

**AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT**



**GAMBIA**

**COUNTRY DEVELOPMENT  
STRATEGY STATEMENT**

**FY 82**

**Small Program Statement**

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## THE GAMBIA

### Small Program Strategy Statement

The Gambia, with an area of 11,000 square kilometers, a population of 570,000 and growing at 2.8 percent per year, is one of the smallest countries in area and population in mainland Africa as well as one of the most densely populated. The country consists essentially of the Gambia River and a strip of land on either bank. It is surrounded by Senegal on three sides and by twenty four miles of Atlantic Ocean along the coast. The Gambia has progressed reasonably well during its 15 years of independence and seems to survive the vagaries of nature which befall the Sahel area better than most of its neighbors. Because of its smallness, the homogeneity of its people and its geo-political configuration, The Gambia's development requirements are not only easy to discern but hold promise of being fulfilled.

Office of the AID Representative  
Banjul, The Gambia  
December, 1979

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## I. INTRODUCTION

The Gambia River, the most navigable in West Africa, provided the best access to the interior of any waterway for early European explorers and, eventually, for the slave trade. When Britain relinquished control of the Crown Colony of the Senegambia to the French in 1783, it was successful in retaining the river and its surrounding banks as far inland as British gunboats of the era could penetrate.

The financial rewards of the slave trade placed considerable importance on the Gambia River. However, when the British Parliament abolished the West African slave trade beginning with a series of Acts in 1807, the importance of The Gambia to Britain paled rapidly. Thereafter its chief value to the Empire was as a trading pawn with France. Although several attempts were made, most notably in 1870 and 1876, a trade was never consummated because of the outcry among merchant groups in England and objections from inhabitants of The Gambia. In 1965, The Gambia became an independent nation within the Commonwealth. Few except the Gambians themselves held much hope for the country's survival politically or economically. Even the United Kingdom anticipated early amalgamation with Senegal, so much so that at its independence Britain planned to handle Gambian affairs from its Embassy in Dakar.

As The Gambia provided little economic benefit or prospects, Britain invested few of the resources which contributed to the base from which other ex-colonies began their independent life. There were few rural roads, social or educational infrastructure was negligible outside Banjul, and social services were not available. The administrative apparatus upriver was at best rudimentary, its chief manifestation being occasional police sweeps to quell inter-tribal disorders. At independence, there were no more than 50 expatriate colonial administrators at all echelons throughout the country, none of whom

could be considered as "settlers". These administrators were relatively benevolent and developed a greater sense of identity with the indigenous population than their colleagues in other colonial territories. Local self-government emerged relatively painlessly and took on a non-violent, democratic character which remains to this day. Imprisonments and banishment for anti-colonial agitation were rarely needed or used. There have never been political prisoners, and The Gambia's commitment to, and active practice of, human rights stands as an illuminating example of what can be attained in Africa. A gentle people by nature, The Gambia appears to harbor very little of the anti-colonial resentment which has been so pronounced in most ex-colonies.

The first 10 years of independence saw The Gambia carry on the economic patterns of the colonial period. Because of the dominance of groundnuts in the economy, the foreign sector has long been of major importance. The Gambia has been heavily dependent on imports for all types of goods including food, other consumer goods and capital goods. Even today over half of the government's revenues derive from import duties and the country's ability to import depends upon groundnut production and world prices. In addition to being the major source of rural incomes, groundnuts accounts for 90-95 percent of export earnings. Groundnut processing accounts for the bulk of the medium and large-scale industrial sector and groundnuts have given The Gambia an important cash crop enabling some farmers to rise above the subsistence level. However, the country faces all the problems characteristic of single-crop economies. Economic prospects are largely unpredictable with groundnut production and prices ~~tending~~ to fluctuate from year to year. Consequently resources available for consumption, investment, and recurrent government expenditures can vary substan-

tially from year to year. The country has adjusted to this situation reasonably well but the uncertainties related to dependence on one cash crop involve significant economic costs. Foreign exchange reserves and price stabilization funds need to be built up during good years to minimize resource shortfalls in bad ones. Inadequate reserve buildup can seriously disrupt imports and investments in bad years, and excessive reserve accumulation can take resources away from consumption and investments in good years. Crop diversification would appear to be the solution but the potential for this is limited and will require considerable investment, commitment and perseverance over a long period. The introduction of appropriate technology to improve land and labor productivity holds more immediate promise.

## II. ANALYSIS

### A. Profile of the Poor

The Gambia has enjoyed relative freedom from tribalism. The colonial experience and the interaction of the riverine peoples and the societies further inland led to a process of tribal disintegration. The alienation of The Gambia politically from surrounding Senegal reinforced the artificial division of ethnic groups, economic patterns, and even families. Gambian rural development is nevertheless fortunate in that the result of the process means that factors of relative socio-economic homogeneity outweigh most factors of traditional or contemporary social differentiation. Thus, it is possible to generalize about the Gambian poor majority and to formulate development plans with an overall national focus. Differentiating factors include language/ethnicity, caste, political history, and religion, none of which is profoundly divisive or immobilizing. Five ethnic groups account for about 95 percent of the population.

There is a considerable amount of intermixing of villages and individuals.

Many tribal kingdoms transcended the boundaries of what became Mali, Senegal, and The Gambia. Trade routes, religious and cultural influences, marriage patterns, and sentiment link parts of Senegal and The Gambia every bit as much as modern market forces. Because no discrete tribes are fully contained within the nation's borders or given new life by its administrative jurisdiction, there is no overwhelming tribalism in the rural areas. The caste system common to much of West Africa has been and still is a stronger mark of social identity than pure tribal affiliation. The "founder" caste of a village controls its political decision making, its land and other economic resources, and religious sanctions. The caste structure, which is neither highly elaborate nor organized across village boundaries, continues to weigh heavily upon village or district prestige and influence and is a strong factor in the channeling of socio-economic change. Religion is probably more sensitive than ethnicity. The Christian element, at most 5 percent, is concentrated in Banjul while the hinterland is overwhelmingly Muslim. In recent years, educated Muslims have broken the earlier Christian monopoly on the civil service and political life, but residual fear of Christian influence (read anti-rural bias) is seen by advocates of rural development.

Against these factors of social differentiation run the stronger forces towards uniformity. These include ecological homogeneity, the riverine groundnut economy and the national unity generated under colonialism which continued into independence. Gambian farming, with certain variations caused by the river's salinity, is generally similar throughout the country. Traditional foodcrops include millet and sorghum. Groundnuts have emerged as the dominant cash crop consuming the great bulk of male labor, leading to the partial replacement of

millet and sorghum as staple food crops by rice which women cultivated more extensively as time went on.

The dominant social unit today is the autonomous and adaptive Gambian village which can be considered the highest effective unit of social organization. The village is a cohesive political and economic entity, usually composed of a single community but sometimes more than one. It is led by a steering committee of its chief elders whose legitimacy enables them to exert great influence. Given this unity, villages have been able to change sites, contest elections, allocate and reallocate land and deal with development alternatives offered by outside agencies, "outside" meaning anything or anyone from beyond the village. The unity of Gambian villages revolves around strong leadership which cannot be ignored or deliberately by-passed. The colonial administration organized the country into administrative divisions which were subdivided into district authorities whose legitimacy was perceived as deriving from traditional patterns of social control and transcending the village unit. In 1960, general elections under adult suffrage were held for the first time. A natural corollary was the outright questioning of the authority of the traditional chiefs, particularly by the younger men. Universal adult suffrage hailed the beginning of the end of the original district authorities presided over by the traditional chief of the district. The essential autonomy of the village and its compounds was thus increasingly assured socially as well as economically.

Social status in a typical village favors those who can claim to be direct descendants of the original settlers and founders of the community. Later settlers, even though they may have been part of the village for many years, are regarded by the oldest inhabitants and their offspring as newcomers. Internally it is divided along caste and compound lines and is differentiated to

a very limited degree by wealth. To an extent greater wealth and higher caste merge and, conversely, low-status people are likely to have poorer land to farm. The extended family system was traditionally strongly entrenched forming the basis of the structure of the compound. The role of the extended family encouraged agricultural cooperation through a mutual exchange of labor but population pressure, coupled with diminishing virgin lands, has accelerated a process toward the nuclear family unit. The tendency for fission from the extended family to form nuclear family units has had a serious effect inter alia on the availability of labor during peak period farming. A further important factor since World War II is the nature of changes which have occurred in the social structure as a consequence of increased access to economic opportunities. The structure of village society today is different from that which paid tribute to the village elders in earlier times. The monetization of the rural economy and the provision of better physical ~~communications~~ have altered the insularity of the villages. The expansion of food and groundnut services and development programs, even the more recent tourist boom, have offered new routes to financial "success" for some industrious individuals from the lower castes. This group is not just a magnification of old social forces but an element which represents some new and divergent values, investment strategies, and political influence.

These two factors have contributed significantly to population migration within the rural areas as well as to the more familiar rural/urban drift. Immigrant settlers have tended to bring a relatively strong commercial sense to a village, but social acceptance comes slowly. The pace of intra-village commercial activity is increasing. Available evidence suggests that the proportion of immigrant settlers in comparison with natural increase of the traditional freeborn (minus migration to urban and other rural areas) is significant.

This has both social and economic consequences: the village becomes less inbred, and it is increasingly difficult to enforce the traditional caste distinctions between the various types of freeborn and those of servile origin. While most villagers have come to believe in the intrinsic value of money, a limited number of the more energetic and farsighted have invested in trading, in learning a craft and ultimately money-lending, i.e. the natural results of capital accumulation.

This discussion underscores the increasingly complex situation facing the Gambian village as it progresses into the modern world: The old social and economic order of the village is no longer fully valid, yet it remains the basic social and economic unit for development focus.

Gambian farmers generally live in villages accessible by four-wheel vehicles within five miles of the river and the two main east-west roads. They speak their own language plus at least one other local tongue. Few speak workable English, a few others speak French. If there is a government school in the village, it has little equipment or supplies and may not even have<sup>a</sup>/regular--let along minimally qualified--teacher. Health facilities are at some distance and rarely used. Half the children in rural areas die before their fifth year passes. Infectious diseases and inadequate maternal care are probably the major factors contributing to high child mortality and impaired growth. The efficiency of those who survive is drastically curtailed at critical stages in the annual economic cycle. In The Gambia, the wet season which is so vital to national and personal survival and well-being, coincides with maximum disease transmission, marginal food supplies, and the disruption of the mother-child relationship through intense agricultural activity telescoped into a short period.

The likelihood of adequate food supplies during the July-October period--the season of heaviest agricultural work--is always uncertain. This precarious situation is reflected in studies demonstrating a declining mean body weight of adult males and females of up to ten percent every year during this period. These changes are not solely a consequence of lower nutritional intake but are also attributable to the much higher human energy requirements at this time. The energy cost of most agricultural activities in The Gambia is metabolically severe. The high incidence of child mortality can be linked with the strenuous activities of the adult female who is expected not only to bear and raise children and prepare food for her husband, but also to produce the main food crop, rice, almost unaided.

