

AFRICAN DEVELOPMENT BANK GROUP



THE GAMBIA

PROJET - RURAL WATER SUPPLY AND SANITATION PROJECT (RWSSP)

RDGW DEPARTMENT

March 2017

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GRANT INFORMATION

Client's information

BORROWER: Government of the Republic of THE GAMBIA
EXECUTING AGENCY Ministry of Environment Climate Change and Water Resources
(MoECCWR)

Financing plan

| Source | Amount (EUR) | Instrument |
|-------------------|----------------|--------------|
| RWSSI-TF | 500,000 | Grant |
| TOTAL COST | 500,000 | Grant |

ADB's key financing information

| | |
|-----------------------|--------------------------|
| Supplementary Grant | UA 402,576 (EUR 500,000) |
| Interest type* | N/A |
| Interest rate spread* | N/A |
| Commitment fee* | N/A |
| Other fees* | N/A |
| Tenor | N/A |
| Grace period | N/A |
| EIRR (base case) | 21.48% |

Timeframe - Main Milestones (expected)

| | |
|---|---------------------------------|
| Approval of Supplementary Financing by RWSSI-TF | 1 st September 2016 |
| Approval of Supplementary Financing by AfDB Board | 10 th September 2016 |
| Effectiveness | 10 th September 2016 |
| Last Disbursement | 31 st December 2017 |

Currency Equivalents

EUR june 2016

1UA = 1.242 EUR

FISCAL YEAR:

1 Jan – 31 Dec

Acronyms and Abbreviations

| | |
|--------|---|
| ADF | African Development Fund |
| AfDB | African Development Bank Group |
| AWF | African Water Facility |
| CLTS | Community Led Total Sanitation |
| CSP | Country Strategy Paper |
| CSI | Core Sector Indicators |
| DCD | Department of Community Development |
| DWR | Department of Water Resources |
| EA | Executive Agency |
| EIRR | Economic Internal Rate of Return |
| GoTG | Government of The Gambia |
| JAS | Joint Assistance Strategy |
| JSR | Joint Sector Review |
| MICS | Multi indicator Cluster |
| NAWEC | National Water and Electricity Company |
| NPV | Net Present Value |
| OWAS | Operations, Water and Sanitation Department |
| PAGE | Program for Accelerated Growth and Employment |
| PMU | Project Management Unit |
| PRSP | Poverty Reduction Strategy Paper |
| RWSSP | Rural Water Supply and Sanitation Project |
| UA | Unit of Account |
| US\$ | United States Dollars |
| VDC | Village Development Committee |
| VIP | Ventilated Improvement Pit Latrine |
| WATSAN | Water and Sanitation |
| WRIS | Water Resource Information System |

RESULT MATRIX

| Country and Project name : THE GAMBIA Rural Water Supply and Sanitation Project (RWSSP) | | | | | | |
|---|---|--|-------------------------|---|--|--|
| Project Purpose: To increase access to safe drinking water and improved sanitation and hygiene practices in the rural areas of The Gambia | | | | | | |
| RESULTS CHAIN | | PERFORMANCE INDICATORS | | | MEANS OF VERIFICATION | RISKS/MITIGATION MEASURES |
| | | Indicator(including CSI) | Baseline | Target | | |
| IMPACT | Impact: effective and sustainable management of water resources and improved climate risk management to support socio-economic development and environmental sustainability in The Gambia. | Percentage of people with access to improved water supply (%) | 70%(2009) 40% (2009) | 100%(2022) 90%(2022) | Multi indicator Cluster (MICS) Report | Risk: Failure to implement WSS reforms Mitigation: Continuous dialogue between government and donors to encourage reforms |
| | | Percentage of people with access to improved sanitation (%) | | | | |
| OUTCOMES | Outcome 1: Increase in number of people with access to water supply and sanitation | Access to safe drinking water supply (CSI); Access to improved sanitation (% pop.) (CSI) | 70%(2009) 40% (2009) | 72% (2017) 44% (2017) | Water Resource Information System (WRIS) | Risk 1 : Water and sanitation sector remains uncoordinated and fragmented Mitigation 1: Technical support to re-activation of Water and Sanitation Working Group and introduce Joint Sector Reviews Risk 2: Failure of current O& M systems due to lack of strategy/plan Mitigation 2 : Technical support to development of O & M strategy/plan |
| | Outcome 2: Increased number of people practicing improved Hygiene behaviors. | % reduction in diarrheal diseases | 20% (2006) | | MIC Report | |
| OUTPUTS | Component 1: Water Supply and Sanitation Infrastructure Output 1.1: New water points Output 1.2: water points upgraded/rehabilitated Output 1.3: institutional and household latrines | 1.1: No. new water points installed 1.2: No. water points upgraded/rehabilitated 1.3: additional people provided with improved latrines | 0 0 0 | 1.1 :18 New multi-village water systems (2015) 1.2 : 4 systems rehabilitated and upgraded to solar; (2016) 1.3 : 20,000 (2017) | 1. WRIS 2. Annual and quarterly Project Progress Reports | |
| | Component 2: Institutional Strengthening, and Capacity Building/Training Output 2.1: Revived WSS working Group Output 2.2; Joint Sector Reviews Output 2.3: Harmonized national O&M start./fin.plan Output 2.4: VDCs and VWCs formed | 2.1 Effective working Group in place 2.2: Joint Sector Review mechanisms established 2.3 O & M strategy/ fin. plan in place 2.4: No. of new VWC formed and trained (% female) CSI | 0 0 0 0 | 2.1: First WSWG meeting by Dec.2012. 2.2 First JSR in 2013 2.3: National O&M plan in place (2015) 2.4 60 (2015/16) (50% fem) | Quarterly and Annual Progress Reports JSR Report Annual audits | |
| | Component 3: Hygiene Promotion & Education Output 3.1 Training workshops on hygiene Output 3.2 latrines and hand washing facilities Output 3.3 Produce IEC for Hygiene and sanitation Output 3.4 Promote CLTS | 3.1 No. of people trained (% female) 3.2 No of demonstration facilities installed 3.3 IEC materials reviewed and selected. 3.4 No. communities with CLTS 3.5. sanitation baseline survey updated | 0 0 0 0 | 3.1 : 2,000 (50% female) (2012-13) 3.2 :22 (2016) 3.3 : IEC Matls re-produced (2015/2016) 3.4 : 30 (2015) 3.5 : 1 (2015) | SH-IMS Quarterly and Annual Progress Reports | |

