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i. **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 the NDP

ii. **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 sincere and profound gratitude to the members of the editorial board and aid coordination advisory committee for their resounding dedication and efforts in the process of the production of this Aid Bulletin.

iii. **Editorial Board of the Aid Bulletin, April 2019**

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v. **Disclaimer:**

Note: all views expressed in this bulletin do not necessarily reflect the official line of the Ministry of Finance and Economic Affairs or the Gambia Government unless expressly stated. Authors of the document take full responsibility for the views expressed.

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vii. **Acronyms**

AfDB	African Development Bank
AMP	Aid Management Platform
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
M&E	Monitoring and Evaluation
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 Organization
ODA	Official Development Assistance
OFID	OPEC Fund for International Development
OP	Office of the President
OPEC	Organization of Petroleum Exporting Countries
OVP	Office of the Vice President
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 Organization

viii. Foreword



Dear Readers,

The ushering in of the new government, through a peaceful democratic process calls for the need to address the country's pressing economic and social needs, human rights violations, and the promotion of rule of law. The urgent need to meet these development needs led to the formulation of the new National Development Plan (NDP 2018-2021). The National Development Plan (NDP) aims to *“deliver good governance and accountability, social cohesion, and national reconciliation and a revitalized and transformed economy for the wellbeing of all Gambians”*.

The NDP was formulated through a broad participatory process involving citizens, Private Sector, Civil Society and Development Partners, National Assembly, etc. It is the country's first in a series of development plans to mainstream the Sustainable Development Goals (SDGs) and the Africa Agenda 2063.

Following the launching and adoption of the plan in 2018, an International Conference for The Gambia was held in Brussels with the support of the European Union with a view to mobilizing the needed resources to implement the NDP. The conference attracted participants from both our bilateral and multilateral partners and a total sum of US\$ 1.7 billion was pledged to support the implementation of the NDP. Cognizant of the need to aggressively follow up on these pledges, my Ministry developed a pledge follow up strategy to ensure timely conversion of pledges in to commitments and disbursements.

The Aid Bulletin highlights important reviews of Official Development Assistance (ODA) to The Gambia in relation to the development priorities presented in the sector strategies and policies. This bulletin provides information on aid inflows, in different sectors of the economy in the Gambia. These will guide the government during planning stages of resources mobilization as the new concession indicates that the government should go in for “grants or highly concessional loans”. The aid bulletin will also highlight the implementation progress of the NDP as to the committed resources and the allocated resources for implementation period.

As a Government, we continue to solicit the technical and financial assistance of our various development partners to help us achieve the strategic objectives of the National Development Plan. The Ministry of Finance and Economic Affairs appreciates the strong collaboration between partners and stands ready to work with all partners to address the rapid development and economic transformation of the Gambia within the implementation period of the NDP.

Hon. Mambury Njie
Minister of Finance & Economic Affairs

1.0 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.

2.0 Recent Developments in Aid Coordination

2.1 Annual Review of the Aid Policy Action Plan

The Gambia Aid Policy 2015 together with the NDP and the Development Finance Assessment (DFA) 2018, provide a cardinal guide on how aid to the Gambia should be provided and managed. This is in recognition that further developments in human and institutional capacity are necessary to support the successful implementation of national development blueprints.

The review aims to assess the overall progress made in the implementation of GAP and in the process identify the extent to which the policy is congruent with the new NDP. The review assessed the processes, achievements, the quality and results of interventions and drew lessons for informing the remaining period for implementing the GAP.

The review shows some level of complementarities between the policy and donor interventions in The Gambia. At a fairly effective rating from the consultations, this can be attributed to the slow pace of implementation. The slow pace of implementation that constitutes a major risk to full implementation of the policy largely hinges on the absence of role clarity in the Aid Policy Action Plan. This further compounds the desired clear institutional arrangements that would have enabled clear segregation of roles for effective implementation.

The low-level of focus on private sector investment in the design of the Aid Policy Action Plan to achieve the GAP objectives have been found during the consultations. This is now addressed by provisions in the NDP where private sector contribution to the national development plan is pegged at 29 percent.

2.2 Gambia Strategic Review Board (GSRB)

The Gambia Strategic Review Board (GSRB) as per the Gambia Aid Policy and Policy Action Plan is a highly-technical decision making body mandated to appraise and endorse all program and projects consistent with national and sectoral development strategies and priority action plans. Adduced from the above, the Board requires strong leadership support for effective aid coordination and management.

