

BUDGET OF THE GOVERNMENT OF THE GAMBIA



2021 Citizen's Edition

THE ROAD TO ECONOMIC RECOVERY

Ministry of Finance and Economic Affairs | 2021

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List of Abbreviations and Acronyms

AfCFTA	-	African Continental Free Trade Area
ECOWAS	-	Economic Community of West African States
EU	-	European Union
GBA	-	Greater Banjul Area
GDP	-	Gross Domestic Product
GERMP	-	Gambia Electricity Restoration and Modernization Project
GLF	-	Government Local Fund
GoTG	-	Government of The Gambia
GTHI	-	Gambia Tourism and Hospitality Institute
GTTI	-	Gambia Technical Training Institute
ICT	-	Information Communication Technology
IEC	-	Independent Electoral Commission
JICA	-	Japanese International Cooperation Assistance
MDI	-	Management Development Institute
MOA	-	Ministry of Agriculture
MOBSE	-	Ministry of Basic and Secondary Education
MOYS	-	Ministry of Youth and Sports
MOP&E	-	Ministry of Petroleum and Energy
MOD	-	Ministry of Defence
MOI	-	Ministry of Interior
MOTWI	-	Ministry of Transport, Works & Infrastructure
MOICI	-	Ministry of Information, Communication & Infrastructure
MOT&C	-	Ministry of Tourism and Culture
MOFA	-	Ministry of Foreign Affairs
MOJ	-	Ministry of Justice
MOFEA	-	Ministry of Finance and Economic Affairs
MOLRG	-	Ministry of Lands and Regional Government
MOH	-	Ministry of Health
MOECC&W	-	Ministry of Environment, Climate Change and Wildlife
MOFWR	-	Ministry of Fisheries and Water Resources
MOHERST	-	Ministry of Higher Education, Research, Science and Technology
MOWC&SW	-	Ministry of Women, Children and Social Welfare
MSMEs	-	Micro, Small and Medium Sized Enterprises
MTEF	-	Medium Term Expenditure Framework
NAO	-	National Audit Office
NDP	-	National Development Plan
OP	-	Office of The President
PACD	-	Programme for Accelerated Community Development
PSC	-	Public Service Commission
PFM	-	Public Financial Management
UNICEF	-	United Nations International Children's Emergency Fund
UTG	-	University of The Gambia
VAT	-	Value Added Tax

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Message from The Minister for Finance And Economic Affairs

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

Considering the fact that citizens are the main beneficiaries of the Government budget, it is important that they have a thorough understanding of the National Budget. Such understanding of the budget will encourage active participation in the budget formulation and execution processes so that they can highlight their aspiration, through which desired needs for development can be better catered for.

The Year 2021 is expected to be a year of recovery as a result of the adverse effects of the COVID-19 pandemic on the economy. Therefore, the budget for 2021 will be anchored on economic recovery. This will entail channeling resources towards social protection areas and developing policies to minimize the impact of the pandemic on the economy.

The Government will also ensure the implementation of reforms to improve tax administration, as well as embark on fiscal consolidation, while re-prioritizing budget allocations to the social sectors. As part of the recovery process, and to effectively address the effects of the COVID-19 pandemic on the social and economic lives of the people, the Government intends to reprioritize the National Development plan (NDP) to a COVID-19 Recovery Plan.

As we continue on this path to recovery, we intend to undertake a series of reforms to sustain the recovery process. Key among these are the rationalization of embassies and subvented agencies, as well as, the implementation of a Tax Expenditure Policy (TEP) that is geared towards addressing the governance, monitoring and administration of tax expenditures (duty waivers).

Finally, with the simplification of the approved budget, the publication of the citizens' budget is in line with our goal to strengthen fiscal transparency. 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.

The image shows a handwritten signature in blue ink, which appears to be 'MB Jil', written over a large, horizontal oval. To the right of the signature is a circular official seal. The seal features the coat of arms of The Gambia in the center, surrounded by the text 'MINISTRY OF FINANCE & ECONOMIC AFFAIRS' at the top and 'THE MINISTER' at the bottom, separated by two stars.

