Report Number : ICRR0020290

1. Project Data

Project ID	Project Name
P114240	GM:Growth & Competitiveness
Country	**Practice Area(Lead)**
Gambia, The	Trade & Competitiveness

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IDA-H6140	15-Dec-2015	12,000,000.00
Bank Approval Date	**Closing Date (Actual)**	
30-Sep-2010	15-Dec-2015	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	12,000,000.00	0.00
Revised Commitment	11,901,282.17	0.00
Actual	11,760,182.66	0.00

Prepared by	Reviewed by	ICR Review Coordinator	Group
Elizabeth Denison Brown	Fernando Manibog	Christopher David Nelson	IEGFP (Unit 3)

2. Project Objectives and Components

a. Objectives

The Project Development Objective (PDO) of the Gambia Growth and Competitiveness Project was "to improve the investment climate and strengthen the competitiveness of key sectors of the Gambian economy." (Financing Agreement dated October 14, 2010, Schedule 1) The Objectives as stated in the PAD and the Lending Agreement both indicate that the project will achieve this by:

1. improving the business environment, specifically through improved business start-up and operating procedures, strengthened investment promotion and facilitation and increased access to finance for Medium,

Small, and Micro Enterprises (MSMEs);

2. strengthening support for technical and business management skills thereby improving firm level productivity, skills development to enhance workforce productivity and fostering linkages between small producers and markets; and

3. enhancing the institutional capacities of the newly established The Gambia Investment and Export Promotion Agency (GIEPA), The Gambia Tourism Authority and other relevant agencies as well as strengthening private-public dialogue." (Project Appraisal Document, Section 29).

b. Were the project objectives/key associated outcome targets revised during implementation?

No

c. Will a split evaluation be undertaken?

No

d. Components

Component 1: Improving the Business Environment (Appraisal cost: US$3 million, Actual disbursement: US$2.33 million) This component was intended to improve the business environment through business registration and tax administration reforms, establishment of a collateral registry and support for investment promotion and facilitation.

Component 2: Strengthening Economic Clusters (Appraisal cost: US$8 million, Actual disbursement: US$6.84 million) This component would strengthen economic clusters through a Competitiveness Program that will support horticulture development, a quality assurance program for the groundnuts sector, MSME business growth and access to finance as well as tourism promotion and marketing and skills development.

Component 3: Project Implementation (Appraisal cost: US$1 million, Actual disbursement:US$1.88 million) This component supported project implementation through the establishment and operation of a Project Coordination Unit under the Ministry of Economic Planning and Industrial Development (MEPID), and technical assistance for MEPID as well as the National Environment Agency for monitoring and mitigation of safeguards impacts.

There are slight differences between the project components described in the PAD and the Lending Agreement. The Lending Agreement's description of Component 2 specifies actions to develop mango production for local and export markets in Part B: Strengthening Economic Clusters, p. 5. In contrast the PAD specifies program support for horticulture and specifically for the groundnuts sector.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Cost
The estimated project cost was US$12 million and the actual/latest estimate was US$11.69 million (See Annex 1: Project Costs and Financing in the ICR).
The sum of actual disbursements listed in the ICR for the three components was (US$2.33+ US$6.84+ US$1.88 = US $11.05 million). The actual/latest estimate of the Total Project Cost was US$11.74, a difference of US$690,000. The reason for the difference is not explained in the ICR's Annex.

Financing
The project was financed through a Specific Investment Loan (SIL) by IDA over five years in the amount of US$12 million.

The share of component costs financed by the Bank was reallocated in two separate restructurings that took place in 2014 and 2015. The 2014 restructuring reallocated US$350,000 from "Business Restructuring" (Subcomponent 1a) to "Support for Investment Promotion and Facilitation" (Subcomponent 1b) and dropped the "time spent preparing and filling taxes" indicator and the country brand launch activity from 1a. At the same time, US$190,000 was reallocated from the Competitiveness subcomponent (2a) to project implementation support. These actions reallocated resources to activities that were more relevant to the interests of Gambia's government and private sector.

The 2015 restructuring reallocated investment promotion funds under Subcomponent 1 to project implementation support in Component 3 to improve the pace of disbursement, which had lagged.

Borrower Contribution
There was no borrower contribution to the project.

Dates
The project became effective on January 12, 2011 and closed on December 15, 2015, within the original deadline stated in the PAD.

Restructurings
There were two restructurings during the project. Three activities were discontinued in 2014, and funds to support the investment promotion and the Competitiveness program were reallocated to Project Implementation support in 2015.
• On January 16, 2014, a tax administration reform (after a new VAT regime) was introduced and the related indicator was discontinued; the Launch of the Country Brand was discontinued; as was a Groundnut QA subcomponent. An access to finance subcomponent was also discontinued. These changes result from significant implementation delays, low interest in the activities, and inconsistency of the activities with the project development objectives (ICR, Section 1.3).
• On September 5, 2015, the project reallocated funds from the Investment Promotion sub component to the project implementation support sub component (ICR, Section 1.3).
Both restructurings "significantly improved" the "pace of disbursement, which reached 62.9 percent in December 2014 and 90 percent as of November 30, 2015." (ICR, para 35).

3. Relevance of Objectives & Design

a. Relevance of Objectives

The GCP's PDO remained highly relevant to the Government of Gambia's priorities throughout the project as evidenced by the Gambia's initiation of the GCP project to assist with its investment climate reforms and growth sustainability prior to appraisal and the alignment between the PAD and the Gambia's development priorities in the Second Joint Partnership Strategy.

The challenges identified during Project Appraisal mirror those emphasized in the Second Joint Strategy (country assistance strategy). The PAD noted early evidence of what became a more sustained decline in GDP growth; weakening currency (Dalasi fell by 20 percent against the dollar in 2009); and a lack of economic diversification (reliance on tourism, re-trade, and agriculture) in addition to high poverty levels and low human development. (See PAD Section 1: Strategic Context and Rationale).

At appraisal, Gambia ranked 140th out of 183 countries on the Doing Business indicators in 2010. Private sector growth was hampered by a burdensome tax and regulatory scheme that encouraged informality; cumbersome business licensing requirements; limited access to finance for MSMEs; and sector-specific growth barriers in agriculture, tourism, and re-trade.

The GCP's PDO is highly relevant at the project's close. Indeed, the most recent country assistance strategy emphasizes "diversification of the economy and an improved private sector investment climate" (Second Joint Partnership Strategy for the Republic of The Gambia, FY 2013-2016, p. 8) to restore growth and macroeconomic stability.

The Gambia's economic situation has deteriorated since the Project Appraisal was completed in 2010. According to the Second Joint Partnership Strategy for the Republic of The Gambia, (FY 2013-2016), the Gambia's rate of GDP growth fell from a 6-7 percent rate in 2008-2010 to 3.5-4 percent rate in 2012. The Gambia's reliance on rain-fed agricultural crop production, and tourism, continue to leave it vulnerable to shocks from drought and global economic crises.

