



SOEC 2025 ANNUAL ACTIVITY REPORT

TABLE OF CONTENTS

Contents

Foreword by the Executive Secretary	VI
<u>SUMMARY OF KEY ACTIVITIES</u>	<u>1</u>
1. Introduction.....	2
2. Background	2
3. Key Activities and Achievements (October 2024 – September 2025)	3
<i>Tackling Performance Improvements</i>	<i>3</i>
3.1 Performance Management and Contract Negotiations.....	3
3.2 Signing of a New Performance Contract with NAWEC	3
3.3 Performance Contract Assessments	3
3.4 Quarterly Monitoring of Performance Contracts	4
<i>Policy Guidance and Advice</i>	<i>14</i>
3.5 Development of a Performance Turnaround Strategy for NAWEC	4
3.6 Strategic Engagement with NFSPMC on Funding Options and Operational Efficiency	5
3.7 Engagement on Quality Issues in Groundnut Purchases	6
3.8 Engagement with GAMTEL Management on PPP Progress	6
3.9 Oversight of SOE Reorganization and Public-Private Partnerships (PPPs)	6
3.10 Addressing Governance and Legislative Discrepancies	7
<i>Enhancing Governance.....</i>	<i>16</i>
3.11 Launch Board and Staff Remuneration Review	7
3.12 Recruitment of Board Members and Tenure Database	8
3.13 Review of Special Audit Reports on GRTS and SSHFC.....	9
<i>Enhancing Partnerships</i>	<i>9</i>
3.14 Bringing Additional Institutions Under the Oversight of the SOE Commission	9
3.15 Technical Assistance and Capacity Building through the IMF	10
3.16 Financial Discipline and Arrears Resolution	10
3.17 Courtesy Calls	11
3.18 Collaboration with the National Assembly	11
3.19 SOE Site Visits.....	11

3.20 Transition to IFRS	12
<i>Budget Reviews and Fiscal Monitoring.....</i>	21
3.21 Review of SOE 2025 Budgets	12
3.22 Liquidity Analysis and Interim Dividend Recommendation	12
3.23 2024 SOE Financial Performance Report	13
3.24 2025 Bi-Annual SOE Financial Performance Report.....	13
4.0 Summary of Key Achievements.....	14
5.0 Challenges and Constraints	14
6.0 Conclusion and Forward Look	15

LIST OF ACRONYMS

GAMCEL	Gambia Cellular Company Limited
GAMPOST	Gambia Postal Services
GAMTEL	Gambia Telecommunications Company Limited
GBA	Greater Banjul Area
GGC	Gambia Groundnut Corporation
GIA	Gambia International Airlines
GNPC	Gambia National Petroleum Corporation
GPA	Gambia Port Authority
GPPC	Gambia Printing and Publishing Corporation
GRTS	Gambia Radio and Television Services
IMF	International Monetary Fund
KPI	Key Performance Indicator
MoFEA	Ministry of Finance and Economic Affairs
NAO	National Audit Office
NAWEC	National Water and Electricity Company
NFSMPC	National Food Security Marketing and Producing Corporation
PC	Performance Contract
PEC	Public Enterprise Committee
SOE	State-Owned Enterprise
SOEC	State-Owned Enterprise Commission
SSHFC	Social Security and Housing Finance Corporation
WB	World Bank

Foreword from the Chairman



State-Owned Enterprises (SOEs) are established through legislative mandate as critical instruments of national economic policy, tasked with undertaking both commercial operations to generate value and supporting essential public policy objectives. When governed prudently, SOEs play an indispensable role in stimulating job creation, ensuring the delivery of vital services, and contributing meaningfully to the government's fiscal standing through the payment of dividends.

Yet, as articulated in our inaugural report, the reality remains that many SOEs in The Gambia have historically faced profound financial and operational challenges, with legacy issues threatening the viability and even solvency of some institutions. This situation posed an unacceptable and substantial fiscal risk to the government and, by extension, to the stability of the national economy.

In response to this imperative, the Government of The Gambia established the State-Owned Enterprise Commission (SOEC) under the SOE Act of 2023. Our mandate is to provide comprehensive oversight, ensure effective and efficient management of SOEs, champion good corporate governance, and instill a non-negotiable culture of accountability and transparency across the entire sector.

It is, therefore, with a sense of immense pride and determination that we present the Second Annual Activity Report of the SOE Commission. This report serves as our primary mechanism for rendering accounts to the Government and provides the public with detailed insight into the specific activities, major interventions, and significant milestones achieved during our second year of operation.

Over the past year, the Commission has made remarkable progress in fulfilling its oversight mandate. The implementation of performance contracts, quarterly monitoring engagements, and the enforcement of reward and sanction mechanisms have collectively advanced a culture of accountability. Through these efforts, the Commission has reaffirmed that performance excellence must be matched with responsibility, and that non-compliance carries tangible consequences. This approach is steadily reshaping the governance ethos of our State-Owned Enterprises.

The Commission also finalized the Annual 2024 and Bi-Annual 2025 SOE Financial Performance Reports, which, for the first time in recent history, and based on Management Accounts, revealed a collective net profit position in the first half of 2025, a testament to growing fiscal prudence and the gradual stabilization of the sector. While these gains are encouraging, they also underscore the need for sustained discipline and continued oversight to ensure that progress is both genuine and enduring.

The Commission has also taken decisive actions to uphold integrity and adherence to governance frameworks. Acted promptly to address lapses and continue to work closely with SOEs to preserve public confidence and ensure that all SOEs operate within the bounds of law, ethics, and mutual accountability.