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

Section I: Introduction

1.1 What Is A National Budget?

A national budget is a guiding tool that outlines what government intends to do at any given period and how its proposed activities will be financed.

The national budget provides details of what government intends to spend on (i.e. expenditure) and how it intends to finance (revenue) such expenditure. The financing of such expenditure often comes from tax and non-tax revenues, which are spent on sectors such as Education, Health, and Infrastructure. As in most countries, the national budget in The Gambia covers a period of 12 months, starting from 1st January to 31st December every year.

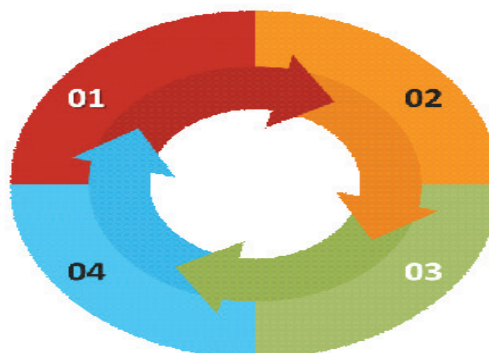
The budget process involves four main stages: the formulation, approval, execution and oversight functions, as shown in the diagram below:

BUDGET FORMULATION

- The Ministry of Finance sends out the budget call circular to MDAs.
- MDAs prepare and submit draft budget.
- Bilateral between the Ministry of Finance and MDAs.
- First draft of budget sent to Cabinet for their input

BUDGET APPROVAL

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



BUDGET OVERSIGHT

- The Accountant General provides the financial statement of the Government to the National Audit Office (NAO)
- The NAO audits the government accounts and sends it to the National Assembly for review

BUDGET EXECUTION

- Finance (GRA) collects Tax revenue while MDAs collect the Non-Tax revenue.
- Funds are allocated to MDAs to implement budget activities.
- Requests for reallocations of funds from MDAs if needed
- The Ministry of Finance monitors spending and revenue

Figure 1 : overview of the budget process - Reference: International Budget Partnership (IBP)

1.2 What Is A Citizens' Budget?

The Citizens' Budget is a simplified version of the National Budget, which seeks to bring an understanding of the budget to the level of every citizen. It aims to inform citizens on how government intends to mobilize and utilize public funds in a simplified format.

Section II: Economic Outlook and Assumptions

The outbreak of the coronavirus pandemic has negatively impacted growth prospects across the globe and lowered initial optimistic growth forecasts in 2020. Global growth is projected at 5.5 percent for the year 2021 (from 0 percent in 2020). The optimistic growth projection is based on the hope that the global economy is expected to recover from the COVID-19 Pandemic.

A preliminary assessment of the macro-economic impact of the pandemic on the Gambian economy showed a significant slowdown in economic growth, decline in tax revenues, and additional unbudgeted expenditures in the health sector. As a result, the 2021 budget has been prepared based on the following assumptions:

- The economy is expected to grow (i.e., GDP growth) moderately by 5.9 percent in 2021, from a growth forecast of 0 percent as at end 2020. This growth estimate is based on expectations of a rebound in the Industry Sector (mainly construction- the Port Expansion Project, the OIC Project, the Banjul Rehabilitation Project, the construction of Rural Roads by the government, etc) and the Service Sector (mainly from the Tourism and Hospitality sector).
- The increase in general price levels (inflation) is projected at 6.0 percent in 2021
- Expected borrowing for 2021 remains at D 3.3 million for Domestic Borrowing and D4.2 million for External Borrowing.

Section III: How Government Plans To Raise and Spend Money In 2021

3.1 What Is Government Revenue?

Revenue refers to all the money available to a government; ranging from taxes, non-taxes, and donor support (loans and grants); to spend on the delivery of public goods and services.

What is Tax Revenue?

