



## **2021 BUDGET SPEECH**

### **THE ROAD TO ECONOMIC RECOVERY**

**DELIVERED ON FRIDAY 4<sup>TH</sup> DECEMBER 2020**

**AT THE NATIONAL ASSEMBLY**

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



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## ACRONYMS

ACRWC	African Charter on the Rights and Welfare of the Child
ADR	Alternative Dispute Resolution
AfDB	African Development Bank
BP	British Petroleum
CCRT	Catastrophe Containment and Relief Trust
CIF	Cost, Insurance and Freight
COVID-19	Corona Virus Disease 2019
CPI	Consumer Price Index
CRR	Central River Region
DHS	Demographic and Health Surveys
DSA	Debt Sustainability Analysis
DSSI	Debt Service Suspension Initiative
EC	Economic Census
ECOMIG	ECOWAS Military Intervention in The Gambia
ECOWAS	Economic Community of West African States
EFT	Electronic Funds Transfer
EIF-SSP	Enhanced Integration Framework-Sustainability Support Phase
EPI	Expanded Program on Immunization
EU	European Union
FAO	Food and Agriculture Organization
FCTC	Framework Convention on Tobacco Control
FOB	Free On Board
GABECE	Gambia Basic Education Certificate Examination
GAMTEL	Gambia Telecommunications Company Ltd
GBA	Greater Banjul Area
GBoS	Gambia Bureau of Statistics
GCCI	Gambia Chamber of Commerce and Industry
GDP	Gross Domestic Product
GERMP	Gambia Electricity Restoration and Modernization Project
GID	Gambia Immigration Department
GIEPA	Gambia Investment and Export Promotion Agency
GLF	Government Local Fund
GNPC	Gambia National Petroleum Company
GPF	Gambia Police Force
GPPC	Gambia Public Printing Corporation
GRA	Gambia Revenue Authority
GRTS	Gambia Radio and Television Service
GSRB	Gambia Strategy Review Board
GTB	Gambia Tourism Board
GTHI	Gambia Tourism and Hospitality Institute
HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immuno Deficiency Syndrome
ICT	Information and Communications Technology
IDB	Islamic Development Bank
IFAD	International Fund for Agricultural Development
IFMIS	Integrated Financial Management Information System
IICS	Integrated Immigration Control System
IMF	International Monetary Fund
INTERPOL	International Criminal Police Organization
IPA	Investment Promotion Agency
IPC	Infection Prevention and Control
IPV	Inactivated Polio vaccine
LGAs	Local Government Authority
MDA	Ministries, Departments, and Agencies
MDI	Management Development Institute
MoFEA	Ministry of Finance and Economic Affairs
MoICI	Ministry of Information and Communication Infrastructure
MoTIE	Ministry of Trade, Industry, Regional Integration & Employment
MOTWI	Ministry Of Transport, Works And Infrastructure
MoU	Memorandum of Understanding
MR	Measles Rubella
MSMEs	Micro, Small and Medium-sized Enterprises
MTE	Mid-Term Evaluation
MTEFF	Medium Term Economic Fiscal Framework
NA	National Assembly
NANA	National Nutrition Agency
NAO	National Audit Office
NAT	National Assessment Test
NAWEC	National Water and Electricity Company
NBC	National Business Council
NBN	National Broadband Network
NBR	North Bank Region
NCD	Non Communicable Disease
NDA	Net Domestic Assets
NDP	National Development Plan
NEMA	National Environment Management Authority
NFA	Net Foreign Assets
NGOs	Non-Governmental Organization
NRA	National Road Authority
OIC	Organisation of Islamic Cooperation
OMVG	The Gambia River Basin Development Organization
PADC	Programme for Accelerated Community Development
PCU	Project Coordinating Unit
PFM	Public Finance Management
PHC	Primary Health Care
PIA	President's International Award
PMO	Personnel Management Office
PPE	Personal Protective Equipment
PPP	Public Private Partnerships
QR	Quick Response
SAP	Supplementary Appropriation
SDG	Sustainable Development Goals
SMEs	Small and Medium-Sized Enterprises
SMP	Staff Monitored Programme
TEP	Tax Expenditure Policy
TRRC	Truth, Reconciliation and Reparations Commission
TSA	Treasury Single Account
UN	United Nations
UNCRC	United Nations Convention on the Rights of the Child
UNDP	United Nation Development Program
UNICEF	United Nations International Children's Education Fund
URR	Upper River Region
US	United States
UTG	University of The Gambia
VAT	Value Added Tax
VNR	Voluntary National Review
WASSCE	West African Senior School Certificate Examination
WEF	Women Enterprise Fund
WEO	World Economic Outlook
WHO	World Health Organization
YEP	Youth Empowerment Project

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**Honourable Speaker,**

I beg to move that the bill entitled “An Act to provide for the services of the Government of The Gambia for the period 1<sup>st</sup> January 2021 to 31<sup>st</sup> December 2021 (both dates inclusive)” be read a second time.

**INTRODUCTION**

1. The outbreak of the coronavirus has negatively impacted growth prospects across the globe and dampened initially optimistic growth forecasts. The Gambia has also been badly hit by the pandemic, taking the country off the sustained growth path it has been on since 2017, with GDP growth recording a negative figure for the first time in 9 years.
2. With the IMF predicting global recovery in 2021, economic recovery will be critical and will form the core of reform policy priorities for the upcoming year. Inclusive and sustained economic growth remains one of the main objectives of the Government, and the medium-term policy priorities will be anchored on achieving and sustaining a more diversified growth to improve the living standards of all citizens, in addition to creating a favourable environment for the private sector to thrive.
3. The coronavirus pandemic has impacted negatively on general economic activities, resulting to less than anticipated revenue collections and increased expenditures. It has also highlighted the weaknesses in our social protection policies and the extreme vulnerability of the tourism sector to external shocks. Over the medium-term, Government will ensure the implementation of reforms to improve tax administration, embark on fiscal consolidation and prioritize budget allocations to the social sectors.
4. Reforms in project assessment, selection and management will also form part of our medium-term priorities by leveraging on the effective use of the Gambia Strategic Review Board Framework. This will set a high premium on projects with greater value for money as a criterion to ensure that resources are dedicated to projects that yield the highest economic and social returns.

## **MACROECONOMIC OVERVIEW**

### **DEVELOPMENTS IN THE GLOBAL ECONOMY**

5. As the global economy slowly recovers from the shock experienced at the onset of the lockdown in April, the IMF's October World Economic Outlook (WEO) projects global growth at  $-4.4$  percent in 2020.
6. The IMF's food and beverage price index increased by 0.7 percent, reflecting pandemic-induced changes in demand and supply conditions. As COVID-19 slowed economic activity, demand for agricultural raw materials and animal feed initially declined. Average petroleum spot prices per barrel are projected at US\$41 through the end of 2020.
7. Growth in the advanced economies is projected at  $-5.8$  percent in 2020 and projected to contract more moderately in emerging market and developing economies at  $-3.3$  percent. For many emerging market and developing economies excluding China, prospects continue to remain precarious. This reflects a combination of factors, mainly the continuing spread of the pandemic and overwhelmed health care systems; the greater importance of severely affected sectors, such as tourism; and the greater dependence on external finance, including remittances.
8. Growth among low-income developing countries is projected at  $-1.2$  percent in 2020, strengthening to 4.9 percent in 2021. With higher population growth and low-income levels, these will take a very heavy toll on living standards, especially for the poor.

### **CORONAVIRUS PANDEMIC**

9. The 2020 fiscal year has been a difficult one for The Gambia due to the outbreak of the coronavirus pandemic. As a result, budget execution as approved by National Assembly, planned programs and policy implementations for the fiscal year 2020 were greatly thrown off track. The Gambia recorded its first case on 17<sup>th</sup> March 2020, and the number remained low until late June, thanks to the Government's swift implementation of a series of containment measures.

10. However, in late June, the number of confirmed cases surged during the subsequent weeks, mainly through community transmission affecting, among others, several healthcare workers and high-level Government officials. The surge strained the already fragile health system and stretched Government's ability to respond to the pandemic. The increased public health uncertainties have dampened the prospects for a swift economic recovery and shifted the Government's priorities toward addressing the health emergency and its impact on the population.
11. As at 30<sup>th</sup> November 2020, a total of 3,743 confirmed cases with 123 fatalities have been recorded. The Government has continued to monitor the spread of the virus and has put in place effective measures that have limited and controlled the spread of the virus.
12. Preliminary assessment of the macro-economic impact of the pandemic on the Gambian economy indicates that there is a significant slowdown in GDP, decline in tax revenues, increased unbudgeted expenditures in health, relief support for vulnerable individuals and economic stimulus packages for businesses. Initial growth estimates for 2020 have been revised downwards from 6.5 percent, to -1.5 percent following the outbreak of the pandemic. The new growth estimates are based on the shocks associated with the closure of airports, land borders and lack of tourism activities.
13. Due to travel restrictions, the COVID-19 has severely crippled the tourism sector and dampened economic activities throughout the country. The tourism sector immediately felt the shock of the virus when it was declared a global pandemic, even before a single case was registered in the country. From April to October, The Gambia was in a declared state of emergency with a number of restrictive measures put in place, including the closure or scale down of businesses, schools, markets, restaurants and nightclubs. For the remainder of the 2019/2020 season, the tourism sector was at a standstill as all tourists were repatriated, with hotels and all tourism service-related businesses forced to shut down.
14. The COVID-19 impacted revenue collections for the year due to factors such as closure of the airspace and land borders, downsizing of Government operations, closure of the hospitality industry, ban on re-export trade and a general drop in the demand for goods

and services. The Gambia Revenue Authority implemented a number of policy and administrative measures to support businesses, which included an extension of tax return filing and payment deadlines; suspension of penalty and interest charges for late filing; 20 percent reduction on the CIF value on imported food items and hygiene products; and extension of payment plan for businesses in tax arrears or financial difficulties due to the pandemic.

15. Although the pandemic has shifted Government's priorities towards addressing the health emergency and its impact on the population, Government still has not lost sight of the overall objective of increasing domestic revenue, maintaining debt sustainability and reducing poverty.

