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THE GAMBIA

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FOURTH REVIEW UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUESTS FOR A WAIVER OF NONOBSERVANCE OF A PERFORMANCE CRITERION, MODIFICATIONS OF PERFORMANCE CRITERIA AND INDICATIVE TARGETS, AND FINANCING ASSURANCES REVIEW; FIRST REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT, AND REQUEST FOR REPHASING OF ACCESS—PRESS RELEASE; STAFF REPORT; STAFF SUPPLEMENT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR THE GAMBIA

In the context of The Gambia—Fourth Review Under the Extended Credit Facility Arrangement, Requests for a Waiver of Nonobservance of a Performance Criterion, Modifications of Performance Criteria and Indicative Targets, and Financing Assurances Review; First Review Under the Resilience and Sustainability Facility Arrangement, and Request for Rephasing of Access, the following documents have been released and are included in this package:

- A **Press Release** including a statement by the Chair of the Executive Board.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on December 12, 2025, following discussions that ended on October 8, 2025, with the officials of The Gambia on economic developments and policies underpinning the IMF arrangements under the Extended Credit Facility and the Resilience and Sustainability Facility. Based on information available at the time of these discussions, the staff report was completed on November 24, 2025.
- A **Debt Sustainability Analysis** prepared by the staff of the IMF.
- A **Staff Supplement** updating information on recent developments.
- A **Statement by the Executive Director** for The Gambia.

The IMF's transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities' policy intentions in published staff reports and other documents.

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International Monetary Fund
Washington, D.C.

The Gambia: IMF Executive Board Completes the Fourth Review Under the Extended Credit Facility and the First Review Under the Resilience and Sustainability Facility Arrangements

FOR IMMEDIATE RELEASE

- *The IMF Executive Board completed today the Fourth Review Under the Extended Credit Facility Arrangement and the First Review Under the Resilience and Sustainability Facility Arrangement, enabling an immediate overall disbursement of about US$38.15 million.*
- *The Gambia's economic recovery continues, with growth estimated to reach 6 percent in 2025 and inflation returned to single digits.*
- *The Gambia has made good progress in implementing their economic reform program despite fiscal policy challenges. Key priorities include increasing domestic revenue and advancing with fiscal consolidation to safeguard debt sustainability while strengthening social and infrastructure spending.*

Washington, DC – December 12, 2025: The Executive Board completed today the fourth review of The Gambia's Extended Credit Facility (ECF) arrangement, approved on January 12, 2024, supporting reforms to address long-standing structural impediments to inclusive growth. The completion of the review allows for the immediate disbursement of SDR12.44 million (about US$17.00 million), bringing total disbursements under this arrangement to SDR49.75 million (about US$68.00 million). The Executive Board also completed the first review under the Resilience and Sustainability Facility (RSF), approved on June 18, 2025, to help the authorities improve macroeconomic resilience and build policy buffers against climate shocks, allowing for an immediate disbursement of SDR15.54 million (about US$21.24 million).

The Gambia's economic outlook remains positive, with real GDP estimated to expand by 6 percent in 2025, supported by the agriculture, construction and tourism sectors. Headline inflation has further decelerated, reaching 7 percent by end-October 2025. The outlook remains subject to significant downside risks stemming from global geopolitical developments.

The authorities are committed to the objectives set out in the ECF and RSF arrangements. Combined reforms will result in stronger tax revenue collection, including through strong administrative measures and the introduction of a carbon-based excise duty on fuel products in the 2026 budget. Going forward, policies geared towards reducing fiscal risks and preserving debt sustainability will be critical.

The Executive Board approved the authorities' request for a waiver of nonobservance of the performance criterion on the end-June 2025 floor on the net international reserves target based on corrective actions taken.

Following the Executive Board's discussion, Deputy Managing Director Bo Li issued the following statement:

"The Gambia's economy continues to experience robust growth and declining inflation. Implementation of the Extended Credit Facility (ECF) program has been satisfactory, and reforms under the Resilience and Sustainability Facility (RSF) are advancing. The authorities have reaffirmed their commitment to the reform agenda despite ongoing global geopolitical uncertainties.

“The authorities remain dedicated to meeting the 2025 fiscal targets despite a delayed disbursement from Africa50. This will be achieved through strong tax collection and expenditure restraint by strict prioritization and control of cash allocations. It is critical to avoid spending overruns during the election period and maintain fiscal consolidation efforts over the medium term to build fiscal buffers, preserve debt sustainability and support social and development spending. Enhancing public financial management will further support fiscal discipline and accountability. It is also important to limit fiscal risks from SOEs and public-private partnerships, and to improve data consistency for greater transparency.

“Maintaining price stability and a market-determined exchange rate remain priorities. The central bank should ensure that any easing of the tight monetary policy stance remains data-dependent and supports continued convergence of inflation toward the medium-term target. The foreign exchange market is functioning well following the implementation of the foreign exchange policy. The central bank’s commitment to cease direct or indirect financial support to public entities is a positive step to safeguard its financial position. Strengthening regulatory capacity, risk-based supervision, and monitoring of sovereign risk exposures are crucial for financial sector stability.

“Progress on structural reforms is needed to strengthen governance, enhance the anti-corruption framework, and improve the business environment to foster private sector development and job creation. The operationalization of the anti-corruption commission, pending National Assembly approval, is a key step.

“Steadfast implementation of the climate change agenda under the RSF will bolster the economy’s resilience to natural disasters and support long-term macroeconomic and balance of payments stability. Going forward, careful sequencing of reforms under both the ECF and RSF, supported by targeted capacity development support, will be important.”

INTERNATIONAL MONETARY FUND

THE GAMBIA

November 24, 2025

FOURTH REVIEW UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUESTS FOR A WAIVER OF NONOBSERVANCE OF A PERFORMANCE CRITERION, MODIFICATIONS OF PERFORMANCE CRITERIA AND INDICATIVE TARGETS, AND FINANCING ASSURANCES REVIEW; FIRST REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT, AND REQUEST FOR REPHASING OF ACCESS

EXECUTIVE SUMMARY

Context. Economic momentum remains strong despite continued global uncertainty and inflation is largely receding. Fiscal performance during the first half of 2025 exceeded expectations and strong tax revenue collection is expected to continue through the end of the year. The foreign exchange market continues to function smoothly, and foreign reserves remain at a comfortable level. Structural reforms are advancing at a higher pace. The economic outlook is subject to large downside risks owing to global geopolitical tensions and uncertainty. Exposure to climate risks is significant, primarily through The Gambia's low elevation and reliance on rain-fed agriculture.

Program performance under ECF and RSF. Overall performance under the ECF has been satisfactory. Six out of seven performance criteria (PCs) and all four indicative targets (ITs) for end-June 2025 were met. The QPC floor on net international reserves (NIR) was missed by about 0.8 percent of GDP due to a currency swap operation between the Central Bank of The Gambia (CBG) and Afreximbank. The authorities request a waiver of non-observance of the PC based on the corrective measures they are taking, notably elevating the IT on the CBG financial assistance to public entities to a QPC. Of the ten structural benchmarks (SBs), nine have been completed, including steps to enhance revenue mobilization, public financial management, and governance. The remaining SB on developing an arrears strategy is proposed to be rephased to end-January 2026 to allow for more technical assistance and a deeper analysis on the root causes of arrear creation. The two reform measures (RMs) for the first review of the RSF arrangement are well on track, and one RM for the second review on approving a comprehensive climate change bill was completed in advance.

The authorities request rephasing of the RSF access associated with this RM to allow for additional disbursement during the first review. Submission to the National Assembly of a 2026 budget consistent with program parameters is prior action for the fourth ECF review.

Policy discussions. The authorities remain committed to achieving end-2025 fiscal targets despite a delay in an Africa 50 concession disbursement (1.9 percent of GDP), through stronger tax revenue collection and expenditure control. The 2026 budget targets a tight overall deficit of 1 percent of GDP despite election cost pressures, supported by revenue mobilization and targeted spending restraint. The central bank maintains a tight monetary policy stance to ensure that inflation declines firmly. It will also continue to implement the foreign exchange policy introduced in 2023 to prevent a recurrence of forex shortages and any wedge with the parallel market and finalize its FX intervention policy. Structural reforms will be pursued and accelerated, particularly on domestic revenue mobilization, public financial management (PFM), SOE management, and governance. RSF reform measures will be implemented to strengthen macro-economic stability and balance of payments resilience in the face of climate change.

Staff's views. Staff supports the completion of the fourth ECF and first RSF reviews, the authorities' requests for the waiver of non-observance of the end-June 2025 PC on NIR based on the corrective measures taken by the authorities; and the modifications of performance criteria and indicative targets for end-December 2025 and end-June 2026, and rephasing of access for the first and second RSF reviews. Completion of the fourth ECF review will result in a disbursement of the equivalent of SDR 12.44 million (20 percent of quota), bringing the IMF financial support under the ECF arrangement to SDR 49.75 million (about 80 percent of quota). Completion of the first RSF review will result in a disbursement of the equivalent of SDR 15.54 million (24.98 percent of quota).

Approved By
Montfort Mlachila (AFR) and Cemile Sancak (SPR)

The mission took place in Banjul during September 25–October 8, 2025, and comprised Ms. Jenkner (head), Mr. Al-Sadiq, Ms. Aoyagi, (all AFR), Messrs. Garcia-Huitron (FAD), Han (SPR), Gitton (resident representative), and Mendy (local economist). Mr. Al-Sadiq led the advance team. The team held discussions with Minister of Finance and Economic Affairs, Seedy Keita; Attorney General and Minister of Justice, Dawda Jallow; Governor of the Central Bank of The Gambia, Buah Saidy; Commissioner General of the Gambia Revenue Authority, Yankuba Darboe; National Auditor General, Cherno Sowe; other senior government and central bank officials; and representatives of the private sector and civil society. The mission briefed development partners. Mr. Cham (senior advisor, OEDAE) participated in the meetings. Ms. Bouzouita provided research analysis and Ms. Njie (local office manager) helped with the organization of the mission. Mss. Pilouzoue and Derrouis assisted in the preparation of this report.

CONTENTS

FIGURES

TABLES

ANNEXES

APPENDIX

Acronyms

AFD	Agence Française de Développement (French Development Agency)
BOP	Balance of Payments
CBG	Central Bank of The Gambia
CPI	Consumer Price Index
DRMS	Domestic Resource Mobilization Strategy
FSDSA	Debt Sustainability Analysis
ECF	Extended Credit Facility
Forex	Foreign Exchange
GDP	Gross Domestic Product
GIEPA	Gambia Investment and Export Promotion Agency
GMD	The Gambian dalasi
GRA	The Gambia Revenue Authority
IFMIS	Integrated Financial Management Information System
IMF	International Monetary Fund
IT	Indicative Target
ITAS	Integrated Tax Administration System
MDAs	Ministries, Departments, and Agencies
MEFP	Memorandum of Economic and Financial Policies
MoFEA	Ministry of Finance and Economic Affairs
NAWEC	National Water and Electricity Corporation
NDB	Net Domestic Borrowing
NPLs	Non-Performing Loans
PPP	Public-Private Partnership
PRGT	Poverty Reduction and Growth Trust
QPC	Quantitative Performance Criteria
PFM	Public Financial Management
RAM	Risk Assessment Matrix
RM	Reform Measure
RSF	Resilience and Sustainability Facility
SB	Structural Benchmark
SOE	State-Owned Enterprise
STA	Statistics Department, IMF
TA	Technical Assistance
TMU	Technical Memorandum of Understanding
VAT	Value-Added Tax

CONTEXT

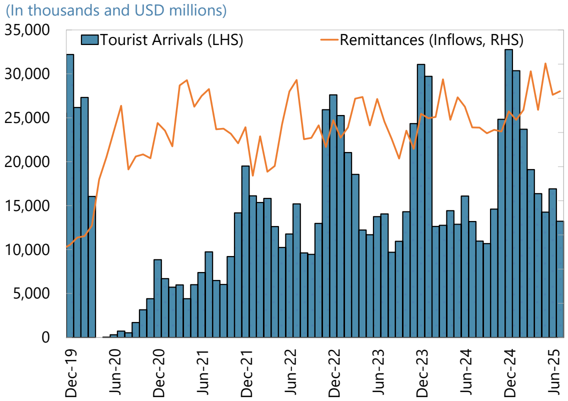
1. **The constitutional reform process is ongoing despite some challenges**. The National Assembly recently rejected the 2024 Constitution Bill at its second reading. Nevertheless, The Gambian government remains committed to advancing the constitutional reform process to improve its governance framework. Presidential elections are scheduled for December 2026.

RECENT ECONOMIC DEVELOPMENTS

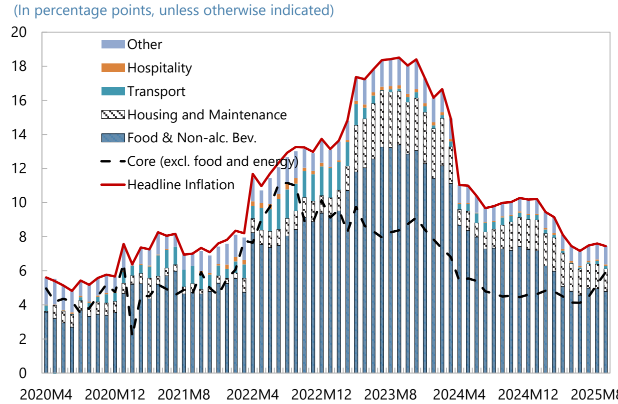
2. **The strong economic recovery continues while inflation is decelerating** (MEFP ¶3 and Text Figure 1). Real GDP growth is projected at 6 percent in 2025 (against 5.7 percent projected during the third review),[1] supported by the agriculture, construction, and tourism sectors. Tourist arrivals continued to recover in 2025H1, increasing by 0.2 percent relative to 2024H1. Remittance inflows remain robust. Headline inflation declined from a peak of 18.5 percent (y-o-y) in December 2022 to 7.4 percent (y-o-y) in September 2025, mainly due to lower global food and energy prices, but remains above the central bank's 5 percent medium-term target. Core inflation edged up slightly to 5.9 percent in September, from 4.1 percent in June.

Text Figure 1. The Gambia: Economic Activity Indicators, 2019–25

Tourist Arrivals and Remittances
(In thousands and USD millions)



Contributions to Consumer Price Inflation, January 20- September 25
(In percentage points, unless otherwise indicated)



Sources: The Gambian authorities and IMF staff calculations.

[1] The authorities' latest data indicates that real GDP in 2024 grew by 5.6 percent (against staff's estimates of 6 percent during the third ECF review). This was mainly due to a base effect as the authorities also revised upward real growth for 2023, from 4.8 to 5.9 percent. At the same time, nominal GDP for 2023 and 2024 was revised downward. This affects macroeconomic ratios, complicating direct comparisons between the fourth and third ECF review staff reports.

3. Fiscal performance during the first half of 2025 was stronger than expected (MEFP ¶4, Text Table 1, and Tables 2a-b). The overall fiscal deficit was smaller relative to the third ECF review projection in nominal terms. Revenue collections exceeded expectations by a significant margin, with tax revenues outperforming estimates by 0.4 percent of GDP, reflecting continued implementation of revenue reform measures. Despite pressure from unbudgeted support to the National Water and Electricity Corporation (NAWEC) in May, expenditure restraint contributed to lower current spending, which partially offset an increase in foreign-financed capital expenditure. A sizable statistical discrepancy continues to be addressed by STA TA with a follow up mission expected in 2026 H1.[2]

Text Table 1. The Gambia: Fiscal Performance in 2025H1

(Percent of GDP)[1]

	2025 H1 3rd Review	2025 H1 Act.
Revenue	**9.6**	**11.2**
Domestic revenue	7.0	7.6
Taxes	5.9	6.7
Non-tax	1.1	0.9
Grants	2.6	3.6
o/w. Budget support	0.0	0.0
Expenditures	**12.4**	**14.1**
Expenses	8.6	8.8
Compensation of employees	2.3	2.6
Use of goods and services	1.8	1.5
Interest	1.3	1.3
External	0.3	0.1
Domestic	1.0	1.2
Subsidies and transfers	3.2	3.5
Net acquisition of nonfinancial assets	3.8	5.3
Foreign financed	2.8	4.5
Gambia local fund	1.0	0.8
Net lending (+)/borrowing (–)	**-2.8**	**-2.9**
Financing	**2.8**	**3.5**
Net acquisition of financial assets	0.0	0.0
Net incurrence of liabilities	2.8	3.5
Domestic	3.6	3.4
o/w. Net borrowing	3.6	3.5
o/w. RCF/ECF (Onlent)	0.2	0.2
Foreign	-0.8	0.2
o/w. Borrowing	0.3	0.9
Statistical discrepancy	0.0	-0.6
Memorandum item		
Domestic primary balance	-1.3	-0.7

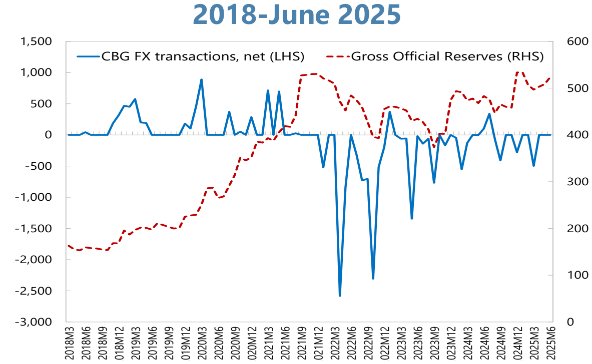
Source: The Gambia authorities; and IMF staff estimates

[1/] The authorities' downward revision of the 2024 nominal GDP complicates direct comparisons between ratios reported in the third and fourth review staff reports.

4. The monetary policy stance remains tight. The Central Bank of The Gambia (CBG) has maintained its policy rate at 17 percent since August 2023 after a cumulative 700 basis points increase since March 2022. The decision to maintain the policy rate despite the moderation in inflation was based on the fragility of the disinflation process given heightened global uncertainties and potential domestic supply constraints. This has put the real interest rate in positive territory.

5. The foreign exchange (forex) market is functioning smoothly (MEFP ¶5 and Text Figure 2). The exchange rate vis-à-vis the US$ depreciated by an average of 5.8 percent during 2025H1. The wedge between the official and parallel exchange rates has remained at around 2 percent in recent months, compared to a peak of 10 percent in mid-2022.[3] The increase in tourist arrivals, private remittance inflows, and Fund disbursements in June have helped ease pressures on the forex market and helped to build foreign reserves.

Text Figure 2. The Gambia: Central Bank Net Forex Purchases and Gross Foreign Reserves, 2018-June 2025



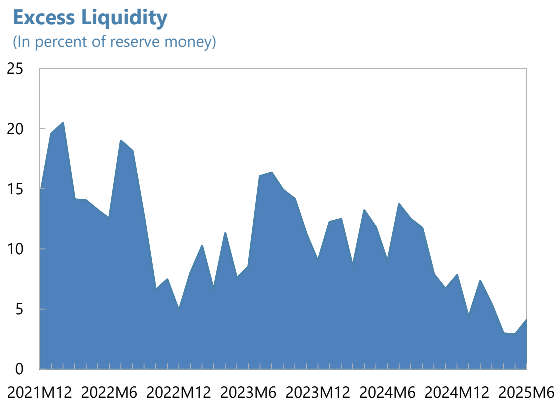
Sources: The Gambian authorities and IMF staff estimates.

[2] The statistical discrepancy primarily reflects timing differences between above- and below-the-line fiscal accounting and is expected to disappear by the end of the year.

[3] The parallel exchange rate is illegal under The Gambia's law.

6. The banking sector remains resilient despite recent challenges (MEFP ¶6, Text Figure 3). Banks' capital adequacy and liquidity ratios significantly exceed regulatory minimums, recorded at 25.1 percent and 78.5 percent, respectively, as of end-June 2025. Non-performing loans (NPLs) increased in the second half of 2024 following a default by a large borrower affecting two banks. However, the NPL ratio declined to 8.9 percent by end-June 2025 supported by ongoing loan restructuring efforts and improved repayment conditions. Private sector credit growth remained robust, while banks' excess reserves fell to 4.1 percent of reserve money at end-June 2025.

Text Figure 3. The Gambia: Banking Sector



Sources: The Gambian authorities and IMF staff calculations.

PROGRAM PERFORMANCE

7. Program performance under the ECF has been satisfactory while the authorities are advancing reforms under the RSF (MEFP ¶7, MEFP Tables 1-5):

- Six out of seven quantitative performance criteria (QPCs) and all four indicative targets (ITs) for end-June 2025 were met. The floor on net international reserves was missed by 0.8 percent of GDP because of a currency swap operation between the CBG and Afreximbank.

- Six out of ten structural benchmarks (SBs) were met. Three have been completed with a delay; and one is proposed to be rephased to end-January 2026. The two reform measures (RMs) under the RSF for this review are expected to be met on time and one reform measure for the second review was completed ahead of time.

OUTLOOK AND RISKS

8. The medium-term macroeconomic outlook remains broadly unchanged relative to the third ECF review (MEFP ¶8). Economic growth is projected at 5.1 percent in 2026, supported by the tourism and agriculture sectors, and is expected to stabilize at around 5 percent over the medium term. Inflation is expected to ease further due to the continued tight monetary policy stance and declines in the prices of key international commodities, including fuel and food. Foreign exchange reserves are projected to be around four months of imports in the medium term, underpinned by tourism receipts, remittance inflows, and disbursements from the Fund and other development partners. The authorities target a fiscal deficit of 0.4 percent of GDP over the medium term, accompanied by a steady decline in public debt.

9. **The balance of risks is tilted to the downside** (Annex I). Key risks to the outlook arise from the uncertainty surrounding commodity prices and potential disruptions to global supply chains and trade flows. Also, an abrupt slowdown in the world economy could reduce tourist arrivals and remittance inflows, intensifying forex pressures. On the domestic front, persistently high price levels could lead to socio-political tensions and fiscal pressures, exacerbated by elections scheduled in 2026. More frequent natural disasters could damage infrastructure and livelihoods and adversely affect growth, inflation, and external balances. While the impact of the reduction in USAID support so far is relatively limited, the likely loss of the Millennium Challenge Corporation (MCC) compact that had been expected for late 2025 is significant. The direct impact on The Gambia of changes in US tariffs is minor given that exports to the US hover around 1 percent of total exports.

POLICY DISCUSSIONS

Policy discussions focused on (i) policies to meet agreed targets in 2025 and the 2026 budget; (ii) monetary, financial sector, and exchange rate policies; (iii) structural measures, including on governance; and (iv) the climate change agenda under the RSF.

A. Strengthening the Fiscal Policy Framework

10. **Further efforts will be needed to achieve 2025 fiscal targets** (MEFP ¶10-11, Text Tables 2 and 3, Tables 2a and 2b). On the revenue side, tax revenues are expected to increase by 2.2 pp of GDP compared to the third review, with about half of the increase accounted for by the nominal GDP revision and the reclassification of some revenue lines from non-tax to tax revenue. 76 percent of the projected tax revenue for the year has already been collected from January to September, putting the projected increase in tax revenue well within reach. However, this strong performance cannot fully offset a delay in the expected 1.9 percent of GDP disbursement from Africa 50, and overall revenues are expected to be lower by 0.9 percent of GDP. On the expenditure side, compensation to employees is expected to be higher by 0.5 percent of GDP relative to the third review projection, mainly due to higher wage bills in the health, education and security sectors and an increase in domestic capital expenditure, reflecting a debt assumption of 0.3 percent of GDP and

Text Table 2. The Gambia: Fiscal Estimates for 2025–2026
(Percent of GDP)[1]

	2025 3rd Review Proj.	2025 Proj.	2026 3rd Review Proj.	2026 Proj.
Revenue	**23.7**	**24.4**	**22.8**	**24.7**
Domestic revenue	15.1	15.2	14.6	15.8
Taxes	10.7	12.9	11.4	13.3
Non-tax	4.3	2.2	3.2	2.5
Grants	8.6	9.3	8.2	8.9
o/w. Budget support	1.9	2.0	1.6	1.5
Expenditures	**24.6**	**25.6**	**23.2**	**25.7**
Expenses	15.7	15.4	13.3	16.1
Net acquisition of nonfinancial assets	8.9	10.1	9.9	9.6
Foreign financed	7.6	8.2	8.1	7.8
Gambia local fund	1.3	2.0	1.8	1.8
Net lending (+)/borrowing (–)	**-0.9**	**-1.1**	**-0.4**	**-1.0**
Financing	**0.9**	**1.1**	**0.4**	**1.0**
Net incurrence of liabilities	0.9	1.1	0.4	1.0
Domestic	2.0	2.2	1.3	2.6
Foreign	-1.1	-1.1	-0.9	-1.5
Statistical discrepancy	0.0	0.0	0.0	0.0
Memorandum item				
Domestic primary balance	1.0	0.7	2.1	1.3

Sources: The Gambian authorities; and IMF staff estimates.
1 The authorities' downward revision of 2024 nominal GDP complicates direct comparisons between ratios reported in the third and fourth review staff reports.

other capital spending, such as road and bridge projects, which are expected to accelerate towards the end of the year.[4] Goods and services spending will be contained to compensate for these overruns through strict prioritization and control of cash allocations. While overall domestic expenditure are projected to be lower by 0.6 percent of GDP vis-à-vis the third review projection on the back of these efforts, expenditure restraint cannot fully compensate for the revenue shortfall and the overall fiscal deficit projection was revised upward to 1.1 percent of GDP. Excluding the debt assumption, the domestic primary balance is expected to remain in line with the target agreed during the third ECF review, and the authorities are fully committed to taking the necessary steps to meet this target.

11. The 2026 budget aims to balance spending needs with fiscal sustainability, but upcoming elections pose risks (MEFP ¶12, Text Table 2, Tables 2a 2b). Given the need for further debt reduction, the 2026 budget targets an overall deficit of 1 percent of GDP (**prior action**). Strong revenue mobilization efforts based on sustained reform implementation are expected to continue and help meet spending pressures from higher interest payments, election-related outlays, arrears payments for input subsidies, and priority social spending needs. Steps to improve the financial viability of the public utility NAWEC are expected to reduce risks to the budget (see below). However, it will be crucial to maintain fiscal discipline and strict expenditure control during this election year.

Text Table 3. Estimated Reform Yields in 2025
(Percent of GDP)

CIT withholding	0.3
VAT audits	0.1
Oil pricing and fuel marking reforms	0.2
Excise stamp reforms	0.1
Revenue assurance	0.1
Fuel levy 1/	0.5
Reduction in duty waivers	0.4
Total	**1.7**

Sources: MoFEA and IMF staff estimates

1/ Higher fuel levy is the result of both higher import volume and keeping price above full passthrough.

On the revenue side, domestic revenue is envisaged to increase by 0.6 percent of GDP, based on higher tax and non-tax revenue collection:

- The authorities are engaged in discussions to agree on revised terms for the receipt of Africa50 payments, ensuring that a reduced amount of the payment will still be received, albeit with a delay.
- The authorities will continue to take advantage of falling oil prices to keep petrol and diesel prices above full passthrough levels, enhancing collections of the fuel levy.

[4] This loan assumed by the central government relates to 70 public transport buses purchased in 2023 by the Social Security and Housing Finance Corporation (SSHFC) on behalf of the Gambia Transport Service Company (GTSC). Due to GTSC's inability to repay the loan, the Ministry of Finance and Economic Affairs (MOFEA) will cover half of the total amount due, while GTSC remains responsible for the other half. Both the interest and amortization on this loan are included under the government's domestic debt service. The debt has been incorporated in the fiscal framework and DSA.

- The tax-to-GDP ratio is expected to increase by 0.4 percentage points to 13.3 percent, on the back of policy measures introduced in 2025 which will continue to impact 2026. Full-year revenue yields (Text Table 3), in particular of recently adopted measures, are expected to translate into even higher collections in 2026. These include enhanced compliance efforts on withholding tax from donor-funded projects, the impact of stepped-up tax audits, improved oil tax revenue from pricing and fuel marking systems, the introduction of excise tax stamps, more efficient rental income tax collections following the introduction of the rental property database in June (**SB for end-June 2025**), and tighter management of tax expenditures with continued reductions in duty waivers. Additionally, the rollout of the e-invoicing and the telecoms sector revenue assurance system are expected to contribute to tax collections in 2026.
- The authorities are taking measures to fulfill all triggers in budget support programs of development partners to ensure timely disbursements.

On the spending side, the authorities are committed to managing the spending pressures in the election year through strict expenditure prioritization and control:

- The draft budget accommodates election-related expenditure of about 0.4 percent of GDP, as well as 0.9 percent of GDP in agricultural subsidies which are needed to support fertilizer purchases.
- Following an expected overrun of wages and salaries spending in 2025, wage growth will be strictly contained, resulting in a reduction in spending by 0.2 percent of GDP compared to 2025.
- The draft budget includes 1 percent of current expenditure as contingency to reduce risks and preserve flexibility for unforeseen exigencies. Should additional pressures materialize, including lower-than-anticipated domestic revenues, the authorities are committed to delaying non-priority spending, in particular in the capital budget, while preserving priority social outlays.

With regard to financing, the deficit will be mostly financed domestically, as net external financing is negative due to high amortization payments.

12. Robust revenue measures are expected to underpin the authorities' medium-term fiscal consolidation strategy (MEFP ¶13). The 2026-2030 DRMS (**SB for end-June 2025, completed in October**) targets a tax-to-GDP ratio of 15 percent by 2030. Consistent with IMF advice, it prioritizes comprehensive reforms of VAT, CIT, PIT, complemented by other measures such as a carbon-based excise. In line with the DRMS, the authorities will conduct a full VAT review (**SB proposed to be rephased to end-September 2026**) and enhance property taxation. Tax expenditure will be more transparent and streamlined through the submission of a tax expenditure statement to cabinet (**SB for end-December 2025**). On the administrative side, the authorities are working on the implementation of ITAS, which will enhance digitalization and enable e-filing and e-returns.

13. Strengthening public financial management (PFM) will be essential to ensure fiscal discipline (MEFP ¶14). Reforms will aim at improving budget credibility, controlling expenditure, and preventing the build-up of arrears:

- The authorities are finalizing the PFM Act to improve budgeting, tighten virement rules, strengthen expenditure controls, prevent arrears build-up and formalize an arrears reporting and monitoring framework (**SB proposed to be rephased to end-March 2026**). Strengthening the virement framework is essential to strengthen budget credibility by ensuring that budget allocations reflect approved priorities and are not routinely overridden.
- On domestic arrears, the authorities remain strongly committed to implementing a three-step plan: development of a strategy to institutionalize the arrears monitoring and reporting framework, and to address PFM weaknesses that led to pending payment accumulation (**delayed SB for end-June 2025, proposed to be rephased to end-January 2026**); conducting a comprehensive stocktaking exercise led jointly by the National Audit Office and Internal Audit (**SB for end-December 2025**); and publishing a payment schedule of verified arrears for inclusion in the 2027 budget (**SB proposed to be rephased to end-June 2026**).
- To improve cash management, MDAs will submit quarterly cash-plan updates through IFMIS and adhere to a maximum deviation rule, with safeguards for essential spending (**SB proposed to be rephased to end-June 2026**). This rule is an interim step to build better budgeting practices. Expenditure plans will be revised accordingly.
- The authorities have fully aligned the chart of accounts (COA) with GFS 2014, finalized the CoA manual and published both on MOFEA's website (**SB for end-September 2025**).
- To improve data consistency across government accounts, the authorities will conduct an in-depth review to reconcile the source of the inconsistency between the fiscal and monetary accounts for central government net financing from the banking system (**proposed new SB for end-March 2026**).

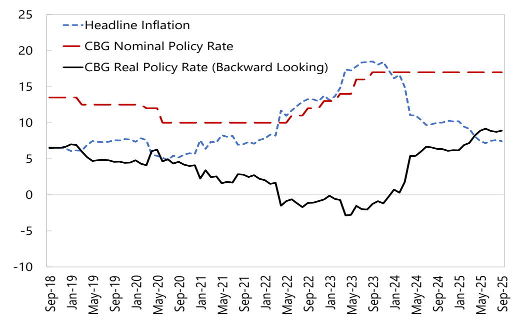
14. While oversight of SOEs is improving, further efforts are critical to contain fiscal risks (MEFP ¶15). NAWEC's financial position has strengthened recently due to cheaper electricity imports and reductions in technical and commercial losses, but a persistent gap between costs and tariffs remains. The authorities plan to publish NAWEC's audited 2022 financial statements and clear the remaining audit backlog in 2026, implement competency-based board reforms, and maintain the publication of audited financial statements as part of future performance contracts to enhance transparency and accountability. Enforcement measures, such as salary reductions for underperformance and bonuses for entities that met their targets, are being applied. The authorities are also assessing options for the partial or full privatization of GAMCEL (**SB proposed to be rephased to end-June 2026**). A key outstanding reform to strengthen fiscal risk monitoring is to expand and consolidate the SOE Commission's oversight perimeter so that it covers all public sector entities that pose potential fiscal risk exposure, including those with state participation.

15. The Gambia's public debt is assessed to be sustainable over the medium term, although risks of external and overall debt distress remain elevated and increased since June 2025 DSA (MEFP ¶16, DSA Tables 3–7). Debt vulnerabilities have increased since June 2025 DSA, reflecting higher external and domestic debt levels and domestic debt service. The PV of total public debt-to-GDP breaches the benchmark level of 55 percent and falls within the benchmark level by 2027 and continues to decline thereafter, supported by sustained fiscal consolidation. To reduce debt vulnerabilities, the authorities are strengthening their medium-term fiscal policy framework with an emphasis on bolstering domestic revenue mobilization, are strictly adhering to the agreed external borrowing plan, and are closely monitoring SOEs to ensure that SOEs and PPPs do not create additional fiscal risks or contingent liabilities. Fiscal consolidation and lower public sector borrowing is expected to reduce banks' sovereign risk exposure and allow for increased private sector borrowing and investment.

B. Fostering Price and Foreign Exchange Stability

16. The monetary policy stance should remain tight to address persistent inflation pressures (MEFP ¶17, Text Figure 4). Headline inflation remains elevated and is showing some persistence while core inflation has edged up recently. As a result, the CBG has rightly maintained its tight monetary policy to control both measures. Further policy actions should continue to be data dependent, given the uncertain outlook. The recent decline in excess liquidity within the banking system is a positive development and efforts to reduce it further should be maintained. The CBG is encouraged to use a combination of various policy tools as appropriate, including the monetary policy rate, the issuance of CBG bills, the use of the deposit window, and a change in the reserves requirement ratio.

Text Figure 4. The Gambia: Inflation and Policy Rates, September 2018–September 2025

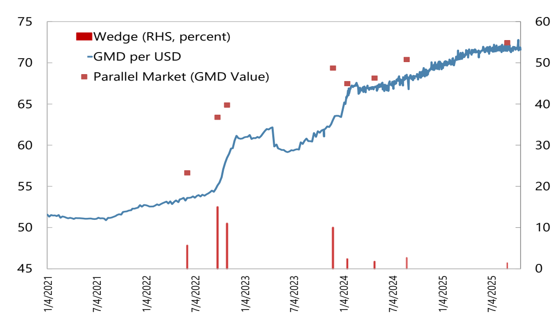


Sources: The Gambian authorities, and IMF staff calculations.

17. The CBG is strengthening its foreign exchange management framework to enhance market stability and reserve accumulation (MEFP ¶21, Text Figure 5). Staff encourages the CBG to continue implementing the forex policy introduced in 2023 to prevent a recurrence of shortages and large wedges with the parallel market. The exchange rate is intended to function as a shock absorber for the economy and FX interventions should be limited to mitigating excessive volatility caused by large non-fundamental shocks and supporting reserve accumulation. The authorities are finalizing a forex intervention policy consistent with these principles. The Gambia's official exchange rate is not market representative and the official action (i.e., use of a two-day lagged official exchange rate and simple average formula) that gave rise to an impermissible spread

Text Figure 5. The Gambia: CBG Exchange Rate, 2021–25

(GMD per USD)



Sources: The Gambian authorities, and IMF staff calculations.
Note: the wedge is defined as the difference between the parallel and the official rates over the official rate (in percent).

on September 2, 2024 was adopted prior to the ECF program.[5] Thus, there is no implication for compliance with the program's performance criteria. As no impermissible spread has occurred since the emergence of the impermissible spread in last year September, the MCP is considered removed but the official action continues to be subject to monitoring. The CBG plans to eliminate this practice in the near future by finalizing a new electronic FX data collection system.

C. Strengthening Financial Stability

18. The CBG remains committed to monitoring vulnerabilities in the financial system while enhancing the regulatory and supervisory framework (MEFP ¶20). The latest CBG's stress test results reaffirmed the sector's resilience to both capital and liquidity shocks. However, the CBG is encouraged to remain vigilant and closely monitor potential vulnerabilities emanating from credit concentration and high sovereign exposure (Annex II). While NPL ratio has declined recently, it remains elevated relative to its historical average. Therefore, the focus, going forward, should remain on risk-based supervision supported by capacity building, close monitoring of concentration risks, and timely early intervention when needed. The CBG is encouraged to finalize and adopt the Basel Capital Frameworks to improve the assessment of capital requirements for banks, with the initial focus on the implementation of Pillar 1 of Basel II. To safeguard the strength of the banking sector and improve its resilience to future shocks, the CBG will require the augmentation of banks' minimum regulatory capital by GMD100 million by end-December 2025 (**SB for end-December 2025**) and by another GMD100 million each year thereafter to reach a total level of capital of GMD 500 million by end-2027.

