

ANALYSIS OF 2020 BUDGET OF INCLUSIVE DEVELOPMENT OF NASARAWA STATE GOVERNMENT, PRESENTED BY HARUNA ADAMU OGBOLE, CNA HONOURABLE COMMISSIONER, MINISTRY OF FINANCE, BUDGET AND PLANNING ON 6th December, 2020

Gentlemen of the Fourth Estate of the Realm,

I am delighted and honoured to present to you the breakdown and analysis of the programmes and policies of Nasarawa State Government for the 2020 fiscal year. It will be recalled that few days ago, precisely Wednesday, 4th December, 2019, His Excellency, the Governor of Nasarawa State, **Engr. Abdullahi A. Sule**, laid before the Honourable Members of the House of Assembly a draft Appropriation Bill for consideration. This is in compliance with Section 121(1) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended).

2. The total Budget size of **N100,519,956,857.00** (One Hundred Billion, Five Hundred and Nineteen Million, Nine Hundred and Fifty-Six Thousand, Eight Hundred and Fifty-Seven Naira) only was presented to the Nasarawa State House of Assembly. However, before I give the analysis of the 2020 Fiscal Year plan, permit me to take a review of the current year which is the 2019 budget.

APPRAISAL OF THE 2019 BUDGET

3. Gentlemen of the Press, you all will remember that on 28th December, 2018 a total Budget of **N86,642,599,225** (Eighty-six Billion, Six Hundred and Forty-two Million, Five Hundred and Ninety-nine Thousand, Two Hundred and Twenty-five Naira) only was laid before the Nasarawa State House of Assembly. After careful consideration, the Honourable House passed into law the 2019 budget on 23rd January, 2019 the sum of **N90,170,246,463.52** (Ninety Billion, One Hundred and Seventy Million, Two Hundred and Forty-Six Thousand, Four Hundred and Sixty-Three Naira, Fifty-Two Kobo). However, the year happened to be a transition year and the need to further the developmental effort in terms of providing good governance to the people of Nasarawa State, Government had cause to submit a supplementary budget of **N4,668,169,203.35** (Four Billion, Six Hundred & Sixty-Eight Million, One Hundred & Sixty-Nine Thousand, Two Hundred and Three Naira, Thirty-Five Kobo) only and a Virement (Re-Allocation/Adjustment) of N3,107,156,220 (Three Billion, One Hundred & Seven Million, One Hundred & Fifty-Six Thousand, Two Hundred and Twenty Naira) only. This bring the total budget for 2019 to **N94,838,415,666.87** (Ninety-Four Billion, Eight Hundred and Thirty-Eight Million, Four Hundred and Fifteen Thousand, Six Hundred and Sixty-Six Naira) only. This consists of **Recurrent Expenditure** of N53,359,026,627.54 (Fifty-Three Billion, Three Hundred and Fifty-Nine Million, Twenty-Six Thousand, Six Hundred and Twenty-Seven Naira, Fifty-Four Kobo) only, representing 56.26%. The **Capital Expenditure** on the other hand, is made up of N34,300,717,899.33 (Thirty-Four Billion, Three Hundred Million, Seven Hundred and Seventeen Thousand, Eight Hundred and Ninety-Nine Naira, Thirty-Three Kobo) only, which represents 36.17% of the total budget. The sum of N7,178,671,140.00 (Seven Billion, One Hundred and Seventy-Eight Million, Six Hundred and Seventy-one Thousand, One Hundred

and Forty Naira) only (7.57%) was dedicated to Consolidated Revenue Fund Charges of the State which is meant for the **Servicing of Debt** as well as **Pension** and **Gratuity**.

4. The 2019 supplementary budget was significant because it has added value to the promises made by the present Administration of exceeding all expectations. This was done to ensure that some desired projects which have direct bearing in the lives of the citizens are completed and new ones initiated and split to the succeeding year. Some of these projects include but not limited to: Provision for Construction of Gudi Market, Construction of Sisinbaki-Farin Ruwa Road, Construction of Bus Terminus in Karu, Construction of Mararaba-Udege Road, Rehabilitation of Governor & Deputy Governor's Lodges in Abuja as well as Rehabilitation of Public Schools among others. In addition, there was basis to restructure some Ministries, Departments and Agencies within the year in the State for efficient and effective service delivery.

