



The Gambia

Population ¹	2,280,102
Area (km ²) ¹	11,300
GDP per capita (USD) ¹	732.71
TES (Mtoe) ²	N/A
Energy intensity (toe/10 ³ 2015 USD) ²	N/A
CO ₂ emissions - energy (MtCO ₂) ³	0.6

There is no data by Orbis Crossborder Investment on completed energy projects and deals from 2015-2021

Sources:

1. The World Bank 2018
2. ©IEA (2021), World Energy Balances (<https://www.iea.org/data-and-statistics>). All rights reserved.
3. ©IEA (2021), CO₂ Emissions from Fuel Combustion (<https://www.iea.org/data-and-statistics>). All rights reserved.

The Gambia’s overall risk level against the assessed areas is **moderate**.

Of the three risks assessed in EIRA, *discrimination between domestic and foreign investors* is lower compared to *breach of State obligations* and *unpredictable policy and regulatory change*.

The Gambia’s performance is good on one indicator, and it is moderate on three indicators. It has maintained a good score of 68 on *regulatory environment and investment conditions*. On *rule of law* it has a score of 57, same as in EIRA 2020. Its score on *management of decision-making processes* has increased by two points and stands at 52. On the indicator *foresight of policy and regulatory change*, its performance has improved by 19 points, and its score is now 52.

On a more detailed level, The Gambia’s overall sub-indicator performance is moderate. The highest-scoring sub-indicators are *restrictions on FDI* at 75 and *management and settlement of investor-State disputes* at 73. On *regulatory effectiveness* its score is 61, the same as in EIRA 2020. Its score has improved by 15 points on the sub-indicator *communication of vision and policies*, from 41 to 56. Following this is *institutional governance* at 53 and *transparency* at 50. Its score on *robustness of policy goals and commitments* has improved the most, from 25 to 49. This year, *respect for property rights* is the lowest-scoring sub-indicator at 42.

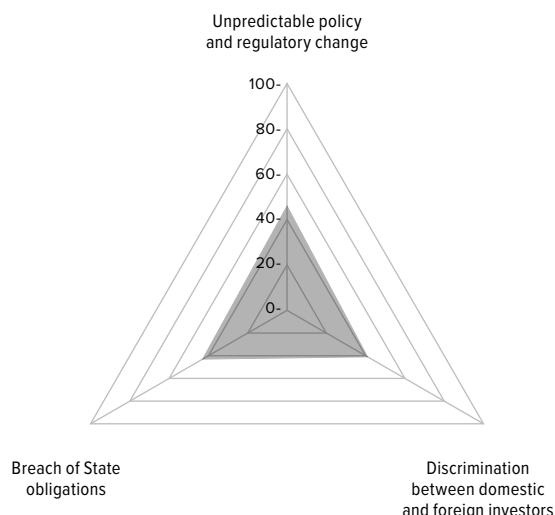
While there are some improvements in The Gambia’s performance compared to EIRA 2020, further steps need to be taken to build on the work done. Particular attention should be given to strengthening the respect for property rights in the country.

YEAR-ON-YEAR COMPARISON

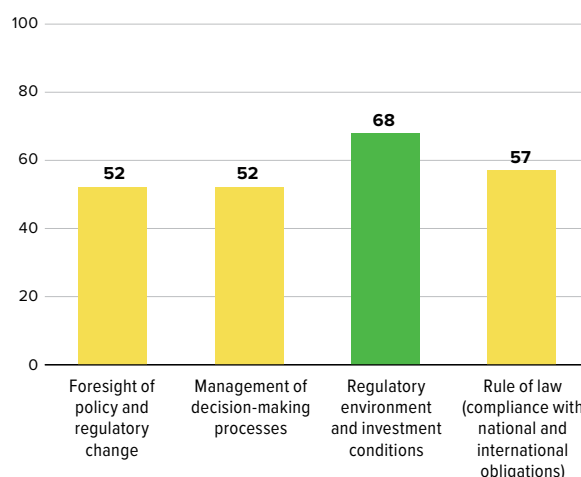
RISK AREAS	2018	2019	2020	2021
Unpredictable policy and regulatory change	53	53	53	46
Discrimination between domestic and foreign investors	42	42	42	41
Breach of State obligations	43	43	43	43

INDICATORS	2018	2019	2020	2021
Foresight of policy and regulatory change	33	33	33	52
Management of decision-making processes	50	50	50	52
Regulatory environment and investment conditions	68	68	68	68
Rule of law	57	57	57	57

