

AFRICAN DEVELOPMENT FUND



**PROJECT: INCLUSIVE GROWTH PROMOTION INSTITUTIONAL
SUPPORT PROJECT**

COUNTRY: THE GAMBIA

PROJECT APPRAISAL REPORT

ECGF Department

March 2017

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Currency Equivalents

August 2016

1 UA	=	60.64 Dalasi
1 UA	=	1.3934 US Dollar
1 UA	=	1.2538 European Euro

Fiscal Year

1st January – 31st 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
AG	Auditor General
AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism
ASYCUDA	Automated System for Customs Data
BPM	Bank Procurement Policy and Methodology
CBG	Central Bank of The Gambia
CPIA	Country Policy and Institutional Assessment
CPIP	Country portfolio improvement plan
CRM	Client Relationship Management
CSOs	Civil Society Organisations
CSW	Commission on Status of Women
DC	Direct Contracting
DLDM	Directorate of Loans and Debt Management
DP	Development Partner
EA	Executing Agency
EC	European Commission
FIU	Financial Intelligence Unit
FM	Financial Management
FMS	Financial Management Specialist
GAP	Governance Action Plan
GBOS	Gambia Bureau Of Statistics
GCCI	Gambia Chamber of Commerce and Industry

GDP	Gross Domestic Product
GiEPA	Gambia Investment and Export Promotion Agency
GPPA	Gambia Public Procurement Authority
GRA	Gambia Revenue Authority
GVT	Government
IAD	Internal Audit Directorate
IFMIS	Integrated Financial Management Information System
IFRS	International Financial Reporting Standards
IGPISP	Inclusive Growth Promotion Institutional Support Project
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
ISEFG	Institutional Support for Economic and Financial Governance
JAS	Joint Assistance Strategy
LCB	Limited Competitive Bidding
MoFEA	Ministry of Finance and Economic Affairs
MSMEs	Micro, Small and Medium Enterprises
M&E	Monitoring and Evaluation
NWC	National Women's Council
OCB	Open Competitive Bidding
PA	Project Accountant
PAGE	Program for Accelerated Growth and Employment
PAR	Project Appraisal Report
PBA	Performance Based Allocation
PC	Project coordinator
PCR	Project Completion Report
PCU	Project Coordinating Unit
PIM	Project Implementation Manual
PMP	Procurement Methods Procedures
PPP	Public Private Partnership
PRCA	Procurement Risks and Capacity Assessment
PSC	Project Steering Committee
PSD	Private Sector Development
ROSC	Report on the Observance of Standards and Codes
SA	Special Account
SDF	Social Development Fund
SME	Small and Medium Enterprises
STR	Suspicious transactions
TA	Technical Assistance
ToRs	Terms of Reference
UA	Unit of Account
UNDP	United Nations Development Program
UNIDO	United Nations Industrial Development Organization
USD	United States Dollars
VAT	Value Added Tax
WB	World Bank

Grant Information

Client's information

RECIPIENT: Republic of The Gambia

EXECUTING AGENCY: Ministry of Finance and Economic Affairs

Financing plan

Source	Amount (UA)	Instrument
ADF	2.085 million	Grant (1.42 million from ADF-13 PBA and 0.665 million from Resources Cancellation)
ADF	1.580 million	Loan
Total ADF	3.665 million	
Government	0.407 million	
TOTAL COST	4.072 million	

ADF's key financing information

Loan currency	UA
Interest type*	NA
Interest rate spread*	Two percent (2%) per annum from the eleventh (11th) to the twentieth (20th) year inclusive and at the rate of four percent (4%) per annum thereafter.
Commitment fee*	0.5% (5 basis points)
Other fees*	0.75% (Service commission)
Tenor	40 years
Grace period	10 years
FIRR, NPV (base case)	NA
EIRR (base case)	NA

**if applicable*

Timeframe - Main Milestones (expected)

Concept Note approval	October 2016
Project approval	March 2017
Signature	April 2017
Effectiveness	April 2017
Completion Date	December 2019
Closing Date	June 2020

Project Summary

Project overview	<p>Project name: Inclusive Growth Promotion Institutional Support Project (IGPISP) Geographical scope: Nationwide Overall timeframe: 36 months (January 2017 – December 2019) Project cost: UA 4.072 million (UA 3.665 million from ADF and UA 0.407 million from the Government)</p>
Expected results	<p>In the short run, the expected project outcomes are: (i) Enhanced business enabling environment; and (ii) Local businesses expanded. In the long run, the project will contribute in generating higher output, greater employment and increased income for the poor.</p>
Targeted Beneficiaries	<p>The direct beneficiaries of this project will be the Gambia Chamber of Commerce and Industry, the Gambia Investment and Export Promotion Agency, the Social Development Fund, the Gambia Women Finance Association, Women’s Bureau, the Central Bank, the FIU and the Gambia Public Procurement Authority (GPPA). Indirect beneficiaries will include private businesses including youth and women and broader population of the Gambia through improved business environment and increased activities of domestic businesses.</p>
Needs Assessment	<p>The key medium-term constraints and challenges remain on the lack of diversification of the economy which is heavily dependent to the tourism sector and a small internal market. The Gambia has few natural resources and the agriculture employs 70% of the labor force, accounting for 28% of GDP. Groundnuts account for over half of domestic exports. Tourism is also an important source of foreign exchange. Sustained reforms are required to enhance the business environment to attract private investors for further diversification. High unemployment and underemployment, particularly among women and youth is one of the major causes of poverty in the Gambia. The project aims to promote inclusive growth by enhancing economic governance through strengthened capacities of key public and private institutions engaged in private sector development. It is anchored around the activities plan of the Five-Year Strategic and Business Plan for the Gambia Investment and Export Promotion Agency (GIEPA) 2014-2018, The Gambia National Policy for Micro, Small and Medium Enterprises (MSMEs) 2014-2018, the National Gender and Women Empowerment Policy 2010-2020, and the Central Bank of The Gambia Strategic Plan 2014-2018.</p>
Bank’s Added Value	<p>Since 2007, the Bank has approved three institutional support projects in the area of governance. The projects were designed in an effort to strengthen the institutional weaknesses in public financial management. The proposed IGPISP project will concentrate on strengthening capacities in the area of private sector development. Main achievements under the ongoing and closed projects that have direct impact on private sector development are the following: (i) taxation and customs reforms; (ii) development of accounting and auditing profession; and (iii) strengthening of public procurement. Those operations have positioned the Bank as a main partner. 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 project coordination unit at the MoFEA. The project will complement other DP interventions mainly the World Bank, UNDP, UNIDO, and EC.</p>
Knowledge Management	<p>IGPISP project is supporting the implementation of key activities in the areas of export promotion, business climate improvement, and entrepreneurship development. Knowledge will be acquired through skills transfer from technical assistance, as well as through formal and informal training on the job and internationally. The project will facilitate public-private dialogue on private sector development issues. A broad based entrepreneurship training programme will be developed. The project will also help to develop guidance manuals and various tools for private and public institutions (Central Bank, FIU, GIEPA, GCCI, Gambia Women Finance Association, GPPA).</p>

African Development Bank – Results-based logical framework

Country and project name: The Gambia - Inclusive Growth Promotion Institutional Support Project (IGPISP)						
Purpose of the project : promote inclusive growth by enhancing economic governance through strengthened capacities of key public and private institutions engaged in private sector development						
	RESULTS CHAIN	PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/MITIGATION MEASURES
		Indicator (including CSI)	Baseline	Target		
IMPACT	Inclusive growth through greater employment and increased income for vulnerable groups including youth and women	Real GDP growth	2.5% in 2016	5.0% in 2020	IMF report	Risk 1: The global economic slowdown is expected to impact negatively the country's economic growth. Mitigation 1: 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.
		Poverty rate	48.4% in 2013	45% in 2020	GBOS report	
OUTCOMES	Outcome I: Enhanced business enabling environment	Percentage change in the number of new investments	20% in 2015	50% (40% growth of women businesses and 20% youth businesses) between 2016 and 2019	GiEPA	Risk 2: Due to capacity constraints and the lack of policy predictability, the Government fails to demonstrate progress on Private sector development reforms. Mitigation 2: The capacity building support through the project will help the government to continue its commitment to sustained private sector development reforms which will help diversifying the economy. Development partners have confirmed support to private sector reforms and have also built in complementary capacity building and technical assistance projects.
		Number of financial crimes prosecuted	4 cases prosecuted in 2016	8 cases prosecuted in 2019	FIU	
	Outcome II: Local businesses expanded	Percentage change in the credit to the private sector given by the Banking system	3.2% in 2015	4% in 2019	IMF report	
		Number of registered suppliers (including women and youth entrepreneurs, etc.) trained who have access to public procurement	80 registered suppliers (of which 20% women) in 2016	100 registered suppliers (of which 20% women) by end 2019	GPPA	
OUTPUTS	COMPONENT I: EXPORT AND INVESTMENT PROMOTION					Risk 3: The risk of slow implementation of the proposed project Mitigation 3: 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 the ISEFG I & II and the government is centralizing the implementation of all
	I.1 Permanent Trade Fair Center and Business Incubation Center established	Establishment of a Permanent Trade Fair Center and Business Incubation Center Number of SMEs (% of women SMEs and % of young entrepreneurs) who participated in Local and Regional Trade Fairs	Not established at end 2016 200 SMEs (including 40% women and 20% youth entrepreneurs) in 2015	Permanent Trade Fair Center and Business Incubation Center established by end 2018 500 SMEs (including 40% women and 20% youth entrepreneurs) by end 2019	GCCI	