In discussing the poor majority one must realize that virtually all Gambians are poor. A national per capita income somewhere between \$130 and \$180 by official agency estimates (even well below \$130 in the rural areas when constructed "from below" by a recent student of the subject), life expectancy of about 35 years, annual public expenditures of approximately \$6.00 per capita on health despite the high cost of imported medicines, no significant industry, lower rates of primary and secondary school attendance than in most other coastal West African countries, a school system that produces unemployed middle school leavers, a rate of literacy in English of under five percent and an effective population density approaching 300 per square mile of cultivable land--all these factors leave little doubt that even by LDC standards the Gambian population is among the poorest of the poor. The arid climate, the poverty of the soils, and the lack of mineral resources contribute to The Gambia's low potential for significant change. Climate not only dominates the pattern of agricultural activity but is also the major influence upon the incidence of

malaria and other diseases carried by insect vectors as well as a host of debilitating waterborne illnesses. The poverty of virtually all Gambians is, therefore, both a result of factors beyond their control and the cause of their dependence on external donors for marginal means of increasing their standard of living.

Within the context of The Gambia's general poverty, the rural population is relatively poorer than the urban. Traditionally, farmers and herders have had to produce whatever conditions of well-being they have, with little government intervention except as keepers of the peace, cash crop purchasers and price controllers. The relatively poorest comprise 80-85 percent of the rural population. Some concentration of wealth exists in rural Gambia but this is not readily apparent in terms of western criteria for judging living standards. "Concentration of wealth" to the extent it exists does not imply a radical gap in living standards or the likelihood of continuously inherited advantage. Wealth is stored in the form of cattle or invested in people, e.g. more wives, relatives, and assorted hangers-on, rather than in improved physical health, increased consumption of durables, or greater investment in education. Wealth in Gambian rural terms means people and influence, but people and influence consume wealth. A few individuals and families without traditionally high status are finding ways to gain a small measure of wealth. The question is whether outside donors can or should try to exclude the relatively wealthier from proposed programs: Rural innovators are often but not always those already in high traditional status and are often an integral part of the village decision-making structure. The traditional oligarchy continues to be strengthened by modern economic forces and the monetization of the agricultural sector. It is, however, neither an identifiable social class enjoying visible comforts in western terms, nor the

only group to benefit from natural or induced change. It is certainly defined by its influence over village affairs so it can be safely observed that development efforts cannot hope to succeed without the support of this group.

Focusing rural development efforts on the village is the best way for insuring that donor interventions do not exacerbate rural differentiation in wealth: The entire village will benefit at least eventually by raising the base for all. The smallest villages are not so well off as the largest. From the national perspective, obvious economies and political arithmetic militate in favor of placing government amenities in the larger villages. To the individual farmer the larger settlements have richer agricultural potential and support more diversified crafts, trade and cultural life. Many smaller villages are relatively deprived of these resources and are poorer in every way for it. Data are lacking on the distribution of the rural population in settlements of various sizes and on the differences this means in the social composition of villages. It is suspected, though, that traditional upper castes are underrepresented in small villages and the ex-slaves, craft castes, and recent rural migrants are overrepresented. Thus there is the possibility that the smallest villages are more likely to be left behind in the rural political consciousness. Whether it makes sense for development projects to reach out to the people of such villages is not conclusive a priori and must become a matter of analysis in specific cases.

There is a perception that the further east one goes in The Gambia, the less serviced are the people's development needs. The concentration of purchasing power in the greater Banjul area, the relative ease of mounting government services in the western portion of the country and its denser population have led to greater public expenditures in this area. However, the eastern region

is not necessarily the poorest. Indeed, in terms of traditional forms of wealth, the east is relatively well endowed. For example, one form of wealth is herds of cattle stored on the hoof, the largest of which can be found in the east. It is reasonable to assume that the eastern region enjoys neither substantial advantage nor disadvantage in basic living standards or quality of life compared with the rest of the country, it is simply less touched by services.

The Gambia as a whole lies at a general poverty level as measured by world standards and material indicators. Successively poorer people are found as one moves from the Banjul area to the villages in general, then to the 80-85 percent of the rural population which is not upper caste or otherwise relatively better off and then to more distant, smaller settlements. Theoretically, development programs aimed at the poor majority have potentially clear fields of action. Principles of cost-effectiveness, successful replicability or transmission and/or the utility of co-opting locally influential elites may, on the other hand, all become considerations in realistic project planning. The poorest farmers in the smallest settlements in the easternmost reaches of the country may be the poorest of the poor within the relatively narrow range of the Gambian poverty continuum, but it must be examined carefully whether in any given intervention they may or may not be the Gambians most responsive to external stimuli.

#### B. The Causes of Poverty

Of the many causes of poverty, several major ones stand out:

Land availability. Because of The Gambia's small area and high population density, land is becoming an increasingly scarce resource. Farming traditionally followed a pattern of shifting cultivation where land was cleared from bush, farmed for periods of five to seven years, then allowed to revert to bush fallow

for ten to twenty years. Increased population pressure, incentives to grow more cash crops, and availability of oxen to work more acres with a limited labor supply at critical times have resulted in progressively shorter bush fallow periods. In many areas today farmers are practicing rotations of one year of fallow in four or two years in five. During these short periods of rest few species of plants can become established so the soil regenerating benefits of bush fallow rotation are greatly reduced. This growing pressure is likely to lead to social conflict over land rights unless methods are introduced which not only increase yields per acre but also prevent successful farmers from acquiring more land, further depriving unfortunate or relatively less skillful farmers from access to productive land.

Land tenure. In the past when land was abundant, it was not necessary to have clearly defined land tenure rights. However, in recent years there is much less unclaimed land and permanent land rights generally are acquired through inheritance. The village and compound heads enjoy a complex authority over the allocation and reallocation of land. When a village is established, the head of the founding lineage and the heads of the other founding families select tracts of land. Thereafter their descendants have the right of usage, of lending it out, and sometimes of permanent alienation. Historically people did not seek aggrandizement by clearing more land than legitimately needed. It was only when soils became depleted on one set of plots that another tract was cleared. Eventually almost all land associated with a village would be cleared and its land use rights defined. Once land has been granted to a compound head, the village leader does not have the right to take it back. The compound head engages in an annual exercise, at least in theory, of reallocation of tracts among the farming units within his purview. The land tenure system and the process of

annual land reallocation result in a fragmentation of plots interspersed among the fields of other compounds. The farmer's fleeting relationship with a particular parcel motivates him to focus his energies on maximizing his short-term output, not on longer-term protection of the soil or husbanding of the environment. Presently each adult worker cultivates between 1.5 and 2.2 acres, distributed in small plots located within five miles of the compound. The average size of each field is on the order of one acre. Inasmuch as village compound heads and farmers are increasingly aware of the deficiencies of fragmentation, consolidation of fields could become a viable agricultural policy option, so long as the rural population does not feel threatened by such a fundamental change in its traditional pattern of life.

Credit availability. The effective monetization of agriculture through the introduction of groundnuts transformed rural Gambia into a credit economy. Since the early post-World War II years farmers almost as much as urban dwellers have borrowed to the limit of their credit-worthiness. The increased availability of consumer goods, e.g. imported textiles and corrugated roofing, meant that rural indebtedness was no longer confined to such short-term necessities as seeds and food to bridge the hungry season. Traders and moneylenders may be one and the same person or in collaboration with one another. Moneylenders may simply be big farmers who loan to little farmers. The basic problem is not the moneylender but poverty. The farmer has virtually no defense against adversity which might strike the whole community, (e.g. drought or a village-wide fire) or himself as an individual (e.g. sickness, lack of labor, or sudden financial reverses). The activities of cooperative societies as a means for improving the credit and marketing system have penetrated the rural areas slowly.

The lack of production credit has seriously restricted the farmer's ability to accumulate the capital resources--draft animals, farm implements, and fertilizers--necessary to overcome the peak period labor constraint and to increase his earnings. Until recently the principal type of credit available to farmers has been subsistence credit to buy food to tide the compound over until the first food crops come off the fields. The farmer has traditionally had to mortgage future capital accumulation to insure present survival. Movement towards production credit began recently under World Bank financing. It is clearly the policy of the government to close the subsistence credit window but funding availabilities and the administrative capacity of the cooperative movement must be improved to permit optimum producer credit expansion and utilization.

Labor constraints. Labor is underutilized during much of the agricultural season but during the peak demand in June and July, virtually all available male and female labor is devoted to agricultural tasks, chiefly planting and weeding. Age-sex organization (kafo) are important rural institutions whose main function is the supply of communal labor, especially as a means for dealing with the peak period bottlenecks. Each kafo contains male or female members of the community regardless of social status whose age is roughly within five years of one another. The economic effect of social status, however, is revealed in the cost of hiring kafos, which varies according to the hirer's caste origin. Farmers who cannot pay the price in cash do not get the help. In times of stress reliance is placed on being able to tap sources of credit and the services of the kafo. Although the mutual exchange of labor has not totally disappeared, the practice of demanding money wages as well as food for labor has greatly increased in recent years. With growing pressure on a finite supply of land from a rapidly growing population the beginnings of a class of landless agricu-

tural laborers is emerging. Casual labor, including traditional "strange farmers" seeking cash wages and food during the season of peak demand, finds employment especially on groundnut farms of relatively high-income farmers. As stated earlier, the monetization of the rural economy and the improvement in transportation have contributed heavily to the labor problem. Before, young men had little requirement for money so they concentrated their efforts on the family farm. But since the establishment of trading centers and easy egress from the village, young people have alternative means of obtaining money. The family farm has less of a hold over village youth. Thus a major constraint to increased agricultural output, despite new technology, is the growing labor shortage at peak periods, further exacerbated by the quality of available labor whose efficiency is often impaired by chronic or acute illness, particularly during the four-month growing cycle.

Rural Health. The rains normally commence about the third week of June. Food stocks from anything but an over-abundant harvest the previous fall are all but exhausted. The "hungry season" arrives in May-June in a normal year. The farmer, male and female, enters into a period of maximum energy output. The rains lead very quickly to the waterborne diseases ranging from gastroenteritis of various origins to malaria and on to tuberculosis. All hands must work long days, seven days a week which is especially hard on women who, in addition to their regular duties as mothers, cooks and housekeepers must spend most of their time in the rice fields. They arise very early to prepare the gruel for the field workers and the children who remain in the village. They return from the fields late and tired, often at nightfall and then must prepare the evening meal. Sheer physical exhaustion is a major factor contributing to increased susceptibility to diseases which especially abound in the village environment during this season.

rural women will continue to have an excessive number of pregnancies until mortality is reduced considerably below its present rate and perhaps until a system of old age insurance or social security is introduced as well. This is because a large family is the only protection most Senegambians have against the possibility of a lonely and destitute old age. At the present rate of mortality in the Senegambia, data indicate that in order to have a 90 percent chance of having one son survive to age 25 to provide support during his parents old age, a woman must average six live births. (At current rates the average woman may have an equal number of miscarriages and stillbirths.) Three of the six will be daughters, and only a little over half of the sons will survive to age 25. The daughters will normally have married between the age of 15 and 20, and will have families of their own to support by the time the mother is in her forties. The son at 25 will not have married yet however, (average age at first marriage is about 30), and will begin contributing to his parents' support before he takes a wife himself. In these socio-economic circumstances, the goal of having at least one son survive to age 25 seems eminently rational. Thus what appears to be in the abstract a very high birth rate is, in fact, just adequate from the point of view of individual families, given current mortality and socio-economic patterns.

