COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED SAFEGUARDS DATA SHEET (PID/ISDS) ADDITIONAL FINANCING

Report No.: PIDISDSA17804

Date Prepared/Updated: 21-Jun-2016

I. BASIC INFORMATION

A. Basic Project Data

Country:	Gambia, The	**Project ID:**	P159000
		Parent Project ID (if any):	P117275
Project Name:	Integrated Financial Management Information System Project AF2 (P159000)		
Parent Project Name:	The Gambia Integrated Financial Management Information System Project (P117275)		
Region:	AFRICA		
Estimated Appraisal Date:	18-Jul-2016	**Estimated Board Date:**	27-Sep-2016
Practice Area (Lead):	Governance	**Lending Instrument:**	Investment Project Financing
Sector(s):	Law and justice (60%), Central government administration (40%)		
Theme(s):	Administrative and civil service reform (40%), Public expenditure, financial management and procurement (40%), Other public sector g overnance (20%)		
Borrower(s):	The Government of the Gambia		
Implementing Agency:	Ministry of Finance and Economic Affairs		

Financing (in USD Million)

Financing Source	**Amount**
BORROWER/RECIPIENT	0.00
International Development Association (IDA)	5.00
Total Project Cost	5.00

Environmental Category:	C - Not Required
Appraisal Review Decision (from Decision Note):	The review did authorize the team to appraise and negotiate
Other Decision:	
Is this a Repeater	No

project?	

B. Introduction and Context

Country Context

The Gambia is a small economy that relies primarily on tourism, agriculture and remittances inflows, and is vulnerable to external shocks, as illustrated most recently by the West Africa Ebola crisis and the poor 2014 harvest. It is the smallest country on the African continent, and stretches on 450 kilometers (km) along the Gambia River. Its 11,285 km2 area is surrounded by Senegal, except for a 60 km Atlantic Ocean front. With a population of 1.8 million and 173.6 persons per kmÂ², The Gambia is one of the most densely populated countries in Africa. In 2014, the West Africa Ebola outbreak in neighboring countries and inadequate rainfalls significantly impacted tourism and agriculture. These exogenous shocks, along with fiscal and monetary policy slippages in recent years, have depressed real gross domestic product (GDP), and likely contributed to an upswing in outmigration from already high rates.

Real GDP growth averaged 2.9 percent in The Gambia in the past decade through 2014, but contracted by 0.4 percent in per capita terms. Weak GDP growth outturns reflect exogenous shocks, along with sharply diminished fiscal space that has limited the Government➢(s capacity to invest in development or to respond to shocks. High and rising interest rates on public borrowing, due to deterioration of investor confidence in government debt, have also led to crowding out of private sector activity and undermined economic growth prospects. In this context, it is likely that poverty alleviation has stalled in recent years. This follows a marked decline in the National poverty headcount rate from 58 percent to 48 percent between 2003 and 2010.

The Gambia was reclassified as a fragile state in 2014, in large part due to a marked deterioration in the macroeconomic policy framework and the related socio-economic strains likely contributed to an upswing in the number of Gambian migrants. Migrant data for The Gambia is very limited, however, data is available for asylum seekers in the EU-28, which indicate that the number of Gambians seeking asylum increased to 11,935 people in 2014 and 13,435 in 2015 (or about 0.6-0.7 percent of the population per year), from 4,055 in 2013 (0.2 percent) and about 1,800 per year in the preceding few years (0.1 percent). This data does not include Gambian migrants to other parts of the world. With the surge in Gambian asylum seekers to Europe alone in 2014 and 2015, the stock of migrants abroad expanded to at least 10 percent of the population, and points to growing challenges tied to brain drain and reduced potential output, although mitigated by easing social pressures tied to insufficient job creation and remittances inflows.

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: (1) diversification of the economy and an improved private sector investment climate; (2) effective civil service reform and improved public management capacity geared towards enhanced service delivery and conditions to support long-term growth and employment; and (3) improved transparency and accountability in public affairs and citizen participation.