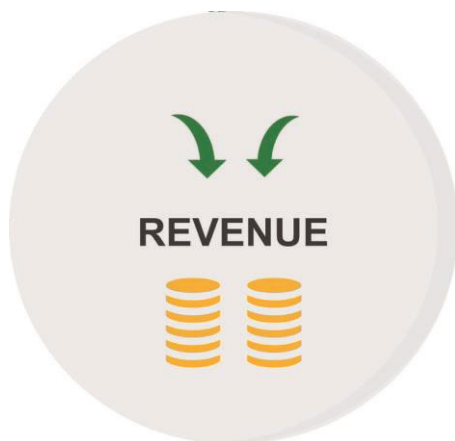
TAX: The money people have to pay to the Government e.g. Income Tax, Corporate Tax, VAT, Custom Duties, etc.

What is Non-Tax Revenue?

NON-TAX: Government revenue not generated from taxes e.g. Passport Fees, Motor Vehicle number plate fees, ID Card fees etc

What is Donor Funds?

DONOR FUNDS: Financial assistance received from development partners usually in the form of loans and grants



Where Is The Money Coming From?

Total revenue and grants for 2021 is estimated at **D25.76 billion**, which comprises of **D13.75 billion** of domestic revenues (tax and non-tax) and **D12.01 billion** of project grants & budget support.

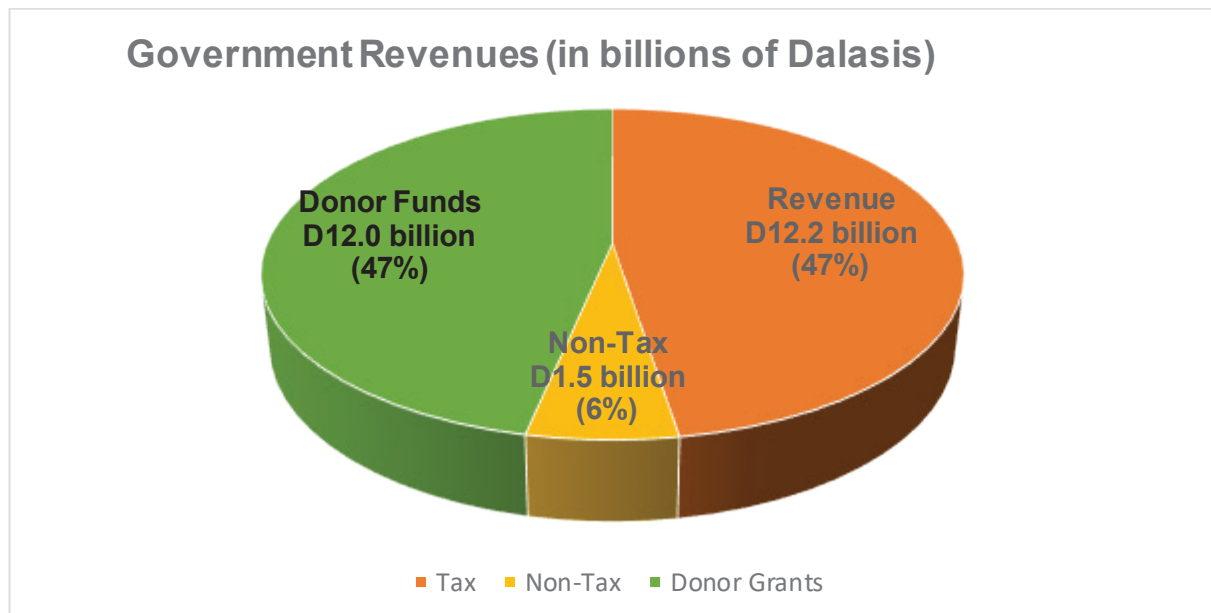


Figure 2: Summary of Government Revenues

3.2 What Is Government Expenditure?

These are funds and resources allocated by the Government for public goods and services such as Healthcare, Education, Security and Infrastructure.



Recurrent expenditures: these are expenses earmarked for the operation of Ministries, Departments and Agencies, such as the payment of salaries, maintenance of equipment, purchase of fuel, and payment of utility bills.

Development/Capital Expenditures: these are expenses incurred mainly on fixed assets or infrastructure related projects such as school buildings, hospitals, roads, boreholes, medical equipment, bridges etc.