The overall impression is that the health of Gambian villagers is at best marginal and that the reserves necessary to meet extreme health stresses are meager. The rural Gambian population has maintained itself over the generations but it has done so at a low level. Malnutrition and chronic disease are among the most important factors standing in the way of economic development in The Gambia.

Female labor force. In addition to the usual factors characteristic of farming

The economic factors leading to greater male emphasis on groundnuts, contributing to the trend from millet to rice, have a nutritional and health aspect as well: Millet requires a relatively high intake of green leaves to make it mucilaginous which is not essential with rice. Hence households which do not supplement rice with side dishes, which must be purchased, have an even more impoverished diet. The rains witness the peak period in adult morbidity and child mortality. Approximately 90 percent of adult Gambians carry malaria. Although the incidence of active attacks has not been measured, it is known to be substantial and is a major cause of morbidity and consequent decreased work capacity in the rural adult population.

Diseases and poor nutritional status particularly affect infants and pregnant and lactating women. Infant mortality to age five approaches fifty percent attributable primarily to diarrheal diseases and malaria. The rural population has an overall life expectancy of 35 years. The main causes are the general ignorance of nutritional needs and the high incidence of infantile diarrheas, malaria, and other communicable diseases which increase protein-calorie requirements and reduce the ability to absorb and utilize the nutrients. Waterborne diseases and ingestion of impure water have debilitating effects on the capacity of the rural work force and the health of children before they reach a productive labor age. Studies of Gambian villages indicate that infectious disease and inadequate maternal care are probably the major factors contributing to high mortality and impaired growth. Next to diarrhea, malaria and measles are the most important diseases contributing to infant malnutrition and often rapidly bring undernourished children to a state of marasmus.

Further exacerbating this poverty cycle are family planning constraints. According to a recent study of the Senegambia region, it is hypothesized that

women in a conservative Muslim society, the increases of cash cropping in The Gambia over the past 40 years has meant that women's work in food crops has become less well rewarded than men's in cash crops. Few new production technologies have been directed towards women's crops, so the autonomy that develops with cash income has accrued more to men than to women. This process has in part been mitigated by the movement of women into rice cultivation over the past quarter century. Swamp rice is exclusively a women's crop and utilizes time and labor previously consumed by food crops cultivated jointly by men and women. This tendency has been reinforced still further by the relative decline in millet and sorghum production (yields as well as acreage). Rice is increasingly in demand and accounts for about 80 percent of available food grains by weight in the Gambian diet. Focusing development attention on women and non-irrigated rice may lead to their greater economic self-sufficiency but this could have a profound influence on the role and function of women within the family. The commercialization of rice production will tend to increase the amount of women's time spent in backbreaking labor as well as provide them with some cash. Should efforts be made to move women away from swamp rice cultivation? There are no easy answers socially and economically at either the local or the national level.

### C. The Current Economic Situation

#### Income and Production

The structure of the Gambian economy has remained virtually unchanged in recent years. Agriculture and related activities (forestry, animal husbandry, and fishing) account, on the average, for more than 55 percent of GDP; commerce and tourism provide about 17 percent and government and other services contribute an additional 12 percent. The groundnut sector alone represents nearly 35

percent of GDP. In recent years efforts have been made to diversify the country's economic base by increasing rice and cotton production, livestock, and fishing as well as to develop the tourist sector. However, diversification efforts have been hampered by the paucity of natural resources, the small size of the domestic market, and the lack of adequate supplies of energy with the result that the outcome of such efforts is still modest. During the period 1974/75-1978/79 (July-June) GDP at current market prices rose at an annual average rate of 15 percent. However, given the weight of the groundnut sector and the volatility of marketed groundnut output, both real and nominal GDP have fluctuated widely from year to year. In 1977/78 GDP at current market prices fell by 16 percent, and real GDP is estimated to have registered a larger decline, due to the shortfall in agricultural production following the severe 1977 drought. However, in 1978/79 GDP at current prices returned to more normal levels, increasing by 40 percent in relation to 1977/78 and by 18 percent in relation to 1976/77, and real GDP appears to have increased substantially in relation to 1977/78 and to have returned to about the 1976/77 level.

#### Agriculture

Agriculture and related activities provide a livelihood for more than 85 percent of the active population, contribute more than 90 percent of domestic export earnings, and form the basis for the principal processing industries. Agricultural production has fluctuated substantially in recent years, owing mainly to the recurrence of drought conditions. The major thrust of the government's agricultural policy centers on: (1) increasing the production of cash crops; (2) attaining self-sufficiency in food; (3) diversifying the agricultural base to reduce The Gambia's vulnerability to external fluctuations; (4) and developing irrigated agriculture to attenuate the impact of rain shortfalls.

In the last five years at least 50 percent of the land under cultivation has been used for groundnut production which attained a peak of 147 thousand tons in 1974/75 but fell to a low in 1977/78 of 82 thousand tons or about 62 percent of the average marketed production in the previous three years. In 1978/79 this trend was reversed, and marketed production increased to 127 thousand tons or slightly above the 1976/77 pre-drought level. However, the quality of the 1978/79 crop was substandard as untimely rains in December 1978 and again in January 1979 resulted in a high incidence of black and moldy nuts. The current year's crop appears to have been badly effected by this year's intermittent rains and production might be off by as much as 30 percent from last year's crop. Although some expansion in the acreage under groundnut cultivation is envisaged in the next 2-3 years, the Ministry of Agriculture is presently concentrating on raising the per acre yield by providing extension services and supplying farmers with appropriate farm implements such as ox plows, better varieties of seeds, and subsidized fertilizers.

Cotton production, which was insignificant in 1974/75, has been expanding fairly steadily. In 1976/77 1,000 hectares were planted, and production attained 800 tons. In 1977/78 the area under cultivation increased to 2,300 hectares, and cotton production rose to 1,200 tons, despite the reduced rainfall. In 1978/79 however, both the area under cultivation and production were reduced, since there is a tendency for farmers to increase production of foodstuffs at the expense of cash crops after a year of drought. Cotton, which is exclusively a cash crop, is particularly affected by this practice.

Production of paddy has been relatively constant in the last five years fluctuating around an average of 34 thousand tons. In 1977/78 rice production dropped to 28 thousand tons because of inadequate rainfall. In 1978/79, however, output recovered, attaining 37 thousand tons. Rice consumption in The Gambia

still outpaces production, and imports of about 30 thousand tons per year are required. Most of the paddy production is consumed by farmers themselves with only a minor part of the crop, about 1,000 tons, marketed. Other important subsistence crops are millet and sorghum and to a lesser extent maize. Together they cover over 30 percent of the total area under cultivation in the country. As in the case of groundnuts, uneven rainfall this year has badly effected production of cereals. Early government estimates indicate a 25 to 35 percent reduction in these crops in the 1979/80 harvest compared to the 1978/79 levels.

Marketing of groundnuts and related products, cotton, palm kernels, and rice is the exclusive responsibility of the Gambia Produce Marketing Board (GPMB) which is also responsible for the importation of rice and fertilizers. The distribution of domestic food crops, which are produced mainly for subsistence, is carried out largely by individual farmers and private traders.

Producer prices for various cash crops, which are set by the GPMB, are normally announced each December. In fixing these prices account is taken of the current and prospective evolution of prices on the world markets, the level of the producer price in neighboring countries, the need to maintain sufficient reserves for stabilization purposes, and the need to provide farmers with adequate incentives. Producer prices for groundnuts have been raised virtually each year from 1968/69 to 1978/79. Producer prices for paddy were increased by 10.8 percent in 1977/78 and by an additional 5.2 percent in 1978/79. Producer prices for cotton were increased by 5.4 percent in 1977/78, but remained unchanged in 1978/79.

Despite the successive increases in the producer price for groundnuts amounting to a doubling in five years, the relatively favourable weather conditions until 1977, and the continued subsidization of fertilizers, production declined in each of the three years preceding the 1977 disaster. The producer

price for 1977/78 did not change and the groundnut volume dropped sharply that year, but this was attributable to the 1977 drought. The fall in groundnut productivity is attributed to several factors: weakening in the strains of seeds (lack of progress in seed selection and multiplication), an aging farming population (migration of the youth), continuing widespread use of hand-hoe farming methods (limited animal traction). Government authorities recognized that groundnut production has not responded to price incentives in recent years and that it no longer seems to be an independent variable in stimulating output.

The paddy price which has been rising rapidly is still sufficiently unattractive that only a miniscule 200-500 MT of domestic production is officially purchased annually. Inasmuch as domestic production in recent years has been approximately 30,000 MT, a substantial unofficial market apparently exists in rice within rural areas, from rural to urban areas, and across national boundaries plus self-consumption. There is no coarse grain cereals pricing policy, and the extent to which an informal rural market exists is unknown. An organized and extensive domestic cereals market has not been able to develop naturally in the presence of an attractive producer price for groundnuts and a reasonable consumer price for imported rice.

Gradual expansion in agricultural production will in all likelihood depend increasingly on long-term investment in the rural sector: appropriate technology packages, renewable resource preservation and regeneration, marketing, credit, communications facilities, the rural health profile and water availability.

#### Livestock and Fisheries

The cattle population has been increasing at an annual average rate of 3 percent. Annual beef production is estimated at 3,000 tons cold dressed weight.

Mutton production is of the order of 900 tons and poultry 300 tons annually. The contribution of livestock to GDP is less than 5 percent. Virtually all of The Gambia's meat supply comes from local production. Efforts to expand livestock production have been hindered by several obstacles including intrinsic financial constraints and poor organization and management. Further, the increase in the size of the herd has resulted in substantial overgrazing, a problem normally solved by an increase in meat production and the stabilization of the size of the herd. However, in The Gambia as in neighboring countries, livestock is an important national asset and a traditional form of wealth accumulation. Consequently the farmer tends to sell his cattle only in the dry season or in other situations when he is short of cash.

The Gambia has substantial fish resources, in both the river and the coastal waters. Fishing is undertaken mainly by individual fishermen, for the most part operating motorized canoes. Despite severe growing pains in the modern fishing industry fish exports have increased steadily from D1.7 million in 1974/75 to D6.0 million in 1977/78.<sup>1)</sup> Similarly, export volume increased from 3,519 tons in 1974/75 to 34,457 tons in 1977/78, although unit prices have decreased as a result of a change in the composition of fish exports. In 1978/79 export of fish and fish products decreased to D3.6 million and 11,859 tons.

