



Budget Performance Report

February, 2024

Prepared by the Monitoring and Reporting Unit

Directorate of Budget

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¹ The data and analysis set out in this document are compiled by Ministry of Finance and Economic Affairs staff. Every effort is made to ensure accuracy and completeness. When errors are discovered, corrections and revisions are incorporated into the digital edition available on the Ministry’s website.

Rounding may affect totals throughout this document.

SUMMARY

ABOUT THIS REPORT

The Ministry of Finance and Economic Affairs (MOFEA) is strengthening fiscal consolidation through increased transparency and public accountability. The Directorate of Budget has adopted regular reporting processes to monitor and report on Government fiscal performance with respect to the National Budget. The report aims to provide complete information on Government Local Fund (GLF) budget performance and explain the reasons for deviation from fiscal targets, thereby supporting policy responses for the improvement of fiscal performance.

The budget performance report is prepared for the Central Government sector, using GLF transactions denominated in Gambian Dalasi (GMD) for revenues, expenditures, net lending and financing. The monthly review focuses on monitoring year-on-year (y-o-y) variations in cash flows and rates of budget execution.

A strong commitment to fiscal discipline across Ministries, Departments and Agencies (MDAs) is crucial for expenditure rationalization. These measures will serve to enhance budget credibility in the medium to long term.

EXECUTIVE SUMMARY

Government fiscal performance during the first two months of the year compared to the same period last year demonstrates an upsurge in both expenditures and revenues.

Total domestic revenue registered 15 per cent of its budget, increasing by GMD 786.0 million (31 per cent y-o-y) to GMD 3.31 billion. Tax revenues increased greatly by GMD 717.2 million (35 per cent y-o-y) to GMD 2.77 billion, which is 16 per cent of its budget. Non-tax revenues increased slightly by GMD 68.8 million (15 per cent y-o-y) to GMD 537.5 million, which is 10 per cent of its budget. Tax revenue performance continues to be driven by taxes on profits and capital gains, taxes on goods and services, and taxes on international trade. Non-tax revenue performance

continues to be driven by administrative fees collected by both Domestic Tax and Customs and Excise departments. The Ministry continues to enhance its consultation and coordination with the Gambia Revenue Authority (GRA) to broaden the tax base, as well as enhanced accounting and increased reliability of the ASYCUDA World digital system.

Total expenditure and net lending for the period Jan-Feb registered 18 per cent of its budget, increasing by GMD 1.64 billion (55 per cent y-o-y) to GMD 4.65 billion. This is due largely to significant increases in debt interest payments (primarily stemming from domestic interest payments) and other expenditures (use of goods and services). GLF Capital increased by GMD 444.4 million (108 per cent y-o-y) to GMD 857.7 million, which is 25 per cent of its total budget. The increase in GLF Capital is due primarily to settlement of Interim Payment Certificates (IPCs) for on-going road construction projects.

Consequently, the Central Government's fiscal performance for the period of Jan-Feb indicates a gross deficit of GMD 1.34 billion (see Table 1). This is GMD 856.6 million more than the gross deficit for the same period of the previous year. The increase in gross deficit is due to expenditures growing at a greater rate than revenues y-o-y. Correspondingly, with no budget support the gross deficit is substantially off track, reaching 226 per cent of its estimate during the period under review.

In financing the deficit a net surplus of GMD 1.68 billion was recorded. As per the net domestic borrowing (NDB) monitoring agreement with the International Monetary Fund (IMF) the Government registered an NDB of GMD 1.23 billion². This is GMD 69.1 million below the Extended Credit Facility (ECF) Program end-year target of GMD 1.30 billion. This indicates rapid action is needed to avoid overshooting the ECF target.

² As per the Central Bank of The Gambia calculations, which includes Government overdrafts.