Rating
Substantial

b. Relevance of Design

There was a clear statement of objectives, linked to intermediate and final outcomes.
The PAD discusses linkages between the PDO and intermediate and final outcomes on pages 9-16 and in the Results Framework in Annex 3. The results framework presents credible, and logical linkages between the PDO, and the intermediate, and outcome indicators for two of the project components (1 and 2) in a

table. The results framework discussion excludes Component 3, Project Implementation.
The selected PDO measures are well-understood and monitorable output indicators of changes in the investment climate and the competitiveness of key sectors. The three PDO indicators are:

1. Reduce business registration cost "from 215.1 percent of GNI per capita to less than 100 percent of GNI per capita" (Annex 3 says to less than 140 percent – however the 100% of GNI is correct and the ICR attributes such discrepancies to a lag in the onset of monitoring during implementation.)
2. Increase by 20 percent horticultural products' total incremental sales by the Project's end (Annex 3 says 15 percent); and
3. Increase non-traditional market tourism arrivals by 10 percent by the Project's end.

A measurable reduction in business registration costs would indicate that the investment climate improved because lower entry costs enable entrepreneurs to invest more of their limited resources in developing their businesses, which gives them a greater incentive to start and formalize a business in the first place. It is somewhat surprising that the results framework does not also consider other complementary measures, that also would indicate progress towards the development objectives. For instance, the number of new business starts also is an alternate way of detecting improvements in the investment climate and is a standard measure in the Doing Business survey (thus is measurable). Including such measures could help to triangulate detection of different aspects of the project's possible impacts.

An increase in final sales in the targeted sectors (horticulture sales and non-traditional market tourism arrivals) are effective, measurable indications of competitiveness, but fall short of establishing a causal relationship to the project's specific interventions.

The indicators selected to measure the intermediate outcomes represent credible, and measurable indications of the project's intermediate outcomes. Specifically, GCP has two main project components to accomplish the PDOs, which are to: Improve the business environment and Strengthen economic clusters, discussed below.

Component 1: Improving the Business Environment has two subcomponents, business environment reform program, and support for investment promotion and facilitation.

1a. Business Environment Reform Program
The objective of 1a is to reduce business start-up, operational, and regulatory costs. To achieve 1a, the GCP funded consultants' services, and provided training, equipment, and technical assistance to the Gambia Revenue Authority and other institutions to reform business registration and develop a single window registry. The GCP supported tax administration reform and the development of a Collateral registry.

Progress toward an improved business environment is measured by:

1. Fewer days to receive a business license (with the objective of reducing the number of days from 27 to 7 working days).
2. Less time spent preparing and filing and paying taxes (from 376 hours to 210 hours).

1b. Support for Investment Promotion and Facilitation
The objective of 1b is to strengthen the Gambia Investment and Promotion Agency's (GIEPA) ability to

facilitate private investment. To achieve 1b, the GCP invested in GIEPA's ability to identify, track, reach out to, market and follow-up with investors and investment activities using various channels; ways of addressing investor's concerns; and ways of engaging in public-private policy dialogue discussions.
Progress toward 1b was measured by:

1. Increasing the number of new investments attributed to GIEPA by 20 percent
2. Increasing the value of these new GIEPA investments up by 10 percent at project's end.

Component 2: Strengthening economic clusters
The Strengthening economic clusters sub-component was to help qualifying MSME's in horticulture, groundnuts and tourism to improve their competitiveness, job creation, and ultimately, their contributions to household income. This was accomplished through investment in two subcomponents: 2a the Competitiveness Program, and 2b, Support for tourism development.

2a. Competitiveness program
The competitiveness program set up a Matching Grant Facility (MGF) to award qualifying MSMEs and eligible private enterprises with grant money to improve their competitiveness, grow their businesses, create jobs and increase household incomes. (PAD p. 11). This was to be accomplished through four matching grant windows: 1) Horticultural development through an outgrowers scheme, 2) quality assurance program for groundnuts, 3) MSME business growth, and 4) MSME access to finance.
Progress towards 2a was measured by:

1. Increase in the average 1-year sales revenue growth of assisted firms under the matching grant scheme, compared to non-assisted firms in the control group (impact evaluation will be carried out to assess this).
2. Participation of at least 20 farmers in the outgrowers scheme by project's end.

2b. Support for tourism development
The objective of 2b was to improve the tourism industry and increase its contribution to economic growth and poverty alleviation. This was to be accomplished by improving the marketing of the Gambia as a tourist destination in both old and new markets by the Tourism Marketing Committee (the Gambian Tourism Authority and the Ministry of Tourism and Culture (MTC)); and by providing technical assistance to the proposed Gambia Tourism and Hospitality Institute (GTHI) for restructuring.
Progress towards 2b was measured by improved performance in tourism and hospitality industry training at GTHI:

1. Number of full time graduates from the Gambia Tourism and Hospitality Institute increases by 20 by project's end.
2. Number of hours of part-time/skills development short courses increases by 150 hours annually.

Component 3: Project Implementation Support
Finally, component 3 of the project – designed to provide Project implementation support in the form of salaries and training for a small number of managerial and support roles, technical assistance with policy design and M&E, and operational support – was not discussed in the context of the results framework. Developing indicators would help to answer questions about whether the project's staff, equipment, knowledge, logistical support, and budget facilitated (or hindered) the project's development objectives.

With respect to identifying exogenous factors and unintended (positive and negative) effects, the PAD does not discuss exogenous factors likely to affect the three project outcomes. For example, there is no discussion of factors likely to affect business registration costs (such as the inability of the government to implement the laws needed for reform); factors likely to affect horticultural sales such as currency shocks, weather patterns or drought conditions; or factors that could affect tourism arrivals, such as the economic conditions in a tourist's own economy. As a result, the discussion of indicators does not adequately address the limitations of the measures in capturing outcomes attributable to the project. These need to be further clarified to derive lessons for future project design.
There is no discussion of the potential of unintended effects resulting from project components in the PAD. The PAD discusses ways in which the GCP incorporated lessons learned from private sector operations across the World Bank Group (p. 14 of the PAD) into the project's design. For example, the implementation capacity challenges encountered on a prior, related project caused the team to focus narrowly on improving the business environment and supporting key economic clusters rather than using a more diffused approach.

Rating
Substantial

4. Achievement of Objectives (Efficacy)

Objective 1

Objective
Improve the Investment Climate

Rationale

The Gambia Growth and Competitiveness project (GCP) sought to improve the investment climate in two main ways: by reducing the cost and number of days to register a business, and by increasing the number and value of investments attributable to the Gambia Investment and Export Promotion Agency (GIEPA).