3.3 How Government Plans To Spend

3.3.1 Expenditure

For 2021, **D31.76 billion** has been allocated for spending on Government programmes and activities. Some of the notable expenditures are highlighted in the chart below:

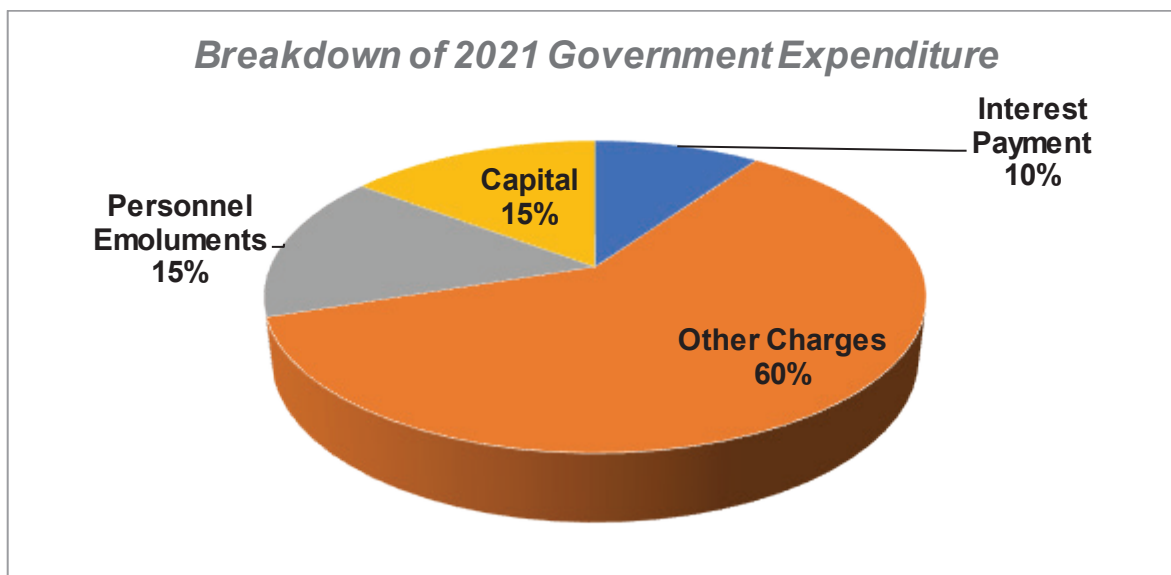


Figure 3: Distribution of Government Expenditures for 2021

3.3.2 How Government Intends to Distribute Recurrent and Development Expenditure

In 2021, the Government plans to spend the following amounts on the various Ministries, Departments and Agencies to sustain government operations and fund development projects and programmes.

Budget Entity (BE)	GLF (in Dalasis)
BE01- Office of The President	627,444,000
BE02- National Assembly	246,407,000
BE03- Judiciary	181,772,000
BE04- Independent Electoral Commission	314,150,000
BE05- Public Service Commission	10,775,000
BE06- National Audit Office	128,200,000
BE07- Ministry of Defence	757,541,000
BE08- Ministry of Interior	1,037,000,000
BE09- Ministry of Tourism and Culture	37,810,000
BE10- Ministry of Foreign Affairs	923,311,000
BE11- Attorney General's Chambers & Ministry of Justice	146,544,000
BE12- Ministry of Finance & Economic Affairs	1,013,197,000
BE13- Pensions & Gratuities	367,678,000
BE14- Office of The Ombudsman	21,883,000
BE15- Centralized Services	2,127,000,000
BE16- Ministry of Lands and Regional Governments	173,843,000
BE17- Ministry of Agriculture	402,753,000
BE18- Ministry of Transport, Works & Infrastructure	1,974,520,000
BE19- Ministry of Trade, Regional Integration & Employment	101,236,000
BE20- Ministry of Basic and Secondary Education	2,811,691,000
BE21- Ministry of Health	1,602,626,000
BE22- Ministry of Youth & Sports	117,680,000
BE23- Ministry of Environment, Climate Change & Natural Resources	218,867,000
BE24- Ministry of Information & Communications Infrastructure	80,589,000
BE25- Ministry of Fisheries, Water Resources	53,892,000
BE27- Ministry of Higher Education, Research, Sci. & Tech.	274,160,000
BE29- Ministry of Petroleum & Energy	187,537,000
BE31- Ministry of Women, Children and Social Welfare	92,878,000
BE33- National Human Rights Commission	41,483,000
BE50- National Debt Service	5,999,485,000
Total	22,074,236,000

