

**THE GAMBIA MINISTRY OF FINANCE AND ECONOMIC AFFAIRS -
FREQUENTLY ASKED QUESTIONS (FAQs)**

BUDGET RELATED FAQs

As part of measures to bridge communications gaps between Government and citizens and to stimulate citizens' interest in the budget process, the Ministry of Finance and Economic Affairs (MOFEA) has created this document to address a series of questions that people often ask about the budget process in The Gambia. Although it does not answer all the questions in great detail, it does provide a quick guide to any member of the public on aspects of public finance management in The Gambia.

1. What is the national budget?

A national budget is a financial plan that outlines the sources of funds and how such funds are to be spent within a specific period of time, usually one year. It outlines what the government intends to spend on (i.e. expenditures) in a financial year, and how it intends to finance those expenditures (revenue).

2. How is the government budget funded?

The government budget is funded by revenues from taxes, non-taxes, grants, domestic and foreign borrowing.

3. What is The Gambian government budget cycle?

A budget cycle is the life of a budget from preparation to its review (also called evaluation). The budget cycle in The Gambia consists of four phases: (1) Budget preparation and submission by the executive branch; (2) approval by the legislature; (3) execution by the executive; and (4) audit and evaluation.

4. Who are the stakeholders in the budget process and what role do they play?

These are Government and non-governmental actors, organizations, and institutions that shape or influence directly or indirectly the national budget. They include the following MDAs;

- [Ministry of Finance & Economic Affairs \(MOFEA\)](#)
- [Auditor General](#)
- [Accountant General](#)
- [Gambia Public Procurement Authority \(GPPA\)](#)
- [Cabinet](#)
- National Assembly
- [The Presidency](#)
- Development Agencies
- Civil Society Organisations (CSOs)
- Communities & Citizens
- Academia
- The Media

4. What is the relationship between the budget and the National Development Plan?

The National Development Plan lays out the developmental policy of the government of The Gambia. The budgets of the country are designed to fulfil policy objectives of government with a focus on stimulating the economy, creating jobs, securing the country, and reducing poverty.

5. Are there government policies and budgetary provisions to cater for the needs of women, youth, persons with disability and other marginalized groups?

Through policy and budgetary provisions, the government is supporting the Ministry of Gender, Children & Social Welfare, the Ministry of Youths Development, and the National Youth Council to address the concerns of women, girls and youths respectively. The Government has also ratified instruments that give life to the rights of women and girls such as the [Sustainable Development Goals \(SDGs\)](#) into its strategic priorities and the seven critical enablers as well as other global and regional agendas such as [Africa Agenda 2063](#), and the [Istanbul Action Plan](#). In addition, the Government has not only nominated a member of the National Assembly from the disability community, but The Gambia also ratified the [Convention on the Rights of Persons with Disabilities](#) and passed the [Persons with Disabilities Act 2018](#) which is a domestication of the United Nations Convention on the Rights of Persons with Disabilities.

6. What legal instrument regulates the budget process in The Gambia?

- [The 1997 Constitution of The Gambia](#)
- [The Gambia Public Finance Act, 2014](#)
- The Annual Appropriation Law
- [Financial Regulations, 2016FINA](#)

8. What are Appropriation Bill Documents

These are a collection of budget papers, including policy statements, budget speech, estimates of revenues and expenditures, legal provisions relating to the implementation of the government budget.

9. What is a Medium-Term Economic Fiscal Framework (MTEFF)?

The Medium-Term Expenditure Framework (MTEF) sets out a three-year spending plan for the government. It aims to ensure that budgets reflect the government's social and economic priorities and gives substance to the government's reconstruction and development commitments.

10. What is budget monitoring?

Monitoring is an activity of government, citizens, and other stakeholders in which they track the performance of government policies, projects, and programs to ascertain if they are meeting the stated goals and objectives in the budget. It also involves tracking ministries, departments and agencies' (MDAs) spending and whether they are meeting the expenditure target.

11. What is to be monitored and why do you monitor?

The following issues may be monitored:

1. Policies, procedures and legal frameworks
2. Strategies for project implementation (e.g. stakeholders' participation)
3. Projects/programs
4. Revenues accruing to government as well as its debt profile
5. Expenditure and ministerial budgetary allocations
6. Institutional capacity
7. Governance and leadership

We monitor to achieve the following goals:

- a. To improve performance of the budget because monitoring feedbacks are factored into ongoing and subsequent budget planning
- b. Promote inclusion and co - ownership because stakeholders are involved
- c. Enhance public confidence in and credibility of the budget process
- d. Gain lessons learned from monitoring exercises to enhance capacity development
- e. Help keep projects and programs on track.
- f. Help improve the quality of projects and programs
- g. Identify what works well, what does not and the reason why

12. Why should I participate in the public presentation of the budget?

You should participate in the public presentation of the budget because the Gambian constitution encourages citizens to participate in governance. It is also through such forums that citizens give their consent to the government to tax them in order to raise the required revenue and to incur expenses for each financial year. By participating in the budget process, citizens are able to hold their elected leaders to account.

13. How is the budget prepared?

The Ministry of Finance sends out the budget call circular to ministries, departments and agencies (MDAs). MDAs begin by assessing their programs and considering which programs require revision or the need for new programs depending on priority areas, and then they prepare and submit a draft budget. Thereafter, the Ministry of Finance meets with all the MDAs and holds stakeholders meetings with civil society organizations and communities for their inputs. From here, The President directs the Minister of Finance to prepare and present to the National Assembly estimates of the revenue and expenditure for the following year. The National Assembly reviews it within 14 days and then approves the estimates.

14. Where can I find my Country's budget?

Please visit the Ministry of Finance and Economic Affairs' website on: www.mofea.gm. A citizen's version of the budget can also be found on the Ministry of Finance website.

