REVIEW OF THE 2026 EXECUTIVE BUDGET PROPOSAL FINDINGS AND RECOMMENDATIONS

Collaboration for Open and Accountable Budgeting (COAB)

Joint Exercise with Partner Civil Society Organizations (CSOs)

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CONTEXT

On October 31st, 2025, the Minister of Finance and Economic Affairs tabled the 2026 Executive Budget Proposal (EBP) before the National Assembly of The Gambia. The government is expected to raise a record revenue of D59.3 billion in 2026, with D9 billion of the total revenue to be raised through domestic and external loans.

Government expenditure has risen from the approved D52.9 billion in 2025 to an estimate expenditure of D59.3 billion. The 2026 EBP, just as the 2025 budget, portrayed a balanced budget, in which total revenue and expenditure are equal.

As a civil society organization that has been working on budget transparency and accountability, **Gambia Participates** in collaboration with **other CSO actors** convened to review the 2026 EBP and make informed recommendation for a budget that is prudent and citizen centric. These CSOs were part of a group of urban and rural organizations trained under the Collaboration for Open and Accountable Budgeting (COAB) held in June 2025.

Although the goal is to analyze and propose suggestions to the members of the National Assembly for the fiscal year 2026, we have also brought some comparisons with the proposed and executed budget from previous years.

SUMMARY

In analyzing the 2026 EBP, the trend observed in the budget reflect a widening mismatch between fiscal intent and execution. Expenditures such as travel cost, the presidential visit to the provinces, vehicle expenditures, etc. continue to be on the increase without presenting value for money for the government.

The budget also shows that there has been historical abuse of virement – spending way above what Parliament approved. For example, the actual 2024 expenditure for the Presidential Visit to the Provinces vote was D64m, 115% more than what was approved.

The combination of reporting inconsistencies, overspending, and poor project delivery calls for urgent reforms in budget discipline, transparency mechanisms, and performance-based financial management.

1. ANALYTICAL REVIEW AND GENERAL OBSERVATIONS

1.1. Structural Reporting Gaps under Budget Code 33

During the review, we noticed reported inconsistencies under **Loan Drawdown.** Under "*Overview of Revenue, Grants and Financing*" loan drawdown from domestic and international creditors are recorded in the approved. However, in subsequent years, the **actuals** are reported as **zero**. For example, the approved loan for FY 2024 was **D7.1 billion.** In the 2026 EBP, the actual loan drawdown for FY 2024 was recorded as "**0**". This is the same case for previous fiscal years. This inconsistency suggests a weakness in the public accounting system and raises questions about the traceability of external and domestic borrowing flows. The budget also does not report on the **actual loan receipt** for the fiscal year. The lack of reliable reporting under this budget line weakens fiscal transparency and complicates debt management planning.

1.2. Wage Bill Growth and Public Sector Efficiency

The Compensation of Employees increased sharply from D7 billion in 2024 to D10 billion in 2026, representing a 42.8% rise within two fiscal years. The absence of clear justification, whether driven by new recruitments or wage adjustments, creates fiscal uncertainty. A uniform increment structure, if applied, would exacerbate inequality, as senior officials' pay scales amplify their absolute gains compared to lower-grade civil servants. Without productivity-based wage reforms, the expanding wage bill will continue to crowd out critical social and capital investments.

1.3. Imbalances in Allowances and Welfare Expenditure

Between 2024 and 2026, house rent and lodging allowances rose by approximately 189%, from D10.3 million to D29.8 million, while allocations for employee health insurance remained stagnant at D2.5 million. This trend reflects a misalignment between compensation priorities and staff welfare needs. Redirecting even **30% of the rent allowance increase toward health insurance** would triple coverage levels for government employees without increasing total expenditure. Such reprioritization is necessary to ensure equity and social protection within the public sector.

1.4. Overspending by Executive Institutions

The Office of the President and the Ministry of Foreign Affairs continue to exceed approved budget limits through virements and discretionary reallocations. For example, the Office of the President was allocated D66 million for Travel Expenses in 2024 but spent D142 million, a 115% overrun. Similarly, the Ministry of Foreign Affairs overspent its approved travel budget of D14.9 million, to D24.3 million, a 63% increase. Such trends highlight possible abuse of virement opportunity and weak public finance regulation on spending limits, undermining fiscal discipline and parliamentary authority.

