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Report No: PAD1817

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED ADDITIONAL CREDIT

IN THE AMOUNT OF SDR 3.6 MILLION  
(US\$5.0 MILLION EQUIVALENT)

TO THE

REPUBLIC OF THE GAMBIA

FOR AN

INTEGRATED FINANCIAL MANAGEMENT INFORMATION SYSTEM PROJECT

September 6, 2016

Governance Global Practice  
Africa Region

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective August 16, 2016)

Currency Unit = United States Dollar (US\$)

SDR 0.71767931 = US\$1

## FISCAL YEAR

January 1 – December 31

## ABBREVIATIONS AND ACRONYMS

ABP	Annual Borrowing Plan
AF	Additional Financing
AF2	Additional Financing 2
AfDB	African Development Bank
AGD	Accountant General's Department
AM	Aide Memoire
CBG	Central Bank of The Gambia
CPI	Consumer Price Index
CRVS	Civil Registration and Vital Statistics
CSDRMS	Commonwealth Secretariat/Debt Recording and Management System
CSPS	Civil Service Pension Scheme
CSRS	Civil Service Reform Strategy
DNT	Directorate of National Treasury
DPPP	Directorate of Public Private Partnership
EFT	Electronic Funds Transfer
FM	Financial Management
GBoS	The Gambia Bureau of Statistics
GDP	Gross Domestic Product
GMD	Gambian Dalasi
GoTG	Government of The Gambia
GRA	Gambia Revenue Authority
GRS	Grievance Redress Service
HR	Human Resources
ICT	Information Communication Technology
IFMIS	Integrated Financial Management Information System
IFR	Interim Unaudited Financial Report
IHS	Integrated Household Survey
IMF	International Monetary Fund
ISIC	International Standards Industrial Classification
ISR	Implementation Status and Results Report
JPS	Joint Partnership Strategy
M&E	Monitoring and Evaluation
MDAs	Ministries, Departments, and Agencies
MoFEA	Ministry of Finance and Economic Affairs

MoICI	Ministry of Information, Communication, and Information Technology
MTEF	Medium-term Expenditure Framework
NAO	National Audit Office
NAWEC	The National Water and Electricity Company
NDP	National Development Plan
NSDS	National Strategy for Development of Statistics
NSS	National Statistical System
PAC/PEC	Public Accounts Committee/Public Enterprises Committee
PAGE	Program for Accelerated Growth and Employment
PCU	Project Coordination Unit
PDO	Project Development Objective
PFM	Public Financial Management
PIC	Project Implementing Committee
PIM	Project Implementation Manual
PMIS	Personnel Management Information System
PMO	Personnel Management Office
PPP	Public-Private Partnership
PSO	Public Service Obligation
PURA	Public Utilities Regulatory Agency
QCBS	Quality- and Cost-Based Selection
SDG	Sustainable Development Goal
SDR	Special Drawing Rights
SOE	State-owned Enterprise
TSA	Treasury Single Account
UNECA	United Nations Economic Commission for Africa

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**THE GAMBIA**  
**Integrated Financial Management Information System Project AF2 (P159000)**

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**ADDITIONAL FINANCING DATA SHEET**

*Gambia, The*

*Integrated Financial Management Information System Project AF2 ( P159000 )*

**AFRICA**

**GGO27**

<b>Basic Information – Parent</b>							
Parent Project ID:	P117275	Original EA Category:	C - Not Required				
Current Closing Date:	31-Dec-2018						
<b>Basic Information – Additional Financing (AF)</b>							
Project ID:	P159000	Additional Financing Type (from AUS):	Scale Up				
Regional Vice President:	Makhtar Diop	Proposed EA Category:	C- Not Required				
Country Director:	Louise J. Cord	Expected Effectiveness Date:	01-Nov-2016				
Senior Global Practice Director:	Deborah L. Wetzel	Expected Closing Date:	31-Dec-2019				
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<b>Borrower</b>							
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<b>Project Financing Data - Parent ( The Gambia Integrated Financial Management Information System Project-P117275 ) (in US\$ Million)</b>							
Key Dates							
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P117275	IDA-H5800	Closed	01-Jun-2010	08-Jul-2010	10-Aug-2010	31-Dec-2012	31-Dec-2013
P117275	IDA-H8800	Effective	20-Sep-2013	10-Oct-2013	16-Dec-2013	31-Dec-2018	31-Dec-2018

Disbursements									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Un-disbursed	% Disbursed
P117275	IDA-H5800	Closed	XDR	3.50	3.50	0.00	3.50	0.00	100.00
P117275	IDA-H8800	Effective	XDR	3.40	3.40	0.00	1.55	1.85	45.62
Project Financing Data - Additional Financing Integrated Financial Management Information System Project AF2 (P159000)(in US\$ Million)									
<input type="checkbox"/> Loan		<input type="checkbox"/> Grant		<input type="checkbox"/> IDA Grant					
<input checked="" type="checkbox"/> Credit		<input type="checkbox"/> Guarantee		<input type="checkbox"/> Other					
Total Project Cost:		5.00		Total Bank Financing:		5.00			
Financing Gap:		0.00							
Financing Source – Additional Financing (AF)								Amount	
International Development Association (IDA)								5.00	
Total								5.00	
Policy Waivers									
Does the project depart from the CAS in content or in other significant respects?							No		
Explanation									
Does the project require any policy waiver(s)?							No		
Explanation									
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<b>Locations</b>					
<b>Country</b>	<b>First Administrative Division</b>	<b>Location</b>	<b>Planned</b>	<b>Actual</b>	<b>Comments</b>
Gambia, The	City of Banjul	City of Banjul		X	
<b>Institutional Data</b>					
<b>Parent (The Gambia Integrated Financial Management Information System Project-P117275)</b>					
<b>Practice Area (Lead)</b>					
Governance					
<b>Contributing Practice Areas</b>					
<b>Additional Financing Integrated Financial Management Information System Project AF2 (P159000)</b>					
<b>Practice Area (Lead)</b>					
Governance					
<b>Contributing Practice Areas</b>					
<b>Consultants (Will be disclosed in the Monthly Operational Summary)</b>					
Consultants Required? Consulting services to be determined					

## **I. Introduction**

1. **This project paper seeks the approval of the Executive Directors to provide a second additional financing (AF2) in an amount of US\$5.0 million equivalent to the Government of The Gambia (GoTG), for the Integrated Financial Management Information System (IFMIS) Project (P117275/RN 54293-GM).** The proposed Second Additional Financing (AF2) is an International Development Association (IDA) Credit to support two main areas: (a) the expansion of several existing project activities in the area of IFMIS rollout, support for human resources (HR) management, payroll efficiency, pension reform, debt management, and statistical capacity building; and (b) the addition of one new component to address urgent needs in the area of the reform of state-owned enterprises (SOEs).

2. **The proposed AF2 will strengthen the development impact of the project, adjust the World Bank's assistance to changing government priorities and circumstances, and enhance the achievement of the project development objective (PDO).** The Board of Directors approved the original financing (US\$5.25 million) on June 1, 2010, and the first Additional Financing (US\$5.0 million) on September 20, 2013. As part of the proposed AF2, the overall project will be restructured to: (i) revise several components to reflect new activities and to add a new component focused on SOE reform; (ii) revise the results framework to reflect the AF2 and current progress on the ground; and (iii) extend the closing date by one year, from December 31, 2018 to December 31, 2019. Components 2, 3, 4, 5, and 7 from the project under implementation are either completed or almost completed. Therefore, no additional activities under these components are being proposed with AF2.

## **II. Background and Rationale for Additional Financing in the Amount of US\$5.0 Million**

### **Country Context and Development Challenges**

3. **The key long-term development challenges facing The Gambia are related to its undiversified economy, small internal market, limited access to resources, lack of skills necessary to build effective institutions, high population growth, lack of private sector job creation, and high rate of outmigration.** Resilience to external shocks (such as volatile weather conditions and the effects of climate change) needs to be strengthened through (a) diversification of the economy and an improved private sector investment climate; (b) effective civil service reform and improved public management capacity geared toward enhanced service delivery and conditions to support long-term growth and employment; and (c) improved transparency and accountability in public affairs and citizen participation.

4. **The Gambia is a small economy that relies primarily on tourism, agriculture, and remittance inflows and is vulnerable to external shocks, as illustrated most recently by the West Africa Ebola virus disease crisis and the poor harvest in 2014.** From 2010 through 2014, real gross domestic product (GDP) growth averaged 2.7 percent and shrank by an average of 0.5 percent in per capita terms, in part reflecting a severe drought that contributed to a 4.3 percent contraction in GDP in 2011.

5. **Fiscal strains have mounted substantially in recent years, largely due to fiscal slippages and poor performance of State Owned Enterprises (SOEs) that have led to a significant build-up of public sector debt.** The fiscal deficit averaged 11 percent as a share of GDP from 2013 through 2015, contributing to a rise in public sector debt to 108 percent of GDP in 2015, from 83.3 percent in 2013. Heavy reliance on costly domestic markets has contributed to



rising debt. Interest payments increased from 25 percent of revenues in 2013 to 40 percent in 2015, and are projected to reach nearly 50 percent in 2016. Contingent liabilities that reached 5 percent of GDP in 2014 are also a contributing factor.

6. **Exchange rate policies that sharply overvalued the Gambian dalasi have also contributed to financial strains and balance-of-payment imbalances.** The Central Bank of the Gambia (CBG) official foreign reserves have declined significantly, with the periodic imposition of currency controls since 2013 and overvaluation against the U.S. dollar as high as 30 percent over pre-peg, market-determined rates. The controls have constrained the availability of foreign exchange, discouraged private investment, and strained the capacity of the authorities to service public sector debt. The lifting of currency controls since January 2016 should facilitate a rebuilding of reserves over time; however, there are other current administrative controls in place that could pose ongoing challenges, including shipment controls on U.S. dollars, pounds sterling, and euros.

7. **The last World Bank Group country strategy for The Gambia was the second Joint Partnership Strategy (JPS) for the fiscal years 2013 to 2016 (report number 72140-GM), which was a joint document of the World Bank Group and the African Development Bank (AfDB).** A Performance and Learning Review (PRL) is under preparation, which reviews the World Bank Group performance under this strategy and will propose an extension of it while a Systematic Country Diagnostic and Country Partnership Framework are developed. This Performance and Learning Review will set out World Bank Group support to the Gambian authorities in calendar 2016. The review is expected to focus on the poorest sections of the population, who are most affected by current macroeconomic strains and fiscal slippages and who would likely face the largest impacts in the event the situation deteriorates further. This proposed AF is part of that approach.

## **Sector Context**

### *Public Financial Management*

8. **Public financial management (PFM) has been improving in recent years and the proposed AF2 is designed to complement ongoing reform activities.** In 2006, the GoTG started to implement the IFMIS using its own resources. The IFMIS became operational in 2007 at the Ministry of Finance and Economic Affairs (MoFEA) and gradually expanded until 2011 to Central Government entities to support core budget preparation (consolidation), execution, and reporting functions. The World Bank-funded IFMIS project has been supporting the implementation of the IFMIS since 2010. The 2014 Public Expenditure and Financial Accountability Assessment report and the evaluation of the PFM Strategy 2010–2014 underscored some of the most recent reform achievements, including: (i) the improvement of the legal and institutional framework underpinning PFM; (ii) rollout of the IFMIS; (iii) an internal audit unit was established in 2011 to help strengthen internal controls in MDAs; (iv) external audit and oversight capacity has been strengthened; (v) a medium-term Expenditure Framework (MTEF) was introduced in 2013 to drive the GoTG's efforts in meeting its medium-term objectives (Program for Accelerated Growth and Employment [PAGE]); and (vi) a new Public Procurement Act was introduced in 2014, among others.

### *Human Resources Management and Pay Reform*

9. **The Gambian civil service has limited professional and managerial capacity, though there is evidence of gradual progress.** In 2007, there were only 3,083 civil servants employed in

the professional and managerial grades (grades 7–12), around a quarter of the workforce. Today, there are 5,819 civil servants employed in the same grades, representing 29 percent of the Central Government workforce. The trend in the composition of the civil service is shown in table 1, where it is evident that employment has grown fastest in the lower grades (grades 1–6.) The overall size of the civil service is relatively small; at 19,750 in 2015, it is equivalent to 1 percent of the population. In contrast, employment in the uniformed services is very high at 15,375.<sup>1</sup> Civilian employment has grown more slowly than employment in the uniformed services.

**Table 1. Composition of the Civil Service (2011–2015)**

Job structure	2011	2012	2013	2014	2015	Percentage Change (2015 vs. 2011)
Managerial (grades 11–12)	169	179	163	180	185	9.5
Senior professional (grades 9–10)	696	719	794	820	821	18.0
Junior professional (grades 7–8)	3,263	3,689	3,917	4,597	4,813	47.5
Technical and paraprofessional (grades 4–6)	3,721	4,790	4,705	5,746	5,914	58.9
Semiskilled and unskilled (grades 1–3)	3,200	4,404	4,889	5,899	6,675	108.6
Fixed	39	47	299	312	316	710.3
Unclassified	1,273	1,280	983	1,020	1,026	-19.4
<b>Total</b>	<b>12,361</b>	<b>15,108</b>	<b>15,750</b>	<b>18,574</b>	<b>19,750</b>	<b>59.8</b>

Source: PMO.

10. **No strategic or systematic HR planning is currently taking place; requirements are adjusted incrementally in an upward direction each year.** Available data on vacancies show that most MDAs have vacant positions in excess of 10 percent, and some have vacancies of over 20 percent. Rather than reflecting genuine shortages, these vacancy figures largely reflect that there has not been a review of established posts for several years. In contrast to the vacancy situation, three MDAs (the Office of the President, the Ministry of Education, and the Ministry of Health and Social Welfare) are significantly overstaffed in relation to the number of established posts. In the case of the Ministry of Education, this may reflect the hiring of unqualified teachers. Regardless of the reasons, this high volume of overstaffing illustrates that the number of established posts is not used to control recruitment.

11. **The reluctance of the Government to reform civil service pay arrangements since 2007 has undermined the motivation and morale of public servants, and it is creating difficulties in attracting and retaining key professionals.** There are a number of issues that need to be addressed urgently, including (a) the progressive reduction in real pay levels because of the failure to adjust nominal salaries in line with inflation over many years; (b) the large number of permanent allowances, about 30 remunerative allowances, which were budgeted at around 50 percent of the wage bill in 2014 and are not taken into account for the termination of pension benefits; (c) other allowances (for example, travel allowances) included in the ‘goods and services’

<sup>1</sup> This figure is a slight overestimate because it includes civilian employees in the Ministry of Defense and the Ministry of Interior (data provided by the Personnel Management Office [PMO]).

budget, which are used as salary supplements to compensate for low salaries; and (d) limited scope for salary progression because there are too many grades and salary scales do not overlap.

12. **A new grading structure was proposed in the 2014 study on pay review, and once approved, all civil service jobs will need to be evaluated and assigned to the appropriate grade.** A new salary structure that consolidates the majority of allowances will then need to be developed. A PMO job evaluation team has been trained, and a sample of 184 jobs were evaluated. In addition, the PMO submitted a cabinet memorandum in August 2014 to obtain Government approval for the development of a civil service pay policy and the adoption of the proposed job evaluation scheme. AF2 will support the implementation of a full job evaluation grading exercise.

13. **Securing sufficient fiscal space to implement the new salary structure will be challenging, given the high fiscal burden of government debt.** On average, in the period 2012–2015, the regular numbers in civil service payroll have risen by about 69 percent, or about 14 percent per year.<sup>2</sup> Despite the high level of employment in the uniformed services, the overall size of the public service wage bill remains relatively low. Table 2 shows that the wage bill was only 40 percent of domestic revenue in 2014 (though it is a relatively high percentage of GDP, compared to the Sub-Saharan Africa average of 29 percent), and it is budgeted to fall to 34 percent in 2015. These projections are explained by the need to use a disproportionate share of domestic revenue for interest payments on government debt. Wage bill modeling will, therefore, be critical.

**Table 2. Public Service Wage Bill Statistics (2009–2015)**

<b>Public Service Wage Bill Statistics</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Personnel emoluments (GMD, millions)</b>	1,516	1,693	1,804	2,054	1,928	2,031
<b>Subsidies and transfers to subvented institutions (GMD, millions)</b>	508	646	645	1,002	1,328	1,380
<b>Assumption that 50 percent is for personnel emoluments (GMD, millions)</b>	254	323	323	501	664	690
<b>Total personnel emoluments (including subvented institutions) (GMD, millions)</b>	<b>1,770</b>	<b>2,016</b>	<b>2,127</b>	<b>2,555</b>	<b>2,592</b>	<b>2,721</b>
<b>Domestic revenue (tax + nontax) (GMD, millions)</b>	<b>3,946</b>	<b>4,080</b>	<b>4,724</b>	<b>5,216</b>	<b>6,396</b>	<b>8,008</b>
<b>Total personnel emoluments to domestic revenue (percent)</b>	44.9	49.4	45.0	49.0	40.5	34.0
<b>GDP (GMD, millions)</b>	<b>26,679</b>	<b>26,641</b>	<b>29,273</b>	<b>32,498</b>	<b>35,513</b>	<b>40,231</b>
<b>Total personnel emoluments to GDP (percent)</b>	6.6	7.6	7.3	7.9	7.3	6.8

Source: IFMIS-PMO.

