1. Country Context

As the smallest country on the African continent, The Gambia is the regional hub for trade and had a HDI Index of 0.441 in 2014. The economy relies primarily on tourism, agriculture and inflows of remittances. The Gambia has made significant strides in the achievement of some of the MDGs: MDG 2 (Access to Universal Primary Education) has been achieved and it has reduced under-five and infant mortality. Growth rebounded to 4.7% in 2015 from as low as 0.9% in 2014. The Gambia has been affected by a series of external shocks. The impact of the regional Ebola outbreak on tourism led to a contraction in real GDP growth in 2014. In spite of the relatively high average economic growth over the last years, poverty reduction efforts were stalled. Rapid urbanization has resulted in pressure on social services. Total committed ODA to The Gambia in 2014 was US$99.7 million, representing 12.7% of GNI. The Gambia relies heavily on ODA to implement its development strategy, since official development finance is a vital source of revenue and resources. There has been decrease in official development finance to the country in recent years and the country was reclassified as a fragile state in 2014. Major development partners include the African Development Bank, OPEC Fund, UNDP, the EU, UNICEF, WB and GAVI.

Key Development Indices:

- **NPI** (National Poverty Index): 48.4% (2010)
- **GINI** (GINI Index): 47.3 (2003)
- **ODA** (Official Development Assistance/Capital Formation): 55.33% (2014)

- **ODA per Capita US$51.70 (2014)**

Quick Facts

- **Surface area**: 11,300 km²
- **Population**: 2 million
- **GDP Growth**: 4.7% (2015)
- **GDP Per Capita**: US$441 (2014)

Inflows (% Gross Domestic Product)

- **Domestic Credit**: 53.68%
- **External Debt**: 26.43%
- **Net Foreign Direct Investment**: 3.34%
- **Remittances**: 22.46%
- **Net Official Development Assistance**: 12.12%

Key Development Challenges

The Gambia faces socio-economic and environmental challenges that are largely associated with the slow and volatile economic growth resulting from persistent policy slippages as well as the inability to deal with external shocks. Infrastructure and institutional capacity also remain to be strengthened. In addition, sustainable management of natural resources is at the heart of The Gambia’s quest for socio-economic development with its rapidly growing population. The reclassification of The Gambia as a fragile state in 2014 reflects space for improvement of the social development policy framework.
2. Efforts to Implement the Effectiveness Principles

A. Policies and Tools for Partners’ Alignment

With the launch of the MDG-based Programme for Accelerated Growth and Employment (PAGE), a medium-term planning framework, there has been substantial improvement in the use of national development strategies such as the Vision 2020. PAGE intends to address poverty by accelerating growth, generating employment and putting in place social protection programmes. In an effort to improve alignment, the government established a central institution to provide demand-driven support. The providers have responded positively to the government’s calls for alignment of aid spending to national priorities. Recognizing the critical role that development co-operation plays in The Gambia’s development, the government has taken strides to establish a sound aid and development partner mechanism that will enhance alignment and harmonization in the way aid resources are delivered and managed.

B. Governance and Management of Development Finance and Co-operation

Vision 2020, The Gambia’s socio-economic development blueprint for the period 1996-2020, is aimed at raising the standard of living of Gambians and has been translated into the medium-term PAGE. The government has also designed the Gambia Aid Policy and Action Plan. The Gambia Aid Policy provides the institutional, regulatory, operational and accountability framework for sourcing and managing external aid resources, especially grants and loans, that qualify as ODA. The policymaking body in the field of the development coordination is the Aid Coordination Department (ACD) under the Ministry of Finance and Economic Affairs. The ACD regulates, coordinates, monitors and manages the delivery of official development assistance in the country and is a focal point for government-development partner liaison of all aspects of official development assistance. Establishment of the ACD was an attempt to reduce the fragmentation of official development assistance. The Development Partners Group (DPG) coordinates development partners among themselves. The Thematic Working Groups promote the development agenda at the sector and thematic levels. The Gambia has yet to set up a mechanism for processing of information on official development assistance flows. Aid information reports (the Aid Bulletin) are produced annually and biannually. Coordination and official development assistance information management are essential, as some of the major partners are non-resident.

3. Country Ownership

Indicator 1: Partners’ Alignment and Use of Country-Led Results Frameworks

Eighty-two percent of development co-operation reported in this monitoring round aligns to national objectives. However, only 17% includes country-led results and 34% uses the country’s monitoring systems, despite the fact that The Gambia’s medium-term framework PAGE has a monitoring and evaluation framework. Progress reports and mid-term reviews are produced and made publically available. A coordination mechanism is embedded in the interdepartmental monitoring committee and focal point network to facilitate stakeholder participation in monitoring activities. There is inadequate information on key official development finance that indicates limited capacity to guide the use of country-led results frameworks. Most development partners in The Gambia make very little use of programme-based approaches and common procedures.
**Indicator 6.** Development Co-operation is on Budget (Subject to Parliamentary Scrutiny)

Information on this indicator is not available in this monitoring round. Based on responses collected in 2010, 33% of official development finance was recorded in the government budget. To improve the extent to which official development finance is on budget, the government introduced a medium-term expenditure framework to strengthen links between the government’s priorities and the budget process.

