



Department for Agriculture,
Environment and Water Resources
Regional Agricultural Policy
(ECOWAP)



Progress - Peace - Prosperity



NEPAD
Comprehensive Africa Agriculture
Development Program
(CAADP)

THE GAMBIA

Agricultural Growth, Poverty Reduction, and Food Security: Past Performance and Prospective Outcomes

The Comprehensive Africa Agriculture Development Programme (CAADP) aims to add value to the efforts of individual countries, where necessary, to ensure that its growth and poverty objectives are achieved. Doing so requires reviewing past, current, and emerging efforts against these objectives. This includes:

- Examining the recent growth performance of the agricultural sector, as well as future growth and poverty outcomes based on observed trends.
- Determining how such outcomes compare with the targets established for the sector under the CAADP agenda and how they compare with the Millennium Development Goal to halve the proportion of people living on less than a dollar a day (MDG).
- Measuring the prospects of meeting these targets and analyzing the implications for future sector growth and poverty-reduction targets.

IS THE GAMBIA ON TRACK TO MEET CAADP'S GROWTH AND POVERTY TARGETS?

The following analysis puts figures to five scenarios for agricultural development: i) a continuation of the Gambia's current agricultural growth path, ii) achieving the 6% agricultural growth target set by the CAADP initiative through accelerated agricultural production, iii) meeting the government's target GDP growth rate specified in the PRSP of 6.3%, (iv) achieving the MDG goal of halving poverty by 2015, or (v) alternatively by 2025.

Recent Performance and Current Trends Compared to CAADP Targets

Macroeconomic performance in the Gambia has been strong in the recent past, as exemplified by a robust GDP growth rate of 6.5% in 2006, 7% in 2007 and 5.9% in 2008. With a population growth of 2.8% in 2007, the average GDP per capita growth rate was about 3.7%. The agricultural sector, where most of the poor are engaged, has been performing at about half the rate of GDP in recent years, although crop production rebounded in 2008 due to comparatively good rainfalls. The relatively slower growth of production and productivity levels means that the agricultural sector has not been able to address the food needs of the Gambian population. The average agricultural growth rate was 3.6% between 2001 and 2007;

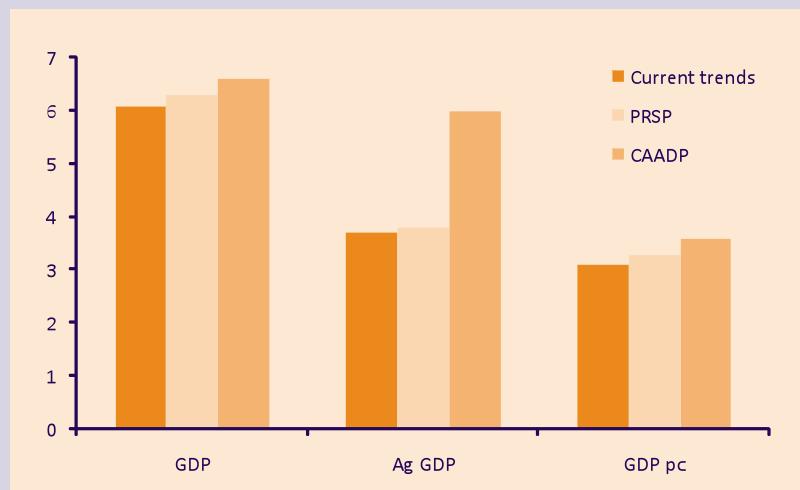
with a population growth of 2.8%, average agricultural GDP growth was only 0.8% per year.

Future overall growth and poverty trends for the sector under the status quo are projected to 2015 and 2025 based on the following historical sub-sector specific growth rates: 3.1% for crops, 3.0% for livestock, 1.9% for forestry, 10.4% for fishing and 6.8% for the non-agricultural sector. The resulting poverty rates are estimated based on an elasticity of poverty with respect to per capita income growth of 0.4 for the 2007–2014 period and 0.5–0.6 from 2015 to 2025. The expectation is that the elasticity will improve from its 2007 size (0.4) to 0.6, which is the Africa average, by 2020; from 2020 to 2025, an elasticity of 0.6 is assumed.

Based on the above assumptions, future growth performance is projected to stabilize at around 6.1% for the overall economy and 3.7% for the agricultural sector, with an average per capita income growth of about 3% (Figure 1a).