14. **The Civil Service Pension Scheme (CSPS) is unfunded (financed by annual appropriations) and noncontributory (employees make no contribution).** At the same time, the level of pensions is quite low. This is mainly because pensionable pay is calculated on base salary, which is low in absolute terms and significantly lower than gross salary, which includes allowances.<sup>3</sup> There is also a growing concern over the accrued liability of approximately GMD 2.2 billion (US\$5.5 million equivalent) to pay existing pensions. Payments by the Government, based

<sup>2</sup> Draft Civil Service Reform Program 2016–2025 Strategy, November 2015.

<sup>3</sup> If the base pay of a civil servant is 50 percent of the take-home pay, a maximum pension of two-thirds of the base pay will only amount to about one-third of the take-home pay.

on the current scheme design, are projected to rise from around 9 percent of public service salaries to around 15 percent in the long term and further to 24 percent if the CSPS is applied on the basis of gross salary to compensate for this liability.

**15. To address these issues, the PMO prepared a cabinet memorandum following consultation with MoFEA and the Ministry of Justice.** The approved 2014 Cabinet Memorandum proposed (a) an amendment to the Pensions Act of 1950; (b) a 5 percent employee salary contribution; (c) calculation of pension to be based on gross instead of base salary; (d) refund of contributions plus interest to employees who leave the service before the age of 45 and/or do not fulfill the 10-year minimum service criteria; and (e) the establishment of a Pension Coordination Unit at the AGD. AF2 will support these reforms with technical assistance to prepare draft legislation and a financially sustainable proposal.

#### *Statistics*

**16. There is significant scope for improvement of the reliability of national statistics to inform timely development policy interventions.** The Gambia Bureau of Statistics (GBoS) was created in 2005 by the Statistics Act after the Central Statistics Department had declined to a stage where it was no longer providing an effective service to the Government, development partners, and other users of statistics. The principal causes of the Central Statistics Department's deterioration were the lack of sufficient funding to implement statistics projects based on appropriate strategic planning, as well as its complete inability to attract and retain qualified personnel. The GBoS has the mandate of producing, analyzing, and disseminating quality and timely official statistics to guide the elaboration and monitoring and evaluation (M&E) of national policies and programs for sustainable development and coordinate the National Statistical System (NSS).

**17. Official statistics are derived from statistical operations such as censuses, household or economic surveys, and administrative records.** As a result of the transformation process, a number of national surveys were conducted, such as the economic census (2004) and the Integrated Household Survey (IHS) 2003/2004. Based on the results of these surveys, the GBoS has developed a number of economic statistics series such as the Consumer Price Index (CPI), the GDP benchmark and series, and the Producer Price Index. In 2013, the General Population and Housing Census was conducted, as well as other national surveys such as the first Demographic and Health Survey 2013, the Labor Force Survey 2012, the second IHS 2010, and so on, to continuously try to provide users with better statistics for better planning, policy formulation and monitoring, and decision making.

**18. To upgrade the quality of statistics to international standards, the GoTG, with support from the IFMIS project, embarked on the second Economic Census and the Business Establishment Survey (2014/2015), adopting the recommended International Standards Industrial Classification (ISIC Rev. 4).** This project also financed the recruitment of a technical adviser to the statistician general of the GBoS for two years (September 2014–2016) to support the development of key statistics projects. The third IHS 2015/2016 is ongoing and will provide baseline indicators, including poverty profile, for the formulation of the National Development Plan (NDP) 2017–2021, as well as evaluation indicators for the PAGE 2011–2016 implementation. The statistical development momentum generated by the GBoS needs to be maintained for a better result-based policy formulation and decision making. In this regard, AF2 will focus on IHS

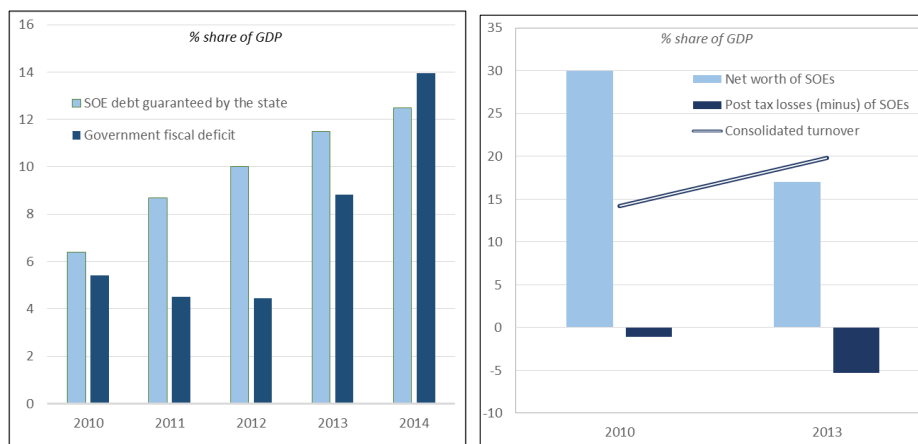
2015/2016 data analysis and surveys planning, improving data dissemination, and improving the development management of the GBoS.

*State-owned Enterprise Reform*

19. **There are 13 commercial SOEs in The Gambia, and they are present throughout the economy.** Until recently, there was little focus on SOE reform or on the monitoring of the performance of this sector. However, SOE outcomes have deteriorated markedly in recent years, leading to rising fiscal pressures along with growing public finance risks tied to increased SOE debt guarantees. These risks became manifest as the SOE burden on the national budget reached crisis levels in 2014, when the largest SOEs were unable to service their debts, and the Government had to meet its external financing requirements equivalent to 5.0 percent of GDP. SOE tax and other payments arrears also reached unacceptable levels, with tax arrears reaching the equivalent of 4.3 percent of GDP at the end of 2014 (latest available). Financial problems experienced by NAWEC, the mobile and fixed-line telephone operators (Gambia Telecommunications Cellular Company/Gambia Telecommunications Company), and the National Food Security Processing and Marketing Corporation (formerly, Gambia Groundnut Corporation) are particularly challenging and have serious macroeconomic and fiscal implications.

20. **Recent analytical work carried out by the World Bank<sup>4</sup> confirms that the SOE sector has been in a deep crisis since 2010.** Urgent action is needed, given the high and rising risks to fiscal sustainability and economic growth. The SOEs’ net worth halved between 2010 and 2013, reflecting rising losses (despite higher turnover), and payment arrears increased sharply. This ultimately contributed to the fiscal deficit expanding from 8.8 percent to 14 percent of GDP in 2014, of which 5 percentage points corresponded to SOE external obligations endorsed by the GoTG. Further, despite the Government’s and SOEs’ declining capacity to service debt, SOE debt guaranteed by the state has surged (Figure 1). This resulted in a growing SOE burden on public finances and the economy, underperformance with regard to the quality of services delivered to the public, and an incipient breakdown in financial discipline.

**Figure 1. SOE Debt Guaranteed by the State**



Sources: MoFEA, SOE Audited Annual Reports, World Bank, and International Monetary Fund (IMF).

<sup>4</sup> Drum, Bernard W., and Annette De Kleine Feige. 2015. “State-Owned Enterprises in The Gambia - A Country Policy Note”. Washington, DC: World Bank.

21. **The Government has acknowledged the SOE crisis and introduced initial response measures within the largest SOEs.** It has also taken initial steps to improve sector oversight and stated its intention to embark on a major program of SOE reform, reflecting a more conducive policy environment. In particular, the 2014 crisis prompted the GoTG to transfer, in early 2015, the responsibility for monitoring SOE performance to the recently created DPPP of the MoFEA. In February 2016, the cabinet reviewed a policy note on SOE reform and strongly endorsed its policy recommendations. This endorsement provides the policy platform for the proposed AF2 to provide effective technical assistance in this area.

22. **Most SOEs, including profitable ones, have been building up substantial tax payments arrears since 2010, which is also increasingly weighing on The Gambia's fiscal performance.** Sector tax arrears increased from 2.9 percent of revenues (GMD 114 million), excluding grants, at the end of 2010 to 21.3 percent of revenue (GMD 1.4 billion) at the end of 2014 (latest available). Further, despite measures taken by the Government, tax arrears have accumulated again in 2015. This includes arrears by profitable SOEs.

23. **Concurrently, tax receipts from SOEs have declined, while the Government has granted SOEs large import duty tax waivers, further straining the Government's fiscal position.** SOE tax receipts essentially halved from a recent peak equivalent to 5.5 percent of total tax receipts, excluding grants, in 2012 to 2.1 percent in 2014. The SOEs received import duty tax waivers from 2012 through 2014 equivalent to a per year average of 4.8 percent of tax receipts, excluding grants. The cumulative value of import duty waivers for SOEs since 2010 through 2014 equals 18.2 percent of total tax receipts in 2014 and nearly matches the SOE tax arrears as of end-2014 (21.3 percent).

24. **SOE external contingent liabilities (SOE external debt incurred on behalf of the SOEs by the state) increased from GMD 1.7 billion, the equivalent of 6.4 percent of GDP in 2010, to GMD 4.3 billion, 12.5 percent of GDP in 2014.** Total SOE liabilities (including those guaranteed by the state) increased from 28.5 percent of GDP in 2010 to 41.5 percent in 2013. In addition to the growing actual and contingent burden of SOEs on public finances, the quality of their public services has been getting worse. For example, only about two-thirds of the installed power generation capacity in the greater Banjul area is actually producing electricity and there have been increasingly frequent power outages.

25. **The reasons for the SOE losses and financial challenges vary, but there are a number of common factors:** (a) lack of compensation to the SOEs for the cost of public service obligations that require them, sometimes by executive directive, to sell services or goods at prices that do not cover the costs; (b) the buildup of account receivables for goods or services delivered, particularly to public sector customers; (c) nonviable business models, which do not take account of changes in the markets, are inherently unable to generate revenues sufficient to cover costs or impose a high debt service burden on the SOEs; and (d) serious organizational, operational, and managerial inefficiencies that need to be addressed within the SOEs themselves, including an excessively large workforce and low productivity.

#### **Description of the Project and its performance**

26. The project, in the amount of US\$10.25 million equivalent, has the following components: (a) IFMIS Rollout, Interfaces and System Training; (b) New IFMIS Applications; (c) Communications and Change Management; (d) IT and Accounting Capacity Building; (e) Project

Implementation Support; (f) Support to National Statistical Capacity Building; and (g) Support for the Preparation of Energy Strategy Study.

27. **As of end-July 2016, the project has disbursed US\$7.54 million equivalent.** This represents about 74 percent of the overall allocation. Increased disbursements are expected in the second half of 2016 due to the implementation of the recommendation from the successfully completed ICT Audit and Change Management reports.

28. **The latest Implementation Status and Results (ISR) Report maintained the rating on Implementation Progress as Moderately Satisfactory, but downgraded the rating on progress towards achievement of the Project Development Objective (PDO) from Satisfactory to Moderately Satisfactory.** Low progress or slight deterioration was recorded against the targets on the PDO-level indicators (three out of five), reported under the Results Framework and Monitoring, due to: (i) the lack of progress in implementing the IFMIS system (Epicor Version 9); (ii) MoFEA team's inability to publish monthly budget performance reports (from IFMIS) and quarterly public sector debt reports (from CS-DRMS) on the MoFEA web site since January 2015; and (iii) procurement delays on the Electronic Records Management System (ERMS) bidding process. The World Bank team has been following up closely with respective counterparts in MoFEA and progress has been recorded in each of the concerned areas. While the IFMIS is being used by about 350 users in nearly 50 agencies (since 2014) for processing payments, accounting, and reporting needs of the Central Government (monthly/quarterly results) at the aggregate level, there is significant room for improvement in the daily monitoring of budget performance, commitment control (especially capital/investment budget), and cash/debt management (and transition to Treasury Single Account [TSA]). The IFMIS supplier's performance during the migration of the system in 2014 was not fully satisfactory, which affected the IFMIS' effectiveness as a web-based platform to support daily and monthly budget execution and reporting functions, and this put the timely production of budget reports from the system at risk. Despite these challenges, the following progress has been achieved to date: (a) the Government is discussing with the supplier the stabilization of Epicor V9, and steps have been undertaken to launch the testing environment of Epicor V10; (b) the ICT unit is now staffed with 18 IT professionals covering the IFMIS network, database, and support functions of the ICT unit; (c) the recruitment process to hire a network specialist was launched to strengthen the network administration unit; (d) a memorandum of understanding between the MoFEA and the Ministry of Information, Communication, and Information Technology (MoICI) is being finalized, which will permit the MoFEA's ICT unit to benefit from the MoICI's IT personnel in line ministries to provide the first line of support to IFMIS-related issues; (e) the Government network is in place for broadband Internet connectivity; and (f) budget execution reports are being produced by the system and published on the MoFEA website, among others. In 2016, the MoFEA has developed an action plan for the planned expansion and ICT infrastructure improvements. The implementation of this action plan will start in late 2016, to support ongoing reforms aimed at having a fully operational and stable system within the next two years.

29. **The MoFEA has also agreed to establish a dedicated IFMIS unit by recruiting competent specialists and providing additional training to the MoFEA staff and line ministries to strengthen their institutional capacity.** AF2 will support the establishment of this unit, which will report to the permanent secretary and will be responsible for developing and implementing the 2016–2020 PFM Reform Strategy.

## **Consistency with the Joint Partnership Strategy**

30. **The proposed AF2 is fully consistent with the JPS for fiscal years 2013–2016 (the GoTG is in the process of preparing a new JPS).** AF2 comes in direct support of three areas that the JPS identifies as ongoing major development challenges in The Gambia: (a) improving transparency and accountability in PFM and public procurement; (b) improving public service capacity for service delivery; and (c) restoring growth and macroeconomic stability. As noted, the JPS indicates that it is critical to improve the demand side of PFM by disseminating information to the public and creating a culture of accountability and citizen participation; that major capacity bottlenecks in service delivery include the lack of capacity in the ministries for strategic planning, performance measurement, and management; and that the energy sector is one of the major bottlenecks in the economy.

31. **The JPS PRL explicitly highlights that the proposed AF2 is expected to contribute to improving the economic governance by complementing ongoing institutional support and technical assistance to the MoFEA** (AfDB’s Second Institutional Support for Economic and Financial Governance and IDA’s IFMIS-AF project). Also, as stressed in the JPS, the World Bank will closely coordinate with other donors, in particular with the AfDB and the European Commission, to improve governance in The Gambia, under the PFM component of the European Union Governance Support Program approved in 2011.

## **Rationale for the Second Additional Financing**

32. **Following the satisfactory implementation of the project so far, the GoTG has requested AF2 in the amount of US\$5.0 million to enhance the achievement of the PDO.** The requested additional IDA financing will be used to: (a) support HR and payroll management; (b) further strengthen national statistical capacity; and (c) support the Government’s SOE reform program. The official request of the Government was received in January 2016.

33. **AF2 will enhance the projects’ impact by (a) further strengthening statistical capacity; (b) initiating and implementing a comprehensive SOE governance reform program; (c) strengthening the debt management system; and (d) helping reform the civil service pay, pension, and payroll management.** It responds to the need to address the recently emerged fiscal challenges.

34. **As such, the proposed AF2 will scale up the development effectiveness of the project under implementation through additional activities.** All of the conditions for an AF are met. In particular, per the latest ISR, implementation of the project has been rated Moderately Satisfactory. All legal covenants are complied with. AF2 is also economically justified, given the potential positive benefits expected from the improved capacity in PFM, SOE oversight and fiscal risk analysis, public sector debt management, and national statistics. The proposed additional activities are consistent with the development objective and the new JPS, in which AF2 is included, as discussed. The proposed AF2 is the best option to sustain the gains made in public resource management by the project. In particular, the advantage of AF2 as compared to a new operation is that it can build directly on the existing activities and implementation structure that have generated satisfactory results, thereby maintaining the positive momentum of the results achieved to date and responding rapidly to the current priorities of the Government. AF2 will be complementary to the interventions by other development partners, particularly the AfDB and IMF, and the GoTG activities. Additionally, the AfDB and the IMF are coordinating on debt management and



statistical capacity development activities in The Gambia, aiming to leverage the World Bank's support.

