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Diagnostic Trade Integration Study Update for The Gambia: Harnessing Trade for Growth and Employment[1]

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ACRONYMS USED IN THIS DTIS

AGOA	African Growth and Opportunity Act
ANR	Agriculture and Natural Resources
BIA	Banjul International Airport
BDS	Business Development Services
CBG	Central Bank of The Gambia
CPCU	Central Projects Coordinating Unit
CSO	Civil Society Organisation
EBA	Everything But Arms
ECOWAS	Economic Community of West African States
EPAs	Economic Partner Agreements
ERP	Economic Recovery Programme
FSQA	Food Safety and Quality Authority
GATT	General Agreement on Tariffs and Trade
GBoS	Gambia Bureau of Statistics
GCCI	Gambia Chamber of Commerce & Industry
GCDB	Gambia Commercial and Development Bank
GDP	Gross Domestic Product
GIEPA	Gambia Investment and Export Promotion Agency
GIPFZA	Gambia Investment Promotion and Free Zones Agency
GNI	Gross National Income
GNTCA	Gambia National Transport Control Association
GOTG	Government of The Gambia
GPA	Gambia Ports Authority
GRA	Gambia Revenue Authority
GTBoard	Gambia Tourism Board
GTA	Gambia Tourism Authority
GTTI	Gambia Technical Training Institute
HIPC	Heavily Indebted Poor Country
IBAS	Indigenous Business Advisory Services
ICT	Information, Communication & Technology
ISRT	Inter State Road Transit
ITC	International Trade Centre
LDC	Least Developed Country
LLDC	Land Locked Least Developed Country
MDG	Millennium Development Goal
MDRI	Multilateral Debt Relief Initiative
MFPC	Micro Finance Promotion Centre
MFI	Microfinance Institution
MIS	Management Information Systems
MOFEA	Ministry of Finance & Economic Affairs

MOFWR	Ministry of Fisheries and Water Resources
MOTIE	Ministry of Trade, Industry, Regional Integration, and Employment
NADA	National Agricultural Development Agency
NBFI	Non-Banking Financial Institution
NEDC	National Enterprise Development Centre
NEAP	National Employment Action Plan
NEP	National Employment Policy
NGO	Non-Governmental Organisation
NRA	National Roads Authority
NTA	National Training Authority
ODA	Official Development Assistance
PAGE	Programme for Accelerated Growth and Employment
PRSP II	Poverty Reduction Strategy Paper II
SBAs	Small Business Associations
SDF	Social Development Fund
UEMOA	Union Economique et Monétaire Ouest Africaine
WTO	World Trade Organization

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PREFACE

The Gambia Diagnostic Trade Integration Study (DTIS) has been prepared under the Enhanced Integrated Framework (EIF).

Country missions were held in February and March 2012 and October -November 2012 to discuss the objectives and priorities of the study and to ensure proper ownership of the process by the Gambian authorities. A concept note was then prepared and transmitted to the Government for approval. An intense review of the first draft of the updated DTIS has taken place in Geneva in August 2012 with relevant Gambian official and the EIF focal point.

The study has been reviewed internally within UNCTAD, and among the IF agencies and selected donors. The report and its Action Matrix were discussed during a validation workshop, held on January 4 2013 and the report was revised, including the action matrix, to incorporate the suggestions received.

The members of the main mission, and their areas of responsibility, were as follows: Stefano Inama (UNCTAD,Team leader), Craig VanGrasstek (Main Consultant), Edna Ramirez and Abdou Jeng (Consultants, transport and trade facilitation), Irene Musselli (UNCTAD) and Mamadou Cham (Fisheries and gender issues in fishery sector), Lisa Borgatti, (UNCTAD, Macroeconomic), Fiorina Mugione (UNCTAD, private sector development and trade institutions), Ebrima Camara (consultant, agriculture), and Cherno Marenah (consulant, services).

The study team wishes to thank the Government of the Gambia for his support to the DTIS process.

Executive Summary

Introduction

The first Diagnostic Trade Integration Study (DTIS) for The Gambia was conducted in 2007, and helped to provide guidance in the prioritization of objectives and the direction of national and donor-community energy and resources for the mainstreaming of trade in the national development strategy. This revised DTIS is the product of continuity and change that builds upon and recommends adjustments to the Gambia strategy documents that have already been developed to guide the economy as a whole and its specific sectors. It does not aim to replace or redo any of these existing strategies, but instead to complement them and assist in their realization.

The Government's overall guiding policy document remains *The Gambia Incorporated: Vision 2020* adopted in 1996. Within the long-term scope of Vision 2020 one finds the Programme for Accelerated Growth and Employment (PAGE), which is The Gambia's development strategy and investment programme for 2012 to 2015. The PAGE is based on Vision 2020 and various sector strategies, providing a template for the government's long-term vision, and is also aligned with the Millennium Development Goals. Its main objectives are to accelerate growth, create employment, and encourage decent wages in order to consolidate and sustain recent economic achievements.

The objective of the DTIS update is to strengthen Gambia's participation in the regional and global markets by creating the foundation for improved value addition and processing in key sectors of the economy to stimulate growth and employment for sustained poverty reduction. One topic now covered in much greater depth concerns the impact of development plans on the status of women. This revised DTIS focuses specific attention on this topic in the fishery and aquaculture and agricultural sectors, as well as others as appropriate (e.g., tourism). Other issues that are dealt with at greater length concern the horizontal need for improved statistics as a metric for government, domestic and international investors, and the donor community, as well as the topic of trade in services as a focus of The Gambia's trade negotiations.

Economic Performance and Data

The Gambia remains a least developed country (LDC), but this status has not prevented it from growing. The country's 3.8% average annual GDP growth rate during 2000-11 was higher than the average among West African Economic and Monetary Union countries. Its average GDP growth is expected to be sustained in the medium term. The Gambia has been successful in attaining macroeconomic stability, in putting an end to the boom-and-boost cycles and in strengthening the independence of its Central Bank. To support these positive achievements, domestic inflation rate has been reduced.

Private investment in The Gambia, especially from domestic sources, is seriously constrained by the high cost of credit. Much of the problem can be traced to a basic macroeconomic imbalance that is fiscal in origin. Banks are reluctant to lend to private industry because it is much more profitable to invest in government Treasury Bills. To the extent that the demands of the state crowd private borrowers out of capital markets it is all the more difficult for entrepreneurs to establish or expand the businesses that might, in turn, generate the revenues needed to solve the state's fiscal problems.

The debt burden remains very high and requires a debt service equal to 2.7% of the country's GNI, which is double the average rate of UEMOA. The Gambia relies heavily on Official Development Assistance inflows. It is to be hoped that, over the long run, The Gambia can gradually reduce its dependence on external development assistance through the development of sustained and sustainable domestic capabilities that can develop without external support. For the foreseeable future, however, aid will likely remain an important part of the economy. Donors should be more proactive in developing productive sectors together with developing social sectors, in particular by targeting agriculture for its poverty-alleviating role, and the positive trend of supporting economic infrastructure and related services should be continued and strengthened.

Reliable data are needed to identify leading and lagging sectors, prioritize issues, allocate resources, measure progress, and make adjustments. The problems with data are acknowledged both by the Government of The Gambia, which has made this area a priority in the PAGE strategy, and by international institutions such as the World Bank and IMF. Resources that are devoted to this horizontal problem may thus pay dividends in many areas of public policy. The DTIS strongly recommends that greater efforts be made to improve the collection and analysis of economic data, including the comparison of national data with the corresponding data of (where appropriate) international organizations and/or trading partners.

Trade, Investment, and Competitiveness

Trade is growing only at the same rate as the overall economy. If trade is to be an engine of growth and not just a passenger it needs to expand at a much faster rate than it has in recent years. The Gambia still has a large and growing trade deficit; it is instead the net transfer payments that are driving the surplus.

The Gambia faces a competitiveness challenge. Its ability to play the country's traditional role as entrepot trader tends to diminish as its neighbors enhance the competitiveness of their own port facilities, engage in further regional liberalization, and undertake autonomous, domestic reforms. The previous DTIS already noted the narrowing scope for Gambian activity in this field, and The Gambia has since lost some of its competitiveness in the re-export trade to its neighbours, especially Senegal.

Foreign direct investment in The Gambia has declined, which might be attributed to a relative drop in its attractiveness *vis à vis* other African countries. The measure by which The Gambia performs best compared to its neighbors is trade across borders, an observation that comports with the country's long-held reputation as an efficient trader. This is however a category in which the country has recently lost ground relative to its neighbors and competitors. The country also does comparatively well on the measures of enforcing contracts, construction permits, and starting a business. On the other side, The Gambia's worst performances are in the areas of getting credit and paying taxes and in protecting investors.

The tax system is problematic for both the public and private sectors. It is also an area where a very significant reform process is underway. That reform, which consists in the first instance of establishing a value-added tax and may be followed by the elimination of other taxes, is still a work in progress. Several approaches could be taken to reforming this system. The most obvious is to eliminate as many of the "nuisance" taxes as possible, replacing any lost revenue through an appropriate adjustment to the rates on other existing taxes. It is not necessarily the case that any taxes would need to be raised in order to compensate for the losses, as there could be significant gains from the dynamic benefits resulting from lower rates, less burdensome procedures, and higher levels of compliance.

Lower cost and enhanced supply of and access to electricity are a precondition for the establishment of new industries or the expansion of existing ones in The Gambia. This problem received close attention in the previous DTIS, but there are few signs of progress since that time. This is an area where, in the views of the donors, the problems are well known and have been extensively studied, but where action to date has been slow and incomplete; to a large degree it is as much a matter of governance as it is of technical capacity.

Reforms, Institutions, and Public-Private Partnerships

Several institutions that now exist or are in the process of being established were not in place at the time of the last DTIS. These include The Gambia Revenue Authority, The Gambia Standards Bureau, the Competition Commission, the Food Safety and Quality Authority, and (as an independent body) The Gambia Bureau of Statistics. Other reforms enacted since then include enactment of the Telecommunications Act 2009, and The Gambia Investment and Export Promotion Act.

There is a need to establish a focal point in each ministry that would deal with matters affecting trade policy. One laudable aspect of the policymaking process in The Gambia that merits special mention is the Technical Regulations Development Coordinating Committee. This inter-agency body exists in order to ensure that the laws enacted and other initiatives undertaken in The Gambia are coherent and consistent, and do not run afoul of the commitments that the country has made in international agreements and institutions.

Organizations representing the business community say that they are consulted too late in the process and are usually not asked their views until an initiative is at a late stage of development. They also state that they are given too little time to comment on these proposals, often being asked to present their views in a matter of days rather than weeks. There is nonetheless evidence to show that the views of the private sector are heard. Gambia Investment and Export Promotion Agency (GIEPA) was created in part because the private sector had asked for just such an institution to promote exports, investment, and the establishment of new enterprises, and to provide support to business entrepreneurship.

The Government of The Gambia recognizes that private sector development is key for economic expansion and job creation. The laws of The Gambia recognize the right of foreign and domestic private entities to own and operate business enterprises and the ability to acquire and dispose of business interests is protected. Notwithstanding all the positive aspects of the policy environment for private investment in The Gambia, there is room for improvement. The policy, regulatory, and institutional environment in The Gambia has so far not addressed entrepreneurship in a systemic way. The Government should refocus its entrepreneurship policy by *inter alia* formulating and implementing an entrepreneurship policy, introducing a coordination mechanism, strengthening GIEPA to increase its staff and have at least one resident expert, streamlining of business registration, upgrading credit bureaus, introducing supply chain finance, developing capacity building for mobile banking, enhancing Education and skills development, facilitating technology exchange and innovation.

Government agencies should explore ways that they may work productively with the private sector on outsourcing functions or otherwise cooperating with enterprises that provide services on a for-profit basis. This may be especially advisable where there are important skills or resources that are in greater supply in the private sector than in government, and where it is more efficient and cost-effective to make use of those resources than to seek to duplicate the expertise in government bodies that are burdened by the tasks that have already been assigned to them. These include, for example, the provision of laboratory services and credit information.

Trade Policy

Trade policy can make a great contribution to the growth and development of The Gambia's economy, but one must see this field in its larger sense. Viewed in its most traditional and narrow terms, which relate mostly to tariffs and quotas, trade policy *per se* is less relevant for The Gambia than for most other countries. The most significant issue for most countries concerns improved access to the markets of their trading partners, but for African LDCs such as The Gambia this is largely a moot point: The great majority of the country's exports already enjoy duty-free access to most major markets.

For The Gambia, promoting trade has much more to do with overcoming domestic constraints than breaking down foreign barriers. It is true that the Millennium Development Goal of fully duty-free, quota-free (DFQF) treatment for all LDCs has not yet been achieved in its entirety. As a practical matter, The Gambia and most other LDCs in Africa do already enjoy DFQF access to the largest foreign markets for virtually all of these exports. Initiatives such as the Everything But Arms program of the European Union and the African Growth and Opportunity Act of the United States mean that tariffs and quotas are very nearly nonexistent with regard to The Gambia's exports. Those barriers that do remain are primarily in the area of sanitary and phytosanitary (SPS) measures, including those affecting exports of fish, groundnuts, and other Gambian exports. There is currently a low utilization of the ECOWAS Trade Liberalization Scheme by manufacturing companies to take advantage of the regional market.

In order to facilitate trade and to promote the transition from the Brussels to the WTO valuation system the Department of Customs & Excise needs to improve administration. The principal need now is to ensure that GRA personnel receive the training they require in order to use the new technology and procedures to the best effect. It is critical to reinforce their understanding and correct use of concepts associated with: valuation of goods under the WTO system, risk management in Customs, post-clearance audit, integrity, etc.

Another reform would be full implementation and enforcement of the Customs and Excise 2010 Act. Compliance remains a serious problem. The government received the results of its Commission of Inquiry on Tax Evasion in mid-2012, and while the results of that review are not in the public record they did lead to the dismissal of the board and management of the Gambia Revenue Authority.

The Gambia Investment and Export Promotion Agency Act 2010 reformed the incentives scheme. It provides that a newly established investment enterprise that falls within any priority investment category shall be granted a tax holiday in respect of its corporate or turnover tax, depreciation allowance, withholding tax on dividends for either five years or, in the case of a priority area, for a maximum period of eight years, from the date of commencement of operations.

One area where action should *not* be taken is in the establishment of an antidumping law. The 2010 Customs and Excise Act provides for antidumping and countervailing measures, but antidumping laws can be easily abused for protectionist purposes and thus lead to higher costs for producers as well as consumers.

Representation and Relations with Specific Partners

The Gambia is among the WTO members that are "non-resident" in Geneva (i.e., has no permanent mission). This status limits its ability to monitor and participate fully in negotiations and related activities conducted under the auspices of the WTO or other Geneva-based intergovernmental or sectoral organizations that are devoted to subjects of interest to the country. There are several possible ways to enhance The Gambia's representation in the WTO. The most expensive, but potentially the most effective, would be to establish a permanent mission in Geneva. A less costly alternative would be to take fuller advantage of the resources that are made available to non-resident members of the WTO. It is further recommended that The Gambia establish working relationships with other institutions devoted to aiding developing countries, and especially non-resident countries, in their information-gathering and representation.

Relations between Senegal and The Gambia can be as difficult as they are important. The most important issue in bilateral relations between The Gambia and Senegal concerns road transportation of goods, including The Gambia's traditional role as entrepot trader for the region. Some aspects of that role have receded in importance since the previous DTIS, with government policy now stressing transit trade over re-exports and with regional liberalization having reduced the incentives for informal trade. Those changes notwithstanding, overland road transportation of goods through The Gambia remains an important source of income for the country and a vital link in the regional trade network. That link is weaker than it might be, however, due to perennial difficulties between Senegal and The Gambia.

The Gambia is, together with its ECOWAS partners, engaged in negotiations with the European Union for an economic partnership agreement (EPA). The EPA negotiations may ultimately matter less for The Gambia than might appear to be the case. Barring a major change in existing EU policy, the EPA is not seen by The Gambia as indispensable. It would be advisable to start considering the options to enlarge the scope of the EPA beyond trade in goods as something that the Gambia may explore. This avenue could be undertaken as a single member states within the ECOWAS-EPA negotiations or with other LDCs of ECOWAS wishing to join.

Goods Sectors

Gambian agricultural production is largely confined to supplying the domestic market. One constraint is the persistent problem of meeting international standards. If domestic producers cannot meet the sanitary and phytosanitary standards set by foreign markets their goods will either be barred from the market altogether or relegated to the less profitable niches in it (e.g., groundnuts that are allowed only for sale as birdfeed and not for human consumption). The current priority is to establish the capacity needed to test for aflatoxin and pesticides in groundnuts. The existing aflatoxin testing laboratory at the National Agricultural Research Institute lacks the necessary trained personnel. A national metrology authority will serve as a custodian of physical standards and provide calibration services to industry. The government has yet to establish a laboratory to test for pesticide residue in agricultural products. Another horizontal problem is the matter of scale: Output of most crops is too low to meet the volume demands for efficient competition in global markets.

Groundnuts remain the principal agricultural product in The Gambia. Groundnut exports have nonetheless been on the decline for decades due to several factors, of which poor handling and post-harvest practices are the most prominent. The sector is also beset with other problems ranging from adverse climatic conditions to fluctuating market prices. Efforts have been underway for years to commercialize the sector, starting with the privatization of its industrial assets in 1993. Government nonetheless managed the sector from 1999 to 2003, but then withdrew from marketing.

The prospects for cashew production may be brighter than those for groundnuts. Some problems have nonetheless been identified in this sector. The emerging concerns over cashew quality merit priority attention so as to avoid a repetition of what the country has experienced in groundnuts. Sesame is another non-traditional crop with real growth prospects. There is currently some level of local commercial investment in the poultry sector, but producers are encountering problems related to production and marketing. Horticulture is more important to the economy overall than the limited export data would suggest.

The fisheries sector has significant potential to make a major contribution to national development. The sector acts as a source of food and protein to the population, a source of revenue and foreign exchange earnings, and creates employment opportunities, particularly for women. An effective national strategy for boosting the fishing industry will require a coordinated and integrated approach to the various structural problems outlined in the previous analysis. If effectively designed and implemented, this strategy could contribute to expand the fish-processing sector in The Gambia, with significant job creation and poverty-alleviation effects. The potential for expansion of the fishing industry needs to be carefully weighed against sustainability issues.

Though still in an embryonic stage, aquaculture is deemed to have huge growth potential in the Gambia. The development of subsistence, small-scale and commercial aquaculture is a stated Government policy, given the nutritional and economic potential of this sub-sector. Aquaculture represents an additional source of animal protein, contributing to food security, stimulating regional development, generating foreign income, creating new jobs and reducing pressure on wild stocks, particularly the shrimp and oyster stocks. The country is well positioned for shell fish farming, and shrimp exports command a high price in Europe.

Manufacturing remains one of the smallest components of the economy. Gambian manufacturing activities are dominated by light manufacturing such as food and beverages, clothing and textiles, metals and metallic works, wood and leather, and soaps and plastics. The development of manufacturing in The Gambia is held back by several constraints. Due to the lack of sufficient skills in the local market, some companies in The Gambia find it necessary to hire people from Ghana, Senegal, or other countries. This is made more costly by the expatriate tax that employers must pay for hiring these foreign workers.

Services Sectors

Trade in services has become one of the key issues in trade negotiations, and one that demands considerable investment of time and resources in all countries. This is due not only to the growing importance of services in trade but also to the greater complexity of the subject matter. Unlike trade in goods, which has largely been governed by such simple instruments as tariff and quotas, the regulatory issues in services are far more complex and nuanced. This demands that analysts, negotiators, legislators, and other policymakers acquire greater knowledge and skills than was required at a time when trade policy was more narrowly defined. This observation applies both with respect to the WTO's General Agreement on Trade in Services (GATS) and to the services negotiations of bilateral and regional undertakings such as FTAs and an EPA with the European Union.

Transportation has always been a key issue for The Gambia, given its historical role as an entrepot center. The Gambia has seen its relative advantage on maritime transportation decline as other countries in the region have improved their capacities, and ground transportation remains a major area of friction with neighboring Senegal. Air transport links are the one area where there are signs of significant improvements coming in the near future.

In 1982 ECOWAS developed a scheme called the Inter State Road Transit (ISRT) agreement to facilitate transit by road across borders. ECOWAS Member States have not been successful in implementing these provisions. The Gambia and Senegal have tried to find bilateral solutions for its full implementation, but their Bilateral ISRT likewise has not yet been fully implemented.

The Gambia has great potential to serve as an air hub for the region. However despite the incentives and efforts made, this sector in The Gambia, still has many constraints to overcome. New facilities that are currently under consideration would help to alleviate problems, including the inadequacy of the present facilities at the airport. The airport would also benefit from improved facilities for passengers. The plans to act as a regional hub cannot go far without such upgrades as a holding area for in-transit passengers and an airport hotel. Potential international partners are now being sought for such investments.

Tourism is a major foreign exchange earner, and one in which The Gambia is improving its competitive position. It is also an area where a great deal more could be done to improve The Gambia's outside links and to enhance the benefits that may be derived from this trade. Institutional developments are underway. With aid from the Spanish aid agency a new Gambia Tourism and Hospitality Institute has been established, and the Ministry of Tourism and Culture recently established a new Gambia Tourism Board. The new board will focus more on destination marketing, product development, and diversification, and also promote quality service standards. More efforts should be made to promote year-round tourism. Among the markets that may be pursued further are eco-tourists (including bird-watchers) and "Roots" tourism from the United States and other countries in the African diaspora. This is expected to require the development of better up-country facilities. It may also be useful to explore the prospects for establishing partnerships with outside institutions.

The telecommunications network of The Gambia is problematic. Efforts are underway within The Gambia to reform the telecommunications system and attract more competition. The country enacted a new Telecommunications Act in 2009, and the only remaining monopoly is in the national gateway. That too will end with the inauguration of the submarine cable that has now been laid. This cable, which connects The Gambia to France, is expected to provide greater connectivity and much more reliable links than the ground cable that is presently linked with Senegal. The submarine cable is owned 49% by the government and 51% by a consortium of private companies. Other reforms are also needed in this sector. One such step that should be taken is delinking the two government-owned providers Gamtel and Gamcell, so as to diminish cross-subsidization and encourage more competition in the domestic market.

Action Matrix

1. Macroeconomic Governance					
Objective	**Actions to be undertaken**	**Party(ies) responsible**	**Timing**	**Monitoring Indicators**	**Links with PAGE, MSME.**
1.A: Reduce Gambian dependence on external development assistance	Development of sustained and sustainable domestic capabilities that can develop supply capacity and response	MOFEA, MOTIE	2014-2016	Increase on supply capacity of goods and services, a better capacity of the private sector to start -up SMEs	PAGE page XVII, The main goal of PAGE 2012-2015 is to significantly increase the welfare of The Gambia's population through accelerated and sustained economic growth and employment. The average economic growth rate is expected to reach 11.5 per cent. The incidence of poverty would decrease by 15 percentage points. The overall objective of PAGE strategies is to accelerate pro-poor growth and generation of significant employment
1.B: Decrease external debt	As a post-HIPC country the Gambia Government should negotiate with institutions that have not signed MDRI or with non-Paris Club countries	MOFEA, MOTIE	2014-2016	A track record of negotiations with relevant institutions undertaken	PAGE para. 135: To curb public debt, the Government will limit net domestic borrowing to a maximum of 0.4 per cent of GDP. It will also improve its domestic debt management system to further reduce and stabilize domestic debt, stem the increase in interest payments, and cause real interest rates to decline
2. Trade Policymaking					
2.A: Enhance Gambia participation in trade negotiation and regional integration efforts	Training of the Gambians officials in participating in trade negotiations as well as in ECOWAS meeting and in articulating and formulating of suitable negotiating proposals Support for the effective operation of the trade negotiation committee	MOTIE, MOFEA, GCCI, GIEPA	2013-ongoing	The development of a well-designed and sequenced trade negotiating strategy Effective functioning of the negotiation committee ,number of meeting held and a	

				number of quality action s put on the table	
Objective	**Actions to be undertaken**	**Party(ies) responsible**	**Timing**	**Monitoring Indicators**	**Links with PAGE, MSME.**
2.B: A trade policy geared towards the achievement of a coherent trade strategy to build supply capacity	Establishment of a permanent mechanism for intra and inter-ministerial coordination and consultation on trade policy making and implementation of commitments Establishment of a trade negotiations committee	MOTIE, MOFEA, GCCI, and other private sector entities, GIEPA	2013-ongoing	Terms of reference of the permanent mechanism and internal communications on intra-ministerial coordination. Ministerial Decision to establish the Committee recorded in a Ministerial decree	
2.C: The establishment of a reliable and transparent collection of trade and other economic data	-Establish a direct transmission link of data between GRA and GBoS, -Develop harmonious and consistent definitions among personnel uploading the data in GRA, - Training of GBoS official on ASYCUDA 2.7 and ASYCUDA ++ - Training of MOTIE on Eurotrace and other trade data processing techniques - Improvement in the collection of data of export trade in ASYCUDA	GBoS, GRA, MOTIE, MOFEA, and the planning unit of the MOA, GCCI	2013 2014 2014	Establishment of the link between the GRA and GBoS recorded in a Ministerial decree or equivalent act Training undertaken in the respective areas. Revision of the way to collect data of export trade in ASYCUDA	PAGE para. 336 The limited availability of up-to-date data in this PAGE document is a major challenge for proper targeting of development programmes. Hence, the Government will continue to implement the National Strategy for the Development of Statistics (NSDS)

3. Standards and Safety					
Objective	**Actions to be undertaken**	**Party(ies) responsible**	**Timing**	**Monitoring Indicators**	**Links with PAGE, MSME.**
3.A: Strengthening of the Gambia Standards Bureau (GSB)	Training of personnel and provision of necessary resources and infrastructure Strengthening the quality infrastructure. Conduct an assessment of quality infrastructure in the Gambia	MOTIE, GSB, FSQA	2014-ongoing	A better functioning of the GSB as a result of the training undertaken and infrastructure provided	PAGE para. 103. The Gambia has for a long period lacked a comprehensive regulation and standardization system for domestically produced goods and services. This seriously undercuts the country's competitiveness. This, however, is being addressed through the creation of The Gambia Standards Bureau
3.B: Strengthen the role of the Gambia Competition Commission (GCC)	1. A manual on procedures for handling competition cases by the competition agency; 2. Training of case handlers on procedures related to Cartels; 3. Study tour and twining programs for competition officials in other more advanced competition agencies, including South Africa, 4. Capacity building in the area of knowledge management by the competition agency.	GCC, UNCTAD	2014	An increased role of the Competition commission in regulating Gambian market, Increased number and quality of cases handled by the Commission	
3.C: Establish Food Safety and Quality Authority (FSQA)	Establish Board and appoint DG and staff	FSQA	2013-ongoing	A functioning FSQA	

Objective	Actions to be undertaken	Party(ies) responsible	Timing	Monitoring Indicators	Links with PAGE, MSME.
3.D: Support the work of the Food Safety and Quality Authority	Improvement of the quality infrastructure including the upgrading of the laboratories to ensure food safety (pH lab, Pesticide residue lab, veterinary lab, microbiology and aflatoxin labs).	FSQA, NARI, MOA, MOTIE	2014-2015	Initiatives undertaken to support the capacity of the laboratories , A better compliance with SPS requirements.	
3.E: Establish a laboratory to test for pesticide residue in agricultural products	Purchase laboratory equipment, other instruments and chemicals essential for the operation of the proposed laboratory Fix equipment and other suitable facilities in order to carry out pesticide residue testing	FSQA, MOA, MOTIE	2014-2015	Test for pesticides carried out in Gambia	MSME AREA: Export Promotion Policy Objective I.I Strategy (d) Provision of well-equipped laboratories with infrastructural accreditation to ensure quality of export
3.F: Establish an industrial and science policy	Carry out an analytical study to draw the possible policy options and actions to be undertaken to develop such policies in cooperation with various Ministers and stakeholders	MOTIE, FSQA	2015-2015	A document on industrial and science policy elaborated and validated by relevant government agencies and private sector.	

4. Addressing Horizontal Impediments and Take Advantage of Incentives					
Objective	**Actions to be undertaken**	**Party(ies) responsible**	**Timing**	**Monitoring Indicators**	**Links with PAGE, MSME.**
4.A: Streamline the tax system (1) Effective implementation of tax regime by GRA	Full implementation and enforcement of the reforms provided for in the Customs and Excise 2010 including the WTO Customs Valuation Agreement Training for Customs official and stakeholders to fully implement the WTO Customs Valuation Agreement. On the job training. Training for effective implementation of VAT	MOFEA, GRA	2014-ongoing	Custom valuation agreement and TVA applied in its totality as a result of the training conducted and Government initiatives undertaken.	PAGE para: 133 Collection of all excise taxes on goods produced domestically • Introduction of a VAT • Simplification of record-keeping obligations for small- and medium-sized taxpayers and limitation of the informal sector tax to very small businesses • GAMTAXNET is built specifically for Domestic Taxes Department business process. Its implementation will ease payment of taxes by taxpayers. …. • A study on the harmonization and rationalization of taxes PAGE para. 134. In addition, the Government will undertake a comprehensive assessment on the efficiency of taxes that generate small revenue streams. Furthermore, Government will develop innovative ways of mobilizing non-tax revenues to finance PAGE priority
4.B: Improve supply of electricity and provide electricity at lower cost	-Improve management at NAWEC, -Attract private Investment for the upgrading of the transmission and distribution network, -Strengthen the supervisory regulatory power of PURA - Create incentive for increased production of renewable energy, and attract investment in the sector	NAWEC, MOFEA, PURA, GIEPA, GREC, Office of the President and MOE	2014-ongoing	Electricity available at cheaper rates and diversification of production of electricity through renewable energy.	PAGE, para. 97: The energy sector's main challenge is the limited electricity supply, the unreliable and high electricity tariff. The operational efficiency of electricity services must be improved and the country must explore the potential of renewable energy. Vision 2020 targets the generation of 150 megawatts of electricity… PAGE 209. During the PAGE implementation period, the Government intends to improve the wellbeing of the population by improving access to electricity. This will be done through:

					• increasing the electrification rate by increasing electricity generation, more efficient use of electricity and attracting, through appropriate and reasonable incentive and facilitation processes, the private sector investment in the sector. • promoting the use of renewable energy resources such as wind and solar for electricity generation, particularly in the rural areas. This will promote fuel switching from fossil to renewable energy and thus reduce emissions of greenhouse gases from the activity. • increasing operational efficiency of the electricity utility companies through the use of more efficient technologies for electricity generation and ensure close monitoring and implementation of regulations governing electricity production and distribution. • upgrading and replacing the ageing transmission and distribution infrastructure to reduce the electricity losses
4.C: Streamline the tax system (2)	Eliminate nuisance taxes Broaden the tax base	MOFEA, GRA	2014-ongoing	Elimination -Reduction of the nuisance taxes to achieve better collection of the remaining taxes	PAGE para. 179. Taxes. The Government will broaden the tax base with a view to reducing the tax burden and expanding Government revenue. Currently, the proliferation of taxes at the central, the local and the sector levels produce an overall tax rate that businesses find high and that discourages the growth of small, formal-sector enterprise. The unpredictability and the lack of clarity of tax policies also constrain the business environment. The Government will lower and harmonize the country's multiple taxes to expand investment and growth.

Objective	**Actions to be undertaken**	**Party(ies) responsible**	**Timing**	**Monitoring Indicators**	**Links with PAGE, MSME.**
4.D: The creation/ strengthening of MSME	Training workshops for entrepreneurs to develop business plans and ideas in the short and long-terms	MOTIE, GCCI, GRA, GET FUND, GIEPA	2014-ongoing	Increased creation/ establishment of MSMEs Number of training workshops for start-up entrepreneurs and MSMEs	PAGE para. 289 :The Gambia established The Gambia Enterprise and Skills Development and Training Fund (GET FUND) to promote entrepreneurship in the formal and informal economy, to develop skills, to encourage training, and to improve access to financial services. GET FUND's goal is to stimulate the creation of micro small and medium enterprises as a means of creating wealth and jobs. With the help of GET FUND, five training institutions have trained over 1488 women and youth in new skills and have provided over 488 women and youth with business start-up capital.
4.E: Improve access to finance for MSMEs Enhanced and align MSME sector and policies and strategies	-Reduce Borrowing by the State, -Strengthen the Credit reference Bureau, -Establishment of a development finance institution - Establishment of an MSME fund - Build capacity to provide business development services for MSMEs - Develop a Venture Capital Scheme Review MSME Policy and Strategy to align with entrepreneurship policy to be developed and other relevant sector policies e.g microfinance policy	MOFEA, GIEPA, MOTIE, MOJ, PURA, GRA, GCCI, CBG	2014 2014-2015	Cheaper credit available to MSMEs, Number of initiatives undertaken by Government to reduce debt and introduce the necessary reforms to facilitate the establishment of bodies to facilitate access to finance for MSMEs New policy strategy for MSMEs and entrepreneurship policy aligned	PAGE para. 176. Access to finance. Despite a vibrant banking sector, Gambian businesses still have trouble accessing finance. The financial system fails to provide significant long term credit to the private sector, despite an increase in the number of commercial banks. Interest rates range from 18 to 27 per cent and the spread between deposit and loan rates is high. High interest rates have impeded the development and expansion of productive sectors such as agriculture, fishing, manufacturing, and tourism. These sectors offer the country a competitive advantage and have significant potential for creating employment and adding the value needed for the domestic economy to grow. For these reasons, the Government will assess the feasibility of creating a development finance institution/facility. This institution would cover micro, small and medium enterprises. See also NES, strategies and recommendations table 42

Objective	**Actions to be undertaken**	**Party(ies) responsible**	**Timing**	**Monitoring Indicators**	**Links with PAGE, MSME.**
4.F: Exploit and utilize trade preferences	Awareness and training on the existing trading opportunities and their rules of origin Provide training and awareness on SPS and standards requirements Provide technical assistance for the drafting of Gambian rules of origin	MOTIE, GCCI, GRA, GIEPA, FSQA, MOFEA	2014-ongoing	Increased utilization of trade preferences	NES, page 7: MARKET ACCESS as an essential building block of the NES seeks to take advantage of the preferential market access opportunities offered by the United States Africa Growth and Opportunities Act (AGOA); the European Union's Everything But Arms initiative; and the African Caribbean Pacific European Union Economic Partnership Agreement. Whilst these developing countries Trade Promotion instruments exist, they are not automatic guarantees of Market Access but rather certain guidelines have to be followed for the preferential market access to be realized MSME AREA: Export Promotion Policy Objective I.I : Export promotion and Competitiveness of the MSMEs
4.G: Expedite import and export customs procedures	-Training courses of Customs officials and clearance agents to build their capacity on the interface between ASYCUDA 2.7 and ASYCUDA ++ -Create an official list of licensed clearance agents -Establishment of a Post-Clearance Audit Direction	GRA, MOTIE, MOFEA	2013-2014	Reduction of the time needed to carry out import/export transactions	PAGE para. 133: ASYCUDA ++ is an upgraded version of ASYCUDA 2.7. Its successful implementation will ensure a full automation of a simplified Customs procedure with interdepartmental networks interconnection involving AMTAXNET, IFMIS, and other stakeholders PAGE para. 169. Regarding the clearance of goods, the Government will continue to simplify customs procedures to cut administrative costs and enhance efficiency by upgrading its system to ASYCUDA++. In addition, it will simplify procedural requirements, enhance transparency, adopt measures to clear goods more efficiently, and expand the coverage of ASYCUDA++ to all major customs posts.
4.H: Incentives to the regulatory framework	Reforms and action undertaken as detailed below :	MOFEA, GIEPA,	2013-2014	Increased investment inflows and necessary	PAGE 172. A better investment climate. Several constraints continue to challenge the

for investment	Reduce transmission and distribution losses to reduce cost of electricity Public investment in transmission and distribution Private investment in generation Consolidate proliferation of special and local taxes Enhance the skilled workforce Improve access to land for commercial use and speed up the approval of land use requests Simplify and reduce time and cost of business registration	MOTIE, Ministry of Regional Administration, Land and Traditional Rulers, and MOJ		reforms introduced and implement by the Government	development of the business sector: • Expensive factors of production particularly electricity and telecommunications • Inadequate skilled workforce • Insufficient access to financing • Difficult access to land • Multiple taxes and higher tax rates • Relatively long business registration process • Weak institutions and systems

Objective	Actions to be undertaken	Party(ies) responsible	Timing	Monitoring Indicators	Links with PAGE, MSME.
4.I: Improve Investment promotion	Improve coordination among Ministries on investment incentives	GIEPA, MOTIE, MOFEA, GCCI	2013-2015	Number and volume of investment infows.	
4.J: Develop an Entrepreneurship Policy with the objective of providing practical guidance to decision-makers and other stakeholders on the policy design and implementation of key elements of entrepreneurship policies aimed to job creation and inclusive growth.	Training workshops for entrepreneurs to develop entrepreneurial competencies, business plans and short and long term goals. Training for stakeholders in national institutions dealing with entrepreneurship to stimulate an entrepreneurial culture	MOTIE, UTG, GIEPA	2013-2015	Increase of the SMEs creation/establishment. Number and quality of training undertaken.	

5. Exploiting Trading Opportunities					
Objective	**Actions to be undertaken**	**Party(ies) responsible**	**Timing**	**Monitoring Indicators**	**Links with PAGE, MSME.**
5.A: Strengthen relations with ECOWAS Member states, with an emphasis on Senegal, including implementing the ECOWAS CET, ETLS, and ISRT, as well as managing the EPAs process	Identification of regional trade issues	MOTIE, MOFEA, GCCI, GIEPA. GRA, MOFA	2013-ongoing	Positions papers elaborated by Gambian Government on the progressive definition of a sequenced strategy towards ECOWAs and EPA process	PAGE, para. 171. The Government will also pursue an export-driven growth strategy in its strive to achieve the PAGE goals. In this regard, a National Export Strategy is being developed targeting the productive sectors (agriculture, fisheries, and manufacturing) through value addition for export and supported by the services sector led by Tourism and ICT. The export-led strategy will predicate upon competitiveness, an enabling environment for investment and doing business, domestic production for export from a diversified production base and market access MSME AREA: Export Promotion Policy Objective I.I : Export promotion and Competitiveness of the MSMEs
5.B: Open relations with non-traditional partners	Identify trade initiatives for establishing trade relations with non-traditional partners	MOTIE, GIEPA	2014	Relations established with non- traditional partners in the framework of overall trade strategy	
5.C: Establishing a Gambian permanent mission in Geneva	Carry out a cost-benefit analysis	MOTIE, MOFEA, MOFA	2014	Decision taken over the establishment of such a Mission	

6. Primary and Secondary Sectors					
Objective	**Actions to be undertaken**	**Party(ies) responsible**	**Timing**	**Monitoring Indicators**	**Links with PAGE, MSME.**
6.A: Support to the implementation of the quality assurance and regulatory frameworks for groundnuts, cashew and sesame.	Coordinate implementation with national laboratories and donor community Carry out capacity analysis of key stakeholders with respect to quality assurance Advise farmers to apply best farm operations starting from improved seed selection, fertilizer (right type and correct dosage) application, water availability, correct plant density to appropriate post-harvest handling, processing and storage Apply and implement the seven principles of the Hazard Analysis & Critical Control Points (HACCP) system	NCSPSC and value chain stakeholders, FSQA Communication, Extension, Education Services (CEES), MOA, MOTIE	2013-ongoing	Capacity gaps of stakeholders related to quality assurance and regulatory framework Number of trainings conducted on quality assurance and regulatory frameworks Number of extension messages developed on best farming practices Number of NCSPSC supervisions and campaigns organized during the cropping season Number of farmer field and business schools organized for the best production, processing and marketing of groundnuts, cashew and sesame	Consistent with PAGE Pillar 8: Reinforcing social cohesion and cross cutting interventions. Under this pillar, Food security aspect of the agriculture sector excels great potential in charting way for the realization of country's long-term development goals, especially as regards reducing poverty and achieving food security. Well-articulated organization and management of the research and extension programmes will be instituted to provide a sustained flow of research, technological and technical services relevant to farmers' production problems and to integrate water resources management into farming practices so as to boost agricultural productivity. Several attempts will be made by Government and development partners to ensure and facilitate the participation of the private sector and small-scale farmers in all aspects of agricultural best practices. MSME AREA: Export Promotion Policy Objective I.I: Export promotion and competitiveness of the agricultural enterprises including groundnuts, cashew and sesame by ensuring quality assurance of these crops through a regulatory system that hinges on value chain analysis
6.B: Public sensitization on the quality assurance and regulatory frameworks for	Organize and conduct sensitization campaigns among farmers and farmer	NCSPSC GGC	2013-ongoing	Number of sensitization campaigns	As above

groundnuts, cashew and sesame	groups as related to ensuring quality assurance and regulatory frameworks Use several communication media services including radio, television, newsletters, traditional singing and dance groups	ASPA CEES/DOA NAWFA		organized Number of farmers and farmer groups trained Number of radio, television and traditional shows presented about the sensitization campaigns	
6.C: Strengthening the organizational, management and technical capacity GAMHOPE	Gamhope to develop its own mission strategy to seek funds Provide TA for organizational, institutional and management capacity building of GAMHOPE Conduct capacity building and training for GAMHOPE Executive on organizational and business management to strengthen the organization	GAMHOPE	2013-ongoing	Well-articulated and strengthened organization Number of trainings conducted Number of stakeholders trained	Aligned with PAGE Pillar 4: Accelerating and sustaining economic growth: under this pillar improving competitiveness is one of the key sub-pillars. Government's strategy is to improve competitiveness with regards to adopting measures that sustain macroeconomic stability, make the business environment more competitive, and strengthen the relationship between the Government and the private sector
6.D: Support the establishment and functioning of a Poultry Value Chain Actors Network	Devise suitable mechanisms and strategies to start up the value chain trough FDI or donors assistance Carry out capacity needs assessment of such a network Assess each value chain actor group to determine its viability in terms of group dynamism and financial prudence Conduct group trainings on the	Poultry Associations, AHPS, MOTIE, MOA, GIEPA	2014-2015	Results-based monitoring by MOA Capacity needs assessment results Viability of groups in terms of group formation and financial management Number of trainings organized and conducted Number of groups and	Consistent with PAGE Pillar 8: Reinforcing social cohesion and cross cutting interventions. Under this pillar, the agriculture sector excels great potential in charting the way for the realization of the country's long-term development goals, especially as regards commercializing, reducing poverty and achieving food security

	organizational/institutional strengthening and management towards the setting up of a network Assist in setting of the poultry value chain actors network			other members trained	
6.E: Capacity assessment of the horticulture and poultry sectors	Conduct a capacity assessment of key stakeholders in both horticultural and poultry industries Carry out appropriate capacity building programmes for the stakeholders to augment their knowledge and skills in quality assurance and regulation Assist in implementing the knowledge and skills learnt and operationalize them in a sustainable fashion	MOA, NARI, poultry Associations, MOTIE, GIEPA	2013	Results of the capacity assessment Number of key stakeholders trained on quality assurance and regulation	PAGE Pillar 3—Strengthening human capital stock to enhance employment opportunities

Objective	**Actions to be undertaken**	**Party(ies) responsible**	**Timing**	**Monitoring Indicators**	**Links with PAGE, MSME.**
6.F: Capacity development of the Food Testing Laboratories to attain ISO17025 accreditation for:- • Pesticides residues monitoring • Veterinary drugs residues monitoring • Aflatoxine testing Chemicals testing	Carry out capacity assessment of lab technicians as well as update the equipment and material being used for better accreditation Attain ISO-17025 accreditation for:- • Pesticides residues monitoring • Veterinary drugs residues monitoring • Aflatoxin testing • Chemicals testing	NEA AHPS NARI NaNA MOH&SW MOA FSQA	2014	Results-based monitoring by NEA and MOA Number of lab technicians trained for ISO17025 accreditation Number of labs doing quality food testing and accredited Results of the tests Efficacy of veterinary drugs and residues	As above
6.G: TA, Training and provision of equipment and laboratory consumables.	Provide a TA to conduct the training Provide the necessary equipment and lab consumables	MOA, MoFWR, MOH&SW, NCSPSC, FSQA	2013-ongoing	Results-based monitoring by MOA and NCSPSC TA en post and training lab technicians on residue analysis Number of equipment and lab consumables supplied	As above
6.H: Support the start- up and institutional development of the Food Safety and Quality Authority	Provide the necessary resources from Government Budget or seek temporary Donors assistance Set up the Board of Directors	Office of the Vice President, Board of Directors of FSQA NaNA	2013-ongoing	Number of staff appointed and en post Number of trainings conducted Results-based	

	Government and relevant stakeholders strengthen the institutional authority through recruitment and appointments of the indispensible staff Conduct capacity building for FSQA staff to enhance food quality and safety	MOH&SW MOTIE		monitoring by FSQA	

Objective	**Actions to be undertaken**	**Party(ies) responsible**	**Timing**	**Monitoring Indicators**	**Links with PAGE, MSME.**
6.I: Strengthen the groundnut, cashew, and sesame sub- sector	Search and provide improved groundnut, cashew and sesame seeds of high yielding variety Provide the most essential farm inputs (fertilizers and agro-chemicals) to enhance production and productivity of stated crops Provide a suitable marketing system/strategy for the purchase of groundnuts, cashew and sesame Improve handling and post - harvest practices, Promote initiative on value added for groundnuts, and both value-added and diversification for the cashew and sesame sub-sectors Provide and operationalize a detoxification plant for groundnuts to reduce aflatoxin and MRL contamination level Provide cashew and sesame processing plants and packaging machinery and material Develop also a marketing system/strategy for the commercialization of the	MOA, NARI, DOA, NGOs and CBOs MOA, Private Sector, NGOs, ASPA MOTIE, MOFEA, MOA, GGC, ASPA, GIEPA MOA, MOTIE, GGC, NAWFA, Private Sector, Farmers' Platform MOFEA, MOTIE, NEA, MOA, NARI, GIEPA, GGC Private sector, MOFEA, MOTIE, MOA, Farmers' Platform, GIEPA MOTIE, MOA, Private Sector, MOFEA, DOA	March/April, 2014 March/April, 2013 September 2013 2013-2015 2014-2015 2014-2016	Improved and high yielding groundnut, cashew and sesame varieties Quantities of farm inputs used Crop production and yield increases Quantities of crops purchased Incomes realized from crops sales Proportion of crops processed Quantities of groundnut produce processed and detoxified Quantities of packaging material available for cashew and sesame	PAGE para. :149. The Government's vision for the agriculture sector is to transform The Gambia into a major supplier of agricultural products to local and international markets between 2012 and 2015. To achieve this vision, the Government intends to pursue four courses of action: - Increase food and nutrition security and boost the income-generating capacity and the nutritional status of farmers, especially women and the youth -Transform the agricultural sector from a traditional subsistence economy to a modern market-oriented commercial sector -[T]he medium-term focus will be on food security and income generation for small-scale farmers and creating an enabling environment for commercialization. Increase and sustain agricultural production and productivity through all year round irrigation and use of high crop yielding varieties as well as improved genetic livestock breeds. Enhance beneficiaries' productive capacity through supervision, coordination, regulation and advice. See also NES, strategies and recommendations table 15 and 16

	cashew and sesame sub-sectors Attract investment into the groundnuts, cashew and sesame sub-sectors to enhance these crops’ value chains through Public Private Partnership Initiatives Strengthening and improving the viability of the existing Cooperative Marketing Societies/Schemes Invest in agricultural research &development and extension services	(Agri-Business Services Unit), GIEPA GIEPA & MOJ, MOA, MOFEA, DOA MOA/NARI, MOTIE, MOFEA, ASPA MOA/NARI/FAO UTG, MOFEA	2013-2014 2013-2015 2013-2014 2013-2015	Investment incentives allocated to the sesame and cashew sub-sectors Viability of CPMSs assessed Level of funding in both research and extension analysed Crop varieties developed and improved with high yielding and disease resistant/tolerant qualities Number of extension messages developed and disseminated Extension to farmer outreach	

Objective	**Actions to be undertaken**	**Party(ies) responsible**	**Timing**	**Monitoring Indicators**	**Links with PAGE, MSME.**
6.J: Diversify and Develop horticultural and poultry sector	To analyse and establish linkage of these sectors with tourism Identify constraints to developments in these sectors Provide the enabling environment for the acquisition of Day Old Chicks (DOC) in the country Improve access to poultry production inputs (feed, housing, drugs and vaccines) by poultry producers Create linkages between the poultry and tourist industries through PPP initiatives Improve and strengthen commercial market linkages for the poultry industry and with other sectors of the economy especially the services sector	MOA, MOTIE, DOA (Horticulture Services Unit), CPCU MOA, Department of Animal Health and Production (DAHP), MOTIE, GIEPA, GRA MOA, DAHP, Private sector and NGOs MOA, DAHP, MOTC, MOTIE and MOFEA MOA, DAPH, FAO, MOTIE, MOTC, MOFEA, GCCI, GIEPA	2013-2014 2013 Continual basis 2013-2015 2014-2015	Quantities of horticulture and poultry products traded in the tourist industry Constraint analysis of the sub-sectors assessed Number of day old chicks purchased Numbers and quantities of poultry inputs accessed by poultry producers	Consistent with NES, strategies and recommendations Table 24 and PAGE paras 146 to 153

Objective	Actions to be undertaken	Party(ies) responsible	Timing	Monitoring Indicators	Links with PAGE, MSME.
6.K: Remove obstacles to the fishery sector (1)	Provide special tariff on electricity and fuel for the fisheries sector Promote use of alternative energy sources (solar, wind, etc.). Specifically, replicate the wind-driven turbine technology under the EIF Tier 2 in other fish-landing sites	MOF&WR, MOTIE, MOFEA, NAWEC, Private Sector , PURA, GIEPA MOE	2013-2015 2013-2015	The relevant policies developed, and tariff reductions, among others things, effected Solar and wind powered infrastructure built to supply energy to specific fisheries establishments The EIF Tier 2 funded wind-driven turbine technology replicated in other fish landing sites	PAGE Para 37: Develop the medium term expenditure Framework and link the national budget with the PAGE. Increase electricity production efficiency, transmission and distribution capacities; improve access to diversified electricity sources at affordable cost. The implementation of PAGE 2012-15 will be done through the Priority Action Plan (PAP) that will require private sector participation and heavy financial support from development partners See also NES: strategies and recommendations in table 21
6.L: Remove obstacles to the fishery sector (2)	Complete the Banjul Fisheries Jetty and associated facilities - ice plant, cold stores, fish handling and transport equipment Establish strategic alliance between the Banjul Fisheries Jetty and The Gambia Ports Authority (GPA) Rehabilitate the dry-dock facilities of GPA to provide repair works and other services to fishing vessels plying the subregion	MOF&WR, MOWCI, GPA, Private sector, MOTIE, MOFEA	2013 2013-2015 2013-2015	Fisheries Jetty and associated facilities handed over to GPA and MOFWR they become operational Necessary support, mechanisms of collaboration and management measures developed and implemented Dry docking facilities put in place and repair/maintenance	Fisheries Policy: To improve institutional linkages with other relevant sectors

				works resume Vessels licensed to fish in Gambia, and other vessels plying the subregion use the services of the facility	
6.M: Enhance capacity development of Operators (1)	Build capacities of artisanal operators in record keeping and business planning to help micro-finance institutions to assess their creditworthiness Upgrade Community Fisheries Centres' (CFC) facilities to improve fish availability at fish landing sites and fish factories	MOF&WR, Private sector operators, Management of CFCs, GIEPA	2013 ongoing	Artisanal cooperatives undertake action in record keeping First data made available Fish cooling, storage and handling facilities provided at fish landing sites	Fisheries Policy: To improve the institutional capacity and legal framework for the management of the fisheries sector
6.N: Enhance capacity development of officials (2)	Improve capacity in Sanitary and Phytosanitary (SPS) Inspections Increase number of qualified fishery product inspectors Establish competent and accredited laboratory in the country for official testing	MOF&WR, FSQA FSQA, MOTIE	2013-2015 2013-2015 2013-2015	Increased exports of fishery products to lucrative markets Increased access of Gambian fishery products to EU and other markets Laboratory facilities and supplies provided and official testing of products takes place	Fisheries Policy: To improve the institutional capacity and legal framework for the management of the fisheries sector

Objective	**Actions to be undertaken**	**Party(ies) responsible**	**Timing**	**Monitoring Indicators**	**Links with PAGE, MSME.**
6.O: Reduce marginalization of women and youth in the Fishery sector (1) Reduce marginalization of women and youth in the Fishery sector (2)	Integrate gender considerations into the design and implementation of fisheries infrastructure projects Provide technical training in hygiene, good manufacturing practices, processing, handling, marketing and presentation of products, working in fish sales points (fish mongers, wet markets) Train women working in the shrimp farming sector in basic aspects of fish culture, good manufacturing practices processing, handling, and quality and safety aspects of fishery products Ensure equal access of men and women to new and upgraded fisheries infrastructure	MOF&WR MOTIE, MOFEA, GIEPA	2013-2015	Increased number of women profitably involved in fishery activities Higher value added of fish sold to lucrative markets Improved understanding on the part of the women of handling and quality criteria Gender-specific and gender-redistributive policies in the fisheries sector are developed and adopted Number of women with access to upgraded fisheries infrastructure	PAGE para. 357: To mainstream gender equality measures and empower women, the Government will create an enabling policy framework based on proper gender analysis and the provision of adequate gender statistics and budgets. Furthermore, the Government will improve women's and girls' employable skills and job opportunities by ensuring parity in primary, secondary and tertiary education, improving women's and girls' entrepreneurial skills and opportunities in all productive sectors, mobilizing resources for gender equality and women's empowerment interventions, and ensuring the proper coordination, monitoring and evaluation of women's and gender-related programs Fisheries Policy: To increase employment opportunities, and participation of Gambians, especially women and young men, in all aspects and at all levels of the fisheries sector
6.P: Reduce marginalization of women and youth in the Fishery sector (3)	Encourage production of high-value niche products for export to the diaspora market Explore trading opportunities in regional trade	MOF&WR, MOTIE, MOFEA, Private sector Operators , GIEPA	2013-2015	Increased exports of niche products sold by women association Increased number of export products and destinations	Fisheries Policy: To increase the net foreign exchange earnings

Objective	Actions to be undertaken	Party(ies) responsible	Timing	Monitoring Indicators	Links with PAGE, MSME.
6.Q: Reduce marginalization of women and youth in the Fishery sector (4)	Create affordable credit schemes for the womenfolk to enable them invest to improve their operations	MOF&WR, MOTIE, SDF, VISACAs, GIEPA, MOFEA	2013-2015	Dedicated lines of credit created for the women folk Number of women having access to affordable credit	Fisheries Policy on Access to Financial Resources: The flow of private investment funds into the Fisheries sector is inadequate and needs to be enhanced for improved fisheries development. The artisanal sub-sector is constrained by lack of access to low interest micro-finance credit facilities and development in the industrial sub-sector is forestalled by lack of access to working capital and term lending and high interest rates on loans from commercial banks. Government objective is to create an enabling environment whereby fisheries operators and investors can have access to adequate funds for investment in the sector
6.R: Enhance sustainability of the fisheries to prevent over exploitation of demersal stocks	Reduce fishing efforts in both industrial and artisanal sectors Promote exploitation and utilization of pelagic species	The Gambia Navy, MOF&WR	2013-2015	Number of licenced trawlers and canoes Number of vessels licenced to fish pelagic species Meetings and consultations held to promote exploitation and utilisation of pelagic species	PAGE para 154: There is growing concern over the observed declining state of fish resources and catches…….. the demersal fish are apparently being over-exploited and require more rigorous management to limit the fishing capacity (levels extracted) in the industrial sub-sector and allow the artisanal fisheries sub-sector to sustain and increase its contribution to the economy…..

