

# The Gambia: IMF Staff Reaches Staff-Level Agreement on a Resilience and Sustainability Facility (RSF) Arrangement and the Third Review Under the Extended Credit Facility Arrangement

April 16, 2025



*End-of-Mission press releases include statements of IMF staff teams that convey preliminary findings after a visit to a country. The views expressed in this statement are those of the IMF staff and do not necessarily represent the views of the IMF's Executive Board. Based on the preliminary findings of this mission, staff will prepare a report that, subject to management approval, will be presented to the IMF's Executive Board for discussion and decision.*

- The Gambian authorities and the IMF team reached staff-level agreement on the request for access under the Resilience and Sustainability Facility (RSF) to enhance resilience to climate change.
- The authorities and the IMF team also reached staff-level agreement on the third review of the authorities' reform program supported by the IMF's Extended Credit Facility.
- The Gambia's outlook remains positive with economic growth increasing to 6 percent in 2024 and inflation returning to a single digit in early 2025. Progress continues in implementing a homegrown economic reform program despite challenges to fiscal policy.

**Washington, DC:** An International Monetary Fund (IMF) team, led by Ms. Eva Jenkner, held discussions in Banjul from April 2 to April 16, 2025. A staff-level agreement was reached on the third review of the program supported under the 36-month ECF arrangement approved in January 2024 for a total access of SDR 74.64 million (about US\$100.9 million). Subject to approval by the IMF's Executive Board, the completion of the review would enable a disbursement of SDR 12.44 million (about US\$16.8 million), bringing the total disbursement under the arrangement to SDR 37.71 million (about US\$51.0 million). A staff-level agreement was also reached on the request for access under the RSF for potential access of SDR 46.65 million (about US\$65 million) to enhance resilience to climate change. The IMF Executive Board is tentatively scheduled to meet in mid-June 2025.

At the conclusion of the discussions, Ms. Jenkner issued the following statement:

“Economic activity is strengthening. Growth is estimated at 6 percent for 2024, supported by tourism and construction sectors. Tourist arrivals continued to recover, reaching a level close to the pre-pandemic peak levels. Remittance inflows also strengthened. Inflation declined to a single digit (9.1 percent) in March while remaining above the central bank’s medium-term objective of 5 percent.

“Fiscal performance in 2024 was weaker than anticipated, largely due to unbudgeted spending pressures, transfers linked to earmarked revenues and faster execution of donor financed capital projects, despite strong revenue collection performance. Current spending largely exceeded initial plans as transfers of third-party revenue had not been reflected in the budget and there have been pressures from unbudgeted support to the National Water and Electricity Corporation (NAWEC) and the Organization of Islamic Countries (OIC) summit. Similarly, donor financed capital projects continued at a high pace. As a result, the overall deficit exceeded projections, reaching 3.8 percent of GDP. In addition, about 0.4 percent of GDP of unpaid commitments were carried over to 2025.

“The authorities remain committed to meeting the program’s targets and structural reforms agenda, albeit with some delays. Quantitative objectives under the ECF-supported program have been largely met. All seven quantitative performance criteria but one (ceiling on net domestic borrowing) and all quantitative indicative targets were met. Also, progress was made on significant structural benchmarks relative to public procurement, the management of state-owned enterprises (SOEs), expansion of the social registry, and improved budgeting. The public debt-to-GDP ratio remains on a downward trajectory. The authorities are committed to maintaining fiscal responsibility in 2025 and in the medium term to be able to respond to The Gambia’s large social and developmental needs in a sustainable manner.

“The Central Bank of The Gambia (CBG) is committed to keeping inflation on a firm downwards trajectory and meeting its medium-term objective. It will also remain vigilant to ensure a market-determined exchange rate, and a smooth functioning of the foreign exchange market supported by a policy that limits any foreign exchange market interventions to only alleviate excess market volatility. Considering the elevated non-performing loans, the CBG is determined to strengthen financial sector resilience to future shocks. Focusing on its core mandate, the CBG will preserve a strong financial position.

“Following the publication of its Governance Diagnostic Roadmap in December, the government is strengthening its reform agenda on governance and anti-corruption, improved public service delivery, public access to financial and legal information, and an enhanced business environment to encourage private sector-led investment and growth.

“To enhance long-term macroeconomic stability and resilience to climate change while boosting policy space and reducing fossil fuel externalities, the proposed RSF arrangement, subject to approval by the IMF Executive Board, would contribute to the effective implementation of the country’s climate agenda. Reform measures will cover five areas: the institutional framework, green public financial management, climate data and green financial sector, enhancing adaptation and resilience, and the energy transition. These reforms are expected to catalyze financing for climate and sustainable development and will be supported by capacity development activities from the IMF and The Gambia’s other partners.

“The IMF will continue to work closely with the Gambian authorities and stands ready to help them through financing, policy advice, and strong technical assistance.”

The mission met with the Minister of Finance and Economic Affairs, Seedy Keita; Attorney General and Minister of Justice Dwada Jallow; Minister of Public Service, Administrative Reforms and Policy Baboucarr Bouy; Governor of the Central Bank of The Gambia Buah Saidy; Commissioner General of the Gambia Revenue Authority Yankuba Darboe; National Auditor General Modou Ceesay; Chairman of the SOE Commission Ousainou Ngum; and senior government and central bank officials. The mission team also had fruitful discussions with representatives of the private sector, civil society, and development partners.

## **IMF Communications Department**

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