

NASARAWA STATE GOVERNMENT OF NIGERIA



Revised Citizens' Budget 2020

"BUDGET OF INCLUSIVE DEVELOPMENT"

SUMMARY OF AMENDED 2020 BUDGET & COVID-19 RESPONSIVE TARGET

Item	2020 original budget	2020 amended budget	o/w COVID-responsive* (in 2020 amended budget)
Assumptions:			
Oil price (US\$/bbl)	\$57	\$20	
Oil production (national, mbpd)	2.2	1.7	
Exchange rate (N/US\$)	305	360	
GDP growth (national, percent annual change)	2.98%	-4.42%	
Inflation (national, percent, annual average)	10.80%	14.13%	
1. Opening Balance	6,925,198,223.00	3,890,668,901.83	
2. Revenues and grants:	98,868,805,613.00	57,183,439,906.66	
Gross (not net of deductions) Statutory Allocation	44,000,000,000.00	24,363,147,912.00	
Derivation			
Other FAAC transfers (exchange rate gain, augmentation, others)	3,950,000,000.00	1,914,930,074.00	
VAT	12,500,000,000.00	11,187,899,180.00	
IGR	28,260,991,359.00	10,014,488,399.00	
Internal grants	9,537,814,254.00	9,628,974,341.66	
External grants	620,000,000.00	74,000,000.00	
3. Expenditures:	108,444,805,613.72	64,624,108,808.49	11,055,381,389.07
<i>Recurrent expenditures:</i>			
Personnel costs (salaries, pensions)	58,670,129,609.85	38,158,476,434.32	1,500,000,000.00
Overhead costs	26,890,400,810.06	19,021,009,453.14	400,000,000
CRF Charges - Statutory Office Holder's Salaries	23,228,642,170.71	13,738,512,351.67	1,100,000,000.00
CRF Charges - Recurrent Expenditure	1,271,415,482.00	840,151,150.23	
CRF Charges - Debt Servicing	3,000,000,000.00	1,895,011,059.65	
Capital expenditures:	4,279,671,147.08	2,663,792,419.63	
<i>Economic</i>	49,774,676,003.87	26,465,632,374.17	9,555,381,389.07
<i>Social</i>	27,346,150,000.00	11,904,334,544.07	4,405,381,389.07
<i>Law and Justice</i>	15,780,926,003.87	10,316,321,330.10	4,400,000,000.00
<i>Regional</i>	872,100,000.00	630,276,500.00	
<i>Administration</i>	5,775,500,000.00	3,614,700,000.00	750,000,000.00
4. Balance (= (1+2-3))	(2,650,801,777.72)	(3,550,000,000.00)	
5. Financing:	8,500,000,000.00	3,550,000,000.00	
Domestic bonds			
Commercial bank loans	5,000,000,000.00	2,000,000,000.00	
External Loans	3,500,000,000.00	1,550,000,000.00	
Sales of government assets			
Other Capital Receipts			
6. Financing gap (= -(4+5))	(5,849,198,222.29)	0.00	
Memorandum Items:			
COVID-19 responsive expenditures (% of total expenditures)			17.11

PREAMBLE

The scale and severity of the impact of COVID-19 in well-resourced healthcare systems globally, has been beyond anything witnessed in recent history. The way of life as we know it has changed drastically and leaders and citizens across the globe are facing the challenge of a lifetime. The ravaging epidemic is threatening not just the healthcare systems, but also the livelihoods of citizens and the stability of economies.

The macro-fiscal impacts of COVID-19 are already shaping up to be significant across States, albeit uneven. Not only are workers and businesses affected, but so too is the fiscal capacity of the State government, which relies on a healthy economy and allocations from the centre (which invariably also relies on commodity price) for their revenue. As the crisis unfolds, the impact on State's bottom line will be driven not only by overall economic conditions but specifically the parts of the economy where revenue is generated: FAAC Allocation, PAYEE, and local taxes, fees, and levies on income and wages, construction, and banks.

Before COVID-19, Nasarawa had high hopes and expectations on its 108 Billion Naira 2020 Budget Law. It had set out to achieve the following;

- i. Achieve a capital to recurrent expenditure ratio of 46:54 respectively in the budget
- ii. Achieve a minimum of 25% increase in independent revenue (IGR - Internally Generated Revenue)
- iii. Create and ensure optimization of recurrent expenditure and capital expenditures, at least expend 80% of the budget
- iv. Maintain a sustainable debt position in line with the Debt Management Office criteria
- v. Creating an enabling environment for Public-Private-Partnerships in attracting private fund
- vi. Attach loans with specific infrastructural projects and ensure that grants are channelled to support Human Capital Development (HCD) in the state.

These items were predicated on some macro-economic indicators which were key in determining the success or failures of realizing the estimates of the 2020 budget (fiscal policy).

On the expenditure side, while COVID-19 has successfully plummeted revenue potentials, it has escalated state expenditure requirements. This will be reflected in two ways; first is the need for the state to implement an expansionary fiscal policy, to recharge the economy, and second is the reallocation of expenditure to focus more on support to specific sectors such as health, providing welfare support to the vulnerable, and a shift to other priority and high impact projects, that are driven primarily by economic rationale and not political expediency/correctness.

Budget Review and Reprioritisation of Expenditure

Nasarawa's approved 2020 budget has taken a significant hit and needs to be reviewed to reflect the changing reality and focus of the government. This hit was primarily due to (i) the over 60% crash in crude oil price from an average of \$53 per barrel in January of 2020, to a little over \$20 in March of 2020, the lowest in 18 years and (ii) the shift in expenditure to unbudgeted health and socio-welfare intervention activities, and (iii) the drastic slow-down in economic, business, and investment activities due to the coronavirus containment measures.