15. How can I give feedback to the Citizen's budget?

1. Through the National Assembly:

Citizens can meet and interact with their elected representatives during town hall meetings or other community fora to discuss government policies and budget matters that affect communities.

The National Assembly is constitutionally authorized to receive, review and approve the national budget after it is presented by the President. The National Assembly's role also includes to oversee the execution of the budget and to approve the audit report from the National Auditor.

2. Through the Ministry of Finance

Citizens can contact MOFEA officials via the following, to raise their concerns on budgetary matters:

Email: info@mofea.gm

Telephone: +220 4229760

Address: The Quadrangle, Banjul

REVENUE RELATED FAQs

16. What are the sources of revenue for budget funding in The Gambia?

- a. Through tax revenue and non - tax revenue
- b. Donor grants
- c. Domestic and Foreign borrowing

17. What is tax revenue and non-tax revenue?

Tax revenue are the funds collected from:

- taxes on income and profits;
- Social Security taxes or "contributions";
- taxes levied on goods and services, generally categorized as "consumption taxes";
- payroll taxes;
- taxes on the ownership and transfer of property;
- Corporate tax
- customs duties;
- and other taxes.

Collecting taxes and fees is a fundamental way for the government to generate public revenues that make it possible to finance investments in human capital, infrastructure, and the provision of services for citizens and businesses. Taxes have a key role to play in making growth sustainable and equitable, especially in the context of the COVID-19 crisis, and through such efforts as fighting tax evasion and avoidance.

Non-Tax Revenue is the recurring income earned by the government from sources other than taxes e.g. passport fees, motor vehicle number plate fees, ID Card fees etc. Basically, the government collects non-tax revenue in return for providing/facilitating certain goods or services.

18. When and how can the government borrow money?

The Minister of Finance has the sole authority to borrow on behalf of the state, both in The Gambia and abroad and in local and foreign currencies. The state may borrow for the purpose of financing state budget deficit as approved by the National Assembly; maintain a credit balance on the treasury's main account at a level of range determined by the minister; lend funds to local government authorities, public enterprises and other entities, refinance outstanding state debt; repayment of loans prior to its maturity date; repurchase of state debt securities; respond to effects caused by a natural disaster or any other national emergency.

20. What is the Consolidated Fund?

The Consolidated Fund is a fund that contains payments from all revenues or other money raised or received for the purpose of government use or on behalf of the government.

21. What are donor funds?

Financial assistance received from development partners such as World Bank, UNDP, EU, Africa Development Bank, the Chinese Corporation, etc usually in the form of loans and grants.

22. Value Added Tax (VAT)

Value-added tax (VAT) is a type of indirect tax levied on goods and services for value added at every point of production or within the distribution cycle, starting from raw materials and going all the way to the final retail purchase. The amount of VAT that the user pays is on the cost of the product itself, less any of the costs of materials used in the production that have already been taxed. It is also called Consumption Tax. Currently, the Gambian government levies 15% of the value of goods and services as VAT.

EXPENDITURE RELATED FAQs

23. What is capital expenditure?

Capital budget consists of receipts (e.g. loans and borrowings) and expenses. The expenditure component are expenses incurred mainly on fixed assets or infrastructure related projects such as school buildings, hospitals, roads, boreholes, medical equipment, bridges etc. Capital projects are durable state assets.

24. What is recurrent expenditure?

These are expenses incurred for the regular operation of ministries, departments and agencies (MDAs), such as the payment of salaries, maintenance of equipment, purchase of fuel, and payment of utility bills.

25. What is a deficit budget?

This occurs when government expenditure is more than its expected revenue which leads to a deficit (or a shortfall), 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).

26. Gross Domestic Product (GDP)

GDP measures the monetary value of final goods and services—that is, those that are bought by the final users produced in a given period of time (e.g a quarter or a year). It counts all of the output generated within the borders of the country, including some nonmarket production, such as defense or education services provided by the government and output of the residents of a country including foreigners and foreign owned companies.

27. What is the meaning of budget audit and how is it conducted?

The objective of a budget audit is to ascertain whether the funds that were released for government operations were utilized in accordance with the law and policy objectives of the government. The objectives of public audits are to promote transparency and accountability in public expenditure management, ensure value for money and to minimize waste in the use of public funds.

28. Does the government face any challenges in managing the budget?

Yes, the government faces a number of challenges in managing the budget. These include:

- Limited revenue to implement government policies and programs. The Gambia is not an industrialized economy but thrives mainly on agriculture, tourism and budget support from development partners.
- Global impact of COVID-19 which has slowed down the growth of the economy.
- Low human and institutional capacity to manage critical aspects of the budget process.
- Delays in audit processes and lack of effective implementation of audit reports.
- Huge debt overhang. The government is spending so much to service its external debt.
- Lack of comprehensive and up to date data for critical policy decisions.
- Corruption and leakages by some unscrupulous actors in the budget implementation process.

29. What is Virement

A virement is a transfer of appropriation within the expenditure items of the budget agencies under the same supervising department or from one budget agency to another (Public Finance Act, 2014).

30. What happens to unutilized funds at the end of the fiscal year?

According to Financial Regulations 25 of 2016, funds approved in a budget will lapse on 31st December. All unspent funds are to be returned to the treasury. In addition, The Finance Act provides that any revenue received after the 31st of December of any year on account of the financial year will not be disbursed, but will be recorded as revenue of the budget for the next financial year.

Sources

- The Gambia Citizen’s Budget 2021 Edition
- The Gambia Public Finance Act
- The 1997 Constitution of The Gambia
- Ministry of Finance and Economic Affairs of The Gambia Medium Term Economic Fiscal Framework 2020–2024
- Financial Regulations 2016
- International Monetary Fund Website
- World Bank Website

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