THE GAMBIA’S PROGRAM FOR ACCELERATED GROWTH AND EMPLOYMENT PAGE (2012-2015)

Introducing the PAGE & the Role of The Gambia’s Insurance Industry within the PAGE Framework

Presented by the:
Directorate of Development Planning
Ministry of Finance and Economic Affairs
The Republic of The Gambia

Programme for Accelerated Growth and Employment (PAGE) 2012-2015
Objectives of the Presentation

To highlight the following:
• The Gambia’s Poverty & Employment Status
• The PAGE Outline
• The Strategic Pillars/Focus of the PAGE
• Key Reforms under the PAGE framework
• Financing the PAGE
• Summary of the Priority Action Plan (PAP)
• Institutional Arrangements for the Implementation of the PAGE
• Role of Insurance within the PAGE framework
Poverty Trends

• The Gambia is ranked 168 out of 187 in the UNDP Human Development Report for 2011.

• The country has implemented programmes to reduce poverty since the launched of the first Strategy for Poverty Alleviation (SPA-1)
  – In 1998, the proportion of people living on less than US$1 a day was estimated at 69%
  – According to the Integrated Household Survey (IHS), this decreased to 58% in 2003 and the poverty assessment in 2008 showed a further decline to 55.5%
  – In 2010, the proportion of the population living below US$1 per day has decreased significantly to 36.7%
## Poverty Trends (cont...)

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<th>1998</th>
<th>2003</th>
<th>2008</th>
<th>2010 (&lt;US$1/person per day)</th>
<th>2010 (&lt;US$1.25/person per day)</th>
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*Source: GoTG*
External Sector

- Data from GBoS showed that for the 1 half of 2011 – imports from trade amounted to US$82.1 million
  - Europe (31.4%)
  - West Africa (30.5%)
  - Asia (21.7%)
  - The Americas (9.0%)
  - MENA (5.2%)
  - Southern Africa (1.5%)
  - RoW (0.4%)

- The bulk of the imports from Europe came from Belgium whilst within West Africa (Cote d’Ivoire – 76.3%)
Data from GBoS also showed that exports in the 1st half of 2011 amount to US$42.7 million

- West Africa (86.1%)
- Asia (9.2%)
- Europe (3.8%)
- The Americas (0.5%)
- RoW (0.4%)
Quality of life and welfare of the population . . .

• Health
  – The Gambia has a comprehensive policy framework for addressing development issues in the social sectors of health and education
  – The access to basic health services is generally good, although there are still pockets in the rural areas with poor access
  – Significant progress has been registered with regard to immunization services – above 90% coverage for child immunization
  – Under-5 and infant mortality rates have also declined over the past 30 years from 320 and 217 per thousand live births respectively to the present levels estimated at 109 and 81 per thousand live births (MICS IV, 2010)
  – The incidence of malaria is declining but continues to be a health challenge, and is the number one killer disease in the country
Quality of life and welfare of the population . . .

• Education
  – The Gambia has made significant strides in improving the literacy rate, which now stands at 65%
  – The country is on course to meet its national target of a 50% reduction in illiteracy by 2015
  – Primary enrolment increased from 60% in 2001/2 to 77% in 2008/9
Employment Trends

• According to the results of the 2010 Integrated Household Survey (IHS 2010) the employment rate for the population aged 15 – 64 is 73 per cent.

• The unemployment rate for the same age group is 22 per cent while 5 per cent of the surveyed population did not report on their employment status.

• The high employment rate could be attributed to the high proportion of own account workers and contributing family workers.
It is observed that 40 per cent of the working population live on less than $1.25 per day.

This figure is higher for the population aged 15 – 24 and lowest for the population aged 30 to 34 with 49 per cent and 35 per cent living respectively on less than $1.25 per day.

The 2010 IHS also shows that the proportion of the population employed in the agriculture sector is 44 per cent with 60 per cent being females and males accounting for the remaining 40 per cent.
INTRODUCING THE PAGE

- PAGE is The Gambia’s National Development Plan (NDP) for the period 2012-2015.
- PAGE is the successor to PRSP II
- Main Objectives of the PAGE is to:
  - improve Employment levels
  - improve Per Capita Income
  - improve Human Development
  - improve Gender Equity
  - improve Country Competitiveness
PAGE PREPARATORY PROCESS

Vision 2020 and MDG Goals
Programme for Accelerated Growth and Employment
(PAGE 2012-2015)

Pillars of the PAGE as a pathway to accelerated growth and employment, MDGs and Vision 2020

Cross cutting themes

Engaging community (Vox populi)

Building on the foundation

Foundation

Contribution by 14 Thematic Working Groups
(Government, Development Partners, NGOs, CSOs, Private Sector)

MDG Needs/Community Priorities Assessment in all Local Government Areas

PRSP II Achievements/Lessons Learnt and MDG Status Report 2010
OVERVIEW OF THE DOCUMENT
Part I: Context and justification

Setting the scene:

Chap 1: What’s happened recently in the country?

