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Report No: PAD4876

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT

IN THE AMOUNT OF SDR 50.6 MILLION
(US\$68.0 MILLION EQUIVALENT)

TO THE

REPUBLIC OF THE GAMBIA

FOR A

TOURISM DIVERSIFICATION AND RESILIENCE IN THE GAMBIA

May 18, 2022

Finance, Competitiveness and Innovation Global Practice
Western and Central Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective April 30, 2022)

Currency Unit = Gambian Dalasi (GMD)

US\$1 = GMD 54.08

US\$1 = SDR 0.74388

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

ACP	Africa Caribbean Pacific
AfDB	African Development Bank
ASA	Advisory Services and Analytics
CBG	Central Bank of The Gambia
CCAP	Climate Change Action Plan
C-ESMP	Contractor Environmental and Social Management Plan
CoC	Code of Conduct
CPF	Country Partnership Framework
DA	Designated Account
DHS	Demographic Health Survey
E&S	Environmental and Social
ERR	Economic Rate of Return
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESHS	Environmental, Social, Health, and Safety
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESRS	Environmental and Social Review Summary
ESS	Environmental and Social Standards
EU	European Union
FAO	Food and Agriculture Organization (of the United Nations)
FM	Financial Management
FSAP	Financial Sector Assessment Program
GAMWORKS	The Gambia Agency for the Management of Public Works
GBoS	Gambia Bureau of Statistics
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GM	Grievance Mechanism

GNI	Gross National Income
GoTG	Government of The Gambia
GPN	General Procurement Notice
GRID	Green, Resilient, and Inclusive Development
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
GT Board	Gambia Tourism Board
ICZM	Integrated Coastal Zone Management
IDA	International Development Association
IFC	International Finance Corporation
IFR	Interim Financial Report
ILO	International Labour Organization
IPF	Investment Project Financing
IPSAS	International Public Sector Accounting Standards
ISM	Implementation Support Mission
IT	Information Technology
ITO	International Tour Operator
LCS	Least-Cost-Based Selection
LMP	Labor Management Procedures
M&E	Monitoring and Evaluation
MECCNAR	Ministry of Environment, Climate Change and Natural Resources
MFD	Maximizing Finance for Development
MoFEA	Ministry of Finance and Economic Affairs
MoTC	Ministry of Tourism and Culture
MoTWI	Ministry of Transport, Works and Infrastructure
MoU	Memorandum of Understanding
MSMEs	Micro, Small, and Medium Enterprises
NBFI	Non-Bank Financial Institution
NBS	Nature-Based Solutions
NCAC	National Center for Arts and Culture
NDP	National Development Plan
NG-ACBP	Next Generation Africa Climate Business Plan
NGO	Nongovernmental Organization
NPV	Net Present Value
NRA	National Roads Authority
OHS	Occupational Health and Safety
PCU	Project Coordination Unit
PD	Project Director
PDO	Project Development Objective
PIM	Project Implementation Manual
PIU	Project Implementation Unit
PP	Procurement Plan
PPA	Project Preparation Advance

PPD	Public-Private Dialogue
PPDM	Public-Private Dialogue Mechanism
PPP	Purchasing Power Parity
PPSD	Project Procurement Strategy for Development
PSC	Project Steering Committee
QCBS	Quality- and Cost-Based Selection
ResIP 2	Resilience Investment Project 2
RFB	Request for Bids
SCD	Systematic Country Diagnostic
SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment
SEP	Stakeholder Engagement Plan
SIDS	Small Island Developing States
SMEs	Small and Medium Enterprises
SPD	Standard Procurement Document
SPN	Specific Procurement Notice
STEP	Systematic Tracking of Exchanges in Procurement
TDA	Tourism Development Area
TWG	Technical Working Group
UNDB	United Nations Development Business
UNESCO	United Nations Educational, Scientific, and Cultural Organization
WACA	West Africa Coastal Areas
WBG	World Bank Group

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DATASHEET

BASIC INFORMATION

Country(ies)	Project Name	
Gambia, The	Tourism Diversification and Resilience in The Gambia	
Project ID	Financing Instrument	Environmental and Social Risk Classification
P177179	Investment Project Financing	Substantial

Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input checked="" type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input checked="" type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
09-Jun-2022	30-Jun-2027

Bank/IFC Collaboration

No

Proposed Development Objective(s)

To support the diversification and climate resilience of the tourism sector at selected destinations.

Components

Component Name	Cost (US\$, millions)
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Policy framework and MSME participation	13.00
Infrastructure support for the diversification and resilience of the tourism sector	50.00
Project management, monitoring and evaluation	5.00
Contingent emergency response	0.00

Organizations

Borrower:	Ministry of Finance and Economic Affairs (MoFEA)
Implementing Agency:	Ministry of Tourism & Culture (MoTC) Project Coordination Unit (PCU) at the Ministry of Finance and Economic Affairs (MoFEA)

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	68.00
Total Financing	68.00
of which IBRD/IDA	68.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Development Association (IDA)	68.00
IDA Grant	68.00

IDA Resources (in US\$, Millions)

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount
Gambia, The	0.00	68.00	0.00	68.00
National PBA	0.00	68.00	0.00	68.00
Total	0.00	68.00	0.00	68.00

Expected Disbursements (in US\$, Millions)

WB Fiscal Year	2022	2023	2024	2025	2026	2027
Annual	0.06	8.25	11.66	22.62	25.41	0.00
Cumulative	0.06	8.31	19.97	42.59	68.00	68.00

INSTITUTIONAL DATA

Practice Area (Lead)

Finance, Competitiveness and Innovation

Contributing Practice Areas

Social Sustainability and Inclusion, Urban, Resilience and Land, Water

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	● Substantial
2. Macroeconomic	● Substantial
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Substantial
5. Institutional Capacity for Implementation and Sustainability	● Substantial
6. Fiduciary	● Substantial
7. Environment and Social	● Substantial
8. Stakeholders	● Substantial
9. Other	● Substantial
10. Overall	● Substantial



COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any waivers of Bank policies?

Yes No

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards

Relevance

Assessment and Management of Environmental and Social Risks and Impacts

Relevant

Stakeholder Engagement and Information Disclosure

Relevant

Labor and Working Conditions

Relevant

Resource Efficiency and Pollution Prevention and Management

Relevant

Community Health and Safety

Relevant

Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Relevant

Biodiversity Conservation and Sustainable Management of Living Natural Resources

Relevant

Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

Not Currently Relevant

Cultural Heritage

Relevant

Financial Intermediaries

Not Currently Relevant

NOTE: For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

Legal Covenants

Sections and Description



The Recipient shall within 90 days of the Effective date, establish and thereafter maintain throughout the period of implementation of the Project a committee (the “Project Steering Committee” or “PSC”)

Sections and Description

The Recipient shall, within 6 months from the Effective date, establish and thereafter maintain throughout the period of implementation of the Project two Technical Working Groups

Conditions

Type Effectiveness	Financing source IBRD/IDA	Description The Recipient has prepared and adopted the Project Implementation Manual (PIM) in accordance with the provisions of Section 1.B.1. of Schedule 2 to the Financing Agreement.
Type Effectiveness	Financing source IBRD/IDA	Description The Recipient has, through the Ministry of Tourism and Culture, established a Project Implementation Unit (PIU) and recruited to the PIU (i) a project director, (ii) a procurement specialist, (iii) a financial management specialist, and (iv) an accountant, all with terms of reference acceptable to the Association and in accordance with the provisions of the Procurement Regulations.
Type Disbursement	Financing source IBRD/IDA	Description No withdrawal shall be made under Category (2) until the Recipient has prepared and adopted the Matching Grants Manual in the form and substance satisfactory to the Association.
Type Disbursement	Financing source IBRD/IDA	Description No withdrawal shall be made for Emergency Expenditures under Category 3, unless and until all of the following conditions have been met in respect of said expenditures: (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category 3; and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and (ii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.



I. STRATEGIC CONTEXT

A. Country Context

1. **The Gambia is a small semi-enclaved country on the coast of West Africa, characterized by a unique context and a history of low and volatile growth.** The country's development experience has been shaped by a series of key characteristics: fragility, small-state features, economic challenges, climate change impacts, and an unusual geography dominated by the Gambia River—almost an enclave in the Republic of Senegal—affecting social and economic integration. Largely due to these challenges, annual gross domestic product (GDP) growth was just 4 percent between 2000 and 2016, significantly below the 8.5 percent regional average growth. In 2017, The Gambia had its first transfer of power in 22 years, ushering in an era of democratic governments.

2. **Since 2017, the Government has made great strides in turning the economy around and laying the foundations for a new development path.** Reflecting a commitment to democracy, authorities held peaceful and transparent parliamentary and local elections in 2017, 2018, and 2021. Moreover, the Government established media freedom, launched a Constitutional review process, and instituted critical measures to restore the independence of the judiciary and operational independence of the Central Bank of The Gambia (CBG). Progress on addressing the country's legacy of weak governance, human rights abuses, macroeconomic instability, and inadequate service delivery was coupled with strong economic growth. From 2017 to 2019, GDP grew at an average of 6 percent per year, contributing to modestly reducing poverty.

3. **However, economic and social gains have slowed down amid the COVID-19 pandemic.** As a result of pandemic-induced disruptions in trade and tourism, economic growth stagnated, with GDP falling by 0.2 percent in 2020 (–3.0 percent in per capita terms). However, GDP growth is estimated at 5.6 percent in 2021 (2.6 percent in per capita terms), with all economic sectors (agriculture, construction, tourism, and other services) showing growth and yet another year of record-high remittances supporting private investment and consumption. The Gambia's Human Capital Index is low at 42 percent which is slightly higher than the average for Sub-Saharan Africa (40 percent) and lower than the global average (56 percent).¹ The country was ranked 174 out of 189 countries on the Human Development Index² with a gross national income (GNI) per capita of US\$710 in 2018. Overall, 48.6 percent of the population live below the poverty line (Integrated Household Survey 2015/16) with a large difference between urban (31.6 percent) and rural areas (69.5 percent). The Gender Inequality Index rank of the country decreased from 128 in 2012 to 148 in 2015.³ Women, especially those in rural areas, are faced with disparities in literacy, access to education, health care, and salaried employment, among others. In addition, women have limited access to resources such as land and financing, and their rate of participation in the labor force is only 37.8 percent as compared to 53.2 percent for men.⁴ Gender-based violence (GBV) remains

¹ The Human Capital Index 2020 Update: Human Capital in the Time of COVID-19; Human Capital Project (HCP). https://databank.worldbank.org/data/download/hci/HCI_2pager_GMB.pdf?cid=GGH_e_hcpexternal_en_ext.

² United Nations Development Programme's 2017 Global Human Development Report 2017.

³ African Development Bank (AfDB). <http://comstat.comesa.int/wiqcbkg/afdb-socio-economic-database-1960-2019?tsId=1443440>.

⁴ –AfDB. <http://comstat.comesa.int/wiqcbkg/afdb-socio-economic-database-1960-2019?tsId=1443440>.



highly prevalent, with 46 percent of women having experienced physical violence in their lifetime.⁵ Social norms reflect deeply rooted inequality between men and women and appear to legitimize, condone, and promote GBV while help-seeking behavior is low.

4. **The private sector plays a critical role for economic growth and employment generation in The Gambia.** In February 2018, the Government adopted the National Development Plan (NDP) 2018–2021 for more inclusive and private sector–led growth with strong financial support from donors. The country, however, needs to address the wide range of challenges faced by its private sector, including low investment in electricity, limited national and international connectivity, limited digital connectivity, low investments in key infrastructure, and a variety of weather and external shocks.

5. **The Gambia’s geographic profile increases its vulnerability to natural hazards and the impacts of climate change, which can reduce social and economic development.** Its coastal zone, consisting of 80 km of open ocean coast and 200 km sheltered coast, is prone to flooding and erosion. The Gambia River divides the country into two banks, and tidally inundated swamps cover 20 percent of the country. The Gambia River ecosystem is at risk of permanent flooding by a projected sea level rise of 1 m.

B. Sectoral and Institutional Context

6. **The tourism sector is one of the main contributors to both GDP and employment in the Gambia.** Estimates from the World Tourism and Travel Council suggest that tourism directly contributed about 8.5 percent to GDP, or US\$98 million, and 6.5 percent to employment in 2019. When induced and indirect impacts are factored in, its contribution is much larger, 15.5 percent of GDP, or US\$288.6 million, and 17.1 percent of employment, or 121,000 people employed. Tourism is also a major source of foreign direct investment, having attracted over US\$45 million over the past five years.

7. **While punctuated by recurring crises, the tourism sector grew significantly from 2010 until the COVID-19 pandemic.** Tourist arrivals went up from 91,000 in 2010 to 235,800 in 2019, growing faster than most other destinations in the region despite the 2012 Ebola epidemic, the 2017 political impasse, and the 2019 collapse of Thomas Cook.⁶ This led to higher compound annual growth rate of 11.2 percent in 2019. This growth has been mostly driven by tourists from the Netherlands, the UK, and the Gambian diaspora. Due to COVID-19, international arrivals experienced a 62 percent year-on-year decrease in 2020 accompanied by a US\$152 million decrease in tourism receipts (or 9 percent of GDP). This resulted in a reduction of both GDP contribution (–52.8 percent) and employment (–30.5 percent) for 2020. The COVID-19 pandemic also presents tourism diversification opportunities. A World Travel and Tourism Council/World Bank survey from June 2021, which gathers opinions from leading private sector and industry actors, found that adventure/nature-based tourism and ecotourism will be the fastest growing segment when international travel resumes. The country introduced a series of health and safety protocols in 2020, for the smooth reopening of the tourism sector; however, it is not clear how feasible

⁵ The Gambia, Demographic Health Survey (DHS), 2019–20, 255.

⁶ The Government estimates for 2019 revealed that about 45 percent of all tourists, more than 94,000 tourists, arrived on a Thomas Cook flight. By the end of the year, a majority of cancelled reservations were taken over by other international tour operators (ITOs), which showed strong demand by visitors.



some of the measures are and how they will be enforced. The vaccination rate in The Gambia currently stands at around 12 percent of the adult population.

8. **The Government of The Gambia (GoTG) recognized tourism as a key productive sector in its current NDP.** In addition to agriculture and fisheries, tourism is seen as one of the private sector engines for future growth, transformation, and job creation. However, for the potential of tourism to materialize, the Government has recognized the need to overcome the main challenges that permeate the sector such as lack of destination recognition/attractiveness, dwindling product quality, undiversified products and source markets, limited air access and reliance on International Tour Operators (ITOs), security, climate change, environmental degradation, and a weak statistical base to inform policy decisions.

9. **In addition to the challenges posed by COVID-19, significant constraints in the enabling environment undermine the sector's competitiveness.** First, the sector is heavily reliant on ITOs and dependent on a few European markets. ITOs bring 50–70 percent of all tourists and make up about 85 percent of all hotel revenue.⁷ This trend has encouraged volume and low prices over quality and environmental sustainability. Second, marketing efforts have largely been led by ITOs or through specialized firms in source markets, since the capacity of the Government to collect and use data to promote the destination is quite limited. Attracting new tourist segments/source markets and extending the tourist season will require the ability to deploy evidence-based strategic marketing. Third, tourism sector micro, small, and medium enterprises (MSMEs) and large enterprises could benefit from a more functional and diverse financial sector. While financial sector work is transversal and outside of the scope of this project, a thorough diagnostic such as the ongoing Financial Sector Assessment Program (FSAP) could assist on the development of a comprehensive financial sector strategy that could benefit the Gambian economy including the tourism sector. Finally, public and private sector coordination as well as horizontal and vertical coordination within the public sector is limited. For any strategy to be successful, collaboration and coordination among government bodies and agencies and the private sector is necessary. The country can build on past coordination experiences with different stakeholders, such as the establishment of the Marketing Committee by The Gambia Growth and Competitiveness Project or the execution of the Public-Private Dialogue Mechanism (PPDM) by the Support to Tourism COVID-19 Recovery in The Gambia (P175389).

10. **The long-term competitiveness of The Gambia as well as the sector's ability to provide inclusive economic growth will depend on its ability to preserve the existing assets and diversify in terms of both its product offering and its source markets.** For the past decade, 65–80 percent of international arrivals originated in 10 European countries, with around 35 percent coming from either the UK or the Netherlands. A 2018 Gambia Tourism Board (GT Board)/World Bank Group (WBG) tourism survey showed a faithful but aging tourist demography. Nearly half of international tourists were repeat visitors, and of those, one-third had already visited more than twice. In addition, 43 percent of visitors were 40–64 years old, while 30 percent were above 64 years. At the same time, despite having an asset base that could support a diversification in product offerings, the beach—'sun and sea'—is still the main attraction for about 80 percent of tourists. According to the World Economic Forum Travel and Tourism Competitiveness Report, The Gambia ranks 62 out of 140 countries when it comes to the total number of known fauna species and 58 on the attractiveness of natural assets index. It is also among the countries

⁷ Based on interviews with Gambian hoteliers in the context of the World Bank Advisory Services and Analytics (ASA) The Gambia: Policies for Private Sector-Led Growth.



with the highest number of United Nations Educational, Scientific and Cultural Organization (UNESCO) sites in the Sub-Saharan region, with two cultural heritage sites and one intangible expression. Although areas with potential for nature-based and culture tourism products were already identified in the 2006 Tourism Master Plan, their development has been limited. Survey results also confirm that there has been a mismatch between product development ideas and the marketing activities to attract these segments.

11. Poor infrastructure and degradation of coastal resources, partly due to sea level rise and coastal erosion as well as poor planning and environmental practices by tourism businesses, are hindering the existing attractions and hurt both the competitiveness and resilience of the industry. The West Coast, which concentrates much of the ‘sun and sea’ tourism, has seen severe erosion in the last decades. The manifestation of climate change in the coastal areas could exacerbate coastal erosion and increase the risk of submerging beaches that are critical to tourism, increase salt intrusion into mangroves and aquifers, increase the frequency of windstorms and extreme precipitation events, and affect infrastructure throughout the Greater Banjul Area. The West Coast area has begun to see considerable degradation of beachfronts, and in many locations, beach widths have been reduced from 150 m to just 16 m, at a retreat rate of 1 m to 2 m per year. Erosion rates are projected to accelerate further with sea level rise. Erosion has also affected the UNESCO site of Kunta Kinteh Island, endangering its integrity and its outstanding universal value. With more than half of the country’s two million inhabitants living in urban areas and 80 percent of the urban population within 20 km of the Atlantic coast, expected sea level rise is a major risk. Due to its low-altitude areas, especially Banjul City with an average elevation of only 80 cm above mean sea level, inadequate drainage and stormwater management systems, poor treatment of waste by businesses, and poor solid waste management in a context of uncontrolled urban sprawl, urban flooding risks have exacerbated.

12. Multiple agencies are involved in the management of the coastal ecosystem. The Ministry of Environment, Climate Change and Natural Resources (MECCNAR) has the overall responsibility of overseeing and coordinating the development and implementation of policies and programs relevant to the environment, climate change, and natural resource management in The Gambia. Under MECCNAR, the Global Climate Change Alliance Plus focuses on integrated coastal zone management (ICZM) and mainstreaming climate-resilient initiatives into the development plan of several coastal communities. The Gambia has taken critical steps to build coastal and climate resilience through its National Climate Change Policy (2016) and the Strategic Programme for Climate Resilience (2017) and recently in the revised Nationally Determined Contribution (2021)—as dictated by article 4 of the Paris Climate Agreement.

13. There have been limited spillovers for tourism-focused MSMEs, which face several constraints that prevent their growth. The GoTG recognized the expansion of MSMEs as one of the development priorities for job creation and economic development in the National Development Plan (2018-2021). However, in the tourism sector, exclusivity agreements between ITOs, accommodation providers, and ground tour operators reduce the potential for many MSMEs to enter the existing tourism value chain. Further, COVID-19 has left many firms in the tourism sector vulnerable to simultaneous supply and demand shocks. In general, MSMEs play an important role in production, employment, and income in The Gambia. They contribute about 20 percent of GDP and employ approximately 60 percent of the urban labor force. Moreover, they constitute a crucial source of work for Gambian youth (18–35 years), who own more than 40 percent of MSMEs, emphasizing the importance of these enterprises in the dynamic role that youth play in the economy. However, there are binding constraints that hinder their growth, for example, weak downstream and upstream links; poor network of support services; limited contacts



between traditional industries, such as tourism and technology-enabled businesses; limited access to financial products and services; and a regulatory framework that undermines their competitiveness. This is reflected in the 2018 Global Entrepreneurship Index that ranks The Gambia at 117 out of 137 countries.

14. **The tourism sector in The Gambia presents unexploited potential to cause significant local economic gains through positive spillovers on local MSMEs.** The most significant growth opportunity for the Gambian MSMEs in tourism is through selling goods and services to large buyers, such as hotels and tour operators. The MSME ecosystem is dependent on the large hotels' ability to attract clientele that can avail goods and services from MSMEs, ITOs that attract local ground operators, and digital platforms that offer direct opportunities for MSMEs through expanded market access. These lead firms are able to influence supply chain dynamics because of their connection to international market demand and help MSMEs expand their customer bases. Lead firms interviewed expressed their interest in buying from smaller firms as part of their normal business, but they fear higher transaction costs could result in losing control of the quality, consistency, and timeliness of supply or distribution, which can have a negative effect on their business. This missed opportunity warrants government support to catalyze a sustainable business relationship between local MSMEs and lead tourism firms to reduce the risks and constraints that prevent links from occurring on their own and to establish a sustainable business relationship that will last over the medium to long term.⁸

15. **The tourism sector provides opportunities to improve women's economic participation.** Women are more likely to be employed in food services. The 2018 Enterprise Survey showed that The Gambia had low levels of female participation in firms' top management and ownership, relative to Sub-Saharan Africa and other low-income countries (10 percent of Gambian firms have a female top manager and 17 percent have female participation in ownership, compared with 16 percent and 31 percent for Sub-Saharan Africa, respectively, and 14 percent and 27 percent for low-income countries, respectively). Regarding participation rates, just over half of women ages 15 and above are in the labor force, compared to three-quarters of men. Exclusion from the labor market is more pronounced for women, young people (ages 15–35), and those living in rural areas. Although employment in the tourism sector represents an important opportunity for women's socioeconomic empowerment, it also carries high risks of GBV, including risks of sexual harassment (SH) and abuse, both by supervisors and other colleagues as well as by clients. The risks of child sexual exploitation and abuse (SEA) and of forced prostitution of women and children linked to the tourism sector are also high in The Gambia, while policies and measures to prevent them appear to be limited. There are no laws prohibiting SH in the workplace or regulations requiring employers to have anti-harassment policies.

16. **Despite its importance as a contributor of economic growth and as a source of foreign exchange and employment generation, the tourism sector is narrowly served by the financial sector.** Only less than 5 percent of the total credit is provided to the tourism sector, mostly catering to large hotels. Most companies operating in The Gambia are microenterprises with limited capacity to demonstrate creditworthiness, and despite sufficient liquidity, creditors are reluctant to lend to tourism sector MSMEs with no demonstrated ability to generate cash flows to repay their obligations increasing their reliability on collateral. To break this cycle, a matching grant scheme is a useful tool that addresses demand-side

⁸ World Bank. 2017. *Partnership for Growth: Linking Large Firms and Agro-Processing SMEs - A Guidance Note for Policy Makers*. Washington, DC: World Bank.



constraints by providing capital for investment to tourism MSMEs linked to lead tourism businesses to make them bankable.

17. **The World Bank supported the country in developing an action plan for tourism recovery with public and private stakeholders' consensus.** Under the framework of the Advisory Services and Analytics (ASA) Support to Tourism COVID-19 Recovery in The Gambia (P175389), the World Bank facilitated an open dialogue between sector stakeholders through a PPDM. The primary outcome of this work was a participatory action plan that laid out a series of actions and reforms to provide immediate response to the crisis, address some of the long-standing challenges, and bolster the sector's value proposition and resilience. The dialogue identified the following critical needs: (a) diversifying source markets; (b) developing and enhancing tourism products, particularly nature-based ecotourism; (c) increasing and improving marketing; and (d) building core capacity of tourism-linked MSMEs and employees in the sector. The plan was validated by private sector stakeholders, the GT Board, Gambia Bureau of Statistics (GBoS), and public officials of the Ministries of Tourism, Health, and Finance.

