



2023

Citizens' Budget

*Budget of the Government
of the Gambia*



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Message from The Minister for Finance and Economic Affairs

The 2023 Budget Estimate has been prepared based on the objectives of continued recovery and building an inclusive and resilient economy. To this end, the budget is anchored on an improved domestic resource mobilization drive that supports the provision of quality essential services in agriculture, education, health and Infrastructural development. This will promote inclusive and resilient growth. This new direction of the government through its recovery-focused national development plan will support recovery in light of the adverse impact of the Russia-Ukraine War and the lingering effects of the COVID-19 pandemic.

“ more emphasis will be placed on improving compliance in tax administration to ensure that what is lawfully due to the Government is collected and on time.

The 2023 Budget is prepared with new revenue measures in order to give respite to the private sector following the hostile factors that have affected businesses across the country. To this effect more emphasis will be placed on improving compliance in tax administration to ensure that what is lawfully due to the Government is collected and on time.

It is against this backdrop that the 2023 budget is designed to effectively respond and serve as both a mitigation and adaptation tool, with an emphasis on strengthening our resilience towards the current adverse effects of the global economy. This is also expected to consolidate our gains achieved in recovering from the post-COVID-19 pandemic era.



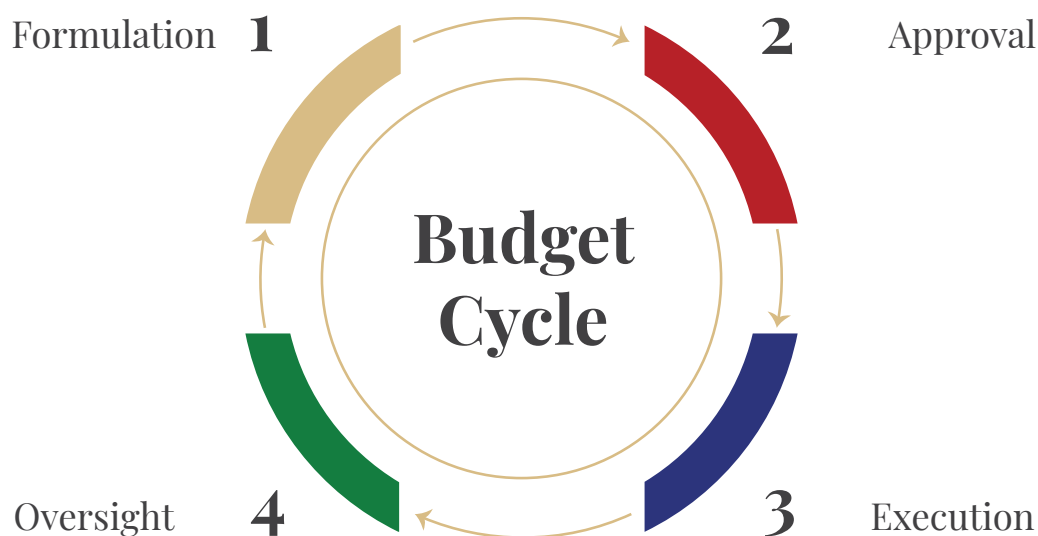
Hon. Seedy Keita

SECTION I: INTRODUCTION

What Is a National Budget?

A national budget is a document that shows the total revenue expected to be raised by the government from tax collection, fees and other sources of funding which is in turn used to fund government administrative and development programs with the sole aim to improve the lives of citizens through quality and affordable public service delivery. The budget is a legislated document approved by the National Assembly and it starts from January 1st to December 31st.

“citizens through quality and affordable public service delivery. The budget is a legislated document approved by the National Assembly and it starts from January 1st to December 31st.”