Objective	Actions to be undertaken	Party(ies) responsible	Timing	Monitoring Indicators	Links with PAGE, MSME.
6.S: Develop regional cooperation strategy in fisheries management	Review existing bilateral fishing agreements particularly with Senegal Strengthen Gambia's participation in sub-regional fisheries management	MOF&WR	2013-2015	Revised bilateral fishing Agreements Number of initiatives for consultations and collaboration in sub regional fisheries management	Gambia Fisheries Policy 4.15: Sustainable management of fisheries resources, especially when a considerable portion of the stocks are shared between neighboring countries, can only be implemented through cooperation and harmonization of strategies. It is in this vein that the primary objectives of the SRFC, as set out in the convention creating the commission, are; (a) long term harmonization of policies of member states regarding preservation, conservation and exploitation of their marine living resources, and (b) reinforcement of member states cooperation for the benefit of their respective populations
6.T: Enhance aquaculture development (1)	Develop national aquaculture policy and strategy Extend experience gained in on-going pilot schemes to appropriate sites to encourage village level/subsistence fish farming	MOF&WR, FAO, Taiwanese Mission, MOA, Private sector Operators , MOTIE, GIEPA	2013-2015	Government takes up the initiative to design a strategy on aquaculture Increased number of village level/subsistence fish farmers	Fisheries Policy Objective 4.7.1: The main policy objective for inland fisheries and aquaculture (including mariculture) development is to effect meaningful contribution to food security…… and for the rural population.
6.U: Enhance aquaculture development (2)	Create incentives that encourage private sector participation in commercial aquaculture (shrimps, oysters, etc) Develop high-value niche products such as oysters for export and for local tourist outlets through-grower schemes	MOF&WR, MOFEA, MOTIE, Private sector Operators including Try Oyster Women Association, GIEPA, MOTIE, MOTC		The necessary reforms in the regulatory framework to facilitate private sector investment in aquaculture development	Fisheries Policy Objective 4.7.1: The main strategies … aquaculture sub-sector are to promote the development of aquaculture (commercial and small-scale, and oyster culture)

Objective	Actions to be undertaken	Party(ies) responsible	Timing	Monitoring Indicators	Links with PAGE, MSME.
6.V: Manufacturing	Establish a better regulatory framework favourable to the establishment of SMEs Develop a Framework for industry-academia-government collaboration to support research and innovation Provide special tariff electricity for the manufacturing sector	MOTIE, MOJ, GIEPA, GCCI, MOE, MOFEA, PURA, NAWEC	2014-2015	Develop an industrial plan on agro- processing and light manufacturing Relevant policy developed and tariff reduction effected	See also NES, strategies and recommendations table 30

7. Tourism					
Objective	**Actions to be undertaken**	**Party(ies) responsible**	**Timing**	**Monitoring Indicators**	**Links with PAGE, MSME.**
7.A: Create backward linkages	Strengthen backward linkages to fisheries and agriculture (crops and livestock)	MOTIE, MOFEA, GIEPA, MOA, Department of Fisheries	2014-2015	As indicated in the specific sectorial actions to be undertaken for specific sectors /products	PAGE para. 160 : The Government' vision in this regard is to make The Gambia a world-class tourist destination and business center. It will continue to promote tourism by: • diversifying and improving the quality of its tourism products • developing new niche markets, especially ecotourism, cultural tourism, sport tourism and conference tourism • segmenting markets, establishing priorities and developing a plan for each segment • encouraging major investments in superior hotels with incentive packages, and fostering public-private partnerships for the development of the sector • strengthening backward and forward linkages with the rest of the economy, e.g. with agriculture and fisheries • building the capacity of small and large professional associations to provide better services • classifying tourism establishments to promote high standard encouraging responsible tourism through an awareness-building and education program designed to eliminate the problem of "bumsterism" and build awareness among the population. See also The Gambia Tourism Development Master Plan (2006) See also NES, strategies and recommendations table 27

Objective	Actions to be undertaken	Party(ies) responsible	Timing	Monitoring Indicators	Links with PAGE, MSME.
7.B: Promote ecotourism	Attract investment in this subsector Provide special electricity tariff for the hotel industry	GTA, MOTIE, MOFEA GTBoard, GIEPA, MOE, PURA, NAWEC	2014-2015	Develop a strategy for ecotourism Relevant policy developed and tariff reduction effected	
7.C: Improve standard on tourism and safety	Establishment of a tourist police	MOTC, GTBoard, MOTIE, GPA, MOI, GIEPA	2014-2015	Undertake inter-ministerial consultations to examine the feasibility of such police	
7.D: Increase quality of the tourism sector	Explore with the Museum of the Africa Diaspora in San Francisco the possibility for joint ventures	MOTC, GTBoard, GIEPA	2013	Contacts initiated with San Francisco museum	
7.E: Diversify tourism outside the peak period of the year	Year round tourism including ecotourism and the development of Up- country facilities	MOTC, GTBoard, GIEPA	2013-2015	Actions undertaken to promote eco-tourism such as Government plans ,strategy plan initiatives to promote ecotourism	

8. Transportation					
Objective	**Actions to be undertaken**	**Party(ies) responsible**	**Timing**	**Monitoring Indicators**	**Links with PAGE, MSME.**
8.A: Implementation of the ISRT AND to align Gambia's tariff to ECOWAS CET Establishment of Joint Border posts and Cooperation among Gambia and Senegalese customs	-Studies on lessons learned fron other ECOWAS countries on Implementation of ISRT Protoc and the Costs/ benefit analysis of the introduction of a electronic tracking of transit trucks (ECTS) - Publication of a Guide gathering the Laws and Regulations of the Implementation of ISRT Protocol and the rights and obligations of Transporters to avoid corruption in the Roads - Awareness campaign and workshops on the Benefits to be had from the implementation of the ISRT, ECTS and other accompanying measures -Establish a taskforce to work on alignment process of The Gambia's tariff to CET Drafting a government regulation to enforce the ISRT Harmonization of Gambian law with the ISRT Expedite completion of the necessary financing arrangements with EU and ADB for the Trans Gambia	MOTIE, MOFEA, GRA, GNTCA, GIEPA, GCCI	2013-2014 2013-2014 2013-2014 2014-2015	Progressive elimination of hassles and delays in transit trade Full implementation of the ISRT by Gambia private sector Legislation enacted to make the ISRT compulsory Taskforce established and degree of alignment of Gambia's tariff and the CET Publication in the official gazette of relevant legislation Progress recorded and	PAGE, para. 170:. These investments on the trade facilitation infrastructures will be complemented with measures to facilitate the movement of goods. Currently, the inadequate implementation of the ECOWAS Interstate Road Transit (ISRT) contributes to the high cost of transporting goods due to delays and unofficial charges. Since the launch of the ISRT by the Government in 2008, the operators are yet to utilize the scheme resulting to delays and overloading of trucks carrying transit goods. The Government will therefore encourage the private sector to invest to acquire the required vehicles and will enforce the implementation of the scheme. See also NES, strategies and recommendations table36

	Bridge Completion of the Trans Gambia Bridge Completion of the bond road Elimination of Check Points and Vehicle Check Points (VCPs) in Transit roads Updating and implementation of joint border posts at transit corridors Conduct a cost benefit analysis of the efficiency and safety issues concerning check points and replace the checkpoints in the road Banjul-Basse-Badiara with alternative measures -Develop technical assistance proposals with Senegalese counterparts in building joint border control posts -Carry out studies on the different Regional Trade Information Systems between Senegal and The Gambia especially on the implementation of the interface between GAINDE/ASYCUDA ++ Training Courses to avoid gaps between ASYCUDA 2.7 and ASYCUDA ++	MOFEA, MOTIE, GRA, GNTCA, GIEPA, MOI, GPF, GID, GPA, NRA, MOTCI GRA, UNCTAD		financing arrangement agreed Reduction of the transit journey time, Number of checkpoints eliminated Increased traffic trade progress and /or establishment of single border post	

Objective	Actions to be undertaken	Party(ies) responsible	Timing	Monitoring Indicators	Links with PAGE, MSME.
8.B: Improve the ship turnaround time at the Banjul port	Completion of investment on construction projects, especially of the Jetty; • investment on capital resources; • promotion of coastal shipping; and • investment on human cargo resources through fund raising initiatives • Rehabilitation of the north and south terminal. • Transformation of the acquired Half-Die properties of 15,000sq.m • Procurement of more new cargo handling equipment • Depth of the Banjul Access Channel to depths of about 10.2 meters to enable access for larger vessels • Ease transportation problem through Ferry at Barra • Conduct a traffic study to gain better understanding of demand and adjust 2008 port Master Plan and investments accordingly	GPA, MOWCI, MOTIE, MOFEA, GIEPA	2014-2015	Reduced number of time for ship turn around at Banjul port Gradual implementation and monitoring of the specific actions to be undertaken	PAGE para. 167. The Government will strengthen the position of the Port of Banjul as a gateway to the region by improving the port-handling services and expanding the port's infrastructure. This will help to improve trade. The port's expansion project includes acquiring modern, state-of-the-art equipment to make the facility more productive. The Government will also pursue its effort to develop river transportation to enable goods to be moved at cost effective rates as possible to the country's interior and to other countries as part of the strategy to make the port more competitive. In this respect, Government would refocus on re-building river transport infrastructure and promote private sector participation in river transportation

Objective	**Actions to be undertaken**	**Party(ies) responsible**	**Timing**	**Monitoring Indicators**	**Links with PAGE, MSME.**
8.C: Improve airport efficiency and security	• Construction of a cargo complex • Procure equipment for ground handling • Promotion of the establishment and continuity of domestic airlines	GIA,MOTIE, GCAA	2014-2015	Initiation works for the cargo complex, Progress in Tier 2 implementation	PAGE, para168. The Government over the years has substantially invested to expand Banjul International Airport (BIA) which has improved the shape of the airport. However, there is limited groundling and cargo handling capacities at BIA. The Government will therefore encourage private sector participation in its effort to modernize the ground handling and cargo handling capacities to attract more airlines and accommodate highly perishable products. Furthermore, improved security will be ushered through installation of modern scanning equipment and measures will be pursued to increase the competitiveness of the airport. The Government, through GIEPA, will also intensify efforts to better market the Free zones area at the airport to promote the development of enterprises engaged in value addition PAGE para204: However, despite numerous developments registered by the Government in improving the airport, there is still a need for improvement of some of the airport facilities in order to make it more competitive. Therefore, the strategy for the Government will be to: • acquire ground handling equipment at the Banjul International Airport (BIA) provide additional taxiway and expand the parking apron • upgrade firefighting facilities to meet international standards • construct a multipurpose cargo complex

					• establish a national home based carrier • encourage private sector participation and public private partnership in the operation of the airport MSME AREA: Export Promotion Policy Objective I.I : Export promotion and Competitiveness of the MSMEs Strategy(e): Encourage international air carriers to operate in The Gambia Carry out comparative cost analysis of Banjul Airport with competing airports such as Dakar, Embark on promotional tours to sell Banjul International Airport to international carriers, improve airport infrastructure
8.D: Improving communication infrastructure and Telecommunications	Implement the West Africa communication infrastructure	GAMTEL, MOICI	2104-2015	Recorded process in the establishment of the West African communication infrastructure	PAGE para. 219. In addressing these challenges in the telecommunications sector and also to expedite efforts to join the global information society, the Government during the PAGE period will: • provide high-capacity and reliable bandwidth through the construction of a Submarine cable landing station. • modernize and expand the national telecommunication backbone infrastructure • strengthen legal and regulatory framework for the ICT sector (PURA Act 2001, IC Act 2009) See also NES, strategies and recommendations table 39

Section I:
Developments in The Gambia since the Original DTIS

A. From the Original to the Revised DTIS

The first Diagnostic Trade Integration Study (DTIS) for The Gambia was conducted in 2007, and helped to provide guidance in the prioritization of objectives and the direction of national and donor-community energy and resources for the mainstreaming of trade in the national development strategy. With the passage of five years it is now time to revisit the DTIS findings. As in any country, there has been both continuity and change in The Gambia over the past half-decade. Some things are either immutable or subject to only imperceptible change, such as the country's geographic position and its endowments of natural resources; both of those factors present the same opportunities and challenges that they did in 2007. Other factors have much greater potentially for change, but nonetheless experienced only incremental progress in the past five years. Chief among the chronic problems are an inadequate national energy system and poor performance in the groundnut sector. In still other areas The Gambia has either seen progress over recent years or is expected soon to reap the benefits of new investments, including several institutional innovations (notably the establishment of new bodies to promote trade and investment and to establish and enforce standards), improvements in the fisheries sector, and advances in the infrastructure of the air transport sector.

This revised DTIS is likewise the product of continuity and change. It picks up some points from its predecessor, takes into account new developments (or the lack thereof) since that earlier report, and delves more deeply into some topics that were not as prominently covered in the original.

One important change is that this revision reflects a shift in the orientation of the national development strategy, recognizing that the previous reliance on the re-export trade might no longer be viable. In the past the Gambian development strategy, and the trade strategy as well, were largely based on reaping the long-held advantages of the country as an entrepot center. Those advantages have since diminished substantially, due to in part to the deterioration of national facilities and in part to the domestic, regional, and international reforms undertaken by other countries. The Gambia is in the process of adapting to the new environment.

This calls for a more sustainable and beneficial integration process driven by a strong economic base in the medium and longer term in order to achieve inclusive growth and poverty reduction. The Gambia needs to exploit more effectively its other comparative advantages, including those in air transport, tourism, and horticulture. The objective of the DTIS update is to strengthen Gambia's participation in the regional and global markets by creating the foundation for improved value addition and processing in key sectors of the economy to stimulate growth and employment for sustained poverty reduction. The DTIS identifies constraints facing the SME sector to participate meaningfully in both regional and global trade and reaping market access opportunities.

The topical focus of the revised DTIS is also different. One topic now covered in much greater depth concerns the impact of development plans on the status of women. This revised

Table I.1 : Real GDP Growth Rates, 2000-11 and Forecasts
(%)

	2000-11	2000-07	2008-11	2011-12 forecast	2013-14 forecast
The Gambia	3.8	3.1	5.3	0.8	9
Senegal	4.1	4.5	3.1	3.2	4.7
WAEMU	3.2	3.1	2.3	6.1	5.9

Note: Data for 2011 have been estimated

Source: UNCTAD Globstat and IMF 2011 World Economic Outlook

DTIS focuses specific attention on this topic in the fishery and aquaculture and agricultural sectors , as well as others as appropriate (e.g., tourism). Other issues that are dealt with at greater length concern the horizontal need for improved statistics as a metric for government, domestic and international investors, and the donor community, as well as the topic of trade in services as a focus of The Gambia's trade negotiations.

B. Economic Developments since the Previous DTIS

B.1: The Gambia's LDC Status and Macroeconomic Developments

While The Gambia's goal remains to become a middle-income country by 2020, it remains to be classified as a least-developed country. As discussed in Box I.1, there are several respects in which the country remains among the world's poorest.

Its LDC status has not prevented The Gambia from growing. To the contrary, and as shown in Table I.1, the country's 3.8% average annual GDP growth rate during 2000-11 was higher than the average among West African Economic and Monetary Union (WAEMU) countries. Notwithstanding the recent economic and debt crises that hit the developed world, The Gambia successfully increased its rate of growth to 5.3% per annum during the period 2008-11, twice the average rate for WAEMU.[2] Its average GDP growth is expected to be sustained in the medium term, in spite of the slowdown of 2011-12 (with a GDP growth rate of 0.8%) due to the impact of the current crisis. The expected high growth recovery for the biennium 2013-14 places The Gambia as one of the most rapidly growing countries in the region.

The Gambia has been successful in attaining macroeconomic stability, and thus in putting an end to the boom-and-boost cycles and in strengthening the independence of its Central Bank. The domestic inflation rate has been reduced. Measured by the consumer price index, during the period 2007-11 domestic prices rose by 4.8%, which represents a significant drop from the 8.3% rate experienced in 2000-05. This gives credit to the Central Bank's objective of keeping an annual inflation rate around 5%. Although the inflation rate in The Gambia is a couple of percentage points higher than that in Senegal, it is well below the WAEMU average (of 6.8% in 2007-11).

[2] The WAEMU average was influenced by the developments in Cote d'Ivoire.

Box I.1: The Gambia's Status as a Least Developed Country

The Gambia is one of the 48 countries that are officially recognized by the United Nations as Least Developed Countries (LDCs). LDC status does bring with it some privileges within the trading system, insofar as the rules of the WTO provide certain exceptions and benefits for LDCs, and the Millennium Development Goals of the United Nations call for special treatment in such areas as duty-free, quota-free access to foreign markets. The value of these privileges are far outweighed by the burdens of deep and persistent poverty, however, and The Gambia's goal of becoming a dynamic, middle-income country by 2020 necessarily implies the intermediate objective of graduation from LDC status.

The Gambia officially joined the list of LDCs in 1975, four years after the category was created, together with Bangladesh and the Central African Republic. Since then, only small progress has been made to graduate from this category. The Gambia is still facing pervasive poverty, with over half of its population living on less than $2/day and one-third on less than $1.25/day. Its GDP is one of the lowest in the region. In 2010 The Gambia's GDP per capita amounted to $579, compared to $1033 for Senegal and $724 for the average WAEMU. The Gambia's population and labour force growth rates are also higher than those of neighboring countries. The Gambia has had an annual average population growth during the period 2000-10 equal to some 2.9%, compared to 2.7% in Senegal and the WAEMU. Also, it has experienced an annual increase in its labour force of 3.3% and by 2020 its population is expected to increase by one-third. This implies that 300,000 new jobs (equivalent to 17% of its current population level) will have to be created.

Box Table 1 shows that The Gambia is still far from meeting at least two of the graduation thresholds for two consecutive triennial reviews of the list, as required to leave the category. Paragraph 28 of the Istanbul Programme of Action specifically calls for "enabling the number of least developed countries to meet the criteria for graduation by 2020." The recent evolution of the category indicators clearly shows that it will be very difficult for The Gambia to be among the graduating countries by 2020. The Gambia also remains very vulnerable to terms-of-trade and weather-related shocks.

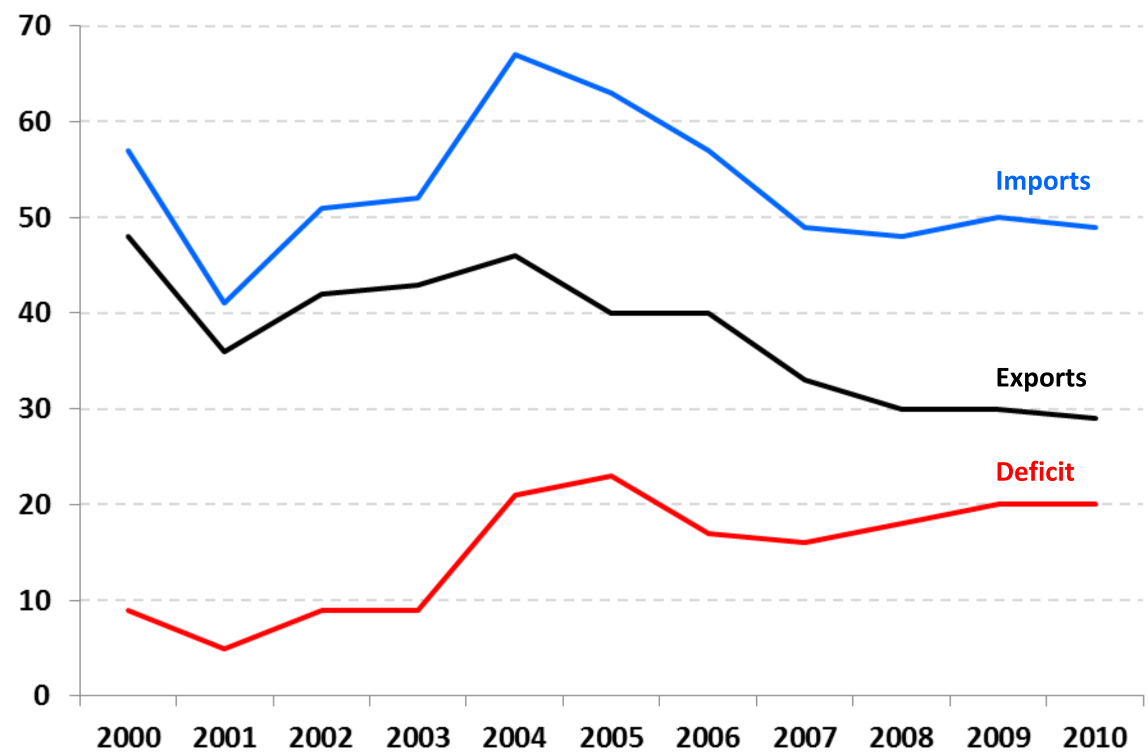
Box Table 1 :the Gambia and the LDC Graduation criteria, 2006 and 2009 reviews

	2006 review		2009 review	
	the Gambia	Graduation thresholds	the Gambia	Graduation thresholds
GNI p.c.	276.7	>900	286.7	>1086
Economic Vulnerability Indicator	55.7	<38	56.3	<38
Human Asset Indicator	41.5	>64	42.6	>66

Source: UNCTAD

Figure I.1: Relative Value of Trade to the Economy of The Gambia

Imports and Exports of Goods and Services as a Percentage of Gross Domestic Product



Source: Calculated from World Bank data accessed via http://data.worldbank.org/country/gambia.

The tertiary sector is rapidly developing, driven by tourism and construction, and currently contributes to over half of the country's GDP. This is a topic explored at greater length in Section VII.

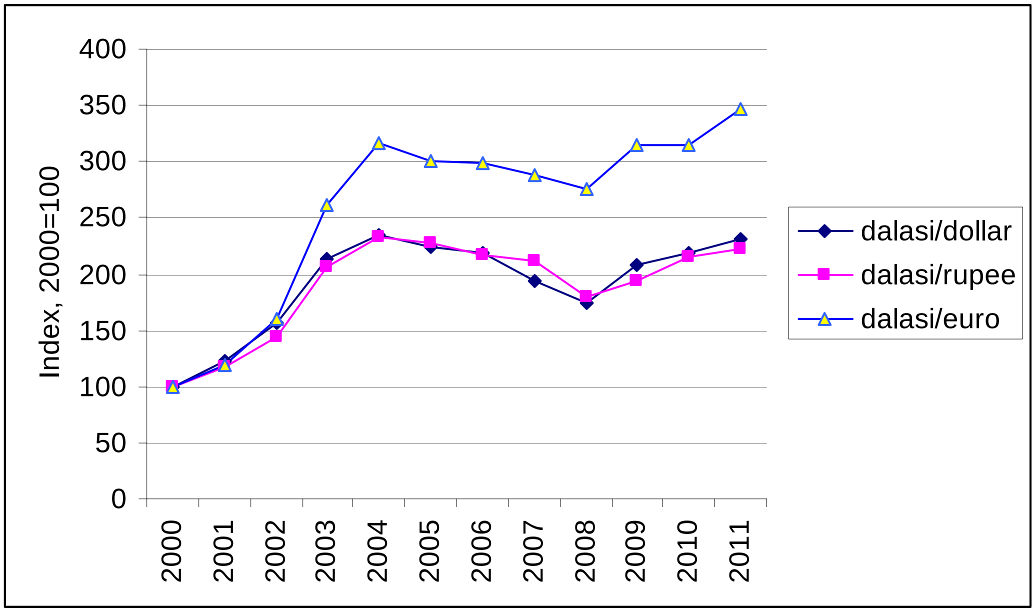
B.2: Trade and the Current Account

The data in Figure I.1 imply that the importance of trade to the economy as a whole has actually declined in recent years, with the ratio of imports and exports to gross domestic product having peaked in 2004. With both of these measures having been essentially flat in the years since the last DTIS, this suggests that trade is growing only at the same rate as the overall economy. If trade is to be an engine of growth and not just a passenger it needs to expand at a much faster rate than it has in recent years.

The Gambia has had a current account surplus since 2008, increasing its net foreign assets by $52 million in 2010. That comes at a time when the country still has a large and growing trade deficit, reaching $37 million in 2008. It is instead the net transfer payments that are driving the surplus. They have increased at an average annual growth rate of 7% since 2005, reaching $113 million in 2010.

Figure I.2: Exchange Rate Fluctuations, 2000-2011

Index 2000 = 100

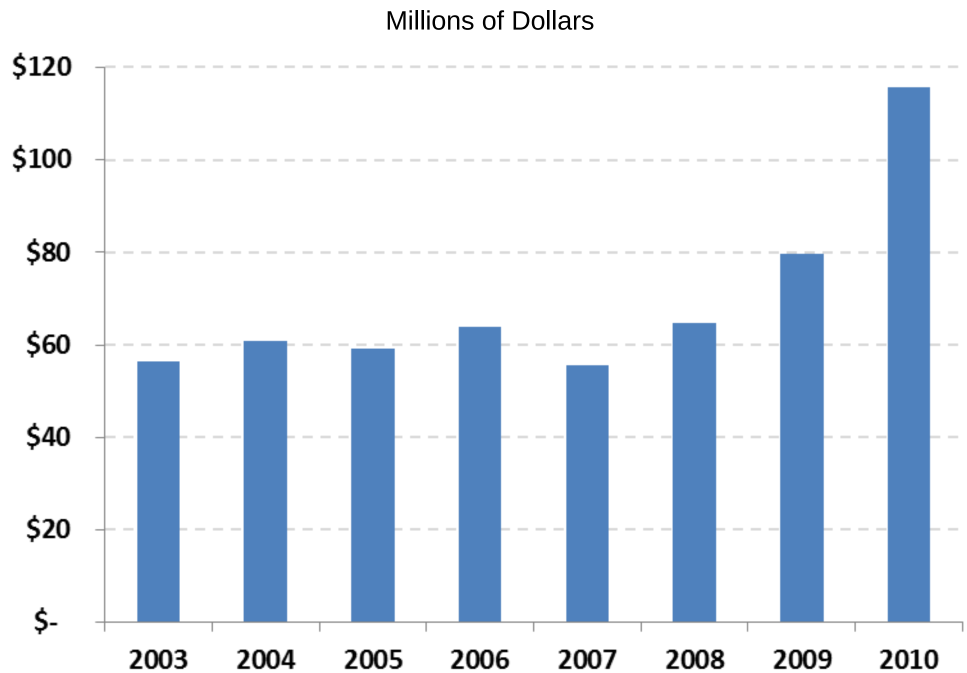


Source: UNCTAD calculations based on IMF IFS.

The Gambia's exports have been made more competitive by a depreciating exchange rate. The Gambian dalasi depreciated drastically with the euro and the CFA franc, which is pegged to the euro, and with the dollar and the Indian rupee, although more modestly. During the past decade, the exchange rate of The Gambian dalasi with respect to the above three currencies first went through a depreciation phase, which lasted until 2004, followed by an appreciation phase until 2008. The start of the international crises, and the related increased demand for foreign currency in face of the rising international commodity prices, has marked the beginning of a new devaluation phase (see Figure I.2). This depreciation would appear to involve more than just change in relative prices: Although inflation can have a role to play in the rise in the domestic price level, it does not appear to explain the extent of the depreciation that we see in Figure I.2.

The data in Figure I.3 show that remittances constitute an important source of foreign capital. This source of earnings has also shown some resilience to external shocks: They have increased to $70 million in 2009-10, from 62% in 2005-06, and they account for 7.4% of The Gambia's GDP and for 26.2% of The Gambia's trade in goods and services. While there are certainly great benefits for the country coming from remittances, they also point to a problem. To the extent that this source of income rises faster than does trade in general it suggests that the opportunities outside the country are growing more rapidly than those in The Gambia. It would benefit the country to continue to receive payments from its expatriates, and indeed to work towards the reduction in the costs associated with the transfer of money from abroad, but efforts to improve the business climate and to expand trade, investment, and development at home should receive even greater attention.

Figure I.3: Receipts of Workers' Remittances and Compensation of Employees in The Gambia



Source: Calculated from World Bank data at http://data.worldbank.org/indicator/BX.TRF.PWKR.CD.DT.

B.3: Debt and Foreign Assistance

The Gambia has been successful in reducing its external debt stock over time. Thanks to international debt reductions and a rapid rate of economic growth, its external debt stock fell from 122% of GNI in 2000-01 to 65% of GNI in 2009-10. The current level is considered by the IMF as sustainable.[3] During the period 2009-10, $268 million of The Gambia's external debt was held by multilateral institutions, or 58% of the total, down from 71% in 2000-01.

The Gambia relies heavily on official development assistance (ODA) inflows. In 2010 the Gambia received $110 million into the country, amounting to some 11% of its GDP, up from $51 million in 2002. Gross disbursements to The Gambia have increased at an average annual growth rate of 19% during the period 2002-2010.[4] The Gambia's net ODA received corresponds to 67% of its gross capital formation, compared to just 28% in Senegal and 20% for the WAEMU average.

The Gambia benefits from the debt relief of the enhanced HIPC initiative, which includes the Paris Club bilateral creditors. It has had this status since December, 2000 and, having reached

[3] IMF (2011) Staff Report for the 2011 Article IV- Consultation – Debt Sustainability Analysis.

[4] Respectively the first and the last year of available data on ODA disbursements.

Table I.2: Debt-Related Indicators for The Gambia, Senegal, and WAEMU

Table 2: Debt-related indicators: the Gambia, Senegal, WAEMU

	the Gambia		Senegal		WAEMU average	
	2000-01	2009-10	2000-01	2009-10	2000-01	2009-10
External debt stocks (% of GNI)	122.2	64.9	77.6	28.0	139.1	44.6
External debt stocks (% of exports of goods, services and income)	374.1	166.3	256.4	80.1	397.5	40.7
Interest payments on external debt (% of exports of goods, services and income)	5.5	2.6	5.0	1.5	3.9	0.5
Interest payments on external debt (% of GNI)	1.5	1.0	1.5	0.5	1.3	0.4
Multilateral debt (% of total external debt)	70.8	57.6	52.9	52.7	53.6	57.3
Total debt service (% of GNI)	4.5	2.7	4.7	2.0	3.4	1.4

Source: UNCTAD calculations based on World Bank, World Development Indicators, online, data accessed in March 2012.

the HIPC completion point in November, 2007, it has also benefitted from the Multilateral Debt Relief Initiative (MDRI) since December, 2007. Both initiatives have reduced the external debt stock in 2008 to 47% of GNI, compared to 115% a year earlier, enabling The Gambia to lower its net present value of the debt substantially. The principle of additionality in aid[5] has been laudably respected by the international community. Gross ODA disbursements have been increasing, except in 2010 when the crisis-affected, debt-ridden creditors lowered their disbursements by 5%.

In spite of these positive developments, the debt burden[6] remains very high and requires a debt service equal to 2.7% of the country's GNI, which is double the average rate of UEMOA. In spite of the debt relief granted to The Gambia, its external debt stock has increased during the years of the international crises, moving from 47% of GNI in 2008 to 63.3% of GNI in 2010, highlighting a high degree of vulnerability to external shocks and fluctuations (see Table I.2).

The Gambia is more heavily dependent on aid than are its regional partners. In 2010, aid disbursements accounted for 11% of The Gambia's GDP, compared to 7.3% of GDP for Senegal and to 9.1% of GDP for the average WAEMU. Donors are investing more to develop The Gambia's economic infrastructure and services than in its neighboring countries. Like its regional partners, the total disbursements to the development of the national agriculture, forestry and fishery has remained at less than 1% of their respective GDP (see Table I.4).

Forty percent of total disbursements in 2010 were allocated to the development of social infrastructure and services. This reflects the impact of the donors' emphasis on Millennium Development Goals, which mainly focus on social sectors development, and it also highlights donors' approach to poverty reduction. While it is important to develop the social sectors and related services, sustainable poverty reduction requires the expansion of employment and income-earning opportunities in the urban and rural areas. For this, the development of economic

[5] This principle implies that debt cancellation will involve additional financing by the international community.

[6] With non-Paris Club bilateral creditors and those multilateral institutions that do not participate in the MDRI (i.e. all multilateral institutions except IDA; IMF and the African Development Fund).

Table I.3: Composition of Official Development Assistance to The Gambia, 2002 and 2010

Percentage of Total

	2002	2010
Total Sectors	69.8	81.6
Social infrastructure and services	34.4	40.0
of which education	12.5	6.0
Economic infrastructure and services	7.7	22.8
Production sectors	23.6	7.7
of which agriculture, forestry, fishing	21.2	6.6
Multi-Sector	4.1	11.2
Commodity Aid/General Program Assistance	17.3	14.6
Actions relating to debt	8.7	0.1
Humanitarian aid	0.0	0.7
Refugees in donor countries	1.1	0.0
Unallocated	3.0	2.9
Memo:		
Gross disbursements, US$million	50.9	110.2

Source: OECD Creditor Reporting System, data downloaded in March, 2012.

Table I.4: Gross Disbursement of Official Development Assistance to The Gambia, Senegal, and WAEMU

Percentage of GDP

	The Gambia		Senegal		WAEMU average	
	2002	2010	2002	2010	2002	2010
Gross disbursements, total	8.8	11.0	8.6	7.3	9.8	9.1
Social infrastructure and services	3.0	4.4	4.0	3.3	2.8	3.6
Economic infrastructure and services	0.7	2.5	0.9	1.1	0.9	1.0
Production sectors	2.1	0.8	0.9	0.9	0.8	0.9
of which agriculture, forestry and fishing	1.9	0.7	0.8	0.7	0.7	0.8
Commodity aid/Gen. prog. assistance	1.5	1.6	0.6	0.8	1.8	1.2
Humanitarian aid	0.0	0.1	0.0	0.0	0.0	0.4
Actions related to debt	0.8	0.0	1.2	0.1	2.6	1.2

Source: UNCTAD calculations, based on OECD/CRS database, data downloaded in March 2012.

infrastructure and productive sectors are critical. Such development would also decrease donors' assistance in food security (recorded under commodity aid), which has remained particularly high throughout the period analyzed.

Disbursements towards the development of economic infrastructure, mostly targeting transportation, have increased at an average annual growth rate of 22% during the period considered. The relative level of aid for productive sectors development has decreased, as well as that directed towards enhancing the productivity of the primary sector. The latter has fallen at an average annual growth rate of 5%.

It is to be hoped that, over the long run, The Gambia can gradually reduce its dependence on external development assistance through the development of sustained and sustainable domestic capabilities that can develop without external support. For the foreseeable future, however, aid will likely remain an important part of the economy. The DTIS has two recommendations for how The Gambia can better utilize that assistance. First, donors should be more proactive in developing productive sectors together with developing social sectors, in particular by targeting agriculture for its poverty-alleviating role. Second, the positive trend of supporting economic infrastructure and related services should be continued and strengthened.

As a post-HIPC completion point country, The Gambia is placed under the IMF assessment of its public financial management to ensure that reasonable governance standards are maintained. This should enable The Gambian Government to start negotiations with those international institutions that have not signed off the MDRI or with non-Paris club bilateral investors, to decrease its external debt further; to ensure that its debt remains sustainable, The Gambia has to invest in the development of its productive capacities.

Domestic debt is also significant, as the government's debt is costly and poses substantial rollover risks. Yields are very high in real terms and much of the domestic debt consists of T-bills with maturities of one year or less. Total interest on government debt consumed about 22% of government revenues in 2012, of which 18½ percentage points for domestic debt.

C. Economic Reforms since the Previous DTIS

Several institutions that now exist or are in the process of being established were not in place at the time of the last DTIS. These include The Gambia Revenue Authority, The Gambia Standards Bureau, the Gambia Competition Commission, the Gambia Food Safety and Quality Authority, and (as an independent body), and The Gambia Bureau of Statistics. Other reforms enacted since then include enactment of the Telecommunications Act 2009, The Gambia Investment and Export Promotion Act, and other statutes listed in Table I.5.

The prospects for The Gambia are also affected by the pace and direction of economic reform in other West African countries, both collectively and individually. This point is especially important with respect to The Gambia's traditional role as an entrepot trader, as its ability to play this role tends to diminish as other countries enhance the competitiveness of their own port facilities, engage in further regional liberalization, and undertake autonomous, domestic reforms. The previous DTIS already noted the narrowing scope for Gambian activity in this field, and the country's advantages have continued to diminish in the intervening years. The value of re-exports as a share of exports has declined. The Gambia has since lost some of its competitiveness in the re-export trade to its neighbors, especially Senegal. The trade policies of the Union Economique et Monétaire Ouest Africaine (UEMOA), as well as the liberalization of

Table I.5: Trade-Related Laws Enacted, Amended, or Repealed since the Last DTIS

Area	Instrument/text	Entry into force
Civil aviation	Civil Aviation Act	2004, revised 2008
Competition: domestic trade	Competition Act	2007
Customs and excise	Customs and Excise Act	2010
	HS Tariff 2010	2010
Divestiture of state enterprises	Divestiture Act	2001, repealed 2009
Fisheries	Fisheries Act	2007
	Fisheries Regulations	2008
Food Safety	Food Safety and Quality Act	2011
Hoarding of goods	Hoarding Prohibition Act	2009
Information and telecommunications	Information and Communications Act	2009
Patents, industrial designs, and trade marks	Industrial Property Act	2007
Investment incentives and free zones	Gambia Investment and Export Promotion Act	2010
Labour	Labour Act	2007
Mining and minerals	Mines and Quarries Act	2005
Public health	Medicines Act	1984, amended 2007

Source: Adapted from WTO, Trade Policy Review of The Gambia *(2010), Table II.2, which in turn was based on information provided by the Government of The Gambia.*

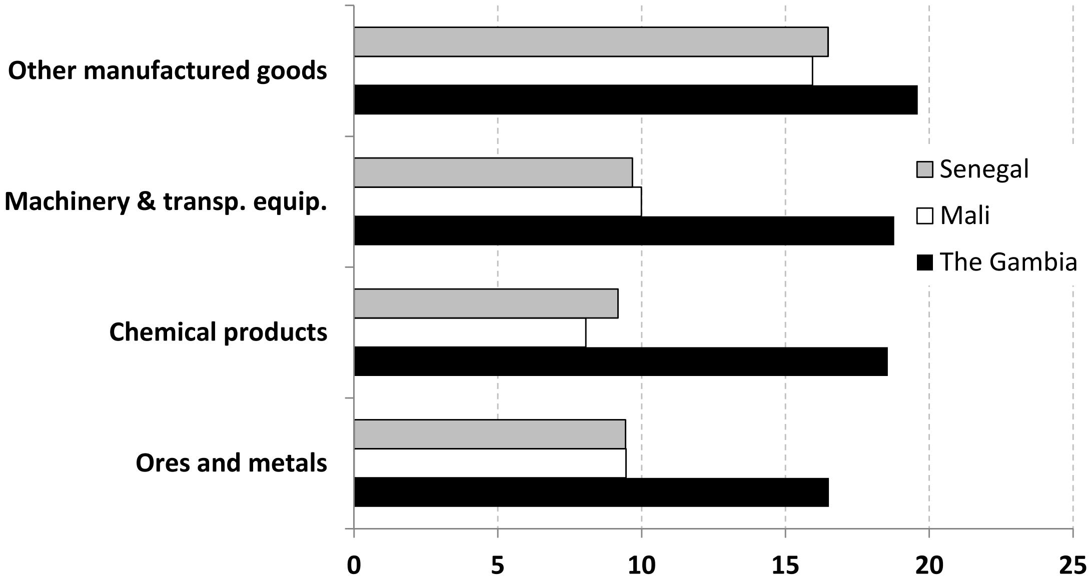
business in Senegal and the improvement in Dakar port services have helped to close the competitiveness gap, thus contributing to the loss of re-export business.

The data in Figure I.4 show that The Gambia protects its domestic market far more than its neighbouring countries in all sectors considered. For the general category of manufactured goods plus ores and metals the average effective tariff rate imposed by The Gambia in 2009 was, at 19.1%, considerably higher than those of either Senegal (13.2%) or Mali (12.8%). It is not easy to say how long this has been the case, due to the fact that no data are available for The Gambia prior to 2007 or after 2009. The available data nonetheless suggest that this is one of several respects in which The Gambia no longer appears to enjoy the advantages that it was once reputed to hold over its neighbors in trade competitiveness.

Even so, there remain some specific barriers or inefficiencies in other countries that continue to leave scope for Gambian entrepreneurs. Consider the case of Guinea Bissau, which imposes export taxes on cashews that reach as high as US$210 per ton. This creates an incentive for cashew exporter to ship their product through The Gambia.

Figure I.4: Effective Applied Tariffs of The Gambia, Mali, and Senegal, 2009

Percentages



Source: UNCTAD WITS Trains.

Section II:

Improving Trade Policymaking in the Gambia, Promoting Better Coordination with Other Ministries And Focusing on Trade Negotiations

A. The Mainstreaming of Trade and National Development Strategies

This revised DTIS builds upon and (where appropriate) recommends adjustments to the Gambia strategy documents that have already been developed to guide the economy as a whole and its specific sectors. It does not aim to replace or redo any of these existing strategies, but instead to complement them and assist in their realization. The appendix to this report presents a summation of the trade-related recommendations from the existing strategies of the country. The aim here is to assist in creating an environment in which those objectives can best be achieved.

The Government's overall guiding policy document remains *The Gambia Incorporated: Vision 2020* adopted in 1996. The strategy declared that —

> Vision 2020 seeks to transform The Gambia into a dynamic middle income country, socially, economically and scientifically over a 25 year period. It therefore sets out the broad outline of policies to facilitate the realisation of this objective. Six major activity areas relating to Agriculture, Industry, Trade, Tourism, Financial Services and Human Resource Development call for special attention in order to attain the given level of economic development. This document, The Vision Document, is structured around these activity areas.

Within the long-term scope of Vision 2020 one finds the Programme for Accelerated Growth and Employment (PAGE), which is The Gambia's development strategy and investment programme for 2012 to 2015. It thus replaces the earlier Poverty Reduction Strategy Paper (PRSP) of 2002-2006 and PRSP II of 2007-11. The PAGE is based on Vision 2020 and various sector strategies, providing a template for the government's long-term vision, and is also aligned with the Millennium Development Goals (MDGs). Its main objectives are to accelerate growth, create employment, and encourage decent wages in order to consolidate and sustain recent economic achievements and reinforce the gains in welfare achieved over the previous five years under the PRSP II.

Trade is an important part of the PAGE strategy, falling within the first of its five pillars. Among the most important trade-related objectives contemplated by the strategy are improvements in trade facilitation, the country's investment climate, and quality control. Each of these topics is also covered in some depth by the present DTIS.

These broader, national development strategies are further bolstered by sectoral or ministerial strategies that operate within their ambit. One such example is the Trade Policy Action Program the Ministry of Trade, Industry, Regional Integration, and Employment (MOTIE) developed in 2009 with support from the West African Monetary Institute. The objective of this program, which was validated by stakeholders in January, 2010 though not formally adopted by government, is to move The Gambia from a re-export economy to a producer of real domestic export goods and services.

Another important innovation in The Gambia's development since the previous DTIS is an emphasis on micro, small, and medium enterprises (MSMEs). "The overriding policy goal," according to the National Policy on Micro-Small and Medium Enterprises that was adopted in 2008, "is to promote the establishment of an enabling environment for MSMEs to contribute towards poverty alleviation and the development of sustainable livelihood that could bring about improvements in the quality of life of Gambians by the vision year 2020."[7] The emphasis on MSMEs is especially significant for potential growth sectors such as tourism. And as shown in Box II.1, one of the objectives in the policy statement stresses the importance of these enterprises for promoting exports and competitiveness.

The Gambia is now finalizing the National Export Strategy (NES), as summarized in Box II.2, with technical assistance from the Commonwealth Secretariat. The NES Vision states that The Gambia's goal is, "To become a world class exporting nation that is efficient and competitive leading to sustainable economic growth, wealth creation, and prosperity." That goal complements the Vision 2020 objective of transforming The Gambia into a dynamic, middle-income country by 2020.

B. Improving the Consultative and Policymaking Process

B.1: Coordination between Government Agencies

One horizontal issue of great importance is the process by which officials in The Gambia devise and pursue objectives in trade policy that involve the interests of multiple sectors and the jurisdictions of multiple governmental agencies. There does already exist machinery for consultations. MOTIE revitalized the Inter-institutional Committee for Mainstreaming Trade and Trade-Related Issues (MATTRICOM) in 2007 by linking government, the private sector, and civil society. It was later renamed the National Trade Policy Decision-Making Committee in 2009. Similarly, the ministry formed a Trade Negotiations Committee with a wide range of stakeholders, as well as Committee on Mainstreaming.

One laudable aspect of the policymaking process in The Gambia that merits special mention is the Technical Regulations Development Coordinating Committee. This inter-agency body exists in order to ensure that the laws enacted and other initiatives undertaken in The Gambia are coherent and consistent, and do not run afoul of the commitments that the country has made in international agreements and institutions such as the World Trade Organization. This is a more serious problem than might at first appear, given the broad definition that now applies to "trade" and the many areas of public policy to which it is related. The commitments that countries make in the WTO can affect such diverse areas of public policy as intellectual property rights, services, and food safety, and many countries have found themselves unintentionally to of compliance with their obligations by enacting laws or promulgating regulations that had not been vetted to ensure consistency with WTO obligations. That has proven to be less of a problem in The Gambia due to the vigilance of this group, and while the record is not perfect (see for example the discussion on trade in services in section V.A) it is much better in The Gambia than in some other countries.

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[7] Department of State for Trade, Industry and Employment, Micro-Small and Medium Enterprises (MSME) Sector: National Policy; Policies, Strategies and Action Plan Part II (2008), page 3.

Box II.1: Excerpt from the National Policy on Micro-Small and Medium Enterprises

Policy Objective 13: Export promotion and competitiveness of the MSME products

Policy Elements:

a) Given the low income levels in the country and the small domestic market, the growth in The Gambian economy would depend to a great degree on development of exports on a sustained basis.

b) The Gambia's exports have been fluctuating and presently is on the decline. The situation is not likely to reverse unless concerted efforts are made to expand the export base.

c) Exports from The Gambia currently face considerable constraints such as high shipping costs, poor infrastructure, inadequate storage facilities, poor quality control mechanism and lack of export strategy and promotion agency/institution.

d) Access to information on critical requirements of imports, processors, retailers and consumers is poor in all sectors of trade.

Strategies:

a) GOTG with assistance from ITC should develop an export strategy and establish an export promotion agency in an effort to enhance exports of Gambian produce.

b) Trade information system needs to be put in place to provide market information to producers/exporters.

c) Key government and private sector institutions should be strengthened in the field of export promotion.

d) Compliance with international standards should be improved through regional cooperation to meet the increasing standard requirements especially of the EU.

e) Mechanism to encourage international air carriers to operate in The Gambia should be developed to ease the inadequate and high cost of Freight.

f) MSME export producers should be encouraged to establish cooperative groups to reduce cost of exporting.

g) Improve infrastructure that would facilitate exports such rural roads, storage facilities, affordable electricity and transport.

Source: Department of State for Trade, Industry and Employment, Micro-Small and Medium Enterprises (MSME) Sector: National Policy; Policies, Strategies And Action Plan Part II (2008), pages 3-4.

Box II.2: Excerpts from the Draft National Export Strategy

NATIONAL EXPORT STRATEGY GOALS

The goals of the National Export Strategy are:

(i) To achieve export-led economic growth
(ii) Improve and sustain export performance
(iii) Achieve trade and export competitiveness

NATIONAL EXPORT STRATEGY OBJECTIVES

In line with the above goals, the NES seeks to achieve these objectives:

(i) Leverage the Market Access provided by the various Multilateral, Plurilateral, and Bilateral Preferential Market Access treatments
(ii) Promote the development of Packaging & Labeling to meet international market requirements
(iii) Institutionalize Trade Facilitation
(iv) Improve and institutionalize Quality & Standards Infrastructure
(v) Create employment and alleviate poverty
(vi) Promote women in exports
(vii) Develop human capacity in trade and exports
(viii) Improve and sustain the contribution of the NES sectors to GDP
(ix) Standardize administrative protocols that underpin export and trade procedures
(x) Institute an integrated trade facilitation framework

NATIONAL EXPORT STRATEGY CRITICAL SUCCESS FACTORS

For a successful implementation of the National Export Strategy, the following are imperative:

(i) Establish an NES Fund to be financed through a trade surcharge scheme as Government budgetary subvention would not be sufficient to implement the NES
(ii) Convene a Donors Roundtable to:
    a. Seek funding support and commitment for implementation of the NES activities
    b. Seek Technical Assistance and commitment for implementation of the NES activities
    c. Seek capacity building support and commitment for implementation of the NES
(iii) Create an M&E Committee responsible for tracking the implementation of the NES with oversight from the Ministry of Trade, Regional Integration & Employment
(iv) Reconstitute MATRICOM with the requisite authority at the level of Office of The President with the mandate for Trade Facilitation and responsible for the following:
    a. Review the existing Trade Facilitation process with the objective of streamlining export & trade documentation administrative procedures
    b. Undertake advocacy to render Trade Facilitation a means to enhancing trade competitiveness and not a means to policing of trade
    c. Achieve automation of the Trade Facilitation process by 2016

Ministries have varying perceptions of the utility of the existing institutions and procedures. On the one hand, officials in the Ministry of Foreign Affairs express satisfaction with these arrangements; on the other hand, officials in the Ministry of Finance and Economic Affairs believe that the process could be improved, especially with respect to consulting with other ministries at an earlier stage of an initiative's progress. The experience with the consultative process is generally seen in less favorable terms in the private sector. Organizations representing the business community express dissatisfaction on two points. One is that they are consulted too late in the process and are usually not asked their views until an initiative is at a late stage of development. These organizations would prefer that their views be sought at the idea stage, and not just when those ideas have been developed into full-fledged drafts. Second, they state that they are given too little time to comment on these proposals, often being asked to present their views in a matter of days rather than weeks. One response to these concerns is for a dissatisfied firm or association to bring its concerns directly to the president.

There is evidence to show that the views of the private sector are heard. GIEPA was created in part because the private sector had asked for just such an institution to promote exports, investment, and support business innovation and entrepreneurship. The draft National Export Strategy provides that —

> **PUBLIC PRIVATE PARTNERSHIP** as an essential building block of the NES is intended to forge a complementary business relationship between the Government and Private enterprises for the successful implementation of some of the identified strategies of the NES. The objective is to promote private sector participation in some of the value chains identified in the NES document. It is expected that this would allow for a more efficient and competitive export sector. It is also expected that the PPP initiative would help bring about greater dialogue and foster better cooperation between Government and the Private sector.[8]

It calls for the adoption of "a bottom-up approach to entering into" trade agreements by which "all agreements to be entered into would be preceded by a needs assessment through the consultative dialogue and advocacy mandate of The Gambia Investment & Export Promotion Agency."[9]

The question arises as to whether current arrangements are optimal, and if it is efficient to have two coordinating institutions. Authorities should consider whether it would instead be advisable to consolidate the National Trade Policy Decision-Making Committee and the Trade Negotiations Committee into one. There is also a need to establish a focal point in each ministry that would deal with matters affecting trade policy.

B.2: The Gambia Revenue Authority

The GRA was created by The Gambia Revenue Authority Act in 2004, which merged the former Customs and Excise Department and the Income Tax Office.[10] The GRA is headed by a Commissioner General and has two main operational departments: Customs and Excise Department and Domestic Taxes Department. The first of these departments is responsible authority "for collecting duties and import sales tax in respect of goods imported into The

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[8] Draft National Export Strategy (2012), page 6.

