

BOARD APPROVAL
Lapse-of-time Procedure
17 September 2018

FOR INFORMATION

MEMORANDUM

TO : THE BOARDS OF DIRECTORS

FROM : Vincent O. NMEHIELLE
Secretary General

SUBJECT : **THE GAMBIA – CLIMATE SMART RURAL WASH DEVELOPMENT PROJECT***

ADF GRANT OF UA 3 MILLION
TSF PILLAR I GRANT OF UA 2.50 MILLION
RWSSI-TF GRANT OF UA 1.69 MILLION

The **Grant Proposals** together with the **Draft Resolutions** were submitted for your **consideration on a Lapse-of-time basis**, on 14 August 2018.

Since **no objection** was recorded by **5.00 pm** on **17 September 2018**, the said Proposals are considered as **approved** and the Resolutions **adopted**.

Attch.

Cc: The President

* Questions on this document should be referred to:

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AFRICAN DEVELOPMENT BANK GROUP



PROJECT: Climate Smart Rural WASH Development Project

COUNTRY: The Gambia

PROJECT APPRAISAL REPORT

Date: August, 2018

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AFRICAN DEVELOPMENT BANK GROUP



THE GAMBIA

CLIMATE SMART RURAL WASH DEVELOPMENT PROJECT

APPRAISAL REPORT

AHWS/RDGW

August 2018

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CURRENCY EQUIVALENTS

March 2018

UA 1.00	=	GMD 68.61 (Gambian Dalasi)
UA 1.00	=	USD 1.45
UA 1.00	=	EUR 1.18
USD 1.00	=	GMD 47.45 (Gambian Dalasi)
EUR 1.00	=	GMD 57.96 (Gambian Dalasi)

Fiscal Year

1 January – 31 December

Weights and Measures

1 metric tonne	=	2204 pounds (lbs)
1 kilogramme (kg)	=	2.200 lbs
1 metre (m)	=	3.28 feet (ft)
1 millimetre (mm)	=	0.03937 inch (“)
1 kilometre (km)	=	0.62 mile
1 hectare (ha)	=	2.471 acres

LIST OF ABBREVIATIONS AND ACRONYMS

ADB/AfDB	African Development Bank	MFWRNAM	Ministry of Fisheries, Water Resources and National Assembly Matters
ADF	African Development Fund		
AF	Adaptation Fund		
AMCOW	African Ministers' Council on Water	MFEA	Ministry of Finance and Economic Affairs
AWPB	Annual Work Plan and Budget		
AUAREM	Aquatic Resources Management	MICS	Multi-Indicator Cluster Survey
AQUAREF	Aquatic Resources Management Fund		
CCAP2	Climate Change Action Plan II (2016-2020)	MTR	Mid Term Review
		MOH	Ministry of Health
CLTS	Community Led Total Sanitation	NAPA	National Adaptation Programme of Action on Climate Change
CSI	Core Sector Indicator		
CSO	Country Status Overview		
CSP	Country Strategy Paper	NDC	Nationally Determined Contribution
EPA	Environmental Protection Agency		
EPHD	Environmental and Public Health Department	NCB	National Competitive Bidding
EIRR	Economic Internal Rate of Return	O&M	Operation and Maintenance
ESIA	Environmental and Social Impact Assessment	NPV	Net Present Value
		NGO	Non-Governmental Organization
ESMP	Environmental and Social Management Plan	O&M	Operation and Maintenance
EU	European Union	PCR	Project Completion Report
FHH	Female Headed Household	PCU	Project Coordinating Unit
FIRR	Financial Internal Rate of Return	PSP	Private Sector Participation
		QPR	Quarterly Progress Report
		RWD	Rural Water Department
		RWSSI-TF	Rural Water Supply and Sanitation Initiative – Trust Fund
GBOS	The Gambia Bureau of Statistics	RWSSP	Rural Water Supply and Sanitation Project
GCF	Green Climate Fund		
GEF	Global Environment Facility	SDG	Sustainable Development Goal
GoTG	Government of The Gambia		
HH	Households	Septage	Partially treated sludge in a septic tank
ICB	International Competitive Bidding		
IPR	Implementation Progress & Results Report	TA	Technical Assistant/Assistance
		UA	AfDB Unit of Account
IsDB	Islamic Development Bank	UNICEF	United Nations Children's Fund
IWRM	Integrated Water Resources Management		
JAS	Joint Assistance Strategy	VDC	Village Development Committee
JfYS	Jobs for Youth Strategy		
JMP	UNICEF-WHO Joint Monitoring Program	VIP	Ventilated Improved Pit Latrine
KAP	Knowledge, Attitudes and Practices		
MA	Municipal Authority	WASH	Water Sanitation and Hygiene
MDG	Millennium Development Goal		
M&E	Monitoring and Evaluation	WB	World Bank
		WHO	World Health Organisation
		VIP	Ventilated Improved Pit Latrine

GRANT INFORMATION

Client's information

BORROWER: Republic of The Gambia
EXECUTING AGENCY: Ministry of Fisheries, Water Resources and National Assembly Matters

Financing plan

Source	Amount (UA million)	Grant Currency (million)	Instrument
ADF	3.00		Grant
Transition Support Facility –Pillar 1	2.50		Grant
RWSSI-TF	1.69	EUR2.0	Grant
Global Environment Facility LDCF	6.21	USD9.00	Grant
Adaptation Fund	6.90	USD10	Grant
Green Climate Fund	6.90	USD10	Grant
GoTG	0.28	-	Counterpart Contribution
Beneficiaries	-	-	Beneficiary Contributions
TOTAL COST	27.25		

ADF's key financing information

Grant currency	Units of Account (UA)
Interest type*	n/a
Interest rate	n/a
Commitment fee*	n/a
Other fees*	n/a
Tenor	n/a
Grace period	n/a
NPV (base case)	USD 2.50 million
EIRR (base case)	17.95%

Timeframe - Main Milestones (expected)

Project approval	June 2018
Effectiveness	September 2018
Project Launching	November 2018
Mid-Term Review	October 2021
Closing Date	June 2023
Last Disbursement	December 2023

PROJECT SUMMARY

1. **Overview:** The Gambia Climate Smart Rural WASH Development Project (CSRWASHDEP) aims to increase access to safe and sustainable water supply, sanitation and hygiene in The Gambia, targeting residents of rural and peri urban communities, and deprived urban communities with poor waste management practices in an environment facing increasing climate change threats of flash flooding and periods of extreme drought¹. The Project is designed to deliver the objectives through an Integrated Water Resources Management (IWRM) approach. The IWRM approach entails coordinated stakeholder interventions to improve the quality of economic and livelihood-driven interaction with nature's water cycle (the *Hydrological Cycle*) in a manner that promotes safe, equitable and sustainable utilisation of the water resources; the approach naturally embeds the need to improve sanitation, and to address the potential climate change impacts. Therefore, the Project interventions are premised on the following key building blocks, thus: (i) providing climate resilient WASH infrastructure, including infrastructure for monitoring the occurrence of water resources; (ii) fostering coordination and active participation of all sector specific and sector relevant agencies/stakeholders in addition to building their capacity for IWRM; (iii) improving beneficiary communities' sanitation & hygiene knowledge, attitudes and practices, as well as enhancing their awareness and adoption of relevant climate change adaptation measures; (iv) promoting beneficiaries' gainful participation in the delivery of WASH services, including nurturing public-private partnerships at the lowest appropriate level; and (vi) introducing livelihood-centred measures to protect and sustain the aquatic environment. The approach will enhance the expected positive impact on environmental health and livelihoods, the overall socio-economic well-being, and sustainability of the WASH services.

2. The Project is estimated to cost UA 27.47 million (GMD 1.8845 billion), of which the ADF contribution is UA 3.00million, TSF-Pillar 1 contribution is UA 2.50million, RWSSI-TF contribution is UA 1.69 million (EUR2.00million), GEF contribution is UA 6.21 million (USD9.00million), GCF contribution is UA 6.90 million (USD 10 million) and AF contribution is UA 6.90 million (USD 10 million). The Government of The Gambia counterpart contribution, estimated at UA280,000, will be in kind and comprised of salaries and value of land for the infrastructure. The project will be implemented over a period of approximately 63 months beginning September 2018.

3. The Project is targeted at the rural and peri-urban areas where over 45% of The Gambia's 1.9 million people live, with coverage of 79.4% but inequitable access to safe water supply, and limited access (40.8%) to improved sanitation compared with national average figures of 86.1% for water supply and 64.9% for sanitation². The Project includes delivery of better waste management services to improve environmental conditions and better protect national water resources in changing climatic conditions, particularly in riverine and coastal communities. An estimated 500,000 people will be direct beneficiaries of the project, contributing to the realisation of SDG 6 (water and sanitation) in particular. Another 400,000 urban and peri-urban/rural growth centers residents will be indirect beneficiaries of the improved environment resulting from the waste management interventions under the Project.

4. **Needs Assessment:** The Gambia's total water withdrawal of about 0.1 km³ per year is less than 1.5 % of the estimated total renewable water resource potential of 6.5 km³ per year. However, the uneven distribution and constraints in water resources development for safe water supply make access difficult for many people in rural and peri urban areas. National safe water coverage in The Gambia is reported to be 86.1% (National Development Plan (2018)), but

¹ *The Gambia's Nationally Determined Contribution (NDC)*

² *GBOS Integrated Household Survey, 2017*

access is inequitable, while only about 40.8% of the rural population has access to improved sanitation despite higher figures reported by WHO/UNICEF JMP (2015 update). Open defecation is prevalent in rural areas. Generally, local councils are unable to cope with the increased waste generation due to population growth, thereby resulting in indiscriminate waste disposal, frequent flooding and prevalence of sanitation related diseases, particularly in the peri-urban sprawl of the capital city, Banjul, and other rural growth centres. Extreme climate events exacerbates the problem thereby perpetuating the poverty cycle. Therefore the delivery of sustainable WASH and waste management infrastructure and services requires immediate attention.

5. **The Bank's added value:** The Bank has had accumulated experience in The Gambia and elsewhere in similar states of transition. The Bank has had the strongest presence in the water and sanitation sector in The Gambia compared with other key development partners during the height of economic hardship and civil disorder. The Bank's on-going and quite successful operation in the sector has been the only major sector intervention in the past five (5) years. The Gambia Country Brief emphasizes the need to improve access to safe water and improved sanitation as one of the key interventions for calming the underlying fragility currents, which is in line with the Bank's TYS-High 5 priority goal of *Improving the quality of life for the people of Africa*. Given the goodwill of the current Government and the Bank's convening power, continued active participation in the sector has the potential to attract additional resources for the sector. The previous involvement calls for the Bank's continued engagement to ensure sustainability of the progress made thus far. Further, the Bank's Climate Change Action Plan II (2016-2020) includes measures to support activities that enhance Nationally Determined Contributions (NDCs) of Regional Member Countries (RMCs). In particular, the Bank aims to increase climate finance mobilization to 40% of total approvals by 2020 including 50% adaptation finance. By funding this project and raising external climate co-finance, the Bank meets both its climate change targets and those of The Gambia's NDC.

6. **Knowledge Management:** The project will assist Government to institutionalise the IWRM approach to providing WASH services. Knowledge will be generated through supervisions, impact studies, Annual Sector Reviews, Mid-Term Review and Project Completion reports. The proposed introduction of appropriate waste-to-energy treatment technology, besides the approach to improving rural household sanitation through micro-credit, as well as the grassroots partnerships with small businesses to improve waste management will provide further insight into enhancing sustainability of WASH services. The lessons learned will benefit The Gambia as well as future Bank operations across the continent. The respective knowledge will be shared at regional sector events such as the Africa Water Week and AfricaSan.

PROJECT RESULTS BASED LOGICAL FRAMEWORK

Country and project name: The Gambia: Climate Smart Rural WASH Development Project
Purpose of the project: To improve the socio-economic and environmental conditions of the rural and peri-urban population through improved access to sustainable WASH infrastructure and services in The Gambia.

RESULTS CHAIN		PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/MITIGATION MEASURES
		Indicator (including CSI)	Baseline	Target 2023		
IMPACT	1. Improved socio-economic well-being and health standards of the rural and peri urban population.	1.1 % population below income poverty line. 1.2 Under-5 mortality rate, per 1000 live births*.	1.1 27.9% (2010) 1.1 62 (2016)	< 15% (2035) < 50 (2030)	Gambia Bureau of Statistics AfDB - Africa Information Highway	Risk: Inadequate access to climate financing. Mitigation: Sustained facilitative and collaborative roles by Government and Bank to ensure adequate climate financing.
	2.1 Increased access to climate smart and sustainable water supply and sanitation infrastructure and services, and hygiene in rural and peri urban areas.	2.1.1 Increase in % of population with access to improved sanitation services incl. hand-washing with soap & water (>50% women) 2.1.2 Increase % of population (>50women) with access to improved water supply 2.1.3 Improved functionality of water supply points 2.1.4 % reduction in quantity of greenhouse gas emission	2.1.1 1.0 million 2.1.2 1.0 million 2.1.3 60% 2.1.4 0% (2018)	2% 17% 80% 80%	IPRs Annual Sector Performance reports JMP Reports MICSV	Risk: High investment and O&M costs of HH sanitation technologies may negatively impact on demand. Mitigation: Innovative & cost effective technologies to be promoted, together with adequate social marketing at community level; and user feedback mechanisms to address any user complaints or potentially adverse impacts.
2. OUTCOMES	2.2 Sector performance and management strengthened	2.2.1 Sector M&E Strengthened, and performance data availability and reliability at national & local level 2.2.2 % increase in rural WASH sub-sector investments 2.2.3 Annual Joint Sector Reviews held	2.2.1 not available 2.2.2 n/a 2.2.3 None	2.2.1 Annual SPRs 2.2.2 40% 2.2.3 beginning in 2019	Annual SPRs National Budget ASR Proceedings Project IPRs & QPRs Impact Ass. Reports	Risk: Failure by the beneficiaries and VDCs to ensure sustainable O&M of WASH facilities.
	2.3: Improved incomes and wellbeing of the rural and peri-urban population.	2.3.1 Number of direct (temporary & permanent) jobs created (>30% women/40% youth) 2.3.2 % increase in number of employed Youth active in WASH (>40% young women). 2.3.2 Better managed SDF providing products for the WASH sector	2.3.1 n/a 2.3.2 60 2.3.2 nil	(1200 & 350) 20% 100 Ha. Microfinance Avail	IPRs & QPRs Impact Assessment Reports SDF Audit Reports	Mitigation: Support for a sustainable PPP arrangement for O&M of WASH infrastructure, and empowerment of the rural and peri urban population through improvement of their livelihoods to ensure adequate O&M.
3 OUTPUTS	Component 1: WASH Infrastructure	1.1.1 Additional number (&Wattage)of solar powered borehole water supply systems with climate informed design installed, equipped with storage tank, street taps/house connections, livestock watering facilities 1.1.2 Additional length of water supply pipelines laid 1.1.3 additional number of hand pumped boreholes constructed 1.1.4 Number of rain water harvesting systems installed in schools 1.1.5 Number of Site Specific ESMPs developed and implemented	1.1.1 n/a 1.1.2 Nil 1.1.3 Nil 1.1.4 Nil 1.1.5 N/A	40 (& 4,500W) 270 km 60 (2023) 40 (2023) 40 (20203)	Progress Reports MoFWRNAM/RWS D Reports	Risk: Undue influence leading to inappropriate selection of target communities and beneficiaries of interventions for enhanced livelihood. Mitigation: clearly define targeting mechanisms at appraisal; water Point Map to be prepared early enough to facilitate monitoring and relevant dialogue by Bank's supervision missions.
	1.1 Climate Resilient water supply infrastructure provided in rural and peri urban areas 1.2. Sanitation and hygiene facilities provided in rural and peri urban areas 1.3 Waste collection treatment and disposal facilities installed	1.2.1 Number of household sanitation facilities; of which >30% in FHH. 1.2.2 Number of gender disaggregated sanitation and hygiene facilities constructed in public places such as schools, clinics, markets. 1.3.1 Number of municipal level waste-to-energy treatment plants 1.3.2 Number of improved municipal level waste collection centres 1.3.3 Number of well managed waste dump sites	1.2.1 Nil 1.2.2 Nil 1.3.1 Nil 1.3.2 Nil 1.3.3 Nil	500 (2023) 224 (2023) 1@200kW (2023) 20 2 (2023)		