19. The authorities' efforts to amend the CBG Act to strengthen its mandate, governance, and autonomy are welcome (MEFP ¶18 and ¶19). The authorities have completed a first review of the draft amendments to the CBG Act and are expected to share them with the IMF in December 2025. The CBG requested an IMF TA of aligning the draft amendments with good international practices and the recommendations from the safeguards assessment. The revised mandate will establish domestic price stability as the CBG's sole primary objective. The CBG Board is expected to adopt the amendments by end-March 2026, followed by cabinet approval and submission to the National Assembly. Staff welcomes the CBG's continued commitment to ceasing quasi-fiscal activities, including providing direct or indirect financial support to public entities. This will help safeguard the central bank's balance sheet integrity and support macro-financial stability.

20. In the same vein, the CBG should avoid engaging in any quasi-fiscal operations through currency swap operations, such as the recent currency swap with Afreximbank. (LOI

[5] The CBG computes the official exchange rate using the simple average method of the weighted average buying and weighted average selling rate. Data on the previous day's transaction is processed on the current day and published the following day. This means that transactions included in the calculation do not occur on the business day immediately preceding the day when the official exchange rate is to be used. The CBG's official exchange rate does not meet the one-day lagged exemption under the MCP policy (IMF 2023, paragraph 8), which requires official exchange rates to be calculated as a weighted average of all transactions in the business day immediately preceding the day the official exchange rate is to be used. Therefore, using the CBG's official exchange rate does not meet the MCP Policy criteria and as such constitutes an official action under the MCP policy.

and MEFP ¶19). The CBG recently engaged in a five-year US$75 million currency swap arrangement with Afreximbank. GMD swap drawings of Afreximbank were used to purchase local currency bonds issued by the National Roads Authority (NRA). The CBG's US$ swap proceeds are deposited at Afreximbank and are currently encumbered as collateral/as a guarantee for the repayment of the CBG's swap obligation in US$. The swap operation will be reversed by US$15 million every year until maturity.[6] While this operation does not technically violate the letter of IT on the CBG's credit to public entities, it represents a quasi-fiscal activity, undermining the CBG's autonomy, and poses financial risks to the CBG in case NRA defaults. The authorities will refrain from future swap operations for any purposes other than FX liquidity management. Staff welcomes the authorities' commitment to consulting with IMF staff before adopting any additional measures that could affect the obligations of the CBG or the Gambian government.

D. Advancing Governance and Structural Reforms

21. Though the implementation of the Governance Diagnostic Assessment has been slow, the authorities are continuing efforts to strengthen governance and anti-corruption frameworks to unlock growth potential (MEFP ¶22). Progress towards greater accountability was marked by the submission of a shortlist of anti-corruption commissioners to the National Assembly (**SB for end-June 2025 completed in September**). Upon approval, the anti-corruption commission is expected to commence operations through the swearing-in of commissioners, recruitment of an executive secretary, and establishment of its premises (**proposed new SB for end-June 2026**). The authorities intend to swiftly establish a dedicated overseeing body to accelerate implementation of the governance diagnostic assessment action plan; and to submit financial accounts to the Auditor General within three months of year-end. Key public services have been digitized, and the Laws of The Gambia have been compiled through end-December 2024, with plans to update the compilation and contract a private firm for publication. Ensuring full independence of the National Audit Office is a critical pillar of the rule of law. While the authorities adopted a new National Audit Office Act (**SB for end-September 2025**) further steps are required to bolster the NAO's operational integrity and ability to promote transparency and accountability, identify public financial management weaknesses, and deter the misuse of public resources.

22. Efforts are ongoing to improve the business environment to attract private investment (MEFP ¶23). Key reforms include the revised GIEPA Act and the development of a digital platform for business registration **(SB for end-June 2025)**. These initiatives are designed to attract investment, reduce business entry costs, and encourage formalization. The recently approved land policy aims to improve access to land and collateral (**SB for end-September 2025**). Strengthening of credit markets is supported by the establishment of the Credit Reference Bureau.

[6] Interest rates on the CBG's US$ swap obligation to Afreximbank and CBG's deposits at Afreximbank is approximately 6.2 percent and 4.2 percent, respectively. Interest rate on Afreximbank's GMD swap obligation to the CBG is approximately 15.8 percent, which is the same as the interest rate on the NRA bonds held by Afreximbank until the swap maturity.

E. Building Resilience to Climate Change

23. RSF reform measures for the first review remain on track for completion by end-November (MEFP ¶24). Mitigation and adaptation criteria have been integrated into the public investment management process, supported by FAD, with updated guidelines and templates reflecting The Gambia's risk profile set to be applied in project selection, appraisal, and monitoring starting in the 2027 budget cycle (**RM 3 for early-December 2025**). Climate mitigation and adaptation considerations will also be incorporated into the selection and evaluation of PPP projects as part of the ongoing revision of the PPP Bill. The approval of index-based insurance regulations remains on track (**RM 5 for end-September 2025**), supporting efforts to expand risk transfer mechanisms for climate-vulnerable households. Additionally, the Cabinet approved the Climate Change Bill ahead of schedule (**RM 1, due end-March 2026**), with operationalization expected in 2026. The Climate Change Bill clarifies and strengthens the climate-related institutional framework, through the establishment of complementary institutional bodies at the policy and technical levels, including the National Climate Change Council (NCCC) chaired by the President. The Bill also aims to secure public access to climate-related data, information and reports, while providing the NCCC with the necessary authority to require public and private entities to monitor, quantify and report on climate-related information.

24. Reforms for the second and third RSF reviews are also progressing well. The authorities are planning to introduce a carbon-based excise as part of the 2026 budget process **(RM 8 for end-January 2026)**; and are on track to develop a methodology to identify fiscal risks stemming from natural disaster on key macro-fiscal variables **(RM 2 for end-March 2026)**; and to develop a transition taxonomy, establish a climate data repository, and adopt banking supervisory guidelines **(for end-March 2026)**. All three reforms have been supported through IMF TA. For the third review, the authorities have already started implementation and are receiving technical assistance from the IMF on electricity subsidies **(RM 9 for end-September 2026)**, from the World Bank on zoning regulations **(RM 6 for end-September 2026)** and from the French Development Agency (AFD) on groundwater regulations **(RM 7 for end-September 2026)**.

PROGRAM MODALITIES

25. ECF modalities:

- **Prior action**. The fourth review includes a prior action on the submission to the National Assembly a 2026 budget in line with the ECF program parameters, including an overall deficit of 1 percent of GDP. Prior actions are critical measures for program success to underpin upfront implementation. The prior action was met in November.
- **Waiver request**. The authorities request a waiver for nonobservance of the QPC on NIR on the basis of the following corrective measures: The authorities are revising the deposit agreement with Afreximbank to ensure that proceeds from existing and future swap arrangements are not encumbered. They also propose elevating the IT on the CBG financial assistance to public

entities to a QPC and seek to revise the TMU to include a mechanism for monitoring encumbrance of the CBG's placements with Afreximbank, by adding a monthly statement, duly signed or authorized by Afreximbank, as a supporting material to verify NIR. The authorities reaffirm their commitment to consulting with the IMF before adopting any additional measures that could affect the obligations of the CBG or The Gambian government. Staff assesses that despite the nonobservance of the QPC, the program goals remain achievable under a continued commitment to sound central bank financial practices and avoidance of quasi-fiscal interventions.[7]

26. Program conditionality. The authorities and staff reached an understanding to propose updated ECF arrangement conditionality as follows (MEFP ¶29, MEFP Tables 1–3).

Quantitative Performance and Indicative Targets

- End-December 2025 and end-June 2026 QPCs on the NDB ceiling and NIR floor are adjusted to reflect the rephasing of RSF disbursements.
- End-December 2025 and end-June 2026 QPCs on the domestic primary balance are adjusted to reflect the central government's assumption of SOE debt (¶10) and revisions in the fiscal framework.
- End-December 2025 and end-June 2026 ITs on tax revenue and the floor on poverty-reducing expenditure for end-June 2026 are adjusted to reflect the revised fiscal framework.
- The IT on the CBG financial assistance to public entities is proposed to be elevated to a QPC, with a more comprehensive definition of modalities of financial assistance in the TMU.

Structural Benchmarks

- **Postponed SBs**. The SB on developing a domestic arrears strategy is proposed to be rephased to end-January 2026 to allow for more technical assistance and a deeper analysis on the root causes of arrear creation. The SB to undertake a thorough review of VAT with a view to modernizing its design and operation and improving its revenue productivity is proposed to be rephased from end-June 2026 to end-September 2026 given TA scheduling constraints. The SB to adopt by the cabinet a revised PFM Act in line with agreed IMF recommendations is proposed to be rephased from end-December 2025 to end-March 2026 to accommodate tight cabinet scheduling constraints considering that the 2026 budget will use most remaining sessions scheduled for 2025. The SB to require all MDAs to present quarterly updates to their cash plans through IFMIS and implement a 'maximum deviation' rule subject to spending pressures emanating from essential expenditure is proposed to be rephased from end-December 2025 to end-June 2026 so that the agreed reform can be properly evaluated through actual submissions in March and June 2026 prior to staff's final assessment. The SB for MoFEA to publish a payment

[7] The NIR definition in TMU is proposed to be modified to exclude both currency swap drawings and currency swap obligations from NIR calculation when the swap obligations are paid by or collateralized by the swap drawings, as in case of the currency swap with Afreximbank. This is in line with the principles of treating currency swap obligations in the Fund guidance of recording of central bank FX Liquidity lines in IMF staff reports.

schedule for arrears identified in the NAO and Internal Audit's report, reflecting the criteria identified in the arrears clearance strategy and in line with IMF recommendations is proposed to be rephased from end-March 2026 to end-June 2026 to accommodate more technical assistance in this area. The SB to complete partial or full privatization of GAMCEL is proposed to be rephased from end-March 2026 to end-June 2026, to allow more time to analyze potential proposals.

- **New**. Two new SBs are proposed to be added to guide reforms under the ECF program. The first SB is on conducting an in-depth review to reconcile the source of the inconsistency between the fiscal and monetary accounts for central government net financing from the banking system by end-March 2026. The second SB is on the start of operations of the anti-corruption commission, subject to National Assembly approval, after the commissioners are sworn in, its executive secretary recruited, and its premises established by end-June 2026.

27. RSF modalities (MEFP Tables 4–5):

- **Rephasing of RMs**. RM1, related to the adoption of the Climate Change Bill and originally scheduled for the second RSF review, was met earlier than planned. The authorities request, and staff supports, rephasing of the RSF access to allow the disbursement associated with this RM to be released during the first review. Staff assesses that the quality of the remaining reform package is not diminished, and phasing remains appropriate. Moreover, additional financing made available through the earlier RSF disbursement is not intended to cover any BoP financing gap. Three RMs (RM2, RM4, RM8) remain scheduled for the second RSF review.

28. Program monitoring. Program performance for both the ECF and RSF will be monitored on a semi-annual basis through QPCs, ITs, SBs (MEFP Tables 1–3), and RMs (MEFP Tables 4–5). The reporting requirement on details of domestic arrears and payment floats as listed in TMU section N. will be dropped until the arrears stock take and recording framework (¶12) have been completed.

29. Program risks and mitigation measures. Protraction of the wars in Ukraine and other geopolitical conflicts could intensify pressures on commodity prices and the exchange rate and undermine the balance of payments and the government's fiscal strategy. A potential global slowdown and disruption in trade amidst greater uncertainty may hinder tourist arrivals and export receipts, and The Gambia would be exposed to reductions in financial support from its main partners. Domestically, limited capacity, high costs of living and the election in December 2026 may constrain reform implementation and heighten resistance to fiscal consolidation. To mitigate these risks, staff will advise bolstering domestic revenue mobilization, embracing targeted spending restraint, and strengthening internal and external policy buffers.

30. Capacity to repay. The Gambia's capacity to repay the Fund remains adequate but is subject to significant downside risks (Table 10). The Gambia's outstanding credit to the IMF would peak at 7.8 percent GDP in 2025. Annual debt service to the Fund during 2025-30 would increase from 2.1 to 4.9 percent of revenue and from 10.9 to 37 percent of debt service. Most Fund exposure metrics are significantly higher than the PRGT comparator group with total debt service to the Fund as percent of revenue above the 75th percentile while total Fund credit outstanding as a percentage of gross international reserves would peak at 42.4 percent in 2026 (Figure 5). These risks are mitigated by The Gambia's good track record of timely repayment of Fund obligations; the authorities' commitment to reforms as demonstrated by the strong record of revenue mobilization under the current ECF arrangement, continued donor support, and a comfortable level of reserves.

31. Burden sharing and financing assurances. The ECF program is fully financed with firm commitments for the next 12 months (the remainder of the program period) based on information received from the authorities and development partners (Table 7). The disbursement of SDR 12.44 million following the completion of the fourth ECF program review will help fill the BOP financing gap, which is in part linked to budget execution; thus, SDR 4.98 million will be on-lent for budget support. The CBG and MOFEA will sign an updated MoU delineating their respective responsibilities for timely servicing of financial obligations to the Fund concerning the ECF and RSF disbursements directed towards budget financing. The RSF has already triggered additional technical assistance from development partners, and the forthcoming climate finance roundtable in 2026 will further increase coordination and open potential avenues for collaboration with the private sector.

32. External arrears. The authorities are engaged in discussions with Libya on a disputed loan to reach mutual understanding regarding the amounts of debt and the related payment method; the latest meeting between the two parties was held in October 2023. Regarding arrears to Venezuela, a virtual meeting was held in August 2024 to discuss the resumption of negotiations for paying of the outstanding debt by the Gambian authorities.[8]

33. Safeguards. Progress in implementing the 2024 safeguards recommendations remains slow. Key outstanding areas include strengthening governance arrangements, eliminating participation in quasi-fiscal development activities, including recent currency swap operation and advancing legal reforms to enhance the CBG's autonomy. On the latter the CBG has initiated efforts to amend the CBG Act and requested IMF staff involvement to ensure alignment with good international practices and the safeguards assessment recommendations. The CBG Board is expected to adopt these amendments by end-March 2026. Lastly, the finalization of the FY2024 audit of the CBG's financial statements has been delayed, and staff continue to follow up with the authorities.

34. Capacity development and collaboration with other partners (MEFP ¶26–28). TA from the IMF will continue supporting the ECF program objectives. Key areas of support have included government finance and national accounts statistics, domestic resource mobilization, and public financial management. The CBG has received assistance on monetary policy and forecasting, risk-based supervision, liquidity management, and FX operations. The authorities welcome continued

[8] Staff assesses that the conditions are met for the Fund to provide financing to The Gambia in line with the policy on arrears to official bilateral creditors, notwithstanding its outstanding arrears to Venezuela. In particular: (i) prompt financial support from the Fund is considered essential and the member is pursuing appropriate policies; (ii) The authorities have been making good faith efforts to reach agreement with the creditors on a contribution consistent with the parameters of the Fund-supported program; and (iii) the decision to provide financing despite the arrears is not expected to have an undue negative effect on the Fund's ability to mobilize official financing packages in future cases.

IMF technical support, particularly for arrears monitoring and prevention, land and property taxation, VAT modernization, SOE governance, and amendments to the CBG Act. A strong TA pipeline is advancing preparations for RSF reform measures through coordinated efforts within the IMF and development partners, covering areas such as climate-related fiscal risks, transition taxonomy and supervisory guidelines, zoning and groundwater regulations, and electricity subsidies.

STAFF APPRAISAL

35. Economic recovery continues, while inflation is decelerating. Real GDP growth is estimated at 6 percent in 2025, supported by the agriculture, construction, and tourism sectors. Remittance inflows remain robust. Headline inflation declined to 7.4 percent (y-o-y) in September 2025 but remains above the medium-term target of 5 percent. The outlook is subject to large downside risks stemming from global geopolitical developments.

36. Program performance under the ECF arrangement is satisfactory with stepped-up reform implementation, and RSF reform measures are progressing well. Six out of seven QPCs and all ITs for end-June 2025 have been met. The floor on NIR target was missed because of the central bank's currency swap operation with Afreximbank. Of the ten SBs for the fourth ECF review, nine have been completed (three with delay and the remaining benchmark is proposed to be rephased to end-January 2026. The RSF RMs for the first RSF review are well on track to be implemented, and an RM planned for the second RSF review was completed in advance.

37. Staff welcomes the authorities' commitment to the agreed 2025 fiscal targets. The authorities are planning to compensate for the delay in a sizable disbursement from Africa 50 (of 1.9 percent of GDP) through strong tax revenue collection and expenditure restraint, while ringfencing poverty-reducing spending. This will help keep fiscal consolidation on track as the increase in the debt-to-GDP ratio based on the recent GDP revision requires continued vigilance.

38. It is critical to maintain fiscal consolidation efforts over the medium term to reduce fiscal risks and preserve debt sustainability. The 2026 budget appropriately targets a tight overall deficit in line with program objectives. Enhancing domestic revenue through effective implementation of the DRMS and strengthening PFM to control expenditure will allow the authorities to create fiscal space and safeguard critical investment and development spending. Sustained fiscal consolidation, containment of fiscal risks from SOEs and PPPs, and the establishment of a robust medium-term fiscal framework remain essential to lowering debt vulnerabilities over the medium term.

39. Strengthening PFM will support fiscal discipline and accountability. Stronger PFM is key to underpinning fiscal consolidation, including stepped-up efforts to avoid domestic arrears accumulation and gain better control of multi-year commitments. Staff welcomes the authorities' ongoing efforts to improve the budgeting process, expenditure controls, cash management, fiscal reporting and the efficiency of public spending.

40. Maintaining price stability and a market-determined exchange rate should be the priority. Given an uncertain global outlook and declining but persistent inflation, the central bank's tight monetary policy stance is appropriate. The CBG is encouraged to maintain an exchange rate that reflects market dynamics and to support the smooth operation of the foreign exchange market, in order to prevent a return of foreign exchange shortages and the reemergence of disparities between the official and parallel exchange rates.

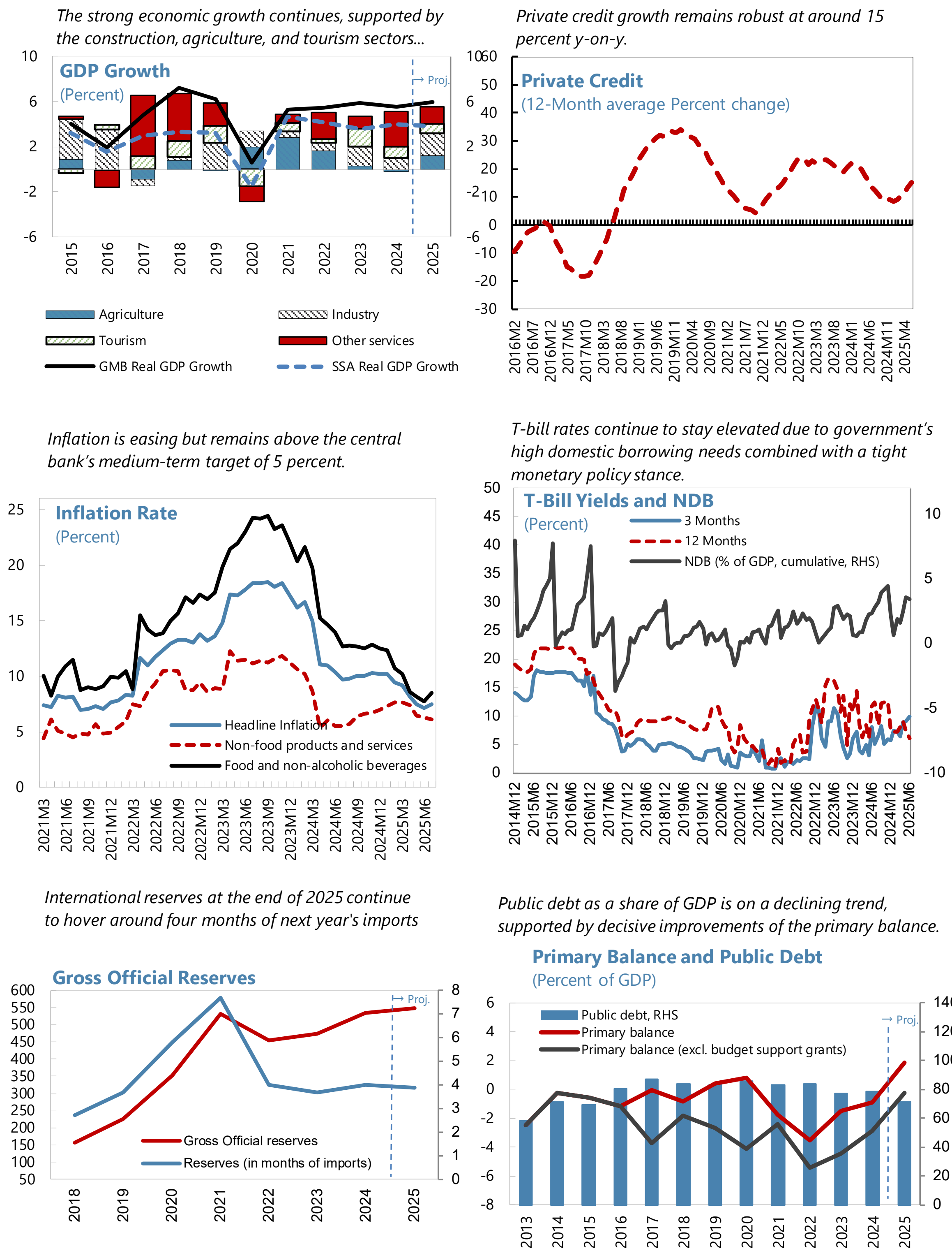
41. Staff welcomes the CBG's continued efforts to closely monitor vulnerabilities in the financial system, alongside reforms to strengthen its financial position. The financial sector remains sound and resilient, supported by enhanced supervision of banks with high NPLs. While risks associated with the recent swap operation with Afreximbank have to be monitored closely, the CBG reaffirmed its commitment to refrain from financial support to public entities and to amend the CBG Act in accordance with agreed IMF safeguards recommendations.

42. Structural reforms and improved governance are key to promoting much-needed private sector investment and growth. The revised GIEPA Act and the development of a digital platform for business registration, as well as steps to enhance governance and accountability, would support facilitating a business environment suitable for more private sector participation. Efforts to increase access to land and financing for women, youth, and other vulnerable groups and to strengthen social safety net are important steps to ensure inclusive growth.

43. The authorities' commitments to strengthening climate resilience should be firmly implemented to safeguard The Gambia's long-term macroeconomic and balance of payments stability. RSF reforms—focusing on legal frameworks, green public financial management, climate data, adaptation, and energy transition—are expected to strengthen the economy's resilience to natural disasters, help incorporate potential shocks into fiscal planning, and reduce dependence on fuel imports, thereby contributing to greater fiscal and external sustainability. Early approval of the Climate Change Bill is a major achievement to formalize the climate-related governance and institutional framework which does not jeopardize the quality of the remaining reform package.

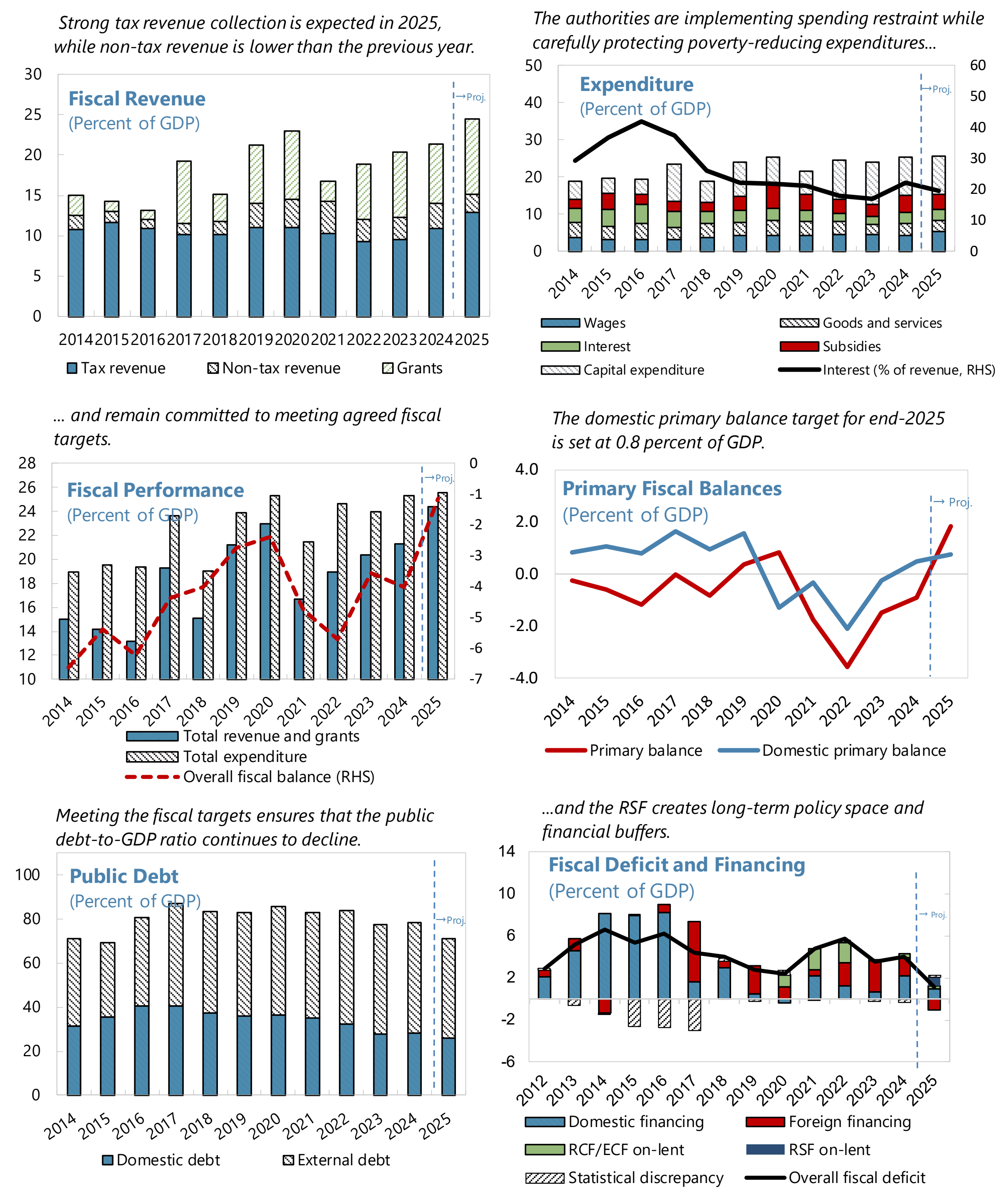
44. Staff supports the completion of the fourth review under the ECF arrangement, first review under the RSF arrangement, and the associated financing assurances review. Based on the policy and reform commitments under the MEFP and the planned corrective actions, staff supports the authorities' requests for the waiver of non-observance of the end-June 2025 NIR QPC; the proposed modifications of performance criteria and indicative targets; and the authorities' request for rephasing of the RSF access.

Figure 1. The Gambia: Recent Economic Developments, 2013–25



Sources: The Gambian authorities, and IMF staff calculations.

Figure 2. The Gambia: Fiscal Sector Developments, 2012–25

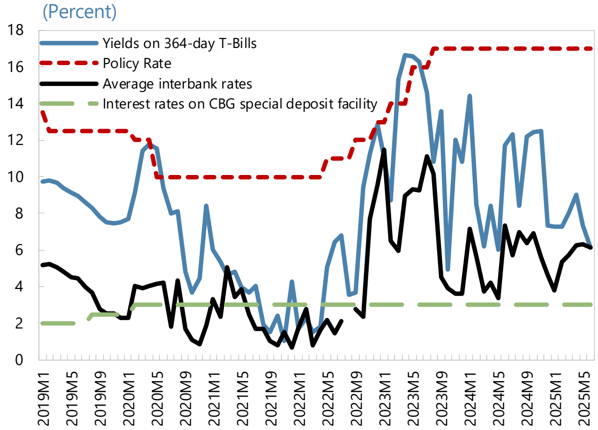


Sources: The Gambian authorities, and IMF staff calculations.

Figure 3. The Gambia: Monetary Developments, 2019–25

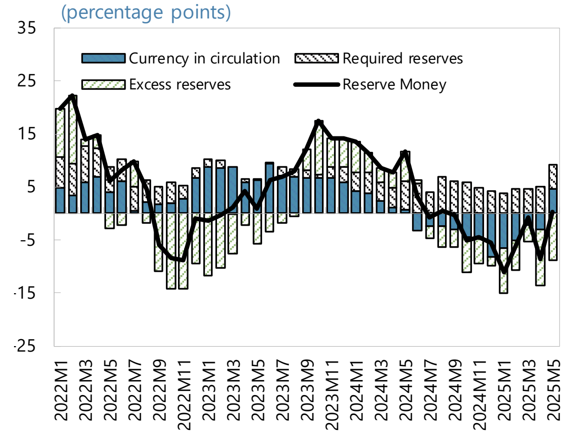
The CBG has maintained a tight monetary policy stance to ensure that inflation declines firmly.

Monetary Policy and Interest Rates
(Percent)



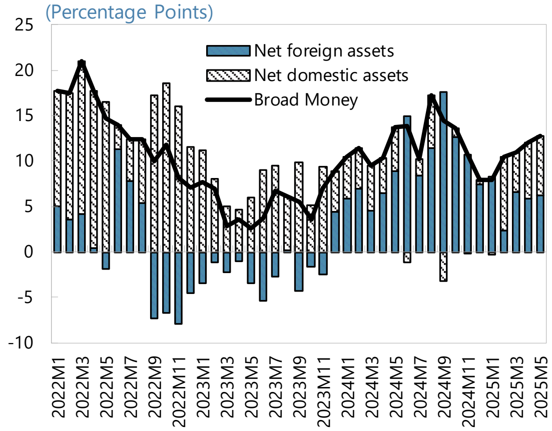
Banks' excess reserves continued to moderate in 2025

Components of Reserve Money Growth
(percentage points)



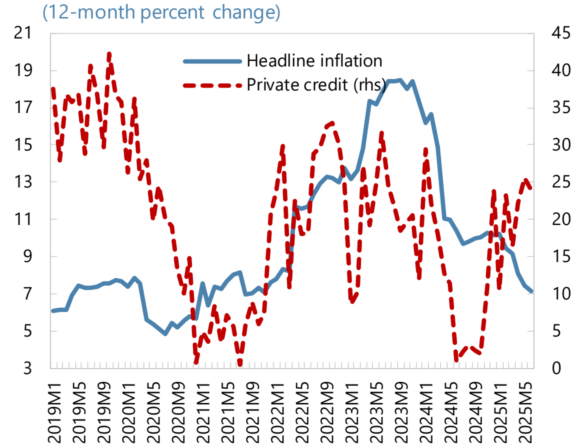
Broad money growth remained at last year's level, driven by increased net foreign assets.

Sources of Broad Money Growth
(Percentage Points)



Headline Inflation has decelerated while strong private sector credit growth continues

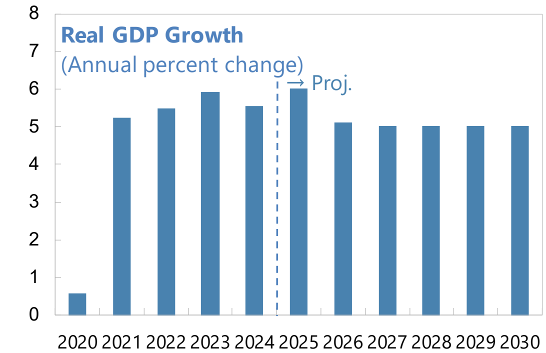
Inflation and Private Credit
(12-month percent change)



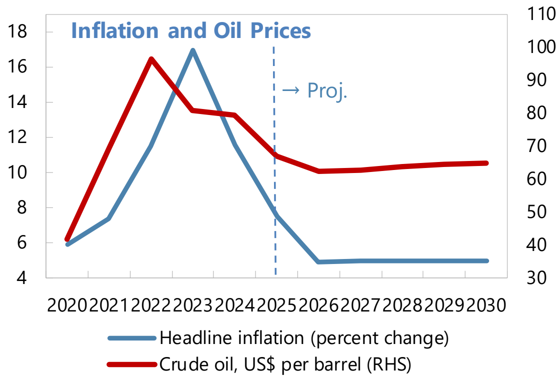
Sources: The Gambian authorities, and IMF staff calculations.

Figure 4. The Gambia: Medium-Term Outlook, 2016–30

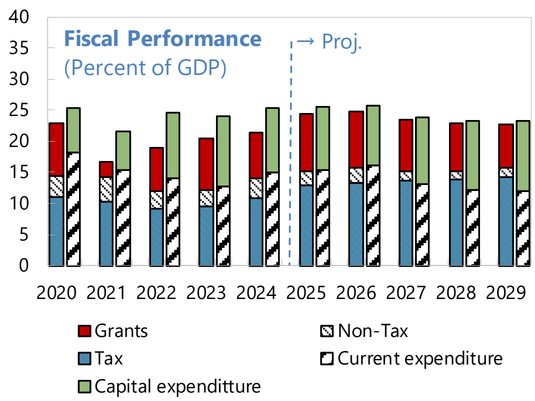
Growth is expected to stabilize at around 5 percent following a period of higher expansion.



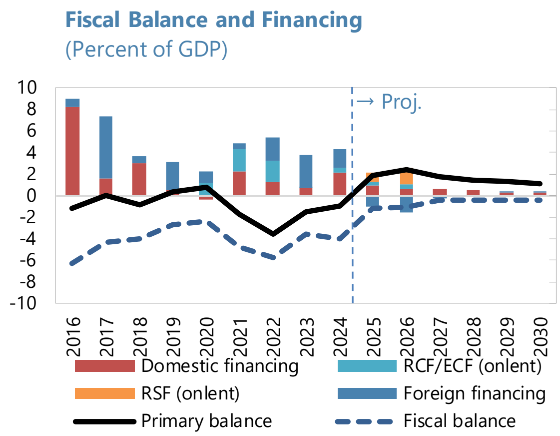
Inflation is projected to converge toward the CBG's medium-term target by end of 2026.



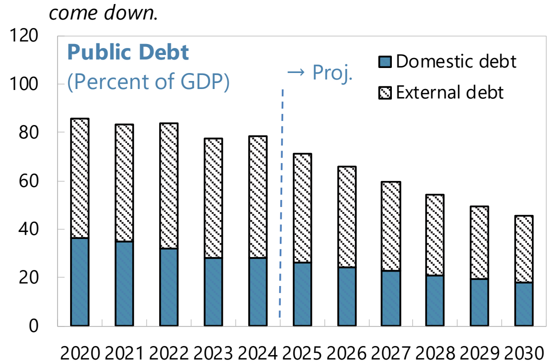
Efforts to control expenditure and mobilize domestic revenue are expected to underpin fiscal consolidation over the medium term.



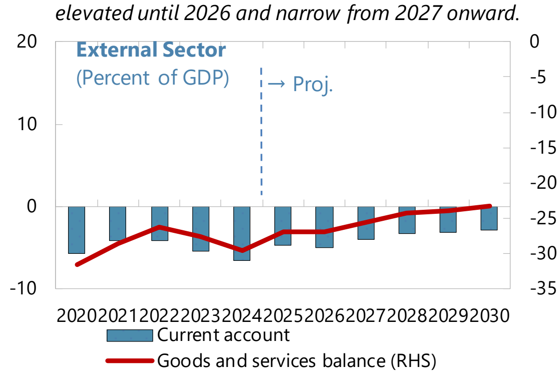
Borrowing needs are expected to decline gradually…



… and the public debt-to-GDP ratio is projected to come down.



The current account deficit is expected to remain elevated until 2026 and narrow from 2027 onward.



Sources: The Gambian authorities, and IMF staff calculations.

Figure 5. The Gambia: Capacity to Repay Indicators Compared to UCT Arrangements for PRGT Countries

(In percent of the total indicated variable)

Notes:
1) T = date of arrangement approval. PPG = public and publicly guaranteed.
2) Red lines/bars indicate the CtR indicator for the arrangement of interest.
3) The median, interquartile range, and comparator bars reflect arrangements (including blends) approved for PRGT countries between 2014 and 2024.
4) The comparator group "All PRGT" excludes arrangements that never had a UCT between 2014 and 2024.
5) PRGT countries in the control group with multiple arrangements are entered as separate events in the database.
6) Comparator series is for PRGT arrangements only and runs up to T+10.
7) Debt service obligations to the Fund reflect prospective payments, including for the current year.
8) In the case of blenders, the red lines/ bars refer to PRGT+GRA. In the case of RST, the red lines/ bars refer to PRGT+GRA+RST.
9) International reserves are proxied by imputed reserves as measured by net foreign assets or by the currency union's total reserves for LICs that are part of currency unions.