18. **Since 2019, the World Bank has been providing technical assistance to the GoTG through The Gambia Integrated Urban and Coastal Resilience Program.** Financed by the Africa Caribbean Pacific (ACP) and the Natural Disaster Risk Reduction Program of the European Union (EU), it developed a framework for advancing urban and coastal disaster and climate resilience in The Gambia. Preliminary analyses have mapped socioeconomic risk and quantified the impacts from coastal erosion, coastal and urban flooding, and sea level rise on population and the built environment in the Greater Banjul Area. The technical assistance integrated technical analysis with stakeholder engagement to identify priority areas for investment. One of the activities the studies prioritized was the infrastructure interventions to protect the infrastructure and shoreline of the West Coast beaches tourism corridor. The World Bank is also working with the Government to prepare the West Africa Coastal Areas (WACA) Resilience Investment Project 2 (ResIP 2) (P175525), which aims to strengthen the resilience of targeted communities and areas in coastal Western Africa. The WACA ResIP 2 will include activities that aim to build institutional capacity for coastal zone management, urban planning, land-use planning, and disaster risk management. The infrastructure works proposed under the WACA ResIP 2 will be geographically linked to the works proposed under this operation as both are informed by the same technical studies. In addition, under the WACA ResIP 2, the team will consider transboundary coastal zone management and coordination.

19. **This project builds on existing research and will leverage the consensus around priority actions to address existing binding constraints.** The WBG is currently supporting The Gambia through the PROBLUE-funded Sustainable and Resilient Tourism on Small Islands and in Coastal Destinations ASA (Rebuilding Tourism Competitiveness: from Crisis to Sustainability) (P174821). This engagement aims to improve understanding of how Small Island Developing States (SIDS) and small coastal nations can increase their tourism competitiveness in the wake of COVID-19, through more sustainable and resilient tourism practices. The ASA will identify critical infrastructure gaps to facilitate a more circular tourism economy. It will also provide guidelines and pilot training for MSMEs in circular economy practices which can be scaled up under this project.



Box 1. Financial Sector in The Gambia

The financial sector in The Gambia is small, banking centric, and concentrated (total assets 61 percent GDP). There are 12 private commercial banks (one Islamic and the rest conventional of which eight are foreign subsidiaries) with the four largest concentrating 70 percent of the total assets and deposits. There are no public commercial nor development banks in the country. The non-bank financial institutions (NBFIs) sector is very small (assets 2 percent of GDP) and fragmented (77 institutions: credit unions and village savings and credit associations accounting for 3 percent of total assets among deposit-taking institutions).

The banking sector is highly liquid, but intermediation is low. Loan to deposit ratios with only one bank are reportedly as low as 25. The credit to GDP ratio is among the lowest in the region at 7 percent of GDP. Banks have high (systemic) exposure to the largest institutional investor (which has bargaining power and raises their cost of funding). These facts are consistent with the general private sector perspective captured in the Enterprise Survey that lack of access to credit is a major impediment to do business. Of the surveyed firms, 53.1 percent identified access to finance as the main constraint to their business environment.

The most recent version of the FinScope survey (October 2019) shows low levels of financial inclusion in The Gambia. According to the survey, only 19 percent of Gambians have an account with a financial institution. Another 12 percent use informal savings, leaving 69 percent completely excluded from formal or informal financial services. Of the 19 percent with accounts at financial institutions, 5 percent have a traditional bank account, and 14 percent use the services of an NBFI such as deposit-taking microfinance companies or credit unions. About 12 percent of Gambians use remittances, making it one of the most used financial service. The breakdown of the access indicator shows that access to formal financial services is much lower for those in rural areas (13 percent versus 24 percent in urban areas), women (15 percent versus 23 percent of men) and youth, ages between 15 and 35 years (14 percent versus 27 percent of those older than 35).

The Gambian economy is cash based, and its financial infrastructure is basic and needs upgrading. The Gambian payments system comprises essential building blocks including outdated Automated Clearing House and Real Time Gross Settlement systems. Electronic payments acceptance infrastructure is limited and is affected by important connectivity constraints. Although credit information infrastructure exists through a Credit Reference Bureau set up by the CBG, it is reportedly inadequate. Limitations in the credit infrastructure functionality undermine the ability of financial institutions to reduce the existing informational asymmetries and their credit risk to enable them to increase their intermediation.

The Gambia is currently undergoing an FSAP development module assessment that will be used to inform financial sector engagement in the country.

C. Relevance to Higher Level Objectives

20. **The operation is aligned with the WBG’s forthcoming Country Partnership Framework (CPF) for the Republic of The Gambia covering FY2022–2026.**⁹ The operation is consistent with the CPF Focus Area 2 which aims to Enable Inclusive and Resilient Private Sector Driven Job Creation, by implementing the WBG’s comprehensive program to accelerate inclusive growth and stimulate jobs by investing in growth-enabling infrastructure, strengthening the role of key economic sectors in job creation, increasing urban and coastal resilience, and empowering women and girls (in line with the CPF Cross-cutting Principle 2). The operation is also aligned with the Systematic Country Diagnostic (SCD) 2020 (Report No. 148128-GM) which outlined as one of its pathways and policy areas the diversification of the economy, through sustainable, inclusive, and diversified private sector-led growth centered on policy actions to increase

⁹ Report No. 154485-GM.



access to finance, bridge key infrastructure gaps, support the tourism sector, and develop regional and global value chains. The project will also expand analytical work on coastal resilience and tourism to broaden support for building the sustainability and resilience of the blue economy, while protecting coastal areas will contribute to securing assets and jobs in the tourism industry.

21. **The project contributes to the WBG’s global and regional commitment to addressing climate change.** The WBG Climate Change Action Plan (CCAP)¹⁰ aims to increase climate finance to reduce emissions, strengthen climate change adaptation, and align financial flows with the goals of the Paris Agreement, specifically coastal resilience and nature-based solutions (NBS) and healthy oceans for jobs and food. The Next Generation Africa Climate Business Plan (NG-ACBP)¹¹ emphasizes ‘environmental stability’ of seascapes and watersheds for increased ecosystems resilience and carbon sequestration and contributes to socioeconomic resilience. Specifically, the project will address the impacts of coastal erosion, which is anticipated to worsen due to changing climate. The project also contributes to attaining national policy goals and strategic objectives outlined in the National Climate Change Policy (2016) and the Strategic Programme for Climate Resilience (2017) and recently in the revised Nationally Determined Contribution (2021)—as dictated by article 4 of the Paris Climate Agreement. The project is part of the Government’s overall approach to building resilience and is closely linked to the WACA ResIP 2 being prepared.

22. **Labor force participation in the country, among women, is low and this reduces the growth potential of the economy.** In urban labor markets, female participation is only 37 percent compared to 70 percent for men (SCD, May 2020). Low labor market participation rates for women imply lost productivity but also make them dependent on the earnings of men. Studies from other countries suggest that the structural composition of the economy, social norms, and institutional/legal arrangements prevent women from participating in the labor force. The diversification of the economy toward more jobs in the service sector lays the foundation for higher female labor force participation rates (SCD, May 2020). Acceptability of violence against women and girls remains high, with 55 percent of women justifying intimate partner violence in some circumstances. Harmful social and gender norms, beliefs, and behaviors contribute to sustained discrimination of women and girls and ultimately to a high prevalence of GBV, with 46 percent of women ages 15–49 having experienced physical violence at least once in their lifetime and 41 percent having experienced intimate partner violence. Additionally, social norms limit women’s access to opportunities and decision-making, with less than one-third of married women participating in the decision-making either alone or jointly with their partner, regarding their own health care, major household expenses, or social interactions (DHS 2019–2020).

23. **Contribution to the WBG’s Green, Resilient, and Inclusive Development (GRID) approach.**¹² The project is fully aligned with the World Bank’s framework for supporting GRID by (a) increased private sector awareness and investments in clean technologies; (b) resilient and sustainable infrastructure; and (c) the inclusion of beneficiaries in investment project design and implementation. Investing in MSMEs

¹⁰ <https://openknowledge.worldbank.org/bitstream/handle/10986/35799/CCAP-2021-25.pdf?sequence=2&isAllowed=y>.

¹¹ World Bank. 2020. *The Next Generation Africa Climate Business Plan: Ramping Up Development-Centered Climate Action*. Washington, DC: World Bank. <https://openknowledge.worldbank.org/handle/10986/34098>.

¹² World Bank. 2021. *Green, Resilient, and Inclusive Development*. Washington, DC: World Bank. <https://openknowledge.worldbank.org/handle/10986/36322>.



and in resilience will help communities adapt to the impacts of climate change and increase livelihood opportunities for women and men. The project will support the Government to act in the following areas:

- (a) **More resilient MSMEs.** The project will provide financing to and build the capacity of MSMEs to manage climate risks by providing training and funds for climate-resilient interventions.
- (b) **More resilient infrastructure.** The project will improve coastal and tourism infrastructure focusing on green, nature-based solutions.
- (c) **More resilient communities.** The project conducts training on climate resilience for select communities near the tourism sites and includes community members in the design and implementation of the activities. In addition, labor-intensive civil works will provide employment opportunities for community members of all genders, and the project will include capacity building on green infrastructure development practices.
- (d) **Residual risk management.** The project will ensure that the GoTG can prepare for, cope with, and rapidly recover from disasters, through a Contingent Emergency Response Component.

II. PROJECT DESCRIPTION

A. Project Development Objective

PDO Statement

24. To support the diversification and climate resilience of the tourism sector at selected destinations.

PDO Level Indicators

25. **Progress toward the Project Development Objective (PDO) will be measured by the following 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).

B. Project Components

26. **The proposed 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 and policy framework, improving capabilities and access to funds for tourism-related MSME suppliers, and building resilience through the strengthening of sustainable coastal infrastructure and rehabilitation of existing tourism sites. The project will take a targeted approach to integrate gender actions across components and leverage significant global knowledge and experience in tourism recovery and small and medium enterprises (SMEs) upgrading initiatives, particularly related to building back better in post COVID-19 situations.



27. **The proposed project will consist of four components.**

Component 1: Policy framework and MSME participation (US\$13 million equivalent)

28. The interventions under this component aim to address selected key bottlenecks in the tourism ecosystem in The Gambia, to ensure the sector realizes its potential as a source of sustainable and inclusive growth. Activities will focus on (a) strengthening capacity for collecting relevant tourism data to inform policy decision-making; (b) enhancing marketing to promote recovery and diversification beyond traditional source markets and segments; and (c) promoting the diversification of the destination and products beyond 'sun and sea'. Special attention will be paid to gender-sensitive policies, including those reducing risks of GBV. Specific details of the activities can be found in annex 2. The project aims to strengthen horizontal and vertical coordination in tourism while building trust between different stakeholders. To do so, the project will ensure that the Steering Committee follows a strong business focus by including key private sector stakeholders. This will be done by expanding and institutionalizing the PPDM with the objective of ensuring key stakeholder participation in the implementation of the project.

Subcomponent 1a: Improved institutional capacity for data-driven planning, marketing, and branding (US\$4 million)

29. The objective of this subcomponent is to improve the ability of the country to use data on its tourism planning efforts and to attract a more diverse set of tourists. Activities under this subcomponent aim to support the development of a participatory data-driven marketing strategy with a focus on digital tools and channels and nontraditional markets and segments; strengthen the capacity of the GT Board and related institutions in data collection, analysis, and dissemination; and improve interinstitutional coordination. In particular, the activities will aim to achieve diversification by developing different marketing approaches to attract a new set of tourists: (a) diversification to higher value-added tourists within existing markets (for example, adventure tourists from the UK) and (b) diversification to nontraditional source markets within existing segments (for example, sun and sea visitors from Nigeria). To understand new segments trends and characteristics, the team will leverage the findings of the consumer market research conducted under a PROBLUE ASA project for The Gambia. To ensure the continued application of effective marketing approaches, this subcomponent will ensure the establishment of sustainable financing mechanisms for tourism promotion.

30. Under this subcomponent, the project will also help the GT Board, GBoS, and other related institutions to improve the country's overall statistical capacity for better marketing and planning. It will also include specific activities to encourage gender-sensitive policy making within the private tourism sector and enhance reporting on sex-disaggregated data in the business' workforce. Sex-disaggregated data will be strengthened by conducting a gender review of existing survey instruments, analytical frameworks, and sampling strategies ensuring that it reflects women's contribution to the sector and their representation within the sampling strategies. The project will support the improvement of existing data collection, analysis, and dissemination tools for tourism statistics and the deployment of others, such as an International Visitor Survey. Finally, to support sector recovery, the subcomponent will operationalize some of the short-term and quick marketing actions that came from the PPDM, such as performing rapid



research on ready-to-go markets and segments, developing targeted promotions, and showcasing through targeted social media campaigns.¹³

Subcomponent 1b: Increase participation of tourism MSMEs¹⁴ within the selected destinations (US\$9 million)

31. This subcomponent will contribute to the PDO by supporting 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.

(a) Technical and compliance support to tourism MSMEs (US\$4 million)

32. The project will take a lead firm approach to MSME solutions, one that leverages large firms to expand the capacity of the MSMEs in their value chain or have the potential to be suppliers of goods and services, for example, food and beverage, furniture, apparel, arts, and crafts. This direct approach will ensure private sector leadership by customizing the MSME strengthening to meet market requirements. The interventions, which will be informed by an MSME ecosystem diagnostic exercise, would include these activities: (a) identification—to build partnerships with large firms in the tourism sector that are committed to make productivity and quality improvements across the supply chain and allow them to identify existing and potential MSME suppliers; (b) upgrading—to deliver capacity-building services to MSMEs, with clear objectives and measures to fulfill the lead firm requirements; and (c) feedback and reporting—MSMEs and lead firms will provide feedback on the capacity-building services to ensure the programs meet market requirements and to improve future programming.

33. MSMEs will be eligible to participate in the project, based on (a) their commitment and capacity to grow and build links; (b) alignment with demand for their products/services by lead firms; and (c) the financial and technical feasibility of their business. Special focus will be put on women-led or women-owned MSMEs to make sure that they participate at the intended level. The project will take a maximizing finance for development (MFD) cascade approach and will work closely with the portfolio of the

¹³ Based on the results of international market preferences, identify illustrative accommodations, restaurants/entertainment, and activities to showcase in social media marketing materials. Gain commitment from each selected entity to actively participate in the social media campaign, maintain quality standards, and support one another's promotions. Select photos of each to promote on the GT Board website and social media handles. Identify similar defining requirements for regional tourism preferences of regional markets (Nigeria, Ghana, Sierra Leone, and Senegal), bearing in mind biosafety and pandemic protocols. Campaigns should prioritize those which currently do not require significant upgrades to be tourist friendly/accessible, have good reviews on online booking platforms (for example, TripAdvisor and Expedia), and have an online booking capability.

¹⁴ The 2019–2024 Gambia national policy for MSMEs defines any company which exists after 12 months of operation, with these variables: number of employees less than 49, assets less than US\$100,000, and turnover less than US\$200,000. The suppliers of goods and services identified to have potential links to larger tourism firms, such as hotels and tour operators, are predominantly in the food and beverage sectors, horticulture, meat, dairy, locally made fruit juices, local tea and oils, breweries and other beverages, seafood, poultry, cosmetics, apparel, art (including cultural entertainment), and crafts. Web platforms, web-based delivery businesses, industry trade fairs, community and women agriculture business groups, and locally manufactured furniture are non-traditional subsectors identified to be potential suppliers.



International Finance Corporation (IFC) and its pipeline clients in the tourism sector to bring in private investments. MSMEs, identified by large firms, meeting the eligibility criteria will be provided technical and compliance support during business planning, technology selections/adoption, contract negotiations, and product quality and productivity improvements (for example, improving management capacity, adopting digital and climate technologies, and enabling them to meet quantity and quality requirements of lead firms). MSMEs will also benefit from infrastructure upgrades through interventions under Component 2. They will be encouraged to share a small portion of the cost of technical support to ensure ownership and commitment to build mutually beneficial relationships. The tools developed by the PROBLUE-funded ASA will be leveraged to build capacity on climate-smart practices. In addition, this component will take a targeted approach to provide coaching to women entrepreneurs for enhanced business development skills and tailor-made mentoring by leveraging existing women entrepreneurs' network in the country. The findings of the ongoing MSME ecosystem diagnostic exercise will be elaborated in the Project Implementation Manual (PIM), which will be the basis for further targeting of beneficiary MSMEs and subsectors.

Table 1. MSME Tourism Subsectors with Links to Lead Firms

Large Hotels	ITOs	Local Tour Operators
Tropical fruits (from local orchards)	Boutique hotels	River transport
Vegetables	Lodges	Restaurants
Poultry		Small tours operators (transport)
Seafood		Experience providers
Stationery and packaging		
Butchery		
Carpentry (furniture)		
Metal works		
Tailoring (apparel and linen)		
Cosmetics		
Entertainment		
Arts and crafts (decorating)		

(b) Matching Grants to support tourism value chain participation for MSMEs (US\$5 million)

34. This subcomponent will assist Gambian MSMEs by providing them with capital through the establishment of a matching grant scheme accessible to tourism-related MSMEs supported through a capacity-building program. The project will partially finance capital investments for improved production technologies and technology adoption needed to meet the lead firm's requirement. Eligible expenses will include (a) technological upgrades and investments—digital payment acceptance infrastructure, expansion of virtual presence to link customers and lead firms, as well as inventory and supply management interfaces and digital platforms to assist with logistics and process standardization; (b) climate-smart/circular economy investments; and (c) any other technology required to upgrade a business process/product/service needed to meet the lead firm's requirement. The grants will be provided on a 70–30 basis where the scheme will provide 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. Women business associations will be leveraged to generate a deal flow of women-owned tourism



MSMEs to be supported by the project. Grants will be directly deposited in financial institutions to facilitate, reduce risks, and increase financial access. A matching grant manual will be elaborated to describe the selection procedures, eligibility requirements, and contractual relationship.

Component 2: Infrastructure support for the diversification and resilience of the tourism sector (US\$50 million equivalent)

35. This component aims to build the climate resilience of the tourism sector.¹⁵ It will focus on strengthening and upgrading infrastructure to better preserve existing assets by being more resilient to the impacts of hazards and climate change as well as enhance the attractiveness of tourism sites and promote economic development. It will also include capacity building on climate resilience at the community level. The activities are based on extensive technical assessment and stakeholder consultations through a PPDM and the prioritization process under The Gambia Integrated Urban and Coastal Resilience Technical Assistance Program.¹⁶ The studies and works under the component will identify opportunities to strengthen and diversify The Gambia's tourism options, making the sector more sustainable and resilient to growing climate risks while reducing high dependency on the current low value-addition single market/single product tourism approach. This component will include activities to support women, based on an assessment and participatory discussion at the community level to identify women-friendly economic activities, as well as work on social norms in communities to address issues related to gender equality, women's participation, and violence prevention and response.

36. Based on the analysis done under The Gambia Integrated Urban and Coastal Resilience Technical Assistance Program,¹⁷ in the West Coast tourism development area (TDA) from Fajara to Senegambia, there are about US\$100 million in assets¹⁸ and tourism infrastructure (for example, hotels) which are exposed to rising sea levels and coastal hazards. Annex 6 summarizes the hazard and climate change context. Key tourism sites such as the Kunta Kinteh Island, a UNESCO World Heritage Site, given its important historical value in the West Africa slave trade, are suffering heavy erosion and are at risk of disappearance. Its ruins have been partly protected with anti-erosion measures, but only a fraction of the island's land mass remains (approximately one-sixth of the original size when the fort was active),¹⁹ the rest having been reclaimed by the surrounding water, except for a small jetty and some trees. The ruins have been stabilized and protected, but the island is low lying and, during high tide and storms, waves might beat against the remaining structures.

¹⁵ Institutional capacity building for improved coastal zone management and urban resilience will likely be included under the WACA ResIP 2, under preparation.

¹⁶ Under this technical assistance, five priority areas for intervention—or hot spots—were identified through a coastal risk assessment of the Greater Banjul Area that was conducted over 2019–2021, supported by the ACP-EU National Disaster Risk Reduction Program. For each of the identified hot spots, an investment scenario was developed to reduce the risks, combining structural and nonstructural measures and hybrid infrastructure solutions promoting NBS. From this technical assistance, the Government selected the West Coast works to be supported based on the high economic impacts expected.

¹⁷ Statistics presented in the section are drawn from the 'Flood and Erosion Assessment report' (2021) produced for the World Bank technical assistance 'Flood and Coastal Risk Assessment and Priority Investment Planning for Greater Banjul'.

¹⁸ The estimation is based on a land-use map developed using high-resolution satellite images and land use values provided by the GoTG. It is not based on precise cadastral data or surveys; therefore, the estimated amount has to be considered with some degrees of uncertainty.

¹⁹ Based on community observations.



Subcomponent 2a: Protection, rehabilitation and integrated management of coastal areas (US\$45 million)

37. This subcomponent aims to address the impacts of coastal erosion and sea level rise in the West Coast TDA from Fajara to Senegambia using a combination of NBS and hard infrastructure to improve the resilience of the tourism infrastructure. The subcomponent will consider interventions of erosion control through the restoration of shorelines on the West Coast. Activities may include revegetation and sediment restoration techniques as well as hard infrastructure options such as detached breakwaters. The interventions will be informed by technical studies that include consultations with government agencies and the private sector, in particular the hoteliers, fishermen, fisherwomen, and other key stakeholders. The studies will consider current conditions as well as climate and sea level rise projections over a multi-decade horizon. It is expected that the studies and designs would result in proposed coastal resilience interventions beyond the budget of the component. The interventions will be selected based on costs and benefits analysis. The project will also ensure equal pay for work, based on experience and tasks, on the rehabilitation and construction works undertaken.

Subcomponent 2b: Integrated tourism product development and diversification of selected TDA/tourism areas (US\$5 million)

38. This subcomponent aims to enhance the resilience and attractiveness of existing but underdeveloped and at-risk tourism areas. Through consultations, areas with high tourism potential were prioritized for further investment. Under this subcomponent, a destination site evaluation and assessment will be conducted for the prioritized sites to determine the types of interventions needed to improve their resilience and attractiveness. The selection of sites to be upgraded, under the subcomponent, will follow a phased approach, starting with Kunta Kinteh Island, and will respond to a site evaluation based on a variety of criteria, including, but not limited to, market appeal, destination readiness, economic impact, climate vulnerability context, social and environmental impacts, the economic development context, and the cost/benefit analysis. It is expected that the total number of sites will be one or two, but final determination will be based on the site assessments and available budget. Interventions will be categorized around two axes: (a) those focused around enhancing the attractiveness of the area for tourists and the economic participation of locals—these could include last-mile infrastructure, trail and paths improvements, on-site signage and interpretation, renovations to existing public spaces, and improvement of market spaces for vendors and fisherfolk (generally female) and (b) those that aim to reduce the vulnerability of key tourism sites (such as Kunta Kinteh Island) to climate change impacts, such as erosion, and may include reconstruction of select jetties along the Gambia River to be more resilient. In addition, the local MSMEs, including women-owned businesses, will have the opportunity to benefit from Component 1 matching grants, business coaching, and skills trainings. Activities will be tailored to the sites selected for intervention.

39. Both subcomponents will contribute to building the capacity to manage hazard and climate risks at the national and community levels to enhance the sustainability of the infrastructure investments. Community stakeholders will be included in the prioritization and design processes as well as in the supervision of the works. Smaller pilot interventions that would improve the visual environment as well as benefit the local population will be identified for implementation within the two years of the project. These activities would also build community engagement and could be used to promote community awareness on climate resilience measures as well as ‘green infrastructure’ to increase their adaptive



capacity. The development of sub-marketing plans to attract local and international tourists for this subcomponent will be coordinated through Subcomponent 1b. An operations and maintenance plan, including budget estimates, for the sites will also be developed and training provided to the relevant stakeholders. Habitat protection plans for select natural and cultural heritage tourism sites will also be developed. In addition, hotel and community sensitization on improved solid waste management and wastewater management practices would be integrated into the project.²⁰ It is also expected that this subcomponent could increase private sector opportunities in the tourism sector as it may more likely engage with the improved and more resilient infrastructure (for example, jetties). These activities aim to improve the lives and livelihoods of the community.

