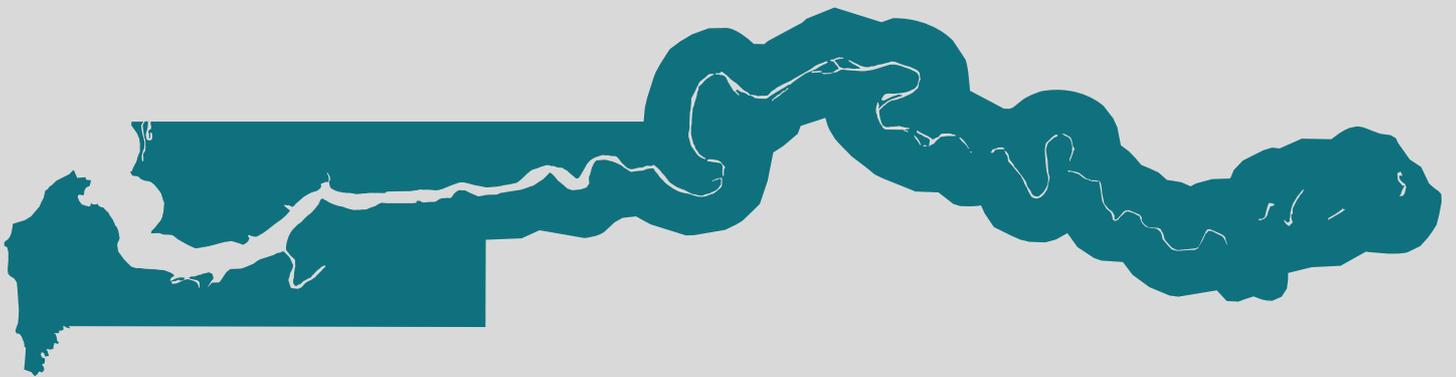


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# Gambia: Budget Credibility and Meeting the SDG Targets

By: Marr Nyang, Executive Director, Gambia Participates



**International  
Budget  
Partnership**



**GAMBIA  
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# 1. Purpose and key findings

In its 2018-2021 National Development Plan (NDP), The Gambia demonstrated its commitment to the African Agenda 2063 and to achieving the Sustainable Development Goals (SDGs). The NDP was developed after the fall of an autocratic regime that ruled The Gambia for more than two decades, from 1994 until 2017, and hindered the country's development through the maladministration of budget resources. The Organized Crime and Corruption Reporting Project (OCCRP) reported in 2019 that the administration of Yahya Jammeh plundered nearly \$1 billion during his reign.<sup>1</sup> Focused on building strong democratic institutions and promoting socioeconomic growth, the NDP has eight strategic priorities aligned with the SDGs. Achieving these goals will require sufficient budget allocations and the discipline to adhere to them. Both are prerequisites to improving public service delivery and social welfare while deterring macroeconomic backlash—a looming risk for small economies like that of The Gambia.

When governments deviate from their approved budget during implementation, it is known as budget credibility. This can deprioritize spending in the social sectors. The SDGs recognize this challenge with indicator 16.6.1, which looks at government expenditures relative to the approved budget. This research brief examines the central government budget of The Gambia from 2018-2020, looking at the differences between the approved and executed budgets in seven sectors that relate to 11 SDGs: agriculture and food, education, environment, gender equity and social protection, health, justice and strong institutions, and water and sanitation.

Assessing budget performance at the departmental level can be challenging, though. Although the government's approved budget does present departmental allocations (both recurrent and development) with their actuals for the two years preceding the budget, departmental expenditures are aggregated and reported, on an annual basis, at the ministerial level. This makes it difficult to track the financial performance of departments that are directly working on SDG sectors.

In addition, the year-end expenditure brief only reports on spending from the Government Local Fund (GLF), with no information on other expenditures—such as grants and loans received by the government of The Gambia—for the same fiscal year. At the same time, the government of The Gambia experienced underspending of its overall GLF budget allocations from 2018-2020. These budget deviations have significant effects on public service delivery and raise questions about the credibility of the government's budget.

Some of these deviations over the last two years owe to the effects of the Covid-19 pandemic. In FY 2020, for example, the education sector underspent its resources by 7% after the government laid off staff to work from home and halted other departmental programs and projects. The health sector, by contrast, overspent its budget allocations by 28% due to the bulk procurement of materials aimed at managing the impact of the Covid-19 pandemic. The Ministry of Health also received a supplementary budget allocation in July 2020 amounting to D250m (\$5m)<sup>2</sup> to intensify the ministry's effort in combating the pandemic.