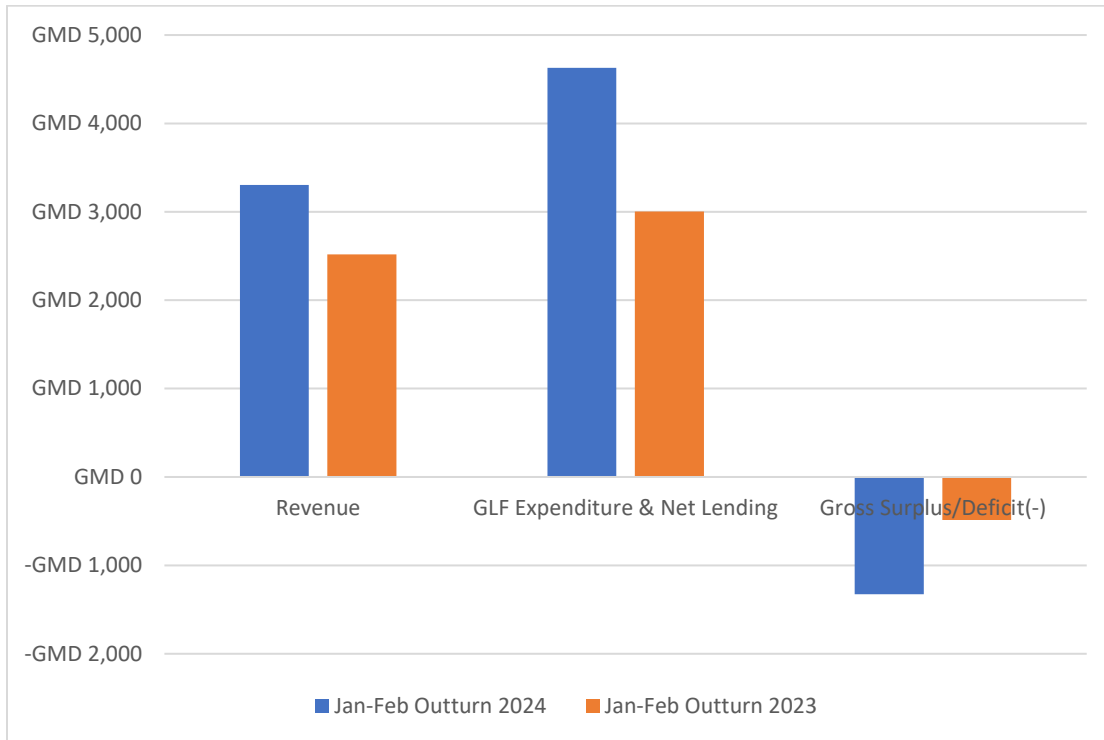
Table 1: Consolidated Fiscal Summary – Jan-Feb 2024, 2023

Budget Overview

Summary of GLF in Dalasi '000,000				Variance Analysis		Execution Rate (Outturn / Budget)
Consolidated Fiscal	Approved Budget 2024	Jan-Feb Outturn 2024	Jan-Feb Outturn 2023	Variance Y-O-Y	Variance Y-O-Y (%)	
Consolidated Revenue Fund (CRF)	25,931.5	3,305.5	2,519.5	786.0	31%	13%
Revenue	22,751.5	3,305.5	2,519.5	786.0	31%	15%
Tax	17,242.3	2,768.0	2,050.9	717.2	35%	16%
Non-Tax	5,509.2	537.5	468.6	68.8	15%	10%
Programme Grants (Budget Support)	3,180.0	-	-	-	-	0%
Current	3,180.0	-	-	-	-	0%
GLF Expenditure & Net Lending	26,526.2	4,647.4	3,004.8	1,642.6	55%	18%
Debt Interest	5,114.4	557.9	191.3	366.6	192%	11%
External	813.0	141.9	99.5	42.4	43%	17%
Domestic	4,301.4	416.1	91.8	324.3	353%	10%
Other Expenditure	21,139.3	4,077.7	2,813.5	1,264.2	45%	19%
Personnel	7,391.2	1,216.8	1,080.2	136.6	13%	16%
Use of Goods and Serices	4,845.8	797.5	263.9	533.6	202%	16%
Subsidies and Transfers	5,533.0	1,205.7	1,056.2	149.5	14%	22%
GLF Capital	3,369.3	857.7	413.2	444.4	108%	25%
Net Lending	272.5	11.8	-	11.8	-	4%
Other equity participation	272.5	11.8	-	11.8	-	4%
Gross Surplus/Deficit(-)	(594.7)	(1,341.9)	(485.3)	(856.6)	176%	226%
Financing	594.7	3,023.8	3,419.2	(395.5)	-12%	508%
Domestic Borrowing	3,271.0	3,391.3	3,780.4	(389.1)	-10%	104%
Foreign Amortisation	(2,376.3)	(218.0)	(169.0)	(49.0)	29%	9%
Arrears & Guarantees	(300.0)	(54.7)	(192.1)	137.4	-72%	18%
Domestic Amortisation	-	(94.7)	-	(94.7)	-	-
Net Surplus/Deficit(-)	0.0	1,681.9	2,933.9	(1,252.0)	-43%	

Source: MOFEA staff calculations.