Formulation

- Review and update of macroeconomic frame work. (MTEFF)
- Based on this MOFEA sends out the budget call circular to MDAs. The call circular is a guide for MDA to prepare their budget within the macroeconomic framework.
- MDAs prepare and submit draft Budgets to MOFEA
- Bilateral between MOFEA and MDAs.
- First Draft of Budget sent to Cabinet for their feedback and approval

Approval

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

Execution

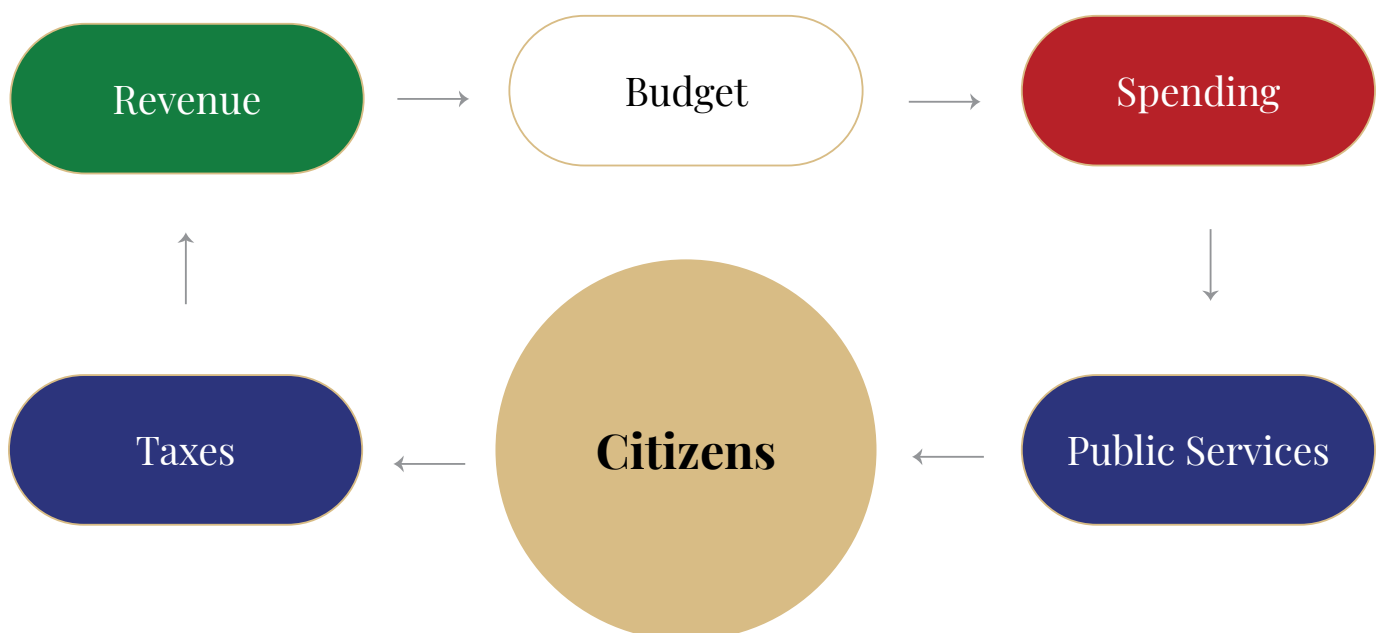
- Gambia Revenue Authority collects tax revenue, while the MDAs collect non-tax revenue.
- Cash are allocated to MDAs to implement budget activities.
- Requests for reallocation of funds from MDAs if needed.
- AGD process payment for MDAs on behalf of the government.
- MOFEA monitors spending and revenue.

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 and consideration.

What Is a Citizens' Budget?

A citizens' budget is a simplified version of the government's approved budget which presents the budget in a very simple and non-technical manner to facilitate citizens' understanding of the budget. The Citizens' Budget (CB) is thus a summary of the government's budget presenting information on how government will raise and spend public funds on behalf of citizens, including development programs that will be provided to citizens in a fiscal year.



SECTION II: ECONOMIC OUTLOOK AND ASSUMPTIONS

Growth of the Gambian Economy in 2023 and beyond remains challenging and dependent on Global economic recovery through tourism and trade. Improving compliance in tax administration will be key in maximizing efficiency in revenue collection. As a result, the following assumptions have been made for the 2023 budget:

“ Growth of the Gambian Economy in 2023 and beyond remains challenging and dependent on Global economic recovery through tourism and trade



