



REPORT ON THE FIRST (1ST) QUARTER BUDGET EXECUTION FOR THE FISCAL YEAR 2021

A Research Briefing

© May 2021

ABOUT US

The Library and Research Dept. of the National Assembly of The Gambia provide credible, timely and impartial research service to members and staff of the National Assembly to help them in the effective execution of their mandate.

TABLE OF CONTENT

1.0 Introduction.....	3
2.0 Background.....	3
3.0 Objectives.....	4
4.0 Methodology.....	4
4.1 Design.....	4
4.2 Data Collection.....	5
5. Findings.....	5
6. Results.....	5
6.1 Perception on Budget Ceiling.....	5
6.2 Ministries concern during budget Bilateral.....	5
6.3 Constraints Regarding Cash Allocation.....	6
6.4 Budget Priorities.....	6
6.5 Cash Allocation and Budget Priorities gap.....	6
7. Response: MOFEA.....	6
8. Analysis.....	7
8.1 Ministry of Interior.....	7
8.2 Gambia Police Force.....	8
8.3 Immigration.....	9
8.4 Gambia Fire and Rescue Services.....	9
8.5 Gambia Prison Services.....	10
9. Ministry of Basic and Secondary Education.....	11
10. Ministry of Defence.....	11

11. Ministry of Higher Education, Research, Science and Technology.....12

12. Conclusion.....12

REPORT ON THE FIRST (1ST) QUARTER BUDGET EXECUTION FOR THE FISCAL YEAR 2021

1. INTRODUCTION

Budgeting epitomises a complex decision process wherein policies are formulated and action programs are put into effect; strategies and management are put into control. It is the financial articulation of government's activities which recognizes anticipated revenue, authorizes activities, and appropriate expenditures for the fiscal year.

It provides the avenue for both Parliament and the executive branch to align national interest together and allocate fiscal resources that are geared toward achieving programs and policy objectives. A well-executed budget is undoubtedly a recipe for economic growth and development and when properly applied can contribute significantly to a greater efficiency, effectiveness and accountability in the overall performance of various sectors.

It was for this reason that the Research team and Committee secretariat of the National Assembly embarked on a quarterly budget tracking and monitoring exercise to enable members monitor and evaluate the impact of expenditure on key government programs. This will further enhance the legislative scrutiny of the budget and track on the shocks that impedes budget execution.

Therefore, this report will enable legislator monitor and evaluate the impact of expenditure on key government program and enable more particular the public finance committee of the Assembly to monitor and track the trend of disbursement and execution of funds for the first quarter of the fiscal year 2021.

2. BACKGROUND

Budget execution, monitoring and scrutiny are a sine qua non for legislators especially the Finance and Public Accounts Committee (FPAC) of the Assembly. In pursuance of section 33(1) of the Public Finance Act 2014, The Ministry of Finance, being partly responsible for the allocation and disbursement of the National Budget, was extensively engaged by the research team of the National Assembly. The discussions mainly centred on budget disbursement, allocation of funds

in accordance with cash plan presented and challenges ministries are faced with especially when it comes to allocation and disbursement of funds by the Ministry of Finance.

It is against this backdrop that the Research team and Committee Secretariat of the National Assembly of the Gambia supported by the office of the Clerk embarked on an extensive quarterly budget execution research finding on key government Ministries which will enable parliament to track and monitor the implementation of the first quarter Budget of the fiscal year 2021.

It will equally provide a leeway for strategic method in budget scrutiny and provide an adequate means for legislators to keep track on shocks that impede the implementation of budget execution plans as well as forge a possible solution for effective disbursement and implementation.