Although the exigencies of the pandemic have, in some cases, widened the gap between the national government's planned and actual spending, much of the deviation around local government expenditure owes to a longstanding lack of transparency.

<sup>1</sup> "The Great Gambia Heist," <https://www.occrp.org/en/greatgambiaheist/>

<sup>2</sup> "D2.8 Billion Supplementary Appropriation Bill Approved by the National Assembly," <https://gainako.com/d2-8-billion-supplementary-appropriation-bill-approved-by-the-national-assembly/>

The local government act states that “every council shall be answerable and accountable” to its electorates and the national assembly for all monies accrued from the electorates and the consolidated revenue fund. The national budget does not cover the total revenue and expenditure of Local Government Authorities (LGA), and there is limited or no information publicly available on local government spending. With limited information on public finance administration at the local government level, LGAs lack budget accountability and lag in service delivery to their constituents.

## 2. Overview of government commitment to the SDGs

The 2018-2021 NDP sets out to achieve “...a revitalized and transformed economy for the wellbeing of all Gambians.”<sup>3</sup> According to the NDP Mid-Term Evaluation (MTE) published in March 2021, 42% of NDP indicators are fully or partially aligned to the SDGs while 36% are fully or partially aligned to Agenda 2063.<sup>4</sup> The national budget is built on the basis of achieving the NDP’s eight Strategic Priorities (SPs), which themselves are aligned to the SDGs. During the Brussels donor conference in May 2018, The Gambia received a donor pledge of \$1.7 billion from multilateral and bilateral partners to support the country’s recovery from autocracy and the realization of the NDP goals. Reporting against this, The MTE assessed the level of achievement of the NDP’s eight strategic priorities and their critical enablers. The MTE also reported on the total amount committed to the implementation of the NDP from 2018-2020, which is also reflected in the national budget from FY 2020 under “Overview of NDP Initiative.”

The evaluation showed that \$1.3 billion was committed to the NDP, of which 41.9%—or D25.5 billion (\$531.9m)—had already been disbursed to implement the plan. Of the NDP’s strategic priorities, the first, which calls for “restoring good governance, respect for human rights, the rule of law, and empowering citizens” and corresponds to SDG 16, is on track. Both the SDG report and the MTE affirm this.

This progress contrasts with The Gambia’s record under the Jammeh regime. In the two decades from 2000 to 2019, The Gambia increased its performance on the SDG Index, which covers all SDGs, by only 9.62 points, from 49.64 to 59.35. In 2020, the country’s performance dropped from 59.35 to 59.11, rebounding slightly to 59.26 in 2021.<sup>5</sup>

On Individual SDG performance, The Gambia made significant progress towards achieving SDG 13 (“Climate Action”) and SDG 16 (“Justice and Strong Institutions”). In fact, on SDG 13, The Gambia has been reported as the only country in the world with “compatible” plans to meet the 1.5°C Paris Agreement target.<sup>6</sup>

In tracking progress on the SDGs, The Gambia produced a Voluntary National Review (VNR) in 2020. Data for SDG indicator 16.6.1 on budget credibility was reported in this VNR for only the aggregate government central budget, with figures limited to 2016, 2017, and 2018 (see page 101 of the VNR). For these years, the review showed budget execution rates of 55%, 110%, and 54.1%, respectively. Within the report, however, there is no discussion about the potential impact of budget credibility on the achievement of the overall SDGs or about which sectors are the most impacted by under- or over-spending issues.<sup>7</sup>

<sup>3</sup> National Development Plan, 2018-2021 (page 8).

<sup>4</sup> NDP MTE, 2021 (page 17)

<sup>5</sup> “Sustainable Development Report: The Gambia,” <https://dashboards.sdindex.org/map>

<sup>6</sup> “Nothing is moving: Only one country in the world has submitted plans that will mitigate climate change by 2030, watchdog finds,” <https://www.cbsnews.com/news/climate-change-2030-gambia/>

<sup>7</sup> Republic of The Gambia. 2020 Voluntary National Review, <https://sustainabledevelopment.un.org/content/documents/263072020GambiaVNR.pdf>

## 3. How Credible is The Gambia's Budget?

A budget's credibility can be defined by the differences between the amount a government appropriates and its revenue and expenditure actuals. This variance, in turn, speaks to the ability of governments to achieve their fiscal revenue and expenditure targets.<sup>8</sup> Not surprisingly, budgets are the second most important national document after a national constitution. A national budget sets a country's fiscal and development priorities for the year and makes clear the services it intends to provide to citizens and non-citizens alike.