	<p>Component 2: National Capacity Enhancement for Sustainable WASH Services Delivery</p> <p>2.1 Enhanced Institutional Capacity for Adaptation and Water Resources Monitoring</p> <p>2.2 Hard and Soft Tools/amenities developed and disseminated to enable effective sector management coordination and performance.</p> <p>2.3 National and Local level stakeholders & beneficiaries trained</p> <p>2.4 Capacity for improved Sanitation and Hygiene Practices Enhanced</p>	<p>2.1.1 No. of Observation Wells drilled & installed with monitoring eqpt.</p> <p>2.1.2 No. of gauging stations equipped with GSM based data relay equipment</p> <p>2.1.3 Groundwater Map developed</p> <p>2.1.4 Flood map for The Gambia developed</p> <p>2.2.1 National Rural Water Program and Investment Plan</p> <p>2.2.2 The Gambia WASH Map</p> <p>2.2.3 Web-based M&E system with appropriate user interfaces</p> <p>2.2.4 Area of Rehabilitated and New Office Space</p> <p>2.3.1 # of RWSD professional/technical staff trained (including interns), of which >30% are women.</p> <p>2.3.2 Additional # of WASH committees established and trained (30% FH)</p> <p>2.3.3 Number of schools with irrigation demonstration provided for the school gardens</p> <p>2.3.4 Number of teachers trained on climate change & basic irrigation practices, 50% being female.</p> <p>2.4.1 Approved # of household/individual loans/credit for Household toilets</p> <p>2.4.2 Additional # of ODF communities 50% female.</p>	<p>2.1.1 38</p> <p>2.1.2 Nil</p> <p>2.1.3 n/a.</p> <p>2.1.4 n/a</p> <p>2.2.1 n/a</p> <p>2.2.2 none</p> <p>2.2.3 Nil</p> <p>2.2.4 n/a</p> <p>2.3.1 n/a</p> <p>2.3.2 Nil</p> <p>2.3.3 Nil</p> <p>2.3.4 Nil</p> <p>2.4.1 n/a</p> <p>2.4.2 n/a</p>	<p>50 by 2020</p> <p>58 by 2020</p> <p>Map by 2020</p> <p>Available by 2020</p> <p>Done by 2019</p> <p>Map by 2019</p> <p>Functional (2020)</p> <p>625 Sq.m. (2019)</p> <p>45 (15)</p> <p>170 (2023)</p> <p>20 (2023)</p> <p>200, 50% female (2023)</p> <p>500 (2023)</p> <p>170 (2021)</p>	<p>Project IPRs & QPRs</p> <p>Minutes of Meetings</p> <p>Proceedings of Annual Sector Reviews</p> <p>Supervision Mission Aide-Memoires</p> <p>Project MTR & PCR</p> <p>Social Development Fund (SDF) Reports including Audit reports</p>	<p>Risk: Weak implementation capacity in RWSD and MDFTs/VDCs leading to implementation delays.</p> <p>Mitigation: Project to strengthen RWSD and MDFTs/VDCs with appropriate staffing, provision of TA and logistical support, and training of relevant staff.</p> <p>Risk: Innovative and green technologies for organic waste re-use and food processing not adequately applied due to low social acceptance and unclear markets for end-products.</p> <p>Mitigation: Timely engagement with regulatory agencies and potential beneficiaries on applicable technologies and development of certification and licensing procedures and marketing strategies for end products.</p>
	<p>Component 3: Water Resources Management for Improved Livelihoods</p> <p>3.1 Livelihood-centred tools and amenities developed for climate change adapted water and waste management.</p> <p>3.2 Micro & Small Enterprises (MSEs) Capacity created for Sustainable Aquatic Environment Management</p>	<p>3.1.1 Number of waste transportation vehicles provided through SDF</p> <p>3.1.2 Number of additional municipal waste composting facilities</p> <p>3.1.3 Additional quantity of compost produced/sold (tons/year)</p> <p>3.1.4 Aquatic environment friendly fish processing/storage facilities installed with SDF financing.</p> <p>3.2.1 # of Youth (60% Female) who attended SQUAREM training</p> <p>3.2.2 Aquatic Resources SME Fund (AQUAREF) established at SDF (50% allocated to women)</p>	<p>3.1.1 Nil</p> <p>3.1.2 One (1)</p> <p>3.1.3 zero</p> <p>3.1.4 Wood fuel - based</p> <p>3.2.1 n/a</p> <p>3.2. n/a</p>	<p>20 (2023)</p> <p>3 (2023)</p> <p>3,000ton</p> <p>110/70 Solar – based by 2022</p> <p>200 by 2021</p> <p>Fund by 2018</p>	<p>Project IPRs & QPRs</p> <p>AWPB & PP approval letters</p> <p>Supervision Aide Memoires</p> <p>Audit Reports</p> <p>MTR</p> <p>PCR</p>	
	<p>Component 4: Project Management Efficiently and Effectively Managed Project</p>	<p>4.1 Annual Work Plan and Budget & Procurement Plans prepared and approved, before end of each year.</p> <p>4.2 # Quarterly Progress Reports submitted within 2 weeks after end of quarter.</p> <p>4.3 Annual Audit Reports submitted within one month after end of each year</p> <p>4.4 MTR undertaken within third year of implementation</p> <p>4.5 PCR prepared within one month after completion.</p>	<p>4.2 n/a</p> <p>4.3 n/a</p> <p>4.4 n/a</p> <p>4.5 n/a</p> <p>4.6 n/a</p>	<p>(2022)</p> <p>November @ year</p> <p>19 by end of 2022</p> <p>6 by end of 2023</p> <p>MTR Report, 2021</p> <p>PCR, June 2023</p>	<p>Project IPRs & QPRs</p> <p>AWPB & PP approval letters</p> <p>Supervision Aide Memoires</p> <p>Audit Reports</p> <p>MTR</p> <p>PCR</p>	
		COMPONENTS			INPUTS	
				Source	Amount	
4. KEY ACTIVITIES	1. WASH Infrastructure: Construction of household, communal and institutional water supply and sanitation facilities, and municipal level waste treatment and disposal facilities.			ADF Grant	UA 3.0 million	
	2. Capacity Enhancement for IWRM and Related Services: Institutional strengthening of national and local level entities, staff training and logistical support for improved operational performance; development of inclusion and gender framework; establishment of sector M&E systems and mechanisms/structures for sector coordination, learning and information sharing; production and dissemination of WASH related IWRM and climate change knowledge products; establishment and management of Sanitation Fund; baseline and end line surveys, social marketing and behavioural change campaigns.			TSF-Pillar 1 RWSSI-TF GEF Grant GCF Grant	UA 2.5 million UA 1.69 million (EUR 2.0million) UA 6.21 million (USD 9.0 million) UA 6.90million (USD 10.0 million)	

	3. Water Resources Management for Improved Livelihoods: Preparation of general flood map; implementation of climate change mitigating measures, including improved waste collection and material recovery at fish landing sites, peri urban as well as other rural growth centres; compost production and patronage; MSME skills development including youth and women; establishment of revolving fund in support of aquatic environmental management SME ventures, including non-wood harvesting.	AF Grant GoTG (in Kind)	UA 6.90 million (USD 10.0 million) UA 0.28 million (GMD 18.58 million)
		TOTAL	UA 27.47 million

** Under five mortality is a proxy indicator for WASH and environmental improvements as such improvements significantly contribute to reduce water and sanitation related diseases like malaria and diarrheal diseases.*

PROJECT TIMEFRAME

SN	Key Project Activity	2018				2019				2020				2021				2022				2023			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	Board Approval		◇	16/05																					
2	Publication of GPN		◇	24/05																					
3	Signing of Loan Agreement			◇																					
4	Effectiveness																								
5	Project Launch																								
6	Climate Smart WASH Infrastructure																								
	<i>Procurement of Engineering Services</i>																								
7	<i>Engineering Services - Geophysics, Design & Supervision (Water Supply)</i>																								
8	<i>Engineering Services - Design & Supervision (Sanitation Facilities)</i>																								
9	<i>Engineering Services - Design & Supervision (Recyc./Composting/Landfill)</i>																								
10	<i>Borehole Drilling</i>																								
	<i>Procurement of Works Contractors</i>																								
11	<i>Civil Works - Water Supply Solar Pumping Systems, Dug Wells, etc.</i>																								
12	<i>Civil Works - HH & Institutional Sanitation Facilities</i>																								
13	<i>Civil Works -Treatment Facilities (Recyc./Compost./Landfill/W2E (Turnkey)</i>																								
14	<i>Civil Works - Office Rehabilitation and Expansion</i>																								
15	Capacity Enhancement for Sustainable WASH Services Delivery																								
16	<i>Goods (Soft and Hardware)</i>																								
17	<i>Capacity Building and Training</i>																								
18	<i>Community Sensitization and Hygiene Promotion</i>																								
19	<i>Establishment of School Irrigation Demonstration Farms</i>																								
20	<i>Establishment/Operationalization of Sanitation Revolving Fund</i>																								
21	Water Resources Management for Improved Livelihoods																								
22	<i>Establishment of Aquatic Resources SME Fund (AquaREF)</i>																								
23	<i>Goods(Vehicles, Skips,etc.)</i>																								
24	<i>Civil Works - Communal Collection Centres & Composting Facilities</i>																								
25	<i>Development of Compost Promotion and Marketing Strategy</i>																								
26	<i>SME/Youth Environ. & Business Management, Vocational Training</i>																								
	Project and Knowledge Management																								
27	<i>PCU Staff and TA Recruitment</i>																								
28	<i>PCU Management and Coordination</i>																								
29	<i>TA for Engineering, Management and Training</i>																								
30	<i>Mid Term Review</i>																								
31	<i>Audit</i>																								
32	<i>Project Completion</i>																								

REPORT AND RECOMMENDATION OF THE MANAGEMENT OF THE ADB GROUP TO THE BOARD OF DIRECTORS ON A PROPOSED LOAN TO THE GAMBIA FOR THE CLIMATE SMART RURAL WATER, SANITATION AND HYGIENE DEVELOPMENT PROJECT

Management submits the following Report and Recommendation on a proposed ADF Grant of UA 3.0 million, TSF-Pillar 1 Grant of UA 2.5 million, RWSSI-TF Grant of UA 1.69 million (EUR 2.0 million), in addition to GEF co-financing of UA 6.21million (USD 9.00 million), GCF co-financing of UA 6.90 million (USD 10 million) and AF co-financing of UA 6.9 million (USD6.90 million) to the Republic of The Gambia to finance the Climate Smart Rural Water, Sanitation and Hygiene Development Project.

I – STRATEGIC THRUST & RATIONALE

1.1. Project linkages with country strategy and objectives

1.1.1 The draft National Development Plan (NDP) (2018 – 2021) provides the framework for implementing Government’s development agenda. The Goal of the NDP is to deliver good governance and accountability, social cohesion, and national reconciliation and a revitalized and transformed economy for the wellbeing of all Gambians. Governance and economic management, agriculture modernization, human capital development, infrastructure & energy, tourism, gender equality, youth empowerment as well as private sector development constitute the strategic priorities of the NDP.

1.1.2 The NDP defines the water and sanitation sector goal as “Improved, Equitable Access to Safe and Affordable Water and Sanitation, Good Hygiene Practices, and Environmental Protection Promoted for All”; and recommends three (3) key measures to improve the quality of life of Gambians as: (a) increased resource mobilization through donors and public private partnerships to construct and upgrade water supply and environmental sanitation infrastructure to improve access and enhance public health; (b) strengthening of community structures for effective maintenance and management of facilities; and (c) strengthening of social and behavioural change communication through sensitization campaigns.

1.1.3 In line with the NDP (2018 – 2023), the Bank’s Country Brief (CB) (2017-2019), a successor of JAS II (2015-2017), provides the short term operational framework for Bank’s development assistance with emphasis on macro-economic stabilization and transformation, improved governance and economic management. Priority areas of intervention include energy, infrastructure, governance and finance. The CB recognises Water, Sanitation and Hygiene (WASH) as a critical area of intervention for improved health and socio- economic outcomes for the population in The Gambia. The proposed project is an integral part of the CB development assistance program and takes into account existing national policies & strategies such as the Water Policy (2006), Sanitation Policy (2015-2020), NAPA, and Agricultural Policy in addition to the SDGs, particularly SDG 6 on water and sanitation.

1.1.4 The proposed project is also in line with the Bank Group’s High Five priorities by improving the quality of life of the people of The Gambia, and to an extent electrifying Africa through provision of waste-to-energy infrastructure and solar power for water systems. It contributes to the Ten Year Strategy, particularly the pillars on infrastructure and governance, and takes into account the twin objectives of inclusive and green growth, and emphasises cross cutting issues such as gender equality and private sector participation. It also conforms to the

Bank's Water Resources Management, Human Capital, Urban Development Strategy and the Gender Strategy 2014-18.