Country and project name: The Gambia - Inclusive Growth Promotion Institutional Support Project (IGPISP)

Purpose of the project : promote inclusive growth by enhancing economic governance through strengthened capacities of key public and private institutions engaged in private sector development

RESULTS CHAIN	PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/MITIGATION MEASURES
	Indicator (including CSI)	Baseline	Target		
I.2 Private sector promotion	Number of public/private sector consultation workshops on improving the business climate held	One (1) consultation workshop in 2015	At least three (3) consultation workshops held between 2017 and 2019	GiEPA	institutional support projects through this PCU.
I.3 Prevention of Money Laundering and Illicit Financial Flows	Number of suspicious transaction reports (STRs) submitted to the FIU by reporting entities	26 STRs in 2016	60 STRs from 2017 to 2018	FIU	
COMPONENT II : ENTREPRENEURSHIP DEVELOPMENT					
II.1 Improved access to finance by MSMEs	Number of SMEs (% of women SMEs and % of young entrepreneurs) trained on entrepreneurship Development of guidelines to conform with the Microfinance Act 2016	800 SMEs (including 40% women) at end 2015 Microfinance Act approved in 2016	900 SMEs (including 40% women and 20% youth entrepreneurs) from 2017 to 2018 Guidelines to conform with the Microfinance Act 2016 developed by end 2018	GiEPA Central Bank	
II.2 Women economically empowered	Study on the establishment of a National Cooperative of vegetable grower/marketers Women Incubator Training Center	Study not conducted in 2016 Not yet established in 2016	Study on the Establishment of a National Cooperative of vegetable grower/marketers completed by end 2018 Women Incubator Training Center fully functional by end 2019	Women's Bureau Women's Bureau	
II.3 Improved access to public procurement by MSMEs	Number of non-state actors (private sector, CSOs, women and youth entrepreneurs, etc.) trained on public procurement	180 registered suppliers (of which 20% women) and 20 civil society organizations	200 registered suppliers (of which 20% women) and 30 civil society organizations	GPPA	
COMPONENT III : PROJECT MANAGEMENT					

Country and project name: The Gambia - Inclusive Growth Promotion Institutional Support Project (IGPISP)
Purpose of the project : promote inclusive growth by enhancing economic governance through strengthened capacities of key public and private institutions engaged in private sector development

RESULTS CHAIN	PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/MITIGATION MEASURES												
	Indicator (including CSI)	Baseline	Target														
III.1 Timely production of project progress reports	Number of quarterly project reports produced	Twelve (12) reports produced at end 2014 under the ISEFG II	Twelve (12) by end 2019	Project progress report (PCU)													
III.2 Project monitoring Strengthened	Number of meetings of the project steering committee	Four (4) in 2015	Six (6) by end 2019	Project progress report (PCU)													
KEY ACTIVITIES	COMPONENTS			INPUTS													
	Component I : Export and Investment Promotion Technical assistance, training, and equipment			ADF grant: UA 2.085 million ADF loan: UA 1.580 million Counterpart funding: UA 0.4074 million													
	Component II : Entrepreneurship Development 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>1,370,200</td> </tr> <tr> <td>Component II</td> <td>1,763,000</td> </tr> <tr> <td>Component III</td> <td>708,700</td> </tr> <tr> <td>Unallocated</td> <td>230,500</td> </tr> <tr> <td>Total</td> <td>4,072,400</td> </tr> </tbody> </table>		Components	Amount in UA	Component I	1,370,200	Component II	1,763,000	Component III	708,700	Unallocated	230,500	Total	4,072,400
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	Component I	1,370,200															
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Unallocated	230,500																
Total	4,072,400																
Component III : Project Management Training, and operating costs																	

REPORT AND RECOMMENDATION OF THE MANAGEMENT OF THE ADB GROUP TO THE BOARD OF DIRECTORS ON A PROPOSED GRANT TO THE GAMBIA FOR THE INCLUSIVE GROWTH PROMOTION INSTITUTIONAL SUPPORT PROJECT

Management submits the following Report and Recommendation on a proposed grant for UA 2.085 million on ADF grant and a proposed loan of UA 1.580 million on ADF loan to finance the Inclusive Growth Promotion Institutional Support Project (IGPISP) in The Gambia. Its overarching goal is to promote inclusive growth by enhancing economic governance through strengthened capacities of key public and private institutions engaged in private sector development. In the short run, the expected project outcomes are: (i) Enhanced business enabling environment; and (ii) Local businesses expanded. In the long run, the project will contribute in generating higher output, greater employment and increased income for the poor. Special emphasis is given to one core cross-cutting issue critical to inclusive growth namely, gender.

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. 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 December 2016 to feed into the budget cycle for the 2017 fiscal year. Activities supported by the IGPISP project are well aligned with pillar I of the PAGE (accelerating and sustaining economic growth). They are also well aligned with the overall orientation of Vision 2020 which is “To transform The Gambia into a financial centre, a tourist paradise, a trading, export-oriented agricultural and manufacturing nation, thriving on free market policies and a vibrant private sector, sustained by a well-educated, trained, skilled, healthy, self-reliant and enterprising population and guaranteeing a well-balanced ecosystem and a decent standard of living for one and all under a system of government based on the consent of the citizenry”.

1.1.2 It will be linked to the Private Sector Development Strategy of the Gambia 2015-2019, the Five-Year Strategic and Business Plan for the Gambia Investment and Export Promotion Agency (GIEPA) 2014-2018, The Gambia National Policy for Micro, Small and Medium Enterprises (MSMEs) 2014-2018, and the Central Bank of The Gambia Strategic Plan 2014-2018. The Private Sector Development Strategy of the Gambia 2015-2019 is directly linked to the pillar I of the PAGE. Its goal is geared towards enhancing Private Sector growth and competitiveness that will contribute to successfully achieving the country’s medium-term objectives as outlined in the PAGE. This goal will be achieved through four priority areas, namely: (i) Creating and maintaining a Policy and Legal Foundation for the Emergence of Large Enterprises (Creating a Conducive Enabling Environment); (ii) Providing Immediate

Support to Private Sector Businesses; (iii) Providing support to Strategic Sector Development; and (iv) Building Adequate Private Sector Collaborative, Intermediation and Advocacy Capacity. The project is anchored around these four priorities. The Gambia National Policy for Micro, Small and Medium Enterprises (MSMEs) 2014-2018 is directly linked to the pillar I of the PAGE. Its goal is to establish an efficient and effective MSME sector that both serves the needs of the poorer members of society and serves the needs of national economic growth and development. This goal will be achieved through ten policy objectives. The project is anchored around the following four (4) priorities of this strategy: (i) Enhance access to finance for MSMEs; (ii) Develop an understanding of the MSME market to provide information to develop new markets at home and overseas (exports and import substitution); (iii) Develop a culture of entrepreneurship in The Gambia; and (iv) Promote exports and competitiveness of MSME products.

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. IGPISP project is supporting the following broad policy strategies of the national gender policy: (i) 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) Improving women economic situation through capacity strengthening of women groups, associations and cooperatives engaged in entrepreneurship and ensuring women effectively access to adequate financing, credit and grants under favorable terms and conditions and proper management.

