

---

# THE GAMBIA

---

## INTRODUCTION

THE GAMBIA is a low-income country with a gross national income (GNI) of USD 440 per capita (2009) which has grown at an average rate of 3% annually since 2005 (WDI, 2011). It has a population of approximately 1.7 million, 34% of whom (584 000 people) currently live under the 1.25 dollar-a-day income poverty line (WDI, 2011). Net official development assistance (ODA) to the Gambia in 2009 totalled USD 128 million (OECD, 2011a). Since 2005, net ODA has averaged 53% of GNI (WDI, 2011). The top seven donors provided 78% of the Gambia's core ODA (OECD, forthcoming).

The Gambia faces challenges common to many small states such as an undiversified economy and a small internal market. As a country emerging from the global financial crisis, and with debt servicing likely to account for 20% of national revenue, the Gambia also faces problems common to the region such as inadequate infrastructure and institutional capacity constraints. Despite these issues, the Gambia may well meet a couple of the Millennium Development Goals (MDGs). Traditionally a trading centre, tourism has been the most dynamic sector and is the country's most significant foreign exchange earner. Fishing, horticulture, sesame and cashew nuts are promising areas of export diversification. ■

## SUMMARY OF PROGRESS

PROGRESS ON THE PARIS DECLARATION INDICATORS depends on improvements by both donors and partner governments. The Gambia has met the target for two indicators, co-ordinated technical co-operation and reliable public financial management systems. For the remaining indicators, meeting the 2010 targets will be challenging for the Gambia. In particular, government and donors must direct substantial efforts to improve ownership, alignment of aid with national priorities, aid predictability, results-oriented frameworks and mutual accountability. The Gambia should continue its reforms and programmes for institutional development and capacity strengthening. On the other hand, donors need to help build the capacity of key government agencies and departments and further engage in increased alignment and harmonisation of activities for the Gambia to achieve the Paris Declaration 2010 targets. ■

**TABLE 1:**  
Baselines and targets  
for 2010

	INDICATORS	2005 REFERENCE	2007	2010 ACTUAL	2010 TARGET
1	Operational development strategies	D	C	C	'B' or 'A'
2a	Reliable public financial management (PFM) systems	2.5	3.0	3.5	3.0
2b	Reliable procurement systems	Not available	Not available	Not available	No Target
3	Aid flows are aligned on national priorities	--	--	33%	85%
4	Strengthen capacity by co-ordinated support	--	--	50%	50%
5a	Use of country PFM systems	--	--	12%	No Target
5b	Use of country procurement systems	--	--	33%	No Target
6	Strengthen capacity by avoiding parallel PIUs	--	--	16	No Target
7	Aid is more predictable	--	--	8%	No Target
8	Aid is untied	81%	75%	55%	More than 81%
9	Use of common arrangements or procedures	--	--	12%	66%
10a	Joint missions	--	--	8%	40%
10b	Joint country analytic work	--	--	54%	66%
11	Results-oriented frameworks	D	D	D	'B' or 'A'
12	Mutual accountability	Not available	Not available	N	Y

**TABLE 2:**  
Learning from success  
and challenges

	ACHIEVEMENT OR CHALLENGE	LESSON OR PRIORITY ACTION
Ownership	<b>Challenge:</b> The Gambia lacked a medium-term fiscal framework (MTFF) and a medium-term expenditure framework (MTEF) to direct public expenditures	<b>Priority action:</b> Adopt a medium-term expenditure framework to better link plans to budgets
Alignment	<b>Challenge:</b> Donor use of country public financial management (PFM) and procurement systems is weak	<b>Lesson:</b> Government to formulate aid policy, functional aid action plan, aid management database / platform and strengthen the use of country's public financial management (PFM) and procurement systems
Harmonisation	<b>Achievement:</b> All donors engaging in country analytic work co-ordinate some of their work	<b>Priority action:</b> Programme-based aid should be reflected on the national budget
Managing for results	<b>Challenge:</b> Lack of comprehensive data coverage on both qualitative and quantitative targets of the Gambia's poverty reduction strategy	<b>Priority action:</b> Strengthen statistical systems and improve quality for monitoring progress in relation <ul style="list-style-type: none"> <li>• to the Gambia's development</li> <li>• strategies</li> </ul>
Mutual accountability	<b>Challenge:</b> No broad mutual assessments have taken place	<b>Priority action:</b> Establish mutual accountability mechanism focused on Gambian priorities

## ABOUT THE SURVEY

This chapter assesses progress against the quantitative indicators provided by the Survey on Monitoring the Paris Declaration, drawing on data provided by the government and donors, the OECD and the World Bank. In addition to this, it draws on qualitative evidence submitted to the OECD by the national government which incorporates feedback from donors and other stakeholders.

The 2011 survey responses cover eight donors; together they provide 57% of the country's core ODA. The Gambia participated in the Paris Declaration Monitoring Survey for the first time in 2011. Thus, the 2011 Survey serves as the baseline information for the Gambia. ■

## OWNERSHIP

**AID IS MOST EFFECTIVE** when it supports a country-owned approach to development. It is less effective when aid policies and approaches are driven by donors. In the context of the Paris Declaration, ownership concerns a country's ability to carry out two, inter-linked activities: exercise effective leadership over its development policies and strategies; and co-ordinate the efforts of various development actors working in the country.

