

MINISTRY OF FINANCE AND ECONOMIC AFFAIRS

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The Gambia will receive US\$85 million SDRs Allocation from the IMF

The Managing Director of the International Monetary Fund (IMF), Ms. Kristalina Georgieva, on August 23rd, 2021 announced US\$650 billion SDRs Allocation to IMF member countries. It is the largest allocation of Special Drawing Rights (SDRs) in history. The allocation is a significant booster for the world and, if effectively used would offer a unique opportunity to fight this unprecedented Covid-19 pandemic.

For The Gambia, the SDRs Allocation will provide additional liquidity to the economy including enhancing The Gambia's foreign exchange reserves, reducing the economy heavy dependence on expensive domestic and external debts.

Furthermore, The Gambia can use the fiscal space provided by SDRs Allocation to support the economy, respond to the pandemic and minimize the impact of the crisis. Considering the allocation of SDRs in quota share in the IMF, it implies that The Gambia will receive an allocation amounting to **US\$85 million**, which is equivalent to **4.5 percent** of The Gambia's GDP.

The SDRs are valuable resources, and its usage depends exclusively on the decision of the country. Meanwhile, in adherence to Fund transparency and accountability, the IMF is providing a framework for assessing the macroeconomic implications of the new allocation, its statistical treatment and governance, and how it might affect debt sustainability.

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