1.2. Rationale for Bank's involvement

1.2.1 The Gambia is among the least water stressed countries in the world as total water withdrawal is less than 1.5 % of the total renewable water resources potential of 6.5km³ per year. However, uneven distribution of fresh sources and constraints in water resources development and management of safe drinking water make access difficult for many segments of the population, especially those in the rural areas who often rely on unsafe water sources. The JMP (2015 update) figures suggest that the country met its MDG targets for the sector. Reportedly, access to potable water is a little over 86.1% (NDP, 2018) while access to improved sanitation is about 64.9% (2016) across The Gambia. Open defecation is prevalent in rural areas, and most communities in the peri-urban areas are not able to provide sanitation facilities for their household use thereby contributing to high prevalence of preventable WASH-related diarrhoeal diseases. Per capita waste generation is above the capacity of the municipal councils in the peri-urban/rural growth centres resulting in severe challenges in waste management and high vulnerabilities among communities.

1.2.2 According to the NDP, water and sanitation services are unable to keep pace with demand as a result of the high population growth rate and increasing rate of urbanization. Sector specific challenges include poor operation and maintenance practices, inadequate investments, lack of qualified staff and poor coordination, and low hygiene and sanitation practices. The proposed project seeks to address these challenges, and contributes to bridge the financing gap towards attaining the SDGs, given that Government has not been able to meet the sector investment requirements of about USD 14 million to meet the 2015 MDG targets for improved rural water supply and sanitation (AMCOW Country Status Overview for The Gambia, 2010). This is also in line with The Gambia's Nationally Determined Contribution (NDC) ratified on 7th November 2016 and became effective on 10th December 2016. The NDC under its climate adaptation targets underscores waste management, particularly in the Brikama and greater Banjul areas.

1.2.3 Climate Change events have had an adverse impact on the aquatic environment and WASH sector in The Gambia. Such climate variability is being translated into negative impacts on drinking water availability and quality, besides exacerbating the risks associated with lack of access to improved sanitation, including faecal and solid waste management. The proposed project provides opportunity to adopt the necessary climate change mitigation and adaptation measures including limiting the use of fossil fuels as a source of power in the delivery of water and sanitation services.

1.2.4 Given the large proportion of unemployed youth, particularly in rural areas where women are poor and sometimes marginalized, the proposed project provides opportunity for youth employment and women economic empowerment and will result in reduction in the current drudgery that women and children go through to provide water for their families. The proposed project also supports and builds on the existing arrangements for decentralised local governance to foster institutional sustainability. Meeting such needs is considered paramount in Government effort to improve sector performance towards achieving inclusive and green growth.

1.2.5 The Bank has had accumulated experience and the strongest presence in the water and sanitation sector in The Gambia compared with other key development partners during the

period of economic hardship and civil disorder. The Bank's on-going operation in the sector has been the only major sector intervention in the past five (5) years. The CB emphasizes the need to improve access to safe water and improved sanitation as one of the key interventions for calming the underlying fragility currents. Given the goodwill of the current Government and the Bank's convening power, continued active participation in the sector has the potential to attract additional resources for sector financing. The previous involvement calls for the Bank's continued engagement to ensure sustainability of the progress made thus far.

1.2.6 The Bank's Climate Change Action Plan II (2016-2020) aims to support Regional Member Countries (RMCs) to implement their Nationally Determined Countries (NDCs). The CCAP2 outlines the Bank's target to scale up climate finance to 40% of total approvals by 2020; 50% as adaptation finance. The Gambia Climate Smart WASH project contributes to the Bank's climate finance target as well as The Gambia NDC adaptation targets.

1.3. Donors' coordination

Sector or subsector*	Size		
	GDP	Exports	Labor Force
Water & Sanitation	ND	N/A	ND
Players - Public Annual Expenditure 2006-2016**			
	Government	Donors	
US\$	1.5 m	32.2 m	<i>JICA</i> 37 %
%	4 %	96 %	<i>IsDB</i> 11 %
			<i>AfDB</i> 9 %
			<i>EC</i> 23 %
			<i>UN</i> 3 %
			<i>Others</i> 1 %
Level of Donor Coordination			
	Existence of Thematic Working Groups		No
	Existence of SWAPs or Integrated Sector Approaches		No
	ADB's Involvement in donors coordination***		None

* as most appropriate ** Years [yy1 to yy2] *** L: leader, M: member, None: no involvement

1.3.1 The Gambia is a signatory to the Paris Declaration on Aid Effectiveness, and most external partners aligned their assistance with country objectives as presented in the Programme for Accelerated Growth and Employment (PAGE) which ended in 2015. Besides the close cooperation between the AfDB and the WBG on the expired JAS-I and II, donor harmonization is only advanced in the education sector. Sector coordination groups are not necessarily active. However, the current macro-economic situation and related prospects have supported revival of the budget support group comprising the AfDB, EU, IMF and the WBG. The AfDB coordinates with IFAD in the agriculture sector.

1.3.2 According to the Aid Bulletin of the Gambia, July 2016, there has been sharp decline of development partner activities since 2014. In addition to the AfDB, major sector development partners have included the Islamic Development Bank, EU, DFID, OPEC, UNDP, IFAD, UN Agencies, Taiwan China, and JICA. Between 2002 and 2012, the IsDB, EU, JICA, the Saudi Arabia Government and UNDESA contributed a little over USD 41 million, averaging about USD 4 million per year as investments in rural water supply and sanitation. However, since 2014, there has been a sharp decline of development partner

activities (Aid Bulletin of The Gambia, July 2016). Only three donors (AfDB, IsDB and EU) disbursed funds to the sector between 2012 and 2015. Since then, apart from the AfDB that has recently completed sector investments amounting to about USD 2 million per year, there are no other major development partners active in the rural WASH sub-sector, except UNICEF which is about to launch their 5-year country program (USD 1.0 million per year) that will focus on nutrition, maternal and child health, with little emphasis on WASH in public health facilities. There are ongoing UN led GEF-LDCF and GCF financed climate change adaptation activities focusing on restoration of the natural environment and development of early warning systems.

II – PROJECT DESCRIPTION

2.1. Project objectives

2.1.1 The overall goal of the project is to contribute to the National Development Plan- water sector goal of “*improved equitable access to safe and affordable water supply and sanitation, good hygiene practices and environmental protection promoted for all*”. The specific objectives of the proposed project are to: (i) increase sustainable access to safe water by 17% and access to safely managed sanitation by 2%; (ii) enhance services delivery capacity in the sector; and (iii) improve livelihoods through nurturing safe water and sanitation services related opportunities for women and youth employment. The project is designed to achieve the objectives through well-coordinated stakeholder interventions aimed at improving the quality of economic and livelihood-driven interaction with nature’s water cycle (the *Hydrological Cycle*) in a manner that promotes safe, equitable and sustainable utilisation of the water resources while paying due attention to related climate change impact adaptation.

2.2. Project components

2.2.1 The foregoing climate-smart Integrated Water Resources Management (IWRM) approach has guided structuring of the project interventions on the basis of the following key building blocks: (i) providing basic WASH infrastructure, and using solar energy as the source of power in delivering water and sanitation services and for water resources monitoring; (ii) fostering coordination and active participation of all sector specific and sector relevant agencies/stakeholders in addition to supporting relevant human resources development; (iii) developing management tools and information systems for effective and sustainable development and monitoring of water resources in a climate change context; (iv) improving beneficiary communities sanitation & hygiene knowledge, attitudes and practices, as well as enhancing their awareness and adoption of relevant climate change adaptation measures; (v) Generating power from waste, and promoting youth and women engagement in income generating waste management activities such as recycling of household waste for re-use in agriculture, crafts industry and for cooking fuel;(vi) Livelihood-centred measures to protect and sustain the aquatic environment through improving the practices of agriculture and fisheries value chains actors; as well as (vii) facilitating public-private partnerships in the delivery of WASH services.

2.2.2 The interventions are also focused on complementing previous and on-going initiatives supported by other development partners, including UNICEF/GWP Strategic Framework for development of climate resilient WASH infrastructure in The Gambia and GCF-UNEP project. The project components presented in Table 2.1 are described in detail in Technical Annexes B2 and C.

Table 2.1: Project Components

	Component	Estimated cost (UA)	Component description
1	Climate Smart Water Supply and Sanitation Infrastructure	ADF 1.11m RWSSSI 0.46m GEF 6.21m AF 6.90m GCF 3.65m GoG 0.06 Total 18.38m	<ul style="list-style-type: none"> ▪ Construction of 40 solar powered climate informed design water supply systems in rural and peri-urban communities. ▪ Construction of 224 on-site public sanitation facilities including gender and disability friendly innovative public health units and school WASH facilities, and demonstration units for household toilets. ▪ Rainwater harvesting systems in 40 schools. ▪ Construction of one (1) 200kW power-generating waste treatment infrastructure (waste-to-energy).
2	Capacity Enhancement for Sustainable Services Delivery	ADF 0.40m TSF-Pillar 1 2.50m RWSSI 1.23m GCF 1.62m Total 5.75m	<ul style="list-style-type: none"> ▪ Establishment of the Rural Water Supply and Sanitation Department (RWSD) including office building. ▪ Institutional strengthening for climate adaptation and water resources monitoring as well as for effective sector coordination and performance through provision of tools and amenities, including development of the National WASH Program & Investment Plan, Groundwater & Flood mapping as well as hydro-meteorological equipment, and Web-based sector M&E system. ▪ Enhancement of the capacity for improved sanitation and hygiene practices at the local level through baseline and KAP studies, development of gender sensitive training and promotional material for health and climate resilience; and demand creation for household sanitation facilities through sanitation marketing, and behavioural change campaigns targeting women & youth, as well as the Under 5yr. ▪ Development of inclusion and gender framework ▪ Training of national and local level stakeholders & beneficiaries to improve practices in hygiene sanitation, water resources management and climate adaptation. ▪ Training of school teachers and children to improve their knowledge and skills in irrigation and climate change adaptation, with relevant linkage to nutrition. ▪ Provision and Installation of Irrigation kits in school gardens for promoting irrigation knowledge and practice. ▪ Establishment of sanitation revolving fund to be managed by The Gambia Social Development Fund (SDF) to provide microcredits to increase the uptake of appropriate household sanitation. ▪ Support for participation in study tours and conferences, documentation and sharing of project specific experiences. ▪ Knowledge products including operational standards and guidelines. ▪ Technical/Vocational training of Water and Sanitation Artisans. ▪ Strengthening partnership with local transport operators (<i>Gambia Transport Union – Tippers Garage & Cesspit emptier Association</i>) to sustainably improve solid and liquid waste collection services. ▪ Project related work experience for 15 Interns. ▪ Technical Assistance and Advisory Services
3	Water Resources Management for Improved Livelihood	GCF 1.63	<ul style="list-style-type: none"> ▪ Sustainable practices & entrepreneurship training for micro-enterprises/youth & women groups whose livelihood is/can be derived from water resources management related activities including fisheries and agricultural value chain activities, and waste recycling & re-use ▪ Establishment of Aquatic Resources SME Revolving Fund (AQUAREF) at SDF to facilitate financial inclusion and improved livelihoods for youth and women. The Fund proceeds shall finance (i) micro-enterprises involved in the waste transportation and waste re-use; and (iii) income generating activities of fisheries and agricultural value chain primary actors within the context of aquatic environment sustainability and as a means for strengthening climate adaptation capacity. ▪ Technical assistance to SDF for the fund setup and operations.

	Component	Estimated cost (UA)	Component description
	Water Resources Management for Improved Livelihood		<ul style="list-style-type: none"> ▪ Construction of 20 communal waste collection/materials recovery facilities; Improvement of two (2) waste dump sites ▪ Revolving fund to facilitate local transport associations to acquire vehicles for collection in partnership with the councils – project seed fund for at least 20 vehicles managed by SDF. ▪ Support for evacuation of existing waste heaps and restoration of regular flow of streams by dredging of waste dump obstructions. ▪ Provision of two (2) additional organic compost production facilities.
4	Project Management	ADF 1.50m GoG 0.21m Total 1.71m	<ul style="list-style-type: none"> ▪ Technical Assistance for project implementation ▪ ESMF/ESMP Implementation and Monitoring ▪ Project Monitoring & Evaluation, including MTR & PCR ▪ Annual Financial Audits ▪ General Project Operations & Logistics

2.2.3 The selected key technologies, such as the use of solar power for water pumping, have been adopted by previous projects in the Gambia and West Africa in general, with minimal and affordable operation and maintenance costs, thereby ensuring sustainability. The project will also support decentralized planning and decision making at the local level, thereby maximizing the benefit at the lowest most appropriate levels.

2.2.4 The approach to improve waste management by intervening along the entire value chain from collection and treatment through the utilisation of both solid and liquid waste to produce energy for the national grid, in addition to extensively and intensively promoting sorting of domestic waste for reuse of organic and non-organic fractions, such as for compost production and recycling of plastics, complement ongoing interventions supported by NGOs and the Area Councils. The innovation to establish a credit fund to enable local transport associations to acquire dual purpose transportation vehicles to service waste haulage on one part, instead of providing the vehicles directly to the local councils, is expected to strengthen the current partnership of the councils with the transport associations and guarantee sustainability of the waste haulage/transportation establishment.

2.3. *Technical solution retained and other alternatives explored*

2.3.1 Technical solutions that have been considered and retained are based on their consistency with the revised National Development Plan (2017 – 2021) and related Sector Strategies and Action Plans, and also derive from lessons learnt in implementing pilot initiatives in The Gambia and elsewhere. The solutions also consider Government effort to improve access to sound environmental health and sanitation services, coupled with economic empowerment and improved livelihoods as means to improve the well-being of rural and peri-urban people. Alternative solutions explored but not retained are presented in Table 2.2.

Table 2.2: *Project alternatives considered and reasons for rejection*

Alternative	Brief description	Reasons for rejection
Water supply and excreta management in rural and peri urban areas	Improved water supply services for residents of communities in rural and peri urban areas based on Government request to scale-up recent interventions in such areas, and to complement water supply improvements in urban communities	<ul style="list-style-type: none"> ▪ Traditional approach with limited focus on water and sanitation infrastructure without integration of environmental sanitation to improve environmental health, protect aquatic environment and maximize benefits. ▪ Does not provide opportunity to improve livelihoods through job creation compared to the IWRM approach which is consistent with

Alternative	Brief description	Reasons for rejection
	serviced by national water utility company (NAWEC).	the recommendations of the independent evaluation of the water sector operations. <ul style="list-style-type: none"> Comparatively fewer poor people benefit.
Creation of enabling environment for private sector investment in infrastructure through sector wide institutional support	Invest in sector reforms, including improvement of the policy and regulatory environment and strengthening of public institutions to play their facilitative roles; while the private sector players are supported through training and incentives to make the necessary WASH infrastructure investments.	<ul style="list-style-type: none"> High risks, including delayed investments and subsequent prolongation of transition. Requires subsidies for the private sector to cover particularly vulnerable communities which may not be necessarily attractive to the private sector investment, hence a risk to emergency from fragility. Inherent focus on profit without duly addressing the attendant environmental risks for which oversight capacity from the public sector is still limited.

