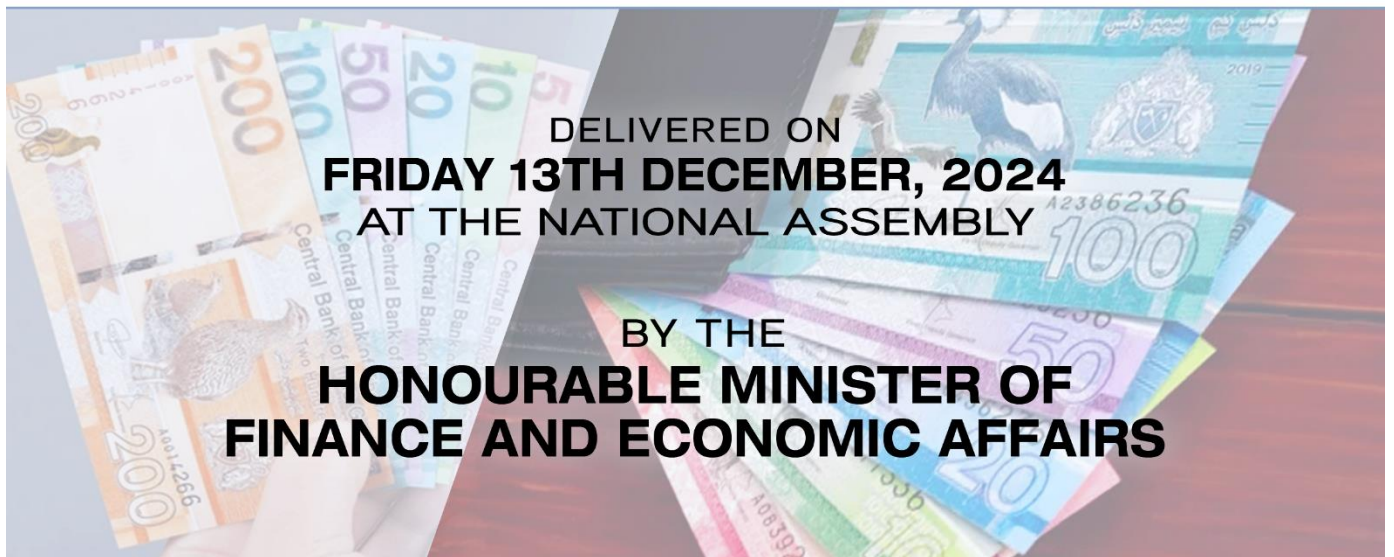


REPUBLIC OF THE GAMBIA

BUDGET **2025** SPEECH

**“BOLSTERING ECONOMIC GROWTH AND REDUCING
VULNERABILITIES WHILE ENSURING FISCAL SUSTAINABILITY”**



DELIVERED ON
FRIDAY 13TH DECEMBER, 2024
AT THE NATIONAL ASSEMBLY

BY THE
**HONOURABLE MINISTER OF
FINANCE AND ECONOMIC AFFAIRS**



HONOURABLE SEEDY K.M KEITA
MINISTER OF FINANCE AND ECONOMIC AFFAIRS

ACRONYMS

AfCFTA	African Continental Free Trade Agreement
AFCON	Africa Cup of Nations
AFD	Agence Française de Développement
AfDB	African Development Bank
AFRITAC	African Regional Technical Assistance Centre
AIC	Audit Implementation Committee
AIS	Automatic Identification System
ASYCUDA	Automated System for Customs Data
ATI	Access to Information
ATI	Africa Training Institute
ATIIF	Access to Information Implementation Framework
AU	African Union
BADEA	Arab Bank for Economic Development in Africa
CAA	Civil Aviation Authority
CBG	Central Bank of The Gambia
CBPP	Contagious Bovine Pleurae Pneumonia
CFA	Communauté Financière en Afrique (Franc)
CPPR	Country Portfolio Performance Review
CRB	Complaint Review Board
CRC	Constitutional Review Commission
CRM	Compliance Risk Management
CRR	Central River Region
CSO	Civil Society Organization
CSRWASHDEP	Climate Smart Rural Water Supply and Sanitation Development Project
DCAF	Geneva Centre for Security Sector Governance
DCD	Department of Community Development
DHS	Demographic and Health Surveys
DLEAG	Drug Law Enforcement Agency, The Gambia
ECOWAS	Economic Community of West African States
EHSSS	Essential Health Services Strengthening Survey
EIF	Enhanced Integrated Framework
ENABEL	Belgian Development Agency
EU	European Union
FAO	Food and Agriculture Organization
FMC	Fisheries Monitoring Centre
FX	Foreign exchange
GAMCEL	The Gambia Cellular Company Limited
GAMREN	Gambia National Research and Education Network
GAMSR	Gambia Social Registry
GAMTAXNET	Gambia Tax Management System
GAMTEL	The Gambia Telecommunication Company Limited
GBA	Greater Banjul Area
GBoS	Gambia Bureau of Statistics
GCCPC	Gambia Competition and Consumer Protection Commission
GCF	Green Climate Fund

GDA	Governance Diagnostic Assessment
GDP	Gross Domestic Product
GEF	Global Environment Facility
GFRS	Gambia Fire and Rescue Service
GIA	Gambia International Airline
GID	Gambia Immigration Department
GIEPA	Gambia Investment and Export Promotion Agency
GIRAV	Gambia Inclusive and Resilient Agricultural Value Chain
GIS	Geographical Information Systems
GIZ	Gesellschaft für Internationale Zusammenarbeit
GLF	Government Local Fund
GNFQ	Gambia National Qualifications Framework
GNPC	Gambia National Petroleum Company
GPA	Gambia Ports Authority
GPPA	Gambia Public Procurement Authority
GRA	Gambia Revenue Authority
GSI	Gambia Songhai Initiative
GSRB	Gambia Strategic Review Board
GTHI	Gambia Tourism and Hospitality Institute
GTTI	Technical Training Institute
HFO	Heavy Fuel Oil
HIV	Human Immunodeficiency Virus
ICT	Information and Communications Technology
IFAD	International Fund for Agricultural Development
IFMIS	Integrated Financial Management Information System
ILO	International Labour Organization
IMB	Information, Media and Broadcasting
IMF	International Monetary Fund
IOM	International Organization for Migration
IPSAS	International Public Sector Accounting Standard
ITAS	Integrated Tax Administration System
ITAS	Integrated Tax Administration System
ITC	International Trade Centre
KMC	Kanifing Municipality Council
LoCAL	Local Climate Adaptive Living Facility
LRR	Lower River Region
LTDV	Long-Term Development Vision
MDA	Ministries, Departments, and Agencies
MDI	Management Development Institute
MICS	Multiple Indicator Cluster Survey
MNO	Mobile Network Operators
MOA	Ministry of Agriculture
MoCDE	Ministry of Communication and Digital Economy
MoFEA	Ministry of Finance and Economic Affairs
MoHERST	Ministry of Higher Education, Research, Science, and Technology
MOTRIE	Ministry of Trade, Industry, Regional Integration and Employment

MoYS	Ministry of Youth and Sports
MPR	Monetary Policy Rate
MSME	Micro, Small and Medium Enterprises
NaNA	National Nutrition Agency
NAQAA	National Accreditation and Quality Qualification Authority
NARI	National Agricultural Research Institute
NAWEC	National Water and Electricity Company
NBR	North Bank Region
NCAC	National Council for Arts and Culture
NCD	New Castle Disease
NCM	National Coordination Mechanism on Migration
NDA	Net Domestic Assets
NDCS	National Drug Control Strategy
NDI	National Democratic Institute
NDMA	National Disaster Management Agency
NDP	National Development Plan
NEA	National Environment Agency
NEDI	National Enterprise Development Initiative
NFA	Net Foreign Assets
NFL	National Land Policy
NGO	Non-Government Organization
NHSI	National Health Insurance Scheme
NRM	National Referral Mechanisms
NSDS	National Strategy for the Development of Statistics
NSPS	National Social Protection Secretariat
NSS	National Statistical System
NYSS	National Youth Service Scheme
OIC	Organization of Islamic Cooperation
OMVG	Gambia River Organization for Development
OPEC	Organization of the Petroleum Exporting Countries
PACD	Program for Accelerated Community Development
PAMP	Public Administration Modernization Project
PBB	Program Base Budgeting
PEFA	Public Expenditure and Financial Accountability
PFM	Public Finance Management
PHC	Primary Health Care
PIP	Public Investment Program
PIUs	Project Implementing Units
PMO	Public Management Office
PPA	Power Purchase Agreement
PPA	Project Preparation Advance
PPP	Public Private Partnership
PPR	Peste des petite ruminant
PSMA	Port State Measures Agreement
QPR	Quadrennial Periodic Reporting
RCIC	Rural Communities Information Centres

RF-NDP	Recovery Focused National Development Plan
RISE	The Gambia Resilience, Inclusion, Skills, and Equity Project
ROOT	Resilience of Organization for Transformative Smallholder Agriculture Project
RPSF	Rural Poor Stimulus Facility
SDG	Sustainable Development Goals
SDR	Special Drawing Rights
SENELEC	Senegal National Electricity Company
SEZ	Special Economic Zone
SMEs	Small and Medium-sized Enterprises
SOE	State-Owned Enterprise
SOP	Standard Operational Procedure
SPUs	Special Procurement Units
SREP	Small Ruminant Enhancement Project
SSHFC	Social Security and Housing Finance Corporation
STEM	Science, Technology, Engineering, and Mathematics
SWEDD	Sahel Women's Empowerment Demographic Dividend
TDA	Tourism Development Area
TOT	Training of Trainers
TRRC	Truth Reconciliation and Reparations Commission
TSA	Treasury Single Account
TVET	Technical and Vocational Education and Training
TVET	Technical Education and Training
UK	United Kingdom
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization:
UNODC	United Nations Office on Drug and Crime
URR	Upper River Region
USD	United States Dollar
USET	University of Applied Science, Engineering and Technology
UTG	University of The Gambia
VMS	Vessel Monitoring System
VNR	Voluntary National Review
WACA	West Africa Coastal Areas
WACOMP	West Africa Competitiveness Project Gambia
WAPIS	West African Police Information Database system
WAPP	West Africa Power Pool
WARDIP	West Africa Regional Digital Integration Project
WB	World Bank
WCR	West Coast Region
WEO	World Economic Outlook

WFP
WHO
YEP

World Food Programme
World Health Organization
Youth Empowerment Project

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Honourable Speaker,

1. I beg to move that the bill entitled “An Act to provide for the services of the Government of The Gambia for the period 1st January 2025 to 31st December 2025 (both dates inclusive)” be read a second time.

INTRODUCTION

Honourable Speaker,

2. In January 2024, His Excellency Adama Barrow, President of the Republic of The Gambia launched the Recovery Focused National Development Plan (RF-NDP) *Yiriwaa* 2023-2027. The Plan seeks to consolidate gains in democratic governance, accelerate green economic and social transformation, and build resilience to shocks and crises. Implementation is now in progress and notable gains have been registered in some areas such as macroeconomic stabilisation.
3. The domestic economy witnessed a sustained recovery despite uncertainties in the global economy. This is being driven by increased production and productivity in agriculture, recovery in tourism, and unwavering construction by the Government and private sector. Sustained disinflation has been witnessed in the last nine months driven by tight monetary policy pursued by the Central Bank of the Gambia (CBG). The exchange rate has also stabilized and the gap between the official and parallel market almost closed.
4. Under the leadership of His Excellency President Adama Barrow, the Government is embarking on new revenue reforms. Resultantly, revenue collection is on an upward trajectory. Despite fiscal pressures, the Government managed to successfully host the OIC, complete critical infrastructural projects, and support poverty alleviation programs.
5. To ensure strategic and impactful use of public resources going forward, the Government is scaling up the Program Based Budgeting. These efforts are meant to transition from the traditional line-item budgeting to a program-based budget framework. The framework

demonstrates a clear linkage between Ministries, Departments and Agencies (MDAs) budget programs and the RF-NDP, 2023–2027. By aligning budget allocations with national priorities, shifts the emphasis from input-based budgeting to performance-focused budgeting. This enhances the effectiveness of decision-making and the drive to more strategic and impactful use of public resources.

6. The 2025 Budget is anchored on reduction of overall fiscal deficit aimed at achieving debt sustainability while enhancing economic development. For this reason, the Government intends to continue the drive towards rationalization of expenditure, improving domestic revenue mobilization, restructuring domestic debt and focusing on concessional financing of infrastructure projects identified in the Recovery-Focused National Development Plan (RF-NDP).
7. On the spending side, the 2025 Budget seeks to support economic development through the provision of quality services in agriculture, education, health, infrastructure development and the modernisation of Public Administration, for a more inclusive and resilient growth. Emphasis is being placed on building the human capital base through investment in education, Health, support poverty spending, including emergency relief and the ongoing investments in infrastructure and energy. To this end, the theme of the 2025 Budget is *“Bolstering Economic Growth and Reducing Vulnerabilities while Ensuring Fiscal Sustainability”*.

