

Maintaining steady growth

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The Ministry of Finance and Economic Affairs of The Gambia has the mandate of promoting the socio-economic development of The Gambia with effective and efficient public financial management in an atmosphere of greater transparency, accountability, fiscal discipline and good governance.

The Gambian economy over the past five years (2006-2011) has recorded a moderate and stable GDP growth rate of 5.6 per cent. The growth in GDP has been sustained by continuous growth in some of the major sectors like agriculture, telecoms and the service sector. Through the intervention of government, its development partners and HE President Jammeh's clarion call for citizens to go back to the land, agriculture over the past five years remains the strongest driver of economic growth, growing at an average rate of 7-9 per cent per year.

Gross domestic product has increased from US\$500 million in 2006 to US\$1 billion in 2011 representing 121 per cent growth in half a decade. Inflation has been subdued to around 5.5 per cent, down from an annual rate of 6 per cent. The government of The Gambia in 2011 completed the implementation of its development and investment strategy – the Poverty Reduction Strategy Paper (PRSP) II which aimed to improve the welfare of all Gambians as well as eradicate poverty. During the PRSP II period, people living on less than US\$1 a day were significantly reduced from 58.0 per cent to 36.7 per cent (IHS 2010). Gender disparity within the education sector was significantly reduced through free scholarships for girls across all the regions, access to healthcare was greatly improved, and agricultural production increased.

Although significant gains were registered during the PRSP II period, the country also experienced some challenges that it hopes to address with its new development and investment strategy which was launched in December 2011 and titled "Programme for Accelerated Growth and Employment (PAGE 2012-2015)." This national development plan draws on lessons learnt from the implementation of PRSP II and is aligned to both the country's long term development blue print – Vision 2020 and the Millennium Development Goals (MDGs). The PAGE 2012-2015 has five strategic pillars, namely:

- Accelerating and sustaining economic growth
- Improving and modernising infrastructure
- Strengthening human capital stock to enhance employment opportunities
- Improving governance and fighting corruption, and
- Reinforcing social cohesion and cross cutting interventions.

Under Pillar 1, the government of The Gambia intends to further improve the business environment, make it more competitive, and strengthen the relationship between the government and the private sector to enhance trade and investments. Pillar 1 will also focus on enhancing the main growth levers, namely agriculture, fisheries, tourism, the service sector and manufacturing.

The second strategic pillar of the PAGE emphasizes the improvement and modernization of infrastructure, which under the current government has registered significant growth. However, the government recognizes the need to consolidate this growth in infrastructure as it can further enhance the performance of both the productive and social sectors. In other words, the government plans to reform and strengthen the transport sector, increase access and affordability to both conventional and renewable energy as well as improve information and communications technology (ICT) to help boost economic growth.

The development of human capital is an integral part of socio-economic development. In recognition of this, the government of The Gambia during the PAGE period will implement programmes aimed at linking capacity building to the job-market requirements of the country. Programmes under Pillar 3 will also ensure increased access to quality education, improve access and the quality of health services while reducing morbidity and mortality; and increase access to safe drinking water and sanitation services across the country.

The maintenance of good governance and consolidating the fight against corruption remains a strategic focus of the PAGE and this will include areas such as local governance and decentralization, land use planning, public financial management, strengthening government institutions and fighting corruption. Under this 4th Pillar, the government of The Gambia will further strengthen and promote transparency,

accountability, ethical values and standards in order to create a merit – based system within public institutions.

The 5th Pillar of PAGE which reinforces Social Cohesion and Cross Cutting Interventions highlights the government’s vision to turn The Gambia into a middle income country by focusing on the broad areas of social protection, child protection and disability; food security, gender equality and women empowerment, environment, disaster risk reduction and climate change, nutrition, population, HIV/AIDS, and building a national volunteering infrastructure. This is geared towards providing the required social infrastructure to promote inclusive and equitable growth as well as address the key cross-cutting issues necessary for sustainable development.

Since 2004, the government of The Gambia has embarked on key reforms aimed at enhancing the investor climate in The Gambia and creating an enabling environment for transparency, accountability and efficient use of public and private resources. Some of these reforms include the Public Finance Management reforms that aim to promote macroeconomic stability improve revenue mobilization and improve the efficiency of resource allocation amongst other things. In the same vein, a new investment institution called the Gambia Investment and Export Promotion Agency, geared at promoting investment in The Gambia has been set up and in concert with the on-going World Bank supported Gambia Growth and Competitiveness Project the future for investments is bright.

The Integrated Financial Management Information System (IFMIS), which helped The Gambia computerize government’s financial statements has been implemented under the public financial management reforms and successfully installed and rolled out to all ministries, departments and agencies. The introduction of the IFMIS has helped clear backlogs of unaudited Government Financial Statements, improve the decision support system with the timely availability of financial data, as well as enhance credibility between government and its multilateral development partners. A major tax reform already in its advance stages for initiation is the Value Added Tax (VAT), which will be introduced in January 2013. The VAT is expected to broaden the tax base, as well as streamline the tax process. By

the same token, procurement reforms, which aim to develop a transparent, efficient and economical procurement system that underscores accountability towards the dispensing of public funds has gone a long way in ensuring value for money. Other reforms include the Medium Term Expenditure Framework (MTEF), which aims at strengthening the link between Government policy objectives and the budget. The MTEF is to be introduced and piloted in three ministries during 2013. Finally, the Government of The Gambia has developed a Civil Service Reform (CSR) Programme, funded by the UNDP. The CSR Programme 2012 – 2015 aims to build capacities of ministries and departments to deliver on their mandates, develop and implement pay and pension reforms, develop and implement a civil service Performance Management Policy, and provide systems, tools and processes for improved services delivery.

In conclusion, keen observers will note that The Gambia has experienced positive socio-economic gains coupled with political stability in recent years. Notable among these is the new University of The Gambia which continues to provide much needed manpower for the various sectors in the country. The future of The Gambia remains bright under the stewardship of His Excellency The President of the Republic of The Gambia, Sheikh Professor Alhagie Dr. Yahya A.J.J Jammeh, especially during the implementation of the PAGE – a period envisaged to usher in continued and broad-based economic growth, poverty reduction and wealth creation for all Gambians.

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Agriculture remains the strongest driver of economic growth in The Gambia