There is an urgent need to review the budget to reflect a more realistic macro-fiscal projection. Overheads must take the largest hit; expenditure should be adjusted in a way and manner that ensures high impact projects that fit a clear set of criteria are prioritised. This essentially calls for a robust and objective prioritisation process that ensures resources are utilised most efficiently and effectively. Specifically, socio-economic consideration should now precede political considerations. It is critical to have a re-prioritised capital programme in the post-COVID-19 recovery phase. Resources meant for other capital projects were channelled to projects such as Construction of Isolation Centre, Infectious Disease & Research Centre, Bus Terminals in Karu and Lafia etc.

Citizens and Residents of Nasarawa State will help in 'flattening the curve' by following the COVID-19 Protocol and other preventive measures.



2020
REVISED
BUDGET
SIZE

NASARAWA STATE GOVERNMENT APPROVED

₦108,444,805,613.72

(Initial Budget)

and was amended to

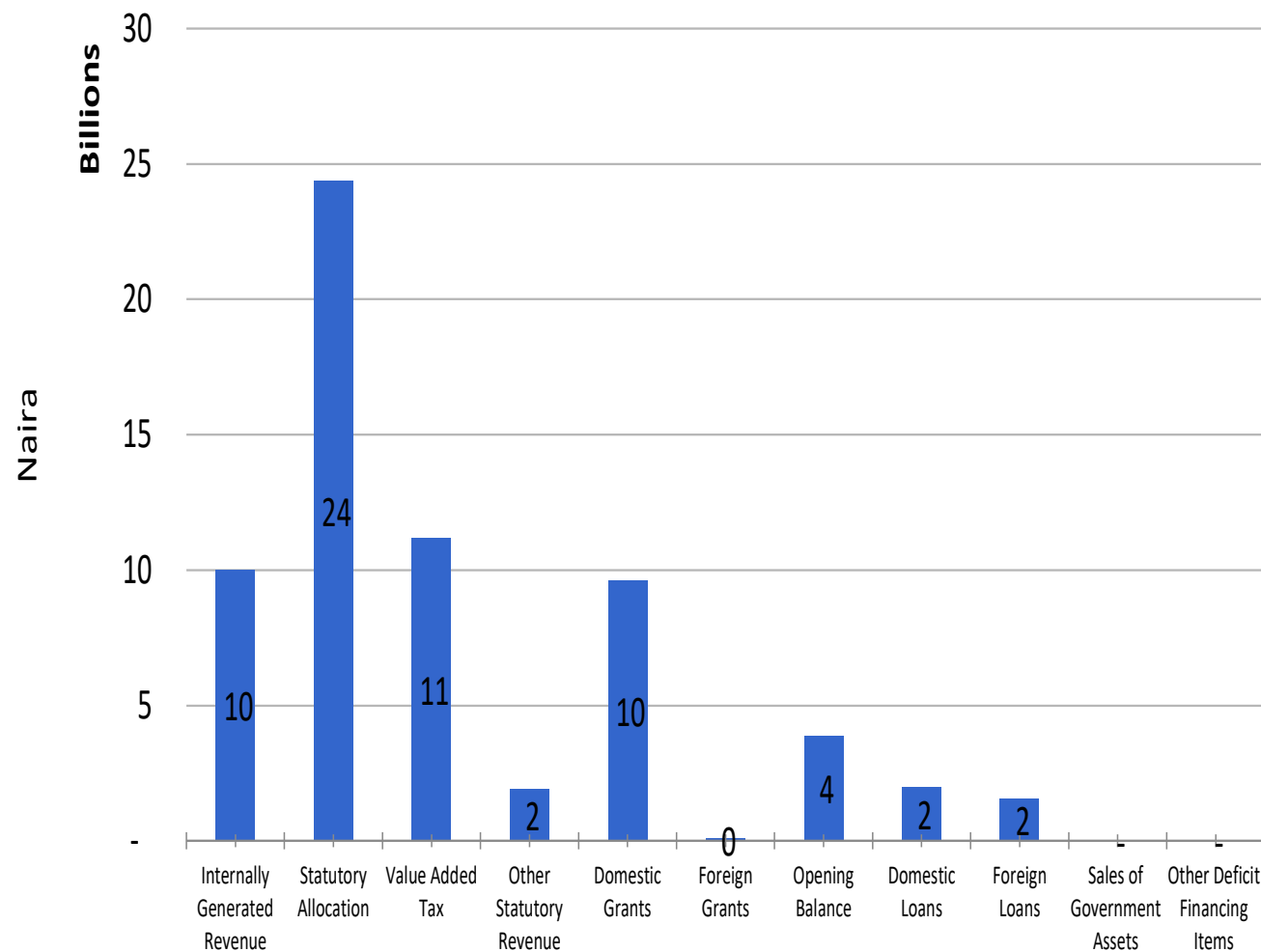
₦64,624,108,808.49
(Revised Budget)

for FY 2020

Where will the money come from?

Item	2020 Original Budget ₦	2020 Revised Budget ₦
Internally Generated Revenue-	28,260,991,359.00	10,014,488,400
Statutory Allocation	44,000,000,000.00	24,363,147,911
Value Added Tax	12,500,000,000.00	11,187,899,179
Other Statutory Revenue (Exchange Gain & Special Allocation)	3,950,000,000.00	1,914,930,073
Domestic Grants	9,537,814,254.00	9,628,974,341
Foreign Grants	620,000,000.00	74,000,000
Opening Balance	6,925,198,223.00	3,890,668,901
Domestic Loans	5,000,000,000.00	2,000,000,000
External Loans	3,500,000,000.00	1,550,000,000