Component 3: Project management, monitoring and evaluation (US\$5 million equivalent)

40. This component covers the activities of the Project Implementation Unit (PIU) set up by the GoTG during the project preparation phase. The PIU will be responsible for overall supervision, quality assurance, monitoring and evaluation (M&E), gender, coordination with other relevant ministries, and coordination and implementation of policy and regulatory framework-related issues. The operation-level PIU will be set up for the day-to-day operations of the project, facilitation, monitoring, fiduciary supervision, and safeguards management as well as for the institutional coordination among the various agencies involved with the project activities at the national and local levels. The staff of the Project Management Unit/PIU should comprise professional experts to be selected competitively on a merit basis and be paid at market rate, and if possible, on milestone basis. The component considers the provision of capacity-building workshops for staff of the PIU and other relevant institutions.

Component 4. Contingent Emergency Response Component (US\$0)

41. The objective of the zero-cost component is to allow a rapid reallocation of grant proceeds from other components to provide emergency recovery and reconstruction support following an eligible crisis or emergency. The component would finance public and private sector expenditures on a positive list of goods or specific works, goods, services, and emergency operation costs required for The Gambia's emergency recovery. A Contingent Emergency Response Implementation Plan will apply to this component that details financial management (FM), procurement, safeguards, and any other necessary implementation arrangements.

C. Project Beneficiaries

42. **The direct targeted project beneficiaries are as follows:** (a) local communities, businesses, and entrepreneurs in the tourism-related sector which will benefit from more climate-resilient infrastructure and services, enhanced provision of public goods, expanded economic opportunities, and coastal management planning; (b) 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; and (c) government institutions and public agencies including the GT Board, Ministry of Tourism and Culture

²⁰ Community solid waste management programs and upgrading of the wastewater treatment plants would likely be included under the WACA ResIP 2.



(MoTC), Gambia Tourism and Hospitality Institute, GBoS, Gambia Civil Aviation Authority, Gambia Immigration Department, MECCNAR, and the Ministry of Transport, Works and Infrastructure (MoTWI).

43. **The proposed project will also contribute to economic development by mitigating vulnerability to hazards and the impacts of climate change.** Temporary jobs will be created in the construction sector, which would generate income opportunities for workers, in addition to including training on resilient infrastructure practices as well as on environmental, social, health, and safety (ESHS) standards. This knowledge would have the potential of improving future similar construction in The Gambia. In addition, more resilient tourism infrastructure and services would reduce the time and revenue loss from business interruption due to a natural hazard or climate event. It is expected that the West Coast coastal protection works avoid the expected damage to the sector in terms of land loss and business impact from beach erosion (estimated at US\$62 million in the next 20 years, based on previous studies). Erosion control interventions in the Kunta Kinteh Island to prevent further loss of land and maintain this UNESCO World Heritage Site, which is critical to the sector (that is, one of the 52 sites recommended by New York Times in the 2022 list of tourism sites where travelers can be part of local solutions²¹), will benefit tourism tours and activities, especially with an international focus.

44. **Tourists, visitors, and local residents will benefit from greater quality, options, and variety of products.** This will produce higher satisfaction from tourists through the provision of enhanced attractions and experiences and improved access to selected destinations and river transport by infrastructure upgrades.

D. Results Chain

45. **Problem statement.** Despite the importance of tourism for the economy of The Gambia, due to a series of endogenous and exogenous factors, the sector is prone to external shocks that exacerbate existing structural weaknesses and limit its potential for inclusive and resilient economic growth. The proposed project seeks to unlock this potential by addressing some of the binding constraints: (a) weak institutional capacity resulting in outdated planning and marketing, lack of source market and product diversification, and poor coordination; (b) low capability and lack of access to finance for tourism-related MSMEs; and (c) beach degradation and weak framework for managing environmental and climate change risks.

46. **Results chain.** The proposed project rests on the basic premise that, to overcome these issues, a holistic approach to tourism development must be supported. To do so, the project will focus on improving tourism infrastructure, enablers (institutional capacity and capital), attractors (tourism product), and promoters (marketing). Activities in the project will provide the public sector with the necessary skills to use market intelligence and statistics, analyzing data and creating targeted marketing for high value-added segments and new source markets, including regional. The project will focus on increasing MSME participation in the sector, by addressing their constraints to growth, technology adoption, and limited skills, through capacity building and provision of grants to strengthen contractual relationships with large tourism businesses. In parallel, the project will focus on maintaining the product base and enhancing its resilience by preventing the further degradation of the mainstay attractor (West

²¹ <https://www.nytimes.com/interactive/2022/travel/52-places-travel-2022.html>.



Coast beaches) and iconic heritage and expanding it, by supporting the development of tourism products that align with new target markets and segments.

47. **Critical assumptions.** Several assumptions are key to ensure that the causality in the results chain is not compromised. Some of them are directly dependent on the actions and ability of the GoTG and other stakeholders to engage with and support the implementation of project activities, spearhead coordination efforts, and implement the necessary enabling environment reform agenda.

E. Rationale for Bank Involvement and Role of Partners

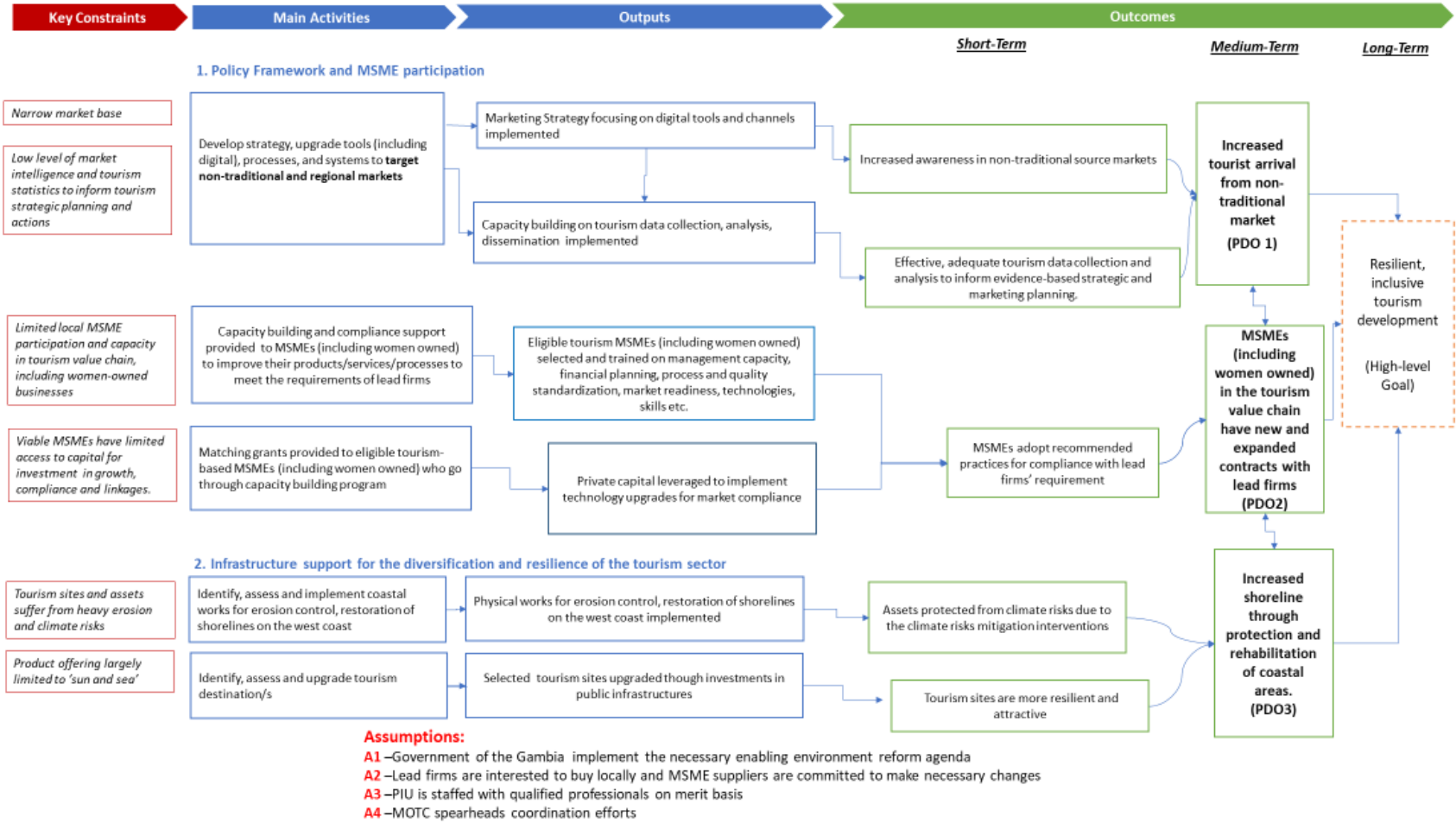
48. **The World Bank's experience in developing and implementing operations with similar components and its global knowledge will bring significant value added to the proposed project.** The WBG's tourism portfolio as of 2021 totals US\$1.2 billion. A recent review showed that the WBG has supported 106 private sector development matching grant projects over the past decades. The project aligns with Rebuilding Tourism Competitiveness: From Crisis to Sustainability (P174821) and the Support to Tourism COVID-19 Recovery in The Gambia (P175389). Through past analytical work in The Gambia, the World Bank has also prepared significant background information on public-private dialogue (PPD) that will be leveraged to help understand the objective market and design its components. The World Bank has extensive experience on coastal management, NBS, and resilient infrastructure, particularly on coastal protection in the Africa region, small island states, and globally.

49. **Other development partners have provided support to the tourism sector in The Gambia through mostly technical support.** United Nations Development Programme (UNDP) has provided technical assistance to support the development of the Tourism Policy and Strategy that was presented to stakeholders in late 2021. The International Trade Center (ITC) and the European Union have also been involved in tourism and support to skills development recently through the Youth Employment Project (YEP). ITC has also supported the development of a Domestic Tourism Strategy and has provided capacity to the Gambia Tourism and Hospitality Institute in areas of Event Planning and Tourism Product Development. The Spanish Agency for International Development Cooperation also supported the tourism sector financing the construction and expansion of GTHI facilities, as well as providing support to update their management and training practices. The World Bank's convening power will be a critical asset to foster cooperation across sectors, actors, and partners.

50. **Furthermore, the project will benefit both directly and indirectly by financing and technical support from other donors.** An existing ASA funded by the PROBLUE multi-donor trust fund is directly supporting technical analysis related to Component 1b, while some of the findings will provide insights, particularly around investments in sustainable technologies. Likewise, Develop2Build (D2B), a Dutch Government-to-Government program will finance technical studies required to define the type of infrastructure investment under Component 2b.



Figure 1. Theory of Change





F. Lessons Learned and Reflected in the Project Design

51. **The project incorporates lessons from analyses of World Bank-led tourism projects, sectoral analytical work, and diagnostics and studies in The Gambia.** Specific lessons learned are drawn from experiences in Indonesia (Lombok, Nusa Dua, and the most recent Tourism Development Project (P157599), Senegal's Tourism and Enterprise Development Project (P146469), Gambia Growth and Competitiveness Project (P114240), Ethiopia Tourism Development Project (P098132), and Mozambique Transfrontier Conservation Areas and Tourism Development Project (P071465). The project integrates recommendations from diagnostics and analytical work including coordination experiences with different stakeholders such as a PPDM developed under the ASA Support to Tourism COVID-19 Recovery in The Gambia (P175389) and the PROBLUE-funded Sustainable and Resilient Tourism on Small Islands and in Coastal Destinations ASA Project (P174821).

52. **Previous experience designing tourism operations, particularly in low-capacity countries, highlights the need to include simple, realistic, and achievable set of components and activities.** The recent Independent Evaluation Group report on Gambia Growth and Competitiveness Project highlights "Gambia could have benefitted had there been a separate project that focused on the competitiveness of the tourism sector to include product development, marketing, and infrastructure development." The project follows this lesson on taking a targeted approach to tourism development by focusing on market, product, and service diversification and infrastructure development. Further, building on the lessons, the team has carefully considered the Government's capacity for project implementation.

53. **The proposed project also learns from hazard and climate resilience projects for coastal cities and small states,** such as the Regional Disaster Vulnerability Reduction Project in Grenada and St. Vincent and the Grenadines (P117871). Implementing these projects has shown the need for strong analytics to inform decision-making, innovative solutions that utilize cutting-edge technology given the limited human resource and technical capacity and hands-on capacity building and implementation support. The projects also underscore the need for community engagement to build resilience. To that end, the proposed project builds on technical assistance, under the ACP-EU/Global Facility for Disaster Reduction and Recovery-funded Flood and Coastal Risk Assessment and Priority Investment Planning for Greater Banjul, which developed risk analytics and utilized a participatory process to identify risks, priority sites, and preliminary risk reduction interventions. The project also builds upon The Gambia Integrated Urban and Coastal Resilience Program (P172822), funded by PROBLUE, that has developed technical assistance in marine pollution, ICZM, and NBS. The proposed project will include hands-on technical and implementation support, capacity building for key technical agencies, and activities to build community resilience.

54. **To achieve a sustainable outcome, it is important that a tourism project encourages private participation and crowd-in private investment.** The project design highlights the importance of large tourism businesses and their effective participation to develop the tourism sector in The Gambia. The project aims to leverage these private sector champions to deliver productivity and standard improvements, technology, skills transfer, and contracting practices, as well as access to markets for local MSMEs. International best practices indicate that business links between lead firms and domestic firms do not happen automatically. The project will support prerequisites for links such as (a) supportive enabling environment including infrastructure; (b) sufficient internal domestic firm capacity; and (c)



access to capital for investment needs. The project will also make sure that the business-to-business links will be motivated by commercial incentives.

55. **The project's design is also informed by international experience and practice as well as detailed technical studies on the management of matching grant mechanisms.** Matching grants are temporary instruments that can help address a variety of demand-side and supply-side constraints to finance in the absence of well-functioning financial markets. An analysis of matching grants under WBG projects demonstrates that these should be designed in a way that excludes both fully bankable projects (with sufficient collateral) and nonviable projects. Lessons learned from past WBG projects propose that matching grant funds are better managed when they are hosted under a public agency while remaining financially and operationally autonomous. The project recognizes, embedded on the design of the scheme, the need to exclude nonviable and bankable projects and the autonomy on the operationalization of the scheme.

G. Gender

56. **Gender inequality in the tourism sector in The Gambia calls for a well-defined gender action plan.** This is also highlighted by experience implementing WBG operations to ensure that inequality is eliminated and equal access is granted to project benefits. The project developed a Gender Action Plan and will incorporate measures to ensure that provisions to mitigate risks of GBV and SEA/SH are put into place during project preparation.

57. **Gender gaps for women in relation to employment and income-generating opportunities are manifold in The Gambia,** for example, for accessing credit and financing to build a small business and for training and developing various skills, which lead to less opportunities for obtaining formal employment and for operating businesses (annex 3). In particular, the project is aiming to address the gender gap in women's employment by improving women's participation in the labor force as well as their entrepreneurial success. Labor force participation in the country among women is low and reduces the growth potential of the economy through lost productivity. Studies from other countries suggest that among other factors including access to financing, the structural composition of the economy, social norms, and institutional/legal arrangements prevent women from participating in the labor force. The diversification of the economy toward more jobs in the service sector lays the foundation for higher female labor force participation rates (SCD, May 2020). As the share of women in service-related jobs is already higher at 24 percent versus 18 percent for men, it highlights the importance of these opportunities for women.

58. **The project embeds gender-focused interventions in nearly all components to close identified gender gaps in The Gambia (annex 3).** In particular, the project can be leveraged to close gender gaps by (a) systematically collecting and analyzing sex-disaggregated data for women employed in the tourism sector and to monitor progress and assess the impact of the gender-targeted interventions and (b) providing training to women entrepreneurs for enhanced business development skills and tailor-made mentoring also through the development of a women entrepreneurs' network. Women-led and women-managed MSMEs will, for example, benefit from an increased access to matching grants and will be assisted to adopt recommended practices to meet buyer requirements. Indicators will be included in the Results Framework and, among others, will track the value of private sector capital mobilized for the tourism sector development by women-owned/-led businesses and share of beneficiary MSMEs (women-



owned/-led businesses) with new or expanded contracts with tourism lead firms (women led/owned). The chosen target of 20 or 25 percent for each indicator is significantly above the percentage of women-led or owned firms within the country (annex 3), which will enable affirmative action for mobilizing and empowering these firms.

59. **The project will equally address the risks of GBV, including risks of SEA and SH, the women in The Gambia, particularly those involved in the tourism sector activities, are facing.** Women leadership, voice, and agency will be enhanced through the Gender Action Plan activities with additional actions focusing on strengthening legislation to prohibit SH in the workplace and creating obligations for tourism industry employers to have anti-harassment policies with (a) standards of conduct prohibiting GBV, including sexual exploitation, abuse, and harassment, and any sexual activity with children under the age of 18; (b) policies, accountability frameworks, and training plans to help staff identify and respond to instances of GBV, including child sexual exploitation; (c) recruitment and human resources policies that account for the GBV risks (for example, background and reference checks, fixed salary scales, promotion of women in high-skilled and decision-making position, and no recruitment fees to be paid by workers); (d) grievance mechanism (GM) for workers to safely and confidentially report complaints; and (e) anti-retaliation and whistleblower protection policies.

60. **The project will reinforce the GoTG's commitment to promoting women's empowerment** by integrating training modules on gender and the national legislation against GBV into the capacity-building and awareness-raising activities conducted and also by encouraging integration of such modules into the curriculum of public and private schools offering training related to the tourism sector.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

61. **The PIU will be housed at the MoTC.** It will have a set of professional experts selected through open, competitive, and merit-based processes and remunerated at market rates, headed by a Project Director (PD). The PSC will be established to provide policy guidance and cross-sectoral coordination. The Steering Committee will be chaired by the Permanent Secretary of the MoTC and will comprise business leaders and representatives from relevant line ministries to ensure proper governance and private sector focus. A tourism specialist will be hired to guide the implementation of the project, assist the project coordinator, and liaise with the MoTC to advance the sustainable and successful implementation of the project. The project will establish two Technical Working Groups (TWGs) at the component level. The project will include training on project management aimed at the PIU but will be open to staff from relevant national agencies to build national capacity to manage tourism and infrastructure projects.

62. **The MoTC will coordinate with the relevant stakeholders to enable successful implementation of the project.** Key stakeholders will include MoFEA and the Ministry of Trade, Industry, Regional Integration & Employment for Component 1, and for Component 2, the main stakeholder will be MECCNAR²² which has the responsibility for coastal works. Additional stakeholders will include MoTWI,

²² MECCNAR is also the executing agency for the WACA ResIP 2, under preparation, and will ensure coordination of activities across both projects.



the National Roads Authority (NRA), and the National Environment Agency and for the cultural and historical infrastructure works, the National Center for Arts and Culture (NCAC). The Gambia Agency for the Management of Public Works (GAMWORKS) will be hired to implement Component 2 under the guidance of the MoTC, MECCNAR, and the TWG. Memorandums of Understanding (MoUs) will be developed, as needed, to support the coordination, and roles and responsibilities of the agencies would be described in the PIM.

B. Results Monitoring and Evaluation Arrangements

63. **The project M&E will be guided by the Results Framework which defines the performance indicators and annual targets for the PDO and each component and subcomponent and will be the responsibility of the implementing PIU.** The PIU will hire a dedicated M&E specialist who will be responsible for conducting the M&E activities, including data collection from different administrative sources and their analysis. Given the multiagency nature of the project, high-level oversight will be required to ensure consistency of interventions and encourage complementary efforts from various other ministries, agencies, and stakeholders (for example, CBG, MECCNAR, National Disaster Management Agency, NRA, MoTWI, GBOS, and MoTC). Given the diverse nature of the project and the need to coordinate with different agencies for implementation, the PIU will develop a detailed M&E plan to incorporate process, progress, and results monitoring and how M&E would be used for decision-making and communication. Within six months of project implementation, baseline data and targets for all agreed results indicators will be verified and confirmed by the PIU in collaboration with key implementing agencies. The PIU will prepare quarterly and annual reports to track progress made on project implementation and the Results Framework.

64. **The World Bank team will conduct semiannual implementation support missions (ISMs) to review project implementation, revise the adequacy of the results indicators, gauge the status of project progress and outcomes, ensure compliance with legal covenants, and provide recommendations to keep the project on track to achieving its PDO.** A midterm review will be conducted midway through the project, and an Implementation Completion and Results Report will be prepared within six months of project completion. The ISMs will include field visits (adapted as COVID-19 protocols require) to allow the Government and the WBG to assess and discuss project progress with beneficiaries and assess their satisfaction with project activities. Civil society organizations will be involved to build citizen engagement and promote communication of project outcomes. A midterm review will include both technical and social and environmental audits. A final independent evaluation will be conducted in the last year of project implementation to assess overall achievement of the expected outcomes and draw lessons.

C. Sustainability

65. **The project's sustainability is bolstered by the relevance of tourism for the GoTG as a key strategic sector of the NDP.** In using an MFD approach to determining appropriate public and private roles, the project could help the long-term promotion of private sector participation, which will ensure sustainability of the tourism sector and will support scaling them up according to future demands. The PSC with strong private sector participation will be established to provide cross-sectoral coordination for the project sustainability. The project will strengthen the public institutions through staff training, more



efficient organization, and the provision of adequate support for tourism service delivery. Finally, the project will also contribute to climate change adaptation and mitigation through the promotion of climate-resilient policies, infrastructure development, and operations and maintenance plan for public infrastructure under the project.

IV. PROJECT APPRAISAL SUMMARY

A. Technical and Economic Analysis

66. **Rationale for public sector financing.** The rationale of this project is to support the Gambia National Tourism Policy Strategy for 2021–2031, which aims to consolidate the gains made in the last two decades in the sector; address existing and emerging challenges, particularly following the COVID-19 pandemic; and reposition the sector to render it more competitive, thereby enhancing its contribution to the national economy, employment, and growth. The project would contribute to these high-level objectives by creating the conditions necessary to support the enabling environment for the sector and a recovery strategy following the pandemic-induced impact on the sector, improve capabilities for small operators in the sector, and protect coastal infrastructure. While the project seeks to catalyze investments in infrastructure to promote private investment in tourism, there are market failures which only the public sector can correct such as (a) improving the enabling environment; (b) building the capabilities of MSMEs in the sector through financing and technical assistance; and (c) improving the resilience and competitiveness of The Gambia’s tourism product through coastal infrastructure works and integrated tourism development initiatives.

67. **Economic analysis.** A detailed cost-benefit model was used to estimate the expected net present value (NPV) and economic rate of return (ERR) of the project’s various interventions over a 20-year projection horizon to capture the wide range of benefits brought about by the different project activities. Costs and benefits in the model were estimated on an incremental basis relative to a ‘without project’ (or business-as-usual) scenario employing different methodologies for each of the components to derive the aggregate NPV and ERR. The analysis followed these steps: (a) tourism demand forecast; (b) tourism expenditure forecast; (c) increase in tourism MSME revenues and wages generated; (d) direct and indirect costs avoided from erosion and flood prevention measures in project-supported coastal zones in Banjul; (e) project costs (both over the five-year intervention period and recurring costs in the longer term); and (f) comparison of costs and benefits and computation of rates of return.

68. **The benefits derived from each of the components are summarized in Table 2** (see annex 7 for more details on methodology and assumptions).

Table 2. Benefits Derived from Each of the Components

Costs	Name	Key Benefits
Component 1	Policy framework and MSME participation	
Subcomponent 1a	Improved institutional capacity for data-driven planning, marketing, and branding	Direct impacts: Increase in number of international visitors from different sources with impacts on (a) tourism demand, (b) tourism receipts (international and



Costs	Name	Key Benefits
		domestic), and (c) other revenue streams (for example, security tax). Indirect impacts: Better data collection results in better management, indirectly feeding into other project components.
Subcomponent 1b	Increase participation of tourism MSMEs within the selected destinations	Increase in revenues from MSMEs and increase in job creation, private capital mobilization, and productivity, from the adoption and use of technology by MSMEs, and additional wages for employees of targeted MSMEs.
Component 2	Infrastructure support for the diversification and resilience of the tourism sector	
Component 2a	Protection, rehabilitation and integrated management of coastal areas	Direct and indirect costs avoided from flooding and erosion in intervened areas on a yearly basis in targeted regions in the Greater Banjul Area
Component 2b	Integrated tourism product development and diversification of selected TDA/tourism areas	Increase in number of international visitors seeking alternative destinations and product offering (for example, nature-based and cultural tourism)
Component 3	Project management, monitoring and evaluation	n.a.