## DEVELOPMENTS IN THE DOMESTIC ECONOMY

16. The Gambia remains in a challenging situation due to the COVID-19 pandemic as it faces direct effects from within and external shocks. Being a small open economy, which is highly susceptible to external shocks, the overall slump in global growth has severely affected key sectors like trade and tourism amongst others.
17. The poor performance of developed economies, coupled with travel restrictions threatens the performance of the 2020/2021 tourist season and undoubtedly, the level of remittances. Together with domestic market challenges, this poses a difficult path to the end of the year and an urgent need for strong policy response on the road to economic recovery in 2021.
18. The expected rise in global commodity prices on account of tighter supply conditions and supply chain disruptions are a cause for concern considering The Gambia's heavy dependence on imports of staple commodities like rice and oil. The slow rebound in petroleum prices would mean increases in domestic pump prices. Additionally, the advent of a second wave of the virus in other parts of the world could mean further disruptions in supply chains, threatening oil imports, hence oil revenue collections.
19. On a positive note, groundnut prices on the international market suggest a positive outlook as an increase in the domestic prices translate to increased revenues for rural farmers and groundnut exporters.
20. The subdued outlook for medium-term growth comes with a significant projected increase in the stock of sovereign debt. Downward revisions to potential output also imply a smaller tax base over the medium term than previously envisaged, compounding difficulties in servicing debt obligations. Deteriorating financial sentiment could trigger a sudden stop in new lending (or failure to roll over existing debt) to vulnerable economies like The Gambia.

## REAL SECTOR

21. Real Gross Domestic Product (GDP) growth is projected to decline significantly from 6.1 percent in 2019 to -1.5 percent in 2020. This is on account of a contraction in growth in the services sector, emanating mostly from the wholesale and retail trade and tourism sub-sectors.
22. The Agriculture sector is expected to register a growth of 3.1 percent, a major improvement from last year's negative growth. This was facilitated by a marked increase in crop production from -16.7 percent in 2019 to 1.3 percent in 2020. Livestock and Forestry are both projected to record improved performances in 2020 with growth rates of 0.5 and 0.7 percent respectively. Fishing on the other hand, is expected to register a growth of 5.4 percent in 2020, compared to 18.4 percent in 2019.
23. The Industry sector is expected to grow by a modest 5.8 percent in 2020 compared to 24.3 percent in 2019. This is due to a decline in performance in all sub-sectors except manufacturing which is projected to grow by 0.7 percent in 2020 compared to zero growth in 2019. Mining and Quarrying, Electricity, Water and Construction are expected to grow by 9.3 percent, 4.6 percent, 4.6 percent and 8.2 percent respectively. These stem from the decline in economic activity due to the pandemic.
24. Being one of the hardest hit by the pandemic, the Services sector is projected to register a growth rate of -6.8 percent in 2020 compared to 6.8 percent a year earlier. While Transport and Storage, Communication, and Finance and Insurance are expected to achieve lower, but positive growth rates of 2.1 percent, 6.1 percent and 3.3 percent respectively. Wholesale and Retail Trade, and Hotels and Restaurants are projected to register growth rates of -10.1 percent and -48.3 percent respectively. This is as a result of the lockdown and border closures which hindered economic activity and tourist arrivals.

## FISCAL SECTOR

25. Revenue and Grants for the first nine months of 2020 increased by 16 percent from D12.3 billion (14 percent of GDP) in the first nine months of 2019 to D14.2 billion (15 percent of GDP). This is largely due to an increase in indirect taxes and nontax revenue during the period.
26. Total expenditure increased by 13 percent from D14.5 billion (16 percent of GDP) in first nine months of 2019 to D16.4 billion (17 percent of GDP) in the same period in 2020. While other components of expenditure registered increases, capital expenditure declined by 17 percent from D5.3 billion to D4.4 billion between the two review periods. This is mainly due to a decline in the disbursement of the externally financed capital expenditure in 2020.
27. Current expenditure increased by 30 percent from D9.2 billion (102 percent of tax revenue) in the first nine months of 2019, to D12 billion (116 percent of tax revenue) in the same period in 2020. Personnel emoluments increased marginally by 1 percent to D2.9 billion in in the first 9 months of 2020 compared to the same period in 2019. The bulk of the increase in current expenditure emanates from other charges, which recorded an increase of 60 percent from D4.1 billion in the first nine months of 2019 to D6.5 billion in the same period of 2020. This significant increase is as a result of COVID-related expenditure (food support, stimulus package, health, etc). Interest payments also increased from D2.2 billion to D2.5 billion between the first nine months of both periods. This 13 percent increase was due to the external debt restructuring secured with external creditors.
28. The overall fiscal deficit excluding grants increased by 9 percent from D5.5 billion (6.2 percent of GDP) in the first nine months of 2019 to D6 billion (6.3 percent of GDP) in the first nine months of 2020. The increase in the deficit is due to the significant increase in expenditure.
29. The revenue loss from tax expenditure for the first 9 months of 2020 stands at D2.4 billion (2.5 percent of GDP), compared to D1.9 billion (2.2 percent of GDP) in the same period of 2019. This is partly as a result of the purchase of medical equipment and supplies as COVID-19-related support from the World Bank.

30. The public debt stock as at end September 2020 stands at D67.6 billion (71 percent of GDP) compared to D71.3 billion (81 percent of GDP) in the same period in 2019. Of the total public debt stock, domestic debt constitutes D32.1 billion (34 percent of GDP) while external debt constitutes D35.5 billion (37 percent of GDP) in 2020.

## MONETARY SECTOR

31. During this period of weak economic performance due to the impact of the Covid-19 pandemic on business activities, the Central Bank has maintained an accommodative monetary policy stance, keeping the Policy Rate at 10 percent.

32. The banking system's Net Foreign Assets (NFA) expanded to D21.3 billion as at end-September 2020 from D14.1 billion a year ago. Its components, NFA of the Central Bank and Deposit Money Banks grew significantly by 64 percent and 37.3 percent respectively. The NFA of the Central Bank increased to D11.9 billion from D7.3 billion at end-September 2019 and the NFA of the Deposit Money Banks rose to D9.4 billion from D6.9 billion as at end-September 2019.

33. The Net Domestic Assets (NDA) of the banking system grew by 5.4 percent from end-September 2019 to D17.3 billion as at end-September 2020, reflecting a moderate growth in domestic credit. Domestic credit grew by 4.3 percent to D32.1 billion, as a result of a slight increase in net claims on Government by 1.7 percent, and the continuous growth momentum in private sector credit of 13.2 percent.

34. Annual reserve money growth continues to accelerate, growing from 32.3 percent at end September 2020, reflecting the strong growth in the Bank's NFA.

35. Available data from the Gambia Bureau of Statistics shows that headline inflation, as measured by the National Consumer Price Index declined by 2.4 percent year-on-year from 7.6 percent in September 2019, to 5.2 percent in September 2020.

36. Food inflation, which is the main driver of headline inflation declined from 7.2 percent recorded in September 2019 to 6.6 percent in September 2020. The major drivers during the period were bread and cereals, meat, fish, and vegetables.
37. Non-food inflation decelerated significantly to 3.7 percent in September 2020 from 8.3 percent in September 2019. This is primarily due to the decrease in most sub-components of non-food such as communication; clothing and footwear; hotels and restaurants; water; electricity and gas.
38. Inflationary pressures are expected to remain subdued in 2020 and expected to continue in the medium-term, given the substantially lower global oil prices and stable exchange rate. The decline in general economic activity is also estimated to dampen inflationary pressures.
39. The Foreign Exchange market continues to function smoothly. From January to September 2020, volume of transactions measured by the aggregate of purchases and sales of foreign currency increased by 2.4 percent to US\$1.6 billion. Purchases of foreign currency, which indicates supply, increased by 8 percent to US\$806.2 million, whilst sales of foreign currency rose by 3.9 percent to US\$825 million in the same period.
40. The exchange rate of the Dalasi remains broadly stable, supported by market confidence, increased inflows from private remittances, and official inflows from development partners. From December 2019 to September 2020, the Dalasi appreciated against the Pound Sterling by 0.2 percent. However, it depreciated against the U.S. Dollar by 1.3 percent, Euro by 5.6 percent and CFA Franc by 1.7 percent respectively over the period.

## EXTERNAL SECTOR

41. Preliminary balance of payments estimate indicates that the current account balance will worsen to a deficit of US\$96.7 million (5.4 percent of GDP) in the first six months of 2020 from a deficit of US\$23.95 million (1.2 percent of GDP) in the corresponding period of 2019, due to the worsened position in the goods and service accounts.

42. The deficit in the goods account balance is estimated at US\$278.5 million (16.2 percent of GDP) in the first six months of 2020 compared to a deficit of US\$194.4 million (11.0 percent of GDP) in the corresponding period in 2019. The widening of the deficit in the goods account reflects a fall in total export, especially re-export in the second quarter of 2020.
43. From January to June 2020, imports amounted to US\$336.4 million, an increase from US\$275.5 million in the same period in 2019. The major imported items for the period included mineral fuels and oils, and cereals. Exports decreased to US\$52.1 million in the first six months of 2020 from US\$70.1 million in the corresponding period of 2019. Major products exported are oil seeds, fish, fruits and vegetables.
44. The surplus in the services account balance declined to US\$3.4 million in the first six months of 2020 from US\$55.9 million in the same period a year ago, on the back of a decrease in personal travels, which reflects the decline in air-chartered tourist arrivals due to the travel restrictions as a result of the pandemic.
45. Current transfers, mainly workers' remittances (net), increased by 56 percent over the review period from US\$122.7 million to US\$191.9 million.
46. The capital and financial account registered a higher surplus of US\$92.6 million in the first six months of 2020 compared to a surplus of US\$45.5 million a year ago, reflecting the improvement in official transfers, mainly from the increase in budget support. The financial account balance improved to a surplus of US\$51.3 million in the first six months of 2020 from a surplus of US\$37.9 million in the corresponding period a year ago, mainly on account of the improvement in foreign direct investment and other investments.
47. Other investments and change in reserve assets, which is a component of the financial account, registered a higher surplus of US\$44.5 million and US\$41.9 million in the review period compared to surplus of US\$40.8 million and US\$41.8 million respectively a year ago.

