

# AFRICAN DEVELOPMENT FUND



## THE GAMBIA

### INSTITUTIONAL SUPPORT FOR ECONOMIC AND FINANCIAL GOVERNANCE PHASE III PROJECT

OSGE/GECL DEPARTMENTS

September 2015

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## Currency Equivalents

May 2015

1 UA	=	69.66 Dalasi
1 UA	=	1.40642 US Dollar
1 UA	=	1.25405 European Euro

## Fiscal Year

1<sup>st</sup> January – 31<sup>st</sup> December

## Weights and Measures

1 metric tonne	=	2204 pounds (lbs)
1 kilogramme (kg)	=	2.200 lbs
1 metre (m)	=	3.28 feet (ft)
1 millimetre (mm)	=	0.03937 inch (“)
1 kilometre (km)	=	0.62 mile
1 hectare (ha)	=	2.471 acres

## Acronyms and Abbreviations

ADF	African Development Fund
AfDB	African Development Bank
ASYCUDA	Automated System for Customs Data
CBG	Central Bank of The Gambia
CRB	Complaint Review Board
CSDRMS	Commonwealth Secretariat Debt Recording and Management System
CSOs	Civil Society Organizations
DLDM	Directorate for Loans and Debt Management
EC	European Commission
ECF	Extended Credit Facility
FMS	Financial Management Specialist
FPAC	Finance and Public Accounts Committee
FROB	Financial Reporting Oversight Board
GAP	Governance Action Plan
GDP	Gross Domestic Product
GICA	Gambia Institute of Chartered Accountants
GPPA	Gambia Public Procurement Authority
GRA	Gambia Revenue Authority
IAD	Internal Audit Directorate
IFAC	International Federation of Accountants
IFMIS	Integrated Financial Management Information System
IFRS	International Financial Reporting Standards

IMF	International Monetary Fund
IPSAS	International public sector accounting standards
ISP	Institutional Support Project
ISEFG	Institutional Support for Economic and Financial Governance
JAS	Joint Assistance Strategy
LGAs	Local Government Agencies
MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
MDI	Management Development Institute
MoFEA	Ministry of Finance and Economic Affairs
M&E	Monitoring and Evaluation
NAO	National Audit Office
NDB	Net Domestic Borrowing
NDP	National Development Plan
NGOs	Non-Governmental Organizations
NWC	National Women's Council
PAGE	Program for Accelerated Growth and Employment
PEFA	Public Expenditure and Financial Accountability
PC	Project coordinator
PCR	Project Completion Report
PCU	Project Coordination Unit
PFM	Public Financial Management
PFMCC	Public Financial Management Coordination Committee
PPP	Public-Private Partnership
PSC	Project Steering Committee
ROSC	Report on the Observance of Standards and Codes
SA	Special Account
SADCOPAC	Southern Africa Development Community Organization of Public Accounts Committees
TA	Technical Assistance
TIN	Tax Identification Number
UA	Unit of Account
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Program
VAT	Value Added Tax
WAAPAC	West Africa Association of Public Accounts Committees
WB	World Bank

## Grant Information

### Client's information

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**RECIPIENT:** Republic of The Gambia  
**EXECUTING AGENCY:** Ministry of Finance and Economic Affairs

### Financing plan

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Source	Amount (UA)	Instrument
ADF	2.000 million	Grant
Government	0.223 million	
<b>TOTAL COST</b>	<b>2.223 million</b>	

### ADF's key financing information

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Grant currency	UA
Interest type*	NA
Interest rate spread*	NA
Commitment fee*	NA
Other fees*	NA
Tenor	NA
Grace period	NA
FIRR, NPV (base case)	NA
EIRR (base case)	NA

*\*if applicable*

### Timeframe - Main Milestones (expected)

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Concept Note approval	April 2015
Project approval	September 2015
Signature	December 2015
Effectiveness	December 2015
Last Disbursement	December 2018
Completion	December 2018

## Project Summary

<b>Project overview</b>	<p><b>Project name:</b> Institutional Support for Economic and Financial Governance phase III Project (ISEFG III)</p> <p><b>Geographical scope:</b> Nationwide</p> <p><b>Overall timeframe:</b> 36 months (January 2016 – December 2018)</p> <p><b>Project cost:</b> UA 2.223 million (UA 2.00 million from ADF and UA 0.223 million from the Government)</p>
<b>Expected results</b>	<p>In the short run, the expected project outcomes are: (i) enhanced domestic resources mobilization; and (ii) greater strategic allocation, expenditures control, transparency, and scrutiny of government budget. In the long run, this will strengthen and leverage the impact of the national budget on delivery of services, and poverty reduction more broadly.</p>
<b>Targeted Beneficiaries</b>	<p>2.5.1 The direct beneficiaries of this project will be the Gambia Revenue Authority, Gambia Public Procurement Authority, Women’s bureau, Ministry of Finance and Economic Affairs, National Audit Office, and the Finance and Public Accounts Committee of the National Assembly. The private sector including women entrepreneurs will be indirect beneficiary through the establishment of the Gambia Institute of Chartered Accountants and the effectiveness of the tax and customs administration. Indirect beneficiaries will also include broader population of the Gambia through improved allocation, execution and scrutiny of public expenditures which should help to ensure that public resources are allocated to, and used in the delivery of relevant, efficient and effective public services.</p>
<b>Needs Assessment</b>	<p>The project is needed at this point in time to address fiscal slippages leading to large fiscal deficits and sharp increases in domestic debt. The overall fiscal deficit which reached 10 percent of GDP at the end of 2014 is largely financed by domestic borrowing due to difficulties in mobilizing external resources. Public debt rose sharply to 100 percent of GDP at end-2014. The project aims to promote inclusive growth and macroeconomic stability by enhancing domestic resource mobilization and reinforcing fiscal discipline through improved transparency, efficiency and effectiveness of resource allocation and execution in line with pro-poor policies. It is anchored around the recommendations from the 2014 PEFA and the priorities of the Public Financial Management Reforms Comprehensive Strategy (2012-2016).</p>
<b>Bank’s Added Value</b>	<p>The Bank has played a central role in moving the PFM reform agenda in The Gambia. The project will help consolidating the gains from the previous two phases (ISEFG I &amp; II). The previous policy-based operations and institutional support projects have positioned the Bank as a main partner in this area. The Bank has developed strong relationship with the government of The Gambia and other development partners. Efforts have been made for improved alignment/harmonization/coordination with other development partners, as demonstrated by the AfDB/World Bank Joint Assistance Strategy (JAS) and Joint Budget Support policy matrix, and the AfDB/EC joint 2014 PEFA exercise. The project will complement other DP interventions in PFM mainly the World Bank, IMF, UNDP, and EC.</p>
<b>Knowledge Management</b>	<p>The project will strengthen public financial management in a number of ways including: (i) enhanced capacity of MoFEA in the areas of budget accounting, auditing, aid coordination, and debt management; (ii) enhanced capacity of different ministries in the areas of procurement and gender budgeting; and (iii) enhanced capacity within the FPAC to undertake external scrutiny of PFM performance. Knowledge will also be acquired through skills transfer from technical assistance, as well as through formal and informal training on the job and regionally. A broad based PFM training programme will be developed. The project will also help to develop guidance manuals and various tools for government institutions.</p>

## African Development Bank – Results-based logical framework

<b>Country and project name:</b> The Gambia - Institutional Support for Economic and Financial Governance phase III Project (ISEFG III)						
<b>Purpose of the project :</b> Promote inclusive growth and macroeconomic stability by enhancing financial governance through improved domestic resources mobilization and a more effective public financial management system.						
RESULTS CHAIN	PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/MITIGATION MEASURES	
	Indicator (including CSI)	Baseline	Target			
<b>IMPACT</b>	Inclusive growth through improved financial governance	Real GDP growth	0.5% in 2014	5% in 2019	Gambia Bureau Of Statistics	<b>Risk 1:</b> Weakening of the government's commitment to continue with its economic policy and governance reforms <b>Mitigation 1:</b> The IMF provides macroeconomic policy advice to the Government. Thus continued IMF and development partners' engagement will be critical to put fiscal policy on sound footing and further advance the structural reform agenda.
		Gender inequality index	0.624 in 2013	0.537 in 2019	Human Development Report	
<b>OUTCOMES</b>	<b>Outcome I:</b> Enhanced domestic resources mobilization	Taxes in percent of GDP	16.1% in 2014	18% in 2018	IMF report	<b>Risk 2:</b> The global economic slowdown and erratic rainfall are expected to impact negatively the country's economic growth and government revenues. <b>Mitigation 2:</b> A credible, transparent and predictable policy environment which supports private investments will be critical to building the country's capacity to withstand these internal and external shocks. In addition, the capacity building support through the project will help the government to continue its commitment to sustained public financial management reform which will help mitigating the adverse impacts of these shocks in the short and medium term.
	<b>Outcome II:</b> Greater strategic allocation, expenditures control, transparency, and scrutiny of government budget	Number of sector's budget mainstreaming gender	0 in 2014	At least 4 in 2018	Government Budget report	
		Effectiveness of internal audit (PEFA PI-21)	score D+ in 2014	score B+ in 2018	PEFA report	
		Number of ex-post reviews conducted of Procurement organizations including women's bureau (Of which % were compliant)	85 (60% were compliant) in 2013	100 (80% were compliant including the Women's bureau) in 2018	GPPA report	
	Number of audit reports on government financial statements examined by the National Assembly and published in the NAO Web portal	0 in 2014	At least five (5) audit reports on government financial statements published in the Web portal of NAO by end 2018	National Audit Office Web portal		
<b>OUTPUTS</b>	<b>COMPONENT I: ENHANCING DOMESTIC RESOURCES MOBILIZATION</b>					<b>Risk 3:</b> high staff attrition <b>Mitigation 3:</b> During the previous two phases of the ISEFG project, frequent changes at the ministerial level and permanent secretaries occurred but the project continued to be managed by the same PCU within the MoFEA without interference.
	I.1 Customs administration modernized	Upgrade from ASYCUDA ++ to ASYCUDA World	ASYCUDA ++ is currently in use in 2014	Upgrade to ASYCUDA World completed by end 2018	ASYCUDA World	
	I.2 Capacity of GRA tax auditors improved	Number of tax auditors trained on modern auditing technics including women	---	10 (including 4 women) by end 2017	Project progress report	
	I.3 Modern tax audit techniques implemented	Audit software in use by GRA	Audit software not in use in 2014	Audit software in use by GRA by end 2017	Project progress report	
	<b>COMPONENT II : STRENGTHENING EFFECTIVENESS IN PUBLIC FINANCIAL MANAGEMENT</b>					<b>Risk 4:</b> Due to capacity constraints, the Government fails to demonstrate progress on PFM reforms and reduce level of fiduciary risk. <b>Mitigation 4:</b> Donors have confirmed support to PFM reforms and have also built in complementary capacity building and technical assistance projects.
	II.1 Capacity on public procurement strengthened for GPPA, procuring organizations, and suppliers including women	Number of people trained on public procurement including women	...	(10) GPPA staff, (30) procuring organizations, (5) National audit office, (5) National assembly, (30) suppliers including (20) women by end 2018	Project progress report	
II.2. Accountancy and auditing practices strengthened	Gambia Institute of Chartered Accountants secretariat established and functional	No	Gambia Institute of Chartered Accountants secretariat established and functional by end 2016		<b>Risk 5:</b> The risk of slow implementation of the proposed project. <b>Mitigation 5:</b> To mitigate the	

