Board Meeting of September 10, 1998
Statement by Juanita D. Amatong

GAMBIA -- Country Assistance Strategy

1. We endorse the Bank’s country assistance strategy for the Republic of Gambia and commend staff efforts in the preparation of this CAS document. It is broadly consistent with the Government’s strategy, and has benefited from lessons of experience and broad consultations with civil society.

2. After some period of political instability and weak economic performance, we are pleased to see that recent economic and financial developments in The Gambia show encouraging results (para 6). A sound policy environment coupled with the broad internal consensus on the country’s long-term development and the medium-term strategy offer clear prospects for achieving rapid and sustained growth in the Gambia.

3. We concur with the CAS focus on economic management, private sector development, rural development and social development and its overarching objective of reducing poverty. While The Gambia has a small population of 1.1 million, poverty is prevalent in both urban and rural areas and its social indicators are well below those of comparable countries. We, therefore, fully support the Third Education Sector Project.

4. Staff comment on two specific concerns would be welcome. The first is on the growing rural-urban migration. We note that the proposed Public Works and Poverty Alleviation is an attempt to address the critical problem of high unemployment. However, the influx of rural migrants into urban areas could quickly result in excessive demand on basic infrastructure services (para 11) and that the authorities are now looking for more balanced spatial development. We want to know from staff how the Bank intends to assist in this area. The second concern pertains to food security, particularly in the rural areas. The Rural Sector Support Project suggests that some production activities will help meet food security needs. However, given the country’s extreme vulnerability to drought, we wonder whether the rural project should have provided for a separate component on food security with clear-cut objectives and targets aimed at mitigating the adverse impact of a drought incidence.

5. We are pleased to see IFC’s program of assistance in The Gambia. We note that the country’s tourism industry, given its considerable progress over the past decade, presents an important window of economic opportunity. What is the reason for IFC’s non-involvement in this area? While the EU is providing some clearly defined
assistance, we wonder whether a complementary IFC activity in this sector has been explored.