

## **Background**

The Gambia Aid Bulletin is produced and published annually by the Directorate of Aid Coordination, Ministry of Finance and Economic Affairs. The bulletin provides periodic review of development assistance to The Gambia in relation to the country's development priorities. It is compiled using data from development partners and projects.

The purpose of the bulletin is to highlight the amount of aid inflow in complimenting government's national development goals. It serves as an outlet and a forum which our policy makers, development partners, researchers, students, and Gambians at large would get to know more about national development processes and policies to improve public sector financial management and accountability.

## **Editorial**

The bulletin serves as an information guide to the Gambia and its partners in relation to the national development plan. It identifies which sectors received the aid, what strategies should be in place for aid effectiveness in the sector / country and also provide a guide to the next national development plan.

In the light of the above, the aim of this bulletin is to provide timely, reliable and useful information on donor disbursements with respect to the implementation of PAGE.

## **Acknowledgement**

The Directorate of Aid Coordination, Ministry of Finance and Economic Affairs, under the leadership of the Hon. Minister of Finance and Economic Affairs, wishes to express its profound gratitude to the members of the editorial board and aid coordination task force for their resounding dedication and efforts in the process of the production of this Aid Bulletin.

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## **I. Acronyms**

AfDB	African Development Bank
AMP	Aid Management Platform
DG	Development Gateway
EDF	European Development Fund
EU	European Union
GDP	Gross Domestic Product
IDA	International Development Association
IsDB	Islamic Development Bank
IFAD	International Food for Agricultural Development
JAS	Joint Assistance Strategy
KFAED	Kuwaiti Fund for Arab Economic Development
MoFA	Ministry of Foreign Affairs
MoFEA	Ministry of Finance and Economic Affairs
MoICI	Ministry of Information and Communication Infrastructure
NDP	National Development Plan
NGO	Non-Governmental Organisation
ODA	Official Development Assistance
OFID	OPEC Fund for International Development
OP	Office of the President
OPEC	Organisation of Petroleum Exporting Countries
PAGE	Programme for Accelerated Growth and Employment
SDG	Sustainable Development Goal
UN	United Nation
UNDP	United Nation Development Program
UNDAF	United Nation Development Assistance Framework
UNFPA	United Nation Fund for Population Affairs
UNICEF	United Nation International Children Education Fund
WB	World Bank
WHO	World Health Organisation

## II. Foreword



Dear readers,

The 2016 Aid Bulletin highlights important reviews of official development assistance to The Gambia in relation to the development priorities presented in the Programme for Accelerated Growth and Employment (PAGE). This bulletin provides information on aid inflow, both internal and external in different sectors of the economy in the Gambia.

You would recall that the PAGE took off with a resounding promise and hope for high involvement of stakeholders, especially development partners, civil society organizations and the private sector.

The government will refocus its attention to the priority areas of development that will increase rapid growth through employment creation, and also to prioritize our development agenda to enable us serve the less privilege. Lastly, the bulletin pinpoints key challenges, recommendations and way forward.

As a Government, we continue to solicit the technical and financial assistance of our various development partners in achieving the strategic objectives of the new National Development Plan. The Ministry of Finance and Economic Affairs, stands ready to work with all partners to address the specific needs for the rapid development and economic transformation of the Gambia in the years to come.

It is against this backdrop, that the development of the next National Development Plan has started in earnest and it is at an advance stage for finalization.

A handwritten signature in blue ink, which appears to read "Amadou Sanneh". The signature is written in a cursive style and is positioned above a horizontal line.

**Honorable Amadou Sanneh**  
Minister of Finance and Economic Affairs,

The Gambia.

## **1. Recent Developments in Aid Coordination**

### **1.1. Aid Management Platform (AMP)**

The Ministry of Finance and Economic Affairs with the support of United Nation Development Programme (UNDP) recruited the services of a consultant, the Development Gateway (DG) Company, to develop the Aid Management Platform (AMP) at a contract value of \$250,000.00 for two years. This is to enhance the recording mechanism of project data on multilateral, bilateral and NGOs in order to have a proper monitoring of aid inflow in the country.

