

SUMMARY

NATIONAL INDICATIVE PROGRAMME 11TH EDF (SECOND PHASE: 2017-2020) FOR THE REPUBLIC OF THE GAMBIA

The Gambia is signatory to the Partnership agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States, of the other part (ACP-EU Partnership Agreement), signed in Cotonou on 23 June 2000, the aim of which is to reduce and eradicate poverty in ACP countries by supporting political dialogue, sustainable development and integration into the global economy.

After former President Yahya Jammeh had ruled the country since 1994, presidential elections on 1 December 2016 led to the hand-over of power to the new President Adama Barrow in January 2017, after several weeks of political stalemate and high tension. The new President has been elected on the basis of a programme of human rights, rule of law and good governance. The EU is committed to supporting the democratic transition and to step up cooperation with The Gambia in line with the priorities of the Government and in view of encouraging democracy, the respect of human rights and the rule of law.

The Gambia's national development policy framework has been based on a sequence of poverty reduction strategy papers, ending in 2011, followed by the Programme for Accelerated Growth and Employment (PAGE) for the period 2012 to 2015, extended for the year 2016. For the cycle 2017–2020, a National Development Plan (NDP) is being finalised with the technical assistance of the United Nations Development Programme (UNDP). This strategy is based on four pillars: (i) macroeconomic management; (ii) strengthening the public sector; (iii) promoting sustainable inclusive growth; and (iv) investing in human capital. These pillars should remain the basis of The Gambia's development strategy, which might be updated in line with the current democratic transition.

The present second phase of the NIP takes into account these strategic orientations of the country. Following the re-orientation of the country after the change of Government in January 2017, sector-specific strategies and reform plans, e.g. for security sector reform, are under development. Emerging strategies will be duly reflected in the sector programmes.

The Gambia is the African country with the highest per capita rate of irregular migrants to the EU. Root causes of migration will be primarily targeted by providing economic perspectives for young people via vocational training and job creation. This comes in addition to more specific actions in the framework of the EU Emergency Trust Fund for stability and addressing the root causes of irregular migration and displaced persons in Africa¹, of which The Gambia is a beneficiary.

The programming of the second phase of the NIP (2017-2020) follows the UN 2030 Agenda of Sustainable Development Goals (SDG) and the new European Consensus on Development "Our World, Our Dignity, Our Future"². It is in line with the EU principles and values of supporting democracy, rule of law as well as preserving peace and stability. The strategic objectives are twofold:

¹ Commission Decision C(2015) 7293 final of 20 October 2015: The European Commission Decision on the establishment of the European Union Emergency Trust Fund for stability and addressing the root causes of irregular migration and displaced persons in Africa (the 'Trust Fund').

² COM/2016/0740 final: Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Proposal for a new European Consensus on Development: Our World, our Dignity, our Future.

- Stabilising the economic, social and security situation of the country and supporting the democratic transition; and
- Creating employment for youth and for the most vulnerable groups of the population by boosting investment and improving skills and potentials.

The focal sectors of the NIP for the 2nd phase (2017-2020) will be: 1) Governance/Rule of law/Security, 2) Inclusive sustainable growth and job creation, and 3) Renewable energy/Climate change/Infrastructures.

Under the first focal sector, the "new" Gambia will be supported in view of major reforms (e.g. financial, administrative, legal, security sector, reconciliation, etc.). The Government of The Gambia is committed to laying the foundations for sound democratic institutions, respect for human rights and the rule of law. Specific objectives will include to maintain the essential functions of the State and to proceed with investments and reforms.

Under the second focal sector, the EU will target employment with a particular emphasis on youth. Creating jobs is essential for the reconstruction of the country and for fighting the root causes of migration by providing domestic economic perspectives. Specific objectives include creating employment opportunities for the youth and most vulnerable population, improved access to finance and improved social protection.

Under the third focal sector, the 11th EDF will support the Government in its efforts to improve the availability of sustainable energy, taking into account climate change aspects, and to complete transport infrastructures, consolidating the work already done through previous EDF funding. Specific objectives are to achieve a more significant penetration of renewable energy in the national energy mix and to reduce barriers to national and regional trade and increase access to market of agricultural products.

The 11th EDF indicative allocation in terms of programmable resources for the period 2017-2020 amounts to EUR 117 million (A-allocation) and the B-allocation to cover unforeseen needs is set at EUR 0 until a need arises.

A support facility, the Technical Cooperation Facility (TCF), is envisaged under this NIP. As is presently the case, the support to the National Authorising Officer (NAO) allocation will be included with this TCF allocation in one Financing Agreement for EUR 2 million, of which EUR 1 million for TCF and EUR 1 million for the support to the NAO.

Overview:

	Indicative allocation (million EUR)	%
Sector 1: Governance/Rule of law/Security	70.0	59.8
Sector 2: Inclusive sustainable growth and job creation	23.0	19.7
Sector 3: Renewable energy/Climate change/Infrastructures	22.0	18.8
B- allocation	0.0	
Support measures		
• Measures to support or accompany the programming, preparation or implementation of actions	1.0	0.85
• Support to the National Authorising Officer	1.0	0.85
Total	117	100



THE REPUBLIC OF THE GAMBIA



THE EUROPEAN UNION

NATIONAL INDICATIVE PROGRAMME

11TH EUROPEAN DEVELOPMENT FUND

(SECOND PHASE: 2017 – 2020)

GENERAL CLAUSES

The Government of the Republic of The Gambia and the European Commission on behalf of the European Union hereby agree as follows:

- (1) The Government of the Republic of The Gambia, (represented by <name and title>,) and the European Commission, (represented by <name and title>,) hereinafter referred to as the Parties, determined the general orientations for cooperation for the period 2017 - 2020. These orientations which are included in the National Indicative Programme, concern the European Union Aid in favour of the Republic of The Gambia and were drawn up in accordance with the provisions of Articles 2 and 4 of Annex IV to the Partnership agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States, of the other part (ACP-EU Partnership Agreement)¹. The National Indicative Programme is annexed to the present document.
- (2) As regards the indicative programmable financial resources which the European Union envisages to make available to the Republic of The Gambia for the period 2017-2020, an amount of EUR 117 million is foreseen for the allocation referred to in Article 3.2 (a) of Annex IV of the ACP-EU Partnership Agreement (A-allocation). A B-allocation referred to in Article 3.2 (b) can be established to cover unforeseen needs. This allocation is at EUR 0 until a need arises. These allocations are not entitlements and may be revised by the Commission, following the mid-term and end-of-term reviews, in accordance with Article 5.7 of annex IV of the ACP-EU Partnership Agreement.
- (3) The A-allocation is destined to cover macroeconomic support, sectoral policies, programmes and projects. The National Indicative Programme concerns the resources of the A-allocation. It also takes into consideration financing from which the Republic of The Gambia benefits or could benefit under other European Union resources. It does not pre-empt financing decisions by the Commission.
- (4) The B-allocation is destined to cover unforeseen needs such as humanitarian, emergency and post emergency assistance, where such support cannot be financed from the EU budget, contributions to internationally agreed debt relief initiatives and support to mitigate exogenous shocks. The B-allocation shall be established according to specific mechanisms and procedures and does therefore not constitute a part of the programming.
- (5) Following the entry into force on 01 March 2015 of the Internal Agreement between the Representatives of the Governments of the Member States of the European Union, meeting with the Council, on the financing of European Union Aid under the multiannual financial framework for the period 2014 to 2020², financing decisions for projects and programmes can be taken by the Commission at the request of the Government of the Republic of The Gambia within the limits of the A- and B-allocations referred to in this document. The respective projects and programmes shall be implemented according to the 11th EDF implementing rules and financial regulation.
- (6) The European Investment Bank may contribute to the implementation of the present National Indicative Programme by operations financed from the Investment Facility and/or from its own

¹ OJ L 317, 15.12.2000, p. 3–353, 2000/483/EC: Partnership agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000, revised in Luxembourg on 25 June 2005, revised in Ouagadougou on 22 June 2010.

² OJ L 210, 06.08.2013, p.1.

resources, in accordance with Articles 2c and 3 of the 11th EDF multi-annual financial framework for the period 2014-2020.

- (7) In accordance with Article 5 of Annex IV to the ACP-EU Partnership Agreement, the National Indicative Programme as well as the A-and B-allocations can be revised following the mid-term review and the end-of-term review or ad hoc reviews.

Signatures

For the Government of
The Republic of The Gambia

For the Commission
on behalf of the European Union

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LIST OF ABBREVIATIONS

AAAA	Addis Ababa Action Agenda	MDGs	Millennium Development Goals
ACD	Aid Coordination Department	MEUR	Million Euro
ACP	Africa Caribbean and Pacific	NaNA	National Nutrition Agency
AfDB	African Development Bank	NAO	National Authorising Officer
APF	African Peace Facility	NAWEC	National Water and Electricity Company
AI	Amnesty International	NDC	Nationally Determined Contribution
APEX	Additional Protocol Exercise	NDP	National Development Plan
AU	African Union	NGOs	Non-Governmental Organizations
BL	Budget Line	NIP	National Indicative Programme
CSO	Civil Society Organisations	ODA	Official Development Assistance
CSO-LA	Civil Society Organizations-Local Actors	OMVG	Organisation pour la Mise en Valeur du fleuve Gambie
DCI	Development Co-operation Instrument	OSC-AL	Organisations de la Société Civile et Autorités Locales
DFID	Department for International Development	PAGE	Programme for Accelerated Growth and Employment
DP	Development Partners	PAPED	EPA Development Programme
DPG	Development Partners Group	PEFA	Public Expenditure and Financial Accountability
ECHO	European Civil Protection and Humanitarian Aid Operations	PFM	Public Finance Management
ECOWAS	Economic Community of West African States	RIP	Regional Indicative Programme
ECOMIG	ECOWAS mission in The Gambia	RSF	Reporters sans Frontières
EDF	European Development Fund	SDG	Sustainable Development Goals
EEIP	European External Investment Plan	SEA	Strategic Environmental Assessment
EIB	European Investment Bank	SME	Small and Medium Enterprise
EIDHR	European Instrument for Democracy and Human Rights	TANGO	The Association of Non-Governmental Organizations
EOM	Election Observation Mission	TCF	Technical Co-operation Facility
EPA	Economic Partnership Agreement	SO	Specific Objective
ER	Expected Results	UN	United Nations
EU	European Union	UNCTAD	United Nations Conference on Trade and Development
EUR	Euro	UNDP	United Nations Development Programme
EUTF	European Union Trust Fund	UNESCO	United Nations Educational, Culture and Scientific Organisation
FAO	Food and Agriculture Organization	UNHCR	United Nations High Commissioner for Refugees
FPI	Foreign Policy Instrument	UNICEF	United Nations Children's Fund
GAMTEL	Gambia Telecommunications Services Company	UNOPS	United Nations Office for Project Services
GAMCEL	Gambia Cellular Company	USD	United States Dollar
GCCA	Global Climate Change Alliance	WAAPP	West Africa Agriculture Productivity Project
GDP	Gross Domestic Product	WAMZ	West African Monetary Zone
GoTG	Government of The Gambia	WASDA	Wuli and Sandu Development Agency
IcSP	Instrument contributing to Stability and Peace	WB	World Bank
ICT	Information and Communication Technologies	WEF	World Economic Forum
IDA	International Development Association	WFP	World Food Program
IDB	Islamic Development Bank	WHO	World Health Organisation
IFAD	International Fund for Agricultural Development		
IMF	International Monetary Fund		
LGBT	Lesbian, Gay, Bisexual, Transgender		