Indicator 1 assesses the operational value of a country's development strategy. In particular, it looks at the existence of an authoritative country-wide development policy (*i.e.* a unified strategic framework), the extent to which priorities are established, and whether these policies are costed and linked with the budget. All of these features are important to harness domestic resources for development, and to provide a basis for the alignment of aid to development priorities. Each country has provided evidence against these criteria, and this has been translated into a score by the World Bank using the same methodology as in the 2006 and 2008 surveys. A five-point scale runs from A (highest score) to E (lowest score). The Paris Declaration targets 75% of partner countries achieving a score of A or B by 2010.

The Gambia did not participate in the 2006 and 2008 surveys; however, it received a rating of C on indicator 1 from the World Bank's review. This indicates that progress has been made in operationalising development strategies, but further areas for improvement remain. A concerted effort by government and donors will be needed for the Gambia to meet the 2010 target of having an operational development strategy in place to merit a B rating. Performance-oriented budgeting and relatively weak links between the national development strategy and sectoral and/or sub-national strategies constitute key areas that need attention for further progress.

The Gambia's poverty reduction strategy paper (PRSP II) covering 2007 to 2011 provides a unified medium-term framework for progress towards the long-term vision of achieving poverty reduction through economic growth set out in Vision 2020. The country is however finalising a new medium-term framework – the Programme for Accelerated Growth and Employment (PAGE) to succeed the PRSP II for the period 2012-15. The Gambia's development strategy prioritises targets, makes links to the Millennium Development Goals, mainstreams cross-cutting issues and also specifies the cost of implementation although there is no medium-term fiscal framework or medium-term expenditure framework to direct expenditures. The Gambia operates a line item budgeting system where over 70% of budgets are for statutory obligations thus sectoral priorities are only partially reflected in the government's annual budget.

There is an institutionalised process for broad-based participation of parliament, civil society, local government and the private sector in the formulation and monitoring of the national development strategy mainly through national and sectoral consultation processes. ■

### INDICATOR 1

Do countries have operational development strategies?

## ALIGNMENT

**AID THAT IS DONOR DRIVEN AND FRAGMENTED** is less effective. For aid to be effective, it must make use of national development strategies and use and help strengthen capacity in national systems, such as those for procurement and public financial management. The Paris Declaration envisions donors basing their support fully on partner countries' aims and objectives. Indicators 2 through 8 of the Paris Declaration assess several different dimensions of alignment.

In the Gambia, there is little alignment. Country systems are relatively weak, thus donors make little use of them. Substantial input is needed in building reliable country systems and in improving systems for managing public financial information. Modest progress has been made with co-ordination of technical co-operation in country programmes and joint country analytical work. However results are less encouraging on other aspects of harmonisation, including joint missions and use of common country arrangements. The Gambia has also suffered significant setback on untying aid.

### INDICATOR 2 Building reliable country systems

Indicator 2 covers two aspects of country systems: public financial management (PFM) and procurement. Do these systems either adhere to good practices or are there plans for reform? If countries have reliable systems, donors are encouraged to use them for the delivery and management of aid. This helps to align aid more closely with national development strategies and enhances aid effectiveness.

### INDICATOR 2a How reliable are country public financial management systems?

Indicator 2a of the Paris Declaration assesses whether PFM systems meet broadly accepted good practices or whether credible reform programmes are in place. The assessment is based on the World Bank's Country Policy and Institutional Analysis (CPIA) score for the quality of PFM systems, which uses a scale running from 1 (very weak) to 6 (very strong).

To score highly, a country needs to perform well against all three of the following criteria: a comprehensive and credible budget linked to policy priorities; an effective financial management system to ensure that the budget is implemented as intended in a controlled and predictable way; and timely and accurate accounting and fiscal reporting, including timely and audited public accounts with effective arrangements for follow up. Meeting the global 2010 target requires half of partner countries to move up at least one measure (*i.e.* 0.5 points) between 2005 and 2010.

Since 2005, the quality of the Gambia's public financial management systems has been steadily improving. Starting from a score of 2.5 in 2005, the Gambia reached the 2010 target of 3.0 in 2007 and in 2010 exceeded it, scoring 3.5. Explanations provided by stakeholders at the country level suggest that the government is undertaking a number of initiatives to improve public financial management (PFM) systems. The country introduced an integrated financial management information system in 2007 to prevent accumulation of government's arrears and also ensure that wages and other charges stayed within budget appropriations. Key successes achieved include the ability of the government to provide timely financial reports and reduction in the backlog of unaudited accounts. Further efforts being made to improve the quality of PFM systems include the creation of The Gambia Revenue Authority and the Aid Co-ordination Directorate under the Ministry of Finance and Economic Affairs to co-ordinate the flow of loans and grants into the country.