### III. Proposed Changes

<b>Summary of Proposed Changes</b>	
AF2 will support existing and new activities. The new component will support activities in the area of SOE reform, the ongoing IFMIS expansion activities for additional assistance on debt management, HR management, and payroll reform, as well as statistical capacity building. The following is a summary of existing and new components that AF2 is intended to support to achieve widespread efficiency gains to foster improved macro-financial management. Components 2, 3, 4, 5, and 7 from the project are either completed or almost completed. No additional activities under these components are being proposed with AF2. AF2 is also proposing an extension of the project's closing date for one additional year (from December 31, 2018 to December 31, 2019), to allow for successful implementation of the scaled-up and newly introduced activities.	
Change in Implementing Agency	Yes [ ] No [ X ]
Change in Project's Development Objectives	Yes [ ] No [ X ]
Change in Results Framework	Yes [ X ] No [ ]
Change in Safeguard Policies Triggered	Yes [ ] No [ X ]
Change of EA category	Yes [ ] No [ X ]
Other Changes to Safeguards	Yes [ ] No [ X ]
Change in Legal Covenants	Yes [ ] No [ X ]
Change in Loan Closing Date(s)	Yes [ X ] No [ ]
Cancellations Proposed	Yes [ ] No [ X ]
Change in Disbursement Arrangements	Yes [ ] No [ X ]
Reallocation between Disbursement Categories	Yes [ ] No [ X ]
Change in Disbursement Estimates	Yes [ X ] No [ ]
Change to Components and Cost	Yes [ X ] No [ ]
Change in Institutional Arrangements	Yes [ ] No [ X ]
Change in Financial Management	Yes [ ] No [ X ]
Change in Procurement	Yes [ ] No [ X ]
Change in Implementation Schedule	Yes [ X ] No [ ]
Other Change(s)	Yes [ ] No [ X ]
<b>Development Objective/Results</b>	
<b>Project's Development Objectives</b>	
Original PDO	

To increase the recipient's capacity in public resource management.

**Change in Results Framework**

Explanation:

New indicators, both PDO-level and intermediate results indicators, will be added for measuring progress on the newly introduced components and subcomponents. Annual and end targets for some indicators will also be adjusted. While a number of indicators are proposed to be dropped for purposes of simplifying the Results Framework and Monitoring, these will still be monitored and reported upon in the half-yearly Client progress reports and comprehensive evaluation (qualitative and quantitative) conducted at the end of the project's life, reporting on the overall project performance against all results indicators. In addition, a citizen engagement indicator has been introduced, to account for the citizen's feedback and contribution in the design of the summary of SOE's annual performance reports.

**Compliance**

**Covenants - Additional Financing ( Integrated Financial Management Information System Project AF2 - P159000 )**

Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency	Action
IDA	Section V.1	The Recipient shall by not later than six (6) months after the Effective Date recruit in accordance with the provisions of Section III of Schedule 2, the external auditors referred to Section II.B.3 of Schedule 2 of this Agreement.	01-May-2017	<input type="checkbox"/>		
IDA	Section V.2	The Recipient shall by not later than two (2) months after the Effective Date activate an audit trails feature for key payments in the software system "Epicor 9.0.5".	01-Jan-2017	<input type="checkbox"/>		
IDA	Section V.3	The Recipient shall by not later than one (1) month after the Effective Date evaluate and validate the testing requirements and script of the software system "Epicor 10".	01-Dec-2016	<input type="checkbox"/>		

IDA	Section V.4	The Recipient shall by not later than one (1) month after the Effective Date hire an IFMIS expert, with qualifications and experience satisfactory to the Association, to support the process of strengthening of the institutional capacity of MoFEA, working under terms of reference satisfactory to the Association.	01-Dec-2016	<input type="checkbox"/>		
<b>Conditions</b>						
<b>Source Of Fund</b>		<b>Name</b>	<b>Type</b>			
<b>Description of Condition</b>						
<b>Risk</b>						
<b>Risk Category</b>					<b>Rating (H, S, M, L)</b>	
1. Political and Governance					High	
2. Macroeconomic					High	
3. Sector Strategies and Policies					High	
4. Technical Design of Project or Program					Substantial	
5. Institutional Capacity for Implementation and Sustainability					Substantial	
6. Fiduciary					Moderate	
7. Environment and Social					Moderate	
8. Stakeholders					Moderate	
9. Other						
OVERALL					Substantial	
<b>Finance</b>						
<b>Loan Closing Date - Additional Financing ( Integrated Financial Management Information System Project AF2 - P159000 )</b>						
<b>Source of Funds</b>			<b>Proposed Additional Financing Loan Closing Date</b>			
International Development Association (IDA)			31-Dec-2019			
<b>Loan Closing Date(s) - Parent ( The Gambia Integrated Financial Management Information System Project - P117275 )</b>						

Explanation: The AF2 is proposing an extension of project's closing date for one year (from December 31, 2018 to December 31, 2019), to allow for successful implementation of the scaled-up and newly introduced activities.					
Ln/Cr/TF	Status	Original Closing Date	Current Closing Date	Proposed Closing Date	Previous Closing Date(s)
IDA-H5800	Closed	31-Dec-2012	31-Dec-2013		31-Dec-2013, 21-May-2014
IDA-H8800	Effective	31-Dec-2018	31-Dec-2018	31-Dec-2019	31-Dec-2018
<b>Change in Disbursement Estimates (including all sources of Financing)</b>					
Explanation: The AF2 will add US\$5.0 million to cover the newly introduced activities under the modified Components 1 and 6, as well as activities under the newly added Component 8. The AF2 is also proposing an extension of project's closing date for one year (from December 31, 2018 to December 31, 2019), to allow for successful implementation of the scaled-up and newly introduced activities.					
<b>Expected Disbursements (in US\$ Million)(including all Sources of Financing)</b>					
Fiscal Year	2017	2018	2019	2020	
Annual	2.00	2.50	1.86	1.36	
Cumulative	2.00	4.50	6.36	7.72	
<b>Allocations - Additional Financing ( Integrated Financial Management Information System Project AF2 - P159000 )</b>					
Source of Fund	Currency	Category of Expenditure	Allocation	Disbursement %(Type Total)	
			Proposed	Proposed	
IDA	XDR	Goods, Consultants' Services (including audits) and non-consulting services, Training and Operating Costs for Parts 1.11, 1.12, 1.13, 1.14, 6.5, 6.6, 6.7, 6.8, 6.9 ,6.10, and 8 Project.	3.60	100.00	
		<b>Total:</b>	3.60		
<b>Components</b>					
<b>Change to Components and Cost</b>					
Explanation: AF2 will support existing and new activities. The new component will support activities in the area of SOE reform, the ongoing IFMIS expansion activities for additional assistance on debt management, HR					

management, and payroll reform, as well as statistical capacity building. The following is a summary of existing and new components that AF2 is intended to support to achieve widespread efficiency gains to foster improved macro-financial management. Components 2, 3, 4, 5, and 7 are either completed or almost completed. No additional activities under these components are being proposed with AF2.

Expansion of Component 1 (US\$1.62 million): Support for IFMIS Rollout, Interfaces, and System Training. The expansion will provide technical assistance to support the MoFEA and PMO to implement the Government's HR and payroll record management systems, as well as strengthening GoTG's debt management system. The current Personnel Management Information System (PMIS) has limited functionalities, covers only information on civil servants of grade 2 and above, and excludes grade 1 and uniformed staff. Currently, the payroll system is managed by the AGD, and changes in HR records are notified through correspondence, with some delays. The expansion will allow the introduction of an HR management system and further cleaning of the payroll database as part of the expanded IFMIS platform. The following activities are to be added:

Activity 1.11 (US\$0.65 million): Strengthening the capacity on human resources and pay reform management. The activity will support the following: (a) strengthening the capacity of the PMO to conduct job evaluation (including intensive training for job evaluators); (b) conducting a job evaluation exercise; (c) development of wage bill model; (d) compilation of job descriptions and printing; and (e) development of affordable pay structure (which consolidates most allowances) through a systems-based approach, to ensure consistency and reliability.

Activity 1.12 (US\$0.24 million): Development and establishment of a new legal framework for a contributory pension scheme. This activity will finance technical assistance to establish a new legal framework for a contributory pension scheme. The CSPS is a noncontributory scheme; it does not require participants to make contributions from their own salaries. This activity will finance consultant services to (a) develop a new Pension Act; (b) strengthen the capacity of the Pension Unit at the AGD; and (c) organize consultation workshops and facilitation activities to prepare the ground for policy implementation.

Activity 1.13 (US\$0.36 million): Supporting the efficiency and integrity in the management of the payroll system. The activity will support technical assistance to (a) improve payroll integrity and efficiency by strengthening HR and payroll modules for government personnel and pensioners and eliminating ghost workers from the payroll, (b) suppress vacant positions, and (c) strengthen the pension registry and its linkage with the expanded IFMIS platform.

Activity 1.14 (US\$0.37 million): Strengthening the debt management system. This activity will finance technical assistance to perform the following:

- (1) Strengthen the GoTG's capacity in debt management and transparency, including (i) training of the Debt Management Unit staff at MoFEA to build capacity in debt management monitoring and reporting in public debt management, (ii) developing an Annual Borrowing Plan (ABP) and the World Bank-supported tool to be delivered to MoFEA's senior management and the Debt Management Advisory Committee, (iii) monitoring and regular (quarterly) reporting on performance in the implementation of the ABP to MoFEA's senior management and Debt Management Advisory Committee, and (iv) preparing regular (quarterly) public debt reports, for timely (one-month lag) posting on MoFEA's external website.
- (2) Purchase and install a new CSDRMS version and develop an updated CSDRMS/IFMIS interface.
- (3) Support the restructuring process of domestic debt, including a review of the (i) institutional arrangements for domestic debt management and possible reforms; (ii) investor relations and possible measures for deepening the local public debt market; (iii) regulatory issues, such as market regulations, investor protection, and taxation; (iv) primary market analysis, for example, instruments, strategy and issuance, cash management operations, coordination with the CBG, and clarity of fiscal and monetary

objectives in the domestic debt issuance process; and (v) monetization of government overdraft with the CBG and possible measures to reduce the overdraft. The review could also cover options for (i) developing a fixed schedule government bond program, (ii) mapping and monitoring investor profiles, and (iii) gradually developing benchmark bonds. This will include technical assistance, hardware and software, a study tour, and support and maintenance services.

Expansion of Component 6 (US\$1.00 million): Support to National Statistical Capacity Building. There is no change in activities 6.1, 6.2, 6.3, and 6.4 of this component. The following activities will be supported:

Activity 6.5 (US\$0.15 million): Carrying out an integrated household survey for the period 2015/2016. The activity will continue supporting the production of poverty profile reports, as well as sector baseline indicators to help evaluate progress made toward PAGE 2011-2016 implementation and provide baseline indicators for NDP 2017-2021 and the Sustainable Development Goals (SDGs). IHS 2015/2016 is a 12-month data collection survey and also provides the weights to rebase the CPI from 2004 to 2015/2016 base year. Thus, the activity will also support data analysis, report writing, and printing of 40 district profiles by recruiting local consultants, conducting analysis and dissemination workshops, and printing the district profile reports.

Activity 6.6 (US\$0.10 million): Improving the national accounts and developing and maintaining a statistical business registry. This activity will support the recipient's capacity to estimate the new GDP estimates based on the 2008 System of National Accounts, as internationally recommended. The development and maintenance of the Gambia Business Register will be coordinated by the GBoS in close collaboration with the Gambia Revenue Authority (GRA), as the GRA should review its business registration and coding module to accommodate ISIC Rev. 4. This will allow the GBoS to embark on developing quarterly GDP estimates. AF2 will support the following activities: specific industry surveys for quarterly GDP estimates, training of coders and coding of businesses registered with the GRA following ISIC Rev. 4, adjustment of business registration module of the GRA computerized system to accommodate ISIC Rev. 4, and development of maintenance procedures for the statistical business register.

Activity 6.7 (US\$0.20 million): Strengthening the civil registration and vital statistics (CRVS) system. This activity will support the recipient's CRVS system to permit the production of statistics on population dynamics, health, and inequities in service delivery on a continuous basis for the country as a whole and for local administrative subdivisions. Based on the road map developed by United Nations Economic Commission for Africa (UNECA) and on a CRVS assessment, this activity will support the development of the CRVS Strategic Plan; a pilot of the CRVS system in two districts (to be scaled up in other districts later); a mobile-based vital statistics reporting system or any other appropriate software package; establishment of a CRVS project coordination unit (PCU); and a study tour to a country where CRVS system is functioning well, to better implement the system.

Activity 6.8 (US\$0.10 million): Strengthening the national statistical system. This activity will support the implementation of activities (2017-2021) for the NSS. A short-term consultant will be hired under the Trust Fund for the Statistical Capacity Building, to assess the NSS capacity building and develop a comprehensive capacity-building program that will also provide detailed activities, including setting up a statistics training center that can lead to a bachelor's degree program in statistics. AF2 will support the development of training curricula for short-, medium-, and long-term training of the NSS staff as well as other interested private institutions that will lead to a recognized (equivalent) certificate, diploma, and degree in statistics and the implementation plan of the Statistics Training Center.

Activity 6.9 (US\$0.10 million): Strengthening the Bureau of Statistics' data dissemination. This activity will support the formulation of an open data dissemination policy; maintaining of the GBoS website within

the MoICI's infrastructure; training of the GBoS IT staff on Content Management Systems; and setting up of an innovation team for modern data presentation and dissemination. The new activities will support the recruitment of a short-term consultant to develop a dissemination policy; recruitment of a short-term consultant to develop innovation techniques for modern data presentation and dissemination and to train the GBoS innovation team; and purchasing of software and equipment.

Activity 6.10 (US\$0.35 million): Provision of resident advisory services to GBoS. The resident technical adviser contract will be extended for two years to lead the implementation of organizational restructuring and development of the GBoS with a focus on building capacity in economic and social statistics as well as data analysis and dissemination under the implementation of the National Strategy for Development of Statistics (NSDS) 2. Additional activities will focus on IHS 2015/2016 data analysis and surveys' planning, improving data dissemination, and improving the GBoS' development management.

New Component 8 (US\$2.38 million): Support for State-Owned Enterprise Reform. This component, to be implemented by the DPPP/MoFEA, will include technical assistance, equipment, and software to (a) strengthen the Government's oversight of the sector, including performance monitoring and information sharing; (b) improve financial discipline in the relations between the state and the SOE sector; (c) strengthen SOE corporate governance through legal and regulatory reforms and professionalizing the SOEs' boards of directors; and (d) improve the financial and operational performance of selected individual SOEs. Common themes running through all of the above will be efforts to increase transparency and accountability thereby improving corporate governance and financial discipline. The following activities will be added:

Activity 8.1 (US\$0.97 million): Supporting the unit working on the reform of state-owned enterprises (DPPP/MoFEA). This activity will finance (a) a resident senior adviser for a period of two years to provide high-level strategic and analytical support for the formulation, implementation, and monitoring of the SOE reform program and for the DPPP director and staff; (b) capacity building for the DPPP staff in the form of in-country training, twinning with institutions in other countries, and study tours where appropriate; (c) the creation of a management information system, including reporting and M&E system for the SOE sector, a debt analysis/cash flow/early warning system, a database of potential board directors, and a web portal for the DPPP; and (d) equipment, including a vehicle and miscellaneous office equipment, and computers.

Activity 8.2 (US\$0.95 million): Improving the financial discipline and corporate framework of state-owned enterprises (DPPP/MoFEA). This activity will finance (a) technical assistance to support measures such as identification of the SOE public service obligations (PSOs) and their inclusion in the budget; (b) quantification of the Government's contingent liabilities for the SOE sector and their inclusion in the budget; (c) development of a fiscal risk assessment methodology; and (d) design and implementation of measures to reduce the Government's risk exposure to the sector. It will also finance consultants to prepare analytical studies and reform action plans for the SOEs, for which studies and action plans have not yet been completed. It will also finance fiscal risk assessments for the three or four key SOEs at most risk and include technical assistance for individual SOEs to implement reforms. This activity will also finance a collaborative engagement with citizens to improve the transparency, accessibility, and understandability of data pertaining to the SOEs' annual performance reports.

Activity 8.3 (US\$0.46 million): Reviewing and improving the oversight, corporate governance, and legal framework of state-owned enterprises (DPPP/MoFEA). This activity will finance specialists to complete a full review of the legislation and regulations governing the SOEs and draft modifications, including new legislation, where necessary. Such changes may be required in the Public Enterprises Law, the individual acts governing some SOEs, the full corporatization of those SOEs that are not yet registered under the Companies Act, and publication of the SOE audited financial statements. This activity will also finance

technical assistance to the Public Utilities Regulatory Agency (PURA) in developing more flexible rapid response utility tariff-setting mechanisms to enable quicker adjustments to changing international fuel costs, exchange rate fluctuations, domestic inflation, and other variables. It will also finance training for members of the Public Accounts Committee/Public Enterprises Committee (PAC/PEC) of the National Assembly and the SOE boards of directors. It will also provide support to PURA in updating its tariff-setting methodology. Specialized consultants will review PURA's existing tariff-setting mechanism and make recommendations based on changing circumstances and on international best practices.