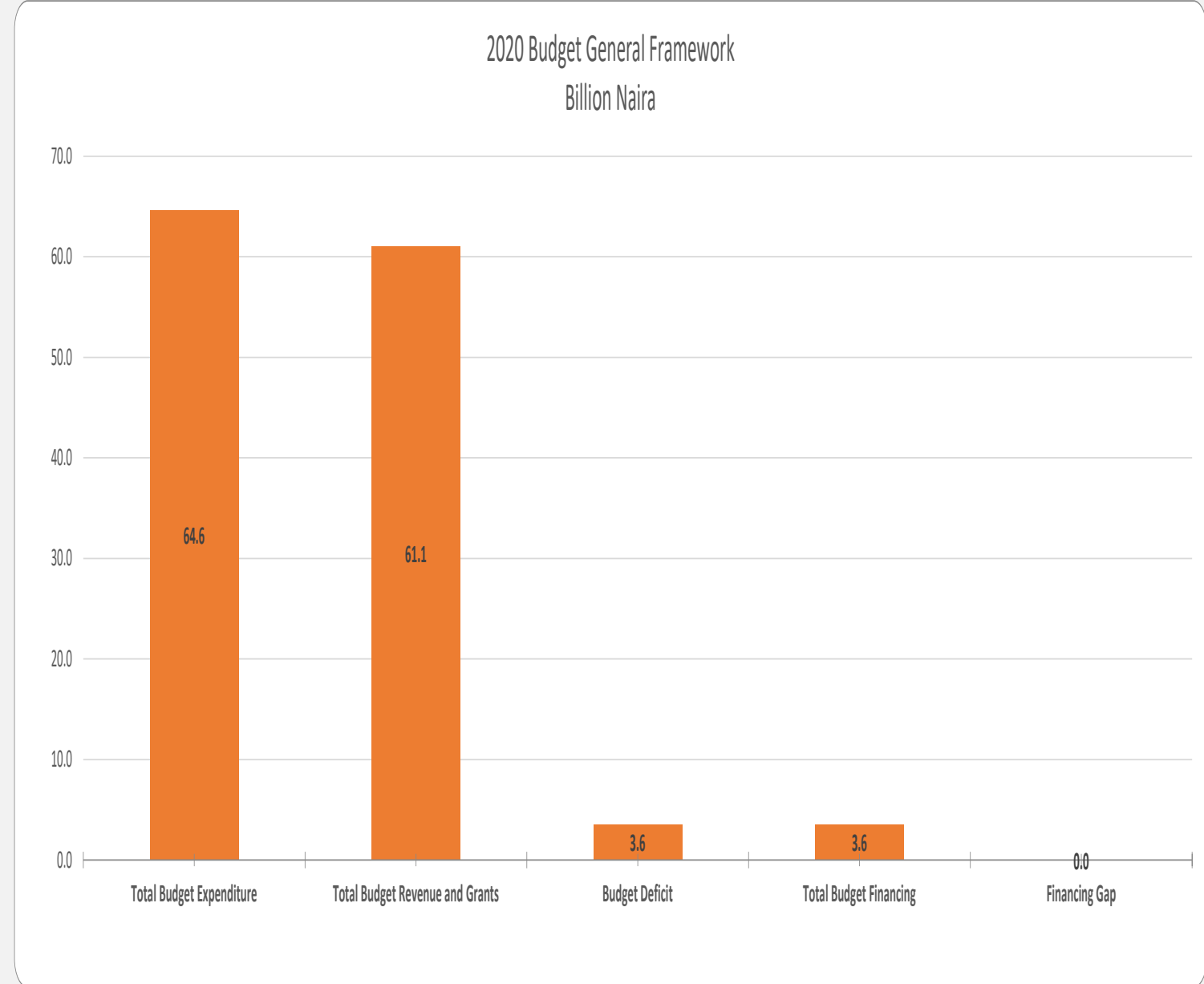
2020 Budget Revenue and Financing



Where will the money come from?

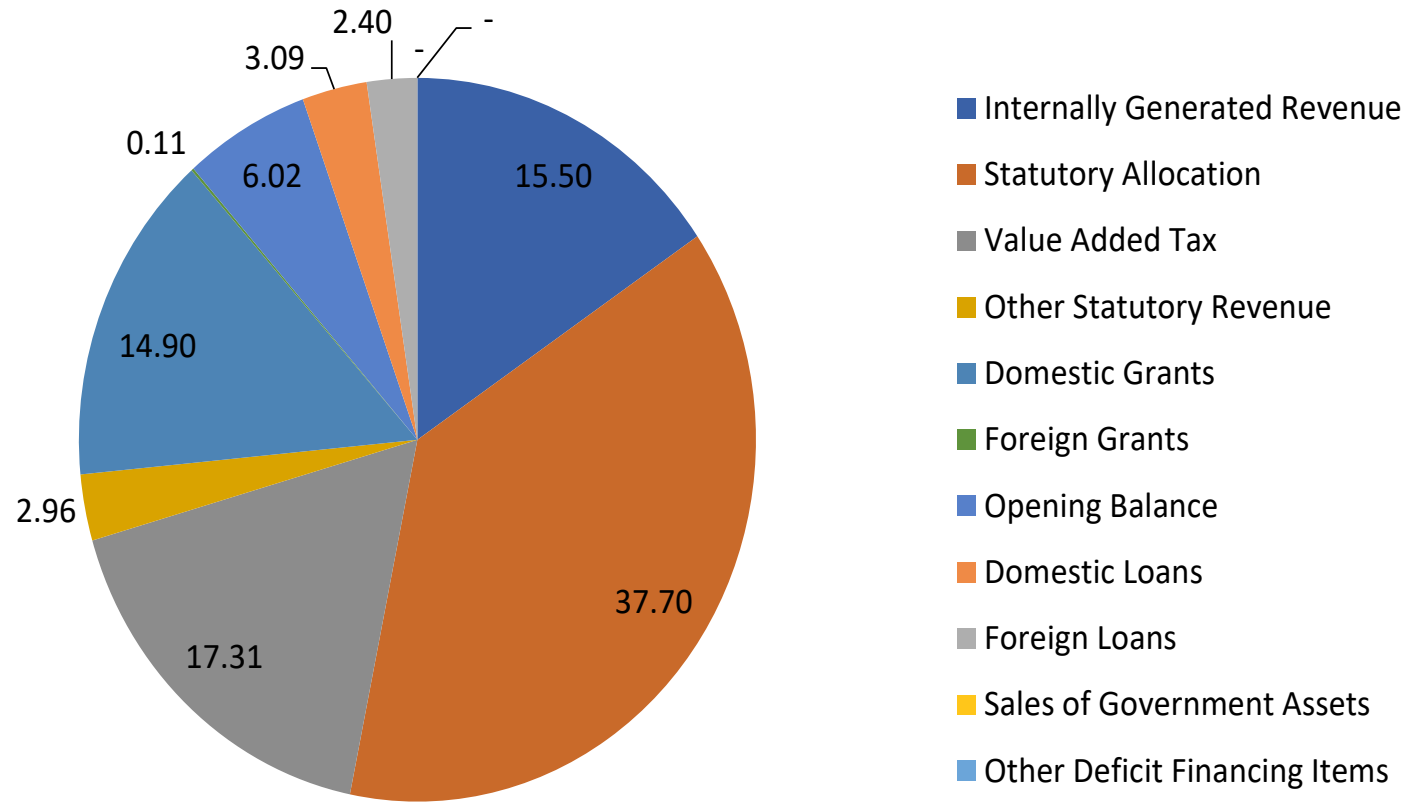
Majority of revenue will come from statutory allocation (NGN24 billion), VAT (NGN11.2 billion) and IGR (NGN10 billion)

