



Matching Grant Manual

Tourism Diversification and Resilience in The Gambia Project

(TDRGP)



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MINISTRY OF TOURISM AND CULTURE
THE GAMBIA

Preface

This manual is a comprehensive guide to the selection process, fair distribution, and efficient administration of the Matching Grant Scheme of the Tourism Diversification and Resilience in The Gambia Project funded by the World Bank, through an International Development Association (IDA) grant. The matching grant is geared towards assisting eligible tourism Micro, Small, and Medium Enterprises (MSMEs) to access project funds, stimulating their growth and development to ensure the Project Development Objectives are achieved.

The overarching goal of the project is to strengthen and diversify The Gambia's tourism sector by fostering inclusivity, sustainability, and integration of MSMEs into the global tourism value chains. This manual is designed to ensure that the allocation and utilization of funds are transparent, impartial, and effective, thereby empowering targeted tourism MSMEs and boosting The Gambia's competitive edge.

The development of the manual is a collaborative process with input from stakeholder consultations, rigorous needs assessments, and in-depth research into international best practices of matching grant implementation within the tourism sector. The intent is to provide a practical toolkit and information resources for all stakeholders of the project.

The Government of the Gambia, through the Ministry of Tourism and Culture extends heartfelt gratitude to the World Bank for their unwavering support in funding this project and facilitating its implementation as agreed in the governance framework. Sincere appreciation is conveyed to the stakeholders who shared their valuable insights, expertise, and feedback during the manual's development to ensure that collective contribution has shaped this comprehensive resource, poised to invigorate growth and resilience in The Gambia's tourism sector.

All project stakeholders and beneficiaries are encouraged to be familiar with this manual and use it as reference in the application or monitoring of the process for the project's Matching Grant Scheme.

ABBREVIATIONS & ACRONYMS

ABBREVIATIONS & ACRONYMS	DESCRIPTION
BIP	Business Improvement Plan
EMF	Environmental Management Framework
EMP	Environmental Management Plan
EOI	Expression of Interest
ESIA	Environmental and Social Impact Assessment
ESS	Environmental and Social Standards
FI	Financial Institution
GBV	Gender Based Violence
GCCCI	Gambia Chamber of Commerce and Industry
GIEPA	Gambia Investment and Export Promotion Agency
GM	Grievance Mechanism
GMD	Gambian Dalasi (Currency)
GT Board	Gambia Tourism Board
IDA	International Development Association
IFC	International Finance Corporation
KPI	Key Performance Indicators
MFD	Maximizing Finance for Development
MGA	Matching Grant Agreement
MoTC	Ministry of Tourism and Culture
MoTRIE	Ministry of Trade, Industry, Regional Integration and Employment
MC	Management Company
MSME	Micro, Small, and Medium Enterprises
PAD	Project Appraisal Document
PC	Project Coordinator
PD	Project Director
PDO	Project Development Objective
PIU	Project Implementation Unit
PS	Permanent Secretary
PSC	Project Steering Committee
SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment
SOP	Standard Operating Procedures
TCS	Technical Compliance Support
TCWG	Tourism Competitiveness Working Group
TDA	Tourism Development Area
TDRGP	Tourism Diversification and Resilience in The Gambia Project
TDRGP MGS	Tourism Diversification and Resilience in The Gambia Project Matching Grant Scheme
WB	World Bank

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GLOSSARY

Matching Grant Scheme	A matching grant scheme is a temporary, short-term, and usually, one-time only instrument designed to overcome market failures in financial allocations that hinder business development.																				
Micro, Small, or Medium Enterprise	<p>The Gambia National Policy for MSMEs 2019-2024 categorizes MSMEs according to number of employees, level of capital or assets, and annual turnover, and meeting any of the three benchmarks ensures qualification as an MSME . This confirms that The Gambian economy is characterized by a dominance of MSMEs engaged across a range of priority sectors at the formal and informal levels.</p> <table border="1"> <thead> <tr> <th>MSME category</th> <th>Number of employees</th> <th>Paid-in capital/assets (GMD)</th> <th>Annual Sales (GMD)</th> </tr> </thead> <tbody> <tr> <td>Micro</td> <td>1-4</td> <td>0-25,000</td> <td>0-500,000</td> </tr> <tr> <td>Small</td> <td>5-15</td> <td>25,000-1 million</td> <td>500,001-2 million</td> </tr> <tr> <td>Medium-sized</td> <td>16-49</td> <td>1 million-5 million</td> <td>2 million-10 million</td> </tr> <tr> <td>Large</td> <td>50 or more</td> <td>More than 10 million</td> <td>More than 10 million</td> </tr> </tbody> </table> <p>Source: "The Gambia National Policy for MSMEs 2019-2024".</p>	MSME category	Number of employees	Paid-in capital/assets (GMD)	Annual Sales (GMD)	Micro	1-4	0-25,000	0-500,000	Small	5-15	25,000-1 million	500,001-2 million	Medium-sized	16-49	1 million-5 million	2 million-10 million	Large	50 or more	More than 10 million	More than 10 million
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Competitiveness	Ability of enterprises to compete with other firms, brands, products and services in their target market or industry.																				
Applicant	A MSME applying for the Matching Grant Scheme.																				
Application	The package of all necessary documents and data submitted by the Applicant, including the Business Improvement Plan.																				
Equipment	Any new material/operational means that is tangible, including hard or soft infrastructure needed for MSMEs to create new products/services, improve production processes or/and improve products/services, in the context of the approved Lead Contract processes indicated in the BIP is qualified as equipment under the MGS.																				
Business Improvement Project (BIP)	Proposal, which is an integral part of the Application, including a clearly defined objective, start-end project dates, estimated budget, descriptions of business development services, equipment, and an implementation action plan. BIP is described in detail in the "Application Procedure" section of the present manual.																				
Beneficiary /Awardee	MSMEs selected in accordance with open and transparent procedures, as established in the Matching Grant manual, which will benefit from the provision of Matching Grants through the Scheme.																				

Matching Grant (MGA) Agreement	A document signed by the Applicant, governing the MGS financing and responsibilities of the Applicant.
Tourism Competitiveness Working Group	A team of representatives from the public and private sectors, nominated for the technical review of proposed activities defined in the Applications. The Technical team recommends the approval or rejection of the proposal before the final decision.
Project Steering Committee	This is the apex governing body of the TDRGP with representatives from the public and private sector.
Management Company	This is a Company contracted by the PIU for a period of four years to undertake;(i) business development (bringing both MSMEs and Lead Firms into the program), (ii) marketing and awareness raising, (iii) sourcing and managing the cohort of Business Advisors used in the initiative, (iv) providing the initial diagnostic service to MSMEs, (v) providing coaching to assist MSMEs with implementing the recommendations of the diagnostic, (vi) developing action plan for the financial support to clients via matching grants, and (vii) establishing a database of MSME advisory firms.

1.0 INTRODUCTION

1.1 Project description

The Tourism Diversification and Resilience in The Gambia Project (TDRGP) is a transformative initiative to promote the growth and diversification of Gambia's tourism sector. The project seeks to enhance the competitiveness, inclusivity, and resilience of the country's tourism industry through support from various stakeholders, including the government, development partners, and industry associations.

1.2 Project Development Objective (PDO)

The project development objective is to support the diversification and climate resilience of the tourism sector at selected destinations.

Progress toward the Project Development Objective (PDO) will be measured by the following specific objectives or results indicators:

- a) Share of arrivals from non-traditional markets (percentage)
- b) Share of beneficiary MSMEs with new or expanded contracts with tourism Lead Firms (disaggregated by gender) (percentage)
- c) Increased shoreline with targeted coastal erosion control measures (square meters).

The project is supported by US\$68 million IDA Investment Project Financing (IPF) and will be executed in five years. The project aims to improve the diversification and resilience of the Gambian tourism sector by strengthening institutional policy framework and MSME participation (Component 1) as well as infrastructure support for the diversification and resilience of the tourism sector (Component 2). It is expected that implementing the project will improve capabilities and access to funds for tourism related MSME suppliers and build resilience through the strengthening of sustainable coastal infrastructure and rehabilitation of identified existing tourism sites.

1.3 Project Component

The project consists of four separate but inter-linked technical subcomponents, which are described below, as contained in the project appraisal document (PAD).

Subcomponent 1a: Improved institutional capacity for data-driven planning, marketing, and branding.

Subcomponent 1b: Increase participation of tourism MSMEs within the selected destinations.

Subcomponent 2a: Protection, rehabilitation, and integrated management of coastal areas.

Subcomponent 2b: Integrated tourism product development and diversification of selected tourism areas.

The matching grant scheme is under subcomponent 1b of the TDGRP, which seeks to contribute to the PDO by supporting the diversification and inclusivity of the Tourism sector in The Gambia by promoting tourism MSMEs sustainable integration into value chains with established end markets. The objective of the subcomponent is to create a supply chain structure for upgrading domestic MSMEs, facilitating the transfer of technology, knowledge, and skills; and improving business and management practices and access to markets. This will be achieved by enabling more tailored capacity-building services and co-funding for a wider segment of tourism-related businesses that are suppliers of goods and services for lead firms such as hotels and tour operators.

The Matching Grant Scheme Beneficiaries

The direct targeted project beneficiaries of the Matching Grant Scheme are as follows: MSMEs (including women-owned/managed) in the tourism-related sector which will also benefit from expanded market access through integration in the tourism value chain, to foster contractual relationships with national/regional/international tourism businesses.

2.0 THE MATCHING GRANT

2.1 Overview of the Matching Grant Scheme

The TDRGP MGS pairs MSME contribution with project funding, as a catalyst for economic stimulation by providing eligible tourism related MSMEs with targeted financial support. This matching grant is designed to boost businesses' financial capacity and encourage entrepreneurial vigor and innovation. The program shares the responsibility of investment that cultivates a sense of ownership from grant recipients that strengthens the impact of the funding.

2.2 Goal and Objectives of the Matching Grant Scheme

The Matching Grant Scheme is a strategic initiative tailored to enhance the operational and technological capabilities of MSMEs in The Gambia's tourism sector. Central to this scheme is the provision of matching grants, specifically targeted at MSMEs that have demonstrated a commitment to growth and innovation through their participation in comprehensive capacity-building programs. With the goal of co-financing investments in advanced production technologies and modern business practices. This approach is designed to harmonize MSMEs' products and services with the evolving demands of leading tourism firms to ensure a more integrated and efficient tourism value chain including raising MSMEs' products and services standards to meet the demands of the leading firms.

2.3 Objectives of the Scheme

- i. **Strengthen Financial Capacity:** To provide targeted financial support to eligible MSMEs operating within the Gambia's tourism sector, enhancing their financial capabilities to invest in growth, innovation, and sustainable practices.
- ii. **Promote Innovation and Diversification:** To encourage and incentivize MSMEs in the tourism industry to adopt innovative approaches, diversify their offerings, and embrace sustainable practices that enhance their market appeal and contribute to the sector's resilience.
- iii. **Foster Collaboration and Partnerships:** To facilitate collaborations between Tourism Related MSMEs and larger tourism operators, industry associations, and local communities, promoting collective growth and creating synergistic value chains.
- iv. **Facilitate Market Access and Global Integration:** To enable participating MSMEs to access broader markets, both domestically and internationally, providing resources that enhance their market readiness, branding, and distribution capabilities.
- v. **Support Employment Generation and Socioeconomic Impact:** To stimulate employment creation within the tourism sector, particularly among youth and women, contributing to poverty reduction and socioeconomic development in line with national priorities.
- vi. **Enhance Sustainability and Quality Standards:** To promote sustainable practices and adherence to quality standards among MSMEs, fostering responsible tourism development and enhancing the Gambia's reputation as a destination of choice.
- vii. **Empower Local Communities:** To empower local communities by encouraging the active involvement of community-based enterprises that are based across rural communities in the tourism value chain, and as much as possible ensure the inclusion of enterprises that

are community or part community owned. This will ensure equitable distribution of benefits and enhance community ownership of tourism development.

- viii. **Facilitate Knowledge Transfer and Learning:** To establish a platform for knowledge sharing, capacity building, and experiential learning among participating MSMEs, encouraging the adoption of best practices and fostering a culture of continuous improvement.

2.4 *Grant Size and Structure*

The Matching Grant Scheme will provide financing required for the investment with up to a maximum of \$50,000 (equivalent in Gambian Dalasi (GMD)) per eligible beneficiary MSME. The terms of the Grant Size and Structure are explained below for the purpose of shared understanding and technical application in the implementation of the MGS:

Grant Size: This has been strategically designed to provide substantial financial support up to a maximum of US\$50,000 to MSMEs, facilitating the implementation of their business improvement plans and technological (service and product upgrades as well) upgrades to meet the requirements of lead firms and enhance their integration into value chains. As the average grant size will be based on the requirements of the enterprise and the MSME mapping report showed that nearly two thirds of MSMEs are micro, the average grant size is likely to be around US\$10,000 since nearly 60% of MSMEs surveyed expressed their financing need at \$8,000 or below.

Grant Structure: The grants will be provided on a cost sharing basis, where the scheme will provide up to 70 percent of the financing required for the investment with up to a maximum of US\$50,000 and the beneficiary MSME will contribute at least the remaining 30 percent. This structure will ensure a balanced contribution from both the grant and the beneficiary MSME, promoting ownership and commitment while leveraging additional private capital.

2.5 *Minimum Cash Contribution Requirement*

The matching contribution from beneficiary MSMEs under the TDRGP MGS can be in the form of cash, which may include external financing sources such as debt, equity, or investments already made by the enterprise. It is mandatory for at least 50% of the MSME's matching contribution to be in cash. The rest can be in the form of in-kind contributions, although a full cash contribution is preferred. For details on what constitutes acceptable in-kind contributions, please refer to the annexes to this manual. This approach is carefully chosen to reflect the realities of local business practices and financial capabilities in The Gambia, aiming to balance the need for financial commitment with the prevailing economic conditions.