The evidence presented in the ICR indicates that all PDO targets for the outcome indicators were met or surpassed as of the project's closing. Although the method used to count the number of working days to receive a business license in the ICR conflicted with information reported in the Doing Business report, the ICR team satisfactorily clarified the method discrepancy in a follow-up email exchange.

The following table presents the outcomes, indicators and evidence from the ICR for each target.

Causal Chain	Indicators	Evidence Presented in the ICR
Outcomes	Reduce the cost of registering a business	Business registration cost fell from 215.1 percent of gross national income (GNI) per capita at baseline in 2011 to 141.6 percent of GNI in 2015. The target was less than 140 percent of GNI. This target was met in December 2014 with 131.2 percent of GNI per cap, but since then GNI per cap declined, which dampened the effects of the lowered business costs.
Intermediate Outcomes	Number of working days to receive a business license (from 27 to 7 days)	Surpassed: Fell from 27 working days in 2010 to 3 working days in 2015.
	Number of hours spent in preparing, filing, and paying taxes per year from 376 to 210	Was discontinued given the Government of Gambia's difficulty implementing the new VAT system.
	Number of new investments attributed to GIEPA (up 20%)	Surpassed: Number of new investments attributed to GIEPA increased 90% by 2015.
	Increase in the value of new investments attributed to GIEPA (up 10%). (Annex 3: Results Framework, p. 38, PAD).	Surpassed: Value of new investments increased from US$5 million in 2011 to US$48 million in 2015, up 860 percent by 2015 (ICR, p. vi-vii).

The ICR takes indicators as sufficient and does not discuss components of change that might also affect the observed outcome. For example, the Gambia's GNI per capita declined during the measurement period, which would dampen the effects of lowered business costs. Yet the actual cost of registering a business in Gambia's currency is not reported, therefore one cannot assess how any directional change in business registration costs affected the cost as a share of GNI per capita. Since Gambia's currency significantly depreciated between 2011 and 2016, it is possible that the cost of business registration in Gambian Dalasi went up significantly, while concurrent change in GNI may have accelerated or decelerated. Further discussion of indicator component and timing of change would improve the credibility of the results.

The GCP also sought to reduce the number of working days needed to receive a business license from 27 to 7 days by the project's end. The ICR reports that receiving a business license took three days in

November 2015 (with variance in the number of working days from network and electricity breakdowns). However, this conflicts with the 2016 Doing Business indicator which reports that receiving a business license requires 25 days. According to the ICR, Doing Business does not accept that the reform is complete because "the official Act does not erase the necessity to provide a company seal" which adds 18 days to the process.

The disagreement between the ICR and DB is confusing. However, in follow-up discussion, the ICR team clarified that the "Doing Business (DB) methodology refers to registration of an LLC, not "business license." DB 2017 reports that in Gambia it takes 2 days to register a local LLC (step 5), and 1 day to obtain operational license – (step 6), which is a total of 3 days. The 25 days in DB include additional steps like tax, social security, receiving a seal, etc." With this clarification, the ICR team has provided adequate evidence (relying mainly on outcome indicators) that GCP achieved its development objectives.

The following table shows evidence from the ICR of the intermediate outputs of the GCP intended to improve the business environment, and strengthen economic clusters. The evidence consists of new laws, rule changes, infrastructure-building, and other activities that represent intermediate outputs in relation to the development objectives. For instance, The Gambia's Parliament established the Gambia Investment and Export Promotion Agency (GIEPA) as a national agency through an official Act in July 2010. This established a centralized government agency to promote foreign investment in and exports from the Gambia.

Causal Chain	Indicators	Evidence Presented in the ICR
Outputs	1. Establish a single window registry to reform the business registration system. 2. Provide technical assistance to the GRA and key agencies to modernize, and computerize the registry and accompanying legal and institutional frameworks. 3. Communications and outreach campaign. 4. Reform Gambia's tax administration through technical assistance to the GRA and key municipalities. 5. Create an integrated collateral registration	• Two new laws, the 'Companies Act' and 'Single Window Business Registration Act' (SWBR) were passed in December 2013. New business registration regulations came into force February 2014. • These laws and regulations improved the SWBR facility, enabled online business registration, and improved SWBR staff training; they abolished stamp duty, tax deposit requirements, and notarization requirements; and dispensed with the mandatory requirement to produce a Company Seal (although this reform is considered incomplete as DB indicator). • Commercial Registry costs decreased from 6% of the share capital to between 0.25% to 3%. • The SWBR system was fully automated in Banjul, the main region. • Tax advancement no longer required. <u>Collateral Registry:</u> • A Collateral Registry bill was adopted June 2015. This registered 200 loans for parastatal individuals.

	system linked to the business registry by providing technical assistance, training, and goods to the GRA, and key municipalities, and to review and modernize its legal and institutional framework. 6. Communication and outreach campaign. (Source: Financing Agreement, Section 1, p. 4)	• Abolished land title requirements, encouraging entrepreneurship. <u>Human Resources:</u> • All operations take place at the Central Bank because of high staff competency there (and not at the commercial banks). <u>GIEPA's Reinforcement:</u> • GIEPA established as national agency by Act of Parliament July 2010. • GIEPA 2012 regulations and revision of GIEPA 2015 bill and regulation – Gambia's private sector development strategy. <u>Operational:</u> • US$13.5 million in new investments attributed to GIEPA. • 20 project operational in 2016, adding value of US$48.3 million in 2015. • Support on promotion materials, capacity building and internet website. <u>Employment:</u> • 1,001 jobs created between 2012-2014. • GIEPA employs 350 staff (Source: Annex 2: Outputs by Component, ICR)
Inputs	• Support for Investment Promotion and Facilitation (US$1.0 million) • Business Environment Reform Program (US$2 million)	

According to p. vii in the ICR, the sales growth of GIEPA-assisted firms increased 28 percent above that of control group firms (based on the November 2014 Beneficiaries' Survey). Although the ICR cites the Beneficiaries Survey as the information source, the ICR does not discuss the survey's methods and results which brings the credibility of the information derived from the evaluation into question somewhat. GIEPA attracted US$48 million in investments during the project, however, the GCP project claims only partial attribution for this success. The ICR acknowledges momentum gained from a predecessor entity, the Gambia Investment Promotion and Free Zone Agency (GIPFZA) in the early 2000s (built during the $16 million Gateway project that closed in 2009). This entity was transformed by the Government of Gambia into GIEPA in 2010 and GIEPA inherited many of GIPFZA's projects. According to p. 45 of the ICR, "58 projects (out of 97 started under GIPFZA management with the Gateway project) handled by GIEPA are now fully operational." In later discussion, the ICR clearly states that the team adjusted the ERR calculation using a 33.3. percent attribution factor to account for partial attribution.

In conclusion, the evidence presented in the ICR suggests that the GCP exceeded all three of its targets for improving the investment climate. Although the quality of some pieces of evidence could be improved

with further detail, the indicators used adequately assess the GCP's outcomes and outputs.