**Country and project name:** The Gambia - Institutional Support for Economic and Financial Governance phase III Project (ISEFG III)

**Purpose of the project :** Promote inclusive growth and macroeconomic stability by enhancing financial governance through improved domestic resources mobilization and a more effective public financial management system.

RESULTS CHAIN	PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/MITIGATION MEASURES														
	Indicator (including CSI)	Baseline	Target																
II.3 Transparency and accountability strengthened	Web portal for National Audit Office established	Web portal for National Audit Office is not established in 2014	Web portal for National Audit Office established by end 2017	National Audit Office Web portal	negative impact of this risk, the project will continue to be managed by the same PCU which has been instrumental in the successful implementation of the ISEFG I & II and the government is centralizing the implementation of all institutional support projects on PFM through this PCU.														
II.4 Gender based budgeting promoted	Number of people trained on Gender Based Budgeting	---	(10) Women's bureau staff, (10) Gender Focal Points in ministries, (10) Planners, (10) Budget Officers, and (20) National Assembly Members by end 2018	Project progress report															
	Research on Gender Assessment conducted	No	Research on Gender Assessment conducted by end 2016	Report validated															
	Number of report on women activities (AWA Magazine) for Awareness published	---	Six (6) reports produced (2016-2018)	AWA Magazine															
	Number of people trained on monitoring and evaluation techniques	---	Ten (10) Women's bureau staff (6 women 4 men) and 20 (6 men and 14) focal points by end 2018	Project progress report															
<b>KEY ACTIVITIES</b>	<b>COMPONENTS</b>			<b>INPUTS</b>															
	<b>Component I :</b> Enhancing domestic resources mobilization Technical assistance, training, and equipment			<b>ADF grant:</b> UA 2 million <b>Counterpart funding:</b> UA 0.223 million															
	<b>Component II :</b> Strengthening effectiveness in public financial management Technical assistance, training, and equipment			<table border="1"> <thead> <tr> <th>Components</th> <th>Amount in UA</th> </tr> </thead> <tbody> <tr> <td>Component I</td> <td>1,113,800</td> </tr> <tr> <td>Component II</td> <td>697,400</td> </tr> <tr> <td>Component III</td> <td>285,900</td> </tr> <tr> <td><b>Total base project costs</b></td> <td><b>2,097,100</b></td> </tr> <tr> <td>Contingencies (6%)</td> <td>125,900</td> </tr> <tr> <td><b>Total project costs</b></td> <td><b>2,223,000</b></td> </tr> </tbody> </table>		Components	Amount in UA	Component I	1,113,800	Component II	697,400	Component III	285,900	<b>Total base project costs</b>	<b>2,097,100</b>	Contingencies (6%)	125,900	<b>Total project costs</b>	<b>2,223,000</b>
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<b>Component III :</b> Project Management Training, and operating costs																			



# **REPORT AND RECOMMENDATION OF THE MANAGEMENT TO THE BOARD OF DIRECTORS ON A PROPOSED GRANT TO THE GAMBIA FOR THE INSTITUTIONAL SUPPORT FOR ECONOMIC AND FINANCIAL GOVERNANCE PHASE III PROJECT**

Management submits the following Report and Recommendation on a proposed grant for UA 2 million on ADF grant to finance the Institutional Support for Economic and Financial Governance phase III project (ISEFG III) in The Gambia. ISEFG III is a project designed to strengthen the capacities of key public institutions engaged in public financial management. The project will help consolidating the gains from the previous two phases and address the new emerging challenges. Its overarching goal is to promote inclusive growth and macroeconomic stability by enhancing financial governance through improved domestic resources mobilization and a more effective public financial management system. In the short run, the expected project outcomes are: (i) enhanced domestic resources mobilization; and (ii) greater strategic allocation, expenditures control, transparency, and scrutiny of government budget. In the long run, this will strengthen and leverage the impact of the national budget on delivery of services, and poverty reduction more broadly through increasing efficiency and effectiveness of resource allocation and execution in line with pro-poor policies. Special emphasis is given to one core cross-cutting issue of the GAP II critical to inclusive growth namely, gender. In line with the Bank's Long Term Strategy and the new Bank's Gender Strategy, enhancing gender equality and women's economic empowerment is a cornerstone of inclusive growth. The project will provide support for gender responsive budgeting and the collection and use of gender statistics in policy and planning which are useful tools for promoting gender equality.

## **I. STRATEGIC THRUST & RATIONALE**

### ***1.1 Project linkages with country strategy and objectives***

1.1.1 In December 2011, the government launched its second development strategy and investment program—Program for Accelerated Growth and Employment (PAGE) 2012-2015 which has been extended until end 2016. The strategy serves as the country's overarching development blueprint which aims to achieve the objectives of the Vision 2020 and help attain the MDGs. The overall objectives of the PAGE are to accelerate and sustain pro-poor economic growth while creating employment opportunities in order to improve socio-economic conditions. The PAGE comprises five pillars: (i) accelerate and sustain economic growth; (ii) improve and modernize infrastructure; (iii) strengthen human capital stock to enhance employment opportunities; (iv) improve governance and fight corruption; and (v) reinforce social cohesion and cross-cutting interventions. Activities supported by ISEFG III project are well aligned with pillar IV of the PAGE. The PAGE is now in its final year of implementation and efforts are underway to formulate a successor plan that will lead to the attainment of the Vision 2020. The preparation of the next National Development Plan (NDP) has started in June 2015 and will be finalized and launched in June 2016 to feed into the budget process for the 2017 fiscal year.

1.1.2 The project supports also the government efforts in implementing its Public Financial Management Reforms Comprehensive Strategy (2012-2016). The PFM strategy is directly linked to the pillar IV of the PAGE. Its goal is geared towards building and sustaining an institutionally strong and accountable platform for more effective and efficient harnessing and utilization for development of public resources. This goal will be achieved through seven priority areas, namely: (i) Operational efficiency of PFM infrastructure; (ii) Strategic allocation of resources; (iii) Building and sustaining fiscal discipline; (iv) Boosting public revenue; (v) Public procurement legislative and process enhancement; (vi) Enhancement of the institutional and operational capacities of public enterprises; and (vii) Building the institutional capacities of LGAs for future incorporation into government-wide PFM. The project is anchored around the first five priorities of this PFM strategy.

1.1.3 Aware of the significance of gender inequality, the Government has adopted a national gender policy and women empowerment 2010-2020 aimed at reducing gender inequality as well as empowering women. The overall goal of this policy is to mainstream gender in all national and

sectoral policies, programmes, plans and budgets to achieve gender, equity, equality and women empowerment in the development process. ISEFG III project is supporting the following broad policy strategies: (i) Capacity building for gender analysis and mainstreaming in all national and sectoral policies, plans, programmes and budgets and for all ministries, departments, and National Assembly; (ii) Strengthening the capacity and capability of the Ministry for Gender and Women's Empowerment and its executing arms to exercise effective leadership over the coordination of the implementation, monitoring and evaluation of the Gender and Women Empowerment Policy; and (iii) Advocacy for gender responsive budgeting and the allocation of adequate resources and public expenditures for all sectoral programmes.

1.1.4 The Second Joint AfDB/WB Assistance Strategy (JAS/2012–2015) supports the implementation of The Gambia's PAGE. The JAS II is based on two pillars that are linked to the PAGE: (i) Enhancing Productive Capacity and Competitiveness in order to strengthen Resilience to External Shocks; and (ii) Strengthening the Institutional Capacity for Economic Management and Public Service Delivery. The proposed ISEFG III is anchored to pillar 2 of the JAS. The project is also included in the JAS. In addition, the project is consistent with one of the core five operational priorities of the Bank's strategy 2013-2022, namely governance and accountability. It is also consistent with the Bank's GAP II 2014-2018 pillar I "Public Sector and Economic Management" through the support for PFM reforms. Special emphasis is given to one core cross-cutting issue of the GAP II critical to inclusive growth namely, gender. In line with the Bank's Long Term Strategy and the new Bank's Gender Strategy, enhancing gender equality and women's economic empowerment is a cornerstone of inclusive growth. The project will provide support for gender responsive budgeting and the collection and use of gender statistics in policy and planning which are useful tools for promoting gender equality. In line with the Bank Group regional integration policy and strategy 2014-2023<sup>1</sup>, the project will support the participation of Finance and Public Accounts Committee (FPAC) members of the National Assembly to the West African Association of Public Accounts Committees (WAAPAC) and Southern Africa Development Community Organization of Public Accounts Committee (SADCOPAC) Annual Conferences and General Assemblies. These conferences are expected to bring together members of the Public Accounts Committee from different legislatures in the West and South Africa sub regions and other regions of the continent. In addition, the project will provide funding for study visits to African countries in the areas of gender based budgeting and procurement to learn best practices.

