



THE REPUBLIC OF THE GAMBIA
Ministry of Finance & Economic Affairs
The Quadrangle
BANJUL

January-April 2018 EXPENDITURE BRIEF

PREPARED BY THE DIRECTORATE OF BUDGET

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I. INTRODUCTION

This brief presents total Central Government expenditure for the period ending 30th April of the fiscal year 2018. The brief aims to:

- Highlight Government expenditure trends;
- Outline the major spending budget lines

It should be noted that all the expenditure referred to in this brief is solely Government Local Fund (GLF), and the report does not factor any donor funds, such as those going to various projects across the country.

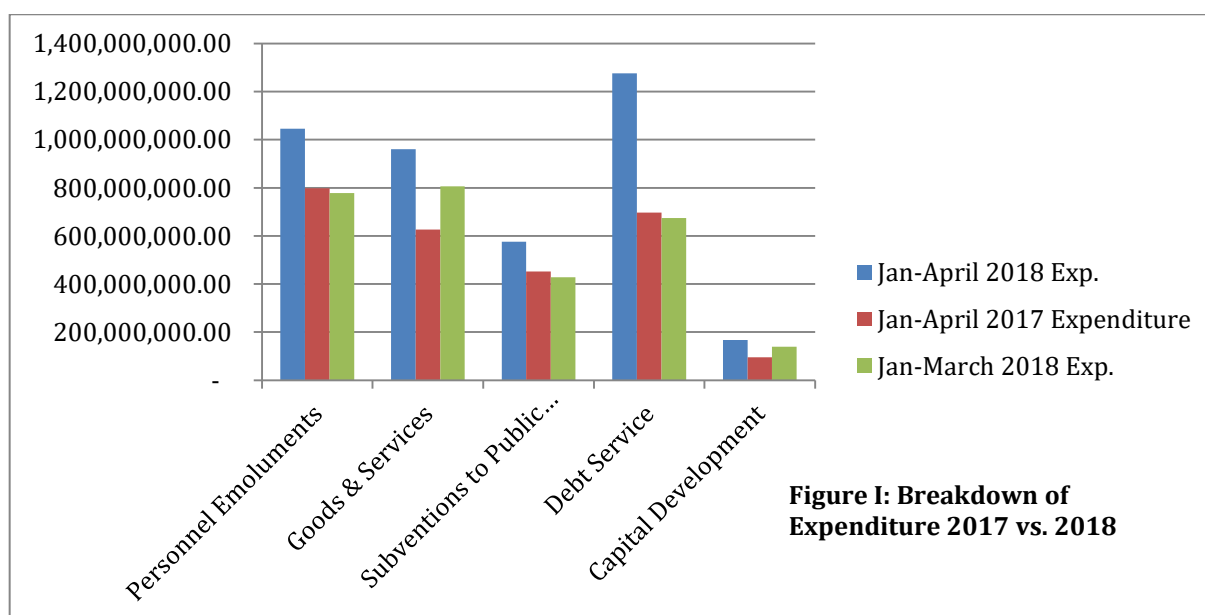
II. TOTAL GOVERNMENT EXPENDITURE

Total expenditure by Central Government (GLF only) amounted to **D4,025,605,229.44** for the period under consideration, which represents an increase of 50.83% in comparison to the same period last year.

Table 1: Composition of Central Government Expenditure for Jan-April 2018/7 -

Budget Class	Jan-April 2018 Exp.	% of Total Expenditure	Jan-April 2017 Expenditure	% of Total Expenditure	Jan-March 2018 Exp.	Y-o-Y Growth
Personnel Emoluments	1,045,477,901.25	25.97%	798,580,179.91	29.92%	778,518,485.50	30.92%
Goods & Services	960,612,750.01	23.86%	626,312,273.90	23.47%	806,311,087.79	53.38%
Subventions to Public Corporations	575,927,478.14	14.31%	452,102,887.30	16.94%	428,361,703.57	27.39%
Debt Service	1,275,686,482.02	31.69%	696,796,160.89	26.11%	673,751,071.42	83.08%
Capital Development	167,900,618.02	4.17%	95,200,090.85	3.57%	138,685,247.02	76.37%
Total Expenditure	4,025,605,229.44	100.00%	2,668,991,592.85	100.00%	2,701,166,068.30	50.83%

