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Prepared by: Hjalte S. A. Sederlof
Reviewed by: Clay Wescott
ICR Review Coordinator: Jennifer L. Keller
Group: IEGEC (Unit 1)

2. Project Objectives and Components

a. Objectives

The Project Development Objective (PDO) for the Gambia Integrated Financial Management Information System (IFMIS) project as set out on page 4 of the Credit Agreement and page 13 of the PAD was to increase the Government of The Gambia’s capacity in public resource management. The PAD (page 13) elaborates two expected outcomes: increased capacity for budget execution and reporting, and increased capacity for operating and maintaining the IFMIS.
The PDO was subsequently restated as follows: (i) *improve public resource management through the expansion of the IFMIS system*, and (ii) *strengthen capacity of the government to effectively use the system in a sustainable manner* (Restructuring Paper, 2019).

The ICRR will use this formulation to assess project achievement.

The ICRR will not undertake a split evaluation, as the restated PDO spells out the intentions that underlay the original objective.

b. Were the project objectives/key associated outcome targets revised during implementation?  
   Yes

   Did the Board approve the revised objectives/key associated outcome targets?  
   No

c. Will a split evaluation be undertaken?  
   No

d. Components
   The project originally had five components:

   **Component 1: IFMIS Rollout, Interfaces and System Training** (estimated cost at appraisal US$4.0 million; actual cost US$9.5 million). The component aimed at increasing government capacity to operate and maintain the IFMIS. It comprised five sub-components: (i) IFMIS hardware; (ii) IFMIS systems and applications software; (iii) consultancy services for IFMIS installation, configuration, and implementation; (iv) IFMIS systems training and certification; and (v) IFMIS skills transfer.

   **Component 2: New IFMIS activities** (estimated cost at appraisal US$1.0 million; actual cost US$0.02 million). The component was to lay the groundwork for the introduction of new IFMIS applications. It consisted of three sub-components: (i) business process review workshops and sensitization materials; (ii) IFMIS concurrent licenses for EPICOR financials and Active Planner (a software application); and (iii) Consultancy services for the validation of human resources and payroll records.

   **Component 3: Communications and Change Management** (estimated cost at appraisal US$0.1 million; actual cost US$0.04 million). The component was to create greater awareness among government officials and the public at large about the IFMIS. The communications and change management strategy included the production of sensitization materials and their use on targeted audiences in workshops and seminars, as well as the distribution of circulars, posters, newsletters etc.

   **Component 4: Accounting and IT Capacity Building for Sustainability** (estimated cost at appraisal US$0.3 million; actual cost US$0.42 million). The component was to increase local capacity in IT and accounting services. It had three sub-components: (i) overseas training for government officials in professional accounting and IT courses; (ii) local training in the same subjects; and (iii) professional accounting and IT books and related equipment.
**Component 5: Project Implementation Support** (estimated cost at appraisal US$0.40 million; actual cost US$0.85 million). The component provided financing for expenditures related to the IFMIS project coordination unit (PCU)

**SIGNIFICANT CHANGES DURING IMPLEMENTATION**

The project went through five restructurings including two Additional Financings. While the ICR’s Data Sheet includes a chronological listing of restructurings, the ICR details restructurings by theme, an approach that is also applied here.

**Revised PDO.** The PDO was revised as a Level 2 change (it was not submitted to the Executive Directors for approval), introduced to counteract the vagueness of the original formulation.

**Revised outcome indicators.** Outcome indicators were revised in four of the restructurings. Revisions were undertaken to make original indicators more measurable; clarify targets or units of measure; or revise targets to better reflects project progress. New indicators were introduced with the two Additional Financings reflecting expanded IFMIS coverage and new project activities. Annex 7 of the ICR provides a list of changes in indicators (which are also discussed in Section 9).

**Revised components.** While the five original components were maintained, their scope was adjusted with the introduction of the Additional Financings: Component 1 was expanded from US$4.0 million to US$9.5 million; and new modules were added to the original IFMIS (budget, project and contract management, human resources, and payroll), and an overall system/platform upgrading was done.

**New components.** Three new components were introduced, one, Component 6, supported statistical capacity building and was introduced under Additional Financing 1; and two - Components 7 and 8, preparation of a national energy emergency study and SOE reform, respectively, were introduced under Additional Financing 2.

**Project implementation period.** With the five restructurings, project implementation was extended from two and a half years to ten and a half years, from June 2010 to November 2020.

**Summary.** The restructurings not only expanded the IFMIS but also introduced activities that were independent of the IFMIS (Components 7 and 8) and were undertaken in response to emerging government priorities.

e. **Comments on Project Cost, Financing, Borrower Contribution, and Dates**

**Project cost.** At appraisal, total project cost was estimated at US$5.69 million. Actual project cost at closing was US$15.37 million, including two Additional Financings at US$5.0 million each, and reflecting adjustments to the exchange rate.