| | | | | | | |
|-----------------------|--|---|-------------|---|--|---|
| | Output 3.5 Update Sanitation baseline survey | | | | | |
| | Component 4: Project Management Output 4.1: Detailed multi-annual Work Plans Output 4.2 Annual financial and technical audits Output 4.3: quarterly progress reports | 4.1 work & proc plan 4.2 No. of timely annual audits 4.3 No. of progress reports/yr | 0 0 0 | 4.1 : 4 (2015) 4.2 : 4 (2015) 4.3 : 16 (2015) | Annual Technical and Financial Audits Project Progress Reports | Risk :Weak institutional capacity within EA to implement the Project Mitigation :Use of PMU in implementation Risk : Proc. and Mismanagement of project resources Mitigation : Training in Bank rules, adherence to procurement plan |
| KEY ACTIVITIES | COMPONENTS | | | | INPUTS (MILLION UA) | |
| | | | | | ORIGINAL | REVISED |
| | Component 1 : Rural Water Supply and Sanitation Infrastructure Component 2 : Support to Institutional Strengthening and reform, and Capacity Building/Training Component 3 : Hygiene Promotion and Education Component 4 : Project Management | | | | Component 1 : UA 3.15m Component 2 : UA 0.67m Component 3 : UA 0.48m Component 4 : UA 0.65m TOTAL : UA 4.95 m | Component 1 : UA 3.55m Component 2 : UA 0.67m Component 3 : UA 0.48m Component 4 : UA 0.65m TOTAL : UA 5.35m |

EXECUTIVE SUMMARY

A grant amounting to UA4.69 million from the following resources; ADF grant of UA 1.11 million and Rural Water Supply and Sanitation Initiative (RWSSI) Trust Fund of Euro 4 million (equivalent to UA 3.58 million) was approved by the Bank to finance the Rural Water Supply and Sanitation Project (RWSSP) in THE GAMBIA. The envisaged outcomes of the intervention include: 18 new multi-village solar powered water supply systems; rehabilitation and upgrade of 4 simple water systems into multi-village solar powered systems; improved sanitation facilities for schools, rural health centers and other public places; institutional strengthening ; and community education in sanitation and personal hygiene.

Approved in February 2012, the Project aim is to improve access to safe drinking water supply and sanitation in the rural areas by giving access to water to 65,000 additional people and access sanitation facilities to 20,000 additional people by the end of 2016. The Project's main intended outputs include; (i) 18 new multi-village solar powered water supply systems, (ii) rehabilitation and up-grade of 4 simple water systems into multi-village solar powered systems; (iii) improved sanitation facilities for schools, rural health centers and public places and 1000 household latrines (iv) institutional strengthening for government's departments involved in the project (iv) community education in sanitation and personal hygiene the project's implementation.

