
THE GAMBIA AID BULLETIN 2017



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MINISTRY OF FINANCE AND ECONOMIC AFFAIRS

The Quadrangle, Banjul

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 inflows in complementing government's national development goals. It serves as an outlet and a forum through which our policy makers, development partners, researchers, students, and Gambians at large would get to know more about national development funds and programs to improve public sector financial management, transparency and accountability.

Editorial

The bulletin also serves as an information guide for the Gambia and its partners in relation to the national development plan and other blueprints. It identifies the sectors that received foreign aid, and make recommendations for aid effectiveness in the country. It also provides guidance for the implementation and the coordination of the NDP and other sector programmes.

In light of the above, the aim of this bulletin is to provide timely, reliable and useful information on donor /partner with respect to the implementation of the NDP and other sector development programs.

Acknowledgement

The Directorate of Aid Coordination under the leadership of the Hon. Minister of Finance and Economic Affairs, wishes to express its profound gratitude to the development partners, Project Implementation Units and other stakeholders for their resounding dedication and efforts during the process of the production of this Aid Bulletin.

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Acronyms

AfDB	African Development Bank
AMP	Aid Management Platform
CBG	Central Bank of The Gambia
DG	Development Gateway
DP	Development Partners
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
MoFEA	Ministry of Finance and Economic Affairs
MoICI	Ministry of Information and Communication Infrastructure
NDP	National Development Plan
NGO	Non-Governmental Organisation
NSA	Non-State Actors
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
UN	United Nation
UNDP	United Nation Development Program
UNFPA	United Nation Fund for Population Affairs
UNICEF	United Nation International Children Education Fund
WB	World Bank

Foreword



Dear Readers,

The 2017 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.

You would recall that the Gambia's post development plan, the Programme for Accelerated Growth and Employment (PAGE 2012-2015) took off with a

resounding promise and hope for high involvement of stakeholders, especially development partners, civil society organizations and the private sector. However, contrary to the promise made by the former government, PAGE was seen solely as government's own document; with little intervention of the private sector, civil society and some multilateral and bilateral partners in the development process. Despite all the challenges encountered some successes were registered in some sectors. The National Development Plan (2018-2021) under the new dispensation will focus its attention on the priority areas that will enhance rapid growth through employment creation, good governance and to prioritize our development agenda to enable us serve the less privilege by actively involving all key stakeholders in the development process such as development partners' civil society, and the private sector. Lastly, the bulletin highlights key challenges, recommendations and way forward for effective aid coordination and implementation.

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, stands ready to work with all partners to address the specific needs for the rapid development and economic transformation of the Gambia within the implementation period of the NDP.

It is against this backdrop, that the National Development Plan has been officially launched by the President of the Republic of the Gambia His Excellency Mr. Adama Barrow on the 6th of February 2018. The official launching by the president kick starts the resource mobilization efforts to fund the implementation of the National Development Plan which highlights key priority areas. It's important to note that the Gambia has successfully hosted a pledging and resource mobilization conference on May 22nd 2018 in Brussels with participation from development partners, civil society organizations, private sector, and foundations.

Hon. Mambury Njie
Minister of Finance & Economic Affairs

Recent Developments in Aid Coordination in The Gambia

The Government of the Gambia in its efforts to ensure Public Financial Management and accountability, places a high priority on enhancing aid transparency. Thus, Aid information coming through the Ministry of Finance is made available on the Aid Management Platform (AMP) (www.amp.gov.gm) which is an online database supported by United Nations Development Program in the Gambia covering all multilateral and bilateral donor funded projects as well as the development partners.

Furthermore, the European Union through NAOSU office have provided support in upgrading the AMP to a more robust system to enable easy access to all the relevant stakeholders. Upgrading of the AMP will provide a comprehensive overhaul in capturing all aid inflows in different areas of interventions effectively and efficiently. These will include government, development partners (DPs), Non-State Actors (NSAs) and all other relevant stakeholders on projects/program outcomes. In addition, this will improve the efficient and effective utilization of aid resources for better planning, implementation and decision-making process to avoid overlapping of Development Partner activities which often results in overspending in certain sectors whilst there is a severe shortage of resources in others.