Table 1: 2021 Budget Appropriations by Ministry/Department – GLF only, in GMD

MINISTRY	All Funds (in Dalasis)
Debt Service	5,999,485,000.00
Ministry of Transport, Works & Infrastructure	5,451,606,000.00
Ministry of Basic & Secondary Education	4,142,558,000.00
Ministry of Health and Social Welfare	3,008,936,000.00
Ministry Petroleum & Energy	2,532,042,000.00
Centralized Services	2,127,000,000.00
Ministry of Agriculture	1,607,975,000.00
Ministry of Finance and Economic Affairs	1,499,177,000.00
Ministry of H/Edu, Research and Sci. & Tec.	1,123,268,000.00
Ministry of Interior	1,037,283,000.00

Table 2: 2021 Budget Appropriations for top ten Ministries/Departments –All funds in GMD

Section IV: Spending In The Critical Sectors

Social Sector

Education (Basic & Higher Education)

To support access to quality education and greater human development, the Government intends to increase the allocation for the education sector from **D4.69 billion** to **D5.26 billion**, indicating a percentage increase of 13%. This amount will facilitate the following activities:



Support the payment of examination fees (WASSCE, GABECE) for all public-school students.

Training of teachers to increase the number of qualified teachers.

Increase the use of technology in lower basic schools.

Construction and rehabilitation of educational infrastructure in Madrassas, conventional and tertiary institutions (GTTI, MDI, Gambia College and UTG) to address the issue of access at all levels.

Continue offering the School Improvement Grant and School Feeding Program across all regions to improve access, retention and performance in schools.

Support and provide teaching and learning materials for special need students.

Health

The allocation to the health sector has increased from **D2.20 billion** to **D3.01 billion** for 2021. This increment aims to support the prevention and containment of the COVID-19 pandemic, which has severely and adversely affected the country, prompting Government to divert a significant number of resources to this sector. This is expected to continue into 2022.

Some of the planned activities for the above sector are highlighted below:



Construction of eight permanent treatment Centers and refurbishment of other isolation Centers across the country.

Build a new National Emergency Treatment Center, National Public Health Laboratory and a Training Centre for smoother response to future emergencies.

Conduct a Measles Rubella (MR) mass vaccination campaign in 2021 for children, to reduce morbidity and mortality related to MR.

Purchase of drugs and vaccines for hospitals

Implementation of the National Health Insurance Scheme.

Youth & Sports

The Government intends to allocate an amount of **D118 million** to this sector.

Some of the planned activities include:



Provision of a Youth Revolving Loan Fund to support youth programs across the country.

Construction of a bakery and confectionary academy at the President International Award Skill and Enterprise Centre.

An assessment of the impact of the pandemic on youth and youth entrepreneurs in order to develop support mechanisms.

Strengthening Technical and Vocational Education skills within the sector including:

Carpentry training at the National Youth Service Scheme

Training in agribusiness and value addition through the Gambia Songhai Initiative

Women, Children & Social Welfare

Government intends to allocate an amount of **D 104 million** to help minimize extreme poverty, empower women and protect children.



The Ministry intends to implement some of the activities listed below:

Establish more shelters for children and victims of violence across the country.

Construct and refurbish value addition facilities for women at fish landing sites.

Provide more cash transfers to vulnerable families.

Provide loans to more women groups to create or expand their businesses, especially through the Women Enterprise Fund.

Economic Sector

Agriculture

An amount of **D1.61 billion** has been budgeted for the agriculture sector and this includes support from development partners. Some of the intended activities for this sector include:



An emergency response plan to address the anticipated food shortage from the COVID-19 pandemic and other agricultural emergencies (e.g. pest control, drought, etc).

