PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF SDR 10.7 MILLION
(US$ 15.0 MILLION EQUIVALENT)

TO THE

REPUBLIC OF THE GAMBIA

FOR A

POVERTY ALLEVIATION AND CAPACITY BUILDING PROJECT

February 17, 1999

Water and Urban 2
Country Department 14
Africa Region
CURRENCY EQUIVALENTS

(Exchange Rate Effective as of February 10, 1999)

Currency Unit = Dalasi (D)

\[ D1 = US\$0.091 \]
\[ US\$1 = D10.95 \]

FISCAL YEAR

January 1 to December 31

ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>BADEA</td>
<td>Banque Arabe pour le Développement Economique en Afrique/Arab Bank for Economic Development in Africa</td>
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<tr>
<td>DoS FEA</td>
<td>Department of State for Finance and Economic Affairs</td>
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<td>DoS LGL</td>
<td>Department of State for Local Government and Lands</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>GAMWORKS</td>
<td>Gambian Agency for the Management of Public Works</td>
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<tr>
<td>IEC</td>
<td>Information, Education and Communication</td>
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<tr>
<td>LGA</td>
<td>Local Government Authorities</td>
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<tr>
<td>MDF</td>
<td>Municipal Development Fund</td>
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<tr>
<td>MoP</td>
<td>Manual of Procedures</td>
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<tr>
<td>NEA</td>
<td>National Environment Agency</td>
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<tr>
<td>O&amp;M</td>
<td>Operation and Maintenance</td>
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<tr>
<td>OPEC</td>
<td>Organization of Petroleum Exporting Countries</td>
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<tr>
<td>PCO</td>
<td>Project Coordinating Officer</td>
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<tr>
<td>PCU</td>
<td>Project Coordinating Unit</td>
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<tr>
<td>PIM</td>
<td>Project Implementation Manual</td>
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<td>PIP</td>
<td>Priority Investment Program</td>
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<tr>
<td>PMU</td>
<td>(Decentralization) Program Management Unit</td>
</tr>
<tr>
<td>PSC</td>
<td>Project Steering Committee</td>
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<tr>
<td>RIAP</td>
<td>Revenue Improvement Action Plan</td>
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Vice President: Jean-Louis Sarbib
Country Director: Mahmood A. Ayub
Sector Manager: Letitia A. Obeng
Task Team Leader: Noel M. Carrere
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Map of The Republic of The Gambia (IBRD - 22203)
The Republic of The Gambia
Poverty Alleviation and Capacity Building Project

Project Appraisal Document

Africa Region - Country Department 14

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<th>Date: February 17, 1999</th>
<th>Task Team Leader/Task Manager: Noel Carrere</th>
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<td>Country Manager/Director: Mahmood A. Ayub</td>
<td>Sector Manager/Director: Letitia A. Obeng</td>
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<td>Project ID: 57997</td>
<td>Objective Category: Poverty Alleviation &amp; Capacity Bldg.</td>
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<td>Lending Instrument: Specific Investment Loan</td>
<td>Program of Targeted Intervention: [X] Yes [ ] No</td>
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### Project Financing Data

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<th>[X] Credit</th>
<th>[] Guarantee</th>
<th>[] Other [Specify]</th>
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#### For Loans/Credits/Others:

- **Proposed terms:**
  - Grace period (years): 10
  - Years to maturity: 40
  - Commitment fee: 0.5% (presently waived)

- **Cost components:**
  - Local
  - Foreign
  - Total US$million
  - %

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<th>Total US$million</th>
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<td>Beneficiaries (o.w. Municipalities)</td>
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<td>Other (Bilat. donors' support to Govt.)</td>
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<tr>
<td>Total</td>
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<td>8.7</td>
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**Borrower:** Government of The Gambia
**Guarantor:** NA

**Responsible agency (ies):** Departments of State for Finance & Economic Affairs and for Local Governments & Lands: Gamworks (Gambian Agency for the Management of Public Works)

**Estimated disbursements (Bank FY/ US$m):**

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<td>Annual</td>
<td>5.4</td>
<td>2.9</td>
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<td>Cumulative</td>
<td>5.4</td>
<td>8.3</td>
<td>11.1</td>
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**Project implementation period:** 1999 - 2003

**Expected effectiveness date:** June 15, 1999

**Implementing agency:** Gamworks (Gambian Agency for the Management of Public Works)

**Contact person:** Mr. Bye Lamin Jobe

**Address:** P. O. Box 2640, Serrekunda, Kombo St. Mary, The Gambia

**Tel:** (220) 375341-3

**Fax:** 375344

**E-mail:** BLJOBE@QNET.GM
A: Project Development Objectives

1. Project development objectives: (see Annex 1)

1. The overall project development objective is to improve the living conditions of the urban population, and of the poor in particular. To achieve this, the project will focus on (a) the sustainable provision of adequate public infrastructure and services; and (b) the development of a lasting, enabling environment for municipal investment financing and for employment creation and income generation.

2. Specific project objectives are: (i) to reduce the backlog of public infrastructure and assets, and improve their maintenance; (ii) to alleviate poverty through the creation of temporary jobs and improvements to the selection of small- to medium-size investments, which should aim at upgrading the living environment of the poor; and (iii) to strengthen the technical and managerial capacity of local authorities (with an emphasis on their financial situation), local private firms (namely, consultants and contractors) and Gamworks (as the specialized agency to which beneficiaries will delegate the management of contracts entered into to improve their infrastructure, facilities or services).

2. Performance indicators:

3. Progress toward these objectives will be measured through the following indicators: (i) access to public infrastructure and facilities, as well as social services by the bulk of the population, assessed on the basis of the number of households with significantly improved access; (ii) financial performance and managerial capacity of Local Government Authorities (LGAs) concerned – in particular, the level of local resources they can mobilize, the priority they give to responding to the needs of the poor, and their efficiency in addressing these needs; and (iii) Gamworks’ performance as an executing agency – which will be a straightforward continuation of the monitoring already set up under the previous project, the Public Works and Capacity Building (PWCB) Project.

4. By the end of the first year of project implementation, as the scheduled programmatic analyses and related discussions with LGAs are completed and as Action Plans and related schedules are agreed upon (paras. 19-20), specific targets with related timeframes will be adopted. Thereafter, performances will be closely monitored. An important feature of the project will be that financial and other support to LGAs will be maintained at, or reduced from, their initial amounts, depending on the levels of achievement that the LGAs will have attained while improving their performance, and assessed against the targets adopted.

B: Strategic Context

1. Sector-related Country Assistance Strategy (CAS) goals supported by the project:

5. The most recent CAS was reviewed by the Board on September 10, 1998. The broad objective of the CAS is to achieve a rapid, broad-based, export-oriented, sustained increase in GDP per capita that will reduce poverty. This would be achieved through a two-pronged approach that:

   a) supports macroeconomic priorities aimed at the above mentioned rapid growth, in excess of the population’s, focusing in particular on private sector development, and

   b) reduces poverty and improves social indicators, in collaboration with key development partners, NGOs and CBOs, through (i) a better understanding of poverty, (ii) direct investments in health and education, (iii) improving farmers’ income and basic services in rural areas, and (iv) developing training programs to address the economy’s needs.
In the urban sector, the main objectives of the CAS are: (a) to improve access, by the poor in particular, to infrastructure, public facilities and services, through realizing priority, small- to medium-size investments by labor intensive methods that result in the creation of temporary jobs and income for low-skilled workers; (b) to improve the mobilization by municipal authorities of "own source" resources, thus improving their management and investment decision-making capabilities; and (c) to train municipal staff, local consultants and contractors. These are the main objectives of the Poverty Alleviation and Capacity Building (PACB) Project.

The PACB Project will contribute to strengthening the LGA's capacities (e.g., technical, financial and managerial), notably improving their ability to mobilize local resources, to undertake sustainable investments relevant to the needs of the majority of the population and to maintain these assets through establishing Operation and Maintenance (O&M) Funds. (This should also contribute to achieving progress in implementing the Government's decentralization policy and reach its long-term goal of more autonomous LGAs.) The PACB Project will also strengthen capabilities of local consultants and contractors in the public works and construction sectors, as well as further improve Gamworks' efficiency. Finally, the project will help alleviate poverty, since it will: (a) create temporary jobs in the above-mentioned sectors, through the realization of small- to medium-size investments by labor intensive methods, and (b) address the needs of the poor, through the selection and financing of investments in public infrastructure, facilities and services with direct impact on the living conditions of the poor.

2. Main sector issues and Government strategy:

The project essentially concerns the urban and labor sectors:

(a) the urban sector, and mainly its "municipal management" facet, in particular, resource mobilization, and allocation of resources to ensure the sustained operation and maintenance of municipal investments and the steady provision of public services.

At present, urban areas suffer from: (a) backlogs in the extension of streets, water supply and public safety lighting as well as in the construction or rehabilitation of facilities; (b) poor maintenance of infrastructure and facilities, and a rapid deterioration of these investments; and (c) serious shortfalls in the provision of public services (e.g. solid waste collection and disposal). The basic issues affecting the sector are: (i) the lack of effective planning and management, in terms of targeting public interventions and accounting for recurrent costs; (ii) a shortage of resources, due mainly to poor mobilization of local resources, such as real estate taxes (which, in most cases, could be at least twice as large as those presently collected) and user charges (of which less than two-thirds are actually collected); and (iii) limited human resources at the local level.

(b) the labor sector, in its "employment" dimension, especially where poor households and low-skilled workers are concerned.

At present, under- and un-employment affect 25-27% of the potentially active population in urban areas. Nonetheless, urban centers especially the Greater Banjul Area (GBA) with their more diverse economic and cultural make-up, offer relatively attractive prospects for change and job opportunities. In urban areas, development is more tangible, potential of evolution is greater and un-employment is frequently seen as a temporary transition toward a more steady occupational situation. Low skill levels are a constraint on brighter prospects but, (a) the modest buoyancy of the local economy still offers relatively limited numbers of high-skilled positions, and (b) low-skilled manpower can be mobilized in a wide variety of occupations as needs evolve. The issue, therefore, is to create opportunities for modest jobs, and - as much as possible - through stable channels.
9. The sectoral issues mentioned above have been identified by the Government, addressed under its overall development strategy, and fall under three distinct headings: (i) capacity building; (ii) poverty alleviation; and (iii) decentralization. Thus, in the Government’s strategy, improvements to urban management, planning, local finance and O&M are dealt with under both capacity building and decentralization, while issues of under- and un-employment are addressed under the poverty alleviation programs (and, prominently among these, programs of small public investments to be implemented through Gamworks). Poverty alleviation issues are also addressed by the Government under its decentralization policy – as local governments would become increasingly autonomous, responsible for identifying investments with the highest public utility (i.e., benefiting the largest fraction of the population), and accountable to their electorate.

10. With respect to the urban sector, the Government has specifically identified poverty and under- and un-employment in cities and towns, as the key issues to be addressed. Correspondingly, the Government’s strategy emphasizes (a) employment generation, (b) provision of essential public services to improve the living conditions of the population, and (c) targeted interventions to benefit the most vulnerable groups. Simultaneously, the Government’s decentralization program calls for strengthening local management capacities, which concerns to a large extent the authorities in charge of urban areas.

11. With respect to labor sector, the Government’s poverty reduction policy and programs adopted in 1992 seek to utilize surplus labor, the essential resource of the poor. In this regard, the Government has embraced the notion that the best channel for economically meaningful and sustainable job creation is through small investments realized by labor intensive methods; besides, some of these investments can be revenue generating, such as markets and car parks. These investments themselves generate needs for recurrent O&M expenditure, but these translate into modest claims on public savings. More important, however, these investments can easily be carried out by Small- and Medium-size Enterprises (SMEs) which use labor-intensive methods and are most effective in creating jobs, especially for low-skill job seekers. Also, local authorities are encouraged to contract out, to private firms, the maintenance of infrastructure and facilities, and delivery of public services.

3. Sector issues to be addressed by the project and strategic choices:

The sector issues to be addressed by the PACB Project are: (i) inadequate provision and maintenance of municipal infrastructure and services; (ii) inadequate financial resources, and weak management by LGAs; and (iii) under- and un-employment, and poverty.

(i) Inadequate provision of municipal infrastructure and services

12. Significant rural migration during the 1983-93 period has led to a high population growth in the urban centers. Growth rates ranged between 3% (for smaller centers) and 8% per year, with highs reaching 28% for certain areas within the GBA. This growth has placed increasing pressure on urban infrastructure and services, which have not been extended at a pace commensurate with that of the urban population growth. This is the result of a lack of adequate physical planning, as well as an insufficient

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1 The Government has been concerned with the issue of poverty since the early 1990s, and in 1992 adopted a strategy to be implemented by the “Strategy for Poverty Alleviation Coordinating Office” (SPACO). Following a Round Table held in Geneva in 1994, a National Poverty Alleviation Program (NPAP, 1996-99) was adopted and supported by donors, such as the African Development Fund (1997 project). This strategy was endorsed by development partners at a Round Table in Geneva in July 1998. The Program revolves around four central themes: (i) enhancing the productive capacity of the poor; (ii) improving access to, and performance of social services; (iii) building capacity at the local level; and (iv) promoting participatory processes.
growth of municipal financial resources – itself resulting from weaknesses in the management of urban areas and the limited buoyancy of the urban economy.

13. The GBA is affected by two additional problems. First, the existing drainage and flood control systems are inadequate. To prevent flooding and reduce health hazards, rehabilitation, upgrading and extension of the Banjul drainage system (including renewing the Bund Polder pump station) are necessary. Preliminary design for this undertaking was developed in 1994 and estimates of the cost involved (about US$ 8 million) are such that tackling this problem would justify a separate operation. However, to help progress toward solving the problem, the PACB Project will finance detailed engineering studies of the rehabilitation and upgrading of these systems.

14. Second, the GBA also lacks a suitable system of solid waste collection and disposal, and an adequate resource mobilization system to finance it. Here again, preliminary design for an appropriate solution was developed during 1997-98. Complementary studies (to adapt the solution envisaged so far to the financial means available to the municipalities that constitute the GBA) and related detailed engineering studies are needed. Studies need to be undertaken to (a) identify the precise financial and institutional setups required to tackle the latter questions and, from there, (b) permit adopted solution to be effectively implemented. These studies will be among those financed under the project. Once the proper institutional and financial arrangements are in place, the project will also finance the implementation of the solid waste collection and disposal scheme adopted.

15. The above problems of the GBA involve undertakings of a magnitude and complexity substantially greater than what has been handled in the past through the Gamworks delivery system. As a result, addressing these problems will call for the mobilization of local and central authorities (inter alia the National Environment Agency, NEA) in special committees, while keeping the possibility, as deemed desirable, of relying on Gamworks for the implementation of the scheme adopted.

(ii) Inadequate financial resources and weak management by local authorities

16. The levels of municipal resources available to local authorities are inadequate to cover the range of their statutory functions and responsibilities, which include solid waste management, sanitation and cleaning services, street maintenance and water supply through public stand pipes. Municipal investment for new infrastructure, as well as O&M of public infrastructure and services, would also necessitate significantly improved local resource mobilization, alongside measures and actions (e.g., training, equipment) to strengthen financial management by local authorities and technical staff.

17. The current resource shortfalls are primarily due to: (a) incomplete coverage of the tax base in urban areas, with large variations among these areas; (b) incomplete and inadequate valuation of property tax rolls (this tax is the municipal councils’ major source of revenue); (c) tax rates, that need to be revised, since they have been raised periodically to compensate for non-updating of property valuations; and (iv) poor performance of tax collection.

18. Moreover, in the past, municipal financial resources have been allocated on an ad hoc basis, because the inadequate databases have prevented LGAs from properly assessing the needs of the urban population and prioritizing these needs (e.g., by assessing the impact on, and economic characteristics of the households affected by municipal investments). The result has been that public investment has not always been responsive to the needs of the majority of the population (the poor, in particular) and that

1 The terms of reference for these studies will comply with the relevant IDA Environmental Directives.
serious deficiencies in maintenance of public infrastructure and services are most common. Thus, improving the sustainability of municipal investment will call for improvements in both (a) the level of municipal resources, and (b) the quality of financial management and investment programming.

19. **Strategic choices.** To address the issues presented under Sections (i) and (ii) above, the project will finance physical and financial audits of urban areas, to define their existing situation in detail and as it relates to public infrastructure, services and local government finance. The recommendations of the audits will form the basis upon which (a) support actions in the areas of municipal capacity building and financial strengthening (the latter as “Revenue Improvement Action Plans”, RIAPs) will be designed, and (b) local governments will define Priority Investment Programs (PIPs) and develop their investment programming capacity. The country’s eight urban areas will benefit from the project: the Banjul City Council (BCC), the Kanifing Municipal Council (KMC), and the Brikama, Kerewan (for Farafenni), Basse, Mansakonko, Kuntaur and Janjangbureh Area Councils.

20. The urban audits will submit detailed recommendations on measures to increase municipal financial resources and improve municipal management. The main financial weakness of LGAs relates to their “own source” revenues and will be addressed through the development of RIAPs for, and adoption by, each municipal council, including updating the real estate tax rolls and the revaluation of real estate properties. The latter exercise will be preceded by urban mapping, street identification and property numbering operations.

21. **To address the issue of the sustainability of municipal investments,** the project will help establish and begin budgeting for O&M Funds for each LGA. The Funds will be managed by each municipality, and will be established during the later part of the first year of project execution (i.e. in late 1999) when commitments will be made to achieve certain improvements to the mobilization of local resources.

22. The objective of the O&M Funds is to establish a direct link between the execution of municipal investments on the one hand, and municipal financial and managerial strengthening (to ensure adequate O&M of assets) on the other. An annual budgetary provision, equivalent to 4% of the cumulative capital costs incurred under the investment component of the project, is considered a reasonable figure.