[9] *Ibid*., page 7.

[10] FAQs on Customs Services (Gambia Revenue Authority).

Gambia".[11] The GRA also manages the borders, ports, and airports to "ensure that no prohibited or restricted goods or articles are imported into the country; including prevention of smuggling activities".[12] The services provided by this department include "examination, valuation and classification of goods to ensure that correct Customs tariff is applied, the correct duty is levied and taxes paid".[13]

B.3: The Gambia Standards Bureau

The establishment of a Gambia Standards Bureau (GSB) is an important step both towards the development of standards on imports as well as keeping Gambian exporters informed on the standards that they need to meet in order to enter foreign markets. This body, which was established with assistance from the Commonwealth Secretariat and the West Africa Quality Program (WAQP), came into being in late 2011. The WAQP is an EU-funded, UNIDO-executed, ECOWAS-implemented program that seeks to "strengthen competitiveness and to ensure compliance with international trade rules, in particular the WTO agreements on TBT and SPS, through the establishment and/or strengthening of national and regional support infrastructure for the improvement of quality, and for the delivery, along international good practice, of support services in standardization, conformity assessment and accreditation."[14] The GSB is a member of the International Organization for Standardization (ISO), the International Electrotechnical Committee (IEC) and the Standards and Metrology Institute for Islamic Countries (SMIIC).

Prior to the creation of the GSB it was the National Codex/Sanitary and Phytosanitary Standards Committee (NCSPSC), as discussed elsewhere in this report (see section IV.B), that was responsible for developing standards in its own area. Some of those standards were developed through incomplete procedures and will need to be vetted by the GSB through proper procedures when the agency is fully operational. The institutional division of labor now provides that the NCSPSC takes the lead in developing standards on food-related items, which are generally based on Codex Alimentarius standards, but the GSB has sole authority to publish these standards. (It is MOTIE that makes notifications to the WTO.) In 2012, for example, the GSB published standards that the NCSPSC developed with respect to such important items of domestic production and/or consumption as rice, flour, tomato paste, sugar, peanuts, water, and edible fats and oils, as well as on horizontal matters such as food labeling, food hygiene, and advertisement.

The creation of this new institution was a process that encountered some delays and problems. A joint OECD-WTO case study of this project reached some critical conclusions, based on the fact that progress was achieved in just two out of the six operational results. Among the "lessons learned" in the establishment of the GSB are that "[t]here has little been focus on the agents responsible for producing goods and services whom should be the ultimate beneficiaries, "with the project having instead "focused mainly on the development of the legal, policy and institutional framework." Based on this observation, the study concluded that, "Activities should

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[11] FAQs on Customs Services (Gambia Revenue Authority), cover page.

[12] *Ibid*.

[13] *Ibid*.

[14] WAQP Project document.

be directly targeted to the private sector operators to ensure they are informed and trained in order to increase their technical ability to access markets."[15]

The GSB is presently developing its capacity in the fields of standardization, metrology, and conformity assessment. It hopes to have a fully operational metrology operation by the end of 2013. In the meantime staff need to be hired and trained, and may also benefit from exchanges with counterpart agencies in other countries where they can learn best practices. According to accepted international practice the general role of a standards bureau is to develop voluntary standards and technical regulations, and also sometimes to provide testing, metrology and certification services to other authorities and industry. It is important to avoid any confusion of roles between the agencies responsible for *the development* of such standards (standards bureau) and the agencies responsible for the *implementation* of international SPS standards (notably Codex, IPPC, OIE). The standards body cannot perform the technical functions of food safety, animal and plant health agencies. GSB officials emphasize that theirs is not a regulatory institution, but is set up and mandated to provide part of the enabling environment through the publication of standards and their dissemination, the provision of conformity assessment and metrology services. That then allows regulators in other bodies to rely on objective foundations to effectively enforce their mandate, basing their technical regulations on any of these standards and also avail themselves of credible testing services.

B.4: The Gambia Competition Commission

The Government of The Gambia enacted a competition law in 2007, and established The Gambia Competition Commission (GCC) as an independent public body in October, 2008. Using the South African law as a model, the commission seeks to use competition policy as a means of promoting small and medium enterprises. The GCC has already worked on such matters as money transfers, health insurance, and the marketing of rice, but also recognizes in its *Strategic Plan 2001-2013* that the institution "needs to undertake considerable internal capacity building and external sensitization, to ensure that business and consumers are fully aware of their obligations and opportunities under the Act."

There are currently four commissioners on the GCC, with a staff compliment of 20 headed by the Executive Secretary. They include professionally qualified staff in the Policy and Research Department, the Enforcement Department, and the Legal Department and the Corporate Services Department. The GCC investigative team is split between lawyers and economists, and may also take on a certified chartered accountant.

It is difficult to overstate the importance of competition policy. While it is sometimes proposed that competition policy be made a topic within trade negotiations, if one takes a longer view it is apparent that trade liberalization is a subset of competition policy rather than the other way around. To the extent that this new institution serves to complement those initiatives that open foreign markets to Gambian goods, and to ensure that the domestic market operates on free and pair principles, it may make on the most important contributions of any government agency to the development of the country and to ensuring that the benefits of economic growth are shared by consumers and producers.

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[15] OECD and WTO, *Aid for Trade Case Story: The Implementation of the West African Quality Programme in The Gambia* (no date; c.2011), page 6. Available on-line at http://www.oecd.org/dataoecd/19/33/47706898.pdf.

Following the Gambia Competition Act 2007 Review by UNCTAD, certain recommendations were made concerning substantive parts of the law and institutional framework. In terms of the former, amendments need to be made to the Act in order to correct for the misuse of the term "object or effect" as an assessment criteria in certain contexts. For example, in cases of horizontal price fixing agreements or the existence of minimum resale prices these criteria should not be applied, in contrast to the implications of the Act. The misuse of these criteria gives rise to the suggestion that there are some forms of collusive agreements that would either be defensible or exempt under the Act that would otherwise not be. Further, the Act contains a dual remedial approach whereby collusive and non-collusive restrictive agreements are treated differently in pecuniary terms. Given that each type of agreement can give rise to similar effects, it is difficult to rationalize the need for two approaches. Lastly, the Act suffers from both complexity and poor drafting. A simplified Act would reduce the cost of human and financial resources whilst better drafting reduces mistakes, ambiguities and legal uncertainties.

The review also raises to recommendations for the Gambia Competition Commission Guidelines 2008. In particular, it is highlighted that the guidelines should form a comprehensive explanation of the issues at hand that, in the absence of case law, should be appropriately contextualized within the market structures and economic circumstances of the Gambia. The review analyses the act with the aim of aiding the Commission not only in developing more suitable guidelines, but also in building awareness of the legal rules and goals in order to reduce conflict within the Gambian legal system. It is further recommended that the Commission utilize media such as brochures, practice notes and directives to supplement the guidelines, whilst also embracing technology to aid dissemination.

The GCC has an ambitious strategic plan that calls for it (among other tasks) to carry out approximately five formal investigations per year; choose cases by following its prioritization criteria; balance caseload to ensure no significant sectors or types of anti-competitive behavior are ignored; advise Government and other state bodies on competition issues arising from its policy work; conduct surveys of business community to assess and track awareness of the Act and the work of the GCC; conduct targeted awareness campaign focused on SMEs; and maintain activities promoting awareness among core large business and legal communities.

In this framework there are number of activities that may be carried in order to strengthen the Competition Commission. These include, but are not limited to: the production of a case handling procedural manual for Commission use, the training of case handlers on cartel and other related procedures, study tours for competition officials, twinning programs with advanced competition agencies and capacity building within the Commission on the issue of knowledge management.

The WTO could provide training and capacity-building assistance to the Competition Commission by holding a national workshop on competition policy, as it has been done in past years in other African countries.

B.5: Potential for Public-Private Partnerships: Laboratories and Credit Bureaus

There are areas in which government agencies may explore ways that they may work productively with the private sector on outsourcing functions or otherwise cooperating with enterprises that provide services on a for-profit basis. This may be especially advisable where there are important skills or resources that are in greater supply in the private sector than in government, and where it is more efficient and cost-effective to make use of those resources than to seek to duplicate the expertise in government bodies that are burdened by the tasks that have already been assigned to them. Two examples may be cited.

One concerns the provision of laboratory services. Given the difficulties that some of the most important export industries of The Gambia have faced, notably groundnuts and fish, the need for these services is self-evident. It is also apparent that the Government of The Gambia has not yet been able to provide these services in the degree needed by these and other domestic industries. There are several government laboratories in place, but the availability of qualified personnel and necessary supplies (e.g., chemical reagents for tests) is a continuing problem. If a laboratory were to be established by private investors, with the necessary equipment, supplies, personnel, and accreditation, it could be a boon to the government, the economy as a whole, and the investors.

Credit information offers another example of a market niche that could be filled by private capital. The fact that banks cannot presently know the true levels of liability entailed in lending to a specific firm or individual raises the cost of capital for the Gambian economy as a whole, and the exaggerated risk premium imposes a barrier to new investment. The efforts thus far to establish a government-operated credit reference bureau, while well-intentioned, have encountered significant difficulties (see section II.D.2.iii below). In many developed countries credit-reference services for banks and other creditors are provided by for-profit firms. The same could be done in The Gambia, provided that accommodating revisions are made in any relevant laws and regulations and proper safeguards are put in place regarding the privacy of individuals and firms whose information is collected.

C. Improvements in the Collection and Dissemination of Economic Data

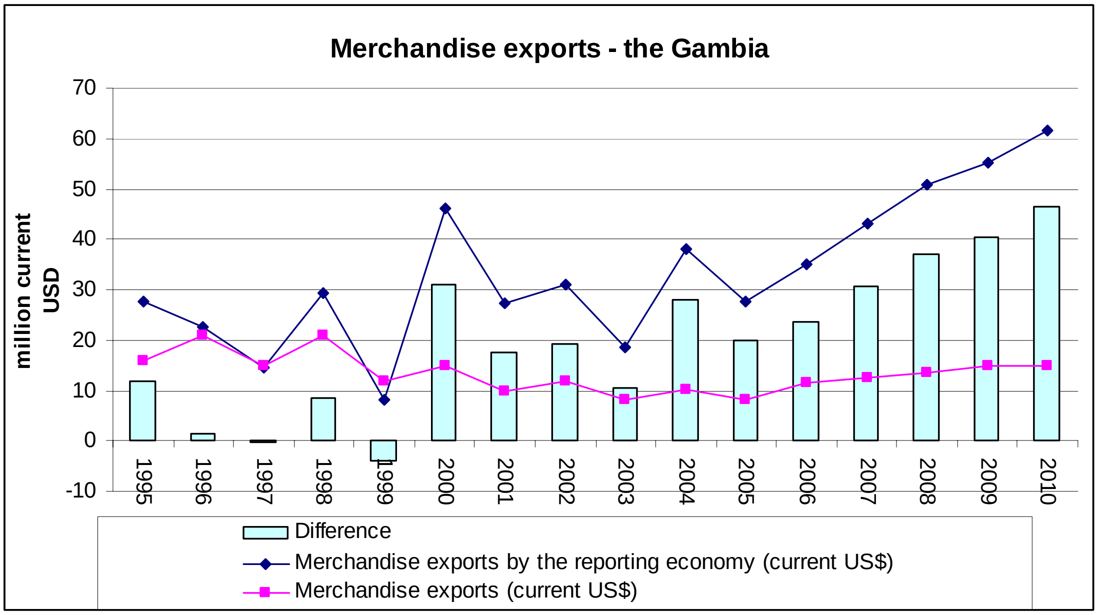
The present analysis relies on numerous sources of statistical data, including those from both national institutions (principally The Gambia Bureau of Statistics [GBoS]) and international bodies (including UNCTAD, the World Bank, and the International Monetary Fund), but also acknowledges problems with the data. While there will inevitably be some differences in the data between any pair of sources, with the causes ranging from distinct methodologies and definitions to the consequences of differing shipping schedules and exchange-rate calculations, the discrepancies one finds in comparing different data sources on The Gambia are unusually large. In the case of data on the country's merchandise exports, for example, the total value of exports during 2008-2010[16] reported by the IMF and local sources were, at $182 million, more than twelve times larger than the $15 million reported by UNCTAD. The discrepancies are not quite as large on the import side but are still substantial. The range in reported values for the country's merchandise imports ranged from $301 million (according to UNCTAD/common database data) to $858 million (according to the IMF and local data); the highest value is thus nearly three times larger than the lowest. The problems with trade data are further elaborated upon in Box II.3 (Perhaps most worrying is the fact that the Gambian Bureau of Statistics indicated that they do not have *any* statistics on the value of goods that are exported or imported.) Similarly diverse numbers can be found for data on foreign direct investment in The Gambia, the country's gross domestic product, and other important yardsticks of commerce, productivity, and development.

[16] A three-year period is chosen here in order to reduce the degree to which distortions in the data may be attributable to something so simple as differing shipping schedules (e.g., exports from The Gambia that depart the country in December of one year may be counted as imports in another country in January of the next year).

Box II.3: The Merchandise Export Data Problem

Internationally derived merchandise trade data for The Gambia differ from the domestically generated figures and also among themselves. The discrepancies between national and international data on merchandise trade also appears to be increasing over time. Box chart 1 highlights the extent of the difference (light blue bars), which has been widening since 2005.

Box Chart 1



Source: World Bank. World Development Indicators. Online. Data downloaded in April 2012.

While in the late 1990s the two series were more or less following similar trends, in the 2000s their trends have diverged, particularly since 2005. While the domestically reported data follows an upward trend, the international data seems to be having a flat one.
There are two possible reasons for this divergence; one is methodological while the other one is of a more 'practical' nature. From a pure methodological perspective, the UN Manual on International Trade Statistics (1998) calls for

- goods in transit (i.e. "goods entering and leaving a country with the exclusive purpose of reaching a third country", p. 19) to be <u>excluded</u> from merchandise trade statistics;
- re-exports are to be <u>included</u> in the country exports (p. 28). Re-exports are defined as "re-exports of foreign goods, in the same state as previously imported, from the free circulation area, premises for inward processing or industrial free zones, directly to the rest of the world" and "re-exports of foreign goods, in the same state as previously imported, from premises for customs warehousing or commercial free zones, to the rest of the world" (para. 78, (e) and (f), p. 27-28.

There are no reliable data on re-export trade as these numbers are not captured in official trade statistics, and "there is general recognition that re-export activities have long been one of the most important industries in The Gambia" (DTIS, 2007: 61). The same report estimated that about 80% of The Gambia's merchandise exports then consisted of re-exports. Officials of the GBoS stated that they count re-export among exports, but that transit trade is never counted. This practice may result in artificially high export data. We suspect that there is no clear distinction between re-export and transit trade and that the latter is also considered to be a re-export, leading to artificially high exports.

From a practical perspective, it is interestingly to notice that since 2005, merchandise exports by the reporting economy seems to growing according to a linear trend (with a degree of fitting close do 99%), with an elasticity of 6.8. Also the fluctuations present prior to 2005 disappear completely in the post 2005 period. This finding raises some questions about the reliability of the domestically generated data.

Furthermore, there seems to be a discrepancy between IMF-reported and UN-reported data (through Comtrade). The IMF Balance of Payment statistics use a definition (based on the Balance of Payment Manual) that is not exactly equal to the one used by the remaining sources, which rely on the UN Concepts and Definitions. These differences arise from the way re-exports and transit trade are treated, and need to be addressed at the international level. Furthermore, the data reported in the 2009 and 2010 by Comtrade seem to lead to believe that some re-export data have been included in these last figures. Clearly, there is a need for a uniform method of data estimation.

Box Table 1: Merchandise exports of The Gambia

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
IMF - Balance of Payment Statistics				68	107	104	109	134	206	174	167
IMF - Direction of Trade Statistics	46	27	31	18	38	28	35	43	51	55	61
UNSD - Comtrade	16	6	4	5	18	5	11	13	14	66	65
Common Data Set	15	10	13	8	10	8	11	13	14	15	15

Source: Various databases.

Sources:
United Nations (1998) International Trade Statistics Concepts and Definitions, Series M, No. 52, Rev. 2, Sales No. 98.XVII.16.
World Bank (2007) DTIS From entrepôt to exporters and eco-tourism. EIF.

The problems with data are acknowledged both by the Government of The Gambia, which has made this area a priority in the PAGE strategy, and by international institutions such as the World Bank and IMF. According to the PAGE (page 35),

> Improving the quality of national statistics is a key component of the country's overall planning and economic development programme. To that effect, line ministries will contribute to the development of sectoral statistics, and their planning and research units will cooperate closely with and submit all data to the Gambia Bureau of Statistics in a timely manner. GBoS will set a schedule for publishing socioeconomic statistics and will aim to deliver timely information on economic performance to policy-makers and the public.

Monitoring and evaluation of progress are key parts of both PAGE and the programs of the international financial institutions, and a prerequisite for the rational allocation of resources for development. Resources that are devoted to this horizontal problem may thus pay dividends in many areas of public policy.

These discrepancies speak to a larger problem for decision-making on the part of Gambian policymakers, domestic and foreign investors, the international donor community, and other stakeholders. Reliable data are needed to identify leading and lagging sectors, prioritize issues, allocate resources, measure progress, and make adjustments, whether one is in the private or public sectors, and those judgments and decisions are made more difficult when the data on which they rest come into question. It is for this reason that the DTIS strongly recommends that greater efforts be made to improve the collection and analysis of economic data, including the comparison of national data with the corresponding data of (where appropriate) international organizations and/or trading partners. In the case of trade data, for example, it is always useful for a country to conduct periodic "mirror data" reviews of the statistics that its partners report to determine whether or not (for example) the data on its own exports to a given partner correspond to that country's import data, and *vice versa*. Where significant, persistent differences are found, and when those differences cannot be explained by such technical distinctions as how countries denominate the value of goods,[17] these discrepancies need to be explained. Whether the underlying cause is a multiplicity of mismatched statistical methods, poor record-keeping in the public sector, fraudulent activity in the private sector, or something combination of these and other causes, it is important to know the causes and seek to correct them. It may also be useful for experts in GBoS to receive further technical assistance from their counterparts in international organizations and financial institutions, and for statisticians in all of these bodies to make arrangements by which they will regularly exchange information, ideas, and solutions regarding the discrepancies in the data that they report.

Parallel reforms should also be considered for GBoS. This would involve not only better utilization of national data, but also checks of that data against its foreign counterparts. Considering the concerns over the undervaluation of imports, it would seem imperative that GBoS adopt the use of mirror data. Comparisons of trade data between The Gambia and its trading partners may identify products and sectors that appear to be evading formal commercial channels for purposes of avoiding taxes. This can be indicated if, for example, the European Union import data show consistently higher values or volumes of imports of a certain product from The Gambia than are indicated in The Gambia's export data, or if EU export data show consistently higher values or volumes for some item than do the corresponding Gambian import data. Such comparisons need to take into account various legitimate reasons for such discrepancies, such as the inclusion of shipping costs or differences in shipping schedules. This form of forensic accounting could help to target investigative resources, and perhaps to increase the collection of customs revenue, while also providing more complete and reliable data for trade analysts and policymakers. It thus represents one example of the type of team effort upon which this national trade strategy is founded.

This is not to say that there has been no progress in the statistical capacities of The Gambia since the previous DTIS. To the contrary, GBoS was made an independent agency, and the professionalism and the dedication of its staff are encouraging. Formerly a part of the Ministry of Finance, its independence helps to ensure the integrity of data. The four key elements that were required to bring the semi-autonomous agency into being were:

- The preparation of new legislation (The Statistics Act, 2004), that replaces the 1972 Act.

[17] For example, if one country counts its imports on a CIF basis and another country counts only the value of the good itself in its exports we should not be surprised to find that the reported value of imports in the first country is systematically higher than the reported value of exports from the second country.

- The creation of the Statistics Council, a body that handles the interface between the Secretary of State for Finance and Economic Affairs (SOSFEA) and the Statistician General, and making appointments to the Council.
- The appointment of the Statistician General as head of the new agency.
- The creation of posts within the agency, and making of appointments to them.[18]

GBoS set up a strategy for its priorities from 2007 to 2011, including the improvement of economic statistics. Specifically, GBoS focused its efforts on developing: new series of national accounts; new consumer price index (CPI); a producer price index (PPI); The Gambia Business Register (GBR); data on production of external trade statistics, as well as data on employment and earnings.[19] This strategy also contemplates human capacity development, such as staff training needs; induction-training in GBoS; on-the-job training; in-service training; diploma and degree training; and a comprehensive training needs assessment.[20]

One issue that has both analytical and concrete effects is the system by which values are assigned to imports. Valuation determines the tariffs that are applied, and also feeds into the flow of data on trade. This is an area where national practices are in flux and may need further reform.

The Customs and Excise Act 2010 of the Republic of The Gambia entered into force on May 28, 2010 and provides *inter alia* for the management of the customs and for the assessment of charges and collection of customs and excise duties. More precisely, it regulates administration of customs authority and importation; warehousing of goods; export processing zones and free ports; exportation; departure and clearance of aircraft and vessels, and overland departure; carriage of goods coastwise; manufacture of excisable goods; control of manufacture of excisable goods; duties; valuation of goods; provisions relating to securities; clearing agents and agents appointed by the commissioner general; prevention of smuggling and evasion; penalties, forfeitures and seizures. It also considers the objections, appeals, and review of decisions, as well as the legal proceedings, settlement of cases by the commissioner general, and miscellaneous.

As provided under the 2010 Customs and Excise Tax Act, The Gambia is in the process of switching from the Brussels definition of value to the WTO system. At present the primary source of information to determine value is the importer's invoice. The Brussels system gives customs officials fairly wide latitude to question these declarations, whereas in the WTO system the burden is on the customs authorities to prove that quoted values are incorrect. The Gambian Revenue Authority (GRA) is interested in taking the same approach as Tanzania in adopting a price database that was developed in India in order to check declared prices against a database. Officers of the GRA have received some training from the World Customs Organization (WCO), and more assistance in this regard would be welcome. The GRA especially needs capacity-building to implement their customs valuation database, including assistance in the development of their data model.

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[18] See Peter Hodkinson, *Master Plan of the Statistics System of The Gambia* (2004), p. 9.

[19] See *Strategic Priorities for The Gambia Bureau of Statistics: 2007-2011*, Initial Document for the Donor Round Table Conference 20-21 November 2007, pp. 5-7.

[20] *Ibid*., pp. 14-18.

The most important reform since the original DTIS was the transition from ASYCUDA 2.7 to ASYCUDA++ in mid-2010. Version 2.7 of the software did not include the full functionality that is required of a "state of the art" automated customs system, such as risk management and selectivity, nor was it capable of providing a full, open system allowing links with the trading community. The migration to the more advanced system was also necessitated by the fact that UNCTAD intends to discontinue support for the older system. Other countries that have made similar upgrades have experienced numerous benefits, including reduced processing and clearance times, increased revenue collection, simplification of procedures and enhanced transparency, and improved trade statistics.[21]

Many advantages can be drawn from this new system. This migration from one version to a newer version of ASYCUDA has brought several improvements, for example:

- The collection of the revenue has been upgraded[22]
- ASYCUDA ++ allows for Direct Trader Input (DTI) of manifest "data and this helps in resolving manual entries and thus minimizes errors and capturing of correct trade data".[23]
- DTI was to feed into Declaration Modules and this along with an Electronic Data Interchange through a Headquarters Server provides for interfacing between: customs officers throughout the country, the direct trader input bureau, traders, clearing agents, transporters, banks, other institutions.
- ASYCUDA A++ has a feature that allows for conversion of manifests into an XML format, which allows for capturing of manifest information into MODTRB and MODCAR formats. The MODTRB is a format relating to private businesses whilst the MODCAR is that relating to Customs. These two formats provides for full accountability of stock record of goods to be cleared as captured in a manifest.[24]
- ASYCUDA A++ deals with goods in transit to other countries.
- Validation: Depending on the validation outcome deposits in the bank account of the GRA are refunded.[25]

The revenue package will provide GRA officials and the private sector with in-depth knowledge of all tools and instruments relevant for the appropriate collection of revenue. This tool will also support importers to meet its customs obligations by declaring and paying an accurate customs duty.[26]

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[21] See for example Terence Leonard, "Saint Lucia's Implementation of Automated System for Customs Data (ASYCUDA++): Formalities Connected with Importation and Exportation-Automation" (2006), available on-line at http://www.asycuda.org/CaseStLucia.pdf.

[22] Interview with the Commissioner of Customs, Customs Head Office, Mr. Ansumana Trawally (June 4, 2012, GRA).

[23] Consultative Workshop on Trade Promotion & Facilitation. Ministry of Trade, Regional Integration & Employment. Prepared by: Benjamin A. Roberts, Director, Business & Export Development, GIEPA (March 16, 2011), p.5.

[24] *Ibid*.

[25] *Ibid*.

[26] See: http://www.wcoomd.org/files/1.%20Public%20files/english/revenue_package/revenue_package.pdf

GBoS officials confirm that the adoption of ASYCUDA++ has led to important advances in their analytical capabilities, as has their use of the EUROTRACE system. EUROTRACE is a computer system for the collection and analysis of external trade statistics that was developed by the Statistical Office of the European Communities (EUROSTAT). Efforts are also underway to improve regional collection and analysis of data. For example, GBoS is working with ECOWAS on an estimate of the level of informal trade. Within the national system, GBoS officials hope for faster improvements in the transmission of trade data from the GRA. This may well be achievable: According to the GRA, the connection now available should make it possible to establish a direct link between their server and GBoS, although it has not happened yet and it represents a major challenge for the GBoS officials. GBoS officials highlighted two major challenges. First, the lack of harmonious understanding and application of definitions for those who upload the trade date in the GRA (i.e. customs officials and clearance agents) and second, the need of speeding the upload of trade data, in order to produce updated statistics.

The interface between GAINDE/ASYCUDA ++ in The Gambia has not yet taken place. Connecting and harmonizing various customs systems are some of the main challenges identified by the Customs Head Office.[27] The problems include a lack of human capacities for the interface process and difficulties for monitoring CET between GAINDE/ASYCUDA ++ in The Gambia. In addition to Senegal, there are other countries that use the GAINDE system. This is the case of Cameroon, Congo, Ivory Coast, Gabon, Ghana, Libya, Madagascar, Morocco, and Togo. However, from the countries mentioned above, Senegal is the main trading partner of The Gambia. Therefore, an adjustment to the GAINDE system will take place in The Gambia for the main purpose of improving its trade relations with Senegal.

In order to facilitate trade, and to have a smoother transition from the Brussels system to that of the WTO, the Department of Customs & Excise needs to create new administrative instances. The principal need now is to ensure that GRA personnel receive the training they require in order to use the new technology and procedures to the best effect. The GRA requested a training session of two days to the World Trade Organization. On June 25 and 26, 2012, the Market Access Division of the WTO provided a workshop on the WTO Customs Valuation Agreement to officials of the GRA (posted in Banjul and from other cities), Private Sector; Ministry of Trade, Ministry of External Relations; Chamber of Commerce, etc. In addition to train adequately some clearance agents, it is crucial to verify that with their licenses (according to paragraph 217 of the Customs and Excise Act 2010) meet fundamental parameters for an adequate performance of their tasks. The GRA can create a list of those agents that have obtained the mentioned licenses.

Customs officials and clearance agents need specific, in-depth knowledge of certain subjects that need to be implemented for a smoother transition from the Brussels-to-WTO customs valuation system. For example, it is critical to reinforce their understanding and correct use of concepts associated with: valuation of goods under the WTO system, risk management in Customs, post-clearance audit (PCA), integrity, etc.

[27] Interview with the Deputy Commissioner of Enforcement, ISTR focal Point, Mr. Abdou MC Jallow (June 04, 2012, GRA).

Customs officials and clearance agents need training courses to build their capacity on the interface between ASYCUDA 2.7 and ASYCUDA ++.[28] These courses can be conducted by an expert on ASYCUDA itself. These stakeholders should be trained with regard to the appropriate classification of goods, so it is ensured that the correct customs tariff is applied. The construction of a single domain that fills the gaps between ASYCUDA 2.7 and ASYCUDA ++ can be done by a consultant expert on the field. It is recommended to train GBoS officials to fill the existing gaps of both systems with one single domain.

It is problematic for GBoS officials that there is no domain in The Gambia that allows the production of both extraction systems in one single Eurotrace domain. The differences between ASYCUDA 2.7 and ASYCUDA ++ are numerous and not only concerns to the codification systems relating to the classifications plans (systems of nomenclatures) but also that the structure of the file transmitted by the customs to the statistical office is also different.[29]

Among the other identified difficulties are the following:

- Lack of infrastructure and complementarities (Lack of better quality computers, electricity, generators and/or solar, running water).
- Lack of Customs reforms to modernize GRA, clearance procedures, and customs processes.
- Lack of Harmonization of the Collection of Taxes and other Charges at Different Customs border posts.

D. Horizontal Issues in Trade, Investment, and Development

D.1: The Attractiveness of The Gambia to Prospective Foreign Investors

One means of gauging the success of a country's integration into the global economy is to measure the incoming capital. The data illustrated in Figure II.1 suggest that The Gambia has lost ground since the last DTIS. UNCTAD data show that in 2005 FDI inflows amounted to $44.7 million (equivalent to 7.1% of GDP), similar to the capital going to Senegal. The rate of new investment grew for a few years thereafter, then fell sharply. By 2010 this flow of capital had shrunk to $37 million; that same year, new FDI in Senegal surged to $237 million.

What accounts for the relative decline in FDI directed towards The Gambia? Part of the answer may be found in measures of the relative attractiveness of different West African countries to prospective investors. The data in tables II.1 and II.2 offer some perspective on The Gambia's attractiveness as a destination for foreign capital, as measured by a series of indices issued by international organizations, journals, and non-governmental organizations.

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[28] Interview with the Commissioner of Customs, Customs Head Office, Mr. Ansumana Trawally (June 04, 2012, GRA).

[29] Email between Mr. Tunkara, the Chief Statistician of External Trade in GBoS and the consultant Mr. Oliver Delobbe, the current Eurotrace trainer for the European Union statistical office Eurostat. He has also conducted training missions on Eurotrace for ECOWAS, SADC, COMESA, CEMAC, UEMOA, CARICOM, Tchad, Gabon, and former soviet countries.

Figure II.1: Inflows of Foreign Direct Investment to The Gambia, 1990-2010

Millions of Dollars

Source: Calculated from UNCTAD data.

The most well-known of these indices is the "Doing Business" project of the World Bank, which ranks countries according to several specific factors affecting their friendliness to trade and investment. Table II.1 provides detail on The Gambia and its African neighbors, ranking them only with respect to one another.[30] The Gambia scored precisely in the middle of all African countries on this index, holding place #23 out of 46. The data are arranged here according to the relative strengths and weaknesses of The Gambia, such that the measurement in which it does best *vis à vis* other African countries is shown to the immediate right of the overall ranking, and the one in which it performs most poorly is in the extreme right. The measure by which The Gambia performs best compared to its neighbors is trade across borders, an observation that comports with the country's long-held reputation as an efficient trader. As is discussed later in this chapter, however, this is also a category in which the country has recently lost ground relative to its neighbors and competitors. The country also does comparatively well on the measures of enforcing contracts, construction permits, and starting a business. On the other side, The Gambia's worst performances are in the areas of getting credit and paying taxes (both of which are discussed at greater length in this chapter) and in protecting investors.

[30] Viewing the African countries in a global ranking, one can see that the continent as a whole compares poorly with other regions. These countries range from Ghana (which ranks #1 regionally but only #63 globally) to Chad (#46 regionally but #183 globally, the lowest score of any country).

Table II.1: Rankings of The Gambia and Other African Countries on the World Bank's Doing Business Index, 2012

Rankings Are on a Regional Basis; See Table II.2 for East African Countries' Overall Rankings Globally

	Overall Rank	Trade Across Borders	Enforcing Contracts	Construct. Permits	Starting a Business	Registering Property	Resolving Insolvency	Getting Electricity	Getting Credit	Paying Taxes	Protecting Investors
Mauritius	1	1	8	5	2	8	8	1	10	1	2
South Africa	2	23	13	1	5	10	7	25	1	7	1
Rwanda	3	31	3	13	1	5	36	2	2	3	3
Botswana	4	28	9	31	9	3	1	10	6	4	5
Ghana	5	6	5	36	12	1	17	4	6	13	5
Namibia	6	21	4	4	21	30	2	15	5	17	13
Zambia	7	30	15	35	6	16	14	21	2	8	13
Seychelles	8	2	14	6	15	7	38	33	39	2	9
Kenya	9	20	23	2	25	27	12	19	2	36	16
Ethiopia	10	33	7	7	11	19	11	12	33	6	19
Cape Verde	11	3	2	23	24	5	38	5	20	19	23
Uganda	12	34	20	21	27	22	3	27	6	14	23
Swaziland	13	26	40	3	36	23	4	37	6	9	19
Tanzania	14	7	1	45	20	37	19	8	12	25	16
Nigeria	15	27	16	13	17	46	15	43	10	27	9
Sudan	16	29	31	29	22	2	9	16	39	18	35
Madagascar	17	10	35	30	3	31	29	45	44	11	9
Mozambique	18	18	25	28	7	35	26	41	33	20	5
Sierra Leone	19	15	28	41	8	41	32	42	20	12	3
Lesotho	20	25	17	37	28	32	6	31	33	10	28
Malawi	21	37	21	41	26	15	24	44	20	5	13
Mali	22	24	26	17	16	14	18	18	20	34	28
The Gambia	23	5	10	15	19	20	22	26	38	44	45
Burkina Faso	24	43	18	9	17	18	16	29	20	30	28
Liberia	25	11	38	26	4	43	33	36	12	15	28
Senegal	26	4	30	27	10	42	10	40	20	40	44
Equatorial Guinea	27	17	11	18	43	11	38	9	12	37	28
Gabon	28	16	32	8	33	28	27	28	12	28	35
Comoros	29	19	34	11	40	9	38	14	33	16	23
Mauritania	30	22	12	10	34	4	30	24	39	41	28
Cameroon	31	32	43	16	23	34	28	3	12	39	19
Togo	32	9	33	34	41	40	13	11	20	33	28
São Tomé and Príncipe	33	8	45	32	13	39	34	7	44	21	35
Côte d'Ivoire	34	35	22	43	39	37	5	6	20	32	35
Burundi	35	42	41	39	14	17	38	34	39	23	5
Zimbabwe	36	40	19	40	28	12	31	39	20	24	19
Angola	37	36	46	22	38	24	35	23	20	31	9
Niger	38	41	27	38	37	13	20	17	20	29	35
Benin	39	13	44	24	32	25	21	30	20	38	35
Guinea-Bissau	40	12	29	20	31	45	38	46	20	26	23
Congo, Dem. Rep.	41	39	39	12	30	21	37	32	43	35	35
Guinea	42	14	23	44	44	33	23	22	33	42	45
Eritrea	43	38	6	46	45	44	38	13	44	22	18
Congo, Rep.	44	45	36	19	42	35	25	35	12	46	35
Central African Rep.	45	46	42	33	35	26	38	38	12	43	23
Chad	46	44	37	25	46	29	38	20	12	45	35

Source: World Bank, http://www.doingbusiness.org/rankings.

Table II.2: Rankings of The Gambia and Other West African Countries According to Selected Indices of Economic Policies, Performance, and Related Factors

Rankings Are on a Global Basis, Out of Approximately 180 Countries (The Exact Number Varying by Index); Countries Are Listed Here in Descending Order of Attractiveness According to the Average of the Five Indices; Numbers in Parentheses Show a Country's Rank Relative to Others on This List for a Given Index

Country	Doing Business (World Bank)	Competitiveness (World Economic Forum)	Economic Freedom (Heritage Foundation)	Corruption Perception Index (Transparency International)	Human Development Index (United Nations)	Average of the Five Indices
Ghana	63	114	84	64	135	92.2
Cape Verde	119	119	66	39	133	95.3
The Gambia	149	99	94	105	168	122.0
Senegal	154	111	120	94	155	127.3
Burkina Faso	150	136	85	83	181	127.5
Benin	175	104	118	94	167	131.8
Nigeria	133	127	116	139	156	134.3
Mali	146	128	117	105	175	134.7
Liberia	151	NA	154	75	182	141.4
Cote d'Ivoire	167	129	126	130	170	145.2
Sierra Leone	141	NA	152	123	180	149.6
Niger	173	NA	125	113	186	150.4
Togo	162	NA	155	128	162	152.6
Guinea Bissau	176	NA	149	150	176	163.0
Guinea	179	NA	141	154	178	163.6

Sources: http://www.doingbusiness.org/economyrankings/, http://www.weforum.org/documents/GCR10/Full%20rankings.pdf, http://www.heritage.org/index/, http://cpi.transparency.org/cpi2012/results/, and http://hdr.undp.org/en/statistics/.

NA = Data not available in the source for the country in question.

The data in Table II.2 include but go beyond the Doing Business measures, grouping the overall score in this World Bank measure along with four other indices. Averaging across the five indices, The Gambia ranks in third place among the ECOWAS countries. The Gambia's best performance is on the corruption perception index published by Transparency International, where it is perceived to be less corrupt than all but two countries in the region (the same two that score higher than The Gambia in the six-index average). The Gambia also scores relatively well in the Heritage Foundation's Economic Freedom index and the World Economic Forum's Competitiveness index, but does poorly on the United Nations' Human Development Index.

Beyond looking at where the country scores on any given measure among these i9ndices, it is also useful to review changes over time. These can show whether progress is moving in the right direction. Consider the case of the Corruption Perception Index published each year by Transparency International, in which The Gambia was ranked #105 in 2012. This is not only an unenviably low ranking, but also represents a very considerable deterioration from the position (#77) that the country held just on year earlier. The very rapid decline in the perception of The Gambia on the part of protective investors must be seen with some alarm. Conversely, the improving position of other countries ─ such as Senegal's movement from #112 in 2011 to #94 in 2012 ─ can make the relative attractiveness of The Gambia fall even farther.

It is difficult to know whether or to what degree prospective investors may utilize these or other indices when considering where to place their capital. They can sometimes be crude measures that only hint at the kind of factors that any prospective investor would want to review and verify when performing its due diligence. While we might suppose that the last of these indices figures less prominently in such investment decisions than do the former, it is reasonable to expect that all of the factors that are captured by these various measures will play some role in their choices of where to establish facilities. The Human Development Index also speaks more directly to the net effect that the country's natural endowments, when combined with foreign investment, domestic economic activity, and government policy, have thus far had on the wellbeing of the populace.

These indices appear to suggest that The Gambia is more attractive as a destination for FDI than several other ECOWAS countries, but also that there remain several respects in which the country may still improve its economic policies and performance. The question then arises, what might The Gambia do to enhance its attractiveness to foreign capital?

One reform that might provide further assurance to prospective investors is to reinforce the position that The Gambia is open to investment in all sectors. The WTO observed in its 2010 Trade Policy Review of The Gambia that although the GIEPA Act, 2010 "makes it clear that The Gambia is completely open to foreign and domestic investment in any 'field of lawful economic activity'" and that the only exclusions "are activities prejudicial to national security, detrimental to the natural environment, public health or public morality, or that contravene the laws of The Gambia," the Government nonetheless maintains a contingent right of review or restriction:

> The Government may reserve the right to own some or all of the shares in an enterprise operating in a "strategic industry", defined as one operating in mining or in petroleum exploration and refinery. Investments relating to the exploitation of mineralogical, petroleum, and fisheries resources are subject to certain restrictions as stipulated in the Mines and Quarries Act, the Petroleum Act and Petroleum Exploration and Production Act, and the Fisheries Act. A lease or a licence must be granted by the State, and investors are expected to reach a comprehensive agreement with the Government on the terms and conditions for exploration

> and production … There is no mandatory screening of foreign investment but such screening may be conducted if there is suspicion of money laundering or terrorism financing … The Gambia also maintains a few statutory state monopolies in certain areas of activity (mainly utilities, such as power).[31]

Two cases involving The Gambia that have been brought to International Center for the Settlement of Investment Disputes also speak to the treatment of foreign capital in the country, especially the one that is currently being adjudicated. An earlier case involved groundnuts and was discontinued after the parties settled out of court in 2001, but the other involves Carnegie Metals. The results of that case, which are still pending, may indicate to prospective foreign investors how their rights might be enforced in The Gambia.

D.2: Horizontal Impediments

There are several other matters of horizontal significance for the business climate and economic prospects of The Gambia. Below we discuss three horizontal impediments that affect most or all sectors of the economy, namely the tax system, electricity, and access to credit, followed by two horizontal incentives in the areas of trade preferences and investment promotion. In each of these areas there has been some progress since the previous DTIS — more in some than in others — but in all five areas there is further work to be done.

The issues identified below represent only the most serious and widespread problems, and do not constitute a comprehensive list. Other issues are also important and are being dealt with by government and the donor community. One such example is the lack of a land registry, which can be an impediment to foreign direct investment. This is the subject of a World Bank project that began in late 2012, with the aim of producing a set of proposed reforms in 2013.

D.2.i: Horizontal Impediment #1: The Tax System

The tax system is the one area in which, by the "Doing Business" standards of the World Bank, The Gambia does poorest in comparison to its neighbors. This is partly a matter of the burdens imposed by numerous, time-consuming tax payments, but the far greater problem is the overall rate of taxation on profits.

The tax system is problematic for both the public and private sectors. It is also an area where there is, at the time of this writing, a very significant reform process that is now underway. That reform, which consists in the first instance of establishing a value-added tax (VAT) and may be followed by the elimination of other taxes, is still a work in progress. The analysis that follows starts by reviewing the problems pre-VAT, then turns to the reforms.

The government has legitimate concerns over the lack of compliance with tax laws, including the undervaluation of imports, which leads to reduced government revenues as well as an uneven playing field for compliant *versus* non-compliant firms. That lack of compliance also exacerbates an already serious revenue problem, with the government recently observing that revenues as a percentage to GDP fell from 17.5% in 2007 to about 14% in 2011. "This has led to large fiscal deficits," the government stated, prompting it "to engage in a series of tax

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[31] WTO, *Trade Policy Review* (2010), page 14.

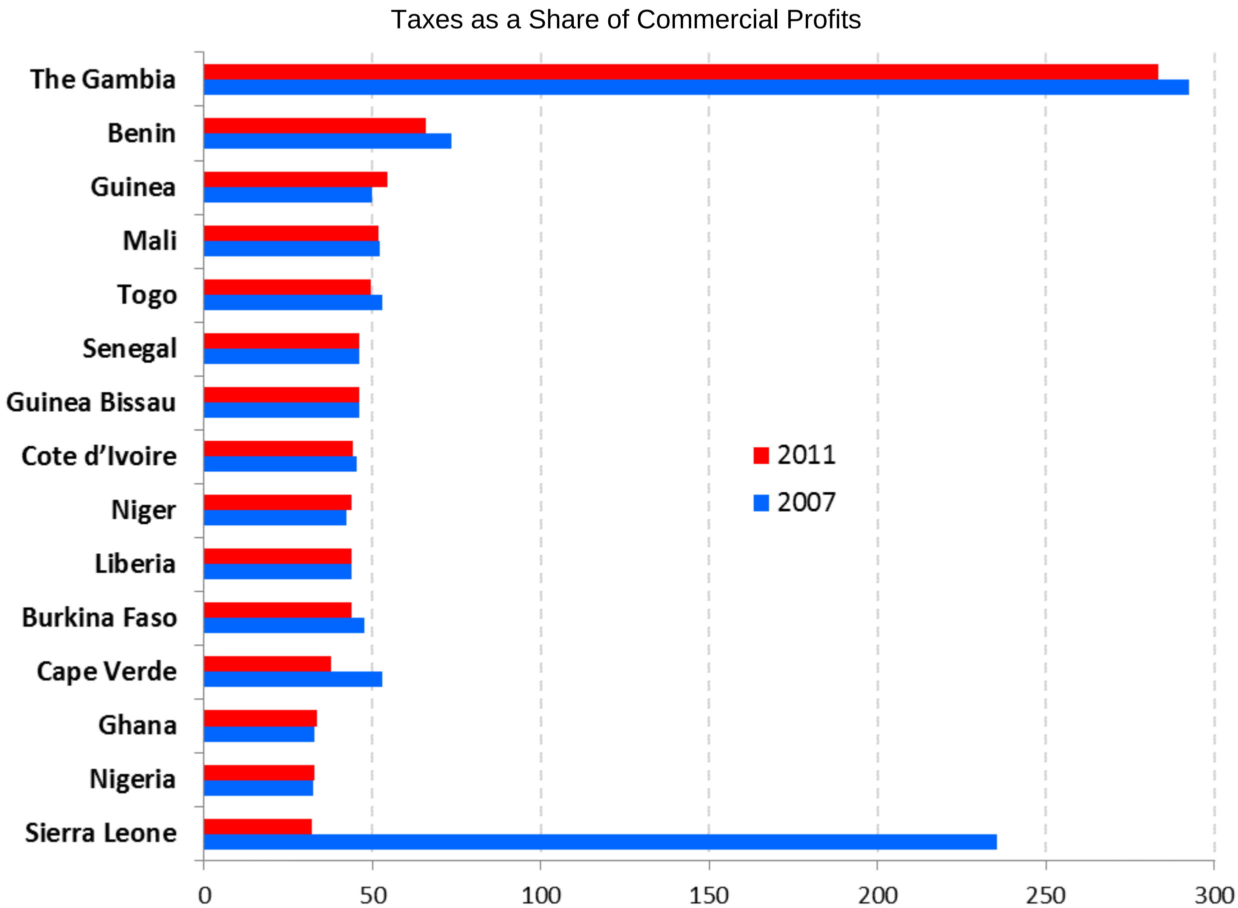
Table II.3: Rankings of The Gambia and Other ECOWAS Countries on the "Paying Taxes" Measures of the World Bank's Doing Business Index, 2012

Rankings Are on a Regional Basis

	Overall Relative Rank	Payments (# per year)	Time (hours per year)	Profit tax (%)	Labor tax & contributions (%)	Other taxes (%)	Total tax rate (% profit)
ECOWAS Average		46	349	14.3	19.2	27.9	61.4
Sierra Leone	1	29	357	17.6	11.3	3.3	32.1
Ghana	2	33	224	18.4	14.7	0.5	33.6
Liberia	3	33	158	0	5.4	38.3	43.7
Cape Verde	4	41	186	18.6	18.5	0.7	37.8
Guinea-Bissau	5	46	208	14.9	24.8	6.1	45.9
Nigeria	6	35	938	22.3	9.7	0.7	32.7
Niger	7	41	270	17.3	20.1	6.3	43.8
Burkina Faso	8	46	270	14.8	22.6	6.2	43.6
Côte d'Ivoire	9	62	270	8.8	20.1	15.4	44.3
Togo	10	53	270	9.3	26.5	13.7	49.5
Mali	11	59	270	10.8	34.3	6.6	51.8
Benin	12	55	270	14.8	27.3	23.9	66.0
Senegal	13	59	666	14.8	24.1	7	46.0
Guinea	14	56	416	20.9	22.8	10.6	54.3
The Gambia	15	50	376	6.1	12.8	264.6	283.5

Source: Calculated from World Bank data at http://data.worldbank.org/.

Figure II.2: Total Tax Rates of ECOWAS Countries, 2007 and 2011



The total tax rate measures the amount of taxes and mandatory contributions payable by businesses after accounting for allowable deductions and exemptions as a share of commercial profits. Taxes withheld (such as personal income tax) or collected and remitted to tax authorities (such as value added taxes, sales taxes or goods and service taxes) are excluded.

Source: Calculated from World Bank data at http://data.worldbank.org/indicator/IC.TAX.TOTL.CP.Z.

administration reforms and expenditure controls."[32] The private sector, for its part, has legitimate concerns over high rates on some taxes, the multiplicity of others, and the substantial costs of complying with the burdensome procedures of even those taxes that are set at low, "nuisance-level" rates. With the possible exception of the electrical system, there is no other area of The Gambian economy that is in greater need of reform.

The data in Figure II.2 reinforce the point that the tax burden in The Gambia — as it existed prior to implementation of the new VAT — was extraordinarily high, being several times greater than the typical rates that one finds among other ECOWAS countries. The reported share of taxes *vis à vis* commercial profits is in fact so high that one is left wondering how it was

[32] 2012 Budget Speech, page 12.

possible for a law-abiding, tax-paying entrepreneur to do business at all in The Gambia. If taxes reach 100% of commercial profits that would imply that a rational economic actor has no incentive to engage in any profit-making enterprise whatsoever, and yet these numbers indicate that the rate is more than twice that high. (The answer to that conundrum is of course that the actual rate at which taxes were collected fell well below what was provided for in law.) The rate has declined since the time of the previous DTIS, but only by a minuscule amount. The only other ECOWAS country that has had anything close to this level of taxation in 2007 was the once failed state of Sierra Leone, and since then that country has gone from having the second-highest to the lowest tax rate in the region.

The Array of Taxes. Domestic commerce and international trade are affected not just by the overall magnitude of taxes but also by their composition. In this respect the relative burden placed on the external sector has eased somewhat. The WTO observed in its 2010 Trade Policy Review of The Gambia that the ratio of trade-related taxes to GDP declined from 53% of tax and 40% of total revenue in 2003 to 33% of tax revenue and 24% of total revenue in 2009. During that same period other indirect taxes (e.g., the sales tax) assumed greater importance. The WTO further observed that the overall fiscal deficit declined during this period, but that trend was attributable mainly to increased grants.[33]

The draft National Export Strategy observes that the high import duties levied on imported raw materials constrain the ability of manufacturers to export their products. It notes that the following import duties are imposed:

- 15% upfront payment of sales tax on value of imported raw materials[34]
- 10% import duty on semi-finished products (5% on primary products)
- 5% import duty on primary commodities (products)
- 1.5% ECOWAS levy
- 0.5% processing fee

These duties add up to either 32% or 27%, depending on whether the imports are of semi-finished or primary products. In addition to these import duties, businesses that export to Senegal must pay a 2% customs processing fee.

There is an Ecotax collected at some customs border posts of The Gambia, such as in Barra, that is not collected at other customs border posts. Moreover, in some customs border posts there are other charges when officials work extra hours. However, these charges are not collected uniformly in different customs border posts. For example, these are charged at Farafenni, and at Basse but it didn't seem to be charged at Soma.

Beyond those taxes on imports and exports, businesses in The Gambia face a wide range of other taxes and fees. As catalogued in the draft National Export Strategy, they include the following imposts:

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[33] WTO, *Trade Policy Review* (2010), page 4.

[34] Note that it is not certain that this fee is still imposed upon importation. GRA officials state that these taxes are now imposed only upon actual sales of the products.

- Corporate income tax (32%) or turnover (2.5% for unaudited and 1.5% for audited accounts whichever is the case)
- VAT (15% standard rate)
- Sales tax (15%)
- Excise tax (5%) on ex-factory price for producing an excisable good
- Fuel tax (inclusive in pump price)
- Capital gains (5% of the Consideration or sales price or 15% of the gain – the higher of the two)
- Environment tax (GMD1 flat per employee per month)
- Property tax (flat rate 10% for rented residential properties and 15% commercial properties)
- Payroll tax – GMD10,000 ECOWAS Citizens
- Expatriate tax – GMD40,000 Non-ECOWAS Citizens
- Withholding tax for royalties - 15%
- Vehicle tax (fixed fee)
- Fringe benefit tax (this tax has various categories, it can be found in Chapter V: Sections 123 – 140 of the Income & Value Added Act 2012)
- Injuries compensation (1% maximum is GMD15 per employee per month)
- Municipal business license (varies)
- Social security contributions (10% of Gross Salary)
- National education levy (GMD30,000 – GMD50,000)
- Business registration (fixed rate)
- Stamp duties (varies). Some examples: Stamp duty on Memorandum & Articles of Association is D1000.00; Stamp duty on a Constitution is D100.00; Stamp duty on Bill of Sale is 5%; Stamp duty on Assignment is 5% (i.e., after the payment of Capital Gains Tax)

Excise duties are applied on fruit juices and other non-alcoholic beverages (5%); wines (10%) and spirits (15%); cigarettes and refined petroleum products (10%); precious metals and articles thereof (5%); and motor vehicles, and other products such as nails and soap (5%). The WTO noted that, “Imported soft drinks and imported beer are subject to higher rates than the corresponding domestic items,”[35] an observation that implies the possibility of a challenge to the WTO-legality of these measures (i.e., a potential violation of the rule of national treatment in sales taxes). The Gambia also imposes an environmental tax on unmanufactured tobacco at D75/kg; tobacco products at D10/kg; and used vehicles at D1,000 per unit.

In principle, no duties are collected for goods in transit[36] through The Gambia, and the following requirements are needed:

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[35] WTO, *Trade Policy Review* (2010), page 32.

[36] Interview June 4, 2012 to the Operation Ports Manager from The Gambia Customs Authority at the Ports, GPA Mr. Yankuba Darboe.

- Consignment form that certifies that the goods are in transit through The Gambia and where it's final destination.
- Customs Declarations (which is registered in ASYCUDA and has the invoice of the goods, bill, and packing list)
- Letter of application (seeking the approval for goods to go in transit and approval of escorts)
- T1 Form that specifies the details of the goods in transit
- Transit Bond (agent signs on behalf of the importer)
- Escort Form (signed and stamped, and validated on the ASYCUDA system at the border post)

In practice, re-exports are those goods that have been produced elsewhere, have been imported, and are exported to a third country. The agent needs to make the declaration which includes: evidence of payment of processing fees (to the GRA), ECOWAS tax, and Escort Tax.