MACROECONOMIC OVERVIEW

Honourable Speaker,

Developments in the Global Economy

8. The global economic outlook although stable remains uninspiring. Risks are more inclined toward the downside. A flat grow of 3.2 percent is projected for 2024 and 2025. In the medium-term growth is projected to average 3.1 percent. This is lower compared to pre Covid 19 pandemic average due to persistent structural headwinds such as aging population and weak productivity. Regarding regional growth, the anticipated recovery in the United States will be

offset by slowdowns in advanced European economies. Similarly, disruptions to production due to conflicts, civil unrest, and extreme weather events in Middle East, Central Asia and sub-Saharan Africa will be compensated by recovery in emerging Asia.

9. The rate of disinflation is moderating and varying across regions. Global headline inflation is expected to fall from an annual average of 6.7 percent in 2023 to 5.8 percent in 2024 and 4.3 percent in 2025. Goods prices have stabilized, but services price inflation remains elevated in many regions. Advanced economies are expected to return to their inflation targets sooner than emerging market and developing economies. As global disinflation continues to progress, risks remain elevated due to growing geopolitical tensions.

Developments in the Domestic Economy

Honourable Speaker,

10. The Gambian economy has shown remarkable resilience in the face of global uncertainties. As a result, it is estimated to grow by 5.8 percent in 2024 compared to 4.8 recorded in 2023. The improvement is due to stable macroeconomic environment, strategic investments in infrastructural projects, increased productivity in agriculture, recovery in tourism and resilient remittance inflows.
11. On sector specific developments, crop production continues to underpin the agriculture sector growth due to support from Government and development partners. The livestock sub sector is estimated to maintain an upward trajectory while the fisheries and aquaculture sub-sectors are estimated to recover from contraction on account of renewed focus on aquacultural development. Overall, the sector is expected to grow by 6.6 percent in 2024.
12. The industrial sector which was driven mainly by construction over the past years is estimated to register a growth of 0.8 percent. The slowdown is mainly due to completion of many high impact public projects. However, private sector infrastructure projects remain robust. Domestic electricity generation is recording a gradual increase on account of new projects although demand continue to outstrip supply. The mining sector is estimated to stabilize, while

manufacturing growth is estimated to register a moderate growth due to competitiveness challenges.

13. The services sector is expected to register a strong growth of 8.4 percent in 2024 driven by tourism and trade. This is due to targeted interventions by the Gambia Tourism Board (GTB) and rising consumer spending following price stabilization.
14. On the prices front, the sustained tight monetary policy stance has triggered moderation in inflation from 16.7 percent in January to 10.0 percent by September 2024. The implementation of the foreign exchange policy by the Central Bank of The Gambia (CBG) coupled with increased foreign currency inflows, restored exchange rate stability.
15. Public finances reflect mixed performances in 2024. The revenue mobilization reforms adopted and implemented by the Government are yielding significant results. As at end September 2024, domestic revenue collection for the first nine months of the year, amounted to D24.2 billion against the target of D23.1 billion. Tax revenues amounted to D13.24 billion, a 3.36% increase above projections. Additionally, non-tax revenue, particularly administrative fees, reached D4.40 billion, significantly surpassing the target of D3.53 billion. Grant disbursement remain resilient. In overall, revenue and grants outturn for the year is expected to exceed target.
16. With regards to expenditure, budget execution has been particularly difficult this year due to unanticipated spending shocks. These include the intervention of the Government to the tune of USD20 million to pay NAWEC arrears with the independent power suppliers. These payments served as tariff compensation to cushion the population from tariff increase which would have put on toll economic challenges on the citizens.
17. Other expenditure pressures came from the hosting of a very successful OIC Summit. The anticipated financial support for hosting of the summit was not realized and the Government was obliged to bankroll expenditures related to the Summit.

18. Consequently, the overall expenditure budget execution as at end-September 2024 was at 84%. To absorb the unforeseen expenditures during the year, Government, managed to reprioritize certain expenditures to achieve Net Domestic Borrowing (NDB) targets. These measures include constraints on expenditure on Use of Goods and Services, with execution rate of 57% over the period.
19. Due to higher than planned expenditure, the overall deficit including grants for the first nine months stood at D7.2 billion. With the expected disbursement in budget support in the last quarter and expenditure restraint, the deficit is expected to slow down to D5.1 billion by the year end against the Budget target of D4.5 billion.

KEY SECTORS

Finance and Economic Affairs

Honourable Speaker,

20. The Ministry is making efforts to strengthen the linkage between the Budget and NDP. For the first time, the Government will be sharing booklets containing information on intended program results from all Ministries, Departments, and Agencies (MDAs). The Government also intends to build on the gains registered on the introduction of Gender Responsive Budgeting and to embark on Climate tagging to facilitate the tracking of climate expenditures.
21. On Public Financial Management (PFM) reforms, the Ministry has developed State-Owned Enterprises (SOEs) Regulation and a dividend policy. The Ministry has also concluded the mid-term review of the PFM Strategy (2021-2025), and focus is now on developing a new PFM strategy (2026-2030). Similarly, the review and amendments of the PFM Act is ongoing. To ensure efficient management of government assets, an Asset Management Policy (AMP) was formulated and adopted. The Ministry is also working on finalizing a New Aid Policy, which provides the framework for the operational guidance of aid to improve its alignment and harmonisation to national priorities.

22. The Government is planning to embark on advocacy and resource mobilization missions for the RF-NDP. An Integrated National Financing Framework (INFF) strategy was developed which seeks to provide a framework for sustainable financing of national development priorities. To improve the monitoring of the National Development Plan (NDP), the indicator metadata handbook was designed to provide comprehensive information on the indicator definition, description, relevance and calculation methodology amongst others. The Government will participate in the 2025 Voluntary National Review (VNR) to assess the country's progress in the implementation of the Sustainable Development Goals (SGDs).

PRODUCTIVE SECTORS

Agriculture

Honourable Speaker

23. The Ministry of Agriculture with support of development partners continue to drive its transformation agenda guided by the Recovery Focused National Development Plan 2023-2027. Through various interventions, production of key commodities across the country significantly increased during the 2023/2024 agriculture season. This was driven by the increase in yield for maize, rice and groundnuts. For the 24/25 season the Ministry provided fertilizer support amounting to 35,000 tons, including 1000 tons of organic fertilizer for vegetable growers and 5,513 bags (50kg) of chemical fertilizer. High-yielding seed amounting to 677.4 tons were also distributed.

24. On livestock, the Ministry implemented various development initiatives which contributed significantly to the growth and sustainability of the sector. The Livestock Master Plan (LMP) and Livestock Sector Strategy were developed as roadmaps, along with updated veterinary legislation, and the Animal Health Act of 2023.

25. In the 2024 and 2025 seasons, the Ministry aims to increase land preparation and yield using high-seed varieties targeting 4 tons per hectare. The Ministry will engage the private sector by expanding SME matching grants and other incentives to attract youth and women into agriculture and improve market access. It also plans to launch the GAMIRSAL to increase

financing access and build institutional capacity for research and development. Developing the value chain for key crops and livestock remains central to improving production and productivity in the outlook.

Fisheries and Water Resources

Honourable Speaker

26. The Ministry with support from development partners implemented various projects and programs aimed at improving the sustainability of fisheries and water resources sectors. These include procuring and installing forty (40) Automatic Rainfall Stations, in all the administrative regions. This will enable the Department to increase its weather forecast accuracy and monitoring. The Ministry also launched a regional project in July 2024 to improve water access by populations facing the effect of climate change. Moreover, fish processing technology that help to improve health quality of women fish smokers were distributed. To enhance the participation of Gambians in fisheries, the Ministry procured 20 new artisanal fishing boats.

27. As part of the plans in 2025, the Ministry will be strengthening the fisheries' Jetty infrastructure in Banjul, to enable licensed industrial fishing vessels to comply with 100% landing requirements in The Gambia. This will increase employment, and availability of fish for domestic consumption. The government will operationalize the National Hatchery to produce quality fingerlings. The Ministry will also prioritize constructing and installing fifty-five (55) large solar-powered piped-water supply systems to provide safe and quality drinking water to 250,000 people in the rural areas.

Communication and Digital Economy

Honourable Speaker,

28. The Ministry of Communication and Digital Economy is finalizing the formulation of the Communications Bill 2024 that will enhance legal and regulatory frameworks, sustain the principles of fair competition, and ensure quality affordable services for consumers. Concerning digital infrastructure development, the contract for the second subsea fiber optic

cable transaction advisory was signed in July 2024. This initiative will ensure adequate redundancy in the first mile as well as increase bandwidth capacity.

29. The Ministry is prioritizing further upgrades and expansion of the LTE Network to onboard and extend reliable connectivity to government offices to improved efficiency and timely service delivery. Priority is also being given to creation of 202,375 digital addresses comprising of households, businesses and landmarks in the West Coast region.

Tourism and Culture

Honourable Speaker,

30. The tourism sector has shown a remarkable recovery trend. To sustain the trajectory, the Ministry of Tourism and Culture introduced two new tour operators in 2024. The Gambia Tourism Board (GTB) in collaboration with development partners and private sector participants has come up with various marketing and diversification initiatives such as rolling out another Smiling Coast Destination Video, introduction of placards across all registered tourism establishments throughout the country and establishment of agri-food processing and packaging unit to encourage the use of local ingredients and create employment opportunities for youths. In the area of culture, the sector priorities heritage conservation for job creation and economic upliftment of our communities.

31. In 2025, the sector plans to demarcate other TDAs such as the North Coast and the Kiang West National Park. The sector will also roll out more youth-friendly products such as theme parks as well as picnic hubs in TDA 1 to target the millennials. The sector also plans to pursue the revamping of the site museum at Fort Bullen, among other programs.

Trade Industry Regional Integration and Employment

Honourable Speaker,

32. The Ministry has been extensively involved in mitigating the impacts of global market uncertainties, ensuring priority berthing for vessels carrying essential commodities, and extending the waiver for rice importation. These efforts have helped stabilize prices and ensure

the availability of essential food commodities. Efforts were also directed toward formulation and implementation of the AfCFTA National Implementation Strategy. The Ministry also prioritized the SheTrades Hub Programme, which aims to support women-owned businesses. In labor and employment, the Ministry facilitated the signing of bilateral labor agreements with the UAE and Saudi Arabia, and negotiations are ongoing with Qatar and Spain. These initiatives aim to gradually reverse the irregular migration trends and promote manpower exchange. In export promotion, GIEPA has enhanced the global presence of Gambian products.

33. In 2025, the Ministry plans to expand trade facilitation efforts, advance sugar import negotiations, and broaden the China Duty-Free Quota-Free (DFQF) scheme, which is a non-reciprocal tariff preference program for Least Developed Countries (LDCs). The Africa Continental Free Trade Area (AfCFTA) Implementation Strategy will be intensified, with a focus on priority sectors. Regional Integration efforts will focus on finalizing the Trade and Transit Cooperation Agreement with Senegal and Guinea Bissau while expanding the Lumo modernization program. With regards to industrial development, plans include launching the Trade Corridor and Special Economic Zones. The Ministry will also continue to strengthen its labor migration framework and work towards enacting the Legal Metrology Bill while operationalizing the National Reference Food Testing Laboratory.

Works, Construction and Infrastructure

Honourable Speaker,

34. The Ministry remains committed to improving the infrastructure of the country. Significant work on road infrastructure has been witnessed. Through GLF, the Government is funding the construction of key priority roads nationwide with a total length of 355km. The Widening of the Bertil Harding Highway has reduced travel time by more than half for commuters traveling from Banjul to the Airport. The 50 km Urban Roads Project is progressing steadily. Despite the challenges encountered during implementation, the Niuni Hakalang and Kiang West Roads are in their final stages. Priority has been given also to road maintenance programs and in some instances expanding the network. Among the prioritized roads are the Kerewan-

Njawara Road, Bannie-Salikenni and Brufut-Madiana-Kunkujang. They are all expected to be inaugurated in the first quarter of 2025.

35. The Gambia Civil Aviation Authority (GCAA) has successfully commissioned the ultramodern Doppler VHF Omni-directional Range (DVOR) at the Banjul International Airport (BIA) in the second quarter of 2024. This has enhanced operational safety and efficiency at BIA. In line with the RF-NDP 2023-27, GCAA is undertaking works on overlaying the runway pavement and construction of a turning loop at Runway 14. These works, which will cost US\$20 Million, are expected to enhance the safety of aircraft operations and prolong the lifespan of the runway.
36. Concerning GPA, significant strides were made in enhancing the operational efficiency of the port. Cargo handling capacity increased following the implementation of cutting-edge technology and the acquisition of new cargo-handling equipment. This has already started to ease congestion and improve turnaround times for vessels. Additionally, the acquisition of the Banjul Half-Die properties to increase the Port's container storage capacity was completed.
37. In 2025, the Ministry has prioritized the implementation of Phase 3 of the Bertil Harding Highway project which will address most of the safety deficiencies and the issues relating to the congestion at the roundabouts as well as some of the heavily traveled intersections. Phase 3 includes the construction of the service roads roundabouts, pedestrian crossings, improved storm drainage systems, and a new overpass at the Sukuta Roundabout. Plans also include implementing a Terminal Operating System (TOS) and a Port Community System to streamline port operations, communication, and coordination among all Port users.

