Laying the Foundation for Fiscal Governance and Sustainable Development Financing

Addis Tax Initiative General Assembly 2025

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Domestic Resource Mobilization: Mobilization: The Foundation of of Development

Key to Financing

Domestic Resource Mobilization (DRM) is essential for financing the Recovery-Focused National Development Plan (RF-NDP) of The Gambia.

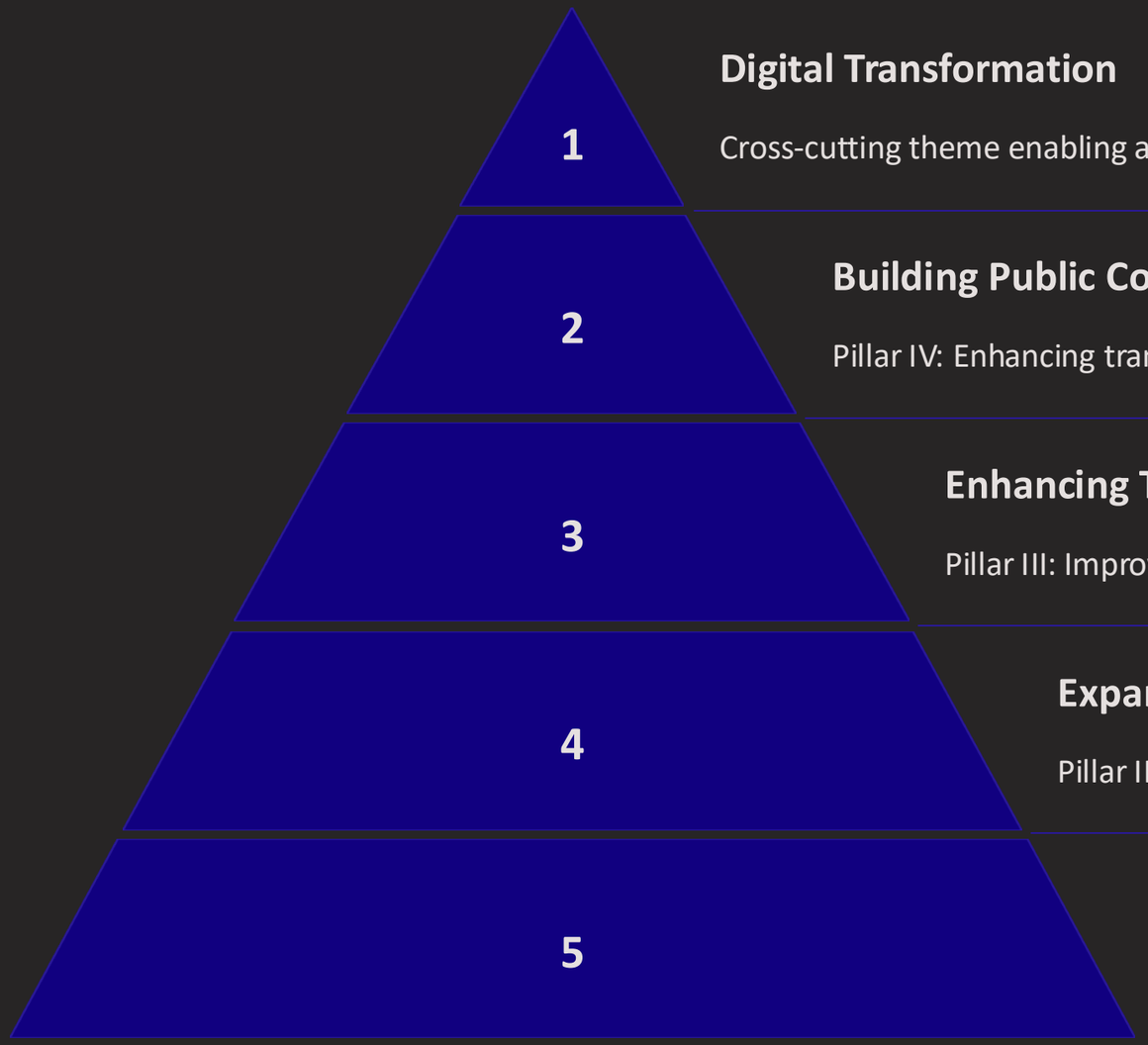
Reducing External Dependence

Effective DRM reduces reliance on external aid and promotes national ownership of development initiatives.