All projects procurement are completed and all activities are either completed or on course. Only one activity is still outstanding. It is the activity related to the implementation of the tanks and piped network of the 18 multi village systems in 18 communities. The procurement for this subcomponent had to be relaunched. After the main contractor asked for the contract's cancellation.

At the end of the tendering process the only technically qualified contractor had a bid in excess of the available budget which led to the removal 3 communities comprised of 14 villages, from the proposed contract. It should be noted that these communities benefited from the solar pumping system (lot 1), the hygiene campaign, and the different sanitation facilities.

The Bank has subsequently received a request for supplementary funding related to the above mentioned communities in the amount of 402.576 UA (EUR 500,000).This request is justified by the sunk investment already incurred on the sanitation infrastructures and pumping systems for all communities including the 3 communities mentioned above. The outstanding works for the tank and network should be supported to achieve access to potable water for these 3 communities comprised of 14 villages.

REPORT AND RECOMMENDATION OF THE MANAGEMENT TO THE BOARD OF DIRECTORS ON A PROPOSED SUPPLEMENTARY GRANT TO THE GAMBIA FOR THE RURAL WATER SUPPLY AND SANITATION PROJECT (RWSSP)

A Euro 500,000 supplementary grant is being requested for the Republic of The Gambia from the resources of the Rural Water and Sanitation Initiative Trust Fund (RWSSI-TF) to finance the shortfall in financing for the full implementation of the RWSSP.

1 INTRODUCTION

1.1 It should be reminded that the Republic of The Gambia was awarded a grant from the Bank in the amount of 4.69 million UA sourced from ADF (1.11 million UA) and RWSSI Trust fund (Euros 4 million eq. 3.58 million UA) to carry out of the Rural Water Supply and Sanitation Initiative Project (RWSSP). The project's main outputs include: (i) 18 new multi-village solar powered water supply systems; (ii) rehabilitation and upgrade of 4 simple water systems into multi-village solar powered systems; (iii) improved sanitation facilities for schools, rural health centers and other public places (iv) institutional strengthening ; and (v) community education in sanitation and personal hygiene.

1.2 The Project is on course with all procurements completed. All 18 solar pumping systems have been installed with 2 communities in West Central Region (WCR) also connected to the National Electricity and Water Company's (NAWEC) grid, given the recent advances in rural electrification in that region. All institutional sanitation facilities were built with small defects being fixed by the contractor; significant progress has also been made in erecting household latrines 80% of which have been completed. The institutional strengthening and hygiene promotion components have also been completed. However, the project experienced slippages with the implementation of the 18 new multi village systems.

1.3 The works related to 18 new multi-village solar powered water supply systems contracts were divided in 4 lots 3 of which are related to the tanks and piped networks (lots 2, 3, and 4 Tanks, Network and Rehabilitation Systems) were bestowed to the SAM/BRONCHOT joint venture which was cancelled due to the liquidation of one partner (BRONCHOT) and subsequent withdrawal of the other partner (SAM).The tendering process led to the bid being in excess of the budget and the subsequent removal of 3 communities, comprised of 14 villages, from the proposed contract.

1.4 It should be noted that these 3 communities benefited from all the other activities including hygiene promotion and the solar pumping systems. Later, the government of The GAMBIA submitted a request for additional funding to meet the funding shortfall.

1.5 The recent closure of the border between Senegal and Gambia further delayed the implementation of the piped network for the affected contract. As Equipment's of the main contractor were trapped on the other side of the border. This delay and the need to now implement the 3 multi village water system led to the extension the last date of disbursements from December 31st 2016 to December 29th 2017.

2 ORIGINAL PROJECT

2.1 **Project Background:** The Rural Water Supply and Sanitation Project (RWSSP) was approved on 13th February 2012. The project's total approved amount is UA 4.95 million sourced from the following: ADF grant of UA 1.11 million and RWSS-TF grant of EUR 4 million (equivalent to UA 3.58 million) Government contribution of UA 0.15 million and beneficiary community contributions of UA 0.11 million. The Grant Agreement was signed on 14th March 2012 and became effective on 19th June 2012. The Project's last disbursement date is December 31st 2016 and will need to be extended to December 31st 2017 once the request for supplementary funding is approved.

2.2 **Project Objective:** The aim of the Project is to improve access to safe drinking water supply and sanitation in the rural areas by giving access to water to 65,000 additional people and access sanitation facilities to 20,000 additional people by 2016. The Project's main outputs include; (i) 18 new multi-village solar powered water supply systems, (ii) rehabilitation and up-grade of 4 simple water systems into multi-village solar powered systems; (iii) improved sanitation facilities for schools, rural health centers and public places and 1000 household latrines (iv) institutional strengthening for government departments involved in the project (iv) community education in sanitation and personal hygiene.