<b>Current Component Name</b>	<b>Proposed Component Name</b>	<b>Current Cost (US\$M)</b>	<b>Proposed Cost (US\$M)</b>	<b>Action</b>
Component 1-IFMIS Rollout, Interfaces and System Training	Component 1-IFMIS Rollout, Interfaces and System Training	7.88	9.50	Revised
Component 2-New IFMIS Applications	Component 2-New IFMIS Applications	0.02	0.02	
Component 3-Communications and Change Management Strategy	Component 3-Communications and Change Management Strategy	0.04	0.04	
Component 4-IT and Accounting Capacity Building	Component 4-IT and Accounting Capacity Building	0.41	0.41	
Component 5-Project Management support	Component 5-Project Management support	0.85	0.85	
Component 6-Support to National Statistical Capacity Building	Component 6-Support to National Statistical Capacity Building	0.70	1.95	Revised
Component 7-Support for the Preparation of Energy Strategy Study	Component 7-Support for the Preparation of Energy Strategy Study	0.50	0.25	Revised
	Component 8-Support for State-Owned Enterprise Reform	0.00	2.38	New
	<b>Total:</b>	10.40	15.40	

#### **Change in Implementation Schedule**

Explanation:

The change in implementation schedule is reflective of the proposed extension of project's closing date, from December 31, 2018 to December 31, 2019, to allow for successful implementation of the scaled-up and newly introduced activities.

#### **IV. Appraisal Summary**

<b>Appraisal Summary</b>
<b>Economic and Financial Analysis</b>



Explanation:

The economic analysis of the IFMIS activities financed under AF2 remains the same as for the ongoing and completed activities. The proposed AF2 continues to support investment and capacity building for improved public sector financial management (FM) reforms, debt management, statistics, and HR management. Advisory support and investments envisaged aim at improving the performance of key government institutions at the central and local levels in implementing specific PFM, execution, accounting, auditing, and HR management tasks. Therefore, return of investments under the project will be, to a large extent, accrued through improved public financial governance, service delivery, and better performance of the PFM institutions, including SOEs, capable of employing financial resources and HR in an effective, transparent, and accountable way. These expected returns, while identifiable, are indirect and difficult to quantify and are expected to exceed the proposed investment of US\$5 million. Nevertheless, it is important to note the direct economic and social impact the reforms will have in the local context, including the following examples:

- (a) The energy study identified areas for improvements, such as the value of purchasing oil at a market value and the need to have tariffs in line with market value. Based on these findings, the Government increased the water and electricity tariffs. This intervention has reduced subventions to the public, private entities, and corporations and allowed sharing of the economic cost of producing and transmitting water and energy with users.
- (b) More efficient execution of budgetary transactions will reduce borrowing, improve timing of payments, eliminate arrears, and reduce the cost of goods and services to the Government.
- (c) Under AF2, supporting fiscal risk analysis of the SOEs, along with more regular monitoring of the SOEs, will enable the Government to contain, if not fully prevent, contingency liabilities from being called upon through the Central Government budget. This will enable the GoTG to be more proactive, transparent, and accountable early on to reduce the SOEs' financial dependency. With improved transparency, by calculating the operating cost structure and other factors determining the SOEs functions and liability risks, policy makers should be able to assess the real cost of their policies, improve timeliness and data quality, reduce patronage and nepotism, and make evidence-based decisions to better allocate scarce resources and measure performance. In addition, AF2 will support payroll efficiency and integrity, including a payroll/staff audit to identify ghost workers that could generate substantial savings (for example, savings generated by the 2012 audit reached about US\$750,000 per year).

More broadly, the major benefits of the proposed AF2 come in the form of knowledge and governance improvements through the provision of (a) the means for better public resource management; (b) access to more reliable and comprehensive data for better policy decisions, including in the areas of civil service reform, SOE reform, public debt management, and national statistics; and (c) improved transparency and accountability.

As one of the few development partners present in The Gambia, the World Bank is uniquely placed to provide support and knowledge on the IFMIS and other PFM-related issues, including debt management, personnel management, and oversight of the SOEs. The proposed areas of intervention and activities were designed through active dialogue with the authorities during project preparation. Thus, AF2 design is a reflection of where the GoTG sees the greatest value added for the World Bank involvement, given the World Bank's knowledge on the topics in question and the absence of coverage by other development partners. Moreover, the implementation of this AF will build on the positive results achieved through the implementation of the parent project.

The advantage of the World Bank, compared to other development partners (and the private sector), is its ability to contribute to all stages of the value chain. Accordingly, the World Bank is in possession of the instruments to support (a) an enabling environment that will attract other donors and (b) enhancement of capacities for oversight and enforcement of operators' obligations. Consequently, the value addition of the

World Bank's engagement is found in the balanced and multidimensional sector support, which targets various aspects of the public sector governance in the interest of promoting poverty reduction and shared prosperity.

### **Technical Analysis**

Explanation:

The design of the proposed AF2 builds on lessons from several operations in The Gambia, including the ongoing IFMIS project. Both supported public sector reforms that are continued under the proposed AF2. On the IFMIS activities, the 2015 Change Management Study and the 2016 PFM Practices, Systems, and Modernization Strategy provide assessment of the key bottlenecks and areas for improvement (including on investments) that informed the design of this operation. AF2 is also being supported by the December 2015 SOE Policy Note for The Gambia for the SOE-related activities, approved by the cabinet in January 2016. Additionally, the activities on civil service reform are informed by the analysis from the 2014 study, Restructuring of the Pay and Grading System of the Gambian Civil Service.

### **Social Analysis**

Explanation:

The project does not trigger any social safeguards policies. The social impacts of the project are expected to be positive, because it will improve transparency over the financial reporting of the SOEs, as well as access to information on both public sector budgets and expenses, and provide opportunities for engaging with the authorities in the budget process. However, there are potential social risks associated with activities supported under Component 1.5 (HR and pay reforms) and Component 1.7 (eliminating ghost workers from the payroll). To mitigate these risks, the project will follow national labor laws and apply them transparently with notices and appropriate disclosure of information made available to all stakeholders concerned, before the implementation of these activities. In addition, stakeholders will be provided with information on how to access Grievance Redress Service (GRS) at the World Bank and national (PMO appeal process) levels. Further, the project implementation would be enhanced by obtaining feedback through stakeholders' consultations (i.e. on the HR and SOE reform processes), in which the gender dimension would be considered. For instance, citizen engagement citizen's feedback would be sought and contributions considered in the design of the summary of SOE's annual performance reports, with particular focus and emphasis on female participation in the said consultations.

### **Environmental Analysis**

Explanation:

No environmental or social safeguards policies are triggered for AF2 of the project. The environmental category of the project remains "C".

### **Risk**

Explanation:

The overall project risk continues to be Substantial. This is because of the complex macroeconomic situation, large number of counterparts, new technical assistance activities, and varying degrees of absorption capacity.

**Political and Governance (High).** In addressing concerns about political and governance risks, the GoTG has recently made progress, albeit mixed, with several reform measures to define institutional arrangements that enhance transparency and accountability in public sector procedures and promote private sector participation. Nevertheless, The Gambia is still facing serious transparency and accountability challenges revealed during the current fiscal crisis, which this project is seeking to help

address.

**Macroeconomic (High).** Macroeconomic risks, aside from exogenous shocks, derive primarily from possible further fiscal and exchange rate policy slippages that manifested repeatedly over recent years and contributed to a significant rise in the Government borrowing interest rates with heightened investor uncertainty, a sharp buildup in public sector debt, and weak GDP growth outturns. The current project is intended to help mitigate against the risk of further policy slippages, in particular by supporting the Government to improve its capacity to identify and implement urgently needed reforms. In the absence of the implementation of comprehensive macroeconomic policy reforms, the Government faces a possible forced adjustment. The high risk in this category shall be partly mitigated by close monitoring and the World Bank's close coordination with the IMF and the donor community.

**Sector Strategies and Policies (High).** The MoFEA seeks a phased support approach with short-term focus on rehabilitation and efficiency enhancement as a means to build confidence for longer-term engagement for sector reform. It is critical that the GoTG remains politically committed to a long-term reform vision with a coherent sector-wide strategy. The success of this project depends on the continued commitment from the political leadership in The Gambia and the support of the MoFEA's management, as well as their willingness to take into account lessons learned from the implementation of the project so far at the sectoral level.

**Institutional Capacity for Implementation and Sustainability (Substantial).** A Project Implementing Committee and a PCU will continue to be maintained within the MoFEA, with clearly aligned responsibilities and procedures. These arrangements have been in place for managing the project satisfactorily over the last six years, and will be maintained accordingly. However, the institutional capacity risk is assessed as Substantial because it includes some potential sensitive reform agendas, including SOE strengthening and civil service reforms. In addition, frequent change of senior government authorities could undermine sustained Government commitment to the project. The project team will strengthen further collaboration and dialogue at the senior level to keep the authorities engaged in the project implementation and monitoring and to mitigate relevant risks (for example, the SOEs' policy paper has been endorsed by the cabinet secretary in February 2016 and the Civil Service Reform Strategy 2016-2025 was prepared in December 2015 with the contribution of key stakeholders). Under AF2, new beneficiaries, the SOEs' units and PMO of the MoFEA, are added to these coordination mechanisms. Staffing of the PCU will be strengthened because of an increased number of new activities. Recognizing the importance of assisted development and on-the-job capacity building, wherever an involvement of consultants is proposed, they are expected to be not only carrying out their respective contractual arrangements but also be embedded into the institutional teams, working closely with staff and building internal capacity for sustained operation. During implementation, the AF2 will support the strengthening of the DPPP, PMO, and Debt Management departments and support capacity development efforts, financing long-term and short-term trainings, and study tours for the DPPP and SOE personnel. Similarly, substantial training and on-the-job capacity-building activities are budgeted for the PMO, including workshops and training activities on job evaluation, payroll efficiency and integrity, manpower planning, and HR auditing.

## V. World Bank Grievance Redress

35. Communities and individuals who believe that they are adversely affected by a WB supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which

determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

## Annex 1. Revised Results Framework and Monitoring Indicators

### Integrated Financial Management Information System Project - Second Additional Financing

#### Project Development Objectives

Original Project Development Objective - Parent:

To increase the recipient's capacity in public resource management.

#### Results

Core sector indicators are considered: Yes

Results reporting level: Project Level

#### Project Development Objective Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Marked for Deletion	I.3 Government contracts are recorded and managed through IFMIS to produce reliable data on all commitments, payments, and arrears (revised)	<input type="checkbox"/>	Yes/No	Value		No	Yes
				Date	31-Dec-2013	15-Aug-2016	31-Dec-2018
				Comment			
Revised	The budget execution rate is kept above 90% (excluding donor-funded projects)	<input type="checkbox"/>	Percentage	Value	90.00	81.50	90.00
				Date	31-Dec-2009	04-Mar-2016	31-Dec-2019
				Comment	Annual and end targets have been revised, to reflect the current progress and account for the additional year of implementation		

Revised	Central government expenditure covered through IFMIS	<input type="checkbox"/>	Percentage	Value	60.00	65.65	90.00
				Date	31-Dec-2009	04-Mar-2016	31-Dec-2019
				Comment	Change in indicator's description for clarity purposes; Annual and end targets have been revised, to reflect the current progress and account for the additional year of implementation		
Revised	Publication of budget execution reports on the MoFEA website after the reporting end period	<input type="checkbox"/>	Months	Value		15.00	0.00
				Date	31-Dec-2009	15-Aug-2016	31-Dec-2019
				Comment	Change in indicator's description for clarity purposes; Annual and end targets have been revised, to reflect the current progress and		

					account for the additional year of implementation		
Revised	GDP data regularly & publicly made available	<input type="checkbox"/>	Text	Value	Annually	Annually	Quarterly
				Date	31-Jan-2013	15-Aug-2016	31-Dec-2019
				Comment	Annual and end targets have been revised, to reflect the current progress and account for the additional year of implementation		
New	Timely publication of SOEs' annual financial reports and the DPPP's performance report on SOEs on the MoFEA's external website (6 months after the reporting end period)	<input type="checkbox"/>	Text	Value	n.a.	SOEs' financial reports not published on the MoFEA's external website	SOEs' annual financial reports and the DPPP's performance report on SOEs published on the MoFEA's external website
				Date	15-Jul-2016	15-Aug-2016	31-Dec-2019
				Comment			

**Intermediate Results Indicators**

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Marked for	IR-15 AF: Endorsement of		Text	Value	No	Yes	Delivery of

Deletion	action plan derived from energy strategy study (Activity Component 7.1)	<input type="checkbox"/>					Study in 2015
				Date	31-Dec-2013	04-Mar-2016	31-Dec-2018
				Comment			
Marked for Deletion	IR-13 AF: Number of staff trained in Economics Statistics, including National Accounts (Activity Component 6.1)	<input type="checkbox"/>	Number	Value	0.00	10.00	15.00
				Date	31-Dec-2013	04-Mar-2016	31-Dec-2018
				Comment			
Marked for Deletion	IR-12 AF: Timeliness of submission of project implementation reports (Progress, M&E, FM and Audit)	<input type="checkbox"/>	Text	Value	N/A	yes	Yes
				Date	31-Dec-2013	04-Mar-2016	31-Dec-2018
				Comment			
Marked for Deletion	IR-11 AF: Government's transition plan to minimize the reliance on external consultant to operate the IFMIS is implemented (Activity component 4.1)	<input type="checkbox"/>	Number	Value	5.00	29.00	25.00
				Date	31-Dec-2013	04-Mar-2016	31-Dec-2018
				Comment			
Marked for Deletion	IR-10 AF: Number of government staff trained for the enhanced IFMIS system (Activity Components 3.1 and 1.3)	<input type="checkbox"/>	Number	Value	603.00	830.00	750.00
				Date	31-Dec-2013	04-Mar-2016	31-Dec-2018
				Comment			
Marked for Deletion	IR-9 AF: Payroll and HR records (excluding the security forces) are validated through systems (Activity Component 2.1)	<input type="checkbox"/>	Number	Value	12513.00	13000.00	15000.00
				Date	31-Dec-2013	04-Mar-2016	31-Dec-2018
				Comment			
Marked for Deletion	IR-8 AF: Automation of records office processes at National Records Service and 4 pilot sites (Activity Component 1.4)	<input type="checkbox"/>	Number	Value	0.00	0.00	5.00
				Date	31-Dec-2013	04-Mar-2016	31-Dec-2018
				Comment			



Marked for Deletion	IR-7 AF: Delays in pension payment after HR Module integrated into the IFMIS (Activity Component 1.1)	<input type="checkbox"/>	Number	Value	4.00	0.00	1.00
				Date	31-Dec-2013	04-Mar-2016	31-Dec-2018
				Comment			
Marked for Deletion	IR-6 AF: IFMIS Electronic Funds Transfer (EFT) module is interfaced with the Central Bank systems and operationalized for Central Government and IFMIS interface for TSA is available	<input type="checkbox"/>	Yes/No	Value		No	Yes
				Date	31-Dec-2013	04-Mar-2016	31-Dec-2018
				Comment			
Marked for Deletion	IR-3 AF: IFMIS module to support donor funded projects is operational (Activity Component 1.1)	<input type="checkbox"/>	Number	Value	4.00	4.00	15.00
				Date	31-Dec-2013	04-Mar-2016	31-Dec-2018
				Comment			
Marked for Deletion	IR-2 AF: IFMIS migration to 9.0.5, system upgrades and interfaces completed (Activity Component 1.1)	<input type="checkbox"/>	Number	Value	46.00	46.00	46.00
				Date	31-Dec-2013	04-Mar-2016	31-Dec-2018
				Comment			
Marked for Deletion	IR-1 AF: IFMIS ICT infrastructure expanded and available at the government sites (Activity Component 1.2)	<input type="checkbox"/>	Number	Value	46.00	46.00	46.00
				Date	31-Dec-2013	04-Mar-2016	31-Dec-2018
				Comment			
Marked for Deletion	Number of direct female beneficiaries increased	<input type="checkbox"/>	Number	Value	5.00	30.00	31.00
				Date	01-Jun-2010	05-Mar-2015	31-Dec-2018
				Comment			
Marked for Deletion	Government's reliance on external consultants to operate the IFMIS reduced	<input type="checkbox"/>	Number	Value	5.00	25.00	25.00
				Date	01-Jun-2010	05-Mar-2015	31-Dec-2018
				Comment			
Marked for Deletion	Public servants well informed about the capabilities of IFMIS	<input type="checkbox"/>	Number	Value	25.00	830.00	750.00
				Date	01-Jun-2010	04-Mar-2016	31-Dec-2018