### INDICATOR 2b How reliable are country procurement systems?

Indicator 2b was first measured in 2008 by 17 countries. The process is one of self-assessment, using the Methodology for the Assessment of National Procurement Systems developed by the OECD-DAC Task Force on Procurement. The methodology includes baseline indicators to compare a country's systems to internationally-accepted good practice, as well as a new set of indicators. These indicators assess overall performance of the system, compliance with national legislation and standards and whether there is a reform programme in place to promote improved practices. The results are expressed as grades on a four-point scale running from A (the highest) to D (the lowest). The 2010 target is for a third of partner countries to move up at least one measure (*i.e.* from D to C, C to B or B to A) although not all countries will perform an assessment.

No score was available in the 2011 Survey on the quality of the Gambia's procurement systems. In an effort to improve on procurement systems, the Government of the Gambia created The Gambia Public Procurement Authority in 2001 to oversee procurement and build capacity of public institutions. All ministries have also been directed to establish a procurement unit. Strengthening the capacity of The Gambia Public Procurement Authority is now the priority of the government although progress of implementation is reported to be slow.

Comprehensive and transparent reporting on aid, and its use, helps ensure that donors align aid flows with national development priorities. When aid directed to the government sector is fully and accurately reflected in the national budget it indicates that aid programmes are well connected with country policies and processes. This also allows partner country authorities to present accurate and comprehensive budget reports to their parliaments and citizens.

As a proxy for alignment, indicator 3 measures the percentage of aid disbursed by donors for the government sector that is included in the annual budget for the same fiscal year. The indicator reflects two components: the degree to which aid is aligned with government priorities, and the extent to which aid is captured in government's budget preparation process. Budget estimates can be higher or lower than disbursements by donors and are treated similarly for the purpose of measuring indicator 3 despite the different causes.

The 2010 target is to halve the proportion of aid flows that are not currently reported on government budgets, with at least 85% of aid reflected in the budget.

### INDICATOR 3

Aligning aid flows on national priorities

	Government's budget estimates of aid flows in 2010 (USD m) a	Aid disbursed by donors for government sector in 2010 (USD m) b	2005		2007		2010 *		Total aid disbursed through other donors (USD m)
			(for reference)		(for reference)		(%)		
							c = a / b	c = b / a	
EU Institutions	9	3	--	--	--	--		31%	0
GAVI Alliance	--	1	--	--	--	--			0
Global Fund	--	14	--	--	--	--			0
IFAD	0	2	--	--	--	--	1%		0
IMF	0	7	--	--	--	--	0%		0
Japan	1	7	--	--	--	--	13%		0
United Nations	--	11	--	--	--	--			0
World Bank	12	22	--	--	--	--	57%		0
Average donor ratio			--	--	--	--	20%		
<b>Total</b>	<b>22</b>	<b>67</b>	--	--	--	--	<b>33%</b>		<b>0</b>

TABLE 3:

Are government budget estimates comprehensive and realistic?

\* Ratio is  $c = a / b$  except where government's budget estimates are greater than disbursements ( $c = b / a$ ).

The 2011 Survey shows 33% of aid to the government of the Gambia was accurately estimated in the government budget, which was significantly less than the 2010 target of 85%. The case of the average donor was even more disappointing as only 20% of aid was accurately recorded in the budget. No aid was also recorded to have been disbursed by a donor through other donors. Some of the gaps were due to donors and the government operating with different fiscal years, flaws in the government's approach to collecting data on aid, failure of some donors to provide timely information in a co-ordinated manner and poor communication of donors with sector ministries and the Ministry of Finance and Economic Affairs. Despite these figures, the government feels that aid spending is based on government priorities.

Even though progress is possible, meeting the 2010 target of 85% would be quite ambitious for the Gambia and will require considerable efforts from both government and donors. To improve this situation, the government plans to introduce a medium-term expenditure framework (MTEF) by 2013 to strengthen links between the government's priorities and the budget process. Explanations provided by stakeholders at the

**INDICATOR 7**  
Providing more  
predictable aid

country level note that the weak capacity of government institutions in managing data remains a key challenge. Donors need to improve their transparency and communication with sector ministries and the Ministry of Finance and Economic Affairs.

For many countries, aid is a vital source of revenue and resources. Being able to predict aid disbursements – both in terms of how much aid will be delivered and when – is important to enable countries to manage public finances and undertake realistic planning for development. The Paris Declaration calls on donors to provide reliable, indicative commitments of aid over a multi-year framework, and to disburse aid in a timely and predictable manner according to agreed schedules.

Indicator 7 examines the in-year predictability of aid for the government sector by measuring the proportion of planned disbursements (as reported by donors) that are recorded by governments in their accounting system as having been disbursed. Indicator 7 therefore assesses two aspects of predictability. The first is the ability of donors to disburse aid according to schedule. The second is the ability of government to record disbursements for the government sector as received in its accounting system. Indicator 7 is designed to encourage progress in relation to both, with the aim of halving the proportion of aid not disbursed (and not captured in the government's accounting system) within the fiscal year for which it was scheduled by 2010. The ultimate goal is to improve not only the predictability of disbursements, but also the accuracy with which they are recorded in government systems – an important element to support ownership, accountability and transparency.

