

THE GAMBIA—REAPING BENEFITS FROM LARGE INFRASTRUCTURE PROJECTS¹

The Gambia is hosting the 2022 summit of the Organization of Islamic Cooperation (O.I.C.). The literature on the hosting of mega-events indicates that their ex-ante expected economic benefits have often been exaggerated. Based on experiences of countries who organized mega-events in the past, some policies could be drawn to minimize fiscal risks and maximize economic benefits from such events. Some policy recommendations could include a cap on public expenditure, a cap on the size and requirements of the event, partnership with the private sector, creation of an entity in charge of event legacies, use of some temporary structures, and knowledge exchange. More broadly, beyond mega-events, a sound and effective infrastructure governance and public investment management are necessary to ensure that public financial resources are used efficiently in support of sustainable and equitable development.

A. Introduction

1. The Gambia is hosting the 2022 summit of the Organization of Islamic Cooperation (O.I.C.). The summit will take place in the capital Banjul during 2022 and will involve hosting delegations from the 57 OIC Member States [in addition to some affiliated institutions, including regional development institutions (such as IsDB, BADEA, AfDB...)].² In anticipation of the potentially high number of participants and increased tourism activity, the government has been planning for a smooth hosting of this major event, notably through the upgrading of the country's physical infrastructure in Banjul and its surrounding areas. The Government is hoping for a significant impact of this event on the economy, from increased tourism spending and infrastructure updates. The projects envisaged by the Government include the construction or repairing of traffic networks (including roads), power and water utilities, transport facilities, and housing facilities (such as hotels).

2. The literature on the hosting of mega-events indicates that their expected economic benefits have often been exaggerated. As one-time, ambulatory occasions of a fixed duration that attract many visitors and have large mediated reach, mega-events entail significant costs and long-term impacts on the environment and the population of the host countries or cities (Müller 2015a).³ However, ex-ante impact assessments of mega-projects generally overestimate the gains and underestimate the costs involved. Experience has shown that it is difficult to justify based on a rigorous cost-benefit analysis why countries or cities compete vigorously for hosting such events.

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² The OIC is the second-largest intergovernmental organization in the world after the United Nations, with a collective population reaching over 1.8 billion.

³ Müller (2015b) characterizes what makes an event a “mega-event” based on the following four constitutive dimensions: visitor attractiveness, mediated reach, costs, and transformative impact. Barclay (2009) mentions Eric Barget, who sets a minimum threshold of a total audience of at least one billion viewers or 30 countries broadcasting the event.

Other non-pure economic— but rather political, cultural, or other intangible—factors come into play and continue to influence the decisions of countries to embark on mega-projects.

3. An important factor of the disconnect between ex ante expectations predictions and ex post impacts of mega-events is their association with the undertaking of large infrastructure investments. The costs of hosting megaevents (infrastructure and operating costs) have increased significantly in just a few years. Operating costs—or the cost of organizing the event itself (such as salaries, temporary overlays, or security)—have increased due to the extensive security that mega-events require since the 9/11 terrorist attacks but constitute a smaller, though significant, part of the total cost.⁴ Infrastructure costs—that is, the money that goes into infrastructure for hosting the event—can be decomposed in two parts: i) the infrastructure directly related to the mega-event (such as stadiums construction in the case of sport or conference venue construction in the case of an international summit); and ii) general infrastructure (such as transportation, tourist accommodations, ICT, energy, or public spaces). General infrastructure constitutes the main cost of mega-events, accounting over the last decade for 50 to 80 percent of the total cost of hosting sport mega events.⁵ The hosting of mega-events is indeed generally considered an opportunity to upgrade the stock of physical infrastructure, with promises of high long-term economic growth.

4. The Gambia’s Government could draw on lessons learned around the world with a view to maximizing the net economic impact of the O.I.C summit. This paper reviews the literature related to the problems encountered in organizing mega events and the policies suggested for maximizing their net economic contribution (or minimizing their net economic costs). To that end, the paper focuses on the management of infrastructure investment scaling-up and the strengthening of infrastructure governance systems.