2.3 **Project Components:** As appraised, the RWSSP was prepared through wide consultations with various stakeholders. The Project components have not changed and are as follows:

- A. Water Supply and Sanitation Infrastructure
- B. Institutional Strengthening and Capacity Building Training
- C. Hygiene Promotion and Education
- D. Project Management

2.4 **Project Costs and Financing Arrangements:** The total Project estimated budget at appraisal was UA 4.95 million. . The tables below provide details on the original amounts allocated by component and category of expenditure.

Table 2.1: Project Cost Estimates by Component

| Components | | UA (million) |
|--------------|--|--------------|
| A | Water Supply and Sanitation Infrastructure | 3.15 |
| B | Institutional Strengthening and Capacity Building Training | 0.67 |
| C | Hygiene Promotion and Education | 0.48 |
| D | Project Management | 0.65 |
| Total | | 4.95 |

Table 2.2: Project Cost by Category of Expenditure

| Category of Expenditure | Amount (UA m) |
|----------------------------|---------------|
| Works | 1.887 |
| Goods | 0.952 |
| Services | 1.046 |
| Miscellaneous | 0.581 |
| Total Base Cost | 4.466 |
| Physical Contingency | 0.247 |
| Price Escalation | 0.237 |
| TOTAL PROJECT COSTS | 4.95 |

Table 2.3 Project Cost by Source of Financing

| Source of Financing | Amount (UA m) |
|----------------------------|----------------------|
| ADF Grant | 1.11 |
| RWSSI Grant | 3.58 (4 million EUR) |
| GoTG | 0.15 |
| Beneficiaries | 0.11 |
| Total Cost | 4.95 |

2.5 **Project Implementation Status:** The current status by component is described below:

Component 1: Water Supply and Sanitation infrastructure

A. Water Supply Infrastructures:

- a) **Network Design and Supervision:** The Network Design and Supervision consultancy is being undertaken by a Consultancy firm “RC Engineering” which was signed on March 6th 2013. The assignment consists of two phases: (i) network design, and (ii) work supervision. The consultant submitted the Final Network Design Report and Tender documents in December 2013. The report’s recommendations which were accepted and are being implemented included the following. The Consultant’s assignment was scheduled to end on June 30th 2016 and extended for 6 months to December 2016. The extension was due to delays in the implementation of the water supply component which is also to be supervised by the consultant.
- b) **Supply and Installation of 18 Solar Water Pumping Systems (Lot1):** Civil works have been completed by the contractor in all the 18 sites with all the solar pumping installations completed and tested on functionality which indicate positive results. The civil works on the NAWEC grid-have also been completed
- c) Tanks and Piped water distribution networks for 18 new and 4 rehabilitated sites (Lots 2, 3, and 4).

Following the re-tendering of the works, the contract has been awarded, and signed in December 2015. However due to budgetary constraints, there has been a reduction in the scope of the works, with the quantity of tanks to be installed reduced from 18 to 15 and the tank capacities to 60m³ and 40m³ from 90m³ and 50m³ respectively. Site possession was completed on the 29th of January 2016 and an updated work plan was submitted in March 2016. Verification surveys have also been completed aimed at producing working drawings for the distribution networks.

B. Sanitation Infrastructures

- a) **Construction of Institutional VIP latrines:** Works for the construction of 50 institutional latrines started on March 2014. The latrines were constructed in 26 schools, 11 health centers, 11 mosques and 2 markets which were all identified by the project team in collaboration with the beneficiaries using the sanitation baseline survey as a guide. The institutional latrines were completed with few having some construction defects and the contractor was given a snag list to rectify the construction defects in the complete structures prior to the official handing over of these facilities.

- b) **Construction of 1000 Household VIP latrines:** Materials for this component are supplied by MANTEXT, and the construction of the latrines by the beneficiaries are supervised by the Department of Community Development (DCD) technical staff and community level trained artisans. The construction work shows positive results: with 851 out of a 1000 latrines erected. Delays and disparity between communities are due to the late delivery of materials. Some recipients are also behind schedule, despite receiving the necessary materials on time. The PMT is liaising with the contractor to have the remaining materials delivered and with traditional and administrative authorities as regard the beneficiaries who are late on their commitments to build the latrines.