**TABLE 4:**  
are disbursements on  
schedule and recorded  
by government?

	Disbursements recorded by government in 2010  (USD m) a	Aid scheduled by donors for disbursement in 2010  (USD m) b	2005		2007		2010 *		For reference: Aid disbursed by donors for government sector in 2010 (USD m) d	For reference: % of scheduled aid disbursements reported as disbursed by donors in 2010 **	
			(for reference)	(for reference)	(%) c = a / b	(%) c = b / a	e = d / b	e = b / d			
EU Institutions	--	6	--	--				3	44%		
GAVI Alliance	--	2	--	--				1	47%		
Global Fund	--	11	--	--				14		83%	
IFAD	--	4	--	--				2	56%		
IMF	0	0	--	--		--		7		0%	
Japan	6	7	--	--		77%		7	100%		
United Nations	--	19	--	--				11	59%		
World Bank	0	23	--	--		0%		22	95%		
Average donor ratio			--	--		39%				60%	
<b>Total</b>	<b>6</b>	<b>73</b>	<b>--</b>	<b>--</b>		<b>8%</b>		<b>67</b>	<b>92%</b>		

\* Ratio is  $c=a/b$  except where disbursements recorded by government are greater than aid scheduled for disbursement ( $c=b/a$ ).

\*\* Ratio is  $e=d/b$  except where disbursements recorded by donors are greater than aid scheduled for disbursement ( $e=b/d$ ).

The 2011 Survey shows that donors scheduled USD 73 million for disbursement in 2010 and actually disbursed – according to their own records – USD 67 million to the government sector. However, only USD 6 million was recorded in government systems, all from Japan, which was also the only donor supplying budget support. On aggregate, 92% of scheduled disbursements in the Gambia were actually disbursed in 2010 and for the average donor, the ratio was 60%. The reasons for this shortfall may be attributed to the effect of low level of fund utilisation in the previous year on the 2010 disbursements'. This highlights that the poor performance on predictability is primarily one of recording disbursements rather than one of predictability of funding. Progress to close the predictability gap will require better communication between the government and donors, along with the establishment of a platform for aid management.

Capacity constraints present significant challenges to development and poverty reduction efforts and their sustainability. These relate both to aid management capacities (the ability of the government to capture, co-ordinate and utilise aid flows more effectively) and also to broader capacities for the design and implementation of policies and service delivery.

Under the Paris Declaration donors committed to providing technical co-operation that is co-ordinated with partner country strategies and programmes. This approach aims to strengthen capacities while also responding to the needs of partner countries. Successful capacity development is led by the partner country.

Indicator 4 focuses on the extent to which donor technical co-operation (an important input into capacity development) is country-led and well co-ordinated. It captures the extent to which technical co-operation is aligned with objectives articulated by country authorities, whether country authorities have control over this assistance, and whether arrangements are in place to co-ordinate support provided by different donors. The Paris Declaration target is for 50% of technical co-operation flows to be implemented through co-ordinated programmes that are consistent with national development strategies by 2010.

	Co-ordinated technical co-operation (USD m)	Total technical co-operation (USD m)	2005 (for reference)	2007 (for reference)	2010 (%) c = a / b
	a	b			
EU Institutions	2	3	--	--	75%
GAVI Alliance	0	0	--	--	--
Global Fund	0	0	--	--	--
IFAD	0	0	--	--	100%
IMF	0	1	--	--	0%
Japan	0	1	--	--	23%
United Nations	6	7	--	--	92%
World Bank	0	6	--	--	0%
<b>Total</b>	<b>9</b>	<b>18</b>	<b>--</b>	<b>--</b>	<b>50%</b>

**INDICATOR 4**

Co-ordinating support to strengthen capacity

TABLE 5:

How much technical co-operation is co-ordinated with country programmes?

The 2011 Survey for the Gambia shows that 50% of technical assistance was co-ordinated (technical assistance amounts to 18% of total aid). This result meets the Paris Declaration 2010 target of 50%.

The 2010 data showed that the World Bank, Japan and the IMF did not report/indicate any co-ordinated technical co-operation assignments with the country's programmes in 2010 while IFAD was the only donor that reported 100% co-ordinated technical co-operation. The United Nations also came close by providing 92% of their technical assistance in a co-ordinated manner. Even though progress is possible, low human capacity, fragmented capacity building efforts, with many different donors and agencies developing stand-alone projects, remain significant challenges. A concerted effort from both the government and donors are therefore necessary to improve co-ordinated technical co-ordination. In an effort to improve co-ordinated technical co-operation, the government thus plans to establish a central institution or line ministries to co-ordinate capacity building and technical assistance as well as encouraging donors to increase the transfer of skills and knowledge to institutions in the Gambia and shift to providing demand driven support

Donor use of a partner country's established institutions and systems increases aid effectiveness by strengthening the government's long-term capacity to develop, implement and account for its policies to both its citizens and its parliament. The Paris Declaration commits donors to increase their use of country systems that are of sufficient quality, and to work with partner countries to strengthen systems that are currently weak. Indicator 5 is directly linked to indicator 2 on the quality of public financial management (PFM) and procurement systems.

