



# 2022 CITIZENS' BUDGET

BUDGET OF THE GOVERNMENT OF THE GAMBIA



Ministry of Finance and Economic Affairs





## Message from The Minister for Finance and Economic Affairs

In order to easily communicate important Public Finance information and development objectives of the Government of The Gambia to its citizens, the Ministry of Finance and Economic Affairs (MOFEA) continues to publish annually a Citizens' version of the national budget. This document, which is a simplified version of the national budget, summarizes the approved budget for better understanding by the general public.

Considering that citizens are the main beneficiaries of the Government budget, it is important that they have a thorough understanding of the national budget to encourage active participation in the processes of budget formulation, execution and monitoring. Such participation allows citizens to highlight their aspirations and concerns towards our shared national development.

2022 is expected to be a year of economic recovery following two difficult years of sustained COVID19 socio-economic disruptions. Government will continue to channel resources towards COVID19 related social protection programs and develop policies to minimize the impact of the pandemic on the economy. The Government is also committed to its efforts to strengthen fiscal consolidation, improve domestic resource mobilization and promote economic growth which is not only sustainable but also inclusive.

Finally, with the publication of the citizens' budget, MOFEA has adhered to its overarching goal of strengthening fiscal transparency and public access to information. Given that the national budget belongs to the people, we will continue to strive towards availing as much information to the general public on all matters relating to public funds.

Honorable Minister of Finance and Economic Affairs, The Republic of The Gambia





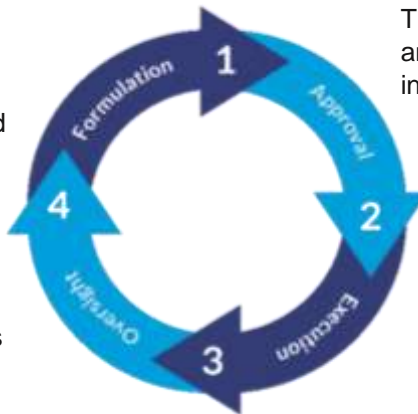
## SECTION I: INTRODUCTION

### What Is a National Budget?

A national budget is a statement of government plans that outlines where Government intends to get money from and what to spend the money on in a fiscal year. The national budget provides detailed breakdown of revenue and expenditure. The national budget covers a period of 12 months starting from 1<sup>st</sup> January to 31<sup>st</sup> December and goes through four main stages:

#### Formulation

- MOFEA sends out the budget call circular to MDAs.
- MDAs prepare and submit draft Budgets to MOFEA.
- Bilateral between the MOFEA and MDAs.
- First Draft of Budget sent to Cabinet for their input and approval.



#### Approval

The National Assembly reviews and amends the budget and then enacts it into law.