Although positive, the growth rate for agriculture is significantly less than the 6% targeted under CAADP. The projected performance is also less than required to achieve the first Millennium Development Goal (MDG1) of cutting the national poverty rate of the 1990s by half by 2015. According to the projections in Figure 2a, national poverty rates will decline by less than 10% with rates declining in the different districts by between 1 and 13%. Given that the population will grow by about 3% annually, the absolute number of poor people at the national level would increase by about 100 000 under current trends as shown in Figure 3a.

Figure 1a – Annual growth rate under different scenarios 2007–2015 (%)



CAN EMERGING GOVERNMENT STRATEGIES ACHIEVE CAADP'S GROWTH AND POVERTY TARGETS?

Overview of the Government's Strategic Objectives for the Agricultural Sector

The Government of the Gambia's agricultural sector targets are outlined in three key strategic documents: the Vision 2020, the Poverty Reduction Strategy Paper and the Strategy for Poverty Alleviation (PRSP/SPAI), as well as the Agriculture and Natural Resource Policy (ANRP). The PRSP aims for a 6.3% growth of overall GDP. The ANRP has been elaborated to provide a framework for taking Gambian agriculture into the next century. The ANRP aims for a robust, market oriented, commercialized sector that is directly aligned with the macro-economic framework of the country and contributes to the attainment of a shared, inclusive and sustainable poverty reduction and economic growth in the Gambia. The ANRP has four strategic objectives to be attained by 2015, which are: (i) improved and sustainable measurable levels of food and nutrition security in the country in general and vulnerable populations in particular; (ii) a commercialized ANRP

sector, ensuring measurable competitive, efficient, and sustainable food and agricultural value chains, and linkages to markets, (iii) strengthened institutions (public and private) in the sector to provide needed services, create a strong and enabling environment, and reduce vulnerability with respect to food and nutrition security; and (iv) sustainable and effective management of the natural resource base of the sector. In addition, long-run objectives have been set in terms of output targets for a number of crops such as rice.

Projected Growth and Poverty Outcomes under Government Strategies

The projection results in Figure 1a indicate that achieving the targets outlined in current government strategies would not allow the country to meet the CAADP target of an overall sector growth of 6% by 2015. Overall GDP would grow by 6.1% whereas agricultural growth would only be 3.8%. Per capita growth would be 3.1%, leading to a decline in the 1990s poverty rates of 10% at the national level, ranging from 14% in Banjul to 1% in Kuntaur. These achievements in poverty reduction are significantly less than the MDG goal of halving poverty by 2015 (Figure 2a). As shown in Figure 3a, the absolute number of poor people at the national level would increase by about 94 000.

Figure 1b – Annual growth rate under different scenarios 2007–2015 (%)



ACHIEVING THE MDG POVERTY OBJECTIVE REQUIRES GROWTH BEYOND CURRENT GOVERNMENT AND CAADP TARGETS

Achieving the MDG objective of reducing poverty by 50% in 2015 would require cutting the national poverty rate to about 28% from its 1990s rate of 56%. In the Gambia, poverty levels have not changed significantly between 1990 and 2007, which means that in reality a 50% reduction in poverty levels would have to take place in the next eight years to reach MDG1 in 2015. Such a reduction necessitates a higher agricultural growth rate than achievable under current targets established by PRSP or for that matter under CAADP growth targets. In other words, the Gambia could well achieve the CAADP target of a 6% agricultural sector growth rate and still fail to realize the MDG poverty reduction objective.

Growth Outcomes Required to Achieve MDG1 objectives in the Gambia in 2015 or in 2025

The projected growth rates required to cut poverty rates by 50% by 2015 are presented in Figure 1b. They imply an agricultural sector growth rate of 14.4% leading

to an overall GDP growth rate of 20.3% and per capita GDP growth of 17.3%. If these growth rates were attained, the MDG poverty-reduction objective would be achieved at the national level but not in all districts (Figure 2b). Under this scenario, the absolute number of poor people would decrease by about 330 000 at the national level (Figure 3b). The above growth rates are very high, particularly when compared to the past performance of the agricultural sector and the Gambian economy. Therefore, another scenario, which would halve the 1990s poverty rate by the year 2025, has been considered. As shown in Figure 1b, this scenario requires an agricultural growth rate of 8.6%, leading to a growth rate of GDP per capita of 5.9%. Under this scenario the number of poor would decrease by 160 000 and most districts would achieve or be very close to achieving the poverty MDG.