2.6 *Means of Verification for In-Kind Contributions*

Ensuring transparent and reliable verification methods for in-kind contributions is essential to maintain the integrity of the TDRGP MGS program. To this end, TDRGP MGS will utilize the following means of verification to assess and authenticate in-kind contributions by MSMEs.

- a) **Documentation:** MSMEs seeking to utilize in-kind contributions as part of their matching grant requirement must provide comprehensive documentation that clearly outlines the nature,

value, and relevance of the in-kind contributions. This documentation may include invoices, receipts, contracts, or any other relevant records that substantiate the contribution's legitimacy.

- b) **Third-Party Validation:** In instances where the in-kind contribution exceed \$10,000, third-party experts or evaluators will be engaged to verify the value and appropriateness of in-kind contributions. These experts will conduct an impartial assessment to ascertain that the contributions align with the program's objectives and guidelines.
- c) **On-Site Inspections:** On-site inspections will be conducted to physically verify the existence and usability of in-kind contributions. These inspections will ensure that the contributions effectively contribute to the MSME's business improvement as intended.
- d) **Digital Documentation:** Whenever applicable, digital documentation, such as photographs, videos, or digital records, may be used to corroborate the existence and condition of in-kind contributions. These digital records serve as valuable visual evidence.

It is imperative that MSMEs maintain a high degree of transparency and accuracy in documenting their in-kind contributions to facilitate the verification process. Failure to provide satisfactory means of verification may result in the disqualification of the contribution from the TDRGP MGS program. The goal of these means of verification is to uphold program integrity, ensure fairness, and support the successful implementation of the matching grant scheme.

2.7 Acceptable In-Kind Contributions

In proposals eligible for funding, there's a requirement for the firm's matching contribution. At least fifty percent of this contribution must be in cash. Furthermore, in-kind contributions from the firm are limited to a maximum of fifty percent of the total firm's matching contribution. For example, if the grant accounts for 70% of the project's total cost, and the firm's matching contribution is 30%, then in-kind contributions should not exceed 50% of the beneficiary's own contribution. Furthermore, it is important to note that in-kind contributions are permissible only under exceptional, justifiable circumstances. Types of acceptable in-kind contributions are listed in the Annexes of this manual.

3.0 TECHNICAL AND COMPLIANCE SUPPORT AND GRADUATION

Part of the objective of the Technical and Compliance Support is for the management company to build the capacity of the MSMEs to help them fulfill the requirements of the lead firms.

To this end, the Management Company (MC) that will be hired by the project is expected to identify areas where the MSMEs would require training to enhance their ability to achieve their objectives in an efficient and effective manner.

3.1 Technical and Compliance Support

The Technical and Compliance Support to be provided by the Project will take a lead firm approach to MSME solution, one that leverages lead firms to expand the capacity of the MSMEs in their value chain or have the potential to be suppliers of goods and services. This direct approach will ensure private sector leadership by customizing the MSME strengthening to meet market requirements.

The capacity building element of the technical support hinges on the MC carrying out the following:

- a. **Lead Firm/Buyer specification review:** Develop an understanding of specific requirements of lead firms and their commitment to business process re-engineering across the supply chain. This stage will also involve a preliminary selection of defined lead firms considering their proximity to markets, commitment to source locally and their reputation in the tourism sector.
- b. **Outreach:** This is aimed at reaching many tourism-related MSMEs that are looking to scale their businesses. To achieve this, the MC is expected to; i) identify the best channels through which to reach the target audience and ii) design and deploy effective outreach campaigns. The outreach efforts should include 1-2 hour “Spark Talks” and “Meet Ups” that offer learning opportunities and serve as trigger events to apply for the program.
- c. **Development of Criteria for Selection of MSMEs:** The criteria for the selection of the growth oriented MSMEs should be clearly defined by the MC in collaboration with the PIU.
- d. **Identification of a pipeline of 300 MSMEs:** This will be done through outreach activities in collaboration with large firms, financial intermediaries, government counterparts, GCCI, and development projects from the Ministry of Agriculture which are supporting MSMEs and screen growth potential MSMEs using entrepreneur assessment, an examination of traits that are common to identify successful entrepreneurs.
- e. **Development of a diagnostic tool:** This will be used to assess growth oriented MSMEs and assess their needs and tailor services to those needs.
- f. **MSME coaching support:** In-depth technical guidance and follow-up support in the following specific areas:
 - **Market linkages and Sales Capacity:** market information especially information sharing platforms for MSMEs, marketing skills(incubation centers for skills development), and market linkages upstream and downstream in the value chain
 - **Product development:** creation of new products or significant improvements to existing ones. This can include concept development, market research, design, prototyping, testing, and final product rollout.
 - **Technology:** technology information, training, and access.
 - **Financial capabilities:** assessing readiness (bookkeeping), basic financial management skills development and provision of matching grants.
 - **Human resources management:** accounting, legal, compliance, industry expertise

- **Access to Networks:** interaction with government regulators, institutional buyers, financiers, R&D institutions, service providers competition, fairs, platforms, GCCI, GHA.

3.2 Technical and Compliance Support Graduation Criteria

- At the end of the technical and compliance support phase (incubation), the MC will use the graduation criteria to select the MSMEs that can proceed to the application phase of the Matching Grant scheme, refer to the Selection Criteria in the Annex of this manual. A total of 100 points are available, with each criterion assigned a specific weight based on its importance. MSMEs must score a minimum of 70 out of 100 points to be considered for the grant.
- Assessment of leadership capacity.

An evaluation of the above criteria (and others as may be considered by the PIU) shall be conducted by the MC to select the applicants for Graduation into the Implementation phase of the Matching Grant Scheme. Below is a sample matrix for consideration and adoption by the PIU:

Figure 1: Evaluation Matrix for TCSG Graduation

Criteria	Weight of Criteria (%)	Score (Highest 5; Lowest 1 points)	Results (Score * Weighted %)
Assessment of MSMEs' current operational and financial positions	25		
Assessment of potential demand for MSME products/services by lead firms	20		
Identification of viable interventions for building links	20		
Financial and technical viability of MSME businesses and potential for growth and market penetration.	20		
Compliance with applicable environmental and social safeguards	15		

Based on the five evaluation criteria on the table each panelist (identified by the MC) will be given a Business Plan of an MSME that is a potential applicant after going through the incubation and referring to the Business Plan as the need arises, to score each criterion of the matrix. Score 1 to 5 will be the rated score, with 1 as the lowest and 5 the highest score. Then the weight of the evaluation criteria is multiplied with the score to determine the result of that unit. The result is calculated as a sum of the results of each criterion to determine the total score for each applicant. The MSMEs with the scores that exceed the score of 70 out of 100 points are selected for Graduation into the Implementation phase.

4.0 ELIGIBLE AND INELIGIBLE EXPENSES UNDER THE MG RESOURCES

The TDRGP MGS Program aims to support Gambian MSMEs in their efforts to enhance their capabilities and meet the requirements of lead firms. To facilitate this, the program

provides partial financing for specific capital investments that contribute to improved production technologies and technology adoption in alignment with the lead firm's demands. Eligible expenses encompass a range of strategic investments that promote competitiveness and sustainability within the tourism sector.

These eligible expenses are designed to empower MSMEs in the tourism sector to adapt, innovate, and improve their operations in response to market dynamics and the expectations of lead firms. By partially financing these strategic investments, the Matching Grant Program seeks to enhance the competitiveness and sustainability of Gambian MSMEs while fostering economic growth within the tourism industry.

4.1 Eligible Expenses

The following categories of eligible expenses are not exhaustive, and the project may consider other technology and non-technology related investments on a case-by-case basis, provided they align with the overall objectives of the Matching Grant Scheme and the lead firm's requirements.

4.1.1 Technological Upgrades and Investments

- a. **Digital Payment Acceptance Infrastructure:** Investment in the development and integration of digital payment solutions to enhance payment processing efficiency and customer convenience.
- b. **Expansion of Virtual Presence:** Initiatives aimed at expanding the digital footprint of MSMEs, enabling them to connect with lead firms and a broader customer base through online platforms and virtual marketing strategies.

4.1.2 Climate-Smart and Circular Economy Investments

Climate-Smart Technologies: Investments in technologies and practices that improve environmental sustainability, reduce greenhouse gas emission, improve resource efficiency, and promote climate resilience within business operations.

4.1.3 Circular Economy Initiatives:

Strategies and investments that foster circularity in product design, production processes, and resource utilization, ultimately reducing waste and minimizing environmental impact.

4.1.4 Other Technology Investments

- a. **Technology Required for Process/Product/Service Enhancement:** Any technology investments deemed necessary to upgrade the core business processes, products, or services in alignment with the lead firm's specifications and market demands.

4.1.5 Non-technological investments required for process/product/service upgrade for MSME:

This includes non-technology related investments aimed at improving products/services of MSMEs to meet the requirements of lead firms in line with the following:

- a. **Product/service** – Includes investments of MSMEs geared towards product or service development/enhancement in compliance with the quality management standards and optimal quantities of lead firms.
- b. **Packaging, labeling** – Involves investments of MSMEs that support the attainment of the requirements of lead firms relating to product packaging, transportation, labeling information, and other product documentation.

4.2 Ineligible Expenses

It is essential for MSMEs to carefully review the guidelines and eligibility criteria of the matching grant program to ensure that their proposed expenses align with the program's objectives. Ineligible expenses will not be reimbursed or covered by the grant, and any misappropriation may result in disqualification from the program.

The expenses that are deemed ineligible for funding under the TDRGP MGS program include but not limited to the following:

- a) **Operating Costs:** Routine operational expenses such as rent, utility bills, and general office supplies are not eligible for grant funding. These costs are considered part of the day-to-day running of a business and should be covered by MSME's own operational budget, or as part of a matching grant contribution.
- b) **Salaries and Wages:** Payment of salaries, wages, bonuses, or any form of direct compensation to employees, including labor costs for specific projects, is ineligible for grant funding, and MSMEs can use these types of expenditures as matching grant contribution. This includes hiring additional staff solely for the purpose of the grant project.
- c) **Debt Repayment:** The repayment of existing loans, credit lines, or any form of financial debt is not an eligible expense. The matching grant is intended to support capital investments and business improvement, not to service existing financial obligations.
- d) **Costs Incurred Before Grant Approval:** Any expenses incurred by the MSME before the official approval of the matching grant are not eligible for reimbursement. Eligible expenses must be incurred during the grant implementation period.
- e) **Taxes and Penalties:** Taxes, fines, penalties, or legal fees related to non-compliance with regulatory requirements or legal matters are ineligible for grant funding. This includes any liabilities owed to government authorities.
- f) **Personal Expenses:** Personal expenses of business owners or staff, such as personal travel, accommodation, meals, or entertainment, are not eligible for grant funding. The grant is intended for business-related investments.
- g) **Land or Building:** Purchase of land or buildings including renovations and relocation. All expenses related to the purchase of land, buildings, renovations, and relocation are outside the scope of the matching grant scheme and will not be funded.
- h) **Non-Business Investments:** Any investments or expenditures unrelated to the business's core operations and objectives, such as personal investments or investments in unrelated ventures, are not eligible.

- i) **Expenditures Outside the Scope:** Expenses that fall outside the scope of the approved grant project or are not directly related to the project's objectives are ineligible. All expenses must align with the defined project goals.
- j) **Illegal Activities:** Expenses related to any illegal or unethical activities, including those violating environmental regulations or employing child labor, illegal substances, firearms are strictly prohibited and ineligible for funding.
- k) **Interest and Financial Charges:** Any interest payments, late fees, or financial charges related to loans or financial instruments are not eligible for grant funding. This includes interest on overdue bills or financial penalties.

5.0 ENVIRONMENTAL, SOCIAL SCREENING AND GRIEVANCE MANAGEMENT

5.1 Environmental and Social Screening

The main objective of this sub-component is to strengthen contractual relationships between Lead Firms and MSMEs by upgrading domestic MSME through the transfer of technology, improving business and management practices and facilitating access to external markets, to name a few. Some of these activities may directly or indirectly generate environmental and social impacts related to air, noise and water pollution, waste management, labor, and health risks.

Considering the above, the PIU' s Environmental and Social Standards (ESS) Specialists will support the Management Company to lead in the conduct of preliminary screening of proposed activities to be supported under the TDRGP MGS to identify and assess any potential environmental and social risks and issues. The screening process also allows the identification of potential areas of harm and risk and proffer recommendations for improving environmental performance of proposed activities by identifying opportunities for environmentally sound and/or socially acceptable interventions.

In accordance with the World Bank requirements and the national environmental regulations on the screening of all project activities to determine the instruments that need to be developed to manage any environmental and social risks and impacts, the Management Company with support from the PIU ESS team will ensure:

- a) all sub-project activities financed under the MG will be screened and evaluated on their environmental and social in accordance with the WB ESF (Environmental and Social Framework)
- b) appropriate consultation and transparency in the screening of sub-project activities
- c) sub-projects comply with relevant national regulations on E&S safeguards
- d) mitigation measures agreed to are regularly monitored to ensure compliance.

All sub-project activities that fall under Category A (when a full ESIA is required) as per the national environmental legislation will not be eligible for funding.

5.2 Grievance Mechanism

This Grievance Mechanism (GM) has the objective of resolving issues and/or complaints at the earliest possible time before they escalate. MSMEs can engage the project, ask questions, and raise concerns, without fear of reprisals from the initial selection stage, the application/disbursement phase and throughout the matching grant lifecycle. All Gender Based Violence (GBV) and Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH), Forced and Child Labor cases can be directed to the PIU for redress.

MSMEs and other stakeholders can engage the project via the following channels:

Email address: queries@piumotc.gm

PIU GBV Focal Person (for all SEA/SH and GBV cases). However, complainants maintain the right to report directly to service providers or not to report if they wish.

Toll-free line: 1031

Grievance forms: available at the PIU office (to be used only for non-SEA/SH cases)

Sending letters to the PIU.