				Comment			
Marked for Deletion	Payroll and HR records in IFMIS validated	<input type="checkbox"/>	Number	Value	0.00	13000.00	15000.00
				Date	01-Jun-2010	05-Mar-2015	31-Dec-2018
				Comment			
Marked for Deletion	IFMIS ICT infrastructure expanded and available at the government sites	<input type="checkbox"/>	Number	Value	6.00	46.00	46.00
				Date	01-Jun-2010	04-Mar-2016	31-Dec-2018
				Comment			
Marked for Deletion	Backlog in the reconciliation of public accounts reduced	<input type="checkbox"/>	Months	Value	1.00	1.00	0.00
				Date	30-Jun-2012	05-Feb-2015	31-Dec-2018
				Comment			
Marked for Deletion	IFMIS Financial Modules migrated to Epicor 9.0.5 and interfaces completed	<input type="checkbox"/>	Number	Value	0.00	46.00	46.00
				Date	30-Nov-2012	04-Mar-2016	31-Dec-2018
				Comment			
Marked for Deletion	Delays in debt payment reduced after debt management system interfaced with IFMIS (days, custom)	<input type="checkbox"/>	Days	Value	7.00	7.00	2.00
				Date	30-Nov-2012	05-Mar-2015	31-Dec-2018
				Comment			
Marked for Deletion	IFMIS module to support donor-funded projects is operational	<input type="checkbox"/>	Number	Value	0.00	4.00	4.00
				Date	30-Nov-2012	04-Mar-2016	31-Dec-2018
				Comment			
New	Fully operational IFMIS at the government sites	<input type="checkbox"/>	Number	Value	0.00	46.00	46.00
				Date	15-Jul-2016	15-Aug-2016	31-Dec-2019
				Comment			
New	Government contracts recorded and managed through the IFMIS (above US\$300,000)	<input type="checkbox"/>	Percentage	Value	0.00	0.00	75.00
				Date	15-Jul-2016	15-Aug-2016	31-Dec-2019
				Comment			

New	Donor funds included under the IFMIS module (percentage of total donor funds)	<input type="checkbox"/>	Percentage	Value	0.00	10.00	75.00
				Date	15-Jul-2016	15-Aug-2016	31-Dec-2019
				Comment			
Revised	Interface between Debt management system (CSCRMS) and IFMIS is operational to automate the preparation of debt projections and the execution and reporting of debt payments, respectively	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	31-Dec-2013	15-Aug-2016	31-Dec-2019
				Comment	Annual and end targets have been revised, to reflect the current progress and account for the additional year of implementation		
Revised	Backlog in the reconciliation of government bank accounts held at the CBG reduced	<input type="checkbox"/>	Months	Value	12.00	1.00	0.50
				Date	31-Dec-2013	15-Aug-2016	31-Dec-2019
				Comment	Annual and end targets have been revised, to reflect the current progress and account for the additional year of implementation		

New	IFMIS EFT module interfaced with the CBG systems and operationalized for the Central Government and IFMIS interface for TSA is available	<input type="checkbox"/>	Text	Value	No	No	IFMIS EFT module is interfaced with the CBG systems	IFMIS EFT module is interfaced with the CBG systems and operationalized for the Central Government and IFMIS interface for TSA is available
				Date	15-Jul-2016	15-Aug-2016		31-Dec-2019
				Comment				
New	HR module integrated into the IFMIS	<input type="checkbox"/>	Text	Value	No	No		Yes
				Date	15-Jul-2016	15-Aug-2016		31-Dec-2019
				Comment				
New	Ghost workers eliminated (percentage of the total population of ghost workers identified)	<input type="checkbox"/>	Percentage	Value	0.00	0.00		90.00
				Date	15-Jul-2016	15-Aug-2016		31-Dec-2019
				Comment				
New	New salary structure consolidating agreed allowances approved by the cabinet	<input type="checkbox"/>	Text	Value	n.a.	No		New salary structure is implemented
				Date	15-Jul-2016	15-Aug-2016		31-Dec-2019
				Comment				
New	New legal framework for a contributory pension scheme approved by the cabinet	<input type="checkbox"/>	Text	Value	n.a.	No		New legal framework for a contributory pension scheme approved by the cabinet and under implementation
				Date				
				Comment				

				Date	15-Jul-2016	15-Aug-2016	31-Dec-2019
				Comment			
Revised	Economic Survey (Enterprise) is conducted	<input type="checkbox"/>	Text	Value	No	Yes	Yes
				Date	31-Dec-2013	04-Mar-2016	31-Dec-2019
				Comment	Annual and end targets have been revised, to reflect the current progress and account for the additional year of implementation		
New	Reports posted on the GBoS website (including Census 2013, IHS 2015/2016, GBoS Annual Statistical Abstract, and Poverty Profile Report)	<input type="checkbox"/>	Text	Value	n.a.	No	GBoS Annual Statistical Abstract and Poverty Profile Report
				Date	15-Jul-2016	15-Aug-2016	31-Dec-2019
				Comment			
New	SOEs with reform action plans under implementation	<input type="checkbox"/>	Number	Value	0.00	0.00	3.00
				Date	15-Jul-2016	15-Aug-2016	31-Dec-2019
				Comment			
New	Citizens feedback is embedded into the design of the summary of SOEs' annual performance reports	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	15-Jul-2016	15-Aug-2016	31-Dec-2019
				Comment			

New	50% of citizens consulted are female	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	15-Jul-2016	15-Aug-2016	31-Dec-2019
				Comment			

## **Annex 2. Detailed Description of Modified or New Project Activities**

- 1. Expansion of Component 1: Support for IFMIS Rollout, Interfaces, and System Training (US\$1.62 million).** The expansion of this component supports the implementation of IFMIS functionalities in the areas of HR and payroll management, as well as support for debt management.
- 2. HR management and pay reform.** The technical assistance aims to (a) reward civil servants equitably and competitively; (b) introduce a new legal framework for a contributory civil service pension scheme; and (c) control civil service personnel costs. The 2014 New Pathways for Civil Service Reform report has identified low salaries as a contributor to the high level of job dissatisfaction expressed by civil servants despite the fact that their average take-home salary has increased by 64 percent between 2007 and 2010. These increases were derived from the Civil Service Reform Strategy 2008–2011, which was geared toward bringing the salaries of civil servants to competitive levels for the GoTG to be able to attract and retain qualified personnel. Furthermore, the 2014 report on the review of the Pay and Grading Structure of the Civil Service of The Gambia identified the following anomalies in the pay structure: (a) the unified pay scale structure (2010) contains pensionable salaries, which are now generally considered to be too low; (b) the annual incremental increases for each pay scale are themselves too low and not expressed in percentage terms, resulting in progressive reductions (in real terms) in each successive year of the amounts paid; (c) the allowances regime has developed to a point where there are now a large number of allowances, of varying levels, and none of them, except for the ‘long service’ allowance, are pensionable; and (d) there is no longer a clear and direct relationship between the grade of a job and the total remuneration that a job holder actually receives. To this end, the report concluded that the current pay scale (2010) is inadequate, in providing a decent living wage for civil servants and a decent pension for retired civil servants.
- 3. Current allowance arrangements.** The allowance payments are unwieldy and not consolidated into basic pay for pension calculations. As a result, retired civil servants receive very low pensions. Many civil servants, especially those approaching retirement, become increasingly unhappy at the prospect of receiving a low pension. This is a significantly demotivating factor for many staff, particularly for those who, by virtue of their long experience and considerable knowledge, skills, and experience, have the most to offer the civil service in the concluding years of their careers. As many as 33 different allowances of varying levels are paid to civil servants, out of which only two allowances (transport allowance and civil servants special allowance) are paid across the board. None of them, except for the ‘long service’ allowance, are pensionable and some seem to have been used in an ad hoc manner to make up for the low salaries for some staff and/or in some sectors.
- 4. Grade structure.** The current civil service grade structure has a high number of grades/levels (13, with level 13 being the highest), but there is little evidence of reasonable spans of command within the current cadre hierarchies. The outcome of this is that, often, there are only small qualitative differences in responsibility between jobs at different levels, and by extension, there seems to be a high incidence of over-graded jobs. Moreover, over the years, there has been no regular and systematic job evaluation process because of lack of capacity at the PMO to conduct this exercise.
- 5.** The absence of an independent and systematic approach to job assessment leads to confusion, duplication, and over-grading. Although schemes of service have been developed for

the different cadres, this has not included any systematic assessment of the levels of responsibility. It is therefore believed that the current system of job levels reflects a desire for having numerous small pay differentiations rather than for qualitative step changes that are characteristic of an objective grade structure.

6. **HR and payroll record management system.** The expansion will provide technical assistance to support the MoFEA and the PMO to implement the Government's HR and payroll record management systems. The current PMIS has limited functionalities, covers only information on civil servants of grade 2 and above, and excludes grade 1 and uniformed staff. Currently, the payroll system is managed by the AGD, and changes in HR records are notified through correspondence with some delays. The expansion of the IFMIS platform aims at introducing an HR management system and further cleaning of the payroll database. The activities that are to be added are discussed in detail.

7. **Activity 1.11: Strengthening the capacity on human resources and pay reform management (US\$0.65 million).** The current civil service grading structure has been in place since 1988. It has 13 non-overlapping grades with a set of eight steps within each grade. The current civil service grade structure has not only a high number of levels but also little evidence of reasonable spans of command within the current cadre hierarchies. As a result, there are only very small qualitative differences in responsibility between jobs at different levels, and by extension, there seems to be a high incidence of over-graded jobs. Moreover, there is no regular and systematic job evaluation process because of inadequate capacity at the PMO to conduct this exercise.

8. To address the lack of an objective grade structure, the PMO, with support from the World Bank, reviewed the civil service pay and grade structure and evaluated 184 jobs across the civil service in 2014. Based on the evaluation of a sample of jobs, the study recommended a reduction in the number of grades to nine overlapping grades with five steps within each grade. However, to implement the new grade structure, the study also recommended that all civil service jobs be evaluated.

9. This activity will support the following tasks:

- (a) **Strengthen the capacity of the PMO to conduct job evaluation.** One of the key functions of the PMO is to conduct a job evaluation exercise for the civil service. However, because of attrition and poor succession planning, the PMO currently has limited capacity to undertake this important exercise. To address this challenge, a job evaluation team of nine PMO staff was set up to work with the consultants during the job evaluation exercise conducted in the 2014 Institutional Development Fund project, financed by the World Bank. To ensure skill transfer, the PMO team received in-house training on job evaluation as part of the consultancy. This activity will fund an intensive training for these evaluators to further build the team's expertise in job evaluation and serve as trainers for new team members. Vehicles will also be provided to the PMO to facilitate the movement of the job evaluators in conducting future evaluation exercises.
- (b) **Conducting a job evaluation exercise.** The results of the job evaluation exercise regarding the remaining 250 jobs and the remuneration survey will be used to design the revised pay structure for the civil service, which will help ensure equitable, affordable, and more competitive pay (equal pay for equal work). It will also help



structure and integrate the allowances into basic pay. The first step in this process will be the development of job descriptions for each position in the civil service. The PMO job evaluation team will conduct this process under the guidance of a consultant. The development of a transparent, systematic, and fair salary structure—linked to a revised, systematic, and transparent grade structure—will form the basis of an affordable and progressively improved salary level for all civil servants over the medium term. This will, in turn, mean a progressive reduction in the type and range of allowances paid.

- (c) **Development of a wage bill model.** The wage bill, presented in the report on the pay and grading study, is considered inadequate to allow making informed decisions on a feasible reform pathway because it is too generic and inadequately customized. To this end, the World Bank Group’s assistance is sought for the development of a customized wage bill model to serve as a central budget planning tool, taking into account budget constraints. This activity will also include capacity building within the PMO and the MoFEA to use the model after its development.
- (d) **Compilation of job descriptions and printing;** and
- (e) **Development of an affordable pay structure and consolidating most allowances,** through a systematic approach, ensuring consistency and reliability.

10. The overall objective of this Civil Service Reform Strategy (CSRS) initiative is to attract, appoint, and retain skilled and qualified professional/technical staff. By providing car, housing, and personal loans, it also aims at motivating deserving personnel at the lower cadre to strengthen the institutional capacities of the government MDAs. Since its inception, approximately GMD 57.5 million has been allocated.

11. The findings of the evaluation of the implementation of the Civil Service Reform Program 2012–2015 identified CSRS as its main success story. However, it pointed out that the CSRS’ sustainability is at risk. So far, the loan scheme has operated at a fairly low level. Only 403 civil servants, out of about 20,000, have so far benefited from it. The program is popular, and as the demand picks up, there are distinct possibilities that constraints in funding and administration of the scheme will emerge. This could have negative effects on civil servants’ morale. This activity will therefore support the recruitment of a consultant to review the administration and funding management of the CSRS and advise the formulation of a new strategy.

12. **Activity 1.12: Development and establishment of a new legal framework for a contributory pension scheme (US\$0.24 million).** This activity will finance technical assistance to establish a new legal framework for a contributory pension scheme. The current CSPS is ‘noncontributory’; it does not require participants to make contributions from their own salaries to the scheme. The scheme is funded on the basis of annual budget allocations. The GoTG’s capacity to increase pensions is therefore limited. The benefit provided by the scheme to participants at retirement is low, in fact, generally too low to maintain a reasonable standard of living. One reason for the low government pensions is that the take-home pay of civil servants used to calculate pension benefits currently includes a number of tax-free allowances, which are not included in the base for computation of pension benefits. The legislation under which the current pension scheme operates was originally drafted before The Gambia achieved independence in 1965, and contains many references and provisions that are no longer applicable to the pension needs of civil servants.

13. To help address the above challenges, in 2014, the GoTG approved the Cabinet Memorandum on Pension, which proposed the following recommendations derived from a review and actuarial study of the pension system of the civil service in 2014: (a) the amendment to the Pensions Act of 1950; (b) a 5 percent employee salary contribution; (c) the calculation of pension to be based on gross instead of base salary; (d) the refund of contributions plus interest to employees who leave the service before the age of 45 and/or do not fulfill the 10-year minimum service criteria; and (e) the establishment of a Pension Coordination Unit at the AGD.

14. The objectives of this activity are (a) to increase the pension benefits of retired civil servants to attract and retain qualified managerial and professional staff; and (b) to strengthen the capacity of the Pension Unit to better manage the new pension system/programs.

15. This activity will finance consultant services to (a) develop a new Pension Act; (b) strengthen the capacity of the Pension Unit at the AGD; this proposed activity will build the capacity of the Pension Unit within the AGD/PMO/Public Service Commission to better manage pension funds and programs offered to civil service retirees through training of key staff of the Pension Unit, PMO, and Public Service Commission to enhance their understanding of the design and implementation of pension programs; and (c) organize consultation workshops and facilitation activities to prepare the ground for policy implementation; this proposed activity will take the form of sensitization workshops to inform civil servants on and create awareness of the new Pension Act.

16. **Activity 1.13: Supporting the efficiency and integrity in the management of the payroll system (US\$0.36 million).** The civil service is facing serious challenges in payroll management despite numerous cleanup efforts, including the conduct of staff audits and wage verification and holding bilateral negotiations with the MDAs annually to discuss their HR proposals. While progress has been made in reducing ghost workers, critical challenges include improving payroll integrity, managing the increasing wage bill, eliminating discrepancies between actual staff on the payroll against the budgeted establishments, and verifying the nominal roll of line ministries. To an extent, these challenges contributed to a significant increase in the number of staff on the government payroll from 28,617 in 2007 to 35,000 in 2015. These changes have contributed to faster-than-expected growth in the share of the wage bill relative to the GDP. The PMO has serious capacity constraints affecting its ability to effectively control and monitor HR records. Limited capacity in HR records management in the PMO compromises the Government's ability to control wage bill budget execution and monitor the developments in the pay and emoluments structures of the civil service. Moreover, it does not have full access to comprehensive payroll data from the IFMIS.

17. Furthermore, the continuous large share of vacancies decreases the accuracy of the budgeting process, as well as loosens the control of budget execution. The budget does not contain the details for the established positions of the uniformed service (police and army), unqualified teachers, and staff of subvented agencies despite the fact that these positions are budgeted for. Controlling recruitment and wage bill budget execution in these groups is, therefore, still a challenge because of unanticipated growth in the wage bill. As these groups account for nearly half of the staff on the Government payroll, not being able to monitor the number of authorized positions weakens the Government's capacity to effectively manage the wage bill.

18. The activity will support technical assistance to (a) improve payroll integrity and efficiency by strengthening HR and payroll modules for the government personnel and pensioners and

eliminating ghost workers from the payroll; (b) suppress vacant positions; and (c) strengthen the pension registry and its linkage with the expanded IFMIS platform. The following tasks are envisaged under this activity:

- (a) **Eliminating ghost workers from the payroll.** The last time the PMO embarked on a staff audit exercise for the entire civil service was in February 2012, and it was done in collaboration with the IFMIS Directorate of the AGD. The main objective was to clean the payroll and remove ghost workers. The 2012 audit covered all the MDAs on the payroll except the security services. As a result, 727 absentee employees were removed from the payroll, which saved the Government at least GMD 25 million per year. As part of the exercise, a total of GMD 500,000 has also been recovered from employees who were seconded or transferred to other institutions and whose names continued to appear on the payroll. Auditing staff implies the physical headcount of every civil servant on the payroll and entails that HR auditors need to be sent to all the six regions of the country. It is, therefore, a costly exercise that is difficult to conduct on an annual basis.