Government
Borrowing for
2023:
D 5.27 Billion



Inflation : 12.5%



Projected Economic
Growth in 2023:
4.1%



Projected Growth of
Service Sector:
3.8%



Projected Growth of
the Agriculture Sector:
6.5%



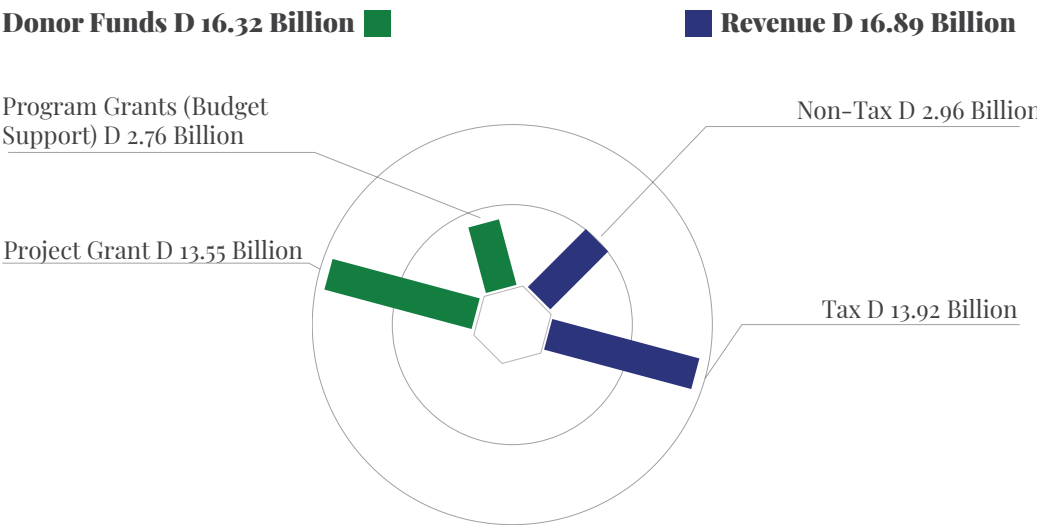
Projected Growth of
the Industry Sector:
6.7%

SECTION III: HOW GOVERNMENT PLANS TO RAISE AND SPEND MONEY IN 2023

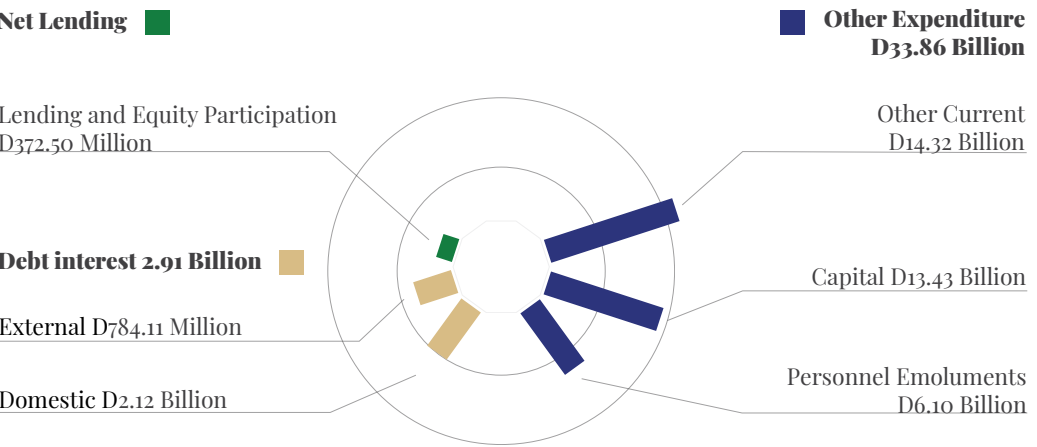
Where Is the Money Coming From and How the Government Plans to spend it?



