

# The Gambia Economic Update:

## Coming Back Stronger

June 2022



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## Preface

The objective of this report is to update the Government of The Gambia, think-tanks and researchers, the public, and the World Bank’s senior management on the state of the Gambian economy and its outlook, together with the structural reforms it requires and the development challenges it faces. The report begins with a chapter on economic developments, with sections on growth, fiscal policy, public debt, the external sector, monetary developments and inflation, and poverty. The second chapter provides a medium-term macroeconomic outlook and describes the risks the country faces and upcoming challenges. The third chapter examines the role of data in developing effective and efficient policies and outlines the data available in three sectors—social protection, education, and health—that will be key to undoing the losses to human capital resulting from the pandemic as well as to improving service delivery. This report is based on data available as of May 5, 2022.

## Acknowledgements

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## Acronyms and Abbreviations

ABP	Annual borrowing plan	MIS	Management information system
BReST	Building Resilience through Social Transfers	MOBSE	Ministry of Basic and Secondary Education
CBC	Community birth companion	MOFEA	Ministry of Finance and Economic Affairs
CBG	Central Bank of Gambia	MOH	Ministry of Health
CCRT	Catastrophe Containment and Relief Trust	MOHERST	Ministry of Higher Education, Research, Science and Technology
CDR	Call detail record	MOICI	Ministry of Information and Communication Infrastructure
CRVS	Civil Registry and Vital Statistics	NDB	Net domestic borrowing
DHIS2	District Health Information Software 2	NFA	Net foreign assets
DHS	Demographic and Health Survey	NFSPMC	National Food Security Processing and Marketing Corporation
DSSI	Debt Service Suspension Initiative	NHIS	National Health Insurance Scheme
ECF	Extended Credit Facility	NSPP	National Social Protection Policy
EGRA	Early Grade Reading Assessment	NSPS	National Social Protection Secretariat
EGMA	Early Grade Mathematic Assessment	OIC	Organization of Islamic Cooperation
EMDE	Emerging market and developing economy	PHC	Primary health care
EMIS	Education management information system	QoC	Quality of care
FDI	Foreign direct investment	RBF	Results-based financing
GABECE	Gambia Basic Education Certificate Exam	SA	Social assistance
GBoS	Gambia Bureau of Statistics	SAP	Supplementary appropriation
GDP	Gross domestic product	SDG	Sustainable Development Goal
GMD	Gambian dalasi	SDI	Service delivery indicator
GNHSP	Gambian National Health Strategic Plan	SDR	Special Drawing Right
GPF	Global Proficiency Framework	SOE	State-owned enterprise
HFPS	High Frequency Phone Survey	SSA	Sub-Saharan Africa
IHS	Integrated Household Survey	SSE	Senior secondary education
ITFC	International Trade Finance Corporation	TVET	Technical and vocational education and training
LBE	Lower basic education	UBE	Upper basic education
LFS	Labor Force Survey	UHC	Universal health coverage
M&E	Monitoring and evaluation	WASSCE	West Africa Secondary School Certificate Exam
MICS	Multiple Indicator Cluster Survey	y/y	year-on-year

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# Executive Summary

## Recent Developments

**The pandemic put The Gambia's prospects on hold in 2020.**

Compared to many of its peers, The Gambia got off relatively lightly during the global COVID-19 crisis. Real gross domestic product (GDP) grew by 0.6 percent in 2020, compared to an average contraction of 1.7 percent across Sub-Saharan Africa. However, it was a contraction of 2.7 percent in real GDP per capita, pushing an additional 25,000 people into extreme poverty. Private consumption contracted by 1.2 percent as almost every household reported a loss of income in 2020, and almost a quarter reported job losses.

**Tourism went from being the engine of the economy to its brake, but the long-term impact of the crisis should be limited.**

Unsurprisingly, tourism was hardest hit, with arrivals falling by 62 percent between 2019 and 2020, leading to exports falling by 50 percent. Although they have since begun to rebound, visitor numbers are still half of pre-pandemic levels. Despite this, The Gambia has performed strongly compared to similarly tourism-dependent economies, particularly in 2020. Favorable weather and timely supplies of inputs enabled strong growth in agriculture, a sector which had underperformed in recent years, helping to offset the slowdown in services. Agriculture has also taken up some of the slack as employment fell in other sectors, highlighting the importance of its role as a safety net. Overall capacity and ongoing investment in the tourism sector remains enough to accommodate a return to pre-pandemic levels of arrivals, suggesting any long-term scarring will be mild. The market is also becoming less dependent on Europe, with visitors from Africa forming a greater share.

**Remittance inflows provided a cushion against the crisis.**

Central bank figures recorded official remittances (comprising both current transfers and investments) almost doubling in 2020 to US\$590 million (32.2 percent of GDP) and continuing to grow strongly to 38 percent of GDP in 2021. These two years of record growth may reflect remittances being re-routed through formal channels rather than an actual increase, with household surveys reporting a decline in international remittances in the past two years, especially in 2020. However, poorer households did not report the same drop in remittances as richer ones. Remittance-supported private investment showed strong growth, sustaining robust activity in the construction sector throughout 2020 and 2021.

**The economy started to come back strongly in 2021...**

Despite further waves of infection, the country avoided further lockdowns in 2021, relying instead on mask mandates, expanded testing, and vaccinations. As such, these waves have had a more muted impact on economic activity than the first and real GDP growth is estimated at 4.3 percent in 2021, or 1.3 percent per capita, albeit below expectations. As well as the return of tourism, this recovery has been driven by sustained investment, both public and private, and a continuing strong performance for fisheries, while crops underperformed once again in line with historical trend. After falling in 2020, business confidence started to improve from the end of 2020 and, although political uncertainty and COVID-19 dampened sentiments towards the end of 2021, successful elections and improved sales and profits at the start of 2022 have helped sustain confidence.

**.. but the recovery has not been accompanied by**

Donor support and the repurposing of non-priority spending kept the fiscal deficit low in 2020. However, the deficit more than doubled to 4.6 percent of GDP in 2021. Although total expenditure fell by 3.7 percent of GDP, this could not offset a revenue

- fiscal consolidation.** fall of 6.2 percent of GDP, largely driven by a fall in grants. Despite rising tax and non-tax revenues, partly due to the continuing sale of stolen assets acquired by the former regime, domestic sources have not been able to fill the gap. Current expenditure has fallen as pandemic support measures have been withdrawn, but the Government still faces high bills for subsidies in the face of rising commodity prices. Externally financed investment declined relative to GDP in 2021 but domestically financed capital expenditure accelerated to reach a record level, leaving total investment barely unchanged in 2021.
- Although spending pressures rose, the debt position improved.** The deficit was primarily financed through domestic borrowing as spending pressures rose with elections in prospect. However, total public debt is estimated to have declined by 2.1 percentage points relative to GDP in 2021 and the debt profile has improved, with longer maturity for domestic debt. Although the Government benefited from the Debt Service Suspension Initiative in 2020 and for the first half of 2021, it did not request further relief for the second half of the year due to the 2019 debt restructuring with most eligible creditors.
- Similarly, the current account deficit has widened as economic activity recovered, but the overall balance is in a comfortable position.** As the economy reopened in 2021, the current account deficit widened. Exports of goods declined for the second consecutive year, while imports continued to grow. The gradual recovery of tourism helped services exports to rise by 27.5 percent in 2021. Transfers maintained their 2020 level, despite the phasing out of donor support in 2021, as remittances grew. The increase in financial flows offset the current account deficit and boosted reserves which are at 6 months of next year's imports of goods and services. The nominal exchange rate remained broadly stable, but the real exchange rate appreciated slightly.
- Inflationary pressures have returned with surging food prices.** After decelerating sharply in 2020 to a low of 4.8 percent year on year (y/y), inflation picked up again and peaked at 8.2 percent in July 2021, before ending the year at 7.6 percent. This was largely due to supply related food inflation, which grew by 10 percent in 2021, and has increased food insecurity, particularly among the poorest and rural households. With little impact on supply driven inflation factors, the Central Bank of Gambia (CBG) maintained an accommodative monetary policy stance in response to the pandemic: reducing its policy rate from 12.5 percent to 10 percent by end-May 2020 and maintaining the rate so far. Nonetheless, the CBG has started mopping up excess liquidity since late 2021 to rein in inflation. Private sector credit growth slowed sharply in 2020, but rebounded in 2021, growing by 26.5 percent, driven by loans to construction and distributive trade sectors.
- COVID-19 increased poverty but its impact was uneven.** The pandemic seems to have hit urban areas and the richest households hardest in the last two years. The national poverty rate is likely to have reached 50 percent in 2020, but the impact was geographically uneven, with poverty rates increasing by 5 percentage points in urban areas and declining in rural areas. Richer households saw the greatest impact on their consumption levels compared to what might have been expected without the pandemic. Poorer households saw steeper job losses initially, but a faster recovery with large movements of the labor force into agriculture, mainly among rural and industrial workers. The adverse effects of income loss is likely to have been mitigated in part by continued flow of remittances which was less volatile for the poorest households. However, poorer and rural households have borne the brunt of high food insecurity and remain vulnerable to rising prices as they spend about 65 percent of their expenditure on food.

## Outlook and Upcoming Challenges

**The impact of the pandemic is receding, but the economy still faces global headwinds.**

The Gambia is expected to continue its recovery, albeit modestly, driven by the return of tourism. Real GDP growth is projected to reach 5.6 percent in 2022 and 6.5 percent by 2024—3.45 percent in per capita terms on average. Growth will be spurred by a rebound in services, increased industrial and agricultural activity, and greater adoption of digital technology. However, the current account deficit is forecast to widen as services exports recover slowly and trade continues to be disrupted by supply-chain issues related to the pandemic. The Russia-Ukraine conflict will also drive up commodity prices and global cost of living rises may dampen demand for tourism in The Gambia's main European markets.

**Fiscal consolidation is likely, but inflation is expected to remain high in the short term.**

The fiscal deficit is expected to narrow to 3.4 percent of GDP by 2024 as the government embarks on fiscal consolidation and tax revenues rebound. Improved revenue administration, strengthened monitoring of tax expenditures, and improvements in public financial management and civil service reforms should help support this adjustment. Global supply disruptions are expected to continue together with high commodity prices, which should keep inflation high, and necessitate gradual monetary policy tightening by the CBG.

**The Gambia remains vulnerable to the emergence of new variants, commodity shocks and weather-related risks.**

Only 13.2 percent of Gambians are fully vaccinated, partly due to vaccine hesitancy, although the Government aims to engage with communities to increase demand and reach 70 percent of the population by the end of 2022. A low vaccination rate could enable new COVID-19 variants to take hold, risking further lockdowns and hitting commerce, tourism, and transport hard. Globally, rising living costs, commodity price shocks and any reintroduction of travel restrictions could also hamper the tourism-driven recovery, push up inflation and widen the fiscal and current account deficits. In addition, erratic rainfall, leading to either droughts or flooding, could disrupt the projected growth in agricultural output.

**Political risks have moderated but strong governance will be needed...**

Improvements to the fiscal position over the medium term will rely on the Government controlling non-priority spending, so strong public financial management and governance reforms will be key. The successful presidential and parliamentary elections in December 2021 and April 2022 will help support further implementation of reforms.

**...and addressing binding constraints will unlock growth potential.**

These include building fiscal resilience, enhancing competitiveness and productivity of the economy, ramping up quality investment, increasing exports and supporting tradeable sectors. As human capital will be key to sustained growth, the Government will also need to improve its spending efficiency, including in its investments in social protection, education and health.

## Special Section: Data for Better Human Capital

**Evidence-based policies will be needed to avoid permanent losses to human capital.**

Despite mitigating measures, the pandemic has left its mark on the population's human capital. School closures have taken their toll, especially on those households which could not access remote learning or were reliant on school meals. However, schools were closed for effectively four months accounting for the summer break during the lockdown and as such, out of school children continued to decline in 2020 but have risen in 2021. The Government will, nonetheless, need to start reversing the losses

through evidence-based policies, especially in the areas of social protection, education, and health. This will require a stronger emphasis on data collection, and especially the systemic monitoring and evaluation of service delivery performance, with indicators widely accessible to policy makers, ideally in real time.

**COVID-19 has prompted The Gambia to look beyond traditional data collection and use.**

Although data collection in these three sectors is improving, public policy has traditionally relied on data collected for specific purposes, using cumbersome collection methods and leading to insufficiently detailed data for meaningful inferences about individual groups or sub-populations. During the pandemic, the Government has experimented with private sources of data, such as mobile phone records, as well as making effective use of high-frequency phone surveys to monitor the impact of the pandemic in real time and calibrate its COVID-19 response. This could offer a way to develop more effective and efficient policies to sustain the country's recovery.

**Scarce social protection data has hampered effective policy making and service delivery.**

Social protection remains in its infancy in The Gambia, with only 6.1 percent of the population receiving any social protection benefits in 2016. There have been several attempts to collect data on programs but no systematic data gathering. Programs remain fragmented and lessons have not been learned because of shortcomings in monitoring and evaluation. Lack of data led to an inefficient COVID-19 response, as there was no means of identifying the poor, meaning cash assistance was given out on a near universal basis. Some households may have received assistance from multiple sources, while others were left out altogether. This raises the issue of inequitable access and coverage, and reinforces the need for regular data, and robust monitoring and evaluation to resolve such service delivery challenges.

**New data systems can improve targeting but only if used and re-used effectively.**

The Government has created the Ministry of Gender, Children and Social Welfare to support social welfare, supported by the creation of the National Social Protection Secretariat in 2020. The new Social Registry will provide socio-economic data on all households to identify suitable recipients and record what benefits have been received. To build on these developments the Government should: Invest in regular data collection on social programs against common metrics; ensure that data are used effectively and efficiently; support the re-use of data to support multiple development objectives; enact robust data protection and privacy legislation; instill a monitoring and evaluation culture across the sector; and create data linkages across government entities (see Table 0 for elaborated policy options).

**Efforts to develop education data collection system are paying off in service delivery.**

The strengthening of its education data systems means policy makers have access to more granular data which they are already using to target interventions to where they are most needed. For instance, they have helped improve access to education through school building programs, and provided the evidence to eliminate school fees, improving enrolment rates. However, household surveys are not frequent enough to support policy development and datasets remain only partially integrated.

**Improving educational outcomes will require addressing data gaps and**

Although service delivery indicators show The Gambia performs relatively well on the availability of inputs and teaching staff, educational outcomes remain poor, and even qualified teachers lack the skills and knowledge they need. Data gaps make it hard to assess the effectiveness of vocational education, while schools and communities make only limited use of the available information. To address these gaps the country should: Improve students' learning data to align with international measures; use learning

**encouraging the wider use of data.**

data to improve educational quality; make greater efforts to integrate additional data sources; collect better data on youth employment and skills; and devote more resources to distributing data for the greatest impact.

**Increasingly integrated health data will help The Gambia meet its goal of quality universal health coverage.**

Data sources abound in the health sector as The Gambia begins to transition from paper-based records to more integrated datasets. The use of results-based financing (RBF) mechanisms has improved outcomes and provided useful data on the quality of care. Data have underscored the importance of primary health care as the country moves towards universal coverage and put RBF on a sustainable footing.

**Building on digital data developments will start to provide integrated health data to support effective policies.**

The Ministry of Health is in the process of establishing more electronic records including an electronic Civil Registry and Vital Statistics (eCRVS) system, starting with issuing everyone with a birth certificate, and a national health insurance card. To build on these efforts, the Government should: link the eCRVS and NHIS systems to other government systems; improve data quality and digitize the data sources needed to provide monitoring and evaluation; and make better use of household survey data to strengthen service delivery.

**Integrated data management would support human capital and service delivery.**

To sum up, a more integrated approach to data collection, storage and use is needed for effective policy making across the three sectors as a first critical step to reverse the pandemic-driven loss to human capital accumulation. Furthermore, improving data management is an essential building block to support The Gambia's progress in providing basic services to its citizens (i.e., improving access, coverage and quality) across the three sectors and achieving its Sustainable Development Goals.

**Table 0: The Gambia – Policy options to improve data for better human capital**

Policy Options	Time Horizon	Responsible Agency
<b>Social protection</b>		
Invest in regular data collection on social protection programs and prepare an annual report on the state of social protection to promote efficiency against a common set of metrics including target group, targeting method, coverage, benefit provided, etc.	ST	NSPS
Analyze data on programs collected annually from stakeholders to make evidence-based recommendations such as to ascertain which beneficiaries or regions are under-served, for instance, for future programming.		
Put in place a clear set of procedures, templates, and service standards for efficiently responding to Social Registry data requests.		
Introduce a national social protection M&E framework that aggregates programs' individual outputs and outcomes, showing progress towards national goals, including service delivery, as well as supporting impact assessment.		
Build capacity in the sector for rigorous data analytics, reporting, dissemination, and usage.		
Allow use of Social Registry data for multiple, diverse programs to reap economies of scale in prioritizing beneficiaries. Allocate budget for the update of Social Registry.	MT	NSPS and MOFEA
Enact the Data Protection and Privacy law to ensure responsible use of Social Registry data.		NA, MOICI and NSPS
Create data linkages between Social Registry, CRVS and IHS for efficient updating of household data across all systems that can inform prioritization of programs and conferring of other services.		NSPS, MOH and GBoS

<b>Education</b>		
Improve learning data to align with international proficiency measures and support teaching and learning.	MT	<i>MOBSE</i>
Use learning data to improve quality and ensure the education system is relevant to labor market needs, for example, by providing targeted pedagogical and competency skills development to teachers, and data-informed remediation support to students at various levels.		
Link data on school availability, supplies, and infrastructure to exam results and teacher allocation data to provide a full picture of school and student performance as well as with IHS to help understand household-level factors which affect the education sector.		<i>MOBSE and GBOS</i>
Collect more and better data on youth employment and skills development such as the programs on offer and gaps in provision, labor market demand, the profile of young people searching for work, and information on school-to-work transitions, to better invest limited resources.	ST	<i>MOHERST</i>
Make education data available at the school level, and publicly, to empower communities to hold schools and authorities accountable with a view to improving learning outcomes.	MT	<i>MOBSE</i>
<b>Health</b>		
Link the eCRVS and NHIS information systems to other government information systems to improve the accuracy of household identification and reduce burden on public to provide verified identities every time they access services.	MT	<i>MOH and other MDAs</i>
Improve the quality of and digitize the sources of data required for M&E in the health sector to help quicker detection of emerging health threats and changing health trends.		<i>MOH</i>
Improve the availability of adolescent reproductive health commodities and qualified health workers at the community level for adolescent-friendly services using DHS and IHS data.		<i>MOH and GBoS</i>

*Legend:*

ST: Short term – 6 months

MT: Medium term – 6-24 months

*Key (available in Acronyms and Abbreviations, listed below otherwise):*

MDAs – Ministries, Departments and Agencies

NA – National Assembly

## A. Recent Developments

*Like most of the world, The Gambia's economy was hit hard by the COVID-19 pandemic in 2020 but has since begun to recover. Despite a sharp contraction in international travel, the country performed better initially than similarly tourism-dependent peers, cushioned by high official remittances and agricultural growth, although its subsequent recovery has been more gradual. The fiscal and current account deficits have begun to widen as the Government sought to kickstart the economy and invest in its infrastructure, but public debt has declined relative to GDP and the maturity profile of domestic debt has slightly improved. Inflation has begun to pick up again after cooling in 2020, with global drivers compounded by internal bottlenecks and recovering consumer demand. Lockdown measures initially caused widespread job losses and high levels of food insecurity, but pandemic-related support measures have helped support the poorest households and poverty levels are expected to fall after rising in 2020. However, rising food prices and the ongoing conflict in Ukraine will hit the poorest households and increase poverty rates again, especially in urban areas.*

### 1. Real Sector

**Despite a sharp drop in the tourism sector during 2020, the economy performed better than the region and comparable economies.**

In 2020, The Gambia's real GDP remained broadly stagnant, growing by a modest 0.6 percent compared to a 6.7 percent average growth during 2018–2019. However, The Gambia's economic performance was better than the average for the Sub-Saharan Africa (SSA) region, which saw real GDP fall by an average of 1.7 percent. By comparison, emerging markets and developing economies (EMDEs) contracted by 2.0 percent on average and tourism-dependent economies by 11.0 percent (IMF 2022) (Figure 1). However, The Gambia's real GDP per capita contracted by 2.7 percent in 2020 after three consecutive years of steady growth. This has contributed to an increase in the poverty rate<sup>1</sup> from 8.4 percent in 2019 to 9.2 percent in 2020 with an additional 25,000 individuals (nearly 1 percent of the population) being pushed into extreme poverty (World Bank 2021a; see Poverty: Patterns and Trends).