2.4. Project type

2.4.1 A standalone project approach is adopted given that the national program for the sector has not yet been developed. Moreover there is limited intervention on part other potential sector development partners, and basket funding could also not be considered in the current circumstances of limited local presence and absence of a partner coordination forum. The project design provides for nurturing coordination among national sector stakeholders and sector development partners.

2.5. Project cost and financing arrangements

2.5.1 The total cost of the Project, net of taxes and duties, is estimated at UA 27.47 million (GMD 1,884.50 million), of which 63% is foreign currency and 27% is local currency. The cost estimates are derived from preparatory studies and costs of similar projects financed by the AfDB and others in The Gambia in recent past. The estimates take into account provision of 9% physical contingency and 11% price contingency. The project cost details are presented in Annex C5

Table 2.3: Project cost estimates by component

Component	GMD million			UA million			% Foreign
	Foreign	Local	Total	Foreign	Local	Total	
1. WASH Infrastructure	781.41	231.39	1,012.80	11.39	3.37	14.76	77
2. National Capacity Enhancement for Sustainable WASH Services Delivery	184.87	145.73	330.60	2.69	2.12	4.82	56
3. Water Resources Management for Improved Livelihoods	80.27	22.95	103.23	1.17	0.33	1.50	78
4. Project Management	-	111.92	111.92	-	1.63	1.63	-
Total Base Cost	1,046.55	511.99	1,558.54	15.25	7.46	22.72	67
Physical Contingency (9%)	111.76	35.72	147.48	1.63	0.52	2.15	76
Price Contingency (11%)	27.34	151.14	178.48	0.40	2.25	2.60	15
Total Project Cost	1,185.65	698.85	1,884.50	17.28	10.19	27.47	63

2.5.2 The cost of the Project will be financed by the ADF, TSF-Pillar 1, RWSSI-TF, GEF, GCF, AF, and GoTG. The Bank will provide ADF, TSF-Pillar 1 and RWSSI-TF grants of UA 7.19 million (GMD 493.31 million) which represent 26 % of the total costs, in addition to being

the implementing entity for GEF, GCF and AF grant financing estimated at UA 20 million (GMD 1,372.19 million) representing 72 % of the total costs. GoTG will contribute the equivalent of UA 280,000 (GMD 145,000 million) of the total costs. GEF, GCF and AF resources are programmed to come on stream after June 2019 when the respective approval formalities are expected to be completed. Details of the project cost estimates are presented in Technical Annex C5.

2.5.3 In accordance with the Bank's policy on expenditure eligibility for Bank Group financing, the Government contribution in kind of less than 10% of the project cost takes into account: (i) Gambia's commitment to implement its overall development program as evidenced by the recent launch of the National Development Plan 2018 - 2021; (ii) Gambia's budget situation and high public debt at 124% of GDP (2018 National Budget); and (iii) the enhanced commitment to the WASH sector as evidenced by the increase in allocation of resources to over 1% of GDP in 2018 from 0.01% in the previous three years.

Table 2.4: Sources of financing

Source	GMD (million)			UA (million)			% Total
	Foreign	Local	Total	Foreign	Local	Total	
1. ADF Grant	96.21	98.36	194.56	0.90	2.10	3.00	11%
2. Transition Support Facility -I	81.52	89.90	171.42	0.87	1.63	2.50	9%
3. RWSSI Trust Fund	72.91	46.12	119.03	1.00	0.69	1.69	6%
4. GEF- LDCF	365.02	59.62	424.64	4.55	1.66	6.21	23%
5. Adaptation Fund	394.90	64.53	459.43	5.04	1.85	6.90	25%
6. Green Climate Fund	229.90	161.76	391.66	4.93	1.96	6.90	25%
7. Government counterpart	-	19.00	19.00	0.00	0.28	0.28	1%
Total Project Cost	1,185.65	698.85	1,884.50	17.28	10.19	27.47	100%

Table 2.5: Project cost by category of expenditure [in million]

Category	GMD (million)			UA (million)			% Base Costs
	Foreign	Local	Total	Foreign	Local	Total	
1. Works	778.36	224.79	1,003.15	11.34	3.28	14.62	64
2. Goods	9.38	0.68	10.06	0.14	0.01	0.15	1
3. Services	177.85	179.65	357.50	2.59	2.62	5.21	23
4. Operating Costs	-	91.32	91.32	-	1.33	1.33	6
5. The Gambia SDF	80.96	15.55	96.51	1.18	0.23	1.41	6
Total Base Cost	1,046.55	511.99	1,558.54	15.25	7.46	22.72	100
Physical Contingency	111.76	35.72	147.48	1.63	0.52	2.15	9
Price Contingency	27.34	151.14	178.48	0.40	2.20	2.60	11
Total Project Cost	1,185.65	698.95	1,884.50	17.28	10.19	27.47	

Table 2.6: Project cost by category of expenditure [in million]

Source of Finance	Category					Total Project Costs
	A. Works	B. Goods	C. Services	D. Operating Costs	E. The Gambia SDF	
ADF Grant	0.67	0.15	1.09	1.09	-	3.00
Transition Support Facility (TSF-Pillar 1)	-	-	2.50	-	-	2.50
RWSSI-TF Grant	-	-	1.47	0.02	0.19	1.69
Global Environment Facility Grant	6.21	-	-	-	-	6.21
Adaptation Fund Grant	6.90	-	-	-	-	6.90
Green Climate Fund Grant	4.37	-	1.24	-	1.30	6.90
Government of The Gambia	0.06	-	0.00	0.22	-	0.28
Total Cost by Category	18.20	0.15	6.30	1.33	1.49	27.25
%	66.2	0.5	23.0	4.8	5.4	100.0

Table 2.7: Expenditure schedule by component [in million UA]

Component	2018	2019	2020	2021	2022	2023	Total
1. WASH Infrastructure	0.06	0.61	5.43	4.99	5.27	2.02	18.38
2. National Capacity Enhancement for Sustainable WASH Services Delivery	0.06	1.25	2.69	1.06	0.46	0.24	5.75
3. WRM for Improved Livelihoods	-	-	1.25	0.38	-	-	1.63
4. Project Management	0.08	0.31	0.31	0.34	0.32	0.34	1.71
Total Project Cost	0.20	2.17	9.68	6.77	6.05	2.60	27.47

Table 2.8: Expenditure schedule by Source of Finance [in million UA]

Financing Source	2018	2019	2020	2021	2022	2023	Total
ADF Grant	0.08	0.61	0.77	0.59	0.56	0.38	3.00
Transition Support Facility (TSF-Pillar 1)	0.06	0.58	0.71	0.64	0.36	0.15	2.50
RWSSI-TF Grant	-	0.50	0.50	0.46	0.11	0.12	1.69
Global Environment Facility (GEF)	-	0.23	0.88	1.79	2.33	0.97	6.21
Adaptation Fund (AF) Grant	-	-	0.80	2.53	2.63	0.94	6.90
Green Climate Fund (GCF) Grant	-	0.20	5.98	0.72	-	-	6.90
Government of The Gambia	0.06	0.04	0.04	0.04	0.04	0.04	0.28
Total	0.20	2.17	9.68	6.77	6.05	2.60	27.47

2.6. Project's target area and population

2.6.1 The Project will be implemented in about 170 rural and peri urban communities across the five regions in The Gambia, where access to improved water supply, sanitation and hygiene is rather limited. According to the National Development Plan (2018), the rural population in The Gambia constitute about 60% of the national population; while about 1.2 million people have access to water supply, only about 790,000 people have access to safe sanitation. The rest resort to unsafe sources for water supply and majority of the rural population resort to open defecation. Given a growth rate of 3.3% per annum, the rural population of about 1.0 million is expected to reach 2.3 million by 2040, resulting in additional pressure on existing infrastructure and services and dire environmental consequences if the situation is left

unaddressed. The Project therefore prioritizes interventions in the rural and peri-urban communities, where approximately 65 % (1.2 million) of the population lives.

2.6.2 The proposed project will directly benefit an estimated 200,000 rural and peri-urban Gambians, particularly women and children who are expected to live healthier lives and trek lesser distances to fetch water. An additional 300,000 people will benefit from the interventions in improved solid and liquid waste management in addition to the betterment of the rapidly deteriorating aquatic environment which will, in turn, enhance climate change resilience. Other public and private sector institutions, including schools, health units, markets and small & micro-enterprises will also benefit from the project. It is expected that about 500 individuals and SMEs will benefit from aquatic resources management training and household waste re-use/waste-for-cash training. About 1,550 permanent and temporary jobs will be created. The opportunity for enhancing the individuals' and SME's operations through a targeted micro-finance fund is expected to directly contribute to livelihood improvement and overall project outcome sustainability. Another 400,000 urban and peri urban residents in Kanifing Municipal and Brikama Area Councils will be indirect beneficiaries of the improved environmental sanitation resulting from the interventions in waste management.

2.7. *Participatory process for project identification, design and implementation*

2.7.1 Extensive individual consultative meetings and focus group discussions were held with senior staff of key Ministries, Agencies and Departments, including the Councils, The Gambia Social Development Fund (SDF), relevant private sector operators, and representatives of primary beneficiaries at community level, as well as development partners and NGOs. The outcome of the consultative meetings and focus group discussions, which was harmonised during the stakeholder workshops, provided the basis for the proposed project design. In particular, the UN Food and Agriculture Organization (FAO) supported the establishment of irrigation demonstration in schools; UNICEF supported the need for improved water supply in public health facilities, given that their current investment program targeting such facilities is limited in scope and therefore insignificant compared with needs; European Union and WHO emphasised the need for implementation of the sector reforms and welcomed the renewed commitment to increase sector investments; the Environmental Protection Agency (EPA) suggested focus on the effect of climate change, particularly resulting from anthropogenic activities of coastal and riparian communities on the aquatic environment. EPA emphasized the need for grassroots mobilisation and sensitisation to entrench waste-management-good-practice at the household level, besides promoting the production and use of organic compost from household waste. In addition, the MFWRNAM and MoFED concurred on the need to mainstream project management within the Rural Water Department, and to rehabilitate and expand the existing office space provided with asbestos roofing due to attendant risks to human health. The primary beneficiaries at community level gave credence to the need to improve the technical design of water supply and sanitation infrastructure; support to small businesses and individuals and creation of job opportunities to improve livelihoods; and establishment of a credit scheme to support delivery of domestic sanitation facilities and facilitate acquisition of vehicles for waste transportation.

2.7.2 The project design has provided for the sector stakeholder coordination to continue during implementation through a Project Steering Committee with representation from all relevant sector stakeholders.

2.8. Bank Group experience, lessons reflected in project design

2.8.1 The performance of the Bank's portfolio in the Gambia as at December 2017 was rated 'satisfactory'. Implementation Progress performance of the twelve (12) financing instruments as at February 2018 was rated as 42% satisfactory, with the average age of the national operations at two (2) years. There are no pending Project Completion Reports.

2.8.2 The design of the proposed project has been informed by lessons learned from implementation of social and infrastructure projects in The Gambia and elsewhere by both the Bank and other development partners. These include:

- i) **Ensuring project implementation readiness** to minimise project start-up delays following approval. Investment projects in The Gambia require significant start-up time due to the limited capacity to establish project implementation units, including performance of the necessary procurement activities. The project will retain experienced core staff of an existing PMU which was responsible for implementing the previous Rural Water Supply and Sanitation Project as well as similar projects financed by other donors in the past.. The duly experienced staff fully participated in the project preparation and appraisal missions, an opportunity that enabled their full familiarisation with the project design. In addition, provision has been made for *Advance Contracting* for key services, including the recruitment additional of technical assistants for the PMU, for which all TOR were finalised during project appraisal – ref. Technical Annex C6
- ii) **Following through on institutional reforms:** Institutional reforms activities tend to be marginalised relative to infrastructure development and operations. This project has placed emphasis on implementation of the relevant recommendations of the Bank's (African Water Facility) National Water Sector Reform Project (2011 – 2016) and other studies funded by the European Union including strengthening of the Rural Water Division, facilitating universal adoption of the Operation and Maintenance strategy, and development of other sector regulations to facilitate effective implementation of the Sector Policy
- iii) **Value Chain Approach and Other Innovations:** The project design fully adopts an Integrated Water Resources Management (IWRM) approach. IWRM essentially calls for WASH investments that facilitate coordinated human interaction with nature's entire water value chain – the hydrological cycle – in a manner that promotes sustainable, safe and equitable access for all water users while ensuring protection of aquatic ecosystems. In this regard, IWRM engrains the opportunity for meaningful and gainful participation of the primary beneficiaries which, in turn, enhances sustainability of the benefits.
- iv) **Taking into account climate change adaptation and resilience** is necessary to ensure environmental sustainability through better management of available water resources and protection of the environment. The project adopts Integrated Water resources Management (IWRM) approach to water supply and sanitation investment. The IWRM approach naturally embeds and facilitates climate change adaptation in the WASH sector.
- v) **Addressing weak gender inclusion/mainstreaming:** A weak gender inclusion due to weak institutional capacity, inadequate knowledge about gender disparities in sanitation, and limited budgetary resources for inclusive growth can compromise

attainment of project objectives leading to entrenchment of poverty. The Project has extensively ensured gender inclusion in its activities.

- vi) **Involvement of the private sector and NGOs, including support for youth employment and women economic empowerment:** The project design offers opportunities for nurturing of SMEs and community based organisations that derive income from the WASH and related value chains. The project provides for appropriate skills development for women and the youth, in addition to provision of micro-credit funds to support establishment and improvement of WASH services and other related small businesses.

2.9. Key performance indicators

2.9.1 The Results-based Logical Framework presents the key performance indicators of the Project. The outcome indicators focus on strengthening sector performance monitoring and management, expected sector contribution to climate resilience, equitable access to WASH and job creation. The key outcome indicators include: (i) the carbon foot print reduction benefit; (ii) the timely publication of the annual Sector Performance Report (SPR) and convening of Annual Sector Review (ASR) conferences; (iii) increase in population with access to safely managed WASH services; and (iv) number of temporary and permanent jobs created of which at least 30% are expected to be women and 40% youth

2.9.2 Progress towards development outcomes shall be monitored through the key output indicators that include: (i) number of WASH facilities, including solid & liquid waste management infrastructure, built and/or rehabilitated as well as the overall renewable energy capacity installed for WASH services delivery; (ii) the number of hard and soft tools, including climate resilience tools, developed and in use for enabling effective sector performance, monitoring and coordination; (iii) number of national and local sector stakeholders, including interns of various professional disciplines, trained in the delivery and management of WASH and related services of which at least 50% are expected to be women; (iv) number of livelihood-centred tools and amenities developed for climate change adapted WASH management; and (v) the level of Micro & Small Enterprise (MSE) capacity created for purposes of contributing to sustainability of WASH services and aquatic resources.