6.0 APPLICATION ELIGIBILITY AND PROCESS

6.1 *Application Eligibility*

The TDRGP MGS eligibility criteria are designed to select tourism related MSMEs that are best positioned to leverage the grant for enhancing their business operations and contributing to the growth of the tourism and tourism related sector. The criteria encompass various aspects to ensure a fair and transparent selection process.

6.1.1 Business Type and Legal Status

- a. The MSME must be a registered business that is fully compliant with legal requirements under the laws of The Gambia
- b. The MSME must prove it has been operational as a business for at least one year.
- c. The business must be operating in the tourism sector, including but not limited to lodging, tourism transport, food and beverages, conferences, and tour operators.

6.1.2 Financial Contribution

- a. The MSME must prove their ability to contribute at least 30 percent of the total investment cost required for the proposed improvements.
- b. The MSMEs' contribution towards the project can be made through cash, equity, or a mix of both. Importantly, out of their total contribution, which amounts to 30% of the project cost, at least 50% must be in cash.

6.1.3 Market Readiness and Viability

- a. The applicant must demonstrate a clear understanding of the market, demand for their products or services, and the potential to meet Lead firms' requirements.
- b. The business must have a viable and sustainable model with the potential to achieve growth post-improvement.

6.1.4 Equity Participation and Loan Mobilization

- a. MSMEs must confirm their ability to mobilize a loan from a financial institution (FI) as part of their contribution where their business bank account does not reflect the required contribution.
- b. The MSME must provide evidence of having an account in a FI that reflects the business name.

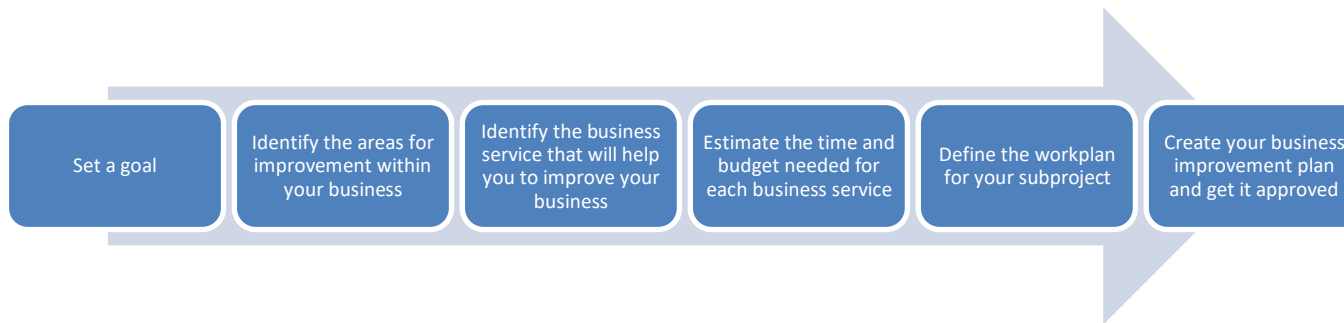
6.1.5 Women-owned and Managed MSMEs

- a. The TDRGP MGS encourages women-owned and managed MSMEs to participate and benefit from the grant.
- b. A quota of 25 percent women-owned MSMEs will be set to ensure inclusiveness.

6.1.6 Compliance and Legal Obligations

- a. The MSME must have a valid business registration certificate issued by the Registrar of Companies or its equivalent based on type of business.
- b. The business should be tax compliant including social security payments for employees.

Figure 2: 6.2 Business Improvement Plan (BIP)



Submitting a BIP is, along with the completed and signed Application Form, a mandatory first step for applying for funding under MGS. This section describes the steps to prepare a BIP to increase Beneficiary competitiveness. The BIP should also highlight technological and innovative initiatives. To create a Business Improvement Plan, the Applicant must undertake the following steps:

BIP Indicators and Description:

a. Goal/Outcome

In this section the applicant MSMEs describe the main goal they want to achieve: i) Supply to new market, ii) Supply to a new customer, iii) Supply a new product, iv) improvement to existing product or service, v) developing eco-friendly products, adopting green manufacturing processes, or implementing sustainable business practices.

b. Objective/Output

In this section the applicant MSMEs describe what aspect or aspects of their businesses they want to improve/create to reach the main goal: i) improve existing product, ii) create new product, iii) improve production process, iv) improve business management.

c. Activities (Business Services)

In this section the applicant MSMEs indicate what kind of business service or group of business services they need to comply with each of the defined outputs.

d. Expected Results/Deliverables

In this section the applicant MSMEs describe the main results/deliverables they will expect to get from the business service providers.

e. Estimated Budget

In this section the applicant MSMEs provide an estimated budget for each business service needed. The estimated budget is identified through market research conducted by MSME with potential providers.

f. Time Estimates

In this section the applicant MSMEs describe time estimates (how long each time will take) for each business service needed.

7. OVERVIEW OF THE PROCESS FLOW FOR THE MATCHING GRANT SCHEME

The process flow comprises two separate but inter-linked stages, which are briefly discussed as follows:

- (i) **Technical and Compliance Support and Graduation (TCSG):** This stage comprises two phases namely (a) **prequalification** (*phase 1*) and (b) **incubation** (*phase 2*), which are explained briefly as follows:

(a) Prequalification:

This phase acts as a filter to ensure that only qualified and capable MSMEs entities are invited to submit detailed applications in subsequent stages.

(b) Incubation:

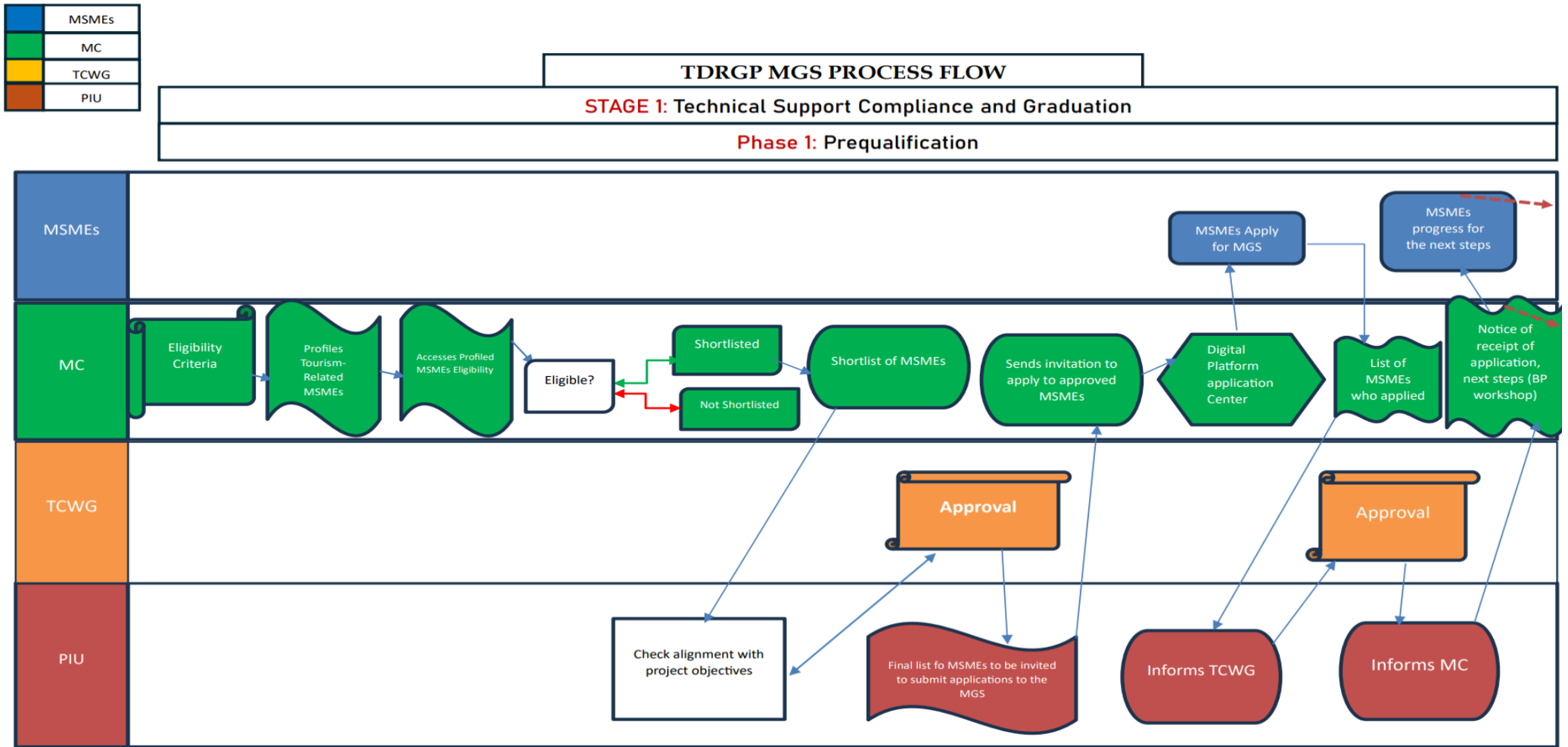
This phase involves the facilitation by MC and participation in Business Planning workshops and training to develop a bankable Business Plan to be considered by TCWG for review and approval or otherwise.

(ii) Implementation

In this stage MSMEs who successfully completed the first stage (TCSG) of the technical compliance support are considered graduated and fully prepared to utilize the grant for their business improvement.

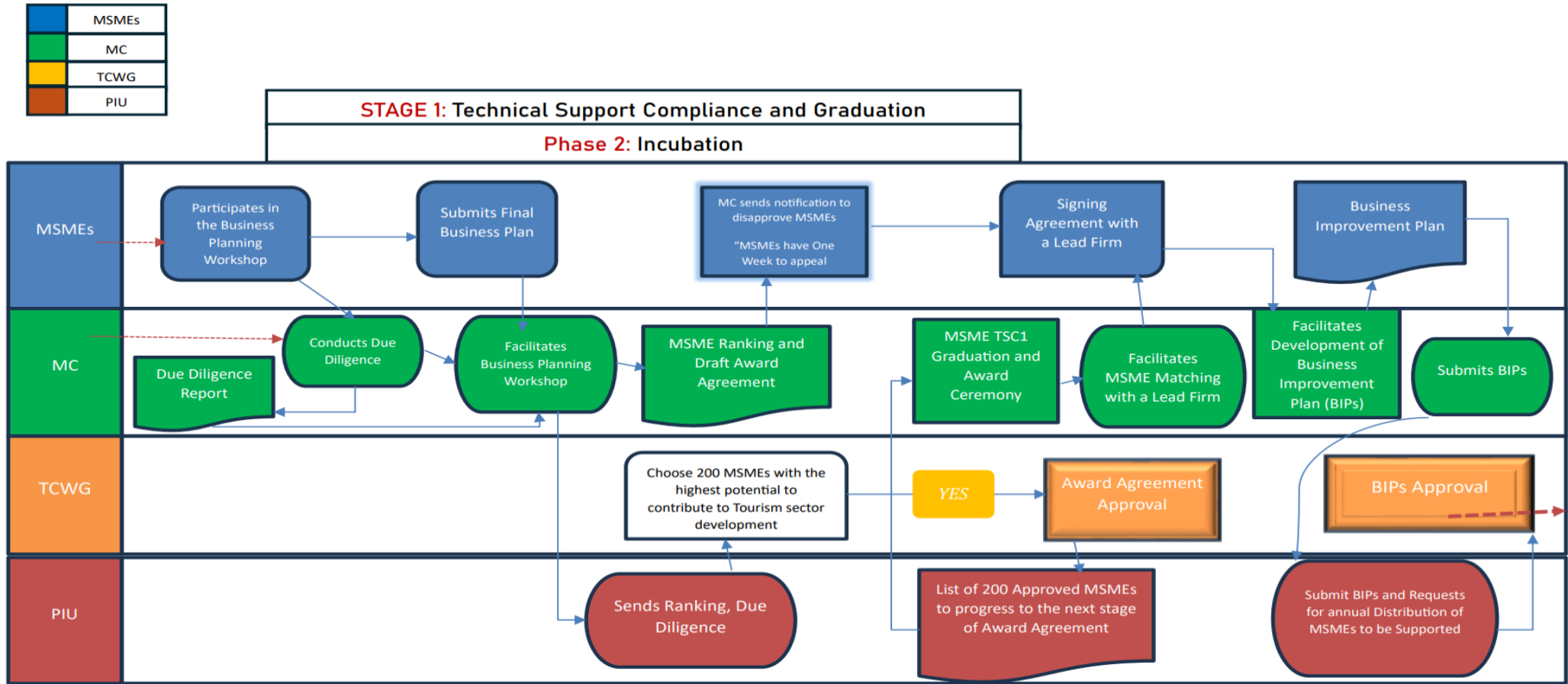
In the following subsection each of the stages is elaborated with highlights of the process flow chart.