Total Revenue & Grants

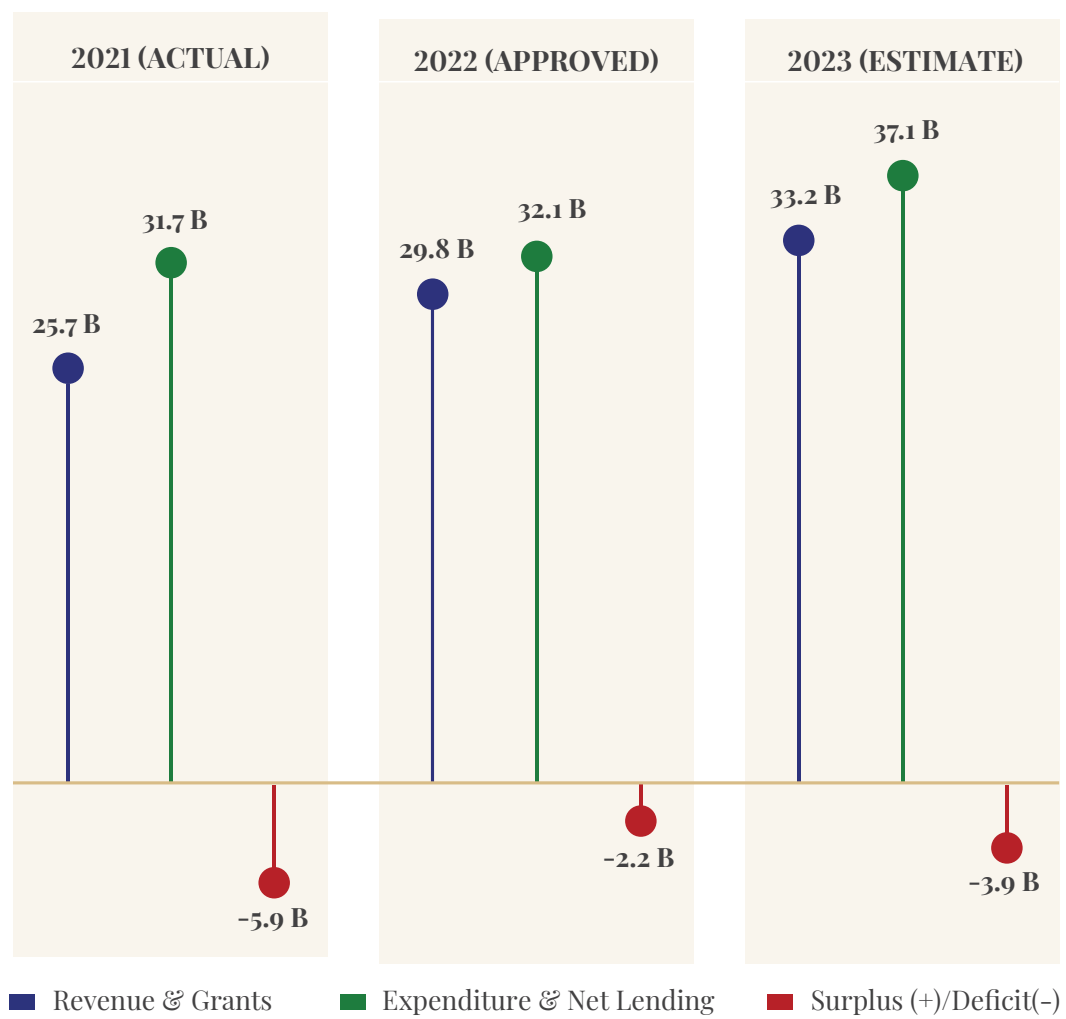


Total Expenditures & Net Lending



Source Data: 2023 Estimates of Revenue and Expenditure, Summary of All Funds

Expenditure, Revenue and Deficit Trend from 2021, 2022 & 2023



Equation For Gross Deficit (-) 2023

Gross Deficit = (Total Revenue & Grants 2023) - (Expenditure & Net Lending 2023)