Several approaches could be taken to reforming this system. The most obvious is to eliminate as many of the "nuisance" taxes as possible, replacing any lost revenue through an appropriate adjustment to the rates on other existing taxes. It is not necessarily the case that any taxes would need to be raised in order to compensate for the losses, as there could be significant gains from the dynamic benefits resulting from lower rates, less burdensome procedures, and higher levels of compliance. There may be a Laffer-curve effect at work. So named for American economist Arthur Laffer, the Laffer curve posits that — at least up to a point — reducing tax rates may actually cause tax revenues to increase as a result of increased economic activity. In the case of customs tariffs there is the related concept of the "scientific tariff," based on the notion that revenue will be maximized not by the highest tariffs but instead by those that are set at a level that encourages trade and compliance with the law.[37] Both of these constructions encourage dynamic rather than static calculations of the effects that tax or tariff cuts may have on economic activity and compliance with the law, such that nominally lower rates may indeed lead to higher rates of collection and hence total government revenue. There are limits to how far this logic may be pursued. One could not take these cuts to their illogical conclusion: Cutting rates in half might indeed lead to more revenue, but cutting rates to zero would mean eliminating all revenue. Another objection concerns the predictable consequences of specific exemptions. If all goods in transit were to be entirely exempt from duty, it is argued in some quarters, then importers would have a strong incentive to make fraudulent claims that any goods entering the country — including those destined for local consumption — are in transit and hence should be exempt from duty.

The VAT Reform. It is in this context that the VAT reform is so significant. The Gambia is part of an ECOWAS-wide initiative that favours the transition to a VAT system. The Income and Sales Tax (Amendment) Act 2012 replaced the existing sales tax with a 15% VAT on most goods and services, whether domestically produced or imported. The Central Bank and the World Bank both favored this reform. The Chamber of Commerce likewise favors the reduction

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[37] The main difference between the Laffer curve and the scientific tariff is that the former assumes that the increased collections come as a consequence of higher economic activity, while the latter also takes into account the capacity of importers to evade tariffs through smuggling.

and simplification of taxes, and the European Union similarly hopes that the introduction of this system will allow for the replacement of nuisance taxes.

More specifically, the Income and Value Added Tax Act of 2012 imposes a VAT of 15% on a taxable supply of goods, a taxable supply of services, or a taxable import (Article 142). The tax on imports does not apply to certain types of transaction, such as an import of goods that is exempt under an international assistance agreement (Article 156), nor does it apply to imports of goods in transit or that are sold to tourists at a duty-free sales outlet (Article 164). Unlike the previous sales tax, the new VAT applies to both services and electricity (except for domestic electrical and water supplies below certain levels). Certain activities are exempt from the VAT, including financial services, certain insurance, education services, most medical goods and services, many foods and agricultural products, agricultural and aquacultural inputs, and some domestic passenger transport. The law also provides as follows:

- Repeals the Income and Sales Tax Act No.19 of 2004 (Article 265[1])
- Imposes an income tax on chargeable income according to a sliding scale from zero to 35% (Article 10 and its schedule)
- Imposes a 3% tax on the gross revenue of non-resident persons operating ships or aircraft in The Gambia (Article 12)
- Imposes a 5-15% tax on capital gains (Article 105)
- Imposes a 10% residential rent tax (Article 116)
- Imposes a 35% fringe benefits tax (Article 124)

The expectations for the reform are high, with experts in government and the donor community hopeful that it will go a long way toward improving both the collection of revenue and enhancement of the business climate. Some nonetheless voice a note of caution, suggesting that vigilance will be needed to ensure that, after the first year or so of implementation, this new tax system does not fall into the same pattern of non-compliance that has plagued earlier taxes.

Other Reforms to the Tax System. Other reforms have also been recommended or are under consideration, and an IMF tax policy mission planned for early 2013 will make further recommendations. An earlier IMF consultative mission reported in early 2012 that —

> **On the revenue side, staff recommended near-term measures to reverse the drop in revenues that occurred in 2011, including an immediate adjustment in fuel prices, so that the full value of the excise taxes could be collected.** While this adjustment would provide a modest, but much needed revenue boost at the end of 2011, adhering to the fuel price formula going forward would have a strong impact and could recoup much of the 1% of GDP of revenues that were lost in 2011. Staff recommended additional measures for the 2012 budget to lift projected tax revenues to 13.2% of GDP — the same as was collected in 2010 — including extending the coverage of the general sales tax to electricity.[38]

[38] International Monetary Fund, *The Gambia: 2011 Article IV Consultation* IMF Country Report No. 12/17 (January, 2012), page 14. Available on-line at http://www.imf.org/external/pubs/ft/scr/2012/cr1217.pdf. Emphasis in the original.

The same mission also recommended "further tax reforms aimed at broadening the tax base, eliminating 'nuisance' taxes, and simplifying direct taxes, including by lowering both the number and levels of tax rates." These reforms would "complement and reinforce the ongoing push to improve revenue administration and compliance, "insofar as simpler and lower taxes "are easier to enforce and to comply with" while also "encourage[ing] the acceptance of the VAT."[39]

Another reform would be full implementation and enforcement of the reforms provided for in the Customs and Excise 2010 act, which are still a work in progress. Compliance remains a serious problem. The government received the results of its Commission of Inquiry on Tax Evasion in mid-2012, and while the results of that review are not in the public record they did lead to the dismissal of the board and management of the Gambia Revenue Authority. The IMF has further recommended that a tax tribunal be established in order to ensure fairness in the execution and arbitration of taxes. Most of those who were called before this tribunal were obliged by its findings to pay back-taxes.

It should be stressed that taxation is an area where there has been some progress since the previous DTIS, even if not all of the reforms have been fully recognized yet. One such example is the application of the excise tax, which in some sectors had been applied to imports but not to domestically produced goods. One notable example is the case of beer. That discriminatory practice was expressly in violation of GATT Article III, which provides that such taxes must be applied on the basis of "national treatment" (i.e., no discrimination between domestic and foreign firms in the application of sales taxes on like products), and was properly criticized as such by the IMF. The GRA corrected this discrepancy in late 2011, in a move that was quite unpopular with domestic producers but nonetheless required in order to come into compliance with the country's international obligations. This was a two-fold reform. In one step, the GRA discontinued the practice of collecting excise taxes on imports at the border in order to ensure that these products were not subject to double taxation (i.e., once upon importation and again upon sale). In another step, the GRA stationed revenue officers at breweries and other establishments in order to ensure that the same excise taxes that are collected on imported products are applied equally to domestic producers.

D.2.ii: Horizontal Impediment #2: Electricity

Electricity, like the financial sector discussed below, might be thought of as a separate sector. Given the tremendous impact that both of these sectors have on the rest of the economy, however, as well as the serious shortcomings in each of them, they are examined here as horizontal impediments. Investments made to improve each of these sectors will, if successful, produce benefits for many other sectors while also improving the quality of life in The Gambia. Of these two areas, electricity may be the most problematic. Lower cost and enhanced supply of and access to electricity are a precondition for the establishment of new industries or the expansion of existing ones in The Gambia. This will entail, among others: divestiture and unbundling of the utility; investment in generation capacity expansion and transmission equipment, possibly channeled through public/private partnerships; increased share of renewable energy and tackling distortions in fuel prices.

This problem received close attention in the previous DTIS, but there are few signs of progress since that time. The country's capacity to generate electricity has increased, yet there

[39] *Ibid.*, page 16.

remains considerable unmet demand. Due to a combination of unfilled demand and an inefficient distribution system, the highest volume of complaints from industrial and residential consumers concern either the unreliability of power or, during those periods when reliability is relatively good, the very high price of electricity.

The Gambia is presently in the process of developing a national energy strategy, with the African Development Bank, the World Bank, and the European Union providing assistance. This is an area where, in the views of the donors, the problems are well known and have been extensively studied, but where action to date has been slow and incomplete; to a large degree it is as much a matter of governance as it is of technical capacity. More competition needs to be introduced in the sector, including greater investment and improved infrastructure, as well as institutional reforms. The strategy will deal both with electricity (produced from hydrocarbons and alternative/renewable sources) and with other forms of energy, such as the inefficiencies associated with the fuel-import monopoly that is currently granted to Gampetroleum (a Euro-African group). As an interim reform, the government has adopted a fuel-pricing formula recommended by the IMF.

One issue concerns the division of decision-making and administrative authority. In The Gambia the Public Utilities Regulatory Authority (PURA) appears to be committed to reform, having written position papers for the government on the subject, but it is the state-owned National Water and Electricity Company (NAWEC) that ultimately is responsible for day-to-day operations. NAWEC is widely criticized for inefficiency and mismanagement. Ministerial authority is also seen as a problem, as the energy portfolio is in the hands of the President. While that arrangement has the virtue of elevating the issue to the very highest level of government, it also means that the Ministry of Energy lacks a full-time leader who can devote the entirety of his or her attention to the demanding tasks of management and policymaking.

It is widely recognized that The Gambia will need to attract more private investment in this area if it is to provide power that is both reliable and affordable. A World Bank study concluded that "public financing may not be available to meet [The Gambia's] future capacity needs," and thus "The Gambia must attract private investment to keep pace with its expected load growth." There are nonetheless several issues that impede the mobilization of private financing, including "the inadequacy of the transmission and distribution (T&D) network, NAWEC's poor financial performance, difficulties in regulation of the sector, a lack of fuel diversity, and the high cost of power."[40]

Private capital is a relatively new innovation in The Gambia's power supply. The first independent power producer (IPP) was established in The Gambia in 2007, but no others have followed.

A proposal under the Enhanced Integrated Framework (EIF) Tier 2[41] that will be implemented shortly follows the Batokunku experience in which wind turbine technology produces electricity and now supplies the village of Batokunku, and the excess is sold to NAWEC and transmitted through its grid. The aim of this project is to enhance the livelihoods of the inhabitants of three coastal fishing communities and the other satellite settlements through

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[40] Novi Energy, Energy Sector Diagnostic Review, Government of the Republic of The Gambia, Prepared for The World Bank (2010), page 4.

[41] Project identified in the current DTIS report, and aims to provide electricity to three artisanal fish landing sites along the Atlantic coast through wind powered generators.

environmentally sustainable artisanal fishery practices, better services to the fisher folk that meet the required standards to engage in international trade, and stimulation of productivity by reducing the cost of landing site services to fisher folk. It is expected that the project will improve the lives of 80% of the fisher folks in these three landing sites by reducing the cost of inputs including ice by 30%. This will improve the shelf life of their catches and thus meet international fish trading sanitary and phytosanitary standards to enable Gambian traders to access the international market. The reduced electricity cost will decrease the sites' operating costs and will generate approximately US$92,000 per year to the landing sites on sales to the national grid of green energy for the sustainable management of the sites. The project will also create job opportunities for unemployed youths, especially women (who make up about 80% of fish processors and 50% of small-scale fish traders nationally), and hence contribute to poverty alleviation within these coastal communities.

D.2.iii: Horizontal Impediment #3: Credit

Private investment in The Gambia, especially from domestic sources, is seriously constrained by the high cost of credit. Access to credit at the domestic level remains difficult due to the high lending interest rate. Although the latter has remained stable at 27% throughout the years 2008, 2009, and 2010, its rate is such that it is impairing the capacity of domestic enterprises to access credit. This is particularly worrisome in rural areas, where most of the poor are located.

According to the World Bank, in 2010 the share of domestic credit provided to the private sector was only about 16% of GDP, comparing very poorly to the Sub Saharan African average of 65% of GDP.[42] Therefore most Gambian enterprises prefer to use internal funds or retained profits to finance their business operations. Banks complain about lack of bankable proposals from businesses, lack of credit information, lack of financial statements, poor quality of applications, difficulty in liquidating collateralized assets, and poor corporate governance.

Much of the problem can be traced to a basic macroeconomic imbalance that is fiscal in origin. Banks are reluctant to lend to private industry because it is much more profitable to invest in government debt, and government debt is plentiful due to chronic deficits. This gives rise to a vicious cycle: To the extent that the demands of the state crowd private borrowers out of capital markets it is all the more difficult for entrepreneurs to establish or expand the businesses that might, in turn, generate the revenues needed to solve the state's fiscal problems. This is one of the problem areas that were identified in the previous DTIS and that remain serious impediments, despite the fact that some steps have been taken in the interim to address the problem.

Some progress has been made on the underlying problem. The IMF observed in early 2012 that by using strict cash budgeting to limit spending to available resources, the government reduced its net domestic borrowing from over 4.5% in 2010 to just under 3% of GDP in 2011. It further noted that the government aims to reduce net domestic gradually borrowing to 0.5% of GDP a year by 2014. "This would greatly ease pressure on interest rates, "according to the IMF, "and reduce government's crowding out of the private sector in the domestic credit market."

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[42] James Tobey, Kathy Castro, Virginia Lee, Ousman Drammeh, Mat Dia Ibrahima, Brian Crawford, Tanvi Vaidyanathan, 2009, *An Overview of Marine Fisheries in The Gambia and preliminary Governance Baseline*, Coastal Resources Center, University of Rhode Island.

Moreover, replacement of the general sales tax with a VAT "will be important for rebuilding government revenues."[43]

Progress has also been achieved within the financial sector. The IMF has noted that The Gambian banking system has undergone significant changes during 2005 to 2010, when "the number of banks increased from 5 to 14 (one dropped out in early 2011), credit to GDP expanded from 10% of GDP in 2005 to 17.4% of GDP in 2010, and credit growth averaged 23% a year over the same period."[44] The opening of new commercial banks has been a welcome progress, but more should be done. The interest rate spread has fallen over time (from 17.6% in 2005 to 12.4% in 2010), thanks to the increases in the deposit interest rates, which has reached 14.6% in 2010.

According to the National Export Strategy, the vision for the financial sector is "To transform The Gambia into a formidable sub-regional financial services centre that offers investors a variety of investment instruments with the ultimate objective of mobilizing domestic savings and attracting foreign private and institutional investments to support the country's economic development aspirations." The more specific objectives are:

1. Encourage investment in mortgage, development, agriculture, and investment banks
2. Deepen & broaden the Financial sector
3. Creation of a Capital Market along with a regulatory body
4. Legislation and enforcement of a policy mandating all businesses to have their accounts audited
5. Broadening of the Tax Base of the economy through formalizing of the informal sector

Government institutions are also taking steps intended to increase the availability and reduce the cost of credit. For example, the Central Bank has attempted to establish a credit reference bureau in order to reduce the risk premium that all borrowers must bear because of the costs that a few miscreants impose on the system as a whole. This institution was to be set up with assistance from the World Bank in 2009. It has however encountered serious "teething pains" in its creation, and there are doubts as to when the institution will be operational. The bureau has thus far been unable to maintain timely information on borrowers and hence is not serving its purpose. An alternative possibility, as noted earlier (see section II.B.4), would be to rely upon the private sector to provide a credit-reference system on a for-profit basis. The World Bank is also providing assistance to The Gambia in its efforts to revise the Sheriff and Mortgage Act, and in attracting more development banks to the country. The Central Bank is also working on developing a deposit insurance scheme. Arrangements of this sort need to be structured carefully, however, such that they reduce risks to the financial system as a whole without also creating serious problems of moral hazard.

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[43] Statement by an IMF Mission to The Gambia for Negotiations of a New ECF Arrangement (March 6, 2012), available on-line at http://www.imf.org/external/np/sec/pr/2012/pr1268.htm.

[44] International Monetary Fund, *The Gambia: 2011 Article IV Consultation* IMF Country Report No. 12/17 (January, 2012), page 19. Available on-line at http://www.imf.org/external/pubs/ft/scr/2012/cr1217.pdf.

D.3: Horizontal Incentives

D.3.i: Horizontal Incentive #1: Preferences and their Utilization

The analysis up to this point has focused on the horizontal impediments to trade and development in The Gambia, but it is equally important to remember the horizontal incentives. The Gambia benefits from the preferences that it is granted by its trading partners, notably the largest industrialized countries, as well as its own programs to promote trade and investment. As was the case for the horizontal impediments, it is also important to recognize those areas in which improvements may be sought in each area of incentives.

The Gambia enjoys nearly complete duty-free, quota-free (DFQF) access to the major markets of the world. Following the reform of the EU rules of origin most of these stringent criteria of rules of origin that limited duty free market access have been made substantially more lenient for the LDCs like Gambia.[45] For apparel products of chapter 61 and 61 of the harmonized system a one single manufacturing process (assembly of imported cloth) has replaced the former requirement of double transformation (weaving and assembly or knitting and assembly operations). In the electronic and machinery sectors LDCs are allowed to use up to 70 per cent of the non-originating materials of the ex-works price of the finished products to manufacture these products. However it may be unlikely that, unless major developments occurs in the West African region, such reform will give rise to shifts in the location of production as witnessed in the Asian region to LDCs countries like Gambia. In the apparel sector given the very small level of production in that sector to date and the price advantages that Asian producers in this sector enjoy even over those African countries with extensive experience in apparel production, it is doubtful that significant production of garments for export will be established in the foreseeable future.

As can be seen from the Table II 4 below the composition and magnitude of the Gambia exports to the EU are a handful of tariff lines. Utilization rates are near 100 % in most cases given that groundnuts and fish caught by artisanal canoes qualify as wholly obtained product and do not have particular problems in complying with rules of origin requirements.

The most traded products to the EU are by far groundnuts and fish products. There are also exports of fresh fruits like guava and mangoes that do not benefit from trade preferences since they are already duty free on a MFN basis. Besides these products only two tariff lines concerning garments for a total of 39.000 USD are industrial products. The most interesting findings however are found in contrasting the trade data of 2009[46] with those of 2008 and 2007. 2007 and 2008 trade data show that a relative significant amount of horticultural products like beans and aubergines were exported from Gambia to the EU. These products were probably the exports of the two major business operations in Gambia at that time, Radville Farms and M.A. Kharafi according to the DTIS of 2007.Moreover in these preceding years, the exports of garments were bigger in terms of value and the exports of fishery products were more diversified. This finding indicates that the already narrow export base of Gambia to the EU has further diminished. It remains to be seen if the current reform of EU rules of origin accompanied

[45] See *Per aspera ad astra?. The reform of the EC rules of* origin published June 2011 issue, Journal of World trade

[46] The latest data available at the time of this writing.

Table II.4: Exports from The Gambia to the European Union, 2011

Product 1	Product Description 2	Total Value of Imports ($000) 3	Imports dutiable ($000) 4	Imports Covered ($000) 5	Imports Received ($000) 6	Potential Cover. Rate (%) 7	Utilization Rate (%) 8	Utility Rate (%) 9
	ALL PRODUCTS:	**15’430**	**8’880**	**8’864**	**8’615**	**99.8**	**97.2**	**97**
150810	Crude ground-nut oil	7’470	7’470	7’470	7’470	100	100	100
030429	Fish fillets & other fish meat	580	580	580	390	100	67.2	67.2
030749	Cuttle fish and squid	297	297	297	297	100	100	100
030549	Smoked fish	250	250	250	243	100	97.2	97.2
030499	Fish fillets	142	142	142	142	100	100	100
030613	Frozen shrimps and prawns	136	136	136	131	100	96.3	96.3
030379	Frozen fish, nes	70	70	70	69	100	98.6	98.6
611030	Jerseys, pullovers,	26	26	26	26	100	100	100
030623	Shrimps and prawns (excl. frozen)	15	15	15	15	100	100	100
610462	Women’s or girls’ trousers,	13	13	13	13	100	100	100
920600	Percussion musical instruments	10	10	10	5	100	50	50
080450	Guavas, mangoes	2’790	0	0	0	.	.	.
710813	Gold	1’350	0	0	0	.	.	.
120220	Shelled ground-nuts,	1’126	0	0	0	.	.	.
851762	*-- Machines for the reception,	390	0	0	0	.	.	.
740400	Copper waste and scrap	342	0	0	0	.	.	.
901812	Ultrasonic scanning apparatus	133	0	0	0	.	.	.
440729	Specified tropical woods nes,	76	0	0	0	.	.	.
852691	Radio navigational aid apparatus	56	0	0	0	.	.	.
852560	Transmission apparatus	52	0	0	0	.	.	.
851770	Parts of telephone sets, a	34	0	0	0	.	.	.
080132	Cashew nuts, shelled, fresh	33	0	0	0	.	.	.

by other flanking measures by the Government may contribute the revival of exports to the European Union.

The Gambia also enjoys almost completely open access to the U.S. market through the African Growth and Opportunity Act (AGOA). That program has, however, had very little actual impact on Gambian exports to the United States. During 2005-11 just 0.1% of all U.S. imports from The Gambia entered under AGOA, and another 1.1% entered under the Generalized System of Preferences (GSP). The only products that entered under AGOA during that period were small quantities of oysters (HS item 1605.90.50), two types of handbags (HS items 4202.29.90 and 4202.21.60), and sandals (HS item 6402.99.27). The United States did import other products from The Gambia that were subject to duty despite the fact that these items can, when they meet the AGOA rules of origin, receive duty-free treatment under that program; the failure to obtain this preferential treatment could be attributable either to exporters' unfamiliarity with the program or, more likely, to failure to meet the rules of origin. Among the items that were thus denied AGOA treatment were cotton fabrics (HS item 5208.59.80), men's shirts (HS item 62052020), women's dresses (HS item 6204.42.30), and engines (HS item 8407.34.48).[47]

The remaining 98.8% of U.S. imports from The Gambia in 2005-2011 entered on a most-favored-nation (i.e., non-preferential) basis, but this did not necessarily mean that they were subject to high tariffs or indeed to any tariffs at all. Most of those non-preferential imports were duty-free on an MFN basis, meaning that they would be duty-free when imported from any country in the world (apart from the two that are still denied MFN treatment). Altogether, only 17.5% of all U.S. imports from The Gambia during 2005-2011 were dutiable. A total of $4.6 million in tariffs were paid on all U.S. imports from The Gambia during that period, amounting to an average tariff of 0.8% on total imports and 4.4% on dutiable imports.

These tariff issues are in fact of secondary importance in recent U.S. imports from The Gambia, which have been affected much more seriously by sanitary issues. Imports from The Gambia rose rapidly from 2007 through 2010, going from merely $148,308 in 2007 to $3.1 million in 2010, but then fell to just $82,442 in 2011. This quick rise and even quicker fall can be attributed to one product: fresh fish. Imports of this product, especially tuna, peaked at $2.7 million in 2010 before falling to zero in 2011. Tariffs and preferences are not an issue for fresh fish, which is duty-free on an MFN basis, but sanitary issues are of paramount importance. This last point reinforces a key theme throughout this analysis, which is that trade policy as it is traditionally understood (i.e., tariffs, quotas, and other border measures) is far less important for The Gambia than are other considerations that are tied to trade, such as meeting sanitary and other standards.

The prospects for taking advantage of preferential schemes are further constrained by the fact that these tend to focus on exports of manufactures, and in The Gambia manufacturing remains one of the smallest components of the economy. It accounted for 16% of The Gambia's economy in 2010, according to the World Bank, not much changed from 15% at the time of the last DTIS in 2007.[48] Domestic manufactures are few (there are only 25 members in the Manufacturers Association) and generally more devoted to the local market than to exports. Gambian manufacturing activities are dominated by light manufacturing such as food and

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[47] In the case of this product the imports may have consisted of either used goods or goods returned for repairs, rather than actual exports of The Gambia.

[48] Data from http://data.worldbank.org/indicator/NV.IND.TOTL.ZS.

beverages, clothing and textiles, metals and metallic works, wood and leather, and soaps and plastics. Services for Gambian manufacturing activity are dominated by foreigners, especially from Senegal.

According to the National Export Strategy, the vision for this sector is "To re-orient the manufacturing sector into a center of excellence producing affordable and quality products for exports and contributing to employment generation, economic growth, and wealth creation." The more specific objectives are:

1. Increase and diversify industrial output
2. Increase the number of manufacturing businesses
3. Create employment opportunities
4. Promote technology transfer through adoption of new manufacturing technologies
5. Reduce overdependence on import trade

The development of manufacturing in The Gambia is held back by several constraints. Due to the lack of sufficient skills in the local market, some companies in The Gambia find it necessary to hire people from Ghana, Senegal, or other countries. This is made more costly by the expatriate tax that employers must pay for hiring these foreign workers.

D.4.ii: Horizontal Incentive #2: Investment Promotion

The Gambia has trade and investment promotion programs of its own. These have undergone significant changes since the previous DTIS. These issues are further dealt with in section VII of this DTIS.

The effort to promote free trade zones (FTZs) was largely a failure. The Gambia Investment Promotional and Free Zones Agency (GIPZA) had been created by The Gambia Investment Promotion Act (2001) and The Gambia Free Zones Act (2001). These acts provided for Special Investment Certificates (SICs) that last for a period of five years and Free Zones Licenses (FZLs). Holders of SICs were entitled to the following incentives for a period of five years: exemption from the withholding tax on dividends; exemption from the turnover tax; preferential treatment for the allocation of land for the site of the proposed investment; and a special scheme of accelerated depreciation. These incentives existed more in theory than in fact. GIPZA had written two FTZ licenses, both of them for the production of apparel, but neither of these operations actually entered into effect. As for the SICs, their issuance was complicated by the imperfect level of coordination between the ministries of Trade and Finance. Whereas the Ministry of Trade is primarily concerned with the positive benefits that the country may enjoy as a result of new investment, the Ministry of Finance is concerned over the revenue leakage that may occur as a result of SICs through even legitimate use of the certificates; the problems may be all the greater in instances where the privilege is abused by the recipient. The Ministry of Finance holds the view that SICs should therefore be limited to one-time-only incentives, except in the case of expansions. The previous DTIS was also critical of SICs, proposing instead that they be replaced by a negative list of prohibitions.

Officials hope that the problems with the prior regime of incentives will be resolved under the new investment act. The Gambia Investment and Export Promotion Agency Act 2010 reformed the incentives scheme. Section 62 of the act provides that a newly established investment enterprise that falls within any priority investment category shall be granted a tax holiday in respect of its corporate or turnover tax, depreciation allowance, withholding tax on dividends for either five years or, in the case of a priority area, for a maximum period of eight years, from the date of commencement of operations. Moreover, under Section 63 a newly established investment enterprise that falls within any priority investment category shall be granted import sales tax waiver in respect of the importation of (a) its manufacturing plant, construction material and spare parts, as well as raw and intermediate inputs, for a period of five years.

The same law reformed the institutional structure of investment and trade promotion in The Gambia. It created The Gambia Investment and Export Promotion Agency (GIEPA), which replaced GIPZA in July, 2010.

The legislative reforms of 2010 may require further improvement. Some see the provisions concerning enterprise support as being too vague. Further details are contained in section VII of this DTIS.

Box II.3: Priority Sectors for Investment Identified in Schedule I of The Gambia Investment and Export Promotion Agency Act, 2010

1. Agriculture	• all Crops; • dairy production, poultry and meat processing; • floriculture and horticulture; • agro-processing and agri-business (production and marketing of agricultural inputs); • tannery.
2. Fishery	• aquaculture: fish and shrimps farming; • fishing and fish processing at industrial level.
3. Tourism	• eco-tourism: national heritage; • up-country tourism: motels, tourist camps, sport fishing; river sports or cruising; • development of 4 and 5 star hotels, integrated resorts and marinas.
4. Forestry	• development of private or community forest parks or agroforestry plantations; • forestry production and transformation: wood, timber or logs and or non-wood products (nuts, honey etc.) and wild fruits preservation; • briquetting (saw dust)
5. Manufacturing	• assembling and packaging; • processing • foundry and forging; • light pharmaceuticals and cosmetics.
6. Energy	• electricity generation, transmission and distribution; • renewable energy sources: solar, wind, hydro and biochemical energies; • liquefied Petroleum Gases.
7. Other Services	• health and veterinary clinics; • river and air transportation and cargo services; • information communication technology except GSMs.
8. Mineral Exploration And Exploitation	• petroleum exploration as defined in the Petroleum Act; - • mining of precious stones and others as defined in the Mines and Quarries Act.
9. Financial Services	• investment banks • housing finance institutions

Section III:

Exploiting the Trading Opportunities Arising from Trade Agreements and Market Access

A. The Place of Trade Policy in Economic Reform and Development

Trade policy can make a great contribution to the growth and development of The Gambia's economy, but one must see this field in its larger sense. Viewed in its most traditional and narrow terms, which relate mostly to tariffs and quotas, trade policy *per se* is less relevant for The Gambia than for most other countries. The most significant issue for most countries concerns improved access to the markets of their trading partners, but for African LDCs such as The Gambia this is largely a moot point: The great majority of the country's exports already enjoy duty-free access to most major markets.

For The Gambia, promoting trade has much more to do with overcoming domestic constraints than breaking down foreign barriers. It is true that the Millennium Development Goal of fully duty-free, quota-free (DFQF) treatment for all LDCs has not yet been achieved in its entirety, with some exports (especially apparel) from some LDCs (especially in Asia) still being subject to restrictions in some markets. As a practical matter, however, The Gambia and most other LDCs in Africa do already enjoy DFQF access to the largest foreign markets for virtually all of these exports. This preferential treatment is extended through such programs as the Everything But Arms program of the European Union and the African Growth and Opportunity Act of the United States. Through these and other programs, as well as by dint of the fact that many raw materials are duty-free in most countries on a most-favored-nation basis, we may say that tariffs and quotas are very nearly nonexistent with regard to The Gambia's exports. Those barriers that do remain are primarily in the area of sanitary and phytosanitary (SPS) measures, including those affecting exports of fish, groundnuts, and other Gambian exports. Those SPS measures do not constitute protectionism in the traditional sense, however, and may be seen as external reflections of internal constraints. Like other measures discussed below, the SPS measures of major markets (especially the European Union) require in the first instance an upgrading in the capacity of The Gambia to meet international standards.

The relationship between trade and development can sometimes appear to be a vicious circle for LDCs, insofar as trade is one important means by which they can overcome poverty but it is poverty itself that makes it difficult for these countries to engage in trade. In order for a country to offer goods for export, situate itself in global supply chains, and otherwise take advantage of the opportunities provided by a global economy it must be prepared to meet that market's expectations regarding quality, safety, productivity, and punctuality. Unlike tariffs and quotas, which are government measures that can be reduced through negotiation or acts of generosity, these expectations are largely set not by governments but by actual or prospective business partners that are motivated by the potential for profit. This essential point should not be lost even in those cases where governments have an important role in setting standards, enforcing them, and providing technical assistance to countries in order to help them meet these standards. Consider the case of fish. If in some hypothetical circumstance the European Union were prepared to suspend its SPS measures for fish it would not be in The Gambia's interest that

Box III.1: The Relationship between Trade Negotiations and Domestic Reforms

When a country aims to achieve both domestic economic reforms and the negotiation of trade agreements it has a few choices in the sequencing of these initiatives. There are three idealized ways that the negotiation of a trade agreement might be related to domestic reforms, presented here in descending order of desirability.

The best approach is for a country to undertake reforms autonomously, through the enactment of new laws and the promulgation of new regulations, before it even begins negotiations. Provided that its reforms have been sufficiently wide and deep, the negotiations will then be more a process of consolidating what has already been achieved than bargaining over new commitments. This is an approach most closely associated with Chile, a country that opened its own market through a series of reforms in the 1970s and 1980s. It was only in the 1990s, after democracy was restored and Chileans felt it was necessary to provide assurance to foreign investors, that they decided to "lock in" these measures through a series of FTAs. Relatively few of the commitments that one finds in the Chilean FTAs, apart from the elimination of import tariffs, consist of wholly new reforms.

A second-best approach is to treat a trade negotiation as a means of achieving reforms that the country's leadership already hoped to enact but that might otherwise face too much resistance at home. It may be easier to overcome that opposition by linking such measures as (for example) reform of the financial sector and government procurement to the opening of a major foreign market and the attraction of new investment. The most difficult aspect of this approach is ensuring that the demands made on the country by a trading partner make a close fit with what the government wished to accomplish in the first place. This approach is not limited to bilateral or regional agreements. It was also evident in such diverse undertakings as China's accession to the WTO and Korea's accession to the Organization for Economic Cooperation and Development, both of which produced pro-market commitments that might not otherwise have been palatable to domestic political actors.

The least advisable approach is for a country to enter into the negotiations unprepared, and to find itself in a position where its negotiating partner plays the chief role in determining the pace and direction of reforms. For some countries, the improved access to major foreign markets — or at least the *perception* of a major improvement — could lead them to adopt commitments that they had not anticipated and, in a few instances, may not have fully considered. Once again, this is not a phenomenon limited to bilateral or regional agreements. Many of the developing country officials who agreed to adopt the final package in the Uruguay Round of multilateral trade negotiations, for example, appear not to have fully grasped the significance of all the commitments they adopted. This approach may lead to dissatisfaction on both sides, with policymakers in the developing country later determining that their negotiators went too far, and those in the industrialized countries being unhappy with the degree to which their partners comply with the agreements.

It goes without saying that while the first of these approaches is to be preferred, and the second also has its advantages, the third should be avoided at all costs.

this be done, as it is ultimately the purchasers in the private sector (firms and consumers) who decide whether business will actually be done with The Gambia. They are much more likely to do that business if the country has a reputation for offering high-quality, safe, competitively priced goods and services that are delivered on time. That point is equally true for other sectors.

To state the matter in other terms, solving basic problems such as those involving electricity and taxation would have a far greater impact on The Gambia's prospects for attracting investment and promoting trade than would almost any conceivable trade agreement.

There nevertheless remain several issues in trade policy that require careful attention. These include the access that The Gambia grants to its own market, the efforts that it is making to take fuller advantage of the access that it enjoys in export markets, and the negotiation of agreements with the European Union and the country's neighbours that go well beyond simple questions of market access. There are also important procedural issues to be addressed, including the domestic consultative process through which The Gambia develops and pursues its objectives in trade negotiations, and the activities of numerous domestic institutions that contribute to the analysis, negotiation, or exploitation of trade agreements. This section of the revised DTIS deals in detail with each of these issues.

B. The Gambia's Tariffs

The country currently applies the ECOWAS Common Customs Tariff. It had originally comprised four rates: zero, 5%, 10%, and 20. In a summit in Niamey held in January, 2006, the Heads of States adopted the creation of a joint UEMOA-ECOWAS committee to manage the implementation of the ECOWAS CET. A two-year transition period was given to the Committee to finalize the ECOWAS CET. However, the introduction of a fifth band, at 35%, based on harmonization of national lists submitted by members, and of national exceptions to the ECOWAS common tariff, following Nigeria's initiative created a number of delays. The introduction of the 35% band created some problems in neighbors' tariff regimes, namely Niger and Senegal during their TPRM review as reported by the chairman's summary[49] as the 35% exceeded the bound level of some of the bound tariffs.

Some progress was reported at the 11th Meeting of the Joint ECOWAS-UEMOA[50] Committee for the Management of the ECOWAS Common External Tariff (CET) held in December, 2011, where it was agreed to submit a draft ECOWAS CET to the ECOWAS Council of Ministers for adoption by end of June, 2012.The Gambia advanced a number of exceptions to be inserted in the fifth band under the "Specific goods for economic development". The Eligibility criteria for the insertion in the fifth band were as follows: product vulnerability; economic diversification; integration, sector promotion and high potential of production.

The Gambia drafted a list of products to submit to the fifth band and in some cases argued for the application of lower duties for a number of tariff items. It should be noted that this is an area where the research conducted in this project has encountered difficulties. The actual status of implementation of the common external tariff is not entirely clear, and there is a great deal of more data and detail that will need to be collected and assessed in the form of dedicated study that could be examined as a priority for action in course of implementation of Action matrix.

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[49] see WT/TPR/S/223/Rev.1 22 décembre 2009

[50] Source : http://news.ecowas.int/presseshow.php?nb=260&lang=en&annee=2011

Table III.1: The Gambia's Bound and Applied Tariffs, 2010

Simple Averages of Import Duties

	Applied Rate (A)	Bound Rate (B)	"Water" (B-A)
All Goods	14.0%	102.6%	88.6%
Agricultural Goods	16.5%	104.3%	87.8%
Non-Agricultural Goods	13.7%	57.6%	43.9%

Note: Agricultural products are defined according to the WTO Agreement on Agriculture.

Source: Calculated from WTO data at http://stat.wto.org/CountryProfile/WSDBCountryPFView.aspx?Language=E&Country=GM.

Table III.2: Structure of The Gambia's Applied MFN Tariffs, 2007 and 2010

Percent

	2007	2010
Bound tariff lines (% of all tariff lines)	13.8	.
Duty-free tariff lines (% of all tariff lines)	0.7	15.1
Non-*ad valorem* tariffs (% of all tariff lines)	0.0	0.0
Tariff quotas (% of all tariff lines)	0.0	0.0
Non-*ad valorem* tariffs with no AVEs (% of all tariff lines)	0.0	0.0
Simple average tariff rate	19.0	14.1
Agricultural products (WTO definition)[a]	18.9	16.5
Non-agricultural products (WTO definition)[b]	19.1	13.7
Agriculture, hunting, forestry, and fishing (ISIC 1)	19.6	15.5
Mining and quarrying (ISIC 2)	19.9	7.5
Manufacturing (ISIC 3)	19.0	14.1
Domestic tariff "spikes" (% of all tariff lines)[c]	0.0	0.0
International tariff "peaks" (% of all tariff lines)[d]	91.8	57.5
"Nuisance" applied rates (% of all tariff lines)[e]	0.0	0.0

. Not available.
n.a. Not applicable.

a WTO Agreement on Agriculture definitions.
b Excluding petroleum.
c Domestic tariff spikes are defined as those exceeding three times the overall simple average applied rate.
d International tariff peaks are defined as those exceeding 15%.
e Nuisance rates are those greater than zero, but less than or equal to 2%.

Source: Adapted from WTO Secretariat calculations, based on data provided by The Gambian authorities.

Table III.3: Summary Analysis of The Gambia's Applied MFN Tariff, 2010

	Number of tariff lines	Simple average tariff (%)	Range of tariffs (%)	Imports 2008 (US$mn.)
Total	**5,091**	**14.1**	**0-20**	**329.4**
HS 01-24	726	17.3	0-20	98.3
HS 25-97	4,365	13.5	0-20	231.0
By WTO definition[a]				
Agriculture	667	16.5	0-20	97.9
Live animals and products thereof	91	15.2	0-20	2.6
Dairy products	20	12.5	5-20	6.3
Coffee and tea, cocoa, sugar, etc.	124	18.6	0-20	28.5
Cut flowers and plants	32	14.4	0-20	0.0
Fruit and vegetables	156	19.7	0-20	8.6
Grains	16	15.0	0-20	27.2
Oil seeds, fats, oils, and their products	72	13.1	0-20	17.7
Beverages and spirits	37	20.0	20	1.9
Tobacco	9	20.0	20	4.4
Other agricultural products	110	13.3	0-20	0.5
Non-agriculture (excl. petroleum)	4,401	13.7	0-20	167.1
Fish and fishery products	126	19.8	10-20	0.8
Mineral products, precious stones, and precious metals	325	11.7	0-20	16.3
Metals	587	13.6	0-20	11.1
Chemicals and photographic supplies	852	10.3	0-20	25.7
Leather, rubber, footwear, and travel goods	159	18.6	5-20	4.0
Wood, pulp, paper, and furniture	254	17.5	0-20	11.0
Textiles and clothing	808	17.0	0-20	22.0
Transport equipment	133	14.0	0-20	39.7
Non-electrical machinery	517	6.2	0-20	12.9
Electrical machinery	250	17.4	0-20	14.2
Non-agricultural articles n.e.s.	390	16.6	0-20	9.3
By ISIC sector[b]				
Agriculture, hunting, forestry, and fishing	285	15.5	0-20	10.0
Mining	97	7.5	0-20	0.1
Manufacturing	4,708	14.1	0-20	319.2
By stage of processing				
Raw materials	620	14.3	0-20	43.2
Semi-processed products	1,699	12.4	0-20	60.4
Fully-processed products	2,772	15.0	0-20	225.8

a Twenty-one tariff lines on petroleum products are not taken into account.

b International Standard Industrial Classification (Rev.2). Electricity, gas, and water are excluded (1 tariff line).

Note: CV = coefficient of variation.

Source: WTO Secretariat estimates, based on data provided by The Gambian authorities.

C. Relations with Specific Partners

C.1: Relations with Senegal

The one aspect in the political economy of The Gambia that is least subject to change is the country's geographic position and the fact that its land borders are surrounded by the territory of Senegal. What the first DTIS had referred to as an "accident of history" remains a permanent fact that has very real consequences for the political economy of trade and development in The Gambia. Geography has been a determining factor in the development of transit trade both with the immediate neighbor and with others (especially land-locked Mali), and also affects sectors ranging from fisheries, tourism, and energy to transportation by land and air.

Sources differ on the relative level of trade between Senegal and The Gambia. UNCTAD data show that Senegal was responsible for 5% of The Gambia's exports and 9% of its imports during 2008-10. Mirror data (in the form of Senegalese data on imports from The Gambia) for the same period instead indicate some $2.1 million, equivalent to some 14% of The Gambia's total exports. These differences are part of a wider problem in the measurement of Gambian trade, as discussed above, but whichever figures one accepts it is clear that Senegal is a large partner. The magnitude of the relationship is much larger if one takes into consideration the actual level of trade that already takes place, and that might potentially take place if current impediments were removed, in which Senegal plays a role without necessarily being the immediate or the ultimate partner. This includes, among other sectors and transaction types, the export of fish to European and other markets; in the transit trade between The Gambia and Mali; in the transit of goods from the northern part of Senegal to the south through The Gambia; and in the as-yet unrealized potential for trade in electricity between the two neighbors. Both The Gambia and Senegal stand to achieve gains in efficiency and productivity if they were to work more cooperatively for the removal of barriers that either encumber current transactions in these areas or complicate investment in new infrastructure.

Relations between Senegal and The Gambia can be as difficult as they are important. Eschewing the polite euphemisms that are commonly employed in the reports of international organizations, two academics bluntly characterized this as a case of "a tiny free-trading English-speaking enclave within the much more protectionist francophone Senegal." Noting the contrast between Senegal's decision to "institute[e] trade barriers to protect its manufacturing industries" and The Gambia's adoption of "relatively open trade policies designed to undercut Senegal's so as to serve the Senegalese market via smuggling networks, " these scholars observed that the "advantage for The Gambia is the economic activity, employment, and most of all, customs revenues that the re-export trade entails." The authors nonetheless concluded that the "sustainability of a trade strategy which is substantially based on preying on the distorted policies of its neighbor is highly questionable" and that "better relations with Senegal and cooperation on a wide range of commercial issues are essential, given the geographic, historical and cultural ties to its larger neighbor."[51]

One of the pillars of the first DTIS was the call for a "grand bargain" between Senegal and The Gambia, allowing the two neighbors to reach an *entente cordiale* on a range of issues over which they have been divided. The key to that recommendation was the bundling of numerous

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[51] Stephen Golub and Ahmadou Aly Mbaye, "National Trade Policies and Smuggling in Africa: The Case of The Gambia and Senegal" (2008), pages 30-31. Available on-line at http://www.swarthmore.edu/Documents/academics/economics/WD%20final%20Re-export%20manuscript.pdf.

issues into a large package so as to allow for mutually beneficial trade-offs that would be to the net benefit of both countries. That was a well-reasoned recommendation, but one that (for whatever reason) evidently did not resonate with policymakers in The Gambia. There is a decided reluctance on the part of policymakers to link together issues that are not otherwise directly related with one another. That reluctance was evident even when such linkage might allow The Gambia to utilize leverage on those matters where Senegal is the *demandeur* (e.g., the bridge across The Gambia River) in order to secure more favorable terms on matters in which The Gambia plays that role (e.g., in matters of fisheries or surface transportation). While in the abstract the logic behind the proposal for a "grand bargain" remains as strong today as it was in 2007, in actual practice it appears to be a non-starter for The Gambia. The present DTIS therefore recognizes the importance of each of these issues, as well as the potential for leveraging progress in some matters by tying them to others, but deals with them as discrete subjects.

The most important issue in bilateral relations between The Gambia and Senegal concerns road transportation of goods, including The Gambia's traditional role as entrepot trader for the region. Some aspects of that role have receded in importance since the previous DTIS, with government policy now stressing transit trade over re-exports and with regional liberalization having reduced the incentives for informal trade. Those changes notwithstanding, overland road transportation of goods through The Gambia remains an important source of income for the country and a vital link in the regional trade network. That link is weaker than it might be, however, due to perennial difficulties between Senegal and The Gambia. For some products, (e.g., pepper) Senegalese officials in the northern border of Karang require that goods loaded in The Gambia and destined to Mali, Ghana, Burkina Faso, Guinea (Conakry), or Cote d'Ivoire but transited through Senegal be routed through Dakar. For these cases, Gambian officials report frequent instances in which goods have been detained in Senegal while en route.

The Agreement on Road Transport[52] that The Gambia and Senegal reached in October, 2004 and that entered into force in December, 2004, was supposed to resolve these problems. Transportation issues are discussed at greater length in Section V. For our present purposes, the main point is that neither The Gambia nor Senegal implements this agreement in full, and road transportation issues remain a major point of contention between the neighboring countries.

Seven rounds have been held between The Gambian and Senegalese Customs Administrations with the objective of implementing a Bilateral Customs Administration.[53] This initiative aims to better enhance trade and trade facilitation between the two countries. In the 7th Bilateral Consultative Meeting the following agenda was adopted:

- Finalization of the Implementation of the ECOWAS ISRT Convention
- Interface of the Customs Automated Systems
- Joint Customs Posts
- Exchange of Information on offences relating to cross-border trade and smuggling.

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[52] This is a bilateral Agreement concluded by both parties with the objective of deepen in to the obligations of the Convention regulating Inter-State Road Transport Agreement (ISRT) between ECOWAS Member States.

[53] Consultative Workshop on Trade Promotion & Facilitation. Ministry of Trade, Regional Integration & Employment. Prepared by: Benjamin A. Roberts, Director, Business & Export Development, GIEPA (March 16, 2011), p.4.

- A.O.B.
- Report on the opening of the Basse-Badiara route,
- Hot-Pursuit of smugglers beyond Senegal and into The Gambia borders

However, until 2012, hardly any efforts have been made from the points set in the Agenda.

The transportation and trade agreements described above are not the only pacts between the countries that have failed thus far to live up to the expectations of their authors. A reciprocal Gambian-Senegalese fishing agreement has been in effect since 1982, but Gambians lack the locally based vessels needed to benefit from it. Industrial fisheries are still limited in The Gambia, with all such vessels operating in Gambian waters being foreign-owned craft that land their catches in foreign ports for processing, packing, and exportation as products originating from those foreign ports. Two-thirds of the vessels operate under the auspices of the Senegalo-Gambian Agreement on Maritime Fishing.[54] Problems also arise over the permission that Senegal has granted to its waters by Russian vessels that fish in Gambian waters without permission.

Dealing with Senegal is made more difficult by the fact that while both Senegal and The Gambia are members of ECOWAS they are members of separate monetary unions. Where Senegal is a member of the principally francophone *Union économique et monétaire ouest-africaine* (UEMOA), or West African Economic and Monetary Union, The Gambia is in the principally Anglophone West African Monetary Zone (WAMZ). This creates a potential conflict of laws, especially on any points where there are different rights or obligations in ECOWAS *vis à vis* UEMOA, thus creating the possibility that Senegalese authorities will fall back on whichever set of rules conforms most closely to their immediate needs. In customs administration, for example, Senegal follows the UEMOA laws, regulations and documents, whereas The Gambia uses the ECOWAS parameters.[55] Therefore, both countries use differences administrative documents (e.g. Single Administrative Document, SAD for The Gambia instead of a single transit document under the ISRT).

In short, the experience to date underlines the fact that when seeking to resolve differences between these two neighbors it is not sufficient to reach agreements in principle and on paper. The needed level of commitment to the implantation of these principles is not always present, and establishing the proper levels of trust and accommodation between these neighbors can be as difficult to achieve in practice as it is easy to describe in theory.

C.2: Negotiations in ECOWAS and Other Regional Fora

The Gambia is an active member of the Economic Community of West African States (ECOWAS). This group was formed in 1975 to facilitate the establishment of a single market in the West African sub-region. Its mission is to promote economic integration in “all fields of economic activity, particularly industry, transport, telecommunications, energy, agriculture, natural resources, commerce, monetary and financial questions, social and cultural matters.” In addition to The Gambia and host country Nigeria, the fifteen member states of this regional

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[54] Data in this paragraph summarized from Government of The Gambia, *Fisheries Strategic Action Plan (2012-2015)* (2011).

[55] Interview with the Deputy Commissioner of Enforcement, ISTR focal Point, Mr. Abdou MC Jallow (June 04, 2012, GRA).

organization include Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, Ghana, Guinea, Bissau-Guinea, Liberia, Mali, Niger, Senegal, Sierra Leone, and Togo.

ECOWAS seeks to promote cooperation and integration by creating an economic and monetary union. Article 3 of the ECOWAS Treaty foresees the establishment a common market that:

- Creates a Free Trade Area with the elimination of customs duties levied on imports and exports, and the removal of tariff and non-tariff barriers
- Sets up a Common External Tariff (CET), and
- Removes impediments of free movement of goods, persons, services and capital, as well as to the rights of residence and establishment.[56]

With the objective of achieving the above mentioned goals, several Conventions and Protocols dealing with specific subjects have entered into force. For the purposes of this chapter, the most relevant instrument is the Convention regulating Inter-State road Transportation between ECOWAS Member States (ISRT).[57] This instrument is analyzed in the section that refers to road transport.

C.3: Economic Partnership Agreement Negotiations with the European Union

The Gambia is, together with its ECOWAS partners, engaged in negotiations with the European Union for an economic partnership agreement (EPA). This initiative does have the potential to affect numerous aspects of the country's policies, the terms of its access to the European market, and its relationship with Brussels. Even so, the EPA negotiations may ultimately matter less for The Gambia than might appear to be the case. Barring a major change in existing EU policy, the EPA is not seen by The Gambia as indispensable. The Everything But Arms (EBA) arrangement albeit unilateral is granted by the European Union for an indefinite time period as reiterated in the latest EU regulation on the GSP explicitly stating that the expiry dates of 2023 of the EU GSP does not apply to the EBA[58] Thus the Gambia will continue to enjoy free access to the EU market for its exports and most notably, following the reform of the EU rules of origin outlined above, a set of favorable and lenient rules of origin.

Doubts arise as to when or even whether EPA negotiations will be completed. A series of deadlines have already been missed. The two regions have been unable thus far to finalize negotiations on a number of substantive development issues, being divided over the EPA Development Programme, the market access offer of ECOWAS, the MFN clause and rules of origin, especially cumulation. According to informal reports some progress was made during early 2012 concerning the EPA development program while there were differences on the market

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[56] See http://www.etls.ecowas.int/procedures.php.

[57] Convention regulating Inter-State road Transportation between ECOWAS Member States, Official Journal of the Economic Community of West African States (ECOWAS), June 1982, Vol.4, English Edition, pp.14-20.

[58] See paragraph 3 of article 43 of the Regulation (EU) No 978/2012 of the European parliament and the Council of 25 October 2012 applying a scheme of generalised tariff preferences and repealing Council Regulation (EC) No 732/2008 : "*The scheme shall apply until 31 December 2023. However, the expiry date shall neither apply to the special arrangement for the least-developed countries, nor, to the extent that they are applied in conjunction with that arrangement, to any other provisions of this Regulation*"

Box III.2: The ECOWAS Trade Liberalization Scheme

The objective of the ECOWAS Trade Liberalization Scheme is to establish a Customs Union among all member states aimed at the total elimination of Customs duties and taxes of equivalent effect, removal of non-tariff barriers and the establishment of a Common Customs External Tariff to protect goods produced in Member States. The following are groups of goods covered under the Scheme:

1. Unprocessed good -- These are livestock, fish, plant or mineral products that have not under gone any industrial transformation.
2. Traditional Handicraft Products:

   These articles made by hand with or without the help of tools, instruments or devices that are activated directly by the Craftsman. Such include wooden cooking utensils, fancy goods, small cabinet work, mats, carpets, bed linen, footwear, headgear, prepared feathers, etc.
3. Industrial products of Community origin.

The three groups of goods mentioned above are granted the following concessions:

- Total exemption from import duties and taxes
- No quantitative restriction,
- Non-payment of compensation for loss of revenue for items (i) and (ii) as a result of their importation.

Conditions to be fulfilled by the importer

1. Goods must originate in member states of the Community.
2. Goods must appear on the list of products annexed to the decisions Iiberalising trade in these products:
3. Must be accompanied by a certificate of origin and an ECOWAS export declaration form.
4. Such goods must be subjected to the import clearance procedure spelt out under Nigeria Import and Export Guidelines. :
5. Exemption of goods whose value is not above $500 from documentation.
6. The beneficiary of the Scheme must be Resident1within the ECOWAS Sub-region.
   - All goods shall be covered by the inter-State Road Transit Declaration.
   - The inter-State Road Transit Declaration shall either be typewritten, or hand-written but in the latter case it shall be in ink, legible and in printed characters.
   - The Inter-State Transit Declaration shall be signed by the principal obligee or by his authorised representative as well as the approved national guarantor.
   - The goods are to be transported under the cover of the ECOWAS ISRT Log Book and without being transferred to another means of transport between a Member State and the Office of final Destination.

Source: ECOWAS at http://www.etls.ecowas.int/

access offer of ECOWAS. This latter was probably linked to the introduction of the fifth band of ECOWAS discussed above and the overall structure of the ECOWAS offer.