## ***1.2 Rationale for Bank's involvement***

1.2.1 **Political context.** The Gambia is a presidential republic with a unicameral legislature. The President was re-elected for a fourth term, on November 24, 2011, with 72 percent of the vote. Parliamentary elections took place on March 29, 2012, with the Alliance for Patriotic Reorientation and Construction (the President's party) maintaining its majority. Preparation for the 2016/2017 Presidential and Parliamentary elections has started.

1.2.2 **Economic context.** In 2014, GDP growth reached 0.5 percent compared to a growth rate of 5.6 percent in 2013. The delayed and erratic rainfall led to a significant decline in crop production estimated at 15percent with serious implications for food security. In addition, the Ebola epidemic in the sub-region has adversely affected tourism and related sectors. The decline of about 60 percent in tourism arrivals strains the country's balance of payments. Gross international reserves declined from almost 5 months of imports at end-2013 to 3.7 months at end-2014. As a net importer of basic food stuff and energy inputs, the high demand on foreign exchange puts pressure on the local currency and inflationary pressures. The annual average inflation rate reached 7 percent in 2014 from 5.5 at end-2013. Furthermore, the overall fiscal deficit which reached 10 percent of GDP at the end of 2014 is largely financed by domestic borrowing due to difficulties in mobilizing external resources. Public debt rose sharply to 100 percent of GDP at end-2014. Policy slippages (unbudgeted spending accounted 1.5 percent of GDP) and persistent financial difficulties in public enterprises (Emergency

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<sup>1</sup> Approved in November 2014

spending accounted 4.5 percent of GDP) have exacerbated the problems. In January 2015, IMF discussed the Gambian authorities' plans to address policy slippages over the past two years and agreed on a program monitored by the IMF. The outlook for 2015 is, however, again clouded by policy slippages. Significant spending pressures have emerged since April 2015 and the authorities issued a directive fixing the exchange rate at a level overvalued by more than 20 percent compared with prevailing market rates in May 2015. The significant revenue fallout from this measure and the spending pressures have started to weigh on the government's domestic borrowing. As a result, The Gambia's external and fiscal sustainability are at a grave risk. The Extended Credit Facility arrangement with the International Monetary Fund remains off-track.

**1.2.3 Social context.** While the poverty index rate has decreased to 48.4 percent in 2013 compared to 58 percent in 2010, there continues to be a marked difference in the poverty level between rural and urban areas, with 73.9 percent of the rural population considered poor, compared to a 32.7 percent for the urban population. With respect to the Human Development Index for 2013, the Gambia remains high at 0.441 in placing it well below the Sub-Saharan Africa average level of 0.502. The Government has achieved gains in key social sectors such as health, education, nutrition, and water. However, it is not likely to meet the MDG targets for 2015. In the absence of urgent action to maintain macroeconomic stability, the social progress made in recent years is under threat. Furthermore, gender inequality is high, 0.624 in 2013, with the country ranking 139/187 on the gender inequality index<sup>2</sup>. This indicates that there is substantial work to be done in addressing gender inequality.

**1.2.4 Key development issues.** The key medium-term constraints and challenges remain on the large fiscal deficits leading to sharp increases in domestic debt. The authorities are aiming to address these challenges through a combination of domestic resource mobilization, increased expenditures control, transparency and accountability. Activities supported by the project are anchored on the following recommendations from the 2014 PEFA (see technical annex A2): (i) Effectiveness in collection of tax payments (PI-15; score D+); (ii) strengthen recording and management of cash balances, debt and guarantees (PI-17; score B+); (iii) Transparency, competition and complaints mechanisms in procurement (PI-19; score D+); (iv) increase effectiveness of internal audit (PI-21; score D+); (iv) improve the scope, nature and follow-up of external audit (PI-26; score D+); (v) enhance legislative scrutiny of external audit reports (PI-28; score D+). The project will help consolidating the gains from the previous two phases (See Technical Annex A3).

**1.2.5 Enhancing domestic resource mobilization.** The government embarked on major reforms to increase revenue collection by: introducing the Value Added Tax (VAT); implementing Automated System for Customs Data (ASYCUDA); and establishing a tax audit section within the Gambia Revenue Authority (GRA). The introduction of the VAT in 2013 had a positive impact on tax collection. Taxes in percent of GDP reached 16.1 percent of GDP in 2014 compared to 14.5 percent of GDP in 2012. In addition, over the past years, GRA has undertaken modernization programs which aim at improving and streamlining its work processes. In the field of customs, the implementation of ASYCUDA++ has produced significant improvements. It has reduced cost and clearance times and increased revenue collection. But GRA intends to upgrade it to ASYCUDA World. The core functionalities of the ASYCUDA World are designed to: (i) facilitate and improve the calculation, collection and accounting of customs duties and other charges related to customs operations; (ii) speed-up the clearance of goods and help prevent smuggling; (iii) provide the customs management with timely and accurate information. Furthermore, GRA has developed a risk-based computer assisted system for selecting audit cases. Consequently, to carry out their functions effectively and efficiently, auditors at the Tax Audit Section as well as the Post Clearance Audit Section require in-depth understanding of the businesses of taxpayers and modern auditing techniques.

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<sup>2</sup> Human Development Report 2014

### 1.2.6 Increasing control in Budget Execution, transparency and accountability.

- **In the area of debt management**, key achievements under ISEFG phase II include: (i) establishment of a debt management advisory committee that will allow the ministry of finances to work with the Central Bank of the Gambia to strengthen the forecasting of the liquidity needs of the Government; (ii) training of staff of the Directorate for Loans and Debt Management (DLDM) on debt analysis, risk management and reporting; (iii) assistance to the DLDM to have in place an updated debt database capable of producing accurate and reliable debt statistics for effective public debt management; (iv) training of staff in the use of the debt recording and management system CSDRMS; (v) development of a debt management procedures manual; and (vi) update of the medium-term debt strategy consistent with reducing domestic borrowing. Capacity building in the area of debt management will continue through ISEFG III.
- **Accounting and auditing.** A review/assessment of The Gambia's accounting and auditing standards and practices was carried out with the assistance of the World Bank/IMF. The findings of the review are set out in the Report on the Observance of Standards and Codes (ROSC) which was validated at a stakeholder workshop in 2010. Subsequently, the Financial Reporting Act 2013 was enacted to replace the Accountants Act, 1991. The Law provides the basis for the creation of The Gambia Institute of Chartered Accountants (GICA), a Financial Reporting Oversight Board (FROB) and the adoption of International Financial Reporting Standards (IFRS) by public interest entities. There are still capacity gaps at government, Central Bank, audit firms and banks. The Institute of Chartered Accountants and the Financial Reporting Oversight Board are not yet operational. Specifically, the project will support the operationalization of the Institute and the Oversight Board.
- **Significant challenges remain in the area of public procurement**, including the overlapping functions of both policy and oversight duties of the GPPA, lack of capacity both at the GPPA and within the line ministries, and a lack of clear guidance on how the procurement planning process is aligned with the overall budgetary and resource planning process within line ministries. The Public Procurement Act has been revised and enacted by the National Assembly. The revisions include: 1) the introduction of an independent complaints review board; 2) gradual removal of both ex-ante and ex-post functions of the GPPA; 3) building capacity to create a procurement cadre to ensure that all line ministries are adequately staffed. The specific activities supported by the project are the following: (i) preparation of guidelines for Complaint Review Board (CRB) and technical support to induct the members; (ii) capacity building to professionalize the public procurement function; (iii) strengthening capacity of non-state actors (private sector, CSOs, etc) to demand transparency and integrity in public procurement, (iv) implementation of the procurement information management system and development of GPPA web portal.
- **External audit and legislative scrutiny.** Through ISEFG phase II, progress has been made in strengthening the capacity of the National Audit Office (NAO) and its performance. NAO has managed to advance with the clearing of the backlog of unaudited financial statements and has submitted to the Ministry of Finance and Economic Affairs (MoFEA) the audit reports on the 2008 – 2011 financial statements which were examined by the National Assembly. It is expected that NAO in joint effort with MoFEA, mainly the Accountant General's Department, will finalize the audit of the 2012 and 2013 financial statements by end December 2015. Individual consultants are providing supports to NAO in the areas of Financial and Performance audit. Members of FPAC of the National Assembly have benefited local trainings on budget policy analysis, review of budget of key sectors, and budget brief. The project will support the establishment of a Web Portal for NAO where audit reports on government financial statements will be posted. In addition, capacity building will be provided to the members of the National Assembly with a particular focus on FPAC members to strengthen their oversight capacity especially in the area of scrutiny of budget and audits, to facilitate their participation in regional organizations bodies for parliamentarians and to mainstream gender in Parliament.

**1.2.7 Promoting gender in public financial management.** Special emphasis is given to one issue critical to inclusive growth namely, gender. The National Women’s Council (NWC) and its Bureau were established in 1980 by an Act of Parliament. The NWC is the highest advisory body to Government on all matters concerning women and gender. The National Women's Council acts as a forum for women while the Women's Bureau serves as its Secretariat. The Bureau also assists the NWC in looking for trends and creating ties with other institutions on the socio-economic and political front, reviewing bills, laws, programs, new technologies, policies, and giving out pertinent information for the country's leading decision making. The Government has adopted a national gender policy and women empowerment 2010-2020 aimed at reducing gender inequality as well as empowering women. Over the years, studies carried out in the country all point to the fact that poverty is predominantly a rural phenomenon and that women are the most affected. Though the political will to empower women exists and that efforts are being made, by both the Women’s Bureau and Council, under extremely difficult circumstances, to move the women’s agenda forward, there still remains a lot to be done. The policy environment is conducive but implementation is constrained by limited human, financial and material resources. Through the project, support will be provided to the Women’s bureau to promote gender planning, budgeting, monitoring, evaluation, and reporting. Women’s bureau staff, gender focal points, planners, budget officers in ministries, and National Assembly members will be the main beneficiaries.

