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**Statement by Mr. Bevilaqua, Mr. Velloso, and Mr. Coronel on The Gambia
(Preliminary)
Executive Board Meeting
January 15, 2021**

We thank staff for the report and Ms. Mannathoko and Mr. Cham for their informative statement.

We support the completion of the first ECF review, and the requests for waiver of nonobservance of a continuous performance criterion and for augmentation of access. We also support the financing assurances review. IMF financial support, policy advice and technical assistance have played an important role in the authorities' efforts to contain the COVID-19 pandemic and support vulnerable households while preserving macroeconomic stability. We take positive note that the ECF program is off to a good start.

Going forward, it will be critical for the authorities to maintain their fiscal commitments as stated in the 2021 budget. This budget seems to be consistent with maintaining, in the near term, fiscal stimulus that is needed to support the economic recovery and, in the medium term, the country's fiscal consolidation strategy and debt sustainability. The latter is particularly important given that The Gambia is assessed to be at a high risk of debt distress. Like staff, we believe that it will be important to refrain from nonconcessional borrowing and improve the country's debt management framework, including by putting the newly adopted debt management system to effective use. The international community will have to continue playing a pivotal role, by providing to the maximum extent possible grants and highly concessional financing to indispensable social programs and infrastructure projects.

We take positive note that the authorities are cognizant that fiscal policy should be tightened in tandem with the pace of economic recovery. Keeping a balance between the need to increase revenue collections and support the recovery could prove challenging, as this will depend also on the evolution of the global pandemic and vaccine deployment.

We also emphasize—as we consistently have in all cases—the importance of efficiency and transparency in the use of COVID-19-related resources. In this regard, the authorities' commitments and initiatives to enhance internal controls and safeguards are reassuring regarding the proper use of the resources made available under the RCF, CCRT, and G20 DSSI.

Part of the reform package under the ECF entails improving governance and management of SOEs to minimize fiscal risks and deliver better quality services. In this regard, we welcome the progress that has been made so far, including the recent audit and its recommendations. At the same time, we encourage the authorities to press ahead with reform and ensure the speedy approval of legislation that would upgrade the SOE management framework.

We welcome the progress already made in improving central bank governance. This will reinforce monetary policy credibility and effectiveness. We look forward to the implementation of the recommendations outlined by the 2020 Safeguards Assessment, including to strengthen the central bank's balance sheet. Like staff, we consider that the expansionary monetary policy stance at the onset of the COVID-19 pandemic was appropriate. The absence of inflation and exchange rate pressures and weak credit growth seem to vindicate that decision.

With these remarks we wish the Gambian authorities success.