EU-ACP trade relations were governed by the Cotonou Agreement signed in 2000, which replaced several Lomé conventions dating back to the 1970s. The agreement contemplated the negotiation of EPAs by 2008, by which time Cotonou would wither away. The EPAs are, unlike the Lomé conventions, to be based on the principle of reciprocity, such that ACP states will be required to reciprocate with preferential access to EU exports. EPAs thus bear a different name than free trade agreements (FTAs). In Article 36 of the Cotonou Agreement the parties agreed "to conclude new World Trade Organisation (WTO) compatible trading arrangements, removing progressively barriers to trade between them and enhancing cooperation in all areas relevant to trade." Article 37 set an ambitious schedule by which the EPAs "shall be negotiated during the preparatory period which shall end by 31 December 2007 at the latest," and that "the new trading arrangements shall enter into force by 1 January 2008, unless earlier dates are agreed between the Parties." The same article provided that —

> Negotiations of the economic partnership agreements shall aim notably at establishing the timetable for the progressive removal of barriers to trade between the Parties, in accordance with the relevant WTO rules. On the Community side trade liberalisation shall build on the acquis and shall aim at improving current market access for the ACP countries through inter alia, a review of the rules of origin. Negotiations shall take account of the level of development and the socio-economic impact of trade measures on ACP countries, and their capacity to adapt and adjust their economies to the liberalisation process. Negotiations will therefore be as flexible as possible in establishing the duration of a sufficient transitional period, the final product coverage, taking into account sensitive sectors, and the degree of asymmetry in terms of timetable for tariff dismantlement, while remaining in conformity with WTO rules then prevailing.

While the current negotiations on the EPAs are making slow progress mainly because of market access issues, those issues are ultimately much less important to The Gambia than are fundamental issues of competitiveness in the global economy. The foundational problem that the country faces is not locking in the preferential access that it has long enjoyed in major foreign markets, or removing the few remaining barriers that exist in those markets, both of which are matters of government-to-government relations. The main issue in the EPAs is instead to ensure that the country is an attractive partner for trade and investment.

In terms of market access of tariff and rules of origin to the EU market there is scarcely any room for further improvements.[59] The other possible improvements are mainly related to facilitate the compliance with SPS and TBT. However, these improvements will be mainly related to TRTA and development assistance project rather that from the conclusion of the EPA.

In terms of market access the possible implication for Gambia could only derive from a non -conclusion of an EPA by the ECOWAS region and the consequent falling back of the non- LDC countries of ECOWAS into the realm of the GSP preferences. In fact, pending the finalization of the negotiations of an EPA, the old preferences under the Cotonou trade regime have been

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[59] One may argue that rules of origin for fishery products should be further liberalized as argued by other ACP countries, namely the ACP pacific countries. However the geopolitical context and the nature of the fishing industry in Gambia and the region would indicate that the negotiating capital of the Gambia would be better spent in another direction.

maintained unaltered and even improved as far as rules of origin were concerned by the EU by virtue of the so-called Market Access Regulation[60] (often referred to as MAR). This regulation was designed as a transitional measure. With the EC growing impatient and negotiations stalling it is quite clear that in case of non-conclusion of an EPA the non -LDC countries of ECOWAS will be de-listed from the market access regulation and will fall under the general regime of the EC GSP that is considerably less generous than the MAR and the EBA both in terms of preferential margins and rules of origin.

These changes will imply a deterioration of the market access of Gambia's neighbors that are not LDCs, yet this may not turn into an instant benefit for The Gambia. Exports of The Gambia's neighbors to the EU are raw mainly agricultural or commodities that, even passing via Gambia, will not be the object of any manufacturing operations to confer on them origin and therefore will not qualify for duty-free, quota-free entry in the EU under EBA rules. Thus there will be no incentive to de-localize in Gambia unless this may be related to delocalize production and manufacturing to obtain Gambian origin and the related tariff treatment. Unfortunately for the Gambia it is unlikely that, given the low level of manufacturing existing in the region, some entrepreneurs or investor may move into The Gambia to take advantage of the preferential market access as occurred for Asian LDCs. Yet, in the case where ECOWAS non-LDCs countries will not sign an EPA with EU this is factor that definitely the Gambia has to take into account.

While there have been studies[61] on the impact of an EPA on ECOWAS countries and a study on the impact of the EPA on The Gambia, both studies focused on the impact of the tariff liberalization using general equilibrium models or partial equilibrium models. These studies identified a number of challenges for The Gambia such as increased competition on Gambia producers, even with such a modest industrial base, trade diversion away from ECOWAS partners on sugar and confectionery products, and pressure on balance of payments due to increased imports from the EU. These findings are to be expected when you analyze the pure dynamics of tariff liberalization. The impact of tariff reductions is measurable and quantifiable and with a low export base as Gambia and imports of most of the manufacturing inputs a bleak scenario is easily designed. Yet these studies identified a number of strategies and technical suggestions on how this impact could be mitigated and lessened.

In any case what is most important for The Gambia is not how it can lessen the impact of an EPA but to rather answer to the major question of what The Gambia has to gain from entering into an EPA. As examined above, the possible gains are none in terms of market access and some losses in the short term linked to tariff liberalization. The counteracting argument is that tariff liberalization will trigger increased exports and revenue generation. However it is unlikely that tariff liberalization and lenient rules of origin could generate *per se* these desired effects. This leads to the real question that the Gambia and other LDCs should have confronted at the outset of the EPA adventure.

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[60] Council regulation (EC) No 1528/2007of 20 December 2007applying the arrangements for products originating in certain states which are part of the African, Caribbean, and Pacific (ACP) Group of States provided for in agreements establishing, or leading to the establishment of, Economic Partnership Agreements.

[61] Etude d'Impact de l'offre d'acces aux Marches sur les Pays de l'Afrique de l'Ouest dans le Cadre de l'Accord de Partenariat Economique, CRES, and untitled and undated a report made report made available to UNCTAD by produced Prof. Chris Milner commissioned by the Commonwealth Secretariat.

The original EPAs were far more reaching in coverage encompassing trade in services, IPRs, investment issues than the actual interim EPAs, a little more of classical FTAs covering tariff rules of origin and some TRTA. The ACP regions except CARIFORUM rejected outright the idea of a full EPA opting for an interim EPAs covering trade in goods. It is rather obvious that if the impact assessment of the EPAs is made on the basis of such reduced vision of the EPAs, the balance of the impact on the Gambia economy and of many other LDCs may turn negative. However a more complete vision of the EPA process for Gambia should take into consideration what Gambia could gain (and lose) in a full EPAs covering trade in services and investments using the model of CARIFORUM, especially on tourism and related activities.

An EPA covering only trade in goods negotiated by ECOWAS may offer little to The Gambia in the short term. It would be advisable to start considering the options to enlarge the scope of the EPA beyond trade in goods as something that The Gambia may explore. This avenue could be undertaken as a single member states within the ECOWAS-EPA negotiations or with other LDCs of ECOWAS wishing to join. It may be interpreted as creating a fracture among ECOWAS member states or as stepping stone into the future.

C.4: Relations with Non-Traditional Partners

The Gambia's trade ties with the European Union have loosened over the past decade. Although the European Union remains an important trading partner of The Gambia, it is not its main trading partner any longer. The importance of Asia (and particularly of China and India) as trading partners has risen over time and is likely to increase even more in the future. While in 1995-96 close to 80% of The Gambia's exports went to the European Union, by 2009-10 the share had lowered to less than one-fourth. Since the mid-2000s the Asian economies have absorbed over half of The Gambia's total exports, with India alone receiving over 35% of The Gambia's total exports in 2009-10. A similar pattern is visible for The Gambia's imports: Asia has become a bigger market than the European Union and Africa. During 2009-10, over 40% of The Gambia's total imports came from Asia, half of them coming from China alone.

The Gambia maintains double taxation agreements[62] with Australia, Chinese Taipei, Denmark, Norway, Sweden, Switzerland, and the United Kingdom. Additional bilateral investment agreements have been concluded with Mauritania, Morocco, the Netherlands, Qatar, Spain, Switzerland, and the United Kingdom, and await final ratification.[63]

D. New Initiatives in Trade Policymaking

D.1: The Issue of an Antidumping Law

One area where action should *not* be taken is in the establishment of an antidumping law. The 2010 Customs and Excise Act provides for antidumping and countervailing measures, allowing the Minister to establish an advisory committee of not more than ten persons to investigate cases of dumping or subsidization of goods exported to The Gambia. As yet, however, the bodies needed to exercise this authority have not been created. While it is within the legal rights of The Gambia to do so, and many other countries employ such statutes, there are

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[62] The full table of these double taxation agreements is contained in section VII of this DTIS.

[63] UNCTAD online information, "Country-specific Lists of DTTs". Viewed at: http://www.unctad.org/Templates/Page.asp?intItemID=4505&lang=1; and "Country-specific Lists of BITs". Viewed at: http://www.unctad.org/Templates/Page.asp?intItemID=2344&lang=1 .

two reasons why it would be inadvisable to devote scarce national resources to such a project. One is that this can be very expensive in budgetary terms: In order to impose antidumping orders that will withstand legal scrutiny if challenged in the WTO it would be necessary to have a relatively large staff of highly trained lawyers, accountants, and other specialists, and the personnel devoted to this task could be much better employed working on other issues in trade policy. The other is that this can be very expensive in efficiency terms. Antidumping laws can be easily abused for protectionist purposes, and thus lead to higher costs for producers as well as consumers.

D.2: Establishing a Permanent Mission of The Gambia in Geneva

Although The Gambia became a contracting party to the GATT immediately after it gained independence, and later became a member of the WTO when that organization replaced GATT in 1995, it has not been particularly active in GATT or WTO deliberations. The Gambia is represented in the WTO and other Geneva-based institutions on a selective basis from the capitol and from its mission in Brussels. The Gambia is, together with fifteen other countries, among the one-tenth of the WTO membership that are “non-resident” in Geneva. This status limits its ability to monitor and participate fully in negotiations and related activities conducted under the auspices of the WTO. The priority attached to GATT and WTO affairs may also be partly a consequence of the manner in which The Gambia entered the organization, which required little effort.[64] Never having gone through the more onerous process of accession, The Gambia and other countries that joined through the process of succession had invested relatively little in order to obtain their GATT status.

The Gambia is either a member of, or could otherwise have dealings with, several other Geneva-based intergovernmental or sectoral organizations that are devoted to subjects of interest to the country. Geneva is home not only to the WTO but also to important trade-related organizations such as UNCTAD, the International Labour Organization, the International Organization for Standardization, and the World Intellectual Property Organization. Several other bodies that sometimes deal with subjects related to trade have headquarters in Geneva; these include the Airports Council International, the International Federation of Red Cross and Red Crescent Societies, the International Organization for Migration, the Inter-Parliamentary Union, the International Road Transport Union, the International Telecommunications Union, the World Health Organization, and the World Meteorological Organization.[65] Countries that do not have missions in Geneva are thus prevented from having regular representation at a number of important institutions.

There are several possible ways to enhance The Gambia’s representation in the WTO. The most expensive, but potentially the most effective, would be to establish a permanent mission in

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[64] Like half of the developing countries that joined the GATT from its founding (1947) through its final pre-WTO year (1994), The Gambia entered not through *accession* but *succession*. Countries that gained their independence from colonial powers in the post-war period had the option of entering GATT under the special terms of Article XXVI:5(c). This provision, which now has no equivalent in the WTO, allowed these ex-colonies to convert their *de facto* status into full GATT contracting party status by succession, a process that involved much less stringent scrutiny of its trade regime and the negotiation of fewer new commitments than did the ordinary accession process of GATT Article XXXIII (now replaced by WTO Article XII). Of the 128 countries that joined GATT during 1947-1994, precisely half (64) did so through succession. See GATT Secretariat, “De Facto Status and Succession: Article XXVI.5(c); Note by the Secretariat, GATT document MTN.GNG/NG7/W/40 (1988).

[65] Note also that the headquarters of the Universal Postal Union is nearby in Bern, Switzerland.

Geneva. Diplomats and observers based in Geneva have estimated that the annual costs of operating an effective mission in Geneva (including the costs of salaries, rent, etc.) might range from perhaps US$500,000 to US$1 million.[66] This could be beyond the present resources of the Government of The Gambia, were it to be required to pay the full cost, but fortunately there are sources of support. The Swiss Government provides a subsidy to least developed countries to assist them in the establishment of WTO missions, with the amount being roughly equal to the cost of renting the necessary office space. Moreover, funding may be available from other sources, most notably the Commonwealth Secretariat, to cover some of the remaining costs.

A less costly alternative, but also one that would make only a modest contribution to enhancing the country's presence in Geneva, would be to take fuller advantage of the resources that are made available to non-resident members of the WTO. One such opportunity is provided by the WTO itself, in the form of "Geneva Weeks." These are special periods devoted to the interests of non-resident members.

It is further recommended that The Gambia establish working relationships with other institutions devoted to aiding developing countries, and especially non-resident countries, in their information-gathering and representation. These include the Advisory Centre on WTO Law (ACWL), the International Centre for Trade and Sustainable Development (ICTSD), and the International Trade Centre (ITC). The services of the ACWL would be useful to The Gambia only in the event that the country becomes involved in a dispute-settlement case.

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[66] This is a relatively conservative estimate, in the view of some experts. There is of course no upper limit on the amount of money that an embassy might cost, depending on the size of the staff, its entertainment and travel allowances, etc.

Section IV:
Production and Trade in the Agricultural Sector

A. Introduction

Agriculture contributed on average 24.8% to the Gross Domestic Product (GDP) from 2004 to 2009 and up to 30% with a growth rate of 4% in 2010. It provides employment and livelihood for over 75% of the labor force. It comprises of annual crops (maize, millet, sorghum, groundnuts, sesame and cotton), horticulture (fruits and vegetables) and livestock (mainly cattle, small ruminants and poultry). Agricultural production is largely rain-fed which is reduced and erratic and subject to the vagaries of climate change. The sector's production is primarily tilted towards subsistence farming undertaken by over 500,000 smallholder farmers. To redress this low agricultural output, joint public and private sectors partnership efforts are being increasingly directed at transforming the sector from its current status to a more commercially-oriented, modern sector with optimal returns to investments.

The agriculture sector faces a number of challenges. These include rising soil infertility and environmental degradation, poor quality and inadequate supply of inputs, limited value addition and commercialization, insufficient linkages and integration with local, regional and international markets as well as other sectors of the economy such as tourism, manufacturing and services; limited and aged human capacity; weak extension/research liaison and limited extension outreach; and modest farm mechanization. These collective challenges mar agricultural development and culminate in low food, nutrition and income security levels of smallholders, thus immensely contributing to the persistent high level of poverty. Worse still the incidence of rural poverty is not only rising but also pervasive where 92% of the extremely poor and 72% of the poor all derive their livelihood from agriculture and its related activities. The insatiable demand for food is growing with the increase in population. The situation is also worsened by the absence of a well-articulated irrigation policy and infrastructure, given that only 3% of the total arable land is currently under irrigation.

Several problems have confined much of Gambian agricultural production to supplying the domestic market. One, as discussed at length below, is the persistent problem of meeting international standards. This issue is highlighted here because for agriculture, no less than for fisheries, it is the *sine qua non* for exports: If domestic producers cannot meet the sanitary and phytosanitary standards set by foreign markets their goods will either be barred from the market altogether or relegated to the less profitable niches in it (e.g., groundnuts that are allowed only for sale as birdfeed and not for human consumption). Another horizontal problem is the matter of scale: Output of most crops is too low to meet the volume demands for efficient competition in global markets. The first of these problems, as intractable as it has proven, may be easier to solve than the second. The small scale at which agricultural products (raw and processed) are made in the country has limited much of the export market to informal or semi-formal channels to supply the diaspora market (especially for "comfort foods") and to supplying the hotel and restaurant markets that cater to tourists. Those markets remain small compared to domestic sales and the subsistence needs of the farmers themselves.

B. The Government's Agriculture Strategy

The agricultural sector has long been operating on an *ad hoc* basis without clear-cut policies and strategic guidelines. To redress this situation, the Agriculture and Natural Resources Policy (ANRP) was prepared in 2009 and approved by Cabinet in 2012. The ANRP paved the way for the formulation of the CAADP Partnership Compact signed in 2009 under the Comprehensive Africa Agricultural Development Programme of the New Partnership for Africa's Development (CAADP/NEPAD). Most importantly, The Gambia National Agricultural Investment Plan (GNAIP 2011-2015) which was prepared and finalized in 2010, translated the CAADP Partnership Compact into tangible and fundable investment programmes.

The GNAIP programmes have been aligned with Vision 2020, which aims to transform the country into an export-led, middle income nation by 2020. The Agriculture and Natural Resources Policy seeks to strengthen competitiveness in the sector through commercialization and the Programme for Accelerated Growth and Employment 2012-2015, which promotes small to medium-scale enterprises in enhancing pro- poor growth. As mainstreamed in key national policies, the realization of GNAIP goals is therefore "everybody's business".

GNAIP is viewed as the central pillar of the government's programme to guide growth and development of the agriculture sector. Its overall goal is to enhance economic growth and poverty reduction by increasing the contribution of the ANR sector to the national economy. It consists of six main inter-linked and complementary programmes, designed to consolidate and scale up proven innovations/approaches, promote coherent coordination and synergies among partners and programmes. The six GNAIP programmes are: (i) Improved agriculture, water and land management; (ii) Smallholder agricultural commercialization; (iii) Integrating improved approaches to food and nutrition security; and (iv) Strengthening GNAIP coordination and management. These programmes will be implemented over a five-year period at a total cost of US$296.7 million (base cost of US$282 million). GNAIP will be managed through the Central Projects Coordination Unit (CPCU) of the Ministry of Agriculture and will mainly focus on the promotion, development and up-scaling of technologies that are tested and proven usable, conservation and management of water-shed areas, empowerment of agro-business enterprises to enhance competitive commercialization, integration of producers and processors in the marketing chain and mainstreaming the promotion of social protection measures including school feeding to enhance nutritional security and emergency resilience and mitigation.

Coordination and harmonization of interventions are expected to optimize donor support in the implementation of GNAIP programmes. This is expected to streamline projects/programmes personnel and operational costs. GNAIP can be used as an entry point for any donor intervention in the sector and encourage better coordination among active donor partners in the sector. This will ensure complementarities and harmonization of interventions and optimize donor involvement and support to GNAIP programmes.

Agriculture is now a priority for government policy. According to the 2012 Budget Speech,

> The Government's vision for the Agriculture Sector is to transform The Gambia into a major supplier of agricultural products to local and international markets between 2012 and 2015. Investments in Agriculture will mainly be in the provisions of inputs, irrigation, facilities as well as expanding the acreage under cultivation.

The Government allocated 7.09% of the budget in 2012 to the agriculture sector, compared to 2 to 4% in the past, coupled with a fourfold increase in the development budget that finances projects/programmes. Regardless, the Maputo Declaration of allocating 10% of the national budget to agriculture is yet to be achieved. Increased allocation to the sector ensures sustainable funding of GNAIP programmes for accelerated agricultural growth and performance to boost production, enhance food, nutrition and income security and reduce poverty particularly among the vulnerable cohorts of society (women and youth).

C. Horizontal Need for Quality Standards, Inspection, and Laboratories

"The Gambia is particularly vulnerable to increased pests and diseases," the Food and Agriculture Organization (FAO) noted, "including food-borne illnesses, due to its porous borders, high levels of imported food, and extensive movement of people, goods and animals to and from Senegal." The need for an effective biosecurity policy is further emphasized by the fact that "to continue and to strengthen its export markets, the Gambia must be able to meet sanitary and phytosanitary standards of importing countries."[67] Food-testing systems and laboratories can make a vital contribution both to domestic food safety and to The Gambia's export industries. The FAO urged that "[c]oordination and communication between biosecurity-related laboratories … be strengthened" and that "[l]aboratories should work together to better utilize the available facilities and capacity."[68]

C.1: Food Safety Policy

The statement of the food safety policy of The Gambia, which formed the basis for the Food Safety Quality Act, 2011, makes clear that the goals in this field serve the interests of both public health and exports. The policy observed that it shall be the objective of policy that food will not prejudice the health or economic well-being of consumers. More precisely,

> The operator of a food business shall be responsible for ensuring that the products which he sells, or possesses for the intention of sale, shall be safe to eat. This will apply at all stages of production and distribution of foods, including primary production and suppliers of inputs. It shall also apply to those business operators who supply ingredients which may be incorporated into food, or materials which may come into contact with food, and thereby provide a source of potential contamination.
>
> In view of the fact that animal feeds form part of the human food chain, and that a number of potential hazards may thus be introduced, the scope of the policy on food safety shall extend to animal feeds. It shall also address other agricultural inputs which may enter the food chain, such as veterinary medicines and plant protection products.[69]

That same harmony of objectives may be noted in the mission statement of the National Codex Committee/WTO Sanitary and Phytosanitary Measures Committee, which declares the purpose of this institution to be —

> Serving as a national forum to assist the government and other actors in the agricultural and food industry in ensuring a supply of safe food to consumers, while at the same time maximising the opportunities for industry development, keeping animals and plants healthy, and for the expansion of both domestic and international trade.

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[67] *Ibid.*, page 33.

[68] Food and Agriculture Organization, *Country Report: The Republic of the Gambia*, Capacity Building Needs Assessment Series (2010), page 35.

[69] The Republic of The Gambia, "Draft Food Safety and Quality Policy" (2010), page 5.

The national food-safety policy is founded upon recognition that the arrangements under the Food Act 2005, in which food safety responsibilities are allocated to different institutions on the basis of product and distribution level, were not optimal. That approach did not deliver effective controls through the full supply chain. The policy instead contemplated establishment of a new Food Safety Authority, as was achieved in the 2011 legislation, with a unitary responsibility for food safety and quality. This authority will be directly responsible for assessment of risk, risk communication, risk management, and the implementation of official controls in relation to food. The agency may nonetheless be empowered to delegate this authority to other bodies, provided that there is a clear definition of the authority delegated (e.g., a memorandum of understanding) and adequate management arrangements being in place. It is anticipated that such delegation may take place, for example, in the area of meat inspection.

C.2: Food Safety and Trade

The policy provides that with respect to imports the Government will apply The Principles for Food Import and Export Inspection and Certification established by the Codex Alimentarius Commission Code of Practice (CAC/GL 20-1995) and the Guidelines for Food Import Control Systems (AC/GL47/2003). Imported foods and feeds will thus be subject to a risk-analysis approach in which risks are assessed based on the nature and frequency of hazards that they may present to the human and animal population. Products from certain origins may be banned from on entry, but such cases will be considered on a case by case basis, and the policy states that any actions taken will be in line with the SPS Agreement of the WTO.

As for exports, the draft policy states that —

> The Government recognises that food and feed exported or re-exported from The Gambia should meet the same conditions of food safety as food or feed which is consigned to the domestic market. Government undertakes to work towards ensuring that the same requirements are applied to the national and export markets. However, policy should also recognise that lack of development in some sectors of The Gambian food industry means that this cannot always be achieved.

The policy further provides that the aforementioned Codex Alimentarius Commission Code of Practice (CAC/GL 20-1995) will also apply to exports.

The current priority is to establish the capacity needed to test for aflatoxin and pesticides in groundnuts. The existing aflatoxin testing laboratory at the National Agricultural Research Institute lacks the necessary trained personnel. A national metrology authority will serve as a custodian of physical standards and provide calibration services to industry. The government has yet to establish a laboratory to test for pesticide residue in agricultural products.

Capacity-building support will be needed for the Food Safety and Quality Authority, which was still in the early stages of creation in 2012. As of this writing the director general of the new institution had not yet been appointed, nor had the rest of the staff been hired, but it is it anticipated that both of these steps will be completed soon. The authority will not have laboratories of its own, but will use the accredited laboratories of other government institutions.

The importance of ensuring compliance with WTO obligations must be stressed. The Gambia is legally obligated to notify technical regulations and conformity-assessment procedures to the WTO, as required under the Agreement on Technical Barriers to Trade (TBT Agreement). The Gambia is also obliged to notify SPS measures to the WTO, as provided in the WTO SPS Agreement. Care must also be taken to ensure that any new standards are not written or implemented in a way that is not in compliance with the rules set out in the TBT Agreement (i.e., they must not be "prepared, adopted or applied with a view to or with the effect of creating unnecessary obstacles to international trade").

C.3: Capacity-Building and Technical Assistance

The Gambia is receiving advice and technical assistance on these matters from the competent international organizations.

In 2013 the Ministry of Agriculture will receive assistance from the Standards and Trade Development Facility (STDF) to strengthen the national plant protection system by implementing international phytosanitary standards and thus enhance its ability to trade agricultural products. The STDF is a global partnership in SPS capacity building supported by FAO, OIE, WB, WHO and WTO (which administers the Facility). The Ministry of Agriculture and Ministry of Trade, Industry, Regional Integration and Employment submitted Project Proposal to Strengthen the National Plant Protection System in the Gambia" (STDF/PPG/377) to the STDF in 2011. This Project Preparation Grant (PPG) aims to assess the capacity of the National Plant Protection System, using the Phytosanitary Capacity Evaluation (PCE) Tool and, based on the findings of the assessment, develop a complete project proposal to strengthen the national plant health system. The purpose is to conduct a comprehensive assessment of the phytosanitary capacity gaps and develop a project to implement action points to enhance the national plant protection system through implementation of International Plant Protection Convention standards. This will help the country in mobilizing and directing high-level government officials, donors and international organizations to strengthen the phytosanitary situation in the country, and improve coordination and collaboration. In the longer term, it will help in increasing opportunities for trade in agro-products (e.g., groundnuts, cotton, vegetables, sesame, cashew nuts) at the local, regional and international level.

The FAO made a series of recommendations, including a proposal that The Gambia should implement a unified food control agency that would work closely with the animal health and plant health functions of the Ministry of Agriculture, and stressing that any food safety (sectoral) policy should be a sub-policy of an overarching biosecurity framework policy. All food safety functions of the government should be overseen by this agency, the FAO urged, though some functions could continue to be carried out by the institution that is currently doing so. "The record system of imported food and agricultural products at the seaport should be strengthened," the FAO stated, "and used to implement a risk-based approach to inspection." The records system "should be implemented at other entry points as well (land borders, airport, etc)," and "could also be expanded to include (and link) disease surveillance data, food contaminant monitoring, laboratory testing results, etc."[70] The FAO also recommended that The Gambia make its biosecurity-related legislation, standards, and related texts more easily accessible to trading partners, private sector stakeholders, government employees, *et al.* through the International Portal on Food Safety, Animal and Plant Health, noting that this "would enable the Gambia to meet its transparency obligations of the WTO SPS Agreement."[71]

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[70] *Ibid.*, page 35.

[71] Food and Agriculture Organization, *Country Report: The Republic of the Gambia*, Capacity Building Needs Assessment Series (2010), pages 34-35.

Key to the FAO recommendations is the National Codex, Sanitary and Phytosanitary Committee (NCSPSC). Initially started as the National Codex Committee, which dates to adoption of the Food Act (2005), the NCSPSC is the national sanitary and phytosanitary (SPS) committee. The Food Act 2005 charges the National Nutrition Agency (NaNA) with coordination of food safety matters in the country, and the executive director of NaNA serves as the Codex Contact Point. The NCSPSC secretariat also now serves as the SPS enquiry point in The Gambia and the Ministry of Trade and Industry serves as the SPS Notification Authority.

The FAO recommended that The Gambia provide continuous support to the NCSPSC in order to strengthen the agency's coordination and implementation of biosecurity efforts. The more specific recommendations include additional personnel/increased time of the current personnel, additional equipment and supplies, access to high-speed Internet, and assignment and training of personnel to keep the NCSPSC website updated with current information. Further training should be provided to the NCSPSC on the value and means of implementing a biosecurity approach in the Gambia, the FAO urged, and support must be provided to delegates from the Gambia to attend relevant Codex, IPPC, and OIE meetings.

The local needs are exemplified by the dairy industry, where one study argued that —

> The public sector should invest in the upgrading of the laboratory diagnostic facilities of the central veterinary laboratory, the surveillance and control of notifiable animal diseases, e.g. brucellosisis and tick borne diseases to reduce morbidity and mortality and productivity losses and minimise the spread of zoonotic diseases.[72]

The same study concluded that there is a clear need for government to formulate a policy on the delivery of animal health services, delineating between the roles of the private and public sectors. "This could be facilitated by the adoption of the OIE animal health (sanitary) code for the delivery of animal health services," the study argued, which "will give the private service providers confidence and avoid crowding out in investment."[73]

UNIDO carried out an assessment of the national food safety system in The Gambia in 2009, and the World Organisation for Animal Health (OIE) assessed the performance of the national veterinary services in 2009 using its PVS Tool. "The Veterinary Services of The Gambia has a distinguished history," according to OIE, together with "a dedicated workforce that wants to make a difference and stakeholders that appreciate the importance of its work," but in "recent years it has suffered a decline in performance due to factors beyond its control."[74] The OIE nonetheless found that the decline could be quickly reversed if adequate attention is given to the problem. It urged that —

> This shortage of qualified veterinarians in the Department of Agriculture is a serious deficiency that should be addressed through short and long term plans to train and recruit veterinarians. In the short term an agreement with Nigeria will provide 12 veterinarians for a two year period. Clear work plans and objectives should be established for this program. For a medium and long term solution it will be important to sponsor qualified Gambians for veterinary training in regional schools (e.g. Ghana, Senegal, Nigeria) beginning as soon as possible. Noting that the

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[72] Mamadi Ceesay, Omar Touray, and Omar Njai, *Value Chain Analysis of the Dairy Industry in The Gambia* (2011), page 32.

[73] *Ibid*.

[74] World Organisation for Animal Health, Tool for the Evaluation of Performance of Veterinary Services (2009), page 1.

> possibility of creating a veterinary school in The Gambia has been floated by political leaders we would recommend that a thorough cost/benefit analysis should be carried out in order to determine whether this would be a reasonable investment. A more immediate impact might be achieved by re-investing in programs at The Gambia College and University of The Gambia for the training of veterinary livestock assistants.[75]

The priority in The Gambia, the OIE more recently concluded, "is to improve the organizational structure and management of the [veterinary services] and re-establishing a fully functional field veterinary network in compliance with OIE standards."[76] The OIE endorsed a policy that foresees on the one hand "ensur[ing] food security through national production (import substitution)"[77] and on the other hand improved inspection resources to ensure safe imports of animals and animal products. The OIE also believes that "it is important that Gambian representatives participate in international meetings in order to monitor the establishment of new and revised international standards" because this "will allow them to gain experience in the field of veterinary legislation."[78]

D. Crops

Several crops are produced in The Gambia, most for domestic consumption but some — such as groundnuts and cashews — for export. The aforementioned lack of detailed, recent data precludes an in-depth analysis of production and trade trends for each of these sectors. What follows is focused instead on the principal goods that are believed to have potential either for significant export-expansion or the substitution of imports.

D.1: Groundnuts, Cashews, and Sesame

According to the National Export Strategy, the vision for groundnuts is "To transform the Groundnut sub-sector into a commercialized value chain with focus on value addition and manufacturing." The more specific objectives are:

1. Increase local production
2. Develop R&D center to ensure high yielding and disease resistant varieties
3. Overcome challenges of Aflatoxin
4. Improve existing marketing arrangements and better storage facilities
5. Reestablishment of a private sector led Cooperative System

Groundnut production continues to be one of the major economic activities of most farmers in The Gambia. Its production was estimated at 74,530 mt in 2002 and reached a climax of 137,277 mt in 2010 representing an increase of 84%. About 80% of the rural households are grow groundnuts occupying about 50% of the total land under cultivation. It plays a pivotal role in rural life, primarily providing income, food and animal feed. The sub-sector creates jobs and job opportunities in the area of transportation and processing as well as one of the major sources of foreign exchange earnings. Between 70-80% groundnut farmers are classified as poor. Groundnuts account for 80% of agricultural exports and close to 60% of foreign exchange

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[75] *Ibid*., page 111.

[76] World Organisation for Animal Health, *PVS Gap Analysis Report* (2012), page 1.

[77] *Ibid*., page 2.

[78] *Ibid*., pages 98-99.

earnings. The sector is also important to food security and poverty reduction, as well as a source of feed for livestock.

Regardless of its importance, the groundnut sub-sector's performance is still below expectations and the farmers operating in the sub-sector are among the poorest cohort of society. It is persistently plagued by a myriad of challenges that militate against its business development opportunities and hence erode its optimal economic benefits. These challenges include: marketing difficulties due to inadequate crop financing (frequent credit buying); repeated low annual producer prices (although 2012 farm-gate producer price is reasonable estimated at US$348/metric ton); rampant problems associated with technical defects of the groundnut processing factories and facilities; inadequate transport facilities such as barges, tug boats and commercial trucks; etc.

The previous DTIS and numerous other studies have been critical of government intervention in the sector, including the provision of farm inputs and producer subsidies. Efforts have been underway for years to commercialize the sector, starting with the privatization of its industrial assets in 1993. Government managed the sector from 1999 to 2003, but then withdrew from marketing.

The export of groundnuts and groundnut products has declined since the mid-1980s and the principal reasons were low production, declining world prices and processing capacity, rising domestic consumption and rising SPS standards requirements for the EU markets which culminated into a fall in exports in the 1980s. The decline in exports has been exacerbated by the rising SPS standard requirements of the EU market, the main destination of Gambian groundnut exports. Gambian groundnut exports have been relegated to the less lucrative European birdfeed markets. To avoid such markets, the country's comparative advantage lies in the intensive production and exports of confectionary groundnut edibles to the most lucrative EU markets.

The Gambia is actively working to promote its production and competitiveness in the groundnut sector. A UNIDO project, for example, is helping the country to produce higher value-added in the cashew sector, and The Gambia is also receiving assistance from the United States.

The prospects for cashew production may be brighter than those for groundnuts. According to the National Export Strategy, the vision for cashews is "To be the regional center of excellence in cashew value-addition leading the way in processing, manufacturing, exports and Research & Development." The more specific objectives are:

1. Gradually Increase local production of Raw Cashew Nuts (RCN)
2. Develop a Cashew R&D center to ensure high yielding disease resistant varieties and to maintain the local 'Mother Tree'
3. Promote gradual qualitative growth in value-addition in cashew by increasing the number of cashew processing plants
4. Reduce the dependence of the sector on RCN from neighboring countries
5. Promote technology transfer through adoption of appropriate cashew processing technology

It is a much more profitable crop than groundnuts, with prices having risen over a decade from GMD7 to GMD25 per kilo in the 2010/11 crop season. The Gambia has much to gain from increased production of cashews, as well as from moving up the value chain in this commodity, but it also faces impediments. The draft National Export Strategy poses the problem in the following terms:

> The challenge with cashew processing, though not peculiar to The Gambia, is a challenge that needs redressing if we are to succeed in making the cashew Value Chain a successful export crop. However, for processing to be economically viable, there must be enough output of raw cashew nuts and these must be readily available. This in turn necessitates a calculated expansion either in the size of existing farms, encouragement of more farmers to enter into cashew farming, or invitation of investors into commercial cashew farming. Also of importance is the marketing arrangement of cashew. The marketing arrangement needs to be more organized with considerations given to establishing uniformity in farm gate prices and with these prices driven by the forces of demand and supply. Issues relating to weights and measures and having standardized buying arrangements have to be dealt with. Equally, ensuring separation of nuts into their respective quality designations is also important. This is essential considering that the different varieties of cashew in The Gambia – about 22 in total. The best mother trees, as recommended by the Africa Cashew Alliance (ACA) needs to be protected to ensure they are not eventually replaced by lower quality varieties. For this to happen there is need for the establishment of a Cashew Research & Development unit beyond what obtains at the National Agricultural Research Institute.

Some problems have been identified in the cashew sector. These include over-reliance on a single market (India) and concerns over quality. The emerging concerns over cashew quality merit priority attention so as to avoid a repetition of what the country has experienced in groundnuts.

Sesame is another non-traditional crop with real growth prospects. It was originally introduced in The Gambia in the 1980s by the NGO Catholic Relief Services, with the aim of providing a diversification crop that specifically targeted women farmers in rural areas. Here too one finds some concerns over quality, and again it will be vital for The Gambia to ensure that problems in the handling of the harvest do not preclude the development of a potentially lucrative crop. As in the case of cashews, more work and assistance are needed in the development and enforcement of standards.

D.2: Poultry and Livestock

There is currently some level of local commercial investment in the poultry sector, but producers are encountering problems related to production and marketing. According to the Food and Agricultural Organisation (FAO), the stock of chickens in The Gambia was 750,000 in 2009. The largest sector is village or backyard production, in which the majority of producers are in poor households. Productivity in this sector is limited by the poverty of the producers, constraints in feed availability, high levels of predation, and frequent disease outbreaks (especially of Newcastle Disease). Small- and medium-scale commercial production farms may be found in urban and peri-urban areas, while there is one large-scale producer in the country. Commercial producers face problems as well, including cost and availability of feed, taxes on poultry inputs, inadequate supply of chicks, lack of processing and cold storage facilities, weak support and regulatory services, competition from imports, and lack of access to credit. “Poultry production is often used to address gender imbalance in income in agriculture,” the report pointed out (page 31), “as women (and children) own and manage the birds.”

A 2011 study[79] made several recommendations for priority action to enhance production, productivity, and the generation of employment and investment opportunities in the poultry value chain:

- Ministry of Finance to lift or reduce to the minimum the sale tax levy on feed, veterinary drugs, vaccines, mineral and vitamin premixes;
- Adoption of the value chain approach as the framework for the development of the poultry sector
- Establishment of Poultry value chain actors network;
- Development of Poultry Farm-Agribusiness Linkages Framework;
- Develop and Implement Training Programme for Development of skills and knowledge base of youth and women for the management of poultry production enterprises (broiler and egg);
- Training programmes in hygienic handling, slaughtering, processing and marketing of poultry and poultry products for youth and women;
- Training programme on Good Agricultural Production, Post-Harvest, Storage and handling of Maize;
- Training of artisans and Youths on Poultry equipment manufacture;
- Nationwide NCD Vaccination and Surveillance Programme for traditional village/backyard poultry (5 years);
- Training on feed preparation using locally available by products for on-farm use and sale to village poultry producers; and
- Support to youth and women through grants or affordable credits or be linked to agribusiness enterprises operating hatcheries or importing day old chicks; to specialize in the raising of cockerels for sale to farmers to replace their unproductive cocks.

Livestock in The Gambia comprises cattle, small ruminants (sheep and goats), poultry, pigs, horses and donkeys. The sub-sector contributes about 8 and 24% to the national and agricultural GDPs respectively in 2010 and its production provides livelihood opportunities to 44% of the population (PAGE, 2012-2015) particularly those living in the rural and peri-urban areas**.** Livestock production is predominantly traditional with few pockets of semi-intensive commercial enterprises. Some of its products, particularly commercial poultry are not price-competitive with cheaper imports, largely attributed to the relatively high costs of imported feeds and drugs. Its population is estimated as follows: cattle 284,925 heads (GLMA Cattle Census, 2010), small ruminants: sheep 251,000 and goats 352,000; poultry 850,000, and pigs (FAOSTAT, 2012). These categories of livestock jointly contribute to household food security and also provide additional sources of income for small scale producers. The population of horses and donkeys has been estimated at 55,527 and 16,902 heads respectively. Horses and donkeys are commonly used as draught animals providing mainly farm power and transportation to the majority of farm households and over 30,000 households reported owning draught animals (NASS Census, 2012).

The Gambia Livestock Marketing Agency (GLMA) was established in January, 2010 by the Government of The Gambia to promote the commercialization of cattle and small ruminants. Its functions include the establishment and management of livestock markets, holding grounds

[79] Mamadi Ceesay, Omar Touray, and Omar Njai, Value Chain Analysis of the Poultry Industry in The Gambia (2011).

and abattoirs as well as the construction and leasing out of butcher shops. The agency is also tasked to formulate a price determination mechanism for live animals and meat, introduce and encourage the use of livestock weighing scales for live weight determination of animals prior to slaughtering, and widely disseminate livestock and meat prices to the general public on a weekly basis, train butchers and dealers, and manage the Livestock Marketing Development Fund. Thus far, GLMA managed only to establish and operationalize a price determination mechanism (LHDP Market Study, 2012). The sub-sector continues to be beset by challenges that threaten its institutional existence. These challenges include inadequate number of qualified personnel (veterinary doctors and animal production specialists) and an acute shortage of feed and drugs.

D.3: Horticulture

According to the National Export Strategy, the vision for horticulture is to "Develop horticulture products cultivation into a vibrant, enterprise driven, export oriented sector in order to generate income among farmers, reduce poverty, and stimulate socio economic development." The more specific objectives are:

1. Improve market access for farmers and women farmer associations produce
2. Create market linkages between the horticultural sector and the Tourism industry
3. Attract investments in cold storage and refrigerated transportation trucks and reefers
4. Improve air and sea freight logistics through investments and engagement of air and freight forwarding agents/businesses
5. Promotion of private sector led cooperative schemes to assist with requisite horticultural inputs, farming equipment, and watering infrastructure support.

The horticulture sub-sector is one of the key priority areas of the Government. About 65% of the agricultural labour force is engaged in this sector with a large participation of women (88%) in individual or communal gardens. Broadly, it comprises of fresh fruits and vegetables (FFV). Most of the vegetable production takes place during the cool dry season (commencing in October/November) when women farmers are less engaged in the production of traditional crops like rice and other cereal crops and under favourable weather conditions. The principal vegetables crops commonly grown in the dry season are: onions, lettuce, cabbage, carrot, tomatoes, sweet large pepper, garden eggs, okra and bitter tomatoes. Rainy season vegetable production by small scale growers is limited in scope concentrating mainly on "indigenous" leafy greens, pepper (small hot chilies), okra, eggplant, bitter tomatoes, sorrel, roots, and tubers.

The horticultural production system in the country is broadly characterized by a three-tier system prominent mainly in the vegetable production industry while for the fruits sub-sector individual or commercial enterprise production (orchard) system is the major characteristic feature. Vegetable growers are categorized into the following production groups: i) individual small scale growers; ii) small scale village-based communal producers and iii) commercial enterprise producers. The bulk of the production is carried out by the individual and communal producers who sell between 70-80% of their produce at farm-gate, village, weekly (Lumos), and regular markets.

There were about 30 commercial horticultural enterprises that operated in The Gambia in the past but now only three are actively engaged in the sub-sector. These are Radville and Kharafi Farms, and Gambia Horticulture Enterprises (GHE) Limited. Radville Farms is engaged in the production and exports of fruits (mainly mangoes) to EU markets and Kharafi Farms is involved in the production of onions and Irish potatoes for the local and sub-regional markets.

To protect Kharafi Farms' produce (onions and Irish potatoes) from cheaper imports of the same products from abroad, Government imposed an import tariff of GMD100 per 20 kg bag of potatoes and per 18 kg bag of onions. GHE concentrates in producing FFV for both the local and international markets.

Very little processing of fruits and vegetables takes place in The Gambia. Most fruits and vegetables placed on the local market are usually in a fresh state. Without proper cold storage facilities, a large proportion of the FFVs will perish if not quickly sold at the local markets. Staggered production of FFVs is not widely practiced in The Gambia. For this reason, there are excessive supplies of FFV at harvest time thus glutting the local markets. If there were proper processing facilities, fruits could be processed into juice and other products which will increase its shelf-life and also fetch remunerative prices. For The Gambian fruits and vegetables to be more competitive abroad and to enjoy better access the global value chains, the FFV produce must be grown under good agricultural practices and of improved quality.

The cost of fuel is regarded as one of the inhibiting factors of horticultural production in The Gambia. Producers are mainly concerned with fuel costs which are relatively higher than Gambia's competitors. The pump price for diesel fuel in The Gambia is US$1.58/litre in 2012 higher than most West African countries. Of particular concern to producers is pump irrigation which represents the single largest expenditure for commercial horticultural production in The Gambia. Fuel costs are estimated between 35 and 60% of the variable on-farm production cost. Furthermore, about 50% of the fuel cost constitutes government tax which may raise cost/kg of horticultural produce. Duty waivers on fuel costs are usually allowed by Government for agricultural projects thus reducing the pump price.

Inadequate support services to producers, such as efficient research and extension services, are critical and becoming an urgent concern for Government and the private sector. In The Gambia, both research and extension services institutions receive low public funding due to budget constraints. The research system has low critical mass of researchers for the development of specialized packages/messages on best agricultural practices for quality production and fulfillment of changing market conditions. It has a low outreach level due to inadequate public funding and infrastructure development. The extension farmer ratio has been estimated at 1:1000 and in the absence of adequate logistic support unfortunately this ratio may rise.

The horticultural industry in The Gambia is facing stiff competition from other African, South American, and Caribbean countries. With the entry of Moroccan and Egyptian fresh green beans into the European markets, the export of The Gambian green beans became uneconomical. This is associated with the fact that the two countries have lower transport costs. Air freight to European markets are highly costly in The Gambia regardless of the country's proximity to most European markets. For instance, the air-freight costs for the following selected countries are: Ghana $1/kg, Dominican Republic $0.65/kg, Kenya $0.90/kg and Gambia $1.50/kg (COMTRADE, 2011). An alternative to air-freight service is sea-freight with high journey time. For instance, it takes about 22 to 25 days to reach Europe using sea-freight which thus excludes perishables (fruits and vegetables). Although in the past trials have been conducted by Gambia and Maersk Shipping Companies for Radville Farms in sea-freighting fruits and vegetables by using reefer containers and proved successful.

Limited availability of post-harvest handling facilities further constrains horticultural export development in the country. Besides the cold storage facility established at the outskirts of Lamin and Banjulunding, there are no public storage facilities that horticultural producers can access. The cold storage and packing-house facilities situated at the airport have been owned by Radville Farms and were meant to be used by other private exporters but this did not happen. The application of non-tariff barriers such as more stringent food safety, quality, sanitary and phytosanitary (SPS) controls further makes it difficult to access the EU markets, as does a serious shortage of trained manpower, from management level to skilled farm workers, to service even the few commercial producers.

The sub-sector is one of the key priority areas of the Government. There are two major donor assisted projects: Gambia Lowland Development Project (GALDEP) and the Livestock and Horticulture Development Project funded by the Islamic Development Bank (IDB) and the African Development Bank (ADB) respectively all aimed at promoting this sub-sector. The Horticulture Services Unit was established under the Department of Agriculture (DOA) in 2009 to promote the production of vegetables including mushrooms, fruits and flowers.

E. Recommendations

Analyses have shown that the agricultural sector expansion and development is marred by a myriad of constraints as already stated above. For the sector to prosper and provide the desired outputs, the constraints must be contained. The following recommendations to alleviate the said challenges are proposed:

- The Government of The Gambia should intensify efforts to solicit donor partners' contributions to the GNAIP financing gap to ensure the implementation of GNAIP programmes geared towards commercializing the agricultural sector and ensuring food, nutrition and income security;
- Government budget allocation to agriculture to reach 10% according to the Maputo Declaration;
- For Gambian produce to have access to both local and global value chains (particularly global), it should be quality and SPS standard requirements compliant;
- Production and productivity of Gambian produce must be greatly improved and quality enhanced in order to partake in the lucrative global value chains;
- Over-reliance on rain-fed agriculture will only perpetuate subsistence farming, therefore there should be meaningful investment for the expansion and consolidation of irrigation schemes and irrigated perimeters in order to transform the sector from current level to a more commercially-oriented sector modeled on competitive and value chain approaches;
- Incorporate current and expected requirements related to standards and other specific requirements into business plans, including considerations of product-market combinations, customer and supply relationships, production technology, logistics, and investments in processing and marketing facilities;
- Government to organize business forums and make use of their embassies abroad for donor assistance and support to ensure the implementation of GNAIP programmes;
- Small and medium scale farmers should organize themselves in cooperatives in order to take advantage of scale economics and to benefit from pooling of resources and skills. This will enable them to reduce transactions costs and enjoy the economies of scale;
- Enter into joint programs with donor agencies to provide technical assistance to suppliers

to enable them to meet emerging requirements;

- Undertake a detailed and holistic assessment of the impacts on Gambian agricultural produce of the changes in governance of fruits, vegetables and groundnuts value chains and its implication to poverty reduction. Also, undertake comparative studies among various policy alternatives to identify effective national strategies to ameliorate the impacts. Undertaking such studies would help policy makers to take informed decisions;
- Provide funding for trainings in pesticide management; traceability and record-keeping; farm business management skills; environmental and social sound practices; basic food hygiene and sanitation; post-harvest management and certification procedures. Provide funding for capacity; and
- Building efforts at the macro level, both for extension agents (basic GAP principles; IPM and integrated crop management; food regulation and market requirements for exports; packaging and post-harvest technologies) and other agents (e.g. laboratories practices, sampling; traceability procedures; GAP auditors; and market information systems).

Section V:
Trade Policymaking in Fisheries and Aquaculture

A. Fisheries

The Gambian Government continues to give high priority to the development of the fisheries sector because it is not only a source of revenue and foreign exchange earnings for the country but also an opportunity to increase employment opportunities, particularly for women who are mainly involved in fish processing and marketing. The sector is also contributing to an improvement in the nutritional status of the citizenry, especially in the process of alleviating poverty and ensuring adequate food security. The artisanal subsector provides direct and indirect employment to between 25,000 and 30,000 people, while about 2,000 people are presently employed in the industrial sub-sector. In this regard, Government will ensure a sustainable exploitation and utilization of the fisheries resources. The sector is the third largest food production sector, after agriculture and livestock.

According to the National Export Strategy, the vision for fisheries is "Promote responsible and sustainable fish harvesting practices to ensure a balanced eco-marine that supports prudent fisheries resources management, value-chain development, and an improved economic and social welfare of fisheries stakeholders." The more specific objectives are:

1. Ascertain fishery stock through acoustic trawl surveys
2. Improve infrastructure of major fish landing sites and their hygienic conditions
3. Improve the value chain
4. Institute standards and laboratory facilities for the conduct of biological and chemical tests
5. Attract notable investments in the value chain to leverage its export potential

The examination of the sector in this revised DTIS comes in two parts. The review here in Section V concerns the overall structure of the sector and the related aquacultural sector, including the opportunities and impediments. Section VI turns more precisely to the implications of development in this sector for women in The Gambia, as this is one of several sectors that is of special importance for trade and gender issues.

A.1: Fishery Resources in The Gambia

The Gambia's fisheries sector consists of two subsectors: an industrial subsector and the artisanal fisheries sub-sector. The artisanal fisheries consist of relatively extensive, low-capital fishing practices. It refers to those fishermen and women (both national and foreigners) operating in small units of a few fishermen or on an individual basis employing less equipment and technology. It also includes the women oyster and cockle harvesters who generally operate within the estuarine areas. Essentially, the craft employed in this subsector are planked and/or dug-out canoes. The sub-sector is highly diversified, covering marine (coastal), brackish (through the estuary waters of the river Gambia) and freshwater (upstream along the river) fishing operations.

In spite of the small scale nature of its operation, the artisanal sector provides 90% of the total national fish consumption, and is the main source of raw material for the industrial sector. Currently 80% of throughput in the industrial fisheries processing plants is provided by the artisanal fisheries. The bonga, round and flat sardinella, and other small pelagics are the main species landed by the artisanal fishermen. These species are mainly consumed locally in fresh or traditionally processed (smoked or dried) product form, or exported regionally. The high-value commercial species the sector produces (shrimps, sole fish, sea breams, lobsters and cephalopods) are mostly supplied to fish processing factories for export, mainly to the European Union, America, and Asia.

The sub-sector has witnessed an expansion in the number of fishing economic units (FEU) operating in the coast and along the river banks and estuaries from 1,299 canoes in 1983 to 1,969 canoes in 1997. However, a decline on the 1997 total was recorded in the 2006 frame survey which indicated a fleet of 1,785 canoes operating in both the marine and along the river Gambia.

The sub-sector provides direct employment to 6,104 fishermen (1,410 head fishermen and 4,694 assistant fishermen). Out of the 1,410 head fishermen, 805 (57%) are Gambians and 605 foreigners (43%). However, foreign fishermen (mainly Senegalese) form the majority along the Atlantic coast which is the most productive area. Of the 416 head fishermen operating in the coastal area, 249 (60%) are foreign nationals compared to 167 (40%) Gambians. In addition to fishermen, fisheries sector participants include boat builders, fish processors, fish traders, and fish retailers and wholesale buyers. It is estimated that the artisanal fisheries sub-sector provides direct and indirect employment to 25-30,000 people (Fisheries Department). More broadly, the livelihoods of an estimated 200,000 people are dependent on fisheries and related activities (Mendy, 2003). Women play a very active role in the artisanal fisheries sector, accounting for about 80% of fish processors and 50% of small-scale fish traders (African Development Bank/GAFDP).

A.2: The Industrial Fisheries Sector

Unlike the artisanal sector, industrial fisheries activities involve the use of high-cost fish-production systems (fish trawlers), as well as high-cost processing systems (fish factories) and concentrate along the Atlantic coastline. As of mid-2012 there were 20 locally registered fishing companies operating in The Gambia, but only 10 companies have so far managed to invest in on-shore facilities (fish factories). Five of these (Bara Fishing, Kendaka, Rosamond Trade, International Pelican, and West Africa Aquaculture) have met the required standards and been certified to process and export fresh and frozen fish products to the European Union. Only one factory (Rosamond Trade) is certified to export cured (smoked) fish products to the European Union. The remainder has not yet met the EU regulations on fish processing establishments. Exports to the European Union essentially consist of fresh and frozen fish, particularly of high-value commercial species (crustacean, cephalopods, sole fish, etc.). Specialized smoked fish products (all traded through the only certified establishment) essentially serve the Gambian diaspora market in the European Union and the United States.