**Private consumption and exports dipped with investment continuing to drive growth...**

On the demand side, private consumption contracted by 1.2 percent in 2020 following a 4 percent increase in 2019. A sharp increase in remittances was not enough to offset the dip in private consumption because of the effect of the pandemic-induced slump in economic activity on household incomes. Exports fell by 50 percent, the second consecutive year of decline. This was mainly due to the sharp drop in tourist arrivals owing to the halting of international travel. Imports showed strong growth fueled by the need for essential medical supplies to combat the pandemic, and inputs for the construction sector which was a key growth driver. Accordingly, investment grew by 44 percent in 2020, with private investment increasing by 34 percent.

**...while strong growth in agriculture and construction sectors cushioned the downturn in tourism.**

On the supply side, the agriculture sector remained buoyant thanks to a spell of good rains and timely supplies of inputs to farmers. The sector grew by 10.6 percent in 2020 after a contraction of 0.1 percent in 2019. Industry grew at a robust pace of 8.2 percent in 2020. This was driven by strong activity in the remittance-financed construction sector. The biggest drag on the economy was from the services sector. In 2020, tourist arrivals totaled 89,233, compared with 235,710 in 2019—a precipitous decline of 62.1 percent. Despite the reopening of air space in October 2020, tourists shied away due to recurring waves of infections, slow vaccination programs, vaccine-resistant variants, and stringent re-entry requirements in the target markets (notably the United Kingdom and Europe).

<sup>1</sup> Using the international poverty rate (US\$1.9 in 2011 Purchasing power parity - PPP).

**The economy has started recovering in 2021...**

Real GDP growth was 4.3 percent in 2021 (1.3 percent in per capita terms), according to provisional estimates by the Gambia Bureau of Statistics (GBoS), exceeding the potential growth rate of 3.9 percent but lower than the pre-pandemic growth rate of 6.7 percent.<sup>2</sup> Private consumption continued to grow, supported by sustained remittance inflows, as is public investment, backed by rapidly implemented infrastructure projects, while net exports decreased (Figure 4). Although The Gambia's economic recovery was in line with the SSA average, it was below the average for EMDEs and tourism-dependent economies (Figure 1).

**...as the country remained open in 2021, despite recurring waves of infections.**

Since the relaxation of containment measures in October 2020, The Gambia has undergone three further COVID-19 waves (Figure 2).<sup>3</sup> However, the Government did not reimpose lockdowns and instead relied on mandating masks, expanding testing, and accelerating vaccinations.<sup>4</sup> The Delta and Omicron waves did put undue pressure on the health infrastructure of the country. Nevertheless, these waves have had a more muted impact on economic activity than the first. Progress with vaccination has been slower than anticipated, however, with 13.2 percent of the population fully vaccinated as of May 5, 2022 (Figure 3).<sup>5</sup> This has been partly due to vaccine hesitancy, but the Government is engaging with communities to generate vaccination demand. Successful deployment of vaccines will be critical to accelerating socio-economic recovery in The Gambia.

**Fisheries helped agriculture to grow.**

On the supply side, the agriculture sector stayed in positive territory, driven entirely by the strong performance of fishing and aquaculture which grew by 20.8 percent in 2021 compared to 11.7 percent in 2020. Agriculture grew by 4.7 percent in 2021 after growth of 10.6 percent in 2020. Livestock contracted by 9.6 percent and logging by 4.3 percent in 2021, and gross value added for crops also decreased by 9.1 percent due to lower cereal output. Cereal production was in line with the average for 2015–2019 (FAO 2022) especially for maize and paddy as the cropping season suffered from diminished and erratic rains.

**Strong remittances helped to sustain robust activity in the construction sector.**

Industry, which comprises 18.4 percent of GDP (Figure 5), grew robustly by 10.4 percent in 2021. This was driven by strong activity in the construction sector which was boosted by strong inflows of private remittances. Several public investment projects continued to support this growth and drove the need for imported inputs. These include roads, bridges, and projects related to the 2022 Organization of Islamic Cooperation (OIC) summit, which has six priority areas including the modernization of Banjul airport. Moreover, domestic credit to construction sector also rebounded strongly

2 The provisional growth estimate is also below the WB/IMF staff estimate of 5.6 percent. The final estimate will be published in a year's time.

3 *First wave:* The initial confirmed cases were few and mainly imported (25 confirmed cases during March to May 2020) but subsequently The Gambia experienced local transmission with an average of 100 confirmed cases a day between July and August 2020. *Second wave:* The infection rate increased in early 2021 amid a global surge in COVID-19 cases and loose adherence to prescribed protocols.

*Third wave:* Following regional trends, infections involving the Delta variant started increasing in early July 2021.

*Fourth wave:* In line with the global Omicron surge, daily cases rose in early 2022.

The Gambia has recorded 11,995 confirmed cases with 365 deaths as of May 5, 2022.

4 The Government launched a mass vaccination campaign in March 2021 supported by the COVID-19 Vaccines Global Access (COVAX) initiative and the World Bank. The Gambia also received vaccine donations from its bilateral partners: Senegal, the United States, and France.

5 The Gambia plans to provide free vaccinations to 70 percent of its population by end-2022. In February 2022, The Gambia inaugurated ultracold facility that is expected to allow access to various vaccine brands and help bolster the vaccination rate.

(see Monetary Policy and Inflation), which is likely to support ongoing infrastructure development ahead of the OIC summit.

**The services sector rebounded as tourism started recovering.**

The services sector, which comprises over half of the economy (by value added), grew by 1.9 percent after a steep decline of 5 percent in 2020 (Figure 6).<sup>6</sup> Tourism activity picked up during April–June 2021 ahead of the 2021/22 season<sup>7</sup> and during October–December 2021, when the season kicked off, despite the prevalence of the Omicron variant in key markets as the re-entry requirements were eased and adequate vaccination coverage largely dispelled infection fears in those markets.<sup>8,9</sup> Arrivals reached 102,460 during 2021 which represents an increase of 14.8 percent over 2020. Although these numbers show a 56.5 percent decline compared to the pre-pandemic 2019 levels, the improvement over 2020 underpins hopes for a full tourism recovery in the near term. Moreover, the demographic composition changed in 2021: about two-thirds of tourists came from non-traditional markets (mainly Gambian expats and Africans) compared to around two-fifths in 2019 (Figure 7).

**Remittances showed strong and sustained growth.**

Remittances<sup>10</sup> increased to US\$590 million in 2020 (32.2 percent of GDP), more than double the levels in 2019 (Figure 8). This considerable rise helped to boost foreign exchange earnings, partially offsetting the depreciatory pressure on the Gambian dalasi (GMD). Remittances continued to grow strongly in 2021 and supported a recovery in private consumption (Figure 9). They reached US\$777 million in 2021 (38 percent of GDP), a 31.7 percent increase over 2020. This can partly be explained by remittances being re-routed through formal channels aided by the increase in money transfer operators in The Gambia rather than an actual increase in remittances (Avdiu and Meyer 2021). Household survey data corroborate this potential explanation: between March and August 2020, 92 percent of households reported a decline in international remittances. In December 2021, 57 percent of households receiving remittances still reported a drop (GBoS 2021; see also Poverty: Patterns and Trends).

**Quarterly indicators showed improvement in business sentiments.**

The Central Bank of Gambia's (CBG) quarterly Composite Index of Economic Activity (CIEA) showed a sharp erosion in business confidence in Q2 and Q3 of 2020 owing to the pandemic. However, with progress in vaccine development and news about vaccine deployment in the last quarter of 2020, business confidence rose slightly: Most businesses surveyed were optimistic about the Gambian economy's prospects in the near term in Q4 2020. Business confidence further improved for July and August 2021 owing to expectations of improved economic performance on the back of the vaccine rollout. However, business sentiments for Q4 2021 were not as optimistic due to concerns about new COVID-19 variants and the uncertainty associated with the December presidential election. Nonetheless, successful elections, together with higher expected sales and profitability in Q1 2022, sustained confidence in business activity (CBG 2022).

6 The sector last contracted during 2015–2016 mainly due to the Ebola crisis in SSA and political instability in The Gambia.

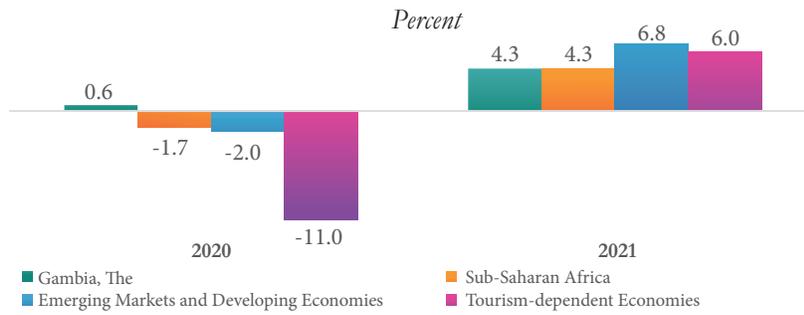
7 The tourism season in The Gambia starts in October and extends to March of the following year.

8 For example, the UK upgraded The Gambia to non-red (previously amber) list on October 3, 2021 meaning that no quarantine/pre-departure COVID-19 test is required for fully vaccinated travelers upon return from The Gambia. Moreover, 66 percent of the population in UK were fully vaccinated as of end-September 2021.

9 In addition, just before the start of the tourism season in October 2021, the Government waived the requirement for a pre-departure COVID-19 test for fully vaccinated passengers.

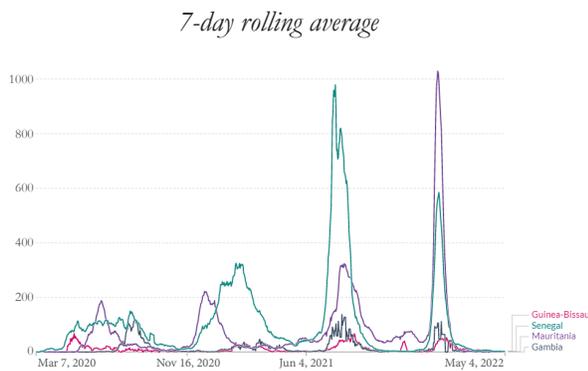
10 This consists of all remittance inflows to the balance of payments, including both consumption and investment.

Figure 1: Real GDP growth: The Gambia versus rest of the world



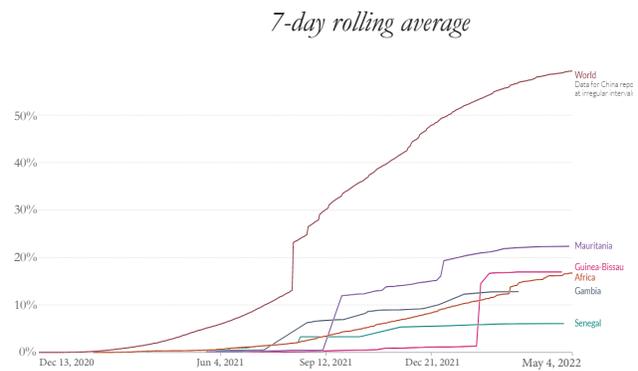
Source: Staff calculations based on GBoS and IMF World Economic Outlook data.

Figure 2: Daily new confirmed COVID-19 cases: The Gambia versus peers



Source: Johns Hopkins University CCSE COVID-19 data.

Figure 3: Share of people vaccinated against COVID-19 cases: The Gambia versus peers



Source: Official data collated by Our World in Data.

Figure 4: Point contribution to real GDP growth, aggregate demand

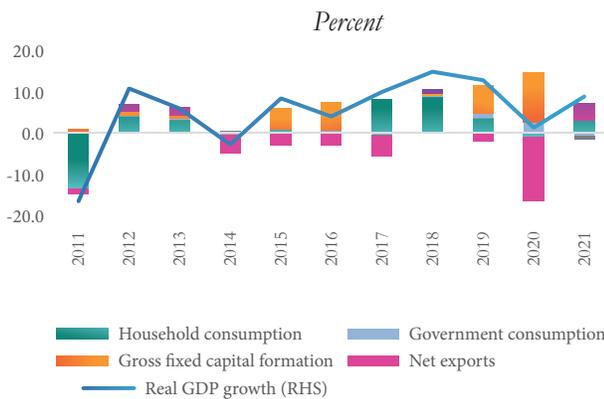
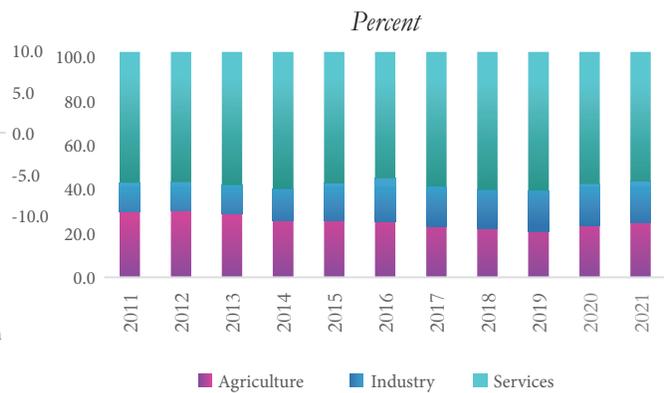
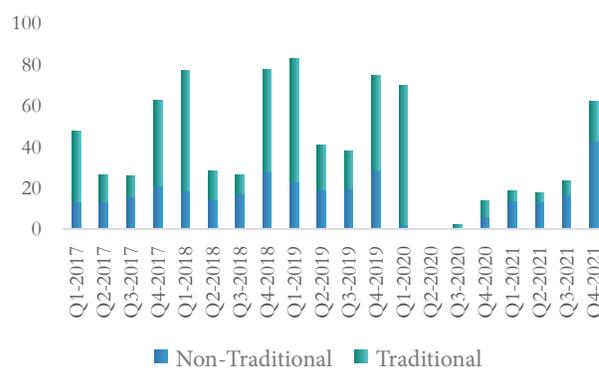
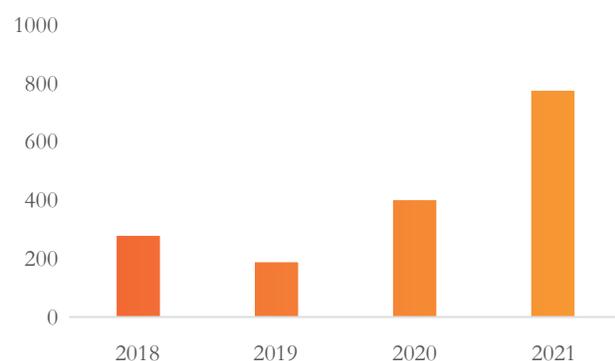


Figure 5: Contribution to GDP by sector



**Figure 6: Quarterly tourist arrivals and growth***Left axis: thousands of people, right axis: percent***Figure 7: Composition of tourists***thousands of people***Figure 8: Remittance inflows, annual***million USD***Figure 9: Monthly remittance inflows***million USD*

Source: Staff calculations based on CBG and GBoS data.

## 2. Fiscal and Debt Dynamics

**The Gambia maintained fiscal discipline in 2020 despite pandemic-related pressures.**

The fiscal deficit (including grants) was 2.2 percent of GDP in 2020 (**Error! Reference source not found.**)—0.4 percentage points below the figure in 2019. The primary surplus improved from 0.6 percent of GDP to 1.0 percent. This fiscal adjustment in a pandemic year was due in part to higher grants supporting the Government's COVID-19 response. Tax revenues remained at 11.1 percent of GDP despite dismal economic activity and tax relief measures. In addition to donor support, the Government was able to spend on pandemic-related priorities by reallocating funds from lower-priority areas. It also repaid state-owned enterprises' (SOEs) debt on their behalf. However, capital expenditure declined due to pandemic-induced implementation challenges. The fiscal deficit was financed by the IMF Rapid Credit Facility (RCF) and external project disbursements, while domestic borrowing increased slightly from 0.5 percent of GDP to 0.8 percent.

**However, 2021 saw the fiscal**

The fiscal deficit more than doubled in 2021 to 4.6 percent of GDP (a primary deficit of 1.6 percent of GDP). Revenues, including grants, decreased by 6.2 percent

<b>deficit rising as the Government sought to kickstart the economy.</b>	of GDP compared with 2020 because of a large fall in budget and project grants. <sup>11</sup> Total expenditure also decreased by 3.7 percent of GDP. Within expenditure, recurrent spending decreased as pandemic-related fiscal support was withdrawn, while capital expenditure barely maintained the previous year's level.
<b>Tax collection by the Gambia Revenue Authority (GRA) has grown modestly.</b>	Taxes grew by 4.9 percent in 2021 compared with 3.6 percent in 2020. Nonetheless, tax collection fell short of the budgeted target by 4.8 percent <sup>12</sup> and declined by 0.7 percent relative to GDP (Table 2). Domestic taxes on goods and services contributed to 44 percent of the total while almost one-third came from direct taxes and one-fourth from international taxes. A strong performance in collecting tax arrears as relief measures expired <sup>13</sup> and improved tax compliance by SOEs supported overall collection rates. However, the slow recovery of economic activity in early 2021, <sup>14</sup> the persistent decline in merchandise trade, and rising freight costs <sup>15</sup> hindered the GRA from meeting the collection target. Furthermore, some of the revenue drivers in 2020 such as policy changes to import pricing <sup>16</sup> and strong telecom revenues created a low base effect.
<b>Tax exemptions declined but remain sizeable.</b>	Tax exemptions during 2021 amounted to GMD2,062 million, 29.4 percent less than those granted in last year. About 40 percent of these waivers were recommended on discretionary grounds. Had these discretionary exemptions not been granted, this alone would have reduced the fiscal deficit by 0.8 percent of GDP. This is exacerbated by the fact that the Gambian economy has a limited tax base, driven by largely subsistence-based agriculture (below the level for tax liability) and by tourism, with no active tax strategy developed along the tourism value chain (World Bank 2020b).
<b>Non-tax revenues keep increasing.</b>	Following a good performance in 2020, non-tax revenues increased by one-third in 2021. This was attributable to continued sales of assets authorized by the Jannah Commission. <sup>17</sup> One-off settlement payments of GMD1.4 billion (1.3 percent of GDP) received from British Petroleum's withdrawal of exploration licenses also supported overall non-tax receipts (IMF 2021).
<b>Recurrent expenditure declined as pandemic-related spending was phased out...</b>	Current expenditure decreased by 3 percent of GDP during 2021 compared to 2020 (Table 3). This decline was due to lower transfers as the Government did not provide any cash support/food aid during 2021 as it did in the pandemic year. <sup>18</sup> Current spending, however, included GMD201 million worth of fertilizer subsidies (0.2 percent of GDP) to the groundnut SOE—the National Food Security Processing and Marketing Corporation (NFSPMC). This government support is in line with historical trends and generates fiscal cost, in a context of limited fiscal space and urgent priority spending

11 The disbursement of US\$20 million (GMD1 billion) in World Bank budget support originally projected for Q2 was delayed to next year. Similarly, part of the European Union budget support grant of EUR10.8 million (GMD650 million) has been cancelled. These delays/cancellations happened as the required reforms to trigger the disbursements were not completed by the authorities.