#### Other Resources

There are few other existing or potential economic resources in The Gambia. Despite liberal tax incentives the manufacturing sector is small, consisting essentially of processing units for agricultural products and the manufacture

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- 1) D stands/dalasi, The Gambian currency. At current exchange rates, one U.S. dollar is equal to 1.85 dalasi.

of a few consumer goods. The main constraints are the small size of the domestic market, the existence of a fairly developed manufacturing sector in Senegal, and inadequate power and water supplies. The manufacturing sector has always accounted for less than 2 percent of GDP; in the last two years its share has declined further, owing to a reduction in the operations of the oil mills, which are the main industrial units in the country. Tourism on the other hand has been and continues to be a fast-growing industry. Air charters under package tours is the predominant form of tourism in The Gambia. Beginning with Swedish tourists, it has expanded to include other Scandinavian countries, Germany, and the United Kingdom. The number of air charter tourists reached 21,116 in 1975/76 but fell steadily over the next two years because of a decline in the activities of the Scandinavian tour operators. In 1978/79, however, air tourist arrivals increased to over 25,000 as the number of Scandinavian tourists resumed its growth, while tours starting in Germany and the United Kingdom increased substantially. Out-of-pocket expenditures by tourists are estimated to have grown from D5.0 million in 1974/75 to D9.0 million in 1976/77; they declined to D7.5 million in 1977/78. The situation reversed itself, however, and the 1978/79 expenditures were estimated at a record D12.5 million, and expectations are that the 1979/80 season will bring in at least D15.0 million in out-of-pocket expenditures. In addition to earning foreign exchange, the tourism industry is estimated to employ directly 1,500 people, while indirect employment in restaurants, ships tour agencies, handicrafts, transportation, and other services is estimated to create another 1,000 jobs. Despite concern over the possible negative impact on the country's social and cultural values and traditions, the government has actively promoted the development of tourism by granting tax holidays and other fiscal incentives, providing hotel training facilities for the Gambians, ensuring provision of infrastructure facilities,

and participating in the equity of some hotels.

#### Economic Development Planning

Since 1964 The Gambia has launched three development programs and a Five-Year Plan, all of which emphasized infrastructure facilities and public utilities and included neither private investment nor any macro-economic targets such as output or employment. The present Five-Year Plan for Economic and Social Development, 1975/76-1979/80, represents a more coordinated approach that defines national objectives and priorities but still does not include quantitative projections and annual investment targets. Although a National Development Committee, consisting of the Permanent Secretaries of various ministries, reviews the annual development program and budget before it is submitted for final consideration and approval by the government, the planning machinery in The Gambia is at an early stage of development.

The present plan which has been extended for one year, has the dual objectives of reducing unemployment and of narrowing the disparity between urban and rural incomes. The first objective is expected to be attained through gradually reorienting the educational system to develop skills and influence work attitudes and through promoting small-scale enterprises in the urban sector. The second objective is to be attained through expanding and diversifying output, improving public health and education in rural areas, creating rural growth centers, expanding the road network and continuing adjustments in agricultural product pricing policies. The plan was originally adopted in January 1976 but was soon revised in the light of more realistic cost estimates. The revised figures also include changes in the sectoral allocation of planned investment. In its revised form the plan called for total public investment of D253 million at 1975 prices over the five-year period. Of the total expenditure envisaged, 18 percent was for agriculture, 54 percent for transport and communications, and 19 percent

for social infrastructure (including public health and education), with the balance allocated to administrative services, public utilities and other sectors of the economy. Under the plan, real GDP was expected to increase by an average of 4.5 percent per annum over the period, with a per capita growth rate of 1.7 percent per annum. In terms of product diversification, the plan anticipated that the relative share of groundnuts would fall from 35 percent to 31 percent as a proportion of GDP and from 92 percent to 86 percent of exports.

Implementation has not been easy. First, the low level of domestic savings has caused heavy reliance on foreign resources. Delays have arisen in the disbursement of foreign aid due partly to differences in procedures and conditions governing disbursement of funds by the various donor countries and agencies. Second, shipment delays and the requirements of "tied aid" constituted another obstacle since material and equipment are not always available when needed. Third, planning and programing at the project level has been inadequate and the shortage of skilled personnel has imposed a heavy strain on implementation capacity, particularly in the Public Works Department. Despite these difficulties progress has been made. After a slow start in 1975/76, actual investment has increased rapidly since 1976/77 due to efforts by the government to improve the capacity of executing agencies and to resort more frequently to private contractors for public sector construction work.

During the first two years of the plan, public sector investment amounted to D43 million, equivalent to an implementation rate of only 53 percent of the targeted investment expenditure. The low rate of implementation was due to the fact that most projects were not adequately formulated during the initial years and funding arrangements were inadequate. During 1977/78 the implementation rate of public sector investment improved to 73 percent, mainly as a result of the

execution of major sectoral projects by private contractors and an improvement in project funding. Unlike the first two years, foreign loans and grants financed almost 65 percent of the total investment, and domestic bank financing was reduced to half the level in 1976/77. In 1978/79 the rate of implementation fell to 63 percent. For 1979/80 the planned investment of D135 million is equivalent to about 40 percent of projected GDP. However, it is estimated that only about D80 million of this planned investment will be realized of which foreign grants and loans will cover over 80 percent.

#### Prices, Wages and Employment

Since 1974/75 consumer prices have risen at a much faster pace than in previous years. In the last two years, however, inflationary pressures have subsided and price increases have been reduced to 10 percent in 1977/78 and 7 percent in 1978/79.

Employees in the private sector and those in the public sector who are not included under the Established Civil Service are guaranteed a minimum daily wage. Although minimum wages in both sectors as well as salaries in the civil service have remained stable, wages in the private sector are often higher than the legal minimum wage and have continued to increase in recent years. On the basis of provisional and partial data, it is estimated that average earnings per employee increased by 11 percent in 1976 and 5 percent in 1977. In spite of these increases, however, real wages and salaries have declined substantially since July 1976. The economically active population of The Gambia increased from an estimated 256,000 in June 1975 to 266,000 in June 1978, 85 percent of whom are self-employed, mostly on farms. The remainder are salaried employees and wage earners. The level of employment is subject to wide seasonal fluctuation mainly because the groundnut and the tourist season coincide. For this

reason employment is normally much higher in the first and fourth quarters of the year than in the second and third quarters. Daily-rated and casual labor are most affected by seasonal unemployment.

Because of the continuing migration from rural to urban areas, unemployment appears to have increased in Banjul and its suburbs in recent years and is presently estimated at approximately 30 percent in the 15-24 age group. Urban employment opportunities have not expanded rapidly enough to accommodate those who migrate from the rural areas to the cities as well as school leavers, who number about 1,600 a year. Provisional estimates show that the level of unemployment recovered moderately in 1978 after having suffered a setback in 1977 on account of the drought.

#### Public Finance, Money and Banking

The public sector in The Gambia consists essentially of the Central Government and 17 public enterprises which include 13 nonfinancial enterprises and 4 financial institutions. The nonfinancial enterprises are engaged in agricultural trading, transport, the provision of public utilities, and tourism. While these enterprises are free from direct government control, their investment decisions are controlled by a government entity, the National Investment Board. Apart from The Gambia Utilities Corporation, all nonfinancial public enterprises are currently operating on a profitable basis, but for the most part, retain their operating surpluses for reinvestment. The public financial institutions consist of the central bank, a commercial and development bank, a savings bank and an insurance company. These institutions are by and large autonomous bodies. The central bank pays significant amounts to the government each year by way of share of profit; other institutions retain their profits for reinvestment.

Over the period 1975/76-1978/79, there has been some deterioration in the overall fiscal position. Revenue increased at an average annual rate of 22 percent, while total expenditure increased at the rate of 38 percent; grants increased eightfold but the increase did not match the rising levels of development expenditure during the period. The major factor behind the increase in total expenditures was a sixfold increase in development expenditure, or from 5 percent of GDP in 1975/76 to 22 percent in 1978/79. Current expenditures, on the other hand, have registered a relatively modest annual rate of increase of about 22 percent during the period. Notwithstanding the increases in current expenditure, the current surplus rose substantially from D5.7 million or 2.7 percent of GDP in 1975/76 to D21.7 million in 1977/78 or 10 percent of GDP; in 1978/79, however, it dropped to D12.7 million or 4.2 percent of GDP.

The overall deficit has risen from D7 million in 1975/76 to D41 million in 1978/79 or from 3.1 percent of GDP to about 13.4 percent. However, the rising overall deficit was financed substantially by foreign borrowing which rose from D5 million to D22 million during this period. Foreign borrowing was mainly in the form of development assistance from external donors. Domestic financing primarily from the Central Bank also grew during this period rising from less than 1 percent of GDP to 6 percent or D17 million in 1978/79.

Over the 1975/76 to 1978/79 period revenue has increased rapidly from approximately 22 percent of GDP to 27 percent. A large part of the increase derives from nontax sources, which grew at an annual average rate of 45 percent or from 4 percent of GDP in 1975/76 to 9 percent in 1978/79.

The structure of taxation has changed over the period from 1975/76 to 1978/79, with the ratio of taxes on international trade falling from 85 percent of tax revenue to 76 percent and that of income taxes rising from 12 percent to

18 percent. The increased importance of income taxes, which have risen at an average rate of 36 percent over the period, has been largely due to the introduction of a development levy on both individuals and companies, the institution of a capital gains tax, an increase in the rate of company tax, and the clearance of backlogs in tax assessment and collection.

The eightfold increase in grants over the 1975/76 to 1978/79 period was partly attributable to the substantially higher grants from the Sahelian Drought Funds, the United Kingdom, and the EEC (STABEX and the European Development Funds).

Total expenditure increased almost threefold to D136 million over this period primarily due to the rise in development expenditure. For the most part, this increase was due to improvement in the project implementing capabilities of the relevant ministries, the employment of private contractors to execute some of the projects, and increases in costs. Current expenditures on goods and services increased at an annual average rate of 20 percent, largely because of the impact of rising levels of development expenditures on recurrent expenditure, particularly the costs of operating projects when completed.

The budget estimates for 1979/80 provide for revenues of about D82 million. Total expenditure was budgeted to increase by 47 percent to D200 million, largely due to a budgeted increase in development expenditures. A reduction in current expenditures was to be effected by rigorous monitoring of spending by ministries, with surcharges on officials responsible for overspending wherever necessary. The budget provided for a sizable surplus of about 12 million on the current budget; however, an overall deficit of D93 million was budgeted. Of this amount, D84 million or 90 percent would be financed mostly from concessional foreign borrowing; the balance of D9 million would be financed from domestic sources.

IMF estimates that the budgeted reduction in current expenditures does not take adequate account of inflation and the budgeted increase in development expenditures. Accordingly current expenditures are expected to remain at the same level as in the previous year. Meanwhile, as in the past, a substantial underspending of the amount of budgeted development expenditures is envisaged; IMF estimates an implementation rate of about 60 percent or D80.0 million in 1979/80. Thus, <sup>an</sup> overall deficit of D44 million or 13.1 percent of GDP is projected, compared with a deficit of D41 million or 13.4 percent of GDP in 1978/79.

Net domestic credit expanded rapidly in the last two fiscal years ended June 1979, attributable to large increases in net credit to the government, to official entities, and to the private sector. After increasing by 81 percent in 1977/78, net credit to government rose by further 67 percent in the fiscal year ended June 1979. Concurrently, with the rapid expansion in net domestic credit, the net foreign assets of the banking system have been declining steadily in the past few years. After declining by 58 percent in 1977/78, to D27 million, the net foreign assets of the banking system fell to a record low by June 1979, when they showed a negative net position of D6 million. For several years the government maintained a net creditor position with the banking system. However, since February 1977, because of delays in connection with the disbursement of foreign aid, particularly on account of the expansion of Yundum airport, the government has been compelled to borrow from the Central Bank. As a result, the government's position vis-à-vis the banking system has deteriorated since early 1977 reaching a debt of 27 million by mid 1979.