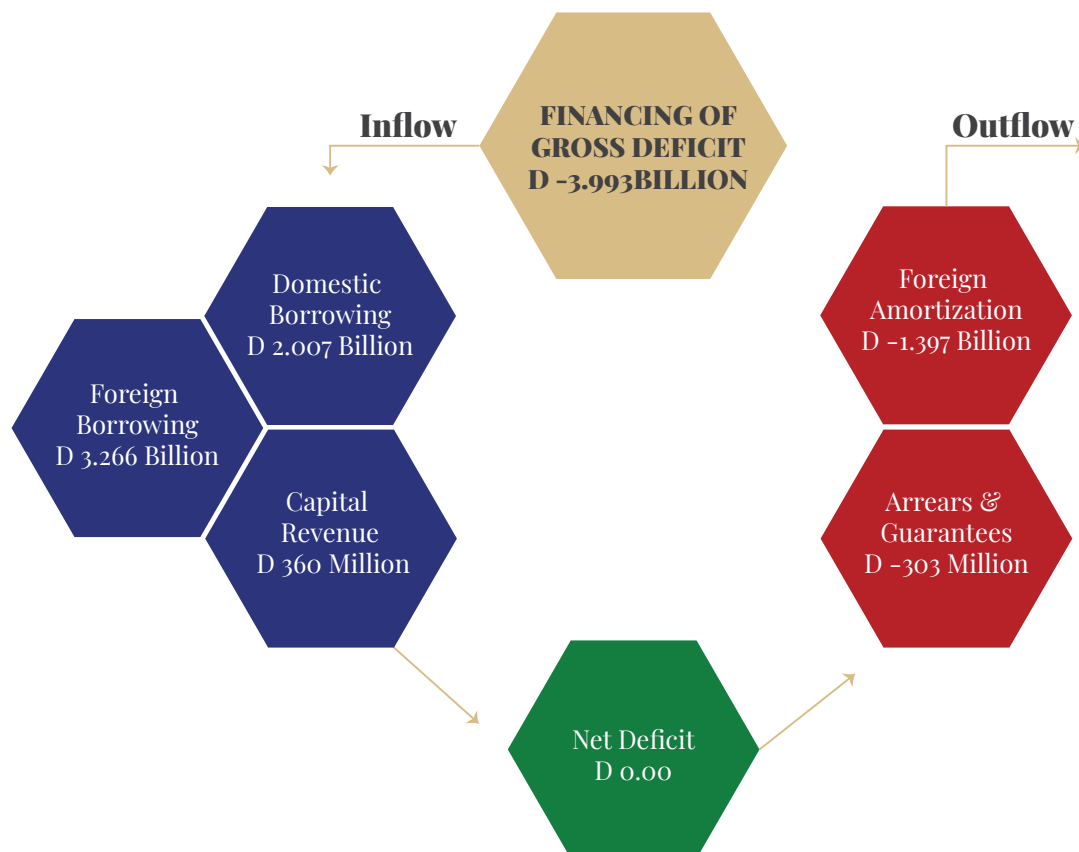
Gross Deficit = 33.217 Billion - 37.150 Billion

Gross Deficit = D -3.933 Billion

Financing of the gross deficit (-) for 2023

This explains how the government intends to finance the budget deficit of **3.933 Billion**, which is **3% of GDP**, in the 2023 budget, as well as pay for amortization (payment of past debts) and arrears & guarantees through borrowing and sales of government assets.

Total government inflows (Revenue, Grants, Loans and Capital Revenue) = **38.85 billion**. This revenue will be used to take care of the government's total expenditure for the year 2023.



The 10 Most Funded Entities Are Provided Below and How They Relate

BUDGET ENTITY	EXPENDITURE & % OF BUDGET
Ministry of Petroleum and Energy	6.08 Billion (15.67%)
National Debt Service	4.30 Billion (11.09%)
Ministry of Transport, Works and Infrastructure	3.90 Billion (10.05%)
Ministry of Basic and Secondary Education	3.57 Billion (9.19%)
Ministry of Health	3.53 Billion (9.10%)
Ministry of Finance and Economic Affairs	1.93 Billion (4.98%)
Ministry of Environment Climate Change & Nat. Res.	1.42 Billion (3.67%)
Ministry of Interior	1.37 Billion (3.55%)
Ministry of Foreign Affairs	1.06 Billion (2.74%)
Centralized Services	855 Million (2.20%)

SECTION IV: SPENDING IN THE CRITICAL SECTOR



Education

A total amount of **D4.46 billion** has been allocated to the education sector (*D3.57 Billion - Basic Education and D884 Million- Higher Education*) indicating a percentage of **11.47%** of the approved budget. These funds will facilitate the following activities

- Construction of 10 water points for new and existing schools without water facilities.
- Construction of 30 Classrooms and staff quarters in the rural areas.
- Establishment of 2 Regional TVET Skills centers: Agric-Business Skill Training Center at Kerewan Mandinka in CRR South
- and a MultiPurpose Skill Center in Medina Lamin Kanteh at CRR South.
- Operationalization of a Student loan scheme.