12 The budgeted target for tax collection in 2021 was GMD11.4 billion.

13 Including the tax moratorium extended to some state-owned enterprises (SOEs) and businesses in 2020.

14 Impacting domestic tax collection.

15 Both factors impacted tax receipts from international trade and transactions (customs and excise).

16 The revision of reference prices of imports, combined with the adoption of transactional-value-based customs and excise levies, in early 2020 increased customs revenue, despite a decline in import volumes caused by the pandemic.

17 The Government's White Paper summarizing the findings of the Jannah Commission of Enquiry was published in September 2019. The paper detailed the scale of stolen assets and illegally acquired proceeds by the former President and his close associates (IMF 2020).

18 The Government undertook budgetary spending equivalent to 3.6 percent of GDP in 2020 on containment measures and to support households, firms, SOEs, and government entities (IMF 2021).

needs which ought to be data-driven and better targeted (see Special Section for details). These transfers could be avoided through a combination of policy and institutional reforms of the SOE sector as well as of the sectors they operate in (World Bank 2022b).

**Table 1: Summary of fiscal operations**

	GMD million			Percent of GDP		
	2019	2020	2021	2019	2020	2021
<b>Total revenue and grants</b>	<b>19,222</b>	<b>21,446</b>	<b>17,649</b>	<b>21.2</b>	<b>23</b>	<b>16.8</b>
Domestic revenue	12,737	13,539	15,001	14.0	14.5	14.3
Tax revenue	9,962	10,326	10,833	11.0	11.1	10.3
Non-tax revenue	2,775	3,213	4,168	3.1	3.4	4.0
Grants	6,485	7,907	2,648	7.1	8.5	2.5
Budget support	2,790	4,604	722	3.1	4.9	0.7
Project	3,695	3,303	1,926	4.1	3.5	1.8
<i>of which: COVID-19 assistance</i>	-	459	241	...	0.5	0.2
<b>Total expenditures</b>	<b>21,552</b>	<b>23,477</b>	<b>22,496</b>	<b>23.7</b>	<b>25.2</b>	<b>21.4</b>
Current	13,287	16,877	15,959	14.6	18.1	15.2
<i>of which: Interest</i>	2,843	2,967	3,180	3.1	3.2	3.0
Capital	8,265	6,600	6,537	9.1	7.1	6.2
<b>Fiscal balance</b>	<b>-2,330</b>	<b>-2,031</b>	<b>-4,847</b>	<b>-2.6</b>	<b>-2.2</b>	<b>-4.6</b>
<b>Deficit financing</b>						
<i>Net acquisition of financial assets</i>	-329	-180	-180	-0.4	-0.2	-0.2
<i>Net incurrence of liabilities</i>	2,866	1,595	5,092	3.2	1.7	4.9
Domestic	452	741	4,553	0.5	0.8	4.3
<i>Of which: Net borrowing</i>	1,063	112	2,691	1.2	0.1	2.6
<i>Of which: RCF</i>		1,057	2,205	0.0	1.1	2.1
External	2,414	854	539	2.7	0.9	0.5
<i>Exceptional financing (DSSI)</i>	0	206	0	0.0	0.2	0.0
<i>Statistical discrepancy</i>	-207	409	-65	-0.2	0.4	-0.1
<b>Gross financing needs 1/</b>	<b>21,326</b>	<b>22,237</b>	<b>27,725</b>	<b>23.5</b>	<b>23.8</b>	<b>26.4</b>
<b>Memorandum items:</b>						
Tax exemptions	2,522	2,920	2,062	2.8	3.1	2.0
GDP (nominal)	90,794	93,330	104,947			

Source: Ministry of Finance and Economic Affairs, IMF, and World Bank staff calculations.

Note: 1/ Gross financing needs are the sum of the primary deficit, debt service on medium- to long-term debt, and outstanding short-term debt of previous year.

**... while domestically funded capital spending accelerated.**

On the one hand, externally financed capital expenditure declined by 2 percent of GDP in 2021 relative to last year, despite the reopening of the economy, as capacity challenges hampered project implementation. On the other hand, locally financed project execution reached a record level of GMD3.2 billion. Of this, GMD2.2 billion was spent on roads and bridges, exhausting the revised budget <sup>19</sup> for the year (MOFEA 2021a).

**The Government requested a supplementary budget.**

In July 2021, Parliament approved a supplementary appropriation (SAP) totaling GMD1.77 billion (1.7 percent of GDP) to support the preparation for the presidential and parliamentary elections, purchases of ambulances, road construction, and anti-drug enforcement amid increasing illegal drug seizures (IMF 2021).

**Table 2: Gambia Revenue Authority tax collection**

	GMD million			Percent of GDP		
	2019	2020	2021	2019	2020	2021
<b>Taxes on income, profits, and capital gains</b>	<b>2,625</b>	<b>2,803</b>	<b>3,254</b>	<b>2.9</b>	<b>3.0</b>	<b>3.0</b>
<b>Indirect taxes</b>	<b>7,337</b>	<b>7,522</b>	<b>7,579</b>	<b>8.1</b>	<b>8.0</b>	<b>7.1</b>
Domestic taxes on goods and services	4,840	4,934	4,776	5.3	5.2	4.5
Taxes on international trade and transactions	2,497	2,588	2,803	2.8	2.7	2.6
<b>Total taxes</b>	<b>9,962</b>	<b>10,325</b>	<b>10,833</b>	<b>11.0</b>	<b>11.0</b>	<b>10.1</b>

Source: Gambia Revenue Authority, IMF, and World Bank staff calculations.

**Domestic borrowing primarily financed the fiscal deficit.**

Amid shortfalls in tax revenue and budget grants, strict enforcement of cash management<sup>20</sup> to align spending with available resources helped limit domestic borrowing in the first half of 2021. However, spending pressures towards the end of the year (mainly due to elections) compounded liquidity constraints and led to net domestic borrowing (NDB) of GMD2.7 billion (2.6 percent of GDP).<sup>21</sup> Moreover, the CBG on-lent budget disbursements under the IMF Extended Credit Facility (ECF) worth US\$50 million (2.1 percent of GDP)<sup>22</sup>.

**Public debt declined relative to GDP.**

The ratio of public debt to GDP is estimated at 83.8 percent of GDP as of end-2021—a decline of 2.1 percentage points against end-2020 (Figure 10).<sup>23</sup> Nearly two-thirds of the medium- and long-term external debt is owed to multilateral and plurilateral creditors, in equal proportions. Non-Paris Club creditors hold the bulk of the debt owed to bilateral creditors; Paris Club debt represents only 0.02 percent of the external debt. The Gambia owes debt to one private creditor, namely M.A. Kharafi and Sons, and has contracted a short-term credit facility with the International Trade Finance Corporation (ITFC).

19 The revised budget comprises approved (original) and supplementary budget estimates. Both estimates are to be approved by the legislature – the National Assembly in this case.

20 Implemented through monthly Cash Management Committee meetings and cash forecasts by the Cash Management Unit (CMU) within the Accountant General Department.

21 This is more than double the NDB ceiling of 1.2 percent under the ongoing IMF ECF program.

22 In January, May, and November of 2021.

23 Public debt stood at 78.4 percent of GDP at end-September 2021 (MOFEA 2021b).

**Table 3: Analysis of spending**

	GMD million			Percent of GDP		
	2019	2020	2021	2019	2020	2021
<b>Total expenditures</b>	<b>21,552</b>	<b>23,477</b>	<b>22,496</b>	<b>23.7</b>	<b>25.2</b>	<b>21.4</b>
<b>Current</b>	<b>13,287</b>	<b>16,877</b>	<b>15,959</b>	<b>14.6</b>	<b>18.1</b>	<b>15.2</b>
Personnel emoluments	3,955	4,049	4,593	4.4	4.3	4.4
Other charges	9,332	12,828	11,366	10.3	13.7	10.8
Goods and services	3,179	3,850	3,985	3.5	4.1	3.8
Subsidies and transfers	3,310	6,011	4,201	3.6	6.4	4.0
Interest	2,843	2,967	3,180	3.1	3.2	3.0
External	371	548	709	0.4	0.6	0.7
Domestic	2,472	2,419	2,470	2.7	2.6	2.4
<b>Capital</b>	<b>8,265</b>	<b>6,600</b>	<b>6,537</b>	<b>9.1</b>	<b>7.1</b>	<b>6.2</b>
Externally financed	7,584	4,837	3,363	8.4	5.2	3.2
Gambia local fund	681	1,763	3,174	0.8	1.9	3.0

Source: Ministry of Finance and Economic Affairs, IMF, and World Bank staff calculations.

**The domestic debt profile has improved.** As of end-September 2021, 54.7 percent of domestic debt was in the form of Treasury bills, slightly down from 56 percent at end-2020. The Government continued to extend the maturity profile of domestic debt in 2021, in line with its Medium-term Debt Management Strategy (MTDS) guidelines. It issued three-year bonds at a fixed coupon rate and introduced a five-year bond in September 2021.<sup>24</sup> The Government also published an annual borrowing plan (ABP) in February 2021 whose execution was within parameters.<sup>25</sup> Its implementation is facilitated by monthly issuance calendars published on the websites of both the Ministry of Finance and Economic Affairs (MOFEA) and the CBG and is supervised by a technical committee. This practice is ongoing with the ABP for 2022 and monthly issuance calendars published up till May 2022.

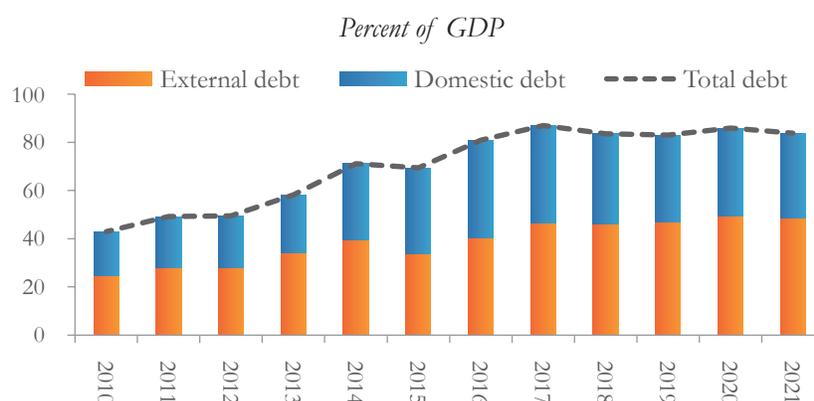
**The Gambia did not request Debt Service Suspension Initiative (DSSI) relief for the second half of 2021.** The Gambia benefited from debt service suspension of US\$4 million (0.2 percent of GDP) under the DSSI in 2020. While the Government requested further relief for H1-2021, it did not request it for H2-2021, given that it has already received substantial debt relief through 2024 from the bilateral creditors in the 2019 agreement.<sup>26</sup> The extension of the Catastrophe Containment and Relief Trust (CCRT) relief through October 2021 also reduced the external debt service owed to IMF by SDR 1.9 million.<sup>27</sup>

24 Together, the Government raised GMD4.3 billion in 2021 through five issuances.

25 Deviation between domestic debt issuance and annual borrowing plan in 2021 was -4 percent.

26 Debt service from these creditors amounting to US\$129 million (or 7 percent of 2019 GDP) between 2020 and 2024 has already been deferred.

27 The debt service relief was provided for two years, from April 2020 through April 2022.

**Figure 10: Trends in public debt**

Source: MOFEA, IMF, and World Bank staff calculations.

### 3. Balance of Payments

#### **The Gambia's current account deficit declined in 2020....**

The current account deficit (including official transfers) declined from US\$111 million (6.1 percent of GDP) in 2019 to US\$57.9 million (3.2 percent of GDP) in 2020 (Table 4). This improvement came as record remittances and massive donor support in the aftermath of the pandemic almost balanced out the merchandise trade deficit. Exports contracted significantly while imports stayed the same.<sup>28</sup> A pandemic-induced slowdown in project execution coupled with significantly slower foreign direct investment (FDI) meant a deterioration in the financial account. However, capital transfers moderated some of this decline and improved the country's external position. Gross international reserves stood at US\$352 million (or 5.3 months of imports) as of end-2020.

#### **...but widened in 2021.**

The deficit expanded to US\$160.1 million (7.9 percent of GDP) in 2021 as the economy reopened, remittance-driven construction activities continued, and import-intensive infrastructure project implementation accelerated.

#### **The trade deficit soared as imports expanded while exports contracted.**

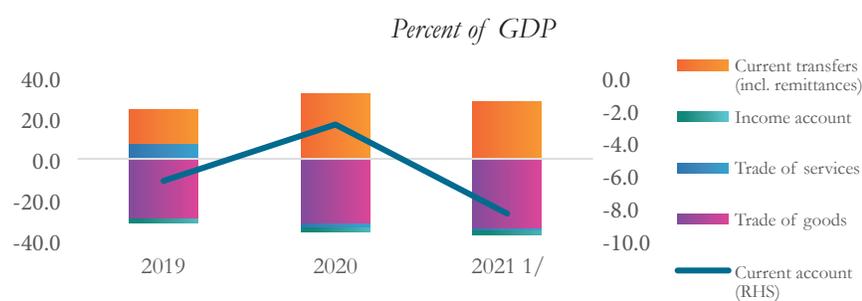
The Gambia has a narrow goods export base dominated by fish and crustaceans, groundnuts, cashews, and oil seeds (GBoS 2020). Its services exports are dominated by travel (tourism), which is highly seasonal. Exports of goods continued to decline for the second consecutive year, to 3.6 percent of GDP in 2021. Meanwhile, imports increased to 32.8 percent of GDP, resulting in a larger trade deficit than last year. This widening trade deficit reflects the revival of domestic demand as containment measures were lifted in October 2020. On the services side, exports revived by 0.6 percent of GDP, supported by the gradual recovery of tourism receipts. Service imports increased by 0.2 percent of GDP, leading to a services deficit of 1.1 percent relative to GDP in 2021 compared to 1.5 percent in the previous year.

#### **Current transfers somewhat maintained their level.**

Budget support grants (official transfers) fell to almost one-fifth of their level in 2020 as donor support was phased out and major commitments were postponed to next year (see Fiscal and Debt Dynamics). Remittances reached another record high in 2021, amounting to 22.6 percent of GDP (see Real Sector for details).<sup>29</sup> These alone covered 75 percent of the trade deficit (Figure 11).

<sup>28</sup> To support COVID-19 containment efforts and ensure food security and continuity of other essential supplies.

<sup>29</sup> This refers to the current transfer component of remittances and excludes investment related inflows.

**Figure 11: Composition of current account balance**

Source: CBG, IMF, and World Bank staff calculations.

Note: 1/ Preliminary data subject to revision.

**The increase in financial flows offset the current account deficit and boosted reserves.**

The capital account increased by 55 percent to US\$103.6 million in 2021 compared to the previous year. Moreover, the financial account improved considerably, reaching US\$225 million, supported by the substantial flow of FDI. This was partly spurred by private inflows from the Gambian diaspora investing in real estate. These strong flows more than adequately covered the widening current account deficit, bolstering international reserves to 6 months of import coverage.<sup>30</sup>

<sup>30</sup> In months of next year's imports of goods and services.

Table 4: Balance of payments summary

	US\$ million			Percent of GDP		
	2019	2020	2021 1/	2019	2020	2021 1/
<b>1. Current account</b>						
<b>A. Goods (net)</b>	<b>-452.7</b>	<b>-495.5</b>	<b>-595.2</b>	<b>-25.1</b>	<b>-27.4</b>	<b>-29.3</b>
Exports, f.o.b.	142.4	69.5	72.7	7.9	3.8	3.6
Imports, f.o.b.	-595.1	-565.0	-667.9	-33.0	-31.2	-32.8
<b>B. Services (net)</b>	<b>116.2</b>	<b>-26.5</b>	<b>-22.1</b>	<b>6.4</b>	<b>-1.5</b>	<b>-1.1</b>
Services exports	226.3	82.6	105.3	12.5	4.6	5.2
<i>of which: Travel income</i>	181.3	46.6	53.6	10.0	2.6	2.6
Services imports	-110.1	-109.1	-127.4	-6.1	-6.0	-6.3
<b>C. Income (net)</b>	<b>-30.0</b>	<b>-31.1</b>	<b>-32.1</b>	<b>-1.7</b>	<b>-1.7</b>	<b>-1.6</b>
Income credits	2.3	2.4	2.5	0.1	0.1	0.1
Income debits	-32.4	-33.5	-34.6	-1.8	-1.9	-1.7
<b>D. Current transfers</b>	<b>255.5</b>	<b>495.2</b>	<b>489.3</b>	<b>14.1</b>	<b>27.4</b>	<b>24.1</b>
Official transfers	55.8	82.7	16.2	3.1	4.6	0.8
Remittances	187.4	400.2	460.5	10.4	22.1	22.6
Other transfers	12.3	12.3	12.6	0.7	0.7	0.6
<i>Current account (excl. official transfers)</i>	<i>-166.8</i>	<i>-140.6</i>	<i>-176.3</i>	<i>-9.2</i>	<i>-7.8</i>	<i>-8.7</i>
<i>Current account (incl. official transfers)</i>	<i>-111.0</i>	<i>-57.9</i>	<i>-160.1</i>	<i>-6.1</i>	<i>-3.2</i>	<i>-7.9</i>
<b>2. Capital and financial account</b>						
<b>E. Capital account</b>	<b>73.5</b>	<b>66.9</b>	<b>103.6</b>	<b>4.1</b>	<b>3.7</b>	<b>5.1</b>
<b>F. Financial accounts</b>	<b>110.2</b>	<b>66.2</b>	<b>225.0</b>	<b>6.1</b>	<b>3.7</b>	<b>11.1</b>
Foreign direct investment	93.4	69.3	100.0	5.2	3.8	4.9
Portfolio investment	4.1	3.8	3.8	0.2	0.2	0.2
Other investment	12.8	-6.9	121.2	0.7	-0.4	6.0
<b>3. Errors and omissions</b>	<b>1.6</b>	<b>30.9</b>	<b>-46.3</b>	<b>...</b>	<b>...</b>	<b>...</b>
<i>Overall balance (1+2+3)</i>	<i>74.3</i>	<i>106.1</i>	<i>122.2</i>	<i>4.1</i>	<i>5.9</i>	<i>6.0</i>
<b>Financing</b>						
Net international reserves (increase -)	-74.3	-106.1	-122.2			
Change in gross international reserves	-68.0	-127.1	-178.3			
Use of IMF resources (net)	-6.3	23.7	44.5			
Exceptional financing 2/	0.0	8.4	5.6			
<b>Memorandum items</b>						
<i>Exports of goods and services (percent growth)</i>	<i>...</i>	<i>-58.7</i>	<i>17.0</i>			
<i>Imports of goods and services (percent growth)</i>	<i>...</i>	<i>-4.4</i>	<i>18.0</i>			
<i>Gross international reserves</i>						
<i>US\$ million</i>	<i>225.0</i>	<i>352.1</i>	<i>530.4</i>			
<i>Months of next year's imports of goods and services</i>	<i>4.0</i>	<i>5.3</i>	<i>6.0</i>			

Source: CBG, IMF and World Bank staff calculations.