## **KEY SECTORS**

### **FINANCE AND ECONOMIC AFFAIRS**

48. The pandemic has adversely impacted the execution of the budget as approved by the National Assembly. The Ministry embarked on the revision of the 2020 budget to better re-direct resources towards prevention, treatment and containment of the pandemic through cuts and reallocation of funds from travel, training and other general expenses. The revision yielded D500 million which was set aside as an Emergency COVID-19 Response Fund.
49. In order to effectively tackle the pandemic, the Government had to restructure and reprioritize its objectives. This was critical and necessary as our National Health System came under overwhelming pressure from the outbreak. The reallocation of funds to the health sector and measures to mitigate the spread of the pandemic has affected all Ministries, Departments and Agencies.
50. To cover the unexpected expenditures that have come up during the course of the year as a result of the pandemic, a package of measures to stimulate economic recovery articulated in a Supplementary Appropriation (SAP) were approved by the National Assembly in July. The bulk of the SAP, consisted of measures to support the tourism sector, Agriculture, health and infrastructure development.
51. With the prediction of a second wave of the virus, coupled with the reopening of schools and our borders, the Ministry is ready to augment the COVID-19 response and reinforce our public health system should the number of cases resurge. This includes tapping into the requested augmented financial support from our partners.
52. The Ministry has set-up a framework to ensure transparency in the use of COVID-19 funds from both the National Budget and our development partners. To adequately monitor and account for the pandemic-related spending, we opened a dedicated sub-account at the Central Bank and formed a Committee with representatives from all entities involved in the spending process to oversee the allocation and use of resources.
53. We have also strengthened internal audit oversight at the Ministry of Health, where the bulk of pandemic-related spending originate, and exercised a rigorous oversight of the

food distribution process. To this effect, the tender awards for the procurement of the COVID-19 food relief package by Government was published on the GPPA website. We have also commenced an independent ex-post audit by the National Audit Office (NAO) of all COVID-19-related spending.

54. To support vulnerable households, a countrywide food distribution program was initiated, benefitting over 80 percent of households in the country. An additional food support package was included in the SAP to complement the efforts of the World Food Program to provide food assistance to vulnerable households.
55. As part of the SAP, the Ministry of Finance and Economic Affairs included a budget for the wages and salaries of workers in the Tourism and Aviation sectors for a period of three months; and Local Government Authorities for a period of six months on average. Additionally, the license fees on behalf of the Gambia Hotel Industry were paid to the Gambia Tourism Board and the Municipalities.
56. In addition to financial measures, the Government introduced a number of directives to control the spread of the virus including the suspension of overseas travel by public officials and limiting workers to only essential staff as part of social distancing measures.
57. Furthermore, the President by virtue of his emergency powers under the Constitution, introduced legislation that prohibited price hikes and the hoarding of essential commodities; and a State of Public Emergency declaration by the President, which included the closure of all non-essential businesses and public places and a curfew.
58. On tax relief, the Gambia Revenue Authority (GRA) extended the period for businesses to file their returns and make payments for two months. This was aimed at helping businesses avoid the penalty and interest charges on late filing. The Authority also set up payment plans for businesses that found it difficult to meet their tax obligations due to the impact of the pandemic and reduced the CIF base valuation rate of all essential commodities by 20 percent to maintain price stability.

59. The Central Bank of The Gambia relaxed some regulatory measures and suspended dividend payments for 2019 until further notice, while also considering further measures to provide more liquidity to the banks for support to critical sectors in the economy.
60. Overwhelming assistance was received from Gambian citizens and businesses both domestic and abroad.
61. The actions taken by the Government to tackle the pandemic were complemented by a strong and timely support from development partners who have been forthcoming with the much-needed assistance in the provision of funds, purchase and supply of much needed health equipment, and the extension of loan repayment periods.
62. Support from the IMF under the Rapid Credit Facility to the tune of US\$21.3 million was received for the financing of Government's COVID-19 expenditure. Additionally, funds from the Catastrophe Containment and Relief Trust (CCRT) and the G-20 Debt Service Suspension Initiative (DSSI) contributed immensely to strengthening our debt sustainability outlook and creating fiscal space. This has created a powerful signaling effect in broader discussions with The Gambia's external creditors.
63. The CCRT provided US\$4.4 million in debt relief, with the DSSI amounting to US\$4 million from ECOWAS Bank for International Development, People's Republic of China, Kuwait Fund for Arab Economic Development, and the Saudi Fund for Development.
64. The World Bank provided the Government with a grant of US\$10 million for the purchase of medical equipment and supplies with an additional US\$13.5 million for social safety net programs and the education sector. Health emergency support from the World Bank and in-kind contributions from the UN Agencies, bilateral partners and several NGOs including the Jack Ma Foundation were also received.
65. US\$14 million was also received from the African Development Bank to strengthen health systems to contain the COVID-19 pandemic, safeguard livelihoods through the

provision of social support to the most vulnerable and support economic stabilization and public accountability.

66. On economic policy management, coordination and implementation during the 2020 fiscal year, the Ministry is pleased to update you on the progress registered on Debt Management, Development Planning, Public Private Partnership, Project Management, Public Financial Management and Internal Audit.
67. On Debt Management, given the unsustainable trajectory of the public debt, the Government has engaged most of its external creditors to secure a debt restructuring program. The recently published the Medium-Term Debt Strategy would ensure a cost-effective public debt level with a prudent degree of risk as well as promote the development of our domestic debt market.
68. On Development Planning, the preparation of The Gambia's first Voluntary National Review (VNR) adopted a participatory approach involving consultations with different stakeholders including civil society organizations, private sector, development partners, policy makers, and the citizenry including the most vulnerable.
69. The VNR was conducted to assess and present progress made in implementing the Sustainable Development Goals (SDGs) with the pledge to leave no one behind. This review presented a snapshot of where The Gambia stands in SDG implementation. The findings of the VNR revealed the need for further advocacy and sensitization on the SDGs to enhance national ownership.
70. In the social services sector, significant progress has been registered with improved access to education, water, and nutrition outcomes. However, while poverty levels have stagnated at around 48 percent between 2010 and 2015/16 nationally, the poverty levels in the rural areas have increased. This is due mainly to the impact of climate change on the Agriculture sector.
71. The Government has initiated the Mid-Term Evaluation (MTE) of the National Development Plan (NDP) to establish the degree of fulfilment of its eight strategic priorities and seven critical enablers. The MTE will provide information that will guide

Government in developing its Covid-19 Recovery Plan through the re-prioritization of the ongoing National Development Plan. The Re-prioritized NDP will be finalized by end of March 2021 and the process of formulating a new medium-term development plan will be initiated in the third quarter of 2021.

72. The evaluation of the Vision 2020 has been concluded. This evaluation will help guide the formulation process of the Vision 2020 successor. The objective for formulating a successor long-term development plan, which will be finalized by end of the second quarter in 2021, is to provide a framework for the comprehensive transformation of the country's economy and society in a very participatory and inclusive manner. The new vision would take into account the 2030 Sustainable Development Agenda, the Agenda 2063, and the country's long-term climate change vision and strategy.
73. On Public Private Partnership (PPP), the Ministry is working on attracting private sector investments and the effective implementation of PPPs; establishing a stock exchange market regulatory framework and regulatory authority; and strengthening the financial position and viability of SOEs. To this effect considerable progress has been made on the draft PPP Bill, the Capital Markets Bill and the SOE Bill, with the expectation that these will all be enacted in 2021.
74. To improve and standardize the financial reporting standards of SOEs, the Ministry in collaboration with IMF/AFRITAC West 2 and MDI organized a training to build capacity of key financial officers and accountants of SOEs, to ensure better analysis of performance and comparability of financials amongst SOEs.
75. In addressing the balance sheet of SOE Cross Arrears, a reconciliation exercise was recently conducted by the Directorate of Internal Audit, covering arrears between SOEs, and between SOEs and MDAs. A strategy for settling these cross-arrears has been developed and payment terms have been agreed upon.
76. On project management, the Gambia Strategy Review Board (GSRB) was established to help improve project selection and management in a bid to curtail fiscal slippages from the contracting of projects that are not economically viable. The Board has been

trained on screening, appraising and selecting public investment projects for consideration.

77. On Public Finance Management, the Ministry has begun the drafting of the PFM Strategy 2021-2025. The strategy will provide guidelines and policies for implementing PFM reforms across all MDAs, in addition to helping address challenges in financial management.
78. The Government has upgraded the Integrated Financial Management Information System (IFMIS) to a fully web-based solution which went live in January 2020. The upgraded system has been rolled out to all the Sub-Treasuries and piloted to three Gambian Embassies overseas and some donor-funded projects.
79. Plans are in place to extend the IFMIS to all donor-funded projects, the Local Government Councils, the remaining Embassies, and Subvented Agencies in 2021. This would enhance the consolidation of all donor-funded operations and financial activities of MDAs into the Government Financial Statements.
80. As part of the IFMIS upgrade, an Electronic Funds Transfer (EFT) Module has also been implemented. This module will enable Government payments to be done electronically, directly to beneficiary bank accounts. This will enhance payment processes and eliminate risk associated with handling cash.
81. With effect from January 2021, payments of salaries and pensions would be made electronically. Civil servants and pensioners would be required to indicate their mode of payments such as direct payments through commercial banks, microfinance institutions or mobile money operators.
82. The implementation of a Government Treasury Single Account (TSA) is in progress. The TSA would require all Government bank accounts to be consolidated at the Central Bank, allowing Government to have access to public funds for budget execution and reduce the need to resort to expensive borrowing.

83. In terms of digitalizing the economy, a Payment Gateway is currently being procured. This would facilitate the automation of the revenue collection process and ensure that Government revenues are collected electronically and improve overall revenue performance.
84. In terms of pushing for stronger internal controls, internal audit functions have been rolled out to all MDAs to provide assurance and advisory services to vote controllers, management and other relevant stakeholders.
85. Effective 1<sup>st</sup> January 2021, further to the provisions of the Public Finance Act, the Ministry shall liaise with the Board of Directors of Agencies, Commissions, Authorities and other autonomous Government entities, to formulate regulatory frameworks for the effective functioning of public sector internal audit services. All Government internal audit activities will be regulated to enhance independence and objectivity.