Borrowing by official entities such as The Gambia Produce Marketing Board, Gambia Utilities Corporation and Ports Authority comprises a fairly sizable proportion of total domestic credit which by June 1979 amounted to D28 million.

Agriculture and commerce account for at least two thirds of credit to the private sector which reached a high of D64 million by mid 1979. Credit to agriculture fluctuates seasonally according to the financial requirements for groundnut marketing. The share of credit to tourism, which started from a low base, reached a peak in June 1977 when it stood at 14 percent of total credit to the banking system; however, it fell to 8 percent by June 1978.

The Central Bank exerts credit control by varying the amount of its intervention for crop financing; under this procedure, banks and licensed buying agents are required to utilize their own resources for financing a proportion of the crop, while the remainder is provided by the Central Bank. Where subsistence credit is concerned, central bank control can be exerted by fixing a maximum intervention level for such credit, which is extended by cooperatives to farmers to tide them over until the crop is harvested. However, plans are at a fairly advanced stage to phase out subsistence credit and introduce a more production-oriented credit system.

The Central Bank charges 6 percent on most of its credit operations with commercial banks. The discount rate on Treasury bills is presently  $4\frac{1}{2}$  percent. The lending rates of the commercial banks vary with the type and duration of the loans. Until 1978 the maximum rates charged on loans for crop financing were stipulated by the Central Bank not to exceed 8 percent; in general, these rates tended to be close to the prescribed maximum. In 1978 the permissible range was raised to between 9 percent and 10 percent. The discount rate on commercial bills presently varies between 12 percent and 13 percent. The commercial banks' deposit rates vary from  $2\frac{1}{2}$  percent for short-term deposits to 7 percent for 12-month time deposits.

Foreign Trade and Payments

After several years of stability, The Gambia's economic situation deteriorated in 1975/76 and the balance of payments, which had registered a surplus in each year since 1969/70, recorded a deficit of SDR 5.7 million or the equivalent of 14 percent of GDP. In 1976/77 the trade balance improved substantially, as export receipts increased by more than 20 percent reflecting a steep increase in groundnut prices while import payments rose by only 4 percent. Since capital inflows remained at levels comparable to the previous year, the overall balance of payments also improved markedly, showing a small surplus of SDR 0.7 million. In 1977/78 a severe drought affected the external position of The Gambia by reducing agricultural production and exports and by increasing imports of foodstuffs. As a result, the trade deficit increased to SDR 34.2 million, compared with SDR 7.9 million in 1976/77. In spite of substantial increase in capital inflows, the balance of payments moved into a large deficit amounting to SDR 10.6 million. Preliminary estimates show that the balance of payments has remained under pressure in 1978/79. Untimely rains reduced the quality of the groundnut crop; exports increased by 32 percent, but remained below the level attained in 1976/77. Thus, although the trade deficit fell from SDR 34.2 million in 1977/78 to SDR 29.7 million in 1978/79, it remained large. At the same time capital inflows were reduced and the overall deficit remained virtually unchanged at SDR 11.0 million. The Gambia's gross official reserves, which stood at SDR 26.4 million in June 1977, or the equivalent of about 7 months of 1976/77 imports, declined to SDR 16.7 million in June 1978; by the end of June 1979 gross official reserves had fallen to SDR 7.5 million, or the equivalent of about 1 month of 1978/79 imports.

Total exports have fluctuated widely in recent years due to fluctuation in world prices for groundnuts as well as changes in weather patterns in the Sahelian region. In the last five years export earnings ranged from D75.5 million in 1975/76 to D106.7 million in 1976/77. Export receipts also show a marked seasonal pattern, attaining their lowest level during the harvest season, rising gradually in the first quarter of the year, and reaching a peak in the second quarter.

The Gambia's imports consist mainly of foodstuffs, manufactured goods, and machinery and transport equipment, accounting for 60-70 percent of total imports in recent years. Other important categories of imports are minerals, fuel oils and chemicals. Because of the deficiencies in natural resources, water, and energy and the small size of the domestic market, there appears to be little scope for import substitution. Attempts are being made to increase the use of locally produced foodstuffs by hotels; e.g. the brewery which was established in Banjul is expanding its production.

After improving by 44 percent in 1973/74, due mainly to a sharp increase in groundnut prices, the terms of trade deteriorated by 19 percent in 1974/75 as import prices rose sharply. In 1975/76 there was a further 27 percent deterioration because of a decline in export prices. The situation improved by 16 percent in 1976/77 as export prices rose. In 1977/78 export prices increased by 2.5 percent only, while import prices kept pace with world inflation and increased by 12.0 percent, resulting again in a deterioration of The Gambia's terms of trade. Preliminary data show a further 4.5 percent deterioration in 1978/79, when, again, import price increases outpaced the increase in export prices. The Gambia's main trading partner continues to be the UK. However, exports to the UK, which reached one half of total Gambian exports in 1975, declined steadily to 25 percent in 1978. The UK increased its share of The

Gambia's imports from 24 percent of total imports in 1974 to 28 percent in 1978. Other important export markets are France and the Netherlands. The share of the EC countries in total Gambian exports has declined from 89 percent in 1974 to 69 percent in 1978. At the same time, exports to other African countries increased from 2 percent in 1974 to 6 percent in 1977 but declined to 5 percent in 1978. EC countries are the main suppliers of The Gambia's imports, accounting for an average of 48 percent of such imports in the five-year period ending in 1978. Imports from the USSR, Eastern Europe, and the People's Republic of China remain the second largest source of imports into The Gambia. The United States has increased its share from 4 percent of total Gambian imports in 1974 to 5 percent in 1978, while the Japanese share has fluctuated between 3 percent and 6 percent during the same period.

Until 1975/76, the IDA and the UK were The Gambia's principal sources of external debt. Since then the country has borrowed increasingly from the African Development Bank, Arab Bank (BADEA), OPEC Fund, OPEC Special Fund, Abu Dhabi Fund, West Germany, the Kuwait Development Fund, Norway, the People's Republic of China, and the Saudi Development Fund. The Gambia's external debt increased rapidly between 1974/75; nevertheless, it continues to be relatively small and has been contracted almost entirely on concessionary terms. Consequently, the debt-servicing burden continues to be small relative to exports and national income. Further, as a result of waiver of debt by the UK and the West Germany during the fiscal year 1978/79, it is estimated that the external debt outstanding declined to D55.8 million by June 1979.

D. Progress and Commitment

As indicated in Section C, Gambian economic policies have traditionally

been conservative and oriented towards national growth as measured by familiar indices with minimal propensities toward social welfare ideologies and programs. The traditional reluctance to engage in deficit financing of current and development expenditure has hindered the formulation of social welfare/equity approaches. Only in recent years as reflected in the current development plan, are there indications that government policy is to reach the farmer and the rural areas in ways other than as cash crop purchasers, keepers of the peace, and solicitors of votes. The effect of this policy adjustment is beginning to be felt as reflected in the government's willingness to undertake a certain level of deficit financing of development programs. The composition of GDP has remained relatively constant, although growth of GDP has varied a great deal from year to year because of fluctuation in the world demand for groundnuts and the quantities produced. Income distribution between the urban and rural sectors does not appear to have changed significantly at the macro level but the increasing monetization of the rural sector has tended in a small way to exacerbate rural differences at the micro level.

The health profile of the rural population is unchanged and the 2.8 percent annual growth rate has consumed much of the increase in GDP. Life expectancy remains at 35 and infant mortality in rural areas is estimated at 217 per thousand and not getting better. Educational statistics show no real improvement, and rural literacy rates remain at five percent. Lack of qualified professional management and technical manpower at all levels is a major hindrance to project preparation and execution.

The central fact of the Gambian situation is that groundnut production is more profitable than coarse grain production. Swamp rice is also relatively profitable, but its further development is limited by access, salinity, and labor. The nature of the domestic cereals market reflects the country's heavy

dependence on imported foodstuffs. The supply of millet and sorghum is constrained by the opportunity cost of groundnut production; demand for millet and sorghum is constrained by the presence of a substitute (imported rice) at reasonable prices. These marketing considerations must be taken into account, otherwise programs for increasing coarse grain yields risk encouraging further substitution of agricultural land and labor from cereals to groundnuts. The relative price of groundnuts and rice is the main consideration in producer decision making. As long as profitability per work day and per acre is greater for groundnuts than for cereals, the farmer will continue specialization. Government policy could alter the local groundnut and rice ratio but this would reduce output and income. Thus as The Gambia considers how to move towards food self-sufficiency, it must weigh the economic costs of this objective against the gains in security and reduced dependence on external supplies. This reinforces the point made previously that the potentials for crop diversification are seriously circumscribed.

Despite many constraints affecting increased agricultural production, we share the government's view that investment in the sector holds greater promise than non-agricultural pursuits such as small scale transforming industries, food processing, etc. The country is blessed with a leadership which is genuinely dedicated to growth with equity but tangible evidence of this commitment is difficult to discern. However, as the major projects of the current Five-Year Development Plan begin to bear fruit the situation should improve. Although a large share of the plan's resources are being committed to essential urban physical infrastructure, e.g. power, airport construction, roads, etc., its major thrust is to reduce unemployment essentially by reorienting the educational system and to narrow urban/rural disparities through a variety of rural development activities designed to improve the quality of life of the rural

population.

Dependence on virtually one cash crop the price of which is externally controlled will, in all likelihood, continue in the foreseeable future despite efforts of diversify. However, it is expected that eventually the government will reach its goal of food self-sufficiency along with its diversification efforts. In both pursuits, success will depend more on increased land and labor productivity than on other factors. To this end, the government and external donors sensibly are concentrating on (1) the introduction of the most appropriate technology packages for improving the quality and quantity of food and animal production, and (2) the prevention of further environmental deterioration especially of the renewable resource base which has been neglected to the danger point.

#### E. Other Donors

The Gambia is the recipient of a wide range of economic assistance from some ten major and nine minor international donor agencies as well as through bilateral programs with twelve countries, including the US. Leading the contributors are various Arab countries and organizations with an input of some \$61 million in on-going and anticipated projects, most of which is aimed at capital improvements, primarily in the transportation sector. However, the Arab Bank for Economic Development in Africa (BADEA) is providing \$3.3 million towards the \$11.7 million Rural Development Project (RDP I), which is a four year effort to increase cereal, cash crop and livestock production for over 50,000 people in the western half of the country. The World Bank (IDA) and the UK are also contributing to the project with approximately \$4.1 million each. IDA is providing an additional \$19

million towards other ongoing development projects and is expected to contribute another \$18 million towards RDP II. Largest among IDA's current projects, apart from RDP I, is a \$5.7 million effort to upgrade rural roads. EEC has an \$18 million project portfolio with its largest activity, \$5.5 million, directed towards the construction of a rural road in the North Bank Division. The African Development Bank is providing \$16.8 million in assistance with \$14 million of this amount aimed at the tourism sector and \$2.8 million in support of a cotton development pilot project. The UN has approximately \$16 million in projects underway through several of its agencies, the largest of which is a \$4.8 million rural roads rehabilitation project being undertaken by the UN Sahel Office. West Germany, whose overall assistance program totals \$10.9 million, will contribute \$2.2 million to the second phase of the project. Mention should also be made of economic aid from the PRC. Approximately \$13.7 million in assistance can be identified, but \$12 million of this is going towards the construction of a sports stadium. The bulk of the rest of the assistance is in the health sector.

