TECHNICAL ASSISTANCE REPORT

THE GAMBIA

Public Investment Management Assessment Update with the Climate Module

JANUARY 2025

Prepared By

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Fiscal Affairs Department

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Acronyms and Abbreviations

C-PIMA	Climate Module of the Public Investment Management Assessment
ECOWAS	Economic Community of West African States
FAD	Fiscal Affairs Department
GDP	Gross domestic product
GLF	Gambia Local Funds
GMD	Gambian Dalasi
GSRB	Gambian Strategic Review Board
IMF	International Monetary Fund
MDA	Ministry, department, or agency
MECCNAR	Ministry of Environment, Climate Change, and Natural resources
MoFEA	Ministry of Finance and Economic Affairs
MTEFF	Medium Term Economic and Fiscal Framework
NDC	Nationally Determined Contribution
NDP	National Development Plan
PFM	Public financial management
PIM	Public investment management
PIMA	Public Investment Management Assessment
PIMIS	Public Investment Management Information System
PPP	Public-private partnership
SOE	State-owned enterprise

Preface

At the request of Hon. Seedy Keita, Minister for Finance and Economic Affairs of The Gambia, a Fiscal Affairs Department (FAD) capacity development mission visited Banjul from July 25 to August 7, 2024, to undertake a Public Investment Management Assessment (PIMA) and Climate PIMA (C-PIMA). The mission was led by Bryn Battersby and comprised of Natalia Salazar Ferro, Ian Hawkesworth, Rehemah Namutebi (all FAD), Chathebert Mudhunguyo (IMF Resident Public Financial Management Advisor in The Gambia), Kubai Khasiani and Willie Du Preez (both FAD short-term experts), and Tchaoussala Haoussiaish (World Bank) joined part of the mission.

The mission met with the Permanent Secretary of the Ministry of Finance and Economic Affairs (MoFEA), Mr. Baboucarr Jobe, and held discussions with the main directorates and units of MoFEA. Among the senior MoFEA officials met were Mrs. Juldeh Ceesay, Deputy Permanent Secretary Projects and Programs; Mrs. Clara Saine, Deputy Accountant General; Mr. Mustapha Samateh, Director of Budget; Mrs. Mariama Saine, Principal Economist, Aid Coordination; Mr. Papalie Puye, Principal Economist Public Private Partnerships; Mrs. Isatou F. Camara, Deputy Director of Development Planning; and Mrs. Chilil Ceesay, Principal Economist, State-Owned Enterprises.

Other senior officials met by the mission included Mr. Ebrima Sillah, Minister of Transport, Works and Infrastructure; Mr. Matar Ceesay, Permanent Secretary, Ministry of Transport, Works and Infrastructure; Mr. Lamin Dampha, Permanent Secretary, Ministry of Trade, Industry, Regional Integration and Employment Creation; Mr. Lamin Camara, Permanent Secretary Ministry of Petroleum and Energy; Mr. Bubacarr Zaidi Jallow, Deputy Permanent Secretary, Ministry of Environment, Climate Change and Natural Resources; Mr. Momodou Taal, Deputy Permanent Secretary, Ministry of Land and Religious Affairs; Mr. Phoday M. Jaiteh, Director General, Gambia Public Procurement Authority; Mr. Ousman Jobarteh, Managing Director, Gambia Ports Authority; Mr. Gallo Saidy, Managing Director, National Water and Energy Corporation; Mr. Omar Gaye, Director General, The Gambian Agency for the Management of Public Works; Mr. Yusupha M. Jobe, Director, Public Utilities Regulatory Authority; Mr. Sanna Dahaba, Director General, National Disaster Management Agency; Mr. Pa Majagne Ndow, Deputy Director General, National Audit Office; Mr. Abdou Aziz Gaye, Deputy Mayor, Banjul City Council; and Mr. Sulayman Sumareh Janneh, Deputy Managing Director, National Road Authority. The mission also presented its findings at a meeting of development partners chaired by the IMF Resident Representative.

The mission extends its appreciation to the Gambian authorities for their cooperation and constructive discussions. Special thanks to Mrs. Mariam Saine and colleagues from MoFEA’s Aid Coordination Directorate for excellent work in coordinating the meetings and providing logistical support.

Executive Summary

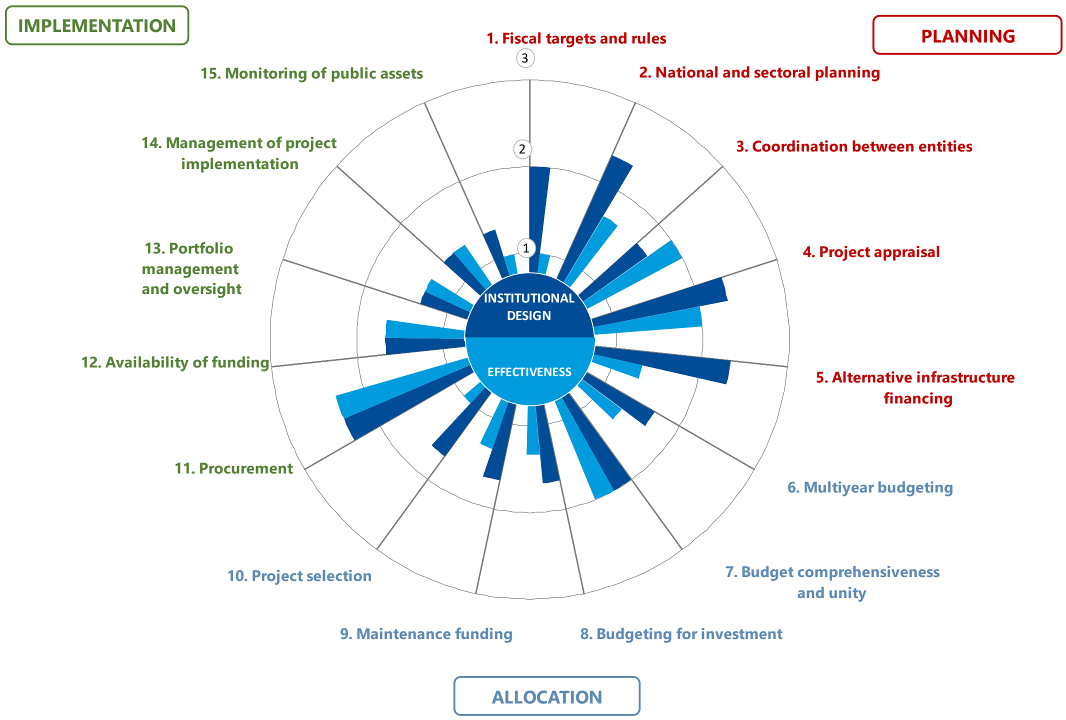
The Gambia has an ambitious National Development Plan (NDP) that prioritizes sustainable growth and social transformation. The plan includes significant investments in public infrastructure aimed at improving key sectors such as agriculture, energy, transport, and human capital. Notable examples include the focus on renewable energy projects and the expansion of the Banjul Port, which will be critical in supporting trade and economic activity. Given the substantial funding gaps identified in the plan, effective public investment management will be crucial to ensure that resources are utilized efficiently and that the intended development outcomes are achieved.

Infrastructure quality and access in The Gambia have improved over the past five years, though significant challenges remain. Perceptions of infrastructure quality have shown an upward trend since 2007. Key indicators such as the number of secondary teachers and access to electricity and basic drinking water services have also improved, with The Gambia's performance in these areas exceeding both regional and comparator averages. However, despite these gains, The Gambia still ranks lower than many countries in the region.

The design of public investment institutions in The Gambia has improved since the 2019 PIMA assessment. Notable enhancements include the adoption of the Cabinet Memorandum (2020) and accompanying guidance establishing the Gambia Strategic Review Board and the introduction of the 2023 State-Owned Enterprise (SOE) Act, which mandates the new SOE Commission with the central monitoring of SOEs. The new Gambia Public Procurement Authority Act (2022) and regulations have been enacted and considerably upgrade the required definitions and procedures for procurement. A new Asset Management Policy is driving the program to develop a comprehensive asset register. The planned new PFM Act should address some remaining gaps, including the absence of transparent criteria and processes for project selection, but implementation will determine whether these institutional design improvements translate into more effective public investment management.

Despite these institutional improvements, effectiveness has yet to catch up and, in some cases, has weakened (Figure 1 and Table 1). The government's standard methodology is not fully applied in appraisals, and risks are not systematically examined. Project selection also suffers from a lack of central review, with no pipeline of appraised projects for budgeting and many parallel project selection processes, often determined by funding or financing source. The Aid Management Platform, which previously tracked donor-funded projects, is no longer operational, creating significant gaps in the centralized tracking and management of project costs and progress. Medium-term capital expenditure outcomes often deviate substantially from forecasts, and the breakdown between recurrent and capital expenditure in budget ceilings is no longer provided, further complicating the management of project costs. Notwithstanding ongoing reforms, the management and oversight of public assets is still incomplete, with limited asset registers and irregular condition assessments.

Figure 1. The Gambia PIMA: Institutional Design and Effectiveness

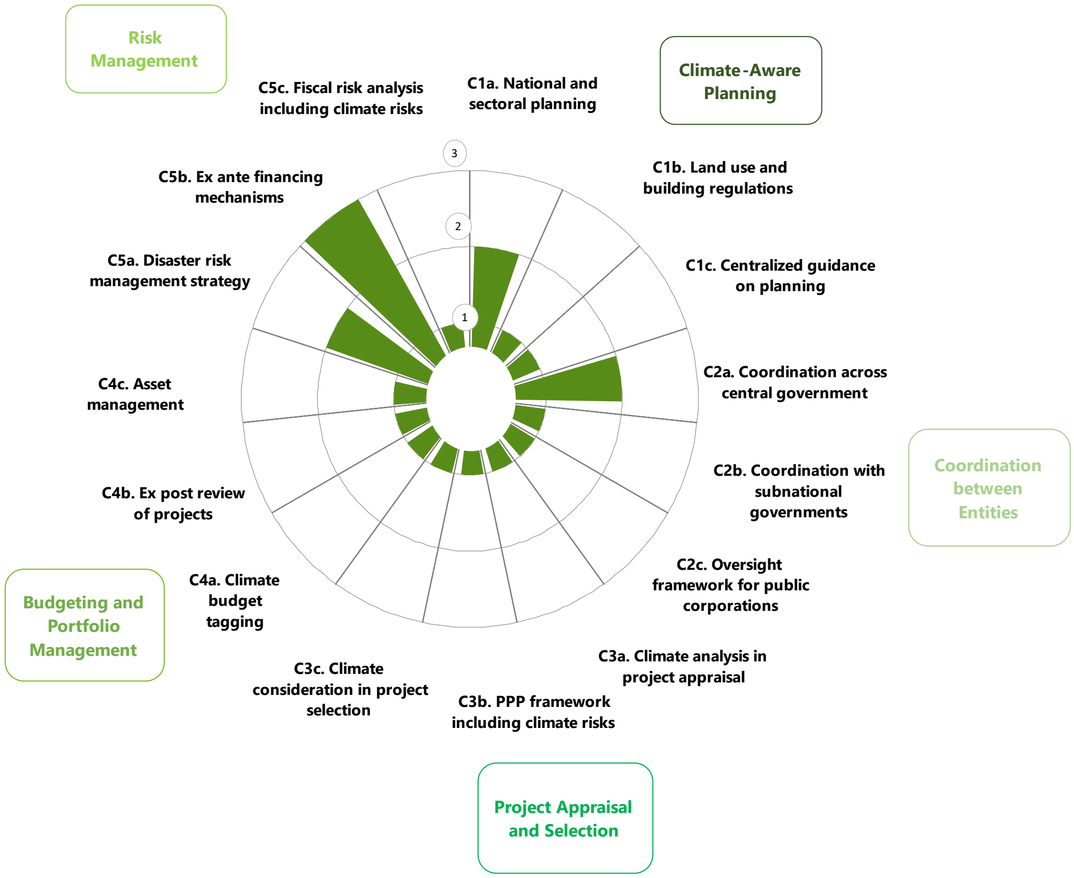


Source: Staff calculations.

Public investment management processes in The Gambia are undermined by the absence of a dedicated team with a clear mandate for overseeing and enforcing PIM practices and the lack of an IT system for tracking public projects. The public investment management roles of various directorates at MoFEA and budget agencies are not formally specified, and there are insufficient staff to fulfill these important functions. Additionally, there is no longer an IT platform for tracking and reviewing the pipeline of projects from inception to completion. These two cross-cutting weaknesses could mean that the aspirations attached to the range of institutional reforms over the past five years will not be met.

The Gambia is increasingly vulnerable to the impacts of climate change, facing particularly significant risks from rising sea levels. With projections indicating a temperature rise between 1.1 degrees Celsius and 3.1 degrees Celsius by the 2060s and up to 5.0 degrees Celsius by the 2090s, and sea levels expected to rise significantly, the capital city Banjul and the Greater Banjul area are particularly at risk. Despite these threats, the public investment management framework in The Gambia falls short in addressing climate-related concerns (Figure 2 and Table 2). Climate-aware planning lacks full integration with national public investment strategies, and outdated land-use and construction regulations do not adequately address climate risks. Coordination between entities is insufficient, and project appraisal and selection processes do not comprehensively cover climate-related risks. Climate-related investments and expenditure are not readily identifiable in budget documents. Recommendations to enhance climate resilience include incorporating climate change criteria in the appraisal and selection regulations, updating Environmental and Social Impact Assessment Guidelines, and using geo-location information in the new asset register to assess and mitigate infrastructure risks.

Figure 2. The Gambia C-PIMA: Institutional Design and Effectiveness



Source: Staff calculations

Notwithstanding the significant effort behind recent changes in public investment management (PIM) in The Gambia, the framework would benefit from further enhancements (Table 3). Key recommendations include designing and implementing a simple, fit-for-purpose Public Investment Management Information System and mandating and adequately staffing a centralized unit in the Ministry of Finance and Economic Affairs to coordinate and guide PIM across the government. This should be coupled with the preparation of a project pipeline and criteria to guide project prioritization and selection. Extracting and publishing a list of priority investment projects as an annex to the National Development Plan and ensuring future sectoral strategic plans include project lists and estimated costs will enhance planning and project oversight. Reintroducing capital expenditure ceilings and ensuring thorough reviews of all proposed large projects funded by the government and donors before inclusion in budget documents will strengthen the budgeting framework for public investment management. Establishing a portfolio management function in MoFEA and completing the centralized asset register will improve implementation and maintenance management. These steps will help to ensure that The Gambia realizes the full potential of recent and ongoing institutional reforms.

Table 1. PIMA Summary Assessment for The Gambia

Phase/Institution			Institutional Strength	Effectiveness	Reform priority
A. Planning	1	**Fiscal targets and rules**	MEDIUM. A medium-term fiscal framework exists with criteria and targets, but no specific fiscal limits or rules.	LOW. The debt-to-GDP ratio remains high, supranational and IMF targets are not adhered to, and MTEFF does not anchor the budget.	Low
	2	**National and sectoral planning**	MEDIUM. NDP 2023-27 identifies programs and projects with costings, but mapping projects is unclear and complex.	MEDIUM. Programs in plans are included in the budget, but tracking costs is difficult with information only at the program level.	Medium
	3	**Coordination between entities**	MEDIUM. No requirement for sharing local investment plans, but rules-based transfers exist, and SOE contingent liabilities must be reported.	MEDIUM. Local investment plans are discussed, and transfers are predictable, but contingent liabilities are not reported.	Low
	4	**Project appraisal**	MEDIUM. Major projects need rigorous analysis using standard methodology with risk plans, but no publication requirement or central support.	MEDIUM. Major projects use development banks' appraisal, but standard methodology isn't fully applied, or risks systematically examined.	High
	5	**Alternative infrastructure financing**	MEDIUM. Market is open in major sectors, PPP Act is still draft, and new SOE Commission scrutinizes SOE plans and performance.	LOW. Private sector participates in only two markets, PPPs are a small contributor, and new SOE Commission doesn't yet scrutinize plans.	Low
B. Allocation	6	**Multiyear budgeting**	MEDIUM. Multiyear capital expenditure estimates were published, but no multiyear ceilings or total construction cost projections.	LOW. Medium-term outcomes deviate from forecasts, and the breakdown between recurrent and capital expenditure was suspended.	High
	7	**Budget comprehensive-ness and unity**	MEDIUM. Financial Regulations require budgets to reflect recurrent and capital expenditure, excluding SOE and PPP financing sources.	MEDIUM. Capital spending by EBEs and donor-funded projects is in the budget, but assessing major project costs is difficult.	Low
	8	**Budgeting for investment**	MEDIUM. No requirement to publish total project costs, and virements from capital to current are allowed. Ongoing projects protected.	LOW. Total project costs are not in budget documents, ongoing projects are not fully protected and no virements to recurrent.	High
	9	**Maintenance funding**	MEDIUM. No standard methodologies for maintenance, but maintenance expenditure is identified in the budget classification.	LOW. Funding for routine maintenance and major improvements is low compared to need.	Medium
	10	**Project selection**	MEDIUM. MoFEA reviews projects but lacks standard criteria and a structure to maintain a pipeline of appraised projects.	LOW. Major projects aren't reviewed centrally, no standard selection criteria, and no pipeline of appraised projects for budgeting.	High
C. Implementation	11	**Procurement**	MEDIUM. Procurement laws specify methods, an independent review board, a comprehensive database, and mandate activity publication.	MEDIUM. Procurement for major projects is open and transparent but monitoring and complaints review are only moderately effective.	Low
	12	**Availability of funding**	MEDIUM. Regulations require cash plans but don't prioritize payments, and external financing accounts must be at the central bank.	MEDIUM. Monthly cash forecasts are updated, externally financed projects are timely, but major government projects accumulate arrears.	Low
	13	**Portfolio management and oversight**	LOW. Some major projects are subject to monitoring and funds can be re-allocated, but ex-post reviews are not required.	LOW. Quarterly sector-level monitoring occurs with some fund re-allocation, but no ex-post reviews are conducted.	Medium
	14	**Management of project implementation**	LOW. No legal requirement for senior project officers, but some ex-post audits and cost adjustment guidelines exist.	LOW. Some project management exists, and ex-post audits are conducted occasionally, but cost adjustments lack legal review.	Medium
	15	**Monitoring of public assets**	LOW. Asset management is regulated but incomplete, with no requirement for recording asset values or specifying depreciation.	LOW. Limited asset registers exist, revaluations aren't done, and condition assessments are rare except for some SOEs.	High

Table 2. C-PIMA Summary Assessment for The Gambia

Phase/Institution			Institutional Strength	Reform priority
PIMA Climate Change	C1	**Climate-aware planning**	LOW. The NDC Implementation Plan includes projects, but it needs full integration with national public investment strategies. Outdated regulations on planning and construction do not address climate risks. No centralized guidance for climate-aware public investment strategies.	**Medium**
	C2	**Coordination between entities**	LOW. The Gambia has a legal framework for coordinating climate policy and investment planning, but no requirement for coordinating local governments' capital spending. The SOE Act and SOE Commission do not ensure SOE investments align with national climate policies.	**Medium**
	C3	**Project appraisal and selection**	LOW. While climate change is included in project risks in the Appraisal Guidelines, it is not comprehensively covered in appraisal, PPP, or selection regulations. No selection criteria exist, but climate change is noted for prioritization and selection.	**High**
	C4	**Budgeting and portfolio management**	LOW. Budget documents do not identify climate-related expenditures or projects. Ex-post reviews of climate outcomes are not required, and asset management policies do not address climate risks.	**High**
	C5	**Risk management**	MEDIUM. Disaster risk management identifies climate-related risks to infrastructure but lacks comprehensive mitigation plans. Ex ante financing mechanisms exist, but fiscal risk analysis of climate-related risks to infrastructure is limited.	**Low**

Recommendations

Table 3. PIMA and C-PIMA Recommendations

Recommendation		Priority
Cross-Cutting Issues		
1.	Design and implement a simple, fit-for-purpose Public Investment Management Information System (PIMIS) (through to 2026, MoFEA).	High
2.	Mandate a centralized unit in MoFEA to coordinate and guide PIM across government (by end-2024, Minister of Finance and Economic Affairs).	High
Planning		
3.	Extract and publish a list of the priority investment projects as an annex to the NDP 2023-2027 and ensure that all future sectoral strategic plans include a list of projects, estimated costs, and funding sources. (by end-2024, MoFEA)	Medium
4.	Enforce requirements under the SOE Act for SOEs to submit annual financial statements that include a statement on contingent liabilities (by end-2024, MoFEA).	Low
Allocation		
5.	Reinstate capital expenditure ceilings in the budget call circular. In the medium term, capital expenditure ceilings should include locally funded and externally financed capital expenditures (by mid-2026, MoFEA).	High
6.	Ensure all ongoing and proposed new projects funded locally and by donors are reviewed before being included in the budget documents for approval by the legislature (by mid-2025, MoFEA).	Medium
7.	Develop operational guidelines describing the selection process and key criteria covering the role of the new MoFEA PIM Unit (Recommendation 2), (by end-2024, Gambia Strategic Review Board, MDAs, and Ministerial Investment Implementation Committee)	High
Implementation		
8.	Establish a portfolio management function in MoFEA (by end-2025, MoFEA and SOEs)	Medium
9.	Complete the process of preparing a centralized asset register and improve information on maintenance and asset register (by end-2025, Accountant General and MoFEA)	Medium

Recommendation		Priority
Climate		
10.	Include climate-related performance criteria in the performance agreements with SOEs (by end 2024, SOE Commission with MECCNAR).	Medium
11.	Incorporate climate change criteria in the update of the appraisal and selection regulation and in the upcoming Public Private Partnership Act (by mid-2025, MoFEA).	High
12.	Update the Environmental and Social Impact Assessment Templates and Guidelines to include climate change requirements (by mid-2025, MECCNAR)	High
13.	Use the geo-location information in the new asset register (Recommendation 9) to initially assess exposure of critical infrastructure to climate risks (such as sea level rise) and produce a plan to mitigate these asset risks (by end-2027, Accountant General)	High
14.	Update the Fiscal Risk Statement to assess climate-related risks to assets, macroeconomic risks, and climate-related risks to SOEs and Public-Private Partnerships (by end-2026, MoFEA)	Medium

I. Public Investment in The Gambia

A. Trends in Public Investment and Capital Stock

1. **The Gambia is continuing to make significant progress in its democratic and economic reforms.** The country was removed from the IMF and World Bank's fragile country list in 2022, and the economic recovery is gaining momentum with a 5.3 percent expansion in real gross domestic product (GDP) in 2023, driven by robust performance in construction, tourism, and agriculture. Despite this growth, The Gambia's GDP per capita remains in the bottom third of countries in sub-Saharan Africa and well below the average across the Economic Community of West African States (ECOWAS) countries (Figure 3). Debt to GDP has been falling in The Gambia but remains high and above both ECOWAS and Sub-Saharan averages (Figure 4), implying limited fiscal space for meeting the country's development priorities.

Figure 3. 2023 Estimated GDP Per Capita in The Gambia and Comparable Countries
(2017 PPP dollar adjusted, thousands)

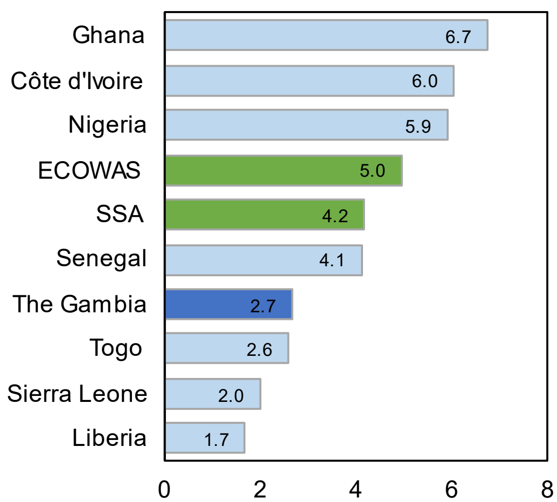
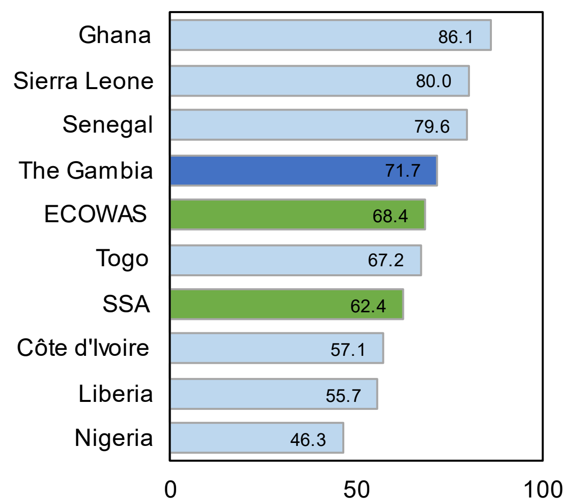


Figure 4. 2023 Estimated Debt to GDP in The Gambia and Comparable Countries.
(Percent)



Note: SSA stands for Sub-Saharan Africa, and ECOWAS stands for the Economic Community of West African States. In this context, PPP refers to purchasing power parity.
Source: IMF World Economic Outlook, April 2024.

2. **Notwithstanding the limited fiscal space, The Gambia's latest National Development Plan (2024-2028) has an ambitious agenda for infrastructure and investment.** The plan outlines a strategy to accelerate green economic and social transformation, build resilience to shocks and crises, and consolidate democratic governance gains. To achieve these goals, significant investments in key sectors such as agriculture, energy, transport, and human capital are envisaged. The NDP (2023-2027) Financing Strategy, which serves as a foundation for this new plan, estimated the total funding requirement at USD 3.5 billion (159.1 percent of GDP) under an optimistic scenario and USD 2.8 billion (127.3 percent of GDP) under a more conservative scenario. However, available funding was estimated at only USD 703.13 million (31.9 percent of GDP) and USD 598 million (27.2 percent of GDP), respectively, indicating substantial funding gaps of approximately USD 2.80 billion (127.3 percent of

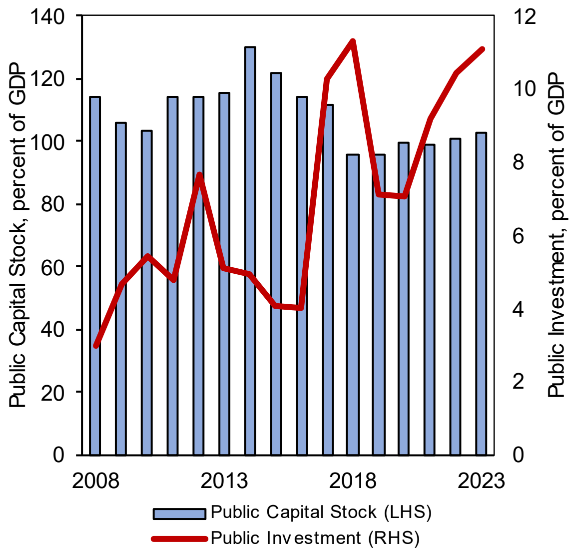
GDP) and USD 2.21 billion (100.5 percent of GDP).[1] To bridge these gaps, the government plans to mobilize resources through diversified funding sources, including domestic revenue generation, international aid, private sector investment, and innovative financing mechanisms such as diaspora bonds and public-private partnerships (PPPs). While the ambitious strategy underscores the government's commitment to transforming the economic landscape and improving the livelihoods of Gambians, it also highlights the considerable fiscal challenge that lies ahead, and the criticality getting the most out of existing and new investments.

3. After a large drop in the public capital stock, public investment and the public capital stock in The Gambia have begun to recover. The public capital stock declined from 130 percent to 96 percent of GDP between 2014 and 2019, with the depreciation of the existing stock far exceeding replacement investment, and as capital was written down, particularly in the SOE sector. The slow but continuous recovery has seen both private and public investment as a percent of GDP grow over the past five years (Figure 5), possibly reflecting increased private sector confidence and the initiation of new public-private partnerships. The public capital stock once again exceeded 100 percent of GDP in 2023 (Figure 6), which compares favorably with other countries in the region (Figure 7).

4. Public investment in The Gambia has been concentrated in ten sectors, accounting for 94 percent of public investment between 2022 and 2024. Key sectors have included energy (2.8 percent of GDP), transport (2.7 percent of GDP), agriculture (1.3 percent of GDP), health (0.9 percent of GDP), education (0.5 percent of GDP), and environment (0.5 percent of GDP) (Figure 8). The energy sector has led with significant investments in renewable energy infrastructure, such as the 20MW Jambur solar plant and the 10.5MW NAMA solar plant, critical for meeting the country's renewable energy goals. The Ministry of Transport, Works, and Infrastructure focused on major projects like the construction of the Banjul-Barra Bridge and the upgrading of 1200 km of national, urban, and rural roads. These ministries heavily relied on external funding sources for their projects, underscoring the importance of international aid and partnerships in The Gambia's development strategy. However, there were also domestically funded projects, primarily within the transport sector, such as the Bertil Harding Highway redevelopment. A significant portion of this investment is undertaken by state-owned enterprises, such as the National Water and Energy Corporation and the Gambia Ports Authority, though the extent is not clear in the government’s fiscal reports.

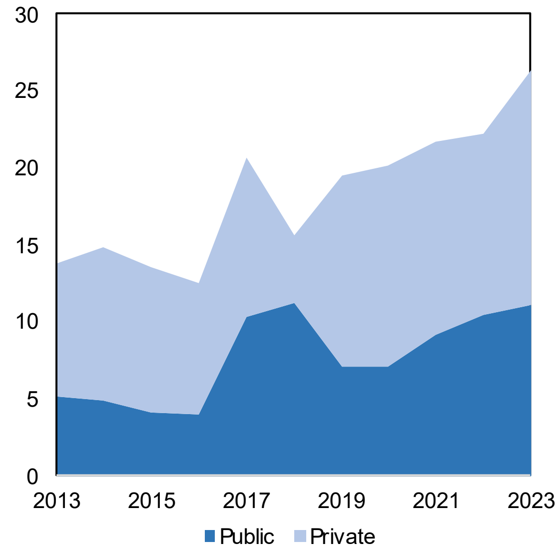
[1] Government of The Gambia. (2023). Financing Strategy of the NDP 2023-2027.

Figure 5. Public Investment and the Public Capital Stock (Percent of GDP)



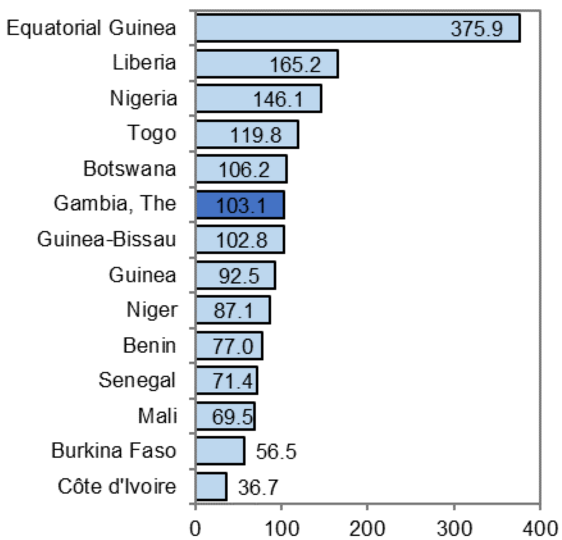
Source: Staff estimates.