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The Gambia's national development policy framework has been based on a sequence of poverty reduction strategy papers, ending in 2011, followed by the Programme for Accelerated Growth and Employment (PAGE) for the period 2012 to 2015, extended for the year 2016. For the cycle 2017–2020, a National Development Plan (NDP) is being finalised with the technical assistance of the United Nations Development Programme (UNDP). This strategy is based on four pillars: (i) macroeconomic management; (ii) strengthening the public sector; (iii) promoting sustainable inclusive growth; and (iv) investing in human capital. These pillars should remain the basis of The Gambia's development strategy, which might be updated in line with the current democratic transition.

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Total	117	100

NATIONAL INDICATIVE PROGRAMME

1. The overall lines for the EU response

1.1. Strategic objectives of the EU's relationship with the partner country

As a member of the Africa Caribbean and Pacific (ACP) group of countries, The Gambia is signatory to the ACP-EU Partnership Agreement (2000), the aim of which is to reduce and eradicate poverty in ACP countries by supporting political dialogue, sustainable development and integration into the global economy.

Presidential elections on 1 December 2016 led to the hand-over of power from former President Yahya Jammeh to **President Adama Barrow in January 2017**, after several weeks of political stalemate and high tension. The President has been elected on the basis of a programme of human rights, rule of law and good governance. The population has given to President Barrow a mandate to improve the political situation, but also their living conditions and economic prospects. The expectations of the population to see immediate **democratic reforms and economic dividends** in terms of improved living conditions are high. To achieve inclusive growth, the Government of The Gambia can rely on some assets like part of River Gambia water for agriculture, and the opportunities in the tourism sector. The challenge is to convert these opportunities into tangible realities that will benefit the Gambians.

The Gambia is the African country with the highest per capita rate of irregular migrants to the EU. The country is a beneficiary of the **EU Emergency Trust Fund** for stability and addressing the root causes of irregular migration and displaced persons in Africa⁵ (EUTF). Since the Valletta Summit, two actions have been adopted in favour of The Gambia for a total of EUR 14,9 million. These offer training and employment opportunities for youth and provide sustainable reintegration of returning migrants.

The debt ratio reached around 115 % of GDP at the end of 2016 (40 % of external debt and 60 % of domestic debt). With less than one month of import coverage, the international foreign reserves are at critical level. Inflation is expected to remain high in 2017-18, at an annual average of 7.7 %, on the back of higher local food prices.

The Gambia is a member of the **regional integration** group of countries forming the Economic Community of West African States (ECOWAS) as well as the African Union (AU). The EU is keen to encourage The Gambia, as a member of ECOWAS and of the West African Monetary Zone (WAMZ), to actively participate in regional integration and economic development policies. The activities of this NIP will contribute to the implementation of the European Partnership Agreement⁶ (EPA) and are part of the EU's support to the EPA Development Programme (PAPED) in West Africa.

The UK is the only EU Member State present in The Gambia with a full-fledged Embassy, but with only a small-grant programme. The Department for International Development (DFID) offices were closed in 2008. Germany and Spain also have small Embassies (or offices) with small grants programmes usually directly managed by their capitals. Therefore, as the only major bilateral donor in The Gambia, the EU coordinates closely with UN agencies, the International Monetary Fund (IMF), the World Bank (WB), the African Development Bank (AfDB) and the Islamic

⁵ Commission Decision C(2015) 7293 final of 20 October 2015: The European Commission Decision on the establishment of the European Union Emergency Trust Fund for stability and addressing the root causes of irregular migration and displaced persons in Africa (the 'Trust Fund').

⁶ COM(2014) 576 final of 15.9.2014: Annex to the Proposal for a Council Decision on the signing and provisional application of the Economic Partnership Agreement (EPA) between the West African States, ECOWAS and the UEMOA, of the one part and the European Union and its Member States, of the other part.

Development Bank (IDB) through sharing of information to avoid duplication and promote harmonisation.

The EU is committed to **supporting the democratic transition** and to step up cooperation with The Gambia in line with the priorities of the Government and in view of encouraging democracy, the respect of human rights and the rule of law. At the invitation of The Gambia, the EU deployed an Election Observation Mission (EOM) for the National Assembly elections held on 6 April 2017. Local elections are foreseen in April 2018. The new President has announced his intention to implement electoral reforms, such as introducing a two-term presidential limit, to create an independent judiciary, to ensure freedom for the media and civil society, and to end the de facto impunity for human rights abuses committed by The Gambia's military and security forces. Security Sector Reform will be one of the main challenges ahead.

The strategic objectives are therefore twofold:

1. Stabilising the economic, social and security situation of the country and supporting the democratic transition; and
2. Creating employment for youth and for the most vulnerable groups of the population by boosting investment and improving skills and potentials.

The European Union's total allocation for the Gambia under the **11th European Development Fund (EDF) for the period 2014-2020 was set at EUR 150 million**. In view of the political situation in the country, and in order to align with the Government's development planning cycle, it was decided to start with an initial envelope of **EUR 33 million for the period 2015-2016** to support the development priorities of The Gambia, as defined in the "Programme for Accelerated Growth and Employment" (PAGE 2012-2016). The main sectors of the first phase of the EU-The Gambia NIP were 1) Agriculture for economic growth and food security/nutrition and 2) Exit strategy to the transport sector. In view of the deteriorating political situation in the country, funds were only released in January 2017 following the inauguration of the new President.

As a reaction to two severe external shocks (drought and fallout from the Ebola epidemics in neighbouring countries), the European Commission funded a program to tackle the worsening food security and nutrition situation. As a follow-up to this intervention, an additional allocation of EUR 11.5 million under Article-73 of the ACP-EU Partnership Agreement (**11th EDF B-envelope**) was granted for The Gambia for a post-emergency project in these areas.

The available allocation for the second phase of the NIP in the Gambia amounts to **EUR 117 million**. This financial envelope would be complemented by funds from the EUTF, the Regional Indicative Programme (RIP) 11th EDF and from specific budget lines, such as Global Climate Change Alliance+ (GCCA+)⁷, Instrument contributing to Stability and Peace (IcSP)⁸, Development Co-operation Instrument⁹ – Food (DCI-Food), European Civil Protection and Humanitarian Aid Operations (ECHO), Civil Society Organisations and Local Authorities¹⁰ (CSO-LA), and European Instrument for Democracy and Human Rights (EIDHR)¹¹. All EU instruments will be used to achieve the defined strategic objectives for the country for the period 2017-2020. Programming of the second phase of the NIP (2017-2020) for The Gambia has therefore been prepared taking into

⁷ C(2014)5072 of 23.7.2014: Commission Implementing Decision adopting a Multiannual Indicative Programme for the Thematic Programme 'Global Public Goods and Challenges' for the period 2014-2020.

⁸ Regulation (EU) No 230/2014 of the European Parliament and of the Council of 11 March 2014 establishing an instrument contributing to stability and peace.

⁹ Regulation 233/2014 of the European Parliament and of the Council of the 11th March 2014, establishing a financing instrument for Development Cooperation (DCI).

¹⁰ C(2014) 4865 final of 15.07.2014: Multiannual Indicative Programme for the Thematic Programme "Civil Society Organisations and Local Authorities" for the period 2014-2020

¹¹ Regulation (EU) No 235/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for democracy and human rights worldwide,

account **all EU instruments available during the targeted period**, and synergies/links between actions to be financed via various instruments.

The present strategy was prepared following local consultations with Government and Civil Society.

1.2. Choice of sectors on the basis of the new European Consensus on Development

The programming of the second phase of the NIP (2017-2020) follows the United Nations (UN) **2030 Agenda of Sustainable Development Goals (SDG) and the new European Consensus on Development** "Our World, Our Dignity, Our Future"¹². It is in line with the EU principles and values of supporting democracy, rule of law as well as preserving peace and stability. Also, in line with the new European Consensus on Development (§57 in particular), actions will take advantage of the potential of digital technologies to leverage impact. The main priorities of (1) sustainable growth and job creation (➔ *prosperity*), (2) development and security nexus (➔ *peace*), (3) protecting the environment, managing natural resources and tackling climate change global climate change challenges (➔ *planet*), including gender equality and resilience in a transversal way (➔ *people*); and coordination with main stakeholders and utilisation of blending mechanisms to leverage funds (➔ *partnership*), are all reflected in this document.

The Gambia's national development policy framework has been based on a sequence of poverty reduction strategy papers, ending in 2011, followed by the Programme for Accelerated Growth and Employment (PAGE) for the period 2012 to 2015, extended for the year 2016. However, implementation, monitoring and evaluating of the strategy was limited as well due to technical and human capacities. For the cycle 2017–2020, a National Development Plan (NDP) is being finalised with the technical assistance of UNDP. This strategy is based on four pillars: (i) macroeconomic management; (ii) strengthening the public sector; (iii) promoting sustainable inclusive growth; and (iv) investing in human capital. These pillars should remain the basis of The Gambia's development strategy, which might be updated in line with the current democratic transition.