1.1.4 The Second Joint AfDB/WB Assistance Strategy (JAS/2012–2015), which has been extended to cover the year 2016, 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 IGPISP is anchored to pillars I and II of the JAS. It is included in the JAS. Furthermore, the project is consistent with the Bank's strategy 2013-2022 in the areas of private sector development, Governance and Accountability, and Gender. It contributes to the inclusive growth principles that underlie the Bank's Strategy. It is closely related to two of the fundamental "High 5" priorities, namely "Industrialize Africa" and "Improve the quality of life for the African people" as it is geared towards strengthening the investment climate, building capacity of MSMEs, and improving their access to finance which are key elements for promoting inclusive growth. It is also in line with the Financial sector policy and strategy 2014-18 as well as the Bank's private sector development strategy for 2013-2017, through the first pillar (investment and business climate) by creating a business-friendly climate, and the second pillar (starting businesses) by improving SMEs access to bank financing. It is also consistent with the priorities of the 2014-2018 Strategic Governance Framework and Action Plan (GAP II) through the third pillar (investment and business climate). It conforms to the orientations under the Bank's gender strategy by enhancing women's participation in economic activities. Lastly, it aligns with the Bank Group regional integration policy and strategy 2014-2023. It supports the participation of local businesses in regional trade fairs.

1.2. Rationale for Bank's involvement

1.2.1 **Political context.** The Gambia is a presidential republic with a unicameral legislature. Gambians went to the polls on December 1, 2016 to elect the President of the Republic. Eight

(8) opposition parties have come together to form a coalition to contest the poll. The Gambia's President rejected the outcome of election, which he lost to opposition leader, and called for a fresh vote. Political instability that followed this presidential election has thrown the country in crisis situation for at least two (2) months. Now the situation is back to normal with the inauguration of a new President. A new Government is also in place. National Assembly elections are expected in March/April 2017 and municipal/local elections in April 2018 to complete the current electoral cycle, 2016-2018.

1.2.2 Economic context. Real GDP growth contracted to 2.5 percent in 2016 due to the effect of political instability on tourism sector and the decline in agriculture sector. Annual Inflation rate increased up to 7.9 percent in 2016 compared to 6.7 percent in 2015. This increase is mainly driven by rising food prices and increase in monetary supply to finance the fiscal deficit. The government's fiscal deficit has widened substantially and resulted in sharp increase in domestic debt. In 2015, the fiscal deficit (including grants) was 8.8 percent of GDP. It reached almost 11.7 percent of GDP in 2016 and pushed domestic borrowing up to 9.2 percent of GDP. Deficits have mainly been funded through domestic borrowing and this has further led to significant rise in debt service payments. At end 2016, total public debt stood at 108 percent of GDP of which domestic debt represents 61.3 percent of GDP. The related high debt service on domestic debt absorbed more than half of government revenue in 2016 and is placing a severe pressure on the ability of the government to meet all its current and capital expenditures. Access to finance by the private sector has been made more difficult because of the crowding out effect of government domestic borrowing on private sector financing.

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 headcount 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 2014, the Gambia remains low at 0.441 in placing it well below the Sub-Saharan Africa average level of 0.518. High unemployment and underemployment, particularly among women and youth is one of the major causes of poverty in the Gambia. Youth unemployment is estimated at over 40%, three times higher than among adults.

1.2.4 Key development issues. The key medium-term constraints and challenges remain on the lack of diversification of the economy which is heavily dependent to the tourism sector and a small internal market. Sustained reforms are required to enhance the business environment and attract private investors for further diversification. The country's ranking in the Doing Business Report of the World Bank deteriorated from 150th in 2015 to 151th in 2016 out of 189 countries. According to the 2013 MSMEs Survey, most of the private sector enterprises are at the micro category, account for 96.9% (both paid and unpaid employees) and operate informally. While those in the small category are only 2.2%, the medium and large enterprises account for less than 1% of the total estimated number of enterprises. The high level of concentration of enterprises at the micro level can be attributed to among other things poor access to finance and high cost of capital for expansion purposes. Wholesale & retail and manufacturing sectors/industries have the highest number of enterprises with 61.5% and 15.5% respectively and accounts for 77% of the total estimated number of enterprises. It is worthy to note that even though agriculture, which includes hunting and forestry is the mainstay of the economy and employs about 70% of the population, it only accounts for 3% of the total estimated number of enterprises, indicating that most agricultural production is subsistence and informal. In developing the MSME sector, the following sector specific constraints need to be addressed: (i) Inadequate access to appropriate finance with limited access to medium and long term finance; (ii) Low productivity and competitiveness derived from poor quality control and management; (iii) Inadequate skills for diversifying product design and packaging; (iv) Limited technical, business management and governance skills; (v) Markets often restricted to local

community as a result of limited marketing skills, knowledge and information; (vi) Inadequate promotional and marketing support for MSMEs; (v) Insufficient and uncoordinated business development services available to support MSMEs; (vi) Inadequate culture of entrepreneurship resulting from an education system that ignores business; (vii) gender discrimination; and (viii) corruption and bribery. The project aims to address these challenges through a combination of export and investment promotion, and entrepreneurship development.

1.2.5 Development of a permanent Trade Fair Center and Business Incubation Center.

The Gambia Chamber of Commerce and Industry (GCCCI) provides a platform for many enterprises from the MSMEs to the larger institutions to showcase their products and services, as well as to network at regular Trade Fairs attended by many international vendors. Recently, the GCCCI has invested considerable funds in developing a permanent Trade Fair Center and Business Incubation Center that will provide exhibition and training facilities to many discerning youth, women and the general business community. Through support from the government of India and Ministry of Trade, Industry and Employment of The Gambia, some equipment has been provided. The Bank's support is solicited to complement this investment which will ensure immediate functioning of the Trade Fair Center and Business Incubation Center and lead significant results directly to the private sector. In addition, the project will provide funding for the participation of businesses including youth and women entrepreneurs in Local and Regional Trade Fairs.

1.2.6 Private sector promotion. The Gambia Investment and Export Promotion Agency (GIEPA) is the country's Investment Promotion Agency (IPA). It is an institution created by legislation in May 2010 (GIEPA Act 2010) and revised in 2015 (GIEPA Act 2015) mandated but not limited to: formulate and implement investment, export and enterprise development guidelines and investment promotion strategies coupled with the development, promotion and facilitation of Micro, Small and Medium Enterprises (MSMEs) in The Gambia. The weaknesses of GIEPA relate to the inadequacy of its human and financial resources. A further weakness is that the enterprise support mandate and capabilities of GIEPA are not widely known. GIEPA has not been entirely successful in marketing itself to its client base. The proposed operation complements the World Bank's intervention in its closed growth and competitiveness project through the support for Investment Promotion and Facilitation. The project will support capacity strengthening of GIEPA. In addition, it will facilitate public-private dialogue through the funding of Public-Private Meeting/Forum/Summits (including government officials, national assembly, private sector, CSOs) on private sector development issues.

1.2.7 Prevention of Money Laundering and Illicit Financial Flows. The fight against Money Laundering and Terrorism Financing in The Gambia is in urgent need of support. The Government of The Gambia enacted a new law (the Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)) Act 2012, which requires full implementation as a matter of urgency. In the new Act, corruption and bribery are among the predicate offences of money laundering and effective implementation would contribute greatly in ensuring good governance. The new Act provided for the establishment of an independent Financial Intelligence Unit (FIU), clearly giving it a wide range of functions, key among which are the receipt, analysis and dissemination of suspicious transaction reports (STRs). The law further extended the reporting entities to include non-bank financial institutions and Designated Non-Financial Business and Professions. The Bank through the Governance Trust Fund supported the creation of a fully independent Financial Intelligence Unit. A technical assistant was recruited to assist with the drafting of operational manual/guidelines for the FIU, to conduct training for FIU staff, reporting entities and other stakeholder institutions. National workshops have been organized to validate the draft guidelines and to engage in national sensitization. Capacity building has been provided to FIU staff for the analysis of Suspicious Transaction.

The Bank's support is solicited to complement the activities already undertaken and further strengthen the FIU capacity. The goal of the support is to promote safe and sound financial system as well as protecting the integrity of the financial system as a way of promoting sustainable economic development. The proposed support is consistent with the Bank's revised strategy and action plan on the prevention of money laundering and illicit financial flows in Africa 2015-2019.

1.2.8 Improving access to finance by MSMEs. The expansion of SMEs faces many institutional or organizational constraints, the key among which include the under-development of financial markets, limited access and high cost of financing. The main obstacles in this area are due to both SMEs themselves (low formalization, limited managerial skills, limited level of capital, insufficient collaterals, difficulty producing personal guarantees, absence of reliable financial statements, etc.) and financial institutions. Access to finance has been made more difficult recently because of the crowding out effect of government domestic borrowing on private sector financing. In addition, the Micro-Finance sector operates without regulations which put clients at risk and obliges them to accept loans at very high costs. The project will provide support for: (i) IFRS adoption by Insurance and Microfinance Institutions; (ii) updating existing studies, developing regulations and guidelines for the development of Capital Market; (iii) development of guidelines to conform with the Microfinance Act 2016; (iv) review of Insurance Legislation; (v) Support to the Gambia Women Finance Association (credit policy, procedure manual, Board manual, training); and (vi) Entrepreneurship training program for MSMEs and CSOs at the Central and Community levels including Women and Youth entrepreneurs.