NGN3.6 billion deficit
Financing is coming from Domestic & External loans.



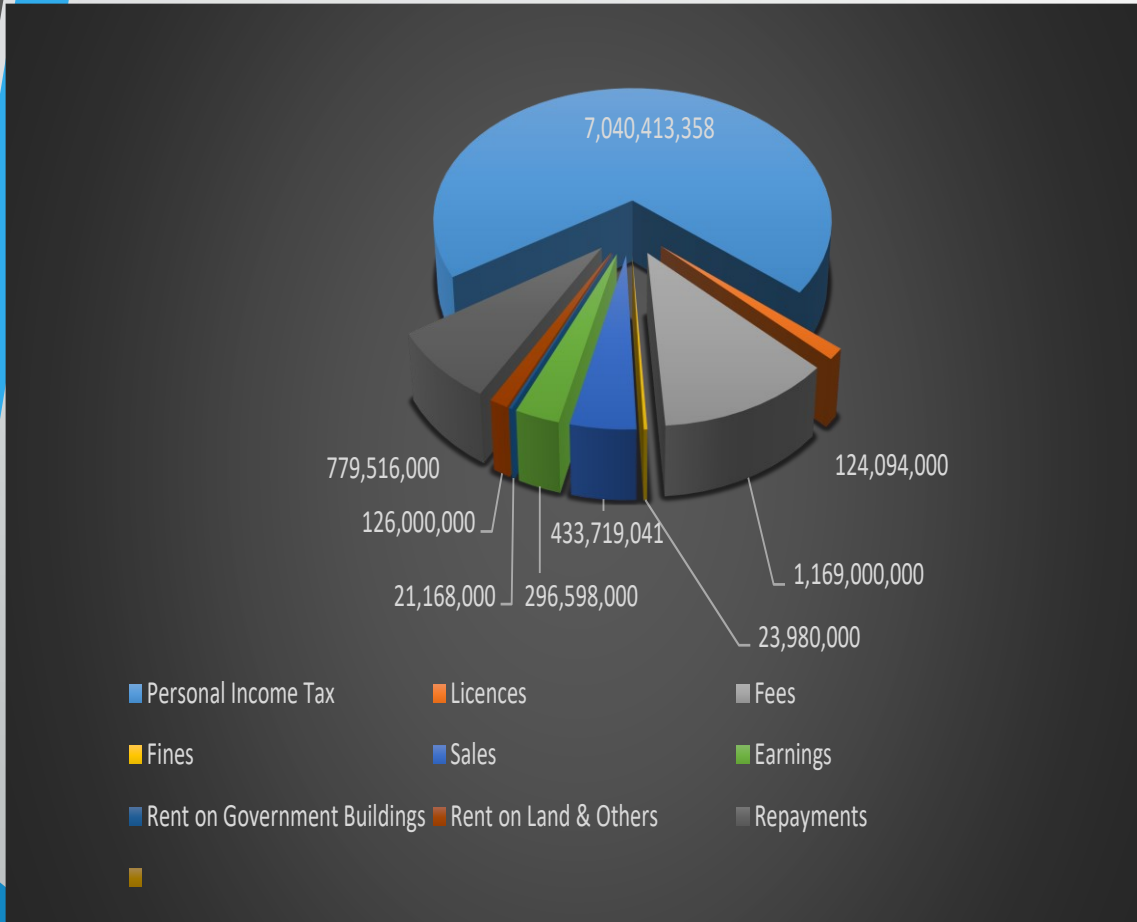
REVENUE SOURCES IN PERCENTAGE (%)