2.9.3 Ten (10) outcome indicators and forty two (42) output indicators, as further described in the comprehensive project *Results-based Logical Framework* (Technical Annex C), have been selected for monitoring project performance.

III – PROJECT FEASIBILITY

3.1. Economic and financial performance

Table 3.1 Key economic and financial figures (details are provided in Annex B7)

FIRR, Financial NPV (base case):	n/a
EIRR, NPV (base case):	17.95%; USD 2.5 million

3.1.1 The project has many financial and socio-economic benefits. It will guarantee drinking water supply for the communities in rural and peri-urban communities’ across The Gambia; improve hygiene, sanitation and health; and ensure fairer distribution of benefits among stakeholders (State, enterprises, sector operators, consumers). Considering the social nature of

the project, its financial goal will be financial equilibrium for operating the facilities and infrastructure sustainability.

3.1.2 The economic returns are measured in terms of the benefits which accrue to beneficiaries in the form of regular and adequate drinking water supply, access to sanitation services, time gained, decline in water-borne diseases (Malaria, Typhoid and Diarrhea) due to improved hygiene and improved waste management systems, and a general improvement in living conditions. The project's economic internal rate of return (IRR), which reflects its benefits, stands at 17.95%. This rate is calculated based on investment and operating costs and quantifiable project benefits represented by: (i) the economic value of the additional water produced; (ii) savings on the health budget of beneficiaries owing to a decline in water-borne diseases; (iii) time savings in fetching water and the number of hours gained and put into other useful activities. Based on an opportunity cost of capital (c.o.c) estimated at 10%, the net present value will be USD 17.9 million. The IRR is greater than the economic cost of capital and the NPV is positive indicating an economically viable project.

3.1.3 An analysis of the project sensitivity test results (10% increase in investment costs, a 10% reduction in benefits shows that the rate of return and the net present value remain at acceptable levels. The internal rate of return remains higher than the 10% coc at 14.42% and 16.21%. The NPV remains positive in both cases at \$10.51 million and \$15.12 millions. Thus confirming the viability of the project. Even when the two above-cited scenarios are combined (10% increased investment cost, and 10% reduction in benefits) the project is still economically viable with an IRR of 14.42% and an NPV of \$ 10.51 million.

3.2. Environmental and Social Impacts

3.2.1 The project has been classified as a **Category 2** because it is expected to have site specific impacts that can easily be mitigated. Given that the project is programme based for which site specific ESMPs are not feasible at project design stage, and the need to comply with the Bank's ISS, an ESMF, including the generic ESMP, has been developed to guide development and implementation of site specific ESMPs during project implementation. The project therefore complies with Bank's ISS requirements and applicable national environmental and social regulations. The ESMF shall be cleared by the Bank for public disclosure in country before the end of April 2018, and subsequent disclosure of the summary on the Bank's website in compliance with the Bank's Category 2 requirements.

3.2.2 The project will have environmental and social impacts related to water supply and sanitation projects. The anticipated impacts include: loss of vegetation and wildlife including habitat degradation and rehabilitation; air quality impacts and noise pollution and vibration; generation of waste and pollution of land and water resources from construction activities; public health impacts including HIV/AIDs and STIs, communicable and vector borne diseases; public safety during construction; labour conditions and occupational health and safety by contractors; disruption of rural networks; increase in land and water conflicts. The project is not expected to have land acquisition because the infrastructure development will be done on public land or land that has already been voluntarily surrendered by beneficiary communities in accordance with current norms and practice in The Gambia.

3.2.3 The positive impacts of the project among others will include: reduction in health risks and improved livelihoods of the local communities and livestock; reduction in drudgery, social tension and conflict among communities resulting from water shortages, particularly for

women and girls; Enhanced capacity of both sector institutions and beneficiary communities in IWRM which is critical to sustainability of project benefits; environmental cleanliness benefits particularly the reduction of waste related infections and destruction of the aquatic environment; direct income for local households from employment opportunities; reduction in GHG emission and invariable climate change ramifications. In general, the beneficial impacts of the project from environmental and social perspective greatly outweigh potential adverse effects.

3.2.4 The ESMF recommends the following range of mitigation and enhancement measures to be adopted by the project: establishment of water use management committees including basic training on maintenance of infrastructures or facilities; education on water-borne diseases; introduction of compulsory savings scheme; minimising of pipe trenches left open overnight and sealing off open trenches with reflective tape; sensitise communities on dangers of open trenches; assign responsibilities for water point/tap superintendence to individual volunteers; minimising loss of vegetation during clearing for construction and maximising restoration of the vegetation on completion of construction activities; sprinkling of water during truck movement with the village and no operation during rest period. In addition, standard hygiene procedures such as location of waste dumps and latrines will also be taken into consideration in the siting of boreholes and disinfection of the boreholes prior to pump installation; providing income opportunity by use of local community labour while limiting inflow of outsiders and associated conflicts and increase in sexually transmitted diseases; design water points to minimise contamination risks and sanitation facilities built with proper seals. Positive impacts will be enhanced by ensuring that the education and awareness measures go beyond water supply and sanitation to cover the implications resulting from systems and facilities failure due to negligence and improper care. The mitigation and enhancement measures are detailed in Technical Annexes B8 and C6. The project budget provision for implementing the ESMF is included in the relevant consultancy services and WASH infrastructure budgets, while monitoring of its implementation and monitoring is included in the M&E budget. Therefore the TOR for the services contracts and infrastructure construction contracts shall cover all ESMF implementation requirements.

3.2.5 The ESMF has clearly indicated the screening procedures and requirement to develop site specific ESMPs by updating and adapting the generic ESMP in the ESMF based on the identified local environmental and social impacts. In line with AfDB requirements, an extensive consultation process was conducted as part of project and ESMF development. Consultations were done during project preparation and appraisal with relevant stakeholders and this was complemented with further consultations during the development of the ESMF for the project. The PCU that will have a full time Environmental Safeguards Specialist to oversee implementation of the ESMF and site specific ESMPs. Capacity building on development and implementation of ESMPs will be provided to strengthen local institutions. The overall responsibility of environmental and social risk monitoring as well as reporting on project E & S performance will lie with PCU and NEA as part of the overall project monitoring and reporting arrangements.

3.2.6 Gender

3.2.6.1 The Global Gender Gap Report 2017 ranked Gambia 100th out of 144 countries, on its progress towards gender parity in term of Economic Participation and Opportunity, Educational Attainment, Health and Survival, and Political Empowerment, reflecting the general vulnerability of women in the country. In addition, one of the main fragilities identified in The Gambia National Development Plan (NDP) 2018-2022, is the inadequate provision of

vital infrastructure services in water and sanitation and waste management. This situation is affecting mainly women and girls as the main accessors, couriers and transporters of water, besides shouldering the primary responsibility for hygiene at the community and household levels. The multiple roles of women play often subject them to crushing workloads leaving them with no time for other activities, worse is their exclusion from decision-making in the development of water and sanitation resources of their own communities.

3.2.6.2 Given the critical importance of greater gender equality in the WASH sector, gender issues will be addressed through mainstreaming across the project activities as well as standalone activities. At the policy level, gender issues will be taken into account in the strategies that will be developed including definition of relevant gender targets. At operational level, the project will seek to ensure socio economic empowerment, increase the involvement of both genders in water resources development, sanitation and waste management, create conditions for equitable access by men and women to project resources and increase decision-making for women through the following interventions: (i) Increasing women representation in decision making and ensure equal participation in management of water and sanitation infrastructure (i.e. WASH committees) and include the Ministry of Women Affairs in the Project Steering Committee; (ii) Facilitating equal access to finance and developing of the technical, leadership entrepreneurial skills of women led SMEs involved in protection of the aquatic environment including improvement for waste management, fish farming, marketing and processing, and vegetable irrigation activities; (iii) Building gender sensitive sanitation and hygiene facilities in schools and public places; (iii) selecting technological options that save time and reduce the burden on women and girl children to enable to have more time for productive activities (i.e. ensuring installation of a sufficient number of water draw off points to increase proximity to homesteads); (iv) Ensuring equal access for men and women to capacity building programs and developing gender responsive training and materials; (iv) assisting institutions (mainly the Ministry of Ministry Fisheries Water Resources & National Assembly Matters and the Department of Community Development) in the sector to mainstream gender in their planning and service delivery and to (v) establish partnership with organisations working on women and gender issues.

3.2.6.3 There is a potential risk that the women may encounter barriers in accessing leadership position in the structures put in place by the project. The need to reduce inequalities applies also to the issue of access to income-earning opportunities as well as of access to and ownership of assets. The mitigation measures will support this change by training in administrative, technical and entrepreneur skills for women in order to reduce inequalities and to encourage and enable them to take leadership roles. The Project will also support monitoring and evaluation information activities that will be disaggregated along gender lines in the reports that would be generated. Although women will participate in and benefit from all project activities, aggregate funds allocated to their main specific activities are about UA 2.46 million (approximately 9 % of the total budget provided by the Bank).

3.2.7 **Land Tenure and Access to Land:** The Project will be implemented in rural and peri urban communities across the five administrative regions in The Gambia. In some areas, it will be necessary to remove some structures for communal water supply and sanitation infrastructure. However, no involuntary resettlement has been identified and as such planned under this Project. All the proposed works for onsite and offsite sustainable sanitary facilities will not result in any long term displacement (physical and economic) or prevent access to social amenities by the affected households. The project will ensure a participatory approach

with active involvement of social and environmental experts as well as the relevant authorities to design out and minimise land uptake during the identification of the beneficiary communities and households especially for the onsite and offsite sustainable sanitary facilities. The proposed remedial works within the landfill site will take place within the already secured premises of an existing landfill site at Bankote, without any displacement to settlements.

3.2.8 Social Impacts: The project will result in several cultural, socio-economic and health benefits. The identified benefits are primarily the improved environmental conditions that contribute to reducing incidence of malaria and diarrhoeal diseases (including cholera) and that particularly impact under-five mortality. In addition, the improved sanitation systems will significantly improve education standards in schools through increased school attendance, high pupils/student concentration and early school reporting time, particularly for girl-child education. Furthermore, direct employment in construction for both skilled and unskilled workers from among the community members with increased income (hence improved socio-economic status), as well as increased economic activities such as the sale of foodstuffs and other essential goods and commodities including water, are among the several benefits targeting women, youth and the disabled.

3.2.9 Skills for Youth and Employment Generation: In line with the Jobs for Youth in Africa Strategy (2016-2025) the Bank through the Project will directly contribute to SDG8 on inclusive growth through (i) creation of 350 permanent and over 1200 temporary jobs with particular attention paid to women (>30%), youth (>30%), in WASH activities and income generating ventures, (ii) strengthening human capital through skills improvement in construction of sanitation facilities (iii) creating durable labour market with linkages by making use of investments in solar powered water supply systems, land fill, septage treatment and solid waste collection infrastructure and services. PPP sanitation initiatives will also provide opportunities for employment especially for the youth engaged in waste collection and recycling ventures to support the improvement in sanitation and hygiene in the beneficiary communities and schools. Finally, the Project has provided for fifteen (15) youth apprenticeships within the PCU.

3.3. *Climate Change*

3.3.1 Changes in temperature and rainfall will alter hydrological cycle in The Gambia. The combination of global warming, sea level rise, and changes in rainfall pattern and quantity will impact the country's freshwater resources. The steady decline in rainfall over the past decades has caused reduced quantity of freshwater flow into the River Gambia, and increased salinity in the lowlands and aridity in the uplands. Surface evaporation is expected to increase while groundwater recharge capacity will decrease. Higher frequency and severity of extreme weather events such as drought and flooding in The Gambia will lead to increasing water quantity and quality problems, including salinization in wetland and mangrove ecosystems. This situation is compounded by the limited waste management capacity which results in the indiscriminate disposal of household and industrial waste which eventually ends up in the water bodies, sometimes exacerbating the impact of floods. Reduction in the freshwater flow into the River Gambia has increased salt water intrusion into the estuary and its adjacent forest and agricultural lands. The reduction in groundwater recharge has also resulted in falling water levels and reduced water columns in wells and boreholes.

3.3.2 The Gambia's National Adaptation Plan Activities (NAPA) includes ten (10) priority projects, four (4) of which are supported by the Gambia Climate Smart WASH Development Project, namely: Improvement of Fresh Water Availability; Rehabilitation of Early Warning

Systems on Climate-Related Natural Hazards; Reduction of climate change related diseases; and Restoration/Protection of coastal environments. In Addition, The Gambia's Nationally Determined Contribution (NDC) highlights waste management.

3.3.3 Based on the Multilateral Development Banks (MDB) Climate Adaptation Finance Tracking Methodology 3-step approach, the Gambia Climate Smart WASH Development Project is considered 100% adaptation. i) The climate vulnerability context is clearly stated as frequent flooding and droughts based on the NDC and the National Stocktaking Report for the NAP³; ii) The project clearly states the intention to address climate vulnerability; iii) Project articulates clear link between the climate vulnerability context and specific project activities within all the three key project components. The Bank will mobilise external climate co-finance from GEF, AF and GCF to finance climate related activities.

3.4 Fragility

3.4.1 The joint fragility risk and resilience assessment undertaken by the Bank and the World Bank in Gambia in May 2017 indicates that the water sector in the Gambia suffers from the same inherent challenges faced by the country's institutions as a whole, including lack of transparency, weak capacity and poor governance. Indeed, the country's deliberately complex and opaque regulatory structure has historically made interactions between citizens and the state difficult. As such, providing access to basic services, such as water, could help enhance the citizen's confidence towards the state and strengthen the social contract. Furthermore, the Gambia's high vulnerability to multiple forms of environmental damage presents a major source of fragility.

3.4.2 Indeed, while short-term weather-related shocks, combined with long-term climate change, is reducing agricultural output, agriculture, in turn, is also putting considerable pressure on forests and water resources, in order to meet the demands of a growing population. In this context, there is a need to support the country's public institutions in enforcing environmental protections to combat deforestation and desertification in rural areas, while also supporting initiatives to control pollution, dispose of solid waste, and provide sanitation services to a growing peri-urban population.