Financial Regulation 2016 is the government's policy document that regulates public finance management. Section 13(2) of the regulation states that an expenditure shall not be made on a service for which the money appropriated cannot complete the service. However, section 15 of the Financial Regulation allows the Minister of Finance to request a supplementary budget if "existing activities for the financial year will prove insufficient."<sup>9</sup> Such a supplemental request must be approved by the national assembly. On virement, the Minister of Finance can approve up to 75% of funds from one expenditure line to another within a budget agency and up to 50% among budget agency. This virement, however, has been controversial. In the most recent government audit report, from 2018, the auditors found that D341m was wired between and across budget agencies without any evidence of approval from the Ministry of Finance, which is a violation of the Financial Regulation 2016.<sup>10</sup> The audit report also highlights the overspending of loan repayment by the government of The Gambia to over D58m, which exceeds the debt due and appropriated amount.

Constitutionally, the Executive is required to table the Executive Budget Proposal (EBP) at least 30 days before the end of the fiscal year, allowing the National Assembly 14 days to consider the EBP. This gives the national assembly limited time for effective budget oversight or to prepare a counter EBP. However, the National Assembly is pushing a provision for the Ministry of Finance to table the National budget at least three months before the end of the fiscal year. These revised standing orders are expected to go into effect in fiscal year 2023.

Many ministerial departments have individual budgets appropriated under their respective ministries. Nevertheless, the expenditure brief does not outline the approved budget for each department against its actual expenditure, noting only the budget absorption for each ministry at the end of the year. This makes it difficult to track the budget performance of departments or to hold them accountable.

In addition, there are expenditure discrepancies under the Ministry of Health in the January-December Expenditure Brief 2020 (GLF only) and the Actual Expenditure for the Ministry of Health in the approved 2022 budget (GLF only).

<sup>8</sup> "Why Budget Credibility Matters (July 2018)," International Budget Partnership (IBP), Open Budgets Blog. <https://internationalbudget.org/2018/07/why-budget-credibility-matters/>

<sup>9</sup> Financial Regulation, Section 15

<sup>10</sup> Audit Report on GoTG Accounts (2018)

The Ministry of Health's total GLF expenditure is reported at D2,263,477,854 in the January-December Expenditure Brief 2020<sup>11</sup> while the 2022 approved budget reported the actual expenditure of the Ministry of Health for the same fiscal year 2020 at D2,013,580,000<sup>12</sup>. Between the two reports, there is a significant discrepancy of D249m. This discrepancy is also found in the expenditure figures reported for the Ministry of Agriculture and the Ministry of Basic and Secondary Education for the same fiscal year.

The Gambia's budget data is separated into two parts: GLF and All Funds. GLF is the country's domestic revenue, excluding grants and loans, while All Funds include both GLF, grants, and loans. For example, in 2020, the overall approved budget for GLF for FY 2022 is D23,692,226,645 while the total approved budget for All Funds is D35,367,726,000. It is important to note that The Gambia's monthly and year-end expenditure briefs are limited to GLF only.

Looking at the expenditure trend of the government of The Gambia from 2018 to 2020, the government has been underspending its overall budget allocations (GLF only). FY 2018 registered the lowest budget deviation with -4% (GLF only) of the total approved budget underspent. By contrast, overall budget deviation in 2020 was much higher, with -19% of the budget underspent. This could be related to the debt deferral that the government of The Gambia received from its creditors during the Covid-19 pandemic in 2020. Indeed, the percentage of debt repayment compared to the approved budget is lower in 2020 (53%) than in 2018 (98%) and 2019 (83%). Excess budget expenditure, on the other hand, is attributed almost exclusively to "personnel emoluments" and "good and services" in 2018 and to "capital development" in 2020, as shown in Table 1.

Table 1: Budget Deviations by Economic Classification, FY 2018-2020

## Budget Deviations by Economic Classification, FY 2018-2020

<u>Budget Category</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Personnel Emoluments	7%	-6%	-9%
Other Recurrent	N/A	-1%	1%
Goods and Services	13%	N/A	N/A
Capital development	-54%	-44%	14%
<b>Total Budget</b>	<b>-4%</b>	<b>-12%</b>	<b>-19%</b>

Source: Expenditure Reports for 2018, 2019, and 2020. Note that "Goods and Services" is not included in the 2019 and 2020 reports, which instead include a list for "Other Recurrent." The reports do not explain if these two classifications are comparable.