Deliver food assistance to highly vulnerable and food-insecure households. Intensify Climate Smart Agriculture through the introduction of new varieties ("Findi", Groundnut, Sweet Potato, etc.).

Increase livestock production and productivity for food self-sufficiency in animal and animal products.

Provision of drugs, vaccines and strengthen disease surveillance system and control.

Provide support to farming communities with fertilizers, inputs, and equipment

Fisheries and Water Resources

An amount of **D324 million** has been catered for these sectors.



Some of the intended activities include:

Construction and installation of 20 solar-powered piped-water supply systems for rural communities through JICA.

Strengthening community-based fishermen organizations.

Implementation of the EU Sustainable Fisheries Partnership Agreement, which aims to strengthen cooperation in the development of sustainable fisheries, combatting illegal and unreported fishing, and promote the blue economy.

With support from UNICEF Funded WASH Program, the Government will construct sanitation centers and water points in 30 schools and 15 hospitals across the country.

Transport, Works and Infrastructure

A budget of **D5.45 billion** has been set aside for the transport and infrastructure sector.



Some of the activities to be executed by the Transport sector include:

Continuation of the Banjul Rehabilitation Project, which aims to rehabilitate roads, sewage and drainage systems of the city.

Construction of a 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.

Construction of roads: Kaleng- Bush town; The Niumi-Hakalang road; Kiang Sankandi-Karantaba West; 86km North Bank rural roads in Sabach-Sanjai.

Carry out major maintenance work on roads including 105 KM of rural roads.

Information and Communications Infrastructure

For 2021, Government intends to allocate an amount of **D81million** support development in this sector.

Some of the activities to be executed by this sector include:



Implement a National Technology Hub to encourage research and development in ICT

Train the next generation of software developers in the country.

Partner with Google Plus to provide a digital street addressing system in the City of Banjul.

Develop the E-Gambia Power Project Proposal to ensure access to quality and affordable broadband internet across the country.

Petroleum and Energy

In 2021, the Government intends to allocate an amount of **D2.53 billion** to this sector.

Planned activities include:



Implementation of The Gambia Oil II Project for the monitoring and management of licenses and legal reforms.

Commissioning of the OMVG (Gambia River Basin) project, to increase electricity supply. This project will also reduce the country's dependence on heavy fuel and concentrate more on renewable energy.

Address the old transmission and distribution networks in the country through the Gambia Electricity Restoration and Modernization Project (GERMP) project.

Environment, Climate Change and Natural Resources

In 2021, the Government intends to allocate an amount of **D655 million** to this sector.

Activities include:



Support the management of the coastal area through the Global Climate Change Alliance Project.

Undertake a comprehensive study on waste management to develop a sustainable and lasting solution to curb littering and plastic waste.

Address deforestation and promote a natural resource-based economy through the Ecosystem-based Adaptation (EbA) project, which aims to restore degraded forests and agricultural landscapes in The Gambia with climate-resilient plants and establishing natural resource-based businesses.

Upgrade the Abuko Nature Reserve to promote tourism in the country

Trade

In 2021, the government intends to allocate an amount of **D576 million** to this sector.

Plans include:

Supporting women-owned businesses through The SheTrade Project in order to enhance their economic participation.

Train 200 youth on livelihood skills in order to access self-employment and employment opportunities across the country.

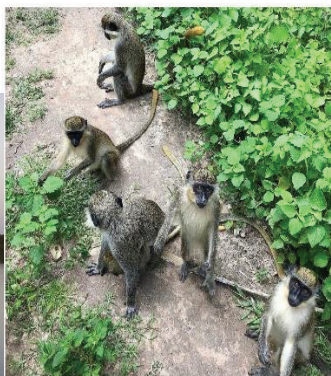
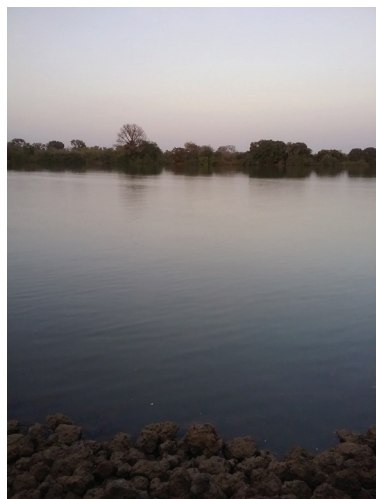
Operationalize the job center through an online platform where employers and employees can share information about job opportunities.