Despite these significant strides, our work is far from complete. The report highlights that the Secretariat continues to operate under severe staffing constraints, which hinder the pace of reform and limit the scope of analytical and monitoring functions. Furthermore, the underlying financial fragility of high-risk entities like NAWEC, GIA, GAMPOST, GAMTEL, and GAMCEL continues to demand profound structural reform. Discussions are currently on-going to accelerate these processes.

As we look ahead, the Commission is focused on driving the next phase of structural improvement. Our strategic priorities for the coming year will focus on finalizing a unified Remuneration Policy Framework, implementing a sector-wide Dividend Policy, and strategically expanding our oversight to integrate new institutions, such as the National Development Bank of The Gambia. Crucially, we will intensify our focus on compliance, ensuring audit recommendations are implemented in a timely manner, and continuously strengthening stakeholder collaboration to align with the reform agenda.

I wish to extend my profound gratitude to my fellow Commissioners for their insights, unwavering commitment, and collective resolve throughout this demanding period. Their dedication is the bedrock of our success.

I must also commend the Executive Secretary, Deputy Executive Secretary, and the dedicated technical team for their exceptional professionalism and relentless effort. Operating with severely limited resources, their diligence in meeting the complex demands of our mandate has been exemplary.

Furthermore, our success is intrinsically linked to our collaborative partners. I sincerely thank the Minister of Finance and Economic Affairs and his team for their continuous partnership, as well as the Boards and Management teams across all SOEs for their necessary cooperation.

Finally, I express my most sincere appreciation and profound gratitude to His Excellency, the President of the Republic. His unwavering trust in the Commission's mission and his decisive approval of our recommendations provide the essential political will needed to drive this vital national reform agenda forward. His vision for a stronger, more accountable, and ultimately more profitable SOE sector continues to inspire and guide our work.

We remain steadfastly committed to transforming The Gambia's State-Owned Enterprises into models of efficiency, profitability, and good governance for the benefit of all citizens.

Ousainou Ngum

Chairman

Foreword by the Executive Secretary



The State-Owned Enterprise (SOE) sector continues to occupy a central position in The Gambia's economic architecture, serving as both a driver of national development and a critical enabler of essential public services. From energy and transport to agriculture and communications, these enterprises underpin vital sectors of the economy and contribute significantly to the realization of government's strategic development priorities. Their health, performance, and governance, therefore, remain fundamental to fiscal stability, social well-being, and the effective delivery of public goods.

The year under review marked the second full year of operation for the State-Owned Enterprise Commission (SOEC), and one in which measurable progress was achieved toward entrenching accountability, performance discipline, and financial prudence across the SOE landscape. This report presents a comprehensive reflection on the Commission's activities, key interventions, and the incremental yet significant strides made toward building a more transparent, efficient, and resilient public enterprise sector.

Over the course of the year, the Secretariat has continued to operationalize the legal and governance frameworks established under the SOE Act 2023 and its accompanying regulations. These instruments have strengthened our authority to drive reform and ensure that State-Owned Enterprises operate in full alignment with principles of good governance and fiscal responsibility. Through continuous oversight, rigorous monitoring, and the application of both reward and sanction mechanisms, the Commission has worked to instill a culture of accountability and performance-oriented management across all SOEs.

The Commission advanced several critical initiatives aimed at strengthening the structural foundations of SOE governance. The launch of the comprehensive Board and Staff Remuneration Review marked an important step to establishing equitable and transparent compensation structures across the sector, while the continued enforcement of performance contracts reinforced the link between results and accountability. The Secretariat's work in reviewing budgets, assessing performance, analysing fiscal risks, recruiting potential board members in a transparent and competitive manner, and addressing governance lapses, underscored its vigilance and commitment to upholding the rule of law within the sector.

Equally important were the Commission's interventions to address long-standing challenges in key institutions. The formulation of the NAWEC Performance Turnaround Strategy demonstrated a proactive and data-driven approach to tackling operational and financial distress in one of the country's most critical utilities. The performance assessment of the NFSPMC and SSHFC confirmed their steady improvement and alignment with strategic objectives, while oversight engagements with GNPC, SSHFC, and GPA provided valuable insights that continue to shape reform priorities across the portfolio.

At the institutional level, the Secretariat has continued to engage with national and international partners to strengthen capacity and technical competence. Engagements with the International Monetary Fund (IMF) have opened avenues for targeted technical assistance in key areas, including financial risk analysis, performance contract management, and corporate

governance. Such partnerships are crucial to enhancing the Commission's analytical rigor and equipping the Secretariat to meet the growing demands of its expanding mandate.

As we look to the future, the Secretariat's focus will remain on deepening reform, consolidating progress, and strengthening the mechanisms that ensure SOEs contribute meaningfully to national development. The coming year will prioritize intensifying efforts to institutionalize best practices in corporate governance, ensure the timely submission of financial statements, recruit new board members, and maintain rigorous monitoring of performance contracts.

I wish to take this opportunity to express my sincere appreciation to the Commissioners for their steadfast leadership, strategic guidance, and unwavering support throughout the year. Their collective commitment has been vital to sustaining the Commission's reform agenda. I also extend my heartfelt gratitude to the to the Boards and Management of all SOEs for their cooperation and growing commitment to reform, and to our development partners for their technical and advisory support.

Finally, I wish to commend the Secretariat staff for their exceptional dedication and professionalism. Their hard work and perseverance, despite resource constraints, have been the driving force behind the Commission's progress. Together, we have laid the groundwork for a more accountable, efficient, and sustainable SOE sector.

As we move forward into our third year, the Secretariat reaffirms its commitment to the Commission's mission of transforming State-Owned Enterprises into models of good governance, fiscal responsibility, and operational excellence. Through collective effort and continued collaboration, we will sustain the momentum of reform and ensure that The Gambia's SOEs truly serve the public interest and contribute meaningfully to national development.