<sup>11</sup> January-December Expenditure Brief 2020, page 9, <https://mofea.gm/directorates/budget>

<sup>12</sup> 2022 Approved Budget, Ministry of Health Actual Expenditure 2020, page 19, <https://mofea.gm/directorates/budget>

In 2019, excess expenditure was not registered in any of the budget categories. “Capital Development” registered the highest budget deviation in 2018 with -54% of the allocated resources spent. Deviations in this category slow the pace of developmental projects for citizens while compromising the government’s budget credibility.

It is also important to note that, in many cases, ministries do not receive the full appropriated amount in the enacted budget. The Ministry of Finance transfers funds to ministries on a monthly or quarterly basis. The transfer of the full appropriated amount to the ministries could be affected if the government does not meet its revenue target. As a result, to measure the credibility of the government of The Gambia’s budget accurately, one must analyse the approved sector budget against the “actual allocation” to the sector, arriving at the expenditure differences. The Ministry of Finance, in its year-end expenditure report, should add a column under “Budget Absorption by BEs by End-December” to highlight how much was approved for a sector, the actual budget received for the sector, and its total absorption at the end of the fiscal year.

## 4. Summary of Findings by Sector: Deviations and Share of Total Spending

Drawing on 2018-2020 GLF data on government sectoral spending as well as January-December expenditure briefs for fiscal years 2018, 2019, and 2020, this section surveys the budget performance of seven SDG-related sectors and their respective ministries, as listed in Table 2. Table 3 compares these sectors by their average budget deviations and share of total government spending during the same three-year period.

Table 2: Seven Sectors Reviewed and Related Ministries

Seven Sectors Reviewed and Related Ministries		
<u>No.</u>	<u>Sector</u>	<u>Ministry</u>
1	Agriculture and Food	Ministry of Agriculture
2	Education	Ministry of Basic, Sec and High Education (combined)
3	Environment	Ministry of Environment, Climate Change & Natural Resources
4	Gender Equity and Social Protection	Ministry of Women, Children and Social Welfare
5	Health	Ministry of Health
6	Justice and Strong Institutions	Ministry of Justice
7	Water and Sanitation	Ministry of Fisheries, Water Resources & National Assembly Matters

## Agriculture and Food

As a party to the Maputo Declaration, The Gambia agreed to adopt sound agricultural policies and to commit to allocating 10% of its national budget resources to agriculture. Recent annual commitments have fallen well short of this target, however, with just 3.59% of GLF funds allocated to the Ministry of Agriculture in 2019, 2.29% in 2020, and 1.87% in 2021. Beyond their failure to address the Maputo Declaration's commitments, these percentages jeopardize The Gambia's ability to meet the zero hunger goal of SDG 2. In fact, according to the 2021 Sustainable Development Report, The Gambia's progress toward SDG 2 is classified as "stagnating."<sup>13</sup> Adding to the challenge are significant pre-Covid deviations between these budgeted amounts and Ministry of Agriculture expenditures, which stood at -42% in 2018.

## Education

The Education sector showed a small degree of overspending during the 2018-2019 period, with expenditures exceeding budget allocations by 5% on average. The highest of these deviations came in 2018, when the ministries of Basic Education and Higher Education combined overspent their budgets by 15%. Although the SDG index makes clear that "major challenges remain" for the Education sector, it received the highest percentage of total sector spending in FY 2018 (15%), 2019 (17%), and 2020 (14%). These amounts exceeded those of the health and agriculture sectors, which registered the second and third highest totals, respectively.

## Environment

In 2018, the Ministry of Environment, Climate Change & Natural Resources reported the highest expenditure deviation, at -57%. By FY 2020, that deviation had remained virtually identical, with actual spending on programs related to SDGs 13,14, and 15 lagging behind budgeted amounts by -49%. That underperformance would seem to suggest that The Gambia is failing to uphold its commitments on climate action or improving the management of land and water resources. According to the Sustainable Development Report 2021, however, The Gambia has "achieved" SDG 13 on Climate Action. Moreover, The Gambia was reported as the only country in the world with "compatible" plans to meet the 1.5°C Paris Agreement goal.<sup>14</sup>

## Gender Equity and Social Protection

SDGs 1, 5, and 10—corresponding to poverty elimination, reduced inequalities, and gender equity—experienced similar underspending as that of the environment sector in The Gambia. Under the stewardship of the Ministry of Women, Children and Social Welfare, reporting during the 2018-2020 period showed underspending of -45% on average. Representing just 0.1% of total government spending, this sector faces "major challenges," especially on gender, according to the SDG Index.