**Financing.** The project was financed with an initial IDA Credit of US$5.25 million and two Additional IDA Credits of US$5.0 million each, and a Trust Fund grant of US$0.4 million. US$15.4 million were disbursed.

**Dates.** The project was approved on June 1, 2010, with an original closing date of December 31, 2012. The closing date was extended three times, and the project closed on November 30, 2020.
3. Relevance of Objectives

Rationale

The original and revised PDO was aligned with country priorities, the Bank’s Country Engagement Note (CEN) for FY18 to FY21, and a Systematic Country Diagnostic (SCD), published in May 2021. The PDO is included as one of the enabling elements of the government’s own development strategy, and it is consistent with the priorities in the Second Joint IDA-African Development Bank Joint Strategy for The Gambia for FY13 to FY16. The SCD highlights the importance of IFMIS to sound PFM through improved budget preparation and execution, accounting, payroll, reporting, financial controls, and auditing. While the introduction of actions on SOEs and energy, included as new government priorities, aligned with “improving public resource management”, they fall outside the PDO focus on expanding the IFMIS and strengthening government capacity to use the system.

Rating

Substantial

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective
Improving public resource management by expanding the IFMIS system

Rationale
The objective was to be achieved by adding new modules to the IFMIS; and by expanding the IFMIS across all ministries, departments, and public agencies. Success was to be determined by (i) IFMIS coverage of central government expenditures; (ii) timely publication of budget execution reports; and (iii) timely availability of GDP data.

(The project also financed elements of public resource management that went beyond the IFMIS: better HR management, laying the foundations for a stronger energy sector by financing a sectoral roadmap, and achieving better control of SOEs through special audits as a means of reducing fiscal risk. As these fall outside the PDO, they are not taken into consideration when assessing project efficacy.)

Outcomes

As a result of the project, IFMIS now includes all central government expenditures against a target of 90 percent; all budget execution reports are included on the website of the Ministry of Finance in line with the
target; and the budget execution rate (excluding donor funding) is 91 percent, against a target of 90 percent. GDP data is made publicly available annually, against a target of quarterly availability.

The ICR (p.7) indicates that because of these measures, the IFMIS has improved efficiency in processing payments, in accounting, and in reporting: payment backlogs have been cleared, 2020 accounts are being prepared, and 2019 accounts are being audited. Interface with the Central Bank has enabled Electronic Funds Transfer, increasing the predictability of cash flows and transactions efficiency as the country moves from physical approval of transactions to electronic transfers.

The ICR flags several weaknesses in IFMIS operations: system interface and data migration are still incomplete; reporting on public spending remains unreliable as some commitments remain outside the IFMIS, for instance subsidized agencies and project coordinating units. System use is also constrained by data gaps, insufficient granularity, and occasional misalignment with other government reporting.

Summary. The roll-out of the IFMIS was achieved, and new modules were introduced that increased its efficiency as a means of processing payments, accounting, and reporting. At the same time, the IFMIS displays operational deficiencies that are likely to reduce its usefulness if not tackled. The HR improvements led to significant savings. Outside the PDO framework, energy and SOE initiatives may reduce fiscal risk and improve performance over time, but there are few indications of whether these reforms are achieving, or moving towards, intended changes, absent indicative milestones.

Rating
Modest

OBJECTIVE 2
Objective
Strengthening the capacity of the government to effectively use the IFMIS in a sustainable manner

Rationale
The objective was to be achieved by building capacity in key organizations that would allow them to apply the IFMIS system for better policy making and fiscal management. Success was to be measured by timely availability of fiscal data for policy making.

The project built capacity in the Budget Directorate in budget data analysis. This included training to enhance the Directorate's capabilities in IFMIS network, database, and support functions; and at establishing a core team to oversee the integrated human resources management information system and payroll modules. Sensitization and behavior change activities have been undertaken to raise awareness about the IFMIS among a broader segment of public officials as well as the public at large.

Staff from The Gambia Bureau of Statistics was trained in the use of IFMIS for collecting, processing, and analyzing key data inputs, including the development of a strategic plan to develop a new civil registration and vital statistical system. This was accompanied by key statistical inputs, including an economic census and business establishment survey, an integrated household survey, and GDP and CPI rebasing.
Despite the capacity building initiatives, the ICR cautions that the effective use of the IFMIS cannot be established based on project results. Gaps in recording of expenditures remain, as do concerns about economic classification, both of which may be indications of deficiencies in staff training. Consequently, regular issuance of GDP data (which was intended as a proxy measure of improved statistical capacity and systems) had not been achieved by project closing. Other measures also remain uncertain, such as changes in arrears to government suppliers, and government contracts managed through the IFMIS, and hence they had been dropped as indicators. On the positive side, the IMF in its Extended Credit Facility report indicates that expenditure control and treasury cash management have recently improved, and major expenditure overruns and accumulation of arrears have been avoided. But it also signals an urgent need to improve the quality of fiscal data. Using the IFMIS to report on state budget funding by civil society, albeit of uncertain quality, has increased transparency and accountability of government (ICR, p. 10).