3. OBJECETIVES

- Holding the branch accountable on the execution and implementation of allocated funds.
- Create an effective and efficient system that guarantees the maximum utilization of public funds.
- Provide its oversight on budget execution, there is a need for continuous and timely availability of information on various implementation stage.
- Furnished with a readily available information on quarterly bases, and used the requisite technical expertise to scrutinize the implementation reports.
- Enable legislators to make suggestions on improving the usage of government funds during the execution stage.
- Guide the Finance and Public Accounts Committee to make prudent recommendations for approval in subsequent fiscal years.
- Help legislators conduct oversight functions to establish whether the allocated funds have been used in line with the intended purposes.
- Provide timely and accurate reports for quality service delivery, efficiency and efficacy of public resources.

4. METHODOLOGY

4.1 Design

The research was based on mixed method where both questionnaires and in-dept interviews were used to collect data. Relevant documents obtained during the research were subjected to a painstaking analysis.

4.2 Data Collection

The data collection involved seven Ministerial department: Ministry of Finance and Economic Affairs, Ministry of Health, Ministry of Defence, Ministry of Education, Ministry of Tourism and Culture, Ministry of Higher and Basic Education, Ministry of Youth and Sports. Each of the Ministries listed above was visited and Permanent Secretaries and Vote Controller or Accounting Officers were engaged on instances of partial allocations of funds, delay in the disbursement of individual monthly cash plan by the Ministry of Finance and Economic Affairs and other challenges posed by the Ministry of Finance and Economics Affairs in relation to the allocation and disbursement of the approved budget.

5. FINDINGS

Investigation and discussions were facilitated by guides focusing on issues such as Ministries perception on the allocation and disbursement of funds by the Ministry of Finance, Constraint regarding receiving cash allocation from the Ministry of Finance, the status of budget implementation toward targeted programs, Meeting budget priorities, adequate budget for policy objectives, and perceptions on Parliament's influence and efforts in monitoring the various stage of budget cycle.

6. RESULTS

6.1 perception on budget ceiling

When asked what was their perception on the Budget ceiling pegged by the Finance Ministry, the respondents agreeably reported that their development budget ceiling is always minimal considering the infrastructure development the Ministries' plan to undertake within the fiscal year.

6.2 Concern raised by Ministries during Budget bilateral

The inadequacy of the development budget was a great concern raised by almost all the ministries. According to the Account Officers, it has been common that the budget agreed at the bilateral does not reflect in the final approved estimate which makes budget implementation very challenging

for the ministries. In short, the approved estimates fall short of what had been agreed during bilateral.

6.3 Ministries' constraints regarding cash allocation

One of the major constraints highlighted by all the Ministries in relations to cash allocation from the MoFEA is the insignificant amount of cash allocated to the sectors to finance its other charges and other programs implementation. Ministries budget are developed on a Program Based Budgeting format (PBB) which couples with other main programs and sub budget program where resources are allocated to. The monthly disbursement is precisely insignificant, thus the reason why programs do not get funding from the GLF and instead rely entirely on donor support which is not sustainable.

6.4 Meeting budget priorities

Majority of the vote controllers explained that not much has been meet in terms of budget priorities because funds are not allocated according to the priority needs of the sectors. In short, budget disbursement is geared toward operations (payment of salaries, electricity, stationery, food and food services) rather than implementation of program activities.

6.5 The gap between the actual allocation and budgetary priorities

Majority of the respondents admitted that the gap between the actual allocation and budget priorities is huge. For instance, in the case of the Ministry of health, in 2021 fiscal year the sector presented two budget scenarios- ideal budget which based on PBB and the budget within the ceiling which cannot in anyway address the policy objectives of the ministry.

7. RESPONSE:

7.1 MINISTRY OF FINANCE AND ECONOMIC AFFAIRS

After a thorough investigation, in dept interviews and discussions with the identified sample size, the Research team and Committee Secretariat engaged the Finance ministry to substantiated the findings, and what Ministerial department, Vote controllers called delay in disbursement and allocation of funds. The Finance Ministry cited the following challenges as main factors for the delay in disbursement.