Component 2: **Institutional Strengthening and Capacity Building**

The institutional strengthening included support with office equipment, operational vehicles, motor cycles and bicycles. All this has been achieved. In addition, it included the following activities:

- a) **Training:** Following approval of the staff training proposal by the Bank in July 2013, six key staff members of the project and DWR staff, have undergone training. Also, the Project has trained 2 masons and 2 carpenters from each community amounting to a total of 83 masons and 82 carpenters 165, Component 4.
- b) **Formation of Village Water Committees (VWC).** A total of 22 VWC comprised of 1025 members have been trained/sentised, out of which 47% were female. Formed and trained covering all the project sites. These VWC display and disseminate good hygiene practices.
- c) **Reactivation of the Water Sector Working Group (WSWG).** The working group was reactivated in September 2013 and held its first biannual meeting for the year in May 2014. The meeting constituted three technical sub-committees in water supply, sanitation and hygiene and health education. Having facilitated the reactivation and holding of the first meeting, the Project had handed over responsibilities for organizing the group's meetings to the Department of Water Resources (DWR) whose mandate it is. The Joint Sector Review (JSR) was merged with WSWG activities.
- d) **Sanitation Operations and Maintenance Plan (O&M):** The consultancy for the O&M plan is completed and the manual produced was used by the consultant for the community training and capacity building. The recommendation of the O&M plan was validated and adopted at a national workshop.
- e) **Hygiene Promotion and Education:** The consultancy contract to undertake this activity was awarded to HePDO and was signed in February 2013. HePDO conducted hygiene promotion and education training for all the 22 WATSAN committees in the project areas.
- f) **Community Led Total Sanitation (CLTS):** The Department of Community Development (DCD) completed the training of trainers (TOT) in CLTS and is, as mentioned above, involved in the supervision of the erection of the household latrines. However the Project is still resolving the following issues: (i) late delivery of materials by MANTEXT; some Masons not being available; and some beneficiaries being late on their commitments to erect household latrines.

3 REVISED PROJECT FINANCING

3.1 Objectives and Description

The Project objectives have not changed and remain as described in section 2.2 above.

3.2 Revised Project Cost estimates

3.2.1 The bidding process for all of the Project packages has been completed. The bidding process for the 18 multi village solar water supply system led to a bid in excess of the available budget and the current status of the budget in relation to the received bid price is provided in Annex I.

3.2.2 The received bid price exceeded the budget by a margin of 35.8 %. The principal reasons for the high tender price outcomes were mainly due to the fact that the retendering happened 3 years after the first estimates were prepared and not updated which have not been updated.

3.2.3 Considering the concluded tender and revision of the list of good and services, the expected total value of the Project is now estimated at the revised total amount of UA 5.35 million as shown in Table 3.1 and 3.2 below. Additional resources amounting to EUR 500,000 are therefore required for the Project to achieve its original objective.

Table 3.1: Revised Project Cost Estimates by Component

| Components | | At Appraisal US\$ (million) | Revised at Implementation US\$ (millions) |
|-------------------------------------|--|--------------------------------|--|
| A | Water Supply and Sanitation Infrastructure | 3.15 | 3.55 |
| B | Institutional Strengthening and Capacity Building Training | 0.67 | 0.67 |
| C | Hygiene Promotion and Education | 0.48 | 0.48 |
| D | Project Management | 0.65 | 0.65 |
| Total | | 4.95 | 5.35 |
| Additional Resource Required | | | 0.40 |

Breakdown of Supplementary Financing:

| No. | Site | Networks | Tanks | Total |
|-----|----------------------------|------------|------------|-------------------|
| 1 | Sinchu Tamsir | 68,617.00 | 72,343.00 | 140,960.00 |
| 2 | Taifa Saikou | 75,205.00 | 71,096.00 | 146,301.00 |
| 3 | Sare Bojo | 68,174.00 | 72,343.00 | 140,517.00 |
| | Total | 211,996.00 | 215,782.00 | 427,778.00 |
| | Management and Supervision | | | 72,222.00 |
| | Total Cost | | | 500,000.00 |

Table 3.2: Revised Financing Categories of Expenditure

| Category of Expenditure | UA (million) |
|----------------------------|--------------|
| Works | 2.256 |
| Goods | 0.952 |
| Services | 1.046 |
| Miscellaneous | 0.581 |
| Total Base Cost | 4.866 |
| Physical Contingency | 0.267 |
| Price Escalation | 0.256 |
| TOTAL PROJECT COSTS | 5.350 |

3.3 Revised Implementation Schedule

3.3.1 The revised implementation schedule has been determined based on the anticipated commencement of the construction works related to the implementation of the 3 multi village water systems.

3.3.2 There have been several delays in the Project related to the tendering process of the 18 multi village solar water systems namely the cancellation of the first contract, and the retendering of the bid. It is now envisaged that the Project components will be completed by end December 2017. In this regard, the deadline for last disbursement was extended from 31st December 2016 to 29th December 2017, which will apply equally to the supplementary financing. A revised project implementation schedule is in Annex II.