Several trainings were conducted on data input and report generation based on the inflow of aid into the country.

Recently, the Government of the Gambia in partnership with UNDP secured a server for the Aid Management Platform (AMP).which shall be hosted at the Ministry of Information and Communication infrastructure (MoICI).

### **1.2. Donor Mapping**

MoFEA through the support of the European Union recruited a consultant to conduct a donor mapping exercise in the Gambia of which a report was produced. The importance of the exercise was to identify as well as to develop a functional database of existing and potential donors locally and globally. The consultant's final report provides a comprehensive analysis of various donors working in different areas of interventions, their approaches and cooperation with local institutions. Analyses were done based on strategic findings and recommendations.

### **1.3. Review of the Aid Policy**

The Gambia Aid Policy (2015-2020) represents policy aspirations that require a strategic framework for guided implementation as enshrined in the 2005 Paris Declaration for Aid Effectiveness. The rationale for the said policy is to attain far-reaching results subject to monitoring for purposeful reform as to how aid is received and managed in the Gambia.

The objective and scope of the evaluation was to focus on policy implementation of the following standard criteria such as Relevance, Efficiency, Effectiveness and Sustainability. The review as part of its Terms of Reference was to assess the strategic linkages between aid coordination and national government systems. Such assessment of country systems and agreements with Development Partners is to maximize external aid resources mobilization at sectorial, national, and international levels.

## **2. Recent Macroeconomic Development**

The political impasse as a result of the December 2016 Presidential elections coupled with the unfavorable macroeconomic situation, left The Gambia on the brink of an economic distress. In addition to the 2016 erratic rainfall pattern, the political impasse at the peak of the tourism season in December has cost The Gambia a weak GDP performance of 2.2 percent compared to a 4-6 percent target.

In terms of sectorial distribution, the economy continues to be service oriented. The service sector's contribution in 2016 is estimated to have marginally increased from 65 percent in 2015 to 66 percent in 2016.

For Agriculture, the sector has consistently declined in recent times from 24 percent in 2012 to 20 percent in 2015. However, it increased marginally to 21 percent in 2016, mainly driven by activities in the livestock sub-sector.

In the Industrial sector, almost all the sub-sectors registered lower growth compared to 2015. Consequently in 2016, Industry share to GDP is estimated to be 14 percent down from 15 percent in 2015. This slight resilient was mainly supported by construction activities in the country.

Consumer price inflation rose to 7.9 percent in December 2016 compared to 6.7 percent in the corresponding period in 2015. Both food and non-food inflation increased to 8.7 and 6.5 percent in 2016 from 7.5 and 5.3 percent in 2015 respectively. This was mainly attributed to the food rush (high demand) during the political impasse as well as the depreciation of the Dalasi during those difficult times.

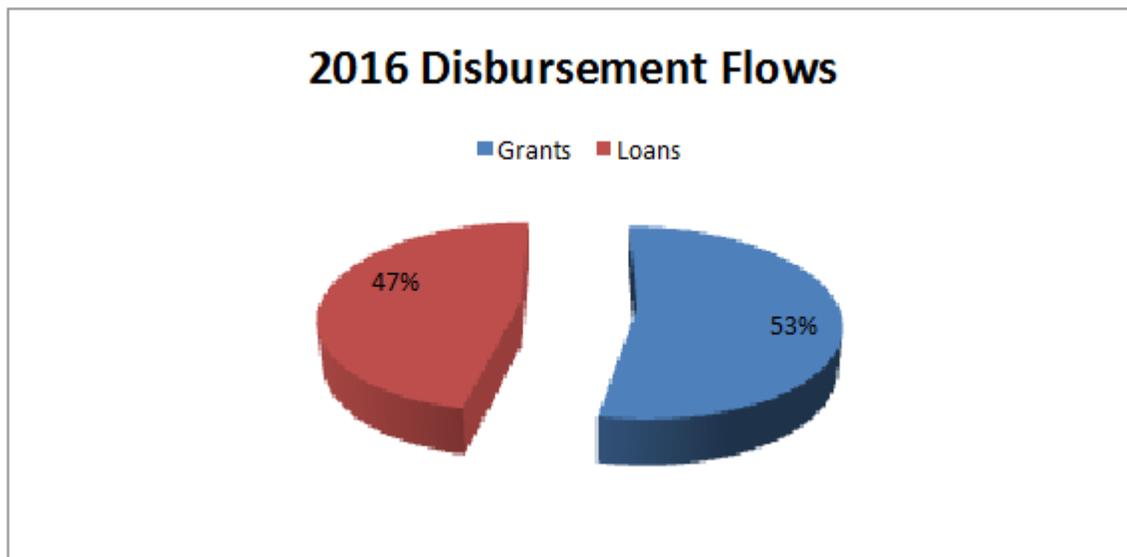
### 3. Official Development Assistance (ODA) in The Gambia