Bai Madi Ceesay

Executive Secretary

SUMMARY OF KEY ACTIVITIES

Over the past year, the SOE Commission has vigorously operationalized the legal frameworks of the SOE Act 2023, moving beyond foundational establishment to the active, rigorous enforcement of fiscal, governance, and operational discipline.

The Commission's work in 2025 has been defined by a clear focus on performance and institutional reform, through the implementation of activities that are clustered in the following five major focus areas:

Tackling Performance Improvements

- Performance Contract Negotiations
- Signing of a New Performance Contract with NAWEC
- Assess signed Performance Contracts for NFSPMC, SSHFC, and GNPC
- Quarterly Monitoring of Performance Contracts

Policy Guidance and Advice

- Performance Turnaround Strategy (PTS) for NAWEC
- Strategic Engagement with NFSPMC on Funding Options and Operational Efficiency
- Engagement on Quality Issues in Groundnut Purchases
- Engagement with GAMTEL Management on PPP Progress
- Oversight of SOE Reorganization and Public-Private Partnerships (PPPs)
- Addressing Governance and Legislative Discrepancies

Enhancing SOE Governance

- Launch Board and Staff Remuneration Review
- Recruitment of Board Members and Tenure Database
- Review of Special Audit Reports on GRTS and SSHFC

Enhancing Partnerships

- Bringing Additional Institutions Under the Oversight of the SOE Commission
- Technical Assistance and Capacity Building through the IMF
- Financial Discipline and Arrears Resolution
- Courtesy Calls to the SOE Commission
- Collaboration with the National Assembly (NA)
- SOE Site Visits
- Transition to IFRS

Budget Reviews and Fiscal Monitoring

- Review of 2025 SOE Budgets
- SOE Liquidity Analysis and Interim Dividend Recommendation
- 2024 SOE Annual Financial Performance Report
- 2025 SOE Bi-Annual Financial Performance Report

1. Introduction

The State-Owned Enterprise Commission (SOEC) is the statutory body established by an Act of Parliament to serve as the central oversight institution responsible for monitoring, regulating, and enhancing the performance and governance of State-Owned Enterprises (SOEs) in The Gambia. The Commission's mandate covers all commercial SOEs, with a focus on promoting transparency, accountability, and operational efficiency, while ensuring that they contribute meaningfully to national development.

Key pillars of the Commission's responsibilities include the authorization of SOE budgets and the holistic supervision of performance contracts, from implementation to final assessment. Beyond these operational metrics, the Commission evaluates governance architecture and issues essential guidelines aimed at fostering a culture of fiscal prudence across the portfolio. Through these mechanisms, the Commission seeks to transform SOEs into viable, efficient, and financially sustainable institutions capable of delivering quality services to the public and generating reasonable returns for the country.

This Annual Activity Report provides a comprehensive overview of the activities, achievements, and challenges of the SOE Commission over the past year. It highlights the progress made in fulfilling the Commission's oversight mandate, the major interventions undertaken, and the steps being taken to institutionalize a culture of accountability within the SOE sector.

It is worth noting that this reporting period marks the second year since the appointment of the Commissioners and the operationalization of the Commission. Despite the numerous challenges still confronting the SOE landscape, ranging from governance lapses to weak financial management, the Commission has made significant strides in setting a strong foundation for reform. Through its activities, the SOEC has reinforced its commitment to steering the affairs of SOEs towards improved governance, enhanced performance, and long-term sustainability.

2. Background

For decades, State-Owned Enterprises in The Gambia have faced persistent challenges that have constrained their effectiveness and contribution to the economy. Many SOEs have been characterized by weak governance systems, financial mismanagement, and operational inefficiencies, as repeatedly highlighted in reports by the National Audit Office (NAO) and other oversight institutions.

A key factor underpinning these challenges has been the lack of a strong, centralized oversight mechanism capable of ensuring accountability and consistency in SOE operations. To address these systemic weaknesses, the Government of The Gambia initiated a series of reforms aimed at restructuring the SOE sector.

The reform process began with the establishment of the Directorate of SOEs within the Ministry of Finance and Economic Affairs (MoFEA), which served as an initial focal point for coordination and oversight. Building on the experiences and lessons derived from the Directorate, the Government later enacted the SOE Act, which formally established the SOE

Commission as an independent and dedicated regulatory authority mandated to oversee, monitor, and evaluate all commercial SOEs.

Since its establishment, the SOE Commission has undertaken this critical responsibility with the objective of transforming the SOE sector into a high-performing, transparent, and accountable ecosystem that supports the government's development agenda.

3. Key Activities and Achievements (October 2024 – September 2025)

Tackling Performance Improvements

3.1 Performance Management and Contract Negotiations

A major activity involved the negotiation and finalization of new Key Performance Indicator (KPI) targets for 2025 on the existing three-year Performance Contracts.

In line with the provisions allowing for an annual review of KPIs and targets, the Commission embarked on detailed and constructive negotiations with seven (7) SOEs. Following the successful conclusion of these negotiations, the Commission signed the new agreed-upon targets with the following institutions: NAWEC, GIA, GPPC, GAMPOST, NFSPMC, SSHFC, and GNPC. This process is integral to reinforcing accountability and driving performance across the SOE sector.

3.2 Signing of a New Performance Contract with NAWEC

Following the completion and assessment of NAWEC's previous performance contract, the Commission determined that the utility company had failed to meet its agreed performance targets. Consequently, the SOEC imposed sanctions by reducing the gross salary of the entire management team by 5% for a period of one year.

