



REPUBLIC OF THE GAMBIA

MINISTRY OF FINANCE AND ECONOMIC AFFAIRS (MOFEA)

# **BUDGET OF THE GOVERNMENT OF THE GAMBIA**



**2014 CITIZENS EDITION**

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## List of Abbreviations or Acronyms

ECOWAS	-	Economic Community of West African States
EU	-	European Union
GDP	-	Gross Domestic Product
GLF	-	Government Local Fund
ICT	-	Information, Communication and Technology
MDAs	-	Ministries, Departments and Agencies
MSMEs	-	Micro, Small and Medium Enterprises
MTEF	-	Medium Term Expenditure Framework
PAGE	-	Programme for Accelerated Growth and Employment
PFM	-	Public Finance Management
PRSP	-	Poverty Reduction Strategy Paper
SPA	-	Strategy for Poverty Alleviation
TVET	-	Technical, Vocational Education and Training
UNDP	-	United Nations Development Programme
US	-	United States

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## **Statement by the Honorable Minister**

The Gambia like most countries in Africa and the rest of the world currently only practice the conventional system of public budgeting. However, due to the need to better reflect the citizen's requirements in the national budget, and to enable accountability to them for use of money raised on their behalf, the government of The Gambia through the Ministry of Finance and Economic Affairs (MOFEA) has recently adopted the citizens budget concept. By so doing, the citizens will be able to determine if their needs and interests are adequately catered for in the national budget so that they are better able to relate with and take advantage of the budget.


Through this, it is hoped that the ministry will be able to disseminate the budget to the general public in a format that will be understood by them. This citizens budget version is a representation of the approved conventional budget of 2014 and thus the Citizens Budget Book for 2014. Citizens budgeting is a comprehensive format and robust process of budget consultations, preparation and monitoring of its implementation. However, good as it is, very few countries in the world adopt the full citizens budget process (compliance) as recommended by the IMF. Many countries have adopted citizens budgeting at varying levels of compliance.

The Gambia has just begun the process with the reproduction of the approved conventional budget into a format easily understood by the ordinary citizens. This is the main thrust of the 2014 Citizen Budget Edition. However, come 2015, a more community based consultations budget process shall be deployed and requirements of individuals and communities shall be determined and considered in the generation of the conventional budget, which in turn shall be reproduced into a citizens budget edition. It is hoped that over time and with learning, Government shall be more informed and therefore increase the depth and scope of its budget process, making the conventional budget adequately representative of the individual and community requirements and therefore more compliant with citizens budgeting.

It is hoped that this new process shall ensure more financial accountability of the government to its citizens, which is a hallmark of His Excellency, Sheikh Professor Dr. Alhagie Yahya AJJ Jammeh, President of the Republic of The Gambia.

I wish therefore on behalf of the Ministry of Finance and Economic Affairs to thank the UNDP for supporting the commencement of the Citizens Budget process in The Gambia by paying for the services of the consultants and Emanic Consulting for undertaking the first attempt at this laudable endeavour.

I thank more specifically His Excellency, Sheikh Professor Dr. Alhagie Yahya AJJ Jammeh, President of the Republic of The Gambia for his wisdom and love of Nation and for which reasons he has provided the environment and space for effective financial governance.



**Honorable Kebba Satou Touray**

Minister of Finance and Economic Affairs (MOFEA)

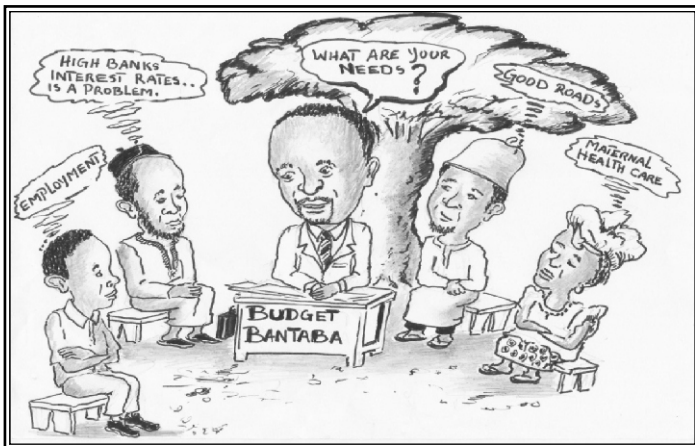
Republic of The Gambia

## Section I: Introduction

### 1.1 What Government wants to achieve from publishing the 2014 Citizens Budget

A budget (in accordance with Chapter IX, Part I, Section 152 I, IA, 3A, 4-6; and Government Management and Accountability Act 2004) explains how government intends to raise money and spend it in meeting its obligations to the citizens. The 2014 budget is a compilation of all the revenues that Government intends to both collect and spend to meet two things:

1. Maintain the running of government (Recurrent Budget) and
2. Continue or initiate development programmes (Development Budget).



This version of the 2014 Budget, namely the Citizen's Budget Edition, is a translation in simple non-economic language of the conventional budget presented to the National Assembly by Government and approved for implementation.

This citizens budget is aimed at civil society so that they will further repackage it in formats most suitable for communication to varying target audiences. It is hoped that all citizens will be able to use this budget and increase their involvement in the economy so that economic activities will be more intense with growth and employment achieved.

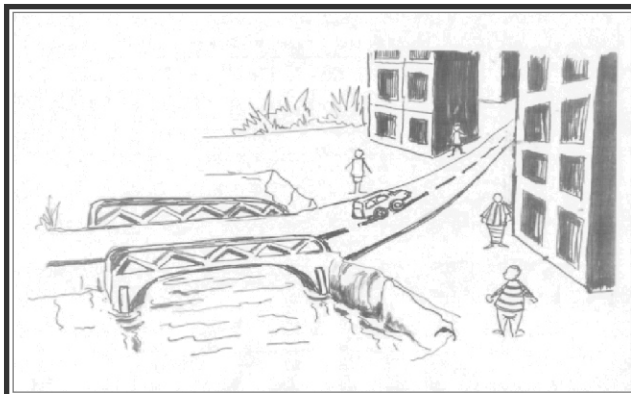


## 1.2 How the 2014 Budget helps to deliver the Development Promises of Government

In December 2013, the Honourable Minister of Finance presented to the National Assembly, the Budget for 2014, which marks the third year of implementation of the PAGE (Programme for Accelerated Growth and Employment). The PAGE is an off shoot of the VISION 2020, which seeks to make The Gambia a middle income country by the year 2020 and therefore a medium term tool for delivering the development promised in Vision 2020. It is anchored on generating economic development that creates employment.

The 2014 budget is the annual tool for delivering the PAGE promises and among other things seeks to achieve:

- I. Continuation of implementation of the development promises of the PAGE, which started in 2012; now in its third year.
- II. An increase in the rate at which the PAGE is achieved.
- III. A reduction in spending and costly borrowing from Gambians to 2.5% of GDP and if possible to 0% of GDP.
- IV. Taking advantage of the achievements of the PAGE so far and ensuring sustainable development; which means continuing to invest in agriculture (to achieve food self sufficiency as envisaged in Vision 2016) and the productive sectors (Science and Technology, Infrastructure and Energy); all aimed at ensuring poverty reduction. This will be done in cooperation with development partners as government continues to seek meeting its obligations to all Gambians.



### 1.3 What the 2014 Budget means to me and How it was Put Together

The 2014 budget means so much to the citizens, including that:

- I. The government is in its third year of implementing the PAGE (delivering development and poverty reduction).
- II. The Government is focusing on reducing the financing gap between spending and the availability of money so that debt will significantly be reduced and more money will now be available for development programmes. It is hoped that this will increase economic activity, output, and employment and therefore reduce poverty.
- III. By reducing the government domestic debt, interest rates will stabilize and this will enable money to be in the hands of the private sector so that they will invest more in their businesses, employ more people, produce more goods and services and raise more money for government to spend on public goods and in the process make sure that there is continuous growth in the years to come.
- IV. The **total revenue** that government expects to generate internally in 2014 is **D8,557,701,000**.
- V. The **total spending (expenditure)** that government intends to undertake is **D10,222,675,000**. This means that there is a revenue gap, which will be funded from foreign borrowing and grants, amounting to **D1,664,947 (16.3% of total planned expenditure)**.