2020 Budget Revenue and Financing

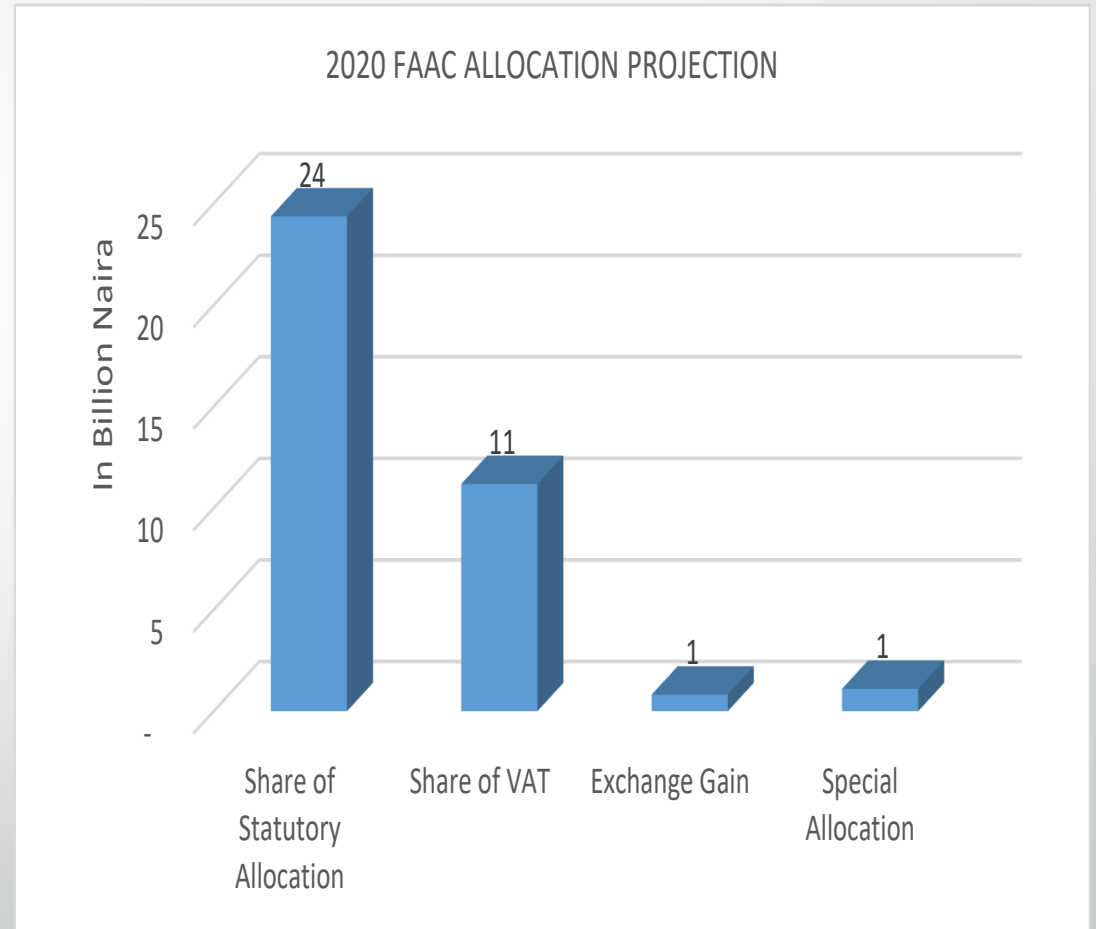


Breakdown of Revenues

IGR Components



FAAC Components



Nasarawa State 2020 Expenditure By Percentage (%)

Where does the money go?

Expenditure is how the government plans to spend, on behalf of the citizens, according to the resources it manages. Government expenditure has two main categories: **Recurrent** and **Capital Expenditure**.