Source: IFMIS

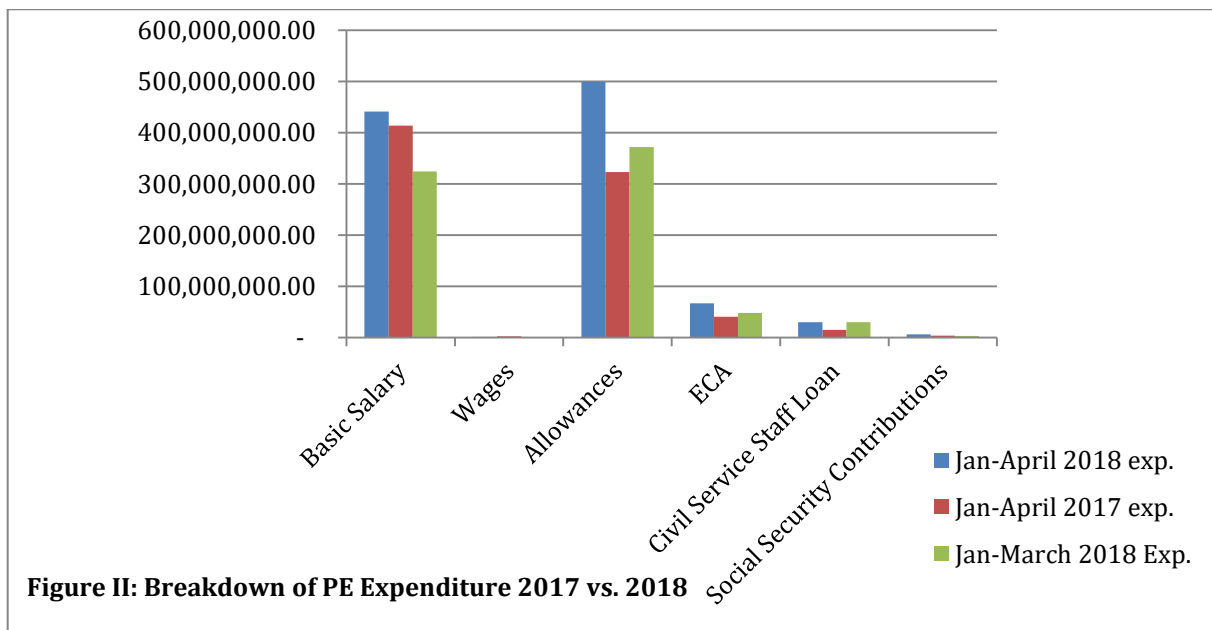


The increment is partially attributed to a rise in Debt Service (83.08%), Goods & Services (80.32%) and Personnel Emolument (PE) (30.92%) expenditures. The increase in debt service expenditure was primarily driven by payment of Interests on T-Bills and Other Government Securities, which rose by 132.89% year-on-year, indicating a high dependence on domestic debt to finance Government's deficit. Meanwhile, with the exception of Wages, which decreased by 35%, all components of PE expenditure registered increments relative to last year. Allowances increased by 54.53% to D499,168,471.85 while Basic Salary expenditure also rose by 6.75% as highlighted in Table 2 below.

Table 2: Decomposition of Personnel Emoluments for Jan - April 2018/7

Personnel Emoluments	January-April 2018 exp.	% of Total PE	January-April 2017 exp.	% of Total PE	January-March 2018 Exp.	Y-o-Y Growth
Basic Salary	441,261,522.92	42.21%	413,374,733.68	51.76%	324,615,887.07	6.75%
Wages	1,593,947.29	0.15%	2,456,582.66	0.31%	942,391.78	-35.12%
Allowances	499,168,471.85	47.75%	323,023,608.80	40.45%	371,743,774.88	54.53%
ECA	66,925,118.59	6.40%	40,542,101.30	5.08%	48,030,579.30	65.08%
Civil Service Staff Loan	30,000,000.00	2.87%	15,000,000.00	1.88%	30,000,000.00	100.00%
Social Security Contributions	6,528,840.60	0.62%	4,183,153.47	0.52%	3,185,852.47	56.07%
Total PE	1,045,477,901.25	100.00%	798,580,179.91	100.00%	778,518,485.50	30.92%