Figure 3: Technical Support Compliance and Graduation (Phase 1 Prequalification)



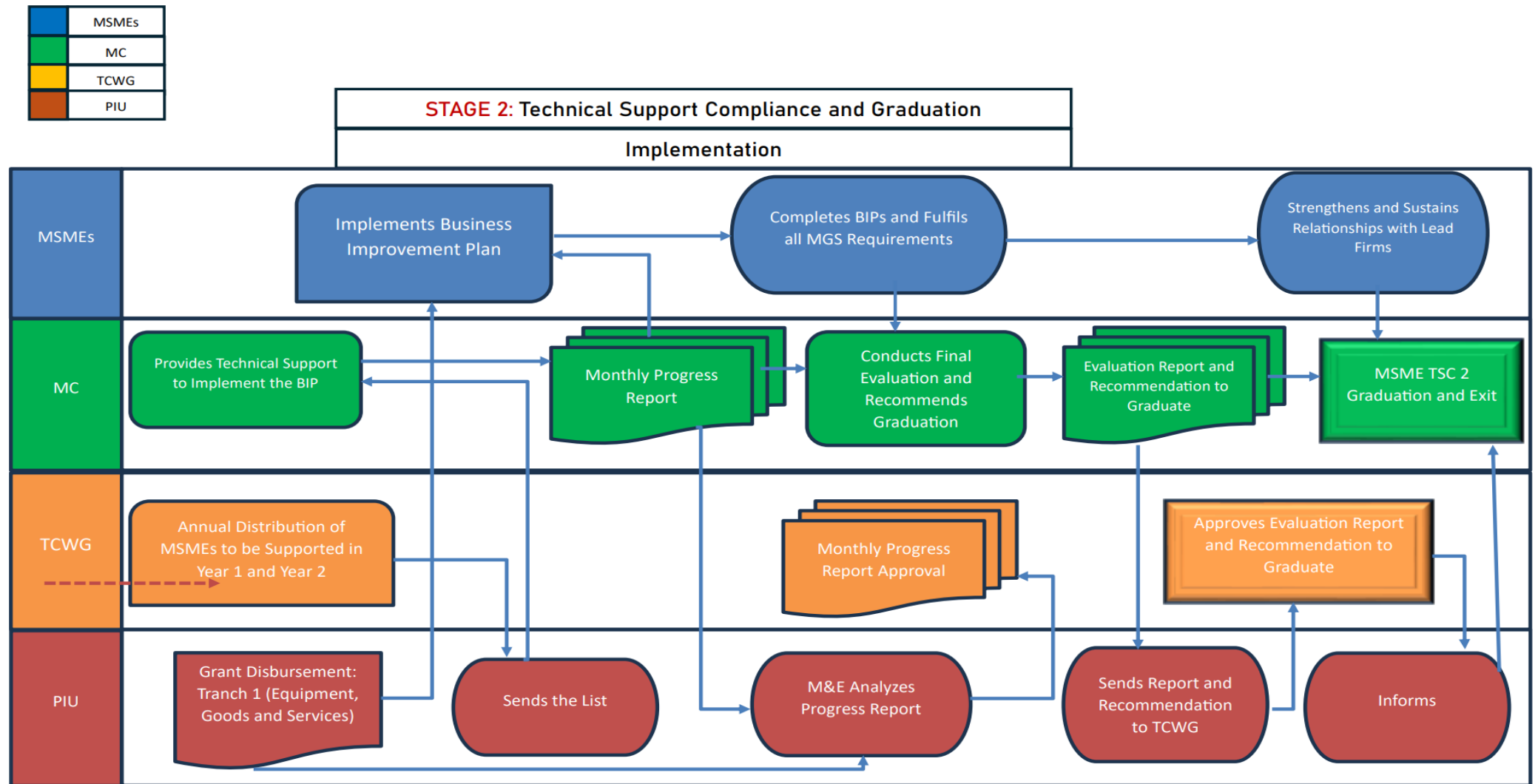
Process Flow TCSG stage 1 (phase 1) as discussed above.

Figure 4: Technical Support Compliance and Graduation (Phase 2 Incubation)



Process Flow TCSG stage 1 (phase 2) as discussed above.

Figure 5: Technical Support Compliance and Graduation (Stage 2 Implementation)



The Matching Grant Process flow is explained stepwise, as follows:

7.1 Stage 1 TCSG (Phase 1: Prequalification processes)

This stage acts as a filter to ensure that only qualified and capable entities MSMEs are invited to submit detailed applications in subsequent stages. Pre-qualification helps streamline the process, save time and resources, and enhance the effectiveness of the selection procedure.

The management company conducts extensive market research to identify businesses operating in the tourism industry within The Gambia. This research can include surveys, interviews, and data collection from various sources. Gather information on identified businesses, including their size, location, ownership, years in operation, financial health, and current market presence.

Create comprehensive profiles for each identified business. These profiles should include information on their products/services, target markets, competitive advantages, and any previous engagement with the tourism sector. The management company reviews the compiled business profiles to assess their eligibility for the matching grant program based on predefined criteria. Eligibility criteria as defined in Chapter 6, include factors such as being a registered business, operating in the tourism and tourism related sector, and having the potential for growth.

The management company shortlists a minimum of 300 MSMEs that meet the eligibility criteria and exhibit high potential for growth. The management company submits the shortlist and profile of MSMEs to PIU.

The PIU calls the TCWG to a meeting and presents the evaluated list of MSMEs. The TCWG reviews the recommendations from the PIU. They select the final list of MSMEs to proceed to the Technical and Compliance Support. The PIU then sends the final list to the MC.

The following are the inter-linked and chronological steps contained in the Prequalification steps:

Compilation of Business Profiles

Market Research: The management company conducts extensive market research to identify businesses operating in the tourism industry within The Gambia. This research can include surveys, interviews, and data collection from existing surveys and the diagnostic study that the management company will carry out.

Data Compilation: Gather information on identified businesses, including their size, location, ownership, years in operation, financial status, and current market presence.

Business Profiling: Create comprehensive profiles for each identified business. These profiles should include information on their products/services, target markets, competitive advantages, and any previous and potential engagement with the tourism sector.

7.2 Stage 1 TCSG (Phase 2 Incubation)

This is the phase of the MGS operationalization where shortlisted applicants (potential MSMEs) are approved by the PIU and subjected to technical assistance (support to business plan preparation) and review through to the point where the MSMEs graduate from this phase and are ready to be linked with Lead Firms and other potential partners to scale up their businesses and begin to realize sales,

create jobs, and become profitable. The following are the key steps to follow:

- a. **Verify Legal Status:** MC confirms the legal status and registration of the businesses, ensuring they are compliant with regulatory authorities.
- b. **Financial Analysis:** MC analyzes the financial statements of the MSME to assess their financial health, liquidity, profitability, and stability. Evaluate cash flow statements to understand the businesses' ability to meet financial obligations. Identify the businesses' liabilities, including outstanding loans, debts, and legal obligations.
- c. **Verify Cash Contribution:** MC confirms that 50% of the 30% MSME contribution to the matching is available in the MSME bank account.
- d. **In-kind Contribution Verification:** MC assesses and authenticates MSMEs in-kind contributions.
- e. **Operational and Industry Assessment:** MC assesses the operations of the MSME, including production processes, supply chain, and capacity to scale.
- f. **Legal Due Diligence:** MC reviews all contracts, agreements, and legal documents to identify any potential legal issues or risks. MC verifies the businesses' intellectual property rights, trademarks, patents, and copyrights. MC investigates whether the businesses are involved in any ongoing litigation or legal disputes.
- g. **Compliance and Regulatory Check:** MC checks the MSME compliance to all relevant local, national, and international regulations and standards. MC assesses the MSME's adherence to environmental and social standards, particularly if the project has specific requirements.
- h. **Management and Team Evaluation:** MC evaluates the qualifications, experience, and track record of the management team. MC assesses the skills and contributions of key personnel within the business.
- i. **Site Visits and Interviews:** MC conducts physical site visits to assess the MSME's operations, infrastructure, and facilities. MC interviews key MSME stakeholders, including management, employees, and customers, to gain insights into the business' operations and reputation.
- j. **Risk Identification:** MC identifies and evaluates potential risks associated with the MSME, including financial, operational, legal, and market risks. MC develops strategies to mitigate identified risks and uncertainties. As such, disbursement of the funds for this component will be phased and will occur as beneficiaries graduate and proceed through the selection and application process to eliminate financial risk.
- k. **Scoring and Ranking:** MC assigns scores to each MSME based on the predetermined criteria and weights.
- l. **Reporting and Documentation:** MC prepares a comprehensive due diligence report that documents all findings, assessments, and recommendations. MC presents the due diligence findings and recommendations to PIU.

To enhance the transparency and credibility of the selection process, the PIU may publish/disclose the pool of beneficiaries (without disclosing any financial information) selected for the Matching Grant.

Business Planning Support: MC provides business plan development support for the final selection process.

- a. **Goal Setting:** MC works with the MSMEs to define SMART (Specific, Measurable, Achievable, Realistic and Time bound) business objectives for the life of the matching grant.
- b. **Outline Development:** MC facilitates the MSME's business plan structure to include sections on executive summary, business description, market analysis, marketing strategy, operations plan, technology needs, management and personnel, financial projections, funding requirements, and sustainability interventions.
- c. **Define Core Business:** MC assists the MSME in clearly defining their core business activities, products, services, their technology needs, and unique selling propositions.
- d. **Market Analysis:** MC guides the MSME in analyzing market trends, customer segments, competition and potential opportunities and threats.
- e. **Marketing Strategy:** MC facilitates the development of MSME marketing plan that outlines how they will reach and attract lead firms through adoption of digital technologies.
- f. **Operations Plan.** MC works with the MSME to optimize their operational processes, including production, supply chain, and resource allocation.
- g. **Management and Personnel:** MC assists the MSME in identifying the skills and roles needed within their team to operate leanly, including identifying training needs.
- h. **Financial Projections:** MC supports the MSME in creating financial projections, including income statements, balance sheets, and cash flow statements.
- i. **Funding Requirements:** The MC supports the MSME to determine their funding requirements, considering start-up costs, working capital, and growth plans.
- j. **Sustainability Plan:** The MC supports the MSME to define intervention programs to guarantee sustainability of improvements/projects.
- k. **Business Plan Submission:** MSMEs submit their final business plan to the MC. MC assesses and ranks the MSMEs according to due diligence conducted and the business plans submitted. MC presents the rankings and draft grant agreement to PIU.

7.3 TCS Graduation

- m. MSMEs who successfully completed the first phase of the technical and compliance support are considered graduated and fully prepared to utilize the grant for their business improvement. As the pool of graduating MSMEs evolves, the Manual may be updated to incorporate lessons learned.

Stage 2: Implementation

This is phase of the MGS operationalization, where shortlisted applicants (potential MSMEs) are approved by the PIU and subjected to technical assistance (support to business plan preparation) and review through to the point where the MSMEs graduate from this phase and are ready to be linked with Lead Firms and other potential partners to scale up their businesses and begin to realize sales, create jobs and become profitable. The following are the key steps to follow:

- a. **Financial Analysis:** MC analyzes the financial statements of the MSME to assess their financial health, liquidity, profitability, and stability. Evaluate cash flow statements to understand the businesses' ability to meet financial obligations. Identify the businesses' liabilities, including outstanding loans, debts, and legal obligations.
- b. **Verify Cash Contribution:** MC confirms that 50% of the 30% MSME contribution to the matching is available in the MSME bank account.
- c. **In-kind Contribution Verification:** MC assesses and authenticates MSMEs in-kind contributions.
- d. **Operational and Industry Assessment:** MC assesses the operations of the MSME, including production processes, supply chain, and capacity to scale.
- e. **Legal Due Diligence:** MC reviews all contracts, agreements, and legal documents to identify any potential legal issues or risks. MC verifies the businesses' intellectual property rights, trademarks, patents, and copyrights as applicable to the more established enterprises. MC investigates whether the businesses are involved in any ongoing litigation or legal disputes.
- f. **Compliance and Regulatory Check:** MC checks the MSME compliance to all relevant local, national, and international regulations and standards. MC assesses the MSME's adherence to environmental and social standards, particularly if the project has specific requirements.
- g. **Management and Team Evaluation:** MC evaluates the qualifications, experience, and track record of the management team. MC assesses the skills and contributions of key personnel within the business.
- h. **Site Visits and Interviews:** MC conducts physical site visits to assess the MSME's operations, infrastructure, and facilities. MC interviews key MSME stakeholders, including management, employees, and customers, to gain insights into the business' operations and reputation.
- i. **Risk Identification:** MC identifies and evaluates potential risks associated with the MSME, including financial, operational, legal, and market risks. MC develops strategies to mitigate identified risks and uncertainties.
- j. **Scoring and Ranking:** MC assigns scores to each MSME based on the predetermined criteria and weights.
- k. **Reporting and Documentation:** MC prepares a comprehensive due diligence report that documents all findings, assessments, and recommendations. MC presents the due diligence findings and recommendations to PIU.

Appeal for review of decision

MSMEs whose applications are disapproved have a week after being notified of the application outcome to appeal the decision of the PIU. In cases where appeals are received the PIU shall document such appeals and reroute them for further review by the MC through the TCWG and communicate the final decision to the complainant(s) as appropriate through the GRM mechanism in place.

MC to prepare contractual Agreement

The MC will provide each Matching Grant to a Beneficiary under an agreement to be signed by the PIU and MSME - the Matching Grant Agreement (MGA) - on terms and conditions approved by the PIU, which includes the following:

- the amount to be provided to the MSME Beneficiary under MGA, its terms and conditions and disbursement schedule.
- an amount of co-financing provided by the MGS Beneficiary and/or evaluation of in-kind contribution to the activity co-financed by the MGS, as defined in this manual.
- the obligation of the MGS Beneficiary to procure services and equipment to be financed under the MGA in accordance with procedures set forth in the present manual.
- the obligation of the MGS Beneficiary to carry out its activities in compliance with the Anti-Corruption Guidelines, and when applicable prepare EMPs in accordance with the EMF, in form and substance satisfactory to the World Bank, and to implement said activities in accordance with the relevant EMP.
- the obligation of the MGS Beneficiary to report to the MGS on the progress on the implementation of the activity co-financed by the MGS and to enable representatives of said entity and the World Bank or the authorized auditor, if the World Bank shall so request, to visit the facilities where the co-financed activities are implemented and administered.
- the obligation of the MGS Beneficiary to maintain records and accounts for expenditures incurred and financed from the proceeds of the MGS made available to the MGS Beneficiary under the MGA as established in the MG manual, and to the project auditor, if required by the World Bank.
- the obligation of the MGS Beneficiary to report on a regular basis on project implementation progress as well to provide data on sales for monitoring and evaluation purposes; and
- the right of the PIU to suspend, cancel or request a refund of the Matching Grant or a portion thereof in case of the failure of the MGS Beneficiary to perform any of its obligations under the MGA

Grant Disbursement: MC disburses according to a pre-defined and TCWG-approved schedule directly into the beneficiary's designated financial institution account.