2019 Fiscal Performance

5. It is relevant to note here that against these proposals, our total expected revenue receipts from all sources for the fiscal year 2019 stood at **N94,838,415,666.87** (Ninety-Four Billion, Eight Hundred and Thirty-Eight Million, Four Hundred and Fifteen Thousand, Six Hundred and Sixty-Six Naira) only. As at the end of the third quarter, that is September 2019, only **N58,488,785,653** (Fifty-Eight Billion, Four Hundred and Eighty-Eight Million, Seven Hundred and Eighty-Five Thousand, Six Hundred and Fifty-Three Naira) only was realized. This represents 59.58% of the total expected revenue for 2019. The breakdown of the total actual receipts is as follows:

i.	Opening Balance	-	1,984,940,979.
ii.	Statutory Revenue Allocation (SRA)	-	28,273,143,791
iii.	Value Added Tax (VAT)	-	7,861,595,412
iv.	Exchange Gain	-	41,240,698
v.	Special Allocation	-	1,030,920,853
vi.	Internally Generated Revenue (IGR)	-	14,597,734,739
vii.	Aids & Grants	-	4,699,209,181

Recurrent Expenditure

6. Ladies and Gentlemen, while a recurrent estimate of **N53,359,026,627.54** (Fifty-Three Billion, Three Hundred and Fifty-Nine Million, Twenty-Six Thousand, Six Hundred and Twenty-Seven Naira, Fifty-Four Kobo) was budgeted, only **N31,621,278,394.24** (Thirty-One Billion, Six Hundred and Twenty-One Million, Two Hundred and Seventy-Eight Thousand, Three Hundred and Ninety-Four Naira, Twenty-Four Kobo) was actually spent on recurrent items as at September, 2019. This indicates a recurrent spending of about **59.26%** of Government total spending.

7. The analysis indicates that Personnel Cost gulped the sum of **N17,816,804,421** (Seventeen Billion, Eight Hundred and Sixteen Million, Eight Hundred and Four Thousand, Four Hundred and Twenty-One Naira) only out of

N27,605,924,182 (Twenty-Seven Billion, Six Hundred and Five Million, Nine Hundred and Twenty-Four Thousand, One Hundred and Eighty-Two Naira) earmarked to take care of salaries and emoluments of civil servants and political office holders in the State.

In addition, Pension and Gratuity of retired civil servants and other obligations gulped the sum of **N3,314,033,458.20** (Three Billion, Three Hundred and Fourteen Million, Thirty-Three Thousand, Four Hundred and Fifty-Eight Naira, Twenty Kobo) out of a budgeted **N7,178,671,140** (Seven Billion, One Hundred and Seventy-Eight Million, Six Hundred and Seventy-one Thousand, One Hundred and Forty Naira) representing 46.16%. On the other hand, Overhead Cost which is the day to day running of Government Ministries, Departments and Agencies (MDAs) gulped a total of **N13,804,473,973.20** (Thirteen Billion, Eight Hundred and Four Million, Four Hundred and Seventy-Three Thousand, Nine Hundred and Seventy-Three Naira, Twenty Kobo) only as at September, 2019 out of the estimate of **N25,324,657,095.10** (Twenty-Five Billion, Three Hundred and Twenty-Four Million, Six Hundred and Fifty-Seven Thousand, Ninety-Five Naira, ten Kobo) representing 54.51%.

Capital Expenditure

8. Similarly, within the period of January and September, 2019 fiscal year, a total of **N17,995,126,423.41** (Seventeen Billion, Nine Hundred and Ninety-Five Million, One Hundred and Twenty-Six Thousand, Four Hundred and Twenty-Three Naira, Forty-One Kobo) only out of **N34,300,717,899.47** (Thirty-Four Billion, Three Hundred Million, Seven Hundred and Seventeen Thousand, Eight Hundred and Ninety-Nine Naira, Forty-Seven Kobo) only. This translates to **52.46%**.

Highlights of Capital Projects

Some of the capital projects executed in the 2019 fiscal year were as follows:

a.	Construction/Repairs of Public Buildings	-	N1.56 billion
b.	Construction of Lafia Airport	-	N1.63 billion
c.	Construction of Lafia Township Roads (Phase III)	-	N1.74 billion
d.	Development of other Urban Roads. Some of these urban roads include; Obi, Karu, Keana, Toto, Garaku, Keffi, Akwanga, Wamba and Doma	-	N0.54 billion
e.	Construction of Awe-Tunga Road	-	N0.95 billion
f.	Other construction work	-	N0.65 Billion
g.	Rehabilitation of Classrooms in some Public Schools	-	N0.195 billion
g.	Infrastructure Development at the Primary Schools	-	N2.62 billion
j.	Staff Development/Capacity Building	-	N0.254 billion

h.	Procurement of Equipment General	-	N0.224 billion
i.	Purchase of Official Vehicles for Public Office Holders	-	N0.425 billion
j.	Compensation for Lands (Right of Ways)	-	N0.125 billion
k.	Water Supply Scheme across the State	-	N0.024 billion