Figure 6. Private and Public Investment (Percent of GDP)



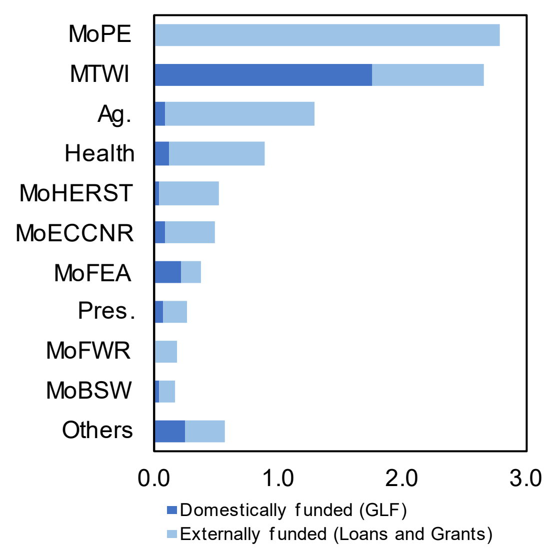
Source: Central Bank of Gambia, IMF World Economic Outlook (April 2024), and Staff Estimates.

Figure 7. The Gambia's Public Capital Stock and Regional Comparisons (Percent of GDP)



Note: Regional estimates are from 2019, while the estimate for The Gambia has been updated to 2023.
Source: Staff estimates.

Figure 8. Public Investment by Ministry (Percent of GDP)



Source: MoFEA, Central Bank of Gambia, and staff estimates.

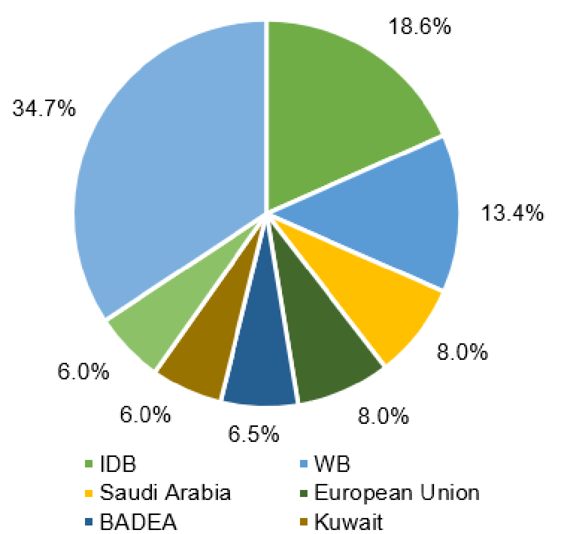
Note: MoPE is the Ministry of Petroleum and Energy; MTWI is the Ministry for Transport, Works, and Infrastructure, and Ag. is the Ministry for Agriculture; MoHERST is the Ministry for Higher Education, Research, Science and Technology; Pres. is the President's Office; MoFWR is the Ministry for Forestry and Water Resources; and MoBSW is the Ministry for Basic and Secondary Education.

B. Composition and Financing of Public Investment

5. **Public investment in The Gambia has been primarily financed from external sources.** On average, from 2008 to 2023, public investment financed with external sources has been close to 80 percent (Figure 9). There has been a relatively equitable distribution between grants and loans in investment financing (Figure 10). Despite the importance and necessity of external sources for implementing investment projects in The Gambia, grant revenue has been volatile (Figure 11).

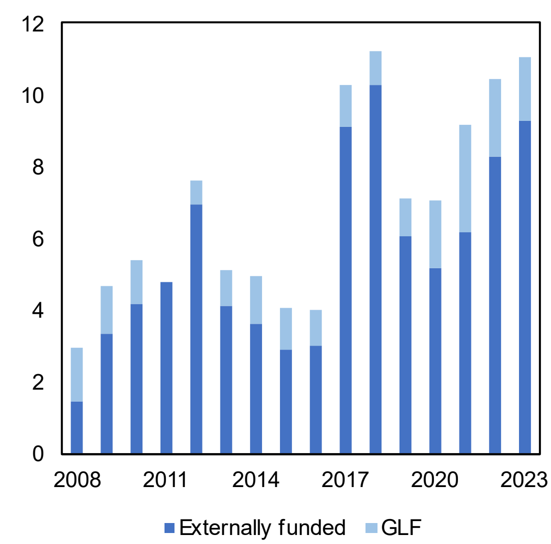
6. **The Gambia receives grants and loans from multiple development partners and multilateral financial institutions (Figure 12).** Key development partners in the period 2017-2022 have included the Islamic Development Bank, the World Bank, and the European Union. However, there have been more than 25 different development partners, including bilateral partners and multilateral agencies. Notable projects that have received financing support from development partners include the River Basin Development Organization Energy Project, the West Africa Coastal Areas Resilience Investment Project 2, and the National Agricultural Land and Water Management Development Project.

Figure 9. Sources of Donor Funding (Percent of total from 2017 to 2022)



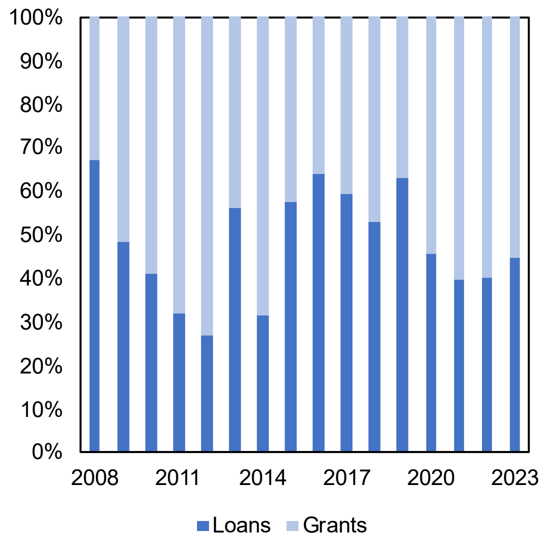
Source: MoFEA and staff estimates.
Notes: IDB is the Islamic Development Bank, WB is the World Bank, and BaDEA is the Arab Bank for Economic Development in Africa.

Figure 10. Public Investment by Source of Funding (Percent of GDP)



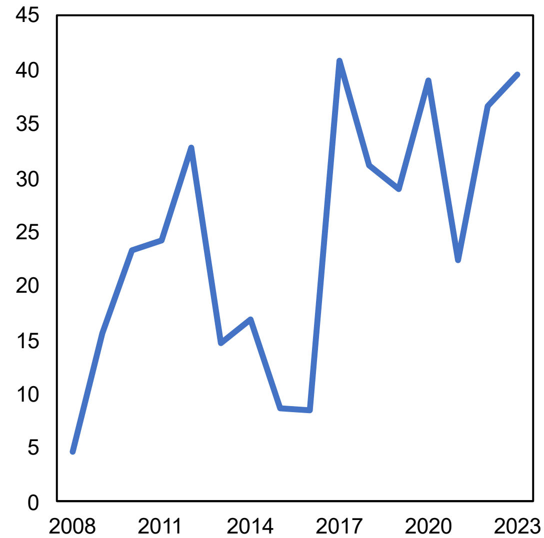
Source: MoFEA and staff estimates.
Note: GLF is Gambia Local Funds

Figure 11. Composition of External Funded Public Investment (Percent)



Source: MoFEA, Central Bank Statistics Database, and the IMF World Economic Outlook.
Note: Investment refers to Central Government.

Figure 12. Government Grant Revenue (Percent of Total Revenue)



Source: MoFEA and staff estimates.

7. The development of public-private partnerships (PPPs) in The Gambia is still at an early stage, though the government is actively promoting this investment financing modality (Table 4). In recent years, the government has introduced a new PPP Act, updated the PPP guidelines, and entered into partnerships with the private sector for the development of infrastructure and the operation of services. There are now almost twice as many PPP projects as were identified in the 2019 PIMA. There are ten ongoing PPP projects with private participation in construction or operation, seven in the pre-investment stage, and three completed projects. These contracts cover mainly the transport, energy, communication, water, and waste sectors, with a total investment value of approximately USD 110.0 million (5.0 percent of GDP). The largest PPP is the Banjul Terminal Expansion and Development of Deep-Sea Port in Sanyang (Box 1), with an estimated investment value of around USD 80 million (7.7 percent of GDP).

Table 4. Ongoing, New, and Completed Public-Private Partnership Projects in The Gambia

Ongoing Projects	Value (USD)	Duration
Nick TC Scan	23.1m	10yrs
SecuriPort	7.5m	15yrs
Africard	1.0m	15yrs
Comfort Quality	0.7m	5yrs
Weigh Bridge		5yrs
Single Window Platform	10.7m	10yrs
Cargo Tracking Note	53.0m	10yrs
Rental Income Mobilization System	5.5m	3yrs
Revenue Mobilization for Excisable Goods, Refine Fuel, and Telecom Service	10.0m	5yrs
Banjul Terminal Expansion and Development of Deep-Sea Port in Sanyang	~80.0m	25yrs
Projects in pre-investment phase	**Value (USD)**	**Duration**
Agricultural Mixed Farming Centers		12yrs
Gamtel Broadband Network Project		5yrs
National Identification Document System and Digital ID System		7yrs
Sir Dawda Kairaba Jawara International Conference Centre		
Government Office Complex		
Digital Gambia Limited		
Banjul International Airport		
Completed/terminated projects	**Value (USD)**	**Duration**
Semlex	50.2m	5yrs
Spacewide	35.0m	10yrs
Agua		

Source: MoFEA and staff estimates.
Note: Missing values are unknown at the time of compilation.

Box 1. The Port of Banjul Expansion

The Port of Banjul needs significant investments to address worsening performance and potential future growth opportunities. The recent pre-feasibility study[2], notes that the Port's container volumes grew by 9.9 percent per year from 2010-2019 to a peak of 137,000 TEU[3]. Since then, volumes have declined to 120,000 TEU in 2021, due to severe congestion. Demand is forecasted to increase to 270,000 TEU in 2030 - corresponding to an average growth rate of 9.5 percent. The pre-feasibility study estimates the investment needs to GMD5,680 million (approximately USD 80m) over seven years. The Gambian Port Authority is therefore soliciting a concession with a private investor. The Gambian Port Authority wishes to own 20 percent of the terminal operating company for strategic reasons, although it may raise conflict of interest concerns.

Table 5. Base Case Net Present Value and Possible Adjustments, (GMD million)

Row	Indicator	NPV of SPV	Change
1	Base Case (BC)	47	
2	BC+ Full inflation correction on revenues	2,415	+ 2,368
3	BC+ Revenue increase of 20% from 2025	1,579	+ 1,533
4	BC+ Dev financing	607	+ 560
5	Total	4,649	4,461

Source: Gambia Ports Authority, Pre-Feasibility Report for Banjul Container Terminal Concession, 2022
Note: Each row is a component of the prepared scenario.

The base business case (Table 5) shows the project is financially feasible but with a very limited margin for concession fees to be paid to the Gambian Port Authority at GMD 47 million (1). By correcting for inflation (2) increasing tariffs (3) and assuming reduced financial cost by using development financing (4), the project net present value can be increased to GMD 4.6bn (5), part of which will be reallocated to the Gambian Port Authority through concession fees. The expected improvement in port efficiency represents a cost saving of several hundreds of Euros per TEU for the shipping lines, justifying the recommended tariff increase. The concession fee paid to the Gambian Port Authority will depend on the bids received by potential concessionaires and the specific terms, guarantees and financial comfort measures offered. The key issue is who will carry what risks. In these types of arrangements, the IMF recommends the use of the PFRAM tool that helps governments identify, rate and potentially mitigate the risks from concession and PPP arrangements.

A preferred bidder (Albayrak of Turkey) was selected in late 2023 and negotiations have been ongoing.[4] It is unclear whether a concession agreement has been signed, the terms and guarantees required, what investments are to take place, and the size of the concession fee paid to the Gambian Port Authority.

Source: Data and photo from the Gambia Ports Authority, Pre-Feasibility Report for Banjul Container Terminal Concession, 2022.

[2] Banjul Container Port Concession Pre-Feasibility Study, August 2022, Gambia Ports Authority

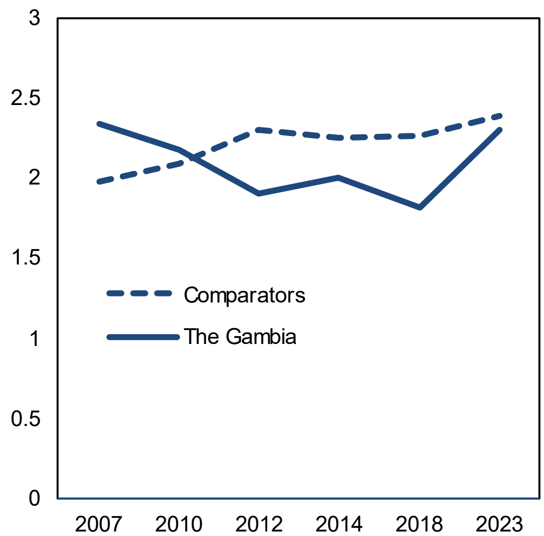
[3] A TEU (twenty-foot equivalent unit) is a measure of volume in units of twenty-foot-long containers.

[4] Banjul Port Expansion Project: Notice of Award of Contract Issued to Albayrak of Turkey – Foroyaa Newspaper

II. The Efficiency of Public Investment

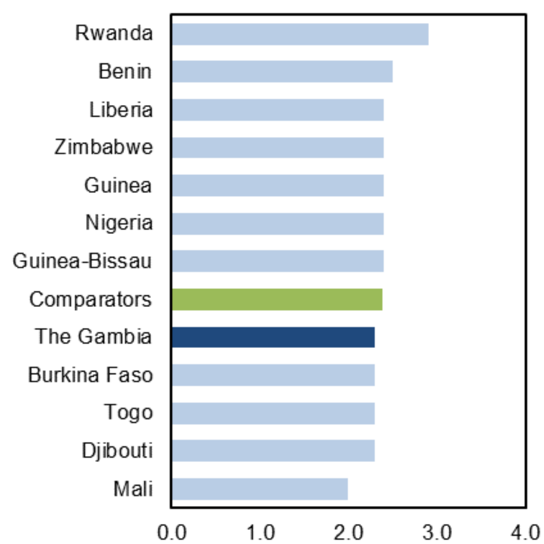
8. **The quality and capacity of The Gambia's infrastructure have improved in comparison with peers over the past five years.** Perceptions of infrastructure quality, specifically in transport infrastructure as measured by the World Bank's Logistics Performance Index have shown a recent upward trend. However, The Gambia still ranks lower than other countries in the region (Figures 13 and 14). Still, indicators such as the number of secondary teachers per 1000 people and access to electricity and basic drinking water services have improved. The Gambia's performance in these areas exceeds both regional and comparator averages (Figure 15). To maintain and build on these gains, it is essential to continue strengthening public investment management practices. This includes ensuring that infrastructure projects are well-planned, efficiently executed, and regularly assessed for their impact and sustainability.

Figure 13. Perceptions of Infrastructure Quality (2007 to 2023)



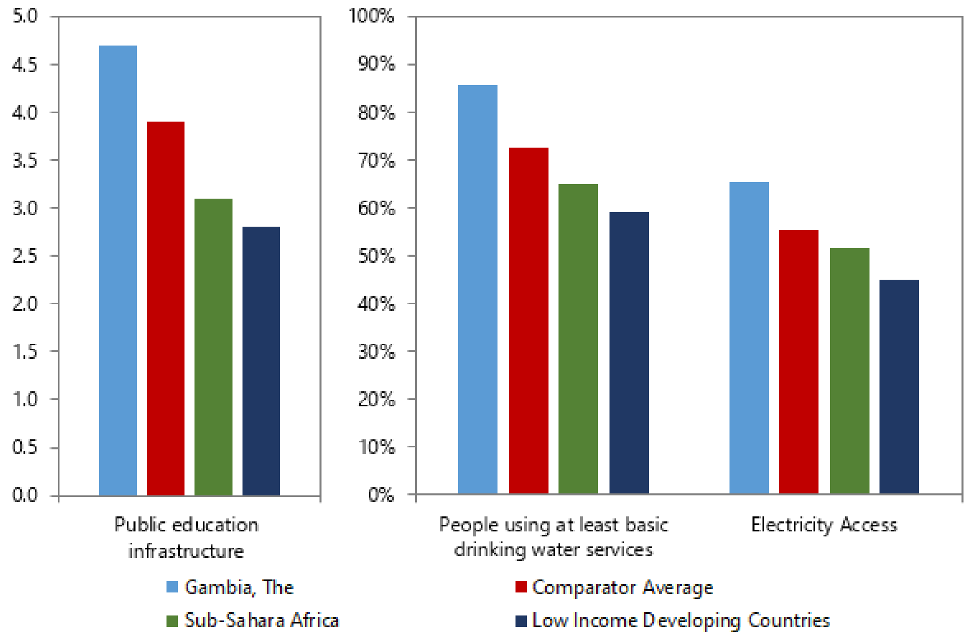
Source: World Bank Logistics and Performance Database.
Note: Comparators are countries listed in Figure 14.

Figure 14. Perceptions of Infrastructure Quality Across Comparators (2023)



Source: World Bank Logistics and Performance Database.

Figure 15. Measures of Access to Infrastructure in 2023

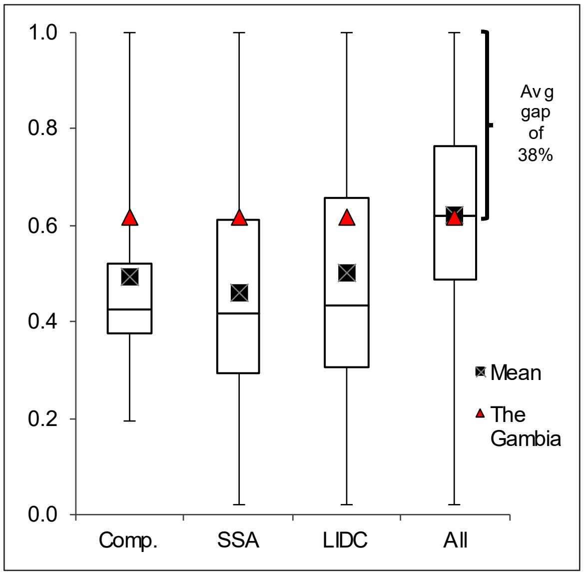


Source: World Bank Open Data

Notes: Public education infrastructure is secondary teachers per 1000 people and was 2022 for The Gambia. The latest data for drinking water and electricity access is 2023. Comparators are Ghana, Liberia, Nigeria, Sierra Leone, Senegal, and Togo.

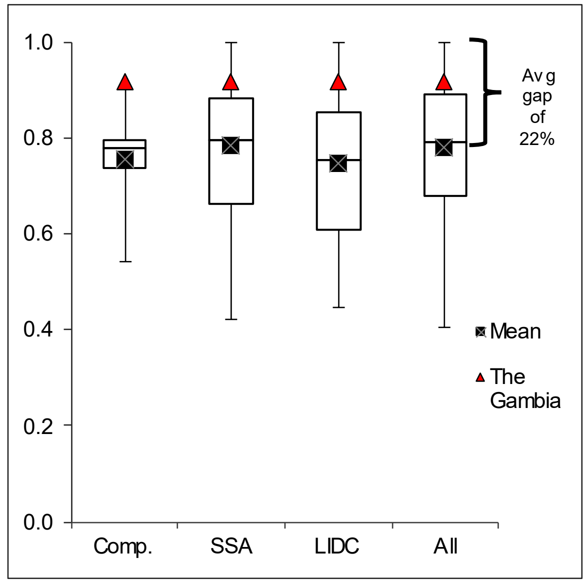
9. **The Gambia has moved closer to the frontier for public investment efficiency since the 2019 PIMA, but this reflects a fall in the capital stock rather than an overall improvement.** The IMF has developed a methodology to assess the efficiency of public investment through the development of an efficiency frontier. A hybrid indicator for infrastructure efficiency compares a composite of a quality indicator (Figures 16 and 17), where The Gambia does relatively well, and access indicators to the public capital stock. On this measure, The Gambia has moved slightly closer to the public investment efficiency frontier since the 2019 PIMA (Figure 18). However, this reflects the fall in the capital stock between 2015 and 2019 rather than an improvement in the hybrid indicator (See Chapter 1). As The Gambia embarks on its path towards its new National Development Plan investment objectives, addressing gaps in public investment management would help to increase the efficiency of capital spending and stay at or close to the frontier.

Figure 16. Public Investment Efficiency
(Benchmark based on Physical Infrastructure Indicator)



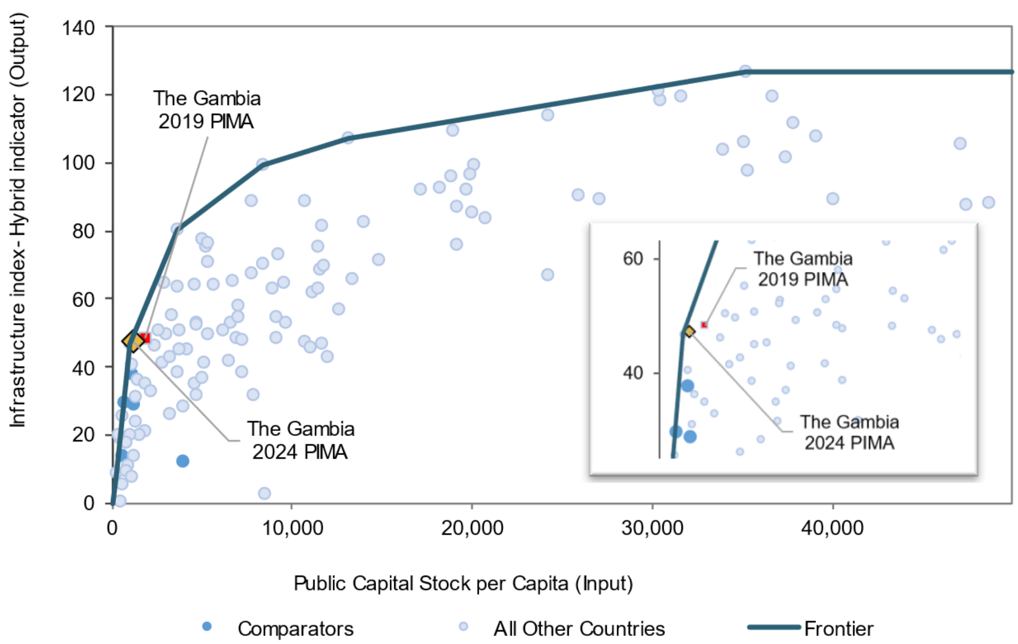
Source: Staff estimates based on IMF (2015).
Notes: Comparators are Ghana, Liberia, Nigeria, Sierra Leone, Senegal, and Togo. "All" refers to all countries in the dataset.

Figure 17. Public Investment Efficiency
(Benchmark based on Quality of Infrastructure Indicator)



Source: Staff estimates based on IMF (2015).
Notes: Comparators are Ghana, Liberia, Nigeria, Sierra Leone, Senegal, and Togo. "All" refers to all countries in the dataset.

Figure 18. Public Investment Efficiency
(Frontier, Hybrid Indicator)



Source: Staff estimates based on IMF (2015).
Notes: Comparators are Ghana, Liberia, Nigeria, Sierra Leone, Senegal, and Togo.

III. Public Investment Management Institutions

A. The PIMA Framework

10. The IMF has developed the Public Investment Management Assessment (PIMA) framework to assess the quality of the public investment management of a country. It identifies the strengths and weaknesses of institutions and is accompanied by practical recommendations to strengthen them and increase the efficiency of public investment.

11. This assessment uses the 2018 PIMA framework which includes 15 "institutions" involved in the three major stages of the public investment cycle (Figure 19). These are: (i) planning of investment levels for all public-sector entities to ensure sustainable levels of public investment; (ii) allocation of investments to appropriate sectors and projects, and (iii) delivering productive and durable public assets efficiently.

Figure 19. PIMA Framework

Source: Public Investment Management Assessment Handbook.

12. For each of these 15 institutions, three indicators are analyzed and scored according to a scale that determines whether the criterion is met in full (high), in part (medium), or not met (low) (see Annex 2 for the PIMA Questionnaire). Each dimension is scored on two aspects: institutional design and effectiveness; and reform priority is also discussed for each institution:

- *Institutional design* refers to the objective facts indicating that appropriate organizations, policies, rules, and procedures are in place. The average score of the institutional design of three dimensions provides the score for the institution, which may be high, medium, or low.
- *Effectiveness* refers to the degree to which the intended purpose is being achieved or there is a clear useful impact. The average score of the effectiveness of the three dimensions provides the effectiveness score for the institution, which may be high, medium, or low.
- *Reform priority* refers to whether the issues contained within the institution are important to be improved in the specific conditions faced by The Gambia.

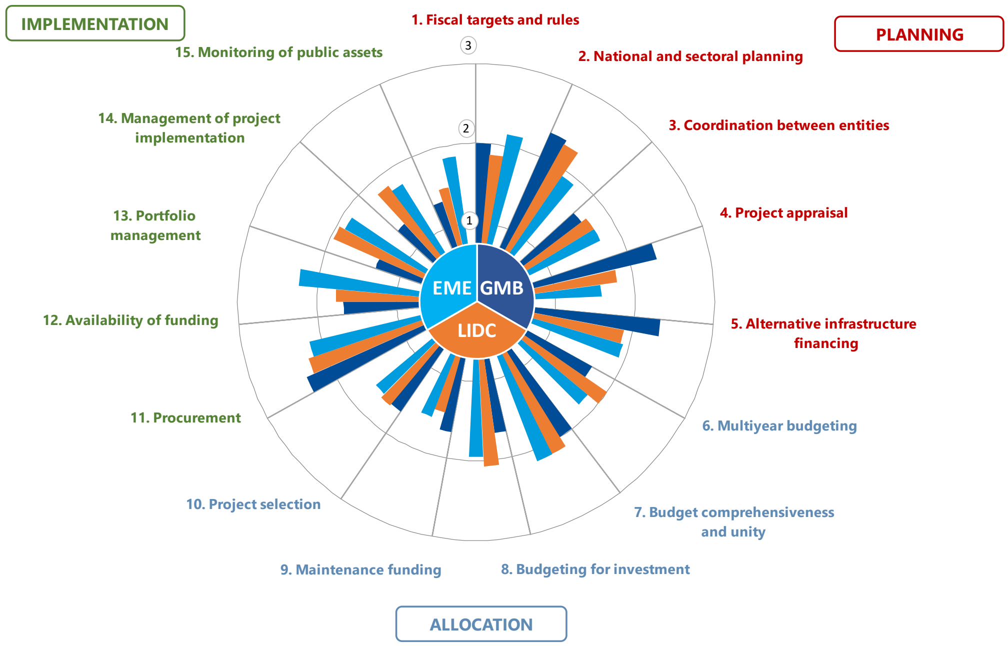
B. Overall Assessment

13. The Gambia compares well to other low-income developing countries and even emerging market economies on some measures of institutional design but lags in effectiveness (Figures 20 and 21). The Gambia performs relatively well in national and sectoral planning, project appraisal, alternative infrastructure financing, and procurement, all areas where there have been several important and recent reforms. However, it performs less well in multiyear budgeting, budgeting for investment, and several of the implementation institutions of the PIMA. Effectiveness lags behind institutional design in many areas, but it is relatively strong compared to peers in areas where donors are particularly active, such as project appraisal and in procurement processes. Closing gaps between the intentions and aspirations of new institutional frameworks and their effectiveness should be an important focus in the coming years.

14. Since the 2019 PIMA, several areas of institutional design in The Gambia have strengthened, but effectiveness is yet to respond and, in some cases, has weakened (Table 6). Institutional design improvements include the regular preparation of the Medium-Term Expenditure and Fiscal Framework (MTEFF), updates to the regulation covering the appraisal and selection process anchored in the Gambia Strategic Review Board (GSRB), and the new 2023 SOE Law mandating centralized monitoring of SOEs. Additionally, the Chart of Accounts introduced in 2019 allows easier identification of routine and major maintenance items in the budget. However, effectiveness remains mixed and has weakened in investment budgeting, with the absence of project costs in budget documents and the removal of capital ceilings for ministries, departments, and agencies (MDAs), and in portfolio management and oversight.

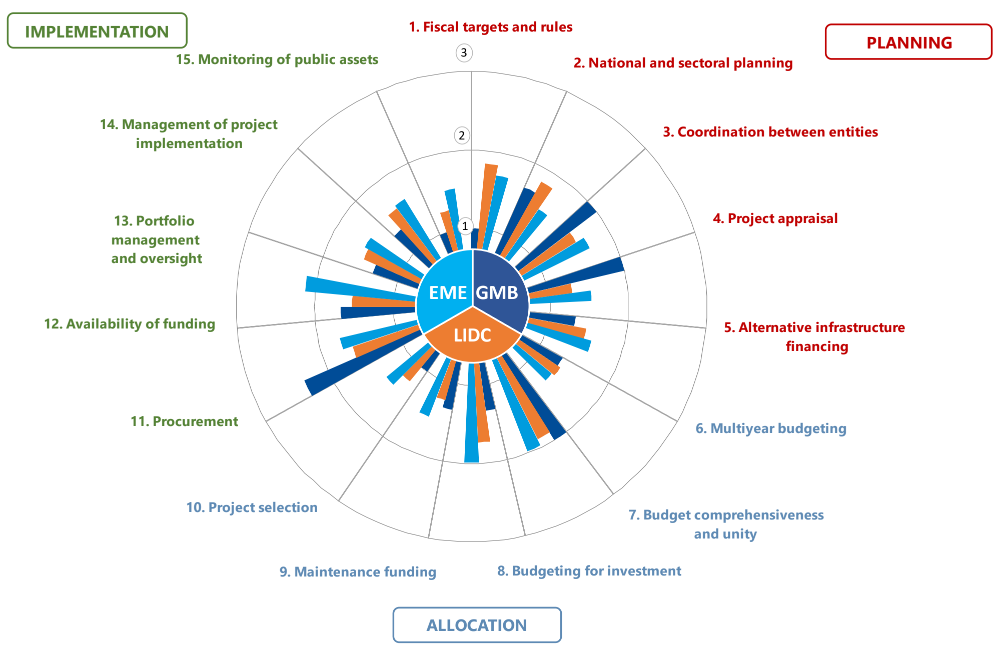
15. The following sections provide a detailed assessment of The Gambia's public investment institutions and recommendations to address challenges and issues identified during the evaluation. While the assessment finds strengths and gaps across the PIMA framework, there are some common themes across areas where effectiveness remains weak. Public investment management processes in The Gambia are hindered by the lack of a dedicated team with a clear mandate for overseeing and enforcing PIM practices and the absence of an IT system for tracking public projects. The roles of various directorates at the Ministry of Finance and Economic Affairs (MoFEA) and budget agencies in public investment management are not formally specified, and there is an insufficient number of staff to carry out these critical functions. Furthermore, the country no longer has an IT platform for tracking and reviewing the pipeline of projects from inception to completion.

Figure 20. Design of Public Investment Management Institutions



Source: Staff calculations.
Note: EME is Emerging Market Economies, and LIDC is Low-Income Developing Countries.

Figure 21. Effectiveness of Public Investment Management Institutions



Source: Staff calculations.
Note: EME is Emerging Market Economies, LIDC is Low Income Developing Countries.

