

THE GOVERNMENT OF THE GAMBIA INKED A 6MILLION KUWAITI DINAR LOAN AGREEMENT FOR THE BERTIL HERDING ROAD PROJECT



On the 24th March 2022, the government of the Gambia led by the Ministry of Finance and Economic Affairs signed a loan agreement with the Kuwaiti Fund for Arab Economic Development to provide six million Kuwaiti Dinars (KD 6,000,000), equivalent to approximately US\$ 20 million to The Gambia for the financing of the widening of the Bertil Harding Road Project.

The Loan Agreement was signed on behalf of The Gambia by His Excellency Mambury Njie, Minister of Finance and Economic Affairs, and Mr. Marwan A Th. AlGhanem, Director General of the Kuwaiti Fund for Economic Development on behalf of the Agency.

The project aims to contribute to the socio-economic development of the Gambia by integrating into the road network within the country, increasing the level of its safety, reducing transportation costs and travel time; all of which will help in promoting development efforts in the project area.

The project consists of construction works to improve and widen the existing 22-kilometer Bertil Harding Road to an asphalt road with three (3) lanes in each direction measuring 7 meters width each side, and a service lane in each direction measuring 4 meters wide. The Project

includes flyovers, drainage systems, rehabilitation works, safety measures, lighting, environmental measures, telecommunications infrastructure, consultancy services for the preparation of the detailed engineering design and supervision of construction, institutional support, Project start-up workshop, and project financial audit. It is estimated that the project will last a duration of two years from start to completion.

The project total cost is estimated at about US\$ 95 million equivalent to about KD 28.74 million. The Fund's Loan in the amount of 6 million Kuwaiti Dinars will cover about 20.9% of the total cost of the project. In addition to the financing of the Arab Bank for Economic Development in Africa (BADEA) at an amount equivalent to US\$ 20 million representing about 20.9% of the total cost, the Islamic Development Bank, contributed an amount equivalent to US\$ 14 million which is about 14.6 percent of the total cost whilst the Government of the Gambia covers the remainder of the costs amounting to 22 million dollars which have already been disbursed.

The Loan is provided for a term of 28 years including 3 years grace period and will be amortized by 50 semi-annual installments, the first of which will be due on the date on which any interest or other charges on the loan shall fall due after the elapse of the grace period. The Loan will bear interest at 1.0% per annum in addition to 0.5% per annum to cover administrative costs and other expenses incurred in the implementation of the Loan Agreement.