Chap 2: What is the poverty situation?

Chap 3: Strengths, challenges and constraints
Part I: Context and justification

Chap1: RECENT SOCIO-ECONOMIC DEVELOPMENT.

- Macroeconomic overview (growth trends, fiscal policy, external sector, public debt, monetary policy and exchange rate)
- Quality of life and welfare of the population
- Good governance, transparency and accountability
- PRSP II assessment
Part I: Context and justification

Chap 2: WHAT IS THE POVERTY SITUATION?

- Poverty trends

- Income poverty and the challenges of income distribution
  The average consumption in the richest quintile is about seven times higher than the average consumption of the poorest quintile.

- Determinants of poverty
  Sector of employment, place of residence, education, gender
Part I: Context and justification

Chap 3: STRENGTHS, CHALLENGES AND CONSTRAINTS

• Growth diagnostics and sources

• **Strengths** (telcom, financial sector, revival of planning)

• **Opportunities** (productivity ANR, R. Gambia, youthful pop, tourism)

• **Challenges** (inadequate financing & financial services, constricted biz environment, inadequate transport, ICT, Energy supply, critical production inputs, natural & man-made disaster)
Part II: The Strategy

The Pillars

ACCELERATING AND SUSTAINING ECONOMIC GROWTH

IMPROVING AND MODERNIZING INFRASTRUCTURE

STRENGTHENING HUMAN CAPITAL STOCK TO ENHANCE EMPLOYMENT OPPORTUNITIES

IMPROVING GOVERNANCE AND FIGHTING CORRUPTION

REINFORCING SOCIAL COHESION AND CROSS CUTTING INTERVENTIONS
ACCELERATING AND SUSTAINING ECONOMIC GROWTH

• Consolidating the macroeconomic framework
  - Improving the fiscal balance
  - Sound monetary and exchange rate policies to keep inflation below 5 per cent
  - Strengthening the financial system

• Strengthening the main sources of growth
  - Increasing production in the agriculture sector
  - Enhancing Fisheries sector’s contribution
  - Enhancing tourism contribution to employment and economic growth

• Improving competitiveness
  - Trade facilitation (position The Gambia as a transit hub)
  - Enhance investment climate (electricity, telcomms, skilled labour, access to finance)
  - Enhance control systems
IMPROVING AND MODERNIZING INFRASTRUCTURE

• Transport
  - road transport,
  - maritime transport,
  - river transport, and
  - air transport

• Energy
  - Increasing the electrification rate by increasing electricity generation
  - Promoting the use of renewable energy resources

• ICT
  - Provide high-capacity and reliable bandwidth
  - Modernise and expand the national telecommunication backbone infrastructure.
STRENGTHENING HUMAN CAPITAL STOCK TO ENHANCE EMPLOYMENT OPPORTUNITIES

- **Education**
  - Access
  - Equity
  - Quality

- **Health**
  - Access
  - Quality
    - Infant, child and maternal mortality
    - Communicable & non-communicable diseases

- **Water and Sanitation**
  - Access
  - Quality
IMPROVING GOVERNANCE AND FIGHTING CORRUPTION

- Strengthening Public Service
- Public financial management
- Strengthening government institutions and fighting corruption
- Local governance and decentralization
- Land use planning
PAGE PILLAR 5

REINFORCING SOCIAL COHESION AND CROSS CUTTING INTERVENTIONS

• Social protection
• Food security
• Gender equality and women empowerment
• Environment, disaster risk reduction and climate change
• Nutrition
• Sound Population management
• HIV/AIDS
• Building a National Volunteering Infrastructure
Key Reforms

• Public Financial Management Reforms
• Civil Service Reforms
• Judicial Reforms
• Decentralization
Public Finance Management Reforms

Over the past five (5) years, The Government of The Gambia, with support of its Development Partners, has undertaken various reforms and initiatives in Public Financial Management (PFM) aimed at supporting the government’s goal of reducing poverty.

The reforms and initiatives have particularly concentrated on promoting macroeconomic stability, improving revenue mobilization, improving the efficiency of resource allocation, improving information on stock of arrears and the public debt, improving the integrity of the budget process, and improving resource management and financial accountability.
PFM Reforms

The reforms have registered significant achievements to date:

• Strengthen PFM legal and regulatory processes

• Government accounting system has been computerized through implementation of the IFMIS

• National Financial Statements

• Improvements in the budget process

• The Gambia is in the process of implementing VAT on or before January 2013

• Medium-Term Expenditure Framework - which aims at strengthening the link between Government policy objectives and the Budget.

• The MTEF is to be introduced and piloted to three Ministries in FY2013.
Public-Private Partnership (PPP)

• PPPs will be among government top priority in 2012

• The Government of The Gambia has commenced its maiden PPP implementation with the Africa Coast to Europe (ACE) Submarine Cable Project

• PPPs Directorate has been created within MoFEA
Value Added Tax (VAT) & Procurement

REFORMS

• A major tax reform already in its advance stages, is the implementation of Value Added Tax (VAT) which will be introduced in January 2013.