1,271 , 1%

Home of Solid Minerals 2020 Citizen's Budget

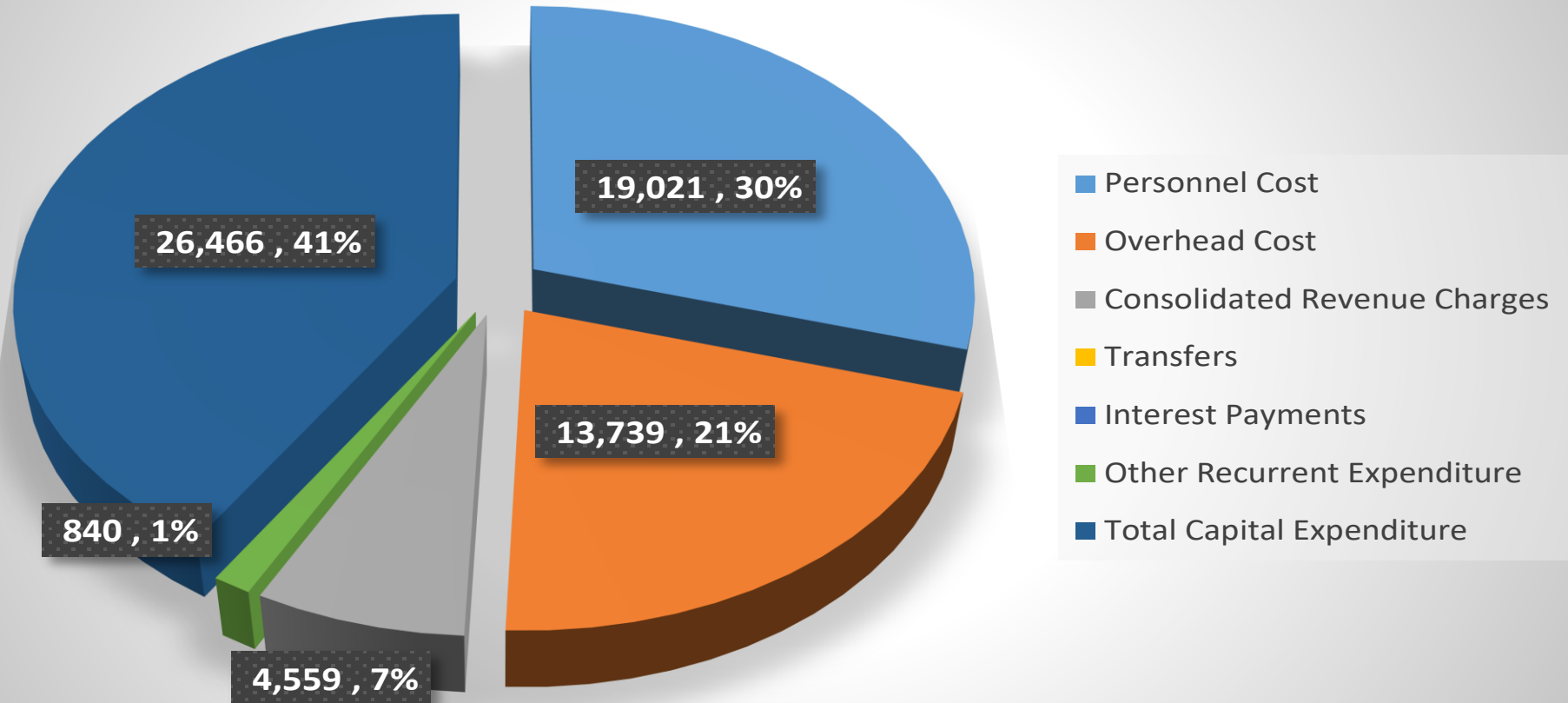
7,280 , 7%

0%

■ Total Capital Expenditure

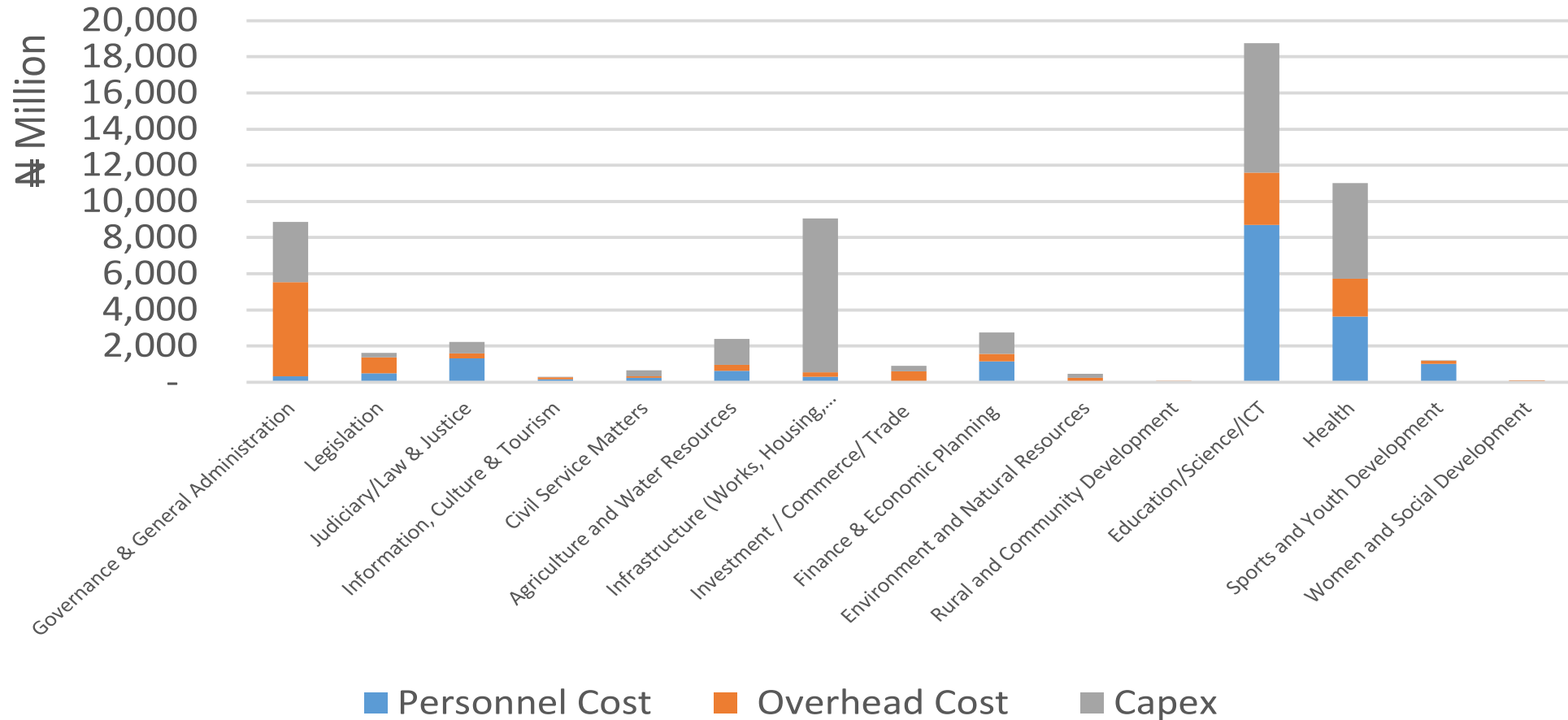
Where does the money go?

Nasarawa State Revised 2020 Expenditure By Percentage (%)



Allocations by Sub-Sectors

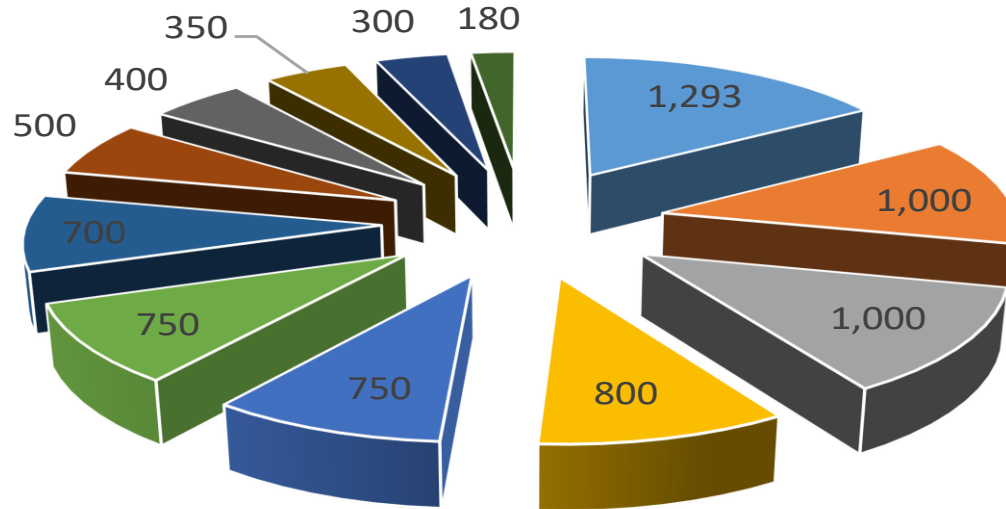
Sectoral Allocation



Top capital projects

Highest-value capital projects for 2020. Their total comprises 12.4% of the total budget for the year.