## **Section II: Economic Opportunities and Challenges and how it Impacts What Government Plans to Achieve in 2014**

### **2.1 The 2014 Budget and how it fits the Economic Realities in and outside The Gambia**

The Gambia is a member of the world community and so what happens in other countries affect us. In the same vein, what happens in The Gambia affects the world. Therefore, the 2014 budget is based both on what happens in The Gambia and the rest of the world and how it affects how much money government can raise from within The Gambia and abroad, which in turn affects how much spending Government can undertake.

The 2014 budget was prepared based on the following global and domestic realities:

- I. The world economy since the financial crisis has not been stable. However, it has in 2014 entered another phase of resumed growth in the most developed countries.
- II. World average economic growth is about 2.5%, with the US being the main driver of this growth.
- III. In Sub-Saharan Africa, growth is expected to rise to 5% in 2012 and to 6% in 2013 because of increase in consumption in the region and investment in commodities such as oil.
- IV. The Gambia's economic growth for 2013 was estimated at 5.6%; very competitive to Sub-Saharan Arica (6%); and the rest of the world (2.5%), although dropping from 6.1% for 2012.
- V. This growth in The Gambia was made possible from agriculture(22.2% to GDP): increase in crop production, livestock, forestry and fisheries, industrial (14.8% to GDP) sector: the Construction sub sector, electricity & water mainly due to the expansion in rural electrification services (57.1% to GDP); and tourism, communication, financial services and real estate. The lower growth rate in 2013 is as a result of a decline in international trade.
- VI. The services, agriculture and industry continue to be the pillars of the economy, jointly contributing 94.1% to economic growth.
- VII. In 2013, the overall balance including grants at the end of the first nine months is a deficit of D1.7 billion or 4.9 per cent of GDP compared to a deficit of D733 million or 2.5 per cent of GDP in the corresponding period of 2012. In 2013, the revised deficit was projected at D2.4 billion or 7 per cent of GDP.

- VIII. The value of the dalasi against the main currencies, namely the US Dollar and the Euro affects the level of prices in The Gambia, since most international transactions are conducted in these currencies: imports and exports. In 2013 and from end-September 2012 to end-September 2013, the Dalasi depreciated by 1.79 % against the US Dollar, 6.05 % against the Euro and 5.75 % against the pound Sterling. The depreciation of the Dalasi against the US Dollar during the review period has been gradual and partially influenced by policy measures.

## **2.2 How some of the Envisaged Revenues and Expenditure in 2014 may differ from the Budget**

The 2014 budget is a projection of planned expenditure (on goods and services by government) both to maintain government and continue or initiate development projects/programmes; and how it will raise the money to meet this planned expenditure. In this case, it could be said that what and how the 2014 budget will be achieved partly depends on how its planned revenues are affected by the following issues:

- I. If the general price level is too high, the cost of supplies and services may be far higher than the amounts of money shown in and approved in the 2014 budget. In this case government will need more than the amounts planned.
- II. If the expected sources of revenue did not bring as much money as was planned, some of the services promised in the 2014 budget will not be delivered.
- III. If due to difficulties in the global economy, grants and loans as projected/expected do not come through, this will also affect the delivery of some of the services promised by the 2014 budget.

## **2.3 What Government Plans to Achieve in 2014**

In 2014, government wants to deliver some of the development promises of The Gambia Vision 2020 and the PAGE. The budget is an instrument both for achieving short and long term development on an annual basis and therefore the policy objectives of the 2014 budget includes aspects of the PAGE that can be implemented if there is enough revenue, and as the PAGE is being successfully implemented, so too will be the long-term development objectives of Vision 2020.

## 2.4 The Policy Objectives/Challenges of Government in 2014

### Objectives

In 2014, Government intends to achieve and deliver the following to the citizens of The Gambia:

1. **Average GDP for 2013 - 2015** is expected to be **8.3%**, with inflation at 5.5% in 2013 and fall to 5.0% in 2015. This means the economy will grow by about 8.3%, whilst inflation is kept at a low of 5.5% in 2014, giving more value to the citizens.
2. **Domestic borrowing** (e.g. Treasury bill sales) to be reduced to **2.5 per cent of GDP** by end 2014. This way, revenue will move away from paying high interest rates on borrowing to sectors like agriculture, infrastructure and etc. all of which will lead to more economic growth, employment and the wellbeing of Gambians.
3. **Budget deficit** to be significantly reduced. Projected budget deficit for 2014 is 3.7% of projected GDP<sup>2</sup>. Deficit reduction (gap between revenues and expenditure) gives government a stronger leeway in deciding on where to spend its resources and more self-reliance in funding national development.
4. **Increase the MTEF roll-out** to the Ministry of Health and Social Welfare (MOHSW) and the Ministry of Agriculture (MOA).
5. **Increase government revenue, improve tax administration, and reduce tax evasion** through the full implementation of VAT and other tax reforms such as harmonization of the PAYE tax system and full operationalisation of the tax tribunal.

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<sup>1</sup> Call Circular 2013 - 2015

<sup>2</sup> Call Circular 2013 - 2015 & Approved Budget 2014

## Challenges

In reaching the above policy objectives Government will need to overcome critical challenges/difficulties in the various sectors. To rationalize the priorities of development, government divides and approaches development investment in the following three (3) categories:

### I. Productive Sectors

The productive sectors (**environment, parks and wild life, tourism and culture; agriculture; transport, works and infrastructure; energy; petroleum; information and communication infrastructure; fisheries and water resources and trade**) succumb to the following challenges:

- ✓ Resource constraints in growth in sectors such as Energy and infrastructure.
- ✓ Inadequate beds especially in the four and five star categories and poor product diversification of the tourism sector.
- ✓ Poor international (EU) quality standards and non-full implementation of the ECOWAS trade protocols, which hampers trade effectiveness.
- ✓ Inadequate ICT coverage and quality in the communication sector.
- ✓ Inadequate/poor water drainage and sewage System.
- ✓ Poor feeder road network.

### II. Social Sectors

The following constitute the challenges in the social sectors (basic and higher education, health and social welfare):

- ✓ Relatively low quality at the basic and secondary levels.
- ✓ Inadequate teaching staff.
- ✓ Low coverage and diversification of TVET programmes.
- ✓ Growing rate of child abuse and poverty.
- ✓ Relatively low staff motivation and morale.

### III. Cross Cutting Sectors

These are sectors have an impact on all other sectors since they are enabling sectors and also suffer from various challenges.

## 2.5 Government's Chosen Policy Measures for Achieving the Policy Objectives/Challenges

To achieve the 2014 budget objectives government will need money and with it take certain investment actions in the sectors of priority. **The actions to raise money in 2014 are here referred as the government's revenue measures.**

### A. Revenue Measures

The revenue measures are the actions that Government have initiated to generate the necessary revenue (money) to meet the implementation of policy actions by which the development objectives may be achieved.

In 2014, these measures include:

- I. To raise specific excise on tobacco products from D5 per pack to D9 per pack and environmental tax rate on tobacco products from D0.20 per pack to D2.10 per pack;
- II. To raise the specific excise on other tobacco products from D37.50 per kilogram to D150 per kilogram and environmental tax rates on other tobacco products and from D75 per kilogram to D100 per kilogram;
- III. To increase the presumptive tax base for commercial vehicles and boats;
- IV. To include customs duties and other charges in the base for excise tax calculation;
- V. To reduce the corporate tax rate by 1 per cent to 31 per cent in line with Government commitment to lower the corporate tax rate to regionally competitive level; and
- VI. To introduce air transport tax on the sale of air tickets at the rate of 15 per cent. This replaces the sales tax, which was abolished in 2012.