Petroleum and Energy

Honourable Speaker,

38. The energy sector remains one of the key priorities of the Government, as enshrined in the Green Recovery-Focused NDP. NAWEC has continued to register improvements in the electricity subsector, despite the demand outstripping supply. As part of the strategy to diversify the sources of energy generation, while reducing negative impacts on the

environment, NAWEC has inaugurated the 23MW solar power plant in Jambur at the beginning of 2024.

39. The Petroleum Commission has set up and hosted two data room visits for reputable Oil Companies, as part of licensing activities. A license management system, OGAS (lightweight version) has been developed to enhance the monitoring of the implementation of licenses and contracts. To ensure the attainment of a vibrant and more transparent geo-extractive industry, the Ministry is in the process of developing a Minerals and Mining Policy and a Mining Cadastral System.
40. In 2025, the Ministry prioritized the implementation of an Integrated Data Management System which will enhance access, retrieval, and preservation of valuable Geological and Geophysical data.
41. On access to clean water, the National Water and Electricity Company (NAWEC) will expand access to water and sanitation services in rural and peri-urban areas. This is aimed at achieving Universal access with a minimum coverage of 85% by the end of 2025.

SOCIAL SECTORS

Basic and Secondary Education

Honourable Speaker,

42. As per its mandate, the Ministry of Basic and Secondary Education continues to improve the teaching and learning environment, especially in underserved areas. A significant increase in enrollment across all educational levels has been recorded in 2024 relative to 2023. To accommodate the growing demand, the number of schools increased from 3,690 to 3,839 over the same period. Over 5,500 new classrooms with furniture and 5,000 toilet cubicles with facilities catered for physically challenged students across madrassas and conventional schools were constructed as of June 2024. The Ministry during the year prioritized Technical and Vocational Education and Training (TVET) to ensure that youth are equipped with essential

skills that meet labor market demands. Additionally, the second chance education program has been expanded, enrolling 600 participants nationwide in 2024.

43. The Ministry has also initiated a comprehensive needs assessment of the education sector to improve quality education at all levels. To address the challenges of timely textbook supply and replacement, negotiations are nearing completion for the procurement and delivery of lower and upper basic school textbooks. The Ministry has also launched a MoBSE radio station on 89.3 FM, currently covering the Greater Banjul area and parts of Foni, with plans for nationwide coverage.

Higher Education

Honourable Speaker,

44. As part of the government's effort to support research and innovation, the Ministry of Higher Education Research Science and Technology has inaugurated State-of-the-Art facilities at the University of The Gambia Faraba Banta Campus (Lot I). Additionally, the Ministry, in collaboration with the Organisation of Southern Cooperation (OSC), signed a cooperation agreement to establish a multi-disciplinary research facility at the University of The Gambia Faraba Banta Campus that will provide unlimited access to online resources. Construction works on Lot II of the UTG Faraba Banta campuses are ongoing and are expected to be completed by the end of March 2025. Similarly, the Ministry will establish two additional training centres in Kombo South and Lower Fulladu respectively, that will focus on Agribusiness and Fisheries. Construction works at the University of Applied Science, Engineering, and Technology (USET) Brikama campus are expected to be completed by end of 2024.
45. As part of the activities for 2025, the Ministry will prioritise the construction of the School of Medicine and Allied Health Sciences, which will include dentistry, pharmacy, nursing, public health, and medicine.

Health

Honourable Speaker,

46. The Ministry of Health continues to strive to deliver quality health services and prevention measures. The investment in the health sector has resulted in improved critical health service delivery particularly in areas such as maternal, neonatal, and under-five mortality ratios. The prevalence of HIV/AIDS in the general population has been kept at lower levels of around 1.39%, and prevention strategies are being reinforced. The Ministry developed an eHRMIS to improve healthcare personnel management. To date, it has 5,000 registrations. Efforts are being directed towards transitioning to digital data collection and improving birth registration. The National Health Insurance Act was piloted at Bundung Maternal and Child Hospital, aiming to reduce out-of-pocket expenditure.

47. The Ministry in 2025 plans to build five new Primary Health Care facilities in hard-to-reach communities, complementing the five new health centers established earlier this year by H.E. the President. Contracts have been awarded for upgrading and refurbishing Brikama-Ba into a significant health center, and Bwiam General Hospital to include post-graduate training. Additionally, the construction of the Emergency Treatment Center at Farato and the Food and Drug Lab at Brusubi will be scaled up. The Ministry will also prioritize refurbishing nine health facilities and constructing six health posts nationwide, creating eight additional health posts to increase access and quality of services.

Gender, Children and Social Welfare

Honourable Speaker,

48. The Government remains committed to achieving gender equality, and equity and promoting women's participation in all social, political, and economic activities as enshrined in the National Gender Policy 2024-2035. In line with this, the Ministry of Gender, Children, and Social Welfare (MoGCSW) is implementing an economic and financial inclusion of girls and young women, through the formation of cooperatives, capacity building on income generating activities and programs.

49. In 2024, the Ministry has made a disbursement to 8,400 women across three regions in the country and established a Disability Fund to provide financial support to disabled individuals. It is also implementing a Family Strengthening Programme (FSP) that offers monthly cash transfers of D 1,000 per beneficiary, targeting older persons, disabled individuals, orphan children, and female-headed households.
50. In 2025 the Ministry will prioritise political empowerment of women and girls by facilitating the promulgation of the Women Reservation Bill. The Ministry will also implement new policies and programs that include establishment of a Project Implementation Unit, rehabilitating office spaces, acquiring a permanent office complex, polarizing the Disability Act 2023, popularizing the National Gender Policy, setting up a special court for SGBV, and reevaluating child protection strategies.

Social Protection

Honourable Speaker,

51. The Government continues to demonstrate its commitment to Social Protection. Work has started on mainstreaming social assistance into the national budget rather than relying on ad-hoc and project-based cash transfers. In 2024, the Government piloted the support to vulnerable groups such as Orphans and Vulnerable Children, PWDs, female-headed households, and older persons. To consolidate the gains, the first ever direct legislation on the social assistance sector, the Social Protection Act was passed in July 2024 to demonstrate the Government's commitment. The Act seeks to set standards of social service delivery to the poor and vulnerable communities especially marginalized groups such as people living with disabilities, widows, orphans, and people living with HIV/AIDS, amongst others.
52. In 2025, plan is to operationalize the Social Protection Fund, established by the Social Protection Secretariat with a starting capital of D200 million. This will finance the expansion of the government cash transfer to vulnerable groups and other social protection interventions across different sectors as defined in the National Social Protection Regulations 2024.

Youth and Sports

Honourable Speaker,

53. The Ministry of Youth and Sports made significant strides in youth empowerment and sports development in 2024. Key initiatives included the successful implementation of comprehensive youth development programs, such as vocational training, entrepreneurship opportunities, and mentorship schemes, all aimed at equipping young people with the skills and confidence needed for sustainable livelihoods. The Gambia Songhai Initiative (GSI) trained young people in integrated farming, contributing to food security and poverty reduction.

54. In sports, the Ministry focused on enhancing infrastructure by revamping existing facilities and constructing new sports centers nationwide. Investments in specialized sports gear and skilled coaches have supported young athletes to excel. Additionally, strategic partnerships with schools and community organizations have helped identify and nurture talent from an early age.

55. In 2025, the Ministry plans to secure better office spaces for the National Enterprise Development Initiative (NEDI) and the National Sports Council and to acquire the necessary equipment and vehicles to enhance operational capacity. The Ministry will prioritize investing in youth empowerment and sports development, with a focus on expanding infrastructure and strengthening partnerships to ensure sustainable progress in these sectors.

CROSS CUTTING SECTORS

Interior

Honourable Speaker,

56. To manage migration effectively, the Ministry has developed a roadmap for the return and reintegration of migrants in The Gambia. The Geneva Center for Security Sector Governance (DCAF)-Immigration project was initiated to address critical gaps in the GID's legal and policy

framework. To improve border management, foster peace, stability, and security, the construction of immigration border posts was launched in Amdalai, Kerr Ali, and Giboro. A joint task force has been set up to monitor and apprehend illegal migrants and alleged criminals in sensitive areas. The Ministry developed key policies, including the Gender Mainstreaming Policy, Internal Investigation Policy, and review of the 1949 Police Act. The Gambia Prisons Service improved the safe transportation of inmates by purchasing vehicles and receiving support from GTSC. The Gambia Fire and Rescue Services responded to 432 calls in 2023, including fire incidents, extrications, sea rescues, and fatalities.

57. The DLEAG successfully implemented the supply suppression strategy, seizing significant quantities of controlled substances such as cannabis, hashish, ecstasy, methamphetamine, and cocaine while prosecuting multiple suspects nationwide. To ensure drug demand reduction, DLEAG reinforced public awareness through local TV and radio programs and launched additional Drug-Free Clubs in schools, educating students about the dangers of drug use.

58. In 2025, the Ministry will prioritize improving public confidence through better service delivery, building capacity and development, enhancing police capabilities, and strengthening policing governance. The Prison department will construct a modern kitchen at Jeshwang and Janjanbureh Prison to enhance the feeding of inmates. The Gambia Fire and Rescue Service will intensify fire safety awareness across all regions and municipalities by providing refresher courses for officers and firefighters, upgrading the Brikama and Barra Fire Stations, and completing the backfilling at the Serekunda Fire and Rescue Station ground. The Ministry will also prioritize enhancing manpower needs and the construction of a Forensic Laboratory and Exhibit Store.

Information

Honourable Speaker,

59. The Ministry has made significant progress in 2024. Some of the achievements include the hosting of bi-weekly Mansa Kunda, monthly press conferences, broadcasting of sector-specific documentaries on development-focused programs and projects and conducting training of information officers from various MDAs on implementing the Access to Information (ATI)

Act 2021. The Ministry is also formulating an Information & Communication Policy to establish guidelines and frameworks to manage information within Government effectively. Lastly the establishment of the ATI Commission will help to monitor and oversee the implementation of the ATI Act 2021. The Ministry is working on the finalization of the formulation of the Personal Data Protection and Privacy Bill 2024.

60. The Ministry plans to undertake outreach programs to enhance communication strategies by ensuring that information about Government programs and projects reaches the entire population. Strategic communication consultants would be contracted to develop a strategic communication plan to ensure that high-quality information content is accessible in the local language and a regular monitoring and reporting framework to measure the impact of communication activities. The Ministry will ensure that the Information, Media and Broadcasting (IMB) Bill would be tabled before the National Assembly by the second quarter of 2025. The Bill aims to harmonize emerging issues in the information, media, and broadcasting sector to harness democratic dividends in the Gambia. The Ministry also plans to create a modern media/press center to empower the different players in the information value chain, and advance press freedom and open governance initiatives.

Justice

Honourable Speaker,

61. The Ministry has commenced the development of a new, cost-effective database that will enhance efficient work management and streamlining registration processes for public benefit. The cloud-based Intellectual Property Automated System (IPAS 4.0) was completed and will allow the IP Office staff to work remotely, thereby enhancing productivity. The Industrial Property Office, in partnership with the Gambia Tourism Board, has successfully registered the country brand “THE GAMBIA THE SMILING COAST OF AFRICA” with the World Intellectual Property Organization (WIPO), making The Gambia one of the first countries to register its brand as a trademark under the Madrid Protocol. In addition, the Ministry's Industrial Property Office supported a mentorship program for 50 women SMEs. The Office of the Curator has introduced a direct debit payment system for beneficiaries, replacing the

previous method of issuing cheques through the Central Bank, which allows beneficiaries to access their funds within 24 hours.

62. In 2025, the Ministry will prioritize upgrading the database to allow clients, including legal practitioners, banks, real estate agents, entrepreneurs, and the public, to register remotely. Phase 2 of the Deeds Registration System will be implemented, which involves capturing and linking property records in the system to provide a complete history of all registered lands. The capacity of the Inspection Team at the Companies Department strengthened to ensure nationwide coverage.

Public Service, Administrative Reform, Policy Coordination and Delivery

Honourable Speaker,

63. The Personnel Management Office in collaboration with the Ministry of Public Service and partners had carried out a functional review of MDAs to streamline and rationalize the overlapping and role conflicts of MDAs to make the Government more efficient and effective. The Office also conducted a capacity gaps assessment with key relevant cadres to formulate competency development programs relevant to these cadres.

64. Recently, PMO carried out a staff audit exercise on MoBSE, MoH, and MoA of the Civil Service. This is geared towards managing and controlling human resources and wage bills.

Environment, Climate Change and Wildlife

Honourable Speaker,

65. The Ministry has made significant strides in managing climate risks, including developing a draft carbon trading bill to create a balanced and fair carbon trading market in The Gambia. The successful launch of the Nationally Determined Contribution (NDC) and its implementation plan is set to contribute to a net-zero reduction of CO₂ emissions with clear targets and indicators.