3.4 Project Institutional and Implementation Arrangement:

Institutional Arrangement: The original institutional and implementation arrangements of the Project will continue with minor changes. The staffing in the PMU is in accordance with the Project Appraisal Report (PAR), comprising the following: (i) Project Coordinator, (ii) Project Accountant (iii) Water and Sanitation Engineer, (iv) Monitoring and Evaluation Expert, (v) Procurement Expert (vi) Sanitation Expert, (vii) two operation assistants, (viii) two drivers. The contract for the Procurement Specialist ended in 2015, given the completion of the outstanding procurement activities. The contract for the Sanitation specialist also ended given the completion of the Health and Hygiene campaign, the completion of all the institutional latrines and the delivery of most of the materials for the household latrines. Given the above mentioned terminations and savings in the services and good categories, there is an incremental cost which is estimated at 57,422 UA¹. This cost is taken into account in this request.

| Initial Total Cost of the PMU | Incremental Cost of the PMU | Additional Cost |
|-------------------------------|-----------------------------|-----------------------------|
| 299,819 UA | 357.236 UA | 57,422 UA (eq to 72,22 Eur) |

¹ Details in Annex III

4 JUSTIFICATION AND SUPPLEMENTARY FINANCING

4.1 The supplementary financing proposal was approved by the Project's Steering Committee of the RWSSP, after consideration of the sunk cost already incurred in the 3 communities and the importance of achieving the original objectives of the Project.

4.2 The Project is aligned with the pillar III of the Second Poverty Reduction Strategy Paper (PRSP II) (2007-2011) of the Republic of The Gambia which was updated into the Program for Accelerated Growth and Employment (PAGE) for the period 2012-2015. The Project is also aligned with the Joint African Development Bank World Bank Assistance Strategy (JAS/2008-2011). Finally, the project is aligned with the Bank's high five strategy namely the improve quality of life and light up Africa components.

4.3 This supplementary financing proposal meets the applicable general conditions and specific conditions for supplementary financing set out in the Bank Group Policy and Procedures for Supplementary Financing (ADB/BD/WP/97/83). The execution of the Project has commenced and is progressing satisfactorily from the technical perspective but will require additional resources to achieve its objectives and financing from the GoTG is not available. In this regard, the following factors should be taken into account in approving the supplementary financing:

- a. The original contract's cost estimates were done in 2012 and have not been updated since then to take into account price escalation. The delays due to the tendering process led the bid to be retendered three years later, in 2015. The only technically qualified bidder had a bid price in excess of the available budget. Although re-scoping is possible to match the available budget, this would result in the objectives of the Project not being met and in negative social impacts
- b. The removal of the three beneficiary communities from the Project would result in a significant proportion of the originally identified target communities being excluded with a corresponding reduction in the overall impact of the Project.
- c. The 3 multi village water systems will be implemented by the same contractor under the conditions stated in his original Bid. Works for the implementation of the network of the 3 multi village system will be added back as addendums to the signed contract.
- d. There is a need to build upon the recent water supply and sanitation infrastructure already constructed in the said communities. A delay in the completion of the multi village water systems will have high tangible and nontangible economic and social costs, and will also result in the unrecoverable loss of the cost incurred in implementing the solar pumping systems in the 3 communities. It should be noted that the said communities also participated in the different awareness campaigns conducted by the consultants.
- e. The project is technically and economically viable even with the revised cost. The economic cost benefit analysis of the revised project has been carried out by comparing the "with" and "without" project scenarios. The revised Economic Internal Rate of Return (EIRR) for the project is 19.3% and the Net Present Value, NPV (at 10%) is US\$ 2.34 million, which are lower than the appraised EIRR of 21.48% and NPV of US\$ 2.10 million mainly because of the delay in the completion of the water supply subcomponent. However, the NPV is still

positive with the EIRR is still higher than the opportunity cost of capital for similar projects estimated as 10%. As such, the project is still considered economically viable

5 LEGAL INSTRUMENTS AND AUTHORITY

5.1 Legal Instruments

The legal instrument to finance the supplementary grant will be a Protocol of Agreement between the Republic of THE GAMBIA and the Bank, in its capacity as the administrator of the Rural Water Supply and Sanitation Initiative Trust Fund (RWSSI-TF), for a grant from the resources of the RWSSSI-TF.

5.2 Conditions Precedent to the Bank's intervention :

A. Entry into Force of the Grant Protocol Agreement

- i. The Grant Agreement shall enter into force upon its signature;

B. Condition precedent to first disbursement

- i. The first disbursement of the supplementary grant shall be subject to Recipient's having fulfilled the following condition: Achievement of a disbursement rate of at least 60 % of the existing RWSSI Grant for the project.