Notes: 1/ Preliminary data subject to revision. 2/ Includes CCRT debt relief and DSSI.

**The nominal exchange rate remained broadly stable, but the real exchange rate appreciated slightly.**

The CBG's exchange rate policy has been prudent, with a limited presence (usually on the purchasing side) in the foreign exchange market. Donor support and the additional Special Drawing Rights (SDR) allocation<sup>31</sup> facilitated the build-up of international reserves to US\$530.4 million at end-2021 and prevented undesirable exchange rate volatility. The dalasi depreciated slightly by 1.9 percent (y/y) against the US dollar in 2021 but weakened against other major currencies.<sup>32</sup> The real effective exchange rate depreciated in the wake of the pandemic but stabilized towards the end of 2020.<sup>33</sup> Strong private inflows (remittances and FDI), and a 16.6 percent (y/y) increase in the volume of net foreign exchange transactions during 2021 are expected to improve The Gambia's competitiveness over time.

## 4. Monetary Policy and Inflation

**Inflation decelerated sharply in 2020 but increased in 2021...**

Pandemic-related falls in domestic demand led to a cooling in inflation in the latter half of 2020. Annual inflation decelerated from 7.4 percent year-on-year (y/y) in January 2020 to 5.7 percent in December 2020 (after falling to a low of 4.8 percent in July). In 2021, annual inflation began to pick up again, peaking at 8.2 percent in July and closing the year at 7.6 percent y/y (Figure 12).<sup>34</sup> This remains higher than the central bank's medium-term target of 5 percent. Despite rising inflation, the output gap<sup>35</sup> remained in negative territory following the economic slump in 2020 and implies that high inflation is mostly transitory and supply driven. Core inflation also rose in line with rising headline inflation.

**...on the back of surging food prices.**

The uptick in inflation was primarily driven by accelerating food prices due to higher domestic demand and supply chain constraints (CBG 2021a). Food inflation grew by 10 percent (y/y) in 2021—3 percentage points up from the rate in 2020. This is mostly imported inflation, The Gambia being a net food importer, and is affected by increase in global food and energy prices and fertilizer costs. Structural bottlenecks at the port of Banjul compounded the global logistical blockages and drove up food inflation (CBG 2021b). Non-food inflation also stood at 4.9 percent (y/y) in 2021, up slightly from 4.4 percent (y/y) in 2020. Although continued high food inflation will be putting pressure on households (see Poverty: Patterns and Trends), the rise in non-food inflation, though modest, may reflect an emerging recovery in demand.

**The CBG continued to maintain an accommodative monetary policy.**

The central bank adopted an accommodative monetary policy stance in response to the COVID-19 shock. The CBG had reduced its policy rate from 12.5 percent at end-2019 to 10 percent by end-May 2020. It also reduced the reserve requirement from 15 percent to 13 percent, further advising banks to postpone dividend distributions. The CBG continued to maintain its appropriately accommodative stance in 2021, keeping the policy rate unchanged at 10 percent and the reserve requirement at 13 percent. As inflationary pressures built up in late 2021, the CBG reduced foreign exchange purchases

31 In August 2021, The Gambia received US\$84.4 million (4.1 percent of GDP) as part of the SDR allocation injected by the IMF to boost global liquidity and support pandemic needs/post-pandemic recovery.

32 For instance, the dalasi depreciated by 12.7 percent y/y against the Swedish krone in 2021.

33 The 2021 IMF External Sector Assessment indicates that the real effective exchange rate was undervalued by 0–2.3 percent in 2020 and is broadly in line with fundamentals. Under the assumption of multilateral consistency, this assessment reflects the estimated deterioration in global factors being relatively sharper than the change in The Gambia-specific factors (IMF 2021).

34 Headline inflation continued to increase in 2022 and showed 7.8 percent (y/y) increase in January.

35 The output gap is the difference between actual GDP and potential GDP, to identify the country's current economic position over the business cycle. A negative output gap may indicate a recession.

and carried out reverse repos through sales of CBG bills, which helped reduce excess liquidity and moderate reserve money growth.

**Money supply growth continued to accelerate, boosted by rising net foreign assets.**

Money supply continued to show strong growth in 2020 and stood at 22 percent y/y at end-December 2020 (Figure 13). Broad money growth during most of 2020 was boosted by significant pandemic-related donor support and a rise in private foreign inflows. Reserve money growth accelerated to 33.9 percent y/y at end-December 2020, from 17.2 percent at end-December 2019. In 2021, reserve money continued to grow, showing 13.6 percent growth at end-December 2021. Broad money growth has also remained firm in 2021, increasing by 19.5 percent y/y at end-December 2021. Most of the increase in money supply has been due to significant increase in net foreign assets (NFAs) of the banking system. NFAs totaled GMD28.7 billion at end-December 2021, an increase of 18.7 percent y/y.

**Private sector credit rebounded in 2021.**

Credit to the private sector grew strongly by 26.5 percent in 2021, compared to weak growth of 0.7 percent in 2020. This strong rebound, though slightly below the pre-pandemic growth of 33.5 percent in 2019, indicates that a post-pandemic economic recovery is underway (Figure 14). There was significant variation across sectors, with credit to agriculture, tourism, and transport contracting in y/y terms. In contrast, loans to the construction sector (which accounted for one-third of total private sector credit in 2021) grew by a record 50.6 percent compared to 2020. Loans to the distributive trade (comprising one-fifth of total private sector credit in 2021) also grew by 12.9 percent in December 2021, reversing the negative trend exhibited for most of the year (Figure 15).<sup>36</sup>

**The financial sector is small, banking centric, and concentrated.**

Total assets amount to 85 percent GDP, with banks accounting for almost 90 percent of these assets. The financial sector remains relatively stable with high capital levels of more than 20 percent and ample liquidity. Profitability which peaked in 2020,<sup>37</sup> is likely to have declined in 2021 with lower returns on government papers and the imposition of a ceiling of 15 percent on lending rates. Because of the latter, intermediation, which was already low, is estimated to have declined further, with most banks reporting loan-to-deposit ratios barely reaching 20 percent in 2021. The credit to GDP ratio is among the lowest in the region at about 8 percent.

**Declining profitability and funding concentration risks are of particular concern.**

Negative real interest rates on government securities<sup>38</sup> reduced earnings from the bulk of banks' assets. Difficulties in shifting bank business models and heavy competition for few creditworthy firms have affected profitability. These conditions are exacerbated by the maximum lending rate. This ceiling may not cover high average costs of funding or high overheads for some banks, given riskier clientele. In fact, banks have reduced lending given this guidance, curtailing most lending to riskier market segments, such as agriculture and micro, small and medium enterprises (MSMEs). Meanwhile, high concentrations of Social Security and Housing Finance Corporation (SSHFC) deposits in funding portfolios pose a systemic risk. Small banks are the most vulnerable to these issues. Some mitigation measures could include revisiting the lending rate guidance and enhancing the monitoring and regulation of large deposit exposures.

36 An increase in credit to the distributive trade signals its direct relationship to tourism activity, which rebounded during Q4 2021.

37 With a return on equity of close to 20 percent.

38 Average real interest rates on the 12-month Treasury bills during 2021 were -4.5 percent.

Figure 12: Inflation rate

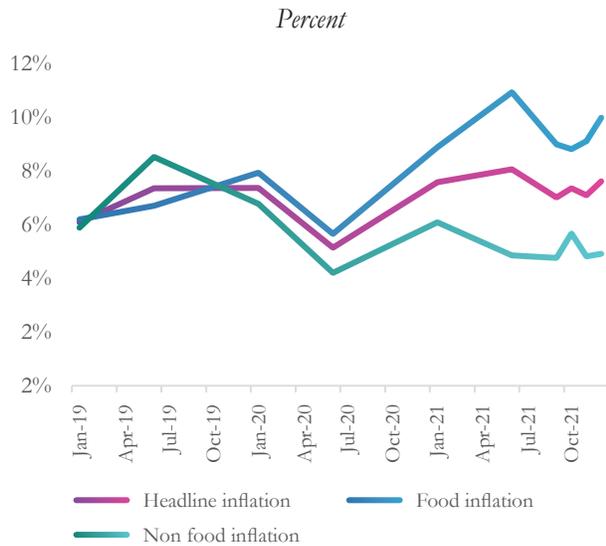


Figure 13: Money growth

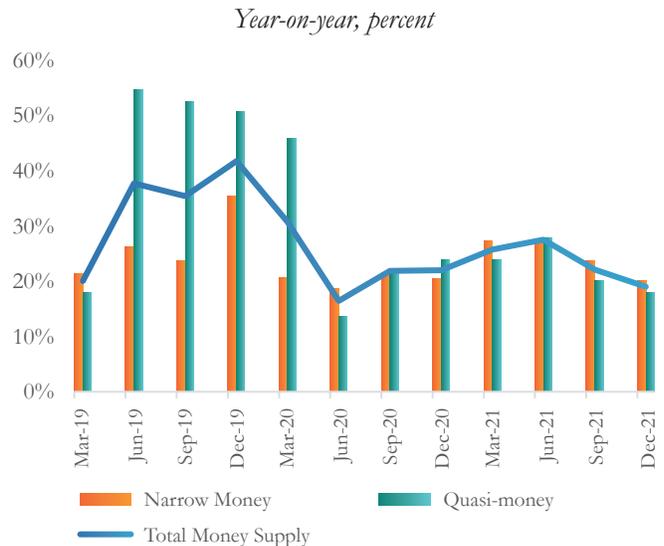


Figure 14: Private sector credit

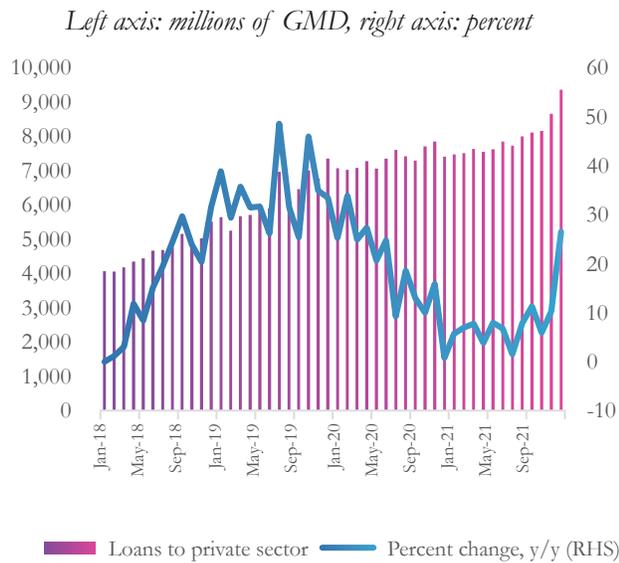
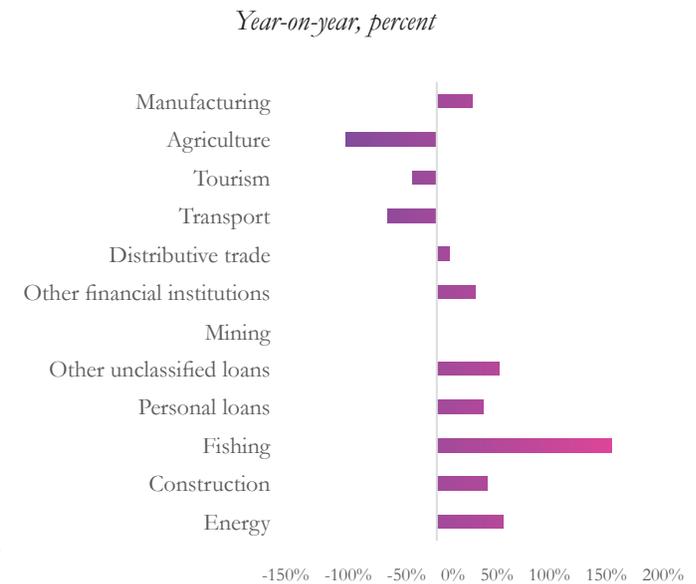


Figure 15: Change in loans by sub-sector, 2021



Source: Staff calculations based on CBG data.

## 5. Poverty: Patterns and Trends

**Nearly half of the population in The Gambia were considered poor in 2015, with the highest rates in rural areas.**

According to the 2015 national household survey, 48.6 percent of the population were living below the national poverty line.<sup>39</sup> In the rural areas, where agriculture is the main source of livelihood, the poverty rate is highest—nearly 70 percent. Even though poverty rates are high in the interior, the greatest concentration of poverty is found close to Banjul, especially in the local government area of Brikama. Rapid urbanization due to high levels of rural-to-urban migration has led to concentrations of poor people in congested urban areas, many of them young, competing for limited jobs and services. This raises concerns about increasing levels of urban poverty. Furthermore, 20.8 percent of the population are considered extreme poor<sup>40</sup>.

**COVID-19 is estimated to have increased poverty in 2020 but it declined following the economic rebound in 2021.**

Projections using sectoral growth and household welfare data indicate that the national poverty rate in 2020 increased to 50.2 percent. The spread of COVID-19 prompted a national health emergency. Social distancing measures reduced economic activity affecting household welfare in several ways. These included (i) a labor market contraction resulting in job losses; (ii) lower incomes, including labor and non-labor incomes such as remittances and private transfers; and (iii) worsening food insecurity driven by the combination of lower incomes and rising food prices. As the economy started to recover in 2021, poverty<sup>41</sup> is expected to have declined to 8.5 percent in 2021 and is estimated to decline further to 7.8 percent in 2022 reaching 6.2 percent by 2024 (World Bank 2022a).<sup>42, 43</sup>

**In the absence of COVID-19, poverty in 2020 is likely to have declined but only marginally.**

Between 2015 and 2019, increased economic activity (mainly in construction) and a strong inflow of remittances is likely to have contributed to poverty reduction. However, during this period, slow growth in the agricultural sector (0.6 percent compared to 11 percent in industry) is likely to have slowed its pace. As such, had there been no pandemic, poverty would have declined by only 2 percentage points in 2020 (Figure 16).<sup>44</sup> Low growth in agriculture is further reflected in the much slower pace of poverty reduction in rural areas (less than 2 percentage points) than in urban areas.

**Driven by the pandemic, poverty in 2020 is expected to have increased in urban areas.**

The effect of the pandemic is likely to have been uneven geographically. In urban areas, poverty is estimated to have increased by 5.1 percentage points while it declined by 2.9 percentage points in rural areas (Figure 16). More stringent lockdown measures and large contractions in the services sector (especially tourism) may have resulted in the large increase in poverty in urban areas. In rural areas, on the other hand, good rains supported a rebound in agriculture in 2020 from a contraction a year earlier.

**Households at the top of the welfare distribution**

The COVID-19 pandemic affected consumption levels across the welfare distribution. Richer households experienced a larger contraction in consumption than poorer households (Figure 17). Without COVID-19, consumption levels for the richest

39 The national poverty line was estimated at GMD1,503 per person per month. In 2015, 10.3 percent of the population lived below the international poverty line of US\$1.9 a day in 2011 purchasing power parity (PPP) terms, or GMD26.2 per person per day. A new household survey was conducted in 2020/21. However, the poverty numbers are yet to be finalized.

40 Extreme poor are those who are unable to meet basic food requirements.

41 Using the international poverty rate (\$1.9 in 2011 PPP).

42 These latest estimates also factor in the potential effect of the ongoing Ukraine-Russia conflict.

43 Poverty measured using the US\$3.2 international poverty line shows a similar trend – a decline in poverty to 33.6 percent in 2021; to 32.3 percent in 2022; and to 28.8 percent in 2024.

44 See Data and Methodology Appendix for details on constructing poverty estimates.

<b>experienced a sharper impact on consumption.</b>	households would have been expected to have grown by 28 percent in 2020 from 2015 levels but are estimated to have only grown by 21 percent. On the other hand, poorer households were estimated to have experienced consumption level growth of 22 percent over that period, compared to an expected 26 percent without COVID-19.
<b>Several factors may have accounted for the lower impact on consumption among poorer households.</b>	These include the food and cash transfer programs launched at the peak of the COVID-19, aimed at supporting poor and vulnerable households, and the recovery in the agricultural sector in 2020. However, those programs had a near universal coverage as data to support greater targeting were lacking (see Special Section for details). Had they been more targeted, the programs could have improved the well-being of the poorest households more effectively.
<b>The initial effect of the pandemic was a large contraction in the labor market...</b>	The rest of the section presents key findings from the High Frequency Phone Survey (HFPS) conducted to monitor the impact of COVID-19 on household welfare. <sup>45</sup> The pandemic disrupted labor market activities resulting in a large reduction in the number of jobs, especially at the onset. Data from the first round of the survey (August 2020) indicate a 23 percent contraction in employment relative to pre-COVID-19 levels. <sup>46</sup> The impact was uneven both geographically and by household income (Figure 18 and Figure 19). In the Greater Banjul Area, employment levels contracted by over 30 percent relative to pre-COVID levels, compared to 20 percent in rural areas. Poor households saw greater job losses at the onset of the pandemic: In October 2020, job losses among heads of poor households were 9 percentage points higher than among heads of rich households.
<b>... and near universal income loss.</b>	In August 2020, 92 percent of households had experienced a decline in total income. Most of the decline stemmed from the loss of non-farm income. Declines in farm income were also high but may be linked to the seasonality of agriculture. Given that most non-farm businesses are informal, lockdowns and mobility restrictions initiated at the start of the pandemic are likely to have resulted in significant loss of business revenue, driving the decline in household income in urban areas.
<b>Continued inflow of remittances is likely to have supported households—especially the poorest.</b>	The adverse effects of income loss are likely to have been mitigated in part by continued flow of remittances. For the poorest households, the flow of remittances was less volatile. Data from the HFPS shows that in August 2021, 44 percent of households in the bottom of an asset-based wealth index reported that the level of remittances from abroad stayed the same, compared to 27 percent of households in the top 20 percent of the same distribution.
<b>Initially, the pandemic affected men and women similarly ...</b>	Employment levels in August 2020 were 23 percent lower than pre-COVID levels for male household heads and 22 percent lower for female household heads. Although labor market conditions improved in August 2021, this benefited male-headed households more than female-headed ones. Employment levels among female household heads

45 The High Frequency Survey on the Impact of COVID-19 on Households in The Gambia is a collaboration between the World Bank and the GBoS, and financed through the State and Peace-building Fund. Results are representative at the national level and at the three strata levels (Banjul/Kanifing area, other urban areas, and rural areas) and are based on phone interviews.