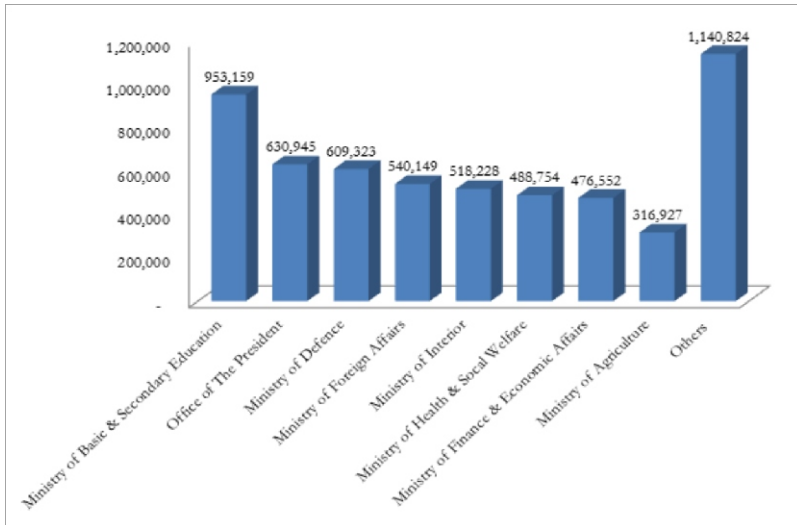
### B. Other Policy Measures

With the required money raised, the following actions shall be taken by Government in the priority sectors. The intension is continue and/or initiate development programmes such

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<sup>3</sup>Youth and sports, interior, defense, justice, finance and economic affairs, pensions and gratuities, ombudsman, local government and lands, office of the president, national assembly judiciary, independent electoral commission, public service commission, national audit office, foreign affairs

**Figure VII: Distribution of the Budget by Ministries - GLF Only in GMD (000s)<sup>12</sup>**



**NB: Others in the above figure include the following ministries/departments:**

1. Ministry of Transport, Works & Infrastructure
2. Ministry of Environment Parks & Wildlife;
3. Ministry of Tourism & Culture;
4. Ministry of Trade and Regional Integration
5. Ministry of Energy;
6. Ministry of Petroleum;
7. Ministry of Information & Communication Infrastructure;
8. Ministry of Fisheries & Water Resources
9. Ministry of Youth & Sports;
10. Ministry of Justice;
11. Pensions & Gratuities;
12. Ombudsman;
13. Ministry of Lands and Regional Government;
14. National Assembly;
15. Judiciary;
16. Public Service Commission;
17. National Audit Office and
18. Miscellaneous

<sup>12</sup> Estimates of Revenue and Expenditure 2014, Page 18 & 19 - Expenditure Budget Overview by Item: Departmental Recurrent & Development Budget -GLF.



## **II. Higher Education, Research, Science & Technology**

- ✓ Strengthen partnership with development partners including scholarships for studies abroad;
- ✓ Expand and diversify TVET programmes;
- ✓ Operationlise the Kanilai Institute of Technology;
- ✓ Construct the University of The Gambia Faraba Campus;
- ✓ Encourage the establishment/operationalisation of the Mahatma Gandhi University of India, EUCLID University, West Africa Science Service Centre on Climate Change and Adapted Land Use (WASCAL), and the African Virtual University

## **III. Health & Social Welfare**

- ✓ Intensify immunization programmes including the introduction of new vaccines for Pneumococcal diseases, Measles (Second Dose) and Rota Vaccine; and
- ✓ Decrease Malaria prevalence and TB treatment success rates through the expansion of the Directly Observed Treatment Short Course Centers.

## **IV. Social Welfare**

- ✓ Increase child protection committees for vulnerable children;
- ✓ Continue the provision of Educational sponsorship packages and psycho-social support for orphans; and family-strengthening program for vulnerable members of society.

## **V. Personnel Management**

- ✓ Increase staff motivation through training/development and loan facilities.

## **Cross Cutting Sectors**

### **I. Youth**

- ✓ Increase youth employment through business activities including farming (youth farms).

### **II. Gender**

- ✓ Intensify sensitization of key stakeholders such as women, traditional and Religious Leaders, the Police, Child Welfare Officers and Gender Focal Points on the Women Act 2012 and Gender and Empowerment Policy 2010-2020.

### **III. Foreign Affairs**

- ✓ The Government will continue to deepen and expand its bilateral and multilateral cooperation, friendship and concord based on mutual respect, national interest and reciprocity. In this regard, the Ministry of Foreign Affairs will undertake a review process to rationalize our foreign missions and their respective areas of jurisdiction in line with the country's interest.

### **IV. Defense**

- ✓ Improve working and living conditions of the armed and security services; and
- ✓ Increase participation in ECOWAS, AU and UN peacekeeping missions.

**Section III: Where Government Plans to Raise and Spend Money in 2014**

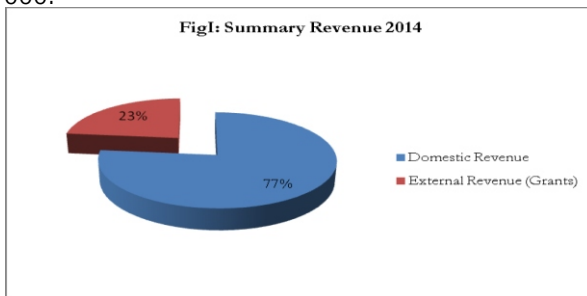


**3.1 Where the Money is Coming From and How**

**3.1.1 Revenue**

Based on the above revenue and other policy measures, Government targets to collect the following revenue:

✓ Total revenue targeted for collection in 2014, including grants is D8, 557, 701, 000.



*Reference: Estimates of Revenue and Expenditure 2014, Page 1 - Budget Overview*

✓ Out of a total revenue of **D8, 557, 701, 000**, **D6, 559, 999, 000 (77%)** is **domestic revenue** and **D1, 997, 702 (23%)** is **grants**.

## 3.2 How Government Plans to Spend.

### 3.2.1 Expenditure

In 2014 government plans to spend **D10, 222,675** (excluding debt services). Total expenditure shows an increase from 2013 of **16.3%**.

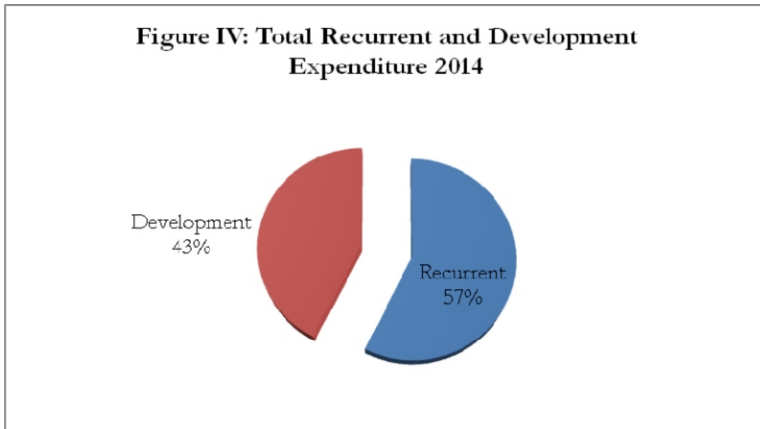
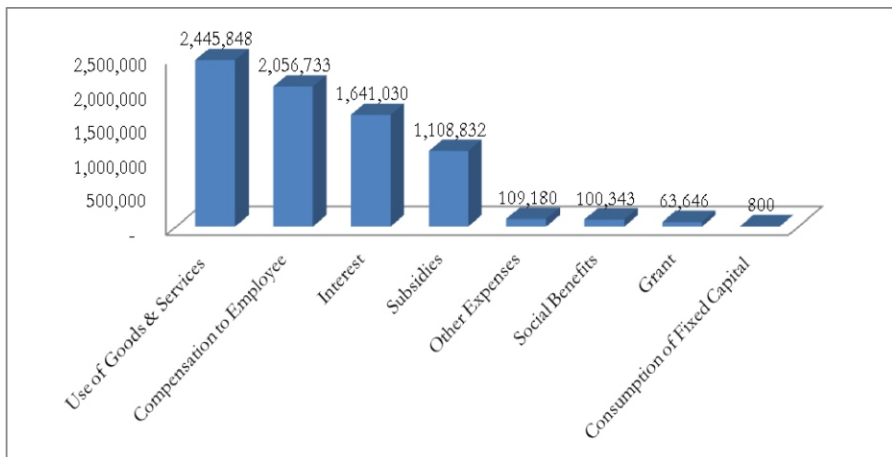
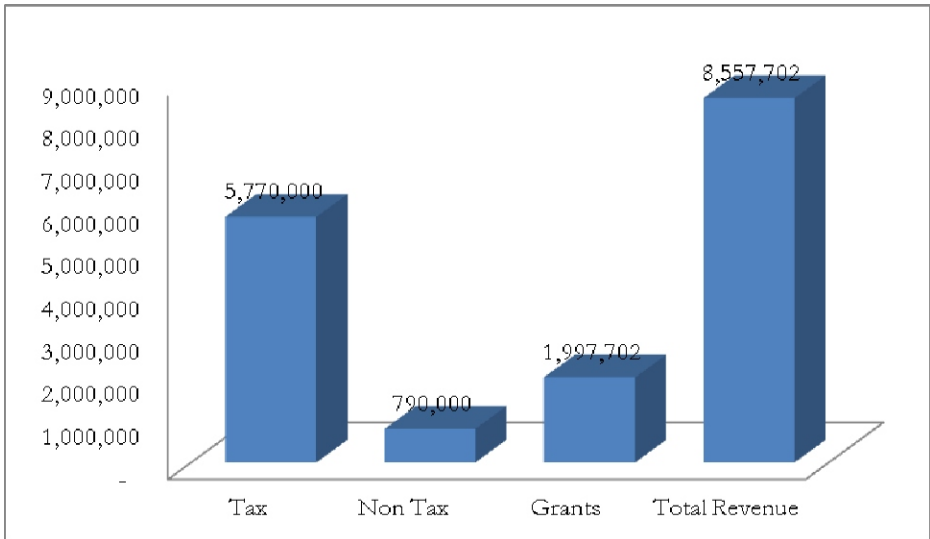