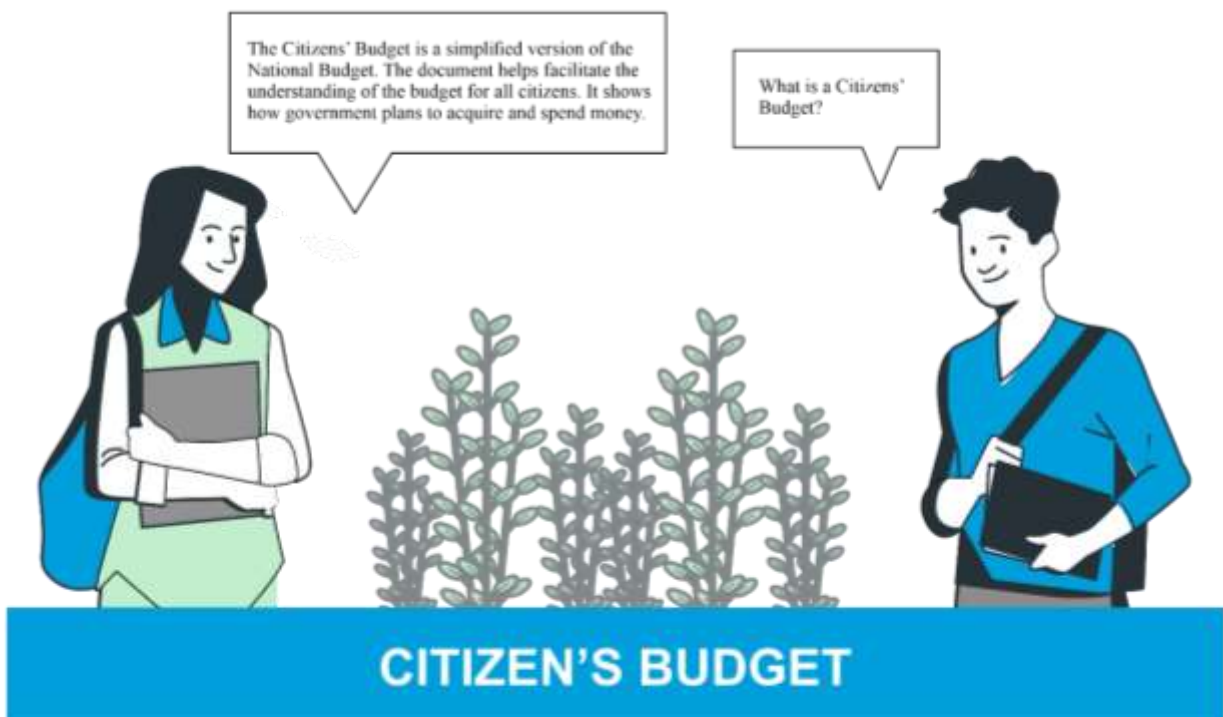
#### Oversight

- The Accountant General Provides the Financial Statement of The Government to the National Audit Office
- NAO audits the government's accounts and sends it to the national assembly for review

#### Execution

- Gambia Revenue Authority collects tax revenue, while the MDAs collect non-tax revenue.
- Funds are allocated to MDAs to implement budget activities
- Requests for reallocation of funds from MDAs if needed
- MOFEA monitors spending and revenue.

### What Is a Citizens' Budget?



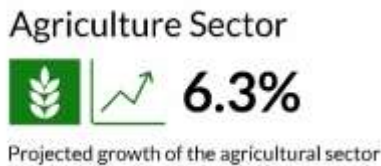


## SECTION II: ECONOMIC OUTLOOK AND ASSUMPTIONS

The emergence of new strains of the corona virus has diminished the prospect for normalcy in the economy. With the country having surpassed the hurdle of the third wave of the COVID-19 outbreak, it is hoped that economic recovery will be much better for the 2022 fiscal year, premised on successful vaccination campaigns, easing of travel restrictions and a good tourist season.



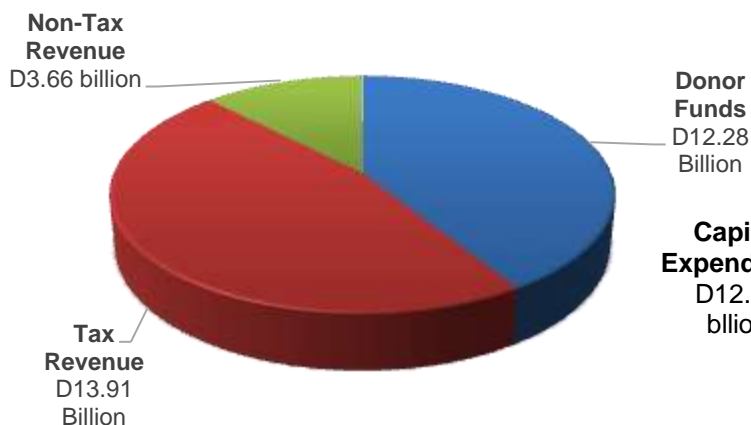
As a result, the following assumptions have been made for the 2022 budget:



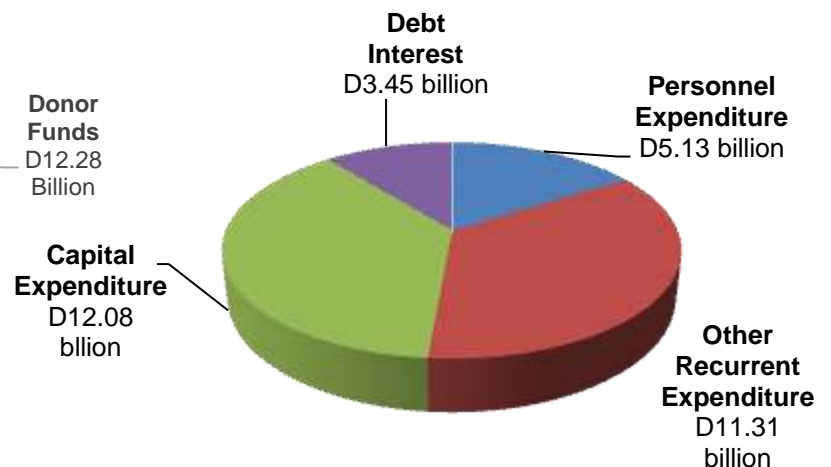
## SECTION III: HOW GOVERNMENT PLANS TO RAISE AND SPEND MONEY IN 2022

Where Is the Money Coming from and How Government Plans to Spend it?