Table 6. Summary of Changes in PIMA Scores: 2019 to 2024

Phase/Institution			Institutional Strength	Effectiveness	Explanation for change
A. Planning	1	Fiscal targets and rules	LOW TO MEDIUM	LOW	The MTEFF is being regularly prepared.
	2	National and sectoral planning	MEDIUM	MEDIUM	No change in score
	3	Coordination between entities	MEDIUM	MEDIUM	No change in score
	4	Project appraisal	LOW TO MEDIUM	MEDIUM	The regulation covering the appraisal and selection process anchored in the GSRB, has been updated and codified.
	5	Alternative infrastructure financing	LOW TO MEDIUM	LOW	The new 2023 SOE Law mandates the SOE Commission with monitoring SOEs centrally
B. Allocation	6	Multiyear budgeting	LOW TO MEDIUM	LOW	Medium-term capital expenditure estimates are now published in the budget document.
	7	Budget comprehensive- ness and unity	MEDIUM	MEDIUM	No change in score
	8	Budgeting for investment	LOW TO MEDIUM	MEDIUM TO LOW	There is a requirement to prioritize funding to ongoing projects over new projects, but total project costs are not provided.
	9	Maintenance funding	LOW TO MEDIUM	LOW	The new Chart of Accounts introduced in 2019 allows easier identification of the routine and major maintenance items in the budget.
	10	Project selection	MEDIUM	LOW	No change in score
C. Implementation	11	Procurement	MEDIUM	MEDIUM	No change in score
	12	Availability of funding	LOW TO MEDIUM	MEDIUM	The regulations require cash flow forecasts at least for a quarter ahead.
	13	Portfolio management and oversight	LOW	MEDIUM TO LOW	There is no evidence that effective funds reallocation is taking place and accelerating projects.
	14	Management of project implementation	LOW	LOW	No change in score
	15	Monitoring of public assets	LOW	LOW	No change in score

Source: Staff

C. Investment Planning

1. Fiscal Targets and Rules (Strength—Medium; Effectiveness— Low; Reform Priority—Low)

16. Clear objectives to guide fiscal policy help ensure fiscal sustainability and align planning, budgeting, and funding for public investment. Fiscal rules enable governments to protect public investment spending from the economic cycle and promote fiscal sustainability. Furthermore, fiscal rules can facilitate the adoption of a medium-term fiscal framework, which sets multiyear targets for the leading fiscal indicators by incorporating the past budget outcomes and costing of new measures. A credible medium-term fiscal framework will promote a more strategic approach to the budget process and support medium-term planning for public investment.

17. A medium-term fiscal framework must be prepared, and fiscal criteria and targets have been set at the supranational level and in IMF programs, but the government has not established specific fiscal limits or rules. The Public Finance Act (2014) and the Financial Regulations (2016), which guide financial management and budgeting processes, do not contain any quantitative fiscal limits or rules on fiscal aggregates. However, successive IMF programs have imposed fiscal targets to reduce high public debt levels, and at the supranational level, ECOWAS has established fiscal convergence criteria since 2001. These criteria state that the central government's fiscal deficit cannot exceed three percent of GDP and that the public sector debt-to-GDP ratio should not surpass 70 percent of GDP. The Gambia has introduced a medium-term perspective to the budget process, and the Public Finance Act (2014) assigns MoFEA the responsibility to develop a macro-fiscal policy and MTEFF annually. The Financial Regulations (2016) require that the Ministry of Finance submits the MTEFF to the Cabinet for approval by April.[5]

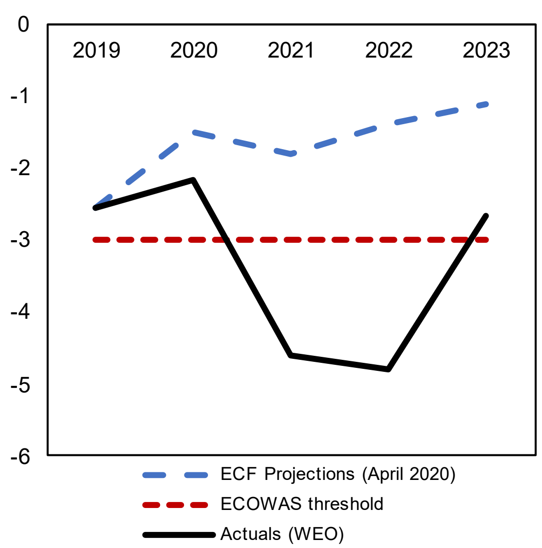
18. The supranational rule and IMF program's limits have not always been adhered to, the debt-to-GDP ratio has remained high, and the MTEFF does not appear to anchor the budget adequately. Initially, the IMF program set ambitious fiscal targets, aiming to bring the public debt-to-GDP ratio to 65 percent by the end of 2022. These targets were adjusted due to the impact of various shocks, such as the Ukraine-Russia war and weather-related events. The ceilings on net domestic borrowing were exceeded in three of the six quarterly program reviews, and the debt-to-GDP ratio did not decline as planned. ECOWAS's deficit criterion has not been reached in five of the past six years, and the government has not complied with the debt-to-GDP criterion in the same period, although the debt/GDP ratio is falling and is closer to the ECOWAS limit (Figures 22 and 23). Expenditure forecasts for total expenditure and the recurrent and capital spending components are presented in the MTEFF, but they do not identify the space for ongoing and new projects. Moreover, in practice, while the MTEFF is prepared, it is not clear that this is discussed or incorporated during budget preparation, with measures of the strength of the anchor suggesting weakness (see Institution 6 on medium term capital budgeting).

19. Institutional design has strengthened since 2019, and the adoption of the draft Public Finance Management (PFM) Act would further enhance this, but effectiveness remains low. The

[5] According to the 2016 regulations, the approval of the MTEFF should occur before the Budget Circular Call, including the ceilings, is sent to line ministries.

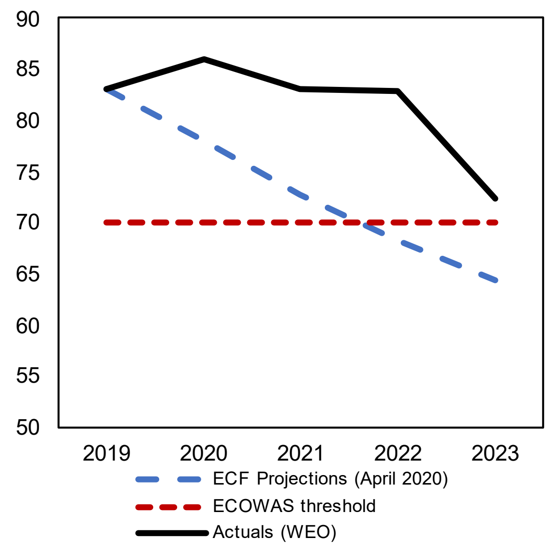
regular preparation of the MTEFF was identified as a reform in the 2019 PIMA that would help strengthen both institutional design and effectiveness under this institution. While the MTEFF has been regularly prepared, its adoption and consideration early in the budget process do not appear to be happening, and it is not providing an anchor for budget preparation. The government has prepared and sent to the Cabinet a draft new PFM Act which, if adopted, will establish a clear quantitative fiscal rule for the central government, enforce fiscal policy principles, and mandate the preparation and adherence to a Fiscal Strategy Document. These measures will reinforce the macro-fiscal policy framework and could help to ensure better alignment of the MTEFF with the budget process.

Figure 22. Overall Fiscal Balance vs ECOWAS and IMF-Established Targets



Source: World Economic Outlook (April 2024) and staff estimates.

Figure 23. Public Debt-to-GDP vs ECOWAS and IMF-Established Targets



Source: World Economic Outlook (April 2024) and staff estimates.

2. National and Sectoral Planning (Strength— Medium; Effectiveness— Medium; Reform Priority—Medium)

20. National and sectoral public investment should be based on clear goals and objectives, cost estimates, and measurable targets to track progress and impact. Public investment should be guided by strategies that set goals and objectives and plans for how to achieve these. National and sectoral public investment strategies and plans should be published and cover all projects funded regardless of financing source. These strategies and plans should also include the costing of individual, major investment projects within an overall financial constraint and measurable targets for both outputs and outcomes.

21. The National Development Plan (NDP) (2023-27) identifies programs and projects with costings, and outputs and outcomes for programs, but the mapping to projects is unclear and complex. Across 22 sectors, nine sectoral plans are active, eight are being drafted, and five are outdated. Still, the existing and outdated sectoral plans identify programs to be undertaken, consistent with the previous or current NDP (depending on their timing). The NDP Financing Strategy includes estimates of the costs of national development programs across the government, which include large projects, and identifies potential funding modalities, including external finance and PPPs. The Financing Strategy also offers optimistic and conservative set of cost estimates, to scale expenditure based on the resource availability (Box 2). Metadata for the NDP (2023-27) (and for the previous NDP) establish outcomes and outputs for programs under the plan. Sector strategies also include measurable targets for both outputs and outcomes to appreciate the benefit of programs and projects.

22. Programs contained in the national and strategic plans are included in the budget, but it is difficult to track the relationship with planned costs because information is provided largely at the program level in the plans. Many of the programs identified in the national and sectoral plans are identifiable in the budget, but it is not straightforward to identify specific projects, as neither the NDP, sectoral plans, nor budget provides a list of new and ongoing projects. The NDP financing strategy provides a framework with costed investment programs and related projects, which could serve as a basis for tracking and comparing these projects and costs. However, a complex mapping from programs to projects in a spreadsheet maintained by the Planning Department has to be relied upon to identify the largest projects in these plans. Performance assessments are undertaken, but irregularly and not with sufficient time to ensure corrective action.

23. There have been no significant changes in institutional design or effectiveness of the planning institutions since the 2019 PIMA, but some relatively straightforward changes are still needed. Most importantly, a list of sector-specific and costed investment projects should be drawn out from the programs and identified in both the NDP and the sector strategies. This list is needed because it would provide a platform for an effective and prioritized project pipeline that is planned for in the draft PFM Act and recommended in later parts of this PIMA. Sector strategies would also be more useful if they elaborated on the sector's profiling of priority projects. This should include estimates of the total cost of these projects and by year for the duration of the strategy and their expected outputs and outcomes (both of which are currently missing). The ongoing initiative to strengthen program-based budgeting will establish a stronger relationship between planning and budgeting and create a uniform structure of programs, targets, and indicators for tracking progress in key priority areas.

Box 2. The Recovery Focused National Development Plan 2023-27

The Recovery Focused NDP 2023-2027 emphasizes key strategic pillars and objectives aimed at fostering sustainable growth. The plan contains a significant financing gap, with the total estimated cost projected to be USD 3.5 billion under the optimistic scenario, and available funding at USD 703.1m, resulting in a gap of USD 2.80 billion. A more conservative scenario estimates a lower total cost of USD 2.8 billion with available funding of USD 598 million, leading to a funding gap of USD 2.21 billion. These scenarios reflect different assumptions about the availability of resources, with the optimistic scenario assuming full financing for all planned actions and the conservative scenario focusing on top priorities due to challenging domestic and international contexts. Table 7 below presents some of the NDP flagship projects in line with NDP priorities and programs.

Table 7. Examples of Programs and Linked Projects under the NDP 2023-27

Priority and program	Program	Project Description	Budget (USD)
Improve access to safe drinking water	Access to portable water, Rural Electrification, Rural roads Infrastructure	Climate Smart Rural Water Supply and Sanitation Development Project, the Greater Banjul Area Water Supply Project, Water Production, Transmission, and Distribution, and the provision of safe drinking water to communities, schools, and healthcare facilities	$94,031,388
National roads transport	Land, river, see and air transport expansion	Construction of 24KM connecting roads between Farafenni-Senoba)	$90,900,000
Construction of rural roads	Land, river, see and air transport expansion	Road and infrastructure projects include the Niumi Hakalang Road Project, North Bank Roads (Lots 1 and 2), Kiang West Roads (Phases 1 and 2), and the Presidential Lounge	$62,873,382
Storm water drainage and sewerage system	Water management	Banjul Roads Drainage and Sewerage Project	$45,716,488
Greening Energy and Transport Sectors	Sustainable environmental and natural resources	Solar PVC project 10mw	$25,000,000
Construction of New Government Offices Complex	Management of public building and facilities	Sir Dawda Kairaba Jawara Mausoleum	$25,000,000
Research, innovation, and development	Research, innovation, and development.	Second Africa Higher Education Centers of Excellence for Development Project	$12,000,000

Source: Recover Focused National Development Plan 2023-27 and staff estimates.

3. Coordination Between Entities (Strength— Medium; Effectiveness— Medium; Reform Priority—Low)

24. Coordination of investment plans between government entities with different institutional functions ensures that infrastructure is delivered in the right areas and with appropriate funding. In most countries, sub-national entities deliver many important services and may represent a significant share of total public investment. Good coordination between national and local governments around investment planning and budgeting aligns development objectives, exploits complementarities, and avoids duplication and waste of resources. Since sub-national governments depend to a large extent on government transfers, they need reasonable certainty about budget resources available for investment. Given that investment projects are subject to uncertainty and risks that may impact the fiscal outcomes of sub-national governments, SOEs, and the central government, it is important to disclose and monitor these. In many countries, SOEs and PPPs are a major source of fiscal risk.

25. There is no institutional requirement for systematic sharing of local government investment plans, but there is a rules-based framework for transfers and there are requirements for SOE contingent liabilities to be reported. Neither the Local Government Act (2002) nor the Public Finance Act (2014) nor the budget call circular issued by MoFEA has any requirement for local government investment plans to be shared and discussed with the central government. The Local Government Act (2002) states that "the Central Government shall provide 25 percent of the Local Government Areas development budget". The State-Owned Enterprise (SOE) Act (2022) requires SOEs to comply with International Financial Reporting Standards, which implicitly require the reporting of contingent liabilities in annual financial statements. However, there is no requirement for local governments to report contingent liabilities, nor for PPP contingent liabilities to be reported.

26. There is a formal process to discuss local government investment plans, and transfers to local governments are predictable, but there is no reporting of contingent liabilities. Most local government capital investments are coordinated through the Ministry of Land, Regional Government, and Religious Affairs, with a finance and advisory committee in the Ministry coordinating this process. The committee engages all regional offices through annual formal consultations early in the planning and budget process, during which investment priorities are analyzed for local council approval. The Gambian Agency for the Management of Public Works also provides a coordination role, bringing together specific project proposals from local governments and coordinating their prioritization and implementation. The transfer mechanism outlined in the Local Government Act (2002) has never been institutionalized. However, the budget allocates and transfers GMD 2 million to each rural and urban council through the Ministry of Land, Regional Development, and Religious Affairs. There is no reporting of SOE or local government contingent liabilities to the central government, and there is no formal process for collecting, assessing, and publishing the contingent liabilities related to PPPs.

27. The most substantial change since the 2019 PIMA was the introduction of a new SOE Act that requires reporting of contingent liabilities (albeit implicitly), but there have been few changes to the coordination mechanism with local governments. Still, local government investments are reasonably well coordinated with the government through both the Ministry of Lands, Regional Government and Religious Affairs' coordination frameworks and the Gambian Agency for the Management of Public Works' efforts. A remaining priority is to implement the requirements of the SOE

Act (2022) related to contingent liability reporting and to finalize the draft PPP Act, which would require that contingent liabilities arising from PPPs be reported to the central government. This will become increasingly important as The Gambia looks to expand its PPP portfolio. The work underway to analyze and manage fiscal risks in MoFEA provides a platform for this, and the anticipated annual fiscal risk statement could be an outlet for the consolidated analysis and publication of these contingent liabilities.

4. Project Appraisal (Strength— Medium; Effectiveness— Medium; Reform Priority— High)

28. **Rigorous project appraisal ensures that all relevant project costs, benefits, and risks are fully assessed before deciding on whether to develop projects further or to fund them.** Project appraisal comprises different stages, requiring increasing levels of analytical scope and depth, such as concept, pre-feasibility, and feasibility stages. Simple, standardized projects may be approved for funding consideration based on a concept note or pre-feasibility study, whereas large, complex, and risky projects should be subject to full feasibility analysis. To ensure consistent analysis of different projects, there should be common and standardized methodologies for project appraisal, including risk assessment and risk mitigation. Good appraisal of projects is necessary to ensure that the selection process (see Institution 10) takes place on a sound, evidence-based foundation.

29. **Guidance requires a rigorous technical analysis for major projects, using a standard methodology containing risk assessment and mitigation plans, but there is no requirement for publication or central support.** The appraisal guidelines and regulations[6] stipulate an iterative, systematic, rigorous, technical, economic, and financial analysis for all projects irrespective of financing source (domestic, donor or PPP). There is no requirement for publication of selected results or independent external review. The appraisal guidelines provide a standard methodology for the appraisal of public investments, covering standard issues and methods. More details on specific methodologies that could include quantification approaches could be added. The Aid Coordination Directorate of MoFEA receives the project concept proposals (templates) and is tasked with preparing an assessment of projects and submitting this to the GSRB for consideration, but there is no explicit mandate for providing centralized support to MDAs. Project and general risks, including climate change risk and plans to mitigate them, are to be identified and developed according to the guidelines.

30. **Major projects are subject to the rigorous appraisal mechanisms of multilateral development banks, but the government's standard methodology is not fully applied, and risks are not systematically examined.** The bulk of public investment by value is undertaken through multilateral development banks, which maintain and follow their extensive appraisal processes. A limited number of projects go through the government's mandated process, and these are not subject to a systematic and rigorous appraisal as the mandated supporting documentation, such as feasibility and pre-feasibility studies, are often lagging. The standard methodology has a limited impact on project appraisal. There is no systematic use of the risk assessments as prescribed in the regulation, and it is

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[6] The formal basis for the appraisal process is the Cabinet Memorandum on the Amendment of the Gambia Strategic Review Board (GSRB) Terms of Reference CP11 (2020) 20, supplemented by the detailed Terms of Reference for the GSRB, and the Appraisal Guidelines 16/03 2021, and the New Project Proposal template for Project Submission and Evaluation (2021).

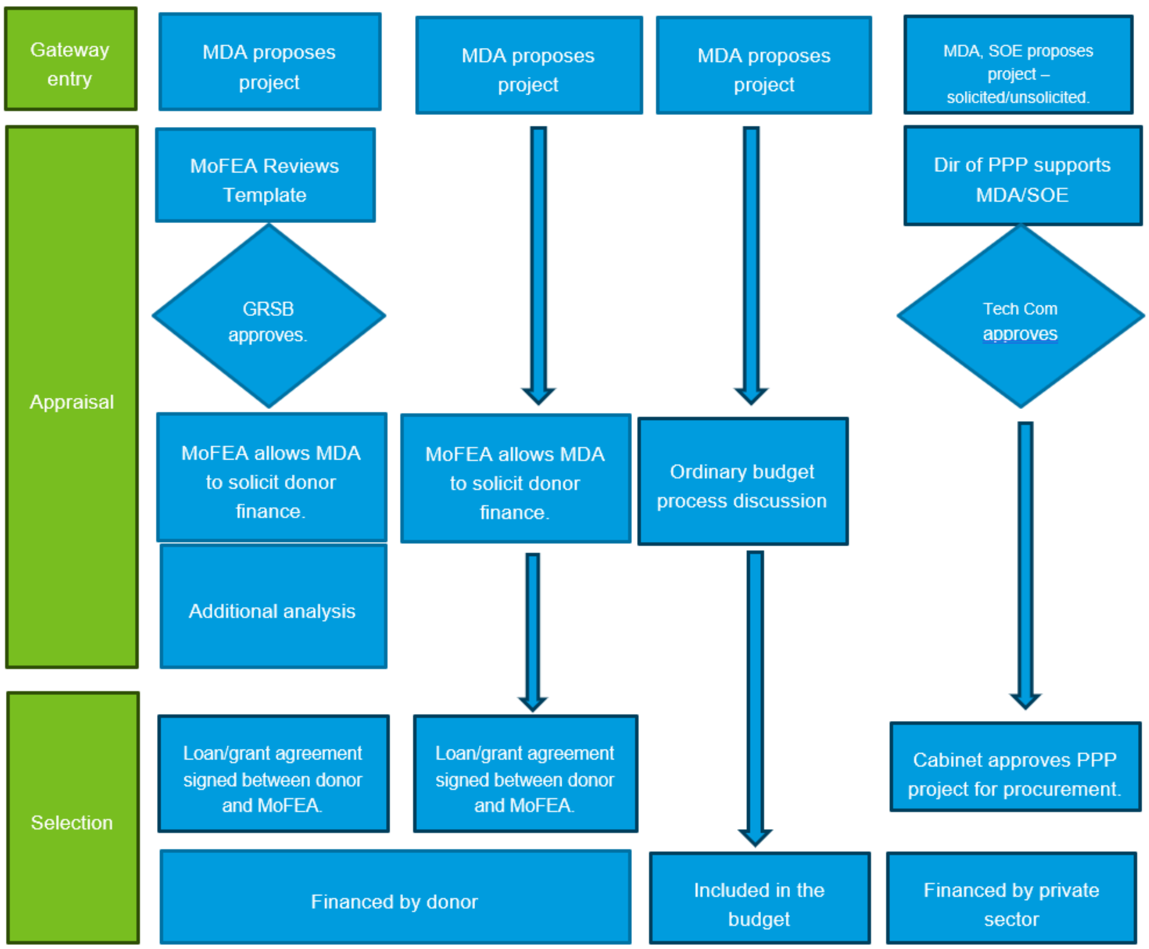
largely a procedural formality in the project templates. Outside of the prescribed process there are three other tracks projects may pursue (Figure 24):

1. Ignore the GSRB process and proceed to donor funding discussions. The MDA leads this and often premised on urgent need or funding opportunities;

2. Proceed with a bilateral process between MDAs and MoFEA as part of the ordinary budget process; or

3. Undertake PPP appraisal and selection using a separate track mandated in the PPP policy and guidelines.

Figure 24. Flowchart of Project Development Processes Currently in Practice

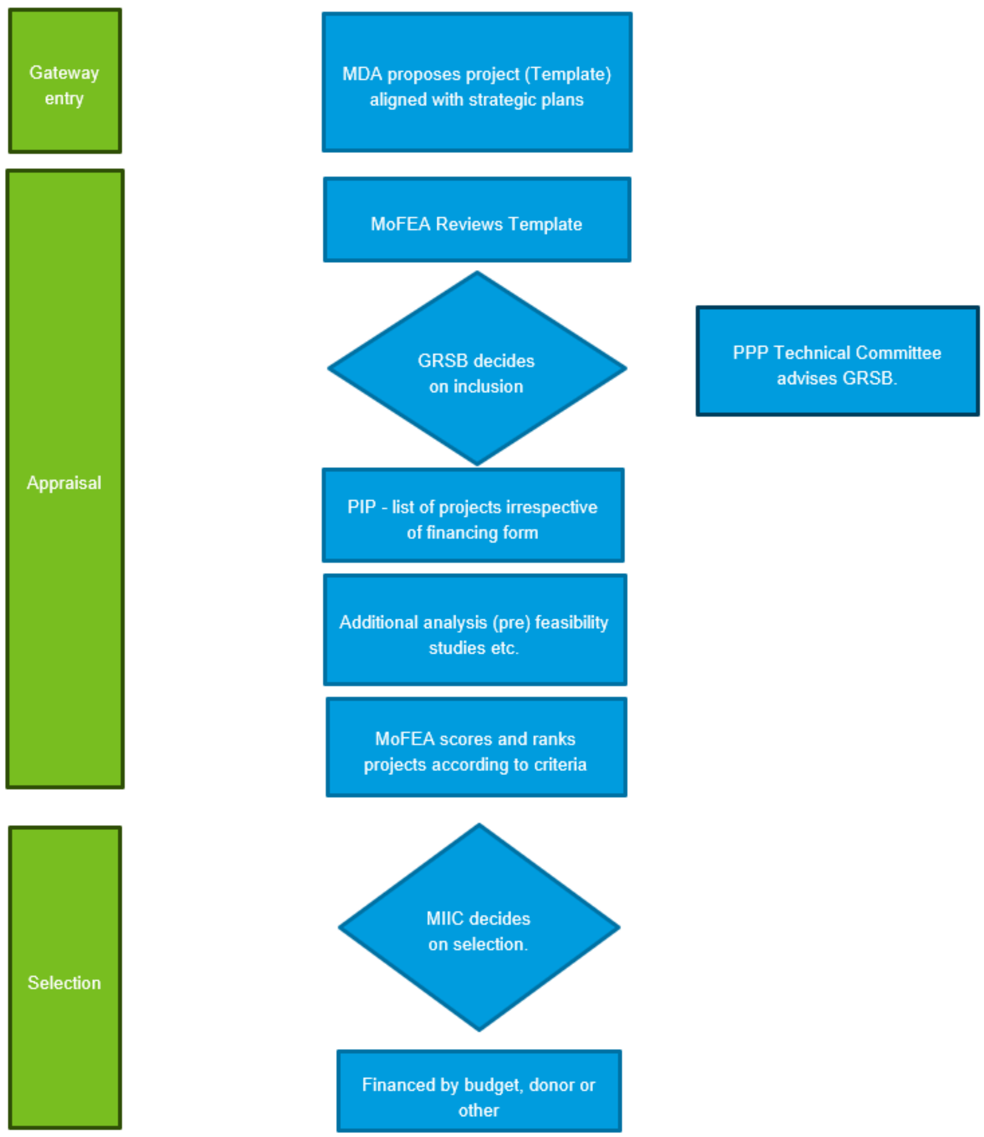


Source: Staff.

31. **Institutional design has improved considerably since the 2019 PIMA, but significant challenges remain in converting this design into an effective system for project appraisal.** The improvements reflect the adoption of the Cabinet Memorandum (2020) and accompanying guidance (2021) that followed recommendations from the 2019 PIMA. The draft PFM Act addresses the need for a single public investment program linked to the budget process and provides a legal basis for further

strengthening the PIM framework in the coming years. The draft PFM Act also empowers the Minister of Finance to set the rules governing the PIM process. However, a critical gap is that there is no dedicated unit in MoFEA to oversee the entire PIM cycle and ensure that all projects (including donor-funded, PPP, and on-budget projects) follow these government processes. A single process (Figure 25) with a strong appraisal methodology, dedicated organizational capacity in MoFEA, and clear selection guidelines is urgently needed.

Figure 25. Proposed Single Process for Appraisal and Selection



Source: Staff.

5. Alternative Infrastructure Financing (Strength— Medium; Effectiveness— Low; Reform Priority— Medium)

32. Private sector entities, PPPs, and public corporations can be efficient vehicles to develop economic infrastructure in key sectors, supporting economic development while containing the burden on public finances. If private firms find a stable environment in which they can achieve a fair return on long-term investment, private investment in certain infrastructure sectors can complement and substitute public spending, thus relieving pressure on public finances. As a prerequisite, a robust legal and institutional framework providing regulatory certainty about future market conditions should be in place as well as a capacity and willingness by users to pay. Moreover, PPPs, a potential source of private finance and expertise in infrastructure, must be structured carefully to ensure a fair allocation of risk and reward. Finally, public corporation performance will depend on whether there is a clear set of procedures to coordinate investments and efficiently allocate resources to the country's needs.

33. The infrastructure services market is open in major markets, a new SOE Commission has been established to scrutinize SOE business plans and financial performance, but the PPP Act is still in draft form. The legal and regulatory framework generally supports competition in major markets for economic infrastructure services such as telecommunications, transport (bus transport, air), and energy generation. The market for port operations and services is restricted to the Gambia Ports Authority, an SOE. Similarly, the market for water and sanitation services is also restricted to the National Energy and Water Corporation, an SOE. There is one independent regulator – the Public Utilities Regulatory Commission, responsible for regulating the energy, water, and telecommunications sectors. It was a conscious decision by the government to establish a multisector regulator due to the small size of the economy and market, and the government's limited resources. The government's updated PPP policies and guidance[7] address key areas such as eligible infrastructure markets, principles for risk sharing, suitability of various PPP contracts, PPP project preparation, assessments, implementation, review and approval processes, and roles and responsibilities in the PPP process. However, a draft PPP Act, which has been under development for several years, is still in the consultation phase. The SOE Act (2023) mandates the SOE Commission to review, monitor, and coordinate the SOEs with respect to their statement of intent, business plans, and financial and non-financial performance on an annual basis. This includes scrutinizing the year's activities, plans, investments, financial performance, and asset management. The Commission is to publish an annual performance report covering these issues for all state-owned enterprises.

34. There is strong participation of the private sector in two infrastructure markets, PPPs represent a small part of total investment, and the new SOE Commission does not yet scrutinize investment plans. There is a lack of comprehensive and up-to-date data on the private sector's share of the infrastructure service markets. The authorities estimate that the private sector has between 25 to 75 percent of the market share in transport (bus and air transport are 100 percent private sector, while waterways and telecommunications are around 90 percent). As noted in the IMF's 2023 report on PPPs[8],

[7] The Government has published two National PPP Policies (2015-2020, 2023), PPP Operational Guidelines (2016), High level viability analysis of priority projects (2016), and the mission has had access to the draft 2023 Annual PPP Report.

[8] Navarro, A. et. al, (2023), "Gambia: Strengthening the PPP Framework". IMF Fiscal Affairs Department, April 2023.

the investment flows from PPPs are somewhat unclear. Over the last three years the PPP investment flow is estimated to represent less than 5 percent of total investment. The annual report on SOEs from 2022 covers the largest 12 SOEs and discusses their financial performance, fiscal risks (using the IMF SOE Health Check tool) and, in some cases, investment. The SOE Act was passed in 2023 so SOE reports are yet to cover the past three years. The SOE Commission is in the process of setting up its secretariat and implementing its legislation.

35. **While institutional design has improved somewhat since the 2019 PIMA, with the adoption of the new SOE Act (2023), effectiveness remains a concern.** Immediate reform priorities should focus on systematically implementing the provisions of the SOE Act (2023) and the finalization and passage of the new PPP Act. An empowered secretariat should be established for the SOE Commission and the annual SOE report should be adapted to include a discussion of the SOE investment program. The PPP regulations should be strengthened in line with the IMF advice and the anticipated PPP Act.

Recommendations on Planning Phase

Issue: It is difficult to identify projects in planning documents, which undermines an effective project pipeline process.

Recommendation 3. Extract and publish a list of the priority investment projects as an annex to the NDP 2023-2027 and ensure that all future sectoral strategic plans include a list of projects and estimated cost and funding sources (by end-2024, MoFEA) (Medium priority).

Issue: Data on the contingent liabilities of PPPs, SOEs, and local government projects are not systematically collected or assessed.

Recommendation 4. Enforce requirements under the SOE Act for SOEs to submit annual financial statements that include a statement on contingent liabilities and begin systematically collecting contingent liability information on PPPs (ahead of the PPP Act, which will legally require this) and local governments (by end-2024, MoFEA, Low priority).

See recommendations under 10. Selection regarding upgrading the appraisal process.