THE 2020 BUDGET

9. Distinguished members of the Press, ladies and gentlemen, I want to remind you that the 2020 Appropriation Bill of **N100,519,956,857** (One Hundred Billion, Five Hundred and Nineteen Million, Nine Hundred and Fifty-Six Thousand, Eight Hundred and Fifty-Nine Naira only was presented to the Nasarawa State House of Assembly on Wednesday, 4th December, 2019 and is awaiting passage by the House.

The 2020 Appropriation indicates an increase of N5,681,541,190.13 (Five Billion, Six Hundred and Eighty-One Million, Five Hundred and Forty-One Thousand, One Hundred and Ninety Naira, Thirteen Kobo) only representing 6.0% increase compare to the 2019 approved budget (Including Supplementary).

The 2020 budget is to be funded from the following anticipated revenue sources:

A.	Opening balance	-	₦1.08 billion
B.	Federation Account:		
	i. Statutory Revenue Allocation	-	₦41 billion
	ii. Value Added Tax (VAT)	-	₦10.5 billion
	iii. Exchange Gain	-	₦0.950 billion
	iv. Special Allocation	-	₦2.0 billion
C.	Internally Generated Revenue (IGR)	-	₦26.34 billion
D.	Aids and Grants	-	₦10.46 billion
E.	Deficit Financing/Borrowing	-	₦8.2 billion

FOCUS OF THE 2020 BUDGET

10. Known as “Inclusive Development”, the 2020 budget is prepared based on the *International Public Sector Accounting Standard (IPSAS)* and will also have a simplified version known as “*Citizens Budget*” to help everyone understand the concept of budgeting and expectation from the Government. This Administration is committed toward ensuring accountability, transparency and prudence in Public Finance Management (PFM).

11. In the cause of preparing this budget of Inclusive Development, Government was mindful of the dwindling Statutory Revenue Allocation from the Federation Account which remains the major source of revenue to our State. Government is however, planning adequately to ensure that the Internally Generated Revenue (IGR) improves substantially and remain steady. Various

reforms and machineries are put in place by this Administration to harness the IGR contribution to the State revenue.

12. The 2020 budget is focus on the following areas:

- i. Completion of all on-going projects;
- ii. Embarking on the construction of new roads among which includes:
 - a. Sisinbaki-Farin Ruwa road,
 - b. Mararaba-Udege road;
 - c. Bus Terminals at Karu and Lafia;
 - d. Dualization of Shendam-Akurba road;
- iii. Construction of Rural Feeder roads in the State;
- iv. Completion of Lafia Airport;
- v. Construct, expand and rehabilitate infrastructure facilities in our educational institutions;
- vi. Encourage science education to support engineering, medical and technical needs;
- vii. Upgrade and rehabilitation of some healthcare facilities and services in the State as well as equipping those completed;
- viii. Stimulate agricultural development through the encouragement of commercial agricultural enterprise;
- ix. Step up wealth creation and job opportunities through the youth and women economic empowerment programmes;
- x. Maintenance of ICT Centres/technological hubs to expand citizens knowledge base and global relationship;
- xi. Massive industrialization of the State through PPP arrangement.

13. Government intends to complete and embark on the following projects in the 2020 fiscal year:

a.	Completion of Kwandere-Keffi Road	-	N1.00 billion
b.	Completion of some Township Roads that were yet to be completed	-	N1.0 billion
c.	Completion of Inter-City Roads. Some of these roads are: Kadarko-Giza-Keana; Agaza-Agwatashi & Obi-Assakio Roads, Awe-Tunga Road	-	N2.4 billion
d.	Completion of Lafia Airport	-	N3.0 billion
e.	Dualization of Shendam-Akurba Road	-	N2.0 billion
f.	Construction/Rehabilitation of Public Buildings	-	N0.960 billion
f.	Completion of Lafia Township Roads (Phase III)	-	N1.50 billion

g.	Computerization of Financial Management System	-	N0.200 billion
h.	Provision of Infrastructure and Development of the Hiltop GRA, Lafia	-	N2 billion
i.	Provision of Infrastructure Facilities at the Peninsula Land and Race Course	-	N1.35 billion
j.	Provision and Rehabilitation of Water Schemes across the State	-	N0.29billion
k.	Equipping and Upgrading of Hospitals across the State	-	N0.100 billion
l.	Construction of Bus Terminals	-	N2.5 billion
m.	Construction of Sisinbaki-Farin Ruwa Road	-	N1.7 billion
n.	Construction of Mararaba-Udege Road	-	N1.6 billion
o.	Construction of Rural Feeder Roads	-	N1.1 billion

