



THE GAMBIA

July 2026

2026 ARTICLE IV CONSULTATION, FIFTH REVIEW UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUESTS FOR PROGRAM EXTENSION, AUGMENTATION AND REPHASING OF ACCESS UNDER THE EXTENDED CREDIT FACILITY, REQUESTS FOR WAIVERS OF NON-OBSERVANCE OF PERFORMANCE CRITERIA, MODIFICATION OF PERFORMANCE CRITERIA, FINANCING ASSURANCES REVIEW, SECOND REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT, AND REQUEST FOR EXTENSION AND REPHASING OF ACCESS UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY—PRESS RELEASE; STAFF REPORT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR THE GAMBIA

In the context of the Staff Report for the 2026 Article IV Consultation, Fifth Review Under the Extended Credit Facility Arrangement, Requests for Program Extension, Augmentation and Rephasing of Access Under the Extended Credit Facility, Requests for Waivers of Non-Observance of Performance Criteria, Modification of Performance Criteria, Financing Assurances Review, Second Review Under the Resilience and Sustainability Facility Arrangement, and Request for Extension and Rephasing of Access Under the Resilience and Sustainability Facility, 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 summarizing the views of the Executive Board as expressed during its July 6, 2026 consideration of the staff report on issues related to the Article IV Consultation and the IMF arrangement
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on July 6, 2026, following discussions that ended on May 6, 2026, with the officials of The Gambia on economic developments and policies. Based on information available at the time of these discussions, the staff report was completed on June 18, 2026.
- An **Informational Annex** prepared by the IMF staff.

- A **Debt Sustainability Analysis** prepared by the staff of the IMF and the World Bank.
- A **Staff Statement** updating information on recent developments.
- A **Statement by the Executive Director** for The Gambia.

The documents listed below have been or will be separately released.

Selected Issues

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The Gambia: IMF Executive Board Concludes the 2026 Article IV Consultation with The Gambia and Completes the Fifth Review Under the Extended Credit Facility and the Second Review Under the Resilience and Sustainability Facility Arrangements

FOR IMMEDIATE RELEASE

- *The IMF Executive Board today concluded the 2026 Article IV Consultation and completed the Fifth Review Under the Extended Credit Facility Arrangement and the Second Review Under the Resilience and Sustainability Facility Arrangement with The Gambia, enabling an immediate overall disbursement of SDR16.58 million (about US\$22.51 million) under both the ECF and the RSF. The Executive Board also approved a six-month extension of the ECF and RSF arrangements and an augmentation of access under the ECF arrangement of SDR 12.44 million (20 percent of quota).*
- *Economic activity remains robust, with GDP growth estimated at 6 percent in 2025, while inflation has picked up in recent months. The impact of the war in the Middle East is weighing on the macroeconomic outlook and heightening domestic risks. Growth is projected to slow to 4.7 percent in 2026 before stabilizing at 5 percent over the medium term.*
- *Despite the challenging environment, the authorities are committed to the objectives set out in the ECF and RSF arrangements. In response to end-2025 fiscal slippages, fiscal policy will be tightened, including through stepped-up revenue mobilization, and the central bank remains vigilant to contain inflation and safeguard external stability.*
- *Comprehensive capacity development support is strengthening economic reforms, including in revenue administration, public financial management, SOE oversight and data reporting, as well as steps to enhance climate resilience and sustainable and inclusive growth.*
- **Washington, DC – July 6, 2026:** The Executive Board completed today the 2026 Article IV Consultation for The Gambia¹ and the fifth review of The Gambia's Extended Credit Facility (ECF) arrangement, [approved on January 12, 2024](#), to support reforms to address long-standing structural impediments to inclusive growth. The completion of the ECF review allows for the immediate disbursement of SDR6.22 million (about US\$8.44 million), bringing total disbursements under this arrangement to SDR55.97 million (about US\$75.98 million). The Executive Board also completed the second review under the Resilience and Sustainability Facility (RSF) arrangement, [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 SDR10.36 million (about US\$14.06 million), bringing The Gambia's total access under the RSF arrangement to about SDR 25.90 million (about US\$ 35.16 million). The Executive Board also approved a six-month extension, augmentation and rephasing of

¹ Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. A staff team visits the country, collects economic and financial information, and discusses with officials the country's economic developments and policies. On return to headquarters, the staff prepares a report, which forms the basis for discussion by the Executive Board.

access under the ECF arrangement, along with a six-month extension and rephasing of access under the RSF. The ECF extension and augmentation of SDR 12.44 million (20 percent of quota) would help address emerging balance of payments needs due to the war in the Middle East, while the RSF extension and rephasing would allow additional time to implement complex climate-related reforms.²

The Gambia's macroeconomic outlook remains broadly favorable but faces elevated downside risks from spillovers from the war in the Middle East as well as climate shocks. Growth is projected to moderate to 4.7 percent in 2026, from 6 percent in 2025, before stabilizing at around 5 percent over the medium term. Inflationary pressures have reemerged, delaying convergence to the central bank's target, while downside risks remain significant.

In response to end-2025 spending overruns, fiscal policy will be tightened in 2026 through additional revenue mobilization and reprioritization of spending. The central bank will maintain a data-driven stance to contain inflation and safeguard external stability, alongside continued efforts to strengthen financial sector supervision and resilience. Structural reforms will be accelerated to strengthen fiscal institutions, SOE management and governance, alongside continued efforts to enhance climate resilience under the RSF arrangement.

IMF capacity development (CD) has been instrumental in supporting implementation of reforms under the ECF and RSF arrangements. The Gambia is among the most intensive recipients of CD, ranking sixth in terms of total allocation over FY2022–26 (US\$10.4 million) and highest on a per capita basis among the top 15 recipients of CD. CD has contributed to progress in domestic revenue mobilization, exchange rate stabilization, and macro-financial stability, while strengthening public financial management, SOE oversight, economic data reporting, and supports climate-related reforms under the RSF arrangement.

In completing the ECF review, the Executive Board approved the authorities' requests for waivers for the nonobservance of the end-December 2025 quantitative performance criteria on net domestic borrowing and the domestic primary balance based on corrective measures taken by the authorities.

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

"The Gambia's economy continues to grow strongly, while headline inflation rebounded in April following a steady decline, reflecting pressures from higher food and energy costs. Implementation of the Extended Credit Facility (ECF) program and reforms under the Resilience and Sustainability Facility (RSF) has been mixed. The authorities request a six-month extension of both ECF and RSF arrangements, and augmentation of access under the ECF, to sustain the implementation of their reform agenda, help address balance of payments needs due to the war in the Middle East, and reinforce efforts to meet the program's objectives.

"The authorities are committed to tightening fiscal policy in 2026 and 2027 to correct the fiscal slippage in 2025 through additional revenue mobilization efforts and stronger fiscal discipline. They remain dedicated to safeguarding fuel revenue despite significant increases

² Under the IMF's Articles of Agreement, publication of documents that pertain to member countries is voluntary and requires the member consent. The staff report will be shortly published on [The Gambia's country page](#).

in fuel import prices. It is essential to contain spending pressures in this election year through strict expenditure prioritization and control, while accommodating targeted short-term mitigation measures, including cash transfers to protect vulnerable populations, financed by a World Bank grant. Further strengthening public financial management will support fiscal discipline and accountability. Containing fiscal risks from SOEs and improving data consistency will be key to enhancing transparency.

“With rising inflationary pressures driven by the war in the Middle East, maintaining a tight monetary policy stance, underpinned by forward-looking analysis, is essential. Maintaining a market-determined exchange rate is critical to preserving external stability. The implementation of measures to refrain from quasi-fiscal operations is a positive development. Strengthening supervisory capacity and advancing risk-based supervision, alongside close monitoring of sovereign exposures, will be important for maintaining financial stability.

“Continued progress on structural reforms is needed to strengthen governance, enhance the anti-corruption framework, and improve the business environment to support private sector-led growth and job creation.

“The authorities have advanced key reforms with extensive Fund capacity development support. Continued CD will be critical to strengthen implementation capacity, including in revenue administration, public financial management, financial sector oversight, and statistics, and to address remaining data gaps.

“Steadfast implementation of the climate agenda under the RSF will support resilience, stability, collaboration with development partners and the private sector, and help mobilize additional financing.”

Executive Board Assessment³

Executive Directors agreed with the thrust of the staff appraisal. They welcomed The Gambia's strong economic growth, while observing that headline inflation recently rebounded following a period of decline, reflecting higher food and energy prices. Noting mixed program performance, and downside risks including from the difficult external environment, domestic vulnerabilities, and climate shocks, Directors underscored the need to strengthen reform implementation to safeguard macro-financial stability, and support resilient, inclusive growth.

Given recent fiscal slippages, and elevated debt vulnerabilities, Directors welcomed the authorities' commitment to fiscal consolidation in 2026–27. They underscored that stronger domestic revenue mobilization, expenditure controls, and improvements in public financial, investment, and debt management will be critical to create space for priority spending and safeguard debt sustainability. They called for prudent budget execution in the 2026 election year, including strict enforcement of commitment controls, enhanced oversight of state-owned enterprises, and stronger fiscal risk management.

Directors agreed that the monetary policy stance should remain appropriately tight and data-dependent to guide inflation back to the medium-term target. They underscored the importance of exchange rate flexibility to help absorb external shocks. Directors also

³ At the conclusion of the discussion, the Managing Director, as Chairman of the Board, summarizes the views of Executive Directors, and this summary is transmitted to the country's authorities. An explanation of any qualifiers used in summings up can be found here: <http://www.IMF.org/external/np/sec/misc/qualifiers.htm>.

encouraged further strengthening of the regulatory and supervisory framework to bolster financial sector resilience and urged the timely amendment of the Central Bank Act to strengthen its mandate, governance, and autonomy.

Directors called for accelerated structural reforms to promote sustainable private sector-led growth and job creation. They emphasized the need to strengthen governance by operationalizing the anti-corruption commission, expediting Cabinet approval and enactment of the revised AML/CFT law and the National Audit Office Act, and accelerating implementation of governance diagnostic recommendations. They also highlighted the importance of improving the business environment to support private investment, formalization, and job creation. Directors welcomed the progress made in strengthening climate resilience through the RSF supported reforms, and emphasized the importance of integrating climate-risks into the macro-fiscal framework.

Directors highlighted that Fund capacity development has been instrumental in supporting program implementation, notably in domestic revenue mobilization, exchange rate stabilization, and macro-financial stability. They underscored the importance of well-calibrated CD support to strengthen revenue administration, public financial management, SOE oversight, and governance, as well as to improve macroeconomic statistics and data quality.

It is expected that the next Article IV Consultation with The Gambia will be held in accordance with the Executive Board decision on consultation cycles for members with Fund arrangements.

The Gambia. Selected Economic Indicators: 2023-2027 (concluded)

	2023	2024	2025	2026	2027
		Prel.		Projections	
	(Percent change; unless otherwise indicated)				
National account and prices					
GDP at constant prices	5.9	5.6	6.0	4.7	5.1
GDP deflator	13.7	5.8	8.4	6.0	6.8
Consumer prices (average)	17.0	11.6	7.9	7.5	6.2
Consumer prices (end of period)	17.3	10.2	6.6	7.0	5.5
External sector					
Exports, f.o.b (US\$ values)	535.5	10.7	12.2	-2.7	4.8
Imports, f.o.b (US\$ values)	74.7	14.5	-1.3	10.4	2.7
Real effective exchange rate (depreciation = -)	...	...	...	...	...
Money and credit					
	(Contributions to broad money growth; percent)				
Broad money	8.8	7.9	24.1	6.0	3.0
Net foreign assets	4.4	7.5	14.5	0.1	3.7
Net domestic assets	4.4	0.4	9.6	5.8	-0.7
Of which:					
Credit to central government (net)	-2.5	6.7	5.4	2.9	2.8
Credit to the private sector (net)	2.1	4.3	2.1	5.5	4.1
Velocity (GDP/broad money)	2.0	2.1	1.9	2.0	2.6
Central government finances					
	(Percent of GDP; unless otherwise indicated)				
Domestic revenue (taxes and other revenues)	12.2	14.0	15.4	15.1	15.5
Of which: Tax Revenue	9.6	10.9	12.8	12.6	13.4
Grants	8.2	7.3	9.0	11.6	9.4
Total expenditures	23.9	25.3	29.4	26.7	25.9
Of which: Interest (percent of gov. revenue)	17.0	22.1	21.3	22.0	13.5
Net lending (+)/borrowing (-)	-3.6	-4.0	-5.0	0.0	-1.0
Net incurrence of liabilities	3.7	4.5	5.4	0.0	1.0
Foreign	3.0	1.8	0.4	-1.8	-1.2
Domestic	0.8	2.8	5.0	1.8	2.2
Primary balance	-1.5	-0.9	-1.7	3.3	1.8
Public debt	77.4	78.8	82.1	73.5	67.8
Domestic public debt	28.0	28.6	30.9	25.5	25.4
External public debt	49.4	50.1	51.2	48.0	42.3
External public debt (millions of US\$)	1120.1	1168.4	1318.5	1306.6	1264.6
External current account balance					
Excluding official transfers	-8.2	-9.1	-6.4	-8.4	-5.7

The Gambia. Selected Economic Indicators: 2023-2027 (concluded)

	2023	2024	2025	2026	2027
		Prel.		Projections	
Including official transfers	-5.4	-7.0	-4.1	-5.6	-4.4
Gross official reserves (millions of US\$)	474.3	533.5	586.2	592.1	592.1
(months of next year's imports)	3.7	4.1	4.2	4.1	4.1
Savings and investment					
Gross investment	24.7	24.7	25.1	25.2	26.1
<i>Of which:</i> Central government	11.2	10.3	10.7	10.9	11.4
Gross savings	19.2	17.5	21.0	19.6	21.7
Memorandum items:					
Nominal GDP (billions of dalasi)	145.9	162.9	187.2	207.8	233.1
GDP per capita (US\$)	857.5	861.9	912.9	955.6	1002.3
Use of Fund resources (millions of SDRs)					
Disbursements	5.0	24.9	24.9	21.8	15.5
<i>Of which:</i> ECF Augmentation	...	...	...	...	12.4
Repayments	-4.1	-3.9	-5.2	-9.8	-14.3
PV of overall debt-to-GDP ratio	65.1	69.1	71.0	62.9	58.3

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



THE GAMBIA

June 18, 2026

STAFF REPORT FOR THE 2026 ARTICLE IV CONSULTATION, FIFTH REVIEW UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUESTS FOR PROGRAM EXTENSION, AUGMENTATION AND REPHASING OF ACCESS UNDER THE EXTENDED CREDIT FACILITY, REQUESTS FOR WAIVERS OF NON-OBSERVANCE OF PERFORMANCE CRITERIA, MODIFICATION OF PERFORMANCE CRITERIA, FINANCING ASSURANCES REVIEW, SECOND REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT, AND REQUEST FOR EXTENSION AND REPHASING OF ACCESS UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY

EXECUTIVE SUMMARY

Context. The Gambia is highly vulnerable to external and climate shocks. The war in the Middle East is negatively impacting the country's economic activity, inflation, tourism, and remittance flows. Presidential elections are scheduled for December 2026. Exposure to climate risks is significant.

Recent economic developments. The economy continues to grow strongly, with GDP growth estimated at 6 percent in 2025. Headline inflation rebounded to 7 percent in April following a steady decline, reflecting pressures from higher food and energy costs. Despite strong domestic revenue mobilization, the 2025 fiscal deficit widened to 5 percent of GDP, mainly due to spending overruns reflecting one-off transfers to SOEs, unbudgeted earmarked transfers and higher poverty-reducing spending. The foreign exchange market is functioning smoothly and foreign reserves remain at a comfortable level. The economic outlook is subject to large downside risks, mainly owing to the war in the Middle East.

Program Performance. Program performance was mixed. Under the ECF, five out of seven quantitative performance criteria (PCs) and all four indicative targets (ITs) for end-December 2025 were met. QPCs on the domestic primary balance (DPB) and net domestic borrowing (NDB) were missed by 1.9 percent of GDP and 2.8 percent of GDP, respectively. Strong corrective measures are proposed to safeguard program objectives.

The authorities request waivers for the non-observance of these PCs based on corrective measures, including a tightening of the 2026 fiscal stance by one percent of GDP, one prior action, and a new structural benchmark (SB). Out of ten SBs due for this review, three were met; three were completed with a delay (including an SB on reconciling an inconsistency between fiscal and monetary accounts which was elevated to a prior action), and four were not met and are proposed to be rephased. Of the three RSF reform measures (RMs) for the second review, one has been completed on time and another is expected to be met by the Board date. The third RM is proposed to be rescheduled to December 2026 as the authorities need additional time to operationalize a transition taxonomy and complete supervisory guidelines. Due to an improvement in the World Bank's (WB) composite indicator, The Gambia's debt-carrying capacity was upgraded to strong.

Program extension and ECF augmentation. The authorities request a six-month extension, augmentation and rephasing of access under the ECF arrangement, along with an extension and rephasing of access under the RSF. The ECF extension and augmentation of SDR 12.44 million (20 percent of quota) would help address emerging balance of payments (BoP) needs due to the war in the Middle East. The authorities also request backloading of disbursements under the ECF, with a reduced disbursement at 10 percent of quota for the fifth review and the remaining access distributed evenly over the sixth and seventh reviews (25 percent of quota each).

Policy discussions. Fiscal policy in 2026 needs to be tightened to correct the fiscal slippage in 2025 through additional revenue mobilization efforts and the reallocation of budgetary spending to war-related mitigation expenditures financed by a World Bank grant. The central bank intends to maintain a data-driven monetary policy stance to contain recent pressure on prices and ensure that inflation declines. It will refrain from providing any quasi-fiscal support to the public sector and continue to implement the 2023 foreign exchange policy to prevent the recurrence of forex shortages and wedges with the parallel market. Structural reforms will be accelerated, particularly on domestic revenue mobilization, public financial management, 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. The Article IV consultation was underpinned by analytical work on barriers to realizing The Gambia's growth potential; The Gambia's revenue structure and steps to enhance revenue mobilization; and the impact of climate change on food security.

Staff's views. Staff supports the authorities' request for: (i) the completion of the fifth ECF review, the associated financing assurances review, and the second RSF review; (ii) a six-month extension and rephasing of access of the ECF and RSF arrangements; (iii) an augmentation of access of the ECF arrangement; (iv) modification of performance criteria and indicative targets for end-June 2026; and (iv) waivers for the non-observance of the two missed PCs on the DPB and NDB based on the corrective measures taken by the authorities. Completion of the fifth ECF review will result in a disbursement of the equivalent of SDR 6.22 million (10 percent of quota), bringing IMF financial support under the ECF arrangement to SDR 55.97 million (about 89.98 percent of quota). Completion of the second RSF review will result in a disbursement of the equivalent to SDR 10.36 million (16.66 percent of quota).

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

The mission took place in Banjul during April 22–May 6, 2026, and comprised Ms. Jenkner (head), Mr. Al-Sadiq, Ms. Aoyagi, (all AFR), Messrs. Garcia-Huitron (FAD), Han (SPR), Kubota (LEG), Gitton (resident representative), and Mendy (local economist). Discussions continued remotely. The team held discussions with Minister of Finance and Economic Affairs, Seedy Keita; and Governor of the Central Bank of The Gambia, Buah Saidy. The team met with senior officials from the Gambia Revenue Authority, the SOE Commission, Ministries of Fisheries and Water Resources, Environment, Climate change and Natural Resources, Lands, Regional Government and Religious Affairs, Petroleum and Energy, the Gambia Bureau of Statistics, 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.

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APPENDIX

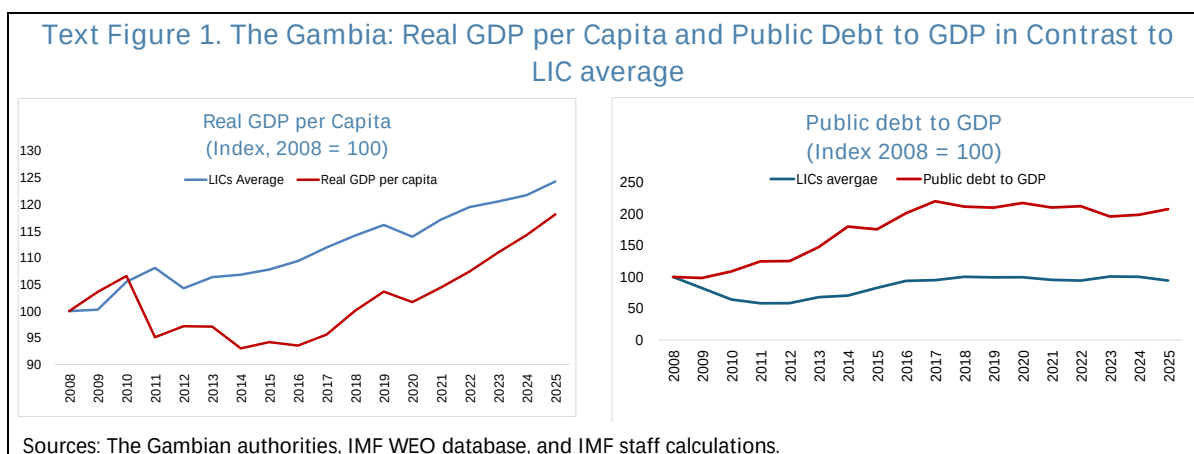
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Acronyms

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
DSA	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 Gambia is highly vulnerable to external and climate shocks and very exposed to the impact of the war in the Middle East. The war in the Middle East is negatively impacting The Gambia through rising energy, fertilizer, and food prices, and reduced tourism and remittance flows. Moreover, The Gambia is highly vulnerable to climate-related shocks, including rising temperatures, erratic rainfall, flooding, and coastal erosion. These shocks have exacerbated fiscal and external vulnerabilities and contributed to elevated inflationary pressures. While the authorities have made progress in restoring macroeconomic resilience, buffers remain very limited.



2. The Gambia's development gaps remain significant. Access to quality health and education, clean water and power remain limited, despite some progress in recent years. The 2024 Human Development Index ranks The Gambia in the lowest quartile worldwide, with poverty estimated at 53 percent. Literacy stands at 58 percent and life expectancy is just below 66 years, with high infant and maternal mortality rates.

3. The 2026 Article IV consultation focused on policies to safeguard macroeconomic stability and build on structural reforms supported under the program to address The Gambia's long-term development challenges. Advancing reforms that foster inclusive, sustainable, and resilient growth will be critical. In this context, staff found government effectiveness to be a key driver of long-term growth, apart from macroeconomic stability, structural reforms, investment in human capital and steps to enhance resilience to climate change. Creating fiscal space for development and social spending will require stronger domestic revenue mobilization, greater expenditure efficiency, continued fiscal consolidation, and a gradual reduction in the public debt burden to build buffers against external shocks. Strengthening governance frameworks, safeguarding financial sector stability, and advancing reforms to improve competitiveness and the business environment will be essential to catalyze private investment, create jobs, and support broad-based economic development.

4. The authorities have made progress on addressing key recommendations from the 2023 Article IV consultation (Annex I). They have taken steps to enhance domestic revenue

mobilization, improve public financial management, and reinforce debt sustainability. Monetary policy has been appropriate to contain inflationary pressures, while efforts to safeguard financial sector stability have continued. Reform implementation has faced capacity constraints and external and domestic headwinds. Strong policies are needed to address fiscal risks, improve governance, accelerate the structural transformation, and bolster resilience to climate-related shocks.

5. Presidential elections are scheduled for December 2026. Preparations are proceeding in line with the established legal and institutional framework governing elections.

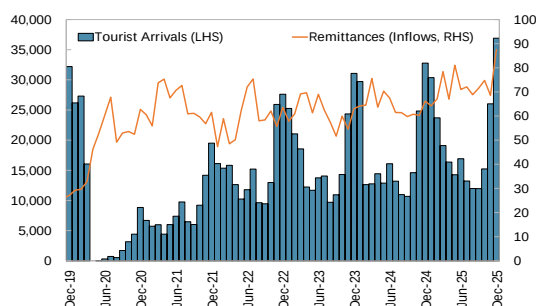
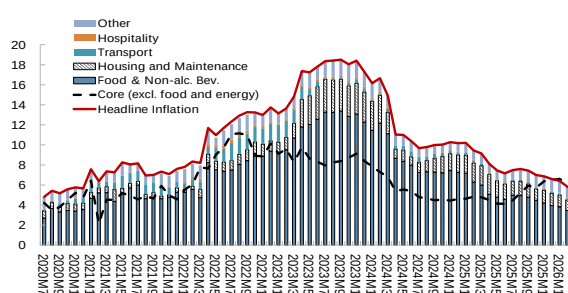
6. The authorities are requesting a six-month extension of the ECF arrangement, rephasing of ECF access, and an augmentation equivalent to 20 percent of quota (MEFP ¶2). The 36-month arrangement was approved in January 2024, with access equivalent to 120 percent of quota and was set to expire in January 2027. An extension through July 2027 combined with an augmentation of SDR 12.44 million (20 percent of quota) along with a backloading of disbursements would give the authorities additional time to achieve objectives envisaged under the program and cover the emerging balance of payments (BoP) needs while mitigating pressures on financing costs resulting from the war in the Middle East. This will bring total access under the ECF arrangement to SDR 87.08 million (140 percent of quota).

7. The authorities are also requesting a six-month extension of the RSF arrangement in line with the ECF extension and rephasing of access (MEFP ¶2). The 18-month arrangement was approved in June 2025, with access equivalent to 75 percent of quota. Extending the RSF would complement efforts under the ECF arrangement by providing more time to complete ambitious reform measures (RMs), such as the completion of a transition taxonomy, climate data repository and banking supervisory guidelines (RM4), as well as the implementation of reforms during a time of heightened pressures on energy markets, such as increasing electricity tariffs to reduce electricity subsidies (RM9).

RECENT ECONOMIC DEVELOPMENTS

8. Growth in 2025 remained strong while inflation decelerated (MEFP ¶3 and Text Figure 2). Real GDP growth is estimated at 6 percent in 2025, supported by the agriculture, construction, and tourism sectors. Tourist arrivals continued to recover in 2025, increasing by 2.5 percent relative to 2024. Remittance inflows remained robust. After peaking at 18.5 percent (y-o-y) in September 2023, headline inflation declined to 6.3 percent (y-o-y) in February 2026 but has rebounded to 7 percent in April, reflecting renewed pressures from higher global food and energy costs. However, headline inflation remains above our medium-term target of 5 percent, and the impact on inflation of higher commodity prices due to the ongoing war in the Middle East has started to feed through.

Text Figure 2. The Gambia: Economic Activity Indicators, 2019–25

Tourist Arrivals and Remittances
(In indicated magnitude)Headline and Core Inflation
(In percent and contributions)

Sources: The Gambian authorities and IMF staff calculations.

9. Fiscal performance in 2025 was weaker than anticipated despite strong domestic revenue mobilization (MEFP ¶4 Text Table 1, and Tables 2a-b). Tax revenue reached 12.9 percent of GDP in 2025, up from 10.9 percent of GDP in 2024, but this overperformance was offset by a delay in the Africa 50 disbursement. Also, spending exceeded targets due to one-off expenditures, including unbudgeted earmarked transfers (about 1.2 percent of GDP) and emergency transfers to NAWEC and to the state-owned groundnut purchasing and processing corporation to safeguard agricultural productivity (about 1.8 percent of GDP); as well as more structural factors, such as higher-than expected interest payments and spending on health, education, and social protection, amongst others. The transfer to NAWEC enabled a shift to a more affordable electricity supply and contributed to improving NAWEC's financial position in the long run. Statistical discrepancies between the fiscal deficit and its financing and between the fiscal and monetary accounts for central government financing from the banking system were reduced significantly with the support of IMF technical assistance.¹

Text Table 1. The Gambia: Fiscal Performance in 2025
(Percent of GDP)

	2025 4th Review	2025 Act.
Revenue	24.4	24.4
Domestic revenue	15.2	15.4
Taxes	12.9	12.8
Non-tax	2.2	2.6
Grants	9.3	9.0
o/w. Budget support	2.0	2.4
Expenditures	25.6	29.4
Expenses	15.4	18.7
Compensation of employees	5.3	5.1
Use of goods and services	3.0	3.1
Interest	3.0	3.3
External	0.5	0.6
Domestic	2.5	2.7
Subsidies and transfers	4.2	7.2
Net acquisition of nonfinancial assets	10.1	10.7
Foreign financed	8.2	9.2
Gambia local fund	2.0	1.5
Net lending (+)/borrowing (–)	–1.1	–5.0
Financing	1.1	5.4
Net acquisition of financial assets	0.0	0.0
Net incurrence of liabilities	1.1	5.4
Domestic	2.2	5.0
o/w. Net borrowing	0.9	3.8
o/w. RCF/ECF (Onlent)	0.4	0.3
Foreign	–1.1	0.4
o/w. Borrowing	1.3	2.6
Statistical discrepancy	0.0	–0.4
Memorandum item		
Domestic primary balance	0.7	–1.5

Sources: The Gambian authorities; and IMF staff estimates.

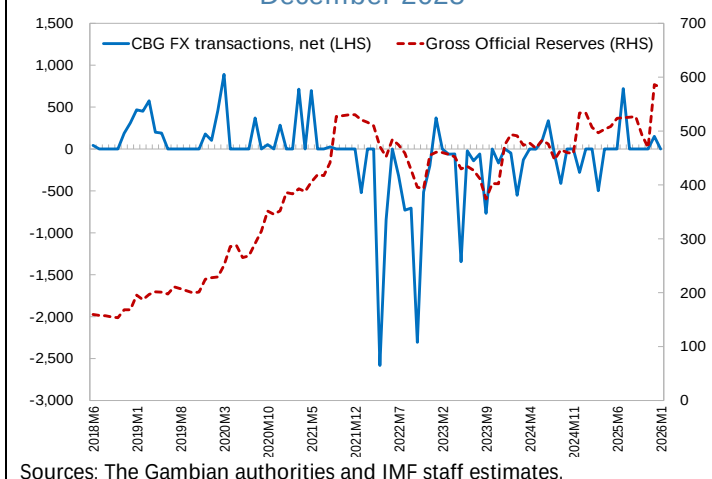
¹ Expenditures in 2025 include repayments of guarantee calls on CBG's lending to the National Food Security Processing and Marketing Corporation (NFSPMC) in 2023–24, totaling approximately 0.5 percent of GDP. CBG

(continued)

10. The monetary policy stance remains tight despite recent cuts in the policy rate (MEFP ¶15). The Central Bank of The Gambia (CBG) reduced its policy rate by a total of 300 basis points in December 2025 and February 2026—bringing the rate to 14 percent and keeping real interest rates firmly in positive territory. The decision reflected a judgment that inflation pressures were easing and that a cut in the policy rate could foster domestic demand and help support strong economic growth momentum.

11. The foreign exchange market is functioning smoothly and the external position has improved (MEFP ¶16 and Text Figure 3). The exchange rate vis-à-vis the US\$ depreciated by an average of 4.2 percent during 2025. The wedge between the official and parallel exchange rates has remained around 1.5 percent in recent months, compared to a peak of 10 percent in mid-2022. These developments, combined with the increase in tourist arrivals, private remittance inflows, and disbursements from the Fund and other partners in 2025 have helped stabilize the forex market. Foreign reserves outperformed targets at end-December 2025. The current account deficit is projected to have declined to 4.1 percent GDP in 2025, from 6.5 percent in 2024, as import growth slowed down. Staff assesses that The Gambia's external position in 2025, grounded on the current account assessment, is still estimated to be moderately weaker than the level implied by medium-term fundamentals and desirable policies. This reflects elevated imports largely driven by high fiscal expenditure during the year (Annex III).

Text Figure 3. The Gambia: Central Bank Net Forex Purchases and Gross International Reserves, 2018-December 2025

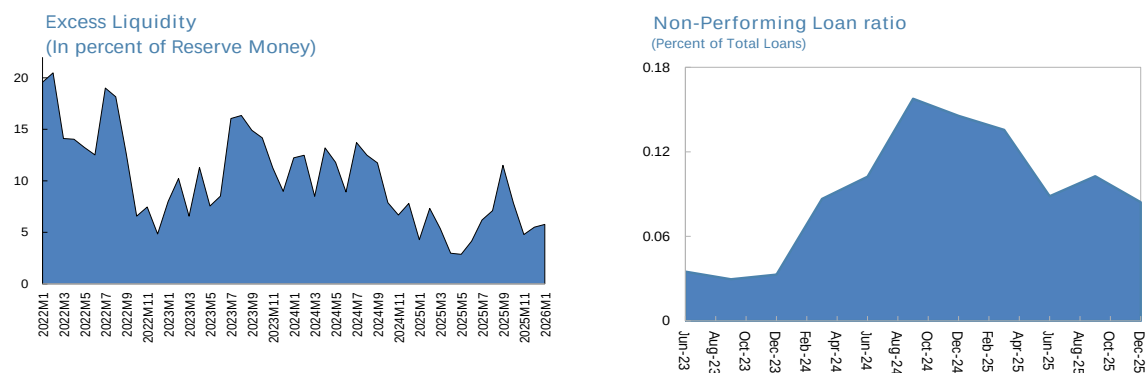


Sources: The Gambian authorities and IMF staff estimates.

12. The banking sector remains resilient despite recent challenges (MEFP ¶17 and Text Figure 4). Banks' capital adequacy and liquidity ratios significantly exceed regulatory minimums, standing at 24.4 and 78.8 percent, respectively, at end-2025. Non-performing loans (NPLs) declined from 24.7 percent at end-2024 to 8.4 percent by end-2025 supported by ongoing loan restructuring efforts and improved repayment conditions but remain well above their historical average. Private sector credit growth remained robust at 10.4 percent, while banks' excess reserves fell to 5.5 percent of reserve money at end-2025.

provided credits in US dollars and Gambian dalasi to NFSPMC for the supply of fertilizers to farmers and for the purchase of groundnuts, respectively. The Gambian government guaranteed the repayment of these facilities to safeguard CBG's exposure, consistent with staff recommendations.

Text Figure 4. The Gambia: Banking Sector



Sources: The Gambian authorities and IMF staff calculations.

OUTLOOK AND RISKS

13. The ongoing war in the Middle East is affecting significantly the macroeconomic outlook and amplifying domestic risks (MEFP ¶9). Spillovers from the war in the Middle East through rising fuel, food, and fertilizer prices are starting to have a large impact, notably through a surge in fuel import costs. With limited bargaining power, The Gambia has faced disproportionate price increases of 86 percent for gasoline and 89 percent for diesel by early June, compared to pre-war prices in February.

The authorities responded decisively with price increases through June reaching 38 percent for gasoline and 36 percent for diesel cumulatively. Higher prices are putting significant pressure on fiscal accounts, exacerbating the cost-of-living crisis and weighing on economic activity, including through their impact on agricultural activities, tourist arrivals, and remittance flows. As a result, growth is projected to moderate to 4.7 percent in 2026 (down from 5.1 percent projected during the fourth review), before stabilizing at around 5 percent in the medium term. Inflationary pressures have reemerged, delaying attainment of the CBG's inflation target by at least another year. High price levels could lead to socio-political tensions and exacerbate risks to fiscal targets due to the elections. In addition, more frequent natural disasters could damage infrastructure and livelihoods and adversely affect growth, inflation, and external balances (Annex II).

Text Figure 5. The Gambia: Price Growth

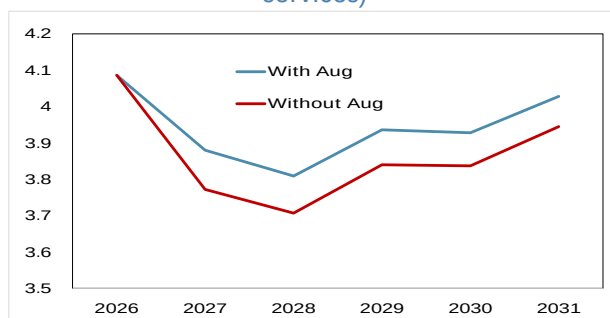


Source: IMF staff estimates.

14. The impact of the war will be felt especially in the BOP and is anticipated to put pressure on reserves (MEFP ¶10 and Text Figure 6). Elevated oil prices are expected to directly increase current account deficits this year and the next, by 1.4 percent of GDP and 1.1 percent of GDP, respectively. Additionally, higher oil prices and other factors, such as heightened risk aversion, will indirectly affect the current and financial accounts through slower-than-expected growth

in tourism and remittances and reduced direct investment compared to the fourth review. Such indirect effects are expected to linger through 2027, dragging down international reserves by around US\$16 million without the proposed ECF augmentation. Consequently, the reserve-to-prospective imports ratio, without the proposed ECF augmentation, is projected to decline from 4.1 in 2026 to 3.8 in 2027 and remain below 4—the adequate level of international reserves (Annex III) for The Gambia—by 2031, while the augmentation will maintain the ratio at 3.9 in 2027 and enable the recovery of the adequate level of international reserves by 2031.

Text Figure 6. The Gambia: Gross Foreign Reserves
(In months of next year's imports of goods and services)



Source: IMF staff estimates.

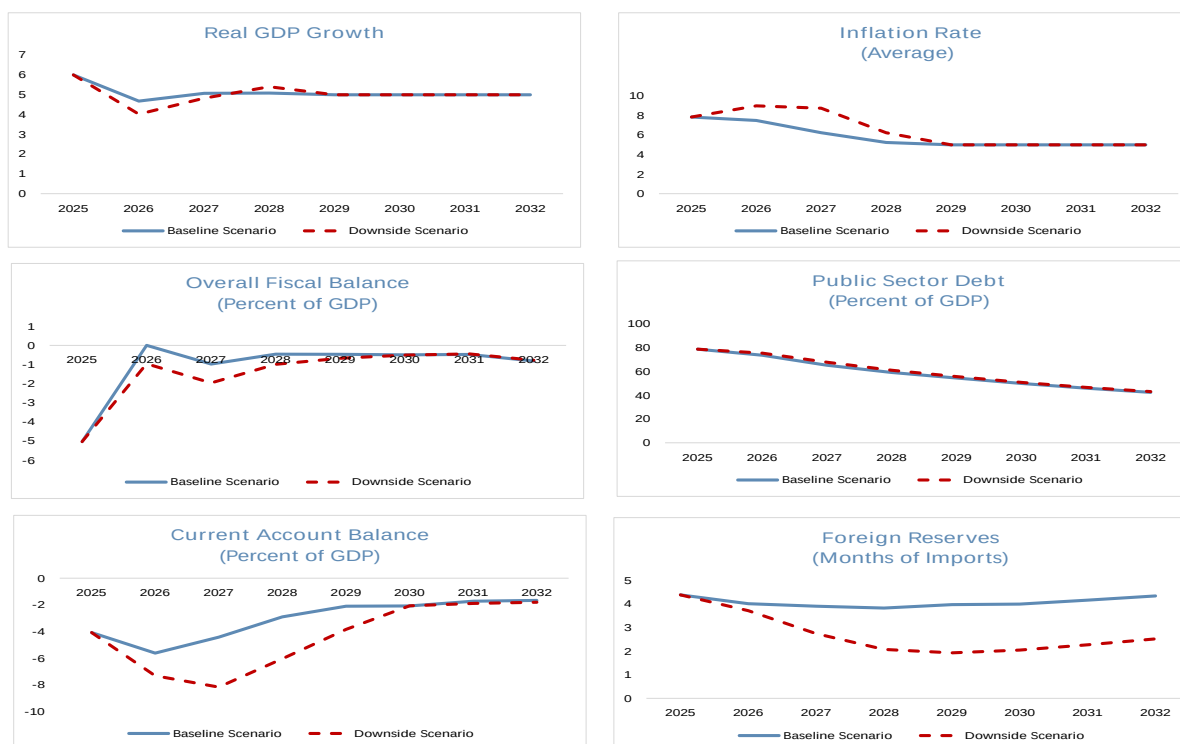
15. Sensitivity analysis further underscores risks to the outlook. Under an illustrative sensitivity analysis calibrated based on a further 10 percent increase in global oil prices relative to the baseline in 2026 and 2027, real GDP growth is projected to reach 4 percent in 2026 and 4.8 percent in 2027, 0.7 and 0.3 percentage points lower during 2026-27. Inflation would accelerate to average 9 percent and 8.8 percent in 2026 and 2027, respectively, while the current account deficit would widen to 7.3 percent of GDP and 8.2 percent of GDP. Assuming unchanged policies, fiscal deficits would widen while the debt reduction path would largely remain on track and the NPV of debt would still remain well below the threshold of 70 percent of GDP (Text Figure 7).

Authorities' Views

16. The authorities broadly agreed with the staff's assessment of the outlook and risks but expressed more optimism about near-term growth prospects. They expected stronger growth supported by strong construction activity, investments in the energy and infrastructure sectors and continued expansion in digital financial services. The public investments over the recent years in the road infrastructure and the energy access of more than 90 percent will boost overall economic growth. They also saw scope for a lower inflation outturn based on current trends. Going forward, the authorities highlighted that the ambitious structural reforms agenda embedded in their 2023-27 *Recovery focused-National Development Plan* would help strength macroeconomic stability, incentivize investment and boost private-sector-led growth, as well as enhance the country's resilience to climate change. They broadly concurred with the staff's assessment of the external

sector, BOP outlook, and the trajectory of gross international reserves. They agreed with risks to the growth outlook stemming from the war in the Middle East.

Text Figure 7. The Gambia. Selected Macroeconomic Variables under the Baseline and Downside Scenarios



Sources: The Gambia authorities and IMF staff estimates.

PROGRAM PERFORMANCE

17. Program performance under the ECF has been mixed (MEFP ¶8 and MEFP Tables 1-5).

- Quantitative Performance criteria (QPCs) and indicative targets (ITs): Five out of seven QPCs and all four ITs for end-December 2025 were met. The QPCs on the domestic primary balance (DPB) and net domestic borrowing (NDB) were missed by 1.9 percent of GDP and 2.8 percent of GDP, respectively, mainly due to expenditure overruns (¶19).
- Structural Benchmarks (SBs): Out of ten SBs for this review, three SBs for end-December 2025 and January 2026 were met on time. Two SBs, for end-December 2025 on the submission to cabinet a tax expenditure report and for end-March 2026 on the adoption by the cabinet of a revised PFM Act in line with agreed IMF recommendations, were not met but completed with a delay. The SB on the reconciliation of the source of inconsistencies between the fiscal and monetary accounts was not met and is proposed to be elevated to a prior action for this review (prior action 2). It was completed in April. In addition, four end-June 2026 SBs were missed and are proposed to be rephased. The authorities need more time for their implementation,

including starting operations of the anti-corruption commission subject to National Assembly approval, requiring MDAs to present quarterly updates to their cash plans through IFMIS and the operationalization of a maximum deviation rule, the publication of an arrears payment schedule in line with the adopted arrears clearance strategy, and the privatization of GAMCEL.

- Reform Measures under the RSF arrangement: Out of the three RMs for this review, one RM has been completed; RM2 on incorporating the potential impact of natural disasters to the MTEFF; while the implementation of a carbon-based excise (RM8), in line with IMF TA recommendations is expected to be completed by the Board date. RM4 is proposed to be rephased to end-December 2026 as the authorities are facing coordination challenges to adopt a transition taxonomy and establish a climate data repository of taxonomy-aligned data and need more time to finalize banking supervisory regulations.

POLICY DISCUSSIONS

The Gambia's high vulnerability to shocks and significant development needs call for a comprehensive reform agenda to promote inclusive and sustainable growth. Policy discussions focused on (i) the request of the augmentation, extension, and rephasing under the ECF arrangement; (ii) corrective measures to keep program targets on track, while providing space for addressing the impact of the war; (iii) addressing weaknesses in PFM and fiscal reporting that are contributing to statistical discrepancies; (v) setting the fiscal parameters for the 2027 budget; and (iv) steps to strengthen the CBG's governance and financial stability. The Article IV consultation was underpinned by staff analytical work on The Gambia's revenue structure and steps to enhance domestic revenue mobilization; structural barriers to realizing The Gambia's growth potential; and the potential long-term impact of climate change on food security.

A. Reducing Debt Vulnerabilities, Strengthening Fiscal Consolidation, and the Fiscal Policy Framework

18. Fiscal policy in 2026 needs to be tightened to re-establish the consolidation path and safeguard debt sustainability amid heightened external headwinds (MEFP ¶11 and Text Tables 2-3). To preserve the program debt path and compensate partially for the fiscal slippages in 2025, the authorities need to reduce the overall budget deficit by one percent of GDP. This will require stepped-up revenue mobilization, including 0.5 percent of GDP in

Text Table 2. The Gambia: Fiscal Estimates for 2026–2027
(Percent of GDP)

	2026 4th Review Proj.	2026 Proj.
Revenue	24.7	26.7
Domestic revenue	15.8	15.1
Taxes	13.3	12.6
Non-tax	2.5	2.5
Grants	8.9	11.6
o/w. Budget support	1.5	2.8
Expenditures	25.7	26.7
Expenses	16.1	15.8
Compensation of employees	5.1	5.0
Use of goods and services	3.7	3.1
Interest	3.4	3.3
External	0.6	0.6
Domestic	2.8	2.8
Subsidies and transfers	4.0	4.4
Net acquisition of nonfinancial assets	9.6	10.9
Foreign financed	7.8	9.1
Gambia local fund	1.8	1.7
Net lending (+)/borrowing (–)	–1.0	0.0
Financing	1.0	0.0
Net incurrence of liabilities	1.0	0.0
Domestic	2.6	1.8
Foreign	–1.5	–1.8
Statistical discrepancy	0.0	0.0
Memorandum item		
Domestic primary balance	1.3	0.9

Note: The revision in nominal GDP complicates direct comparisons between ratios reported in the fourth and fifth review staff reports.