The present second phase of the NIP takes into account these strategic orientations of the country. Following the re-orientation of the country after the change of Government in January 2017, sector-specific strategies and reform plans, e.g. for security sector reform, are under development. Emerging strategies will be duly reflected in the sector programmes.

Job creation for the youth will be a central, cross-cutting priority for future EU-Gambia cooperation. Therefore, the newly formed Government is likely to continue investment in the water management system to boost agricultural productivity and rural incomes. Although the government will persist with efforts to develop tourism (the main growth-driving sector of the economy) the NDP also highlights the need to boost economic diversification and benefit from the untapped potential in fisheries and agro-processing.

The actions will also be supportive of implementation of The Gambia's Nationally Determined Contribution (NDC). Amongst others, The Gambia's NDC identifies deployment of renewable energy and enhancing resilience. Given the Gambia's vulnerability, continued mainstreaming of climate change in development frameworks remains a priority.

The EU's immediate priority will be to contribute to **stabilising the political, security and financial situation of the country** in order (i) to guarantee that democracy takes roots and (ii) to show to the most vulnerable groups of the population and to the youth the democratic dividends of

¹² COM/2016/0740 final: Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Proposal for a new European Consensus on Development: Our World, our Dignity, our Future.

the transition. The EU should therefore simultaneously and swiftly contribute to the short-term stabilisation of the public finances and support the announced political reforms.

Keeping this in mind, **employment will be crucial**. The new political impetus has created enthusiasm amongst the population and the diaspora. The Government needs the youth to remain in the country and to contribute to implementing the change of paradigm and the creation of efficient democratic institutions. The creation of good quality jobs will therefore be particularly targeted, accompanied by investments aiming at (i) generating sustainable economic growth (e.g. energy) and (ii) offering opportunities for the creation and strong development of Small and Medium Enterprises (SMEs) (e.g. upskilling the labour force through vocational training, access to finance). As far as possible, the transition to a "green economy" (i.e. environmentally sustainable, climate resilient and low carbon) will be supported.

Additionally, equipping youth with the adequate knowledge and skills is essential for enhanced employability, in particular in strategic targeted areas such as fisheries and agribusiness. Consequently, vocational education and training (VET) systems in Gambia need to be more relevant to the needs of the labour market, more closely linked to social and industrial development, more innovative, and of higher quality. It is also vital that young Gambians have access to entrepreneurial education and training, and business support services.

In order to achieve the two strategic objectives, the second phase of the NIP (2017-2020) is based on **three focal sectors**, aligned with the new European Consensus:

Sector 1: Governance/ Rule of law/Security (*peace, and prosperity*)

Sector 2: Inclusive sustainable growth and job creation (*peace, prosperity, and planet*)

Sector 3: Renewable energy/Climate change/Infrastructures (*prosperity, people, and planet*)

In addition, and in line with the Gender Action Plan II¹³, all interventions will pay specific attention to **gender equality**. Actions under this NIP will also support the effective integration of climate change considerations into other sectors, helping the country achieving its commitments under the Paris Agreement in the context of poverty reduction. Value chains and **root causes of migration** will be taken into account in transversal manner through job creation (focused on young people) and specific actions identified by the EU Trust Fund (migration/mobility).

Supporting measures in order to facilitate identification, formulation and implementation of the EDF are also envisaged.

1.2.1 People – Human development and dignity

In The Gambia, the EU will first aim at rapidly providing budget support in order to stabilise and guarantee the national budget, which will allow for the payment of salaries and the delivery of basic social services. The EU will also target quality employment with a particular emphasis on youth. Creating good quality jobs is essential for the reconstruction of the country and for fighting the root causes of migration by providing domestic economic perspectives.

The Gambia's economy is primarily agrarian, with agriculture accounting for about 30 % of GDP, 40 % of total exports earnings and 70 % of total export. Services account for over 50 % of GDP, attributed to the re-export trade (mainly to the sub-region) and tourism (20 % of GDP).

Chronical policy slippages including a failure to meet fiscal targets and limit domestic borrowing have exacerbated The Gambia's economic difficulties. The continued loose fiscal stance, together

¹³ Joint Staff Working Document SWD(2015) 182 final - Gender Equality and Women's Empowerment: Transforming the Lives of Girls and Women through EU External Relations 2016-2020, 21.9.2015.

with a temporarily overvalued exchange rate¹⁴, have undermined the country's fiscal sustainability and external viability. Furthermore, the large financial deficits of public enterprises such as the National Water and Electricity Company (NAWEC), and the shrinking customer base of the national telecommunications enterprise GAMTEL will maintain pressure on the public finances in 2017-18. It recently became more and more difficult for the Gambian Government to finance its expenses. On 2 April, 2015, the IMF approved an **emergency financial assistance** to The Gambia under Rapid Credit Facility to be disbursed immediately, in order to enable the authorities to meet their urgent balance of payment and fiscal needs.

Economic stability is also being challenged by increasing domestic debt, the regional drought and temporary reductions in tourism due to the fallout from the regional Ebola epidemic in 2015 and to tensions during the recent political stalemate. Climate change may constitute a medium to long-term threat to the tourism sector, e.g. beaches are increasingly eroding due to the rise of the sea level. Government borrowing lifted interest rates, which increased interest payments considerably. Banks have restricted their lending to the private sector while higher debt burdens and import costs continue to weigh on the public enterprises. Difficulties in public enterprises have put further stress on the public budget.

The new Government inherited a very problematic situation regarding public finances. The Gambia traditionally runs a large fiscal deficit, with the draft 2017 budget envisaging a 10 % deficit. It is expected that weak domestic revenue mobilisation, slow policymaking and political uncertainty could impede budget execution. The current-account deficit is expected to widen to 15.1 % of GDP in 2017 - driven by widening deficits on both the services and the trade accounts - and to narrow to 10.7 % of GDP in 2018 if GDP growth picks up. The Government will therefore have to continue to struggle to cover its large borrowing requirement.

The economic contraction that started in 2016 will indeed continue in 2017. It is expected that real GDP will contract by 2.5 % in 2017, mainly because of a slowdown in the tourism sector, affected by political instability during the 2017 high season and the political uncertainty surrounding this first transfer of power. A modest rebound is expected in 2018, with growth of 1.5 %, potentially driven by higher agricultural output (depending on rain patterns), and of a modest upraise in the tourism sector on condition of limited political turmoil.

In this overall context, a **rapid budget support is fundamental** (i) to maintain the essential functions of the State such as payment of salaries (officials, doctors, teachers, security forces, etc.), (ii) to proceed with investments and reforms, and (iii) to reinforce public finance management and control.

➔ In the context of "people", EUR 70 million is earmarked for the **first focal sector: Governance/Rule of law/Security**.

➔ Also relating to "people", EUR 23 million is earmarked for the **second focal sector: Inclusive sustainable growth and job creation** (also see 2.3 Prosperity), for actions aiming at boosting quality employment targeting particularly young and vulnerable populations.

1.2.2 Peace - Peaceful and inclusive societies, democracy, effective and accountable institutions, rule of law and human rights for all

The new Gambia will be supported in view of major reforms (e.g. judiciary, constitutional, security sectors and reconciliation process). The political momentum is favourable. The Government of The Gambia is committed to laying the foundations for sound democratic institutions, respect for human rights and the rule of law.

¹⁴ In 2015, the president's office issued a directive imposing a exchange rate that was more than 20% above the prevailing market rate.

The **human rights situation had deteriorated** under the rule of President Jammeh. Areas of concern included freedom of expression, death penalty, prison conditions, rights of Lesbian, Gay, Bisexual and Transgender (LGBT) persons, arbitrary arrests, detentions beyond the constitutional limit of 72 hours, and judicial independence. Important international conventions have not been ratified by The Gambia, notably those on torture and enforced disappearance.

The new Government has revoked Gambia's withdrawal from the International Criminal Court as one of its first measures. Many persons detained without trial have already been released and the government has pledged to launch a **prison reform**. It has established a commission to conduct inquiries into the disappearances of all those arrested without being traced. The abolition of the death penalty is under discussion.

The Government has further committed to undertake key **constitutional and legal reforms** and to protect the fundamental rights of its citizens. The establishment of a National Human Rights Commission according to international principles will be an important milestone. In order to ensure press freedom, the new Government has committed to review the restrictive media laws and to promote a code of conduct for responsible journalism. Since the change of leadership, press freedom has largely been respected and the national television is more balanced in its reporting. The EU Elections Observation Mission provided a thorough analysis of the wider electoral framework, including legal, human rights and media issues. It identified priority areas for improvement and formulated specific recommendations, in consultation with the Gambian stakeholders, which should be implemented in the framework of this focal sector.

The lack of capacity of the administration is a major concern for the provision of reliable services to citizen, but also with view to the re-launch of development cooperation. A **civil service reform**, including regional administration, was announced. State enterprises would be reviewed with a view to adopting policies to improve their performance.

A transitional justice mechanism will be established in order to deal with crimes and human rights abuses committed under the former regime. This legacy combined with the fact that the country is politically divided between supporters of the former President and those who welcome the change of leadership requires systematic efforts to achieve **national reconciliation**. According to the President, the National Council for Civic Education would be provided with the capacities to conduct civic education to promote national reconciliation in collaboration with other organisations.

In addition, a **security sector reform** is high on the Government's agenda and will contribute to improving the trust of the population in the security forces. A comprehensive, participative and Government-led security sector reform is envisaged, leading to a national security policy that will enhance civilian control and oversight and delineate the respective role and responsibilities of the various security sector institutions. At the same time, short term needs (working conditions, equipment, training, etc.) are a priority and technical assistance for this purpose has been requested.

➔ Actions related to the area of peace have been identified in consultation with other partners (in particular World Bank, IMF, UNDP and EU Member States) in the **first focal sector: Governance/ Rule of law/Security**, to which an amount of EUR 70 million has been allocated.