B. Literature Review and Cross-Country Experiences

5. Macroeconomic theory posits that public investment stimulates economic activity through short-term aggregate demand effects, and it increases the productivity of existing private capital (both physical and human). Public investment encourages new private investment to take advantage of the higher productivity it creates, thereby increasing economic growth (Barro 1990, Barro and Sala-i-Martin 1992, and Turnovsky 1997). More specifically, the impact of public investment on long-term economic growth is directly related to i) the *efficiency* of the new investment—how the new investment translates into additional physical infrastructure—; and ii) the *productivity* of the newly created physical infrastructure—how the created physical infrastructure affects the economy.

6. After some initial disagreement, the empirical literature has confirmed recently the

⁴ For the Olympic games, Sydney spent \$250 million in 2000 while Athens spent over \$1.5 billion in 2004, and costs have remained between \$1 billion and \$2 billion since (McBride 2018).

⁵ For instance, some 85 percent of the Sochi 2014 Olympic Games’ \$50 billion budget went to building non-sports infrastructure from scratch. Also, more than half of the Beijing 2008 budget of \$45 billion went to rail, roads, and airports, while nearly a fourth went to environmental clean-up efforts (McBride 2018).

significance and robustness of the long-term relationship between public investment and economic growth in countries with stronger infrastructure governance institutions.⁶ More specifically, better infrastructure governance—stronger institutions to manage public investments—strengthens the connection between public investment and growth. Gupta and others (2014) used an efficiency-adjusted stock of public capital and found a positive and significant contribution to economic growth. IMF (2015) showed that countries with stronger infrastructure governance institutions exhibit lower average incremental public capital-to-output ratios and, consequently, receive greater growth payoffs from their public infrastructure spending; the study also found that countries with higher public investment efficiency receive greater output dividends from public investment.

7. At the same time, the literature on the hosting of mega-events reveals that their *ex ante* net economic benefits have systematically been exaggerated but the *ex post* assessment of their net socio-economic benefits often points to limited performance. Countries and cities have historically competed vigorously for the right to host “mega-events”, such as sporting events (Olympic Games, FIFA Football or Soccer World Cup, etc.) or international summits, as they are attracted by the promise of a vast economic windfall forecasted by economic impact studies (Müller, 2015a). Hence, an increasing number of developing economies have joined the bidding frenzy, with a view to receive a share of the monetary spoils, upgrade their urban infrastructure, and hopefully kick-start their development. Because of the organizers’ tendency of predicting sizable, long-run benefits that compensate for short-run costs, countries hosting these events commit to significant infrastructure investments.⁷ Where there’s limited fiscal space, these investments in roads, transport, energy generation, sports stadia, communication systems, housing facilities, and traffic networks result in substantial financing needs, high debt, and other fiscal risks.

8. Inadequate infrastructure management during the project cycle—from appraisal and selection through planning and implementation—and other factors are at the root of the observed failures and white elephants. Barclay (2009) and Müller (2015a) summarize the factors behind the causes of the negative *ex post* assessment of the economic impact of mega-projects and the reasons why, despite this legacy, countries and cities continue to compete to host mega events. The main factors include: i) “boosters” predictions; ii) errors associated with impact studies; iii) misuse of multipliers and omission of leakages; iv) hidden costs; v) negative or limited impact of construction projects on the poor; and vi) political economy and other intangible factors. An examination of each of these factors could be as follows:

- **Overly optimistic predictions by boosters.** “Boosters” predict large economic windfalls for cities and countries hosting mega-events, envisioning multitudes of tourist arrivals, summit attendees, or sports fans frequenting local restaurants, hotels, and other businesses, spending

⁶ See Miyamoto and others (2020) and the references therein.

