

INTERNATIONAL MONETARY FUND

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The International Monetary Fund has approved a stand-by arrangement for the Government of The Gambia, authorizing purchases up to the equivalent of SDR 16.9 million over the next 12 months, in support of the Government's economic and financial program. Purchases under this arrangement will be financed in part from the Fund's ordinary resources (SDR 8.01 million), and in part from borrowed resources (SDR 8.89 million). The Gambia's quota in the Fund is SDR 13.5 million, and its outstanding financial obligations to the Fund resulting from past operations and transactions, excluding Trust Fund loans, currently total the equivalent of SDR 14.9 million.

The government's program, in support of which the present stand-by arrangement has been approved, seeks to stabilize the economic and financial situation in The Gambia in the next 12 months. It has been framed in the context of the authorities' efforts to diversify and restructure the economy and to reduce internal and external imbalances. Under the program, investment is being redirected to the productive sectors of the economy, particularly agriculture. Also, several pricing, monetary, and fiscal measures are being implemented to curtail import demand, to limit the current account and the overall balance of payments deficits to sustainable levels, and to substantially reduce external payments arrears.