69. **The aggregate NPV for the project is US\$149.4 million, while the ERR is 34.5 percent at a 10 percent discount rate.** A sensitivity analysis is conducted to assess the robustness of these estimates to changes in three key economic determinants. In a pessimistic scenario whereby visitor growth falls by 10 percent, MSME revenues fall by 10 percent and coastal works cost increases by 10 percent—with assumptions—the NPV of the project is US\$75.8 million and ERR is 18.3 percent.

B. Fiduciary

(i) Financial Management

70. **A Financial Management assessment carried out on February 28, 2022 complied with the Financial Management Manual for World Bank-Financed Investment Operations that became effective on March 1, 2010, and as last revised in September 2021.** The MoTC has a strong internal control system; the Internal Audit Directorate validates all payment vouchers before submission to the treasury for payment. However, the MoTC has never implemented World Bank-financed projects. Given the weak overall public financial management systems (for example, budget preparation, execution, and control), a PIU will be set up and staffed with an adequate FM team for project implementation and will have the overall responsibility for the FM of the project. The following weaknesses were also identified during the assessment: (a) lack of budget credibility; (b) inadequate staffing; and (c) delays in the consolidated government financial statement audit by the National Audit Office.

71. **Project Subcomponent 1b intends to finance selected Gambian tourism-related MSMEs by providing them with access to capital through the establishment of a matching grant scheme.** The firms should be selected competitively, and these activities need particular FM arrangements. A matching grant manual will be elaborated to describe the selection procedures, eligibility requirements, and contractual



relationship. An agreement will be signed with all selected beneficiaries where the disbursement arrangements and reporting requirements will be described. The beneficiaries will open bank accounts in acceptable financial institutions where the grants will be directly deposited. The beneficiaries will receive technical assistance under the project to strengthen their FM capacity.

72. **Mitigation measures.** To ensure readiness for implementation and maintain an adequate FM system, the manual of financial and administrative procedures of the project including fiduciary procedures applicable to World Bank-financed operations should be elaborated before effectiveness. The following measures should also be taken: (a) elaborate the matching grants manual before any withdrawal is made under subcomponent 1b; (b) recruit a qualified FM specialist and accountant before effectiveness; (c) sign an MoU with the Internal Audit Directorate to cover the project and conduct ex post audit on a quarterly basis, and (d) acquire an accounting software for the project bookkeeping. No later than six months after effectiveness, an external auditor must be recruited to audit the project and express a specific opinion on the matching grants. Also, the FM specialist at the MoFEA Project Coordination Unit (PCU) currently handling all FM tasks will continue as such until the FM specialist of the project is in place.

73. **Conclusion of the assessment.** Considering the mitigation measures that would be completed by effectiveness, the overall residual FM risk for the project is rated Substantial due to the involvement of multiple stakeholders and the lack of experience in World Bank procedures.

(ii) Procurement

74. **Procurement for goods, works, non-consulting and consulting services** for the project will be carried out in accordance with the procedures specified in (a) the World Bank Procurement Regulations for IPF Borrowers, dated November 2020; (b) “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants,” dated October 15, 2006, and revised in January 2011 and as of July 1, 2016; and (c) other provisions stipulated in the Financing Agreements, using the Standard Procurement Documents (SPDs) accompanying the Procurement Regulations.

75. **All procuring entities as well as bidders and service providers, that is, suppliers, contractors, and consultants,** shall observe the highest standard of ethics during the procurement and execution of contracts financed under the project in accordance with paragraph 3.32 and Annex IV of the Procurement Regulations. When procurement is done in the national market, as agreed in the Procurement Plan (PP), the country’s own procurement procedures may be used with the requirements set forth or referred to in paragraphs 5.3–5.6 related to National Procurement Procedures. All works procurements that apply SPDs will adopt the provisions of the World Bank related to environmental, social (including sexual exploitation, abuse, and harassment and GBV), and health and safety (ESHS) risks and impacts. This includes a code of conduct (CoC) that includes prohibitions against sexual exploitation, abuse, and harassment and clear disciplinary sanctions against them; training on its contents; and clear remedies for noncompliance.

76. **Project Procurement Strategy for Development (PPSD) and PP.** The World Bank requires the Recipient to develop a PPSD. The PPSD has been prepared and reviewed by the World Bank. It addresses how procurement entities will support the development objectives of the project and deliver the best value for money under a risk approach. The PPSD covers procurement institutional arrangements,



including roles and responsibilities, procurement methods, thresholds, and prior review arrangements. It also includes a detailed description and assessment of the implementing entities' capacity for carrying out procurement and managing contracts within an acceptable governance structure and accountability framework. All major procurement identified in the PPSD will be contracted through competitive processes, for works, goods, and consulting services. Two major contracts for Subcomponents 2a (estimated at US\$38,000,000) and 2b (estimated at US\$3,500,000) will follow the request for bids (RFB) method with the international market approach. The selection of consulting firms to support the implementation of Subcomponent 1a and Component 3 will use the Quality- and Cost-Based Selection (QCBS) with the international market approach.

77. **Procurement risk assessment and mitigation measures.** The main findings from the procurement risk assessment showed that (a) the MoTC has no experience in using World Bank procurement rules and procedures; (b) a procurement specialist (consultant) is under recruitment and a procurement officer from the MoTC has been appointed to work closely with the consultant; (c) there is no PIM with a clear system of accountability and a clear definition of responsibilities and delegation of authority on who has control of Procurement decisions, which will be prepared within the Project Preparation Advance (PPA) phase.

78. **Mitigation measures proposed.** To address these risks, the following mitigation measures were proposed: (a) finalize the hiring of a procurement specialist who is experienced and familiar with the World Bank procurement procedures and policies, to be located in the implementing agency; (b) appoint a procurement officer by the MoTC for the duration of project implementation who will be mapped to the PIU; (c) develop a section on procurement procedures as part of the PIM to clarify the roles for each team member involved in the procurement process and define the maximum delay for each procurement stage (specifically with regard to review and approval systems and the signing of contracts); (d) train staff and technical experts involved in project implementation on the World Bank basic procurement procedures and Systematic Tracking of Exchanges in Procurement (STEP) system; (e) develop contract management plans for prior review contracts (works); and (f) put in place a filing system to ensure compliance with the World Bank procurement filing manual.

79. **The overall project risk for procurement is rated High.** The residual level risk is expected to be Substantial once the mitigation measures are implemented.

80. **The technical responsibilities in preparing the procurement packages** (including technical specifications and terms of reference as well as amending basic procurement document templates, such as datasheets) will be carried out by the relevant specialists/experts with the support of the procurement team.

81. **Frequency of procurement supervision.** In addition to the prior review supervision which will be carried out by the World Bank, semiannual supervision missions are recommended. Annual World Bank procurement post review will be conducted by the World Bank procurement specialist. The sample size will be based on the procurement risk rating. The prior review procurements will be reviewed and cleared in STEP by the World Bank procurement specialist.



82. **Contract management and administration.** For all prior review contracts, contract management plans (in line with the provisions of Regulations Annex XI) will be developed during contract creation and completed at the time contracts are signed.

83. A detailed procurement description and institutional arrangements can be found in annex 5.

C. Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

D. Environmental and Social

84. **This project is being implemented under the Environmental and Social Framework (ESF).** The Environmental and Social Risk Classification for both social and environment risks is Substantial. This rating also reflects the lack of client capacity to manage environmental and social (E&S) risks and lack of experience and familiarity with the World Bank’s ESF, SEA/SH risks, related labor risks including forced and child labor, stakeholder engagement and GM, economic and/or physical displacement, cultural heritage impact, and M&E.

85. **Eight of the ten Environmental and Social Standards (ESS) were considered relevant for the project:** ESS1 (Assessment and Management of Environmental and Social Risks and Impacts), ESS2 (Labor and Working Conditions), ESS3 (Resource Efficiency and Pollution Prevention and Management), ESS4 (Community Health and Safety), ESS5 (Land Acquisition, Restrictions on Land Use and Involuntary Resettlement), ESS6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources), ESS8 (Cultural Heritage), and ESS10 (Stakeholder Engagement and Information Disclosure). The COVID-19 context has been considered in the development of all E&S instruments and proposed mitigation measures. In addition, the ESF requirements will further assess the risks of SEA/SH as part of the social assessment and reflect the findings in the prepared Environmental and Social Management Framework (ESMF)²³, which is aligned with the requirements outlined in the SEA/SH Good Practice Note,²⁴ and will be reflected as well in contractual obligations, the PIM, and other key documents related to the project.

86. **E&S risks.** Based on the assessment completed for the ESMF, no irreversible environmental risks and impacts are anticipated. Key environmental concerns are related to (a) risks on coastal biodiversity during physical works such as construction/rehabilitation of road as well as during operation; (b) disposal of construction wastes management; (c) occupational health and safety (OHS) of workers, including contamination risks to COVID-19; (d) labor and working conditions; (e) nuisances related to air and noise

²³ Disclosed on May 12, 2022: https://www.motc.gov.gm/sites/default/files/2022-05/ESMF_Gambia%20Tourism_P177179_v5_12May2022_revised%20%28%29.pdf

²⁴ World Bank. 2020. “Addressing Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) in Investment Project Financing involving Major Civil Works.” <http://pubdocs.worldbank.org/en/741681582580194727/ESF-Good-Practice-Note-on-GBV-in-Major-Civil-Works-v2.pdf>.



emissions; and (f) water quality. However, most of the risks and impacts likely to be generated from the project activities are expected to be site-specific, temporary, and manageable to an accepted level by applying proper mitigation measures, including construction industry best practices. Key social risks include SEA/SH risks to vulnerable persons in the tourism sector (including hotel and restaurant workers), forced and child labor and improper labor force management by contractors and subcontractors, elite capture, impacts on livelihoods, impacts on cultural heritage sites, community health and safety (especially related to labor influx and COVID-19 transmission risks), and risks related to the proper implementation of stakeholder engagement and a GM (including a SEA/SH-GM channel).

87. **Measures to mitigate risks and impacts are set out in E&S instruments prepared before project appraisal**—the ESMF in line with ESS1, the Resettlement Policy Framework²⁵ in line with ESS5, the Stakeholder Engagement Plan (SEP)²⁶ including GM in line with ESS10, the Labor Management Procedures (LMP)²⁷ in line with ESS2, and SEA/SH Prevention and Response Action Plan (included in the ESMF and LMP) in line with the World Bank SEA/SH Good Practice Note. The ESMF assessment also considers the preparation of waste management procedures as part of Contractor Environmental and Social Management Plans (C-ESMPs). Specific instruments, Environmental and Social Impact Assessments (ESIAs) with their Environmental and Social Management Plans (ESMPs), will provide a specific analysis regarding activities' impacts on biodiversity, cultural heritage, and pollution. Resettlement Action Plans will also be prepared during project implementation according to the result of the E&S screening process in line with the prepared ESMF.

88. **The material measures and actions required for the project to meet the ESS are reflected in the draft Environmental and Social Commitment Plan (ESCP)** which was prepared by the Recipient and the World Bank and was disclosed before appraisal. The ESMP was negotiated and agreed upon with the GoTG and the World Bank. It includes, among other measures, the GoTG's commitment to establish and maintain a PIU staffed with qualified personnel and resources to support the management of the ESHS risks and impacts of the project (an environmental risk management specialist with extensive experience in OHS, a social risk management specialist, and a GBV specialist, whose qualifications shall be submitted to the World Bank for 'no-objection' and the obligation for contractors to prepare, as part of their contract, a C-ESMP before starting with field activities, among others).

89. **Mitigation measures for site-specific impacts will be managed through the implementation of the required E&S risk management documents.** These will be prepared during implementation and disclosed both in-country and on the World Bank external website. Risks include variation in institutional capacity and readiness, physical and/or economic displacement impacts from project activities, risks related to SEA/SH, and the exclusion of women from the project benefits. Persons with disabilities, the landless, elders, and youth may also be excluded from decision-making, resettlement benefits, consultation, job access, and access to financial services if the project is not properly monitored or designed. Without proper stakeholder engagement activities in place, there is also a risk of elite capture. Land acquisition with possible physical and/or economic displacement will require inclusive and

²⁵ Disclosed on April 21, 2022: https://www.motc.gov.gm/sites/default/files/2022-05/RPF_Gambia%20Tourism_P177179_v4_21Apr2022_cleared.pdf

²⁶ Disclosed on March 29, 2022: https://www.motc.gov.gm/sites/default/files/2022-04/SEP_Gambia%20%20Tourism_P177179_29Mar2022_uploaded_0.pdf

²⁷ Disclosed on March 29, 2022: https://www.motc.gov.gm/sites/default/files/2022-04/LMP_Gambia%20Tourism%20%20Project_P177179_29Mar2022_uploaded_0.pdf



transparent consultation with affected persons/communities and assessment of risks and impacts on vulnerable groups (including women/children and others). Other risks include labor risks (such as child and forced labor), community health and safety, impacts on tangible cultural heritage, and stakeholder risks. Given the expanded scope of the ESF and the lack of experience and familiarity with the ESF in the PIU, the Recipient's institutional capacity to implement the project under the ESF is considered weak.

90. **SEA/SH.** The preliminary assessment estimated that the risk of SEA/SH for this project is rated Substantial due to both contextual and project-related drivers. Drivers of the risks in context include high rates of GBV, child marriage and female circumcision, general social acceptability of GBV, limited decision-making power of women, and lack of legislation on domestic violence and SH. Those drivers interplay with project-related risks, which include risks of SH, exploitation and abuse of women and men employed in the formal tourism sector (i.e. employed by hotels, bars, restaurants, etc.), both by supervisors and other colleagues as well as by clients/tourists, and risks of SEA and forced prostitution of women, men and children linked to the informal tourism sector (i.e. bumsters,²⁸ on beaches/restaurants where tourists frequent, etc.). SEA/SH requirements are reflected in the ESCP, ESMP, and will be reflected in contracts and in the C-ESCP. The Recipient developed a budgeted SEA/SH Prevention and Response Action Plan annexed to the ESMF, which outlines the project's mitigation strategies, response protocols, and accountability mechanisms. As part of the social assessment, the Recipient will map GBV services in areas of implementation and will develop a referral protocol for the timely, safe, confidential and ethical referral of all survivors that may disclose SEA/SH incidents to the project. In addition, the Recipient will design and implement an SEA/SH-sensitive GM for the safe and confidential documentation, response, and management of SEA/SH complaints and will include targeted, enabling, and regular involvement of women and other groups at risk in stakeholder engagement. The Recipient's supervision capacity will be strengthened by hiring a full-time GBV specialist as part of the implementing agency and of the supervision consultant/supervising engineer. Awareness-raising activities on project-related risks of SEA/SH and mitigation strategies will be included in the SEP and will target communities and project workers, while contractual obligations in terms of SEA/SH mitigation will be enforced through the integration of specific provisions and sanctions in CoCs addressing SEA/SH and training of workers.

91. **Organizational capacity and competency.** The PIU is to be created and capacitated by the Recipient at the MoTC no later than two months after the project effective date. The PIU will be responsible for the overall supervision, quality assurance, M&E, coordination with other relevant ministries, coordination and implementation of policy and regulatory framework-related issues, and E&S risks and impacts management. The staff of the PIU should comprise professional experts to be selected competitively on a merit basis and be paid at market rate. Implementation arrangements will be identified in consultation with the counterpart ministries during project preparation. A capacity assessment of the E&S experts to be recruited will be conducted by the World Bank team once the PIU is established. Ahead of their recruitment, the World Bank team will review and clear the terms of references for environmental, social, gender, and GBV specialists and ensure they are clear and reflect the technical skills needed for those positions. The assessment will be extended to the capacity of all other stakeholders involved in the project activities, including private operators, to manage the E&S risks and impacts in line with the World

²⁸ A *bumster* is a term used locally in The Gambia for "a beach boy" and typically a young man who is a member of the host community. He frequently hangs around by the beaches and hotel areas to interact with tourists. They are there to make a living, and their business focus tends to be on selling tourist activities/ excursions and on selling sexual/'romantic' services to tourists in exchange for money or other benefits. (source: discussions with government officials and consultations with bumster groups)



Bank ESS. The E&S risk management team in the PIU will comprise an environmental risk management specialist (with expertise in managing OHS issues), one social risk management specialist, and one GBV specialist. As the SEA/SH risk is deemed to be Substantial at this point, it is recommended that the GBV specialist is recruited full time. The World Bank will assess their capacity to conduct E&S risk assessment of the proposed activities, including those related to SEA/SH; conduct an E&S screening process; ensure quality review of the prepared E&S instruments; and properly monitor and evaluate the operationalization of the stakeholder's engagement, grievance management, OHS plan, SEA/SH Prevention and Response Action Plan, and so on. The PIU will work closely with contractors to ensure that quality control and OHS plans are in place and meet the World Bank requirements. The World Bank specialists will also work closely with the newly recruited staff to strengthen their capacity, including providing just-in-time training.

92. **Monitoring and reporting.** The ESMF and site-specific instruments to be prepared will include monitoring commitments. The ESMPs that will be elaborated for the contractors/subcontractors to be hired for the civil works will also include monitoring commitments. The World Bank will require E&S monitoring performance reporting during implementation on a quarterly basis.

93. **Stakeholder engagement and information disclosure.** The Recipient prepared and disclosed, on March 29, 2022, an SEP commensurate with the nature and scale of the project and the associated risks and impacts and shall be implemented throughout the project implementation. The Recipient sought extensive stakeholder feedback and proposed scheduling of future engagement, ensuring that all consultations are inclusive, participatory and accessible and through channels that are suitable in the local context. If major changes are made to the SEP during project implementation, a revised SEP will be publicly disclosed. The primary stakeholders of this project include the MoTC; tour operators; project-affected communities and workers in the pre-existing tourism industry; civil society organizations involved in representing vulnerable groups and other local actors in the tourism sector; NCAC which is responsible for managing the UNESCO World Heritage Site (with local communities and nongovernmental organizations [NGOs]); international NGOs (including climate change, conservation, women's business associations, tourism organizations, and others); vulnerable individuals and groups such as sexual orientation and gender minorities, persons with disabilities, women, youth, those seeking work in the tourism sector, especially migrants, fisherfolk, and users of coastal areas; market/craft stalls workers/owners in tourist areas; and small to medium tourism-related business owners (including women-led businesses) in the project areas.

94. **LMP.** These were prepared and disclosed on March 29, 2022 and before employing any project workers. They include working conditions and a GM for all categories of the project's workers, including within the supply chains, and the roles and responsibilities of contractors and PIUs in managing the requirements of ESS2, nondiscrimination and equal opportunity, worker's organizations, OHS measures, the right of association, the prohibition of child and forced labor including use of sexually exploitative labor, and a CoC. The CoC requires that all project workers be provided with and will participate in SEA/SH training to guide their conduct toward local communities, children, and women. The CoC will also include prohibited behavior, list of sanctions, minimum standards for the PIU to follow, reporting requirements, and complaints mechanism. The possibility of labor influx was assessed and will be confirmed by specific instruments (ESIAs) during project implementation.



95. **Contracted workers.** Contractor and subcontractor recruitment plans will be critical to ensure transparency and nondiscrimination, including gender nondiscrimination in local hiring and in line with the labor procedure plan, as well as the provision of written contracts for workers that outline the responsibilities of both the contractor or subcontractor and workers, including prompt payment for work rendered.

96. **GM.** A project-specific GM is included in the SEP to manage complaints, feedback, and concerns of stakeholders and beneficiaries in a transparent, accessible, and timely manner. The GM also includes a confidential, survivor-centered, efficient, and ethical channel to address SEA/SH complaints which also considers access to quality legal, health, and psychosocial support services for survivors, which will be developed as part of the SEA/SH Prevention and Response Action Plan and mapping of such services. This process will be carried out using dedicated communication materials, which will be developed to help stakeholders become familiar with the grievance redress channels and procedures. The GM will be accessible and understandable for all stakeholders in the project and for the entire project life. The GM will be communicated to all relevant stakeholders and will also be applicable for any contractor that will provide service for the project during the construction and operations phases. The GM is expected to be operational three months after the effectiveness of the project financing and before the start of project activities. A physical and electronic database or register will be maintained by the PIU for all non-sensitive complaints and will be submitted for periodic review by the World Bank.

E. Citizen Engagement

97. **The project explicitly supports the engagement and participation of stakeholders and beneficiaries through consultative processes and feedback mechanisms for local communities, businesses, and entrepreneurs in the tourism sector,** which will benefit from more climate-resilient infrastructure and services, enhanced provision of public goods, expanded economic opportunities, and coastal management planning. Periodic consultations will be conducted, and other feedback mechanisms will be developed to enhance voice and participation, promoting transparency, demand for accountability, and learning. Regular dialogue will take place in organized consultations and focus groups with local beneficiaries, including women-led tourism MSMEs and other stakeholders. A midterm survey will be undertaken to receive feedback from stakeholders and beneficiaries about the performance of the project, the GM, quality of engagement, the gender action plan, and E&S risk management. Citizen feedback will be considered in reshaping the project design and communicated back to stakeholders via the PIU's multiple social media channels, face-to-face meetings, written communication, and others. The consultations with women will be organized in separate small groups facilitated by a woman in a safe location to encourage open and free exchanges. The project will integrate into the project interventions the feedback received through consultations with local groups, women-led MSMEs, local coastal users including fisherfolk, and traditional/local leaders to incorporate traditional and local knowledge in coastal planning and gender-sensitive and inclusive tourism policy and communications. A project-specific GM will be established to uptake and address stakeholders' complaints. The GM is designed to collect, review, and address stakeholders' complaints, questions, and grievances and be responsive and accessible and provide timely resolution and feedback. The GM will be accessible to all stakeholders throughout the project life. It will also be communicated to all relevant stakeholders and will include multiple communication and uptake channels, and it is expected to be operational by the project effective date.



V. GRIEVANCE REDRESS SERVICES

98. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project-affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

VI. KEY RISKS

99. **The overall risk to the achievement of the PDO is assessed as Substantial** given the remaining several key challenges including fragility, governance, and weak institutional and coordination capacity. Political uncertainty and the COVID-19 pandemic are aggravating factors that pose substantial risks to the achievement of the PDO.

100. **Political and Governance risk is rated Substantial.** The Gambia continues to suffer from a complex political economy and weak governance. Presidential elections were held on December 4, 2021, amid a rise in political tensions; however, the elections resulted in an unprecedented turnout of close to 90 percent, and the coalition led by the incumbent President Barrow was declared winner with 53 percent of the votes. Despite progress achieved since the 2017 political transition and the recent election, significant challenges remain with respect to external oversight of the executive and public service. While indicators measuring checks and balances and separation of powers and corruption have improved, there is mounting public frustration that Gambians' daily lives have not significantly improved since the election of President Barrow's Government, and young people in particular feel that they lack economic opportunities at home. This environment raises the relevance of the upcoming parliamentary elections scheduled for April 9. To mitigate this risk, the World Bank will keep close engagements with authorities, local communities, and NGOs to incorporate an analysis of progress of political and governance risk during project supervision.

101. **Macroeconomic risks are rated Substantial.** While overall macroeconomic stability has been maintained, the COVID-19 pandemic posed significant challenges to growth, which fell by 0.2 percent in 2020, with the tourism sector hit the hardest. Since then, the economy has started to recover, partly driven by a near to partial recovery in tourist arrivals. However, the Russia-Ukraine war is expected to affect The Gambia, a net food, fertilizer, and fuel importer, through commodity prices and supply shortages, worsening terms of trade, slowing the recovery, pushing inflation further up, disrupting fiscal consolidation, and risking debt sustainability over the near to medium term. Moreover, The Gambia has a short track record on macroeconomic performance and relies heavily on external donor support. To



mitigate this risk at the country level, the Gambia SCD has identified restoring macro-fiscal stability and strengthening public service delivery to alleviate fiscal constraints. The upcoming CPF, which builds on the SCD, will identify priority areas of potential interventions to enhance macro-fiscal stability and domestic revenue mobilization.