Figure V: Economic Classifications of Recurrent & Development Expenditure in Dalasi ('000s) - Loans, Grants & GLF<sup>8</sup>.



<sup>7</sup> Estimates of Revenue and Expenditure 2014, Page 17 Departmental Overviews: Departmental Recurrent & Development Budget-Loans, Grants & GLF.

Figure II: 2014 Total Revenue by Category in GMD ('000s)



Of the Total Tax Revenue (**D5, 770, 000, 000**) to be collected in 2014:

- ✓ **D2,658,816,000 (46.08%)** will be from Goods and Services representing an increase of 19.69% from 2013,
- ✓ **D1,398,826,000 (24.2%)** from International trade and Transport, an increase of 41.71%,
- ✓ **D1,582,357,000 (27.4%)** from Tax Profits and Capital Gains, an increase of 11.53%,
- ✓ **D55,000,000 (1%)** from Payroll, an increase of 19.57%,
- ✓ **D49,000,000 (0.8%)** from property, an increase of 2.0%, and
- ✓ **D26, 000 (0.5%)** from other taxes, an increase of 0%.

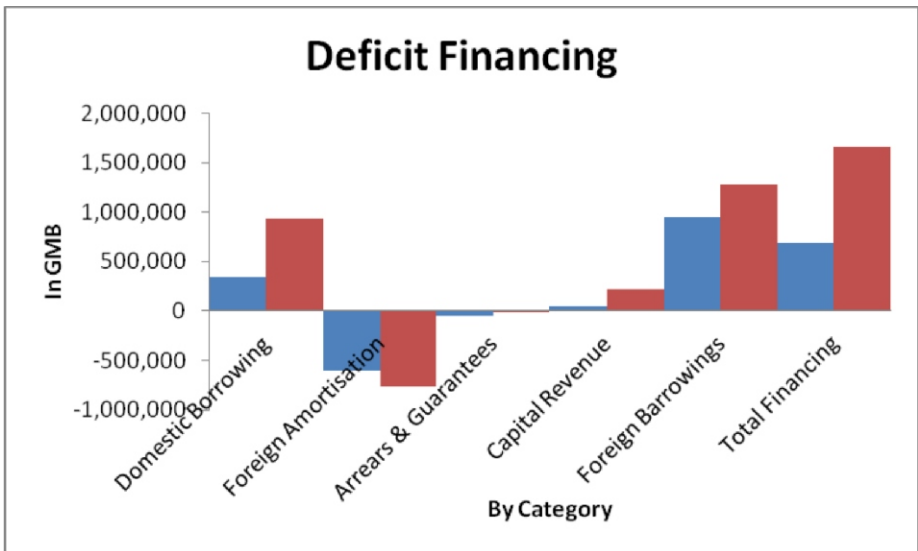
<sup>6</sup>Reference: Estimates of Revenue and Expenditure 2014, Page 1 - Budget Overview.

### 3.1.2 Financing

Table I: Deficit Financing<sup>6</sup>

Category	2013	2014	% of 2014
Domestic Borrowing	340,000	933,475	275
Foreign Amortisation	(603,613)	(763,000)	126
Arrears & Guarantees	(45,000)	(15,000)	33
Capital Revenue	50,000	226,122	452
Foreign Borrowings	95,1350	1,283,377	135
<b>Total Financing</b>	<b>692,737</b>	<b>1,664,974</b>	<b>240</b>

Figure III: Deficit Financing



<sup>6</sup> Estimates of Revenue and Expenditure 2014, Page 1 - Budget Overview.

## 3.2 How Government Plans to Spend.

### 3.2.1 Expenditure

In 2014 government plans to spend **D10, 222,675** (excluding debt services). Total expenditure shows an increase from 2013 of **16.3%**.

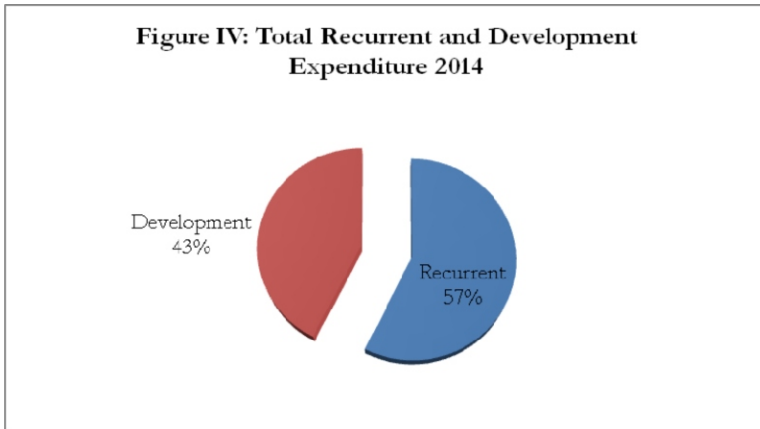
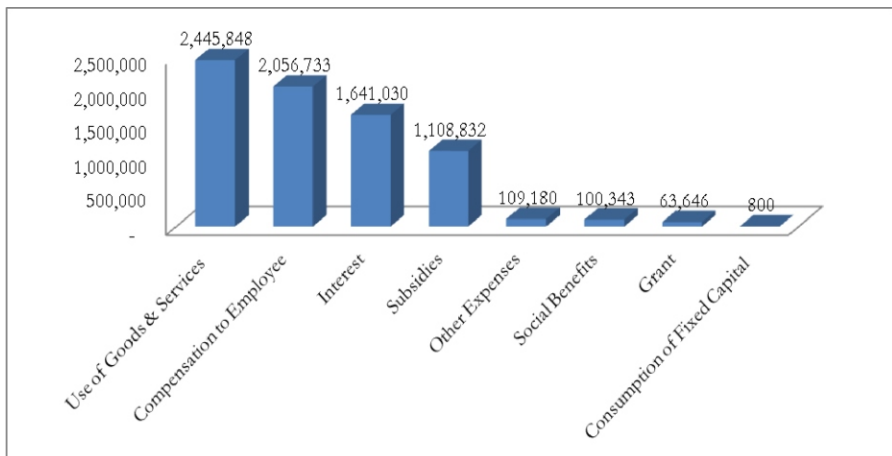
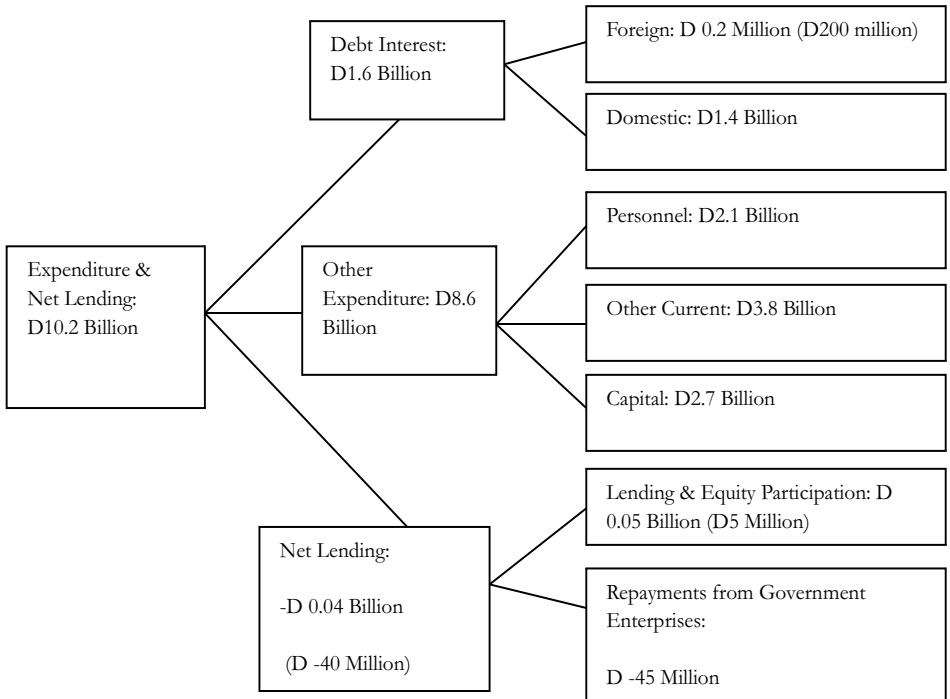