The ICR does note, correctly, that it is difficult to substantiate sustainability of system use. There remain gaps in its use; system modules, interfaces and data migration are incomplete; and data lacks robustness. All these concerns will take time to address and are a function of how IFMIS quality improves.

Rating
Negligible

OVERALL EFFICACY

Rationale
Of the two objectives, the first one was partly achieved and the second one barely so, based on available information. The first objective – improving public resource management by expanding the IFMIS system strengthened processing and reporting of information in the system, but several weaknesses remained that influenced the quality of information flows. They remain to be resolved. The second objective – strengthening capacity to sustainably use the system – did undertake capacity building initiatives, but information on effectiveness is lacking and sustainability as defined in Section 2a cannot be confirmed. Considering the uncertainty regarding sustainability of the IFMIS, the overall efficacy rating is negligible.

Overall Efficacy Rating
Negligible

Primary Reason
Insufficient evidence

5. Efficiency
Neither the PAD nor the ICR undertook an economic analysis of the project, noting difficulty in quantification of benefits and pointing to qualitative efficiency gains in improved governance. The ICR did point to savings on ghost worker wages estimated at US$11 million over the life of the project by strengthening the personnel database and payroll; higher efficiency in public spending as measured by fiscal savings of some 4.9 percent of GDP; unquantified savings from energy sector reforms; SOE reform, notably a progressive clearance of arrears,
estimated by the IMF at 0.3 percent of GDP in terms of arrears to domestic suppliers. While these were favorable outcomes, their attribution to the project is questionable. Efficiency was also undermined by an implementation period of ten years instead of two and one half, increasing the cost from US$5.25 million to US$15.39 million. The project team told IEG that the original timing estimate reflected the fact that there was already an existing IFMIS system developed with the support of a previous Bank project that would be expanded to additional government sites. The project team at design was counting on being able to rely on the PCU of the previous project for implementation. During project preparation, the team did not foresee the future need to expand the system to include web-based functionality which was the main purpose of the first additional financing.

Efficiency Rating
Modest

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

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<tr>
<td>ICR Estimate</td>
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* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

Relevance of objectives was rated substantial: the focus on building the IFMIS to improve public resource management corresponded to government and Bank priorities. Efficacy was rated negligible: one objective was partly achieved, with significant weaknesses remaining that influenced the quality of information flows; and the other raised questions of sustainability of project outcomes. Efficiency was rated modest: despite greater efficiencies in public spending, they were achieved over a ten-year period compared to an expected two years.

a. Outcome Rating
Moderately Unsatisfactory

7. Risk to Development Outcome

The ICR points to several challenges in rating the risk to development outcome as Substantial, reflecting the large number of activities or reforms that remain incomplete and will require additional resources: These include the need to finalize incomplete modules and interfaces for IFMIS, and address remaining
uncertainties about data quality and integrity, requiring buy-in by relevant government officials. Despite an emphasis on capacity building under the project, the ICR team still points to risk in this area, as trained staff becomes attractive on the private market.

On the other hand, despite the end of support from this operation, the IFMIS has been expanded in 2021 to all local government councils and is being rolled out to all self-accounting projects, to embassies, and to two agencies, the Office of the Ombudsman and the Human Rights Commission (IMF 2021. Gambia Second Review under the Extended Credit Facility. This expansion is expected to continue with support from follow-up projects such as a governance project under preparation that builds on the IFMIS project, and a Fiscal Management Development Project (P166695) that aims at better management of fiscal resources and SOEs. Despite these positive indications, the risk to the development outcome remains substantial.

8. Assessment of Bank Performance

a. Quality-at-Entry

The project was strategically relevant, building an information system for sound public expenditure management that could provide greater stability to a small open economy. It was consistent with the Bank’s country strategy as articulated in several documents although country capacity was clearly overestimated, and it drew on the experience of a preceding Bank project in the same area - a Capacity Building and Economic Management project, including maintaining the PCU from that project, and key lessons were incorporated into the design of this project to bolster existing weaknesses that threatened the sustainability of the system: it was critically dependent on a relatively weak IFMIS operator (the Directorate of Treasury); on weak budget execution; and the need for stronger inter-ministerial coordination as a key to ownership of the IFMIS.