1.2.9 Women economic empowerment. The Government of the Gambia formulated a National Gender and Women Empowerment Policy 2010-2020. The Policy contains eight (8) priority areas namely, Capacity Building for Gender Mainstreaming; Poverty Reduction, Economic Empowerment and Livelihoods Development; Gender and Education; Gender and Health, Adolescent Sexual and Reproductive Health and HIV/AIDS; Gender and Human Rights; Gender and Governance; Gender and the Environment and Women's Empowerment. The Government promotes gender equality and the advancement of women through the establishment of the National Women's Council (NWC) as an advisory body to government on gender issues and women's empowerment. Gender inequality is high, 0.622 in 2014, with the country ranking 143/188 on the gender inequality index¹. Women are predominantly employed in the informal sector and make up only 21% of the civil service. The majority of women (70%) are engaged in low productivity rural subsistence agriculture. Women's poverty is closely linked to their high illiteracy level, lack of access to economic and productive resources, including credit and land, male dominance, and limited skills. Women have become increasingly involved in micro, small and medium-sized enterprises and in the informal sector. Generally, women lack bargaining power and negotiating skills and as such they are often exploited. The ordinary woman is coerced into accepting low prices for her commodity. The high rate of female illiteracy has resulted in women only occupying 9.4% of the skilled labour force and 61.9% of the unskilled labour category. There is an uneven gender distribution of labour in public and private sector employment. According to the National Population and Housing Census of 2013, 45% of the 482,439 economically active populations are women. Women's low level of formal education, negative societal attitudes towards their participation in public life and commercial enterprise, coupled with their limited access to productive and economic resources make self-employment opportunities for them extremely limited, poor working conditions and extremely low wages for their labour.

¹ Human Development Report 2015

1.2.10 This project will contribute significantly to poverty reduction by promoting women economic empowerment and ensuring wealth creation. The project will support six key areas namely: (i) Technical Assistance to Conduct a Mid Term Review of the National Gender and Women Empowerment Policy 2010-2020; (ii) set-up of a Women Incubator Training Center; (iii) Strengthen the Governance and Management Structure of the Gambia Women Finance Association; (iv) Technical Assistance to conduct a feasibility study for the establishment and operationalization of a National cooperative of vegetable grower/ Marketers; (v) women entrepreneurs' participation in Local and Regional Trade Fairs; (vi) entrepreneurship training program for MSMEs including women. These activities will help dealing with the main challenges facing women related to women lack of bargaining power and negotiating skills and limited access to productive and economic resources.

1.2.11 **Promoting access to public procurement by MSMEs.** Public procurement is at the early stages of development in the Gambia and there are significant issues relating to the legislative & regulatory framework, processes, structure and capacity as well as public disclosure of information. The aim of the public procurement sub-component is to strengthen the legislative and regulatory frameworks governing public procurement in line with international best practice and ensure these are effectively operationalized, staff capacity built and transparency with access to public procurement by MSME's specially women enhanced. Furthermore, the project will provide training in order to strengthen the capacity of non-state actors (contractors, suppliers, consultants, CSO, women and youth entrepreneurs') for their participation in public procurement, improve access to information on public procurement with the implementation of a public procurement information management system.

1.3. Donors coordination

1.3.1 An aid coordination unit has been established in the MoFEA and the Government has created a Joint Aid Coordination Committee which is a good step towards donor coordination. Despite the weak coordination on the part of Government, donor intervention has generally been consistent with the strategic objectives and priorities of the PAGE. There are efforts by the Bank, World Bank, the EC, and UNDP for improved alignment. During the preparation mission, discussions were held with the development partners (World Bank, UNDP, EC) to ensure that a harmonized and collaborated approach was taken. The Bank and World Bank are using the same PCU within the MoFEA for the implementation of their respective projects. The Bank will collaborate with the World Bank, EC, UNDP, and UNIDO respectively in providing support to GiEPA, GPPA, the Women's bureau, and the GCCI. 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 the IGPIISP project
Growth and Competitiveness Project	US\$ 12 million (2011-2015)	WB	Business Environment Reforms and Support for Investment Promotion and Facilitation; competitiveness program to support the horticulture sector, a quality assurance program for the groundnuts sector, MSME business growth and access to finance as well as tourism promotion and marketing, and skills development.
Establishment of EMPRETEC Model of Enterprise Support Programme	US\$ 2 million (2014-2017)	UNDP	Institutional capacity development; entrepreneurship development; establishment of start-ups and enterprises' growth; development of national entrepreneurship strategy and stakeholder dialogue for MSE development.
Gender mainstreaming	US\$155,000	UNDP	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 United Nations Commission on Status of Women (CSW) Consultancy for the formulation of one joint UN project. The support that will be provided through the IGPIISP project will complement these capacity building initiatives.
Tax reforms and Public procurement	Euro 2.25 million (2013-2016)	EC	The European Commission through the IMF provided technical assistance in areas related to the revenue administration and the introduction of a Value Added Tax (VAT) which started in January 2013. The ISEFG III will provide support to GRA in the areas of audit, implementation of ASYCUDA word, and the establishment of a disaster recovery site. 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 ongoing ISEFG III project is complementing 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. The Bank's ongoing ISEFG III project will provide support to address the following institutional capacity building matters: (i) Set up of the Gambia Institute of Chartered Accountants; (iii) Quarterly meetings of the Financial Reporting Oversight Board. The IGPIISP project will support (ii) Adoption of IFRS by Insurance and Micro finance institutions;

II – PROJECT DESCRIPTION

2.1. Project components

2.2.1 The overarching goal of the project is to promote inclusive growth by enhancing economic governance through strengthened capacities of key public and private institutions engaged in private sector development. The expected project outcomes are: (i) Enhanced business enabling environment; and (ii) Local businesses expanded. In the long run, the project will contribute in generating higher output, greater employment and increased income for the poor. The project has three (3) components: (i) Export and Investment Promotion; (ii) Entrepreneurship Development; and (iii) Project Management. The first two components are linked and mutually contributing to sustainable and inclusive growth. The table 2.1 below presents a description of the project’ activities.

Table 2.1: Project components and activities

Components	Main activities	Indicative Amount in UA
Component 1 : Export and Investment Promotion	<p><i>(i) Development of a permanent Trade Fair Center and Business Incubation Center:</i> Packaging machinery and consumables; Trade Fair Equipment; Renewable Energy Equipment; IT equipment and supplies; Local and Regional Trade Fairs (Business Community including women and youth entrepreneurs); Training of GCCI staff;</p> <p><i>(ii) Private sector promotion:</i> Investment and Export Promotion; Competitiveness Improvement Forum; Training of parliamentarians, staff of the National Assembly, trade unit staff at Ministry of Trade, CSOs on private sector development issues; GiEPA staff professional development; Public-Private Meeting/Forum/Summits (including executive, single window for business registration at the ministry of justice, national assembly, private sector, CSOs); Printing of magazines; IT equipment and supplies; Client Relationship Management (CRM) tool;</p> <p><i>(iii) Prevention of Money Laundering and Illicit Financial Flows:</i> training of Law enforcement officers, FIU, Banks, CSOs and other stakeholders institutions; Professional Training for FIU staff; workshops and other sensitization programs for the general public, private sector and reporting entities; IT equipment and supplies.</p>	1,370,200

<p>Component 2 : Entrepreneurship Development</p>	<p>(i) Improving access to finance by MSMEs: IFRS adoption by Insurance and Microfinance Institutions; updating existing studies, developing regulations and guidelines for the development of Capital Market; development of guidelines to conform with the Microfinance Act 2016; review of Insurance Legislation; Support to the Gambia Women Finance Association (credit policy, procedure manual, Board manual, training); Entrepreneurship training program for MSMEs and CSOs at the Central and Community levels including Women and Youth entrepreneurs; SDF Staff Capacity Development; GAWFA Staff Capacity Development; Workshops for regulators, operators, and others for validation of reports/guidelines/sensitization, IT equipment and supplies.</p> <p>(ii) Women economic empowerment: Mid Term Review of the National Gender and Women Empowerment Policy 2010-2020; feasibility study for the establishment and operationalization of a National cooperative of vegetable grower/ Marketers; Capacity building of Women's Bureau Staff on private sector development issues; set-up of a Women Incubator Training Center; Validation workshops and Annual General Meetings; printings; furniture; IT equipment and supplies.</p> <p>(iii) Promoting access to public procurement by MSMEs: Strengthening capacity of non-state actors (private sector, CSOs, women and youth entrepreneurs, etc) on public procurement; Integrated Public Procurement Information System; Printing of revised regulation and standard bidding documents.</p>	<p>1,763,000</p>
<p>Component 3 : Project Management</p>	<p>The IGPISP project will use the Project Coordination Unit (PCU) based in the MOFEA. The project will provide funding for: (i) top ups for the PCU staff; (ii) minimal operational costs; (iii) 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; and (iv) Capacity building for MoFEA. However, the government will be supporting the majority of the operating and salary costs of the PCU through its counterpart funding.</p>	<p>708,700</p>
<p>Project Base cost</p>		<p>3.841.900</p>
<p>Unallocated</p>		<p>230.500</p>
<p>Project total cost</p>		<p>4.072.400</p>