The aim of the board is to; appraise and endorse project/program proposals and to ensure their alignment with the national development priorities.

A ToR has been develop to guide the mandates of the board. The board is chaired by the Permanent Secretary of MOFEA.

2.3. Monitoring and Evaluation System

The Ministry of Finance & Economic Affairs through the support of United Nations' Development Programme (UNDP) Economic Management Project recruited the services of consultant to develop an M&E System for the Directorate of Aid Coordination. The system will help strengthen the reporting on progress in project implementation status. The system will include an offline module accessible on tablets to be used to conduct the monitoring exercises in the provinces, where 80 percent of the projects are intervening and access to internet remains a challenge in those remote areas. The development of the M&E system is expected to be completed by end 2019. However, this tool will also be linked to the NDP indicators so that the directorate can determine the contribution of the each project to towards the realization of the NDP by measuring the indicators.

2.4 Recent Macroeconomic Developments

The growth prospects for the Gambia have rebounded with improvement in economic output from 1.9 percent in 2016 to 4.8 and 6.5 percent in 2017 and 2018 respectively. The agricultural sector has registered a positive growth of 0.9 percent in 2018 from a negative growth of 4.4 percent in 2017. This growth can be sustained and further enhanced with the implementation of strong macroeconomic policies coupled with efficient and effective fiscal reform within a favorable macroeconomic environment to support debt sustainability. The sustainable growth registered would also foster a sustained increase of investment in basic infrastructure, increase donor support and helps accelerate in the implementation of the existing projects. The fiscal gap is expected to improve over time due to the fiscal consolidation coupled with effective domestic revenue mobilization through broadening of taxes. In addition, improvements stemming from a more regularized supply of electricity, lower interest rates, and a rebound in agriculture, tourism, and other services spurred private sector activity, complementing the impetus from the public investment program under the National Development Plan.

The fiscal deficit narrowed to 3.9 percent of GDP in 2018 from 7.9 percent in 2017 mainly as a result of increased fiscal discipline and international community support. The percentage of total public debt-to-GDP reduced from 129% in 2017 to 89% in 2018 because of GDP rebasing. This does not mean a reduction in the nominal value of the total debt portfolio, which has significantly increased especially the external component.

The current account balance narrowed to a deficit of US\$69.68 million (4.31 percent of GDP) in the review period from a deficit of US\$98.81 million (7.20 percent of GDP) in the corresponding period of 2017 due to improvement in the services account. The Capital and financial account balance improved to a surplus of US\$59.05 million from a surplus of US\$8.50 million a year ago, reflecting the increase in direct investment.

The goods account balance was estimated at a deficit of US\$354.42 million or 21.95 percent of GDP in the twelve months of 2018 compared to US\$331.20 million or 21.51 percent of GDP in the corresponding period in 2017, mainly due to an increase in imports, which reflects rising economic activity. The major imported items for the period included oil and petroleum products, cement products and other construction related materials while the export items include groundnuts (55.6 percent), fish and fishery products (21.6 percent), and cashew nuts (10.6 percent).

The services account balance surged to US\$106.92 million or by 73.66 percent in the twelve months of 2018 from US\$61.57 million in the same period a year ago,

Inflation continued its declining trending by falling from 6.95 percent in 2017 to 6.41 percent by the end December 2018. The easing of inflationary pressures and gradual improvements in the macroeconomic fundamentals contributed towards the downward revision of the Monetary Policy Rate (MPR) by the Central Bank. The MPR was maintained at 13.5 percent following a reduction from 15 percent in May 2018. The Gross international reserves increased to 3.1 months in 2018 from 2.9 months in 2017, helped by increased financial assistance from development partners

Similarly, average yearly yields on all treasury and Sukuk-Al Salaam bills declined, reflecting reduced borrowing in the T-bills market.

3.0 Updates on the National Development Plan (NDP)

Following the International Conference in May held at Brussels, these are the summarized pledges made by Gambia's development partners.

Analyses of the pledges received shows the following trends:

The European Union hosted an International Donor Conference on The Gambia in Brussels May 2018 where 43 countries and 10 International organizations, a total of 53 development partners, participated. Among them, 10 countries and all multilateral institutions that participated in the conference made pledges at the tune of US\$1.6 billion towards the realization of the NDP. However, mobilizing bilateral resources remains a challenge and thus The Gambia's development

assistance landscape continues to be dominated by the multilateral institutions. US\$ 620.33 million (40 percent) was in the form of grants, and US\$ 981.84 million (60 percent) was in the form of loans.