46 Pre-COVID-19 employment levels throughout this section are based on the 2018 Labor Force Survey (LFS) which was used to sample households in the High Frequency Phone Survey. Although the questions on labor market activities in the LFS and HFPS are generally similar, possible differences in the implementation of the surveys: face-to-face in the case of the LFS and by telephone in the HFPS may affect the comparability of the surveys. It is therefore important to bear such caveats in mind while interpreting the results.

were 21 percentage point below pre-COVID levels compared to 10 percentage points among their male counterparts. The large contraction in female employment due to the pandemic may in part reflect existing gendered roles in The Gambia—with women being responsible for taking care of the young and elderly household members. As lockdown has lifted since October 2020, the need for care duties has reduced, allowing women to return to work.

**... but poorer households saw both a sharper initial impact and a faster recovery.**

Job losses at the onset of the pandemic were higher among poor households than their rich counterparts. The data also showed high labor market volatility among workers from poor households. This may in part be driven by the sensitivity of the labor market to seasonal agriculture activities which are the main source of livelihood for the poor. Recent data from the HFPS survey show that poorer households are recovering faster than their richer counterparts. Between June and December 2021, job losses among poorer households declined by over 10 percentage points while they increased by about 2 percentage points for richer households.

**Other members of the household may be working more to compensate for lost earnings among household heads. Recent data indicate large movements into agriculture, mostly among poor, rural and industrial workers.**

Comparing household heads with other household members shows greater job losses among heads of households. The labor market also recovered faster for other household members than heads, especially for the youth. This finding is consistent with the added worker effect, i.e., increased labor supply among younger household members to make up for the lost jobs or income of the main earners such as household heads.

The services sector had the largest contraction in employment, with job losses increasing from 5 percent in August 2020 to 14 percent in October 2020. Most of the recent increase in employment has been in agriculture; despite being the hardest-hit sector, recovery in services remains slow. Between June and August 2021, employment in the agricultural sector increased by 20 percentage points while it declined by 14 percentage points in the services sector (Figure 20). Most of the workers moving into agriculture are from poor households, rural areas, and the industrial sector. This highlights the importance of agriculture as a safety net against disruptions the labor market.

**The pandemic impacted food insecurity but it eased over time. Poor and rural households experienced the highest incidence of food insecurity.**

In October 2020, 47 percent of households were moderately food insecure. Over time, the incidence of moderate food insecurity declined by over 25 percentage points, reaching 22 percent in December 2021 (Figure 21).

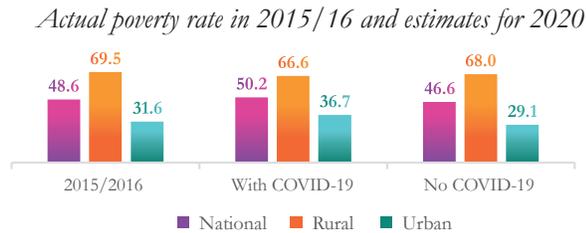
In October 2020, 66 percent of rural households were moderately food insecure, compared to 54 percent of households in other urban areas and 42 percent of households in Banjul/Kanifing. Similarly, the incidence of food insecurity among the poorest households at the onset of the pandemic was nearly double the incidence among the richer households: 67 percent versus 33 percent in October 2020. Recent data show that both moderate and severe food insecurity remain high in rural areas and among poor households. High levels of food insecurity may be driven by high food inflation as poor households spend about 65 percent of their total expenditure on food.

**Rising food prices continue to be a concern.**

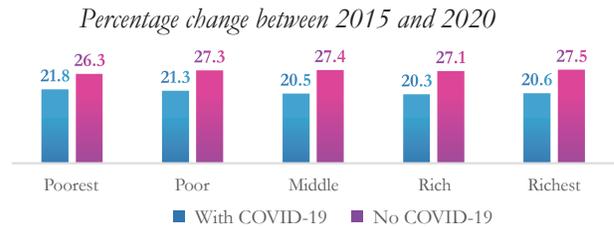
Between 2020 and 2021, food price inflation increased by 3 percentage points. The ongoing Russia-Ukraine conflict is likely to add further pressure on prices. Poor households remain particularly vulnerable to falling deeper into poverty due to rising prices. Further analysis of the effect of rising prices on household welfare and poverty shows that at the current price levels, assuming household income levels remain the

same, the poorest households are expected to experience a 29 percent decline in their average consumption per capita relative to 2015 levels. Furthermore, under this scenario, the national poverty rate is expected to increase, especially in urban areas.

**Figure 16: Impact of COVID-19 on poverty rates**

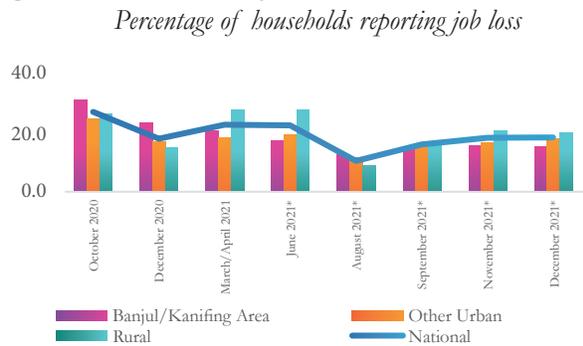


**Figure 17: Impact of COVID-19 on household consumption**

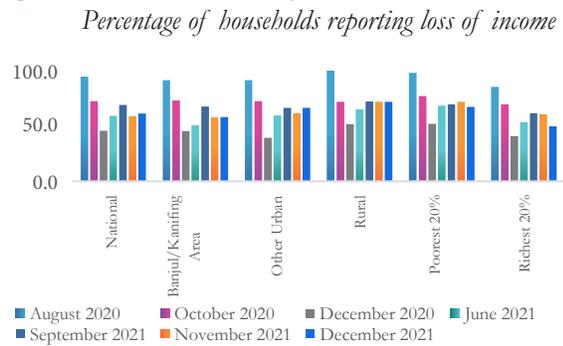


Source: World Bank staff calculations using 2015 Integrated Household Survey (IHS) and sectoral growth data.

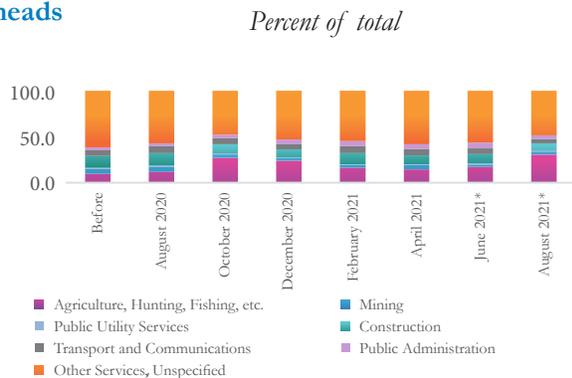
**Figure 18: Job losses by area of residence**



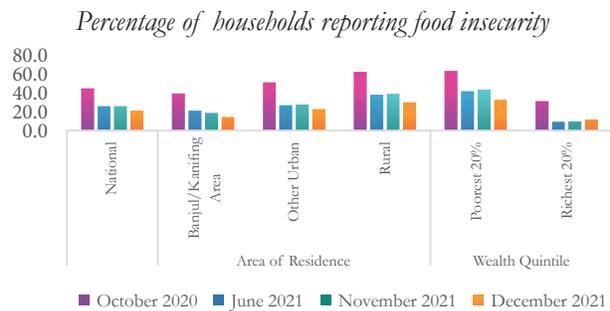
**Figure 19: Income loss by area and household income**



**Figure 20: Transition across sectors, household heads**



**Figure 21: Incidence of moderate food insecurity**



Source: Authors' calculation using HFPS data, 2020–2021.

\*Beginning June 2021, more detailed employment data of all household members 7 years and above was collected. In previous rounds, only the labor market activities of the respondent (who was in most cases the household head) was collected. In this graph, the sample is restricted to a panel of household heads who have been interviewed.

## B. Outlook and Upcoming Challenges

*As the immediate impact of the pandemic recedes, The Gambia looks set for modest growth in the medium term, driven by a rebound in tourism, investment, and agriculture. However, a low vaccination rate, weather-related risks to agriculture, and the rising cost of living globally, exacerbated by the war in Ukraine, could slow the recovery. A widening current account deficit, rising inflation eroding household incomes, and high fiscal deficits leading to domestic borrowing, could threaten the sustainability of the recovery and hinder poverty reduction. While successful elections have diminished the country's political risks, it still faces the need for fiscal and monetary policy reform to build the fiscal space to respond to future shocks and widen its tax base. The economy remains constrained by a history of low and misplaced investment, low productivity growth, and a lack of diversification. By closing schools, COVID-19 is likely to have led to losses in human capital which could permanently scar its growth potential without evidence-led policies to reverse the damage.*

### 1. Outlook

**The impact of COVID-19 is receding and will support recovery, but the war in Ukraine is cooling growth prospects.**

The economy is expected to grow as the pandemic recedes and vital sectors recover, driven by the return of tourism, continued foreign inflows, and large infrastructure investments (Table 5). However, the outlook is dampened by the global contagion of the ongoing Russia-Ukraine conflict. Although its direct investment, tourism and trade links with Russia and Ukraine are limited, The Gambia is a net importer of food, fertilizer, and fuel. The conflict is expected to drive up the cost of these imports and increase inflation. Real GDP growth is projected to reach 5.6 percent in 2022 (2.7 percent in per capita terms), compared to the pre-war forecast of 6.2 percent (Figure 22). The services sector is projected to grow by 7.2 percent in 2022.<sup>47</sup> Agriculture should grow by 2.0 percent in 2022, assuming favorable weather, and industrial output by 4.9 percent in 2022. On the demand side, remittances are expected to continue supporting private consumption and investment in construction and improve the external position.

**The economy is expected to grow modestly over the medium term.**

GDP growth is expected to rise to 6.2 percent in 2023 (3.3 percent per capita) and to 6.5 percent in 2024 (3.6 percent per capita), spurred by a rebound in services, increased industrial and agricultural activity, and the pandemic-induced adoption of digital technologies. However, economic growth will be muted due to the impact of the war in Ukraine on commodity prices and terms-of-trade over the medium term. The growth assumes political stability,<sup>48</sup> renewed focus on policy implementation, and normal weather conditions. On the demand side, growth is forecast to be driven by a sustained increase in private consumption and public infrastructure investment. However, the negative effects of the pandemic-induced supply chain disruptions may still be felt and with only 13.2 percent of the population fully vaccinated, the economy could be vulnerable to new COVID-19 variants. This could be compounded by further supply chain disruptions, and rising basic food, energy, and fertilizer prices because of the war.

**Pressure on the current account balance will persist.**

The current account deficit (including grants) is forecast to widen to 12.3 percent of GDP in 2022 (Figure 23). This increase reflects slower growth in service exports driven by slowly recovering tourism receipts, compared to pre-pandemic rates, while consumption and investment-related imports grow and the price of wheat and oil are expected to increase. Supply disruptions are also expected to widen the merchandise

47 Tourist arrivals during Q12022 were 47.3 thousand—a little more than half the pre-pandemic level. The outlook assumes a full tourism recovery (pre-2020 levels) by 2023.

48 The successful presidential and parliamentary elections in December 2021 and April 2022 respectively, in a region recently marred by democratic instability, are likely to support medium-term growth prospects.

trade deficit. Remittances are projected to stabilize as the record-high growth seen in the past two years is not expected to continue. Over the medium term, the current account deficit is projected to stay high, reflecting import-intensive public investment projects. However, exports will grow, supported by a rebound in tourism, albeit gradual, and revitalized re-exports. The deficit will largely be financed by FDI and capital transfers. Foreign exchange reserves are projected to hover at over 4 months of imports.

**Fiscal consolidation will be delayed for another year but will continue over the medium term.**

The fiscal deficit is expected to stay at 4.6 percent in 2022, as subsidies and transfers increase to partially offset rising fuel, fertilizer, and food prices.<sup>49</sup> In 2023 it will start to narrow to 3.6 percent, and then further to 3.4 percent of GDP by 2024 as the Government embarks on the fiscal consolidation anchored in the Medium-Term Fiscal Framework 2021–25 (Figure 24). As the economy recovers, tax revenues are projected to increase, supported by improved revenue administration and a tight tax expenditure monitoring framework. Development expenditure is expected to accelerate as the Government executes infrastructure investment to support the recovery. Recurrent spending is expected to rationalize, supported by public finance and civil service reforms in the medium term<sup>50</sup> rather than by adjusting social spending. Public debt is projected to stay on a downward path, declining to 68.7 percent of GDP by 2024 (Figure 25).

**Inflation is expected to stay high in the medium term...**

Inflation is projected to continue increasing and reach 8 percent in 2022,<sup>51</sup> as global supply disruptions and high commodity prices are expected to continue. These disruptions have been the main factor behind the persistent increase in inflation, primarily food inflation, since last year. Rising food prices will remain a burden for vulnerable households thereby constraining their ability to escape poverty. Annual inflation will start falling in 2024, but will remain relatively high.

**... calling for cautious monetary policy tightening.**

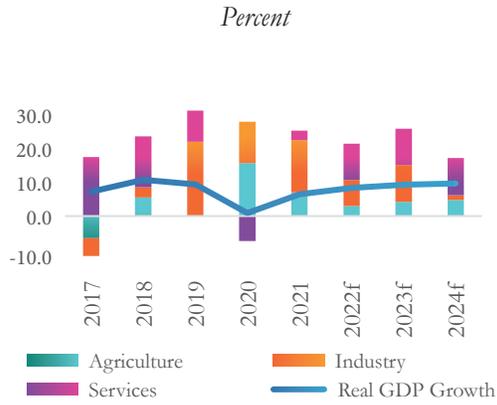
Elevated inflation amid a nascent economic recovery underscores the need for the CBG to gradually wean the economy off the accommodative monetary policy in place since the onset of the pandemic. The CBG continues to adjust its foreign exchange purchases, partly to mop up liquidity. As inflationary pressures build up, it plans to continue the sale of CBG bills and increase the special deposit facility rate to effectively mop up excess liquidity and ensure attainment of the target inflation rate of 5 percent by 2025.

49 The Government is expected to forgo fuel revenue worth 0.7 percent of GDP in 2022 to help avoid full pass-through from global to domestic oil prices. It has absorbed revenue losses of 0.2 percent of GDP from this source during Q12022. Moreover, rising input costs may push some SOEs to seek government support (e.g., the NFSPMC and the energy company NAWEC for larger-than-budgeted fertilizer and tariff subsidies).

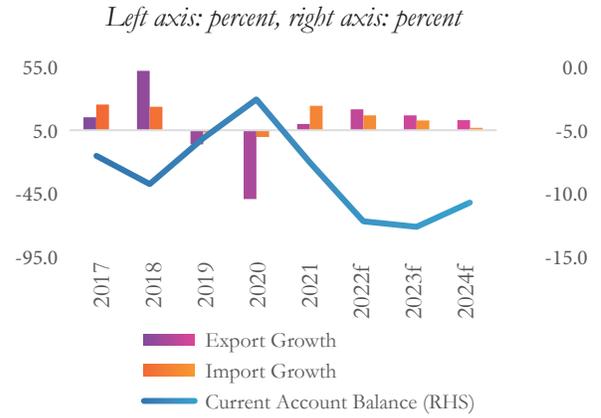
50 For instance, recent reforms to strengthen the SOE sector include the completion of a special purpose audit of all SOEs and the ongoing implementation of its recommendations, signing a performance contract with NAWEC, a cabinet-approved clearance strategy on verified cross-arrears among SOEs as well as a monitoring and reporting framework for government guarantees, the establishment of the Directorate for SOE Oversight at the MOFEA, the publication of audited SOE financial statements for 2019 and preparation of a 2020 Consolidated SOE Financial Performance Report. Moreover, the new SOE bill has been submitted for parliamentary approval in April 2022 after a prolonged delay.

51 Average inflation for Q12022 stood at 8.1 percent, driven primarily by food inflation of 9.7 percent.

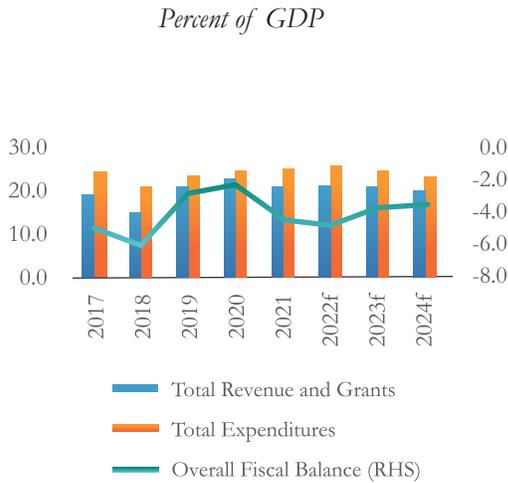
**Figure 22: Growth in real GDP and its components**



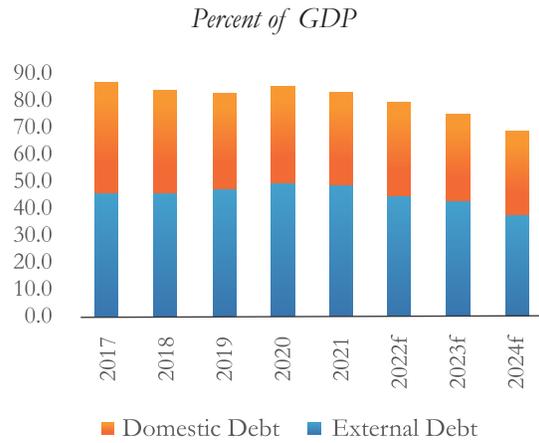
**Figure 23: External sector performance**



**Figure 24: Fiscal performance**



**Figure 25: Public debt**



Source: World Bank staff calculations and estimates based on data from MOFEA, the GBoS, and the CBG.  
 Note: f = forecast.