23. **The municipal councils may carry out some maintenance activities themselves.** However, taking into account their poor human resource and financial management, it is expected that the LGAs, will frequently (a) contract out their O&M activities to the private sector, and (b) rely on Gamworks for contract management.

24. **Finally, the project will seize the opportunity to assess the feasibility of creating in the medium term a sustainable system to finance municipal investments – tentatively conceived as a Municipal Development Fund, MDF (para. 40) – with the objective of decreasing the dependence of such investment programs on State subsidies and/or foreign aid.** Under the project, a feasibility and detailed operating procedure for a possible MDF will be defined, discussed and agreed upon before project completion.
(iii) Under- and un-employment, and poverty

25. It is estimated that 64% of the urban population falls below the overall poverty line and 33% below the food poverty line. As indicated in para. 11, the Government has decided to focus its efforts on alleviating poverty through: (a) employment generation; (b) provision of essential public services to improve the living conditions of the population; and (c) targeted interventions (e.g. water supply, sanitation, safety lighting in unserviced neighborhoods) to benefit the most vulnerable groups.

26. The proposed project will support the Government’s poverty alleviation program through the financing of subprojects (municipal, and other of public interest) aimed at reducing shortfalls and other deficiencies in the level and quality of urban infrastructure and services, especially in poor areas. As under the PWCB Project, the subprojects will be implemented by Gamworks through a process of “delegated contract management.” SMEs will be contracted to carry out the works, using labor intensive methods and employing a large number of workers, thus contributing to job creation and income generation and, as a result, improving the living conditions of poor households.

C: Project Description Summary

1. Project components:

27. The project has three major components (for details, see Annexes 2-3): (i) Investments (Part A of the project); (ii) Capacity Building (Part B); and (iii) Studies (Part C). The IDA Credit will contribute to the financing of Gamworks’ operating costs (Part D) and will refinance the PPF (Part E) extended to the Government for project preparation. The composition of these components is as follows.

28. Part A: Investments (US$ 13.0 million). Investments will concern subprojects of infrastructure or public facilities in urban areas, either to be built or rehabilitated. Subproject requests will be submitted by LGAs, NGOs or CBOs (involved in the provision of services of interest for a large fraction of the population) to Gamworks, which should first see that the subprojects meet the eligibility criteria agreed upon with IDA. Subprojects will then be assessed by Gamworks according to appraisal techniques also agreed upon with IDA. Most investments will be of small to medium size, and of a type already dealt with by Gamworks under the PWCB Project.

29. By the end of the first year of project implementation, physical and financial audits of the LGAs (para. 19-20) will have led to the adoption of individual: (a) Action Plans (including RIAPs) with schedules and associated targets, to build the technical and managerial capacities and improve the overall performance of the municipalities; and (b) Priority Investment Programs (PIPs). The PIPs will provide: (i) the list of subprojects worthy of consideration (i.e. that meet the eligibility criteria); (ii) the sequence in which they should be considered by the LGAs; and (iii) the timetable for their submission to Gamworks for full appraisal before they can be formally approved for financing.

30. As under the PWCB Project, costs of (a) the technical studies carried out to design in detail the investment subprojects and (b) the supervision services provided to oversee the works in progress, will be considered an integral part of the subproject costs.

31. IDA Credit funds will be pre-allocated to the eight LGAs. In the course of project implementation (at the time of the annual reviews) the allocation of IDA funds among the LGAs may be modified to provide more support to the best performing LGAs.
32. Under the project, O&M Funds will be created in each of the LGAs, with the support of the IDA Credit. The annual amount of funding will reflect the PIP constitution. They should be agreed upon when the PIPs become available, i.e. before end-1999, and at the time of the first joint annual review. Adjustments will be introduced as needed and at the time of the subsequent joint annual reviews. Starting with the second year of project implementation, an allocation would be made annually by the municipal council concerned to the Fund, and incrementally from the third year onward. The IDA Credit support will be on a decreasing basis, as follows. It will provide for 75% of the total funding needed in the first year of existence of the O&M Funds (i.e., the second year of the project execution), 50% of the total funding needed in the third year of project execution, and 25% of the total funding needed in the fourth (and last) year. The cumulative O&M costs for the sectors covered under the project are estimated at about US$ 960,000. IDA would provide approximately US$ 400,000 (or about 42% of the total resources required) while the councils would provide the remaining US$ 560,000 (or about 58% of the total O&M costs of the project). For more details, see Appendix 1.

33. In any given year, effective use of the O&M resources in the previous year and adequate budgetary allocations to the O&M Funds would be pre-requisites for the consideration of any request for investment financing under the project. Monitoring the use of resources in the O&M Funds will begin in the second year of project implementation, and annual audits will begin early in the third year. The Project Coordinating Unit (PCU) in the Department of State for Local Governments and Land (DoS LGL; para. 50) would be responsible for carrying out this monitoring, and for seeing that the annual audits of the O&M Funds are completed soon after the end of the fiscal year.

34. The Investment component will comprise a particular subproject, of concern to the BCC, KMC and Brikama Area Council (BAC) solely: the establishment of an area-wide, solid waste collection and disposal system. The costs (investment and recurrent) of this subproject and related IDA financing will be apportioned among the LGAs concerned. In order that this particular subproject can be implemented through Gamworks, works will be “packaged” in a way that will permit SMEs to be commissioned through streamlined procedures as authorized under the Gamworks’ charter. On the other hand, the financial and institutional study needed to define the implementation arrangements for this sub-component will be contracted through different procedures (ICB) because its cost is expected to be higher than the threshold that Gamworks is allowed to follow for streamlined procedures. Because of the inter-municipal and environmental character of this subproject, special arrangements are needed to prepare and implement this particular subproject, as follows:

a) a Special Committee (composed inter alia of the 3 LGAs concerned and the National Environment Agency, NEA) should be established in early 1999, to clear the terms of reference for the study, monitor its development and make the necessary decisions (financial and institutional) before the investment can be carried out; and

b) as a condition of disbursement on this sub-component, an appropriate financial and institutional arrangement should be created to manage and monitor the solid waste situation in the GBA. Failure to meet this condition would result in the cancellation of the amount earmarked for this sub-component (about US$1.2 million) by IDA.

35. Part B: Capacity Building (US$ 1.1 million). This part of the project will have three sub-components: (a) Training, technical assistance and support for the governments; (b) Training for local consultants and contractors; and (c) support for Gamworks. Training, technical assistance and support to the governments will be provided to central as well as local authorities and staff. As far as the central administration is concerned, these services will be provided to the PCU and the Valuation Unit in the
DoS LGL, when updating and completing the valuation of properties in the LGAs. As for local
governments, authorities and staff will receive special training and assistance to be better able to: (i)
assess and address priority needs in their municipality; (ii) ensure the maintenance of their public
infrastructure and delivery of better quality public services; and (ii) improve the resource situation of
their municipality as well as overall management of their community.

36. As under the previous (PWCB) project, local consultants and contractors will receive special
training, through Gamworks. Under the PACB Project, the main improvement will be that the two
professional associations created under the PWCB Project will be closely involved in the identification
and definition of the content of training modules to be designed and delivered.

37. Gamworks itself would benefit from strengthening through periodic visits of: (a) a professional
experienced in computerized Management Information Systems (MIS) used by agencies of the
Gamworks type, and able to improve the Technical Department’s oversight of technical design studies,
works and works supervision by local consultants and contractors; and (b) a management adviser to help
Gamworks’ Director General adapt the agency to its new range of clients, types of services and modus
operandi with these clients.

38. Part C: Studies (US$ 1.2 million). This part of the project will comprise four sub-components
for the benefit, respectively, of: (a) the LGAs; (b) the GBA; (c) the BCC; and (d) the urban sector as a
whole. Each LGA will benefit from physical (infrastructure and public services) and financialcum
management audits of their situation. These audits will include the development of related
recommendations (Action Plans, including RIAPs) and O&M Funds. Each will also benefit from a
series of three operations – mapping, street identification and property numbering, and property
revaluation – that should provide them with an appropriate basis on which to improve, very
substantially, the mobilization of their source revenues.

39. The GBA will benefit from the development of a solid waste management system. For this
purpose, a study (para. 14) will be carried out to define the institutional and financial framework of such
a system. The BCC will benefit from carrying out a detailed engineering study of the rehabilitation, and
improvement to its storm water drainage cum flood control (Bond polder and pumping station) and
sanitation system, which at present represents significant health hazards.

40. The urban sector as a whole will benefit from a feasibility study to create a Municipal
Development Fund1, MDF (para. 24). To support the undertakings referred to above, Gamworks will
benefit from the services of specialized consultants who would draft terms of reference for the studies
and analyze the consultants’ proposals.

41. Part D: Project administration and monitoring (US$ 1.1 million). The IDA Credit will cover
part of Gamworks’ operating costs. This part will be defined as the complement to the contribution of
beneficiaries to the total investment cost – this cost includes Gamworks’ related services.

42. Parts E and F. An “Unallocated” Category under the Credit Agreement (Part E of the project)
will be opened to provide for quantity and price contingencies. A fraction of the IDA Credit, about US$
1 million, will be allocated (Part F of the project) to reimburse the fraction of the PPF extended to the Government for project preparation.

2. **Key policy and institutional reforms supported by the project:**

   As mentioned in para. 11, the Government has adopted a poverty alleviation strategy, endorsed by development partners at the Round Table in Geneva in July 1998, and to be implemented by SPACO. In late 1997, the Government also adopted a five-year (1998-2002) Program of Decentralization, scheduled for implementation under the aegis of the DoS LGL, by a Program Management Unit (PMU) with the support of the European Union (EU) and the UNDP. This program and the legislation that would follow from it would lead to: (a) precisely defining the range of municipal responsibilities; (b) strengthening the autonomy of city councils; and (c) correspondingly, increasing their financial means.

   The above two programs lay out a satisfactory framework for interventions aimed at poverty alleviation and capacity building, and the project will fully support these programs. To ensure complementarity and selectivity, the project will leave support of certain elements in the Government programs (a number of which are still under definition or negotiations) up to the consideration of other donors already involved. The project, therefore, will specifically support: (a) the improvement of the LGAs' capacity in areas of financial management, investment programming, O&M of infrastructure and delivery of services; and (b) enhanced participation of the population in the identifying, selecting, and implementing of local investments and in the O&M of public infrastructure.

   The Government's concern that term resources need to be continually available for financing municipal investment raises the question of sustainability in the flow of resources that can be mobilized for this purpose. This must be addressed through building up permanent capacity in local government institutions. The proposed project seeks to do precisely this. The actions scheduled in street identification, property numbering and property revaluation, are vital over the medium to long term to improve the mobilization of local resources, which in turn, should result in generating an operating surplus in municipal budgets, not only for O&M, but also for more significant contributions to financing new capital expenditure. The creation of an MDF would then become possible, and would constitute an important component in an overall and lasting institutional setup for financing municipalities.

3. **Benefits and target population:**

   The benefits expected from the project are: (a) increases in overall capacity and efficiency for LGAs and private firms to better manage the urban environment, thus supporting the Government's decentralization policy; (b) increases in the LGAs' capacity to mobilize own-source revenue (primarily through collection of property tax), to program investments that will reflect priorities and recurrent cost requirements, and to budget and implement maintenance of public assets; (c) improvements to the urban environment, through the provision of new, and rehabilitation of existing infrastructure and strengthening service delivery to meet the social and economic needs of the local population and businesses; and (d) creation of employment and significant contribution to poverty alleviation.

   With respect to job creation, the project investment component is expected to generate about 250 small- to medium-size subprojects with an average value per subproject of D500,000-600,000 (or about US$ 50,000-60,000). This will result in benefits, direct or indirect, to about 250,000 people. Overall, it is estimated that the project will generate about US$ 6 million toward wages, and create some 25,000 temporary jobs (of an average 5-6 months duration), thus directly benefiting at least 3,000 workers and up to 1 of every 5 currently unemployed laborers in urban areas. Under the project, civil and public works consultants and contractors will have contract opportunities of about US$ 13.0 million.
48. The technical assistance, training and sensitization project components are designed: (i) to build capacity in the communities’ public and private sectors; (ii) to ensure the sustainability of investments; and (ii) to secure the attainment of the project objectives. Building the capacity of LGAs will enhance good governance and responsiveness to public needs, and thus contribute to poverty alleviation. This responsiveness to public needs, seen through the project’s physical developments, will also improve the climate for revenue generation and raise the residents’ “willingness-to-pay.”

4. Institutional and implementation arrangements:

Most of the project will be implemented over a period of about four years, from 1999 to 2002, and should be completed by mid-2003. The Project Closing Date has been set for December 31, 2003.

(i) Institutional setup

49. To ensure that the main issues of municipal management strengthening (local finance and decentralization, as well as issues of job and income creation) are effectively addressed, the overall management of the project will be the responsibility of a Project Steering Committee (PSC), chaired by the Permanent Secretary (PS) of the Department of State for Finance and Economic Affairs (DoS FEA). The deputy chairman will be the PS of the DoS LGL. The PSC will be composed of representatives of the Office of the President, the Program Manager of the PMU (para. 43), the LGAs (2 representatives appointed by the LGAs themselves), the National Water and Electricity Company (NAWEC), the NEA and Gamworks as ex officio member. The Project Coordination Officer (PCO, para. 50) will act as the Secretariat of the PSC.

50. The day-to-day responsibility for project implementation will rest with a Project Coordination Unit (PCU) located in the DoS LGL. (For the organizational structure of the DoS LGL, see Appendix 2.) The PCU will undertake activities for the benefit and/or on behalf of the LGAs. As a condition of credit effectiveness, each LGA will designate a Project Coordinator, with qualifications acceptable to IDA, as the correspondent to the PCU. The PCU will consult with Departments in the DoS LGL, as necessary, for technical advice or clearance. In view of the experience gained by Gamworks under the PWCB Project, the PCU will use Gamworks as a “contract manager” for most of the project components. The PCU will act (in particular, in the first year of project implementation when strategic/programmatic studies will be carried out) as the conduit between the LGAs and the Departments in the DoS LGL on the one hand, and Gamworks, the implementing agency, on the other. The PCU will be headed by an experienced professional, the Project Coordination Officer (PCO), reporting to the Permanent Secretary of the DoS LGL, hired on contract for the project period and financed by the IDA Credit. The appointment of the PCO will be a condition of credit effectiveness. Other members of the PCU would be the Deputy PS-Technical and the Principal Inspector, both of whom would help in the day-to-day activities of the PCO and also obtain the support and collaboration of the DoS LGL Departments concerned. This institutional set up is diagrammatically presented in Appendix 3.

(ii) Implementation arrangements

51. The project will capitalize on the experience gained under the PWCB Project and rely, to the extent possible, on Gamworks. Thus, the existing Framework Agreement between the Government and Gamworks will be updated and completed as necessary, empowering Gamworks to assume operational
responsible for implementing most of the project components (including commissioning and supervising strategic/programmatic studies on behalf of the PCU) within a “delegation of contract management” framework. The revised Framework Agreement will serve as the reference document for all services that Gamworks might provide to various entities under the project, and will not preclude the need for direct contractual arrangements with certain project beneficiaries, such as NGOs. A draft revised Framework Agreement was furnished at the time of the negotiations. The formal ratification by the Government and Gamworks, of a version of this document, acceptable to IDA, and the Project Agreement between Gamworks and IDA, by the Board of Gamworks are conditions of credit effectiveness.

52. The details of the PCU’s responsibilities and mode of operation was also presented in a Project Implementation Manual (PIM) at the time of negotiations. A draft Project Implementation Plan (PIP) was also presented and reviewed. The adoption of final versions of the latter two documents, acceptable to IDA, are conditions of Credit effectiveness.

53. As the entity responsible for guiding and monitoring the project implementation, the PSC will meet at least every two months during the first year (possibly, first year and a half) when the project is launched, and at least once every six months thereafter, to ensure that: (a) progress is achieved in a timely manner; (b) important decisions are taken at the earliest possible dates (for example, in planning and agency strengthening for the property revaluation work to be carried out in the LGAs, the creation and regular replenishment of the O&M Funds by municipal councils, adoption and implementation of RIAPs by the same councils); and (c) these decisions arise from firm commitments by the highest public authorities. The PSC inter alia would take note of any problem or delay in the project implementation and bring them to the attention of the responsible entity, i.e., a State Department, a municipal council, or Gamworks. A timetable for resolution would be set, and compliance would be verified at an ensuing PSC meeting. In the event the problem concerns Gamworks, the PSC will first bring it to the attention of Gamworks’ management. Should the problem persist, the PSC will then bring it to the attention of the Board of Gamworks keeping in mind that the PSC does not act as an overseer of Gamworks operations, nor have any authority over how operations are conducted.

54. As an executing agency, Gamworks will continue to hold close consultations with, and abide by the strategic decisions of, the authorities concerned, especially during the first year of project implementation when programmatic studies are scheduled to be carried out. This process is presented diagrammatically in Appendix 4. Examples of Gamworks’ interlocutors in such consultations, or “clients” retaining powers of critical decision making, are: (a) the DoS LGL, for the training of municipal authorities and staff and for improvements of local finance in the area of property revaluation; (b) the DoS FEA and the DoS LGL, for the adoption and implementation of the RIAPs; (c) the Professional Associations of consultants and contractors, for the training of consulting engineers and contractors. Otherwise, Gamworks will work for LGAs in the same manner as was done under the PWCB Project.