D. Investment Allocation

6. Multiyear Budgeting (Strength— Medium; Effectiveness—Low; Reform Priority—High)

36. **Multiyear budgeting provides line ministries with forward visibility of resource availability and longer-term funding requirements for investment projects.** Major public investment projects take longer than the budget year to implement and have volatile cost distributions, complicating capital budgeting. As line ministries compete for budgetary resources, providing them with reliable medium-term capital expenditure ceilings facilitates a more strategic approach by incorporating investment programs into their budgeting process. Therefore, it is necessary to include the total costs of major projects in budget documents to ensure proper budgeting, align annual appropriations with long-term needs, and

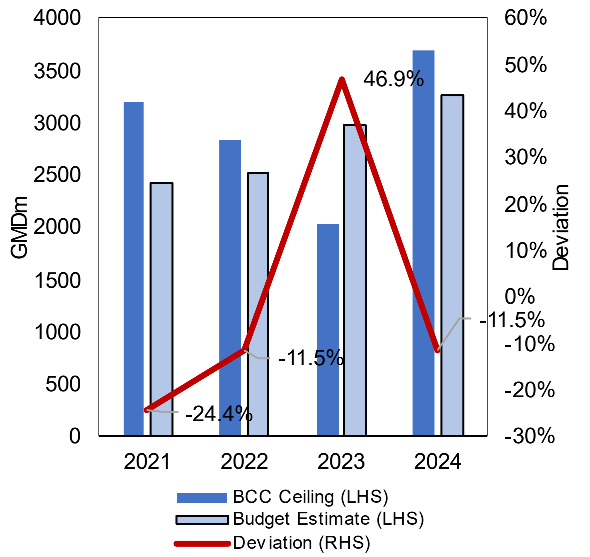
monitor them as they take time to implement. This will help with a smooth budgeting process by allocating necessary additional funds to ongoing projects and overseeing their cost overruns.

37. Multiyear capital expenditure estimates by ministry were published in the 2024 budget, but there are no longer multiyear ceilings for capital expenditure, and there are no projections of total construction costs for major projects. The enacted budget for 2024 presents multiyear estimates for total, recurrent, and investment expenditures by sector, and also identifies the source of funds. Under the Financial Regulations (2016), the budget call circular requests line ministries to submit three-year estimates of total, recurrent, and capital expenditure investments, but only within the constraint of an aggregate ceiling. The Gambia has advanced in program-based budgeting, with the aim of bridging the gap between the planning and budget systems, but a simpler, clearer list of project costs has not been published. This (along with the absence of clear project costs in development and strategic plans – see Institution 2) makes it difficult to track and assess progress in critical projects from a budgeting perspective.

38. Medium-term outcomes deviate considerably from forecasts, while the breakdown between recurrent and capital expenditure in budget ceilings was suspended for the 2024 budget, and the collapse of the Aid Management Platform has undermined efforts to present project costs. Deviations between capital expenditures projected in successive MTEFF and budget actuals have been significant (Figures 26 and 27). In the preparation of the 2024 budget, the government chose to allow MDAs more flexibility in the preparation of their budgets and only communicated aggregate expenditure ceilings. Prior to this, capital ceilings were provided, though they still only covered Gambia Local Funds (GLF) capital expenditures and not the investments funded by external sources (loans and grants). Leaving the externally funded investment outside the ceilings makes it more difficult to prioritize investment projects across sectors. The Aid Management Platform allowed the ministry to consult and provide detailed information on project costs, but this system has not operated since 2020.

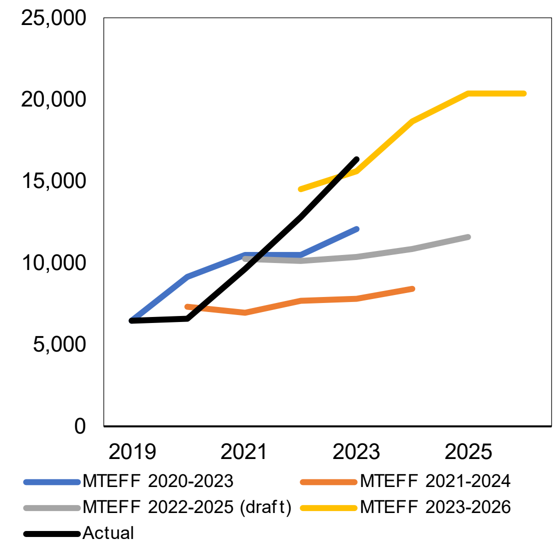
39. With the introduction of multiyear forecasts of capital expenditures by ministry, institutional design has improved slightly since 2019. However, this improvement has been offset by the removal of capital ceilings for ministries and the reduction in effectiveness due to the breakdown of the Aid Management Platform. An important immediate step for the 2025 budget would be to reinstate capital expenditure ceilings in the budget call circular, which would enable analysis and prioritization across sectors. A more complex but equally important step would be to incorporate externally financed capital expenditures into those ceilings. Preparing a list of flagship investment projects and presenting annual estimates of project costs would also help. This list could be annexed to the budget documentation, allowing comparison with the annex proposed under Pillar 1 of this PIMA.

Figure 26. Capital Expenditure Deviations from the Budget Call Circular to Budget Estimates



Source: MoFEA and staff estimates.
Note: BCC is the budget call circular.

Figure 27. Capital Expenditures Projected in the MTEFF and Actuals (GMD)



Source: MoFEA and staff estimates.

7. Budget comprehensiveness and unity (Strength—Medium; Effectiveness—Medium; Reform priority: Low)

40. Public investment projects, regardless of their financing and procurement methods, should be authorized by the legislature and supplemented with recurrent funding for operation and maintenance. Policymakers should evaluate all spending proposals simultaneously to resolve conflicting pressures and priorities by selecting from among all proposed capital projects. Decisions on capital projects should also consider the need for recurrent funding to operate and maintain them.

41. The legal and regulatory framework requires all recurrent and capital expenditures, regardless of financing source, to be clearly reflected in the budget. The Act requires that the budgets of all extrabudgetary units be submitted together with the Appropriation Bill. The budgets of sub vented units are, however, submitted separately to the national assembly. The Act also provides that the appropriation bill should contain all revenue and expenditures broken down into a recurrent and development budget, but the requirements for the capital line of the budget are not detailed. The Act does not require capital investment plans by PPPs and SOEs to be presented in the budget for information or approval except where transfers are to be made by the government.

42. Capital spending by extra-budgetary entities is largely reflected in the budget, as is the extensive donor-funded capital expenditure, but it has become increasingly difficult to assess the recurrent cost impacts of major projects. Most of the capital spending is undertaken by public investment management units with legislative authorization and disclosure in the budget. On average, between 2020 and 2023, public investment management units managed capital spending amounting to 7.3 percent of GDP. The spending, however, was executed outside the IFMIS. Detailed information on sub vented capital expenditure is not available. Most capital projects, regardless of financing source, are included in the budget documentation. However, corresponding expenditure of earmarked revenues and own generated revenues of extrabudgetary units (which have some capital spending implications) are excluded, though these are minor. Further, due to fragmented aid coordination in the country, some bilateral donor-funded capital projects are not approved through the budget. Capital expenditure plans of PPPs and SOEs are also frequently missing. Capital and recurrent budgets are prepared and presented together in the budget using program, administrative, and economic classification. The presentation by program classification, however, does not decompose capital and recurrent expenditure, which makes it difficult to estimate the actual project cost. As noted in Institution 6, the budget call circular now gives line ministries the flexibility to distribute their budget ceiling allocation across current and capital budgets, and they coordinate all the locally and externally funded projects. Removing the ceiling on capital projects makes MoFEA less effective in reviewing the current costs of future capital projects.

43. There have been mixed developments in this institution since the 2019 PIMA. The latest budget call circulars have departed from giving line ministries ceilings broken down into capital and recurrent, which affects the ability of MoFEA to review the recurrent cost of future capital projects. The program classification is now Government Fiscal Statistics Manual (2014) compliant, allowing for identification of expenditures by economic classification. However, individual projects are still not identified in the budget. To strengthen the coverage and comprehensiveness of the budget, a list of major projects should be provided that also captures capital projects by PPPs, extra-budgetary units, and SOEs. The draft PFM Act has proposed a provision where the Minister is required to annually prepare and present in the budget all public investment projects (which includes all ongoing and new PPPs), which would likely result in improvements in both the institutional design and effectiveness of this institution.

8. Budgeting for Investment (Strength—Medium; Effectiveness— Low; Reform priority: Medium)

44. Good investment budgeting practices aim to appropriate on an annual basis and commit for the entire duration of major projects, protect funding for ongoing projects, and finance projects as approved by the legislatures. Major public investment projects are typically implemented over multiple years, which means a multiyear commitment to finance them. However, budget appropriations usually cover one fiscal year, and a weak budget system and poor management of the annual budget would pose challenges to financing investment projects. For this reason, commitment procedures can make it more likely that funds are available when needed over the construction cycle. Furthermore, allocation decisions should be prioritized in line with limited resources rather than crowding out funding for ongoing projects. Notwithstanding the need for new investments, completion of ongoing projects should be given priority. Finally, the appropriations for investment projects should be used only for capital spending and not transferred to recurrent expenditures.

45. There is no requirement that total project costs be published with the budget, and virements from capital to current spending are allowed and approved by the Minister for Finance and Economic Affairs, but ongoing projects are protected. The annual public investment projects appropriated by the National Assembly are not informed by the total multiyear costs of major investment projects, and there is no specific requirement for the publication of total project costs in the budget. During budget implementation, the Minister of Finance is allowed by section 29 of the Public Finance Act

(2014) to approve virements including from capital to recurrent spending. However, a 2018 budget call circular has subsequently prohibited re-allocations from capital to recurrent spending for the budget year. Ongoing projects are also protected through the 2024 budget call circular, which requires MDAs to give them priority over new projects in their annual budget submission.

46. Although there is no virement in practice, ongoing investment projects are not prioritized, and there is no information on total project costs. MDAs do not include project costs in a comprehensive list of either ongoing or projected projects. As a result, MoFEA is not able to determine future sustainability and protect the portfolio of ongoing projects if there is no fiscal space. Some MDAs (such as the Ministry of Transport, Works, and Infrastructure) prepare total project costs for contracting purposes, but this information is not submitted to the legislature to inform appropriation, nor is it recorded in any public or internal document. The Integrated Financial Management Information System upgrade (from Epicor 9 to Epicor 10) included a project contract commitments module, which was expected to reflect project contract balances, but this is yet to be activated.[9] At the same time, projects have been commenced without regard to their impact on existing projects. The Ministry of Transport, Works, and Infrastructure reported expenditure arrears, which they partly attributed to design changes and resultant cost escalations, the commencement of new projects, and cash rationing by MoFEA. Reports from the Integrated Financial Management Information System show under-execution in the capital budget of 78 percent and 90 percent in 2022 and 2023, respectively (Table 8). Officials report that there are virements from capital to recurrent spending, though the extensive under-execution as a result of cash-rationing indicates a substantial underlying reprioritization of spending during the year away from ongoing capital projects, even in the absence of virements.

Table 8. Budgeted Capital Expenditure and Actual Outturn

Year	Approved Budget (GMB ,000s)	Actual Outturn (GMB ,000s)	Difference
2021	3,284,112	2,537,162	23%
2022	9,470,689	2,116,487	78%
2023	5,720,032	583,976	90%

Source: MoFEA and staff estimates.
Note: As the budget does not contain projects, the figures represent a selected number of line items that have been used to proxy public investment projects.

47. The protection of ongoing projects through the budget call circular has improved institutional design slightly since 2019, but there are still critical issues with effectiveness. The authorities have drafted a new PFM Act, which requires the Minister for Finance to submit to the legislature the public investment program with detailed project information, including the total costs of projects. The new act would also permanently prohibit virements from capital to recurrent spending without legislative approval. With the Aid Management Platform no longer operational, the development of a public investment plan and the introduction of dedicated staff to oversee and manage this plan and PIM

[9] The 2019 PIMA had anticipated that the activation of the module would provide information on the balance of the cost of ongoing projects and thereby inform realistic budgeting for projects.

process is a critical priority for both tracking project costs and for ensuring completed projects are identified and given priority over new projects.[10]

9. Maintenance Funding (Institutional Strength—Medium; Effectiveness—Low; Reform Priority: High)

48. Adequate maintenance of public infrastructure assets preserves their quality and condition and ensures services through their intended useful life. This requires regular assessments of the condition of all types of infrastructure assets, methodologies to translate these and other factors (e.g., road use patterns) into requirements for routine maintenance and major improvements, and their cost estimates. This information should also be reflected in the budget and the planning process, respectively. Asset condition is also impacted by climate change and natural hazards. See the C-PIMA section of the report for a discussion of this topic.

49. There is no standard assessment methodology for major or routine maintenance costs of infrastructure assets, but maintenance expenditure is properly identified in the budget classification. MDAs are responsible for maintaining assets under their direct use. A Road Fund, financed primarily by a levy on petroleum and managed by the National Roads Authority, was established in 2015, and the National Water and Energy Corporation applies rigorous methods to estimate the routine maintenance needs of their generators and other plant and equipment. The budget classification identifies proposed spending on both routine and capital maintenance, and improved definitions were introduced in late 2019 with the introduction of a Government Fiscal Statistics 2014-compliant chart of accounts.

50. Annual Budget estimates of routine and capital maintenance are not informed by a calculation of requirements. MDAs tend to undertake only incremental budgeting or allocate residual budgets to routine and capital maintenance, and procedures for assessing routine and capital maintenance needs do not exist in most sectors. Underspending in the routine and capital maintenance budgets has been as high as 73 percent (Table 9), highlighting the poor state of the country's maintenance program. Maintenance expenditure can be identified in the budget, but there is no evidence of analysis or decisions based on these data, and budget documents do not include analysis that identifies needed adjustments in maintenance funding.

Table 9. Outturn for Major and Routine Maintenance Budgets
(2021 to 2023)

Year	Type	Approved (000s)	Actual (000s)	Deviation
2021	Routine	57,715	42,798	26%
	Major	114,549	31,016	73%
2022	Routine	135,608	46,687	66%
	Major	69,928	24,668	68%

[10] The PFM Act (2014) paragraph 29 (8) specifically prohibits only virements out of personal emoluments. The previous version of the Act (the Government Budget Management and Accountability Act) did prohibit such movements.

2023	Routine	68,265	46,464	64%
	Major	49,470	22,960	54%

Source: MoFEA and staff estimates.

51. There has been a small improvement in maintenance budgeting since the 2019 PIMA, but the absence of standard methodologies and very weak overall effectiveness is a critical concern. The big change has been to the budget classification, which now identifies proposed spending on both routine and capital maintenance following the upgrade of the Integrated Financial Management Information System to EPICOR 10 and the development of a new chart of accounts. The draft National Buildings and Facilities Policy (2018–2027) championed by the Ministry of Transport, Works and Infrastructure has been developed into a Bill and is awaiting enactment by the legislature. However, tracking maintenance expenditure is still a challenge because of the generic identification of projects. Currently, it is not possible to associate the reported maintenance expenditures with specific projects. Detailed and reliable project maintenance expenditures will only be available once the budget agencies commence populating the Integrated Financial Management Information System contract commitment module, which has the necessary features to track project expenditures. This would cut across MDAs and allow for reliable recording and aggregation of maintenance budgets and expenditures.

10. Project selection (Design—Medium, Effectiveness—Low, Reform Priority: High)

52. Choosing investment projects for funding based on reliable information on project quality, through a transparent and consistent mechanism, ensures that scarce public resources are used efficiently. Project selection is, in its nature, a separate process from the planning and appraising of projects. Selection involves choosing projects from a pool of appraised projects, with due consideration to relevant economic, social, environmental, and other objectives. The project selection process should include a central review of project proposals to ensure consistent analysis and build a pipeline of the most efficient project options. The criteria for project selection should be well-defined and transparent. Good project selection ensures that only high-value projects go forward based on solid appraisal while allowing political leadership to represent the public interest when undertaking final prioritization.

53. MoFEA is required to undertake a central review of projects using a standard information template, but there are no published standard selection criteria, and the government is meant to maintain a pipeline of appraised projects for selection. The Cabinet Memorandum[11] sets out a formal iterated central review process for all major projects irrespective of financing source. The Aid Coordination Directorate of MoFEA is required to review and prepare a summary report based on the mandated documentation that the MDA submits (a project template and supporting analysis). The GSRB should then approve, reject, or return each project, thereby creating a list (or 'pipeline') of appraised projects. However, while the template is a comprehensive list of questions to be filled in, thereby enabling appraisal, there are no selection criteria that can be used to rank projects against each other, no specification of how the selection should take place, and there is no process for independent review. All projects should go through this process, be it government, donor, or private (PPP) financed, but no

[11] As noted under Appraisal, the formal basis for the appraisal process is the Cabinet Memorandum on the Amendment of the Gambia Strategic Review Board (GSRB) Terms of Reference CP11 (2020) 20, supplemented by the detailed Terms of Reference for the GSRB, and the Appraisal Guidelines 16/03 2021, and the New Project Proposal Template for Project Concept Submission and Evaluation (2021).

medium-term planning perspective is required. Criteria for automatic rejection of the project template are specified (e.g., vital sections left blank). The GSRB is chaired by the Permanent Secretary of MoFEA and consists of high-level officials from across the government and two external experts. The Cabinet Memorandum also calls for the GSRB to create a prioritized public investment program from the approved projects based on defined criteria. The public investment program is then passed to the Ministerial Investment Implementation Committee for final approval. While the regulation is clear about the process leading up to appraisal by the GSRB, there are only a few sentences without any detailed guidance for the subsequent selection process.

54. Major projects are not reviewed centrally, no standard selection criteria are used, and the government does not maintain a pipeline of appraised projects for budgeting. 15 projects went through the GSRB in 2023, with 13 approved and two rejected. However, the vast majority of these were programs with a limited investment component. In addition, in 2023 another 14 projects were accepted for potential donor funding by MoFEA without going through the GSRB. Most of these additional projects also appear to be programs with a limited infrastructure component. MoFEA's indicative pipeline for 2024 consists of 14 projects where two projects appear to be programs with limited asset creation, two appear to be technical analysis necessary for asset creation, and 10 projects appear to be traditional infrastructure projects (four in transport). None of these projects appear on the 2023 lists. The indicative pipeline does not seem to be known outside MoFEA, and the Aid Management Platform previously used to track projects with donor funding is no longer in operation. Given the fragmented and incomplete nature of the process, where most major infrastructure projects bypass the GSRB, there isn't a functioning central process that reviews major projects before inclusion in the budget. As noted under design, there are no standard criteria nor a required process for project selection, Instead, selection is broadly a function of donor interest. The government does not maintain a pipeline of appraised projects from which selection for budgeting takes place.

55. Notwithstanding the recent introduction of the GSRB, the effectiveness of project selection has weakened slightly since the 2019 PIMA, and reforms are urgently needed to strengthen the project selection process. The previous mission noted that the Aid Management Platform allowed MoFEA to track planned donor projects (the pipeline) and projects under implementation, but this critical tool is no longer in operation. The Cabinet Memorandum regarding the strengthening of the role of the GSRB represents a clear enhancement of the appraisal process and sets the scaffolding for an upgrade of the selection process. The reform priority now is to develop clear selection regulations and ensure that the stipulated and unified process outlined in Figure 25 is followed. Of particular note is the requirement in the draft PFM Act that the finance minister shall annually prepare and submit a public investment program as part of the Appropriation Bill. It shall include all ongoing and new projects, including PPP projects. The Act also gives the minister the mandate to set procedures, criteria, methodologies, and specific information required to qualify a project for inclusion in the Government budget and any other procedures, criteria, methodologies, and requirements in respect of screening, evaluation, and implementation of projects. It refers to the PPP Act, still in draft, for PPP project procedures[12].

[1212] Final Draft Public Financial Management Act 2023 Art 32

Recommendations on Allocation Phase

Issue: The absence of capital ceilings makes it difficult to prioritize large projects

Recommendation 5. Reinstate capital expenditure ceilings in the budget call circular. In the medium term, capital expenditure ceilings should include GLF and externally financed capital expenditures (by mid-2026, MoFEA) (High priority).

Issue: There is no reliable database of approved projects without the Aid Management Platform and public investment program. Some projects are submitted for legislative approval without review by MoFEA, but a lack of tracking is a risk to fiscal sustainability.

Recommendation 6. Ensure all ongoing and proposed new projects funded by GLF and donors are reviewed before inclusion in the budget documents for approval by the legislature. This recommendation requires the implementation of actions under cross-cutting recommendations related to IT and the establishment of a PIM Unit (by mid-2025, MoFEA) (Medium priority).

Issue: There is no detailed selection process or selection criteria.

Recommendation 7. Building on the Cabinet Memorandum on the Amendment of the Gambia Strategic Review Board, the Ministry of Finance should develop operational guidelines describing the selection process and key criteria covering the role of the new MoFEA PIM Unit, GSRB, MDAs and Ministerial Investment Implementation Committee. (by end-2024, MoFEA) (High priority).

E. Investment Implementation

11. Procurement (Strength— Medium; Effectiveness— Medium; Reform Priority— Low)

56. Public procurement plays an increasingly strategic role in building modern infrastructure and delivering public services. Open competition for public procurement opportunities that leverage the use of technology strengthens transparency, enhances efficiency, helps generate fiscal savings, and builds trust in the government. A well-functioning system of independent procedures for dealing with procurement complaints can further support better outcomes.

57. Public procurement legislation and regulations specify competitive procurement methods and an independent review board, require a comprehensive procurement database, and mandate the publication of procurement activities. Procurement is regulated by the Gambia Public Procurement Act (2022) as well as the Gambia Public Procurement Authority Regulations (2019) and there are 12 allowable methods of procurement.[13] The Act specifies that competitive procurement is the preferred method for the awarding of government-financed contracts and the regulations require open or international tendering for works contracts above GMD 10m (USD 140,000). The Act makes compulsory the publication of all contracts and requires open and transparent bidding. The Act also describes in detail

[13] The following methods of procurement are allowable: competitive bidding, pre-qualification bidding, restricted tendering, negotiated procedure, single source procurement, request for quotations, request for proposals, force account, engineering procurement and construction, selection of individual consultants, multiple framework contract, and single framework contracts.

the publications that are required to be prepared. Collusion amongst bidders is forbidden and blacklisting is applicable. A Microsoft Excel-based database and monitoring system is in place, though no reports are prepared. Gambia is also in discussion with the Rwandan government about incorporating an e-procurement module in the EPICOR IFMIS. The Act and the Regulation require a review board, independent of the authority, and the procedures and timeframes are well-defined. However, there is no requirement to publish the reviews.

58. Most major projects are externally funded and procured using open and transparent methods, but the systems for monitoring domestically funded procurement and reviewing procurement complaints are only moderately effective. Almost all large projects are donor-funded projects, tendered in relation to the requirements of the donors, and follow the open bidding process. Procurement statistics[14] indicate that open and fair procurement was not conducted till the end of 2019. Restricted tendering continues to be the dominant practice for domestically funded projects. The procurement database covers all domestically funded procurement transactions for the past three years. There is also a statistical analysis describing procurement as a percentage of the approved amount, the frequency of procurement methods, and the percentage of procurement frequency. While the complaints review board is functional, there is no data regarding the number of complaints addressed, though anecdotal evidence suggests complaints are dealt with expediently.

59. There have been considerable improvements in the legal and regulatory framework for procurement since the 2019 PIMA, but there remains room for further improvement. The new Gambian Public Procurement Act (2022), as well as the new Gambian Public Procurement Authority Regulations (2019) have been enacted and considerably upgrade the required definitions and procedures for procurement. However, there is still no e-procurement system in place that could link with the Integrated Financial Management Information System and generate the required data for the compilation of a detailed Annual Procurement Report. Once this is in place, these reports should also be published on the website of the Gambian Public Procurement Authority. The newly established complaints review board reports should also be published.

12. Availability of Funding (Institutional Strength: Medium; Effectiveness: Medium; Reform Priority: High)

60. To implement public investment projects efficiently, MDAs must have certainty that funds will be made available for timely payments in order for contractors to progress projects as planned. This institution assesses whether MDAs can plan and commit expenditure on capital projects on the basis of reliable cash flow forecasts. When project proponents do not have certainty and invoice payments are delayed, contract implementation can be delayed, project assets can become degraded, the government may incur penalties, interest and arrears accumulate, and contractors' trust in the government declines.

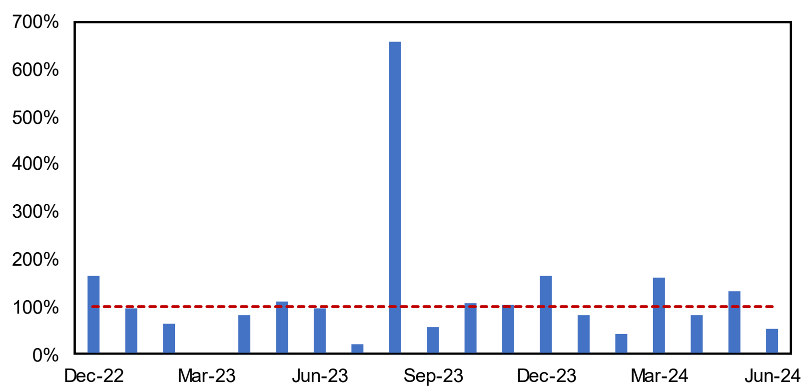
61. The regulations provide for the preparation of cash plans but are silent about prioritization of payments, while external financing accounts are required to be held at the central bank. The Financial Regulations (2016) and the Terms of Reference of the Cash Management Unit of 2020 require

[14] Copies of the Annual Activity Reports of 2017, 2018 and 2019 were available but no new activity report has been published since 2019.

MoFEA to prepare an aggregate annual cash plan and line ministries to update their cash plans every quarter, though commitment ceilings are only provided a month in advance. In terms of ensuring invoices are paid on time, the regulations state that cash allocations should be limited to cash availability, which implies that timely payment of capital project invoices is not guaranteed. The Financial Regulations (2016) require that external financing accounts be held at the central bank, and, where possible, the project accounts should be part of the main government accounts. This, however, leaves room for the possibility that they may be outside the scope of government accounts.

62. There are significant deviations from cashflow forecasts, and though externally financed projects are funded in a timely manner, major government-funded projects have accumulated arrears. Cash forecasting errors are high, averaging -10.7 percent. Cash allocations are given only for one month ahead, which affects capital expenditure planning. Cash outlays relative to cash allocations are often not consistent (Figure 28). Most GLF capital projects' invoices are not paid on time, resulting in delayed implementation and accumulation of arrears. However, the stock of arrears is unknown and has not been independently verified. Meanwhile, disbursement for externally funded projects is based on planned activities agreed upon between the donor and the implementing sector, and the funding is dependable.

Figure 28. Capital Cash Outlay to Cash Allocated (percent)



Source: MoFEA and staff estimates.
Note: The dotted line is the expected ratio of 100 percent.

63. There have been mixed developments in the availability of funding since the 2019 PIMA. Cash forecasting processes have improved with the approval of terms of reference for the Cash Forecasting Committee, which commenced the undertaking of annual cash forecasts and monthly updates. However, forecast errors have increased, and while capital expenditure arrears could be independently verified during the 2019 PIMA, they are not currently available. Further reforms in this area should focus on reducing cash forecasting errors, better aligning allocations and outlays, sequencing, and prioritization of payments, undertaking a stock take of arrears, and developing an arrears clearance strategy.

13. Portfolio management and oversight (Design— Low, Effectiveness— Low, Reform Priority: High)

64. **Portfolio management of all major projects is of utmost importance to support efficiency in public investment and the achievement of over-arching policy objectives.** The portfolio refers to the sum of all capital projects that have been previously approved, either in the budget or through other alternative financing mechanisms (development partner financing or PPPs, for instance). Portfolio management is different from monitoring each project (discussed under Institution 14). Through looking at the whole portfolio of infrastructure projects, governments can collect and analyze data and determine if projects and programs are on time, within budget, and if there are serious risks that require high-level intervention. Systematic portfolio management also comprises optimizing available funds by assigning them to the best-performing projects.

65. **There are no legal or regulatory requirements for central monitoring of major projects, major projects are subject to monitoring, and funds can be re-allocated, but ex-post reviews are not required.** Projects are monitored quarterly at a sector level, but monitoring reports mainly concentrates on financial progress and does not monitor physical progress. Article 19 of the Financial Regulations (2016) makes provision for re-allocation of funds. It states that it is the transfer of appropriations within the expenditure items of a budget agency, or among expenditure items of the budget agencies under the same supervising department, or from one budget agency to another, with a limit of 75 percent with the approval of the Minister of Finance. However, there is no requirement for approval by the legislature, which undermines transparency. Ex-post reviews are not legally required, though are usually required by donor partners.

66. **Quarterly monitoring is undertaken at the sector level, and there is reportedly some re-allocation of funds, but no ex-post reviews are conducted**. Sector Steering Committees monitor the sector's projects. However, there is no information on cost overruns, the information in the Project Managers Forum reports contains no forward-looking data, and there is no central monitoring mechanism in place. The reallocation of funds is reportedly undertaken in some cases but is not fully controlled by MoFEA, and there is no evidence that this is accelerating the projects. No ex-post reviews are conducted for government-funded projects, though ex-post reviews are undertaken for donor-funded projects as per the donors' requirements.

67. **There has been little change in the institutional framework since the 2019 PIMA, but effectiveness has deteriorated, and needed improvements in the portfolio monitoring process remain a high priority.** There is a clear opportunity to improve management at the aggregated public investment level through the development of a portfolio monitoring function. This function should include the identification of re-allocated funding and assess whether this re-allocation has met requirements and expedited project completion. Ex-post reviews should be considered an intrinsic part of the investment life cycle, and findings should be used to enhance investment governance in the future. Good practices in ex-post reviews can be seen in Box 3. Similar to recommendations in earlier institutions of this PIMA, a detailed summary table of all major projects is required, which includes all critical information to enable top management to identify critical major projects effectively, to act urgently to resolve risk issues, and to prevent delays and additional costs. Box 4 indicates the minimum requirements for a monitoring template,

and Annex 5 provides further information on the S-Curve as an early detection tool that can help determine the course of a project.

Box 3. Good Practice in Ex-Post Project Reviews and Acting on Findings

Many countries have formal requirements for ex-post review of major projects and this step is considered a core phase of the investment life cycle. Leading examples include:

- Infrastructure **Australia**, which has issued detailed requirements for post completion review. Required information includes forecast and outturn data on cost, schedule and benefits, key findings from interviews with the project delivery team and the approach and timing for communicating findings and recommendations for future projects.
- The **United Kingdom**, where the Green Book documents requirements for ex-post evaluation, covering both process evaluation and impact evaluation. The Infrastructure and Projects Authority undertakes periodic reviews of completed projects to distil lessons learned and improve future project delivery. In 2019 the Infrastructure and Projects Authority documented 24 lessons from close review of four transport megaprojects with application for major public projects in all sectors of public investment.
- **Ireland**, where a review of problems in the construction of the National Children's Hospital recommended reforms of the governance process for public investment projects. This directly informed changes to the Public Spending Code – the requirements for evaluation, planning and management of public investment. Adjustments included new arrangements for project governance, risk management and cost forecasting.

Sources: Infrastructure Australia (2019) Post Completion Review – Stage 4 of the Assessment Framework; UK Treasury (2022). The Green Book, Appraisal and Evaluation in Central Government; UK IPA and Department for Transport (2019) Lessons from Transport for the Sponsorship of Major Projects Ireland Department of Public Expenditure and Reform (2019) The Public Spending Code: A Guide to Evaluating, Planning and Managing Public Investment.