IV – IMPLEMENTATION

4.1. Implementation arrangements

4.1.1 The Republic of The Gambia will be the recipient and will ensure the fulfilment of the grant conditions. The Ministry of Fisheries, Water Resources and National Matters (MFWRNM) will be the executing agency of the Project. Direct implementation and management of the project will be undertaken by the Rural Water Supply Division Project Coordinating Unit (PCU) established to implement the recently closed AfDB-financed Rural Water and Sanitation Project. Using the existing PCU will facilitate familiarisation with AfDB procurement and fiduciary regulations, while offering the advantage of general project management and technical experience from the previous project. Given the integrated nature of the project, the PCU shall co-opt representatives of relevant Government agencies (Implementing Partners) including (i) Directorate of Health Promotion and Education of the Ministry of Health; (ii) National Water and Electricity Authority (NAWEC); (iii) Department

³ Gambia National Adaptation Plan Process Stocktaking report and a road map for advancing Gambia's NAP process, Draft final report: 20 July 2015

of Community Development; (iv) Ministry of Education; (v) National Environment Protection Agency; (vi) the two area councils of Brikama and Kanifing; and (vii) The Gambia Social Development Fund (SDF). The Implementing Partners shall be supported by the recruited PCU technical experts and other specialist advisors. The agency representatives together with the PCU technical experts and advisors shall be responsible for providing the necessary technical supervision and quality assurance of consultants and works contractors who will be at the forefront of delivering the project goods and services. A Project Steering Committee (PSC), jointly chaired by the Permanent Secretaries of MFEP and MFWRNAM, will provide policy oversight and guidance through quarterly meetings or hold extra-ordinary meetings, as required, to address special circumstances. The PSC shall be the ultimate forum for dialogue with the Bank's supervision missions. The PCU Coordinator, in consultation with the head of the Rural Water Department, will be the PSC Secretariat, and shall be answerable to the Permanent Secretary of the MFWRNAM. The organisational structure and details of implementation responsibilities, including the Terms of Reference for the PCU technical assistants, are included in Technical Annexes B3 and C6.

4.1.2 The staff of the existing PCU have experience in managing previous donor funded projects including the recently completed Rural Water Supply and Sanitation Project. The PCU currently maintains three (3) professional staff (Coordinator, Financial Management Accountant, and M&E Specialist), and 2 assistants (FM and administration) who actively participated in the preparation and appraisal of this project. The PCU will be strengthened with additional expertise to meet project implementation requirements. Henceforth, provision is made for six (6) additional technical assistants including the following: Water Resources/Water Supply Engineer, Sanitary Engineering Specialist, Environment/Climate Change officer, Procurement Officer, Asst. Project Accountant and Community Development/Gender Specialist. All PCU personnel shall have performance-based contracts to be renewed on an annual basis depending on performance and need. The PCU will be supported by international technical specialists who will be attached to partner implementing agencies. The technical specialists will ensure that the work done by consultants is of appropriate technical quality in addition to ensuring value for money in construction contracts.

4.1.3 The PCU will be responsible for the day-to-day implementation of the project including preparation and submission of the Quarterly Progress Reports, interim Quarterly Financial Reports and Annual Audit reports of the project to the Bank. The PCU is also responsible for all project related monitoring and evaluation activities, gender mainstreaming and social accountability, compliance with environmental and social safeguards, compliance with Bank and national procurement requirements, and adequate financial management and control. Furthermore, Technical and other specialist services under the project scope shall be provided by experienced Engineering and other specialty Consulting Firms, Individuals, NGOs and service providers.

Procurement Arrangements

4.1.4 The utilization of Borrower Procurement Systems (BPS) will not apply to this project. Procurement Risks and Capacity Assessment (PRCA) at Country, Sector, and Project levels were undertaken and the output have informed the decisions on the procurement regimes adopted for the transactions under the project. The appropriate risks mitigation measures have been included in the procurement PRCA action plan proposed in Annex B5.

4.1.5 Procurement of goods, works and the acquisition of consultancy services financed by the Bank for the project, will be carried out in accordance with the "Procurement Policy and

Methodology for Bank Group Funded Operations” (BPM), dated October 2015 and following the provisions stated in the procurement plan and relevant financing agreements. Bank standard PMPs, using the relevant Bank Standard Solicitation Documents (SSDs), will be used for International Competitive Bidding (ICB), National Competitive Bidding (NCB) and Shopping contracts for both goods and works and acquisition of consulting services as indicated in the Technical Annex B5.

Financial Management and Disbursement Arrangements

4.1.6 Financial Management: The PCU established by the Rural Water Supply Division (RWD) will have responsibility to implement the project’s led components including overall responsibility for financial control. Thus, the PCU is familiar with donor FM requirements for projects and has satisfactorily conducted its fiduciary responsibility for Bank financed Rural Water Supply and Sanitation Project (RWSSP). The PCU will continue to use its *FinEx* accounting software for accounting and reporting as well as its Financial Management and Policy Manual which informs and guides the operations of its fiduciary environment. In addition, accounting migration to Government managed IFMIS module for projects will be in parallel use. The proposed project is expected to recruit the Social Development Fund (SDF) Micro Finance Institution to implement elements of component activities relating to Micro Finance which was established through a previous Bank operation. SDF is an autonomous government parastatal incorporated by Government with a mandate to manage microfinance resources on behalf of government and donors. The SDF will manage project resources in accordance with specific terms of reference for a management fee using SDF internal financial management and operation administration procedures/regulations. Details of the procedures for fund management are presented in Technical Annexes B3 & B4.

4.1.7 Disbursement: The use of Direct Payment and Special Account methods of payment will be available for use in the proposed project. A revolving fund special account will be opened to defray authorized eligible expenses as follows:

- PCU managed special accounts for operations costs; and
- SDF managed special account for Micro Finance elements

Processing of eligible payments would be managed by authorized signatories at PMU and SDF. Advances and subsequent replenishments to the special accounts will be based on adequate justification provided for prior advances. Opening of the special accounts is a condition for disbursement and all disbursement will follow Bank’s disbursement procedures.

4.1.8 Reporting: PMU will report progress on a quarterly basis to the AFDB showing specific progress on activities implemented and financial utilization reports. In addition Interim Unaudited Financial Reports showing sources and usage of funds should be produced and submitted to the Bank within 30 days following the end of every calendar quarter.

4.1.9 Audit: The proposed Project will be audited by an independent audit firm acceptable to the Bank. The audit will be conducted annually using the Bank audit TOR and submitted within six months following the year audited.

4.1.10 The overall FM risk assessment concluded that FM capacity and proposed arrangement will provide reasonable assurance to ensure: (a) that project funds are used only for the intended purposes in an efficient and economical way; (b) the preparation of accurate, reliable and timely

periodic and annual financial reports; (c) that any assets purchased using project funds are adequately safeguarded. The project FM Risk is moderate.

4.2. Monitoring

4.2.1 Project monitoring will be undertaken at national and local levels as appropriate, with the Project Coordination Unit (PCU) shouldering the overall responsibility under the direction of the M&E Technical Assistant. The PCU will prepare and provide project activity, output and outcome monitoring tools for all relevant national and local level stakeholders involved in project implementation, including MDFT/VDCs, District and Town Councils, NAWEC, National Environment Protection Agency, Rural Water Department, Ministry of Health and Social Welfare/Directorate of Health Promotion and Education, Department of Community Development, SDF, Consultants, Contractors and all other project goods and services providers. The PCU staff will follow-up to ensure regular and timely collection of data, analyse and consolidate all the routinely collected data for purposes of preparing the Quarterly Progress Reports, Mid-Term Review report and Project Completion Report. Impact assessments will be undertaken in collaboration with the Gambia Bureau of Statistics (GBOS). Project results will be gender disaggregated and shall as much as possible be attributed to the ADF, GEF, GCF and AF financing. The PCU will ensure timely submission of Quarterly Progress Reports, as well as the MTR report and PCR to the Bank. The project will also facilitate the preparation of Annual Sector Performance reports and convening of Annual Joint Sector Reviews (ASRs) in liaison with co-financiers and other development partners. Provision of UA193,000 (GMD13.24million) is made in the project budget for covering monitoring costs, including M&E technical assistance costs and ESMF implementation monitoring costs. Details of procedure and responsibilities for undertaking monitoring of project results are presented in Technical Annex B.3.

4.2.2 The Bank will undertake supervision, MTR and PCR missions. At least two supervision missions will be undertaken every year, in addition to one desk supervision mission. Project Mid-Term Review will be undertaken during the third year of implementation. The PCR mission will be undertaken after completion of all the project activities. Impact assessments to evaluate immediate outcomes will be undertaken to inform the MTR and PCR missions. The Bank's standard Implementation Progress and Results (IPR) report will be prepared at the end of each mission for Bank management's feed-back and integration of results within the Bank-wide performance measurement framework. Knowledge and lessons will be shared at the Annual Joint Sector Reviews and the Bank's Water and Sanitation Department Learning Week, as well as at other relevant sector events at international level.

4.2.3 The tools to be developed by the project include a web-based WASH services Monitoring & Evaluation tool that will be used in monitoring of the project results and overall sector performance. The M&E tool is generally intended to put in place an effective mechanism for the monitoring of sector results and achievements, including the effective tracking of the SDG #6 progress, which is hitherto an enormous challenge to the Government of The Gambia. Therefore the tool will be accessible to all relevant national and local sector stakeholders; the tool shall include an interface for public information.

4.3. Governance

4.3.1 Over the past five years, The Gambia has experienced a broad-based deterioration in governance. Gambia CPIA score decreased by 13% from 3.43 in 2012 to 2.97 in 2016, which

is far below the Africa region score of 3.50. In the 2016 Ibrahim Index of African Governance (IIAG), The Gambia ranked 35th out of 54 countries in Africa. The Gambia is also one of five countries in Africa that have shown deterioration in all measures of the IIAG over the period, particularly regarding ‘safety & rule of law’ and ‘participation and human rights’. Transparency International’s 2016 corruption perception index ranked The Gambia 145 out of 176 countries. Corruption is further aggravated by its widespread acceptance and the judiciary’s lack of independence. After years of a culture of intolerance, the public administration is weak, as many qualified people have left public service or emigrated. In order to safeguard the project against the potential risks of weak public administration, the project will not use country systems for procurement and financial management.

4.3.2 In the above context, the Project will ensure institutional, financial and social accountability by (i) using and strengthening an existing PCU to provide sound project implementation and coordination on behalf of the Ministry of Fisheries, Water Resources and National Assembly Matters; the PCU shall be supported by TA consultants to complement their capability as needed in technical design and reviews, procurement, contract management, social and environmental accountability; and (ii) putting in place a customer/citizen’s complaints and feedback mechanism to ensure social accountability; the project will provide opportunity for beneficiaries to be heard and to address complaints as promptly as possible. The mechanism will also be used as a tool to guide impact evaluation.

4.4. Sustainability

4.4.1 The Government of The Gambia accords high priority to the WASH sector. “*Health Nutrition and Sanitation*” is a *Strategic Priority* of the *National Development Plan (2018-2021)* for which universal access to safely managed water supply and 75% access to safe sanitation are cited as a key results. The Government has therefore prioritized the proposed project for its ADF-14 allocation. This commitment is buttressed by the consistent attention towards development of sector specific and relevant policies and regulations since 2005. The effort has resulted in the policy documents and guidelines that include: National Water Resources Policy Framework (2006), National Water Policy (2007), the National Sanitation Policy (2010), National Strategy for Sanitation and Hygiene (2011 – 2016), National Water Resources Management Agency Bill (2017) and National Meteorological Agency Bill (2017), The Operation and Maintenance Manual for Rural Water Supplies (2015), the Local Councils’ Strategic Sanitation and Action Plans, among others.

4.4.2 Social sustainability will be enhanced through the adoption of value chain/IWRM approach to WASH services provision, which combines the provision of water and sanitation, community sensitization and mobilization, and participatory planning and decision making, as well as providing opportunities for employment and income within the respective WASH and related value chains as a means of strengthening community ownership and commitment to sustain outcomes. Provision is therefore made for WASH committees under the respective VDCs to lead the village level implementation effort. In addition, the beneficiary communities will be responsible for providing land and communal labour for some construction activities such as trenching for service connections. The project provides for establishment of partnership between the VDCs and a rural water supply services revenue collection services provider to ensure O&M cost recovery. Viability of cost recovery is enhanced by the adoption of solar powered pumping for which O&M costs are considerably much lower. In addition, the project’s emphasis on promoting of youth and women’s gainful involvement, through nurturing water and sanitation value chain based SMEs, provides good ground for enhancing the ability to pay for water and sanitation services which is a critical factor for sustainability.

The project also provides for the establishment of partnerships between Town Councils and local private transport associations which effectively transfers the challenge and risks of ownership and operation of waste transportation equipment to the private sector. The private operators are in a better position to effectively mitigate the risks which undermine the Town councils' ability to sustainably own and operate waste transportation equipment. Overall, sustainability is strengthened by the IWRM approach to project design which underscores sector stakeholder coordination and relevant human resources capacity building, as well as waste re-use and aquatic environment sustainability.

4.5. Risk management

Risk	Rating	Mitigating Measure
Successful climate finance mobilisation – GCF & AF funds.	Low	Project has been structured to minimise impact on the core project purpose will not be heavily undermined. GoTG is committed to internally mobilise funds in the event of reduction of the proposed GCF & AF support.
High investment and O&M costs of household sanitation technologies may negatively impact on demand.	Moderately High	Innovative & cost effective technologies to be promoted, together with adequate social marketing at community level; and user feedback mechanisms to address any user complaints or potentially adverse impacts.
Potential conflict and political interference in selection of beneficiaries.	Low	Clear definition of targeting mechanism and its strict application.
Innovative and green technologies for organic waste re-use and food processing not adequately applied due to low social acceptance and unclear markets for end- products.	Moderately High	Timely engagement with regulatory agencies and potential beneficiaries on applicable technologies and development of certification and licensing procedures and marketing strategies for end products.

4.6. Knowledge building

4.6.1 The project is designed based on an innovative approach that combines support to (i) supply safe water from renewable sources, (ii) improve national and local level capacity for better environmental and water resources management, and (iii) improve livelihoods through support for small businesses and individuals. Related project activities provide opportunity to generate knowledge products for future project design across the Gambia and the region, given the project support for studies to develop business models that cover (i) Private Sector and NGO participation in (a) operation and maintenance of rural and peri-urban water supply systems, (b) solid and liquid waste collection and re-use, and (c) management of municipal waste treatment infrastructure; (ii) provision of seed microcredit financing household sanitation through the existing Social Development Fund (SDF).

4.6.2 Study tours, peer-to-peer learning and participation in regional sector learning events as well as academic training shall be supported to better equip primary beneficiaries and sector staff in relevant public institutions with core knowledge, best practices and innovation in the water and sanitation sector. The knowledge and lessons from the project's innovations will be shared at the Annual Joint Sector Review meetings and at other regional sector seminars,

including those organised by the Bank and other continental or global WASH initiatives. The Bank's Water and Sanitation department's Knowledge and Learning Week will be the primary forum for sharing the knowledge within the Bank.

V – LEGAL INSTRUMENTS AND AUTHORITY

5.1. *Legal instrument*

5.1.1 The legal instruments for the project are an ADF Grant Agreement, TSF-Pillar 1 Grant Agreement, and RWSSI-TF Grant Agreement, to be entered into with the Republic of The Gambia (the "Grant Agreements").