Chart 1: Fiscal Summary for Jan-Feb (2024, 2023)



Source: MOFEA staff calculations.

REVENUES

1. CONSOLIDATED REVENUE PERFORMANCE

The Government remains committed to intensifying interventions to improve revenue administration and management. In the period of Jan-Feb this has translated into the deployment of an excise tax stamp/petroleum marketing solution for excisable goods, telecoms and energy products. Furthermore, the deployment of ASYCUDA World to all official border posts has streamlined revenue collections by improving data management through digitalization. Total domestic revenue receipts for Jan-Feb 2024 amount to **GMD 3.31 billion** as compared to **GMD 2.52 billion** during 2023. With no budget support disbursement, this represents a GMD 786.0 million increase (31 per cent y-o-y) in total receipts deposited into the Consolidated Revenue Fund (CRF).

Table 2: Revenue Performance Analysis – Jan-Feb 2024, 2023

Revenue Overview

Summary of GLF in Dalasi '000,000						
Consolidated Revenue	Approved Budget 2024	Jan-Feb Outturn 2024	Jan-Feb Outturn 2023	Variance Analysis		Execution Rate (Outturn / Budget) (%)
				Variance Y-O-Y	Variance (%)	
Consolidated Revenue Fund	25,932.3	3,305.5	2,519.5	786.0	31%	13%
Domestic Revenue	22,752.3	3,305.5	2,519.5	786.0	31%	15%
Tax Revenue	17,243.1	2,768.0	2,050.9	717.2	35%	16%
Taxes profits & capital gains	5,051.0	781.0	536.1	244.9	46%	15%
Payable by Individuals	1,911.1	254.3	236.1	18.2	8%	13%
Taxes pay by corp. & other enterprises	3,139.0	526.7	300.0	226.7	76%	17%
Unallc tax on inc prof & cap	0.9	-	-	-	0%	0%
Taxes on payroll and workforce	72.5	31.9	23.4	8.5	36%	44%
Payroll tax	72.5	31.9	23.4	8.5	36%	44%
Taxes on property	204.7	24.7	20.0	4.7	24%	12%
Estate inheritance & gift taxes	204.7	24.7	20.0	4.7	24%	12%
Taxes on goods and services	7,449.3	1,221.1	934.5	286.6	31%	16%
General taxes on goods and services	6,075.2	1,084.8	818.3	266.5	33%	18%
Excises	1,283.4	133.8	114.4	19.4	17%	10%
Taxes on specific services	90.7	2.55	1.75	0.8	46%	3%
Taxes on intel trade and trans	4,403.2	700.5	529.4	171.1	32%	16%
Customs & other import duties	4,355.8	697.2	525.9	171.3	33%	16%
Taxes on exports	2.9	0.1	0.0	0.1	138%	3%
Other taxes on intel trade	44.5	3.2	3.5	(0.3)	-8%	7%
Other taxes	62.4	8.8	7.5	1.3	18%	14%
Payable solely by business	62.4	8.8	7.5	1.3	18%	14%
Non Tax Revenue	5,509.2	537.5	468.6	68.8	15%	10%
Sale of goods and services	5,497.4	537.5	468.6	68.8	15%	10%
Administrative fees	5,497.4	537.5	468.6	68.8	15%	10%
Fines, penalties and forfeits	11.8	-	-	-	-	0%
Fines	11.8	-	-	-	-	0%
Program Grants	3,180.0	-	-	-	-	0%
From International Org	3,180.0	-	-	-	-	0%
Current	3,180.0	-	-	-	-	0%

Source: MOFEA staff calculations.