## **PRODUCTIVE SECTORS**

### **AGRICULTURE & NATURAL RESOURCES**

86. The Ministry of Agriculture has played a key role in reviving 23 years of dormant cotton production in The Gambia. For the 2020/2021 cropping season, over one thousand farmers across 172 villages in URR and CRR registered with the National Cotton Producers and Marketing Cooperative of The Gambia.
87. The Government of The Gambia through the Ministry has provided funds for the distribution of a number of agricultural machinery and equipment to farmers in 96 communities nationwide. The Government also introduced modern drip line irrigation systems in 21 women vegetable gardens to mitigate the effects of climate change.
88. The COVID-19 pandemic has also affected the sector. As a result, the Ministry has put in place an emergency response plan to address the anticipated food shortage and support farmers. In collaboration with the World Food Program, additional food assistance will be delivered to over 22,000 highly vulnerable households and up to 70,000 marginally food-insecure households.
89. In preparation for the 2020/2021 farming season, the Government purchased 310 metric tons of certified seeds through the National Seed Secretariat and distributed to farmers across the country.
90. The International Fund for Agricultural Development (IFAD), through the National Agricultural Land and Water Development Project (NEMA), also purchased an additional 100 metric tons for further distribution. NEMA has committed to the procurement of an additional 20,000 bags of fertilizer for distribution to farmers.
91. Farmer cooperative groups were beneficiaries of agricultural tractors through the support of NEMA.
92. The Department of Agriculture has continued engagements in the development of capacities of farmers with new techniques so as to reduce drudgery and boost production and productivity. Sensitization efforts to farmers on climate change

mitigation and adaptation strategies through the adoption of Climate Smart Agriculture was conducted.

93. The Department has been collaborating with partner institutions such as FAO, NaNA, GCCI and other projects to encourage the implementation of agronomic activities for increased production and productivity.

94. Through the Department of Livestock Services, with support from the Agriculture Value Chain Development, over 150 households benefitted from the enhancement of small ruminants production and fattening schemes.

95. Over 135,000 animals were vaccinated; an awareness campaign for the rural communities and livestock farmers on foot and mouth diseases was conducted; and three livestock and 2 slaughterhouses were rehabilitated to meet food safety and zoo sanitary standards.

96. With support from the Japanese Government, 600 metric tons of fertilizers and 50 tons of groundnuts were provided to the farming community. The Chinese Government, through its Embassy, has supported the Ministry with the supply of over 100 agricultural equipment and 10 metric tons of fertilizer.

97. To enhance rice production, the Rice Value Chain Transformation Project has purchased 1.5 metric tons of certified seeds for distribution to the Rice Growers Association and supplied farmers with labor-saving devices that have significantly reduced harvest and post-harvest loss, while also encouraging increased youth participation in agricultural activities.

## FISHERIES AND WATER RESOURCES

98. Climate change continues to pose serious threats to social stability and economic development. The Project for strengthening of The Gambia's Climate Change Early Warning Systems Phase II continues to undertake the capacity building of local communities on climate change early warning systems. The provision of timely and

accurate information about the impending weather is an effective tool to safeguarding life and property.

99. The Water Resources Department in collaboration with Climate Smart Rural Water Supply and Sanitation Development Project is providing safe and quality drinking water to the rural people. The department has also collaborated with UNICEF to provide safe drinking water and basic sanitary facilities to schools and health facilities across the country.
100. Through support from the Japanese Government, twenty solar-powered piped-water supply systems will be constructed and installed in 2021 to serve 80,000 people in rural communities. Additionally, the Government of The Gambia in collaboration with UNICEF, will continue to provide safe and quality drinking water and basic sanitary facilities to schools and health establishments.
101. The Fisheries Sector has enormous potential to contribute to the economic development of The Gambia through employment creation, poverty reduction and foreign exchange earnings. The Fisheries Sector with support from the European Union (EU) has initiated the process of strengthening community-based fisher-folk organizations to enhance effective participation in fisheries co-management process.
102. The Department of Fisheries has handed over 14 fishing boats with outboard engines to 10 fishing communities, a trend which will continue through 2021 until more communities benefit from this scheme. The Government will continue to address the problems of fish shortage, unemployment, and illegal, unregulated and unreported fishing with coastal and inland fishing communities.
103. In the area of maritime surveillance, the Government will continue to strengthen cooperation in the area of monitoring, control and surveillance of our territorial waters to curb and deter illegal, unreported and unregulated fishing. The National Fisheries Monitoring Centre will be equipped with vital equipment including training to ensure effective monitoring and surveillance.

104. In the area of aquaculture, the Ministry in collaboration with the FAO has completed the construction of two fish feed mills and two hatcheries in Kuloro, in West Coast Region and Jahally, in the Central River Region.

#### INFORMATION & COMMUNICATION INFRASTRUCTURE

105. The Ministry continues its effort in rolling out initiatives geared towards transforming The Gambia into a digital nation. Furthermore, in collaboration with relevant stakeholders, there are plans for the implementation of a National Technology Hub to spur research and development in ICT and breed the next generation of software developers in the country.
106. To solve the digital address mapping challenges in the country, the Ministry in collaboration with Google Plus is set to implement the pilot phase of the Google Plus Codes Initiative, which will provide a digital street addressing system in the City of Banjul. This initiative will be rolled out to other regions over time.
107. The Ministry has developed the e-Gambia Power Project Proposal to help achieve the last mile connectivity, which is critical in ensuring access to quality and affordable broadband internet across the country. The Project intends to enhance the country's digitalization by leveraging on existing infrastructure to expand ICT services that will provide Quadruple Play Services nationwide. This will provide broadband internet, IP enabled smart electricity meters, as well as maximize revenue for public and private sector entities.
108. The Ministry has upgraded the e-Government Data Centre in preparation for the implementation of the e-Government Strategy in 2021, which aims to ensure a paperless Government with a view to improving efficiency in public service delivery. In addition, the Ministry is also deploying the Government Wide Area Network to establish an efficient and secure communication network.
109. The National Broadband Network (NBN) fiber infrastructure has allowed GAMTEL to connect over 5,000 customers to high-speed internet around the country. Utilization of the NBN Data Centre will begin in 2021 and will host e-Government

platforms and services. A commercialization process is going to ensure the data center is able to generate revenue for GAMTEL and provide innovative services. The company will pursue the provision of countrywide access to broadband through the use of wireless solutions to reach unserved areas in order to increase its competitive edge.

110. Strategies have been put in place to ensure the positive turnaround of GAMCEL, to enable the Company to compete in the field and become profitable enough to pay dividends to Government. To this end, a partnership was signed with Spacewide Innovations in May 2020, to facilitate the modernization of its infrastructure including the rollout of a 4G network and possible upgrading to 5G.
111. A partnership has been signed with Digital Gambia Limited and EXCAF for the implementation of the Digital Terrestrial Transmission Project, which will allow GRTS to switch from analog to digital broadcasting nationwide, thereby ensuring the distribution of quality services.

## TOURISM AND CULTURE

112. The tourism sub-sector was severely impacted by the pandemic. The industry felt the impact of the coronavirus even before a single case was registered in the country. When the outbreak was declared in early March, tourists returned home, hotels, restaurants and other tourism-service related businesses were forced to close leading to a complete shutdown of the entire industry.
113. As part of Government's efforts to support the tourism industry and those employed in related businesses, the Ministry was allocated D100 million to be disbursed to all stakeholders in the industry.
114. Of this amount, the National Center for Arts and Culture received D5 million as Covid-19 relief which benefitted over 100 artists whose incomes were adversely impacted due to the pandemic.

115. In addition to this, the Gambia Tourism Board, with support from the UNDP provided relief packages to about 6,400 vendors and staff of the industry up to the tune of D16 million.
116. Over the years, we have seen how vulnerable the tourism sector is to external shocks, and this has become more evident with the COVID-19 pandemic. This has been a signal to Government to direct some of its efforts towards developing domestic tourism and attracting more tourists within the African continent.
117. As the tourism industry remains highly concentrated in the urban centres, the medium-term agenda for the sector will focus on the diversification of tourism activities. As a result, the Ministry in collaboration with stakeholders has identified sites for the development of Eco Hotels in an effort to meet the NDP target of developing one site in every region of The Gambia. Construction is currently ongoing at three sites—Barra-Fort Bullen; Kunkilling Forest in Jangjangbureh; and Sotuma Sambakoi.
118. As COVID-19 restrictions begin to ease, the GT Board will continue to work with the Health Ministry and stakeholders to conduct regular capacity building and sensitization in the Tourism sector.

#### TRADE, INDUSTRY, REGIONAL INTEGRATION & EMPLOYMENT

119. The Ministry continues to initiate reforms in the business environment through the Business Environment Reform Programme which was launched in June 2020.
120. The reform Programme focuses on six key components: simplifying business registration, improving tax administration, easing access to finance, facilitating cross border trade, strengthening land information administrative systems, and enabling affordable and reliable electricity supply.
121. The 2020 fiscal year has been challenging for all businesses, particularly MSMEs due to the COVID-19 pandemic. Since March 2020, the Ministry has been

implementing a number of measures and programmes to mitigate the impact of COVID-19 on businesses and to stimulate the recovery process.

122. As part of these measures, MoTIE in collaboration with the Ministry of Justice implemented the Essential Commodities Emergency Powers Regulation, 2020 aimed at stabilizing prices of both wholesale and retail trade of essential commodities such as rice, oil, sugar and flour, among others.
123. The Regulation also provided for the prohibition of exports, re-exports, hoarding and rationing of essential commodities, allowing the general public to continue to have access to these essential commodities at stable prices during the pandemic.
124. The Ministry, through its projects, continues to provide support to MSMEs. Through the Enhanced Integrated Framework-Sustainability Support Project (EIF-SSP), a smokehouse for women fishing processors at the Tanji Community Fishing Centre was commissioned.
125. The Ministry is also supporting women in horticultural value chain processing by procuring essential equipment to improve the quality and packaging of their products, in order to increase their access to domestic and international markets.
126. To support women entrepreneurship, 16 of the 34 tenders that were awarded for the Food Support Programme of Government, were to women-owned companies.
127. Under the SheTrades Project, 82 women-owned businesses are being supported to enhance their economic participation in the horticulture and textile garment value chain.
128. This year, the SheTrades Project was able to link local women onion farmers to importers to purchase their produce during the State of Public Emergency. Through this initiative, importers committed to buying all locally produced onions during the onion season, thus addressing the challenges of market access for women farmers.