D4.46 billion

11.47%



Health

A total amount of **D3.53 billion**, equivalent to **9.10%** of the approved budget has been approved for the Health Sector. Below are the development programs that will be implemented by the Ministry of Health:

- Introduce the National Health Insurance Scheme with funding of D36 million.
- Postgraduate training at The Edward Francis Small Teaching Hospital for healthcare personnel.
- Develop a Civil Registration and Vital Statistics bill to create universal access.
- Refurbishment, maintenance and construction of health facilities.
- Continue work on the National Public Health Laboratory, National Blood Transfusion Centre and Training Centre, with the \$30 million support from the World Bank.





Youth and Sports

The budget for the Ministry of Youth and Sport is **D101.56 million** (equivalent to **0.26%** of the total approved budget). The youth ministry will undertake the following programs under its approved budget:

- Scaling-up of the Gambia Songhai Initiative (GSI) with D12.5 million funding.
- Reconstruction of the national stadium.
- Expansion and strengthening of the youth agricultural service and micro-processing projects to more regions.
- Provision of D8 million support to youth and women entrepreneurs for enterprise development.
- Working with development partners to build a regional enterprise business training center for youth and women.
- Youth empowerment with funding of D9.8 million.
- Provision of support for sports regulations and promotion through D9.8 million funding.
- Establishing enterprise formalization centers (in U.R.R. and L.R.R.) and operationalizing the youth merchandise scheme with D11 million worth of funding.



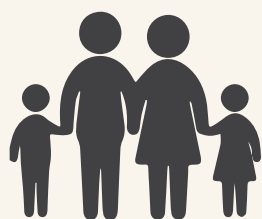
D101.56 million
0.26%



Gender, Children and Social Welfare

An amount of **D91.16 million** (representing **0.23%** of the budget) has been allocated in the 2023 budget for the Gender, Children and Social Welfare ministry. The Ministry, amongst others, will implement the following programs:

- Establish a National Fund for Persons with Disabilities. groups through the Women Enterprise Fund (WEF).
- Disburse funds (D10 million) to 100 women



D91.16 million
0.23%



Agriculture

The agricultural sector has received a total of **D3.75 billion**, equivalent to **9.66%** of the approved 2023 budget. The ministry has the following programs to implement as part of its mandate to improve the agricultural sector in The Gambia:

- Construction of wells, boreholes, water plants and reticulation systems with D230.2 million funding.
- Provision of D400 million to provide fertilizers to farmers and buy groundnuts (crop financing).
- Provision of D2.5 million for vaccine and disease control for livestock.
- Provision of D42 million for agricultural equipment and machinery through the Building Resilience Against Food and Nutrition Insecurity Project.
- Provision of D453.5 million worth of agricultural equipment and machinery through projects.
- Construction of D57.3 million worth of irrigation infrastructure under the Roots Project.



D3.75 billion
9.66%



Fisheries and Water Resources

D593.88 million (representing **1.53%** of the approved budget) has been catered for these sectors.
Some of the intended activities include:

- Provision of fisheries infrastructural facilities for artisanal fisheries.
- Improving fish smoking facilities.
- Construction of 53 boreholes.
- Construction of D10 million worth of fish ponds and water breeding facilities.
- Construction of wells, waterpoints and reticulation systems with D10 million worth of funding.
- Operationalization of the Climate Smart Rural WASH Development Project with D273 million funding.





Transport, Works & Infrastructure

A budget of **D3.90 billion** (10.05% of the national budget) is allocated to the Ministry for the implementation of the following development programs amongst others:

- Maintenance of Roads with D38 million funding.
- Implementation of road safety activities with D20 million worth of funding.
- Provision of D75 million as land compensation and D1.62 billion for the OIC Road Project.
- Commencement of Phase 2 of the Kabada rural roads (i.e. Kiang Roads) through funding worth D51 million.
- Following-up on the enactment of the National Public Buildings and Facilities Policy bill.
- Provision of D155 for Saloum Nianija Corridor (Kaur-Jimbala-Kerr).