5.3 Compliance with Bank Policies

The proposed supplementary grant complies with all applicable Bank policies, including the Bank Group Policy and Procedures for Supplementary Financing.

6 CONCLUSION AND RECOMMENDATION

6.1 Conclusion

6.1.1 The 3 communities (14 villages) benefited from the institutional and household latrines and participated in all the different sensitization campaigns. They also benefited from the solar pumping system. Considering the concluded tenders and estimates on the outstanding packages and the requirements during execution, the expected total value of the works is estimated at EUR 2.26 million, thus a requirement of additional resources of EUR 500,000 is needed in order to achieve the objectives of RWSSIP.

6.2 Recommendation

Considering the many socio-economic and environmental benefits of this Project, it is recommended that the Boards of Directors approve this supplementary grant, from the resources of the RWSSI Trust Fund, for the amount of EURO 500,000 for the RWSSP.

Annex I - Cost Estimates/Bid Price in Excess (Lots 2, 3, 4) - Budget, Engineer Estimate and Actual Bids

| | | | | |
|--------------|----------------------------|-----------------------|-----------------------------|-----------------|
| LOT 2 | Consultant Estimate | Marginal Range | | |
| | 874,470 | 699,576 to 1,049,364 | | |
| | Bidders Name | Bid Price | Technically Eligible | Variance |
| | Gambia Electrical | 1,099,395.37 | No | -50,031.37 |
| | SINCO SPA | 1,546,987.00 | Yes | -497,623.00 |
| | Dabanani Electrical | 1,403,305.52 | No | -353,941.22 |

| | | | | |
|--------------|---------------------------------------|-------------------------|-----------------------------|-----------------|
| LOT 3 | Consultant Estimate | Marginal Range | | |
| | 798,416.70 | 638733.36 to 958,100.04 | | |
| | Bidders Name | Bid Price | Technically Eligible | Variance |
| | FMK drilling company | 1,099,395.37 | No | -141,295.33 |
| | Dabanani Electrical | 1,021,971.95 | No | -63,871.91 |
| | Waterman / MTK Service Joint Ventures | 784,944.02 | No | |
| SINCO SPA | 1,188,044.25 | Yes | -229,944.21 | |

| | | | | |
|--------------|---------------------------------------|-------------------------|-----------------------------|-----------------|
| LOT 4 | Consultant Estimate | Marginal Range | | |
| | 719,860.05 | 575888.04 to 863,832.06 | | |
| | Bidders Name | Bid Price | Technically Eligible | Variance |
| | Dabanani Electrical | 966,929.19 | No | -103,097.13 |
| | Waterman / MTK Service Joint Ventures | 706,529.49 | No | |
| | SINCO SPA | 1,164,992.06 | Yes | -301,160.00 |