The results presented here indicate that: (i) a continuation of current growth trends in the Gambia would not achieve the CAADP growth target or lead to a significant reduction in poverty rates by 2015; (ii) emerging government strategies under the PRSP would not allow the Gambia to reach the CAADP nor the MDG1 objective in 2015; (iii) meeting the latter objective in 2015 and 2025 would require GDP to grow by 20.3% and 8.9%, respectively through combined growth in the agricultural and the non-agricultural sectors; (iv) such accelerated growth sustained until 2025 would bring most local governments very close to achieving the poverty MDG.

Figure 2a – Projected changes in poverty rates under different scenarios 1990–2015 (%)

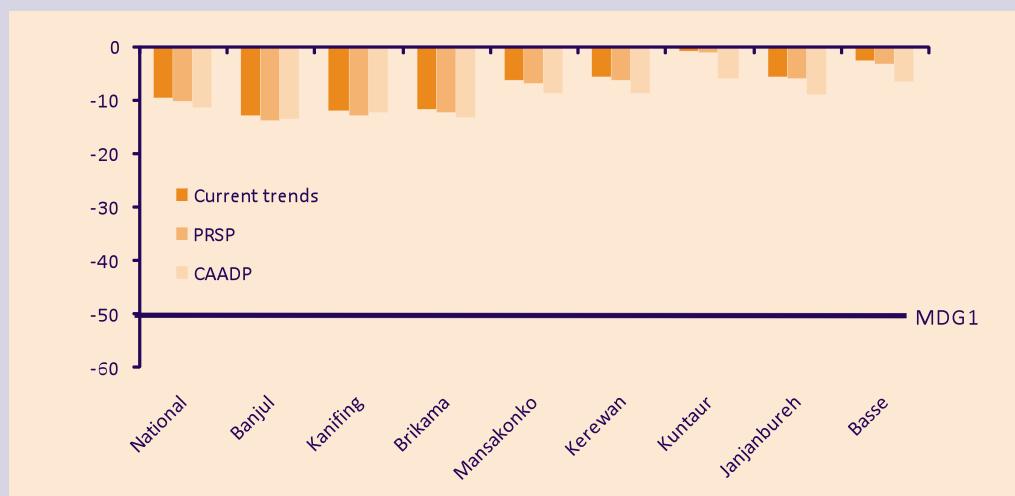


Figure 2b – Projected changes in poverty rates under different scenarios 1990–2015 (%)

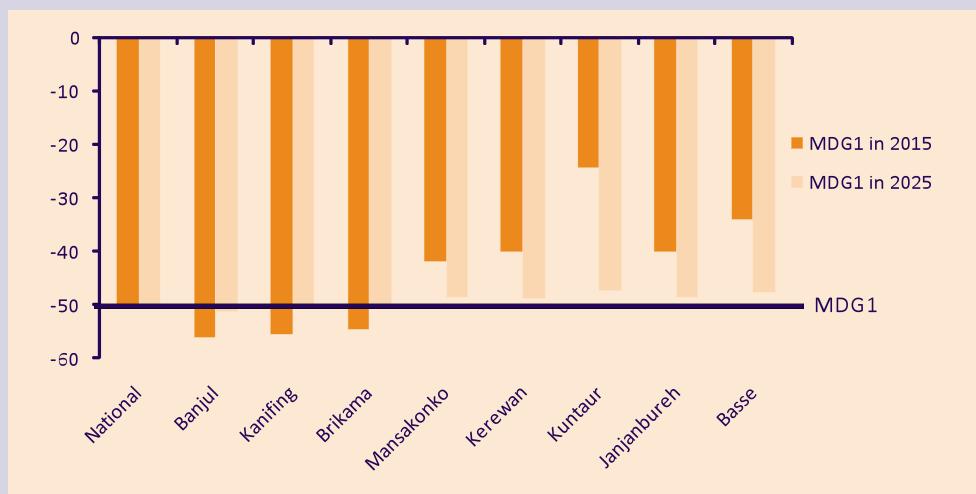


Figure 3a – Projected change in absolute number of poor under different scenarios 2007–2015