It is difficult to assess the stringency with which other donors are applying BHN criteria to their development projects. As can be seen from the above, many of the current large projects are in transportation sector, though they are aimed at rural areas, where the overwhelming majority of the poor are. It must be said, however, that apart from RDP I, much of the large-scale assistance up to now has gone towards the tourism sector, which hardly fits into the BHN category. On the other hand, some of the donor's smaller projects such as the improvement of rural water supplies, the construction of health dispensaries and establishment of agricultural credit do fit under BHN criteria. It would appear, also, that the assistance emphasis on tourism has peaked as there does not seem to be much on the drawing boards in this area. In fact, the largest

economic aid program planned for the foreseeable future is the \$45 million RDP II which is an extension of RDP I.

In a country with as tiny a resource base as The Gambia, external donors and the government must take particular care to coordinate assistance endeavors and to complement what one another does. To this end the UNDP takes the lead in facilitating the exchange of information among major donors. Informal meetings of aid donors in residence, e.g. UNDP, FAO, UK, EEC, and AID representatives occur periodically but nothing is formalized.

#### F. Recurrent Costs

In a recent study on this issue commissioned by CILSS and the Club du Sahel, it was found provisionally that not only does a recurrent cost problem now exist in The Gambia but that it will become more severe during the next five year development period. The problem exists because capital resources are cheap relative to current resources which leads to a rational strategy to physically undermaintain and underutilize the capital stock. The "recurrent cost problem" is equally a "recurrent revenue problem". To date, the study submits that the government has constrained interest rates at inadequate levels to stimulate savings through the financial system thus reducing the potential resources available and aggravating the "recurrent cost problem". Various recommendations are put forward to assist in alleviating the problem, including donors' reconsideration of their preference for capital funding. The report stresses that both the Gambian government and donors should recognize that the nation's absolute poverty is not a short term problem and that its need for external aid is not transitory. It recommends that the government convene a meeting of donors to consider how the resources required for alternative development expenditures (both capital and recurrent) might be shared contending that more aid alone

will not solve the problem unless the allocation of resources between capital items and current inputs is changed. The report concludes that both donors and government officials explore various mechanisms for increasing the cost of using capital in The Gambia until it is no cheaper than the government's costs of raising recurrent resources. However, such institutional arrangements must preserve the transfer of real resources underlying the concept of foreign aid which will be necessary in The Gambia for a long time to come.

### III. STRATEGY

#### A. Objectives

In considering which Gambian objectives are appropriate for AID to support, attention again is drawn to the economic awareness of the farmer: He is unlikely to concentrate on dryland cereals production at the expense of groundnuts. Food crop self-sufficiency in the absence of major increases in rice production will be virtually impossible to achieve. It may be possible, on the other hand, that carefully structured interventions can be made which will increase dryland production of several crops. The Gambian goal of food self-sufficiency is perhaps better seen as improved food crop production. It will be a long process, and there are no quick panaceas or easy solutions. Improved food crop production will entail integrated approaches in the broad area of rural development: crop and farm development, irrigation development, agricultural services and credit, fisheries, basic rural services/human needs, institutional development, infrastructure development, livestock development, and forestry.

The government is thinking increasingly in terms of river basin development. Virtually the entire country is contained within the Gambia River Basin. Basin development in general and Gambian agricultural development in particular depend

largely on the ability to utilize extensively surface and groundwater availabilities. Substantial groundwater resources are thought to exist but more investigation is required of resources as well as their optimum utilization in terms of local cultural practices. For example, organizing villages into an economically efficient irrigated horticultural program requires careful handling of the remunerations and division of earnings. One fundamental issue will have to be addressed: The relatively small size of the basin and its population raise questions as to the economic returns to be realized from a major basin development program.

The Gambia River offers a substantial supply of fresh water but abstraction of water from it is quite complicated. Both Senegal and The Gambia have agreed on the need for some means of controlling the one hundred mile movement of the saline interface over the annual cycle which has been further exacerbated in recent years by the gradual movement upriver of the interface extremity during the drought years. One or more dams are required either to even out the freshwater flow or to physically prevent movement of salt water past a fixed point upstream. Without salinity control Gambian potential for increasing agricultural production in absolute and yield terms is limited.

Yields in rainfed, dryland crops will increase slowly at best over a long period of time as production programs seek to introduce input packages of appropriate technology which operate within existing socio-economic and cultural parameters. The government's major effort in this area is the Rural Development Project (RDP) which is designed to increase cereal and cash crop production and livestock husbandry through better coordinated and strengthened government services, improved communication and marketing and the introduction of a "package" program for crop production (implements, fertilizer, improved seed). Results of the first phase of this ambitious project (1976/79), which was limited to

45 villages with a population of 50,000, have been sufficiently encouraging to extend the program nationally during the Phase II (1980/86) period. So far, EEC, IFAD, IDA, UK, NOVIB and CEDA have indicated interest in participating in Phase II along with USAID.

Another major Gambian goal in rural development is to improve the quality of life in rural areas, including health and nutrition. Not only is this a basic human need expressed in equity terms but it is essential to economic development and increased productivity of rural labor. The quality of the human capital is the key. It is difficult to accelerate growth rates and agricultural productivity through technological innovations directed at modernizing the agricultural sector without a concomitant effort at breaking out of the paradox of depending for that growth upon a population whose energy is sapped and whose agriculture is inefficient due to debilitating, chronic disease. Investments in physical and human resources will have to move concomitantly with poverty alleviation programs for the latter to achieve optimum effectiveness.

In addition/<sup>to</sup> appropriate technology and good health, the transportation and communication systems also must be rationalized and integrated if the farmer is to realize significant benefits. The government recognizes that improved access to the interior and to markets is an important element of long-term development of the rural sector and supports projects designed to improve rural transportation and communication infrastructure.

## B. AID Assistance Strategy

### Irrigated Agriculture

The most important variable in determining AID's assistance strategy over the 1982-86 period is what is assumed about an anti-salinity dam at mid-river.

A preliminary study suggests an opening over time of up to 60,000 acres for irrigation, chiefly rice, in contrast to 5,000 acres now cultivated out of a maximum 7,000 potential given existing labor and water constraints. Agricultural, social, economic and environmental benefits and costs analyses are currently underway or planned. AID assistance strategy assumes that a dam will be built toward the end of the period covered and that eventually we will participate in the project either by capital financing of physical infrastructure or technical assistance in one or more of the proposed major agricultural production projects which will follow dam construction. Meanwhile we propose to assist the Gambia River Basin Development Organization (OMVG), the multinational institution responsible for basin development, in undertaking one or more of the four remaining analyses needed prior to the final assessment of the proposed dam's feasibility. These include soils and hydro-agricultural studies, agronomic research, cartography and topography, and an environmental assessment. It must be stressed that as valuable as AID participation is in these studies, by itself the Gambian government would not consider this assistance as sufficient. Assuming the dam program proves to be feasible, we should be prepared to make substantial long term technical and/or capital contributions to its development.

It is important to insure that present AID assistance makes sense within the current Gambian development context in addition to it being compatible with the dam once it is built. To this end, AID does not propose assistance in irrigated agriculture for the time being because of the many uncertainties vis-a-vis the dam and without the dam little water can be abstracted from the river. Further, the potentials for groundwater use are still unknown and will require considerable time to realize.

### Rainfed Agriculture

Thus we, along with other donors, intend to concentrate on improving traditional agriculture over the next several years. This also will enable development efforts to reach the more remote regions of the country which have received less attention to date. To this end the planning for the second phase of the Rural Development Program encompasses extension to the eastern half of the country and envisages a much broader spectrum of involvement than the first phase of the project. Some elements of the rural development program strategy are being tackled bilaterally by donors, including AID while others are being undertaken in conjunction with an IBRD-led program. AID is considering participation in the area of crop production involving a wide range of packages for different farm systems and models, including support for compound farmers and more individualized larger farming systems. These probable assistance efforts will be focused eastward of the major concentration of the proposed dam's immediate impact. In this way AID will reinforce Gambian objectives in the most efficient way and will reduce overlapping programming demands on the country's limited personnel and financial resources.

### Resource Management

A major area of concern not adequately addressed by other donors is integrated resource management on non-cropland with appropriate livestock and forestry elements. AID has responded to the government's request for direct AID involvement in integrated rural resource management, an area which is perceived to be a particular American strength. Gambia recognizes that the mixed farming characteristics of its agriculture necessitate efforts to develop both crop and non-crop enterprises at the farmer level. Crop yields have stabilized at best and in many areas are declining. The traditional bush fallow period

has been reduced below the point of natural soil regeneration. Less and less land is available for opening and clearing. The decreasing availability of acceptable quality land as a factor of production will in part offset gains realized over time through the introduction of improved crop production techniques. American expertise in forestry and soil and water management--the renewable resource base--will be brought to bear to help stem the current deterioration in the farmer's immediate economic environment. In the forestry project which is just getting underway, we intend to address the problem of diminishing woodland in the country through a variety of forest production, training and technical assistance activities. In the soil and water management area, a group of SCS specialists under a PASA, are essentially assisting the Gambian government establish a Soils and Water Unit which will be capable of developing and managing a national land use and resource plan.

With its high human and animal population density, The Gambia is increasingly faced with problems concerning land utilization. These conflicts are acute between crop and livestock enterprises as farmers attempt to increase the area of crop land under cultivation and at the same time attempt to increase their holdings of animals which rely heavily on the same land for extensive grazing. Intensification of both agricultural and livestock enterprises on finite units of land is difficult due to low productivity of present farming practices. Resource degradation is in major part, the direct result of the greater land pressures described above. The situation is particularly bad on land that is not under annual crop cultivation. Governments and donor agencies have tended to focus on existing cropland while neglecting the equally important problem of the management of fallow and non-crop lands, which results in a non-integrated approach to rural resource management. In The Gambia agricultural labor is not differentiated into crop and livestock specialization. Most farm

units in the country maintain both crop and livestock enterprises within the same farming system. The area of mixed farming and resource management provides AID additional scope for fostering linkage between rural productivity and prevention of environmental deterioration.