### Revenue For 2022



### Expenditure for 2022





### Revenue & Grants



**D29.8 Billion**

Estimated revenue and grants is **D29.8 billion**. This includes **D17.59 billion** of Domestic revenues, and **D12.29 billion** of project grants and budget support.

### Expenditure



**D32.1 Billion**

**D32.16 billion** has been allocated for spending on Government programs and activities.

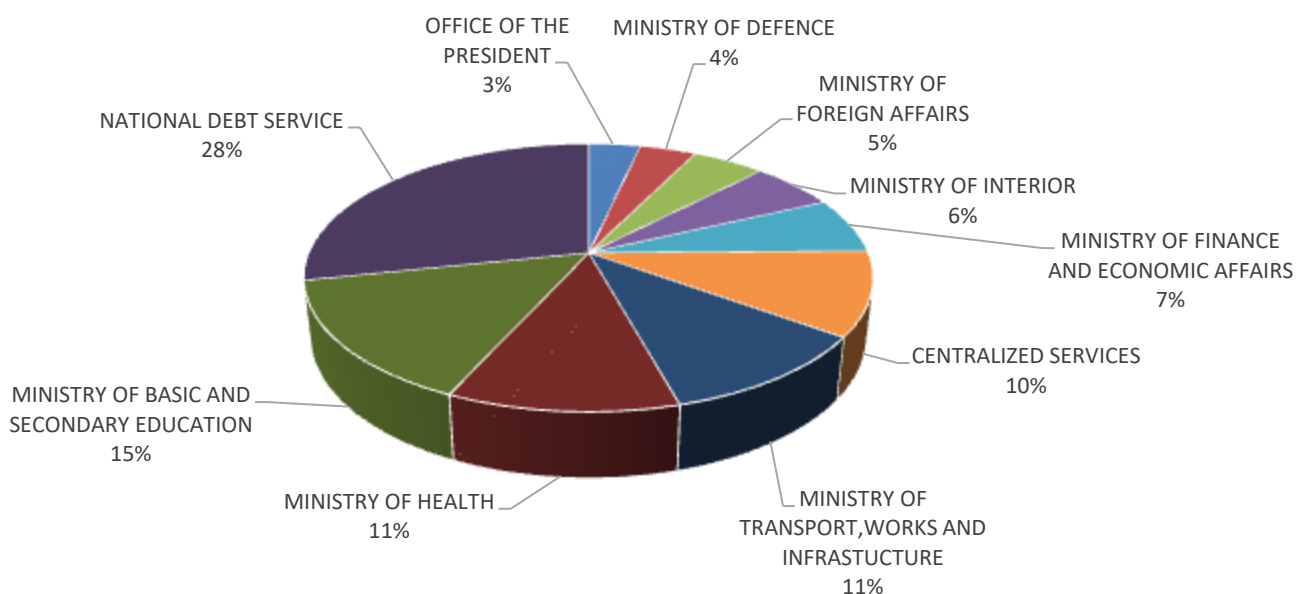
## How Government Intends to Distribute Recurrent and Development Expenditure

In 2022, the Government plans to spend the following amounts on the various Ministries, Departments and Agencies to enhance government operations and fund poverty related programs and projects. Below are the 10 most funded entities and a chart of how they relate:

### BUDGET ENTITY

### GLF (In Dalasis)

OFFICE OF THE PRESIDENT	707 Million
MINISTRY OF DEFENCE	776 Million
MINISTRY OF FOREIGN AFFAIRS	1.0 Billion
MINISTRY OF INTERIOR	1.18 Billion
MINISTRY OF FINANCE AND ECONOMIC AFFAIRS	1.36 Billion
CENTRALIZED SERVICES	2.06 Billion
MINISTRY OF TRANSPORT, WORKS AND INFRASTRUCTURE	2.19 Billion
MINISTRY OF HEALTH	2.25 Billion
MINISTRY OF BASIC AND SECONDARY EDUCATION	3.03 Billion
NATIONAL DEBT SERVICE	5.74 Billion





## SECTION IV: SPENDING IN THE CRITICAL SECTORS



### Education

To support access to quality education and greater human development, the Government intends to allocate **D4.83 billion** to the education sector, indicating a percentage of **13.6%** of the approved budget. This amount will facilitate the following activities:

- Completion of the first phase of the Faraba Banta campus project consisting of five faculties.
- Completion and operationalization of two new technical and vocational training centers in Ndemban and Kanilai.
- Expansion of youth skills training centers in Lower River Region (LRR).
- Rehabilitation and construction of classrooms.
- Training of teachers at graduate level to meet the demand for teachers at all levels.
- Purchase of laboratory equipment to strengthen the sciences in schools.