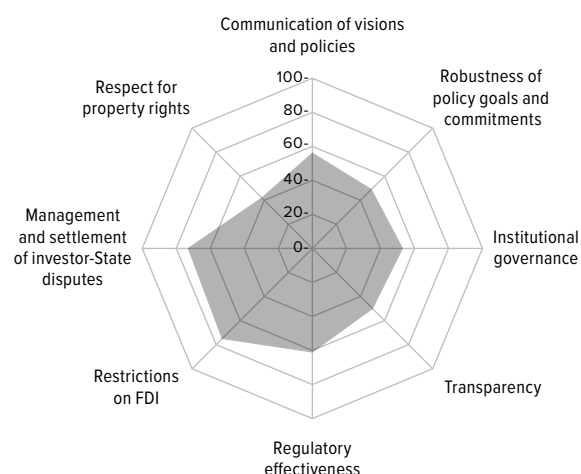
RISK LEVEL



INDICATOR PERFORMANCE



SUB-INDICATOR PERFORMANCE



Foresight of policy and regulatory change

QUICK FACTS

The Gambia's National Development Plan sets the country's development and investment programme from 2018-2021.

The Ministry of Petroleum and Energy (MoPE) recently published its Strategic Plan 2021-2025 (Strategic Plan). It has also developed a draft Strategic Master Plan for the Gambia's Electricity Sector (2021-2040) to update the 2017 Electricity Sector Roadmap.

STRENGTHS

The MoPE's Strategic Plan sets the short- and mid-term priorities for the energy sector. One of its main objectives is to create an appropriate policy, legal, and regulatory framework for energy and petroleum. To this end, the MoPE plans to update the national energy policy in 2021, approve a revised petroleum law by 2025, and update seven petroleum sector regulations by 2025. It also aims to improve the percentage increase in transmission and distribution capacity from 55% in 2020 to 85% in 2023 and 100% in 2025. The Strategic Plan seeks to reduce transmission and distribution losses from 20% in 2020 to 2% from 2021 to 2025. To ensure an adequate and reliable energy supply, it targets an increase in electricity generation from 351 GWh in 2020 (baseline) to 421 GWh in 2021 and 600 GWh in 2025. The energy supplied from renewable sources should increase from 1% in 2020 to 25% in 2021 and 60% in 2025.

The Strategic Plan contains a results-based framework to track its implementation. Each expected result is accompanied by key performance indicators, a baseline, measurable targets from 2021 to 2025, and mechanisms to verify the progress. The Strategic Plan envisages two oversight mechanisms within the MoPE. One is the Policy Committee which will conduct overall policy oversight for the Strategic Plan, review the progress on its implementation and approve adjustments to it. The second is a Technical Committee that will conduct technical oversight for the Strategic Plan's implementation, coordinate the preparation of progress reports, identify and alert the Policy Committee on any implementation challenges, and organise the annual stakeholders' forum.

AREAS FOR IMPROVEMENT

Since the MoPE is currently in the process of revising the national energy policy, it should use this opportunity to define ultimate outcomes and a long-term vision (2050) for the energy sector. It should also update the national renewable energy and energy efficiency action plans (drafted in 2014) in line with its Strategic Plan.

The MoPE should ensure that the monitoring and evaluation process in its Strategic Plan is fully implemented. It should also ensure the upcoming national energy policy has provisions on ex-post impact assessment. Finally, it should make the performance evaluation and budget execution reports of MDAs publicly available to improve accountability.

Management of decision-making processes

QUICK FACTS

The Gambia has a unicameral legislature.

The Gambia's energy policies are framed and implemented by the MoPE.

STRENGTHS

The MoPE developed its Strategic Plan through inclusive consultations with stakeholders in the energy sector, including MDAs, the National Assembly, private sector entities, civil society, local communities, and donor agencies. The MoPE also conducted a Strengths, Weaknesses, Opportunities and Threats analysis and surveys at an institutional and individual level to assess the capacity development needs of The Gambia's civil service. The Strategic Plan's Implementation Responsibility Matrix designates a lead authority to implement each of its targets and the MDAs, non-State actors and development partners supporting the work. In June 2020, the Local Government Amendment Bill 2020 was submitted to the National Assembly's Business Committee for review. This Bill aims to fortify the independence of area council members from political influence and reinforce freedom of speech as envisaged in the Constitution.

In 2021, the Government submitted the Anti-Corruption Bill to the National Assembly for its approval. The Bill will be tabled for discussion in the next legislative session of the year. Significant progress was also made on the Access to Information Bill. The National Assembly's Committee on Education, Training and ICT reviewed this Bill most recently. The review report of the Committee was successfully adopted by the National Assembly on 25 June 2020. In December 2020, the Government presented the Bill to the National Assembly for consideration and enactment during its second reading.