In February 2025, following extensive negotiations involving the SOEC, NAWEC's Board and management, a new Performance Contract (PC) was signed between the SOEC Chairman and NAWEC Board Chairman. The new contract includes both reward and sanction mechanisms, designed to incentivize strong performance while ensuring accountability for underperformance. This marked an important step toward reinforcing a performance-based culture within NAWEC and across the SOE sector.

3.3 Performance Contract Assessments

Throughout the year, the Commission undertook detailed assessments of three key SOEs against their signed performance contracts.

- **NFSPMC:** The Commission's 2024 assessment affirmed that the performance of the National Food Security Processing and Marketing Corporation (NFSPMC) was largely

in alignment with its strategic aims, noting the fulfillment of key performance benchmarks. Management was recognized for their efforts, and the institution was consequently eligible to pay a one-month bonus to all staff. The assessment followed the timely submission of their 2024 audited accounts. Initial challenges regarding cooperation from certain personnel during the assessment were raised and amicably resolved with a commitment to full cooperation by management moving forward.

- **GNPC:** The assessment of the Gambia National Petroleum Corporation's 2023 performance was significantly delayed due to the late submission of their audited accounts. The Commission ultimately deemed GNPC to have failed the performance contract. While management cited government directives on security stock purchases as a primary reason for underperformance, the Commission's analysis concluded that failure would have occurred regardless. Accordingly, a recommendation to reduce the Managing Director's gross salary by 15% for one year was made and subsequently approved by His Excellency, The President.
- **SSHFC:** For the second consecutive year, the Social Security and Housing Finance Corporation was deemed to have passed its performance contract. SSHFC was commended for once again being one of only two SOEs to submit its audited 2024 accounts in a timely manner. The corporation demonstrated improvements in financial and operational performance, though some governance challenges were noted after its NPF accounts were qualified by auditors due to the lack of contract between the government and SSHFC on the procurement of buses for the GTSC.

3.4 Quarterly Monitoring of Performance Contracts

The SOE Commission continued its regular quarterly review meetings with all SOEs under performance contracts. As of 2025, eight SOEs, namely NAWEC, GIA, GPPC, GAMPOST, SSHFC, NFSPMC, and GNPC, have signed performance contracts with the Commission.

These quarterly technical sessions enable the Commission to monitor progress against Key Performance Indicators (KPIs), identify challenges, and recommend corrective measures where targets are off-track. This process continues to foster a culture of accountability and performance-oriented management across the SOE sector.

Policy Guidance and Advice

3.5 Development of a Performance Turnaround Strategy for NAWEC

Following a high-level meeting with the Honourable Minister of Finance and Economic Affairs (MOFEA), who expressed concerns regarding the financial state of the National Water and Electricity Company (NAWEC), the Commission was tasked with finding a solution. Despite

receiving over \$400 million in grants between 2016 and 2023 and implementing meaningful tariff increment in 2023, NAWEC remained insolvent, incurring annual losses exceeding GMD 2 billion and accumulated GMD 16 billion in liabilities by the end of 2023. The Minister deemed the status quo of continuous government bailouts to NAWEC as unsustainable.

In response, the SOEC formulated a comprehensive Performance Turnaround Strategy (PTS). The strategy proposed an interim governance framework for the company, revolving around the temporary recruitment of administrators and a special adviser to the Managing Director. However, upon further consultations, the PTS was not implemented, and instead, two new Board members were recruited for the institution.

3.6 Strategic Engagement with NFSPMC on Funding Options and Operational Efficiency

Another notable engagement during the year was a strategic session between the Commission, the management of the National Food Security Processing and Marketing Corporation (NFSPMC), and the Permanent Secretary of the Ministry of Agriculture. The discussions were convened to gauge strategies on resource mobilisation to implement their short-term strategic objectives.

NFSPMC management informed the Commission that despite Cabinet approval for its recapitalisation, the required funding from MOFEA has not materialised. Consequently, the Corporation explored alternative financing mechanisms for critical projects, including:

- Construction of a refinery for vegetable and groundnut oil;
- Establishment of a reliable river transport system to enhance logistics and market access; and
- Rehabilitation and maintenance of their storage facilities across the country.

After a detailed technical discussion, three financing options were agreed upon:

1. Public-Private Partnership (PPP) arrangement in collaboration with MOFEA;
2. Engagement with the Islamic Development Bank (IsDB) to finance the second phase of its agriculture-related project in The Gambia, focusing on the proposed groundnut oil refinery; and
3. Collaboration between the Ministry of Agriculture and development partners already active in the sector to co-finance NFSPMC's strategic priorities.

The meeting marked a major step toward repositioning NFSPMC as a commercially sustainable agribusiness entity.

Following the meeting, MOA and NFSPMC agreed to work with MOFEA and pursue these three options.

3.7 Engagement on Quality Issues in Groundnut Purchases

In a related development, the Commission held another strategic discussion with NFSPMC management and the Permanent Secretary at the Ministry of Agriculture to address the recurring issue of foreign material contamination in groundnuts purchased from farmers. NFSPMC reported that nearly 2,000 metric tonnes of dust, stones, and other impurities were found on purchased groundnuts, resulting in an estimated loss of D76 million per year, given the cost of D38,000 per tonne.

After detailed discussions, it was agreed that a Cabinet Paper (CP) would be jointly developed by NFSPMC and the Ministry of Agriculture. The Paper would propose that all groundnuts be sold through cooperative unions, who would undertake initial screening and quality control before sale to NFSPMC. This process is expected to drastically reduce losses and improve the integrity of the national groundnut value chain.

3.8 Engagement with GAMTEL Management on PPP Progress

The Commission also held important discussions with the management of GAMTEL to obtain updates on their ongoing Public-Private Partnership (PPP) arrangements. GAMTEL management reported that while the PPP contract had yet to be signed, progress was ongoing, and the signing is anticipated before the end of 2025.