- Difficulties in Ministries preparing accurate cash-plans
- Lack of adequate understanding and knowledge of fiscal policies from various ministries and departments especially on the development of priority areas and rate of allocation.
- According to Finance, the expectation from some Ministries is that a percentage average of 25% of the estimate should be disbursed, which is in contrary to fiscal policies.
- Additionally, it is observed that sectors mostly do not submit a quarterly report to Finance despite being a requirement

7.2 HOW THE CEILING IS SET BY THE MINISTRY OF FINANCE

- The ceiling set by the Ministry of Finance that all the Ministries are expected to abide by is dictated by the macroeconomic outlook of the country and the revenue generated by the GRA and other revenue-generating institutions.
- Inflation rate of the country
- Emergency happenings affecting sectors.
- Prioritization is done in consideration of the National Development Plan, the political will (including the priority areas of the Government of the Gambia)

8. ANALYSIS

8.1 Ministry of Interior

Ministry and Line Department Heavy Budget Line Analysis for the First Quarter 2021

Ministry of Interior Budget Execution as at 31st March 2021

<u>Line Item</u>	<u>Approved Budget Estimates</u>	<u>Expenditure as at March 2021</u>	<u>Budget Balance</u>
Travel Expenses	1,500,000	510,000	680,443.40
Telecommunications	600,000,	36,000	564,000
Electricity, water and sewage	20,000,000	1,345,948	18,464,752
Purchase of fuel and lubricants	2,000,000	510,000	1,395,000
Maintenance of vehicle	700,000	97,075	543,000
Training	500,000	9,500	474,000
Subvention to non-Financial Corporation	500,000	–	500,000

Contribution to Int. Organizations	200,000	-	200,000
Conference, workshops and seminars	200,000	82,750	110,000
Development	2,000,000	-	2,000,000

The above table shows the heavy weight budget line in terms of expenditure to date and Budget balance for the Ministry of Interior as at 31st March 2021

- **Travel expenses, conference and workshop, Telecommunication, and purchase of fuel** are the most active budget line during the First Quarter budget execution.
- Electricity water and sewage, Training, Contribution to International Organization, Maintenance of Vehicle and subvention to non-financial corporation and Development are the non-performing budget line during the First Quarter budget execution as at 31st March 2021

8.2 Gambia Police Force

<u>Line Item</u>	<u>Approved Budget Estimates</u>	<u>Expenditure as at March 2021</u>	<u>Budget Balance</u>
Travel Expenses	5,000,000	3,063,584.20	1,923, 995
Furniture and Fittings	2,600,000	244,650	2,239,500
Purchase of Small Arms	800,000	621,497.25	115,000
Training	1,650,000	-	1,650,000
Purchase of Fuel	23,000,000	8,690,111.40	14,309,475.70
Maintenance of Vehicle	4,500,000	1,208,800	3,277,880.30
Maintenance of Building	800,000	-	800,000
Stationery	1,500,000	495,075	900,957
Miscellaneous	500,000	375,375	64,000
Uniform and protective Clothing	8,500,000	705,525	7,794,475
Food and Food Services	30,000,000	7,325, 215	22,103,796
Construction of Office building	3,000,000	753,715	2,000,000

Other Buildings and Structures	105,700	511,385	57,000
--------------------------------	---------	---------	--------

The above table shows the heavy weight budget line in terms of expenditure to date and Budget balance for the Gambia Police **as at 31st March 2021**.

- **Travel expenses, Purchase of Small Arms, Miscellaneous, Stationary, other Buildings and structure, Purchase of fuel, Maintenance of Vehicle, Food and food Services**, are the most active budget line during the First Quarter budget execution.
- **Furniture and fittings, Training, Maintenance of building, uniforms Construction of office building and Musical Instrument**, are the non-performing budget line during the First Quarter budget execution as at 31st March 2021.