### 1.3 Donors coordination

1.3.1 Donors’ coordination tends to be ad-hoc and weak. As part of ISEFG I, a study on donors’ coordination was undertaken and recommended the need for centralizing aid coordination in one institution. As a result, an aid coordination unit was established in the MoFEA and the Government has created a Joint Aid Coordination Committee which is a good step towards both project management and donor coordination. However, the government has yet to play the lead role in aid coordination. The main problem appears to be shortage in qualified staff. In spite of weak coordination on the part of Government, donor intervention has generally been consistent with the strategic objectives and priorities of the PAGE. However, intra-donor coordination is done on an ad hoc basis and thus there is scope for considerable improvement to strengthen aid effectiveness. In this context, there are efforts by the Bank, World Bank and the EC for improved alignment, as demonstrated by the AfDB/WB Joint Assistance Strategy (JAS) and Joint Budget Support policy matrix, and the AfDB/EC joint 2014 PEFA exercise. During the preparation mission, discussions were held with the development partners (World Bank, IMF, UNDP, EC) to ensure that harmonized and collaborated approach was taken in support of the government’s PFM strategy. The Bank and World Bank are using the same Project Coordination Unit (PCU) within the MoFEA for the implementation of their respective projects. The Bank will collaborate with the World Bank, EC, and UNDP respectively in providing support to, GRA, GPPA and the Women’s bureau. The table 1.1 below outlines the development partners’ activities in the areas covered by the project and shows their complementarity with the project.

**Table 1.1: Development Partners intervention and complementarity with the project**

Specific Areas of intervention	Amount/Period	Development partners	Complementarity with ISEFG III project
Budget formulation, revenue administration, public procurement, and PEFA 2014	Euro 2.25 million (2013-2016)	EC	The European Commission through IMF provided technical assistance in areas related to the establishment of a medium-term expenditure framework (MTEF), revenue administration and the introduction of a Value Added Tax (VAT) which started in January 2013. The bank has provided support for MTEF implementation during the previous two phases of the project. The specific activities supported under ISEFG III are the following: (i) upgrade to ASYCUDA World; (ii) short term training of staff on business processes and modern tax audit techniques; (iii) audit

			software; (iv) logistics and equipment; and (v) disaster recovery site for GRA. EC is also providing TA on public procurement to review the legal and regulatory framework, to support the improvement of GPPA capacity and to improve the Information Technology systems of GPPA. The support that will be provided through ISEFG III project will complement these capacity building initiatives. The Bank engaged in a joint 2014 PEFA exercise with European Commission (EC) which was completed. The PEFA identified weaknesses on PFM that the project will try to address.
IFMIS implementation, National Statistical Capacity Building, Preparation of an Energy Strategy Study including a review of the National Water and Electric Company's (NAWEC's) financial situation and its management system	US\$ 5.25 million plus Additional Financing (AF) of US\$ 5 million (2010-2018)	WB	The World Bank IFMIS project is managed by the same Project Coordination Unit of the Bank's ISP. IFMIS is being implemented by the Treasury directorate. Through the ISEFG II, the Bank supported capacity building activities to Treasury staff in the areas of government budgeting and annual reporting, International public sector accounting standards (IPSAS), and financial statements fraud and governance. ISEFG III project will complement these capacity building initiatives.
Budget formulation, Procurement, National Assembly, National Audit Office, revenue administration	US\$120,000	UNDP	UNDP provided support to formulate a citizens' budget which will be used to establish broad base citizens' consultative process in the formulation of the 2016 budget. UNDP is funding the regional and national consultation so as to link budget with people's priorities. It is providing capacity building for procuring organizations on procurement and internal controls and strengthening capacity of PAC/PEC committees. Support on performance Auditing is being provided to NAO. During 2015. A special education programme, "The taxpayer education programme", funded by the United Nations Development Programme (UNDP), is ongoing.
Gender mainstreaming	US\$155,000	UNDP	Activities supported by the UNDP are: One international UNV data management specialist to develop and institutionalize a gender data base; Strengthening capacity of governance institutions to formulate and implement gender responsive policies (Electoral system and process, gender focal points in key ministries); Strengthening of women participation in decision making process and ; Support to participation to (CSW) United Nations Commission on Status of Women; Consultancy for the formulation of one joint UN project. The support that will be provided through ISEFG III project will complement these capacity building initiatives.
The Gambia Report on the observance of standards and codes (ROSC), accounting and auditing	Completed in April 2010	IMF/WB	Based on the findings, the Report recommended the development of a Country Action Plan with specific activities to be implemented in order to strengthen the accountancy profession and build a strong financial reporting infrastructure to enhance corporate financial reporting. The Financial Reporting Act 2013 was enacted to replace the

			Accountants Act, 1991. The CBG approached the FIRST Initiative through the World Bank to provide Technical Assistance for the introduction of IFRS by banks in The Gambia. All banks prepared their 2013 end of year accounts in compliance with IFRS. ISEFG III project will provide support to address the following institutional capacity building matters: (i) Set up of the Gambia Institute of Chartered Accountants; and (ii) Quarterly meetings of the Financial Reporting Oversight Board.
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## II – PROJECT DESCRIPTION

### 2.1 Project components

2.1.1 The overarching goal of the project is to promote inclusive growth and macroeconomic stability by enhancing financial governance through improved domestic resources mobilization and a more effective public financial management system. This will be achieved through strengthening the capacities of key public institutions engaged in financial management. The expected project outcomes are: (i) enhanced domestic resources mobilization; and (ii) greater strategic allocation, expenditures control, transparency, and scrutiny of government budget. The project has three (3) components: (i) enhancing domestic resources mobilization; (ii) strengthening effectiveness in public financial management; and (iii) project management. The first two components are linked and mutually contributing to sustainable and inclusive growth. An effective financial management system will improve private sector confidence in government institutions that will help mobilize additional resources. Increased resources mobilization will contribute to inclusive growth through sustainable infrastructure investment and greater fiscal space for the government to invest in vital public services. The table 2.1 below presents a description of the project' activities.

**Table 2.1: Project components and activities**

Components	Indicative Amount in UA	Main activities
<i>Component 1 :</i> Enhancing domestic resources mobilization	1,113,800	1. <b>Upgrade to ASYCUDA World:</b> (i) UNCTAD support services; (ii) Network upgrade and audit technical assistance; (iv) training for IT technical team; and (v) logistics/equipment. 2. <b>Supporting the Tax Audit Section:</b> (i) short term training of staff on business processes and modern tax audit techniques; (ii) Audit software; and (iii) equipment for field auditors. 3. <b>Disaster recovery site:</b> IT equipment
<b>Total Component 1</b>	<b>1,113,800</b>	

Components	Indicative Amount in UA	Main activities
<b>Component 2 :</b> Strengthening effectiveness in public financial management	697,400	<p><b>1. Increasing control in Budget Execution, transparency and accountability</b></p> <ul style="list-style-type: none"> <li>• <b>Capacity building in key PFM areas:</b> (i) a comprehensive PFM training plan for the directorates of the MoFEA including debt management; (ii) Support to FPAC members on budget scrutiny and audits, participation in regional organizations bodies for parliamentarians and mainstreaming gender in Parliament; and (iii) Web portal for National Audit Office.</li> <li>• <b>Accounting and auditing:</b> (i) local consultant chief executive officer to organize initial administrative and technical issues concerning the new institute; (ii) TA to establish the Gambia Institute of Chartered Accountants secretariat, and work with a local consultant and leaders of the institute to design, develop and implement actions for putting in place arrangements to comply with the requirements for applying to IFAC for Associate Membership within 18 months; and (iii) Initial office equipment ‘goods’ requirements of the new institute, a starter library, furniture and the rental of the institute's initial office premises.</li> <li>• <b>Improving the public procurement system:</b> (i) preparation of guidelines for Complaint Review Board (CRB) and technical support to induct the members; (ii) Training programmes towards the professionalization of senior procurement personnel at both the GPPA and procurement units in MDAs; (iii) Strengthening capacity of non-state actors (private sector, CSOs, etc) to demand transparency and integrity in public procurement; (iv) implementation of the procurement information management system and development of GPPA web portal; and (v) logistics/equipment.</li> </ul> <p><b>2. Promoting gender in public financial management</b></p> <ul style="list-style-type: none"> <li>• (i) training of Gender Focal Points in ministries, Planners, Budget Officers, and National Assembly Members on Gender Based Budgeting; (ii) research on Gender Assessment “Participation of women in Socio-economic Development” (provision of gender disaggregate data) and dissemination; (iii) production and publication on a Bi-Annual Basis the report on women activities (AWA Magazine) for Awareness; (iv) study Tour by Women's Bureau Staff and National Women Council on Best Practices to India; (v) training of staff of the Women’s Bureau and other stakeholders on Monitoring and Evaluation Techniques to monitor program implementation and reporting, (vii) equipment’s and furniture.</li> </ul>
<b>Total Component2</b>	<b>697,400</b>	
<b>Component 3 :</b> Project Management	285,900	The ISEFG III project will use the Project Coordination Unit (PCU) based in the MOFEA. The project will provide funding for: (i) minimal operational costs; and (ii) refresher training for the PCU staff so as to familiarize themselves with Bank Rules and Procedures in issues of procurement, financial management, monitoring, and evaluation and, project management. However, the government will be supporting the majority of the operating and salary costs of the PCU through its counterpart funding. The top ups for the PCU staff are being paid through the World Bank IFMIS project which will last until end 2018.
<b>Total project base cost</b>	<b>2,097,100</b>	
<b>Contingencies</b>	<b>125,900</b>	
<b>Project total cost</b>	<b>2,223,000</b>	

## 2.2 Technical solution retained and other alternatives explored

2.2.1 During project preparation and appraisal, several options were explored regarding the areas of intervention, the number of institutions/beneficiaries to support and the scale of investments in each area.