The development of industrial fisheries has been relatively limited in The Gambia. Industrial fisheries account for as low as 10% of the total national fish consumption and for only an estimated 20% of the locally processed fish. These are due to the fact that over 90% of the fishing vessels legally operating in Gambian waters are foreign owned and land their catches abroad. They usually make contractual arrangements with Gambian fishing companies in order to satisfy national licensing conditions, or operate by virtue of fishing access agreements with The Gambia, for example, the Senegalo-Gambian Reciprocal Fishing Agreement, the Japanese, Koreans, and the now expired EU/Gambia Fishing Agreement. Most of these trawlers land their catches in Senegal, or process them out at sea and export to Spain, Greece, Korea, etc. Although foreign trawlers must land 10% of their catches in The Gambia (a licensing requirement), sometimes they land the bulk of the fish in overseas ports after paying the value of the 10% to the government for lack of handling space in the existing factories. Industrial catches landed in foreign ports for processing and further value addition are exported not as products of Gambia but as products of those countries where the catches have been landed. This deprives the country of foreign exchange, employment generation opportunities, and reduces the availability of fish for local consumption and local industrial processing.

This situation is due, among others, to the absence of a dedicated modern fisheries port and related ancillary facilities, which has had considerable negative impact on the development of industrial fisheries and the economy in general. This is coupled with other constraints such as lack of storage facilities, financial constraints, high cost of energy, high operational costs and poor management, resulting in some of the fish factories going bankrupt.

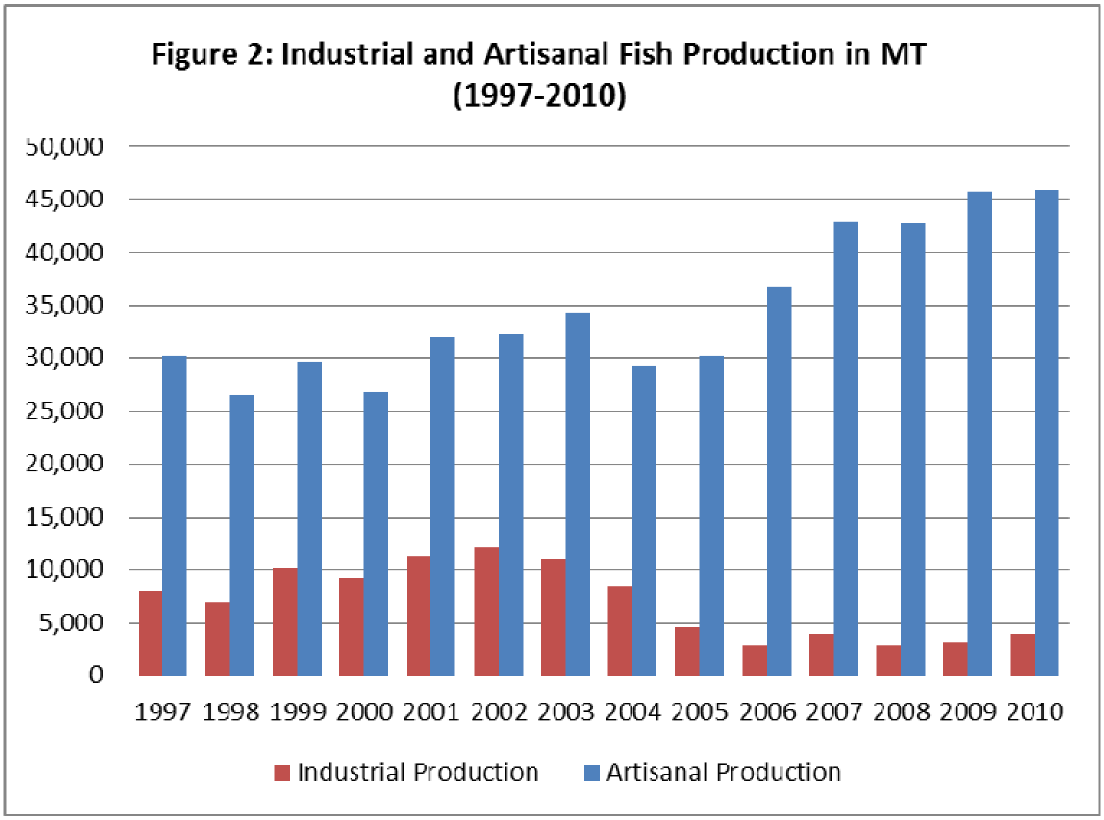
A.3: Export of Fish and Fish Products

Though small in absolute terms, fish exports are significant for the economy. In 2007, fish and fish products accounted for about 15% of merchandise export earnings (excluding re-exports) (Department of Fisheries). The bulk (about 80%) of the exports is sent to the European Union (fresh and frozen fish). Exports totaled 932 metric tonnes in 2002 and 3,563 tonnes in 2010, mostly accounted for in increases in production by the artisanal sub-sector. This has been mainly due to the fact that the fisheries sector, especially the industrial subsector, has lacked inflows and investments to allow for its optimal operation. The value of fish exports from The Gambia is believed to be severely underestimated, as most fish caught in Gambian waters is landed in foreign countries, and hence not accounted for in the Gambian trade statistics.

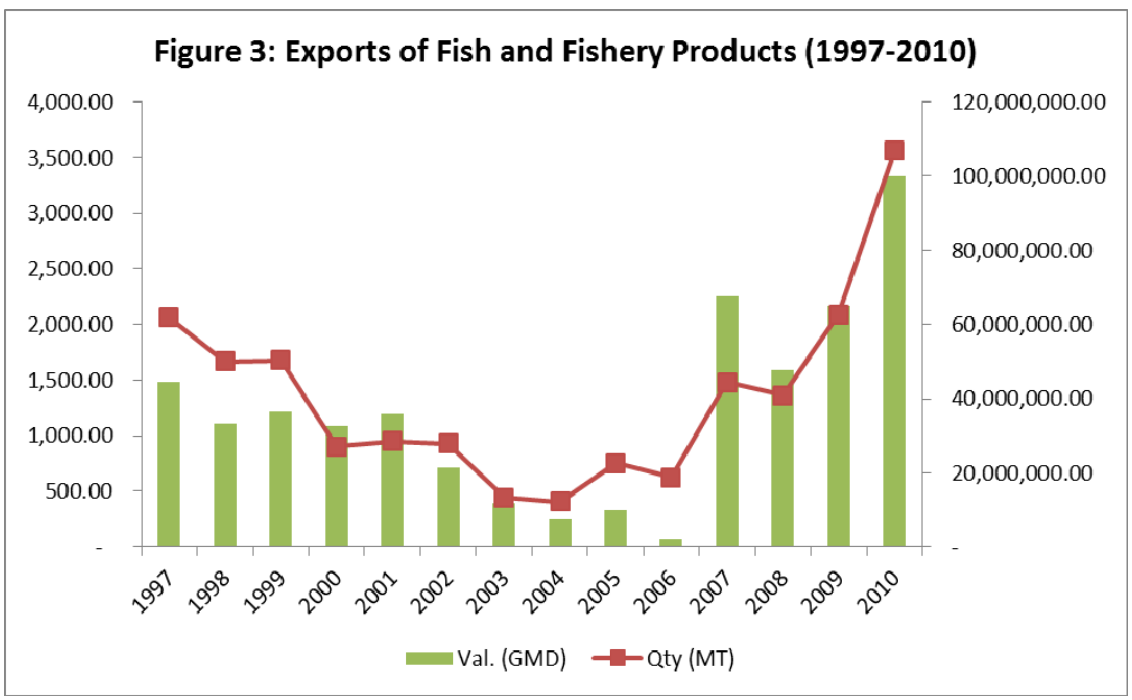
The European Union is the main export destination for fishery products. Trade requirements for this market are stringent and production systems and products must be equivalent and comply with equivalent regulations on hygiene, food safety, consumer protection and official control requirements. It will be noted that exports to the European Union were suspended for four months (October, 2010 to February, 2011) following deficiencies in the system of official control of fishery products, but have since resumed, with four out of five establishments approved to export to the European Union being fully operational and continuing to export a variety of fresh frozen and smoked products. The fifth one is an aquaculture (shrimp establishment which was delisted due to non-submission of a national residue control plan for aquaculture in 2010. The residue control plan was submitted in 2011-12 and approved by the European Union. Hence, the establishment is being relisted for export of aquaculture products to the European Union.

A.4: Challenges that the Sector Faces

The sector competitiveness is hindered by a number of structural constraints. Key issues are addressed below.



Source: Department of Fisheries (2010)



Source: Department of Fisheries (2010)

A.4.i: Lack of Adequate Supply

The industrial fish processors are supplied by the artisanal subsector, which struggles to meet quality requirements for export markets. On top of that, factories have sometimes difficulties in securing fish supplies and tend to operate below capacity. Fishermen find it more remunerative to land their catch in neighboring Senegal where payment is made on the spot. Fishermen are reluctant to sell fish to Gambian fish-processing companies because the companies do not pay on receipt. They buy on credit and often default on payment or are late in payment. Fish processing factories in The Gambia are indeed trapped in a vicious cycle: to remain profitable they are obliged to exert a downward pressure on suppliers (discounted prices, deferred payments etc.) which might lead to a lowering of standards in handling and post-harvest conditions at landing sites, or to supply diversion towards other countries.

The completion of the Banjul fisheries jetty and its ancillary facilities (ice plant, cold stores, fish handling and transport equipment) will enhance the capacity of the industrial fisheries in fish supply from industrial vessels. This should be given serious consideration, alongside listing of the Banjul site as a designated facility for export to the European Union. Given its proximity to the fish processing establishment, the jetty would ease some of the problems arising from low post-harvest handling and transport practices. Furthermore, in addition to the industrial trawlers, artisanal canoes should also be allowed at the jetty, thus encouraging the jetty to function as a key official landing site and point of first sale for fishery products control, to meet EU requirements.

The potential for expansion of the Gambian fishing industry needs to be carefully weighed against sustainability issues. Worthy of mention here are concerns about the full- and over-exploitation of some of the fish stocks expressed by many specialists. This is generally true of the state of the fisheries resources not only of The Gambia but the entire sub region, which essentially calls for a region-wide approach to address the issue of potential over exploitation of the resources.

One result of the fishing expansion is that many of the high-value coastal demersal fish stocks (shrimps, cephalopods, sole fishes, etc.) are severely depleted and facing rapid decline, and unless effective fisheries management is introduced the entire demersal fishery will collapse and all the investments being planned for the fisheries sector will go down the drain. Unfortunately, almost nothing is being done to regulate the level of effort, traditional methods of local management have largely broken down and the present management regimes cannot cope with the new situation. Given this situation fish supply to the industrial sector will continue to decline unless the governments in the subregion develop and implement an effective management regime that will reduce the fishing effort for the sustainable harvesting of the resources.

If the processing plants were to be supplied by industrial trawlers through the Banjul jetty, measures should be implemented to ensure that artisanal suppliers are not displaced. Two approaches might be envisaged. The first would consist in preserving dedicated facilities for pirogues at the fish landing pier at Banjul. The second is to create employment opportunities for artisanal operators in the industrial fisheries, by means of local content requirements.

A.4.ii: Costs and Availability of Electricity

Electricity supply in The Gambia is insufficient, unreliable, and expensive, and is amongst the highest in Sub Saharan Africa. The cost of electricity hampers the international competitiveness of the fish processing plants, which are relatively energy-intensive, as the cold chain equipment needs to operate continuously 24 hours per day, seven days per week (according to some estimates the price of electricity would account for estimated 75% of operating costs).

Electricity pricing methods also generate some distortions: the progressive pricing system (the more you consume the more you pay) discourages expansion/scaling up of processing activities; high electricity rates in the industrial sector (including fisheries) cross-subsidize energy consumptions for other categories of users (domestic (residential), governmental, and agriculture). The electricity tariff for the fisheries sector as at July 2012 was D8.95 per kWh, the same rate for all industrial users. The rate for the agricultural sector is lower, at D8.00 per kWh. There is no subsidy for any category of users in the fisheries sector, which is the same as in Senegal with the exception that the cost of electricity is slightly cheaper in Senegal where the current rate for fishing industries is US$0.35 cents per kWh.

Currently there is no subsidy on fuel for fishing and related operations within the industry in The Gambia and the prevailing bunkering prices for diesel fuel at Banjul port for fishing trawlers is currently US$1.55 per litre, similar to the commercial pump price, whereas the bunkering price for fuel for fishing vessels (local and foreign) in Senegal is US$0.80 in 2012. The huge differential in fuel prices between The Gambia and Senegal means that The Gambia has a lower international competitive advantage, and such price differential can act as a disincentive for foreign trawlers to utilise the Banjul jetty facilities currently under construction. There is clear need for a government policy shift to categorise the fisheries sector as agricultural for electricity charges. Even though only a bit higher than the agriculture sector, but lowering the tariff for the fisheries sector to be at par with the agriculture sector will give greater incentives to operators within the sector.

A.4.iii: Reliance on Imports

All equipment and material, including packaging material, needs to be imported. The Government may wish to consider developing some local capacity, particularly for packaging material. However, the competitiveness of local packaging versus imports would need to be carefully assessed. Critical factors in this respect would include scale issues (size of demand) and the local availability of manufacturing technologies for packaging material conforming to EU and other importing country standards.

A.4.iv: Taxes

It is felt that the fiscal system is excessively burdensome, and major areas of concern include: i) the complexity of the tax system, with various taxes levied at the end of the year, which makes it difficult for operators to factor taxes into production costs for planning purposes; ii) relatively high tax rates - 30% of profits if declared or 2% of turnover if profits were not declared (3% in case of late payment); iii) the turnover tax - to be paid even if the business was not profitable-the tax on turnover is perceived as unfair and distortive, as it discourages investment in supply expansion; iv) policy inconsistency – though The Gambia’s tariff allows for

Table V.1: Matrix on Comparative Data on Landing Fees, Tariff Prices and Incentives (Gambia and Senegal)

Fees	The Gambia	Senegal	Remarks
Landing fees – vessel/GRT	US$21 Per GRT *	US$37 GRT	
Pilotage	Less than 150 GRT US$15 per hour or US$31 per hour for more than 150 GRT	N/A	
Fuel prices for fishing vessels	US$1.55 per litre diesel	US $0.80 cents per litre diesel	For diesel, The Gambia local pump price is US$1.55 per litre Senegal local pump price US$1.2 per litre
Cost of water per gallon	Per trip of 18 tons = 4000 gallons @ 275.50 Euros Per trip of 40 tons @ 750.75 Euros	US $2/m^3	
Electricity for the fisheries industry	US$0.37 Kwh	US $0.35 cent Kwh	No subsidy or discount in The Gambia & Senegal
Ice	US $120/ton	US $.60/ton	
Tax levied on fish off loaded - Sales Tax	No tax	18% VAT	
Incentives to the fisheries industry	Tax holidays and duty waiver on fishing gear and equipment	Tax holidays and duty waiver on fishing gear and equipment	

Source: Comparative Study Fisheries Jetty landing Fees, Fuel Tariff in Senegal and Gambia

**US$1.00 = D30*

duty exemption on plant and equipment used in the industry, there is evidence that requests for duty waivers supported by both the Fisheries Department and the Ministry of Trade had been rejected by the competent fiscal authorities.

A.4.v: Compliance with Sanitary and Phytosanitary Requirements

Compliance with EU import requirements was not considered a stumbling block *per se*. The continuous upgrading of these requirements (e.g. changes in acceptable residue levels) is excessively onerous, with repeated adjustment costs for the factories that must then be passed on to upstream actors. The frequent repeated adjustments are usually too fast, and sometimes cumbersome for developing countries to catch up and cope with the too frequent adjustments.

Landing sites should be upgraded to fully meet sanitary requirements, and allow for sanitation design and hygiene control at point of first sale to improve compliance with EU regulations. Official landing sites should be designated and provided with adequate facilities for ice production, cold storage, fish handling and preservation equipment and facilities, energy supply, and manpower training in operational and best practice. They must be fenced, paved against vehicular movement, indiscriminate movement of people, and animals and other sources of contamination. If the rehabilitation/upgrading of artisanal sites is effectively implemented, The Gambia will improve its competitiveness and maintain access to these markets in the European Union and elsewhere.

The Fisheries Department needs to increase the number of qualified fishery product inspectors, and also provide training for current industry official inspectors in management and application of principles of the Hazard Analysis and Critical Control Point (HACCP) system and related sanitary control. The absence of a competent and accredited laboratory in the country for official testing during official control, means delays and high costs (given the authority's limited budget), or inability to export. Laboratories in The Gambia though in the process of seeking accreditation, will take some time to be accredited and to expand its scope to cover all required tests on fishery products to meet EU requirements.

Meanwhile, it is imperative that The Gambia Government provide the budgetary requirements for the authority to access official testing laboratories if fishery products are to continue to be given the guaranty ("visa") to enter European and other territories in the trade.

A.5: Key Elements of the Policy Environment

Following the identification of a number of constraints (institutional, technical, economic, social, and physical) impeding the sustainable management and development of the fisheries sector, The Gambia government adopted a new fisheries policy in 2007 that aims to address the constraints in order to contribute to the realization of the country's goals as outlined in Vision 2020. The review process incorporated the principles of the Code of Conduct for Responsible Fisheries (CCRF) as well as other emerging trends in fisheries management into the Policy. The policy objectives include: a rational and long-term utilization of the resources; the use of fish as a means of improving the nutritional standards of the population; increasing employment opportunities in the sector; increasing foreign exchange earnings; expanding the participation of Gambians in the sector; the development of aquaculture; and through strengthen regional and international collaboration in the management and sustainable exploitation of shared stocks, among others.

To implement these policy objectives the Government developed the Fisheries Strategic Action Plan (2012-15); see Box V.1. Implementation is progressing albeit with constraints due to, among other reasons, inadequate skilled manpower; inadequate scientific information and data for informed decision making; poor infrastructure; limited control over the resources; low product quality management; low level of aquaculture development; low level of regional trade in fish and fishery products; and low investment in the sector.

The Fisheries Policy is being implemented within the context of the overall framework of the Agriculture and Natural Resources (ANR) Policy that encompasses the water and other natural resource sectors (forestry, livestock, parks and wildlife, and the environment), each of which is implementing its own sectorial policy. This essentially means that harmonization and coordination of these various interrelated polices must be achieved to enhance coherence and

Box V.1: Policy Objectives and Policies of the 2012-2016 Fisheries Strategic Action Plan

	POLICY OBJECTIVE	*POLICIES*
i)	Effect a rational and sustainable utilization of the marine and inland fisheries resources, and develop aquaculture	i) Policy on Monitoring Control and Surveillance (MCS), ii) Policy on access to Financial Resources iii) Policy on Inland Fisheries and Aquaculture iv) Policy on Marine Artisanal Fisheries
i)	To use fish increase food security, improve the nutritional standards of the population, and improve the livelihoods of the rural population	i) Policy on Marine Artisanal Fisheries ii) Policy on Inland Fisheries and Aquaculture
i)	To increase employment opportunities, and participation of Gambians, especially women and young men, in all aspects and at all levels of the fisheries sector	i) Policy on Gender, Youths and Fisheries Sector Development ii) Policy on Fisheries Extension
/)	To increase the net foreign exchange earnings	i) Policy on Industrial Fisheries ii) Policy on Post Harvest and Quality Control iii) Policy on Fish Marketing
/)	To improve the institutional capacity and legal framework for the management of the fisheries sector	i) Policy on Institutional Reforms ii) Policy on Human Resource Development iii) Policy on Fisheries Research
i)	To improve institutional linkages with other relevant sectors	i) Policy on Inter-sectoral linkages ii) Policy on Sport Fishing
i)	To strengthen regional and international collaboration in the sustainable exploitation, management and conservation of shared stocks and shared water bodies, promote bio-diversity maintenance and enhancement and prevent environmental degradation	i) Policy on Sub-regional and International Cooperation

complementarity in their implementation. In this regard, and to address conflicts and inter sectoral policy inconsistences the Agriculture and Natural Resources Working Group (ANRWG). This Working Group is co-chaired by the Permanent Secretaries of the Ministries of Agriculture, Forestry and the Environment, and Fisheries and Water Resources. The ANRWG serves as, a clearing house mechanism, and a policy conflict resolution forum where planned sectoral polices are reviewed and harmonized in order to avoid duplications, conflicts and redundancies.

An important element of the Fisheries Policy is the need for collaboration with international, regional and national organizations to address the numerous problems (often trans-boundary and global in nature) of conservation and protection of the aquatic environment. In this regard, emphasis will be placed on international cooperation within the context of the various multilateral and bilateral agreements and processes in which Gambia is a party such as the Subregional Fisheries Commission (SRFC), the Organization for the Management of The Gambia River Basin (OMVG - French acronym), the FAO Fishery Committee for the Eastern Central Atlantic (CECAF), and the Ministerial Conference on Fisheries Cooperation among African States bordering the Atlantic Ocean (ATLAFCO). Others include the FAO Committee on Fisheries (COFI), ECOWAS, the WTO, etc. At the bilateral level, regular monitoring and implementation of the national obligations within the respective cooperation framework agreements will be assured, paying particular attention to the fisheries cooperation agreements with Senegal, Republic of Guinea, Guinea Bissau, and Mauritania.

B. Aquaculture

Though still in an embryonic stage, aquaculture is deemed to have huge growth potential in the Gambia. The development of subsistence, small-scale and commercial aquaculture is a stated Government policy, given the nutritional and economic potential of this sub-sector. Aquaculture represents an additional source of animal protein, contributing to food security, stimulating regional development, generating foreign income, creating new jobs and reducing pressure on wild stocks, particularly the shrimp and oyster stocks. The country is well positioned for shell fish farming, and shrimp exports command a high price in Europe. Pilot aquaculture activities are currently being carried out by the Department of Fisheries in co-operation with Department of Agriculture through an FAO Technical Cooperation Program (TCP), and a Taiwanese Technical Assistance program, for development of aquaculture in the country.

B.1: Shrimp Farming

Only one company (West African Aquaculture) is engaged in aquaculture on a commercial scale in The Gambia. It was established in 1988 as Scan-Gambia Shrimps Ltd, but collapsed in 1992 due to financial problems. Restarted and renamed West African Aquaculture, it is a hatchery, farm and processing establishment engaged primarily in the farming of the black tiger prawns (*P. monodon*) for export, mainly to the EU. In 2006, using only 50 hectares out of its original 200 hectares the farm produced 50 tonnes of shrimp. Currently, of the available 550 hectares (52 ponds of 4 hectares each), only 40 hectares (10 ponds) were being used for production as at June 2012, with the hatchery producing 2.5 million post larvae (PL). The production cycle is 6 months (April-November). This means that there is still potential for a lot more area to be put under cultivation, and to even serve as a base for modeling production methods adapted to the local context in the West African region.

Costs of production were too high for the business to be profitable at this rate. It is currently producing but not making money. In more general terms, the cost of energy was identified as a major constraint for commercial aquaculture development in The Gambia, the venture being particularly energy intensive, given the energy requirements of the processing establishment (cold-chain infrastructure) and the ponds (pumping water from the estuary). While the price of fuel for power generation had increased by 900% over 10 years (from as low as 5 GMD per liter in the early 2000s up to D45/50 in more recent years), the export price for shrimps had increased by only 60% over the same period.

Aquaculture ventures are inherently risky financial endeavors, and additional risks associated with production yield, escalating prices of production inputs and market price variability, or failure to meet stringent standards for safety and quality makes commercial shrimp farming in Gambia indeed potentially complicated. The slightest mistake can put a shrimp farm out of business, with significant non-recoverable costs, as the venture involves capital-intensive projects with big sunk costs (land lease/acquisition, pond construction, hatchery and processing factory, and water pumps). If commercial aquaculture in Gambia is to become viable, the issue of escalating energy costs needs to be addressed. Also, hazard mitigating measures (price hedging, strict enforcement of hygiene and quality standards, careful environmental impact assessment, etc.) would need to be implemented.

Notwithstanding these obstacles, the commercial potential for the sector remains significant. In this respect commercial shrimp farmers in The Gambia would have some strategic advantage over their competitors, including from Asia. There are two main sources of comparative advantage. First, given the lack of significant industrial activity within the estuarine areas, and upstream along the River Gambia, shrimps could thrive in relatively clean waters with no use of antibiotics. Second, shrimps grow faster and bigger than elsewhere, given climatic/locational conditions, which enhances the quality of the product in terms of texture and shape.

There is significant potential for a product-differentiation strategy (antibiotics-free shrimps with unique characteristics in terms of texture and seize) with a focus on high-value niche markets (e.g. gourmet restaurants in Europe). Market access barriers (compliance with EU seafood import requirements) are significant but can be met as West African Aquaculture has been delisted now and can resume exportation to Europe. This is the opportunity to break into the upscale market. Other market entry barriers, such as access to distribution channels by new entrants and the abuse of market power by incumbent firms, would also need to be addressed (e.g., by creating business links through chambers of commerce and trade facilitation initiatives) in collaboration with The Gambia Investment and Export Promotion Agency (GIEPA), The Gambia Chamber of Commerce, etc.

Commercial shrimp farming appears to have significant potential for employment generation and poverty alleviation in rural communities, particularly for women during harvesting. These socio-economic impacts need to be carefully weighed against environmental impacts. Industrial shrimp farming projects tend to involve large-scale destruction of coastal environments, especially ecologically important mangrove forests that support a high diversity of marine and terrestrial life. Other vitally important wetland habitats and economic activities - particularly women's vegetable garden and other subsistence farming areas - may also be adversely affected due to salt water leakage and seepage and consequent dryness. The development of commercial aquaculture should therefore be carefully planned, due attention taken for possible negative spillover effects and trade-offs. Thus Gambia needs to address the development process of the industry, from policy development to the level of implementation. Strict adherence to environmental laws and regulations, especially the development of participatory Environment and Social Management Plans (ESMPs) will be crucial if the Gambian process is to avoid the pitfalls and environmental catastrophe of other countries where the industry became the victim of its own success.

B.2: Oyster Culture

The Department of Fisheries has conducted research studies on the West African mangrove oyster (*Crassostrea gasar/tulipa*) which indicates great commercial potential. The competitive advantage enjoyed by the West African mangrove oyster in the Gambian estuarine habitat is due to faster rates of growth (relatively to other commercial species harvested elsewhere) and a relatively unpolluted environment (oysters thrive in the marine and brackish waters of the river and its estuarine areas, which, as mentioned above, are relatively clean, differently from most estuarine areas elsewhere). However, market outlets/niches need to be adequately identified.

Oyster and cockles harvesting is currently done on a subsistence/artisanal basis and essentially involves capture fisheries. Harvesting of cockles and oysters is predominantly done by women in the Tanbi Wetlands National Park. Harvesters mainly belong to the Jola, Balanto and Manjago ethic groups. Women harvest oysters from the mangrove roots during the six hours of diurnal low tide. The harvesting season lasts from March through June for oysters, and from July to November for cockles. The processing (boiling/steaming or roasting and smoking) and selling of cockles and oyster (along the highway to and from the city of Banjul) is done by the same women who harvest them. Oysters and cockles are also marketed in urban market places and (dried) at the weekly market days in rural communities ("loumos"). Buyers and consumers include individuals for home consumption, street food vendors, restaurant operators and exporters.

The commercial expansion/upgrading of the industry will involve some shift towards oyster culture (as distinct from capture fisheries), for a number of reasons: conservation purposes, as the fisheries stock is already fully exploited/over-exploited; environmental reasons, to avoid more extensive damage to the fragile mangroves ecosystem; commercial reasons, as oysters harvested from the wild tend to be smaller and less homogeneous than oysters on culture tracks.

The Department of Fisheries conducted studies in the 1980s on the West African mangrove oyster (*Crassostrea gasar/tulipa*) which indicates great commercial potential. The competitive advantage enjoyed by the this species in the Gambian estuary is the fast rate of growth (relative to other commercial species harvested elsewhere) and a relatively unpolluted environment (oysters thrive in the marine and brackish waters of the river and its estuarine areas, which, as mentioned above, are relatively clean, different from many estuarine areas elsewhere). However, market outlets/niches need to be adequately identified.

C. Conclusions and Recommendations

The fisheries sector has significant potential to make a major contribution to national socio-economic development. The sector acts as a source of food and protein to the population, a source of revenue and foreign exchange earnings, and creates employment opportunities, particularly for women to alleviate poverty. It is in this regard that the Government should continue to give high priority to its development. Accordingly, the Government should proactively pursue a coherent policy to spur the development of the sector. This will involve i) comprehensively tackling structural obstacles that hinder the international competitiveness of the sector; ii) exploring niche markets for high-value products, with a view to "dynamizing" the sector; and iii) effectively tackling gender-specific obstacles that may impact on the outcome of sectoral policies, as well as addressing sustainability issues**.**

C.1: Address Structural Obstacles

An effective national strategy for boosting the fishing industry will require a coordinated and integrated approach to the various structural problems outlined in the previous analysis. If effectively designed and implemented, this strategy could contribute to expand the fish-processing sector in The Gambia, with significant job creation and poverty alleviation effects, particularly for women.

Some steps that can be taken to aid this sector are not special to fisheries, but instead of economy-wide significance. These include measures to ease credit and the tax burden. Others can be more precisely targeted to fisheries.

Regarding electricity, the options include (1) giving priority (a special tariff) to the fisheries sector as it has done to the agriculture sector; (2) reducing the cost of fuel destined for use by fishing industry; and (3) promoting use of alternative energy sources (solar, wind, etc.) with a view to reducing the sector's dependence on fossil fuel. With constraints of lack of power at virtually all artisanal landing sites resulting to lack of ice and cooling facilities, and the high cost of electricity where available, government should replicate the wind-driven turbine technology being designed under the EIF Tier 2. This should involve both along the coast as well as at inland CFCs. It will also encourage upgrading of fish drying facilities and the use of improved smoking kilns preferably with alternative forms of fuel will ease the drudgery of fetching and splitting firewood to produce smoked fish

C.2: Improving Capacity

Capacity issues are also important. Unless the capacity of the managers of fishing companies is developed sufficiently in good corporate governance it will be difficult for the companies to survive. One way to address this issue is for the fishing companies to enter into joint ventures or partnerships with experienced foreign partners who would provide the much-needed financial inputs and managerial expertise. In addition, the overseas partner will seek market outlets more readily than the local entrepreneur whose experience is mainly limited to local outlets.

With specific reference to the artisanal sector, there is a need to create capacities in record keeping and business planning (this would help micro-finance institutions to assess creditworthiness). It is also important to favor the grouping of individuals into intermediate organizations (Central Bank of The Gambia (CBG) recognized micro finance institutions, reputable NGOs or umbrella Community Based Organizations (CBOs) with track record in savings (VISACA) and credit delivery, etc.) to which credit can be more easily extended.

It is also necessary to improve capacity of the competent authority in sanitary and phytosanitary (SPS) inspections. Because of the dispersed locations of artisanal landing sites and the diverse nature of the activities of the artisanal operators, improving SPS can be difficult. However, at dedicated official landing sites where facilities are provided, the quality of the fish will be assured. Therefore it is being recommended that in addition to the three fish landing sites (Brufut, Tanji, and Gunjur) earmarked for installation of wind turbines to generate electricity, other equally important inland fish landing sites should also be considered to benefit from similar investments. For example, Bintang, Albreda, and Tendaba, are very important inland shrimp landing sites that could benefit from similar renewable energy sources (solar, wind, etc.) to manage the value chain. This will spread the development of the sector over a wider region, as it will create employment for the women and youths in those areas.

In addition, the Fisheries Department needs to increase the number of qualified fishery product inspectors, especially in view of the high number of RAFF notifications which resulted to the suspension of exports to the European Union for some time. Training should be offered to industry official inspectors in management and application of principles of the Hazard Analysis and Critical Control Point (HACCP) system and related sanitary control.

The pooling and alignment of external funds is critical to fund equipment and training. A number of Aid for Trade initiatives can catalyze development assistance in support of the country's efforts to develop the basic laboratory infrastructure and capacities to ensure compliance with SPS requirements in key export markets. The key challenge is to align aid flows to the priorities expressed in the national fisheries strategies.

C.3: Address Sustainability Issues (Over-Exploitation of Demersal Stocks)

The potential for expansion of the fishing industry needs to be carefully weighed against sustainability issues. From a policy perspective, this calls for management and conservation of fish stocks through technical conservation measures (e.g., minimum mesh seizes) and direct conservation measures (e.g., restriction of catches or closure of fisheries). The effective implementation of these measures will in turn hinges on: i) sub-regional cooperation (harmonization of common policies in the areas of conservation and exploitation of living marine resources within the framework of the Sub-Regional Fisheries Commission), as most demersal species are straddling and migratory fish stocks; and ii) awareness raising and sensitization at the local (fishing communities) level, to promote effective forms of community-based management axed on peer-pressure. In a parallel move, the Government may also wish to revise the terms of the Senegalo-Gambian Agreement in the Field of Maritime Fisheries regarding reciprocal concession of fishing rights in waters of Senegal and the Gambia.

A subregional approach is also required that will involve the Subregional Fisheries Commission and other member countries to draw up a regional conservation policy and strategy. Working in close collaboration with research centers in the region (e.g. CRODT in Senegal, and CNROP in Mauritania) the regional strategy will involve a research and stock assessment component that will inform both the regional as well as the individual national policies. As the regional commission the SRFC could even be mandated in due course to negotiate access agreements on behalf of the member countries, in the same way that it coordinated a monitoring, control and surveillance program for the subregion.

C.4: Enhance Infrastructure

The completion of the Banjul Fisheries Jetty should also be given serious consideration in this context. As regards infrastructural facilities, the jetty (and associated facilities - ice plant, cold stores, fish handling and transport equipment) and the Community Fisheries Centers (CFC) are key infrastructure facilities that could be leveraged to improve fish availability at fish factories and fish landing sites. This will enhance the capacity of the industrial fisheries in fish supply from industrial vessels. Improvement of artisanal fish landing sites will improve handling and processing particularly for women operators, and would ease some of the problems arising from low post-harvest handling and transport practices.

The revitalization of the dock yard and the slip way at the Ports Authority will complement the activities of the fisheries jetty. A revitalized dry docking facility to service industrial trawlers fishing in Gambian waters could also be available to other fishing vessels plying other countries' waters in the subregion especially where those countries do not provide such services, thus becoming a hub. In addition to the landings of Gambian licensed vessels, fishing trawlers of other flag states as Taiwanese, Panamanian, and European vessels fishing in the high seas may also land their catch in Gambia, for onward export to these markets.

C.5: Explore Niche Markets for High-Value Products

The potential for commercial and artisanal aquaculture involving shrimps and oysters is high, and with support of the government commercial shrimp farming should be encouraged. There is significant potential for a product differentiation strategy (antibiotics-free shrimps with unique characteristics in terms of texture and seize) with a focus on high-value niche markets (e.g. gourmet restaurants in Europe). A major constraint that needs to be addressed however is the high cost of fuel to run the generators for both pond production and post-harvest processing. Equally important is the siting of operations which must be chosen with due care to take account of potential environmental pollution.

Artisanal oyster farming, especially involving the women oyster harvesters can increase local oyster production and even encourage the development of the half-shell trade to supply the Gambian tourist market. The natural oyster population will also be preserved as harvesting pressure will be reduced.

There is a potentially important niche export market for smoked catfish and other high value fish species including shrimps, barracuda, etc., to the Gambian diaspora in Europe and America. This appears to be a lucrative trade undertaken mainly by individual women (at least 5-6 are currently involved) who would pool their resources and rent the only fish factory listed to export smoked products to process their individual consignments, and together they would load a 20 or 40 foot reefer container to export the product to the European Union and United States. This is very innovative, and it could be the basis for a niche market that can be developed. The government should investigate this market potential with a view to enhancing its development, and to even possibly diversify the product base to include the under-exploited pelagic species of which The Gambia has enormous quantity.

Section VI:

Programmes to Improve Opportunities for Women: The Fisheries Sector

A. Introduction

Though the local industrial fish-processing sector is relatively small, it has significant potential for employment generation and poverty alleviation, particularly for women. First, the fishing processing industry tends to be “female-intensive”, given some preference for women in light processing/assembly types of work. Women in The Gambia play a very active role in the fisheries sector as about 80% of fish processors and 50% of small-scale fish traders are women. They are mainly engaged in both fresh fish marketing and distribution and in the processing and distribution of cured fish products.

Though the local industrial fish-processing sector is relatively small, it has significant potential for employment generation and poverty alleviation, particularly for women. It should be emphasized, in this respect, that the fish processing industry tends to be “female-intensive”, given some preference for women in light processing/assembly types of work. Women currently account for between 50-80% of the workforce at the fish factories. A total of 91 women are currently employed in the four operating factories, giving an average of 30 women per factory. An expansion of the sector is likely to stimulate an increase in female wage employment in the formal sector, with important poverty alleviation effects (from their wages women pay school fees for the children, buy clothes and food for the family).

Women operators are the most vulnerable group in the artisanal sub-sector, and are yet to be adequately empowered to enhance the effectiveness of their operations. Even though they play a very active role in the sector, they tend to have less access to resources than men. This imbalance, if not redressed, may negatively affect the overall prospects for sector development, as women account for about 80% of fish processors and 50% of small-scale fish traders. Observations at the landing sites of Gunjur and Brufut for example, have evidenced women’s unequal access to productive assets. There were perceivable inequalities between women smokers and men smokers in terms of access to CFC-managed facilities. Women occupied units in need of rehabilitation, for which they paid a rent with no service provided. Women fish driers, who transform fish that would otherwise be thrown away, were also faced with similar problems. The overall tendency seems to be that women tend to receive “diminished” assets, while sectors that attract investment tend to “defeminize”.

B. Opportunities for Women in the Sector

B.1: Fresh Fish Marketing and Distribution

In the fresh fish trade women tend to be small-scale dealers. They mainly buy from large-scale mongers a few trays of fresh fish (typically bonga, but also white fish) and transport it to various urban markets where the fish is retailed. They sometimes collectively hire a commercial vehicle to transport the fish to the urban markets, or use local taxis.

Large-scale dealers are mainly men: They often buy big quantities (e.g. one or more canoes of fish). The fish is unloaded from the canoes by carriers (who used to be predominantly women, but are increasingly being replaced by men) paid in kind (3-4 pieces of bonga per pan carried) and loaded onto refrigerated trucks or pick-up vans, for distribution to inland markets. Typically these men come from Mali, and would do any odd job, including unloading and carrying fish on wheel barrows from the canoes to the waiting trucks. If this trend continues very soon the women will be pushed out of the business of unloading the canoes and this essentially means they will lose an important source of their daily fish acquisition. This further means that their daily revenues will drop because they will have fewer fish to sell and to take home for their families' consumption.

Some large-scale specialist fish dealers (usually men) export the fish to Senegal, or to Ghana Guinea Conakry and, Nigeria, etc. in smoked of dried forms. Processing factories also procure their supply from large-scale (men) fish suppliers. Local hotels and restaurants are also supplied by this category of dealers and within this group of suppliers a few women are quite often very active as they too enter into contracts with the hotels and restaurants especially during the tourist season (October-April). This trade offers substantially bigger return for the woman than to the small scale processor who takes her produce to the market every morning. This category of women traders usually require a bit more working capital and better cash flows because the hotels and restaurants usually do not pay on receipt of produce; the women are paid fortnightly or monthly. Thus with a credit line extended to this category of women traders will help them expand their business and thus increase their level of income to get them out of poverty. In addition these women require training in the various aspects of the fish value chain, small business management, etc.

B.2: Cured Fish Distribution and Marketing

Artisanal fish processing constitutes small family or women-owned business enterprises with rudimentary technologies of processing, and is often located close to the beaches or areas of towns around the landing sites. Cured fish products are mainly sundried and/or salted and smoked. Fish dryers tend to be women. They produce salted sun dried fish for urban and inland markets or for regional export dealers. The same women who process the fish often market it (small-scale traders).

Women smokers generally produce smoked fish (mainly bonga and catfish) of relatively short shelf life (about 3 days) meant for urban and inland markets. Their operations are often labor-intensive and characterized by small-scale direct marketing and low profit margins. The women lay the split fish on raised platforms made from sticks and poles where the fish dries out under the sun over a period of 5-7 days. Often, it is contaminated with dust and infested with blow flies and maggots, shortening the product's storage life. Transportation to market centers is usually by commercial vehicles, and at this stage too a good part of the product could be lost due to spoilage, and this of course means financial loss to the processor.

For smoking of fish the women usually use the small pelagic bonga and the catfish, smoked over open fires in pans covered with jute bags. Because of the high cost of fuel wood, the women use cartons, coconut husks, groundnut shells, or any material to smoke the fish. Smoking lasts for 2-4 hours after which the fish is laid out to cool before packing in woven baskets for market the following morning. Unlike the smoked product by the men, this product soon deteriorates if not cooled because the moisture content is still high, which could result in spoilage.

Both curing processes are tedious, time-consuming, and unhealthy. Because of the inefficient smoking process the products are easily lost due to spoilage particularly during prolonged transportation and storage. Women need training in hygiene, handling, marketing and presentation of products, quality and safety aspects, etc., of fishery products as part of better marketing. In addition they need capacity building in relation to EU market requirements.

B.3: The Diaspora Trade

The diaspora trade to the European Union (mainly the United Kingdom and the Netherlands) and to the United States is largely a women-led business, although a few men exporters are also involved. This is the principal export trade for women in fisheries in The Gambia, involving a wide range of fish species with products such as smoked catfish, shrimps, sole fish, bonga, sardinella, croakers, and barracuda, but dominated by smoked products. These exports operate from Rosamond Trade, the only processing facility in the country certified to export cured fish to the European Union. Thus, these women supply specially the niche market of Gambians, and indeed the African diaspora. The target clientele for this product type is usually familiar with this form of product back in The Gambia or similar cultural background, and therefore tend to crave for it whilst in Europe or America. It would seem that the diaspora even includes other nationalities with African descent living in developed countries.

With a permanent staff of 13 (6 women and 7 men) the processing facility is rented by a group of women on a monthly basis, and the women's fresh fish is smoked by the staff of the facility, each woman's individual quota of fresh fish ranging between 200-500kg. The processed fish is stored, awaiting the completion of all the products of the women, before the fish is loaded onto a 20 or 40 foot container for shipment. Each woman acquires her shipping documents and other forms of certification for her consignment before travelling by plane to UK, Netherlands, etc., to await the arrival of the container at the UK ports where each woman collects her consignment usually addressed to herself, or to a UK-based business partner. The woman could either retail her fish by herself or sell to a wholesaler after which she returns to Banjul to load another container.

Another system of niche marketing involves both men and women some of who travel from the countries of export destination to process the products in Gambia. In this case it is worth noting that gender interacts with other factors such as nationality and ethnicity. Gambians, Senegalese, Ghanaians, Guineans and Malians are variously involved in the Gambian fish trade.

C. Constraints of Women in Fish Processing Factories

C.1: Factory Conditions

Discussions with women revealed some constraints that need to be addressed, and they include:

1. They stand for long hours (7-8 hours per day) while sorting, washing, or indeed performing any activity (during some of which they could sit) which has health implications.
2. Child care is a problem for many female workers, as raising their children is their task even if they live with their husbands. Very often the younger children are left to the care of older children while the mother is at work, and the situation is difficult especially where there are neither older children nor elderly women left at the house to take care of the child whilst the mother is at work.
3. Management declared that the female work force does create some problems with respect to pregnancies, maternity leave and domestic obligations, which might lead to absenteeism,

keeping them away from the work place. In many instances when they have to work later than normal because of more work at the factory, the women are usually in a hurry to get home to take care of their husbands, which can affect their output.

To tackle these problems, the factories may consider offering flexible work arrangements for the women to meet personal or family needs. This would contribute to reduce absenteeism and increase ability to retain and motivate high-performing and experienced employees. In addition the factories need to:

1. Conduct studies on risk and health problems faced by women working in the fish factories should be carried out, and health protection measures should be identified.
2. Train the women fish processors in hygiene, good manufacturing practices, processing, handling, quality and safety aspects of fishery products.
3. Train the women working in the shrimp farming sector in basic aspects of fish culture, processing, handling, and quality and safety aspects of fishery products.

Daily wages are in the range of D75 – D135 per day. Counting an average of D105 wage per day, weekly and monthly wages are in the range of respectively D735 and D2, 940. In some factories the work week is at times (peak fishing season of certain fish species) Monday through Sunday (7/7), at around 10 hours a day.

C.2: Access to Credit by Artisanal Women

A particular success story of a financing mechanism worthy of emulation is the GAFDP credit component which has disbursed US$1.1 million between 2005-11. The funds are disbursed through the Social Development Fund (SDF) which further on lends to Micro Finance Institutions (MFIs) such as GAMSEN, Reliance Financial Services, and village saving schemes at a rate of 15% and the micro finance institutions lend to artisanal fisheries operators at 20%, gaining 5% to cover administration costs and other charges. The grace period of these loans is three months, payable between one to three years depending on the amount of the loan. A total of 4, 373 operators (58% of who were women) benefited from the scheme, and they included fishermen, women fish processors and traders, boat builders and outboard engine mechanics. This surpassed the appraisal target of 20% of women beneficiaries. Total repayment rate so far is about 35%, but the recovery rate for the women is more than 95%. Although there is no empirical data to support this assertion, experience in the artisanal fishing industry has shown that women are by far better at repaying loans than their male counterparts. Consequently they ought to have a fairer chance to access government administered loan schemes than the men.

Clearly, the GAFDP credit component has already had a significant impact on women, in particular by improving access to credit. Therefore, more credit schemes specifically aimed at the women fisher folk will further enhance their capacity in the fight against their exclusion in the sector.

D. Recommendations on Gender-Specific Issues and Constraints

Corrective measures and actions need to be taken to address the issue of marginalization of the women involved in the sector. Actions may be taken in the following areas: Integrate gender considerations into the design and implementation of fisheries infrastructure projects (rehabilitation and expansion of fisheries infrastructural facilities at both landing sites and markets). The objective is to ensure that facilities used by women are upgraded, or that upgraded facilities are assigned to women. Concrete measures may include quotas, informal complaints procedure, etc. Community mobilization in the identification and enforcement of suitable measures is critical, as the whole process should be endogenous, from within the community. To this purpose: due mechanisms should be in place to ensure that women are fairly represented; community sensitization about the socio-economic implications of women marginalization would be needed (community leaders in particular should be mobilized to support women's access to resources). Parallel action should be taken in favoring access to credit to further deepen and strengthen the GAFDP experience (target percentage of credit to be disbursed to women; dedicated lines of credit for women operators, etc.) to redress power imbalances.

Also, measures should be implemented to avoid the excessive segregation, or dual structure of the chain according to the range of markets served (export and local/regional). Indeed, the development of the export industry may result in the creation of a dual structure in the fisheries sector, with some diversion of investment from the domestic segment (domestic marketing and distribution of fresh fish and traditionally processed products) to the export-oriented segment (particularly fresh and frozen fish products serving the European Union market). This dual structure of the chain is a potential source of disadvantage for small-scale women operators (driers, smokers, retailers), who mainly operate in the domestic segment. It may also be to the overall detriment of local people. Further research is needed to clarify the threats and opportunities associated with an industrial, export-oriented strategy in The Gambia fisheries sector. Prioritized investment should continue to include domestic facilities, and particularly infrastructure catering for small-scale operators (and indirectly women) who play a critical socio-economic role (nutritional). These will include ice plant and cold storage facilities to market high quality fish products at main urban/inland markets, fish handling and processing equipment, improved processing techniques, packaging material at landing sites, and well-equipped dedicated fish markets.

Women in the artisanal fisheries lack investment capital to expand their operations in processing and marketing. To enhance their capacity, government should deepen the experience of the GAFDP credit scheme particularly for women operators at low interest rates to avoid the disadvantage of borrowing from money lenders and fish traders.

Technical training needs to be undertaken in the following areas:

1. Hygiene, good manufacturing practices, processing, handling, marketing and presentation of products, quality and safety aspects of fishery products as part of better marketing.
2. Working in fish sales points (fish mongers, wet markets and in hygiene, quality and safety aspects of fishery products as part of better marketing
3. Training women working in the shrimp farming sector in basic aspects of fish culture, good manufacturing practices processing, handling, and quality and safety aspects of fishery products.

Expansion of the export-oriented fish-processing industry is likely to generate significant employment opportunities for relatively unskilled women downstream (factory processing), with positive effects in terms of poverty alleviation. It may also unleash dynamics of social polarization and exclusion upstream in the chain. As discussed, industrial fish-processing companies source their fish supply from artisanal fisheries through large scale (mainly men) dealers. Further enforcement of quality assurance and traceability requirements at source will require focused, selective investment in landing sites and facilities designated for export to the European Union. This selective upgrading and segregation of the export-oriented segment of the chain (serving mainly the EU market) may accentuate social cleavages between the relatively empowered and the relatively disempowered, between large-scale dealers and small-scale traders, between men (who traditionally dominate the export-oriented segment) and women (who are disproportionally present in domestic small-scale fresh fish marketing and distribution). Also, while the fish species involved in the export and the domestic trade tend to be different, for those species that serve both the export and domestic markets there may be some diversion of supplies from the domestic to the export chain. Some corrective measure may be needed, for example by ensuring that facilities that serve the export-oriented sector can be effectively accessed by small-scale operators that serve the domestic market.

If the processing plants were to be supplied by industrial trawlers through the Banjul jetty, measures should be implemented to ensure that artisanal suppliers are not displaced. Two approaches might be considered. The first would consist in preserving dedicated facilities for pirogues at the fish landing pier at Banjul. The second is to create employment opportunities for artisanal operators in the industrial fisheries, by means of local content requirements.

Development of oyster culture is likely to generate significant employment particularly for poor women from marginalized communities. With a focus on export (for the half-shell trade in Gambia and Senegal for the tourist industry, and eventually beyond to Europe and the United States), two strategies may deserve to be explored, with a view to identifying possible niche products for horizontal/vertical value addition: Traditional ethnic foods of value for the Gambian diaspora, and certified environmentally friendly and fair trade oyster aquaculture. Under the first option, limited quantities of oysters are currently exported, mainly for family use in the diaspora in the UK and the United States. As fo9r the second, a key strategy is to build on the work that is being done by the TRY Oyster Women's Association and on activities carried out within the framework of the USAID funded Gambia-Senegal Sustainable Fisheries Project (Ba Nafaa).

Development of the oyster trade is likely to generate significant employment, particularly for poor women from marginalized communities. With a focus on export (Europe and the United States), two strategies may deserve to be explored, with a view to identifying possible niches products for horizontal/vertical value addition: i) traditional ethnic foods of value for the diaspora; and ii) certified environmentally friendly and fair trade oyster aquaculture.

- Limited quantities of oysters are currently exported, mainly for the diaspora market in the UK and the United States. This trade targets Gambians and others from the diaspora who have occasional preference for traditional foods. There appears to be significant potential for expanded demand in this sector.
- In high-income countries (and in The Gambia), customers (consumers and tourists) are increasingly willing to pay for symbolic product attributes based on intangible assets and values - typically associated with the conservation of biodiversity, or with empowerment of women/marginalized communities. Environmentally friendly/fair trade oyster aquaculture in the Tanbi Wetlands National Park Oysters may appeal to customers in high-lucrative niche markets. A key strategy is to build on the work that is being done by the TRY Oyster Women's Association and on activities carried out within the framework of the USAID funded Gambia-Senegal Sustainable Fisheries Project (Ba Nafaa).

With the pilot operations of the Fisheries Department at the Sapu rice fields proving successful, vital experience is being generated in fish pond aquaculture that can be beneficial in the supply of fish protein for the family as well generating income with the sale of surplus fish. Women in the Central River Region (CRR) are rice growers, and especially in the Sapu area are heavily involved in irrigated rice farming. Fish culture could be introduced either in combination with rice, or the fish alone as a single crop in rice paddies, and women could be the target for this program. There are a number of reasons which make women a good target group for fish farming development in (CRR) of the country: (i) because of their children and their crops women are less likely than men to be away from home for long periods; therefore they can give continual attention to pond husbandry if the ponds are close; (ii) because they are accustomed to daily routine women are more likely to provide the constant attention required for good husbandry, and can use a variety of by-products (such as kitchen wastes, weeds and crop residues) for composting; (iii) because a typical rural fish pond does not provide full employment women can accommodate fish farming tasks to other duties. Tasks which require greater labor inputs can be scheduled appropriately around others as the fish are not at risk if harvesting is delayed; and (iv) because of their responsibility towards the family, women give priority to family needs.

It would also be critical to seek strategic alliances between TRY and large off-takers, for example, traders, specialized wholesalers and retailers in targeted export markets. By linking small producers to a guaranteed buyer who will also supply inputs, know-how, equipment and finance, an off-taker-driven supply chain would help oyster farmers integrate into global supply chains and reach global markets. The viability of this export-oriented approach is to be carefully assessed. In particular, stringent sanitary requirements are constraints to be overcome if shellfish is to be exported in the future and/or supplied to local top resorts on a significant scale.