Source: IFMIS



III. TOP TEN SPENDING BUDGET ENTITIES (BEs)

The largest spending Budget Entities (BEs) spent **D3,536,434,182.54** or **87.85%** of total expenditure for the period. Ministry of Basic and Secondary Education (MoBSE), Ministry of Finance and Economic Affairs (MoFEA), Ministry of Health and Social Welfare (MoHSW), Ministry of Interior (MOI) & the Office of The President (OP) were the largest spending BEs over the period, with percentages of 14.50%, 8.03%, 6.25%, 6.09% & 5.06% respectively of total expenditure. For MOBSE, PEs paid to teachers, School Improvement Grant (SIG) and Subvention to schools were the highest expenditure line items. MOHSW expenditure pattern was mainly driven by PEs and Subvention to hospitals, whereas the Subvention to various Agencies (GRA, GPPA, SDF, GBOS, FIU) and Contribution to International Organisations were the determining factors on the MOFEA budget. MOI expenditure was dominated by PEs, whilst Travel related expenses was one of the key drivers on the expenditure incurred by the OP. Meanwhile, expenditure towards the Security Sector (Ministry of Interior and Ministry of Defense (MOD)) collectively reached D434.6 million during the period under review, representing 10.8% of total expenditure, of which 70.5% was towards PE.

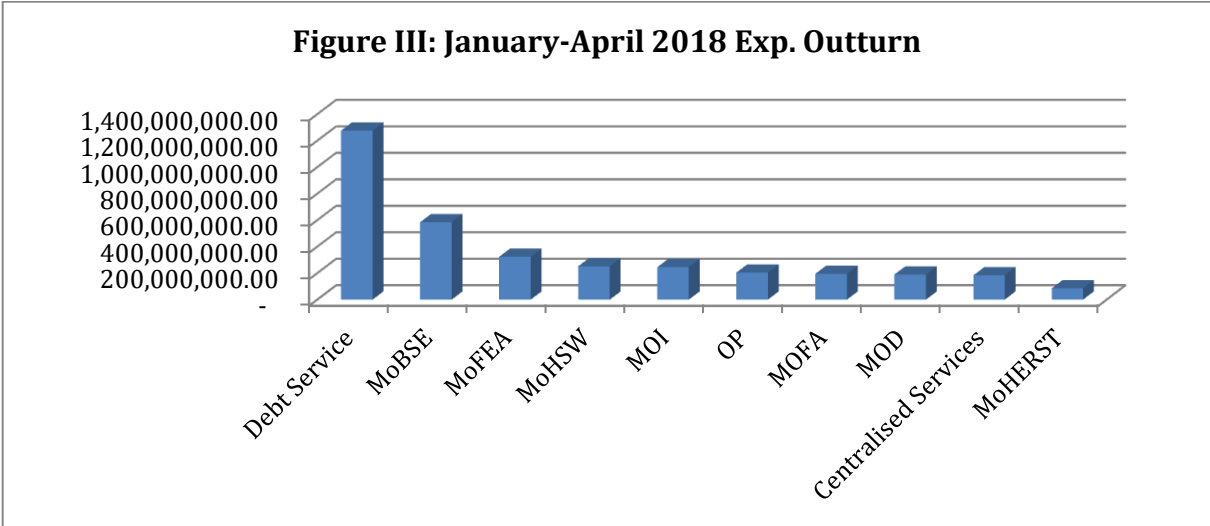
In terms of absorption rates, five Ministries have surpassed the 40% mark, namely, Independent Electoral Commission (IEC) (109.47%), Ministry of Youth and Sports (MOYS) (52.34%), MoFEA (44.27%), Pensions & Gratuities (41.88%) & MoBSE (41.32%) – whilst

the Ministry of Environment, Climate Change and Wildlife (MoECCNAR) consumed just 9.24% of its budget.