Lead Firm Matching and Alignment

- **Matching Criteria:** MC establishes clear parameters for matching MSMEs with lead firms. These criteria should align the strengths and capabilities of MSMEs with the needs and goals of the lead firms.
- **Communication and Negotiation:** MC facilitates communication and negotiation between lead firms and selected MSMEs to ensure both parties have a clear understanding of expectations, responsibilities, and the terms of engagement.
- **Terms of Engagement:** MC Facilitates the formalization of a business relationship between the

MSME and the lead firm.

- **Monitoring and Feedback:** MC implements a monitoring system to track the progress and performance of the engagements. Regular feedback and performance evaluations can help identify areas for improvement and adjustment.

Business Improvement Planning

Under the lead of the MC the shortlisted MSME beneficiaries are supported to elaborate their business plans for the purpose of aligning with the core business needs and standards of the Lead Firm, market linkages and network building. The following outlines the main focus areas for business plan improvement and elaboration planning:

- Goal Setting:** Informed by the due diligence report and the completed business plan. MC facilitates MSME to define their business improvement objectives. These should be specific, measurable, achievable, relevant and time bound.
- Identify Strategies:** Based on the goal set, MC supports the MSME to develop strategies to achieve goals that consider marketing strategies, product/service/technology enhancements, cost reduction measures, and market expansion plans. MC ensures that MSME strategies align with their overall business objectives and that of the lead firm(s) the MSME has a formal engagement with, and the matching grant scheme.
- Action Plan:** MC guides the MSME to break down their strategies into actionable steps. MSME creates a detailed action plan that outlines what needs to be done, who is responsible, and when each task or milestone should be completed. MSME uses a timeline to set deadlines.
- Resource Planning:** MC guides the MSME to determine the resources required to implement their action plan. This includes financial resources, human resources, technology, and any external support needed. MC ensures MSME allocates resources efficiently.
- Financial Planning:** MC supports the MSME to develop a budget for their business improvement plan. MSME estimates the costs associated with each action or initiative. MC ensures that the MSME budget is realistic and within their financial capacity.
- Key Performance Indicators (KPIs):** MC guides the MSME to define their KPIs that will help them measure the success of their plan. These could include revenue growth, customer acquisition rates, cost savings, and more.
- Business Improvement Plan Submission:** The MSME submits their completed business improvement plan to MC. MC submits the completed business improvement plans to PIU. PIU calls the TCWG for business improvement plans approval. TCWG decides on the list of MSMEs to be supported in year 1 and year 2. PIU informs the MC of the approval and the annual distribution decision.

Business Improvement Plan Implementation and Technical Support

Reference to approved Business Improvement Plan, specifically on action plans, **MSME** with the technical support from MC, put their action plan into motion. MC ensures that each task is carried out according to the timeline and that responsible team members are held accountable. The MC guides the MSME to define their key performance indicators that will help them measure the success of their plan. These could include revenue growth, customer acquisition rates, cost savings, and more.

The following outlines the focus areas of the MC in the process of coaching and follow up support for a seamless transformation of the MSME beneficiaries of the MGS and attainment of the set KPIs:

- **Training and Capacity Building:** Reference to the BIP, MC provides training and capacity-building sessions to empower the MSME's staff with the knowledge and skills needed to implement the proposed improvements.
- **Technical Support:** MC offers ongoing technical support, which may include assistance with the adoption of new technologies, software, or equipment.
- **Knowledge Transfer:** MC facilitates knowledge transfer to ensure that the MSME can sustain the improvements independently.
- **Monitoring and Evaluation:** MC continuously monitors the progress of the business improvement efforts, tracking key performance indicators (KPIs) and adjusting as needed.
- **Feedback and Adaptation:** MC provides feedback to the MSME and supports necessary adaptations to the action plan. MC encourages open communication to address any challenges or issues that arise during the implementation phase.
- **Quality Assurance:** MC ensures that the quality of the MSME products or services is improved throughout the process. MC facilitates the MSME implementation of quality control measures as necessary.
- **Documentation:** MC keeps detailed records of the business improvement process, technical support provided, and any changes made. Documentation helps in evaluating the effectiveness of the support.
- **Reporting:** MC reports progress to both the MSME and PIU, highlighting achievements and addressing any setbacks or obstacles.
- **Completion and Evaluation:** Once the goals are met, MC conducts a final evaluation to assess the overall impact of the business improvement and technical support efforts.

Final Graduation and Closure

This is the stage of severance where the MSME beneficiaries of the MGS after successful completion of the business plan improvement phase proceed to operationalize their businesses without further direct technical assistance from the project and its aligned partners (MC). The MSME is expected to have good knowledge of the business management and marketing and sustainability.

- **Closure:** MC concludes the business improvement and technical support process with the MSME. MC Submits final business improvement evaluation and grant utilization report to PIU.
- **TCWG Final Graduation Approval:** PIU calls the TCWG for MSME graduation approval. PIU

presents the final business improvement evaluation and grant utilization report for approval.

- **TDRGP Matching Grant Graduation:** TCWG and PIU, with support from MC, hold TDRGP Matching Graduation Ceremony, a public display of the progress of TDRGP.

This section describes procedures for processing the use of MG funds to meet the specific needs of the MSME beneficiary's approved business plan.

These procedures provide guidance on the following:

- Procurement rules and procedures
- Disbursement modes and procedures
- Monitoring and evaluation of use of funds
- Record Keeping
- Reporting requirements

Below is a discussion on each of the key area outlined:

8.1 Procurement Procedures

After the MG Agreement is signed, the Beneficiary will be responsible for conducting the procurement process to select the business service providers that will support him to implement the activities, and suppliers of the equipment to reach the objectives defined in the BIP.

The PIU Procurement Specialist will provide all the information the Beneficiary needs to know through communication material and dissemination activities.

The selection of service providers and the supplier of the equipment is undertaken by the Beneficiary in accordance with well-established private sector procurement methods or commercial practices that shall be acceptable to the World Bank.

Within 3 months after the MG Agreement is signed, the Beneficiary must inform the MGS about progress on contracting service providers, present the copy of the signed approved contracts, and start the implementation of the approved BIP.

Prior/Post Review: The first two Grants will be subject to the Bank's prior review. This review will include the process as well of selecting the business service provider as well as the draft contract. All other grants will be post-reviewed by the Bank. The review will be conducted on an annual basis on at least 5 percent of the grants subject to post review. The percentage of contracts to be reviewed could be revised during project implementation.

8.1.1 General Provisions on Commercial Practices:

- i. PIU will notify Beneficiaries that they are required to comply with the latest World Bank Anti-Corruption Guidelines (available on the Bank's website: www.worldbank.org).
- ii. Beneficiaries with guidance from the MC and support from the PIU will select the business service providers based on quality and cost analysis. For each business service provider to be hired, the Beneficiary will develop a term of reference defining scope, time, and budget.
- iii. Beneficiary will select the supplier of the equipment based on comparing price quotations obtained from different suppliers, to ensure competitive prices, and is appropriate method for procuring small quantities of readily available off -the- shelf goods or standard specification commodities of small value. If the Beneficiary has been unable to obtain three quotations, this will not result in rejecting a contract, but it shall provide the PIU with the reasons and/or justification. Each request for quotations shall include the description/specifications and quantity of the goods, as well as desired

delivery time and place.

- iv. Organizational arrangements of the Beneficiary to conduct procurement shall take into consideration the need for economy, efficiency and transparency of the procurement activities defined in the BIP, their timing and quality of the procured services and equipment.

8.1.2 Specific provisions on Procurement:

The following outlines procurements which will not be eligible for financing under the project:

- (a) Consulting Services/Equipment purchase contracts between Beneficiaries and their subsidiary or affiliated companies unless there is an established arm-length arrangement. If procurement is proposed by an affiliate firm, the procurement file should include an explanation which will demonstrate the reasonableness of the profit margins of affiliate firms.
- (b) Contracts with firms/individuals which are not eligible under World Bank financing under Paragraph 1.11 through 1.13 of the Consultant Guidelines.
- (c) Contracts with firms/individuals declared ineligible by the World Bank (updated list is available on: www.worldbank.org/debarr).
- (d) Second-hand equipment (Note: the Beneficiary should provide the documents which confirm that all goods and materials to be incorporated in the BIP must be new, unused, incorporating all recent improvements in design and materials).

8.1.3 Complaints resolution

In the event of complaints from service providers, such complaints received by the Beneficiaries will be forwarded to the Bank for review and comments and/or action as appropriate.

The following are recommended, but not mandatory, practices to be followed by the Beneficiaries in procuring consulting services and equipment under commercial practices:

- The beneficiaries are recommended to observe competitive procedures.
- Advertising bidding opportunities in the local and international press is considered best practice though not mandatory under commercial practices.
- In principle, evaluation and selection of service providers and suppliers of the equipment will be based on consideration of quality, reliability, performance, price, and beneficiary's commercial decision.

Contracts may be placed by the beneficiaries based on a single source in cases where the benefit of competition has been considered and rejected for sound reasons. Some examples, where single source selection may be considered are: (i) a previous successful contract performance; (ii) when there is no interest from more firms; (iii) when service and / or equipment is needed from a specialized consultant / supplier with exceptional experience; and (iv) other well justified commercial reasons.

8.2 Disbursement Procedures

The PIU will be responsible for handling financial management and procurement aspects. At least 30 percent of the total cost of the BIP will be paid with resources coming from the Beneficiary. MGS will cover eligible expenses to the Beneficiary after completion of each implemented Business Development Service (BDS) from BIP, or procurement and installation of the equipment. The beneficiary will present to MGS needed proofing documentation and receipts.

The disbursement for eligible expenses will be made after:

- Deliverables and equipment defined in the BIP are received and accepted by the Beneficiary.
- 100% of the BDS / equipment cost is paid by the Beneficiary.
- The purchased equipment is fully operational/functional.
- Documentation and receipts are reviewed and accepted by MGS.

After the BDS is implemented and equipment delivered according to BIP, the Beneficiary presents to the MGS team the payment request, with all supporting proofing documents.

MGS and the PIU (Project Director, Procurement Specialist, Accountant, Monitoring & Evaluation Specialist, and as appropriate) will verify the proof of purchase through a review of invoices, delivery confirmations, contracts, and on-site verifications (if applicable). The review and approval can take up to two (2) weeks and may be subject to a monitoring visit.

If the disbursement to the Beneficiary is approved, the payment will be made in Gambian currency (GMD) within 10 working days. Reimbursements will be transferred directly into the MGS Beneficiary's local bank account.

The MGS reserves the right to suspend or terminate the financing under the Matching Grant Agreement, if the Beneficiary fails to perform any of its obligations under the Matching Grant Agreement.

Please see the example of a disbursement process in terms of amounts and time frame based on the implementation of the BIP example shown in this manual.

Figure 6: Illustrative Implementation and disbursement example. It is for information only.

Business Improvement Plan (BIP)																			
Goal(s)	Improvement objective(s)	Business services	Invoices and Delivery confirmation for deliverables	Approved Budget (GMD)	30% Beneficiary paid	Max 70% Contribution by MGS	Time when MGS pay	Implementation Months											
								1	2	3	4	5	6	7	8	9	10	11	12
Supply lead firm for the first time	Improved existing product	BS: Sector expert	Survey conducted	10,000	20,000	10,000	March												
		BS: Marketing Expert	3 options of Brand, Logo, and Slogan presented	3,000	14,000	7,000	April												
	New package designed		6,000		3,000	May													
	Improve d production process	BS: Expert with knowledge of the sector	Recommendations to reduce time for deliveries to lead firm	37,000	30,000	15,000	September												
			Recommendations to increase volume of production delivered		30 000	15,000	September												
		List of prices from potential competitors created		15 000	10,000	July													

8.3 MGS Monitoring and Evaluation

The Management Company and the PIU have a responsibility to monitor and evaluate the progressive evolution of the MSME beneficiaries and to track the KPIs set out in the Agreement. To measure performance, the following are tools which may be applied by the matching grant scheme (MGS) team for MGS M&E:

- *Baseline:* Management Company to collect baseline data on each beneficiary MSME and track changes to measure progress against the baseline.
- *Monitoring field visits:* Management Company to visit to establishments of MSMEs at least once a week to advise, verify reports or data received among other issues in a bid to ensure that every MSME is visited at least once in every quarter. The information/data will be gathered by using the questionnaire(s) prepared by Management Company and endorsed by the PIU. Such data will be integrated into the PIU MEMIS.
- *Meetings with MSMEs:* Management Company to hold monthly and quarterly coordination meetings with MSMEs to harmonize and validate data collected, discuss the overall progress made in implementing activities of the project, address challenges and share key lessons learned.
- *Beneficiary Progress Reports:* To monitor and evaluate the Beneficiary expected benefits, the Beneficiary will provide on a semi-annual basis the MGS team with figures of sales, etc. facilitated by the grant supported activities, within at least two years of the payment made under the MGS. The Beneficiary will submit two times per year progress reports to MGS address by 31 July and January for the duration of the MGS project when the project is formally closed. The progress report submitted to the MGS will be treated as confidential to the extent described in the Matching Grant Agreement. Nonetheless, proprietary, or commercially sensitive information should be identified as such. The collected data through the progress report will be used for research and impact evaluation purposes. In this context, if necessary, anonymized data will be used, i.e., only indicators without identifying information.
- *Outcome surveys:* Conduct surveys to establish among other areas the total amount of private capital mobilized as beneficiaries' contribution to match the project's grants. The said private capital includes funds received by beneficiary MSMEs through support from family, friends or loans obtained from financial institutions.
- *Annual Surveys:* Conduct annual surveys after disbursement of matching grants to beneficiary MSMEs to determine Percentage of beneficiary MSMEs disaggregated by gender with new or expanded contracts with tourism Lead Firms; and Total amount in USD of private capital mobilized as beneficiaries' contribution disaggregated by gender to match the project's grants. The said amount includes support from family and friends and loans obtained from financial institutions.
- *Key Informant Interviews:* Matching grant programs are one of the most used policy tools to increase the use of business development services. Despite this, there is little evidence as to whether matching grants improve MSMEs' growth in the short, medium, and longer term. The scope is to "evaluate the impact of the project on participating MSMEs", with respect to the MGS component. The central question is rather narrow, "how much difference does MGS make?" In other words, this section aims at answering the question of whether the difference observed in firm-level outcomes after the participation in the MGS is caused by the MGS itself, or by something else. To identify the effect of the MGS, the changes observed among the supported firms need to be compared to the changes that would have been observed over the same period for the same firms, had they received the MGS support at a later stage.