<sup>13</sup> Sustainable Development Report 2021, The Gambia <https://dashboards.sdindex.org/static/profiles/pdfs/SDR-2021-gambia-the.pdf>

<sup>14</sup> "Nothing is moving": Only one country in the world has submitted plans that will mitigate climate change by 2030, watchdog finds," <https://www.cbsnews.com/news/climate-change-2030-gambia/>

Some of this stands to reason. After all, the Ministry of Women, Children and Social Welfare was made an independent entity just three years ago, in 2019, with the express purpose of increasing women’s and children’s empowerment and social welfare services.<sup>15</sup> Indeed, social welfare used to be the purview of the Ministry of Health, with children’s and women’s affairs falling under the office of the vice president as recently as February 2019. It is little wonder, then, that in its short history, the Ministry has gone through major underspending of its allocated budget resources.

On Social Protection, the government of The Gambia developed a 10-year social protection and financing plan named “The Gambia National Social Protection Policy 2015-2025,” which aims to increase social protection spending from 1.2% of GDP in 2013 to 10% of GDP by 2025.<sup>16</sup> With budget allocations to the Ministry of Women, Children and Social Welfare representing 0.4% of GDP in 2019, 0.3% in 2020, 0.40% in 2021, and 0.36% in 2022 (all GLF), it would be difficult to meet the 10% GDP goal of the policy by 2025.

## Health

The Health sector budget, overseen by the Ministry of Health, is second only to that of the Education sector. The former’s deviation, however, trended downward prior to the Covid-19 pandemic, with FY 2018-2019 expenditures falling short of budgeted amounts by -10% and -9%, respectively. The pandemic heralded significant over spending for FY 2020, with expenditures exceeding budget by 28%. The increase owes, in part, to a FY 2020 budgetary supplement of more than D200m aimed at mitigating the effects of the public health crisis. Despite this anomalous record, progress toward “good health and well-being”—as defined by SDG 3—is “stagnating,” according to the SDG Index.

## Justice and Strong Institutions

Although The Gambia’s Judiciary underspent its allocated budget resources in 2018 (-16%), 2019 (-26%), and 2020 (-9%), it is on track to achieving SDG 16. The Judiciary has become one of the strongest democratic institutions since 2017. Section 144 of the 1997 Constitution requires the judiciary to prepare and present its budget without any alteration by the executive save the Parliament.<sup>17</sup> Parliament significantly reduced the Judiciary’s FY 2022 budget, however, slashing it by D36m.<sup>18</sup> The Judiciary has repeatedly seen the cutting of its proposed budget by the National Assembly. As a result of its underfunding and limited resources, the Judiciary developed the Judiciary Strategic Plan 2021-2025 to increase effectiveness of the Judiciary branch with a proposed budget of \$9.2m.<sup>19</sup> per goal over the five years of the strategy which is equivalent to D376m.

<sup>15</sup> SGambia gets 1st woman minister of Women Affairs, Children, Social Welfare, [https://www.panapress.com/Gambia-gets-1st-woman-minister-o-a-630576380-lang2-free\\_news.html](https://www.panapress.com/Gambia-gets-1st-woman-minister-o-a-630576380-lang2-free_news.html)

<sup>16</sup> The Gambia National Social Protection Policy (2015-2025), page 25

<sup>17</sup> S144 of 1997 Constitution of The Gambia

<sup>18</sup> “FPAC cuts over D77M from 2022 budget estimate,” <https://thepoint.gm/africa/gambia/headlines/fpac-cuts-over-d77m-from-2022-budget-estimate>

<sup>19</sup> Judiciary Strategic Plan, 2021-2025, page 73, <https://judiciary.gov.gm/sites/default/files/2021-08/JSP%20Full%20Report.pdf>

Table 3:

### Budget Deviations and Share of Total Spending, Average for 2018-2020, for Seven Key Sectors

<u>Sector</u>	<u>Related SDG Goal(s)</u>	<u>SDG Index Performance</u>	<u>SDG Index Trend</u>	<u>Share of Total Spending (Average)</u>	<u>Budget Deviation (Average)</u>
Agriculture and Food	Goal 2: Zero Hunger	Major challenges remain	Stagnating	2%	-33%
Education	Goal 4: Quality Education	Major challenges remain	Moderately improving	15%	5%
Environment	Goal 13: Climate Action	SDG achieved	On track or maintaining SDG achievement	1%	-45%
	Goal 14: Life Below Water	Major challenges remain	Stagnating		
	Goal 15: Life on Land	Challenges remain	Moderately improving		
Social Protection/ Gender	Goal 1: No Poverty	Challenges remain	Moderately improving	0.1%	-49%
	Goal 10: Reduced Inequalities	Challenges remain	Information unavailable		
	Goal 5: Gender Equity	Major challenges remain	Moderately improving		
Health	Goal 3: Good Health and Wellbeing	Major challenges remain	Stagnating	8%	3%
Justice and Strong Institution	Goal 16: Peace, justice and strong institutions	Major challenges remain	On track or maintaining SDG achievement	1%	-17%
Water and Sanitation	Goal 6: Clean Water and Sanitation	Major challenges remain	Stagnating	0.3%	-18%