### Transportation

In addition to agriculture the goal of opening the rural areas and reducing rural-urban disparities involve other sectors of potential AID interest. The Gambia River has traditionally provided the major transportation and communication links in the country. However, over the past 20 years major roads have been developed in the interior and the Gambia River has declined in importance as the main artery of the country. Investment in rural infrastructure is part of the government's policy to improve agricultural production and to reduce the existing rural-urban imbalance. Such investment will have been and continue to be directed toward the easing of major bottlenecks and the stimulation of productive potential in the rural areas. Improved access to rural markets facilitate the cash benefits to women for marketed swamp rice and help set conditions to encourage trade in coarse grain cereals. It reduces time and energy required of the farmer to transport all crops to marketing points, and enables him to have more frequent contact with agents of change and government services, conversely, access to the interior of government services, and assistance is a vital component of longer-term development of the rural sector. Programs to upgrade major trunk routes and secondary roads have largely been underwritten by other donors, chiefly the EEC, UNSO, the FRG and several Arab sources. However, the present road network is deteriorating, and the government's

road maintenance capability is very inadequate, a situation which will only worsen as the road construction programs of the various donors come to fruition. For these reasons, AID has agreed to enter into a substantial project to assist the Department of Public Works develop an effective rural road maintenance capability.

#### Rural Health

Tracing through this paper is the theme that development of Gambian agriculture within its current vicious circle of low productivity because of its low resource base and vice-versa will have very limited scope in the absence of an improved human resource endowment. As described in detail earlier, the population is poorly nourished, debilitated by acute and chronic disease especially during the agricultural season and consequently is inefficient. The farm family suffers direct economic privation through any loss of a productive member from illness at critical times. Moreover, the rural farmer is not endowed with substantial energy reserves with which to respond to improved agricultural possibilities so he or she cannot take full advantage of available technical improvements.

The Ministry of Health has an existing operational structure that, whatever its deficiencies, reaches far into the countryside. Present leadership in medical and health services is energetic, forward-looking, preventive-minded, and rural-oriented. The new Chief Medical Officer expresses vigorous support for family health and child-spacing components to any health strategy. The main thrusts of The Gambia's health strategy now include:

- extension of primary health care to villages incorporating the MCH family health care-type of approach. This looks beyond the Five-Year Plan which stopped short of fully endorsing community-based rural health services.

- improvement of the nutritional base and the intake awareness of the rural population.
- development of local training facilities with standards acceptable to West African accreditation procedures, to reduce the need for individualized training abroad.
- village sanitation and the eradication of communicable disease. (According to recent research in rural Gambia, improvement rests almost entirely on the availability of a decent water source at the village level.)

While there is a plethora of small, discrete donor assistance activities, the rural health sector remains a large gap in substantial foreign assistance support in The Gambia. Traditionally British aid has involved the topping-up of medical and administrative personnel in the Banjul area which is continuing. The PRC has fielded a medical team for the one existing upriver hospital and has plans to construct and staff a separate small hospital on the North Bank. WHO, which supplies a health program administrator, has just completed a study of primary health care for the Ministry of Health which will hopefully serve as a guide for future donor assistance. AID involvement in the health sector has included the long-completed smallpox/measles program; the University of California/Santa Cruz (UCSC) project in Maternal and Child Health Extension which is expiring this month; the regional Strengthening Health Delivery Systems (SHDS) project; and a PL 480 Title II Maternal and Child Health Program.

The UCSC project, although beset with implementation problems in its early years, is winding up on a high note, having accomplished the following:

A Maternal and Child Health Division has been established within the Department of Medical Services. A health statistics system has been introduced and standardized health records are printed by the government, including: child

health and weight records over the first five years, medical history forms, ante-natal immunization record and clinic register, infant welfare immunization record and clinic register, and family planning records. A school for community health nurses has been established upriver. It is into its third wave of students, the first two having graduated and been assigned back to rural areas. The program encompasses environmental health, nutrition, and family planning components. The project has also contributed to the integration of these subjects into the curricula of the Gambian School of Nursing, Midwifery, and Public Health. Family Planning services have been established at the Royal Victoria Hospital in Banjul as well as in three rural health centers. A highly successful pediatric assessment training program has been instituted and Gambians have been trained to continue it after UCSC departure. The Ministry is committed to this program and intends to replicate it for maternal assessment. Finally, a cadre of staff has been developed through participant training which provides MCH and FP services. As AID considers its long-term strategy in the health sector as how best to bring agricultural production improvements into phase with improvements in the rural human resource endowment, the tactic in the nearer term suggests keeping up the momentum generated by the UCSC project and helping to consolidate its achievements.

The SHDS project has identified The Gambia as the anglophone demonstration country for its Objective III, which is to improve regional and national disease surveillance and data gathering systems and to help integrate these systems into a national health planning and delivery program. The Gambia will host demonstration and training activities for the multiple antigen program in a gradually expanding area within the country until coverage is nationwide. This will help address in the nearer term The Gambia's objective of control of communicable disease. It will also establish a capacity to deal effectively with any altered

disease and vector picture resulting from the proposed mid-river dam.

The Title II program, which is administered by CRS and reaches over 30,000 people, essentially is designed to provide critical nutrients to infants and child bearing mothers. It also provides mothers with education to combat malnutrition and infection as well as to strengthen the newborn and to reduce infant morbidity and mortality. CRS has smaller corollary programs in pre-school day care centers and food-for-work activities. The commodities, which consist of some three thousand kilograms of WSB, SFSG and oil at an estimated cost of \$900,000 in FY 81, are projected to continue more or less at this level over the next several years in real terms. The program's objectives fully support the Gambian and AID strategy to improve the health/nutrition standards of the rural population. Judged solely on the basis of need, the acute poverty of the Gambian population would justify expansion; however, program effectiveness is limited by the high cost to the government of inland transportation and inadequate Gambian participation. CRS and the Ministry of Health have not worked together as cooperatively as they should, a situation which should be improved before serious consideration is given to program expansion. Project Concern, a US PVO has also launched a primary health care program under a matching grant which is just getting off the ground.

While all these present and former health sector activities have value, introduction of a nationally directed, fully integrated (i.e. health elements exist in programs of the Gambian Family Planning Association, the Ministries of Economic Planning, Agriculture, Department of Community Development, etc.), rural health delivery system including nutrition will be required for optimum realization of basic human needs and agricultural progress. Given the low level of rural economic activity and the unhealthy state of the human resource, priorities must be drawn. It is our contention that investment in terms of improved

health and nutrition should have priority claim on AID resources over investment in formal educational improvement and that it should have equal priority with investment directed toward increased agricultural production and improved husbandry. The country's small size and population is at once an asset and a liability. On the one hand, the investment required to develop and operate multiple, diversified health delivery programs will be costly on a per capita basis. The recurrent cost impact of such interventions must be examined carefully but it is not at all clear that a heavy burden can necessarily be avoided. On the other hand, the opportunity to develop and manage a countrywide health delivery system is much simplified in The Gambia. There is strong and capable leadership and a relatively good data base and communications system is in place. Further, other donors including the UK and WHO have indicated an interest in joining AID in a coordinated health assistance effort. We intend to participate significantly in The Gambia's primary health care program but intend to design our participation slowly and rationally. Bearing<sup>in mind</sup>/the high cost associated with health sector support, we also intend to fully examine all available implementing mechanisms to share in delivering our interventions such as PVO's and Peace Corps as well as other donor nations and organizations.

#### Human Resources

AID's Human Resources strategy in The Gambia reflects and reinforces its primary program strategy to halt environmental degradation and improve the renewable resource base through projects to improve mixed farming systems, soil and water management and revegetation. AID seeks to complement the extensive input of other donors, while adhering to principles cited in the Africa Bureau Education and Human Resources Strategy of October, 1979.

In addition to the training offered in crop protection and to participants through SMDP, AID takes a broad view of HRD in which the training and partici-

pation of beneficiary populations serves as a keystone of its entire program. Although AID has no plans to design Education or Human Resources projects per se, each of its production sector activities is oriented toward Gambian self-sufficiency in planning, management and execution of development programs, at all levels, including that of the village.

Formal education at various levels receives significant support from UNESCO, UNDP, FAO, EEC and IBRD. The Bank, through its Education Project directly addresses Gambian management constraints through a project that will create a Management Development Institute (MDI) to provide formal management training and re-training relating to both the public and private sectors. The Bank also funds a technical institute in Banjul to provide training in mechanics and construction trades. UNDP will provide technical assistance for both the MDI and the Vocational School. These projects also include provisions for the training of nurses and the upgrading of secondary technical schools and regional education centers. Teacher training, through fellowships for math and science teachers, is also planned.

The EEC has begun phase I of its grant to create Brikama College. Phase II, which will begin in 1980, will include construction of agriculture buildings, library and staff quarters. The EEC also provides educational materials for rural vocational training and funds a functional literacy project. In addition to support of the Management Development Institute and the National School for Vocational Training, UNDP funds a planning unit for MANR including a statistic division, and a Curriculum Development Center for materials production and curriculum planning.

In view of the considerable attention being given to formal education, technical training and management training on the part of other donors, AID places its emphasis upon the first of the Africa Bureau EHRD priorities; the introduction of learning systems that have direct impact upon rural producers and

their families. Due to economic, geographic and social constraints, large number of Gambian cohorts will have limited access to primary schools in the foreseeable future. AID has chosen to pursue alternative non-formal techniques to provide rural populations with improved farm related skills within the context of projects that are designed to upgrade agricultural productivity and income.

The Gambia Mixed Farming Project, which was designed to meet the expressed needs of the rural farmer/herders it purports to serve, seeks to maximize participation by strengthening Livestock Owners Associations and Mixed Farming Centers to provide greater outreach and training. Gambia's Forestry Project will use media and extension techniques to sensitize villagers toward the economic and environmental importance of trees and woodland; and, begin a program for the implementation, management and utilization of demonstration woodlots and other village plantings. AID's Rural Roads Maintenance and Soil and Water Management programs are oriented toward establishing Gambian self-sufficiency in the maintenance of equipment and the planning and execution of environmentally sound systems to improve agricultural productivity and increase farmer income.

As described above, projected interventions in the health field will be oriented toward the training of Gambians to better plan, manage and carry out village level programs.

### C. Related Considerations

#### Mission Organization and Management

The Office of the AID Representative, Banjul which was established six months ago, consists of six DH U.S. and six FN positions. We believe that with an increase of two USDH (Public Health Specialist and a Financial Analyst) this configuration can effectively manage the proposed \$39 million program over the next five years so long as quality staff is assigned and short term experts

in various disciplines can be made available from time to time.

### Intermediaries

Judicious and imaginative use of such intermediaries as self contained institutional contractors, PSC's and PVO's as well as continued cooperation with the PC will also be necessary.

The Gambia is uniquely popular with PVO's: It is the only English speaking Sahelian country; it has a most receptive and cooperative government with an outstanding human rights record and is dedicated to improving the standard of living of its people; and, because of its small size, it offers a greater opportunity for tangible accomplishment than most larger countries. While we fully support the PVO approach and are recommending at least two OPG's, we are concerned with the proliferation of individual projects each with its own philosophy and management approach, the lack of coordination among them and the demands the sum of these activities place on the thin and already over-taxed Gambian bureaucracy. As mentioned above, Project Concern is operating in the primary health care field and CRS is distributing food under PL 480. In addition, Opportunities Industrialization Centers International (OICI) is building an upcountry agricultural and vocational training center, CLUSA is awaiting approval of an OPG in order to undertake a cooperatives training project, Sister Cities has sponsored a "twinning" of Tuskegee, Alabama and Banjul which has stimulated interest in a joint project to renovate the archaic and inadequate city market, and Save the Children Foundation has applied for an OPG to undertake an integrated rural development program in cooperation with the Department of Community Development. The problem is that the total life of project costs of these activities is several million dollars, none of which has been included in the country program budget. Moreover there are not adequate Sahelian regional funds available to cover these costs assuming these projects were to be approved.