Global Alignment

Our approach aligns with Sustainable Development Goals, the Addis Ababa Action Action Agenda, and Africa's Agenda 2063.

The Gambia's DRM Strategy: Four Pillars



Digital Transformation

Cross-cutting theme enabling all pillars

Building Public Confidence

Pillar IV: Enhancing transparency and taxpayer services

Enhancing Tax Administration

Pillar III: Improving efficiency and effectiveness

Expanding the Tax Base

Pillar II: Broadening revenue sources

Strengthening Legal Infrastructure

Pillar I: Creating robust legal frameworks

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Digital Transformation Initiatives

1

Integrated Tax Administration System

ITAS currently in development to streamline tax processes

2

Electronic Registers

Implementation of Electronic Tax Registers (ETRs) and Electronic Cash Electronic Cash Registers (ECRs)

3

Customs Automation

ASYCUDA automation and Single Window system for customs customs operations

4

Financial Integration

Interconnectivity between Gambia Revenue Authority, Central Bank, Central Bank, and commercial banks

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Strategic Integration of DRM

INFF Integration

DRM embedded in the Integrated National Financing Framework

Strategic Coherence

Linked to Medium Term Expenditure and Fiscal Framework (MTEFF) and Recovery-Focused National Development Plan (RF-NDP)

Institutional Framework

Revenue Forecasting Steering Committee (RFSC) established under Budget Framework Committee Committee (BFC)

Improved Projections

Enhanced credibility and accuracy of revenue projections

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Legal Reforms for Revenue Mobilization

1

Tax Administration Bill (2024)

Draft legislation to modernize tax administration procedures and enforcement

2

Income and VAT Bill (2024)

Comprehensive reform of income taxation and value-added tax systems

3

Petroleum Fiscal Regime

Enacted Upstream Petroleum Petroleum Fiscal Regime Act to Act to govern oil and gas revenue

4

Tax Incentives Review Review

Systematic review of tax expenditures and incentives to incentives to eliminate inefficiencies

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Expanding the Tax Base

VAT Reform

Increasing compliance and reducing exemptions to broaden the VAT base

- Streamlined registration process
- Enhanced audit capabilities

Data Analytics

Using advanced analytics to identify High Net Worth Individuals (HNWIs) and Multinational Corporations (MNCs)

- Third-party data integration
- Risk-based compliance models

Informal Sector

Strategies for formalization of the informal sector to expand the taxpayer base

- Simplified registration
- Education campaigns

Real Estate

Improved real estate valuation and capital gains enforcement

- Property database development
- Market-based valuations

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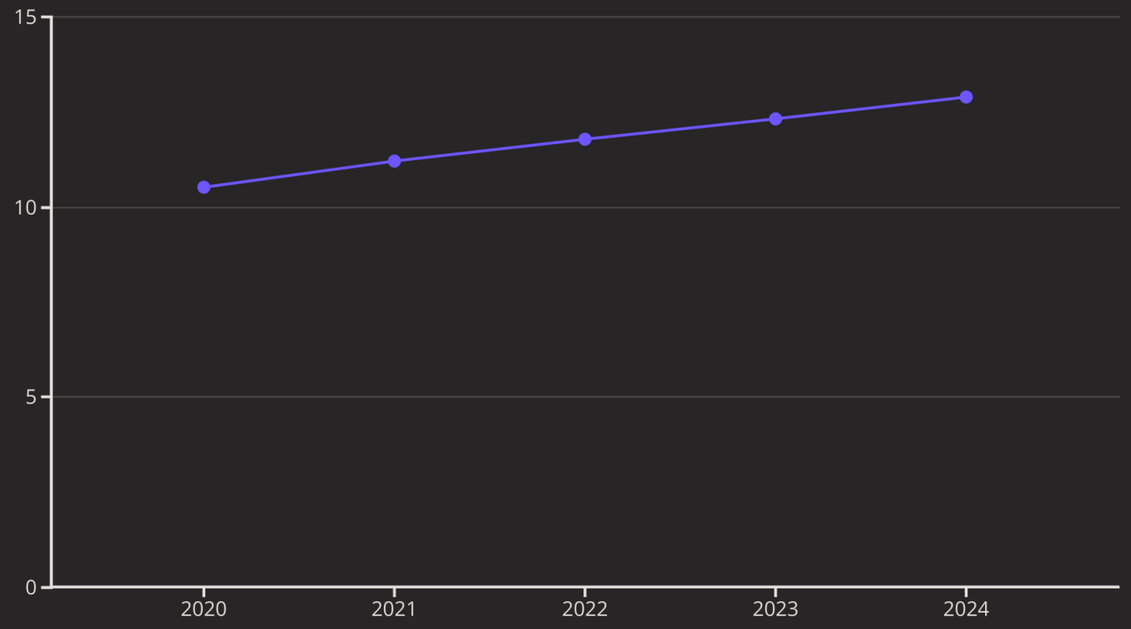
Fiscal Performance Improvements