66. The Ministry is actively implementing the Mitigation Action Program under the MRV system to enhance climate change adaptation and mitigation capabilities. This includes tracking solar PV, GIS forest cover, and the establishment of a Climate Action Center at UTG. As a member of the LIFE-AR initiative, The Gambia is nearing completion of the establishment stage. The Department of Parks and Wildlife Management has also designated the Niimi Biosphere Reserve, benefiting 178,000 people in the North Bank Region.
67. In 2025, the Ministry will focus on finalizing and implementing the carbon trading bill, scaling up NDC activities, and enhancing climate change adaptation through the Climate Action Center. The Ministry will also advance the LIFE-AR initiative, focusing on community investments. The Department of Parks and Wildlife Management will implement the draft Wetland Policy to address pollution, erosion, and mangrove dieback challenges.
68. The Ministry will also distribute 52,342 Gmelina stumps and 800 bags of mangrove propagules to restore degraded mangrove forests. Additionally, the Global Biodiversity Framework Early Action Support project will be launched to align national targets with biodiversity conservation goals. Efforts will also continue to restore 4,000 hectares of degraded wetlands in partnership with the mangrove consortium and Orsted Energy.

Lands and Regional Government

Honourable Speaker,

69. The Ministry of Lands, Regional Government, and Religious Affairs is making strides in enhancing the capacity of the country's land administration sector. With regards to the misuse of official stamps by Alkalolu (village heads), the Ministry will procure official stamps for all Seyfolu (district chiefs) and Alkalolu. These stamps will be issued upon appointment and reclaimed by the Government upon dismissal. The Ministry is cognizant of boundary disputes between districts and villages. Demarcation of village and district boundaries will be carried out and the development of affordable housing schemes will be facilitated. In addition, a state-of-the-art office complex will be constructed that hosts the National Land Information Center, which will manage the registration of all land via an online system. With the ongoing challenges of land use, the Ministry will implement a new land use plan that balances

development, agriculture, conservation, and urban growth while safeguarding natural resources. The Ministry will finalize the development of new real estate regulations that will address the issues of unclear property ownership, unregulated land sales, and ongoing disputes, among others.

Foreign Affairs

Honourable Speaker,

70. The Government through the Ministry of Foreign Affairs continues to strengthen its current bilateral and multilateral relations as well as endeavor to open new frontiers of relations to serve citizens better. The Ministry continues to maintain a strong voice on global issues targeting preventive diplomacy aimed at peacebuilding, peacekeeping, reforms of the international system and the wider global financing architecture.

71. To ensure effectiveness and efficiency, the Ministry has embarked on professionalizing the Foreign Service, revising the Foreign Service Regulations, developing the Posting Policy, Jurisdiction Mapping and drafting a Foreign Service Bill. Work is in progress on the development of a Codified Foreign Policy and a Code of Conduct for Foreign Service Officers.

72. The Ministry is in the process of developing the National Migration Strategy 2024 – 2029 that seeks to provide a national framework for a progressive migration management system. Additionally, the Ministry continues to attach great importance on facilitating the safe return and reintegration of stranded Gambian migrants abroad. To date, over 2000 stranded Gambian migrants have been assisted from different parts of the world to return and reunite with their families since January 2024.

Data and Statistics

Honourable Speaker,

73. The Gambia Bureau of Statistics (GBoS) conducted the Population and Housing Census in May/June 2024, marking the country's first digital census. The census provides essential data

for governance, policymaking, development planning, and social welfare, and serves as a sampling frame for future surveys.

74. In 2025, GBoS in collaboration with stakeholders, will conduct two major household surveys: the Integrated Household Survey (IHS) and the Demographic and Health Survey (DHS). Furthermore, the Labor Force Survey, National Migration Survey, and the National Disability Study will be conducted.

REVENUE ADMINISTRATION

Honourable Speaker,

75. The Gambia Revenue Authority (GRA) remains committed to improving revenue and service delivery at all levels by making compliance easy and cost-effective. Guided by the GRA Corporate Strategic Plan 2020 – 2024, numerous reforms and modernization strategies were implemented. To sustain the gains registered so far, GRA is developing a new five-year strategic plan (2025-2029). The plan will be underpinned by four strategic objectives which are: to improve voluntary compliance, enhance trade facilitation, ensure cultural transformation, and internal efficiencies. It will continue to leverage on ICT digitalization to drive modernization and reforms initiatives.
76. Numerous reform initiatives have been implemented during the year. These include rolling out of the ASYCUDA World system, the National Single Window System, Domestic Revenue Mobilization Project (DRMP), revenue assurance systems for excise taxes and petroleum, among others. Additionally, contract for the new Integrated Tax Administration System (ITAS) has been signed, aimed at digitalizing domestic tax administration from registration, filing and payment processes. The GRA is working on other ongoing projects such as the development of the Rental Income System, digitalization of VAT collection, Border and Inland Border Control Reforms, Post Clearance Audit (PCA), Operationalization of Internal Affairs Function, and deployment of the Monitoring and Evaluation System. All are expected to ease reporting and creating accountabilities for the implementation of reform initiatives.

MEDIUM TERM MACROECONOMIC AND FISCAL OUTLOOK

Honourable Speaker,

GDP Growth

77. The domestic economic prospects remain favorable. Economic growth is projected at 5.9 percent in 2025 and to average 5.2 percent in the medium term. This will be driven by expected stability in the macroeconomic environment and sustained growth in productive sectors. The agriculture sector, despite risks of climate change, is expected to register a growth of 4.2 percent. This will be supported by ongoing Government, development partners and private sector initiatives. The Government's thrust of closing the infrastructure deficit coupled with sustained remittance inflows and private sector savings will continue to anchor construction growth. Regarding electricity, efforts to improve efficiency, reducing transmission and distribution losses and increasing domestic generation will help to upscale supply. The tourism sector growth is expected to benefit from the recovery in global economy and local market promotional activities being spearheaded by GTB and private sector.

Inflation

78. Inflation is projected to continue decelerating towards the Central Bank of The Gambia (CBG) target of around 5 percent. The disinflation trend will be sustained by expected moderation in commodity prices, and convergence in the fiscal and monetary policy efforts. Similarly, the exchange rate is projected to remain stable in 2025 and the medium term. This will be driven by expected sustained increase in forex inflow.

Fiscal Outlook

79. The thrust of Government in 2025 is to ensure sustainable public finances through consolidating revenue mobilization reforms, expenditure prioritization and prudent debt management. The key priority for fiscal management is the reduction of debt vulnerability. The Debt-to GDP ratio is on a downward trajectory from 85 percent in 2021 to an estimated 63 percent in 2024. The objective is to bring this below 50 percent in the medium-term.

Revenue and Grants

80. Revenue outlook remains strong on account of improved economic prospects, continued domestic revenue mobilization thrust and favorable development partner support. In 2025, revenue and grants are projected at D44.7 billion (22.7 percent of GDP). Of this amount, D29.1 billion (14.7 percent of GDP) will be domestic revenue and D15.6 billion (7.9 percent of GDP) will be grants.
81. Tax revenue is projected at D21.2 billion (10.7 percent of GDP) representing 23 percent increase from last year's Budget. The growth is primarily driven by continued tax policy alignment, review of the investment code to strengthen control on tax expenditures, policy actions to support tax compliance, enhanced enforcement measures and the implementation of digital solutions to improve tax administration. However, The Gambia's tax collection effort is relatively below the Sub-Saharan Africa (SSA) and Organisation for Economic Cooperation and Development (OECD) averages.
82. Both Corporate and Personal Income Taxes are expected to grow due to strengthened compliance management through data matching, revocation of Special Investment Certificates (SICs) of non-compliant companies and other enforcement actions on rental income, excise duties through the tax stamp initiative and increase risk-based audits. Value Added Tax (VAT) will also see a boost in 2025, on account of ongoing audits in key sectors like telecoms and banking, planned audit in the hospitality sector and the anticipated introduction of an e-VAT invoicing system, which will help strengthen compliance in key revenue heads.
83. Non-Tax Revenue is expected to increase by 45% in 2025 compared to 2024, mainly due to an anticipated receipt of D3.5 billion (US\$50 million) as payment for the second tranche of the Senegambia Bridge Asset Recycling Program.

84. In terms of grants, D12.6 billion is envisaged as project grants and D3.01 billion as Budget Support. The bulk of the budget support is expected to come from the World Bank D2.065 billion (US\$29.5 million) and the European Union D945 million (€13.5 million).

Expenditure

85. In line with the envisaged resource envelop, the 2025 total Government expenditure is projected at D47.4 billion, representing an increment of 21 percent from the 2024 budget. Of the total expenditure, D31.2 billion will be recurrent and D16.2 billion will be capital and net lending. Personnel Emoluments, Use of Goods and Services, Subsidies & transfers and Capital are expected to increase by 20%, 2%, 31% and 35% respectively.

86. The projected increase in Personnel Emolument expenditures from the approved figure of D7.4 billion for 2024 to D8.8 billion in 2025 is largely driven by the projected D1.4 billion impact from the proposed increase in salaries and the increase of transport and residential allowances.

87. The increase in the personnel emoluments is due to an average increase of 30% in the Salaries of the core civil service. In addition, the transport and house rent allowances will be increased from D1,500 to D3,000 and from D1,700 to D3,500 respectively. These increases in allowances will apply to grades 1- 8 under the integrated pay scale of the civil service. Consequently, the Government has developed a new integrated pay scale to reflect these changes.

88. This 2025 salary increment will make a total salary increase of 60% from 2022 to 2025. And it will bring the total salary increase to 110% under the leadership of HE President Adama Barrow. This is a manifestation that the budget allocation of the Government is people centric with the aim of improving the lives and livelihoods of Gambians. Another significant allocation is D1 billion to the energy sector to ensure reliable supply of electricity.

89. Debt service continues to attract the largest allocation of the budget. And for 2025, D11 billion (23% of the budget) will be allocated to debt service. This is due to the commencement of the debt servicing following the Debt deferral initiate,
90. For Goods & Services expenditure, the projected increase, from D9.79 billion in 2024 to D9.98 billion in 2025, is mainly due to OIC related expenditure (excluding vehicles), travel, rents & rates, and training.
91. Meanwhile, Subsidies and Transfers, which are mainly Subventions, are projected to increase from D4.94 billion in 2024 to D6.47 billion in 2025, representing an improvement of 31 percent. This increase is mainly because of the Energy Subsidy under the Ministry of Petroleum and Energy, which is expected to cater for tariff compensations to NAWEC.
92. Debt Interest is projected to increase by 15% from D5.11 billion in 2024 to D5.88 billion in 2025 because of an expected 63% increase in interest payments on External Debt as well as the expected increase in interest payments on the 30-year bond.
93. Overall, Debt service (interest payments plus amortization) is projected to reach D11.01 billion in 2025 from D7.50 billion.

Budget Deficit and Financing

94. In line with the fiscal consolidation thrust, the budget deficit for 2025 is projected to slow down to 2.7 billion (1.4 percent of GDP) for all funds. The deficit for GLF is D198 million (0.1 percent of GDP) is the lowest for the past 10 years on average. The deficit will be financed in line with the Medium-Term Debt Strategy objective of meeting financing needs at minimum cost, subject to a prudent degree of risk.
95. In view of the high gross financing needs driven mainly by short term domestic debt maturities and expiring debt deferrals, the MTDS prioritizes, reprofiling short term into long term debt and reliance on concessional external borrowing.

Public Debt

96. Despite the fiscal pressures, public debt is expected to remain on a sustainable path. Public and publicly guaranteed debt is projected to slow down to 63.1 percent of GDP in 2025 and is expected to maintain the downwards trajectory in the medium-term. The downward trend will be supported by the Government's commitment to contain fiscal deficit below 1 percent of GDP, maintaining exchange rate stability, and minimizing the materialization of contingent liabilities from SOEs, PPPs and legacy issues.

Risks to the Budget

97. The macro-fiscal framework underpinning the 2025 Budget is faced with risks that have potential to cause deviations. Much of the risks are inclined towards the downside. These include macroeconomic risks which may emanate from global markets volatility and erratic supply of electricity. If they crystalize, they may undermine the projected economic growth, inflation, exchange rate and ultimately public finances.

98. On the revenue and grants side, there are risks related to delays or resistance in implementing reforms and donor fatigue. If this happens, revenue and grants may experience some shortfalls.

99. The expenditure is also prone to risk related to climate change events. This may deviate resources away from planned activities.

100. The public debt portfolio is also exposed to exchange rate and refinancing risk. Movement in exchange rate and interest rates may affect debt sustainability.

101. The poor financial standing among the majority of SOEs poses a significant risk to the Government in form of contingent liabilities.

RATIONALE FOR 2025 BUDGET ALLOCATIONS

Honourable Speaker,

102. The Rationale for the 2025 Budget Allocation being discussed below is focusing mainly on Government Local Funds (GLF).