**Table 5: Key macroeconomic indicators**

	2021	2022 f	2023 f	2024 f
<b>Real GDP growth, at constant market prices</b>	4.3	5.6	6.2	6.5
Private consumption	3.4	7.0	6.0	4.7
Government consumption	-7.9	2.6	6.1	7.4
Gross fixed capital investment	-2.2	7.1	6.5	4.2
Exports – goods and services	-27.1	15.5	11.0	7.6
Imports – goods and services	-15.2	11.2	7.2	1.8
<b>Real GDP growth, at constant factor prices</b>	4.3	5.6	6.2	6.5
Agriculture	4.7	2.0	2.8	3.2
Industry	10.4	5.2	7.3	0.9
Services	1.9	7.2	7.2	7.4
<b>Inflation (consumer price index)</b>	7.4	8.0	8.0	6.3
<b>Current account balance (% of GDP)</b>	-7.9	-12.3	-12.7	-10.9
<b>Fiscal balance (% of GDP)</b>	-4.6	-4.6	-3.6	-3.4
<b>Debt (% of GDP)</b>	83.8	80.4	74.5	68.7
<b>Primary balance (% of GDP)</b>	-1.6	-1.9	-1.0	-0.8

Source: World Bank staff calculations and estimates based on data from MOFEA, GBoS, and the CBG.

Note: f = forecast.

## 2. Risks

### **The outlook is clouded by risks related to new COVID-19 variants and the Russia-Ukraine conflict.**

A low vaccination rate leaves The Gambia vulnerable to the emergence of new COVID-19 variants. Should these lead to further lockdowns, domestic consumption and private investments would be hit hard by external conditions and social distancing measures. The rising cost of living across the globe and the impact of the war may also slow down the recovery of tourism as Europeans—its key tourist market—have less disposable income to spend on leisure or may choose to travel less. The impact of the conflict on commodity markets may disrupt agricultural inputs, increase construction costs, exacerbate food insecurity, and reduce households' real incomes, which could jeopardize social, political and macro-fiscal stability.

### **The medium-term outlook is subject to fiscal and weather-related risks.**

Fiscal risks are high, particularly those related to a lack of fiscal reform. If the Government relies on domestic borrowing to pursue an expansive fiscal policy to keep the economy afloat without effectively controlling non-priority spending, or continues with an accommodative monetary policy stance in the context of elevated inflation, this would further weaken fiscal management. This in turn could undermine growth by renewing pressure on the sustainability of the public debt and foreign reserves and crowding out private investment. Strengthening public financial management (PFM), cash management and budget execution, and implementing SOE and governance reforms will be key to mitigating these risks. In addition, erratic rainfall could lead to drought or flooding and disrupt agricultural output.

### **Political risks have moderated after**

The second successful democratic transition in 2021 will further the implementation of reforms. However, a complex political economy could delay important legal reforms to

**successful elections, but governance risks are still high.**

economic governance,<sup>52</sup> exacerbating fiscal risks. Moreover, the authorities lack solid institutional and governance structures to maintain momentum on reform. These risks are mitigated to some extent by the fact that the country is under a three-year IMF ECF program. The IMF, the World Bank, and other development partners are also providing substantial support for the implementation of these reforms.

### 3. Upcoming Challenges

**The Gambia will need fiscal resilience to be able to respond to shocks.**

Creating fiscal space will be important to support counter-cyclical policies in the face of external shocks. The Government can increase its fiscal capacity by expanding its tax revenues during good times, as the tax gap is estimated at 4–6 percent of GDP (World Bank 2020b). Moreover, nearly half of the country's tax revenue comes from international trade. This leaves it particularly vulnerable to shocks that lead to disruptions in trade, such as the pandemic and war. It should therefore seek to diversify its revenue sources by improving its capacity to collect direct taxes such as income tax. To further build fiscal resilience, The Gambia needs to reduce its debt burden to enable the Government to spend in response to crises without forcing it to cut essential services. One way could be to review its existing pipeline of loans before contracting new debt (World Bank 2021b).

**Domestic factors compounding inflationary pressures...**

Transportation services by air and sea are critical for The Gambia as an import-dependent economy. However, it has no stand-alone air cargo capacity: trade depends on tourist flights and relies heavily on the tourist season, rendering imports costly. The port of Banjul, managed by the Gambia Ports Authority (GPA), has limited capacity to handle current volumes,<sup>53</sup> causing frequent delays and extra costs for importers and consumers,<sup>54</sup> and feeding into inflation. Port congestion also limits access to foreign markets, thereby eroding the country's competitiveness. In 2019, the GPA submitted a new master plan to develop the port to expand its container capacity (World Bank 2022b). The upcoming port expansion project, one of the many in the plan, will need to be expedited to alleviate the long-standing structural challenges affecting the country's growth and inflation dynamics.

**...and major binding constraints will need to be addressed to unlock the country's growth potential.**

These constraints are first, a history of low investment growth with low private investment, and public underinvestment (and malinvestment) in infrastructure and human capital, preventing the achievement of strong, enduring growth. Second, decades of low or negative productivity growth, due to both idiosyncratic and economy-wide constraints. Third, a poorly diversified economy and a narrow export base (agriculture and tourism) which help explain the stop-go nature of The Gambia's growth. Sound fiscal stewardship will be needed to sustain business confidence and to create space for the productive public investments<sup>55</sup> needed to crowd in private investment. The Government will also need to improve the overall business-enabling environment and addressing critical constraints, such as limited access to finance (World Bank 2020c).

52 A narrow failure by the ruling party to secure a simple majority in Parliament following the April 9 parliamentary elections will help enforce accountability but may delay the enactment of important legislative bills such as the anti-corruption, procurement and SOE acts.

53 Ships must wait on average 10 days (and up to 22 days) to unload/load their cargo (World Bank 2022b).

54 Shipping companies are applying a port congestion surcharge to all cargo bound to Banjul worldwide <https://www.chronicle.gm/port-of-banjul-shipping-lines-to-increase-congestion-emergency-costs-on-all-containers/>

55 For example, electricity and infrastructure.

**Emerging growth drivers could help the country to continue to improve its competitiveness.**

Since the onset of the pandemic, remittances have dramatically increased, partly reflecting reporting effects (See Real Sector for details). Some of these private remittances have been invested in real estate and other construction. These flows have cushioned the impact of the pandemic on the economy and sustained jobs at a time when tourism was at a standstill. However, this implies that growth over the last two years has been largely driven by external financial flows fueling the non-tradeable sector and domestic demand. As these new growth drivers continue to support strong growth performance in the short term,<sup>56</sup> the Government needs to continue to press ahead with reforms to help rebalance growth towards more sustained tradeable sectors over the medium term and make The Gambia more competitive.

**Evidence-based policies will be critical to reversing the scarring effects of the pandemic on growth and productivity.**

The Gambia will largely avoid any negative effects on its potential GDP<sup>57</sup> as the tourism sector's existing capacity and ongoing investments are sufficient to accommodate more than pre-pandemic arrival levels. Ongoing investments in the agriculture sector are also expected to increase productivity and potential output. Furthermore, the pandemic accelerated the adoption of technological innovation which is expected to increase productivity and growth. However, school closures during the lockdown and unequal access to remote learning, combined with lack of access to school meals, particularly in rural areas and among poor households, may have led to permanent losses in human capital. Although the Government adopted several mitigation mechanisms such as food aid and cash transfers, these losses could reduce the long-term growth potential of the economy. The Government needs to start reversing them by designing service delivery policies based on robust and integrated data across all sectors of human development: education, health, and social assistance.

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56 This is because remittances could dry up due to recessions or slowdowns in origin countries, and the fact that residential construction, while supporting growth in the short run, does not enhance the long-term potential of the economy.

57 From physical capital accumulation and technological advancement.

## C. Special Section: Data for Better Human Capital

*Data can help to improve development outcomes by strengthening policies, prioritizing scarce resources, and empowering citizens, but only if collected, interpreted, and used effectively. The Government of The Gambia has relied on traditional data collection for specific purposes but is increasingly investing in more frequent, better integrated data collection that can be put to a variety of uses. Progress has been uneven across social sectors, however. The Gambia's development of social protection sector is hampered by scarce data that do not support effective monitoring and evaluation and resultantly, service delivery. In education, investment in more timely and granular data is already informing policy decisions and improving service delivery but better integration and data sharing could maximize these data's usefulness. In the health sector, digitization of existing paper systems and better integration would help the Government with its ambition to provide universal health coverage and improve health outcomes.*

*"You can have data without information, but you cannot have information without data."*

Daniel Keys Moran, computer programmer and science fiction author

**Effective policies require strong monitoring and evaluation (M&E), anchored in readily available data.**

Sustained progress in inclusive development has been hampered by the lingering impact of the pandemic on human capital accumulation, among other areas. Reversing these scarring effects will take a fresh perspective on policy making for better human development service delivery and human capital formation. Comprehensive, regular, accurate, and timely data are essential for ensuring that policies are evidence-based and effective, supported by a robust monitoring and evaluation (M&E) system. This will require a stronger emphasis on data collection, and especially the systemic use of M&E, with indicators widely accessible to policy makers, ideally in real time.

**Data in The Gambia have been collected by the Government for specific purposes...**

In The Gambia, public policy has relied on data collected for specific purposes such as national accounts and household and firm surveys, and through administrative systems such as birth records, pensions, taxes, and censuses (Table 6). The Government, with donor support, has been central to these efforts. But public data collection methods can be costly and only performed infrequently, and the data often lack the granularity needed to make meaningful inferences about small sub-populations of interest.

**...but COVID-19 facilitated the use of alternative data sources.**

During COVID-19, The Gambia experimented with the use of new private sources of data, such as mobile phone call detail records (CDRs) to show the movement of people to see if lockdowns were proving effective. Such data can be collected cost-effectively, frequently, and at fine levels of granularity, typically by private sector actors, but it can take significant capacity and regulation to use such data without creating risks of misuse. The Government also made highly effective use of high-frequency phone survey data to monitor the effect of the pandemic on the well-being of households and assess policy responses to COVID-19 in real time.

**Use and re-use of data can improve development outcomes.**

Regardless of how they are collected, data will not make a difference to outcomes unless they are effectively used. Unlike factors of production, such as capital, land, and labor, data do not diminish in value with use. Data that were initially collected for one purpose can be re-used for a completely different one. Because of this essentially limitless potential, enabling data re-use and repurposing is critical if data collection is to lead to better lives. In a post-COVID-19 world, data-driven policies will be increasingly important in preventing some of the potential impact on long-term growth and human capital accumulation that might otherwise scar the economy (see Outlook and Upcoming Challenges). This section considers how the data in the social protection,

education, and health sectors in The Gambia could help inform development policy and improve service delivery, particularly for the poor and vulnerable.

## Scarce social protection data hamper effective policy making

### Context

**Social protection is still in its infancy in The Gambia, with limited data to monitor progress.**

The National Social Protection Policy (NSPP) and Implementation Plan (2015–16) offered a blueprint for an efficient and effective social protection system but support for implementation has been slow. Therefore, it is no surprise that the data available on social protection are extremely limited. Progress towards Sustainable Development Goal (SDG) 1.3 ‘by 2030 achieve substantial coverage of the poor and vulnerable’ is hard to measure. The 2021 SDG report states that only 1.1 percent of The Gambia’s poor population received a social assistance (SA) cash benefit in 2016, while only 6.1 percent the population are covered by at least one social protection benefit (Sachs et al. 2021). More recent data are not available.

**More data would enable more efficient and effective service delivery in social protection.**

Improved data would support evidence-based policy making in multiple ways. Data on the coverage of programs in geographical areas or of populations in need would help identify overlaps or gaps in programming. Data collected from beneficiaries through tools such as beneficiary satisfaction surveys or citizens’ charters could improve the delivery of services. Program data, including monitoring and evaluation tools, could help to identify results which could be used to advocate for further resourcing of programs; equally importantly, data which point to a lack of impact can be used to avoid the replication of ineffective programs. In the absence of data, programs are fragmented, potentially duplicative, inefficient, and not informed by evidence of previous successes and failures.

### Challenges and Opportunities

**There have been several attempts to map and collect data on programs, but no systematic data gathering.**

In 2013, a sector assessment, *Moving Towards an Integrated and Equitable Social Protection in The Gambia*, profiled five SA schemes (Gavrilovic 2013). In 2018, a World Bank Sector Diagnostic identified 13 SA programs (World Bank 2018). In 2019, the Ministry of Finance and Economic Affairs (MOFEA) produced a report on social protection financing, focusing on government-financed programs. Most recently, in 2020, the Government’s COVID-19 response mapping exercises showed a variety of proposed, ongoing, and recently closed operations. These reports have provided snapshots of programs, with limited information on target populations or specific beneficiaries other than numbers and geographical regions. None have collected data systematically over time.

**The NSPP 2015 also found shortcomings in M&E across the SP sector.**

These include (i) no integrated M&E system; (ii) a lack of the systematic data required to determine the coverage and impact of work undertaken and inform policy making and program development; (iii) no unified management information system (MIS); and (iv) use of inefficient beneficiary targeting approaches, often with unclear criteria, thereby causing leakage problems.

<b>Even now, programs are fragmented, potentially duplicated, inefficient, and not informed by lessons learnt from previous attempts.</b>	Few of the social protection programs profiled in any of these reports had robust monitoring and evaluation (M&E) frameworks. Some of the programs had results frameworks measuring outputs, a small number had impact assessments, and only one had a full impact evaluation with control group and treatment arms. The Nafa program (World Bank 2021d), launched in 2020, does include a comprehensive M&E framework and has tried to take on board recommendations from the Building Resilience through Social Transfers (BReST) program. <sup>58</sup> The lessons learnt contributed to design changes, including increasing the benefit size, bringing payment points closer to beneficiaries, offering social and behavioral change to the whole community rather than just the targeted beneficiaries, and involving local administrations.
<b>The data that are available from individual programs are not consolidated or made public.</b>	Data in the sector are limited to project or analytical reports prepared for a specific purpose, often with development partner support. These <i>ad hoc</i> reports have not been consolidated to provide even a partial picture of the social protection sector, nor are they prepared with an eye to aggregation with other data. The resulting patchwork of information does not add up to an overall picture of the sector, nor does it provide the basis for evidence-based policy making.
<b>Lack of data in the sector led to an inefficient COVID-19 response.</b>	In the absence of a social registry or other means of identifying the poor, food aid and cash assistance was given out on a near-universal basis. This approach provided equality (everyone got the same) but not equity (as some households needed the help much more than others). As such, there were large inclusion errors—i.e., households receiving the support that did not necessarily need it—and the response was therefore more costly than it needed to be. Furthermore, lack of data meant that there was no means of ensuring that households were neither prioritized under multiple programs nor left out entirely.
<b>In 2019, the Government created a new Ministry of Gender, Children and Social Welfare.</b>	The new ministry's Strategic Plan acknowledges the paucity of data, which hampers decision making and limits the effectiveness of advocacy to promote the sector with Government and development partners. The plan proposes a national beneficiary database to register and track beneficiaries of social protection interventions, as well as a process for collecting and analyzing performance data for different programs to track progress against result frameworks. Once instituted, this latter process would facilitate evidence-based decision making for future programs and allow for advocacy with the Government or other partners to support successful programs.
<b>The second development was the creation of the National Social Protection Secretariat (NSPS) in 2020.</b>	Created within the Office of the Vice President to complement the new ministry's policy and implementation role, the NSPS is a coordination body, which is developing a national M&E framework. This will use a set of common indicators allowing results to be aggregated from programs run by multiple ministries and development partners. It is also populating a Social Registry with socio-economic data and a poverty score for all households to provide (i) a common gateway to identify appropriate recipients of SA programs thus improving the targeting effectiveness of the sector; and (ii) information on who is receiving what to prevent overlaps and so improve efficiency in the sector. To date, data for the Social Registry has been collected in a census-style approach in 36 districts.

58 This project aimed to simultaneously address acute malnutrition and resilience building strategies through cash transfers in The Gambia during 2016–19. A total of 5,500 lactating mothers in the North Bank, Central River, and Upper River Regions of The Gambia, were targeted to benefit from the project, receiving monthly cash transfers and comprehensive nutrition education in 10 health facilities across the country.

**Now that the Social Registry is being developed, it will be critical to ensure that data are shared rapidly and securely.**

The Social Registry represents a significant investment in data collection but will allow for a more targeted, efficient response to social needs in future. The data collected can be used in multiple ways, for example to prioritize the poor for income support benefits under social programs, identify potential beneficiaries of an agriculture or housing or connectivity program, or identify individuals who may need additional social welfare support, such as persons with disabilities or children out of school. This rich dataset will make programs more efficient by harmonizing the assessment process (the common gateway), facilitating prioritization of the poor (the poverty score) and reducing overlaps (feedback from programs as to who they are reaching). However, the data will only provide a return on investment if data sharing protocols are developed and used to respond to data requests rapidly and securely. Even while data collection was underway, there were several requests for data from the Social Registry—a testament to its potential utility.

**Further developments are underway that will benefit the sector...**

Recognizing the importance of data, the Government has launched the National Identification card and a digital Civil Registry and Vital Statistics (CRVS) database (see below). Both will help uniquely identify individuals and households, enabling inclusion and exclusion errors to be corrected. Linking these systems to the Social Registry would allow it to capture changes in household size and structure in real time, keeping its basic records up to date. There will still need to be periodic surveys or on-demand service centers allowing households to update the full socio-economic data associated with each household. A sustainability plan has been developed for the Social Registry, but such updates are likely to require continued development partner support.

**...and protect data rights.**

The Government recognizes the increasingly important role personal data play in the development of the economy and society at large. It has adopted measures to help protect personal data and associated fundamental rights and freedoms, in particular the right to privacy, to ensure public trust in the use of personal data. In February 2020, the Cabinet approved a Data Protection and Privacy Policy and Strategy, and the Ministry of Information and Communication Infrastructure (MOICI) has drafted related legislation, pending enactment. This legislation will provide assurances to those providing data for the Social Registry—and many other purposes—that the data will be stored and used responsibly. These developments can transform the way data are collected and used to further policy objectives in the sector.

## Policy Options

**Invest in regular data collection as a means of ensuring efficient programs.**

The NSPS should use the regular collection of data on social protection programs against a common set of metrics to prepare an annual report on the state of social protection. This would promote efficiency by flagging potential areas for collaboration and harmonization among programs and avoiding duplication. Examples of the data needed would include program target group, targeting method, coverage, benefit provided, and the frequency and duration of the program.

**Ensure that data are used effectively to support evidence-based decision making.**

Data alone cannot solve development or service delivery problems, but effective analysis and usage of data can shed light on difficult issues and possible solutions. Data on programs collected annually from stakeholders should be analyzed to make evidence-based recommendations for future programming, including which regions or categories of potential beneficiaries are under-served, which age groups are receiving

inadequate support, and which types of programs are over or under used. The NSPS also needs to put in place a clear set of procedures, templates, and service standards for efficiently responding to Social Registry data requests. Information about the Social Registry needs to be made publicly available to ensure its efficient and effective use.

**Require and review M&E plans in all interventions to assess progress and impact.**

The sector needs to institutionalize a robust M&E system, building capacity for rigorous data analytics, reporting, dissemination, and usage. Logical frameworks or a theory of change in all programs showing how the proposed intervention will meet program objectives should be required. The introduction of a national social protection M&E framework should help to aggregate programs' individual outputs and outcomes, showing progress towards national goals, including service delivery. Rigorous evaluation of large programs is essential, controlling for exogenous factors, to assess their impact. Programs featuring M&E frameworks need to regularly share findings with a wider audience and hold candid discussions on what worked and what did not. Data-based evidence should help internal advocacy for future financing in the sector.