Nevertheless, the PMO, in collaboration with the Ministry of Health and Social Welfare, embarked on a staff audit exercise in June 2014. The exercise revealed a series of payroll malpractices and led to the identification of 295 ghost workers from the Ministry of Health and Social Welfare. The projected amount of annual budgetary savings as the result of the removal of these ghost workers is GMD 1 million.

Given the above, the PMO plans to conduct this activity annually but does not have the required resources (vehicles and budget) to allow HR auditors to travel to the provinces for a period of one month. Key among the challenges is the availability of adequate vehicles to embark on a nationwide staff audit. The PMO has a fleet of only four vehicles and relies on the goodwill of other ministries to be able to conduct this exercise as a minimum of six vehicles is needed to conduct this exercise.

This activity will support the PMO to effectively monitor the payroll by undertaking regular staff inspections and carrying out annual staff audit exercises for all the MDAs. The purchase of three vehicles will equip the PMO with the required number of vehicles it needs to conduct regular staff audits without depending on other ministries.

- (b) **Payroll verification.** The PMO currently manages the PMIS, the database for the entire civil service. Despite the existence of the PMIS, the PMO does not have up-to-date HR records. The only comprehensive record of the government employees is the payroll, operating under the IFMIS system, which is controlled by the AGD. The PMO's capacity to use the IFMIS is inadequate and limited. Coupled with the fact that there is no systematic monitoring of civil servants, this makes it difficult for the PMO to establish and maintain accurate HR records. While plans are afoot to integrate the PMIS with the IFMIS, this activity will in the meantime support the PMO to establish the necessary processes to build its capacity to establish and maintain an accurate PMIS through (i) enhancing the capacity of the PMIS; (ii) training of staff of the HR Information System Unit, PMO; (iii) enhancing the capacity of head of departments and accountants in workforce planning; and (iv) enhancing the capacity of HR payroll officers.

19. **Activity 1.14: Strengthening the debt management system (US\$0.37 million).** The GoTG is concerned about elevated and rising risks in its debt portfolio, particularly from interest costs stemming from high and rising levels of short-term domestic debt. The share of domestic debt in the total debt portfolio has grown from about 30 percent in 2010 to almost 50 percent in 2015, with the composition shifting increasingly away from highly concessional long-term external debt toward expensive short-term domestic debt treasury bills (T-bills). The level of domestic debt is (a) high, reaching close to 50 percent of GDP in 2015; (b) predominantly short-term, with about 75 percent of it denominated in T-bills with maturities of 3, 6, and 12 months; and (c) expensive, with the interest rate on new 12-month T-bill issuances at 22 percent as of March 2016 (or at about 15 percent in real terms, taking inflation into account). The existing burden on the fiscal budget is pronounced, as interest payments on domestic and external debt amounted to 40 percent of government revenues in 2015 and are projected to rise to close to 50 percent in 2016. As a consequence, the GoTG is facing rising (a) foreign currency risk; (b) interest rate risk; and (c) refinancing/rollover risk. Additionally, increased pressures on the budget could stem from the depreciation of the Gambian dalasi, even though amortizations are gradual and interest rates are low on external debt. A further risk factor is that the Government faces significant credit risks from nonperforming on-lent and guaranteed loans to the SOEs, potentially leading to further strains on the budget, with adverse fiscal consequences.

20. Building on the technical assistance that the World Bank has provided to the MoFEA's Debt Unit in 2015, this activity will support three specific tasks:

- (a) **Strengthen the GoTG's capacity in debt management and transparency**, including (i) training of the Debt Management Unit staff at the MoFEA to build capacity in debt management monitoring and reporting in public debt management; (ii) developing an ABP and the World Bank-supported tool to be delivered to the MoFEA's senior management and the Debt Management Advisory Committee; (iii) monitoring and regular (quarterly) reporting on performance in the implementation of the ABP to the MoFEA's senior management and Debt Management Advisory Committee; and (iv) preparing regular (quarterly) public debt reports, for timely (one-month lag) posting on the MoFEA's external website. This will build on the technical assistance that the World Bank provided to the MoFEA's Debt Management Unit in 2015 and support the implementation of this assistance.
- (b) **Purchase and install a new CSDRMS version and develop an updated CSDRMS/IFMIS interface.** It will include technical assistance, hardware and software, and support and maintenance services.
- (c) **Support the restructuring process of domestic debt**, including a review of the (i) institutional arrangements for domestic debt management and possible reforms; (ii) investor relations and possible measures for deepening the local public debt market; (iii) regulatory issues, such as market regulations, investor protection, and taxation; (iv) primary market analysis, for example, instruments, strategy and issuance, cash management operations, coordination with the CBG, and clarity between fiscal and monetary objectives in the domestic debt issuance process; and (v) monetization of the Government overdraft with the CBG and possible measures to reduce the overdraft. The review could also cover options for (i) developing a fixed schedule government bond program, (ii) mapping and monitoring investor profiles, and (iii) gradually developing benchmark bonds. The final output of the proposed assistance

will be a detailed report of findings, strategic frameworks, regulations, and guidelines on the above.

21. The project will finance technical assistance including consultant services of an adviser and international firm, goods and services, a study tour, and training of staff in the Debt Management and Economic Cooperation Directorate and other relevant directorates in the MoFEA.

22. **Expansion of Component 6: Support to National Statistical Capacity Building (US\$1.00 million).** This component expansion aims at supporting statistical capacity development to improve the coverage, quality, and timeliness of reporting of macroeconomic and poverty indicators for improved policy responsiveness, public resource management and economic development, and transparency. Changes to this component under AF2 are intended to support improved policy alignment with the 2020 Vision objectives, help monitor and evaluate progress toward poverty reduction objectives identified in the PAGE (2011–2015), and provide baseline indicators for the NDP 2017–2021 and the SDGs. There is a need to strengthen and update annual national accounts with new benchmarks, develop and maintain a statistical business register, and introduce quarterly national accounts. It also intends to support data revolution in The Gambia by strengthening CRVS systems as the main administrative records data source for social protection, governance, and transparency interventions. All these statistical activities need to be well planned under the NSDS (2017–2021) that will be aligned with the NDP 2017–2021, and substantial capacity building is required. AF2 will support the following activities under this component:

23. **Activity 6.5: Carrying out an integrated household survey for the period 2015/2016 (US\$0.15 million).** The GBoS is implementing the IHS 2015/2016 that will provide indicators and statistics to monitor the implementation of the PAGE, as well as the baseline indicators for the NDP 2017–2021. The IHS 2015/2016 is a comprehensive survey that provides statistics to several development sectors including the country poverty profile. It is a 12-month data collection survey that will also provide the weights to rebase the CPI from 2004 to the new base year (2015/2016). The large sample size of the survey (13,318 households) will allow producing indicator estimates at the district level, thus informing decision making on specific population targets with regard to needed interventions. The sample was selected using the recent 2013 Population and Housing database that provided details on the number of households per enumeration area (all enumeration areas in the country are digitalized).

24. The sectors covered by the IHS 2015/2016 include education, health, employment, agriculture, household consumption and expenditure, transfers, housing, migration, environment, access to social amenities, governance, and crime and security. The World Bank played a critical role in designing and finalizing the survey instruments by providing short-term technical assistance. The IHS 2015/2016 data collection started in April 2015, and the GBoS has completed the data collection and data entry. To implement the survey, the GBoS has recruited 72 enumerators and supervisors and 48 data entry clerks.

25. The project under implementation supported the data collection, data entry, and analysis of the IHS 2015/2016, while AF2 will continue to support the production of poverty profile reports and sector baseline indicators to help evaluate the progress made toward PAGE 2011–2016 implementation and provide baseline indicators for the NDP 2017–2021 and for the SDGs. The activity will also support data analysis, report writing, and printing of 40 district profiles and improving local skills in poverty mapping by recruiting consultants, conducting training

workshops on data analysis and poverty mapping, workshops on data validation and dissemination, and printing the district profile reports.

26. **Activity 6.6: Improving the national accounts and developing and maintaining a statistical business registry (US\$0.10 million).** To improve economic statistics in general and GDP estimates in particular, the World Bank has provided support to The Gambia to conduct the second Economic Census (2014) and Business Establishment Survey (2015). The first Economic Census and Business Establishment Survey were conducted in 2004. The results of the second Economic Census (2014) have provided a list of businesses that will be the basis to develop the Gambia Business Register for statistical purposes—as a sampling frame for future business surveys. More importantly, it provided the sampling frame for the Business Establishment Survey (2015) that is meant to provide data for benchmarking GDP estimates from 2004 to 2013. The provisional results from the Business Establishment Survey (2015) are now available. The survey did not cover all industry sectors including agriculture, mining, finance, public administration, and informal sector. Data for these sectors will be obtained from administrative records and specific surveys (Agriculture Survey, Labor Force Survey, IHS, and so on). It is expected that the new GDP benchmark series covering all industries will be available by the end of the first quarter of 2017.

27. This activity will support the recipient’s capacity to estimate the new GDP based on the 2008 System of National Accounts, as internationally recommended. The GBoS, in close collaboration with the GRA, will coordinate the development and maintenance of the Gambia Business Register. The GRA should review its business registration and coding module to accommodate ISIC Rev. 4 of all economic activities. This will allow the GBoS to embark on compiling quarterly GDP estimates. AF2 will support the following activities: specific industry surveys for quarterly GDP estimates; training of coders and coding of businesses registered with the GRA, following ISIC Rev. 4; adjustment of business registration module of the GRA computerized system to accommodate ISIC Rev. 4; and development of maintenance procedures for the statistical business register. The coders will be trained to improve the quality of the data received from the GRA. Currently, the GBoS encounters problems during the analysis of the data because some of the items are wrongly classified. Also, the upgrading of the coding system will make it easier to produce data that are more user-friendly for compiling quarterly GDP estimates.

28. **Activity 6.7: Strengthening the civil registration and vital statistics (CRVS) system (US\$0.20 million).** CRVS systems permit the production of statistics on population dynamics, health, and inequities in service delivery on a continuous basis for the country. CRVS is the act of recording and documenting of vital events in a person’s life (including birth, marriage, divorce, adoption, and death) and is a fundamental function of governments. The arrival of new technology in resource-constrained environments has created opportunities for developing more efficient information systems. This provides more accurate information and the ‘denominator’ for assessing progress with plans across sectors for improving economic growth and reducing poverty. Accurate vital statistics and the ability to monitor and respond to causes of death and disability underpin many global targets, including new commitments to universal health coverage and tackling the global epidemic of non-communicable diseases. In The Gambia, the CRVS systems are currently not well organized and cannot provide accurate statistics that can be used for M&E of programs and decision making on a regular and sustainable basis.

29. With the support of the UNECA, The Gambia is organizing the institutional framework that will help to conduct a comprehensive CRVS assessment in the country. A road map has been

developed, and the UNECA will provide an expert to conduct the assessment. Based on the assessment findings, a CRVS Strategic Plan will be developed. The strengthening of CRVS systems in The Gambia by implementing the CRVS Strategic Plan is a huge activity that will require additional technical and financial support from development partners.

30. This activity will support the establishment of an efficient and effective (CRVS) system that will permit the production of statistics on a continuous basis for the country as a whole and for local administrative subdivisions. It is also intended to improve the registration of births and issuance of birth certificates, which are among the fundamental basic rights of a child. The system will enhance availability and access to information on marriages, divorces, and deaths including cause of death. These are vital information for the development of projects and programmes, decision making, and policy formulation, especially for the health service providers. Based on the UNECA road map and on a CRVS assessment, this activity will support the development of the CRVS Strategic Plan, the pilot CRVS system in two districts (to be scaled up in other districts later); a mobile-based vital statistics reporting system, which will involve the acquisition of mobile devices with an appropriate software package; the establishment of a CRVS PCU; and a study tour to a country where the CRVS system is functioning well, to better implement the system.

31. **Activity 6.8: Strengthening the national statistical system (US\$0.10 million).** The NSDS will draft the five-year strategic orientation and activities (2017–2021) for the NSS. The NSDS design has been holistic and involved the participation of all NSS stakeholders from the beginning through workshops and meetings. It has been a bottom-up approach with a clear road map. So far, 11 public institutions have developed their Sector Strategy for the Development of Statistics. The comprehensive NSDS is being finalized. Capacity building of the NSS is one of the NSDS flagships. The GBoS has just revised its organizational structure and has already recruited 13 additional staff with a bachelor's degree. These new staff need short-term as well as long-term training.

32. This activity will support the implementation of activities (2017–2021) for the NSS and the development of a comprehensive capacity-building program, including a training curricula for short-, medium-, and long-term training of the NSS staff as well as other interested private institutions that will lead to a recognized (equivalent) certificate, diploma, and degree in statistics, and the implementation plan of the Statistics Training Center. Capacity and skills in statistics are limited within the NSS; hence, a series of trainings are planned during the implementation of the NSDS 2, and most of them will be locally conducted. To do this better and in a more effective manner, it would be judicious to enhance local capacity by training some NSS staff to the master's level.

33. **Activity 6.9: Strengthening the Bureau of Statistics' data dissemination (US\$0.10 million).** The Busan Action Plan for Statistics (2011) recommends implementing standards for data preservation, documentation, and dissemination that permit full public access to statistics. Currently, the GBoS has not fully and timely disseminated statistics on its website. Some statistics are posted with a lag of several months, namely CPI, survey reports, metadata, and so on. As statistics is recognized as a public good, it should be freely accessible on the GBoS website as soon as it is released. The GBoS needs strong support to build a sustainable dissemination system.

34. This activity will provide technical assistance to formulate an open data dissemination policy; maintain the GBoS website within the MoICI's infrastructure; provide training of the GBoS

IT staff on Content Management Systems; and purchase software and equipment (appropriate antivirus software as well as large screens) to display key statistics.

35. **Activity 6.10: Provision of resident advisory services to GBoS staff (US\$0.35 million).** Under the IFMIS project, a resident technical adviser to the GBoS was recruited for two years (from September 15, 2014 to September 15, 2016). The terms of reference were to advise the statistician general of the GBoS on a number of statistics projects including the improvement of economic statistics and statistics infrastructure. Although a considerable number of advices were provided and implemented, a lot of work remains to be done to improve the main aspects of economic and social statistics production, analysis, and dissemination; develop statistics infrastructure; improve the GBoS' management system; and build capacity of both the GBoS and the rest of the NSS. The technical adviser has shown the ability to make change in the GBoS because of his expertise in statistics and his experience in statistics management.

36. In this context, the resident technical adviser's contract will be extended for two years to lead the implementation of the GBoS' organizational restructuring and development with a focus on building capacity in economic and social statistics, as well as data analysis and dissemination under the implementation of the NSDS 2. Additional activities will focus on the third IHS 2015/2016 data analysis and survey planning, improving data dissemination, and improving the GBoS' development management.

37. **New Component 8: Support for State-Owned Enterprise Reform (US\$2.38 million).** This component, to be implemented by the DPPP/MoFEA, will include technical assistance, equipment, and software to (a) strengthen the Government's oversight of the sector, including performance monitoring and information sharing; (b) improve financial discipline in the relations between the state and the SOE sector; (c) strengthen the SOE corporate governance through legal and regulatory reforms and professionalizing the SOEs' boards of directors; and (d) improve the financial and operational performance at the level of selected individual SOEs. Common themes running through all of the above will be efforts to increase transparency and accountability thereby improving corporate governance and financial discipline. The activities that will be added are discussed in detail below.

38. **Activity 8.1: Supporting the unit working on the reform of state-owned enterprises (DPPP/MoFEA) (US\$0.97 million).** Critical for the success of the SOE reform program will be the strengthening of the DPPP unit at the MoFEA, which since early 2015 has had the responsibility for overseeing the SOE sector. Monitoring of the SOE sector has been limited in recent years, and given the critical and urgent need to address weaknesses in the SOE sector and its oversight, this activity will support a rapid buildup in the unit's capacity. In addition to its monitoring function, this unit will be the secretariat for a working group or task force on SOE reform and will need to play a key role in formulating reform strategy and overseeing its implementation. This activity will first finance a resident senior adviser for a period of two years to provide high-level strategic and analytical support for the formulation, implementation, and monitoring of the SOE reform program and for the DPPP director and staff. It will also support the creation of a reporting and M&E system for the SOE sector, a debt analysis/cash flow/early warning system, a database of potential board directors, and a web portal for the DPPP. It will finance equipment, including a vehicle, computers, and software for a management information system/database for the SOEs and other office equipment such as a slide projector. This will be complemented by capacity building for DPPP staff in the form of training (short- and long-term), twinning with institutions in other countries, and a study tour.