They will be complemented by actions under the IcSP, African Peace Facility (APF)¹⁵, ECHO and the EIDHR:

1. IcSP action will focus on strengthening the democratic transition process. A first component has already contributed to the organisation of peaceful and transparent parliamentary

¹⁵ OJ L 345, 31.12.2003, p. 108–111: 2003/3/: Decision No 3/2003 of the ACP-EC Council of Ministers of 11 December 2003 on the use of resources from the long-term development envelope of the ninth EDF for the creation of a Peace Facility for Africa.

elections on 6 April 2017. A second component will include technical assistance to **security sector reform**.

2. An EU **Election Observation Mission** was deployed for parliamentary elections on 6 April 2017. This measure has significantly contributed to enhancing the trust of the population in the democratic process and thus to easing potential tensions. The recommendations resulting from the mission provide the basis for improvement of the wider electoral framework.
3. Via the APF, the EU is supporting the **ECOWAS mission** in The Gambia (ECOMIG).

1.2.3 Prosperity – Inclusive and sustainable growth and jobs

One of the first priorities is to create quality employment for the prosperity of the country. In order to achieve economic growth, young people are needed in main areas of the national economy (e.g. tourism, agriculture). The Government is committed to re-integrating the country in the region, but also in the international community. Beyond this NIP, this includes openness to discuss the signature of the EPA for West Africa. A new Fisheries Agreement with the EU may also be discussed. Building resilience to the impacts of climate change will reduce push factors for migration, and provide job opportunities for inclusive growth. Mainstreaming climate change into development planning is vital in order not to undermine efforts to create prosperity in The Gambia.

Out of an estimated population of 1.9 million, about 63 % of the Gambians are younger than 25, while the annual population growth rate is estimated at 3.2 %. Remarkably, urbanization has been booming and it is already estimated that 60 % of the population are urban dwellers. In this context, economic growth is required to produce new jobs for the youthful population entering the labour force each year. In 2012, before the recent economic and political crises, per capita GDP was already starting to fall and unemployment reported at 29.8 %¹⁶; and this rate does not account for underemployment. Wages and skills levels are very low and working conditions are generally poor. Beyond the traditional subsistence agriculture sector, the Gambia's private sector is almost entirely made up of micro enterprises representing around 97 % of paid and unpaid employment and operating in the informal economy because the environment for private sector is not enabling.

The Gambia is willing to address the key bottlenecks to inclusive and sustainable **growth and job creation**. In this respect, agriculture would be given added support to move towards food security and climate resilience, growth in export and improving as well as "greening" the value-chain. Production and processing crops, livestock and fisheries would serve as the base for food security. These would be linked to job creation and increase in income through agro industrial development. Furthermore, the service sector, which is now the largest contributor to the economy, would be given necessary incentives to contribute towards employment creation and GDP growth. It is hoped that macro-economic stability would provide a fertile ground for telecommunication services, banks, hotels, insurance, real estate companies and other sectors to grow and develop partnerships in Africa and globally. Investments in climate resilience, such as the development of infrastructure that incorporates resilience to current climate variability and future climate change, can provide additional job opportunities for inclusive growth.

Extreme poverty remains widespread in the Gambia, with nearly 40 % of the population existing on less than USD 1 per person per day (Gambia Bureau of Statistics 2010). Household Survey data from 2010 also shows extreme poverty disproportionately affects children as well as adults aged above 65 years. This group, as well as the disabled and people living with HIV/AIDS and other chronic illnesses have been identified as being at risk of exclusion from the benefits of economic growth due to their lack of employability, physical vulnerabilities, greater dependence on care and constrained access to support networks including remittances. Unlike other countries of the region, The Gambia does not have a universal social pension for the elderly or a child support allowance

¹⁶ The Gambia Labor Force Survey carried out in 2012.

scheme. Many social transfer schemes are transitory and project-based and preventative social protection is highly limited in the country.

This policy includes **addressing irregular migration** and encouraging members of the diaspora as well as irregular migrants to return and contribute to the construction of the new Gambia.

Poverty and lack of opportunities and democratic space are the main socio-economic factors driving inward and **outward migration**. Indeed 37 %¹⁷ of households live on less than one dollar a day and 38 %¹⁸ of youth is unemployed. Furthermore, the emergence of risk factors in The Gambia, such as frequent droughts and floods caused by climate change, and other shocks such as the temporary decline in tourism have significantly contributed to the economic downturn accelerating outward migration in recent years (2014-2016).

In terms of irregular migration towards the EU, the country has recently witnessed a significant increase in flows to the EU, primarily to Italy, **where 11,929 Gambians entered in 2016**¹⁹, nearly 30 % were unaccompanied minors²⁰. The regions where outward migration is the highest are to the East of the country, especially in Upper River Region around Basse²¹. Migrants tend to move first from the rural areas to urban areas and then continue migrating to Europe on the "backway" overland route to Libya via Niger. Italy reports that Gambians are amongst the main nationalities arrested for **migrant smuggling** in the Central Mediterranean.

Root causes of migration will be primarily targeted by providing economic perspectives for young people via vocational training and job creation. Building climate resilience of productive sectors, mainly agriculture, will also contribute to this aim. Specific support to SMEs namely in terms of access to credit should also contribute to this endeavour. This comes in addition to more specific actions in the framework of the EUTF, where funds will be raised for actions related to sensitization and information campaigns on the danger and risks of irregular migration, studies on irregular migration, return and reintegration of irregular migrants, mobilisation of the diaspora through financial inclusion and investments schemes, research on trafficking of human beings, and to the civil registry, biometric data and identity documents.

Negotiations of the **EPA** between the EU and West Africa (ECOWAS + Mauritania) were finalised in 2014 and the agreement was signed by all EU Member States and 13 out of the 16 West African States. The Gambia is among the last three countries (with Mauritania and Nigeria) which have not signed the EPA yet. While the previous Government was opposed to the EPA on ideological grounds, the new Government is committed to regional integration, which lays the ground for a more positive approach vis-à-vis EPA.

A **fisheries agreement**²² was concluded with The Gambia in 1987. This agreement is dormant since 1996, when its last implementing protocol expired. Both sides seemed now to be open to the negotiation of a new protocol.

Two infrastructure projects could considerably improve the economic perspectives of The Gambia in the coming years. The infrastructure projects will be resilient to climate variability and change:

- The regional interconnection will for the first time connect The Gambia with the regional grid, thereby easing the supply of electricity including in remote areas, and allowing for an expansion of economic activities. The NIP should assist to prepare the energy sector in this respect.

¹⁷ Integrated Household Survey, Gambia Bureau of Statistics, 2010

¹⁸ National Human Development Report: Youth Employment, Gambia Bureau of Statistics-UNDP, 2014

¹⁹ In terms of population ratio, it is the first country in Africa

²⁰ In 2016 in total 28,129 minors arrived in Italy, of which 3,256 came from The Gambian.

²¹ Labour Market Assessment, reintegration of returnees: Senegal, Gambia, Nigeria, Mali, Niger, Altai Consulting, November 2016

²² OJ L 146, 6.6.1987, p. 3–10: Agreement between the European Economic Community and the Government of the Republic of the Gambia on fishing off the Gambia.

- The completion of **the Bridge over the Gambia River** and necessary connecting infrastructures (roads to Senegalese borders and neighbouring feeder roads) are a priority for the economic growth of the country and region. The existing funding by African Development Bank could be reinforced via blending mechanisms **and by funds from the RIP**.

The Gambia stretches 450 km along the Gambia River and, except for a 60 km Atlantic Ocean front, is surrounded by Senegal. The Gambia itself is divided into two distinct parts - the North and South Banks of the Gambia River. In this respect, the construction of the **TransGambia Bridge and the TransGambia Highway** will allow free traffic flow between the northern and southern parts of both The Gambia and Senegal. The project will therefore reduce travel time, boost trade and reinforce cohesion among communities. The project will facilitate the transportation of agricultural products to markets reducing post-harvest losses and boosting socio-economic activities. It would also reduce barriers to national and regional trade such as slow movement of freight that leads to high transaction costs.

With the same objective, the construction of feeder roads, including those to be built as of 2017 under the first phase of the NIP, will also contribute to better access to markets and basic services (education and health centres), especially for remote rural areas.

Taking into account the importance of the Information and Communication Technologies (ICT) and their applications as proven drivers of inclusive and sustainable growth, innovation and entrepreneurship in the developing world, in designing interventions throughout the three focal sectors of Gambia's National Indicative Programme, including the Technical Cooperation Facility (TCF) measures in support of the National Authorising Office (NAO), particular attention will be paid to the deployment of ICTs and the full exploitation of their potential in providing or facilitating sustainable solutions in all sectors and areas of intervention of the programme.

Regarding **migration management**, root causes will be primarily targeted by providing economic perspectives for young people via specific vocational training and job creation programs.

1. Step up sensitization and information campaigns on the danger and risks of irregular migration as well as the alternatives to it.
2. Scale up an existing program related to return and reintegration of migrants from Europe and Africa, taking into account returns induced by the new democratic environment.
3. Implement programmes supporting the mobilisation of the diaspora through financial inclusion and investments schemes
4. Carry out research on trafficking and in particular on child exploitation.
5. Provide technical assistance to identify the current state of the civil registry and the possibility to support the Government in the area of biometric data and identity documents.
6. Support climate change adaptation efforts with a view to reducing push factors for migration and displacement.

➔ Actions related to '*prosperity*' have been identified in the **second focal sector: Inclusive sustainable growth and job creation**, to which EUR 23 million has been allocated.

➔ This will be complemented by actions in the **third focal sector Renewable energy/Climate change/Infrastructures**, which has an allocation of EUR 22 million (see point 2.4 planet).

Another relevant instrument in this context is the EU Trust Fund for migration. Prosperity will be further supported through dialogue on the signature of the **EPA** between the EU and West Africa (ECOWAS + Mauritania), and possible negotiations aiming at a new **Fisheries Agreement** with The Gambia.

1.2.4 Planet - protecting the environment, managing natural resources and tackling climate change

Climate change will be tackled in The Gambia through investments in solar systems in rural and sub-urban areas. The new Government has made energy a priority for the coming years, as also clearly identified in The Gambia's Nationally Determined Contributions (NDC). This will provide an opportunity to support the implementation of The Gambia's NDC, achieve a more significant penetration of renewable energy in the national energy mix. Introducing renewable energy will also enhance employment in rural areas.