Sources: The Gambian authorities; and IMF staff estimates.

revenue-raising measures, safeguarding fuel revenue despite significant increases in fuel import prices, and reallocating 0.5 percent of GDP of non-war-related spending to expenditures financed by a World Bank grant to mitigate the impact of the war. To this end, the authorities are requesting \$38 million (1.4 percent of GDP) using the World Bank Contingent Emergency Response Project (CERP) clauses, which allow access to 10 percent of the undisbursed value of projects to address unexpected shocks.

- On the revenue side, the impact of the war in the Middle East on domestic revenue will be partly offset by the following policy measures:

- Maintain a high pass-through on domestic fuel prices. May 2026 pump prices reflect full

pass-through for gasoline and a reduced subsidy for diesel, reducing projected annual fuel revenues vis-à-vis the budget by GMD 1.8 billion (0.9 percent of GDP). Prices are expected to be maintained through the end of the year to ensure fuel revenues do not decline further. Targeted cash transfers to the most vulnerable households will help mitigate the social impact (see below).

- Take 0.5 percent of GDP in revenue-raising measures to further strengthen tax revenue collection in 2026H2, including through:
 - The newly proposed withholding of direct donor payments² and continued improvements in compliance, including through financial sector audits (about 0.15 percent of GDP).
 - Collecting dividends from Gambia Port Authority (GPA), Gambia National Petroleum Corporation (GNPC), and Gambia Printing and Publishing Corporation (GPPC), Gambia Civil Aviation Authority (GCAA), Gambia Radio & Television Services (GRTS) (about 0.06 percent of GDP).
 - Continued improvements of compliance in CIT and excises through revenue assurance (about 0.1 percent of GDP).
 - Improving collection of annual landed property rents through third-party data sharing (about 0.05 percent of GDP).

Text Table 3. The Gambia: War-related Impact and Fiscal Measures for 2026
(Percent of GDP)

	Policy measures	War-related shocks
Tax revenue	0.4	-0.9
Nontax revenue	0.1	...
World Bank grant	...	1.4
Non-war-related spending	-0.5	...
War-related support	...	0.5
Impact on overall fiscal deficit	-1.0	0.0

Sources: The Gambia authorities and IMF staff calculations.

² This measure will extend tax withholding on direct payments made to contractors, consultants and suppliers of donor-funded projects, which are currently not taxed. Additional revenue is expected based on the procurement plan of donor funded projects.

- o Further improvements of compliance in excises and VAT in the telecom sector and CIT collection (about 0.1 percent of GDP).
- o Non-tax revenue will be bolstered further by digitalizing collections and raising selected user fees, and the authorities have made good headway in discussions with Africa50 to ensure that receipts included in the 2026 budget materialize or are exceeded.
- On the expenditure side, the authorities are committed to managing spending pressures in the election year through strict expenditure prioritization and control. They plan to reallocate 0.5 percent of non-war-related expenditures to expenditures financed by a World Bank grant to protect the vulnerable population and mitigate the impact of the war in the Middle East as short-term shock relief;
 - o The authorities plan to provide additional cash transfers to at least the 20 percent most vulnerable households to buffer the impact of energy price increases, by reallocating resources (about 0.3 percent of GDP).
 - o Furthermore, other crisis-related spending, such as subsidies and transfers to agriculture and energy sectors, as well as food relief including school feeding will be accommodated (about 0.2 percent of GDP).
 - o To remain within the overall budget envelope, spending of about 0.5 percent of GDP on several items not related to the war in the Middle East will be reduced, including training, travel and consultancies and rent and land compensation. Details will be shared in a published plan, developed in consultation with the Cabinet, and in line with the Public Finance Act (2014) and the program macroeconomic framework (prior action 1).
 - o As a contingency, in the event of revenue shortfalls, the authorities are committed to implementing expenditure cuts to ensure that fiscal targets are met, while ensuring that cuts will be limited to non-war related spending and safeguard poverty-reducing spending, with the increased IT target as a safeguarding measure.

19. The 2027 budget framework will need to address continued fiscal pressures arising from the war in the Middle East, while firmly reducing debt vulnerabilities (MEFP ¶12). The draft budget targets an overall deficit of 1.0 percent of GDP to sustain fiscal consolidation efforts and keep reducing public debt in line with program parameters. Ongoing revenue mobilization efforts are expected to further bolster the tax-to-GDP ratio to 13.4 percent, despite continued revenue losses from fuel price subsidies, given elevated international oil prices. On the expenditure side, the authorities are working, with the help from the IMF TA, on designing a predictable, yet flexible wage adjustment mechanism in line with fiscal sustainability, especially in subvented agencies. Along with lower borrowing for externally financed capital expenditure, this should provide space for short-term shock relief, such as fertilizer subsidies and crop financing through transfers to the National Food Security Processing and Marketing Co-operation (NFSPMC) and revenue compensation for NAWEC, which will be needed to cover the elevated cost of input prices in the agricultural and energy sectors (totaling about 1.1 percent of GDP). In addition, the 2027 budget would initiate the repayment of arrears in line with the planned repayment schedule (see

below).³ As in 2026, the authorities should protect poverty spending and priority outlays to enhance access to health and education.

20. The authorities have made good progress in resolving statistical discrepancies (MEFP ¶13). They are working closely with the IMF TA staff to resolve discrepancies in fiscal reporting (both between above- and below-the-line accounts and between fiscal and monetary data) so that data can be reliably assessed for policymaking and program monitoring. The discrepancy between above-and below-the-line accounts has been reduced to 0.4 percent of GDP. Completion of an in-depth reconciliation of central government net financing from the banking system for 2024–25 that (i) quantifies the statistical discrepancy between fiscal and monetary data, (ii) attributes the discrepancy to specific, documented sources supported by underlying data where available, and (iii) identifies any residual data gaps with a time bound, monitorable action plan to resolve them is a priority (prior action 2) and was completed in April. To strengthen fiscal reporting, the authorities will establish a quarterly reconciliation process between the Accountant General Department (AGD) and the Directorate of Economic Policy and Research (DEPR). This process will ensure that all payments from the Treasury Main Account (TMA) are accurately classified using the correct Chart of Accounts codes and incorporated into the Statement of Government Operations (SGO) in a timely manner. Staff welcomes the authorities' commitment to providing timely information to the IMF should the government extend any explicit guarantees on SOE debt.

21. Revenue mobilization remains central to development and fiscal consolidation objectives (MEFP ¶14). Strong progress notwithstanding, staff's analytical work points to remaining gaps in revenue mobilization. Accordingly, tax administration reforms and base-broadening measures should remain central elements of the authorities' fiscal strategy. To achieve the target set out in the 2026-2030 Domestic Resource Mobilization Strategy, the authorities will need to further strengthen tax collection. They need to conduct a full VAT review to modernize its design and administration and improve revenue productivity (SB proposed to be rephased to end-May 2027). Also, they need to implement recommendations regarding property taxation and seek further IMF support to increase local government revenue mobilization. A tax expenditure statement covering data through 2025 has been finalized and transmitted to Cabinet (SB for end-December 2025). Over the medium term, the government is planning to unbundle the Income and Value Added Tax Act (IVATA) into two separate acts to simplify compliance. The modernization of the VAT system will focus on digital and non-resident supplies, as well as international taxation. In the same timeframe, the authorities are planning to reform and modernize the Customs and Excise Act. On revenue administration, the authorities are committed to building on past TA and progress on audits to continue improving sectoral compliance improvement plans.

22. Improving cash management and addressing the underlying causes of arrear creation are critical to improving public financial management (MEFP ¶15). The authorities are revising the PFM Act (SB for end-March 2026, completed in April) to improve budgeting, tighten virement

³ While the schedule is yet to be finalized, current projections include clearance of GMD 6.6 billion in arrears over 2027–30, with annual amounts of 0.5, 2.2, 2.4, and 1.5 billion, respectively.

rules, strengthen expenditure controls and formalize an arrears reporting and monitoring framework. Based on the arrear stocktake and building on the strategy to institutionalize the arrears monitoring and reporting framework to address PFM weaknesses that led to pending payment accumulations (SB for end-January 2026), the authorities will now focus on publishing a payment schedule of verified arrears (SB for end-June 2026, proposed to be rephased to end-July 2026), prioritizing long-standing arrears and arrears owed to micro and small enterprises.⁴ In addition, the authorities will start implementing the priorities identified in the strategy, including quarterly monitoring of arrears. To improve cash management, the authorities will 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 (SB for end-June 2026, proposed to be rephased to end-August 2026). In addition, building on recent TA, the authorities will continue strengthening cash management and forecasting, by operationalizing a robust monthly rolling cash forecasting framework, initially focused on forecasting cash in the next three months and month-end TSA balances (new SB for end-September 2026).

23. The current war in the Middle East and volatility in energy markets will affect NAWEC's financial viability and risks (MEFP ¶16). The phase-out of Karpower's contract in 2025, alongside a switch to cheaper imports from Guinea through the OMVG network have reduced the average cost of electricity. Nonetheless, greater reliance on electricity imports has also heightened energy security concerns, particularly in the current context. NAWEC has invested in bringing domestic generation capacity back online, which has led to arrear accumulation with both SENELEC and EDG amounting to US\$44 million. In addition, NAWEC's costs are expected to increase due to higher import prices. In the medium term, bringing the 50MW solar power plant in Soma onstream will further decrease electricity costs. On transmission and distribution, the commissioning of a new transmission line has reduced technical losses and the authorities are implementing a plan to further reduce non-technical losses, which will contribute to improving NAWEC's financial situation. The authorities have also digitized payment infrastructure via the development of a new app, simplifying payment procedures. Finally, the Ministry of Energy and Petroleum will lead on developing a roadmap to achieve cost-recovery through tariff and non-tariff measures (RM9, proposed to be rephased to end-February 2027). Key priorities for electricity tariff reform include improving data collection and analytics and conducting a robust cost of supply study.

24. While there has been some progress, SOE oversight should be strengthened to contain fiscal risks, which have contributed to fiscal slippages in 2025 (MEFP ¶17). Reforms on SOE Board composition and performance contracts are starting to yield positive results. Following the termination of the relationship with Karpower, NAWEC's financial balance is starting to improve. However, further steps are needed to strengthen SOE governance and fiscal risk management, including reinforcing the monitoring framework by ensuring the timely submission of standardized

⁴ The exercise completed by end-December 2025 found arrears of 3.5 percent of GDP as of end-June 2025, of which 47 percent are owed to international institutions (international contributions constitute around 88 percent of arrears to international institutions, with the rest classified as goods and services), 30 percent to large companies and 3.5 percent to small and medium enterprises. Arrears were linked to their corresponding Chart of Accounts code, and none of them relate to interest or principal debt repayment.

financial reports by major SOEs to MOFEA and consolidating SOE fiscal risk analysis in the Fiscal Risk Statement. SOEs should also adopt a harmonized international accounting framework and clear the audit backlog as soon as possible. Advancing the partial or full privatization of GAMCEL is well underway and would further support efficiency gains within the broader public sector (SB for end-June 2026, proposed to be rephased to end-December 2026).

25. Public debt is deemed sustainable over the medium term, but risks of external and overall debt distress remain high. The debt reduction path remains broadly in line with previous projections. However, following the upgrade of the country's debt-carrying capacity to strong, the PV of total public debt is now projected to remain well below the benchmark of 70 percent of GDP throughout the forecast horizon. The updated DSA shows breaches in the indicative thresholds for the PV of external debt-to-exports, external debt service-to-exports and external debt service-to-revenue. These breaches reflect continued weaknesses in projected exports in the early years and rising debt service commitments in the medium term. Also, the projected debt path critically hinges on the sustained implementation of consolidation efforts. To reduce debt vulnerabilities in line with the ECF program's objective, the authorities need to continue fiscal consolidation, implement a strong medium-term fiscal framework, bolster domestic revenue mobilization, rely on grants and concessional financing, and, importantly, contain contingent liabilities, including those arising from SOEs and PPPs.

Authorities' Views

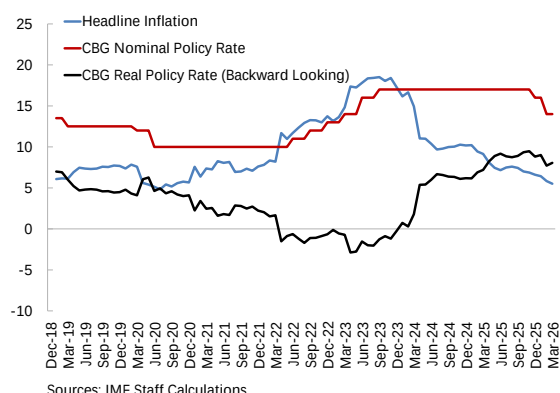
26. The authorities concurred with the need to maintain a prudent fiscal policy stance and push ahead with domestic revenue mobilization measures. They agreed on the importance of reversing the 2025 fiscal slippage through revenue measures and expenditure reprioritization, while protecting priority spending amid the impact of the war in the Middle East. They highlighted ongoing efforts to strengthen tax compliance, broaden the revenue base, and improve the efficiency of spending, including through enhanced cash management and procurement controls. They also emphasized their commitment to strengthening fiscal reporting and improving the accuracy of fiscal accounts, including through a regular data reconciliation process and efforts to improve the consistency of fiscal data. The authorities broadly concurred with the staff's projection that the medium-term overall balance would converge to a deficit of about 0.5 percent of GDP.

27. The authorities reiterated their commitment to debt sustainability. They underscored the importance of 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. They emphasized that they would strictly adhere to the agreed external borrowing limits and ensure that state-owned enterprises (SOEs) and public-private partnerships (PPPs) do not give rise to contingent liabilities. While pointing out significant improvements in the financial health of key SOEs, (a number of SOEs will pay dividends to government in 2026), they will continue to closely monitor risks emanating from public entities outside the central government, including NAWEC and the National Road Authority (NRA).

B. Fostering Price and Foreign Exchange Stability

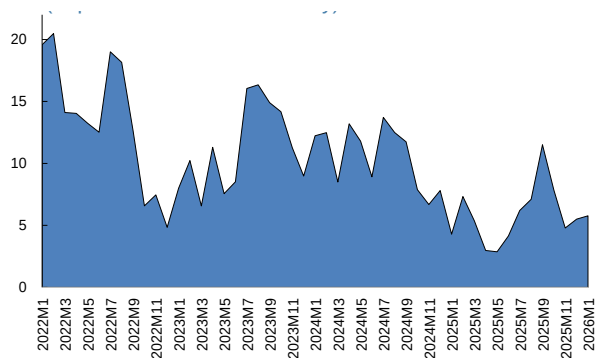
28. A tight monetary policy stance remains essential to support price stability (MEFP ¶18, Text Figure 8). Despite the two recent cuts in the policy rate, the current monetary policy stance remains appropriate given the expected inflation and external pressures. Going forward, staff recommends maintaining a tight monetary policy stance supported by forward-looking analysis in light of increasing inflation due to the impact of the war in the Middle East. This will help a timely return of inflation to the CBG's medium target of five percent. The CBG should remain ready to adjust further if inflation deviates from the baseline, particularly in response to second-round effects from price increases in global food and energy prices. 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 its policy tools as appropriate.

Text Figure 8. The Gambia: Inflation and Policy Rates, Dec. 2018-January 2026



Sources: The Gambian authorities, and IMF staff calculations.

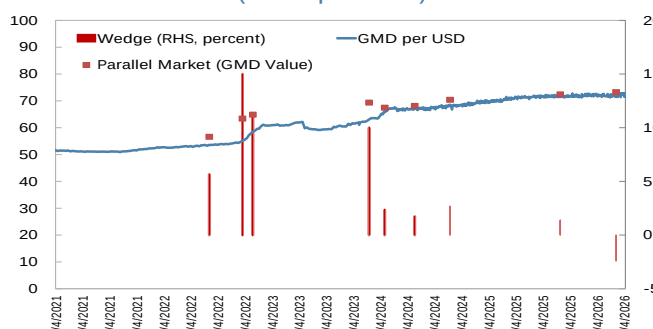
Text Figure 9. The Gambia: Excess Liquidity in the Banking System, Dec 2021–December 2025 (In percent of reserve money)



Sources: The Gambian authorities, and IMF Staff calculations.

29. Maintaining a market-determined exchange rate is key to preserving external stability and supporting economic competitiveness (MEFP ¶19, Text Figure 10). The CBG is encouraged to continue implementing its 2023 foreign exchange policy to prevent a return of forex shortages and disparities with the parallel market, thereby safeguarding international reserves. Increased exchange rate flexibility, combined with fiscal consolidation, will aid in rebalancing the current account. Foreign exchange interventions should be limited to situations of market disorder or excessive volatility, and the CBG's

Text Figure 10. 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).

forex intervention policy should reflect these principles. The CBG plans to finalize a new electronic FX data collection system to ensure timely publication of official exchange rates.⁵

Authorities Views

30. CBG officials concurred with the need to carefully assess their monetary policy stance in line with the medium-term inflation target. They agreed that careful monitoring of price pressures will be critical in the current environment and underscored that the CBG remains prepared to calibrate monetary policy as warranted to ensure price stability. They emphasized that they would continue to use a combination of various policy tools to manage domestic liquidity, while maintaining an exchange rate that reflects market dynamics.

31. CBG officials reiterated their commitment to implementing the 2023 foreign exchange policy. They highlighted that this would safeguard FX reserves, prevent FX shortages, and meet debt service payments. They highlighted that they are finalizing a developed forex intervention policy which would be used to address excessive volatility due to large non-fundamental shocks and reserves accumulation. They pointed out that 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.

C. Strengthening Financial Stability

32. Further progress in strengthening the regulatory and supervisory framework is needed to enhance the financial system's resilience (MEFP ¶20). While the sector remains resilient, the CBG is encouraged to remain vigilant and closely monitor potential vulnerabilities emanating from credit concentration and high sovereign exposure. Moreover, the NPL ratio remains elevated relative to its historical average despite the recent decline. Therefore, going forward, the focus 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. Staff welcomes the augmentation of banks' minimum regulatory capital by GMD100 million (SB for end-December 2025) and by another GMD100 million each year thereafter reaching a total level of capital of GMD500 million by end-2027 which would enhance the resilience of the banking system.

33. Amendments to the CBG Act to strengthen its mandate, autonomy, and governance need to be accelerated (MEFP ¶21). The CBG is encouraged to finalize draft amendments in consultation with IMF staff. Key recommendations of the 2024 safeguards assessment include establishing domestic price stability as the CBG's sole primary objective, circumscribing the Bank's ability to provide financial support to public entities, ceasing quasi-fiscal development activities, and reviewing profit distribution mechanisms, amongst other things. The CBG Board is committed to

⁵ The Gambia's official exchange rate has two official actions (a two-day lagged official exchange rate and simple average formula) that could give rise to an MCP.

finalizing draft amendments to align with the 2024 safeguards assessment recommendations by end-December 2026 (proposed new SB for end-December 2026).

34. Staff welcomes the CBG's continued commitment to ceasing quasi-fiscal activities (MEFP ¶22). As of end-December 2025, the CBG claims on public entities reached zero from a high of 0.7 percent of GDP in May 2025. The CBG should avoid engaging in quasi-fiscal operations, including through currency swap operations. It will be important to ensure that CBG foreign exchange reserves are not encumbered in connection with swap-related proceeds (prior action 3) as well as to consult with IMF staff before adopting any additional measures that could affect the obligations of the CBG or the Gambian government. To monitor risks, the CBG will provide monthly statements on CBG balances with Afreximbank through end-May 2026 (prior action 4) and thereafter.

35. Efforts to achieve financial deepening are underway and should be intensified. The authorities have implemented the 2021-2025 National Financial Inclusion Strategy, leveraging the deployment of a new payment system by the CBG, the recent launch of the capital market, the expansion of mobile money and fintech, and the expansion of the women enterprise and youth development funds. The aim to provide access to the formal financial system for 70 percent of the adult population by 2025 needs to be re-assessed and further pursued.

Authorities Views

36. The CBG reaffirmed its commitment to strengthening the resilience of the financial sector to ensure financial stability. They pointed out that the banking sector remains resilient, and that system-wide risks are limited, as evidenced by financial soundness indicators and the results of recent stress testing. Nonetheless, due to elevated credit concentration risk, they are nonetheless intent on reducing NPL levels to historical averages. To this end, they are implementing enhanced monitoring 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 scrutiny and potential macroprudential measures. Further, they pointed out that they are confident that all banks would meet the new minimum regulatory capital by end-2027.

37. The authorities remain committed to strengthening central bank independence and amending the CBG Act. They indicated that they have ceased quasi-fiscal operations and do not intend to engage in quasi-fiscal operations through currency swap operations in the future. They have completed a first review of the draft amendments to the CBG Act to strengthen the CBG's mandate, governance, and autonomy. They confirmed that they would implement key recommendations of the 2024 safeguards assessment and highlighted that the draft amendments would establish domestic price stability as the CBG's sole primary objective. They requested IMF assistance in further reviewing the amendments to ensure alignment with the 2024 safeguards assessment recommendations.

D. Advancing Governance and Structural Reforms

38. Continued efforts to strengthen governance frameworks are needed (MEFP ¶23). The authorities expect the anti-corruption commission to commence operations after the three commissioners are sworn-in (SB for end-June 2026 proposed to be rephased to end-December 2026). Separately, the authorities should establish an inter-institutional dedicated body to drive the implementation of the recommendations of the 2023 governance diagnostic assessment which has been very slow due to low cross-institutional consensus and coordination capacity. Delayed governance reforms bear macroeconomic and institutional costs potentially affecting growth and policy credibility. Two key bills remain pending cabinet approval: the revised AML/CFT law drafted in 2024 and the National Audit Office Act (which was submitted to cabinet but sent back to the Ministry of Finance for amendments in September 2025). The authorities should prioritize the digitalization of the compilation of Laws of The Gambia and of the public procurement system to advance transparency and accountability. Notably, by end-2025, the National Audit Office, had cleared the long-standing backlog of central government public accounts audits, with the 2022, 2023, and 2024 audit reports published, a significant step toward restoring timely audits and strengthening oversight.

39. Further policy changes are necessary to enhance the business environment and stimulate private investment (MEFP ¶24). Consistent with staff's analysis of growth drivers, reforms aimed at improving the business environment and strengthening the governance framework would have the largest impact on medium-term growth. The recently approved unified land policy will facilitate access to land and collateral, and the revised GIEPA Act and digital platform for business registration should help to attract investment, lower entry costs, and promote formalization. The standardization of financial reporting through the strengthening of the Standards Committee of the Financial Reporting Oversight Board (FROB) would contribute to better financial governance of public institutions and the corporate sector, hence boosting investor confidence, market integrity and private sector development.

Authorities Views

40. The authorities broadly shared staff's views and expressed their commitment to strengthening governance and promoting strong private sector. They highlighted their intention to implement the recommendations from the governance diagnostic assessment report (GDA) and to operationalize the anti-corruption commission once all the three commissioners are approved and sworn in. 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. 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 the Credit Reference Bureau.

E. Building Resilience to Climate Change

41. The authorities are following up on the implementation of reform measures completed during the first review. The Climate Change Bill (RM1, completed by December 2025) has been approved by the National Assembly and the authorities are working on implementing regulations and formalizing institutional arrangements on climate governance and data sharing that stem from the new Act. Index-based insurance regulations (RM5, completed by November 2025) have been approved by the National Assembly after their endorsement by the Minister of Finance. With such regulation, ongoing pilots supported by development partners now have a formal legal framework and the CBG is committed to further explore increasing insurance availability for small holder farmers, even if premia need to be subsidized initially. Finally, the authorities have received further technical assistance on public investment management so that the adoption of PIM guidelines incorporating climate adaptation and mitigation criteria can translate into real impact (RM 3, completed by December 2025). Nonetheless, further efforts to improve institutional capacity, both at MOFEA and line ministries, is still required to ensure compliance with the guidelines.

42. The authorities are making good strides in incorporating fiscal risks from natural disasters in the budget framework and are taking measures to encourage the energy transition (MEFP ¶25). Staff's analysis suggests that extreme-weather events could revert progress in addressing food security in The Gambia, with stark consequences for fiscal and external accounts. Policy measures, such as the RSF-supported measures on insurance and groundwater, could contribute to promoting additional investment and bolstering agricultural productivity. Extreme-weather events also impact economic activity, government expenditure and tax revenue, in addition to significant and costly delays of capital expenditure projects. The authorities have included an assessment of the potential impacts of natural disasters into the Medium-Term Economic and Fiscal Framework (MTEFF) for 2026-2027 based on IMF TA (RM 2, due end-March 2026). Additionally, despite the volatility in energy markets, they identified a window of opportunity to implement the carbon-based excise as it reduces the fiscal burden on fuels vis-à-vis the existing ad-valorem excise (RM 8, due end-January 2026). However, the authorities will need additional time to finalize the transition taxonomy and to make meaningful progress on climate data (RM 4, proposed to be rephased to end-December 2026).

43. Robust TA is ongoing to support the authorities in implementing RMs covered by the third and fourth RSF reviews (MEFP ¶26). TA has been delivered for all reform measures, including on electricity subsidies. Nonetheless, considering the heightened pressures in energy markets due to the war in the Middle East, the implementation of RM9 is proposed to be rephased (RM 9, proposed to be rephased to end-February 2027). The authorities are receiving support from the French Development Agency on groundwater abstraction and licensing regulations (RM 7, due end-September 2026) and from the World Bank on implementing zoning regulations (RM 6, due end-September 2026), putting achievement of these measures well within reach.

Authorities Views

44. The authorities concurred with the team's assessment of the progress of the RMs. In this regard, they are advancing RSF reforms to strengthen BOP resilience to climate shocks and change. They remain committed to advancing capacity building for climate resilience initiatives beyond the completion of the RSF, focusing on ongoing skills development, strengthening data collection and risk management systems, investing in climate mitigation and adaptation initiatives and fostering strategic partnerships with development partners and the private sector to mobilize and scale up climate finance. The authorities welcomed the climate finance roundtable held in Banjul in March 2026 and highlighted its potential to catalyze additional financial support and to open potential avenues for collaboration and coordination with development partners and the private sector.

F. Capacity Development and Data Quality

45. The contribution of CD to the authorities' reform implementation under the program has been crucial in several areas (Annex V). The most remarkable achievements have been progress in domestic revenue mobilization, exchange rate stabilization, and overall macro financial stability. CD delivery under The Gambia's ECF program is broad-based and aims at supporting credible fiscal consolidation, ensuring debt sustainability, reducing inflation, and implementing structural and governance reforms. Key CD priorities in support of the reform agenda include strengthening revenue administration, deepening PFM reforms, enhancing SOE oversight, supporting financial stability, enhancing governance and the anti-corruption framework, and improving macroeconomic and fiscal statistics (including reducing statistical discrepancies).

46. The authorities are working to improve the quality and availability of economic data (MEFP ¶27). While reporting has been strengthened in recent years, some shortcomings in data provided to the IMF somewhat hamper surveillance, particularly in terms of frequency and timeliness, coverage of national accounts, external sector statistics and price data, and intersectoral consistency. As these shortcomings are largely attributed to capacity limitations, the authorities are expected to continue receiving extensive CD support from the Fund and other development partners to reduce data gaps.

Authorities Views

47. The authorities are committed to enhancing data quality. They broadly agreed with the data adequacy assessment and highlighted that significant progress was recently recorded in the quality of national accounts and monetary statistics, in part thanks to CD support from the IMF and other partners. They are committed to continued CD to strengthen data adequacy, for instance to produce Supply and Use Tables (SUTs) to accurately calculate GDP and resolve intersectoral discrepancies while also noting the need to strengthen absorptive capacity. They identified timely rebasing of the GDP as a high priority.

PROGRAM MODALITIES

48. ECF modalities (Table 12 and MEFP Tables 1–3):

- **Extension and augmentation.** The authorities are requesting, and staff supports, an extension, rephasing of access, and augmentation of the ECF arrangement until July 11, 2027. The ECF augmentation of SDR 12.44 million (20 percent of quota) will help address emerging balance of payments (BoP) needs and external financing risks due to the impact of the war in the Middle East (§13). It will bolster economic resilience and mitigate fiscal vulnerabilities through policies to maintain fiscal and debt sustainability and strengthen public financial management. The augmentation would be used towards sustaining reserve levels above 3.5 months of imports over the medium term. Since The Gambia remains at high risk of distress, the ECF augmentation is triggering Strengthened Policy Safeguards 3 (SPS3) (Annex VII).
- **Schedule of disbursements.** The augmentation would add 20 percent of quota to the original access of 120 percent of quota under the arrangement approved in January 2024. The authorities request a backloading of disbursements under the ECF, with a reduced disbursement at 10 percent of quota for the fifth review and the remaining access to be distributed evenly over the sixth and seventh reviews (25 percent of quota each).
- **Prior Actions.** The fifth ECF review includes four prior actions: (i) publication of a plan developed in consultation with the Cabinet to raise revenues and reallocate expenditures to address spending needs arising from the war in the Middle East, in line with the Public Finance Act (2014) and the program macroeconomic framework; (ii) completing, in consultation with IMF staff, an in depth reconciliation of central government net financing from the banking system for 2024–25 that (a) quantifies the statistical discrepancy between fiscal and monetary data, (b) attributes the discrepancy to specific, documented sources supported by underlying data where available, and (c) identifies any residual data gaps with a time bound, monitorable action plan—endorsed by the authorities—to resolve them; (iii) provision of monthly statements through end-May of the CBG balances with Afreximbank; and (iv) ensuring the CBG foreign exchange reserves are not encumbered in connection with swap-related proceeds.
- **Waiver request.** The authorities request waivers for the non-observance of the two missed PCs, which staff supports, based on the corrective measures they are taking, including a tightening of the fiscal stance by one percent of GDP through additional revenue mobilization efforts and the reallocation of budgetary spending to war-related mitigation expenditures financed by the World Bank (§17), the prior action 1, and a new SB on cash management.

49. RSF modalities (MEFP Tables 4–5):

- **RSF extension and access rephasing.** The authorities request, and staff supports, an extension of the RSF arrangement along with the ECF reviews. Access under the RSF arrangement is proposed to be rephased in line with the expected completion of the remaining RMs. RM4 is

proposed to be rephased to end-December 2026 to allow more time for its completion with TA support as coordination challenges and data shortcomings have delayed implementation. Due to the heightened pressures coming from the war in the Middle East, RM9 is proposed to be rephased to end-February 2027.

50. Program monitoring and conditionality. Program performance for both the ECF and the RSF will continue to be assessed through semi-annual reviews based on QPCs/ITs (MEFP Table 1), SBs (MEFP Table 3), and RMs (MEFP Table 4). The authorities and staff reached an understanding to propose updated conditionality under the ECF arrangement as follows (MEFP ¶29, Tables 12, and MEFP 1–5):

- Quantitative Performance and Indicative Targets
 - o The QPCs on net domestic borrowing and the domestic primary balance and IT on tax revenue for end-June 2026 are proposed to be modified in line with the revisions in the fiscal framework, notably a revised fiscal stance, the impact of the war in the Middle East and reduced disbursements under the ECF and RSF.
 - o QPCs and ITs for end-September and end-December 2026 have been set for the seventh review.
- Structural Benchmarks
 - o Postponed. Five SBs are proposed to be postponed. The SB on a full VAT review to modernize design and administration to improve revenue productivity is proposed to be postponed from end-September 2026 to end-May 2027 as the authorities will prioritize property taxation and will focus on VAT afterward. Subject to National Assembly approval, the SB on the anti-corruption commission starting its operations after the commissioners are sworn in, its executive secretary recruited, and its premises established is proposed to be rephased from end-June to end-December 2026. One of the would-be anti-corruption commissioners has been withdrawn, and a replacement needs to go through the approval process. The anti-corruption commission is expected to commence operations after commissioners are sworn-in which requires more time. The SB on publishing an arrear payment schedule based on adopted arrear clearing principles needs more time to be consistent with broader fiscal objectives and is proposed to be rephased to end-July 2026 from end-June 2026. The SB on having MDAs update their cash plans on a quarterly basis and implement a maximum deviation rule is proposed to be rephased from end-June 2026 to end-August 2026, as some MDAs require additional time to provide updates to their cash plans. The SB on the privatization of GAMCEL is proposed to be rephased to end-December 2026 from end-June 2026 because, despite progress in the privatization process, additional time is required to ensure appropriate due diligence.
 - o New. Two new SBs are proposed to strengthen structural reforms. One SB was added for end-September 2026 on operationalizing a robust monthly rolling cash forecasting

framework, initially focused on forecasting cash in the next three months and month-end TSA balances which aims to continue improving PFM systems. Also, one SB for end-December 2026 was added on the CBG to submit to cabinet, in consultation with IMF staff, draft amendments to the CBG Act in line with the 2024 safeguards assessment recommendations.

51. Capacity to repay: Despite the proposed augmentation, 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 9.2 percent GDP in 2026. Annual debt service to the Fund during 2026-32 would increase from 3.4 to 5.1 percent of government revenue and from 13.7 to 37.2 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.

52. Safeguards: Concerted efforts are needed to implement the remaining 2024 safeguards assessment recommendations. Key outstanding areas include strengthening governance arrangements, ceasing quasi-fiscal development activities, and advancing legal reforms to enhance the CBG's mandate, governance, and autonomy.

53. Burden sharing and financing assurances: The ECF-supported program is fully financed with firm commitments of financing for the next twelve months and good financing prospects thereafter (Table 7). The RSF has triggered additional technical assistance from development partners, and a high-level climate finance roundtable in March 2026 further increased coordination amongst partners and opened potential avenues for collaboration with the private sector. The disbursement of SDR 6.22 million following the completion of the fifth ECF program review will help fill the BOP financing gap, which is in part linked to budget execution; thus, SDR 2.49 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 disbursement will be used as budget support.

54. External arrears: The authorities are engaged in active discussions with Libya to reach a mutual understanding regarding the amounts of debt and the related payment method; the latest communication between the two parties was in March 2026. 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.⁶

55. Program risks and mitigation measures: Protraction of the wars in Ukraine and the Middle East could intensify pressures on commodity prices and the exchange rate and undermine the balance of payments and the fiscal strategy. A global slowdown and disruption in trade may hinder tourist arrivals, remittances and export receipts, and The Gambia is exposed to reductions in financial support from partners. Domestically, limited capacity, high costs of living and the election at end-2026 may constrain reform implementation and introduce resistance to further fiscal consolidation. To mitigate these risks, staff will advise bolstering domestic revenue mobilization, embracing targeted spending restraint, diversifying the economy and strengthening policy buffers.

STAFF APPRAISAL

56. Economic growth has been strong although inflation has increased. 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 6.3 percent (y-o-y) in February 2026 but rebounded to 7 percent in April due to the impact of the war in the Middle East. GDP growth is expected to decelerate and subject to heightened risks given the uncertain global economic outlook.

57. Program performance is mixed. Five out of seven QPCs and all ITs for end-December 2025 were met. The QPCs on the domestic primary balance (DPB) and on net domestic borrowing (NDB) were missed by a large margin due to spending overruns. The obligations under the Article VIII on exchange arrangements are met. Of the ten structural benchmarks (SBs) for this review, three were completed on time, three with a delay, including one that was elevated to a prior action and was completed in April, and four were not met and are proposed to be rephased. Of the three reform measures (RMs) for the second RSF review, one has been completed, another is expected to be implemented by the Board date, and the third is proposed to be rescheduled to end-December 2026.

58. Staff welcomes the authorities' efforts to restore fiscal consolidation and debt reduction after the 2025 slippage. To preserve the envisaged debt path and compensate partially for the fiscal slippages in 2025, the authorities plan to reduce the overall budget deficit by 1 percent of GDP through a combination of tax revenue measures and reallocations of expenditures, protecting the vulnerable population and mitigating the impact on the economy utilizing World

⁶ 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.

Bank support. This will keep fiscal consolidation on track and help to keep public debt on a downward trajectory.

59. It is critical for the 2027 budget to mitigate the negative impact of the war in the Middle East while ensuring that public debt continues to decline. The 2027 draft budget framework appropriately targets an overall deficit of one percent of GDP to sustain fiscal consolidation and keep reducing public debt. The improvement in the debt-carrying capacity classification to strong is welcome. 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 social spending. Fiscal consolidation, containment of fiscal risks from SOEs and PPPs, and the establishment of a robust medium-term fiscal framework remain essential to lower fiscal vulnerabilities over the medium term.

60. A stronger PFM framework is essential to enhance budget credibility and support fiscal discipline and accountability. Improved PFM needs to underpin fiscal consolidation, including through stepped-up efforts to prevent the accumulation of domestic arrears and strengthened control over multi-year commitments. Staff welcomes the authorities' ongoing efforts to improve budgeting processes, expenditure controls, cash management, fiscal reporting, and the efficiency of public spending.

61. Achieving price stability and a market-determined exchange rate should be a priority. In light of upside risks to inflation, a tight monetary policy stance is appropriate. The CBG should stand ready to adjust the monetary policy stance as needed to ensure that inflation converges to the CBG's medium-term target. The Gambia's external position in 2025 is estimated to be moderately weaker than the level implied by medium-term fundamentals and desirable policies. Maintaining a flexible exchange rate through smooth FX market functioning, along with planned fiscal consolidation, is critical to prevent shortages and parallel market gaps and ensure external rebalancing and sustainability.

62. Staff welcomes the CBG's continued vigilance in monitoring financial sector risks and strengthening its financial position. Although the sector remains sound and resilient overall, close oversight of banks with elevated NPLs and concentration risks is important. The risks from the recent swap operation with Afreximbank require careful monitoring. The CBG's commitment to ensure its reserves are not encumbered in connection with swap-related receipts, to refrain from providing financial support to public entities, and to amend the CBG Act in line with IMF safeguards recommendations is welcome.

63. The authorities need to accelerate efforts to enhance governance and bolster private sector development. The approval of all Anti-Corruption Commissioners and the start of the Commission's operations should be prioritized. Staff supports the authorities' commitment to implement the recommendations of the 2023 governance diagnostic assessment. Continued progress on governance reforms and AML/CFT, including the adoption of the AML/CFT law and the National Audit Office Act, alongside digitalization efforts, will strengthen transparency and accountability and foster a more transparent and supportive environment for investors.

64. Strengthening climate resilience should be firmly implemented to safeguard The Gambia's long-term macroeconomic and balance of payments stability. Staff welcomes the authorities' implementation of RSF reforms in close collaboration with partners. This would help enhance the resilience of the country's economy to natural disasters, support the integration of disaster-related shocks into the fiscal framework, and reduce dependence on fuel, thereby contributing to fiscal and external sustainability.

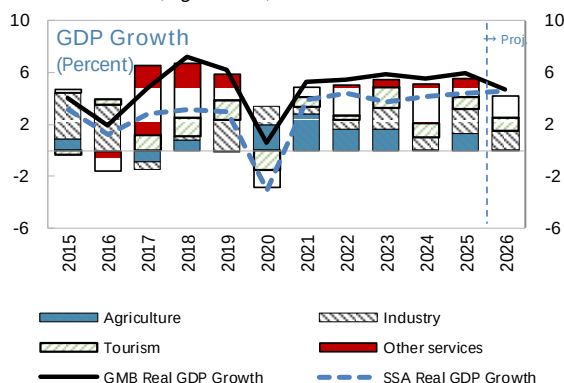
65. Staff welcomes the authorities' efforts to improve the quality and availability of economic data, which are critical for informed decision-making. Devoting appropriate resources, with CD support from the Fund and other development partners, will be critical to tackle significant data gaps, particularly in the areas of fiscal, external sector, and monetary and financial statistics.

66. Staff supports the completion of the fifth review under the ECF arrangement, the associated financing assurances review, and second review under the RSF arrangement. Based on the policy and reform commitments under the MEFP and planned corrective actions, staff supports the authorities' requests for waivers on non-observance of the end-December 2025 QPCs on the NDB and DPB. Staff also supports the authorities' request for the extension, the augmentation, and rephasing of access of the ECF arrangement; modification of performance criteria and indicative targets; and extension and rephasing of access under the RSF.

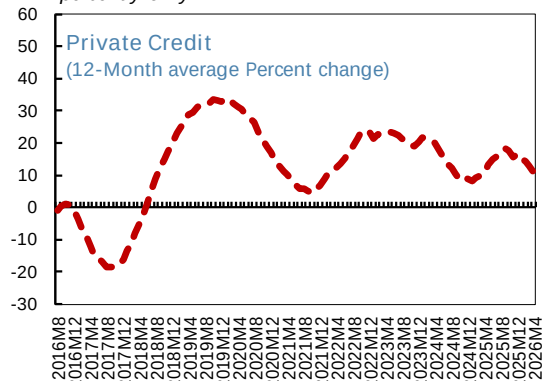
67. Staff recommends that the next Article IV consultation for The Gambia be held on a 24-month cycle in accordance with the Executive Board decision on consultation cycles for members with Fund arrangements.

Figure 1. The Gambia: Recent Economic Developments, 2013–26

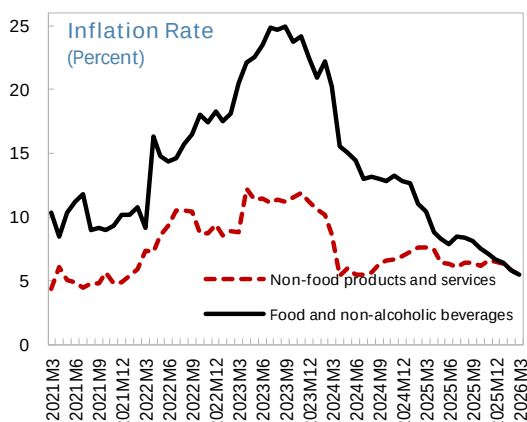
While impacted by the war in the Middle East, the strong economic growth continues, supported by the construction, agriculture, and tourism sectors...



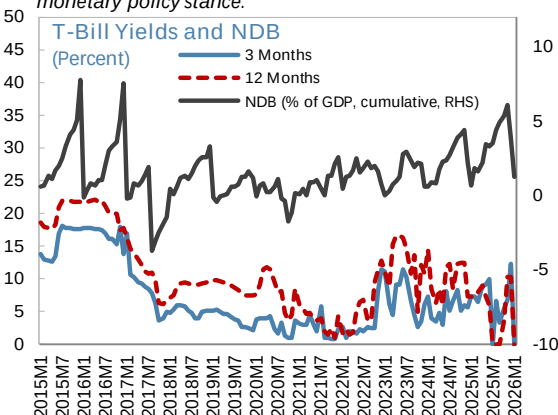
Private credit growth remains robust at around 15 percent y-on-y.



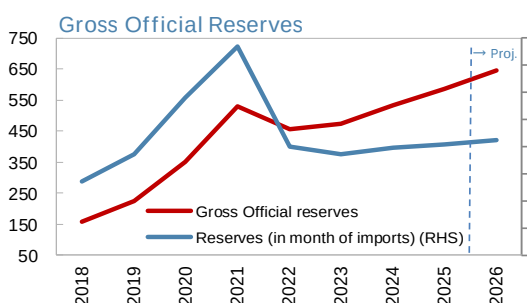
Inflation is easing but remains above the central bank's medium-term target of 5 percent.



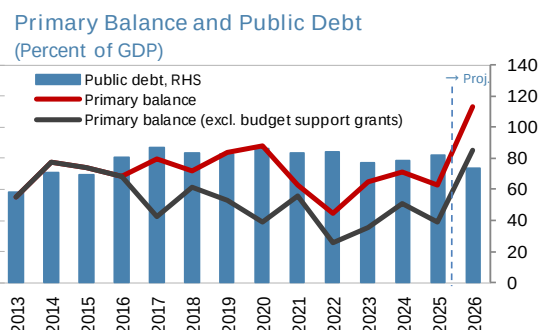
T-bill rates continue to stay elevated due to government's high domestic borrowing needs combined with a tight monetary policy stance.



International reserves at the end of 2025 continue to hover around four months of next year's imports



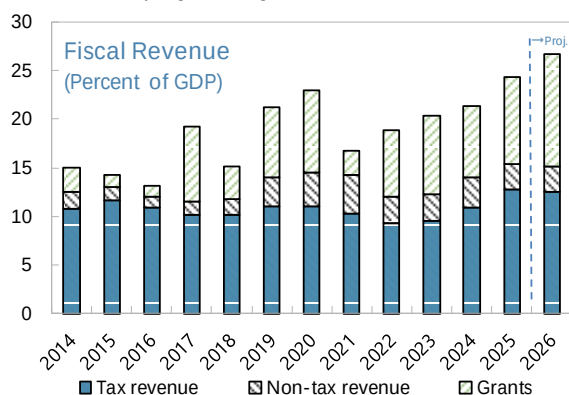
Public debt to GDP remain high, highlighting the need for further fiscal consolidation.



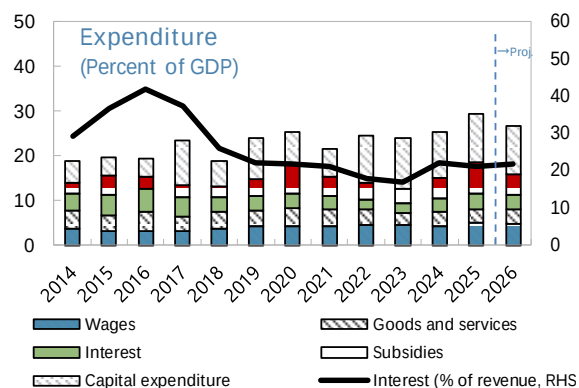
Sources: The Gambian authorities, and IMF staff calculations.

Figure 2. The Gambia: Fiscal Sector Developments, 2013–26

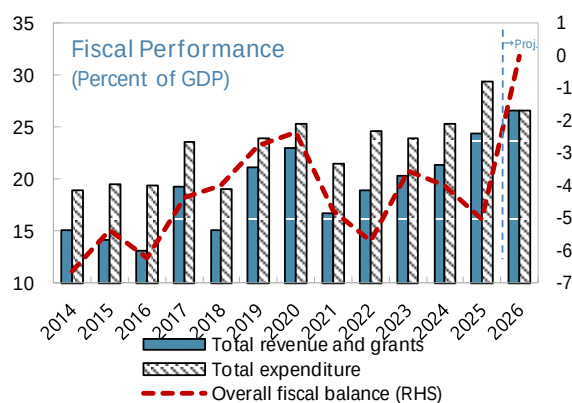
2025 tax revenue collection was strong, and the ambitious program target for end-December was met.