In summary,
• The ICR presents good (correlational) indications that the Gambia Growth and Competitiveness project substantially contributed to reducing the cost of starting a business, based on the timing of results. The quality of the indicator evidence used to assess the project's contribution adequately demonstrates these results, but does not establish causal attribution.
• The indicators of the number of days to receive a business license show significant reductions after the Government of Gambia enacted the Single Window Business Registration Act and the Companies Act.
• Evidence attributing increases in the number and value of investments to GIEPA is modest because of investments in GIEPA's predecessor institution (GIPZA) and the absence of discussion of the quality of the Beneficiaries' Survey. In later ERR calculations, the GCP assumed a 33.3 percent attribution factor.

Rating
Substantial

Objective 2

Objective
Strengthen the competitiveness of key sectors of The Gambian Economy

Rationale
The second development objective was to strengthen the competitiveness of key sectors of the Gambian economy (horticulture and tourism) by increasing the business capacity of MSMEs, establishing a horticultural outgrowers scheme, and improving training at the Gambian Tourism and Hospitality Institute.

The two key outcome indicators were to: 1) Increase the total incremental sales of horticulture products (by 15 percent at project's end), and 2) Increase the number of tourism arrivals from non-traditional markets (up 10 percent by project's end).

Horticulture
The ICR reports that the value of horticultural products in GMD increased by more than 463 percent (ICR, p. vi) between 2011 and 2015. According to the ICR, the project's horticulture outgrowers scheme directly benefitted 311 outgrowers and an additional 104 participants (an outgrower scheme typically establishes a contract that guarantees a buyer will pay a certain price for some quantity of a product, e.g. mangoes, meeting specific quality standards).

The ICR presents strong correlational evidence of a positive relationship between participation in the outgrowers program and the increased value of horticulture sales. However, the ICR does not discuss factors that also could have affected the increases in mango sales such as export market demand (e.g. taste for mangoes and consumer's desire and access to competitor products produced outside of the Gambia); or factors affecting production – such as rainfall, weather conditions, and the absence of infestations (bugs, fungus, viruses, etc.). Finally, any systematic differences in the types of farmers or farms that participated in the program could impact mango yields, quality and price. The absence of discussion makes it difficult to fully attribute results to the project. For example, a 2013 paper notes that the Gambia experienced a significant drought in 2011, the start of the measurement period. If mango production fell because of the 2011 drought, then it is possible that the high percentage increase in the production of mangoes between 2011 and 2015 resulted from low initial production rates during the drought rather than an increase in mango production because of the outgrower's program. Thus, the report may overstate the percentage increase in mango production as a result.

A second factor affecting plausible causality is selection. According to the PAD, the outgrowers program sought "medium-sized mango farmers with relatively high level on-farm skills." The participation of more skilled and successful farmers selected for the program may bias results upward, accelerating the program's impact on mango sales. Therefore, it is not clear that simply scaling the outgrowers program in another region of the country or to another set of farmers will have the same positive impact.

These two factors weaken any argument that the outgrowers program indeed caused changes in mango production.

In subsequent discussion, the ICR team acknowledged the counterfactual elements, but emphasized that the data and feedback received by the ICR team indicated the Bank's substantial impact on the objectives. The ICR team stated that the project component linked more successful firms, exporters like Radville and GHE, with small, less-capable producers to help the small, less sophisticated farmers become successful. Absent the linkages to Radville and GHE fostered by the project, the small farmers would not have been able to sell regularly their production in commercial quantities.

Tourism Industry

The ICR reports that the number of tourist arrivals from non-traditional markets increased by 71 percent from 54,163 tourist arrivals at baseline in January 2011 to 92,862 in November 2015 (ICR, p. vi). Exogenous factors likely to affect tourism arrivals include: 1) the Gambia's stability and safety, and 2) changes in the relative value of the Gambian currency against the currencies of its visitors.

The OECD characterized the Gambia as a fragile, conflict and violence-affected (FCV) state in 2016 (see "States of Fragility 2016") mainly, but not exclusively based on its extremely low levels of political accountability. Likewise, in recognition of the Gambia's low ranking on Transparency International's scale of transparency, accountability and control of corruption, the project design (in the PAD) sought to channel resources away from politically powerful institutions and towards private sector development initiatives and job creation efforts instead. On matters of security, which are more likely to affect tourist's visit decisions, the Gambia scores between "moderate" and "extreme" (OECD, 2016). The U.K. Government admonishes

visitors to avoid political demonstrations because of their potential for violence while the U.S. Department of State highlights the high threat of crime and efforts by the Gambian government to ensure safety in tourist areas. As the Gambia's safety, security, and violence has not changed significantly, in either direction, during the project, the Gambia's FCV status was unlikely to have a substantial effect on the increase in tourist arrivals between 2011 and 2015.

The Gambia had no cases of Ebola reported during the 2014 outbreak of the deadly Ebola virus that primarily affected Liberia, Sierra Leone, Guinea and a few other countries worldwide. Tourism visits were down after the crises. In paragraph 20, the ICR states that marketing efforts, and outreach to traditional tourist countries likely offset declines in the number of visitors during the Ebola crises. This view is further substantiated by the Marketing Tourism Committee, which attributes tourism resilience to marketing efforts undertaken with funding from the GCP.

The ICR does not discuss the potential impact of the Gambian Dalasi's depreciation against the U.S. Dollar, the Euro and the Russian Ruble between 2011 and 2016 as a factor that would have increased the affordability of a Gambian visit for American, European, and Russian currency holders. The ratio of Dalasi to dollars fell from 27.5:1 in 2011 to 42.25:1 in 2016, and moved in the same direction against the Euro. Since the project sought to increase tourist arrivals from its traditional markets in the EU, as well as diversify into new markets in Nigeria, and Russia, visitors from Russia and the EU would have benefitted from a more affordable overall trip cost. This is not the case for Nigeria's currency as the Dalasi remained steady and even appreciated against the Nigerian Naira in 2016.

In sum, evidence presented in the ICR show that the GCP exceeded both of its targets for strengthening the competitiveness of key sectors of The Gambian Economy (horticulture and tourism). The evidence highly suggestive that the GCP project contributed to these outcomes, but is mixed in its ability to establish that the GCP caused the observed changes in horticulture and tourism since other factors contributed as well.

Specifically,

• The quality of the evidence substantiating the impact of the outgrowers program on mango sales is adequate. However, the discussion fails to address the role of climate or selection on observed outcomes. Specifically, the use of evidence from the beneficiaries survey (a component of the IE) to substantiate results of the outgrowers scheme is problematic since the ICR team does not have full confidence in the IE carried out by the M&E team. In subsequent discussions, the ICR team indicated that M&E deficiencies resulted from high staff turnover in the project coordination unit within the GoG's Ministry of Economic Planning and Industrial Development (MEPID). This impacted the quality of the IE and undermined the GCP team's confidence in its results. The ICR team therefore did not include discussion of the IE evidence.