**Table 2.2: Project alternatives considered and reasons for rejection**

Alternative name	Brief description	Reasons for rejection
Support to public-private partnership	The World Bank conducted an assessment of the Policy, Institutional, and Legal Framework for PPP in The Gambia. The recommendations made include : (i) consideration and adoption of limited modifications of the National PPP Policy; (ii) development of operational guidelines; (iii) interaction with the GPPA to develop appropriate procurement processes for PPP projects; (iv) incorporation of National PPP Policy and operational guidelines in the legal framework; (v) interaction with development partners to elaborate instruments for government support to PPP; and (vi) start-up of capacity building activities.	The World Bank is already providing support in this area.
Support to build capacity of the National Audit Office	Continued capacity building of the NAO in terms of financial audit and performance audit.	Through ISEFG phase II, capacity building has been provided to NOA through regional and local training and long term technical assistance. NAO has managed to advance with the clearing of the backlog of unaudited financial statements. During this phase III, the project will support the establishment of NAO web portal. Audit reports on government financial statements examined by the National Assembly will be published in the web portal.

### 2.3 Project type

2.3.1 ISEFG III is an institutional support project. It is designed to strengthen the capacities of key public institutions engaged in public financial management. It will help consolidating the gains from the previous two phases and address the new emerging challenges. The project will deliver improved capacity and institutional development through a range of interventions including focussed skills transfer from technical advisors, delivery of a range of training and skills development courses and strengthening of local training capacity to ensure that technical training programmes continue.

### 2.4 Project cost and financing arrangements

2.4.1 The estimated total project cost is UA 2.223 million, of which UA 1.491 million in foreign currency (67 percent) and UA 0.732 million in local currency (33 percent). These costs include a provision of 6 percent for contingencies for both foreign exchange and local currency expenditures. Detailed costs table is presented in Technical Annex B2 of this report. Below is a summary table of the overall project cost by component.

**Table 2.3: Project cost estimates by component**

Components	Costs in Thousands UA			Percentage of Foreign Currency (%)
	Foreign Currency	Local Currency	Total	
Component 1: Enhancing domestic resources mobilization	960.7	153.1	1,113.8	86.3%
Component 2: Strengthening effectiveness in public financial management	435.2	262.2	697.4	62.4%
Component 3: Project management	10.3	275.6	285.9	3.6%
<b>Total base project costs</b>	<b>1,406.2</b>	<b>690.9</b>	<b>2,097.1</b>	<b>67.1%</b>
<i>contingencies (6%)</i>	84.4	41.5	125.9	67.1%
<b>Total project costs</b>	<b>1,490.6</b>	<b>732.4</b>	<b>2,223.0</b>	<b>67.1%</b>

Note: Exchange rates are provided in the introduction of this report (page (i)). [April 2015: 1UA=1.37949 USD]

2.4.2 The ADF contribution will amount to UA 2 million (90 percent of project cost) and the Government's contribution will stand at UA 0.223 million (10 percent of project cost).

**Table 2.4: Sources of financing**

Source	Costs in Thousands UA			Percentage of total amount (%)
	Foreign Currency	Local Currency	Total	
ADF grant	1,490.6	509.4	2,000.0	90.0%
Counterpart funding	-	223.0	223.0	10.0%
<b>Total cost</b>	<b>1,490.6</b>	<b>732.4</b>	<b>2,223.0</b>	<b>100.0%</b>

**Table 2.5: Project cost by category of expenditure (Global)**

Category	Costs in Thousands UA			Percentage of Foreign Currency (%)
	Foreign Currency	Local Currency	Total	
A. Goods	127.4	156.5	283.9	44.9%
B. Services	1278.8	197.8	1476.6	86.6%
C. Operating Cost	0.0	336.6	336.6	0.0%
<b>Total base project costs</b>	<b>1406.2</b>	<b>690.9</b>	<b>2097.1</b>	<b>67.1%</b>
<i>D. Contingencies (6%)</i>	84.4	41.5	125.9	67.1%
<b>Total project costs</b>	<b>1,490.6</b>	<b>732.4</b>	<b>2,223.0</b>	<b>67.1%</b>

**Table 2.6: Project cost by category of expenditure (ADF grant)**

Category	Costs in Thousands UA			Percentage of Foreign Currency (%)
	Foreign Currency	Local Currency	Total	
A. Goods	127.4	156.5	283.9	44.9%
B. Services	1278.8	197.8	1476.6	86.6%
C. Operating Cost	0.0	126.3	126.3	0.0%
<b>Total base project costs</b>	<b>1406.2</b>	<b>480.6</b>	<b>1886.8</b>	<b>74.5%</b>
<i>D. Contingencies (6%)</i>	84.4	28.8	113.2	74.5%
<b>Total project costs</b>	<b>1,490.6</b>	<b>509.4</b>	<b>2,000.0</b>	<b>74.5%</b>

**Table 2.7: Project cost by category of expenditure (Counterpart funding)**

Category	Costs in Thousands UA			Percentage of Foreign Currency (%)
	Foreign Currency	Local Currency	Total	
A. Goods	0.0	0.0	0.0	-
B. Services	0.0	0.0	0.0	-
C. Operating Cost	0.0	210.4	210.4	0.0%
<b>Total base project costs</b>	<b>0.0</b>	<b>210.4</b>	<b>210.4</b>	<b>0.0%</b>
<i>D. Contingencies (6%)</i>	0.0	12.6	12.6	0.0%
<b>Total project costs</b>	<b>0.0</b>	<b>223.0</b>	<b>223.0</b>	<b>0.0%</b>

**Table 2.8: Expenditure schedule by component (in Thousands UA)**

Components	2016	2017	2018	Total
Component 1: Enhancing domestic resources mobilization	593.1	269.4	251.3	1,113.8
Component 2: Strengthening effectiveness in public financial management	427.3	148.1	122.0	697.4
Component 3: Project management	95.3	95.3	95.3	285.9
<b>Total base cost</b>	<b>1,115.7</b>	<b>512.8</b>	<b>468.6</b>	<b>2,097.1</b>
<i>Contingencies (6%)</i>	66.9	30.8	28.2	125.9
<b>Total project costs</b>	<b>1,182.6</b>	<b>543.6</b>	<b>496.8</b>	<b>2,223.0</b>

## **2.5 *Project's target area and beneficiaries***

2.5.1 The project covers the entire territory of The Gambia, with total population estimated at 1.849 million. The direct beneficiaries of this project will be the Gambia Revenue Authority, Gambia Public Procurement Authority, Women's bureau, Ministry of Finance and Economic Affairs, National Audit Office, and the Finance and Public Accounts Committee of the National Assembly. Within the MoFEA, a comprehensive training plan will be elaborated for the directorates. The private sector including women entrepreneurs will be indirect beneficiary through the establishment of the Gambia Institute of Chartered Accountants and the effectiveness of the tax and customs administration. Indirect beneficiaries will also include broader population of the Gambia through improved allocation, execution and scrutiny of public expenditures which should help to ensure that public resources are allocated to, and used in the delivery of relevant, efficient and effective public services.

## **2.6 *Participatory process for project identification, design and implementation***

2.6.1 During the preparation mission of the project, consultations were held with the Government of The Gambia (MoFEA and Women's Bureau), Central Bank, National Audit Office, and National Assembly. Discussions were also held with other development partners (World Bank, IMF, UNDP, EC) to ensure that harmonized and collaborated approach was taken in support of the government's PFM strategy. During the appraisal mission, more inclusive consultations were held with the private sector, civil society organizations and any other relevant stakeholders including gender networks, to solicit their views on their engagement in the planning and budgeting process of the government. They emphasized the need for greater communication and collaboration between the government and the non-government organizations. During implementation, the proposed project approach provides many opportunities to share project outputs with a wider audience such as audit reports on the government financial statements which will be posted to the National Audit Office Web portal. It is envisaged the participation of the civil society in the Project Steering Committee meetings. The project will also support both the GPPA and the Women's bureau to organize training which will include civil society organizations and the private sector. The project will provide support for the production and publication on a bi-annual basis of the report on women activities (AWA Magazine) for public awareness.

## **2.7 *Bank Group experience, lessons reflected in project design***

2.7.1 As at end March 2015, the Bank's financed operations in the Gambia comprised five (5) national projects representing a total commitment of UA 27.05 million. The sector breakdown is as follows: agriculture 71 percent, water and sanitation 21 percent; and governance 8.0 percent. In addition to the national operations, the Gambia portfolio comprised of three (3) multinational operations with resources in the amount of UA 76.05 million. The multinational operations which comprise the Construction of the Trans-Gambia Bridge project, have resources amounting to UA 63.55 million and are instrumental in regional integration and trade facilitation within the sub-region and beyond. The regional operations are dominated by infrastructure sector 85 percent followed by agriculture 15 percent. The first private sector operation financed by the Bank in The Gambia (the Horizons Clinic Project) was approved by the Board in April, 2014 with resources in the amount of USD 8.2 million.

2.7.2 Overall, the performance of the portfolio in The Gambia is satisfactory. The last country portfolio performance review (CPPR) conducted in September 2014 confirms this satisfactory rating with a score of 2.57 on a scale of 3. There is no problem projects (PP) or potentially problematic projects (PPP). The disbursement rate set at 28.6 percent for national projects and 12.6 percent for the regional operations (see annex II for ongoing operations in The Gambia). Major challenges in the portfolio concern: (i) capacity constraints of contractors and consultants/supervising engineers to complete projects in a timely manner; (ii) inadequate fulfilment of counterpart funding requirements; and (iii) weak capacity of Project Executing Agencies (PEAs) staff in the area of fiduciary management. The project will help improving the capacity of government entities and contractors in

the areas of procurement. The project will also contribute improving domestic resources mobilization which will help the government to respect its commitment in terms of project's counterpart funding.

2.7.3 Since 2007, the Bank has approved two institutional support projects in the area of governance. Both projects were designed in an effort to strengthen the institutional weaknesses in economic management and financial governance. The first project "Institutional Support Project for Economic and Financial Governance phase I (ISPEFG I / 2008-2010)" has been instrumental in the formulation of the macroeconomic model and the PFM Reform Strategy 2012-2016. The project has also enabled the MoFEA to produce timely fiscal reports, quality annual policy reports and a debt management strategy. Assistance to NAO, particularly in the provision of training facilities leading to Association of Chartered Certified Accountants degrees, has enhanced the office's capacity in fulfilling its mandate. According to the Project Completion Report prepared in December 2010, the objective to enhance the operational efficiency of the key institutions involved in economic management and financial governance was met.