**Re-use data originally collected for one purpose to support other development objectives.**

Data collection is an expensive exercise, which is only worthwhile if the data are used to support programs across and beyond social protection. One example would be the use of Social Registry data for multiple, diverse programs to reap economies of scale in prioritizing beneficiaries for multiple programs. Another example of the re-use of data is the use of CDRs to review the impact of COVID-19 restrictions on mobility. Regular, large-scale data collection exercises, such as the Multi-Indicator Cluster Survey, Demographic and Health Survey or Social Registry updates should be budgeted (at least in part) by the government, rather than depending on donors. Innovative data collection techniques such as phone surveys have proven to be low cost and highly effective in providing useful data, especially when traditional data collection techniques cannot be used, although mobile phone ownership among some segments of the population and network coverage remain constraints on reaching the poorest.

**Ensure personal data are used safely.**

The Social Registry contains detailed personal data for many households. If these data are to be used safely, their use must be underpinned by robust data protection and privacy legislation. Once the Data Protection and Privacy law is enacted, it is important to ensure outreach on the legal provisions and then enforceable action on those who do not use data responsibly.

**Create data linkages across government for efficient updating and conferring services/ eligibility for other services.**

Connecting data across government entities would ensure that changes made in one database can be reflected in others. For instance, demographic data in the Social Registry can be updated in real time from the CRVS but will need periodic refreshes to update the socio-economic data. Other sources of data, such as the Integrated Household Survey (IHS), should be used to inform the prioritization of SA programs. Furthermore, if an individual or household is identified in one database as having certain needs, this information can flag the need for services or conferring eligibility for benefits by other agencies.

## Investment in education data is beginning to pay dividends

### Context

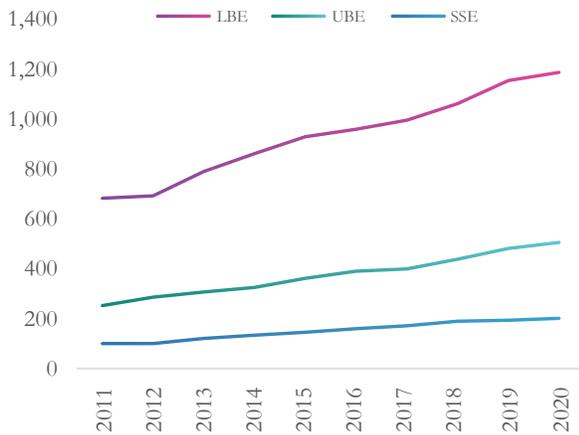
**The Gambia has invested in developing data collection in education, giving access to more data than ever before.**

The Gambia will need better data to monitor its progress towards toward SDG 4: *A quality, inclusive education for all*. Its investment in education data systems is already allowing it to produce an annual report each May, based on data collected in November of the previous year, which provides an overview of the evolution of the main education statistics. In the 1990s, The Gambia, like many other low-income countries, maintained an education management information system (EMIS) which mainly held raw data with very few indicators. Recently, it has transitioned to an EMIS that goes beyond these traditional systems.

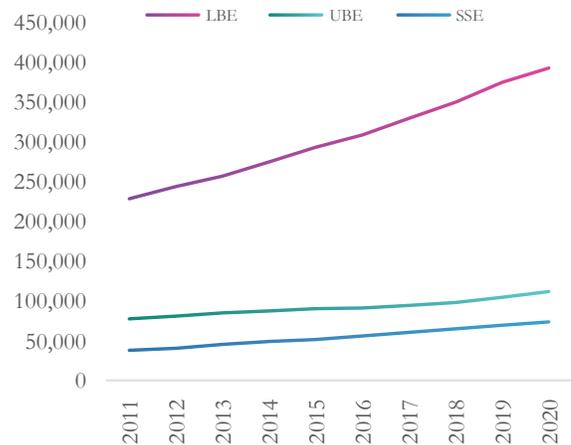
**More granular data are providing valuable insights that can drive targeted policies...**

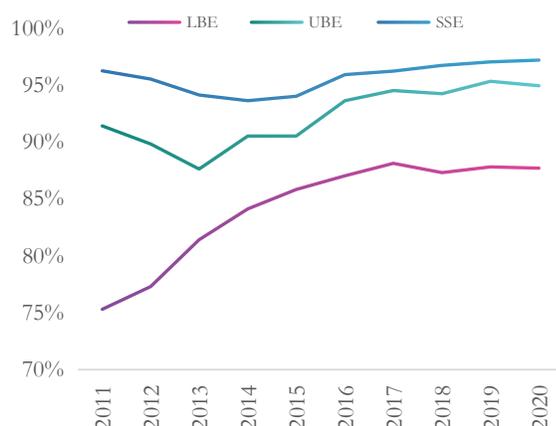
The strengthening of education data systems has made it possible to capture more disaggregated data on institutions, enrollment, teacher deployment, the state of school facilities, and basic examinations data. These data are available at the regional, district, and, in some cases, at the student level. This granularity helps improve existing policies and allows for more targeted interventions that assist low-performing regions, schools, and vulnerable students. As of 2021, The Gambia is now able to track individual student data which is a critical step in developing tailored approaches. The robust student-level data system in Malaysia can serve as an aspirational model for data utilization, as The Gambia begins to make use of these new data moving forward.

**Figure 26: Number of institutions by school level**

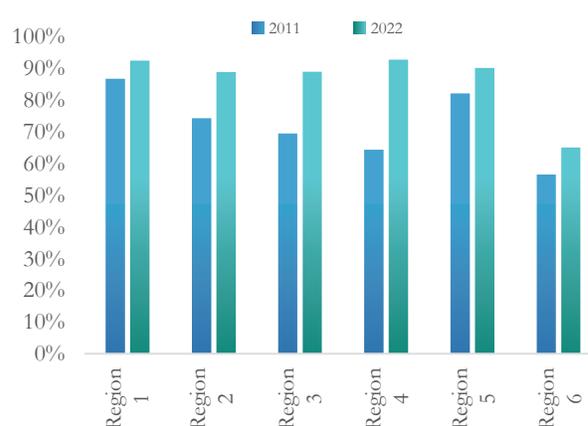


**Figure 27: Total enrollment by school level**



**Figure 28: Proportion of qualified teachers by school level**

Source: MOBSE 2021 Statistical Yearbook.

**Figure 29: Proportion of qualified LBE teachers by region**

### ...that have greatly improved access...

In the last few years, the Government has been using household survey data and disaggregated data from the EMIS to reduce barriers to education in the country. For instance, interventions to improve access to education resulted in the construction of 504 lower basic education (LBE) schools, 253 upper basic education (UBE) schools and 101 senior secondary education (SSE) schools<sup>59</sup> between 2011 and 2020 (Figure 26). The increase in the number of institutions at all education levels in all regions allowed the Government to make progress toward its goal of having an approved school within 2 kilometers of all communities.<sup>60</sup> For example, taking a phased approach, targeted classroom construction of lower basic schools (LBS) in Regions 3, 4, 5, and 6 reduced the share of communities without a LBS within 3km from 17 percent in 2013 to 3 percent in 2018.<sup>61</sup> Furthermore, The Gambia has integrated data collection on students with disabilities into the EMIS which has improved equitable access, by allowing for better school-level budget estimates for assistive technologies for students. Such data also allow the ministry to prioritize older schools that require rehabilitation of accessible ramps and toilets based on real time student need.

### ...and prompted removal of school fees which led to enrollment increases.

School fees were eliminated based on data showing that financial constraints were the main barrier to enrollment in The Gambia.<sup>62</sup> This coincided with increases in total enrollment at all education levels, especially LBE. Enrollment in LBE increased from 228,495 students in 2011 to 293,503 in 2015 and then further to 393,057 in 2020, an average annual growth rate of 6.2 percent (Figure 27).

59 The formal education system in The Gambia follows a 6-3 - 3-4 structure, with six years of LBE beginning from the age of 7, followed by three years of UBE. Together, LBE and UBE cover grades 1-9 and constitute the basic education level. This is followed by three years of SSE and four years of tertiary or higher education. The Government also encourages participation in early childhood development programs for ages 0-6.

60 IHS 2015 data show that 82 percent of LBE students, 62 percent of UBE students, and 50 percent of SSE students live within 2 km of school.

61 Until 2021, the Ministry of Basic and Secondary Education (MOBSE) divided The Gambia into 6 administrative regions: Kanifing Municipal Council (Region 1), West Coast (Region 2), North Bank (Region 3), Lower River (Region 4), Central River (Region 5), and Upper River (Region 6). Since 2021, Region 5 has been divided into two sub-regions, to create a total of 7 administrative regions.

62 The associated loss in school income because of the elimination of school fees was matched by School Improvement Grants, based on the number of students at each school. For instance, at the LBE level it is calculated at a rate of GMD100/year per student.

**Deployment of teachers has also improved.**

The proportion of qualified teachers in The Gambia has been rising at all levels due to policies aimed at improving teacher deployment (Figure 28 and Figure 29). Based on data showing the relatively low proportion of qualified LBE teachers in remote areas, measures were put in place to incentivize more qualified LBE teachers to work in remote areas. With support from the World Bank, the Government initiated allowances giving qualified teachers in remote areas a salary premium of about 40 percent, in addition to improved teacher accommodation.<sup>63</sup> An evaluation of these policies suggests that the proportion of qualified teachers increased at a much faster rate in targeted remote areas than in other areas (Pugatch and Schroeder 2013).

## Challenges and Opportunities

**Household surveys are not held frequently enough to be effective for policy makers.**

Household surveys can provide detailed data on access to education facilities and expenditure on education. Since such surveys are also typically used to estimate poverty levels, the data can be used to examine variations in access to schools and the resources devoted by households to education (relative to their other needs) across households (e.g., poor versus non-poor, rural versus urban). The Government has used this information for policy making but the triangulation of indicators on access to education and household welfare status requires frequent and high-quality household survey data. In The Gambia, these surveys are only conducted every five years on average, constraining the formulation of evidence-based policies to improve coverage.

**Datasets could be better integrated.**

While efforts have been made to progressively link data from various databases and datasets, education data remain only partially integrated. For example, higher education/post secondary data are not fully integrated into the EMIS, nor are critical HR data which could improve teacher deployment/management.<sup>64</sup> Although it is also not fully integrated with EMIS, neighboring Senegal utilizes a sophisticated system for managing teacher recruitment and deployment data (taking into account redeployments, retirements, etc.) called Mirador which may serve as a model for The Gambia.

Most importantly, EMIS data collection and other data collection efforts, including annual learning assessments, are heavily reliant on donor financing. It is important that the Government consider ways to include data collection and analysis in the budget, given how critical it is to the sector's functioning, and to ensure sustainability over the long-term.

**Learning outcomes data include national student assessment results.**

Several key steps have been taken to improve the data on learning outcomes, including national assessment test data. These consist of the regular large-scale National Assessment Test (NAT) for grades 3, 5 and 8; the Early Grade Reading Assessment (EGRA) and the Early Grade Mathematic Assessment (EGMA) for grade 3 or 4; the Gambia Basic Education Certificate Exam (GABECE) for grade 9 and the West Africa Secondary School Certificate Exam (WASSCE) for grade 12.

**Service delivery indicators show The Gambia performs**

In 2020, additional investment was made in the gathering of representative service delivery indicator (SDI) data for LBEs nationally and at regional level. These include a module that measures grade 4 students' learning outcomes and one on teachers'

<sup>63</sup> The data suggest that these incentives have resulted in a reduction of the student/teacher ratio in most districts to below 40:1.

<sup>64</sup> For example, information on which local languages are spoken by teachers prior to their posting is not well known and negatively impacts instruction in local languages.

**relatively well on educational inputs but poorly on teacher quality and student outcomes.**

knowledge and efforts. While The Gambia performs relatively well on the availability of inputs (e.g. infrastructure and equipment availability) and teacher absenteeism, the data reveal a number of issues with teaching quality and student learning outcomes.<sup>65</sup> The vast majority of teachers did not meet the minimum academic and pedagogical score of 80 percent. Less than 1 percent of teachers in all regions attained the combined minimum knowledge scores in English, Mathematics, and Pedagogy. At the student level, pupils scored an average of 30.5 percent in Mathematics and English.

**Newly qualified LBE teachers had very low competency scores on average.**

An expanding education sector over the last 30 years has not seen a concomitant rise in the teaching workforce as teaching became a less lucrative career over time and generally low learning outcomes affected the skills of those going into teaching. Nonetheless, reforms are ongoing in teacher training (both for in-service and pre-service teachers), teacher deployment, curriculum development, and national language policy. The Gambia Teacher Competency Exam was introduced in 2020 as a final examination for graduates of The Gambia College School of Education who will become LBE teachers. It also reveals low levels of content and pedagogical knowledge. Assessment of teachers' competency levels could enable (i) the overhaul of pre-service teacher education; and (ii) recruitment of the highest performing graduates, rather than a blanket recruitment policy as is the case currently.

**COVID-19 has shed light on other critical data gaps.**

COVID-19 revealed data shortcomings as the Government worked to pivot to distance learning. These include (i) the need for better data on digital infrastructure (e.g., who has access to what technology, including teachers) to support distance learning; and (ii) the need for nimble real-time information gathering mechanisms to respond to shifting realities on the ground. The pandemic also underscored the lack of varied learning assessment data, especially rapid formative assessments. Flexible assessments of students on their return to school and beyond, will be critical to targeting instruction and remediating learning losses in the event of future shocks.

**Significant data gaps make it hard to assess the vocational education sector's potential for skills development.**

Although it is suggested that enrollment in technical and vocational education and training (TVET) programs is lower than it is in comparable secondary level and post-secondary-level programs, estimates of TVET enrollment in The Gambia are currently limited, as they are in other SSA countries. Relatedly, data on public expenditure in the TVET sector are currently unavailable. Although the Ministry of Higher Education, Research, Science and Technology (MOHERST) is currently working to improve data collection at central and institution level, the lack of data on graduates' transition from school to work and the lack of clear linkages between institutions and industry also remain a challenge. It also prevents linkages to labor information systems which could inform policy makers on the relevance of training programs, and allow for potential reskilling programs to address labor gaps.

**Limited capacity to effectively analyze, report, and disseminate data hampers usage.**

This is an issue at all educational levels. Education systems routinely underuse learning and other kinds of data, and findings do not always make their way to relevant stakeholders. For example, although EGRAs have been undertaken several times (most recently in 2016) with support from donors, limited analysis of student performance in various literacy subskills has made it challenging to make use of the findings. Lack

<sup>65</sup> The SSA average SDIs are 60.5 for minimum equipment availability, compared to 96.7 for The Gambia, and 38.1 for minimum infrastructure availability, versus 68.9 for The Gambia. For school absenteeism the SDIs are 18.6 for SSA and 12.9 for The Gambia and for classroom absenteeism 39.8 compared to 26.5.

of timeliness, inadequate distribution to stakeholders, and limited links to actionable policies are key data challenges.

**More could be done to share and use data at the community level to help drive improvement.**

Schools and communities have made only limited use of data. In the past, the EMIS has been used to generate comparative education data in the form of school report cards, giving a snapshot of school performance to inform stakeholders about the quality of each school. These cards, which work similarly to student report cards, provide schools and stakeholders with evidence on the areas that need more attention. Although a commendable and important first step, providing the data alone will not necessarily lead to action. More efforts need to be made to (i) make information easily digestible; (ii) better engage schools and surrounding communities in a more participatory approach; and (iii) build in mechanisms to use the data to inform action, e.g., through better school improvement plans.

## Policy Options

**Improve students' learning data to align with international proficiency measures and support teaching and learning.**

The Global Proficiency Framework (GPF) is an international tool which defines minimum proficiency levels learners are expected to obtain in reading and math.<sup>66</sup> Aligning its current national assessments and curriculum with the GPF is a significant way The Gambia could monitor progress toward SDG 4.1. Further, while large-scale national assessments play an essential role in providing information on the overall education system's performance and highlight important achievements and challenges (including inequities), they are not sufficient to drive targeted classroom instruction. Formative classroom assessments which facilitate instruction and provide real-time feedback to support teaching and learning are an essential piece of the puzzle, but are rarely used in The Gambia, and teachers are not well trained to do such assessments.

**Use learning data to improve education quality and ensure the system is relevant to labor market needs.**

Better use of learning data will be crucial to improving the quality of learning, especially given recent concerns about low performance of students at all levels. This is evidenced by poor results in NAT and GABECE, as well as the low percentage of students achieving university entrance requirements in the WASSCE. Learning data will also be key to ensuring that the education system is responsive to labor market needs by showing where improvements to teaching are needed, and identifying gaps in the curriculum which could be filled.

**Make greater efforts to integrate additional data sources.**

A strong education data system is one which provides a complete picture of all the important indicators that combine to affect the quality of a system, region, district, or student. This depends on the integration of data from different sources. For instance, data on school availability, supplies, and infrastructure could be linked to exam results and human resource (teacher) allocation data to provide a full picture of school and student performance. Similarly, more use could be made of household survey data to understand household-level factors which affect the education sector, such as examining how health and poverty indicators are linked to education access and outcomes. The integration of administrative data could vastly improve the system's potential but would require greater collaboration between ministries and other stakeholders such as GBOS, as well as investment in capacity building.

<sup>66</sup> The GPF articulates a global consensus of the minimum skills and competencies learners should be able to demonstrate at key points along their learning trajectory. The purpose is to provide detailed proficiency expectations that countries and national and regional assessment organizations can use to link existing reading and math assessments to SDGs 4.1.1(a) and (b): Proportion of children and young people: (a) in grades 2/3; (b) at the end of primary achieving at least a minimum proficiency level in (i) reading and (ii) mathematics, by sex.

**Collect more and better data on youth employment and skills development.**

Rates of return to education are high in The Gambia and increase with each successive level of education. Education also increases the change of employment in sectors with high returns and contract employment (World Bank 2017). Despite these rates of return, specific data on the TVET sector is limited. The Education Sector Policy Framework (2016–2030) elaborates plans to revitalize the TVET sector. This strategy proposes a review of the current TVET curriculum with the goal of improving its labor market relevance. To understand where investment will have the most impact, policy makers will need better information on the skills development programs on offer and any current gaps in provision, labor market demand, the profile of young people searching for work, and information on school-to-work transitions. The policy objective of improving accessibility by creating TVET centers outside of Banjul, where 90 percent of TVET institutions are currently located, will require a well-developed understanding of student demand, regional variations in skills development needs, and a strong M&E system to manage limited resources.

**Devote more resources to distributing data for the greatest impact.**

The World Bank’s Systems Approach for Better Education Results (SABER) initiative, which assesses the EMISs of several countries, consistently finds that limited accessibility and openness of data, and inadequate dissemination efforts, lead to limited utilization (Abdul-Hamid et al. 2017). Making education data available at the school level, as has been done with school report cards, and more generally to the public can empower communities to hold schools and authorities accountable. Providing integrated administrative data to practitioners, academics, and others could also lead to better-informed insights into key development challenges, by allowing for technical analysis by multiple parties. For example, Sierra Leone has a model whereby data scientists from their Directorate of Science Technology and Innovation use predictive analysis, data visualization, and machine learning to analyze administrative data. Such efforts require greater government-wide investment in developing statistical capacity.