1.5. Development Expenditure and Absorption Rate

Development spending remains under-implemented, averaging less than 20% execution annually. For instance, in 2024, D17 billion was approved for **Development Spendings**, but only D2 billion was reported as actual spendings. This may lead to delays in procurement, inadequate project design, and limited technical capacity across implementing agencies. At this rate, the government risks accumulating idle commitments that neither stimulate growth nor deliver measurable social returns. This could be related to heavy dependence of national development on grants or loans, which is not sustainable for the development advance of the country. Improving project absorption to 80% execution could inject an additional D10–15 billion in real economic activity annually.

1.6. Non-Essential Spending

A review of the 2026 EBP and previous fiscal year budgets shows the persistent allocation of significant amounts of money for non-essential expenditures. For example, some MDAs continue to receive budget allocations for **furniture and fittings year after year**. The National Assembly, for example, expended a total of D498,800 on furniture and fittings in 2024, gets an allocation for D3 million in FY 2024 and an increased allocation of D5 million for the same budget line in the 2026 EBP. This is the case for the Judiciary, National Audit Office, Ministry of Foreign Affairs, etc. It is our view that once office furniture is procured, it should last for at least 2 years and it is unnecessary to allocate funds to MDAs to be purchasing furniture and fittings yearly. This could attribute to poor management of government assets or a fiscal tactic to via monies from such budget votes to another.

1.7Public Debt

The 2026 EBP is proposing a debt financing of D13.4 billion or 22.6% of the National Budget (all funds). In addition to the high public debt, which is at **D139 billion** (June 30, 2025) or 70.4% Debt to GDP, the executive is expecting to take an additional loan of D9 billion, 15% of total estimated revenue for 2026. To a layman, the D13.4 billion debt serving seems to be reducing the country's public debt burden from D139 billion to D125.6 billion in 2026. However, this is not the case, **given the extra debt of D9 billion that would be contracted for FY 2026 plus interest fee.** The country's public debt would only reduced by 3% or -D4.4 billion Dalasi, despite D13.4 being allocated to service the public debt.

2. Budget Recommendations for FY 2026

Based on the review of expenditure trends and fiscal projections, the following recommendations are proposed to enhance discipline, efficiency, and transparency in public spending for the 2026 fiscal period:

2.1. Travel Expenses

-Recommendation: Undertake a comprehensive audit of travel-related costs and restrict non-essential foreign and domestic travel.
-Justification: Travel remains one of the most inflated recurrent expenses with limited returns on public value.

2.2. Fuel and Lubricants

-Recommendation: Strengthen monitoring and reporting systems across MDAs to track fuel usage. In addition, the government should consider disposing of high fuel consuming vehicles and replacing them with fuel efficient vehicles.
-Justification: This measure will minimize wastage and ensure fuel is used solely for official activities. The government cannot afford to cover the personal fuel running costs of public officials.

2.3. Loan Drawdowns and Capital Revenues

-Recommendation: Reconcile inconsistencies in loan and asset-sale reporting.
-Justification: Accurate recording of borrowing and capital receipts will strengthen transparency in budget and audit reports.

2.4. Public Financial Management (PFM) Systems

-Recommendation: Enhance PFM frameworks to align approved estimates with actual expenditures.
-Justification: Ensures consistency, accountability, and effective budget execution.

2.5. Compensation and Wage Adjustments

-Recommendation: Clarify whether increases in compensation arise from new recruitments or salary adjustments, prioritizing lower-grade staff for equity.
-Justification: Promotes fairness and transparency in wage distribution.

2.6. Virement Regulations

-Recommendation: Ensure Budget Entities (BEs) operate strictly within approved budget ceilings with an overspending or overspending of +/- 5%. Parliament should also consider reforming the current virement regulations. In addition, Parliament should come up with laws that will define how much, in percentage, a budget entity can overspend its budget and put a threshold above which will require parliamentary approval.
-Justification: Reinforces compliance and prevents overspending.

2.7. Furniture and Fittings

-Recommendation: Once a budget entity is given an approved budget for furniture and fittings, Parliament should freeze their furniture and fittings budget for at least 2 years.
-Justification: Prioritizes essential service delivery over non-critical expenditures.