The continuous implementation of the Gambia Aid Policy (2015-2020) serves as a blueprint for the realisation of aid effectiveness as enshrined in the Paris Declaration and the Accra Agenda for Action.

Furthermore, to ensure aid is predictable, a Non-Governmental Organisation mapping is on the way for effective and efficient monitoring of all development assistance coming in the country. This is to ensure that there is proper aid coordination and thus enable further alignment of aid resources across all sectors in line with the National development plan.

Recent Economic Developments and Outlook

The Gambia's economic recovery is now gaining traction as confidence resumes, following the sharp growth slowdown in 2016 due to election-related uncertainty drought.

The Gambia economic growth rebounded to 3.5 percent in 2017, from just 2.2 percent in 2016, owing to a stronger agricultural season and a pickup in tourism, trade and transportation. Headline inflation peaked at 8.8 percent in January 2017 and declined to 6.5 percent in March 2018, reflecting the stabilization of the dalasi and a rebound in food supply.

Following the latest 2017 Debt Sustainability Analysis (DSA) report, it has indicated that The Gambia is in serious external debt distress with an unsustainability public debt. At the end of 2017, the public debt level stood at GMD 58.8 Billion (USD 1,238.27 Million) of which external debt comprises of 52 percent and the remaining 48 percent as domestic debt. Thus resulting to a high debt to GDP ratio at 124 percent in the same period.

With the improved inflationary outlook, the Central Bank of The Gambia (CBG) reduced its policy rate from 23 percent in March 2017 to 15 percent in June 2017, ushering a drop in lending rates from about 28 percent at end-2016 to the current rate of 18 percent. Substantial external budget and project support (10 percent of GDP) led to a sharp reduction in the government's domestic borrowing requirement and a significant decline in T-bill yields, from an average of 17.5 percent in October 2016 to about 6 percent (-0.4 percent in real terms) at end-January 2018 setting the stage for savings in budgetary interest expenses down the road.

With reduced crowding out of private sector lending, annual private sector credit growth accelerated from -1.2 percent in December 2017 to 6.2 percent in March 2018. Large external inflows also led to the recovery of gross international reserves, and an increase in the import cover from 1.6 months at end-2016 to 2.9 months at end-2017. In 2018, GDP growth is expected to attain 5–5.5 percent and end-period inflation is projected to drop to about 5.75 percent bringing the average inflation rate below 6 percent in 2018 as a whole.

Overview of the National Development Plan (NDP)

The National Development Plan (2018-2021) is formulated by Government through an extensive consultative process and reviews of all sectors of the economy and society. The document outlines government's response to these deep-seated challenges facing the country.

The National Development Plan is divided into two parts; Part I outlines the plan framework, which includes the vision and goal of the plan, its strategic priorities and enablers, as well as the accountability framework and the cost of the plan; Part II covers the detailed situational analyses that underpin the plan priorities.

The NDP has eight strategic priority areas which includes;

- Restoring good governance, respect for human rights, the rule of law, and empowering citizens through decentralization and local governance;
- Stabilizing our economy, stimulating growth, and transforming the economy;
- Modernizing our agriculture and fisheries for sustained economic growth, food and nutritional security and poverty reduction;
- Investing in our people through improved education and health services, and building a caring society;
- Building our infrastructure and restoring energy services to power our economy;
- Promoting an inclusive and culture-centered tourism for sustainable growth;
- Reaping the demographic dividend through an empowered youth; and
- Making the private sector the engine of growth, transformation, and job creation.

Overview of Official Development Assistance (ODA) in The Gambia

In analysing Aid Coordination and Management, the GOTG recognizes that effective and efficient utilization of ODA is relevant in achieving its national development goals and strategies. Following our previous bulletin, we have observed a downward trend of our ODA especially in 2016. One of the key factors to that effect was lost in diplomatic ties with some of our key development partners among others. However, with this new government, we have observed a positive shift from that direction. Their transition agenda aims at offering a renewed opportunity with development partners who have expressed interest to work with The Gambia

In this section, we will give an overview of the 2017 ODA disbursement by donor both in terms of Loans and Grant. In addition, a sectoral ODA distribution will be depicting the disaggregation of the sectors that received the highest level of disbursements in 2017.