Recent Macroeconomic Developments

From 2010 through 2014, real GDP growth averaged 2.7 percent and shrank by an average of 0.5 percent in per capita terms, in part reflecting the severe Sahelian drought that contributed to a 4.3 percent contraction in GDP in 2011. The combined effects of the decline in agricultural production during the 2014/2015 harvest, due to poor rains in 2014, and a sharp decline in tourist arrivals during the 2014/2015 tourist season, due to the 2014 Ebola outbreak in neighboring countries, have adversely affected the key drivers of growth in 2014 and 2015. Initial official estimates indicate real GDP expanded by 4.7 percent in 2015 from 0.9 percent in 2014, led by rebounds in tourism and agriculture. However, more recent sectoral data for 2015 indicate that tourist arrivals contracted by 14 percent, below the 9 percent decline in 2014, and agricultural production posted a modest rebound in 2015. Along with a decline in private credit in 2015, these factors point to a contraction in real GDP, which the World Bank estimates at minus 2.5 percent.

Fiscal strains have mounted substantially in recent years, largely due to slippages 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 service. 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 the Government had to cover reached 5 percent of GDP in 2014 (including for the National Water & Electricity Company/NAWEC) are also a contributing factor. Further, the Government was called upon to cover foreign payment obligations for SOEs in late 2015 and early 2016, which are estimated at a cumulative 2 percent of GDP. The fiscal deficit for 2016 is projected at 9.5 percent of GDP, and net domestic borrowing is projected to rise by a further 8.5 percentage points as a share of GDP, adding further strains to government finances.

Exchange rate policies that sharply overvalued the Gambian Dalasi (GMD) have also contributed to financial strains and accelerated balance of payments imbalances. Central Bank official foreign reserves have declined significantly, due to the periodic imposition of currency controls since 2013, with overvaluation against the US-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 currency controls were officially lifted in January 2016, which should facilitate a rebuilding of reserves over time, however, there are other administrative current controls in place, including shipment controls on US$, Pound-Sterling and Euros, which could pose ongoing challenges.

The reversal of the exchange rate directive alone, at this point, is unlikely to be sufficient to address mounting Government imbalances. There are substantial fiscal strains that will be hard to reverse without deep expenditure retrenchment: (i) in 2016, a close to 50 percent of revenues are projected to be absorbed by interest payments on debt, with the balance of revenues primarily absorbed by expanding civil service pay and current expenditures; (ii) public debt is high and rising, and about half is held by domestic banks in short-term maturities that are being rolled over at increasingly higher interest rates; (iii) net domestic borrowing is projected to reach 8 percent of GDP in 2016, assuming no additional financial support is required by SOEs (as was the case in 2014, and to a lesser extent in 2015); and, (iv) the banking system is heavily exposed to public debt (with government treasury securities accounting for over half of their assets).

Sectoral and institutional Context

Public Financial Management

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 their own resources. 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 Bank funded IFMIS project and its AF1 have been supporting the implementation of the IFMIS since 2010. The 2014 Public Expenditure and Financial Accountability (PEFA) Assessment report and the evaluation of the PFM Strategy 2010-2014 underscored some of the most recent reform achievements:

(a) The improvement of the legal and institutional framework underpinning PFM, including: (i) the Gambia Budget Management and Accountability Act of 2004 was amended and renamed as the Public Finance Act of 2014, which incorporates recent developments in accounting and management information systems, internal audit reforms, debt management operation, and strengthening the mandate of the Accountant General➢(s Department; (ii) the Public Procurement Act was enacted in 2014, with a view to separating ex-post and ex-ante functions in procurement; (iii) work is at an advanced stage for the enactment of a new National Audit Act which would strengthen oversight responsibilities of the National Audit Office (NAO) and help in fulfilling its mandate; (iv) the citizen➢(s budget was introduced in 2014 to facilitate a clearer understanding of the GoTG budgetary process to the public. (v) a comprehensive PPP program, and setting up (February 2014) a Directorate of Public Private Partnership (DPPP) under the MoFEA in line with past privatization initiatives. PPP has been motivated by the desire to improve the efficiency and quality of public services and infrastructure. The DPPP is set up to further drive and promote the development of Government➢(s PPP Program.