Additional pledges have since been received from partners who did not take part in the Conference or did not make any declarations during it. These additional resources amounted to US\$ 176.12 million. The partners concerned and the resources mobilized are shown in Table below. **Table 1: Additional pledges after International Conference**

Donor	Pledge		Total (US\$'000)
	Grant	Loan	
Germany	8.232		8.23
Belgium	8.23		8.23
Portugal	10.5		10.5
UNCDF	1.8		1.8
China	144.9		144.9
Japan	2.4		2.4

Thus the overall resources mobilized for the NDP as of December 2018 stands at US\$ 1.8 billion.

3.1 NDP Committed Resources

Total funds committed so far amounted to US\$ 972.92 million, which represents 59.6 percent of the total amounts pledged. Commitments from multilateral partners were US\$ 903.64 million (93 percent of total commitments); and bilateral partners committed US\$ 68.28 million (7 percent of total commitments).

Overall pledge conversion rates were respectively 92 percent for bilateral partners and 58.1 percent for multilateral partners. The multilateral grants conversion rate was 77 percent, while the multilateral loans conversion rate was 47 percent, reflecting government policy of slowing down on loans due to the debt situation.

See the table below as the committed resources by development partners/bilateral institutions.

Serial No.	identification			Total in US\$ Millions
	Donor/Category	Grants in US\$' Millions	Loans in US\$' Millions	
	Commitments			
Bilateral				
1	Belgium	0.18		0.18
2	France	58.8		58.8
3	Italy/UNICEF	2.4		2.4
4	Japan	3.2		3.2
5	Korea	1.7		1.7
7	Qatar	3.0		3.0
		69.28		69.28
Multilateral				
1	AfDB	60		60
2	BADEA			0
3	EU	164.64		164.64
4	EU Investment Bank		65	65
5	IsDB		396	396
7	WB	198		198
9	UN Peace Building Fund	20		20
		442.62	461	908.64
Total		511.92	461.00	972.92

Table 2: Commitment by Donor & Contribution Category

3.2 Sector Allocations of Committed Resources

Of the committed resources of US\$ 972 million, only US\$ 490 million was allocated to sectors during the period under review the table below shows the sector allocations. The energy sector had the largest share of allocated resources so far, followed by agriculture and macro-economy (budget support). Agriculture attracted an equal share of grants and loans while the energy sector had a higher proportion of loans of the allocated resources. Allocated resources for Justice and social sector (health and education) are predominantly grants. While allocations to the youth sector are low so far, and there are no recorded allocations for infrastructure.

However, the data is not fully complete and some sectors may have negotiated some agreements that are yet to reflect in the MoFEA pledge database. Therefore centralizing information is crucial for effective aid coordination, follow up, and decision making on sector allocations. It is important to note that committed resources from EU (a large contributor) are yet to be fully allocated to sectors.

Table 3: Sector Allocations of Committed Resources

Identification			Total US\$ 'Million'
Sectors	Grants in US\$ 'Millions'	Loans in US\$ 'Millions'	
Governance	24.88		24.88
Macroeconomic Management	76.88		76.88
Agriculture	58.89	51.10	109.99
Fisheries	5.00		5.00
Energy	67.00	120.50	187.50
Education	34.00		34.00
Youth and Migration	1.00		1.00
Health & Social Protection	13.40	10.00	23.40
Environment	7.70		7.70
Water	20.00		20.00
Total	308.75	181.60	490.35