**Indicators 9 and 10.** Use of Country Systems

With an average of 22%, partners for development co-operation to The Gambia exhibit a low rate of use of country systems. In 2015, only 22% of development co-operation used budget execution, 23% followed country financial reporting and 22% auditing procedures. Some 20% of development co-operation used national procurement. Only a few development partners, such as WHO, UNDP and IFAD, make use of the country systems, due to concerns about lack of absorptive capacity of line ministries. Most development partners have established project implementation units. The government put in place a comprehensive PFM Reform Strategy that helped streamline PFM reform activities and mobilize resources that resulted in significant improvements. There has been a decline in the rating of the Country Policy and Institutional Assessment (CPIA) from 3.5 in 2011 to 3.0 in 2014, officially putting the country in the list of fragile states for 2016. The data indicate that 88% of official development finance for The Gambia in 2014 was untied. This represents a setback compared to the 94% obtained in 2013.

<table>
<thead>
<tr>
<th>Budget (ideal: 100%)</th>
<th>Financial Reporting (ideal: 100%)</th>
<th>Auditing (ideal: 100%)</th>
<th>Procurement (ideal: 100%)</th>
<th>CPIA* (maximum: 6)</th>
<th>Untying (ideal: 100%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDICATOR 9B.</td>
<td>22%</td>
<td>23%</td>
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<td>INDICATORS 9A &amp; 10.</td>
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* Country Policy and Institutional Assessment

**4. Inclusive Partnerships for Development**

**Indicators 2 and 3.** Fostering Inclusive Partnerships for Development

There is an institutionalized process for broad-based participation of civil society in the formulation and monitoring of the national development strategy mainly through national and sectoral consultation processes. The Gambian CSOs benefit from training opportunities offered by CSOs and government. CSOs have necessary structures to guide accountability and transparency within their governance. CSO networks such as TANGO have forced NGOs to adhere to reporting requirements. Network membership contributed to policy dialogue. There are also thematic working groups to discuss policy issues. Some CSOs have also engaged in joint programming, but the level of engagement is weak, particularly in respect to monitoring and evaluation. Development partners provide funding, training and capacity-building for CSOs. The private sector is organized through the Chamber of Commerce. The private sector has also institutionalized public-private dialogue through quarterly meetings with the Ministry of Trade. While logistics and financial support is not a constraint for public-private dialogue, the Public Private Partnership department has been established within the Ministry of Finance and Economic Affairs to build effective partnership with the private sector.

**Indicator 8.** Gender Empowerment

The Gambia has no system for tracking allocations for gender equality and allocations for gender equality are not systematically tracked. Nevertheless, gender-equality-focused budget information is publicly available. Gender allocations are also trackable through project outputs. Gender-specific indicators have been used in order to inform budget allocation decisions. For instance, in the education sector, there are gender-disaggregated data on enrolment and completion as well as gender disparity. However, no impact assessments of budgets and expenditures are conducted. The Gambia is developing the Africa Gender Development Index (AGDI), which is expected to be released at the end of 2016 as the related infrastructure is developed.
5. Transparency and Accountability

Indicator 5. Development Co-operation is More Predictable

In 2015, 71% of development co-operation was disbursed as scheduled in-year and 28% was predictable for the next three fiscal years. The predictability of official development finance is highly limited, particularly in the medium term. In most cases, budgets and disbursement schedules are made known to the government only during the final phases of approval. Progress to close the predictability gap will require better communication between the government and development partners, along with the establishment of a platform for the management of official development finance.

Indicator 7. Mutual Accountability

The Gambia’s Aid Policy and Action Plan articulate the development co-operation between The Gambia and development partners. The specific country-level targets for effective development co-operation are outlined in the policy. The aid policy specifies responsibilities and obligations in the process of channelling and delivering official development finance. However, no assessments towards these targets have been undertaken. The government and development partners have agreed to reconstitute the Development Co-operation Forum, which is a key structure for enabling mutual accountability and effective policy dialogue between government and partners.

National Priorities Going Forward

The Government of The Gambia has established the Gambia Aid Policy (2015) to govern the framework of the management of official development finance in the country. The Policy calls for reforms such as the establishment of the Gambia Strategic Review Board, which will be responsible for approving all programmes at the national level. This reform will avoid sectors proposing projects that may not be in line with national priorities. The Gambia Strategic Review Board should be established immediately before the launching of the next medium-term national development plan PAGE II (2017-2020). The level of dialogue between government and development partners should be strengthened to ensure strong collaboration, trust-building, synergy and support to the national agenda.

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