(b) Roll-out of the Integrated Financial Management Information System (IFMIS). The IFMIS is an integral part of Government➢(s accountability and resource allocation process. The IFMIS has been rolled-out to all Ministries, Departments and Agencies (MDAs) and piloted in four self-accounting projects during 2007-2011, and upgraded from Epicor 7.3.5 to Epicor 9.0.5 during AF1 activities (2012-2014) to support web-based operations and enable possible future expansion to regional offices and foreign missions abroad. An interface with the Commonwealth Secretariat/Debt Recording and Management System (CSDRMS) was created to facilitate recording of external debt data, and consolidation with domestic debt records collected from the Central Bank of Gambia (CBG). The IFMIS is also interfaced with the CBG➢(s banking module (T-24) for online access to all government bank accounts, as well as providing online monitoring of account balances. These interfaces have facilitated the reconciliation of government accounts and the preparation of government financial statements thereby helping to smoothen the budget preparatory process. The AF2 will support the connection between IFMIS and HR management and payroll and improve the debt management systems. By improving HR policies and administration, the debt management system, and SOE governance the Government would be in a better place to address the root causes of fiscal imbalances.

(c) An internal Audit Unit was established in 2011 to help strengthen internal controls in MDAs. The Unit has been transformed into a Directorate with plans to roll out its functions to all MDAs in the long run. Part of its mandate is to undertake accounting, asset and procurement audits on government institutions, with significant progress being registered in all these relevant areas (an audit charter is already available). At least 31 audits were undertaken and completed by the Directorate in 2015.

(d) External audit and oversight capacity has been strengthened. The National Audit Bil l was submitted to Cabinet level and it is awaiting approval. The Bill will help to strengthen the National Audit Office➢(s (NAO) mandate and to include performance or value for money audits. Audit reports for 2013 have been prepared and findings submitted to the National Assembly for scrutiny. The NAO still has space constraints and capacity building of its human resources is also required.

(e) A Medium-term Expenditure Framework (MTEF) was introduced in 2013 to drive GoTG➢(s efforts in meeting its medium-term objectives (Program for Accelerated Growth and Employment/PAGE). Planners have been placed within MDAs with the purpose of helping the MDAs to link national development plan and policies, through sector strategic plans, to the annual budget - improving policy formulation and setting expenditure targets within ceilings for the two outer years in line with the PAGE. There are also plans to rollout the MTEF to all MDAs by 2016 in the hope that this will aid in the budget preparatory process (multi-year budget preparation is not supported by IFMIS yet). At the moment, the MTEF is implemented in two of the MDAs (MoFEA & Ministry of Basic and Secondary Education/MoBSE), and 68 percent of MDAs have completed their strategic plans. A taskforce was also set-up to oversee the implementation of the MTEF.

(f) Introduction of the new Public Procurement Act (PPA) of 2014. The act has separated ex-ante and ex-post (oversight & on-the-job) responsibilities in procurement. The introduction of a procurement cadre in the civil service has been advanced and the Head of procurement has been appointed. The Major Tender Board has been revitalized and a board secretary appointed.

Human Resources Management and Pay Reform

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 employed in the same grades, representing 29 percent of the central government workforce. The overall size of the civil service is relatively small; at 19,750 in 2015, it is equivalent to one percent of the population. In contrast, employment in the uniformed services is very high at 15,375. Civilian employment has grown much more

No strategic or systematic human resource 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 are largely because established posts have not been reviewed for several years. In contrast to the vacancy situation, three MDAs (Office of the President, Ministry of Education and 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.

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 which 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 (e.g. travel allowances) included in the ➢(goods and services➢(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.

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 Personnel Management Office (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. The AF2 project will support the implementation of a full job evaluation grading exercise.

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 annum . Despite the high level of employment in the uniformed services, the overall size of the public service wage bill remains relatively low.

The Civil Service Pension Scheme (CSPS) is unfunded (financed by annual appropriations) and non-contributory (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. There is also a growing concern over the accrued liability of approximately 2.2 billion Gambian Dalasi (US $5.5 million equivalent) to pay existing pensions. Payments by the Government, based 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.

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 Accountant General➢(s Department. The AF2 will support these reforms with technical assistance to prepare draft legislation and a financially sustainable proposal.
Statistics

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 (CSD) had declined to a stage where it was no longer providing an effective service to Government, development partners and other users of statistics. The principal causes of the CSD➢(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, monitoring and evaluation of national policies and program for sustainable development and coordinate the National Statistical System (NSS).

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, 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 (PPI). In 2013 the General Population and Housing Census was conducted, as well as other national surveys such as the first Demographic and Health Survey (DHS 2013), the Labor Force Survey 2012, the second Integrated Household Survey (IHS 2010), etc. in order to continuously try to provide users with better statistics for better planning, policy formulation and monitoring, and decision-making.