GAMTEL further highlighted major challenges affecting its operations, including:

- Persistently low tariffs on the ECOWAN backbone.
- High staff attrition.
- Frequent fiber cuts by the competitor; and
- PURA's decision to lift the moratorium on fiber deployment, allowing private GSM operators to install their own fiber infrastructure, thereby increasing competition.

3.9 Oversight of SOE Reorganization and Public-Private Partnerships (PPPs)

In line with its mandate under Section 13 of the SOE Act to oversee SOE reorganization and evaluate strategic proposals for Cabinet, the Commission undertook crucial engagements regarding significant structural changes within key State-Owned Enterprises.

A primary focus was the status of the Gambia Civil Aviation Authority (GCAA) decoupling exercise and the GAMTEL/GAMCEL proposed Public-Private Partnership (PPP) arrangements. The Commission formally communicated with the Permanent Secretaries of the Ministry of Works and the Ministry of Digital Economy, respectively, requesting detailed documentation and analysis critical to the decision-making process. Specifically, the request sought additional information pertaining to GCAA's decoupling exercise, particularly the concession/PPP arrangements for the management of the airport, the concession/PPP arrangements being put in place for GAMTEL, as well as the selling of GAMCEL:

- The valuation methodology applied in assessing the respective entities.

- The mechanism used to determine the optimal benefit to Government under the proposed PPP arrangement.
- The strategic objectives underpinning the entire exercise across the short, medium, and long term.

Despite formal requests and subsequent follow-ups, the Commission regrets to report that it was not given the necessary and relevant information. The timely provision of this critical data is essential for the Commission to fulfill its statutory duty to evaluate and provide informed recommendations to Cabinet on the viability and strategic alignment of these reorganization efforts.

3.10 Addressing Governance and Legislative Discrepancies

The Commission proactively engaged MoFEA regarding the need for amendments to the SOE Act to resolve pertinent governance and legislative conflicts.

A specific challenge relates to the composition of SOE Boards, where the recent SOE Act stipulates a maximum of only two ex-officio members (representatives from the Ministry of Finance and the relevant Line Ministry). This is contradicted by some of the specific Acts that established certain SOEs, such as the GCAA, GNPC, and GPPC, which mandate a greater number of ex-officio board members.

The Commission sought legal guidance from the Ministry of Justice, which advised that all specific Acts remain valid as they have not been repealed. This creates a challenging situation where the recent, overarching SOE Act is directly contradicted by earlier foundational legislation. The Commission continues to work with MoFEA and the Office of The President (OP) to devise a legislative solution to address this critical governance inconsistency.

Enhancing SOE Governance

3.11 Launch Board and Staff Remuneration Review

In response to the significant disparities observed in SOE remuneration structures, the Commission initiated a comprehensive remuneration rationalization exercise. The process began internally with the formulation of a Board Remuneration Policy by the SOEC, following which broad consultations were held with all SOEs.

Based on feedback received, the Commission determined that a holistic policy covering both board and staff remuneration was necessary to promote equity and competitiveness across the SOE sector. Consequently, the SOEC has since formally engaged a consultant to develop a comprehensive and equitable Board and Staff Remuneration Policy. Upon completion, the draft policy will be reviewed by the Commission and further discussed with SOEs before adoption and implementation.

3.12 Recruitment of Board Members and Tenure Database

The Commission undertook a comprehensive review of board tenures across all SOEs. Data was collected from each SOE, detailing board member names, appointment dates, expertise, and tenure expiration dates. This has enabled the creation of a centralized database that now serves as a key planning tool for upcoming board renewals and recruitments.

During the reporting period, the Commission successfully conducted the recruitment of new board members for NAWEC, GCAA, GIA, GRTS, GNPC, and NFSPMC. This process included the development of Terms of Reference, advertising vacancies, shortlisting candidates, and conducting rigorous interviews, ensuring transparency and merit-based selection.

Additionally, the Commission recommended the renewal of existing boards for the GPPC and GAMTEL/GAMCEL, given their satisfactory performance and valuable contributions during their first terms.

During the period under review, the following Board members were appointed by His Excellency, The President

NFSPMC: Mr Omar Mboob (Board Chairman), Dr Malanding Jaiteh (Board Member)

NAWEC: Mr Dawda Jawara (Board Chairman), Mr Abou Mboob (Board Member)

GCAA: (Ms Angela Andrews (Board Chairman), Ms Fatou Jeng (Board Member), Mr Momodou Drammeh (Board Member), Mr Baba Mustapha Marong (Board Member)

GIA: Dr Momodou Mustapha Fanneh (Board Member)

GRTS: Mr Alieu Awe (Board Member)

GNPC: Dr Katim Touray (Board Member), Mr Doudou Sulayman Mbye (Board Member)

3.13 Review of Special Audit Reports on GRTS and SSHFC

The Commission received two special audit reports from the National Audit Office (NAO) with concerning findings. Decisive action was taken by the Commission in both cases.

- **GRTS:** The Board was immediately written to and instructed to provide the Commission with a detailed explanation of the steps taken to address all queries raised by the auditors.
- **SSHFC:** The Commission has issued formal instructions to the Board, mandating the immediate reversal of a unilaterally approved increase in its monthly allowance rates. This corrective action was necessitated by the Board's lack of authority to authorize such a change.

The Commission's intervention emphatically reinforces the established governance framework, which vests the prerogative for setting board remuneration with the SOE Commission itself, in line with Section 44 of the SOE Act.

Concurrently, a separate and immediate directive has been issued to both the SSHFC Board and its executive Management, compelling the complete and immediate cessation of any and all medical benefits being disbursed to members of the Board.