Figure V: Economic Classifications of Recurrent & Development Expenditure in Dalasi ('000s) - Loans, Grants & GLF<sup>8</sup>.



<sup>7</sup> Estimates of Revenue and Expenditure 2014, Page 17 Departmental Overviews: Departmental Recurrent & Development Budget-Loans, Grants & GLF.

**Expenditure and Net Lending<sup>9</sup>**



<sup>8</sup> Estimates of Revenue and Expenditure 2014, Page 10 Expenditure Budget Overview by Item: Departmental Recurrent & Development Budget - Loans, Grants & GLF.

<sup>9</sup> Estimates of Revenue and Expenditure 2014, Page 1 - Budget Overview.



### 3.2.2 How Government will Distribute Recurrent and Development Expenditure between Departments and Ministries

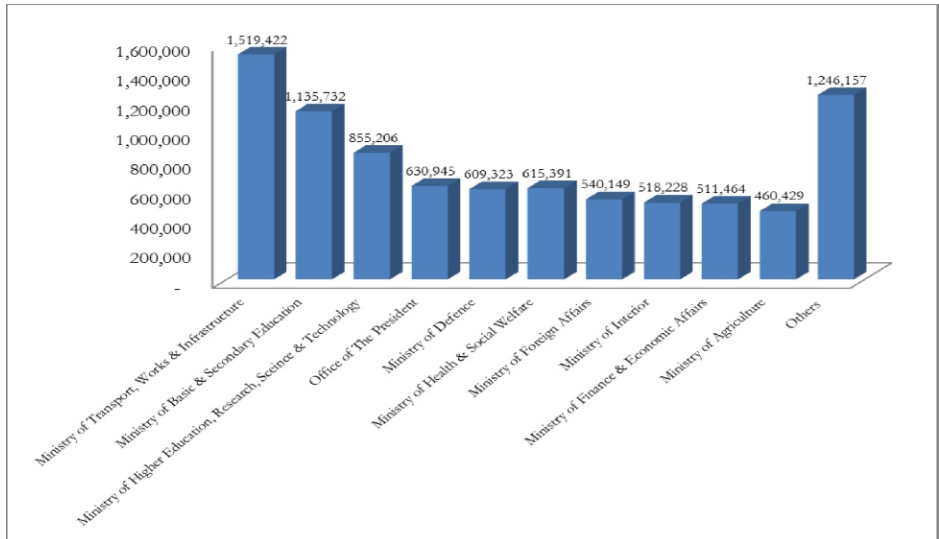
In 2014, government plans to spend the following amounts in the various ministries and departments to both sustain or run government (recurrent expenditure) and fund projects/programmes:

Table III: Planned Recurrent and Development Spending by Ministries and Departments in 2014 <sup>1</sup>					
Department	Year			Percentage of Total (2014)	Difference (2014-2013) in %
	2012	2013	2014		
Office of the President	538,223	345,107	630,945	7.3%	82.83
National Assembly	53,399	56,384	171,327	2.0%	203.86
Judiciary	51,814	50,591	64,897	0.8%	28.28
Independent Electoral Commission	29,174	19,661	9,219	0.1%	(53.11)
Public Service Commission	3,081	3,367	4,994	0.1%	48.32
National Audit Office	8,514	17,636	21,656	0.3%	22.79
Ministry of Defence	435,939	372,305	609,323	7.1%	63.66
Ministry of Interior	388,320	378,307	518,228	6.0%	36.99
Ministry of Tourism & Culture	11,803	16,621	18,502	0.2%	11.32
Ministry of Foreign Affairs	405,352	403,029	540,149	6.2%	34.02
Ministry of Justice	32,619	42,204	46,309	0.5%	9.73
Ministry of Finance and Economic Affairs	458,390	417,566	511,464	5.9%	22.49
Pensions & Gratuities	104,948	95,925	98,343	1.1%	2.52
Ombudsman	8,106	17,087	18,311	0.2%	7.16
Miscellaneous	83,338	111,420	165,343	1.9%	48.40
Ministry of Local Government and Lands	60,386	101,383	94,179	1.1%	(7.11)
Ministry of Agriculture	249,855	413,264	460,429	5.3%	11.41
Ministry of Transport, Works & Infrastructure	87,860	1,658,115	1,519,422	17.6%	(8.36)
Ministry of Trade, Regional Integration and Employment	48,648	237,032	249,249	2.9%	5.15
Ministry of Basic and Secondary Education	307,237	881,974	1,135,732	13.1%	28.77
Ministry of Health and Social Welfare	482,005	630,754	615,391	7.1%	(2.44)
Ministry of Youth and Sports	45,978	28,259	36,259	0.4%	28.31
Ministry of Environment, Parks & Wildlife	16,044	25,959	37,997	0.4%	46.37
Ministry of Information Technology	9,660	15,964	20,499	0.2%	28.41
Ministry of Forestry and Water Resources	42,117	323,115	157,666	1.8%	(51.20)
Ministry of Higher Education, Research, Science and Technology	84,001	588,582	855,206	9.9%	45.30
Ministry of Energy	7,469	16,740	19,759	0.2%	18.03
Ministry of Petroleum	6,821	11,956	11,648	0.1%	(2.58)
<b>TOTAL</b>	<b>4,061,101</b>	<b>7,280,307</b>	<b>8,642,446</b>	<b>100.0%</b>	<b>18.71</b>

<sup>10</sup> Estimates of Revenue and Expenditure 2014, Page 18 & 19 Expenditure Budget Overview by Item: Departmental Recurrent & Development Budget - GLF.