Ministry of Defence (MoD)

103. The Ministry of Defence's (MoD) budget increased by 17% compared to the approved budget for 2024. Key to this increase is the D100 million budgeted for the soon to be effective Terms and Conditions of Service (TACOS) of the Armed Forces. However, Food and Food services for the Army (D150 million), which remains the same as the 2024 approved, is also catered for. An amount of D13.65 million has also been allocated for the Operation and Maintenance of Boats. Accordingly, funds amounting to D24.40 million have been set aside for the renovation some military barracks in the 2025 budget.

Ministry of Interior (MoI)

104. The Ministry of Interior's budget increased from D1.61 billion in 2024 to D1.91 billion in 2025 - which is equivalent to a 19% increase. A large share (approximately 125%) of the MoI's budget is directed towards taking care of personnel expenses. However, Food and Food services are also significant, amounting to D121.70 million. About 57% of the amount budgeted for Food under this Ministry is for the Police, while D50 million is for the Prisons. An amount of D27 million has also been allocated for Passports while an additional 10 million is set aside for the construction of police stations and posts. Subvention to the Drug Law Enforcement Agency also amounts to D162.28 million.

Ministry of Tourism (MoTC)

105. The Ministry of Tourism's budget increased by 17% compared to the approved D46.19 million for 2024. A key area of expenditure is Personnel Emoluments for Subvention - which increased by 55% to D22 million. It is worth noting that the Ministry still has the Tourism

Diversification & Resilience Project under it. It is expected this project will supplement Government's efforts in revitalizing the tourism sector.

Ministry of Foreign Affairs (MoFA)

106. The Ministry of Foreign Affairs (MoFA) budget increased by 9%, moving from D1.79 billion in 2024 to D1.95 billion in 2025, largely as a result of the expected increase of D253.88 million in Personnel Emoluments. The MoFA budget also contains D50 million for post OIC activities and caters for Embassy rents, which amounts to D356.94 million. The budget also allocates D74.34 million for the purchase of vehicles for some embassies (Washington, Paris, Jeddah, Rabat, Havana, Pretoria, Beijing, Moscow and the new embassies). Furthermore, D10 million has been set aside for the construction of a Chancery in Dakar.

Ministry of Finance and Economic Affairs (MoFEA)

107. The Ministry of Finance and Economic Affairs' (MoFEA) budget for 2025 is D2.41 billion, indicating an increase of 23% compared to 2024. This increase is partly driven by subventions to agencies, which increased by 7%, to D1.13 billion. Other key items include the inclusion of a D70.38 million (a 6% increase) for Application Software Systems and License softwares to support the IFMIS and to improve financial management. The Internal Audit Directorate has D55.70 million budgeted for it. This represents a 9.8% increase in comparison to the approved budget for 2024. MoFEA's budget also includes D250 million for Equity participation and D313.73 million for the PAMP.

Ministry of Lands and Regional Governments (MoLRG)

108. The Ministry's budget is D389.18 million and increased by 2% (i.e. D7.55 million) compared to 2024. Despite the marginal increase, it includes a budget of D25 million for the on-going Commission of Enquiry into Local Government Councils and D35 million for the contribution towards the local projects.

Ministry of Agriculture (MoA)

109. An amount of D961.70 has been catered for the Ministry of Agriculture (MoA), representing an increase D116.89 million on the 2024 budget. The budget includes D507.13

million for input subsidy for organic fertilizers and seeds for farmers. This represents a marginal increase of one per cent (i.e. D6.50 million) on this item compared to 2024. The budget also factors D56 million for the purchase of tractors.

Ministry of Transport, Works and Infrastructure (MoTWI)

110. MoTWI's budget for 2025 is D2.24 billion. This is a 15% decrease when compared MoTWI's approved budget for 2024. The decrease is mainly as a result of the weaning of the OIC Bertil Harding Highway and other Road Projects off the budget. However, the 2025 budget includes D1.88 billion for roads, including D1.47 billion for expected expenditure on the Asset Recycling facility.

Ministry of Basic and Secondary Education (MoBSE)

111. The Ministry of Basic Education and Secondary Education's (MoBSE) budget for 2025 is D5.08 billion. This represents an increase of 21% on the budget for 2024. A significant portion of this increase comes from Subventions and Personnel Emoluments, which increased by D433.53 million and D170 million respectively. Other key items on MoBSE's 2025 budget include the school improvement grant (D288.49 million), Fees and Handling charges (D170 million) and School feeding (D166.1 million). The Fees and Handling charges are intended to cover WAEC fees. The Ministry's budget also includes a budget of D114.78 million for the PAMP.

Ministry of Health (MoH)

112. The budget for the Ministry of Health (MoH) for 2025 is D2.71 billion- which represents an increase of 17% in comparison to 2024. MoH's budget mainly caters for Subventions with D1.21 billion budgeted as transfers to agencies (including D176.60 million for the RFH and D369.86 million for the EFSTH). Other key items include Drugs, Dressings and Medical Supplies (D204.91 million), Consultancy to pay Cuban Doctors (D111.51 million), Vaccines (D42.25 million) and Personnel Emoluments (D797.33 million which includes D71.50 million for Overseas Medical Treatment). An amount of D50 million has also been included in the budget to kickstart the National Health insurance scheme. On infrastructure, D42.59 million and D90.40 million have been budgeted to support the improvement of health infrastructure

and these have been budgeted under Hospitals, Clinics & Health Facilities and Buildings & Structures respectively. These are to support on-going works at EFSTH – Polyclinic, Njau Health Center and COVID 19 Treatment Centre.

Ministry of Youth and Sports (MoYS)

113. The Ministry of Youth and Sports (MoYS) budget for 2025 is D135.25, which is an 11% increase on the approved budget for 2024. This includes D27.20 million to support the Gambia Songhai initiative (representing an increase of 193% for the initiative in compared to 2024).

Ministry of Fisheries and Water Resources (MoFWR)

114. The Ministry of Fisheries and Water Resources' (MoFWR) budget for 2025 is D56.51 million. This is a 5% increase on the Ministry's 2024 budget. The stated amounts will support construction of Water Points & Reticulation Systems, Fish Ponds and Fish Breeding Facilities (D5 million) as well as drilling of Wells and Boreholes (D10 million).

Ministry of Higher Education, Research, Science and Technology (MoHERST)

115. The Ministry of Higher Education, Research, Science and Technology (MoHERST) has an estimated budget of D405.62 million, which is an increment of 69% on 2024. MoHERST's budget includes D100 million as subventions to tertiary institutions, D150.95 million as Open Scholarships, D40 million as Contribution to Student Loan Scheme, D20 million for the GTSC's School Bus Service, Bursaries to Students of D15 million and D5 million for operationalisation of the Research and Innovation Fund.

Ministry of Petroleum and Energy (MoPE)

116. The estimated budget for the Ministry of Petroleum and Energy (MoPE) for 2025 is D1.26 billion. This represents an increase of 478% compared to the 2024 budget. A key reason for this increase is the Energy Subsidy of D1 billion included in the budget to cater for tariff compensations to NAWEC. The MoPE's budget also includes D140 million for Land Compensation to support solarization.

Ministry of Gender, Children and Social Welfare (MoGCSW)

117. The estimated 2025 budget for the Ministry of Gender, Children and Social Welfare (MoGCSW) is D98.82 million. This is a 22% increase compared to 2024. The budget includes D15 million for the Women Enterprise Development Fund (WEF) which increased from D10 million, and D3.50 million for Food and Food Services for the Shelter, which increased from D1.90 million. Another D3.50 million has also been factored for support to victims of Gender Based Violence (GBV), while D4 million has been set aside as support for the differently abled.

MEDIUM TERM POLICY REFORMS

Honourable Speaker,

118. To support economic stability that underpin the commitment to fiscal sustainability in the short to medium term, the Government intends to implement a set of reforms aim at improving resource mobilization, transparency and accountability.

119. On the revenue front, the following reforms will be implemented.

- Revision of the investment code under the GIEPA Act 2015 to make it more responsive to our National Economic Development agenda.
- Finalization and implementation of the Domestic Resource Mobilization Strategy (DRMS) that will identify and leverage on the potential sources of revenue and inform medium term revenue reforms aimed at broadening the tax base.
- The Tax Expenditure policy provides the framework for application and approval of tax expenditures, monitoring and reporting mechanisms as well as the institutional arrangements for its implementation.
- Implementation of the Duty Waiver Policy, which focuses on procedures for application and approval on duty waivers eligibility criteria, responsibilities of MDAs compliance and enforcement provisions.
- Automation of Duty Waiver Application and Approval Process. This involve streamlining and modernizing the existing system.

- Implementation of a System to Regulate and Tax Short-Term Rentals: This move will ensure tax compliance as well as fair competition for all players in the rental market. The system will be supported by the introduction of digital solution to rental income tax. The IT system has already been procured and the system deployment is at implementation stage.
- Deployment of an Excise Tax Stamp/Petroleum Marking Solution for Excisable Goods, Telecoms and Energy.

120. The adoption and implementation of the aid policy will help to secure more funding and greater predictability of grants financing. Furthermore, continuous engagements with our development partners, will help to ensure that Donor assistance are disbursed as schedule. On the expenditure side, the following measures will be implemented.

- Strengthen expenditure controls and cash management to align spending with available resources. This will help to reduce the accumulation of arrears.
- Shift government expenditure policy towards a performance centered perspective: There is a need to strengthen the alignment of expenditure to development priorities. Strengthening the implementation of Program-Based Budgeting (PBB) becomes key in shifting discussions on the budget from inputs to results base financing. This will improve efficiency in spending and promote accountability.
- Rationalization and restructuring of subvented agencies: To control on Sub vented Agencies expenditure, Government will be mainstream some of them into Ministries and Departments. Given the large number of sub-vented Agencies, a policy on the establishment of new agencies will be developed. A study on rationalizing and consolidating subvented agencies with MDAs will be carried out.
- Use of the IFMIS by Projects and Subventions: Extending the use of the IFMIS to all new donor and government-funded projects remains key in ensuring comprehensiveness in reporting of public resources. This will also help GRA to identify non-compliance and enforce tax obligations more effectively.
- The role out of the IFMIS system to all publicly funded institutions will become mandatory. Agencies are to commence implementation arrangements with the Accountant General's

Department in earnest. Any subvented agency that fails to adopt the IFMIS after nine months will be sanctioned and this can include suspension of subvention.

- To improve implementation of public projects, Government will develop a pipeline of appraised investment projects based on the Gambia Strategic Review Board's (GSRB) prioritization tool.
- Refine and implement a framework for monitoring the budget and Government projects: Given the relative lack of visibility on how government funds are utilized, the proposal is to roll out a framework focusing on budgetary programs and projects with high fiscal risk (this includes the school improvement Grant -SIG).
- Avoiding contracting non-concessional borrowing and follow a concessional borrowing plan.

PROPOSED REVENUE MEASURES FOR 2025

Honourable Speaker,

Revenue Administrative Measures

121. In addition to tax policy and revenue administration reforms, Government is seeking to introduce the following revenue measures effective 1st January 2025.

122. A person who retains the services of a supplier, consultant, contractor or subcontractor to carry out works or supply labour or goods, or provide services, shall withhold tax on the gross amount of any payment to the supplier, consultant, contractor or subcontractor in respect of the works, goods or services-

(a) in the case of a payment made to a non-resident contractor, at the rate of 10%; and

(b) in the case of a payment made to a resident contractor in The Gambia for public works contracted with the Government of The Gambia, at the rate of 5%.

(c) In any other case, at the rate of 8%

123. A tenant, who is a Ministry, Government department or agency, local authority, diplomatic mission, international organization, established entities or a person under the category of large

taxpayer occupying a property used for commercial or residential purposes shall at the time of making payments withhold tax on the rental income at the rate of 15% in the case of a property used for commercial purpose, and 8% in the case of a property used for residential purposes.

124. A non-resident person that makes a taxable supply to The Gambia, shall register for tax with the Authority and obtain a Tax Identification Number.

- (i) A non-resident person shall include the tax on its invoice for all taxable supplies.
- (ii) The person to whom a taxable supply is made in The Gambia shall withhold or collect the tax in The Gambia and remit same to the Gambia Revenue Authority in the currency of the transaction.
- (iii) A non-resident person that makes a taxable supply to The Gambia may appoint a representative for the purpose of compliance with its tax obligations.
- (iv) The Gambia Revenue Authority may issue guidelines for the purpose of giving effect to the provisions of this section, including the form, time, procedure for filing returns and payment by non-resident suppliers.

125. Non-resident suppliers of online or digital business-to-consumer, business-to-business of goods or services shall register with and obtain a Tax Identification Number from Gambia Revenue Authority. The Commissioner General shall prescribe the type of documents that may be transmitted to the Gambia Revenue Authority by a non-resident person including the manner of transmission.