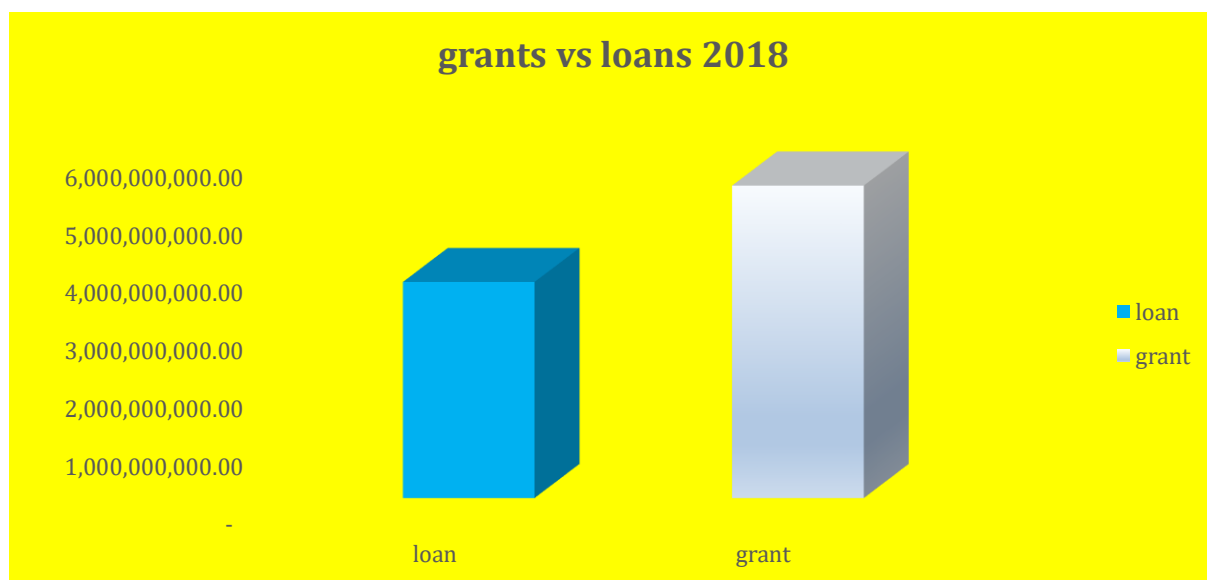
4.0 Official Development Assistance (ODA) in The Gambia

In The Gambia, there are three (3) main ODA collection points; Ministry of Finance Economic Affairs (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.

4.1 Loans and Grants

In 2018, the government of The Gambia received an ODA of GMD9.1 billion of which GMD5.4 billion is grant representing 59 percent of the total ODA and D3.7 billion as loan representing 41 percent for the total ODA for the period under review. However, in 2018 ODA has dropped compared to GMD11 billion in 2017. This is as a result of the suspension of the IsDB country portfolio and the slow rate of disbursement by other donors.

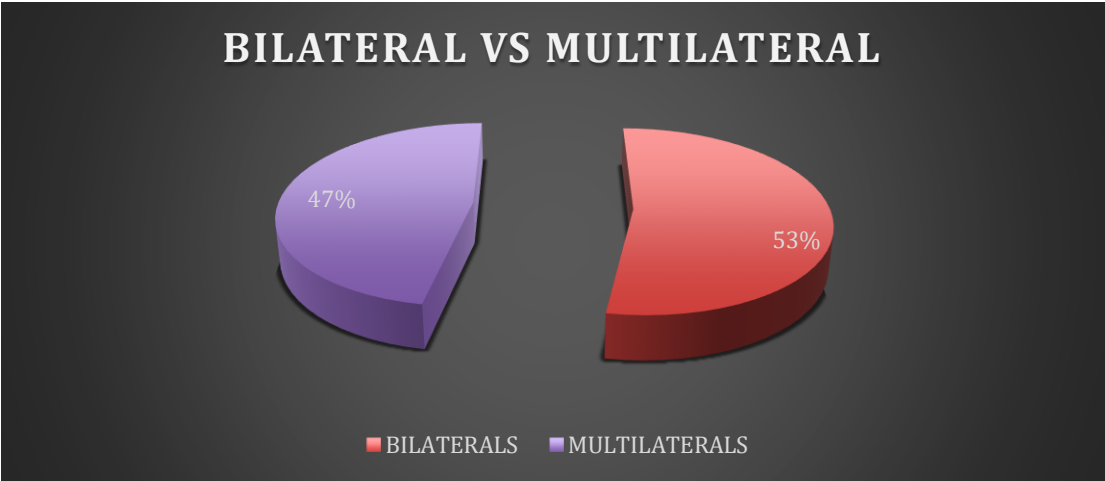
Figure 1: Loans Vs Grants



4.2 Bilateral vs Multilateral by Creditor

In 2018, the Government of The Gambia received a total loan disbursement amounting to D3.7 billion, comprising 53 and 47 percent for bilateral and multilateral creditors respectively. However, there has been a decline in terms of loans disbursement for the period under review compared to D6.0 billion in 2017.