• Evidence that the number of tourist arrivals from non-traditional markets increased because of the GCP is weak because the ICR does not address how depreciation of the Dalasi was likely to affect tourist's decision making. The fact that tourism arrivals increased during West Africa's Ebola crises however, is highly suggestive that marketing efforts funded by the GCP were effective.

Causal Chain	Indicators	Evidence
Outcomes	• Increase the total incremental sales of horticulture products (up 15 percent by the end of the project). □ • Increase the number of tourism arrivals from non-traditional markets (up 10 percent by the end of the project).	• The value of horticultural products in GMD was 3,644 at baseline in January 2011 and reached 20,526 in November 2015, an increase of more than 463 percent (ICR, p. vi) • The number of tourist arrivals from non-traditional markets was 54,163 at baseline in January 2011 and reached 92,862 in November 2015, an increase of more than 71 percent (ICR, p. vi).
Intermediate Outcomes	• Increase business capacity of MSMEs. • Establish the horticulture outgrowers scheme. • Improve performance in tourism and hospitality industry training at the GTHI. • Annual sales growth of matching grant facility (MGF)-assisted firms (targeted at 7.5 percent above control group) reached 28 percent above control group in November 2014 (ICR, p. vii).	• Number of direct project beneficiaries of the MGF targeted 10 projects in September 2010 and reached 88 projects by November 2015
Outputs	• Provide matching grant support through a Matching Grant Facility (MGF), to qualifying MSMEs and eligible private enterprises to enable business growth and improve firm's competitiveness. • Invest in public goods to strengthen competitiveness of key economic clusters. • Fund a single private management contract to administer four grant windows through the MGF: Window 1: Horticulture development through an outgrowers scheme, Window 2: Quality assurance program for the groundnuts section, Window 3: MSME business growth, Window 4: MSME access to finance. • Promote tourism in traditional and non-traditional destination markets. • Implement multi-year strategic marketing programs in partnership with other stakeholders. • Technical Assistance for the proposed Gambia Tourism and Hospitality Institute	□ • Number of farmers participating in the outgrower scheme targeted 20 in September 2010 and reached 311 by November 2015. • Number of full time graduates from the Gambia Tourism and Hospitality Institute targeted 225 in September 2010 and reached 818 by November 2015. • Number of continuing professional hours of development training delivered targeted 900 hours in September 2010 and delivered 8,600 hours by November 2015.

	(GTHI). • Capacity development to restructure The Gambia Hotel School into the Gambia Tourism and Hospitality Institute based on an agreed Business Plan for the GTHI.	
Inputs	• US$5 million for the Competitiveness Program. • Bilateral assistance from the Government of Spain for construction of a new Gambia Hotel School (US$1.7 million grant). • US$1 million for a Project Coordination Unit (PCU) to be established under MEPID. • US$3 million support for tourism development.	

Rating
Modest

5. Efficiency

The ICR presents economic and financial analysis of the project in Annex 3. The project calculated ex ante and ex post ERRs and NPV estimates for the "matching grant and the support to tourism sector".

Annex 3 reports positive ex ante and ex post economic rates of return (ERR) and net present value (NPV) of project investments.

The project made two significant adjustments to the appraisal model when it calculated the ex post ERR and NPV. These changes were intended to improve "conservatism" and achieve "greater accuracy" (ICR, Annex 3, para 1). Specifically, the project team applied a 33.3 percent attribution factor to the returns from the US$48 million in GIEPA-attracted investments generated in the matching grant and tourism subcomponents. The ICR does not discuss how the rationale for the factor's exact value, except to disclaim full attribution since the GCP strengthened GIEPA's existing capacity rather than introduce entirely new capacity.

The second important change made to the ex post model was the decision to include total project costs. This was done because the economic reforms and investment climate improvements the project financed (e.g. institutional investments in GIEPA, the Single Window Business Registry, and the Collateral Registry) were assumed to have indirect, positive effects on the ERR and NPV.

The ICR clearly states the assumptions underlying the efficiency analysis in Annex 3, including ex ante and ex post ERR and NPV, sensitivity analysis, benefit and cost streams included in the models, the time horizon and discount rate. These assumptions are summarized in the table, below.

However, three measures are missing that could further improve reporting transparency, if reported. These are: 1) The actual costs as a share of estimated costs, and 2) actual benefits as a share of estimated benefits, and 3) a calculation of the percentage of total project costs covered by the ERR and the NPV calculations. The project does describe components covered in the ex-ante and ex post analysis (just not the percentage).

	Ex ante		**Ex post**
	Base case	**Low Case**	
ERR	45%	37%	38.01%
NPV	$24.1 million USD	$17.7 million USD	$12.4 million USD
Economic rationale	Investments in policies and institutions that work to reduce the cost of starting or running a business in the Gambia, or that improve the productivity of Gambia's key economic clusters is assumed to positively impact "pro-poor growth and employment through private sector development" (PAD, p. 6).		
Benefit streams included in the ERR	• Matching grant subcomponent (outgrower incomes) • Support to tourism subcomponent (job-creation in the tourism sector)		• Matching grant subcomponent (outgrower incomes estimated), average Mango outgrower income by number of outgrowers, (assuming 5% income growth per year, 5% adoption rate by other farmers, multiplier of 2). Job-creation and average income of 88 MSMEs funded through the window (assuming a 10% profit increase per job, 3% profit growth annually, multiplier of 2). • Support to tourism subcomponent (jobs in tourism sector estimated). 20% attribution to GCP project assumed for graduates hired from GTHI. This assumed annual average salary of US $1200, 3% salary growth per year, 10% salary rate as average enterprise profit increase per graduate hired, multiplier of 2. • Economic impact of GIEPA (investments facilitated by the project, $48 million in attracted funding), with a 10% ROI over 12 years, a 33% attribution factor, and a multiplier of 2
Costs included	Cost of matching grant and support to tourism subcomponents		Total project cost for all components of the project, including imputed costs of economic reforms, and investment climate improvement efforts. (Specific positive cash flows are not attributable to these "public good" activities)
Time horizon	12 years	12 years	12 years
Discount rate	12%	12%	12%

Actual costs as a share of estimated costs	Not included	Not included
Actual benefits as a share of estimated benefits	Not included	Not included
Coverage/Scope	Qualitative description	Qualitative description
Sensitivity Analysis?	Some: low case scenario, ex ante	

Implementation Efficiency:
Dismissals of key Government officials, and high turnover in Cabinet positions delayed the GCP's negotiation and implementation and the first two years of the project were plagued with disbursement delays. For instance, 17 months after effectiveness, just 14.2% of all funds had been disbursed (less than half of the cumulative estimated disbursement for FY2012 at project approval).
The implementation and disbursement delays of between 18-24 months at the project's start lowered the GCP's DO and IP ratings from satisfactory in March of 2011 to moderately unsatisfactory in July of 2012. The Government's role in these delays included high turnover in the lead position of the Project Coordination Unit, months-long vacancies in other key PCU staff positions, and the PCU's non-compliance with the World Bank's procurement guidelines.