39. **Activity 8.2: Improving the financial discipline and corporate framework of state-owned enterprises (DPPP/MoFEA) (US\$0.95 million).** This activity will finance technical assistance in the form of short-term advisers to support measures such as (a) identification of the SOE PSOs and their inclusion in the budget; these PSOs are defined as SOE requirements to deliver public services that are not commercially viable, such as free street lighting, power supply to some rural areas, and in general the delivery of services where tariffs/revenues are insufficient to cover their costs; (b) quantification of the Government's contingent liabilities for the SOE sector and their inclusion in the budget; this will require the development of a methodology to define contingent liabilities and update them on a regular basis; (c) development of a fiscal risk assessment methodology, which will include detailed scenario analysis to be applied to the most important or at-risk SOEs; and (d) design and implementation of measures to reduce the Government's risk exposure to the sector, which might include close monitoring of the SOE debt obligations and short-term cash flow, setting limits on the SOEs' ability to raise debt, charging guarantee fees, and reviewing the SOEs' preferential access to goods and services.

40. This activity will also support a technical assistance for SOE-level financial risk assessments, diagnostic studies, and action plans. It will finance consultants to prepare analytical studies and reform action plans for the most problematic SOEs for which studies and action plans have not yet been completed. It will also finance fiscal risk assessments for three to four of the key SOEs (including Gambia Telecommunications Company, Gambia Telecommunications Cellular Company, and NAWEC) at most risk. It will also include technical assistance and training support to individual SOEs in the implementation of reforms and for the training of staff in regular updating and data sharing to facilitate timely and regular fiscal risk assessment of the SOEs by the MoFEA. This activity will include support for the quantification of the costs of the Government-mandated PSOs, the identification and quantification of parameters needed for the MoFEA to complete and regularly update a fiscal risk assessment, preparation of a debt restructuring proposal, and support for tariff-setting proposals. Work on other SOEs will be tailored to their needs. Consultant teams to be financed by this activity will include specialists in finance and management as well as technical specialists, depending on the sectoral role of each SOE. This activity will also finance a collaborative engagement with citizens to improve the transparency, accessibility, and understandability of data pertaining to SOEs' annual performance reports.

41. In the case of the NAWEC, this activity will finance the quantification of the costs of government-mandated PSOs, the identification and quantification of parameters needed for a fiscal risk assessment, preparation of a debt restructuring proposal, training of the NAWEC accounting staff, and support for the tariff-setting proposals that the NAWEC will make to PURA.

42. **Activity 8.3: Reviewing and improving the oversight, corporate governance, and legal framework of state-owned enterprises (DPPP/MoFEA) (US\$0.46 million).** This activity will finance the completion of a full review of the legislation and regulations governing the SOEs and the drafting of modifications, including new legislation where necessary, by specialists. Such modifications may be required in the Public Enterprises Law, the individual acts governing some SOEs, the full corporatization of those SOEs that are not yet registered under the Companies Act, and publication of the SOE audited financial statements. Likely changes will include strengthening of the legal powers of the SOE oversight unit with regard to its access to the SOE operational and financial performance data, improvements to the processes for the nomination and appointment of members of the boards of directors, specification of the composition of the SOE boards to reduce the number of ex officio government servants and require necessary independent technical,

financial, and managerial expertise, a requirement for the Government to pay through line items in the budget for any SOE PSOs that are not financially viable, and a requirement for the GoTG to sign annual performance agreements with the SOE boards.

43. This activity will also finance training for members of the PAC/PEC of the National Assembly and the SOE board of directors. Where possible, training will be delivered by Gambian training institutions. This activity will also assess the potential for the creation of the Gambia Institute of Directors.

44. Support will also be provided to PURA in updating its tariff-setting methodology. In the context of a possible crisis scenario and future volatility in public utility input costs, this activity will finance technical assistance to PURA in developing more flexible rapid response utility tariff-setting mechanisms to enable quicker adjustments to changing international fuel costs, exchange rate fluctuations, domestic inflation, and other variables. Specialist consultants will review PURA's existing tariff-setting mechanism and make recommendations based on changing circumstances and on international best practices.

### Annex 3. Project Costs by Components

<b>Project Component</b>	<b>Original Budget (May 2010) (US\$, millions)</b>	<b>AF1 (September 2013) (US\$, millions)</b>	<b>Current Allocation<sup>#</sup> (US\$, millions)</b>	<b>AF2 (US\$, millions)</b>	<b>Proposed Total Allocation (US\$, millions)</b>
<b>Component 1:</b> IFMIS Rollout, Interfaces, and System Training	4.00	3.34	7.88	1.62	9.50
<b>Component 2:</b> New IFMIS Applications	0.42	—	0.02	—	0.02
<b>Component 3:</b> Communications and Change Management	0.10	—	0.04	—	0.04
<b>Component 4:</b> IT and Accounting Capacity Building	0.33	—	0.41	—	0.41
<b>Component 5:</b> Project Management Support	0.40	0.46	0.85	—	0.85
<b>Component 6:</b> Support to National Statistical Capacity Building	—	0.70	0.95	1.00	1.95
<b>Component 7:</b> Support for the Preparation of Energy Strategy Study	—	0.50	0.25	—	0.25
<b>New Component 8:</b> Support for State-Owned Enterprise Reform	—	—	—	2.38	2.38
<b>Total</b>	<b>5.25</b>	<b>5.00</b>	<b>10.40</b>	<b>5.00</b>	<b>15.40</b>

*Note:* <sup>#</sup> The current allocation column is reflective of reallocations between project components (that took place during the project restructuring in November 2012, September 2013 and January 2016) and exchange rate fluctuations.

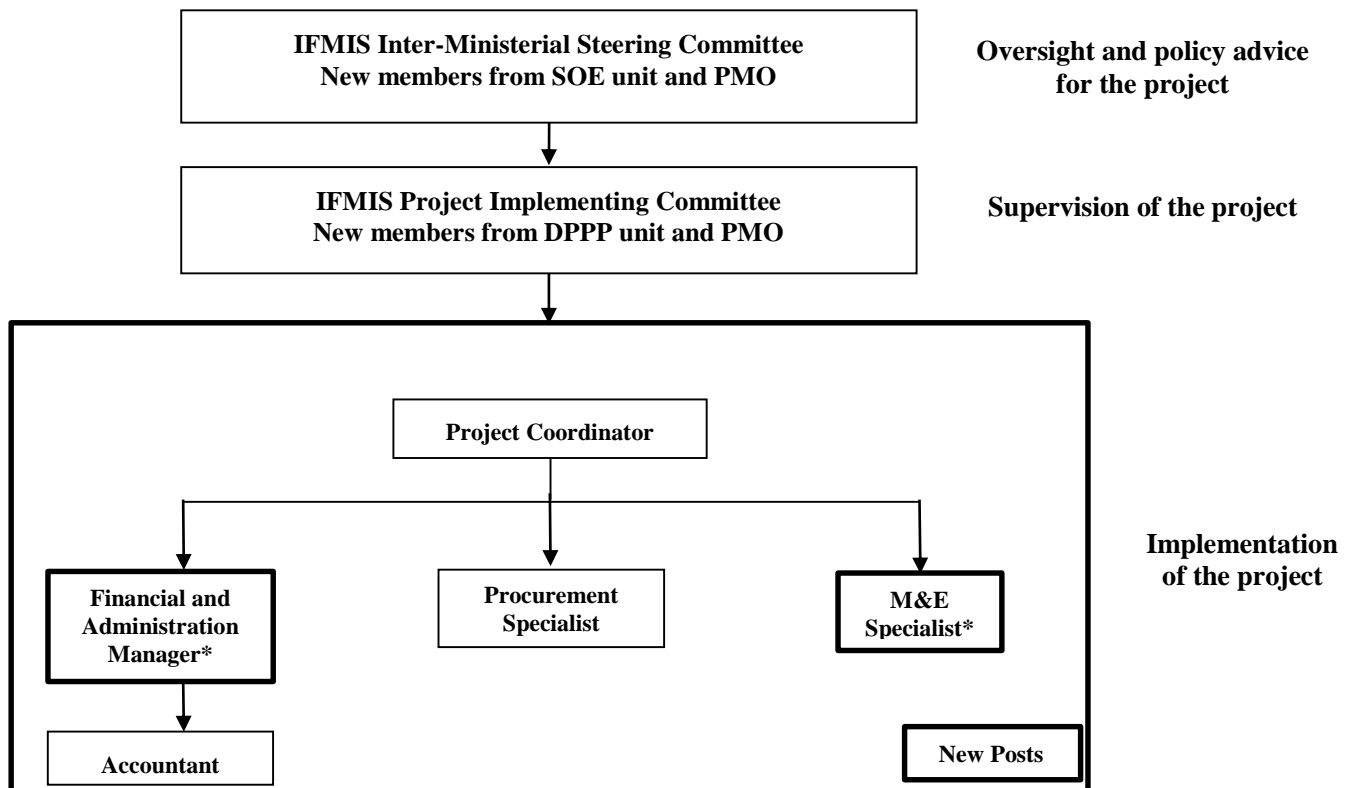
## Annex 4. Revised Implementation Arrangements and Support

### Project Institutional and Implementation Arrangements

1. **Implementation arrangements of the ongoing IFMIS project will be maintained under IFMIS AF2.** The existing arrangements provide for the MoFEA to be the responsible ministry, as designated by the GoTG, and it will provide oversight and support for project implementation. The permanent secretary of the MoFEA also chairs the IFMIS Inter-Ministerial Steering Committee, which includes representatives from several ministries and agencies, such as the GRA and the NAO. Also, a Project Implementing Committee and a PCU will be maintained within the MoFEA, with suitable responsibilities and procedures. Additional members were included under the first Additional Financing from the new beneficiaries of the IFMIS AF in the National Records Service, GBoS, NAWEC, and Ministry of Energy. Under AF2, new beneficiaries, the SOE unit and PMO of the MoFEA, will be added to these coordination mechanisms. Because these mechanisms have been managing the project well over the last six years, they will be maintained under the AF2.

2. **However, staffing of the PCU will be strengthened due to an increased number of new activities.** The current PCU was established as the core project management unit in the MoFEA and is responsible for all PFM-related projects in The Gambia but has been operating with a small team, comprising the coordinator, the procurement specialist, and an accountant. The PCU has been recently expanded to include an administration and financial manager and an M&E/operations specialist to strengthen implementation capacity and better manage the expanded activities. The Project Implementation Manual (PIM) was updated before the negotiation of AF2 by taking into account the expanded activities and new beneficiaries.

Figure 4.1. Revised Implementation Mechanism



## Financial Management, Disbursements, and Procurement

### *Financial Management Arrangements*

3. An FM assessment of the PCU of the MoFEA, the main implementing unit for the IFMIS AF2, was conducted. The objective of the assessment was to determine whether the PCU/MoFEA has adequate FM arrangements in place to ensure that the project funds will be used for the purposes intended in an efficient and economical manner.

4. The assessment complied with the Financial Management Manual for World Bank-Financed Investment Operations that became effective on March 1, 2010, but was issued (retrofitted) on February 4, 2015, as well as the GGODR Financial Management Assessment and Risk Rating Principles.

5. The PCU/MoFEA continues to present a number of strengths in FM: (a) qualified and experienced accounting staff; (b) the staff has strong experience in FM of World Bank-funded-projects; (c) a computerized FM system (IFMIS software); (d) the external auditors issued clear opinions on the 2014 financial statements of the IFMIS Additional Financing, and the management letter did not raise any major internal control issue; and (e) the performance of the PCU/MoFEA in FM has been satisfactory since 2013.

### *Internal Control*

6. The existing PIM (which includes FM procedures) was updated to document the IFMIS AF2 specific FM arrangements, including internal controls, budget process, assets safeguards, and roles and responsibilities of all stakeholders.

### *Budgeting*

7. The budget cycle process that is clearly described in the existing PIM of the PCU/MoFEA will be used for the IFMIS AF2.

### *Accounting*

8. The IFMIS AF2 will rely on the financial and accounting procedures of the IFMIS Project. Project accounts will be maintained on a cash basis, supported with appropriate records and procedures to track commitments and to safeguard assets.

### *Disbursement*

#### **Disbursement Methods**

9. The project will use the transaction-based disbursement procedures, that is, replenishment, direct payment, reimbursement, and special commitments.

**Table 4.1: Disbursement Table**

<b>Category</b>	<b>Amount of the Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive Taxes)</b>
(1) Goods, Consultants' Services (including audits) and non-	3,600,000	100%

consulting services, Training and Operating Costs for Parts 1.11, 1.12, 1.13, 1.14, 6.5, 6.6, 6.7, 6.8, 6.9, 6.10, and 8 Project		
<b>TOTAL AMOUNT</b>	3,600,000	

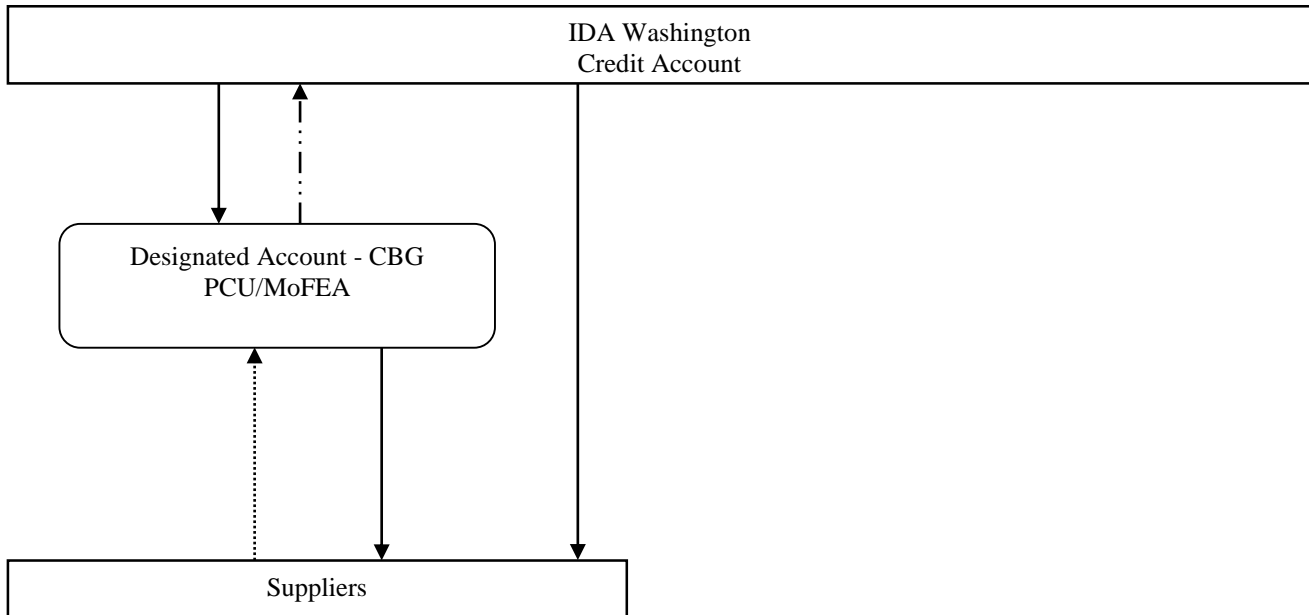
**Designated Account**

10. The designated account will be located in the CBG and managed by the PCU/MoFEA. The currency of the designated account will be U.S. dollar, and the allocation will cover approximately four months of expenditures. The designated account will be managed according to the disbursement procedures described in the PIM and the Disbursement Letter.

**Quarterly Replenishment Applications**

11. The designated account will be replenished through the submission of withdrawal applications quarterly or more often if needed by the PCU/MoFEA, which will include bank statements and other documents as may be required. The funds flow arrangements are schematized in Figure 3.2.

**Figure 4.2. Funds Flow Arrangements**



- > Funds flow
- .....> Documents flows
- - - - -> Withdrawal applications

### *Financial Reporting*

12. Interim Unaudited Financial Reports (IFRs) will be prepared on a quarterly basis. The IFRs will include sources and uses of funds by project expenditures classification. They will also include a comparison of budgeted and actual project expenditures (commitment and disbursement) to date and for the quarter. The PCU/MoFEA will submit the IFRs to the World Bank within 45 days following the end of the calendar quarter.

13. The PCU/MoFEA will produce annual financial statements, and these statements will comply with laws of The Gambia and World Bank requirements. These financial statements<sup>5</sup> will comprise

- a Statement of Sources and Uses of Funds,
- a Statement of Commitments,
- Accounting Policies Adopted and Explanatory Notes, and
- a Management Assertion that project funds have been expended for the intended purposes as specified in the relevant financing agreements.

### *External Audit*

14. The Financing Agreement will require the submission of audit reports of financial statements for the project to IDA. Each such audit of the financial statements shall cover the period of one fiscal year of the recipient.

15. An external auditor with qualification and experience satisfactory to the World Bank will be appointed to conduct audit of the project's financial statements.