129. To address the challenges relating to access to finance for women-owned businesses, the SheTrades Project has established a mini-grant scheme for companies to expand their businesses and address their capacity needs.
130. Through the interventions of the Ministry and GIEPA, The Gambia is one of four countries selected to benefit from capacity building programmes for Investment Promotion Agencies (IPAs), to be funded by the African Development Bank (AfDB) through its Transition Support Facility.
131. This Project will strengthen the institutional and human capacity of each IPA to identify and assess the most promising investment opportunities and provide tailored facilitation and investor services, to attract investment during the project period and beyond.
132. With regard to consumer protection and competition, the Commission conducted a hearing against Bakery owners and middlemen. This followed an investigation into suspected price fixing and cartel behaviours in the bread market which affected the supply of flour in the Gambian market.
133. Similarly, a study was conducted on the Real Estate sector in order to protect consumers in a booming and highly unregulated sector. Through its Alternative Dispute Resolution Program, the Commission was able to recover up to D800,000 from real estate dealers owed to duped consumers.
134. On the pharmaceutical sector, a study was recently launched to assess the level of consumer protection and competition in the sector. This will empower the Commission to recommend policies that will further enhance these two factors.

## WORKS, CONSTRUCTION & INFRASTRUCTURE

135. The construction of the Trans-Gambia Bridge and Tolling Facilities has been completed and handed over to the Government.
136. The Sir Dawda Kairaba Jawara International Conference Centre is now operational and open for business. The Centre is being run by an interim management team whilst a PPP arrangement is being worked on.
137. As part of our regional infrastructure improvement projects, the construction of the Governor's residence and office complex at Kerewan has already commenced and is expected to be completed by August 2021.
138. Following the inferno that devastated the Basse Market, work has already started on the construction of a new, modern market facility. Similarly, the Brikama Market, which was also affected by frequent fire outbreaks will be rehabilitated, with all necessary safety measures taken into account to prevent the recurrence of such tragedies. Two markets in Soma and Farafenni are also under construction.
139. Despite the pandemic resulting to a scale down of staff and stalling ongoing works in all project sites, the construction of 51km roads and bridges in URR has registered significant progress with 70 percent completed so far.
140. A substantial part of the Banjul Roads, Drainage and Sewage Rehabilitation Project has been completed. The distilling and cleaning of small and wide collector drains has progressed, with the existing ring canal being distilled and a new one under excavation.
141. The Ministry, in collaboration with the OIC Secretariat and MoFEA, embarked on a series of resource mobilization negotiations. Through these efforts, funding from various creditors has been secured for the construction of a 2-lane dual carriageway along the Bertil Harding Highway beginning in 2021. Once completed, the road expansion project from the Airport to Sting Corner will significantly ease traffic along the highway.

142. In preparation for the upcoming OIC Conference, funding to the tune of US\$50 million has been secured for the construction of 50km urban roads within the Greater Banjul Area (GBA). So far, 20 roads have been identified to be rehabilitated and expanded.
143. The supervisory services of the construction works have been assigned to PACE/GAMEC JV Consultants. The tender and award for the works will be completed before the end of this year, and works will begin in early 2021. The completion of this Project will improve traffic congestion through the creation of alternative routes for commuters within the GBA.
144. The construction of rural roads is high on the Government's priority, to ease the connection to urban areas, hospitals, markets and schools, which will ensure an inclusive infrastructure development for the entire population. As a result, a number of rural roads are being constructed in the Northern and Southern Banks of the country.
145. The Kalleng-Bushtown Road which is co-financed with development partners is near completion. The construction of 86km North Bank rural roads in Sabach-Sanjal, Lower and Upper Saloum has begun.
146. The construction of the Yorobawol – Basse and Mbye Kunda Extension Road which started in June, and fully financed by the Government of The Gambia is near completion.
147. The Niumi Hakalang road project which comprises of two main roads located on either side of the banks of the River Gambia is fully financed by the Gambia Local Fund. Work on this landmark road has begun.
148. The construction of 87km of Kiang West roads is part of infrastructure works the Government plans to undertake. It is hoped that the contract for civil works will be awarded by early-2021.
149. The three-year EU Funded Feeder Roads Project which will rehabilitate and help to maintain 105km of rural roads in the Upper River, North Bank and Central River

Region is almost at its completion stage. The improved road network is in support of the Government's development agenda and will complement farmers access roads being funded by the NEMA Project under the Ministry of Agriculture.

150. The maintenance and preservation of our existing roads is just as important as the construction of new roads. The maintenance budget allocated to NRA has been increased to over D300 million to ensure sufficient funds are provided to maintain the standards of our roads.

151. Roads along the Soma-Basse Highway, Old Cape Road Bridge, sections of Kombo Coastal Highway and Pakalinding – Mansakonko Road are just a few of the key roads and bridges identified for maintenance in the coming year.

152. The rehabilitation of the Airport is near completion. The Project includes the remodeling of the passenger terminal building, refurbishment of the control tower and installation of ultramodern equipment geared towards enhancing aviation security at all times.

## PETROLEUM & ENERGY

153. In the petroleum industry, the pandemic has delayed the drilling of two additional wells by British Petroleum and FAR/PETRONAS to 2021. Work has started on data acquisition in the offshore ultra-deep area which will be demarcated into additional oil blocks to be licensed.

154. In a bid to ensure conducive policy and a good regulatory environment, with the assistance of the African Legal Support Facility, the Ministry has started The Gambia Oil II Project for the monitoring and management of licenses and legal reforms for legislative alignment within the sector.

155. The COVID-19 pandemic has caused a slowdown in the geological field activities. Mining and quarrying operations in the regulated quarries have been downsized to enable physical distancing in response to Government regulations on the pandemic, impacting revenue collections from these activities.

156. The Ministry is continuing efforts in geological and mineral resource surveys and assessments, with a view to identifying areas with the potential of discovering mineral resources, especially in construction earth materials which will help support the booming construction industry. The Ministry is also working with relevant stakeholders to regularize quarrying operations in the country.
157. The depleting sand resources along the coastal area and the associated environmental destruction of the landscape have necessitated the encouragement of inland sand quarrying and dredging operations offshore. Two inland sites have been licensed in order to reduce the pressure on the coastline.

#### ELECTRICITY AND WATER GENERATION

158. The National Water and Electricity Company (NAWEC) has registered significant improvements in their production capacity of electricity over the past three years. Currently NAWEC's available generating capacity stands at 71MW, meeting peak load demand of 65-70MW in the GBA. The ongoing 20MW IDB funded generation expansion project in Brikama is being commissioned and will be ready for operation before the end of the year.
159. There will be an additional boost in the generating capacity for the country with the commissioning of the OMVG project in 2021. Construction works for the OMVG sub-station in Soma as well as the extension of the transnational transmission lines for the said project are at an advanced stage.
160. Through the Government of The Gambia, NAWEC secured a concessional loan of US\$22.5 million from the Indian line of credit for the Electricity Expansion and Rehabilitation Project in the Greater Banjul Area. This project has extended electricity to several communities in the Greater Banjul Area, West Coast Region and the Kiangs.
161. NAWEC is also implementing a \$22.5 million water project funded through the Indian line of credit, which will extend water supply to communities within the GBA and also replace all the asbestos pipes across the country. The Project will increase

water production capacity, enhance the distribution system and alleviate the shortage of water upon completion in January 2021.

162. The main challenges currently facing NAWEC is the dilapidated transmission and distribution network that has resulted to serious offloading difficulties for the company as a result of the increase in the generating capacity. Efforts are underway to address these network challenges through the support of the World Bank funded Gambia Electricity Restoration and Modernization Project (GERMP) to upgrade the Brikama to Kotu transmission lines.

163. The Covid-19 pandemic has caused significant delays in the implementation of both electricity and water projects, and with the closure of hotels and scaling down of industrial operations, NAWEC is losing almost 40 percent of its revenue base thus seriously affecting its quality-of-service delivery due to lower cashflow.

## **SOCIAL SECTORS**

### **BASIC EDUCATION**

164. In the Basic and Secondary Education sector, the Ministry continues to use resources from GLF and development partners to scale up the provision of quality basic education, teaching and learning materials, in addition to developing innovative ways of reaching underserved communities.
165. School enrolment at all levels has increased as a result of opening of new schools in locations which were not previously served, expanding existing school facilities, as well as providing appropriate and customized transportation facilities such as donkey carts and bicycles, for children travelling long distance to attend school.
166. Enrolment in Early Childhood Development increased by 3.4 percent, Lower Basic School by 4.8 percent, Upper Basic by 6.9 percent and enrolment at Senior Secondary School increased by 6 percent.
167. To ensure quality education delivery at all educational levels, the Ministry continues to collaborate with both The Gambia College and The University of The Gambia to train teachers for the Basic and Secondary levels of our education system and increase the number of qualified teachers across all levels.
168. The support of Development Partners remains instrumental in providing affordable and accessible quality education. Through donor funding, over 1,000 classrooms and toilets are being constructed in various Madrassas and Conventional Schools. Additionally, 30 classrooms have been rehabilitated and 23 Lower Basic Schools have been introduced to the use of tablets and solar systems, with additional 18 schools to receive the tablets.
169. While progress has been made in the sector, significant challenges continue to stall the scaling up of the progress, mainly due to funding gaps. The Government is committed to increasing the School Improvement Grant and School Feeding Program across the region to improve access, retention and performance in schools.

170. As more schools are being opened in underserved and unreached communities, funding is also needed for the supply of tablets, furniture and the human resource requirements of teachers and ancillary staff.
171. The Education sector was one of the hardest-hit by the COVID-19 pandemic, which further exacerbated the aforementioned challenges. All schools were closed since April for six months, leading to a loss of instructional hours, 29 percent below the required minimum.
172. To mitigate this loss, the Ministry had to resort to online radio and television lessons as a means to continue the learning process while keeping students safe at home.
173. The National Assessment Test (NAT) for grades 5 and 8 could not be conducted, and the GABECE and WASSCE examinations were delayed.
174. When the Government announced its intention to re-open schools by mid-October, the Ministry developed a comprehensive Education Simulation Model and a Strategic Plan for the safe re-opening of schools and recovery of learning time lost.
175. The 2020/2021 school year will be a challenging one for the sector with students catching up on two terms of missed schooling, and Government trying to meet increased funding needs. This would require additional human, material and financial resources and greater collaborations with our Development Partners.

#### HIGHER EDUCATION

176. The Ministry has finalized the 2020-2024 Tertiary and Higher Education Sector Strategic Plan. The Plan caters for educational continuity, development and strengthening of research, science, technology and innovation.
177. The Ministry continues to work to uplift the status of the University of The Gambia (UTG) to a world-class reputable university. At present, the Ministry is closely supervising the on-going construction of The University of The Gambia Faraba Banta Campus. While the first two lots of the UTG Faraba Banta campus project is expected to be completed by end 2021, the Ministry in collaboration with Ministry of Finance

and Economic Affairs, will engage in resource mobilization for the remaining lots of the project.