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1 These responsibilities would encompass: (i) drafting (with the help of specialists, as needed) terms of reference for studies or expert services, and obtaining their finalization from the authorities concerned; (ii) calling for bids; (iii) analyzing offers, coming up with recommendations on the contract award, and obtaining a decision from the authorities concerned; (iv) assisting these authorities in negotiating with the bidder selected for contract award; (v) supervising the work in progress, reporting on the progress made and obtaining formal reactions from the entity for which Gamworks operates as contract manager; (vi) paying installments as work proceeds; and (vii) obtaining from the authorities concerned approval of the final acceptance, before executing the last payment. All studies will be carried out and services will be procured on the basis of detailed terms of reference, by private consultants, selected on a competitive basis.
55. In view of the experience gathered in the course of the implementation of the PWCB Project, (a) the composition of the Board of Gamworks\textsuperscript{1} will be strengthened with representatives from local authorities, as soon as they are organized as an association\textsuperscript{2}; (b) the Board will be re-activated as the body overseeing the agency’s operation and management; and (c) the MoP will be revisited and updated. A draft of the MoP was reviewed at the time of negotiations. The adoption of its final version, acceptable to IDA, is a condition of credit effectiveness.

56. As under the PWCB Project, Gamworks would be responsible for implementing the project investment component on behalf of the beneficiaries concerned, through the mechanism of delegated contract management. Works will be contracted out, based on detailed technical specifications, to private contractors selected on a competitive basis. Capitalizing on the experience of the PWCB Project, subprojects proposed by beneficiaries (municipalities or other public bodies) will reflect a prioritized list of infrastructure needs. Until the Urban Audits and PIPs are completed, priorities will arise from the revised eligibility criteria (Appendix 5). Once the PIPs are adopted, they will explicitly define these priorities. As under the PWCB Project, Gamworks would appraise the subprojects according to technical, economic, social and environmental criteria agreed upon with IDA, to establish their viability, before proceeding to contracting detailed design studies and then contractors.

57. As under the PWCB Project, the major activity of Gamworks will be supporting the preparation of investment, the procurement of related technical studies and supervision services, and overseeing the investment realization. However, now that Gamworks has convincingly demonstrated its effectiveness in delivering such support services, its clients should be ready to pay for such services. It is expected that under the PACB Project, subproject total costs will include (in addition to the costs of detailed engineering, works and supervision services) the cost of Gamworks’ services, estimated at 7.5\% (of the above-mentioned costs) in 1999 – to be reduced to 7\% in 2000 and 2001 and to 6.5\% in 2002. This new \textit{modus operandi} will have to be reflected in the MoP. A draft revision of this document was furnished at the time of negotiations (para. 55).

58. To ensure that its fees-for-service decline as expected, Gamworks will (a) further improve the analysis and control of its costs; (b) introduce a number of improvements to its staff composition – notably through the appointment of an additional project engineer for its Technical Department – and to its mode of staff evaluation and compensation; and (c) contract periodical services of a seasoned implementation specialist (who will also help with the use of Gamworks’ MIS; para. 37) and an operational management specialist to advise and help fine-tune plans and procedures. (For a summary schedule of the project implementation, see Appendix 6.)

59. As under the PWCB Project, a (first) Special Account will be set up in the Central Bank to facilitate the PACB Project implementation. Since the volume of investment to be carried out annually through Gamworks should be comparable to that experienced under the previous PWCB Project, the amount of the initial funding of the Special Account will be US$ 1 million, as under the PWCB Project. To make it possible for the PCU (namely, the PCO) to remain in control of the strategic/programmatic studies to be carried out under the PACB Project, a (second) Special Account will also be set up in the Central Bank, and only accessible to the PCO. In consideration of the volume of the studies concerned, the amount of the funding of this Special Account will be US$ 100,000.

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\textsuperscript{1} TANGO, the association of NGOs, has recently joined again.

\textsuperscript{2} Expected to be created as GALA (the Gambian Association of Local Authorities) during 1999.
60. **Onlending arrangement:** Under the project, there would be no onlending of IDA funds. The funds earmarked to finance investments will be passed directly by the Government to Gamworks, for the benefit of local authorities and other eligible applicants (e.g., NGOs) after they have contributed their share of the cost of their subproject.

61. An important objective of the project, however, is to assess before the project is completed, the feasibility of creating a sustainable system (possibly an MDF, para. 24) to finance municipal investments, so as to decrease the dependence of such programs on State subsidies and/or foreign aid. Assessing the feasibility of the MDF will be possible only after measures taken to improve the financial standing of local governments have had a chance to bring significant results. Therefore, the feasibility study will be undertaken around the end of the third year of project implementation. Under the PACB Project, the feasibility and detailed operating procedures of the MDF would be defined, discussed and agreed upon before project completion.

(iii) **Financial management arrangements**

62. **Accounting:** With respect to the investment component of the project, Gamworks, following its revised MoP, will maintain detailed accounts (as under the PWCB Project) of its operation and the subprojects implemented under its delegated contract management arrangement. On behalf of the PCU, Gamworks will also maintain the overall project accounts. Gamworks is already equipped with a computerized MIS system appropriate to carry out the above function, and will have the periodic support of a specialist in this area (para. 37). The adoption by the PCU and Gamworks of accounting and financial management systems acceptable to IDA is a condition of credit effectiveness.

63. **Financial and other reporting:** Gamworks will prepare annual financial reports, a mid-term review report and a project completion report for the entire project. With respect to its own activities and the subprojects implemented, Gamworks will issue quarterly and annual reports, a mid-term review report and a project completion report.

64. **Auditing:** Financial audits will be carried out every semester by independent auditors acceptable to IDA and hired on a competitive basis, who *inter alia* will review and comment on expenses and the Special Accounts. These reports will be complemented annually by: (a) technical audits, reviewing the quality of works delivered; and (b) management audits, reviewing the compliance with, and adequacy of, management procedures. Semi-annual reports will be submitted within the two months following the end of the semester, and annual reports within three months following the end of the fiscal year.

65. **Terms of reference (TORs) for financial, management and technical audits,** as well as the shortlist of eligible auditing firms already used under the PWCB Project will be established. The appointment of auditors acceptable to IDA, with TORs acceptable to IDA, will be a condition of credit effectiveness. To comply with the Loan Accounting Change Initiative (LACl) requirements, the Government has made a commitment to adopt and carry out an action plan before January 1, 2001.

(iv) **Monitoring and evaluation arrangements**

66. The PSC will be responsible for the overall monitoring of the project implementation and the evaluation of its effectiveness and efficiency.
67. Bank supervision missions will review progress, evaluate performance and examine project management. They will pay particular attention to progress achieved on the institutional front (i.e., improvements in municipal and financial management, investment programming) as well as on the operational front (i.e., subproject selection, maintenance of infrastructure). Supervision missions will visit work sites, and evaluate the impact on the development of small firms employment creation and improvement of the quality of life in the cities concerned. Joint Government/IDA annual reviews (in the later part of each calendar year) will permit stocktaking of the current year and adoption (for the year to come) of performance targets agreeable to all concerned.

68. Each year, beneficiaries' assessments will be carried out and results reviewed during one-day workshops, with representatives of all stakeholders.

69. A mid-term review, at the end of the second year of project implementation (i.e., by December 2000), will bring together a larger group of stakeholders: central government authorities, communities, NGOs, CBOs and donors during a two-day workshop. An environmental impact assessment of the subprojects carried out so far will be completed prior to the mid-term review. The review will take stock of progress and possible problems, and draw lessons upon project features to be modified to improve the effectiveness and efficiency of the project's support actions.

D: Project Rationale

1. Project alternatives considered and reasons for rejection:

70. The preceding PWCB project was geared primarily toward (a) providing public works contract opportunities (therefore, employment and income opportunities) to private, small contractors utilizing large inputs of low-skilled labor, and (b) establishing Gamworks. This approach followed the first generation of AGETIP-type of projects with their emphasis on provision of physical assets (e.g., public infrastructure and rehabilitation work) and alleviation of poverty through employment creation. Several alternative designs were considered for the new project, and rejected in the course of project preparation.

71. Alternative 1: A first option was a straightforward repeater project. This was rejected because the LGAs' limited capacity (as assessed by the July 1998 pre-appraisal mission) and weaknesses in subproject selection warranted a consistent package of municipal capacity building and financial strengthening measures, to make progress toward linking municipal infrastructure investments with longer term sustainability concerns, particularly O&M.

72. Alternative 2: Another option was to lessen the emphasis on the provision of infrastructure, and to pursue instead an aggressive municipal capacity building operation. Under this option, the LGAs' capacity to mobilize sufficient local resources would be significantly improved, their demand for public investments would increase, and financing would be provided accordingly. This option was rejected because the Government's policy and programs to support and strengthen the LGAs have not been completely formalized. This makes the notion of assisting LGAs in a limited but tangible and focused manner, by conducting audit studies and designing action plans (o.w. the RIAPs) to strengthen their management capacity and improve their financial situation, more sensible.

73. A variation of this alternative consisted of a priori designing staff training and a priori setting targets for municipal performance. This was rejected because (a) not enough is known about the LGAs' present situation and management, and (b) such designing and target setting could only lead to repeated shortfalls and inadequacies, frustrations and the need for repeated adjustments to earlier measures.
74. **Alternative 3:** Another alternative was to handle the sustainability issue as it relates to municipal investment financing, in a more direct manner through the setting up of onlending arrangements under the new project. The creation of an MDF would allow investment financing through municipal borrowing of long-term resources (originating from the IDA Credit) at a somewhat subsidized rate over a short period to allow multiple rotations of the resources, thereby generating long-term local resources that would remain with the MDF. This alternative was assessed as premature because of the lack of financial management capacity at the local government level, and rejected. The idea of an MDF has been retained, however, and a feasibility study for establishing one will be financed under the project.

75. A major objective of the proposed project is to assure ownership by the municipal authorities and their full appreciation that: (a) the O&M of infrastructure must be ensured; (b) financing capital investment from grants (or borrowing for O&M) is neither a sound nor replicable procedure over the long term; (c) sustained efforts to better mobilize local resources and continuous improvements in financial management constitute the most viable approach for moving toward investment financing of public infrastructure and services at the local government level; and (d) financial management by municipalities has to fully account for the above three imperatives.

76. Experience in initiating cultural/behavioral changes has consistently established that careful preparation, reiteration of messages and repetition of exercises lead to gradual acceptance, internalization and ownership of such changes. Capitalizing on this experience, the approach adopted for the proposed project consists of developing the above-mentioned understanding by authorities and managers, through annual, detailed joint reviews of, and discussions on: (a) the financial situation of local governments, and realistic projections of financial resources and needs; (b) subprojects under consideration, to verify the extents to which they address priority needs and entail subsequent financial obligations beyond local capabilities; and (c) the detailed measures required to improve upon the coherence between, on the one hand, new investment programming, O&M and other priority needs and, on the other hand, a realistic assessment of the resources expected to become available to meet these needs.
2. Major related projects financed by the Bank and/or other development agencies:
(completed, ongoing or planned)

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<th>Sector issues</th>
<th>Project</th>
<th>Latest Supervision Ratings *</th>
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<td>- Job creation/poverty reduction</td>
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<td>- Access to a minimum package of health services and essential generic drugs</td>
<td>Participatory Health, Population &amp; Nutrition Project (Approved in March 1998)</td>
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<td>- Primary school enrollment, and vocational training</td>
<td>Third Education Project (Approved in September 1998)</td>
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<td><strong>Projects financed by other donors</strong></td>
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<td>- Poverty Alleviation Project</td>
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* from Forms 590 for Bank-financed projects
IP/DO Ratings: HS (Highly Satisfactory), S (Satisfactory), U (Unsatisfactory), HU (Highly Unsatisfactory)

3. Lessons learned and reflected in the project design:

77. The Government seeks to consolidate the gains and achievements from the previous PWCB Project – i.e., the now well-established Gamworks machinery, the practice of contract management delegation, and adequate accounting/financial and monitoring systems. The success of the PWCB Project has firmed up Government’s confidence in Gamworks’ delivery system and has led to increased delegation to Gamworks of the execution of the infrastructure components of new projects, such as the Participatory Health, Population and Nutrition Project and the Third Education Project.

78. However, experience under the PWCB Project (as well as under other first generation AGETIP-type projects elsewhere) has established that: (a) maintenance arrangements for infrastructure and facilities created or rehabilitated under the project were weak, and were not of a duration consistent with the potential life span of municipal infrastructure; and (b) financing and planning for maintenance of infrastructure at the local government level proceeded mainly on an ad hoc basis and fluctuated widely with variations in municipal financial and human resource levels. Also, criteria for subproject selection were too broad, giving rise to subprojects not benefiting the targeted groups, particularly poor people. The establishment of O&M Funds and the revision of subproject eligibility criteria under the PACB Project are answers to the lessons learned from past experience in the country and elsewhere.

4. Indications of Borrower’s commitment and ownership:

79. The Borrower’s ownership of, and commitment to, the previous PWCB Project have been fully demonstrated. It is in consideration of the PWCB Project’s positive impact and its rank among the best
in the IDA Gambia portfolio, that the Government has: (a) expressed its wish that there be a follow-up to the PWCB Project; and (b) offered that, under the Action Plan of the National Decentralization Strategy, a percentage of the municipalities’ revenues be set aside as a contribution to the new project.

80. In October 1998, at the time of the Annual Meetings, the Government sent a high-level delegation to the Bank, headed by the Secretary General of the Office of the President, to discuss *inter alia* essential elements of the project with the IDA project team. Agreements were reached on a broad set of issues with respect to the project’s scope, content and implementation arrangement, which were presented in a Memorandum of Understanding.

5. *Value added of Bank support in the project:*

81. Considering the Bank’s long-standing involvement in the urban sector in The Gambia, its wide and expanding experience in employment generation, its role as a catalyst for the mobilization of supplemental funds1 and the successful implementation of the PWCB Project, the Bank is in a unique position to facilitate (a) financing the development of priority public infrastructure and other facilities in urban areas throughout the country; (b) adopting much-needed capacity building measures at the local government level, geared toward investment programming, resource mobilization and financial management; and (c) creating an enabling environment for the maintenance of municipal infrastructure, as well as for employment and income generation. The Bank can also bring to the project the lessons learned on Gamworks-type projects elsewhere.

82. It is expected that, under the project, the Bank’s involvement will be essential in: (a) the introduction of improvements to the existing system with respect to the selection of subprojects; (b) the maintenance of infrastructure; (c) the creation of a durable local capacity to mobilize own source revenues to finance municipal investments; and (d) the multiplication of co-financiers interested in supporting employment and poverty alleviation objectives through this kind of urban infrastructure and municipal strengthening program. The OPEC Development Fund has scheduled the extension of a loan of US $4 million in support of the PACB Project, for early March 1999.

**E: Summary Project Analyses**

1. *Economic: (Annex 4a)*

83. The PACB Project, by the combined effect of its various components, is expected to have significant positive economic impacts of four different orders and of a lasting nature on: (a) under- and un-employment and poverty reduction; (b) selection of public investments and their use; (c) the use of local resources; and (d) to some extent, the country’s balance of payments.

84. Because of (a) its emphasis on small- to medium-size investment of public interest that can be implemented through SMEs using labor intensive methods, and (b) the special operations (mapping, street identification, property numbering and revaluation) and action plans (o.w. the RIAPs) geared to increasing the LGAs’ financial resources and improving local management, the PACB Project will contribute, in a lasting manner, to creating jobs for a significant fraction of the potentially active yet idle population, thus raising the income level and improving welfare. Eventually, this will have a multiplier effect on the economy, as consumption of locally produced, semi-durable goods (e.g. furniture, home appliances, clothing, etc.) or services (e.g., education, health) would increase. Of the 25,000 temporary jobs expected to be created through the project period (para. 48), it is estimated that at least 1,800 (i.e.,

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1 Under the PWCB Project, the Bank was able to generate interest on the part of the OPEC Development Fund in participating in the project, and the Fund extended a US$2 million loan to The Gambia for this purpose.
7.5%) of them would be of a more durable nature. The PACB Project will therefore create “permanent” jobs at a unit cost of about US$ 8,000 per job which is an acceptable unit cost in the local context.

85. The more thought-through selection of investments to be carried out under the PACB Project (through the completion of urban audits and the design of PIPs) will greatly improve their relevance for meeting the needs of the majority of the population. This greater concern should translate into a very significant improvement to the rate of social return for each public Dalasi spent in urban areas. Estimates are that, on the average, this rate would be in the vicinity of 22%. In parallel, the improvement to the LGAs’ financial situation and the concurrent establishment of O&M Funds will ensure that the investments made are properly maintained and do not deteriorate to the point of not being worth the rehabilitation as was frequently the case in the past. This will result in significant improvements to the physical living environment of the majority of the population, and the steady maintenance of this environment. Estimates ensuring this maintenance will raise the rate of return of these investments by 5-7%.

86. The PACB Project (as already mentioned above) will result in a significant improvement in the mobilization of local resources, both human and financial. In addition to the effects already mentioned, this increased mobilization will translate into an increased production of public assets at a most reasonable cost (by relying on SMEs, selected through a competitive process). It will also translate into a tapping of private savings (corresponding inter alia to real estate taxes that remained unpaid in the past) and increase the financial capability of LGAs to address the needs of a large segment of the population to whom services such as water supply, public safety lighting, solid waste collection and disposal are not offered on a private/individual basis. This will in turn result in significant reductions of expenditures (e.g., health-related) and loss of private income.

87. Finally, the reliance on SMEs and labor intensive methods for realizing the subprojects financed by the PACB Project would significantly reduce the need for imported machinery and goods related to the public works and construction sectors (such as concrete mixers, door hinges, locks, door and window frames, etc.). The foreign exchange consumption and pressure on the country’s balance of payments would also be reduced.

2. Financial: (Annex 5)

88. Under the PWCB Project, municipalities benefiting from project investments contributed from 5 to 20% of the investment costs – with most contributions amounting to 10%. The complement was provided by the Central Government, from the IDA Credit and the OPEC Development Fund Loan. This constituted a relatively important State contribution, without the benefit of strengthening or establishing a lasting local capacity to finance municipal investment.