**INDICATOR 5**

Using country systems

**TABLE 6:**  
How much aid for the government sector uses country systems?

	Aid disbursed by donors for government sector (USD m)	Public financial management						Procurement			
		Budget execution	Financial reporting	Auditing	2005	2007	2010	Proc. systems	2005	2007	2010
		(USD m)	(USD m)	(USD m)	(for reference)	(for reference)	(%)	(USD m)	(for reference)	(for reference)	(%)
a	b	c	d			avg(b,c,d)/a	e			e / a	
EU Institutions	3	0	0	0	--	--	0%	0	--	--	0%
GAVI Alliance	1	0	0	0	--	--	0%	0	--	--	0%
Global Fund	14	0	0	0	--	--	0%	14	--	--	100%
IFAD	2	0	0	0	--	--	0%	0	--	--	0%
IMF	7	0	0	0	--	--	0%	0	--	--	0%
Japan	7	6	6	6	--	--	77%	6	--	--	77%
United Nations	11	3	0	4	--	--	20%	3	--	--	23%
World Bank	22	0	0	0	--	--	0%	0	--	--	0%
<b>Total</b>	<b>67</b>	<b>8</b>	<b>6</b>	<b>10</b>	<b>--</b>	<b>--</b>	<b>12%</b>	<b>22</b>	<b>--</b>	<b>--</b>	<b>33%</b>

**INDICATOR 5a**  
Use of country public financial management systems

Indicator 5a measures the extent to which donors use partner country PFM systems when providing funding for the government sector. It measures the volume of aid that uses partner country PFM systems (budget execution, financial reporting and auditing) as a proportion of total aid disbursed for the government sector. The 2010 target is set relative to indicator 2a on the quality of PFM systems. For partner countries with a score of 5 or above on indicator 2a scale the target is for a two-thirds reduction in the proportion of aid to the public sector not using the partner country's PFM systems. For partner countries with a score between 3.5 and 4.5 on indicator 2a, the target is a one-third reduction in the proportion of aid to the public sector not using partner country's PFM systems. There is no target for countries scoring less than 3.5.

Only 12% of aid to the government of the Gambia makes use of country public financial management systems. Japan is the only donor where over 70% of its aid used country PFM systems. According to data, many donors including the World Bank, EU Institutions, GAVI Alliance, IMF and IFAD have not indicated that they used the Gambia's PFM systems for any of their aid in 2010. However, it is important to note that in 2010, the Gambia received budget support from the World Bank and the African Development Bank while IMF provides balance of payment support. Few donors are channelling funds through the country PFM systems, due to concerns about lack of absorptive capacity of line ministries in budget execution and limited confidence in the country PFM systems. Although no target was set for 2010, the government plans to strengthen the use of country systems especially the integrated financial management information systems in their line ministries in order to improve the use of country public financial management, but notes the limited capacity to increase the proportion of aid to government sectors as a significant challenge.

**INDICATOR 5b**  
Use of country procurement systems

Indicator 5b follows a similar graduated target to indicator 5a which is set relative to indicator 2b on the quality of procurement systems. For partner countries with a procurement score of 'A', a two-thirds reduction in the proportion of aid for the public sector not using the country's procurement systems and for partner countries with a procurement score of 'B' to reduce the gap by one-third.

In 2010, 33% of aid used the Gambia's procurement systems. Being a country participating for the first time, the Gambia has no targets set for neither the reliability nor the use of the country procurement systems for 2010. However the country-level qualitative assessment mentioned that donors lacked confidence in the Gambia's country procurement systems and has concerns about corruption. The Global Fund distinguished itself as the only donor which used the country procurement systems for 100% of its support while more than half of donors did not use country procurement systems at all.

The government is committed to enhancing its image in the area of corruption perception, hence the expectation is that recent initiatives and reforms including establishment of The Gambia Public Procurement Authority will strengthen the country's procurement systems and encourage donors to make greater use of them. Limited human capacity and slow implementation of the reforms remain very key challenges.



When providing development assistance, some donors establish dedicated project management units or implementation units (PIUs) – to support development projects or programmes. A PIU is said to be “parallel” when it is created by the donor and operates outside existing country institutional and administrative structures. In the short term, parallel PIUs can play a useful role in establishing good practice and promoting effective project management. However, in the long run, parallel PIUs often tend to undermine national capacity development efforts, distort salaries and weaken accountability for development.

To make aid more effective, the Paris Declaration encourages donors to “avoid, to the maximum extent possible, creating dedicated structures for day-to-day management and implementation of aid-financed projects and programmes.” Indicator 6 counts the number of parallel PIUs being used in partner countries. The target is to reduce by two-thirds the number of parallel PIUs in each partner country between 2005 and 2010.

	Parallel PIUs		
	2005 (for reference)	2007 (for reference)	2010 (units)
EU Institutions	--	--	1
GAVI Alliance	--	--	0
Global Fund	--	--	0
IFAD	--	--	3
IMF	--	--	0
Japan	--	--	0
United Nations	--	--	11
World Bank	--	--	1
<b>Total</b>	--	--	<b>16</b>

**INDICATOR 6**  
Avoiding parallel  
implementation  
structures

**TABLE 7:**  
How many PIUs are  
parallel to country  
structures?

In the 2011 Survey the Gambia recorded a total of 16 parallel project implementation units in 2010, with nearly 70% of these established by only one donor – the United Nations. But this figure should be analysed in context as the qualitative country level report explains that many parallel implementation units have not been captured during the 2011 Survey processes. However the country has no target for 2010 as this is the first time the Gambia is participating in the survey.