1.1 Tax Revenues

Total tax revenue receipts increased by 35 per cent or GMD 717.2 million to GMD 2.77 billion, as compared to GMD 2.05 billion from the same period last year. This is 16 per cent of its total budget. Key developments underlying tax revenue performance for Jan-Feb 2024 relative to Jan-Feb 2023 include:

- Taxes on international trade increasing by 32 per cent or GMD 171.1 million due primarily to improvements in receipts for customs and other import duties.
- Taxes on profits and capital gains increasing by 46 per cent or GMD 244.9 million due mainly to improved receipts for taxes paid by corporations and other enterprises.
- Taxes on goods and services increasing by 31 per cent or GMD 286.6 million due to improvements in receipts for general taxes on goods and services.

1.2 Non-Tax Revenues

Total non-tax revenue receipts increased by 15 per cent or GMD 68.8 million to GMD 537.5 million as compared to GMD 468.6 million from the same period last year, predominantly from GRA Customs and Excise sources. This is 10 per cent of its total budget. Key developments underlying non-tax revenue performance for Jan-Feb 2024 relative to Jan-Feb 2023 include:

- Improved receipts from the Trans-Gambia Toll Bridge amounting to GMD 81.8 million in 2024 as compared to GMD 63.3 million in 2023.
- Non-tax receipts from GRA (Domestic Tax and Customs and Excise) increased by GMD 88.1 million (34 per cent y-o-y) to GMD 351.0 million in Jan-Feb 2024 – reflecting effects of GRA’s domestic revenue mobilization strategy.

1.3 Budget Support

Following the IMF Board approval on January 12th of a new three-year ECF, worth about US\$100 million there is the expectation that such respective disbursement will commence sometime into the year. As of Jan-Feb there was no disbursement of budget support from any donor partner.

EXPENDITURES

2. CONSOLIDATED EXPENDITURE PERFORMANCE

The Government remains committed to narrowing the fiscal deficit underpinned by progress on fiscal consolidation, under the guidance of the ECF Program. Total expenditure and net lending for Jan-Feb 2024 amounts to GMD 4.65 billion as compared to GMD 3.00 billion during 2023 – representing a GMD 1.64 billion increase (55 per cent y-o-y). This is 18 per cent of its total budget. This overall increase is mainly because of an increase in spending on Debt Interest, Other Charges (use of goods and services) and GLF Capital.

Table 3: Consolidated Expenditures Summary – Jan-Feb Variance Analysis

Expenditure Overview

Summary of GLF in Dalasi '000,000			Variance Analysis	
Consolidated Expenditure	Jan-Feb Outturn 2024	Jan-Feb Outturn 2023	Variance Y-O-Y	Variance (%)
Expenditure & Net Lending	4,647.4	3,004.8	1,642.6	55%
Current Expenditure	3,777.9	2,591.6	1,186.4	46%
Personnel Emoluments	1,216.8	1,080.2	136.6	13%
Other Charges	2,003.2	1,320.1	683.1	52%
Use of Goods and Services	797.5	263.9	533.6	202%
Subsidies and Transfers	1,205.7	1,056.2	149.5	14%
Interest	557.9	191.3	366.6	192%
External	141.9	99.5	42.4	43%
Domestic	416.1	91.8	324.3	353%
Capital Expenditure	857.7	413.2	444.4	108%
GLF Capital (Fixed Assets)	857.7	413.2	444.4	108%
Net Lending	11.8	-	11.8	0%
Lending and Equity Participation	11.8	-	11.8	0%

Source: MOFEA staff calculations.

Table 4: Consolidated Expenditures Summary – Jan-Feb Budget Execution

Expenditure Overview

Summary of GLF in Dalasi '000,000			
Consolidated Expenditure	Approved Budget 2024	Jan-Feb Outturn 2024	Execution Rate (Outturn / Budget)
Expenditure & Net Lending	26,526.2	4,647.4	18%
Current Expenditure	22,884.4	3,777.9	17%
Personnel Emoluments	7,391.2	1,216.8	16%
Other Charges	10,378.8	2,003.2	19%
Use of Goods and Services	5,434.3	797.5	15%
Subsidies and Transfers	4,944.5	1,205.7	24%
Interest	5,114.4	557.9	11%
External	813.0	141.9	17%
Domestic	4,301.4	416.1	10%
Capital Expenditure	3,369.3	857.7	25%
GLF Capital (Fixed Assets)	3,369.3	857.7	
Net Lending	272.5	11.8	4%
Lending and Equity Participation	272.5	11.8	

Source: MOFEA staff calculations.