2.7.4 The second project "Institutional Support for Economic and Financial Governance phase II (ISEFG II / 2012-2015)" objective is to contribute to strengthening capacities in key public institutions engaged in economic management and governance. Implementation of the project has proceeded well thus far. The Bank disbursed the total amount (100 percent disbursement rate) of the grant. All activities have been implemented and the project closing date is set for December 2015. Results achieved include: (i) a firm based consultancy supported the Directorates of Macroeconomic Policy Analysis and Debt Management in the following key areas: operationalization of the macro fiscal model through training and development of guidelines for the use of the model; training of staff in the use of the debt management system; update of the medium term debt strategy and development of a debt management procedures manual; (ii) A Technical Assistant (TA) for the Internal Audit Directorate (IAD) has provided support in revenue audit and the drafting of internal audit manual which was validated and printed. IAD is operational and is auditing most of the central government activities. Twelve (12) audit reports have been produced and submitted during the years 2012, 2013 and 2014. Capacity building activities have been provided to strengthen the capacity of the staff in auditing; (iii) Progress has been made in strengthening the capacity of the National Audit Office (NAO) and its performance. NAO has managed to advance with the clearing of the backlog of unaudited financial statements and has submitted to MoFEA the audit reports on the 2008 – 2011 financial statements. It is expected that NAO in joint effort with MoFEA, mainly the Accountant General's Department, will finalize the audit of the 2012 and 2013 financial statements by end 2015; (iv) Through the project, funds have been provided to a local development institute, the Management Development Institute (MDI) with the assistance of Technical Assistants to provide training in the areas of PFM, internal and external audit. To date, trainings have been provided in the areas of PFM (report writing, monitoring and evaluation, project management and basic PFM, internal audit as well as macroeconomic modelling and forecasting). The trainings provided by MDI have been well received by participants.

2.7.5 The design of the proposed phase III ("*Institutional Support for Economic and Financial Governance phase III*") has benefitted from various analytical documents<sup>3</sup>, the PCR and supervision missions reports of the previous phases I and II of the project, Bank group operations in the area of governance in Africa, and ongoing capacity support projects by other development partners in the country. There is no need of conducting additional analytical studies or collecting additional information. The lessons learned are as follows:

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<sup>3</sup> Bank's Fiduciary Risk Assessment 2013; PEFA assessment 2014; The Gambia Toward a more transparent and effective ministry of finance and economic affairs, IMF, March 2013; Programme Support to Women's Bureau and the Gender Machinery for Socio-Economic Development and Public Finance Management, The Gambia Women's Bureau 2015; The Gambia Report on the observance of standards and codes (ROSC), accounting and auditing, April 2010; Government of The Gambia's: "Public Financial Management Reforms Comprehensive Strategy (2012-2016)".

**Table 2.9: Lessons learned and actions taken to integrate them into the project**

<b>Lessons learned</b>	<b>Actions taken to integrate lessons into the project</b>
(i) Attainment of project outcomes is attributed to strong government ownership of the reforms and the existence of an effective institutional framework for managing the reform which has been endorsed by all stakeholders.	The proposed project reflects this lesson by supporting the Government-owned, donor-endorsed PFM reform strategy. The proposed ISEFG III will use the existing PCU seconded from the MoFEA which is also overseeing the World Bank's IFMIS project implementation. The PCU has been instrumental in the successful implementation of the ISEFG I & II. The government is centralizing the implementation of all institutional support projects to the MoFEA through the project's PCU. It is supervised by a Project Steering Committee and reports to the PFM Coordination Committee (PFMCC) which is headed by the Permanent Secretary I of the MoFEA.
(ii) For a project to be successful, it should focus on specific activities firmly grounded within the Government's overall policy reforms.	The design of this project reflects this lesson by focusing on few selected areas of the PFM reform strategy in which the Bank has a comparative advantage and value-added.
(iii) Consider learning by doing activities and knowledge transfer within the project for sustainability	The aspect of knowledge transfer from TAs will be clearly defined in their respective terms of reference. This will be done via workshops and on the job training.
(iv) Necessity to coordinate and harmonize development partners interventions	In designing this project, the team met with the main development partners to discuss their previous and future support in the area of PFM to avoid duplication and to ensure efforts by the various partners would add value to the implementation of the reform strategy.

## 2.8 Key performance indicators

2.8.1 The key performance indicators identified and the expected outcomes at project completion are outlined in the results-based logical framework and in Box 1 below. In the short run, the expected project outcomes are: (i) enhanced domestic resources mobilization; and (ii) greater strategic allocation, expenditures control, transparency, and scrutiny of government budget. In the long run, this will strengthen and leverage the impact of the national budget on delivery of services, and poverty reduction more broadly through increasing efficiency and effectiveness of resource allocation and execution in line with pro-poor policies. It is expected a strong and inclusive economic growth that contributes to the reduction of gender inequality.

### Box 1 Key Performance Indicators

#### **Outputs Indicators**

##### **Component 1 : Enhancing domestic resources mobilization**

- Upgrade to ASYCUDA World completed by end 2018;
- Number of tax auditors trained on modern auditing technics reaches 10 (including 4 women) by end 2017;
- Audit software in use by GRA by end 2017;

##### **Component 2 : Strengthening effectiveness in public financial management**

- Number of people trained on public procurement comprises (10) GPPA staff, (30) procuring organizations, (5) National audit office, (5) National assembly, (30) suppliers including (20) women by end 2018;
- Gambia Institute of Chartered Accountants secretariat established and functional by end 2016;
- Web portal for National Audit Office established by end 2017;
- Number of people trained on Gender Based Budgeting comprises (10) Women's bureau staff, (10) Gender Focal Points in ministries, (10) Planners, (10) Budget Officers, and (5) National Assembly Members by end 2018;
- Research on Gender Assessment conducted by end 2016;
- Number of report on women activities (AWA Magazine) for Awareness published reached six (6) reports between 2016-2018;
- Number of women trained on monitoring and evaluation techniques includes ten (10) Women's bureau staff (6 women 4 men) and 20 (6 men and 14) focal points by end 2018.

**Outcomes indicators**

- Taxes in percent of GDP rises from 16.1 percent in 2014 to 18 percent in 2018;
- Number of sector's budget mainstreaming gender reached at least four (4) in 2018;
- Effectiveness of internal audit (PEFA PI-21) increased from score D+ in 2014 to score B+ in 2018;
- Number of ex-post reviews conducted of Procurement organizations ( Of which percent were compliant) increases from 85 (60 percent were compliant) in 2013 to 100 (80 percent were compliant including the Women's bureau) in 2018;
- Number of audit reports on government financial statements examined by the National Assembly and published in the NAO Web portal reaches at least five (5) by end 2018.

**Impact Indicators**

- Real GDP growth rises from 0.5 percent in 2014 to 5 percent in 2019;
- Gender inequality index reduces from 0.624 in 2013 to 0.537 in 2019.

2.8.2 The achievement of results on these indicators will be verified using the data that will be collected by the PCU, whose capacity has been strengthened thanks to the recruitment of a monitoring and evaluation expert as part of the ISEFG II. The PCU will produce quarterly progress reports. Reports on the status of project implementation will also be issued during Bank supervision missions. ISEFG III's performance will be measured by comparing baseline data with progress made during project implementation and at project completion.

**III – PROJECT FEASIBILITY****3.1. Economic and financial performance**

3.1.1 ISEFG III is an institutional support project. It does not generate direct revenue that would produce financial returns. However, its performance assessment could be based on the medium- and long-term direct and indirect impacts of the outputs it generates at the economic and social level. As concerns expected economic and financial benefits, the project will help to create conditions for macroeconomic stability by increasing the government revenues and enhancing fiscal discipline. The project will contribute to strong economic growth and reduction of gender inequality.

**3.2. Environmental and Social impacts****Environment**

3.2.1 Given that the project is an institutional support project, providing capacity building to government institutions, the operation is not expected to have any direct adverse environmental impact. The proposed project is classified as Category 3.

**Climate Change**

3.2.2 The project activities, which focus on building human and institutional capacity, have no negative impact on climate change.

**Gender**

3.2.3 In 2013, the Country ranks 139 out of 187 countries on the gender inequality index. Women are the most affected by poverty. In the Education sector, measurable progress has been made on gender parity at the primary level with a gender ratio of 1.06 achieved. Yet, gender inequality persists in secondary, tertiary and vocational training, where men make up 71 percent of all enrolments. Women's literacy levels are very low at 40 percent (64 percent for men) and they are a barrier to women's economic and social empowerment. The Health sector still faces many challenges, prominent among them the prevailing high maternal mortality ratio. In the context of poverty, the majority of women face multiple risks due to travel to distant health centers and a lack of emergency obstetric care. The project will incorporate gender issues through its second component. Support will be provided to the Women's bureau to promote gender planning, budgeting, monitoring, evaluation, and reporting. ISEFG III will provide support in the following areas: (i) training of gender focal points, planners, budget officers, and National Assembly Members on

gender based budgeting; (ii) research on gender – Participation of women in Socio-economic development - (provision of gender disaggregate data and dissemination); (iii) production and publication on a bi-annual basis the report on women activities (AWA Magazine) for awareness; (iv) study tour by Women's Bureau Staff and National Women Council on best practices; (v) training of staff of the Women's Bureau and other stakeholders on monitoring and evaluation techniques to monitor program implementation and reporting. Through the support to FPAC members of the National Assembly, the project will promote gender mainstreaming in Parliament. Gender dimension is also considered in capacity building activities in the areas of public procurement and budget external scrutiny. In addition, it is expected that gender will be mainstreamed in four (4) sector's budget. In the long run, the supported activities will contribute to reduce gender inequality.

## **Social**

3.2.4 The aim of the project is to enhance government capacity to implement reform and manage public resources efficiently and effectively. This will strengthen and leverage the impact of the national budget on delivery of services, and poverty reduction more broadly through increasing efficiency and effectiveness of resource allocation and execution in line with pro-poor policies.