Furthermore, the Commission has proactively strengthened its governance protocols in direct response to audit findings. To ensure comprehensive remediation, a new Key Performance Indicator (KPI) has been formally integrated into all executed performance contracts. This KPI mandates a minimum 80% implementation rate for all audit recommendations, thereby embedding accountability for governance improvements directly within performance benchmarks.

Enhancing Partnerships

3.14 Bringing Additional Institutions Under the Oversight of the SOE Commission

During the year under review, the SOE Commission undertook significant steps toward broadening its regulatory and oversight mandate by consulting with key government institutions for possible inclusion of potential commercial SOEs under the SOE Act framework. The Commission's strategic intent in this effort was to strengthen accountability and governance across all publicly owned enterprises that operate commercially.

Following constructive discussions with the Ministry of Finance and Economic Affairs (MoFEA), the following institutions were identified: National Development Bank of The Gambia formally referred to as Social Development Fund (SDF), Gambia Incentive-Based Risk Sharing System for Agricultural Lending (GAMIRSAL), Banjul International Conference Center (BICC), and the Sustainability Energy Services Company (SESCO).

MoFEA officially notified the Commission that the Social Development Fund (SDF) is being restructured into the National Development Bank of The Gambia. Consequently, MOFEA requested the SOE Commission to initiate the Board recruitment process for the new institution.

With respect to GAMIRSAL, BICC, and SESCO, the Commission was informed of plans to classify these entities as commercial SOEs. However, the Commission is following due diligence for MoFEA to formalize the legal process of classification in accordance with the SOE Act before they fall under the Commission's purview. This engagement marks an important step toward expanding the oversight reach of the SOE Commission and ensuring consistency in corporate governance standards across the SOE ecosystem.

3.15 Technical Assistance and Capacity Building through the IMF

Recognising the need to strengthen institutional capacity, the Commission initiated discussions with the International Monetary Fund (IMF) for Technical Assistance (TA) support. The proposed collaboration will focus on capacity building for the SOEC Secretariat in three critical areas:

- Financial risk analysis and reporting,
- Performance contract negotiation and monitoring, and
- Corporate governance and SOE oversight best practices.

This partnership is expected to enhance the Commission's analytical and supervisory capabilities.

3.16 Financial Discipline and Arrears Resolution

The Commission intervened in a significant financial matter to facilitate the reconciliation of cross-arrears between The Gambia International Airlines (GIA) and The Gambia Civil Aviation Authority (GCAA). GCAA was owed approximately D50 million by GIA for accumulated rent on occupied premises.

The Commission convened a formal, constructive dialogue between the two institutions. Following these engagements, an amicable resolution was achieved, with GIA formally agreeing to a gradual and phased payment plan to systematically settle the outstanding arrears. The intervention underscores the Commission's role in promoting financial discipline and collaborative dispute resolution within the SOE sector.

3.17 Courtesy Calls

The Commission hosted courtesy call visits that enhanced international engagement and knowledge sharing:

- His Excellency F. Turker OBA, the Turkish Ambassador, paid a visit to familiarize himself with the Commission's operations, particularly concerning the financial performance and governance of SOEs, with a view to informing potential collaborations with Turkish businesses.
- Ms. Lorane Rebut, Project Officer of the Agence Française de Développement (AFD), provided a detailed briefing on the status and progress of the water project currently being financed by the French Government.
- The General Manager of SESCO, accompanied by the Principal Energy Officer of Ministry of Petroleum Energy and Mining, paid a courtesy call to the SOEC Secretariat to give an update on the implementation progress of the various projects they are executing across the country.

3.18 Collaboration with the National Assembly

The Commission dedicated meaningful time to engage with the Public Enterprise Committee (PEC) of the National Assembly.

- The Commission honored a request to brief the PEC on its workings, providing a detailed update on the financial position of SOEs and outlining key activities carried out over the past year. This led to detailed and constructive discussions on the state of SOEs in the country.
- The Commission further collaborated with the PEC on several occasions, serving as a resource person during the scrutiny of SOE audit reports. In this capacity, the Commission provided technical advice on interpreting complex financial information and offered expert suggestions for addressing various audit queries.

3.19 SOE Site Visits

In March 2025, the SOE Commission visited all SOEs and met with the board members, management and senior staff of these enterprises purposely to engage and directly gather firsthand insights into their operations, challenges, and successes. Secondly, the Commission sought to identify areas where improvements could be made to enhance service delivery, efficiency, and overall governance. This engagement is essential not only for the Commission to have a better understanding on what prevails on the ground and have first-hand information but also for the implementation of strategic reforms that align with The Gambia's long-term development goals.

3.20 Transition to IFRS

In line with Section 85(1) of the SOE Act 2023, the SOE Commission advanced its mandate to strengthen financial transparency by initiating the transition of all SOEs from Generally Accepted Accounting Practices (GAAP) to International Financial Reporting Standards (IFRS). Recognizing the transformative impact of globally aligned reporting, particularly in enhancing accountability, fiscal oversight, and comparability, the Commission proactively engaged key regulatory partners to ensure a well-coordinated and technically sound reform process.

During the year, the Commission convened a tripartite meeting with the National Audit Office (NAO) and the Financial Reporting Oversight Board (FROB) to develop a unified strategy for sector-wide IFRS adoption. As a result, the Commission has engaged the IMF and key stakeholders with an intention to formulate a phased transition plan, beginning with a comprehensive needs assessment and roadmap to guide implementation, capacity building, and institutional readiness. This initiative reflects the Commission's broader commitment to embedding international best practices and strengthening the financial governance framework of The Gambia's SOE sector.