## 5. Gender in the Gambia's Budget

Gender empowerment is one of the priority areas of the NDP, and it is measured by eight indicators, 37.5% of which are achieved and 37.5% on track. In the SDG tracker, there are still "major challenges" in gender equality in The Gambia, but the trend of the goal is "moderately improving".

Gender spending is presented under the Ministry of Women, Children and Social Welfare in the expenditure brief for the years of 2019 and 2020; however, this covers only specific spending related to programs implemented by that ministry. Before the creation of the ministry responsible for gender, the sector used to be under the office of the vice president of The Gambia. Although the gender sector absorbs less than 1% of the total budget allocation, since its creation, the sector has been experiencing major budget deviation in 2019 (-50%) and 2020 (-49%). Gender spending is categorized under the Ministry of Women, Children and Social Welfare which shows budget for gender related programs like the "Women's Enterprise Development Fund"; however, as departmental detailed spending is not available, it is difficult to track deviations in spending to these programs. There is no consistent identifying or tracking of how government spending impacts gender equity in other ministries. The national budget does not present narratives that assesses the impact of such budget programs to empower women. This assessment is done in the mid-term evaluation of the NDP.

## 6. The Impact of COVID-19 on Sector Spending Patterns

The Gambia registered its first positive Covid-19 case in March 2020, when the country's health system was weak and unprepared for the pandemic. To control the spread of the virus, President Adama Barrow announced the creation of a D500m "Covid-19 Emergency Fund" in the same month. The fund was sourced from the 2020 national budget through cuts to various ministerial budgets. A further virement of D734m was done from departmental budgets to create another emergency Covid-19 fund to supply more than 80,000 "deserving households" with food items. This virement was made possible by savings from debt deferral and relief during the pandemic.<sup>20</sup>

In the first nine months of 2020, The Gambia experienced revenue loss from uncollected tax worth D2.4 billion, which is 2.4% of GDP, due to the effect of the pandemic.<sup>21</sup>

In July 2020, the National Assembly approved a supplementary budget of D2.8 billion, of which D363m was allocated to Covid-19 related activities. These various budget reallocations significantly affected the sector spending; hence, budget deviation is higher in FY 2020 compared to 2018 and 2019. The Ministry of Health, for example, overspent 28% of its approved budget in 2020 (GLF). The Ministry of Health slightly underspent its budgetary allocation in 2018 (-10%) and 2019 (-9%). The overspending in 2020 (28%) is most likely attributable to the pandemic.

The education sector saw a major drop down from overspending in FY 2018-2019 to a deviation of -7% in 2020. In April 2020, students were sent home from school for six months to learn from home through scheduled local media learning sessions. This, in turn, reduced instructional hours by 29%. To compensate for the budgetary shortfall, traveling costs were cut from other ministries to create the D500m Covid-19 Emergency Fund. Based on data presented in the January-December 2020 Expenditure Brief, the Higher Education Ministry received supplementary funding of over D300,000 while the Basic and Secondary Ministry's budget remained as it was approved. As such there is no data indicating whether the Ministry of Basic Education's budget was affected by the reallocations that created the D500m Covid-19 emergency fund. Nevertheless, the education sector's underspending could be attributed partially to the pandemic.

The agricultural sector also experienced a significant spike in budget deviation in 2020. The deviation increased from -14% in 2019 to -43% in 2020. The closure of land borders and the country's seaport had a negative impact on agricultural trading, which had significant financial implications for farmers practicing commercial agriculture.

The Covid-19 pandemic impacted the productivity of the agricultural sector, which employs many rural Gambians, including 93% of citizens in Kauntaur Administrative Area and 84% of citizens in Janjanbureh. Farmers sell their harvested goods in market places, Lumos (weekly market day) or export it to Senegal by land or by sea.