2.2. Technical solution retained and other alternatives explored

2.2.2 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 debt management to limit the crowding out effect of government domestic borrowing on private sector financing	Increasing debt management performance by developing operational risk management system and internal audit mechanism; improving the quality of the debt management strategy; improving the borrowing and related financing activities including the domestic debt market development; facilitating debt records and reporting; and capacity building for DLDM staff;	The World Bank has committed funds to support debt management under its IFMIS additional financing project

2.3. Project type

2.3.1 IGPISP is an institutional support project. It is designed to strengthen the capacities of key private and public institutions engaged in private sector development promotion. It will help addressing the key medium-term constraints and challenges related to the lack of diversification of the economy. 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.

2.4. Project cost and financing arrangements

2.4.1 The estimated total project cost is UA 4,072.4 million, of which UA 2,572.9 million in foreign currency (63 percent) and UA 1,499.5 million in local currency (37 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: Export and Investment Promotion	954.5	415.7	1,370.2	69.7%
Component 2: Entrepreneurship Development	1,313.8	449.2	1,763.0	74.5%
Component 3: Project Management	159.0	549.7	708.7	22.4%
Total base project costs	2,427.3	1,414.6	3,841.9	63.2%
<i>Contingencies (6%)</i>	145.6	84.9	230.5	63.2%
Total project costs	2,572.9	1,499.5	4,072.4	63.2%

Note: Exchange rates are provided in the introduction of this report (page (i)). [August 2016: 1UA=1.3934 USD]

2.4.2 The ADF contribution will amount to UA 2,085.0 million (51.2 percent of project cost) in terms of grant and UA 1,580 million (38.8 percent of project cost) in terms of loan. The Government's contribution will stand at UA 0.407 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	1,071.9	1,013.1	2,085.0	51.2%
ADF loan	1,501.0	79.0	1,580.0	38.8%
Counterpart funding	-	407.4	407.4	10.0%
Total cost	2,572.9	1,499.5	4,072.4	100.0%

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	666.9	378.8	1,045.7	63.8%
B. Services	1705.9	409.6	2,115.5	80.6%
C. Operating Cost	54.5	626.2	680.7	8.0%
Total base project costs	2,427.3	1,414.6	3,841.9	63.2%
<i>D. Contingencies (6%)</i>	145.6	84.9	230.5	63.2%
Total project costs	2,572.9	1,499.5	4,072.4	63.2%

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	539.4	372.1	911.5	44.9%
B. Services	417.3	310.9	728.2	86.6%
C. Operating Cost	54.5	272.8	327.3	0.0%
Total base project costs	1,011.2	955.8	1,967.0	74.5%
<i>D. Contingencies (6%)</i>	60.7	57.3	118.0	74.5%
Total project costs	1,071.9	1,013.1	2,085.0	74.5%

Table 2.67: Project cost by category of expenditure (ADF loan)

Category	Costs in Thousands UA			Percentage of Foreign Currency (%)
	Foreign Currency	Local Currency	Total	
A. Goods	127.5	6.7	134.2	44.9%
B. Services	1288.6	67.8	1,356.4	86.6%
C. Operating Cost	0.0	0.0	0.0	0.0%
Total base project costs	1,416.1	74.5	1,490.6	74.5%
<i>D. Contingencies (6%)</i>	84.9	4.5	89.4	74.5%
Total project costs	1,501.0	79.0	1,580.0	74.5%

Table 2.78: 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	31.0	31.0	0.0%
C. Operating Cost	0.0	353.3	353.3	0.0%
Total base project costs	0.0	384.3	384.3	0.0%
<i>D. Contingencies (6%)</i>	0.0	23.1	23.1	0.0%
Total project costs	0.0	407.4	407.4	0.0%

Table 2.89: Expenditure schedule by component (in Thousands UA)

Components	2017	2018	2019	Total
Component 1: Export and Investment Promotion	228.4	456.7	685.1	1,370.2
Component 2: Entrepreneurship Development	293.8	587.7	881.5	1,763.0
Component 3: Project management	118.1	236.2	354.3	708.7
Total base cost	640.3	1,280.6	1,920.9	3,841.9
<i>Contingencies (6%)</i>	38.4	76.8	115.3	230.5
Total project costs	678.7	1,357.5	2,036.2	4,072.4

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 Chamber of Commerce and Industry, the Gambia Investment and Export Promotion Agency, the Social Development Fund, the Gambia Women Finance Association, Women’s Bureau, the Central Bank, the FIU, the Ministry of Finance and Economic Affairs, and the Gambia Public Procurement Authority (GPPA). Indirect beneficiaries will include private businesses including youth and women and broader population of the Gambia through improved business environment and increased activities of domestic businesses.

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, the Gambia Chamber of Commerce and Industry representing the private sector, and the civil society organization “Tango” through the social development fund project. Discussions were also held with other development partners (World Bank, UNDP, EC) to ensure that a harmonized and collaborated approach was taken in support of the government’s PSD 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. During implementation, the proposed project approach provides many opportunities to participation of main stakeholders in project’ activities. It is envisaged the participation of the civil society and the private sector in the Project Steering Committee. 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 Technical Assistance to Conduct a Mid Term Review of the National Gender and Women Empowerment Policy 2010-2020 which will be shared with the public. Entrepreneurship training program for MSMEs and CSOs at the Central and Community levels including Women and Youth entrepreneurs will be organized under GiEPA leadership in collaboration with GCCI, Women’s Bureau and Social Development Fund Project. The GCCI will lead the implementation of the activity related to the participation of businesses in local and regional trade fairs in collaboration with the above mentioned institutions.

2.7. Bank Group experience, lessons reflected in project design

2.7.1 As at August 31, 2016, the Bank Group’s ongoing portfolio in The Gambia consisted of four (4) national public sector operations as indicated in Appendix 2. The total commitment value is UA 31.37 million out of which UA 8.78 million (28%) was disbursed. The first private sector operation financed by the Bank’s Group in The Gambia named the Horizons Clinic Gambia Project valued at UA 5.87 million (USD 8.18 million), was approved in April 16, 2014. In addition to the national operations described above, the Bank’ Group’s portfolio in The Gambia includes 4 multinational operations totalling UA 79.80 million, including the Trans-

Gambia Bridge project valued at UA 63.55 million. The disbursement rate set at 24.6% as of 31 August 016. The portfolio is distributed across three (3) sectors, notably rural, water and sanitation and governance. Rural sector represents the largest share in terms of the ongoing portfolio with two (2) projects representing (80%), followed by the water and sanitation (14%) and governance (6%). The regional operations are dominated by infrastructure sector with (86%), followed by rural sector (14%).

2.7.2 Overall, the performance of the portfolio in The Gambia is satisfactory. The portfolio is relatively young and the average age of the national operations is two (2) years in 2016. This decrease is a result of the corrective and proactive measures taken towards a healthier portfolio in the aftermath of the last portfolio review and implementation of the Country portfolio improvement plan (CPIP). The Gambia portfolio does not have any ageing projects and any operation classified as Problem Project (PP) or Potentially Problematic Project (PPP). 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.

2.7.3 Since 2007, the Bank has approved three institutional support projects in the area of governance (ISEFG I & II & III). These projects were designed in an effort to strengthen the institutional weaknesses in public financial management. The conditions precedent to first disbursement for the previously approved grants have been satisfied. The proposed IGPISP project will concentrate on strengthening capacities in the area of private sector development. According to the Project Completion Report prepared in December 2010 of ISEFG I, the objective to enhance the operational efficiency of the key institutions involved in economic management and financial governance was met. In the same vain, implementation of ISEFG II has been satisfactory. The Bank disbursed the total amount (100 percent disbursement rate) of the grant. All activities have been implemented and the project closed in December 2015. Main achievements under ISEFG I & II and planned activities under ISEFG III that have direct impact on private sector development are the following: (i) Support to taxation reforms by introducing the Value Added Tax (VAT); implementing the Automated System for Customs Data (ASYCUDA++) and upgrading to ASYCUDA World ; establishing a tax audit section; (ii) Support for the development of accounting and auditing profession by operationalizing the Gambia Institute of Chartered Accountants (GICA) and the Financial Reporting Oversight Board; (iii) Support to public procurement for the preparation of guidelines for Complaint Review Board (CRB) and technical support to induct the members; capacity building to professionalize the public procurement function; capacity building for non-state actors (private sector, CSOs, etc.) to demand transparency and integrity in public procurement; development of a public procurement information management system and GPPA web portal..