⁷ If the NPV of the difference between expected revenue and costs is positive, the project is viable and hence passes the cost benefit analysis (CBA) test. Otherwise, there is no economic basis for undertaking the project. In practice, CBA gets complicated as most projects have large (certain) start-up costs in the short run and (uncertain) benefits that are in the future (and hence difficult to ascertain).

vast amounts of money. In return, countries and cities commit to some significant infrastructure investment. The question is whether the economic benefit compensates for and outweighs the vast costs and substantial risks incurred. The premise behind overly optimistic studies is that spending on mega-event infrastructure should be considered investments that trigger positive economic returns. However, many studies are commissioned by groups with vested interest in holding such events. These groups stand to benefit directly from the provision of public subsidies that the reports may justify. Consequently, there's a mismatch between the expected and actual economic benefits of mega-projects, with negative consequences, such as the misallocation of resources and the loss of trust in the citizenry.

- ***Underestimating of costs.*** Mega-events often overrun their budget. Several factors drive organizers to underestimate the costs of mega-events, leading to significant cost overruns: fixed deadline; relaxation of competitive bidding (tendering) rules; reduced competition and high prices; non-divisibility of megaprojects; premiums to finish work in time; planners' large contingencies; lack of knowledge about the demand patterns; demand uncertainty and excess supply capacity; long implementation period and revision to initial assumptions; external events (such as terrorist attacks) and increased costs for security; new regulations (or demands) and vague contractual requirements by event-governing bodies; and, in order to obtain public support, the incentive to distort the real cost by event promoters, as well as by host cities (competing at national level), with also the idea in the latter case of improving the chances of nomination by the national government and the subsidies of the latter. Consequently, the actual budget is significantly higher than the planned budget, with negative consequences, such as misallocation of resources, profiteering, subpar construction quality, and budget shortfalls.
- ***Methodological errors of impact studies.*** "Impact" studies, which serve the basis for funding, estimate the economic "impact" from two effects: i) the construction of infrastructure and ii) the total commercial activity during the event—taking into account an estimate of the number of visitors, the number of days a visitor is expected to spend and how much on average he or she will spend (Matheson, 2006a). The method for estimating the "direct economic impact" of the commercial activity is flawed when estimated on a "gross" rather than "net" basis. In the case of local consumers, the "gross" measure ignores the substitution effects from increased spending on the event (such as sports) on expenditures on other activities (such as theatres). Owen (2005) considers this issue as one of the main reasons why impact studies are grossly exaggerated.⁸ In the case of external consumers, the overestimation of the direct net economic impact occurs in two ways: First, when for visitors who are in the city or country for business not directly related to the event, impact studies, rather than limit the net spending solely to the event related activities (such as attending a sporting event), they also include their spending on hotels, meals and such like (Siegfried and Zimbalist, 2002); and second, when external visitors engage a phenomenon known as 'time-switching', which occurs when a visitor wishes to visit the city in question but arranges the trip to coincide with the mega event, but impact studies do not ignore the spending related to this visit while the mega event did not influence the visitor's

⁸ To make studies more reliable for mega-events such as the Olympics, one might suggest surveys carried out on those attending the event with questions relating to place of residence thus enabling analysts to eliminate those who hail from the local area (Baade and Matheson, 2004).

choice of location (Crompton, 1995).