The **energy sector in The Gambia** is characterised by the predominance of biomass, fuel wood and oil imports. For the time being, there is no significant renewable energy penetration in The Gambia, the hydropower potential of the river Gambia has so far not been exploited for energy generation within the country²³. Wind energy resources are scarce. The abundant solar resource has not been developed yet. The electricity sector is dominated by the monopoly of the national water and energy utility (NAWEC). A multi-sector regulator and open grids of tariffs meanwhile exist, theoretically allowing other operators to emerge on the market.

The electricity sector is facing challenges with frequent load shedding, suppression of demand and breakdown of material due to aging and poor maintenance (diesel and heavy fuel oil generators). Power cuts can last several hours. This has prompted the new Government to make energy a priority for the country, taking into account the positive impact of the availability of energy on several other sectors, including tourism. The problem is linked to chronic deficiencies and mismanagement in the procurement of fuel for generators. It is exacerbated by high external debt and credit risk that the country is facing, due to severe budget difficulties.

Building climate resilience in productive sectors, especially for agriculture, is another element in this area. Furthermore, promotion of businesses that are cleaner and low carbon offers various opportunities: job creation, added-value to products, access to high value niche markets, increased resilience of productive sectors to external shocks, apart from contributing to reduced pollution.

Including climate change mitigation and adaptation opportunities and challenges in the educational curricula is one of the priority actions of The Gambia's NDC. Supporting the implementation of The Gambia's NDC is an EU priority.

➔ Actions related to "planet" have been identified in the **third focal sector (Renewable energy/Climate change/Infrastructures, EUR 22 million)**.

These actions will be complemented by the Global Climate Change Alliance + (GCCA+) instrument. The proposed successor GCCA+ project is expected to have as overall objective to “build climate resilience in the coastal and marine zones of The Gambia through a sustainable Integrated Coastal Zone Management approach that protects vulnerable communities” This would include improved planning and climate resilience, adaptation and mitigation in the coastal zone and enhanced institutional Governance through livelihood security, capacity building and local delivery measures. Since coastal areas are the main zones of economic activities and of employment, this project will have a direct impact on "people" and "prosperity".

Other specific actions directly relating to Climate Change (adaptive agriculture or reduction in greenhouses gases from dump sites for example) should also be envisaged under other financial instruments (i. e. Global Public Goods).

²³ In the medium term, a high voltage transmission line interconnection is foreseen to connect The Gambia to its four neighbouring countries and among other things allow for the use of hydropower resources from Guinea.

1.2.5 Partnership - Fostering stronger, more inclusive multi-stakeholder partnerships

In the aftermath of the democratic transition and taking into account the important challenges facing the reconstruction of the country, inclusive multi-stakeholder coordination is a must. This coordination should lead to the definition and implementation of a new National Development Strategy discussed and approved by all parties. Blending mechanisms with financial partners should be sought to obtain better leverage effect and optimise effects of EU grants.

The EU has been the only significant and reliable donor in The Gambia, with the African Development Bank, the IMF and the World Bank. There are almost no other bilateral donors. EU Member States (Germany, Spain, France and United Kingdom) as well as the the United States have very little cooperation programmes, mainly targeting NGOs.

As the only major bilateral donor in The Gambia, the EU coordinates closely with UN agencies, IMF, WB, AfDB and the Islamic Development Bank through sharing of information to avoid duplication and promote harmonisation.

The European External Investment Plan (EEIP) provides an integrated framework to boost investments in Africa and the Neighbourhood, in order to promote sustainable development, implement the Addis Ababa Action Agenda (AAAA) on Financing for Development and tackle some of the root causes of migration. It will do so by leveraging funds from the EU, its Member States, other donors, financial institutions and the private sector.

Investment projects (renewable energy and infrastructures – third focal sector of the present NIP-) will preferably be financed with a **blending mechanism to increase leverage effect and therefore impact**. Financial partners (including EIB, AfDB and Member States Development Banks) will therefore be identified.

→ Actions related to '*partnership*' have been identified in the **first focal sector: Governance/Rule of law/Security** (EUR 70 million):

1. Support to the preparation of the new **National Development Strategy** and related documents.
2. Co-organise an **international donors' conference** together with the UN in order to share the document with the international community and to pledge funds for its financing.

→ This will be complemented by actions in the **third focal sector: Renewable energy/Climate change/Infrastructures** (EUR 22 million) (see point 2.4 planet)

3. Utilisation of **blending mechanisms** for financing investments in the fields of renewable energy and infrastructures (e.g. TransGambia bridge)

Actions financed from the 'other measures' (EUR 2 million):

4. Technical Cooperation Facility (TCF) including assistance to the National Authorising Officer (NAO), to support the implementation of EU/EDF funded projects and programmes, conduct of studies for the different focal sectors, policy dialogue, capacity building, coordination, communications and visibility as well as monitoring and evaluation.

Actions financed from CSO-LA budget line:

5. Specific actions aiming at reinforcing **Civil Society Organisations and Local Authorities (namely with a view to the upcoming local elections)**.

The European Civil Protection and Humanitarian Aid Operations (ECHO) may also be mobilized namely for funding nutrition programs, laying the ground for more comprehensive protection programs.

2. Financial overview (indicative amounts)

Governance/Rule of law/Security (peace, prosperity):

EUR 70 million <59.8 % of total>

Inclusive sustainable growth and job creation (peace, prosperity, planet):

EUR 23 million <19.7 % of total>

Renewable energy/Climate change/Infrastructures (prosperity, people, planet):

EUR 22 million <18.8 % of total>

Support measures (partnership):

EUR 2 million <1.7 % of total>

3. EU support per sector

Overall strategic objectives of the EU intervention are:

- Stabilising the economic, social and security situation of the country and supporting the democratic transition
- Creating employment for youth and for the most vulnerable groups of the population by boosting investment and improving skills and potentials

3.1 Governance/Rule of law/Security (Indicative amount: EUR 70 million)

3.1.1 Objectives and results

The specific objectives (SOs) are:

SO1) Maintain the essential functions of the State

SO2) Proceed with investments and reforms

The main expected (ER) for each specific objective is:

SO1) Maintain the essential functions of the State

ER1) Sustainable response to budgetary needs in the social, governance and security sectors

ER2) Improved efficiency of and democratic oversight over security sector actors

SO2) Proceed with investments and reforms

ER3) Improved economic and democratic governance

ER4) Improved rule of law and human rights situation

Within this focal sector, two consecutive **State Building Contracts** are to cover the financial years 2017 to 2019. Both State Building Contracts lay the ground for a continuous in-depth policy dialogue and will be accompanied by **institutional capacity development** in order to improve governance and facilitate reforms. The first Contract (covering 2017) should aim at rapidly mitigating the most urgent budgetary needs, targeting the payment of a **first fixed tranche during summer 2017**. The second Contract (covering the years 2018 and 2019) will be based on the updated national development strategy and embrace a number of governance-related indicators to further **accompany major reforms launched/envisaged by the Government**, e.g. in the judiciary, the security sector, the improvement of prison conditions, improvement of the elections framework, etc. It will also support conditions to create sustainable economic activity by enhancing economic governance and supporting structural reforms for improved competitiveness and inclusive growth (in line with the European Investment Plan approach).

Definition of accompanying measures and targeted indicators, jointly with the Government, domestic stakeholders and international partners will accompany the implementation.

The main indicators for measuring the aforementioned results are contained in the sector intervention framework in attachment 1.

3.1.2 Donor coordination and policy dialogue

The Government has set up an Aid Coordination Unit under the Ministry of Finance and Economic Affairs, for mobilization and coordination of donor resources in line with the Paris Declaration. However, this mechanism is not effectively working with weak planning, monitoring and evaluation capacities.

The Development Partners Group (DPG) coordinates development partners among themselves. The Thematic Working Groups promote the development agenda at sector and thematic levels. The Gambia has yet to set up a mechanism for processing of information on official development assistance flows.

The EU coordinates closely with United Nations (UN) agencies, the IMF, the WB and the AfDB, through sharing of information to avoid duplication and promote harmonisation. The DPG meeting is organised on a quarterly basis at the level of the Head of Missions. This coordination mechanism is co-chaired by the EU and UNDP.

Donor coordination is also ensured through direct consultation, facilitated by the presence of few donors in support of Public Finances Management (PFM) reforms in The Gambia (WB, AfDB, EU and IMF); thematic sector consultations; supervision of the Ministry of Finance and Economic Affairs.

In particular, coordination of donor interventions in support to the PFM Reform Strategy is the direct responsibility of the PFM Coordinating Committee and the PFM Unit at the Ministry of Finance and Economic Affairs (serving also as secretariat to the mentioned Committee).

A Budget Support Working Group has been set up at the end of February 2017 by the EU, WB, IMF, and AfDB, for an enhanced coordination between the partners involved with Budget Support.

3.1.3 Government's financial and policy commitments

The Government's policies in this area have been outlined in section 1.2.2.

The Government of The Gambia has underlined its long-term commitment to improve PFM and there is a PFM Unit within the Ministry of Finance and Economic Affairs in charge of monitoring and coordinating PFM reforms. The PFM reform strategy covers the period 2016-2020 but is not yet translated into an action plan.

3.1.4 Overall risk assessment of the sector intervention

Macroeconomic risk (medium): The new Government inherited a very problematic situation regarding public finances. The Gambia traditionally runs a large fiscal deficit, with the draft 2017 budget envisaging a 10 % deficit. It is expected that weak domestic revenue mobilisation, slow policymaking and political uncertainty could impede budget execution. The current-account deficit is expected to widen to 15.1 % of GDP in 2017 - driven by widening deficits on both the services and the trade accounts - and to narrow to 10.7 % of GDP in 2018 if GDP growth picks up. The Government will therefore have to continue to struggle to cover its large borrowing requirement.

Mitigation measures: The Government of The Gambia (GoTG) is coordinating closely with development partners, including the EU, the IMF, the WB and the AfDB, to prepare and adopt a credible stability-oriented macroeconomic policy. To address the significant economic challenges lying ahead, development partners and GoTG agreed that the key priority is to bring public spending in line with available resources, thereby drastically reducing domestic borrowing and interest cost. Efforts from GoTG also need to include reforms of public enterprises, including the National Water and Electricity Company (NAWEC) and the National Telecom and Mobile Operators (GAMTEL/GAMCEL) to place them on a sound financial footing and limit their drain on the state budget.