Table 3: Expenditure for Top ten spending BEs for Jan - April 2018

Budget Entity	January-April 2018 Exp. Outturn	% of Total Expenditure
Debt Service	1,275,686,482.02	31.69%
MoBSE	583,911,625.38	14.50%
MoFEA	323,336,599.01	8.03%
MoHSW	251,648,813.86	6.25%
MOI	245,081,435.54	6.09%
OP	203,896,033.81	5.06%
MOFA	195,031,434.44	4.84%
MOD	189,529,653.26	4.71%
Centralised Services	183,409,332.02	4.56%
MoHERST	84,902,773.20	2.11%
Sub-Total	3,536,434,182.54	87.85%
Total Expenditure	4,025,605,229.44	100.00%

Source: IFMIS



IV. TOP TEN SPENDING BUDGET LINES

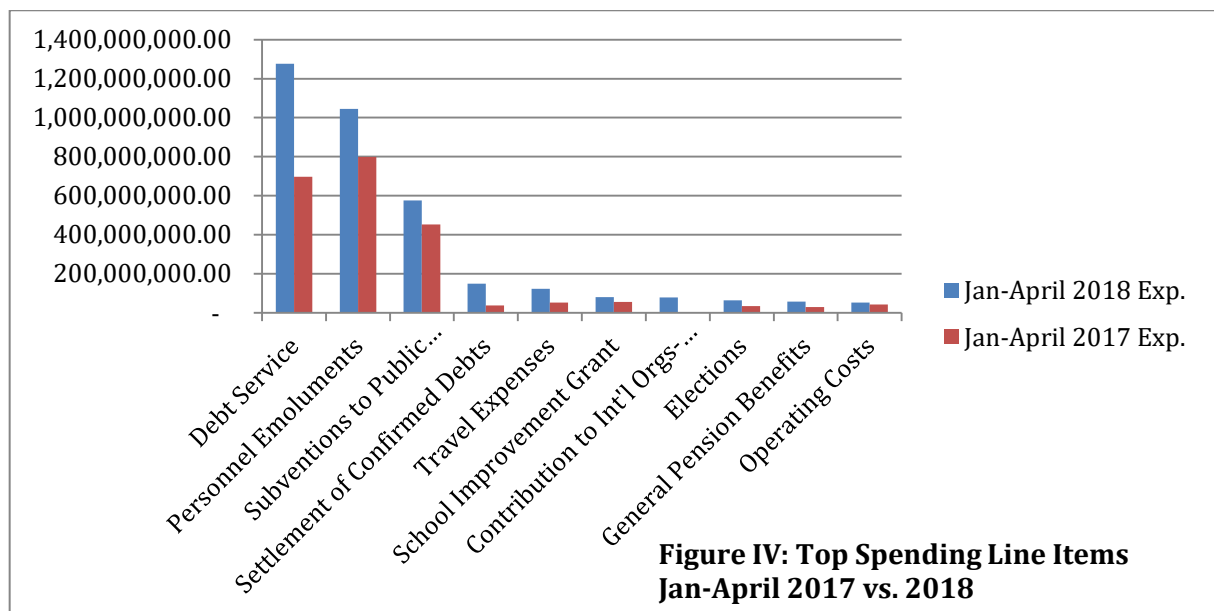
Total expenditure incurred on the top ten spending budget lines amounted to **D3,332,362,873.84** or **82.78%** of total expenditure. As can be observed from Table 4 below, Debt Service and PE remain the key expenditure line items, with shares of 31.69% and 25.97% of total expenditure over the period, collectively representing almost 60% of Government expenditure. PE expenditure is dominated by MoBSE (30.54%), MOFA

(16.65%) and MOI (16.35%). In addition, Subventions to Public Corporations also remain a meaningful expenditure line item, incurring 14.31% of total expenditure, indicating a year-on-year increase of 27.39%.