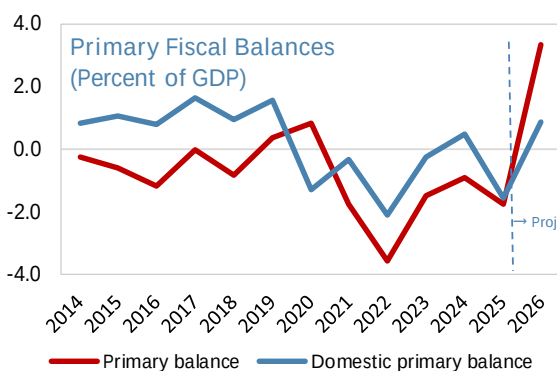
...while expenditures exceeded projections, due to one-off spending pressures and unbudgeted transfers.



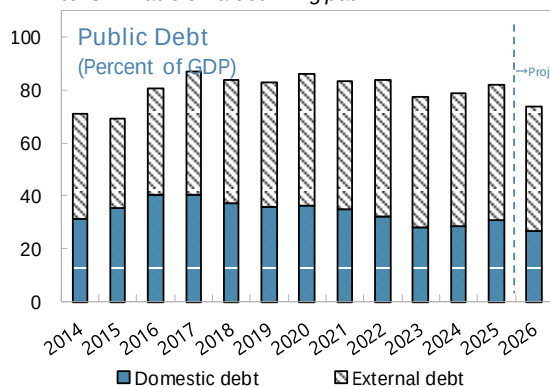
The overall fiscal deficit was higher than expected.



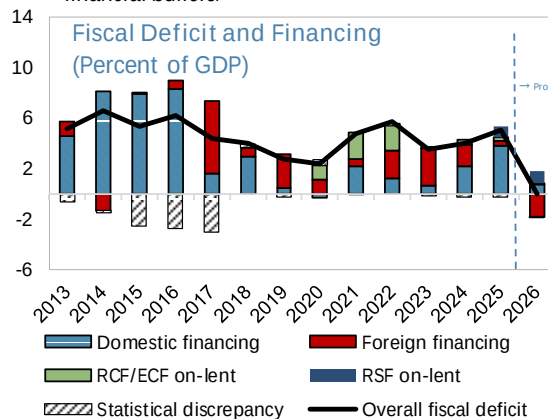
The revised 2026 targets incorporate a tighter fiscal stance.



Meeting 2026 fiscal targets will set public debt-to-GDP ratio on a declining path.



...while the RSF creates long-term policy space and financial buffers.

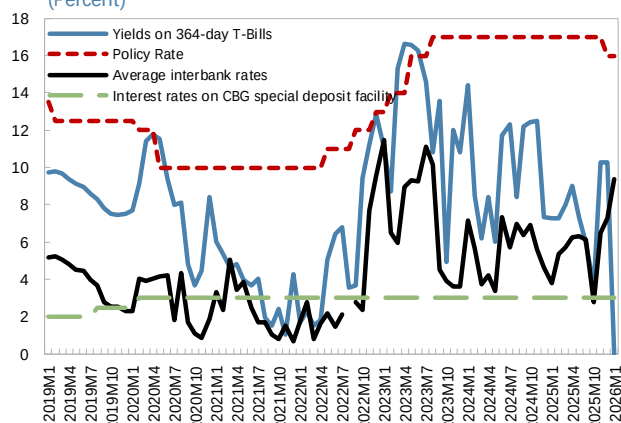


Sources: The Gambian authorities, and IMF staff calculations.

Figure 3. The Gambia: Monetary Developments, 2019–26

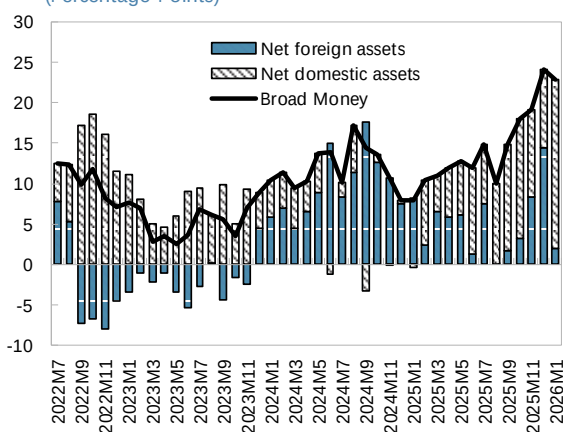
The CBG has maintained a tight monetary policy stance to ensure that inflation declines firmly.

Monetary Policy and Interest Rates (Percent)



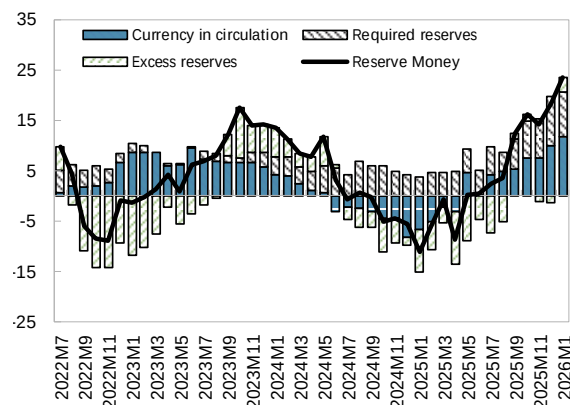
Broad money growth remained at last year's level, driven by increased net foreign assets.

Sources of Broad Money Growth (Percentage Points)



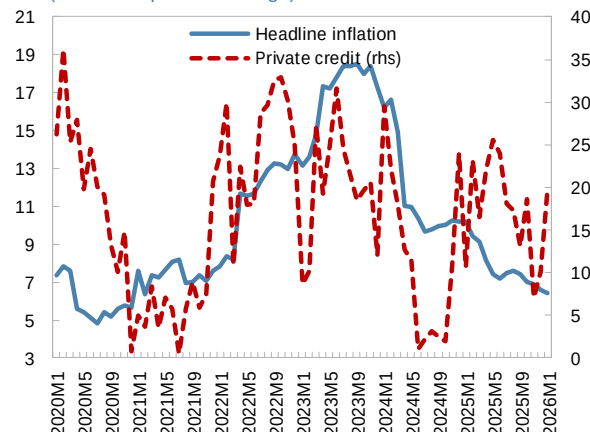
Banks' excess reserves continued to moderate in 2025

Components of Reserve Money Growth (percentage points)



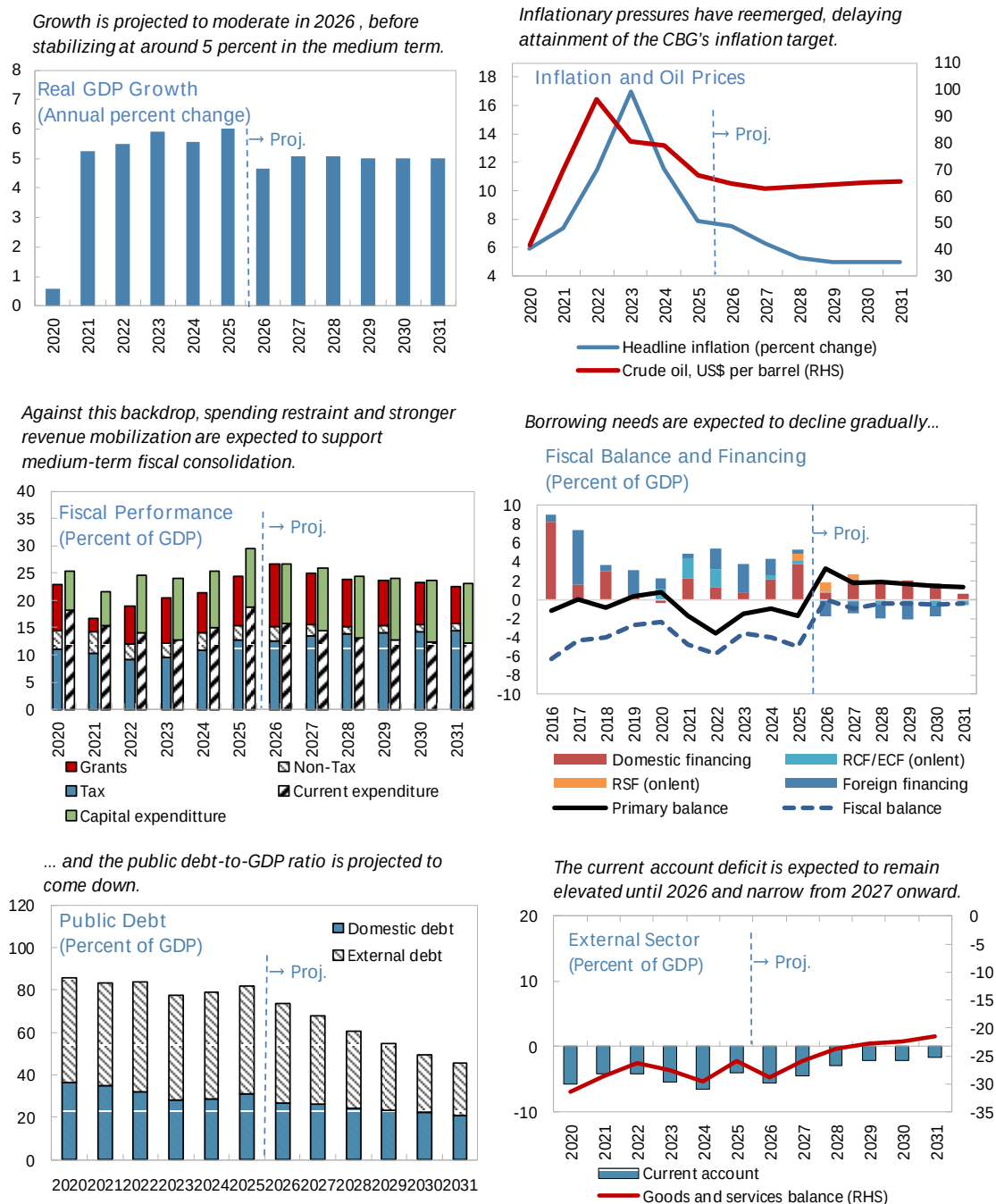
Headline Inflation has decelerated while strong private sector credit growth continues

Inflation and Private Credit (12-month percent change)



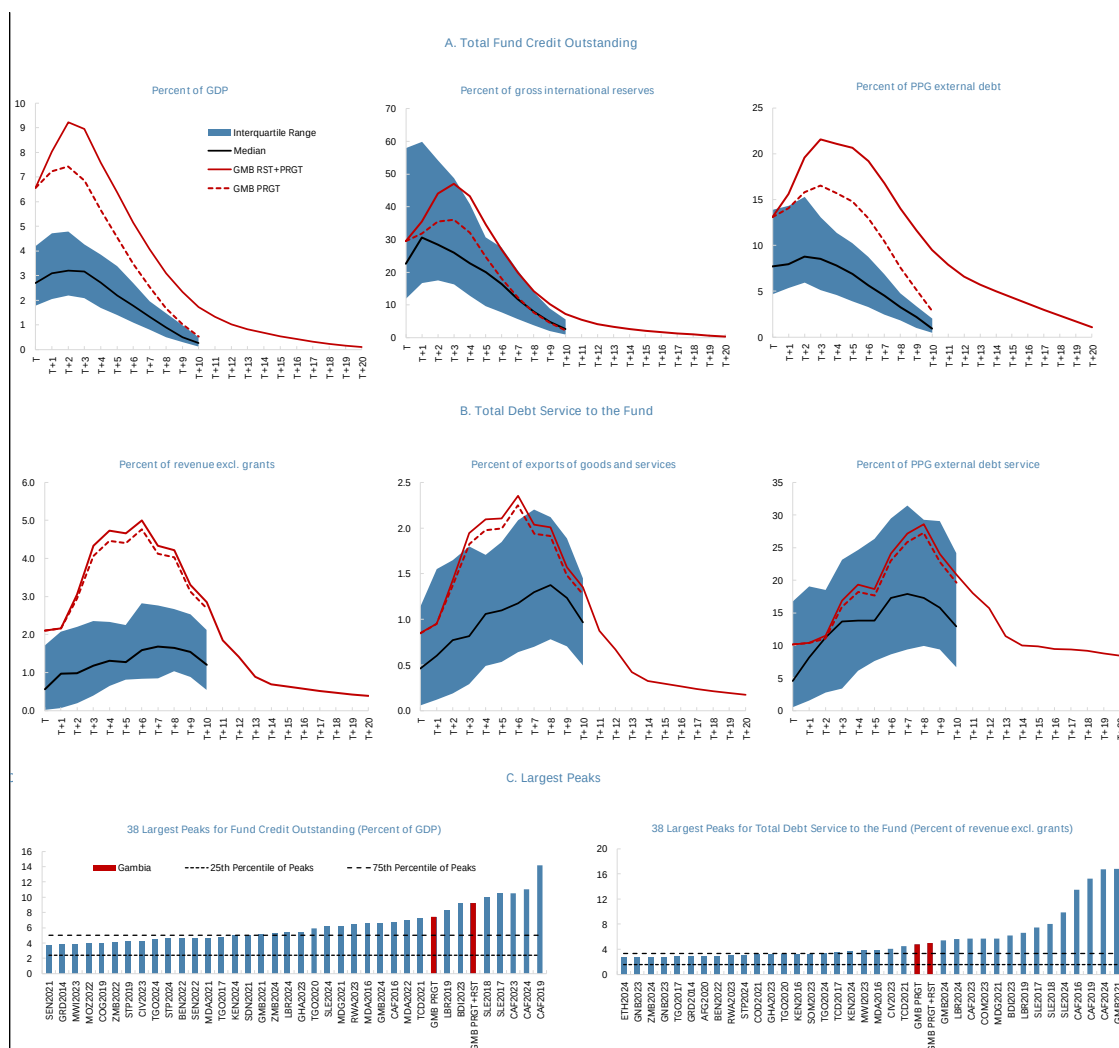
Sources: The Gambian authorities, and IMF staff calculations.

Figure 4. The Gambia: Medium-Term Outlook, 2016–31



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 CIR 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 blends, 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 UICs that are part of currency unions.

Table 1. The Gambia: Selected Economic Indicators, 2023–31
(In percent of GDP¹, unless otherwise indicated)

	2023	2024	2025		2026		2027	2028	2029	2030	2031
	Prel.	Prel.	4th Review	Prel.	4th Review	Proj.	Projections				
(Percent change; unless otherwise indicated)											
National account and prices											
GDP at constant prices	5.9	5.6	6.0	6.0	5.1	4.7	5.1	5.1	5.0	5.0	5.0
GDP deflator	13.7	5.8	7.2	8.4	4.7	6.0	6.8	5.8	5.2	4.4	4.1
Consumer prices (average)	17.0	11.6	7.5	7.9	4.9	7.5	6.2	5.2	5.0	5.0	5.0
Consumer prices (end of period)	17.3	10.2	4.8	6.6	5.0	7.0	5.5	5.0	5.0	5.0	5.0
External sector											
Exports, f.o.b (US\$ values)	535.5	10.7	0.5	12.2	4.0	-2.7	4.8	5.7	3.8	4.4	7.9
Imports, f.o.b (US\$ values)	74.7	14.5	2.3	-1.3	7.1	10.4	2.7	5.3	5.1	5.6	6.5
Terms of trade (deterioration = -)	-2.8	4.4	0.9	5.8	-3.8	-7.4	3.8	3.1	5.9	2.0	0.5
Money and credit											
(Contributions to broad money growth; percent)											
Broad money	8.8	7.9	6.6	24.1	6.0	6.0	7.2	6.2	5.0	5.0	3.0
Net foreign assets	4.4	7.5	0.5	14.5	3.3	0.1	0.9	0.9	3.8	1.5	3.7
Net domestic assets	4.4	0.4	6.1	9.6	2.8	5.8	6.3	5.2	1.2	3.5	-0.7
Of which:											
Credit to central government (net)	-2.5	6.7	2.2	5.4	3.1	2.9	2.7	4.6	6.2	5.8	2.8
Credit to the private sector (net)	2.1	4.3	3.8	2.1	3.2	5.5	6.0	1.4	-0.3	1.8	4.1
Velocity (GDP/broad money)	2.0	2.1	2.1	2.1	2.3	2.0	2.1	2.2	2.3	2.4	2.6
(Percent of GDP; unless otherwise indicated) /1											
Central government finances											
Domestic revenue (taxes and other revenues)	12.2	14.0	15.2	15.4	15.8	15.1	15.5	15.2	15.3	15.6	15.7
Of which: Tax Revenue	9.6	10.9	12.9	12.8	13.3	12.6	13.4	13.8	14.0	14.3	14.4
Grants	8.2	7.3	9.3	9.0	8.9	11.6	9.4	8.8	8.2	7.7	6.9
Total expenditures	23.9	25.3	25.6	29.4	25.7	26.7	25.9	24.4	24.0	23.7	23.1
Of which: Interest (percent of government revenue)	17.0	22.1	19.6	21.3	21.4	22.0	17.8	15.2	13.5	12.2	11.7
Net lending (+)/borrowing (-)	-3.6	-4.0	-1.1	-5.0	-1.0	0.0	-1.0	-0.5	-0.5	-0.5	-0.5
Fiscal financing	3.7	4.5	1.1	5.4	1.0	0.0	1.0	0.5	0.5	0.5	0.5
Foreign	3.0	1.8	-1.1	0.4	-1.5	-1.8	-1.2	-1.5	-1.6	-1.2	-0.2
Domestic	0.8	2.8	2.2	5.0	2.6	1.8	2.2	1.9	2.0	1.7	0.6
Primary balance	-1.5	-0.9	1.8	-1.7	2.4	3.3	1.8	1.9	1.6	1.4	1.4
Public debt	77.4	78.8	75.0	82.1	66.9	73.5	67.8	60.6	54.8	49.7	45.5
Domestic public debt	28.0	28.6	26.0	30.9	21.1	25.5	25.4	24.0	23.4	22.4	20.8
External public debt	49.4	50.1	48.9	51.2	45.7	48.0	42.3	36.6	31.4	27.3	24.7
External public debt (millions of US\$)	1,120	1,168	1,260	1,318	1,269	1,307	1,265	1,187	1,094	1,023	1,006
External current account balance											
Excluding official transfers	-8.2	-9.1	-6.8	-6.4	-6.5	-8.4	-5.7	-4.1	-3.2	-3.1	-2.7
Including official transfers	-5.4	-7.0	-4.8	-4.1	-5.0	-5.6	-4.4	-2.9	-2.1	-2.1	-1.7
Gross official reserves (millions of US\$)	474.3	533.5	548.1	586.2	589.8	592.1	592.1	611.0	666.7	708.4	785.6
(months of next year's imports of goods and services)	3.7	4.1	3.9	4.2	3.9	4.1	3.9	3.8	3.9	3.9	4.1
Savings and investment											
Gross investment	24.7	24.7	25.0	25.1	25.3	25.2	26.1	26.4	25.4	24.6	24.0
Of which: Central government	11.2	10.3	10.1	10.7	9.6	10.9	11.4	11.2	11.2	11.3	11.0
Gross savings	19.2	17.5	20.2	21.0	20.3	19.6	21.7	23.5	23.3	22.5	22.3
Memorandum items:											
Nominal GDP (billions of dalasi)	145.9	162.9	185.0	187.2	203.6	207.8	233.1	259.2	285.1	313.6	345.0
GDP per capita (US\$)	857.5	861.9	919.3	912.9	967.2	955.6	1,002.3	1,063.0	1,113.7	1,171.7	1,236.9
Use of Fund resources (millions of SDR)											
Disbursements	5.0	24.9	24.9	24.9	24.9	21.8	15.5	0.0	0.0	0.0	0.0
Of which: ECF Augmentation	...	...	...	...	...	...	12.4	...	...	...	...
Repayments	-4.1	-3.9	-5.2	-5.2	-9.8	-9.8	-14.3	-17.0	-17.5	-15.4	-10.4
CCRT debt relief ²	...	...	...	...	...	...	...	...	...	...	...
PV of overall debt-to-GDP ratio	65.1	69.1	65.6	71.0	58.0	62.9	58.3	52.4	47.7	43.4	39.5

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

¹ The authorities' nominal GDP for 2023 and 2024 was revised downward and so 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, 2023–31
(Millions of local currency)

	2023	2024	2025		2026		2027		2028	2029	2030	2031
	Act.	Act.	4th Review	Prel.	4th Review	Proj.	4th Review	Proj.	Projections			
Revenue	29,738	34,738	45,172	45,638	50,287	55,413	52,540	58,091	62,004	67,157	72,893	77,951
Domestic revenue ¹	17,818	22,859	28,050	28,831	32,203	31,407	34,098	36,076	39,296	43,703	48,768	54,065
of which: Revenue from GRA	...	...	...	...	...	...	...	...	...	...	...	...
Taxes	13,981	17,761	23,912	23,970	27,043	26,121	30,692	31,300	35,797	39,885	44,810	49,769
Taxes on income, profits, and capital gains	4,377	5,868	7,504	7,498	8,120	8,698	9,279	9,869	11,244	12,605	14,312	16,008
Domestic taxes on goods and services	6,145	7,611	10,576	11,725	13,396	12,544	15,281	15,393	17,929	20,100	22,687	25,254
Taxes on international trade and transactions	3,459	4,282	5,833	4,747	5,527	4,880	6,132	6,039	6,623	7,180	7,811	8,507
Non-tax	3,837	5,098	4,138	4,861	5,160	5,286	3,406	4,776	3,499	3,818	3,958	4,296
Grants	11,920	11,879	17,122	16,807	18,084	24,006	18,443	22,015	22,708	23,454	24,125	23,886
Budget support	4,332	3,234	3,774	4,414	3,013	5,890	2,975	3,097	3,167	3,243	3,308	3,362
Project grants	7,589	8,645	13,348	12,393	15,071	18,116	15,467	18,918	19,541	20,210	20,817	20,524
Expenditures	34,925	41,260	47,297	55,055	52,358	55,409	53,477	60,355	63,181	68,474	74,428	79,562
Expenses	18,520	24,517	28,539	35,046	32,862	32,862	29,651	33,685	34,111	36,502	39,018	41,714
Compensation of employees	6,805	7,005	9,801	9,606	10,294	10,294	10,799	11,066	11,758	12,623	13,917	15,343
Use of goods and services	3,902	5,098	5,514	5,789	7,460	6,460	6,592	6,274	8,300	9,110	9,381	9,059
Interest	3,023	5,044	5,490	6,154	6,899	6,899	5,008	6,432	5,975	5,884	5,946	6,308
External	678	770	954	1,087	1,161	1,161	1,082	1,316	1,271	1,211	1,121	1,100
Domestic	2,346	4,274	4,536	5,067	5,738	5,738	3,926	5,115	4,704	4,673	4,824	5,208
Subsidies and transfers	4,790	7,371	7,734	13,497	8,209	9,209	7,253	9,913	8,078	8,886	9,774	11,003
Net acquisition of nonfinancial assets	16,405	16,743	18,758	20,009	19,497	22,547	23,826	26,670	29,070	31,972	35,410	37,848
Acquisitions of nonfinancial assets	16,405	16,743	18,758	20,009	19,497	22,547	23,826	26,670	29,070	31,972	35,410	37,848
Foreign financed ²	13,744	14,129	15,132	17,174	15,874	18,919	19,145	22,166	22,279	22,976	24,216	26,931
Gambia local fund	2,661	2,614	3,626	2,835	3,622	3,628	4,681	4,503	6,791	8,996	11,194	10,917
Net lending (+)/borrowing (-)	-5,187	-6,522	-2,125	-9,417	-2,071	5	-937	-2,263	-1,177	-1,317	-1,535	-1,611
Financing ³	5,455	7,382	2,125	10,093	2,071	-5	937	2,263	1,177	1,317	1,535	1,611
Net acquisition of financial assets	0	0	0	0	0	0	0	0	0	0	0	0
Net incurrence of liabilities	5,455	7,382	2,125	10,093	2,071	-5	937	2,263	1,177	1,317	1,535	1,611
Domestic	1,125	4,486	4,091	9,377	5,209	3,791	1,420	5,076	5,009	5,739	5,442	2,130
Net borrowing	901	3,545	1,748	7,081	1,309	1,546	1,420	4,631	6,308	7,315	7,128	3,607
Bank	452	2,646	1,748	5,659	1,309	1,546	1,420	4,631	6,308	7,315	7,128	3,607
Central Bank of The Gambia	-1,055	-2,122	-292	2,463	0	0	0	0	0	0	0	0
Nonbank	450	899	0	1,422	0	0	0	0	0	0	0	0
RCF/ECF (onlent) or SDR use	125	581	651	559	784	129	0	-664	-1,299	-1,576	-1,686	-1,477
RSF (onlent)	...	...	1,507	1,547	3,117	2,116	...	1,109	...	...	...	...
Other domestic financing	...	378	186	186	...	...	...	...	...	...	...	...
Domestic Amortization	...	...	...	...	...	...	...	...	...	...	...	...
Foreign	4,330	2,896	-1,966	716	-3,138	-3,795	-483	-2,812	-3,832	-4,422	-3,906	-519
Borrowing	6,155	5,484	2,449	4,781	2,117	1,460	4,522	3,248	2,738	2,765	3,399	6,407
Amortization	-1,825	-2,588	-4,415	-4,065	-5,255	-5,255	-5,005	-6,061	-6,570	-7,187	-7,305	-6,925
Statistical discrepancy	-268	-860	0	-677	0	0	0	0	0	0	0	0
Memorandum items:												
Primary balance	-2,164	-1,479	3,365	-3,263	4,828	6,903	4,071	4,168	4,798	4,566	4,410	4,697
Domestic financing without RSF	...	...	2,584	7,830	2,093	1,675	...	...	...	...	...	...
Domestic primary balance	-340	771	1,375	-2,896	2,618	1,816	4,774	4,320	4,369	4,089	4,501	7,742
Total debt	112,848	128,310	138,749	153,698	136,149	152,780	135,741	157,949	156,968	156,274	155,812	156,839
of which: Domestic public debt	40,826	46,652	48,186	57,899	43,032	52,958	46,491	59,264	62,207	66,806	70,336	71,790
of which: Arrears	...	...	...	6,600	...	6,600	...	6,100	3,900	1,500	0	0
Interest payments as a percent of govt. revenue	17.0	22.1	19.6	21.3	21.4	22.0	14.7	17.8	15.2	13.5	12.2	11.7

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

¹While 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.

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

³Excluding the float in Financing.

Table 2b. The Gambia: Statement of Central Government Operations, 2023–31
(Percent of GDP) ¹

	2023	2024	2025		2026		2027		2028	2029	2030	2031
	Prel.	Prel.	4th Review	Prel.	4th Review	Proj.	4th Review	Proj.	Projections			
Revenue	20.4	21.3	24.4	24.4	24.7	26.7	23.4	24.9	23.9	23.6	23.2	22.6
Domestic revenues ¹	12.2	14.0	15.2	15.4	15.8	15.1	15.2	15.5	15.2	15.3	15.6	15.7
Taxes	9.6	10.9	12.9	12.8	13.3	12.6	13.7	13.4	13.8	14.0	14.3	14.4
Taxes on income, profits, and capital gains	3.0	3.6	4.1	4.0	4.0	4.2	4.1	4.2	4.3	4.4	4.6	4.6
Domestic taxes on goods and services	4.2	4.7	5.7	6.3	6.6	6.0	6.8	6.6	6.9	7.1	7.2	7.3
Taxes on international trade and transactions	2.4	2.6	3.2	2.5	2.7	2.3	2.7	2.6	2.6	2.5	2.5	2.5
Non-tax	2.6	3.1	2.2	2.6	2.5	2.5	1.5	2.0	1.4	1.3	1.3	1.2
Grants	8.2	7.3	9.3	9.0	8.9	11.6	8.2	9.4	8.8	8.2	7.7	6.9
Budget support	3.0	2.0	2.0	2.4	1.5	2.8	1.3	1.3	1.2	1.1	1.1	1.0
Project support	5.2	5.3	7.2	6.6	7.4	8.7	6.9	8.1	7.5	7.1	6.6	5.9
Expenditures	23.9	25.3	25.6	29.4	25.7	26.7	23.8	25.9	24.4	24.0	23.7	23.1
Expenses	12.7	15.1	15.4	18.7	16.1	15.8	13.2	14.5	13.2	12.8	12.4	12.1
Compensation of employees	4.7	4.3	5.3	5.1	5.1	5.0	4.8	4.7	4.5	4.4	4.4	4.4
Use of goods and services	2.7	3.1	3.0	3.1	3.7	3.1	2.9	2.7	3.2	3.2	3.0	2.6
Interest	2.1	3.1	3.0	3.3	3.4	3.3	2.2	2.8	2.3	2.1	1.9	1.8
External	0.5	0.5	0.5	0.6	0.6	0.6	0.5	0.6	0.5	0.4	0.4	0.3
Domestic	1.6	2.6	2.5	2.7	2.8	2.8	1.7	2.2	1.8	1.6	1.5	1.5
Subsidies and transfers	3.3	4.5	4.2	7.2	4.0	4.4	3.2	4.3	3.1	3.1	3.1	3.2
Net acquisition of nonfinancial assets	11.2	10.3	10.1	10.7	9.6	10.9	10.6	11.4	11.2	11.2	11.3	11.0
Acquisitions of nonfinancial assets	11.2	10.3	10.1	10.7	9.6	10.9	10.6	11.4	11.2	11.2	11.3	11.0
Foreign financed ²	9.4	8.7	8.2	9.2	7.8	9.1	8.5	9.5	8.6	8.1	7.7	7.8
Gambia local fund	1.8	1.6	2.0	1.5	1.8	1.7	2.1	1.9	2.6	3.2	3.6	3.2
Net lending (+)/borrowing (–)	-3.6	-4.0	-1.1	-5.0	-1.0	0.0	-0.4	-1.0	-0.5	-0.5	-0.5	-0.5
Financing ³	3.7	4.5	1.1	5.4	1.0	0.0	0.4	1.0	0.5	0.5	0.5	0.5
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	0.0
Net incurrence of liabilities	3.7	4.5	1.1	5.4	1.0	0.0	0.4	1.0	0.5	0.5	0.5	0.5
Domestic	0.8	2.8	2.2	5.0	2.6	1.8	0.6	2.2	1.9	2.0	1.7	0.6
Net borrowing	0.6	2.2	0.9	3.8	0.6	0.7	0.6	2.0	2.4	2.6	2.3	1.0
Bank	0.3	1.6	0.9	3.0	0.6	0.7	0.6	2.0	2.4	2.6	2.3	1.0
Central Bank of The Gambia	-0.7	-1.3	-0.2	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial	1.0	2.9	1.1	1.7	0.6	0.7	0.6	2.0	2.4	2.6	2.3	1.0
Nonbank	0.3	0.6	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RCF/ECF (onlent) or SDR use	0.1	0.4	0.4	0.3	0.4	0.1	...	-0.3	-0.5	-0.6	-0.5	-0.4
RSF (onlent)	...	...	0.8	0.8	1.5	1.0	...	0.5	...	...	...	...
Other domestic financing	...	0.2	0.1	0.1	...	...	...	...	...	...	...	...
Foreign	3.0	1.8	-1.1	0.4	-1.5	-1.8	-0.2	-1.2	-1.5	-1.6	-1.2	-0.2
Borrowing	4.2	3.4	1.3	2.6	1.0	0.7	2.0	1.4	1.1	1.0	1.1	1.9
Amortization	-1.3	-1.6	-2.4	-2.2	-2.6	-2.5	-2.2	-2.6	-2.5	-2.5	-2.3	-2.0
Statistical discrepancy	-0.2	-0.5	0.0	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items:												
Primary balance	-1.5	-0.9	1.8	-1.7	2.4	3.3	1.8	1.8	1.9	1.6	1.4	1.4
Domestic financing without RSF	...	...	1.4	4.2	1.0	0.8	...	...	...	...	...	...
Domestic primary balance	-0.2	0.5	0.7	-1.5	1.3	0.9	2.1	1.9	1.7	1.4	1.4	2.2
Total debt	77.4	78.8	75.0	82.1	66.9	73.5	60.4	67.8	60.6	54.8	49.7	45.5
of which: Domestic public debt	28.0	28.6	26.0	30.9	21.1	25.5	20.7	25.4	24.0	23.4	22.4	20.8
of which: Arrears				3.5		3.2		2.6	1.5	0.5	0.0	0.0
Interest payments as a percent of govt. revenue	17.0	22.1	19.6	21.3	21.4	22.0	14.7	17.8	15.2	13.5	12.2	11.7

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

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

¹While 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

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

³Excluding the float in Financing.

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.	Act.	Act.	Proj.	Proj.	Proj.	Proj.
Revenue	10,283	20,963	30,033	45,638	11,323	22,537	38,680	55,413
Domestic revenue	7,544	14,243	21,398	28,831	7,727	15,441	23,082	31,407
Taxes	6,396	12,400	18,268	23,970	7,189	13,700	19,968	26,121
Taxes on income, profits, and capital gains	2,203	3,951	5,871	7,498	2,650	4,691	6,778	8,698
Domestic taxes on goods and services	2,959	6,024	8,885	11,725	3,276	6,492	9,478	12,544
Taxes on international trade and transactions	1,235	2,425	3,512	4,747	1,263	2,518	3,712	4,880
Non-tax	1,147	1,843	3,130	4,861	538	1,741	3,114	5,286
Grants	2,739	6,720	8,635	16,807	3,596	7,096	15,598	24,006
Budget support	0	0	0	4,414	0	0	3,340	5,890
Project grants	2,739	6,720	8,635	12,393	3,596	7,096	12,259	18,116
Expenditures	13,021	26,493	37,610	55,055	13,821	27,026	41,014	55,409
Expenses	8,081	16,627	24,732	35,046	9,363	17,591	25,361	32,862
Compensation of employees	2,341	4,769	7,160	9,606	2,617	5,252	7,653	10,294
Use of goods and services	1,497	2,781	4,330	5,789	1,622	3,240	4,638	6,460
Interest	1,604	2,632	4,648	6,154	2,198	3,531	5,743	6,899
External	289	489	752	1,087	281	588	896	1,161
Domestic	1,315	2,142	3,895	5,067	1,917	2,943	4,847	5,738
Subsidies and transfers	2,639	6,445	8,594	13,497	2,925	5,568	7,328	9,209
Net acquisition of nonfinancial assets	4,939	9,866	12,878	20,009	4,458	9,435	15,653	22,547
Acquisitions of nonfinancial assets	4,939	9,866	12,878	20,009	4,458	9,435	15,653	22,547
Foreign financed	3,765	8,471	11,179	17,174	3,969	7,785	13,327	18,919
Gambia local fund	1,175	1,395	1,699	2,835	489	1,650	2,326	3,628
Net lending (+)/borrowing (–)	-2,738	-5,529	-7,577	-9,417	-2,498	-4,488	-2,334	5
Financing ¹	2,977	6,051	8,885	10,093	2,498	4,488	2,334	-5
Net acquisition of financial assets	0	0	0	0	0	0	0	0
Net incurrence of liabilities	2,977	6,051	8,885	10,093	2,498	4,488	2,334	-5
Domestic	2,814	6,069	8,912	9,377	3,193	5,966	4,910	3,791
Net borrowing	2,979	6,239	9,194	7,081	3,312	4,932	4,200	1,546
Bank	2,552	5,365	7,789	5,659	3,312	4,932	4,200	1,546
Central bank	3,587	5,910	7,145	2,463	0	0	0	0
Commercial banks	-1,035	-545	644	3,196	3,312	4,932	4,200	1,546
Nonbank	427	874	1,405	1,422	0	0	0	0
RCF/ECF/SDR (onlent)	-106	330	215	559	-119	-24	-347	129
RSF (onlent)	0	0	0	1,547	0	1,058	1,058	2,116
Other domestic financing not included in NDB	0	-378	-378	186	0	0	0	0
Foreign	163	-17	-27	716	-694	-1,477	-2,576	-3,795
Borrowing	1,026	1,751	2,544	4,781	373	689	1,068	1,460
Amortization	-863	-1,768	-2,571	-4,065	-1,067	-2,166	-3,644	-5,255
Statistical discrepancy	-239	-522	-1,308	-677	0	0	0	0
Memorandum items:								
Primary balance	-1,134	-2,898	-2,929	-3,263	-300	-958	3,409	6,903
Domestic primary balance	-108	-1,147	-386	-2,896	73	-268	1,138	1,816

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

¹ Excluding the Float in Financing.

Table 4a. The Gambia: Monetary Accounts, 2023–31¹
(Millions of local currency, unless otherwise indicated)

	2023	2024	2025		2026		2027	2028	2029	2030	2031
	Act.	Act.	4th Review	Prel.	4th Review	Proj.	Projections				
I. Monetary Survey											
Net foreign assets	29,116	34,566	34,993	45,927	37,731	46,055	47,010	48,061	52,493	54,323	59,075
(in millions of U.S. dollars)	453	495	487	632	514	603	602	602	642	650	699
Of which : CBG	314	382	375	383	413	371	389	440	525	592	718
Net domestic assets	43,721	44,030	48,790	51,587	51,096	57,289	63,753	69,566	71,016	75,362	74,499
Domestic credit	51,445	58,793	63,553	64,271	68,859	72,472	81,456	88,070	95,019	104,365	113,303
Claims on central government (net)	33,307	38,185	39,933	42,400	42,541	45,246	48,077	53,185	60,500	67,628	71,235
Claims on other public sector ²	4,962	4,274	4,274	3,879	4,274	3,879	3,879	3,879	3,879	3,879	3,879
Claims on private sector	13,176	16,334	19,346	17,992	22,044	23,348	29,500	31,006	30,640	32,858	38,189
Other items (net) ³	-7,724	-14,763	-14,763	-12,683	-17,763	-15,183	-17,703	-18,503	-24,003	-29,003	-38,803
Broad money	72,836	78,596	83,783	97,515	88,826	103,344	110,763	117,627	123,509	129,684	133,575
Currency outside banks	14,107	12,158	12,960	14,425	13,740	15,287	16,385	17,400	18,270	19,184	19,759
Deposits	58,730	66,438	70,823	83,090	75,086	88,057	94,378	100,227	105,238	110,500	113,815
II. Central Bank Survey											
Net foreign assets	16,303	19,786	19,437	19,873	21,397	19,224	20,178	22,835	27,215	30,706	37,220
Foreign assets	32,011	38,569	39,619	49,256	42,677	49,704	49,704	51,216	55,771	59,254	65,785
Foreign liabilities	-15,708	-18,783	-20,182	-29,383	-21,280	-30,480	-29,526	-28,381	-28,555	-28,548	-28,565
Net domestic assets	7,584	2,770	5,789	7,423	7,101	8,733	6,945	5,757	5,767	5,777	5,784
Domestic credit	9,640	6,494	6,214	8,110	7,525	9,420	7,633	6,444	6,454	6,465	6,471
Claims on central government (net)	8,520	5,221	4,929	7,944	6,229	9,244	7,444	6,244	6,244	6,244	6,244
Of which: IMF on-lending since 2020	5,762	5,762	5,762	5,762	5,762	5,762	5,762	5,762	5,762	5,762	5,762
Claims on private sector	183	180	192	166	204	176	189	200	210	221	228
Claims on public enterprises	0	1,092	1,092	0	1,092	0	0	0	0	0	0
Other items (net)	-2,056	-3,724	-425	-687	-425	-687	-687	-687	-687	-687	-687
Reserve money	23,887	22,556	25,226	27,296	28,498	27,956	27,123	28,592	32,982	36,483	43,004
Currency outside banks	14,107	12,158	12,960	14,425	13,740	15,287	16,385	17,400	18,270	19,184	19,759
Commercial bank deposits	9,780	10,398	12,266	12,870	14,758	12,669	10,739	11,192	14,712	17,299	23,244

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, 2023–31¹
(Percent changes, unless otherwise indicated)

	2023	2024	2025		2026		2027	2028	2029	2030	2031
	Prel.	Prel.	4th Review	Prel.	4th Review	Proj.	Projections				
I. Monetary Survey											
(Percent change; contribution to broad money growth)											
Broad money	8.8	7.9	6.6	24.1	6.0	6.0	7.2	6.2	5.0	5.0	3.0
Net foreign assets	4.4	7.5	0.5	14.5	3.3	0.1	0.9	0.9	3.8	1.5	3.7
Net domestic assets	4.4	0.4	6.1	9.6	2.8	5.8	6.3	5.2	1.2	3.5	-0.7
II. Central Bank Survey											
(Percent change; contribution to reserve money growth)											
Reserve money	14.1	-5.6	11.8	21.0	13.0	2.4	-3.0	5.4	15.4	10.6	17.9
Net foreign assets	11.9	14.6	-1.5	0.4	7.8	-2.4	3.4	9.8	15.3	10.6	17.9
Net domestic assets	2.2	-20.2	13.4	20.6	5.2	4.8	-6.4	-4.4	0.0	0.0	0.0
(Percent change; unless otherwise indicated)											
Memorandum Items:											
Credit to the private sector	12.0	24.0	18.4	10.1	13.9	29.8	26.4	5.1	-1.2	7.2	16.2
Currency in circulation	9.4	-13.8	6.6	18.7	6.0	6.0	7.2	6.2	5.0	5.0	3.0
Demand deposits	14.8	18.4	6.6	32.0	6.0	6.0	7.2	6.2	5.0	5.0	3.0
Time and savings deposits	3.3	7.9	6.6	17.6	6.0	6.0	7.2	6.2	5.0	5.0	3.0
Net international reserves (stocks; millions of U.S. dollars)	344.9	402.5	349.3	534.5	370.5	327.4	334.3	361.7	408.4	443.2	516.1
Money velocity (levels)	2.0	2.1	2.2	1.9	2.3	2.0	2.1	2.2	2.3	2.4	2.6
Money multiplier (levels)	3.0	3.5	3.3	3.6	3.1	3.7	4.1	4.1	3.7	3.6	3.1
Broad money (percent of GDP)	49.9	48.3	45.3	52.1	43.6	49.7	47.5	45.4	43.3	41.4	38.7
Credit to the private sector (percent of GDP)	9.0	10.0	10.5	9.6	10.8	11.2	12.7	12.0	10.7	10.5	11.1
Central government financing (flows; millions of dalasi)	5,082	13,815	7,677	7,130	6,946	7,184	10,269	11,946	12,953	12,766	9,245
Net domestic borrowing from the banking system	-556	8,177	2,040	1,492	1,309	1,546	4,631	6,308	7,315	7,128	3,607
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	-556	8,177	2,040	1,492	1,309	1,546	4,631	6,308	7,315	7,128	3,607
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, 2023–25¹
(Quarterly stocks, millions of local currency)

	2023				2024				2025			
	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.
	Act.	Act.	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	32,489	45,927
(in millions of U.S. dollars)	410	361	376	470	427	466	456	500	470	452	452	636
Of which : CBG	233	202	148	254	244	252	216	286	242	237	210	275
Net domestic assets	41,355	45,547	48,367	43,721	44,700	44,796	46,182	44,030	47,940	52,867	56,339	51,587
Domestic credit	49,993	54,034	54,882	51,445	55,486	56,538	60,102	58,793	63,119	59,322	63,922	64,271
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	44,078	42,400
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	4,640	3,879
Claims on private sector	11,260	12,676	13,118	13,176	13,288	12,801	13,442	16,334	15,477	15,871	15,204	17,992
Other items (net) ³	-8,638	-8,487	-6,515	-7,724	-10,786	-11,742	-13,920	-14,763	-15,179	-6,455	-7,583	-12,683
Broad money	66,999	66,931	67,596	72,836	73,362	76,195	77,337	78,596	81,410	85,307	88,829	97,515
Currency outside banks	13,875	14,366	11,977	14,107	14,417	13,634	11,271	12,158	13,895	13,694	12,479	14,425
Deposits	53,124	52,565	55,619	58,730	58,946	62,561	66,066	66,438	67,515	71,613	76,350	83,090
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	15,075	19,873
Foreign assets	30,127	26,871	24,491	32,011	33,716	34,120	33,372	38,569	36,878	43,362	41,686	49,256
Foreign liabilities	-15,564	-14,897	-15,296	-15,708	-17,313	-17,161	-18,591	-18,783	-19,675	-26,371	-26,611	-29,383
Net domestic assets	7,678	11,197	13,377	7,584	7,726	6,939	7,722	2,770	6,754	7,008	10,242	6,823
Domestic credit	10,688	13,825	13,656	9,640	11,081	10,393	11,011	6,494	11,253	6,914	13,398	7,510
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	12,174	7,944
Assets	15,834	17,334	17,013	16,153	15,947	15,878	16,053	17,592	17,192	19,415	19,024	20,143
Liabilities	-5,300	-4,260	-4,551	-7,634	-5,938	-5,628	-5,339	-12,370	-7,189	-13,729	-6,850	-12,200
Claims on deposit corporations	0	0	0	0	0	0	0	0	0	0	0	0
Claims on private sector	154	190	187	183	184	187	184	180	176	175	171	166
Claims on public enterprises	0	562	1,007	937	887	865	1,113	1,092	1,074	1,053	1,053	0
Other items (net, incl. liquidity management operations)	-3,010	-2,629	-279	-2,056	-3,354	-3,453	-3,289	-3,724	-4,499	95	-3,156	-687
Reserve money	22,241	23,171	22,571	23,887	24,129	23,898	22,502	22,556	23,958	23,999	25,318	26,696
Currency outside banks	13,875	14,366	11,977	14,107	14,417	13,634	11,271	12,158	13,895	13,694	12,479	14,425
Commercial bank deposits	8,367	8,806	10,594	9,780	9,713	10,264	11,231	10,398	10,063	10,305	12,839	12,270
III. Commercial 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	17,414	26,055
Foreign assets	13,503	11,081	11,223	14,361	13,840	16,955	20,685	17,565	19,628	18,656	20,984	29,123
Foreign liabilities	-2,422	-1,671	-1,189	-1,549	-1,581	-2,515	-4,311	-2,785	-3,362	-3,206	-3,570	-3,069
Net domestic assets	42,044	43,156	45,585	45,917	46,686	48,121	49,692	51,658	51,249	56,164	54,199	45,559
Net domestic claims	47,672	49,014	51,820	51,585	54,118	55,499	59,322	62,697	61,929	62,714	63,363	68,431
Claims on central bank	8,367	8,806	10,594	9,780	9,713	10,264	11,231	10,398	10,063	10,305	12,839	12,270
Net claims on government	25,603	25,327	26,322	24,787	27,583	29,448	31,828	32,964	32,556	33,092	31,904	34,456
Claims	25,603	25,327	26,322	24,787	27,583	29,448	31,828	32,964	32,556	33,092	31,904	34,456
Liabilities	0	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	18,620	21,705
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	3,587	3,879
Claims on private sector	11,105	12,486	12,931	12,993	13,104	12,613	13,257	16,154	15,301	15,695	15,033	17,826
Other items net	-5,628	-5,858	-6,235	-5,668	-7,432	-7,378	-9,631	-11,039	-10,680	-6,550	-9,164	-22,872
Liabilities	53,124	52,565	55,619	58,730	58,946	62,561	66,066	66,438	67,515	71,613	71,613	71,613
Liabilities to central bank	0	0	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	71,613	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, 2023–31
(Millions of U.S. dollars, unless otherwise indicated)