89. This issue will be addressed under the PACB Project through: (a) assisting the municipal councils to enhance own source revenue collection through the development and implementation of their RIAPs; (b) undertaking property revaluation, along with mapping, street identification and property numbering in all major urban areas, as well as computerization (for more efficient updating and maintenance) of new valuation rolls – considering the fact that revenue from property tax offers the largest room for own source revenue growth; and (c) assessing the feasibility of creating a Municipal Development Fund, through which long-term resources for municipal investment financing could be gradually developed. These actions, along with the O&M Funds, are designed to ensure the mobilization of adequate resources for municipal investment financing over the medium- and long-term, and their maintenance.
Also, with respect to O&M financing, systematic efforts will be made to ensure that these costs are recovered to the extent possible from beneficiaries – especially when user charges can be applied and the proposed investment can generate income for the municipalities.

3. Technical: (Annex 4b)

The Gambia still has few engineering consultants and contractors, and their experience is still relatively limited. This stems from the small size of the country, and the fact that works of a significant magnitude are not that frequent and, therefore, when contract opportunities arise, such works are often executed by foreign firms with greater experience. Under the PWCB Project, local firms and contractors have been heavily mobilized and relied upon extensively for implementation of the investment component. This reflects the fact that (a) the works to be carried out were small in size and of limited interest to larger firms, and (b) this was one of the employment related objectives of the project. From a technical standpoint, however, subproject design and implementation have somewhat suffered from the limited experience and expertise of local firms.

Under the PACB Project, local firms and contractors will continue to be heavily mobilized, since the works to be carried out will continue to be small. Training and supervision of consulting firms and contractors, therefore, will be strengthened and improved notably, through the close involvement of the Professional Associations created by consultants and contractors under the PWCB Project.

4. Institutional:

The overall management of the project will be the PSC’s responsibility and the operational responsibility for project implementation will rest with the PCU relying heavily on Gamworks, through delegated contract management arrangements. Because the present project’s composition is broader than that of the PWCB Project, the Framework Agreement binding Gamworks and the Government needs to be revised in some detail. A draft of the revision was furnished and reviewed during negotiations. In parallel, the Board of Gamworks will need to be reactivated to ensure that, should the PSC grow dissatisfied with the response of Gamworks management to its requests, it could turn to the Board for appropriate action.

Now that Gamworks has demonstrated its effectiveness in delivering its services, its clients should be ready to pay for such services. It is thus expected that, by the beginning of the second year of project execution, Gamworks will start charging a fee for its services. This new modus operandi has to be reflected in the Agreements signed with beneficiaries and in Gamworks’ Operational Manual. This commercial modus operandi (and the date set for its effectiveness) will have to be reviewed against the ongoing project support activities (in the area of strengthening of local governments’ financial capacities) and their effects. Issues of feasibility and sequencing over the short- and medium-term, will be of critical significance and will be reviewed at the time of the joint annual reviews.

5. Social:

It is estimated that, under the PWCB Project, the proportion of subprojects that the majority of the population (and the poor, in particular) benefited from could have been significantly higher, had the selection of subprojects been more responsive to certain concerns, such as providing public and social infrastructure. Such subprojects have a clear impact on improving the living environment for poor households and businesses in urban areas. The concern of adequate subproject selection will be addressed under the PACB Project by: (a) assisting municipal governments in carrying out needs
assessments and preparing PIPs; and (b) strengthening Gamworks’ Technical Department and the technical, social and economic criteria against which subprojects are appraised.

6. **Environmental assessment:**

a. Environmental issues:

**Major:** Among the project components, two are of significance in environmental terms:

(i) the detailed engineering study for the rehabilitation and extension of the Banjul drainage and flood control system; and

(ii) the detailed engineering *cum* institutional and financial study – followed by the implementation – of the GBA solid waste collection and disposal component.

**Other:** Areas in the cities expected to benefit from the project are affected by temporary flooding during the rainy season; and others, by poor street infrastructure. (These problems will be identified and flagged as priorities during the urban physical and financial audits, and the definition of PIPs.)


c. Justification/Rationale for category rating: The implementation of the project should result in improvements to the living environment of a significant part of the urban population. It is not expected that the project (more specifically the solid waste component, prepared as it will be, in compliance with IDA environmental guidelines, including a thorough environmental impact assessment, carried out under the *aegis* of the NEA) should cause any environmental problems.

d. Status of Environmental Assessment for the solid waste project component:

- **EA start-up date:** early July 1999
- **Date of first EA draft:** early September 1999
- **Current status:** not yet initiated

e. Proposed actions: Under the PACB Project, (a) the GBA solid waste component will be undertaken, from the very start, in close collaboration with the NEA; and (b) a special emphasis on the benefits from a healthier urban environment (e.g. lesser occurrences of water borne illnesses, reduced health expenditures) will be introduced in the cost-benefit assessment of the subprojects submitted to Gamworks for consideration.

f. Status of any other environmental studies: Special studies for the GBA were completed in the past on (a) sanitation and flood mitigation and (b) solid waste collection and disposal. These studies will be the basis on which detailed engineering studies will be carried out under the project.

g. Local groups and NGOs consulted: GBA authorities; some NGOs involved in education and health services under the PWCB Project.

h. Resettlement: None expected

i. Borrower permission to release EA: [X] Yes [ ] No [ ] N/A

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1 Such questions were already identified under the PWB Project and specifically addressed. Subprojects involving the laying down of drains were singled out as subprojects for which municipalities would be assisted more significantly by the Government, and the level of contribution to investment financing expected from them was lowered.
7. Participatory Approach:

a. Primary beneficiaries and other affected groups: Subprojects will be submitted by LGAs who will consult their constituencies when identifying problems that affect the community and justify priority attention. Under the project, this consultation process between local government authorities and various community and professional associations, NGOs, CBOs and other local actors will be strengthened. Assessments by beneficiaries will be carried out at regular intervals.

b. Other key stakeholders: Projects of the PWCB type essentially involve local engineering consulting firms as well as contractors. Assessments by these participants of the project’s “value” have already been done in the past. Such assessments will be systematized in the future, taking into account relevant efficiency considerations such as cost, time horizons for completion, quality of works, employment generated and accessibility by poor households and businesses. They will be given special attention when reviewing the program composition and its mode of implementation, to make them more responsive to local needs.

F: Sustainability and Risks

1. Sustainability:

96. Sustainability is a central feature in the design of the PACB Project, compared with its predecessor (PWCB) project. Under the project, an important measure will be taken to ensure sustainability of municipal investments. At this stage in a capacity building process, “sustainability” primarily means mechanisms through which LGAs can ensure O&M of the public investments made.

97. This will be primarily achieved (see paras 49-59) through: (a) building-up and budgeting for, O&M Funds by LGAs; (b) designing and implementing RIAPs, to increase the municipal councils’ own source of revenues to ensure adequate income streams that can be directed toward O&M and, in the medium-term, the purchase of Gamworks’ services on a fee basis; and (c) revaluing property along with mapping, street identification, property numbering and computerization of the new valuation rolls (to allow easy track records over time of new and changing properties) which should dramatically boost municipal revenue (by 100 to 300%) during the project.

2. Critical Risks: (reflecting assumptions in the fourth column of Annex 1)

<table>
<thead>
<tr>
<th>Identification</th>
<th>Rating</th>
<th>Minimization Measures</th>
</tr>
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<tbody>
<tr>
<td>from Annex 1, cell &quot;from Outputs to Objective&quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>o Selection process of subprojects should prioritize those that serve the poor most.</td>
<td>N</td>
<td>Clear eligibility criteria will be in Gamworks’ MoP, and in the Agreements with municipalities.</td>
</tr>
<tr>
<td>o SMEs should have a better chance of winning contracts than larger firms.</td>
<td>N</td>
<td>The definition of works tranches should make them less attractive to larger firms.</td>
</tr>
<tr>
<td>o Steady and substantial funding should be available to LGAs to commission works, and for consultants and contractors to have commissions.</td>
<td>M</td>
<td>The feasibility of a Municipal Development Fund (MDF) will be studied. Until its creation, a moderate risk will remain.</td>
</tr>
<tr>
<td>from Annex 1, cell &quot;from Components to Outputs&quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>o Subprojects should be carefully selected, addressing in priority the needs of the largest fraction of the population and the poor in particular.</td>
<td>M</td>
<td>Supervision missions will spot-check the cost-benefit analyses. For some subprojects, the review by IDA of the analysis will be a</td>
</tr>
<tr>
<td>Risks Identification</td>
<td>Rating</td>
<td>Minimization Measures</td>
</tr>
<tr>
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</tr>
<tr>
<td>Works should be tranched to offer the best possible opportunities for SMEs to win contracts.</td>
<td>N</td>
<td>This is an already established practice in Gamworks.</td>
</tr>
<tr>
<td>SMEs should be given a priority in contract award (as they are the best channel to create jobs).</td>
<td>N</td>
<td>same</td>
</tr>
<tr>
<td>Authorities (central and local) should be closely associated to the definition and supervision of studies, so as to secure their full agreement.</td>
<td>M</td>
<td>Special committees will be set up to launch and monitor the studies.</td>
</tr>
<tr>
<td>Beneficiaries should be involved in the definition of training, technical assistance and institutional support.</td>
<td>M</td>
<td>The Associations concerned will be members of the committees responsible for such definitions.</td>
</tr>
</tbody>
</table>

**Overall Risk Rating**

<table>
<thead>
<tr>
<th>Rating</th>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>M</td>
<td>prerequisite to its no-objection.</td>
</tr>
<tr>
<td>N</td>
<td>This is an already established practice in Gamworks.</td>
</tr>
<tr>
<td>same</td>
<td></td>
</tr>
<tr>
<td>Special committees will be set up to launch and monitor the studies.</td>
<td></td>
</tr>
<tr>
<td>The Associations concerned will be members of the committees responsible for such definitions.</td>
<td></td>
</tr>
</tbody>
</table>

Risk rating: H (High risk); S (Substantial risk); M (Modest risk); N (Negligible or low risk)

### 3. Possible Controversial Aspects: (Project Alert System)

<table>
<thead>
<tr>
<th>Risks Identification</th>
<th>Type</th>
<th>Rating</th>
<th>Minimization Measures</th>
</tr>
</thead>
</table>
| Overloading of Gamworks due to an increase of the size of its portfolio. | M | N | *First*, capacity constraints lie more with consultants and contractors than with Gamworks.  
*Second*, the portfolio should not increase very substantially since selection criteria and conditionalities (for the municipalities) will be more demanding. |
| Difficulties for Gamworks in switching to a system of payment by beneficiaries, of its services, through the application of fees. | M | M | Gamworks’ management has been developing a corporate culture emphasizing effective and efficient outputs while controlling and minimizing operating costs – which should ease the switch to the new system. |

Type of risk: S (Social), E (Ecological), P (Pollution), G (Governance), M (Management capacity), O (Other)

Risk rating: H (High risk), S (Substantial risk), M (Modest risk), N (Negligible or low risk)

### G: Main Credit Conditions

98. At the time of negotiations, (a) TORs for the Urban Audits were finalized, (b) the creation of the PSC and the PCU was confirmed, and (c) Supplemental Letters were agreed upon on the following subjects: the performance indicators, the allocation of funds among the LGAs, and the establishment of the O&M Funds. In addition, the following draft documents were furnished by the Gambian delegation:

i. the PCU’s Project Implementation Manual (PIM);
ii. the Framework Agreement between PCU and Gamworks;
iii. the Project Implementation Plan (PIP), including the Procurement Plan; and
iv. the revised Gamworks’ Manual of Operational Procedures (MoP).
1. Conditions of Effectiveness:
The conditions of effectiveness agreed upon during negotiations were the following:

a. hiring of the PCO;
b. formal adoption of:
   i. the PCU’s Project Implementation Manual (PIM);
   ii. the Project Implementation Plan (PIP);
   iii. the revised Gamworks’ Manual of Operational Procedures (MoP).
c. appointment by each selected LGA, of a project coordinator, from its existing management staff; and
d. adoption by the PCU and Gamworks of accounting and financial management systems acceptable to IDA.

2. Other Conditions and Covenants:
There would be one (1) condition of disbursement:
- the creation (by the three LGAs concerned) of an appropriate institutional and financial arrangement to manage and monitor the solid waste situation in the GBA. This condition would bear on the fraction of the IDA Credit allocated to the financing of the investment related to this project sub-component.

H: Readiness for Implementation

A- Since the PWCB Project was closed, Gamworks using the PPF funds has received requests (235, as of November 1998) from potential beneficiaries, collected their financial contributions (for 18 requests) and commissioned technical studies with consulting firms. Since Gamworks *modus operandi* (as established under the PWCB Project) is not scheduled to be modified before the second year of project implementation, the investment component of the project should experience no delay in its inception. In fact, Gamworks has a full work load until mid-1999. During the first six months, Gamworks will process pending requests and, therefore, should have no break in its work load for the second half of 1999. By late 1999, the LGAs’ PIPs should be available - this will confirm or deny the eligibility of the requests not yet satisfied by that date.

B- A meeting was held in the DoS LGL with representatives of the LGAs, the PS and other DoS LGL senior staff, in which the project components and implementation arrangements were discussed, and the role of LGAs and their continuous involvement during project implementation emphasized. LGAs were consulted to comment on the draft TORs (already cleared by the IDA mission) for the Urban Audits study and the TORs were finalized; it is anticipated that consultant proposals would be invited by early March 1999. Taking into account the time needed by consulting firms to submit proposals (45 days at a minimum) and by Gamworks and the PCU to analyze the proposals, it is expected that consultants would commence the six-month study by early May 1999. By that time, the new IDA Credit should be close to being declared effective, and the funds left from the US$ 1 million PPF advance should allow the study to be launched.

C- Technical notes to serve as bases for drafting TORs are available for (a) the mapping component, and (b) the street identification, property numbering, and valuation component. Therefore, TORs could be ready by mid-March 1999, cleared by IDA in early April, and the implementation of these components could commence by early July 1999.
D- Agreements have been reached on the creation and composition of the PSC and the PCU, including the hiring of the PCO, for whom an outline of TORs has been drafted. It is recommended that the PCO is hired before the end of February 1999, since the project implementation will start thereafter.

E- Detailed discussions took place during negotiations on: (a) amendments to the MoP of Gamworks; (b) revisions to the State-Gamworks Framework Agreement; and (c) the PIP.

I: Compliance with Bank Policies

This project complies with all applicable Bank policies.

Noel M. Carrere  
Team Leader

Letitia A. Obeng  
Sector Manager

Anwar Bach-Baoud  
Acting Country Director
### The Gambia: Poverty Alleviation and Capacity Building Project
#### Project Design Summary

<table>
<thead>
<tr>
<th>Narrative Summary</th>
<th>Key Performance Indicators</th>
<th>Monitoring &amp; Evaluation</th>
<th>Critical Assumptions</th>
</tr>
</thead>
</table>
| **Sector-related CAS Goal:**  
1. Capacity building in the public and private sectors  
2. Poverty alleviation | Production of guidance to local authorities that they approach investment design and realization with the objective of mobilizing local firms and contractors, and within financial constraints | Reviews of drafts and final versions of Ministerial directives | **(Goal, to Bank Mission)** |
| **Project Development Objectives:**  
1. Creation of an enabling environment for employment creation and income generation | Adoption of priority investment programs (PIPs) to meet the needs of the largest fraction of the population | Reviews of preliminary and final versions of PIPs by the ministry concerned (Dept. of State for Local Government and Lands) | **(Objectives, to Goal)** |
| 2. Improvement to the living conditions of the largest fraction of the urban population and the poor, in particular | Number and characteristics of pieces of infrastructure built or rehabilitated in each semester, as well as of contractors who won contracts | Periodic reviews of (a) the performance of local governments (annually), and (b) the lists and characteristics of the consultants and contractors who were involved in investment realization (quarterly) | PIPs would be the result of a strengthened consultation process between local authorities and their constituencies |
| **Outputs:**  
1. Development of local authorities', consultants' and contractors' capacities (financial and other) to efficiently provide public infrastructure and services | Number of temporary jobs created, and amount of salaries paid each semester | Annual reviews of PIP implementation, and annual updatings of PIPs | **(Outputs, to Objectives)** |
<p>| 2. Provision or rehabilitation of essential public infrastructure and services | <strong>same</strong> | PIPs would effectively rank subprojects according to how best they serve the poor |
| 3. Job creation and poverty alleviation | Quarterly reports from Gamworks on progress and related achievements | Subproject definition and design would indeed give SMEs the best chance to win contracts against larger firms |</p>
<table>
<thead>
<tr>
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<th>Monitoring &amp; Evaluation</th>
<th>Critical Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Components/Sub-components:</strong> 1. <strong>Investment</strong>  Medium and small size works along the lines of traditional types of Gamworks subprojects.</td>
<td><strong>Inputs:</strong> 1. Number of appropriate subprojects in different LGAs.</td>
<td>Quarterly reports from Gamworks on progress and related achievements.</td>
<td>(Components, to Outputs)  Subprojects would indeed be carefully selected, addressing the needs of the poor by priority.</td>
</tr>
<tr>
<td></td>
<td>2. Number of contracts awarded to local contractors and consultants.</td>
<td>same</td>
<td>Works would be tranched so as to offer SMEs as many opportunities as possible to win contracts.</td>
</tr>
<tr>
<td></td>
<td>3. Number of jobs created in the public works and construction sectors.</td>
<td>same</td>
<td>SMEs would indeed be given a priority in contract award, as being the best channel to create jobs.</td>
</tr>
<tr>
<td>2. <strong>Technical Studies</strong>  (a) Studies to review the current state of urban infrastructure and the financial situation of the LGAs, as well as to identify their priority needs.</td>
<td>Conventional timetables attached to studies (i.e. TORs approval, Reception of bids, Contract award, etc.)</td>
<td>Reception of draft and final versions of consultant reports.</td>
<td>Local authorities would utilize the conclusions of the studies as the basis on which PIPs and training would be implemented -- leading to the development of investment programming capacity in LGAs.</td>
</tr>
<tr>
<td></td>
<td>(b) Production of maps for the LGAs.</td>
<td>same</td>
<td>same</td>
</tr>
<tr>
<td></td>
<td>(c) Undertaking street identification, estate numbering, and estate revaluation in the LGAs.</td>
<td>same</td>
<td>same</td>
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<tr>
<td></td>
<td>(d) Study of financial and institutional arrangements for solid waste management in the GBA.</td>
<td>same</td>
<td>same</td>
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<tr>
<td></td>
<td>(e) Detailed engineering studies for a storm water drainage and flood control system for the BCC.</td>
<td>same</td>
<td>same</td>
</tr>
<tr>
<td>Narrative Summary</td>
<td>Key Performance Indicators</td>
<td>Monitoring &amp; Evaluation</td>
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<tr>
<td>(f) Feasibility studies to create a Municipal Development Fund (MDF).</td>
<td>Development of proposals re. the modalities of a Fund and a schedule for its implementation</td>
<td><em>same</em></td>
<td>The financial situation of LGAs would have sufficiently improved to make them creditworthy</td>
</tr>
<tr>
<td>3. Capacity Building</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Capacity building for the public sector administration</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Number and content of sessions (and services) provided, against set targets (taking into account the level of equipment available)</td>
<td>Impact evaluations, and</td>
<td>1. Beneficiaries would be involved in the definition of training, technical assistance and support</td>
</tr>
<tr>
<td></td>
<td>2. Level of participation by target groups in training sessions</td>
<td>subsequent adjustments</td>
<td>2. Capacity building for public administration would be replicable to the highest degree possible</td>
</tr>
<tr>
<td></td>
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<tr>
<td></td>
<td>(b) Capacity building for Gamworks</td>
<td></td>
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<tr>
<td></td>
<td>Action will be directed at the Technical Dept. (after it has acquired an additional project engineer), for: (i) improving subproject appraisals; and (ii) making the best possible use of the computerized MIS.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Number and content of sessions/services provided against set targets.</td>
<td>Impact evaluations, and</td>
<td>1. Beneficiaries would be involved in the definition of training, technical assistance and support</td>
</tr>
<tr>
<td></td>
<td>2. Level of participation by target groups in training sessions.</td>
<td>subsequent adjustments</td>
<td>2. Capacity building activities would be replicable to the highest degree possible.</td>
</tr>
<tr>
<td></td>
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<tr>
<td></td>
<td>(c) Training and technical assistance to consultants and contractors</td>
<td><em>same</em></td>
<td><em>same</em></td>
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<td></td>
<td></td>
<td><em>same</em></td>
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</tbody>
</table>
Annex 2