Table 1. The Gambia: Selected Economic Indicators, 2022–30
(In percent of GDP[1], unless otherwise indicated)

	2022	2023	2024		2025		2026		2027	2028	2029	2030
	Act.	Prel.	3rd Review	Prel.	3rd Review	Proj.	3rd Review	Proj.	Projections			
					(Percent change; unless otherwise indicated)							
National account and prices												
GDP at constant prices	5.5	5.9	6.0	5.6	5.7	6.0	5.1	5.1	5.0	5.0	5.0	5.0
GDP deflator	8.8	13.7	13.0	5.8	7.7	7.2	3.5	4.7	5.2	5.4	5.1	4.4
Consumer prices (average)	11.5	17.0	11.6	11.6	9.3	7.5	6.7	4.9	5.0	5.0	5.0	5.0
Consumer prices (end of period)	13.7	17.3	10.2	10.2	8.4	4.8	5.0	5.0	5.0	5.0	5.0	5.0
External sector												
Exports, f.o.b (US$ values)	59.5	535.5	10.7	10.7	1.6	0.5	3.7	4.0	4.9	5.5	3.8	4.4
Imports, f.o.b (US$ values)	14.3	74.7	14.5	14.5	-2.6	2.3	4.6	7.1	5.9	6.3	5.2	5.7
Terms of trade (deterioration = -)	-0.9	-2.8	-2.2	4.4	-0.2	0.9	-2.1	-3.8	0.8	2.1	5.7	1.8
					(Contributions to broad money growth; percent)							
Money and credit												
Broad money	7.1	8.8	7.9	7.9	6.8	6.6	4.7	6.0	4.8	3.8	3.2	0.5
Net foreign assets	-4.5	4.4	7.5	7.5	3.1	0.5	1.9	3.3	5.4	1.8	3.7	1.7
Net domestic assets	11.6	4.4	0.4	0.4	3.7	6.1	2.8	2.8	-0.6	2.0	-0.5	-1.2
Of which:												
Credit to central government (net)	7.5	-2.5	6.7	6.7	3.4	2.2	-0.2	3.1	-0.4	0.0	1.0	0.7
Credit to the private sector (net)	3.8	2.1	4.3	4.3	0.3	3.8	1.8	3.2	2.1	3.3	3.7	3.4
Velocity (GDP/broad money)	1.8	2.0	2.2	2.1	2.2	2.1	2.4	2.3	2.4	2.6	2.7	3.0
					(Percent of GDP; unless otherwise indicated) /1							
Central government finances												
Domestic revenue (taxes and other revenues)	12.0	12.2	13.2	14.0	15.1	15.2	14.6	15.8	15.2	15.3	15.7	15.9
Of which: Tax Revenue	9.2	9.6	10.2	10.9	10.7	12.9	11.4	13.3	13.7	14.0	14.2	14.5
Grants	6.9	8.2	6.8	7.3	8.6	9.3	8.2	8.9	8.2	7.7	7.1	6.8
Total expenditures	24.6	23.9	23.7	25.3	24.6	25.6	23.2	25.7	23.8	23.4	23.2	23.1
Of which: Interest (percent of government revenue)	18.0	17.0	22.1	22.1	19.8	19.6	17.6	21.4	14.7	12.0	10.8	9.8
Net lending (+)/borrowing (–)	-5.7	-3.6	-3.8	-4.0	-0.9	-1.1	-0.4	-1.0	-0.4	-0.4	-0.4	-0.4
Fiscal financing	5.5	3.7	4.2	4.5	0.9	1.1	0.4	1.0	0.4	0.4	0.4	0.4
Foreign	2.2	3.0	1.7	1.8	-1.1	-1.1	-0.9	-1.5	-0.2	0.0	0.1	0.2
Domestic	3.4	0.8	2.6	2.8	2.0	2.2	1.3	2.6	0.6	0.5	0.3	0.2
Primary balance	-3.6	-1.5	-0.9	-0.9	2.1	1.8	2.1	2.4	1.8	1.4	1.3	1.2
Public debt	83.9	77.4	73.5	78.5	68.0	75.0	61.9	66.9	60.4	54.6	49.7	46.1
Domestic public debt	32.2	28.0	26.5	28.3	25.0	26.0	20.0	21.1	20.7	20.7	21.1	22.0
External public debt	51.7	49.4	47.0	50.1	43.0	48.9	41.9	45.7	39.7	33.9	28.6	24.2
External public debt (millions of US$)	1029.3	1,120.1	1,168.4	1,168.4	1,183.9	1,259.6	1,227.8	1,268.6	1,190.5	1,101.1	996.2	906.9
External current account balance												
Excluding official transfers	-6.1	-8.2	-8.1	-9.1	-5.9	-6.8	-5.6	-6.5	-5.3	-4.6	-4.3	-3.9
Including official transfers	-4.2	-5.4	-6.2	-7.0	-4.1	-4.8	-4.0	-5.0	-4.0	-3.4	-3.1	-2.8
Gross official reserves (millions of US$)	454.7	474.3	533.5	533.5	575.7	548.1	601.9	589.8	641.5	669.2	716.3	757.8
(months of next year's imports of goods and services)	4.0	3.7	4.2	4.0	4.4	3.9	4.3	3.9	4.0	4.0	4.0	4.0
Savings and investment												
Gross investment	24.9	24.7	23.2	24.7	22.1	25.0	23.5	25.3	26.3	26.5	26.2	25.7
Of which : Central government	10.6	11.2	9.6	10.3	8.9	10.1	9.9	9.6	10.6	11.1	11.1	11.0
Gross savings	20.6	19.2	16.9	17.5	18.1	20.2	19.5	20.3	22.3	23.2	23.1	22.9
Memorandum items:												
Nominal GDP (billions of dalasi)	121.1	145.9	173.7	162.9	197.7	185.0	215.0	203.6	224.8	248.9	273.9	301.3
GDP per capita (US$)	831.8	881.7	940.9	882.1	988.4	919.3	1,021.6	967.2	1,015.5	1,067.3	1,113.2	1,165.9
Use of Fund resources (millions of SDRs)												
Disbursements	26.4	5.0	24.9	24.9	24.9	24.9	24.9	24.9	0.0	0.0	0.0	0.0
Of which : ECF Augmentation	15.6	…	…	…	…	…	…	…	…	…	…	…
Repayments	-2.0	-4.1	-3.9	-3.9	-5.2	-5.2	-10.1	-9.8	-14.9	-17.7	-18.2	-16.1
CCRT debt relief [2]	0.8	…	…	…	…	…	…	…	…	…	…	…
PV of overall debt-to-GDP ratio	73.4	65.1	62.3	68.1	58.4	65.6	52.8	58.0	53.0	48.5	44.7	42.1

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

[1] The authorities' nominal GDP for 2023 and 2024 was revised downward and so and current GDP ratios are not comparable with those reported in third ECF review staff report.

[2] The grant for debt service falling due through April 13, 2022 is available under the CCRT.

Table 2a. The Gambia: Statement of Central Government Operations, 2023–30

(Millions of local currency)

	2023	2024		2025		2026		2027	2028	2029	2030
	Act.	3rd Review	Act.	3rd Review	Proj.	3rd Review	Proj.	Projections			
Revenue	29,738	34,738	34,738	46,863	45,172	48,923	50,287	52,540	57,075	62,402	68,248
Domestic revenue[3]	17,818	22,859	22,859	29,764	28,050	31,395	32,203	34,098	38,009	42,861	47,901
Taxes	13,981	17,761	17,761	21,197	23,912	24,422	27,043	30,692	34,724	38,851	43,591
Taxes on income, profits, and capital gains	4,377	5,868	5,868	6,941	7,504	8,026	8,120	9,279	10,601	12,042	13,686
Domestic taxes on goods and services	6,145	7,611	7,611	9,402	10,576	11,031	13,396	15,281	17,464	19,636	22,145
Taxes on international trade and transactions	3,459	4,282	4,282	4,854	5,833	5,366	5,527	6,132	6,659	7,174	7,760
Non-tax	3,837	5,098	5,098	8,568	4,138	6,973	5,160	3,406	3,285	4,010	4,310
Grants	11,920	11,879	11,879	17,099	17,122	17,528	18,084	18,443	19,066	19,541	20,347
Budget support	4,332	3,234	3,234	3,751	3,774	3,423	3,013	2,975	3,043	3,116	3,178
Project grants	7,589	8,645	8,645	13,348	13,348	14,105	15,071	15,467	16,024	16,425	17,170
Expenditures	34,925	41,260	41,260	48,661	47,297	49,885	52,358	53,477	58,123	63,532	69,475
Expenses	18,520	24,517	24,517	31,115	28,539	28,595	32,862	29,651	30,449	33,029	36,361
Compensation of employees	6,805	7,005	7,005	8,860	9,801	9,683	10,294	10,799	11,339	12,382	13,521
Use of goods and services	3,902	5,098	5,098	6,874	5,514	6,391	7,460	6,592	6,933	7,627	8,692
Interest	3,023	5,044	5,044	5,883	5,490	5,515	6,899	5,008	4,549	4,628	4,715
External	678	770	770	1,328	954	1,101	1,161	1,082	1,065	1,033	1,031
Domestic	2,346	4,274	4,274	4,555	4,536	4,414	5,738	3,926	3,485	3,595	3,684
Subsidies and transfers	4,790	7,371	7,371	9,497	7,734	7,006	8,209	7,253	7,628	8,393	9,433
Net acquisition of nonfinancial assets	16,405	16,743	16,743	17,546	18,758	21,290	19,497	23,826	27,674	30,502	33,114
Acquisitions of nonfinancial assets	16,405	16,743	16,743	17,546	18,758	21,290	19,497	23,826	27,674	30,502	33,114
Foreign financed[1]	13,744	14,129	14,129	15,000	15,132	17,385	15,874	19,145	20,950	22,062	23,477
Gambia local fund	2,661	2,614	2,614	2,546	3,626	3,905	3,622	4,681	6,724	8,441	9,637
Net lending (+)/borrowing (–)	-5,187	-6,522	-6,522	-1,798	-2,125	-962	-2,071	-937	-1,048	-1,130	-1,227
Financing[2]	5,455	7,382	7,382	1,798	2,125	962	2,071	937	1,048	1,130	1,227
Net acquisition of financial assets	0	0	0	0	0	0	0	0	0	0	0
Net incurrence of liabilities	5,455	7,382	7,382	1,798	2,125	962	2,071	937	1,048	1,130	1,227
Domestic	1,125	4,486	4,486	3,960	4,091	2,837	5,209	1,420	1,158	925	740
Net borrowing	901	3,545	3,545	2,696	1,748	-1,479	1,309	1,420	1,158	925	739
Bank	452	2,646	2,646	2,696	1,748	-1,479	1,309	1,420	1,158	925	739
Central Bank of The Gambia	-1,055	-2,122	-2,122	0	-292	0	0	0	0	0	0
Commercial	1,507	4,768	4,768	2,696	2,040	-1,479	1,309	1,420	1,158	925	739
Nonbank	450	899	899	0	0	0	0	0	0	0	0
RCF/ECF (onlent) or SDR use	125	581	581	661	651	784	784	0	…	…	…
RSF (onlent)	…	…	…	981	1507	3532	3117	…	…	…	…
Other domestic financing	…	378	378	-378	186	…	…	…	…	…	…
Foreign	4,330	2,896	2,896	-2,162	-1,966	-1,875	-3,138	-483	-110	205	488
Borrowing	6,155	5,484	5,484	2,317	2,449	3,938	2,117	4,522	5,966	6,882	7,762
Amortization	-1,825	-2,588	-2,588	-4,480	-4,415	-5,813	-5,255	-5,005	-6,075	-6,677	-7,274
Statistical discrepancy	-268	-860	-860	0	0	0	0	0	0	0	0
Memorandum items:											
Primary balance	-2,164	-1,479	-1,479	4,085	3,365	4,553	4,828	4,071	3,501	3,498	3,488
Domestic financing without RSF	…	…	…	2979	2,584	-695	2,093	…	…	…	…
Domestic primary balance	-340	771	771	1,987	1,375	4,410	2,618	4,774	5,385	6,018	6,618
Total debt	112,848	127,679	127,810	134,512	138,749	133,168	136,149	135,741	135,943	136,132	139,028
of which: Domestic public debt	40,826	46,021	46,152	49,387	48,186	43,053	43,032	46,491	51,461	57,831	66,218
Interest payments as a percent of govt. revenue	17.0	22.1	22.1	19.8	19.6	17.6	21.4	14.7	12.0	10.8	9.8

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

[1] Calculated as the sum of project grant (net of social assistance projects), external project loans, and changes in project accounts.

[2] Excluding the float in Financing.

[3] While 2024 revenue figures follow the third review TMU, they do not reflect the reclassification effective from the fourth review; therefore, 2024 reported revenue is not fully comparable to revenues from 2025 onward.

Table 2b. The Gambia: Statement of Central Government Operations, 2023–30

(Percent of GDP) [1]

	2023	2024		2025		2026		2027	2028	2029	2030
	Prel.	3rd Review	Prel.	3rd Review	Proj.	3rd Review	Proj.	Projections			
Revenue	20.4	20.0	21.3	23.7	24.4	22.8	24.7	23.4	22.9	22.8	22.7
Domestic revenues[4]	12.2	13.2	14.0	15.1	15.2	14.6	15.8	15.2	15.3	15.7	15.9
Taxes	9.6	10.2	10.9	10.7	12.9	11.4	13.3	13.7	14.0	14.2	14.5
Taxes on income, profits, and capital gains	3.0	3.4	3.6	3.5	4.1	3.7	4.0	4.1	4.3	4.4	4.5
Domestic taxes on goods and services	4.2	4.4	4.7	4.8	5.7	5.1	6.6	6.8	7.0	7.2	7.4
Taxes on international trade and transactions	2.4	2.5	2.6	2.5	3.2	2.5	2.7	2.7	2.7	2.6	2.6
Non-tax	2.6	2.9	3.1	4.3	2.2	3.2	2.5	1.5	1.3	1.5	1.4
Grants	8.2	6.8	7.3	8.6	9.3	8.2	8.9	8.2	7.7	7.1	6.8
Budget support	3.0	1.9	2.0	1.9	2.0	1.6	1.5	1.3	1.2	1.1	1.1
Project support	5.2	5.0	5.3	6.8	7.2	6.6	7.4	6.9	6.4	6.0	5.7
Expenditures	23.9	23.7	25.3	24.6	25.6	23.2	25.7	23.8	23.4	23.2	23.1
Expenses	12.7	14.1	15.1	15.7	15.4	13.3	16.1	13.2	12.2	12.1	12.1
Compensation of employees	4.7	4.0	4.3	4.5	5.3	4.5	5.1	4.8	4.6	4.5	4.5
Use of goods and services	2.7	2.9	3.1	3.5	3.0	3.0	3.7	2.9	2.8	2.8	2.9
Interest	2.1	2.9	3.1	3.0	3.0	2.6	3.4	2.2	1.8	1.7	1.6
External	0.5	0.4	0.5	0.7	0.5	0.5	0.6	0.5	0.4	0.4	0.3
Domestic	1.6	2.5	2.6	2.3	2.5	2.1	2.8	1.7	1.4	1.3	1.2
Subsidies and transfers	3.3	4.2	4.5	4.8	4.2	3.3	4.0	3.2	3.1	3.1	3.1
Net acquisition of nonfinancial assets	11.2	9.6	10.3	8.9	10.1	9.9	9.6	10.6	11.1	11.1	11.0
Acquisitions of nonfinancial assets	11.2	9.6	10.3	8.9	10.1	9.9	9.6	10.6	11.1	11.1	11.0
Foreign financed[2]	9.4	8.1	8.7	7.6	8.2	8.1	7.8	8.5	8.4	8.1	7.8
Gambia local fund	1.8	1.5	1.6	1.3	2.0	1.8	1.8	2.1	2.7	3.1	3.2
Net lending (+)/borrowing (–)	-3.6	-3.8	-4.0	-0.9	-1.1	-0.4	-1.0	-0.4	-0.4	-0.4	-0.4
Financing[3]	3.7	4.2	4.5	0.9	1.1	0.4	1.0	0.4	0.4	0.4	0.4
Net acquisition of financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net incurrence of liabilities	3.7	4.2	4.5	0.9	1.1	0.4	1.0	0.4	0.4	0.4	0.4
Domestic	0.8	2.6	2.8	2.0	2.2	1.3	2.6	0.6	0.5	0.3	0.2
Net borrowing	0.6	2.0	2.2	1.4	0.9	-0.7	0.6	0.6	0.5	0.3	0.2
Bank	0.3	1.5	1.6	1.4	0.9	-0.7	0.6	0.6	0.5	0.3	0.2
Central Bank of The Gambia	-0.7	-1.2	-1.3	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0.0
Commercial	1.0	2.7	2.9	1.4	1.1	-0.7	0.6	0.6	0.5	0.3	0.2
Nonbank	0.3	0.5	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RCF/ECF (onlent) or SDR use	0.1	0.3	0.4	0.3	0.4	0.4	0.4	…	…	…	…
RSF (onlent)	…	…	…	0.5	0.8	1.6	1.5	…	…	…	…
Other domestic financing	…	0.2	0.2	-0.2	0.1	…	…	…	…	…	…
Foreign	3.0	1.7	1.8	-1.1	-1.1	-0.9	-1.5	-0.2	0.0	0.1	0.2
Borrowing	4.2	3.2	3.4	1.2	1.3	1.8	1.0	2.0	2.4	2.5	2.6
Amortization	-1.3	-1.5	-1.6	-2.3	-2.4	-2.7	-2.6	-2.2	-2.4	-2.4	-2.4
Statistical discrepancy	-0.2	-0.5	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items:											
Primary balance	-1.5	-0.9	-0.9	2.1	1.8	2.1	2.4	1.8	1.4	1.3	1.2
Domestic financing without RSF	…	…	…	1.5	1.4	-0.3	1.0	…	…	…	…
Domestic primary balance	-0.2	0.4	0.5	1.0	0.7	2.1	1.3	2.1	2.2	2.2	2.2
Total debt	77.4	73.5	78.5	68.0	75.0	61.9	66.9	60.4	54.6	49.7	46.1
of which: Domestic public debt	28.0	26.5	28.3	25.0	26.0	20.0	21.1	20.7	20.7	21.1	22.0
Interest payments as a percent of govt. revenue	17.0	22.1	22.1	19.8	19.6	17.6	21.4	14.7	12.0	10.8	9.8

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

[1] The authorities' nominal GDP for 2023 and 2024 was revised downward and so and current GDP ratios are not comparable with those reported in third ECF review staff report.

[2] Calculated as the sum of project grant (net of social assistance projects), external project loans, and changes in project accounts.

[3] Excluding the float in Financing.

[4] While 2024 revenue figures follow the third review TMU, they do not reflect the reclassification effective from the fourth review; therefore, 2024 reported revenue is not fully comparable to revenues from 2025 onward.

Table 3. The Gambia: Statement of Central Government Operations, 2025–26

(Cumulative, millions of local currency)

	2025				2026			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Act.	Act.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Revenue	10,491	20,645	31,758	45,172	11,215	21,446	34,118	50,287
Domestic revenue	7,518	14,045	20,454	28,050	8,224	15,542	23,391	32,203
Taxes	6,396	12,400	18,169	23,912	7,092	13,831	20,336	27,043
Taxes on income, profits, and capital gains	2,203	3,951	5,769	7,504	2,239	4,099	6,055	8,120
Domestic taxes on goods and services	2,959	6,024	8,545	10,576	3,405	6,864	10,055	13,396
Taxes on international trade and transactions	1,235	2,425	3,855	5,833	1,448	2,867	4,225	5,527
Non-tax	1,122	1,645	2,285	4,138	1,132	1,712	3,055	5,160
Grants	2,972	6,600	11,304	17,122	2,991	5,903	10,727	18,084
Budget support	0	0	900	3,774	0	0	529	3,013
Project grants	2,972	6,600	10,404	13,348	2,991	5,903	10,198	15,071
Expenditures	13,025	26,087	37,875	47,297	13,534	26,619	39,827	52,358
Expenses	7,853	16,342	22,775	28,539	9,296	17,487	25,283	32,862
Compensation of employees	2,337	4,766	7,052	9,801	2,617	5,252	7,653	10,294
Use of goods and services	1,493	2,770	3,672	5,514	1,873	3,742	5,355	7,460
Interest	1,408	2,387	4,466	5,490	2,198	3,531	5,743	6,899
External	93	245	464	954	281	588	896	1,161
Domestic	1,315	2,142	4,002	4,536	1,917	2,943	4,847	5,738
Subsidies and transfers	2,615	6,419	7,585	7,734	2,608	4,963	6,532	8,209
Net acquisition of nonfinancial assets	5,172	9,745	15,100	18,758	4,238	9,132	14,543	19,497
Acquisitions of nonfinancial assets	5,172	9,745	15,100	18,758	4,238	9,132	14,543	19,497
Foreign financed	3,998	8,351	13,164	15,132	3,364	6,593	11,266	15,874
Gambia local fund	1,175	1,394	1,936	3,626	873	2,539	3,277	3,622
Net lending (+)/borrowing (–)	-2,535	-5,442	-6,117	-2,125	-2,319	-5,173	-5,709	-2,071
Financing [1]	3,195	6,543	6,117	2,125	2,319	5,173	5,709	2,071
Net acquisition of financial assets	0	0	0	0	0	0	0	0
Net incurrence of liabilities	3,195	6,543	6,117	2,125	2,319	5,173	5,709	2,071
Domestic	2,814	6,234	5,692	4,091	2,848	6,322	7,792	5,209
Net borrowing	2,979	6,405	5,957	1,748	2,943	4,430	5,996	1,309
Bank	2,552	5,531	5,083	1,748	2,943	4,430	5,996	1,309
Central bank	3,587	6,076	6,370	-292	0	0	0	0
Commercial banks	-1,035	-545	-1,287	2,040	2,943	4,430	5,996	1,309
Nonbank	427	874	874	0	0	0	0	0
RCF/ECF/SDR (onlent)	-106	330	236	651	-95	335	240	784
RSF (onlent)	0	0	0	1,507	0	1,557	1,557	3,117
Other domestic financing not included in NDB	0	-378	-378	186				
Foreign	381	309	425	-1,966	-530	-1,149	-2,083	-3,138
Borrowing	1,026	1,751	2,926	2,449	537	1,018	1,561	2,117
Amortization	-645	-1,442	-2,501	-4,415	-1,067	-2,166	-3,644	-5,255
Statistical discrepancy	-660	-1,102	0	0	0	0	0	0
Memorandum items:								
Primary balance	-1,127	-3,055	-1,651	3,365	-120	-1,643	34	4,828
Domestic primary balance	-101	-1,304	209	1,375	253	-953	574	2,618

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

[1] Excluding the Float in Financing.

Table 4a. The Gambia: Monetary Accounts, 2022–30[1]

(Millions of local currency, unless otherwise indicated)

	2022	2023	2024	2025		2026		2027	2028	2029	2030
	Act.	Act.	Act.	3rd Review	Proj.	3rd Review	Proj.	Projections			
I. Monetary Survey											
Net foreign assets	26,146	29,116	34,566	36,978	34,993	38,580	37,731	42,567	44,232	47,811	49,490
(in millions of U.S. dollars)	504	453	495	514	487	526	514	568	576	608	616
Of which: CBG	266	314	382	413	375	429	413	506	569	637	702
Net domestic assets	40,771	43,721	44,030	46,975	48,790	49,355	51,096	50,563	52,421	51,896	50,735
Domestic credit	49,591	51,445	58,793	61,738	63,553	63,068	68,859	70,326	73,384	77,859	81,998
Claims on central government (net)	34,961	33,307	38,185	40,881	39,933	40,703	42,541	42,161	42,119	43,044	43,782
Claims on other public sector[2]	2,868	4,962	4,274	4,274	4,274	4,274	4,274	4,274	4,274	4,274	4,274
Claims on private sector	11,762	13,176	16,334	16,583	19,346	18,092	22,044	23,892	26,992	30,541	33,942
Other items (net)[3]	-8,819	-7,724	-14,763	-14,763	-14,763	-13,713	-17,763	-19,763	-20,963	-25,963	-31,263
Broad money	66,917	72,836	78,596	83,953	83,783	87,935	88,826	93,130	96,653	99,707	100,225
Currency outside banks	12,890	14,107	12,158	12,986	12,960	13,602	13,740	14,406	14,951	15,423	15,503
Deposits	54,027	58,730	66,438	70,967	70,823	74,333	75,086	78,724	81,702	84,283	84,721
II. Central Bank Survey											
Net foreign assets	13,813	16,303	19,786	21,421	19,437	22,246	21,397	26,233	29,504	33,031	36,371
Foreign assets	29,044	32,011	38,569	41,603	39,619	43,526	42,677	46,558	48,684	52,385	55,718
Foreign liabilities	-15,231	-15,708	-18,783	-20,182	-20,182	-21,280	-21,280	-20,325	-19,180	-19,354	-19,347
Net domestic assets	7,115	7,584	2,770	5,798	5,789	7,107	7,101	5,311	4,119	4,126	4,127
Domestic credit	9,779	9,640	6,494	6,214	6,214	7,523	7,525	5,735	4,543	4,550	4,552
Claims on central government (net)	9,618	8,520	5,221	4,929	4,929	6,229	6,229	4,429	3,229	3,229	3,229
Of which: IMF on-lending since 2020	5,638	5,762	5,762	5,762	5,762	5,762	5,762	5,762	5,762	5,762	5,762
Claims on private sector	161	183	180	193	192	202	204	214	222	229	230
Claims on public enterprises	0	0	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092
Other items (net)	-2,665	-2,056	-3,724	-416	-425	-416	-425	-425	-425	-425	-425
Reserve money	20,928	23,887	22,556	27,219	25,226	29,353	28,498	31,544	33,623	37,157	40,498
Currency outside banks	12,890	14,107	12,158	12,986	12,960	13,602	13,740	14,406	14,951	15,423	15,503
Commercial bank deposits	8,038	9,780	10,398	14,232	12,266	15,751	14,758	17,138	18,672	21,733	24,994

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

[1] End of period.

[2] Includes public enterprises and the local government.

[3] Including valuation effects.

Table 4b. The Gambia: Monetary Accounts, 2022–30[1]

(Percent changes, unless otherwise indicated)

	2022	2023	2024	2025		2026		2027	2028	2029	2030
	Act.	Prel.	Prel.	3rd Review	Proj.	3rd Review	Proj.	Projections			
				I. Monetary Survey (Percent change; contribution to broad money growth)							
Broad money	7.1	8.8	7.9	7.0	6.6	4.7	6.0	4.8	3.8	3.2	0.5
Net foreign assets	-4.5	4.4	7.5	1.2	0.5	1.9	3.3	5.4	1.8	3.7	1.7
Net domestic assets	11.6	4.4	0.4	5.9	6.1	2.8	2.8	-0.6	2.0	-0.5	-1.2
				II. Central Bank Survey (Percent change; contribution to reserve money growth)							
Reserve money	-0.9	14.1	-5.6	20.7	11.8	7.8	13.0	10.7	6.6	10.5	9.0
Net foreign assets	-15.6	11.9	14.6	7.2	-1.5	3.0	7.8	17.0	10.4	10.5	9.0
Net domestic assets	14.7	2.2	-20.2	13.4	13.4	4.8	5.2	-6.3	-3.8	0.0	0.0
				(Percent change; unless otherwise indicated)							
Memorandum Items:											
Credit to the private sector	25.0	12.0	24.0	1.5	18.4	9.1	13.9	8.4	13.0	13.2	11.1
Currency in circulation	12.2	9.4	-13.8	6.8	6.6	4.7	6.0	4.8	3.8	3.2	0.5
Demand deposits	7.8	14.8	18.4	6.8	6.6	4.7	6.0	4.8	3.8	3.2	0.5
Time and savings deposits	4.3	3.3	7.9	6.8	6.6	4.7	6.0	4.8	3.8	3.2	0.5
Net international reserves (stocks; millions of U.S. dollars)	325.9	344.9	402.5	253.7	349.3	241.0	370.5	428.8	463.5	499.2	532.0
Money velocity (levels)	1.8	2.0	2.1	2.4	2.2	2.4	2.3	2.4	2.6	2.7	3.0
Money multiplier (levels)	3.2	3.0	3.5	3.1	3.3	3.0	3.1	3.0	2.9	2.7	2.5
Broad money (percent of GDP)	55.3	49.9	48.3	42.5	45.3	40.9	43.6	41.4	38.8	36.4	33.3
Credit to the private sector (percent of GDP)	9.7	9.0	10.0	8.4	10.5	8.4	10.8	10.6	10.8	11.2	11.3
Central government financing (flows; millions of dalasi)	7,704	5,082	13,815	8,626	7,677	4,159	6,946	7,057	6,796	6,563	6,376
Net domestic borrowing from the banking system	2,067	-556	8,177	2,988	2,040	-1,479	1,309	1,420	1,158	925	739
Central bank	0	0	0	0	0	0	0	0	0	0	0
Change in claims	0	0	0	0	0	0	0	0	0	0	0
Change in deposits	0	0	0	0	0	0	0	0	0	0	0
Commercial banks	2,067	-556	8,177	2,988	2,040	-1,479	1,309	1,420	1,158	925	739
IMF (onlent since 2020)	5,638	5,638	5,638	5,638	5,638	5,638	5,638	5,638	5,638	5,638	5,638

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

[1] End of period.

Table 5. The Gambia: Monetary Accounts, 2023–25[1]
(Quarterly stocks, millions of local currency)

	2023				2024				2025	
	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.
	Act.	Act.	Act.	Act.	Act.	Act.	Act.	Act.	Act.	Act.
I. Monetary Survey										
Net foreign assets	25,643	21,384	19,229	29,116	28,662	31,398	31,155	34,566	33,470	32,440
(in millions of U.S. dollars)	410	361	376	470	427	466	456	500	470	452
Of which: CBG	233	202	148	254	244	252	216	286	242	237
Net domestic assets	41,355	45,547	48,367	43,721	44,700	44,796	46,182	44,030	47,940	53,236
Domestic credit	49,993	54,034	54,882	51,445	55,486	56,538	60,102	58,793	63,119	59,322
Claims on central government (net)	36,137	38,401	38,784	33,307	37,592	39,698	42,541	38,185	42,559	38,778
Claims on other public sector[2]	2,597	2,957	2,980	4,962	4,605	4,039	4,119	4,274	5,083	4,674
Claims on private sector	11,260	12,676	13,118	13,176	13,288	12,801	13,442	16,334	15,477	15,871
Other items (net)[3]	-8,638	-8,487	-6,515	-7,724	-10,786	-11,742	-13,920	-14,763	-15,179	-6,086
Broad money	66,999	66,931	67,596	72,836	73,362	76,195	77,337	78,596	81,410	85,676
Currency outside banks	13,875	14,366	11,977	14,107	14,417	13,634	11,271	12,158	13,895	14,063
Deposits	53,124	52,565	55,619	58,730	58,946	62,561	66,066	66,438	67,515	71,613
II. Central Bank Survey										
Net foreign assets	14,563	11,975	9,195	16,303	16,403	16,958	14,781	19,786	17,204	16,990
Foreign assets	30,127	26,871	24,491	32,011	33,716	34,120	33,372	38,569	36,878	43,362
Foreign liabilities	-15,564	-14,897	-15,296	-15,708	-17,313	-17,161	-18,591	-18,783	-19,675	-26,371
Net domestic assets	7,678	11,197	13,377	7,584	7,726	6,939	7,722	2,770	6,754	7,377
Domestic credit	10,688	13,825	13,656	9,640	11,081	10,393	11,011	6,494	11,253	6,914
Claims on central government (net)	10,534	13,074	12,462	8,520	10,009	10,250	10,713	5,221	10,003	5,686
Assets	15,834	17,334	17,013	16,153	15,947	15,878	16,053	17,592	17,192	19,415
Liabilities	-5,300	-4,260	-4,551	-7,634	-5,938	-5,628	-5,339	-12,370	-7,189	-13,729
Claims on deposit corporations	0	0	0	0	0	0	0	0	0	0
Claims on private sector	154	190	187	183	184	187	184	180	176	175
Claims on public enterprises	0	562	1,007	937	887	865	1,113	1,092	1,074	1,053
Other items (net, incl. liquidity management operations)	-3,010	-2,629	-279	-2,056	-3,354	-3,453	-3,289	-3,724	-4,499	464
Reserve money	22,241	23,171	22,571	23,887	24,129	23,898	22,502	22,556	23,958	24,368
Currency outside banks	13,875	14,366	11,977	14,107	14,417	13,634	11,271	12,158	13,895	14,063
Commercial bank deposits	8,367	8,806	10,594	9,780	9,713	10,264	11,231	10,398	10,063	10,305
III. Commerical Banks Balance sheet										
Net foreign assets	11,080	9,410	10,034	12,813	12,259	14,440	16,374	14,780	16,266	15,449
Foreign assets	13,503	11,081	11,223	14,361	13,840	16,955	20,685	17,565	19,628	18,656
Foreign liabilities	-2,422	-1,671	-1,189	-1,549	-1,581	-2,515	-4,311	-2,785	-3,362	-3,206
Net domestic assets	42,044	43,156	45,585	45,917	46,686	48,121	49,692	51,658	51,249	56,164
Net domestic claims	47,672	49,014	51,820	51,585	54,118	55,499	59,322	62,697	61,929	62,714
Claims on central bank	8,367	8,806	10,594	9,780	9,713	10,264	11,231	10,398	10,063	10,305
Net claims on government	25,603	25,327	26,322	24,787	27,583	29,448	31,828	32,964	32,556	33,092
Claims	25,603	25,327	26,322	24,787	27,583	29,448	31,828	32,964	32,556	33,092
Liabilities	0	0	0	0	0	0	0	0 0	0	0
Claims on other sectors	13,702	14,881	14,903	17,018	16,822	15,787	16,263	19,336	19,310	19,316
Claims on public nonfinancial corporations	2,597	2,395	1,972	4,025	3,718	3,174	3,006	3,182	4,009	3,621
Claims on private sector	11,105	12,486	12,931	12,993	13,104	12,613	13,257	16,154	15,301	15,695
Other items net	-5,628	-5,858	-6,235	-5,668	-7,432	-7,378	-9,631	-11,039	-10,680	-6,550
Liabilities	53,124	52,565	55,619	58,730	58,946	62,561	66,066	66,438	67,515	71,613
Liabilities to central bank	0	0	0	0	0	0	0	0	0	0
Deposits incl. in broad money	53,124	52,565	55,619	58,730	58,946	62,561	66,066	66,438	67,515	71,613

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

1 End of period.

2 Includes public enterprises and local governments.

3 Including valuation effects.

Table 6a. The Gambia: Balance of Payments, 2022–30
(Millions of U.S. dollars, unless otherwise indicated)

	2022	2023	2024	2025		2026		2027	2028	2029	2030
	Act.	Act.	Prel.	3rd Review	Proj.	3rd Review	Proj.	Projections			
1. Current account											
A. Goods and services	-562.1	-643.8	-710.8	-640.2	-693.5	-670.4	-754.9	-772.0	-796.4	-841.1	-885.5
Goods (net)	-642.4	-884.7	-1025.0	-983.0	-1055.1	-1030.9	-1142.0	-1213.5	-1293.9	-1367.1	-1450.9
Exports, f.o.b.	51.6	328.1	363.3	369.0	365.1	382.6	379.6	398.2	420.1	436.0	455.3
Imports, f.o.b.	-694.0	-1212.7	-1388.3	-1352.0	-1420.2	-1413.5	-1521.5	-1611.7	-1714.0	-1803.1	-1906.1
Services (net)	80.2	240.9	314.2	342.8	361.7	360.5	387.0	441.5	497.5	526.0	565.3
Services exports	215.8	392.2	475.1	506.6	529.5	532.3	565.3	629.8	696.8	735.8	786.8
Of which: Travel income	154.3	326.7	435.1	447.7	470.6	471.5	504.5	566.7	630.4	667.3	708.7
Services imports	-135.5	-151.3	-160.9	-163.8	-167.9	-171.8	-178.3	-188.3	-199.3	-209.8	-221.4
B. Income (net)	-31.1	-28.4	-12.5	-29.3	-13.3	-29.4	-12.5	-14.4	-19.8	-18.9	-18.5
Income credits	13.5	12.3	23.8	12.7	29.4	12.8	30.8	31.2	32.6	34.5	36.5
Income debits	-44.6	-40.7	-36.3	-42.1	-42.7	-42.2	-43.3	-45.6	-52.4	-53.4	-55.1
C. Current transfers	503.0	545.6	554.3	557.2	583.8	581.2	628.2	665.4	706.4	750.5	796.9
Official transfers	40.0	64.8	44.8	52.6	52.6	47.0	41.4	40.0	40.0	40.0	40.0
Remittances	476.2	482.6	507.8	506.5	533.2	536.2	588.8	627.4	668.5	712.6	759.1
Other transfers	-13.2	-1.8	-1.9	-1.9	-1.9	-2.0	-2.0	-2.0	-2.1	-2.1	-2.2
Current account (excl. official transfers)	-130.2	-191.3	-217.4	-164.9	-175.5	-165.7	-180.6	-161.0	-149.9	-149.6	-147.2
Current account (incl. prospective official transfers)	-90.2	-126.5	-169.0	-112.3	-122.9	-118.7	-139.2	-121.0	-109.9	-109.6	-107.2
2. Capital and financial account											
A. Capital account	82.7	144.6	132.6	187.2	186.1	193.7	206.9	207.9	210.7	210.9	216.1
B. Financial account	-75.9	-4.7	-5.8	-59.1	-88.4	-68.6	-93.3	-14.6	-48.6	-29.1	-45.2
Foreign direct investment	101.2	95.7	104.7	114.9	110.5	134.0	137.1	152.8	157.1	157.0	157.6
Portfolio investment	4.1	4.4	4.6	5.3	4.9	5.6	5.3	5.7	6.2	6.7	7.2
Other investment	-181.2	-104.9	-115.1	-179.3	-203.8	-208.3	-235.7	-173.2	-212.0	-192.8	-209.9
Capital and financial account	6.8	139.9	126.8	128.1	97.6	125.0	113.6	193.3	162.0	181.8	171.0
Errors and omissions	-26.1	-57.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance[1]	-123.4	-51.4	-90.7	-36.9	-77.9	-40.7	-67.0	32.3	12.1	32.2	23.8
Financing	149.3	108.5	76.3	36.9	77.9	40.7	67.0	-32.3	-12.1	-32.2	-23.8
Net international reserves (increase -)	108.3	43.7	31.6	-15.7	25.3	-6.3	25.6	-72.3	-52.1	-72.2	-63.8
Change in gross international reserves	75.7	42.4	3.4	-42.2	-14.6	-26.2	-41.7	-51.8	-27.7	-47.1	-41.5
Use of IMF resources (net)	32.6	1.3	28.2	26.5	39.9	19.9	67.3	-20.5	-24.4	-25.1	-22.3
Exceptional financing	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Of which : CCRT debt relief[2]	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Of which : DSSI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prospective donor financing	40.0	64.8	44.8	52.6	52.6	47.0	41.4	40.0	40.0	40.0	40.0
Budget support grants	40.0	64.8	44.8	52.6	52.6	47.0	41.4	40.0	40.0	40.0	40.0
Project support grants	…	…	…	…	…	…	…	…	…	…	…
Memorandum items:											
Gross international reserves											
US$ millions	454.7	474.3	533.5	575.7	548.1	601.9	589.8	641.5	669.2	716.3	757.8
Months of next year's imports of goods and services	4.0	3.7	4.0	4.4	3.9	4.3	3.9	4.0	4.0	4.0	4.0
Net international reserves											
US$ millions	325.9	344.9	402.5	253.7	349.3	241.0	370.5	428.8	463.5	499.2	532.0
Months of next year's imports of goods and services	2.9	2.7	3.0	1.9	2.5	1.7	2.5	2.7	2.8	2.8	2.8
RSF Disbursements				13.5	20.3	47.4	40.6	…	…	…	…
Exports of goods and services	267.4	720.2	838.4	875.6	894.7	914.9	944.9	1028.0	1116.9	1171.8	1242.0
Imports of goods and services	-829.5	-1364.0	-1549.2	-1515.7	-1588.1	-1585.3	-1699.8	-1800.0	-1913.3	-2012.9	-2127.6
GMD per U.S. dollar, period average	56.7	62.6	67.8	…	…	…	…	…	…	…	…
External Debt service	50.1	69.6	49.4	89.3	91.0	98.3	99.4	106.7	113.1	129.4	113.3
NIR/External Debt Service (ratio)	6.5	4.9	7.7	4.4	3.8	4.1	3.7	4.0	4.1	3.9	4.7

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

[1] Overall balance does not include prospective budget support and project grants.