- The PIU M&E Specialist may be joined by any relevant member(s) of staff of the PIU to conduct *quarterly visits* to establishments of beneficiary MSMEs to verify delivery of outputs, received written reports, identify key lessons learned, challenges and divergences to validate data/information received from the Management Company.
- *Unscheduled visits* may also be conducted as and when necessary. Subject Matter Specialist(s) and a representative of MoTC and a representative from each of the key satellite institutions of MoTC may be co-opted to participate in the scheduled or unscheduled monitoring field visits to establishments of beneficiary MSMEs.
- *Coordinate field visits* to establishments of beneficiary MSMEs up to twice in a year by selected members of the PSC, members of staff of the PIU and TCWGs to validate and update performance information provided by direct project beneficiaries to establish the attainment of results, identify key challenges, key lessons learned that can be shared with project beneficiaries to support the achievement of the PDO.
- *Review and validate data* on beneficiary MSMEs submitted by the Management Company to update the intermediate targets in the project results under subcomponent 1b: Increase participation of Tourism Related MSMEs within the selected destinations.

The PIU ESS Specialists with the support from M&E Specialist will monitor sub-projects to identify the level of compliance with agreed design and mitigation measures to ensure that the sub-projects will be implemented in full compliance with the environmental and social management plan(s). 8.4 Record Keeping

For each Applicant the MGS team will keep a master file, containing all documents indicated in the present manual. This master file should include the following documentation:

- Application in original and all supporting documentation in copies (financial reports and BIP) as specified in the present manual.
- Any official documentation exchanged between the Beneficiary and MGS during the application period (e.g., response and notifications from MGS regarding evaluation process, etc.).
- Notification regarding approval of financing.
- Matching grant agreement in original.
- Any official documentation exchanged between the Beneficiary and the MGS during project implementation.
- Copies of all reports required by MGS (progress reports, final report).
- Copies of all invoices and payments.
- Records including agreements with third parties, invoices and other payment records that are related to the project.

Throughout the course of Grant application, the master file must be available to the Grant M&E team. Beneficiaries should be advised to keep similar records in the prescribed format.

8.4 Reporting Requirements

Effective reporting and compliance mechanisms are essential to ensure transparency, accountability, and the successful implementation of the TDRGP MGS program. This section outlines the reporting requirements and compliance procedures that grant recipients must adhere to throughout the project lifecycle. The following are key reports to track and performance of the MSME beneficiaries of the MG:

- *Progress Reports:* Grant recipients are required to submit regular progress reports detailing the implementation status of their proposed activities. These reports should highlight achievements, challenges faced including environmental and social issues, and any deviations from the approved business plan. Progress reports are to be submitted quarterly.
- *Financial Reports:* A detailed financial report should accompany each progress report, outlining the utilization of grant funds. The report should include an itemized breakdown of expenses, supporting documentation, and any income generated because of the grant.
- *Impact Assessment Report:* The Management Company is obligated to submit an impact assessment report at the end of each fiscal year. This report should demonstrate the achieved outcomes, impacts on business growth, job creation, and the broader tourism sector.

The TDRGP reserves the right to review and assess grant recipient compliance at any stage of the project. Failure to comply with reporting requirements, financial transparency, or adherence to the approved business plan and environmental and social standards may result in corrective actions, including adjustments to the grant disbursement schedule.

9.1 Communication

Grant recipients must maintain open and transparent communication with the MC or designated program representatives. Any challenges, changes in project scope, or unforeseen circumstances that may impact project implementation should be communicated promptly.

9.2 Non-Compliance Consequences

Non-compliance with reporting, financial, or project implementation requirements may result in the following actions:

- a) Suspension or termination of grant disbursement.
- b) Request for reimbursement of disbursed funds.
- c) Legal actions in case of severe breaches.

Adherence to reporting and compliance requirements is vital for the successful implementation of the TDRGP MGS program and the achievement of its objectives. Grant recipients are encouraged to maintain accurate records, communicate proactively, and ensure transparency in all project-related activities.

Contact details for the official responsible for reporting compliance should be provided.

10. RISK MANAGEMENT PROCEDURES

Originally evolved from the financial sector, risk management encompasses all aspects of risk including financial, technical, managerial, and organizational risk. Practitioners and researchers have also used different words that serve the same purpose such as “Uncertainty Management” (Ward and Chapman, 2003), “Surprise Management” (Smith and Merritt, 2002), and “Failure-Proof Management” (Kendrick, 2003). It is important that users of this Manual invest time and efforts to appreciate the concept of risk and tailor this to the implementation or administration of the TDRG MGS. The following varying but complementary definitions of risk might be referenced:

Risk Management: Key Definitions

Risk: “An event that has a potentially negative impact and the possibility that such an event will occur and adversely affect an entity’s assets, activities, and operations.”

Risk Management: “The continuous process of assessing risks, reducing the potential that an adverse event will occur, and putting steps in place to deal with any event that does occur. Risk management involves a continuous process of managing—through a series of mitigating actions that permeate an entity’s activities—the likelihood of an adverse event and its negative impact. Risk management addresses risk before mitigating an action, as well as the risk that remains after countermeasures have been taken.” Source: Government Accountability Office, Report # GAO-06-91, December 2005.

Enterprise Risk Management (ERM): “a process, effected by an entity’s ... management and other personnel, applied in a strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives” Source: COSO, 2004.

Risk Management for Matching Grants

Matching Grants have increasingly been used in the context of international development by multilateral and bilateral institutions, including the World Bank. Although initially confined to public goods investments, MGS, such as the one by TDRG, are being used more and more to finance productive assets and investments by entrepreneurs, as the investments can compensate for the absence of suitable terms and investment finance and to stimulate investment and business activity where the intended beneficiaries operate under constraints (e.g., insufficient equity) or where the innovations have higher risks or unpredictable profits. However, using matching grants entails substantial risks. They can distort and crowd out private and public investments, and this effect can be exacerbated by elite capture and rent-seeking behavior, leading to poor use of scarce public funds for the benefit of the few. Matching Grant Schemes can also undermine introduction and expansion of financial services in rural areas. These risks are exacerbated if the grants are poorly designed or used without clear rationale and economic justification. Often, little consideration is given to alternative options involving financial institutions or to potential side effects, particularly on the rural financial system. Despite their growing use, matching grants are not well addressed by rural finance strategies, policies and guidelines at the World Bank or other international financial institutions. They are also under-researched, and there is little evidence of their effectiveness or impact in promoting productive and profitable investments. Thus, there is relatively little experience or knowledge available to guide implementation, which explains the need for this Manual for the TDRG PIU.

Risk classification

The TDRG Matching Grant risks can be classified as (i) Strategic risks (ii) Operational and

Implementation Risks, (iii) Legal, Compliance, Reputational, and Regulatory Risks and (iv) Project Implementation Unit level risks. An assessment of these risks, which is the responsibility of the Internal Auditor or relevant staff under the TDRG PIU, will include consideration of the *likelihood* (probability) of risk occurrence and the *impact* on the achievement of the objectives of the TDRG MGS within a specified timeframe. The *likelihood of risk occurrence* considers the probability or frequency (number of times) the risk might occur over a specified timeframe such as once a quarter, daily, twice a year, etc. A higher probability or frequency of the event occurring will result in higher risk ratings. An event that is expected to occur sooner rather than later will also result in a higher likelihood. *Impact* assesses the ultimate consequence should the risk arise. The severity of impact can be described in both quantitative (e.g., total loss) and qualitative (e.g., reputation, regulatory compliance, etc.) terms. The following Tables offer a guide to classify the Likelihood and Impact of risks:

Figure 7: Likelihood classification of Risk

Likelihood	Example
Remote	Exceptional circumstances only
Unlikely	Not expected to occur
Possible	Could occur at some time
Probable	Will probably occur in most circumstances
Highly Probable	Expected in most circumstances

Figure 8: Impact classification of Risk

Descriptor	Impact
Insignificant	No impact on the program.
Minor	Would threaten and element of the program.
Moderate	Necessitates significant adjustment to overall program.
Major	Would threaten program goals or objectives.
Extreme/Catastrophic	Would stop achievement of program goals or objectives

Alternatively, these can be presented as per the following Figure:



- VERY HIGH:** Impact and Probability rated very high. mitigation action(s) required.
- HIGH:** Impact and Probability rated high. mitigation action(s) required.
- MODERATE:** Impact and Probability rated moderate. Usually address these through close monitoring
- LOW:** Impact and Probability rated low. No mitigation action(s) required.
- VERY LOW:** Impact and Probability rated very low. No mitigation action(s) required.

(Source: IBM Centre for The Business of Government, Risk Management for Grants Administration, 2015)

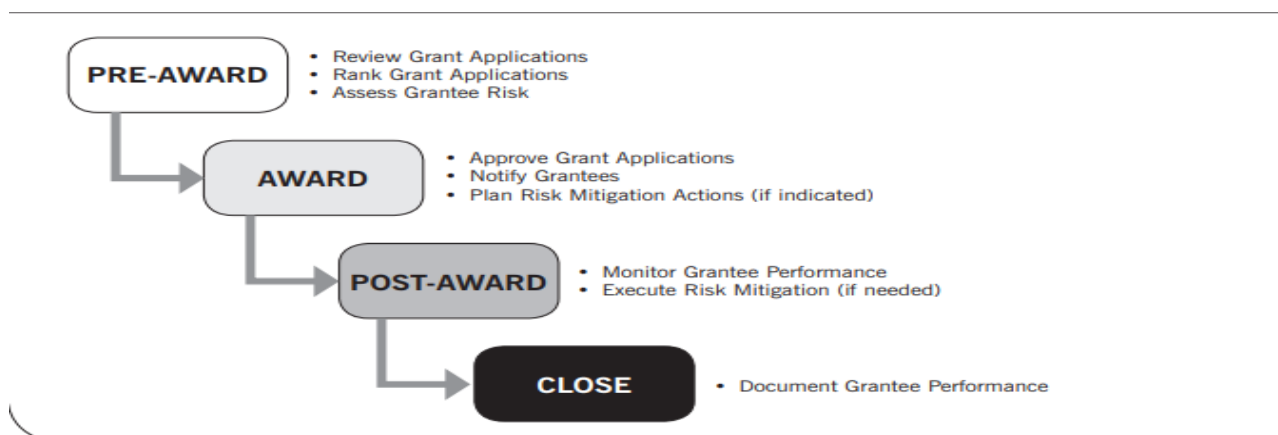
Risk Management across the Grant Life Cycle:

The initial consideration of the description of risk management at TDRG focuses on risk assessments

that are conducted prior to making a grant award. However, it should be noted that a risk designation can be made before or after a grant award has been made. There are four phases in the grant's life cycle, which are briefly explained below:

- **Pre-award:** The pre-award process involves reviewing submitted grant applications, making funding decisions, and preparing the grant award notice. This is applied at Technical Compliance Support phase of the TDRG MGS process flow involving prequalification and incubation steps.
- **Award:** The award process involves creating the legal documentation required to make the grant award and notifying the grantee of the terms and conditions of the funding. This is applied at Implementation phase of the TDRG MGS process flow.
- **Post-award:** The post-award process begins after the grant has been awarded. This phase requires program officers to conduct various administrative, financial, and programmatic oversight activities. This is also under the Grant Implementation phase where technical follow up support for improved business plan implementation, coaching, etc. services are provided to the grantee.
- **Closeout:** The closeout process (final graduation or severance of ties) requires the grantee to report on the fiscal, programmatic, and other grants-related activities it has completed (these should be aligned to the TDRG key performance indicators for the MGS). During this phase, the PIU and implementing partners conduct activities to ensure that the grantee has complied with all other environmental and social safeguards guidelines.

Figure 9: Impact classification of Risk



Key risks associated with the TDRG MGS

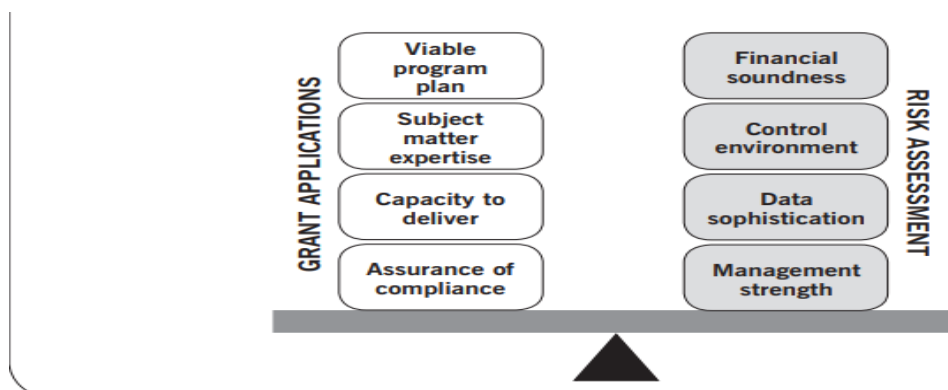
The risk assessment for the TDRG should follow the steps to identify and deal with TDRG MGS risks:

- i. Describe the risks potentially associated with the matching grant component or process.
- ii. Assess the probability that such risks might occur during project implementation.
- iii. Assess the potential impact of risks on implementation and the likelihood of achieving the desired results in the face of risks.
- iv. Outline risk mitigation measures.
- v. Determine residual risks after successful implementation of the proposed risk mitigation activities.