2.7.4 The design of the proposed project has benefitted from various analytical documents², the project completion reports and supervision missions reports of previous projects, Bank group operations in the area of private sector development in Africa, and ongoing capacity support projects by other development partners mainly UNDP and World Bank. There is no need of conducting additional analytical studies or collecting additional information. The lessons learned are as follows:

² Private Sector Development Strategy, Republic of The Gambia 2015-2019; Five-Year Strategic and Business Plan for the Gambia Investment and Export Promotion Agency (GIEPA) 2014-2018; The Gambia National Policy for Micro, Small and Medium Enterprises (MSMEs) 2014-2018; Central Bank of The Gambia Strategic Plan 2014-2018; 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

Lessons learned	Actions taken to integrate lessons into the project
(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 Private sector development reform strategy. The proposed IGPISP 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 will be supervised by a Project Steering Committee.
(ii) The project should focus on specific areas of activities supported 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 PSD 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 PSD to avoid duplication and to ensure efforts by the various partners would add value to the implementation of the reform strategy.
(v) In countries, where staff constraint is an issue, the provision of a Steering Committee should be carefully considered.	A project steering committee (PSC) chaired by the Permanent Secretary of MoFEA will be established. The PSC will provide strategic policy guidance and oversight; review progress of the project activities against set benchmarks; review and approve project annual work plans and budgets prepared by the PCU; take measures to resolve any implementation bottlenecks that may arise during project life, among others.

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 business enabling environment; and (ii) Local businesses expanded. In the long run, the project will contribute in generating higher output, greater employment and increased income for the poor. It is expected a strong and inclusive economic growth that contributes to job creation for vulnerable groups including youth and women.

Box 1 Key Performance Indicators

<p>Outputs Indicators</p> <p>Component 1: Export and Investment Promotion</p> <ul style="list-style-type: none"> - Permanent Trade Fair Center and Business Incubation Center established by end 2018; - Number of SMEs who participated in Local and Regional Trade Fairs reached 500 SMEs (including 40% women and 20% youth entrepreneurs) by end 2019; - At least three (3) public/private sector consultation workshops held between 2017 and 2019; - Number of suspicious transaction reports (STRs) submitted to the FIU by reporting entities increased from twenty six (26) STRs in 2016 to sixty (60) STRs from 2017 to 2018. <p>Component 2: Entrepreneurship Development</p> <ul style="list-style-type: none"> - Number of SMEs trained on entrepreneurship reached 900 SMEs (including 40% women and 20% youth entrepreneurs) by end 2018; - Guidelines to conform with the Microfinance Act 2016 developed by end 2018; - Study on the Establishment of a National Cooperative of vegetable grower/marketers completed by end 2018; - Women Incubator Training Center fully functional by end 2019;

- Number of non-state actors trained on public procurement reached 200 registered suppliers (of which 20% women) and 30 civil society organizations.

Component 3: Project management

- Number of quarterly project reports produced reached Twelve (12) by end 2019;
- Number of meetings of the project steering committee reached Six (6) by end 2019.

Outcomes indicators

- Percentage change in the number of new investments reached 50% (40% growth of women businesses and 20% youth businesses) between 2016 and 2019;
- Number of financial crimes prosecuted increased from four (4) cases in 2016 to eight (8) cases in 2019;
- Percentage change in the credit to the private sector increase from 3.2% in 2015 to 4% in 2019;
- Number of registered suppliers (including women and youth entrepreneurs, etc) trained who have access to public procurement reached 100 registered suppliers (of which 20% women) by end 2019.

Impact Indicators

- Real GDP growth rises from 2.5 percent in 2015 to 5.0 percent in 2020;
- Poverty rate decreased from 48.4% in 2013 to 45% in 2020.

2.8.2 The achievement of results on these indicators will be verified using the data that will be collected by the PCU. The PCU will produce quarterly progress reports. Reports on the status of project implementation will also be issued during Bank supervision missions. IGPISP'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 IGPISP 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 domestic businesses growth and increased income for the poor. It will contribute to strong economic growth and job creation.

3.2. Environmental and Social impacts

Environment

3.2.1 Given that the project is an institutional support project, providing capacity building to public and private 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 The project will incorporate gender issues through women entrepreneurs' participation in Local and Regional Trade Fairs, support to the Gambia Women Finance Association, entrepreneurship training program for MSMEs and CSOs at the Central and Community levels. Support will also be provided to the Women's Bureau for Women Economic Empowerment (Mid Term Review of the National Gender and Women Empowerment Policy 2010-2020, feasibility study for the establishment and operationalization of a National cooperative of vegetable grower/ Marketers, and set-up of a Women Incubator Training Center). In addition,

the project will provide support to the Gambia Public Procurement Authority for the improvement of access to public procurement by local entrepreneurs including women. At the end of the project, at the output level, it is expected that the number of SMEs trained on entrepreneurship reached 900 SMEs (including 40% women), the number of non-state actors trained on public procurement reached 200 registered suppliers (of which 20% women), and the number of SMEs who participated in Local and Regional Trade Fairs reached 500 SMEs (including 40% women). At the outcome level, it is expected that the Percentage change in the number of new investments reached 50% (40% growth of women businesses), the number of registered suppliers trained who have access to public procurement reached 100 registered suppliers (of which 20% women). At the impact level, it is expected an increase of women and youth employment contributing to poverty reduction.

Social

3.2.4 The project will contribute in generating increased local businesses activities, greater employment and increased income for the poor. Development of the MSMEs is key for promoting inclusive growth and improving the living conditions of the most vulnerable groups.

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 Annex B3 of Technical Annexes. The Ministry of Finance and Economic Affairs (MoFEA) will be the executing agency and shall be directly responsible of project implementation. MoFEA has acceptable fiduciary safeguards and FM system which have been used to implement the Bank funded ISEFG I & II and ongoing ISEFG III. The Executing Agency is therefore familiar with the Bank's procurement, FM and disbursement requirements. To facilitate effective implementation and coordination, MoFEA has established a Project Coordination Unit (PCU) at the Ministry to oversee implementation of the Bank and World Bank funded projects. The PCU co-ordinates and manages the implementation of all project activities including those pertaining to; procurement, disbursement, financial management and project monitoring & evaluation and is directly accountable to the Permanent Secretary of MOFEA and a steering committee under the successive Institutional Support Projects financed by the Bank. To cope with the workload of all projects, the assessment recommends the recruitment of one additional procurement expert and one additional monitoring and evaluation expert. A new project steering committee (PSC) will be created including the project' beneficiaries which are mainly dealing with private sector development issues. These beneficiaries are different to the members of the existing PSC under the ongoing Project ISEFG III dealing with public financial management issues. The new PSC under the proposed project will be chaired by the Permanent Secretary of MoFEA. The PSC will provide strategic policy guidance and oversight; review progress of the project activities against set benchmarks; review and approve project annual work plans and budgets prepared by the PCU; take measures to resolve any implementation bottlenecks that may arise during project life, among others.

Financial management Arrangements

4.1.2 As the implementing agency, the Ministry of Finance and Economic Affairs (MOFEA) will be in charge of the financial management of the Inclusive Growth Promotion Institutional Support Project (IGPISP). Within the MOFEA, day to day project management will be vested

in the existing Project Coordination Unit (PCU). The PCU has successfully provided financial management for several previous and ongoing Development Partner projects including the Bank funded ISEFG I, ISEFG II and the World Bank funded IFMIS Project Phases I & II, the ongoing ISEFG III (Bank) and IFMIS Additional Financing (World Bank). The PCU is therefore familiar with AfDB policies and procedures. In addition to a Coordinator, the PCU is manned by a qualified and experienced Financial Management Specialist (FMS) and a Project Accountant (PA), with additional support from 2 Assistant Accountants and the oversight of the Accountant General of The Gambia, in the discharge of project financial management responsibilities. The assessment concluded that the PCU's manpower compliment covering financial management is adequate to successfully discharge the financial reporting and control requirements of the project.