	2023	2024	2025		2026		2027	2028	2029	2030	2031
	Act.	Prel.	4th Review	Prel.	4th Review	Proj.	Projections				
1. Current account											
A. Goods and services	-643.8	-710.8	-693.5	-678.2	-754.9	-805.2	-779.9	-777.5	-800.9	-853.4	-882.0
Goods (net)	-884.7	-1025.0	-1055.1	-962.8	-1142.0	-1116.0	-1138.6	-1197.7	-1264.2	-1340.6	-1421.9
Exports, f.o.b.	328.1	363.3	365.1	407.7	379.6	396.6	415.5	439.0	455.7	475.9	513.3
Imports, f.o.b.	-1212.7	-1388.3	-1420.2	-1370.5	-1521.5	-1512.6	-1554.0	-1636.7	-1720.0	-1816.4	-1935.2
Services (net)	240.9	314.2	361.7	284.6	387.0	310.9	358.6	420.2	463.3	487.1	539.8
Services exports	392.2	475.1	529.5	461.8	565.3	488.6	543.5	614.9	668.2	703.2	768.8
Of which: Travel income	326.7	435.1	470.6	428.8	504.5	425.4	477.8	545.9	596.9	622.1	673.2
Services imports	-151.3	-160.9	-167.9	-177.2	-178.3	-177.8	-184.8	-194.7	-204.8	-216.1	-229.0
B. Income (net)	-28.4	-12.5	-13.3	-17.2	-12.5	-13.8	-14.1	-19.2	-18.3	-17.0	-19.0
Income credits	12.3	23.8	29.4	22.4	30.8	30.2	30.5	31.8	33.7	35.7	38.6
Income debits	-40.7	-36.3	-42.7	-39.5	-43.3	-44.1	-44.6	-51.0	-52.0	-52.7	-57.6
C. Current transfers	545.6	554.3	583.8	589.1	628.2	661.9	660.9	701.7	745.6	791.7	830.2
Official transfers	64.8	44.8	52.6	61.9	41.4	79.4	40.0	40.0	40.0	40.0	40.0
Remittances	482.6	507.8	533.2	529.1	588.8	584.6	623.0	663.8	707.7	753.9	792.4
Other transfers	-1.8	-1.9	-1.9	-1.9	-2.0	-2.0	-2.0	-2.1	-2.1	-2.2	-2.2
Current account (excl. official transfers)	-191.3	-217.4	-175.5	-168.2	-180.6	-236.4	-173.0	-134.9	-113.6	-118.7	-110.8
Current account (incl. prospective official transfers)	-126.5	-169.0	-122.9	-106.3	-139.2	-157.1	-133.0	-94.9	-73.6	-78.7	-70.8
2. Capital and financial account											
A. Capital account	144.6	132.6	186.1	164.7	206.9	244.1	244.4	246.8	249.3	251.8	244.2
B. Financial account	-4.7	-5.8	-88.4	-87.7	-93.3	-148.5	-112.0	-109.4	-95.8	-110.0	-81.7
Foreign direct investment	95.7	104.7	110.5	110.5	137.1	97.1	99.8	139.1	128.1	111.8	110.3
Portfolio investment	4.4	4.6	4.9	5.0	5.3	5.3	5.7	6.2	6.7	7.2	7.8
Other investment	-104.9	-115.1	-203.8	-203.2	-235.7	-250.9	-217.5	-254.7	-230.6	-229.0	-199.8
Capital and financial account	139.9	126.8	97.6	77.0	113.6	95.6	132.4	137.4	153.5	141.8	162.5
Errors and omissions	-57.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance ¹	-51.4	-90.7	-77.9	-91.1	-67.0	-140.8	-40.6	2.5	39.9	23.1	51.7
Financing	108.5	76.3	77.9	91.1	67.0	140.8	24.3	-2.5	-39.9	-23.1	-51.7
Net international reserves (increase -)	43.7	31.6	25.3	29.3	25.6	61.5	-15.7	-42.5	-79.9	-63.1	-91.7
Change in gross international reserves	42.4	3.4	-14.6	-10.6	-41.7	-5.9	0.0	-18.9	-55.7	-41.7	-77.3
Use of IMF resources (net)	1.3	28.2	39.9	39.9	67.3	67.3	-15.7	-23.5	-24.2	-21.4	-14.4
Exceptional financing	0.0	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	0.0	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	64.8	44.8	52.6	61.9	41.4	79.4	40.0	40.0	40.0	40.0	40.0
Budget support grants	64.8	44.8	52.6	61.9	41.4	79.4	40.0	40.0	40.0	40.0	40.0
Project support grants	...	...	...	...	...	...	...	...	...	...	...
Memorandum items:											
Gross international reserves ³											
US\$ millions	474.3	533.5	548.1	586.2	589.8	592.1	592.1	611.0	666.7	708.4	785.6
Months of next year's imports of goods and services	3.7	4.1	3.9	4.2	3.9	4.1	3.9	3.8	3.9	3.9	4.1
Net international reserves ³											
US\$ millions	344.9	402.5	349.3	376.8	370.5	327.4	334.3	361.7	408.4	443.2	516.1
Months of next year's imports of goods and services	2.7	3.1	2.5	2.7	2.5	2.3	2.2	2.3	2.4	2.5	2.7
RSF Disbursements			20.3	20.3	40.6	27.1	13.57	...	...	...	...
Exports of goods and services	720.2	838.4	894.7	869.5	944.9	885.2	958.9	1053.9	1123.9	1179.1	1282.1
Imports of goods and services	-1364.0	-1549.2	-1588.1	-1547.7	-1699.8	-1690.4	-1738.9	-1831.4	-1924.8	-2032.5	-2164.2
GMD per U.S. dollar, period average	62.6	67.8	...	...	...	...	...	...	...	...	...
External Debt service	69.6	49.4	91.0	86.6	99.4	105.9	106.9	113.4	132.0	119.9	114.5
NIR/External Debt Service (ratio)	4.9	7.7	3.8	4.4	3.7	3.1	3.1	3.2	3.1	3.7	4.5

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.

³ Gross and net international reserves projections include the requested ECF augmentation.

Table 6b. The Gambia: Balance of Payments, 2023–31
(Percent of GDP¹)

	2023	2024		2025		2026		2027	2028	2029	2030	2031
	Prel.	4th Review	Prel.	4th Review	Prel.	4th Review	Proj.	Projections				
1. Current account												
A. Goods and services	-27.6	-29.6	-29.6	-26.9	-26.0	-22.7	-28.8	-25.9	-23.8	-22.8	-22.5	-21.5
Goods (net)	-37.9	-42.7	-42.7	-40.9	-36.9	-34.9	-39.9	-37.8	-36.6	-36.0	-35.3	-34.6
Exports, f.o.b.	14.1	15.1	15.1	14.2	15.6	13.0	14.2	13.8	0.0	13.0	12.5	12.5
Imports, f.o.b.	-52.0	-57.8	-57.8	-55.1	-52.5	-47.9	-54.0	-51.6	-50.0	-48.9	-47.9	-47.1
Services (net)	10.3	13.1	13.1	14.0	10.9	12.2	11.1	11.9	12.8	13.2	12.8	13.2
Services exports	16.8	19.8	19.8	20.5	17.7	18.0	17.5	18.1	18.8	19.0	18.5	18.7
Of which: Travel income	14.0	18.1	18.1	18.2	16.4	16.0	15.2	15.9	16.7	17.0	16.4	16.4
Services imports	-6.5	-6.7	-6.7	-6.5	-6.8	-5.8	-6.3	-6.1	-5.9	-5.8	-5.7	-5.6
B. Income (net)	-1.2	-0.5	-0.5	-0.5	-0.7	-1.0	-0.5	-0.5	-0.6	-0.5	-0.4	-0.5
Income credits	0.5	1.0	1.0	1.1	0.9	0.4	1.1	1.0	1.0	1.0	0.9	0.9
Income debits	-1.7	-1.5	-1.5	-1.7	-1.5	-1.4	-1.6	-1.5	-1.6	-1.5	-1.4	-1.4
Of which: Interest on government debt	0.6	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.5	0.4	0.4	0.0
C. Current transfers	23.4	23.1	23.1	22.6	22.6	19.7	23.6	22.0	21.4	21.2	20.9	20.2
Official transfers	2.8	1.9	1.9	2.0	2.4	1.6	2.8	1.3	1.2	1.1	1.1	1.0
Remittances	20.7	21.1	21.1	20.7	20.3	18.2	20.9	20.7	20.3	20.1	19.9	19.3
Other transfers	-0.1	-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)	-8.2	-9.1	-9.1	-6.8	-6.4	-5.6	-8.4	-5.7	-4.1	-3.2	-3.1	-2.7
Current account (incl. prospective official transfers)	-5.4	-7.0	-7.0	-4.8	-4.1	-4.0	-5.6	-4.4	-2.9	-2.1	-2.1	-1.7
2. Capital and financial account												
A. Capital account	6.2	5.5	5.5	7.2	6.3	6.6	8.7	8.1	7.5	7.1	6.6	5.9
B. Financial account	-0.2	-0.2	-0.2	-3.4	-3.7	-2.3	-5.3	-3.7	-3.3	-2.7	-2.9	-2.0
Foreign direct investment	4.1	4.4	4.4	4.3	4.2	4.5	3.5	3.3	4.3	3.6	2.9	2.7
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 ¹	-4.5	-4.8	-4.8	-7.9	-8.1	-7.1	-9.0	-7.2	-7.8	-6.6	-6.0	-4.9
Capital and financial account	6.0	5.3	5.3	3.8	2.6	4.2	3.4	4.4	4.2	4.4	3.7	4.0
RSF Disbursements	...	...	...	0.8	0.8	1.5	0.9	0.1	0.0	0.0	0.0	0.0
Errors and omissions	-2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance ²	-2.2	-3.8	-3.8	-3.0	-3.8	-1.4	-5.0	-1.4	0.1	1.1	0.6	1.3

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

Note: 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.

¹ The other investments outflows include external debt principle repayments as well as deposit outflows.

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

Table 7. The Gambia: External Financing Needs, 2025–31
(Millions of U.S. dollars)

	2025	2026	2027	2028	2029	2030	2031
1. Total financing requirement	-231.3	-324.2	-260.1	-254.7	-277.5	-265.8	-288.8
Current account deficit (excl. official transfers)	-175.5	-236.4	-173.0	-134.9	-113.6	-118.7	-110.8
Public debt amortization	-54.6	-57.7	-67.4	-77.3	-84.0	-84.0	-86.3
Repayment to the IMF	-6.9	-13.2	-19.7	-23.5	-24.2	-21.3	-14.4
Change in official reserves (without RSF)	5.7	-16.9	0.0	-18.9	-55.7	-41.7	-77.3
Arrears repayment	...	...	...	...	...	...	...
2. Total financing sources	152.2	216.4	236.3	214.7	237.5	225.8	248.8
Capital transfers	186.1	244.1	244.4	246.8	249.3	251.8	244.2
Foreign direct investment (net)	110.5	97.1	99.8	139.1	128.1	111.8	110.3
Portfolio investment (net)	4.9	5.3	5.7	6.2	6.7	7.2	7.8
Public sector debt financing	34.1	19.7	42.0	34.6	34.1	41.1	76.2
Public sector	34.1	19.7	42.0	34.6	34.1	41.1	76.2
Non-Public sector	-2.9	0.0	0.0	1.0	2.0	3.0	4.0
Short-term debt							
Other net capital inflows ¹	-183.4	-149.8	-155.5	-212.1	-180.7	-186.1	-189.8
Exceptional financing (CCRT debt relief)	0	0	0	0	0	0	0
Errors and Omissions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. Total financing needs	79.2	107.8	40.0	40.0	40.0	40.0	40.0
Budget support (grants)	52.6	79.4	40.0	40.0	40.0	40.0	40.0
Other current transfers	...	...	...	...	...	...	...
IMF disbursements ^{2,3}	26.6	28.4	4.0	0.0	0.0	0.0	0.0
Exceptional financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Of which : CCRT debt relief	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DSSI	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Financing needs	0.0	0.0	16.2	0.0	0.0	0.0	0.0
Requested ECF Augmentation	-	-	16.2	-	-	-	-
Memorandum items:							
RSF Disbursements	20.3	27.1	13.6	0.0	0.0	0.0	0.0

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.

³ IMF disbursements in 2027 include the requested augmentation of the ECF.

Table 8. The Gambia: Decomposition of Public Debt and Debt Service by Creditor, 2025–2028¹

	Debt Stock (end of period)			Debt Service					
	2025			2026	2027	2028	2026	2027	2028
	(In US\$ millions)	(Percent of total debt)	(Percent of GDP) ⁵	(In US\$ millions)			(Percent of GDP)		
Total	2,115.8	100.0	82.1	628.2	609.4	623.8	22.4	20.2	19.1
External	1,318.5	62.3	51.2	91.6	90.8	90.9	3.3	3.0	2.8
Multilateral creditors	868.4	43.2	33.7	23.7	31.2	35.0	0.8	1.0	1.1
IMF	188.8	8.4	7.3						
World Bank	128.8	6.7	5.0						
ADB/AfDB/IADB	44.1	2.7	1.7						
Other Multilaterals	506.8	25.5	19.7						
o/w: IsDB and OFID	290.0	14.7	11.3						
Bilateral Creditors	358.2	20.2	13.9	37.7	31.8	31.4	1.3	1.1	1.0
Paris Club	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						
Non-Paris Club	357.9	20.2	13.9	37.7	31.7	31.3	1.3	1.1	1.0
o/w: Saudi and Kuwait Fund	222.7	12.5	8.6						
Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial creditors	16.8	1.1	0.7	3.4	3.4	2.5	0.1	0.1	0.1
o/w: M.A. Kharafi and Sons	16.8	1.1	0.7	3.4	3.4	2.5	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
o/w:	0.0	0.0	0.0						
Currency Swap Liabilities	75.0	3.5	2.9	26.8	24.5	22.1	1.0	0.8	0.7
o/w: Afreximbank ⁶	75.0	3.5	2.9	26.8	24.5	22.1	1.0	0.8	0.7
Domestic	797.4	37.7	30.9	536.6	518.6	532.9	19.2	17.2	16.3
Held by residents, total ⁴	797.4	37.7	30.9	536.6	518.6	532.9	19.2	17.2	16.3
Held by non-residents, total ⁴	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
T-Bills and Sukuk bills	342.0	16.2	13.1	379.6	379.7	431.9	13.6	12.6	13.2
Bonds	356.8	16.9	13.7	155.0	130.3	70.9	5.5	4.3	2.2
Loans	7.8	0.4	0.3	2.1	1.9	1.7	0.1	0.1	0.1
Arrears	90.8	4.3	3.5	0.0	6.7	28.4	0.0	0.2	0.9
Memo items:	n/a								
Collateralized debt ^{2,4}									
Contingent liabilities ^{3,4}	n/a								

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, payments resulting from PPP arrangements).⁴ Capacity constraints limit data availability and prevent the inclusion of collateralized debt and contingent liabilities. These limitations will be addressed, including via capacity development support, as part of the third review.⁵ Percent of projected 2025 GDP.⁶ Afreximbank acquired bonds denominated in GMD, issued by the National Road Authority (NRA), utilizing the swap drawing from CBG. The principal amount of these bonds is equivalent to US\$75 million, matching the USD swap drawing by CBG from Afreximbank.

Table 9. The Gambia: External Borrowing Plan, 2026-27

PPG external debt	Volume of New Debt			
	2026		2027	
	USD million	Percent	USD million	Percent
By sources of debt financing	79.59	100.00	69.10	100.00
<i>Concessional debt, of which</i>	77.84	97.80	61.32	88.75
Multilateral debt	77.20	96.99	58.30	84.37
Bilateral debt	0.64	0.80	3.02	4.38
Other	0.00	0.00	0.00	0.00
<i>Non-concessional debt, of which</i>	1.75	2.20	7.78	11.25
Semi-concessional	1.75	2.20	7.78	11.25
Commercial terms	0.00	0.00	0.00	0.00
By Creditor Type	79.59	100.00	69.10	100.00
Multilateral	78.95	99.19	66.08	95.63
Bilateral - Paris Club	0.00	0.00	0.00	0.00
Bilateral - Non-Paris Club	0.64	0.80	3.02	4.38
Other	0.00	0.00	0.00	0.00
Uses of debt financing	79.59	100.00	69.10	100.00
Infrastructure	79.59	100.00	69.10	100.00
Social Spending	0.00	0.00	0.00	0.00
Budget Financing	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00

Table 10. The Gambia: Financial Soundness Indicators for the Banking Sector, 2017–25¹

	2017	2018	2019	2020	2021	2022	2023	2024	2025
	December								
	(Percent, unless otherwise indicated)								
<u>Capital Adequacy Ratios</u>									
Risk Weighted Assets Adjusted Capital Adequacy ratio	33.6	31.7	31.4	32.6	29.0	24.8	28.3	28.52	24.4
Regulatory Capital (i.e. T1+T2)	35.1	33.0	32.7	33.8	30.6	26.0	29.4	26.93	25.2
Primary Capital ratio (i.e. T1)	31.9	30.3	30.1	30.1	27.3	23.5	27.0	24.8	23.6
Non-performing Loans (NPLs) to Primary Capital	6.8	3.4	5.8	7.8	4.7	8.6	5.8	24.7	12.5
<u>Assets Quality Ratios</u>									
Non-Performing Loans Ratio	7.2	3.3	4.5	6.8	5.1	4.6	3.3	14.6	8.4
Aggregate Provision Level	99.1	100.2	73.4	80.1	81.0	317.8	101.8	121.9	20.7
Loan Loss Reserve Ratio	6.6	2.9	2.5	4.0	3.0	12.1	2.3	3.8	3.6
<u>Earnings Ratios</u>									
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	21.5
Net Interest margin	8.1	5.9	6.5	6.5	5.4	4.9	7.2	9.1	9.8
Non-interest Income Ratio	31.7	10.9	40.2	38.3	42.4	48.8	37.9	29.8	29.1
<u>Liquidity Ratios</u>									
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	78.8
Dalasi Liquid Assets to Dalasi Deposits	89.0	93.5	94.7	93.2	97.4	63.8	78.0	77.8	76.9
Time Deposits to Total Deposits	14.3	12.9	11.2	11.7	9.0	9.2	8.0	7.5	6.1
<u>Sectoral Distribution of credit</u>									
Agriculture and Fishing	8.5	1.7	2.0	3.8	0.3	13.3	9.1	9.1	11.1
Manufacturing & Industries	0.7	0.4	1.2	1.0	1.0	3.4	6.0	13.5	7.4
Building & Construction	13.7	19.7	27.3	27.6	32.8	21.0	15.1	10.4	10.1
Transport & Communication	8.1	7.7	7.6	7.6	3.0	2.8	2.8	3.5	4.2
Commerce	31.1	31.2	22.9	23.4	20.9	15.5	15.8	13.5	10.7
Tourism	5.2	10.8	5.6	5.6	3.4	2.6	2.3	1.7	1.7
Financial Institutions & Enterprise services	3.0	3.2	1.2	2.6	2.8	1.9	2.9	2.9	2.2
Other activities combined	29.6	25.3	32.2	28.4	35.7	39.5	46.0	45.4	52.4

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 11. The Gambia: Indicators of Capacity to Repay the Fund, 2026–37

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Fund obligations based on existing credit												
Principal (millions of SDRs)	9.44	13.94	16.72	18.05	21.38	20.06	15.56	10.45	9.12	3.73	1.55	1.55
Charges and interest (millions of SDRs)	0.95	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.93	0.90
Fund obligations existing and prospective credit												
Principal (millions of SDRs)	9.44	13.94	16.72	18.05	21.38	20.06	21.47	17.92	16.59	11.20	9.02	5.70
Of which : RCF	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	4.00	8.50	13.61	14.94	19.83	20.06	21.47	17.92	16.59	11.20	7.47	1.56
Of which : RSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.55	4.15
Charges and interest (millions of SDRs)	1.05	1.54	1.64	1.64	1.64	1.64	1.64	1.64	1.64	1.64	1.63	1.58
Total obligations existing and prospective credit												
In millions of SDRs	10.5	15.5	18.4	19.7	23.0	21.7	23.1	19.6	18.2	12.8	10.7	7.3
In millions of US\$	14.4	21.3	25.3	27.2	31.9	30.1	31.9	27.0	25.2	17.8	14.7	10.1
In percent of Gross International Reserves	2.4	3.6	4.1	4.1	4.5	3.8	3.8	2.9	2.6	1.7	1.3	0.8
In percent of exports of goods and services	2.7	3.6	3.8	3.8	4.2	3.6	3.6	2.8	2.4	1.6	1.2	0.7
In percent of debt service	13.7	23.0	24.2	23.5	27.9	25.5	26.6	21.2	19.5	16.6	14.9	12.2
In percent of GDP	0.5	0.7	0.8	0.8	0.8	0.7	0.7	0.6	0.5	0.3	0.2	0.1
In percent of quota	16.9	24.9	29.5	31.6	37.0	34.9	37.2	31.4	29.3	20.6	17.1	11.7
In percent of revenues net of grants	3.4	4.6	5.1	5.0	5.4	4.7	4.6	3.6	3.1	2.0	1.6	1.0
Outstanding Fund credit												
In millions of SDRs	187.1	199.1	182.3	164.3	142.9	122.8	101.4	83.5	66.9	55.7	46.7	41.0
Of which : RSF	36.3	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	45.1	41.0
In millions of US\$	257.4	274.4	251.6	227.0	197.8	170.4	140.1	115.4	92.5	77.1	64.6	56.7
In percent of Gross International Reserves	43.5	46.3	41.2	34.0	27.9	21.7	16.5	12.5	9.4	7.3	5.7	4.7
In percent of debt service	245.0	295.8	240.8	195.9	173.4	144.1	116.5	90.4	71.7	72.1	65.1	68.7
In percent of GDP	9.2	9.1	7.7	6.5	5.2	4.2	3.1	2.4	1.8	1.3	1.0	0.8
In percent of quota	300.7	320.0	293.1	264.1	229.7	197.5	163.0	134.2	107.5	89.5	75.0	65.8
In percent of revenues net of grants	60.8	58.9	50.7	42.1	33.5	26.5	20.3	15.4	11.4	8.8	6.8	5.5
Net use of Fund credit (millions of SDRs)	33.1	12.0	-16.7	-18.0	-21.4	-20.1	-21.5	-17.9	-16.6	-11.2	-9.0	-5.7
Disbursements¹	42.5	25.9	0.0	0.0	0.0	0.0	0.0	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	0.0	0.0	0.0	0.0	0.0	0.0
Of which: ECF	21.8	15.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Of which : RSF	20.7	10.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayments and Repurchases	9.4	13.9	16.7	18.0	21.4	20.1	21.5	17.9	16.6	11.2	9.0	5.7
Of which: RCF	5.4	5.4	3.1	3.1	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Of which: ECF	4.0	8.5	13.6	14.9	19.8	20.1	21.5	17.9	16.6	11.2	7.5	1.6
Of which : RSF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6	4.1
CCR Trust debt relief	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items:												
Nominal GDP (millions of US\$)	2799.6	3010.4	3273.3	3516.1	3792.5	4104.5	4463.6	4854.1	5278.9	5740.7	6243.0	6789.3
Exports of goods and services (millions of US\$)	529.3	589.3	665.5	722.8	760.9	829.4	897.5	971.9	1053.4	1143.6	1242.7	1351.8
Gross International Reserves (millions of US\$)	592.1	592.1	611.0	666.7	708.4	785.6	850.1	919.9	985.8	1060.0	1127.2	1194.0
Debt service (millions of US\$)	105.1	92.7	104.5	115.9	114.1	118.2	120.3	127.6	129.0	106.9	99.2	82.5
Quota (millions of SDRs)	62.2	62.2	62.2	62.2	62.2	62.2	62.2	62.2	62.2	62.2	62.2	62.2
Revenues net of grants (millions of US\$)	423.2	466.0	496.3	539.0	589.8	643.3	691.6	748.1	809.3	877.3	951.1	1031.1

¹ IMF disbursements in 2027 include the requested augmentation of the ECF.

Note: The Gambia is classified as a Group A country under the RSF interest rate structure

Source: IMF staff calculations.

Table 12. The Gambia: Proposed Disbursements Under the ECF Arrangement, 2024–27

Availability	Disbursement		Condition for Disbursement ¹	Status
	In Millions of SDR	In percent of Quota		
January 12, 2024	8.290	13.33	Approval of the Arrangement	Disbursed
March 31, 2024	8.290	13.33	Board completion of the first review based on observance of performance criteria for December 31, 2023.	Disbursed
September 30, 2024	8.290	13.33	Board completion of the second review based on observance of performance criteria for June 30, 2024.	Disbursed
March 31, 2025	12.440	20.00	Board completion of the third review based on observance of performance criteria for December 31, 2024.	Disbursed
September 30, 2025	12.440	20.00	Board completion of the fourth review based on observance of performance criteria for June 30, 2025.	Disbursed
March 31, 2026	6.220	10.00	Board completion of the fifth review based on observance of performance criteria for December 31, 2025.	Under Review
September 30, 2026	15.555	25.01	Board completion of the sixth review based on observance of performance criteria for June 30, 2026.	Review not started
March 31, 2027	15.555	25.01	Board completion of the seventh review based on observance of performance criteria for December 31, 2026.	Review not started
Total Disbursements	87.080	140.0		

Source: IMF staff estimates.

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

**Table 13. The Gambia: Proposed Schedule of Disbursements
Under the RSF Arrangement, 2025–27**

Availability	Disbursement		Total Disbursements	Condition for Disbursement	Status
	In Millions of SDR	In percent of Quota			
September 30, 2025	5.18	8.33	15.54	Reform measure 3 implementation review	Approved
September 30, 2025	5.18	8.33		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	10.36	Reform measure 2 implementation review	Pending
March 31, 2026	5.18	8.33		Reform measure 8 implementation review	
September 30, 2026	5.18	8.33	10.36	Reform measure 6 implementation review	
September 30, 2026	5.18	8.33		Reform measure 7 implementation review	
March 31, 2027	5.18	8.33	10.39	Reform measure 4 implementation review 2/	
March 31, 2027	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.

2/ RM 4 was proposed to be rephased to the fourth RSF review.

Annex I. Risk Assessment Matrix¹

Sources of Risk	Likelihood	Expected Impact	Policy Response
Geopolitical Tensions and Intensification of Conflicts. Rising geopolitical tensions, and a weakening of multilateralism, raise the risk of an escalation in military conflicts, accompanied by damage to key physical and financial infrastructure, disruptions in major transit routes and supply chains, higher migration pressures, additional financial frictions and market volatility.	High	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.
Protectionism and Trade Disruptions. Tariff and nontariff measures disrupt global supply chains, weighing on activity while increasing inflation. Trade diversion triggers broader protectionism.	High	High. Rising protectionism and trade disruptions could raise import costs and inflation in The Gambia, given its heavy reliance on imported food, fuel, and inputs. Weaker tourism and re-export activity would weigh on growth and widen external imbalances.	- Diversify import sources and deepen regional trade to reduce exposure to disruptions and limit inflation pass-through. - Strengthen buffers and tourism competitiveness to contain external pressures and support growth.
Commodity price volatility. Supply and demand imbalances—triggered by geopolitical tensions, coordinated production decisions, shifts in investor preferences, or structural changes in demand—fuel commodity price swings.	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. - Accelerate implementation of national energy roadmap with the World Bank support, including use of alternative energy production methods. - Maintain pass-through of fuel prices.

¹ Aligned with the Global Risk Assessment Matrix (G-RAM) as of February 2026. 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
Disorderly AI Correction. An abrupt revision in expectations of strong AI-led productivity gains causes a sharp market correction, investment decline, and wealth loss, which suppress demand and tighten financial conditions globally.	High	Medium. This would negatively affect The Gambia's economy through lower tourist arrivals and remittance inflows. Domestic economic activity would weaken. The tax base would decrease, resulting in worsening in the country's debt level.	- Accelerate domestic resource mobilization efforts to build adequate fiscal and foreign exchange buffers and reduce debt. - Implement structural reforms to support private sector development.
Fiscal Vulnerabilities and Higher Interest Rates. Higher public debt and deficit levels put further upward pressure on long-term interest rates, sharply tightening global financial conditions, amplifying currency volatility, and reducing consumption and investment that exacerbate adverse debt dynamics. Reduced ODA could compound these pressures by widening financial gaps and increasing reliance on higher-cost borrowing. Capital outflows from emerging and developing economies elicit a sharp increase in short-term rates.	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 either face heightened fiscal pressure or have to implement abrupt expenditure cuts, affecting social services, health care, education, and infrastructure development.	- Diversify partners and economic activities as well as export destinations and tourists' origins. - Maintain fiscal discipline and rely on concessional financing to contain borrowing costs. - Strengthen monetary and liquidity management to anchor expectations and mitigate exchange-rate and interest-rate volatility - Provide targeted support to vulnerable households by using the expanded social registry.
Social discontent and instability. Persistently high living costs, youth unemployment and inequality, amid an erosion in governance standards and pressures from geoeconomic realignments, trigger social unrest, political repression and instability, affecting countries' capacity to pursue economic reforms.	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.
Immigration policies and remittances. Tighter immigration policies in destination countries could depress remittances and household incomes, and worsen external balances, though a larger labor force could partly offset the remittance decline over the medium term.	High	High. Tighter immigration policies in destination countries could reduce remittance inflows, important source of income and foreign exchange for The Gambia, weakening consumption and external balances.	- Strengthen external buffers and macro stability to absorb remittance volatility. - Support domestic job creation and social protection to cushion income losses.

Sources of Risk	Likelihood	Expected Impact	Policy Response
Climate change. Extreme climate events and rising temperatures could cause loss of life, damage to infrastructure, food insecurity, supply disruptions, and heighten economic and financial instability.	Medium	High. Domestic production would be adversely impacted. Recovery spending worsens fiscal situation. Climate shocks would also undermine prospective Balance of Payments stability by raising import and reconstruction needs, weakening export receipts, and increasing reliance on external financing.	Build resilience to natural disasters by implementing policies under the RSF and provide targeted support to vulnerable households using the expanded social registry.

Annex II. External Sector Assessment

Overall Assessment: Preliminary staff estimates suggest that The Gambia's external position in 2025 is moderately weaker than the level implied by medium-term fundamentals and desirable policies. This primarily reflects elevated imports driven by high fiscal expenditures during the year. The current account deficit is projected to widen slightly in 2026 before gradually declining over the medium term, as import growth is expected to slow amid heightened global uncertainty. The reserves level increased in 2025 and is assessed to be adequate for precautionary purposes.

Potential Policy Responses: Implementing the planned fiscal consolidation is crucial for reducing current account deficits and ensuring external sector sustainability. Achieving exchange rate flexibility through well-functioning foreign exchange markets will support The Gambia's external rebalancing. Improvements in the business environment through structural reforms, such as enhanced governance, will also help reduce current account deficits via import substitution. Elevated levels of NIIP and external debt warrant careful monitoring, although the risk of sudden capital outflows is relatively limited, given the high shares of FDI liabilities and concessional debt.

Foreign Assets and Liabilities: Position and Trajectory¹

Background. The Gambia's international investment position (IIP) data is not available currently, but the external wealth database indicates that The Gambia's NIIP as of the end of 2024 is -91.2 percent of GDP. External debt and FDI liabilities have been the primary drivers of The Gambia's NIIP, with a sizeable share of the liabilities denominated in US dollars. Gross liabilities in 2024 were around 125 percent of GDP, 56 percent of which were debt liabilities. The NIIP in 2025 is projected to have declined further in near term, considering the heightened current account deficit in 2025.

Assessment. While the sizable negative NIIP warrants careful monitoring of relevant risks, the sustainability of the NIIP is not an immediate concern, given the high shares of FDI liabilities and concessional debt. Going forward, the projected decline of current account deficits will lead to a steady decline of the NIIP-to-GDP ratio. Along with the improvements in the current account balance, it is also important to minimize non-concessional external borrowing over the medium term, to ensure external sustainability within the time horizon.

2024 (% GDP)	NIIP: -91.2	Gross Assets: 35.4	Debt Assets: 12.5	Gross Liab.: 124.6	Debt Liab.: 55.9
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Current Account

Background. The current account deficit in 2025 decreased to -4.1 percent of GDP from 7.0 percent in the previous year, as the import growth rate declined to -1.3 percent from 14.5 percent in the previous year, partly due to lower fiscal deficits, while tourism continues to grow, albeit more slowly than in previous years. The current account deficit is projected to substantially widen to 5.6 percent of GDP in 2026 due to elevated oil prices and the slower growth of tourism reflecting the negative impacts of the recent geopolitical events on the tourist origination countries. Nonetheless, staff projects that the current account deficit will decline to below 3 percent of GDP over the medium term, assuming fiscal consolidation

measures introduced in 2025 are maintained throughout the period. However, the current account deficit over the medium term could be higher than staff's baseline projections if unfavorable external shocks, such as recent oil price surges driven by geopolitical developments, affect the economy.

Assessment. The EBA-lite methodology's current account (CA) approach produces a current account gap of -1.2 percent of GDP. Cyclically adjusted current account deficit and current account norm are -3.9 percent of GDP and -3.8 percent of GDP respectively. However, the estimated current account norm results from the NFA in 2024, at -91.2 percent of GDP. Such a low NFA positions is unlikely to ensure external sustainability of The Gambia and accordingly leads to an underestimation of the CA norm. As such, the actual NFA is replaced with the pre-COVID average, during 2010-19, of NFA/GDP, given the rapid fall of NFA/GDP since 2020, resulting in an adjustment to the CA norm at 1.1 percent of GDP. Consequently, the adjusted CA norm and the CA gap are -2.7 and -1.2 percents of GDP, respectively.

Gambia The: EBA-lite Model Results, 2025		
	CA model 1/	REER model 1/
	(in percent of GDP)	
CA-Actual	-4.1	
Cyclical contributions (from model) (-)	0.0	
Additional temporary/statistical factors (-) 2/		
Natural disasters and conflicts (-)	-0.3	
Adjusted CA	-3.9	
CA Norm (from model)	-3.8	
Adjustments to the norm (+)3/	1.1	
Adjusted CA Norm	-2.7	
CA Gap	-1.2	-4.3
o/w Relative policy gap	0.6	
Elasticity	-0.2	
REER Gap (in percent)	6.1	21.4

1/ Based on the EBA-lite 3.0 methodology
2/ Cyclically adjusted, including multilateral consistency adjustments.
3/ Replace the actual NFA in 2024 with the average of pre-COVID period, 2010-19, at 47.1 percent of GDP, for the consideration of external sustainability.

Real Exchange Rate

Background. The real exchange rate slightly depreciated by 5.1 percent in 2025, despite the stable nominal exchange rate movements, reflecting lower inflation compared to previous years. The real exchange rate depreciated by 7.1 percent in the first half of 2025 but rebounded in the second half, appreciating by around 2 percent.

Assessment. The CA approach of the EBA-lite model implies an overvaluation of 6.1 percent, while the REER model implies an overvaluation of 21.4 percent. Given the historically poor fit of the REER model for The Gambia and for the consistency with CA assessment, staff's assessment of the real exchange rate is grounded on REER Gap from CA model estimates. Achieving exchange rate flexibility through well-functioning foreign exchange market is crucial for ensuring the REER gap will be closed over the medium term.

Capital and Financial Accounts: Flows and Policy Measures

Background. The Gambia's capital account is projected to have increased from 5.5 percent of GDP in 2024 to 6.4 percent in 2025, due to higher disbursements of project (i.e., capital) grants. Meanwhile, the financial account is projected to have declined from -0.2 percent of GDP in 2024 to -3.6 percent in 2025, reflecting large debt repayments.

Assessment. The risk of sudden and large outflows is limited as most of the inflows are disbursements of concessional debt or direct investments. However, weaker FDI inflows coupled with sizable current account deficits could lead to building vulnerabilities as the deficits will be financed through debt financing. Going forward, it is important to build an environment to attract more direct investments.

FX Intervention and Reserves Level

Background. The Gambia's gross international reserves increased to US\$584.2 million in 2025 from US\$533.5 million in 2024, reaching 22.6 percent of GDP or 4 months of prospective imports. Disbursements from various creditors, including the IMF, and grants during December contributed to this significant increase. As such, net international reserves declined to US\$376.8 from US\$402.5 in 2024, reflecting IMF disbursements in 2025. Gross international reserves are projected to decline to around US\$ 560 million until 2027, without further IMF disbursements, amid the widened current account deficits. Nonetheless, over the medium-term, reduced current account deficits are expected to recover reserve buffers, increasing the reserves to 4.1 months of prospective imports. That being said, if the delay of planned fiscal consolidation or additional external shocks materialized, both gross and net international reserves would significantly fall. During 2025, the Central Bank of The Gambia (CBG) conducted occasional foreign exchange interventions to provide FX liquidity.

Assessment. The estimated adequate level of reserves, using the Fund's approach to assessing reserve adequacy in credit-constrained economies (ARA-CC), is 3.6 months of imports. However, staff assess that the adequate reserve level should be higher than this estimate. As shown in the external DSA, The Gambia has significant external debt, and debt service is projected to increase substantially from 2025 onward as the debt deferral period ends, putting considerable strain on The Gambia's FX reserves. Therefore, staff recommend that the central bank maintain foreign exchange reserves equivalent to at least 4 months of prospective imports of goods and services. The level of gross international reserves at the end of 2025 is considered adequate. FX intervention should be limited to disorderly market conditions due to large non-fundamental shocks. It is also critical to complete the electronic FX system to ensure a well-functioning FX market and exchange rate flexibility.

¹ The analysis of foreign assets and liabilities use the data from Lane and Milesi-Feretti's External Wealth of Nation database (EWN DB, <https://www.brookings.edu/articles/the-external-wealth-of-nations-database/>). The figures in the database are broadly consistent with official statistics of The Gambia, such as external debt statistics, but minor discrepancies exist for some figures as EWN DB does not fully utilize updated information and include some estimates. Currently, The Gambia does not publish the International Investment Position data but plans to publish the data in the near future.

Annex III. Climate Change and Food Insecurity in The Gambia

1. The Gambia made strong progress in reducing undernourishment and food insecurity in the 2000s. This trend reversed after 2012, with undernourishment reaching about 17 percent by 2022, roughly back to levels seen two decades earlier ([FAO](#)). The Gambia ranks as the 36th most vulnerable country to climate change and is more vulnerable than the average Sub-Saharan African country in several indicators, including projected impacts on yields, exposure through food import dependence, and low agricultural adaptive capacity ([ND-GAIN](#)). Moreover, climate change is expected to intensify pressure on agricultural systems through multiple channels, including temperature increases, sea level rise and saline intrusion, and rainfall variability ([IMF 2024](#)).

2. A simplified version of the general equilibrium model showcased in the 2022 paper “[Climate Change and Chronic Food Insecurity in Sub-Saharan Africa](#)”, adapted to The Gambia specific characteristics, is used to quantify how alternative policy levers can reduce the vulnerability of households in The Gambia to climate-related shocks¹ (see footnote for a brief description of the model). The simulated policies are threefold: (i) reduction in domestic trade costs (e.g., reforms that increase connectivity of domestic markets, reduction in transportation costs, or improvement in transport infrastructure); (ii) reduction in tariffs (reduction in food and non-food products tariffs, particularly relevant considering the expected implementation of the African Continental Free Trade Area); and (iii) increased irrigation (or, more broadly, productivity enhancing measures in the agriculture sector, e.g., expanding agricultural lands under irrigation, fertilizers, or using drought/flood-resistant seed varieties).

3. The panel below shows the effects of simulated policies, assuming they are already in place when the shock hits the economy,² across several dimensions: calorie consumption for the bottom 40 and 5 percentiles, consumption inequality, food prices, welfare and food imports. Results show that a large part of the Gambian population is highly sensitive to shocks, with shocks potentially doubling the share of population living in food insecurity, except under the higher irrigation scenario. The results also show that in the baseline scenario, 5 percent of the population would be thrown under the severe food insecurity threshold, leading to potentially

¹The economy comprises two locations, rural and urban, and households consume two composite goods (food and non-food), making intertemporal consumption–savings decisions, allocating expenditure across goods, and supplying labor. Rural households operate farms and allocate labor between on-farm production and off-farm wage employment in the non-food sector, while urban households supply labor exclusively to non-food firms. Food is produced on rural farms using land, labor, and capital, and non-food output is produced by competitive firms that hire labor. Rural–urban linkages operate through goods trade, which is subject to trade and transport costs, and through labor mobility, whereby rural households can reallocate off-farm labor across locations at a cost. Model-implied food consumption is mapped into calorie intake and benchmarked against established food insecurity thresholds. The analysis begins from a steady state, introduces a climate shock that lowers productivity (e.g., drought or flood), and evaluates counterfactual policy scenarios, including reductions in international trade costs, improvements in domestic connectivity through lower internal trade and transport costs, and expanded irrigation to raise agricultural productivity and resilience. Policy scenarios are simulated one at a time and are not additive, implying larger benefits under combined reform packages.

² The shock assumes a 20 percent decline in agricultural productivity, broadly aligned with maximum probable losses of an event occurring once every 20 years based on UNDRR’s disaster risk profile.

irreversible health consequences, with modelled scenarios having a meaningful impact to avoid households from falling under the threshold. The irrigation scenario shows the largest impacts, while reductions in international and domestic trade costs also improve outcomes—by enabling reallocation and supporting price stabilization, and are therefore potentially complementary to agricultural measures.

4. Regarding food prices, overall higher agricultural productivity delivers the largest improvements, both because prices are lower before the shock hits and because a more productive agricultural sector absorbs the shock more effectively, resulting in a smaller post-shock increase than under other policy scenarios or the baseline. Similar patterns hold for consumption inequality, measured as the consumption gap between the richest and poorest deciles in The Gambia, which narrows most under productivity-enhancing agricultural measures. Welfare, defined using a standard aggregate measure, improves most under the agricultural productivity scenario, reflecting the combined effects of lower prices and stronger consumption outcomes. Higher agricultural productivity also proves to be effective in mitigating the impacts of the climate shocks on the trade balance, although reduction in international trade cost appears slightly more effective than irrigation, as the policy is more directly related to international trade.