2.1 Current Expenditures

Current expenditures increased by 46 per cent or GMD 1.19 billion to GMD 3.78 billion, as compared to GMD 2.60 billion from the same period last year. This is 17 per cent of its budget. **Personnel Emoluments** increased by GMD 136.6 million (13 per cent y-o-y), registering 16 per cent of its budget. **Other Charges** increased GMD 683.1 million (52 per cent y-o-y), due to *use of goods and services* increasing by GMD 533.6 million (202 per cent y-o-y) realizing 15 per cent of its budget and *subsidies and transfers* increasing by GMD 149.5 million (14 per cent y-o-y) realizing 24 per cent of its budget. Overall, Other Charges recorded 19 per cent of its total budget. **Debt Interest** increased GMD 366.6 million (192 per cent y-o-y) due to external interest increasing GMD 42 million (43 per cent y-o-y) and domestic interest increasing GMD 324.4 million (353 per cent y-o-y). In total, Debt Interest recorded 11 per cent of its budget.

2.2 Capital Expenditures

Capital expenditures (acquisition of fixed assets) increased by 108 per cent or GMD 444.4 million to GMD 857.7 million, as compared to GMD 413.2 million from the same period last year. This is 25 per cent of its budget. The significant increase is attributable to settlement of IPCs for on-going road construction projects.

2.3 Net Lending

Net lending amounted to GMD 11.8 million in the period Jan-Feb 2024 resulting from equity participation. This is 4 per cent of its total budget.

2.4 Top Spending Budget Entities

The Ministry of Basic and Secondary Education is the highest spending Budget Entity – due largely to personnel emoluments, accounting for 18 per cent of total expenditure for the period under review. This is followed by the Ministry of Transport, Works and Infrastructure accounting for 14 per cent of total Jan-Feb 2024 expenditure mainly resulting from IPCs for contractors and consultants undertaking road construction. The top ten spending Budget Entities account for GMD 3.89 billion, representing 83 per cent of total expenditure for the period under review.

Table 4: Top Spending Budget Entities – Jan-Feb 2024, 2023

Budget Entity	Jan-Feb 2024 Outturn	Jan-Feb 2023 Outturn	2024 Total Exp. (%)	Variance (%)
Ministry of Basic and Secondary Education	836,917,640.67	628,045,545.89	18%	33%
Ministry of Transport, Works and Infrastructure	649,241,112.10	427,305,090.96	14%	52%
National Debt Service	557,918,642.99	191,282,277.27	12%	192%
Ministry of Agriculture	375,537,416.90	387,778,872.24	8%	-3%
Ministry of Health	311,993,742.77	240,073,298.63	7%	30%
Ministry of Foreign Affairs	297,986,666.42	127,087,220.32	6%	134%
Ministry of Finance and Economic Affairs	290,605,255.85	189,942,496.23	6%	53%
Ministry of Interior	241,775,771.35	218,986,265.87	5%	10%
Office of the President	173,585,203.74	79,026,001.76	4%	120%
Centralized Services	154,006,693.90	3,000,000.00	3%	5034%
Subtotal	3,889,568,146.69	2,492,527,069.17	83%	56%
Total Expenditure (minus BTL)	4,661,176,695.12	3,004,818,846.46		
Source: MOFEA staff calculations.			100%	55%

FINANCING

4. Financing Activities

The Government has financed its GLF deficit through domestic borrowing. A gross deficit of GMD 1.34 billion was recorded for Jan-Feb 2024, as compared to GMD 485.3 million for Jan-Feb 2023. Domestic borrowing for Jan-Feb amounts to GMD 3.40 billion. This is 10 per cent or GMD 389.1 million less than what was borrowed during the same period of last year and represents 104 per cent of its annual budget. Foreign amortization amounts to GMD 218.0 million as compared to GMD 169.0 million during the same period of last year. This is 9 per cent of its budget. Arrears and guarantees amount to GMD 54.7 million, representing 18 per cent of its budget. Domestic amortization amounts to GMD 94.7 million for the period under review. The resulting financing items generate a net surplus of GMD 1.68 billion for Jan-Feb 2024, as compared to GMD 2.93 billion for 2023, representing a y-o-y decrease of GMD 1.25 billion.