In order 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 (2014/15), adopting the recommended International Standards Industrial Classification (ISIC Rev.4). This project also financed the recruitment of a Technical Advisor (TA) to the Statistician General of GBoS for two years (September 2014 - 2016) to support the development of key statistics projects. The third Integrated Household Survey (IHS 2015/16) is ongoing and will provide baseline indicators, including poverty profile, for the formulation of the National Development Plan (NDP 2017-2020), 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 IHS2015/16 data analysis and surveys planning, improving data dissemination and improving the GBoS➢(development management.

State-Owned Enterprise Reform

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 their 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 to 4.3 percent of GDP at the end of 2014 (latest available). Financial problems experienced by the National Water and Electricity Company (NAWEC), the mobile and fixed-line telephone operators (GAMCEL/GAMTEL), and the National Food Security Processing and Marketing Corporation (formerly Gambia Groundnut Corporation (GGC)) are particularly challenging and have serious macroeconomic and fiscal implications.

Recent analytical work carried out by the Bank 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 payments arrears became sharply elevated. 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 SOE➢(s declining capacity to service debt, SOE debt guaranteed by the state has surged. This resulted in a growing SOE burden on public finances and the economy, underperformance in terms of the quality of services delivered to the public, and an incipient breakdown in financial discipline.

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 Directorate of Public Private Partnerships (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.

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, excluding grants (GMD 114 million) 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 in response by the Government, tax arrears have accumulated again in 2015. This includes arrears by profitable SOEs.

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 annum 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).

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 around 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.

The reasons for the SOE losses and financial challenges vary, but there are a number of common factors: (i) 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; (ii) the build-up of account receivables for goods or services delivered, particularly to public sector customers; (iii) non-viable business models, that 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 (iv) serious organizational, operational and managerial inefficiencies that need to be addressed within the SOEs themselves, including an excessively large workforce and low productivity.

C. Proposed Development Objective(s)

Original Project Development Objective(s) - Parent

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

Key Results

The budget execution rate is kept above 90% (excluding donor-funded projects).

Increased percentage of central government expenditure covered through IFMIS.

Government contracts are recorded and managed through IFMIS to produce reliable data on all commitments, payments and arrears.

Timely periodic publication of budget execution reports on the MoFEA web site.

GDP data regularly & publicly made available.

Timely publication of SOEs? annual financial reports and DPPP?s performance report on SOEs at MoFEA?s external website.

D. Project Description

Following the satisfactory implementation of the OF and AF1 projects, the GoTG has requested AF2 in the amount of US$5.0 million to better achieve the OF project development objectives. The requested additional IDA financing will be used to: (i) support human resources and payroll management; (ii) further strengthen national statistical capacity; and (iii) support the Government's SOE reform program. The official request of the Government was received in January 2016.

AF2 will enhance the OF and AF1 projects' impact by: (i) further strengthening statistical capacity; (ii) initiating and implementing a comprehensive SOE governance reform program; (iii) strengthening the debt management system; and (iii) helping to reform the civil service pay, pension and payroll management. It responds to the need to urgently address the recently emerged fiscal and other problems.

The proposed AF2 is fully consistent with Operational Policy Guideline OP/BP10.00 and the OPCS instructions on Additional Financing. All of the conditions for an AF are met. In particular, implementation of the OF have consistently been rated satisfactory and AF1 Moderate Satisfactory and the projects have substantially complied with the legal covenants. The AF2 also appears economically justified, given the potential positive benefits that could result from the enhancing of statistical capacity and the other proposed reforms. The proposed activities are consistent with the development objective of the OF and the new JPS, in which the AF2 is included, as discussed above. The proposed AF2 is the best option to sustain the gains made in public resource management by the OF and the AF1. In particular, the advantage of the 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 through OF and AF1, hereby maintaining the positive momentum of the results achieved to date and responding rapidly to the current urgent priorities of Government. The AF2 will be complementary to the interventions by other development partners, particularly the AfDB and IMF, and GoTG activities. As noted, the World Bank has a JPS with the AfDB, and the International Monetary Fund (IMF) has an Extended Credit Facility with The Gambia, both of which complement the proposed IFMIS AF2. Additionally, the AfDB and the IMF are coordinating on statistical capacity development activities in The Gambia, aiming to leverage the Bank?s support.