Section VII:

Trade Policymaking on Trade in Services and the Business Environment for Trade and Investment: Building Supply Capacity in Priority Sectors

A. The Negotiation of Commitments on Trade in Services

A.1: Introduction

"The contribution of the services sector to GDP is becoming increasingly dominant," according to the PAGE strategy (page 32), "with the sector consistently contributing more than 50 percent of GDP between 2005 and 2010." The strategy further observed that —

> This strong contribution was driven by the wholesale and retail subsectors, with the transportation, storage and communication subsector ranking next in importance. The contribution of the transportation, storage and communications subsector is driven by communications, which accounts for more than half of the subsector's contributions. The financial intermediation subsector ranks third in terms of the service sector's contributions to GDP, and has exhibited a strong trend since 2006. This may be explained by the increasing number of financial institutions in The Gambia, especially commercial banks, and the corresponding increase in the competitiveness of the financial system.

Trade in services has become one of the key issues in trade negotiations, and one that demands considerable investment of time and resources in all countries. This is due not only to the growing importance of services in trade but also to the greater complexity of the subject matter. Unlike trade in goods, which has largely been governed by such simple instruments as tariff and quotas, the regulatory issues in services are far more complex and nuanced. This demands that analysts, negotiators, legislators, and other policymakers acquire greater knowledge and skills than was required at a time when trade policy was more narrowly defined. This observation applies both with respect to the WTO's General Agreement on Trade in Services (GATS) and to the services negotiations of bilateral and regional undertakings such as FTAs and an EPA with the European Union.

Developing countries have at least four motivations for making commitments on trade in services. One is that some of them have export interests in this area (e.g., tourism), and hope that the mutual reduction of barriers to trade in services will open up new opportunities. Another is that services are an important component in the competitiveness of their other industries, and by opening their markets they can facilitate access to lower-cost, higher-quality services by their producers and consumers in other areas. Third, liberalizing services is one way to demonstrate the seriousness of one's economic reforms, and thus to help attract foreign investment. Finally, the concessions that developing countries make on services may be part of larger packages of agreements, either at the bilateral (FTA) or multilateral (WTO) level, in which they have other issues at stake. Making concessions to industrialized countries on services may thus help them obtain better access on (for example) the tariffs those countries impose on goods.

At the same time, there are also arguments against making extensive commitments in this area. Some argue that developing countries need to maintain "policy space" (i.e., the flexibility to regulate, subsidize, etc.). Some take the view that if countries make commitments on services that go too far they may narrow their future room for enacting new laws and policies. It is therefore important that when countries agree to make a commitment in a given area they take into account not only what their *current* laws and policies may be, but also what kinds of approaches they might want to take in the *future*.

A.2: The Gambia's Commitments in the General Agreement on Trade in Services

The WTO observed in its 2010 Trade Policy Review that The Gambia "is one of the least developed countries that have undertaken the highest number of commitments in the context of the Uruguay Round and subsequent negotiations on services."[80] This is on the one hand a mark of respect for the country's commitment to trade liberalization, but there are also concerns on the other hand about what this implies for the country's trade policymaking system. Gambian officials made such sweeping commitments in the GATS negotiations because they were under time pressure, and had not been able to complete the full process of domestic consultations before making final commitments. In the end, some of those commitments might have gone beyond existing national laws and, in the absence of further reforms to those laws, may mean that The Gambia is not fully in compliance with all of its GATS commitments.

The Technical Regulations Development Coordinating Committee plays an important role in ensuring that the country's laws, regulations, and policies remain consistent with the commitments that The Gambia makes in the GATS and other international agreements. It has not been able to ensure absolute compliance, however, as there are a few commitments that do not align precisely with the laws on the books.

The data in Table V.1 compare the sectors in which The Gambia made commitments with those of other ECOWAS countries and other, selected WTO members. None of the largest WTO members have commitments in all of the same sectors and subsectors as does The Gambia. The European Union and Japan, for example, have no commitments on courier services, and the United States has none on maritime or inland waterways transportation. It would go too far to say that Sierra Leone has the most comprehensive schedule of all WTO members, as there are other sectors on which other members have commitments but The Gambia does not. It is nonetheless quite accurate to say that the Gambia's commitment are extraordinarily wide, especially by comparison with nearly all other developing countries (apart from Sierra Leone) and above all by comparison with other LDCs.

The Gambia's commitments are not only wide but deep. In reading the commitments one is struck by the number of times that the word "none" appears, meaning that for a given sector and mode The Gambia declared the fullest possible commitment. In many of these sectors the country's commitments are deeper than what one finds in the corresponding parts of the schedules of major WTO members such as the European Union and the United States.

Problems may arise when laws deviate from commitments that The Gambia made in its GATS schedule. This is not always clear, however, and what is listed in Table VII.2 should be examined more closely to determine whether that is the case. There are two ways that inconsistencies of this sort can be handled. One, which could prove to be difficult, is to negotiate for adjustments in the schedule. The other is to revise the laws in order to make them compliant with these commitments.

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[80] WTO, *Trade Policy Review* (2010), page 57.

Table VII.1: Breadth of Selected Countries' GATS Commitments in Selected Sectors

■ = *Country Has a Commitment in the Sector or Subsector*

	Tourism and Travel	Banking /Other Financial	Insurance Services	Professional	Construction & Related	Other Business	Computer-Related	Maritime Transport	Environmental Services	Courier Services	Educational Services	Transport Auxiliary	Health and Related	Rail Transport	Recreational, Cultural	Air Transport	Inland Water Transport
Sierra Leone	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
EU	■	■	■	■	■	■	■	■	■		■	■	■	■	■	■	■
Japan	■	■	■	■	■	■	■	■	■		■	■	■	■	■	■	■
China	■	■	■	■	■	■	■	■	■	■	■	■		■		■	■
The Gambia	■	■	■	■	■	■	■	■	■	■	■		■		■	■	■
United States	■	■	■	■	■	■	■		■	■	■	■	■	■	■	■	
Australia	■	■	■	■	■	■	■	■	■		■	■	■		■	■	
Canada	■	■	■	■	■	■	■	■	■	■		■		■		■	
Brazil	■	■	■	■	■	■				■		■		■			
South Africa	■	■	■	■	■	■	■		■	■							
Argentina	■	■	■	■	■	■	■			■							
India	■	■	■	■	■	■	■						■				
Cote Ivoire	■	■	■	■	■	■											■
Ghana	■	■	■		■			■			■	■					
Senegal	■	■	■	■				■		■							
Benin	■	■				■		■				■					
Nigeria	■	■	■					■						■			
Guinea	■			■					■				■				
Togo	■				■										■		
Guinea-Bissau	■														■		
Mali	■										■						
Niger	■																■
Cape Verde																	

Source: Tabulated from the WTO Services Database.

Table VII.2: Service Sectors in which There May Be Inconsistencies between The Gambia's GATS Commitments and its National Laws

Sector	The Gambia's GATS Commitments	Gambian Laws that Could Potentially Be Found out of Compliance with the Country's GATS Commitments
Air transport services (CPC: 731, 734, 746, 8868)	Full commitment in modes 1, 2, and 3; unbound in mode 4 except as indicated in the horizontal section	Article 47(3) of the Civil Aviation Act, 2004 provides that for an aircraft not already registered in a foreign country to be registered in The Gambia it must (unless otherwise permitted by the authorities) be owned by citizens, partnerships, or corporations of The Gambia, or by the government of The Gambia. The law provides for the issuance of air service licenses (articles 81-82), but in the case of licenses issued to foreign air operators (article 83) there are somewhat different requirements than those that apply to national operators.
Postal services (CPC: 7511) and courier services (CPC: 7512)	Full commitment in modes 1, 2, and 3; unbound in mode 4 except as indicated in the horizontal section	The Gambia Postal Services Corporation Act, 2005 appears to establish a monopoly in certain delivery services insofar as article 83 provides for penalties for persons who perform acts reserved for the Corporation (e.g., conveying letters by post, sending letters by post, etc.).
All insurance services and insurance-related services (CPC:812, 8121, 8129)	Full commitment in modes 1, 2, and 3; unbound in mode 4 except as indicated in the horizontal section	Article 16(1)(a) of the Insurance Regulations, 2005 provide that "no person shall act or carry on business in The Gambia as an insurance agent unless he or she … is a resident of The Gambia."

While from a strictly legal point of view is it both possible and perhaps even mandatory to revise the country's GATS obligations, there are two practical considerations that have thus far prevented such a step. One is that there is no pressure to do so, in the form of possible dispute-settlement cases. The Gambia has never been a party to any case before the WTO's Dispute Settlement Body, whether as a complainant, a respondent, or a third party, and there is no sign that any of the other WTO members are prepared to force the matter by bringing a complaint based on non-compliance with the country's GATS obligations. The other is that such negotiations can be time-consuming and potentially costly, especially if one's trading partners in the WTO exercise their rights to demand that the country compensate them with commitments in some other sectors.

A.3: Approaches that The Gambia May Take towards New Commitments

Weighing the benefits against the costs of restricting one's future options is an important step that requires extensive consultations among all stakeholders, and consideration of what is in the country's best interests in each of the sectors on which commitments might be under consideration. To simplify, there are four basic approaches that The Gambia (or indeed any developing country) might take towards its negotiations on trade in services:

- **Strategy #1: Preserve the Maximum Policy Space.** The most cautious approach of all is for a country to make no commitments at all on trade in services or, taking into account what has already been done in the WTO, to make no additions to its existing GATS schedule. The chief advantage of this approach is that the country's policymakers would not be making major restrictions on their capacity to adopt new laws. The chief disadvantage is that it means foregoing the opportunities of getting credit either from negotiating partners for the commitments that the country makes in trade negotiations, or from prospective foreign investors for the perceived business-friendly climate of the country.

- **Strategy #2: Lock In Existing and New Reforms.** A second approach is to bring the GATS schedule and/or The Gambia's commitments in a trade agreement into conformity with the reforms that have been made to national laws since the end of the Uruguay Round. That is to say, any laws enacted since the GATS commitments were last made in 1994 could be "locked in" legally by expressing them in the form of new commitments. The rationale behind such an approach is for a country to demonstrate it open, business-friendly environment for prospective foreign investors.
- **Strategy #3: Respond Only to New Requests.** A third approach is to base one's offer primarily on what has been requested. If another party to the negotiations seeks commitments in sectors A, B, and C, for example, The Gambia could concentrate its analytical and negotiating efforts on those sectors and leave aside any consideration of sectors D, E, F, and so forth. The chief advantage of this approach is that it is the one most likely to facilitate the conclusion of an agreement. This is a potentially difficult strategy to implement, however, as it means running the risk of accommodating a partner's requests solely for the sake of accommodation.
- **Strategy #4: Use Trade Negotiations as a Means of Achieving Further Economic Reforms.** Some countries treat services negotiations as a means of achieving reforms that the country's leadership already hoped to enact, but that might otherwise face too much resistance at home. It may be easier to overcome that opposition by linking such measures as (for example) reform of the financial sector and government procurement to the opening of a major foreign market and the attraction of new investment. The main advantage of this approach is that it facilitates the adoption of reforms, and ensures that the pace and direction of those reforms are determined more by the country's own leadership than by its negotiating partners. There are few disadvantages, at least from the point of view of those who advocate the reforms, though it may be seen as an inappropriate procedure from the perspective of those who oppose the reforms.

In some cases The Gambia does not yet have any commitments in a sector. These are areas where existing laws are by definition not in conflict with the commitments, insofar as those commitments do not exist, but if any new commitments are reached they must properly reflect the existing laws (unless further reforms to those laws are contemplated). The following are examples of laws in The Gambia that concern sectors in which the country has not GATS commitments, but could nonetheless be asked to make commitments either in the GATS or in bilateral or regional agreements.

B *Business Environment for Trade and Investment and Entrepreneurship Policy Issues in The Gambia*

The Government of The Gambia recognizes that private sector development is key for economic expansion and job creation. It endeavors to offer to domestic and foreign investors a legal and regulatory framework that both encourages and protects their activities. Indeed, the Government has initiated a comprehensive reform programme – Growth and Competitiveness Programme (PAGE) – that laid the foundation for private sector development, small and medium sized-enterprises (SMEs) and foreign direct investment (FDI) promotion. However, like other small economies in West Africa, higher fuel and food prices, electricity shortages and other infrastructure shortcomings remain major challenges. The bulk of FDI has been in power generation, financial and IT sectors.

The laws of The Gambia recognize the right of foreign and domestic private entities to own and operate business enterprises and the ability to acquire and dispose of business interests is protected. Notwithstanding all the positive aspects of the policy environment for private investment in Gambia, there is room for improvement. There is a need to monitor policy implementation and consider enhancements, including further streamlining entry, developing an entrepreneurship policy that would facilitate the start-up and growth of micro, small and medium enterprises (MSMEs), and strengthening the main institutions dealing with the private sector.

B.1: Investment

Entry and establishment

In 2001, The Gambia promulgated The Gambia Investment Promotion Act and The Gambia Free Zones Act to regulate local and foreign investment. Sector specific regulations also apply to FDI in mining, fishing, forestry, and certain services, like telecommunication, banking and insurance. This Act has been set to ease business establishment and attracting investment. It created The Gambia Investment Promotion and Free Zones Agency (GIPZA) to deal with all aspects related to FDI regulatory framework in sectors covered by the Act. In 2010, The Gambia Investment Promotion Act transformed GIPZA into The Gambia Investment and Promotion Agency (GIEPA) with an extended mandate to include export promotion and support for micro and small and medium enterprises (MSMEs). The Gambian Constitution guarantees the right to private ownership. Other laws affecting business establishment are the Companies Act of 1955 and the Business Registration Act of 2005. Under the Company Act there are no restrictions on the minimum or maximum share capital of business venture, nor is there any compulsory requirement for equity participation by Gambian nationals in foreign-owned enterprises, except if related to privatization programmes.

Investors intending to do business in The Gambia have to first register as business entities (limited liability company, unlimited companies, guarantee companies, partnership, branch of foreign businesses, sole proprietorship, cooperatives, institutions established by the National Assembly) with the Registry-General’s Department under the relevant laws.

Enterprises with any foreign participation, i.e. wholly foreign-owned enterprises or joint ventures, must then register with GIEPA to benefit from fiscal incentives if they are seeking investment incentives. There is a screening process and registration with GIEPA is not automatic. These procedures may be cumbersome. There are no limits on foreign ownership or control of business and there is no minimum capital requirement. The only limitations on the right of establishment apply as follows:

Restrictions by sectors. Operation of foreign exchange bureaus, television broadcasting, and defence industries. The latter two sectors are closed to all private sector participation.

Privatization. The transfer of public enterprises to the private sector was an important element of the economic programme since 1983. The divestiture process is open to foreign investors. No ownership requirements are imposed.

The following aspect of the regulatory framework warrants reforms:

Registration: There are several government departments involved in registration. The Act does not provide for time limits within which they should complete their formalities. Legal provisions on the appraisal and procedures for registration should be simplified. The registration of FDI with GIEPA should be automatic.

Investment Treatment and protection

The Gambian Constitution of 1997 provides the legal framework for the protection of private ownership of property and Gambia's Investment Act also makes specific reference to standards of treatment. The track record of investor treatment established by The Gambia has been non-discriminatory. Investment treaties provide additional guarantees of treatment standards. The Gambia has entered into BITs with a number of capital exporting countries. Most of these agreements were signed and ratified between and a number of others have been signed but are still awaiting ratification (table II.1). In addition to the BITs, some treaties for the avoidance of double taxation have also been entered into and others are under negotiations (table II.2).

Table VII. 3. Bilateral Investment Promotion and Protection Agreements with The Gambia

Other parties to the agreement with Gambia	Status	Date of signature	Date of ratification
Guinea	Signed	21 June 2002	
Guinea-Bissau	Signed	21 June 2002	
Iran, Islamic Republic	Signed	20 June 2007	
Libyan Arab Jamahiriya	Signed	26 July 1995	
Mali	Signed	14 May 2004	
Mauritania	Signed	9 May 2001	
Morocco	Signed	20 February 2006	
Netherlands	Signed and ratified	25 September 2002	1 April 2007
Qatar	Signed	17 May 2002	
Spain	Signed		
Switzerland	Signed and ratified	22 November 2003	30 March 1994
Taiwan Province of China	Signed	8 June 2010	
United Kingdom	Signed	2 July 2002	

Source: UNCTAD, IIA database.

Table VII. 4. Double Taxation Treaties with The Gambia

Parties to the Agreement	Date of signature	Date of entry into force	Status
Norway	27 April 1994	1 January 1998	In force
Sweden	8 December 1993	1 January 1995	In force
Switzerland	26 August 1963	1 January 1961	In force
Taiwan Province of China	4 July 1997	1 January 1999	In force
United Kingdom	20 May 1980	1 July 1980	In force

Source: UNCTAD, IIA database.

However, The Gambia does not have a model BIT that it could use as its basis for negotiations.

The following aspect of the regulatory framework warrants reforms:

Negotiations and enforcements of BITs: The Gambia should have a model BIT to facilitate negotiations. It should also enforce the agreements negotiated and signed.

Protection against expropriation

The Gambia's Constitution prohibits the compulsory taking of private property without compensation. The GIEPA Act echoes this and guarantees that foreign-owned enterprise shall not be subject to expropriation or nationalization unless the taking is in the national interest and for a public purpose. In case of expropriation, compensation is envisaged under the Act on the basis of an independent valuer agreed to by the investor and the Government. The Act does not include a mention to "fair and adequate" value of the property and that the compensation shall be paid in convertible currency and without undue delay. This is in not line with the trend in recent bilateral investment treaties (BITs) with the increasing usage of what is commonly referred to as the "Hull formula", which calls for prompt, adequate and effective compensation[81].

Dispute settlement and arbitration

The GIEPA Act of 2010 and the Gambian legal code provide the mechanism and legal framework for disputes settlement, either through negotiation or arbitration. Appeals against decision of district tribunals (or the industrial tribunal in the case of labour dispute) may be lodged at the High Court, Appeals Court and Supreme Court in that order. The Gambian Government has accepted all court rulings on investment disputes and has been willing to discuss and honour out-of-court settlements. The Gambia also has a written and consistently applied commercial law, which is found in the Companies Act. Monetary judgements can be made in both the investor's currency and local currency. The Government accepts binding international arbitration of investment disputes between foreign investors and the State and the courts recognize and enforce foreign arbitral awards. International arbitration is accepted as a means for settling investment disputes between private parties. The Gambia is a member of the International Center for the Settlements of Investment Disputes (ICSID) and although there is no specific legislation providing for enforcement of ICSID awards, the Government has so far honoured the decision of international arbitrators. The Gambia is also a member of the Multilateral Guarantee Agency (MIGA).

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[81] The formula, named after former United States Secretary of State Cordell Hull who was one of its strongest proponents, denotes the standard of compensation supported by the major capital-exporting countries.

Transfer of funds guarantees

The Gambia has no restrictions on the conversion and transfer of funds. The country's foreign exchange regime was gradually liberalized over a period of years, following the inception of the structural adjustment programme in 1983. By 1990, the exchange rate was market-determined. Today, Gambian dalasi are easily exchanged for United States dollars and most major European currencies. Reliance on inter-bank and private foreign exchange bureaus is rising. The Gambia has accepted obligations of article VIII of the IMF in February 1994.

Conditions of operations

Taxation

The corporate income tax is felt as high by foreign investors[82]. Since 1 January 2013 Businesses also must pay value added taxes (VAT) and other indirect taxes such as customs duties. Some aspects concerning the income tax system are of concern to foreign investors as well as domestic:

- **Fiscal stability.** Unforeseen changes in the fiscal burden affect business planning and undermine investors' confidence.
- **Tax administration.** Income tax remittance regulations have an adverse effect on the working capital available to firms. It is notable that in The Gambia the Government assesses a firm's tax liability at the start of the year and advance payments are made on that basis. The Government should consider revising the audit procedures and apply international standards.
- **Multiple taxes.** The Gambia has a very narrow tax base and is highly dependent on import taxes for revenue generation. As examined under Chapter MSMEs are subjected to a proliferation of local and sectoral taxes, which together are oppressive to business. Enterprises are taxed by Central Government agencies and municipal authorities. The cumulative level of these taxes is too high for business operators and is a disincentive for MSMEs growth. The lowering and harmonization of the various taxes is urgently needed if the MSMEs are to flourish and contribute to the growth and development of the economy.

Investment incentives

The Gambia provides a variety of incentives for investors. These include tax holidays, capital allowances, locational incentives, customs duty exemptions and other inducements. They are specified in the relevant statutes and applied fairly. Relevant legislation includes the following:

The Act established two priority investment categories namely: a) priority sectors, which consists of the list of sectors specified in schedule 1 of the Act and b) priority areas, which consists of geographical areas specified in schedule 11, considered by Government to be priority development areas. Such investments will be entitled to the following incentives:

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[82] Corporate tax rates are similar to those applied in other African countries – Botswana 25% Cote d'Ivoire 25%-35%, Senegal 35%, South Africa 30% per cent. It is interesting to note, however, that lower corporate tax -15 percent- are applied in outward oriented economies such as the Republic of Korea, Taiwan Province of China, Chile and Mauritius.

-exemption from corporate tax, turnover tax, depreciation allowance, withholding tax on dividends for five years in the case of priority sector and for a maximum of eight years in the case of priority areas;

A newly established investment enterprise that falls within a priority investment category under section 61 will be granted import sales tax waiver in respect of the import of:

a) its manufacturing plant, construction material, and spare parts for a period of five years from the date of signing of the investment agreements and;

b) Raw and intermediate inputs, for a period of five years from the date of commencement of operation; and

c) The product listed in the third schedule of the Custom and Excise Acts;

- preferential treatment of the allocation of land for the site of the proposed investment and infrastructure facilities (utilities and telephone)

The Act makes no discrimination between foreign and local investors and there are no requirements that national own shares or that the share of foreign equity be reduced over time. However, in order for an investor to be considered for the above incentives an investment of at least two hundred and fifty thousand United States dollars (US $250 000) should be made. This penalizes small investors – both domestic and foreign – as the minimum requirement stipulated by the Act cannot be met by the SMEs. In addition, the Act does not make provision for on import duty waiver for SMEs.

The Government could consider:

- Establish negative lists explicitly stating sectors and/or activities that are reserved to national investors
- Make the granting of incentives automatic in priority sectors and lower the investment ceiling to encourage investment by SMEs.

Additional incentives focus on promoting exports (see Box II.1).

A recent study on investment incentives granted up between 2002 and 2007 confirmed that the benefits realized through the granting of investments were the realization of export earnings of D48,850,240, the creation of more than 2,000 jobs, and foreign capital inflows amounting to D812 million. These benefits favourably matched the costs in the form of duties and taxes waived of D59, 187,983.18 confirming that FDI is contributing to the development of The Gambia because the returns it brought to the country more than offset the forgone tax revenues in form of tax incentives granted to the investors.

Box VII.1. Investment Incentives, Benefits and Guarantees

Incentives for businesses located within designated EPZ (Customs Territory) vary depending on percentage of products/manufactures that are exported. For businesses exporting up to 80% of their products/manufactures the following incentives may apply:

- \- Exemption from Excise Duty and Sales Tax on goods produced or imported within the EPZ for processing and export
- \- Exemption from Corporate or turnover tax
- \- Exemption from import duty on Capital equipment
- \- Exemption from Withholding tax on Dividends
- \- Exemption from Municipality tax
- \- Exemption from depreciation allowance
- \- Duty free imports on machinery to be used in the production process

The above concessions may be valid for up to 10 years (export license duration) but conditional on evidencing of meeting 80% export requirement and observation of other basic requirements, such as, submission of audited financials, compliance with EZP statutes. For businesses exporting up to 30% of their products/manufactures but less than 80% the following incentives may apply:

- \- 10% levy on corporate or turnover tax
- \- benefit from export market intelligence
- \- coverage in international marketing campaigns

Source: GIEPA, 2010.

Export incentives are also granted to firms established in the EPZs. However, the EPZs still lack adequate infrastructure, impeding the clustering of activities originally sought. Investors have pointed out for improvement areas such as infrastructure, technology, education, access to credit and fiscal incentives. The focus on export incentives seem to have stifled the importance of technology upgrading and human resource development, which are genuine needs of investors in Gambia. Therefore, the Government could:

- Tackle the infrastructure shortcomings, by offering preferential rates to investors (electricity, telecom);
- Enlarge the scope of incentives to take into account technology, education, and credit facilitation;
- Strengthen GIEPA by adding resident experts with expertise in investment targeting, including the review and adaptation of investment incentives.

2. Labour

Labour regulations and policies in The Gambia are generally favourable to business. The Labour Act of 1990, and the 2007 amendments to the act and its regulation provide the legal framework for labour relations in the Gambia. The Ministry of Trade, Regional Integration and Employment enforces the act. The Act also contains procedures for settlement of disputes, including an industrial tribunal. A regulation that set up the Expatriate Quota Board in intended to encourage to hire qualified Gambian staff. For hiring an expatriate for a job that can be done by a Gambian, they are required to pay and equivalent of $345 in tax annually. An amendment to the Payroll Tax Act approved by the National Assembly in 2008 set the limit of non-Gambian that businesses can employ to 20 per cent, except in the case of specialized professionals.

However, since The Gambia wishes to improve labour competitiveness, particularly for MSMEs, policy adjustments may be necessary. Gambia's expatriate quotas could be reviewed and a specific skill attraction programme set up.

Competition

Competition issues and the role of the competition commission has been previously addressed in chapter. Suffice here to recall some aspects of the completion from an investment perspective. The Competition law has been enacted in 2007. It has three main elements:

1. prohibiting agreements or practices that restrict free trading and competition between business. This includes in particular the repression of free trade caused by cartels.
2. banning abusive behaviour by a firm dominating a market, or anti-competitive practices that tend to lead to such a dominant position. Practices controlled in this way may include predatory pricing, tying, price gouging, refusal to deal, and many others.
3. supervising the mergers and acquisitions of large corporations, including some joint ventures. Transactions that are considered to threaten the competitive process can be prohibited altogether, or approved subject to "remedies" such as an obligation to divest part of the merged business or to offer licenses or access to facilities to enable other businesses to continue competing.

Private enterprises are allowed to compete with public enterprises under the same terms and conditions with respect to access to markets, credit and other business operators such as licences and supplies. However, public enterprises have de facto many advantages. In 2001, The Gambia established the Public Utilities Regulatory Authority (PURA), a multi-sector agency that regulates the activities of providers for certain public utilities such as energy service, communication, water and sewerage services, and transport. PURA is responsible for providing licensing permits and acts as an advocate for the consumer. Currently, based on the information collected and also based on a recent World Bank study, PURA seems to be struggling with a lack of independence and lack of responsiveness of the various sector stakeholders.

The Government should consider strengthening the functioning of the competition authority and the activities of PURA by:

- The enactment and enforcement of consumer protection which is already in the pipeline;
- Strengthening the Competition Authority, assigning it the task of carrying a review and proposing a reform of PURA.

4. Performance requirements

The Gambia does not espouse performance requirements for establishing, maintaining, or expanding a business. Certain requirements have only been tied to the privatisation programme. For example, in telecommunication, companies have to meet performance targets or have their licenses revoked. The Gambia has no local-content requirements.

5. Land

Investors raised observations relating to the difficulties associated with land acquisition including unclear and long land negotiation processes, the lack of sufficient industrial estates, the problems of land litigation, security of land title and the time consuming administrative process of land title registration.

To relieve these constraints the Government could establish specialized "fast track" land courts in The Gambia to deal primarily with the issue of land litigation and security of title. GEIPA could also play an important role assisting investors in identifying and gaining access to industrial property, agricultural lands, office and residential accommodation. It should provide advice to investors in connection with the acquisition of land and related procedures. This will involve liaising with all relevant agencies, including relevant traditional authorities, to establish the validity of land titles and facilitate the process of acquisition. GIEPA could also follow up with all relevant agencies in order to establish a task force to undertake necessary reforms of the land laws in The Gambia.

Infrastructure

The Government of The Gambia needs to overcome infrastructure bottlenecks faced by private sector and where government is unable to provide support, investment incentives could be offered to stimulate private investment in infrastructure. For example, it could offer 100 per cent investment allowance to be offset against profits for "approved infrastructure development" undertaken by private sector. Similar investment incentives could be provided to enterprises that undertake rural infrastructure development as a means of encouraging the rural development and the regional dispersion of industries.

As electricity shortage is the most pressing issue, the Government could introduce off-peak electricity tariff rates to encourage manufacturers to move production processes away from peak periods, in order to overcome shortages and breakdown due to strains on existing electricity grids. In addition, the Government should review the guidelines established in the existing legislation and increase information sharing among energy sector stakeholders. As mentioned before, the reform of PURA should be a priority as it also appears that the agency's ability to enforce its regulations may also be an issue.

The Government has already set up a unit on public private sector partnerships (PPPS), which is located within the Ministry of Finance. PPPs provide a unique perspective on the collaborative and network aspects of public management. It would be necessary, however, to involve GIEPA in handling the relations with investors as per their mandate.

B.2: Entrepreneurship Policy

The policy, regulatory and institutional environment in The Gambia has so far not addressed entrepreneurship in a systemic way. The commitment to private sector developed is driven by the Vision 2020 and the Programme for Accelerated Growth and Employment (PAGE). However, there are no specific laws governing the operations and management of

MSMEs. Current business legislation is strongly bias towards medium and large enterprises at the expenses of micro and small enterprises who contribute about 20% of Gross Domestic Product (GDP) and form more than 60% of the urban labour force. Trade and industrial policies recently developed have tackled some aspects of MSMEs policies. Other sector policies that would contribute to the enhancement of MSME development are agriculture, tourism, fisheries, forestry and manufacturing. Since 2008, an assessment of the needs of the MSMEs in the country has been carried out and a national policy developed with an action plan. The implementation however has been lagging behind. Here, we provide a brief review of each component of the policy, indicating priorities for implementation.

Strategy: The attainment of the policy goals and objectives of an entrepreneurship policy is well grounded when there is a good information base and a fluid dialogue among stakeholders. In the Gambia, although there have been recent attempts to introduce mapping and surveys, good surveys' coverage, regular policy dialogues and feedback mechanisms have still to be put in place. Strengthening the policy implementation also require the enhancement of relevant institutions. In The Gambia, the formulation and implementation of an entrepreneurship policy will involve the following public/private sector institutions:

Public Sector	**Private Sector**
1) Department of State for Trade, Industry and Employment	1) The Gambia Chamber of Commerce and Industry
2) Department of State for Finance and Economic Affairs.	2) Manufacturers' Association
3) Department of State for Justice	3) The Gambia Hotel Association
4) Indigenous Business Advisory Services (IBAS)	4) Commercial and Investment Banks
5) Department of state for Tourism and Culture	5) Travel Agencies
6) The Gambia Revenue Authority	6) The Bankers' Association
7) Department of State for Fisheries and Water Resources	7) Accountant Association
8) The Gambia Investment Promotion Agency	8) Association of Small Business Operators.
9) The Gambia Tourism Authority.	9) Association of Food Processors.
10) Central Bank of The Gambia.	10) Association of Small Enterprises in Tourism (ASSET)
11) The Office of the President	

Up to now, the government has focussed on developing a policy for MSMEs and therefore there is a lack of a specific focus on entrepreneurship. Although elements for MSMEs are reflected in the first pillar of PAGE, there is the need to clearly the strategy, define the roles and responsibilities in the development of entrepreneurship in the Gambia.

In The Gambia, the Government should thus refocus its entrepreneurship policy by:

- ***Formulating and implementing an entrepreneurship policy***: The Vision 2020 as well as PAGE is the Government blueprint for providing the enabling environment for the private sector. However, the entrepreneurship policy should be reflected in a single policy document designed in a way that reflects its systemic character. Entrepreneurship can only thrive if the overall environment enables them to obtain all the external inputs that they require – e.g. skills, finance or technological services – at the right time. The MSMEs policy document of 2008 is a good starting point to develop a full-fledged entrepreneurship policy which will tackle the most binding constraints, have clear performance targets and a monitoring framework and indicators.
- ***Introducing a coordination mechanism***: Entrepreneurship development depends on many interdependent factors that cannot be influenced by the single institution designated as the focal point- GIEPA. Therefore it is important to design joint working arrangements across institutional boundaries. A coordination mechanism can be initiated by establishing a public-private support network or advisory council that will support the development of GIEPA. The formation of public-private support networks should also be supported at the sub-national level.
- ***Strengthening GIEPA***: An institution such as GIEPA has a critical role to play in private sector development. In order to achieve the objectives set by the entrepreneurship policy, the agency should increase its staff and have at least two resident experts, providing assistance in developing key priority services to entrepreneurs.

Regulatory environment: Although the legal and regulatory environment for micro and small enterprises is still restrictive and the regulations in the Business Registration Act of 1990 are very cumbersome for the operators, the changes in the business registration process introduced in 2010 have resulted to a more positive environment. The business registration process has been streamlined as part of the facilitation of business operations embarked upon by government, hence all payment for registration are done at the Income Tax Department of The Gambia Revenue Authority (GRA), and the Registrar of Companies of the Department of State for Justice issues the certificate. The payment of the business registration fees is also decentralised. However since all these Government agencies are located at different areas, the Government is considering to establish a "one stop shop", which will be hosted at the GRA. In a country like The Gambia with 40% of the population considered illiterate, the legal and regulatory framework cannot be fully understood by the vast majority of entrepreneurs. Therefore, the "one-stop-shop" should also implement the key function of creating awareness, supporting and facilitating business registration. GIEPA –as the agency mandated to implement this function – should therefore collaborate closely with GRA and operate a welcome desk with trained staff to support the micro and small enterprise sub-sector to register, operate and eventually graduate them into the medium and large enterprise sector.

The business registration fees vary from D500-D15,000 depending on the nature of the enterprise, which the micro and small enterprise operators consider as too high and a disincentive to register. The medium enterprise operators consider such fees reasonable but requirement by GRA for all enterprise to pay a deposit toward their income tax liability before beginning operations (advance payment) is a disincentive for enterprises to register their business.

The Attorney General Chamber and Department of State for Justice plays an important role in the registration and issuing of business licenses for MSMEs. This responsibility is under the purview of the office of the Registrar General. It has been observed that the Department of State for Justice has limited professional and support staff, inadequate facilities including office space and equipment, and lack of vehicles to perform verifications.

In addition, it is important that the business community sees the advantages of regulations and receives benefits from them. They expect that regulations are enforced across the board so that they operate on a level playing field. In particularly GRA and GIEPA dealing with start-up companies, should therefore carefully consider what they are giving back to entrepreneurs in return for their administrative requirements and taxes. Making public services more customer-oriented and efficient, and holding public agencies accountable, are key elements of a coherent National Entrepreneurship Development Strategy.

Priority actions should include:

- ***Streamlining of business registration***: introduce fast-track mechanisms, time-bound procedures and set up one-stop-shop to bundle procedures, introducing ICT-based tools for business registration and reporting. If the one-stop-shop is hosted at GRA, GIEPA should operate a welcome desk to interact with and provide customized services to MSMEs and foreign investors.
- ***Recruitment and training of staff***: deal with the shortage in number of staff and when recruiting new staff, give priorities to bringing in staff with knowledge and skills in communication, customers service and IT-based procedures.
- ***Upgrading and expansion of office space***: Facilities in the capital needs upgrading of furniture and equipment. KMC, Basse and Brikama should host antennas for business registration.

Access to Finance: Financing for MSMEs is mainly available for short term lending, long term financing for productive investment are scarce in The Gambia. The supply of funds available in the private sector decreases due to the fact that government offers higher interest rates on its debt, making saving in the private banking system less attractive to households. The supply of loanable funds decreases, driving up private interest rates and reducing the quantity of investment and consumption among households and therefore, crowds-out private investment and consumption.

Currently financing are overwhelmingly short term or overdraft facilities with little or no roll over, relating mainly to the distributives trade (re-exports), and average maturity of these loans is 90 days. The interest rate charges for loans are very high, while deposit rates are low. Despite the relatively low T-bill rates (11 percent) and rediscount rates (14 percent), the commercial bank lending rates are still high around 20-25 percent. The MSMEs expected that with the increase in the number of banks in the last few years resulting to increase in competition would have led to reasonable decrease in interest rate financing for MSMEs. In addition, for micro enterprises, financing that are increasingly provided by MFIs are at very high interest rates also.

Some MSMEs expressed the view that the Central Bank should encourage banks to provide long term financing by accessing on lending facilities from multilateral financial institutions, in an effort to address this issue of long term financing.

Some progress has been made, to increase the growth performance of the industry by the Rural Finance and Community Initiative Project (RFCID) funded the development of a National

Strategy Framework for the Development of Micro Finance in The Gambia in 2006. A number of MFIs work with RFCID, which is a stride to help players in microfinance. However, there is a lack of coordination and supervision of MFIs. The Government could consider the set up of a special desk at the Central Bank dealing with MSMEs and microfinance. In the area of microfinance, the Social Development Fund could also assume a coordination role.

Credit bureaus have started operations but face challenges in the information collection and dissemination.

Priority actions should include:

- ***Developing a financial charter***. In order to maximize participants' contribution and commitment, the Government should develop a shared blueprint for the financial sector's role that is consistent with the country's development strategy. It could take the form of a national "financial charter".
- ***Upgrading credit bureaus***: The Central bank should upgrade the existing platform to improve connectivity and coordination. It should also encourage sharing of information on positive repayment histories among existing institutions. It should also extend the information to credit bureau and public credit registry coverage to the repayment records of microfinance institutions to also allow micro-entrepreneurs to build credit histories. As MFI clients are predominantly women there is an important gender dimension to this measure.
- ***Introducing supply chain finance***: All financial institutions should be facilitating loans to suppliers that can provide a signed purchase order from its large buyer as collateral. The large buyer then pays the invoice for the goods directly to the lending institution, which remits the payment to the supplier net of the loan principal and interest. This effectively transfers credit risk from the lender to the large buyer, leaving the risk that the supplier will not deliver the ordered goods (which is mitigated by the large buyer's screening of the suppliers it chooses to work with).
- ***Developing capacity building for mobile banking***: Two operators are expanding the offer for mobile banking in the country. The offer can be expanded in full-fledged payments systems, namely exchange, storage, transfer and investment. To reach out entrepreneurs for use of mobile banking in business, guidance and training should be provided to all stakeholders. A special tutorial should be developed for target groups.

Enhancing Education and skills development: The Education Policy 2004- 2015 serves as a conduit for the growth of the MSMEs sector. The priority areas of the policy are varied, but areas that will impact positively on entrepreneurship development are:

a) Vocational and technical education programmes of for Technical and Vocational Education and Training (TVET) will be strengthened, expanded and diversified to meet the emerging needs of a growing labour market. Efforts will be made to ensure that the quality and relevance of training and skills development match the demands of the market. There will be increased private sector participation in the provision and financing of training and skills development especially of the rural youth.

b) Tertiary and higher education – The tertiary and higher education system will strive to provide relevant, sustainable and high quality education and research to support the human resource needs for national development.

Skills training and capacity building is provided by number of institutions in The Gambia for MSMEs. These include The Gambia Technical Training Institute, The Gambia Hotel School, Management Development Institute, National Youth Services Scheme, The Gambia College, and a growing number of educational institutions in the private sector. Both private and public sector institutions provide varying levels of skills training that are geared towards meeting the labour requirements of MSMEs and other sectors of the economy at large. These training institutions operate under the overall guidance of the National Training Authority (NTA) the body mandated by law to set standards and ensure that quality is maintained in all technical and vocational training programmes. Training institutions offer a wide variety of courses and are geared towards providing academic qualifications. There is concerted effort by the NTA to ensure that courses are relevant to the demands of the labour market; however there are many weaknesses including high turnover of teachers, over reliance on foreign staff, lack of experiential teaching and deficiencies in the curricula.

Overall, there is a lack of specific provision on entrepreneurship development in the education policies. Priority action should include:

- ***Embed entrepreneurship education*** at the different levels of the formal education system, including in the primary schools.
- ***Set up supplementary entrepreneurship programmes*** which are useful in order to target specific segments of the population, including youth, women, rural populations and other potentially underserved groups. These might include after school programmes or activities in community centres.
- ***Develop effective entrepreneurship curricula***. Some of the priority areas which may be included in entrepreneurship curricula, depending on the educational level, are entrepreneurial competencies, basic financial skills, opportunity recognition, business planning, small firm management and rudimentary commercial law. Themes that could be addressed for MSMEs include the transition from necessity to growth firms and generational change in the business, particularly family-owned. The younger the target audience, the more the curriculum needs to be focused on the development of soft skills such as entrepreneurial behaviours.
- ***Upgrading of training institutions*** to meet the demands of MSMEs in partnership between the government and the private sector.

Facilitating technology exchange and innovation: In the areas of research and accesses to information technology, the Gambia’s Vision 2020 aims to integrate the country into the global information infrastructure. The proliferation of internet cafés has been significant and there has been strong progress on e-commerce and e-governance. The recent increase in the internet bandwidth and the completion of ACE is expected to generate more investment in ICT. However, for MSMEs to benefit from ICT facilities there is need to develop support programmes. The proposed Gambia’s MSMEs policy has identified the need for investment in the following areas in ICT infrastructure: ICT growth centres, capacity building for MSMEs, lowering the cost of ICT services, and MSMEs product development

With regards to product development, the report has identified the following challenges:

- Lack of investment to access new technologies.
- The absence of quality control standards.

- Limited institutions in the country specialising in product design and development
- Limited training in product design for MSMEs and the total dependence on foreigners to provide product designs services.
- The absence of relevant materials and equipment for product development leads to poor quality packaging.

In order to address the above constraints in the MSME sector, there is the need to encourage public/private sector partnership in accessing relevant technologies that would enhance product quality and standards. MSMEs in The Gambia can greatly benefit from the use of modern ICTs in their business practices and policymakers should raise awareness of the advantages of ICTs and take concrete measures to encourage their use. For example, the use of mobile phones could be enhanced among rural entrepreneurs, by developing on-line and mobile-based platforms for timely and relevant market and price information and to stimulate enterprise growth and to the efficiency and reach of markets. Entrepreneurs can obtain market information directly to give them a better understanding of the options for buying and selling agricultural and other goods and services. The Government can support these developments by developing on-line and mobile-based platforms for timely and relevant market and price information.

Another option is to develop competitive industrial clusters, in which firms reap the benefits of physical proximity and horizontal networks, can help generate opportunities for entrepreneurs to access new markets – including through exports – and resources and to acquire new skills and capabilities. Setting-up competitive industrial clusters can also be an important factor in attracting FDI. Such clusters, in which SMEs grow through specialization, inter-firm collaboration, knowledge spill-overs and subcontracting, have been the key to success for many enterprises in developing countries in sectors such as ceramics, garments, leather and shoes, as well as electronics, auto-parts and biotechnology. Clustering and networking can help local enterprises to innovate and continuously upgrade; policy measures can facilitate this, for example by providing assistance to cluster-based companies in meeting international quality standards. The technological capacity of local enterprises is also enhanced through vertical trade and investment linkages, upstream and downstream from the activities of large, often multinational, firms. These large firms increasingly focus on core competences and outsource non-core activities, thereby opening up new markets for smaller enterprises. Outsourcing may be encouraged by facilitating non-equity modes (NEM) of business collaboration, such as franchising and licensing. Linkages between multinational corporations and local SMEs can allow enterprises in developing countries to move up the technological and management ladder and become part of global and integrated chains of production. Often, small local firms manufacture parts or provide services for large firms, or they offer customer services related to the products of large firms (repair, customization). Many firms also operate on the basis of licenses or franchises, which is an increasingly important route to entrepreneurship development.

The government should consider.

- ***Supporting MSMEs adopting standards and certification,*** providing adequate support to local firms and allowing for appropriate implementation timetables, thereby making local suppliers ready to enter sustainable value chains.
- ***Establishing a business linkages programme*** that will facilitate the integration of MSMEs in the value chain of large local and foreign firms, helping in exchanging information and experience, and providing stimulus through awards and grants.

- ***Develop entrepreneurship centres*** to assist MSMEs in product development linked to in-wall business incubators in collaboration with the academia and the private sector.

C. Transportation Services

According to the National Export Strategy, the vision for this sector is "To transform the Port of Banjul and Banjul International Airport into efficient and competitive entrepôrts (gateway) serving the transshipment needs of the subregion through streamlined Customs procedures and trade facilitation mechanisms." The more specific objectives are:

1. Modernize, upgrade, and expand the Banjul seaport and airport facilities
2. Upgrade Port infrastructure and improve Port security to international standards to become an international transshipment destination
3. Improve road and water transport networks to enhance sub-regional re-export trade
4. Enhance the existing trade facilitation platform by ensuring membership from Customs, Ports, Shipping Agencies, Clearing & Freight Forwarders, Immigration, and Police services for better results
5. Create a one-stop shop for exports and trade facilitation

Transportation has always been a key issue for The Gambia, given its historical role as an entrepot center. This sector illustrates how geography determines a great deal of one's destiny, or at least one's opportunities. Three geographic facts predominate here, two of which create great potential. First, The Gambia consists principally of the shorelines along the north and south banks of a key river, plus the Atlantic seashore, thus making it a natural point for maritime shipping. Second, this country is (together with Senegal) the westernmost land mass in Africa, thus making it a natural choice for air transport to and from the Americas. The third factor creates both opportunities and problems: The Gambia's land borders are entirely surrounded by one neighbor, but also bifurcate that neighbor, thus ensuring that relations with Senegal will always be of high importance to both countries. Those three points continue to guarantee that transportation will be a key, though a problematic, area of public policy. The Gambia has seen its relative advantage on maritime transportation decline as other countries in the region have improved their capacities, and ground transportation remains a major area of friction with neighboring Senegal. Air transport links are the one area where there are signs of significant improvements coming in the near future.

The "Trading Across Borders" component of the World Bank's Doing Business project offers further evidence of how The Gambia may be losing ground to other competitors in this area, most notably Senegal. It was already noted that this is the component of the index in which The Gambia is at its best, and yet — as summarized in Table VII.3 — it is now the third-ranking country in the region, after Cape Verde and (more significantly) Senegal. In some respects the country is the #1 competitor in ECOWAS. No country requires fewer documents to export, and the costs of moving a container through The Gambian ports, both in exports and in imports, are lower than in any other country in the region. There are nonetheless other areas where The Gambian may be falling behind. The World Bank data indicate that it takes more than twice as many days to export a good from The Gambia than from Senegal, for example, and an import that takes two weeks to process in Senegal requires three weeks in The Gambia. It is important to acknowledge that authorities, clearance agents, and traders did not believe that this estimation is correct.

C.1: Maritime Transportation

In the draft of the National Export Strategy it is argued that in order to improve The Gambia's competitiveness, the country must deal with numerous challenges that "pose a major threat to our success of being a trading nation" several of which relate directly to transportation. Major efforts have been made to tackle the challenges that the country has encountered in the different areas of the transportation sector.

Historically, the maritime shipping sector has been the one in which The Gambia had a clear comparative advantage. However, that is no longer the case, due to deterioration of national facilities at a time when neighbouring countries are advancing their own. This can be seen both in internal and external shipping. As the draft National Export Strategy notes, "A key domestic challenge is the Ferries Services between Banjul and the North Bank Region."

The Liner Shipping Connectivity Index (LSCI) shows how The Gambia has fallen behind. The LSCI seeks to capture a country's level of integration into the existing network of liner shipping, and can be considered a proxy measure of the accessibility to global trade. The higher the index, the easier it is for a country to participate effectively to international trade. The index is calculated on the basis of four major components: containership deployment (and deployment per capita); container carrying capacity (and capacity per capita); number of shipping companies, liner services and vessels per company; and average and maximum vessel size. The countries that have the highest LSCI values are those most actively involved in trade, with the export-oriented economies of China, Hong Kong, and Singapore ranking highest.

The data show that connectivity in The Gambia has increased in recent years, but at a much slower pace than it has in other ECOWAS countries. The Gambia's connectivity increased by 6.7% between 2004 and 2011 compared to a 36.4% average for all twelve ECOWAS countries shown in the figure.[83] During that same period, Senegal's connectivity increased by 20.9%. The only countries in the sub-region that experienced less growth in connectivity than The Gambia were Guinea (up 1.3%) and Sierra Leone (down 7.4%).

One priority is to improve the ship turnaround time at the ports. The turnaround time at the Gambian Ports Authority (GPA) depends on the type of vessels. For example, the turnaround time of containerized cargo ships (i.e. 1000 metric tonnes) can take up to 24 hours, while smaller vessels take around 12hrs in its turnaround time (excluding petroleum products). Containerized cargo, registered a raise of 64.7% of the yearly import traffic, whereas in 2009 it raised up to 55%. In 2010, the cargo handled increased up to 11%, from 52,745 of 2009 to 58,521. In 2012, the number of vessel increased by 30% up to 360, while in 2009 were 276.[84] Despite the increase in the average load per ship, ship turnaround time improved in 2010. Specifically, containers registered 17 moves per hour, and general cargo permitted 42 tonnes per gang hour. Additionally, the bulk cargo handled in 2010 is equivalent to 1,000 metric tonnes per day.[85] Moreover, turning the old half-die area into new container yard is one of the priority projects for

[83] Not all fifteen ECOWAS countries are shown because land-locked countries, three of which are ECOWAS countries (i.e., Burkina Faso, Mali, and Niger), are excluded from the index.

[84] Gambia: GPA's 2010 Financial Performance Satisfactory, 17 October 2011 in allAfrica.com.

[85] See Annual Report 2010, Gambia Ports Authority, p. 9.

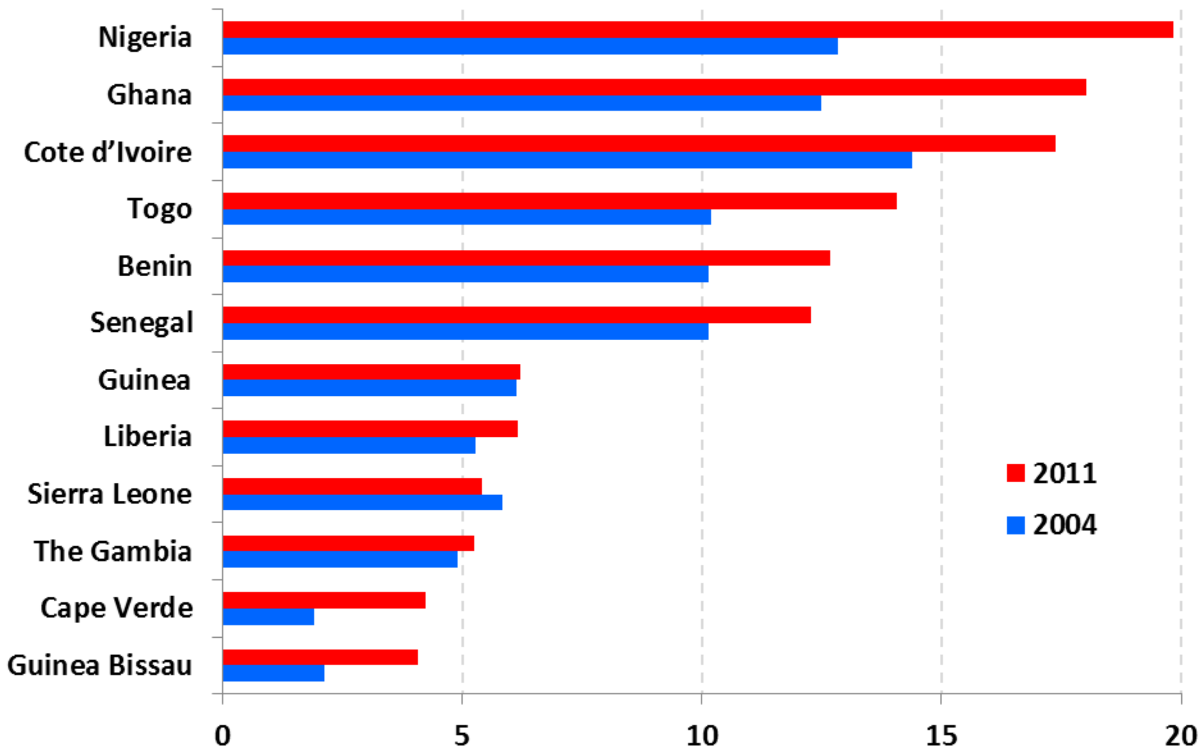
Table VII.3: Rankings of The Gambia and Other ECOWAS Countries on the "Trading Across Borders" Measures of the World Bank's Doing Business Index, 2012

Rankings Are on a Regional Basis

	Overall Relative Rank	Documents to export (number)	Time to export (days)	Cost to export (US$/container)	Documents to import (number)	Time to import (days)	Cost to import (US$/container)
ECOWAS Average	—	7	27	$1,508	8	30	$1,896
Cape Verde	1	5	19	$1,200	5	18	$1,000
Senegal	2	6	11	$1,098	5	14	$1,740
The Gambia	3	6	23	$831	7	21	$885
Ghana	4	6	19	$1,013	7	29	$1,315
Togo	5	6	24	$940	8	28	$1,109
Liberia	6	10	15	$1,220	9	14	$1,200
Guinea-Bissau	7	6	23	$1,448	6	22	$2,006
Benin	8	7	30	$1,049	8	32	$1,496
Guinea	9	7	35	$855	9	32	$1,391
Mali	10	6	26	$2,202	9	31	$3,067
Nigeria	11	10	24	$1,263	9	39	$1,440
Côte d'Ivoire	12	10	25	$1,969	9	36	$2,577
Niger	13	8	59	$3,545	10	64	$3,545
Burkina Faso	14	10	41	$2,412	10	49	$4,030
Sierra Leone	15	7	24	$1,573	7	27	$1,639

Source: World Bank, http://www.doingbusiness.org/rankings.