178. The Gambia College integration into the UTG is on course and will further strengthen the human capital development. Discussions are at an advanced stage to transform the Management Development Institute into a degree awarding Institution.

179. Due to the impact of the pandemic on Gambian students abroad, the Government through the Ministry provided financial assistance to students abroad.

## HEALTH

180. The health sector was severely hit by the coronavirus, forcing the sector to grapple with the handling of an unexpected pandemic. Since the outbreak of the virus, the Government, with support from UNDP, GCCI and TAF Africa Global, refurbished former Ndemban Clinic and Sanatorium to be used as treatment Centers for COVID patients. A number of health facilities across the region are being refurbished solely from Government Local Funds (GLF).

181. Plans are underway way to construct eight permanent treatment Centers and refurbish other isolation Centers across the country. With support from the World Bank, the Government is in the process of building a new National Emergency Treatment Center, National Public Health Laboratory and a Training Centre to better respond to future emergencies.

182. The Government will continue to make concerted efforts to ensure that infection rates of COVID-19 in The Gambia remain the lowest in the Sub-Region and Africa at large.

183. The COVID-19 crisis has confirmed how vital it is to have a strong supply chain management system to guarantee the efficient delivery of essential health supplies. In order to facilitate the prevention and control of the pandemic, the Government has supported the local production of some essential supplies, as well as secured essential supplies from other countries to meet local demand.

184. As part of the response to the COVID-19 pandemic, the Government and its Development Partners have committed over D200 million on medical and non-medical supplies. This has been used to purchase over one million face masks, Personal Protective Equipment (PPEs), ventilators and other vital equipment that have been distributed to health centers across the country.
185. The Ministry will continue to monitor the supplies required to strengthen our healthcare system in order to manage this outbreak, through increasing the stock of supplies as well as strengthening the supply chain management system.
186. Given the possibility of a COVID-19 vaccine in 2021, the Government has put in place measures to secure access to the vaccine when it becomes available.
187. On Maternal and Child Health Services, the Government is committed to the reduction of under-five mortality rates and maternal mortality ratio, keeping up with the significant gains registered during the past years. Similarly, deliveries conducted by skilled birth attendants in health facilities also increased significantly.
188. The Expanded Program on Immunization (EPI) under the Ministry of Health will conduct a Measles Rubella (MR) mass vaccination campaign in 2021 for children to reduce morbidity and mortality related to MR. The program will procure additional cold chain equipment to equip all the regional cold stores and provide for more storage capacity in facilities with less cold chain equipment.
189. The EPI will construct additional outreach sites for greater access to immunization services and will also introduce Inactivated Polio Vaccine (IPV) second dose into the routine EPI services.
190. As part of efforts to revitalize and implement the concept of Primary Health Care (PHC) in the country, the PHC Unit under the Ministry witnessed a significant increase of PHC in Key Villages from 722 to 942.

## WOMEN'S AFFAIRS

191. The outbreak of the coronavirus pandemic has delayed the implementation of important projects and programs as planned for 2020. The enactment of the Women Enterprise Fund (WEF) which stalled due to the lockdown is now at implementation stage. The Ministry is currently working on training of women and disbursement of funds to women groups.
192. The main objective of the WEF is to strengthen capacities of women-owned businesses to increase their income and provide livelihood skills for more than 10,000 women and girls by 2021. This will go a long way in poverty alleviation and uplifting the socioeconomic status of Gambian women and girls.
193. Under the Department of Social Welfare, 40 vulnerable families and 20 elderly people benefitted from cash transfers, with similar interventions expected to be conducted in 2021.
194. In 2021, the Ministry plans to establish more shelters for children and victims of violence across the country; construct and refurbish value addition facilities for women at the fish landing sites; provide more cash transfers to vulnerable families; and loans to more women groups to create or expand their businesses.
195. A Disability Fund will be established in 2021 following the approval of the Bill by the National Assembly; along with the Children Trust Fund and the Funds for the Victims of Domestic Violence.

## YOUTH & SPORTS

196. Development in youth activities has witnessed increased priority from Government in its efforts to promote youth employment and their economic engagement. Through the Gambia Songhai Initiative Project, a pipe network system with 60,000 litres water tank has been installed to support youth trainees with additional land for agricultural production.

197. On sports infrastructure, the construction of a mini stadium for the youth of Julafarr in Kiang West is in progress with over 150 youth in the area employed by the Project. Progress has been made in the construction of two additional stadiums in Kafuta and Fula-Batang. The Ministry has identified sites in Bwiam, Pakaliba, Janjanbureh, Basse and Diabugou to build sports facilities over the medium-term.
198. The Directorate of Planning under the Ministry, in collaboration with Action Aid International and support from the Global Fund Initiative has been conducting sensitization forums on HIV/AIDS across the country.
199. A total of 154 youths have been trained in various trades such as construction, tailoring and plumbing under the National Youth Service Scheme. Over the course of 2021, plans are underway to recruit youth for rice cultivation in Sapu to support youth farmers' cooperatives to produce rice and other food crops.
200. The National Enterprise Development Initiative in collaboration with the Social Development Fund is developing a Youth Revolving Loan Fund to support youth across the country in furthering their education or starting a business.
201. The President's International Award (PIA) continues to provide relevant livelihood skills training and opportunities to young people from underprivileged backgrounds dropping out of school due to financial reasons. In 2020, the PIA Award Skills and Enterprise Training Centre graduated 225 youth in various trade areas.
202. The construction of a bakery and confectionary academy is underway at the PIA Centre funded by a Dutch philanthropist. Through the support of a Dutch charity, Go For Africa, an auto mechanic diagnostics centre is also being constructed and will serve as a training hub for young engineers.

203. The COVID-19 pandemic has impacted much of the sector's planned activities for 2020. In 2021, the Scheme plans to renovate and expand its hospitality Department to increase revenue generation and provide advanced training to its staff.
204. The National Sports Council has drafted a five-year strategic plan (2020-2024) for sports development. A number of activities including Senegambia Run for Peace and Integration, Youth and Sport Summer Camp and African Sport Management Association Conference are all planned activities for 2021.
205. The National Youth Council has facilitated the access of training, employment opportunities and financing offered by YEP and TEKKI FII to over 250,000 youth. The Council also supported youth offices in Janjanbureh, Pakalinding and Kerewan to ensure youth have access to these opportunities at a decentralized level.
206. Youth centers across the country have been rehabilitated to improve access to skills training and economic opportunities to encourage our youth to stay and make it in The Gambia.
207. The Government is committed to addressing the challenges faced by the Youth Council which includes inadequate water-sanitation, hygiene and health services, rising irregular migration which poses the risk of human trafficking and gender-based violence.
208. In 2021, an assessment of the impact of the pandemic on our youth and youth entrepreneurs will be conducted and support mechanisms and policies will be developed.

## **CROSS CUTTING SECTORS**

### **LANDS & REGIONAL GOVERNMENT**

209. The Ministry of Lands played an important role in providing support during the pandemic by facilitating the payment of D6,000 each, to over 83,000 vulnerable households. Cash transfers through the NAFA Quick social safety net program were disbursed across the country.

210. On Community Development, the Department signed an MoU with the Department of Water Resources for a Project which will increase access to safe and sustainable water supply, sanitation and hygiene to over 500,000 beneficiaries.

### **DATA AND STATISTICS**

211. The Gambia Bureau of Statistics is embarking on the listing of households for the Gambia Social Registry. The Registry will provide a platform for inclusion into social protection initiatives and improve information systems on vulnerability and beneficiaries mapping. Thus, providing better coordination between social safety net programs.

212. Despite the challenges in its activities due to the COVID-19 outbreak, GBoS conducted a rapid micro assessment of the socio-economic impact of COVID-19 on tourism and related sectors and a ‘Lumo Survey’.

213. The ‘Lumo’ Assessment was aimed at providing relevant data on income and socioeconomic indicators to assess the impact of the pandemic on the livelihoods of the ‘Lumo’ traders, and its impact on the Local Government Authorities (LGAs) in terms of revenue loss.

214. Similarly, a High Frequency Survey aimed at assessing household’s socio-economic status and the impact during the COVID-19 pandemic is ongoing and will be completed in July 2021.

215. The Bureau is planning to embark on the development and compilation of Quarterly GDP for the first time in The Gambia, which will provide a comprehensive

assessment on the performance of The Gambia's economy on a short-term basis and enhance policy design, formulation and evidence-based decision making.

216. In 2021, the Bureau plans to conduct a Census and Survey of Business Establishments to rebase GDP from 2013 to 2019; preparatory activities for the 2023 Population and Housing Census and Rebasing of the CPI from January 2019 to January 2021.

## FOREIGN AFFAIRS

217. For most of the year, the Foreign Service has been focused mainly on the coordination of COVID-19 support for The Gambia in collaboration with development partners, coordinating the donation of medical items and the procurement of needed equipment for COVID-19 from partner countries.

218. The emergence of COVID-19 and the need for Government to curtail public sector spending has prompted Government to review the financial obligations associated with the Foreign Service and devise an immediate means of bringing down costs associated with its operations.

219. As such, the Ministry is currently working on the downsizing of personnel and the suppression of positions in a number of missions. The exercise envisaged in the proposed downsizing will also involve the closure of two Diplomatic Missions by the end of the year, the recall of some diplomatic staff currently en-poste in some Missions, and also the suppression of some positions at mission level which were a priori approved in the budget but were not filled in the course of the year.

220. The pandemic has also affected activities at an international level, with Joint Commissions with bilateral partners and major international conferences that were scheduled for 2020 having to be postponed due to travel restrictions across the world.

221. The United Nations, the European Union and the African Union are currently supporting the Security Sector Reform and the TRRC. The Economic Community of

West African States (ECOWAS) has extended the mandate of ECOMIG in The Gambia to the end of the year providing support to protect the country's fragile democracy.