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point Value (%)	Coverage/Scope (%)
Appraisal	Yes	Base case: 45% Low case: 37%	Not Applicable
ICR Estimate	Yes	38.01%	Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

Efficiency Rating
Modest

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)

Appraisal	✓	45.00	0 ☑Not Applicable
ICR Estimate	✓	38.01	0 ☑Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

	Relevance		Efficacy		Efficiency	Outcome Rating
	Objective	Design	1st Objective	2nd Objective		
Rating	Substantial	Substantial	Substantial	Modest	Modest	Moderately Satisfactory

a. Outcome Rating
Moderately Satisfactory

7. Rationale for Risk to Development Outcome Rating

The Gambia faces significant technical, financial, economic, social and political risks that may undermine the business policy reforms and investments in the tourism and agricultural sector made by the Gambia Growth and Competitiveness Project (GCP). As a small, open, undiversified economy with a limited domestic market, the Gambia is vulnerable to exogenous financial and economic shocks.
At the same time, outside investors and the government both want growth in the private sector. Bolstered by outside support, the private sector mitigates against the aforementioned shocks and government corruption at the same time. The GCP supported public-private partnership institutions through its investments and made a concerted effort to consult extensively with private sector players at the project's inception. Even so, private sector interests may still yet be threatened by government actions. Since the mid-1990s, the GoG has often constrained civil society actors. In addition, high turnover in the Government's institutions undermines the sustainability of the private sector policy reforms.

Risk	Probability of Risk	Likely Impact on Project's Outcomes
Technical (e.g. where innovative technology and systems are	High – probability of electricity shortages and problems with internet connectivity.	Increase business startup and running costs, which would reduce new venture creation and profitability of existing businesses. The overall impact would reduce sales in many sectors,

involved);		including tourism and agriculture.
Financial (including the robustness of financial flows and financial viability);	Moderately high – probability of financial shocks. As a small, open economy, Gambia is vulnerable to abrupt shifts in private financial flows as investors seek the highest returns, or to reduce risk.	Increase the cost and accessibility of financing for business startup and expansion, making it difficult for business to increase sales through growth.
Economic (both at country and global level);	Moderately high – Gambia's domestic economy is undiversified and limited by a small domestic market. Moderate—probability of a global financial crises, but Gambia is particularly vulnerable to negative macroeconomic swings as a small, open economy.	Reduce firm's profits, sales, employment, etc. Increase capital flight, leaving fewer investors in Gambia, also reduce the number of tourist arrivals as individuals reduce spending (forgo vacations) during financial crises.
Social (e.g., in terms of the strength of stakeholder support and/or mitigation of any negative social impacts);	High -- probability that private sector stakeholders are motivated to mitigate negative social impacts, however private and civil society is small and relatively weak.	Mitigate negative impacts of social change on businesses' growth, sales, and job creation.
Political (e.g., volatility of political situation);	High – probability of remaining a FCV-state (since the mid-1990s) with occasional outbreaks of violence, and ongoing high corruption and low transparency.	Increase the cost of starting and running a business, and may increase informality. This reduces business profitability and will decrease probability of start-up activity.
Environmental (including both positive and negative impacts);	Moderate – probability of drought.	Drought would decrease agricultural firm's productivity, profit, and job-creation.
Government ownership/ commitment (e.g., continuation of supportive policies and any budgetary provisions);	Moderate – probability that single window clearance is not well supported because of high turnover in Gambia's government institutions leading to a loss of sustained knowledge/ human capital.	Increase the cost of starting a business.
Other stakeholder ownership (e.g. from private	Moderate – probability of other stakeholder ownership, since private sector was a key stakeholder and	Improve sustainability of new business regulations and other reforms intended to improve the business climate. Reduce the cost of

sector/civil society);	participant in public-private partnerships set up to help sustain the benefits of the intervention.	starting and running a business.
Institutional support (e.g., from project entities; and/or related to legal/legislative framework);	Moderate – probability of positive institutional support from project entities.	Reduce cost of starting and running a business, increase competitiveness of tourism and agriculture clusters.
Governance;	Moderately-high probability of high corruption and lack of transparency in governance.	Increase the cost of starting and running a business, including in agriculture and tourism.
Natural disasters exposure.	Moderate – risk of drought.	Increase the cost of starting and running an agricultural business.

a. Risk to Development Outcome Rating

Substantial

8. Assessment of Bank Performance

a. Quality-at-Entry

The World Bank's Financial Management Assessment of the GCP's accounting system and reporting, auditing, and internal controls found substantial overall fiduciary risk during appraisal. Substantial risk mainly resulted from a combination of governance challenges and limited capacity to manage fiduciary responsibilities – and were further exacerbated by the country's financial and economic vulnerabilities (p. 19, PAD; p. 59, Annex 7 PAD).

Accordingly, the World Bank and the Government of Gambia agreed to set up a stand-alone Project Coordination Unit (PCU) in the Ministry of Economic Planning and Industrial Development (MEPID) that would be staffed by a competitively-hired Project Coordinator and others.

Quality-at-Entry Rating

Moderately Satisfactory

b. Quality of supervision

World Bank staff regularly supervised and updated reports on the development outcomes and implementation progress as evidenced by the semi-annual Implementation Status and Results report filings, and monthly meetings between the PCU, key officials of counterpart agencies and Ministries, and World Bank staff to

address implementation issues.
Nevertheless, the first two years of the project were plagued with disbursement delays. For instance, 17 months after effectiveness, just 14.2% of all funds had been disbursed (less than half of the cumulative estimated disbursement for FY12 at project approval).
The World Bank staff and Borrower agree there were procurement delays. The Bank project team says that the PCU was not compliant with procurement guidelines, and staff had trouble convening meetings of the evaluation committee to resolve the problem because officials from key Government agencies were unavailable (ISR #3). The Borrower says that the PCU was never flagged by the Bank's procurement specialist for non-compliance and that the procurement delays also resulted from the Bank's TTLs delayed approval of procurement orders (ICR: Borrower's comments on Draft ICR).
The World Bank staff placed emphasis on the borrower's compliance with procurement guidelines before disbursing additional funds. However, a two-year delay in project disbursements suggests the bank may have been able to take more proactive role in helping to build the PCU's capacity to come into compliance.