- **Problems with accounting for those locals who are non-attendees.** Impact studies neglect the effect of these events on residents who do not attend but live in their vicinity and therefore must change their spending patterns owing to inflated prices, congestion problems, or other adverse impact.
- **Crowding out effect.** With the large proportion of mega events held in popular tourist areas, their negative externalities (such as congestion) may dissuade regular non-interested tourists from visiting the city during the event. If local restaurants and hotels are near full capacity, event visitors may displace and “crowd out” regular tourists, resulting in a smaller than predicted net impact.
- **Hidden costs.** Countries are faced with other hidden costs not accounted for in impact studies: i) maintenance costs of large projects; and ii) long-term fixed costs from the construction boom to increase capacity during an event, which after the event can result into bankruptcies (hotel industry).
- **Misuse of multipliers and leakages.** “Indirect” effects estimated to be a result of “direct” expenditures of the event, are often prone to exaggeration. Economic multipliers used by forecasters and derived from linkages between industries within a region during normal period are unlikely to hold during mega-events. There is also great difficulty accounting for the various leakages that might occur (whether visitors spend on the local economy versus on hotel rooms and restaurants belonging to national chains). Supply-side leakages during mega-events are further increased by the temporary entry of external firms selling products (Olympic games) or the hire from external communities where there is a surplus labor (if the local economy is close to full employment). Hence, a substantially lower proportion of the wages that are paid out in these cases will be recirculated in the local economy.⁹
- **The opportunity cost of construction.** Although new construction may increase economic activity, it is also necessary to consider the vast opportunity costs, as public expenditure on such projects would mean a reduction in other public services, greater government borrowing or higher levels of taxation. For instance, it is not clear whether the return on a sports stadium or a hotel can exceed that of an alternative use of resources. Moreover, construction employment is often temporary (or transitory), and unemployment tends to rise after the event.
- **Housing and urban regeneration.** The long-term benefits from infrastructure projects in host cities (new districts, new trunk roads, renovated districts, and reduced overcrowding in the city) have limited effects on less affluent people. In terms of housing, the positive effect on property prices in an area hosting the mega-event will have a negative effect on the poor who live there (South Africa’s 2010 FIFA World Cup); rents may increase until they become unaffordable. Although the area benefits from the investment in terms of a growing property market and the improved infrastructure associated with a stadium (transport links, for example), the people it was intended to benefit might be pushed elsewhere. Hence, the intended regeneration of the

⁹ These problems arise because, instead of a balance of payments method, forecasters tend to use input–output models, such as the US Department of Commerce’s Regional Input–Output System (RIMS II), which do not account for subtleties such as full employment (Baade and Matheson 2002, p. 11).

host city may amount only to a redistribution of people, as those who originally resided in the event-hosting area move elsewhere, bringing poverty and social problems with them.

- **Legacy and white elephants.** The economic impact of mega-events is “transitory” and “one-time” rather than “a steady state change” (Baade and Matheson, 2002). Thus, a well-known legacy of mega-projects in almost all countries (i.e., not only limited to low-income countries) is the creation of the infamous white elephants—major investment projects with negative social returns—that have never delivered on their initial promise (Schwartz and others, 2020). Big events can have a positive lasting effect if the newly built infrastructure is able to exist symbiotically with that in the surrounding economy, neither competing for nor displacing existing capital and labor.
- **Political economy and other intangible factors.** If the long-term economic benefits for hosting mega-events are questionable, there must be other intangibles that explain why countries wish to host them, in spite the difficulties they pose. The perceived status benefit where a city can rise in the hierarchy of “world cities”, making a claim to high global standing given the growing perception of global competition for tourism and capital flows is often stressed.¹⁰ Moreover, intangible benefits described through expressions such as “restoration of self-confidence”, “civic pride”, “dynamism”, and “nation building” are also put forward.¹¹ International politics plays an extremely important role as well.¹² Lastly, as illustrated by the London 2012 Olympic Games, mega-events are at times used to legitimize public spending that would not otherwise pass comfortably through the political process.^{13 14}

C. Policy Recommendations: Minimizing Risks and Maximizing Benefits

9. Creating good infrastructure through strong infrastructure governance in The Gambia is key to minimizing the net socio-economic cost of the planned scaling up of infrastructure spending (in anticipation of the OIC summit) and maximizing its contribution to long-term

¹⁰ In hosting the 2008 Olympics, Beijing hoped to join the top tier of cities in the world and surpass its Asian competitors (Tokyo, Singapore, and Hong Kong).

¹¹ For example, the lasting image of Nelson Mandela presenting the Rugby World Cup Trophy to François Pienaar in 1995, an event held in South Africa.