[2] The other investments outflows include external debt principle repayments as well as deposit outflows.

Table 6b. The Gambia: Balance of Payments, 2022–30
(Percent of GDP[1])

	2022	2023	2024		2025		2026		2027	2028	2029	2030
	Act.	Prel.	3rd Review	Prel.	3rd Review	Proj.	3rd Review	Proj.	Projections			
1. Current account												
A. Goods and services	-26.3	-27.6	-27.7	-29.6	-23.1	-26.9	-22.7	-27.0	-25.5	-24.3	-23.9	-23.3
Goods (net)	-30.1	-37.9	-40.0	-42.7	-35.5	-40.9	-34.9	-40.9	-40.1	-39.5	-38.9	-38.3
Exports, f.o.b.	2.4	14.1	14.2	15.1	13.3	14.2	13.0	13.6	13.2	12.8	12.4	12.0
Imports, f.o.b.	-32.5	-52.0	-54.2	-57.8	-48.8	-55.1	-47.9	-54.4	-53.3	-52.4	-51.3	-50.3
Services (net)	3.8	10.3	12.3	13.1	12.4	14.0	12.2	13.8	14.6	15.2	15.0	14.9
Services exports	10.1	16.8	18.5	19.8	18.3	20.5	18.0	20.2	20.8	21.3	20.9	20.7
Of which: Travel income	7.2	14.0	17.0	18.1	16.1	18.2	16.0	18.1	18.7	19.3	19.0	18.7
Services imports	-6.3	-6.5	-6.3	-6.7	-5.9	-6.5	-5.8	-6.4	-6.2	-6.1	-6.0	-5.8
B. Income (net)	-1.5	-1.2	-0.1	-0.5	-1.1	-0.5	-1.0	-0.4	-0.5	-0.6	-0.5	-0.5
Income credits	0.6	0.5	0.0	1.0	0.5	1.1	0.4	1.1	1.0	1.0	1.0	1.0
Income debits	-2.1	-1.7	-0.1	-1.5	-1.5	-1.7	-1.4	-1.5	-1.5	-1.6	-1.5	-1.5
Of which: Interest on government debt	0.5	0.6	0.4	0.5	0.7	0.5	0.5	0.6	0.5	0.4	0.4	0.3
C. Current transfers	23.6	23.4	21.6	23.1	20.1	22.6	19.7	22.5	22.0	21.6	21.3	21.0
Official transfers	1.9	2.8	1.7	1.9	1.9	2.0	1.6	1.5	1.3	1.2	1.1	1.1
Remittances	22.3	20.7	19.8	21.1	18.3	20.7	18.2	21.1	20.8	20.4	20.3	20.0
Other transfers	-0.6	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Current account (excl. official transfers)	-6.1	-8.2	-8.1	-9.1	-5.9	-6.8	-5.6	-6.5	-5.3	-4.6	-4.3	-3.9
Current account (incl. prospective official transfers)	-4.2	-5.4	-6.2	-7.0	-4.1	-4.8	-4.0	-5.0	-4.0	-3.4	-3.1	-2.8
2. Capital and financial account												
A. Capital account	3.9	6.2	5.2	5.5	6.8	7.2	6.6	7.4	6.9	6.4	6.0	5.7
B. Financial account	-3.6	-0.2	-0.2	-0.2	-2.1	-3.4	-2.3	-3.3	-0.5	-1.5	-0.8	-1.2
Foreign direct investment	4.7	4.1	4.1	4.4	4.1	4.3	4.5	4.9	5.1	4.8	4.5	4.2
Portfolio investment	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Other investment[3]	-8.5	-4.5	-4.5	-4.8	-6.5	-7.9	-7.1	-8.4	-5.7	-6.5	-5.5	-5.5
Capital and financial account	0.3	6.0	5.0	5.3	4.6	3.8	4.2	4.1	6.4	5.0	5.2	4.5
RSF Disbursements	...	...	...	...	0.5	0.8	1.5	1.3	0.0	0.0	0.0	0.0
Errors and omissions	-1.2	-2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance[2]	-5.8	-2.2	-3.1	-3.8	-1.3	-3.0	-1.4	-2.4	1.1	0.4	0.9	0.6

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

[1] The authorities' nominal GDP for 2023 and 2024 was revised downward and so and current GDP ratios are not comparable with those reported in third ECF review staff report.

[2] Overall balance does not include prospective budget support and project grants.

[3] The other investments outflows include external debt principle repayments as well as deposit outflows.

Table 7. The Gambia: External Financing Needs, 2025–28
(Millions of U.S. dollars)

	2025	2026	2027	2028
1. Total financing requirement	-231.3	-253.8	-298.6	-276.7
Current account deficit (excl. official transfers)	-175.5	-180.6	-161.0	-149.9
Public debt amortization	-54.7	-58.9	-65.3	-74.8
Repayment to the IMF	-6.9	-13.2	-20.5	-24.4
Change in official reserves (without RSF)	5.7	-1.0	-51.8	-27.7
Arrears repayment	...	...	...	...
2. Total financing sources	152.2	172.3	258.6	236.7
Capital transfers	186.1	206.9	207.9	210.7
Foreign direct investment (net)	110.5	137.1	152.8	157.1
Portfolio investment (net)	4.9	5.3	5.7	6.2
Public sector debt financing	34.1	20.0	49.4	64.8
Public sector	34.1	20.0	49.4	64.8
Non-Public sector	-2.9	0.0	0.0	1.0
Short-term debt				
Other net capital inflows[1]	-183.4	-197.0	-157.3	-202.0
Exceptional financing (CCRT debt relief)	0	0	0	0
Errors and Omissions	0.0	0.0	0.0	0.0
3. Total financing needs	79.2	81.5	40.0	40.0
Budget support (grants)	52.6	41.4	40.0	40.0
Other current transfers	...	...	...	...
IMF disbursements[2]	26.6	40.1	0.0	0.0
Exceptional financing	0.0	0.0	0.0	0.0
Of which : CCRT debt relief	0.0	0.0	0.0	0.0
DSSI	0.0	0.0	0.0	0.0
4. Financing needs	0.0	0.0	0.0	0.0
Memorandum items:				
RSF Disbursements	20.3	40.6		

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

[1] Includes changes in commercial bank NFA, private trade financing and SDR allocation.

[2] The disbursements do not include RSF disbursements.

Table 8. The Gambia: Decomposition of Public Debt and Debt Service by Creditor, 2024–2027[1]

	Debt Stock (end of period)						Debt Service					
	2024			June 2025			2025	2026	2027	2025	2026	2027
	(In US$ millions)	*(Percent of total debt)*	*(Percent of GDP)*	*(In US$ millions)*	*(Percent of total debt)*	*(Percent of GDP)* [5]	*(In US$ millions)*			*(Percent of GDP)*		
Total	1827.9	100.0	78.5	1,909.8	100.0	74.2	459.7	548.5	551.6	17.9	19.8	18.4
External	1,168.4	63.9	50.1	1,291.0	67.6	50.2	54.2	84.0	91.5	2.1	3.0	3.1
Multilateral creditors	782.4	43.2	33.6	835.4	43.2	32.5	16.8	24.6	33.4	0.7	0.9	1.1
IMF	151.2	8.4	6.5	177.5	8.4	6.9						
World Bank	120.6	6.7	5.2	126.9	6.7	4.9						
ADB/AfDB/IADB	49.6	2.7	2.1	50.1	2.7	1.9						
Other Multilaterals	461.0	25.5	19.8	480.9	25.5	18.7						
o/w: IsDB and OFID	265.8	14.7	11.4	282.3	14.7	11.0						
Bilateral Creditors	365.9	20.2	15.7	362.1	20.2	14.1	34.0	36.4	36.1	1.3	1.3	1.2
Paris Club	0.4	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
o/w: ING Bank N.V. and Govt. of Belgium	0.4	0.0	0.0	0.4	0.0	0.0						
Non-Paris Club	365.5	20.2	15.7	361.7	20.2	14.1	34.0	36.4	36.1	1.3	1.3	1.2
o/w: Saudi and Kuwait Fund	226.6	12.5	9.7	227.1	12.5	8.8						
Bonds	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial creditors	20.1	1.1	0.9	18.5	1.1	0.7	3.4	3.4	3.4	0.1	0.1	0.1
o/w: M.A. Kharafi and Sons	20.1	1.1	0.9	18.5	1.1	0.7	3.4	3.4	3.4	0.1	0.1	0.1
Other international creditors	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
o/w:	0.0	0.0	-	0.0	0.0	0.0						
Currency Swap Liabilities	0.0	0.0	0.0	75.0	3.9	2.9	0.0	19.6	18.7	0.0	0.7	0.6
o/w: Afreximbank	0.0	0.0	0.0	75.0	3.9	2.9	0.0	19.6	18.7	0.0	0.7	0.6
Domestic	659.5	36.1	28.3	618.8	32.4	24.0	405.5	464.5	460.1	15.8	16.7	15.3
Held by residents, total[4]	659.5	36.1	28.3	618.8	32.4	24.0	405.5	464.5	460.1	15.8	16.7	15.3
Held by non-residents, total[4]	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
T-Bills	292.4	16.0	12.5	293.9	15.4	11.4	322.0	310.8	332.1	12.5	11.2	11.1
Bonds	367.2	20.1	15.8	324.9	17.0	12.6	83.5	153.6	128.0	3.2	5.5	4.3
Loans	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memo items:												
Collateralized debt[2,4]	n/a			n/a								
Contingent liabilities[3,4]	n/a			n/a								
Nominal GDP	2,330.4			2,573.4								

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

[1] As reported by Country authorities according to their classification of creditors, including by official and commercial. Debt coverage is the same as the DSA.

[2] Debt is collateralized when the creditor has rights over an asset or revenue stream that would allow it, if the borrower defaults on its payment obligations, to rely on the asset or revenue stream to secure repayment of the debt. Collateralization entails a borrower granting liens over specific existing assets or future receivables to a lender as security against repayment of the loan. Collateral is "unrelated" when it has no relationship to a project financed by the loan. An example would be borrowing to finance the budget deficit, collateralized by oil revenue receipts. See the joint IMF-World Bank note for the G20 "Collateralized Transactions: Key Considerations for Public Lenders and Borrowers" for a discussion of issues raised by collateral.

[3] Includes other-one off guarantees not included in publicly guaranteed debt (e.g. credit lines) and other explicit contingent liabilities not elsewhere classified (e.g. potential legal claims,

[4] Capacity constraints limit data availability and prevent the inclusion of collaterized debt and contingent liabilities.

[5] Percent of projected 2025 GDP.

Table 9. The Gambia: Financial Soundness Indicators for the Banking Sector, 2017–25[1]

	2017	2018	2019	2020	2021	2022	2023	2024	2025
	December								June
	(Percent, unless otherwise indicated)								
Capital Adequacy Ratios									
Risk Weighted Assets Adjusted Capital Adequacy ratio	33.6	31.7	31.4	32.6	29.0	24.8	28.3	28.52	25.1
Regulatory Capital (i.e. T1+T2)	35.1	33.0	32.7	33.8	30.6	26.0	29.4	26.93	26.0
Primary Capital ratio (i.e. T1)	31.9	30.3	30.1	30.1	27.3	23.5	27.0	24.8	25.8
Non-performing Loans (NPLs) to Primary Capital	6.8	3.4	5.8	7.8	4.7	8.6	5.8	24.7	13.3
Assets Quality Ratios									
Non-Performing Loans Ratio	7.2	3.3	4.5	6.8	5.1	4.6	3.3	14.6	8.9
Aggregate Provision Level	99.1	100.2	73.4	80.1	81.0	317.8	101.8	121.9	103.2
Loan Loss Reserve Ratio	6.6	2.9	2.5	4.0	3.0	12.1	2.3	3.8	3.2
Earnings Ratios									
Return on Assets (ROA)	1.6	1.6	1.9	1.9	1.8	2.1	2.5	2.9	3.7
Return on Equity (ROE)	11.0	11.3	15.4	15.3	16.4	20.6	21.7	26.4	29.3
Net Interest margin	8.1	5.9	6.5	6.5	5.4	4.9	7.2	9.1	8.9
Non-interest Income Ratio	31.7	10.9	40.2	38.3	42.4	48.8	37.9	29.8	29.8
Liquidity Ratios									
Liquid Assets to Short-term Liabilities to Gambian Public	92.9	94.8	92.0	93.5	92.0	63.7	82.3	76.5	78.5
Dalasi Liquid Assets to Dalasi Deposits	89.0	93.5	94.7	93.2	97.4	63.8	78.0	77.8	74.7
Time Deposits to Total Deposits	14.3	12.9	11.2	11.7	9.0	9.2	8.0	7.5	7.5
Sectoral Distribution of credit									
Agriculture and Fishing	8.5	1.7	2.0	3.8	0.3	13.3	9.1	9.1	10.0
Manufacturing & Industries	0.7	0.4	1.2	1.0	1.0	3.4	6.0	13.5	7.8
Building & Construction	13.7	19.7	27.3	27.6	32.8	21.0	15.1	10.4	11.2
Transport & Communication	8.1	7.7	7.6	7.6	3.0	2.8	2.8	3.5	5.7
Commerce	31.1	31.2	22.9	23.4	20.9	15.5	15.8	13.5	14.3
Tourism	5.2	10.8	5.6	5.6	3.4	2.6	2.3	1.7	1.9
Financial Institutions & Enterprise services	3.0	3.2	1.2	2.6	2.8	1.9	2.9	2.9	3.0
Other activities combined	29.6	25.3	32.2	28.4	35.7	39.5	46.0	45.4	46.1

Sources: Central Bank of The Gambia, and IMF Staff Calculations.
1/ Data for 2024 are different from the FSI data submitted to STA but these differences are not significant.

Table 10. The Gambia: Indicators of Capacity to Repay the Fund, 2025–37

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Fund obligations based on existing credit													
Principal (millions of SDRs)	5.17	9.44	13.94	16.72	18.05	21.38	17.57	13.07	7.96	6.63	1.24	0.00	0.00
Charges and interest (millions of SDRs)	1.28	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26
Fund obligations, existing and prospective credit													
Principal (millions of SDRs)	5.17	9.44	13.94	16.72	18.05	21.38	21.30	20.54	15.43	14.10	8.71	6.07	4.67
Of which : RCF	4.67	5.44	5.44	3.11	3.11	1.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Of which : ECF	0.50	4.00	8.50	13.61	14.94	19.83	21.30	20.54	15.43	14.10	8.71	3.73	0.00
Of which : RSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.33	4.67
Charges and interest (millions of SDRs)	1.28	1.80	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.30	2.23
Total obligations, existing and prospective credit													
In millions of SDRs	6.44	11.25	16.25	19.03	20.36	23.69	23.61	22.85	17.73	16.41	11.02	8.37	6.89
In millions of US$	8.41	14.69	21.25	24.93	26.69	31.11	30.92	29.93	23.25	21.51	14.44	10.96	9.03
In percent of Gross International Reserves	1.37	2.13	2.94	3.19	3.11	3.38	3.03	2.69	1.92	1.65	1.02	0.73	0.56
In percent of exports of goods and services	1.68	2.67	3.51	3.74	3.65	3.83	3.53	3.17	2.28	1.95	1.21	0.85	0.65
In percent of debt service	10.90	14.72	23.29	24.30	23.96	29.35	28.39	27.37	20.89	18.93	15.03	12.39	12.04
In percent of GDP	0.33	0.53	0.70	0.76	0.76	0.82	0.75	0.67	0.48	0.41	0.25	0.18	0.13
In percent of quota	10.36	18.08	26.13	30.59	32.73	38.09	37.96	36.73	28.51	26.38	17.71	13.45	11.08
In percent of revenues net of grants	2.09	3.22	4.49	4.84	4.70	5.00	4.59	4.11	3.04	2.63	1.63	1.15	0.87
Outstanding Fund credit													
In millions of SDRs	154.00	200.56	186.62	169.90	151.85	130.46	109.16	88.62	73.19	59.09	50.38	44.32	39.65
Of which : RSF	15.54	46.65	46.65	46.65	46.65	46.65	46.65	46.65	46.65	46.65	46.65	44.32	39.65
In millions of US$	200.93	261.97	243.99	222.55	199.09	171.33	142.95	116.12	95.94	77.47	66.05	58.08	51.98
In percent of Gross International Reserves	32.66	37.92	33.74	28.46	23.17	18.63	14.02	10.45	7.93	5.93	4.68	3.84	3.23
In percent of debt service	260.52	262.44	267.49	216.95	178.71	161.61	131.26	106.18	86.22	68.19	68.73	65.66	69.30
In percent of GDP	7.79	9.37	8.07	6.80	5.66	4.52	3.48	2.60	1.98	1.47	1.15	0.93	0.77
In percent of quota	247.59	322.44	300.02	273.14	244.13	209.75	175.50	142.48	117.67	95.01	81.00	71.25	63.75
In percent of revenues net of grants	49.99	57.47	51.61	43.18	35.07	27.53	21.20	15.93	12.55	9.47	7.45	6.08	5.02
Net use of Fund credit (millions of SDRs)	35.27	21.64	-13.94	-16.72	-18.05	-21.38	-21.30	-20.54	-15.43	-14.10	-8.71	-6.07	-4.67
Disbursements	40.43	31.08	0	0	0	0	0	0	0	0	0	0	0
Of which: RCF	0	0	0	0	0	0	0	0	0	0	0	0	0
Of which: ECF	24.89	0	0	0	0	0	0	0	0	0	0	0	0
Of which : RSF	15.54	31.08	0	0	0	0	0	0	0	0	0	0	0
Repayments and Repurchases	5.17	9.44	13.94	16.72	18.05	21.38	21.30	20.54	15.43	14.10	8.71	6.07	4.67
Of which: RCF	4.67	5.44	5.44	3.11	3.11	1.56	0	0	0	0	0	0	0
Of which: ECF	0.50	4.00	8.50	13.61	14.94	19.83	21.30	20.54	15.43	14.10	8.71	3.73	0.00
Of which : RSF	0	0	0	0	0	0	0	0	0	0	0	2.33	4.67
CCR Trust debt relief	0	0	0	0	0	0	0	0	0	0	0	0	0
Memorandum items:													
Nominal GDP (millions of US$)	2,579.00	2,794.81	3,022.66	3,272.27	3,515.61	3,792.68	4,104.82	4,463.62	4,853.80	5,278.08	5,739.44	6,241.14	6,786.68
Exports of goods and services (millions of US$)	499.81	549.49	605.21	665.74	732.16	812.41	875.69	944.30	1,019.11	1,100.80	1,190.91	1,289.67	1,398.10
Gross International Reserves (millions of US$)	615.25	690.94	723.13	781.95	859.42	919.42	1,019.53	1,111.16	1,210.25	1,307.09	1,410.22	1,512.09	1,610.78
Debt service (millions of US$)	77.13	99.82	91.22	102.58	111.40	106.02	108.91	109.36	111.28	113.61	96.10	88.47	75.01
Quota (millions of SDRs)	62.20	62.20	62.20	62.20	62.20	62.20	62.20	62.20	62.20	62.20	62.20	62.20	62.20
Revenues net of grants (millions of US$)	401.91	455.85	472.72	515.40	567.71	622.29	674.36	728.75	764.62	818.47	886.33	955.25	1,034.66

Source: IMF staff calculations.

Table 11. The Gambia: Disbursements Under the ECF Arrangement, 2024–26

Availability	Disbursement In Millions of SDR	Disbursement In percent of Quota	Condition for Disbursement [1]	Status
January 12, 2024	8.29	13.33	Approval of the Arrangement	Disbursed
March 31, 2024	8.29	13.33	Board completion of the first review based on observance of performance criteria for December 31, 2023.	Disbursed
September 30, 2024	8.29	13.33	Board completion of the second review based on observance of performance criteria for June 30, 2024.	Disbursed
March 31, 2025	12.44	20.00	Board completion of the third review based on observance of performance criteria for December 31, 2024.	Disbursed
September 30, 2025	12.44	20.00	Board completion of the fourth review based on observance of performance criteria for June 30, 2025.	Pending
March 31, 2026	12.44	20.00	Board completion of the fifth review based on observance of performance criteria for December 31, 2025.	Review not started
September 30, 2026	12.45	20.01	Board completion of the sixth review based on observance of performance criteria for June 30, 2026.	Review not started
Total Disbursements	74.64	120.0		

Source: IMF staff estimates.

[1] In addition to generally applicable conditions under the ECF Arrangement.

Table 12. The Gambia: Proposed Schedule of Disbursements Under the RSF Arrangement, 2025–26

Availability	Disbursement: In Millions of SDR	Disbursement: In percent of Quota	Total Disbursements	Condition for Disbursement	Status
September 30, 2025	5.18	8.33		Reform measure 3 implementation review	Pending
September 30, 2025	5.18	8.33	**15.54**	Reform measure 5 implementation review	
September 30, 2025	5.18	8.33		Reform measure 1 implementation review 1/	
March 31, 2026	5.18	8.33		Reform measure 2 implementation review	
March 31, 2026	5.18	8.33	**15.54**	Reform measure 4 implementation review	
March 31, 2026	5.18	8.33		Reform measure 8 implementation review	
September 30, 2026	5.18	8.33		Reform measure 6 implementation review	
September 30, 2026	5.18	8.33	**15.57**	Reform measure 7 implementation review	
September 30, 2026	5.21	8.38		Reform measure 9 implementation review	
Total Disbursements	**46.65**	**75.0**			

Source: IMF staff estimates.

1/ RM 1 was scheduled for second review, but it was completed ahead of time.

Annex I. Risk Assessment Matrix [1]

Sources of Risk	Likelihood	Expected Impact	Policy Response
External			
Trade policy and investment shocks. Higher trade barriers or sanctions reduce external trade, disrupt FDI and supply chains, and trigger further U.S. dollar appreciation, tighter financial conditions, and higher inflation.	High	**High.** Income in destinations of exports and origins of tourists will be reduced. Tourist arrivals and remittances would decline. Growth would slow down, and foreign exchange pressures would reemerge.	• Diversify economic activities as well as exports destinations and tourists' origins to reduce vulnerabilities to shocks in a few sectors and dependence on limited groups of countries. • Resolve regional trade disruptions to reduce dependence on global trade. • Provide targeted support to vulnerable households using the expanded social registry.
Sovereign debt distress. Higher interest rates, stronger U.S. dollar, and shrinking development aid amplified by sovereign-bank feedback result in capital outflows, rising risk premia, loss of market access, abrupt expenditure cuts, and lower growth in highly indebted countries.	High	**Medium.** Shrinking development aid from international partners might limit The Gambia's ability to finance vital public services and infrastructure projects. As a result, the government may have to implement abrupt expenditure cuts, affecting social services, health care, education, and infrastructure development.	• Diversify partners and economic activities as well as exports destinations and tourists' origins to reduce vulnerabilities to shocks in a few sectors and dependence on limited groups of countries and donors. • Build adequate fiscal and foreign exchange buffers. • Implement structural reforms to support private sector development. • Provide targeted support to vulnerable households using the expanded social registry.

[1] Aligned with the Global Risk Assessment Matrix (G-RAM) as of July 26, 2025. The Risk Assessment Matrix (RAM) shows events that could materially alter the baseline path. The relative likelihood is the staff's subjective assessment of the risks surrounding the baseline ("low" is meant to indicate a probability below 10 percent, "medium" a probability between 10 and 30 percent, and "high" a probability between 30 and 50 percent). The RAM reflects staff views on the source of risks and overall level of concern as of the time of discussions with the authorities. Non-mutually exclusive risks may interact and materialize jointly.

Sources of Risk	Likelihood	Expected Impact	Policy Response
		External	
Regional conflicts. Intensification of conflicts (e.g., in the Middle East, Ukraine, Sahel, and East Africa) or terrorism disrupt trade in energy and food, tourism, supply chains, remittances, FDI and financial flows, payment systems, and increase refugee flows.	**Medium**	**High.** An escalation or spread of the conflict and other regional conflicts, with the ensuing global commodity price volatility and disruptions of global supply chains could reduce tourist arrivals and remittance inflows, intensify inflationary and forex pressures, and resume large fuel revenue losses.	• Diversify economic activities as well as exports destinations and tourists' origins to reduce vulnerabilities to shocks in a few sectors and dependence on limited groups of countries.
Commodity price volatility. Supply and demand fluctuations (e.g., due to conflicts, export restrictions, OPEC+ decisions, and green transition) cause recurrent commodity price volatility, external and fiscal pressures and food insecurity in EMDEs, cross-border spillovers, and social and economic instability.	**High**	**High.** Dependence on imported commodities leads to higher volatility in import bill and volume. Higher exchange rate and domestic price volatility will cause social and economic instability. Unpredictable trade values and production costs slow investment and growth.	• Provide targeted support to vulnerable households using the expanded social registry. • Strengthen the fiscal oversight of NAWEC. • Accelerate implementation of national energy roadmap with the World Bank support, including use of alternative energy production methods. • Maintain pass-through of fuel prices.
Global growth acceleration. Easing of conflicts, positive supply-side surprises (e.g., oil production shocks), productivity gains from AI, or structural reforms raise global demand and trade.	**Low**	**High.** This would positively affect The Gambia's economy through higher tourist arrivals and remittance inflows. Domestic economic activity would strengthen. The tax base would increase, resulting in improvement in the country's debt devel.	• Save the higher tax windfall to build adequate fiscal and foreign exchange buffers and reduce debt. • Implement structural reforms to support private sector development.
Climate change. Extreme climate events driven by rising temperatures cause loss of life, damage to infrastructure, food insecurity, supply disruptions, lower growth, and financial instability. A disorderly transition to net-zero emissions and regulatory uncertainty lead to stranded assets and low investment.	**Medium**	**High.** Stock of physical and human capital, and thereby, domestic production would be adversely impacted. The number of internally displaced individuals would increase, leading to increased recovery spending and worsened fiscal situation.	• Build resilience to natural disasters by implementing policies under the RSF, including banking supervisory guidelines to increase resilience of the financial sector, and other recommendations of the CPD and C-PIMA. • Provide targeted support to vulnerable households using the expanded social registry.

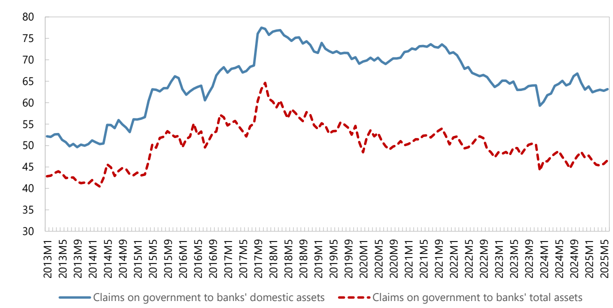
Sources of Risk	Likelihood	Expected Impact	Policy Response
		Domestic	
Social discontent and instability. High price levels are eroding households' real income, increasing inequality and intensifying wage increase demands, with the potential for heightened social tensions.	**High**	**High.** Socio-political uncertainty hurts confidence of economic actors and private investment, delays economic and policy reforms, and weakens institutions.	• Involve CSOs and other stakeholders in policy decisions. • Further strengthen governance and anti-corruption reforms, including through implementation of recommendations from the recent governance diagnostic. • Provide targeted support to vulnerable households using the expanded social registry.

Annex II. Sovereign-Bank Nexus in The Gambia

The Gambia's banking sector is increasingly exposed to sovereign risk through the central government and state-owned enterprises (SOEs). As a share of banks' domestic assets, total exposure has increased from 60 percent at end-2013 to almost 70 percent as of end-June 2025. Among other factors, this increase is due to increased domestic finance needs for infrastructure projects, low demand for credit from the private sector, and underdeveloped capital markets. This annex provides an overview of the sovereign-bank nexus and associated risks in The Gambia.

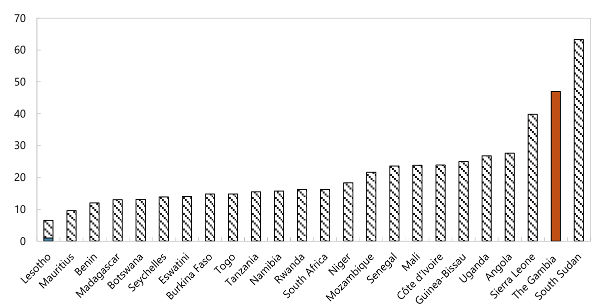
1. **Banks' exposure to sovereign risk in The Gambia has been on an increasing trend since 2013**. Although the banking sector remains liquid, banks' exposure to the sovereign (central government and SOEs) increased from 60 percent in 2013 to 70 percent of banks' total assets at end-June 2025, which is high compared to other Low-Income Countries (LICs) (Text Figure 1). The build-up was mainly caused by the government's reliance on raising financial resources from the domestic financial market.

Text Figure 1. The Gambia: The Evolution of Banks' Exposure to the Central Government
(Percent)



Sources: The Gambian authorities, Barrail, Z., S. Dehmej, and T. Wezel. 2025, and IMF staff calculations.

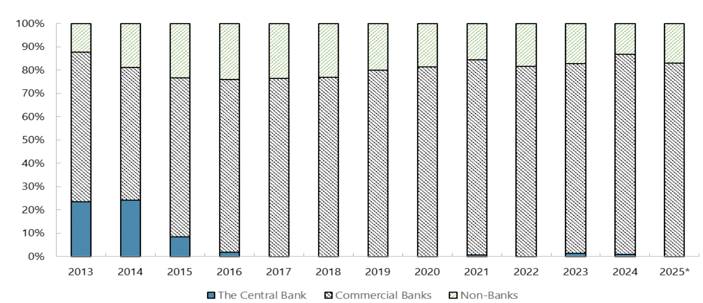
Text Figure 2. The Gambia: 2024 Banks' Exposure to the Central Government
(Percent of Banks' Total Assets)



Sources: The Gambian authorities, Barrail, Z., S. Dehmej, and T. Wezel. 2025, and IMF staff calculations.

2. **The higher liquidity risk from the sovereign-bank nexus is primarily driven by lack of a secondary government securities market.** The underdevelopment of the secondary market for government securities exposes banks to liquidity risk in case of liquidity shocks. While banks' liquidity ratios remain high, the absence of an active secondary market gives rise to liquidity risks from uncertainty over banks' ability to liquidate government securities in case

Text Figure 3. The Gambia: Distribution of Outstanding Central Government Treasury Bills
(Percentage)



Sources: The Gambian authorities and IMF staff calculations.

of liquidity needs. Most investors, especially banks, follow a buy-and-hold strategy until maturity (Text Figure 3).

3. **High exposure to the public sector makes sovereign risk a source of vulnerability, particularly in the context of The Gambia's high public debt levels**. As banks hold the majority of central government and SOE domestic debt, this makes banks' balance sheets vulnerable to losses on government asset holdings. In addition, the sovereign is often implicitly expected to support failing banks. These two channels may interact and give rise to feedback dynamics in which sovereign distress amplifies bank distress and vice versa. Further, during times of stress, a strong sovereign-bank nexus can serve as an amplifier of shocks. A weakening of the sovereign balance sheet could hurt the corporate sector by raising borrowing costs.

4. **Higher concentration of banks' assets in government securities has implications for financial stability.** The current level of financial soundness indicators, reflecting the treatment of the sovereign as low risk, may prove to be misleading under a stress scenario where potential solvency and liquidity challenges may arise in the banking sector. Banks' regulatory capital ratios are boosted by very low risk-weighted assets, raising questions about the effective size of buffers to absorb shocks.

5. **Banks' substantial purchases of government securities could significantly alter the monetary policy transmission from the financial system to the wider economy**. As banks prioritize government securities, their responsiveness to changes in interest rates may diminish, even in scenarios where rates are declining. For example, in a scenario where interest rates are on a declining trend, banks may still prioritize government bonds in expectation of capital gains. As a result, reductions in policy rates may lead to decreased lending to the private sector, thereby possibly weakening the intended impact of monetary policy on borrowing and economic activities. Moreover, a significant inclination of banks towards government bonds impacts the private sector's apprehension about the economic outlook. Overall, private sector lending will be crowded out and the effectiveness of the central bank's monetary policy may be constrained.

6. **A multi-pronged set of policies and reforms are required to tackle the risks associated with the sovereign-bank nexus**. Such policies include: (i) discouraging banks from holding significant amounts of the central government securities by strengthening macroprudential policy; (ii) promoting market development; and (iii) enhancing monitoring and management of risks associated with the sovereign-bank nexus. This could be achieved by adhering to sound fiscal and other policies to preserve public debt sustainability and macroeconomic stability; strengthening the fiscal framework; developing robust Medium-Term Debt Strategy that help diversify the source of funding; and strengthening regulatory frameworks and developing deeper capital markets.

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Giovanni Dell'Ariccia, Caio Ferreira, Nigel Jenkinson, Luc Laeven, Alberto Martin, Camelia Minoiu, and Alex Popov. 2018. "Managing the Sovereign-Bank Nexus," Monetary and Capital Markets and Research Departments, No. 18/16, International Monetary Fund, Washington DC.

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Appendix I. Letter of Intent

Banjul, The Gambia
November 24, 2025

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, DC 20431

Madam Managing Director,

On behalf of the Government and the people of The Gambia, we thank the IMF for its continued support, which has been timely and substantial.

The economic recovery remains strong, while inflation is decelerating. Real GDP growth is estimated at 6 percent in 2025, supported by the agriculture, construction, and tourism sectors. After peaking at 18.5 percent (y-o-y) in September 2023, headline inflation declined to 7.4 percent (y-o-y) in September 2025, albeit still above the central bank's medium-term target of 5 percent.

The attached Memorandum of Economic and Financial Policies (MEFP) outlines progress since the IMF Executive Board's approval of the third Extended Credit Facility (ECF) review and the approval of the Resilience Sustainability Facility (RSF) in June 2025 and describes our policies going forward. We have met six of the seven quantitative performance criteria (QPCs) and all four indicative targets (ITs) for end-June 2025. We missed the floor on net international reserves by US$20 million because of a currency swap operation with Afreximbank. Of the ten structural benchmarks (SBs), six were met on time, three have been completed with a delay, and one is proposed to be rephased to end-January 2026 to allow for more TA and a deeper analysis of the structural causes of arrear accumulation. The two reform measures (RMs) for the first review of the RSF arrangement are on track to be met in the timeframe of this review. Additionally, one RM scheduled for the second review (the adoption of the Climate Change Bill) was met earlier than planned.

We reaffirm our commitment to the near- and medium-term key policies laid out in the MEFP. This includes continuing the fiscal consolidation efforts and strengthening our fiscal policy framework, aimed at reducing debt vulnerabilities; monitoring inflation developments closely and adopting a consistent monetary policy stance; and letting the exchange rate fully reflect market forces and continuing to implement the forex policy to prevent recurrence of forex shortages. Addressing governance weaknesses and fostering the business environment to attract private investment remains a priority. Our inter-institutional engagement in climate change mitigation and adaptation policies aims to attract additional public and private financing in the context of the ongoing RSF.