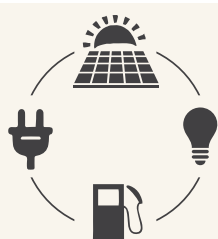




Petroleum and Energy

The government intends to allocate an amount of **D6.08 billion** to this sector in 2023, or **15.67%** of the approved budget. Some of the budgeted activities include:

- Promotion and licensing of blocks for oil deposits.
- Construction of a laboratory for testing of petroleum products.
- Continue the ongoing Gambia Electricity restoration and Modernization Project with D1.1 billion in funding.
- Implement the Gambia Electricity Access Project worth D447.2 million in 2023.
- Implement the Water Supply Project in the Greater Banjul with D162.5 million.
- Provide investment Support for Sustainable Energy through D4.3 million funding.
- Implantation of the Green Mini Grid Program with D90.5 million funding.
- Replacement of Asbestos piles and Water Expansion Project.



D6.08 billion
15.67%



Environment, Climate Change & Natural Resources

The Government intends to allocate an amount of **D1.42 billion** or **3.67%** of the total approved budget to this sector. Some of the activities include:

- Implementing a \$46 million project to address coastal erosion, drainage system and build resilience of communities.
- Sensitizing people on imminent environmental issues.
- Updating the climate change policies of the country.
- Reintroduction and restocking of wildlife species by promoting Public Private Partnership (PPP).
- Embarking on tree planting, including forestry.
- Allocating 200 hectares of land to approximately 500 communities.



D1.42 billion
3.67%



Trade and Employment

The Government intends to allocate **D377.69 million**, or **0.97%** of the total budget to this sector in 2023. Some of the planned activities include:

- Developing a new national employment and action plan to create 150,000 jobs during the life of the policy.
- Implementing liberalization tariffs especially on sensitive goods.
- Setting-up of regional offices and consumer protection tribunals in all administrative regions.
- Conducting investigations into expired food products, constructions and food that do not meet the required weights and measurements.
- Conducting an assessment on the education sector to make educational products and services more affordable



D377.69 million
0.97%



Tourism and Culture

An amount of **D387.30 million** (equivalent to **1%** of the budget) has been catered for the Tourism sector in 2023. Some of the planned activities include:

- Organizing community festivals at Janjangbureh and Banjul.
- Creating 30 new jobs at the library through the Mausoleum at the National Assembly.
- Rehabilitation of the Mungo Park (D1.2 million) and Musa Molloh memorials.
- An amount of D353 Million allocated for the implementation of the Diversification and Climate Resilience of the Tourism Sector.



D387.30 million

1%

In 2023, the two new ministries that were created in mid 2022 will be implementing the following key programs:



Communications and Digital Economy

The government intends to allocate an amount of **D104.25 million** (or **0.27%** of the total approved budget) to support development in this sector in 2023. Some of the intended activities include:

- Developing and implementing apps for different sectors.
- Installation of a payment gateway system.
- Roll-out of the third phase of the digital addressing initiative to West Coast Region.
- Strengthening of national cyber security capabilities and capacities.
- Undertaking Research and Development with a budgeted amount of D8 million.
- Provision of ICT Infrastructure, Hardware, Network & Facilities through D10 million worth of funding.
- Providing a second submarine cable.
- Rolling-out e-government services.



D104.25 million
0.27%



Public Service, Administrative Reforms, Policy Coordination and Delivery

The Ministry of Public Service has an approved budget of **D128.89 million** which is **0.33%** of the total approved budget for the fiscal year 2023. Below are programs that will be undertaken by the Ministry:

- D30 million worth of capacity development of 15 civil servants and 60 students.
- D4 million worth of capacity development of 25 MOPS (staff training on competency-based leadership and scheme of service).
- D33.5 million disbursements of loans to civil servants (For personal, car and housing).
- Design and introduction of Performance Management System for effective monitoring and evaluation of policies, programmes and flagships projects.
- Institutionalization of a workable and hitch-free ERMS platform and system enhancement.



