u>	<u>Position Title</u>	<u>Program Management Responsibility</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>
6351006	AID Rep.	Human Rights 635-9801	1	1	1
6351016	Program Officer	PM&R 625-0929.35 SMDP II 625-0960.35 SHRD III 625-0977.35	1	1	1
6351035	Controller	SRFMR - 625-0974	1	1	1
6351021	Agric. Dev. Officer	Soil & Water Mgt 635-0202 Mixed Farming 635-0203	1	1	1
6351025	Asst. Agr. Dev. Officer	IPM - 625-0928.35 Gambia Forestry - 635-0205 Self Help - 635-9901 GARD - 635-0219	1	1	1
6351026	Proj. Dev. Officer	Rural Roads - 635-0206 Econ/Fin Pol An - 635-0225 CRS - Title II Program Title II, Sec 206 Program Oilseeds - 635-0226	1	0	0

**FY 1988 ANNUAL BUDGET SUBMISSION
TABLE XIII
PL 480 TITLE II**

I. Country The Gambia

Sponsor's Name Catholic Relief Services

A. Maternal and Child Health...12 Months..Total Recipients 40,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>40,000</u>	<u>NFDM</u>	<u>960</u>	<u>105.6</u>
<u>40,000</u>	<u>Rice</u>	<u>960</u>	<u>268.8</u>
<u>400,000</u>	<u>Vegetable Oil</u>	<u>480</u>	<u>389.8</u>
Total MCH		2,400	764.2

B. School Feeding.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total School Feeding		_____	_____

C. Other Child FeedingTotal Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total Other Child Feeding		_____	_____

D. Food for Work.....8 months.....Total Recipients 1,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>1,000</u>	<u>Rice</u>	<u>80</u>	<u>22.4</u>
<u>1,000</u>	<u>Vegetable Oil</u>	<u>6</u>	<u>4.9</u>
Total Food for Work		86	27.3

E. Other (Specify) General Relief...12 months..Total Recipients 500

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>500</u>	<u>Rice</u>	<u>57</u>	<u>16.0</u>
<u>500</u>	<u>Vegetable Oil</u>	<u>3</u>	<u>2.4</u>
Total Other		60	18.4

II. Sponsor's Name Catholic Relief Services

PRIVATIZATION PLAN

The USG country development assistance strategy adopted for the Gambia has two main thrusts, (1) Economic stabilization and reform and, (2) Agriculture development to reach the goal of food self reliance. Privatization of many of the functions now the responsibility of the government is a critical measure to achieve these objectives. The mission, in concert with other donors including the IMF, World Bank and the Government, has striven to develop a workable Economic Reform program (ERP) and implement it. Because of its promise of operational efficiency and mobilization of now underutilized local resources, as indicated by constant study and review over the past three years, privatization is central to the success of the ERP.

The primary goal of our A.I.D. specific privatization plan is to encourage the most efficient and productive marketing of agricultural and forestry products. Our strategy to achieve that goal involves helping the Gambian Government create the proper financial, policy, and institutional environment for free enterprise while working with government to transfer specific functions, activities, and organizations from the public to the private sector. We are using a combination of bilateral project TA, centrally funded consultants, and program assistance to implement the strategy.

The mission's direct involvement in privatization began in 1983 with a series of consultants funded with PM&R resources. This ad-hoc assistance focused on macro economic and financial policy reform for economic recovery and necessarily began the process of preparing the government attitude and the policy framework necessary for privatization. The process continued during 1984 and accelerated with the very thorough study of Government/Gambia Produce Marketing Board (GPMB) relations. The GPMB is the most significant enterprise in the nation. It processes and markets the groundnut crop, imports rice and agriculture inputs, controls the river transport corporation, operates other enterprises and provides other services. The study which recommends the divestiture of GPMB activities not central to its main function, the processing and marketing of groundnuts, gave strength to convinced government officials and donors to pursue privatization. The study has led to the National Investment Board (NIB) being charged with developing the strategy to rationalize Government/parastatal relationships through performance agreements and devise privatization plans for divestiture of non essential functions. A World Bank contractor is presently assisting NIB to devise appropriate performance contracts.

In 1985 privatization pressure increased and AID's role in the process was expanded with implementation of the Economic and Financial Policy Analyses project. The long-term advisor took a central role in development of the Economic Reform Program in the summer of 1985 in which privatization is a paramount measure. At the same time USAID required privatization of the rice trade as condition for the rice sales portion of its 1985 Emergency Food Assistance. This was accepted by the government and before the arrival of our commodities importation of rice was opened to all licensed traders, the price to be set by market forces. This has resulted in a flourishing trade in rice and, except for the few months before our rice arrived, ample quantities for sale at a price set by market forces. Other reforms such as removing the subsidies on fertilizer, floating the currency and regularizing customs assessments and collections have bettered the conditions for the private sector and established an atmosphere in which additional privatization measures can be taken.