¹² The 2008 Beijing Olympics was a “coming out” party for China, showing the economic and political development attained by the country. Wen Jiabao stated in April 2008 that the event was an opportunity for China to show the world how “democratic, open, civilized, friendly, and harmonious” it is.

¹³ Former London Mayor Ken Livingstone has acknowledged that he “didn’t bid for the Olympics because [he] wanted three weeks of sport” but rather because it was “the only way to get the billions of pounds out of the Government to develop the East End—to clean the soil, put in the infrastructure and build the housing into an area [the government] has neglected for 30 years.” The cost of hosting the Olympic Games in London has come under scrutiny, with news that the Tony Blair’s government chose to ignore a 250-page strategy document, signed off in December 2002, that cast doubt on the contention that the Games would produce significant economic returns. Oxford University estimated the sports-related costs at US\$15 billion (compared with \$4.6 billion for Rio 2016, \$6.8 billion for Beijing 2008, and \$21.9 billion for Sochi 2014). London 2012 went over budget by 76% in real terms, measured from bid to completion. Cost per athlete was \$1.4 million, not including wider costs for urban and transport infrastructure, which often equal or exceed the sports-related costs.

¹⁴ In addition to investing large sums in the construction of sports arenas, Barcelona (in 1992) and Seoul (in 1988) used the Olympic Games to upgrade their entire urban infrastructure.

growth. Given the COVID-19 pandemic and its economic fallout, good infrastructure that fosters and supports economic and human development is also key to supporting the post-pandemic economic recovery, creating wealth, and reducing inequalities, as it offers a bridge to the future for current and new generations, connecting citizens, facilitating trade, and building resilience against climate change and natural disasters (Schwartz and others 2020). In this section, drawing on lessons learned in the previous section with respect to the management of mega-events, we review policy suggestions to minimize their net economic cost. Then, we examine ways to strengthen public financial management of public investment with a view to increasing its efficiency and macroeconomic impact through the strengthening of infrastructure governance institutions.

Minimizing Risks and Maximizing Benefits from Mega-Events

10. Several policies have been suggested in the literature to help national governments, cities, and event-governing bodies minimize the negative fallout from mega-events, and avoid cost overruns, inefficient allocation of resources, and oversized infrastructure (Müller 2015a).

- ***Avoid tying mega-events to large-scale urban development.*** National governments and cities must establish, before starting to bid, whether the events require new construction or upgrading of existing infrastructure. If so, there are three options: bid for smaller events; build the required infrastructure before the bid, but only if it aligns with the master plan (the national development plan); or do not bid at all. Event-governing bodies could support this change by preferring bids with existing infrastructure.
- ***Bargain with event-governing bodies.*** Most event-governing bodies (IOC, FIFA, UEFA, ...) act as monopolies that can dictate their terms and make substantial risk-free income, if there is enough demand for their events. Host countries and cities should attempt to gain concessions from event-governing bodies, including fewer requirements, full taxation of revenues, waiving government guarantees, or additional contributions to cover the cost of hosting. Ultimately, the success of bargaining depends on the willingness of the event-governing body to make concessions, the demand for the event, and the bargaining power of the host.
- ***Cap and earmark public expenditures and seek private sector participation.*** The hosts should cap expenditures and earmark the funds to avoid having the public sector compensate for mega-event cost overruns and ventures that lose money. Capping expenditures reduces the risk of profiteering and overspending; earmarking prevents funds for urban development from being diverted to the hosting of the event itself. Host countries and cities should involve the private sector in risk taking to ensure the commercial viability of facilities and to reduce the exposure of the public sector. Cities and governments should not give blanket guarantees to cover all costs. In addition, national governments should not provide extra funding for urban development to support megaevents; this encourages bidding for mega-events just for the sake of extracting these funds. Making funding decisions in this way increases the total cost to society of delivering infrastructure and perverts other ways of determining funding priorities, such as regional and national infrastructure planning processes.