In the interest of further classification within the structure and operational scope of the TDRG PIU

risk assessment for the MGS implementation should consider the critical aspects of appraising the MGS applications against the ultimate key performance indicators of grantee enterprises for impact measurement. The need to assess MG applications based on viability of the business idea and plan, knowledge of the business area (subject matter expertise), capacity of the grantee to deliver on the approved business plan and compliance with safeguards requirements. This approach for risk assessment for the TDRG MGS, which is presented in the Figure below, is particularly relevant for the PIU and grantee levels.

Figure 10: Risk Assessment



Risks and risk mitigation

Fundamentally, the following are three typical (unspecific) risks associated with the management of Matching Grants, including the TDRG MGS:

1. *Elite capture*: This is simply understood as selecting non-targets, often driven by their influence in the project area.
2. *Rent seeking*: This is concerned about those applicants who are strong lobbyists who will win the grant but have no capacity or willingness to match the grant conditions.
3. *Commercial, technical, and financial risks*: These are risks include market volatility, credit vulnerabilities, operational bottlenecks, liquidity limits, legal and regulatory uncertainties, reputational fragility, and strategy mistakes contribute to this complex issue.

Other risks associated with the MGS administration are as follows:

- Systemic failure of recommended technology and innovations
- Government interference and political pressure to support projects not in compliance with conditions.
- Unwillingness of financial institutions to finance follow-up or replacement investments and working capital.
- Poor financial management standards of beneficiaries and project staff
- Unrealistic projections of sales, costs, and profits
- Unwillingness of beneficiaries to make their pledged contributions – Insufficient number of satisfactory proposals.
- Insufficient number of qualified service providers.

Following categorisation or classification of the above risks based on the likelihood and impact into VERY HIGH, HIGH, MODERATE, LOW and VERY LOW, the following is a selection of risk mitigation measures or options:

- Rigorous selection of beneficiaries through a transparent process

- Intensive orientation and training of beneficiaries and staff involved in the appraisal process on the requirements of honest and correct application of grant funds and the accountability of decision-makers.
- Beneficiary monitoring and establishment of internal controls (to be developed as part of the grant approval and management process) to help limit possible abuses.
- Effective operation of a robust monitoring system
- Regular inspections
- Penalties for abuse and malpractice; recovery of grants based on fraudulent practices in civil courts; and lodging of complaints with the police and criminal courts.
- Detailed selection criteria
- Restriction on the total amount of support
- Arrangements for linking disbursements with payment of the beneficiary's contribution, including the requirement for a down payment of the contribution into a bank account before disbursement of grant funds.
- Involvement of commercial banking institutions
- Provision of technical assistance for beneficiaries
- Post-disbursement follow-up visits by project staff
- Funding the costs of business plans prepared by an accredited consultant.

The list of risks and risk mitigation measures is inexhaustible. It is also important to note that no two risks are the same and no one risk mitigation measure or sets of mitigation measures is appropriate for one or a set of risks. The TDRG PIU and implementing partners should be robust in monitoring the key risks and proactive in applying the appropriate measures to minimize damage. This can be achieved through lesson learning from internal and external partners/collaborators.

Procedures for Closure of High-Risk Projects

The SME TA Facility will ensure that closure on high-risk projects is done through a formal process in which information on the high-risk project that is being closed is properly documented. Items for documentation should include any updates on risk information, a statement justifying the rationale, and also a critical analysis of the lessons learned. High risk projects are closed on either of the following assumptions: when their underlying risks are said to have been successfully mitigated, or accepted, or have become a problem. The MC will endeavor to ensure that.

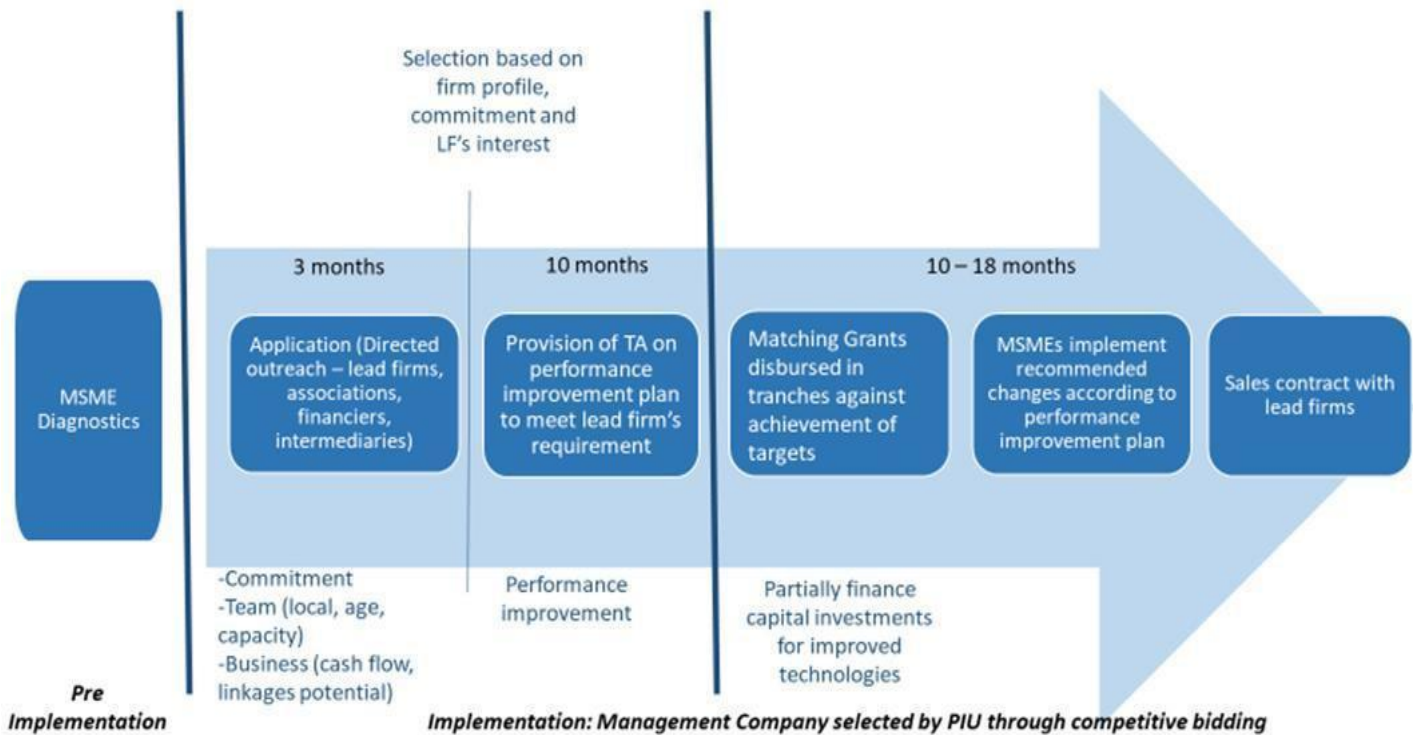
Changes to Matching Funds Arrangements

Should material changes arise to a MGS Agreement due to unanticipated developments such as the occurrence of an identified/unidentified risk, or due to possible misuse of fund, or a substantial change in the agreed investment plan execution which mainly may have been informed by a risk assessment done on the MSME, prompt action shall be taken by the MC through the TWG to notify the PIU, Steering Committee, and the World Bank . Both the MC and TWG will have to reconstitute and take a deep dive diagnostic on the underlying thinking of the risk identification process that is the result of material change and make a case of submission for the attention of the primary signatories to the initial funding contract signed or termination. These will principally involve the MSME in question and the MC.

11. TDRGP MGS IMPLEMENTATION SCHEDULE

Drawing on lessons learned in the implementation of MSME support initiatives in other projects, the scheme will be financially and operationally autonomous, managed and implemented by a competitively selected ‘management company’ to oversee technical assistance and the matching grant scheme and ensure operational and implementation efficiencies and risk reductions to the PIU which will maintain fiduciary responsibilities for all aspects of this subcomponent.

Figure 11: TDRGP MGS IMPLEMENTATION SCHEDULE



Preparatory Phase: This initial phase involves the Project Implementation Unit (PIU) preparing the MG Implementation Manual. During this stage, the PIU also conducts essential studies, such as MSME diagnostics, and maps out key stakeholders and partners. This phase is critical for laying the groundwork for the successful implementation of the Matching Grant.

1. MG Implementation Schedule: Following the preparatory phase, the MG Implementation Schedule commences. The key actions within this schedule are organized into sets, each with its own timeline:
 - First Set (3 months): Tasks to be completed within the initial three months.
 - Second Set (10 months): Activities planned to be executed over a period of ten months.
 - Third Set (10-18 months): Actions scheduled to occur between the 10th and 18th months.

Each of these sets includes specific actions, aligned with their respective timelines, to ensure a structured and effective implementation process.

Schedule 1: 3 Months

- Establish the TDRGP MGS Program Management Team and Technical Working Groups.
- Conduct a kick-off meeting with stakeholders and partners.
- Finalize selection of the lead firm(s).
- Develop and finalize eligibility criteria through stakeholder validation.
- Launch of the TDRGP MGS Program through regional sensitization workshops.
- Open Call for submission of applications.
- Review submitted application for completeness and eligibility.
- Short-list applicants based on evaluation criteria.
- Approval of shortlist by PIU
- Notify shortlisted applicants (MSMEs)

Schedule 2: 10 Months

- Conduct business plan preparation workshops for shortlisted applicants.
- Provide capacity building (training and follow-up practical knowledge transfer) for shortlisted applicants on entrepreneurship skills, business management, record keeping, etc.
- Evaluate business plans using the Evaluation Committee.
- Finalize approved list of selected applicants
- Notify selected applicants to proceed to the MG implementation stage
- In the meantime, give notice for aggrieved applicants to report their complaints (2 weeks standstill period)

Schedule 3: Month 10 – 18 months

- Conduct grant agreement signing with the selected MSMEs.
- Disburse the first tranche of grants to selected MSMEs.
- Monitor grant utilization and provide technical assistance as needed.
- Offer business support services to grant recipients.
- Gather and compile grant utilization reports.
- Disburse the second tranche of grants to selected MSMEs.
- Organize workshops for grant recipients on compliance and reporting.
- Review and assess the progress of the MGS Program.
- Identify and address any challenges faced by grant recipients.
- Disburse the third and final tranche of grants to selected MSMEs.
- Evaluate the overall impact of the MGS Program.
- Develop success stories and case studies of grant recipients.
- Plan for the dissemination of lessons learned and best practices.
- Conduct a final evaluation of the MGS Program.
- Organize a closing ceremony or event to celebrate program achievements.
- Publish and distribute the MGS Program's final report.
- Prepare for the transition of program management and sustainability, including contract signing between grantees and lead firms.

12. GUIDE FOR MSME MGS PROGRAM GRADUATION, COMPLETION/EXIT

12.1 Graduation Procedure

MSME graduation or exit denotes the last stage in the relationship with the MGS. The period for graduation/exit is dependent upon the agreement with the PIU and the Management Company. Graduation refers to successful completion of the program, and fulfillment of all or most expected targets on the part of both the MC and the PIU. Program exit refers to ending of the support either prior to completion of the agreed-upon timeframe, or if key expected targets remain unfulfilled by the MSME.

If at the end of the agreed-upon timeframe, key targets remain unmet, the MSME will have the opportunity to renew the engagement, subject to strict monitoring of next-phase results. The decision to recommend the MSME for program renewal or exit will be one that will be made in consultation between the MC and the PIU, along with input from the MSME.

If targets have been achieved, the MSME can successfully graduate from the program. In this case, the MC will make a recommendation for complete program graduation to the PIU, who will then grant final approval to the request for graduation.

12.2 Client Graduation/Exit Criteria

The MC will propose concrete graduation criteria to fit the local context, specific to the sector that the company operates in, the size of the company, etc., and other MSME-specific considerations. The said criteria will be endorsed by the PIU. The program graduation/exit criteria will therefore be different for each MSME engagement and will be clearly articulated in the client agreement. The following should provide some guidance in selecting client graduation/exit criteria:

12.3 Graduation Criteria

Graduation criteria should be set to show that tangible results have been achieved and developed around the following areas:

- Growth targets – has the firm grown by predefined percent.
- Achievement of milestones: sales/profit targets, achievements by management team, finance, etc.
- Are there increased linkages to lead firms?
- Financial autonomy has been reached.
- Is there more access to finance options available to the MSME.
- Self-sufficiency has been attained.
- Can the MGS still provide value to the MSME?

12.4 Exit Criteria

Exit criteria should be developed to determine when the relationship is no longer productive or beneficial to either party:

- The MGS can no longer realistically provide value to the client.
- Trust has been irrevocably broken.
- Non-compliance with agreed actions.
- Reputational risk for the MGS.
- Lack of progress towards milestones established in MSME agreement.
- The timeline established in the MSME agreement did not factor subsequent information which renders current targets unreasonable.

In exceptional cases, the agreement may be amended to reflect changes in timelines or expected outcomes, if the MC feels that the relationship is still productive, but that expectations need to be adjusted. Changes to targets defined in the agreement must be proposed by the MC and approved by the PIU.

In the event of sudden unforeseen events that occur before the end of the agreed-upon timeframe, the MC may recommend immediate termination of the agreement and MSME program exit, which must be approved by the PIU. Examples of situations where this may occur include instances of fraud or abuse, irrevocable breaches in trust, extreme client disinterest or disengagement with the program that render performance of targets impossible, or complete failure of the business for circumstances outside of the control of the MGS. The agreement should detail what types of actions or inactions would warrant such a recommendation and should establish a system of warnings to alert the client of actions that need to be taken before such a recommendation is made.