102. **Technical Design of Project or Program risks are rated Substantial.** The design of the operation builds on experience in similar projects across Africa and analytical work in the country. However, the design of the operation considers the pressing needs to strengthen the tourism sector through a series of relatively ambitious activities and a complex design involving other line ministries and the private sector. Additionally, these risks rely heavily on client ownership over reforms and institutional capacity in the line and finance ministries. Furthermore, a protracted COVID-19 crisis may continue to hinder in-person supervision of the project therefore increasing implementation risks. To mitigate the risks, project components and subcomponents are designed to minimize interdependency. This increases the chances of independent delivery and results per component. Furthermore, the most complex activities will be underpinned with studies and analytical assessments, and the project has embedded appropriate capacity-building activities to related stakeholders.

103. **Institutional Capacity for Implementation and Sustainability risk is rated Substantial.** The Gambia remains a fragile state with weak institutional capacity and a poor track record of coordination among ministries and other stakeholders. While the team will undertake a thorough institutional assessment of the implementing entity during preparation, the complexity and sensitivity of the project, which will require a high degree of coordination and the ability to meet different requirements, relative to the installed capacity in the country poses a challenge to the achievement of the PDO. To mitigate this risk, the project will establish a strong governance and management framework underpinned with capacity building to provide strategic support and guidance to direct the implementation. Given the capacity constraints, the PIU will be staffed by professional experts selected through open, competitive, and merit-based processes. The execution of the project components will be done by independent specialized agencies, such as GAMWORKS, that are familiar with the private sector, the tourism sector, and infrastructure sectors.

104. **Fiduciary risks are considered Substantial.** Due to the involvement of multiple stakeholders and the lack of experience in the World Bank procedures, and considering mitigation measures such as the drafting of a manual of financial and administrative procedures and a matching grants manual, the recruitment of qualified staff and support from existing FM specialists from the existing PCU at MoFEA, software acquisition, and MoUs with the Internal Audit Directorate that would be completed by effectiveness, the overall residual FM risk for the project is rated Substantial. On procurement, the following are noted: (a) the limited experience of the MoTC in using the World Bank procurement rules and procedures and (b) the absence of the PIM with a clear system of accountability, clear definition of responsibilities, and delegation of authority on who has control of procurement decisions. The proposed mitigation measures are (a) developing a section on procurement procedures as part of the PIM to clarify roles for each team member involved in the procurement process and definition of the maximum delay for each procurement stage (specifically regarding review and approval systems and the signing of contracts) and (b) training staff and technical experts involved in the project implementation on the World Bank basic procurement procedures and STEP system. The overall residual procurement risk is expected to be Substantial once the mitigation measures are implemented.



105. **Environment and Social risks are rated Substantial.** The E&S risk ratings were estimated to be Substantial at the concept stage and have been confirmed during the project preparation. The E&S risk rating considers both risks related to the implementation of project's activities and the lack of familiarity and experience of the MoTC with the World Bank's ESF. The capacity of the PIU to manage E&S risks in line with the ESF could not be determined during preparation as the PIU has yet to be created. The prevalence of sex tourism and implications for labor exploitation, including forced labor and sexual exploitation of some workers in the tourism sector, as well as coastal erosion and impacts on the UNESCO World Heritage site must be carefully considered in the project design and E&S risk mitigation measures.

106. **Stakeholder risk is rated Substantial.** The convergence of several stakeholders within different sectors is necessary to achieve the desired outcomes for the operation; however, this requires a high degree of coordination and capacity which is lacking in the country. It is also critical to have the buy-in of the existing private sector stakeholders and bring them along with the intended process of transition. To mitigate this risk, the project considers the establishment of a Steering Committee with public and private participation and the development of interinstitutional MoUs and coordination mechanisms as part of the institutional design of the implementing agency to encourage participation and collaboration. Through the establishment of these committees, this project can help bring better coordination and results orientation through strong participation of business leaders who are driving the sector.

107. **Other risks are rated Substantial.** This relates to potential risks due to the COVID-19 health and socioeconomic crisis and the increased security concerns because of the pandemic. While The Gambia has been able to limit the outbreak of the pandemic with appropriate protocols in place, there are risks if multiple waves of infection materialize that could threaten lives and trigger another round of lockdowns, which would affect the preparation and implementation of the proposed project. Although The Gambia has suffered from fragility, violent crime is rare; however, an increase in unemployment because of the crises has contributed to a rise in crime rates.



VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Gambia, The

Tourism Diversification and Resilience in The Gambia

Project Development Objectives(s)

To support the diversification and climate resilience of the tourism sector at selected destinations.

Project Development Objective Indicators

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Diversified source market							
Share of arrivals from non-traditional markets (Percentage)		38.30	38.30	38.30	38.30	40.00	45.00
MSME participation in value chain							
Share of beneficiary MSMEs with new or expanded contracts with tourism Lead Firms (Percentage)		0.00	0.00	0.00	0.00	20.00	30.00
Of which women-owned/led businesses (Percentage)		0.00	0.00	0.00	0.00	20.00	20.00
Resilient tourism							
Increased shoreline with targeted coastal erosion		0.00	0.00	0.00	0.00	0.00	280,000.00



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
control measures (Square Meter) (Square Meter(m2))							

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Policy Framework and MSME participation							
Marketing Strategy developed (Yes/No)		No	No	Yes	Yes	Yes	Yes
Beneficiary public officials and relevant tourism stakeholders that received capacity building support (Number)		0.00	0.00	10.00	20.00	30.00	50.00
Of which women public officials and relevant tourism stakeholders (Percentage)		0.00	0.00	20.00	20.00	20.00	20.00
Value of private sector capital mobilized for the tourism sector development (Amount(USD))		0.00	0.00	0.00	0.00	800,000.00	1,800,000.00
Of which women-owned/led businesses (Percentage)		0.00	0.00	0.00	0.00	25.00	25.00
Beneficiary MSMEs that receive capacity building support (Number)		0.00	0.00	0.00	100.00	100.00	200.00



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Of which women-owned/led businesses (Percentage)		0.00	0.00	0.00	25.00	25.00	25.00
Beneficiary MSMEs that receive matching grants (Number)		0.00	0.00	0.00	100.00	100.00	200.00
Of which women-owned/led businesses (Percentage)		0.00	0.00	0.00	25.00	25.00	25.00
Beneficiary tourism related MSMEs adopting recommended practices to meet buyer requirements (Percentage)		0.00	0.00	0.00	20.00	20.00	70.00
Of which women-owned/led businesses (Percentage)		0.00	0.00	0.00	25.00	25.00	25.00
Increment of persons reached by destination marketing activities (Number)		0.00	0.00	0.00	500.00	1,000.00	2,000.00
Infrastructure support for diversification and resilience of the tourism sector							
Buildings, including hotels, protected from climate risks due to the climate risks mitigation interventions supported by the project (Number)		0.00	0.00	0.00	0.00	0.00	101.00
Tourism sites upgraded to be more resilient and more attractive (Number)		0.00	0.00	0.00	0.00	1.00	2.00
Project Management, Monitoring and Evaluation							



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Complaints received by Project Grievance Redress Mechanism that are addressed within four weeks (Percentage)		0.00	0.00	40.00	50.00	60.00	70.00
Percentage of beneficiaries satisfied with project interventions (Percentage)		0.00	0.00	50.00	50.00	60.00	70.00

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Share of arrivals from non-traditional markets	This indicator measures the increase in arrivals from source markets considered by GT Board as non-traditional. These include visitors from France, USA, Italy, Ireland, Russia, Poland, Czechia, Austria, Nigeria and all other African countries	Annual	Gambia Tourism Board and Gambia Immigration Department	Actual arrivals at point of entry (Banjul International Arrivals) as collected through arrival immigration cards	GT Board / Gambia Immigration Department
Share of beneficiary MSMEs with new or expanded contracts with tourism Lead Firms	This indicator captures the percentage of beneficiary MSMEs who are able to get new or expanded contracts with the tourism lead firms.	Annual	Sample survey and implementation report	Summary analysis of sampled data	The overall responsibility for data collection will lie with the PIU. The firms administering activities



	<p>A “contract” will be measured as the businesses receiving technical assistance and matching grant will invest in productivity enhancing know-how and meet buyer requirements. leading to sustainable integration into value chains with established end-markets and large buyers,</p> <p>MSMEs include businesses that supply goods and services to large tourism firms.</p>				under component 2 will have direct responsibility for the collection of the required data.
Of which women-owned/led businesses	<p>This indicator relates to a new or improved product, service, or operational innovation. A “developed” innovation will be measured as the number of businesses receiving technical assistance and matching grant through the Project which develop new business models resulting in the development of new products/services//processes, or the enhancement of</p>	Annual	Sample survey and implementation report	Sample survey	PIU



	existing products/services/processes in their operations.				
Increased shoreline with targeted coastal erosion control measures (Square Meter)	This indicator measures the square meter of coastline with targeted erosion measures constructed	Annual	Based on engineering supervision reports	Project implementation progress report	PIU

Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Marketing Strategy developed	A marketing strategy is the guiding document that aims to addresses tourism promotion at the national and regional levels and enables the GT Board to achieve the best possible market positioning and demand growth over the next five years	End of project	Tourism Marketing Committee	Marketing Strategy approved by TMC	Tourism Marketing Committee
Beneficiary public officials and relevant tourism stakeholders that received capacity building support	Number of public officials and other stakeholders that received capacity in tourism as part of the project, within Component 1	Once a year	PIU	Project implementation progress report	PIU
Of which women public officials and relevant tourism stakeholders	Percentage of women public officials and other stakeholders that received	Annual	Implementati on report and sample	sample survey	PIU



	capacity in tourism as part of the project, within Component 1		survey		
Value of private sector capital mobilized for the tourism sector development	The indicator refers to total amount of private capital mobilized as beneficiaries contribution to match the project's grants	Annual	Sample survey and test report	Summary analysis of sampled data	PIU
Of which women-owned/led businesses	The indicator refers to total amount of private capital mobilized as beneficiaries contribution to match the project's grants for women owned or managed MSMEs	Annual	Sample survey and test report	Summary analysis of sampled data	PIU
Beneficiary MSMEs that receive capacity building support	Number tourism MSMEs and tech start-ups reached by the project supported intermediary institutions	Annual	Project MIS, reports	Project implementation progress report	PIU
Of which women-owned/led businesses	Percentage of women owned businesses				
Beneficiary MSMEs that receive matching grants	The number of MSMEs that receive matching grants from the project	Annual	Project MIS, reports	Project implementation progress report	PIU
Of which women-owned/led businesses	Percentage of women owned businesses				
Beneficiary tourism related MSMEs adopting recommended practices to meet buyer requirements	Cumulative percentage of MSMEs that adopt recommended product/service/process changes to meet buyer requirement.	Annual	Project MIS, reports	Monitoring of systems	PIU



Of which women-owned/led businesses	Percentage of women owned				
Increment of persons reached by destination marketing activities	The firm chosen to implement marketing activities after competitive selection will be required to set up rating tools for each of the marketing tools existing and revamped, as well as the new ones developed, including tracking tools for the number of persons reached by the corresponding activities (website consultations and clicks, new Instagram followers, new Tiktok followers, etc.). The total number will be the compilation of performance indicators for each marketing tool. Since the indicator is based on incremental terms, the baseline is considered to be zero.	Annual	Survey/marketing tools	Implementing firm	
Buildings, including hotels, protected from climate risks due to the climate risks mitigation interventions supported by the project	This indicator measures the number of critical assets protected due to the infrastructure investments under the project.	Annual	Based on engineering supervision reports	Project implementation progress report	PIU



Tourism sites upgraded to be more resilient and more attractive	<p>This indicator measures the number of tourism sites upgraded under the project.</p> <p>Attractiveness will be measured through perceived attractiveness by tourists with the survey that the Gambia Tourism Board (GT Board) already conducts every year.</p> <p>This indicator will be re-assessed at the mid-term review (MTR)</p>	Annual	Project MIS, Report	Project implementation progress report	PIU
Complaints received by Project Grievance Redress Mechanism that are addressed within four weeks	Response rate through GRM	Annual	MIS	Monitoring of systems using checklist for each System developed	PIU
Percentage of beneficiaries satisfied with project interventions					



ANNEX 1: IMPLEMENTATION ARRANGEMENTS AND SUPPORT PLAN

COUNTRY: The Gambia

Tourism Diversification and Resilience in The Gambia

- 1. The project implementation mechanism will comprise** (a) the PSC and (b) the PIU based in Banjul. There will be two TWGs formed at the component level.
- 2. The PSC will be chaired by the Permanent Secretary for the MoTC** and will comprise representatives from MoFEA; the Ministry of Trade, Industry, Regional Integration & Employment, MECCNAR; NCAC; GT Board; The Gambia Tourism and Hospitality Institute; The Gambia Investment and Export Promotion Agency; The Gambia Hotel Association; the Agricultural Producers Association; the Gambia Craft Market Federation; and the Ground Tour Operators Association. A tourism specialist will be hired to guide the implementation of the project, assist the project coordinator, and liaise with the MoTC to advance the sustainable and successful implementation of the project. The PD of the PIU shall serve as the Secretariat of the PSC. The PSC will (a) ensure strategic oversight of the overall project implementation; (b) ensure coordination and cooperation among all participating agencies; (c) endorse annual work plans and budgets for all project-related activities; (d) provide overall guidance during project implementation; and (e) endorse financial, programmatic, and monitoring reports to be presented to the World Bank and other national stakeholders to ensure transparency and accountability.
- 3. The PIU will be housed at the MoTC.** It will be headed by a PD. The PD will be operationally and managerially in charge of the organization structure established at the national level for implementing the project. It will have the authority to make decisions related to project administration as well as financial decisions. The PD will be supported by the following set of professional experts to assist in the smooth functioning of the project management, selected through open, competitive, and merit-based process and remunerated at market rates: tourism specialist, procurement specialist, FM specialist, accountant, environmental risk management specialist, social risk management specialist, GBV specialist, communications and stakeholder engagement specialist, M&E specialist, back-office assistant, and OHS consultant. The PIU will be responsible for (a) preparing and approving an annual work plan with inputs from beneficiaries, key stakeholders, and partners; (b) overseeing overall performance of the project and providing policy guidance; (c) suggesting necessary adjustments based on M&E results; (d) developing and consolidating PPs and the procurement of works, goods, services, and non-consulting services for project activities in accordance with legal agreements; and (e) managing E&S risks and impacts in line with the ESF's ESS.
- 4. The project will establish** (a) a Tourism Competitiveness Working Group to ensure technical implementation of Component 1 and (b) an Infrastructure Working Group for Component 2. The TWGs will be chaired by the PD. The beneficiary institutions of the respective components will be part of these TWGs.
- 5. The PIU will be supported by a set of technical assistance consultant firms,** with relevant technical experts, that will be procured competitively by the MoTC. The technical assistance consultant (firm) will assist the PIU in executing the project components.



6. **The PIM will detail the organization and technical procedures that will govern the implementation,** including FM, procurement, E&S safeguards management, M&E, and the GM.

Project Administration Mechanisms

7. **The project will be implemented under each subcomponent.**

8. **Component 1: Policy framework and MSME participation.** The MoTC will coordinate the implementation of Component 1 in partnership with the GT Board and other relevant agencies. MoUs will be developed that will outline the roles and responsibilities of the agencies. The Tourism TWG will coordinate, synchronize, and facilitate planning and executing the component activities. The PIU will be in charge of procuring the necessary expert firms with international expertise and local knowledge to ensure seamless interinstitutional and stakeholder coordination and collaboration. Expert firms will identify relevant institutions, officials, and stakeholders to form or reestablish interinstitutional arrangements necessary for the implementation of the component activities.

9. **Subcomponent 1b: Increase participation of tourism MSMEs within the selected destinations.** The scheme will be financially and operationally autonomous, managed and implemented by a competitively selected 'management company' to administer the capacity building 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. The 'management company' will have (a) relationships with lead firms and the know-how of their requirements, terms, and conditions; (b) a core staff with the ability to do MSME diagnostics and provide business coaching; (c) a strong network of specialized providers who can be brought in for unique technical challenges; and (d) fund management expertise. The PIU in the MoTC will carry out the selection of the management company and will also assume responsibility for general oversight, quality control, and M&E of the component. The management company will evaluate submission requests from MSMEs, provide capacity building, and assess viability and investment eligibility and make recommendations to the PIU for funding decisions.

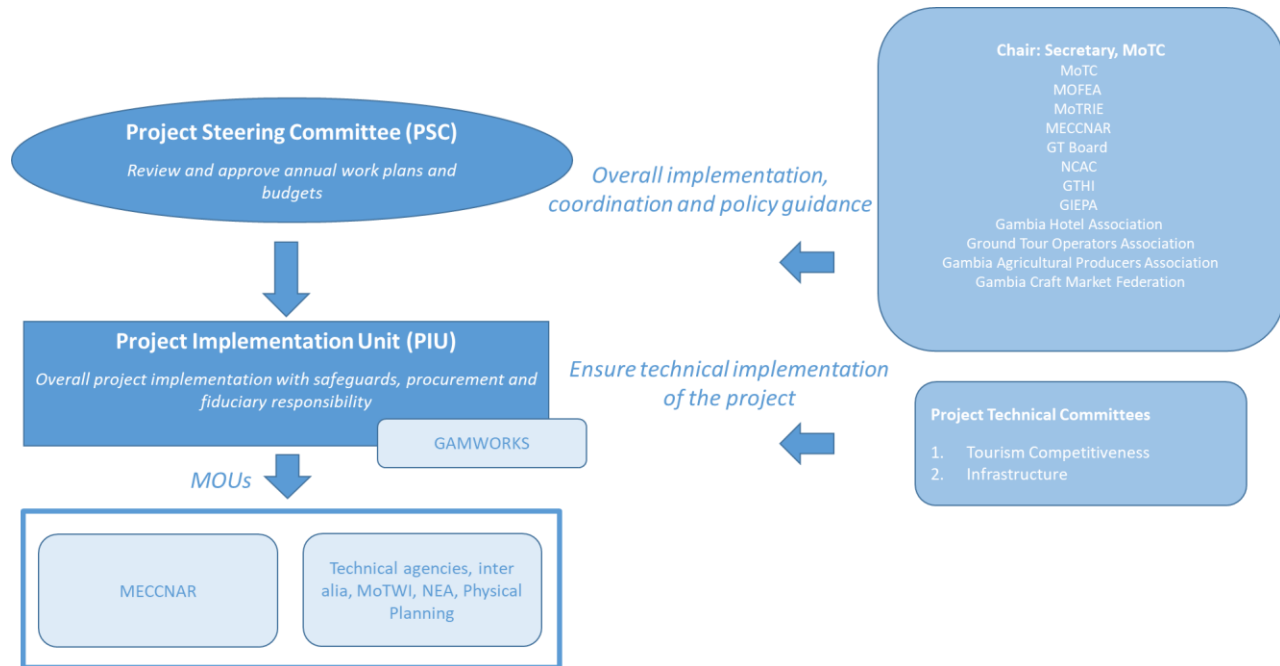
10. To ensure proper governance and focus, the subcomponent will be governed by a Technical Committee. While the majority of members of the Technical Committee will be business leaders (for example, hotels, ITOs, Business Development Services providers, university, and technology providers), the committee will also include representation from government bodies and skill development institutions. The composition will allow for a fusion of the strong business focus that the project must have and the policy and educational/innovation inputs needed for entrepreneurship development. The committee will report to the PIU. Its role will be to oversee the governance, strategic direction, and progress toward achievement of the M&E targets and to provide guidance to the program management team.

11. **Component 2: Infrastructure support for the diversification and resilience of the tourism sector.** The MoTC will coordinate the implementation of Component 2, with GAMWORKS as the main implementing partner. The MoTC will retain the coordination and fiduciary responsibilities but will delegate the technical, safeguards, and contract management capacity to GAMWORKS. Technical agencies such as MoTWI and MECCNAR, will support the development and implementation of this component through MoUs that will outline their roles and responsibilities. Capacity building and



engineering support for the technical agencies involved in the project would be financed as needed to support the implementation of activities under the project. The MoTC will recruit a project engineer to the PIU and will collaborate with GAMWORKS to hire firms to conduct the studies, design, construction, and supervision of the works as well as to develop and implement the community capacity-building activities. The Infrastructure Working Group, chaired by the PIU, will serve a quality assurance and improvement function by providing technical inputs to terms of reference and procurement documents and by reviewing the outputs of the consultancies, such as studies, engineering designs, ecosystem restoration schemes, prioritization metrics, and other key documents. The working group will also support the supervision of the works, participating in on-site visits, as appropriate. The Technical Committee and Infrastructure Working Group will consist of a diverse set of stakeholders, ensuring representation from, among others, multiple government ministries and agencies, subnational governance bodies, academia, the private sector, communities, tribal and traditional authorities, trade groups, and civil society.

Figure 1.1. Institutional Implementation Modality



Implementation Support Plan

12. **An implementation support plan will seek to provide the ongoing assistance to the Government that would be required to successfully implement the project.** To mitigate against various risks and facilitate smooth implementation of the project, there is a need for close supervision and support in the early stages of implementation to make any necessary adjustments to project activities and components. Strong collaboration and coordination with other development partners would also be key.

13. **The World Bank will carry out one to two additional implementation support missions during the first year of implementation to ensure strong institutional coordination and project management**



and create a strong foundation for the rest of the project. After the first 18 months, two implementation support and supervision missions, including headquarter and Country Management Unit staff from technical areas, fiduciary staff and safeguards specialists will be conducted annually. These missions will be carried out to review progress on project implementation and ensure adequate coordination of the project with other donor initiatives. Assessments and other mission related documents will be complemented by at least annual reviews of M&E systems, FM, procurement, and safeguards. In addition to the implementation support missions, a mid-term review would be conducted no later than the third year of implementation.



ANNEX 2: DETAILED SELECTED COMPONENTS DESCRIPTION

COUNTRY: The Gambia

Tourism Diversification and Resilience in The Gambia

Component 1: Policy framework and MSME participation (US\$13 million equivalent)

Subcomponent 1a: Improved institutional capacity for data-driven planning, marketing, and branding (US\$4 million)

Activity 1: Tourism statistics capacity building

1. The objective of this activity is to improve evidence-based planning design and implementation through enhanced tourism data tools, mechanisms, and practices. Activities will help the client improve statistical capacity in data collection, analysis, dissemination, and interinstitutional coordination. Specifically, the project will do the following:

- (a) **Validate current state of tourism statistics and capacity.** This will include, but not be limited to, (i) review of existing survey instruments, analytical frameworks, and sampling strategies; (ii) evaluation of statistical capacity of technical teams for statistical data collection and analysis; (iii) assessment of existing interinstitutional arrangements on tourism statistics as well as its capacity (for example, Tourism Statistics Committee); and (iv) development of a road map of actions to address key gaps and include necessary additions to improve existing mechanisms and capacity, adapted to the local context. The road map should include specific recommendations on updating existing instruments and how to put in place new ones (for example, Tourism Visitor Survey, Tourism Out-of-Pocket Expenditure and Satisfaction Survey, and Hotel Surveys).
- (b) **Design and conduct capacity-building training programs** in the following areas: (i) improvement of collection and analysis for relevant staff to ensure key areas are covered (for example, Inbound International/Domestic Tourism Statistics); (ii) ongoing training on data analysis and dissemination for relevant institutions; and (iii) dissemination workshops to strengthen demand and usage for statistics for the Ministry of Tourism, relevant line ministries, and private sector stakeholders.
- (c) **Supervision and guidance for the rollout of data collection and analysis instruments.** The final step will be to support relevant agencies to roll out pilot versions of data collection, analysis, and dissemination (for example, International Visitor Survey); identify problems and lessons learned; and the create an action plan for improvement.