126. The tax-free threshold on personal Income Tax is revised upwards from D24,000 per annum to D36,000 per annum as follows:

Chargeable Income Range		Income Tax rate
0	36, 000	0%
36, 001	46, 000	5%
46, 001	56, 000	10%
56, 001	66, 000	15%

66, 000	76, 000	20%
Above D76, 000		25%

127. The tax rate on the winnings of betting, gaming, lottery, and gambling, will be increased from thirty percent to forty percent of the winning. “winnings” means the payout from a betting, gaming, lottery, prize competition, gambling or similar transaction under the Betting and Gaming Act, excluding the amount staked or wagered in that transaction.
128. With the approval of the Director of Agriculture, animal feed and agricultural equipment shall be exempt from duty if the Minister responsible for Finance is satisfied that the items are for the sole use of poultry farming or agricultural purposes.
129. Export duty shall be imposed on waste and scrap metals at the rate of D5 per kilo.
130. Tobacco control levy on cigarettes, cigar and cigarillo is revised to D2 per kilo
131. Cigarettes and other tobacco products shall be taxed as follows:
- (i) Excise tax on cigarettes and cigars is hereby adjusted from D40/pack to D45/pack.
 - (ii) Environmental tax on cigarettes and cigars is hereby adjusted from D7.22/pack to D9.22/pack.
 - (iii) Excise tax on other tobacco products is hereby adjusted from D450/kg to D470/kg.
 - (iv) Environmental tax on other tobacco products is hereby adjusted from D220/kg to D240/kg.
 - (v) The ad valorem excise tax on imported tobacco products is hereby adjusted from 10% to 15%.

132. Motor vehicles purchased and imported by and in the name of the Government of The Gambia shall be exempt from all taxes and fees. This exemption is only applicable to central government entities and excludes government agencies and public enterprises.
133. Taxable supply of good or services in respect of a donor-funded project shall be zero-rated for the purposes of Value Added Tax. However, MDAs are required to submit to the MOFEA a list of all contractors and copies of contracts.
134. The sales/purchase of air tickets shall be subject to a withholding tax rate of one percent on air tickets.
135. Abolish the green tea tax.
136. In order to promote youth and sports development in the country, companies/ businesses will benefit from tax deduction during the computation of cooperate income taxes for expenses arising from sports activities.
137. Increase excise taxes on alcohol as follows:
- a. Beer from D150 per litre to D165 per litre
 - b. Wine from D225 per litre to D240 per litre
 - c. Spirits from D260 per litre to D275 per litre

CONCLUSION

Honourable Speaker,

138. In conclusion, the Gambian economy remains resilient despite the tough global economic outlook and climate change related challenges. A stronger economy with gradual decline in inflation is expected. The planned reduction in fiscal deficit over time will help in sustaining debt in the medium-term, which will be supported by strong domestic resource mobilization and fiscal discipline.
139. The 2025 budget will be anchored on domestic resource mobilization to reduce our fiscal and debt vulnerabilities. Tremendous efforts will be made to improve on tax administration modernization and enhance compliance and enforcement.
140. Government will intensify revenue collections from the MDAs by strengthening their capacities and improving tax policy adherence.
141. Government will continue its improvement drive to foster fiscal discipline, accountability and transparency through improved cash management, publication of tax expenditures and reporting of public debt and timely publication of financial statements.
142. On public debt, Government will pursue prudent debt management through improvement in liquidity management in collaboration with Central Bank of The Gambia, management of contingent liabilities emanating from SOEs and Public Private Partnership (PPP) contracts, and the gradual reduction of the fiscal deficit in percent of GDP over the medium term
143. Let me now take this opportunity on behalf of the Government and the entire Gambian population, to record our profound gratitude to all Development Partners for their unwavering support to our development agenda.
144. It is with deep appreciation that I mention the World Bank Group, the International Monetary Fund, the European Union, the African Development Bank Group, the Islamic Development Bank Group, UN Agencies, the African Union, the OPEC Fund for International Development, the Arab Bank for Economic Development, GIZ, IFAD, ECOWAS, the MRC Holland Foundation, the Commonwealth, the Red Cross, the Kingdom of Saudi Arabia and the Saudi Fund for Development, Kingdom of Morocco, Türkiye, the State of Kuwait and the Kuwaiti Fund, Russia, The People's Republic of China, Japan, South Korea, the Republic of France, The United Kingdom, and the United States of America.

145. I would also like to thank His Excellency, President Adama Barrow for his leadership. Let me also hasten to thank my Cabinet colleagues and the team of hardworking staff at the Ministry of Finance and Economic Affairs.

146. I am equally thankful to this August Assembly and the staff of the National Assembly under the leadership of the Speaker and the Clerk for working tirelessly to approve the 2025 budget estimates. We remain committed to sustaining this partnership. We believe that as we work together, we will jointly deliver our mandate to develop The Gambia and its people.

On this note, Honourable Speaker, I beg to move.

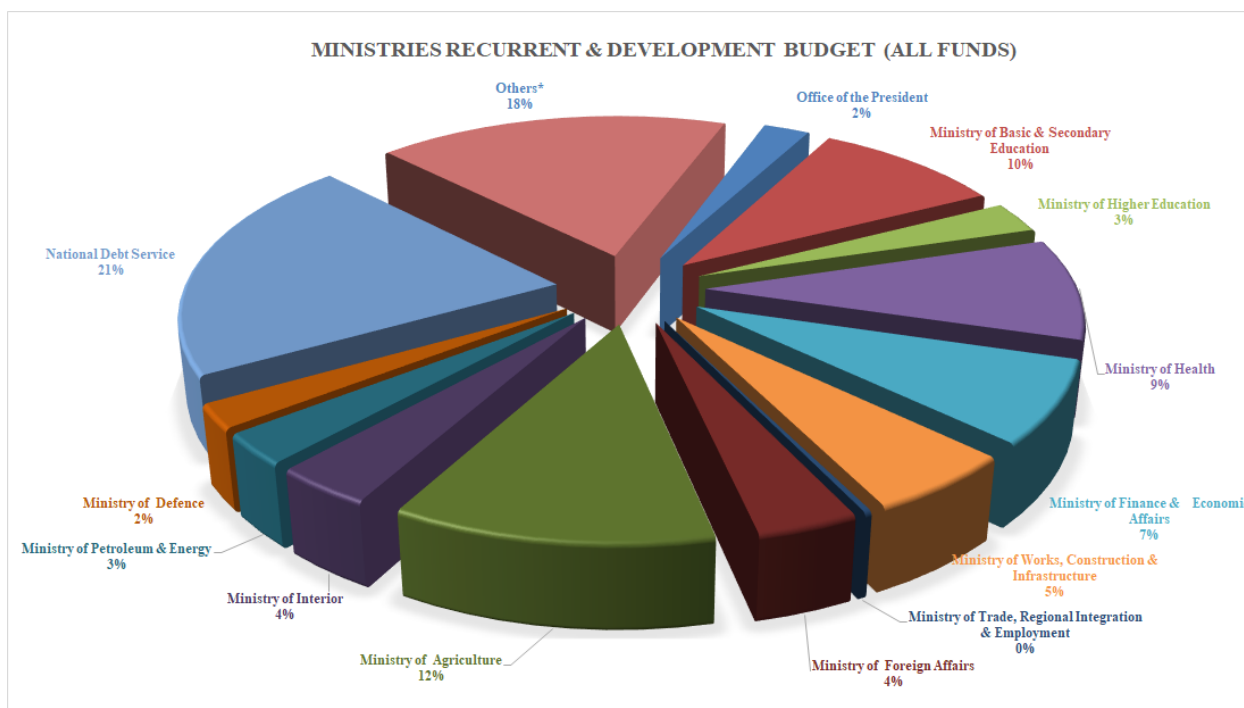
ANNEXES

ANNEX 1

SECTOR ALLOCATION FOR 2025 BUDGET (ALL FUND)

Ministries Recurrent & Development Budget (All Funds)	D' Millions	% of Total
Office of the President	1,235.41	2.33
Ministry of Basic & Secondary Education	5,086.49	9.60
Ministry of Higher Education	1,503.65	2.84
Ministry of Health	4,910.57	9.27
Ministry of Finance & Economic Affairs	3,960.93	7.48
Ministry of Works, Construction & Infrastructure	2,922.36	5.52
Ministry of Trade, Regional Integration & Employment	136.30	0.26
Ministry of Foreign Affairs	1,952.12	3.68
Ministry of Agriculture	6,155.65	11.62
Ministry of Interior	1,919.57	3.62
Ministry of Petroleum & Energy	1,490.20	2.81
Ministry of Defence	1,159.94	2.19
National Debt Service	11,017.79	20.80
Others*	9,529.91	17.99
Total	52,980.89	100.00

*Others: Ministries not listed above

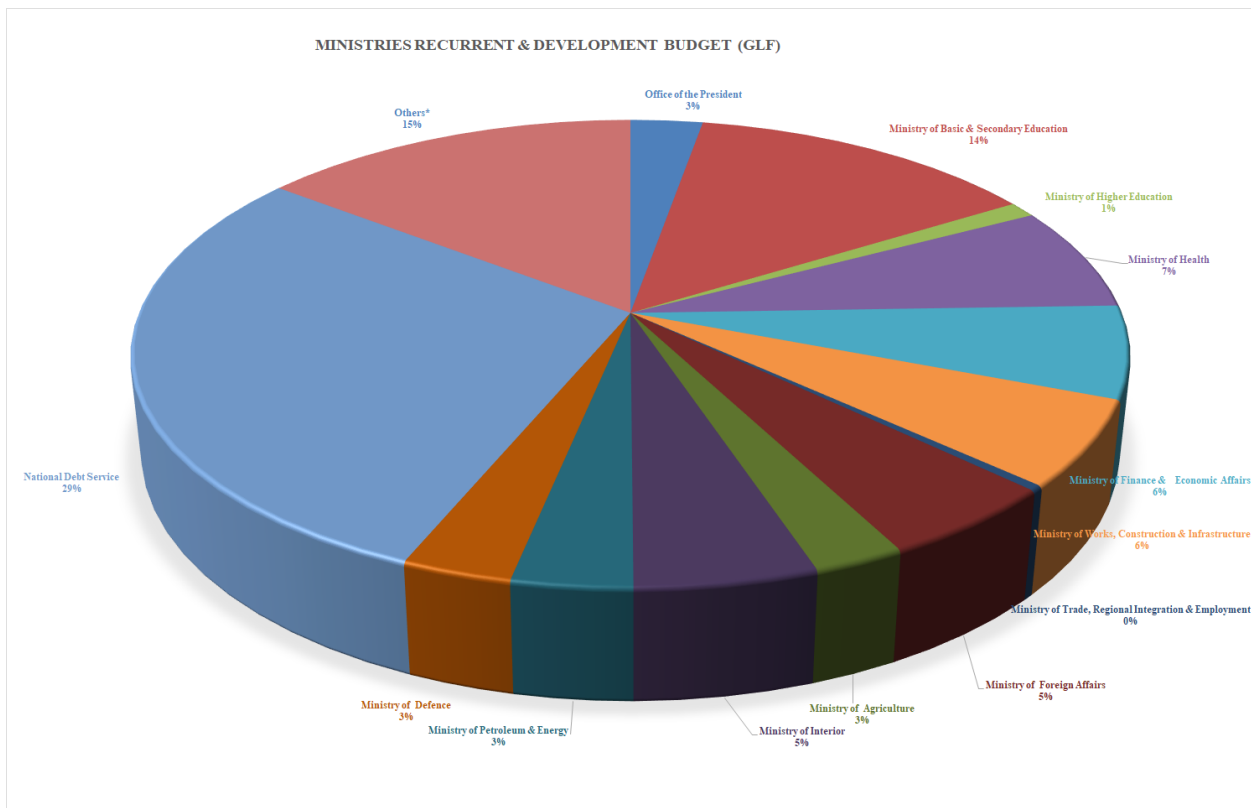


ANNEX 2

SECTOR ALLOCATION FOR 2025 BUDGET (GLF)

Ministries Recurrent & Development Budget (GLF)	D' Millions	% of Total
Office of the President	1,047.67	2.77
Ministry of Basic & Secondary Education	5,086.49	13.44
Ministry of Higher Education	405.63	1.07
Ministry of Health	2,724.74	7.20
Ministry of Finance & Economic Affairs	2,413.81	6.38
Ministry of Works, Construction & Infrastructure	2,245.26	5.93
Ministry of Trade, Regional Integration & Employment	136.30	0.36
Ministry of Foreign Affairs	1,952.12	5.16
Ministry of Agriculture	961.71	2.54
Ministry of Interior	1,919.57	5.07
Ministry of Petroleum & Energy	1,263.91	3.34
Ministry of Defence	1,159.94	3.06
National Debt Service	11,017.79	29.11
Others*	5,513.84	14.57
Total	37,848.78	100.00