Key Performance Indicators

- Tax-to-GDP ratio improving from baseline of 10.5%
- Revenue forecasting now evidence-based and more accurate
- Public contractors and State-Owned Enterprises included in enforcement enforcement efforts
- Significant reduction in revenue leakages
- Improved alignment between revenue collection and expenditure priorities

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Lessons Learned and Challenges

Key Lessons

- **Digital Infrastructure**

  Importance of robust digital infrastructure as foundation for effective revenue mobilization

- **State-Society Engagement**

  Meaningful engagement between government and citizens significantly improves tax compliance

Persistent Challenges

- **Capacity Gaps**

  Significant capacity gaps at Directorate of Revenue and Tax Policy (DRTP) Policy (DRTP) and Gambia Revenue Authority (GRA)

- **Reform Resistance**

  Resistance to formalization from informal sector and opposition to broader to broader reforms from vested interests

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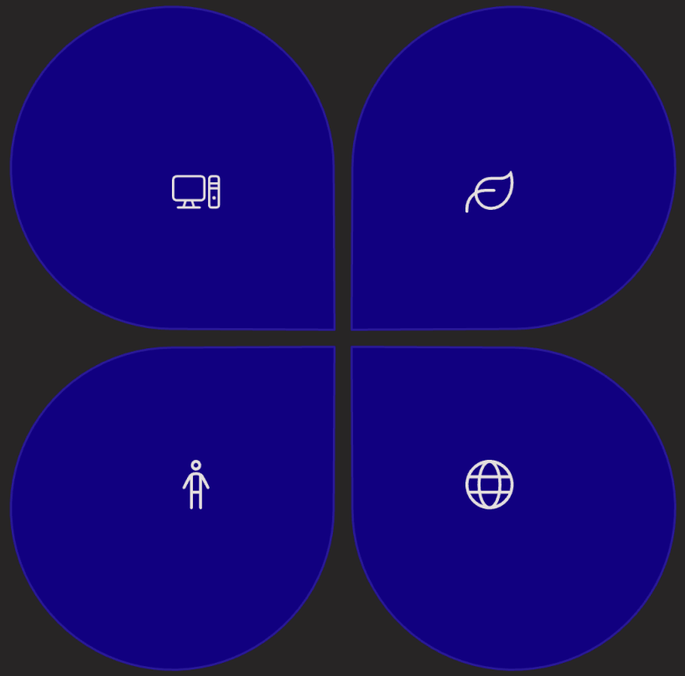
Future Priorities

Technology Rollout

Complete implementation of ITAS and interconnectivity platforms across all revenue agencies

Public Engagement

Strengthening public awareness campaigns and and conducting regular perception surveys



Green Taxation

Introduction of carbon tax and development of of capacity for climate tagging and green bonds bonds

Digital Economy

Development of digital service taxation framework framework to capture emerging economic activities activities

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Conclusion: DRM for Fiscal Sovereignty and Development

Domestic Resource Mobilization is more than just collecting taxes; it is about building fiscal sovereignty, ensuring sustainable development, and fostering trust between the government and its citizens through improved service delivery

Fiscal Sovereignty

DRM empowers The Gambia to control its own destiny, financing national priorities with domestic resources rather than external aid.

Enhanced Service Delivery

Increased revenue directly translates into improved public services, from infrastructure to healthcare and education, reinforcing public trust.

✅ "Most of the road constructions in constructions in the country will be be funded by Domestic Resource Mobilization."

-**H.E. President Adama Barrow**