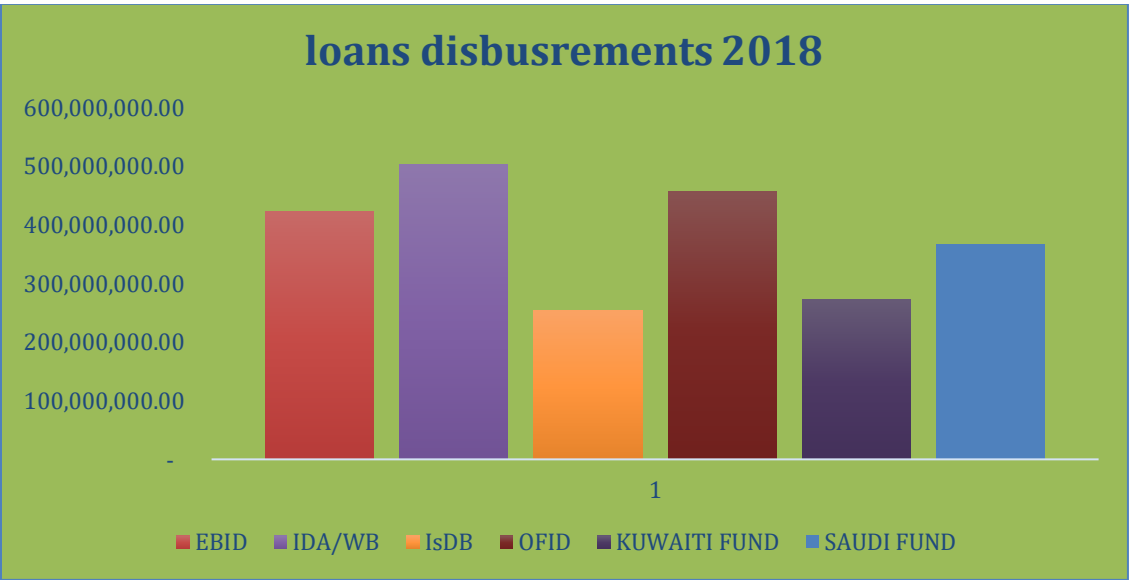
Figure 2: Loan Disbursement by creditor & creditor category



4.3 Loans Disbursements by Creditor

The chart below illustrates the leading creditors in the country. As shown, the highest creditor disbursement was received from the International Development Association (IDA) amounting to GMD502,553 million of the total loan disbursed in 2018. This is followed by OPEC Fund for International Development (OFID) at the tune of GMD456,99 million, ECOWAS Bank for Investment and Development (EBID) at GMD422,457. Saudi Fund for Development amounting GMD 366,924, Kuwaiti Fund at GMD272,573 and Islamic Development Bank (IsDB) at GMD252,819. However, we experienced a decline in 2018 due to the suspension of the whole IsDB portfolio which was due to the default in payments of GGC, NAWEC & GNPC under the International Islamic Trade Financing Corporation (ITFC) facility.

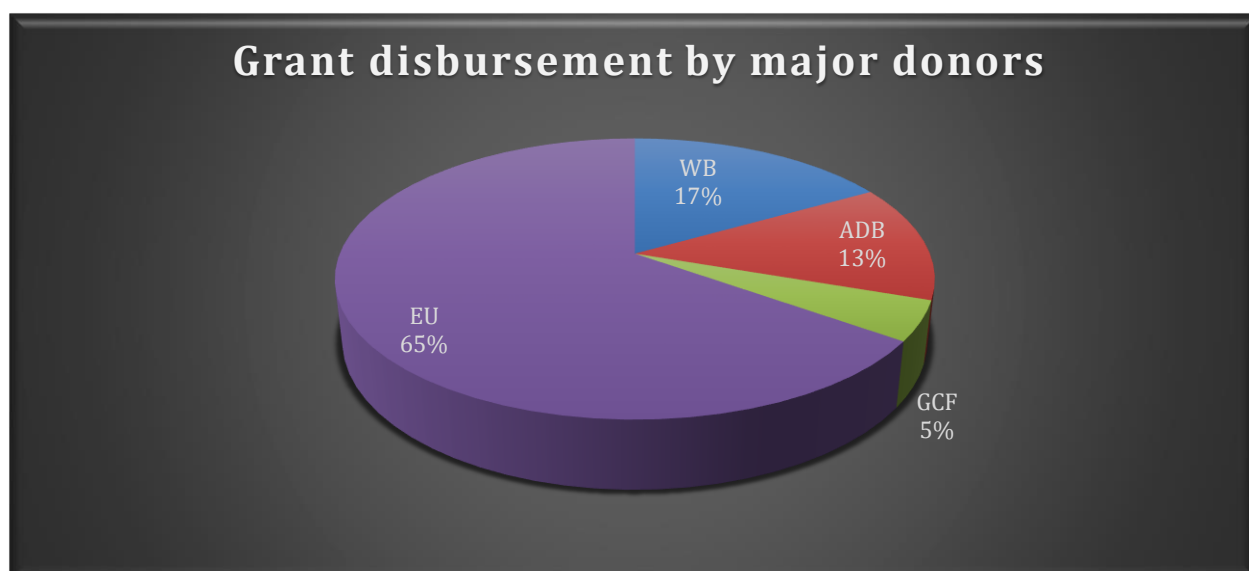
Figure 3: Loans Disbursements by Creditor