### 3.2.3 Highlights of the Top Spending Ministries

#### IV. Figure VI: Distribution of the Budget by Ministries/ Loans, Grants & GLF in GMD (000s)<sup>1</sup>

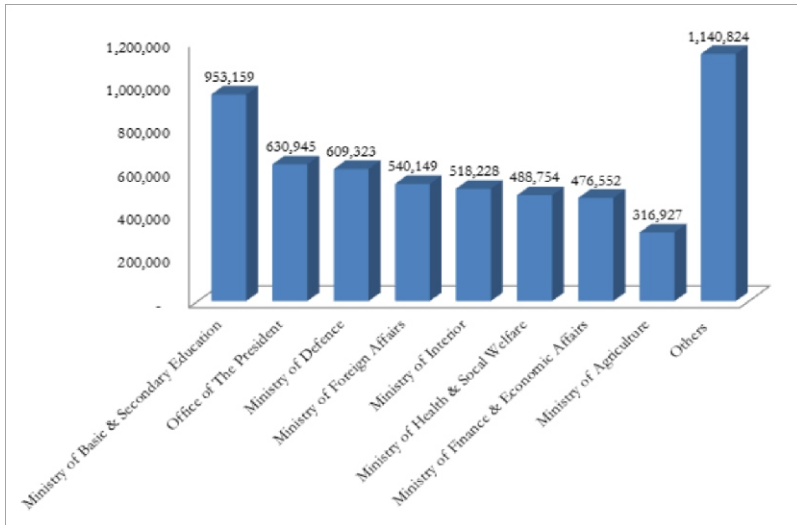


**NB: Others in the above figure include the following ministries/departments:**

1. Ministry of Environment Parks & Wildlife;
2. Ministry of Tourism & Culture;
3. Ministry of Trade and Regional Integration
4. Ministry of Energy;
5. Ministry of Petroleum;
6. Ministry of Information & Communication Infrastructure;
7. Ministry of Fisheries & Water Resources
8. Ministry of Youth & Sports;
9. Ministry of Justice;
10. Pensions & Gratuities;
11. Ombudsman;
12. Ministry of Lands and Regional Government;
13. National Assembly;
14. Judiciary;
15. Public Service Commission;
16. National Audit Office and
17. Miscellaneous

<sup>1</sup> Estimates of Revenue and Expenditure 2014, Page 16 & 17 - Expenditure Budget Overview by Item: Departmental Recurrent & Development Budget - Loans, Grants & GLF.

**Figure VII: Distribution of the Budget by Ministries - GLF Only in GMD (000s)<sup>12</sup>**



**NB: Others in the above figure include the following ministries/departments:**

1. Ministry of Transport, Works & Infrastructure
2. Ministry of Environment Parks & Wildlife;
3. Ministry of Tourism & Culture;
4. Ministry of Trade and Regional Integration
5. Ministry of Energy;
6. Ministry of Petroleum;
7. Ministry of Information & Communication Infrastructure;
8. Ministry of Fisheries & Water Resources
9. Ministry of Youth & Sports;
10. Ministry of Justice;
11. Pensions & Gratuities;
12. Ombudsman;
13. Ministry of Lands and Regional Government;
14. National Assembly;
15. Judiciary;
16. Public Service Commission;
17. National Audit Office and
18. Miscellaneous

<sup>12</sup> Estimates of Revenue and Expenditure 2014, Page 18 & 19 - Expenditure Budget Overview by Item: Departmental Recurrent & Development Budget -GLF.

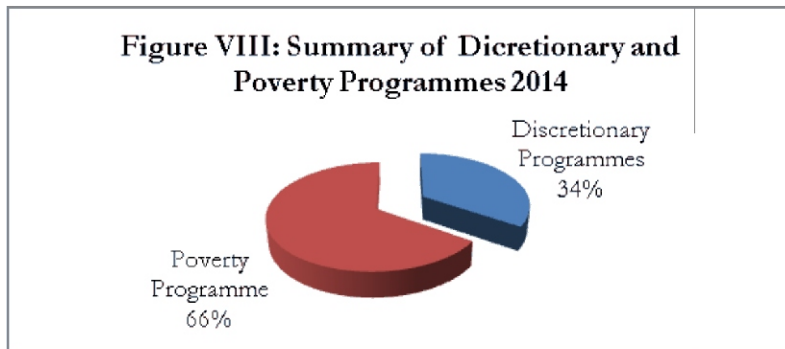
### 3.2.4 Share of Poverty Expenditure During the PAGE Period

The detailed distribution of Poverty Expenditure Initiatives is shown in Table II below.

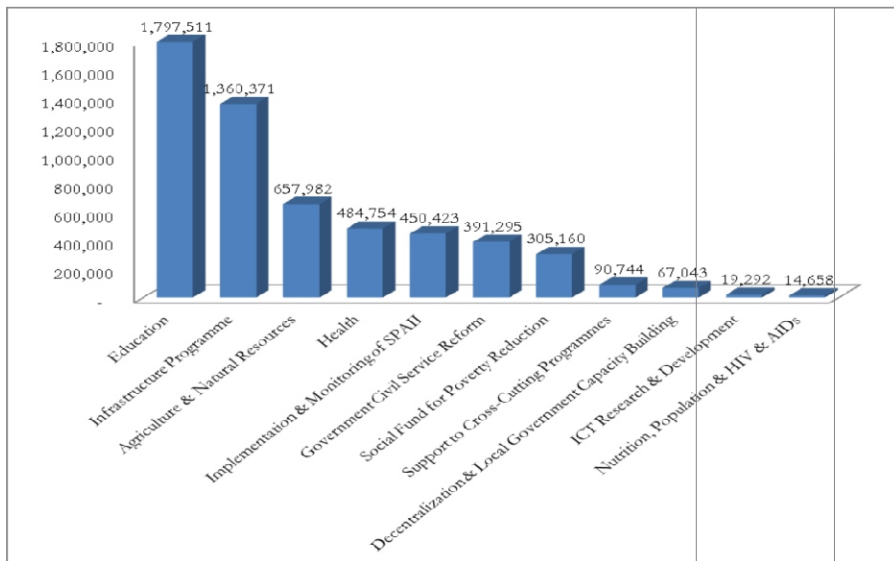
Department	Year			Percentage of Total (2014)	Difference (2014-2013) in %
	2012 (Actual)	2013 (Approved)	2014 (Estimates)		
<b>Discretionary Programmes</b>	<b>2,271,196</b>	<b>2,072,430</b>	<b>2,962,041</b>	<b>34.4%</b>	42.93
<b>Poverty Programme</b>	<b>1,788,666</b>	<b>5,207,875</b>	<b>5,639,232</b>	<b>65.6%</b>	8.28
<b>Agriculture &amp; Natural Resources</b>	<b>315,249</b>	<b>775,472</b>	<b>657,982</b>	<b>11.7%</b>	(15.15)
Extension Services	388	7,377	-	0.0%	(100.00)
Natural Resource Management	67,864	84,926	104,462	15.9%	23.00
Regulatory & Control Services	111,508	335,838	383,387	58.3%	14.16
Research	122,124	1,458	-	0.0%	(100.00)
Water Management	13,365	345,873	17,034	2.6%	(95.08)
<b>Decentralisation &amp; Local Government Capacity Building</b>	<b>42,737</b>	<b>84,611</b>	<b>67,043</b>	<b>1.2%</b>	<b>(20.76)</b>
Decentralisation & Local Government Reform	42,737	84,611	67,043	100.0%	(20.76)
<b>Education</b>	<b>321,944</b>	<b>1,316,100</b>	<b>1,797,511</b>	<b>31.9%</b>	36.58
Improving Access to Basic Education	295,213	788,788	964,929	53.7%	22.33
Improving Quality of Teaching & Learning	10,099	9,599	13,190	0.7%	37.41
Increasing Access to Non-formal Education	3,220	159,713	11,733	0.7%	(92.65)
Increasing Duration of Instruction Time	-	5,000	59,100	3.3%	1,082.00
Upgrading Teaching & Learning Materials	13,412	353,000	748,559	41.6%	112.06
<b>Government Civil Service Reform</b>	<b>222,127</b>	<b>240,408</b>	<b>391,295</b>	<b>21.8%</b>	62.76
Government Civil Service Reform	222,127	240,408	391,295	100.0%	62.76
<b>Health</b>	<b>478,166</b>	<b>444,252</b>	<b>484,754</b>	<b>8.6%</b>	9.12
Access & Quality of Basic Health	367,031	331,487	377,261	77.8%	13.81
Planning & Evaluation of Health Sector	105,152	102,247	102,755	21.2%	0.50
Social Welfare Programme	5,984	10,518	4,739	1.0%	(54.94)
<b>ICT Research &amp; Development</b>	<b>9,660</b>	<b>14,257</b>	<b>19,292</b>	<b>0.3%</b>	35.32
ICT Research & Development	9,660	14,257	19,292	100.0%	35.32
<b>Implementation &amp; Monitoring of SPAII</b>	<b>290,989</b>	<b>358,016</b>	<b>450,423</b>	<b>8.0%</b>	25.81
Public Sector Management					
Institutions	50,198	56,955	6,400	1.4%	(88.76)
Poverty Monitoring System	240,791	301,061	444,023	98.6%	47.49
<b>Infrastructure Programme</b>	<b>9,797</b>	<b>1,530,487</b>	<b>1,360,371</b>	<b>24.1%</b>	(11.12)
Rural Roads	9,797	1,530,487	1,360,371	100.0%	(11.12)
<b>Nutrition, Population &amp; HIV &amp; AIDs</b>	<b>5,609</b>	<b>17,658</b>	<b>14,658</b>	<b>0.3%</b>	(16.99)
Programme Delivery at Micro Level	5,609	17,658	14,658	100.0%	(16.99)
<b>Social Fund for Poverty Reduction</b>	<b>20,684</b>	<b>352,666</b>	<b>305,160</b>	<b>5.4%</b>	(13.47)
Community Development Programme	10,255	10,760	18,843	6.2%	75.12
Microfinance Programme	6,117	7,850	8,381	2.7%	6.76
Small Enterprise Development Programme	4,312	344,055	277,935	91.1%	(19.22)
<b>Support to Cross-Cutting Programmes</b>	<b>71,705</b>	<b>73,947</b>	<b>90,744</b>	<b>29.7%</b>	22.71
Gender	71,705	73,947	90,744	29.7%	22.71
<b>Total</b>	<b>4,059,862</b>	<b>7,280,305</b>	<b>8,601,273</b>	<b>100.0%</b>	18.14