Quality of Supervision Rating
Moderately Satisfactory

Overall Bank Performance Rating
Moderately Satisfactory

9. Assessment of Borrower Performance

a. Government Performance
The Government of Gambia showed its commitment to private-sector led growth through its reform agenda which included: The Investment Promotion Act (2001), the Free Zones Act 2001), the Gambia Investment and Export Promotion Act (2010), amendments to the Customs and Excise Act (2010), and through its establishment of the new MEPID and GIEPA. The Government engaged in extensive public consultation prior to the GCP and established the Project Steering Committee and the Tourism Marketing Committee (PAD, para 64).

Implementation and disbursement delays of between 18-24 months at the project's start lowered the GCP's DO and IP ratings from satisfactory in March of 2011 to moderately unsatisfactory in July of 2012. The Government's role in these delays included high turnover in the lead position of the Project Coordination Unit, months-long vacancies in other key PCU staff positions, and the PCU's non-compliance with the World Bank's procurement guidelines.

Laws intended to improve the investment climate and strengthen sector competitiveness (the Single Business Window Registry Law and the Companies Act) were not enacted until January 2013, two years after project effectiveness.

Evidence from the ICR shows that the government's implementation accelerated after the mid-term review in June ~~of~~ 2013 and finished strongly. The MTR discussions helped to clarify the respective responsibilities and authorities of the Bank and the PCU and resulted in increased private sector representation in the

PSC. The government went on to enact the Moveable Collateral Registry which works to increase SME investment by establishing a legal framework for SMEs to use movable assets such as inventories as loan collateral, thereby reducing investor's risk size months before the project closed in June 2015.

Government Performance Rating

Moderately Satisfactory

b. Implementing Agency Performance

Implementing agencies included the Single Window Business Registry (SWBR), the Gambian Investment and Export Promotion Agency (GIEPA), the Matching Grant Facility (MGF), the Gambia Tourism Authority (GTA), the Gambia Tourism and Hospitality Institute (GTHI), and the Tourism Marketing Committee (TMC).

The implementing agencies outperformed on their targets, for instance GIEPA far surpassed both of its growth targets of increasing both the number and value of investments attributed to it. Any difficulties encountered with the implementing partners' understanding of the Bank's procedures and disbursement conditions, and issues of working with the PCU were resolved after the mid-term review.

The ICR mentions that the implementing partners' strong commitment to the GCP was evident throughout the project and specifically calls out the high performance of the horticulture manager, nucleus farms, Tourism Committee Board, and GTHI.

Implementing Agency Performance Rating

Satisfactory

Overall Borrower Performance Rating

Moderately Satisfactory

10. M&E Design, Implementation, & Utilization

a. M&E Design

Monitoring and evaluation (M&E) was based on the agreed Results Framework and monitoring arrangements specified in Annex 3 of the PAD. The Results Framework specified the three project outcome indicators for the PDO, and six intermediate outcome indicators to measure progress on the intermediate outcomes. The arrangements for results monitoring of the PDO's includes the use of a standardized indicator from the annual World Bank's Doing Business reports; bi-annual reporting from the project database by the horticulture manager and the PCU; and annual reporting from the immigration and MTC database by the MTC, the Gambia Tourism Authority, and the PCU.

Annual reporting from the Business Registry database would be carried out by GIEPA and the PCU. New GIEPA investments and their value were to be tracked using bi-annual reports from the Central Bank of Gambia and the GIEPA database. Monitoring of the MGF facility's results was to be carried out using annual

beneficiaries' surveys by the MGF Manager and the PCU; the Gambia Tourism and Hospitality Institute was to provide a list of GTHI graduate and participants on an annual basis.

Indicators of the strengthened competitiveness of the tourism cluster measured (potential) inputs to the strengthening of the cluster (GTHI graduates and hours of coursework), but did not measure outcomes of a strengthened tourism cluster such as job creation in the sector.

The governance arrangement specified that the Aid and Program Coordination Directorate of the Ministry of Economic Planning and Industrial Development carry out the M&E with technical assistance from the GCP. This arrangement does not allow for fully independent monitoring and evaluation of the project since the MEPID has a direct interest in assuring the GCP's success. The Bank's concerns about the GoG's ongoing challenges with transparency, voice and accountability do not seem to factor into discussion of this arrangement. However, there is considerable benefit to building M&E capacity in the GoG to carry out M&E and therefore the GCP's arrangement is justified.

The ICR notes that the M&E targets were conservative to accommodate for the Gambia's FCV context. Targets were not upwardly revised during the two project restructurings.

b. M&E Implementation

Nearly all the indicators enumerated in the PAD were measured and documented in the ICR. One indicator was discontinued after project restructuring because it was no longer relevant. Two other indicators were changed when the project's scope pivoted from groundnuts and commercial banks to mango and poultry.

The PCU received M&E training at the Ghana Institute of Management and Public Administration (GIMPA) and in Brazil. An impact evaluation (IE) of the MGF was carried out by an independent consultant in 2014, and an evaluation of non-beneficiary Mango outgrowers was carried out in 2015. Although the ICR mentions the IEs, it does not report any IE evidence or discuss the measures, outcomes, treatments, sample size, or methods used in the evaluations. In subsequent discussion with the ICR team, the team notes a lack of confidence in the IE.

Delays in the appointment of an M&E specialist contributed to discrepancies in the recording of targeted indicator values between the PAD and the ISR, a lack of detail of the outcome measurements, and some inconsistencies in the reporting of indicators across different project reports, communications and documents. The ICR team noted that the discrepancies and reporting glitches improved as the project progressed. Concurrent delays in the start of the project's activities lessened the impact of staff turnover in the M&E function at the start of the project.

The ICR team reports that the GCP Bank team made regular visits to the field (twice annually). However, changes in the rate of disbursement did not occur until after the mid-term review, almost three years into the field project. Although evidence supporting the frequency and timing of field visits is not presented in the ICR, the ICR notes an uptick in field visits and the quality of the Bank's communication after the MTR. In subsequent discussion, the ICR team said that the relocation of the TTL from Washington to Dakar in October

2012 improved communication between the TTL and PCU: The TTL's more "frequent, additional contact (emails, phone calls, videoconferences) with client beneficiaries helped address issues with which the project was struggling, and contributed to improved disbursement following the MTR. This contact is documented in the correspondence and other documents in the Operations Portal and other systems such as that included in aide memoires, ISRs and other documents."

The M&E structure incorporated private sector representation into the PSC after the mid-term review. The extent to which private sector involvement in the PSC improved the project's momentum and achievements was not clear from the evidence presented in the ICR. In subsequent discussion, the ICR team stated that: "private sector representation was increasingly present on the PSC (Project Steering Committee), and was cited by the Borrower and beneficiaries as helpful in aligning project activities with the needs of beneficiaries. Private sector participation brought about stronger leadership and elicited more commitment from key stakeholders."