The Gambia: Poverty Alleviation and Capacity Building Project
Detailed Project Description
and
Related Implementation Procedures

1. The project has three main components: (i) Investments (Part A); (ii) Capacity Building (Part B); and (iii) Studies (Part C). The IDA Credit will also contribute to the financing of Gamworks’ operating costs (Part D) and will refinance the PPF (Part E) extended to the Government to prepare the Project. The detailed description of these components follows.

Part A: Investments

Sub-component A-1

2. The investments will be subprojects of infrastructure or public facilities in urban areas, to be built or rehabilitated. Subprojects will be submitted by local authorities, NGOs or CBOs involved in the provision of services of interest for a large fraction of the population (such as education, health care, vocational training). Most investments will be of a small to medium size, of the type already dealt with by Gamworks under the PWCB Project. All subprojects submitted to Gamworks should first meet eligibility criteria agreed upon with IDA. Once Gamworks has found them acceptable against these criteria, Gamworks will assess them according to appraisal techniques agreed upon with IDA.

3. As under the PWCB Project, a few investments might involve facilities of a more significant size and cost -- such as a market or a car park. Because such subprojects are income producing, they will be subject to special examination by Gamworks, and IDA financing will be justified only if (a) the structure of users’ fees has been defined; (b) the financial viability of the subproject can be proven; and (c) an acceptable management structure, to ensure the effective viability of the investment, has been established to operate the facility.

4. For the country’s LGAs (Banjul City Council [BCC], Kanifing Municipal Council [KMC], and the Brikama, Kerewan [Farafenni], Basse, Mansakonko, Kuntaur and Janjangbureh Area Councils)) physical and financial audits of the urban areas (see par. 16) will have led, by the end of the first year of project implementation, to the adoption of individual: (a) Action Plans (including Revenue Improvement Action Plans, RIAPs) to build the technical and managerial capacities in, and improve the overall performance of, the municipality; and (b) Priority Investment Programs (PIPs), with associated targets and related schedules. The PIPs will provide: (i) the list of subprojects worthy of consideration (i.e. meeting eligibility criteria); (ii) the sequence in which to consider them; and (iii) the timetable of their submission to Gamworks for appraisal.

5. IDA Credit funds will be pre-allocated to the LGAs. In the course of project implementation, at the time of the annual reviews, the allocation of IDA funds among the LGAs might be modified to provide more support to the LGAs performing best.

6. Costs of (a) the technical studies carried out to prepare the investment subproject and (b) the supervision services provided to oversee the works in progress -- which, combined, amount to about 10% of the cost of the works themselves -- will be considered an integral part of the subproject cost. As a result, and in view of the fact that these studies and services will be done and provided by local consultants, they will be financed by IDA on the same basis (80 or 90%) as the works themselves.
7. Under the project, Operation and Maintenance (O&M) Funds will be created in the LGAs, with the support of the IDA Credit. The annual amounts of funding of these Funds will reflect the PIP constitution. They should be agreed upon when the PIPs become available -- i.e. before end-1999, at the time of the first joint annual review. Adjustments will be introduced as needed at the time of the subsequent joint annual reviews. The IDA Credit support will be on a decreasing basis, as follows. It will provide up to:
   (a) 75% of the total funding needed in the first year of existence of the O&M Funds (i.e. in the second year of the project execution;
   (b) 50% of the total needed in the third year of the project execution; and
   (c) 25% of the total needed in the fourth (and last) year of the project execution.

Sub-component A-2

8. The Investment component will comprise a particular subproject, of concern to the BCC, KMC and the Brikama Area Council (BAC) solely: the establishment of an area-wide solid waste collection and disposal system. The costs (investment and recurrent) of this subproject and the related IDA financing will be apportioned among the LGAs concerned. To see that this particular subproject can be implemented through Gamworks, works will be “packaged” in a way permitting Small to Medium size Enterprises (SMEs) to be commissioned through streamlined procedures as authorized under the Gamworks’ charter.

9. Because of the inter-municipal and environmental character of this subproject, special arrangements are needed to prepare and implement this particular subproject:
   a) a special committee be established (composed inter alia of the 3 LGAs concerned and the National Environment Agency [NEA] ) to clear the terms of reference of the study, monitor its development and make the necessary decisions before the investment can be carried out; and
   b) a financial and institutional arrangement should be established before funds from the IDA Credit can be spent on the implementation of the physical scheme eventually adopted. If this condition is not met, the amount of the IDA Credit earmarked for this subproject (about US$1.2 million) will be canceled.

Part B: Capacity Building

10. This part of the project will have three sub-components: (i) Training, technical assistance and support for the governments; (ii) Training of local consultants and contractors; and (iii) Gamworks itself.

Sub-component B-1

11. Training, technical assistance and support to the governments. These will be provided to central as well as local authorities and staff. As far as the central administration is concerned, these services will be provided to: (i) the Project Coordinating Unit (PCU), in the form of the salary of, and some office equipment for, the Project Coordinating Officer (PCO) under contract for the project duration, and for strengthening the Government’s action in the area of community sensitization; and (ii) the Valuation Unit in the Department of State for Local Government and Lands, when updating and completing the valuation of properties in the LGAs.

12. As for local governments, the authorities and staff of the LGAs will receive special training and assistance to be better able to: (i) assess and address priority needs in their municipality; (ii) ensure the maintenance of its public infrastructure and the delivery of public services of a better quality; and (ii) improve the resource situation of their municipality as well as their overall management of the community.
Sub-component B-2

13. As under the previous (PWCB) project, local consultants and contractors will receive specialized training, through Gamworks. The main improvement on these activities as carried out under the PWCB project will be that the two professional associations created under the PWCB will be closely involved in the identification, and the definition of the content, of the training modules that will be delivered. The objective is that, as best as possible, this training responds to their needs to the point where these beneficiaries would be willing to contribute financially to cover the cost of this training.

Sub-component B-3

14. Gamworks itself would benefit from strengthening through periodic visits (say, for one week every two months) of: (i) a professional experienced in the use of computerized Management Information Systems (MIS) used by agencies of the Gamworks type; (ii) a senior project engineer to assist Gamworks’ Technical Department to improve its supervision of the technical studies carried out as well as services provided by local consultants and the works delivered by local contractors; and (iii) a management adviser to help Gamworks’ Director General adapt the agency to its new range of clients, types of services to be provided and modus operandi with these clients.

Part C: Studies

15. This part of the project will comprise four sub-components for the benefit, respectively, of: (i) the LGAs; (ii) the GBA; (iii) the BCC; and (iv) the urban sector as a whole.

Sub-component C-1, 2, 3

16. Each LGA will benefit from physical (re. infrastructure and public services) and financial cum management audits of their situation. These audits should include the development of related recommendations (including Priority Investment Programs [PIPs], Action Plans -- of which Revenue Improvement Action Plans [RIAPs] -- and O&M Funds).

17. Each will benefit also from a series of three operations: (i) mapping, (ii) street identification, and property numbering, and (iii) property revaluation, that should provide them with an appropriate basis on which to undertake to improve very substantially the mobilization of their own source revenues.

Sub-component C-4

18. The GBA will benefit from the development of a solid waste management system. For this purpose, a study (see par. 8) will be carried out to define the institutional and financial framework of such a system. Because of its critical importance, the study will be commissioned through ICB.

Sub-component C-5

19. The BCC will benefit from the carrying out of a detailed engineering study of the rehabilitation of, improvement to, the storm water drainage cum flood control (Bond polder and pumping station) and sanitation system of Banjul, which constitute a significant health hazard.
Sub-component C-6

20. The urban sector as a whole will benefit from the carrying out of the study of the feasibility to create a Municipal Development Fund.

Part D: Project administration and monitoring

21. The IDA Credit will cover part of Gamworks’ operating costs. This will be done as a complement to the beneficiaries’ contribution which, under the project will continue to be a certain percentage of the subproject cost -- that cost including the cost of the design studies, the works, the supervision services and (which is the new feature under the PACB project) the cost of Gamworks’ services.

Part E: PPF Refinancing

22. Part of the IDA, up to US$1 million, will be allocated to reimbursing the fraction of the PPF extended to the Government to prepare the project, effectively used for this purpose.
### Annex 3

**The Gambia: Poverty Alleviation and Capacity Building Project**

**Estimated Project Costs**

<table>
<thead>
<tr>
<th>Components and Sub-components</th>
<th>Cost Estimates (US$'000)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Local</td>
<td>Foreign</td>
<td>Total</td>
</tr>
<tr>
<td>A- Investment *</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Small conventional</td>
<td>6,320</td>
<td>6,680</td>
<td>13,000</td>
</tr>
<tr>
<td>2. Larger (GBA Solid waste)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B- Capacity Building.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Public sector</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Central authorities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. PCU</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Land Dept.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Mapping</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Street, Prop., Reval.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Local authorities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Populat. sensit./particip.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Resource mobiliz.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Management skills</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iv. Planning</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Private Sector</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Consultants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Contractors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Gamworks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C- Studies &amp; other services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Urban Audits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Urban Mapping</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Street identif. &amp; Plot numb.+ Property revaluation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. GBA Solid waste</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. BCC storm / flood control</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Feasibility MDF</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Indiv. consult. to Gamworks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal 1</td>
<td>7,720</td>
<td>7,580</td>
<td>15,300</td>
</tr>
<tr>
<td>D- Project administration</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Gamworks' operating costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Project audits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal 2</td>
<td>8,630</td>
<td>7,740</td>
<td>16,370</td>
</tr>
<tr>
<td>(Subtotal 3 = Subtot. 2, less A-I)</td>
<td>(2,795)</td>
<td>(1,875)</td>
<td>(4,670)</td>
</tr>
<tr>
<td>E- Contingencies **</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Physical (about 5%)</td>
<td>385</td>
<td>245</td>
<td>630</td>
</tr>
<tr>
<td>- Price (about 8%)</td>
<td>148</td>
<td>94</td>
<td>242</td>
</tr>
<tr>
<td>Subtotal 3</td>
<td>9,015</td>
<td>7,985</td>
<td>17,000</td>
</tr>
<tr>
<td>F- PPF refinancing</td>
<td>645</td>
<td>355</td>
<td>1,000</td>
</tr>
<tr>
<td>Total</td>
<td>9,660</td>
<td>8,340</td>
<td>18,000</td>
</tr>
</tbody>
</table>

* inclusive of design studies and supervision services, on the basis of
  Works = 100; Design = 5 and Supervision = 8

** applicable to Subtotal 3 only, since A-I is equivalent to a credit line open to LDAs.
## Estimated Project Costs

(US$'000)

<table>
<thead>
<tr>
<th>Categories</th>
<th>Local</th>
<th>Foreign</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods</td>
<td>-</td>
<td>1,300</td>
<td>1,300</td>
</tr>
<tr>
<td>Works</td>
<td>5,900</td>
<td>5,800</td>
<td>11,700</td>
</tr>
<tr>
<td>Services</td>
<td>2,335</td>
<td>965</td>
<td>3,300</td>
</tr>
<tr>
<td>Training</td>
<td>400</td>
<td>300</td>
<td>700</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>8,635</td>
<td>8,365</td>
<td>17,000</td>
</tr>
<tr>
<td>Other (<em>PPF refinancing</em>)</td>
<td>645</td>
<td>355</td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9,280</td>
<td>8,720</td>
<td>18,000</td>
</tr>
</tbody>
</table>
The Gambia: Poverty Alleviation and Capacity Building Project
Summaries of the Cost-Benefit Analysis and Cost-Effectiveness Analysis

(a) Cost-Benefit Analysis

1. The economic benefits expected from the project concern five different issues: (i) employment generation; (ii) mobilization of local resources; (iii) local resources allocation (investment selection and maintenance); (iv) improvement to the balance of payments; and (v) multiplier's effect.

2. The immediate and among the most significant effect of the PACB project will be the creation of jobs -- even if temporary (about 20,000 in total) -- for the under- and un-employed labor force and the unskilled laborers. The severity of unemployment is a major concern of the Government's, and actions to address this issue are a central element in its medium term development policy. Under the PACB project, the reliance on small and medium size contractors using labor intensive methods to realize investment of a modest size will result in the mobilization of about 2,500 workers in the construction sector and in related sectors such as wood and metal works. In this process, skills of a relevant nature for an economy with a significant potential in the low to medium technological range, will be created, and others will be upgraded. Of all the jobs created, a number are expected to prove to be permanent and the cost of creating such jobs should amount to about D30,000 per unit (or US$3,000), which is reasonable for an economy such as The Gambia's. The creation of jobs should also contribute in a modest yet significant manner to the reduction of poverty in the country.

3. Beyond the mobilization of the local labor force, the PACB project is expected to contribute substantially to the improvement of local resource mobilization. The programs to map in detail the urban areas, to complete the registration and the updating of the valuation of real estate properties will help, along with IEC campaigns and improvements to tax collection (notably, through the development and implementation of Revenue Improvement Action Plans, RIAPs), achieve significant increases of the volume of financial resources available to local authorities. This should constitute a most needed improvement in the mobilization of local private resources -- still poorly tapped at present -- toward the provision of public goods and services, thus offering a significant relief for the central government budget. The assessment of the present financial situation in the eight urban areas concerned has led to the estimate that, in a matter of 3-4 years, the volume of local resources available to municipal authorities should double at least, and increase by up to 200% in some cases.

4. The development of (a) municipal Priority Investment Programs (PIPs, that will take into account the most urgent needs as well as the maintenance requirements and the limits imposed by the resources that can be mobilized locally), and of (b) Action Plans to upgrade the maintenance of public assets, will result in major improvements in local resources allocation. Estimates are that the social and economic returns on public Dalasis spent (on investments or maintenance) by local authorities, should increase by at least 25%. A further benefit expected from the PACB project relates to the management capacity of local authorities which will be improved through the availability of PIPs and Action Plans, and the training that will be provided to these authorities.
5. The PACB project should also have modest yet significant effects on the country’s balance of payments. Both the carrying out of small investments through labor intensive methods and the reliance on local Small to Medium size Enterprises (SMEs) for providing various construction related items — such as door and window frames, locks and hinges, etc. — will spare the utilization of imported machinery and goods, thus contributing in a modest way to reducing expenditure in foreign exchange and, therefore, to improving to some extent the country’s balance of payments.

6. Finally, the PACB project, through improving the livelihood of a substantial fraction of the low income population (1 out of every 5 under- or un-employed laborer household, it is estimated), will result in some increase in the consumption by these households of goods that, for most of them, are locally produced — thus having some positive (multiplier’s) effect on the country’s economy.

(b) Cost-Effectiveness Analysis

7. The PACB project presents four features that should contribute to ensuring that financial resources are spent as economically and human resources are put to use as efficiently as can be reasonably expected. These features are related to the modes of: (i) implementation of the small public investments; (ii) selection of these investments; (iii) contract management; and (iv) municipal management.

8. As far as the mode of implementation of the small public investments is concerned, both the reliance on SMEs to carry them out and the award of works contract through open competition will ensure that the cost of the works will be the lowest and the works delivered will be of the best quality possible in the country’s context.

9. The mode of selection of these public investments — stemming from urban physical and financial audits — will ensure that these investments will (a) benefit the largest possible fraction of the population (and the poor, in particular), and (b) concern the needs that are the most relevant and/or urgent for these populations.