Development of our Title II Section 206 project continues the process. It is the mechanism by which we will work with the government to divest and eventually privatize the GPMB operations. Release of our food aid and local currency funds are tied to the achievement of specific policy measures and institutional benchmarks indicative of progress towards full privatization. During the course of our three year \$6 million program we will implement our privatization plan for GPMB to:

- (i) regularize relations between the GPMB and other institutions (i.e. government and other public enterprises);
- (ii) delineate interlocking debts and accounts with a plan and schedule for their resolution;
- (iii) sell GPMB non-productive, peripheral assets;
- (iv) reduce outstanding arrears and regularize GPMB finances;
- (v) remove public service activities, end subsidies, and transfer services and costs to government or the private sector;
- (vi) divest and privatize peripheral operations;
- (vii) divest and privatize core assets and operations.

Another target identified for privatization is the US-assisted sawmill owned and operated by the Forestry Department. At this time we have presented an initial proposal to the Government, suggesting either a lease of the operation to a private investor or a contract with a private businessman to manage the operation. This would be the initial step in a process to implement sound business practices and make the sawmill a viable commercial operation suitable for sale to private investors upon expiration of the lease or contract.

We have also identified specific activities for privatization. At this time the groundnut seed trade is dominated by a de facto monopoly of The Gambia Cooperative Union (GCU). We are designing an African Economic Policy Reform Program (AEPRP) to deregulate the trade and allow private entrepreneurs to participate. Other subsidies to GCU and inequities in prices set by the current marketing institutions will be changed through policy measures envisioned under our AEPRP. For example, credit supply and interest rates will be equalized, and buyers' allowances will be set to cover costs and set at parity for all licensed buyers. Finally, once this process is complete, we hope to have established an agricultural marketing system that is open and that operates as efficiently as possible according to free market principles, that is, there will be competition in trade and prices will reflect real market costs.

In summary our privatization objectives and benchmarks are:

Short to medium term:

- 1) Continue policy dialogue and technical assistance to create policy which will facilitate the privatization of services and trade.
- 2) Provide technical assistance to NIB to plan for and achieve private management of the Forestry Department sawmill operation leading to full privatization.
- 3) Provide technical assistance to NIB to draw up a plan for divestiture of additional enterprises of parastatals.
- 4) Assist in divestiture and privatization of GPMB peripheral assets.
- 5) Provide policy guidance and technical assistance to ensure that the private sector can compete with Gambia Cooperative Union on an equal basis in groundnut marketing.

Medium to long term objectives:

- 1) Completely privatize the processing and marketing of groundnuts.
- 2) Privatize additional Government services and enterprises as conditions become suitable.

Local Currency Use Plan

In FY 1984 and 1985, OAR/Banjul provided 7150 MT and 6000 MT of rice, respectively, as emergency PL 480 Title II food aid, of which 3284 MT and 3000 MT, respectively, were sold. The proceeds generated by these emergency programs were used to defray the costs of the free rice distributions and to fund activities designed to reduce drought and policy related needs for future assistance. Specifically, as illustrated in Table VI, some of the FY 1984 proceeds paid for the transportation costs associated with the national distribution of 3866 MT of rice. The majority of the FY 1984 funds were used, in conjunction with Gambian Government contributions, to pay for the free distribution of 6230 MT of groundnut seed for the 1985/86 crop year. This was necessary because as a result of the 1984 drought Gambian farmers either consumed their groundnut seed reserves or sold them to buy food and thus they lacked the seeds to maintain cash crop production. The FY 1985 proceeds, along with the small remaining FY 1984 balance (\$131,000), were used to support the groundnut producer price paid to the drought-stricken Gambian farmers for their 1985/86 crop. This enabled The Gambia to improve its prospects for groundnut production and marketing so that its foreign exchange earnings, which come primarily from groundnuts, would not decline.

In FY 1986 a three-year PL 480 Title II Section 206 Program was approved by AID/W. This program envisions approximately 24,000 MT of rice, an average of about 8000 MT of food aid per annum, for sale in The Gambia. We expect to generate approximately \$6.86 million in local currency equivalent funds to help alleviate the causes of the need for assistance. The major reason for the Gambia's reduced food self-reliance, and frequent emergency food aid requests, lies in decreased groundnut production; that is, The Gambia no longer earns the foreign exchange necessary to support traditional levels of food imports or imports of agricultural inputs necessary to support high levels of agricultural production. Therefore, the local currency will be used to recapitalize the groundnut marketing system so that incentive producer prices can be paid to groundnut farmers. This will enable The Gambia to maintain and increase groundnut production, marketing, and foreign exchange earnings, thereby helping restore food self-reliance.

This use of the funds is tied to Gambian self-help policy measures to strengthen agricultural input and produce marketing as well as to redress the previous policy bias against rural production in favor of urban consumption. It thus constitutes support to the local currency costs of structural adjustment and reform as well as to agricultural production. These are the twin objectives of our development assistance strategy.