## **Involuntary resettlement**

3.2.5 The project will not entail population displacement.

## **IV. IMPLEMENTATION**

### **4.1 Implementation arrangements**

#### **Institutional Arrangements**

4.1.1 The institutional framework for project management is described in detail in Appendix B3 of Technical Annexes. Project implementation will be the responsibility of the Ministry of Finance and Economic Affairs (MoFEA), through a Project Steering Committee (PSC) already set up for the ongoing ISEFG II project. The PSC shall provide overall strategic direction to the project. The assessment recommends that the existing PSC membership be amended to include 2 nominees from MoFEA, representatives from beneficiary institutions, NGOs and Civil Society. Day to day management will be the responsibility of the existing Project Coordination Unit (PCU) in the MOFEA. The Unit has successfully implemented ISEFG I and II (both phases are funded by the Bank). The PCU has also experience in implementing other development partners' projects including the World Bank funded IFMIS project as well as the on-going IFMIS Additional Financing. The Unit is headed by an experienced Project Coordinator (PC) who has 5 years' experience in the position, and over 10 years' experience of managing donor funded projects at MoFEA. The PC is supported by a Financial Management Specialist (FMS), who is a qualified and experienced chartered accountant and head of the financial management unit, a Project Accountant, a Procurement Specialist, M&E Specialist, two (2) Assistant Accountants, and auxiliary support staff which include a Secretary and 3 Drivers/ Messengers. It is recommended to renew the terms of service of the staffs of the existing Project Coordination Unit.

#### **Financial management Arrangements**

4.1.2 MoFEA, through its existing financial management (FM) system at the PCU, which is being used, and has been used satisfactorily to fulfil the Bank's and other donors' fiduciary and reporting requirements in the past, will be used to manage the FM for the proposed ISEFG III. As it's the case with the ongoing ISFEG II, the FM Unit will use the government Integrated Financial Management System (IFMIS), EPICOR v.9 (the official government accounting software) to record, process and prepare financial reports. The unit has successfully piloted the use of IFMIS to manage the finances, as well as prepare financial reports for projects under ISFEG II and the WB IFMIS Additional Financing. It will also use the existing Project Accounting Manual and Administrative Manual to homogenise accounting practice and guide the operations of the Project (respectively). The

assessment recommends that the overall project implementation design and approach be developed and integrated into a Project Implementation Manual (consisting of the Accounting/ FM, Administrative and technical implementation sections). The assessment also recommends that the Internal Audit Directorate (IAD) at MoFEA provides after-the-fact checks on project transactions and performs periodic reviews of the entire project operations, to strengthen the overall internal control environment. The IAD shall submit its project related reports to the PSC, with copies availed to the financing donors. The PCU will also submit quarterly interim unaudited financial reports to the Bank.

### **Disbursement Arrangements**

4.1.3 The Direct Payments method, payments through Special Account (SA) as well as reimbursement method will be used to disburse resources to the project. Direct Payments will be used in settling payments against larger contracts concluded between project management and contractors/suppliers. The SA method will be used for meeting recurrent expenses and small contract commitments. MoFEA, through the PCU, will be required to open a segregated USD denominated SA at a bank acceptable to the Fund specifically for the new project. A second separate GMD (local currency) account will be opened at the Central Bank to receive counterpart funding contribution from the Government. Both accounts will be managed by the PCU, and the opening of the SA will be a condition precedent to disbursement for the project. The initial advance to the SA will be based on the project's first 6 months forecast of non-direct payment type expenditures. All disbursements will be made in accordance with the procedures outlined in the Bank's *Disbursement Handbook*.

### **Audit Arrangements**

4.1.4 The PCU under the direction of the Auditor General of The Gambia will hire an independent audit firm to carry out the audit of the project in accordance with the audit terms of references agreed with the Bank. The PCU will ensure that the audited financial statements and accompanying management letter, are submitted to the Bank within 6 months of the period/ year being audited. To ensure the timely engagement of the auditor, the process of recruitment of the auditor shall commence within six months of the first disbursement.

### **Procurement Arrangements**

4.1.5 All procurement of goods and acquisition of consulting services at a certain financial threshold, financed by the Bank Group will be undertaken in accordance with the Bank's Rules and Procedures for Procurement of Good and Works and Rules and Procedures, *May 2008 edition, revised July 2012*, for the Use of Consultants, *May 2008 edition, revised July 2012*, using the relevant Bank Group Standard Bidding Documents. It is also anticipated that the Bank new procurement policy will be in place before end of the year 2015. To this end, some of the activities will be implemented using the National Procurement Procedures of the Gambia in line with the Bank's new procurement policy, which has been assessed and found to be acceptable with some risks to be mitigated. Furthermore, the weaknesses in the public procurement system have been identified. The EC/World Bank and the Bank are currently providing support in strengthening and enhancing the systems and processes and envisioning future support in the areas including capacity building to key stakeholders and actors involved in public procurement.

## **4.2 Monitoring and evaluation**

4.2.1 Project implementation is scheduled to span 3 years, from January 2016 to December 2018. The Bank will undertake supervision missions twice annually. The PCU will have to submit quarterly progress reports on the implementation of the project. The quarterly progress reports will present the status of physical and financial implementation and highlight any problem that might hamper smooth project implementation. The reports will review progress made in light of the Project's Results-Based Logical framework and include a clear presentation of activities undertaken during the period under review. The reports will also analyse to what extent the activities undertaken have contributed to the realization of the anticipated results/outputs and project objectives. One

single consolidated progress report will be submitted to the Bank on a quarterly basis, no later than one month after the end of such quarter. The reports will also make recommendations to tackle any problems encountered and present time-bound actions/work plans for the following quarter. The executing agency will also be required to prepare and submit to the Bank a project completion report within six months of the final disbursement, in accordance with the Bank’s General Rules and Procedures. The implementation schedule is as follows:

**Table 4.1: Monitoring Milestones and Feedback Loop**

<b>Milestones</b>	<b>Responsibility</b>	<b>Date /Period</b>
Financing approval	AfDB	September 2015
Grant signature	AfDB/GVT	December 2015
Grant effectiveness	AfDB/GVT	December 2015
Bid preparation/invitation	PCU/AfDB	January 2016
Contract award/signature	PCU	April 2016
Start of consultancy services	PCU	May 2016
Mid-term review	AfDB/PCU	June 2017
Project’s physical completion	PCU	December 2018
Completion mission	AfDB/ PCU	December 2018

### **4.3 Governance**

4.3.1 The project will significantly contribute to good fiscal and financial governance, particularly through human resource development and technical assistance to MoFEA, GPPA, the National Audit Office and the National Assembly. The project will improve the quality and timeliness of public accounting and auditing and contribute to improved domestic and international confidence in institutions of governance in general. Furthermore, strengthened financial management institutions and processes will lead to increased accountability, reduced public sector corruption and more efficient use of public resources for poverty reduction.

### **4.4 Sustainability**

4.4.1 Sustainability is ensured through a number of factors included in the project design and approach. These factors comprise: (i) Capacity building initiatives that will help government officials to produce high PFM products; (ii) Development of tailor made manuals, working practices and tools for continued use (NAO web portal, guidelines for the Complaint Review Board; GPPA web portal; Procurement information system, etc...). In addition, the project will help create conditions for macroeconomic stability by increasing the government revenues and enhancing fiscal discipline.

### **4.5 Risk management**

4.5.1 The table below outlines the residual risks and mitigation measures.

<b>Risks</b>	<b>Level</b>	<b>Mitigation measures</b>
<b>Risk 1:</b> The weakening of the government’s commitment to continue with its economic policy and governance reforms	High	<b>Mitigation 1:</b> The IMF provides macroeconomic policy advice to the Government. Thus continued IMF and development partners’ engagement will be critical to put fiscal policy on sound footing and further advance the structural reform agenda. The project will serve as an instrument for the Bank’s Field Office (SNFO) involvement on policy dialogue.
<b>Risk 2:</b> The global economic slowdown and erratic rainfall are expected to impact negatively the country’s economic growth and government revenues.	Mode rate	<b>Mitigation 2:</b> A credible, transparent and predictable policy environment which supports private investments will be critical to building the country’s capacity to withstand these internal and external shocks. In addition, the capacity building support through the project will help the government to continue its commitment to sustained public financial management reform which will help mitigating the adverse impacts of these shocks in the short and medium term.
<b>Risk 3:</b> High staff attrition	High	<b>Mitigation 3:</b> During the previous two phases of the project, frequent changes at the ministerial level and permanent secretaries occurred but the project continued to be managed by the same PCU within the MoFEA without interference.

<b>Risk 4:</b> Due to capacity constraints, the Government fails to demonstrate progress on PFM reforms and reduce level of fiduciary risk.	Low	<b>Mitigation 4:</b> Donors have confirmed support to PFM reforms and have also built in complementary capacity building and technical assistance projects.
<b>Risk 5:</b> The risk of slow implementation of the proposed project.	Low	<b>Mitigation 5:</b> To mitigate the negative impact of this risk, the project will continue to be managed by the same PCU which has been instrumental in the successful implementation of ISEFG I & II and the government is centralizing the implementation of all institutional support projects on PFM through this PCU.

#### **4.6 Knowledge building**

4.6.1 The project will strengthen public financial management in a number of ways including: (i) enhanced capacity of MoFEA in the areas of budget accounting, auditing, aid coordination and debt management; (ii) enhanced capacity of different ministries in the areas of procurement and gender budgeting; and (iii) enhanced capacity within the FPAC to undertake external scrutiny of PFM performance. Knowledge will also be acquired through skills transfer from technical assistance, as well as through formal and informal training on the job and regionally. A broad based PFM training programme will be developed. The project will also help to develop guidance manuals and various tools for government institutions.

### **V. LEGAL INSTRUMENTS AND AUTHORITY**

#### **5.1 Legal instrument**

5.1.1 The funding instrument is a grant of UA 2.0 million to The Gambia. The Protocol of Agreement between the Government of the Gambia and the African Development Fund will be signed by the parties concerned.