Box 4. Minimum Requirements for Project Progress Reports

Project progress templates can help to monitor projects and quickly identify problems as they emerge. The minimum information required to complete a proper analysis of the project progress and status on any time, should include:

- Project number
- Project description
- Project status – preliminary design, detailed design, or execution
- Project commencement date
- Contractual project completion date
- Expected completion date.
- Project ahead of schedule
- Project behind schedule
- Original budget of the project
- Revised budget of the project to date
- Project cost adjustments to date.
- % physical progress on site
- % of budget spent
- % time lapsed
- Are further cost overruns expected.
- Reasons for possible further cost overruns.
- Risk in upcoming period and possible mitigation measures.

Source: Staff.

14. Management of Project Implementation (Strength—Low; Effectiveness—Low; Reform priority: Medium)

68. Effective project implementation is required to realize the full benefits of public investment. During the implementation stage, the management of time, money, and quality is of utmost importance. During the project cycle, it is important to address any questions at the commencement of the project and to draft the scope and goals for the project. It is important to communicate roles, expectations, and objectives to finalize the project. Also, regular and independent audits provide oversight and can identify common problems and solutions in infrastructure governance and delivery.

69. There is no legal requirement for the appointment of senior officers for projects, but some ex-post audits are conducted, and guidelines for cost adjustment are in place. There are neither legal nor regulatory requirements to appoint a senior officer or to prepare a project implementation plan. Contract price adjustment is regulated by the Public Procurement Authority Regulations (2019) Article 143. Price adjustments are carried out based on the requirements of the specific procurement contract and not a standardized rule. There is no limit set for cost adjustment, the procedure for cost adjustments is not defined, and there is no fundamental review required during the cost adjustment phase. Ex-post audits are required under the National Audit Act (2015). The mandate of the Auditor General is described under section 160 of the Constitution. Article 22 of the National Audit Act also states that the Auditor General may carry out special audits and that the audit reports must be submitted to the National Assembly and may be published.

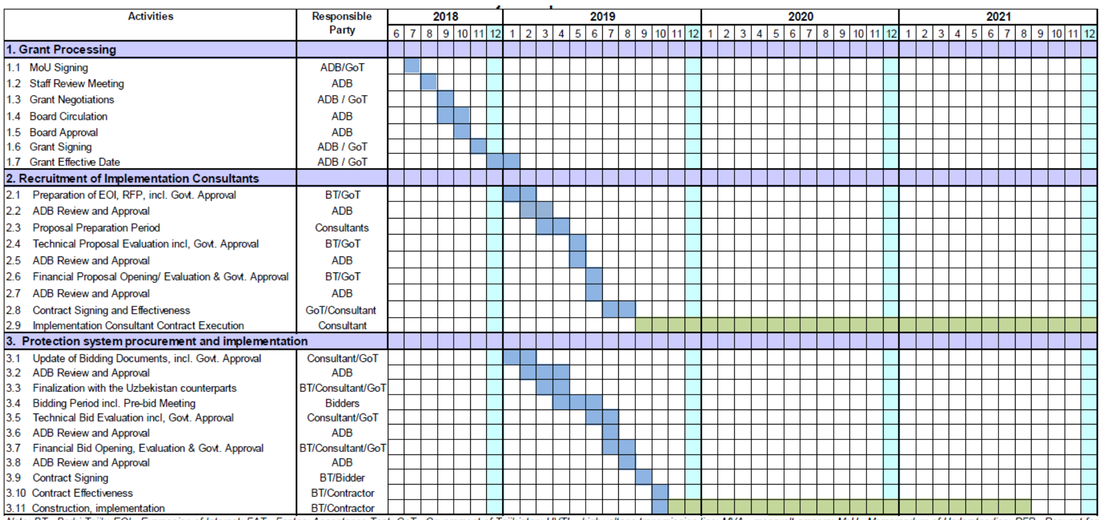
70. Some project management arrangements are in place, and ex-post audits are occasionally conducted, but project adjustments occur without a legal framework and review. Most major projects have project monitoring officials in place during the implementation of projects, particularly as this is a requirement in donor-funded projects (and most large projects are donor-funded). Monthly progress reports are compiled for projects under the Ministry of Transport, Works and Infrastructure and GAMWORKs. However, national audit reports find that project management is not always executed diligently. The Ministry of Transport and the Minister of Education have project implementation units in place. Audit reports are subject to scrutiny by the legislature and are published. Performance audits have only been conducted since 2019, and compliance audits on infrastructure projects commenced during 2024. However, less than 10 percent of projects are exposed to an external audit. The audits that were conducted found a number of deficiencies and incorrect procedures. Cost adjustments are conducted but are not documented nor regularly analyzed for GLF projects.

71. Little has changed in the monitoring and implementation of projects since 2019, and reforms in this area remain a medium-priority reform. The project management process is negatively affected mainly by upstream issues; however, some functions are not well managed by the project managers, which the National Audit Office has highlighted. In particular, the National Audit Office has noted that project managers require adequate training to fulfill their functions effectively. Project implementation plans (Box 5) are not always produced, and effective contract management arrangements are not always in place. Annex 6 contains the contract management arrangements (using an example from Mozambique) that should be in place before any contract commences. The Financial Regulations (2016) could be updated to ensure that a senior official should be appointed to oversee any major project irrespective of funding or financing source, and that project implementation plans be prepared for all large projects.

Box 5. Project Implementation Plans

A well-structured Project Implementation Plan (Figure 29) offers several benefits. It serves as a comprehensive roadmap, providing clarity on project activities, milestones, and responsibilities. The plan fosters efficient coordination, collaboration, and resource allocation. It includes risk assessments, mitigation plans, project schedules, and budget allocations, supporting proactive management and financial efficiency. The plan ensures adherence to quality standards, facilitates timely execution, and becomes a valuable resource for post-project analysis. Overall, the plan contributes to successful outcomes, stakeholder satisfaction, and continuous improvement in future projects.

Figure 29. Example of a Project Implementation Plan



Note: BT - Barki Tajik; EOI - Expression of Interest; FAT - Factory Acceptance Test; GoT - Government of Tajikistan; HVTL - high voltage transmission line; MVA - megavolt ampere; MoU - Memorandum of Understanding; RFP - Request for

Source: Asian Development Bank and the Republic of Tajikistan: Reconnection to the Central Asian Power System Project.

15. Monitoring of Public Assets (Strength—Low; Effectiveness— Low; Reform priority: High)

72. Maintaining an up-to-date picture of non-financial assets and their condition is essential to enable effective management of the public sector asset portfolio. Effective management requires a comprehensive asset register that captures relevant data and is updated regularly. Information on the values and types of assets should be incorporated in the government's balance sheet as a basis for the calculation of net worth and depreciation charged as an indication of asset condition.

73. Asset management is regulated but incomplete, with no requirement for recording non-financial asset values in financial accounts and no clear specification of depreciation methods. An asset management policy was introduced in 2024, which is guiding the development of a comprehensive asset register, though the policy is not legally enforceable. The Public Finance Act (2014) requires that MoFEA issue instruments for regulating and governing the improvement, maintenance, and disposal of immovable public assets to all budget agencies. The Financial Regulations (2016) requires that "The head or chief executive officer of a budget agency or its Vote Controller shall maintain all documents and records prescribed in these Regulations and the Accounting Manual, particularly the following – … (iii) asset registers”. No requirement specifies regular surveys and condition assessments of assets. The Financial Regulations (2016) do not require that non-financial assets be recorded in public accounts and do not specify depreciation rates or percentages to be applied. The regulations also do not specify the life span of assets for depreciation purposes, though this has been described in the recent Asset Management Policy.

74. Notwithstanding ongoing efforts, there are limited asset registers currently in place, revaluations are not done, and, with the exception of some SOEs, condition assessments are not carried out. The compilation of asset registers only commenced in July 2024, so the government currently does not yet have a consolidated asset register. Condition assessments of assets are not conducted regularly, and revaluations are currently not conducted. Depreciation of assets is not done for all assets. The State-Owned Enterprises Operational and Financial report compiled by the Directorate of SOE's at MoFEA, indicates the asset values of most SOEs and does record the depreciation values of the assets. SOEs have adopted the International Accounting Standards for Asset Management and derived depreciation rates for their assets (see Table 10). Box 6 provides the status of asset management practices in July 2024.

Table 10. Depreciation Rates for the National Water and Energy Corporation’s Assets

Item	Depreciation percentages:
Buildings	2
Plant and Machinery	4 -10
Motor vehicles	20
Fittings, Furniture and Equipment	20
Electricity network	2.5
Water and sewage network	2.5

Source: National Water and Energy Corporation Financial Statements 2020.

Box 6. Status of Asset Registers in Gambia in July 2024

- Asset Management Policy issued: November 2022.
- Asset register compilation: Commenced in July 2024.
- Expected completion date for compilation of asset registers: December 2024.
- Depreciation formula published: Not yet done.
- Comprehensive list of asset life cycle: Not yet done.
- Revaluation of asset values: Not yet done.
- Condition assessments: Not yet done.

Source: Staff.

75. The introduction of a new asset management policy has strengthened this area since the 2019 PIMA, but the completion of the comprehensive asset register should be a high priority. Comprehensive information on the stock of public assets and their conditions is necessary to help inform investment planning, selection, and maintenance needs. This information can also serve as a basis for vulnerability assessment (see the C-PIMA). The absence of such information also undermines the development and implementation of maintenance methodologies. Some reform measures that can help in this sense include defining depreciation methodology by asset type; completing an exhaustive useful life list of assets; and updating the inventory system.

Recommendations on Implementation Phase

Issue: Portfolio management of major projects at the central government level does not exist, with no project performance data available against which financial-, and physical progress or identified risks could be determined.

Recommendation 8. Establish a portfolio management function in MoFEA. This could be a function under a new PIM Unit (see Recommendation 2) or a new standalone function in the Department of Aid Coordination (by end-2025, MoFEA and SOEs) (Medium priority).

Issue: There are no comprehensive asset registers and no standardized methods for assessing their maintenance needs and costs.

Recommendation 9. Complete the process of preparing a centralized asset register and improve information on maintenance and asset register (by end-2025, Accountant General and MoFEA) (Medium priority).

IV. The Climate PIMA

A. Climate Change and Public Infrastructure

76. Like most countries, The Gambia is increasingly vulnerable to the impacts of climate change. As a low-lying coastal country in West Africa (Figure 30), The Gambia faces significant risks from rising sea levels, increased temperatures (Figure 31), and changes in precipitation patterns (Figure 32). Climate models indicate that temperatures in The Gambia are expected to rise between 1.1 degrees Celsius and 3.1 degrees Celsius by the 2060s and up to 5.0 degrees Celsius by the 2090s, with the interior regions experiencing more rapid warming than coastal areas (Ministry of Environment, Climate Change and Natural Resources, 2021). Additionally, the frequency of hot days and nights is projected to increase significantly, exacerbating existing environmental challenges and posing new risks to infrastructure and livelihood.[15]

77. Sea level rise poses one of the most significant climate-related risks to infrastructure in The Gambia. With an average elevation of only 34 meters above sea level and much of the country lying below 20 meters, sea level rise represents a significant threat to infrastructure. The capital city, Banjul, along with the Greater Banjul area—which houses approximately 1.4 million people, or over 60 percent of the nation's population—is situated at sea level. Under a moderate warming scenario with current policies (Representative Concentration Pathway 4.5), the average sea level is expected to rise between 0.12 and 0.41 meters by 2050, and between 0.24 and 1.07 meters by 2100, relative to 2000 levels.[16]

78. The projected changes in climate conditions could also lead to substantial damage to The Gambia's infrastructure and economy. The Gambia is already facing climatic challenges, with the increase in droughts and storms (Figure 33). The increased frequency of extreme weather events, such as storms and flooding, poses threats to coastal infrastructure, including vital tourism facilities and urban centers like Banjul and the Greater Banjul Area. The Gambia's agriculture sector, which employs a significant portion of the population and is heavily reliant on rain-fed farming, is particularly vulnerable to changes in rainfall patterns and increased temperatures. The region is expected to experience a drier climate with longer drought periods. Under an especially high-emission scenario (Representative Concentration Pathway 8.5), the duration of meteorological droughts in West Africa is projected to increase from approximately two months in the historical period (1950–2014) to about four months by the end of the century (2050–2100).[17] These climatic changes pose severe risks to water security, agriculture, and infrastructure, necessitating urgent adaptation and mitigation strategies.

79. The macroeconomic and fiscal implications of climate change in The Gambia are significant. The country is highly dependent on agriculture and tourism, sectors that are sensitive to climatic variations. Over 400,000 people were affected by the 2011 Sahel Drought, which led to a 62 percent decrease in crop production compared to 2010. Sea-level rise threatens the coastal areas, which

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[15] Han X, and K. Kirabaeva, (2024), "Climate Change Vulnerabilities and Strategies in The Gambia" IMF Selected Issues Papers 2024/005. International Monetary Fund, Washington. DC.

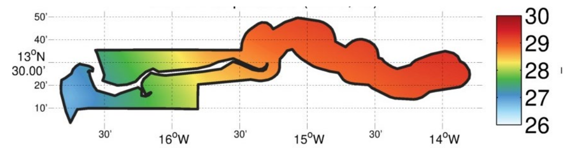
[16] Benedek, D. et al., (2024), "The Gambia: Climate Policy Diagnostic", FAD Technical Assistance Report, July 2024.

[17] Ukkola, A., et al., (2020), "Robust future changes in meteorological drought in CMIP6 projections despite uncertainty in precipitation", Geophysical Research Letters, Volume 47, Issue 11, 16 June 2020

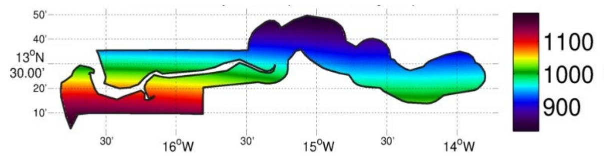
are critical for tourism, a major source of foreign exchange. The increased incidence of natural disasters, such as floods and storms, which have become increasingly prevalent in The Gambia over the past twenty years, is expected to strain public finances through the increased costs of emergency response and infrastructure repair.[18] Strengthening climate resilience, particularly through investment in climate-resilient infrastructure and enhancing public investment management, will be crucial in mitigating these risks and ensuring sustainable development.

Figure 30. The Gambia: Average Annual Temperature and Precipitation

(a) Temperature (1991-2020, degree Celsius)

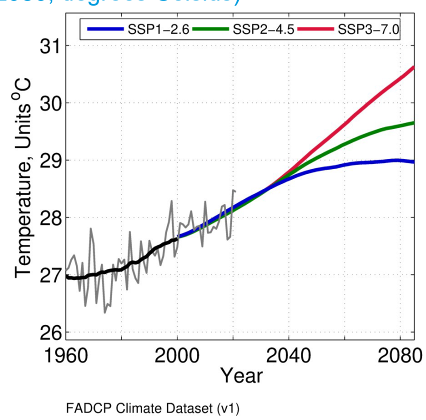


(b) Precipitation (1991-2020, millimeters per year)



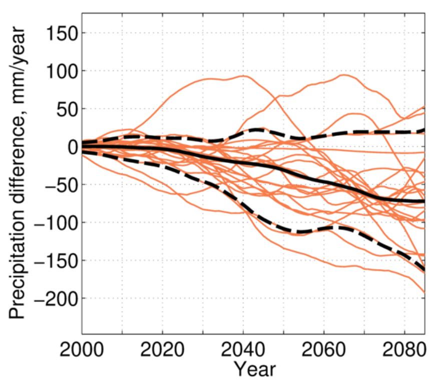
Source: IMF Climate Dataset (Massetti and Tagklis, 2023).

Figure 31. The Gambia: Average Annual Temperature Under Different SSP Scenarios (1960-2080, degrees Celsius)



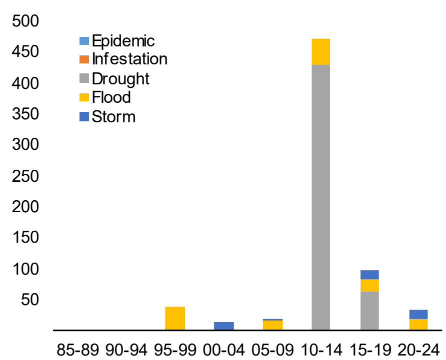
Note: SSP is Shared Socioeconomic Pathway

Figure 32. The Gambia: Precipitation Under SSP3-7.0 (Difference with SSP 1-2.6)



Source: IMF Climate Dataset (Massetti and Tagklis, 2023).
Note: SSP is Shared Socioeconomic Pathway.

Figure 33. The Gambia: Climatological and Hydrological Natural Disasters (000s of people affected)



Source: EM-DAT.

B. Climate Change Objectives and Strategies

80. The Gambia has increasingly integrated climate considerations into its national development strategies. The Long-Term Climate Change Strategy and the Second Nationally Determined Contribution (NDC) reflect the country's commitment to addressing climate impacts and advancing sustainable development. The Gambia's NDP for 2023-2027 includes comprehensive

[18] Han X, and K. Kirabaeva, (2024), "Climate Change Vulnerabilities and Strategies in The Gambia" IMF Selected Issues Papers 2024/005. International Monetary Fund, Washington. DC.

measures aimed at enhancing climate resilience and sustainability across major economic sectors such as agriculture, energy, and infrastructure. The strategy emphasizes the expansion of renewable energy sources, the implementation of energy efficiency measures, and the promotion of sustainable agricultural practices. The plans, strategies, and institutions broadly supporting public investment management in a climate change context are summarized in Table 11. The Gambia is also an active member of the Vulnerable Twenty (V20) Group, a coalition of 70 countries highly vulnerable to climate change impacts. As a V20 member, The Gambia has advocated for stronger global climate action and enhanced support for climate finance, resilience building, and disaster risk reduction.

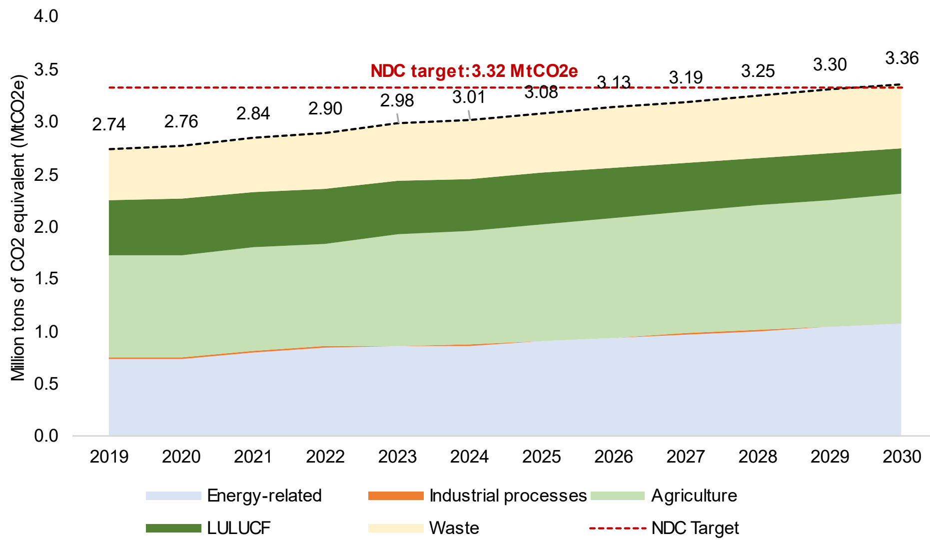
81. While The Gambia contributes little to global emissions, its contribution is rising. The Gambia accounts for less than 0.01 percent of global CO2e emissions. However, its contribution is rising due to population growth and increasing economic activities. The country's greenhouse gas emissions are expected to increase from 2,840 GgCO2e in 2020 to 3,360 GgCO2e by 2030 under a business-as-usual scenario (Figure 34). The Gambia targets a slightly lower 3,327 GgCO2e by 2030, suggesting there is little additional action planned to reduce the path of emissions below the business-as-usual. The sectors covered include Agriculture, Forestry, and Other Land Use, Energy, Waste, and Industrial Processes.

82. The Gambia's Second Nationally Determined Contribution outlines both unconditional and conditional mitigation measures, with the conditional measures relying on international support for finance and technology transfer. The updated NDC, submitted in 2021, sets a target to reduce emissions by 49.7 percent by 2030, relative to business-as-usual levels, contingent on receiving international support. However, IMF business-as-usual emissions estimates differ from those submitted by authorities.[19] The IMF business-as-usual scenario projects an emission path that will be only slightly above the absolute emission target established in the updated NDC (Figure 34). Nevertheless, The Gambia is advancing its climate adaptation strategies, focusing on areas like coastal protection, water resource management, and disaster risk reduction. These initiatives will be important for maintaining low emissions and improving resilience against climate-related impacts. Key sectors targeted include energy, waste management, and forestry, with specific measures such as expanding solar energy capacity and enhancing forest conservation efforts.

83. The recent IMF Climate Policy Diagnostic provides recommendations and analysis that provide a platform for fiscal policies to support The Gambia’s climate change goals. The diagnostic provides comprehensive analysis of the adaptation and mitigation challenges facing The Gambia and provides recommendations on adaptation and mitigation policy and on institutional reforms that are needed to support the climate change agenda. Box 7 provides an overview of some of the recommendations from that analysis that are particularly relevant in the context of the C-PIMA.

[19] Benedek, D. et al., (2024), “The Gambia: Climate Policy Diagnostic”, FAD Technical Assistance Report, July 2024.

Figure 34. Nationally Determined Contribution Emissions Commitment and Business-as-Usual (GgCO2e)



Source: IMF (2024), Climate Policy Diagnostic.

Box 7. Institutional Recommendations from the July 2024 IMF Climate Policy Diagnostic

The IMF's recently completed Climate Policy Diagnostic for The Gambia provided a framework for mitigation and adaptation fiscal policies that can help to meet The Gambia's climate objectives. The diagnostic also evaluated institutional arrangements and emphasized the importance of integrating climate change considerations into national development objectives and planning, supported by development partners. This includes various strategic plans and legislation across key sectors. The diagnostic noted that effective climate change management requires a long-term perspective and coordination across sectors and government layers, both of which need strengthening in The Gambia. Stakeholders should align policy planning and assessment horizons with climate impact. The institutional framework should be enhanced to create accountability for climate objectives, requiring clear roles and responsibilities and improved coordination among actors. Relevant recommendations from the diagnostic for the C-PIMA included:

- Develop a National Adaptation Plan.
- Strengthen disaster related budget request, execution and reporting through the development of guidelines and in-depth disaster budget analysis.
- Establish long-term climate scenarios and hazard vulnerability maps and disseminate them to line ministries to improve public sector planning.
- Incorporate The Gambia 2050 Climate Vision and the Long-Term Climate-Neutral Development Strategy 2050 into up-coming National 2050 Vision and other long-term national plans.
- Complete the development and adoption of the National Land Policy,
- Allocate roles and responsibilities for climate change management clearly among actors and legitimize the institutional structure, responsibilities, and targets through legislation (e.g., a Climate Change Bill or National Environmental Management Act update).
- Mainstream adaptation and mitigation into all updated sectoral plans and regulatory frameworks including mainstreaming climate change management into the core functions of MoFEA.

The key messages and recommendations from the Climate Policy Diagnostic are particularly pertinent to the C-PIMA, as they underscore the necessity of robust institutional frameworks and long-term planning for managing climate risks, which directly impacts public investment management and infrastructure resilience.

Source: Benedek, D. et al., (2024), "The Gambia: Climate Policy Diagnostic", FAD Technical Assistance Report, July 2024.

Table 11. Plans, Strategies, and Institutions Supporting Climate-Sensitive Public Investment

Year	Strategy - Plan	Main elements	Leadership
2016	The National Climate Change Policy	Policy to achieve by 2025 the mainstreaming of climate change into national planning, budgeting, decision-making, and program implementation, through effective institutional mechanisms, coordinated financial resources, and enhanced human resources capacity. Envisions n**ew institutions at the national level**: i) National Climate Change Council, ii) Inter-ministerial Climate Committee, iii) National Climate Committee, iv) National Climate Committee, v) Formal network of Climate Change Focal Points **Sub-national government component**: development of Local Action Plans; **Budgeting and financial components**: develop climate-change coding at the national and international level and creation of the Gambian Climate Change Fund	MECCNAR
2017	The Strategic Program for Climate Resilience	Establishes a comprehensive implementation plan building on the National Climate Change Policy. It outlines five key priorities for climate resilience, adding 'Infrastructure and waste management" to the four priorities identified in the National Climate Change Policy. The Strategic Program for Climate Resilience also provides cost estimates for short-, medium-, and long-term financing, which serves as valuable information for international donors.	MECCNAR
2017	The Low Emission Climate Resilient Development Strategy	Complements the NDC1 and the Strategic Program for Climate Resilience by identifying key priority actions to facilitate the transition to a low-emission and climate-resilient economy. These actions are categorized into administrative and cross-cutting measures, Greenhouse gas mitigation strategies, and initiatives for climate-resilient development	MECCNAR and support from MOFEA
2021	The Gambia 2050 Climate Vision	**Sets the government's vision to meet commitments made under the Paris Agreement**, move towards resilience and net zero carbon emissions by 2050. Establishes the political aspiration to achieve net zero emissions by 2050. Comprises **four strategic axes** of policy action: 1) climate-resilient food and landscapes: Agriculture, food security, forestry, and natural resources, 2) low emissions and resilient economy: Energy, transport, infrastructure and the key economic sectors of tourism and financial services, 3) climate-resilient people: Health, education, equitable social development, and human settlements, and 4) Climate-aware Integrated Coastal Zone Management	MECCNAR with support from MOFEA
2021	The Gambia's second National Determined Contribution (NDC2)[1]	Submitted in 2021, contains policies and action against its fair share as 1.5°C compatible. The NDC2 has a greenhouse gas reduction target of 49.7 percent by 2030. **Covered sectors**: Agriculture, Forestry and Other Land Use, Industrial Processes and Product Use, Energy, Transport and Waste. The waste sector now includes emissions for both solid waste and wastewater, while the NDC1 did not include wastewater emissions.	MECCNAR
2022	Long-Term Climate-Neutral Development Strategy 2050 2022	Provide a comprehensive plan for reaching the net zero greenhouse gas emission by 2050 and it needs a USD 4 billion financing supports. It is at the stage of detailed cost estimations.	MECCNAR and support from MOFEA
2023	National Development Plan 2023-2027	Climate resilience, being one of the pillars, the Plan aims at achieving sustainable environmental and natural resources management, enhanced climate action, and disaster risk reduction through implementation of seven program priorities, sustainable waste management – waste sector adaptation; coastal resilient and adaptation; hazardous chemical and pesticides management; greening energy and transport sectors; integrated water resources management; and disaster risk reduction.	MOFEA

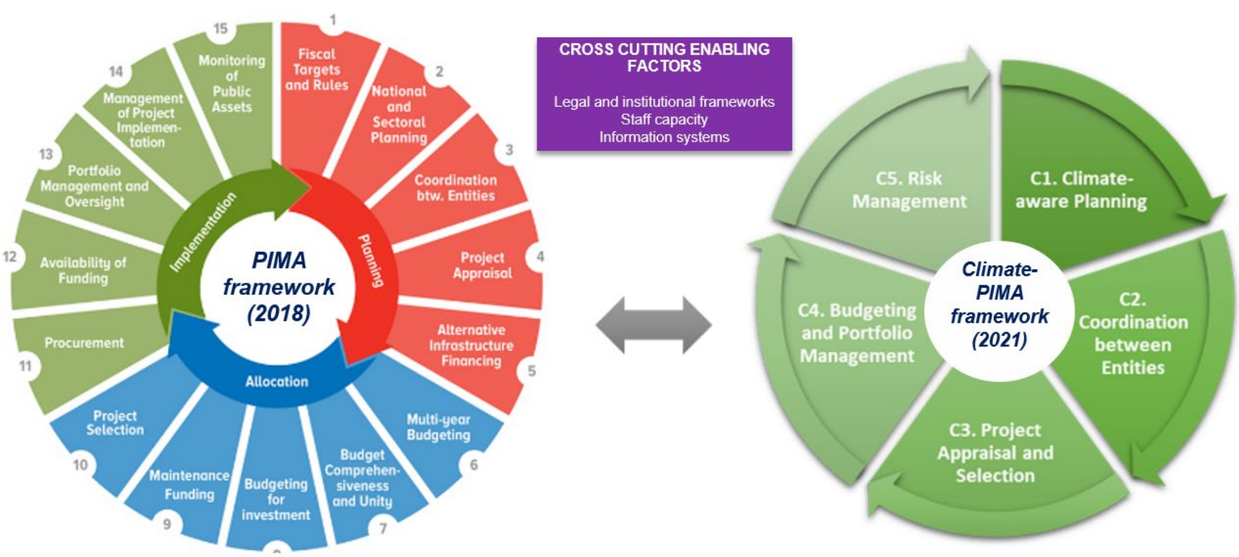
Year	Institution	Functions	Members
2019	National Climate Change Council	The National Climate Change Council is the principal body responsible for climate change decision-making and policy formulation in The Gambia, made up of members from a variety of relevant ministries.	MECCNAR, various ministers (MoFEA, Education, Heath, Agriculture, Energy), local government representatives and other stakeholders.
2019	The Climate Change Secretariat	Help sectors integrate climate change into national and sub-national plans, coordinate the implementation of the National Climate Change Policy, build capacity on climate change, regularly track adaptation and mitigation progress using participatory monitoring and evaluation methods and develop a network of Expert Thematic Groups as well as a network of Climate Change.	MECCNAR, Office of the President, MoFEA, United Nations agencies and International Partners.
2019	The Inter-Ministerial Climate Change Committee	Promoting the integration of climate change impacts sectoral strategies, policies, and actionable plans, reporting on these integrations, as well as creating short and medium-term goals and incentives/disincentives in cases of non-compliance. The group is supposed to meet every three months.	PS MECCNAR, PS MOFEA, Line Ministries' Directors

Source: Staff

C. Climate PIMA Framework

84. The Climate PIMA assesses five key public investment management practices from the climate change perspective and is an extension of the existing PIMA framework. Figure 35 describes the main elements.

Figure 35. Climate Public Investment Management Assessment Framework



Source: Staff.

85. The Climate PIMA covers the following specific issues (see Annex 3 for the C-PIMA Questionnaire):

- *C1. Climate-aware planning:* Is public investment planned from a climate change perspective? This is necessary to ensure that long- and medium-term plans contribute to meeting climate objectives and facilitate effective prioritization and decision-making.
- *C2. Coordination across public sector:* Is there effective coordination of decision making on climate change-related public investment across the public sector? In addition to the central government, subnational governments, public corporations, and private sector entities play key roles in realizing climate-related public investment. Climate adaptation investments will often take place at the local level, and both public corporations and private sector entities may play key roles, for instance in energy production.
- *C3. Project appraisal and selection*: Do project appraisal and selection include climate-related analysis and criteria? This is necessary to ensure that the most effective and efficient investments are prioritized. This serves to maximize the climate impacts of public investments with available resources.
- *C.4 Budgeting and Portfolio management:* Is climate-related investment spending clearly identified in the budget and subject to active management and oversight? Because the climate benefits may be less tangible and more difficult to quantify than other project benefits, systematic and consistent management, and oversight of benefits over the project lifecycle is critical.
- *C5. Risk management:* Are fiscal risks relating to climate change and infrastructure incorporated in budgets and fiscal risk analysis and managed according to a plan? The likelihood of climate related disasters is expected to increase over time. The impacts of these risks on public infrastructure must be systematically assessed and monitored, to facilitate adequate and effective risk mitigation.