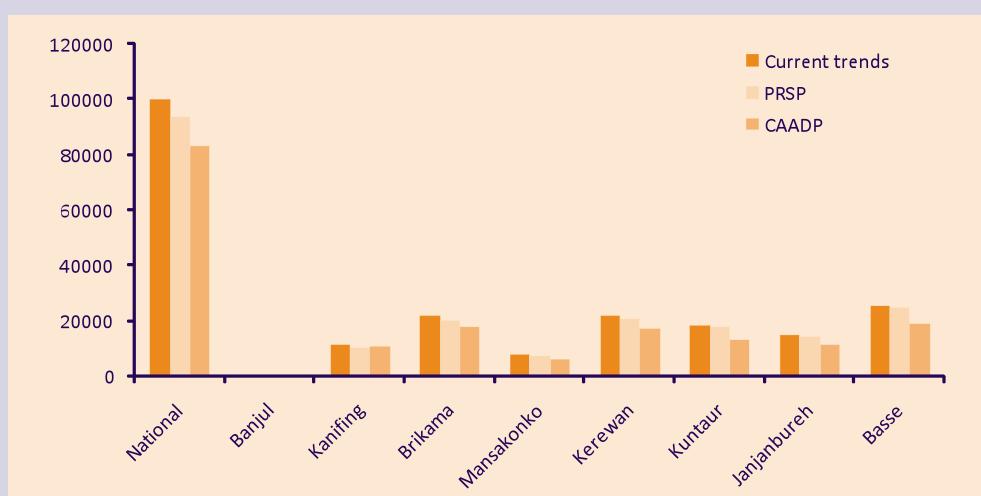
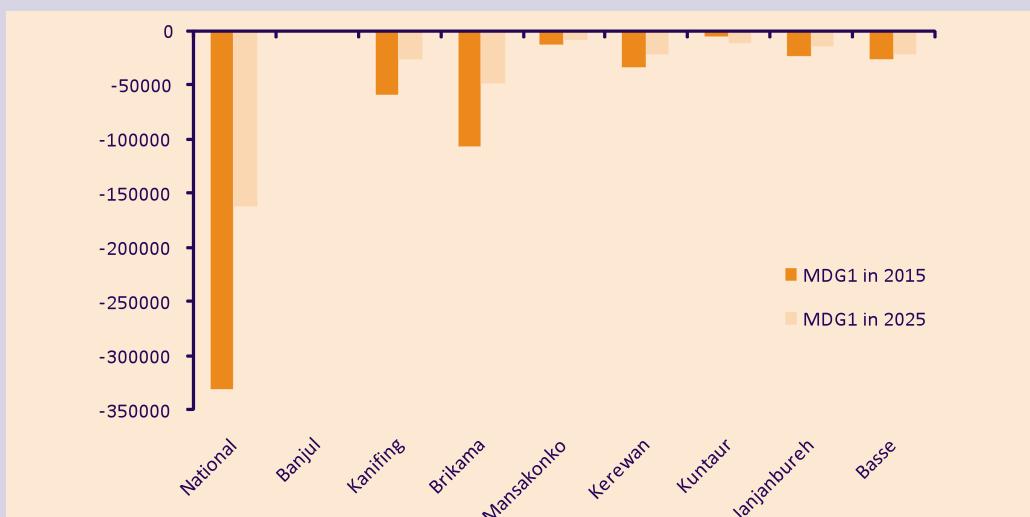


Figure 3b – Projected change in absolute number of poor under different scenarios 2007–2015



Based on the modeling conducted by ReSAKSS-West Africa in collaboration with experts from the Gambia and financial and technical assistance from the Economic Community of West African States (ECOWAS), the African Union Commission (AUC), the International Food Policy Research Institute (IFPRI), United States Agency for International Development (USAID), Swedish International Development Cooperation Agency (SIDA), German Agency for Technical Cooperation (GTZ) and International Institute of Tropical Agriculture (IITA).

REPUBLIC OF THE GAMBIA

Ministry of Agriculture; Ministry of Finance and Economic Affairs; Ministry of Trade, Industry and Employment; Ministry of Forestry and Environment; and Ministry of Fisheries and Waters Resources.

Task Force Members: **Ministry of Agriculture** (Bakary Trawally, Permanent Secretary; Abdourahman Jobe, Deputy Permanent Secretary; Bakary Sonko, Deputy Director); **Ministry of Trade, Industry and Employment** (Mod Secka, Permanent Secretary; Lamin Dampha, Director; Ada Gaye, Deputy Permanent Secretary; Fatim M. Njie, Deputy Permanent Secretary); **National Research Institute (NARI)** (Babou Jobe, Director General); **Ministry of Finance and Economic Affairs** (Tamsir Cham, Director); **National Planning Commission** (Abdou Touray, Director General) and the **Gambia Horticulture Enterprise** (Momodou Ceesay, Managing Director).