Considering our commitment to implementing the agreed macroeconomic policies and reforms we request completion by the IMF Executive Board of the fourth review of our ECF arrangement and the associated financing assurances review, as well as the first review of our RSF. We also request a waiver of non-observance of the QPC on NIR based on the corrective actions we are taking: We are in the process of revising the deposit agreement with Afreximbank to ensure the proceeds from existing and future currency swap arrangements are not encumbered and seek to revise the TMU to include a mechanism for monitoring encumbrance of the CBG's placements with Afreximbank. We are also elevating the IT on the CBG financial assistance to public entities to a QPC. Going forward, we request to modify the NIR definition in TMU to exclude both currency swap drawings and currency swap obligations from the NIR calculation when the swap obligations are paid by or collateralized by the swap drawings. We reaffirm our commitment to consulting with the IMF prior to adopting any additional measures that will affect the obligations of the Central Bank of The Gambia or The Gambia Government.

We request the rephasing of the following SBs to allow more time for successful implementation and the provision of technical assistance: (i) develop a timebound strategy to institutionalize the arrear reporting and clearing framework from end-June 2025 to end-January 2026; (ii) adopting by the cabinet a revised PFM Act from end-December 2025 to end-March 2026; (iii) requiring of all MDAs to present quarterly updates to their cash plans through IFMIS and implement a maximum deviation rule from end-December to end-June 2026; (iv) publishing a payment schedule for arrears from end-March 2026 to end-June 2026; (v) undertaking a thorough review of VAT with a view to modernizing its design and operation and improving its revenue productivity from end-June 2026 to end-September 2026; and (vi) completing partial or full privatization of GAMCEL from end-March to end-June 2026. We also request the modifications of end-December 2025 and end-June 2026 QPCs on the NDB ceiling and NIR floor to reflect the rephasing of RSF disbursements, and the modification of end-December 2025 and end-June 2026 QPCs on the domestic primary balance to reflect the revisions in the fiscal framework. We also request the modification of end-December 2025 and end-June 2026 ITs on tax revenue and end-June 2026 ITs on poverty-reducing expenditures. Furthermore, we request the rephasing of RSF access to reflect the early completion of the reform measure 1 on the adoption of the Climate Change Bill which was scheduled for the second review. This would allow for the disbursement of SDR 12.44 million under the ECF and its partial on-lending to the budget (SDR 4.98 million) as well as SDR 15.54 million under the RSF (including early disbursement for the aforementioned RM), which will significantly help meet pressing external and fiscal financing needs including to address climate change.

We believe that the policies set forth in this MEFP are adequate to achieve the program objectives. The Government reaffirms its commitment to consulting with the IMF, or whenever the Managing Director requests it, prior to adopting any additional measures or revising the policies in the MEFP, in accordance with the Fund's policies. We will continue to provide IMF staff with all information needed to monitor the implementation of the economic and financial policies geared towards achieving the program objectives. Moreover, we are conducting an in-depth review to reconcile the source of the inconsistency between the fiscal and monetary accounts for central government net financing from the banking system and we request IMF TA support in this area.

The Government consents to the publication on the IMF website of the IMF staff report, including this letter, the attached MEFP, and the Technical Memorandum of Understanding (TMU), in accordance with IMF procedures once the IMF Executive Board completes both program reviews.

Sincerely yours,

/s/	/s/
Seedy Keita	Buah Saidy
Minister of Finance and Economic Affairs	Governor, Central Bank of The Gambia

Attachments: I. Memorandum of Economic and Financial Policies (MEFP)

II. Technical Memorandum of Understanding (TMU)

Attachment I. Memorandum of Economic and Financial Policies

This Memorandum of Economic and Financial Policies (MEFP) describes recent economic developments as well as the macroeconomic outlook and risks since the completion of the third review of the program supported by the IMF s Extended Credit Facility (ECF) and the approval of an arrangement under the Resilience and Sustainability Facility (RSF) in June 2025. It provides updates on the policies and structural reforms that we intend to implement under both programs.

Background

1. **This Memorandum of Economic and Financial Policies (MEFP) supplements and modifies the one dated June 2, 2025.** Our policies continue to aim at supporting economic recovery, tackling inflation, addressing foreign exchange pressures, reducing debt vulnerabilities, and fostering strong and inclusive growth to benefit all citizens of The Gambia. To this end, we continue to advance our structural reform agenda underpinned by the ECF- and the RSF-supported programs, including significant reforms pertaining to revenue administration, public financial management (PFM), management of state-owned enterprises (SOEs), the anti-corruption legal framework, and policies fostering the resilience of the economy and people's livelihoods to climate change.

2. **Constitutional reform is ongoing.** The reform process has faced political challenges, which resulted in the rejection of the 2024 draft Constitution by the National Assembly in July 2025. However, The Gambian government remains committed to advancing the constitutional reform process as part of broader efforts to enhance governance and to consolidate democracy in the country.

Recent Economic Developments

3. **Economic recovery remains strong, while inflation is decelerating.** Real GDP growth is estimated at 6 percent in 2025 following growth of 5.6 percent in 2024. It is supported by the agriculture, construction, and tourism sectors. Tourist arrivals continued to recover in 2025H1. Remittance inflows remained robust. After peaking at 18.5 percent (y-o-y) in September 2023, headline inflation declined to 7.4 percent (y-o-y) in September 2025, mainly due to lower global food, energy prices and tight monetary policy. However, headline inflation has shown some persistence in recent months and remains above the central bank's medium-term target of 5 percent.

4. **Fiscal performance in 2025 thus far was stronger than anticipated.** The overall fiscal deficit during 2025H1 was smaller than expected in nominal terms. Revenue exceeded expectations by a large margin, with tax revenues overperforming by 0.4 percent of GDP due to the continued implementation of our revenue reforms. Due to expenditure restraint, current expenditure was lower than anticipated, which offset an increase in foreign-financed capital spending.

5. The foreign exchange market continued to function smoothly. The exchange rate vis-à-vis the US dollar depreciated by an average of 5.8 percent during 2025H1. The wedge between the official and parallel exchange rates has remained low at around 2 percent in recent months, showing improved FX supply conditions. The increase in tourist arrivals, private remittance inflows, and Fund disbursements in June have helped ease pressures on the forex market and helped to build some foreign reserves.

6. The financial sector remains generally sound. The banking sector remains resilient despite some recent challenges. Banks' capital adequacy and liquidity ratios are well above the regulatory minimum, standing at 25.1 and 78.5 percent, respectively, at end-June 2025. Following an increase in non-performing loans (NPLs) in 2024H2 due to default of a large borrower to two banks, the ratio declined to single digits (8.9 percent) by end-June 2025 following the exit of Standard Chartered Bank and recovery of the remaining facilities. Credit growth of the private sector remained robust at 24 percent (y-o-y) and banks' excess reserves declined to about 4.1 percent of reserve money at end-June 2025.

7. We are committed to meeting our ECF-supported program's targets and reforms:

- *Quarterly performance criteria (QPCs):* Six out of seven QPCs were met. The floor on net international reserves was missed because of a currency swap operation with Afreximbank (Table 1). We request a waiver of non-observance of the performance criterion on NIR based on the corrective actions. We will revise the deposit agreement with Afreximbank by end-March 2026 to ensure the proceeds from existing and future currency swap arrangements are not encumbered. We also request the elevation of the IT on the CBG financial assistance to public entities to a QPC and seek to revise the TMU to include a mechanism for monitoring encumbrance of the CBG's placements with Afreximbank, by adding a monthly statement, duly signed or authorized by Afreximbank, as a supporting material to verify NIR. Going forward, we request to modify the NIR definition in TMU to exclude both currency swap drawings and currency swap obligations from the NIR calculation when the swap obligations are paid by or collateralized by the swap drawings. We reaffirm our commitment to consulting with the IMF prior to adopting any additional measures that will affect the obligations of the Central Bank of The Gambia or The Gambia Government. We request the modification of end-December 2025 and end-June 2026 QPCs on the NDB ceiling and the NIR floor to reflect the rephasing of RSF disbursements, and the modification of end-December 2025 and end-June 2026 QPCs on the domestic primary balance to reflect the revisions in the fiscal framework.
- *Indicative targets (ITs):* All indicative targets (ITs) were met. We request the modification of the ITs on end-December 2025 and end-June 2026 on tax revenue and the floor on poverty-reducing expenditure for end-June 2026 to reflect the revised fiscal framework
- *Structural benchmarks (SBs) and reform measures (RMs)*: Six out of ten structural benchmarks were met on time; three have been completed albeit with delay, while the SB on the domestic arrear strategy is proposed to be rephased to end-January 2026 to allow for additional TA and a deeper analysis on the structural causes of arrear creation. (Table 2). The two reform measures

under the RSF for this review are expected to be met and one reform measure for the next review has been met ahead of time (Table 4).

- Six SBs were met: creation of a database of rental property for taxation purposes; adoption of GIEPA Act with streamlined tax incentives; extension of IFMIS to four multilateral-donor projects and to all government funded projects implemented after January 1, 2025; adoption by the cabinet of a draft land policy; and the alignment of the Chart of Accounts (CoA) with GFS 2014 and the publication of the CoA and its manual on MoFEA's website; and the adoption by Cabinet of a revised National Audit Office Bill.
- Three SBs were completed with some delay: the submission to the National Assembly of the names of three anti-corruption commissioners, as specified in the Anticorruption Act; the adoption of a Domestic Resource Mobilization Strategy (DRMS); and the development of a digital platform for business registration.
- The two RMs for the first RSF review are on track to be met in the timeframe of this review, while one RM for the second RSF review has been completed. We will publish the updated PIM guidelines and templates, which now incorporate climate mitigation and adaptation criteria in the public investment management process. We are addressing the remaining comments on the index-based insurance regulations, which are expected to be approved in-end October. We request the rephasing of the RSF access to reflect the early adoption of the Climate Change Bill (RM initially phased for the second review).
- We request the rephasing of the following SBs to allow more time for successful implementation and the provision of technical assistance: (i) the development and publication of a comprehensive, timebound strategy to institutionalize the arrears reporting and clearing framework and propose measures to address the shortcomings in the PFM systems that led to an accumulation of pending bills and other arrears to end-January 2026; (ii) adopting by the cabinet a revised PFM Act from end-December 2025 to end-March 2026; (iii) requiring of all MDAs to present quarterly updates to their cash plans through IFMIS and implement a maximum deviation rule from end-December 2025 to end-June 2026; (iv) publishing a payment schedule for arrears from end-March 2026 to end-June 2026; (v) undertaking a thorough review of VAT with a view to modernizing its design and operation and improving its revenue productivity from end-June 2026 to end-September 2026; and vi) completing partial or full privatization of GAMCEL from end-March 2026 to end-June 2026.

Macroeconomic Outlook

8. **The medium-term macroeconomic outlook remains stable.** Economic growth is projected to remain strong at 5.1 percent in 2026, supported by continuous recovery in the tourism sector and good performance of the agricultural sector. Growth is expected to stabilize around 5 percent in the medium term. Inflationary pressures are expected to ease further based on the continued tight monetary policy and expected decline in the prices of some key international commodities (e.g., fuel and food). Forex reserves are projected at around 4 months of imports in the

medium term, supported by tourism revenue, remittances, and disbursements from the Fund and other development partners.

9. The balance of risks is tilted to the downside. Key risks to the outlook arise from the world economy through commodity prices and potential disruptions to global supply chains, as well as the potential impact of a slowdown on tourist arrivals and remittance inflows. On the domestic front, persistently high price levels could lead to a cost-of-living crisis, and fiscal pressures will likely be exacerbated by the upcoming elections scheduled for 2026. More frequent natural disasters are threatening to damage infrastructure and livelihoods and adversely affect inflation, growth, and external balances.

Macroeconomic Policies and Structural Reforms

A. Strengthening the Fiscal Policy Framework

10. The strong tax revenue performance is expected to continue through end-2025 but cannot compensate for the loss of the expected disbursement from Africa 50. Building on high collections during the first half of the year, tax revenue is anticipated to overperform by GMD 2.8 billion over the course of the year due to increased collection of corporate income tax, domestic VAT, VAT on oil imports, improved control on tax exemptions on both duty waivers administered by MOFEA and import tax exemption relating to GIEPA SIC/EPZLs, amongst others. Going forward, strong revenue performance will be supported by compliance efforts on withholding tax from donor-funded projects, tax audits, improved oil revenue from pricing and fuel marking system, excise tax stamp system, more efficient rental income tax data systems, and tighter management of tax expenditures including a significant reduction in duty waivers. At the same time, strong tax revenue mobilization and a higher dividend from the CBG cannot compensate for the loss of the expected GMD 3.5 billion from Africa 50 and total domestic revenue in 2025 is expected to be lower by GMD 1.7 billion vis-à-vis the third review projection.

11. Budget execution in 2025 will aim at ensuring end-year fiscal targets are being met. Excluding the effects of a recently assumed SOE debt, we will maintain the domestic primary balance and overall deficit in line with the agreed target despite slightly higher than expected foreign-financed capital spending. We take advantage of falling oil prices to keep petrol and diesel prices above full passthrough, hence eliminating fuel price subsidies and supporting revenue collection. In line with our previous MEFP commitment, we aim to save any unexpected revenue windfalls to build fiscal buffers and accelerate fiscal consolidation. With IMF staff's technical support, we are working on reducing remaining statistical discrepancies between above- and below-the-line fiscal reporting, and we will continue to review the classification of government accounts and strive to improve our statistics.

12. For the 2026 budget we target an overall deficit of 1 percent of GDP to reconcile our development needs with limited fiscal space. Our ongoing strong revenue mobilization efforts are expected to further bolster tax revenue by GMD 3.1 billion between 2025 and 2026. This will help to offset lower non-tax revenue, including the reduced disbursements under Africa 50. We will exercise tight control over current spending, including on wage growth, and will focus on improving the financial outlook of NAWEC. At the same time, election-related outlays, the need to protect poverty spending and much-needed one-off capital outlays on expanding roads and access to health and education that were compressed in 2025, as well as continued pressure to pay down domestic arrears will result in a higher deficit target than previously envisaged, at 1 percent of GDP. This consolidation path strikes a balance between still-high debt-vulnerabilities and needed development spending. We have submitted to the National Assembly a 2026 budget in line with the ECF program parameters, including an overall deficit of 1 percent of GDP, as a condition for this review (**prior action**). The draft budget includes 1 percent of current expenditure as contingency to reduce risks and preserve flexibility for unforeseen exigencies. Should additional pressures materialize, including lower-than-anticipated domestic revenues, we commit to delaying non-priority spending, while preserving priority social outlays.

13. Revenue mobilization remains central to our fiscal consolidation objectives. The 2026-2030 DRMS **(SB for end-June 2025, completed by October)** targets an increase in the tax-to-GDP ratio of 1.7 percentage points by 2030. Consistent with IMF advice, it prioritizes comprehensive reforms of VAT, CIT, PIT, and property taxes, complemented by other measures such as a carbon-based excise and the recently approved database on rental property taxation. Aligned with the DRMS, we will conduct a full VAT review to improve revenue productivity (**SB proposed to be rephased to end-September 2026**) and enhance property taxation. Tax expenditure will be streamlined once the GIEPA Act is approved by the National Assembly and through the submission of a tax-expenditure statement to cabinet (**SB for end-December 2025**) to enhance transparency. On the administrative side, we are working on the implementation of ITAS, which will enhance digitalization and enable e-filing and e-returns. We have signed a contract with a supplier and expect the core modules of the system to be operational between 2026 and 2027.

14. Stronger public financial management is critical to improve budget credibility, control expenditure, and prevent the build-up of arrears:

- We are finalizing the PFM Act to improve budgeting, tighten virement rules, strengthen expenditure controls and formalize an arrears reporting and monitoring framework (**SB for end-December 2025**).
- On domestic arrears, we remain strongly committed to implementing a three-step plan: development of a strategy to institutionalize the arrears monitoring and reporting framework and to address PFM weaknesses that led to pending payment accumulation (**delayed SB for end-June 2025, proposed to be rephased to end-January 2026**); conduct a comprehensive stocktaking exercise led jointly by the National Audit Office and Internal Audit (**SB for end-December 2025**); and publish a payment schedule of verified arrears (**SB proposed to be rephased to end-June 2026**).
- Cash management will be reinforced by aligning MDA cash expenditure plans with available cash. To this end, we will require MDAs to submit quarterly cash-plan updates through IFMIS

and by introducing a maximum deviation rule, with safeguards for essential spending (**SB proposed to be rephased to end-June 2026**). MDAs will revise their expenditure plans based on the outcome of the previous cash management committee on a quarterly basis. The Accountant General Department will be responsible for communicating the expectations on the revised cash plan. MDAs will be allowed to spend a maximum of 20 percent more than the envisaged cash forecast to implement the maximum deviation rule, which will be appropriately accounted for as we develop an arrear monitoring framework.

- To comply with international standards, we have fully aligned the chart of accounts (COA) with GFS 2014, finalized the CoA manual and published both on MOFEA's website (**SB for end-September 2025**).

- To improve data consistency across government accounts, we will conduct an in-depth review to reconcile the source of the inconsistency between the fiscal and monetary accounts for central government net financing from the banking system (**proposed new SB for end-March 2026**). To do so, we seek IMF TA support.

15. While SOE oversight is improving, we are committed to making more progress to contain fiscal risks. NAWEC's financial position has improved, reflecting a shift to cheaper electricity imports, lower technical and commercial losses, and expected World Bank support to settle Karpower arrears. Nonetheless, a persistent gap between costs and tariffs continues to weigh on NAWEC's finances. We will publish NAWEC's audited 2022 financial statements by end-2025 and will clear the remaining audit backlog through 2026. We have reformed SOE board composition and appointments to be competency-based. To enhance transparency and accountability, we will continue to include the publication of audited financial statements in future negotiations of performance contracts. We have enforced consequences where targets were missed, including a 15 percent salary reduction for the Managing Director of the Gambian National Petroleum Company, while two entities, Social Security Housing Financing Corporation and the National Food Security and Processing Marketing Corporation met their targets and qualified for performance bonuses. We continue assessing options for the partial or full privatization of GAMCEL (**SB proposed to be rephased to end-June 2026**) to prevent further losses, recognizing that the government may need to assume a portion of existing liabilities.

16. We will strengthen our medium-term fiscal policy framework to keep Gambia's public debt sustainable, though risks to external and overall debt distress remain high. Aided by our fiscal consolidation efforts, public debt will continue its downward trajectory, albeit at a slower pace. To reduce debt vulnerabilities, our medium-term fiscal framework aims at bolstering domestic revenue mobilization, strictly adhering to the agreed external borrowing plan, and ensuring that SOEs and PPPs do not give rise to undue fiscal risks and contingent liabilities. In this respect, we will closely monitor risks emanating from public entities outside the central government, including NAWEC and the National Road Authority (NRA) (see below). Lower public sector borrowing will also help to reduce banks' risk exposure given their significant holdings of sovereign debt and pave the way for higher private sector borrowing and investment.

B. Monetary and Exchange Rate Policies

17. The CBG will remain proactive in guiding inflation towards its medium-term target. Headline inflation has fallen rapidly while remaining elevated and showing some persistence in recent months. The uncertain global economic environment and the upcoming election year limit visibility about future inflation dynamics. The CBG's analysis delivered to the Monetary Policy Committee (MPC) will remain data-driven and guided by the outlook for domestic demand and macroeconomic stability. Its assessment of the monetary policy stance will remain geared towards meeting the medium-term target of five percent inflation through the selected use of its various policy tools (CBG bills, deposit and lending facilities, reserve requirement ratio and open market operations).

18. We are in the process of amending the CBG Act. We have completed a first review of the draft amendments to the CBG Act to strengthen the mandate, governance, and autonomy of the CBG. The mandate of the CBG will set domestic price stability as its sole primary objective. We have requested the IMF review of the drafting amendments to the Act to align with good international practices and the safeguards assessment recommendations and expect the CBG Board to adopt the amendments by end-March 2026.

19. We remain committed to preserving the strength of the CBG's financial position in accordance with the laws of The Gambia. In this regard, the CBG will not engage in any quasi-fiscal operations, including direct or indirect financial assistance to public entities other than the central government, or any collateralized swap operations. The CBG will provide lending to the government only for cash flow purposes, at market terms, and not beyond 10 percent of the previous year's tax revenue as per law. This will preserve the soundness of the central bank's balance sheet and macro-financial stability. The revised CBG Act will explicitly specify that temporary emergency lending to the government is conditioned to catastrophic circumstances, to be defined in consultation with IMF staff.

20. The CBG will focus on strengthening the resilience of the financial sector. We are implementing enhanced supervision of high-NPL banks including by continuous interaction with creditors and are focusing on risk-based supervision through capacity building, close monitoring of concentration risks, and early intervention as necessary. We are mindful of the increasing banking sector's exposure to sovereign risk through lending to the central government, state-owned enterprises (SOEs) and other public entities. This requires additional scrutiny and potential macroprudential measures in the future. The CBG is closely monitoring the augmentation of banks' minimum regulatory capital by GMD100 million. Eight banks have already reached the GMD 400 million capital requirement by end-June, and augmentations by the remaining institutions will be completed by end-December 2025 (**SB for end-December 2025**).

21. The CBG will maintain an exchange rate that reflects market dynamics. In order to safeguard FX reserves and prevent FX shortages, meet debt service payments and maintain macro-financial stability, we continue to implement the foreign exchange policy introduced in 2023. The CBG is finalizing a new electronic FX data collection system which will allow us to gather more granular market transactions data and improve the timely calculation of the official exchange rate. The role of the exchange rate is to be a shock absorber for the economy. The use of FX intervention should be limited to address excessive volatility due to large non-fundamental shocks and reserves accumulation, and we are finalizing our recently developed forex intervention policy in line with these principles.

C. Governance and Business Environment

22. We will step up our efforts to strengthen governance and anti-corruption frameworks. To address slow progress in the implementation of the governance diagnostic assessment report (GDA), we will strengthen inter-institutional coordination through a dedicated body driving the implementation of the action plan. An important step towards stronger rule of law and growth potential has nonetheless been made through the transmission of the shortlist of anti-corruption commissioners to the National Assembly **(SB for end-June 2025)** for approval before appointment. Subject to National Assembly approval, the anti-corruption commission will start its operations after the commissioners are sworn in, its executive secretary recruited, and its premises established (**SB for end-June 2026**). We will also seek swift cabinet approval of the revised draft law on AML/CFT to align with the international standards of the Financial Action Task Force. The government is working towards submitting its annual financial accounts to the auditor general within three months after the end of the financial year in compliance with the Public Finance Act 2014, before publication in the Gazette and the website of the Ministry of Finance. We have moved key services online. Our strategy is to further open public access to information and services. We have compiled the laws of The Gambia through end-December 2024 and will extend the compilation to end-June 2025 and sign the contract with a private firm to publish them online and in hard copy, provided the funding is secured. Ensuring full independence of the National Audit Office is a critical pillar of the rule of law. We have adopted a new National Audit Office Act (**SB for end-September 2025**) and will take any steps necessary to bolster the NAO's operational integrity and ability to promote transparency and accountability, identify public financial management weaknesses, and deter the misuse of public resources.

23. We are committed to further improving the business environment to catalyze private investment. Both the revised GIEPA Act and a digital platform for business registration (**SB for end June-2025, completed in early-November**) should help to attract investment, lower business entry costs and promote formalization. The recently approved land policy will facilitate access to land and collateral (**SB for end-September 2025**). Credit markets are being strengthened through the now operational Credit Reference Bureau. In line with the National Financial Inclusion Strategy, we target 70 percent of the population accessing to formal financial services by 2025, with emphasis on women, youth and other vulnerable groups.

D. Resilience to Climate Change

24. We are advancing RSF reforms to strengthen BOP resilience to climate shocks and change. Reforms remain on-track for completion by end-November. We have embedded mitigation and adaptation criteria in the public investment management process **(Reform Measure 3 due early-December 2025)** with FAD support. The updated guidelines and templates considering The Gambia's risk profile will be used in project selection, appraisal, and monitoring starting in the 2027 budget cycle. In addition, we remain committed to including climate mitigation and adaptation criteria as part of the selection and evaluation of PPP projects in the ongoing revision of the PPP Bill. We are on track to approve the index-based insurance regulations **(Reform Measure 5 due end-September 2025)** as part of our efforts to broaden risk transfer instruments for climate-vulnerable households. Despite our insurance market still being nascent, these regulations will set the foundations for current index-based insurance pilot programs to be scaled up. We will continue expanding awareness and capacity across key stakeholders, including potential insurers and small farm holders, to increase insurance penetration across the country. Finally, we took advantage of a window of opportunity to achieve one reform measure in advance. The Cabinet already approved the Climate Change Bill **(Reform Measure 1, due end-March 2026)**, in line with IMF and WB recommendations. We expect the bill to be operationalized as secondary regulations are developed in 2026.

25. Implementation of reform measures beyond the first RSF review is advancing well. Supported by a comprehensive package of IMF and development partners technical assistance, we are currently on track to introduce a carbon-based excise aligned with IMF recommendations and finalize a methodology to identify fiscal risks and apply it as part of the 2027 budget process. We have also worked on a climate finance strategy with CVF-V20's support. For reform measures due in the third review, we are currently working with the IMF, WB and AFD to ensure the implementation of the reform measures on rationalizing electricity subsidies, updating the zoning regulations to enhance coastal resilience and developing groundwater regulations, including our commitment to improve the measurement system to better understand the status of aquifers across the country.

Capacity Development

26. IMF technical assistance (TA) has strongly supported ECF implementation. We received intensive and broad-based capacity development support since the last review, from AFRITAC West 2, IMF-HQ, and our former resident advisor. With respect to the ECF, this includes improvements in government finance statistics (GFS), the finalization of the domestic resource mobilization strategy, tax expenditure reporting, revenue administration operations and governance, GDP rebasing, public finance cash management and projections, prevention and clearance of expenditure arrears, baseline budget costing, program-based budgeting, update of the chart of accounts, public investment management, and peer-learning in macro forecasting. The CBG has been receiving support on balance of payment statistics, monetary forecasting and policy analysis, risk-based supervision, liquidity management and forecasting, and FX market operations.

27. We welcome additional technical support to implement the ECF. In addition to follow-up to the above-mentioned areas such as arrear monitoring framework, reporting template and payment schedule, we are seeking further IMF advice on land and property taxation, VAT modernization, governance of SOEs including their adoption of International Financial Reporting Standards (IFRS), and data reconciliation between fiscal and monetary accounts We are looking forward to working with the new IMF PFM resident advisor. The CBG will receive further assistance on the relevant amendments to the CBG Act and financial sector supervision, amongst other areas.

28. A robust pipeline of TA allows us to advance preparations of RSF reform measures. We have received a significant amount of TA to support RSF implementation. TA has been delivered or scheduled across all reform measures (RMs) through November 2025, with the authorities and IMF staff coordinating closely with TA providers and development partners to tailor support to capacity constraints. We have received TA on carbon-based taxation, transition taxonomy and supervisory guidelines and climate-related fiscal risks. We are expecting additional missions from STA and FAD, which will focus on climate data and the impact of natural disasters, respectively. For third review RMs—including zoning regulations (RM6), groundwater abstraction and licensing regulations (RM7), and electricity subsidies (RM9)—TA is expected to begin in October and continue for several months led by the World Bank (RM6) and AFD (RM7). FAD conducted a scoping mission on electricity subsidies (RM9) in late May and plans a full mission in early 2026.

Program Monitoring

29. We will take all measures needed to meet quantitative targets and observe structural benchmarks under the ECF program, as well as the reform measures under the RSF program. The ECF and RSF programs will be subject to concurrent semiannual reviews, based on prior actions, performance criteria, indicative targets, structural benchmarks and reform measures as set out in Tables 1, 2, 3, 4 and 5 of this Memorandum and defined in the attached Technical Memorandum of Understanding. The fifth ECF program review will be based on end-December 2025 targets and is expected to be completed on or after March 31, 2026. The final sixth ECF program review will be based on the end-June 2026 targets and is expected to be completed on or after September 30, 2026. As such, the second and third reviews under the RSF arrangement will take place at the time of the fifth and sixth reviews under the ECF arrangement, respectively.

Table 1. The Gambia: Quantitative Performance Criteria and Indicative Targets for 2025–26

(Cumulative from beginning of calendar year to end of month indicated; local currency millions, unless otherwise indicated)

	2025										2026			
	Mar.			Jun.			Sept.		Dec.		Mar.		Jun.	
	Prog.	Act.	Status	Prog.	Act.	Status	3rd review	Prog.	3rd review	Prog.	3rd review	Prog.	3rd review	Prog.
Performance criteria[1]														
1. Net domestic borrowing of the central government (ceiling)	3,400	2,979	**Met**	7,100	6,405	**Met**	5,000	5,000	2,800	1,800	1,600	3,000	100	4,500
2. Domestic primary balance (cumulative floor)	-700	-101	**Met**	-2,600	-1,304	**Met**	1,800	1,800	1,900	1,400	900	200	1,500	-1,000
3. Stock of net usable international reserves of the central bank (floor, US$ million)	298	339	**Met**	283	263	**Not met**	267	267	305	312	309	309	302	295
4. New external payment arrears of the central government (ceiling, US$ million)[2]	0.0	0.0	**Met**	0.0	0.0	**Met**	0.0	0.0	0.0	0.0	0.0	0	0.0	0
5. New nonconcessional external debt contracted or guaranteed by central government (ceiling, US$ million)[2]	0.0	0.0	**Met**	0.0	0.0	**Met**	0.0	0.0	0.0	0.0	0.0	0	0.0	0
6. Outstanding stock of external public debt with original maturity of one year or less (ceiling, US$ million)[2]	0.0	0.0	**Met**	0.0	0.0	**Met**	0.0	0.0	0.0	0.0	0.0	0	0.0	0
7. New concessional external debt contracted or guaranteed by central government (ceiling, US$ million)[3]	90	0.0	**Met**	90	40	**Met**	90	90	90	90	90	90	90	90
8. New central bank credit to public entities (ceiling, GMD millions)[4]	0.0	0.0	**Met**	0.0	0.0	**Met**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Indicative targets[1]														
9. Total tax revenue (floor)	5,700	6,396	**Met**	11,100	12,400	**Met**	16,200	16,200	21,200	23,900	5,900	7,000	6,100	13,800
10. Monthly ceiling on central bank credit to the government at non-market terms (GMD millions)[5]	0.0	0.0	**Met**	0.0	0.0	**Met**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11. Stock of net domestic assets of the central bank (ceiling)	13,216	6,754	**Met**	13,687	7,377	**Met**	14,157	14,157	14,628	14,628	10,971	10,971	14,907	14,906.8
12. Poverty-reducing expenditure (floor)	3,000	3,169	**Met**	6,000	6,137	**Met**	9,000	9,000	12,000	12,000	3,200	4,000	6,400	8,000
Memorandum Items:														
Budget Support (grants, US$ millions)	0.0	0.0		0.0	0.0		13.2	13.2	52.6	52.6	5.5	0.0	13.0	0.0
Base Money (stock, GMD millions)	22,787	23,958		22,971	24,368		23,155	23,155	23,339	23,339	23,642	23,642	23,805	23,805
IMF disbursements (SDR millions)	0.0	0.0		37.3	37.3		37.3	37.3	65.3	65.3	0.0	0.0	28.0	28.0

[1] For definitions and related adjustors, see the Technical Memorandum of Understanding (TMU). End-June and End-December are test dates. Targets for end-March and end-September

[2] These criteria apply on a continuous basis.

[3] The debt limit is formulated in nominal terms due to authorities' limited capacity to monitor and observe conditionality on aggregate debt levels (including in PV terms).

[4] This performance criteria was escalated from an indicative target during the fourth ECF review. Once an ex ante legal framework has been enshrined in the CBG Act, emergency lending to the government can be affected under catastrophic circumstances.

[5] The zero ceiling applies to all outstanding credit (for example, overdrafts and advances) at non-market terms as of the end of each month, excluding the RCF onlending and the 30-year bond held by the CBG.

Table 2. The Gambia: Prior Action and Structural Benchmarks for the Fourth ECF Review, 2025			
Measures	**Macro Rationale**	**Timing**	**Status**
Prior Actions			
Submit to the National Assembly a 2026 budget in line with the ECF program parameters, including an overall deficit of 1 percent of GDP.	Align the 2026 budget with fiscal sustainability	Prior action	Met
Domestic Revenue Mobilization (GRA/MOFEA)			
Create a database of rental property for taxation purposes.	Expand the tax base and prevent avoidance.	End-June 2025	Met
Adopt a domestic revenue mobilization strategy.	Enhance revenue collection.	End-June 2025	Not met, completed in October
Adopt by the cabinet a revised GIEPA Act with streamlined tax incentives.	Ensure cost-benefit balance between revenue losses and economic contributions of beneficiaries of tax incentives.	End-September 2025	Met
Public Financial Management (MOFEA and Cabinet)			
Extend the use of IFMIS to 4 multilateral-donor projects and to all government-funded projects implemented after January 1, 2025.	Strengthen the management of investment projects.	End-September 2025	Met
MoFEA to develop and publish a comprehensive, timebound strategy to institutionalize the arrears reporting and clearing framework and propose measures to address the shortcomings in the PFM systems that led to an accumulation of pending bills and other arrears. The strategy should be aligned with IMF recommendations and will include, among others, a clear definition of expenditure arrears, an arrears reporting framework, criteria for clearing validated arrears and potential consequences for public officers that fail to report arrears.	Ensure proper management of arrears and unsettled commitments by institutionalizing arrear reporting and clearance.	End-June 2025	Not met, **proposed to be rephased to end-January 2026**
Ensure that the Chart of Accounts is entirely aligned with GFS 2014, finalize the Chart of Accounts manual and publish the Chart of Accounts and its manual on MoFEA's website.	Ensure budget planning is aligned with best practices and avoid misclassification errors	End-September 2025	Met
Governance and SOE Reforms (MOFEA, NAO, MOJ)			
Set up a digital platform for business registration.	Facilitate business creation and increase formal sector employment.	End-June 2025	Not met, completed in - November
Submit to the National Assembly the names of the three anti-corruption commissioners that are being selected through a transparent and merit-based process led by a vetting committee, as specified in the Anticorruption Act.	Strengthen governance and anti-corruption efforts	End-June 2025	Not met, completed in September
Adopt by the cabinet a revised National Audit Office Act.	Strengthen the independence and effectiveness of the National Audit Office.	End-September 2025	Met
Adopt by the cabinet a draft land policy.	Facilitate access to land and finance and improve business creation.	End-September 2025	Met

Table 3. The Gambia: Structural Benchmarks for Fifth and Sixth ECF Reviews, 2025–26		
Measures	**Macro Rationale**	**Timing**
Domestic Revenue Mobilization (GRA/MOFEA)		
Submit to the cabinet a tax expenditure statement in line with FAD recommendations.	Enhance transparency of tax expenditure and protect revenue collection.	End-December 2025
Undertake a thorough review of VAT with a view to modernizing its design and operation and improving its revenue productivity.	Close the VAT policy and compliance gaps.	End-June 2026. **Proposed to be rephased to end-September 2026**
Public Financial Management (MOFEA and Cabinet)		
Adopt by the cabinet a revised PFM Act in line with agreed IMF recommendations	Streamline the project approval process	End-December 2025. **Proposed to be rephased to end-March 2026**
Require all MDAs to present quarterly updates to their cash plans through IFMIS and implement a 'maximum deviation' rule. subject to spending pressures emanating from essential expenditure	Improve the cash forecasting and management system and ensure meeting fiscal and debt targets.	End-December 2025. **Proposed to be rephased to end-June 2026**
NAO and MoFEA's Internal Audit to complete and publish a report of all existing arrears and unsettled commitments by the central government, in line with IMF recommendations.	Have a full understanding of government's commitments and avoid unexpected fiscal pressures	End-December 2025
MoFEA to publish a payment schedule for arrears identified in the NAO and Internal Audit's report, reflecting the criteria identified in the arrears clearance strategy and in line with IMF recommendations.	Avoid unexpected fiscal pressures by agreeing on a pre-defined payment schedule.	End-March 2026. **Proposed to be rephased to end-June 2026**
Conduct an in-depth review to reconcile the source of the inconsistency between the fiscal and monetary accounts for central government net financing from the banking system.	Improve data consistency across government accounts.	**Proposed for end-March 2026**
Governance and SOE Reforms (MOFEA)		
Complete partial or full privatization of GAMCEL.	Turn SOEs from fiscal burdens to revenue-generating assets.	End-March 2026. **Proposed to be rephased to end-June 2026**
Subject to National Assembly approval, the anti-corruption commission will start its operations after the commissioners are sworn in, its executive secretary recruited, and its premises established.	Strengthen governance and anti-corruption efforts.	**Proposed for end-June 2026**
Financial Sector (CBG and MoFEA)		
Require the augmentation of banks' capital by GMD100 million.	Strengthen the resilience of banking sector to future potential shocks.	End-December 2025

Table 4. The Gambia: RSF Reform Measure Matrix

RSF 1st review / ECF 4th review	RSF 2nd review / ECF 5th review	RSF 3rd review / ECF 6th review
RM1:MECCNAR to draft and Cabinet to adopt a Climate Change Bill in line with WB recommendations, allocating roles and responsibilities over targets clearly among actors, avoiding overlaps, facilitating coordination and mandating data sharing across Ministries, Departments and Agencies for climate-informed policy planning and decision making		
	RM2: MoFEA to develop a methodology for identifying fiscal risks from natural disasters and publish the methodology and the results of the application of such methodology starting with the 2027 Medium Term Economic and Fiscal Framework, in line with IMF TA recommendations.	
RM3: MoFEA to incoporate climate mitigation and adaptation criteria in the guidelines for project appraisal and selection process, including for donor-funded projects, in line with IMF TA recommendations.		
	RM4: To address data gaps, the CBG will enhance the climate information architecture by adopting i) a transition taxonomy to properly identify and measure climate-related financial sector risks and opportunities ii) a climate data repository, including climate-related risk and opportunities information and taxonomy-aligned data along with a collection and dissemination mechanism. The CBG will also issue supervisory guidelines for the banking sector, based on the adopted taxonomy, to incorporate climate-related risks to their risk management frameworks, which should be regularly shared with the CBG, along with timelines for the adoption of guidelines.	
RM5: MoFEA to approve insurance regulations to promote private sector engagement in the market. These regulations must take into account the unique climate considerations in The Gambia and should establish a framework that facilitates the development of promising instruments, such as index-based microinsurance schemes, fosters partnerships between prospective insurers and climate data providers, and sets forth clear guidelines for index triggers. Additionally, the regulations should outline effective monitoring and reporting mechanisms, particularly in scenarios where the government or development partners provide subsidies for premium payments.		
		RM6: To improve resilience against sea-level rise, the Ministry of Land, working with the Ministry of Fisheries and Water Resources and all relevant stakeholders, to update the zoning regulations focused on coastal zones so they incorporate climate resilience criteria, including the full range of adaptation options, such as setback distances and no development zones (explicitly prohibiting infrastructure development in areas of high-risk of flooding from the sea or the river Gambia), in line with good international practices.
		RM7: The Ministry of Fisheries and Water Resources to issue regulations for licensing procedures that will effectively control groundwater abstraction and impoundment, in accordance with good international practices.
	RM8: MoFEA to convert the gasoline and diesel excise tax from an ad-valorem tax to a specific tax, aligning the rate based on carbon content, in line with Fund recommendations, to be included in the 2026 budget. The new tax should be 5 USD per ton more ambitious than existing taxes, indexed to inflation, and must be complemented with additional funding to the social safety net to protect vulnerable households.	
		RM9: MoFEA, the Ministry of Petroleum and Energy and PURA to review the electricity cost recovery methodology and the tariff compensation mechanism and update them in line with IMF recommendations. Based on the revised methodology and compensation mechanism, tariffs would be regularly updated consistent with a plan to achieve full cost-recovery by end-2030, and implement the first phase of tariff adjustments in line with the approved plan. The plan will be published and should include measures to mitigate impacts on vulnerable households.