The ICR does not explicitly state that a data quality control mechanism was put into place for the GCP. Subsequent discussion with the ICR team noted limited space in the ICR to discuss such arrangements. The ICR team clarified that the project regularly updated its "Results Framework, submitted quarterly progress reports on time, documented additional outcomes attributable to project and documented the evidence in the periodic ISRs and in this ICR. The GCP engaged a private M&E expert to support and train project implementing agencies on monitoring project interventions regularly, timely evaluation, revisions, and collection and collation of results."

c. M&E Utilization

The M&E framework focused on measuring the outcome indicators and intermediate outputs from a set of evidence-informed activities that should work to reduce the cost of registering a business, increase the incremental sales of horticulture products, and increase the number of tourism arrivals from non-traditional markets.

The ICR's discussion of the stakeholder workshop report and results in Annex 5 suggests that M&E findings were communicated to the various stakeholders at the end of the project, which should help to inform follow-on interventions in the future. However, the ICR does not present evidence or ideas for the design of future interventions based on the M&E results.

The ICR recommends using both absolute AND relative performance measures (rather than absolute measures alone) in the design of future M&E frameworks for private sector development projects in small countries. Just two M&E indicators in the GCP project used relative measures, which may understate the impact of small achievements.

M&E Quality Rating

Modest

11. Other Issues

a. Safeguards

The project was classified as a Category B operation "with Partial Environmental assessment" in the PAD. Table F. on p. 25 of the PAD lists two applicable safeguard policies for Pest Management (OP 4.09) and Involuntary Resettlement (OP/BP 4.01). The safeguard policies were triggered by uncertainty in the scale, scope, location, and number of horticultural development activities proposed for Window 1 of the MGF. The assessment anticipated minimal, site-specific, and manageable impacts from the horticultural activities.

The Recipient submitted an Environment and Social Management Framework (ESMF) and a Pest Management Plan (PMP), which were cleared and disclosed to both the Gambia and the World Bank's Infoshop in 2009. According to the ICR in paragraph 41, the National Environment Agency (NEA) was "responsible for ensuring that the project activities were implemented in accordance with national and World Bank social and environmental management policies" – however the ICR presents no evidence that the planned mitigation activities were completed.

The GCP team provided additional evidence stating that: "safeguard compliance was ascertained by the team safeguards expert and the Regional Safeguard Advisor (RSA). The project was in full compliance with safeguards regulations for Bank projects, as evidenced in the consistent S-rating for safeguards (including all sub-categories) in all ISRs."

The NEA was to receive technical assistance under Component 3 of the project for monitoring and mitigating any negative environmental and social impacts.

Although the ICR does not identify or discuss any negative environmental or social impacts resulting from the project, the GCP team stated that "negative social and environmental impacts were negligible."

b. Fiduciary Compliance

The project appraisal team determined that the Gambia's governance challenges increased fiduciary risk, which the project addressed through its design and approach. GCP mitigated these risk through "closer supervision, capacity-building, maintaining objectivity of the PCU and the regular performance of institutional structures" (para 30, ICR). Even so, dismissals of key officials, and high turnover in cabinet positions delayed the GCP's negotiation and implementation.

The PCU was responsible for financial management, accounting activities and for the fiduciary function under the supervision of the MEPID. Project implementation was significantly delayed because of the PCU's non-compliance with the World Bank's procurement policies. This view contrasts with comments provided by the Borrower's which note delays in the TTL's approvals.

After these initial delays, the ICR rates the financial management function as adequate, in compliance during

the life of the project, with sufficient internal controls. Periodic external audits (IFRs) and reports were "satisfactory and on time" (ICR, para 45).

The fiduciary governance structure set up for the GCP adequately assured the GCP's fiduciary compliance. There was no evidence of waste or malfeasance, and none of the independent audits of the PCU (carried out in 2011, 2012, 2013, and 2014) received any "unqualified audit queries" and there was no evidence of waste or malfeasance over the duration of the project (para 67 and Section 3.1.2. "Preliminary Conclusions Were:")

c. Unintended impacts (Positive or Negative)

The ICR notes two positive, unintended impacts in which program effects were voluntarily extended beyond the defined beneficiary group to other participants or partners.

The horticulture outgrowers scheme was competently managed by the PCU and remarkably successful in building efficient agricultural value chains. Farmers enrolled in the program not only learned new outgrowing techniques and improved their yields, but also shared their knowledge with other interested villagers.

Activities under the tourism window extended well beyond the original objective of restructuring the Gambia Hotel School, to partnering with tourism institutes in Ghana.

d. Other

---

12. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Satisfactory	---
Risk to Development Outcome	Substantial	Substantial	---
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	---
Borrower Performance	Moderately Satisfactory	Moderately Satisfactory	---
Quality of ICR		Substantial	---

Note
When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.
The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as

appropriate.

13. Lessons

Each FCV context differs and a thorough understanding of the country's unique FCV context is important to develop a project that's relevant to the country's most critical needs. The Gambia's FCV characteristics mainly pertain to the government's lack of accountability and transparency, and the threat of elite capture. The GCP serves as a good example of a project that appropriately adopted goals, measures, expectations, and supervision to the specific features of the Gambia's FCV context.

In subsequent communication, the ICR team reiterated points it raised in the ICR in paragraphs 100-103, that the complexity of Bank procedures and the difficulty that Borrowers may have in understanding them can be a cause of delays from having to re-do procurements, backing out ineligible expenses, or poorly-written terms of reference that require revisions. It is also important that project and borrower teams understand pre-requisites for implementation like hiring of key staff and the adoption of laws and regulations critical to implementation. For this reason, Bank teams may consider the use of effectiveness conditions. The ICR mentions many of these issues throughout the text and a range of remedial actions discussed or implied: paras. 30, 32, 45, 55, 82, 83, 91, and 92.

14. Assessment Recommended?

No

15. Comments on Quality of ICR

Quality of Evidence and Analysis:

The ICR demonstrated high internal consistency and a lot of continuity between the Gateway project that was completed in 2009, and adequately discussed the quality of the appraisal, and the objectives and goals laid out in the PAD, as well as their implementation during the course of the project.

The PAD developed a valid theory of change, and a reasonable evaluation framework that uses indicators to assess intermediate and final outcomes. The indicators all reasonable proxy measures of the intermediate and final outcomes. The ICR's reliance on indicators is valid (and adequate), but does not capture some of the other remarkable achievements casually mentioned in the ICR. For example, Annex 3a elaborates on the significant progress of the Gambia's new single window business and collateral registries. Since the Single Window Business Registry's launch, an average of 450 mostly incumbent companies have registered per month, for a total of 13,500 new companies registered. Since the collateral registry was launched, more than 200 companies have received loans secured by movable collateral. This is important evidence.

The reviewer notes that significant policy changes present the opportunity to carry out policy analysis that evaluates the impact of a policy change on various outcomes of interest. There is no mention of this type of analysis in the report and, as a result, the project does not appear to contribute to greater knowledge about what does and does not work to improve the business climate in a country.

a. Quality of ICR Rating

Substantial