THE 2020 BUDGET SIZE

14. Gentlemen of the Press, it is my pleasure, at this juncture, to inform you that the total budget size for 2020 as presented to the Honourable Members of the State House of Assembly and by His Excellency, the Governor of Nasarawa State is **N100,519,956,857** (One Hundred Billion, Five Hundred and Nineteen Million, Nine Hundred and Fifty-Six Thousand, Eight Hundred and Fifty-Seven Naira) only. This is made up of:

a.	Recurrent Expenditure	-	N49,453,458,463 (49.20%)
b.	Capital Expenditure	-	N43,786,827,247 (43.56%)
c.	Consolidated Revenue Fund	-	N7,279,671,147 (7.24%)
	Total	-	<u>N100,519,956,857.00</u>

Statutory Revenue

15. The total projected Statutory Revenue in the 2020 fiscal year stand at **N100,519,956,857** (One Hundred Billion, Five Hundred and Nineteen Million, Nine Hundred and Fifty-Six Thousand, Eight Hundred and Fifty-Seven Naira) only. The details of the anticipated receipts from this portfolio are as follows:

i.	Statutory Revenue Allocation	-	N41 Billion
ii.	Value Added Tax (VAT)	-	N10.5 Billion;
iii.	Other Allocation	-	N2.95 Billion;
iv.	Internally Generated Revenue (IGR)	-	N26.34 Billion;
v.	Aids and Grants	-	N10.46 Billion;
vi.	Deficit Financing/Borrowing	-	N8.2 Billion.

Recurrent Expenditure

17. On recurrent items, a total of **N56,733,129,610** (Fifty-Six Billion, Seven Hundred and Thirty-Three Million, One Hundred and Twenty-Nine Thousand, Six Hundred and Ten Naira) only is to be spent in 2020. The break down includes:

A.	<u>Personnel Cost</u>		
i.	Ministries, Departments & Agencies	-	₦28,162,716,292
B.	<u>Overhead Cost</u>		
i.	Ministries, Departments & Agencies	-	₦21,290,742,171
C.	Consolidated Revenue Fund Charges	-	₦7,279,671,147
	Sub-Total	-	<u>₦56,733,129,610</u>

Capital Expenditure

18. Members of the Press, I am delighted to inform you that Government proposed to spend a total sum of **N43,786,827,247** (Forty-Three Billion, Seven Hundred and Eighty-Six, Eight Hundred and Twenty-Seven Thousand, Two Hundred and Forty-Seven Naira) only on major programmes and projects in the 2020 fiscal year.

Sectoral Allocation

19. The recurrent and capital expenditure based on sectors are as follows:

a)	Governance & General Administration-	16.81 billion
b)	Legislation	- 3.99 billion
c)	Judiciary/Law & Justice	- 3.40 billion
d)	Agriculture & Natural Resources	- 2.44 billion
e)	Infrastructure/Works	- 18.02 billion
f)	Finance/Trade & Investment	- 11.01 billion
g)	Environment & Natural Resources	- 0.964 billion
h)	Education, Science & ICT	- 26.35 billion
i)	Health	- 9.80 billion
j)	Youth & Social Development	- 1.90 billion

CONCLUSION

20. Gentlemen of the Press, let it be known to you that the youth are given the upper hand that touches virtually all the sectors: from Infrastructure, Agriculture, Trade & Investment, Education, Science & ICT as well as Youth and Social

Development. It may interest you to know that the 2020 budget is to focus on inclusive development of all sectors. However, Government will ensure strict implementation of the programmes and projects as enumerated in this budget.

21. I wish to appreciate you all greatly for your kind attention and at the same time solicit your maximum cooperation and that of the good people of Nasarawa State and beyond towards the successful execution of the 2020 budget of ***Inclusive Development***.

22. Once again, Thank you and God bless us all.