### Health

The health sector has been allocated **D3.60 billion**, equivalent to **10.2%** of the approved budget for 2022. These funds will support the prevention and containment of the COVID-19 pandemic, which has adversely affected the country. Some of the planned activities for the above sector are highlighted below:

- Construction of a cancer & trauma center and a cardio surgery facility.
- Rehabilitation of The Edward Francis Small Teaching Hospital.
- Construction of a new national public health lab and a national blood transfusion center.
- Refurbishment of Njau community center, Wuli Kerewan and Bansang hemodialysis center.
- Transform Tanka Tanka into a semi - autonomous institution
- A grant financing of \$50 million was signed with the World Bank to strengthen essential health services.





## Youth and Sports

The Government intends to allocate an amount of **D206 million** (equivalent to 0.5% of the total budget) to this sector. Some of the planned activities include:

- Refurbish sporting facilities and organize local youth summer camps.
- Construction of 7 mini stadiums.
- Scaling up on the Gambia Songhai Initiative to train more youths in agribusiness and value addition.
- Provision of a Youth Revolving Loan Fund to support youth programs across the country.

## Gender, Children and Social Welfare

The Government intends to allocate an amount of **D89 million** (equivalent to 0.2% of the budget) in 2022 to help minimize extreme poverty, empower women and protect children. The Ministry intends to implement some of the activities listed below:

- Renovate and refurbish the orthopedic unit at the Department of Social Welfare.
- Development of standards to safeguard children.
- Establishment of a special court for Gender-Based Violence.
- Provide loans to more women groups to create or expand their businesses through the Women Enterprise Fund (WEF).





## Agriculture

An amount of **D1.42 billion**, equivalent to 4% of the budget, has been allocated for the agriculture sector and this includes support from development partners. Some of the intended activities include:

- Strengthening the human and institutional capacities of extension service providers and the governance of extension systems.
- Promote sustainable agricultural production and value chain development.
- Rehabilitation of research facilities.
- Develop farmer capacities in new farming techniques to boost production and productivity.
- Sensitize farmers on climate change mitigation and coping strategies.

## Fisheries and Water Resources

An amount of **D976 million** (equivalent to 2.4% of the budget) has been catered for these sectors. Some of the intended activities include:

- Construction and installation of 144 solar powered piped water supply systems for rural communities through the African Development Bank (AfDB).
- Construction of 80 fish ponds in 15 sites.
- Construction of an ice plant.
- Construction of Fish smoking ovens at fish landing sites.
- Provision of mini grants to youth organizations in URR involved in aquaculture development.







## Transport, Works & Infrastructure

A budget of **D3.57 billion**, equivalent to **10%** of the national budget, has been set aside for the transport and infrastructure sector. Some of the activities to be executed by the Transport sector include:

- Completion of the Banjul Rehabilitation Project, which aims to rehabilitate roads, sewage and drainage systems of the city.
- Construction of a 24 km two-lane dual carriageway along the Bertil Harding Highway.
- Construction of 50 km urban roads within the Greater Banjul Area in preparation for the OIC summit.
- Establishment of maintenance units in Laminkoto and Basse to address road maintenance issues.

## Information and Communication Infrastructure

For 2022, the government intends to allocate an amount of **D70 million**, equivalent to **0.2%** of the budget, to support development in this sector. Some of the activities to be executed by this sector include:

- Establishment of a National Technology Hub at the University of The Gambia and regional information and innovation hubs across the country.
- Expansion of the Google Plus Codes initiative in other regions of the country.
- Upgrade the e-government data center to effectively manage government data systems.
- Initiate processes to land an additional submarine cable to compliment the ACE.





## Petroleum and Energy

In 2022, the government intends to allocate an amount of **D4 billion** to this sector. Some of the planned activities include:

- Review of the Petroleum Act (2004).
- Construction of an office building for Geology.
- Promote alternative sources of fuel for cooking and more energy efficient cooking methods (e.g. briquettes, Petroleum Liquefied Gas, etc.).
- Distribution of 2000 cooking stoves to encourage clean cooking.
- Establishment of a gender unit at the Ministry.
- Installation of solar streetlights.