## JUSTICE

222. Despite the setback suffered during the Constitutional Review Process, the Government is still committed to cultivating political consensus on the way forward in the adoption of a new Constitution for The Gambia. The transitional justice program is also on course.
223. In spite of the setback suffered in its public hearings after the outbreak of COVID-19, the Truth, Reconciliation and Reparations Commission (TRRC) is on course to complete its mandate. In January 2020, the TRRC submitted its interim report to the Government, highlighting the Commission's activities during its first year of operations.
224. On the improvement of human rights, the National Human Rights Commission is now fully functional as an independent human rights body and Gambians now have an alternative and affordable avenue to seek redress for human rights violations in the country.
225. To fulfil its reporting obligation to International Human Rights Treaties, The Gambia will file periodic reports to treaty bodies highlighting the progress and challenges experienced in the implementation of these treaties. Currently, the reports on the United Nations Convention on the Rights of the Child (UNCRC) and the African Charter on the Rights and Welfare of the Child (ACRWC) are being prepared and due for submission in early 2021.
226. The outbreak of the COVID-19 has caused a delay in a number of Bills that should have been submitted to the National Assembly for enactment during the year. Key among these Bills are the Anti-Corruption Bill; Access to Information Bill; Prevention and Prohibition of Torture Bill; International Crimes Bill; Criminal Offences and Criminal Procedure Bills; Public Private Partnership Bill; Capital Markets

and Securities Bill and Election Bill. These Bills are expected to be tabled before the National Assembly in the upcoming legislative session.

## INTERIOR

227. The Gambia Police Force (GPF) Command intends to recruit more personnel in the coming year to effectively maintain and enforce law and order across the country. The need for more police officers is imperative now more than ever, given that elections will be held in 2021 and the hosting of the OIC 2022.
228. The GPF, with Comfort Quality Services introduced Aluminium vehicle number plates that are equipped with QR codes which boost the Government's efforts to minimize vehicle registration fraud and tax evasion.
229. The GPF has been at the forefront of enforcing the Emergency Powers Regulations 2020 and the Public Health Dangerous Infectious Diseases regulation 2020 to curb the spread of Covid-19 in The Gambia. Through proactive patrols and enforcement of the face covering, social distancing, and curfew regulations, the number of Covid-19 cases have been reduced.
230. Border security has been intensified considerably since the declaration of State of Public. The Border Patrol Units in the various regions have been conducting constant border patrols along the borderline in order to detect, deter and apprehend prohibited and irregular migrants as well as perpetrators of cross border/transnational organized crimes such as cattle and human trafficking and smuggling.
231. The Gambia Immigration Department (GID) in collaboration with Securiport is implementing the Integrated Immigration Control System (IICS) that can detect fraudulent documents, imposters, validity of visas and provides returns on statistics on arrival and departure of passengers. It is also synchronized with the International Criminal Police Organization (INTERPOL) database where it monitors local and international watch list in detecting wanted criminals.
232. Statistics have revealed that the trend of drug abuse is consistently on the rise resulting in many of our youth experiencing drug-induced mental illnesses. To tackle

this, the Agency intends to implement a rehabilitation program for victims of drug abuse to trigger a national shift from approaching drug abuse as a criminal justice issue to a public health problem.

233. The drug problem is getting more complex by the day, and most worrying is the rate at which youth are falling victim to drugs. The Agency's intervention through supply suppression and demand reduction requires significant investment to match the scale of the problem.

234. The outbreak of COVID-19 has a devastating impact on the implementation of the National Drug Control Strategy. The daily operational demand in terms of recurrent expenditure remains a serious challenge. Moreover, the Agency works under serious pressure in managing suspect detention, because their infrastructure is not designed for the COVID-19 situation. Despite the challenges, the Agency has recorded significant quantities of drug seizure.

235. Numerous efforts such as school and community outreach, radio talk shows and toll-free lines were undertaken to sensitize the general public on drug related matters.

236. The Gambia Fire and Rescue Services have received and deployed three rescue boats to the Barra Sea Rescue Station, Coco Ocean and Palma Rima Beach to avert or minimize the number of drowning cases. Plans are underway for the construction of Fire and Rescue Stations at Kerewan and Kaur and the renovation of fire and rescue stations, sea rescue stations and paramedic clinics around the country.

237. The Gambia Prison Service in collaboration with development partners, embarked on the construction, renovation and maintenance of the Prison structures to improve the conditions for both inmates and officers. Plans in 2021 include the renovation of the Janjanbureh Prison Centre; construction of rehabilitation centres for inmates to support reintegration of prisoners to prevent re-offending; update of the Prison Act; and the purchase of ambulances for referrals.

## ENVIRONMENT, CLIMATE CHANGE & WILDLIFE

238. The Ministry and its Departments and Agencies continue efforts to keep our environment and natural resources sustainable. The Ministry concluded the Strategic Program on Climate Resilience which aims to address the country's resilience needs in priority areas such as Agriculture and coastal infrastructure which are climate sensitive.
239. The National Environment Agency continues to enforce environmental laws such as anti-littering and plastic bag bans to ensure sustainable economic development. A comprehensive study on waste management will be conducted to develop a sustainable and lasting solution to this problem.
240. The increasing rate of coastal erosion is a matter of serious concern. The Global Climate Change Alliance Project funded by the EU will help support a functional Integrated Coastal Zone Management Program that will enhance coordination among stakeholders in the management of the coastal area and its resources.
241. With support from UNDP, coastal defence civil works along the Senegambia stretch and Tendaba Village was recently completed and is a significant step towards protecting the livelihoods of coastal communities affected by the impacts of climate change.
242. The Department of Parks has finalized and validated the guidelines for private sector involvement in natural resources management and exploring bilateral relationship with other countries to facilitate the capture, transfer and relocation of some extinct wildlife species into our various parks and reserves in the country. To support this, Abuko Nature Reserve Buffer zone is currently under development by the Fathala Game Reserve to promote tourism in the country.

## PERSONNEL MANAGEMENT

243. The Personnel Management Office (PMO) has just concluded the Pay and Grading review of the Civil Service, which is meant to overhaul the current pay and grading structure of the Civil Service. Similarly, the Office has also developed a Civil Service Grading, Pay and Incentive Policy, which will propose a realistic minimum

salary for civil servants. On performance management, PMO is also finalizing the Performance Management Policy intended to reintroduce a Performance Management System in the Civil Service.

244. A Biometric Time and Attendance Register System will soon be implemented in all Government offices and will be linked to the payroll system to sanction lateness and leaving work before the official closing time.

245. The PMO and the Public Service Commission are also working to implement a Performance Management System to create a merit-based system for promotion, training and development to strengthen effective public service delivery within the civil service.

246. Plans to introduce an e-recruitment system in 2021 has been finalized. This will help make recruitment faster and more convenient, improving the overall efficiency and effectiveness of the process.

## **MEDIUM TERM GROWTH OUTLOOK**

247. The slowdown in global growth remains a concern for The Gambia. Travel restrictions and containment measures that have been put in place to reduce the spread of the virus are the major variables to consider in assessing the real impact of the pandemic on growth. It is estimated that the effects will be temporary as restrictions on mobility are being relaxed. The world economy will recover momentum and domestic growth will return to the accelerated growth path it was on prior to the outbreak of the Coronavirus.
248. With the domestic economy re-opening, and businesses and markets resuming normal operations, the economic situation of the country is expected to improve over the medium-term.
249. Real GDP growth is estimated to rebound to 5.9 percent in 2021, anchored on strong growth in the industry and service sectors. Over the medium-term, GDP growth is projected to moderate around 6.3 percent, premised on a sustained rebound in these two sectors.
250. In sector terms, Agriculture real growth is projected to remain solid over the medium-term, growing from 2.8 percent in 2021 to 3.1 percent by 2025, supported mainly by improved performance in crops and fishing.
251. Growth in the Industry sector is also forecasted to remain strong, mainly on mining and quarrying, and construction. The sector is expected to grow by 17.6 percent in 2021 and average at 7.8 percent over the medium term due to a projected slowdown in construction.
252. The Service sector is forecasted to be driven by hotels and restaurants, finance and insurance, wholesale and retail, and transport and storage subsectors. Growth in the sector is estimated at 3.2 percent in 2021 and projected to further expand to 6.3 percent by 2025. Over the medium-term, the sector continues to maintain its dominant share contribution to GDP.

253. On the fiscal front, domestic revenue collection is projected to gradually increase from an estimated D13.6 billion (14 percent of GDP) for the 2020 fiscal year to D13.7 billion (13 percent of GDP) in 2021. Over the medium-term, domestic revenue is projected to record a sustained increase, reflecting strong revenue mobilization efforts and the implementation of reforms that will result in the enhancement of tax administration.
254. Total grants are projected to increase from D7.3 billion in 2020 to D12 billion in 2021. This is mainly due to an increase in project grants expected for the coming fiscal year. However, budget support grants is expected to decline in 2021, as a significant amount received in 2020 was from development partners to help support our budget in COVID-19 expenditure. These grants are not expected in 2021, which some partners such as EU having already frontloaded the 2021 support in 2020. Over the medium-term, project grants will continue to rise while budget support grants will experience a declining trend.
255. Total expenditure is expected to increase significantly from D25.6 billion in 2020 to D31.9 billion in 2021. The source of this increase is from personnel and other current expenditure. Capital expenditure on the other hand will experience a decline.
256. Overall, the fiscal deficit is expected to worsen from 5.0 percent of GDP in 2020 to 5.8 percent of GDP in 2021. However, over the medium-term, the overall fiscal balance is projected to be in surplus and continuously improve annually due to fiscal consolidation efforts of the Government.
257. As per the results of the recently concluded Debt Sustainability Analysis (DSA), The Gambia remains in debt distress as its debt is unsustainable. Prudent fiscal measures need to be taken to ensure that debt is reduced to sustainable levels.

## **MEDIUM TERM POLICY REFORMS**

### **RATIONALIZATION OF SUBVENTED AGENCIES**

258. Over the years, Government subventions to agencies have increased considerably, as a result of the increase in their number and their annual budget allocation.
259. Currently, there are 49 agencies which are given monthly subventions from the National Budget. As at end 2019, subventions to agencies amounted to D2.2 billion (16 percent of domestic revenue or 14 percent of total expenditure). In the first nine months of 2020, this stood at D2.4 billion (23 percent of domestic revenue or 14 percent of total expenditure).
260. The total subventions to these agencies continue to put a strain on the Government's budget which is unsustainable, and due to resource constraints, most Agencies are given just enough budget allocation to cover their staff salaries and some operational expenses. This means that they do not have sufficient funds to perform their core functions, provide efficient services on behalf of the Government or to execute their programs.
261. As a result, these Agencies are not performing at all and are existing only to pay salaries and utility bills which is a sub-optimal usage of our meagre resources.
262. A preliminary assessment on the Agencies indicates that there is an overwhelming overlap of functions across a number of agencies. As a result, MoFEA has made recommendations for rationalization of the Agencies to eliminate overlaps, duplications and inefficiencies.
263. The policy outcome from this assessment will guide Government's efforts to rationalize and better control these agencies with a view to enhancing the efficiency and transparency of public spending.
264. Possible savings from the closure, downsizing, or reform of the various agencies will be factored in subsequent budgets. With the remaining agencies, measures such as

performance contracts, will be put in place to ensure that they run more efficiently and perform their core mandates effectively.