<sup>13</sup> Estimates of Revenue and Expenditure 2014, Page 18 & 19 - Overview of PRSP/PAGE Initiatives-Loans, Grants and GLF.

**Summary of Discretionary and Poverty Programmes<sup>14</sup>**



**Figure IX: Poverty Programme by Category Loans, Grants & GLF in Dalasi ('000s), 2014**

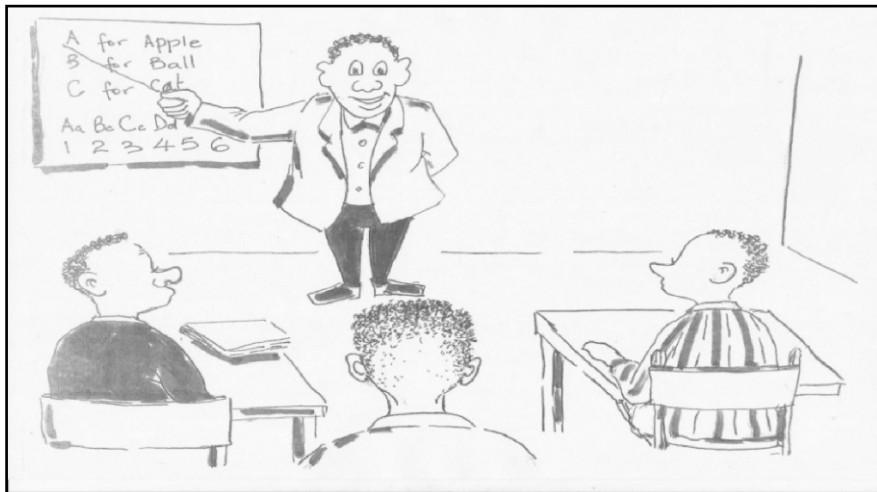


<sup>14</sup> Estimates of Revenue and Expenditure 2014, Page 18 & 19 - Overview of PRSP/PAGE Initiatives-Loans, Grants and GLF.

### 3.2.5 Spending in Critical Sectors

In 2014 the following will be spent in the key critical sectors:

#### Basic and Secondary Education<sup>15</sup>

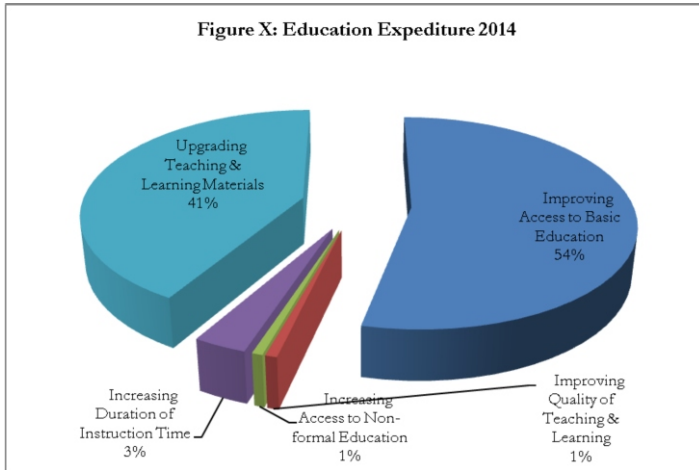


In Education government plans to spend **D1, 797,511,000(31% of total expenditure)**, an **increase of 36.58% from 2013**. The following activities will be funded:

- ✓ **54% (D964, 929,000)** will be spent on Improving Access to Basic Education; an increase of 22.33 % from 2013.
- ✓ **1% (D13, 190,000)** will be spent on Improving Quality of Teaching & Learning, an increase of 37.4% from 2013.
- ✓ **1% (D11, 733,000)** will be spent on Increasing Access to Non-formal Education; a decline of -92.65% from 2013.
- ✓ **3% (D59, 100,000)** will be spent on Increasing Duration of Instruction Time; an increase of 1,082.00% from 2013.
- ✓ **41% (D748, 559,000)** will be spent on Upgrading Teaching & Learning Materials of 112.06% from 2013.

<sup>15</sup> Estimates of Revenue and Expenditure 2014, Page 18 & 19 - Overview of PRSP/PAGE Initiatives-Loans, Grants and GLF.

Figure X: Education Expenditure 2014

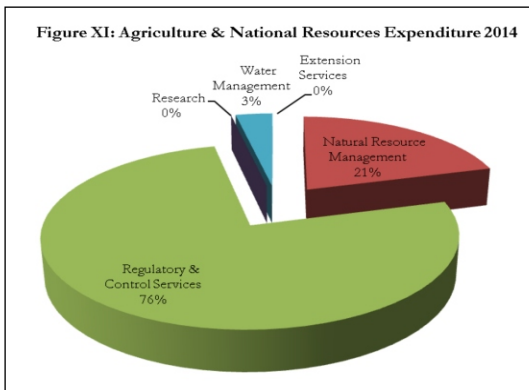


### Agriculture and Natural Resources

In Agriculture and Natural Resources government plans to spend **D657, 982,000(11.7% of total expenditure)**, an increase of -15.15% from 2013. The following activities will be funded:

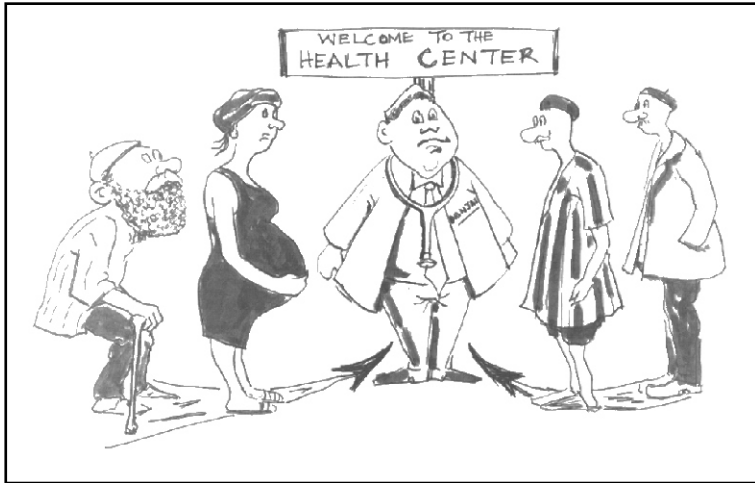
- 20.7% (D104, 462,000) will be spent on Natural Resource Management - an increase of 23.0% from 2013.
- ✓ 75.9% (D383, 387,000) will be spent on Regulatory & Control Services - an increase of 14.16% from 2013.
- ✓ 3.4% (D17, 034,000) will be spent on Water Management - an increase of - 95.08% from 2013.