5.2 *Conditions associated with Fund's intervention*

5.2.1 Condition Precedent to Entry into Force of the Grant Agreements

The Grant Agreements shall enter into force on the date of signature by the Recipient and the Fund.

5.2.2. Conditions Precedent to First Disbursement

The obligation of the Fund to make the first disbursement of the Grant under each Grant Agreement shall be conditional upon the entry into force of the agreement.

5.2.3 Other Conditions

The Recipient undertakes the following:

- i) To cause the Executing Agency, prior to implementation of Project activities, to enter into implementation agreements with the PCU and the implementing partners identified in Part 4.1.1 (above) among others, stipulating the respective obligations of the parties in implementation of the Project;
- ii) To maintain the Project Coordination Unit (PCU) established under the Rural Water and Sanitation Project within the Ministry of Fisheries, Water Resources and National Assembly Matters at all times until the completion of the Project, with the mandate, staffing and resources satisfactory to the Fund. The PCU shall comprise the following additional members: (i) Project coordinator; (ii) financial controller; (iii) accountant; (iv) monitoring expert; (v) water supply engineering expert; (vi) sanitary engineering expert; and (vii) community development/gender expert; and
- iii) To take all necessary measures and actions to strengthen and transform the current Rural Water Division into a Department under which the responsibilities of the PCU shall be subsumed during the last two years of the Project.

5.2.4. Undertakings

The Recipient undertakes the following under the Grant Agreements:

- i) To carry out, and cause its contractors to carry out the Project in accordance with national and the Bank's procurement rules and regulations, environmental and social

safeguards, and to prepare and submit quarterly progress reports and all other relevant reports in the form acceptable to the Fund; and

- ii) To report on the implementation of the ESMF/ESMPs, on a Quarterly basis, and cause its contractors to monitor and report monthly on CESMP implementation in a form acceptable to the Fund;
- iii) To update project ESMPs to include correction of lapses in compliance and remediation of impacts during implementation and carry out annual reviews; and
- iv) To make available counterpart contributions in a timely manner during Project implementation.

5.3. Compliance with Bank Policies

This Project complies with all applicable Bank policies, including the TYS and its enhanced focus on the High 5s and the Financial Management Policy in African Development Bank Financed Operations (Revised May 2014), as well as the Bank Group Strategies on Addressing Fragility and Building Resilience in Africa (2014-2019), Investing in Gender Equality for Africa's Transformation (2014-2018), Jobs for Youth in Africa Strategy (2016-2025), Rural Water Supply and Sanitation Initiative and Climate Risk Management and Adaptation.

VI – RECOMMENDATION

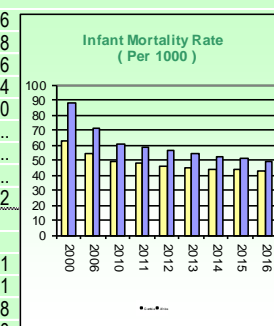
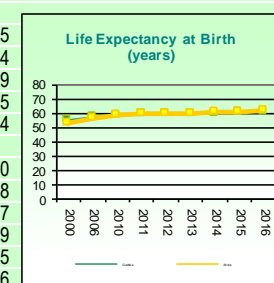
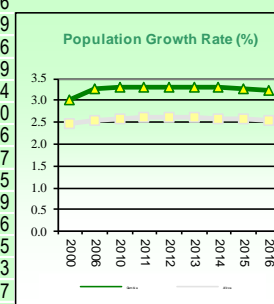
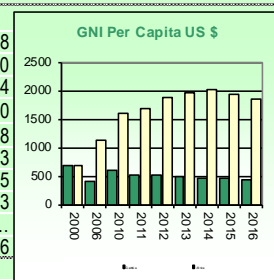
6.1 Management recommends that the Boards of Directors approve the following grants to the Republic of The Gambia to finance the Climate Smart Rural WASH Development:

- i) ADF grant of UA 3.00 million;
- ii) TSF-Pillar 1 grant of UA 2.50 million; and
- iii) RWSSI-TF grant of UA 1.69 million (EUR 2.00 million).

Approval is specifically requested for the ADF, TSF-Pillar1, and RWSSI-TF grants totalling UA 7.19 million for which the Government of The Gambia made special request and re-confirmed her preference following the appraisal mission (Appendix V). The specific approval will provide for the required early action to curb escalation of the negative undercurrents of the delicate transition process in the country. Processing of GCF, AF, and GEF co-financing will be completed in due course. Board approval for the balance of the GCF, AF, and GEF grants totalling UA 20.1 million (USD 29 million) will be requested in February 2019 on a lapse-of-time basis, following final approval of the detailed GCF, AF and GEF project proposals expected by January 2019 by the relevant authorities of GCF, AF and GEF. The Government of The Gambia has reiterated their commitment to sector financing as a critical priority, and has confirmed their willingness to mobilise additional financing for the project in the event of the failure to fully mobilise the GCF and AF resources. Management further recommends that the Board of Directors waives the mandatory counterpart contribution on the basis The Gambia's demonstrated commitment to implement her development agenda, besides the current debt burden.

Appendix I: The Gambia Comparative Socio-Economic Indicators

	Year	Gambia	Africa	Developing Countries	Developed Countries
Basic Indicators					
Area ('000 Km ²)	2017	11	30,067	94,716	35,018
Total Population (millions)	2017	2.1	1,244.8	6,252.1	1,190.0
Urban Population (% of Total)	2017	60.1	40.5	49.2	81.4
Population Density (per Km ²)	2017	209.5	42.4	66.0	34.0
GNI per Capita (US \$)	2016	440	1 836	4 442	41 208
Labor Force Participation *- Total (%)	2017	77.2	65.8	62.3	60.3
Labor Force Participation **- Female (%)	2017	72.2	55.3	47.8	52.5
Sex Ratio (per 100 female)	2017	98.0	100.2	107.5	105.3
Human Develop. Index (Rank among 187 countries)	2015	173	...	...	...
Popul. Living Below \$ 1.90 a Day (% of Population)	2013	...	...	12.7	0.6
Demographic Indicators					
Population Growth Rate - Total (%)	2017	3.2	2.5	1.3	0.6
Population Growth Rate - Urban (%)	2017	4.1	3.5	2.4	0.9
Population < 15 years (%)	2017	46.0	40.8	27.9	16.6
Population 15-24 years (%)	2017	19.7	19.2	16.7	11.9
Population >= 65 years (%)	2017	2.3	3.5	6.8	17.4
Dependency Ratio (%)	2017	93.6	79.6	54.6	52.0
Female Population 15-49 years (% of total population)	2017	23.5	24.0	25.6	22.6
Life Expectancy at Birth - Total (years)	2017	61.0	61.9	70.2	80.7
Life Expectancy at Birth - Female (years)	2017	62.4	63.3	72.3	83.5
Crude Birth Rate (per 1,000)	2017	40.7	33.9	20.6	10.9
Crude Death Rate (per 1,000)	2017	8.3	9.0	7.5	8.6
Infant Mortality Rate (per 1,000)	2016	42.2	49.3	33.1	4.5
Child Mortality Rate (per 1,000)	2016	65.3	72.6	44.3	5.3
Total Fertility Rate (per woman)	2017	5.6	4.4	2.6	1.7
Maternal Mortality Rate (per 100,000)	2015	706.0	444.1	237.0	10.0
Women Using Contraception (%)	2017	11.7	37.6	62.1	...
Health & Nutrition Indicators					
Physicians (per 100,000 people)	2005-15	11.0	41.6	121.6	293.5
Nurses and midwives (per 100,000 people)	2005-15	88.9	120.9	211.3	873.4
Births attended by Trained Health Personnel (%)	2010-16	57.2	55.9	76.6	98.9
Access to Safe Water (% of Population)	2015	90.2	71.6	89.4	99.5
Access to Sanitation (% of Population)	2015	58.9	39.4	61.5	99.4
Percent. of Adults (aged 15-49) Living with HIV/AIDS	2016	1.7	3.6	1.1	...
Incidence of Tuberculosis (per 100,000)	2016	174.0	221.7	163.0	12.0
Child Immunization Against Tuberculosis (%)	2016	98.0	82.1	84.9	95.8
Child Immunization Against Measles (%)	2016	97.0	74.4	84.0	93.7
Underweight Children (% of children under 5 years)	2010-15	...	18.1	15.3	0.9
Prevalence of stunting	2010-15	25.0	33.3	25.0	2.5
Prevalence of undernourishment (% of pop.)	2015	10.9	17.5	12.28	2.66
Public Expenditure on Health (as % of GDP)	2014	5.0	2.6	3.0	7.7
Education Indicators					
Gross Enrolment Ratio (%)					
Primary School - Total	2010-16	93.4	101.7	103.8	102.6
Primary School - Female	2010-16	96.8	98.8	102.2	101.8
Secondary School - Total	2010-16	57.5	51.8	...	106.6
Secondary School - Female	2010-16	56.0	49.7	...	106.4
Primary School Female Teaching Staff (% of Total)	2010-16	36.9	46.0	51.3	81.0
Adult literacy Rate - Total (%)	2010-16	42.0	68.6	...	...
Adult literacy Rate - Male (%)	2010-16	51.4	76.0	...	...
Adult literacy Rate - Female (%)	2010-16	33.6	61.7	...	...
Percentage of GDP Spent on Education	2010-16	2.8	4.9	4.1	5.2
Environmental Indicators					
Land Use (Arable Land as % of Total Land Area)	2015	43.5	8.0	11.3	10.1
Agricultural Land (as % of land area)	2015	59.8	37.4	38.1	35.1
Forest (As % of Land Area)	2015	48.2	21.0	31.4	28.8
Per Capita CO2 Emissions (metric tons)	2014	0.3	1.1	3.5	11.0



Sources : AfDB Statistics Department Databases; World Bank: World Development Indicators;

last update :

January 2018

UNAIDS; UNSD; WHO; UNICEF, UNDP; Country Reports.

Note : n.a. : Not Applicable; ... : Data Not Available. * Labor force participation rate, total (% of total population ages 15+)

** Labor force participation rate, female (% of female population ages 15+)

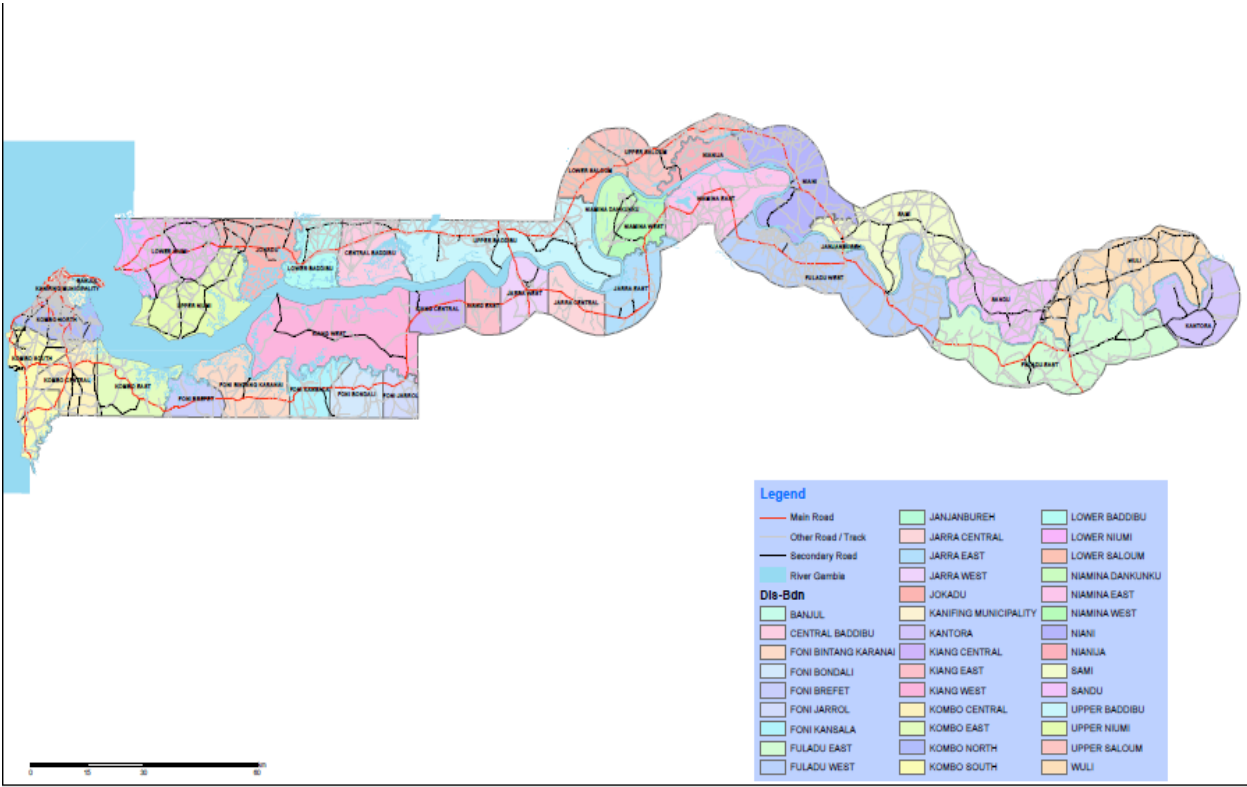
Appendix II: Table of AfDB's Portfolio in The Gambia as at April 2017