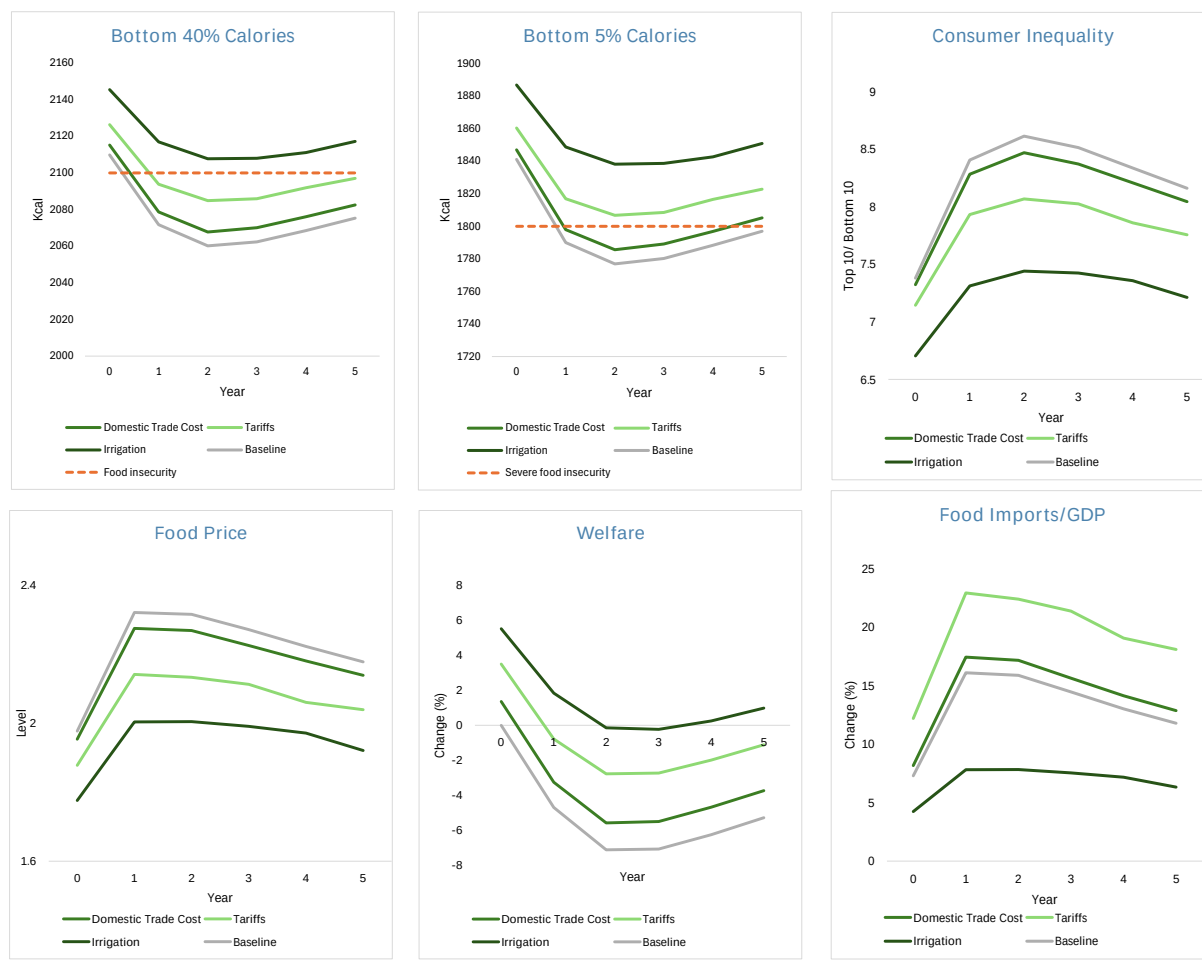
5. Climate change is expected to materially reduce agricultural productivity, with simulations showing that agricultural losses from severe droughts could increase three to fourfold compared to historical losses ([UNDRR 2019](#)). This highlights the pressure that climate shocks may exert on the balance of payments and the fiscal position, while complicating efforts to reduce the high levels of undernourishment. Measures that raise agricultural productivity and resilience to strengthen the domestic supply response to shocks should be prioritized after careful due diligence, including:

- Scaling up investment by expanding agricultural insurance, easing access to credit (including through land reforms that facilitate the use of collateral), and addressing binding financing constraints;
- Promoting climate-resilient farming practices, notably through wider adoption of agroforestry and improved access to flood- and drought-resistant seed varieties;
- Improving water management by leveraging surface and groundwater resources to expand irrigated area, strengthening water harvesting, and assessing the feasibility of solar-powered irrigation pumps;
- Increasing access to key inputs, including well-targeted support for fertilizers and productivity-enhancing capital goods delivered through appropriate channels.

6. Notably, structural benchmarks (SB) under the ECF-supported program included the adoption of a unified land policy, and reform measures under the RSF are expected to yield important gains in agricultural productivity. First, the approval of an insurance regulatory framework expanded the set of instruments to protect farmers' incomes against climate-related shocks. This complements ongoing government efforts, including a pilot index-based insurance program covering 3,000 farmers, and it is expected that insurance can unlock investment that was

previously not happening. Second, the Ministry of Water and Fisheries is expected to introduce, for the first time, a regulatory framework for access to groundwater resources. This framework could raise agricultural productivity and provide an important buffer during drought episodes by enabling sustainable groundwater use. Together, these reforms would strengthen a sector that accounts for about 22 percent of GDP, employs over half of the labor force, and is central to reducing food insecurity in The Gambia.

Annex III. Figure 1. The Gambia: Impact of Shocks across Food Consumption, Prices, Welfare and Imports



Annex IV. Data Issues Annex

Annex IV. Table 1. The Gambia. Data Adequacy Assessment for Surveillance

Data Adequacy Assessment Rating ¹							
C							
Questionnaire Results ²							
Assessment	National Accounts	Prices	Government Finance Statistics	External Sector Statistics	Monetary and Financial Statistics	Intersectoral Consistency	Median Rating
	B	B	C	C	C	D	C
Detailed Questionnaire Results							
Data Quality Characteristics							
Coverage	B	B	C	B	C		
Granularity ³	B		B	C	B		
			B		B		
Consistency			D	C		D	
Frequency and Timeliness	B	A	C	C	C		
Note: When the questionnaire does not include a question on a specific dimension of data quality for a sector, the corresponding cell is blank. ¹The overall data adequacy assessment is based on staff's assessment of the adequacy of the country's data for conducting analysis and formulating policy advice, and takes into consideration country-specific characteristics. ²The overall questionnaire assessment and the assessments for individual sectors reported in the heatmap are based on a standardized questionnaire and scoring system (see <i>IMF Review of the Framework for Data Adequacy Assessment for Surveillance</i>, January 2024, Appendix I). ³The top cell for "Granularity" of Government Finance Statistics shows staff's assessment of the granularity of the reported government operations data, while the bottom cell shows that of public debt statistics. The top cell for "Granularity" of Monetary and Financial Statistics shows staff's assessment of the granularity of the reported Monetary and Financial Statistics data, while the bottom cell shows that of the Financial Soundness indicators.							
A	The data provided to the Fund are adequate for surveillance.						
B	The data provided to the Fund have some shortcomings but are broadly adequate for surveillance.						
C	The data provided to the Fund have some shortcomings that somewhat hamper surveillance.						
D	The data provided to the Fund have serious shortcomings that significantly hamper surveillance.						
Rationale for staff assessment. Staff's overall assessment is that the data provided to the Fund has some shortcomings that somehow hamper surveillance. In particular, sizable and persistent discrepancies between above-the-line and below-the-line fiscal data, as well as inconsistencies in the recording of government positions across fiscal and monetary accounts, reduce confidence in key fiscal and financial indicators. A TA mission in March 2026 identified several contributors to the above- vs. below-the-line discrepancy, including: (i) incomplete coverage of expenditure, (ii) a large one-off expenditure not captured, and (iii) underreported debt service. A TA mission in April 2026 also identified three main drivers of fiscal vs monetary inconsistencies, such as (i) valuation differences, (ii) misclassification and (iii) incomplete coverage of secondary market transactions. The authorities also noted the lack of data on non-bank financial institutions (including their claims on central government) and the use of outdated banking data reporting template (1992), which hamper the reconciliation of the monetary-fiscal data discrepancy. While ongoing technical assistance work is helping to clarify and address these issues, they add uncertainty to the assessment of macroeconomic and financial risks and warrant continued attention.							
Changes since the last Article IV consultation Sizable discrepancies between above-the-line and below-the-line fiscal data emerged as a key issue in the 2025 outturn and, to a lesser extent, in 2024, alongside persistent inconsistencies in the recording of government positions across fiscal and monetary accounts. These weaknesses were identified in the previous Article IV consultation and have not yet been fully resolved, although technical assistance is ongoing to support the authorities' efforts to address them.							
Corrective actions and capacity development priorities Staff discussed the data adequacy assessment with the authorities during the Article IV consultation, highlighting the need to address remaining data weaknesses. The authorities agreed on the importance of continued technical assistance, which will remain the main vehicle to support data-related capacity development, and implementing the recommendations from the work plan agreed during the March MFS TA mission.							
Use of data and/or estimates in Article IV consultations in lieu of official statistics available to staff. Staff used its own estimates for domestic bank financing, substituting for the authorities' data in the Statement of Government Operations.							
Other data gaps. Additional data gaps remain for climate change, income and gender inequality, and digitalization, where improved data availability would strengthen staff's analysis.							

Annex IV. Table 2. The Gambia: Data Standards Initiatives

The Gambia implemented the enhanced General Data Dissemination System (e-GDDS) by launching a National Summary Data Page in May 2018. Timeliness needs to be improved.

Annex IV. Table 3. The Gambia: Table of Common Indicators Required for Surveillance
As of June 08, 2026

	Data Provision to the Fund				Publication under the Data Standards Initiatives through the National Summary Data Page			
	Date of Latest Observation	Date Received	Frequency of Data ⁷	Frequency of Reporting ⁷	Expected Frequency ^{7,8}	Announced Frequency ⁹	Expected Timeliness ^{7,8}	Announced Timeliness ⁹
Exchange Rates	2026-02-28	2026-04-14	M	M	D	D	...	1D
International Reserve Assets and Reserve Liabilities of the Monetary Authorities ¹	2026-05	2026-05	W	W	M	M	1W	1M
Reserve/Base Money	2026-04	2026-04	D	W	M	M	2W	2M
Broad Money	2026-01	2026-04	M	M	M	M	1M	1Q
Central Bank Balance Sheet	2026-05	2026-05	M	M	M	M	2W	2M
Consolidated Balance Sheet of the Banking System	2026-03	2026-05	M	M	M	M	1M	1Q
Total assets of other depository corporations ²	2026-03	2026-05	M	M	M	M	1M	1Q
Total credit from other depository corporations ²	2026-03	2026-05	M	M	M	M	1M	1Q
Interest Rates ³	2026-03-31	2026-04-14	M	M	D	2W	...	8W,4M
Consumer Price Index	2026-04	2026-05	M	M	M	M	1M	2M
Revenue, Expenditure, Balance and Composition of Financing ⁴ -General Government ⁵			NA	NA	A	A	2Q	3Q
Revenue, Expenditure, Balance and Composition of Financing ⁴ -Central Government	2025-12	2026-05	M	M	M	M	1M	1M
Stocks of Central Government and Central	2025-12	2026-04	A	I	Q	A	1Q	24M

Government-Guaranteed Debt ⁶								
Total stock of General Government Debt ⁵			NA	NA	Q	...	4M	...
External Current Account Balance	2025-12	2026-05	Q	I	Q	Q	1Q	1Q
Exports and Imports of Goods and Services	2025-12	2026-05	Q	I	M	A	8W	12M
GDP/GNP	2025-09	2026-05	Q	Q	Q	A	1Q	12M
Gross External Debt			NA	NA	Q	A	1Q	1Q
International Investment Position			NA	NA	Q	A	1Q	3Q
¹ Any reserve assets that are pledged or otherwise encumbered should be specified separately. Also, data should comprise short-term liabilities linked to a foreign currency but settled by other means as well as the notional values of financial derivatives to pay and to receive foreign currency, including those linked to a foreign currency but settled by other means. ² Other depository corporations include all deposit-taking corporations (except for the central bank) and money market funds. ³ Both market-based and officially determined, including discount rates, money market rates, rates on treasury bills, notes and bonds. ⁴ Foreign, domestic bank, and domestic non-bank financing. ⁵ The general government consists of the central government (budgetary funds, extra-budgetary funds, and social security funds) and state and local governments. The total stock of general government debt is required for SDDS Plus countries and encouraged for SDDS and e-GDDS countries. ⁶ Including currency and maturity composition. ⁷ Frequency and timeliness: ("D") daily; ("W") weekly or with a lag of no more than one week after the reference date; ("M") monthly or with lag of no more than one month after the reference date; ("Q") quarterly or with lag of no more than one quarter after the reference date; ("A") annual; ("SA") semi-annual; ("I") irregular; ("NA") not available or not applicable; and ("NLT") not later than. ⁸ Encouraged frequency of data and timeliness of reporting under the e-GDDS and required frequency of data and timeliness of reporting under the SDDS and SDDS Plus. Any flexibility options or transition plans used under the SDDS or SDDS Plus are not reflected. For those countries that do not participate in the IMF Data Standards Initiatives, the required frequency and timeliness under the SDDS are shown for New Zealand, and the encouraged frequency and timeliness under the e-GDDS are shown for Eritrea, Nauru, South Sudan, and Turkmenistan. Indicators that are not in the IMF Data Standards Initiatives are shown as "...". ⁹ Based on the information from the Summary of Observance for SDDS and SDDS Plus participants, and the Summary of Dissemination Practices for e-GDDS participants, available from the IMF Dissemination Standards Bulletin Board (https://dsbb.imf.org/). For those countries that do not participate in the Data Standards Initiatives, as well as those that do have a National Data Summary Page, the entries are shown as "...".								

Annex V. Statistical Discrepancies in Fiscal and Monetary Data

This annex examines discrepancies in fiscal and monetary data and describes how recent IMF technical assistance has helped to reconcile them.

1. Recent STA support helped make significant progress in reconciling persistent and growing statistical discrepancies in The Gambia's macroeconomic data. A monetary and financial statistics (MFS) mission (April 20–29, 2026), and a Government Finance Statistics (GFS) mission (March 2–13, 2026) assisted the authorities in reviewing data sources and compilation methods of the relevant statistics and identified a number of factors contributing to the discrepancies. Resolving these discrepancies has been critical for improving the accuracy of data reporting and strengthening macroeconomic surveillance.

Discrepancy Between Fiscal and Monetary Data

2. As previously highlighted by CBG, the April 2026 IMF MFS TA mission confirmed and helped reconcile significant inconsistencies between fiscal data and monetary statistics in the measurement of central government net financing from the banking system. Prior to the mission, the discrepancy between the fiscal data, based on CBG records, and monetary statistics compiled from commercial banks' balance sheets amounted to about GMD 4.1 billion (2.2 percent of GDP) in 2025 and GMD 1.7 billion (1 percent of GDP) in 2024. The mission review and analysis confirmed that the discrepancy was primarily attributed to the following three main factors:

- Valuation differences: Fiscal data recorded commercial banks' holdings of government securities at book value, while banks reported the same holdings at face value or amortized cost. This difference in valuation methodology accounted for about 55 percent of the discrepancy.
- Misclassification: Outdated commercial banks' reporting templates and capacity constraints in reporting institutions (commercial banks) led to misclassification of some financial assets (e.g., central bank bills, foreign government securities, and claims on public enterprises) as banks' claims on government (about 39 percent of the discrepancy in 2025).
- Incomplete coverage of secondary market transactions: Fiscal records did not capture commercial banks' net purchases of government securities in secondary markets due to the absence of a centralized securities depository (about 6 percent).

3. These findings are largely consistent with what was previously highlighted by authorities. It underscores the importance of strengthening institutional coordination and data validation processes across fiscal and monetary reporting frameworks. The mission agreed with the authorities on a work plan to institutionalize the data reconciliation process, including enhanced reporting standards, strengthening the reporting template and continuing regular training for reporting institutions.

Discrepancy Between Above- and Below-the-Line Fiscal Balances

4. The GFS missions focused on the statistical discrepancy between the fiscal deficit measured above-the-line (revenue minus expenditure) and below-the-line (financing flows). Building on the GFS mission conducted in August 2025, the March 2026 mission focused on explaining the GMD 4.6 billion (2.5 percent of GDP) statistical discrepancy in the 2025 fiscal data reported in the Statement of Government Operations (SGO). Experts found that the discrepancy was primarily driven by weaknesses in expenditure coverage and recording, as well as inconsistencies in financing data:

- **Incomplete Coverage of Expenditure:** Some expenditures were recorded in Integrated Financial Management Information System (IFMIS) but excluded in the dataset used to compile the SGO. In addition, certain transactions were missing from IFMIS, leading to a significant understatement of expenditure.
- **Underreporting and Inconsistencies in External Debt Service:** External interest payments and amortization were underestimated in the SGO relative to data from the Debt and Loan Management Department (DLDM), which the mission assessed as a more reliable source of information.
- **Omissions and Misrecording in Financing Data:** Financing data omitted certain transactions, including repayment of temporary borrowing within the public sector. In addition, foreign-currency-denominated liabilities were recorded in a manner that allowed exchange rate movements to be treated as transactions, inflating measured financing flows.
- **Broader Data Consistency Issues:** Discrepancies between IFMIS data and Extended Trial Balance reports raised concerns about the timing and consistency of fiscal data consolidation.

5. Altogether, the adjustments identified during the mission imply: (i) an increase in expenditure of GMD 2.9 billion; (ii) a reduction in financing of GMD 1.8 billion; and (iii) a small increase in revenue of GMD 211 million. Incorporating these adjustments reduced the 2025 statistical discrepancy to about GMD 1.2 billion (0.6 percent of GDP). STA experts provided the authorities with a set of recommendations aimed at addressing the remaining statistical discrepancies and strengthening SGO compilation processes, including revising procedures for extracting comprehensive expenditure data and establishing a formal internal review and reconciliation process across institutions.

6. Continued remote support by STA, together with the discovery of additional unreported expenditure during the fifth ECF review mission, further reduced the statistical discrepancy. As a result, the final 2025 discrepancy reported in Staff Report Tables 2a and 2b stands at 0.4 percent of GDP.

Annex VI. Capacity Development Strategy FY2027–29

Amongst the top 10 recipients of Fund CD, The Gambia is the largest recipient on a per capita basis. The contribution of CD to the authorities' reform implementation has been multifold and instrumental. The most remarkable achievements have been progress in domestic revenue mobilization, exchange rate stabilization, and overall macro financial stability.

Context and Progress

1. The provision of IMF Capacity Development (CD) aims to align with the authorities' reform agenda. This agenda is laid out in the Green Recovery-Focused National Development Plan (RF-NDP) 2023-2027. Its overall key objectives toward sustainable development include:
 - (i) diversify the economy to reduce vulnerability to external shocks
 - (ii) invest in human capital to improve living standards and productivity;
 - (iii) promote good governance to create a conducive environment for investment and development; and
 - (iv) combat climate change and protect the environment for future generations.
 The authorities' agenda is supported by the three-year ECF arrangement initiated in January 2024 and the eighteen-month RSF approved in June 2025. CD priorities identified in the last published CD strategy (2023-25) remain relevant and are supplemented by an emphasis on SOE and governance reforms and climate adaptation policies embedded in the Resilience Sustainability Facility (RSF).
2. IMF technical support picked up very significantly over recent years. The Gambia stands as the 6th most intensive CD recipient across the Fund over the last five fiscal years, with 10.4 million USD spent on CD over FY2022-26 (Figure 5). Within the group of top 15 recipients of Fund CD, it is by far the largest recipient of support on a per capita basis, with US\$3.8 spent per capita.
3. CD support has gained significant traction thanks to the close integration between program design and CD support. CD has been subject to very close coordination between the country team and CD departments for the implementation of the ECF and, more recently, the RSF. Authorities value the Fund's TA, delivered through IMF-HQ, AFRITAC West 2, and resident experts. Three resident advisors at GRA (revenue mobilization), MOFEA (macro-fiscal analysis) and CBG (banking supervision) have provided instrumental support over the last years. IMF's CD has successfully supported program performance through a broad range of measures, leading to significant traction and impact. Notable achievements include:
 - Enhanced domestic revenue mobilization resulted in an increase in tax revenue-to-GDP ratio from 9.6 percent in 2023 to nearly 13 percent in 2025. The related TA combined tax policy and revenue administration measures. The adoption of a 2026-30 domestic revenue mobilization strategy and GRA's 2025-29 corporate strategic plan framed this progress. On the revenue administration side, pivotal reforms include the adoption of a customs single window platform, the implementation of an Integrated Tax Administration System (ITAS) that enhances e-revenue collection, stronger enforcement of tax compliance, the audit and revenue assurance for large tax payers, the adoption of a rental tax income system, the introduction of VAT digital collection, or the collection of tax and non-tax revenue through commercial banks. On the policy side,

important milestones were the amendment of The Gambia Investment and Export promotion Agency (GIEPA) Act which sharply streamlined tax incentives, and the development of a tax expenditure policy. The provision to CBG of the Forecasting and Policy Analysis System (FPAS) combined with TA on liquidity management and forecasting helped monetary policy to bring down inflation from 18.3 percent in September 2023 to 7 percent in April 2026.

- The foreign exchange policy introduced and published in 2023 has prevented the recurrence of forex shortages and reduced the wedge between the official and the parallel market exchange rate from about 10 percent to less than 2 percent over the period. The Fund's TA focused on enhancing the transparency and automation of CBG's FX policy and market operations, including the dissemination of guidelines for regulated institutions and the conduct of auctions through an electronic platform. It recommended the replacement of the dual weekly and daily reference rates with a daily valuation rate based on a new electronic FX data collection system to provide a timely calculation of the official exchange rate.

4. CD delivery under The Gambia's ECF program is broad-based. It includes:

- Domestic revenue mobilization: DRMS finalization, tax expenditure statement, streamlining exemptions, property taxation, digital supplies, petroleum fiscal regime modeling;
- Revenue administration: ICT governance, digital readiness, development of GRA's corporate strategic plan, risk management and control strategies, audits;
- Public financial management: Public investment management, cash management and forecasting, baseline costing, arrears prevention and clearance (institutionalizing reporting and clearing frameworks and arrears stock take), governance and SOE oversight;
- Macroeconomic statistics: Reduction of statistical discrepancy and macro inconsistencies, GDP rebasing, GFS production and dissemination, chart of accounts aligned with the 2014 GFS;

Financial sector/monetary operations: Basel II/III implementation, risk-based supervision, liquidity forecasting, reserve and risk management, FX market operations;

- Governance: Governance diagnostic report, support amendments to the CBG Act in line with international good practices and 2024 safeguards assessment recommendations.

5. A strong TA pipeline also underpins preparation and delivery of RSF reform measures. It has been delivered or scheduled across all reform measures, in coordination with development partners (World bank, AFD, GCA, ARC, CDRFI). Recent and upcoming support includes:

- Carbon-based taxation: Review options for a carbon-based excise, estimated macro-fiscal and distributional impacts, and assessed the fuel supply/pricing chain to identify efficiency gains to limit retail pass-through;
- Electricity subsidies: Quantify direct/indirect subsidies to NAWEC, assess the tariff–cost gap, and recommended tariff and non-tariff measures to close it; analyzed distributional impacts and proposed compensatory measures for vulnerable households;

- Incorporation of climate-related fiscal risks in the budget framework: Develop a method to identify fiscal risks from natural disasters and begin integrating them into the budget framework from the 2027 budget process to strengthen budget credibility;
- Climate Information Architecture: Support the central bank and agencies to strengthen the climate information framework, including transition taxonomy and banking guidelines/disclosures;
- Green Public Investment Management: Help embed mitigation and adaptation criteria into project appraisal and selection guidelines) to prioritize resilient, climate-aligned investments.

Strategy

6. Continued CD support is essential to address key reform priorities and needs. CD priorities are aligned with the ECF and RSF program priorities, which aim at supporting credible fiscal consolidation, ensuring debt sustainability, reducing inflation, and implementing structural and governance reforms. Key CD priorities in support of the reform agenda include strengthening revenue administration, deepening PFM reforms, enhancing SOE oversight, supporting financial stability, enhancing governance and the anti-corruption framework, and improving macroeconomic and fiscal statistics.

7. The proposed strategy for IMF TA FY26-28 requires a joint effort. Achieving these objectives will require intensive TA support from FAD, MCM, STA, LEG, both from headquarters and AFRITAC West 2, as well as through resident advisors.

8. The role of residential advice will remain essential. The resident advisor on macro-fiscal analysis at MOFEA will continue to play an important role in developing the authorities' capacity to implement reforms in key macro-fiscal and PFM areas such as medium-term fiscal planning and arrears clearance and prevention. The CBG has requested a successor resident advisor in banking supervision to strengthen their capacity in risk-based supervision.

Priorities	Objectives
Strengthen revenue administration	Increase the tax revenue-to-GDP ratio to approximately 13.5 percent by 2030 as per the Domestic Revenue Mobilization adopted in October 2025
Deepen PFM reforms	Make public investment management more efficient, cash management and forecasting accurate, implement baseline budget costing, and institutionalize arrears prevention and clearance
Improve SOE performance	Extend the negotiation of performance contracts to all SOEs, ensure a transparent, merit-based selection process for all SOEs' Board members, and enforce the timely publication of audited financial accounts.
Improve debt management	Reduce roll-over risks, develop domestic capital market and borrow through longer-term bonds to mitigate the government's exposure to refinancing risks, improve debt statistics and debt management frameworks
Enhance governance and the anti-corruption framework	Implement governance diagnostic report recommendations, make the anti-corruption commission fully operational and result-based accountable
Support financial stability	Adopt CBG Act in line with international best standards and address remaining 2024 safeguards assessment recommendations, further advance Basel II/III implementation, risk-based supervision, liquidity forecasting, reserve and risk management, and the dissemination of standardized financial statements (IFRS)
Improve production of macroeconomic and fiscal statistics	Strengthen fiscal and MFS reporting and gradually reduce and eliminate statistical discrepancies and inconsistencies; complete GDP rebasing

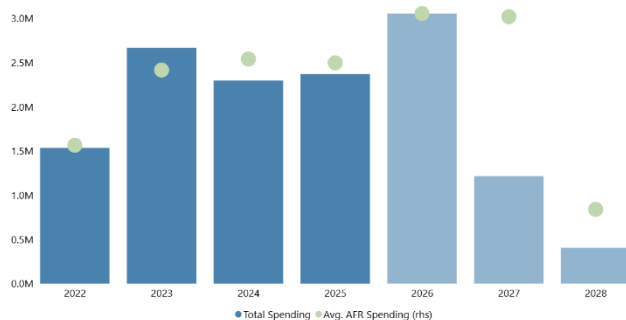
Main Risks and Mitigation

9. Key risks include bottlenecks in the authorities' absorptive capacity, limited traction, and weak internal and international coordination. Absorptive capacity for CD is limited and implementation of CD recommendations sometimes lagging. Other challenges include technical issues combined with suboptimal inter-departmental and inter-institutional coordination as well as frequent staff turnover. Overlapping CD support by development partners would risk inefficiency and a waste of resources.

10. The IMF local office has been at the forefront of efforts to mitigate the risks. The focus has been strengthening the authorities' weak coordination at the technical level, including within the Ministry of Finance and between the Ministry of Finance and CBG. The IMF office also launched several initiatives to strengthen the authorities' monitoring of reform commitments (not only for the IMF but also for the World Bank, EU and AfDB). Efforts are made to disseminate IMF CD mission findings and recommendations to a broader range of partners, including those based outside Banjul. The local office is chairing the technical development partner group (IMF, World Bank, AfDB, EU, AFD, US advisor) to facilitate information sharing and reduce overlap and RSF discussions have

broadened the spectrum of IMF interlocutors. The IMF's strong focus on revenue mobilization, public financial management and good governance is well acknowledged.

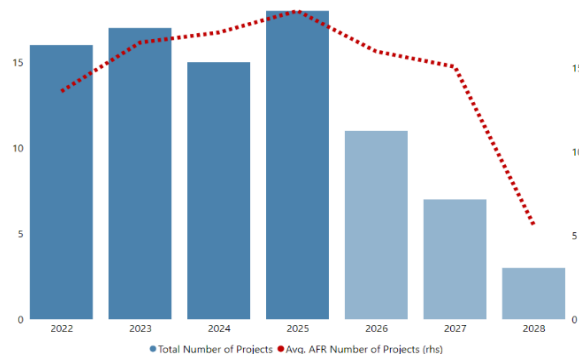
Annex VI. Figure 1. The Gambia: Capacity Development Spending 2022-2026 (USD)



Note: FY22 to current FY are actual data. Current FY onwards are planned activities.

Sources: IMF staff calculations based on CDMAP data.

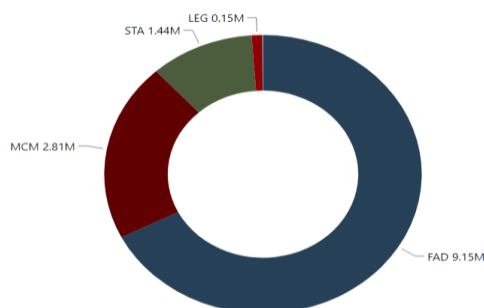
Annex VI. Figure 2. The Gambia: Number of CD Projects, 2022-2028



Note: FY22 to current FY are actual data. Current FY onwards are planned activities.

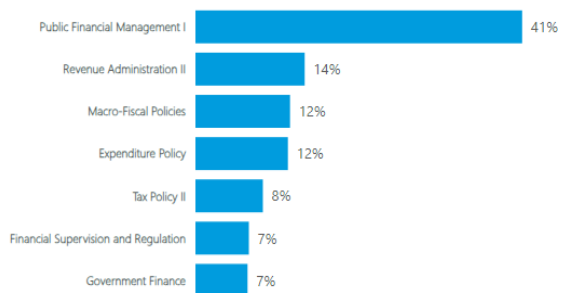
Sources: IMF staff calculations based on CDMAP data.

Annex VI. Figure 3. The Gambia: CD Spending by CD Department, 2022-2028 (US Dollars)



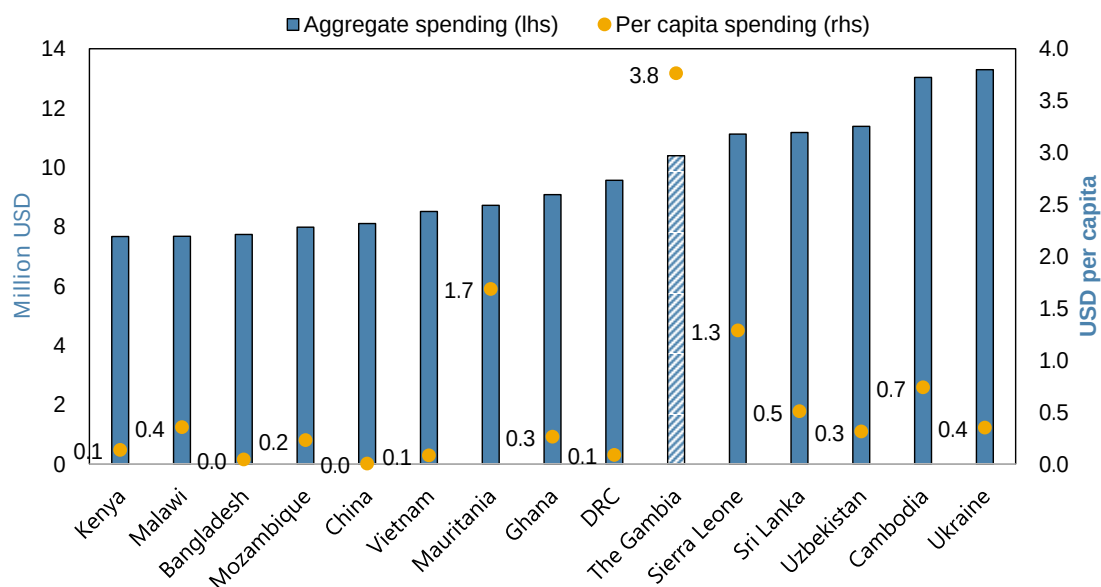
Sources: IMF staff calculations based on CDMAP data.

Annex VI. Figure 4. The Gambia: CD Spending by Workstream, 2022-2028 (Share of Total)



Sources: IMF staff calculations based on CDMAP data.

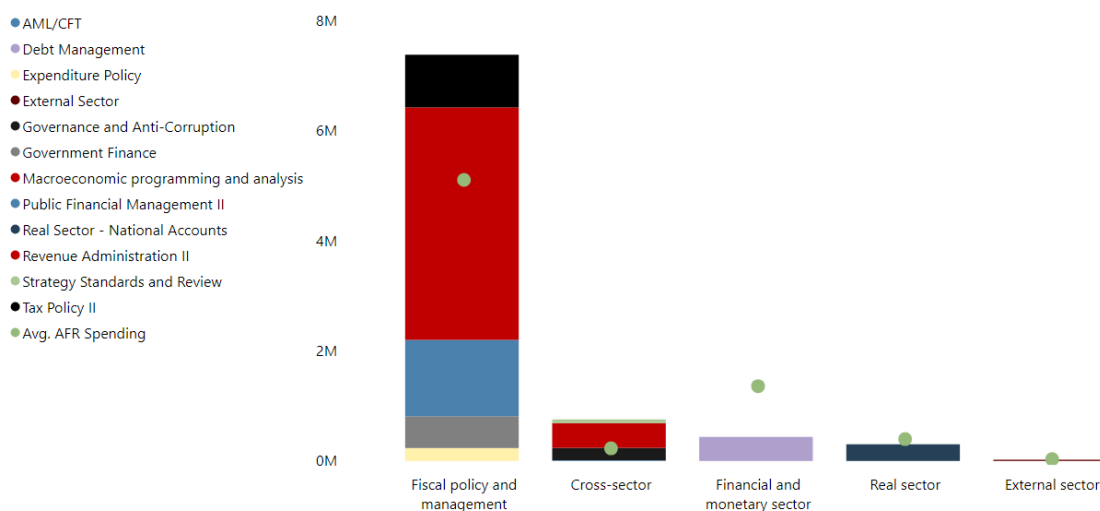
Annex VI. Figure 5. The Gambia: Top 15 Recipients of IMF Capacity Development Spending
2022-2026
(Top 15 countries)



Note: FY22 to current FY are actual data. Current FY onwards are planned activities.

Sources: IMF staff calculations based on CDMAP data.

Annex VI. Figure 6. The Gambia: CD Spending by Sector, 2022-2028
(US Dollars)



Note: FY22 to current FY are actual data. Current FY onwards are planned activities.

Sources: IMF staff calculations based on CDMAP data.

Annex VII. Enhanced Safeguards

Enhanced Safeguards 1A

1. The size of Gambia's *de facto* senior debt and other multilateral debt as a share of total external debt is around 82.1 percent as of end-2025 and is projected to decline over time. The Gambia's external debt primarily comprises of concessional and semi-concessional loans from multilateral and plurilateral creditors, with creditors from the Middle East forming the single largest creditor sub-group. Around 67 percent of The Gambia's PPG external debt is owed to multilateral creditors, with bilateral creditors (31 percent) and commercial creditors (2 percent) comprising relatively smaller shares among the creditor categories. While approximately 28 percent of the PPG external debt is owed to the IMF and MDBs, about 72 percent of PPG external debt is owed to a combination of various creditors from the Middle East.

Annex VII Table 1. The Gambia: Public Debt Decomposition, 2025–28¹

	Debt Stock (end of period)			Debt Service						
	2025			2026	2027	2028	2026	2027	2028	
	(In US\$ millions)	(Percent of total debt)	(Percent of GDP) ⁵	(In US\$ millions)			(Percent of GDP)			
Total	2,025.0	100.0	78.6	626.1	600.8	593.7	22.4	20.0	18.1	
External	1,318.5	65.1	51.2	91.6	90.8	90.9	3.3	3.0	2.8	
Multilateral creditors	868.4	43.2	33.7	23.7	31.2	35.0	0.8	1.0	1.1	
IMF	188.8	8.4	7.3							
World Bank	128.8	6.7	5.0							
ADB/AfDB/IADB	44.1	2.7	1.7							
Other Multilaterals	506.8	25.5	19.7							
o/w: IsDB and OFID	290.0	14.7	11.3							
Bilateral Creditors	358.2	20.2	13.9	37.7	31.8	31.4	1.3	1.1	1.0	
Paris Club	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							
Non-Paris Club	357.9	20.2	13.9	37.7	31.7	31.3	1.3	1.1	1.0	
o/w: Saudi and Kuwait Fund	222.7	12.5	8.6							
Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Commercial creditors	16.8	1.1	0.7	3.4	3.4	2.5	0.1	0.1	0.1	
o/w: M.A. Kharafi and Sons	16.8	1.1	0.7	3.4	3.4	2.5	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	
o/w:	0.0	0.0	0.0							
Currency Swap Liabilities	75.0	3.7	2.9	26.8	24.5	22.1	1.0	0.8	0.7	
o/w: Afreximbank ⁶	75.0	3.7	2.9	26.8	24.5	22.1	1.0	0.8	0.7	
Domestic	706.5	34.9	27.4	534.5	510.0	502.8	19.1	16.9	15.4	
Held by residents, total ⁴	706.5	34.9	27.4	534.5	510.0	502.8	19.1	16.9	15.4	
Held by non-residents, total ⁴	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
T-Bills and Sukuk bills	342.0	16.9	13.1	379.6	379.7	431.9	13.6	12.6	13.2	
Bonds	356.8	17.6	13.7	155.0	130.3	70.9	5.5	4.3	2.2	
Loans	7.8	0.4	0.3	2.1	1.9	1.7	0.1	0.1	0.1	
Memo items:	n/a									
Collateralized debt ^{2,4}										
Contingent liabilities ^{3,4}	n/a									

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, payments resulting from PPP arrangements).

⁴ Capacity constraints limit data availability and prevent the inclusion of collateralized debt and contingent liabilities. These limitations will be addressed, including via capacity development support, as part of the third review.

⁵ Percent of projected 2025 GDP.

⁶ Afreximbank acquired bonds denominated in GMD, issued by the National Road Authority (NRA), utilizing the swap drawing from CBG. The principal amount of these bonds is equivalent to US\$75 million, matching the USD swap drawing by CBG from Afreximbank.

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, payments resulting from PPP arrangements).

⁴ Capacity constraints limit data availability and prevent the inclusion of collateralized debt and contingent liabilities. These limitations will be addressed, including via capacity development support, as part of the third review.

⁵ Percent of projected 2025 GDP.

⁶ Afreximbank acquired bonds denominated in GMD, issued by the National Road Authority (NRA), utilizing the swap drawing from CBG. The principal amount of these bonds is equivalent to US\$75 million, matching the USD swap drawing by CBG from Afreximbank.

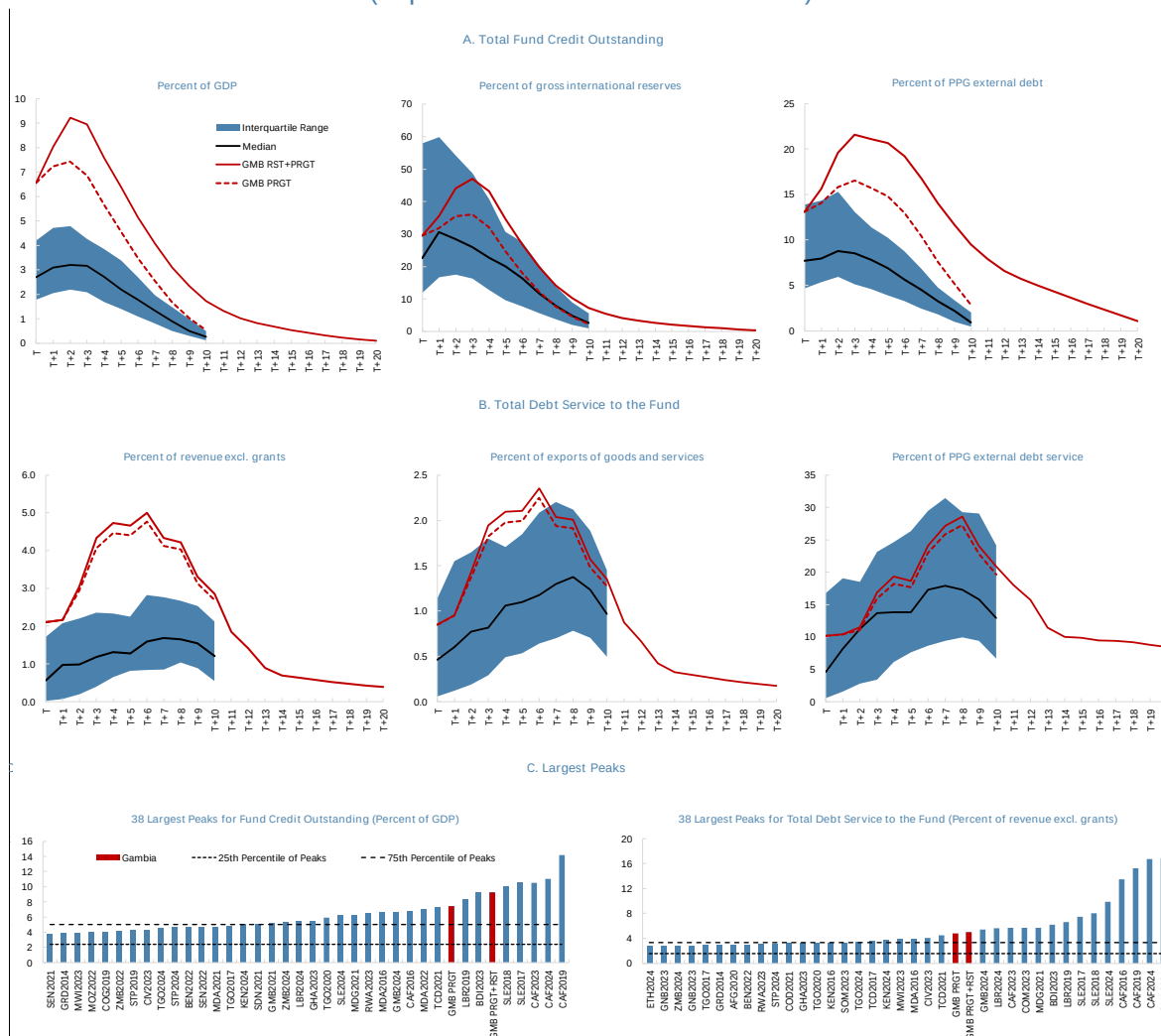
Enhanced Safeguards 1B

2. Despite the proposed augmentation, the Gambia's capacity to repay the Fund remains adequate but is subject to significant downside risks. The Gambia's outstanding credit to the IMF would peak at 9.2 percent GDP in 2026. Annual debt service to the Fund during 2026-32 would increase from 3.4 to 5.1 percent of government revenue and from 13.7 to 37.2 percent of debt service. Most Fund exposure metrics are significantly higher than those of 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.

Enhanced Safeguards 2

3. Reducing debt vulnerabilities is part of the second pillar of the ECF-supported program. The Gambia's public debt is deemed sustainable but at high risk of external and overall debt distress. Debt vulnerabilities have improved in 2021-23 under the previous Fund-supported program, driven mostly by expenditure restraints. The medium-term fiscal framework, which is predicated on enhanced domestic revenue mobilization and spending restraints, foresees further fiscal consolidation to firmly put public debt on a downward tending path. The Gambia's debt-carrying capacity (DCC) has been upgraded to strong on the basis of improved foreign reserves coverage which raises the relevant LIC-DSF thresholds for each of five debt burden indicators. Thus, the PV of external debt remains within the threshold of 40 percent of GDP for the entire forecast horizon and the PV of total public debt is projected to remain well below the 70 percent threshold. Although some liquidity indicators breach their respective thresholds for some years they are projected to decline at the end of the projection period.

Annex VII Figure 1. The Gambia: Capacity to Repay Indicators Compared to UCT Arrangements for PRGT Countries
(In percent of the indicated variable)



- Notes:
- 1) T = date of arrangement approval. PPG = public and publicly guaranteed.
 - 2) Red lines/bars indicate the CIR 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 blends, 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.

Appendix I. Letter of Intent

Banjul, The Gambia

June 17, 2026

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. This support is even more needed currently that the war in the Middle East has severely hit our economy and amplified domestic vulnerabilities.

The attached Memorandum of Economic and Financial Policies (MEFP) outlines progress since the IMF Executive Board's approval of the fourth Extended Credit Facility (ECF) review and the first Resilience Sustainability Facility (RSF) review in December 2025 and describes our policies going forward.

Despite the impact of the war in the Middle East, macroeconomic performance in The Gambia remains relatively strong while inflation has accelerated slightly to 7 percent in April, from a low 6.3 percent in February 2026. Tourist arrivals continue to recover, remittance inflows remain strong, and robust public and private construction continues. We have intensified our efforts to strengthen domestic revenue mobilization through enhanced tax administration, improved compliance, and broader reforms in public financial management. These measures are helping to increase the contribution of domestic revenue while strengthening fiscal discipline and sustainability. Concurrently, we are advancing key reforms in the energy sector. Investments in electricity generation, transmission, and rural electrification are expanding access and improving reliability. Reforms in state-owned enterprises (SOEs) have shown early gains with the combined profitability from the sector changing from a loss of GMD 2.6 billion in 2024 to a profit of GMD 2.5 billion at end-2025, with strong donor support to improve NAWEC's financial situation.

We have met five out of seven quantitative performance criteria (QPCs) and all four indicative targets (ITs) for end-December 2025. The QPCs on the domestic primary balance (DPB) and net domestic borrowing (NDB) were missed by 1.9 percent of GDP and 2.8 percent of GDP, respectively, mainly due to extrabudgetary spending and shortfalls in nontax revenue. Out of ten structural benchmarks (SBs) for this ECF review, three for end-December 2025 and January 2026 were met and two were completed with a delay. Another SB was elevated to a prior action for this review and completed. In addition, we request to rephase four SBs due this review as we need more time for their implementation. Of the three reform measures (RMs) for the second review under the RSF, one has been completed and another is expected to be completed by the Board date. We have developed a methodology and incorporated the potential impact of natural disasters into the Medium-Term Economic and Fiscal Framework (RM2) and we have identified a window of

opportunity to implement a carbon-based excise (RM8). However, we are having challenges to operationalize the transition taxonomy and climate data repository and need additional time to complete the supervisory guidelines (RM4). Therefore, we request to reschedule RM4 for end-December 2026. We reaffirm our commitment to the near- and medium-term key policies laid out in the MEFP. This includes compensating for 2025 overruns and continuing the fiscal consolidation efforts, 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. 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 and following the climate finance roundtable co-chaired by the IMF Deputy Managing Director Li in March.

Considering our commitment to program objectives, we request completion by the IMF Executive Board of the fifth review of our ECF arrangement and the associated financing assurances review, as well as the second review of our RSF. To complete the review, we request waivers for the non-observance of the two missed PCs based on the corrective measures taken, including one percent of GDP deficit adjustment in 2026, one prior action, and one new SB. In order to fully implement the agreed macroeconomic policies and reforms, we also request an extension of the ECF arrangement by six months, to July 2027, along with an augmentation of access by 20 percent of quota based on the impact of the war on our external balances. Further, we request a backloading of disbursements under the ECF, with a reduced disbursement at 10 percent of quota for the fifth review and the remaining access to be distributed evenly over the sixth and seventh reviews (at 25 percent of quota each). Accordingly, the RSF is also requested to be extended by six months and access to be rephased in line with expected completion of the remaining RMs.

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.