10. The mode of contract management — through the delegation to Gamworks, which has established and demonstrated its efficiency under the previous project — will ensure that the works to be carried out are delivered in as economical and expeditious a manner as possible.

11. Finally, (a) the preparation (from the outset) of PIPs and Action Plans (inter alia RIAPs), (b) the operational training of municipal staff and authorities and (c) the improved population participation in the identification of needs and the selection of public investments, are expected to have a significant and most positive impact on the efficiency of municipal management.
Annex 5

The Gambia: Poverty Alleviation and Capacity Building Project

Financial Summary
(US$’000)

<table>
<thead>
<tr>
<th>Costs (US $ Million)</th>
<th>Years</th>
<th>Whole period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Investment (works +</td>
<td></td>
<td></td>
</tr>
<tr>
<td>goods)</td>
<td>4.6*</td>
<td>3.3</td>
</tr>
<tr>
<td>Recurrent</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>PPF</td>
<td>1.0</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>5.9</td>
<td>3.6</td>
</tr>
</tbody>
</table>

* reflecting the cost of the major studies and special operations to be undertaken
** reflecting the implementation of the GBA solid waste disposal scheme

Sources of Financing

| (US $ Million) |       |              |         |         |
|----------------|-------|--------------|         |         |
| Government     | 0.2   | 0.3          | 0.3     | 0.2     | 1.0     |
| Beneficiaries/ User Fees | 0.3 | 0.4          | 0.6     | 0.7     | 2.0     |
| IDA            | 5.4   | 2.9          | 2.8     | 3.9     | 15.0    |
| Total          | 5.9   | 3.6          | 3.7     | 4.8     | 18.0    |

| (%)            |       |              |         |         |
|----------------|-------|--------------|         |         |
| Government     | 3.4   | 8.3          | 8.1     | 4.2     | 5.6     |
| Beneficiaries/ User Fees | 5.1 | 11.1         | 16.2    | 14.6    | 11.1    |
| **Subtotal (national)** | 8.5 | 19.4         | 24.3    | 18.8    | 16.7    |
| IDA            | 91.5  | 80.6         | 75.7    | 81.2    | 83.3    |
| Total          | 100.0 | 100.0        | 100.0   | 100.0   | 100.0   |
The Gambia: Poverty Alleviation and Capacity Building Project

Procurement and Disbursement Arrangements

PROCUREMENT

I - Procurement of Works and Goods

A. General

Works and Goods shall be procured in accordance with the provisions of Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in January 1995 as revised through January 1999 (the Guidelines) and the following provisions.

B. International Competitive Bidding

Except as otherwise provided under C below, works and goods shall be procured under contracts awarded in accordance with the provisions of Section II of the Guidelines.

C. Other Procurement Procedures

1. Most works under the Project are scheduled to be of a small size (less than $100,000 equivalent for construction or rehabilitation, and $75,000 equivalent for maintenance) and will be procured through a contract management delegation arrangement with Gamworks, i.e. under contracts awarded in accordance with the provisions of Gamworks' Manual of Procedures as approved by IDA. Thus works, for an aggregate amount of about $11.0 million, will be procured through procedures closely associated with procedures of National Competitive Bidding yet differing from these inasmuch as Gamworks, under its Framework Agreement with the Government, needs no clearance from the National Procurement Board.

2. Goods estimated to cost less than $100,000 equivalent per purchase, up to an aggregate amount not to exceed $300,000 equivalent, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

3. Goods estimated to cost less than $15,000 equivalent per purchase, up to an aggregate amount not to exceed $150,000 equivalent, may be procured under contracts awarded on the basis of quotations obtained from three(3) qualified domestic suppliers in response to a written invitation. The invitation shall include a detailed description of the good, including basic specifications, a basic form of agreement (acceptable to IDA) and relevant drawings where applicable. The award will be made to the supplier who offers the lowest price quotation for the required good and who has the capacity and the experience to provide maintenance if needed.

D. Review by the Bank of Procurement Decisions

1. Procurement Planning. The scheduling of procurement operations will be directly related to (a) the lists of subprojects periodically (about annually) reviewed by, and which have received a no-objection from IDA,
and (b) the chronological order in which beneficiaries have made their financing contribution available to Gamworks.

2. Prior Review. With respect to each contract for the purchase of goods estimated to cost the equivalent of $100,000 or more respectively, the procedures set forth in paragraphs 2 and 3 of Appendix 1 to the Guidelines shall apply.

3. Post Review. With respect to each contract not governed by the previous paragraph, the procedures set forth in paragraph 4 of Appendix 1 to the Guidelines shall apply.

II - Employment of Consultants

A. General

Consultants’ services shall be procured in accordance with the provisions of the Introduction and Section IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the Bank in January 1997, and revised in September 1997 and January 1999 (the Consultant Guidelines) and the following provisions.

B. Quality- and Cost-based Selection

Except as otherwise provided under C below, consultants’ services shall be procured under contracts awarded in accordance with the provisions of Section II of the Consultant Guidelines, paragraph 3 of Appendix 1 thereto, Appendix 2, and the provisions of paragraphs 3.13 through 3.18 applicable to quality- and cost-based selection of consultants.

C. Other Procedures for Selecting Consultants

1. Least-cost Selection. Services for financial audits may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.6 of the Consultant Guidelines.

2. Individual Consultants. Services for tasks that meet the requirements referred to in paragraph 5.1 of the Consultant Guidelines may be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.1 through 5.3 of the Consultant Guidelines.

D. Review by the Bank of the Selection of Consultants

1. Selection Planning. Prior to the issuance to consultants of any request for proposals, the proposed plan for the selection of consultants under the Project shall be furnished to IDA for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Consultant Guidelines. Selection of all consultants’ services shall be undertaken in accordance with this selection plan and the provisions of the above mentioned paragraph.

2. Prior Review.

(a) With respect to each contract for the employment of consulting firms estimated to cost the equivalent of $150,000 or more, the procedures set forth in paragraphs 1, 2 (other than the third subparagraph of paragraph 2(a)) and 5 of Appendix 1 to the Consultant Guidelines shall apply.
(b) With respect to each contract for the employment of consulting firms estimated to cost the equivalent of $75,000 or more, but less than $150,000, the procedures set forth in paragraphs 1, 2 (other than the second subparagraph of paragraph 2(a)) and 5 of Appendix 1 to the Consultant Guidelines shall apply.

(c) With respect to each contract for the employment of individual consultants estimated to cost the equivalent of $25,000 or more, the qualifications, experience, terms of reference and terms of employment of the consultants shall be furnished to IDA for its prior review and approval. The contract shall be awarded only after this approval has been given.

3. Post Review. With respect to each contract not governed by the preceding paragraph, the procedures set forth in paragraph 4 of Appendix 1 to the Consultant Guidelines shall apply.

DISBURSEMENTS

A. Allocation of Credit Proceeds (Table C)

1. The proceeds of the IDA Credit will be disbursed as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (Expressed in SDR Equivalent)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Civil Works</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Under Part A.1 of the Project</td>
<td>7,000,000</td>
<td>100% of foreign expenditures and 80% of local expenditures</td>
</tr>
<tr>
<td>(b) Under Part A.2 of the Project</td>
<td>280,000</td>
<td></td>
</tr>
<tr>
<td>(2) Goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Under Part B.1 of the Project</td>
<td>50,000</td>
<td>100% of foreign expenditures and 80% of local expenditures</td>
</tr>
<tr>
<td>(b) Under Parts B.2 and B.3 of the Project</td>
<td>600,000</td>
<td></td>
</tr>
<tr>
<td>(3) Consultants’ Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Under Part B.1 of the Project</td>
<td>110,000</td>
<td>100%</td>
</tr>
<tr>
<td>(b) Under Parts B.2 and B.3 of the Project</td>
<td>60,000</td>
<td></td>
</tr>
<tr>
<td>(c) for Studies under Part C of the Project</td>
<td>620,000</td>
<td></td>
</tr>
<tr>
<td>(4) Operating Costs, including audits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) for PCU</td>
<td>30,000</td>
<td>95%</td>
</tr>
<tr>
<td>(b) for GAMWORKS</td>
<td>670,000</td>
<td>85%</td>
</tr>
<tr>
<td>(5) Refunding of Project Preparation Advance</td>
<td>750,000</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>10,700,000</td>
<td></td>
</tr>
</tbody>
</table>
2. As projected by IDA’s standard disbursement profiles, disbursement would cease by the end of the sixth month after the project is completed. Disbursements would be made against standard IDA documentation.

B. Use of Statement of Expenditures (SOEs)

- Contracts of less than US$ 200,000 equivalent for civil works;
- Contracts of less than US$ 100,000 equivalent for goods;
- Contracts of less than US$ 75,000 equivalent for services from consulting firms;
- Contracts of less than US$ 25,000 equivalent for services from individual consultants.

All supporting documents for SOEs will be retained for review by IDA supervision missions and auditors.

C. Special Accounts

In order to ensure the timely provision of funds available to finance the costs of the project, it was agreed during negotiations that two Special Accounts be established (a) for Government in the amount of US$100,000 equivalent, and (b) for Gamworks in the amount of US$1.0 million equivalent. The Special Accounts would be with the Central Bank, and funds in the Special Accounts would be available to finance only eligible expenditures under the Project.
The Gambia: Poverty Alleviation and Capacity Building Project

Procurement and Disbursement Arrangements

Table A: Project Costs by Procurement Arrangements (US$ million)

<table>
<thead>
<tr>
<th>Procurement Method</th>
<th>ICB</th>
<th>NCB</th>
<th>Other</th>
<th>NBF</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>I- Investment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Civil works</td>
<td>-</td>
<td>-</td>
<td>11.7</td>
<td>-</td>
<td>11.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(9.4)</td>
<td>-</td>
<td>(9.4)</td>
</tr>
<tr>
<td>- Equipment</td>
<td>0.6</td>
<td>0.4</td>
<td>0.3</td>
<td>-</td>
<td>1.3</td>
</tr>
<tr>
<td></td>
<td>(0.6)</td>
<td>(0.4)</td>
<td>(0.3)</td>
<td>-</td>
<td>(1.3)</td>
</tr>
<tr>
<td>II- Consult. Serv.</td>
<td>-</td>
<td>-</td>
<td>2.8</td>
<td>-</td>
<td>2.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(2.5)</td>
<td>-</td>
<td>(2.5)</td>
</tr>
<tr>
<td>III- Operat. costs</td>
<td>-</td>
<td>-</td>
<td>1.2</td>
<td>-</td>
<td>1.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(0.8)</td>
<td>-</td>
<td>(0.8)</td>
</tr>
<tr>
<td>IV- PPF</td>
<td>-</td>
<td>-</td>
<td>1.0</td>
<td>-</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(1.0)</td>
<td>-</td>
<td>(1.00)</td>
</tr>
<tr>
<td>Total</td>
<td>0.6</td>
<td>0.4</td>
<td>17.0</td>
<td>-</td>
<td>18.0</td>
</tr>
<tr>
<td></td>
<td>(0.6)</td>
<td>(0.4)</td>
<td>(14.0)</td>
<td>-</td>
<td>(15.0)</td>
</tr>
</tbody>
</table>

NBF = not Bank financed
Figures in parentheses refer to the IDA Credit contribution
The Gambia: Poverty Alleviation and Capacity Building Project

Procurement and Disbursement Arrangements

Table B: Consultant Selection Arrangements
(in US$’ 000 equivalent *)

<table>
<thead>
<tr>
<th>Category</th>
<th>Nature of Consultations</th>
<th>Amounts by Selection Method</th>
<th>Tot. Cost (incl. cont.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>QCBS</td>
<td>LCS</td>
<td>IC</td>
</tr>
<tr>
<td>Firms</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Design studies &amp; works supervision</td>
<td>808</td>
<td>808</td>
</tr>
<tr>
<td></td>
<td>BCC flood control</td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td></td>
<td>GBA solid waste</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td></td>
<td>Urban Audits</td>
<td>508</td>
<td>508</td>
</tr>
<tr>
<td></td>
<td>Mapping</td>
<td>406</td>
<td>406</td>
</tr>
<tr>
<td></td>
<td>Street identif. + Property number. &amp; reval.</td>
<td>206</td>
<td>206</td>
</tr>
<tr>
<td></td>
<td>Community sensitization</td>
<td>207</td>
<td>207</td>
</tr>
<tr>
<td></td>
<td>Feasibility MDF</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Audits</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td><strong>Subtotal 1</strong></td>
<td><strong>2,345</strong></td>
<td><strong>35</strong></td>
</tr>
<tr>
<td>Individ.</td>
<td>Advisers to Gamworks</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>Drafting ToRs, Evaluating proposals</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>PCO</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td><strong>Subtotal 2</strong></td>
<td><strong>-</strong></td>
<td><strong>120</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>2,345</strong></td>
<td><strong>35</strong></td>
</tr>
</tbody>
</table>

* Contingencies not included

QCBS = Quality- and Cost-Based Selection
LCS = Least cost selection
IC = Individual consultant
SS = Single Source
Other = Gamworks’ procedures as stated in Gamworks’ Manual of Procedures
The Gambia: Poverty Alleviation and Capacity Building Project

Procurement and Disbursement Arrangements

Table C: Thresholds for Procurement Methods and Prior Review
(US$ equivalent)

<table>
<thead>
<tr>
<th>Expenditure Category</th>
<th>Contract Value Thresho (US$'000)</th>
<th>Procurement Method</th>
<th>Prior Review, and Aggreg. max. (US$'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>ICB</td>
<td>NCB</td>
</tr>
<tr>
<td>1. Civ. Works</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rehabilitation or</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt; 100</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>&lt; 100</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Goods</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt; 100</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>15 &lt; .... &lt; 100</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Consultants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Firms</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>&gt; 150</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>75 &lt; .... &lt; 150</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 75 **</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individuals</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>for the PCO's services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt; 25</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 25</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

PR = Prior Review

* including technical evaluation report

** as well for Audit services hired on LCS, irrespective of the amount
### Table D: Allocation of IDA Credit Proceeds

<table>
<thead>
<tr>
<th>Expenditure Categories</th>
<th>Amount in Credit (US$'000)</th>
<th>% of total</th>
<th>Financing</th>
<th>Disb. base (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A- Investment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Small conventional</td>
<td>11,000</td>
<td>73.3</td>
<td>84.6</td>
<td>100 F / 80 L</td>
</tr>
<tr>
<td>2. Larger (GBA Sol. wast.)</td>
<td>9,900</td>
<td>6.7</td>
<td>100</td>
<td>100 F / 80 L</td>
</tr>
<tr>
<td><strong>B- Capacity Building.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Public sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Central authorities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. PCU</td>
<td>55</td>
<td>95</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Land Dept.</td>
<td>240</td>
<td>90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Mapping</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Street, Prop., Reval.</td>
<td>140</td>
<td>90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Local authorities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Populat. sensit/particip.</td>
<td>90</td>
<td>90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Resource mobiliz.</td>
<td>220</td>
<td>90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Management skills</td>
<td>50</td>
<td>90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>iv. Planning</td>
<td>40</td>
<td>90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Private Sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Consultants</td>
<td>15</td>
<td>90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Contractors</td>
<td>15</td>
<td>90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Gamworks</td>
<td>35</td>
<td>90</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>C- Studies &amp; other services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Urban Audits</td>
<td>370</td>
<td>5.7</td>
<td>69.9</td>
<td>100</td>
</tr>
<tr>
<td>2. Urban Mapping</td>
<td>310</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Street identif. &amp; Plot numb.+ Property revaluation</td>
<td>15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. GBA Solid waste</td>
<td>70</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. BCC storm / flood control</td>
<td>25</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Feasibility MDF</td>
<td>40</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Indiv. consult. to Gamworks</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal 1</strong></td>
<td>12,620</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>D- Project administration</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Gamworks’ operating costs</td>
<td>640</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Project audits</td>
<td>110</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal 2</strong></td>
<td>13,370</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Subtotal 3 = Subtot. 2 less A-1)</td>
<td>(3,470)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>E- Contingencies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Physical</td>
<td>242</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Price</td>
<td>388</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>F- PPF refinancing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>15,000</td>
<td>100.0</td>
<td>83.3</td>
<td></td>
</tr>
</tbody>
</table>
The Gambia: Poverty Alleviation and Capacity Building Project

Project Processing Budget and Schedule

<table>
<thead>
<tr>
<th>Project Schedule</th>
<th>Planned</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time taken to prepare the project (months)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appraisal Mission Departure</td>
<td>November 2, 1998</td>
<td>November 9, 1998</td>
</tr>
<tr>
<td>Negotiations</td>
<td>January 25, 1999</td>
<td>January 25, 1999</td>
</tr>
<tr>
<td>Date of Effectiveness</td>
<td>June 1999</td>
<td></td>
</tr>
</tbody>
</table>

Prepared by: Gamworks, Department of State for Local Government and Lands
State Department of Finance and Economic Affairs

Preparation assistance: PPF of US$1 million approved in August 1998

Bank staff who worked on the project included

<table>
<thead>
<tr>
<th>Name</th>
<th>Specialty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noel M. Carrere</td>
<td>Urban development</td>
</tr>
<tr>
<td>Jagdish Bahal</td>
<td>Municipal finance</td>
</tr>
<tr>
<td>John Powers</td>
<td>Urban planning</td>
</tr>
<tr>
<td>Elizabeth Adu</td>
<td>Lawyer</td>
</tr>
<tr>
<td>Bertrand Ah-Sue</td>
<td>Procurement</td>
</tr>
<tr>
<td>Wolfgang Chadab</td>
<td>Disbursement</td>
</tr>
<tr>
<td>Ernestina Attafuah</td>
<td>Program Assistant</td>
</tr>
<tr>
<td>Anne Blakely</td>
<td>Urban Development</td>
</tr>
<tr>
<td>Aicha Moumeni</td>
<td>Team Assistant</td>
</tr>
</tbody>
</table>
The Gambia: Poverty Alleviation and Capacity Building Project