*Others: Ministries not listed above

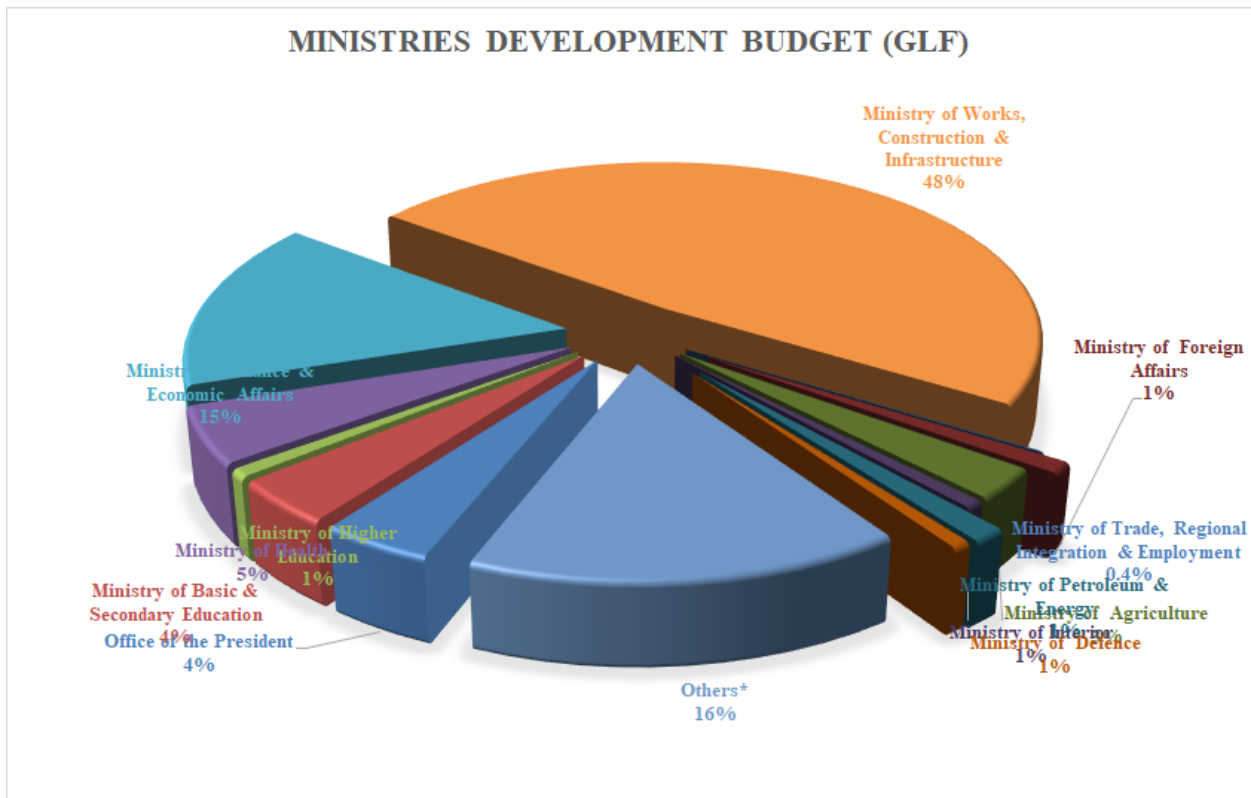


ANNEX 3

MINISTRIES DEVELOPMENT BUDGET ALLOCATION FOR 2025 (GLF)

Ministries Development Budget (GLF)	D' Millions	% of Total
Office of the President	185.00	4.1
Ministry of Basic & Secondary Education	180.79	4.0
Ministry of Higher Education	34.00	0.8
Ministry of Health	227.48	5.0
Ministry of Finance & Economic Affairs	692.78	15.3
Ministry of Works, Construction & Infrastructure	2,198.41	48.5
Ministry of Trade, Regional Integration & Employment	4.50	0.1
Ministry of Foreign Affairs	46.00	1.0
Ministry of Agriculture	126.06	2.8
Ministry of Interior	31.48	0.7
Ministry of Petroleum & Energy	57.19	1.3
Ministry of Defence	31.76	0.7
Others*	713.72	15.8
Total	4,529.16	100.0

*Ministries not listed above

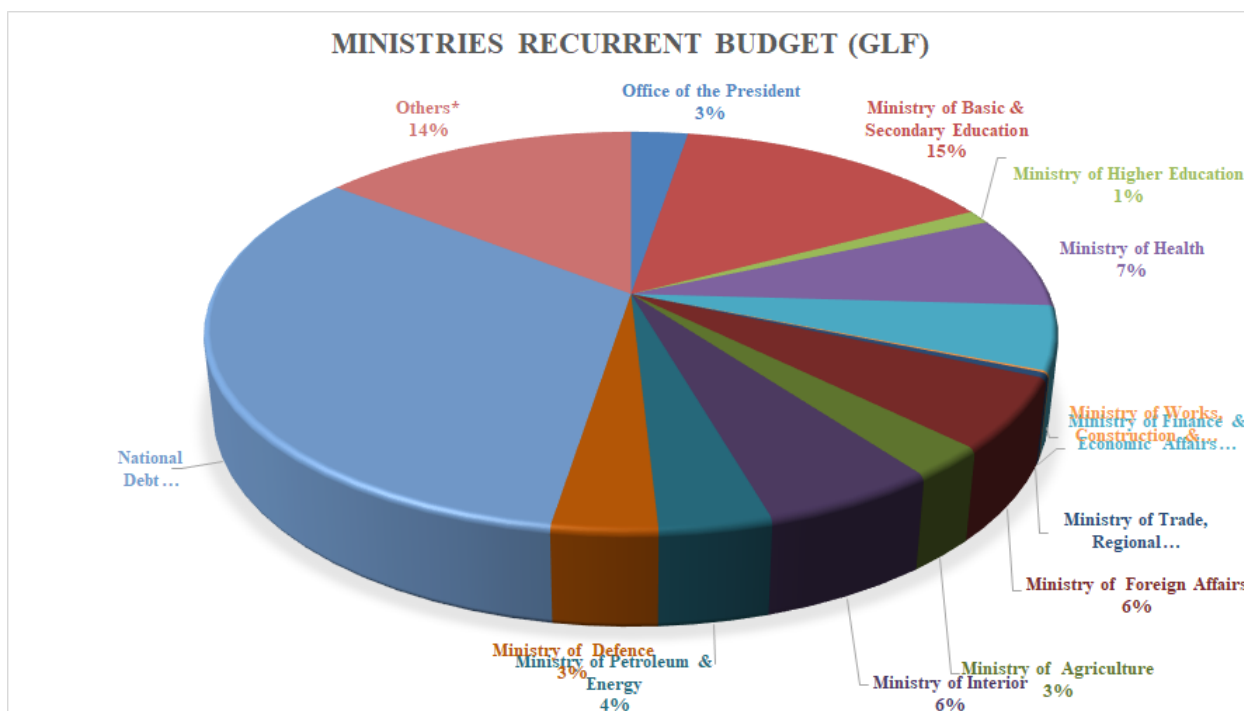


ANNEX 4

MINISTRIES RECURRENT BUDGET ALLOCATION FOR 2020 (GLF)

Ministries Recurrent Budget (GLF)	D Million	% of Total
Office of the President	862.67	2.6
Ministry of Basic & Secondary Education	4,905.70	14.7
Ministry of Higher Education	371.63	1.1
Ministry of Health	2,497.26	7.5
Ministry of Finance & Economic Affairs	1,721.03	5.2
Ministry of Works, Construction & Infrastructure	46.85	0.1
Ministry of Trade, Regional Integration & Employment	131.80	0.4
Ministry of Foreign Affairs	1,906.12	5.7
Ministry of Agriculture	835.64	2.5
Ministry of Interior	1,888.10	5.7
Ministry of Petroleum & Energy	1,206.72	3.6
Ministry of Defence	1,128.19	3.4
National Debt Service	11,017.79	33.1
Others*	4,800.12	14.4
Total	33,319.62	100.0

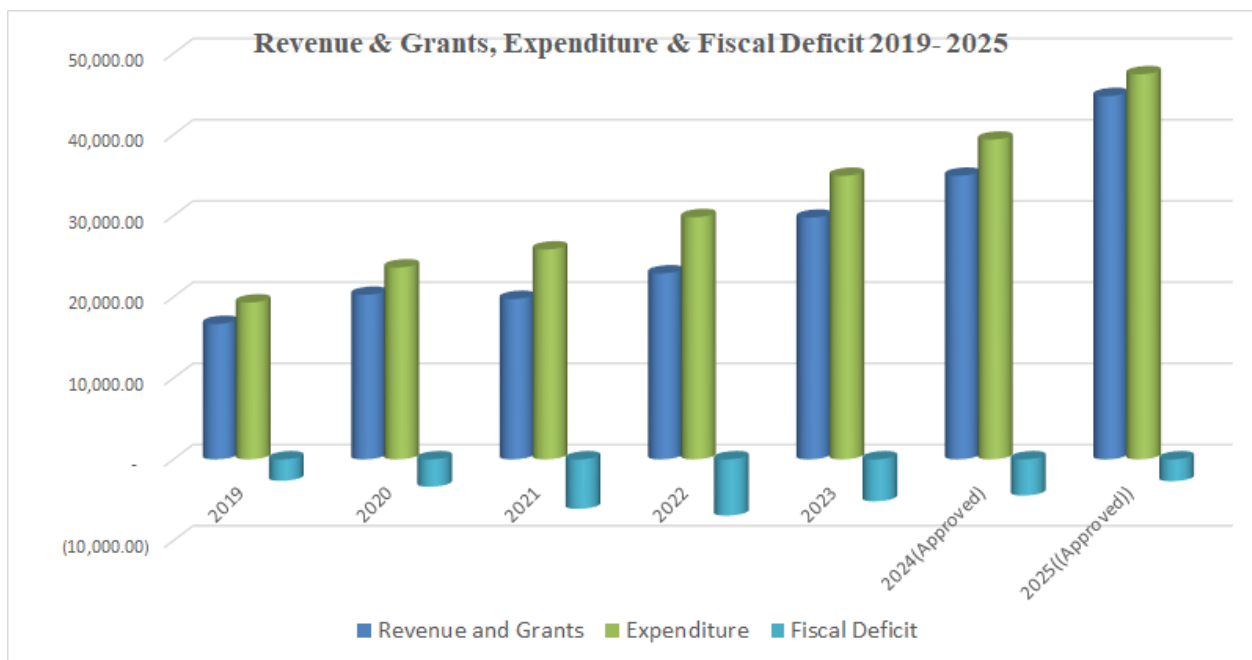
*Ministries not listed above



ANNEX 5

Revenue & Grants, Expenditure and Net Lending and Fiscal Deficit (2019 - 2025)

D' Millions	Revenue and Grants	Expenditure	Fiscal Deficit
2019	16,683.00	19,320.00	(2,637.00)
2020	20,266.17	23,635.73	(3,369.56)
2021	19,761.77	25,856.17	(6,094.40)
2022	22,905.14	29,831.39	(6,926.25)
2023	29,762.44	34,925.09	(5,162.65)
2024(Approved)	34,932.74	39,382.74	(4,450.00)
2025((Approved))	44,747.43	47,434.75	(2,687.32)

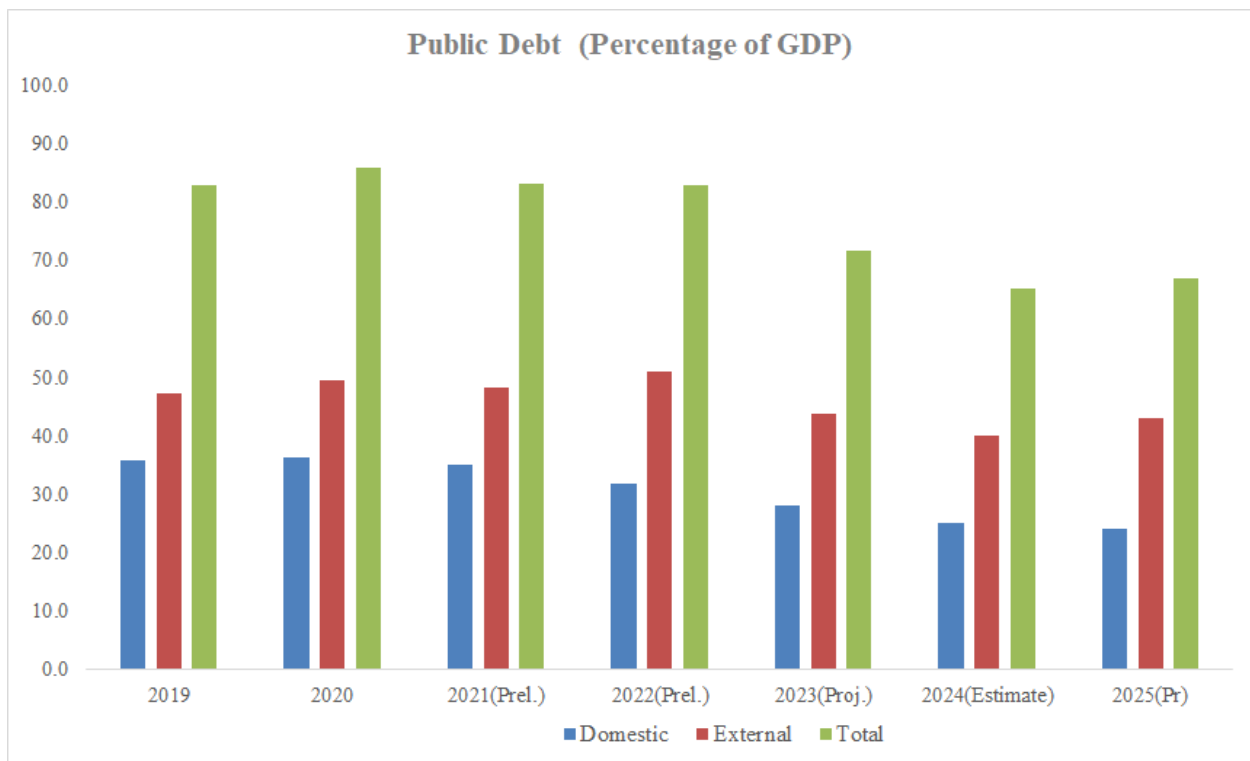


ANNEX 6

PUBLIC DEBT (PERCENTAGE OF GDP)