Conduct Regional sensitization program for entrepreneurs and exporters to support access to African markets through the AfCFTA Program.



Tourism and Culture

An amount of **D44 million** has been catered for the Tourism sector.



Planned activities include:

Construction of Eco-hotels in the rural areas to diversify tourism activities.

Development of guidelines and safety protocols for the reopening of the tourism industry post COVID-19.

Development of a revised curriculum in tourism and hospitality, by the GTHI, to cater for the needs of the tourism industry.

Finalization of activities to operationalize an e-learning platform for the GTHI.

Develop a destination marketing strategy to provide a framework to support the Gambia Tourism Board's post COVID 19 integrated marketing, which entails aggressive marketing campaigns in Europe and other markets.

Section V: Fiscal Measures for 2021

5.1 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 2021 budget objectives, especially in light of the impact of the COVID-19 Pandemic, government will need resources to undertake investments in priority sectors, particularly in the Health, Infrastructure, Education and Tourism Sectors.

5.1.1 Revenue Measures

The Revenue Measures are amendments or adjustments that Government intends to undertake to implement certain policies or processes in the collection of revenue for national development.

Commencing 1st January 2021, the following revenue measures will be implemented:

- The Voluntary Value Added Tax (VAT) threshold will be increased from D500,000 to D1,000,000.

- All large taxpayers are required to file their audited financial statements along with their annual tax returns.
- The cost of business incorporation fees has been reduced from D10, 000 to D4,000, and business registration certificate from D1,000 to D500 in order to increase and encourage the registration of Micro, Small and Medium Sized Enterprises (MSMEs).
- Investors and sole proprietors in the informal sector will be exempted from the payment of payroll tax to reduce the cost of doing business.
- The fringe benefits tax will be reduced from 35 to 27 percent.
- The capital gains tax threshold will be increased from D18,000 to D24,000 per annum.
- The environmental tax of D1 per employee will be eliminated.
- The Excise Tax on new vehicles will be reduced from 25 to 15 percent.
- The Air Transport Levy will be eliminated.

EXCISE REGIME ON TOBACCO PRODUCTS

The ECOWAS Excise Directive on tobacco products and The Gambia Tobacco Control Act 2016, requires the Government to increase the share of excise tax on tobacco products to at least 70 percent of the retail price.

Tobacco Products	Excise Tax		Environmental Tax	
	2020	2021	2020	2021
Cigarettes	D25/Pack	D30/Pack	D2.93/Pack	D3.22/Pack
Other Tobacco Products	D363/Kg	D399/Kg	D175/Kg	D185/Kg

Table 3: Breakdown of Tax on Tobacco

5.1.2 Expenditure Saving Measures

Government recognizes the importance of complementing effective revenue administration with good expenditure management in order to attain the objectives of the NDP.

In addition to the revenue measures mentioned above, government will also 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
- Rationalization of Subvented Agencies
- Rationalization of Embassies.

5.2 Deficit Financing

When Government expenditure is more than its expected revenue, it leads to a deficit, which requires financing. The source of this financing includes domestic borrowing (e.g. treasury bills, Government bonds, etc), external financing (i.e. external loans), and capital revenue (e.g. sale of government assets).

For 2021, the gap between revenue and expenditure remains at a deficit of D5.99 billion (i.e., 5.61 percent of GDP). This deficit is due to an increase in expenditure within certain critical sectors such as Health, Education and Infrastructure, as well as provisions for the upcoming voter registration and Presidential Elections.