Figure XI: Agriculture & National Resources Expenditure 2014



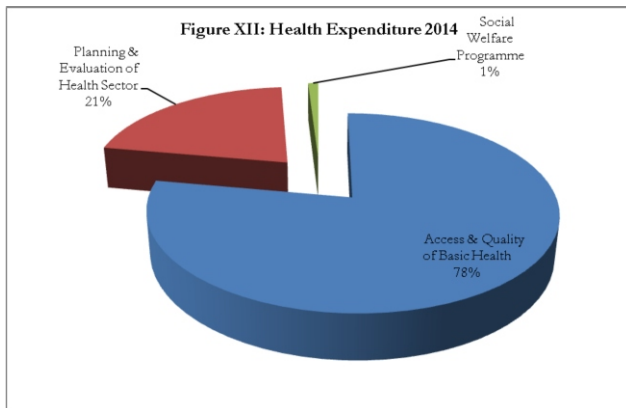
<sup>18</sup> Estimates of Revenue and Expenditure 2014, Page 18 & 19 - Overview of PRSP/PAGE Initiatives-Loans, Grants and GLF.

**Health** <sup>17</sup>



In health government plans to **spend D484, 755,000** - an increase of 9% from 2013. This amount is going to be spent on the following activities:

- ✓ **78% (D377, 261,000)** - Access & Quality of Basic Health - an increase of 14% from 2013.
- ✓ **21 % (D102, 755,000)** - Planning & Evaluation of Health Sector - an increase of 0.497% from 2013.
- ✓ **1% (D4, 739,000)** - Social Welfare Programme an increase of -55% from 2013.



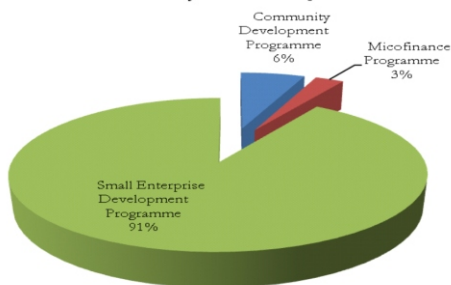


## Social Fund for Poverty Reduction

In the social fund for poverty reduction, government plans to spend **D305, 159,000**; an increase of 16% from 2013. This amount is going to be spent on the following activities:

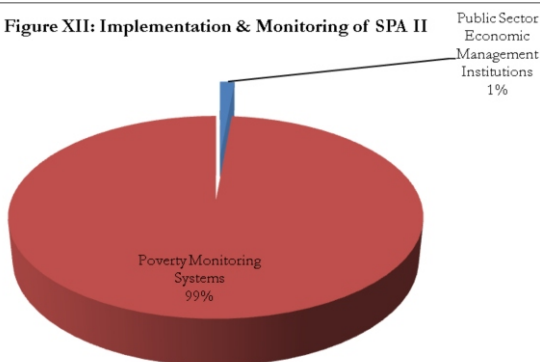
- ✓ **6 % (D18, 843,000)** - Community Development Programme - an increase of 75% from 2013.
- ✓ **3% (D8, 381,000)** - Microfinance Programme - an increase of 7% from 2013.
- ✓ **91% (D277, 935,000)** - Small Enterprise Development Programme an increase of 19% from 2013.

**Figure XIII: Social Fund for Poverty Reduction Expenditure 2014**



## Implementation and Monitoring of SPA II

**Figure XII: Implementation & Monitoring of SPA II**



<sup>18</sup> Estimates of Revenue and Expenditure 2014, Page 18 & 19 - Overview of PRSP/PAGE Initiatives-Loans, Grants and GLF.

## **Section IV: New Initiatives and Contributions to Policy Objectives**

### **4.1 The Main Budget Initiatives in 2014**

The main budget initiatives in 2014 include the revenue measures shown in 3.1.2A and the following actions:

- I. To intensify the ongoing gradual implementation of the Medium Term Expenditure Framework (MTEF) through the various Ministries, Departments and Agencies (MDAs) helps to ensure that planning and budgeting are done over a medium term period in a more transparent and participatory process.
- II. To ensure that the 2014 budget will focus on fiscal prudence aimed at minimising the growing deficit being financed by costly domestic borrowing, which will include containing the Net Domestic Borrowing (NDB) to 2.5 per cent of GDP by end 2014 and to near zero per cent by end 2016. The objective of this policy is to contain inflation, stabilize the Dalasi and to increase domestic savings for program financing.
- III. To intensify sustainable agricultural development as a priority for Government, especially in the new Vision 2016 that is anchored on being food self sufficient by the year 2016. The Government under the stewardship of His Excellency The President of The republic, Sheikh Professor Dr. Alhagie Yahya AJJ Jammeh and the cooperation of its development partners will continue to invest in the agricultural sector, whilst other productive sectors such as Science and Technology, Infrastructure and Energy will remain priorities for Government as key platforms to support poverty eradication.

### **4.2 Contributions of 2014 Budget to Meeting the Government's Policy Objectives**

Over time and in spite of domestic and international economic challenges, the Gambian economy continues to manifest resilience and stability. These characteristics, which provide the basis for the 2014 budget as an effective tool for development and poverty

reduction has and are expected to continue to meet the following contributions to the achievement of government policy objectives:

- I. Despite global and domestic challenges including the international financial crises and the recent draught, The Gambia still remains resilient. Growth is back to its pre-draught level of about 6 per cent of GDP driven mainly by Agriculture and Tourism as the anchor. These sectors continue to attract greater public investment given the expectations of their continued effectiveness in economic growth and poverty reduction endeavours.
- II. Although the implementation of the PAGE is progressing steadily with challenges, its full and successful implementation remains a commitment for Government and the 2014 budget aims as much as possible to contribute to this endeavour in this third year of the programme's implementation.
- III. In the area of PFM, it is important to note that significant progress has been made in terms of reforms and Government will continue on PFM reforms to ensure judicious and optimal mobilization and deployment of public resources. Related to that, Government will continue on procurement reform with the objective of ensuring transparency and effectiveness of the procurement process.
- IV. Inclusive growth, fight against inflation, a stable local currency and employment opportunities remains the medium term goal for Government, and this budget is anchored on these parameters.

## **Section V: Improved Delivery of Services**

### **5.1 What Government is doing to Improve Service Delivery in 2014**

Government in 2014 is involved in the following reforms to further improve the delivery of services:

- I. Gradual roll out of MTEF to MOHSW and MOA and the institutionalization of programme based budgeting in all MDAs.
- II. Improvements in the banking supervision and settlements through improving on and proliferation of automated clearing and payments as well as credit risk assessment.
- III. Improvements in roads and other infrastructural investments as catalyst for enabling overall economic growth.
- IV. Continuous and more in-depth investments and improvements in education and health services delivery at all levels.

## Section VI: Appendices

### 6.1 Photo Gallery of Development Projects



Soma Mandinaba Road



Cross section of Roads - a major leap in opening up the country



ECOWAS EMERGENCY POWER SUPPLY PROGRAMME



ECOWAS EMERGENCY POWER SUPPLY PROGRAMME



Views of Banjul New National Assembly



Views of Banjul New National Assembly



Rice Fields - Vision 2016



Animal Husbandry - Vision 2016



The Banjul International Airport



Construction of New Staff Housing at Farafenni Hospital in North Bank Region

## 6.2 References

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Validation Exercise of 2014 Citizens Budget and Manual		
Date: July 31, & August 1, 2014 Venue: Senegambia Beach Hotel		
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2.	Ansumana Touray	MOFEA
3.	Lamin D Manneh	MOFEA
4.	Amie Kolleh Jeng	MOFEA
5.	Mohammed .E. Jammeh	U.T.G
6.	Essa Drammeh	MOTWI
7.	Ansumana L.M Sambou	MANSAKONKO AREA CONCIL
8.	Pa Sait Ceesay	Bansang Area Council
9.	Seedy K. Touray	Kerewan Area Council
10.	Madi Jobarteh	TANGO
11.	Alhagie Jeng	Banjul Area Council
12.	Morro Keita	Janjanburry Area Council
13.	Alh Lamin Sanneh	MOLRG
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18.	Momodou Njie	PROPAG
19.	Mariama Baldeh	MOFEA
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21.	Maya Azziz	MOFEA
22.	Lamin Dampha	MOFEA
23.	Abdoulie Nyang	B.C.C
24.	Jerreh Faye	National Assembly
25.	Muhammed Jallow	MOBSE
1.	Daniel Cardos	National Assembly
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