Loans and Grants Disbursement

In 2017, the Government of The Gambia received a total ODA of D11 Billion of which D6 Billion were loan representing 55% and 5 Billion as grant also representing 45%. Of which 4.7 billion came through project disbursements and 234 million for program disbursements. When compared these results to that of 2016, the total ODA figures were D5.3 Billion which compose a total loan disbursement of D2.5 billion representing 47% and grants of D2.9 billion representing 53%. One of the reasons attributed for this increase in 2017, is the renewed opportunity this new government has with development partners since they came into office.

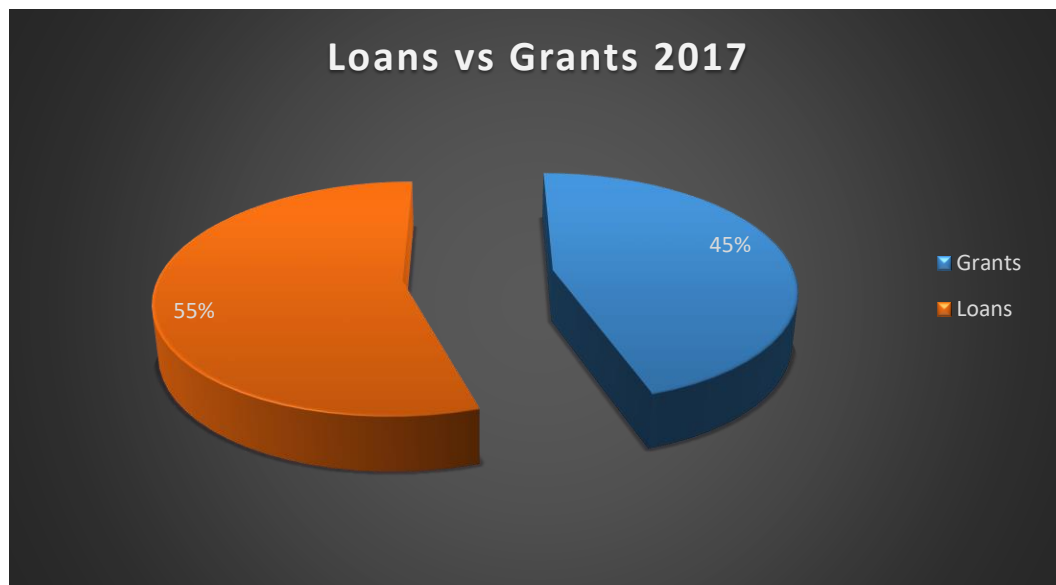


Figure 1: Loans vs Grants 2017

Projects and Program Disbursements on Grants

In 2017, the Government of the Gambia received a total ODA of 4.7 billion grant from its multilateral development partners and the UN agencies mentioned below disbursed 234 million directly to some sector beneficiaries in support of some activities.

Project disbursement	2017 GMD
ADB	1,142,810,174.70
WB	609,895,320.93
IFAD	834,836,842.00
UNEP	150,400.00
Global Fund	326,947,626.00
EU	1,608,557,078.00
GEF	205,144,178.00
GCF	3,524,295.00
TOTAL	4,731,865,914.63
Program disbursements	
UNICEF	77,709,612.00
UNFPA	84,430,730.44
FAO	35,906,684.00
WFP	35,786,249.79
TOTAL	233,833,276.23

Table 1: Grant disbursement (From development partners and UN agency)

Total Loan Disbursement by Development Partners

The loan disbursement by Development partners is shown in Figure 2 below. As shown by the figures, we have observed from the results that IDA has the highest level of loan disbursement constituting 32% of the total loan disbursed. This is as a result of disbursements on both projects and program (budget support), followed by IDB, BADEA and KFAED representing 24%, 12% and 7% respectively.

