
GRANT NUMBER IDA E3860

Financing Agreement

**(The Gambia Second Boosting Resilience and Unlocking Productive Potential
Development Policy Financing)**

between

REPUBLIC OF THE GAMBIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

GRANT NUMBER IDA E3860

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF THE GAMBIA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Association has decided to provide this financing on the basis, *inter alia*, of: (i) the actions which the Recipient has already taken under the Program and which are described in Section I A of Schedule 1 to this Agreement; and (ii) the Recipient’s maintenance of an adequate macroeconomic policy framework. The Recipient and the Association therefore hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to twenty two million two hundred thousand Special Drawing Rights (SDR 22,200,000) (“Financing”).
- 2.02. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.03. The Payment Dates are March 15 and September 15 in each year
- 2.04. The Payment Currency is Dollar.
- 2.05. Without limitation upon the provisions of Section 5.05 of the General Conditions, the Recipient shall promptly furnish to the Association such information relating to the provisions of this Article II as the Association may, from time to time, reasonably request.

ARTICLE III — PROGRAM

- 3.01. The Recipient declares its commitment to the Program and its implementation. To this end, and further to Section 5.05 of the General Conditions:
- (a) the Recipient and the Association shall from time to time, at the request of either party, exchange views on the Recipient's macroeconomic policy framework and the progress achieved in carrying out the Program;
 - (b) prior to each such exchange of views, the Recipient shall furnish to the Association for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Association shall reasonably request; and
 - (c) without limitation upon the provisions of paragraphs (a) and (b) of this Section, the Recipient shall promptly inform the Association of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in Section I of Schedule 1 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consists of the following, namely, that a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01 The Additional Conditions of Effectiveness consists of the following, namely, that the Association is satisfied with the progress achieved by the Recipient in carrying out the Program and with the adequacy of the Recipient's macroeconomic policy framework.
- 5.02 The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 5.03 For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is its minister responsible for finance.
- 6.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient's address is:

Ministry of Finance and Economic Affairs
The Quadrangle
Banjul,
The Gambia; and

6.03. For purposes of Section 11.01 of the General Conditions:

(a) the Association's address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Association's Electronic Address is:

Telex:

Facsimile:

248423 (MCI)

1-202-477-6391

AGREED as of the Signature Date.

REPUBLIC OF THE GAMBIA

By

Seedy K.M. Keita

Authorized Representative

Seedy K.M. Keita

Name: _____

Minister

Title: _____

06-Dec-2024

Date: _____

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Keiko Miwa

Authorized Representative

Keiko Miwa

Name: _____

Country Director

Title: _____

06-Dec-2024

Date: _____

SCHEDULE 1

Program Actions; Availability of Financing Proceeds

Section I. Actions under the Program

The actions taken by the Recipient under the Program include the following:

PILLAR 1: Accelerating private sector participation in the economy

1. To facilitate private sector participation in the energy sector and renewable energy penetration, the Recipient has: (i) issued and published in its official gazette the electricity (grid-code) regulations, detailing connection rules for on-grid facilities, including renewables energy; and (ii) issued and published on its ministry of finance's website, the feed-in-tariff rules and guidelines.
2. To revitalize commercial agriculture and food safety, the Recipient has issued and published in its official gazette the maize regulations and the rice regulations that create safety mechanisms to monitor aflatoxin through the value chain of maize and rice, including rules for their implementation and enforcement.
3. To promote the safety and integrity of the national payments system the Recipient through cabinet has adopted and transmitted to Parliament, the national payment systems bill, which expands definitions and membership on payment system infrastructures, defines the competences of the Recipient's central bank.
4. To promote competition and private investment in the telecom sector, the Recipient has: (i) issued and published in the official gazette infrastructure sharing regulations for telecommunication purposes; and (ii) issued an executive order lifting the moratorium on the deployment of private fiber networks.

PILLAR 2: Strengthening Procurement, Economic Governance of SOEs, and Domestic Resource Mobilization

5. To enhance the efficiency of public procurement, the Recipient has issued and published in the official gazette, the e-procurement regulations establishing the legal framework and rules for e-procurement including the establishment and management e-procurement portal.