## Increasingly integrated data support improved health care

### Context

**Current health policies require data measuring universal health coverage (UHC).**

The vision of The Gambia National Health Policy (2021–2030) is “a healthier and more productive population through UHC.” The policy and the attendant Gambia National Health Strategic Plan (GNHSP) (2021–2025) require accurate and complete data for monitoring progress and evaluation. The data needed for measuring progress towards UHC and other health indicators are collected from multiple sources.

**Data sources abound in the health sector but paper-based registers are used at health facilities**

The most relevant data sources include District Health Information Software 2 (DHIS2); population census; population-based surveys such as the IHS, Multiple Indicator Cluster Surveys (MICS) and Demographic and Health Surveys (DHS); quality of care (QoC) checklists; user satisfaction surveys; and the eCRVS. The electronic DHIS2 is the primary source of routine data for monitoring the delivery of health services. Paper-based registers are used to record data at the health facilities and monthly return forms are used to collate and transmit aggregated monthly data to the regional health directorates, where the data are entered into the DHIS2. The data from health facilities provide the “numerator” for calculating service coverage rates while the denominator comes from annual projections based on the 2013 Population and Housing Census. Despite the use of paper-based registers at the health facilities in 2021, 72 percent of

public health facilities submitted timely monthly reports to the DHIS2 i.e., not later than the tenth day after the end of each calendar month. Nevertheless, an electronic health record system at health facilities would be more efficient.

**Data revealed that quality of care improved, as well as user satisfaction...**

Since 2014, the Government has used a results-based financing (RBF) mechanism to improve maternal and child health and nutrition. Alongside this scheme, the QoC checklists were developed and administered quarterly by the MOH Quality Assurance Unit and Regional Health Directorates to track QoC at each health facility that received RBF<sup>67</sup> and report the average scores. The median QoC score in the 37 project-supported health facilities increased from 71.7 percent in the first quarter of 2017 to 86.1 percent in the second quarter of 2018. The QoC checklist was revised in October 2018, including a new checklist for Reproductive and Child Health clinics that do not provide as many services as a health center. In 2020, the average QoC score (using the revised checklist) in the five rural regions<sup>68</sup> that received RBF (72.8 percent) was significantly higher than in the two urban regions<sup>69</sup> that did not (46.4 percent). As a result, QoC checklists were further rolled out with the expansion of RBF nationally and are currently administered quarterly across the country. Client tracer and satisfaction surveys administered from 2014 to 2020 indicated high (98 percent or more) client satisfaction with the service received.

**...and showed improvements in reproductive, maternal, newborn, and child health.**

Although they are only run every three to five years, population-based surveys have been instrumental in informing health programs and policies. The most recent DHS was in 2020. It showed that the share of children aged 6–23 months consuming at least four out of seven food groups increased from 7.6 percent in 2014 to 22.2 percent in 2020; and women using modern contraceptives increased from 3.5 percent in 2014 to 15 percent in 2020. The IHS in 2015 and in 2020/21 provided useful data on access to health care facilities (such as distance and travel times) and household expenditure on health. Both surveys have measures of household well-being: the household asset index in the DHS, and measures of household poverty in the IHS. These make it possible to examine how much health care indicators vary across households.

**Data have informed policy to focus on strengthening primary health care (PHC) services and achieving UHC.**

Data have also highlighted a need to strengthen PHC services. In The Gambia, minor health centers deliver up to 70 percent of the basic health care package, including basic emergency obstetric care, yet only 9 percent of the total health budget in 2018 was allocated to PHC. In contrast, 43 percent of the budget was allocated to the country's ten hospitals (of which five are in the two urban regions).<sup>70</sup> These data led policy makers to focus on improving and supporting PHC services and equity across the country. In response, the GNHSP 2021–2025 stressed the need to accelerate the provision of quality services and UHC. The Health Financing Policy 2017–2030 states that The Gambia should “achieve sustainable UHC for everyone living in The Gambia by 2030 by ensuring adequate and sustainable financing of health care services to protect the population from financial hardship, particularly the poor and vulnerable.”

**Data also showed RBF is effective in**

To reach UHC, The Gambia has expanded the RBF scheme from the initial five rural regions to cover the remaining two urban regions, WR1 and WR2. In addition to the

67 Under the World Bank Group (WBG) financed Maternal and Child Nutrition and Health Results Project [MCNHRP], 2014–2020.

68 North Bank West, North Bank East, Lower River Region, Central River Region, and Upper River Region.

69 Western Region 1 (WR1) and Western Region 2 (WR2).

70 Source: January–December 2019 Gambia DHIS2.

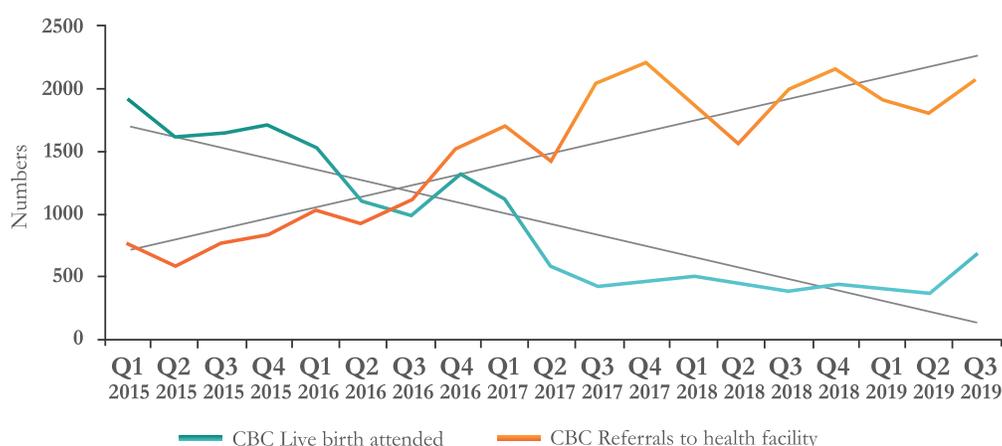
### improving health outcomes.

improved QoC results noted earlier, RBF has contributed to the increased use of primary maternal and child services. While the number of births attended by community birth companions (CBCs) fell, the number of pregnant women referred to health facilities by village health workers and CBCs for delivery and complication management increased by threefold from March 2014 to June 2020 (Figure 30). This improved coordination between CBCs and health care workers is an important achievement as other countries implementing community RBF have reported competition between the two groups.

### The Government is planning to put RBF on a sustainable footing.

Based on the success of RBF, the MOH, MOFEA, and National Nutrition Agency jointly developed an RBF Sustainability Roadmap in September 2018. This roadmap outlined a national RBF framework detailing institutional, financial, and operational sustainability. The Government has been demonstrating commitment to RBF by allocating budget funds to RBF since 2019.<sup>71</sup> The Government, with support from the World Bank, has also developed an Essential Healthcare Package for each level of the health care delivery system<sup>72</sup> and updated the QoC checklist accordingly.

**Figure 30: Deliveries by CBCs versus referrals by CBCs to health facilities**



Source: Routine HMIS/Demographic Health Information System 2 (DHIS2) data 2015–2019.

## Challenges and Opportunities

### Disaggregated public expenditure data on health are needed.

The Gambia Public Expenditure Review 2020 noted that its analysis was limited due to a lack of disaggregated data on spending (for example, on staffing, pharmaceuticals, and supplies) at the health facility level. This paucity of data limits the Government's ability to measure the efficiency of health facilities. Thus, it was recommended to strengthen the Integrated Financial Management Information System by expanding its access to all institutions involved in the budget execution process. Progress has been slow on that front.

### Efforts are underway to convert from

Routine health data have mostly been collected by health facilities using paper-based systems and keyed into the DHIS2 monthly. This process has limitations including

71 GMD12 million (about US\$250,000) in 2019; GMD40 million (about US\$800,000) in 2020; and GMD50 million (about US\$1 million) in 2021.

72 Including village health services, community clinics, minor health centers, major health centers, district hospitals, general hospitals, and the teaching hospital.

**paper-based records to a range of health information systems...**

delays in the availability of real-time data, as well as higher rates of clerical error in transferring data compared to healthcare workers entering data electronically at the point-of-care. The MOH is in the process of establishing open source, web-based platforms for the Electronic Logistics Management Information System (eLMIS), Electronic Human Resource MIS, Electronic Medical Records System, and a system for enrollment, beneficiary management, provider management, and claims processing of the National Health Insurance Scheme (NHIS). Making these health information systems interoperable with the existing DHIS2 will enable efficient data sharing among institutions, improve data accuracy, and provide stronger data protection.

**... including also the CRVS.**

When completed and accurate, the CRVS will be the best source of disaggregated data for health outcome indicators. However, the CRVS system is paper based. The Gambia is working to establish a functional electronic CRVS (eCRVS) system to improve the coverage of civil registration of vital events (births, deaths, marriages, and divorces). Presently, the Government is focusing on registering everyone's birth. Once people's ages are clear through birth registration, the next step may focus on using that data to strengthen marriage registration to help prevent early marriage.

**COVID-19 accelerated the improvement of electronic national disease surveillance systems.**

At the onset of COVID-19, The Gambia did not have an effective public health emergency surveillance system in place. However, over the past two years, supported by the development partners including the World Bank,<sup>73</sup> the Government has integrated the electronic Integrated Disease Surveillance Response into the DHIS2 platform, interfaced with laboratory management information systems. An electronic COVID-19 vaccination information system was also established. These new and improved systems contributed to detecting and responding to the threat posed by COVID-19 and strengthened the national systems for future public health emergency preparedness.

## Policy Options

**Link the eCRVS and NHIS information systems to other government information systems.**

The Government aims to achieve universal electronic birth registration and national health insurance enrollment by November 2024. This provides a historic opportunity to make everyone in The Gambia count while enhancing the health system with robust data which will be useful wherever people's identities need to be verified when providing services. From March 2022, each person will be issued a birth certificate and National Health Insurance Card with National Identification Number (NIN), and Quick Response (QR) code at mass registration centers. If other government agencies can access the CRVS and NHIS data in real time, that will reduce the burden on the public and tremendously improve the accuracy and efficiency of public service delivery. Once mass registration is complete, the eCRVS is expected to be interoperable with information systems in health and other sectors.

**Improve the quality of and digitize the multiple sources of data required for M&E in the health sector.**

Properly establishing the eCRVS system will provide the data needed for tracking health outcomes and replace the existing projections from decennial censuses. The paper-based QoC checklist should be digitized to improve efficiency. Electronic health records, along with other health information systems, when established, will provide real-time data for continuous monitoring of health programs. That will lead to quicker detection of emerging health threats and the changing health trends, empowering the Government to make agile and data-driven decisions.

73 The Gambia COVID-19 Preparedness and Response Project (P173798).

**Make better use of household survey data to strengthen the formulation of policy which aims to improve quality and coverage.**

Household survey data such as the DHS and IHS include data on health care stratified by age as well as on measures of household well-being. Such data could be used to examine variation in access to health care across poor and non-poor households and across life stages, to inform reforms which aim for a more equitable access to health care. Since such surveys typically use the same question format over time, trends can be used (to a reasonable extent) to highlight progress, or identify existing gaps and areas which require urgent action in the provision of quality care. One such area in The Gambia is, improving the availability of adolescent reproductive health commodities and qualified health workers at the community level for adolescent-friendly services. Increased use of such data can be facilitated by better linkages of various data sources and strengthening institutional collaboration, especially between the MOH and GBoS. High quality data from multiple sources will inform Annual Health Sector performance review meetings (with the participation of development partners), to track progress in the implementation of the GNHSP.

## Conclusion

**An integrated approach to data management is needed for effective policy making to improve service delivery.**

Given the range of data availability across the three sectors in The Gambia, and upcoming initiatives, a clear first need is to link the various datasets that contain robust data and support an integrated approach towards human capital and provisioning of services. One such example is the ongoing development of the Social Registry whose data can be used by many different programs through stronger linkages with other new and active systems. For instance, demographic data in Social Registry can be updated from the CRVS. Similarly, access to CRVS by relevant government agencies can improve the efficiency of public service delivery. The household survey, if held frequently enough, can be used to inform the prioritization of SA programs. It can also support a more equitable access to education and health care, particularly to improve the labor market relevance of the former.

Table 6: The Gambia social indicators

Indicator	2010	2015	2016	2017	2018	2019	2020	2021
<b>Social protection</b>								
Share of population receiving social assistance (%) 1/	7.1	1.5	...	...	5.9	...	...	...
Share of population covered by at least one social protection benefit (%) 1/	10.1	4.5	...	...	15.0	...	...	...
Expenditure on social protection (% of GDP) 2/	...	...	...	2.7	0.9	...	...	...
<b>Education</b>								
Gross enrolment rate: early childhood education	...	45.3	45.8	46.5	51.2	54.6	55.5	53.1
Gross enrolment rate: lower basic education	88.3	101.2	104.0	108.6	112.7	117.9	120.7	120.4
Gross enrolment rate: upper basic education	66.2	68.3	66.8	67.4	68.1	70.5	73.1	75.9
Gross enrolment rate: secondary education	33.9	41.6	44.0	45.9	47.8	49.4	50.8	51.1
Secondary completion rate	28.3	34.9	36.6	37.7	39.3	41.9	44.0	46.2
Children out of school (% of primary school age)	32.1	24.1	22.3	19.8	18.2	14.7	12.8	13.6
-- female	30.8	20.8	18.7	16.0	14.3	10	7.4	8.1
-- male	33.4	27.3	25.9	23.6	22	19.4	18.2	19.1
Adult literacy rate (15+)	...	50.8	...	...	...	...	...	...
-- female	...	41.6	...	...	...	...	...	...
-- male	...	61.8	...	...	...	...	...	...
Youth literacy rate (15-24)	...	67.2	...	...	...	...	...	...
-- female	...	64.4	...	...	...	...	...	...
-- male	...	70.7	...	...	...	...	...	...
Public expenditure on education (% GDP)	...	1.9	2.0	1.8	2.2	...	...	...
<b>Health</b>								
Immunization, DPT & HepB3 (% of children ages 12-23 months)	97.0	97.0	95.0	92.0	93.0	88.0	...	...
Immunization, measles (% of children ages 12-23 months)	92.0	97.0	97.0	90.0	91.0	85.0	...	...
Mortality rate, infant (per 1,000 live births)	45.8	39.7	38.6	37.5	36.5	35.6	34.7	...
Maternal mortality ratio (national estimate, per 100,000 live births)	...	...	...	...	...	...	...	...
Life expectancy at birth, total (years)	59.6	60.9	61.2	61.4	61.7	62.1	...	...
-- female	61.0	62.3	62.5	62.8	63.2	63.5	...	...
-- male	58.4	59.6	59.8	60.1	60.4	60.7	...	...
Physicians (per 1,000 people)	...	0.1	...	0.1	...	0.1	...	...
Public expenditure on health (% GDP)	...	1.2	1.2	1.1	1.1	...	...	...
<b>Nutrition</b>								
Prevalence of stunting (% of children under 5)	23.4	...	...	...	13.6	...	17.5	...
Exclusive breastfeeding (% of children under 6 months)	33.1	...	...	...	...	...	...	...
Low-birthweight babies (% of births)	17.4	16.8	...	...	...	...	...	...
<b>Gender</b>								
Gender gap index (rank)	75	98	104	119	120	...	136	...
Proportion of seats held by women in parliament (%)	7.5	9.4	9.4	10.3	10.3	10.3	8.6	...
Gender parity: lower basic education	1.02	1.05	1.05	1.06	1.07	1.08	1.09	1.10
Gender parity: upper basic education	0.98	1.0	1.03	1.07	1.10	1.10	1.14	1.16
Gender parity: secondary education	.82	.95	.99	1.06	1.09	1.09	1.11	1.16
Female labor force participation rate (%)	...	...	...	...	14.0	...	...	...

Source: World Development Indicators, Global Gender Report (various years); MOBSE (2021) for education data except for literacy rates which come from UNESCO Institute of Statistics.

Notes: data from different sources are likely to have used different definitions and methodologies so will not be directly comparable.

1/ 2018 data from World Bank (2018).

2/ 2017 data from MOFEA (n.d.); 2018 data from World Bank (2018) and includes donor spending.

## Appendix: Data and Methodology

The primary objective of this study was to assess the poverty and distributional impacts of the COVID-19 pandemic on different groups of households in The Gambia.

The study used quantitative information from household-level data of the 2015/2016 Integrated Household Survey (IHS) and national account data on sectoral growth rates between 2015 and 2020 to examine the impact of the pandemic on household welfare. The survey used in the study covered 13,189 households in The Gambia and included data on household consumption levels, poverty rates, and other socio-economic data such as household members' sector of employment.

Since the latest household consumption data available were collected in 2015/2016, the study used national accounts data to make projections about households' current level of welfare. We took the average real growth rate in private consumption from the national accounts data and used it as a proxy for growth in household consumption. With certain assumptions, we used this parameter to project household consumption from 2015 up to 2019. We began by updating household consumption from the 2015 national survey using the growth rate of deflated private consumption from national accounts data using the specification below:

$$C_{-i2019} = C_{-(i,2015)} * (1 + \emptyset)^4$$

Where:

$C_{-i2019}$  represents the household (i) consumption in 2019 at constant prices (GMD).

$C_{-i2015}$  represents the household (i) consumption in 2015 (GMD)

$\emptyset$  represents the average growth rate of the consumption of the household “i” over time (i.e., average of 5% during the period 2016–2019).

The poverty line used in the 2015/2016 exercise was GMD11,794.66 for extreme poverty, and GMD18,039.95 for absolute poverty. We updated this information using the yearly inflation rates for the period 2016–2020 (based on data from the IMF and the national authorities). The resulting estimated poverty line for 2020 was GMD14,555.8 for extreme poverty and GMD22,263.12 for absolute poverty.

Using information about the employment sector of the head of household we calculated the poverty rate (head-count ratio) as well as the average consumption for each quintile in each scenario. Using the “updated” household consumption (i.e., the 2019 consumption levels) we constructed two scenarios:

1. **A counterfactual “without” COVID-19 scenario.** To obtain consumption levels for 2020 under this scenario, we used the expected real growth rate for each sector as it was forecasted prior to the pandemic to estimate what the average growth for each sector would have been in 2020 in the absence of the pandemic. These sectoral growth rates were then applied directly to the updated 2019 household consumption figures to obtain estimated values for 2020.
2. **A “with” COVID-19 scenario.** To calculate consumption levels under this scenario, we used actual average sectoral growth rates for 2020 to adjust the estimated 2019 household consumption to obtain the 2020 figure.

For each scenario, we constructed quintiles of household consumption. These indicators were constructed at a national level. The information on average consumption for each quintile could then be compared between the two scenarios to highlight the magnitude of the effect of the COVID-19 pandemic on household welfare.

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