Political risk (medium): weak domestic revenue mobilisation, slow policymaking and political uncertainty could impede budget execution.

Implementation capacity risk (medium): lack of capacity in public institutions could hamper sustainable delivery of results.

Mitigation measures (political and implementation capacity risks): Close follow-up with the Director of Budget of the Ministry of Finance and Economic Affairs to amend the budget if necessary and reallocate budget lines if needed, according to the fiscal law; inclusion of sector capacity building interventions in the program and diversification of implementation partners, including NGOs/CSOs/professional associations.

3.2 Inclusive sustainable growth and job creation (Indicative amount: EUR 23 million)

3.2.1 Objectives and results

The specific objectives (SOs) are:

SO 1) Creating good quality employment opportunities for the youth and the most vulnerable population, including through investments in climate resilience, and equal access to employable skills development in line with labour market needs

SO 2) Improved access to finance

SO 3) Improved social protection

The main expected results (ERs) for each specific objective are

SO 1) Creating good quality employment opportunities for the youth and the most vulnerable population, including through investments in climate resilience, and equal access to employable skills development in line with labour market needs

ER1) Good quality jobs created for youth and the most vulnerable with an emphasis on the green and climate resilient economy

ER2) Improved opportunities in education and skills development and vocational education and training for youth; employability of youth enhanced

SO2) Improved access to finance

ER3) Increased access to finance for the target groups

SO 3) Improved social protection

ER4) Improved access to safety nets and social transfers

Education, skills development, vocational education and training and employment: there is a need to considerably expand the number of vocational training schemes on offer to youths in the country and to ensure that they target current and future labour market needs. This can be done either through the existing network of small vocational training institutions or by support/expansion

of trainings on offer at one of the existing training institutions, possibly with expansion towards Basse in Upper River Region. The training should also cover skills development for jobs in green economy sectors, e.g. renewable energy/energy efficiency, organic farming, etc. as a potential growth sector. Education on climate change is outlined in The Gambia's NDC as a Government priority. The vocational training scheme should be accompanied by supported skill placements trainings wherever possible.

Using labour-intensive schemes will also be explored each time it is possible, keeping in mind that such schemes should be combined with longer-term perspectives for the beneficiaries in order to mitigate the risk that the salaries earned are used to finance irregular migration.

Enabling environment for private sector and investors: cutting red tape and promoting an investment-driven regulatory framework- see all 10 Doing Business indicators. All interventions need to focus on facilitating a forum for public-private dialogue on how best the structural reforms should be carried out. Based on existing assessment of the sustainable growth enablers, both an investment and development strategy and an action plan for the new Gambia would be drafted with key measures to be taken in the short and medium terms in order to send the right signals to the international community, the private sector and commercial partner countries, including on promoting sustainable growth.

Inclusive finance for all Gambians (inside and outside of The Gambia): small grants and promoting access to micro-credit, insurance²⁴, loans and transfer of funds (remittances). There are few financial service providers, limited financial literacy, a lack of incentives for investment in innovation and limited product diversification in the financial market to support small businesses or rural finance. Further comprehensive reform of the financial sector is required at all 3 levels: (i) **macro** with a new strategy for a sustainable and inclusive finance, (ii) **meso** level aiming at supporting APEX organisations, national cooperatives as well as promoting transparent, financial and social performance measures and the creation of a 'credit bureau', and (iii) **micro** level, to support existing and start-ups businesses through small grants and specific dedicated lines of credits and instruments adapted to the rural economy and services and to respond to returnees and the diaspora needs. Clean and low carbon businesses should be actively promoted.

Social transfers/protection: there is a need to build Government capacity, review and update social protection policies and to pilot a number of formally identified social protection interventions. Preliminarily work undertaken in 2015²⁵ identified that priority intervention areas could include social protection support measures for children (low income, orphan, etc.), women (low income, pregnant, widow, etc.), people with disabilities, refugees and elderly persons (pensions). Interventions could consist of minimum health care provision, school meals, disabled support, cash transfer, pensions etc.

The main indicators for measuring the aforementioned results are contained in the sector intervention framework in attachment 1.

3.2.2 Donor coordination and policy dialogue

Government has designed the Gambia's Aid Policy and Action Plan. The Gambia Aid Policy provides the institutional, regulatory, operational and accountability framework for sourcing and managing external aid resources, especially grants and loans, that qualify as Official Development Assistance (ODA).

The policymaking body in the field of the development coordination is the Aid Coordination Department (ACD) under the Ministry of Finance and Economic Affairs. The ACD regulates,

²⁴ Including weather insurance for the agriculture sector to build resilience

²⁵ See "Developing a Costed Minimum Social Protection Package of Interventions in The Gambia" McTaggart 2015.

coordinates, monitors and manages the delivery of official development assistance in the country and is a focal point for Government-development partner liaison of all aspects of official development assistance. Establishment of the ACD was an attempt to reduce the fragmentation of official development assistance. This is particularly relevant because the sector of intervention targets inclusive and sustainable growth generally and specific employment generation in a number of economic sectors as well as social protection. Economic sectors (such as tourism and agriculture) have their own sector development and sector investment plans. Social Protection has a national strategy.

In this context, aid information sharing and coordination is important, especially as some of the major partners are non-resident. Government Aid Bulletins are produced annually and biannually. This information is aggregated by sector, shared with Government Ministries and with donors and is an important information for the national budget discussions. An online Aid Information System has also been developed by Government and is undergoing trials.

There is an institutionalized process for broad-based participation of civil society in the formulation and monitoring of the national development strategy mainly through national and sectoral consultation processes. CSO networks such as TANGO require NGOs to adhere to reporting requirements. Some CSOs have also engaged in joint programming, but the level of engagement is weak, particularly in respect to monitoring and evaluation. Development partners provide funding, training and capacity-building for CSOs.

The private sector is organized through the Chamber of Commerce. The private sector has also institutionalized public-private dialogue through quarterly meetings with the Ministry of Trade, Industry, Regional Integration and Employment. While logistics and financial support is not a constraint for public-private dialogue, the Public Private Partnership department has been established within the Ministry of Finance and Economic Affairs to build effective partnership with the private sector.

3.2.3 Government's financial and policy commitments

The new Government of The Gambia intends to focus in the strengthening of the country's productive and trade capacities with an emphasis on the green economy, to enable the Private Sector to generate inclusive growth and create jobs especially for women and youth, and introduce reforms that are essential for improving the business environment and for enhancing competitiveness.

The government is aware of the need to accommodate demands of a youthful growing population. To achieve sustainable inclusive growth and prosperity, Government continues to address eradication of extreme poverty, reducing inequality and engendering pro-poor and export-led growth to generate employment. The private sector will be facilitated to better assume its role as the "engine of growth" to provide employment for the growing and youthful population and the women.

3.2.4 Overall risk assessment of the sector intervention

Macroeconomic risk (medium): Success in the sector of intervention is largely dependent on an improvement in the general macro-economic framework as an important prerequisite to promotion of private sector employment growth. The associated macroeconomic risks are both exogenous and endogenous. Exogenous economic risks relate to economic stability in the wider region as well as stable international pricing of inputs, while endogenous risks relate to Government domestic macroeconomic policy.

Mitigation measures: GoTG is coordinating closely with development partners, including the EU, the International Monetary Fund (IMF), the World Bank (WB) and the African Development Bank (AfDB), to prepare and adopt a credible stability-oriented macroeconomic policy.

Political/social and environmental risks (medium): Domestic political instability and/or failure to advance sufficient macro-economic improvement are considered risks. The main underlying factor of concern domestically is an apparent disconnect between the new administration's high political aspirations and the underlying civil service administration's capacity to deliver on these aspirations in the short to medium term.

A repeat of regional epidemics such as the Ebola epidemic of 2014 or a terrorist incident and/or drought are also considered real risks. The impacts of climate change pose grave risks. An exceptionally severe drought could accelerate rural urban migration placing further pressure on fragile urban services in the West Coast Region that are already being unsustainably managed.

Mitigation measures: inclusion of necessary and workable resilience building and social protection models in the event of unforeseen 'shocks'. Failure to realise the importance of and implement, early on, social safety nets is a risk.

Implementation capacity risk (medium): The limited absorption capacity of key domestic public and private actors in the sector of intervention is a risk. This is due to multiple competing agendas and limited dynamism and may mean actual achievements fall short of expectations. In this context, building entrepreneurship and filling the employment skills gaps is a process that will take many years and requires not only a huge improvement in the capacity of training institutions but also a re-education of the general population.

Mitigation measures: inclusion of extensive sector capacity building and motivation interventions within the program,

3.3 Renewable energy/Climate change/Infrastructures (Indicative amount: EUR 22 million)

3.3.1 Objectives and results

The specific objectives (SO) are:

- SO1) Achieve a more significant penetration of renewable energy in the national energy mix.
- SO2) Reduce barriers to national and regional trade and increase access to market of agricultural products

The main expected results (ER) are:

- SO1) Achieve a more significant penetration of renewable energy in the national energy mix.
 - ER1) Increased renewable energy generation and absorption capacity
- SO2) Reduce barriers to national and regional trade and increase access to market of agricultural products
 - ER2) Boost in socio-economic activities through improved traffic flow between the northern and southern parts of both The Gambia and Senegal

Renewable energy generation through on or off-grid projects, as well as the upgrading of transmission and distribution networks have been identified as rapid actions in the field of inclusive renewable energy projects and are in line with the priorities identified in the NDC. Furthermore, the regional interconnection programme of the Gambia River Basin Development Organization (Organisation pour la Mise en Valeur du fleuve Gambie – OMVG) is to enable electricity trade between the Gambia, Guinea, Guinea-Bissau, and Senegal and will allow The Gambia to tap into the hydro-power generated in Guinée-Conakry. Such projects would at the same time decrease fuel

dependency and energy losses as well as increase connection rates. They could be complemented with technical assistance aiming at targeted actions, capacity building and assisting to planning and the preparation of the national energy strategy. A Strategic Environmental Assessment (SEA) as part of the preparation of the national energy strategy could be supported. These actions would preferably be financed through blending mechanisms to increase leverage effect and therefore impact. Several development finance institutions such as the EIB and the AfDB have been identified.