Table 4: Top ten spending Line items for April 2018

Line Item	Jan-April 2018 Exp.	% of Total Expenditure	Jan-April 2017 Exp.	Y-o-Y Growth (%)
Debt Service	1,275,686,482.02	31.69%	696,796,160.89	83.08%
Personnel Emoluments	1,045,477,901.25	25.97%	798,580,179.91	30.92%
Subventions to Public Corporations	575,927,478.14	14.31%	452,102,887.30	27.39%
Settlement of Confirmed Debts	149,426,132.02	3.71%	37,838,963.79	294.90%
Travel Expenses	122,210,703.29	3.04%	51,813,863.79	135.86%
School Improvement Grant	79,837,600.00	1.98%	55,886,489.00	42.86%
Contribution to Int'l Orgs- Recurrent	79,352,487.28	1.97%	3,255,782.02	2337.28%
Elections	64,479,000.00	1.60%	34,211,835.00	88.47%
General Pension Benefits	57,437,586.03	1.43%	29,768,547.62	92.95%
Operating Costs	52,710,345.31	1.31%	42,684,738.14	23.49%
Sub-Total	3,502,545,715.34	87.01%		
<i>Total for top spending budget lines-April 2017</i>	<i>2,260,701,005.13</i>	<i>84.70%</i>		
Total Expenditure	4,025,605,229.44	100.00%	2,668,991,592.85	50.83%

Source: IFMIS



V. KEY OBSERVATIONS

- a. Total Central Government expenditure for the period was 50.83% more than expenditure over the same period last year. Albeit, it should be noted that last year first quarter expenditure was strictly managed and curtailed as a result of the political impasse, and some fiscal consolidation measures that were being implemented.
- b. The increment on Debt Service expenditure is partially attributed to more efficient capturing of the Domestic Debt service component on the Integrated Financial Management Information System (IFMIS). However, the over dependency on Domestic Debt to finance our deficit may lead to challenges on attaining our 1% of GDP Net Domestic Borrowing (NDB) target agreed with our development partners.
- c. PE has increased by more than 30%, from D798 million (Jan-April 2017) to D1.04 billion (Jan-April 2018), with Basic Salary increasing by 6% even though more than 2,700 ghost workers were recently identified and removed from the Government's payroll.
- d. Over 82.55% of actual PE expenditure to date is saturated within five Ministries, namely MoBSE (30.5%), MOFA (16.7%), MOI (16.3%), MOD (12.9%), and MOHSW (6.2%). Expenditure on Allowances have also markedly increased by 54% relative to the same period last year, and it has now more than doubled (113%) the amount we have spent on Basic Salaries during the same period. The increment in Allowances is as a result of Government partially implementing the Motor Vehicle Policy, whereby Car and Transport Allowances have been substantially increased across the Civil Service. In addition, the Exchange Concession Allowance (ECA) has increased by 65% compared to the corresponding period last year.
- e. On Other Charges (OC), Travel Expenses has increased by more than 135%, from D51 million (Jan-April 2017) to D122 million (Jan-April 2018). The drastic increment, coupled with the fact that sector travel votes were marginally reduced on the approved budget in anticipation of implementing the new travel policy prohibiting Permanent Secretaries from travelling Business Class, will therefore likely lead to

augmentation pressures as most Ministries' travel votes will be exhausted between June - August of this year if the current trend continues.

- f. Purchase of Fuel has marginally increased by 8% compared to last year, from D47 million to D51 million, with MOI (24.8%), MOD (26%) and OP (17.1%) absorbing 68% of this vote. Maintaining the current absorption rate will likely pose budget execution challenges given that this particular budget line was reduced across the board in anticipation of the full implementation of the vehicle policy. At this current rate, most Ministries Fuel vote will likely be exhausted around the beginning of the third quarter.
- g. When compared to the same period last year, Contribution to International Organisations has drastically increased by over 2000%. This increment mainly pertains to the membership arrears (approx. D62 million) the MOFEA recently settled with the IHRD, as well as the settlement of our membership arrears (D12.7 million) after being re-admitted to the Commonwealth Secretariat.
- h. The 76% increment on Capital Development (from D95 million in Jan-April 2017 to D167 million in Jan-April 2018) is attributed to the mobilization fees for the new University of The Gambia project under the Ministry of Higher Education Research Science and Technology (MOHERST), as well as our counterpart contribution towards ongoing Road Construction projects under the Ministry of Works and Infrastructure.