8.3 Immigration

<u>Line Item</u>	<u>Approved Budget Estimates</u>	<u>Expenditure as at March 2021</u>	<u>Budget Balance</u>
Travelling Expenses	2,000,000	2,162,566	1,228,306
Telecommunications	500,000	-	479,500
Rents and Rates	635,078	-	491,078
Purchase of Fuel and Lubricants	3,000,000	854,000	2,146,000
Uniforms and Protecting Clothing	500,000	200,625	256,095

The above table shows the heavy weight budget line in terms of expenditure to date and Budget balance for the Gambia Immigration **as at 31st March 2021**.

- **The Travel expenses, Purchase of fuel, and Uniforms**, are the most active budget line during the First Quarter budget execution.

8.4 Gambia Fire and Rescue Services

<u>Line Item</u>	<u>Approved Budget Estimates</u>	<u>Expenditure as at March 2021</u>	<u>Budget Balance</u>
Travel Expense	2,500,000	1,204,275	1, 295, 725
Maintenance of Vehicles	400,000	235,600	163, 500
Telecommunications	3,000,000	-	3,000,000

Purchase of Fuel and Lubricants	2,000,000	-	2,000,000
Fire Fighting	750,000	750,000	-
Training	800,000	-	800,000
Travel expenses	1,000,000	475,500	524,500
Purchase of Fuel and Lubricants	6,000,000	4,782,375	4,782, 375
Construction of office building	1,000,000	-	1,000,000
Maintenance of Vehicles	900,000	473,100	426, 900

The above table shows the heavy weight budget line in terms of expenditure to date and Budget balance for the Gambia Fire Service as at 31st March 2021

- **The Travel expenses (2), Maintenance of vehicle, Firefighting equipment and Purchase of fuel** are the most active budget line during the First Quarter budget execution.
- The budget line on **Telecommunication, Purchase of fuel (2,000,000), Training, and construction of office building** are the non-performing budget line during the First Quarter budget execution as at 31st March 2021.

8.5 Gambia Prison Service

<u>Line Item</u>	<u>Approved Budget Estimates</u>	<u>Expenditure as at March 2021</u>	<u>Budget Balance</u>
Travel Expenses	1,000,000	531,000	469,000
Telecommunications	200,000	50,000	150,000
Purchase of fuel and Lubricants	3,000,000	600,000	2,400,000
Maintenance of Vehicles	805,000	87,625	716,464
Maintenance of Buildings and Facilities	1,000,000	181,875	818, 102
Purchase of Small Office Equipment	200,000	-	200,000
Stationery	300,000	285,800	285, 800
Miscellaneous Office Expenses	250,000	-	250, 000
Furniture and Fittings	200,000	-	200,000
Uniforms	1,000,000	-	1,000,000

Training	450,000	45,000	405, 000
Food and Foods Services	24,000,000	6,000,380	17,849,094
Construction of Office Building	2,000,000	—	2,000,000
Other Buildings and Structures	9,000,000	—	9,000,000

The above table shows the heavy weight budget line in terms of expenditure to date and Budget balance for the Gambia Prison Service as at 31st March 2021.

- **Travel expenses, Telecommunication, Stationary, Maintenance of vehicle Maintenance of building, Food and food Services, Purchase of fuel,** are the most active budget line during the First Quarter budget execution.
- The budget line on **Purchase of small arms, Miscellaneous expenses, Furniture and Fitting, Training, Uniforms, Construction of Office building and other building and structures are the non-performing budget line** as at 31st March 2021

9. Ministry of Basic and Secondary Education

9.1 MOBSE's First Quarter Budget Execution Rate

2.8 billion is estimated for this Ministry for the Fiscal year 2021 and this translates to **12.74%** of the Total Budget for the said fiscal year. Out of this **68 million** is estimated for Development and **2.7 billion** estimated for recurrent.