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/

Seedy Keita

/s/

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 fourth review of the program supported by the IMF Extended Credit Facility (ECF), and the approval of the first review of the arrangement under the Resilience and Sustainability Facility (RSF) in December 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 November 24, 2025. In the current very challenging external environment, 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), and policies fostering the resilience of the economy and people's livelihoods to climate change.
2. An amendment to programs' modalities is warranted. To give us more time to achieve objectives under the program, we request a six-month extension, augmentation and rephasing of access under the ECF arrangement until July 11, 2027, along with an extension of the RSF and rephasing of the access associated with the remaining RMs. The ECF augmentation of SDR 12.44 million (20 percent of quota) will help us address emerging balance of payments (BoP) needs and financing risks due to the impact of the war in the Middle East. The RSF extension will provide additional time to implement complex climate-related reforms, including those that affect energy prices.

Recent Economic Developments

3. Economic recovery remained strong preceding the war in the Middle East, while inflation decelerated. Real GDP growth is estimated at 6 percent in 2025. It is supported by agriculture and construction. Tourist arrivals continued to recover in 2025, increasing by 2.5 percent relative to 2024. Remittance inflows remained robust. After peaking at 18.5 percent (y-o-y) in September 2023, headline inflation declined to 6.3 percent (y-o-y) in February 2026 due to lower food and energy prices over most of the period. However, headline inflation remains above our medium-term target of 5 percent, and the impact on inflation of higher commodity prices due to the ongoing war in the Middle East has started to feed through, with April inflation reaching 7 percent.
4. Fiscal performance in 2025 was weaker than anticipated despite strong domestic revenue mobilization. Tax revenue reached 12.9 percent of GDP in 2025, up from 10.9 percent of

GDP a year earlier, meeting our ambitious program target. However, this overperformance was offset by a delay in the second tranche of the asset recycling of Senegambia Bridge (Africa 50). Also, spending exceeded targets including due to unbudgeted earmarked transfers (1.2 percent of GDP), a policy decisions to extend the increase in public workers' wages and salaries (0.4 percent of GDP), emergency transfer to NAWEC (0.7 percent of GDP), emergency support to the state-owned groundnut purchasing and processing corporation to safeguard agricultural productivity (1.1 percent of GDP), higher than expected subsidies and transfers to health, education, and social protection sectors (0.5 percent of GDP), and unintended omission of some domestic interest payments and resulting underestimation in the budget (0.3 percent of GDP). The transfer to NAWEC enabled a shift to a more affordable electricity supply and contributed to improving NAWEC's financial position in the long run. As a result, the overall fiscal deficit reached 5.0 percent of GDP, far exceeding the 1.1 percent of GDP projected at the time of the fourth review, and both domestic primary balance and net domestic borrowing targets were missed by a large margin. However, the statistical discrepancies between fiscal deficit and its financing and between the fiscal and monetary accounts for central government net financing from the banking system were reduced significantly with the support of the IMF Statistics Department.

5. Recent cuts in the main monetary policy rate aimed at supporting domestic demand. The Central Bank of The Gambia (CBG) reduced its policy rate by a total of 300 basis points in December 2025 and February 2026—bringing the rate to 14 percent and keeping real interest rates in positive territory. The decision at the time reflected a judgment that inflation pressures were easing and that a cut in the policy rate is a positive signal to taper inflation expectations as well as fostering stronger domestic demand to help support economic growth momentum. This policy stance was maintained in end-May 2026.

6. The foreign exchange market is functioning smoothly, and the external position has improved. The exchange rate vis-à-vis the US dollar depreciated by an average of 4.2 percent during 2025. The wedge between the official and parallel exchange rates has remained around 1.5 percent in recent months, compared to a peak of 10 percent in mid-2022. The private remittance inflows and external partners' disbursements allowed foreign reserves to outperform targets at end-December 2025. The current account deficit declined to 4.1 percent GDP in 2025, from 6.5 percent in 2024, as imports remained at a level similar to 2024.

7. The banking sector remains resilient. Banks' capital adequacy and liquidity ratios significantly exceeded regulatory minima, as of end-2025. Non-performing loans (NPLs) declined to 8.4 percent by end-2025 supported by ongoing loan restructuring efforts and improved repayment conditions. However, we are taking steps to ensure a further reduction. Private sector credit growth remained robust at 10.4 percent, while banks' excess reserves fell to 5.5 percent of reserve money at end-2025.

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

- Quantitative performance criteria (QPCs):* Five out of seven QPCs for end-December 2025 were met. The QPCs on the domestic primary balance (DPB) and net domestic borrowing (NDB) are estimated to have been missed by 1.9 percent of GDP and 2.8 percent of GDP, respectively, mainly due to expenditure overruns. We request waivers for the missed PCs based on corrective measures, including a tightening of the fiscal stance by one percent of GDP to compensate for end-2025 slippages, four prior actions on (i) publication of a plan, developed in consultation with the Cabinet, to raise revenues and reallocate expenditures to address spending needs arising from the war in the Middle East, in line with the Public Finance Act (2014) and the program macroeconomic framework; (ii) an in depth reconciliation of central government net financing from the banking system for 2024–25 in consultation with IMF staff, that (a) quantifies the statistical discrepancy between fiscal and monetary data, (b) attributes the discrepancy to specific, documented sources supported by underlying data where available, and (c) identifies any residual data gaps with a time bound, monitorable action plan—endorsed by the authorities—to resolve them; (iii) providing monthly statements through end-May of the CBG balances with AFREXIMBANK; and (iv) ensuring CBG foreign exchange reserves are not encumbered in connection with swap-related proceeds. Prior action (ii) has already been completed. Additional corrective measures include a new SB on cash management and a commitment on data reconciliation. We request a modification of the end-June PCs on DPB and NDB and IT on tax revenues to reflect the revised fiscal projections and reduced ECF and RSF disbursements in 2026 and setting of new PCs and indicative targets for end-September and end-December 2026.
- Indicative targets (ITs):* All indicative targets (ITs) were met.
- Structural benchmarks (SBs):* Out of ten SBs for this review, three SBs for end-December 2025 and January 2026 were met on time; the end-December 2025 SB on the submission to cabinet a tax expenditure report was not met but has been transmitted to Cabinet. The PFM Act, SB scheduled for end-March, was approved by Cabinet in April. The review to reconcile the source of inconsistencies between the fiscal (domestic financing data) and monetary accounts scheduled for end-March is proposed to be elevated to a prior action for this review and was completed in April. In addition, four end-June 2026 SBs need to be postponed because we need more time for their implementation, including: (i) the operationalization of the anticorruption commission subject to National Assembly approval, (ii) the publication of an arrear payment schedule based on the approved clearance criteria, (iii) MDAs to submit quarterly updates to their cash plans and the implementation of a maximum deviation rule, and (iv) the privatization of GAMCEL.
- Reform Measures under the RSF arrangement:* the potential impact of natural disasters has been incorporated into the MTEFF, alongside a description of the underpinning methodology. We plan to implement the carbon-based excise (RM8) by the Board date, in line with IMF TA recommendations. While we have made substantial progress in drafting banking supervisory regulations, we are facing delays adopting a transition taxonomy and establishing a climate data repository of taxonomy-aligned data (RM4). Therefore, we are requesting to rephrase this RM to

end-December 2026. We will hold working sessions, in coordination with the IMF and other development partners, to continue making progress on the transition taxonomy building on the success of the climate finance roundtable, and we will take steps to improve the energy, water and land use accounts supported by IMF TA.

Macroeconomic Outlook

9. The ongoing war in the Middle East is expected to affect significantly the macroeconomic outlook and amplify domestic risks. The sharp price increases for key imports caused by the war are pressuring economic activity, inflation and tourism arrivals. As a result, growth is projected to moderate to 4.7 percent in 2026. Inflationary pressures are expected to re-emerge in line with increases in the prices of fuel, fertilizer and food, delaying attainment of the CBG's inflation target by at least another year. High price levels will exert significant fiscal pressures and could lead to socio-political tensions as witnessed in other jurisdictions. Capacity constraints and the higher costs of living in this election year may constrain reform implementation and introduce challenges to further fiscal consolidation.

10. The impact of the war will be felt especially in the BOP and is anticipated to put pressure on FX reserves. Elevated oil prices are expected to directly increase current account deficits this year and the next. Additionally, higher oil prices and other factors, such as heightened risk aversion, will indirectly affect the current and financial accounts through slower-than-expected growth in tourism and remittances and reduced direct investment. Such indirect effects are expected to linger through 2027, dragging down international reserves. Consequently, the reserve-to-prospective imports ratio, without the proposed ECF augmentation, is projected to decline from 3.8 in 2026 to 3.5 in 2027, while the augmentation we will be able to maintain it at 3.6.

Macroeconomic Policies and Structural Reforms

A. Strengthening Fiscal Consolidation and the Fiscal Policy Framework

11. Fiscal policy in 2026 will aim at reverting to our intended fiscal consolidation and debt reduction paths, while mitigating the global repercussions of the war in the Middle East. To preserve the envisaged debt path and compensate for the fiscal slippages in 2025, we will reduce the overall budget deficit by 1 percent of GDP and increase the unadjusted domestic primary balance target from 1.3 percent of GDP to 2.3 percent of GDP.¹ This will require stepped-up revenue mobilization, including 0.5 percent of GDP of revenue-raising measures, safeguarding fuel revenue by passing through oil price increases as possible, and reallocating 0.5 percent of non-war-related expenditures to expenditures financed by a World Bank grant to protect the vulnerable population and mitigate the economic impact. To meet this objective, we intend to:

- Raise additional revenues of around GMD 900 million (or 0.5 percent of GDP) through:
 - o The newly proposed tax withholding of direct donor payments (about GMD 300 million).

¹ After adjusting for the WB CERP disbursement, the DPB target for end-December is 0.9 percent of GDP.

- o Collecting a dividend from [Gambia Port Authority (GPA), Gambia National Petroleum Corporation (GNPC), and Gambia Printing and Publishing Corporation (GPPC)] (about GMD 100 million).
- o Continued improvements in compliance in CIT and excises through revenue assurance (about GMD 200 million).
- o Improving collection of annual landed properties rents through third-party data sharing (about GMD 100 million).
- o Further improvements in compliance in excise and VAT in the telecom sector and CIT collection (GMD 200 million).
- o Digitalizing collections and raising selected user fees on nontax revenues provide additional upside.

Reducing expenditures further by the amount of any shortfall in the agreed revenue measures.

- Maintain a high pass-through on domestic fuel prices as possible while international fuel prices remain elevated, balancing the need to adjust to this external shock with social and economic considerations. May 2026 pump prices reflect full pass-through for gasoline and a reduced subsidy for diesel. We will maintain pump prices through the end of the year that limit fuel revenue losses vis-à-vis the budget to about GMD 1.8 billion (0.9 percent of GDP).
- Request \$38 million (GMD 2.8 billion or 1.4 percent of GDP) using the Contingent Emergency Response Project (CERP) clauses in World Bank projects to address unexpected shocks. After covering the projected shortfall in fuel revenues, we will use the remaining grant resources to further buffer the impact of the war in the Middle East. To this end, we will allocate 0.5 percent of GDP to outlays aimed at protecting the vulnerable and mitigating the impact on the economy. Specifically, we will provide additional cash transfers to at least 20 percent of the most vulnerable households (GMD 600)², increase fertilizer subsidies (GMD 240 million), and school feeding programs and support to NAWEC (GMD 80 million each). To remain within the overall budget envelope, we will reduce spending on several items not related to the war in the Middle East, including training (GMD 200 million), travel and consultancies (GMD 150 million each) and rent and land compensation (GMD 100 million each). Details will be shared in a published plan, developed in consultation with the Cabinet, and in line with the Public Finance Act (2014) and the program macroeconomic framework (prior action).
- Continue to discuss with Africa 50 on our concession agreement to ensure that receipts included in the 2026 budget materialize.
- Control expenditures by strengthening procurement controls and accelerating e-procurement.

² The fiscal cost of providing cash transfers to the bottom 20 percent of households for the remainder of the year is estimated at 0.3 percent of GDP, or about GMD 600 million. We will reflect this increase in the new indicative target on poverty-reducing expenditure. In addition, considering the current situation, we will advance reforms on social protection, including the development of a National Social Protection Strategy, clearly establishing institutional arrangements for oversight, implementation and payment delivery for the main social programs, including Nafa and the Family Strengthening Program.

12. The 2027 budget will need to reconcile development needs with a likely drop in nontax revenues, while keeping debt on a downward trend. We will target an overall deficit of 1 percent of GDP to sustain fiscal consolidation and keep reducing public debt. The budget submitted to the National Assembly in September will be in line with ECF program parameters. Lingered effects of the crisis and elevated oil prices are expected to drag on revenues, despite ongoing revenue mobilization efforts, and the tax-to-GDP ratio is expected to reach 13.4 percent. We will also build on IMF technical advice to design a predictable, yet flexible wage adjustment mechanism in line with fiscal sustainability, especially in subvented agencies. This should provide space for fertilizer subsidies and crop financing through transfers to the National Food Security Processing and Marketing Co-operation (NFSPMC) and revenue compensation for NAWEC (totaling about 1.1 percent of GDP), which will be needed to cover additional costs as input prices in the agricultural and energy sectors are expected to remain elevated. Additional space would also facilitate the repayment of arrears, although at a slower pace than the planned repayment schedule (SB for end-June 2026, proposed to be rephased to end-July 2026).³ We will strive to protect poverty spending and priority outlays to enhance access to health and education.

13. We strive to resolve statistical discrepancies with IMF support. We are working closely with the IMF to resolve discrepancies in fiscal reporting (both between above- and below-the-line accounts and between fiscal and monetary data) so that data can be reliably assessed for policymaking and program monitoring. We reduced the discrepancy between above- and below-the-line accounts to 0.4 percent of GDP. With support from the IMF Statistics Department, we completed an in-depth reconciliation of central government net financing from the banking system for 2024–25 that (i) quantifies the statistical discrepancy between fiscal and monetary data, (ii) attributes the discrepancy to specific, documented sources supported by underlying data where available, and (iii) identifies any residual data gaps with a time bound, monitorable action plan to resolve them (prior action). To strengthen fiscal reporting, we will establish a quarterly reconciliation process between the Accountant General Department (AGD) and the Directorate of Economic Policy and Research (DEPR). This process will ensure that all payments from the Treasury Main Account (TMA) are accurately classified using the correct Chart of Accounts codes and incorporated into the Statement of Government Operations (SGO) in a timely manner. We are committed to providing timely information to the IMF should the government extend an explicit guarantee on SOE debt.

14. Revenue mobilization remains central to our development and fiscal consolidation objectives. In order to achieve the target set out in the 2026-2030 Domestic Resource Mobilization Strategy, we will need to further strengthen tax collection. In line with the DRMS, we will conduct a full VAT review to modernize design and administration to improve revenue productivity (SB proposed to be rephased to end-May 2027). We will also follow up on TA recommendations regarding property taxation and seek further IMF support to increase local government revenue mobilization and reform of the public financial management of local government authorities and

³ Current projections include clearance of GMD 6.6 billion in arrears over 2027–30, with annual amounts of 0.5, 2.2, 2.4, and 1.5 billion, respectively.

SOE. The fiscal consolidation effort will not be complete without the inclusion of the local governments and the SOEs. We have finalized and submitted to Cabinet a tax expenditure statement in line with FAD recommendations, covering data through 2025 (SB for end-December 2025, completed in May). In 2024, tax expenditures added up to 2.8 percent of GDP, largely driven by legacy Special Investment Certificates awarded before the GIEPA Act was amended. Over the medium term, we are planning to unbundle the Income and Value Added Tax Act (IVATA) into two separate acts to simplify compliance, and we will take the opportunity to modernize our VAT system based on the review and IMF TA recommendations, particularly focusing on digital and non-resident supplies, as well as international taxation. In the same timeframe, we are planning to reform and modernize our Customs and Excise Act. On revenue administration, we commit to build on past TA and progress on audits to develop a construction-sector compliance improvement plan.

15. Modernizing our PFM legal framework, improving cash management and addressing the underlying causes of arrears creation are priorities. We have worked across several areas to improve overall PFM systems, albeit challenges remain:

- After approving the PFM Act (SB for end-March 2026, completed in April) we will reflect additional Fund recommendations in regulations, including tightening rules around virements, extending the coverage of the Treasury Single Account, a clear definition of arrears, as well as the institutionalization of the Arrears Monitoring and Clearance Committee, among others.
- Based on the stocktaking of arrears, we built a strategy to institutionalize the arrears monitoring and reporting framework to address weaknesses that led to pending payment accumulations (SB for end-January 2026). We will now focus on publishing a payment schedule of verified arrears (SB for end-June 2026, proposed to be rephased to end-July 2026), prioritizing long-standing arrears and arrears owed to micro and small enterprises. We will also establish an Arrear Clearance Oversight Committee.
- To improve cash management, we will require all MDAs to present quarterly updates to their cash plans through IFMIS and implement a 'maximum deviation' rule (SB for end-June 2026, proposed to be rephased to end-August 2026). The pilot implementation of the maximum deviation rule for selected MDAs will incentivize them to improve the quality of their cash plans, so that limited cash can be used more efficiently, contributing to lower arrear creation. In parallel, we will continue upgrading our cash forecasting capacity. To that end, we will operationalize a robust monthly rolling cash forecasting framework, initially focused on forecasting cash in the next three months and month-end TSA balances (proposed new SB for end-September 2026).

16. The current war and volatility in energy markets will affect NAWEC's financial viability and risks. The phase out of Karpower's contract in 2025, alongside a switch to cheaper imports from Guinea through the OMVG network have reduced the average cost of electricity. Nonetheless, relying on electricity imports has also heightened energy security concerns, particularly in the current context. We have invested in bringing our domestic generation capacity back online, which has led to arrear accumulation with both SENELEC and EDG amounting to US\$44 million. In addition, NAWEC's costs are expected to increase due to both higher fuel prices and higher import prices. In

the medium term, we expect that bringing the 50MW solar power plant in Soma onstream will further decrease electricity costs. On transmission and distribution, the commissioning of a new transmission line has reduced technical losses and we are implementing a plan to further reduce non-technical losses, which will contribute to improving NAWEC's financial situation. We have also digitalized payment infrastructure via the development of a new app, simplifying payment procedures. Finally, the Ministry of Energy and Petroleum will lead on developing a roadmap to achieve cost-recovery through tariff and non-tariff measures (RM9, proposed to be rephased to end-February 2027). Key priorities for electricity tariff reform include improving data collection and analytics and conducting a robust cost of supply study.

17. Beyond the current juncture, we strive to reduce SOE-related fiscal risks. The SOE Commission successfully renewed six Performance Contracts for 2026. Two previous performance contracts were not satisfactory and the Commission recommended a reduction in salaries for top management in those SOEs. Further steps are needed to strengthen SOE governance and fiscal risk management, including by ensuring the timely submission of standardized financial reports to MOFEA and consolidating SOE fiscal risk analysis in the fiscal risk statement. SOEs should move towards adopting a harmonized international accounting framework and clear their financial reports backlog. In addition, the SOE Commission will start producing detailed individual performance reports, including debt stocks to complement their yearly consolidated reports. Advancing the partial or full privatization of GAMCEL (SB for end-June 2026, proposed to be rephased to end-December 2026) will lead to lower aggregate losses from SOEs. The reforms of the SOEs have yielded positive results with the sector now being transformed to a positive financial performance from a loss a year ago, with strong donor support to improve NAWEC's financial situation.

B. Monetary and Exchange Rate and Financial Policies

18. With the highly uncertain outlook, the CBG will remain proactive in assessing the appropriate monetary policy stance going forward. Renewed pressures on commodity prices and the upcoming elections limit visibility about future inflation dynamics. We will remain vigilant and ensure the monetary policy stance remains appropriate to counter persistent inflation and incorporate forward-looking analysis to bring inflation back to our medium-term target of 5 percent. To this end, CBG remains committed to data-driven policymaking and stands ready to refine its forecasts in line with emerging risks to inflation. Our policy tools remain the policy rate, the sale of CBG bills, the use of deposit window, and the change in the reserve requirement ratio to mop up excess liquidity in the banking system.

19. We vigilantly maintain a market-determined exchange rate to safeguard FX reserves, meet debt service payments and maintain macro-financial stability. The CBG will continue to strictly implement the 2023 foreign exchange policy to prevent a recurrence of shortages and ensure the exchange rate aligns with market fundamentals to safeguard forex reserves. We consider that exchange rate flexibility is important to support the current account rebalancing. The use of FX intervention will be limited to addressing disorderly market conditions and mitigating policy trade-offs when the FX market becomes dysfunctional and exhibits excessive volatility. The CBG has finalized a new electronic FX data collection system to enhance FX market operations and

completing its full operationalization. It will revise the recently approved forex intervention policy to align with IMF staff comments and make sure to maintain a comfortable level of reserves to meet external debt service payments and ensure buffers against external shocks.

20. The CBG will continue to strengthen the regulatory and supervisory framework to enhance the financial system's resilience. This includes enhanced monitoring of high-NPL banks, application of risk-based supervision supported by capacity building, closely following concentration risks, and early intervention. The CBG plans 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. We will continue stress testing the banking sector to assess its resilience to adverse shocks, including liquidity market and sovereign exposure of banks through fiscal consolidation, reduced domestic borrowing, and macroprudential measures.

21. We are in the process of amending the CBG Act which will strengthen its mandate, governance, and autonomy. We will finalize drafting the amendments in consultation with IMF staff. We acknowledge that key recommendations of the 2024 safeguards assessment include establishing domestic price stability as the CBG's sole primary objective, circumscribing the Bank's ability to provide financial support to public entities, ceasing quasi-fiscal development activities, and reviewing profit distribution mechanisms, amongst other things. The CBG Board could not finalize the draft amendments by end-March 2026 as envisaged and is expected to complete them by end-December 2026 (proposed new SB for end-December 2026).

22. The CBG renews its commitment to ceasing quasi-fiscal activities. As of end-December 2025, the CBG claims on public entities reached zero from a high of 0.7 percent of GDP in May 2025. Going forward, the CBG does not intend to engage in quasi-fiscal operations through currency swap operations. In this respect, we will ensure that CBG foreign reserves are not encumbered in connection with swap-related proceeds (prior action). We will also provide monthly statements on CBG balances with AFREXIMBANK through end-May 2026 (prior action) and thereafter.

C. Governance Reforms and Business Environment

23. We aim to further strengthen public governance frameworks. One of the three anti-corruption commissioners approved by the National Assembly in December 2025 has been withdrawn, and a replacement needs to go through the approval process. The anti-corruption commission is expected to commence operations after commissioners are sworn-in thereafter (SB for end-June 2026, proposed to be rephased to end-December 2026). We acknowledge the need for an inter-institutional dedicated mechanism to drive and accelerate the implementation of the recommendations of the IMF governance diagnostic assessment. The final version of two important bills has yet to be approved by cabinet: the revised AML/CFT law and the National Audit Office Act, and we intend to do so by end-December 2026. We also prioritize the digitalization of the compilation of Laws of The Gambia, financial support permitting, and of the public procurement system to advance transparency and accountability.

24. Our reforms focus on enhancing the business environment and stimulating private investment. The recently approved unified land policy will be strictly implemented to facilitate access to land and collateral, and the revised GIEPA Act and digital platform for business registration should help to attract investment, lower entry costs, and promote formalization. Our objective to standardize financial reporting through the strengthening of the Standards Committee of the Financial Reporting Oversight Board (FROB) would contribute to better financial governance of public institutions and the corporate sector, hence boosting investor confidence, market integrity and private sector development. Credit markets are being strengthened through the Credit Reference Bureau, and we are deepening our National Financial Inclusion Strategy with an emphasis on women, youth and vulnerable groups.

D. Resilience to Climate Change

25. We are making good strides in incorporating fiscal risks from natural disasters in the budget framework and are taking measures to encourage the energy transition. Natural disasters in The Gambia have a disruptive macro-fiscal impact, impacting economic activity, government expenditure and tax revenue, in addition to significant and costly delays of capital expenditure projects. We have included an assessment of the potential impacts of natural disasters into the Medium-Term Economic and Fiscal Framework (MTEFF) for 2026-2027 based on IMF TA (RM 2, due end-March 2026). Additionally, despite the volatility in energy markets, [we identified a window of opportunity to implement the carbon-based excise following our conversation with oil marketing companies (RM 8, due end-January 2026).] We will need additional time to finalize the transition taxonomy and to make meaningful progress on climate data (RM 4, proposed to be rephased to end-December 2026).

26. We have progressed on reform measures currently scheduled for the third and four RSF reviews. We are receiving support from the French Development Agency on groundwater abstraction and licensing regulations (RM 7, due end-September 2026) and from the World Bank on implementing zoning regulations (RM 6, due end-September 2026). To reform electricity subsidies (RM 9, proposed to be rephased to end-February 2027), we request to rephase its implementation to allow the impact of the current war and its lingering impact to fade away and accurately calibrate support to lower income households.

Capacity Development

27. We are requesting additional technical support to implement the ECF. In addition to follow-up to key areas such as cash management and arrear prevention, property taxation and public investment management, we are seeking IMF advice on VAT modernization, the elaboration of a new customs code, Technical Assistance in Mining and Fisheries Revenue management, and SOEs' governance including their adoption of International Financial Reporting Standards (IFRS). We would welcome further assistance in building capacity in the preparation of statistics both at the CBG (monetary and external sector data) and at GBoS (national accounts), and in financial supervision. In addition, we are expecting to receive TA on drafting amendments to the CBG Act to meet our SB.

28. We have received robust TA to implement the RSF reform package and we request additional support to meet RM4, specifically focused on upgrading climate data infrastructure. TA has now been delivered for all reform measures. Nonetheless, to continue making progress on climate data, we request additional support from the IMF STA department to consolidate and expand our energy, water and land use accounts. We also request additional, remote support, from the IMF MCM department to facilitate working sessions with sectoral experts to finalize the transition taxonomy.

Program Monitoring

29. We will take all measures needed to meet quantitative targets and observe structural benchmarks under the ECF arrangement, as well as the reform measures under the RSF arrangement. The ECF and RSF arrangements will continue to be subject to concurrent semiannual reviews, based on performance criteria, indicative targets, structural benchmarks and reform measures as set out in this Memorandum and defined in the attached Technical Memorandum of Understanding. The sixth ECF program review will be based on end-June 2026 targets and is expected to be completed on or after September 30, 2026. The final seven ECF program review will be based on the end-December 2026 targets and is expected to be completed on or after March 31, 2027. As such, the third and four reviews under the RSF arrangement will take place at the time of the six and seventh reviews under the ECF arrangement, respectively.

Table 1. The Gambia: Quantitative Performance Criteria and Indicative Targets, 2025–2026
(Cumulative from beginning of the calendar year to end of month indicated; local currency millions, unless otherwise indicated)

	2025					2026				
	Sept.		Dec.			Mar.		Jun.		
	4th review	Adj.	Act.	Status	4th review	Adj.	Act.	Status	4th review	Prog.
Performance criteria ¹										
1. Net domestic borrowing of the central government (ceiling)	5,000	5,946	9,194	Not met	1,800		7,081	Not met	3,000	4,500
2. Domestic primary balance (cumulative floor)	1,800		-386	Not met	1,400	724	-2,896	Not met	200	-1,000
3. Stock of net usable international reserves of the central bank (floor, US\$ million) ²	287		311	Met	312		377	Met	309	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
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
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
7. New concessional external debt contracted or guaranteed by central government (ceiling, US\$ million) ³	90		40	Met	90		40	Met	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
Indicative targets ¹										
9. Total tax revenue (floor)	16,200		18,268	Met	23,900		23,970	Met	7,000	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
11. Stock of net domestic assets of the central bank (ceiling)	14,157		9,103	Met	14,628		6,855	Met	10,971	14,907
12. Poverty-reducing expenditure (floor)	9,000		9,798	Met	12,000		13,576	Met	4,000	8,000
Memorandum items:										
Budget Support (grants, US\$ millions)	132		0.0		52.6		61.9		0.0	0.0
Base Money (stock, GMD millions)	23,155		25,318		23,339		26,696		23,642	23,805
IMF disbursements (SDR millions)	37.3		37.3		65.3		65.3		0.0	22.8

¹ For definitions and related adjustments, see the Technical Memorandum of Understanding (TMU). End-June and End-December are test dates. Targets for end-March and end-September are indicative targets (ITs), except for continuous performance criteria.

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 established in the CAG 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 lending and the 30-year bond held by the CAG.

Table 2. The Gambia: Prior Actions and Structural Benchmarks for the Fifth ECF Review, 2026

Measures	Macro Rationale	Timing	Status
Prior Actions			
Publish a plan, developed in consultation with the Cabinet, to raise revenues and reallocate expenditures to address spending needs arising from the war in the Middle East, in line with the Public Finance Act (2014) and the program macroeconomic framework	Ensure the budget is consistent with program objectives	Prior action	Pending
Complete, in consultation with IMF staff, an in depth reconciliation of central government net financing from the banking system for 2024–25 that (i) quantifies the statistical discrepancy between fiscal and monetary data, (ii) attributes the discrepancy to specific, documented sources supported by underlying data where available, and (iii) identifies any residual data gaps with a time bound, monitorable action plan—endorsed by the authorities— to resolve them.	Improve data consistency across government accounts	Prior action	Met
Provide monthly statements through end-May of CBG balances with Afreximbank.	Safeguard the CBG's financial position	Prior action	Pending
Ensure CBG Foreign Exchange Reserves are not encumbered in connection with swap-related proceeds.	Safeguard the CBG's financial position	Prior action	Pending
Domestic Revenue Mobilization (GRA/MOFEA)			
Submit to the cabinet a tax expenditure statement in line with FAD recommendations.	Enhance transparency of tax expenditures and protect revenue collection	End-December 2025	Not met, completed in June 2026
Public Financial Management and statistics (MOFEA and Cabinet)			
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	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-January 2026	Met
Adopt by the cabinet a revised PFM Act in line with agreed IMF recommendations	Streamline the project approval process	End-March 2026	Not met, completed in April 2026

Table 2. The Gambia: Prior Actions and Structural Benchmarks for the Fifth ECF Review, 2026 (concluded)			
Measures	Macro Rationale	Timing	Status
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.	End-March 2026	Not met, elevated to a prior action and completed in April 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-June 2026	Not met. Proposed to be rephased to end-August 2026
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-June 2026	Not met. Proposed to be rephased to end-July 2026
Governance and SOE reforms			
Complete partial or full privatization of GAMCEL.	Turn SOEs from fiscal burdens to revenue-generating assets.	End-June 2026	Not met. Proposed to be rephased to end-December 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.	End-June 2026	Not met. Proposed to be rephased to end-December 2026
Financial sector			
Require the augmentation of banks' capital by GMD100 million.	Strengthen the resilience of the banking sector to future potential shocks	End-December 2025	Met

Table 3. The Gambia: Structural Benchmarks for Sixth and Seventh ECF Reviews, 2026

Measures	Macro Rationale	Timing
Domestic Revenue Mobilization (GRA/MOFEA)		
Undertake a thorough review of the VAT with a view to modernizing its design and operation and improving its revenue productivity.	Close the VAT policy and compliance gaps.	End-September 2026. Proposed to be rephased to end-May 2027
Public Financial Management (MOFEA and Cabinet)		
Operationalize a robust monthly rolling cash forecasting framework, initially focused on forecasting cash in the next three months and month-end TSA balances	Improve cash management and forecasting	Proposed for end-September 2026
CBG's mandate		
The CBG should submit to the Cabinet, in consultation with IMF staff, draft amendments to the CBG Act aimed, inter alia, at strengthening the CBG's mandate, governance, and autonomy of the CBG, in line with the 2024 safeguards assessment recommendations.	Strengthen the central bank's mandate, governance and autonomy.	Proposed for end-December 2026

Table 4. 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 PEM						
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	Met	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 incorporate 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	Met	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.	Proposed to be rephased to end-December 2026	RSF 4th review / ECF 7th 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	Met	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.
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.	Proposed to be rephased to end-February 2027	RSF 4th review / ECF 7th 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 review.

Table 5. The Gambia: Sequencing of Reform Measures Under the RSF

RSF 1st review / ECF 4th review	RSF 2nd review / ECF 5th review	RSF 3rd review / ECF 6th review	RSF 4th review / ECF 7th 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 RM3: MoFEA to incorporate 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. 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	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. 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	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.	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. 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.

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 July 2027. It also sets out the related reporting requirements and describes the adjusters 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. 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

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, Covid 19 recovery project, and the public service pension fund, 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.

4. 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 2026 (Cumulative flow in millions of US dollars)			
March 2026	June 2026	September 2026	December 2026
0	0	45	79.4

5. 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

6. 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.

7. 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

8. 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.

9. 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.

10. 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

11. 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).

12. 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.

13. 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

14. 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.

15. 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).

16. 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

17. 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. Concessional debt is as defined in ¶20.

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

19. 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

20. 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.¹Public 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.

21. 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

22. 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

23. 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

24. 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.

25. 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.

26. 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

27. 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.

28. 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

29. 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.

30. 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

31. 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

32. 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

33. 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

34. 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.

35. 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.

36. 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

37. 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.

38. 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

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

40. 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.

41. Daily data on foreign exchange intervention by the central bank will be transmitted weekly within five business days of the end of each week.
42. 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.
43. 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.
44. 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

45. 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.
46. 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

47. 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.



THE GAMBIA

June 18, 2026

STAFF REPORT FOR THE 2026 ARTICLE IV CONSULTATION, FIFTH REVIEW UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUESTS FOR PROGRAM EXTENSION, AUGMENTATION AND REPHASING OF ACCESS UNDER THE EXTENDED CREDIT FACILITY, REQUESTS FOR WAIVERS OF NON-OBSERVANCE OF PERFORMANCE CRITERIA, MODIFICATION OF PERFORMANCE CRITERIA, FINANCING ASSURANCES REVIEW, SECOND REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT, AND REQUEST FOR EXTENSION AND REPHASING OF ACCESS UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY—INFORMATIONAL ANNEX

Prepared By

The staff of the International Monetary Fund

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RELATIONS WITH THE FUND

(As of May 31, 2026)

Membership Status: Joined September 21, 1967. The Gambia accepted the obligations under Article VIII, Sections 2(a), 3, and 4, of the Fund's Articles of Agreements on January 21, 1993.

General Resources Account:	SDR Million	%Quota
<u>Quota</u>	62.20	100.00
<u>IMF's Holdings of Currency (Holdings Rate)</u>	52.91	85.06
<u>Reserve Tranche Position</u>	9.35	15.03
SDR Department:	SDR Million	%Allocation
<u>Net cumulative allocation</u>	89.38	100.00
<u>Holdings</u>	67.94	76.00
<u>Outstanding Purchases and Loans:</u>	SDR Million	%Quota
RSF Arrangements	15.54	24.98
RCF Loans	19.94	25.63
ECF Arrangements	119.30	191.80

Latest Financial Commitments:

Arrangements:

<u>Type</u>	<u>Date of Arrangement</u>	<u>Expiration Date</u>	<u>Amount Approved (SDR Million)</u>	<u>Amount Drawn (SDR Million)</u>
RSF	Jun 18, 2025	Jan 11, 2027	46.65	15.54
ECF	Jan 12, 2024	Jan 11, 2027	74.64	49.75
ECF	Mar 23, 2020	Jun 14, 2023	70.55	70.55

Outright Loans:

<u>Type</u>	<u>Date of Commitment</u>	<u>Date Drawn/Expired</u>	<u>Amount Approved (SDR Million)</u>	<u>Amount Drawn (SDR Million)</u>
RCF ¹	Apr 15, 2020	Apr 17, 2020	15.55	15.55
RCF	Jun 26, 2017	Jul 05, 2017	11.66	11.66
RCF	Apr 02, 2015	Apr 12, 2015	7.78	7.78

Overdue Obligations and Projected Payments to Fund ²

(SDR Million; based on existing use of resources and present holdings of SDRs):

	<u>Forthcoming</u>				
	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Principal	6.22	13.94	16.72	18.05	21.38

¹ Undrawn outright disbursements (RFI and RCF) expire automatically 60 days following the date of commitment, i.e. Board approval date.

² When a member has overdue financial obligations outstanding for more than three months, the amount of such arrears will be shown in this section.

Charges/Interest	<u>0.68</u>	<u>0.93</u>	<u>0.93</u>	<u>0.93</u>	<u>0.93</u>
Total	<u>6.91</u>	<u>14.87</u>	<u>17.65</u>	<u>18.98</u>	<u>22.31</u>

Implementation of HIPC Initiative:

Commitment of HIPC assistance	Enhanced <u>Framework</u>
Decision point date	Dec 2000
Assistance committed by all creditors (US\$ Million) ³	66.60
Of which: IMF assistance (US\$ million)	2.30
(SDR equivalent in millions)	1.80
Completion point date	Dec 2007
Disbursement of IMF assistance (SDR Million)	
Assistance disbursed to the member	1.80
Interim assistance	0.44
Completion point balance	1.36
Additional disbursement of interest income ⁴	0.49
	2.29

Implementation of Multilateral Debt Relief Initiative (MDRI):

MDRI-eligible debt (SDR Million) ⁵	9.42
Financed by: MDRI Trust	7.44
Remaining HIPC resources	1.98
Debt Relief by Facility (SDR Million)	

<u>Eligible Debt</u>			
<u>Delivery</u>	<u>GRA</u>	<u>PRGT</u>	<u>Total</u>
<u>Date</u>			
December 2007	N/A	9.42	9.42

Implementation of Catastrophe Containment and Relief (CCR):

<u>Date of</u> <u>Catastrophe</u>	<u>Board Decision</u> <u>Date</u>	<u>Amount Committed</u> <u>(SDR million)</u>	<u>Amount Disbursed</u> <u>(SDR million)</u>
N/A	Apr 13, 2020	2.10	2.10
N/A	Oct 02, 2020	2.10	2.10
N/A	Apr 01, 2021	1.87	1.87
N/A	Oct 06, 2021	1.09	1.09
N/A	Dec 15, 2021	0.78	0.78

³ Assistance committed under the original framework is expressed in net present value (NPV) terms at the completion point, and assistance committed under the enhanced framework is expressed in NPV terms at the decision point. Hence these two amounts can not be added.

⁴ Under the enhanced framework, an additional disbursement is made at the completion point corresponding to interest income earned on the amount committed at the decision point but not disbursed during the interim period

⁵ The MDRI provides 100 percent debt relief to eligible member countries that qualified for the assistance. Grant assistance from the MDRI Trust and HIPC resources provide debt relief to cover the full stock of debt owed to the Fund as of end-2004 that remains outstanding at the time the member qualifies for such debt relief.

Safeguards assessments. A safeguards assessment of the CBG, completed in February 2024, noted generally sound external audit arrangements. However, the CBG's participation in quasi-fiscal operations, facilitated by gaps in the legal framework, has weakened its financial autonomy and exposed it to elevated risks. Steps to address the assessments' recommendations have been initiated by enhancing disclosures in the financial statements. Going forward, concerted efforts are needed to address the remaining recommendations including ceasing quasi-fiscal operations, strengthening governance arrangements, and advancing legal reforms to support a more robust institutional framework.

Exchange Rate Arrangements. The de jure exchange rate arrangement is free floating. The exchange rate is determined in the foreign exchange market. The Gambia participates in the W-ERM II of the WAMZ, which requires that the spot exchange rate between the dalasi and the US dollar be maintained within $\pm 15\%$ of the central rate; however, the authorities have not yet implemented these measures. The Central Bank of The Gambia (CBG) periodically intervenes in the foreign exchange market by selling and buying foreign exchange to augment international reserves and ensure market orderliness. The CBG does not publish intervention data but informs market makers on the results of each auction including prices. The de facto exchange rate is classified as a crawl-like arrangement. The Gambia has accepted the obligations under Article VIII, Sections 2, 3 and 4 of the IMF's Articles of Agreement and maintains an exchange system free of restrictions on the making of payments and transfers for current international transactions and multiple currency practices, except for restrictions maintained solely for the preservation of national or international security, which have been notified to the Fund in accordance with the procedures set forth in Executive Board decision 144-(52/51).

Last Article IV consultation. The 2023 Article IV Consultation was concluded by the Executive Board on January 12, 2024. The Gambia is on the 24-month consultation cycle (IMF Country Report No. 24/15).

Resident Representative: Mr. Patrick Gitton has been the Fund's Resident Representative in The Gambia since September 8, 2023.

Technical assistance

The Fund has been providing The Gambia with extensive technical assistance in macroeconomic, fiscal (public financial management and revenue administration), monetary, banking supervision, and in improving the compilation of macroeconomic statistics. Specific technical assistance projects since end-2011 are the following:

Fiscal Affairs Department	
Date	Purpose
April 2026	Arrears Management
March 2026	Public Expenditure (Wage bill reform)
March 2026	Energy subsidies reform
February 2026	Property Taxation
February 2026	Macro-fiscal impact of natural disasters on fiscal planning
January 2026	Cash Management and Treasury Single Account (TSA)
December 2025	PFM/Clearance of arrears
December 2025	EU PFM/ Revenue Administration supported project
December 2025	Peer Learning Workshop on Public Investment Management (PIM)
December 2025	Upstream petroleum fiscal regime law
November 2025	Strengthening SOE Fiscal Risk Monitoring and Performance Management
November 2025	Public Investment Management
October 2025	Compliance Improvement Plan (phase 1)
October 2025	Support to enhance Strategy Execution
October 2025	Customs - Compliance Improvement - Plan Intelligence and Investigation
September 2025	Analysis of Fiscal Risks from Climate Change
Sept 2025	Compliance Risk Management (Rental Property)
August 2025	Follow-up support for program based budgeting
August 2025	Fiscal Risks from Natural Disasters
August 2025	Improving Audit Capacity
August 2025	C-PIMA Implementation-Preparation of Public Investment Guidelines (hybrid)
August 2025	Follow up Support on Chart of Accounts
August 2025	Follow-up support for arrear prevention
July 2025	Budget Baseline Costing
July 2025	Support on Chart of Accounts
June 2025	Support to Cash Management and Forecasting
May 2025	Strengthening ICT governance

Fiscal Affairs Department (continued)	
Date	Purpose
May 2025	Energy subsidies
April 2025	Support with the Development of an Arrears Prevention Strategy
March 2025	Support to Program Based Budgeting
February 2025	Support to Budget Baseline Costing
February 2025	Clearance Process - Risk Management
February 2025	Priority spending efficiency
February 2025	Petroleum fiscal regime act and petroleum fiscal regime modelling
February 2025	National Planning and Public Investment Management Implementation
February 2025	Domestic Revenue Mobilization Strategy (DRMS), Tax Expenditure
January 2025	Compliance on Risk Management
August 2024	Corporate Strategic Plan
August 2024	PIMA Update and Climate PIMA
August 2024	Program Based Budgeting
July 2024	Corporate Strategic Plan
July 2024	Tax Incentives and Digital Supply
March 2024	Drafting of Upstream Petroleum Law
February 2024	Audit Training -Telecom Sector and Pay TV
February 2024	Revenue Administration Governance
February 2024	Revenue Forecasting
February 2024	Revenue Administration Governance
February 2024	Government Finance Statistics
October 2023	Digitalization of internal auditing functions.
September 2023	Customs border and inland control.
August/September 2023	Customs risk management.
August 2023	The development of an organogram for SOE commission.
August 2023	The preparation of pilot gender-responsive budgeting for FY24.
July/August 2023	ITAS implementation.
June/July 2023	Piloting gender responsive budgeting in The Gambia.
March 2023	Customs risk management.
February 2023	Automatic fuel pricing mechanism.
January 2023	International profit shifting and tax incentives.
January 2023	The petroleum fiscal regime.
January 2023	Governance diagnostic.
November/December 2022	Strengthening the public-private partnership framework.
November 2022	Developing an asset management policy.
October/November 2022	Provided support to the Parliamentary budget office to implement program-based budgeting.
November 2022	Debt management.
October 2022	Implementation of program-based budgeting.
September 2022	Enhanced revenue performance.
July 2022	Tax policy analysis and revenue forecasting.

Fiscal Affairs Department (concluded)	
Date	Purpose
June/July 2022	Customs and border controls.
June 2022	Core tax functions improvement.
May/June 2022	Developing quality assurance framework for the internal audit directorate.
April 2022	Fiscal risk statement preparation.
March/April 2022	IT and digitalization strategy.
March/April 2022	Customs trade facilitation.
March/May 2022	Customs post clearance controls
March 2022	Assessing and enhancing the payroll management system.
March/April 2022	Green budgeting for FY22
January/February 2022	Training of SOE officials in international financial reporting standards.
November 2021	Gender responsive budgeting.

Monetary and Capital Markets Department	
Data	Purpose
March 2026	Liquidity Forecasting
March 2026	Upgrading Prudential Regulation on Credit Concentration Risk
March 2026	Enhancing oversight framework for FMIs
March 2026	Government Finance Statistics
March 2026	Upgrading Prudential Regulation on Credit Concentration Risk
February 2026	Advancing Basel Capital Framework
October 2025	Transition taxonomy/supervisory guidelines
August 2025	Improving FX market operations
August 2025	Government Finance Statistics
July 2025	Enhancing liquidity management and liquidity forecasting
May 2025	Strengthening RBS & report writing
May 2025	Developing Forecasting and Policy Analysis System (FPAS)
May 2025	Government Finance Statistics
February 2025	Developing Forecasting and Policy Analysis System
January 2025	Implementation of Basel Capital Frameworks
December 2024	Oversight Framework for financial market infrastructures (FMI)
December 2024	FSSR FY25 / Project Assessment
November 2024	Developing Forecasting and Policy Analysis System
August 2024	Forecasting and Policy Analysis System
May 2024	Forecasting and Policy Analysis System
February 2024	Government Finance Statistics
January 2024	Basel II / III Implementation
September/October 2023	Enhancing stress testing framework.
August 2023	Developing forecasting and policy analysis system.
July 2023	Improving oversight framework for FMIs.
June 2023	Improving FX market operations.
June 2023	Improving IFRS implementation.
May 2023	Developing forecasting and policy analysis system.
May 2023 -	Technical expert advising on banking supervision.
March 2023	Improving cyber resilience.
February 2023	Enhanced revenue performance.
February 2023	Developing forecasting and policy analysis system.
January 2023	Improving liquidity forecasting and liquidity management framework.
November 2022	Developing forecasting and policy analysis system.
September/October 2022	Improving risk-based supervision.
August 2022	Developing forecasting and policy analysis system.
August 2022	Enhancing the stress testing framework.
May 2022	Developing forecasting and policy analysis system.
February 2022	Developing forecasting and policy analysis system.
November 2021	Developing forecasting and policy analysis system.