AREAS FOR IMPROVEMENT

The MoPE ensured cooperation with stakeholders in developing its Strategic Plan. It is advised to replicate this approach in other priority areas, such as regulating household energy consumption which accounts for 80% of energy demand. The main energy source for households, fuelwood, currently falls under the joint responsibility of the MoPE and the Ministry of Environment, Climate Change and Natural Resources as per the Forest Act. The ministries are advised to develop institutional tools for coordinating decisions between themselves and the relevant MDAs to avoid implementation overlaps or gaps.

The Government should adopt the Access to Information Bill and the Anti-Corruption Bill as soon as possible. It should also set up an independent Anti-Corruption Commission as soon as the Anti-Corruption Bill is signed into law. The Commission should be empowered with sufficient financial and human resources to investigate and prosecute corruption cases and to confiscate public officials' assets if needed.

Regulatory environment and investment conditions

QUICK FACTS

The Public Utilities Regulatory Authority (PURA) regulates, among other sectors, the electricity and downstream petroleum sub-sectors.

The Petroleum (Exploration, Development and Production) Act of 2004 defines the regulatory functions of the MoPE.

STRENGTHS

In March 2021, the National Assembly's Public Enterprises Committee and the Environment and Sustainable Development and NGO Affairs Committee adopted the Petroleum Commission Bill. This Bill establishes an independent Petroleum Commission in line with the ECOWAS guidelines on separating policy from operational responsibilities in the oil and gas sector. In the power sector, the Government has secured about USD 300 million in donor funding to improve the operational performance of the National Water & Electricity Company (NAWEC) and increase its capacity to dispatch variable renewable electricity. Moreover, the MoPE anticipates that by 2023 The Gambia will be connected to the West African Power Pool via the OMVG and OMVS networks. This development will help to bring frequency and voltage stability and greater security of supply.

The MoPE's Strategic Plan aims to mobilise USD 600 million by 2025 to develop the country's energy infrastructure. In this context, the Government inaugurated the USD 17 million Gambia Electricity Access Project in March 2020 to increase the population's access to affordable and reliable electricity services. It is also trying to attract investment in power generation. On 4 November 2020, NAWEC issued a request for qualification from independent power producers to develop, finance, build, operate and maintain a 30 MW dual-fuel power plant in Kotu. There were also some developments in the oil and gas sector. On 25 June 2020, Australian-based FAR signed new Joint Operating Agreements (JOA) for the A2 and A5 offshore blocks with PC Gambia, a subsidiary of the Malaysia-based Petronas. The updated JOA better reflects the terms and conditions of the new licences. Although drilling activities were temporarily put on hold due to COVID-19, FAR confirmed in April 2021 its intention to resume operations during the second half of the year.

AREAS FOR IMPROVEMENT

The Government should increase the PURA's institutional capacity and streamline the existing resources to meet the objectives set for all the regulated sectors. Alternatively, it may also consider establishing a separate and independent authority dedicated exclusively to energy regulation.

The Government should expedite the liberalisation of the energy market and reduce the MoPE's role in NAWEC's decision-making. Furthermore, it should establish, without delay, the legal and regulatory framework for private investment in transmission and distribution, a segment currently under NAWEC's exclusive domain.

Rule of law

QUICK FACTS

The Gambia ratified the Convention on the Settlement of Investment Disputes between States and Nationals of Other States in 1974.

Intellectual property rights are guaranteed by the Industrial Property Act 2007.

STRENGTHS

The Government is making efforts to settle disputes with foreign investors amicably and, in turn, give an impetus to resource exploration. In September 2020, it reached a mutual agreement with the Norwegian-based oil and gas company PetroNor to settle its arbitration related to the A1 and A4 offshore licences. PetroNor has regained the A4 license and signed a 30-year lease under new terms of the settlement agreement. At the same time, it has relinquished its claim to the A1 block. Notably, national laws do not oblige investors to exhaust local judicial remedies before recourse to international arbitration. Similarly, international agreements do not impose such conditions on investors.

The Constitution guarantees private property rights. Expropriation for reasons of public interest is only possible with prompt payment of adequate compensation determined by the court or another independent authority. In March 2021, the MoPE published Resettlement Action Plans (RAP) for two sub-projects under The Gambia Electricity Restoration and Modernisation Project. One sub-project is for modernising the transmission and distribution infrastructure of the Greater Banjul Area, and the other is for the Laminkoto-Diabugu Electricity Transmission Corridor. The RAPs aim to minimise the adverse economic, social and environmental impact of involuntary resettlement. They require that all persons affected by the project activities receive compensation calculated from a specific date. The RAPs establish the eligibility for compensation and the procedure for valuation and payment of compensation for losses and resettlement measures. Each RAP also sets up a project-level grievance mechanism to address complaints and concerns raised during the RAP's implementation.