D128.89 million
0.33%

SECTION V: FISCAL MEASURES FOR 2023

Fiscal Policy Measures

The Government of the Gambia on its path to recovery from the post-pandemic economic landscape and the emergence of the Russia-Ukraine conflict has shown strong commitment to fiscal discipline across MDAs in reducing expenditures and adopting sound revenue administration measures. The new policy measures for 2023 are indicated below:

2023 Revenue Measures

































1. Increase the excise tax on tobacco
2. Revision of immigration fees of non-Gambians in line with regional benchmarks.
3. Introduction of an ad-valorem tax of 5% on used tyres.
4. Revision of duty waiver application fees.
5. Introduction of 5% environmental tax on second-hand goods/materials.
6. Security levy – 6% on ALL insurance premiums (monies will be collected by the insurance companies).
7. Introduction of the deduction of rental income tax at source for all commercial rental properties.
8. Increase in the Expatriate Quota tax for Non-ECOWAS Residents from D40,000 to D50,000

ITEM	CURRENT RATE	PROPOSED RATE
Specific excise tax on cigarettes, cigars/cigarillos	D 30/pack	D 35/pack
Environmental tax on cigarettes and cigars	D 3.22/pack	D 5.22/pack
Excise tax on all other tobacco products	D 399/kg	D 420/kg
Environmental tax on all other tobacco products	D 185/kg	D 200/kg

Schedule 1: Excise Tax on Tobacco

CURRENT RATE	ITEM	PROPOSED RATE
D2,500	Returning Diplomats	D5,00
D2,000	Diplomatic Missions (Embassies/UN Agencies)	D10,00
D5,00	Donor Funded Projects, NGO/Charitable Organizations and Others	D15,00

Schedule 2: Duty Waiver Application Fees Expenditure Saving Measures

ITEM	 CURRENT RATE	 PROPOSED RATE
ECOWAS ID Cards	 D400	 D400
Non-Gambian ID	 D650	 D650
Permit A (Ecowas)	 D1,850	 D3,000
Permit A (Non-Ecowas)	 D1,850	 D3,000
Permit B (Ecowas)	 D1,850	 D2,500
Permit B (Non-Ecowas)	 D3100	 D5,000
Alien Card	 D1,500	 D2,500
Entry Visa	 D3,000	 D7,000
Entry Clearance	 D3,000	 D7,000
Machine Readable Passport	 D1,000	 D3,000
Biometric Passport	 D500	 D500
Extension	 D1,00	 D1,00
ETC	 D250	 D250
<i>Naturalization & Registration</i>		
ECOWAS nationals	 D5,000	 D2,500
Non-ECOWAS nationals	 D15,000	 D75,000

Schedule 3: Immigration Fees for Non-Gambians

The Government of the Gambia intends to implement the following expenditure control measures to ensure effective and efficient budget execution:

- Development of a travel policy for the public sector.
- Strengthening of Public Investment Management through the institutionalization of a medium-term Public Investment Programme for all sectors.
- Restructuring and rationalization of subvented/subsidized agencies.
- Development of a Foreign Service Policy to rationalize foreign missions.
- Finalization of the Vehicle policy.
- Review of the vehicle management plan of Riders for Health to rationalize costs.
- Financial elements of donor interventions will be housed at The Ministry of Finance, whilst the Programme implementation of these projects will be housed at the line Ministries.

Glossary

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

Amortization: Is the payment of an outstanding loan, excluding interest.

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

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.

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.

Expenditure: This is money spent on activities and projects such as roads, schools, hospitals, bridges, transport, water systems, plant and machinery, operational expenses etc.

Revenue: These are incomes generated by the government through tax and non-tax revenue collections. This can include taxes paid by citizens (e.g., personal, payroll, and corporate taxes) and revenues collected from non-tax

revenues (e.g., ferry fees, license fees, court fines, 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.

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

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

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

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.).

Personnel Emoluments: These are recurrent

expenditures on salaries and compensation of employees.

Projected Growth: This refers to the expected increase in Gross Domestic Product (state of the Gambian economy) in a given year.

National/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.

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

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:

www.mofea.gm

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

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2023 Citizens' Budget – Ministry of Finance and Economic Affairs



Partners