	<u>Cash Plan Budgeted from January to March by MOBSE</u>	<u>Disbursed from MOFEA</u>	<u>EXECUTION RATE</u>
<u>RECURRENT</u>	340,741,116.98	271,149,194.34	<u>80%</u>
<u>DEVELOPMENT</u>	20,077,500.00	12,333,333.00	<u>61%</u>

The Table above indicates the total cash plan projected by MOBSE, the amounts disbursed by MOFEA and the execution rate as at March 2021 both on development and recurrent expenditure. These allocations as cited in the cash allocation notifications provided by MOFEA were done on the following programs:

- Ministry of Basic and Secondary Education
- Sub-vented Institution (PE)

- Sub-vented Institution OC
- School Improvement Grant
- School Feeding

10. Ministry of Defence

757 million is estimated for this Ministry for the Fiscal year 2021 and this translates to **3.43%** of the Total Budget for the said fiscal year. Out of this, **24 million** is estimated for Development and **733 million** estimated for recurrent.

From these allocations estimated for the Ministry of Defence, the cash allocation notification from MOFEA indicated a total disbursement of **43,745,334** as at March 2021. This rate disbursed in the first quarter translates to only **5.8%** of the total estimates for Defence in the fiscal year 2021. Disbursements as highlighted in the cash allocation notifications provided by MOFEA were done on the following programs:

- Ministry of Defence
- Gambia Armed Forces and
- JOC (Joint Operations Centre)

11. Ministry of Higher Education, Research, Sciences and Technology

From the Monthly cash allocation notification from MOFEA, **D36,016,667** has been disbursed to the Ministry of Higher Education, Research, Science and Technology as at March 2021. This figure represents just **13%** of the Total Appropriation allocated to MOHERST in the fiscal year 2021 which amounts to **D274,159,669**.

Disbursements during the said period as indicated in the cash allocation notifications provided by MOFEA were done on the following programs:

- ❖ MOHERST
- ❖ Sub vented Institution (OC and PE)
- ❖ Open Scholarships
- ❖ MDI
- ❖ UTG Faraba Bantan Project

12. CONCLUSION

The relevance and vitality of this study reflect the findings and analysis of the study. This paper has brought to light the information needed for Parliament to conduct its budgetary oversight on the Executive regarding budget implementation. The role of Parliament in the budgetary process or cycle goes beyond approving estimates but stretches to monitoring and tracking the implementation and disbursements of these estimates to ensure the attainment of programs, policy

objectives and other targets of the country i.e., National Development Plan and Sustainable Development Goals.

The study reveals surrounding issues regarding budget implementation and disbursement of funds allocated to the various sectors. Such issues include among others:

- Dissatisfaction of sectors regarding budget ceilings_- The issues of budget ceiling are cross cutting within the sectors. In their own words, “The ceiling impedes sectors in implementing their programs and the ceiling pegged by MOFEA mostly are inadequate”- MOFEA dismisses these claims with assertions that ceilings are normally pegged based on the macro-economic assessment reports of the economy. Budgets are estimates and forecasts thus, the ceiling is dependent on the availability of funds and the revenue generating capacity forecast of the economy.
- Delay in cash allocation and disbursement_- Sectors lamented the delays that normally take place before receiving their disbursements from MOFEA indicating that this affects the implementation of their programs.
- MOFEA also counters the issues flagged by sectors, claiming that most of the Sectors/Ministries do not even provide their cash plans on time for MOFEA to be able to do their assessment and cash allocation.
- The lack of policy priorities, development programs and strategic plans by sectors is also a major setback for MOFEA in terms of addressing the budgetary needs of sectors. The budget is program-based and therefore tangible policies and programs would be of great help in the budgetary process.
- MOFEA also bemoaned that the ignorance of sectors about budgets being forecast based on the revenue earning capacity of GRA. This breeds some misunderstanding on the side of sectors.

The issues highlighted in this study will paint a picture of the associated challenges of budget implementation. It will help the Parliament to understand the origin of these challenges and the approach it should take in terms of ex-post budgetary oversight to monitor and track budget implementation thereby ensuring that budgets are implemented as per the targeted programs which will enhance national development and expedite the achievement of Sustainable Development Goals.

