

## THE MINISTRY OF FINANCE AND ECONOMIC AFFAIRS CONDUCTED A BUDGET CONSULTATION FORUM WITH STAKEHOLDERS



On June 24<sup>th</sup>, 2021, the Ministry of Finance and Economic Affairs led by the Directorate of Budget invited all Ministries, Departments and Agencies to a Budget Consultative workshop at the Kairaba Beach Hotel.

In his opening speech, the Permanent Secretary-Ministry of Finance, Abdoulie Jallow welcomed all participants and expressed gratitude for their commitment to the budget process and dedication to national development.

The budget consultation workshop is part of the preliminary steps in the budget formulation process which has been an annual activity conducted by the Ministry with the exception of last year. These engagements are done to facilitate smooth budget preparation and execution. In order to fulfil government's commitment to transparency and openness, this forum is used to stimulate discussions on budget policy and reforms.

Quoting from discussions of previous workshops which turned to be quite informative and valuable towards improving interactions with Ministries, Departments and Agencies (MDAs), PS Jallow promised to keep these engagements ongoing. He added that national development requires continuous consultation, collaboration, iterations, and all stakeholders must work collectively for the interest of the public.

The historical challenges of the past year were far reaching and the whole economy suffered a huge setback with the fiscal sector in particular, taking a major hit due to the impact of the Coronavirus pandemic. On the Real Sector, Jallow posited, GDP growth was 0%, a significant contrast to the 6.5% growth initially forecasted for 2020. Consequently, the response to the pandemic resulted in the submission of a Supplementary Appropriation Bill to the tune of D2.845 billion. This was aimed at assisting the health sector to confront challenges posed by the pandemic, offer relief to vulnerable communities, kick start various road infrastructure projects, and bail out key stakeholders within the tourism sector.

P.S Jallow expressed optimism that the economy is expected to marginally recover this year but the recovery will be contingent on strong performances from key sectors of the economy, such as Agriculture and Tourism along with a successful vaccine rollout programme.

Due to 2021 being an election year, Jallow said that budget preparation for 2022 will be challenging; as such, the Appropriation Bill will have to be tabled before parliament much earlier than usual. In this regard, he urged MDAs to prepare and submit their final budgets to MoFEA by July 2<sup>nd</sup>, 2021. Speaking further, the Permanent Secretary pointed that the 2022 budget will need to reflect national priorities, therefore, MDAs are expected to prepare their budgets in a Programme-Based Budget (PBB) format as usual. The aim of this, is to link MDAs' budgets to national objectives. He used the moment to remind MDAs to update their PBB statements by July 1<sup>st</sup> 2021 and ensure that their programmes are aligned with the objectives of the National Development Plan.

Furthermore, the Medium-Term Expenditure Framework (MTEF) requires MDAs to prepare their budgets with a multiyear perspective. This allows for the distribution of programme costs across different budget calendars. Accordingly, MDAs are advised to avoid putting the entire cost of projects in one particular year. Projects that cannot be fully financed in 2022 can be budgeted for in subsequent years.

“The 2022 budget will be anchored on economic recovery but within the auspices of strengthening fiscal discipline, and enhancing efficiency in the utilisation of public resources”, the P.S asserted. To this end, Mr. Jallow added that the Net Domestic Borrowing (NDB) target will be set at zero percent. As a result, MDAs are encouraged to channel expenditure towards development related activities, while applying prudent fiscal measures to curtail inefficiency. The operationalization of budget committees will greatly help in this regard, as it assists in the strategic allocation and efficient utilisation of public resources. It is through such measures that current fiscal challenges can be effectively responded to, confidence in the economy gained, and economic recovery facilitated.

Finally, the MOFEA head of Administration opined that effective 2022, MDAs will be expected to develop Public Investment Programmes as part of the Sustainable Development Finance Policy of The Government of The Gambia. The purpose of this programme is to further strengthen public investment management by outlining priority programmes and projects of the government for a given period. The Medium-Term Policy Framework (2022-2025) has also been developed as part of these reforms, and will be piloted in Health, Education, Agriculture,

Infrastructure, Energy, and Environment sectors for ongoing donor and Gambia Local Fund funded projects.

Having declared the workshop opened, presentations on what is expected from MDAs were done by the staff of the Directorate of Budget and the Macro and Policy Analysis Unit of the Ministry.

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