Budget Reviews and Fiscal Monitoring

3.21 Review of SOE 2025 Budgets

In accordance with Section 45 of the SOE Act, all State-Owned Enterprises are required to submit their annual budgets to the SOE Commission by the end of October each year for review and approval. During this reporting period, all SOEs complied with this requirement and submitted their proposed budgets for 2025.

The Commission conducted a comprehensive review of each budget submission, ensuring that financial plans were fiscally viable, strategically aligned, and based on sound financial parameters. The reviews focused on assessing the fiscal sustainability of proposed expenditures, revenue projections, and deficit management strategies.

Some SOEs, notably NAWEC, were invited for follow-up discussions to clarify certain budgetary assumptions and projections. These discussions were constructive and aimed at ensuring that the final budgets were both realistic and aligned with the SOEs' strategic objectives.

3.22 Liquidity Analysis and Interim Dividend Recommendation

A key analytical exercise undertaken by the Commission during the year was a comprehensive liquidity assessment of all SOEs. The SOEC obtained detailed information on SOE bank accounts, short-term investments, and cash balances, which enabled the Secretariat to evaluate their liquidity and cash flow positions.

The analysis into the liquidity position of the portfolio revealed that the Gambia Ports Authority (GPA) has, for the past five years, held vast amounts of cash and cash equivalent that were not being reinvested into the company, but instead placed on short term fixed deposits, earning minimal interests. Consequently, following a thorough assessment, the Commission determined that GPA was in a strong financial position to pay an interim dividend of D100 million to the Government based on their 2024 accounts, ensuring a better return on state assets.

3.23 2024 SOE Financial Performance Report

The Commission formulated and published the 2024 Annual SOE Financial Performance Report, which assessed the fiscal outcomes of all commercial SOEs.

Key findings include:

- Aggregate losses reduced by 50%, from D2.9 billion in 2023 to D1.45 billion in 2024.
- Total revenue: D17 billion, with NAWEC generating the highest share at D8.3 billion, followed by GNPC with D2.2 billion.
- Most profitable SOEs: GPA and SSHFC (D344 million each (Net Profit)), followed by GCAA (D290 million).
- Highest losses: NAWEC (D2.3 billion) and GAMCEL (D143 million).
- Highest fiscal risk entities: NAWEC, GAMTEL, GAMCEL, and GIA.

This improvement reflects the growing fiscal discipline among SOEs and the positive impact of the Commission's oversight efforts.

3.24 2025 Bi-Annual SOE Financial Performance Report

The 2025 Bi-Annual Financial Performance Report formulated by the Commission marked a historic milestone for the SOE sector. For the first time in recent history, Gambian SOEs collectively recorded a net profit position, D1.5 billion in the first half of 2025, compared to a net loss of D454 million during the same period in 2024.

However, the report notes that this turnaround was largely driven by two major government interventions for NAWEC:

1. \$19.4 million World Bank budget support, pre-financed by the Central Bank, used to settle debt owed to KARPOWER; and
2. D896 million government subsidy from MoFEA.

Excluding these interventions, the sector's profitability would have remained negative.

Other key highlights include:

- NAWEC recorded the highest profit (Net Profit of D951 million), followed by GPA (D177 million).

- NAWEC and GNPC were the top revenue generators with D4.7 billion and D1.1 billion, respectively.
- GAMCEL (D55 million loss) and GAMTEL (D25 million loss) continued to underperform.
- High-risk SOEs remain NAWEC, GAMTEL, GAMCEL, GAMPOST, and GIA.

4.0 Summary of Key Achievements

The Commission's second year of operations has yielded tangible results that signal a positive and significant shift in the SOE landscape. The most notable achievement is the remarkable turnaround in the aggregate financial performance of the SOE portfolio.

- **Historic Loss Reduction (2024):** Collective SOE losses were cut by 50% from 2023 to 2024.
- **First-Ever Collective Profit (January-June 2025):** For the first time in recent history, the SOE portfolio recorded a collective net profit of GMD 1.5 billion in the first half of 2025, a dramatic reversal from the GMD 454 million loss recorded in the same period of 2024. This was largely driven by a GMD 951 million profit from NAWEC, though, as previously mentioned, it is critical to note this was the result of significant government and World Bank financial support.

Further achievements include:

- **Strengthened Governance Architecture:** The operationalization of new governance frameworks, including the Code of Good Corporate Governance, and the Dividend Policy, has provided the Commission with the legal and regulatory tools to enforce compliance and best practices.
- **Enhanced Accountability:** The rigorous enforcement of Performance Contracts has created a clear link between performance and consequences. The rewarding of NFSPMC and SSHFC with staff bonuses and the sanctioning of management at GNPC and NAWEC for underperformance have sent an unequivocal message that accountability is paramount.
- **Improved Financial Reporting:** A marked improvement in compliance has been observed, with institutions like SSHFC and NFSPMC setting a benchmark for the timely submission of audited financial statements, enabling more effective and real-time oversight.

5.0 Challenges and Constraints

Despite the progress made, the Commission has faced several significant challenges that have impeded the pace of reform. Echoing the constraints of the preceding year, the Commission's most formidable challenge in 2025 remained the acute staffing deficit within its Secretariat. The technical team, limited to only two analysts, leaves the Commission critically under-capacitated.

This severe lack of human resources significantly inhibits its ability to adequately service the full breadth of its extensive mandate. There is, therefore, a pressing imperative to augment the Secretariat with qualified professionals, particularly to bolster its vital functions in monitoring and evaluation, strategic policy development, and rigorous financial oversight.