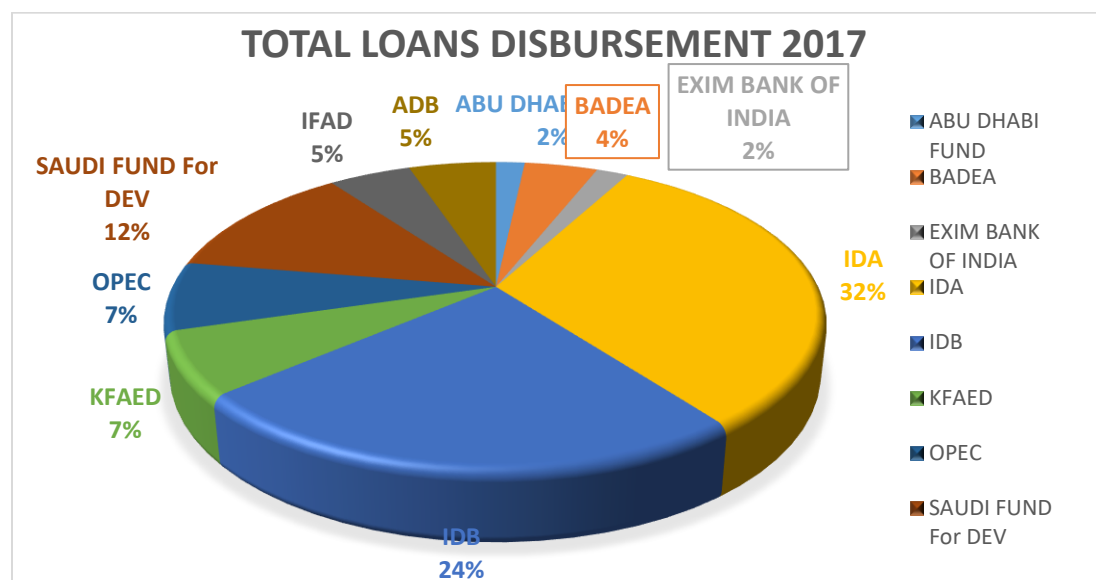


Figure 2: Total Loans Disbursement 2017

Total Grant Disbursement by Development partner

The chart below shows that EU registered the highest amount of grant disbursement of D1.6 Billion constituting 33% of the total grant disbursements in 2017. This is followed by ADB D1.14 billion constituting 23% and IFAD D8.3 million representing 17%. This is as a result of the improved partnership between the GoTG and the EU during the new dispensation in terms of budget support projects/program disbursements in the same period.