4.1.3 The MOFEA, and within it the PCU, use the government financial management information system (IFMIS) for recording, processing and financial reporting. Financial Reporting in the Gambia, including project financial reporting, is conducted in accordance with International Public Sector Accounting Standards (IPSAS) cash basis of accounting. This is acceptable to the Bank. The FM assessment recommends minor improvements to the existing Project Implementation Manual (PIM), as well as the existing Accounting Policies and Administrative Procedures portion of the PIM to incorporate activities of the new project. The manuals help guide and standardize FM practices within the project. MOFEA, through the PCU, will be required to prepare and submit to the Bank interim quarterly financial reports no later than 30 days after the end of each quarter. The government Internal Audit Directorate (IAD) at MOFEA will provide internal audit services to the proposed project operations to enhance internal controls.

Disbursement Arrangements

4.1.4 The project will primarily use two disbursement methods for transferring funds from the Bank to the project: (i) Direct Payment (DP) and (ii) Special Account (SA) methods. The Direct Payment method will be used for making payments against larger project contracts, while the SA method will be used for meeting recurrent expenses and small contracts. The Loan resources which shall cover major consultancies and other high value contracts will be disbursed entirely through Direct Payment. The Grant will be disbursed through both DP and SA. In that regard, a segregated USD denominated special account will be opened for the project at the Central Bank of The Gambia, to receive grant resources from the Bank. A separate local currency account will also be opened at the CBG to receive project counterpart funding contributions from the Government of The Gambia. Both accounts will be managed by the MOFEA through the PCU. The reimbursement and special commitment methods of disbursement would also be available to the project if required. All disbursements shall be in accordance with the procedures outlined in the Bank's *Disbursement Handbook*.

Audit Arrangements

4.1.5 The Auditor General (AG) of the Gambia is the statutory auditor of all government financing, including project resources. Due to capacity constraints, the AG normally outsources the audit of donor financed projects to private audit firms. For the proposed project, external audit will follow a procedure agreed with the AG of The Gambia: the AG will provide the MOFEA with a list of private independent audit firms that have been agreed with the Bank for selection as project auditor. The audit will be conducted in accordance with terms of reference (TORs) that are agreed with the Bank, and the audited financial statements, together with the accompanying management letter, will be submitted to the Bank within six (6) months of the end of each period audited.

4.1.6 The assessment concluded that the MOFEA has adequate FM arrangements, and the capacity to manage, the proposed project. The overall FM risk is assessed as moderate.

Procurement Arrangements

4.1.7 “Procurement of goods (including non-consultancy services), works and the acquisition of consulting services, financed by the Bank for the project, will be carried out in accordance with the “Procurement Policy and Methodology for Bank Group Funded Operations” (BPM), dated October 2015 and following the provisions stated in the Financing Agreement. Specifically, Procurement would be carried out following:

4.1.8 **Bank Procurement Policy and Methodology (BPM):** Bank standard Procurement Methods Procedures (PMP), using the relevant Bank Standard Solicitation Documents (SDDs), will be used for Open Competitive Bidding (OCB) at national and International level, Limited Competitive Bidding (LCB), Direct Contracting (DC) comprising contracts for goods and works and Acquisition of Consulting Services as indicated in the Technical Annex B5, Para. B.5.3.2.

4.1.9 **Procurement Risks and Capacity Assessment (PRCA):** the assessment of procurement risks at the Country, Sector, and Project levels and of procurement capacity at the Executing Agency (EA), were undertaken³ for the project and the output have informed the decisions on the procurement regimes (Banks PMP) being used for specific transactions or groups of similar transactions under the project. The appropriate risks mitigation measures have been included in the procurement PRCA action plan proposed in Technical Annex B5, Para. 5.3.8.

4.2. Monitoring and evaluation

4.2.1 Project implementation is scheduled to span 3 years, from January 2017 to December 2019. The Bank will undertake supervision missions twice annually. A monitoring and evaluation expert will be recruited. He will be responsible for overseeing the Monitoring and Evaluation system to ensure that accurate and timely data is available for the project especially with regards to the quality, efficiency, effectiveness and outcomes of the activities implemented under the project. The government 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:

³ See Technical Annexes for details

Table 4.1: Monitoring Milestones and Feedback Loop

Milestones	Responsibility	Date /Period
Financing approval	AfDB	December 2016
Grant signature	AfDB/GVT	December 2016
Grant effectiveness	AfDB/GVT	December 2016
Bid preparation/invitation	PCU/AfDB	January 2017
Contract award/signature	PCU	April 2017
Start of consultancy services	PCU	May 2017
Mid-term review	AfDB/PCU	June 2018
Project's physical completion	PCU	December 2019
Completion mission	AfDB/ PCU	December 2019

4.3. Governance

4.3.1 The Government continues to make good progress in key aspects of governance. According to Transparency International, there has been notable improvement in the fight against corruption and lack of transparency between 2008 and 2015 when the country's ranking improved from 158 to 123. Nevertheless, the 2015 Mo Ibrahim Index of African Governance ranks The Gambia in the middle at 27 out of 54 countries. The Country Policy and Institutional Assessment (CPIA) conducted by the Bank, indicated a deterioration of the country's situation, with a total score that dropped from 3.43 in 2012 to 3.19 in 2015. The "governance" score also fell from 2.90 in 2012 to 2.89 in 2015, due to the "quality of public administration" and "transparency/accountability" criteria, which have not improved significantly. The project will significantly contribute to improve the quality of public administration, particularly through human resource development and technical assistance to public and private institutions involved in promotion of private sector development. The project will lead to reduced corruption by supporting initiatives for the prevention of Money Laundering and Illicit Financial Flows. The financial management risk analysis and Project Procurement Risk Rating (technical annexes B4 and B5) identified key fiduciary risks related to project implementation and mitigation measures.

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 fulfil their mandates in private sector development promotion; (ii) Promotion of public-private dialogue on private sector development issues; (iii) Development of tailor made manuals, working practices and tools for continued use (Client Relationship Management (CRM) tool for GiEPA; Support to the Gambia Women Finance Association for the elaboration of credit policy, procedure manual, Board manual; Procurement information system); and (iv) Establishment of a permanent Trade Fair Center and Business Incubation Center which will generate its own operating resources necessary for financial sustainability. In addition, the project will help create conditions for domestic businesses growth and increased income for the poor.

4.5. Risk management

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

Risks	Level	Mitigation measures
Risk 1: The global economic slowdown is expected to impact negatively the country's economic growth.	Mode rate	Mitigation 1: 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.
Risk 2: Due to capacity constraints and the lack of policy predictability, the Government fails to demonstrate progress on Private sector development reforms	Mode rate	Mitigation 2: The capacity building support through the project will help the government to continue its commitment to sustained private sector development reforms which will help diversifying the economy. Development partners have confirmed support to private sector reforms and have also built in complementary capacity building and technical assistance projects.
Risk 3: The risk of slow implementation of the proposed project	Low	Mitigation 3: 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 the ISEFG I & II and the government is centralizing the implementation of all institutional support projects through this PCU.

4.6. Knowledge building

4.6.1 IGPISP project is supporting the implementation of key activities in the areas of export promotion, business climate improvement, and entrepreneurship development. Knowledge will be acquired through skills transfer from technical assistance, as well as through formal and informal training on the job and internationally. A broad based entrepreneurship training programme will be developed.

V – LEGAL INSTRUMENTS AND AUTHORITY

5.1. Legal instrument

5.1.1 The funding instruments are a grant of UA 2.085 million and a loan of UA 1.580 million to The Gambia. The legal documentation to be used under the project are: (i) a Protocol Agreement between the Government of the Gambia and the Fund; and (ii) a Loan Agreement between the Government of the Gambia and the African Development Fund; and.

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.

5.2.2 Effectiveness of the Loan Agreement shall be subject to fulfilment of the conditions provided for in Section 12.01 of the Bank's General Conditions for Loan Agreements and Guarantee Agreements. The first disbursement of loan resources will be contingent on the effectiveness of the Loan Agreement.

5.3. Compliance with Bank Policies

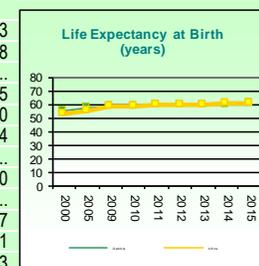
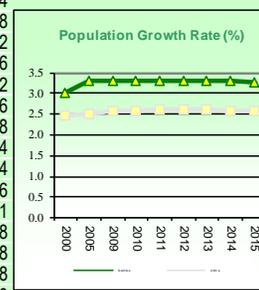
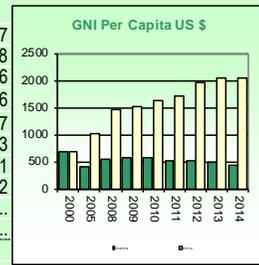
5.3.1 This project complies with all applicable Bank policies.