REVENUE COLLECTION

2.8. Loan Drawdown

Recommendation: Reduce "Loan Drowdown" from D9 billion to at least **D4 billion for FY 2026**. Note that this would require **cutting an extra D4 billion** from different Budget Entities (BEs) in order to reduce the fiscal deficit and as well balance the budget.

Justification: This would minimize the country's public debt burden, which has a far reaching effect on the country's economy, especially the Dalasi currency

2.9. Domestic Resource Mobilization (DRM)

The Executive and its relevant revenue collecting agencies should increase **digitalization** of tax and non-tax collection, by introducing easy to pay systems through FinTech mobile applications or the introduction of Point of Sale (POS) ticketing and payment systems. This will bring tax and fees collection to the doorsteps of small businesses and individuals, without having to struggle through the tedious process involved in tax payments. This would also reduce corruption and contribute to significant revenue collection. In addition, the Executive should invest into revenue generating ventures, facilitate the availability of infrastructure to attract local and foreign investment.

3. PROPOSE SAVINGS IN THE 2026 EXECUTIVE BUDGET PROPOSAL

As noted in the table below, we recommend cutting budget allocations on non-essential spending, which together totals D2,157,598,000 or 3.6% of the 2026 Executive Budget Proposal. We recommend this to be reduced down to **D1,517,598,000** saving the government D**640,180,000** which could be distributed to essential spendings as recommended in Table 2.

Table 1: Savings on spending

EBP Line Item	**EBP Reference**	**2026 Estimates**	**Recommendation**	**Savings**
Travel Expenses	221 General expenses (Page 19)	712,598,000	512,598,000	200,000,000
Presidential Visit to Provinces	221 General expenses (Page 19)	52,500,000	45,000,000	7,500,000
Vehicles	311 Fixed Assets (page 24)	334,627,000	150,000,000	184,627,000
Fuel & Lubricants	221 General expenses (Page 19)	428,086,000	360,000,000	68,086,000
Printing Expenses	221 General expenses (Page 19)	118,440,000	100,000,000	18,440,000
Furniture and Fittings	221 General expenses (Page 19)	91,661,000	50,000,000	41,661,000
Trainings	221 General expenses (Page 19)	419,866,000	300,000,000	119,866,000
Total savings		**D2,157,778,000**	**D1,517,598,000**	**640,180,000**

Table 2: Redirection of savings

Title	Amount	Justification
Anti-Corruption Commission	5,000,000	Under-resourcing the AC Commission could limits its operational efficiency which could undermine public trust and confidence
Printing of Textbook for basic & secondary school	3,000,000	Provide additional D3m to the Ministry of Basic and Secondary education to print more textbooks for students.
Ministry of trade & employment (Creation of new jobs)	200,000,000	Allocate D200m for the creation of 5000 jobs. This is in line with PILLAR 3: MACROECONOMIC STABILITY AND GROWTH of the NDP to create 150,000 jobs by 2027.
Housing for low-income workers	200,000,000	Allocate D200m for the construction of 200 urban homes for low-income earners. This is in line with Pillar 4: Human Capital Development, outcome 4.7 of the NDP.
Total	**D408,000,000**	
Net Savings	**D232,180,000**	

4. CONCLUSION

The 2026 budget review reveals progress in planning but exposes critical gaps in reporting, fiscal discipline, and spending equity. Persistent discrepancies in loan drawdown data, excessive travel and vehicle costs against approved amounts, non-essential spending, high public debt serving with increased in contracted loans, and inequitable compensation structures undermine budget credibility. For stronger fiscal governance, the Ministry of Finance and Parliament must ensure accuracy, enforce expenditure ceilings, and channel savings to social priorities such as health, education, and welfare. Promoting accurate reporting, equitable budgeting, and transparent implementation will strengthen public confidence and advance national development goals.

5. PARTICIPATING ORGANIZATIONS

Gambia Participates

University of The Gambia Student Union (UTGSU)

FAWEGAM

Think Young Women

EFANET

Askanwi

Foroyaa Newspaper

The Voice Newspaper

6. CONTACT

For any further information on this report, please contact Gambia Participates, the coordinating organization of the Collaboration for Open and Accountable Budgeting (COAB) in The Gambia at the following details:

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