Peace Corps/AID Cooperation is excellent in The Gambia and PCV's are factored into AID projects wherever possible, e.g. volunteers are already assigned to two AID projects and plans call for additional collaboration. AID and Peace Corps staff meet frequently seeking new and better ways to cooperate.

Title XII Universities will participate in at least two AID projects under cooperating country contracts and will be self contained in terms of management and logistics in order to minimize AID REP staff support.

Finally, in order to maximize benefits at minimum costs virtually all AID activities are planned, coordinated and financed on a multi-donor basis as described in preceding sections. The Gambia government recognizes the need for multi donor participation in major projects and encourages such collaboration among the aid-giving agencies which is a further indication of the country's enlightened leadership.

#### Family Planning; Women in Development and Energy

While no discrete projects are proposed in family planning, women in development and energy their threads are woven through the fabric of all AID activities in The Gambia. For example, although family planning is not yet an official government policy and is looked at circumspectly by most rural people, in the broad sense of the term it will comprise a major element in the proposed primary health care program with the full support of the Ministry of Health.

Bettering the lot of women is an underlying objective in all our rural development activities which focus on improved rural health and nutrition (meaning mothers and children), and improved land and labor productivity (meaning more appropriate technology and less back breaking field work with better results for women as well as men). For example, women will be hired in the Gambia Forestry project to work in the proposed nurseries. Women will also benefit inasmuch as one of the principal goals is to make firewood more readily available

both in the rural and urban sectors. Further, women will be selected as participants for overseas studies. The Mixed Farming Project provides women with several benefits. The modified ox-cart program will provide the means to ease the burden of many of the current farm chores performed by women. Improved animal husbandry practices with small ruminants will provide women with more income, through increased milk and meat production. Similar results are expected from the expanded distribution of chicks of improved breeds to Livestock Owners Association members for expansion of egg and meat production. Women who own both cattle and/or small ruminants and poultry will benefit from the veterinary outreach of this project as well and by the improved feeding practices for livestock developed by the animal nutrition component. In The Gambia Rural Roads Maintenance Project, women as well as men will benefit from better country-wide access and improved transportation. AID funded projects in health such as the SHDS project benefit women directly with health services for families and individuals. The SHDS project is primarily concerned with the vaccination of the entire population of the country for disease prevention such as measles, yellow fever, and tetanus.

With respect to energy, the Forestry project is primarily focused on the production of low-cost fuel and the preservation of existing natural energy resources. The proposed establishment of 1,300 hectares of *Glemina arborea* will produce between 15 to 20 cubic meters of wood per hectare per annum as compared to an estimated 1.4 cubic meters of wood which is currently being produced annually on the country's natural woodlands. One hectare of *Glemina* plantation could substitute for the production of 10 hectares of natural wood and thus reducing the harvest of a rapidly diminishing resource. Further the plantations will afford a cover which will protect the soil from wind, sun, and torrential rains. With proper weeding, infiltration of rainfall will be

increased. As part of the project, 50 hectares of woodlots in 10 villages, will provide villagers with some of their fuel requirements. About 75 percent of the production will be used as fuelwood, 10 percent as charcoal and poles, and 15 percent as lumber. Further, the installation of appropriate log sawing and trimming equipment in the Forestry Department will increase the volume of sawn timber by at least 30 percent. Both USAID and ODA will be investigating the feasibility of mangrove exploitation in The Gambia. It is estimated that approximately 1,000,000 cubic meters of mangrove are standing on 8,700 hectares of forest that will probably perish once the proposed dam is constructed. The studies are to determine, in part, ways of harvesting the mangrove for utilization as firewood and timber. The amount of mangrove considered is equal to or greater than the total annual wood consumption of The Gambia, or a BTU value equivalent to 1.5 million barrels of oil. The Mixed Farming and Resource Project has a component for improved rural technology, the main thrust of which is to promote the use of efficient animal traction in small scale farming systems, thus reducing the need for fossil fuel consumption in the rural sector. Coupled with the improved livestock nutrition and production element is an improved ox-cart scheme which will make available to farmers at a cost they can afford a lighter stronger and more versatile cart than those currently in use. This in turn will help reduce the dependency of the farmer on public and private fuel powered transportation to move his produce from the farm to the market place. The SHDS Project is installing solar powered refrigerators in two rural vaccination centers on an experimental basis. The refrigerators currently in use are kerosene operated and rarely function properly due to lack of maintenance, parts, and kerosene. It is hoped that the solar powered units might offer a solution to the current situation in which vaccine is frequently ruined due to inadequate storage.

### Environment

Efforts to extend traditional crop and livestock enterprises simply by increasing<sup>the</sup>/land surface to provide a minimal standard of living for an ever increasing population lead inexorably to greater conflicts among competitive users, e.g. dry season cultivation of rice versus utilization of these areas for forage reserves for livestock, shortening of fallow periods and longer continuous planting of soil-depleting crops, use of scarce agricultural resources on even more marginal croplands and excessive removal of the forest cover. Nearly all The Gambia was fairly heavily wooded and forested until the beginning of the 20th century. Clearing for agriculture was limited and the long fallow periods that were involved did not lead to a depletion of the forest resources. However, with the six-fold increase of people and cattle since 1900, the forest resource has been heavily depleted. By 1968, based on an aerial survey of land cover, the forest was reduced to about 46 percent of the total land area. Although no reliable estimate of forest and woodlands has been made since 1968, all indicators point towards a continue depletion of the forest resource. Using the best available information, it appears that the forest resource in The Gambia will be completely exhausted within the next 16 years if the population continues to expand at the present rate of 2.8 percent per annum, if there is no increase in the rate of reforestation or natural forest regeneration, and if per capita wood consumption levels do not decline. AID's forestry project is as concerned with the environmental problems as it is with the energy issues described above. Further, the Mixed Farming and Resource Management Project is composed of seven elements including a land resource and use evaluation, classification and cartography component which is designed to assist the Gambia government to obtain and utilize detailed, large scale (1:25,000) land classification maps for the entire country. Another component, Grazing Areas Develop-

ment and Management, is to provide necessary support for the development and management of controlled grazing areas designed to improve the nutritive status of large and small ruminants using them, and bring animal units in balance with the natural resource base of the country. This component will also produce basic data necessary for the government to develop national resource management and land use policies and program. An improved crop and forage production and management component concerns itself with both improved systems for forage production and improved technologies for maize production.

The Gambia Soil and Water Management Project is conducting soil and range surveys in order to help the government develop a land use and resource development plan for the country. The project has established a Soil and Water Management Unit in the MANR and is developing technology for improved agricultural pastoral methods consistent with Gambian abilities and resources.

#### Regionalism

The 1973 Sahelian drought created a bond among the eight affected nations setting in motion a close and harmonious working relationship which continues to grow. The regional organizations orchestrating regional development, CILSS and the Club du Sahel, have shifted their emphasis from emergency drought relief to longer term development considerations which would never have been possible had not the participating countries seen the advantages of continued regional cooperation. In the view of the Gambia CILSS Secretary, who has worked closely with the President of The Gambia, Sir Dawda Jawara during the latter's current two year term as CILSS Chairman, the project emphasis of CILSS and its country-specific activities within a regional context give it greater viability than the more regional and less country-specific project approach of such organization as CEAO and ECOWAS. That Chiefs of State and their national planners from eight nations meet periodically to exchange information and to plan

joint economic development projects of mutual interest is, according to The Gambia official, unique in this part of the world and in all likelihood will continue to grow. In addition to obtaining substantial country-specific AID assistance as described in this document, which would not have been possible without the regionally inspired Sahelian Development Program, The Gambia is the beneficiary of several additional AID supported regional activities including SHDS, the Food Crop Protection Project which provides technical assistance, training and commodities in support of developing the Crop Protection Unit of the Ministry of Agriculture and Natural Resources, and the Sahel Water Data Management Project which under WMO direction is effectively developing hydrological and meteorological services throughout the region.

#### Recurrent Costs of AID Projects

As stated in Part II F, the provisional CILSS study clearly indicates that The Gambia faces a severe recurrent cost constraint. As in other Sahelian countries, most Gambian projects, including those supported by AID, are BHN focused and have very limited direct revenue generating capacity, at least in the near term. As essential as these social service projects are to the development process, both donors and the government must recognize that they are running the risk of mortgaging the country's future (if not bankrupting it entirely) by undertaking projects in which the long term continuing cost component has not been provided or planned for satisfactorily. While concerned with the problem, the present AID REP staff has not been in country long enough to assess the recurrent cost implications of the recently approved AID Projects. However, over the next several months we intend to study this issue in depth and, at the request of AID, join other Sahelian AID Missions in selecting two projects for the purpose of developing alternative methods for covering continuing costs upon project termination. The final report of the CILSS study, once it is received, should

provide valuable guidance to the AID REP for this exercise as well as assist the Gambian Government and other donors in their considerations of alternatives for meeting the recurrent cost dilemma.

ASSISTANCE PLANNING LEVEL

(\$ 000)

|                   | <u>FY 82</u> | <u>FY 83</u> | <u>FY 84</u> | <u>FY 85</u> | <u>FY 86</u> | <u>TOTAL</u>     |
|-------------------|--------------|--------------|--------------|--------------|--------------|------------------|
| RURAL DEVELOPMENT | <u>5,000</u> | <u>5,000</u> | <u>5,000</u> | <u>4,400</u> | <u>4,000</u> | <u>\$23,400</u>  |
| (INST. BLDG.)     | 2,000        | 2,000        | 1,800        | 1,400        | 1,000        | 8,200            |
| (AG. INPUTS)      | 3,000        | 3,000        | 3,200        | 3,000        | 3,000        | 15,200           |
| HEALTH/NUTRITION  | <u>2,500</u> | <u>3,100</u> | <u>3,500</u> | <u>3,600</u> | <u>3,500</u> | <u>16,200</u>    |
| (INST. BLDG.)     | 1,000        | 1,000        | 1,000        | 800          | 700          | 4,500            |
| (INPUTS)          | 500          | 1,000        | 1,300        | 1,500        | 1,500        | 5,800            |
| (PL-480 TITLE II) | 1,000        | 1,100        | 1,200        | 1,300        | 1,300        | 5,900            |
| TOTAL             | 7,500        | 8,100        | 8,500        | 8,000        | 7,500        | <u>\$39,600*</u> |

possible  
 \*Excluding a/major capital investment in the proposed Gambia River Dam

## STAFFING IMPLICATIONS

Current USDH staffing pattern includes, principal AID Officer, Program Officer, two Agriculture Technicians, a GSO (AID position contributed to JAO) and a Secretary. Mission envisions the addition of a Public Health Specialist and a Financial Analyst in the FY 81/82 period. The former will clearly be required to manage and implement proposed activities in the health sector. The latter will be needed to aid in the financial management of the anticipated increase in the number of project activities.

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