Activity 2: Support to capacity building and strategic guidance for marketing and branding

2. This activity aims to upgrade general tools, processes, and systems to target international and regional visitors, with a specific focus on digital tools and nontraditional and regional markets. To ensure the continued application of effective marketing approaches, this subcomponent also aims to improve the financing mechanisms for tourism promotion as well as support the participation of the private sector in destination marketing. To that end, the strategy will be developed following a participatory approach and will ensure input by the private sector and local communities. The role of the private sector will also



be reinforced through the implementation activities, based on the lessons learned during the implementation of the marketing component of the Growth & Competitiveness Project (P114240). Activities include the following:

- (a) **Development and support to the implementation of a marketing strategy with a focus on digital tools and channels.** The strategy will be the guiding document for destination marketing. The document will be anchored in best practice, will be produced through a participatory approach, and will have a focus on leveraging digital channels and tools (for example, social media leveraging user-generated content). The strategy and its development process should include the following items, at a minimum:
 - (i) **Destination strategic analysis.** This should include current destination situation, market, analysis of past marketing efforts, staff skills, and trends assessment. It will be based on recent studies, including the PROBLUE-funded Sustainable and Resilient Tourism on Small Islands and in Coastal Destinations Project that aimed to increase the understanding of the changes in tourism market demand for SIDS and small coastal states with a special focus on sustainable travel.
 - (ii) **Destination marketing vision development.** This should include the establishment of a new and updated vision for the destination and an identification of sources of growth, including high-value segments, regional source markets, and products and experiences that match market needs.
 - (iii) **Action plan development.** This should lay out the initiatives and actions to be performed, time frame, accountability, and budget required, as well as monitoring arrangements, such as the development of SMART (Specific, Measurable, Achievable, Relevant, and Time-bound) indicators and a system of collection and analysis.
 - (iv) **Establishment of capacity-building provisions for relevant staff to ensure the implementation of the strategy.** Given the importance of data, market intelligence, and social media, capacity should focus on these areas.
 - (v) **Preparation of marketing products and collateral** to showcase illustrative sites, accommodations, restaurants, entertainment, and activities. If needed, this should include an update of destination branding in collaboration with various stakeholders, including hotels, historic sites, or artists.
 - (vi) **Destination marketing implementation support.** The activities will finance the implementation of the initial activities under the marketing and promotion action plan. This should consider activities laid out in the action plan as well the division of roles and responsibilities.

Subcomponent 1b: Increase participation of tourism MSMEs within the selected destinations (US\$9 million)

3. **Context.** The tourism sector in The Gambia presents unexploited potential to cause significant local economic gains through positive spillovers on local MSMEs. The most significant growth opportunity for the Gambian MSMEs in tourism is through selling goods and services to large buyers, including hotels and tour operators. The MSME ecosystem is dependent on the large hotels' ability to attract clientele that



can avail goods and services from MSMEs, ITOs that attract local ground operators, and digital platforms that offer direct opportunities for MSMEs through expanded market opportunities. These lead firms are able to influence supply chain dynamics because of their connection to market demand and help MSMEs expand their customer bases. Lead firms interviewed expressed their interest in buying from smaller firms as part of their normal business, but they fear losing control of the quality, consistency, and timeliness of supply or distribution, which can have a negative effect on their business. This warrants public support to catalyze a sustainable business relationship between local MSMEs and lead tourism firms to reduce the risks and constraints that prevent links from occurring on their own and to establish a sustainable business relationship that will last over the medium to long term.

4. **Rationale and objectives.** This subcomponent will contribute to the PDO by supporting diversification of the tourism sector in The Gambia by addressing one of the key restraints of growth for tourism MSMEs—their ability to learn, innovate, and implement growth strategies, which is critical in unlocking their potential to add value and foster sustainable links with national, regional, and global tourism institutions. The objective of this subcomponent is to strengthen contractual relationships between tourism lead firms and MSMEs by upgrading domestic MSMEs; facilitating the transfer of technology, knowledge, and skills; improving business and management practices; and facilitating access to markets. This will be achieved by enabling more targeted capacity-building services and co-funding a wider segment of tourism-related businesses that are suppliers of goods and services for lead firms such as hotels, tour operators, and digital platforms.

Technical and compliance support to tourism MSMEs

- (a) 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 interventions would include these components: (i) identification—to build partnerships with lead firms in the tourism sector that have proximity to the market and are innovators in the sector and allow them to identify existing and potential MSME suppliers; (ii) upgrading—to deliver capacity-building services to MSMEs, with clear objectives and measures to fulfill the lead firms' requirements; and (iii) feedback and reporting—MSMEs and lead firms will provide feedback on the capacity-building services to ensure the programs meet market requirements and to improve future programming.
- (b) MSMEs will be eligible to participate in the project based on their capacity and commitment to growth and financial and technical feasibility of their business. Key selection criteria will include (i) an assessment of MSMEs' current operational, financial, and market positions; (ii) the assessment of potential demand for their products/services by lead firms; (iii) the identification of viable interventions for building links; and (iv) financial and technical viability of their businesses. The project will take an MFD cascade approach and will work closely with IFC's portfolio and pipeline clients in the tourism sector to bring in private investments in the sector. MSMEs, identified by lead firms, meeting the eligibility criteria will be technically supported during business planning, technology selections/adoption, contract negotiations, product quality, and productivity improvements (for example, improving management capacity, adopting digital and climate technologies, and enabling them to meet quantity and quality requirements of lead firms). Local firms will be encouraged to contribute to the cost of the technical support to ensure ownership



and commitment. The MSMEs will also benefit from infrastructure upgrades through interventions under Component 2. The project will coach eligible MSMEs by building their market readiness including, but not limited to

- **Market links.** Market information, marketing skills, and market links backward and forward in the value chain;
 - **Technology.** Technology information, training, and access. Under this subcomponent, activities, particularly those related to capacity building on sustainability and circular economy, will leverage the tools developed by the PROBLUE-funded ASA and consider climate-resilient design standards;
 - **Financial capabilities.** Assessing readiness (bookkeeping) and provision of matching grants;
 - **Human resources management.** Accounting, legal, compliance, and industry expertise; and
 - **Access to networks.** Interaction with government regulators, institutional buyers, financiers, research and development institutions, service providers, competitors, fairs, platforms, and so on.
- (c) In addition, this subcomponent will also provide coaching to women entrepreneurs for enhanced business development skills and tailor-made mentoring by leveraging existing women entrepreneurs' network in the country. The coaching will consider specific needs of the women entrepreneurs and include modules on women leadership and GBV as well as women rights, the national legislations providing protection to women, and information about services and support available to women who are experiencing any forms of GBV.

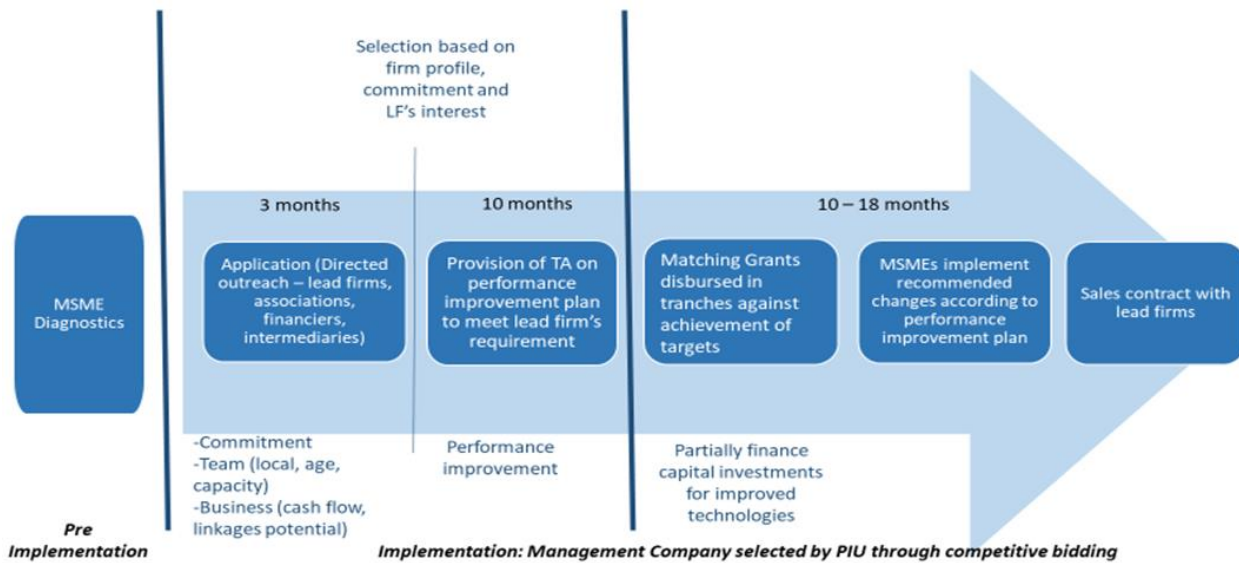
Matching grants to support tourism value chain participation for MSMEs

- (a) This subcomponent will assist Gambian MSMEs by providing them with capital through the establishment of a matching grant scheme accessible to tourism-related MSMEs supported through a capacity-building program. The project will partially finance capital investments for improved production technologies and technology adoption needed to meet the lead firm's requirement. Eligible expenses will include (i) technological upgrades and investments—digital payment acceptance infrastructure and expansion of virtual presence to attract lead firms; (ii) climate-smart/circular economy investments; and (iii) any other technology required to upgrade business process/product/service needed to meet the lead firm's requirement. Access to matching grants will be restricted to MSMEs in the tourism sector including but not limited to lodging, tourism transport, food and beverages, destinations, conferences, and tour operators, among others.
- (b) The grants will be provided on a 70-30 basis where the scheme will provide 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. The use of matching grants for investment in the tourism sector in The Gambia provides a mechanism to leverage additional private capital in the form of equity and supports MSMEs to transition in the areas of energy and resource efficiency, sustainability, circular economy, renewable energy, and resilience as well as promote innovation through the acquisition of digital technologies.



- (c) Investment and firm eligibility criteria, including business and investment viability, matching grant application processes, guidelines for appraisal and approval, terms, arrangements, and operational modalities will be detailed in a matching grant operation and implementation manual to be approved by the WBG before disbursement under the matching grant subcomponent. This manual will be developed with information from a tourism MSME ecosystem diagnostic, informed by consultations with key actors and potential beneficiaries to strengthen citizen engagement and by the experiences of successful grant programs in The Gambia and elsewhere. In addition, a targeted outreach campaign to increase awareness, stimulate interest, and ensure inclusiveness in the matching grant scheme will be carried out in collaboration with the lead firms. The project has also set a quota of 25 percent women-owned and managed MSMEs benefiting from the matching grant and capacity-building support (section VII. Results Framework). In addition, women business associations will be leveraged to generate a deal flow of women-owned tourism MSMEs to be supported by the project. The co-financing under this fund will originate from the proceeds of US\$4 million of the World Bank grant allocated to this subcomponent over the implementation period of the operation.

Figure 2.1. Process Map for MSME Support



5. **Implementation arrangements.** 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.



Component 2: Infrastructure support for the diversification and resilience of the tourism sector (US\$50 million equivalent)

6. This component aims to build the climate resilience of the tourism sector. It will focus on strengthening and upgrading infrastructure to better preserve existing assets by being more resilient to the impacts of hazards and climate change as well as enhance the attractiveness of tourism sites and promote economic development. It will also include capacity building on climate resilience at the community level. The activities are based on extensive technical assessment and stakeholder consultations through a PPDM and the prioritization process under The Gambia Integrated Urban and Coastal Resilience Technical Assistance Program.

7. Based on the analysis done under The Gambia Integrated Urban and Coastal Resilience Technical Assistance Program,²⁹ in the West Coast TDA from Fajara to Senegambia, there are about US\$100 million in assets³⁰ and tourism infrastructure (for example, hotels) which are exposed to rising sea levels and coastal hazards. Annex 6 summarizes the hazard and climate change context. Key tourism sites such as the Kunta Kinteh Island, a UNESCO World Heritage Site, given its important historical value in the West Africa slave trade, are suffering heavy erosion and are at risk of disappearance. The ruins of Kunta Kinteh Island have been partly protected but only a fraction of the island's land mass remains (approximately one-sixth of the original size when the fort was active),³¹ the rest having been reclaimed by the surrounding water, except for a small jetty and some trees. The ruins have been stabilized and protected, but the island is low lying, and during high tide and storms, sometimes waves might beat against the remaining structures.

8. The studies and works under the component will also identify opportunities to strengthen and diversify Gambia's tourism options, making the sector more sustainable and resilient to growing climate risks while reducing high dependency on the current low value-addition single market/single product tourism approach. This component will include activities to support women based on an assessment and participatory discussion to identify women-friendly economic activities as well as work on social norms in communities to address issues related to gender equality, women's participation, and violence prevention and response. Increased tourism activities can be associated with risks of GBV, SEA, or SH.

Subcomponent 2a: Protection, rehabilitation and integrated management of coastal areas (US\$45 million)

9. This subcomponent aims to address the impacts of coastal erosion and sea level rise in the West Coast TDA from Fajara to Senegambia.

- **Selection.** Under The Gambia Integrated Urban and Coastal Resilience Technical Assistance Program, five priority areas for intervention—or hot spots—were identified through a coastal risk assessment of the Greater Banjul Area that was conducted over 2019–2021, supported by the

²⁹ Statistics presented in the section are drawn from the 'Flood and Erosion Assessment report' (2021) produced for the World Bank technical assistance 'Flood and Coastal Risk Assessment and Priority Investment Planning for Greater Banjul'.

³⁰ The estimation is based on a land-use map developed using high-resolution satellite images and land-use values provided by the GoTG. It is not based on precise cadastral data or surveys; therefore, the estimated amount has to be considered with some degrees of uncertainty.

³¹ Based on community observations.



ACP-EU National Disaster Risk Reduction Program. For each of the identified hot spots, an investment scenario was developed to reduce the risks, combining structural and nonstructural measures and hybrid infrastructure solutions promoting NBS. From this technical assistance, the Government selected the West Coast works from Fajara to Senegambia to be supported based on the high economic impacts expected.

- **Studies and design.** The interventions will be informed by technical studies that include consultations with government agencies and the private sector, in particular the hoteliers, fishermen, fisherwomen, and other key stakeholders. The studies will consider current conditions as well as climate and sea level rise projections over a multi-decade horizon.
- **Scope.** It is expected that the studies and designs would result in proposed coastal resilience interventions beyond the budget of the subcomponent. The extent of the intervention will be selected based on costs and benefits analysis.
- **Resilient works.** It will combine NBS and hard infrastructure to improve the resilience of the tourism infrastructure. It will consider interventions of erosion control through the restoration of shorelines on the West Coast. Activities may include revegetation and sediment restoration techniques as well as hard infrastructure options such as detached breakwaters. All works will be built to relevant resiliency standards.
- **Gender considerations.** The project will also ensure equal pay for work, based on experience and tasks, on the rehabilitation and construction works undertaken.

Subcomponent 2b: Integrated tourism product development and diversification of selected TDA/tourism areas (US\$5 million)

10. This subcomponent aims to enhance the resilience and attractiveness of existing but underdeveloped and at-risk tourism areas. Through consultations, areas with high tourism potential were prioritized for further investment.

- **Studies.** A destination site evaluation and assessment will be conducted for the prioritized sites to determine the types of interventions that would be needed to improve their resilience and attractiveness.
- **Selection criteria.** The selection of sites to be upgraded will follow a phased approach, starting with Kunta Kinteh Island, and will respond to a site evaluation based on a variety of criteria:
 - Market appeal, destination readiness, and economic impact of the tourism sites
 - Climate vulnerability context and social and environmental impacts
 - Economic development context
 - Cost and benefits analysis.

The total number of sites will be determined based on the site assessments and available budget.

- **Designs.** For the Kunta Kinteh interventions, the designs for the infrastructure investments will start once the studies are completed. For the potential additional sites, the designs for the



infrastructure investments will begin after the destination site assessment and selection process is completed. The designs will consider current and future climate projections.

- **Potential works.** Interventions will aim to reduce the vulnerability of key tourism sites (such as Kunta Kinteh Island) and the impacts of climate change, such as erosion, and it may include reconstruction of select jetties along the Gambia River to be more resilient, improvement of market spaces for vendors and fisherfolk (generally female) to increase their economic activity, and improvement of wastewater management to protect the natural environment. All works will be built to relevant resiliency standards.
- **Gender considerations.** In addition, women-owned businesses will have the opportunity to benefit from Component 1 matching grants, business coaching, and skills trainings. Activities will be tailored to the sites selected for intervention.

11. **Building capacity to manage climate and hazard risks.** Both subcomponents will contribute to building the capacity to manage hazard and climate risks at the national and community levels to enhance the sustainability of the infrastructure investments. The below activities will be integrated into the subcomponents.

- **Works - prioritization, design, and supervision.** Community stakeholders will be included in the design process as well as in the supervision of the activities. Smaller pilot interventions that would improve the visual environment as well as benefit the local population will be identified for implementation within the two years of the project.
- **Building community climate resilience.** These activities would also build community engagement and could be used to promote community awareness on climate resilience measures as well as 'green infrastructure' to increase their adaptive capacity.
- **Building capacity on resilient construction.** It will include training to the community and construction workers on resilient construction practices, such as diversity and inclusion in hiring, minimizing waste in construction materials, and disposing of materials in an eco-friendly way. It will also include training and sensitization on the WBG's ESHS protocols.
- **Operations and maintenance.** Operations and maintenance plans, including budget estimates, for the sites will also be developed and training provided to the relevant stakeholders.
- **Habitat protection plans.** Habitat protection plans for select natural and cultural heritage tourism sites will also be developed.
- **Solid waste management and wastewater management.** Sensitization programs will be conducted aimed at the hotel industry to reduce their solid waste and marine pollution.
- **Private sector engagement.** It is also expected that this subcomponent could increase private sector opportunities in the tourism sector as they may more likely engage with the improved and more resilient infrastructure (for example, jetties).

12. These activities aim to improve the lives and livelihoods of the community.



ANNEX 3: GENDER GAP ANALYSIS AND GENDER ACTION PLAN

COUNTRY: The Gambia

Tourism Diversification and Resilience in The Gambia

1. The following gender gap analysis was conducted for The Gambia to help in identifying which gaps might be closed by the project.

Background

2. **The GoTG is committed to gender equality and adherence to international and regional treaties and protocols on women’s rights.** For example, the National Gender Policy which updates the National Policy for the Advancement of Women (1999–2009) marks the beginning of a new policy implementation period from 2010 to 2020. A country gender profile was initiated at the request of the GoTG as part of a wider effort to promote gender-responsive policies and programming.

3. **Despite this commitment, women still make up the majority of the poor and extremely poor, marginalized, and disadvantaged on a number of fronts.**³² In particular, women are faced with disparities, for example in literacy, access to education (especially post-secondary), and employment, and the gender disparity is larger in rural areas. In The Gambia, 65.9 percent of the male population ages 15 or above is literate compared to 45 percent of females. Over the last years, women in urban areas have been catching up in terms of literacy as shown by literacy rates of younger cohorts. For example, the rates for female and male populations ages 15–19 are 72.2 percent and 78.3 percent, respectively.

4. **Women also have limited access to resources such as land and credit and are overrepresented in unpaid labor, with rates of participation in the labor force of 53.2 percent and 37.8 percent for men and women, respectively,**³³ with even higher gaps in an urban setting—at 37.0 percent for women against 70.0 percent for men (SCD, 2020). Furthermore, the rate of unemployment for women doubles that of men (12.6 percent versus 6.7 percent, respectively).³⁴ The Integrated Household Survey 2015/16 showed that females constituted 55.9 percent of the working-age population (15–64 years) compared to 50.9 percent for males. However, the share of economically active (employed and unemployed) stood at 53.8 percent for females compared to 76.3 percent for males. A similar gap was observed for male and female youth labor force participation (15–35 years).

5. **Labor force participation in the country among women is low and reduces the growth potential of the economy.** Low labor market participation rates for women implies lost productivity but also makes them dependent on the earnings of men. Studies from other countries suggest that the structural composition of the economy, social norms, and institutional/legal arrangements prevent women from

³² [http://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/GAMBIA%20Gender%20Profile%20final%20\(2\).pdf](http://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/GAMBIA%20Gender%20Profile%20final%20(2).pdf).

³³ “2013 Population and Housing Census. The Gender Report.” http://www.gbos.gov.gm/uploads/census/2013/Gender-Report_Final.pdf.

³⁴ International Labour Organization (ILO) statistics.

https://www.ilo.org/shinyapps/bulkexplorer15/?lang=en&segment=indicator&id=EAP_3WAP_SEX_AGE_GEO_RT_A.



participating in the labor force. The diversification of the economy toward more jobs in the service sector lays the foundation for higher female labor force participation rates (SCD, May 2020).

Specific Gaps

6. **Poverty and wealth.**³⁵ The Human Development Report derives the GNI per capita of male and female members of the population based on the ratio of female to male wages and female and male shares of the economically active population. In The Gambia, the estimated female GNI per capita is 800, in 2011 purchasing power parity (PPP) US dollar, which is only 37 percent of the male GNI per capita (2,190 PPP US dollar).

7. **Productivity and access to productive resources (including livelihoods).** Despite a higher prevalence of females in agricultural occupations, male-headed households are more likely than their female counterparts to own agricultural land (39.7 versus 28.6 percent, respectively).³⁶ The gap also holds in rural and urban areas. Additionally, the average agricultural land is smaller for female-headed households (0.8 ha) compared to male-headed households (1.4 ha).³⁷

8. **Labor and occupation.** As mentioned earlier, men in The Gambia are more likely to participate in the labor force. The rates of participation are 53.2 percent and 37.8 percent for males and females, respectively.³⁸ Furthermore, the rate of unemployment for females doubles that of males—12.6 versus 6.7 percent, respectively.³⁹

9. **In terms of sectors, most women (59 percent) work in service, 37 percent in agriculture, and only 4 percent in industry.** In comparison, 51 percent of males work in service, 24 percent in agriculture, and 25 percent in industry.⁴⁰ Women account for 19.8 percent of all full-time workers and 13.4 percent of full-time workers in the manufacturing sector. Both indicators are below the regional average of 19 percent and 29.4 percent, respectively.

10. **There are also differences in occupations by sex.** Women are more likely than men to work in agriculture (56.6 percent of the female labor force versus 33.3 percent of the male labor force), as shops and market sales workers (24.1 percent versus 18.9 percent), or in elementary occupations. Males are prevalent in all other categories, with sizable differences in trade and related work (21.9 percent of the male labor force versus 2.3 percent of the female labor force), plant/machine operators and assemblers (7.9 percent versus 0.4 percent), professionals (4.5 percent versus 2.6 percent), or technicians and associate professionals (3.3 percent versus 1.5 percent).

³⁵ Gambia DHS 2013 and authors' own calculations.

³⁶ Gambia DHS 2013 and authors' own calculations.

³⁷ Food and Agriculture Organization (FAO) of the United Nations, National Gender Profile of Agriculture and Rural Livelihoods, <http://www.fao.org/3/ca3222en/ca3222en.pdf>.

³⁸ 2013 Population and Housing Census. The Gender Report. http://www.gbos.gov.gm/uploads/census/2013/Gender-Report_Final.pdf.

³⁹ ILO statistics.

https://www.ilo.org/shinyapps/bulkexplorer15/?lang=en&segment=indicator&id=EAP_3WAP_SEX_AGE_GEO_RT_A.

⁴⁰ The Little Data Book on Gender 2019. <https://data.worldbank.org/products/data-books/little-data-book-on-gender>.



Table 3.1. Labor Force Distribution by Occupation and Sex (percentage)

Occupation	Female	Male
Legislators, senior officials, and managers	0.1	0.4
Professionals	2.6	4.5
Technicians and associate professionals	1.5	3.3
Clerical support workers	1.2	1.2
Services, shop, and market sales workers	24.1	18.9
Agricultural workers	56.3	33.3
Craft and related trade workers	2.3	21.9
Plant/machine operators and assemblers	0.4	7.9
Elementary occupations	5.4	3.2
Other	1.0	1.6
Not Specified	5.1	3.8

Source: 2013 Population and Housing Census. The Gender Report.

http://www.gbos.gov.gm/uploads/census/2013/Gender-Report_Final.pdf

11. **Despite a ratio of 1.5 females to males in the agricultural sector, the majority of female farmers are unskilled agrarian wage earners and account for only about 40 percent of the total agricultural production.** Their productive activities are mainly subsistence based and for home consumption. Females are also active in horticultural production that generates relatively good income; however, income gained from such activities is often plowed back into maintenance of the household. Their limited capacity and skills to embark on viable agro-based and entrepreneurial activities and lack of ownership and control over resources such as land and modern agricultural equipment coupled with the triple roles of women impede all efforts for rural women to graduate into the mainstream livelihood economy.⁴¹

12. **Entrepreneurship.**⁴² The Enterprise Survey 2009 collects data from the manufacture and service industries around the world. In The Gambia, only 16.8 percent of firms have female participation in firm ownership which is half of the regional average (29.6 percent in Sub-Saharan Africa). Moreover, only 12.3 percent of all firms have majority of female ownership (which matches the regional average). The percentage of firms that have a female top manager is 9.6 percent in The Gambia, compared to the average of 15.4 percent in Sub-Saharan Africa.