D. Detailed Assessment

C1. Climate-aware Planning (Strength: Low; Reform Priority: Medium)

86. The Gambia has adopted an NDC Implementation Plan that includes projects for mitigation and adaptation, but further steps could be taken to fully integrate it within national public investment strategies, plans, and processes. The NDC Implementation Plan (Box 8) sets out 27 actions to reduce emissions, and these actions are almost all conditional on support. It also includes actions across the key sectors, energy, water, agriculture, forestry, transport, industry, waste, and construction, with specific projects and estimated funding. The Gambia`s Long-Term Climate-Neutral Development Strategy 2050 is another major complement to the Green Recovery-focused National Development Plan (2023 - 2027), which outlines the general direction of economic development. This is also integrated with the NDP (2023-27) outcome on sustainable environmental and natural resources management, enhanced climate action, and disaster risk reduction. While considerable effort has gone into aligning national plans with climate objectives, it will be important to ensure that sectoral public investment strategies and plans reflect these commitments as well.

87. The Ministry of Environment, Climate Change, and Natural Resources (MECCNAR) has participated in the formulation of various climate change strategies, but its involvement in their implementation has been limited. The Gambia has many plans and strategies for climate change (summarized in Table 11). Except in the case of the National Development Plan prepared by MoFEA, the leadership in the environmental and climate change policy falls in MECCNAR. In 2019, three bodies led by MECCNAR were created to promote the implementation of national climate change strategies at the sector and local level. The National Climate Change Council, which oversees the climate-change policy, and the Climate Change Secretariat and the Inter-sectorial Climate Change Committee that are mainly responsible for coordinating and supporting the alignment of sectoral and local strategies with national objectives. However, the alignment of sectoral and local strategies has advanced rather slowly. For example, while MECCNAR acknowledges that aligning sector strategies to the National Development Plan (2023-2027) in the climate component is critical, this process has not started yet. Sectors such as agriculture and oil and energy have included climate change in their strategies and they are in the process of updating them, but without the support of MECCNAR. This slow progress is partly explained by the low institutional and human capacity of MECCNAR and the lack of clarity in roles and responsibilities, which sometimes overlap, as in the case of the Secretariat and the Inter-ministerial Committee.

Box 8. The NDC Implementation Plan

The Gambia submitted its updated NDC in 2021, committing to a conditional emissions reduction by 2030.[20] In 2023, the Government launched the NDC Implementation Plan (2021-2030) to operationalize its NDC, prioritizing and costing 20 outcomes (seven belong to adaptation and 13 to mitigation focus areas) (Table 12). The detailed implementation plan provides an implementation and coordination framework for government agencies. It provides a list of projects and related objectives according to sector and focus area, status of project, and life span. It also indicates the alignment and contribution of the projects to the specific NDC outcomes and Sustainable Development Goals with planned actions.

Table 12. Focus Areas and Sectors Under the NDC Implementation Plan with Projected Funding

Focus Area	Number	Percent	Value (USD)
Adaptation	21	78%	$ 579,140,908
Mitigation	4	15%	$ 286,754,890
Cross-cutting	2	7%	$ 21,429,132
TOTAL	**27**	**100%**	**$ 887,324,930**
Sector	Number	Percent	Value
Agriculture	8	30%	$ 140,418,000
Ecosystems	10	37%	$ 392,112,323
Energy	3	11%	$ 284,756,890
Coast	2	7%	$ 51,122,970
Disaster	2	7%	$ 4,095,000
Environment	1	4%	$ 1,998,000
Water	1	4%	$ 7,119,747
TOTAL	**27**	**100%**	**$ 887,324,930**

Source: NDC implementation plan.

88. **Regulations on spatial and urban planning and construction are significantly outdated and do not address climate-related risks and impacts on public investment.** In the Physical Planning and Development Act (1991) and Land Acquisition and Compensation Act (1991), competencies of the national and local levels regarding land use are not completely clear. There is not a national unified land use policy in the Gambia. Instead, this policy has been developed at the municipal level; nevertheless, it is also outdated. The first comprehensive plans date from 1984, with the issuance of the Greater Banjul

[20] The first NDC was submitted in 2015 and covered the agriculture sector emissions. The 2021 NDC covers, prioritizing agriculture, forestry and other land use, livestock, industrial processes and product use, energy, and waste.

Metropolitan Area master plan and three growth center plans aimed at guiding land use in the face of rapid urbanization and population growth. These plans expired in 2000 and have not been revised. Additionally, resources available to land management agencies are insufficient to train or retain qualified staff or acquire adequate equipment for key functions such as surveying, mapping, and planning. In the face of this weak land-use planning capacity, urban services are sometimes provided after settlements have evolved, usually after they have undergone some densification. Land information jurisdictions have not been systematically collected, digitized, maintained, or analyzed, undermining the capacity to implement and enforce land management policies. Due to the absence of land use regulations in The Gambia, criteria and requirements for investment projects have not been established. In the environmental and climate change area, the only requirement for investment projects is complying with the environmental impact assessment requirement.

89. There is no centralized guidance or support for government agencies on the preparation and costing of climate-aware public investment strategies. The government has not developed technical guidelines to help line ministries and guide subnational governments on how to include climate change mitigation and adaptation requirements in investment projects. Externally financed investment projects, which have represented more than 80 percent of total public investment, generally follow high climate change standards for the design, appraisal, and implementation of infrastructure investment projects. An example of how the alignment of projects with national plans can help deliver climate-smart project design is in the Expansion of Banjul's Port. The project's design is aligned with Gambia's NDCs and The Gambia 2050 Climate Vision, prioritizing the building of climate-resilient infrastructure and reduction of carbon emissions.

90. The government should now move from the design of strategies to their implementation at all levels of government and incorporate climate-sensitivity in land-use regulations as a priority. To this end, it is important that in the short term, MECCNAR increases its efforts to ensure that sectoral and local-level development strategies are aligned with national-level objectives and contain measurable interventions and output indicators to facilitate the monitoring of individual contributions to the country's climate change goals. Given the country's vulnerability to climate change and the concentration of population and economic activity in the coastal zone, it is of high priority to issue a unified national regulation on land use, based on which subnational governments can also update their master plans.

C2. Coordination Between Entities (Strength: Low; Reform Priority: High)

91. The Gambia has some permanent institutional arrangements for coordinating policy design and investment planning from a climate perspective. The institutional framework primarily involves line ministries and development partners, guided by national policies that aim to integrate climate considerations into governmental functions for long-term impact. Central to this framework, the National Climate Change Council is responsible for decision-making and policy formulation related to climate change. In collaboration with the Inter-ministerial Climate Committee, composed of key ministry officials, the Council promotes sector-specific integration of climate impacts into strategic planning. While these structures provide a foundation for aligning public investment projects with climate objectives, it is not yet clear that this institutional framework fully supports effective coordination for climate-aware investment.

92. There is no legal or formal requirement for the coordination of local government's capital spending from a climate change perspective. Although there is a formal process to discuss local government investments under the coordination of **the** Ministry of Land, Regional Government, and Religious Affairs through the Local Government finance and advisory committee, there is no evidence of any formal discussions and guidance from the central government to local governments on consideration of climate change during public investment decisions. MECCNAR acknowledges its mandate and readiness to extend the required capacity with clear instructions on how Local Government Development Plans and actions should be climate sensitive. Also, the semi-autonomous Gambian Agency for the Management of Public Works, established in 1993, can consider climate-change perspectives in its project implementation model**.** This agency plays a useful role in the implementation of small capital infrastructure projects aligned to the priorities of local councils and regions, who are the main clients of the agency and has been responsible for the implementation of a significant amount of investments, approximately USD 200 million of capital investment in small to medium-sized public works projects, approximately USD 8 million per annum on average over the last 25 years.

93. The oversight framework for SOEs and PPPs does not provide for consistency of their climate-related investments with national climate policies and guidelines. The SOE Commission does not set performance criteria for SOEs that relate to national climate change objectives. The current legal and institutional framework does not require private PPP partners to perform climate change impact assessments or climate vulnerability assessments. The substantial investment needs identified under the government's climate policy plans, against the backdrop of fiscal constraints, highlight the importance of establishing an enabling environment for private investment. The Strategic Program for Climate Resilience expects projects requiring USD 315 million, whereas the Long-Term Climate-Neutral Development Strategy to reach vision 2050 is costed at USD 4 billion. The plans note that the government will not be able to implement all the envisaged measures from the budget and that private sector investment is required, creating the potential for PPPs. Aligning the regulatory and oversight framework for SOEs to ensure that their climate-related investments are consistent with national climate policies and guidelines would improve coordination.

C3. Project Appraisal and Selection (Strength: Low; Reform Priority: High)

94. While climate change is included under project risks in the Appraisal Guidelines, it is not comprehensively covered in the appraisal, PPP, or selection regulations. Climate mitigation issues are not mentioned in the Appraisal Guidelines (2021), but climate adaptation risks are included as an issue that should be identified and addressed. MDAs must include in their project documentation whether there are climate change risks that can affect the success of the project and include plans to mitigate them. The Cabinet Memorandum (2020) mentions that environmental sustainability, climate-resilient communities, and responsible land use are issues that should be analyzed as part of the appraisal process, but this is not further developed from a climate perspective. The current Environmental Impact Assessment Regulations of 2014, under the authority of the National Environmental Management Act (1994), provides a framework for evaluating potential environmental effects of investment projects. As a result, various factors, including air and water quality, biodiversity, and socio-economic effects, are assessed before the approval of the project. However, there is no formal requirement to assess key climate-related impacts on the project, its alignment with national climate change objectives (such as emissions), or the project's resilience to climate change.

95. **The preparation of the new PPP Act provides an opportunity to update the PPP framework to address climate change issues.** The PPP Policy (2023) and PPP Operational Guidelines (2016) do not mention climate change issues. As noted under Institution 10 of the core PIMA. The upcoming PPP Act should ensure the integration of climate mitigation and adaptation issues across the infrastructure cycle. As highlighted in Box 9, the high degree of uncertainty associated with climate change may require introducing more flexible, adaptive planning and contract clauses, e.g., the definition of force majeure, for the private sector to be able to enter into PPP contracts at a price that is affordable for the public sector. This will require that the public sector possesses sufficient knowledge about the tradeoffs and is able to access relevant transaction advisors. The ongoing process of selecting a concessionaire for the expansion of the container capacity at the Port of Banjul provides an example of how considering the impact of climate change is a requirement for entering into any long-term contractual agreement. As part of the preparation for the feasibility study, a study on 'Climate Adaptation and Resilience Investment Options' was conducted. The analysis found that most of the climate-generated risk to the port is associated with landside issues, whereas physical damage to assets from the sea is relatively minor, assuming appropriate maintenance. Hazards that count for the largest percentage of total economic risk value to the port include sea level rise, extreme temperature, and extreme precipitation. The findings were incorporated into the feasibility study in the form of adding a climate reserve to the financial base case requirements on the design of the new terminal.

96. **There are currently no selection criteria or guidelines, but climate change issues are noted as relevant for prioritization and selection**. Updating the Guidelines with dedicated climate change guidance should build on the already stipulated process covering the project concept, the pre-feasibility, and the full technical feasibility stage, followed by entry into the pipeline and eventually into the investment program. The project concept note (the New Project Proposal Template) could be expanded to include a discussion of key climate-related questions and used for screening proposals early in the process before substantial resources have been used to refine the project. Table 13 below gives examples of some key questions that should enable MoFEA to filter out misaligned projects.

97. **Climate-sensitive project prioritization and selection ensure climate-related elements are explicitly included among the list of decision criteria used by the government**. This can be used for determining: (i) what projects are admitted into a pipeline of approved projects, (ii) which projects are included in the government's budget; or (iii) approving financing through other financing such as PPPs. An example of selection criteria and weightings from Rwanda illustrates a possible approach. Rwanda developed a series of project prioritization and selection criteria and weightings, including criteria relating to climate change. These include (i) the degree of harm or contribution to climate change commitments and (ii) adequate adaptation to identified climate risks (climate resilience). These criteria and weightings are intended to be used in multi-criteria analysis by their public investment committee. Table 14 provides the full list of project selection criteria and their respective weightings.

Box 9. Incorporation of Climate into PPP Contracting and Operation

PPPs and similar infrastructure contracts commit the government to long-term obligations, typically 20-30 years. This means that risks from climate change – either adaptation or mitigation risks such as lock-in of high emitting infrastructure, or both – are likely to arise. It is, therefore, important that careful analysis of climate-related risks is conducted at the design and appraisal stages of PPPs. Successful PPPs require awareness of the fact that both the public and private side need to be comfortable with the risks and rewards allocated and a sharing of the substantial uncertainty associated with predicting the consequences of climate change. Private interest in climate projects will usually be strengthened by targeted incentives, de-risking investments, improving access to finance, removing regulatory barriers, and improving macroeconomic stability. However, these measures need to be soberly identified, priced, and incorporated in fiscal risk statements. Some key issues are discussed below.

The public side needs PPP-climate capacity. As part of their role as gatekeepers of the preparation, appraisal, and tender process, PPP units and other public sector entities need to possess an understanding of PPPs and how they impact climate policies, risks, and opportunities, and all respective funding, financing, and risk-sharing mechanisms.

Climate change must be built into all phases of the PPP. If structured correctly, PPPs can increase climate resilience, offering innovative solutions to address both mitigation and adaptation challenges. Building the new generation of PPP infrastructure to last should include clear messaging in all phases of the tender and award process. Procuring agencies need to bolster climate action by including relevant provisions in tender documents (requests for proposals, requests for quotes) and key performance indicators and ensure these are enforced through the proper supervision process. Additionally, market sounding early on PPP advisory is expected to assist in producing the proper terms of reference and attracting high-quality bidders.

Given uncertainties, adaptive planning should be attempted. Responding to climate uncertainty considerations, the scientific community has proposed the concept of adaptive planning for the design and construction of long-lifespan assets. The concept calls for designing the projects for a mild scenario at present to minimize upfront costs while allowing for adaptation to more adverse scenarios based on relevant indicators that may appear in the future. Adaptive planning may lay the ground for incentivizing all stakeholders to maintain an active role in the full lifecycle of projects.

Flexibility using objective indicators should be considered. Unavoidably, the inclusion of uncertainty and adaptive planning into the equation will negatively impact the long-term visibility required by investors. To reestablish equilibrium, the tender and award processes will need to allow for proper stakeholder engagement and dialogue, as well as objective indicators and appropriate guarantees that will allow for flexible terms in contracts without compromising investors' appetite.

Force majeure definitions may need redefinition. Climate change may be associated with the risks of more frequent service disruptions or failure due to extreme events. As with all risks, these will need to be properly assessed and allocated to the party that is more suitable to bear them. However, as awareness regarding the magnitude of potential losses increases, insurance availability may become scarce while guarantee requirements may rise. Conventional force majeure provisions may be revisited to structure potential new force majeure approaches, which will simultaneously incentivize adaptation and resilience. In such approaches, force majeure may be triggered only when a hazard exceeds a certain level, with the private party assuming potential risks below that threshold level.

Source: Climate Toolkits for Infrastructure PPPs. The World Bank Group 2022.

Table 13. Climate-Change-Related Questions and References in the Project Concept Note

Section of Project Concept Note	Explicit reference to climate change
Purpose and justification of the new project proposal	Project proposers must state (i) if the project relates to Nationally Determined Contributions, and (ii) what climate-related impacts can be expected if the project is implemented, and (iii) what vulnerabilities of climate change need to be considered during the design of the project and how they will be mitigated and other environmental impact*
Financial Information	Estimated total capital cost should include a provisional estimate for providing climate resilience where vulnerabilities have been identified.
Implementation Planning	Early considerations of implementing the project should include options that would risk breaching environmental and climate change protocols and policies. The associated project risk analysis should focus on climate change vulnerabilities and explain the scale and impacts of these risks materializing. An explanation of how the risks can be effectively managed is also required in this section.

Note: The risk and mitigation elements are currently in the New Project Proposal Template.
Source: New Project Proposal Template and staff.

Table 14. Example of Project Selection Criteria and Weights

Criteria	Percentage	Weighting Multiplier
National Sector Priority	20	0.2
Sector Ministry's own Project Priority	10	0.1
Project Efficiency	20	0.2
Effects on the Climate	15	0.15
Resilience to the Effects of climate change	15	0.15
Degree of Gender Balance	5	0.05
Compliance with other requirements	5	0.05
Number and Type of Jobs Created	5	0.05
Distribution of Benefits	5	0.05
Total	100	1

Source: Government of Rwanda and staff.

98. **There is an urgent need to update the appraisal, selection, and PPP regulation with climate change issues.** To ensure climate is effectively mainstreamed in public investment management, climate

change considerations should be integrated into the update of the appraisal and selection regulation and in the upcoming PPP Law (see Box 9). This regulation should be mirrored in an update of the Environmental Impact Assessment Guidance (2014), under the authority of the National Environmental Management Act (1994), to require a climate change impact assessment and a climate vulnerability assessment to determine the impacts and resilience of large projects[21]. This would include the requirement to assess the resilience of projects to climate change effects (such as sea level rises) and the anticipated greenhouse gas emissions of projects. The regulation could address these issues using tools including hazard analysis, risk mapping, loss and damage estimation, vulnerability analysis, risk scenarios, dealing with climate uncertainty in project design by implementing in stages, by doing 'no regrets' elements first[22], or through the use of real options[23]. Climate change mitigation could be incorporated to include an estimation of business-as-usual greenhouse gas emissions and gross and net greenhouse gas impacts of alternative technologies; estimation of marginal abatement cost curves; use of parameters such as the social cost of carbon, shadow price of carbon, appropriate long-term discount rates. An important task will be to provide guidelines, tools, and dedicated support to MDAs and central agencies to implement these new regulations and enable an iterative approach where the project is adjusted in light of the findings from the analysis.

C4. Budgeting and Portfolio Management (Strength: Low; Reform Priority: High)

99. Budget documents do not identify climate-related investment expenditures, but program classification provides a basis for aligning climate budgets and spending. There is currently no definition of what constitutes climate-related spending. However, the budget structure includes a program classification, allowing each sector to prepare budget plans where key objectives and indicators align with program spending plans over the medium term. At the project level, budget agencies provide information on sources of financing and how the project contributes to specific outputs and outcomes, allowing for the incorporation of climate-related expenditures. Expenditures for activities and programs such as environmental health and sanitation, as well as environmental impact assessments for all civil works, which are provided under various ministries in the 2024 budget, could potentially be identified as climate related. However, they are not tagged for tracking and monitoring. The government plans to improve climate coding in the budget process, as proposed in a concept note from the Ministry of Environment and Climate Change and Natural Aligned Resources. The Accountant General's Department confirmed that the Chart of Accounts could accommodate a tagging code if this were pursued, with an analytical segment that can be used to identify and track expenditure in priority areas, such as climate, gender, and child nutrition-related expenditure. Other countries in the region have taken steps to introduce climate change expenditure tagging, which could serve as a basis for evaluation and design. Box 10 below outlines a proposal Kenya is undertaking to develop a climate tagging framework.

100. Ex-post reviews or audits of the climate change mitigation and adaptation outcomes of public investments are not required under the current legal and regulatory framework. Neither the

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[21] See also Benedek, D. et al., (2024), "The Gambia: Climate Policy Diagnostic", FAD Technical Assistance Report, July 2024.

[22] No regrets elements refer to project components that are likely to generate net benefits under a wide range of future climate scenarios.

[23] Real options with respect to public investment refer to the opportunity to delay full implementation of an adaptation measure until better information is available to enable resolution of uncertainty about climate impacts, e.g., building a sea wall with a stronger than necessary foundation now to enable the height to be raised in future should sea level rise be higher than anticipated.

Public Finance Act (2014), the Financial Regulations (2016), nor the new Policy on Asset Management provide any guidance on ex-post reviews or audits of climate change mitigation or adaptation outcomes. However, the government undertakes project-specific ex-post reviews or audits when required under agreements with development partners. As discussed under Institution 13 of the PIMA, no ex-post reviews have been published to date. Additionally, there have been no ex-post audits of the climate change mitigation or adaptation outcomes of investment projects. The Environmental Impact Assessment Regulations (2014), under the authority of the National Environmental Management Act (NEMA), provide a framework for evaluating the potential environmental effects of development projects. While various factors, including air and water quality, biodiversity, and socio-economic effects, are assessed before project approval, there is no formal requirement to assess key climate-related impacts or their alignment with national climate change objectives or the project's resilience to climate change. Consequently, there is no structured comparison of the climate mitigation or adaptation outcomes of investment projects against the anticipated outcomes in approved planning and project documents.

101. The government's asset portfolio management policies and practices, including the maintenance of assets, do not address climate-related risks. Infrastructure assets in The Gambia face climate-related threats, including rising sea levels and flooding. An evaluation by a consultancy commissioned by MECCNAR found that 25.5 km of paved roadway in Greater Banjul is at risk of submersion during high tides[24]. In some donor-funded projects, provisions for addressing climate-related risks are included in the agreements. However, ongoing initiatives provide the government with an opportunity to incorporate climate-related risk management provisions and guidelines. These initiatives include the upcoming PFM Act, the 2022 Government of The Gambia Asset Management Policy, and the Ministry of Transport, Works, and Infrastructure's National Buildings and Facilities Policy (2018–2027)

102. Several steps could be taken to incorporate climate sensitivity in budgeting and portfolio management. Linking the asset management policy and the new asset register with hazard maps can help identify infrastructure assets located in high-risk areas, such as coastal regions exposed to sea level rises. This would allow for prioritizing critical assets and developing an asset risk mitigation strategy, ensuring that resources are allocated efficiently to protect vulnerable infrastructure. Tagging climate-related expenditures could enhance tracking and monitoring, but this process should be approached cautiously given its complexity and competing priorities in improving budgeting and public investment management processes, and prerequisite reforms identified in the PIMA itself. Finally, incorporating climate-related risks into ex-post reviews and audits of public investments would provide a structured comparison of climate mitigation and adaptation outcomes against anticipated results, particularly if the Environmental and Social Impact Assessment is strengthened (see C-PIMA Institution C4). This would involve updating the legal and regulatory framework to mandate these reviews, ensuring that climate considerations are integrated into all stages of project planning and implementation.

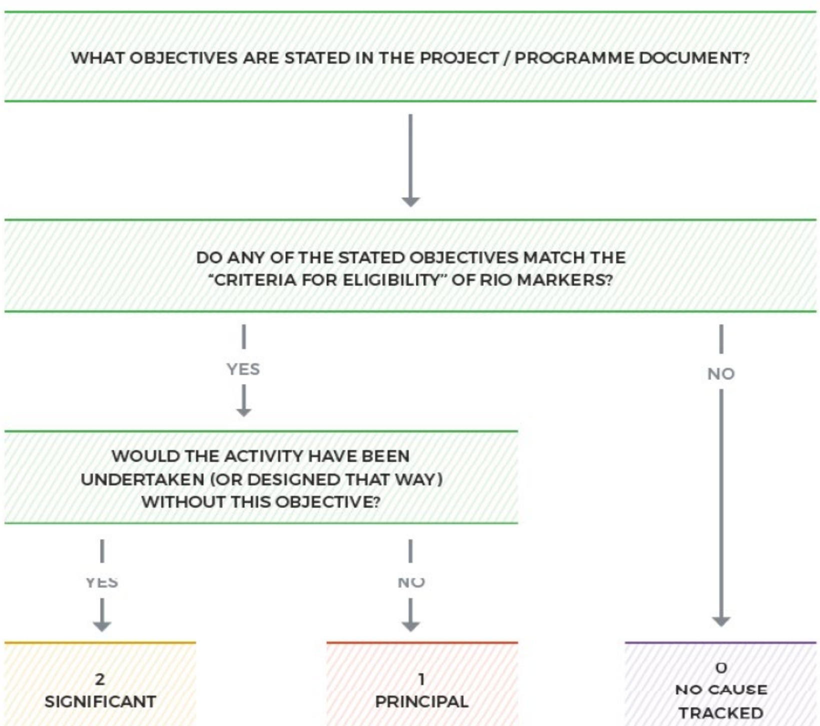
[24] MECCNAR- Technical Studies to enhance Gambia Strategic Program for Climate Resilience- A Coastal Infrastructure vulnerability assessment to Climate Change-2020

Box 10. Example of a Proposed Budget Tagging System in Kenya

Kenya is proposing to track and report on climate-related expenditures in its budget tagging system by identifying and defining the objectives and outcomes of climate-related activities in the budget. This will include differentiating between climate mitigation and adaptation initiatives and determining if there are any climate co-benefits. They plan to use the OECD's Development Assistance Committee (Rio DAC) markers, which are standardized global reporting codes that flag the relevance of climate-related expenditures and facilitate the budgeting and tracking of funds. The Rio markers offer a three-tiered scoring system to indicate the policy objectives of the projects or programs being developed and implemented at various administrative levels.

The Rio DAC markers will be used to mark an activity as principal, significant, or not applicable/no cause to be tracked (Figure 36). An activity will be marked principal when the objective is explicitly stated as fundamental in the design or motivation for the activity, while significant when the objective is explicitly stated but is not the fundamental driver or motivation. An activity will be marked as not applicable/no cause to be tracked when it does not target the objective in any significant way. This system will promote greater consistency and transparency in climate finance reporting and allow for better estimation of the costs of climate co-benefits. An eighth segment of the government's chart of accounts has been proposed to capture the coding of climate-related expenditure. The new four-digit analytical segment will provide flexibility to allow expenditure coding using the Rio DAC approach, as well as new types of analytical coding (for instance, on gender or nutrition-related expenditure).

Figure 36. Illustration of Rio DAC Markers to Tag Climate-Related Expenditures



Source: Kenya National Treasury and Planning (2021), The Landscape of Climate Finance in Kenya.

C5. Risk Management (Strength: Medium; Reform Priority: Medium)

103. **The government's disaster risk management efforts identify and analyze climate-related risks to public infrastructure but lack comprehensive mitigation and response plans for climate-related risks.** The National Disaster Management Act (2008) established a multi-level disaster risk management institution headed by the National Disaster Management Council, chaired by the Vice President. The National Disaster Management Agency serves as the secretariat, with disaster management committees at regional, district, and village levels. The Gambia Strategic Programme on Climate Resilience, produced in 2017, highlights risks to water supply and sanitation, waste management, roads and drainage, and energy infrastructure but does not fully detail the government's plans to mitigate and respond to these risks. The Gambia National Contingency Plan, updated periodically, covers five major hazards, including floods, bushfires, oil spills, disease outbreaks, and population movements. The National Disaster Management Agency has facilitated the development of seven regional contingency plans, 18 community action plans, a health contingency plan, and an oil spill contingency plan. The Gambia's National Disaster Management Policy is currently being updated to incorporate disaster risk financing, social protection, and alignment with the Sendai Framework for Disaster Risk Reduction. Multi-hazard analysis at the National Disaster Management Agency underscores that infrastructure risks from windstorms and floods are significant, affecting buildings, roads, and other critical infrastructures across various regions. However, although there has been significant progress in institutional capacity and the development of multi-hazard assessment tools, the disaster management strategy lacks comprehensive details on the quantification of risks to infrastructure and specific government plans for mitigation and response to climate-related disaster impacts on infrastructure.

104. **The Gambia has implemented multiple ex-ante financing mechanisms to manage its exposure to climate-related risks.** The national budget includes a centralized services vote, which acts as an unallocated reserve from which MoFEA can make allocations to cover unforeseen expenditures, including a contingency fund accessible by the president for urgent needs as specified in Section 154 of the Constitution. MoFEA also manages the National Disaster Fund to provide resources in case of emergencies, though this has not been adequately funded in recent years. Additionally, the Public Finance Act (2014) allows for budget reallocations within the same agency and across agencies during emergencies with the approval of the Minister of Finance. Besides the national budget, The Gambia has access to a USD 20 million facility under the World Bank's Development Policy with a Catastrophe Drawdown Option, which provides contingent financing for immediate needs following a natural catastrophe. The country also subscribes to the Africa Risk Capacity, which covers drought and floods with a coverage of about USD 3.7 million, triggered by satellite imagery-based assessments. However, the proliferation of these funds necessitates careful management to avoid risks to coordination and public financial management, such as potential issues with fiscal policy soundness, fiscal discipline, and transparency. The Gambia has recently concluded a Disaster Risk Financing Diagnostics as part of AfDB’s African Disaster Risk Financing Programme and is developing a comprehensive Disaster Risk Financing strategy to ensure sustainable access to disaster financing and address these coordination challenges.

105. **The government has started fiscal risk analysis, but coverage of climate-related risks to public infrastructure is limited.** A draft fiscal risk statement to accompany the Medium-Term Economic and Fiscal Framework for 2025-2028 has been developed and awaits cabinet approval. This statement

currently covers macroeconomic, revenue, expenditure, debt sustainability, state-owned enterprises (SOEs), and public-private partnerships (PPPs). However, it does not yet include climate-related risks to public infrastructure assets. The statement could be expanded to incorporate risks related to natural disasters and climate change more specifically. This expansion would involve both qualitative and quantitative assessments of how climate change may impact public infrastructure, using the new asset register coupled with existing hazard maps to provide a detailed view of vulnerabilities and potential impacts. For instance, the asset register could identify which infrastructure assets are located in high-risk areas for floods, droughts, and other climate-related events. Additionally, the analysis could cover the potential fiscal impacts on SOEs, given their critical role in managing and providing services in sectors such as energy and water, which are highly susceptible to climate change. Unexpected risks to PPPs should also be considered, as these partnerships often involve long-term commitments and investments that climate-related events may disrupt. Including such elements would provide a more comprehensive understanding of the fiscal risks associated with climate change and enable better planning and mitigation strategies.

106. To enhance disaster risk management and climate resilience for infrastructure in The Gambia, several actions are recommended. First, the government should develop comprehensive mitigation and response plans for climate-related risks to public infrastructure, building on existing frameworks like the Gambia Strategic Programme on Climate Resilience and the National Contingency Plan. Second, the management and coordination of ex-ante financing mechanisms should be strengthened to ensure they are effectively coordinated and allow responses to all types of climate-related disaster impacts, including those on the country's infrastructure. Finally, the draft fiscal risk statement should be expanded to include detailed assessments of climate-related risks, utilizing the new asset register and hazard maps (see Box 11), and covering potential impacts on state-owned enterprises (SOEs) and public-private partnerships (PPPs). These steps will provide a more comprehensive understanding of the fiscal risks associated with climate change and support better planning and mitigation strategies.

Box 11. Importance and Approach to Assessing Infrastructure Exposure to Climate-Related Disaster Risks

Understanding the exposure of infrastructure to climate-related disaster risks is crucial for effective planning and risk mitigation. It enables decision-makers to prioritize resources, develop effective adaptation strategies, and enhance the resilience of infrastructure. A leading example of such an assessment is the Third United Kingdom Climate Change Risk Assessment, which provided a comprehensive approach to evaluating infrastructure exposure to climate-related risks.

The assessment categorizes infrastructure into two types: Category A, which includes assets linked to water and energy, and Category B, which includes infrastructure sites such as railway stations, hospitals, and schools. This categorization aids in identifying the types of infrastructure most at risk and tailoring appropriate mitigation strategies. This information is then used to identify the extent of significant risk exposure across the United Kingdom (Table 15).