• The VAT is expected to broaden the tax base, as well as streamline the tax process.

• Procurement reforms, which aims to establish a transparent, efficient, economic procurement system that underscores accountability towards the dispensing of public funds, has gone a long way in ensuring value for money.
CIVIL SERVICE REFORMS

• The CSR Programme 2012 – 2015 aims to build capacities of Ministries and Departments to deliver on their mandates, develop and implement pay and pension reforms, develop and implement a civil service Performance Management Policy, and to provide systems, tools and processes for improved services delivery.
Other Public Service Reforms involves:

- Judicial services,
- Gambia Bureau of Statistics,
- National Assembly,
- Independent Electoral Commission,
- Office of the Ombudsman,
- The Gambia Revenue Authority,
- The Gambia Public Procurement Authority,
- The Gambia Competition Commission,
- National Audit Office, and
- The Gambia Public Utilities Regulatory Authority.
Priority Action Plan (PAP)

• The PAP presents the set of prioritized projects and programmes with their individual costs.
  ▪ It is a 4 year Plan
  ▪ It is conceived by the Ministries and sectors

• Criteria for inclusion in the PAP:
  ▪ alignment with the priorities of the strategy;
  ▪ pertinence and contribution to the PAGE objectives;
    and
  ▪ absorption capacity of the MDAs.
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Elements for successful PAGE implementation

- Strong leadership in coordination and planning
- Defined responsibility and accountability framework
- An all-inclusive senior level committee to provide guidance and insight
- An effective “hands on” coordinating team
- A means to engage all sectors within Government
- An effective communications strategy and plan
- A comprehensive monitoring and evaluation framework
Implementation Framework

National Coordination Committee

- Ensure that the process of implementation is progressing
- chaired by the Secretary General and Head of the Civil Service
- comprising of Permanent Secretaries
- Statistician General of GBoS
- TANGO with one member,
- Gambia Chamber of Commerce with one member
- GALGA plus one member
Implementation Framework Con’t

National Implementation Team

- senior staff members across all sectors
- five to ten people maximum
- Ensure that yearly action plans are completed
- Ensuring that the overall process is evaluated on a continuous basis.
Implementation Framework Con’t

Sector Teams/PAGE Focal Person

- In each sector someone be responsible for the implementation, monitoring and evaluation of the progress
- She/he will lead a small team of three staff members and will serve as the main liaison with the Implementation Coordinating Committee and within and throughout their sector
Implementation Framework Con’t

Ministry of Finance and Economic Affairs

- Charged with the responsibility of creating PAGE and it would continue carrying out the coordinating, monitoring and evaluating roles for PAGE.

- Responsibility to identify key areas for action, the support necessary and available, and for the clarification of any policy issues that may require attention.
PAGE Resource Mobilization

resources for the PAGE

- Sensitization Visits to selected Capitals
- GoTG 35% Commitment from GLF
- Donors Conference & Conference Materials
- Resource Mobilization Strategy Document

[Diagram showing the relationships between the resources]
PAGE Resource Mobilization

• **A Resource Mobilization Strategy for the PAGE.**

A Resource Mobilization Strategy Document that is accompanied with:

– A realistic and appropriate strategy for funding the resource Gap;

– A realistic road map for mobilizing the resource Gap - an Action Plan and Timeframe for implementation;

– Identify appropriate institutional structures for the coordination and continued implementation of the Resource Mobilization Strategy.
Role of Insurance in the PAGE

Contributes to economic growth:

• Improvement of the investment climate (comfort Zone).

• Promotion of a more efficient mix of activities than would be undertaken in the absence of risk management instruments.

• Promoting higher productivity and growth- risk averse entrepreneurs embolden to undertake higher risk resulting to higher return activities.
Examples:

- A manufacturer might produce only for the local market, forgoing more lucrative opportunities in distant markets in order to avoid the risk of losing goods in shipment. Transport insurance can mitigate this loss exposure and enable the manufacturer to expand.

- Similarly, to avoid the risk of total loss from drought, a commercial farmer may keep half of his seed in reserve. Crop insurance can protect against drought and permit all of the seed to be planted for a smaller premium than the cost of holding half in reserve.
Additional Roles

• Insurers also contribute specialized expertise in the identification and measurement of risk. This expertise enables them to accept carefully specified risks at lower prices than non-specialists.

• As a result, the insurance market generates price signals to the entire economy, helping to allocate resources to more productive uses.
Investment Role elaborated

• Long term nature of liabilities, sizeable reserves, and predictable premiums allows provision of capital to infrastructure and other long term investments as well as professional oversight to these investments.
Conclusion/ Reflections

Principal thrust of PAGE – offers opportunities to the Insurance Industry:

**External Dimension:**

Strong focus on PPPs is an opportunity for Industry. Capital for investments-e.g., infrastructure. Lower the cost of Insurance

**Internal Dimension:**

Provision of employment and growth
Thank you for your kind Attention

&

M & E Framework of PAGE is Next