Documents in Project File

A. Project Implementation Plan

A.1 Terms of Reference for Project Coordinating Officer
A.2 Terms of Reference for Urban Audits

B. Bank Staff Assessments

B.1 Preparation Mission Aide Memoire
B.2 Pre-Appraisal Mission Aide Memoire
B.3 Appraisal Mission Aide Memoire
### Status of Bank Group Operations in Gambia, The Operations Portfolio

#### Number of Closed Projects: 20

### Active Projects

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Fiscal Year</th>
<th>Borrower</th>
<th>Purpose</th>
<th>IBRD</th>
<th>IDA</th>
<th>Cancel.</th>
<th>Undisb.</th>
<th>Original Amount in US$ Millions</th>
<th>Last PSR</th>
<th>Supervision Rating b/</th>
</tr>
</thead>
<tbody>
<tr>
<td>GM-PE-818</td>
<td>1993</td>
<td>REPUBLIC OF THE GAMBIA AG SERVICES</td>
<td>0.00</td>
<td>12.30</td>
<td>0.00</td>
<td>.01</td>
<td>-46</td>
<td>0.00</td>
<td>S</td>
<td>S</td>
</tr>
<tr>
<td>GM-PE-831</td>
<td>1994</td>
<td>REPUBLIC OF THE GAMBIA ENVIRONMENT MGMT CAP RL</td>
<td>0.00</td>
<td>2.60</td>
<td>0.00</td>
<td>.89</td>
<td>.83</td>
<td>.93</td>
<td>S</td>
<td>S</td>
</tr>
<tr>
<td>GM-PE-825</td>
<td>1998</td>
<td>GOV'T OF GAMBIA PART. HEALTH/POP/NUT</td>
<td>0.00</td>
<td>18.00</td>
<td>0.00</td>
<td>17.64</td>
<td>1.31</td>
<td>0.00</td>
<td>HS</td>
<td>S</td>
</tr>
<tr>
<td>GM-PE-35643</td>
<td>1999</td>
<td>GOVT OF GAMBIA THIRD EDUCATION</td>
<td>0.00</td>
<td>20.00</td>
<td>0.00</td>
<td>21.13</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
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</table>

**Total**

<table>
<thead>
<tr>
<th>IBRD</th>
<th>IDA</th>
<th>Cancel.</th>
<th>Undisb.</th>
<th>Original Amount in US$ Millions</th>
<th>Last PSR</th>
<th>Supervision Rating b/</th>
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</thead>
<tbody>
<tr>
<td>0.00</td>
<td>52.90</td>
<td>0.00</td>
<td>39.67</td>
<td>1.60</td>
<td>.83</td>
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</tbody>
</table>

### Total Disbursed (IBRD and IDA):

<table>
<thead>
<tr>
<th>Active Projects</th>
<th>15.58</th>
<th>157.85</th>
<th>173.43</th>
</tr>
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<tbody>
<tr>
<td>Closed Projects</td>
<td>0.00</td>
<td>7.62</td>
<td>7.62</td>
</tr>
<tr>
<td>Total</td>
<td>52.90</td>
<td>139.12</td>
<td>192.02</td>
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</table>

### Amount sold:

<table>
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<tr>
<th>Active Projects</th>
<th>0.00</th>
<th>0.00</th>
<th>0.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closed Projects</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total</td>
<td>39.67</td>
<td>1.14</td>
<td>40.81</td>
</tr>
</tbody>
</table>

### a. Intended disbursements to date minus actual disbursements to date as projected at appraisal.

### b. Following the FY94 Annual Review of Portfolio performance (ARPP), a letter based system was introduced (HS = highly satisfactory, S = satisfactory, U = unsatisfactory, HU = highly unsatisfactory): see proposed Improvements in Project and Portfolio Performance Rating Methodology (SectM94-901), August 23, 1994.

**Note:**

Disbursement data is updated at the end of the first week of the month.

Generated by the Operations Information System (OIS)
**Gambia, The**

**STATEMENT OF IFC's Committed and Disbursed Portfolio**

As of 31-Jan-99

(In US Dollar Millions)

<table>
<thead>
<tr>
<th>FY Approval</th>
<th>Company</th>
<th>Committed</th>
<th></th>
<th>Disbursed</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>IFC</td>
<td>Loan</td>
<td>IFC</td>
<td>Loan</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Equity</td>
<td></td>
<td>Equity</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Quasi</td>
<td></td>
<td>Quasi</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Partic</td>
<td></td>
<td>Partic</td>
</tr>
<tr>
<td>1984/90</td>
<td>Kombo Beach</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>1993</td>
<td>AEF Ndebaan</td>
<td>0.20</td>
<td>0.00</td>
<td>0.00</td>
<td>0.20</td>
</tr>
<tr>
<td>1993</td>
<td>AEF Radville</td>
<td>0.20</td>
<td>0.00</td>
<td>0.00</td>
<td>0.20</td>
</tr>
<tr>
<td>1994</td>
<td>AEF Lyefish</td>
<td>0.37</td>
<td>0.00</td>
<td>0.00</td>
<td>0.37</td>
</tr>
<tr>
<td><strong>Total Portfolio:</strong></td>
<td></td>
<td><strong>.77</strong></td>
<td>0.00</td>
<td>0.00</td>
<td><strong>.77</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Approvals Pending Commitment</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan</td>
<td>Equity</td>
<td>Quasi</td>
<td>Partic</td>
<td></td>
</tr>
<tr>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>

**Total Pending Commitment:**

0.00  0.00  0.00  0.00

Generated by the Operations Information System (OIS) on 02/16/99
The Gambia at a glance

### POVERTY and SOCIAL

<table>
<thead>
<tr>
<th></th>
<th>The Gambia</th>
<th>Sub-Saharan Africa</th>
<th>Low-Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population, mid-year (millions)</td>
<td>1.2</td>
<td>614</td>
<td>2,048</td>
</tr>
<tr>
<td>GNP per capita (Atlas method, US$)</td>
<td>350</td>
<td>500</td>
<td>350</td>
</tr>
<tr>
<td>GNP (Atlas method, US$ billions)</td>
<td>0.41</td>
<td>309</td>
<td>722</td>
</tr>
</tbody>
</table>

Average annual growth, 1991-97

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (%)</td>
<td>3.3</td>
</tr>
<tr>
<td>Labor force (%)</td>
<td>3.2</td>
</tr>
</tbody>
</table>

Most recent estimate (latest year available, 1991-97)

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty (% of population below national poverty line)</td>
<td>64</td>
</tr>
<tr>
<td>Urban population (% of total population)</td>
<td>37</td>
</tr>
<tr>
<td>Life expectancy at birth (years)</td>
<td>55</td>
</tr>
<tr>
<td>Infant mortality (per 1,000 live births)</td>
<td>92</td>
</tr>
<tr>
<td>Child malnutrition (% of children under 5)</td>
<td>12</td>
</tr>
<tr>
<td>Access to safe water (% of population)</td>
<td>61</td>
</tr>
<tr>
<td>Illiteracy (% of population age 15+)</td>
<td>63</td>
</tr>
<tr>
<td>Gross primary enrollment (% of school-age population)</td>
<td>73</td>
</tr>
<tr>
<td>Male</td>
<td>78</td>
</tr>
<tr>
<td>Female</td>
<td>67</td>
</tr>
</tbody>
</table>

### KEY ECONOMIC RATIOS and LONG-TERM TRENDS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP (US$ billions)</td>
<td>0.12</td>
<td>0.19</td>
<td>0.39</td>
<td>0.41</td>
</tr>
<tr>
<td>Gross domestic investment/GDP</td>
<td>11.8</td>
<td>16.6</td>
<td>21.6</td>
<td>17.8</td>
</tr>
<tr>
<td>Exports of goods and services/GDP</td>
<td>41.1</td>
<td>46.6</td>
<td>46.5</td>
<td>47.0</td>
</tr>
<tr>
<td>Gross domestic savings/GDP</td>
<td>8.5</td>
<td>7.1</td>
<td>2.1</td>
<td>3.8</td>
</tr>
<tr>
<td>Gross national savings/GDP</td>
<td>3.3</td>
<td>-0.1</td>
<td>5.0</td>
<td>5.9</td>
</tr>
<tr>
<td>Current account balance/GDP</td>
<td>-4.2</td>
<td>-26.7</td>
<td>-16.5</td>
<td>-11.6</td>
</tr>
<tr>
<td>Interest payments/GDP</td>
<td>0.0</td>
<td>2.5</td>
<td>1.2</td>
<td>1.3</td>
</tr>
<tr>
<td>Total debt/GDP</td>
<td>12.4</td>
<td>145.8</td>
<td>106.0</td>
<td>102.9</td>
</tr>
<tr>
<td>Total debt service/exports</td>
<td>0.5</td>
<td>32.5</td>
<td>10.8</td>
<td>10.1</td>
</tr>
<tr>
<td>Present value of debt/GDP</td>
<td>...</td>
<td>...</td>
<td>53.7</td>
<td>50.3</td>
</tr>
<tr>
<td>Present value of debt/exports</td>
<td>...</td>
<td>...</td>
<td>101.7</td>
<td>95.8</td>
</tr>
</tbody>
</table>

GDP per capita (Atlas method, US$) | 350

### STRUCTURE of the ECONOMY

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(% of GDP)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>36.3</td>
<td>34.5</td>
<td>29.8</td>
<td>29.9</td>
</tr>
<tr>
<td>Industry</td>
<td>10.7</td>
<td>13.6</td>
<td>14.0</td>
<td>14.8</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>4.1</td>
<td>7.5</td>
<td>6.5</td>
<td>6.1</td>
</tr>
<tr>
<td>Services</td>
<td>53.0</td>
<td>51.9</td>
<td>56.3</td>
<td>55.4</td>
</tr>
<tr>
<td>Private consumption</td>
<td>...</td>
<td>80.1</td>
<td>85.0</td>
<td>85.0</td>
</tr>
<tr>
<td>General government consumption</td>
<td>...</td>
<td>12.8</td>
<td>12.9</td>
<td>11.3</td>
</tr>
<tr>
<td>Imports of goods and services</td>
<td>46.4</td>
<td>56.1</td>
<td>68.2</td>
<td>60.9</td>
</tr>
</tbody>
</table>

Exports of goods and services | 3.9

GDP per capita | 350

Gross domestic investment | 8.9

Gross national product | 2.3

*The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.
### PRICES and GOVERNMENT FINANCE

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic prices (%) change</th>
<th>Consumer prices</th>
<th>Implicit GDP deflator</th>
<th>Government finance (% of GDP, includes current grants)</th>
<th>Current revenue</th>
<th>Current budget balance</th>
<th>Overall surplus/deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976</td>
<td>17.0</td>
<td>56.6</td>
<td>11.7</td>
<td>29.3</td>
<td>19.0</td>
<td>-6.4</td>
<td>-12.0</td>
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<tr>
<td>1986</td>
<td>21.0</td>
<td>58.6</td>
<td>10.7</td>
<td>28.3</td>
<td>18.8</td>
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<td>-8.5</td>
</tr>
<tr>
<td>1996</td>
<td>2.1</td>
<td>56.6</td>
<td>2.9</td>
<td>18.8</td>
<td>2.1</td>
<td>0.1</td>
<td>1.0</td>
</tr>
<tr>
<td>1997</td>
<td>2.8</td>
<td>56.6</td>
<td>2.8</td>
<td>19.3</td>
<td>2.8</td>
<td>0.1</td>
<td>1.0</td>
</tr>
</tbody>
</table>

### TRADE

<table>
<thead>
<tr>
<th>Year</th>
<th>Total exports (fob) (US$ millions)</th>
<th>Groundnuts</th>
<th>Fish</th>
<th>Manufactures</th>
<th>Total imports (cif) (US$ millions)</th>
<th>Food</th>
<th>Fuel and energy</th>
<th>Capital goods</th>
<th>Export price index (1995=100)</th>
<th>Import price index (1995=100)</th>
<th>Terms of trade (1995=100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976</td>
<td>50</td>
<td>68</td>
<td>115</td>
<td>131</td>
<td>49</td>
<td>90</td>
<td>196</td>
<td>185</td>
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<td>108</td>
<td>101</td>
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<tr>
<td>1986</td>
<td>68</td>
<td>96</td>
<td>183</td>
<td>249</td>
<td>51</td>
<td>117</td>
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<td>249</td>
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<td>107</td>
<td>97</td>
</tr>
<tr>
<td>1996</td>
<td>115</td>
<td>131</td>
<td>259</td>
<td>249</td>
<td>185</td>
<td>249</td>
<td>249</td>
<td>107</td>
<td>101</td>
<td>101</td>
<td>101</td>
</tr>
<tr>
<td>1997</td>
<td>131</td>
<td>249</td>
<td>249</td>
<td>249</td>
<td>107</td>
<td>107</td>
<td>107</td>
<td>107</td>
<td>101</td>
<td>101</td>
<td>101</td>
</tr>
</tbody>
</table>

### BALANCE of PAYMENTS

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports of goods and services (US$ millions)</th>
<th>Imports of goods and services</th>
<th>Resource balance</th>
<th>Net income</th>
<th>Net current transfers</th>
<th>Current account balance</th>
<th>Financing items (net)</th>
<th>Changes in net reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976</td>
<td>60</td>
<td>96</td>
<td>-7</td>
<td>1</td>
<td>-2</td>
<td>-5</td>
<td>49</td>
<td>0</td>
</tr>
<tr>
<td>1986</td>
<td>96</td>
<td>131</td>
<td>-21</td>
<td>-29</td>
<td>-5</td>
<td>-7</td>
<td>78</td>
<td>-13</td>
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<tr>
<td>1996</td>
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<td>249</td>
<td>-78</td>
<td>-21</td>
<td>-17</td>
<td>-57</td>
<td>54</td>
<td>-6</td>
</tr>
<tr>
<td>1997</td>
<td>249</td>
<td>249</td>
<td>-57</td>
<td>-17</td>
<td>-47</td>
<td>-57</td>
<td>54</td>
<td>-6</td>
</tr>
</tbody>
</table>

Memo:
- Reserves including gold (US$ millions): 21 14 101 96
- Conversion rate (DEC, local/US$): 2.0 6.9 9.8 10.1

### EXTERNAL DEBT and RESOURCE FLOWS

<table>
<thead>
<tr>
<th>Year</th>
<th>Total debt outstanding and disbursed (US$ millions)</th>
<th>IBRD</th>
<th>IDA</th>
<th>Total debt service</th>
<th>IBRD</th>
<th>IDA</th>
<th>Composition of net resource flows</th>
<th>Official grants</th>
<th>Official creditors</th>
<th>Private creditors</th>
<th>Foreign direct investment</th>
<th>Portfolio equity</th>
<th>World Bank program</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976</td>
<td>15</td>
<td>0</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>26</td>
<td>26</td>
<td>32</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>1986</td>
<td>270</td>
<td>0</td>
<td>51</td>
<td>22</td>
<td>0</td>
<td>0</td>
<td>26</td>
<td>26</td>
<td>32</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>1996</td>
<td>415</td>
<td>0</td>
<td>153</td>
<td>22</td>
<td>0</td>
<td>0</td>
<td>26</td>
<td>26</td>
<td>32</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>1997</td>
<td>422</td>
<td>0</td>
<td>167</td>
<td>22</td>
<td>0</td>
<td>0</td>
<td>26</td>
<td>26</td>
<td>32</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>14</td>
</tr>
</tbody>
</table>

Memo:
- Short-term debt: 8 23 0 0
- Disbursements: 0 14 11 11
- Principal repayments: 0 0 1 1
- Net flows: 0 28 0 10
- Interest payments: 0 0 1 1
- Net transfers: 0 13 9 8
Appendices

Appendix 1  O&M Funds
Appendix 2  SD-LGL; Organizational Structure
Appendix 3  Institutional Setup
Appendix 4  First Year Implementation Procedures
Appendix 5  Eligibility Criteria
Appendix 6  Summary of Project Implementation Schedule
Appendix 1

The Gambia: Poverty Alleviation and Capacity Building Project

Operation and Maintenance Funds

A. Objective

1. The objective is to ensure that project investments in infrastructure and services are sustained through the establishment of a funding mechanism and proper procedures established at the local government authority (LGA) level for operation and maintenance (O&M).

B. Description

2. A maintenance Fund (or account) would be established in each of the eight participating LGAs for operation and maintenance of the infrastructure services to be provided under the project in the municipalities. The size of the annual contribution to the fund would be equal to 4 percent of the annual investment cost -- which is considered a reasonable figure for budgeting purposes.

3. It is envisaged that the operation and maintenance would be carried out by the private sector under contract to the LGA concerned. For civil works, the adoption of term (one or two years long) “unit rate” contracts for maintenance of the various facilities would be introduced.

   (For vehicles and equipment to be procured through the project, if any, Councils would enter into maintenance contracts with the suppliers/agents).

C. Costs and Financing

4. The cumulative O&M cost (excluding Councils’ manpower costs) over the project implementation period for the specific sectors covered by the project is estimated at 0.4 (3 I1 +2 I2 + I3), as per the Table below. During the project implementation period, commencing in the second year of the project, IDA would contribute a part of this Fund each year, once the LGA has lodged its contribution into the maintenance account.

5. The contributions would be made every six months in the amounts agreed. As LGA revenues increase (through project support) over the course of project implementation, LGA contributions to their respective funds would increase, with a corresponding decrease in the IDA contribution. The schedule of cost-sharing of the O&M funds would be as shown in the table below.

   in Year 1: As works would be under construction, there would be little maintenance need for them, nor increased revenue. In that year, Operation and Maintenance procedures would be established.

   in Year 2: There will be maintenance needed and some improvement in revenues.