<sup>20</sup> "COVID-19 Food Support: We acted within the law," <https://mofea.gm/news/covid-19-food-support-we-acted-within-the-law>  
<sup>21</sup> 2021 Budget Speech, <https://mofea.gm/directorates/budget>

However, due to the closure of markets, Lumos and the Gambian-Senegal boarder during the Covid-19 pandemic, farmers could not sell or export their harvested products. In some instances, the government of The Gambia attempted to buy the products of the farmers in bulk (especially groundnuts) in order to reduce the economic impact of Covid-19 on farmers and ensure food security.

Within the social sector, the Covid-19 pandemic most impacted the health sector. Clinics and hospitals were only receiving and treating emergency cases, including Covid-19 patients. Citizens with underlining health issues were not receiving required treatments due to the restrictions imposed on clinics and hospitals. In 2020, some hospitals, including those serving Covid-19 patients, lacked adequate testing materials and oxygen supplies to care for patients.

Consequently, the health sector saw the spread of Covid-19 within health workers, a decline in the number of frontline health workers, increased restrictions and the closure of some clinics.

## 7. Limitations of the Data Presented in this Brief

In addition to being restricted to the GLF, data presented in this brief reflects the government's lack of reporting on departmental budgets and expenditures. As noted above, the government's year-end expenditure report only covers the total of departmental expenditures against these departments' respective ministerial budgets. The report does not include how much a department responsible for "social welfare," for example, expended in a year. This makes it difficult to track the budget performance of a specific department or to assess sector spending against SDG targets.

By focusing only on the GLF, year-end expenditure reports also obscure grants and other funds included in a given year's approved budget. Although these non-GLF sources eventually make it into an "actuals" column, they only appear in the government budget two years after they are spent. For example, total FY 2020 expenditures for the Ministry of Health can be found in the FY 2022 budget.

Still, there are some discrepancies in the actual expenditure for FY 2020 as it appears in the 2022 budget. For example, the total expenditures for all ministries in 2020 is reported at D18.8 billion in the 2022 budget while the January-December Expenditure Brief 2020 reported the total at D19.6 billion. At the ministerial level, the Ministry of Agriculture's 2020 expenditure is D630 million in the 2022 budget while it is reported as D405 million in the January-December Expenditure Brief 2020.<sup>22</sup> In the current brief, these differences will have an impact on sector deviation and a sector's share of total spending. The 2022 budget does not attempt to justify the differences between the actual expenditures reported by the government in 2020 and those published in 2022.

Finally, another limitation of the data is the public availability of local government/subnational budget information. There is little to no information publicly available on local government budgets, making sector-by-sector analysis at the subnational level nearly impossible. Local government budgets, with the exception of an annual subvention, do not form part of the national budget. The National Assembly's Finance and Public Accounts Committee (FPAC) of The Gambia scrutinize the accounts of the local government authorities on regular basis. The only local government authority that has an element of budget information on its website is the Kanifing Municipal Council (KMC), covering FY 2020 and 2021.<sup>23</sup> This calls into question the credibility of The Gambia's budget. The World Bank's 2014 Public Expenditure and Financial Accountability (PEFA) report, however, it indicates that local government expenditure represented 0.93% of GDP in FY 2013.

<sup>22</sup> January-December Expenditure Brief 2020, page 9, and 2022 Approved Budget, Departmental Overviews (GLF)

<sup>23</sup> KMC 2020, 2021 Budget Estimate, <http://kanifing.gm/budget-finances/>

## 8. Conclusion and Recommendations

There is consistent underspending of resources allocated to sectors responsible for working towards the SDGs. The only sector that has been overspending its allocated budgetary resources is the education sector, which, according to the Sustainable Development Report, is “moderately improving” towards achieving SDG 4. The agricultural, environment, and gender equity and social protection sectors have the highest budget deviation.

Achieving good health and wellbeing remains the biggest challenge within the health sector. There has to be a sound system to increase efficiency and budget credibility in the management of funds allocated to the health sector before allocating millions of dollars for expansion that might not reach its goal. The health sector has been significantly affected with graft, as noted by the current Minister of Health, who has criticized the mismanagement of Covid-19 funds.<sup>24</sup>

There is limited budget allocation to the Ministry of Fisheries and Water Resources; however, the ministry has still underspent these allocated resources since 2018. The National Water and Electricity Company (NAWEC) is a state-owned enterprise that is directly responsible for providing water services. The national budget also does not present the annual revenue and expenditure of NAWEC, specifically on water services. Neither does NAWEC provide such up-to-date information on its website.