Statistics Department	
Date	Purpose
April 2026	Resolving statistical discrepancies
March 2026	Monthly indicator of economic growth (MIEG)
March 2026	Government Finance Statistics
February 2026	National Accounts Statistics
November 2025	BOP/IIP statistics
September 2025	National Accounts Statistics-GDP rebasing
August 2025	Government Finance Statistics
May 2025	Government Finance Statistics
November 2024	GDP Rebasing
February 2024	Government Finance Statistics
December 2023	GDP Rebasing
November 2023	Updating CPI
June 2023	provided support on the development of quarterly GDP.
April 2023	BOP/IIP source data.
April 2023	The development of quarterly GDP.
December 2022	GDP rebasing.
August 2022	The development of quarterly GDP.
May 2022	Compilation of government finance statistics.
April 2022	BOP/IIP source data.
March/April 2022	Improving the PPI.
March/April 2022	The development of quarterly GDP.
December 2021	The development of quarterly GDP.

RELATIONS WITH OTHER FINANCIAL INSTITUTIONS

As of June 1, 2026, The Gambia collaborates with the World Bank Group, the African Development Bank, and the Islamic Development Bank. Further information may be obtained from the following websites:

A. World Bank

<https://www.worldbank.org/en/country/gambia>

B. African Development Bank

<https://www.afdb.org/en/countries/west-africa/gambia>

C. Islamic Development Bank

<https://www.isdb.org/republic-of-the-gambia>



THE GAMBIA

June 18, 2026

STAFF REPORT FOR THE 2026 ARTICLE IV CONSULTATION, FIFTH REVIEW UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUESTS FOR PROGRAM EXTENSION, AUGMENTATION AND REPHASING OF ACCESS UNDER THE EXTENDED CREDIT FACILITY, REQUESTS FOR WAIVERS OF NON-OBSERVANCE OF PERFORMANCE CRITERIA, MODIFICATION OF PERFORMANCE CRITERIA, FINANCING ASSURANCES REVIEW, SECOND REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT, AND REQUEST FOR EXTENSION AND REPHASING OF ACCESS UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY—DEBT SUSTAINABILITY ANALYSIS

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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 remains at high risk of distress, consistent with the last Joint WB/IMF Debt Sustainability Analysis (DSA) of December 2025, despite the upgrade of its debt-carrying capacity to strong.¹ Public debt continues to be on a declining trend for the entire duration of the forecast horizon and deemed to be sustainable. However, debt vulnerabilities remain high, reflecting higher external and domestic debt levels and domestic debt service, and the deterioration in the fiscal balance and expected impact of the ongoing war in the Middle East are further exacerbating risks. Under the updated framework, the external debt service-to-revenue ratio breaches the threshold, primarily reflecting rising debt service in the medium term.

¹ The Debt Sustainability Analysis (DSA) 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. 25/344. The Gambia's debt-carrying capacity has been upgraded to strong (see Box 2)

The PV of overall debt-to-GDP ratio remains well below the 70 percent benchmark throughout the projection horizon, underpinned by expected fiscal consolidation, reliance on grants and concessional loans, and support from development partners. This path indicates that the public debt outlook remains sustainable. 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 global economic outlook. Ensuing commodity price volatility and disruptions of global supply chains, together with an abrupt 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 December 2025 DSA. Debt data include external and domestic obligations of the central government, including state-owned enterprises' (SOEs) debt linked to trade credit from the Islamic Trade Finance Corporation (ITFC) as well as domestic budgetary arrears of 3.5 percent of GDP.² 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.³ In line with the 2018 guidance note on the Bank-Fund DSA framework for LICs, total external debt data now includes bonds issued by the National Roads Authority (NRA) to finance road construction which were purchased by Afreximbank, amounting to GMD 5.4 billion (about 2.9 percent of GDP), while the swap obligation by the CBG that forms part of the same operation is now excluded given that the reserve liabilities of the CBG are no longer encumbered (see Box 1 for more details). Overall, the DSA uses a currency-based definition of external debt as there is no significant difference between a currency-based and residency-based definition of external debt.⁴

2. The contingent liability stress tests account for 9.5 percent of GDP. The coverage for the contingent liabilities test uses default settings for financial markets (at the minimum of 5 percent of GDP), representing the average cost to the government from a potential financial crisis in a low-income country. However, the default shock of 2 percent for non-guaranteed SOE debt is increased by 2.5 percent of GDP to take into account the impact of NAWEC arrears. Similar to the December 2025 DSA, none of the individual tailored stress tests applicable for The Gambia and standard stress tests follow default settings.

² Based on the arrear stock take completed by end-December 2025, domestic budgetary arrears stood at 3.5 percent of GDP as of end-June 2025. While debt repayment schedule is yet to be finalized, staff current projections include clearance of GMD 6.6 billion in arrears over 2027–30, with annual amounts of 0.5, 2.2, 2.4, and 1.5 billion, respectively

³ SOE debt has not yet been fully incorporated into The Gambia's DSA. While the authorities, in collaboration with staff, have identified the debt of individual SOEs, further clarification is needed to complete the verification of SOE debt. The authorities aim to complete verification of the NAWEC arrears by the next ECF review, although full verification of all SOE arrears may take longer. Full identification and verification of SOE debt and other arrears will require further effort.

⁴ Afreximbank's holding of NRA bonds is an exception (see Box 1).

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		

The country's coverage of public debt		The central government, central bank, government-guaranteed debt	
		Default	Used for the analysis
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	4.5
4	PPP	35 percent of PPP stock	0.0
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)			9.5

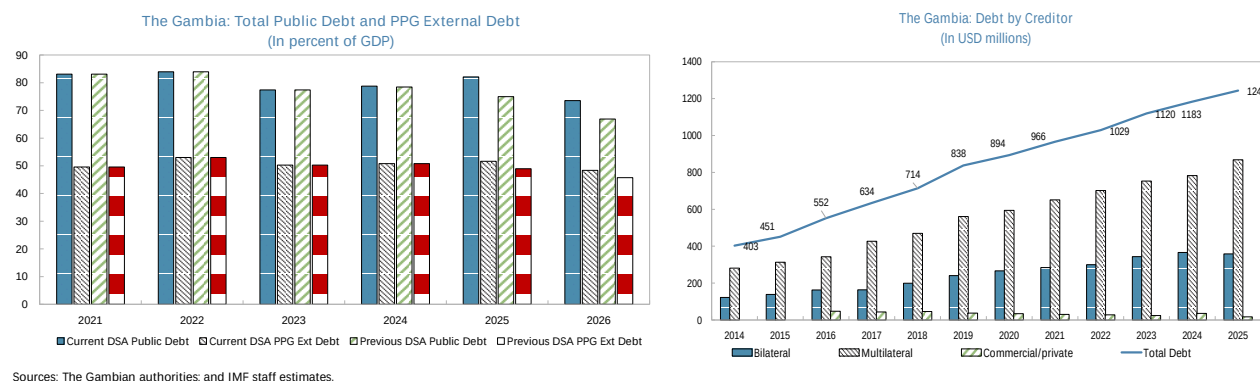
1/ The default shock of 2% of GDP will be triggered for countries whose government-guaranteed debt is not fully captured under the country's public debt definition (1). If it is already included in the government debt (1.) and risks associated with SoE's debt not guaranteed by the government is assessed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

BACKGROUND

A. Recent Debt Developments

3. The Gambia's total public debt to GDP stood at about 79 percent and external debt to GDP at about 51 percent as of end-2025; the composition remains broadly unchanged from the last Joint WB/IMF DSA of December 2025 (Text Figure 1).⁵ The Gambia's external debt consists primarily of concessional and semi-concessional loans from multilateral and plurilateral creditors, with creditors from the Middle East forming the single largest creditor sub-group. Around 67 percent of The Gambia's PPG external debt is owed to multilateral creditors, with bilateral creditors (31 percent) and commercial creditors (2 percent) comprising relatively smaller shares among the creditor categories. While approximately 28 percent of the PPG external debt is owed to the IMF and MDBs, about 72 percent of PPG external debt is owed to a combination of various creditors from the Middle East (Text Table 2).

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



⁵ Please see Debt Sustainability Analysis, [IMF Country Report No. 25/344](#).

Text Table 2. The Gambia: Decomposition of Public Debt and Debt Service by Creditor, 2025–2028¹

	Debt Stock (end of period)			Debt Service						
	2025			2026	2027	2028	2026	2027	2028	
	(In US\$ millions)	(Percent of total debt)	(Percent of GDP) ⁵	(In US\$ millions)			(Percent of GDP)			
Total	2,115.8	100.0	82.1	628.2	609.4	623.8	22.4	20.2	19.1	
External	1,318.5	62.3	51.2	91.6	90.8	90.9	3.3	3.0	2.8	
Multilateral creditors	868.4	43.2	33.7	23.7	31.2	35.0	0.8	1.0	1.1	
IMF	188.8	8.4	7.3							
World Bank	128.8	6.7	5.0							
ADB/AfDB/IADB	44.1	2.7	1.7							
Other Multilaterals	506.8	25.5	19.7							
o/w: IsDB and OFID	290.0	14.7	11.3							
Bilateral Creditors	358.2	20.2	13.9	37.7	31.8	31.4	1.3	1.1	1.0	
Paris Club	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							
Non-Paris Club	357.9	20.2	13.9	37.7	31.7	31.3	1.3	1.1	1.0	
o/w: Saudi and Kuwait Fund	222.7	12.5	8.6							
Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Commercial creditors	16.8	1.1	0.7	3.4	3.4	2.5	0.1	0.1	0.1	
o/w: M.A. Kharafi and Sons	16.8	1.1	0.7	3.4	3.4	2.5	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	
o/w:	0.0	0.0	0.0							
Currency Swap Liabilities	75.0	3.5	2.9	26.8	24.5	22.1	1.0	0.8	0.7	
o/w: Afreximbank ⁶	75.0	3.5	2.9	26.8	24.5	22.1	1.0	0.8	0.7	
Domestic	797.4	37.7	30.9	536.6	518.6	532.9	19.2	17.2	16.3	
Held by residents, total ⁴	797.4	37.7	30.9	536.6	518.6	532.9	19.2	17.2	16.3	
Held by non-residents, total ⁴	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
T-Bills and Sukuk bills	342.0	16.2	13.1	379.6	379.7	431.9	13.6	12.6	13.2	
Bonds	356.8	16.9	13.7	155.0	130.3	70.9	5.5	4.3	2.2	
Loans	7.8	0.4	0.3	2.1	1.9	1.7	0.1	0.1	0.1	
Arrears	90.8	4.3	3.5	0.0	6.7	28.4	0.0	0.2	0.9	
Memo items:	n/a									
Collateralized debt ^{2,4}										
Contingent liabilities ^{3,4}	n/a									

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, payments resulting from PPP arrangements).⁴ Capacity constraints limit data availability and prevent the inclusion of collateralized debt and contingent liabilities. These limitations will be addressed, including via capacity development support, as part of the third review.⁵ Percent of projected 2025 GDP.⁶ Afreximbank acquired bonds denominated in GMD, issued by the National Road Authority (NRA), utilizing the swap drawing from CBG. The principal amount of these bonds is equivalent to US\$75 million, matching the USD swap drawing by CBG from Afreximbank.

4. Debt service and undisbursed debt projections on existing debt in the latest baseline are similar to projections during the December 2025 DSA. Overall external debt service between 2025-2031 stands at a cumulative US\$889.5 million, including the swap repayments to Afreximbank. Of total debt service, amortization stands at US\$739.2 million, with the remaining US\$150.3 million in interest charges, including interest payments to Afreximbank (Box 1). Meanwhile, the amount of undisbursed loans stood at US\$247.2 million in December 2025.

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

The CBG 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 dollar 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 dollar. Afreximbank uses the GMD equivalent received from the CBG to purchase bonds issued by NRA, which are on commercial terms with no grant element and no grace period. The swap operation will be reversed by US\$15 million every year until maturity. Afreximbank can set off the balance in the US dollar deposit to fulfill any financial obligation of the CBG to the bank. 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.

This transaction gave rise to two separate liabilities:

- FX swap: in line with the 2018 guidance note on the Bank-Fund DSA framework for LICs, central bank debt issuance or foreign exchange swaps for the purposes of monetary policy or reserves management are excluded from external public debt. In the December DSA, it was established that the drawn FX is encumbered and as such cannot be considered drawn for monetary and FX policy purposes. Hence, it is part of external public and publicly guaranteed (PPG) debt. However, in the current DSA this part is excluded from external debt on the basis that the CBG is in the process of amending the swap agreement (prior action for the fifth ECF review) in such a way that the CBG deposits at Afreximbank are not encumbered in connection with swap-related proceeds. This would make the FX useable for monetary policy or reserves management and so can be excluded from external public debt.
- NRA bond: this was originally treated as non-guaranteed domestic debt, which was excluded from the DSA, based on staff's assessment that NRA is debt of an SOE that does not pose significant fiscal risk. Instead, the amount of the loan was added to the contingent liability stress test. After collecting more information on this public entity, staff came to conclusion that it is classified as an extrabudgetary unit and part of general government. Hence, the NRA bond is included in external public debt (non-resident holdings of domestic debt).

5. The Gambia continues to have arrears on external debt, of about 0.9 percent of GDP, owed to Libya (US\$3.75 million) and Venezuela (US\$19.5 million) as of end-2025. These arrears have materialized due to problems that are not an indication of debt distress. The authorities are engaged in discussions with Libya to reach a mutual understanding regarding the amounts of debt and the related payment method; the latest communication between the two parties was in March 2026. 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.

B. Recent Macroeconomic Developments

6. Macroeconomic developments in 2025 remained broadly consistent with the fourth ECF review baseline presented in the previous DSA (December 2025).

Real GDP is estimated to have expanded by 6 percent in 2025, supported by good performance of the construction, tourism sectors, and agriculture. Tourist arrivals continued to recover in 2025 and grew by 2.5 percent compared to 2024. Remittance inflows remained robust, reaching US\$872.1 million in 2025 relative to US\$775.6 million in 2024.

After peaking at 18.5 percent (y-o-y) in September 2023, headline inflation declined to 6.6 percent (y-o-y) in March 2026, mainly due to declining global food prices. Nonetheless, it remains well above the central bank's medium-term target of 5 percent.

Fiscal performance in 2025 was weaker than anticipated despite strong domestic revenue mobilization. Tax revenue reached 12.9 percent of GDP, up from 10.9 percent of GDP in 2024, meeting the ambitious program target. However, the delay in the Africa 50 disbursement and unbudgeted spending on earmarked transfers, subsidies for NAWEC and the state-owned groundnut purchasing and processing agency, and arrears payments could not be offset as expected. As a result, the overall fiscal deficit widened to 5 percent of GDP, exceeding significantly the 1.1 percent of GDP projected at the time of the fourth ECF review and contributing to a significantly higher debt stock.

The macroeconomic outlook continues to be subject to large uncertainty in light of global and regional conflicts, in particular the war in the Middle East. Such risks include international commodity price volatility, pressure on fiscal balances, lower tourist arrivals, and weak remittance inflows.

MACROECONOMIC ASSUMPTIONS

7. Macroeconomic assumptions underlying the DSA projections are consistent with the fifth ECF and second RSF reviews baseline with minor changes from the previous DSA (December 2025). The key macroeconomic assumptions are presented in Box 2 and Text Table 3, which also compares the assumptions relative to the previous DSA.

Text Table 3. The Gambia: Selected Macroeconomic Indicators
(2023–2031)

	2023	2024	2025	2026	2027	2028	2029	2030	2031	15-year average ¹
Real GDP Growth (percent)										
Current DSA	5.9	5.6	6.0	4.7	5.1	5.1	5.0	5.0	5.0	5.0
Previous DSA ⁵	5.9	5.6	6.0	5.1	5.0	5.0	5.0	5.0	5.0	5.0
Exports of goods and services growth (percent) ²										
Current DSA	169.4	16.4	3.7	1.8	8.3	9.9	6.6	4.9		8.4
Previous DSA	169.4	16.4	6.7	5.6	8.8	8.6	4.9	6.0	6.0	8.7
Imports of goods and services growth (percent) ²										
Current DSA	64.4	13.6	-0.1	9.2	2.9	5.3	5.1	5.6	6.5	7.2
Previous DSA	64.4	13.6	2.5	7.0	5.9	6.3	5.2	5.7	6.7	7.3
CA deficit (percent of GDP) ³										
Current DSA	5.4	6.5	4.1	5.6	4.4	2.9	2.1	2.1	1.7	1.9
Previous DSA	5.4	6.2	4.8	5.0	4.0	3.4	3.1	2.8	3.8	3.3
Public investment (percent of GDP)										
Current DSA	11.2	10.3	10.7	10.9	11.4	11.2	11.2	11.3	11.0	9.2
Previous DSA	11.2	10.3	10.1	9.6	10.6	11.1	11.1	11.0	11.0	9.7
Overall fiscal deficit ⁴										
Current DSA	3.6	4.0	5.0	0.0	1.0	0.5	0.5	0.5	0.5	0.5
Previous DSA	3.7	4.0	1.1	1.0	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 (2031–46).

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 fourth ECF Review Staff Report.

Box 2. The Gambia: Changes to Debt-Carrying Capacity for The Gambia

The Gambia's debt-carrying capacity (DCC) has improved in two consecutive signals indicating an upgrade of DCC classification to strong.

- The Gambia's debt-carrying capacity (DCC) has been upgraded to strong. In the December 2025 DSA, the CI score of 3.053 signaled a potential upgrade to 'strong' debt-carrying capacity but the final assessment remained 'medium' because two consecutive signals are needed for a final upgrade or downgrade in line with the LIC DSF Guidance Note. In this DSA, however, The Gambia's current Composite Indicator index, calculated based on the April 2026 World Economic Outlook and the 2024 Country Policy and Institutional Assessment, is at 3.14. This value exceeds the threshold for strong debt-carrying capacity and follows consecutive signals above the threshold of 3.05.^{1/}
- This upgrade raises the relevant LIC-DSF thresholds for each of five debt burden indicators (Box Table 1).

Box 2. Table 1. Applicable Debt Burden Thresholds and Benchmarks Under LIC-DSF

Indicator (PPG external and total)	Medium	Strong
PV of debt-to-GDP	40	55
PV of <i>total</i> public debt-to-GDP	55	70
PV of debt-to-exports	180	240
Debt service-to-exports	15	21
Debt service-to-revenue	18	23

^{1/} The final debt-carrying capacity is revised only if two consecutive signals suggest the need for an upgrade or downgrade as per the LIC DSF Guidance Note. The Composite Indicator is based on a weighted average of the country's real GDP growth, remittances, international reserves, world growth, and the Country Policy and Institutional Assessment score (CPIA).

- Real GDP growth: Real GDP is projected to decelerate to 4.7 percent in 2026, reflecting the impact of the war in the Middle East. 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 should be tightened to some extent). In particular, higher growth prospects are underpinned by higher production and value-added from the agriculture sector,⁶ impacts of ongoing large infrastructure projects (urban and rural road construction, port expansion, energy projects, etc.), sustained public and private construction as well as the effects of robust remittances on private consumption and macroeconomic stabilization,⁷ recent important governance reforms (new public procurement and SOE acts with all implementing regulations issued, etc.), improvement in the business environment (bolstered by the vast judicial reform agenda, upcoming digitalization of the business registration process etc.), building resilient economy to climate change, with a number of reforms underway. Additional reforms that will be supported by the RSF will only strengthen the climate resilience of the economy and therefore maintain at least the 5 percent long-term growth potential forecast with the reforms already underway. The issuance of regulations to facilitate private sector participation in the energy sector and the penetration of renewable energy should help boost energy production. The projected long-term economic growth of 5 percent is in line with economic growth in peer countries. For instance, in neighboring ECOWAS countries, average

historical growth during 2004-19 stood at 5.4 percent and future long-term growth for 2023-44 is projected at 5.2 percent.

- **Inflation:** After declining in recent months, headline inflation is projected to accelerate in line with the increase in the prices of key international commodities. Over the medium term, it is expected to converge to the CBG's medium-term target of 5 percent. The Central Bank of The Gambia (CBG) reduced its policy rate in two steps—by 100 basis points in December 2025 and by a further 200 basis points in February 2026—bringing the rate to 14 percent and keeping real interest rates firmly in positive territory.
- **Fiscal policy** The government's strong corrective actions are expected to bring the overall fiscal deficit to balance in 2026 to re-establish the consolidation path. The fiscal framework foresees a sustained primary balance surplus thereafter to safeguard debt sustainability.
- **Revenues:** Stronger revenue mobilization in 2026H2 will rely on additional measures with estimated total yield of 0.5 percent of GDP, including new withholding on donor payments, improved compliance in key taxes, higher SOE dividend transfers, and strengthened property tax collection. These efforts will be complemented by protecting fuel revenues and reallocating 0.5 percent of GDP in non-war spending to World Bank-financed expenditures to mitigate war impacts. An improvement in the project financing mix, based on updated information from development partners, is expected to improve the overall fiscal balance over the medium term. Fiscal consolidation efforts are underpinned by improvements in public financial management, enhanced revenue mobilization, and strict expenditure prioritization. The authorities expect revenue from the Africa 50's Asset Recycling Program in 2026 and 2027 to the tune of US\$20 million and US\$10 million (around 1 percent of GDP in 2026 and 0.3 percent in 2027), respectively, with some upside risk. 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. Furthermore, efforts are underway to collect additional resources, including from privatization and the sale of stolen assets under the Jannah Commission. A reform monitoring committee has been put in place to ensure swift implementation of measures required to trigger support from development partners.
- **Expenditures:** On the spending side, current transfers are projected to decline significantly in 2026, supported by stronger controls to reduce off-budget spending. Moreover, budget execution would be enhanced through better cash management that aligns expenditures with available resources and expenditure controls. The authorities are strengthening their public financial management which would strengthen budget processes and accountability, enhance the efficiency of public spending, and reduce arrears and governance and corruption vulnerabilities. The investment prioritization and selection tool by the Gambia Strategic Review Board (GSRB) will be expanded to domestically financed and PPP projects to enhance efficiency and contain spending. Furthermore, the authorities intend to overhaul the SOE sector to reduce their dependence on the budget and turn them into income-generating assets and consolidate redundant agencies with relevant ministries.

- **Current account:** Total exports reached US\$869.5 million in 2025, up from US\$838.4 million in 2024, and are projected to continue their robust growth at around 7 percent. Total imports in 2025 were US\$1,547.7 million, similar to US\$1549.2 million in 2024. The current account deficit in 2026 is projected to widen to 5.6 percent GDP, mainly due to higher oil prices.⁶ Over the medium term, the current account is expected to improve, as tourism strengthens, cross-border exports disruptions dissipate, exports increase in groundnuts, and fiscal balances improve in line with the authorities' consolidation efforts. In addition, efforts are underway to increase domestic production of certain key imported commodities such as rice, with the support of the African Development Bank to help the country achieve self-sufficiency in rice production.
- **FX Reserves:** The Gambia's gross international reserves stood at US\$584.2 million in 2025 or 4 months of prospective imports. Gross reserves have risen markedly from a trough of US\$60 million in 2016. This has been driven by amplified disbursements of external financial assistance (including from the IMF), CA improvements, and FDI inflows of foreign exchange, which have allowed the central bank to rebuild its buffers. The exchange rate vis-à-vis the US\$ depreciated by an average of 4.2 percent during 2025. The wedge between the official and parallel exchange rates has remained around 2 percent in recent months, compared to a peak of 10 percent in mid-2022.
- **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.
- **External financing:** Financing needs originate mainly from the large development needs, the impact of global and regional conflicts, and debt service repayments. Medium-to long-term external financing will come from multilateral and official bilateral creditors, which includes the IMF's ECF lending (US\$28.4 million in 2026) and the RSF lending (US\$27.1 million in 2026) as well as the World Bank IDA financing. There will be no new commercial borrowing. Total new external financing has an average interest rate of 2 percent, an average of 6-year grace period, and average maturity of 23 years.
- **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 (2024-2025). In the medium and long term, issuances are projected to shift gradually toward longer-term bond maturities and with up to 65 percent of new debt via T-bills. Nominal domestic interest rates are projected to decline in line with the expected decline in inflation. Total new domestic financing over the next ten years has an average interest rate of 6.5 percent, an average of 2-year grace period, and average maturity of 3 years which is consistent with recent domestic market outcomes.

⁶ The revision of the current account projection also reflects the actual turnout of 2025 imports, which are lower than projected at the fourth review projection.

8. The realism tool flag risks around the baseline scenario from the growth projection, and the projected fiscal consolidation (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, however this is considered as feasible due to (i) revenue mobilization measures; and (ii) and non-priority spending restraints; and (iii) development partners' disbursements. Regarding the relation between fiscal adjustment and growth paths, the baseline projection deviates 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 rebound in growth seems reasonable. The contribution of government investment to real GDP growth is in the order of the historical magnitudes. The drivers of projected medium-term debt-creating flows for public debt are comparable to those underlying the historical outturns.⁷

COUNTRY CLASSIFICATION AND DETERMINATION OF SCENARIO STRESS TESTS

Text Table 4. The Gambia: Debt Carrying Capacity and Threshold

Country	Gambia, The
Country Code	648

Debt Carrying Capacity	Strong
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Final	Classification based on current vintage	Classification based on the previous vintage	Classification based on the two previous vintages
Strong	Strong 3.14	Strong 3.05	Medium 3.02

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	3.140	1.21	38%
Real growth rate (in percent)	2.719	5.342	0.15	5%
Import coverage of reserves (in percent)	4.052	40.001	1.62	52%
Import coverage of reserves ^2 (in percent)	-3.990	16.001	-0.64	-20%
Remittances (in percent)	2.022	15.494	0.31	10%
World economic growth (in percent)	13.520	3.637	0.49	16%
CI Score			3.14	100%
CI rating			Strong	

APPLICABLE	
EXTERNAL debt burden thresholds	
PV of debt in % of Exports	240
GDP	55
Debt service in % of Exports	
Revenue	21
	23

APPLICABLE	
TOTAL public debt benchmark	
PV of total public debt in percent of GDP	70

9. The Gambia's assessment of debt-carrying capacity based on the April 2026 World Economic Outlook and the 2024 Country Policy and Institutional Assessment has been upgraded to

⁷ The residuals in the forecast years for the external and public DSAs reflects time lags between the disbursements of projects grants and their actual use in public spending as well as foreign reserve accumulation.

strong (Text Table 4). The Composite Indicator (CI) index of 3.14, based on April 2026 WEO update and 2024 WB CPIA, is now above the 3.05 threshold across two consecutive vintages. Thus, the final debt carrying capacity has been upgraded to strong from medium in the previous DSA. 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. Accordingly, the relevant thresholds applicable to public and publicly guaranteed external debt are 55 percent for the PV of debt-to-GDP ratio, 240 percent for the PV of debt-to-exports ratio, 21 percent for the debt service-to-exports ratio, and 23 percent for the debt service-to-revenue ratio. For the PV of total public debt-to-GDP ratio, the benchmark is 70 percent (Box 2).

EXTERNAL DSA

10. Under the baseline scenario, external risk of distress is assessed to remain high as one of the four external debt indicators is breaching the threshold within the forecast horizon. Despite the upgrade in the debt-carrying capacity, the external debt service-to-revenue ratio breaches the threshold level of 23 percent between 2026-39, before falling below the threshold for the remainder of the forecast horizon as the increase in debt service outweighs the expected increase in revenues. Like the previous DSA, the PV of external debt-to-GDP, the PV of external debt-to-exports, and the debt-service-to-exports ratio remain below the revised threshold level of 55, 240, and 21 percent, respectively, over the projection horizon.

11. Under stress test scenarios, external debt indicators are sensitive to multiple shocks, particularly exports. With the bound test of exports, the PV of debt-to-GDP breaches the threshold level of 55 percent in 2028 and falls below the threshold in 2031; the PV of debt-to-exports breaches the threshold level of 240 percent in 2027 and remains above the threshold over the projection horizon⁸; the debt-service-to-exports ratio breaches the threshold level of 21 percent in 2027 and remains above the threshold for the remainder of the forecast; and the debt-service-to-revenue ratio breaches the threshold level of 23 percent in 2026 and remains above the threshold for the remainder of the forecast horizon.

PUBLIC DSA

12. Unlike in the previous DSA, the PV of the total public debt-to-GDP ratio remains well below the benchmark over the projection horizon due to the upgrade of the country's debt-carrying capacity. However, public debt risk of debt distress remains high as one of the external debt indicators breaches the threshold.

Under the baseline scenario, the PV of total public debt-to-GDP remains well below the benchmark level of 70 percent throughout the forecast horizon. Two other indicators of public debt, namely the

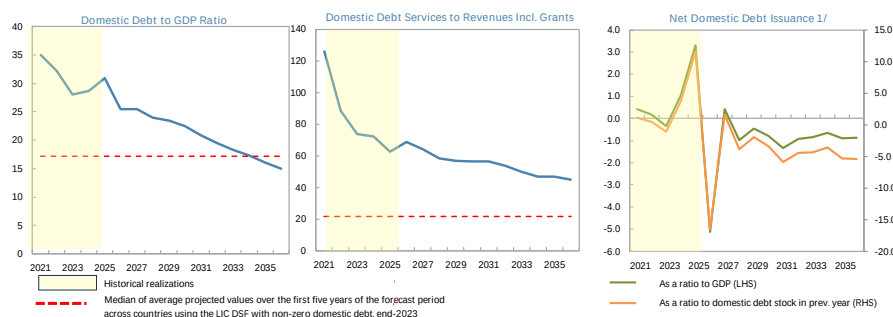
⁸ The threshold for the PV external debt-to-export ratio is breached starting 2025 and remains above the threshold over the projection horizon. This mechanical breach of the threshold is, however, driven by the large export data revision for 2023, resulting in larger exports shocks in the stress test. The data revision, mostly due to increases in re-exports, artificially raises the estimated standard deviation of The Gambia's exports.

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.⁹ With the bound test of exports, the PV of total public debt-to-GDP ratio breaches the benchmark of 70 percent in 2028 and falls below the threshold in 2030.

13. 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 below the median of LICs by 2033 similar to the December 2025 DSA (Text Table 5).

Text Table 5. 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		6.5%
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.

14. While the banking sector is highly exposed to public sector indebtedness,¹⁰ it remains capable of financing the government, as it continues to be stable with healthy financial soundness indicators. The sector is adequately capitalized, profitable, and liquid. Although credit concentration risks remain, the stress test results conducted by the central bank in June 2025 indicated that overall market risk

⁹ This is also driven by the significant data revision of total exports for 2023, inducing larger-magnitude export shocks in the stress test.

¹⁰ As of end-2025, outstanding public domestic debt reached US\$707 million (35 percent of total outstanding public debt), which was held in T-bonds (36.2 percent), T-bills (40.7 percent), and SAS bills or Islamic bills (5.3 percent). T-bonds include 3-year securities with 24 percent of the total at an average interest rate of 15.7 percent, ahead of 30-year securities with 17.1 percent of the total at an interest rate of 7 percent, 5-year securities with a total of 5.9 percent at an average interest rate of 8.9 percent, and 2-year securities bonds with a total of 4.5 percent of the total at an average interest rate of 17.8 percent.

is low, and the banking industry remains resilient.¹¹ Nonetheless, the large exposure of banks to the public sector (claims on government have averaged 60 percent of banks' domestic assets over the last 10 years) and the heavy dependence of their income on government securities could have an impact on the stability of the banking system, as highlighted in The Gambia Financial Sector Assessment Program of June 2022. Bank profitability could decline in case of a rapid fall in rates on government securities, as they did in 2020 when negative real interest rates on government securities reduced earnings from the bulk of banks' assets. This adds to other vulnerabilities in the banking sector.

CLIMATE CHANGE RISKS

15. Under the baseline scenario, public debt is expected to remain sustainable in the long term. The baseline scenario implicitly incorporates the expected impact of reforms supported by the RSF. Accordingly, the baseline framework assumes that growth in key sectors such as agriculture and tourism remains relatively resilient to climate change over the forecasting horizon and that the long-term growth potential of 5 percent is maintained. Moreover, since accessing RSF and other concessional financing would replace more expensive domestic financing, the public debt trajectory improves over the medium and long term. Specifically, staff's analysis using a DIGNAD model showed that frontloading investments in resilient infrastructure could alleviate the negative effects of natural disasters in The Gambia (adaptation and reform scenario).¹²

16. However, the outlook remains vulnerable to climate change as illustrated in a tailored stress test. Under a customized one-off shock to public debt by 10 percent and real GDP growth decline by 1.5 percent relative to the baseline, the PV of debt-to-GDP ratio would increase. The overall fiscal balance is projected to worsen by an average of 1.3 percent of GDP over the medium term while current account balance deficit would average 4.1 percent of GDP relative to the baseline. However, the PV of total public debt-to-GDP would remain below the benchmark level of 70 percent throughout projection horizon.

RISK RATING AND DEBT SUSTAINABILITY

17. The Gambia's external debt has a high risk of distress but is sustainable. Debt risks have slightly increased since the December 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 programs. Despite the upgrade in the country's debt-carrying capacity to strong, 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 starting in 2025, as well as tighter liquidity. This highlights The Gambia's limited space for additional borrowing in the

¹¹ The aggregate risk-weighted capital adequacy ratio stood at 24 percent at end-2025, and all banks were above the minimum regulatory requirement of 10 percent. The liquidity ratio was 78.8 percent at end-2025, above the prudential requirement of 30 percent. Banks' non-performing loans declined to 8.4 percent in December 2025, from a high of 15.6 percent in September 2024.

¹² See the DSA analysis in the staff report, No. 25/344

near term and emphasizes the need for fiscal consolidation and ample buffers to face the increased debt-service burden that lies ahead.

18. Liquidity risk can be mitigated by several factors. The DSA underscores the importance of continued fiscal discipline and structural reforms, as well as 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 export markets, which would generate more forex inflows.¹³ Moreover, the policies that aim at supporting foreign exchange reserves and the improvement in tourism and remittances inflows will also help address liquidity constraints.

19. The Gambia's overall public debt position continues to be assessed at high risk of debt distress but remains sustainable.¹⁴ 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 remains well below the benchmark level of 70 and continues to decline thereafter throughout the forecast horizon. 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. However, the projected debt path critically hinges on the sustained implementation of consolidation efforts (Figure 4). 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

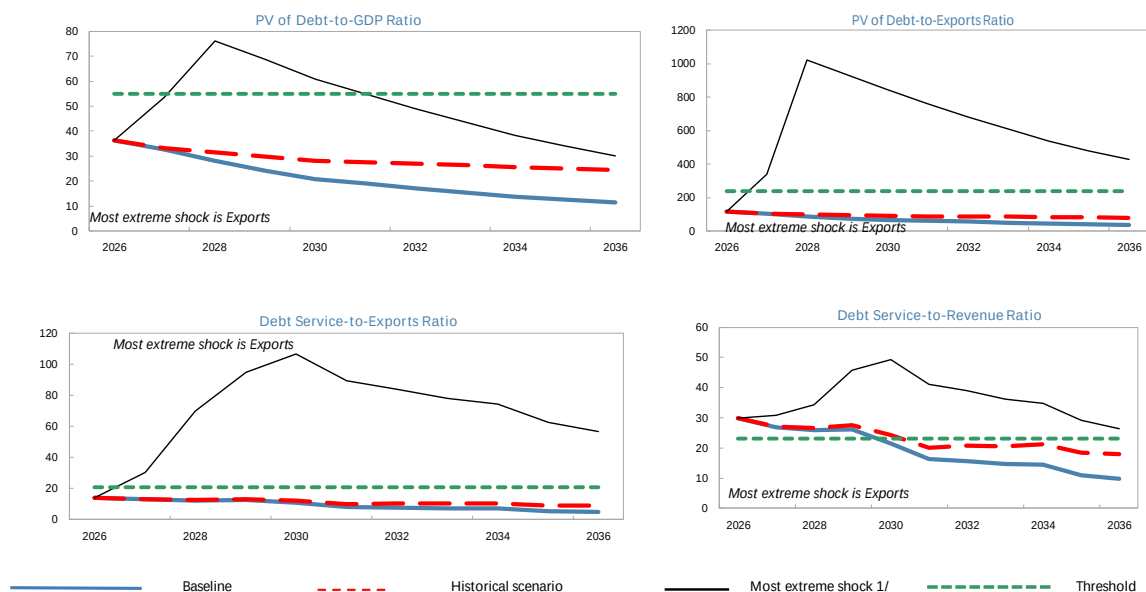
20. The authorities concur that The Gambia remains at high risk of debt distress, while objecting to the inclusion of NRA liabilities in the public debt stock. They highlighted the improvement in the debt-carrying capacity classification as an encouraging signal. They recognize that preserving fiscal policy prudence 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 NRA's recent bond issuance in the debt stock, however, arguing that the ensuing liabilities are not direct central government debt since the NRA is a separate legal entity not funded from the budget but directly from levies on petroleum products. In addition, NRA bonds are issued

¹³ For instance, The Gambia plans to expand its exports of agricultural products, such as groundnuts and cashews, to European economies and other advanced economies. This is expected to increase both the volume and price of agricultural exports.

¹⁴ 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.

in the capital market without any explicit or implicit sovereign guarantee or credit enhancement and therefore should not be considered a government liability. Staff clarified that the NRA is an extrabudgetary unit which is part of the general government and so its liabilities need to be reflected in the public sector debt stock per the DSA guidance note. The authorities also object to the size of the contingent liability shock at the default settings for financial markets (a minimum of 5 percent of GDP), considering the potential cost to the Gambian government from a potential financial crisis to be much lower. They pointed out that given the structure and size of the financial sector a bail-out of this magnitude was unlikely. In addition, with regard to the shock reflecting SOE debt, they explained that all external SOE liabilities are already on the books of the government and are being serviced by the government, not by the SOEs separately. As such, they saw only limited contingent risk to the government which would have been valid to reflect with a different debt treatment.

Figure 1. The Gambia: Indicators of Public Guaranteed External Debt Under Baseline and Alternative Scenarios, 2026–2036



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.

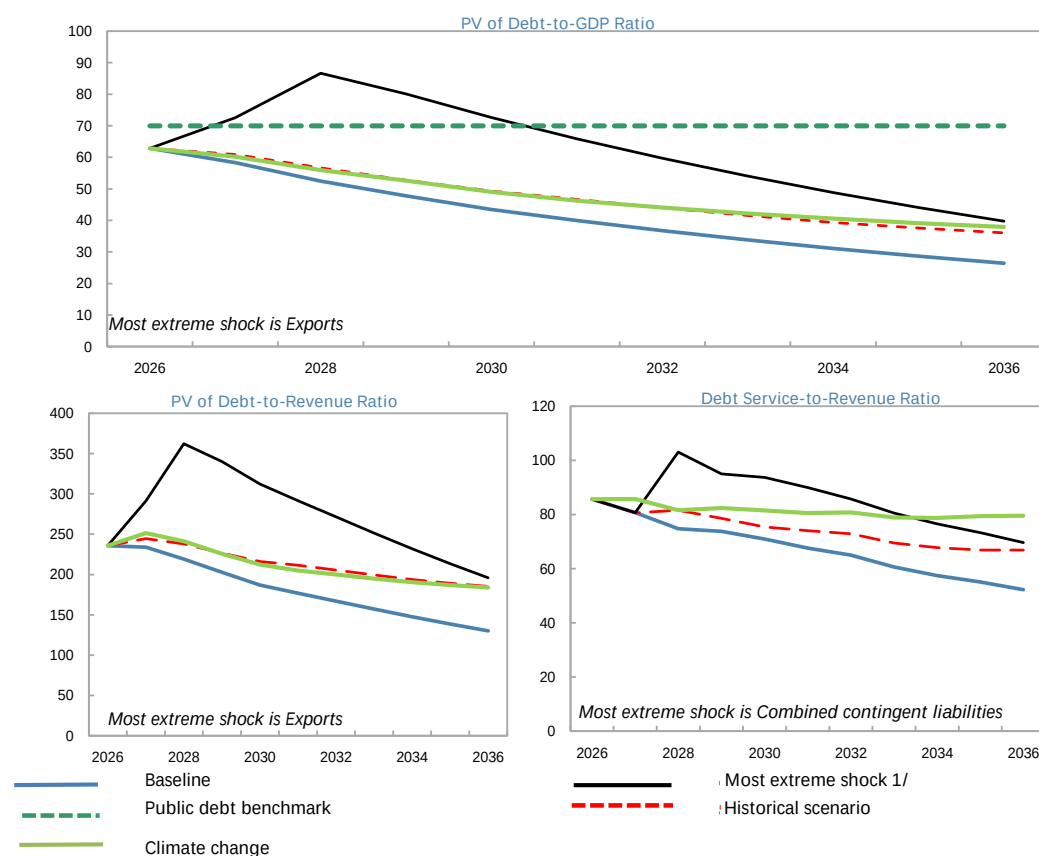
Borrowing Assumptions for Stress Tests*		
	Default	User defined
Shares of marginal debt		
External PPG MLT debt	100%	
Terms of marginal debt		
Avg. nominal interest rate on new borrowing in USD	2.0%	2.0%
USD Discount rate	5.0%	5.0%
Avg. maturity (incl. grace period)	18	18
Avg. grace period	1	1

* 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 extreme 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, 2026–36



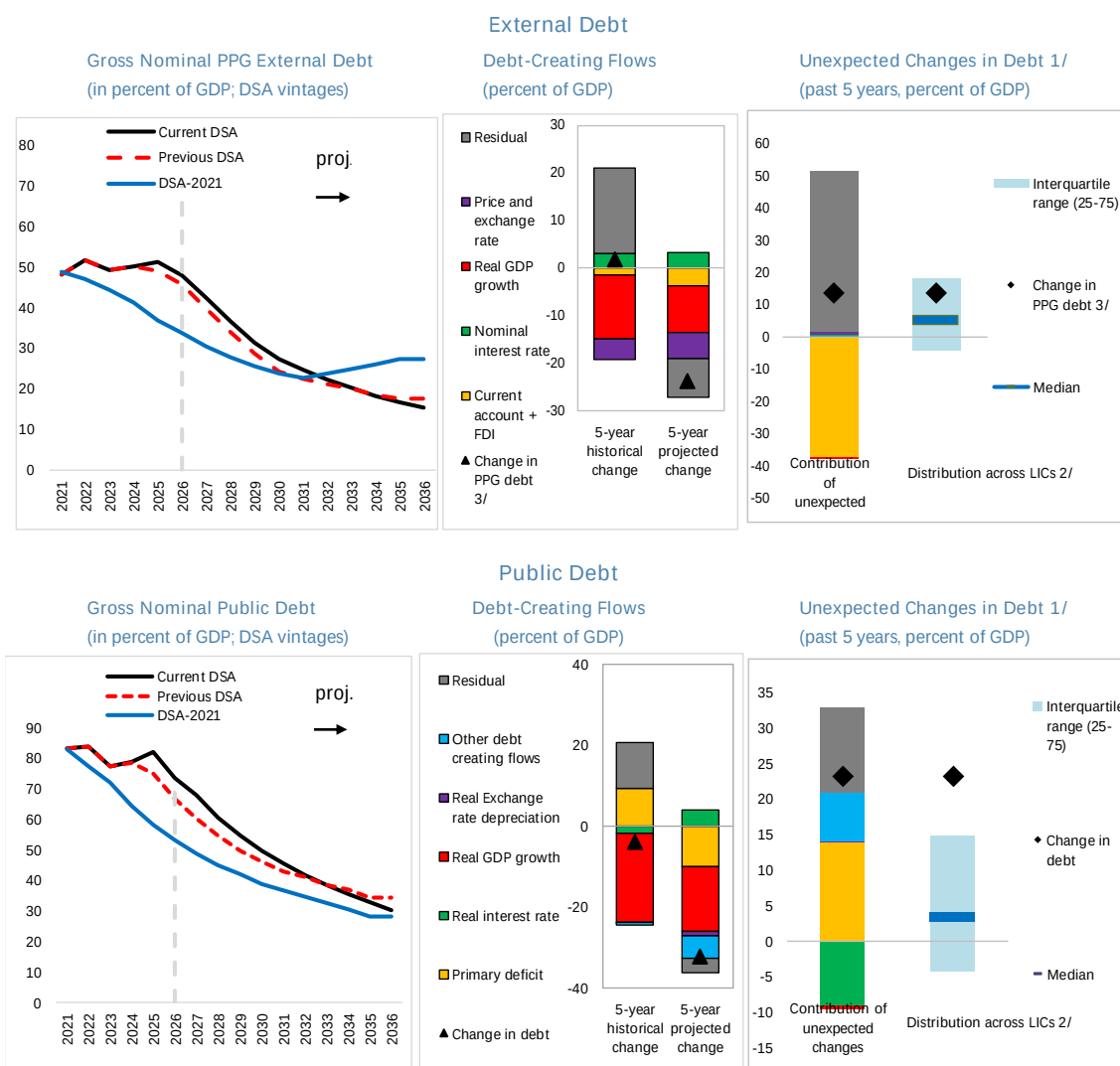
Borrowing Assumptions for Stress Tests*	Default	User defined
Shares of marginal debt		
External PPG medium and long-term	9%	9%
Domestic medium and long-term	20%	20%
Domestic short-term	71%	71%
Terms of marginal debt		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	2.0%	2.0%
Avg. maturity (incl. grace period)	18	18
Avg. grace period	1	1
Domestic MLT debt		
Avg. real interest rate on new borrowing	6.5%	6.5%
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 2036. 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 extreme 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

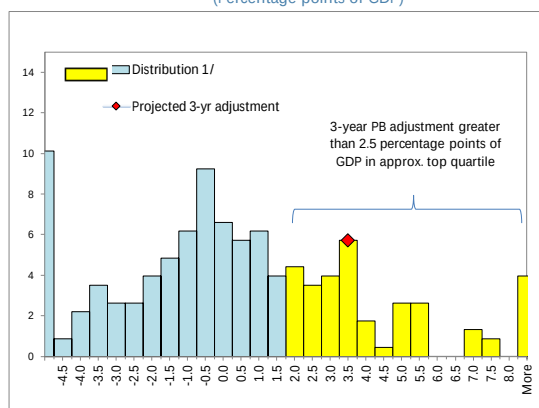


1/ Difference between anticipated and actual contributions on debt ratios.