6. To improve governance, performance and oversight of SOEs, the Recipient has issued and published in its official gazette the state-owned enterprises regulations establishing a performance monitoring framework for SOEs.
7. To boost tax revenue collection, the Recipient through cabinet has approved and published in its official gazette, the custom and excise duty waiver (remission) order, establishing structured rules on the administration, monitoring, and reporting of duty exemptions.

PILLAR 3: Strengthen Climate and Social Resilience.

8. To ensure a sustainable and adaptive social protection system, the Recipient has issued and published in its official gazette, the national social protection act regulations, 2024, defining eligibility conditions for social assistance and mandating the use of the Gambia Social Registry for targeting all social programming and emergency responses, including climate shocks.
9. To strengthen financial resilience for improved disaster risk management, the Recipient has issued and published in its official gazette, the disaster risk financing regulations which provides for different financial protection mechanisms to prevent and mitigate the impacts of disasters on people and businesses more efficiently.

Section II. Availability of Financing Proceeds

- A. **General.** The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of this Section and such additional instructions as the Association may specify by notice to the Recipient.
- B. **Allocation of Financing Amounts.** The Financing is allocated in: (a) a single withdrawal tranche, from which the Recipient may make withdrawals of the Financing proceeds. The allocation of the amounts of the Financing to this end is set out in the table below:

Allocations	Amount of the Financing Allocated (expressed in SDR)
(1) Single Withdrawal Tranche	22,200,000
TOTAL AMOUNT	22,200,000

C. Withdrawal Tranche Release Conditions.

No withdrawal shall be made of the Single Withdrawal Tranche unless the Association is satisfied: (a) with the Program being carried out by the Recipient; and (b) with the adequacy of the Recipient’s macroeconomic policy framework.

D. Deposit of Financing Amounts.

The Recipient, within thirty (30) days after the withdrawal of the Financing from the Financing Account, shall report to the Association: (a) the exact sum received into the account referred to in Section 2.03 (a) of the General Conditions; (b) the details of the account to which the Dalasi equivalent of the Financing proceeds will be credited; (c) the record that an equivalent amount has been accounted for in the Recipient's budget management systems; and (d) the statement of receipts and disbursement of the account referred to in Section 2.03 (a) of the General Conditions.

E. Audit. Upon the Association's request, the Recipient shall:

1. have the account referred to in Section 2.03 (a) of the General Conditions audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association;
2. furnish to the Association as soon as available but, in any case, not later than four (4) months after the date of the Association's request for such audit, a certified copy of the report of such audit, of such scope and in such detail as the Association shall reasonably request, and make such report publicly available in a timely fashion and in a manner acceptable to the Association and
3. furnish to the Association such other information concerning the account referred to in Section 2.03 (a) of the General Conditions and their audit as the Association shall reasonably request.

F. Closing Date. The Closing Date is December 31, 2025.

APPENDIX

Section I. Definitions

1. "Gambia Social Registry" or "GamSR" means the Recipient's database of social economic information of households for targeting social assistance programs.
2. "General Conditions" means the "International Development Association General Conditions for IDA Financing, Development Policy Financing", dated December 14, 2018 (Last revised on July 15, 2023) with the modifications set forth in Section II of this Appendix.
3. "Program" means the program of objectives, policies, and actions set forth or referred to in the letter dated October 28, 2024 from the Recipient to the Association declaring the Recipient's commitment to the execution of the Program, and requesting assistance from the Association in support of the Program during its execution and comprising actions taken, including those set forth in Section I of Schedule 1 to this Agreement, and actions to be taken consistent with the program's objectives
4. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.
5. "Single Withdrawal Tranche" means the amount of the Financing allocated to the category entitled "Single Withdrawal Tranche" in the table set forth in Part B of Section II of Schedule 1 to this Agreement.
6. "SOEs" means state-owned entities.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

In paragraphs originally numbered 4, 79 of the Appendix, the terms "Amortization Schedule", and "Payment Date", respectively are modified to read as follows:

"4. "Amortization Schedule" means the schedule for repayment of principal amount specified in the Financing Agreement for purposes of Sections 3.05 and 3.10."

"79. "Payment Date" means each date specified in the Financing Agreement occurring on or after the date of the Financing Agreement on which Service Charges, Interest Charges,

Commitment Charges, and other Credit charges and fees (other than the Front-end Fee) are payable, as applicable.”