AREAS FOR IMPROVEMENT

As foreign investments in The Gambia are increasing, the Government should adopt appropriate dispute prevention policies and institutional setups, such as an early-warning mechanism and an investment ombudsperson, to assist investors in addressing potential grievances against public authorities early on.

In addition to project-specific tools, such as RAPs, acts of expropriation should be underpinned by law and conducted following due process. Therefore, the Government could enact a law on the expropriation of private property that includes detailed provisions on determining compensation and establishes a timeframe for its payment. The law may also define "public interest" to ensure the legitimacy of the decisions to expropriate.

IMPLEMENTATION STATUS



Gambia (The)

PROPOSED IN	EIRA AREAS FOR IMPROVEMENT	IMPLEMENTATION STATUS AS OF 1 APRIL 2021
Indicator 1		
2018	Prepare and adopt, at the earliest, a new energy strategy that sets the overarching framework for actions after 2020.	Work ongoing. The Ministry of Petroleum and Energy (MoPE) recently published its Strategic Plan 2021- 2025 (Strategic Plan). One of the targets under the Strategic Plan is to adopt an updated national energy policy in 2021.
	Create ex-ante and ex-post policy evaluation and review mechanisms.	Work ongoing. The MoPE's Strategic Plan contains a results-based monitoring and evaluation framework to track its implementation.
	Integrate ultimate outcomes and a long-term vision (2050) in the upcoming national energy policy and update the national renewable energy and energy efficiency action plans.	Improvement suggested in 2021. Status will be updated in 2022.
2021	Grant public access to the performance evaluation reports and budget execution reports of MDAs.	Improvement suggested in 2021. Status will be updated in 2022.
Indicator 2		
2018	Draft and adopt a law facilitating public access to information held by State authorities.	Work ongoing. In December 2020, the Government presented the Access to Information Bill to the Parliament of The Gambia for consideration and enactment during its second reading.
	Establish the Competitiveness Improvement Forum as required in the Gambia Investment and Export Promotion Agency Act of 2015.	Pending
2020	Give public access to the extractive industry contracts and consider joining the EITI.	Work ongoing. The MoPE's Strategic Plan aims to ensure the rate of adherence to the standards of EITI must increase from 0% in 2020 (baseline) to 50% by 2021, 80% by 2023 and 100% by 2025.
2021	Develop institutional tools to coordinate decisions on fuelwood monitoring and regulation between the MoPE and the Ministry of Environment, Climate Change and Natural Resources.	Improvement suggested in 2021. Status will be updated in 2022.
	Adopt the Anti-Corruption Bill and set up an independent Anti-Corruption Commission that has sufficient financial and human resources.	Improvement suggested in 2021. Status will be updated in 2022.
Indicator 3		
2018	Increase the Public Utilities Regulatory Authority's institutional capacity and streamline its operations so that it may effectively perform its functions.	Pending
	Ease access to land and provide certainty on land titles by creating registry mechanisms and comprehensive records.	Pending
	Limit the Government's right to own some, or the majority, of shares in strategic industries, such as mining, and petroleum exploration and refining activities.	Pending
2020	Liberalise the energy market and limit the State's involvement in the National Water and Electricity Company.	Pending
2021	Establish without delay the legal and regulatory framework for private investment in transmission and distribution.	Improvement suggested in 2021. Status will be updated in 2022.
Indicator 4		
2018	Set definitive timelines for domestic courts to deliver judgements in commercial disputes.	Work ongoing. Constitutional, institutional, and legal reforms are underway in line with the National Development Plan 2018-2021.
	Adopt dispute prevention policies and institutional setups, such as an early-warning mechanism and an investment ombudsperson, to assist investors in addressing potential grievances against public authorities.	Pending
	Enact a law protecting investors against the expropriation of property. The law may define the conditions of "public interest" that can prompt an act of expropriation, the procedure to determine the compensation, and the timeframe for its payment.	Work ongoing. In March 2021, the MoPE published Resettlement Action Plans (RAPs) for two sub-projects under The Gambia Electricity Restoration and Modernisation Project. Each RAP also sets up a project-level grievance mechanism to address complaints and concerns raised during the RAP's implementation.