13. ANNEXES

13.1 Examples of Acceptable In-Kind Contributions for MSMEs in Matching Grant Schemes

1. Equipment - Existing machinery or technology relevant to the business's operations. This could include computers, manufacturing equipment, or specialized tools.
2. Vehicles - Company-owned vehicles necessary for operations, such as delivery trucks or vans.
3. Inventory - Existing stock of products or raw materials that are crucial for the business's production processes.
4. Expertise and Labor - The value of specialized skills or labor provided by the business's staff, which could include technical expertise, managerial skills, or other professional services.

13.2 Scoring Criteria for MSME Selection in the Matching Grant Scheme

To be eligible for the Matching Grant scheme following the technical and compliance support phase (incubation), the Management Company (MC) will apply the following selection criteria:

Criteria	Weight of Criteria (%)	Score (Highest 5; Lowest 1 points)	Results (Score * Weighted %)
Assessment of MSMEs' current operational and financial positions	25		
Assessment of potential demand for MSME products/services by lead firms	20		
Identification of viable interventions for building links	20		
Financial and technical viability of MSME businesses and potential for growth and market penetration.	20		
Compliance with applicable environmental and social safeguards	15		

A total of 100 points are available, with each criterion assigned a specific weight based on its importance. MSMEs must score a minimum of 70 out of 100 points to be considered for the grant.

13.3 Letter Template - Selection to Proceed to the Matching Grant Scheme

[TDRGP Letterhead]

[Date]

[Recipient's Name]
[Recipient's Title/Position]
[Company Name]
[Company Address]
Dear [Recipient's Name],

Subject: Selection for the Matching Grant Scheme - Technical and Compliance Support and Graduation

We are delighted to inform you that [MSME Name] has been successfully selected to participate in our esteemed Matching Grant Scheme. This selection represents a significant milestone in your company's journey towards enhanced operational and business excellence.

As part of this scheme, you will receive comprehensive Technical and Compliance Support, which is an integral phase of our program designed to prepare your enterprise for successful project implementation. This support will encompass a range of services tailored to your specific business needs, including but not limited to, process optimization, quality assurance, financial management, and adherence to environmental and social safeguards.

Our team of experts will work closely with you to identify areas of improvement and provide the necessary guidance to ensure your business processes are aligned with the standards and requirements of the scheme. This phase is crucial for laying a solid foundation for the successful utilization of the matching grant funds.

Upon completion of this phase, your enterprise will graduate to the application phase of the Matching Grant Scheme. Here, you will be able to apply the insights and improvements gained from the Technical and Compliance Support to effectively utilize the grant for the growth and development of your business.

We believe that your participation in this scheme will open new avenues for your enterprise, fostering innovation, competitiveness, and sustainability. We look forward to a fruitful partnership and are excited to witness the positive transformations that this opportunity will bring to your business.

Please expect further communication from our team regarding the next steps, including detailed information on the support program and the schedule of activities.

Congratulations once again on being selected for this prestigious opportunity. We are confident that your participation will contribute significantly to the success of your business and the wider economic ecosystem.

Warm regards,
[Your Name]
[Your Position]
[Your Contact Information]

13.4 Letter Template – Unsuccessful Application to the Matching Grant Scheme

[TDRGP Letterhead]

[Date]

[Recipient's Name]
[Recipient's Title/Position]
[Company Name]
[Company Address]
Dear [Recipient's Name],

Subject: Outcome of Your Application for the Matching Grant Scheme

Thank you for your interest in the Matching Grant Scheme and for the effort put into your application. After a thorough review and assessment by our selection committee, we regret to inform you that [MSME Name] has not been selected to receive a matching grant at this time.

We understand that this news may be disappointing. However, we would like to emphasize that this decision does not diminish the value of your enterprise or the potential it holds. The selection process was highly competitive, and while your application was strong in many aspects, it did not fully meet the criteria required for this particular scheme.

We encourage you to consider this as a learning opportunity. To support your ongoing development, we are offering Technical and Compliance Support, which includes guidance and resources that could help strengthen your business in key areas. This support is designed to assist you in enhancing your business practices, financial management, and compliance with industry standards.

Furthermore, we would like to keep your enterprise in mind for future opportunities. We believe that with continued dedication and improvement, your enterprise could be a strong candidate for future initiatives or programs.

Please feel free to reach out to us for feedback on your application and for guidance on areas of improvement. We are committed to supporting the growth and success of MSMEs and are here to assist you in any way we can.

Thank you once again for your interest in the Matching Grant Scheme, and we wish you the best in your future endeavors.

Warm regards,
[Your Name]
[Your Position]
[Your Contact Information]

13.5 TDRGP MGS FORMS

The following forms will be provided to guide the various implementation processes and procedures:

1. TDRGP MGS Form: Shortlisting Notification Form

This form will be used to officially notify applicants who have been shortlisted for the next stage of the selection process.

Applicant Information:

Name of Applicant: _____ Business Name: _____ Contact Number: _____
_____ Email Address: _____ Business Registration
Number: _____
Gender: M/F

Business Ownership: Women owned / Women managed / other

Notification:

We are pleased to inform you that your application for the TDRGP MGS has been shortlisted for the next phase of evaluation.

Business Planning Workshop: As part of the shortlisting process, you are invited to attend a business planning workshop conducted by the Management Company. This workshop aims to provide you with additional support to strengthen your business plan for the final selection process.

Workshop Details:

Date: _____ Time: ____ Venue: _____

Submission of Final Business Plan: Following the workshop, you will be required to submit your final business plan to the Management Company by the specified deadline.

Important Dates:

Business Planning Workshop: _____
Deadline for Final Business Plan Submission: _____

Contact Information: If you have any questions or need further assistance, please feel free to contact the Management Company at:

Phone: _____
Email: _____

Congratulations on being shortlisted, and we look forward to your active participation in the upcoming workshop.

2. TDRGP MGS Form: Final Business Plan Submission Form

Shortlisted applicants will use this form to submit their final business plans to the Management Company.

Applicant Information:

Name of Applicant: _____ Business Name: _____ Contact Number: _____
_____ Email Address: _____

Business Registration Number: _____

Gender: M/F

Business Ownership: Women owned / Women managed / other

Business Plan Details:

- ◆ Lead Firm: _____
- ◆ Workshop Attended: Yes No
- ◆ Business Plan Title: _____
- ◆ Date of Submission: _____

Business Plan Components:

Please check the boxes for the completed sections of your business plan: Executive Summary

Business Description and Objectives

Market Analysis and Customer

Segmentation

Products/Services Offered

Marketing and Promotion Strategies

Financial Projections and Budgeting

Sustainability and Growth

Planning

Supporting Documents (Attachments)

Business Plan Submission:

Please upload your finalized business plan document along with any relevant attachments. File Upload:

Declaration:

I hereby confirm that the submitted business plan is accurate and complete to the best of my knowledge. I understand that this plan will be evaluated for the TDRGP Matching Grant Program selection process.

Signature: _____ Date: _____

Thank you for your submission. Your business plan will be reviewed by the MGS Selection Committee as part of the selection process. We appreciate your effort in preparing and submitting your business plan.

3. TDRGP MGS Form: Grant Agreement Form

Grant recipients will sign this form to officially accept the grant and its terms. It will outline the responsibilities of both parties, disbursement schedules, and compliance requirements.

Applicant Information:

Business Name: _____ Business Registration

Number: _____ Address: _____
_____ Contact Person: _____
_____ Position: _____ Email: _____ Phone: _____

Applicant's Gender: M/F

Business Ownership: Women owned / Women managed / other

Lead Firm Information (if applicable):

Lead Firm Name: _____
Business Registration Number: _____
Address: _____
Contact Person: _____
Position: _____
Email: _____ Phone: _____

Grant Details:

Grant Amount: \$ _____ Applicant's Contribution: \$ _____
% of Cash Contribution: _____

Project Description:

Briefly describe the project for which the grant is being awarded.

Terms and Conditions:

The grant will be disbursed in tranches based on the project milestones and results achieved. The applicant agrees to use the grant funds solely for the purposes stated in the approved business plan. The applicant will submit progress reports as per the reporting schedule outlined in the Manual.

The applicant will comply with all reporting and compliance requirements of the MGS program. Any changes to the project plan must be approved by the MGS Administration team.

The applicant agrees to participate in monitoring and evaluation activities conducted by the MGS program.

Signatures:

For the Applicant:
Name: _____ Position: _____ Date: __ Signature: _____

For the MGS Management Committee:
Name: _____ Position: _____ Date: __ Signature: _____

For the Lead Firm (if applicable):
Name: _____ Position: _____ Date: __ Signature: _____

This agreement is effective upon the signatures of all parties involved and remains in effect until the completion of the project and fulfillment of all terms and conditions.

4. TDRGP MGS Form: Business Support Services Registration Form

Grant recipients interested in participating in workshops, coaching sessions, and other support services will use this form to register their attendance.

Applicant Information:

Business Name: _____ Business Registration
Number: _____ Address: _____
_____ Contact Person: _____

_____ Position: _____ Email: _____ Phone: _
Applicant's Gender: M/F

Ownership: women owned / women managed

Services Requested:

Please select the business support services you are interested in:

Please select the business support services you are interested in:

Business Coaching Financial Advisory Marketing and Branding Market Access Support
Technology and Innovation Consultation

Other (please specify): _____

Current Business Challenges:

Please briefly describe the main challenges your business is currently facing that you would like support for:

Goals for Business Support Services:

Outline your expectations and goals for participating in the business support services program:

Preferred Timing:

week
days
Week
ends

Preferred Time: _____

Additional Information:

Is there any additional information you would like to provide regarding your business needs or preferences for the support services?

Declaration:

I hereby confirm that the information provided in this form is accurate and complete to the best of my knowledge.

Name: _____ Position: _____ Date: _____

Please submit this form to the Management Company at [Email Address]. Our team will contact you to discuss your needs and guide you through the registration process.

5. TDRGP MGS Form: Grant Utilization Report Template

Recipients of the TDRGP MGS will use this template to provide regular reports on how they have utilized the grant funds. It will track expenses, investments, outcomes, and progress toward their business goals.

Project Details:

Project Name: _____ Grant _____ Recipient: _____
_____ Grant Amount: _____
_____ Reporting Period: From ___ To _____

Expenditure Details:

Please provide a breakdown of how the grant funds were utilized during the reporting period

<i>Expense Category</i>	<i>Budgeted Amount</i>	<i>Actual Amount Spent</i>	<i>Variance</i>
Personnel Costs			
Equipment/Supplies			
Marketing/Advertising			
Training/Workshops			
Other Expenses			
Total			

Activities and Achievements:

Outline the key activities undertaken during the reporting period and the achievements/results associated with each activity:

Activity 1: _____

Objective: _____ Achievement: _____
Challenges Faced: _____

Activity2: _____

Objective: _____ Achievement: _____
Challenges Faced: _____

Lessons Learned and Recommendations:

Reflect on any lessons learned from the grant utilization process and provide recommendations for improving future grant utilization:

Declaration:

I certify that the information provided in this report is accurate and complete to the best of my knowledge.

Name: _____ Position: _____ Date: __

Please submit this report to the Management Company at email [Email Address] by the designated reporting deadline.

6. TDRGP MGS Form: Feedback and Improvement Form

This form will be available for grant recipients to provide feedback on the TDRGP MGS program's processes, support services, and overall experience. It will help in improving the program's effectiveness over time.

Matching Grant Scheme
Tourism Diversification and Resilience Gambia Project

Feedback Date: _____

Feedback Provider Details:

Name: _____ Position/Organization: _____ Contact Information: _____

Feedback Category:

(Please check the appropriate category)

- Business
- Coaching
- Financial
- Advisory
- Marketing and Branding
- Market Access Support
- Technology and Innovation Consultation

Other (please specify): _____

Other (Please Specify): _____

Feedback Details:

(Provide specific details about your feedback, including any challenges faced and suggestions for improvement)

Recommendations:

(Provide your recommendations for improving the aspect mentioned in the feedback)

Action Plan:

(Outline the steps that should be taken to address the feedback and implement the recommendations)

Declaration:

I acknowledge that the information provided in this form accurately represents my feedback and recommendations.

Name: _____ Signature: _____ Date: _____

Please submit this form to the Management Company at email [Email Address]. Your feedback is invaluable in helping us enhance our processes and services. Thank you for your contribution!

7. TDRGP MGS Alpha Form: Online Application Form

Digital Platform: This is the online Application Submission Form.

These forms are designed to streamline the TDRGP MGS program's implementation, ensuring transparency.

Form Title: MGS Grant Application Form

Description: This form is for applying to the MGS Grant Program. Please fill out the following information accurately.

Section 1: Personal Information

Name:

Gender:
Date of Birth:
Contact Number:
Email Address:

Section 2: Business Information

Business Name:
Business Type (Sole Proprietorship/Partnership/Company):
Business ownership: Women owned/ women managed/other
Business Registration Number:
Business Address:
Number of Years in Operation:

Section 3: Lead Firm Information

Name of Lead Firm:
Lead Firm Contact Person:
Contact Number:
Email Address:

Section 4: Business Plan Summary

Briefly describe your business:
Explain how the grant will benefit your business:
Describe your plans for utilizing the grant:

Section 5: Supporting Documents

Attach your first-year business registration certificate. Attach your current year business registration certificate. Attach your lead firm agreement. Attach your business plan document.

Section 6: Terms and Conditions Agreement

I agree to the terms and conditions of the MGS Grant Program. Submit Button
Submit Application

Note: Once the form is created Online, you can customize it further by adding themes, changing fonts, and more. Additionally, you can set up automatic email notifications to inform applicants about the status of their applications.

8. MSME Site Visit Form

This form is to be used by the Management Company to record information gathered when they visit MSMEs and submit it to MEMIS.

Name of MSME:	
MSME Unique Identification No	
Address:	
Date of monitoring visit:	
Objectives of the monitoring visit	
Summary of key findings:	

Results/Targets:

Progress Towards Expected results/Targets:

Key Challenges:

Key Lessons Learned:

Recommendations:

Way forward:

Please note that the proposed way forward should include action points and specific individual responsible for taking each action.

Participants in the site visit:

Annexes: List of people met, photos and other annexes