Most donors establish project implementation units because they feel the government sector ministries lack the capacity to adequately implement and execute projects efficiently. Progress towards reduction of the stock of parallel project implementation units is possible but will require concerted effort from both donors and the government to achieve a balance between short-term efficiency from the creation of the parallel project implementation units and long-term capacity. Government plans to encourage donors to ensure that existing PIUs are effective in transferring skills and knowledge, and guard against actions that might damage existing capacity. The limited human capacity of the Gambia remains a significant challenge towards reducing parallel PIUs by two-thirds.

Aid is “tied” when restrictions are placed on the countries that goods and services may be purchased from, typically including the donor country and/or another narrowly specified group of countries. Untied aid not only improves value for money and decreases administrative burdens, but also supports the use of local resources, country systems and the harmonisation of donor support provided through pooled or joint aid instruments and approaches.

Data on the extent to which aid is tied are based on voluntary self-reporting by donors that are members of the OECD’s Development Assistance Committee (DAC). The Paris Declaration target is to continue progress towards untying all aid between 2005 and 2010.

**INDICATOR 8**  
Untying aid

**TABLE 8:**  
How much bilateral aid is untied?

	Total bilateral aid as reported to the DAC in 2009	Untied aid	2005 (for reference)	2007 (for reference)	Share of untied aid
Austria	0.0	0.0	0%	--	0%
Belgium	0.0	0.0	100%	35%	--
Canada	0.0	0.0	19%	100%	--
Finland	0.2	0.2	--	--	100%
France	0.0	0.0	100%	99%	100%
Germany	0.0	0.0	0%	99%	--
Greece	0.0	0.0	--	--	--
Ireland	0.2	0.2	100%	100%	100%
Italy	1.4	0.0	--	--	0%
Japan	5.1	5.1	100%	100%	100%
Korea	0.0	0.0	--	0%	--
Netherlands	0.1	0.0	100%	100%	0%
Norway	0.1	0.1	100%	--	100%
Spain	1.1	0.4	88%	27%	37%
Sweden	1.0	1.0	100%	--	100%
Switzerland	0.0	0.0	--	100%	--
United Kingdom	1.9	1.9	--	100%	100%
United States	5.4	0.2	7%	6%	3%
<b>Total</b>	<b>16</b>	<b>9</b>	<b>81%</b>	<b>75%</b>	<b>55%</b>

Source: OECD Creditor Reporting System.

The data on untied aid for the Gambia in 2010 indicate that 55% of aid to the Gambia was untied against a target of more than 81%. This represents a setback when compared to the 75% obtained in 2007 and the 81% achieved in 2005. To achieve the 2010 target of having more than 81% of aid untied therefore remain very ambitious for the Gambia. While most donors untie all of their aid to the Gambia, others including Austria, the Netherlands and Italy tied all their aid in 2009. In order to improve donors untying their aid, government aims to strengthen its procurement systems through The Gambia Public Procurement Authority and feels that grants and concessional loans with longer grace periods support this effort. ■

## HARMONISATION

**POOR CO-ORDINATION OF AID** increases the cost to both donors and partner countries and significantly reduces the real value of aid. Harmonisation of aid delivery procedures and the adoption of common arrangements help reduce duplication of effort and lower the transaction costs associated with aid management. The Paris Declaration focuses on two dimensions of aid as a proxy for assessing overall harmonisation: the use of common arrangements within programme-based approaches (PBAs) and the extent to which donors and partner countries conduct joint missions and co-ordinate analytic work.

Aid effectiveness is enhanced when donors use common arrangements to manage and deliver aid in support of partner country priorities. A good mechanism for aid co-ordination can be described as one that has shared objectives and integrates the various interests of stakeholders. Indicator 9 assesses the degree to which donors work together – and with partner governments and organisations – by measuring the proportion of total ODA disbursed within programme-based approaches (PBAs). In practice, there are many different approaches and modalities which can use PBAs and harmonisation takes place at various levels.

At one level, the partner country is responsible for defining clear, country-owned programmes (*e.g.* a sector programme or strategy) and establishing a single budgetary framework that captures all resources (both domestic and external). At another level, donors are responsible for taking steps to use local systems for programme design and implementation, financial management, monitoring and evaluation. Finally, partner countries and donors are jointly responsible for donor co-ordination and harmonisation of donor procedures. The 2010 target is that two-thirds of aid flows are provided in the context of PBAs.

### INDICATOR 9 Using common arrangements

	Programme-based approaches			Total aid disbursed (USD m) d	2005 (for reference)	2007 (for reference)	2010 (%) e = c / d
	Budget support (USD m)	Other PBAs (USD m)	Total (USD m)				
	a	b	c = a + b				
EU Institutions	0	0	0	23	--	--	0%
GAVI Alliance	0	0	0	1	--	--	0%
Global Fund	0	0	0	19	--	--	0%
IFAD	0	0	0	3	--	--	1%
IMF	0	0	0	7	--	--	0%
Japan	6	1	7	8	--	--	88%
United Nations	0	5	5	15	--	--	33%
World Bank	0	0	0	22	--	--	0%
<b>Total</b>	<b>6</b>	<b>6</b>	<b>12</b>	<b>97</b>	<b>--</b>	<b>--</b>	<b>12%</b>

TABLE 9:  
How much aid is  
programme based?