Project Name	Status	Source of Finance	Date					Amount				
			Approval	Signature	Closing	Effective	Last Disb.	Approved	Cancelled	Undisbursed	Disbursed	Net Loan
Sector : Agriculture												
AGRICULTURE VALUE CHAIN DEVELOPMENT PROJ	OnGo	ADF Loan	31.03.2016	23.05.2016	31.12.2020	08.08.2016	17.10.2017	6,000,000.00	0	5,137,426.29	862,573.71	6,000,000.00
PPF-TRANSFORMATION AGRICULTURE PROGRAM	OnGo	ADF Loan	24.03.2017	13.02.2018	31.10.2018	13.02.2018		934,763.00	0	934,763.00	0	934,763.00
SUB-TOTAL : Agriculture								6,934,763.00	-	6,072,189.29	862,573.71	6,934,763.00
Sector : Transport												
TRANS-GAMBIA RIVER CROSSING PROJECT	OnGo	ADF Grant	16.12.2011	01.06.2012	31.12.2019	22.03.2013	12.04.2018	63,550,000.00	0.00	31,718,295.91	31,831,704.09	63,550,000.00
GAMBIA BRIDGE ANCILA	OnGo	ADF Grant	19.10.2014	12.12.2014	31.12.2017	05.01.2015	10.04.2018	1,000,000.00	0.00	495,612.03	504,387.97	1,000,000.00
SUB-TOTAL : Transport								64,550,000.00	0.00	32,213,907.94	32,336,092.06	64,550,000.00
Sector : Power												
PROJET ENERGIE OMVG GAMBIE	OnGo	ADF Grant	30.09.2015	07.12.2015	31.12.2020	22.11.2016	23.01.2017	750,000.00	0.00	67,463.64	75,536.36	750,000.00
PROJET ENERGIE OMVG GAMBIE	OnGo	ADF Loan	30.09.2015	07.12.2015	31.12.2020	22.11.2016	18.04.2017	3,000,000.00	0.00	2,978,412.45	21,587.55	3,000,000.00
SUB-TOTAL : Power								3,750,000.00	0.00	3,045,876.09	97,123.91	3,750,000.00
Sector : Multi-Sector												
INSTITUTIONAL SUPPORT PROJECT	OnGo	ADF Grant	23.09.2015	26.10.2015	31.12.2019	16.02.2016	13.10.2016	2,000,000.00	0.00	1,245,718.34	754,281.66	2,000,000.00
INCLUSIVE GROWTH PROMOTION ISP (IGPISP)	OnGo	ADF Loan	30.03.2017	11.05.2017	30.06.2020	19.07.2017		1,580,000.00	0.00	1,580,000.00	0	1,580,000.00
INCLUSIVE GROWTH PROMOTION ISP (IGPISP)	OnGo	ADF Grant	30.03.2017	11.05.2017	30.06.2020	14.07.2017	07.12.2017	2,085,000.00	0.00	1,729,317.26	355,682.74	2,085,000.00
SUB-TOTAL : Multi Sector								5,665,000.00	-	4,555,035.60	1,109,964.40	5,665,000.00
GENERAL TOTAL								80,899,763.00	0.00	45,887,008.92	34,405,754.08	80,899,763.00
ADF LOANS TOTAL								11,514,763.00	0.00	10,630,601.74	884,161.26	11,514,763.00
ADF GRANTS TOTAL								69,385,000.00	0.00	35,256,407.18	33,521,592.82	69,385,000.00

**Appendix III: Key related projects financed by the Bank and other
Development Partners in The Gambia**

Project	Donor	Cost (Million)	Status	Project Objective (s)
Sahelian Programme Phase 4	Saudi Fund Saudi	US\$ 3.0	Completed	Rural water supply and sanitation for target population of 100,000
Water Supply and Sanitation Project	Islamic Development Bank	US\$ 5.5	Completed	100 water points in 4 divisions
Rural Water Supply Sector Support Programme	EC/EDF-9	Euro 6.8	Completed	Rural and Peri Urban water supply and sanitation (wells, boreholes and solar systems)
Regional Solar Programme phase II	EC / EDF-8 Rural	Euro 2.1	Completed	water supply(boreholes fitted with solar systems
Integrated Water Use Project Phase 2	JICA	US\$ 7.3	Completed	20 new solar powered water systems and converting 9 diesel powered systems to solar power
Integrated Water Use Project Phase 3	JICA	US\$ 11.5	Completed	15 new solar powered water system and converting 3 diesel powered system to solar powered
Managing Water and Energy Services for Poverty Eradication in Rural Gambia	UNDESA	US\$ 2.0	Completed	Expansion and Extension of Rural Water Supply Systems schemes to cater for horticultural activities in 5 villages
Water Supply and Sanitation Study for The Gambia	AfDB	UA 1.2	Completed	Master Plan for Water Supply and Sanitation in major urban areas and detailed design for priority areas
Rural Water Supply and Sanitation Project	AfDB	UA 5.4	Completed	22 new solar powered water system and Construction of pit latrines
National Water Sector Reform Project of The Gambia	AfDB/AWF	Euro 2.0	Completed	Reform of the water sector in The Gambia

Appendix IV: Maps of The Gambia and the Project Area/Sites



These maps were provided by the African Development Bank exclusively for the use of the readers of the report to which it is attached. The names used and the borders shown do not imply on the part of the Bank and its members any judgement concerning the legal status of a territory nor any approval or acceptance of these borders. The use of this map for any other purposes is strictly prohibited.

Appendix V: Satisfaction of Requirements for Funding Sources



REPUBLIC THE GAMBIA
MINISTRY OF FINANCE AND ECONOMIC AFFAIRS
THE QUADRANGLE, BANJUL, THE GAMBIA.

Ref: ADM 116/341/01/ P 9 (86)

30th April 2018

Mrs. Marie-Laure AKIN OLUGBADE
Ag. Director General
Regional Development, Integration
and Business Delivery Directorate
African Development Bank
West Africa Region
E: mailM_AKIN-OLUGBADE@afd.org

Cc: Mr. Sibry TAPSOBA,
Director,
Transition Support Facility
African Development Bank
S.TAPSOBA@afdb.org

Dear Madam,

**SUBJECT: LETTER OF ENDORSEMENT FOR USE OF ADF AND TSF FUNDS FOR THE CLIMATE-
SMART RURAL WASHDEVELOPMENT PROJECT (CSRWASDEP)**

I hereby wish to formally forward this letter of endorsement in relation to the above-stated, as per our discussions and agreement in the recently concluded Project Appraisal Mission by staff of the Bank. As indicated in the AIDE MEMOIRE signed by the Permanent Secretary of the executing agency (Ministry of Fisheries, Water Resources and NAMs) and our Ministry, the Government of the Gambia wish to formally request that M3.00 (Million UA) and M2.5 million UA from the ADF and TSF respectively of the country allocated funds be allocated to the CSRWASDEP to complement efforts made by the Bank in securing additional funding from other sources.

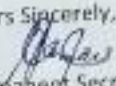
I wish to emphasize the importance this Government attaches to the Water and Sanitation sector, a very important component to achieve wellbeing of all Gambians, clearly spelt-out in the Country Strategic Plan of 2017 and the National Development Plan 2018-2023 recently launched. Support from the Transitional Support facility (TSF) will greatly facilitate the implementation of the proposed project and future infrastructure activities to provide water and sanitation facilities to marginalized communities and in-turn contribute to calm the underlying tensions that have the potential to perpetuate the country's fragile situation. The following activities will be supported through the TSF:

- Preparation of National water and sanitation Program & Investment Plan and Rural Water Department Reform Implementation.
- Regional and National Study tours/learning visits
- Training of sector professionals and Entrepreneurs (specialized Professional Development and SME Training in-country including training/demonstration equipment, Regional, Regional training of sector Professionals).
- Internship for Young Professionals
- Technical Assistance for Project Management/implementation

I look forward to your kind consideration and usual cooperation in this regard.

With my highest consideration,

Yours Sincerely,


Permanent Secretary
Ministry of Finance and Economic Affairs

Cc: Permanent Secretary MOF, WR and NAMS
Director, Department of Water Resources



NATIONAL ENVIRONMENT AGENCY

Gambia Environment House, Jimpex Road
P. O. Box 43, Banjul, THE GAMBIA
Tel: (220) 4399422 / 4399423
Fax: (220) 4399430; Email: nea@nemanet.gm



NEA/ADM 130/01/Part XXXV (47)

9th June 2017

To: **Mahamat ASSOUYOUTI**
GEF Coordinator
African Development Bank
Immeuble du Centre de commerce International d'Abidjan CCIA
Avenue Jean-Paul II
01 BP 1387
Abidjan 01, Côte d'Ivoire

Subject: Endorsement for Project "GAMBIA –Improving Water Availability in Rural and Peri-Urban Communities for Domestic and Agriculture Use"

In my capacity as GEF Operational Focal Point for **The Gambia**, I confirm that the above project proposal (a) is in accordance with my government's national priorities, including the priorities identified in the National Adaptation Plan of Action or the National Capacity Self-Assessment and our commitment to the relevant global environmental conventions; and (b) was discussed with relevant stakeholders, including the global environmental convention focal points.

I am pleased to endorse the preparation of the above project proposal with the support of the GEF Agency listed below.

I request the GEF Agency to provide a copy of the project document before it is submitted to the GEF Secretariat for CEO endorsement.

The total LDCF financing being requested for this project is **\$10,074,000**, inclusive of Project Preparation Grant (PPG), if any, and Agency fees for project cycle management services associated with the total GEF grant. The financing requested for **The Gambia** is detailed in the table below.

AFRICAN DEVELOPMENT FUND

BOARD OF DIRECTORS

Resolution N° F/GM/2018/61

Adopted by the Board of Directors on a lapse-of-time basis, on 17th September 2018

Grant to the Republic of The Gambia to finance part of the costs of the Climate Smart Rural WASH Development Project

THE BOARD OF DIRECTORS,

HAVING REGARD to: (i) Articles 1, 2, 11, 12, 14, 15, 16, 26 and 30 of the Agreement Establishing the African Development Fund (the “Fund” or “ADF”); (ii) the Report on the Fourteenth General Replenishment of the Resources of the Fund (ADF-14); (iii) the applicable ADF-14 Country Resource Allocation; and (iv) the appraisal report contained in document ADB/BD/WP/2018/156/Approbation - ADF/BD/WP/2018/113/Approval (the “Appraisal Report”);

NOTING the availability of sufficient resources to enable the Fund to commit the amount of the Grant;

DECIDES as follows:

1. To award to the Republic of The Gambia (the “Recipient”), from the resources of the Fund, a grant of an amount not exceeding the equivalent of Three Million Units of Account (UA 3,000,000 (the “Grant”) to finance part of the costs of the Climate Smart Rural WASH Development Project;
2. To authorize the President to conclude a protocol of agreement between the Fund and the Recipient (the “Protocol of Agreement”) on the terms and conditions specified in the General Conditions Applicable to Protocols of Agreement for Grants of the African Development Fund and the Appraisal Report;
3. The President may cancel the Grant if the Protocol of Agreement is not signed within ninety (90) days from the date of approval of the Grant by this Board; and
4. This Resolution shall become effective on the date above-mentioned.

BOARDS OF DIRECTORS

Resolution N° B/GM/2018/51 - F/GM/2018/62

Adopted by the Boards of Directors of the Bank and the Fund, on a lapse-of-time basis, on 17th September 2018

Grant to the Republic of The Gambia, from the resources of the Transition Support Facility, to finance part of the costs of the Climate Smart Rural WASH Development Project**THE BOARDS OF DIRECTORS,**

HAVING REGARD to: (i) Articles 1, 2, 32 and 37 of the Agreement Establishing the African Development Bank (the “Bank”); (ii) Articles 1, 2, 26 and 30 of the Agreement Establishing the African Development Fund (the “Fund” or “ADF”); (iii) the Report on the Fourteenth General Replenishment of the Resources of the Fund (ADF-14); (iv) the Operational Guidelines for the Implementation of the Strategy for addressing Fragility and building Resilience in Africa and for the Transition Support Facility (the “TSF Operational Guidelines”); and (v) the appraisal report contained in document ADB/BD/WP/2018/156/Approval - ADF/BD/WP/2018/113/Approval (the “Appraisal Report”);

RECALLING:

- (i) Resolution B/BD/2008/05 - F/BD/2008/03 approved by the Boards of Directors of the Bank and the Fund on 28 March 2008 establishing a Fragile States Facility;
- (ii) Document ADB/BD/WP/2014/46/Rev.2 - ADF/BD/WP/2014/30/Rev.2 entitled “Addressing Fragility and Building Resilience in Africa: The African Development Bank Group Strategy 2014 – 2019”; and
- (iii) Document ADB/BD/WP/2017/175 - ADF/BD/WP/2017/123 as well as its corrigendum entitled “Fourth Cycle Assessment of Eligibility for Countries to the Transition Support Facility (TSF) Supplemental Support Funding (Pillar I) Resources” which confirmed, *inter alia*, the eligibility of the Republic of The Gambia to receive financing from the TSF Supplemental Support Window (Pillar I);

DECIDE as follows:

1. To award to the Republic of The Gambia (the “Recipient”), from the resources of the TSF Supplemental Support Window (Pillar I), a grant of an amount not exceeding the equivalent of Two Million, Five Hundred Thousand Units of Account (UA 2,500,000) (the “Grant”) to finance part of the costs of the Climate Smart Rural WASH Development Project;
2. To authorize the President to conclude a protocol of agreement amongst the Bank, the Fund and the Recipient (the “Protocol of Agreement”), on the terms and conditions specified in the General Conditions Applicable to Protocols of Agreement for Grants of the African Development Fund, the TSF Operational Guidelines and the Appraisal Report;
3. The President may cancel the Grant if the Protocol of Agreement is not signed within ninety (90) days from the date of approval of the Grant by these Boards; and
4. This Resolution shall become effective on the date above-mentioned.

BOARDS OF DIRECTORS

Resolution N° B/GM/2018/52 - F/GM/2018/64

Adopted by the Boards of Directors of the Bank and the Fund on a lapse-of-time basis, on 17th September 2018

Grant to the Republic of The Gambia from the Resources of the Rural Water Supply and Sanitation Initiative Multi-donor Grant Arrangement to finance part of the costs of the Climate Smart Rural WASH Development Project

THE BOARDS OF DIRECTORS,

HAVING REGARD to: (i) Articles 1, 2, 12, 14, 17, 32, 37 and 50 of the Agreement Establishing the African Development Bank (the “Bank”); (ii) Articles 1, 2, 8, 11, 12, 14, 15, 16, 26, 30, and 42 of the Agreement Establishing the African Development Fund (the “Fund”); (iii) the Instrument for the Rural Water Supply and Sanitation Initiative (RWSSI) Multi-donor Grant Arrangement, executed amongst the Bank, the Fund and certain donors; and (iv) the appraisal report contained in document ADB/BD/WP/2018/156/Approval-ADF/BD/WP/2018/113/Approval (the “Appraisal Report”);

RECALLING Resolution B/BD/2006/02 - F/BD/2006/01 adopted by the Boards of Directors of the Bank and the Fund, on 18 January 2006, approving the Instrument for the RWSSI Multi-donor Grant Arrangement pursuant to which the Bank and the Fund administer the resources of the RWSSI Multi-donor Grant Arrangement;

DECIDE as follows:

1. To award to the Republic of The Gambia (the “Recipient”), from the resources of the RWSSI Multi-donor Grant Arrangement, a grant of an amount not exceeding Two Million Euros (EUR 2,000,000) (the “Grant”) to finance part of the costs of the Climate Smart Rural WASH Development Project;
2. To authorize the President to conclude a protocol of agreement amongst the Bank, the Fund and the Recipient (the “Protocol of Agreement”), on the terms and conditions specified in the General Conditions Applicable to Protocols of Agreement for Grants of the African Development Fund and in the Appraisal Report;
3. The President may cancel the Grant if the Protocol of Agreement is not signed within ninety (90) days from the date of approval of the Grant by the Boards; and
4. This Resolution shall become effective on the date above-mentioned.