The main indicators for measuring the aforementioned results are contained in the sector intervention framework in attachment 1.

3.3.2 Donor coordination and policy dialogue

Over the past years, the EU has been the only significant and reliable donor in The Gambia, with the African Development Bank, the IMF and the World Bank. In this context, particular coordination and complementarity efforts will need to be done in order to maximize donors' engagement.

3.3.3 Government's financial and policy commitments

The Government of The Gambia has made energy a priority for the coming years. The Government has furthermore indicated that investments in the transport sub-sector and in renewable technologies (wind and solar) would be highly beneficial for the Gambia.

Political changes are expected to lead to rapid improvement of the fuel procurement system and to reforms such as a possible unbundling of the generation component of the utility.

With regards to transport infrastructures, the previous National Development Plan PAGE 2012-2015 was based on implementation of Vision 2020 and various sector strategies and aligned to the Millennium Development Goals (MDGs). Following the recent political changes, the Government is also planning to include the transport sector in one of the four main pillars of the next national development strategy.

3.3.4 Overall risk assessment of the sector intervention

Macroeconomic risk (medium): policy and reforms have to be implemented in an environment of high external debt and credit risk and debt sustainability could negatively impact blending operations.

Mitigation measures: the EU is consulted on the issue of debt sustainability and investment programmes, including the information available on IMF/WB debt sustainability framework.

Maintenance funding risk: Lack of enough revenue to cater for the required maintenance.

Mitigation measures: support to governance, policy and capacity issues in relation to the transport and energy sectors will be addressed by the programs to be financed by the NIP.

4. Measures in favour of civil society

Civil society will be supported in-country by the thematic instruments Civil Society Organisations and Local Authorities (CSO-LA) and the European Initiative for Democracy and Human Rights (EIDHR). These programmes will support actions initiated and directly implemented by CSOs participating in the local call for proposals. Actions may be supported both within and outside of the

selected focal sectors of the NIP. The programmes will be used to complement EU programmes, not to top-up or duplicate activities funded under those programmes.

Civil society support actions may also contribute to the protection and promotion of the diversity of cultural expressions, in line with Article 11 of the UNESCO 2005 Convention to which the Republic of the Gambia, the EU, and its Member States are all Parties.

5. B-allocation

A B-allocation is included in the NIP for unforeseen needs. This allocation is at EUR 0 until a need arises. In case of necessity, a Financing Decision to meet an unforeseen or urgent need can always be taken notwithstanding the status of the indicative B-allocation mentioned in the NIP.

6. Support measures

6.1. Measures to support or accompany the programming, preparation or implementation of actions

A support facility, i.e. the Technical Cooperation Facility (TCF) is envisaged under this NIP. As is presently the case, the support to the National Authorising Officer (NAO) allocation – see below – will be included with this TCF allocation in one Financing Agreement for EUR 2 million, of which EUR 1 million for TCF and EUR 1 million for the support to the NAO.

Technical support programme will also support further i) mainstreaming of gender including the identification of actions and gender disaggregated indicators and ii) the strengthening of risk analyses and the identification of mitigating measures in the preparation of new projects and programmes.

6.2. Support to the National Authorising Officer

The additional support to the NAO envisaged under the 11th EDF in the framework of the Technical Cooperation Facility (TCF) follows the termination of the 10th EDF decision to "Support to the implementation of The Gambia - EU Cooperation".

7. Attachments

Attachment 1: Sector intervention framework and performance indicators

Attachment 2: Allocation by area – EDF and other instruments

Attachment 3: Country at a glance:

- Attachment 3a: macroeconomic indicators
- Attachment 3b: SDGs status

Attachment 4: Donor matrix per NIP sector

Attachment 5: Indicative timetable for commitment of funds

Attachment 1: Sector intervention framework - NIP second phase (2017-2020) - € 117 M

Sector 1: Governance/ Rule of law/Security (peace and prosperity) - € 70 M Specific objectives: (1) Maintain the essential functions of the State, (2) Proceed with investments and reforms.		
Expected Results	Indicators	Means of verification
1. Sustainable response to budgetary needs in the social, governance and security sectors.	1.1 Level of macroeconomic stability. 1.2 Status of fiscal space.	Development Partners (DPs), IMF Article 4 and Government (GoTG) reviews, policy dialogue, assessments and surveys.
2. Improved efficiency of and democratic oversight over security sector actors	4.1 National security policy adopted 4.2 Roadmap for Security Sector Reform available 4.3 Prison conditions, duration of remand 4.4 Handling of misconduct of security forces	Government reports, laws adopted, policy dialogue, reports by NGOs and by other donors involved in the area
3. Improved economic and democratic governance.	2.1 Status of PFM reforms. 2.2 Status of democratic reforms, including progress on implementation of EU EOM recommendations 2.3 Status of structural reforms for improved competitiveness and inclusive growth.	PEFA, DPs and Government reviews, special reports related to sectoral reforms, policy dialogue.
4. Improved rule of law and human rights situation	3.1 Adoption of law on National Human Rights Commission 3.2 Laws restricting freedom of expression and assembly repealed/amended 3.3 Transitional justice mechanism in place	National Assembly and Government reports, national gazette, policy dialogue, NGO reports (e.g. RSF –World press freedom index, AI etc)
Sector 2: Inclusive and sustainable growth and job creation (prosperity) - € 23 M Specific objectives: 1) Creating good quality employment opportunities for the youth and the most vulnerable population, including through investments in climate resilience, and equal access to employable skills development in line with labour market needs, 2) Improved access to finance, 3) Improved social protection.		
Expected Results	Indicators	Means of verification
1. Good quality jobs created for youth and the most vulnerable with an emphasis on the green and climate resilient economy	1.1 Number of direct jobs (full time equivalent – during months) created through cash for work (disaggregated by sex and age) 1.2 Value of investments delivered (EUR) and jobs created by local SMEs/private sector 1.3 Increased investments in climate resilience	External and GoTG reports, policy dialogue.

2. Improved opportunities in education and skills development and vocational education and training for youth; employability of youth enhanced	2.1 Total number of trainees completing skills development programmes 2.2 Number of trainees participating in skills development / TVET programmes receiving an employment offer and/or starting their own business	GoTG annual reports, special reports related to sectoral reforms, policy dialogue.
3. Increased access to finance for the target groups.	3.1 Number of clients using services (% of women and youth) 3.2 Volume of savings collected (desegregated by gender and age) 3.3 Number of loans provided (desegregated by gender and age) 3.4 Net no of new services offered by FSPs	GoTG annual reports, special reports related to sectoral reforms, policy dialogue.
4. Improved access to safety nets and social transfers.	4.1 Number of state actors with improved knowledge and tools in matters of social protection and technical capacity to use them.. 4.2 Number of beneficiaries of enhanced social security coverage.	External and GoTG reports, assessments and surveys, and policy dialogue.
Sector 3: Renewable energy/Climate change/Infrastructures (planet) - € 22 M Specific objectives: 1) Achieve a more significant penetration of renewable energy in the national energy mix 2) Reduce barriers to national and regional trade and increase access to market of agricultural products		
Expected Results	Indicators	Means of verification
1. Increased renewable energy generation and absorption capacity	1.1 Percentage of renewable energy generation in the national energy mix.	DPs and GoTG reviews, special reports related to sectoral reforms, assessments and surveys.
2. Boost in socio-economic activities through improved traffic flow between the northern and southern parts of both The Gambia and Senegal	2.1 Commercial traffic flow through TransGambia bridge and highway 2.2 Infrastructure development incorporates resilience to current climate variability and future climate change	External and GoTG reports and surveys.
Non focal Sector: Fostering effective aid and a stronger and more inclusive multi-stakeholder dialogue (partnership) - € 2 M Specific objectives: Improve aid effectiveness, policy dialogue, visibility of EU's aid and engagement with Non State Actors.		
Expected Results	Indicators	Means of verification

1. Successful implementation of EU/EDF funded projects and programmes.	1.1 Level of disbursement of EDF and quality of implementation.	TCF Implementation Reports. Project evaluations and ROM reports
2. An effective policy dialogue is promoted and the visibility of EU activities is enhanced.	2.1 Number of policy dialogues (including for projects) conducted. 2.2 Information on EU support to The Gambia readily available, e.g. on the Internet. 2.3 Number of project visibility events held between NAO, EU Delegation and Line Ministries and Agencies	TCF Implementation Reports. Project evaluations Web hit/likes counter on site
3. Non State Actors are supported	3.1 Volume of EU aid to Civil Society Organisations and Local Authorities. 3.2 Number of Non State Actors' contributions to policy dialogue	Internal and external reports, assessments and surveys, policy dialogue.