Table 5. The Gambia: Reform Measures Under the RSF

Reform measures		Target Date	Review Timeframe	Assessment	TA provider 1/	Prospective BoP risk reduction
Pillar I: Legal framework and enabling institutional environment						
RM1: Climate Change Law	MECCNAR to draft and Cabinet to adopt a Climate Change Bill in line with WB recommendations, allocating roles and responsibilities over targets clearly among actors, avoiding overlaps, facilitating coordination and mandating data sharing across Ministries, Departments and Agencies for climate-informed policy planning and decision making	March 2026	RSF 1st review / ECF 4th review 2/	Met	WB	*Improved fiscal and external sustainability.* Enables resilience building and supports budget management which reduces fiscal and private costs when climate risks materialize, and subsequently, reduces external financing needs. Improves impact of other RMs and macro-critical reforms.
Pillar II: Green PFM						
RM2: Fiscal risks	MoFEA to develop a methodology for identifying fiscal risks from natural disasters and publish the methodology and the results of the application of such methodology starting with the 2027 Medium Term Economic and Fiscal Framework, in line with IMF TA recommendations.	March 2026	RSF 2nd review / ECF 5th review		IMF	*Improved fiscal and external sustainability.* Reduces fiscal costs when climate risks materialize and the need for external financing; reduces import demand for reconstruction, and facilitates a quick recovery of growth and net exports.
RM3: PIM	MoFEA to incoporate climate mitigation and adaptation criteria in the guidelines for project appraisal and selection process, including for donor-funded projects, in line with IMF TA recommendations.	Early December 2025	RSF 1st review / ECF 4th review	On-track	IMF	
Pillar III: Climate data and transition taxonomy						
RM4: Climate data and transition taxonomy	To address data gaps, the CBG will enhance the climate information architecture by adopting i) a transition taxonomy to properly identify and measure climate-related financial sector risks and opportunities ii) a climate data repository, including climate-related risk and opportunities information and taxonomy-aligned data along with a collection and dissemination mechanism. The CBG will also issue supervisory guidelines for the banking sector, based on the adopted taxonomy, to incorporate climate-related risks to their risk management frameworks, which should be regularly shared with the CBG, along with timelines for the adoption of guidelines.	March 2026	RSF 2nd review / ECF 5th review		IMF/GCA	*Financial sector resilience.* Reduces financial sector losses when climate risks materialize, lowering recapitalization needs for banks. *Investment promotion.* Clarifying climate-related exposures attracts investments by reducing uncertainty.
Pillar IV: Climate adaptation						
RM5: Small farmers insurance	MoFEA to approve insurance regulations to promote private sector engagement in the market. These regulations must take into account the unique climate considerations in The Gambia and should establish a framework that facilitates the development of promising instruments, such as index-based microinsurance schemes, fosters partnerships between prospective insurers and climate data providers, and sets forth clear guidelines for index triggers. Additionally, the regulations should outline effective monitoring and reporting mechanisms, particularly in scenarios where the government or development partners provide subsidies for premium payments.	September 2025	RSF 1st review / ECF 4th review	Expected End-October	IMF/ARC/CDRFI	*BOP and fiscal resilience to shocks and increased economic growth by:* - Increasing agricultural productivity and sustainability, reducing food imports, including after shocks. May also increase food exports. - Channeling infrastructure investment to zones that are less climate-exposed reduces the need for frequent reconstruction and associated imports, fiscal costs, and external loans/debt service. It also facilitates resilient transport needed for trade.
RM6: Sea level rise and flooding risk	To improve resilience against sea-level rise, the Ministry of Land, working with the Ministry of Fisheries and Water Resources and all relevant stakeholders, to update the zoning regulations focused on coastal zones so they incorporate climate resilience criteria, including the full range of adaptation options, such as setback distances and no development zones (explicitly prohibiting infrastructure development in areas of high-risk of flooding from the sea or the river Gambia), in line with good international practices.	September 2026	RSF 3rd review / ECF 6th review		WB	
RM7: Water	The Ministry of Fisheries and Water Resources to issue regulations for licensing procedures that will effectively control groundwater abstraction and impoundment, in accordance with good international practices.	September 2026	RSF 3rd review / ECF 6th review		AFD/GCA	
Pillar V: Energy transition						
RM8: Carbon taxation	MoFEA to convert the gasoline and diesel excise tax from an ad-valorem tax to a specific tax, aligning the rate based on carbon content, in line with Fund recommendations, to be included in the 2026 budget. The new tax should be 5 USD per ton more ambitious than existing taxes, indexed to inflation, and must be complemented with additional funding to the social safety net to protect vulnerable households.	January 2026	RSF 2nd review / ECF 5th review		IMF	*BOP resilience to shocks.* Reduces LT reliance on fossil fuel imports whose prices are volatile. *Fiscal and external sustainability* owing to market price on electricity which reduces the need for external financing.
RM9: Electricity cost recovery	MoFEA, the Ministry of Petroleum and Energy and PURA to review the electricity cost recovery methodology and the tariff compensation mechanism and update them in line with IMF recommendations. Based on the revised methodology and compensation mechanism, tariffs would be regularly updated consistent with a plan to achieve full cost-recovery by end-2030, and implement the first phase of tariff adjustments in line with the approved plan. The plan will be published and should include measures to mitigate impacts on vulnerable households.	September 2026	RSF 3rd review / ECF 6th review		IMF	

1/ GCA=Global Center on Adaptation; WB=World Bank; AFD=French Development Agency; ARC=Africa Risk Capacity; CDRFI: Center for Disaster Risk Financing and Insurance, Frankfurt School.
2/ RM 1 was rephased to the first RSF reivew.

Attachment II. Technical Memorandum of Understanding

Introduction

This Technical Memorandum of Understanding (TMU) sets out the understandings between The Gambian authorities and the staff of the International Monetary Fund (IMF) regarding the definitions of quantitative targets and structural benchmarks that will be used to monitor performance under the ECF-supported program through January 2027. It also sets out the related reporting requirements and describes the adjustors that will be applied to certain quantitative targets under the program. Unless otherwise specified, all quantitative performance criteria (PCs) and indicative targets (ITs) will be evaluated in terms of cumulative flows from the beginning of the period. The TMU also covers some elements of monitoring the Fund-supported program under the Resilience and Sustainability Facility (RSF).

Quantitative Targets

A. Cumulative Floor on the Central Government Domestic Primary Balance

1. Definitions: The central government for the purposes of the program consists of the set of institutions currently covered under the state budget. The central government includes the central administration, public institutions and other entities that are financed through the budget. Central government includes ministries, departments, and agencies and excludes local and regional governments and public enterprises. Public entities outside the central government for the purposes of the program include all general government entities outside the central government.

- The domestic primary balance of the central government is measured above the-line and defined in accordance with the monthly consolidated Central Government budget report on budget execution (Statement of Government Operations) for the month and cumulatively from the beginning of the year. Domestic primary balance is calculated by subtracting expenses (except interest payment) and domestically financed capital expenditures from domestic revenue. Domestic revenue is recorded on a cash basis and includes tax revenues and non-tax revenues. Revenues exclude any type of financial transfers from the central bank (except dividend payments), interest income from intra-public sector holding of securities and debt obligations, proceeds from the sale of financial assets, and special drawing rights (SDRs) allocated by the Fund or received bilaterally from other IMF members. Levies collected by the GRA on behalf of other organizations are also excluded (AU Levy, ECOWAS Levy). Starting from 2026, revenue also excludes tax and non-tax revenue that is fully or partly earmarked for transfer, except for those fully or partly allocated to the Consolidated Revenue Fund (such as Fuel Levy, customs processing fees, National Education & Technology Training Levy, Gambia National Single Window Fees, and Fuel Integrity).

2. Adjuster: The cumulative floor on the central government domestic primary balance targets will be adjusted downward by the excess of the dalasi equivalent of the total budget support grants received in that period relative to the program forecasts specified in the table below.

3. Supporting material: Reporting on the domestic primary fiscal balance will form part of the consolidated budget report described in ¶35 below.

B. Net Domestic Borrowing of the Central Government

4. Definition: The *net domestic borrowing* of the Central Government is defined as the change in the net treasury position at the Central Bank of the Gambia (CBG), the government bond (30-year bonds) held by the CBG, and the stock of securities (T-bills, T-bonds, Sukuk) held by banks and the non-monetary sector. Net treasury position covers the sum of the balance of the treasury main account (TMA), the consolidated revenue account, the revenue accounts, the special deposit (T-bills, T-bonds and Sukuk) accounts, and any other accounts that receive central government revenue or pay central government spending (currently the special deposit account, Gambia Africard revenue account, Senegambia bridge toll facility, and Covid 19 recovery project, with the list to be updated at every program review) and are not encumbered or earmarked for extrabudgetary entities such as The Gambia Road Fund account. The following components are excluded: (i) on-lending of the IMF credits to the budget and lending to the Treasury of any portion of the SDR general allocation; (ii) changes in the balances of other deposits accounts (including project accounts); and (iii) the face value of government securities issued to increase the CBG's capital to the statutory level enshrined in the CBG Act.

5. Adjuster: The NDB targets will be adjusted upward by the shortfall of the dalasi equivalent of the total budget support grants received in that period relative to the program forecasts specified in the table below. The upward adjustment of the NDB targets to compensate for the shortfall in the disbursement of budget support may not exceed GMD 1 billion at each quarter of 2025 and 2026. The NDB target will also be adjusted to account for any potential delay in disbursements under the ECF-supported and RSF-supported programs.

Program Forecasts of External Budget Support Grants in 2025-2026
(Cumulative flow in millions of US dollars)

September 2025	December 2025	March 2026	June 2026	September 2026	December 2026
13.2	52.6	0	0	7.3	41.4

6. Supporting material: Reporting on net domestic borrowing will form part of the consolidated budget report described in ¶35 below and the IMF weekly data transmitted weekly within five business days of the end of each week.

C. Net Domestic Assets of the Central Bank

7. Definition: The *net domestic assets* of the CBG are defined as the difference between reserve money and the net foreign assets of the CBG. Reserve money is defined as the sum of currency issued by the CBG (i.e., currency in circulation) and the deposits of commercial banks at the CBG. Net foreign assets are defined as foreign assets minus foreign liabilities. Foreign assets and foreign liabilities are defined as claims on nonresidents and liabilities to nonresidents, respectively.

For program monitoring purposes, in the calculation of the net domestic assets of the CBG, foreign assets and liabilities will be converted at the prevailing exchange rates.

8. Supporting material: Net domestic assets of the central bank will be transmitted as part of the balance sheet of the CBG on a monthly basis within four weeks of the end of each month.

D. Net Usable International Reserves of the Central Bank of The Gambia

9. Definition: The *net usable international reserves (NIR)* of the CBG are defined as the difference between usable reserve assets and reserve liabilities. To this effect, ***usable reserve assets*** are readily available claims on nonresidents denominated in convertible foreign currencies. They include the CBG holdings of SDRs, foreign currency cash, foreign currency securities, deposits abroad, net value of financial derivatives, and the country's reserve position at the IMF. Excluded are any assets that are pledged, collateralized, or otherwise encumbered, claims on residents, claims in foreign exchange arising from derivatives in foreign currencies vis-à-vis domestic currency (such as futures, forwards, swaps, and options), precious metals, assets in nonconvertible currencies, and illiquid assets (including capital shares in international organizations). ***Reserve liabilities*** include all foreign exchange liabilities to residents and nonresidents, including commitments to sell foreign exchange arising from derivatives (such as futures, forwards, swaps, and options), all credit outstanding from the IMF, excluding any liabilities to the IMF's SDR Department and currency swap obligations as specified below:

- Where foreign currency swap drawings are encumbered to repay or collateralize foreign currency swap obligations, the swap obligations that are matched by or collateralized through the encumbered foreign currency assets from the swap drawings are excluded from reserve liabilities.
- Conversely, if the encumbered foreign currency assets stemming from the swap drawings are utilized or set to be utilized for purposes other than repaying the swap obligations, the difference between the swap obligations and the remaining encumbered foreign currency assets will be included in reserve liabilities.

10. For program monitoring purposes, in the calculation of the net usable international reserves of the CBG, foreign assets and liabilities will be reported in local and foreign currencies, and converted to local currency at the prevailing exchange rates.

- **Adjuster:** The quarterly NIR targets for each quarter will be adjusted downward/upward by the US dollar equivalent of the shortfall/excess of total budget support grants received in that quarter relative to the program forecasts for the quarter as specified in the table above. The downward adjustment to the NIR targets to compensate for the shortfall in budget support will be capped at US$40 million. The NIR targets will also be adjusted to account for any potential delay in disbursements under the ECF-supported program. In case of an allocation of SDRs by the IMF, the net usable international reserves of the CBG will be adjusted upward by the amount of the SDR allocation.

11. Supporting material: A detailed reserve statement with end-month data on net usable international reserves of the CBG and a monthly statement, duly signed or authorized by Afreximbank, confirming the CBG's balances with Afreximbank, broken down by type of account and currency, and the amounts encumbering these balances, will be transmitted within seven days of the end of each month.

E. New External Debt Payment Arrears of the Central Government

12. Definition: External debt is defined as the outstanding amount of those actual current, and not contingent, liabilities that require payment(s) of principal and/or interest by the debtor at some point(s) in the future denominated in any currency other than the Gambian dalasi. External debt payment arrears are defined as external debt obligations of the central government that have not been paid when due in accordance with the relevant contractual terms (taking into account any contractual grace periods).

13. For program purposes, external arrears exclude (i) financial obligations of the government for which the creditor has accepted in writing to negotiate alternative payment schedules before the relevant payment; (ii) arrears on claims which the government has represented as being disputed; (iii) arrears on claims that cannot be settled due to international sanctions; and (iv) arrears on trade credits, with the exception of arrears on payments due to the International Islamic Trade Finance Corporation (ITFC). Non-accumulation of new external debt payment arrears by the central government is a target to be observed continuously.

14. Supporting material: An accounting of non-reschedulable external arrears (if any) by creditor countries, with detailed explanations, will be transmitted on a monthly basis within four weeks of the end of each month. This accounting would include, separately, arrears owed by the Central Government and other public sector entities to Paris Club, non-Paris-Club, private, plurilateral and multilateral creditors. In addition, any non-observance of this performance criteria must be reported immediately.

F. New Non-Concessional External Debt Contracted or Guaranteed by the Central Government

15. Definition: This target refers to new non-concessional external debt contracted or guaranteed by the Central Government denominated in any currency other than the Gambian dalasi. It applies not only to debt as defined in ¶8(a) of the Guidelines on Public Debt Conditionality in Fund Arrangements attached to Executive Board Decision No. 15688-(14/107), adopted December 5, 2014), as amended, but also to commitments contracted or guaranteed for which value has not been received. For program purposes, the guarantee of a debt arises from any explicit legal or contractual obligation of the central government to service a debt owed by a third-party debtor (involving payments in cash or in kind). A debt will be considered contracted when conditions for its entrance into effect have been met, including approval by the National Assembly. Loans or purchases from the IMF and concessional debts as defined below, are excluded from this target as is any debt with maturity of one year or less. This performance criterion will be assessed on a continuous basis.

16. For program purposes, a debt is concessional if it includes a grant element of at least 35 percent, calculated as the difference between the present value (PV) of debt and its nominal value, expressed as a percentage of the nominal value of the debt. The PV of debt at the time of its contracting is calculated by discounting the future stream of payments of debt service due on this debt. For debts carrying a variable interest rate in the form of a benchmark interest rate plus a fixed spread, the PV of the debt would be calculated using a program reference rate plus the fixed spread (in basis points) specified in the debt contract. The program reference rate for the six-month USD (U.S. Secured Overnight Financing Rate -- SOFR) is 3.19 percent and will remain fixed for the duration of the program. The spread of six-month Euro Short-term Rate (ESTR) over six-month USD SOFR is -100 basis points. The spread of six-month Tokyo Overnight Average Rate (TONAR)over six-month USD SOFR is -200 basis points. The spread of six-month U.K. Sterling Overnight Index Average (SONIA)over six-month USD SOFR is 0 basis points. For debts with a grant element equal or below zero, the PV will be set equal to the nominal value of the debt. The discount rate used for this purpose is the unified discount rate of 5 percent set forth in Executive Board Decision No. 15248-(13/97).

17. Supporting material: MoFEA will forward, within four weeks of the Central Government contracting or guaranteeing any new external non-concessional loan, including a loan-by-loan accounting of or guaranteed by the central government with detailed explanations, the loan's terms and conditions including interest rate, grace period, maturity, interest, fees, and principal payment schedule with all annexes. In addition, any non-observance of the zero non-concessional borrowing performance criterion must be reported immediately.

G. New Concessional External Debt Contracted or Guaranteed by the Central Government

18. Definition: This target, which is a ceiling, refers to new concessional external debt contracted or guaranteed by the Central Government denominated in any currency other than the Gambian dalasi. It applies to debt as defined in ¶16. Concessionality of debt is as defined in ¶20.

19. For borrowing packages comprising both loan and grant components to meet the concessionality requirement (grant element of 35 percent), only the loan components will count toward the borrowing limit.

20. Supporting material and data provision: A comprehensive record, including a loan-by-loan accounting of all new concessional debt contracted or guaranteed by the Central Government with detailed explanations, will be transmitted on a quarterly basis within four weeks of the end of each quarter.

H. Outstanding Stock of External Public Debt with Original Maturity of One Year or Less

21. Definition: This target refers to the stock of outstanding external public debt with original maturity of one year or less, owed or guaranteed by the public sector.[1] Public sector consists of the Central Government and regional governments and other public agencies, including the central bank. Trade credits are excluded from this target including the ITFC credits. This performance criterion will be assessed on a continuous basis.

22. Supporting material: comprehensive record of all external debt with original maturity of less than one year owed or contracted by the public sector, with detailed explanations, will be transmitted on a quarterly basis within four weeks of the end of each quarter. In addition, any non-observance of this performance criteria must be reported immediately.

I. Tax Revenue

23. Definition: This indicative target refers to taxes and duties collected by the Domestic Taxes Department and Customs and Excises Department of the Gambia Revenue Authority (GRA). Tax revenue is the sum of revenues collected against all the tax codes outlined below (Text Table 1). In addition to taxes in Text Table 1, tax revenue also includes tax revenue fully or partly earmarked for transfer (Environmental Tax on Imports, Environmental Tax on Used Cars, and GSM Levy). Nontax revenue, such as licensing fees, fines, and levies collected by the GRA and levies collected by the GRA on behalf of other organizations (AU Levy, ECOWAS Levy) are excluded from this target. Starting from 2026, tax revenue fully or partly earmarked for transfer is excluded, except for those fully or partly allocated to the Consolidated Revenue Fund (such as Fuel Levy and National Education & Technology Training Levy). Any newly introduced taxes not yet in the text table are included.

Text Table 1. The Gambia: Tax Revenues Collected by The Gambia Revenue Authority

Revenue Code	Revenue Items
1111101	Personal tax
1112101	Company Tax
1133102	Capital Gains
1121101	Payroll Tax

[1] The term "debt" has the meaning set forth in ¶8(a) of the Guidelines on Public Debt Conditionality in Fund Arrangements attached to Executive Board Decision No. 15688-(14/107), adopted December 5, 2014, as amended. "Domestic debt" is defined as debt denominated in Gambian dalasi, while "external debt" is defined as debt denominated in any currency other than the Gambian dalasi.

Text Table 1. The Gambia: Tax Revenues Collected by The Gambia Revenue Authority (concluded)	
114404	Entertainment Tax
1144102	Pool Betting Levy
1141301	Informal Sector
1161101	Stamp Duty
1142102	Excise Telecom
1141101	Value Added Tax (VAT)
1144108	Road tax
1151104	Import Duty Oil
1151108	Import Excise Tax Oil
1151105	Import Duty Non-Oil
1141102	Import VAT Oil
1141103	Import VAT Non-Oil
1142109	Import Excise Tax
1142101	Domestic Excise Duty
1152101	Export Duties
1113201	Miscellaneous Taxes
1151102	Fuel Levy
1421101	Rental Income tax
1142111	Customs processing fees
1144112	NETT

24. Supporting material: A monthly report on revenue collected by the GRA will be transmitted within four weeks of the end of each month.

J. Central Bank Credit to the Government at Non-Market Terms

25. Definition: This target refers to the consolidated balance on the Treasury Main Account, the Consolidated Revenue Fund, other revenue accounts, and the special security proceeds accounts. It also covers all gross claims on the government on the balance sheet of the central bank, with terms (including maturity and yield) materially different from the ones prevailing in the market for treasury bills and bonds around the time of acquisition of these claims. The target also covers any overdue payments of principal and interest on Government securities held by the central bank. It excludes RCF on-lending, and the 30-year bond held by the CBG.

26. To monitor this indicative target, the negative balance of the TMA should not exceed 10 percent of the previous year's tax revenue. The overdrafts on the TMA shall be fully repaid at the end of the year.

27. Supporting material: Reporting on new central bank credit to the government at nonmarket terms will form part of the monetary sector data described in ¶36 and ¶37 below

K. New Central Bank Financial Assistance to Public Entities

28. Definition: This target is defined as any new financial assistance, whether directly or indirectly through third parties, by the CBG to public entities outside the central government as quasi-fiscal activities, including in the forms of grants, subsidies, loans, advances, guarantees, derivatives, or any other comparable financial arrangements.

29. Supporting material: Reporting on new central bank financial assistance to public entities as defined above will form part of the monetary sector data described in ¶36 below.

L. Poverty-Reducing Expenditures

30. Definition: Poverty-reducing expenditures consist of expenditures financed out of The Gambia Local Fund (GLF) on the following areas: Agriculture and Natural Resources; Education; Health; Nutrition, Population and HIV-AIDS; Infrastructure Program; Social Fund for Poverty Reduction; Implementation and Monitoring of Poverty Reduction Programs; Support to Cross-Cutting Programs; ICT Research and Development; Decentralization and Local Government Capacity Building; Governance and Civil Service Reform Program.

31. Supporting material: A monthly report on poverty-reducing expenditures will be transmitted within four weeks of the end of each month.

Other Data Requirements and Reporting Standards

32. In addition to providing the data needed to monitor program implementation in relation to the program's performance criteria, indicative targets, and structural benchmarks, as set out above, the authorities will transmit the following data within the time frame specified below:

M. Prices

33. The monthly disaggregated consumer price index (January 2020 = 100), including weights for each major category, will be transmitted within four weeks of the end of each month.

N. Government Accounts Data

34. A monthly consolidated Central Government budget report (i.e., the Statement of Government Operations) on budget execution for the month and cumulatively from the beginning of the year, will be transmitted to the IMF within four weeks of the end of each month. The report will cover: (i) revenue data by major items (such as taxes on income, profits, and capital gains; domestic taxes on goods and services; taxes on international trade and transactions; other taxes; non-tax revenue); (ii) external grants by type (e.g., budget support grants, project grants); (iii) details of recurrent expenditure (including goods and services, interest payments, and subsidies and other current transfers); (iv) details of capital expenditure and net lending (including data on externally financed capital expenditure, expenditure from the Gambia Local Fund, and net lending); (v) the overall balance, the primary and the domestic primary balance (vi) and details of budget financing (including net domestic and net external borrowing and their components, including changes in project accounts).

O. Monetary Sector Data

35. The balance sheet of the CBG, prepared on the basis of current exchange rates, will be transmitted on a monthly basis to the IMF within four weeks of the end of each month. The balance sheet will explicitly identify all claims on, and liabilities to, the government and other public entities outside the central government. Claims include overdrafts, holdings of treasury bills, government bonds, advances to the government in foreign currency, and any other claims on the government and other public entities, including in project accounts. Liabilities include balances in the treasury expenditure account, the consolidated revenue fund and other revenue accounts, the treasury bill special deposit account, the privatization proceeds account, and other deposit accounts. Reporting will include all claims on, and liabilities to Afreximbank.

36. The consolidated balance sheet of the commercial banks and a monetary survey (i.e., a consolidation of the accounts of the CBG and commercial banks), including foreign currency deposits held by residents of The Gambia with commercial banks, will be transmitted within four weeks of the end of each month.

37. Daily data on reserve money will be transmitted weekly within five business days of the end of each week

P. Treasury Bill Market and Interbank Money Market

38. Weekly data on the amounts offered and issued, net issuance, over/under subscription, and yields (interest rates) of the various instruments will be transmitted on a weekly basis within five business days of the end of each week. Data on treasury bills and CBG bills outstanding (both at face value and at discounted value and including information on the distribution by bank and non-bank holders) will be transmitted on a monthly basis within six weeks of the end of each month.

39. Daily data on the interbank money market (interest rates, maturities, and volumes of transactions) will be transmitted weekly within five business days of the end of each week.

Q. External Sector Data

40. The CBG will also forward within four weeks of the end of each month, data on transactions in official reserves.

41. Daily interbank market exchange rates, defined as the simple average of the daily weighted average buying and selling rates, will be transmitted on a weekly basis within five business days of the end of the week. Weekly market exchange rates, defined as the simple average of the weekly weighted average buying and selling rates, will be transmitted on a monthly basis within seven days of the end of the month. The CBG's monthly average and end-month exchange rates, including those for all currencies in which foreign assets and liabilities are denominated, will be transmitted within seven days after the end of each month.

42. Daily data on foreign exchange intervention by the central bank will be transmitted weekly within five business days of the end of each week.

43. A detailed reserve statement with end-week data on net usable international reserves of the CBG will be transmitted weekly within five business days of the end of each week.

44. The CBG will also forward monthly data on the volume of transactions (purchases, sales, and total) in the foreign exchange market by each major group of participants (CBG, commercial banks, and foreign exchange bureaus) in dalasi within seven days of the end of each month.

45. The CBG will publish daily on its website the official exchange rates reflecting the market conditions prevailing on that same day.

R. Public Enterprises' Data

46. MoFEA will forward within eight weeks of the end of each quarter, data on monthly cash flow of NAWEC, GNPC, GAMTEL, GAMCEL, GCAA, SSHFC, and NFSPMC.

47. MoFEA will forward within eight weeks of the end of each quarter, data on the stock of consolidated Central Government's stock of payment arrears to NAWEC at the end of each month.

S. RSF Reform Measures

48. For all reform measures (RMs), government authorities will share relevant material for the IMF to comment on progress at least 3 months before program reviews. The content of measures underpinning the implementation of the agreed RMs will be in line with IMF staff technical recommendations and/or the relevant development partners including World Bank, AFD and GCA.

INTERNATIONAL MONETARY FUND

THE GAMBIA

November 24, 2025

FOURTH REVIEW UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUESTS FOR A WAIVER OF NONOBSERVANCE OF A PERFORMANCE CRITERION, MODIFICATIONS OF PERFORMANCE CRITERIA AND INDICATIVE TARGETS, AND FINANCING ASSURANCES REVIEW; FIRST REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRAGEMENT, AND REQUEST FOR REPHASING OF ACCESS—DEBT SUSTAINABILITY ANALYSIS UPDATE

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Prepared by the staff of the International Monetary Fund and the International Development Association.

The Gambia: Joint Bank-Fund Debt Sustainability Analysis	
Risk of external debt distress	*High*
Overall risk of debt distress	*High*
Granularity in the risk rating	*Sustainable*
Application of judgment	*No*

The Gambia's overall and external debt distress risk ratings remain high and public debt continues to be deemed sustainable, consistent with the last Joint WB/IMF Debt Sustainability Analysis (DSA) of June 2025.[1] *Debt vulnerabilities have, however, increased, reflecting higher external and domestic debt levels and domestic debt service. Under the updated framework, the external debt service-to-revenue ratio breaches the threshold, primarily reflecting rising debt service in the medium term. Heightened domestic debt vulnerabilities contribute to the breaches of the PV of overall debt-to-GDP ratio, though risks are mitigated by the projected drop below its benchmark of 55 percent of GDP in 2027, underpinned by fiscal consolidation, reliance on grants and concessional loans, and support from development partners. This path indicates that the public debt outlook remains sustainable.*

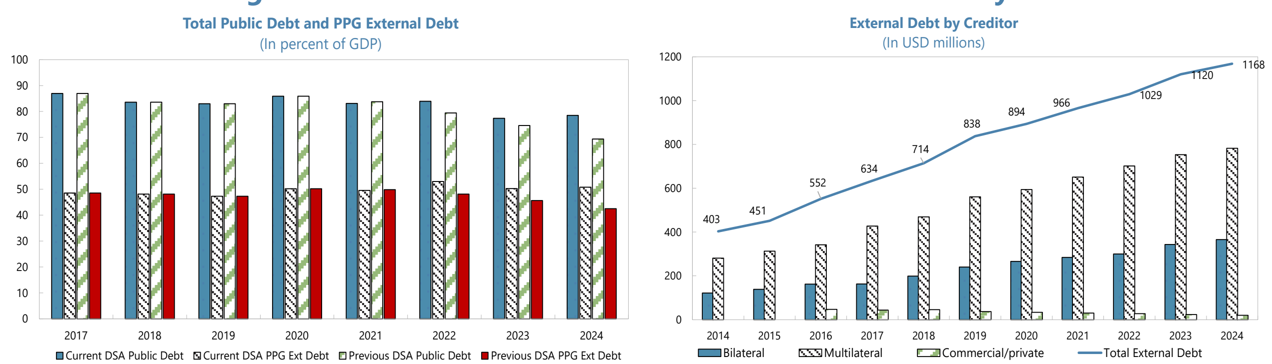
[1] The Debt Sustainability Analysis (DSA) Update was prepared jointly with the World Bank and in collaboration with The Gambian authorities. This DSA updates the DSA analysis in the staff report, No. 25/151. The Gambia's Composite Index is estimated at 3.10 and is based on October 2025 WEO update and 2024 WB CPIA; the final debt carrying capacity remains medium.

Access to the Resilience and Sustainability Facility (RSF) financing and continued reliance on IDA improves the public debt trajectory due to the replacement of relatively expensive financing with more affordable borrowing. Debt dynamics remain vulnerable to multiple macroeconomic shocks, in particular those to exports. Downside risks are linked to an escalation or spread of global and regional conflicts and an uncertain economic outlook. Ensuing global commodity price volatility and disruptions of global supply chains, together with an abrupt global slowdown, could weaken The Gambia's economic recovery, intensify fiscal pressures, and adversely affect the debt profile.

PUBLIC DEBT COVERAGE

1. Public debt coverage remains the same as in the June 2025 DSA. Debt data includes external and domestic obligations of the central government, including SOE debt linked to trade credit from the Islamic Trade Finance Corporation (ITFC). While other elements of public sector debt, such as non-guaranteed debt of state-owned enterprises, are not included due to data constraints, a contingent liability stress test is performed to enhance robustness. In line with the 2018 guidance note on the Bank-Fund DSA framework for LICs, total external debt data now includes the recent currency swap operation between the Central Bank of The Gambia (CBG) and Afreximbank, amounting to US$75 million (about 2.9 percent of GDP). The operation gives rise to non-guaranteed state-owned enterprises (SOE) domestic debt. This non-guaranteed domestic debt is not included in the DSA, the perimeter of which currently excludes non-guaranteed debt due to data gaps, because the public entity is assessed not to pose significant fiscal risks at present. Instead, the amount of the loan is added to the contingent liability stress test (see Box 1 for more details). The DSA uses a currency-based definition of external debt. There is no significant difference between a currency-based and residency-based definition of external debt.

Text Figure 1. The Gambia: Total Public Debt and Distribution by Creditor



Sources: The Gambian authorities; and IMF estimates.

2. The contingent liability stress tests account for 10 percent of GDP. Comprising 5 percent of GDP for financing sector shock and 5 percent of GDP for non-guaranteed SOEs debt. The default shock of 2 percent of GDP for non-guaranteed SOEs debt is increased by 3 percent of GDP to take into account the impact of the currency swap between the CBG and Afreximbank. As discussed above, this non-guaranteed domestic debt is not included in the DSA baseline because the public entity is assessed not to pose significant fiscal risks at present.[2]

3. The contingent liability stress tests account for 10 percent of GDP. Comprising 5 percent of GDP for financing sector shock and 5 percent of GDP for non-guaranteed SOEs debt. The default shock of 2 percent of GDP for non-guaranteed SOEs debt is increased by 3 percent of GDP to take into account the impact of the currency swap between the CBG and Afreximbank. As discussed above, this non-guaranteed domestic debt is not included in the DSA baseline because the public entity is assessed not to pose significant fiscal risks at present.[3]

Text Table 1. The Gambia: External and Public DSAs: Coverage of Public Debt and Design of Contingent Liabilities Stress Test

	Subsectors of the public sector	Sub-sectors covered
1	Central government	X
2	State and local government	
3	Other elements in the general government	
4	o/w: Social security fund	
5	o/w: Extra budgetary funds (EBFs)	
6	Guarantees (to other entities in the public and private sector, including to SOEs)	X
7	Central bank (borrowed on behalf of the government)	X
8	Non-guaranteed SOE debt	

1	The country's coverage of public debt	The central government, central bank, government-guaranteed debt		
		Default	Used for the analysis	Reasons for deviations from the default settings
2	Other elements of the general government not captured in 1.	0 percent of GDP	0.0	
3	SoE's debt (guaranteed and not guaranteed by the government) 1/	2 percent of GDP	5.0	
4	PPP	35 percent of PPP stock	0.0	PPPs are estimated to be marginal as a proportion of GDP
5	Financial market (the default value of 5 percent of GDP is the minimum value)	5 percent of GDP	5.0	
	Total (2+3+4+5) (in percent of GDP)		10.0	

1/ The default shock of 2% of GDP will be triggered for countries whose government-guaranteed debt is not fully captured under the country's public debt definition (1.). If it is already included in the government debt (1.) and risks associated with SoE's debt not guaranteed by the government is assessed to be negligible, a country team may reduce this to 0%.

BACKGROUND

4. Relative to the June 2025 DSA, The Gambia's public debt to GDP in 2023 and 2024 increased by 0.6 and 5 percentage points, respectively. Although nominal debt values remain unchanged, the authorities' downward revision of nominal GDP for 2023 and 2024, affects debt ratios, constraining comparisons of this update and the June 2025 DSA.[4] Consequently, the Gambia's total public debt to GDP stood at about 78.5 percent and external debt to GDP at about 50.1 percent as of end-2024; the composition remains broadly unchanged from the last DSA (Text Figure 1 and Table 1).

5. The CBG recently engaged in a five-year US$75 million currency swap arrangement with Afreximbank. GMD swap drawings of Afreximbank were used to purchase local currency bonds issued by

[2] The NRA is deemed financially sound as it has a track record of contracting and repaying debt. The operation also is linked to a ringfenced account at the CBG to guarantee loan repayment, which would minimize the risk of default.

[3] The NRA is deemed financially sound as it has a track record of contracting and repaying debt. The operation also is linked to a ringfenced account at the CBG to guarantee loan repayment, which would minimize the risk of default.

[4] Over the projection horizon, the downward revision of GDP contributes to more than 90 percent of the change in public debt ratio.

the National Roads Authority (NRA) to finance road construction. This private placement arrangement is a domestic issuance in local currency. Further details of the operation in Box 1.