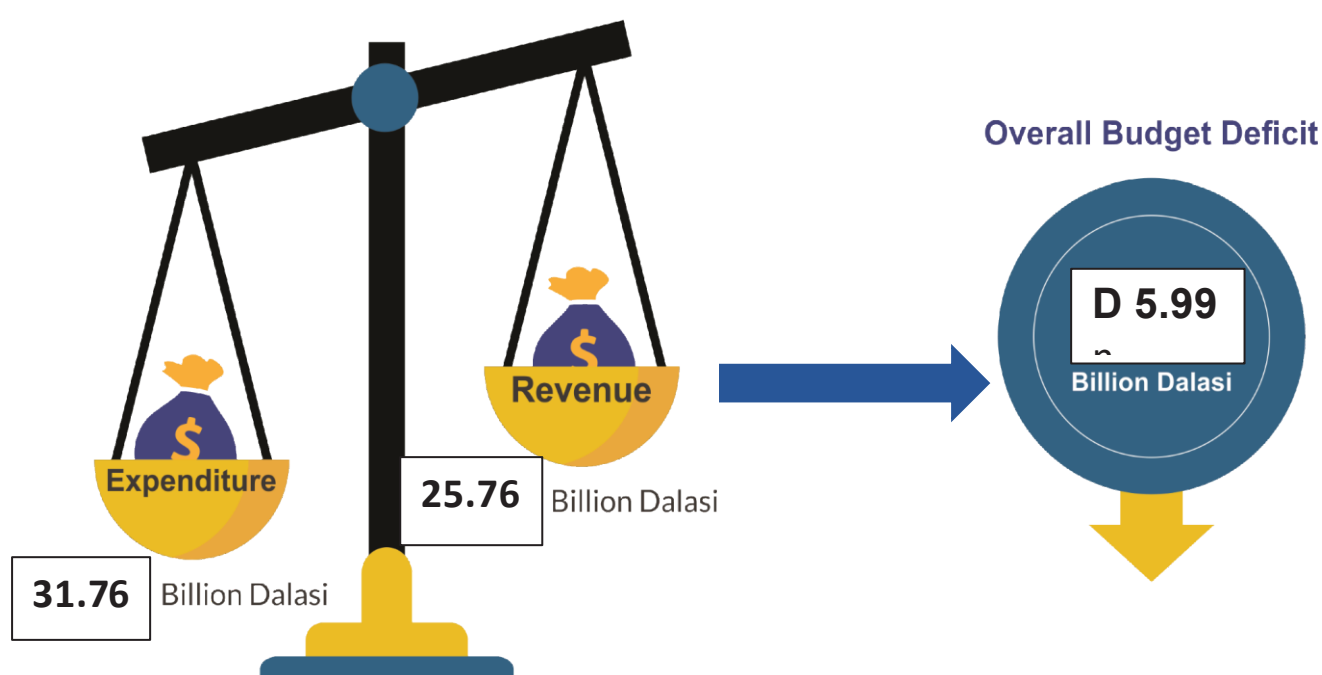


Figure 4: Deficit Financing 2021 in Dalasi ('000s')

Section VI: Conclusion

The coronavirus pandemic has negatively impacted the economy, leading to less than anticipated revenue collections and increased expenditures on the social sectors. As we work towards post COVID-19 recovery, the government will continue to implement priority activities identified in the National Development Plan, with particular emphasis on Health, Education, Infrastructure, Agriculture etc.

As such, the 2021 Budget will be centered on economic recovery, restoring public confidence and macro-economic stability.

References and Glossaries

7.1 Reference

- Budget Speech, 2021, The Republic of The Gambia
- Estimates of Revenue and Expenditure 2021, The Republic of The Gambia
- Medium Term Fiscal Framework (MTFF), 2020-2024 – The Republic of The Gambia
- National Development Plan, 2018-2021 - The Republic of The Gambia
- IBP (2012), The power of Making it Simple: A Government Guide To Developing Citizens Budgets.

7.2 Glossary (Terminologies)

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 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?

This guide provides an overview of the planned expenditures and expected revenues for the fiscal year 2021. If you would like detailed information and analysis, please visit the Ministry of Finance and Economic Affairs' website on: <http://www.mofea.gm>

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