VI – RECOMMENDATION

Management recommends that the Board of Directors approve the proposed grant of UA 2.085 million and loan of UA 1.580 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

	Year	Gambia	Africa	Developing Countries	Developed Countries
Basic Indicators					
Area ('000 Km ²)	2016	11	30,067	94,638	36,907
Total Population (millions)	2016	2.1	1,214.4	3,010.9	1,407.8
Urban Population (% of Total)	2016	59.6	40.1	41.6	80.6
Population Density (per Km ²)	2016	203.1	41.3	67.7	25.6
GNI per Capita (US \$)	2014	440	2 045	4 226	38 317
Labor Force Participation *- Total (%)	2016	77.3	65.6	63.9	60.3
Labor Force Participation ** - Female (%)	2016	72.2	55.6	49.9	52.1
Gender-Related Development Index Value	2007-2013	0.452	0.801	0.506	0.792
Human Develop. Index (Rank among 187 countries)	2014	175
Popul. Living Below \$ 1.90 a Day (% of Population)	2008-2013	45.3	42.7	14.9	...
Demographic Indicators					
Population Growth Rate - Total (%)	2016	3.2	2.5	1.9	0.4
Population Growth Rate - Urban (%)	2016	4.2	3.6	2.9	0.8
Population < 15 years (%)	2016	46.2	40.9	28.0	17.2
Population >= 65 years (%)	2016	2.3	3.5	6.6	16.6
Dependency Ratio (%)	2016	94.0	79.9	52.9	51.2
Sex Ratio (per 100 female)	2016	98.0	100.2	103.0	97.6
Female Population 15-49 years (% of total population)	2016	23.5	24.0	25.7	22.8
Life Expectancy at Birth - Total (years)	2016	60.7	61.5	66.2	79.4
Life Expectancy at Birth - Female (years)	2016	62.1	63.0	68.0	82.4
Crude Birth Rate (per 1,000)	2016	41.2	34.4	27.0	11.6
Crude Death Rate (per 1,000)	2016	8.4	9.1	7.9	9.1
Infant Mortality Rate (per 1,000)	2015	47.9	52.2	35.2	5.8
Child Mortality Rate (per 1,000)	2015	68.9	75.5	47.3	6.8
Total Fertility Rate (per woman)	2016	5.6	4.5	3.5	1.8
Maternal Mortality Rate (per 100,000)	2015	706.0	495.0	238.0	10.0
Women Using Contraception (%)	2016	11.5	31.0
Health & Nutrition Indicators					
Physicians (per 100,000 people)	2004-2013	10.7	47.9	123.8	292.3
Nurses and midwives (per 100,000 people)	2004-2013	86.5	135.4	220.0	859.8
Births attended by Trained Health Personnel (%)	2010-2015	64.0	53.2	68.5	...
Access to Safe Water (% of Population)	2015	90.2	71.6	89.3	99.5
Healthy life expectancy at birth (years)	2013	53.8	54.0	57	68.0
Access to Sanitation (% of Population)	2015	58.9	39.4	61.2	99.4
Percent. of Adults (aged 15-49) Living with HIV/AIDS	2014	1.8	3.8
Incidence of Tuberculosis (per 100,000)	2014	174.0	245.9	160.0	21.0
Child Immunization Against Tuberculosis (%)	2014	96.0	84.1	90.0	...
Child Immunization Against Measles (%)	2014	96.0	76.0	83.5	93.7
Underweight Children (% of children under 5 years)	2010-2014	16.4	18.1	16.2	1.1
Daily Calorie Supply per Capita	2011	2 849	2 621	2 335	3 503
Public Expenditure on Health (as % of GDP)	2013	5.0	2.6	3.0	7.7
Education Indicators					
Gross Enrolment Ratio (%)					
Primary School - Total	2010-2015	85.8	100.5	104.7	102.4
Primary School - Female	2010-2015	88.0	97.1	102.9	102.2
Secondary School - Total	2010-2015	57.5	50.9	57.8	105.3
Secondary School - Female	2010-2015	56.0	48.5	55.7	105.3
Primary School Female Teaching Staff (% of Total)	2010-2015	30.5	47.6	50.6	82.2
Adult literacy Rate - Total (%)	2010-2015	55.6	66.8	70.5	98.6
Adult literacy Rate - Male (%)	2010-2015	63.9	74.3	77.3	98.9
Adult literacy Rate - Female (%)	2010-2015	47.6	59.4	64.0	98.4
Percentage of GDP Spent on Education	2010-2014	2.8	5.0	4.2	4.8
Environmental Indicators					
Land Use (Arable Land as % of Total Land Area)	2013	43.5	8.6	11.9	9.4
Agricultural Land (as % of land area)	2013	59.8	43.2	43.4	30.0
Forest (As % of Land Area)	2013	47.9	23.3	28.0	34.5
Per Capita CO2 Emissions (metric tons)	2012	0.3	1.1	3.0	11.6



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

last update : August 2016

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

Note : n.a. : Not Applicable ; ... : Data Not Available. * Labor force participation rate, total (% of total population ages 15+)

** Labor force participation rate, female (% of female population ages 15+)

Appendix II: Table of ADB's portfolio in the country as at 31 August 2016

Sector / Operation	Approval date	Amount approved (UA million)	Amount disbursed (UA million)	Disburs Ratio (%)	Closing date
RURAL DEVELOPMENT					
1 Food & agriculture sector devpt project (GAFSP)	15-May-13	19,06	5,98	31.4	30-June-19
2 Agriculture value chains devpt project (AVCDP)	31-Mar-16	6,00	0,00	0	31-Dec-19
Subtotal		25,06	5,98	23.9	
WATER & SANITATION					
3 Rural water supply and sanitation	13-Feb.-12	1,11	0,87	78.8	31-Dec-16
	13-Feb.-12	3,20	1,62	50.7	31-Dec-16
Subtotal		4,31	2,49	57.8	
GOVERNANCE					
4 Institutional Support for Economic and Financial Governance Phase III (ISEFG III)	23-Sept.-15	2,00	0,31	15.6	31-Dec-18
Subtotal		2,00	0,31	15.6	
TOTAL		31,37	8,78	28.0	

* Source: SAP August 2016

Bank Group private sector ongoing operations in Gambia as at 31 August 2016

Sector / Operation	Approval date	Approved amount (UA million)	Disbursed amount (UA million)	Disburs. ratio (%)	Closing date
1 Horizons Clinic Project	16-Apr-2014	5,87	-	-	01-May-2025
TOTAL		5,87			

* Source: SAP August 2016

Bank Group regional ongoing operations in Gambia as at 31 August 2016

Sector / Operation	Approval date	Approved amount (UA million)	Disbursed amount (UA million)	Disburs. ratio (%)	Closing date
RURAL DEVELOPMENT					
1 Programme building resilience against food and nutritional insecurity in the Sahel (P2RS)	15-Oct-2014	11,50	0,63	5.5	30-June-2020
Subtotal		11,50	0,63	5.5	
INFRASTRUCTURES					
2 Trans-Gambia River crossing Project	16-Dec.-2011	63,55	18,87	29.7	30-June-2017
3 Trans-Gambia corridor Phase II Preparatory studies project	19-Oct.-2014	1,00	0,09	9.1	31-Dec.-2016
4 OMVG Energy project (loan)	30-Sept-2015	3,00	0	0	31-Dec.-2020
(grant)	30-Sept-2015	0,75	0	0	31-Dec.-2020
Subtotal		68,30	18,96	27.8	
TOTAL		79,80	19,59	24.6	

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

Areas of intervention	Amount/Period	Development Partner	Instrument	Status
Taxation and customs reforms; accounting and auditing; public procurement	UA 2 million (2016-2018)	AfDB	Institutional Support Project (ISEFG III)	Ongoing
Tax reforms and Public procurement	Euro 2.25 million (2013-2016)	EC	Technical Assistance	Ongoing
Growth and Competitiveness Project: Business Environment Reforms; Support for Investment Promotion and Facilitation; competitiveness to support the horticulture sector, groundnuts sector, MSME business growth and access to finance; tourism promotion and marketing, and skills development.	US\$ 12 million (2011-2015)	WB	Institutional Support Project	Closed
The Gambia Report on the observance of standards and codes (ROSC), accounting and auditing	April 2010	IMF/WB	Technical Assistance	Completed
Establishment of EMPRETEC Model of Enterprise Support Programme: Institutional capacity development; entrepreneurship development	US\$ 2 million (2014-2017)	UNDP	Technical Assistance	Ongoing
Gender mainstreaming: gender data base; Strengthening capacity of governance institutions to formulate and implement gender responsive policies Strengthening of women participation in decision making process.	US\$155,000	UNDP	Technical Assistance	Ongoing

Appendix IV: Map of the Project Area