16. A single opinion on the audited financial statements in compliance with International Standards on Auditing will be required.

17. The external auditor will prepare a Management Letter giving observations and comments and providing recommendations for improvements in accounting records, systems, controls, and compliance with financial covenants in the Financing Agreement.

18. The audited financial statements shall be furnished to the World Bank not later than six months after the application deadline.

19. The PCU/MoFEA will amend the contract of the current IFMIS auditor to include the financial statements for 2016 of the IFMIS AF2. As this contract will end in December 2016 (last fiscal year audited - 2016), the PCU/MoFEA will recruit a new auditor for the IFMIS AF2 to audit the financial statements for 2017 and 2018.

### **Conclusion of the Assessment**

20. The conclusion of the assessment is that FM arrangements in place at the PCU/MoFEA meet the World Bank's minimum requirements under OP/BP 10. The overall fiduciary risk rating is assessed as Moderate.

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<sup>5</sup> It should be noted that the project financial statements should be all-inclusive and cover all sources and uses of funds and not only those provided through IDA funding. They thus reflect all program activities, financing, and expenditures, including funds from other development partners.

## ***Procurement***

21. **The procurement activities for the AF2 will be conducted using the existing institutional arrangement of the ongoing IFMIS.** Hence, the PCU will be maintained within the MoFEA. The PCU staff is well-versed in the IDA procedures and has handled procurement under previous and ongoing IFMIS phases. With this background experience, it is expected that the sum of expertise gained will highly benefit the AF and will help mitigate the residual risks that may exist. In addition, the PCU comprises a qualified team, including a program coordinator as well as an accountant and a procurement officer. It is expected that the PCU team will be expanded by recruiting a financial specialist (administration and FM specialist) and an M&E/operations specialist, to strengthen implementation capacity and better manage the expanded activities.

22. **An assessment of the capacity of the MoFEA PCU in charge of procurement was carried out by IDA in March 2016 by the World Bank's senior procurement specialist.** The assessment, which was an update of the assessment for the AF2, reviewed the organizational structure for project implementation and the interactions between the project staff responsible for procurement and other technical staff and stakeholders during project implementation. This assessment found that the procurement officer is experienced in World Bank procurement and has improved her performance since the last assessment, as noted in the FY15 Procurement Post Review (PPR) report. However, in the past, the PCU failed to correctly procure some activities related to the IT system. Under AF2, some IT contracts are identified. The capacities in planning and IT expertise are inadequate. In addition, there is no functional complaints resolution mechanism.

23. **The overall risk for procurement is rated as Substantial, and the main risks are identified as follows:** (a) the review of the ongoing revision of the national bidding documents; (b) delays in procurement due to technical issues; (c) delay in project processing and implementation due to lack of proper planning; and (d) disincentive to competition due to lack of a system to resolve complaints. This last risk is unlikely because no complaint has been registered since the beginning of the project implementation.

24. **Corrective measures have been agreed.** The measures are (a) strict respect of provision for the use of the National Procurement Act and Bidding Documents for the National Competitive Bidding (NCB) mentioned below; (b) close monitoring of the interactions between the PCU and other beneficiaries to ensure timely submission of procurement documents (terms of reference, technical specifications, inputs for bidding documents, and so on) to the PCU; (c) an agreement on a plan to acquire necessary expertise on IT system; (d) repackaging of contracts in commercial groups of goods/works/services to ensure competition in line with the market of procured items; and (e) a session with the project team on how to handle complaints in World Bank-financed projects.

25. **Procurement for the proposed AF2 will be carried out in accordance with the World Bank's relevant guidelines.** These are: 'Anti-Corruption Guidelines: Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants', dated October 15, 2006 and revised in January 2011, 'Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers' dated January 2011, revised July 2014 (Procurement Guidelines), and 'Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers' dated January 2011, revised July 2014 (Consultant Guidelines).



*National Competitive Bidding Method*

26. **The Borrower will ensure that procurement of goods, works, and non-consulting services under NCB will be carried out through an open tender as set forth in the Gambia Procurement Act 2014**, subject to the provisions of the Consultant Guidelines, dated January 2011 and revised July 2014, and the following additional provisions:

- (a) Prospective bidders will be provided four weeks from the date of publication of the invitation to bid or the date of availability of the bidding documents, whichever is later, for the preparation and submission of bids.
- (b) Bidding documents acceptable to the Association shall be used and shall be prepared to ensure economy, efficiency, transparency, and broad consistency with the provisions of Section I of the Procurement Guidelines.
- (c) Invitation for bids will be advertised in a national newspaper of wide circulation, in the official gazette provided that it is of wide circulation, or on a widely used website or electronic portal with free national and international access.
- (d) Bids shall be submitted in a single envelope.
- (e) Bid evaluation criteria, bidder's qualifications criteria, and the contract award criteria shall be clearly specified in the bidding documents.
- (f) No margin of preference shall be granted to domestic bidders.
- (g) Eligible bidders, including foreign bidders, shall not be excluded from the bidding.
- (h) The procedures will include the publication of the results of evaluation and of the award of the contract.
- (i) The bidding document and contract as deemed acceptable by the Association shall include provisions stating the World Bank's policy to sanction firms or individuals found to have engaged in fraud and corruption as defined in the Procurement Guidelines.
- (j) In accordance with the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Financing shall provide that bidders, suppliers, and contractors, and their subcontractors, agents, personnel, consultants, service providers, or suppliers, shall permit the Association to inspect all accounts, records, and other documents relating to the submission of bids and contract performance and to have them audited by auditors appointed by the Association. Acts intended to materially impede the exercise of the Association's inspection and audit rights provided for in the Procurement Guidelines constitute an obstructive practice as defined in the Procurement Guidelines.

27. **Procurement of goods.** Goods procured under this project will include, but are not limited to, purchase of furniture, vehicles, software and hardware, antivirus software, smartphones, and printing materials.

28. **Procurement of non-consulting services.** These services may concern operating expenses such as office maintenance, equipment maintenance, and non-consulting services related to the organization of workshops. The related contracts will be at small value, and they may be procured using shopping procedures as per paragraph 3.5 of the Procurement Guidelines.

29. **Selection of consultants.** Consulting services will include drafting of legislations and regulations, strategic and actions plans, policy documents, software configuration, and data entry and analysis.

30. **Operational costs.** These costs may include purchase and maintenance of office furniture, office maintenance, equipment maintenance, and cost related to the project coordination needs. They are either goods or non-consulting services and they may be procured using shopping procedures as per paragraph 3.5 of the Procurement Guidelines.

31. **Procurement Plan.** The recipient has developed a draft Procurement Plan for the first 18 months of the project implementation with the basis for the procurement methods for each contract. The Procurement Plan sets up the prior review and procurement method threshold. Immediately upon approval of the credit, with the recipient’s agreement and following revisions if needed, the plan will be published on the World Bank’s public website and the recipient’s intranet website. Once approved, the Procurement Plan shall be updated in agreement with the World Bank on an annual basis or as required, to reflect the actual project implementation needs and improvements in institutional capacity.

32. This Procurement Plan covers the first 18 months of the project and will be updated annually or more frequently, as necessary.

**General**

**1. Project information**

Country: The Gambia

Borrower: Ministry of Finance & Economic Affairs

Project Name: Integrated Financial Management Information System Project  
Additional Financing 2

Project No: P159000

Project Implementing Agency: Project Coordinating Unit, MoFEA

**2. World Bank’s approval date of the Procurement Plan: July 27, 2016**

**3. Date of general procurement notice:**

**4. Period covered by this Procurement Plan: November 1, 2016 to December 31, 2019**

**Goods, Works, and Non-consulting Services**

**1. Prior Review Threshold**

Procurement decisions subject to prior review by the World Bank, as stated in Appendix 1 to the Procurement Guidelines:

	<b>Procurement Method</b>	<b>Prior Review Threshold</b>	<b>Comments</b>
1.	ICB and LIB (Goods)	US\$500,000	ICB and LIB for goods will be used for US\$500,000 and above.
2.	NCB (Goods)	No	Two (2) first contracts will be reviewed by the World Bank.

	<b>Procurement Method</b>	<b>Prior Review Threshold</b>	<b>Comments</b>
3.	ICB (Works)	US\$3,000,000	No works are expected under the financing.
4.	NCB (Works)	US\$3,000,000	No works are expected under the financing.
5.	ICB (non-consultant services), if any	US\$300,000	ICB for non-consultant services will be used for US\$300,000 and above.
	NCB (non-consultant services)	= or > US\$100,00	NCB for non-consultant services will be used for less than US\$300,000.
6.	Shopping	= or > US\$100,000 and the first two contracts under US\$100,000	Shopping for works = or > US\$200,000, goods, and non-consultant services will be used for less than or equivalent to US\$100,000. If more than US\$100,000, prior clearance is needed from the World Bank, with relevant justifications. The cost estimate will not exceed US\$100,000.
7.	Single Source	= or > US\$100,000	Provide Justification to the World Bank.
8	ICB and LIB (Goods)	US\$500,000	ICB and LIB for goods will be used for US\$500,000 and above.

*Note:* ICB = International Competitive Bidding; LIB = Limited International Bidding.

## 2. Procurement Packages with Methods and Time Schedule

List of contract packages that will be procured following ICB and Direct Contracting:

1	2	3	4	5	6	7	8	9
Ref. No.	Contract (Description)	Estimated Cost (US\$)	Procurement Method	P-Q	Domestic Preference (Yes/No)	Review by World Bank (Prior/Post)	Expected Bid-Opening Date	Comments
IFMIS-AF2/Goods/01/SH01	Purchase of four (4) vehicles	200,000	Shopping (RFQ)	n.a.	No	Prior	March 2017	Clearance for use of shopping will be requested from the World Bank and the MTB
IFMIS-AF2/Goods/02/SH02	Printing of the Pension Act and job descriptions for the PMO	30,000	Shopping (RFQ)	n.a.	No	Post	July 2017	
IFMIS-AF2/Goods/03/SH03	Purchase of furniture (PMO and GBoS)	35,000	Shopping (RFQ)	n.a.	No	Post	April 2017	
IFMIS-AF2/Goods/04/SH04	Printing of the IHS	37,500	Shopping (RFQ)	n.a.	No	Post	June 2017	
IFMIS-AF2/Goods/05/SH05	Purchase software/ smartphones/tablets/ antivirus software/MS office/large screens for the GBoS	50,000	Shopping (RFQ)	n.a.	No	Post	May 2017	
IFMIS-AF2/Goods/06/SH06	Purchase of fuel (GBoS/DPPP)	27,500	Shopping (RFQ)	n.a.	No	Post	February 2017	
IFMIS-AF2/Goods/07/NCB01	Office equipment/hardware/software (PMO, DPPP, and GBoS)	141,550	NCB	n.a.	No	Prior	May 2017	
IFMIS-AF2/Goods/08/SSS01	Purchase and installing of the new CSDRMS version	90,000	Single Source	n.a.	No	Prior	February 2017	Provide justification

## Consulting Services

### 1. Prior Review Threshold

Selection decisions subject to prior review by the World Bank, as stated in Appendix 1 to the Consultant Guidelines:

	Selection Method	Prior Review Threshold	Comments
1.	Competitive methods (firms)	US\$500,000 And the first contract under Quality- and Cost-Based Selection (QCBS) irrespective of its cost estimate	
2.	Single Source (firms)	= or > US\$100,000	Provide justification to task team leader
3.	Individual Consultants (ICs)	= or > US\$100,000	None
4.	Single Source for ICs	= or > US\$100,000	None
5.	Contracts for specific assignments such as contracts for the elaboration of PIM and POM, contracts for M&E assignments; contracts for financial assistance assignments; contracts for financial audit; contracts for technical audit; contracts for environmental and social issues; and contracts for legal assignments	All, irrespective of the cost estimate	The review of those contracts are not based on the selection methods, but due to their sensitivity, they will be subject to prior review.

### 2. Short List Consisting Entirely of National Consultants

Short list of consultants for services, estimated to cost less than US\$200,000 equivalent per contract, may consist entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

### 3. Any Other Special Selection Arrangements: None

#### 4. Consultancy Assignments with Selection Methods and Time Schedule

1	2	3	4	5	6	7
Ref. No.	Description of Assignment	Estimated Cost (US\$)	Selection Method	Review by the World Bank (Prior/Post)	Expected Proposals Submission Date	Comments
IFMIS-AF2/C1/QCBS/01	Consultancy to conduct job evaluation and training of PMO staff	438,000	QCBS	Prior	February 2017	
IFMIS-AF2/C1/IC/01	Recruitment of a consultant to assist in the drafting of the pension bill	69,450	IC	Post	March 2017	
IFMIS-AF2/C1/IC/02	Technical assistance to diagnose the problem and develop the interface - CSDRMS/IFMIS	30,000	IC	Post	February 2017	
IFMIS-AF2/C1/IC/03	Short-term consultancy on domestic debt restructuring	93,000	IC	Post	June 2017	
IFMIS-AF2/C6/IC/04	Resident technical adviser to the GBoS	350,000	IC	Prior	January 2017	Justification for using IC will be sent as the budget is above the threshold for the procurement method.
IFMIS-AF2/C6/IC/05	Local consultants for data analysis and report writing - national accounts	50,000	IC	Post	May 2017	
IFMIS-AF2/C6/IC/06	Short-term software specialist for Business Register	30,000	IC	Prior	June 2017	
IFMIS-AF2/C6/IC/07	Short-term international consultant to develop the CRVS Strategic Plan	55,000	IC	Post	August 2017	
IFMIS-AF2/C6/IC/08	National expert project coordinator on CRVS (24 months)	60,000	IC	Post	March 2017	
IFMIS-AF2/C6/IC/09	International consultant to develop the training curricula and implementation plan for the Statistics Training Center	40,000	IC	Post	August 2017	
IFMIS-AF2/C6/IC/010	Recruitment of coders/interviewers/interns for national accounts and statistics business register	20,000	IC	Post	April 2017	
IFMIS-AF2/C6/IC/011	Short-term consultant to develop a data dissemination policy	25,000	IC	Post	September 2017	

1	2	3	4	5	6	7
Ref. No.	Description of Assignment	Estimated Cost (US\$)	Selection Method	Review by the World Bank (Prior/Post)	Expected Proposals Submission Date	Comments
IFMIS-AF2/C6/IC/012	Short-term international consultant to develop innovation techniques for modern data presentation and dissemination and train GBoS staff	50,000	IC	Post	November 2017	
IFMIS-AF2/C8/IC/013	International resident senior adviser to provide high-level strategic and analytical support for the formulation, implementation, and monitoring of the SOE reform program (2 years)	350,000	IC	Prior	April 2017	Justification for using IC will be sent as the budget is above the threshold for the procurement method.
IFMIS-AF2/C8/IC/014	Support the creation of a management information system/database for SOEs	100,000	IC	Prior	June 2017	
IFMIS-AF2/C8/IC/015	Upgrade the MoFEA website and develop a web portal for the department	30,000	IC	Post	July 2017	
IFMIS-AF2/C8/IC/016	Training of National Assembly PAC/PEC on SOE laws and regulations	75,000	IC	Prior	February 2018	
IFMIS-AF2/C8/IC/017	Training of board of directors of SOEs	135,000	IC	Prior	March 2018	
IFMIS-AF2/C8/QCBS/02	Consultancy to help improve financial discipline in the relationship between SOE and Government and improve corporate and legal framework for SOEs	500,000	QCBS	Prior	April 2018	
IFMIS-AF2/C8/QCBS/03	Consultancy to conduct fiscal risk assessment for SOEs	450,000	QCBS	Prior	May 2018	
IFMIS-AF2/C8/CQS/01	Support to PURA in updating its tariff-setting methodology	250,000	QCBS	Prior	May 2017	
IFMIS-AF2/C5/LCS/01	Annual project audit	10,000	LCS	Post	February 2017	

### ***Procurement Implementation Support Plan***

33. **In addition to the day-to-day assessment of procurement files under prior review by the World Bank, procurement supervision will be undertaken at least twice a year.** This supervision will include (a) the review of the Procurement Plan to be updated from time to time by the PCU, ensuring the necessary linkages with the procurement transactions under the existing financing; (b) necessary advice to the PCU on procurement files under preparation; (c) a procurement post review during one annual supervision mission of procurement transactions that have not been prior reviewed by the World Bank; (d) the review of the organization and the performance of the procurement function within the PCU (capacity of both procurement staff and other technical staff, including archiving); and (e) any other procurement-related matters.

### ***Fraud and Corruption***

34. All procurement entities as well as bidders and service providers, that is, suppliers, contractors, and consultants, shall observe the highest standard of ethics during the procurement and execution of contracts financed under the project. This is in accordance with paragraphs 1.16 and 1.17 (Fraud and Corruption) of the Procurement Guidelines and paragraphs 1.23 and 1.24 (Fraud and Corruption) of the Consultant Guideline.