



IMF Executive Board Completes First Review under the Extended Credit Facility Arrangement for The Gambia, and Approves US\$28.8 Million Disbursement

FOR IMMEDIATE RELEASE

- *The IMF Executive Board decision allows for an immediate disbursement of about US\$28.8 million to The Gambia to help meet the country's financing needs and support social spending and the post-pandemic recovery.*
- *The COVID-19 pandemic continues to represent a significant challenge to The Gambia's economy. However, growth is expected to rebound to 6.0 percent in 2021.*
- *The authorities have maintained a prudent approach in their policy responses. They have advanced reforms for the effective and transparent delivery of much-needed social services.*

Washington, DC – January 15, 2021: Today, the Executive Board of the International Monetary Fund (IMF) completed the first review of The Gambia's performance under a program supported by a 39-month Extended Credit Facility (ECF) arrangement. The ECF, with a total access of SDR 35 million (about US\$47.1 million at the time of approval, or 56.3 percent of quota), [was approved by the IMF Executive Board on March 23, 2020](#). Completion of the first review enables an immediate disbursement of SDR 20 million, about US\$28.8 million, to help meet the country's balance-of-payments and fiscal financing needs and support the post-pandemic recovery. This brings total disbursements under the arrangement to SDR 25 million, about US\$36 million.

In completing the review, the Executive Board also approved an augmentation of access under the ECF arrangement from SDR 35 million to SDR 55 million (or 88.4 percent of The Gambia's quota in the Fund). The Board also completed a financing assurances review and granted a waiver of nonobservance of a continuous quantitative performance criterion relating to a zero ceiling on the accumulation of external payment arrears.

Since the onset of the COVID-19 pandemic, The Gambia has also benefited from an IMF [Rapid Credit Facility disbursement](#) of SDR 15.55 million (US\$ 21.3 million at the time of approval) and is receiving debt service relief from the [IMF under the Catastrophe Containment and Relief Trust](#), expected to total SDR 7.9 million, of which SDR 4.2 million (about US\$5.83 million) has already been approved.

The Gambian authorities have maintained prudence in economic management and advanced structural reforms, including in governance, for a transparent use of funds and effective delivery of public services. The fiscal and monetary policy stances were relaxed to help meet pandemic-related humanitarian needs and support economic activity. Improved domestic revenue mobilization and judicious public financial management helped maintain fiscal discipline and deliver much-needed emergency response, while prudent monetary policy helped ensure price stability and lower domestic borrowing costs. Reflecting the impact of the

COVID-19 pandemic, growth in 2020 is estimated at about zero percent. Predicated upon a gradual normalization of global conditions and strong fiscal stimulus, growth is projected to reach 6.0 percent in 2021, and average 6.5 percent per year, over the medium term. Downside risks are high, as The Gambia remains fragile and vulnerable to shocks, while being exposed to a prolonged standstill in tourism. The Gambia continues to be assessed at high risk of debt distress, with limited borrowing space.

Following the Executive Board discussion, Mr. Tao Zhang, Acting Chair and Deputy Managing Director, made the following statement:

“The Gambia has been severely impacted by the COVID-19 pandemic. The authorities’ decisive response to the pandemic has helped to moderate its impact and set the stage for economic recovery.

“Continued commitment to prudent policies and adhering to the fiscal envelope, while protecting social spending is critical to support the recovery and the attainment of program objectives. Efforts to strengthen domestic revenue mobilization should focus on reducing tax exemptions and reinforcing tax and customs administration.

“Reforms to strengthen public financial management would help to improve public service delivery and reduce fiscal risks. Near-term priorities include putting state-owned enterprises on a sound financial footing, strengthening budget execution, and improving debt management to prevent the recurrence of external payment arrears. The authorities are committed to ensuring transparency in COVID-19-related spending.

“The prudent monetary policy stance has supported low inflation. Steps to strengthen the balance sheet of the central bank, entrench its autonomy, and maintain financial credibility would help to strengthen its effectiveness.

“Measures to strengthen the legal framework for banking supervision and crisis preparedness would help to address mounting risks to financial sector stability. Greater financial inclusion would be supported by measures to strengthen the oversight of non-bank financial institutions and steps to monitor risks from mobile banking.

“Ardent pursuit of governance reforms, including in public procurement, anti-money laundering, and the overall anti-corruption framework is important to enhance transparency. These efforts would also help to cement positive perceptions of The Gambia as a sound business destination and support private sector-led inclusive growth.”