13. **Financial inclusion.**⁴³ A report by the United Nations carried a survey to assess financial inclusion in Gambia’s young population. From those surveyed, men were more likely to save money (79 percent of men versus 72 percent of women). Furthermore, men indicated more borrowing for investment purposes (46 percent of men versus 37 percent of women) while women were more likely to borrow for daily upkeep (50 percent of women versus 41 percent of men). A higher share of women reported owning a bank account alone (38 percent of women versus 34 percent of men); nevertheless, more men own an account when joint accounts are considered (48 percent of men own a personal or joint account versus 45 percent of women).

⁴¹ FAO, National Gender Profile of Agriculture and Rural Livelihoods. <http://www.fao.org/3/ca3222en/ca3222en.pdf>.

⁴² World Bank Enterprise Survey. <https://www.enterprisesurveys.org/en/data/exploreeconomies/2018/gambia>.

⁴³ Demand Side Research for Financial Services in The Gambia (2017).



14. **The reduction of the gender gaps will be measured through two indicators in the Results Framework:** (a) value of private sector capital mobilized for the tourism sector development by women-owned/-led businesses and (b) share of beneficiary women-owned/-led MSMEs with new or expanded contracts with tourism Lead Firms (women led/owned).

Gender Action Plan

15. **Table 3.2 presents the main gender actions of the project by subcomponent.** The success of the Gender Action Plan is dependent on Component 3 of the project, as it will require (a) integrating the gender actions within implementation manuals (defining when these actions take place, how, and who is responsible); (b) including the gender actions within the project detailed activity plans with a clear budget allocation for the gender actions and targets; (c) developing some gender indicators in the overall results chain to be able to track progress (fully integrated and defined in the M&E manual to guide M&E staff); (d) including gender capacity-building activities in the project’s overall capacity-building plan (also for the PIU members); (e) hiring a gender expert at the PIU level dedicated to the project; (f) integrating gender in overall project evaluation and specific dedicated qualitative evaluation; and (g) developing a communication strategy for the project that includes women specificities as well as their needs in the COVID-19 context.

Table 3.2. Gender Actions per Component

Component 1: Policy framework and MSME participation	
Subcomponent 1a: Improved institutional capacity for data-driven planning, marketing, and branding	Conduct a gender review of existing survey instruments, analytical frameworks, and sampling strategies ensuring that it reflects women’s contribution to the sector, women’s representation within the sampling strategies, and so on.
	Integrate gender sensitization in staff to improve collection and analysis of tourism data to support more gender-responsive research.
	All women staff working on data collection and analysis of the sector are included in training to improve the collection and analysis of tourism data.
	Targeted capacity building and/or quota for women, public officials, and relevant tourism stakeholders to participate in dedicated trainings.
Subcomponent 1b: Increase participation of tourism MSMEs within the selected destinations	Provide coaching to women entrepreneurs for enhanced business development skills and tailor-made mentoring by leveraging existing women entrepreneurs’ network in the country.
	The coaching will consider specific needs of the women entrepreneurs and include modules on women’s leadership and GBV as well as women’s rights, the national legislations providing protection to women, and information about services and support available to women who are experiencing any forms of GBV.
	Enable women-led or managed MSMEs to adopt recommended practices to meet buyer requirements.
	Conduct gender assessment to inform national policies and enhance women’s ability to access grants and financial services.
	Facilitate women-owned MSMEs’ access to matching grants and capital mobilized from the private sector.



Component 2: Infrastructure support for the diversification and resilience of the tourism sector	
	Ensure equal pay for work on all rehabilitation and construction works undertaken.
	Conduct assessment and participatory discussion to identify additional women-friendly economic activities, for example in retail, around the selected infrastructure investment sites.
	Conduct training on climate change and climate resilience with a focus on gendered actions to build resilience.
	Sensitize communities on gender and gender issues associated with increased tourism.
	Perform qualitative gender evaluations.
Component 3: Project management, monitoring and evaluation	
	Hire a gender expert at the PIU level.
	Integrate gender actions within implementation manuals.
	Develop a communication strategy for the project that includes women specificities as well as their needs in the COVID-19 context.
	Develop detailed results chain for gender gaps allowing the tracking of results from inputs, outputs, and impacts.



ANNEX 4: Financial Management and Disbursements Arrangements

COUNTRY: The Gambia

Tourism Diversification and Resilience in The Gambia

- Budgeting.** The project budgeting process will be defined in the PIM. The budget would be reviewed and adopted by the PSC before the beginning of each fiscal year. Annual draft budgets would be submitted for IDA's no-objection before adoption and implementation. Any changes in the budget and work plans would receive a World Bank no-objection. The PSC would also (a) discuss and review the quarterly budget execution report and (b) monitor and assess the implementation progress and results of the project.
- Accounting.** The PIU will use the cash basis to maintain the project's accounts which will be supported with appropriate records and procedures to track commitments and to safeguard assets. The project financial statements will be prepared using International Public Sector Accounting Standards (IPSAS) considering IDA requirements and specificities related to external-financed investment projects. Accounting and control procedures will be documented in the Project Operations Manual. The PIU will purchase an accounting software to accommodate the bookkeeping of the project. An FM specialist and an accountant will be recruited.
- Financial reporting.** The PIU will prepare quarterly interim financial reports (IFRs) reflecting operations of the Designated Account (DA) and will submit them to the World Bank within 45 days after the end of each calendar quarter. The IFR format was agreed and validated at appraisal. The PIU will also produce the project's financial statements, and these statements will comply with the IPSAS principles and World Bank requirements. These financial statements will be detailed in the audit terms of reference.
- Internal control arrangements.** The manual of procedures will describe the FM and disbursement arrangements, including the internal controls mechanism, budgeting process, and assets' safeguards and will clarify the roles and responsibilities of all stakeholders. The Financial Management Manual will be the guiding tool where all procedures to be followed regarding FM will be documented to ensure consistency of procedures, and the FM specialist will be responsible for ensuring that the project's FM arrangements are adequate and satisfactory throughout the life of the project. A separate matching grant manual will be elaborated to describe the eligibility criteria and the disbursement and reporting procedures. An MoU will be signed with the Internal Audit Directorate of The Gambia. The Internal Audit Directorate will conduct ex post review of transactions on a quarterly basis which will reinforce the internal control environment.
- External audit.** An auditor with qualifications and experience acceptable to IDA would be recruited to carry out annual audits of the project's financial statements. The auditor would express an opinion on the annual financial statements and perform the audit in compliance with International Standards on Auditing. The auditor would be required to prepare a Management Letter detailing observations and comments and providing recommendations for improvements in the accounting system and the internal control environment. The audit report on the annual project financial statements and activities of the DA would be submitted to IDA within six months after the end of each project fiscal year.



The external auditor would express an opinion on the matching grant activities to ensure that the funds went to the eligible beneficiaries and were used for the intended purposes.

6. **Disbursements.** A DA will be opened at the CBG. The ceiling would be determined in the Disbursement and Financial Information Letter based on the disbursement forecast for the first four months. The account would be set up to fund eligible expenditures based on the approved annual budget and work program. Disbursements would comply with specific procedures included in the project financial and administrative manual. Disbursements under the project would be transaction based. In addition to making advances to the DA, other disbursement methods would be available for use under the project, such as reimbursement, direct payment, and special commitment. Further instructions on disbursement and details on the operations of the withdrawal applications and direct payments would be outlined in the Disbursement and Financial Information Letter.

Figure 4.1. Funds Flow Diagram

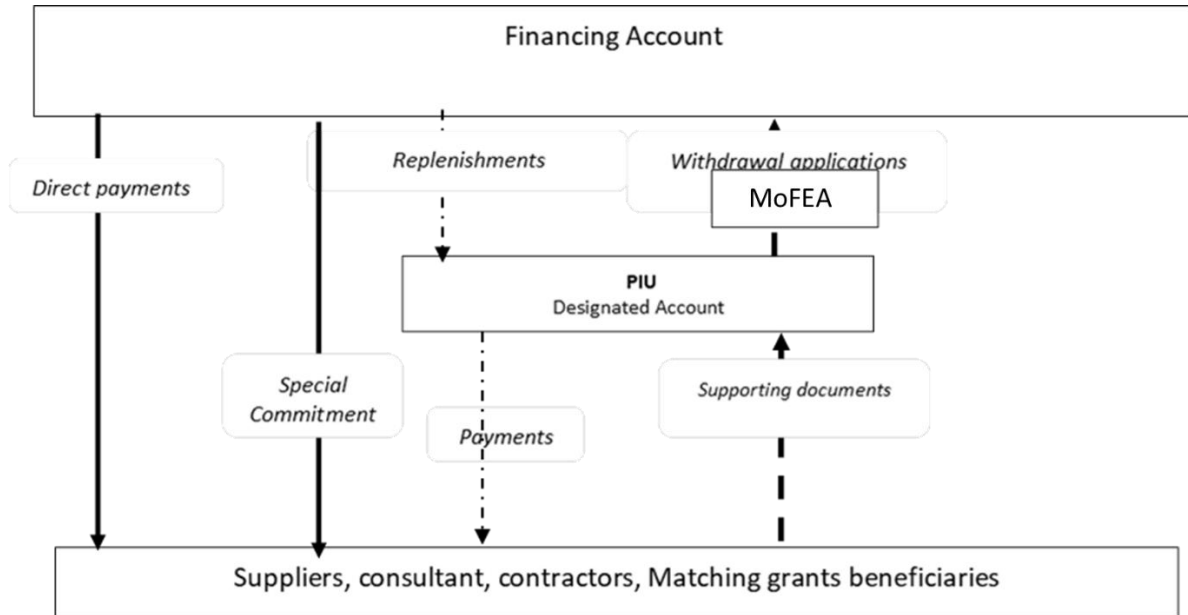


Table 4.2. Disbursement Categories

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed [(inclusive of Taxes)]
(1) Goods, Works, non-consulting services, consulting services, Operating Costs and Training for Part 1.1 and 1.2(a), 2 and 3 of the Project	45,670,000	100%
(2) Matching Grants under Part 1.2(b) of the Project	3,720,000	100%



(3) Emergency Expenditures for Part 4 of the Project	0	100%
(4) Refund of Preparation Advance	1,210,000	100%
TOTAL AMOUNT	50,600,000	

Table 4.3. FM Action Plan

Action	Date	By Whom
Elaborate the IFR template.	By negotiation	PIU
Elaborate a manual of financial and administrative procedures including fiduciary procedures applicable to World Bank-financed operations.	By effectiveness	PIU
Elaborate the matching grant implementation manual.	Prior to withdrawal under subcomponent 1b	PIU
Recruit a qualified FM specialist and accountant.	By effectiveness	PIU
Sign an MoU with the Internal Audit Directorate.	Within one month after effectiveness	PIU
Acquire an adequate accounting software.	Within one month of effectiveness	PIU
Recruit an external auditor.	Within six months of effectiveness	PIU

7. **Implementation support plan.** Based on the outcome of the FM risk assessment, the following implementation support plan is proposed (Table 4.4). The objective of the implementation support plan is to ensure the project maintains a satisfactory FM system throughout its life.

Table 4.4. Implementation Support Plan

FM Activity	Frequency
Desk reviews	
IFRs review	Quarterly
Audit report review of the project	Annually
Review of other relevant information such as interim internal control systems reports	Continuous as they become available
On-site visits	
Review of overall operation of the FM system	Twice per year (ISM)
Monitoring of actions taken on issues highlighted in audit reports, auditors' Management Letters, internal audit, and other reports	As needed
Transaction reviews (if needed)	As needed
Capacity-building support	
FM training sessions	During implementation and as and when needed



ANNEX 5: PROCUREMENT

COUNTRY: The Gambia

Tourism Diversification and Resilience in The Gambia

- 1. Procurement for goods, works, non-consulting and consulting services** for the project will be carried out in accordance with the procedures specified in (a) the World Bank Procurement Regulations for IPF Borrowers, dated November 2020; (b) 'Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants', dated October 15, 2006, and revised in January 2011 and as of July 1, 2016; and (c) other provisions stipulated in the Financing Agreements, using the SPDs accompanying the Procurement Regulation.
- 2. All procuring entities as well as bidders and service providers, that is, suppliers, contractors, and consultants** shall observe the highest standard of ethics during the procurement and execution of contracts financed under the project in accordance with paragraph 3.32 and Annex IV of the Procurement Regulations. When procurement is done in the national market, as agreed in the PP, the country's own procurement procedures may be used with the requirements set forth or referred to in paragraphs 5.3–5.6 related to National Procurement Procedures. All works procurements that apply SPDs will adopt provisions of the World Bank related to environmental, social (including sexual exploitation, abuse, and harassment and GBV), health, and safety risks and impacts. This includes a CoC consisting of prohibitions against sexual exploitation, abuse, and harassment and clear disciplinary sanctions against them, training on its contents, and clear remedies for noncompliance.
- 3. The MoTC will assume the fiduciary aspects (procurement) and responsibilities for reporting to the World Bank.** The MoTC does not have a key staff with experience and satisfactory track record in procurement, in general on donor-funded projects and on World Bank projects specifically. Currently, there is a procurement officer who has the right skills and behavior to carry out procurement according to the national regulatory framework. However, there is need for additional staff to set up a Specialized Procurement Unit.
- 4. Procurement management.** The MoTC will assume the overall planning and selection processes as provided for in the Financing Agreement. Based on the outcomes of the PPSD, the MoTC prepared a detailed PP covering the first 18 months of the project including the procurement activities with relevant procurement/selection methods (Table 5.3).
- 5. The procurement officer** and the procurement consultant will benefit from procurement clinics and training organized by the World Bank to be familiar with the new procurement framework.
- 6. Filing and record keeping.** The Procurement Procedures Manual will set out the detailed procedures for maintaining and providing readily available access to project procurement records, in compliance with the Legal Agreement. The procurement officer is responsible for maintaining procurement and contracts records. The logbook of contracts with a unique numbering system shall be maintained. In addition, all contracts and related procurement documents including prior- and post-review contracts will be uploaded into STEP.



7. **Advertisement.** The Recipient shall prepare and submit to the World Bank a General Procurement Notice (GPN) and the World Bank will arrange for publication of the GPN in United Nations Development Business (UNDB) online and on the World Bank’s external website. The Recipient may also publish it in at least one national newspaper.
8. **The Recipient shall publish the Specific Procurement Notices (SPNs) for all goods, works, non-consulting services, and the Requests for Expressions of Interest on their free-access websites,** if available, and in at least one newspaper of national circulation in the Recipient’s country and in the official gazette. For open international procurement selection of consultants using an international shortlist, the Recipient shall also publish the SPN in UNDB online through STEP and, if possible, in an international newspaper of wide circulation.
9. **Procurement documents.** In the event of international competitive procurement of goods, works, non-consulting services, and consulting services, the Recipient shall use the applicable World Bank SPDs with minimum changes, acceptable to the World Bank, as necessary to address any project-specific conditions.
10. **Procurement information and documentation—filing and database.** Procurement information will be recorded and reported as follows:
 - (a) Complete procurement documentation for each contract, including bidding documents, advertisements, bids received, bid evaluations, letters of acceptance, contract agreements, securities, related correspondence, and so on, will be maintained at the level of the respective ministries in an orderly manner and be made readily available for audit.
 - (b) Contract award information will be promptly recorded, and contract rosters as agreed will be maintained.
11. **PPSD and PP.** As part of the preparation of the project, the Recipient (with support from the World Bank) has prepared a PPSD which describes how fit-for-purpose procurement activities will support the project operations for the achievement of PDOs and deliver value for money. The procurement strategy is linked to the project implementation strategy, ensuring proper sequencing of the activities. It considered institutional arrangements for procurement, roles and responsibilities, thresholds, procurement methods, and prior review and the requirements for carrying out procurement. It also included a detailed assessment and description of government capacity for carrying out procurement and managing contract implementation, within an acceptable governance structure and accountability framework. Other issues considered included the behaviors, trends, and capabilities of the market (that is, market analysis) to inform the PP.
12. **The Project Management, Monitoring and Evaluation team including all critical individual consultants for the establishment of the PIU will be selected and on-boarded before all other project activities.** The PIU and the MoTC will engage the market early and as needed, via pre-procurement conferences (virtual or in-person) to encourage market leader participation in project procurements and to solicit feedback on the technical and functional requirements to ensure procurement packages conform to international standards and best practices.



13. **All major procurement identified in the PPSD will be contracted through competitive processes, being works, goods, and consulting services.** Two major contracts for Subcomponents 2a (estimated at US\$38,000,000) and 2b (estimated at US\$3,500,000) will follow the RFB method with international market approach. The selection of consulting firms to support the implementation of Subcomponent 1a and Component 3 will use the QCBS with international market approach.

14. **Procurement Plan.** The PP covering the first 18 months of project implementation has been prepared, discussed, and approved by the World Bank. It will be updated by the procuring entity on an annual or as-needed basis to reflect actual project implementation needs and improvements in institutional capacity. Updates of the PP will be submitted to the World Bank for ‘no-objection’ through STEP and the PPSD updated accordingly.

15. **Operational costs financed** by the project would be incremental expenses, including office supplies, communication costs, rental expenses, utilities expenses, consumables, transport and accommodation, per diem, workshops, supervision costs, and salaries of locally contracted support staff, as defined in the project’s Financing Agreement. Such service needs will be procured using the procurement procedures specified in the PIM, accepted and approved by the World Bank.

16. **Procurement risk assessment and mitigation measures.** The main findings from the procurement risk assessment showed that (a) the MoTC has no experience in using World Bank procurement rules and procedures; (b) a procurement specialist (consultant) is under recruitment and a procurement officer, from the MoTC, has been appointed to work closely with the consultant; and (c) there is no PIM with a clear system of accountability and a clear definition of responsibilities and delegation of authority on who has control of procurement decisions, which will be prepared within the PPA phase.

17. **Mitigation measures proposed.** To address these risks, the following mitigation measures were proposed: (a) finalize the hiring of a procurement specialist, who is experienced and familiar with the World Bank procurement procedures and policies, to be located in the implementing agency; (b) appoint a procurement officer by the MoTC for the duration of project implementation who will be mapped to the PIU; (c) develop a section on procurement procedures as part of the PIM to clarify the roles for each team member involved in the procurement process and define the maximum delay for each procurement stage (specifically with regard to review and approval systems and the signing of contracts); (d) train staff and technical experts involved in project implementation on the World Bank basic procurement procedures and STEP system; (e) develop contract management plans for prior review contracts (works); and (f) put in place a filing system to ensure compliance with the World Bank procurement filing manual.

18. **The overall project risk for procurement is rated High.** The residual-level risk is expected to be Substantial once the mitigation measures are implemented.

Table 5.1. Procurement Risk Assessment and Mitigation Measures

No.	Risks Description	Description of Mitigation Measures	Responsibility	Deadline
1	Absence of the manual of administrative and financial procedures for the proposed project	Hiring a consultant to develop the administrative, procurement, accounting, and financial procedures in the PIM	PIU	Before the effectiveness date



No.	Risks Description	Description of Mitigation Measures	Responsibility	Deadline
2	An implementing agency is not yet established with core staff including procurement staff.	(a) Finalizing the hiring of a procurement specialist who is experienced and familiar with the World Bank procurement procedures and policies, to be located in the implementing agency and (b) appointing a procurement officer by the MoTC for the duration of project implementation who will be mapped to the PIU	PIU	Before the effectiveness
3	A contract management system is not developed.	Developing contract management plans for prior review contracts (works)	PIU	During the implementation of the project
4	A filing system is not in place.	Putting in place a filing system to ensure compliance with the World Bank procurement filing manual	PIU	During the implementation of the project
5	The staff and technical experts involved in the implementing agency do not have enough experience in the new procurement framework.	Training staff and technical experts involved in project implementation on World Bank basic procurement procedures and STEP system	World Bank and PIU	During the implementation of project

19. **Prior review and procurement methods thresholds.** The thresholds for market approaches and procurement methods are indicated in Table 5.3. The thresholds for the World Bank’s prior review requirements are provided in Table 5.2.

Table 5.2. World Bank’s Procurement Prior Review Thresholds

Type of Procurement	Procurement Prior Review Thresholds (US\$, millions)			
	High Risk	Substantial Risk	Moderate Risk	Low Risk
Civil works	5.0	10.0	15.0	20.0
Goods, IT, and non-consulting services	1.5	2.0	4.0	6.0
Consultants (firms)	0.5	1.0	2.0	4.0
Individual consultants	0.2	0.3	0.4	0.5

Note: IT = Information technology.

Table 5.3. Thresholds for Procurement Approaches and Methods

Category	Thresholds for Procurement Approaches and Methods (US\$, millions)			
	Open International	Open National	Request for Quotation	Short List of National Consultants (Consulting Services)
Civil works	≥3.0	<3.0	≤0.2	n.a.



Category	Thresholds for Procurement Approaches and Methods (US\$, millions)			
	Open International	Open National	Request for Quotation	Short List of National Consultants (Consulting Services)
Goods, IT, and non-consulting services	≥0.3	<0.3	≤0.1	n.a.
Consultants (firms)	n.a.	n.a.	n.a.	≤ 0.2
Individual consultants	n.a.	n.a.	n.a.	n.a.

Table 5.4. Summary of PPSD

Contract Title, Description, and Category	Estimated Cost (US\$) and Risk Rating	World Bank Oversight	Procurement Approach/Competition	Selection Methods	Evaluation Methods
Subcomponent 1a – Tourism and Hospitality Consultancy, Consulting Services (Non-Supervision)	3,750,000 High	Prior review	International Competitive	QCBS	Rated criteria
Subcomponent 1b – Development Consultancy, Consulting Services (Non-Supervision)	4,000,000 High	Prior review	International Competitive	QCBS	Rated criteria
Subcomponent 2a – Supervision and Design Consultancy, Consulting Services (Supervision)	3,800,000 High	Prior review	International Competitive	QCBS	Rated criteria
Subcomponent 2a – Construction Company, Works	38,000,000 High	Prior review	International Competitive	Request for Bids	Least-Cost-Based Selection (LCS)
Subcomponent 2b – Supervision and Design Consultancy, Consulting Services (Supervision)	750,000 High	Prior review	International Competitive	QCBS	Rated criteria
Subcomponent 2b – Construction Company, Works	3,500,000 High	Prior review	International Competitive	Request for Bids	LCS
Component 3 – Project Management, Monitoring and Evaluation Consultancy, Consulting Services (Non-Supervision)	1,500,000 High	Prior review	International Competitive	QCBS	Rated criteria



ANNEX 6: Climate-Related Activities Supported by the Project

COUNTRY: The Gambia

Tourism Diversification and Resilience in The Gambia

Climate Change Vulnerability Context

- 1. The Gambia's geographic profile increases its vulnerability to natural hazards and the impacts of climate change, which can reduce social and economic development.** Its coastal zone, consisting of 80 km of open ocean coast and 200 km sheltered coast, is prone to flooding and erosion. The Gambia River divides the country into two banks, and tidally inundated swamps cover 20 percent of the country. Given this, and a projected sea level rise of 1 m, the Gambia River ecosystem is therefore at risk of permanent flooding.
- 2. Degradation of coastal resources driven partly by sea level rise and coastal erosion and poor infrastructure due to the absence of robust planning and sustainable practices by tourism businesses are hindering the existing tourist attractions and threatening the overall competitiveness and resilience of the country's tourism industry.** The West Coast, which concentrates much of the 'sun and sea' tourism, has seen severe erosion in the last decades. The manifestation of climate change in the coastal areas could exacerbate coastal erosion and increase the risk of submerging beaches that are critical to tourism, increase salt intrusion into mangroves and aquifers, increase the frequency of windstorms and extreme precipitation events, and affect infrastructure throughout the Greater Banjul Area. The West Coast area has begun to see considerable degradation of beachfronts, and in many locations, beach widths have been reduced from 150 m to just 16 m, at a retreat rate of 1 m to 2 m per year. Future erosion rates are projected to accelerate further with sea level rise. Erosion has also affected the UNESCO site of Kunta Kinteh Island, endangering its integrity and its outstanding universal value. With more than half of the country's 2 million inhabitants living in urban areas and 80 percent of the urban population within 20 km of the Atlantic coast, expected sea level rise is a major risk. Due to its low-altitude areas, especially Banjul City with an average elevation of only 80 cm above mean sea level, inadequate drainage and stormwater management systems, poor treatment of waste by businesses, and poor solid waste management in a context of uncontrolled urban sprawl, urban flooding risks have exacerbated.
- 3. Exposure to rising sea levels and coastal hazards are anticipated to affect about US\$100 million⁴⁴ in assets and tourism infrastructure along the West Coast TDA from Fajara to Senegambia.⁴⁵** Based on preliminary studies and historic information, the estimated erosion by 2040 could vary between 10 m and 45 m without any intervention. By 2070, erosion could increase from 20 m to 85 m. In 2040, land loss is expected to reach 58 ha, but the largest erosion is expected along the coast from Fajara to Kerr Seign. Approximately 20 percent of the land eroded will consist of built-up and tourism land uses. The expected damages for tourism associated with erosion in the TDA, by 2040, have been estimated at US\$1.5 million in direct losses in addition to US\$4.5 million in indirect effects associated with land loss and loss of

⁴⁴ The estimation is based on a land-use map developed using high-resolution satellite images and land-use values provided by the GoTG. It is not based on precise cadastral data or surveys; therefore, the estimated amount has to be considered with some degrees of uncertainty.