Figure VII.1: Liner Shipping Connectivity Index for ECOWAS Countries, 2004-2011



Source: UNCTAD at http://www.unctad.org/en/docs/rmt2011_anx6_en.pdf.

the Gambia Ports Authority. This project aims to develop the capacity and efficiency of the port of Banjul to improve *inter alia* the turnaround of vessels.[86]

As for the investment on human cargo resources, the GPA trains its workers, in house and oversees. Many of these courses aim to certify ports workers according to relevant international standards. Furthermore, when staff from the GPA undertake courses abroad, is with the objective of forming professionals that later on will return to the GPA to transmit their knowledge on the lessons learned. For example, in 2012 three employees went to Italy for specialized courses on maritime transport organized by the International Labor Organization (ILO).

The GPA has planned several initiatives. In order to address some of the existing challenges of this port, the GPA developed a number of projects that permit them to embrace several investments. The GPA focused these projects into three types of investments: investment on construction projects; investment on capital resources; and investment on human cargo resources. It has already bought two reach stackers and front loaders from their own resources of approximately 2 million euros.[87] The investments on construction projects at the GPA is

[86] See Annual Report 2010, Gambia Ports Authority, p. 11.

[87] Omar Deen, power point presentation titled: Achievements on Transit Trade Since the inception of the ports master plan, the challenges and way forward for making The Gambia a Transit Hub, in Consultative Workshop on Trade and Promotion and Trade Facilitation, 9 March 2011, slide 15.

composed by four phases. The first phase started in 1984, the second phase continued in 1987, and the third phase took place in 2003.

The fourth phase commenced in 2010, and encompasses various projects with ambitious objectives. In the first place, it aims to expand the old half-die in order to develop a new container yard. At the moment the container terminal is 20 feet by 8 feet by 8 feet high (i.e. 40feet). It requires the standard ISO containers and has a capacity of 20 feet by 36 km and 44 feet. The area involved of this extension is approximately 18,000 square meters with an investment of 5 million euros. This project is at the stage of evaluating tenders for possible constructions with a contract of eighteen months. Construction is expected to last 18 months and to start in October, 2012. As well, the GPA has planned the rehabilitation of existing container terminal with an investment of 6million euros, and 9,000 square meters in space. For this project there is a $15 million secured loan from the African Finance Cooperation.

However, there are other projects that are still looking for funding, such as the extension of the quay in order to handle more vessels. At the moment, it is 400 mts handling three big ships, and the project of the extension plans to extend it up to 600 mts in order to handle 4 big ships of around 120mts each. The extension of 200 meters in a new quay, costs appreciatively 27 million euros. Lack of funding is also de case for the project that pretends to rehabilitate new Banjul jetty, with the amount of 4 million euros. It has planned to expand the area where the ships are, from up to 12 to 15 meters, and increase the capacity to 2000 tons. It pretends to increase capacity, and maintenance facilities (machine workshops, cap and three, mechanical, electrical, etc.).

There are plans to deepen the Banjul Access Channel to depths of about 10.2 meters to enable access for larger vessels to have access to it is also a project that studies have been completed but needs financing. At the moment the channel is 8.5 meters and the project is to expand it up to 10.2 meters (with high water is 10.5 meters). The depth to be increased represents 127million euros, to allow subsequent maintenance.

Completing the pavement of the Bond Road will allow transporters to ease of access to the Greater Banjul Area and beyond. This plan represents an investment of 27 million. This is a project of the National Roads Authority (NRA). This project recently started and it is planned to be finished in three months.

The D100,000 bond per TEU for goods introduced by the ISRT has been considered as a major impediment.[88]

In order to make progress in the turnaround-time to ease port congestions arising from continuing growth in containerization, it is imperative to conclude several projects. These include: Transformation of the acquired Half-Die properties (of 15,000sq.m[89]) to a container stacking yard; rehabilitation of the North and South Terminal; rehabilitation of the Jetty, and

[88] Omar Deen, power point presentation titled: Achievements on Transit Trade Since the inception of the ports master plan, the challenges and way forward for making The Gambia a Transit Hub, in Consultative Workshop on Trade and Promotion and Trade Facilitation, 9 March 2011, slide 14.

[89] Omar Deen, power point presentation titled: Achievements on Transit Trade Since the inception of the ports master plan, the challenges and way forward for making The Gambia a Transit Hub, in Consultative Workshop on Trade and Promotion and Trade Facilitation, 9 March 2011, slide 15.

procurement of more new cargo handling equipment.[90] Furthermore, it is important to depth the Banjul Access Channel to depths of about 10.5 meters to enable access for larger vessels, and procuring more technology (e.g. new cargo handling equipment and superior scanner

- Create Incentives on cargo handling tariffs for both the Transit and Transhipment Trades to encourage greater throughput volumes
- Concluding the pavement of the bond road
- Build Capacities of the officials at the ports, shipping companies, and clearance agents91
- "Reduce handling charges for both transit and transhipment traffic for the sub-region" [92]

C.2: Land Transportation

Turning to overland transportation, this is one of the most important issues dividing The Gambia and Senegal. The prospects for mutual gains from cooperation are clear, but the two neighbors have been unable to come to a lasting resolution. At present goods that are en route to Mali are required to go to Dakar for unloading, customs formalities, and the payment of duties, and must also pay the costs of escorts. That requirement greatly increases the costs for Gambian transportation services, as well as the final price for goods in Mali, but has proven to be an especially intractable problem.

The draft National Export Strategy observes that —

> To improve Trade Facilitation, there is need to fully implement the ratified ISRT [Inter State Road Transit] Protocols and the MOU relating to the Bilateral Customs Administration between The Gambia and Senegal, which is premised on the Senegal – Mali MOU. There is also the need to fast track the Gambia-Mali-Senegal Tri-partite MOU on the implementation of the ISRT protocol relating to the Basse-Badiara Transit Road. Equally important is the removal of the challenges impinging Transport and Trade Facilitation along the *Basse-Badiara Transit Road* along which there are a significant number of check points (it is estimated that there are as high as 3 check points).

The number of checkpoints appears to have risen to 39 in the time since that draft strategy was written, though both the number and the location of these checkpoints seem to change frequently. This very fact is itself an impediment to trade, insofar as it complicates the task of shippers in calculating their travel and transit times.

Since 1982, The Gambia, together with other ECOWAS Member States, developed a scheme called the Inter State Road Transit (ISRT) agreement to facilitate transit by road across borders. After 30 years of its entry into force the ISRT has not yet been fully implemented. The ISRT mechanism was first established at a regional level between the ECOWAS Member States in 1982 and it was complemented with a supplementary Protocol in 1990. Afterwards, in 2004, due to the interdependent relationship between The Gambia and Senegal in road transit issues, both countries created a deeper version of the ISRT that intended to address their specific needs.

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[90] See Annual Report 2010, Gambia Ports Authority, p. 11.

[91] Interview with Mr. Sulayman Joof, President Clearance and Forwarding Customs Agency

[92] Omar Deen, power point presentation titled: Achievements on Transit Trade Since the inception of the ports master plan, the challenges and way forward for making The Gambia a Transit Hub, in Consultative Workshop on Trade and Promotion and Trade Facilitation, 9 March 2011, slide 15.

The ISRT scheme of the ECOWAS Member States (ISRT of ECOWAS) aims to develop road transportation promoting trade,[93] and intends to set up an Inter-State road transit system to facilitate the transportation of goods between the territories of its Member States.[94] It is a scheme that consists of the conventions described below.

This Convention Regulating Inter-State Road Transportation between ECOWAS Member States[95] aims to "define the conditions under which transportation by road shall be carried out between the Member States of the Community".[96] It also recognizes in Article 3 the Community road axles in each one of the ECOWAS Member States. The convention establishes that the maximum axle load for the different kinds of authorized vehicles is 11.5 tonnes.[97] It also sets the maximum dimensions allowed for the road vehicles, which can vary depending on the type of vehicles between 11m and 22m, and it also considers exceptional sizes.[98] The convention also puts forward the conditions with regards to mechanical examination of the vehicle. It is compulsory; it shall be done every six months, as well as before the vehicle is put back on the road after a serious accident; it shall take place in the State where the vehicle is registered and be valid in other ECOWAS States.[99] This convention also lays down the regulations and requirements for a vehicle that is registered in one of the ECOWAS Member States.[100] It lists the specificities of the Inter-State Transport permit (i.e. bilingual, format, green for transportation of merchandise, one year renewable validity, number and category of vehicles that shall operate in the other State(s)).[101]

The Convention Relating to Inter-State Road Transit of Goods (A/P4/5/82) [102] (ISRT) aims to facilitate the movement of goods within the ECOWAS Member States, and it is specifically defined as[103]:

> a regime that allows the transportation of goods by road from one Customs Office in a Member State to another Customs Office in another Member State through one or more Member States free of duties, taxes and restrictions while in transit. Such goods shall be accompanied with a set of customs documents and shall not be off-loaded or transferred while in transit.

Customs authorities of each Member State "shall ensure that the sealings are intact" and can demand at any time the ISRT declaration leaflets.[104] Furthermore, the ISRT contemplates

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[93] Convention Regulating Inter-State Road Transportation between ECOWAS Member States (A/P2/5/82) in Official Journal of the ECOWAS, Vol.4, (June 1982), p.14.

[94] *Ibid*., p. 24.

[95] *Ibid*., pp. 14-20.

[96] Convention Regulating Inter-State Road Transportation between ECOWAS Member States (A/P2/5/82) in Official Journal of the ECOWAS, Vol.4, (June 1982), Article 2, p.14.

[97] *Ibid*., Article 4, p.16.

[98] *Ibid*., Articles 5,6 and 7, pp.16-17.

[99] *Ibid*., Articles 10 and 11, p.17.

[100] *Ibid*., Article 12, p.17.

[101] *Ibid*., Articles 17-18, p.18.

[102] *Ibid*., pp. 24-37.

[103] *Ibid*., Article 1, pp. 24.

exceptional circumstances for when sealings can be damaged or there is a need for transferring goods.[105]

This instrument also considers the role of transit offices. These offices are the only ones authorized to carry out operations in relation to goods in transit and should be indicated in the ISRT Declaration. An official should register chronologically all transit operations.[106] *Inter alia* officials shall also stamp on all ISRT Declaration leaflets, "shall affix its seal on its part of the declaration of discharge and return the log-book to the transporter".[107] The ISRT provides for a guarantee mechanism in relation to goods. This guarantee shall be comprehensive covering several ISRT operations including "at least the sum of duties and taxes payable on such goods and possible penalties that may be incurred" and not exceeding one year.[108] Due to a lack of understanding about the importance of this provision, in 1990 the ECOWAS Member States established a Protocol and a Supplementary Protocol. The Protocol and Supplementary Protocol. Supplementary Convention A/SP.1/5/90 establishing a Community Guarantee Mechanism for Inter State Road Transit of Goods[109] provide the circumstances of relevance for the guarantee mechanism of the ISRT. Moreover, it is established that this guarantee provided by the "national institution or designated body corporate" shall be valid for a single transit operation starting from customs office or departure to the one of destination.[110] Last but not least, the guarantor or its correspondents are obliged to pay the amounts due to the principal oblige, as well as to the customs department.[111]

Experience shows that ECOWAS Member States have not been successful in implementing these provisions, since the entry into force of the ISRT, thirty years ago. They are still under discussion, and perhaps many of the ECOWAS Member States have not complied with it.

The Gambia and Senegal have tried to find bilateral solutions for its full implementation. Twenty-two years after of the launch of the Regional ISRT, both countries agreed on a bilateral ISRT Protocol in 2004. The Agreement on Road Transport between The Gambia and Senegal (i.e. Bilateral ISRT)[112] establishes the conditions to facilitate the transport by road of goods (and passengers) between The Gambia and Senegal and *vice-versa*. The Agreement on Road Transport entered into force in 2004. This Agreement has the peculiarity that in addition to aiming the facilitation of the transit of goods, it also considers the figure of transhipment of goods.[113] It also highlights the obligation of obtaining the Inter-State Transport Permit (ISTP)

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[104] *Ibid*., Article 16, pp. 26.

[105] *Ibid*., Article 20-24, pp. 26.

[106] *Ibid*., Article 16.3, pp. 26.

[107] *Ibid*., Article 17, pp. 26.

[108] *Ibid*., Article 27, pp. 27.

[109] Supplementary Convention A/SP.1/5/90 establishing a Community Guarantee Mechanism for Inter State Road Transit of Goods in Official Journal of the ECOWAS, Vol.17, (June 1990), pp.5–8.

[110] *Ibid*., Article 4, p.5.

[111] *Ibid*., Article 7, p.5.

[112] Agreement on Road Transport between The Republic of The Gambia and The Republic of Senegal.

[113] *Ibid*., Article 2 iii)

from the Customs Authorities of the State of origin of the goods, when a vehicle transporting goods in transit complies with the requisite formalities.[114]

This agreement establishes specific routes linking The Gambia and Senegal. Specifically Article 3i) sets up that in the following routes that link The Gambia and Senegal, goods and passenger vehicles shall obtain an ISTP, which shall be valid but renewable for two years, and stipulates the issuance by the competent Government Authority in that State 45 ISTP permits for goods vehicles for Senegal and 30 for The Gambia.[115] It confirms that the maximum load for the vehicles is 11.5 tons and specifies how many tons are allowed for vehicles from two (18 tons) to six axles (51 tons).[116]

Third-party insurance valid in both countries is compulsory, which shall be the brown card or any other insurance issued by a reputable company. Vehicles holding ISTP shall not be subject to the payment of any: licences, duties or taxes in the visited State, except for the fees for parking the vehicle[117] and ferry crossings.[118]

If correctly implemented, the ISRT can result in several benefits to all commercial stakeholders of The Gambia. It will simplify and harmonize customs procedures for goods in transit. This can be achieved by the following requirements: i) single certification of vehicles that meet secure standards for the goods (i.e. sealed, mechanically verified, etc.); ii) single customs declaration; iii) uniform four leaflets; iv) registered transit offices; v) establishing common border offices, etc. Second, it will ease the movement of goods and vehicles among ECOWAS Member States. Specifically it will eliminate the payment of licences, duties, taxes and fees across The Gambia and ECOWAS Members. It also reduces the congestion in the areas where bottlenecks exist. Moreover, it will decrease the time of the transiting goods from its point of origin to its final destination. Finally, it will minimize transport and customs processes. Third, it will permit the gathering of updated and consistent external trade statistics, particularly, between ECOWAS Member States.

On August 3, 2012 the two neighbors concluded the Memorandum of Understanding between the Republic of Senegal and the Republic of The Gambia to Facilitate Free Movement of Persons and Goods based on ECOWAS Transportation Protocols and Conventions. Among the key provisions of the MOU are as follows:

- The ownership, maintenance, management, operation, and security of the Trans-Gambian Bridge is entirely Gambian.
- The parties guarantee the free movement on the corridors of people and goods by removing unnecessary barriers.
- The parties will construct juxtaposed border posts on either side of the Senegalo-Gambian border.

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[114] *Ibid*., Article 2 iii)

[115] *Ibid*., Article 6 i).

[116] *Ibid*., Article 8.

[117] *Ibid*., Article 15 i).

[118] *Ibid*., Article 16.

- Except on security grounds, equal treatment will be granted to vehicles using the regional corridors that meet the ISRT standards.
- The parties will refrain from take any unilateral actions under exigent circumstances likely to obstruct the free flow of goods and persons on the regional corridors and ensure that only the competent Government authorities take such action and as provided for under ECOWAS regulations.
- A steering committee is to be established under the auspices of the Senegalo-Gambian Permanent Secretariat, responsible for the monitoring and implementation of the MOU.

The Gambian authorities have made extensive efforts to make the ISRT work. Some of the efforts that Gambian authorities (individually or in conjunction with Senegal) have undertaken towards the implementation of the ISRT are mentioned below:

- 2002. Intention of reaching an Agreement with to make official the Basse – Badiara Route.
- 2010. Senegal opened the border in Badiara, enabling transit on the Banjul-Base-Badiara route.
- 2012. The 7th bilateral consultative meeting between The Gambia and Senegal resulted in a MOU on mutual administration assistance between the Customs Administrations of Senegal and the GRA
- MOU between Senegal and The Gambia to establish an ISRT Declaration (has not yet been ratified).
- Improvement of soft and hard infrastructure by The Gambia.
- In-progress Trans-Gambia Bridge, which aims to connect the North and the South of Senegal.

The inadequacy of financial resources is at the root of the problem, leading also to an inappropriate or lack of infrastructure (e.g. roads, telecommunications, electronic tracking devices, facilities, electricity, solar energy, generators, etc.) and equipment (computers, furniture, etc.). These gaps are reflected in delays and costs.

Lack of transparency can deal to arbitrariness and corruption from the public and private sector. First, in The Gambia there is a lack of access and availability of the laws, regulations, studies, procedures, etc. with respect to international trade. Informing stakeholders is key, as they believe that the lack of ISRT implementation is on their own benefit. Stakeholders do not know precisely what are the requirements entailed by this instrument and the amount of benefits that The Gambia can draw from its implementation. For example, good-owners believe that overloading the trucks enhances business revenues, and procuring the ISRT transit certificate at the Gambia Chamber of Commerce and Industry (GCCI) is costly. Transporters think that there is no point sealing their vehicles, as required by the ISRT, since transporters in other ECOWAS Member States do not comply with that requirement either.

The concept of governance entails numerous factors, including transparency, cooperation, penalties for non-compliance, and monitoring mechanisms. In the APEC Trade Facilitation

Action Plan, transparency[119], was one of the seven principles in Trade Facilitation, and it has been described as follows: "Information on policies, laws, regulations, administrative rulings, licensing, certification, qualification and registration requirements, technical regulations, standards, guidelines, procedures and practices relating to trade in goods and services … should be made available to all interested parties, consistently and in a timely manner, through readily accessible, widely available medium at no cost or a reasonable cost".

The stakeholders with the appropriate capacities are essential for the implementation of the ISRT.[120] In the case of The Gambia, there is a lack of training of the authorities, and the private sector with respect to the requirements of the ISRT and the consistency in the application of certain customs border posts. Since the trial convoy has not yet taken place, it has not been possible to test the role and scope that banking and insurance services will have in this process. In the same line, it has not yet been possible that the Gambia Chamber of Commerce (GCCI) acts as the main guarantor at the ISRT.

Each customs post and corridor presents a unique combination of difficulties due to the lack of the ISRT implementation. However, there are common key concerns to most of the customs posts and routes that connect both countries, which will be examined in this section. For example, at some customs border posts there is insufficiency and sometimes lack of appropriate equipment, furniture and of infrastructure (e.g. electricity supply, water, internet access, etc.). Additionally, both The Gambia and Senegal have the requirement of appointing escorts, and therefore, good owners have to pay "escort fees" for transiting its goods within Gambian and Senegalese territory.

There are also common impediments for a full ISRT implementation along the corridors from The Gambia to Mali (transiting goods through Gambia and/or Senegal). For example, the excessive amount of checkpoints causes unnecessary delays in the transit of goods. Additionally, some of these checkpoints are potential sources of corruption. Moreover, overloaded trucks *inter alia* damage the roads in the long term, and cause accidents.

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Second, there is an absence of cooperation between public agencies to find an agreement to reduce unnecessary check points on some of the roads, particularly within the Gambian territory

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[119] APEC Trade Facilitation Action Plan, seven principles of Trade Facilitation. http://www.apec.org/Groups/Committee-on-Trade-and-Investment/~/media/75B64A4522C6455B826AA89D93442429.ashx

[120] Trade Facilitation beyond the multilateral trade negotiations: regional practices, customs valuation and other emerging issues, A study by the Asia-Pacific Research and Training Network on Trade, (Thailand, UN ESCAP and UNDP, 2008), p.3.

on the Banjul–Basse–Badiara route. Dialogues with no result have been held between the Ministry of Trade, the GRA and migration and police might for the elimination of check points. There is a lack of cooperation

Third, the non-binding nature of the ISRT is a key reason of why many stakeholders do not abide its requirements. The reality shows that without a compliance mechanism, public and private sector are not willing to implement the ISRT.

Last but not least, there is a lack of monitoring of the actual ISRT implementation either at the borders, in the agencies, or at the route. This is also a factor inducing the non ISRT implementation.

Recommendations for National and Bilateral Initiatives. First of all, it is crucial to highlight which are the main issues that need to be consistent with the ISRT. By benchmarking the ISRT requirements with the reality of The Gambia, the following table highlights the current status in The Gambia to implement the ISRT. Furthermore, it highlights the benefits that The Gambia is missing as a result of the lack of ISRT implementation.

It is essential to make accessible the trade laws, procedures, practices, fees,, and schemes such as the ISRT available and at no cost to all interested parties (e.g. web page). Specifically, the Ministry of Trade in conjunction with the GCCI, GIEPA can develop different informative tools (e.g. booklets, and pamphlets) with the main objective of informing which are the main obligations and benefits of a full ISRT implementation. Booklets can provide general information on how best the benefits of ISRT can be optimised. These booklets should also highlight costs-benefits, and comparative studies with lessons learned from other ECOWAS Member States.

It is also fundamental to start considering the establishment of enquiry points that provides specific information with regards to this scheme. If this recommendation is applied, in addition to increase awareness of stakeholders of the benefits from the ISRT implementation, The Gambia will serve as an example for the ECOWAS Members, and will attract foreign investment.

The Gambia should conduct dialogues with stakeholders to understand their needs, in key subjects such as: sealing, overloaded vehicles, and guarantees for good owners. Other critical subjects to touch upon are the infrastructure development, and credit constraints. Provide opportunities for consultation with stakeholders when formulating, implementing and reviewing rules and procedures relating to trade, and the authorities should make known their positions. During the course of these dialogues, provide booklets and cost-benefit analyses to underscore the long term costs of overloading trucks, not implementing the ISRT. Moreover, it will be essential to identify and highlight potential areas of benefit from the implementation of the ISRT.

Other reforms that could bring benefits to The Gambia are as follows:

- Set up the forum for discussions to increase cooperation with the police and immigration authorities to eliminate the majority of the 39 checkpoints in the road Banjul-Basse-Badiara, leaving behind only those that are absolutely necessary. Also include a discussion of positive effects that these check points have in The Gambian economy.
- Organize exchange of ideas with the Gambian congressman to communicate the importance of harmonizing Gambian laws with the ISRT, and to create a compliance

mechanism with sanctions. It is also critical for Gambian authorities to understand the time frame and procedures that congressman need to produce these modifications in the Gambian laws and procedures.

- Minimizing documentation and procedural requirement and promoting the joint border post. Make efforts for streamlining the clearance for traders who have met the criteria specified by Customs, or implement post audit clearance system.

Once benefits from the implementation of the ISRT have been highlighted, Gambia laws need to be harmonized with the ISRT. For example: the weight and volume of goods allowed per vehicle (In The Gambia this is currently 30tons and 51tons for the ISRT). The number of axles authorized per vehicle (In The Gambia this is currently 5 axles and in the ISRT the permitted limit is set at 6 axes).

At a governance level, the non-binding nature of the ISRT, and therefore, lack of penalties for non-compliance also is an impediment for its correct implementation. It is essential to adopt effective mechanisms to ensure compliance with the ISRT. This can be done by reducing informal incentives and including penalties for non-compliance by any party with rules and regulations, though a dispute settlement mechanism.

Enforcement is also important. Incorporating sanctions in the ISRT is the ideal way to make it binding for the parties. The type of sanctions, whether monetary or of any other kind (e.g. withdrawing licenses), should be consulted with the relevant governmental agencies. Monitoring visits to review the efficiency of the corridor, and the actual implementation of the programmes aiming at that increase the surveillance at border posts, in order to improve performance and avoid corruption.

Although in The Gambia there are some instances that have already been created in connexion with Trade Facilitation, is important to revisit their structure, functioning and considering the possibility of creating new ones for specific purposes.

For example, although it there are National and Regional Facilitation Committees, as well as an ISRT focal point at the GRA. The UNCTAD: Trade Facilitation Section, Trade Logistics Branch can support The Gambia, with revising the functioning and establishment of priorities for these Committees. UNCTAD can also contribute with the harmonization of priorities with other countries in the region.

However, there are no specific instances that deal with specific modes of transport. Therefore, it may be helpful to consider the creation of Corridor Management Committees. These committees will have the main objective of monitoring and implementing indicators at specific corridors[121]. These indicators that will cover: transit time, traffic flows, delays, operator efficiency, and tariffs at key corridors for the trade of The Gambia. These Committees can also review issues related with transport infrastructures and services.

Human resource development is fundamental to enabling the implementation of trade facilitation measures. Institutional limitations and lack of knowledge are one of the main obstacles for the full implementation of this scheme. Many stakeholders of The Gambia are not fully aware of what are its obligations in relation to the ISRT, nor about cross-border operations,

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[121] Regional Transport and Transit Facilitation Program (Ref. 9 ACP ROC 08), West African Road Transport and Transit Facilitation Strategy, pp.40-41.

and competing interests. Training customs officials *in situ* regarding the obligations provided by the ISRT, such as the elimination of licences, taxes or fees (e.g. charging taxes, overtime fees at the customs posts, etc.). Additionally, it might also help to provide them with a deeper understanding of the inherent benefits of implementing the ISRT, for them (e.g. less work load, better work conditions, etc.).

The Gambia should request funds and/or foreign investment of Customs border posts for:

- Investing and developing basic infrastructure such as electricity, energy generators, solar cell units, batteries, running water, appropriate office equipment, including computers, air conditioning, etc.
- Buying weight bridges, and conducting strategic studies on where these should be allocated in order to avoid misappropriation of resources due to corruption
- Making progress in building joint border control posts
- Providing a budgetary allowance for the National Road Authority to build new roads, and for the maintenance of existing roads
- Procuring weight bridges at the roads

It will be very useful for the business and public communities of both countries, if government officials of both countries exchange information about their laws, regulations, schemes, procedures and practices at customs and across borders. This information can also be captured in booklets to make it available to the private and public sector of both countries.

Include in the agendas of the existing dialogues between Senegalese and Gambian authorities to harmonize laws and practices in compliance with the ISRT. As result steps towards the implementation of the ISRT can be agreed. Furthermore, it is crucial for The Gambia, that Senegal formally recognises the Banjul-Basse-Badiara-Velingra route within the bilateral ISRT.

Adopting an effective mechanism for both parties with sanctions included, will require dialogue with the relevant government agencies of both countries. The Gambia can first start consulting with its own authorities of what is required to incorporate such a mechanism. Afterwards, The Gambian authorities can consult with the Senegal, as to whether it is possible to incorporate the same type of sanctions in its bilateral agreement. The aim here would be to encouraging and cooperate for the construction/improvement of a road from Badiara-Velingra and their part of the Joint Border Control Posts, for example: Kerr Sulay (next to Farafeni), Badiara (next to Basse), etc.

C.3: Air Transportation

As a country placed at the far western reaches of Africa, The Gambia has great potential to serve as an air hub for the region. This section presents some of the incentives that The Gambia presents to become such a hub, as well as the efforts that Gambian authorities have made to achieve this goal. However despite the incentives and efforts made, this sector in The Gambia still has many constraints to overcome. Finally, some recommendations to overcome these challenges are provided.

The Gambia is close to both Europe and the United States of America. The country also has another advantage in the unusually long runway at Banjul, having been used as an emergency landing strip (or more formally a “transoceanic abort landing” site) for the now-defunct U.S.

space shuttle program. That airstrip is thus more than ample to handle any ordinary aircraft and provides safety to land since there are no mountains or hills.[122] The advantages of expanding air transport services from The Gambia, serving both the region and other continents, are numerous. Due to its geographical location, it is close to important trade players. The main international destinations are the UK, US and Canada, and in the region are: Freetown, Lagos, Accra, Dakar, Senegal, and Morocco. This could lead to expanded tourism to The Gambia, restoration of the country's role as an entrepot center, and reduced costs for exporting perishables.

In 2000 the U.S. Federal Aviation Administration[123] approved The Gambia for "last point of departure" status. Countries with this status have met strict security parameters, for the passengers to fly directly to the United States without any stop in between. Ten other countries in Africa then enjoyed that status, four of them in West Africa, but after the 9/11 the United States removed the other three West African countries from this status. The Gambia continues being the only country in the region to be so designated.

New facilities that are currently under consideration would help to alleviate this problem. The EIF Tier 2 Committee has approved a $1.7 million project for a new airport facility that will include both the needed screening equipment as well as a cold room for the storage of agricultural goods. If all goes as planned this new facility will be on-line in mid-2014.

Chief among these problems is the inadequacy of the present facilities at the airport. The present lack of secure cargo-handling space leads to security concerns that, in turn, make airlines fly in and out of The Gambia without cargo. This is a practice that makes operations less profitable and thus dampens their interest in scheduling more flights to the country.

- Only passengers aircrafts import-export "cargo" and therefore, very little goods
- Due to the lack of aircrafts carrying goods, the import and export of goods relies to the low and high season of the tourism in The Gambia
- Due to the lack of aircrafts carrying goods, there is a lack of space in the passengers aircrafts that are able to import and export goods
- Lack of cargo equipment
- Lack of space

The airport would also benefit from improved facilities for passengers. The plans to act as a regional hub cannot go far without such upgrades as a holding area for in-transit passengers and an airport hotel. Potential international partners are now being sought for such investments.

D. Tourism

According to the National Export Strategy, the vision for tourism is "To create a strong sustainable world class standard Tourism Industry generating 25% of GDP." The more specific objectives are:

1. Facilitate targeted investments in Conference, Rural, Eco, and Cultural Tourism

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[122] It should however be noted that the advantage of this long landing strip has been reduced somewhat by improvements in technology that have enhanced the capabilities of smaller landing strips in other countries.

[123] These responsibilities of the Federal Aviation Administration have since been transfered to the Transportation Security Administration.

2. Facilitate investments in water-based leisure tourism along the banks of River Gambia
3. Strengthen Tourism Marketing activities in Scandinavia and Germany and Nigeria
4. Facilitate investments in cottage-based industries – notably Agro Processing & Poultry – to serve the fruit, vegetable, non-alcoholic beverages, and Poultry needs of the Hotel Industry.
5. Establish official purchasing channels between local horticulture cooperatives and hotels and restaurants.

Tourism is a major foreign exchange earner, and one in which The Gambia is improving its competitive position. It is also an area where a great deal more could be done to improve The Gambia's outside links and to enhance the benefits that may be derived from this trade. It is among the priority sectors in the PAGE strategy for growth and development. The government's vision, it says, "is to make The Gambia a world class tourist destination and business centre" (page 60). More specifically, the PAGE strategy calls for the promotion of tourism by —

- Diversifying and improving the quality of its tourism products
- Developing new niche markets, especially ecotourism, cultural tourism, sport tourism and conference tourism
- Segmenting markets, establishing priorities and developing a plan for each segment
- Encouraging major investment in superior hotels with incentive packages, and fostering public-private partnerships for the development of the sector
- Strengthening backward and forward linkages with the rest of the economy, eg. with agriculture and fisheries
- Building the capacity of small and professional associations to provide better services
- Classifying tourism establishments to promote high standards
- Encouraging responsible tourism through an awareness-building and education program designed to eliminate the problem of "bumsterism" and build awareness among the population

In 2010 the Ministry of Tourism and Culture adopted *A Business Plan for the Development of Tourism 2010*. This document recommended the incorporation of a National Tourism Commission (NTC), a parastatal that would take responsibility for coordination of all stakeholder activity, strategy development and growth, advice to government, and product development. The same document recommended the incorporation of a National Tourist Board, a separate parastatal responsible for international promotion and marketing as well as overseas marketing offices and country representation. These new structures were proposed to deliver real and sustainable change and to allow the respective organizations and the individuals employed to focus on the key priority tasks.

Institutional developments are underway. With aid from the Spanish aid agency a new hospitality institute has been established, and the Ministry of Tourism and Culture recently established a new Gambia Tourism Board to replace The Gambia Tourism Authority (GTA). The new board will focus more on destination marketing, product development, and diversification, and also promote quality service standards.

The European Union is providing assistance to The Gambia in coastal zone management, a subject with economy-wide implications but that may be of special importance to the tourism industry. It is working with the government and with stakeholders in this and other industries (e.g., fisheries) on plans to help protect the coastline from erosion that is brought on by global warming. As of this writing the project is still in the early phases of development, with plans to begin activities in earnest in early 2013.

More efforts should be made to promote year-round tourism and help the country break free of the current dependence on November-April traffic. Among the markets that may be pursued further are eco-tourists (including bird-watchers) and "Roots" tourism from the United States and other countries in the African diaspora. This is expected to require the development of better up-country facilities.

It may also be useful to explore the prospects for establishing partnerships with outside institutions. For example, the Museum of the African Diaspora in San Francisco, California or other institutions could be approached about the possibility of establishing a branch museum in The Gambia, or otherwise lending their expertise to the development of facilities in the country that would help both to preserve and take advantage the country's rich historical and cultural resources.

E. Telecommunications

According to the National Export Strategy, the vision for this sector is "To become a world class telecommunications center with a diverse, reliable, and affordable telecommunications infrastructure integrated into the global information highway with business opportunities in data processing and disaster recovery services." The more specific objectives are:

1. Promote and undertake investments to improve the telecoms infrastructure
2. Implement the Government's Science & Technology and the Silicon Valley Development Plan of Vision 2020
3. Attract businesses through PPP and investment promotion initiatives to establish Call Centers, Disaster Recovery, Data Processing Centers, and Telecoms & ICT manufacturing & assembling plants
4. Encourage through legal and regulatory frameworks incentive schemes for Telecoms and telecommunication service providers to expand their services in the rural areas as contained in the Telecoms Act
5. Given time zone and English speaking advantages leverage ACE Project and establish call-centers, disaster recovery and data processing centers

Though not as great a bottleneck as the power system, the telecommunications network of The Gambia is problematic. The two sectors are in fact related: Telecommunications is burdened by the cost and unreliability of the country's power system. One way that this adds to the cost of service in The Gambia is by requiring the installation of more battery-backup systems than is the case in most other economies.

This is also a priority sector for the PAGE development strategy, which provides (page 64) as follows:

> In the telecom sector, the cost of telephones, both fixed and mobile lines, and the cost of an internet connection are higher than in neighbouring countries. Internet connectivity is also slow. These problems stem from high sales taxes on information and communication technology as well as from limited investments in broadband internet services on the part of The Gambia Telecommunications Company Ltd (Gamtel). To create new opportunities for

business and to help them become more efficient, the Government will continue to support the development of information and communication technology and seek to reduce communication cost. The Government's investment in the Africa Coat to Europe (ACE) submarine cable project will greatly ease some of these constraints.

The Gambia is among the beneficiaries of the World Bank's West Africa Regional Communications Infrastructure Program Project (WARCIP). The objective of this project is to increase the geographical reach of broadband networks among West African countries and reduce the costs of communications services in the region. The first component of the project is support to provide connectivity (both international and regional/national connectivity) by addressing the missing infrastructure links, providing competitive access to submarine cables where opportunity exists. Second, it aims to create an enabling environment for connectivity and applications and institutional strengthening to remove existing bottlenecks for private sector participation, and improving viability of incumbent operators where necessary to be competitive. The third component of the project is project implementation, giving support to countries to implement the program through the setting up of project implementation units, communications, and monitoring and evaluation.

The WARCIP is being complemented by the ECOWAS Wide Area Network (ECOWAN) project to replace, expand and mordernise our national telecommunications backbone. This project is helping ECOWAS countries to transform their networks and provide integrated e-government regional platform to achieve the objectives of the ECOWAS protocols and treaties especially in the areas of trade, customs and border control. There is also the West African Power Pool project that intends to commercialize excess capacity where electricity power lines and other alternative networks via fibre are the appropriate platform.

Efforts are underway within The Gambia to reform the telecommunications sector and attract more competition. The country enacted a new Telecommunications Act in 2009, and the only remaining monopoly is in the national gateway. That too will end with the inauguration of the submarine cable that has now been laid and was expected to come on line at the end of 2012. This cable, which connects The Gambia to France, is expected to provide greater connectivity and much more reliable links than the ground cable that is presently linked with Senegal, which is more susceptible to disruption. The submarine cable is owned 49% by the government and 51% by a consortium of private telecommunication companies.

Other reforms are also needed in this sector. One such step that should be taken is delinking the two government-owned providers Gamtel and Gamcel, so as to diminish cross-subsidization and encourage more competition in the domestic market.

Appendix 1:

Trade-Related Activities and Objectives in Existing Strategies of The Gambia

Virtually all of the recommendations in these strategies might arguably be considered trade-related to one degree or another. The items reproduced in this appendix consist solely of those that are explicitly identified as being related to exports and/or imports.

Micro-Small and Medium Enterprises (MSME) Sector: National Policy; Policies, Strategies and Action Plan Part II (2008)

Areas/Activity /Components	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Responsibility	
						Lead Institution	**Support Institution**
AREA: Export Promotion **Policy Objective 11 : Export promotion and competitiveness of the MSMEs**							
<u>*Strategy(a)*</u> *GOTG with assistance from ITC and UNCTAD develop an Export Development Strategy and Establish an Export Promotion Unit or Agency* <u>Activity</u> • Facilitate the preparation of export development strategy • Establish a unit at GIPFZA or NEDC to implement strategy and assist MSME exporters	x x	x x	x x			MOTIE MOTIE	GIPFZA / GCCI GIPFZA / NEDC/GCCI / SBAs
<u>*Strategy (b)*</u> *Facilitate the establishment of a Trade Information Centre* <u>Activity</u> • Set up a Trade Information Unit at GIPFZA/NEDC with assistance from ITC	x	x	x			MOTIE	GIPFZA / NEDC/GCCI

Areas/Activity /Components	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Responsibility	
						Lead Institution	**Support Institution**
Strategy (c)Strengthened public and private institutions engaged in export promotion							
Activity							
• Develop capacity building programmes for staff of these institutions	x	x	x	x	x	NEDC/ GCCI/ GIFPZA	
• Attend international trade fairs	x	x	x			NEDC/ GCCI / GIPFZA	
Strategy (d) Provision of well equipped laboratories with infrastructural accreditation to ensure quality of export							
Activity							
• Improve the fisheries and agricultural labs to international standards.	x	x	x			DOSA	
• Improve capacity of staff and launch campaigns to improve quality of exports	x	x	x	x	x	DOSF / DOSA	NEDC
• Seek out opportunities for regional cooperation or standards testing	x	x				DOSF / DOSA	

Areas/Activity /Components	**Yr. 1**	**Yr. 2**	**Yr. 3**	**Yr. 4**	**Yr. 5**	**Responsibility**	
						Lead Institution	**Support Institution**
<u>*Strategy(e):*</u> *Encourage international air carriers to operate in The Gambia* <u>Activity</u>							
• Carry out comparative cost analysis of Banjul Airport with competing airports such as Dakar	x	x	x	x	x	DOSWIC	GCAA
• Embark on promotional tours to sell Banjul International Airport to international carriers	x	x	x			GCAA	
• Improve airport infrastructure	x	x	x			DOSWIC	GCAA

The Gambia Tourism Development Master Plan (2006)

TEN YEAR PLAN – PRIORITY PROJECTS
First Rank

The following projects are key to the implementation of the Plan and have greatest priority. They require technical assistance that can potentially be supported initially by the African Development Bank while packages of support are negotiated with other donors such as the European Union and UNDP/UNWTO. Overall responsibility for implementation will lie with the Department of State for Tourism and Culture. It would benefit if the private sector were to form an umbrella tourism association or federation along the lines found elsewhere in Africa to work with the Department of State.

	Project / Action	Year										Lead	Partners	Budget in US$
		1	2	3	4	5	6	7	8	9	10			
1.	**Institutional Strengthening and Capacity Building**													
	Department of State for Tourism and Culture													
1.1	Establishment of a Tourism Policy and Planning Unit within the Department of State with Technical Co-operation Support		●									Dept of State for Tourism & Culture	Source of TA support to be identified	75,000
	The Gambia Tourism Authority													
1.2.1	Tourism marketing leadership and actions for The Gambia: ▪ Capacity Building with long and/or short term TA, including 3-5 year strategic plan ▪ Enhancement of the role of the private sector in tourism marketing with an enhanced and transparent role in the operations of the GTA	●	● ●	 ●								GTA, supported by Dept of State for Tourism & Culture	Source of TA support to be identified; Agreement on modus operandi between Dept of State and private sector associations	100,000
1.2.2	Pilot marketing programme aimed at attracting new higher level business: TA and financial assistance		●									GTA	Source of donor financial support to be identified	250,000
1.2.3	Capacity building in tourism market data so The Gambia's tourism sector has measures of performance		●	●								GTA	CSO Approach to UNDP/UNWTO	50,000
1.2.4	Capacity building in reorganisation of TDA land, with site re-allocation for approved development projects and											GTA	Dept of State for Local Government	50,000

	Project / Action	Year										Lead	Partners	Budget in US$
		1	2	3	4	5	6	7	8	9	10			
	development briefs for key sites	●	●										and Lands, with TA to be identified	
1.2.5	Capacity building in classification/licensing and regulation as a basis for a quality drive for hygiene in hotels and restaurants		●	●								GTA	Director of Medical Services	50,000
2.	**Destination Marketing**													
2.1	Rebranding initiative: research in key originating markets, preparation of comprehensive branding programme and branding toolkit for The Gambia			●								GTA	Source of TA support to be identified	125,000
2.2	Air Access programme: • Scheduled airline promotion • GCAA airline incentive schemes (dependent on outcome of scheduled airline promotion)	●	●	●	●	●	●	●	●	●		GTA GCAA	TA support GTA, Airlines	30,000 1,500,000 (income rebate)
2.3	Tour operator incentive schemes			●	●	●	●	●	●			GTA	Tour Operators	1,500,000
2.4	Market research of further potential in US 'roots' market: contact with identified tour operators by phone/email		●									GTA	Tourism industry	30,000
3.	**Product Development**													
3.1	Research with EU tour operators on required product improvements in The Gambia for them to bring their higher spending customers, leading to an expansion of visitor attractions		●									GTA	Industry	50,000
3.2	Create attractive environment in existing TDA – seek to eliminate sand mining, eliminate deforestation, stop unapproved development and eliminate existing unapproved development		●	●	●	●						GTA	Kanifing LGA	100,000
3.3	Prepare action plans for Senegambia Tourism Centre and clean, secure and maintain undeveloped areas of TDA 1				●	●	●	●				GTA	Kanifing LGA Industry	500,000
3.4	Training of local tour guides with pilot programme at a location to be decided (potentially James Island and/or Jufereh)			●	●	●	●	●	●			GTA	Community Tourism Industry	50,000

	Project / Action	Year										Lead	Partners	Budget in US$
		1	2	3	4	5	6	7	8	9	10			
3.5	Ninki Nanka Trail along the River Gambia – Local Accommodation, Traditional Crafts, River Transport			●	●	●	●					GTA	ASSET members Village Communities	100,000
3.6	Festival Programme for Gambia to enhance tourism – music, entertainment and culture			●	●	●	●	●	●	●	●	GTA	Tourism Industry ASSET, NCAC Local Associations	175,000
4.	**Quality in tourism establishments**													
4.1	Establishment of minimum standards for 'tourist hotels' and enforcement by licensing control; advise tour operators of properties that are no longer licensed; review of investment incentives for refurbishment				●	●						GTA	Technical assistance to be identified	150,000
4.2	Review of all-inclusive policy via policy research and study tour	●										Dept of State for Tourism & Culture		40,000
4.3	Institute annual Gambia tourism awards		●									GTA	Tourism industry associations	Sponsorship
5.	**Social issues**													
5.1	'Bumsters': ▪ Devise and implement bumsterism action programme including revenue earning activities for bumsters e.g. beach allocations for retailing and assistance with products for sale. ▪ Plan and implement bumster free areas especially at the airport			●	●	●	●	●	●	●	●	GTA	LGAs and NGOs	300,000
6.	**Human Resource Development**													
6.1	Improved customer service and opportunities for young Gambians by upgrading The Gambia Hotel School to National Tourism Training Institute: plan and develop to include hotel, cultural guides and bird watching guides			●	●	●	●	●	●	●	●	Gambia Hotel School	GTA	4,000,000
6.2	Training of trainers				●	●	●	●	●	●	●	GHS	GTA	400,000
7.	**Responsible Tourism**													
7.1	Linkage of mainstream travel industry with community development and poverty alleviation		●	●	●	●	●	●	●	●		ASSET Tourism	GTA Tourism Foundation	200,000

	Project / Action	Year										Lead	Partners	Budget in US$
		1	2	3	4	5	6	7	8	9	10			
												Concern	(UK)	
8.	**Linkages**													
8.1	Secure the future of 'Gambia is Good' and develop other similar programmes	●	●	●	●	●	●	●	●			Concern Universal/other NGO's		100,000
9.	**Infrastructure**													
9.1	Management to prevent fire and speedy closure of Bakoteh Solid Waste Dump		●	●	●							NAWEC	LGAs	250,000
9.2	Rehabilitation of Kotu Wastewater Treatment Plant, including extension of the sewage system		●	●								NAWEC	LGAs	150,000
9.3	Installation of a drainage system and interceptors at Kotu power plant to prevent oil spills and waste oil storage; initial one month study required		●	●								NEA	NAWEC	30,000 (for TA to assess main causes of pollution and provide solutions)
9.4	Resolve reliable provision of electricity		●	●	●	●								National Agenda
9.5	Support and encouragement for construction and operation of a private health clinic available to tourists as well as Gambians					●	●	●	●	●	●	Private sector	DOSTC, Ministry of Health	To be defined

Second Rank

The following projects are highly desirable in terms of product improvement, aimed at linking with private sector development in improving product quality in order to secure higher spending visitors, with a more diversified clientele that can form a basis for the progressive expansion of tourism into new areas and activities.

	Project / Action	Year										Lead	Partners	Budget in US$
		1	2	3	4	5	6	7	8	9	10			
3.	**Product Development**													
3.7	Information Centres				●	●	●	●				GTA	Industry	200,000
3.8	Beach Quality: 'Blue Flag' beach project employing bumster labour				●	●	●	●				GTA	Kanifing LGA Environment	100,000
3.9	Prepare plans and implement Kololi Beach Park		●	●								GTA	Kanifing LGA Industry	150,000
3.10	Prepare plans and implement Kololi Parkway and Bird Watching Centre			●								GTA	LGA, Min of Agric, Bird-watching Assoc.	100,000
3.11	Prepare plans and implement Bijilo Forest			●								GTA	LGA DOSTC	50,000
3.12	Prepare plans and implement Western River Trail				●	●	●	●				GTA	LGAs	50,000
3.13	Prepare and implement Tourism Signage Programme				●	●	●	●				GTA	LGAs	50,000
3.14	Prepare plans for other areas, as necessary			●	●	●	●	●	●	●	●	GTA	LGAs	125,000
3.15	Development of visitor centres at one or more heritage sites, to include revenue earning activities (retail, food & beverage), working with communities – initially in Jufureh, Banjul Heritage Trail and Fort Bullen		●	●								National Council for Arts and Culture	Community Tourism industry	100,000
6.	**Human Resource Development**													
6.3	Tourism awareness programme				●	●	●	●	●	●	●	GHS	GTA	500,000

	Project / Action	Year										Lead	Partners	Budget in US$
		1	2	3	4	5	6	7	8	9	10			
7.	**Responsible Tourism**													
7.2	Encourage development of eco-beach and eco-'bolong' lodges in South Coast and Western River Areas		●	●	●	●	●	●	●	●	●	GTA		100,000
8.	**Linkages**													
8.1	Institutional support to producer associations		●	●	●	●	●	●	●	●	●	Min. of Agric.	GTA	200,000
9.	**Infrastructure**													
9.5	Construction of storm water drainage and control of runoff from developments adjacent to the beach to a standard that safeguards the beach from erosion and the bathing water from contamination		●	●										National Agenda
9.6	Control of waste burning in and around the TDA, followed by better management of domestic solid waste collection and treatment		●	●	●	●								National Agenda
9.7	Green Hotel Programme		●	●								GTA	Industry	100,000
9.8	Back-up generators at NAWEC's borewells		●									NAWEC		250,000
10.	**Environmental Management**													
10.1	Environmental Improvements		●	●	●	●	●	●	●	●	●	NEA	DPWM	500,000

Appendix 2:
Persons Consulted in The Gambia
In the Course of the DTIS Update Mission

Name	Title	Institution
Matarr Bah	Principal Fisheries Officer	Fisheries Department
Naffie Barry	Permanent Secretary	Ministry of Trade, Industry, Regional Integration and Employment (MOTIE)
Lamin Bayo	Research Officer	Association of Gambian Manufacturer (AGM)
Lamin Lams Bojang	Director, Economic Analysis	Gambia Competition Commission (GCC)
Lamin Camara	Deputy Permanent Secretary, Technical	Ministry of Information and Communication Infrastructure
Dasy Carrol	Deputy Permanent Secretary, Admin & Finance	Ministry of Information and Communication Infrastructure
Abdou Kadri Ceesay	Senior Manager, Enterprise Support	Gambia Investment and Export Promotion Agency
Alieu Ceesay	Project Manager, ASSYCUDA	Gambia Revenue Authority
Amadou Ceesay	Executive Secretary	Gambia Competition Commission (GCC)
Modou Ceesay	Deputy Permanent Secretary I	Ministry of Finance & Economic Affairs
Momodou Lamin Ceesay	Deputy Permanent Secretary I	MOTIE
Momodou Sompo Ceesay	Senior Electricity Engineer	Public Utilities and Regulatory Authority
Ndey Naffie Ceesay	Coordinator	UNIDO Country Programme, MOTIE
Zakaria Ceesay	Director of Operations	Gambia International Airlines (GIA)
Lamin Cham	Commercial Director	Gambia International Airlines (GIA)
Tamsir Cham	Economist	International Monetary Fund, Gambia
Sarata Conateh	Business Development Officer	Gambia Chamber of Commerce and Industry
Lamin Dampha	Director of Investment	MOTIE
Nfamara Dampha	Director	Fisheries Department
Essa Drammeh	Director, Financial Supervision Department	Central Bank of The Gambia
Ada Gaye	Permanent Secretary	Ministry of Agriculture (MOA)
Adda Gaye	Permanent Secretary I	Ministry of Agriculture
Bakary Jammeh	Deputy Director, Economic Research Department	Central Bank of The Gambia
Abdoulie Jallow	Deputy Permanent Secretary II	Ministry of Finance & Economic Affairs
Fatou Jallow	Chief Executive Officer	Gambia Investment and Export Promotion Agency
Janice James	Economic Advisor	UNDP
Abdoulie Jammeh	Director of Trade	MOTIE
Nicolas Jatta	Deputy Director, Telecoms	Public Utilities and Regulatory Authority
Bai Ibrahim Jobe	Coordinator	EIF National Implementation Unit (NIU)
Modou T Jobe	General Manager	Association of Small Scale Enterprises in Tourism

Name	**Title**	**Institution**
Badara Joof	Liaison Officer	World Bank Liaison Office, Gambia
Momodou C Joof	Deputy Permanent Secretary	Ministry of Tourism and Culture
Maodo Juwara	Permanent Secretary I	Ministry of Foreign Affairs, International Relations and Gambians Abroad
Amadou Kolley	Governor	Central Bank of The Gambia
Lai Mboge	Chairman	Gambia Hotel Association
Gabriel Mendy	Director	Directorate of National Treasury
Paul J Mendy	Director 2, Financial Supervision Department	Central Bank of The Gambia
Fernando Soto Mora	Special Assistant to the RC	Office of UN Resident Coordinator
Joseph Ndenn	National Technical Coordinator	West Africa Quality Programme
Babucarr Njie	Deputy Permanent Secretary	Ministry of Foreign Affairs, International Relations and Gambians Abroad
Fatim Njie	Deputy Permanent Secretary II	MOTIE
Momodou Njie	Deputy Director, Financial Supervision Department	Central Bank of The Gambia
Marion Nyan	Executive Secretary	Gambia Hotel Association
Bakary Nyassi	Managing Director	Gambia International Airlines (GIA)
Fausto Perini	Programme Officer	European Commission
Beatrice Prom	Communications Officer	Gambia Chamber of Commerce and Industry
Amadou Saine	Permanent Secretary	Ministry of Fisheries & Water Resources
Papa Secka	Director General	National Standards Bureau
Ousainou Senghore	Director of Finance	Gambia Tourism Board
Fatou Sosseh	Deputy Permanent Secretary	Ministry of Fisheries & Water Resources
Edrissa Sanyang	Managing Director	International Pelican Seafood Co.
Bai Senghore	Director, Micro Finance Department	Central Bank of The Gambia
Mohammed Silla	President	Association of Gambian Manufacturer (AGM)
Modou Touray	Programme Officer	National Implementation Unit (NIU)
Nuha Touray	Permanent Secretary	Ministry of Tourism and Culture
Ebrima Sallah	Director of Finance	Gambia International Airlines (GIA)
Abdoulie Trawally	Administration and Human Resource Manager	Gambia International Airlines (GIA)
Benjamin Roberts	Director, Business and Exports Promotion	Gambia Investment and Export Promotion Agency
Maleh Saine	Executive Commissioner, Technical Regulations	Public Utilities and Regulatory Authority
Ansumana Sanneh	Director, Economics & Finance	Public Utilities and Regulatory Authority
Lang Sabally	Corporate Service Director	National Water and Electricity Company
Alieu Saho	Director National Accounts	Gambia Bureau of Statistics
Isatou Sarr	Senior Statistician	Gambia Bureau of Statistics
Baba Suwareh	Director, Social Statistics	Gambia Bureau of Statistics
Tunkara	Director of Trade Statistics	Gambia Bureau of Statistics
Meshack Tunee Tjirongo	Resident Representative	International Monetary Fund, Gambia