Table 1. The Gambia: Selected Economic Indicators, 2018–25

	2018	2019	2020		2021		2022	2023	2024	2025
	Act.	Prel.	RCF	Proj.	RCF	Proj.	Projections			
(Percent change; unless otherwise indicated)										
National account and prices										
GDP at constant prices	7.2	6.1	2.5	0.0	6.5	6.0	6.5	7.0	6.5	5.8
GDP deflator	7.0	7.1	6.2	7.2	5.9	4.3	4.4	4.2	4.1	4.8
Consumer prices (average)	6.5	7.1	6.7	6.1	6.0	6.0	5.5	5.1	5.0	5.0
Consumer prices (end of period)	6.4	7.7	6.2	6.5	5.8	5.8	5.2	5.0	5.0	5.0
External sector										
Exports, f.o.b (US\$ values)	-0.9	24.1	-11.3	-10.7	29.1	23.1	12.7	14.0	8.0	5.9
Imports, f.o.b (US\$ values)	11.9	14.7	-0.1	-1.7	20.5	17.9	11.9	6.6	6.1	4.2
Terms of trade (deterioration = -)	-3.3	-4.8	-3.4	1.4	-3.2	-1.7	-1.4	-1.0	-0.5	-0.6
Real effective exchange rate (depreciation = -)	-1.5	4.4	...	...	...	...	...	...	...	...
(Contributions to broad money growth; percent)										
Money and credit										
Broad money	20.0	27.1	12.8	15.	12.5	9.5	...	...	...	...
Net foreign assets	14.0	18.7	5.4	9.7	8.7	-1.2	...	...	...	...
Net domestic assets	6.0	8.4	7.4	5.9	3.9	10.7	...	...	...	...
Of which:										
Credit to central government (net)	7.1	3.9	3.7	4.9	0.0	7.1	...	...	...	...
Credit to the private sector (net)	5.0	6.0	1.5	1.3	3.9	3.6	...	...	...	...
Velocity (GDP/broad money)	2.4	2.1	2.0	2.0	2.0	2.0	...	...	...	...
(Percent of GDP; unless otherwise indicated)										
Central government finances										
Domestic revenue (taxes and other revenues)	11.8	13.9	13.1	13.3	13.8	14.1	13.8	14.3	14.6	14.9
Of which: Tax Revenue	10.1	10.9	11.1	10.4	11.8	11.2	11.6	12.0	12.4	12.7
Grants	3.3	7.1	9.3	10.3	8.2	7.4	7.8	7.2	6.4	6.0
Total expenditures and net acquisition of	21.2	23.2	24.8	25.1	23.9	25.2	23.5	22.5	21.8	21.2
Of which: Interest (percent of government	26.1	22.3	22.4	22.5	18.7	18.4	18.4	15.7	14.7	13.4
Net lending (+)/borrowing (-)	-6.1	-2.5	-2.6	-1.7	-1.8	-3.9	-2.0	-1.2	-0.8	-0.2
Net incurrence of liabilities	5.5	3.1	2.6	1.0	1.6	4.0	2.2	1.3	0.8	0.2
Foreign	2.5	2.6	1.6	0.2	1.6	1.6	1.8	1.3	0.8	0.2
Domestic	3.0	0.5	1.1	0.8	0.0	2.3	0.4	0.0	0.0	0.0
Primary balance	-3.0	0.6	0.3	1.3	0.8	-1.3	0.5	1.1	1.3	1.8
Public debt	84.6	80.1	80.3	76.4	74.1	74.4	70.4	65.7	60.8	55.9
Domestic public debt	38.3	35.5	34.1	33.6	30.3	31.1	28.5	25.6	23.2	20.9
External public debt	46.3	44.6	46.2	42.8	43.8	43.3	42.0	40.0	37.6	34.9
External public debt (millions of US\$)	756.6	798.1	847.4	813.8	883.4	888.0	934.9	973.9	995.5	1,001.5
External current account balance										
Excluding official transfers	-10.4	-8.4	-13.6	-10.9	-12.6	-14.1	-14.8	-12.8	-11.5	-10.0
Including official transfers	43.8	-5.3	-9.8	-6.2	-10.0	-11.9	-12.5	-10.9	-9.9	-8.4
Gross official reserves (millions of US\$)	157.0	225.0	258.0	330.0	303.4	389.8	410.1	426.5	435.8	451.3
(months of next year's imports)	2.7	3.9	3.7	4.6	4.1	4.6	4.6	4.5	4.5	4.5
Savings and investment										
Gross investment	17.5	19.7	17.1	18.5	18.5	21.8	21.6	20.6	19.8	19.9
Of which: Central government	7.5	9.0	9.1	7.8	9.7	10.0	9.8	9.6	8.7	8.4
Gross savings	8.0	14.4	7.3	12.3	8.4	9.9	9.0	9.7	9.9	11.5
Memorandum items:										
Nominal GDP (billions of dalasi)	80.4	91.4	96.5	98.0	108.8	108.3	120.4	134.2	148.8	165.0
GDP per capita (US\$)	729.0	774.2	766.7	787.4	817.1	830.0	877.5	929.7	980.8	1,033.9
Use of Fund resources (millions of SDRs)										
Disbursements	0	0	25.6	20.6	10.0	35.0	10.0	5.0	0.0	0.0
Of which: 2020 RCF	...	...	15.6	15.6	...	...	...	...	...	...
Of which: Proposed ECF Augmentation	...	...	...	...	...	20.0	...	...	...	...
Repayments	-5.5	-4.3	-3.6	-3.6	-4.0	-4.0	-2.8	-4.1	-3.9	-5.2
CCRT debt relief ¹	0	0	3.2	3.2	4.0	4.0	0.8	...	...	...
PV of overall debt-to-GDP ratio	...	69.9	68.5	67.5	63.4	65.9	62.1	56.2	52.3	48.2

Sources: The Gambia authorities; and IMF staff estimates and projections.

¹ The grant for debt service falling due to April 13, 2021 is available under the CCRT. Subject to the availability of sufficient resources in the CCRT, debt service relief could be provided for a total period of two years, through April 13, 2022.