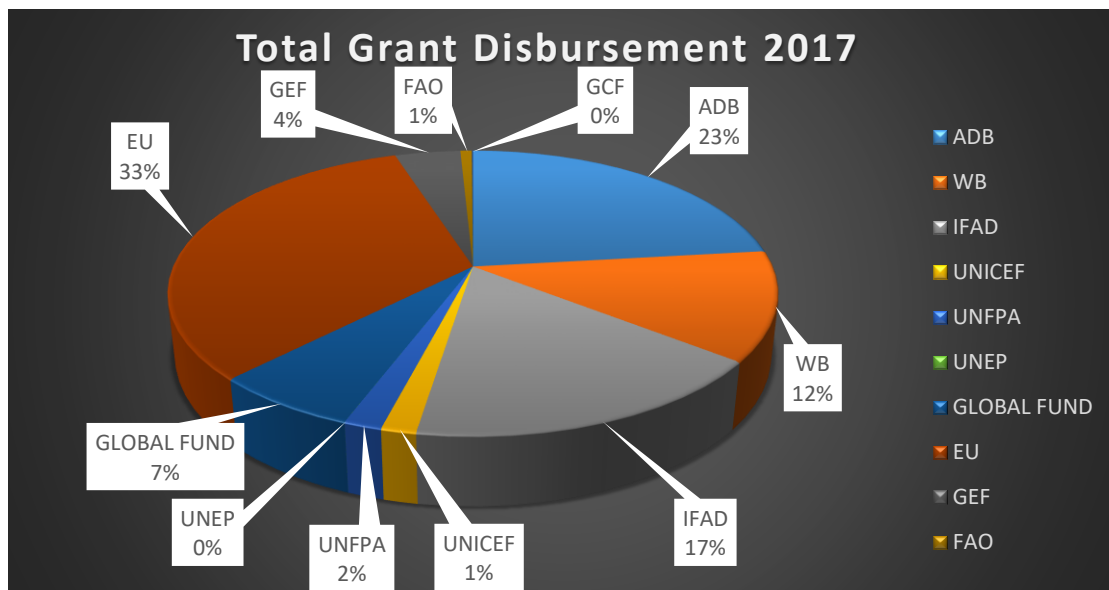


Figure 3: Grant Disbursement by Development Partner

ODA Distribution by Sector

In contrast to 2015 and 2016, where the ODA sectoral disbursement was attributed mainly on Economic Governance, Water, Transport and the Productive Sectors, 2017 outlook took a different turn. In 2017, Infrastructural Development stood out to have the highest ODA sectoral disbursement at a tune of D 4.6 Billion. This is followed by the productive sectors being agriculture amounting to D2.0 Billion and the Energy sector D1.0 billion. The shift in sectoral focus is evidence from the new NDP where “building our infrastructure and restoring energy services to power our economy” is among the eight strategic priority areas of the government.

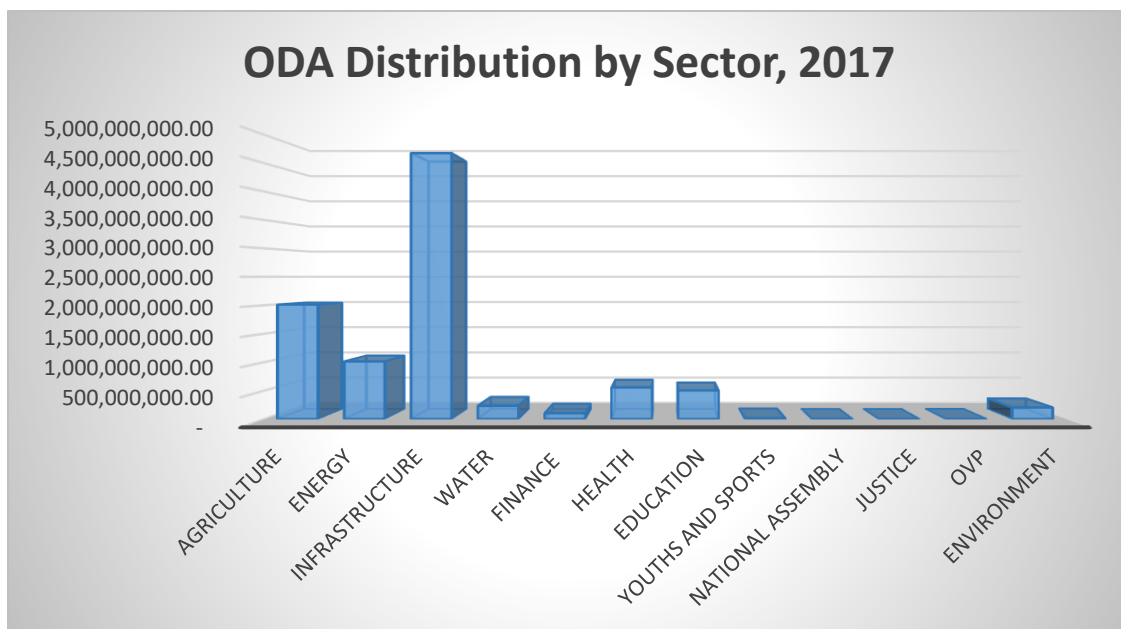


Figure 4: ODA Sectorial Disbursement

Aid Coordination Challenges in The Gambia

- Inadequate capacity at the Directorate of Aid Coordination to fully carryout their mandates
- 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.

Recommendations and Way Forward

- There is need to strengthen the capacity of the Directorate of Aid Coordination to effective carry out their mandate.
- national 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 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.
- Government should establish the Gambia Strategic Review Board that will be responsible for approving priority projects for the country.
- The Government should strengthen the business environment, facilitate easy borrowing and avoid multiple taxation to enhance private sector confidence and assurance on their investment.