Box 1. The Gambia: Afreximbank Operation and Treatment in the DSA

- Compared to the previous DSA, this update includes the recent currency swap operation between the Central Bank of The Gambia (CBG) and Afreximbank, amounting to US$75 million (about 2.9 percent of GDP). This operation is reflected both into the baseline (external debt) and contingent liability (domestic debt). The GMD swap drawings of Afreximbank were used to purchase local currency bonds issued by the National Roads Authority (NRA) to finance road construction. This private placement arrangement is a domestic issuance in local currency. In line with the 2018 DSA guideline, this gives rise to SOE domestic debt (on currency basis) that is technically not guaranteed and hence not part of the current debt perimeter, which excludes non-guaranteed SOE debt due to insufficient information. This non-guaranteed SOE domestic debt of NRA is assessed to not pose significant fiscal risks at this point and therefore included in the CL as per the LIC DSF Guidance Note.
- NRA will use the proceeds from its fuel levy collections held in a ringfenced account at the CBG to pay periodic coupons to Afreximbank and final repayment upon maturity.
- Interest rates on the CBG's US$ swap obligation to Afreximbank and CBG's deposits at Afreximbank are approximately 6.2 percent and 4.2 percent, respectively. The interest rate on Afreximbank's GMD swap obligation to the CBG is approximately 15.8 percent, which is the same as the interest rate on the NRA bonds held by Afreximbank until the swap maturity.

6. **Debt service and undisbursed debt projections on existing debt in the latest baseline are similar to projections during the June 2025 DSA.** Overall external debt service between 2025-2031 stands at a cumulative US$846.48 million, including the swap repayments to Afreximbank. Of the total debt service, amortization stands at US$714.6 million, with the remaining US$130.7 million in interest charges, including interest payments to Afreximbank. Meanwhile, the amount of undisbursed loans stood at US$247.2 million in June 2025.

7. **The Gambia continues to have arrears on external debt, of about 0.9 percent of GDP, owed to Libya (US$3.95 million) and Venezuela (US$19.5 million)**. These arrears have materialized due to problems that are not an indication of debt distress. The authorities are engaged in discussions with Libya on a disputed loan to reach a mutual understanding regarding the amounts of debt and the related payment method; the latest meeting between the two parties was held in October 2023. Regarding arrears to Venezuela, a virtual meeting was held in August 2024 to discuss the resumption of negotiations for payment of the outstanding debt by the Gambian authorities.

MACROECONOMIC ASSUMPTIONS

8. **The macroeconomic assumptions underlying the DSA projections are consistent with the fourth ECF and first RSF reviews baseline with minor changes from the previous DSA (June 2025).** The key macroeconomic assumptions are presented in Box 2 and Text Table 2, which also compares the assumptions relative to the previous DSA.

Text Table 2. The Gambia: Selected Macroeconomic Indicators
(2023– 2030)

	2023	2024	2025	2026	2027	2028	2029	2030	15-year average[1]
Real GDP Growth (percent)									
Current DSA	5.9	5.6	6.0	5.1	5.0	5.0	5.0	5.0	5.0
Previous DSA [5]	4.8	6.0	5.7	5.1	5.0	5.0	5.0	5.0	5.0
Exports of goods and services growth (percent)[2]									
Current DSA	169.4	16.4	6.7	5.6	8.8	8.6	4.9	6.0	8.4
Previous DSA	169.4	16.4	4.4	4.5	6.8	7.4	7.7	9.0	8.7
Imports of goods and services growth (percent)[2]									
Current DSA	64.4	13.6	2.5	7.0	5.9	6.3	5.2	5.7	7.3
Previous DSA	64.4	13.6	-2.2	4.6	4.8	5.2	5.6	5.4	7.8
CA deficit (percent of GDP)[3]									
Current DSA	5.4	6.5	4.8	5.0	4.0	3.4	3.1	2.8	3.3
Previous DSA	5.4	6.2	4.8	4.0	3.4	2.8	2.3	1.3	2.1
Public investment (percent of GDP)									
Current DSA	11.2	10.3	10.1	9.6	10.6	11.1	11.1	11.0	9.7
Previous DSA	11.2	9.6	8.9	9.9	9.8	10.4	10.4	10.2	8.4
Overall fiscal deficit[4]									
Current DSA	3.6	4.0	1.1	1.0	0.4	0.4	0.4	0.4	0.4
Previous DSA	3.7	3.8	0.9	0.4	0.4	0.4	0.4	0.4	0.4

Sources: The Gambian authorities; and IMF staff estimates and projections.
[1] Defined as the simple average of the last 15 years of the projection (2030-44).
[2] In current dollar terms, including re-exports.
[3] Includes worker's remittances and grants.
[4] Includes grants.
[5] Previous DSA numbers are taken from the Third ECF Review Staff Report.

Box 2. The Gambia: Macroeconomic Assumptions

- **Real GDP growth and inflation:** Real GDP is projected to further expand by 6 percent in 2025, supported by the agriculture, construction, and tourism sectors. In the medium and longer term, growth is projected to converge gradually to a steady state of 5 percent, balancing expectations of higher economic activity with the impact of fiscal consolidation (with productive investment maintained while public consumption expenditure is tightened). Headline inflation is projected to further decline over the medium term and converge to the CBG's medium-term target of 5 percent.

- **Fiscal policy:** The overall fiscal balance is expected to gradually improve in the medium term, supported by both revenue and spending measures. In the near term, fiscal consolidation is supported by, among other measures, efforts to adjust domestic fuel prices to address revenue losses, revenue mobilization, and strict expenditure prioritization. The authorities target a fiscal deficit of 0.4 percent of GDP over the medium and long term, supported by revenue mobilization measures, currently underway guided by the Domestic Revenue Mobilization Strategy and GRA's Corporate Strategic Plan for 2025-2029, include streamlining tax exemptions, digitalization of tax administration and customs, broadening the tax base, improving compliance and increasing some administrative fees to sustain revenue mobilization over the medium term.

- **Current account:** Total exports remained high at US$838.4 million in 2024, up from US$720.2 million in 2023, and are projected to continue its robust growth at around 7 percent. Total imports in 2024 also substantially increased to US$1,549.2 million, from US$1,364.1 million in 2023. Imports growth is projected to average 6 percent 2025-31. Gross international reserves stood at US$533.5 million in 2024 (4.2 months of prospective imports) and are projected to fall below 4 months of prospective imports temporarily in 2025-26 and rebound to 4 months in 2027.

- **Financing needs and assumptions:** The baseline assumes that the financing mix will be consistent with a prudent borrowing strategy, aimed at gradually increasing the share of domestic debt and only seeking new external financing on concessional or semi-concessional terms.

Box 2. The Gambia: Macroeconomic Assumptions
(concluded)

- **External financing:** Financing needs originate mainly from the large development needs, the impact of global and regional conflicts, and the expiration of debt deferrals. The medium-to long-term external financing will come from multilaterals and official bilateral, which includes the IMF's new ECF lending (US$100 million during 2024-2026) and the RSF lending (US$61.1 million during 2025-2026) as well as the World Bank IDA financing. There will be no new commercial borrowings.

- **Domestic borrowing:** The DSA assumes that over the next five years, 80 percent of all new domestic debt will be financed via T-bills, 15 percent via 3-year bonds and the remaining via 5-year bonds. This distribution is very similar to the actual issuance pattern seen over the past year (2023-2024). In the medium and long term, the issuance is projected to shift gradually toward longer-term bond maturities and with up to 65 percent of new debt via T-bills.

The realism of the macroeconomic framework is confirmed based on several metrics (Figures 3 and 4). The projected fiscal adjustment for the next three years is in the top quartile of the distribution of approved IMF-supported programs for LICs since 1990, underpinned by (i) the completion of large infrastructure projects related to the OIC Summit; (ii) revenue mobilization measures; (iii) and non-priority spending restraints; and (iv) development partners' disbursements. The contribution of government investment to real GDP growth is conservative and remains in the order of the historical magnitudes. Regarding the relation between fiscal adjustment and growth paths, the baseline projection deviates at times from the growth paths under the different fiscal multipliers. However, given the development partners' projected support and the strong macroeconomic policies (including under the IMF-supported program), the projected growth path seems reasonable.

COUNTRY CLASSIFICATION AND DETERMINATION OF SCENARIO STRESS TESTS

9. **This DSA uses the CI vintage October 2025 WEO update and 2024 WB CPIA, which assess that The Gambia's debt carrying capacity remains classified as "medium"** (Text Table 3). The latest CI score, estimated at 3.10, provides a first signal toward an upgrade to Strong DCC. The final classification of the Gambia's debt carrying capacity remains medium as two consecutive signals are required for a change in debt carrying capacity as per the LIC DSF Guidance Note. The import coverage of reserves is the most significant contributor to the CI score, followed by the CPIA value, which reflects the quality of institutions and policies. The relevant thresholds applicable to public and publicly guaranteed external debt are 40 percent for the PV of debt-to-GDP ratio, 180 percent for the PV of debt-to-exports ratio, 15 percent for the debt service-to-exports ratio, and 18 percent for the debt service-to-revenue ratio. For the PV of total public debt-to-GDP ratio, the benchmark is 55 percent.

10. **Similar to the June 2025 DSA, none of the individual tailored stress tests applicable for The Gambia and standard stress tests follow default settings.**

Text Table 3. The Gambia: Debt Carrying Capacity and Thresholds

Country	Gambia, The
Country Code	648

Debt Carrying Capacity	Medium

Final	Classification based on current vintage	Classification based on the previous vintage	Classification based on the two previous vintages
Medium	Strong 3.10	Medium 3.03	Medium 3.01

Note: Until the October 2018 WEO vintage is released, the previous vintage classification and corresponding score are based solely on the CPIA per the previous framework.

Calculation of the CI Index

Components	Coefficients (A)	10-year average values (B)	CI Score components (A*B) = (C)	Contribution of components
CPIA	0.385	3.079	1.19	38%
Real growth rate (in percent)	2.719	4.790	0.13	4%
Import coverage of reserves (in percent)	4.052	41.339	1.68	54%
Import coverage of reserves^2 (in percent)	-3.990	17.089	-0.68	-22%
Remittances (in percent)	2.022	15.494	0.31	10%
World economic growth (in percent)	13.520	3.551	0.48	15%
CI Score			3.10	100%
CI rating			Strong	

APPLICABLE	
EXTERNAL debt burden thresholds	
PV of debt in % of	
Exports	180
GDP	40
Debt service in % of	
Exports	15
Revenue	18

APPLICABLE	
TOTAL public debt benchmark	
PV of total public debt in percent of GDP	55

EXTERNAL DSA

11. **Under the baseline scenario, one of the four external debt indicators breaches the threshold within the forecast horizon similar to June 2025.** The PV of external debt-to-GDP, the PV of external debt-to-exports, and the debt-service-to-exports ratio remain below the threshold level of 40, 180, and 15 percent, respectively over the projection horizon. The external debt service-to-revenue ratio breaches the threshold level of 18 percent between 2025-30, before falling below the threshold for the remainder of the forecast horizon as the increase in debt services outweigh the expected increase in revenues.

12. **Under the stress test scenarios, external debt indicators are sensitive to multiple shocks, particularly exports.** With the combined bound test, the PV of debt-to-GDP breaches the threshold level of 40 percent in 2026 and falls below the threshold in 2029. With the bound test of exports, the PV of debt-to-exports breaches the threshold level of 180 percent in 2026 and remains above the threshold over the

projection horizon.[5] With the bound test of exports, the debt-service-to-exports ratio breaches the threshold level of 15 percent in 2026 and remains above the threshold for the remainder of the forecast. With the combined bound test, the debt-service-to-revenue ratio breaches the threshold level of 18 percent in 2025 and remains above the threshold for the remainder of the forecast horizon.

PUBLIC DSA

13. Under the baseline scenario, the PV of total public debt-to-GDP ratio is temporarily in breach of the benchmark in the near term.

- Under the baseline scenario, the PV of total public debt-to-GDP breaches the benchmark level of 55 percent in 2025 and 2026 but falls within the benchmark level in 2027 and continues to decline thereafter throughout the forecast horizon. Two other indicators of public debt, namely the PV of debt-to-revenue and debt service-to-revenue are on a declining trend for the entire duration of the forecast horizon in the baseline scenario.

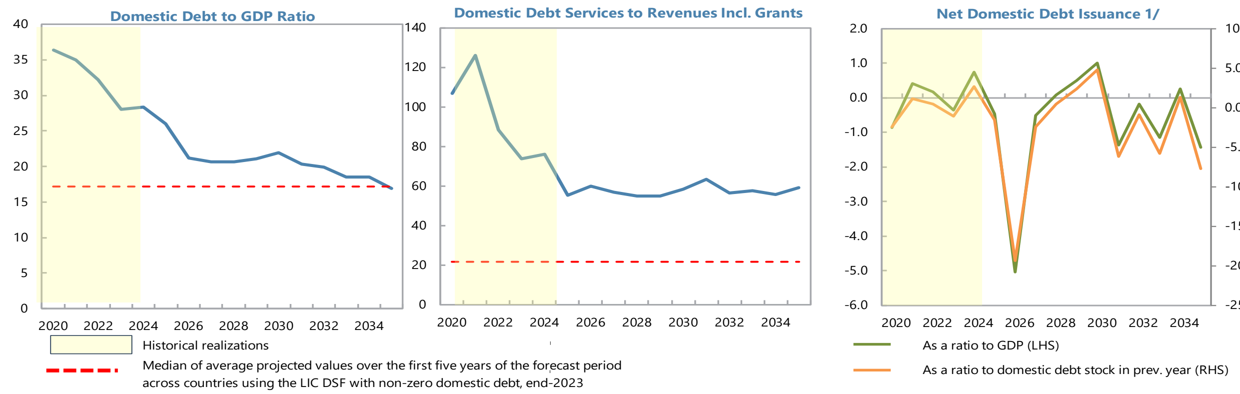
- Under the stress scenario, the PV of total public debt-to-GDP ratio is extremely sensitive to export shocks,[6] followed by GDP shocks, and other flow shocks. With the bound test of exports, the PV of total public debt-to-GDP ratio remains above the threshold of 55 percent until 2033. With the bound test of other flows, the ratio remains above the benchmark until 2030.

14. Domestic public debt is projected to decline significantly. Under the baseline scenario, the reduction in domestic debt comes amid an ambitious fiscal consolidation in the baseline under the program, such that the domestic public debt-to-GDP ratio and its related service are expected to fall, approaching the median of LICs by 2035 (Text Table 4). However, relative to the June 2025 DSA, domestic debt is projected to decline at slower pace relative to June DSA mainly due to change in the fiscal framework and the downward revision of nominal GDP.

[5] The threshold for the PV external debt-to-export ratio is breached starting 2025 and remains above the threshold over the projection horizon. This mechanical breach of the threshold is, however, driven by the large export data revision for 2023, resulting larger exports shocks in the stress test. The data revision, mostly due to re-export increases, artificially raises the estimated standard deviation of The Gambia's exports.

[6] This is also driven by the significant data revision of total exports for 2023, inducing larger-magnitude export shocks in the stress test.

Text Table 4. The Gambia: Indicators of Domestic Public Debt, 2020–2035
(Percent)



Borrowing Assumptions (average over 10-year projection)	Value
Shares in new domestic debt issuance	
Medium and long-term	22%
Short-term	78%
Borrowing terms	
Domestic MLT debt	
Avg. real interest rate on new borrowing	6.6%
Avg. maturity (incl. grace period)	3
Avg. grace period	2
Domestic short-term debt	
Avg. real interest rate	2.0%

Sources: Country authorities; and staff estimates and projections.

1/ Net domestic debt issuance is an estimate based on the calculated public gross financing need net of gross external financing, drawdown of assets, other adjustments and domestic debt amortization. It excludes short-term debt that was issued and matured within the calendar year.

RISK RATING AND DEBT SUSTAINABILITY

15. The Gambia's external debt has a high risk of distress but is sustainable. Debt risks have increased since the June 2025 DSA as all external debt indicators are higher, while remaining on a declining trend over the medium to long term under the policy settings in the ECF- and RSF-support program. The external debt service-to-revenue ratio breaches its threshold over the medium term under the baseline, reflecting the expiration of the debt-service deferrals negotiated with creditors, leading to higher debt-service payments coming due starting in 2025 as well as tighter liquidity. Also, the sharp exchange rate depreciation has increased risks. This highlights The Gambia's limited space for additional borrowing in the near term and emphasizes the need to continue fiscal consolidation to build ample buffers to face the increased debt-service burden that lies ahead.

16. The liquidity risk can be mitigated by some factors. This DSA underscores the importance of continued fiscal discipline and structural reforms, and prudent financing choices. To address higher future debt service, the authorities are implementing measures that are expected to bolster further domestic revenue mobilization in the near and medium term, in line with their Domestic Revenue Mobilization Strategy and GRA's Corporate Strategic Plan for 2025-2029. In addition, they are overhauling the SOE sector to reduce fiscal burdens and generate revenue while reducing external financing needs. The authorities are also making efforts to further develop the tourism sector and diversify exports, which would generate more forex inflows. Moreover, the policies that aim at supporting foreign exchange reserves and the improvement in tourism and remittances inflows will also help address liquidity constraints. Furthermore, to mitigate the liquidity risk related to domestic borrowing, the authorities plan to bring more private investors (including commercial banks, insurance companies, social security fund and microfinance institutions) to invest in government securities, with an investors' relationship forum scheduled in the course of 2025.

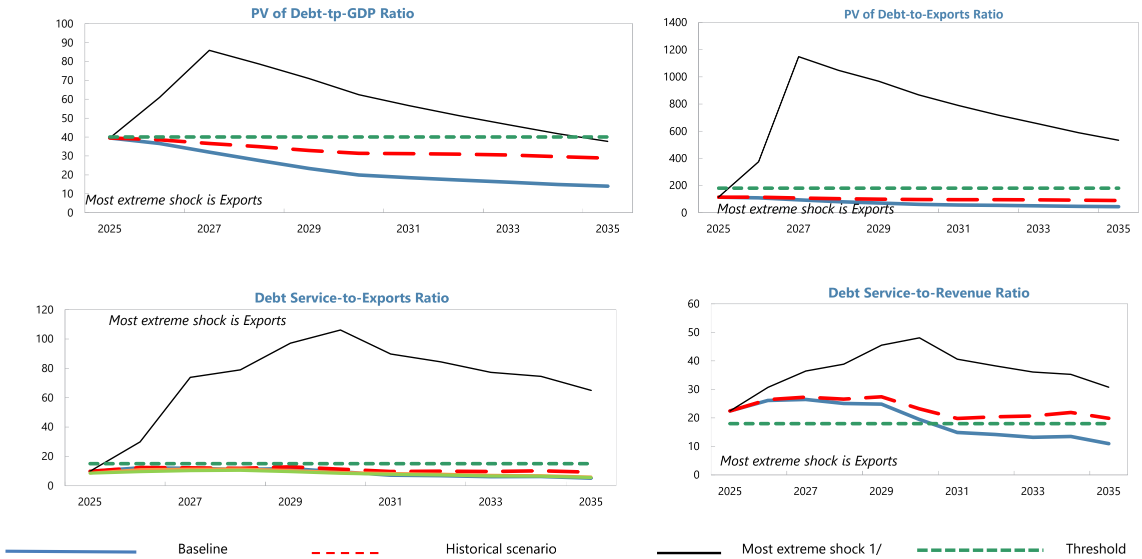
17. The Gambia's overall public debt position continues to be assessed at high risk of debt distress but remains sustainable, based on the public and external DSAs.[7] Debt vulnerabilities have increased reflecting higher external and domestic debt levels and domestic debt service. Under the baseline scenario, the PV of total public debt-to-GDP breaches the benchmark level of 55 percent in 2025 and 2026 and falls within the benchmark level by 2027 and continues to decline thereafter throughout the forecast horizon. Two other indicators of public debt, namely the PV of debt-to-revenue and debt service-to-revenue have increased compared to the June DSA, but are on a declining trend for the entire duration of the forecast horizon in the baseline scenario. Public debt is deemed sustainable due to a set of factors, including a continued downward sloping path underpinned by fiscal consolidation, reliance on grants and concessional loans, and support from development partners. The authorities are addressing risks related to debt service by implementing a debt management policy that reduces roll-over risks, including by lengthening the maturity of domestic debt instruments. They have started implementing this measure as part of their medium-term debt strategy (MTDS). The authorities aim to develop more domestic borrowing through bonds in order to mitigate the government's exposure to refinancing risks.

Authorities' Views

18. The authorities broadly agreed with staff's assessment of The Gambia's public debt situation and recommendations on debt management policy while objecting to the inclusion of central bank liabilities in the public debt stock. They broadly concurred with the staff's assessment of debt composition, projections, risk ratings, and distress level. They recognize that preserving fiscal policy prudency is critical for keeping public debt at a sustainable level. While they have been making progress on debt management, they highlighted the need for further improvement in debt statistics and debt management frameworks by making full use of IMF technical assistance and training resources. They raised concerns about the inclusion of the central bank's recent FX swap operation in the debt stock, however, arguing that the ensuing liabilities are not direct central government debt. Staff clarified that central bank FX swaps that are not undertaken for the sole purposes of monetary policy or reserves management need to be reflected in the public sector debt stock per the DSA guidance note.

[7] The overall risk of public debt distress is regarded as high if any of the four external debt burden indicators or the total public debt burden indicator breach their corresponding thresholds/benchmark under the baseline.

Figure 1. The Gambia: Indicators of Public Guaranteed External Debt Under Baseline and Alternative Scenarios, 2025–2035



Customization of Default Settings		
	Size	Interactions
Tailored Tests		
Combined CLs	Yes	
Natural Disasters	n.a.	n.a.
Commodity Prices [2/]	n.a.	n.a.
Market Financing	n.a.	n.a.

Note: "Yes" indicates any change to the size or interactions of the default settings for the stress tests. "n.a." indicates that the stress test does not apply.

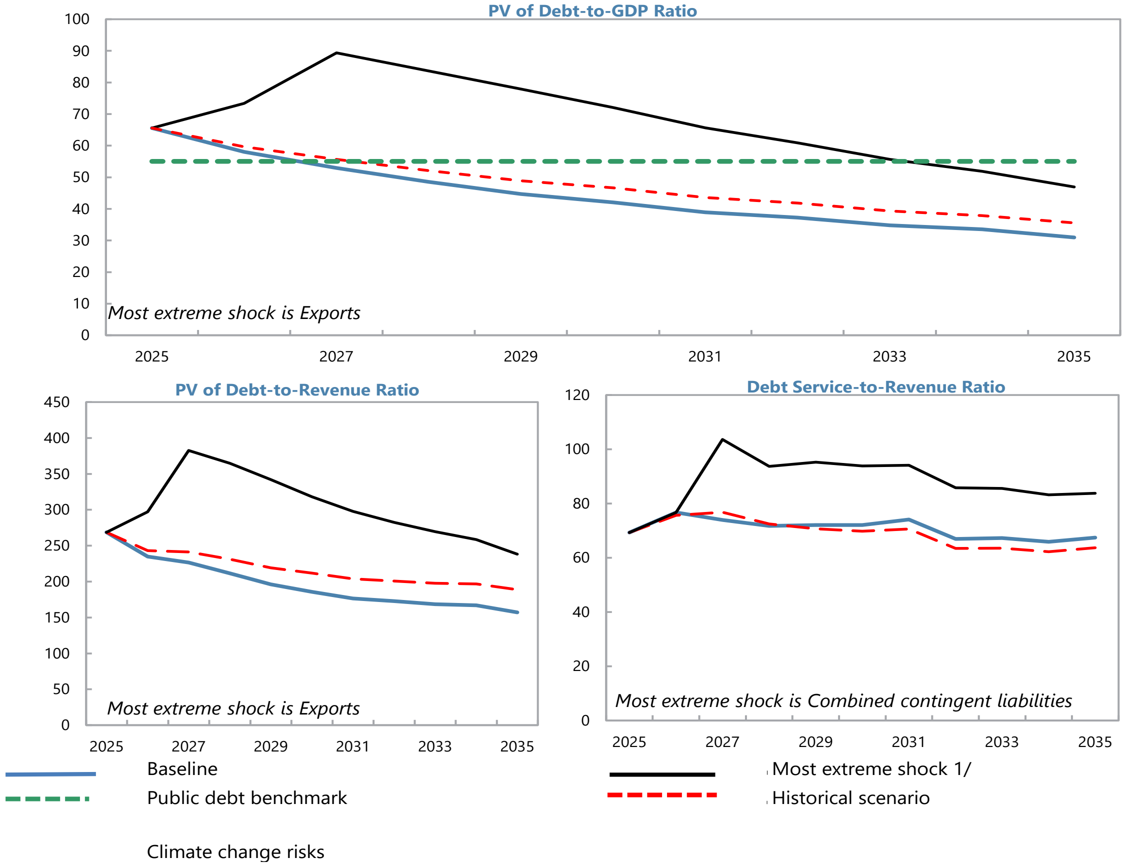
Borrowing Assumptions for Stress Tests*		
	Default	User defined
Shares of marginal debt		
External PPG MLT debt	100%	
Terms of marginal debt		
Avg. nominal interest rate on new borrowing in USD	2.0%	2.0%
USD Discount rate	5.0%	5.0%
Avg. maturity (incl. grace period)	19	19
Avg. grace period	2	2

* Note: All the additional financing needs generated by the shocks under the stress tests are assumed to be covered by PPG external MLT debt in the external DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2035. Stress tests with one-off breaches are also presented (if any), while these one-off breaches are deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented. The mechanical breach of the PV external debt-to-export ratio relative to the 2023 DSA is driven by the large export data revision for 2023, resulting larger exports shocks in the stress test.

Figure 2. The Gambia: Indicators of Public Debt Under Alternative Scenarios, 2025–35



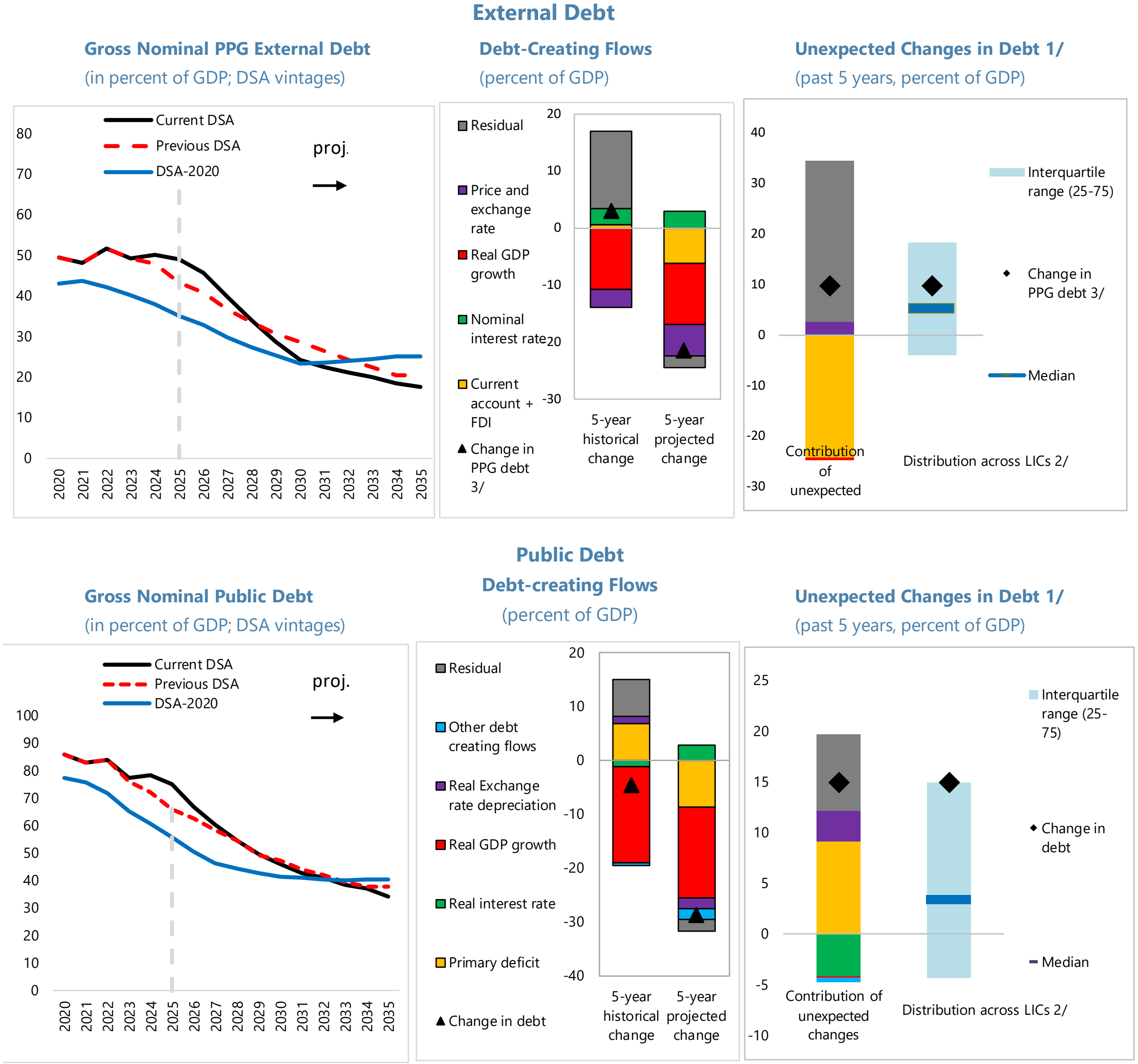
Borrowing Assumptions for Stress Tests*	Default	User defined
Shares of marginal debt		
External PPG medium and long-term	11%	11%
Domestic medium and long-term	20%	20%
Domestic short-term	69%	69%
Terms of marginal debt		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	2.0%	2.0%
Avg. maturity (incl. grace period)	19	19
Avg. grace period	2	2
Domestic MLT debt		
Avg. real interest rate on new borrowing	6.6%	6.6%
Avg. maturity (incl. grace period)	3	3
Avg. grace period	2	2
Domestic short-term debt		
Avg. real interest rate	2.0%	2.0%

* Note: The public DSA allows for domestic financing to cover the additional financing needs generated by the shocks under the stress tests in the public DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2035. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

Figure 3. The Gambia: Drivers of Debt Dynamics- Baseline Scenario



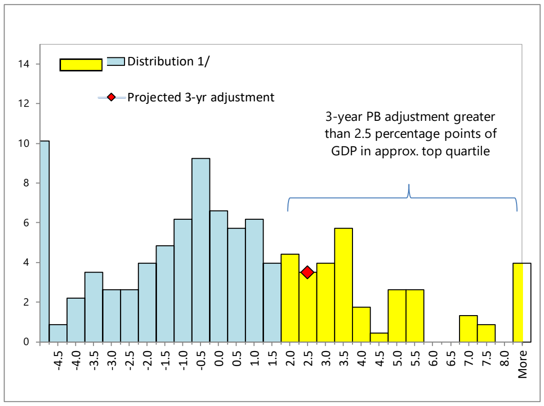
1/ Difference between anticipated and actual contributions on debt ratios.

2/ Distribution across LICs for which LIC DSAs were produced.

3/ Given the relatively low private external debt for average low-income countries, a ppt change in PPG external debt should be largely explained by the drivers of the external debt dynamics equation.

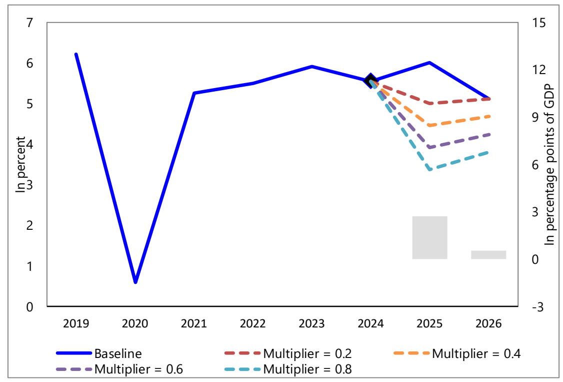
Figure 4. The Gambia: Realism Tools

3-Year Adjustment in Primary Balance
(Percentage points of GDP)



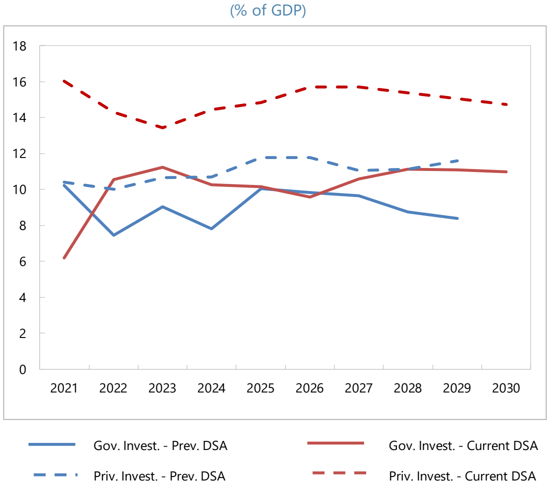
1/ Data cover Fund-supported programs for LICs (excluding emergency financing) approved since 1990. The size of 3-year adjustment from program inception is found on the horizontal axis; the percent of sample is found on the vertical axis.

Fiscal Adjustment and Possible Growth Paths 1/



1/ Bars refer to annual projected fiscal adjustment (right-hand side scale) and lines show possible real GDP growth paths under different fiscal multipliers (left-hand side scale).

Public and Private Investment Rates
(% of GDP)



Contribution to Real GDP growth
(percent, 5-year average)

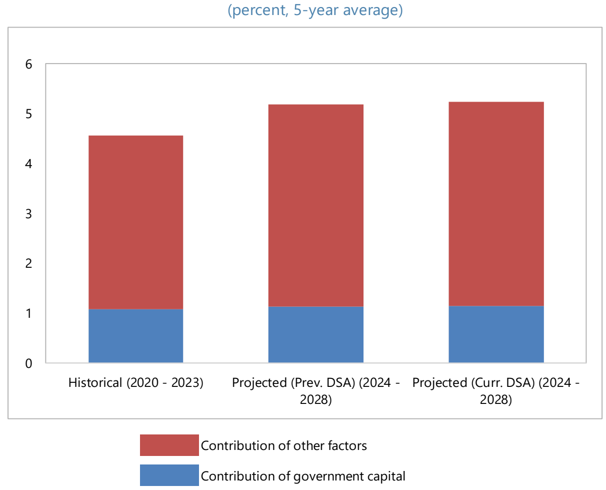


Table 1. The Gambia: Decomposition of Public Debt and Debt Service by Creditor, 2024–2027[1]

	Debt Stock (end of period)						Debt Service					
	2024			June 2025			2025	2026	2027	2025	2026	2027
	(In US$ millions)	*(Percent of total debt)*	*(Percent of GDP)*	*(In US$ millions)*	*(Percent of total debt)*	*(Percent of GDP)* [5]	*(In US$ millions)*			*(Percent of GDP)*		
Total	1827.9	100.0	78.5	1,909.8	100.0	74.2	459.7	548.5	551.6	17.9	19.8	18.4
External	1,168.4	63.9	50.1	1,291.0	67.6	50.2	54.2	84.0	91.5	2.1	3.0	3.1
Multilateral creditors	782.4	43.2	33.6	835.4	43.2	32.5	16.8	24.6	33.4	0.7	0.9	1.1
IMF	151.2	8.4	6.5	177.5	8.4	6.9						
World Bank	120.6	6.7	5.2	126.9	6.7	4.9						
ADB/AfDB/IADB	49.6	2.7	2.1	50.1	2.7	1.9						
Other Multilaterals	461.0	25.5	19.8	480.9	25.5	18.7						
o/w: IsDB and OFID	265.8	14.7	11.4	282.3	14.7	11.0						
Bilateral Creditors	365.9	20.2	15.7	362.1	20.2	14.1	34.0	36.4	36.1	1.3	1.3	1.2
Paris Club	0.4	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
o/w: ING Bank N.V. and Govt. of Belgium	0.4	0.0	0.0	0.4	0.0	0.0						
Non-Paris Club	365.5	20.2	15.7	361.7	20.2	14.1	34.0	36.4	36.1	1.3	1.3	1.2
o/w: Saudi and Kuwait Fund	226.6	12.5	9.7	227.1	12.5	8.8						
Bonds	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial creditors	20.1	1.1	0.9	18.5	1.1	0.7	3.4	3.4	3.4	0.1	0.1	0.1
o/w: M.A. Kharafi and Sons	20.1	1.1	0.9	18.5	1.1	0.7	3.4	3.4	3.4	0.1	0.1	0.1
Other international creditors	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
o/w:	0.0	0.0	-	0.0	0.0	0.0						
Currency Swap Liabilities	0.0	0.0	0.0	75.0	3.9	2.9	0.0	19.6	18.7	0.0	0.7	0.6
o/w: Afreximbank	0.0	0.0	0.0	75.0	3.9	2.9	0.0	19.6	18.7	0.0	0.7	0.6
Domestic	659.5	36.1	28.3	618.8	32.4	24.0	405.5	464.5	460.1	15.8	16.7	15.3
Held by residents, total[4]	659.5	36.1	28.3	618.8	32.4	24.0	405.5	464.5	460.1	15.8	16.7	15.3
Held by non-residents, total[4]	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
T-Bills	292.4	16.0	12.5	293.9	15.4	11.4	322.0	310.8	332.1	12.5	11.2	11.1
Bonds	367.2	20.1	15.8	324.9	17.0	12.6	83.5	153.6	128.0	3.2	5.5	4.3
Loans	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memo items:												
Collateralized debt[2,4]	n/a			n/a								
Contingent liabilities[3,4]	n/a			n/a								
Nominal GDP	2,330.4			2,573.4								

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

[1] As reported by Country authorities according to their classification of creditors, including by official and commercial. Debt coverage is the same as the DSA.

