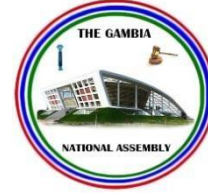




REPUBLIC OF THE GAMBIA



National Assembly, New Assembly Building, Reg. Pye Lane

Banjul, The Gambia

PARLIAMENTARY BUDGET OFFICE (PBO)

COMPREHENSIVE BRIEFING PAPER FOR MEMBERS OF THE NATIONAL ASSEMBLY ON THE FIRST QUARTER BUDGET PERFORMANCE REPORT SUBMITTED BY MINISTRY OF FINANCE AND ECONOMIC AFFAIRS

Analysis of the Q1 FY2026 Budget Performance Report incorporating FY2025 End-Year Budget Performance Results

Executive Brief

Fiscal performance remains strong, supported by revenue growth and a reduced deficit. However, persistent weaknesses in capital expenditure execution, energy sector implementation, and growing recurrent expenditure pressures require enhanced parliamentary oversight.

Key Messages for Parliamentarians

1. Revenue collection remains robust.
2. The fiscal deficit has narrowed significantly.
3. Capital expenditure remains below expectations.
4. Energy sector budget execution is critically low.
5. NAWEC performance requires urgent scrutiny.
6. Debt servicing continues to constrain fiscal space.

Macroeconomic and Fiscal Context

FY2025 closed with revenue of GMD 33.03 billion and a fiscal surplus of GMD 1.68 billion. Q1 FY2026 maintains positive momentum but implementation challenges remain.

Revenue Performance Assessment

Tax revenue growth remains the principal driver of fiscal performance, supported by VAT, excise duties, import taxes, corporate taxes and improvements in tax administration. Parliament should continue supporting domestic revenue mobilisation reforms.

Expenditure Analysis

Current expenditure continues to dominate spending patterns, particularly personnel emoluments, subsidies and transfers, and debt service obligations. This limits available resources for development spending.

Capital Budget Execution Review

Capital expenditure execution remains weak. Parliament should require quarterly project implementation reports identifying delayed projects, causes of delays, procurement bottlenecks, and revised completion schedules.

Energy Sector Deep-Dive

The Ministry of Petroleum and Energy recorded the lowest execution rate in Q1 FY2026 despite significant sector challenges. Particular attention should be given to the unutilized GMD 1 billion subsidy allocation and implementation of sector investment projects.

NAWEC Oversight Assessment

Given ongoing electricity and water supply disruptions, Parliament should require NAWEC to present: financial statements, subsidy utilisation reports, donor-funded project implementation status, OMVG import arrangements, operational performance indicators, and a service improvement plan.

Debt Sustainability and Fiscal Risks

Debt servicing remains a major expenditure pressure. Parliament should request updated debt sustainability analyses and assess the implications of rising interest obligations on future development spending.

Ministry Performance Scorecard

High Performers: Agriculture, Office of the President, Higher Education.

Low Performers: Petroleum and Energy, Public Service, National Audit Office.

Parliament should request corrective action plans from low-performing institutions.

Overall Parliamentary Budget Office Rating

Revenue Mobilisation: Strong
Fiscal Stability: Strong
Deficit Management: Strong
Capital Budget Execution: Weak
Energy Sector Performance: Very Weak
Debt Sustainability: Moderate Risk

Questions for the Minister of Finance

Why is capital expenditure underperforming? What measures are being taken to improve project implementation? What is the status of debt sustainability and public investment management reforms?

Questions for the Minister of Petroleum and Energy

Why was the energy subsidy not utilised? What explains the low execution rate? What interventions are planned to improve electricity and water supply reliability?

Questions for NAWEC Management

How was the GMD 80 million subsidy utilised? What operational constraints remain? What donor-funded projects have been completed, delayed or remain ongoing?

Committee-Specific Recommendations

FPAC: Monitor expenditure performance and fiscal risks.

PEC: Conduct hearings on NAWEC and public enterprise performance.

FPAC: Monitor revenue trends, debt sustainability and capital project implementation.

Parliamentary Recommendations

Require quarterly reporting on major projects, strengthen oversight of subsidies, improve performance reporting, and establish a parliamentary monitoring dashboard for strategic infrastructure and utility projects.

Conclusion

The fiscal outlook remains stable, but stronger implementation oversight is required. Parliament should focus on project delivery, energy sector performance, debt management, and value-for-money assessments.

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