   IDA and LGAs will each contribute 75% and 25% respectively of the estimated O & M cost for investments in year 1 (I1).
Appendix 1

in Year 3: IDA and LGAs each will contribute 50% of the estimated annual O & M cost for investments in Year 1 (I₁) and in Year 2 (I₂).

in Year 4: IDA and LGAs will each contribute 25% and 75%, respectively, of the estimated annual O & M cost for investments in Year 1 (I₁), in Year 2 (I₂) and Year 3 (I₃).

From the fifth year, after project implementation, the LGAs would take over full responsibility for contributing to the funds.

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Whole period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>I₁</td>
<td>I₂</td>
<td>I₃</td>
<td>I₄</td>
</tr>
<tr>
<td>Needs of Operation &amp; maintenance funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual provision for O&amp;M, related to investment in Year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>-</td>
<td>0.04 I₁</td>
<td>0.04 I₁</td>
<td>0.04 I₁</td>
</tr>
<tr>
<td>2</td>
<td>-</td>
<td>0.04 I₂</td>
<td>0.04 I₂</td>
<td>0.04 I₂</td>
</tr>
<tr>
<td>3</td>
<td>-</td>
<td>-</td>
<td>0.04 I₃</td>
<td>0.04 I₃</td>
</tr>
<tr>
<td>4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>0.04 I₁</td>
<td>0.04 (I₁ + I₂)</td>
<td>0.04 (I₁ + I₂ + I₃)</td>
</tr>
<tr>
<td>Financing:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IDA contribution in % of provision in value</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>75</td>
<td>0.03 I₁</td>
<td>0.02 (I₁ + I₂)</td>
<td>0.01 (I₁ + I₂ + I₃)</td>
<td>0.06 I₁ + 0.03 I₂ + 0.01 I₃</td>
</tr>
<tr>
<td>LGA contribution in % of provision in value</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>0.01 I₁</td>
<td>0.02 (I₁ + I₂)</td>
<td>0.03 (I₁ + I₂ + I₃)</td>
<td>0.06 I₁ + 0.05 I₂ + 0.003 I₃</td>
</tr>
</tbody>
</table>

D. Implementation Arrangements

6. O & M will be the responsibility of the respective LGAs. Each LGA will prepare annual O&M plans. The PCU, through design consultants hired under the project, will assist LGAs with the initial establishment of the accounts in each LGA and the preparation of O&M plans.

7. Based on the agreed O&M plans, LGAs will request Gamworks to hire and manage contractors to carry out maintenance work. The payments to contractors for maintenance work will be made by LGAs from their respective maintenance accounts, after due certification by Gamworks that the work has been completed satisfactorily. Gamworks will involve LGAs in the management and supervision of contractors as part of the capacity building at the LGA level.
E. Components

These would be as follows.

<table>
<thead>
<tr>
<th>Components</th>
<th>Type and Content of Maintenance Routine</th>
<th>Periodic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Markets, Car-parks</td>
<td>drains, paving, toilets, standpipes, security lighting, etc.</td>
<td>drains, paving, toilets, standpipes, security lighting, etc.</td>
</tr>
<tr>
<td>Roads &amp; Drains</td>
<td>sweeping, cleaning open channel drains, etc.</td>
<td>patching, surface dressing, white lining, culvert cleaning, drains and road repairs and minor works</td>
</tr>
<tr>
<td>Solid Waste</td>
<td>collection, landfill operation, vehicle maintenance, etc.</td>
<td></td>
</tr>
<tr>
<td>Liquid Waste</td>
<td>toilet cleaning</td>
<td>emptying septic tanks, toilet renovation, vehicle maintenance, etc.</td>
</tr>
</tbody>
</table>

F. Preparation of Term Maintenance Plans

8. The preparation of maintenance plans and bid documents for “unit rate” maintenance and minor works term contracts will be part of the terms of reference of the consultants responsible for detailed engineering. The documentation, with any necessary updating, will form the basis of bidding of an O&M contract each year. The bid documents will include work items and related rates (on a “unit of work done” basis), as well as items for daywork and related rates (i.e. hourly, daily and weekly labor rates) for such works as market cleaning and sweeping.

G. Preparation of Quarterly Maintenance Schedules

9. Preparation of detailed quarterly maintenance schedules to instruct maintenance contractors will be carried out by LGA Technical Officers, with assistance from LGAs engineering consultants.

H. Implementation of Term Maintenance Contracts

Option 1: All routine and periodic maintenance and operation will be carried out by contract(s) awarded for one year periods, renewable for a second year unless the contractor’s performance warrants a non-renewal. (Contracts may be suspended before the end of the year for non-performance). Contractors’ work programs will be set quarterly and payment for work and input provided will be based on work done/days worked, paid in accordance with the contract rates and following submission of monthly certificates to the LGAs.
Option 2: Similar to Option 1 above, except that certain maintenance works (such as maintenance of equipment, markets sweeping, and similar labor intensive works) may be carried out by the LGAs direct labor.

I. Supervision/Certification of Contractors Certificates

10. Checking on quality of work carried out and measurement of quantities (where appropriate) together with certification of monthly contractors’ certificates would be the responsibility of Gamworks. The PCU will monitor Maintenance Account deposits and expenditures (to ensure that funds available annually in the Account are not exceeded) before passing the certificates to LGAs for signature and payment from the Maintenance Account.

Assuming that (a) in line with the experience under the previous project, Gamworks would deliver annually the equivalent of US$4 million of investment, and (b) all investments would be formally subjected to maintenance obligations for the LGAs, then the previous table would translate into the following:

<table>
<thead>
<tr>
<th>Year</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Whole period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment (US$ million)</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Annual provision for O&amp;M, related to invest. in Year</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>-</td>
<td>160</td>
<td>160</td>
<td>160</td>
<td>480</td>
</tr>
<tr>
<td>Year 2</td>
<td>-</td>
<td>-</td>
<td>160</td>
<td>160</td>
<td>320</td>
</tr>
<tr>
<td>Year 3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>160</td>
<td>160</td>
</tr>
<tr>
<td>Year 4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>160</td>
<td>320</td>
<td>480</td>
<td>960</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financing:</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>IDA contrib. in % of provision in value</td>
<td>75</td>
<td>50</td>
<td>25</td>
<td>400</td>
</tr>
<tr>
<td>LGA contrib. in % of provision in value</td>
<td>25</td>
<td>50</td>
<td>75</td>
<td>560</td>
</tr>
</tbody>
</table>

| Needs of Operation & Maintenance funds (US'$000) |
|--------------------------------------------------|--------|

- Year 1: 160
- Year 2: 320
- Year 3: 480
- Year 4: 960
The Gambia: Poverty Alleviation and Capacity Building Project

Department of State for Local Governments and Lands – Organizational Structure

- Secretary of State
  - Permanent Secretary
    - Deputy Perm. Secret. (Technical)
    - Deputy Perm. Secret. (Administration)
      - PMU
      - Local Government Inspectorate
        - Banjul C.
        - Kanifing M. C.
        - Area Councils
        - Brikama
          - Kerewan
          - Mansakonko
          - Janjangbureh
          - Basse
          - Kuntaur

- Dept. of Physic. Plan. & Housing
  - Physic. Panning
  - Housing
  - Develop. Control

- Dept. of Lands & Surveys
  - Mapping
  - Surveys
  - Land Valuat.

- Dept. of Community Devel.
  - Constr.
  - Approp. technol.

- Dept. of Urban Audits
  - (w. Inspectorate)

- Valuation
  - Mapping
  - Str. identif. + Prop. numb.

- Off. Commissioner
  - Sensitization
The Gambia: Poverty Alleviation and Capacity Building Project

Institutional Setup

[Diagram showing institutional setup with labels such as PSC, PCU, DoS LGL, etc.]

- PSC
  - Chair: PS DoS FEA
  - Vice Chair: PS DoS LGL
  - Secretar.
- PCU
  - Head: PCO
  - Eight (8) LGAs
  + D.PS-Techn. + Inspect.
- PS
- DoS LGL
  - Techn. Dept.
- GMW
- Consult. firms
  - Individ. consult.
The Gambia: Poverty Alleviation and Capacity Building Project
First Year Implementation Procedures

Gamworks requests draft TORs

Indiv. Consult. submits draft TORs

PCU submits draft TORs

Consult. firms approves draft TORs

LGL Depts. w. assist. of DoS LGL Depts.

Calls for bids

DoS LGL Depts. submits proposals

Bids calls for proposals

Analysis requests analysis

Analysis submits analysis

Analysis carries out analysis

Analysis approves analysis

negotiation

Negotiation participates in negotiation

Negotiation carries out negotiation

Negotiation carries out negotiation

Negotiation signs contract

Negotiation signs contract

Gives notice to start work

Contract gives notice to start work
Study
- gives notice to start work

Finalization
- requests analysis
  - carries out analysis
  - submits analysis
  - invites to complete
  - approves analysis
  - submits final report
  - w. assist. of DoS-LGL Depts
    - accepts final report
Appendix 5

The Gambia: Poverty Alleviation and Capacity Building Project

Subproject Eligibility Criteria

Principles and Methodology and Differentiation of Local Financial Contribution

A. Guiding Principles

1. For the PACB Project, it is recommended that sub-projects to be financed using proceeds of the IDA Credit, satisfy inter alia the following requirements. They should:

   i. be targeted towards increasing the service levels in the basic infrastructure services that contribute to the improved quality of living in the communities -- which, in turn, will increase the population's confidence in the ability of local government, and their willingness to pay for the services delivered;
   ii. have the largest possible number of end-user beneficiaries;
   iii. target (wherever possible) lower income group beneficiaries;
   iv. be designed in such a way that their delivery be labor-intensive and provide maximum employment opportunities within sound economic parameters; and
   v. be designed so that their future operation and maintenance (O&M) be sustainable.

B. Eligibility Criteria for subprojects

2. To satisfy the requirement “i” above, the sub-project should include the provision (or rehabilitation) of one of the basic infrastructure services defined below:

   - Water Supply;
   - Facilities (e.g. markets) for the acquisition of basic necessities (e.g. food);
   - Access/mobility (roads and footpaths);
   - Human waste disposal (sewerage);
   - Solid waste management;
   - Storm water drainage;
   - Safety Lighting.

3. The relative priority to be given to each of the above services vis-a-vis the others is often difficult. Nonetheless, an attempt must be made to do so in order to have a basis for the project selection process, which should aim at yielding up projects that provide the greatest benefit to the largest number of people.

4. Such a priority ranking system can be based on two parameters: (a) the frequency of the need of the service (e.g. hourly, daily, weekly, etc.), and (b) the severity of the consequences of its absence (e.g. risk of death, risk of illness, discomfort, etc.). Applying these criteria to the basic infrastructure services mentioned above, and using a number between 1 and 10 to rate the two suggested parameters will give an overall guide to the relative importance of that particular service.
5. The highest priority should be granted to the service with high frequency and substantial gravity (i.e. the top left corner of the above table); the lowest priority to the low frequency and limited severity (i.e. bottom right of the table). There follows a relatively objective order of priority applicable to the services considered important for the quality of life of communities.

<table>
<thead>
<tr>
<th>Priority</th>
<th>Nature of the service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest</td>
<td>water supply</td>
</tr>
<tr>
<td></td>
<td>safety lighting</td>
</tr>
<tr>
<td></td>
<td>solid waste</td>
</tr>
<tr>
<td></td>
<td>storm water drainage</td>
</tr>
<tr>
<td></td>
<td>human waste</td>
</tr>
<tr>
<td></td>
<td>accessibility</td>
</tr>
<tr>
<td>Lowest</td>
<td>markets</td>
</tr>
</tbody>
</table>

C. Financial Incentives

6. The ranking suggested by the above approach can be reflected by the application of a differential level of contribution from the beneficiaries for projects within the basic services. This differentiation would make it relatively easier for beneficiaries (in terms of financial strain on their revenues) to submit requests for projects in the higher priority categories. Accordingly, the following differentiation of contribution is suggested:

<table>
<thead>
<tr>
<th>Nature of the service</th>
<th>Financial contribution (relative to investment cost)</th>
</tr>
</thead>
<tbody>
<tr>
<td>water supply</td>
<td>10%</td>
</tr>
<tr>
<td>safety lighting</td>
<td></td>
</tr>
<tr>
<td>solid waste</td>
<td></td>
</tr>
<tr>
<td>storm water drainage</td>
<td></td>
</tr>
<tr>
<td>human waste</td>
<td>20%</td>
</tr>
<tr>
<td>accessibility</td>
<td></td>
</tr>
<tr>
<td>markets</td>
<td></td>
</tr>
</tbody>
</table>
7. By differentiating the beneficiaries’ contribution as suggested above, it is anticipated that the majority of projects put forward to Gamworks to be financed under the proposed IDA Credit, will lie within the service areas judged to be of the highest priority and, therefore, will be acceptable for financing.

D. Criteria for Subproject Appraisal by Gamworks

8. The above suggestions represent criteria to be used by LGAs and Community Groups to identify the types of projects that would be put forward to Gamworks. Gamworks initial check will ascertain and verify that the above criteria have been satisfied.

9. Once this initial check has been successfully completed Gamworks will then apply further checks to verify that:
   - the application has been correctly and formally endorsed by the responsible LGA and, where applicable, co-endorsed by the NGO or Community Group;
   - the LGA has met the requirement of an appropriate budget for operation and maintenance; and
   - the preliminary cost estimate falls within the remaining financial resources allocated to that particular LGA within the Credit.

Should each of these criteria be satisfactorily met, then the subproject should finally be tested against more technical criteria.

10. The main remaining criteria for Gamworks against which to check projects are as expressed at the level of “Guiding Principles” (see par. 1). The projects, therefore, should:
   i. have the largest possible number of end-user beneficiaries;
   ii. target (wherever possible) lower income group beneficiaries;
   iii. be designed in such a way that their delivery is labor-intensive and provide maximum employment opportunities within sound economic parameters; and
   iv. be designed in such a way that their future operation and maintenance (O & M) is sustainable.

11. These criteria will be applied by Gamworks as and when the proposal is sufficiently developed. The proposals emanating from the urban Physical and Financial Audits should be developed well enough for screening on receipt by Gamworks. Requests coming in from NGOs and Community Groups may require to be developed to a feasibility study level before screening. These criteria may be used as part of Gamworks “Design Brief” addressed to project design consultants.

12. A simple means of screening consists of allotting scores between 1 and 5 points, depending upon the proposal’s ability to meet each of the above four criteria -- the maximum total score, therefore, being 20. Any proposal which scores 12 or more (i.e. 60% or more of the total maximum scores) will be accepted.

13. One illustration of how this approach could be applied is the case of a market facility of relatively high standards; as follows:
### Appendix 5

<table>
<thead>
<tr>
<th>No</th>
<th>Criterion Description</th>
<th>Score</th>
<th>Rating</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Maxim. number of beneficiaries</td>
<td>2</td>
<td></td>
<td>from assessment in par. 5</td>
</tr>
<tr>
<td>2</td>
<td>Targeting lower income groups</td>
<td>1</td>
<td></td>
<td>Sophisticated design; hence, high rents, low demand and/or high retail prices</td>
</tr>
<tr>
<td>3</td>
<td>Labor intensive</td>
<td>3</td>
<td></td>
<td>Construction called for already relatively sophisticated techniques</td>
</tr>
<tr>
<td>4</td>
<td>Low O&amp;M cost</td>
<td>2.5</td>
<td></td>
<td>High cost of bi-annual repainting; moderate cost of expensive but infrequent repairs</td>
</tr>
</tbody>
</table>

All criteria | Total | 8.5 |

With an overall score 8.5/20 (i.e. below the threshold of 12, or the 60% “pass” rate); the Project would not be acceptable for funding under the proposed Credit.

14. A second example might be the construction of a hand-pump well.

<table>
<thead>
<tr>
<th>No</th>
<th>Criterion Description</th>
<th>Score</th>
<th>Rating</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Maxim. number of beneficiaries</td>
<td>5</td>
<td></td>
<td>High score generic to public wells</td>
</tr>
<tr>
<td>2</td>
<td>Targeting lower income groups</td>
<td>5</td>
<td></td>
<td>Well water is virtually free</td>
</tr>
<tr>
<td>3</td>
<td>Labor intensive</td>
<td>2</td>
<td></td>
<td>Machine drilled; so, low score</td>
</tr>
<tr>
<td>4</td>
<td>Low O&amp;M cost</td>
<td>4</td>
<td></td>
<td>Low tech = low maintenance</td>
</tr>
</tbody>
</table>

All criteria | Total | 16 |

With a total score of 16/20, this project exceeds the 60% “pass” rate; therefore, would be acceptable for funding under the proposed Credit.
The Gambia: Poverty Alleviation and Capacity Building Project
Summary Implementation Schedule

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Q-1</td>
<td>Q-2</td>
<td>Q-3</td>
<td>Q-4</td>
<td>Q-1</td>
</tr>
<tr>
<td>Q-2</td>
<td>Q-3</td>
<td>Q-4</td>
<td></td>
<td>Q-1</td>
</tr>
<tr>
<td>Q-3</td>
<td>Q-4</td>
<td></td>
<td>Q-1</td>
<td>Q-2</td>
</tr>
<tr>
<td>Q-4</td>
<td></td>
<td>Q-1</td>
<td>Q-2</td>
<td>Q-3</td>
</tr>
<tr>
<td>J-F-M</td>
<td>A-M-J</td>
<td>J-A-S</td>
<td>O-N-D</td>
<td></td>
</tr>
</tbody>
</table>

Small-medium size Investments
- Old procedures
- New procedures

Urban Audits study

Street Ident./ Prop. Numb./ Revalu.

Urban Mapping

Adopt - Priority Invest. Progr.

Create O&MFs

- Solid Waste Study

Annual Review No. 1


Mid-term Rev. (Rev. No. 2)

MDF feasibility study

Annual Review No. 3

Create the MDF (if feasible)

Implem. Complet. Rev. (No. 4)