Attachment 2: Allocation by area – EDF and other instruments

Framework of the new Consensus	Focal sectors of cooperation	NIP Programation 2017-2020	Other Instruments	Main identified actions
<i>Prosperity</i> <i>Peace</i> <i>(People)</i> <i>(Partnership)</i>	Sector 1: Governance/ Rule of law/Security	70	IcSP/FPI EIDHR OSC-AL	State building contract (2017) State building contract (2018-2019) supporting reforms TA for PFM TA enhancing reforms (security, judicial, reconciliation) TA implementation of EU EOM's recommendations Update of the National Development Strategy Capacity-building of Local Governments Organisation of a round table of donors Gender
<i>People</i> <i>Prosperity</i> <i>(Planet)</i>	Sector 2: Inclusive sustainable growth and job creation	23	EUTF DG ECHO (nutrition programs) EIB (support to private sector)	Local Government investments and "cash for work" Programme Vocational training and Employment Enabling environment for private sector and investors Enhancing inclusive finance for all Gambians Social transfers EPA and Fisheries Agreement Gender
<i>Planet</i> <i>Prosperity</i>	Sector 3: Renewable energy/Climate change /Infrastructures	22	RIP (20) GCCA+ (5.3) EIB	Renewable energy generation Specific Climate Change actions Transport Infrastructure Gender
<i>People</i> <i>Prosperity</i>	Migration/ Mobility		EUTF DG ECHO	Upscale sensitization Upscaling return and reintegration Studies of trafficking

				Diaspora mobilisation support Employment Gender
<i>Partnership</i>	Other Measures	2	CSO-LA	Assistance efficiency Studies Actions with Civil Society Organisations
<i>People</i>	<i>B Enveloppe</i>		<i>DG ECHO</i> <i>Specific BL (DCI-food)</i>	Malnutrition/Food Security Resilience
Total (in million EUR)		117	>150	

Attachment 3a: Country at a glance: Gambia's macroeconomic indicators

	(* = JAR 2011 data p = preliminary)	2009*	2010	2011	2012	2013	2014 ^P	2015 ²⁶	2016 ²⁷
Basic									
1	Population (in 1000)	1,628	1,681	1,735	1,791	1,849	1,909	1,991	
	- annual change in %		3.2	3.2	3.2	3.2	3.2	4.3	
2a	Nominal GDP (in millions of dalasi)	25,011	26,662	26,465	29,191	32,320	34,774	38,581	42,252
2b	Nominal GDP per capita (in USD)		551	506	499	479	432	448	469
2c	- annual change in %			-8.9	-2.1	-3.8	-12.2	3.7	4.7
3	Real GDP (annual change in %)	5.6	6.5	-4.3	5.6	4.8	0.9	4.3	2.2
4	Gross fixed capital formation (in % of GDP)	18.23	19.94	16.15					
Balance of payments									
5	Exports of goods (in % of GDP)	8.5	10.0	11.4	13.8	14.7	14.8	12.1	11.0
	- of which the most important: Re-exports (in % of exports)		fddd	10.7	10.5	11.2	-40.2	-41.5	-33.9
	- of which share of regional trade (in % of exports)								
5a	Trade balance (in % of GDP)	-21.6	-22.8	-21.2	-22	-19.1	-19.3	-25.7	-17.9
	- of which share of EU imports (in % of imports)						9.5	11.3	-10.2
6	Services (in % of GDP) (net)	6.1	3.8	6.6	8.6	7.4	6.1	3.6	4.9
	- of which the most important: travel (export of; in % of GDP)	8.0	7.5	8.7	10.4	8.0	14.4	12.6	13.0
6a	Current account balance (in % of GDP)(incl.bud.sup.)	-10.3	-16.3	-12.3	-7.9	-10.2	--5.5	-4.6	-1.1
7	Net inflow of remittances (in % of GDP)	4.6	4.7	3.0	6.8	5.4	7.1	10.5	9.7
8	Net inflows of foreign direct investment (in % of GDP)	7.8	9.0	6.7	11.2	9.5	9.2	8.2	7.5

²⁶ Economic data calculated through and an active policy scenario

²⁷ Economic data calculated through and an active policy scenario

9	External debt (in % of GDP)	35.2	40.2	44.1	43.7	46.2	61.5	55.5	56.2
10	Service of external debt (in % exports goods+services)								
11	Foreign exchange reserves (in months of imports of goods and non-factor services)	6.0	4.4	4.4	4.8	4.5	4.7		
Trade capacity									
12	Average cost to export (USD per container)	991	991	991	1,030	1,040	1,040		
13	Global competitiveness index (ranking)		81	90	99	98	116	123	123
Government budget									
14	Revenues (in % of GDP)	19.6	18.9	21.2	25.3	18.5	22.2	21.6	20.0
	- of which: grants (in % of GDP)	4.1	4.0	5.1	8.9	2.2	3.7	1.9	1.7
	- of which: external tariff income (in % of GDP) (taxes on international trade and transactions)		3.3	3.1	2.9	4.0	4.5	5.6	5.7
15	Expenditure (in % of GDP)	22.7	23.6	26	29.7	27.1	28.0	29.7	29.8
	- of which: capital expenditure (in % of GDP)								
16a	Deficit (in % of GDP) including grants (Basic balance)	-2.9	-2.9	-2.1	-2.1	-5.2	-8.3	-9.0	-10.0
16b	Deficit (in % of GDP) excluding grants (Overall balance)	-7	-5.4	-4.5	-4.5	-8.8	-14	-7.0	-7.0
17	Total (domestic+external) debt (in % of GDP)	55.5	69.6	77.3	77	83.3	104.9	105.3	120.3
Monetary policy									
18	Consumer price inflation (annual average rate in %)	4.6	5.0	4.4	3.9	5.3	5.6	6.1	6.7
19	Interest rate (in %) (Average TB rate for the month of December)	12.4	13.1	11.9	11.0	18.2	19.1	21.9	
20	Exch. rate: annual average national currency/EUR 1 (Interbank rate, average buy/sell)	37.06	36.79	39.35	40.02	44.94	51.98	47.09	48.56

Data source(s): The IMF Rapid Credit Facility report of April 2015; The Gambia: Staff Report for the 2015 Art. IV consultation, September 2015; 1: [UNCTAD Handbook of statistics 2016](#); 4: <http://data.worldbank.org>; 12: Doing business Report 2016; 13: WEF's Global Competitiveness Report (2015-2016) and (2016-17); 20: <http://www.oanda.com/currency>

Attachment 3b: Country at a glance: The Gambia's SDG status

Prioritisation of SDGs Goals	Priority in scale
Goal 1. End poverty in all its forms everywhere	High
Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture	High
Goal 3. Ensure healthy lives and promote well-being for all at all ages	High
Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	High
Goal 5. Achieve gender equality and empower all women and girls	Medium
Goal 6. Ensure availability and sustainable management of water and sanitation for all	Medium
Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all	High
Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	High
Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	High
Goal 10. Reduce inequality within and among countries	High
Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable	Medium
Goal 12. Ensure sustainable consumption and production patterns	Medium
Goal 13. Take urgent action to combat climate change and its impacts*	High
Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development	Medium
Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Medium
Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	High
Goal 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development	High

Attachment 4: Matrix of Donor Intervention per NIP sector 2017-2020

Donor	Name of Project	Implementing Agency	Duration	Cost
Sector 1: Governance/ Rule of law / Security				
EU	10 th EDF Envelope A Governance Project 2013-2017	Ministry of Finance	5 Years	EUR 13.0 million
UNDP	Governance & Human rights	Ministry of Justice		USD 9.5 million
UNHCR	Refugees & Asylum seekers in The Gambia	Ministry of Interior		USD 0.275 million
Sector 2: Inclusive sustainable growth and job creation				
ADB	The Food and Agriculture Sector Development Project (FASDEP) 2013 - 2018	MoA/FAO	6 Years	USD 26.6 million
ADB/IFAD	National Land and Water Management Development Project (NEMA) 2013 - 2019	MoA	7 Years	USD 64.9 million
EU	Youth Empowerment Project YEP! (Migration & Job creation EU Trust Fund) 2017-2021	Ministry of Trade/ International Trade Centre	4 Years	EUR 11 million
EU	11 th EDF Envelope A Agriculture for economic growth in The Gambia 2017-2020	Ministry of Agriculture/ FAO	4 Years	EUR 13.01 million
EU	11th EDF Envelope-A school meals & disaster risk management in The Gambia 2017 -2020	Ministry of Basic and Secondary Education/ WFP	4 Years	EUR 4.09 million
EU	Building Resilience through Social Transfers (BReST) 2016-2019	Ministry of Health/ National Nutrition Agency (NaNA)/UNICEF	4 Years	EUR 3.0 million
EU	11th EDF Envelope B "Post crisis response to food and nutrition insecurity in The Gambia" 2017-2019	FAO/WFP and UNICEF		EUR 11.4 million
FAO	Community based sustainable Dryland (2016-2019)	FAO/ Ministry of Agriculture/ Water resources	3 Years	USD 3.07 million
FAO	Adopting Agriculture to climate change (2017-2020)	FAO/National Environment Agency	4 Years	USD 6.29 million
IDA/WB	Gambia Growth and Competitive Project	Ministry of Trade		USD 5.0 million
IDB	Enhancing value in the Groundnut Sector	Ministry of Agriculture		USD 2.0 million
IDA/WB	Results for Education Achievements and Development			USD 5.0 million
UNDP	Poverty & inclusive growth		4 Years	USD 14.0 million
UNDP	Environment & Resilience Development			USD 31.5 million

WFP	The home grown and sustainable school meals programme	Ministry of Basic and Secondary Education		USD 2.0 million
World Bank	Result Based Financing for Maternal, Nutrition and Child Health (MNCH) 2014 - 2019	National Nutrition Agency (NaNA)		USD 8.68 million
World Bank	West Africa Agriculture Productivity Program (WAAPP) - 2018	Ministry of Agriculture		USD 12.8 million
World Bank	The Gambia Agricultural Commercialization and Value Chain Management Project (GCAV) 2014-2019	Ministry of Agriculture		USD 15.9 million
Sector 3: Renewable energy / Climate change / Infrastructures				
ADB	Trans-Gambia Corridor Project	Ministry of Transport		USD 20.0 million
ADB	Rural Water Supply Sanitation Project (2012-2018)	Department of Water Resources	6 Years	USD 2.0 million
EU	11 th EDF Envelope A Feeder Roads Project	UNOPS	4 Years	EUR 10.45 million
IDB	Community Based Infrastructure and livelihoods project 2011-2016	GAMWORKS AGENCY	4 Years	USD 10.0 million

Attachment 5: Indicative timetable for commitments

	Indicative allocation (million EUR)	2017	2018	2019	2020
Sector 1: Governance/Rule of law/Security (<i>peace, and prosperity</i>)	70.0	30.0	40.0		
Sector 2: Inclusive sustainable growth and job creation (<i>peace, prosperity, and planet</i>)	23.0	23.0			
Sector 3: Renewable energy/Climate change/Infrastructures (<i>prosperity, people, and planet</i>)	22.0	22.0			
Other measures (support to civil society)	0.0				
B- allocation	0.0				
Support measures	2.0	2.0			
<ul style="list-style-type: none"> Technical Cooperation Facility (TCF) 	1.0	1.0			
<ul style="list-style-type: none"> Support to the National Authorising Officer 	1.0	1.0			

The amounts mentioned in this table are indicative.