In The Gambia, there are three (3) main ODA collection points; MOFEA, Office of the President (OP) and Ministry of Foreign Affairs (MOFA). MOFEA receives and records all multilateral donor loans and grants including a number of bilateral agreements. OP receives grants mostly from UN agencies whilst MOFA serves as a channeling institution for a good number of bilateral grant allocations.

#### 3.1. Loans and Grants

In 2016, the government of the Gambia received an ODA of D5.4 billion of which D2.9 billion is grant representing 53 percent of the total ODA and D2.5 billion as loan representing 47 percent for the same period. However, in 2016 ODA significantly dropped by 33 percent as compared to 2015, which amounted to D8.1 billion. This was mainly due to a significant reduction in loan disbursement by 37 percent year-on-year. But grants equally fell by 28 percent.

**Figure 1: 2016 Disbursement flows**



### 3.2. Creditor and Creditor Category

Total loan disbursement received in 2016 amounted to D2,527.86 million, comprising 69 and 31 percent for multilateral and bilateral creditors respectively. The highest creditor disbursement was received from the Islamic Development Bank (IsDB) at 34 percent and at 50 percent of the total multilateral creditor disbursement. Kuwait Fund for Arab Economic Development (KFAED) registered the second highest creditor disbursement at 16 percent and at 51 percent of the total bilateral creditors. The third highest creditor disbursement was received from OPEC Fund for International Development (OFID) at 14 percent and at 20 percent of the total multilateral creditor disbursement.

**Table 1: Loan Disbursement by Creditor and Creditor Category**

Creditor and Creditor Category	2016
<b>Bilateral</b>	<b>793.17</b>
ABU DABI FUND	316.44
EXIM Bank of India	8.78
KFAED	400.66
SFD	67.30
<b>Multilateral</b>	<b>1734.69</b>
AFD	59.87
BADEA	198.47
IDA	260.61
IsDB	861.92
OFID	353.82
<b>Total</b>	<b>2,527.86</b>

### 3.3. Donor and Donor Category

Total grant disbursement received in 2016 amounted to D2, 919.68 million, mostly received from multilateral donors at 99.6 percent. The only bilateral grant captured in 2016 came from Japan at the tune of D11.76 million. African Development Bank (ADB) registered the highest donor disbursement at 27.7 percent followed by International Development Association (IDA) and European Development Fund (EDF) at 18.6 percent and 14.6 percent respectively.