## Environment, Climate Change & Natural Resources

In 2022, the Government intends to allocate an amount of **D489 million** to this sector. Some of the activities include:

- Production of a waste management bill.
- Promotion of participatory forest management programs with the local communities to enable local communities to undertake agro- forestry programs on farm land and other degraded natural forests.
- Establishment of environmental resilience and development projects to stimulate transformational change towards zero hunger, poverty and carbon emission.





## Trade

In 2022, the government intends to allocate an amount of **D406 million** to this sector. Some of the planned activities include:

- Strengthening collaboration with trading partners to support trade, integration and employment.
- Submit the draft legal metrology bill to the National Assembly, to strengthen the current Weights and Measures Act.
- Create regional job centers.

## Tourism and Culture

Government intends to allocate an amount of **D51.6 million** (equivalent to 0.2% of the budget) to the Tourism sector in 2022. Some of the planned activities include:

- Decentralization of training by the Gambia Tourism and Hospitality Institute (GTHI) to rural Gambia in order to decentralize tourism and create youth employment.
- Rehabilitation of tourism facilities to attract more tourists and increase revenue in this sector.
- Promotion of the country as a tourist destination through efficient marketing.





## SECTION V: FISCAL MEASURES FOR 2022

### Fiscal Policy Measures

Fiscal policy measures relate to the measures used by governments to raise revenues or support the delivery of public services.

To achieve the 2022 budget objectives, especially in light of the need to support economic recovery from the COVID-19 Pandemic, government will need resources to undertake investments in priority sectors, particularly in the Health, Infrastructure, Education and Tourism Sectors. This may also require the streamlining of tax exemptions and the adoption of strong revenue administration measures.

### Revenue Measures

There are no new revenue measures for 2022. The excise regime on tobacco also remains the same, as indicated below.

Tobacco Products	Excise Tax	Environmental Tax
Cigarettes	D30/Pack	D3.22/Pack
Other Tobacco Products	D399/Kg	D185/Kg

### Expenditure Saving Measures

Government intends to implement the following expenditure saving measures to facilitate the effective utilization of government funds:

- Ensure discipline in the spending of public funds by adhering to the budget execution guidelines.
- Control the accumulation of arrears.
- Monitor and evaluate development projects to increase efficiency in the use of public funds.
- The posting of internal auditors to MDAs to monitor the utilization of public funds.
- Undertake Tax Expenditure Reforms such as the management of duty waivers granted by the MOFEA.

### Deficit Financing

For 2022, the gap between revenue and expenditure is a deficit of **D2.28 billion** (i.e., 1.98 percent of GDP). This deficit is mainly due to an increase in expenditure within certain critical sectors such as **Health, Education and Infrastructure**.



Overall Budget Deficit



**2.2 Billion**





## 7.2 Glossary

**Accountability:** This is when the Government is answerable to its citizens by accounting for its activities and disclosing the results of such actions; this may include the responsibility for money or other properties that Government holds in trust.

**Air Transport levy-** Tax levied on Air Transportation

**All Funds:** These include all resources Government expects to be at its disposal, including Tax and Non-Tax revenues, Loans and Grants.

**Amortization (domestic):** This refers to paying off of debt incurred within the country overtime with regular installment payments of interest and principal, until full repayment of the loan.

**Amortization (foreign):** This refers to payment of debt incurred from foreign sources over time in regular installments of interest and principal, until the debt is paid in full.

**Budget:** A budget is a plan that outlines where to get money from and what to spend it on.

**Budget Call Circular:** refers to the budget calendar, processes, instructions, forms for preparation and submission of detailed budget to the Ministry of Finance.

**Budget deficit:** This occurs when Government expenditure is more than revenue.

**Budget support:** This is donor funding that is given to a recipient Government and usually allocated to sector budgets, according to the national priorities.

**Capital Expenditure:** This is money spent on major infrastructure projects such as roads, schools, hospitals, bridges, transport, water systems, plant and machinery etc.

**Capital gains tax-** refers to the profit earned on the sale of an asset which has increased in value overtime.

**Compensation of Employees:** This is made up of salaries and salary-related allowances, social security, gratuities etc paid to public sector workers.