[2] Debt is collateralized when the creditor has rights over an asset or revenue stream that would allow it, if the borrower defaults on its payment obligations, to rely on the asset or revenue stream to secure repayment of the debt. Collateralization entails a borrower granting liens over specific existing assets or future receivables to a lender as security against repayment of the loan. Collateral is "unrelated" when it has no relationship to a project financed by the loan. An example would be borrowing to finance the budget deficit, collateralized by oil revenue receipts. See the joint IMF-World Bank note for the G20 "Collateralized Transactions: Key Considerations for Public Lenders and Borrowers" for a discussion of issues raised by collateral.

[3] Includes other-one off guarantees not included in publicly guaranteed debt (e.g. credit lines) and other explicit contingent liabilities not elsewhere classified (e.g. potential legal claims,

[4] Capacity constraints limit data availability and prevent the inclusion of collaterized debt and contingent liabilities.

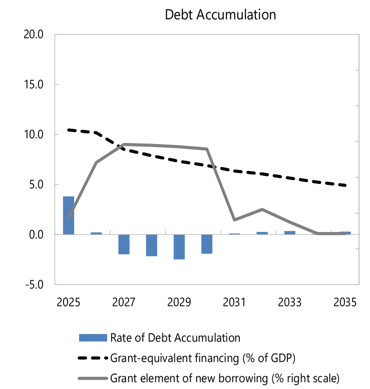
[5] Percent of projected 2025 GDP.

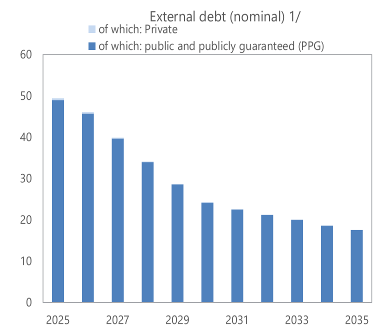
Table 2. The Gambia: External Debt Sustainability Framework, Baseline Scenario, 2022–2045

(In percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 9/	
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2035	2045	Historical	Projections
External debt (nominal) 1/	53.0	50.3	50.8	49.4	46.1	39.9	34.1	28.7	24.2	17.6	8.3	47.7	29.3
of which: public and publicly guaranteed (PPG)	51.7	49.4	50.1	48.9	45.7	39.7	33.9	28.6	24.2	17.5	8.2	46.3	29.2
Change in external debt	3.4	-2.7	0.5	-1.4	-3.3	-6.1	-5.8	-5.4	-4.5	-1.1	-0.8		
Identified net debt-creating flows	-2.6	-3.1	0.7	-2.4	-2.3	-3.2	-3.3	-2.9	-2.7	-0.7	-3.4	-1.1	-2.1
Non-interest current account deficit	3.7	4.9	6.0	4.2	4.3	3.4	2.8	2.7	2.5	2.9	-0.5	6.3	3.1
Deficit in balance of goods and services	26.3	27.6	29.6	26.9	27.0	25.5	24.3	23.9	23.3	20.1	15.1	23.3	23.5
Exports	12.5	30.9	34.9	34.7	33.8	34.0	34.1	33.3	32.7	32.2	32.9		
Imports	38.8	58.5	64.5	61.6	60.8	59.5	58.5	57.3	56.1	52.3	48.0		
Net current transfers (negative = inflow)	-23.6	-23.4	-22.9	-22.6	-22.5	-22.0	-21.6	-21.3	-21.0	-17.4	-12.3	-18.1	-20.4
of which: official	-1.9	-2.8	-1.9	-2.0	-1.5	-1.3	-1.2	-1.1	-1.1	-0.5	-0.2		
Other current account flows (negative = net inflow)	1.0	0.7	-0.7	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.2	-3.3	1.0	0.1
Net FDI (negative = inflow)	-4.7	-4.1	-4.4	-4.3	-4.9	-5.1	-4.8	-4.5	-4.2	-3.0	-2.6	-4.9	-4.1
Endogenous debt dynamics 2/	-1.6	-3.9	-1.0	-2.2	-1.6	-1.5	-1.3	-1.1	-1.0	-0.6	-0.3		
Contribution from nominal interest rate	0.5	0.5	0.5	0.6	0.7	0.6	0.5	0.5	0.4	0.3	0.1		
Contribution from real GDP growth	-2.6	-2.9	-2.7	-2.8	-2.3	-2.1	-1.9	-1.6	-1.3	-0.9	-0.4		
Contribution from price and exchange rate changes	0.5	-1.6	1.2	...	...	...	...	...	...	...	...		
Residual 3/	6.0	0.4	-0.2	1.0	-1.1	-3.0	-2.5	-2.4	-1.8	-0.4	2.7	2.0	-0.9
of which: exceptional financing 4/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Sustainability indicators													
PV of PPG external debt-to-GDP ratio	...	...	38.6	39.5	36.6	32.0	27.6	23.4	19.9	14.0	6.7		
PV of PPG external debt-to-exports ratio	...	...	110.5	113.8	108.3	94.2	80.9	70.1	60.7	43.5	20.2		
PPG debt service-to-exports ratio	29.4	13.5	5.9	9.8	12.2	11.8	11.2	11.6	9.4	5.1	2.7		
PPG debt service-to-revenue ratio	30.8	34.1	14.7	22.4	26.1	26.4	25.0	24.8	19.5	11.0	6.1		
Gross external financing need (Million of U.S. dollars)	57.2	115.5	109.8	100.0	109.5	78.5	66.4	78.1	56.5	88.1	-294.2		
Key macroeconomic assumptions													
Real GDP growth (in percent)	5.5	5.9	5.6	6.0	5.1	5.0	5.0	5.0	5.0	5.0	5.0	4.7	5.1
GDP deflator in US dollar terms (change in percent)	-1.0	3.1	-2.4	1.3	3.1	3.0	3.1	2.3	2.7	3.5	3.5	2.2	3.0
Effective interest rate (percent) 5/	1.0	1.1	1.1	1.3	1.5	1.5	1.5	1.4	1.4	1.6	1.2	1.3	1.5
Growth of exports of G&S (US dollar terms, in percent)	89.3	169.4	16.4	6.7	5.6	8.8	8.6	4.9	6.0	8.4	9.6	25.4	7.4
Growth of imports of G&S (US dollar terms, in percent)	14.2	64.4	13.6	2.5	7.0	5.9	6.3	5.2	5.7	7.7	9.1	15.5	6.2
Grant element of new public sector borrowing (in percent)	...	...	...	18.7	34.1	39.2	39.0	38.5	37.9	14.3	13.0	...	26.6
Government revenues (excluding grants, in percent of GDP)	12.0	12.2	14.0	15.2	15.8	15.2	15.3	15.7	15.9	14.9	14.6	12.9	15.4
Aid flows (in Million of US dollars) 6/	148.3	190.5	175.2	251.1	265.5	254.8	254.9	255.1	260.3	276.5	347.3		
Grant-equivalent financing (in percent of GDP) 7/	...	...	...	10.4	10.2	8.5	7.9	7.3	6.9	4.9	2.7	...	7.2
Grant-equivalent financing (in percent of external financing) 7/	...	...	...	66.9	80.4	94.8	96.0	96.4	96.8	86.1	88.9	...	87.3
Nominal GDP (Million of US dollars)	2,135	2,331	2,403	2,579	2,795	3,023	3,272	3,516	3,793	5,739	13,268		
Nominal dollar GDP growth	4.4	9.2	3.0	7.3	8.4	8.2	8.3	7.4	7.9	8.7	8.7	7.0	8.2
Memorandum items:													
PV of external debt 8/	...	...	39.2	39.9	36.9	32.3	27.8	23.5	20.0	14.0	6.7		
In percent of exports	...	...	112.4	115.1	109.3	94.8	81.3	70.5	61.0	43.7	20.5		
Total external debt service-to-exports ratio	29.4	13.5	8.4	11.5	13.4	12.6	11.8	12.1	9.7	5.1	2.7		
PV of PPG external debt (in Million of US dollars)			926.6	1018.1	1023.6	968.5	903.2	821.9	754.4	802.3	883.4		
(PVt-PVt-1)/GDPt-1 (in percent)				3.8	0.2	-2.0	-2.2	-2.5	-1.9	0.3	0.0		
Non-interest current account deficit that stabilizes debt ratio	0.3	7.6	5.5	5.5	7.6	9.5	8.6	8.1	6.9	4.0	0.3		

Definition of external/domestic debt	Currency-based
Is there a material difference between the two criteria?	No





Sources: Country authorities; and staff estimates and projections.

1/ Includes both public and private sector external debt.

2/ Derived as [r - g - ρ(1+g)]/(1+g+ρ+gρ) times previous period debt ratio, with r = nominal interest rate; g = real GDP growth rate, and ρ = growth rate of GDP deflator in U.S. dollar terms.

3/ Includes exceptional financing (i.e., changes in arrears and debt relief); changes in gross foreign assets; and valuation adjustments. For projections also includes contribution from price and exchange rate changes.

4/ Includes relief under CCRT. The relatively large residuals can be partly attributed to the debt data reconciliation as mentioned in the 3rd ECF review in December 2021.

5/ Current-year interest payments divided by previous period debt stock.

6/ Defined as grants, concessional loans, and debt relief.

7/ Grant-equivalent financing includes grants provided directly to the government and through new borrowing (difference between the face value and the PV of new debt).

8/ Assumes that PV of private sector debt is equivalent to its face value.

9/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

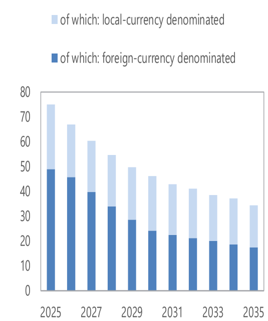
Table 3. The Gambia: Public Sector Debt Sustainability Framework, Baseline Scenario, 2022–2045

(In percent of GDP, unless otherwise indicated)

	Actual			Projections											Average 7/	
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2045	Historical	Projections
Public sector debt 1/	83.9	77.4	78.5	75.0	66.9	60.4	54.6	49.7	46.1	42.8	41.1	38.5	37.1	34.4	16.2	81.2	49.7
of which: external debt	51.7	49.4	50.1	48.9	45.7	39.7	33.9	28.6	24.2	22.5	21.2	20.0	18.6	17.5	8.2	46.3	29.2
Change in public sector debt	0.8	-6.6	1.1	-3.5	-8.1	-6.5	-5.8	-4.9	-3.6	-3.3	-1.7	-2.6	-1.4	-2.7	-1.9		
Identified debt-creating flows	1.5	-8.8	-0.3	-6.9	-5.3	-4.8	-4.1	-3.6	-2.4	-2.4	-0.9	-2.0	-0.8	-2.2	-1.7	-2.6	-3.2
Primary deficit	3.6	1.5	0.9	-1.8	-2.4	-1.8	-1.4	-1.3	-1.2	-0.6	-0.4	-0.3	-0.2	-0.3	-1.1	0.9	-1.1
Revenue and grants	18.9	20.4	21.3	24.4	24.7	23.4	22.9	22.8	22.7	22.0	21.6	20.7	20.1	19.7	17.2	18.3	22.3
of which: grants	6.9	8.2	7.3	9.3	8.9	8.2	7.7	7.1	6.8	6.1	5.8	5.4	5.1	4.8	2.6		
Primary (noninterest) expenditure	22.5	21.9	22.2	22.6	22.3	21.6	21.5	21.5	21.5	21.5	21.1	20.4	19.9	19.4	16.1	19.2	21.2
Automatic debt dynamics	-2.0	-9.7	-1.2	-5.1	-2.5	-2.3	-2.1	-1.8	-1.6	-1.6	-1.4	-1.3	-1.2	-1.2	-0.5		
Contribution from interest rate/growth differential	-5.4	-6.7	-3.3	-5.1	-2.5	-2.3	-2.1	-1.8	-1.6	-1.6	-1.4	-1.3	-1.2	-1.2	-0.5		
of which: contribution from average real interest rate	-1.1	-2.0	0.7	-0.7	1.1	0.9	0.8	0.8	0.7	0.7	0.6	0.6	0.6	0.6	0.3		
of which: contribution from real GDP growth	-4.3	-4.7	-4.1	-4.4	-3.6	-3.2	-2.9	-2.6	-2.4	-2.2	-2.0	-2.0	-1.8	-1.8	-0.9		
Contribution from real exchange rate depreciation	3.4	-2.9	2.2	...	...	...	...	...	...	...	...	...	...	...	...		
Other identified debt-creating flows	0.0	-0.6	0.0	0.0	-0.4	-0.7	-0.5	-0.5	0.4	-0.3	1.0	-0.4	0.6	-0.7	-0.1	-0.1	-0.1
Privatization receipts (negative)	0.0	-0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Recognition of contingent liabilities (e.g., bank recapitalization)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Debt relief (HIPC and other) 2/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other debt creating or reducing flow (please specify)	0.0	0.0	0.0	0.0	-0.4	-0.7	-0.5	-0.5	0.4	-0.3	1.0	-0.4	0.6	-0.7	-0.1		
Residual	-0.7	2.2	1.4	3.4	-2.8	-1.7	-1.7	-1.3	-1.2	-0.9	-0.8	-0.6	-0.6	-0.5	-0.2	3.3	-0.8
Sustainability indicators																	
PV of public debt-to-GDP ratio 3/	...	...	68.1	65.6	58.0	53.0	48.5	44.7	42.1	38.9	37.2	34.8	33.6	31.0	14.7		
PV of public debt-to-revenue and grants ratio	...	...	319.3	268.7	235.0	226.7	211.6	196.2	185.8	176.6	172.8	168.4	167.1	157.1	85.4		
Debt service-to-revenue and grants ratio 4/	107.8	94.1	85.8	69.3	76.7	73.9	71.8	72.1	72.1	74.1	67.0	67.3	65.9	67.4	35.3		
Gross financing need 5/	24.0	20.1	19.2	15.1	16.2	14.8	14.5	14.6	15.6	15.5	15.0	13.3	13.7	12.2	4.9		
Key macroeconomic and fiscal assumptions																	
Real GDP growth (in percent)	5.5	5.9	5.6	6.0	5.1	5.0	5.0	5.0	5.0	5.02	5.02	5.02	5.0	5.0	5.0	4.7	5.1
Average nominal interest rate on external debt (in percent)	1.1	1.2	1.1	1.3	1.5	1.5	1.5	1.4	1.4	1.4	1.4	1.5	1.5	1.6	1.2	1.4	1.5
Average real interest rate on domestic debt (in percent)	-3.2	-6.8	4.1	-0.9	5.6	5.3	4.6	4.7	4.3	3.7	3.8	3.7	3.8	3.8	4.6	1.6	3.9
Real exchange rate depreciation (in percent, + indicates depreciation)	7.4	-6.0	4.7	...	...	...	...	...	...	...	...	...	...	...	...	-0.8	...
Inflation rate (GDP deflator, in percent)	8.8	13.7	5.8	7.2	4.7	5.2	5.4	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	7.3	5.1
Growth of real primary spending (deflated by GDP deflator, in percent)	28.3	3.1	7.3	7.7	3.9	1.4	4.8	5.0	4.9	4.9	3.3	1.4	2.4	2.3	3.4	8.6	3.8
Primary deficit that stabilizes the debt-to-GDP ratio 6/	2.7	8.0	-0.2	1.7	5.7	4.7	4.4	3.6	2.4	2.7	1.3	2.3	1.2	2.4	0.8	3.5	2.9

Definition of external/domestic debt	Currency-based
Is there a material difference between the two criteria?	No

Public sector debt 1/



Sources: Country authorities; and staff estimates and projections.

1/ Coverage of debt: The central government, central bank, government-guaranteed debt. Definition of external debt is Currency-based.

2/ Includes relief under CCRT.

3/ The underlying PV of external debt-to-GDP ratio under the public DSA differs from the external DSA with the size of differences depending on exchange rates projections.

4/ Debt service is defined as the sum of interest and amortization of medium and long-term, and short-term debt.

5/ Gross financing need is defined as the primary deficit plus debt service plus the stock of short-term debt at the end of the last period and other debt creating/reducing flows.

6/ Defined as a primary deficit minus a change in the public debt-to-GDP ratio ((-): a primary surplus), which would stabilizes the debt ratio only in the year in question.

7/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

Table 4. The Gambia: Sensitivity Analysis for Key Indicators of Public and Publicly Guaranteed External Debt, 2025–2035

(In percent)

	Projections 1/										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
PV of debt-to GDP ratio											
Baseline	39.5	36.6	32.0	27.6	23.4	19.9	18.5	17.2	16.2	14.9	14.0
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	39.5	38.6	36.6	34.9	32.9	31.4	31.2	30.9	30.5	29.7	28.9
B. Bound Tests											
B1. Real GDP growth	39.5	38.0	34.5	29.7	25.2	21.4	19.9	18.6	17.4	16.1	15.0
B2. Primary balance	39.5	37.0	33.0	28.9	25.0	21.8	20.5	19.4	18.4	17.2	16.3
B3. Exports	39.5	**61.0**	**85.9**	**78.7**	**70.9**	**62.4**	**56.7**	**51.4**	**46.5**	**41.8**	37.7
B4. Other flows 3/	39.5	**46.1**	**50.4**	**45.3**	40.0	34.9	31.9	29.1	26.6	24.1	22.0
B5. One-time 30 percent nominal depreciation	39.5	**46.0**	33.3	28.0	22.9	19.1	18.0	17.0	16.2	15.1	14.4
B6. Combination of B1-B5	39.5	**58.3**	**58.5**	**52.6**	**46.1**	**40.2**	36.7	33.5	30.6	27.7	25.2
C. Tailored Tests											
C1. Combined contingent liabilities 4/	39.5	37.5	33.4	29.3	25.5	22.3	21.1	20.1	19.2	18.0	17.2
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	40	40	40	40	40	40	40	40	40	40	40
PV of debt-to-exports ratio											
Baseline	113.8	108.3	94.2	80.9	70.1	60.7	56.5	53.0	49.9	46.2	43.5
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	113.8	114.1	107.7	102.4	98.7	96.0	95.5	95.1	94.2	92.0	89.7
B. Bound Tests											
B1. Real GDP growth	113.8	108.3	94.2	80.9	70.1	60.7	56.5	53.0	49.9	46.2	43.5
B2. Primary balance	113.8	109.5	97.0	84.8	75.0	66.5	62.7	59.6	56.8	53.2	50.5
B3. Exports	113.8	**374.9**	**1148.7**	**1048.3**	**967.8**	**866.9**	**788.4**	**717.8**	**653.5**	**588.9**	**532.6**
B4. Other flows 3/	113.8	136.5	148.2	132.7	120.0	106.4	97.4	89.4	82.2	74.7	68.4
B5. One-time 30 percent nominal depreciation	113.8	108.3	78.0	65.3	54.7	46.5	43.7	41.6	39.8	37.3	35.6
B6. Combination of B1-B5	113.8	**219.1**	151.5	**270.5**	**242.9**	**215.5**	**197.0**	**180.7**	166.0	150.6	137.7
C. Tailored Tests											
C1. Combined contingent liabilities 4/	113.8	110.8	98.3	85.9	76.4	68.1	64.6	61.7	59.2	55.9	53.5
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	180	180	180	180	180	180	180	180	180	180	180
Debt service-to-exports ratio											
Baseline	9.8	12.2	11.8	11.2	11.6	9.4	7.2	6.9	6.2	6.3	5.1
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	9.8	12.4	12.2	11.9	12.9	11.3	9.6	9.9	9.7	10.2	9.2
B. Bound Tests											
B1. Real GDP growth	9.8	12.2	11.8	11.2	11.6	9.4	7.2	6.9	6.2	6.3	5.1
B2. Primary balance	9.8	12.2	11.8	11.3	11.8	9.7	7.6	7.3	6.7	6.8	5.7
B3. Exports	9.8	**29.8**	**73.8**	**78.9**	**97.2**	**106.1**	**89.7**	**84.4**	**77.2**	**74.5**	**64.9**
B4. Other flows 3/	9.8	12.2	12.5	12.5	14.7	14.0	11.5	10.9	9.9	9.7	8.2
B5. One-time 30 percent nominal depreciation	9.8	12.2	11.8	10.8	11.3	8.0	5.9	5.7	5.1	5.2	4.1
B6. Combination of B1-B5	9.8	**17.3**	**25.7**	**25.0**	**31.5**	**28.4**	**23.3**	**22.0**	**20.0**	**19.6**	**16.7**
C. Tailored Tests											
C1. Combined contingent liabilities 4/	9.8	12.2	11.8	11.3	11.8	9.6	7.4	7.1	6.4	6.5	5.3
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	15	15	15	15	15	15	15	15	15	15	15
Debt service-to-revenue ratio											
Baseline	**22.4**	**26.1**	**26.4**	**25.0**	**24.8**	**19.46**	14.86	14.2	13.2	13.5	11.0
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	**22.4**	**26.4**	**27.3**	**26.5**	**27.4**	**23.2**	**19.8**	**20.4**	**20.7**	**21.9**	**19.8**
B. Bound Tests											
B1. Real GDP growth		**27.1**	**28.5**	**27.0**	**26.7**	**21.0**	16.0	15.3	14.2	14.5	11.8
B2. Primary balance		**26.1**	**26.5**	**25.2**	**25.2**	**20.1**	15.6	15.1	14.2	14.7	12.2
B3. Exports	**22.4**	**30.7**	**36.4**	**38.8**	**45.5**	**48.1**	**40.6**	**38.2**	**36.1**	**35.3**	**30.8**
B4. Other flows 3/	**22.4**	**26.1**	**28.0**	**28.0**	**31.2**	**28.9**	**23.6**	**22.3**	**21.0**	**20.8**	17.8
B5. One-time 30 percent nominal depreciation	**22.4**	**32.7**	**33.2**	**30.3**	**30.1**	**20.8**	15.3	14.7	13.5	14.1	11.2
B6. Combination of B1-B5	**22.4**	**29.1**	**32.8**	**31.9**	**38.3**	**33.4**	**27.3**	**25.8**	**24.3**	**24.0**	**20.6**
C. Tailored Tests											
C1. Combined contingent liabilities 4/	**22.4**	**26.1**	**26.6**	**25.3**	**25.1**	**19.8**	15.2	14.6	13.6	13.9	11.4
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	18	18	18	18	18	18	18	18	18	18	18

Sources: Country authorities; and staff estimates and projections.
1/ A bold value indicates a breach of the threshold.
2/ Variables include real GDP growth, GDP deflator (in U.S. dollar terms), non-interest current account in percent of GDP, and non-debt creating flows.
3/ Includes official and private transfers and FDI.
4/ Shock set at 8.7 percent of GDP (5 percent of GDP represents a financial sector shock and 3.7 percent of GDP accounts for non-guaranteed SOEs debt).

Table 5. The Gambia: Sensitivity Analysis for Key Indicators of Public Debt, 2025–2035

	Projections 1/										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
PV of Debt-to-GDP Ratio											
Baseline	**65.6**	**58.0**	53.0	48.5	44.7	42.1	38.9	37.2	34.8	33.6	31.0
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	**66**	**60**	**56**	52	49	47	44	42	39	38	36
B. Bound Tests											
B1. Real GDP growth	**66**	**61**	**59**	55	52	50	48	47	45	45	43
B2. Primary balance	**66**	**62**	**61**	**56**	52	50	46	44	42	40	37
B3. Exports	**66**	**73**	**89**	**84**	**78**	**72**	**66**	**61**	**56**	52	47
B4. Other flows 3/	**66**	**68**	**71**	**66**	**61**	**57**	52	49	45	43	39
B5. One-time 30 percent nominal depreciation	**66**	**66**	**60**	54	49	45	41	38	34	32	28
B6. Combination of B1-B5	**66**	**60**	**55**	47	44	41	38	36	34	33	30
C. Tailored Tests											
C1. Combined contingent liabilities 4/	**66**	**68**	**62**	**58**	54	51	47	45	43	41	38
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Public debt benchmark	55	55	55	55	55	55	55	55	55	55	55
PV of Debt-to-Revenue Ratio											
Baseline	268.7	235.0	226.7	211.6	196.2	185.8	176.6	172.8	168.4	167.1	157.1
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	269	243	241	231	219	212	204	201	198	197	189
B. Bound Tests											
B1. Real GDP growth	269	243	245	234	223	217	212	214	215	219	213
B2. Primary balance	269	253	261	246	230	219	210	205	201	200	190
B3. Exports	269	297	383	365	342	318	298	283	270	258	238
B4. Other flows 3/	269	274	306	289	270	253	238	228	219	213	198
B5. One-time 30 percent nominal depreciation	269	276	264	243	222	205	189	178	169	161	147
B6. Combination of B1-B5	269	246	239	208	193	182	173	169	165	164	154
C. Tailored Tests											
C1. Combined contingent liabilities 4/	269	274	267	251	235	224	214	210	206	205	194
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Debt Service-to-Revenue Ratio											
Baseline	69.3	76.7	73.9	71.8	72.1	72.1	74.1	67.0	67.3	65.9	67.4
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	69	76	77	72	71	70	71	63	64	62	64
B. Bound Tests											
B1. Real GDP growth	69	79	79	80	83	86	91	86	90	91	95
B2. Primary balance	69	77	88	94	92	92	93	85	85	83	84
B3. Exports	69	77	76	76	80	85	87	79	79	77	78
B4. Other flows 3/	69	77	75	74	76	79	80	73	73	71	73
B5. One-time 30 percent nominal depreciation	69	76	76	75	75	74	74	66	65	65	64
B6. Combination of B1-B5	69	75	73	71	71	71	73	66	67	65	67
C. Tailored Tests											
C1. Combined contingent liabilities 4/	69	77	104	94	95	94	94	86	86	83	84
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Sources: Country authorities; and staff estimates and projections.

1/ A bold value indicates a breach of the threshold.

2/ Variables include real GDP growth, GDP deflator and primary deficit in percent of GDP.

3/ Includes official and private transfers and FDI.

4/ Shock set at 10 percent of GDP.

THE GAMBIA

December 5, 2025

FOURTH REVIEW UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUESTS FOR A WAIVER OF NONOBSERVANCE OF A PERFORMANCE CRITERION, MODIFICATIONS OF PERFORMANCE CRITERIA AND INDICATIVE TARGETS, AND FINANCING ASSURANCES REVIEW; FIRST REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT, AND REQUEST FOR REPHASING OF ACCESS—SUPPLEMENTARY INFORMATION

Approved By
Montfort Mlachila (AFR) and Cemile Sancak (SPR)

Prepared by the African Department (AFR) in consultation with Strategy, Policy, and Review (SPR) and Legal (LEG) Departments.

This supplement provides updated information on selected developments since the issuance of the staff report on November 25, 2025. The additional information does not change the thrust of the staff appraisal

The two reform measures (RMs) for the first review of the RSF arrangement have been successfully implemented. The following actions have been taken by the authorities:

- **RM 3 on incorporating climate mitigation and adaptation criteria in the project appraisal and selection processes, including donor-funded projects**. The authorities completed the national validation of the public investment management guidelines and templates and officially adopted the guidelines on December 1, 2025.

- **RM 5 on adopting insurance regulations to promote private-sector participation in the insurance market, focusing on increasing the agricultural sector's resilience to shocks**. The regulations were finalized and approved by cabinet on December 4, 2025.

Statement by Mr. Wautabouna, Executive Director for The Gambia and Mr. Cham, Senior Advisor to the Executive Director
December 12, 2025

Introduction

1. Our Gambian authorities are grateful to the IMF management and staff for their candid engagement. They broadly concur with staff's assessment and policy priorities.

2. The Gambian economy is on a strong recovery path with solid growth despite the challenging environment. The authorities reaffirm their commitment to the program objectives and are implementing fiscal consolidation measures, adopting consistent monetary policy and advancing reforms. They are leveraging the Resilience and Sustainability Facility (RSF) and their inter-institutional engagement in climate change mitigation and adaptation policies to attract public and private financing while strengthening the long-term balance of payments and macroeconomic stability and resilience. The authorities view the Fund's support under the ECF and RSF arrangements as relevant and complementary to their resilience-building efforts and the goals pursued in their Recovery Focused National Development Plan (RF- NDP), 2023-2027.

Program Performance

3. Program performance has been broadly satisfactory. Six out of seven quantitative performance criteria (QPCs) for end-June 2025 were met. The floor on the stock of net usable international reserves (NIR) was missed due to a currency swap arrangement that the Central Bank of The Gambia had with Afreximbank. Meanwhile, all indicative targets (ITs) for end-June 2025 were met, including the floor on total tax revenue, the ceilings on central bank credit to the central government and the central bank's net domestic asset, and the floor on poverty-reducing expenditure.

4. On the structural benchmarks (SBs), nine out of ten have been completed. Six SBs were met on time while three were implemented with delay. The SBs met include the creation of a rental property database for taxation purposes and the adoption of Gambia Investment and Export Promotion Agency (GIEPA) Act with streamlined tax incentives, the National land policy and the revised National Audit Office Bill. The authorities, however, are requesting to rephase some SBs to allow for more technical assistance while they seek deeper understanding of the root causes of arrears in developing arrears strategy.

5. On the reform measures (RMs) under the RSF, two RMs under the first review have been completed. In addition, one RM for the second review regarding the approval of a comprehensive climate change bill has also been completed. The authorities will furthermore publish the updated public investment management (PIM) guidelines and templates, which now incorporate climate mitigation and adaptation criteria in the PIM process.

6. The authorities are implementing corrective measures to address the missed NIR target. This includes requesting an elevation of the IT on the CBG financial assistance to public entities to a QPC. Further, they seek to revise the technical memorandum of understanding to include a mechanism for monitoring encumbrance of the CBG's placements with Afreximbank, by adding a monthly statement, duly signed or authorized by Afreximbank as a supporting material to verify NIR. Given the satisfactory program performance and strong commitment, **the authorities seek the Executive Directors' support in completing the Fourth Review Under the Extended Credit Facility Arrangement and Financing Assurances Review, the First Review Under the Resilience and Sustainability Facility Arrangement, the Rephasing of Access as well as the associated Requests.**

Recent Economic Developments and Outlook

7. Economic activity has rebounded strongly, and real GDP growth is estimated to increase to 6.0 percent in 2025 from 5.3 percent in 2024. Growth is supported by the agriculture, construction, and tourism sectors. Tourist arrivals continued to recover in the first half of 2025, and growth is projected to remain strong at 5.1 percent in 2026, supported by the tourism and agriculture sectors. In the medium term, growth is expected to stabilize at about 5 percent with risks tilted to the downside including uncertainty in commodity prices and potential disruptions to global supply chains, a slowdown in the global economy, and natural disasters.

8. Inflation decelerated after peaking at 18.5 percent (y-o-y) in September 2023 to 7.0 percent (y-o-y) in October 2025, mainly due to lower global food and energy prices. Inflationary pressures are expected to further ease based on the expected decline in prices of key international commodities such as energy and food, thereby converging to the central bank's medium-term target of 5 percent by the end-2026.

9. The current account deficit remains elevated due to a larger increase in imports relative to exports. However, international reserves are projected at around 4 months of imports in the medium term. Reserves are supported by robust remittance inflows, rebounding tourism revenue, and disbursements from the development partners, including the Fund.

Fiscal Policy and Debt Sustainability

10. Budget execution is in line with program targets and the 2026 budget submitted to the National Assembly is aligned with the ECF program parameters. The budget targets an overall deficit of 1.0 percent of GDP, which reconciles the development needs with the limited fiscal space. While the authorities are boosting domestic revenue collection, they are implementing expenditure controls, particularly on current spending, including on wage growth and improving the financial position of the national utility company (NAWEC). In addition to the anticipated spending pressures related to the upcoming elections, the authorities remain committed to protecting social spending, access to health and education and expanding roads that were compressed in 2025.

11. Our authorities are implementing revenue-enhancing fiscal consolidation. In this regard, they are leveraging the falling oil prices to keep petrol and diesel prices above full passthrough, eliminating fuel price subsidies, improving revenue collection and saving any unexpected revenue windfall to build fiscal buffers. They are strengthening compliance with withholding tax from contractors of donor-funded projects and tax audits, improving oil revenue from full pass-through pricing and fuel marking systems. This is supported by the implementation of excise tax stamp systems, more efficient rental income tax data systems, and tighter management and administration of tax expenditures, including a significant reduction in duty waivers. In the drive to strengthen revenue mobilization, they have completed the domestic revenue mobilization strategy (DRMS) which is targeted to significantly increase tax-to-GDP ratio by 2030. Further, the DRMS prioritizes comprehensive reforms of VAT, CIT, PIT, and property taxes, complemented by other measures including expanding the list of excisable commodities and rental property taxation. Relatedly, they submitted tax expenditure statements to cabinet to better streamline and enhance tax expenditure transparency. They are also working on the implementation of Integrated Tax Administration System (ITAS) to improve digitalization and enable e-registration, e-filing and e-returns processing.

12. The authorities remain committed to debt sustainability. In this regard, they are strengthening their medium-term fiscal policy framework to better manage elevated risks to external and overall debt and ensure public debt will continue its downward trajectory. The authorities will implement the medium-term fiscal framework to strengthen domestic revenue mobilization and further reduce debt vulnerabilities. They will strictly adhere to the agreed external borrowing plan and ensure that state-owned enterprises (SOEs) and public-private partnerships (PPPs) do not give rise to undue fiscal risks and contingent liabilities. They will closely monitor risks emanating from public entities outside the central government, including NAWEC and the National Road Authority (NRA).

Monetary, Exchange Rate, and Financial Sector Policies

13. The Central Bank of The Gambia (CBG) remains committed to fighting inflation. The CBG will continue to monitor global developments and implement a data-driven monetary policy to ensure price stability. They will continue to use its policy tools, including CBG bills, deposit and lending facilities, the reserve requirement ratio, and open market operations, towards meeting its medium-term inflation target, while maintaining an exchange rate that reflects market dynamics. They will implement the foreign exchange policy introduced in 2023 to safeguard FX reserves, prevent FX shortages, and meet debt service payments. They are finalizing a new electronic FX data collection system to help in gathering market transactions data and improving the timely calculation of the official exchange rate.

14. The CBG remains committed to strengthening the resilience of the financial sector to ensure financial stability. They are implementing enhanced supervision of high-NPL banks, including continuous interaction with creditors and focusing on risk-based supervision, close monitoring of concentration risks, and early intervention. In the

context of increasing banking sector exposure to sovereign risk through lending to the central government and other public entities, they plan to increase additional scrutiny and potential macroprudential measures. Further, they are closely monitoring the augmentation of banks' minimum regulatory capital by GMD100 million. In this regard, nine banks have already reached the GMD 400 million capital requirement as of end September 2025 and the remaining banks are on track to reach the augmentation by end-December 2025.

15. The authorities remain committed to strengthening central bank independence. They have completed a first review of the draft amendments to the CBG Act to strengthen CBG mandate, governance, and autonomy. They requested the IMF review the drafting amendments to align with international standards They are also seeking approval of the revised draft law on AML/CFT to align with the international standards of the Financial Action Task Force.

Structural Reforms

16. The authorities are improving the business environment to boost growth. They are leveraging the revised GIEPA Act and a digital single window business registration system to improve business registration processes, attract investment, and promote formalization. Relatedly, they plan to use the recently approved unified land policy to facilitate access to land and use it as collateral towards unlocking financing. They are strengthening the credit markets through the operationalization of Credit Reference Bureau. They are also implementing the National Financial Inclusion Strategy with the aim of raising the proportion of the population with access to formal financial services to 70 percent in 2025, particularly for women, youth and vulnerable groups.

17. The authorities are strengthening the public financial management (PFM) system. They are finalizing the PFM Act to improve budgeting. They are also reinforcing cash management by aligning ministries, departments, and agencies' (MDAs) cash expenditure plans with available cash. Relatedly, the authorities are improving the financial position of state-owned enterprises (SOEs) to contain fiscal risks. They are enforcing consequences for the missed performance contract targets, including a 15 percent salary reduction for the Managing Director of the Gambia National Petroleum Company. They are assessing partial or full privatization of the national telecommunication company (GAMCEL) to minimize losses. The authorities are strengthening governance and the anti-corruption framework and are implementing recommendations from governance diagnostic assessment report (GDA). They are also operationalizing the anti-corruption commission once approved by National Assembly. The authorities have compiled the laws of The Gambia through end-December 2024 to be extended to end-June 2025 to increase public access to information and service.

18. The authorities recognized the country's vulnerability to climate-related risks. In this regard, they are advancing RSF reforms to strengthen BOP resilience to climate shocks and change. They have embedded mitigation and adaptation criteria in the public investment management process and evaluation of PPP projects. They have completed

the index-based insurance regulations and will expand awareness and capacity across key stakeholders to increase insurance penetration across the country. The authorities approved the Climate Change Bill, in line with Fund and World Bank recommendations to be operationalized in 2026.

19. The authorities are on track to introduce a carbon-based excise in line with the IMF recommendations and finalize a methodology to identify fiscal risks and apply it as part of the 2027 budget process. While the authorities developed a climate prosperity investment and finance strategy with CVF-V20's support, they are implementing reform measures on electricity subsidies, zoning regulations, and groundwater regulations with technical assistance support from the IMF, World Bank and French Development Agency (AFD) respectively.

Conclusion

20. The Gambian authorities remain on track in meeting the program objectives. They have reinforced their commitment to the ECF and RSF arrangements while strengthening capacity development. The Fund continues to play an instrumental role in anchoring the authorities' reform process to strengthen macroeconomic stability and resilience to climate-related shocks. In this regard, they seek the Executive Directors' support in completing the fourth ECF review and the first RSF review, to help catalyze additional financing to tackle their structural challenges.