2020 Top Capital Projects



- Construction of Mararaba-Udege Road
- Construction of Lafia Airport
- Construction of Sisinbaki-Rarin Ruwa Road
- Development of Lafia Township Roads
- Construction of Bus Terminal
- Rural Feeder Roads
- Development of other Urban Roads
- Nasarawa Geographic Information Service
- Construction of Bus Terminal
- Construction of Kwandare-Keffi Road
- Public Buildings
- Compensation for Lands Acquired by Government (Right of Ways)

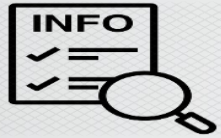
KEY ALLOCATIONS



Governance, Security & General Admin N8.8b



Legislation N1.6b



Information, Culture & Tourism N0.3b



Finance & Investment N3.6



Airport N1b



Road Construction N4.8b



Water Supply N0.4b



Education, Science & ICT N18.7b



Pension & Gratuity N3b



Lands & Physical Planning N2.8b



Building Construction N1.4b



Agriculture N2.4b



Law & Justice N2.2b



Health N11b

GLOSSARY OF TERMS/ ACRONYMS

- Budget:** - A budget is a document that contains details about how the government plans to spend our communal wealth – the taxpayers' money
- Citizens' Budget-** This is a simpler, less technical version of a government's budget specifically designed to present key information that is understandable by the general public
- Grants:** - A grant is one of the government's source of funds for funding ideas and projects to provide public services, stimulate the economy, and benefit the general public. Grants could be either from foreign or domestic and is normally provided for a specific project and set of expenditures. Grants are not borrowing/loans so do not need to be paid back after it has been used for the intended project and set of expenditures.
- Loans:** - Loans are source of funds for the government to finance the budget. Government borrows to finance its annual budget generally when revenues and grants are not enough to fund all the expenditures in the budget. Loans could be domestic and or foreign sources. Loans can be for a specific project or set of expenditures or could be used to finance the general budget expenditures
- Revenue:** - Revenue is all the amount of money the government believes it will collect during the year from recurring taxes, levies and fees; this refers to money collected on behalf of citizens
- Expenditure:** - This is how the government plans to spend, on behalf of the citizens, according to the resources it manages. Government expenditure has two main categories: **Recurrent** and **Capital Expenditure**
- Recurrent Expenditure:** Refers to recurring payments: wages and salaries for civil servants; overhead costs (electricity bills, purchase of diesel); consolidated revenue account charges; transfers (to local government, for example); interest payments on existing loans; and other subsidies.
- Personnel Cost:-** This include salaries, allowances and other benefits that Government pays to its workers (Civil /Public servants)
- Overhead Cost:-** These are any regular expenses which are not paid directly to a civil servant or other government workers, including amounts billed directly to customers. Overheads must be paid for regularly. Examples are electricity bills, water bills, the buying of diesel for generators, or the money spent on travelling during work, by civil servants.
- Capital Expenditure:** Capital Expenditure is money spent by government to acquire or build fixed capital assets, land or intangible assets. Capital Expenditure is how much is used for projects like the building of schools, hospitals, roads, or buying security equipment. Capital Expenditure is sometimes called "Capex."
- Budget Deficit -** This is generally the difference between what the government intends to spend on expenditures and the revenue generation capacity. A deficit occurs when the expenditure figure is higher than the revenue and grants figure
- Budget Financing -** This is the summation of all the financing the government intends to raise through borrowing/loans (domestic and foreign), sales of government assets or other deficit financing items.
- MDAs** - Ministries, Departments and Agencies of Government

Appendix A
Loans & Borrowing to Finance Deficit

NASARAWA State 2020 Revised Budget		
Budget Title: BUDGET OF INCLUSIVE DEVELOPMENT		
How will the Government source the loans:		
Domestic Loans	2020 Budget Target	
Project/Institution	Amount Naira	Amount Naira Billion
Loan	2,000,000,000	2.00
		0.00
Total Domestic Loans	2,000,000,000.00	2.00
Foreign Loans	2020 Budget Target	
Project/Insitution	Amount Naira	Amount Naira Billion
CSDA	250,000,000	0.25
Nigeria Erosion & Water Shed Management Project (NEWMAP)	1,000,000,000	1.00
ANRiN	300,000,000	0.30
		0.00
		0.00
		0.00
		0.00
Total Foreign Loans	1,550,000,000	1,550.00

Appendix B
Revenue Sources

Source of Funds Composition	2020 Budget Target	2020 Percentage of Total Sources of Funds
Internally Generated Revenue	10,014,488,399	15.50
Statutory Allocation	24,363,147,912	37.70
Value Added Tax	11,187,899,180	17.31
Other Statutory Revenue	1,914,930,074	2.96
Domestic Grants	9,628,974,342	14.90
Foreign Grants	74,000,000	0.11
Opening Balance	3,890,668,902	6.02
Domestic Loans	2,000,000,000	3.09
Foreign Loans	1,550,000,000	2.40
Sales of Government Assets	-	-
Other Deficit Financing Items	-	-