Other challenges include:

- **Underlying Financial Fragility:** The historic profit in the first half of 2025, while welcome, masks the underlying fragility of the sector, as it was dependent on substantial external financial support to NAWEC. Without these interventions, the portfolio would have remained at a loss.
- **Deep-Seated Issues in Key SOEs:** The chronic underperformance of NAWEC, GAMPOST, GIA, GAMTEL, and GAMCEL continues to pose a substantial fiscal risk to government. These entities, consistently rated as "very high risk," require more profound structural reforms.
- **Delays in Financial Reporting:** The late submission of audited accounts by several SOEs remains a challenge, hindering the Commission's ability to conduct timely performance assessments and enforce accountability.

6.0 Conclusion and Forward Look

The past year has been one of foundational progress for the SOE Commission. A culture of accountability is beginning to take root, and the financial trajectory of the SOE sector is improving. Despite resource constraints and the complex challenges inherent in SOEs, the Commission has demonstrated determination and professionalism in discharging its mandate. However, the work is far from complete. The challenges ahead are complex and require a concerted effort from all stakeholders.

As we enter our third year, we remain steadfast in our commitment to cultivate robust synergies with the government, State-Owned Enterprises (SOEs), and the broader stakeholder community. Our collective objective is to ensure that SOEs act as pivotal engines within the national development agenda. Our strategy moving forward is centered on fortifying the fiscal resilience and corporate governance of SOEs, thereby transforming them into efficient catalysts for sustained economic expansion. To realize this vision, the Commission will intensify its oversight mechanisms, placing a premium on rigorous performance monitoring, the strict enforcement of contractual obligations, and the deep entrenchment of accountability across the entire sector.

In the coming year, the Commission will prioritize the following:

1. ***Establishing a Unified Remuneration Framework:*** A central priority for the Commission will be the successful finalization and implementation of a harmonized remuneration policy encompassing both Board members and staff across all SOEs. This critical undertaking is designed not only to embed principles of equity and fairness throughout the sector but, crucially, to enhance the SOE's competitive positioning for attracting and retaining the nation's most highly qualified and sought-after talent.

2. ***Reinforcing Performance Contract Management:*** The Commission remains resolute in its commitment to drive a performance-based culture. We will vigorously advocate for the diligent implementation, continuous rigorous monitoring, and objective assessment of all existing performance contracts. Furthermore, ensuring continuity in accountability, the current portfolio of Performance Contracts will be subject to systematic and timely renewal.
3. ***Formalizing a Sector-Wide Dividend Policy:*** Given the positive trend of several SOEs achieving fiscal profitability, the Commission will strategically prioritize the formal adoption and implementation of a comprehensive dividend policy. This initiative is designed to ensure a sustainable return on public investment, building upon successful precedents, such as the proactive dividend recommendation established for the Gambia Ports Authority (GPA).
4. ***Expanding and Integrating the Oversight Mandate:*** To ensure comprehensive sector governance, the Commission is likely to manage the integration of newly established or designated entities, notably the National Development Bank of The Gambia, SESCO, GAMIRSAL, and BICC, into its established oversight framework once the necessary legal processes are fulfilled. This expansion is essential to guarantee that all organizations under the Commission's purview are uniformly governed and held accountable to the same rigorous standards of operational efficiency and financial integrity.
5. ***Deepening and Optimizing Stakeholder Collaboration:*** A core objective will be to significantly deepen and optimize collaborative partnerships with key institutional stakeholders, including the Ministry of Finance and Economic Affairs (MOFEA), the National Audit Office, the International Monetary Fund (IMF), and other essential actors. Strengthening these relationships is vital to ensuring seamless alignment of reform efforts, maximizing resource efficiency, and accelerating the overall pace of the strategic reform agenda.
6. ***Elevating Board Governance and Leadership:*** The Commission recognizes the indispensable role of robust and high-performing Boards in driving the strategic success of SOEs. We are fully committed to sustaining a rigorous, transparent, and objective recruitment process for all SOE Board members. This approach ensures that recommendation for appointments is strictly merit-based, prioritizing candidates who demonstrate proven competency, relevant professional expertise, and an unwavering commitment to fiduciary duty and organizational integrity.

7. ***Exercising Prudent Financial Oversight and Viability:*** While acknowledging the encouraging trajectory of financial performance improvements across the SOE portfolio over the preceding two years, the fact remains that a number of entities still grapple with profitability challenges, with some facing risks of insolvency. Consequently, the Commission will intensify its fiscal stewardship. We commit to continuous and meticulous monitoring of the financial health and operational performance of every SOE to proactively identify risks and ensure long-term viability.
8. ***Strengthening Corporate Governance through Accountability and Compliance:*** The enhancement of the corporate governance environment remains a cornerstone of the Commission's mandate. We will maintain our strong emphasis on accountability by closely collaborating with SOEs. Our focus will include: ensuring all pending audit queries are comprehensively addressed, and, critically, confirming that all recommendations resulting from independent audits are implemented thoroughly and within established timelines. This focus is vital for promoting transparency and operational effectiveness across the sector.

The SOE Commission remains steadfast in its commitment to transforming The Gambia's State-Owned Enterprises into models of efficiency, profitability, and good governance for the benefit of all citizens.

Together, with the support of government, development partners, and the Gambian people, we will continue to build institutions that serve the public interest and drive national development.

ANNEX

GPA DIVIDEND PRESENTATION OF ONE HUNDRED MILLION DALASI (D100,000,000.00)



At the Presentation of D100,000,000.00) Dividend



Performance Contract KPI Signing Ceremony

With SSHFC



With GPPC



Performance Contract KPI Signing Ceremony

With GIA



With GNPC



Site Visit at GPPC



At NFSPMC



SOE Site Visits

At SSHFC



At Gamtel/ Gamcel



At Gamtel/ Gamcel



At GAMPOST



SOEC At GAMPOST



SOEC Commissioners and Staff