	2018	2019	2020	2021(P1)	2022(P1)	2023(P1)	2024(E)	2025(Pr)
Domestic	57.3	35.8	36.4	35.0	31.8	28.0	25.1	24.0
External	68.6	47.2	49.5	48.2	51.1	43.8	40.0	43.0
Total	125.9	83.0	85.9	83.2	82.9	71.8	65.1	67.0

Note: All figures are as per the old GDP



ANNEX 7: NEW INTEGRATED PAY SCALE OF THE CIVIL SERVICE

Grade	Base	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	
1	562	19348	19910	20471	21033	21594	22156	22718	23279	
Old	47	1612	1659	1706	1753	1800	1846	1893	1940	
New	68	2870	2938	3007	3075	3143	3212	3280	3348	
%		78	77	76	75	75	74	73	73	75
2	562	23811	24373	24935	25496	26058	26619	27181	27743	
Old	47	1984	2031	2078	2125	2172	2218	2265	2312	
New	61	3369	3430	3492	3553	3614	3675	3737	3798	
%		70	69	68	67	66	66	65	64	67
3	702	28220	28922	29624	30326	31028	31730	32432	33134	
Old	59	2352	2410	2469	2527	2586	2644	2703	2761	
New	69	3809	3878	3948	4017	4086	4155	4225	4294	
%		62	61	60	59	58	57	56	56	59
4	1208	33443	34650	35857	37064	38271	39478	40685	41892	
Old	101	2787	2888	2988	3089	3189	3290	3390	3491	
New	80	4382	4462	4541	4621	4701	4780	4860	4940	
%		57	55	52	50	47	45	43	41	49
5	1539	42260	43805	45349	46894	48438	49982	51527	53071	
Old	128	3522	3650	3779	3908	4037	4165	4294	4423	
New	94	5193	5287	5382	5476	5571	5665	5760	5854	
%		47	45	42	40	38	36	34	32	39
6	1798	53576	55374	57172	58970	60768	62566	64364	66162	
Old	150	4465	4615	4764	4914	5064	5214	5364	5514	
New	112	6185	6297	6410	6522	6635	6747	6860	6972	
%		39	36	35	33	31	29	28	26	32
7	1798	66550	68348	70145	71943	73741	75539	77337	79135	
Old	150	5546	5696	5845	5995	6145	6295	6445	6595	
New	134	7376	7510	7644	7778	7912	8047	8181	8315	
%		33	32	31	30	29	28	27	26	29
8	1825	80449	82274	84100	85925	87750	89575	91400	93226	
Old	152	6704	6856	7008	7160	7313	7465	7617	7769	
New	154	8491	8645	8800	8954	9109	9263	9417	9572	
%		27	26	26	25	25	24	24	23	25
9	1825	95219	97044	98869	100694	102519	104345	106170	107995	
Old	152	7935	8087	8239	8391	8543	8695	8848	9000	
New	178	9770	9948	10125	10303	10481	10658	10836	11013	
%		23	23	23	23	23	23	22	22	23
10	1513	110046	112209	114371	116534	118697	120859	123022	125184	
Old	126	9171	9351	9531	9711	9891	10072	10252	10432	
New	203	11155	11358	11561	11763	11966	12169	12372	12575	
%		22	21	21	21	21	21	21	21	21
11	1513	128971	131134	133296	135459	137621	139784	141946	144109	
Old	126	10748	10928	11108	11288	11468	11649	11829	12009	
New	236	12965	13201	13436	13672	13908	14144	14379	14615	
%		21	21	21	21	21	21	22	22	21
12	3370	145371	148740	152110	155479	158849	162219	165588	168958	
Old	281	12114	12395	12676	12957	13237	13518	13799	14080	
New	274	15049	15323	15596	15870	16143	16417	16691	16964	
%		24	24	23	22	22	21	21	20	22
Fixed	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%

ANNEX 8: THE 2025-2028 MACRO-FISCAL FRAMEWORK

	2022 Act	2023 Prel	2024 Est	2025 Prj	2026 Prj	2027 Prj	2028 Prj
National Accounts							
Nominal GDP	121,093.2	146,701.9	173,385.9	197,743.4	220,140.6	243,404.2	267,978.6
Growth Rate	14.8	21.1	18.2	13.9	9.9	10.6	10.1
Real GDP	68,992.5	72,302.5	76,434.2	81,046.5	84,306.4	88,540.8	92,956.8
Growth Rates	5.5	4.8	5.8	5.9	4.3	5.0	5.0
Annual Average Inflation	11.5	16.7	11.3	10.3	6.2	5.5	5.0
Change in Deflator	8.8	15.6	11.8	9.3	5.4	5.3	4.9
Weighted Interest rate	2.6	2.7	4.1	4.7	4.5	3.7	3.4
Government Finances							
Revenue and Grants	22,905.1	29,513.3	35,188.3	44,749.1	49,629.1	54,376.8	59,610.4
% of GDP	18.9	20.1	20.3	22.6	22.5	22.3	22.2
Domestic Revenue	14,496.0	17,842.1	23,312.6	29,096.0	33,181.1	37,679.5	42,063.3
% of GDP	12.0	12.2	13.4	14.7	15.1	15.5	15.7
Tax Revenue	11,159.0	13,915.2	17,851.8	21,192.9	23,922.8	29,169.9	32,101.2
% of GDP	9.2	9.5	10.3	10.7	10.9	12.0	12.0
Taxes on income and wealth	3,896.5	4,311.3	6,199.8	6,940.9	8,411.9	10,262.0	11,178.8
% GDP	3.2	2.9	3.6	3.5	3.8	4.2	4.2
Domestic Tax on goods and services	2,489.9	2,781.0	3,360.4	4,900.2	5,625.5	7,190.1	8,328.5
%GDP	2.1	1.9	1.9	2.4	2.6	3.0	3.1
Tax on International Trade	4,772.7	6,822.9	8,291.7	9,351.9	9,885.4	11,717.8	12,594.0
% GDP	3.9	4.7	4.8	4.7	4.5	4.8	4.7
Non-Tax Revenue	3,337.0	3,927.0	5,460.7	7,903.1	9,258.4	8,509.6	9,962.1
% of GDP	2.8	2.7	3.1	3.9	4.2	3.5	3.7
Grants	8,409.1	11,671.2	11,875.7	15,653.1	16,448.0	16,697.4	17,547.2
% of GDP	6.9	8.0	6.8	7.8	7.5	6.9	6.5
Program	2,300.4	4,082.4	3,024.3	3,010.0	3,216.9	3,179.5	3,273.1
% of GDP	1.9	2.8	1.7	1.5	1.5	1.3	1.2
Project	6,108.7	7,588.8	8,851.4	12,643.1	13,231.0	13,517.8	14,274.1
% of GDP	5.0	5.2	5.1	6.3	6.0	5.6	5.3
Expenditure and Net Lending	29,831.4	34,925.1	40,434.4	47,434.7	52,674.9	55,666.2	60,819.5

% of GDP	24.6	23.8	23.3	23.7	23.9	22.9	22.7
Expenses	17,033.7	18,520.0	23,137.0	31,440.6	32,595.3	33,353.6	34,203.2
% of GDP	14.1	12.6	13.3	15.6	14.8	13.7	12.8
% of Domestic Revenue	117.5	103.8	99.2	107.6	98.2	88.5	81.3
Compensation of Employees	5,627.2	6,804.6	7,165.2	8,846.8	9,702.7	10,369.5	11,169.9
% of GDP	4.6	4.6	4.1	4.5	4.4	4.3	4.2
Goods and Services	4,057.4	3,902.1	4,539.9	9,983.5	9,507.6	9,956.6	10,760.3
% of GDP	3.4	2.7	2.6	5.0	4.3	4.1	4.0
Subsidies and other Expenses	4,732.5	4,789.9	6,549.5	6,478.7	7,551.9	8,139.5	7,666.6
% of GDP	3.9	3.3	3.8	3.2	3.4	3.3	2.9
Interest	2,616.6	3,023.4	4,882.4	5,881.6	5,833.0	4,887.9	4,606.5
% of GDP	2.2	2.1	2.8	2.9	2.6	2.0	1.7
Net Acquisition of Non Financial Assets	12,797.7	16,405.1	17,297.3	15,994.1	20,079.6	22,312.6	26,616.3
% of GDP	10.6	11.2	10.0	7.9	9.1	9.2	9.9
Externally/Project Financed	10,178.4	13,743.8	8,851.4	12,216.8	13,231.0	13,517.8	14,274.1
% of GDP	8.4	9.4	5.1	4.9	6.0	5.6	5.3
GLF	2,619.2	2,661.3	2,910.2	3,777.4	5,408.5	7,842.4	11,724.4
% of GDP	2.2	1.8	1.7	1.8	2.5	3.2	4.4
Overall Balance	(6,926.2)	(5,411.8)	(5,246.1)	(2,687.3)	(3,045.8)	(1,289.4)	(1,209.1)
% of GDP	(5.7)	(3.7)	(3.0)	(1.3)	(1.4)	(0.5)	(0.5)
Financing	6,385.4	5,785.6	5,246.1	2,687.3	3,045.8	1,289.4	1,209.1
Domestic net	3,992.9	857.8	2,270.0	4,613.3	4,655.4	5,546.8	6,284.3
Foreign Net	2,825.9	5,041.3	3,276.1	(1,926.0)	(3,281.4)	(4,116.9)	(4,811.1)
Public Debt	101,648.9	110,114.4	114,641.4	126,402.9	130,657.3	133,910.0	137,127.3
% of GDP	83.9	75.1	66.1	63.1	59.4	55.0	51.2

ANNEX 9: FISCAL RISK MATRIX

Sources of Risk	Trigger	Likelihood	Expected Impact	Mitigation Measures
Macroeconomic Risks	Intensification of Geopolitical tensions, climate change shocks and delays in closing the electricity supply gap	Medium	Growth slowdown, inflation, and exchange rate instability. A volatility in nominal GDP is associated with 0.6 times volatility in revenue.	<ul style="list-style-type: none"> • Diversifying economic activities, exports destinations and tourists' origins. • intensifying climate smart agriculture. • increasing investment in new domestic energy generation, transmission, and distribution.
Revenue	Delays or resistance in implementing reforms and reform fatigue.	Medium	Revenue losses. On a worst-case scenario about 1.1 percent of GDP may be lost if reforms are not implemented.	<ul style="list-style-type: none"> • Clearing all the setbacks being faced in implementing various reform measures. • Strengthening the capacity of Revenue and Tax Policy Department and GRA.
Grants	Failure to meet conditionalities and shift in priorities by donors.	Medium	Unsustainable budget deficit of above 7 percent of GDP if all grants fail to materialize.	<ul style="list-style-type: none"> • Strengthening the Reform Monitoring Committee.
Expenditure	Unbudgeted expenditures, limited budget flexibility, and spending outside IFMIS	High	Diversion of resources from planned critical programs and accumulation of arrears. (On average about 20 percent of the Budget is reallocated)	<ul style="list-style-type: none"> • strict adherence to the budget. • strengthening commitment controls and budget monitoring.
Debt	Exchange rate risk due to huge composition of external debt. Domestic debt - short average time to maturity (high refinancing risk).	High	High gross financing needs. About 8.5 percent of the GDP is expected in 2025.	<ul style="list-style-type: none"> • Reprofile short term debt into long-term.
SOE Risks	Poor financial performance.	High	Contingent liabilities- unbudgeted subsidies and transfers. On average 0.72 percent of GDP materialize as contingent liabilities from SOEs every year.	<ul style="list-style-type: none"> • Budget provision to compensate for the quasi-fiscal activities of SOEs, • Strengthening SOE oversight.
Climate Change Risks	Flooding, droughts, coastal erosion, food		Increased costs of emergency response	<ul style="list-style-type: none"> • multiple ex ante financing mechanisms such as

	insecurity and damage to infrastructures		and infrastructure repair.	<ul style="list-style-type: none">○ contingency fund,○ National Disaster Fund,○ the USD 20 million facility under the World Bank's Development Policy with a Catastrophe Drawdown Option and○ subscribing to the Africa Risk Capacity
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