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

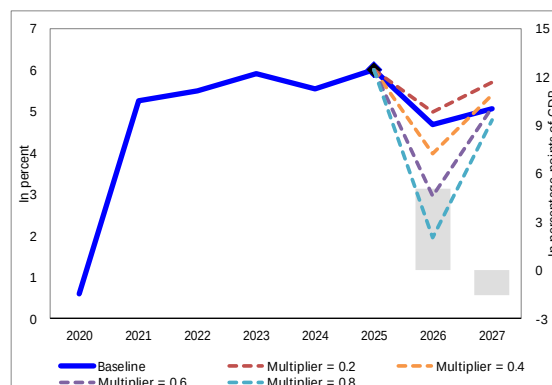
3/ Given the relatively low private external debt for average low-income countries, a ppt change in PPG external debt should be largely explained by the drivers of the external debt dynamics equation.

Figure 4. The Gambia: Realism Tools

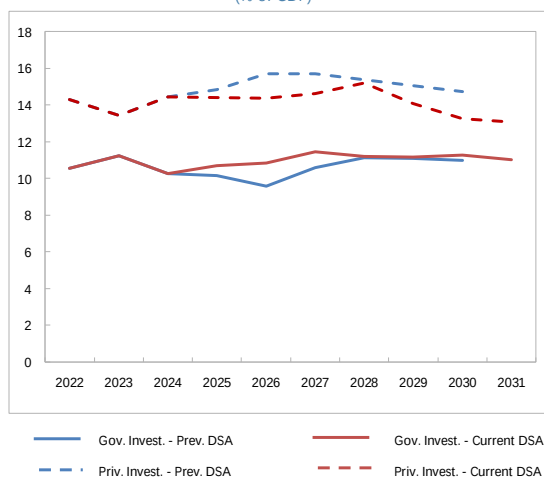
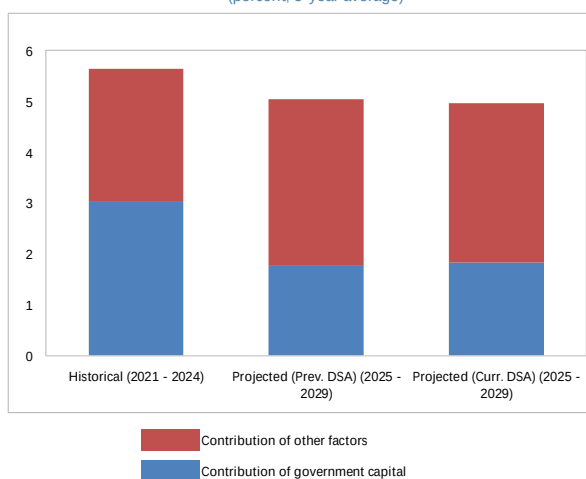
3-Year Adjustment in Primary Balance
(Percentage points of GDP)

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)

Contribution of other factors
Contribution of government capital

Table 1. The Gambia: External Debt Sustainability Framework, Baseline Scenario, 2023–2046
(In percent of GDP, unless otherwise indicated)

	Actual				Projections										Average 9/		Definition of external domestic debt: is there a material difference between the two criteria?
	2023	2024	2025		2026	2027	2028	2029	2030	2031	2036	2046	Historical	Projections			
External debt (nominal) 1/	50.3	50.8	51.6		48.4	42.6	36.7	31.5	27.3	24.7	15.5	7.3	49.2	27.7			Currency-based
of which: public and publicly guaranteed (PPG)	49.4	50.1	51.2		48.0	42.3	36.6	31.4	27.3	24.7	15.5	7.3	48.0	27.6			
Change in external debt	-2.7	0.5	0.8		-3.3	-5.8	-5.8	-5.2	-4.2	-2.6	-1.4	-0.6					No
Identified net debt-creating flows	-3.1	0.7	-4.2		-0.1	-1.2	-3.3	-3.3	-2.3	-2.2	-1.3	-7.5	-1.6	-1.9			
Non-interest current account deficit	4.9	6.0	3.2		4.7	3.6	2.3	1.6	1.7	1.4	1.7	-5.0	5.7	2.0			Currency-based
Deficit in balance of goods and services	27.6	29.6	26.0		28.8	25.9	23.8	22.8	22.5	21.5	18.3	13.4	24.2	22.0			
Exports	30.9	34.9	33.3		31.6	31.9	32.2	32.0	31.1	31.2	30.8	32.2					No
Imports	98.5	64.5	59.3		60.4	57.8	55.9	54.7	53.6	52.7	49.1	45.7					
Net current transfers (negative = inflow)	-23.4	-22.9	-22.6		-23.6	-22.0	-21.4	-21.2	-20.9	-20.2	-16.9	-11.9	-19.4	-20.0			Currency-based
of which: official	-2.8	-1.9	-2.4		-2.8	-1.3	-1.2	-1.1	-1.1	-1.0	-0.6	-0.3					
Other current account flows (negative = net inflow)	0.7	-0.7	-0.2		-0.5	-0.3	-0.1	0.0	0.1	0.2	0.2	-6.6	0.8	0.0			Currency-based
Net FDI (negative = inflow)	-4.1	-4.4	-4.2		-3.5	-3.3	-4.3	-3.6	-2.9	-2.7	-2.5	-2.2	-4.8	-3.0			
Endogenous debt dynamics 2/	-3.9	-1.0	-3.2		-1.3	-1.5	-1.3	-1.2	-1.1	-1.0	-0.5	-0.3					Currency-based
Contribution from nominal interest rate	0.5	0.5	0.8		0.9	0.8	0.6	0.5	0.4	0.3	0.2	0.1					
Contribution from real GDP growth	-2.9	-2.7	-2.8		-2.2	-2.3	-2.0	-1.7	-1.5	-1.3	-0.8	-0.4					Currency-based
Contribution from price and exchange rate changes	-1.6	1.2	-1.2		-3.2	-4.6	-2.5	-2.0	-1.8	-0.4	0.0	6.9	3.1	-1.3			
Residual 3/	0.4	-0.2	5.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					Currency-based
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																	Currency-based
PV of PPG external debt-to-GDP ratio	...	...	39.6		36.3	32.6	28.2	24.1	20.8	19.0	11.4	5.1					
PV of PPG external debt-to-exports ratio	...	...	118.8		114.9	102.4	87.6	75.4	66.9	60.9	37.1	15.9					Currency-based
PPG debt service-to-exports ratio	13.5	8.4	9.0		14.3	13.1	12.2	12.6	10.8	8.1	4.8	1.9					
PPG debt service-to-revenue ratio	34.1	20.8	20.8		29.9	26.9	25.9	26.2	21.5	16.2	9.8	4.2					Currency-based
Gross external financing need (Million of U.S. dollars)	115.5	109.8	72.8		171.5	143.1	69.5	73.4	83.0	56.0	46.8	-957.3					
Key macroeconomic assumptions																	Currency-based
Real GDP growth (in percent)	5.9	5.6	6.0		4.7	5.1	5.1	5.0	5.0	5.0	5.0	5.0	4.9	5.0			
GDP deflator in US dollar terms (change in percent)	3.1	-2.4	2.4		2.5	2.3	3.5	2.3	2.7	3.1	3.6	3.6	1.9	3.1			Currency-based
Effective interest rate (percent) 5/	1.1	1.1	1.8		2.0	1.8	1.7	1.5	1.3	1.1	1.2	1.3	1.3	1.4			
Growth of exports of G&S (US dollar terms, in percent)	169.4	16.4	3.7		1.8	8.3	9.9	6.6	4.9	8.7	8.6	10.0	26.7	7.5			Currency-based
Growth of imports of G&S (US dollar terms, in percent)	64.4	13.6	-0.1		9.2	2.9	5.3	5.1	5.6	6.5	7.7	9.1	14.3	6.4			
Grant element of new public sector borrowing (in percent)	...	...	...		33.7	32.7	31.1	36.9	38.1	24.9	14.0	14.0	...	25.0			Currency-based
Government revenues (excluding grants, in percent of GDP)	12.2	14.0	15.4		15.1	15.5	15.2	15.3	15.6	15.7	15.2	14.9	13.2	15.4			
Ad flows (in Million of US dollars) 6/	190.5	175.2	234.2		329.5	284.4	286.8	289.3	291.8	284.2	318.3	389.8					Currency-based
Grant-equivalent financing (in percent of GDP) 7/	...	...	...		12.6	10.1	9.0	8.5	8.1	7.4	5.1	2.8	...	7.7			
Grant-equivalent financing (in percent of external financing) 7/	...	...	...		85.8	88.4	93.7	94.1	92.3	84.1	92.1	93.6	...	90.5			Currency-based
Nominal GDP (Million of US dollars)	2331	2403	2609		2800	3010	327.3	3516	3793	4104	6243	14443	6.8	8.3			
Nominal dollar GDP growth	9.2	3.0	8.6		7.3	7.5	8.7	7.4	7.9	8.2	8.7	8.7					Currency-based
Memorandum items:																	
PV of external debt 8/	...	...	40.1		36.6	32.8	28.4	24.2	20.9	19.1	11.5	5.2					Currency-based
In percent of exports	...	...	120.2		115.9	103.1	88.1	75.7	67.1	61.1	37.4	16.1					
Total external debt service-to-exports ratio	13.5	8.4	11.4		15.6	14.0	12.8	13.0	11.1	8.3	4.9	1.9					Currency-based
PV of PPG external debt (in Million of US dollars)	...	...	1033.4		1017.0	982.4	923.2	847.2	788.5	780.8	713.1	741.2					
(PV+PV-1) (in percent)	...	...	-0.6		-1.2	-2.0	-2.3	-1.7	-0.2	-0.1	0.0	0.0					Currency-based
Non-interest current account deficit that stabilizes debt ratio	7.6	5.5	2.4		7.9	9.4	8.1	6.8	5.9	4.1	3.1	-4.4					

Sources: Country authorities and staff estimates and projections.

1/ Includes both public and private sector external debt.

2/ Derived as $(1 - g - p)(1 + r)^t$ times previous period debt ratio, with g = real GDP growth rate, and p = 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 CCRIT. The relatively larger 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 2. The Gambia: Public Sector Debt Sustainability Framework, Baseline Scenario, 2023–2046
(In percent of GDP, unless otherwise indicated)

	Actual													Projections													Average 71	
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2046	Historical	Projections											
Public sector debt 1/	77.4	78.8	82.1	73.5	67.8	60.6	54.8	49.7	45.5	41.9	38.6	35.6	32.9	30.4	14.4	82.5	48.3											
of which: external debt	49.4	50.1	51.2	48.0	42.3	36.6	31.4	27.3	24.7	22.4	20.3	18.3	16.8	15.5	7.3	48.0	27.6											
Change in public sector debt	-6.6	1.4	3.3	-8.6	-5.8	-7.2	-5.7	-5.1	-4.2	-3.6	-3.2	-3.0	-2.7	-2.5	-1.1	-2.1	-3.8											
Identified debt-creating flows	-8.8	-0.3	-3.2	-7.0	-5.7	-5.9	-4.9	-4.1	-3.2	-2.6	-2.4	-2.3	-2.2	-2.1	-1.0	-1.0	-1.4											
Primary deficit	1.5	0.9	1.7	-3.3	-1.8	-1.9	-1.6	-1.4	-1.4	-1.4	-0.9	-0.8	-0.9	-0.9	-0.5	1.0	-1.4											
Revenue and grants	20.4	21.3	24.4	26.7	24.9	23.9	23.6	23.2	22.6	22.0	21.5	21.1	20.7	20.3	17.7	19.3	22.8											
of which: grants	8.2	7.3	9.0	11.6	9.4	8.8	8.2	7.7	6.9	6.5	6.1	5.7	5.4	5.1	2.8	5.1	2.8											
Primary (noninterest) expenditure	21.9	22.2	26.1	23.3	23.1	22.1	22.0	21.8	21.2	21.1	20.7	20.2	19.8	19.4	17.2	20.4	21.3											
Automatic debt dynamics	-9.7	-1.2	-3.0	-2.7	-2.9	-2.6	-2.0	-1.9	-1.8	-1.7	-1.6	-1.4	-1.3	-1.2	-0.5	-0.5	-0.5											
Contribution from interest rate growth differential	-6.7	-3.0	-3.9	-2.7	-2.9	-2.6	-2.0	-1.9	-1.8	-1.7	-1.6	-1.4	-1.3	-1.2	-0.5	-0.5	-0.5											
of which: contribution from average real interest rate	-2.0	1.1	0.6	0.9	0.6	0.7	0.9	0.8	0.6	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.2											
of which: contribution from real GDP growth	-4.7	-4.1	-4.5	-3.7	-3.5	-3.3	-2.9	-2.6	-2.4	-2.2	-2.0	-1.8	-1.7	-1.6	-0.7	-0.7	-0.7											
Contribution from real exchange rate depreciation	-3.0	1.8	-1.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
Other identified debt-creating flows	-0.6	0.0	0.0	-0.9	-1.0	-1.5	-1.3	-0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.5											
Private sector receipts (negative)	-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	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	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	0.0	0.0											
Other debt creating or reducing flow (please specify)	0.0	0.0	0.0	-0.9	-1.0	-1.5	-1.3	-0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0											
Residual	2.2	1.7	6.8	-1.6	-0.1	-1.3	-0.9	-1.0	-1.1	-1.0	-0.8	-0.7	-0.5	-0.4	-0.1	3.4	-0.9											
Sustainability indicators																												
PV of public debt-to-GDP ratio 3/	...	...	71.0	62.9	59.3	52.4	47.7	43.4	39.9	36.8	33.8	31.1	28.7	26.4	12.3	...	...											
PV of public debt-to-revenue and grants ratio 4/	...	...	291.4	235.8	234.0	219.2	202.7	186.9	176.8	167.1	157.2	147.6	138.6	130.2	69.4	...	...											
Debt service-to-revenue and grants ratio 4/	...	...	94.1	85.8	75.9	65.7	60.7	54.8	49.9	45.0	40.1	35.2	30.3	25.4	20.4	...	...											
Gross financing need 5/	20.1	19.2	20.3	18.6	17.4	14.6	14.4	14.2	13.9	13.4	12.2	11.2	10.5	9.7	4.2	...	...											
Key macroeconomic and fiscal assumptions																												
Real GDP growth (in percent)	5.9	5.6	6.0	4.7	5.1	5.1	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.9	5.0											
Average nominal interest rate on external debt (in percent)	1.2	1.1	1.9	2.0	1.8	1.7	1.5	1.3	1.1	1.2	1.3	1.3	1.3	1.2	1.3	1.4	1.4											
Average real interest rate on domestic debt (in percent)	-6.8	4.1	2.2	3.6	3.1	3.3	4.6	4.1	3.6	3.1	3.1	3.0	3.1	3.2	4.0	1.5	3.4											
Real exchange rate depreciation (in percent) + indexate depression	-6.0	3.9	-2.3	-	-	-	-	-	-	-	-	-	-	-	-	0.8	...											
Inflation rate (GDP deflator, in percent)	13.7	5.8	8.4	6.0	6.8	5.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	7.1	7.1											
Primary deficit (GDP deflator, in percent)	3.1	7.3	24.5	-6.4	4.1	0.3	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.3	12.5	2.2											
Growth of real primary spending (deflated by GDP deflator, in percent)	8.0	-0.5	-1.6	5.2	4.0	5.4	4.1	3.7	2.9	2.7	2.4	2.2	1.8	1.6	0.6	2.0	3.3											
Primary deficit that stabilizes the debt-to-GDP ratio 6/																												

Sources: Country authorities and staff estimates and projections.

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

1/ Includes debt under CSDT.

2/ The underlying PV of external debt-to-GDP ratio under the public DSA differs from the size of difference depending on exchange rate projections.

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

4/ 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.

5/ Defined as a primary deficit minus a change in the public debt-to-GDP ratio (i.e. a primary surplus), which would stabilize the debt ratio only in the year in question.

6/ 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.

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 CCR.

3/ The underlying PV of debt-to-GDP ratio under the public DSA differs from the size of differences depending on exchange rate 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 (1) a primary surplus, which would stabilize 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.

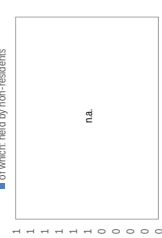
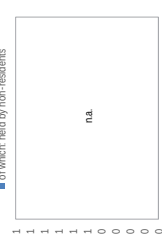
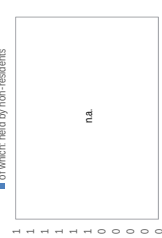
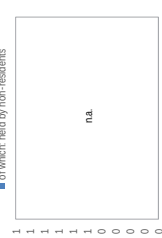
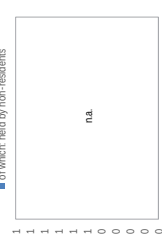
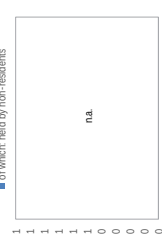
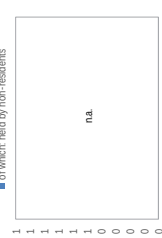
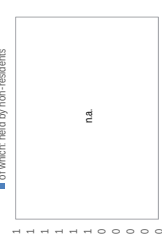
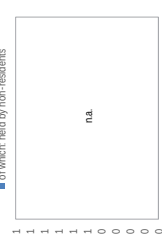
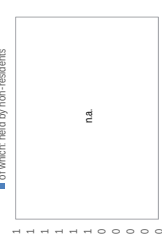
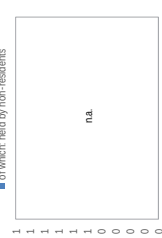
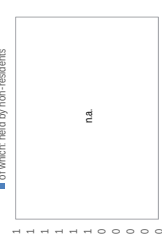
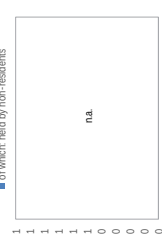
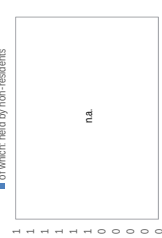
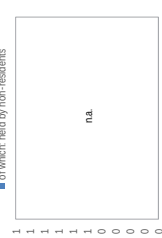
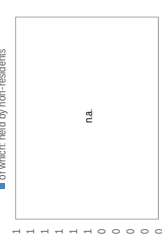
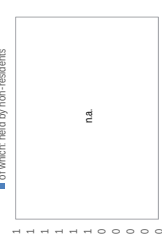
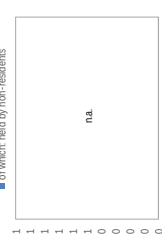
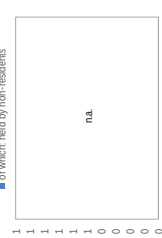
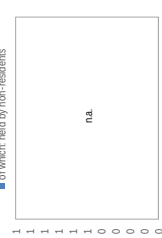
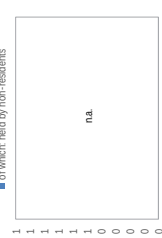
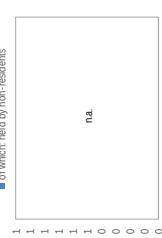
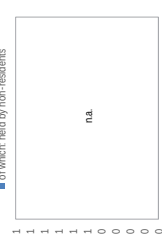
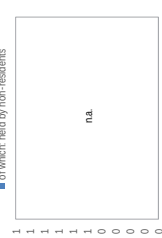
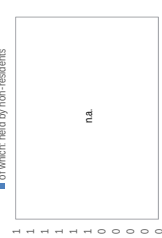
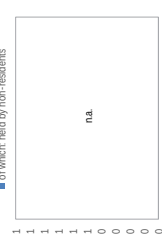
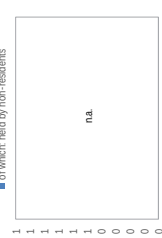
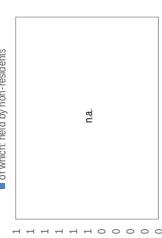
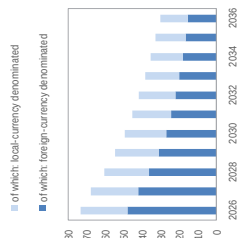


Table 3. The Gambia: Sensitivity Analysis for Key Indicators of Public and Publicly Guaranteed External Debt, 2026–2036
(In percent)

	Projections 1/										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
PV of debt-to GDP ratio											
Baseline	36.3	32.6	28.2	24.1	20.8	19.0	17.1	15.5	13.7	12.5	11.4
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	36.3	33.3	31.6	29.8	28.0	27.6	27.0	26.4	25.7	25.1	24.4
B. Bound Tests											
B1. Real GDP growth	36.3	33.8	30.2	25.8	22.3	20.4	18.4	16.6	14.7	13.4	12.2
B2. Primary balance	36.3	32.9	28.9	25.1	22.1	20.5	18.7	17.1	15.5	14.3	13.2
B3. Exports	36.3	53.7	76.0	68.7	60.7	54.8	48.9	43.5	38.4	34.1	30.2
B4. Other flows 3/	36.3	40.4	43.1	38.1	33.4	30.3	27.1	24.2	21.4	19.2	17.2
B5. One-time 30 percent nominal depreciation	36.3	41.1	29.0	24.0	20.5	18.8	17.1	15.5	13.8	12.7	11.7
B6. Combination of B1-B5	36.3	50.1	49.2	43.2	37.8	34.3	30.7	27.4	24.2	21.6	19.4
C. Tailored Tests											
C1. Combined contingent liabilities 4/	36.3	33.3	29.3	25.5	22.4	20.9	19.3	17.7	16.2	15.1	14.1
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	55	55	55	55	55	55	55	55	55	55	55
PV of debt-to-exports ratio											
Baseline	114.9	102.4	87.6	75.4	66.9	60.9	55.1	49.9	44.5	40.6	37.1
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	114.9	104.5	98.1	93.1	90.0	88.3	86.8	85.3	83.2	81.5	79.3
B. Bound Tests											
B1. Real GDP growth	114.9	102.4	87.6	75.4	66.9	60.9	55.1	49.9	44.5	40.6	37.1
B2. Primary balance	114.9	103.3	89.9	78.7	70.9	65.5	60.2	55.3	50.1	46.4	43.0
B3. Exports	114.9	341.2	1022.5	931.1	846.4	760.3	681.4	608.8	538.5	479.4	425.5
B4. Other flows 3/	114.9	127.0	133.9	119.1	107.4	96.9	87.1	78.2	69.3	62.3	55.9
B5. One-time 30 percent nominal depreciation	114.9	102.4	71.6	59.7	52.3	47.9	43.6	39.7	35.5	32.7	30.3
B6. Combination of B1-B5	114.9	201.2	137.5	236.4	213.1	192.2	172.7	154.8	137.2	123.1	110.3
C. Tailored Tests											
C1. Combined contingent liabilities 4/	114.9	104.5	90.9	79.6	72.2	67.0	61.9	57.3	52.4	48.9	45.8
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	240	240	240	240	240	240	240	240	240	240	240
Debt service-to-exports ratio											
Baseline	14.3	13.1	12.2	12.6	10.8	8.1	7.8	7.3	7.1	5.5	4.8
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	14.3	13.2	12.5	13.2	12.1	10.1	10.3	10.2	10.6	9.2	8.8
B. Bound Tests											
B1. Real GDP growth	14.3	13.1	12.2	12.6	10.8	8.1	7.8	7.3	7.1	5.5	4.8
B2. Primary balance	14.3	13.1	12.2	12.7	11.0	8.4	8.2	7.7	7.6	6.0	5.4
B3. Exports	14.3	30.4	70.0	95.0	107.0	89.3	84.3	78.2	74.6	62.8	56.8
B4. Other flows 3/	14.3	13.1	12.8	15.2	14.9	12.0	11.3	10.5	10.2	8.3	7.4
B5. One-time 30 percent nominal depreciation	14.3	13.1	12.2	12.2	9.3	6.8	6.6	6.1	6.1	4.5	3.9
B6. Combination of B1-B5	14.3	18.3	25.6	31.9	29.5	23.7	22.5	20.9	20.2	16.4	14.7
C. Tailored Tests											
C1. Combined contingent liabilities 4/	14.3	13.1	12.2	12.6	10.9	8.3	7.9	7.4	7.3	5.6	5.0
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	21	21	21	21	21	21	21	21	21	21	21
Debt service-to-revenue ratio											
Baseline	29.9	26.9	25.9	26.2	21.5	16.21	15.67	14.6	14.4	11.0	9.8
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	29.9	27.1	26.6	27.6	24.3	20.1	20.7	20.6	21.3	18.5	17.9
B. Bound Tests											
B1. Real GDP growth		27.8	27.7	28.0	23.0	17.4	16.8	15.6	15.4	11.8	10.4
B2. Primary balance		26.9	25.9	26.4	22.0	16.8	16.4	15.5	15.3	12.0	10.8
B3. Exports	29.9	30.9	34.3	45.7	49.4	41.1	39.0	36.3	34.7	29.2	26.5
B4. Other flows 3/	29.9	26.9	27.1	31.8	29.8	23.8	22.8	21.2	20.5	16.7	15.0
B5. One-time 30 percent nominal depreciation	29.9	33.8	32.5	31.9	23.4	17.0	16.6	15.4	15.4	11.3	10.0
B6. Combination of B1-B5	29.9	29.4	31.0	38.0	33.6	27.0	25.8	24.0	23.2	18.9	17.0
C. Tailored Tests											
C1. Combined contingent liabilities 4/	29.9	26.9	26.0	26.3	21.7	16.5	15.9	14.9	14.7	11.4	10.1
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	23	23	23	23	23	23	23	23	23	23	23

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 9.5 percent of GDP (5 percent of GDP represents a financial sector shock and 4.5 percent of GDP accounts for non-guaranteed SOEs debt).

Table 4. The Gambia: Sensitivity Analysis for Key Indicators of Public Debt, 2026–2036

	Projections 1/										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
PV of Debt-to-GDP Ratio											
Baseline	62.9	58.3	52.4	47.7	43.4	39.9	36.8	33.8	31.1	28.7	26.4
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	63	61	57	53	49	47	44	42	39	38	36
A2. Alternative Scenario :Climate change											
B. Bound Tests											
B1. Real GDP growth	63	61	58	54	50	47	45	43	41	39	37
B2. Primary balance	63	62	60	56	51	47	44	41	38	35	33
B3. Exports	63	73	87	80	73	66	60	54	49	44	40
B4. Other flows 3/	63	66	67	62	56	51	47	43	39	35	32
B5. One-time 30 percent nominal depreciation	63	66	59	53	47	42	38	34	30	27	24
B6. Combination of B1-B5	63	60	55	47	42	39	36	33	30	28	26
C. Tailored Tests											
C1. Combined contingent liabilities 4/	63	68	61	56	52	48	45	42	39	36	34
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	70	70	70	70	70	70	70	70	70	70	70
PV of Debt-to-Revenue Ratio											
Baseline	235.8	234.0	219.2	202.7	186.9	176.8	167.1	157.2	147.6	138.6	130.2
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	236	245	238	227	216	211	206	199	194	189	185
A2. Alternative Scenario :Climate change											
B. Bound Tests											
B1. Real GDP growth	236	241	235	222	210	205	200	194	189	184	180
B2. Primary balance	236	250	252	236	220	210	200	190	180	171	162
B3. Exports	236	291	362	340	312	292	272	251	232	213	196
B4. Other flows 3/	236	266	282	263	242	227	213	198	184	171	159
B5. One-time 30 percent nominal depreciation	236	272	253	230	209	192	177	161	146	132	119
B6. Combination of B1-B5	236	243	231	199	183	173	164	154	144	135	127
C. Tailored Tests											
C1. Combined contingent liabilities 4/	236	271	257	240	224	214	204	194	184	175	166
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	85.7	80.7	74.8	73.8	70.9	67.6	65.0	60.6	57.4	55.1	52.2
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	86	81	82	79	75	74	73	70	68	67	67
A2. Alternative Scenario :Climate change											
B. Bound Tests											
B1. Real GDP growth	86	82	80	81	81	81	81	79	78	79	78
B2. Primary balance	86	81	87	96	91	88	85	80	76	73	70
B3. Exports	86	81	76	81	84	80	76	71	68	65	61
B4. Other flows 3/	86	81	76	77	76	73	70	65	62	59	56
B5. One-time 30 percent nominal depreciation	86	80	77	77	74	69	65	60	56	54	51
B6. Combination of B1-B5	86	79	74	73	70	67	64	60	57	54	52
C. Tailored Tests											
C1. Combined contingent liabilities 4/	86	81	103	95	94	90	86	81	77	73	70
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 9.5 percent of GDP.

Statement by the Staff Representative on The Gambia
Executive Board Meeting
July 6, 2026

This staff statement provides an update on information since the Staff Report for the 2026 Article IV Consultation, the Fifth Review under the ECF, and the Second Review under the RSF was issued to the Executive Board on June 24, 2026. This information does not change the thrust of the staff appraisal.

1. All three pending prior actions for completion of the fifth ECF review have been met. The following provides details on their implementation.

- (Prior action # 1). The Ministry of Finance and Economic Affairs (MoFEA) has published a cabinet paper, which was approved by the President, that details a plan to raise revenues and reallocate expenditures to address spending needs arising from the war in the Middle East, in line with the 2014 Public Finance Act and the program macroeconomic framework. These measures will ensure compliance with ECF fiscal targets for 2026.
- (Prior action # 3). The CBG provided monthly statements through end-May of the CBG's balances with Afreximbank.
- (Prior action # 4). The CBG has amended the currency swap agreement with Afreximbank to ensure that the CBG Foreign Exchange Reserves are not encumbered in connection with swap-related proceeds.

2. The pending reform measure under the RSF arrangement (RM8) has been successfully completed. The government of The Gambia adopted a carbon-based excise, in line with IMF TA recommendations, which was published in the official gazette.

**Statement by Mr. Wautabouna, Executive Director for The Gambia, Mr. Olowookere, Alternate Executive Director and Mr. Cham, Senior Advisor to the Executive Director (OEDAW) on The Gambia
July 6, 2026**

Introduction

1. Our Gambian authorities are grateful to the IMF management and staff for the fruitful engagement and policy advice. They broadly agree with staff's assessment, policy recommendations and priorities.
2. The Gambian economy is on strong recovery path with robust growth in a constrained global environment. The authorities remain steadfast in their commitment to the program objectives and are implementing growth-friendly fiscal consolidation measures, adopting credible monetary policy and accelerating the needed reforms. They are also taking advantage of the ongoing Resilience and Sustainability Facility (RSF) to attract public and private financing, address balance of payment needs, and strengthen macroeconomic stability and resilience. The authorities value the ECF and RSF as they complement their drive towards resilience-building under the Recovery Focused National Development Plan (RF-NDP), 2023-2027.

Program Performance

3. Program performance remains broadly satisfactory, reflecting the authorities' continued commitment to the objectives of the ECF-supported program. Five of seven quantitative performance criteria (QPCs) for end-December 2025 were met, alongside all indicative targets (ITs), including the floor on total tax revenue, the ceilings on central bank credit to the central government and the central bank's net domestic assets, and the floor on poverty-reducing expenditure. While the QPCs on the domestic primary balance (DPB) and net domestic borrowing (NDB) were missed by 1.9 percent of GDP and 2.8 percent of GDP, respectively, owing to extrabudgetary spending, the authorities have acknowledged these slippages and are taking corrective actions to safeguard fiscal discipline and keep the program firmly on track.
4. On the structural benchmarks (SBs) for this review, the authorities continued to make important progress in advancing the reform agenda. Three SBs for end-December 2025 and January 2026 were met on time, underscoring sustained implementation capacity. In addition, three SBs were completed with short delays, including the submission to cabinet of the tax expenditure report transmitted in May 2026; Cabinet approval of the PFM Act in April 2026, originally scheduled for end-March 2026; and the completion in April 2026 of the review to reconcile the source of inconsistencies between the fiscal and monetary accounts for end-March 2026. The authorities are also moving forward with the remaining end-June 2026 SBs, including the operationalization of the Anti-Corruption Commission, publication of arrear payment schedule, quarterly updates by MDAs to their cash plans and implementation of the maximum deviation rule and privatization of national telecommunication company, GAMCEL. The requested rescheduling will provide the authorities with the necessary time to complete these reforms in a credible and durable manner.
5. Under the RSF, implementation of reform measures is progressing, with one reform measure already completed, RM2 on incorporating the potential impact of natural disasters to the Medium-Term Economic and Fiscal Framework. The authorities are also advancing the implementation of a carbon-based excise (RM8) in line with IMF TA recommendations, which is expected to be completed by the Board date. While the adoption of a transition taxonomy and the establishment of a climate data repository of taxonomy-aligned data require additional coordination across institutions, the authorities remain committed to these reforms and are requesting a rephasing of RM4 to end-December 2026 to ensure robust preparation, effective coordination, and successful implementation.

6. Cognizant of the missed QPCs on the domestic primary balance and net domestic borrowing, the authorities are implementing corrective measures including tightening of the fiscal stance by one percent of GDP to compensate for end-2025 slippages. In consultation with Cabinet, they have prepared a plan to raise revenues and reallocate expenditures to address spending needs arising from the war in the Middle East, consistent with the Public Finance Act (2014) and the program macroeconomic framework. Furthermore, they carried out an in-depth reconciliation of central government net financing from the banking system for 2024–25 in consultation with IMF staff, provided monthly statements through end-May 2026 of the Central Bank of The Gambia (CBG) balances with AFREXIMBANK, and are taking steps to ensure that CBG foreign exchange reserves are not encumbered in connection with swap-related proceeds. Looking ahead, the authorities remain committed to strengthening cash management and data reconciliation, reinforcing program safeguards, and deepening reform implementation. In view of the broadly satisfactory program performance, strong ownership of corrective actions, and continued strong commitment to the ECF and RSF objectives, the authorities seek Executive Directors' support in concluding the 2026 Article IV consultation, completing the Fifth Review Under the Extended Credit Facility Arrangement, and approving Requests for Program Extension, Augmentation and Rephasing of Access Under the Extended Credit Facility, Waivers of Non-Observance of Performance Criteria, Modification of Performance Criteria, Financing Assurances Review, Second Review Under the Resilience and Sustainability Facility Arrangement, and Extension and Rephasing of Access Under the RSF.

Recent Economic Developments and Outlook

7. Economic activity remains robust with real GDP growth estimated at 6.0 percent in 2025. Growth is driven by agriculture, construction and tourism sectors. Tourist arrivals continued to recover in 2025 with an increase of 2.5 percent over 2024 values. Growth, however, is expected to moderate to 4.7 percent in 2026 mainly due to the war in the Middle East adversely impacting economic activity and tourism arrivals. In the medium term, growth is expected to stabilize at about 5 percent with risks tilted to the downside including heightened global uncertainty.
8. Inflation, after peaking at 18.5 percent (y-o-y) at end-September 2023, decelerated to 6.6 percent (y-o-y) at end-March 2026. However, inflation rebounded to 7 percent in April due to renewed pressures from higher global food, energy and fertilizer costs resulting from the ongoing war in the Middle East. Inflation remains above CBG medium-term target of 5 percent.
9. The current account deficit is elevated due to a larger increase in imports relative to exports. In the context of higher oil prices and heightened risk impacting tourism, remittances and direct investment negatively impact reserves. In this regard, while reserves are supported by robust remittance inflows, and rebounding tourism revenue, reserves-to-prospective imports cover, without the proposed ECF augmentation, is projected to decline from 3.8 import cover in 2026 to 3.5 import cover in 2027. However, the augmentation will be able to maintain an import cover for 3.6 months.

Fiscal Policy and Debt Sustainability

10. The authorities are implementing a growth friendly fiscal consolidation to ensure fiscal sustainability while mitigating the impact of global war in the Middle East. To preserve fiscal sustainability and compensate for the fiscal slippages in 2025, the authorities will reduce the overall budget deficit by 1 percent of GDP and increase the unadjusted domestic primary balance target from 1.3 percent of GDP to 2.3 percent of GDP. This will require stepped-up revenue mobilization, including safeguarding fuel revenue by passing through oil price increases and allocating 0.5 percent of non-war related expenditures financed by the World Bank grants to protect the vulnerable population. In this regard, they will raise additional revenues through newly proposed tax withholding of direct donor payment, dividends from SOEs, improvements in compliance in CIT, excises and VAT, land property rents, and digitalization. The authorities will also

reduce expenditure further by the amount of shortfall in the agreed revenue measures, including by strengthening procurement processes.

11. The 2027 budget aims to support the country's development priorities while maintaining expenditure discipline, despite an expected decline in nontax revenues. In this regard, the authorities will target an overall deficit of 1.0 percent of GDP to sustain fiscal consolidation and reduce public debt in line with ECF program parameters. They are also designing a predictable flexible wage adjustment mechanism, particularly for subvented agencies to create fiscal space for the repayment of arrears. Given the elevated prices for agricultural inputs and energy sector, the authorities will provide additional funds to cover fertilizer subsidies, crop financing and revenue compensation for the national electricity company (NAWEC) to minimize the impact on general prices and citizens' welfare. They will continue to protect poverty related spending and priority outlays to enhance access to health and education.
12. The authorities are strengthening revenue mobilization, in line with their development and fiscal consolidation objectives. In this regard, they are improving tax collection to achieve the target set out in the 2026-2030 Domestic Resource Mobilization Strategy (DRMS). In this context, they will conduct a full VAT review to modernize design and administration to enhance revenue productivity. Relatedly, they will follow up on the technical assistance recommendations on property taxation and seek Fund support to increase local government revenue mobilization and strengthening of the public financial management of local government authorities. Further, they plan to unbundle the Income and Value Added Tax Act (IVATA) into two separate acts to simplify compliance. They also plan to modernize the VAT system focusing on digital and non-resident supplies, and international taxation, modernize the Customs and Excise Act, and improve revenue administration by developing a construction-sector compliance improvement plan.
13. The authorities remain committed to debt reduction strategy to bring debt on a sustainable downward path. They have established a clear definition of arrears, as well as institutionalized Arrears Monitoring and Clearance Committee. They also plan to build a strategy to institutionalize the arrears monitoring and reporting framework to address weaknesses that led to pending payment accumulations. They will establish an Arrear Clearance Oversight Committee, publish a payment schedule of verified arrears and prioritize long-standing arrears, including those owed to micro and small enterprises. Furthermore, with the SOE Commission, they will produce detailed individual performance reports, including debt stocks, to complement their yearly consolidated reports.

Monetary, Exchange Rate, and Financial Sector Policies

14. The CBG remain committed to fighting inflation through the implementation of appropriate monetary policy stance. While inflation is in single digit as of end-May 2026, the renewed pressures on commodity prices and the upcoming elections could result in inflationary pressure re-emerging. In this context, the CBG will remain vigilant and ensure monetary policy stance remains appropriate to counter persistent inflation and incorporate forward-looking analysis to bring inflation to its medium-term target of 5 percent. The CBG continues implementing data-driven monetary policy and will refine its forecasts in line with emerging risks to inflation. It will use its policy tools, including policy rate, sale of CBG bills, deposit window, and change in the reserve requirement ratio to mop up excess liquidity in the banking system.
15. In addition, the CBG remain committed to maintaining a market-determined exchange rate to safeguard FX reserves, meet debt service payments, and maintain macro-financial stability. The authorities will implement the 2023 foreign exchange policy to prevent a recurrence of shortages and ensure the exchange rate aligns with market fundamentals and intervene only to address disorderly market conditions and exchange rate volatility. They have finalized a new electronic FX data collection system to enhance FX market operations and complete its full operationalization. That said, they will revise the approved forex

intervention policy to align with IMF staff comments while ensuring adequate reserves is maintained to meet debt service obligations and safeguarding against external shocks.

16. The authorities are strengthening regulatory and supervisory frameworks to bolster financial stability. In this regard, they are increasing the monitoring of high-NPL banks, application of risk-based supervision supported by capacity building, closely following concentration risks, and engaging in early intervention. They plan to finalize and adopt the Basel Capital Frameworks to advance the assessment of capital requirements for banks, with the initial focus on the implementation of Pillar 1 of Basel II. They will continue stress testing the banking sector to assess its resilience to adverse shocks, including liquidity market and sovereign exposure of banks through fiscal consolidation, reduced domestic borrowing, and macroprudential measures.
17. The authorities are amending the CBG Act to strengthen central bank mandate, governance, and independence. They will finalize drafting the amendments in consultation with IMF staff. Further, they also took into consideration key recommendations from the 2024 safeguards assessment, including establishing domestic price stability as main primary objective, restricting central bank's ability to provide financial support to public entities, ceasing quasi-fiscal development activities and reviewing profit distribution mechanisms. In addition, CBG does not intend to engage in quasi-fiscal operations through currency swap operations.

Structural Reforms

18. The authorities are enhancing the business environment to boost investment and promote private sector-led growth. They are leveraging on the approved unified land policy to facilitate access to land and collateral. Further, they will use the revised GIEPA Act and digital platform for business registration to attract investment, lower entry costs, and foster formalization. They plan to standardize financial reporting to enhance financial governance of public institutions and corporate sector to boost investor confidence, market integrity and private sector development. They are also improving the credit markets with use of Credit Reference Bureau and deepening the National Financial Inclusion Strategy with greater focus on women, youth, and vulnerable groups.
19. The authorities are strengthening governance and enhancing transparency. In this context, they withdrew one of the three anti-corruption commissioners approved by the National Assembly in December 2025; and the replacement of one of the commissioners will go through the due diligence approval process. The commissioners will be sworn-in and the operations of the anti-corruption commission will commence henceforth. Further, they will constitute an inter-institutional dedicated process to carry out and advance the implementation of the recommendations of the IMF governance diagnostic assessment. In addition, they are working on the revised AML/CFT law and the National Audit Office Act, and on digitalizing the compilation of Laws of The Gambia and the public procurement system to further enhance transparency and accountability.
20. The authorities are improving the public financial management (PFM) system by modernizing the PFM legal framework, improving cash management, and addressing the underlying causes of arrears. They are also implementing Fund recommendations in regulations following the approved PFM Act, including tightening rules around virements, and extending the coverage of the Treasury Single Account. Furthermore, they will request all MDAs to present quarterly updates to their cash plans through IFMIS and implement a 'maximum deviation' rule to improve cash management. They will also operationalize a robust monthly rolling cash forecasting framework.
21. The authorities are improving the operation of state-owned enterprises (SOEs) to reduce fiscal risks. In this regard, the SOE Commission successfully renewed six performance contracts for 2026. Given that two

previous performance contracts were not satisfactory, the Commission recommended a reduction in salaries for top management of these SOEs. They are taking additional measures to strengthen SOE governance and fiscal risk management, including ensuring timely submission of standardized financial reports to the Ministry of Finance and consolidating SOE fiscal risk analysis in the fiscal risk statement. Furthermore, they are taking steps for SOEs to adopt a harmonized international accounting framework and clear their financial reports backlog. Meanwhile, they are advancing on the privatization of GAMCEL to lower aggregate losses from the SOEs.

22. The authorities are incorporating fiscal risks from natural disasters in the budget given the macro-fiscal impact of natural disasters on growth, government spending and revenues. They have included an assessment of the potential impacts of natural disasters into the Medium-Term Economic and Fiscal Framework (MTEFF) for 2026-2027. They also identified plans to implement carbon-based excise in consultation with oil marketing companies. They are finalizing the transition taxonomy and improving climate data. Further, they are working on groundwater abstraction and licensing regulations; and implementing zoning regulations with support from French Development Agency and World Bank Group respectively.
23. The Gambian authorities are enhancing capacity development, particularly in area of data reporting to the Fund. They are resolving the statistical discrepancies in the fiscal reporting to adequately inform policymaking and program monitoring. Further, they completed an in-depth reconciliation of central government net financing from the banking system for 2024–25 that quantifies the statistical discrepancy between fiscal and monetary data; attributes the discrepancy to specific, documented sources supported by underlying data where available; and identifies any residual data gaps with a time bound, monitorable action plan to resolve them. They will establish a quarterly reconciliation process between the Accountant General Department (AGD) and the Directorate of Economic Policy and Research (DEPR) while ensuring all payments from the Treasury Main Account (TMA) are accurately classified and incorporated into the Statement of Government Operations (SGO) in a timely manner. They also committed to providing timely information to the Fund should the government extend an explicit guarantee on SOE debt.

Conclusion

24. The Gambian authorities have demonstrated strong ownership of the reform agenda and remain firmly committed to the objectives of the ECF and RSF arrangements. Despite a difficult external environment and emerging spending pressures, they have acted decisively to preserve macroeconomic stability, restore fiscal discipline, strengthen program safeguards, and advance reforms that are essential to debt sustainability, governance, private sector development, and climate resilience. They view Fund's continued engagement as critical anchor to this reform momentum, reinforce policy credibility, and catalyze additional financing needed to support The Gambia's development priorities and resilience-building efforts.