Table 15. Example of Infrastructure Risk Exposure: United Kingdom

Table 4.13 Number or length of infrastructure assets currently exposed to 'significant' risk of coastal flooding across the UK (Sayers *et al.* 2020)

Infrastructure Asset at 1:75 or greater risk of coastal flooding (present day)	England	Northern Ireland	Scotland	Wales	Total (UK wide)
Water sites (no.)	3	11	0	8	22
Sewage treatment works (no.)	53	0	20	18	91
Power stations (no.)	34	0	1	0	35
Electricity substations (no)	23	0	4	7	34
Rail length (km)	114	20	65	312	511
Rail stations (no.)	5	3	5	12	25
Landfill sites	0	0	0	0	0

Source. United Kingdom Climate Change Risk Assessment 3, Chapter 4, July 2020.

Similar analysis could be undertaken in The Gambia. Given the exposure to sea level rises and intense precipitation, the analysis would need to account for the link between the country's low elevation and its infrastructure. Incorporating local climate data and terrain analysis, the assessment could map the most vulnerable regions where infrastructure may be at heightened risk. These areas are recognized within the Strategy as particularly susceptible to natural disasters, underlining the importance of region-specific risk assessments to inform infrastructure development and disaster risk mitigation efforts.

Source: Staff drawing on cited material.

Recommendations

Issue. There is little coordination of climate-related investment projects with SOEs.

Recommendation 10. Include climate-related performance criteria in the performance agreements with SOE (by end 2024, SOE Commission) (Medium priority).

Issue. There is an urgent need to update the appraisal, selection, and PPP regulation to reflect climate change impacts.

Recommendation 11. Incorporate climate change criteria in the update of the appraisal and selection regulation and in the upcoming PPP Act (by mid-2025, MoFEA) (High priority)

Recommendation 12. Update the Environmental and Social Impact Assessment Templates and Guidelines to include analysis of both greenhouse gas contributions of projects and measures to ensure the resilience of the project to climate change impacts (during both implementation and operation). (by mid-2025, MECCNAR) (High priority).

Issue: There is no information on the vulnerability of public assets to climate change (High)

Recommendation 13. Drawing on the PIMA recommendation to complete the asset register, use the geo-location information in this register to initially assess the exposure of critical infrastructure to climate risks (such as sea level rise) and produce a plan to mitigate these asset risks (by end 2027, Accountant General) (High priority)

Issue: Fiscal risk analysis does not consider climate-related risks.

Recommendation. 14. Update the Fiscal Risk Statement to assess climate-related macroeconomic risks and climate-related risks to SOEs and PPPs. This could draw on findings from the analysis of the vulnerability of the asset portfolio, and on tools like the IMF's Q-CRAFT[25], and on analysis of climate-related natural disasters (by end-2026, MoFEA) (Medium priority).

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[25] The Quantitative Climate Change Risk Assessment Fiscal Tool (Q-CRAFT) is used to quantify the long-term fiscal risks from climate change. Q-CRAFT first examines the impact of a range of climate scenarios on the macroeconomy (through reductions in productivity and consequent reductions in GDP growth) and uses those results to prepare a long-term fiscal sustainability model to identify the fiscal impact.

V. Cross-Cutting Issues

A. Legal and Regulatory Framework

107. A draft of the new PFM Act was approved by the Cabinet in late 2023, but it has yet to be passed by the legislature. When passed, it will represent a strong step forward in a number of areas, including Public Investment Management. The draft PFM Act sets out a clear quantitative fiscal rule for the central government, enforceable fiscal policy principles, and a mandate for the preparation and adherence to a Fiscal Strategy Document. These measures will reinforce the macro-fiscal policy framework and could help to ensure better alignment of the MTEFF with the budget process. The draft PFM Act stipulates that the MoFEA shall annually prepare and submit a public investment program as part of the Appropriation Bill. It shall include all ongoing and new projects, including PPP projects. The draft PFM Act also gives the minister a mandate to set procedures, criteria, methodologies, and specific information required to qualify a project for inclusion in the Government budget and any other procedures, criteria, methodologies, and requirements in respect of screening, evaluation, and implementation of projects. This report recommends that a PIM function, possibly in the form of a dedicated unit, be created to monitor and enforce the integrity of the PIM process. Passing the draft PFM Act will provide a strong foundation for such a role as it clearly enables the Minister of Finance to define procedures and methodologies. Given how important horizontal coordination is to ensure a successful PIM system, the report also recommends that the Cabinet Memorandum for the GSRB, which discusses the process in broad terms, is updated, as well as the accompanying guidelines.

108. The PPP Act in draft has been under development for several years and should be passed with priority, taking into account the recommendations of the IMF Technical Assistance report[26]. The PPP Act should be fully aligned with the PFM draft Act, with an updated appraisal and selection process, and incorporate climate change issues as discussed in Box 10. Finally, it is worth emphasizing that the use of unsolicited proposals in the PPP program should be discouraged, given global experience on how difficult it is to ensure value from money from these types of contracts.

109. Climate adaptation and mitigation measures are largely missing from the legal, regulatory, and policy framework, although there is awareness and willingness to address these across government. To ensure climate is effectively mainstreamed in public investment management, climate change considerations should be integrated into the update of the appraisal and selection regulation and in the upcoming PPP Law. This regulation should be mirrored in an update of the 2014 Environmental Impact Assessment Guidance, under the authority of the National Environmental Management Act (1994), to require a climate change impact assessment and a climate vulnerability assessment to determine the impacts and resilience of large projects[27].

[26] Navarro, A. et. al, (2023), “Gambia: Strengthening the PPP Framework”. IMF Fiscal Affairs Department, April 2023.

[27] See also Benedek, D. et al., (2024), “The Gambia: Climate Policy Diagnostic”, FAD Technical Assistance Report, July 2024.

B. Information Technology

110. **Despite some changes in The Gambia's IT systems supporting public investment management, the broader recommendations from the 2019 PIMA for better integration and coordination of IT systems have not been fully realized**. The 2019 report highlighted the need for an integrated approach to developing IT applications to avoid overlaps, gaps, and inefficiencies. However, the continued isolated development of IT applications has resulted in significant challenges. The collapse of the Aid Management Platform, once crucial for tracking donor-funded projects, exemplifies these issues. This failure has led to a substantial gap in the centralized tracking and management of project costs and progress, reducing the effectiveness of the overall public investment management processes in The Gambia.

111. **The upgraded Epicor 10 Financial Management Information System brings notable improvements, but significant challenges remain in its effective utilization.** The Epicor 10 system, upgraded from Epicor 9, offers several improvements, including support for a more comprehensive Chart of Accounts, which could enhance financial reporting and budgetary control. The system includes modules for basic accounting, treasury management, and budgeting. Despite these upgrades, the contract commitments module is not yet effectively used to track contracts or project balances, limiting its utility in managing public investment projects. The Department of Procurement and Gambia Public Procurement Authority are still relying on spreadsheets for procurement tracking—a sub-optimal solution that forgoes the extensive transparency, useability, and accountability benefits of a relational database system. The Gambia Public Procurement Authority is collaborating with Rwanda to develop an e-procurement system. This anticipated system integration could significantly enhance procurement efficiency and transparency.

112. **The fragmentation of current IT systems necessitates duplicate data entry, leading to inefficiencies and potential inaccuracies.** The lack of a centralized database for public investment projects complicates efforts to ensure that projects align with national priorities and budget constraints. The Aid Management Platform had served this role in the past, but with it falling into disuse, the development of a simple, fit-for-purpose replacement is urgently needed. A well-designed and context-appropriate Public Investment Management Information System (PIMIS) would be similar to the Aid Management Platform and potentially be a simple yet effective system that integrates all stages of the public investment lifecycle, from project submission and review to approval, execution, and monitoring. This system would consolidate data on project funding sources, including loans, ensuring better coordination and more accurate reporting. It would also align with the recommendation to establish a unit within MoFEA with the mandate, responsibility, and capacity to track projects from inception to completion by providing a supporting toolkit.

113. **Implementing a simple, fit-for-purpose PIMIS could improve transparency and accountability in the use of public funds.** A fit-for-purpose PIMIS in The Gambia should be practical, user-friendly, and easy to maintain without requiring expensive support. A well-designed PIMIS would provide a consolidated overview of all public investment projects, facilitating better decision-making and resource allocation. This is particularly important for climate-sensitive public investments, where robust data and effective project management are essential for addressing climate risks and achieving sustainable development goals. By focusing on a practical and easily manageable PIMIS, The Gambia

could enhance its capacity to plan, implement, and monitor public investments, ensuring they contribute effectively to economic growth and climate resilience.

C. Capacity

114. Limited capacity has constrained the management of public investment in The Gambia. Gaps exist at MoFEA and within the budget agencies responsible for PIM across government, impacting the development and implementation of the regulatory framework, policies, procedures, systems, and skills for effective and efficient PIM. There are inadequate staff numbers and capacity to implement the ambitious agenda incorporated in the update of the PIM institutional framework over the past few years. The GSRB is composed of only two external experts, and the majority of technicians from MoFEA lack the skills and profile to undertake their mandate. The Department of Aid Coordination, which acts as a secretariat for public investment oversight, is yet to develop a pipeline from which appraised projects would be selected for donor or GLF funding as required under the guidelines and is likely to face challenges in meeting new requirements under the forthcoming PFM Act revision while also meeting its aid coordination function. Increasing staffing and training will be critical ingredients (along with IT) in ensuring the ambitions of the updated institutional framework are realized.

115. The current staffing and skill sets do not match the requirements for PIM implementation. High staff turnover, delays in filling open positions, and the limited number and technical capacity of civil servants in MoFEA and budget agencies have affected the effective and efficient implementation of PIM. MoFEA directorates involved in PIM do not have adequate staff numbers or guidance on their roles throughout the PIM cycle. A review of staff numbers showed that key directorates, including Planning, Budget, and the Department of Aid Coordination, do not have staff dedicated and skilled in PIM. In addition, overall staffing is inadequate to undertake both the PIM and aid coordination functions effectively. This has affected their centralized PIM support role in guiding, creating procedures, training, and mentoring officials in the MDAs. The Department of Aid Coordination has only six staff: two principal economists, two senior economists (one of whom is on study leave), one economist, and one data clerk. With a proposed staff complement of twenty-six technical staff, the current staffing is grossly insufficient (see Annex 7). At the MDAs, donors have created project implementation units to implement donor-funded projects in parallel with the line function staff, who are either short supply or lack PIM skills.

116. The roles of various directorates at MoFEA and budget agencies in PIM are not formally specified. The PIM cycle broadly includes project identification, appraisal, independent review, selection, approval, implementation, and evaluation. To enhance accountability within the PIM cycle, the institutional responsibility for these roles should be distinguished and formally assigned. Additionally, clear coordination mechanisms should be developed and institutionalized. For instance, though the GSRB has a cabinet mandate to ensure the fiscal sustainability of new projects, the mechanisms and data to inform the assessment are not available, nor is the assessment undertaken by any other directorate in advance of parliamentary approval and appropriation. Furthermore, the Ministerial Investment Implementation Committees, tasked with confirming the national interest and debt sustainability of new projects, are not active.

117. The climate change agenda brings additional challenges in the coordination of public investment management. MECCNAR provides centralized coordination for climate change policy with three dedicated staff. However, climate change considerations have not been effectively streamlined in both policy and budgeting. This is attributed to the novelty of the reform, lack of trained staff, and formal guidelines. Additionally, sector-specific technical staff from MDAs do not have guidelines, nor are they trained to identify and incorporate climate change considerations in their policies and budgets. As climate considerations become increasingly critical in PIM processes, such as impact assessments, selection criteria, and appraisal processes, the need for trained staff and formal guidelines will become even more essential.

118. To address these challenges and enhance the coordination of PIM, MoFEA should establish a dedicated PIM unit that is staffed and trained accordingly. This unit should undertake a capacity-building program in project preparation, data collection, appraisal, selection, procurement and contracting, and better utilization of IT systems (see the cross-cutting section on IT). To effectively promote PIM, including climate objectives, it is important to ensure that both central coordination units and budget agencies are adequately staffed and appropriately empowered to perform their functions effectively. The Government of The Gambia should implement a broad-based capacity development program that includes formal training supported by development partners, expansion of the curriculum in existing institutions to include PIM-specific and climate-related training programs, regional peer learning experiences, and quick wins such as attaching line function officials to the project implementation units to enhance exposure and acquire skills in PIM.

119. Building a strong PIM system in The Gambia will take time and require a systematic process aligned with the gradual and medium-term strengthening of institutions, regulations, manuals, guidance, coordination, and stakeholder support. The immediate task for MoFEA is to assign PIM responsibility to a dedicated team, either as part of the Department of Aid Coordination or as a stand-alone unit, with specific and clear terms of reference. This team should craft an action plan with prioritized deliverables. Key among these deliverables would be drafting basic guidelines for PIM and creating a coordination mechanism among key stakeholders based on existing institutions. Other aspects of the PIM reform agenda will require medium-term engagement and can proceed in parallel, depending on resources and available capacity for reform.

Recommendations on Cross-Cutting Issues

Issue: With the Aid Management Platform no longer operational, there is no IT platform for centralized monitoring and management of the public investment portfolio.

Recommendation 1: Design and implement a simple, fit-for-purpose Public Investment Management Information System (PIMIS) to support effective public investment management. A practical and user-friendly PIMIS will provide a consolidated overview of all public investment projects, facilitating better decision-making and resource allocation, especially for climate-sensitive investments (by end 2026, MoFEA) (High priority).

Issue: The effective centralized coordination of PIM is hindered by a lack of dedicated staffing, inadequate training, and the absence of a centralized unit. This undermines the potential effectiveness of recent and ongoing reforms to regulations, acts, and commitments (including the NDC).

Recommendation 2: The Minister for Finance should create a centralized unit with the mandate to coordinate and guide PIM across government, focusing on building capacity (by December 2024, Minister of Finance) (High priority).

Annex 1. PIMA and C-PIMA Action Plan

Inst	Issue	Recommendations	Action	Priority	Responsibility	Timing
	A. Planning Sustainable Levels of Public Investment					
2	It is difficult to identify projects in planning documents, which undermines an effective project pipeline process.	Extract and publish a list of the priority investment projects as an annex to the NDP 2023-2027 and ensure that all future sectoral strategic plans include a list of projects and estimated costs.	1) To coordinate with all sectors and ask them to confirm the available list of projects and costing with an opportunity to add the missing ones. 2) To consolidate the submitted list of projects and cost from sectors, vet them and compile a consolidated list for approval by cabinet as an annex to NDP 2023-2027 3) To issue guidelines and coordinate with all sectors to have updated shared socioeconomic pathways.	Medium	MoFEA	Dec 2024 March 2025 Sept. 2024
3	Data on the contingent liabilities of PPPs, SOEs, and local government projects are not systematically collected nor assessed.	Enforce requirements under the SOE Act for SOEs to submit annual financial statements that include a statement on contingent liabilities and begin systematically collecting contingent liability information on PPPs (ahead of the PPP Act which will legally require this) and local governments.	1) MOFEA through the SOE commission to issue clear guidelines to SOEs on reporting contingent liabilities status preferable semiannually (*with a clear format)* and a full breakdown in their annual financial reports 2) MOFEA through the Ministry of Lands, Regional Government and Religious Affairs to issue clear guidelines to Local Government Authorities to report on the status of their contingent liabilities preferable semiannually (*with a clear format).* 3) To nominate a team to engage all PPPs and record their contingent liabilities for submission	Low	MoFEA	Sept. 2024

Inst	Issue	Recommendations	Action	Priority	Responsibility	Timing
			to the Minister of Finance for further consideration			
B.	**Ensuring Public Investment is Allocated to the Right Sectors and Projects**					
6	The absence of capital ceilings makes it difficult to prioritize large projects.	Reinstate capital expenditure ceilings in the budget call circular. In the medium term, capital expenditure ceilings should include GLF and external financed capital expenditures.	1) BCC for the 2026 Budget should include the breakdown of total expenditure ceilings in recurrent and capital. 2) In the medium term, include external funded investment in the capital expenditure ceilings.	High	MoFEA	June 2025 June 2026
7	There is no reliable database of approved projects without the Aid Management Platform and public investment pipeline. Some projects are submitted for legislative approval without review by MoFEA, but a lack of tracking isa risk to fiscal sustainability.	Ensure all ongoing and proposed new projects funded by GLF and donors should be reviewed before inclusion in the budget documents for approval by the legislature. This recommendation requires the implementation of actions under cross-cutting recommendations related to IT and the establishment of a PIM Unit.	1) Undertake a stake holder consultation to document concerns from MDAs, donors, central ministries from participating in the mandated process. 2) Update the Cabinet Memorandum stipulating that all projects, including donor projects, should be submitted and assessed through the central process and that the Minister of Finance will be unable to allow MDAs solicit donor funding and sign agreements without the process being followed.	Medium	MoFEA	June 2025

Inst	Issue	Recommendations	Action	Priority	Responsibility	Timing
10	There is no detailed selection process and there are no selection criteria.	Building on the Cabinet Memorandum on the Amendment of the Gambia Strategic Review Board, the Ministry of Finance should develop operational guidelines describing the selection process and key criteria covering the role of the new MoFEA PIM Unit, GSRB, MDAs and Ministerial Investment Implementation Committee.	1) MoFEA and MDAs should review good practice for selection criteria and processes, including for climate change. 2) Discuss with main donors to align selection criteria with potential financing sources. 3) Draft selection criteria and process, publish all regulation and publish selection decision and scoring for each project included in the budget. 4) Conduct MDA wide training on the appraisal and selection process.	High	MoFEA and MDAs	End 2024
C. Public Investment Implementation						
13	Portfolio management of major projects at the central government level does not exist, with no project performance data available against which financial-, physical progress or identified risks could be determined.	Establish a portfolio management function in MoFEA. This could be a function under a new PIM Unit or a new standalone function in the Department of Aid Coordination.	1) Establish portfolio monitoring for major projects on an approved reporting template on a quarterly basis. 2) Establish a database of all major project performance data and identified risks, inclusive of GLF funded projects. 3) Ex-post reviews to be implemented on all major projects, inclusive of donor funded projects and GLF funded projects.	Medium	MoFEA - SOEs	End 2025
15	There are no comprehensive asset registers and no standardized	Complete the process of preparing a centralized asset register and improve information on	1) Complete the compilation of the asset register process.	Medium	AG	End 2025

Inst	Issue	Recommendations	Action	Priority	Responsibility	Timing
	methods for assessing their maintenance needs and costs.	maintenance and asset register.	2) Implement the depreciation methodology by type of asset as defined in the Asset Management Policy. 3) Define assets useful life as per the Asset Management Policy. (Institution 15) (AG, 2025) 4) Develop standard methodologies for assessing maintenance needs and costs of infrastructure assets. 5) Compile condition assessment of assets, to determination of maintenance needs. 6) Develop asset registers that capture analysis of the vulnerability of assets to climate change. Start with the road sector as a pilot project.		AG AG MoFEA and MDAs AG - MoFEA Ministry of Transport, MoFEA, AG	End 2025 End 2025 End 2026 End 2025 End 2026

Climate PIMA

Inst.	Issue	Recommendations	Action	Priority	Responsibility	Timing
C2	There is little coordination of climate-related investment projects with SOEs.	Include climate-related performance criteria in the performance agreements with SOEs.	1) MECCNAR through SOE commission to design and provide clear guidelines to SOEs on climate consideration in all new investments and ongoing where applicable. 2) Review and update where appropriate performance arrangements with SOEs and include a requirement to help meet climate objectives consistent with the NDC and forthcoming NAP.	Medium	MECCNAR SOE Commission	End 2024 End 2025
C3	There is an urgent need to update the appraisal, selection, and PPP regulation to reflect climate change impacts.	Incorporate climate change criteria in the update of the appraisal and selection regulation and in the upcoming PPP Act	1) Drawing on good practice, MoFEA should add climate mitigation and adaptation criteria to three phases of the current PIM process (initial screening, prefeasibility, full technical feasibility); 2) Ensure alignment with new the Environmental and Social Impact Assessment Templates and Guidelines, ensure new PPP act is also aligned with new climate criteria throughout the process, 3) Undertake training for central ministries and MDAs.	High	MoFEA	March 2025
		Update the Environmental and Social Impact Assessment Templates and Guidelines to include analysis of both greenhouse gas contributions of projects	1) Takes stock of regional good practices with respect to integrating greenhouse gas emissions contributions and measures to ensure resilience of the project to climate change. 2) Align proposed measures with (draft) updated guidelines for including		MECCNAR	March 2025

Inst.	Issue	Recommendations	Action	Priority	Responsibility	Timing
		and measures to ensure resilience of the project to climate change impacts (during both implementation and operation).	greenhouse gas emissions and mitigation issues into updated project appraisal and selection guidance developed by MoFEA. 3) Draft guidelines and consult with MDAs and donors.			
C4	There is no information on the vulnerability of public assets to climate change	Drawing on the PIMA recommendation to complete the asset register, use the geo-location information in this register to initially assess exposure of critical infrastructure to climate risks (such as sea level rise) and produce a plan to mitigate these asset risks.	1) Develop a standardized template for vulnerability/ condition assessment of infrastructure assets. 2) Undertake a condition assessment of the assets in relation to climate risks and vulnerability. 3) Translate all condition assessments and vulnerability and risk assessments into the asset management system to enhance future decisions on new projects as well as maintenance requirements.	High	AGO, Environmental, Ministry of Transport, GAMWORKS MDAs and SOEs MDAs and SOEs	End 2025 End 2026 End 2027
C5	Fiscal risk analysis does not consider climate-related risks.	Update the Fiscal Risk Statement to assess climate-related macroeconomic risks and climate-related risks to SOEs and PPPs. This could draw on findings from the analysis of the vulnerability of the asset portfolio and on tools like	1) Analyze long-term fiscal risks under different climate scenarios using the Q-CRAFT. 2) Assess the exposure of public assets to changing climatic conditions. 3) Assess the exposure of SOEs to changing climatic conditions. 4) Assess the exposure of PPPs to changing climatic conditions.	Medium	MoFEA MoFEA MoFEA MoFEA	June 2025 End 2026 End 2026 End 2026

Inst.	Issue	Recommendations	Action	Priority	Responsibility	Timing
		the IMF's Q-CRAFT[28], and on analysis of climate-related natural disasters.				

[28] The Quantitative Climate Change Risk Assessment Fiscal Tool (Q-CRAFT) is used to quantify the long-term fiscal risks from climate change. Q-CRAFT first examines the impact of a range of climate scenarios on the macroeconomy (through reductions in productivity and consequent reductions in GDP growth) and uses those results to prepare a long-term fiscal sustainability model to identify the fiscal impact.

Cross-Cutting Issues

Issue	Recommendations	Action	Priority	Responsibility	Timing
Information Technology Systems					
		1) Conduct a needs assessment to determine the specific requirements and functionalities needed for the PIMIS. 2) Develop a detailed implementation plan outlining the system design, resources needed, and timeline. 3) Design and develop the PIMIS based on the assessment and planning phase. 4) Conduct pilot testing with a few key ministries and agencies to ensure the system meets user needs and is practical and user-friendly. 5) Train staff on the use and maintenance of the PIMIS. (late 2025, DAC or new PIMU) 6) Roll out the PIMIS and establish ongoing monitoring and evaluation mechanisms to ensure the system is being used effectively and to identify areas for improvement (2026, DAC or new PIMU 7) Provide continuous support and training to users to maintain system effectiveness and adapt to any emerging needs (ongoing, DAC or new PIMU)	High	DAC with donor or IMF assistance DAC with donor or IMF assistance DAC or new PIMU with donor or IMF assistance DAC or new PIMU DAC or new PIMU DAC or new PIMU	End 2024 End 2024 End 2025 Late 2025 Late 2025 End 2026 Ongoing

Issue	Recommendations	Action	Priority	Responsibility	Timing
				DAC or new PIMU	
Capacity					
The effective centralized coordination of PIM is hindered by a lack of dedicated staffing, inadequate training, and the absence of a centralized unit. This undermines the potential effectiveness of recent and ongoing reforms to regulations, acts, and commitments (including the NDC).	The Minister for Finance should create a centralized unit with the mandate to coordinate and guide PIM across government, focusing on building capacity	1) Create a Centralized PIM Coordination Unit at MoFEA 2) Prepare and Issue Formal Assignment of PIM Related Roles 3) Develop a Capacity Building Program in PIM and Climate Change 4) Develop a PIM Policy to guide the PIM Unit and PIM process	High	MoFEA MoFEA New PIMU MoFEA	End 2024 January 2025 End 2025 End 2025

Annex 2. PIMA Questionnaire

Indicator		Scoring		
		1 = To no or a lesser extent	2 = To some extent	3 = To a greater extent
A.	**Planning Sustainable Levels of Public Investment**			
1.	**Fiscal targets and rules: Does the government have fiscal institutions to support fiscal sustainability and to facilitate medium-term planning for public investment?**			
1.a.	Is there a target or limit for government to ensure debt sustainability?	There is no target or limit to ensure debt sustainability.	There is at least one target or limit to ensure central government debt sustainability.	There is at least one target or limit to ensure general government debt sustainability.
1.b.	Is fiscal policy guided by one or more permanent fiscal rules?	There are no permanent fiscal rules.	There is at least one permanent fiscal rule applicable to central government.	There is at least one permanent fiscal rule applicable to central government, and at least one comparable rule applicable to a major additional component of general government, such as subnational government (SNG).
1.c.	Is there a medium-term fiscal framework (MTFF) to align budget preparation with fiscal policy?	There is no MTFF prepared prior to budget preparation.	There is an MTFF prepared prior to budget preparation but it is limited to fiscal aggregates, such as expenditure, revenue, the deficit, or total borrowing.	There is an MTFF prepared prior to budget preparation, which includes fiscal aggregates and allows distinctions between recurrent and capital spending, and ongoing and new projects.
2.	**National and Sectoral Planning: Are investment allocation decisions based on sectoral and inter-sectoral strategies?**			
2.a.	Does the government prepare national and sectoral strategies for public investment?	National or sectoral public investment strategies or plans are prepared, covering only some projects found in the budget.	National or sectoral public investment strategies or plans are published covering projects funded through the budget.	Both national and sectoral public investment strategies or plans are published and cover all projects funded through the budget regardless of financing source (e.g., donor, public corporation (PC), or PPP financing).
2.b.	Are the government's national and sectoral strategies or plans for public investment costed?	The government's investment strategies or plans include no cost information on planned public investment.	The government's investment strategies include broad estimates of aggregate and sectoral investment plans.	The government's investment strategies include costing of individual, major investment projects within an overall financial constraint.
2.c.	Do sector strategies include measurable targets for the outputs and outcomes of investment projects?	Sector strategies do not include measurable targets for outputs or outcomes.	Sector strategies include measurable targets for outputs (e.g., miles of roads constructed).	Sector strategies include measurable targets for both outputs and outcomes (e.g., reduction in traffic congestion).

Indicator		Scoring		
		1 = To no or a lesser extent	2 = To some extent	3 = To a greater extent
3. Coordination between Entities: Is there effective coordination of the investment plans of central and other government entities?				
3.a.	Is capital spending by SNGs, coordinated with the central government?	Capital spending plans of SNGs are not submitted to, nor discussed with central government.	Major SNG capital spending plans are published alongside central government investments, but there are no formal discussions, between the central government and SNGs on investment priorities.	Major SNG capital spending plans are published alongside central government investments, and there are formal discussions between central government and SNGs on investment priorities.
3.b.	Does the central government have a transparent, rule-based system for making capital transfers to SNGs, and for providing timely information on such transfers?	The central government does not have a transparent rule-based system for making capital transfers to SNGs.	The central government uses a transparent rule-based system for making capital transfers to SNGs, but SNGs are notified about expected transfers less than six months before the start of each fiscal year.	The central government uses a transparent rule-based system for making capital transfers to SNGs, and expected transfers are made known to SNGs at least six months before the start of each fiscal year.
3.c	Are contingent liabilities arising from capital projects of SNGs, PCs, and PPPs reported to the central government?	Contingent liabilities arising from major projects of SNGs, PCs, and PPPs are not reported to the central government.	Contingent liabilities arising from major projects of SNGs, PCs, and PPPs are reported to the central government, but are generally not presented in the central government's budget documents.	Contingent liabilities arising from major projects of SNGs, PCs, and PPPs are reported to the central government, and are presented in full in the central government's budget documents.
4. Project Appraisal: Are project proposals subject to systematic project appraisal?				
4.a.	Are major capital projects subject to rigorous technical, economic, and financial analysis?	Major capital projects are not systematically subject to rigorous, technical, economic, and financial analysis.	Major projects are systematically subject to rigorous technical, economic, and financial analysis.	Major projects are systematically subject to rigorous technical, economic, and financial analysis, and selected results of this analysis are published or undergo independent external review.
4.b.	Is there a standard methodology and central support for the appraisal of projects?	There is no standard methodology or central support for project appraisal.	There is either a standard methodology or central support for project appraisal.	There is both a standard methodology and central support for project appraisal.
4.c.	Are risks taken into account in conducting project appraisals?	Risks are not systematically assessed as part of the project appraisal.	A risk assessment covering a range of potential risks is included in the project appraisal.	A risk assessment covering a range of potential risks is included in the project appraisal, and plans are prepared to mitigate these risks.

Indicator		Scoring		
		1 = To no or a lesser extent	2 = To some extent	3 = To a greater extent
5.	**Alternative Infrastructure Financing: Is there a favorable climate for the private sector, PPPs, and PCs to finance in infrastructure?**			
5.a.	Does the regulatory framework support competition in contestable markets for economic infrastructure (e.g., power, water, telecoms, and transport)?	Provision of economic infrastructure is restricted to domestic monopolies, or there are few established economic regulators.	There is competition in some economic infrastructure markets, and a few economic regulators have been established.	There is competition in major economic infrastructure markets, and economic regulators are independent and well established.
5.b.	Has the government published a strategy/policy for PPPs, and a legal/regulatory framework which guides the preparation, selection, and management of PPP projects?	There is no published strategy/policy framework for PPPs, and the legal/regulatory framework is weak.	A PPP strategy/policy has been published, but the legal/regulatory framework is weak.	A PPP strategy/policy has been published, and there is a strong legal/regulatory framework that guides the preparation, selection, and management of PPP projects.
5.c.	Does the government oversee the investment plans of public corporations (PCs) and monitor their financial performance?	The government does not systematically review the investment plans of PCs.	The government reviews the investment plans of PCs but does not publish a consolidated report on these plans or the financial performance of PCs.	The government reviews and publishes a consolidated report on the investment plans and financial performance of PCs.
B.	**Ensuring Public Investment is Allocated to the Right Sectors and Projects**			
6.	**Multiyear Budgeting: Does the government prepare medium-term projections of capital spending on a full cost basis?**			
6.a.	Is capital spending by ministry or sector forecasted over a multiyear horizon?	No projections of capital spending are published beyond the budget year.	Projections of total capital spending are published over a three to five-year horizon.	Projections of capital spending disaggregated by ministry or sector are published over a three to five-year horizon.
6.b	Are there multiyear ceilings on capital expenditure by ministry, sector, or program?	There are no multiyear ceilings on capital expenditure by ministry, sector, or program.	There are indicative multiyear ceilings on capital expenditure by ministry, sector, or program.	There are binding multiyear ceilings on capital expenditure by ministry, sector, or program.
6.c.	Are projections of the total construction cost of major capital projects published?	Projections of the total construction cost of major capital projects are not published.	Projections of the total construction cost of major capital projects are published.	Projections of the total construction cost of major capital projects are published, together with the annual breakdown of these cost over a three-five-year horizon.