#### **5.2 Conditions associated with Bank's intervention**

5.2.1 The Protocol of Agreement will come into effect on the date of its signature by the Government of The Gambia and the African Development Fund. The first disbursement of grant resources will be contingent on the effectiveness of the Protocol Agreement and subject to fulfilment by Government of the following conditions:

- Submission of evidence as to the opening of a segregated United States Dollars (USD) denominated "Special Account" in the name of the Project at the Central Bank of The Gambia to receive the Grant proceeds.

#### **5.3 Compliance with Bank Policies**

5.3.1 This project complies with all applicable Bank policies.

### **VI – RECOMMENDATION**

Management recommends that the Board of Directors approve the proposed grant of UA 2 million to the Republic of The Gambia for the purposes and subject to the conditions stipulated in this Report.

## Appendix I. Country's comparative socio-economic indicators

Indicator	Year	Gambia	Africa	Developing Countries	Developed Countries	Charts	
<b>Basic Indicators</b>						<p><b>GNI per Capita (US \$)</b></p>	
Area ('000 Km <sup>2</sup> )	2011	11.3	30,046.4	80,976.0	54,658.4		
Total Population (millions)	2014	1.9	1,136.5	5,628.5	1,068.7		
Urban Population (% of Total)	2014	58.9	40.6	44.8	77.7		
Population Density (per Km <sup>2</sup> )	2012	157.2	34.5	66.6	23.1		
GNI per Capita (US \$)	2012	510.0	1,691.5	2,780.3	39,688.1		
Labor Force Participation - Total (%)	2014	43.2	37.5	0.0	0.0		
Labor Force Participation - Female (%)	2014	48.4	42.6	39.8	43.3		
Gender -Related Development Index Value	2007	0.5	0.9	..	0.9		
Human Develop. Index (Rank among 182 countries)	2013	172.0	..	..	..		
Popul. Living Below \$ 1 a Day (% of Population)	2003	33.6	..	25.0	..		
<b>Demographic Indicators</b>							<p><b>Population Growth Rate - Total (%)</b></p>
Population Growth Rate - Total (%)	2014	3.2	2.5	1.4	0.7		
Population Growth Rate - Urban (%)	2014	4.1	3.4	2.4	1.0		
Population < 15 years (%)	2014	45.8	40.8	29.2	17.7		
Population >= 65 years (%)	2014	2.4	3.5	6.0	15.3		
Dependency Ratio (%)	2014	81.4	77.3	52.8	..		
Sex Ratio (per 100 female)	2014	97.9	100.0	934.9	948.3		
Female Population 15-49 years (% of total population)	2014	23.8	24.0	53.3	47.2		
Life Expectancy at Birth - Total (years)	2014	59.0	59.6	65.7	79.8		
Life Expectancy at Birth - Female (years)	2014	60.4	60.7	68.9	82.7		
Crude Birth Rate (per 1,000)	2014	42.4	35.0	21.5	12.0		
Crude Death Rate (per 1,000)	2014	9.5	10.2	8.2	8.3		
Infant Mortality Rate (per 1,000)	2013	49.4	56.1	53.1	5.8		
Child Mortality Rate (per 1,000)	2013	73.8	84.0	51.4	6.3		
Total Fertility Rate (per woman)	2014	5.7	4.6	2.7	1.8		
Maternal Mortality Rate (per 100,000)	2013	430.0	411.5	440.0	10.0		
Women Using Contraception (%)	2014	10.5	34.9	61.0	75.0		
<b>Health &amp; Nutrition Indicators</b>						<p><b>Access to Safe Water (% of Population)</b></p>	
Physicians (per 100,000 people)	2008	3.8	15.0	77.0	287.0		
Nurses (per 100,000 people)*	2008	56.8	..	98.0	782.0		
Births attended by Trained Health Personnel (%)	2010	56.6	..	39.0	99.3		
Access to Safe Water (% of Population)	2012	90.1	68.8	84.0	99.6		
Access to Health Services (% of Population)	2000	93.0	65.2	80.0	100.0		
Access to Sanitation (% of Population)	2012	60.2	39.4	54.6	99.8		
Percent. of Adults (aged 15-49) Living with HIV/AIDS	2013	1.2	3.8	161.9	14.1		
Incidence of Tuberculosis (per 100,000)	2013	173.0	246.0	..	..		
Child Immunization Against Tuberculosis (%)	2013	98.0	84.1	89.0	99.0		
Child Immunization Against Measles (%)	2013	96.0	76.2	76.0	92.6		
Underweight Children (% of children under 5 years)	2010	17.4	..	27.0	0.1		
Daily Calorie Supply per Capita	2011	2,849.0	2,617.6	2,675.2	3,284.7		
Public Expenditure on Health (as % of GDP)	2012	3.3	5.9	4.0	6.9		
<b>Education Indicators</b>						<p><b>Secondary School - Total</b></p>	
Gross Enrolment Ratio (%)	..	..	..	..	..		
Primary School - Total	2013	86.6	100.7	106.0	101.5		
Primary School - Female	2013	88.4	97.1	104.6	101.2		
Secondary School - Total	2010	57.5	50.1	62.3	100.3		
Secondary School - Female	2010	56.0	47.1	60.7	100.0		
Primary School Female Teaching Staff (% of Total)	2013	29.4	45.5	..	..		
Adult Illiteracy Rate - Total (%)	2012	48.0	..	19.0	..		
Adult Illiteracy Rate - Male (%)	2012	38.6	..	13.4	..		
Adult Illiteracy Rate - Female (%)	2012	56.9	..	24.4	..		
Percentage of GDP Spent on Education	2012	4.1	5.3	..	5.4		
<b>Environmental Indicators</b>							
Land Use (Arable Land as % of Total Land Area)	2011	44.5	8.4	9.9	11.6		
Annual Rate of Deforestation (%)	2000	-1.0	0.6	0.4	-0.2		
Annual Rate of Reforestation (%)	..	..	..	..	..		
Per Capita CO2 Emissions (metric tons)	2010	0.3	1.1	..	..		

Sources : ADB Statistics Department Databases; World Bank: World Development Indicators

UNAIDS; UNSD; WHO, UNICEF, WRI, UNDP; Country Reports.

Note : n.a. : Not Applicable ; ... : Data Not Available.

Last update: August 2015

## Appendix II. Table of ADB's portfolio in the country

N	Sector/Operation	Approval date	Amount approved (UA million)	Amount disbursed (UA million)	Disb ratio (%)	Closing date
<b>RURAL DEVELOPMENT</b>						
1	Food & agriculture sector devpt project (GAFSP)	15-mai-13	19.12	2.37	12.4	30-juin-19
<b>Sous-total/Moyenne</b>			<b>19.12</b>	<b>2.37</b>	<b>12.4</b>	
<b>WATER &amp; SANITATION</b>						
2	Support for national water reform	7-avr.-10	1.56	1.56	100	30-sept-15
3	Rural water supply and sanitation	13-févr.-12	1.11	0.31	27.6	31-dec-16
		13-févr.-12	3.15	1.44	45.7	31-dec-16
<b>Sous-total/Moyenne</b>			<b>5.82</b>	<b>3.31</b>	<b>56.9</b>	
<b>MULTISECTOR</b>						
4	ISP for economic and financial governance	30-sept.-11	2.00	1.99	99.9	31-dec-15
5	Support to financial intelligence unit of The Gambia (GTF)	3-oct.-13	0.11	0.05	47.2	31-déc.-15
<b>Sous-total/Moyenne</b>			<b>2.11</b>	<b>2.04</b>	<b>96.7</b>	
<b>TOTAL</b>			<b>27.05</b>	<b>7.72</b>	<b>28.6%</b>	

### Bank Group Private Sector On-going Operations in The Gambia as at 31 March 2015

	Sector / Operation	Approval date	Approved amount (UA million)	Disbursed amount (UA million)	Disb. ratio (%)	Closing date
1	Horizons Clinic Project (8,175,000 USD)	16-Apr.-2014	5.86	-	-	31-Dec.-2029
<b>TOTAL</b>			<b>5.86</b>			

### Regional On-going Operations as at 31 March 2015

	Sector / Operation	Approval Date	Approved Amount (UA million)	Disbursed Amount (UA million)	Disb. Ratio (%)	Closing Date
1	<b>RURAL DEVELOPMENT</b>					
	Programme building resilience against food and nutritional insecurity in the Sahel (P2RS)	15-Oct.-14	11.50	0	0	30-June-2020
Sub-Total			11.50	0	0	
<b>INFRASTRUCTURES</b>						
2	Trans-Gambia River crossing Project	16-Dec.-11	63.55	9.59	15.1	30-June-2017
3	Trans-Gambia corridor Phase II Preparatory studies project	19-Oct.-14	1.00	0	0	31-Dec-2016
Sub-Total			64.55	9,59	14.9	
<b>TOTAL</b>			<b>76.05</b>	<b>9.59</b>	<b>12.6</b>	

**Appendix III. Key related projects financed by the Bank and other development partners in the country**

<b>Areas of intervention</b>	<b>Amount/Period</b>	<b>Development Partner</b>	<b>Instrument</b>	<b>Status</b>
Macroeconomic management, internal and external audit, budget scrutiny by National Assembly, monitoring of PFM reforms	UA 2 million (2012-2015)	AfDB	Institutional Support Project (ISEFG II)	Ongoing
Budget formulation, revenue administration, public procurement, and PEFA 2014	Euro 2.25 million (2013-2016)	EC	Technical Assistance	Ongoing
IFMIS implementation, National Statistical Capacity Building, Preparation of an Energy Strategy Study including a review of the National Water and Electric Company's (NAWEC's) financial situation and its management system	US\$ 5.25 million plus Additional Financing (AF) of US\$ 5 million (2010-2018)	WB	Institutional Support Project	Ongoing
The Gambia Report on the observance of standards and codes (ROSC), accounting and auditing	April 2010	IMF/WB	Technical Assistance	Completed
Budget formulation, Procurement, National Assembly, National Audit Office, PPP, revenue administration, Gender mainstreaming	US\$ 275.000	UNDP	Technical Assistance	Ongoing
Macroeconomic policy advice to the Government	US\$10.8 Million (2015)	IMF	Rapid Credit Facility	Ongoing

# Appendix IV. Map of the Project Area

