

INTERNATIONAL MONETARY FUND
AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION

THE GAMBIA

Joint Staff Assessment of PRSP Preparation Status Report

Prepared by the Staff of the International Monetary Fund
and the International Development Association

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1. The Gambian authorities completed their interim Poverty Reduction Strategy Paper and presented it to the Executive Boards of the IMF and IDA in December 2000. A first draft of the full PRSP, which had benefited from national and social sector consultations, was completed in September 2001 and a further draft was presented to a National Stakeholder Validation Workshop in November. The final version requires additional work on policy prioritization, indicators to monitor policy effectiveness, costings of activities under existing and proposed programs, and the incorporation of feedback from the final round of consultations. As the document will not be finished within one year of their initial interim PRSP, the authorities have prepared a PRSP Preparation Status Report for presentation to the Boards of the World Bank and IMF.
2. Through the text and accompanying matrix, the PRSP Preparation Status Report details the main activities that have been accomplished to date and actions being undertaken for completion. Significant progress has been made regarding (a) undertaking broad-based participation notably through continued implementation of the participatory poverty assessment and countrywide grassroots inputs in the PRSP coordinated by an NGO; (b) an updated comprehensive poverty analysis; (c) preparation of Public Expenditure Reviews (PERs) in three key sectors (health, education, and agriculture, natural resources and the environment), which include an analysis of past policies such as the bias towards tertiary health care, and coordination on rural issues; (d) a strategic framework for policy interventions; (e) establishing mechanisms for implementing the Poverty Reduction Fund; and (f) a comprehensive Technical Assistance (TA) program, which will be a part of the PRSP, to facilitate donor coordination and its implementation. Feedback from the national stakeholder workshop still needs to be incorporated into the document. Information available from these areas does not suggest major reorientation of recent efforts to reduce poverty.

3. In accounting for the delay, the Status Report mentions the slow progress with the PERs, and the associated work on indicators and costings, although it could also have mentioned slippages in the timetable for the participatory process (which was very innovative and comprehensive), an ambitious initial timetable for all actions leading to the full PRSP, improvements in the PRSP's structure, and some initial slippages in the provision of TA. These problems have been overcome, and as indicated in the matrix attached to the Status Report, arrangements were made to complete the requisite TA for poverty analysis in October, and the World Bank provided additional assistance at headquarters for a visiting PRSP team in November.

4. The staffs concur that the areas for further work identified in the Progress Report are the appropriate ones, which were also mentioned in the Joint Staff Assessment of the interim PRSP. The authorities have made substantial progress with other areas mentioned in the JSA of the Interim PRSP, such as developing the key policy components of the document, including the social sector policies and giving higher profile to HIV/AIDS, environment and gender issues. The authorities have also outlined an indicative medium-term macroeconomic framework (2002–04) that is accompanied by a substantial structural reform agenda.

5. Governance is an important feature of the draft PRSP, and progress has been made on this front. The year 2001 has witnessed a consolidation of democracy in The Gambia, which successfully carried out the October presidential elections with over 80 percent participation. The settlement with Alimenta (a Swiss groundnut-marketing company) regarding the Government's seizure of its assets in January 1999 is also a notable achievement.

6. An important part yet to be completed is a financing plan for the PRSP that is consistent with the budget and is linked to policy and program priorities and costings. The existing PERs have already fed into the budget proposals for 2002; but The Gambia does not have a medium-term expenditure framework that anchors such financial planning by linking policy objectives to budget envelopes over the medium term. Under the leadership of the Department of State for Finance and Economic Affairs, the Sector Departments of State will develop and agree the financing plan for proposed programs under the PRSP. Moreover, donors are likely to wait until after the parliamentary elections in January 2002 before finalizing their programs for The Gambia and thus be in a position to indicate their funding support. Therefore, it is likely that the estimates of resource requirements and allocations in the full PRSP will be preliminary and will require further refinement and public discussion during the first year's implementation, with additional TA for public expenditure management expected from the implementation of the Capacity Building for Economic Management Project and the Technical Cooperation Action Plan supported by the World Bank and the Fund, respectively.

7. The Status Report outlines the various stages that will lead to the final PRSP by end-January 2002. The staffs believe that the finalization of the National Validation Workshop should be made after the full costing of the priority action programs is completed so as to

enhance ownership. Including this possible adjustment, the schedule is considered to be ambitious but may be achievable, given the rapid progress made in recent months. However, the staffs would stress that the quality of the PRSP should not be sacrificed for speed. The staffs of the World Bank and IMF consider that progress on the development of the full PRSP, as evidenced by the PRSP Preparation Status Report, is satisfactory and provides a sound basis for continued access to Fund concessional assistance and IDA adjustment lending. The staffs recommend that the respective Executive Directors of the World Bank and IMF reach the same conclusion.