⁴⁵ Statistics presented in the section are drawn from the 'Flood and Erosion Assessment report' (2021) produced for the World Bank technical assistance 'Flood and Coastal Risk Assessment and Priority Investment Planning for Greater Banjul'.



revenue. By 2070, erosion damages could escalate to US\$6.2 million in direct damages and US\$9.1 million in touristic indirect effects. The present value of erosion risk represents a total of US\$7.6 million in the area from Fajara to Kotu Stream and US\$55 million from Kotu Stream to the recent revetment in Senegambia. The annual expected flood risk has been estimated at US\$20 million from Fajara to Kotu Stream and US\$152 million from Kotu Stream to Senegambia. However, flood risk is also expected to increase by 34 percent in the next 20 years with sea level rise.

Intent to Address Vulnerability

4. **The project is designed to respond and adapt to the impacts of climate change and natural hazards, in particular sea level rise and coastal degradation, on the tourism sector.** The project will respond to this climate change risk through climate-smart investments in MSMEs and coastal infrastructure and diversifying of tourism sites and communities. Specifically, the project will address the impacts of coastal erosion, which is anticipated to worsen due to changing climate by considering alternative and green NBS to maintain as well as to reduce the stress on the coastal and riverine ecosystems.

5. **The proposed project is closely aligned with the World Bank’s climate change, disaster risk management, and coastal and urban resilience agendas.** The WBG CCAP aims to increase climate finance to reduce emissions, strengthen climate change adaptation, and align financial flows with the goals of the Paris Agreement, specifically coastal resilience and NBS and healthy oceans for jobs and food. The NG-ACBP emphasizes ‘environmental stability’ of seascapes and watersheds for increased ecosystems resilience and carbon sequestration and contributes to socioeconomic resilience. In the 2019 Action Plan on Climate Change Adaptation and Resilience, the World Bank notes the importance of increasing adaptation financing as well as doing so through cross-cutting solutions including resilient cities and NBS, which are fully embedded in the project design.

6. **The project also responds to The Gambia’s strategic climate change priorities in key development plans.** The project also contributes to attaining national policy goals and strategic objectives outlined in the National Climate Change Policy (2016) and the Strategic Programme for Climate Resilience (2017) and recently in the revised Nationally Determined Contribution (2021)—as dictated by article 4 of the Paris Climate Agreement.

Links to Project Activities: Climate Co-benefits by Subcomponent

7. **Climate change adaptation is a cross-cutting issue embedded in all project components and also directly addressed through the physical interventions in Component 2.** The vulnerability context outlined earlier indicates that coastal and riverine areas are increasingly at risk of climate change, particularly sea level rise and erosion, coupled with lack of development controls and environmental degradation. The project directly responds to these issues through an integrated program of activities including structural and nonstructural measures that include erosion reduction measures, improvements in infrastructure, and capacity building. Component 3 indirectly supports climate co-benefits through activities related to strengthening new and existing institutions that have varied responsibilities for building resilience and more broadly in Banjul.



8. **The design of physical works will consider climate change scenarios.** Climate change scenarios and expected growth projection will be used to inform the civil works.

9. Table 6.1 outlines the project components and subcomponents, highlighting relevant activities that would address the vulnerabilities to climate change and natural disasters discussed earlier as well as potential co-benefits for greenhouse gas mitigation.

Table 6.1. Specific Project Activities to Address Climate Change Vulnerability

Component	Climate Relevant Activity
<p>Component 1: Policy framework and MSME participation (US\$13 million)</p>	<p><i>Subcomponent 1a: Improved institutional capacity for data-driven planning, marketing, and branding</i></p> <p>This subcomponent aims to upgrade general tools, processes, and systems to target international visitors, with a specific focus on digital tools and nontraditional and regional markets. This subcomponent aims to improve evidence-based planning and implementation through enhanced tourism data collection and analysis.</p> <p>Adaptation and mitigation activities</p> <ul style="list-style-type: none"> • Technical assistance would also be provided to develop a critical understanding of tourism consumption and emissions.
	<p><i>Subcomponent 1b. Increase participation of tourism MSMEs within the selected destinations</i></p> <p>MSMEs in The Gambia are also vulnerable to the impact of climate shocks and stress, particularly floods. The risks to business due to climate change consist of material damage and business interruptions, including supply chain interruptions, and most importantly higher costs for energy and water.</p> <p>The objective of this subcomponent is to strengthen contractual relationships between tourism lead firms and MSMEs by upgrading domestic MSMEs; facilitating the transfer of technology, knowledge, and skills; improving business and management practices; and facilitating access to markets. This subcomponent will also support local MSMEs on adoption of digital and climate-smart technologies to increase productivity and innovation while building resilience to the impacts of climate change through capacity-building support and access to capital through the establishment of a matching grant scheme.</p> <p>Adaptation and mitigation activities</p> <ul style="list-style-type: none"> • This subcomponent will leverage existing institutions such as business associations and training institutes to create awareness on the impacts of climate change and ways to address them through potential climate-smart investments, such as increased use of solar panels and other ‘green’ technologies. • Through the capacity-building efforts and investments, the subcomponent will assess participating MSMEs risk on their assets due to increasing climate risk and based on the financial and technical feasibility recommend and co-fund innovative solutions in clean energy, energy efficiency, water conservation, rainwater harvesting, use of biodegradable materials, and better waste recycling, among others, to mitigate the impact of climate change. It will also support MSMEs in developing operations and maintenance plans. All these will help MSMEs in adopting mitigation and adaptation measures.



Component	Climate Relevant Activity
<p>Component 2: Infrastructure support for the diversification and resilience of the tourism sector (US\$50 million)</p>	<p>Subcomponent 2a: Protection, rehabilitation and integrated management of coastal areas</p> <p>This subcomponent aims to address the impacts of coastal erosion and sea level rise using a combination of NBS and hard infrastructure to improve the resilience of the tourism infrastructure.</p> <p>Adaptation and mitigation activities</p> <ul style="list-style-type: none"> • This subcomponent will include infrastructure works based on studies and designs that consider climate change projections and are informed through consultations with surrounding communities. Interventions will include NBS, such as natural barriers and plants to reduce erosion. • It will include training to construction workers on resilient construction practices, such as diversity and inclusion in hiring, and minimizing waste in construction materials and disposing of materials in an eco-friendly way. It will also include training on the WBG’s ESHS protocols. <hr/> <p>Subcomponent 2b: Integrated tourism product development and diversification of selected TDA/tourism areas</p> <p>This subcomponent aims to enhance the resilience and attractiveness of existing but underdeveloped and at-risk tourism areas.</p> <p>Adaptation and mitigation activities</p> <ul style="list-style-type: none"> • This subcomponent will include measures to reduce the erosion at Kunta Kinteh Island based on studies and designs that consider climate change projections and are informed through consultations with surrounding communities. • It will include training to the community and construction workers on resilient construction practices, such as diversity and inclusion in hiring, minimizing waste in construction materials, and disposing of materials in an eco-friendly way. It will also include training and sensitization on the WBG’s ESHS protocols. • It will include working with the community on developing operations and maintenance plans for the selected sites as well as habitat protection plans for select natural and cultural heritage tourism sites.
<p>Component 3: Project management, monitoring and evaluation (US\$5 million)</p>	<p>Adaptation and mitigation activities</p> <ul style="list-style-type: none"> • This component will finance the direct costs of management and operation of the project to ensure smooth delivery and compliance with World Bank policy and guidelines and M&E including climate change indicators.
<p>Component 4: Contingent Emergency Response Component (US\$0)</p>	<p>The Contingent Emergency Response Component could be triggered in the event of a climate-related disaster; however, this is a zero component and thus cannot be considered for climate co-benefits.</p>



ANNEX 7: Economic and Financing Analysis

COUNTRY: The Gambia
Tourism Diversification and Resilience in The Gambia

1. **This analysis outlines the economic rationale for the proposed project as an engine of sustainable tourism development and job creation using public funds.** The economic analysis presents a quantitative framework to (a) quantify the incremental tourism demand and job creation resulting from the project’s envisaged interventions—(i) improvements in the enabling environment (Subcomponent 1a) and (ii) integrated tourism product development and diversification of TDA (Subcomponent 2b); (b) derive incremental revenues and job creation for tourism SMEs who will benefit from technical assistance, financing, and private sector capital mobilization (Subcomponent 1b); and (c) quantify flood and erosion damages avoided owing to the protection, rehabilitation, and integrated management of coastal areas (Subcomponent 2a). The benefits quantified for each component are summarized in Table 7.1.

Table 7.1. Summary of Benefits from the Gambia Tourism Diversification and Resilience Project

Costs	Name	Key Benefits
Component 1	Policy framework and MSME participation	
Subcomponent 1a	Improved institutional capacity for data-driven planning, marketing, and branding	Direct impacts: Increase in number of international visitors from different sources with impacts on (a) tourism demand, (b) tourism receipts (international and domestic), and (c) other revenue streams (for example, security tax). Indirect impacts: Better data collection results in better management, indirectly feeding into other project components.
Subcomponent 1b	Increase participation of tourism MSMEs within the selected destinations	Increase in revenues from MSMEs and increase in job creation, private capital mobilization, productivity, and additional wages at targeted MSMEs
Component 2	Infrastructure support for the diversification and resilience of the tourism sector	
Subcomponent 2a	Protection, rehabilitation and integrated management of coastal areas	Direct and indirect costs avoided from flooding and erosion in intervened areas on a yearly basis in targeted regions in the Greater Banjul Area
Subcomponent 2b	Integrated tourism product development and diversification of selected TDA/tourism areas	Increase in number of international visitors seeking alternative destinations and product offerings (for example, nature-based and cultural tourism)
Component 3	Project management, monitoring and evaluation	n.a.

Rationale for Public Sector Financing

2. The rationale of this project is to support the Gambia National Tourism Policy Strategy for 2021–2031, which aims to consolidate the gains made in the last two decades in the sector, address existing and emerging challenges, particularly following the COVID-19 pandemic, and reposition the sector to render it more competitive, thereby enhancing its contribution to the national economy, employment, and growth. The project would contribute to these high-level objectives by creating the conditions necessary



to support the enabling environment for the sector and a recovery strategy following the pandemic-induced impact on the sector, improve capabilities for small operators in the sector, and protect coastal infrastructure. While the project seeks to catalyze investments in infrastructure to promote private investment in tourism, there are market failures which only the public sector can correct such as (a) improving the enabling environment; (b) building the capabilities of MSMEs in the sector through financing and technical assistance; and (c) improving the resilience and competitiveness of The Gambia's tourism products through coastal infrastructure works and integrated tourism development initiatives.

Economic Impact Analysis Framework

3. The economic impact analysis employs a cost-benefit model to estimate the expected NPV and ERR of the project's various interventions. The estimation approach is differentiated by intervention and then aggregated for the project. While it is expected that planned project investments are completed within a five-year project period, a long-term (20-year) projection horizon is used for the analysis as project contributions and benefits require a longer period to materialize. This methodology accounts only for the project's impact on direct beneficiaries and excludes economy-wide benefits which may result from increased tourism demand, broader entrepreneurial activities, and externalities/spillover effects resulting from coastal risk protection in the Greater Banjul Area. This is an important limitation as tourism is an enabling sector for economic growth as it has a wide supply chain that includes transport providers, agriculture producers, craftspeople, and microbusinesses. In Africa, between 2000 and 2014, the number of jobs attributable to the sector nearly doubled from 11.6 million to 20.5 million, which represents 8.1 percent of the region's total employment.⁴⁶ However, in the absence of a more comprehensive framework and data to capture the full stream of indirect and induced economic benefits including those in the labor market, through a multiplier/general equilibrium approach, this economic analysis is limited to quantifying benefits that can be directly traced to the project.

4. Similarly, the analysis does not consider second-order effects or positive externalities which may result from larger-scale, supply-driven private sector investments in the tourism and hospitality sectors once the interventions are in place. As follows, all else equal, the social rate of return could be higher given the private sector's potential as an engine for job creation and further growth.

Tourism Demand Projections

5. As part of the demand assessment, detailed forecasts were produced for three types of visitors: traditional international visitors, nontraditional international visitors, and domestic/land visitors.⁴⁷ Two demand scenarios were estimated.

6. **Without-project scenario.** This scenario represents the expected evolution of tourism demand based on recent trends in The Gambia but considering the COVID-19 pandemic-induced impact on overall demand from 2022 onward. Similarly, the analysis considers likely shifts in demand resulting from unmet supply/quality in products available as well as deterioration in attractions due to inadequate flood and erosion protection in areas currently exhibiting high tourism activity.

⁴⁶ World Tourism Organization. 2015. *Affiliate Members Regional Report: Volume four - Tourism in Africa: A Tool for Development*.

⁴⁷ As per the definition of the GT Board.



7. This scenario further considers the following assumptions:

- Uniform growth across traditional and non-traditional markets⁴⁸
- A baseline equivalent to 75 percent of tourism arrivals in 2019 (235,000), which is consistent with forecasts for international capacity for 2022⁴⁹
- Annual growth in international arrivals of 3 percent for 2022–2026 which considers the impacts of COVID-19 in the industry as well below the pre-pandemic projections of 8 percent
- Demand growth of 4 percent (2027–2031) which is consistent with pre-pandemic estimates and subsequently 1 percent (2031–2041), assuming that resilience interventions and diversification initiatives do not move forward, thereby slowing the pace of international arrivals

Table 7.2. Without-Project Tourism Projections

Parameters	Percentage
Forecast without project (years 1–5)	3
Forecast without project (years 6–10)	4
Forecast without project (years 11–20)	1
Baseline: Percentage of 2019 arrivals levels	75

- Length of stay remaining unchanged at 10 days per visitor and spending per day increasing by 1 percent during the period of analysis (that is, baseline is US\$40 for air visitors).

8. **With-project scenario.** This scenario represents the future demand that could materialize through the improvements in the tourism enabling environment and the development and diversification of TDAs. The economic scenario assumes that once project interventions are completed (year 6), international arrivals witness an increase of 3 percent and 4 percent from traditional and nontraditional markets, respectively, compared to the without-project scenario and that this additionality holds for four years.

9. The higher growth rate from traditional markets (compared to the without-project scenario) originates from interventions under Subcomponents 1a and 2b, aiming to support the tourism enabling environment and destination development, respectively. The difference in visitors between these ‘with project’ and ‘without project’ scenarios represent the incremental visitor demand assumed to be generated by the project. As follows, for the remainder of the project period (2032–2041), additionality of 1 percent applies for all markets as supply/quality of tourism offering, resilience measures, and improved sector management allow for a longer-term growth rate.

Table 7.3. Without-Project Tourism Projections

Parameters	Percentage
Additionality traditional markets without project (years 1–5)	0

⁴⁸ Due to data limitations on land arrivals and domestic tourism, only international arrivals are considered in this model. However, the proportion of tourists traveling by road-based mode may be significant and increase with project interventions, resulting in a greater number of arrivals and hence tourism spending.

⁴⁹ International Air Transport Association 2022.



Parameters	Percentage
Additionality traditional markets without project (years 6–10)	3
Growth rate traditional (years 11–20)	1
Additionality nontraditional markets without project (years 4–5)	0
Additionality nontraditional markets without project (years 6–10)	4
Growth rate nontraditional (years 11–20)	1

10. Given these assumptions, the project would attract over 80,433 additional tourists in the 20-year period. The economic benefits associated with this increased tourist activity would be captured through four channels:

- (a) **Increased average daily expenditures.** As the project would increase the number of tourists while also attracting high value-added segments, new source markets, and diversified tourism offering, daily expenditures are expected to be higher throughout the project life horizon. Available data⁵⁰ suggest that traditional markets spend more on average than nontraditional ones and domestic/land visitors. As follows, a 5 percent increase in daily expenditures across all markets is estimated.
- (b) **Average daily expenditures in this context** consist of out-of-pocket expenditures from tourists which are locally captured, particularly among MSMEs. This figure also includes local tour operators such as ground-handling companies, special-purpose service providers/guided tours (for example, bushwhacking and adventure tourism), and informal transport service providers catering for the tourism industry. All revenues borne by international tourist operators and hotel chains are excluded from the analysis.

Table 7.4. Average Daily Out-of-Pocket Spending with and without Project

Tourism Expenditures	Without Project	With Project
Average spending traditional markets	42.00	44.10
Average spending nontraditional markets	38.00	39.90

- (c) **Average visitor length of stay.** A conservative increase of 10 percent is assumed in the average length of stay from the current baseline to 11 days per visitor.
- (d) **Additional revenue from security fees.** The GoTG currently imposes a levy of US\$20 per visitor on arrival and departure. This is in addition to the average spending per visitor in the country. Adding these fees to tourism revenues resulting from longer stays and higher daily expenditures yields incremental revenues of US\$1.2 million discounted at NPV in the 20-year period.

11. The difference in revenue between the base and without-project scenarios for the 20-year period is presented in Table 7.4.

⁵⁰ GT Board 2018 Annual Report.



12. Over the 20-year projection horizon, the present value of the project's expected incremental benefits is estimated at US\$180.4 million.

13. On the cost side, besides the investment costs, the vast majority of expenses relate to capacity building, implementation support activities, and running expenses. In total, the present value of investment and recurrent costs is estimated at roughly US\$7.4 million.

14. Netting the expected benefits against the expected costs for Subcomponents 1a and 2b results in an NPV of US\$152 million and an ERR of 84.3 percent. The benefit-cost ratio is 2.1.

MSME Capabilities, Links, and Matching Grants

15. The economic analysis for the interventions under the MSME Subcomponent 1b is carried out under the primary assumption that targeted tourism MSMEs will exhibit additional revenue and job growth above the counterfactual. Additionally, the analysis assumes that capacity-building activities and MSME financing through the matching grant mechanism should result in a lower failure rate among beneficiaries. The analysis considers the following assumptions:

- The number of tourism-related MSME beneficiaries receiving technical support and financing through matching grants is estimated to be 200 MSMEs based on the project pipeline.
- The failure rate for MSMEs without the project would be 40 percent. With the project interventions, the failure rate goes down to 10 percent.
- A steady state revenue growth rate of 2 percent for MSMEs is estimated in the sample in the 'without-project scenario' and an additional growth rate of 4 percent in the 'with-project' scenario, with additionality applying for four years.
- Average revenue per MSME is US\$15,000, although larger firms have revenues of US\$20,000–US\$100,000, but these constitute a minority in the sample.
- In the case of tourism-related MSMEs with access to capital through the matching grant scheme, the grants are provided on a 70-30 basis, according to the project design.
- The schemes are paced with five different cohorts of MSMEs entering the program throughout the five years of the program.
- The analysis framework assumes a two-year delay for impact of the activities and investments under both subcomponents.
- Average salaries for the sector are estimated at US\$800 per year.

16. The NPV for this component is US\$3.6 million while the ERR is 15.4 percent for a 20-year period with 1,370 jobs created. It would be higher if it included network and demonstration effects, peer effects, productivity expansion and greater value chain integration, benefits from firm investment in growth-oriented activities, and lower local procurement costs for big corporations. It would also be higher if it included benefits related to job creation and stimulation of local industry associated with the development, building, and staffing of the hubs.

*Flood and Coastal Erosion Risk Analysis*

17. Drawing on an extensive technical assessment⁵¹ on flood and coastal erosion risk in the Greater Banjul Area and the two subareas prioritized for World Bank financing from Fajara to Senegambia, this stage of the economic analysis quantified benefits from coastal infrastructure and resilience solutions identified under Subcomponent 2b. These benefits are expressed as potential direct and indirect damages avoided as a result of flooding and erosion in the area of influence and a damage function that expresses the basic relation between occurring hazards and damage sustained. For erosion, 100 percent damage has been assumed in the eroded areas.

18. Next, land-use categories have been used to establish the economic land-use values of all building types located in the area of influence. On the shoreline extending from Fajara to the revetment of Senegambia, there is intensive touristic use of the beach for the entire stretch which extends for approximately 6 km. Loss of beach width is recognized as being detrimental to the local economy as beaches cannot be used for tourism anymore and hotels along the beaches will be affected by it. As follows, land valuation for touristic purposes is the highest of any land-use category and estimated at US\$400/m², while beaches used for tourism purposes are valued at US\$50/m², according to Government data. Furthermore, the area of intervention has the highest coastal erosion risk with beaches that could be eroded and with tourism at risk. Indeed, almost 80 percent of the area affected is the natural environment and the other 20 percent consists of the built-up area and tourism spots.

19. In the absence of coastal infrastructure and resilience solutions, combined land loss in this area would be expected to reach 79 ha by 2047, in which the built-up environment currently accounts for 8 percent (about 6.5 ha). Both tourism and the built-up environment account for the largest contributions to the total risk by 2047. With these parameters at hand, the annual average damage consisting of direct and indirect coastal erosion risks was calculated for 2022–2047 and is presented in Table 7.5.

Table 7.5. Erosion Risk in the Studied Area

Area	Length (km)	2047 Structural Erosion Damage (Yearly US\$, millions) ^a	2047 Indirect Erosion Damage (Yearly US\$, millions)	Total Damages Avoided (2022–2047) (NPV US\$, millions)	2047 NPV with 10% Discount Rate (US\$, millions)
Area 5B: Kotu Stream to revetment Senegambia	Approximately 2.6	0.14	3.7	90.4	28.9

Note: a. According to the study, the interventions would prevent structural erosion damage totaling US\$2.3 million by 2040 and US\$7.5 million by 2047. For the economic analysis, a linear conversion for the project’s time horizon (2022–2041) is applied and the direct erosion damage is distributed evenly starting from year 2. It is important to note that offshore detached breakwater structures that will be built for flood and erosion prevention, along with the beach and dune nourishment, have a project life well beyond 20 years. Indeed, erosion and flood annual average damages were significantly higher after 2041. As follows, benefits derived from these investments after 2041 are not captured by the economic analysis and potentially underestimated.

⁵¹ ‘Flood and Erosion Assessment Report’ (2021) produced for the World Bank technical assistance ‘Flood and Coastal Risk Assessment and Priority Investment Planning for Greater Banjul’.



20. The costs and benefits of the implementation of the flood and erosion measures result in an NPV of -4.4 million and ERR of 7.6 percent in the 20-year period.

Overall Project Impact

21. Aggregating the cost-benefit analysis carried out for the four sets of interventions, the estimated NPV of the project as a whole is approximately US\$149.5 million and the ERR 34.5 percent, with a cost-benefit ratio of 12 to 1.

Sensitivity Analysis

22. To better understand the relative sensitivities to key estimation variables, a scenario analysis was conducted by varying the values for the two key project parameters underlying the economic benefit calculations: visitor growth and SME revenue growth as well as possible cost overruns from any of the project components. The sensitivity analysis shows that economic benefits remain positive even under the combined three different adverse scenarios presented in Table 7.6.

Table 7.6. Results of Sensitivity Analysis

Parameter	Scenario	NPV (US\$)	ERR (%)
(a) Visitor growth	30 percent fall in arrivals from 2022 onward	81,493,842.48	19.1
(b) SME revenue growth	10 percent fall in SME revenues over project life	112,424,255.40	20.8
(c) Cost overrun	10 percent cost overrun for all components	112,994,895.21	20.6
(d) Shocks to benefit and cost	Combined impact (a-c)	75,877,513.42	18.3