## TAX EXPENDITURE REFORMS

265. As part of reforms planned for 2021, MoFEA seeks to develop a comprehensive tax expenditure policy (TEP) to strengthen the country's domestic revenue mobilization capacity. This will be achieved through a set of comprehensive reforms that will not only focus on policy design but also deal with governance, monitoring, and administration of tax expenditures.
266. Over the past three years, tax exemptions have dampened domestic resource mobilization, costing the economy an estimated 6 percent of GDP. In 2019, revenue loss to waivers was D2.5 billion. If incorporated into the Budget Estimates as an appropriation item, this would be the highest line item in the budget for which revenue is allocated to, surpassing the Basic Education and Health social sectors which should be given priority in resource allocation.
267. The tax expenditure policy document which has been approved by Cabinet in principle, will be the guiding framework on which tax and duty exemptions are granted.
268. Additionally, the current GIEPA Act is being revamped with the objective of ensuring that SICs are issued only on actual investment and job creation. This revised Act will provide an adequate monitoring framework for all SIC beneficiaries.
269. As part of the tax expenditure reforms that the Ministry, any contract or agreement with a duty or tax exemption section that is signed without the consultation and written approval of MoFEA **WILL NOT BE HONOURED**. This includes all PPP contracts and loan or grant funded projects.

## REVENUE MEASURES 2021

270. Commencing 1<sup>st</sup> January 2021, the following revenue measures will be implemented:

- a. To align the voluntary Value Added Tax (VAT) registration threshold with the mandatory thresholds increased at the beginning of the year, the Voluntary threshold will be increased from D500,000 to D1,000,000;
- b. To improve reporting and reduce the risk of misreporting, all taxpayers categorized as Large Taxpayers will be obliged to file their audited financial statements along with their annual tax returns;
- c. To increase and encourage the formalization of Micro, Small and Medium-Sized Enterprises, MoFEA in consultation with MoTIE has revised downwards the cost of incorporation fees from D10,000 to D4,000, and business registration certificate from D1,000 to D500.
- d. To reduce the cost of doing business, investors and sole proprietors in the informal sector will be exempt from the payment of payroll tax. Henceforth, payroll tax will be only administered on the formal sector as defined in the Regulation;
- e. The fringe benefits tax will be reduced from 35 percent to 27 percent to align the rate to the current corporate income tax rate;
- f. The capital gains tax threshold will be increased from D18,000 per annum to D24,000 per annum. This is to align the threshold with the personal income tax threshold;
- g. The environmental tax of D1 per employee will henceforth be eliminated;
- h. The Excise Tax on new vehicles will be reduced from 25 percent to 15 percent;
- i. The Air Transport Levy will be eliminated;

- j. In line with the country's commitments under the WHO Framework Convention on Tobacco Control, the ECOWAS Excise Directive on tobacco products and The Gambia Tobacco Control Act, 2016, all of which require the Government to increase the share of excise tax on tobacco products to at least 70 percent of the retail price, the following measures will be implemented on tobacco products:
- i. Increase specific excise tax on cigarettes and cigars from D25/pack in 2020 to D30/pack in 2021;
  - ii. Increase the environmental tax on cigarettes and cigars from D2.93/pack in 2020 to D3.22/pack in 2021;
  - iii. Increase the excise tax on other tobacco products from D363/kg in 2020 to D399/kg in 2021;
  - iv. Increase the environmental tax on other tobacco products from D175/kg in 2020 to D185/kg in 2021.

## CONCLUSION

271. The 2020 fiscal year has been a difficult one for The Gambia as the COVID-19 pandemic disrupted economic activities in most sectors, resulting in lower than anticipated growth and higher expenditure than intended.
272. However, COVID-19 would not keep us down for long. Galvanised by patriotic zeal, and manifesting exemplary unity of purpose, Gambians from all walks of life put their collective shoulders to the wheel of development with a vision to build forward better in 2021, and ultimately towards the Sustainable Development Goals 2030 and the African Union Agenda 2063. In the medium-term framework, our potentials to achieve our development outcomes will be enhanced through a National COVID-19 Recovery plan which will reprioritize the ongoing National Development Plan 2018 – 2021.
273. It could be recalled that key on our priority list for 2020 was institutional reform, and despite COVID-19 induced setbacks, significant progress has been registered. When Audits carried out by Ernst and Young highlighted a number of weaknesses in SOE governance, efforts were made to restore order. This includes re-instating control of SOE Accounts to management; training of SOE Boards of Directors on governance oversight; establishment of performance contracts for SOEs; clean-up of SOE balance sheets; and non-interference of Government in SOE procurement processes. These have resulted in improved financial independence, efficiency, and in some instances, financial gains in some SOEs.
274. With respect to access to finance, the Government has constituted a taskforce to establish a National Credit Reference Bureau with a view to reducing information asymmetry, thereby reducing the cost of borrowing and incidences of credit rationing by commercial banks.
275. In the same vein, the national electricity expansion programme was given due attention in 2020; thus, the ongoing electricity expansion projects are now in a better position to increase business opportunities and improve Government service provision across the country.

276. Judging from our development outcomes over the past 3 years, it is evident that our economy was on a strong path to sustainable growth before COVID-19 placed a hurdle on our path. To restore this strong performance, Government made it a priority from the onset of COVID-19 to support the sectors that have been significantly impacted by the pandemic. Key amongst these are vulnerable groups, the informal sector, Tourism, and Agriculture who received cash and/or in-kind support from Government and development partners.
277. Going into 2021, we will continue to put measures in place to improve resilience while strengthening growth drivers like Agriculture and Tourism, to resume their roles as engines of growth. One key strategy to achieve this while revitalizing The Gambia's position as a major trade hub within the sub-region, is to expand capacity and improve the efficiency of our Sea Port. Plans are at an advanced stage to achieve this. To improve proximity to trade, works on building a Dry Port in Basse will also commence in 2021.
278. Furthermore, as we consolidate the gains of 2020, the Ministry of Finance and Economic Affairs will propose a series of policies, which, when implemented, will ultimately create much needed fiscal space for crucial economic activities.
279. With that said, I wish to take this opportunity to thank our Development Partners, Gambians and friends of The Gambia for being by our side especially during this challenging year. It is with deep gratitude that I mention the International Monetary Fund, the European Union, the World Bank, the UN Agencies, the African Development Bank, the African Union, the Islamic Development Bank, the Arab Bank for Economic Development, ECOWAS, the Red Cross, the Medical Research Council at the London School of Hygiene and Tropical Medicine, Holland Foundation, the Kingdom of Saudi Arabia and the Saudi Fund, Kingdom of Morocco, Turkey, the State of Kuwait and the Kuwaiti Fund, Russia, The People's Republic of China, Japan, the Republic of France, The United Kingdom, and the United States of America.
280. The Government of The Gambia also wishes to thank the Governments of the Republic of Nigeria, Ghana and Senegal for contributing troops and logistical support to ECOMIG. We are committed to strengthening bilateral cooperation with our

neighbors in the sub-region, multilaterally through ECOWAS, and regionally with the other African countries through the African Union.

281. As we usher in the 2021 fiscal year, the Government of The Gambia remains committed to leaving no one behind as we take bold steps towards resilient recovery and improving the socioeconomic conditions for all Gambians and residents of The Gambia in the COVID-19 era.

282. Although it is uncontestedly a national tragedy, characterised by regrettable suffering on our people and the world at large, COVID-19 has in a paradoxical way presented The Gambia an unprecedented opportunity to look inwards and leverage on the opportunities associated with domestic resource mobilization, as well as apply innovation in all aspects of our national economy – including the utilization of innovative financing models. The ongoing financing of roads infrastructure through domestic resources is an investment in The Gambia’s sustainable future – with invaluable catalytic potentials that enable inclusive growth in other sectors of our economy.

283. Motivated by this spirit, 2021 promises to be transformational and revolutionary as we are poised to pursue a triangular and mutually reinforcing development pathway featuring high impact interventions that will:

- a. Provide healthcare to the vulnerable in our society through the National Health Insurance Scheme;
- b. Provide economic empowerment to our youths using a youth development fund;
- c. Correct the regional development disparities between rural and urban Gambia through the Programme for Accelerated Community Development (PACD).

284. In reflecting on the PACD, it is worthy to note that while enhancing the living conditions of people in rural Gambia through improved and sustainable access to basic socio-economic infrastructure and services, the PACD will also create a local economy for sustained and improved socio-economic development, social justice and equality.

285. In essence, the Rural communities in The Gambia will access the benefits of PACD through five components that will undoubtedly have a catalytic effect on their lives and livelihoods. They are:

- Access to potable water;
- Rural electrification;
- Rural roads infrastructure;
- Food security (Post-harvest and processing equipment and exotic livestock breed for milk production);
- Sustainability of services and assets.

286. Also, worth noting is that laced throughout this triangular development pathway is a conscious effort to leverage on the potentials of digitalization to transform how we work in both the public and private sector. We will simultaneously create an IT savvy populace, while restructuring sectors worst hit by COVID-19 to make them more resilient. To this end, our intention is to place our energies in the pursuit of local solutions to our economic challenges, achieve greater value addition, establish sustainable domestic value chains, and diversify production and expand our export base.

287. In conclusion, we call on all to rally behind the national agenda for a resilient recovery in this COVID-19 era. Our journey in 2020, eventful as it was, showed that when we persevere as a nation no challenge is insurmountable, and that adversity has the potential to bring out the best in us.

288. Fellow Gambians and Residents of The Gambia, we are on the Road to Economic Recovery. If we walk together with unity of purpose, we will deliver on not only our National Development Plan, but in addition we will guarantee a sustainable future for our children and other generations yet unborn.

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