- **Seek independent expert assessments.** Independent expert advice is crucial for decision-makers in the cities, national governments, organizing committees, and governing bodies of the event. Such advice could take the form of reference class forecasting, a method that compares the predicted costs and benefits of many megaevents with the actual ones after the events have taken place. This approach determines how much predicted and actual costs and benefits diverged and provides a better assessment of the bidding documents (Lovallo and Kahneman, 2003).
- **Reduce or cap size and requirements of events.** Reversing the constant growth of mega-events would reduce the size of the sites and infrastructure required and thus the risk of event takeover, the complexity of the management and thus the risk of cost overruns and benefit shortfalls, and the size of the overall construction program and thus the necessity to introduce extralegal measures to complete it in time. The event-governing bodies could scale down the event by reducing the number of athletes and sports, the number of media, or the number of visitors. Reducing the number of visitors seems to be the most viable option, while specific sports or events could be included on a rotational basis or made to share sites.
- **Seek public participation beginning in the bid stage.** Citizen participation reduces the risk that the priorities of mega-events will take precedence over the priorities of urban development and ensures that citizens can have a say in the planning of mega-events. Public hearings and planning consultations with stakeholders not only facilitate better alignment of infrastructure with citizens' needs, but also facilitate consensus and reduce potential opposition.
- **Fix the terms of hosting agreement at the time of bidding.** Hosts should avoid signing any contracts that leave requirements deliberately vague or that postpone concrete specifications to a later stage. This vagueness makes it difficult for cities and countries to plan and budget in advance. Oslo, in its bid for the 2022 Winter Games, successfully insisted that the IOC would not retroactively introduce new requirements that would lead to higher costs for the city (Butler 2014).
- **Create a separate organization in charge of legacies.** A separate organization must ensure that what is left after the event—the so-called legacies—contributes to the long-term development of a city and region. This organization should be created at the bid stage and have a say in all matters of planning that reach beyond the event. This activity should have clear funding sources at the time of the bid.
- **Decentralize the event.** It's more optimal to spread demand spatially rather than build permanent facilities to accommodate peak demand. Events that take place in one city mean a few days or weeks of intense strain for public transport and accommodation. Instead of building many venues in the same place, venues should be distributed across a city or perhaps even to other cities. Los Angeles in 1984 and Vancouver in 2010 practiced such a decentralized model and thus avoided building excessive transport capacity (see Liao & Pitts 2006).
- **Build temporary structures where after-use is uncertain.** For facilities that are hardly used or would otherwise be too large, building temporary (rather than permanent) facilities can be cheaper and eliminate maintenance costs post-event. Construction costs of temporary sites are

between one-half and two-thirds of those of permanent sites (Long 2013). London made extensive use of temporary sites for the 2012 Summer Games, where organizers built 11 of the 34 competition sites as temporary structures from scratch (May and Cardwell 2012). There is, however, a drawback to temporary structures; they increase event-specific expenditure that is unproductive for urban development, so hosts must weigh the costs and benefits in each case.

- **Engage in knowledge exchange.** Better knowledge exchange among past and future hosts can alleviate uncertainty in the demand for infrastructure and services during the event. It can also avoid reinventing the wheel where efficient solutions are available elsewhere, thus reducing budget and time overruns.
- **Do not bypass regular planning procedures.** Regular planning procedures should remain in force for mega-events, even though their fixed deadlines increase time pressures. These procedures exist to ensure equal consideration of interests, rational decision making, and fair tendering and bidding. To override regular procedures increases the risk of nontransparent decisions that favor certain stakeholders over others.