**Custom processing fees:** These are taxes levied on imported and exported goods.

**Development Partners (DPs):** This refers to countries and/or organizations that assist developing countries to achieve their development goals. DPs can be multilateral, e.g. International Monetary Fund (IMF), World Bank, African Development Bank (AfDB) etc, or bilateral which consists of individual countries like Germany, United Kingdom, United States of America (USA), etc.

**Domestic revenue:** This is revenue that is raised within the borders of a country through tax and non-tax revenues. This can include taxes paid by citizens through personal tax, corporate tax, value added tax, commercial rent tax etc.

**Economic growth:** refers to the increase in final value of goods and services produced in a country, within a given period of time. It can be measured by changes in Gross Domestic Product (GDP).





**Excise tax** – refers to the duty on manufactured goods levied at the moment of manufacture rather than at point of sale.

**Fiscal policy:** is the means by which a government adjusts its spending levels and tax rates to monitor and influence a nation's economy.

**Formal Sector-** A group of people, usually employees, that includes recognized income sources for paying income taxes based on all 40-working hours of the week or of regular wage jobs.

**Fringe Benefit-** Fringe benefits are additions to compensation that companies give their employees. Some of the most common examples of fringe benefits are health insurance, workers' compensation, retirement plans, and family and medical leave. Less common fringe benefits might include paid vacation, meal subsidization, commuter benefits, and more.

**Government Local Funds (GLF):** The amount of money from locally generated revenues, which is available to the Government for spending.

**Goods and Services:** Products, Items, consultancies or services that Government acquires or pays for to assist in running its operations, for smooth service delivery to the public.

**Grants:** These are types of financial assistance given to the Government by development partners, which government does not have to pay back.

**Gross Domestic Product (GDP):** This refers to the final value of all goods and services produced in the country over a specific time period.

**Informal Sector-** refers to those workers who are self-employed, or who work for those who are self-employed. People who earn a living through self-employment in most cases are not on payrolls, and thus, are not taxed.

**Interest Payments:** This is the amount of money that is paid on the loans lent to the Government.

**Loan Repayment:** These are monies paid to countries, banks and other financial institutions that have lent money to the Government for development projects or other expenditure. These lenders could be from within or outside the country.

**Macroeconomic stability:** The condition of minimized vulnerability to economic shocks to support increased or stable economic growth.

**Non-Tax Revenue:** This is Government revenue generated from sources other than taxes. Examples are fees for granting permit or licenses, sale of government properties, etc.

**Other Charges:** These are recurrent expenditures made for the day-to-day operations of ministries (e.g. payment of electricity bills, purchase of stationery, etc.)

**Payment gateway platform:** a platform to facilitate payment transactions between banks through a single account.





**Performance Contracts:** State Owned Enterprise sector performance contract is about results and impact: A performance contract in the SOEs sector means the target set by the authority for the SOEs in terms of the Key Performance Indicators (KPI) agreed. The KPI is a tool that measures or evaluates the outputs of individual SOEs or the Sector as a whole for efficient public service delivery.

**Personnel Emoluments:** These are recurrent expenditures on salaries and compensation of employees

**Primary Balance:** This refers to primary expenditure less interest expenditure.

**Projected Growth Rate:** This refers to the expected increase in GDP (state of the Gambian economy) in a given year.

**Public Debt:** This is the total amount owed by government to domestic or external entities.

**Revenue:** This is the total amount of money that the Government receives for its activities from both domestic and external sources.

**Sole Proprietor:** refers to a person who owns a business and is personally responsible for its debts

**Subsidy:** This is a financial relief given by the Government to citizens to reduce the economic hardship on them.

**Threshold:** refers to the level of money earned or income above which individuals or businesses have to pay tax, or must pay a different rate of tax.

**Transparency:** This is when the Government provides adequate and timely information to its citizens about what it is doing.

**Treasury Single Account (TSA):** This is a public accounting system where government revenues and incomes are collected into one single account.

**Value Added Tax (VAT):** The tax levied as value is added to goods and services at each stage of their production or distribution process.

### Where Can I Find More Information?

If you would like detailed information and analysis, please visit the Ministry of Finance and Economic Affairs' website on: <http://www.mofea.gm>

To provide feedback and comments on the Citizens' Budget, you can contact the Ministry of Finance and Economic Affairs by:

**Email:** [info@mofea.gm](mailto:info@mofea.gm)

**Telephone:** +220 4229760

**Address:** The Quadrangle, Banjul





# 2022 CITIZENS' BUDGET

BUDGET OF THE GOVERNMENT OF THE GAMBIA