Component Name

Expansion of Component 1: Support for IFMIS Rollout, Interface and System Training

Comments (optional)

Component Name

Expansion of Component 6: Additional Support to National Statistical Capacity Building

Comments (optional)

Component Name

New Component 8: Support for State-owned Enterprise Reform

Comments (optional)

E. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

Project location is country wide and the main implementing agency is the Ministry of Finance and Economic Affairs.

F. Environmental and Social Safeguards Specialists

Upulee Iresha Dasanayake (AFCF1)

II. Implementation

Institutional and Implementation Arrangements

Implementation arrangements of the original IFMIS OF and AF1 will be maintained under IFMIS AF2, with the inclusion of another agencies - DPPP at the MoFEA - as the implementing agency for Component 8 - SOE reform and the PMO at MoFEA for Component 1. The existing arrangements provide for the MoFEA to be the responsible Ministry, as designated by the GoTG, and it will be responsible for oversight and project implementation support. Under AF1, additional members were added from the new beneficiaries of IFMIS AF in GBoS, NAWEC, NRS, and Ministry of Energy. The Permanent Secretary (PS) of MoFEA also chairs the IFMIS Inter-Ministerial Steering Committee, which includes representatives from several ministries and agencies, such as The Gambia Revenue Authority and the National Audit Office. Under AF2 the DPPP of MoFEA will be added as the implementing agency of Component 8. Also, a Project Implementing Committee (PIC) and a Project Coordination Unit (PCU) will be maintained within MoFEA, with responsibilities and procedures. Since both committees have been regularly meeting and well managing the project over the last two years to monitor the state of play of the project, these coordination mechanisms will be maintained under the AF.

III. Safeguard Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/ BP 4.12	No	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/ BP 7.60	No	

IV. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:
The proposed AF2 to the IFMIS project does not trigger any World Bank environmental or social safeguards policies. The environmental category of the project remains C.
2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
No such impacts are anticipated. The environmental category of the project remains C.
3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
N/A
4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.
The proposed AF2 to the IFMIS project does not trigger any World Bank environmental or social safeguards policies. However, there are potential social risks associated with activities supported under component 1.5-human resources and pay reforms and 1.7-eliminating ghost workers from the payroll. The borrower has an appeals process in place with Personnel Management Office (PMO) that civil servants can bring their grievances to. Information of how to access the PMO appeals process and well as the World Bank Grievance Redress Service (GRS) will be made available to all stakeholders concerned prior to the implementation of project activities.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.
While the project does not trigger any World Bank environmental or social safeguards policies, certain project activities under component I carry potential social risks. 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, prior to the implementation of project activities. In addition, stakeholders will be provided with information on how to access Grievance Redress Services (GRS) at the Bank (World Bank GRS) and national (Personnel Management Office appeal process) levels.

B. Disclosure Requirements

If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/ Audit/or EMP.
If in-country disclosure of any of the above documents is not expected, please explain why:
Not applicable.

C. Compliance Monitoring Indicators at the Corporate Level

The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [ ] No [ ] NA [×]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [ ] No [ ] NA [×]
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [ ] No [ ] NA [×]
Have costs related to safeguard policy measures been included in the project cost?	Yes [ ] No [ ] NA [×]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [ ] No [ ] NA [×]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [ ] No [ ] NA [×]

V. Contact point

World Bank

Contact: Roberto O. Panzardi
Title: Sr Public Sector Spec.

Contact: Annette I. De Kleine Feige
Title: Senior Economist

Borrower/Client/Recipient

Name: The Government of the Gambia
Contact:
Title:
Email:

Implementing Agencies
Name: Ministry of Finance and Economic Affairs
Contact: Saffie Dambelleh
Title: Project Manager
Email: sdambelleh@yahoo.com

VI. For more information contact:

The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Web: http://www.worldbank.org/infoshop

VII. Approval

Task Team Leader(s):	Name: Roberto O. Panzardi,Annette I. De Kleine Feige	
Approved By		
Safeguards Advisor:	Name: Maman-Sani Issa (SA)	Date: 28-Jun-2016
Practice Manager/ Manager:	Name: Renaud Seligmann (PMGR)	Date: 28-Jun-2016
Country Director:	Name: R. Gregory Toulmin (CD)	Date: 28-Jun-2016