Indicator		Scoring		
		1 = To no or a lesser extent	2 = To some extent	3 = To a greater extent
7.	**Budget Comprehensiveness and Unity: To what extent is capital spending, and related recurrent spending, undertaken through the budget process?**			
7.a.	Is capital spending mostly undertaken through the budget?	Significant capital spending is undertaken by extra-budgetary entities with no legislative authorization or disclosure in the budget documentation.	Significant capital spending is undertaken by extra-budgetary entities, but with legislative authorization and disclosure in the budget documentation.	Little or no capital spending is undertaken by extra-budgetary entities.
7.b.	Are all capital projects, regardless of financing source, shown in the budget documentation?	Capital projects are not comprehensively presented in the budget documentation, including PPPs, externally financed, and PCs' projects.	Most capital projects are included in the budget documentation, but either PPPs, externally financed, or PCs' projects are not shown.	All capital projects, regardless of financing sources, are included in the budget documentation.
7.c.	Are capital and recurrent budgets prepared and presented together in the budget?	Capital and recurrent budgets are prepared by separate ministries, and/or presented in separate budget documents.	Capital and recurrent budgets are prepared by a single ministry and presented together in the budget documents, but without using a program or functional classification.	Capital and recurrent budgets are prepared by a single ministry and presented together in the budget documents, using a program or functional classification.
8.	**Budgeting for Investment: Are investment projects protected during budget implementation?**			
8.a.	Are total project outlays appropriated by the legislature at the time of a project's commencement?	Outlays are appropriated on an annual basis, but information on total project costs is not included in the budget documentation.	Outlays are appropriated on an annual basis, and information on total project costs is included in the budget documentation.	Outlays are appropriated on an annual basis and information on total project costs, and multiyear commitments is included in the budget documentation.
8.b.	Are in-year transfers of appropriations (virement) from capital to current spending prevented?	There are no limitations on virement from capital to current spending.	The finance ministry may approve virement from capital to current spending.	Virement from capital to current spending requires the approval of the legislature.
8.c	Is the completion of ongoing projects given priority over starting new projects?	There is no mechanism in place to protect funding of ongoing projects.	There is a mechanism to protect funding for ongoing projects in the annual budget.	There is a mechanism to protect funding for ongoing projects in the annual budget and over the medium term.

Indicator		Scoring		
		1 = To no or a lesser extent	**2 = To some extent**	**3 = To a greater extent**
9.	**Maintenance Funding: Are routine maintenance and major improvements receiving adequate funding?**			
9.a.	Is there a standard methodology for estimating routine maintenance needs and budget funding?	There is no standard methodology for determining the needs for routine maintenance.	There is a standard methodology for determining the needs for routine maintenance and its cost.	There is a standard methodology for determining the needs for routine maintenance and its cost, and the appropriate amounts are generally allocated in the budget.
9.b.	Is there a standard methodology for determining major improvements (e.g., renovations, reconstructions, enlargements) to existing assets, and are they included in national and sectoral investment plans?	There is no standard methodology for determining major improvements, and they are not included in national or sectoral plans.	There is a standard methodology for determining major improvements, but they are not included in national or sectoral plans.	There is a standard methodology for determining major improvements, and they are included in national or sectoral plans.
9.c.	Can expenditures relating to routine maintenance and major improvements be identified in the budget?	Routine maintenance and major improvements are not systematically identified in the budget.	Routine maintenance and major improvements are systematically identified in the budget.	Routine maintenance and major improvements are systematically identified in the budget and are reported.
10.	**Project Selection: Are there institutions and procedures in place to guide project selection?**			
10.a.	Does the government undertake a central review of major project appraisals before decisions are taken to include projects in the budget?	Major projects (including donor- or PPP-funded) are not reviewed by a central ministry prior to inclusion in the budget.	Major projects (including donor- or PPP-funded) are reviewed by a central ministry prior to inclusion in the budget.	All major projects (including donor- or PPP-funded) are scrutinized by a central ministry, with input from an independent agency or experts prior to inclusion in the budget.
10.b.	Does the government publish and adhere to standard criteria, and stipulate a required process for project selection?	There are no published criteria or a required process for project selection.	There are published criteria for project selection, but projects can be selected without going through the required process.	There are published criteria for project selection, and generally projects are selected through the required process.
10.c.	Does the government maintain a pipeline of appraised investment projects for inclusion in the annual budget?	The government does not maintain a pipeline of appraised investment projects.	The government maintains a pipeline of appraised investment projects, but other projects may be selected for financing through the annual budget.	The government maintains a comprehensive pipeline of appraised investment projects, which is used for selecting projects for inclusion in the annual budget, and over the medium term.

Indicator		Scoring		
		1 = To no or a lesser extent	2 = To some extent	3 = To a greater extent
C. Delivering Productive and Durable Public Assets				
11. Procurement				
11.a.	Is the procurement process for major capital projects open and transparent?	Few major projects are tendered in a competitive process, and the public has limited access to procurement information.	Many major projects are tendered in a competitive process, but the public has only limited access to procurement information.	Most major projects are tendered in a competitive process, and the public has access to complete, reliable, and timely procurement information.
11.b	Is there a system in place to ensure that procurement is monitored adequately?	There is no procurement database, or the information is incomplete or not timely for most phases of the procurement process.	There is a procurement database with reasonably complete information, but no standard analytical reports are produced from the database.	There is a procurement database with reasonably complete information, and standard analytical reports are produced to support a formal monitoring system.
11.c	Are procurement complaints review process conducted in a fair and timely manner?	Procurement complaints are not reviewed by an independent body.	Procurement complaints are reviewed by an independent body, but the recommendations of this body are not produced on a timely basis, nor published, nor rigorously enforced.	Procurement complaints are reviewed by an independent body whose recommendations are timely, published, and rigorously enforced.
12. Availability of Funding: Is financing for capital spending made available in a timely manner?				
12.a.	Are ministries/agencies able to plan and commit expenditure on capital projects in advance on the basis of reliable cash-flow forecasts?	Cash-flow forecasts are not prepared or updated regularly, and ministries/agencies are not provided with commitment ceilings in a timely manner.	Cash-flow forecasts are prepared or updated quarterly, and ministries/agencies are provided with commitment ceilings at least a quarter in advance.	Cash-flow forecasts are prepared or updated monthly, and ministries/agencies are provided with commitment ceilings for the full fiscal year.
12.b	Is cash for project outlays released in a timely manner?	The financing of project outlays is frequently subject to cash rationing.	Cash for project outlays is sometimes released with delays.	Cash for project outlays is normally released in a timely manner, based on the appropriation.
12.c	Is external (donor) funding of capital projects fully integrated into the main government bank account structure?	External financing is largely held in commercial bank accounts outside the central bank.	External financing is held at the central bank but is not part of the main government bank account structure.	External financing is fully integrated into the main government bank account structure.

Indicator		Scoring		
		1 = To no or a lesser extent	**2 = To some extent**	**3 = To a greater extent**
13.	**Portfolio Management and Oversight: Is adequate oversight exercised over implementation of the entire public investment portfolio**			
13.a	Are major capital projects subject to monitoring during project implementation?	Most major capital projects are not monitored during project implementation.	For most major projects, annual project costs, as well as physical progress, are monitored during project implementation.	For all major projects, total project costs, as well as physical progress, are centrally monitored during project implementation.
13.b	Can funds be re-allocated between investment projects during implementation?	Funds cannot be re-allocated between projects during implementation.	Funds can be reallocated between projects during implementation, but not using systematic monitoring and transparent procedures.	Funds can be re-allocated between projects during implementation, using systematic monitoring and transparent procedures.
13.c	Does the government adjust project implementation policies and procedures by systematically conducting ex post reviews of projects that have completed their construction phase?	Ex post reviews of major projects are neither systematically required, nor frequently conducted.	Ex post reviews of major projects, focusing on project costs, deliverables, and outputs, are sometimes conducted.	Ex post reviews of major projects focusing on project costs, deliverables, and outputs are conducted regularly by an independent entity or experts and are used to adjust project implementation policies and procedures.
14.	**Management of Project Implementation: Are capital projects well managed and controlled during the execution stage?**			
14.a	Do ministries/agencies have effective project management arrangements in place?	Ministries/agencies do not systematically identify senior responsible officers for major investment projects, and implementation plans are not prepared prior to budget approval.	Ministries/agencies systematically identify senior responsible officers for major investment projects, but implementation plans are not prepared prior to budget approval.	Ministries/agencies systematically identify senior responsible officers for major investment projects, and implementation plans are prepared prior to budget approval.
14.b.	Has the government issued rules, procedures and guidelines for project adjustments that are applied systematically across all major projects?	There are no standardized rules and procedures for project adjustments.	For major projects, there are standardized rules and procedures for project adjustments, but do not include, if required, a fundamental review and reappraisal of a project's rationale, costs, and expected outputs.	For all projects, there are standardized rules and procedures for project adjustments and, if required, include a fundamental review of the project's rationale, costs, and expected outputs.
14.c.	Are ex post audits of capital projects routinely undertaken?	Major capital projects are usually not subject to ex post external audits.	Some major capital projects are subject to ex post external audit, information on which is published by the external auditor.	Most major capital projects are subject to ex post external audit information on which is regularly published and scrutinized by the legislature.

Indicator		Scoring		
		1 = To no or a lesser extent	**2 = To some extent**	**3 = To a greater extent**
15. Monitoring of Public Assets: Is the value of assets properly accounted for and reported in financial statements?				
15.a	Are asset registers updated by surveys of the stocks, values, and conditions of public assets regularly?	Asset registers are neither comprehensive nor updated regularly.	Asset registers are either comprehensive or updated regularly at reasonable intervals.	Asset registers are comprehensive and updated regularly at reasonable intervals.
15.b	Are nonfinancial asset values recorded in the government financial accounts?	Government financial accounts do not include the value of non- financial assets.	Government financial accounts include the value of some non- financial assets, which are revalued irregularly.	Government financial accounts include the value of most nonfinancial assets, which are revalued regularly.
15.c	Is the depreciation of fixed assets captured in the government's operating statements?	The depreciation of fixed assets is not recorded in operating statements.	The depreciation of fixed assets is recorded in operating statements, based on statistical estimates.	The depreciation of fixed assets is recorded in operating expenditures, based on asset-specific assumptions.

Cross-cutting issues	
A	**IT support**. Is there a comprehensive computerized information system for public investment projects to support decision making and monitoring?
B	**Legal Framework**. Is there a legal and regulatory framework that supports institutional arrangements, mandates, coverage, procedures, standards, and accountability for effective PIM?
C	**Staff capacity.** Does staff capacity (number of staff and/or their knowledge, skills, and experience) and clarity of roles and responsibilities support effective institutions?

Annex 3. C-PIMA Questionnaire

Indicator		Scoring		
		1 = To no or a lesser extent	2 = To some extent	3 = To a greater extent
C1. Climate-aware planning: Is public investment planned from a climate change perspective?				
C.1.a	Are national and sectoral public investment strategies and plans consistent with NDC or other overarching climate change strategy on mitigation and adaptation?	National and sectoral public investment strategies and plans are not consistent with NDC or other overarching climate change strategy.	National public investment strategies and plans are consistent with NDC or other overarching climate change strategy for ***some*** sectors.	National and sectoral public investment strategies and plans are consistent with NDC or other overarching climate change strategy for ***most*** sectors.
C.1.b	Do central government and/or sub-national government regulations on spatial and urban planning, and construction address climate-related risks and impacts on public investment?	Central government and/or sub-national government regulations on spatial and urban planning, and construction do not address climate-related risks and impacts on public investment.	Central government and/or sub-national government regulations on spatial and urban planning, ***or*** construction (through building codes) addresses climate-related risks and impacts on public investment.	Central government and/or sub-national government regulations on spatial and urban planning, ***and*** construction (through building codes) address climate-related risks and impacts on public investment.
C.1.c	Is there centralized guidance/support for government agencies on the preparation and costing of climate-aware public investment strategies?	There is no centralized guidance/support for government agencies on the preparation and costing of climate-aware public investment strategies.	There is centralized guidance/support for government agencies on the ***preparation*** of climate-aware public investment strategies.	There is centralized guidance/support for government agencies on the ***preparation and costing*** of climate-aware public investment strategies.
C2. Coordination between entities: Is there effective coordination of decision making on climate change-related public investment across the public sector?				
C.2.a	Is decision making on public investment coordinated across central government from a climate-change perspective?	Decision making on public investment is not coordinated across central government from a climate-change perspective.	Decision making on public investment is coordinated across budgetary central government from a climate-change perspective.	Decision making on public investment is coordinated across all central government, including externally financed projects, PPPs, and extra-budgetary entities, from a climate-change perspective.

Indicator		Scoring		
		1 = To no or a lesser extent	2 = To some extent	3 = To a greater extent
C.2.b	Is the planning and implementation of capital spending of SNGs coordinated with the central government from a climate-change perspective?	The planning and implementation of capital spending of SNGs is not coordinated with the central government from a climate-change perspective.	The central government issues guidance on the planning and implementation of capital spending from a climate-change perspective and information on major climate-related projects of SNGs is shared with the central government and is published alongside data on central government projects.	The central government issues guidance on the planning and implementation of capital spending from a climate-change perspective, information on major climate-related projects of SNGs is shared with the central government and is published alongside data on central government projects, and there are formal discussions between central government and SNGs on the planning and implementation of climate-related investments.
C.2.c	Does the regulatory and oversight framework for public corporations ensure that their climate-related investments are consistent with national climate policies and guidelines?	The regulatory and oversight framework for public corporations does not promote consistency between their climate-related investments and national climate policies and guidelines.	The regulatory and oversight framework for public corporations promotes consistency between their climate-related investments and national climate policies and guidelines.	The regulatory and oversight framework for public corporations requires that their climate-related investments be consistent with national climate policies and guidelines.
C3. Do project appraisal and selection include climate-related analysis and criteria?				
C.3.a	Does the appraisal of major infrastructure projects require climate-related analysis to be conducted according to a standard methodology with central support?	The appraisal of major infrastructure projects does not require climate-related analysis to be conducted according to a standard methodology.	The appraisal of major infrastructure projects requires climate-related analysis to be conducted according to a standard methodology.	The appraisal of major infrastructure projects requires climate-related analysis to be conducted according to a standard methodology, and a summary of appraisals is published or subject to independent external review.
C3b	Does the framework for managing longer-term public investment contracts, such as PPPs, explicitly address climate-related challenges?	The referred framework does not include explicit consideration of climate change for risk allocation or contract management.	The referred framework includes explicit consideration of climate change with respect to how risks are allocated between the parties in infrastructure contracts.	The referred framework includes explicit consideration of climate change with respect to how risks are allocated between the parties in infrastructure contracts, and contract managers in government departments and agencies are mandated to address climate-related challenges.

Indicator		Scoring		
		1 = To no or a lesser extent	2 = To some extent	3 = To a greater extent
C.3.c	Are climate-related elements included among the criteria used by the government for the selection of infrastructure projects?	Either there are no explicit selection criteria or climate-related elements are not included among the criteria used by the government for the selection of projects for financing.	Climate-related elements are included among the criteria used by the government for the selection of all major budget-funded projects, and the criteria are published.	Climate-related elements are included among the criteria used by the government for the selection of all major projects, including externally financed projects, projects financed by extra-budgetary entities, and PPPs, and the criteria are published.
C.4 Budgeting and portfolio management: Is climate-related investment spending subject to active management and oversight?				
C.4.a.	Are planned climate-related public investment expenditure, sources of financing, outputs and outcomes identified in the budget and related documents, monitored, and reported?	Planned climate-related public investment expenditure are not identified in the budget and related documents.	Some planned climate-related public investment expenditures are identified in the budget and related documents, including investment expenditure funded externally, by extra-budgetary entities, and PPPs.	Most planned climate-related public investment expenditure, sources of financing, and outputs and outcomes are identified in the budget and related documents, including investment expenditure funded externally, by extra-budgetary entities, and PPPs, and expenditure on these projects is monitored and reported.
C4.b.	Are ex-post reviews or audits conducted of the climate change mitigation and adaptation outcomes of public investments?	No ex-post reviews or audits are conducted of the climate change mitigation and adaptation outcomes of public investments.	Ex-post reviews or audits are conducted for selected major public investments of either the climate change mitigation or adaptation outcomes.	Ex-post reviews or audits are conducted and published for selected major public investments of both the climate change mitigation and adaptation outcomes.
C4.c.	Do the government's asset management policies and practices, including the maintenance of assets, address climate-related risks?	Neither the government's asset management policies and practices nor methodologies for estimating the maintenance needs of climate change-exposed infrastructure assets address climate-related risks.	Methodologies prepared by the government for estimating the maintenance needs of some climate change-exposed infrastructure assets address climate-related risks.	Methodologies prepared by the government for estimating the maintenance needs and associated costs of most climate change-exposed infrastructure assets address climate-related risks, and government asset registers include climate-related information of these assets.

Indicator		Scoring		
		1 = To no or a lesser extent	2 = To some extent	3 = To a greater extent
C5. Risk management: Are fiscal risks relating to climate change and infrastructure incorporated in budgets and fiscal risk analysis and managed according to a plan?				
C5.a.	Does the government publish a national disaster risk management strategy that incorporates the potential impact of climate change on public infrastructure assets and networks?	Either there is no published national disaster risk management strategy, or the strategy does not identify the key climate-related risks to public infrastructure assets and networks.	The government publishes a national disaster risk management strategy that identifies the key climate-related risks to public infrastructure assets and networks in terms of hazards, exposure, and vulnerability.	The government publishes a national disaster risk management strategy that identifies and analyses the key climate-related risks to public infrastructure assets and networks in terms of hazards, exposure, and vulnerability, and includes the government's plans to mitigate and respond to these risks.
C5.b.	Has the government put in place ex ante financing mechanisms to manage the exposure of the stock of public infrastructure to climate-related risks?	The government has not put in place any ex-ante financing mechanisms to manage the exposure of the stock of public infrastructure to climate-related risks.	There is an annual contingency appropriation in the budget or other financing mechanisms that is available to meet the costs of climate-related damages to public infrastructure.	There is an annual contingency appropriation in the budget and other financing mechanisms that are available to meet the costs of climate-related damages to public infrastructure.
C5.c.	Does the government conduct and publish a fiscal risk analysis that incorporates climate-related risks to public infrastructure assets?	The government does not conduct a fiscal risk analysis that incorporates climate-related risks to public infrastructure assets.	The government conducts and publishes a fiscal risk analysis that incorporates a qualitative assessment of climate-related risks to public infrastructure assets over the medium term.	The government conducts and publishes a fiscal risk analysis that incorporates a quantitative assessment of climate-related risks to public infrastructure assets over the medium term and policies to mitigate these risks, and a qualitative assessment of the risks that may arise over the long-term.
Cross-cutting issues				
A	**IT support**. Is there a comprehensive computerized information system for public investment projects to support decision making and monitoring?			
B	**Legal Framework**. Is there a legal and regulatory framework that supports institutional arrangements, mandates, coverage, standards, and accountability for effective			
C	**Staff capacity.** Does staff capacity (number of staff and/or their knowledge, skills, and experience) and clarity of roles and responsibilities support effective			

Annex 4. Detailed PIMA and C-PIMA Scores

A. Planning		
	Institutional Design	Effectiveness
1.a.	3	1
1.b.	1	1
1.c.	2	1
2.a.	2	2
2.b.	3	2
2.c.	2	1
3.a.	1	3
3.b.	3	2
3.c.	1	1
4.a.	2	2
4.b.	2	2
4.c.	3	2
5.a.	2	2
5.b.	2	1
5.c.	3	1

B. Allocation		
	Institutional Design	Effectiveness
6.a.	3	1
6.b.	1	2
6.c.	1	1
7.a.	3	3
7.b.	1	2
7.c.	2	1
8.a.	1	1
8.b.	2	2
8.c.	2	1
9.a.	1	1
9.b.	1	1
9.c.	3	2
10.a.	2	1
10.b.	1	1
10.c.	2	1

C. Implementation		
	Institutional Design	Effectiveness
11.a.	3	3
11.b.	2	2
11.c.	2	2
12.a.	2	1
12.b.	1	1
12.c.	2	3
13.a.	1	1
13.b.	2	2
13.c.	1	1
14.a.	1	2
14.b.	1	1
14.c.	2	1
15.a.	2	1
15.b.	1	1
15.c.	1	1

C1. Climate-aware planning	
C1.a.	National and sectoral planning
C1.b.	Land use and building regulations
C1.c.	Centralized guidance on planning
C2. Coordination between entities	
C2.a.	Coordination across central government
C2.b.	Coordination withsubnational governments
C2.c.	Oversight framework for public corporations
C3. Projection appraisal and selection	
C3.a.	Climate analysis in project appraisal
C3.b.	PPP framework including climate risks
C3.c.	Climate consideration in project selection
C4. Budgeting and portfolio management	
C4.a.	Climate budget tagging
C4.b.	Ex post review of projects
C4.c.	Asset management
C5. Risk management	
C5.a.	Disaster risk management strategy
C5.b.	Ex ante financing mechanisms
C5.c.	Fiscal risk analysis including climate risks

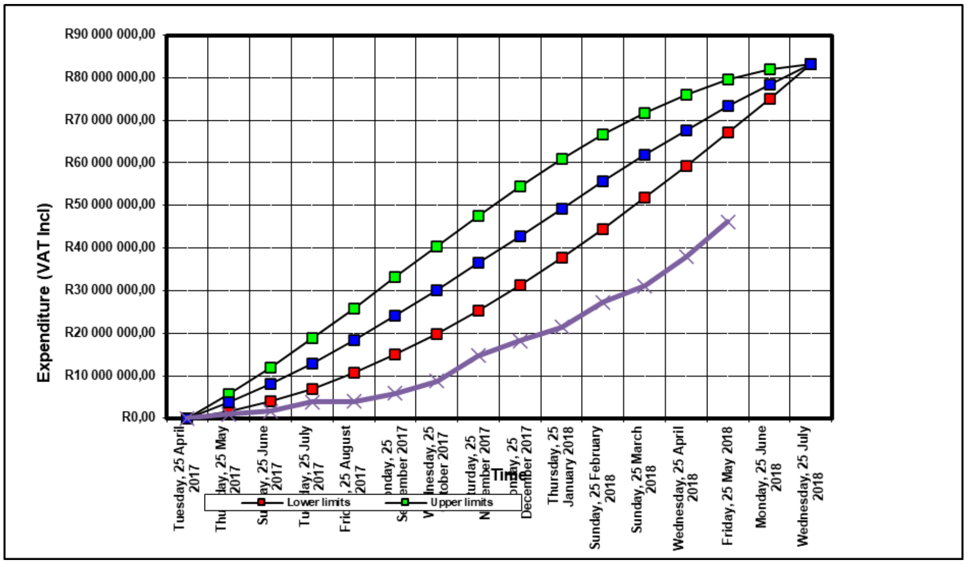
The following color coding is used in presenting the scores:

Score	1	2	3
Color			

Annex 5. The Californian S-Curve

The S-Curve below is an early detection tool, to determine the course of a project.

Examples of the S-Curve



Source: Staff

Explanation:

The percentage progress versus the percentage time lapsed on any given date, is indicate in the S-Curve. The green line indicates the upper limit of expenditure, and the red line indicates the lower limit of expenditure of the project.

The purple line indicates the actual expenditure versus time of the project, at any timeframe.

A project that follows the blue line, within the envelop is a well-managed and resourced project.

Risk:

Once a project follows the direction of the purple line, below the green and red envelope, it is an indication that the project runs a *severe risk of cost and time overrun.* Urgent action steps are then required to bring the purple line back into the envelope. *Once the purple line continues to stay below the envelope, a management decision is required to request a method statement from the Contractor on how he/she envisages to rectify the under- performance.*

Annex 6. Contract Management Arrangements in Mozambique

The Contracting Authority must produce a contract management plan in particular matters of organizational, economical, technical, and legal aspects of contract management including as appropriate:

- Project management teams Frequent review of the contract
- Protocols for handover and commissioned equipment
- Regular dialogue with the Contractor
- Use of correct quality standards
- Management of payments/ claims
- Complaint procedures
- Control remedies specified in the Contract.
- Performance security is held for defects/ corrections.
- The Contract Management Plan must include:
- Names of the officers
- Contracting Authority responsible for the management of the contract
- The supervising qualified resident engineer
- Number and categories of assisting personnel available to the officer for contract management purposes.
- External recruited technical experts
- A time schedule or a project plan Gantt chart
- Diagrams on contract management activities covering the duration of the contract.

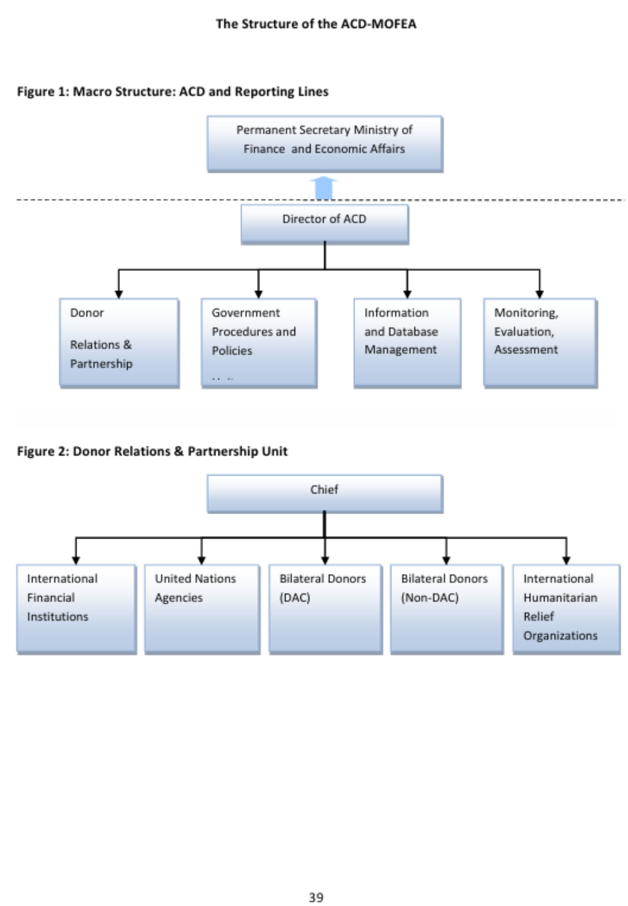
Source: Mozambique Law on Procurement.

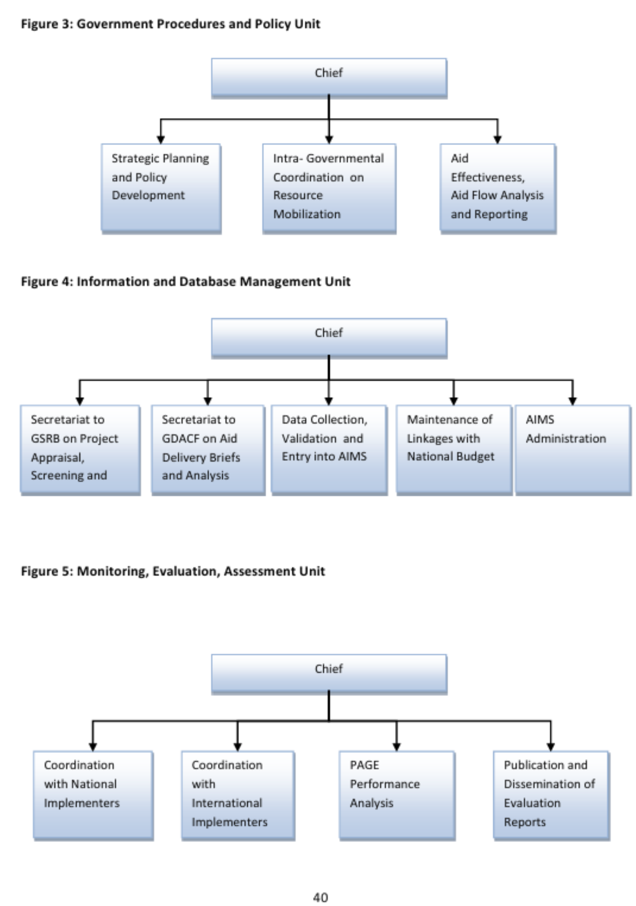
Annex 7. Legal and Regulatory Acts

Act / Regulation / Policy	Year	Active
Annual Report on Public-Private Partnerships (Draft)	**2023**	**No**
Asset Management Policy	**2022**	**Yes**
Accounting Procedures Manual (APM)	**2017**	**Yes**
Budget Circulars for FYs 2022 and 2023	**2022**	**Yes**
Budget Estimates for FY2019, FY2020, and FY2021	**2019**	**Yes**
Cabinet Memorandum on the Amendment of the Gambia Strategic Review Board Terms of Reference CP11 20	**2020**	**Yes**
Chart of accounts	**2016**	**Yes**
Constitution of The Gambia, 1997 refined 2002	**2022**	**Yes**
Environmental Impact Assessment Guidance	**2014**	**Yes**
Financial Statements for FY2019, FY2020, and FY2021	**2019**	**Yes**
FY2021, FY2022, FY 2023 budget documentation	**2021**	**Yes**
FY 2022 citizen's budget	**2022**	**Yes**
Gambia 2050 Climate Vision	**2021**	**Yes**
Gambia Second National Determined Contribution	**2021**	**Yes**
Gambia Public Procurement Authority Act	**2022**	**Yes**
Gambia Public Procurement Authority Regulations, 2019	**2019**	**Yes**
High level viability analysis of Public-Private Partnerships priority projects	**2016**	**Yes**
Intended Nationally Determined Contribution of The Gambia	**2015**	**Yes**
Local Government Act	**2002**	**Yes**
Long-Term Climate-Neutral Development Strategy 2050	**2022**	**Yes**
Low Emission Climate Resilient Development Strategy	**2017**	**Yes**
Medium-Term Economic Fiscal Framework (MTEFF) 2020 – 2024	**2020**	**Yes**
Medium-Term Economic Fiscal Framework (MTEFF) 2023 – 2026	**2023**	**Yes**
National Audit Act	**2015**	**Yes**
The NAO Strategic Development Plan 2020-2024	**2020**	**Yes**

Act / Regulation / Policy	Year	Active
National Climate Change Policy	**2016**	**Yes**
National Development Plan 2023-2027	**2023**	**Yes**
The National Disaster Management Act	**2008**	**Yes**
National Environmental Management Act	**1994**	**Yes**
National 2021 Policy. 2015-2020	**2015**	**Yes**
National Public-Private Partnership Policy	**2023**	**Yes**
Physical Planning and Development Control Plan	**2021**	**Yes**
Program Based Budgeting Framework for 2023-2025	**2023**	**Yes**
Public-Private Partnership Operational Guidelines. MoFEA	**2016**	**Yes**
Project Appraisal Guidelines. Ministry of Finance 16/03	**2021**	**Yes**
Public Finance Act 2014	**2014**	**Yes**
Financial Regulations. Ministry of Finance	**2016**	**Yes**
Public Financial Management (Draft) approved by Cabinet March 2023	**-**	**No**
Public Procurement Authority Regulations	**2019**	**Yes**
State Land Act	**1991**	**Yes**
Strategic Program for Climate Resilience	**2017**	**Yes**
State-Owned Enterprises (SOEs) Act	**2023**	**Yes**

Annex 8. Organigram of the Department of Aid Coordination





Source: MoFEC.