To achieve the SDGs, the government of The Gambia will have to use key performance indicators (KPIs) to determine the performance of sectors working towards achieving the SDGs. These KPIs could serve as a baseline to provide sufficient sectoral funding and training to public officials to overcome identified challenges.

For credible budget reporting, the government of The Gambia should provide an accurate and consistent year-end expenditure report covering all funds. To establish the actual sector budget allocations, the year-end report should also provide information on the approved budget for a ministry against the actual budget received by it and the total absorption under “Budget Absorption by BEs by End December...” In addition, the year-end expenditure report should highlight the total revenue that has been realized by the government against the revenue estimate for the fiscal year.

To establish local government budget transparency and accountability, the Ministry of Finance should accommodate the estimates of revenue and expenditure for all eight local government authorities in the executive budget proposal. This could be realized by engaging the local and city councils during the formulation of the national budget. Local government authorities should also publish on time their budgets and comprehensive year-end expenditure reports on their website.

The Financial Regulation 2016 should be expanded to provide more guidelines on excess spending and underspending. This would ensure budget agencies prepares budget projections that are credible and are able to spend the appropriated amount on public services with little or no deviations.

<sup>24</sup> “Gambian minister makes sensational Covid-19 corruption claims,” <http://apanews.net/en/news/covid-19-gambian-minister-makes-sensational-graft-claims>

Ministries or departments should not be given a free check every fiscal year. Instead, their previous budget performance, including deviation and overspending, must be assessed critically before appropriating a new budget. Without this oversight, The Gambia will continue to contend with wasteful public expenditures and unrealistic budgets.

## 9. Annexes

### Budget Deviations in Key Ministries Associated with Seven Sectors from 2018 to 2020

Sector	Functional (or Administrative) Classification	Approved Budget (Gambian Dalasi)			Actual Spending (Gambian Dalasi)			Deviation (Gambian Dalasi)			Deviation, by Sector (%)			Sector Share of Total Spending (%)		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Agriculture and Food	Ministry of Agriculture	526,067,392	441,536,840	712,513,515	304,312,625	379,994,920	405,163,668	221,754,767	-61,541,920	-307,349,847	-42%	-14%	-43%	2%	3%	2%
Education	Ministry of Basic and Secondary Edu.	1,413,247,960	2,069,170,828	2,610,674,224	1,658,143,765	2,255,224,711	2,448,928,387	244,895,805	186,053,883	-161,745,837	15%	6%	-7%	15%	17%	14%
	Ministry of Higher Education	239,941,950	341,339,522	298,016,066	244,756,482	294,352,296	258,205,504	4,814,532	-46,987,226	-39,810,562						
Environment	Ministry of Environment, Climate Change & Nat. Resources	229,769,529	252,645,495	226,646,307	99,402,841	179,504,533	115,113,068	-130,366,688	-73,140,962	-111,533,239	-57%	-29%	-49%	1%	1%	1%
Gender Equity and Social Protection	Women, Children and Social Welfare		58,285,475	73,568,316		29,325,409	37,345,034		-28,960,066	-36,223,282		-50%	-49%	0%	0%	0%
Health	Ministry of Health	955,171,920	1,164,067,500	1,766,933,089	857,810,359	1,063,801,206	2,263,477,854	-97,361,561	-100,266,294	496,544,765	-10%	-9%	28%	7%	7%	12%
Justice and Strong Institution	Women, Children and Social Welfare	955,171,920	58,285,475	73,568,316	955,171,920	29,325,409	37,345,034	955,171,920	-28,960,066	-36,223,282	955,171,920	-50%	-49%	0%	0%	0%
Health	Judiciary	98,527,401	164,091,692	170,000,000	83,043,069	121,877,701	154,574,585	-15,484,332	-42,213,991	-15,425,415	-16%	-26%	-9%	1%	1%	1%
Water and Sanitation	Ministry of Fisheries, Water Res. & NA Matters	35,801,328	62,420,000	48,880,501	32,714,289	44,898,258	39,842,101	-3,087,039	-17,521,742	-9,038,400	-9%	-28%	-18%	0%	0%	0%
<b>Total Budget</b>		<b>13,530,027,005</b>	<b>17,099,138,822</b>	<b>24,130,596,894</b>	<b>13,041,975,453</b>	<b>15,129,184,260</b>	<b>19,661,961,686</b>	<b>-488,051,552</b>	<b>-1,969,954,562</b>	<b>-4,468,635,208</b>	<b>-4%</b>	<b>-12%</b>	<b>-19%</b>			

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By: Marr Nyang, Executive Director, Gambia Participates