The Gambia has relatively low levels of harmonised aid. The proportion of aid using programme based approaches and common procedures, was only 12% in 2010. This rate is lower than the 2010 target of 66%. With the exception of Japan (which scored 88%), most donors in the Gambia make very little use of PBAs. It is recommended that donors and government start working more closely together and open the way for the involvement of non-governmental stakeholders in order to achieve some progress towards the target.

A common complaint of partner countries is that donors make too many demands on their limited resources: country authorities spend too much time meeting with donor officials and responding to their many requests. The Paris Declaration recognises that donors have a responsibility to ensure that, to the greatest extent possible, the missions and analytical work they commission are undertaken jointly – *i.e.* that the burden of such work is shared. The 2010 target is that 40% of donor missions to the field are conducted jointly.

INDICATOR 10a  
Joint missions

	Co-ordinated donor missions*	Total donor missions	2005* (for reference)	2007* (for reference)	2010* (%) c = a / b
	(missions)	(missions)			
	a	b			
EU Institutions	0	3	--	--	0%
GAVI Alliance	0	1	--	--	0%
Global Fund	0	2	--	--	0%
IFAD	1	2	--	--	50%
IMF	2	12	--	--	17%
Japan	0	0	--	--	--
United Nations	4	41	--	--	10%
World Bank	2	16	--	--	13%
<b>Total</b>	<b>6</b>	<b>77</b>	<b>--</b>	<b>--</b>	<b>8%</b>

\* The total of coordinated missions has been adjusted to avoid double counting. A discount factor of 35% is applied.

TABLE 10:  
How many donor  
missions are  
co-ordinated?

Donors conducted a total of 77 missions to the Gambia. Only 8% of these missions were co-ordinated and the Gambia did not achieve the 2010 target of 40%. Achieving the 40% target remains challenging for the Gambia but, as a small country, the government aims to put the cost of uncoordinated missions high on the agenda for donors.

Country analytic work is the analysis and advice necessary to strengthen policy dialogue, and to develop and implement country strategies. It includes country or sector studies and strategies, country evaluations and discussion papers. The Paris Declaration foresees that donors should conduct analytic work jointly where possible as it helps curb transaction costs for partner authorities, avoids unnecessary duplicative work and helps to foster common understanding. Indicator 10b measures the proportion of country analytic work that is undertaken jointly. The 2010 target is that 66% of country analytic work is carried out jointly.

INDICATOR 10b  
Joint country  
analytic work

**TABLE 11:**  
How much country  
analytic work is  
co-ordinated?

	Co-ordinated donor analytic work * (units) a	Total donor analytic work (units) b	2005* (for reference)	2007* (for reference)	2010* (%) c = a / b
EU Institutions	0	0	--	--	--
GAVI Alliance	0	0	--	--	--
Global Fund	2	2	--	--	100%
IFAD	0	0	--	--	--
IMF	12	12	--	--	100%
Japan	0	0	--	--	--
United Nations	16	26	--	--	62%
World Bank	1	3	--	--	33%
<b>Total</b>	<b>23</b>	<b>43</b>	<b>--</b>	<b>--</b>	<b>54%</b>

\*The total of coordinated missions has been adjusted to avoid double counting.  
A discount factor of 25% is applied.

Fifty-four percent of country analytical work was undertaken jointly in the Gambia. This figure – which takes account of potential double-counting – falls short of the 2010 target of 66%. The IMF and the Global Fund have co-ordinated all of their country analytical work while the World Bank co-ordinated only one of its three pieces of country analytical work. Further progress is expected in the light of the proposed dialogue structure as part of the process leading towards the new Gambian national development strategy which seeks to promote more joint analysis among donors. ■

## AID FRAGMENTATION

**FRAGMENTED AID** – aid that comes in many small slices from a large number of donors – creates high transaction costs and makes it difficult for partner countries effectively to manage their own development. Aid fragmentation also increases the risk of duplication and inefficient aid allocation among donors.

A pilot analysis on fragmentation of country programmable aid carried out at the country level by the OECD in collaboration with Deutsche Gesellschaft für Internationale Zusammenarbeit reveals that overall aid fragmentation situation for the Gambia increased between 2005 and 2009 (OECD, 2011b). This was particularly evident in the sectors as education, population and reproductive health, water supply and sanitation, agriculture and economic infrastructure. The government recognises the absence of co-ordinated aid management platforms and functional aid action plan as major challenges in reducing fragmentation. For instance, the Ministry of Finance is responsible for multilateral aid, the Ministry of Foreign Affairs is responsible for bilateral aid, the policy analysis unit is responsible for co-ordinating UN activities and the NGO Affairs Agency is co-ordinating NGO activities. Attempts to reduce the fragmentation of aid and improve the complementarity of donors' efforts led to the government establishing an aid co-ordination directorate under the Ministry of Finance and Economic Affairs to be responsible for aid management in the country. It should work closely with donors to have a national aid policy in order to co-ordinate all aid flows in the country. These initiatives should provide a sound basis for progress in reducing aid fragmentation. ■

## MANAGING FOR RESULTS

**BOTH DONORS AND PARTNER COUNTRIES** should manage resources according to well-defined, desired results, measuring progress toward them and using information on results to improve decision making and performance. Achieving this implies strengthening capacity to undertake such management and emphasising a focus on results. Countries are expected to develop cost-effective and results-oriented reporting and performance assessment frameworks, while donors commit to use them and refrain from requiring separate reporting.