While the project drew on the experience of a previous one (Capacity Building for Economic Management, P057995) quality of entry had many weaknesses. The project was designed as a two-year project in a very low-capacity environment when similar projects in higher capacity countries have a lifespan of five to six years. While external factors contributed (regime change and unforeseen necessity to upgrade to web-based platform), the original design seriously underestimated cost and complexity of reforms and the difficult operating environment. The project logic was originally straightforward but then confused through the introduction of a number of at best peripherally related objectives (SOEs, energy, human resources). The original PDO formulation was vague and did not well reflect the sought-after outcomes on IFMIS.

Quality-at-Entry Rating
Unsatisfactory

b. Quality of supervision

Formal supervision missions were undertaken twice yearly, supported by technical assistance throughout the time of project implementation. The missions assessed project progress and interacted with national...
stakeholders and development partners. The five restructurings, including two AFs, indicate a challenging implementation environment and might have called for a redesign or cancellation of the project, particularly as new tasks were added to it. Instead, supervision ratings were mostly satisfactory, especially during the first five years, which is surprising given its overall performance.

Quality of Supervision Rating
Unsatisfactory

Overall Bank Performance Rating
Unsatisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design
M&E design was weak. It was based on a PDO broadly aimed at improving public resource management, later redefined as expanding IFMIS and increasing government capacity to use the system. In a third iteration of the PDO, new government priorities were introduced. None of these changes were formalized. Original key indicators were all revised during implementation, some twice. No outcome indicators were introduced to measure the impact of actions on the government’s new priorities.

b. M&E Implementation
The project maintained accessible records on the IFMIS roll-out and implementation of the other PFM reforms. Quarterly and annual performance reports were produced. The annual report was circulated to major stakeholders and included on the Ministry of Finance’s homepage.

The PCU collected data and prepared reports on progress of key indicators. These guided supervision missions and in-the-field technical assistance and adjustments to the project. M&E was mostly rated satisfactory despite repeated slippages in implementation, which were countered by continued strengthening of the PCU.

Original key indicators were all revised during implementation.

The team added new indicators to measure wider IFMIS coverage and support to SOEs, but there was no new indicator measuring support to the energy sector.

c. M&E Utilization
M&E was used to inform project management and decisionmakers of project progress and aspects of the project that needed strengthening during implementation. One shortcoming is that intermediate
indicators that had been achieved were dropped during the third restructuring; they should have been retained to get a full picture of project achievement.

M&E Quality Rating
Modest

10. Other Issues

a. Safeguards
The environmental assessment category was rated as “C” and no safeguard policies were triggered. During implementation, no environmental or social issues were identified despite de facto significant broadening of project scope.

b. Fiduciary Compliance
Procurement and Financial Management were rated “Satisfactory” from ISR 1 to ISR 16 (June 2018) when both ratings were downgraded to “Moderately Satisfactory”. The Financial Management rating was downgraded due to the weak internal control environment, the poor quality of the record keeping mechanism and the lack of oversight of the postings and supporting documents in respect of all expenditures. The procurement rating was downgraded due to non-conformity around strengthening the procurement section of the Project Operations Manual. Fiduciary risk was rated as “Low” from inception to ISR 6 (October 2012), when it was upgraded to “Substantial” due to high levels of corruption in The Gambia. However, the risk rating was reverted to “Low” in ISR 9 (December 2014) based on applied mitigation measures. The project mitigated the risks of fraud and corruption by ensuring that procurement under the project was carried out according to World Bank guidelines, as well as by making sure that the project would only use the IFMIS accounting system. The fiduciary risk was again upgraded to “Moderate” in ISR 12 (March 2016) based on procurement delays.

c. Unintended impacts (Positive or Negative)
None noted

d. Other
None noted

11. Ratings
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<th>IEG</th>
<th>Reason for Disagreements/Comment</th>
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<td>Outcome</td>
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<td>Moderately Unsatisfactory</td>
<td>Weak assessment of implementation challenges at start-up, resulting in a ten-year project with at best modest outcomes.</td>
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### 12. Lessons

The following lessons were drawn from the ICR:

**A well-defined PDO can facilitate tracking project progress towards its objectives.** In this project, the PDO was initially too broad. The PDO should have been formally amended to reflect the significant expansion in scope.

**Political commitment and ownership of the borrower matter.** An explicit target IFMIS completion date could be announced early in project implementation and monitored closely at the highest level.

**The context for implementing reforms in a challenging environment need to be well understood.** PFM reforms cannot be achieved focusing only on technical solutions but need to be accompanied by behavioral and policy change.

### 13. Assessment Recommended?

No

### 14. Comments on Quality of ICR

The quality of evidence and the analysis presented in the ICR was satisfactory, albeit that a more systematic focus on outputs and outcomes could have facilitated the arguments in the text. While the PDO formulations were challenging, the ICR did provide necessary clarity to allow assessment.

**a. Quality of ICR Rating**

Substantial