Annex II – Project Implementation Schedule

| GAMRWSSP WP16/17 | Jun.16 | Jul.16 | Aug.16 | Sept.16 | Oct.16 | Nov.16 | Dec.16 | Jan.17 | Feb.17 | Mar.17 | April.17 | May.17 | Jun.17 | Jul.17 | Aug.17 | Sept.17 | Oct.17 | Nov.17 | Dec.17 | |
|---|--------|--------|--------|---------|--------|--------|--------|--------|--------|--------|----------|--------|--------|--------|--------|---------|--------|--------|--------|--|
| water supply infrastructure | | | | | | | | | | | | | | | | | | | | |
| Rehab of existing water systems | | | | | | | | | | | | | | | | | | | | |
| Site Installation | | | | | | | | | | | | | | | | | | | | |
| procurement | | | | | | | | | | | | | | | | | | | | |
| Earth works | | | | | | | | | | | | | | | | | | | | |
| pipe laying works | | | | | | | | | | | | | | | | | | | | |
| pipe fittings works/network tests | | | | | | | | | | | | | | | | | | | | |
| concrete works/Masonry | | | | | | | | | | | | | | | | | | | | |
| metal works/Tank erection | | | | | | | | | | | | | | | | | | | | |
| Electrical works | | | | | | | | | | | | | | | | | | | | |
| Electromechanical works | | | | | | | | | | | | | | | | | | | | |
| Testing/Commissioning | | | | | | | | | | | | | | | | | | | | |
| Demobilization | | | | | | | | | | | | | | | | | | | | |
| Reticulation systems (NEW) | | | | | | | | | | | | | | | | | | | | |
| Site Installation | | | | | | | | | | | | | | | | | | | | |
| procurement | | | | | | | | | | | | | | | | | | | | |
| Earth works | | | | | | | | | | | | | | | | | | | | |
| pipe laying works | | | | | | | | | | | | | | | | | | | | |
| pipe fittings works/network tests | | | | | | | | | | | | | | | | | | | | |
| concrete works/Masonry | | | | | | | | | | | | | | | | | | | | |
| Electromechanical works | | | | | | | | | | | | | | | | | | | | |
| Testing/Commissioning | | | | | | | | | | | | | | | | | | | | |
| Demobilization | | | | | | | | | | | | | | | | | | | | |
| supply and installation of tanks (NEW) | | | | | | | | | | | | | | | | | | | | |
| Site Installation | | | | | | | | | | | | | | | | | | | | |
| procurement | | | | | | | | | | | | | | | | | | | | |
| Earth works | | | | | | | | | | | | | | | | | | | | |
| concrete works/Masonry | | | | | | | | | | | | | | | | | | | | |
| metal works/Tank erection | | | | | | | | | | | | | | | | | | | | |
| Testing/Commissioning | | | | | | | | | | | | | | | | | | | | |
| Demobilization | | | | | | | | | | | | | | | | | | | | |
| supply and installation of solar systems (NEW) | | | | | | | | | | | | | | | | | | | | |
| test/ commissioning | | | | | | | | | | | | | | | | | | | | |
| grid connection | | | | | | | | | | | | | | | | | | | | |
| consultant supervision of works | | | | | | | | | | | | | | | | | | | | |
| Sanitation Infrastructure | | | | | | | | | | | | | | | | | | | | |
| Const. of Household latrines | | | | | | | | | | | | | | | | | | | | |
| procurement | | | | | | | | | | | | | | | | | | | | |
| construction | | | | | | | | | | | | | | | | | | | | |
| Commissioning/handing over | | | | | | | | | | | | | | | | | | | | |
| Institutional support & CB/Training | | | | | | | | | | | | | | | | | | | | |
| Joint Sector Reviews/NWSWG | | | | | | | | | | | | | | | | | | | | |
| Staff training | | | | | | | | | | | | | | | | | | | | |
| Hygiene promotion & education | | | | | | | | | | | | | | | | | | | | |
| Hygiene friendly community Monitoring & evaluation | | | | | | | | | | | | | | | | | | | | |
| Monitoring and supervision of HPE activities | | | | | | | | | | | | | | | | | | | | |
| Implementation cost | | | | | | | | | | | | | | | | | | | | |
| Evaluation of WASH related diseases conditions | | | | | | | | | | | | | | | | | | | | |
| Project management | | | | | | | | | | | | | | | | | | | | |
| Staff salaries | | | | | | | | | | | | | | | | | | | | |
| Request for payments for contractors | | | | | | | | | | | | | | | | | | | | |
| Recruitment of consultant for final PCR | | | | | | | | | | | | | | | | | | | | |
| Draft PCR | | | | | | | | | | | | | | | | | | | | |
| Final PCR | | | | | | | | | | | | | | | | | | | | |
| Audit for 2016 | | | | | | | | | | | | | | | | | | | | |
| Audit and final evaluation report | | | | | | | | | | | | | | | | | | | | |
| ESMP monitoring | | | | | | | | | | | | | | | | | | | | |
| M&E activities | | | | | | | | | | | | | | | | | | | | |
| Project implementation management | | | | | | | | | | | | | | | | | | | | |
| Steering committee meetings | | | | | | | | | | | | | | | | | | | | |

Annex III - Impact on PMU

| | Initial Project | Revised Project | Financing GAP |
|-------------------------------------|------------------------|------------------------|----------------------|
| Coordinator | 60,000 | 75,000.00 | (15,000) |
| Rural Water Supply Engineer | 45,000 | 56,250.00 | (11,250) |
| Social sanitation Engineer | 45,000 | 45,000 | - |
| Monitoring and Evaluation Expert | 45,000 | 56,250.00 | (11,250) |
| Accountant | 45,000 | 56,250.00 | (11,250) |
| Procurement Specialist | 15,000 | 15,000 | - |
| Administrative assistant | 18,000 | 22,500.00 | (4,500) |
| Driver | 15,000 | 18,750.00 | (3,750) |
| technical support staff | 7,500 | 7,500 | - |
| bore drilling supervisor | 938 | 938 | - |
| solar system supervisor | 938 | 938 | - |
| civil works supervisor | 938 | 1,172.50 | (235) |
| Department of Water Resources | 750 | 937.50 | (188) |
| Department of Community Development | 750 | 750 | - |
| Total | 299,814 | 357,236 | (57,422) |

Annex IV - Map of the Country and Location of the Project Areas