VI. ANNEX

BE	APPROVED BUDGET GLF 2018	Jan-April 2018 Expenditure	% of Budget Absorbed	Jan-April 2017 Exp.	Jan-April 2016
BE01 - Office of The President	541,233,948.00	203,896,033.81	37.67%	191,746,967.01	337,864,325.61
BE02 - National Assembly	116,935,268.00	33,997,278.32	29.07%	24,570,125.75	28,452,147.26
BE03 – Judiciary	98,527,401.00	19,076,907.84	19.36%	15,791,484.29	12,958,854.18
BE04 - Independent Electoral Commission	61,945,935.00	67,814,000.00	109.47%	37,411,835.00	6,200,000.00
BE05 - Public Service Commission	8,100,000.00	2,107,548.69	26.02%	1,222,271.02	2,225,999.65
BE06 - National Audit Office	55,955,954.00	14,014,573.91	25.05%	12,042,095.86	3,751,803.12
BE07 - Ministry of Defence	574,708,794.00	189,529,653.26	32.98%	180,830,562.13	169,048,604.76
BE08 - Ministry of Interior	766,658,022.00	245,081,435.54	31.97%	207,750,818.82	172,557,155.01
BE09 - Ministry of Tourism and Culture	62,030,000.00	11,008,859.43	17.75%	4,940,031.72	9,669,782.58
BE10 - Ministry of Foreign Affairs	872,599,433.00	195,031,434.44	22.35%	128,325,684.83	141,066,516.05
BE11 - Attorney General's Chambers & Ministry of Justice	86,975,000.00	18,779,148.61	21.59%	10,875,404.88	13,885,044.55
BE12 - Ministry of Finance	730,437,227.00	323,336,599.01	44.27%	197,872,575.53	188,402,857.80
BE13 - Pensions and Gratuties	163,000,000.00	68,270,509.39	41.88%	51,880,790.22	35,743,923.82
BE14 - Ombudsman	18,181,630.00	6,867,132.25	37.77%	4,810,424.31	5,474,993.25
BE15 - Centralized Services	1,060,000,000.00	183,409,332.02	17.30%	52,838,963.79	182,695,994.41
BE16 - Ministry of Local Government and Lands	109,925,818.00	15,648,601.20	14.24%	10,194,787.02	15,028,383.83
BE17 - Ministry of Agriculture	526,067,392.00	77,622,617.50	14.76%	54,570,342.39	61,838,875.81
BE18 - Ministry of Works, Construction & Infrastructure	348,306,815.00	49,772,932.65	14.29%	48,788,272.26	120,518,725.99
BE19 - Ministry of Trade, Industry & Employment	105,250,047.00	27,050,348.40	25.70%	24,123,881.42	21,412,112.72
BE20 - Ministry of Basic and Secondary Education	1,413,247,960.00	583,911,625.38	41.32%	426,052,918.25	431,687,908.92
BE21 - Ministry of Health and Social Welfare	955,171,920.00	251,648,813.86	26.35%	218,456,136.61	304,668,639.30
BE22 - Ministry of Youth & Sports	68,290,784.00	35,741,670.83	52.34%	10,248,051.14	15,262,269.32
BE23 - Ministry of Enviroment, Climate Change & Nat. Resouces	229,769,529.00	21,239,500.16	9.24%	17,940,804.30	12,002,187.96
BE24 - Ministry of Comm, Info & Info Tech	30,207,602.00	8,729,579.80	28.90%	4,834,864.97	5,486,758.03
BE25 - Ministry of Fisheries, Water Res. & NA Matters	35,801,328.00	5,473,361.13	15.29%	3,012,875.14	4,591,812.66
BE27 - Ministry of Higher Edu., Research, Sci. & Tech.	239,941,950.00	84,902,773.20	35.38%	28,276,811.53	22,533,713.87
BE29 - Ministry of Petroleum & Energy	29,093,248.00	5,956,476.79	20.47%	2,785,651.77	4,024,602.64
BE50 - National Debt Service	4,221,664,000.00	1,275,686,482.02	30.22%	696,796,160.89	883,310,143.98
Grand Total	13,530,027,005.00	4,025,605,229.44	29.75%	2,668,991,592.85	3,212,364,137.08