4.4 Donor and Donor Category

In 2018, the total grant disbursement amounted to 2.3 billion, mostly received from multilateral donors at 95 percent. However, GoTG have received a handful of bilateral support that came through the UN agencies. The chart below shows that European Development Fund (EDF) registered the highest disbursement at 65 percent followed by International Development Association (IDA) at 17 percent, African Development Bank (ADB) at 13 percent and Green Climate Fund (GCF) at 5 percent.

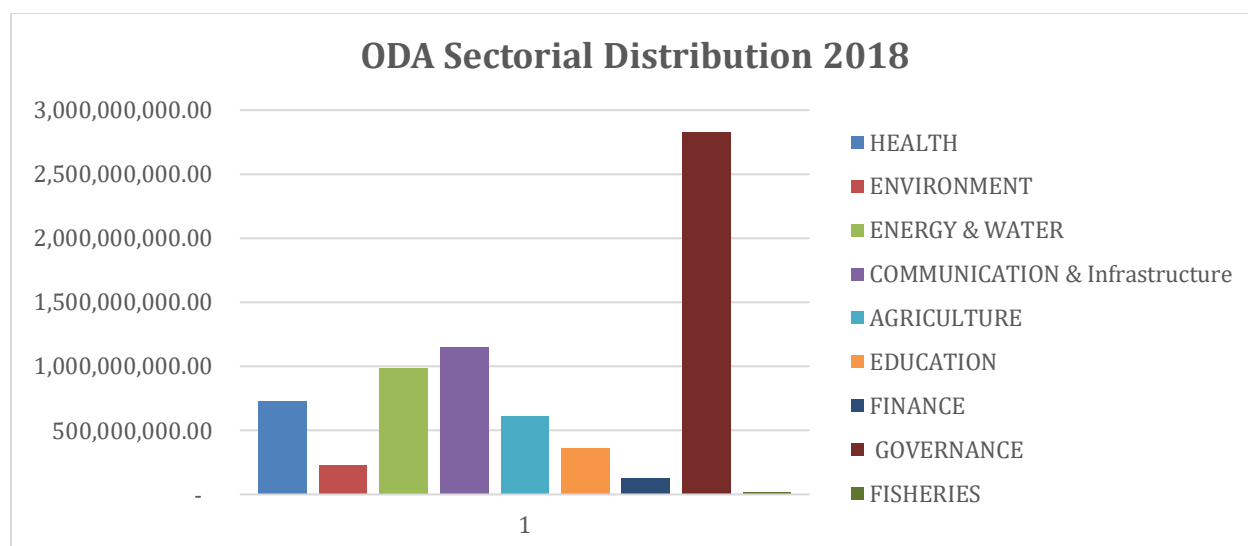
Figure 4: Donor and Donor Category



4.5 ODA Sectorial Distribution

In 2018, the ODA sectorial distribution was mostly attributed to governance at the tune of GMD2,827.00 million followed by communication sector at GMD1,148.00 million, energy sector at GMD988.63 and the productive sectors at GMD613.01 million. Compared to 2017, the highest ODA sectorial distribution has shifted from infrastructure to governance

Figure 5: Sectoral Distribution 2018



5.0 Aid Coordination Challenges in The Gambia

- The ACD with the current dispensation of aid in the country need capacity building in some areas
- Government is yet to have a strong policy to dictate resource allocation.
- 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 is challenged to meet the national challenges /demands.
- There is a weak linkage between government policy and private sector intervention.
- Accessing data in the Gambia is a challenge thus data from some UN agencies were not captured in this bulletin.

6.0 Recommendations and Way Forward

- There is need to strengthen the capacity of the Directorate of Aid Coordination to effective carry out their mandate.
- Policy on remittances to finance development – there is need to dialogue with Diaspora Gambians to encourage them to invest in long term bonds and direct their remittances to government priority sectors.
- There is need for a holistic and comprehensive capacity building especially in procurement.
- The Government should strengthen the business environment, facilitate easy borrowing and avoid multiple taxation to enhance private sector confidence and assurance on their investment.