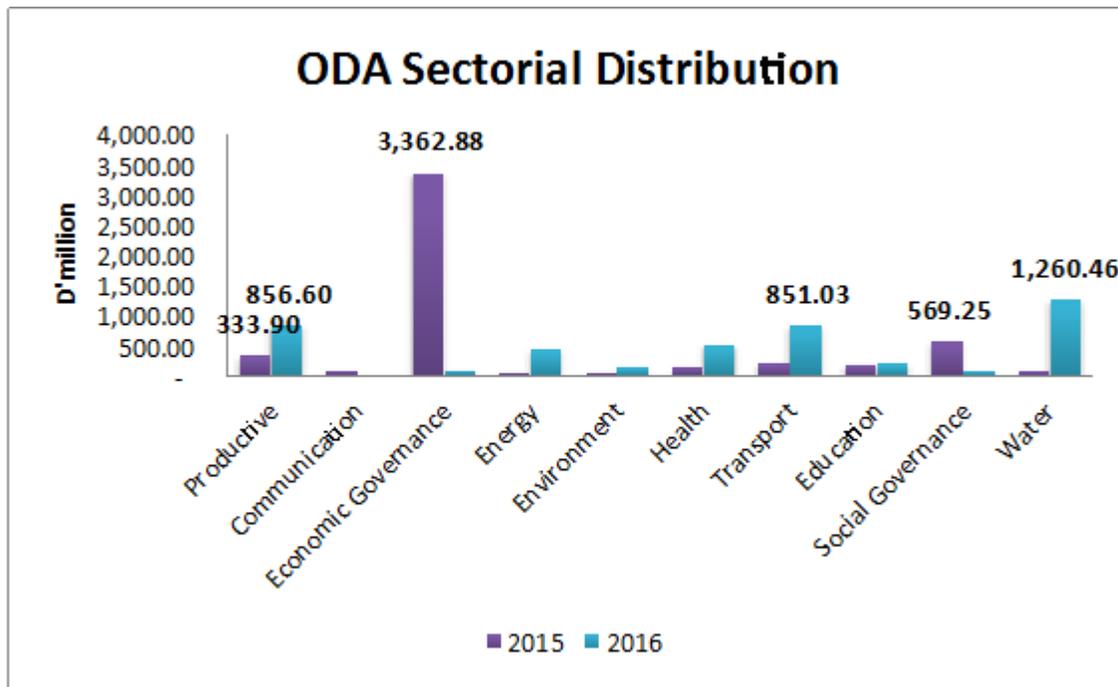
**Table 2: Grant Disbursement by Donor and Donor Category (D million)**

<b>Donor and Donor Category</b>	<b>2016</b>
<b>Bilateral</b>	<b>11.76</b>
Japan	11.76
<b>Multilateral</b>	<b>2907.92</b>
ADB	808.62
EDF- EU	424.91
FAO	1.31
Global Fund	356.53
IDA/WB	544.46
IFAD	10.97
UNDP	322.46
UNICEF	281.39
WHO	72.92
UNFPA	84.35
<b>Total</b>	<b>2,919.68</b>

### 3.4. ODA by Sector

In 2015, the ODA sectorial distribution was mostly attributed to economic governance at the tune of D3,362.00 million followed by social governance and the productive sectors at D569.25 million and D333.9 million respectively. Even though the total ODA disbursement was higher in 2015, the sectorial distribution improved better in 2016 (see figure2). On the other hand, the 2016 ODA distribution was mainly directed to water, transport and the productive sectors at D1,260.46 million, D851.03 million and D856.60 million respectively.

Figure 2: ODA Sectorial Distributions



#### 4. Review of PAGE (2012-2015)

The implementation of the PAGE was mostly concentrated on three (3) pillars for the period under review. However, Pillar 2 dropped significantly by 13 percentage points whilst Pillars 1 and 3 improved, between 2015 and 2016. The PAGE Pillars are as follows:

Pillar 1: Accelerating and Sustaining Economic Growth

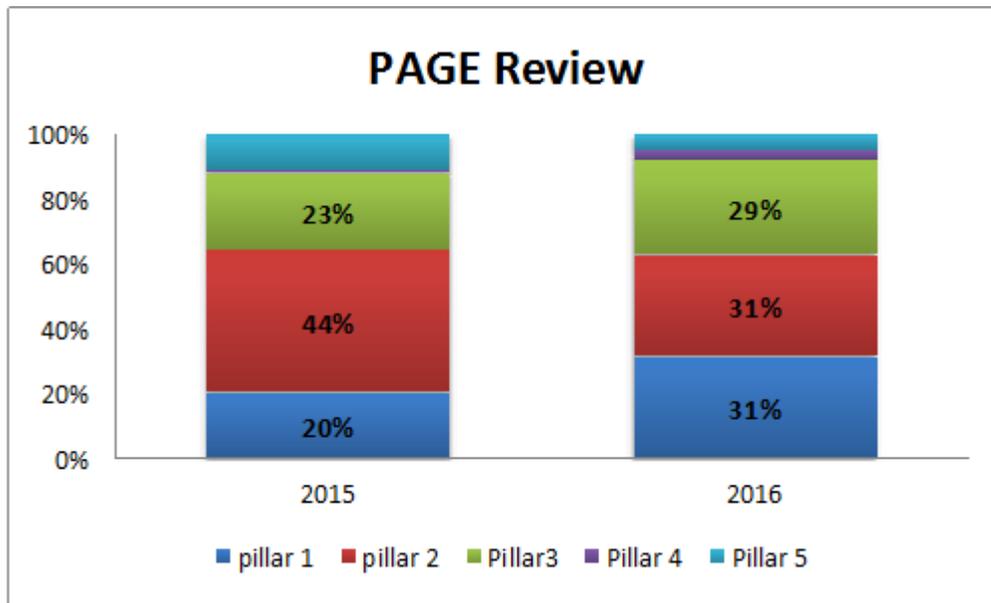
Pillar 2: Improving and Modernizing Infrastructure

Pillar 3: Strengthening Human Capital Stock to Enhance Employment Opportunities

Pillar 4: Improving Governance and Fighting Corruption

Pillar 5: Reinforcing Social Cohesion and Crosscutting Interventions

**Figure 3: PAGE Review**



## **5. The National Development Plan**

The National Development Plan (NDP) offers a long-term perspective, which defines a desired destination and identifies the roles played by different sectors in reaching the national goal. The Gambia's PAGE ended in 2015 and was extended to 2016. The challenge of this extension was that the interventions of development partners were not based on tangible output/outcome such as the WB / AfDB JAS and UNDAF among others. This could also be a reason for low donor intervention in 2016.

This national development plan is very important for the Gambia due to the following:

1. It coincides with the beginning of the SDGs
2. 2017-2020 is the last quarter (period) for implementing vision 2020

For there to be a successful new medium term NDP (PAGE successor) the Gambia should be in a position to overcome the challenges of the PAGE and consolidate on the gains. The following were some of the challenges of PAGE

## **6. Aid Coordination Challenges in The Gambia**

- Low absorption of aid by the country due to capacity constraints especially in the area of procurement management, this is evident by the low disbursement rates
- Government does not tend to have a strong policy to dictate resource allocation. Most of the Gambia's investments in the past four years are in the transport and the communication sectors (Pillar II of the PAGE) compared to the productive sector. This has an implication on short-term growth and job creation.
- There was no cost attached to M&E plan for the PAGE. This is evident by the lack of annual progress reports for the PAGE in 2012, 2013 and 2015.
- High borrowing cost of the country has crowded out private investment as government competes with the private sector for limited resources to finance its persistent fiscal deficit.
- The weak private sector to meet the national challenges /demands.
- There seems to be a missing linkage between government policy and private sector intervention. The private sector needs assurance on their investment, easy borrowing environment, avoiding multiple taxation etc.

## **8. Recommendations and Way Forward**

- There is need for a holistic policy reform agenda. Government should maintain policy consistency between sector priorities and national priorities as well as their implementation
- Government policy should be in a position to direct investment to priority areas in order to achieve the objective of the NDP
- Policy on remittances to finance development – there is need to dialogue with Diaspora Gambians and encourages them to invest in long term bonds and directing their remittances to government priority sectors through effective engagement of Gambian Embassies abroad.
- There is need for a holistic and comprehensive capacity building especially in procurement.
- Government should establish the Gambia Strategic Review Board that will be responsible for approving priority projects for the country.