Appendix C
Summary of Expenditure

NASARAWA State 2020 Revised Budget				
Budget Title: BUDGET OF INCLUSIVE DEVELOPMENT				
Expenditure: Where does the Money go?				
Expenditure	2020 Budget Target	2020 Percentage of Total Budgeted	Previous Year Target	Previous Year Actual
Recurrent Expenditure				
Personnel Cost	19,021,009,453	29.4	26,543,158,700	19,167,269,807.37
Overhead Cost	13,738,512,352	21.3	25,828,307,095	14,842,367,059.64
Consolidated Revenue Charges	4,558,803,479	7.1	7,178,671,140	3,314,033,458.20
Transfers	0	0.0	0	0
Interest Payments	0	0.0	0	0
Other Recurrent Expenditure	840,151,150	1.3	1,071,415,482	869,639,878.56
Total Recurrent Expenditure	38,158,476,434	59.0	60,621,552,417	38,193,310,204
Total Capital Expenditure	26,465,632,374	41.0	34,216,863,250	19,899,004,674.50
Total Expenditure	64,624,108,808	100.0	94,838,415,667	58,092,314,878

Appendix D
Sectoral Allocations

NASARAWA State 2020 Revised Budget
Budget Title: BUDGET OF INCLUSIVE DEVELOPMENT

		2020 Budget Target				
MDAs/Sub-Sector	Sector	Personnel Cost	Overheads and Other Recurrent	Recurrent Expenditure	Capital Expenditure	Total Expenditure
Governance & General Administration	Administrative	330,380,512	5,195,377,092	5,525,757,604	3,331,000,000	8,856,757,604
Legislation	Administrative	486,627,260	897,677,462	1,384,304,722	236,000,000	1,620,304,722
Judiciary/Law & Justice	Law & Justice	1,323,567,780	277,656,711	1,601,224,491	630,276,500	2,231,500,991
Information, Culture & Tourism	Administrative	171,885,609	94,639,727	266,525,336	16,000,000	282,525,336
Civil Service Matters	Administrative	240,130,484	78,199,682	318,330,166	350,030,166	668,360,333
Agriculture and Water Resources	Economic	634,725,765	325,654,350	960,380,115	1,443,950,000	2,404,330,115
Infrastructure (Works, Housing, Transport/Lands & Urban Development)	Economic	293,953,171	253,062,601	547,015,773	8,505,884,544	9,052,900,317
Investment / Commerce/ Trade	Economic	25,220,947	577,308,400	602,529,347	300,000,000	902,529,347
Finance & Economic Planning	Economic	1,143,146,825	416,909,410	1,560,056,235	1,187,500,000	2,747,556,235
Environment and Natural Resources	Economic	41,290,606	200,079,707	241,370,313	215,000,000	456,370,313
Rural and Community Development	Economic	25,273,181	43,640,000	68,913,181	0	68,913,181
Education/Science/ICT	Social	8,709,703,478	2,893,368,635	11,603,072,113	7,139,184,042	18,742,256,156
Health	Social	3,640,121,130	2,086,406,656	5,726,527,786	5,294,606,144	11,021,133,930
Sports and Youth Development	Social	1,010,813,683	176,150,000	1,186,963,683	2,500,000	1,189,463,683
Women and Social Development	Social	30,019,597	72,714,090	102,733,687	0	102,733,687
				0		0
				0		0
				0		0
				0		0
Total		18,106,860,028	13,588,844,523	31,695,704,551	28,651,931,396	60,347,635,947
Other MDA Expenditure					Other MDA Expenditure	4,276,472,861
Total Budgeted Expenditure					Total Budgeted	64,624,108,808
						62,247,635,947
Sectors	Total Allocation					
Administrative	11,427,947,994					
Economic	15,632,599,507					
Law & Justice	2,231,500,991					
Social	31,055,587,455					

Appendix E
Top Capital Projects

NASARAWA State 2020 Revised Budget				
Budget Title: BUDGET OF INCLUSIVE DEVELOPMENT				
Top Capital Projects : 2020 Proposed				
Project	Line Ministry/Agency	Location	LGA	Amount
Construction of Mararaba-Udege Road	Ministry of Works, Housing & Transport	Udege	Nasarawa, Toto	1,293,381,389
Construction of Lafia Airport	Ministry of Works, Housing & Transport	Kwandare	Lafia	1,000,000,000
Construction of Sisinbaki-Rarin Ruwa Road	Ministry of Works, Housing & Transport	Kwarra	Wamba	1,000,000,000
Development of Lafia Township Roads	Nasarawa Urban Development Board	Lafia	Lafia	800,000,000
Construction of Bus Terminal	Ministry of Works, Housing & Transport	Karu	Karu	750,000,000
Rural Feeder Roads	Ministry of Works, Housing & Transport	Rural Areas	All LGAs	750,000,000
Development of other Urban Roads	Nasarawa Urban Development Board	Obi, Karu, Keana, Toto, Garaku, Keffi,	Obi, Karu, Keana, Toto, Garaku, Keffi, Akwanga,	700,000,000
Nasarawa Geographic Information Service	NAGIS	All	All LGAs	500,000,000
Construction of Bus Terminal	Ministry of Works, Housing & Transport	Bukan Sidi	Lafia	400,000,000
Construction of Kwandare-Keffi Road	Transport	Lafia, Nass-Eggon,	Lafia, Nass-Eggon,	350,000,000
Public Buildings	Ministry of Works, Housing & Transport	All	All LGAs	300,000,000
Compensation for Lands Acquired by Government (Right of Ways)	Ministry of Lands & Urban Development	All	All LGAs	180,000,000
Dualization of Shendam-Akurba Road	Ministry of Works, Housing & Transport	Shendam Road	Lafia	0
Total Top Capital Projects 2020				8,023,381,389
Total Budget 2020				64,624,108,808
% share of total top capital projects vs. total budget for 2020				12.4
Top 5 Capital Projects : 2020 Revised				
Construction of Mararaba-Udege Road		1,293,381,389		
Construction of Lafia Airport		1,000,000,000		
Development of Lafia Township Roads		800,000,000		
Rural Feeder Roads		750,000,000		
Development of other Urban Roads		700,000,000		
Total of top 5 Capital Projects		4,543,381,389		
Other Capital Projects		21,922,250,985		
Total Capital		26,465,632,374		
Total Recurrent		38,158,476,434		
Total Expenditure		64,624,108,808		



FOR
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