Indicator 11 assesses the quality of a country's results-oriented frameworks. In particular, it considers the quality of the information generated, stakeholder access to information, and the extent to which the information is utilised within a country level monitoring and evaluation system. The government provides evidence against these criteria through the survey, and this is translated by the World Bank into a score running from A (highest score) to E (lowest score).

The Paris Declaration 2010 global target is to reduce the proportion of countries without transparent and monitorable performance assessment frameworks by one-third.

The Gambia did not participate in the 2006 and 2008 surveys. However, it received a rating of D from the World Bank's review in 2007 which implied that some level of results-management framework was in place that incorporated some elements of good practice. In the 2011 Survey, the Gambia maintained its D rating against the 2010 target of B or A, hence did not make progress.

The Gambia's poverty reduction strategy paper (PRSP II) has a monitoring and evaluation (M&E) framework even though the country report prepared by stakeholders in-country for the 2011 Survey notes the actual tracking of the strategy is in early stages. Annual progress reports on the PRSP II, midterm reviews and Millennium Development Goals are produced and made publically available but no details are available concerning the level of utilisation as well as the languages in which this information and data exist. The quality of development information is thus not comprehensive but progress can be made to improve data quality and availability. The Planning Commission and Ministry of Finance and Economic Affairs have instituted a process of annual participatory operational reviews of programme activities and initiatives involving key sectoral planning units, and other governmental departments, aided by technical and financial assistance. There is a co-ordination mechanism embedded in the inter-departmental monitoring committee and focal point network to facilitate stakeholder participation in monitoring activities.

If the Gambia is to meet the Paris Declaration 2010 target for indicator 11, then the government needs to consolidate a strong monitoring and evaluation framework to track progress in the Gambia poverty reduction strategy and the new Programme for Accelerated Growth and Employment which is about to be launched in light of the expiration of the Gambia's poverty reduction strategy. ■

## MUTUAL ACCOUNTABILITY

**STRONG AND BALANCED MECHANISMS** that support accountability are required at all levels for aid to be most effective. Donors and partner country governments should be accountable to their respective publics and to each other for implementing their commitments on aid, its effectiveness, and the results to which it contributes.

Indicator 12 examines whether there is a country-level mechanism for mutual assessment of progress on partnership commitments, including on aid effectiveness. There are three criteria that must all be met: the existence of an aid policy or strategy agreed between the partner country government and donors; specific country-level aid effectiveness targets for both the partner country government and donors; an assessment towards these targets undertaken by both partner and donors in the last two years, and discussed in a forum for broad-based dialogue.

### INDICATOR 11

Do countries have results-oriented monitoring frameworks?

### INDICATOR 12

Mutual accountability

The 2010 target is for all partner countries to have mutual assessment reviews meeting these criteria in place. Stakeholders at the country level explain that the Gambian government and donors do engage in joint monitoring, evaluation and reporting activities. Although the 2010 survey data indicated that there is no mechanism in place that meets the criteria established for indicator 12, this view is contradicted by country-level stakeholders who report that the government has started undertaking mutual accountability surveys annually with donors, Civil Society Organisations, parliament and the private sector. This initiative started in 2010 and was repeated in 2011. In this context the government hopes to broaden the scope of participation in the future and this initiative provides a sound basis for strengthening mutual accountability for the Gambia in the future. Furthermore the Gambia participates in Article 4 consultations with the IMF. The country has concluded a Joint Assistance Strategy with the World Bank and African Development Bank and also participates in the UNDAF process. ■

## REFERENCES

World Development Indicators, The World Bank Group, 2011. Available at <http://data.worldbank.org/indicator>, accessed 23 May 2011.

OECD (2011a) DAC Statistics <http://stats.oecd.org/Index.aspx>.

OECD (2011b), Country aid fragmentation tables. Pilot analysis of aid fragmentation at the partner country level drawing on evidence sourced from the OECD-DAC Creditor Reporting System. WP-EFF Task Team on Division of Labour and Complementarity, OECD, Paris.

OECD (forthcoming), OECD Report on Division of Labour: Addressing Cross-country Fragmentation of Aid on [www.oecd.org/document/46/0,3746,en\\_2649\\_33721\\_46022446\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/46/0,3746,en_2649_33721_46022446_1_1_1_1,00.html).

The quantitative information presented in the chapter is taken from data provided by national co-ordinators up to 31 July 2011, following the data validation process with stakeholders at the country level. It was not possible to modify or correct any data received after this date.