Good Practices in Infrastructure Governance and Public Investment Management: The World Bank Group's "Eight Commandments" and the IMF's PIMA

11. More broadly, beyond infrastructure related to mega events, the international financial community has offered detailed guidance on a sound and effective infrastructure governance and public investment management to ensure that public financial resources are used efficiently in support of sustainable and equitable development. In 2014, the World Bank set out "eight must-haves" for every effective public investment management to provide guidance on good processes and procedures for managing the infrastructure project cycle; and it has since been using this framework to guide and support country reform efforts (Rajaram and others 2014):

- **Start by setting a clear strategic direction.** To guide investment and project development, a broader strategic direction is needed. Such a strategic direction underpins and guides government decisions in accordance with national priorities. This can be drawn from a national plan or other long-term strategy paper that sets out economic development priorities.
- **Conduct a feasibility study to rigorously evaluate each project.** The objective of the study is to answer the essential question of whether a project should be considered, once it has been established in advance that it is consistent with the government's priorities. It consists of two stages: a pre-feasibility study, to identify relevant alternatives, and then a comprehensive feasibility study, to determine at the outset whether a proposed project is feasible. The full feasibility study expands on the pre-feasibility study in order to compile all relevant data, refine the expected results of the projects, conduct an in-depth analysis of the solution chosen to achieve the project objectives and undertake a number of different in-depth assessments, including environmental and social impact assessments.
- **Ensure that projects undergo an independent examination.** This makes it possible to avoid projects that are excessively optimistic, underestimating the real costs or overestimating the advantages.

- **Link project evaluation and selection to the budget cycle.** This is true even if the project evaluation cycle differs from the budget calendar. The budgetary framework and the annual budget must set limits so that feasible and sustainable investment programs can be undertaken.
- **Have realistic procurement plans, as well as guidelines and institutional capacity for project management and monitoring.** Ideally, the government should establish a system for managing the total cost budget for the project over several years to forecast budgetary requirements throughout the project execution period.
- **Incorporate enough flexibility into budgeting to allow for the necessary adjustments.** The review of project funding that is generally part of the annual budget process should be somewhat flexible so that changes can be made to the disbursement profile. This approach would make it possible to consider any slippage in costs resulting from delays in project implementation.
- **Have a process to certify operational readiness.** Once the project is complete, there should be a process to ensure that the resulting facility is ready to operate and that services can be provided. This requires an effective mechanism to transfer responsibility for the operational management and maintenance of the assets created.
- **Carry out a basic examination and assessment at completion.** These are examinations by a ministerial office or agency after the project has been completed to determine whether budget limits and deadlines were observed and whether the finished product was delivered as planned. As a supplement to this basic review, a supervisory institution should periodically conduct compliance inspections on a sample of investment projects.

12. In 2015, the IMF launched its Public Investment Management Assessment (PIMA), explicitly designed to help countries assess their infrastructure governance institutions in a holistic manner and design a tailored and prioritized action plan (IMF 2015, 2018a). The PIMA provides a comprehensive framework for assessing infrastructure governance across the full project cycle—the planning, allocation, and implementation stages of public investment—and allows for cross-country comparisons. The PIMA framework is consistent with the various existing guidance frameworks (World Bank, OECD, ...) and expands on these by also focusing on the macro-fiscal and budgetary processes in which infrastructure projects are embedded. It identifies areas in need of attention to improve infrastructure governance and points to specific reforms that governments can implement to stretch limited resources and spend better on public investment.

13. The Gambia's performance across different PIMA indicators was mixed and did not compare favorably with regional peers. The PIMA exercise was conducted in 2019 for The Gambia. It analyzed 15 of the infrastructure governance institutions across three phases of the public investment cycle—planning, allocation of resources, and implementation and evaluation of projects. Performance was relatively strong in areas such as the country's comprehensive national development planning system, coordination between central and local government, and the comprehensiveness and unity of the budget. However, several areas of weaknesses have been identified, including on project appraisal, multi-year projections of investment projects (especially those financed domestically), lack of protection of ongoing projects in the budgeting process, weak

budgeting of maintenance funding, weak implementation of project selection, limited monitoring during project implementation, and insufficient ex-post audits of domestically financed projects. The Gambian authorities should continue following up on these challenges to improve its infrastructure governance.

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