



APPROVED ESTIMATES

OF

ABIA STATE GOVERNMENT OF NIGERIA

2020 – 2022 MULTI-YEAR BUDGET

BUDGET OF ECONOMIC REPOSITIONING



PART FOUR

ABIA STATE CITIZENS BUDGET 2020



ABIA STATE 2020 CITIZENS BUDGET DOCUMENT

“BUDGET OF ECONOMIC REPOSITIONING”



WHAT IS A BUDGET?

A budget shows what the government expects to collect as revenue, what grants it expects to receive, how much it expects to save or borrow, and what the government plans to spend on. A budget is a document that contains details about how the government plans to spend our communal wealth – the taxpayers' money. Federal, state and local governments all have a budget document which is called an Appropriation Act.

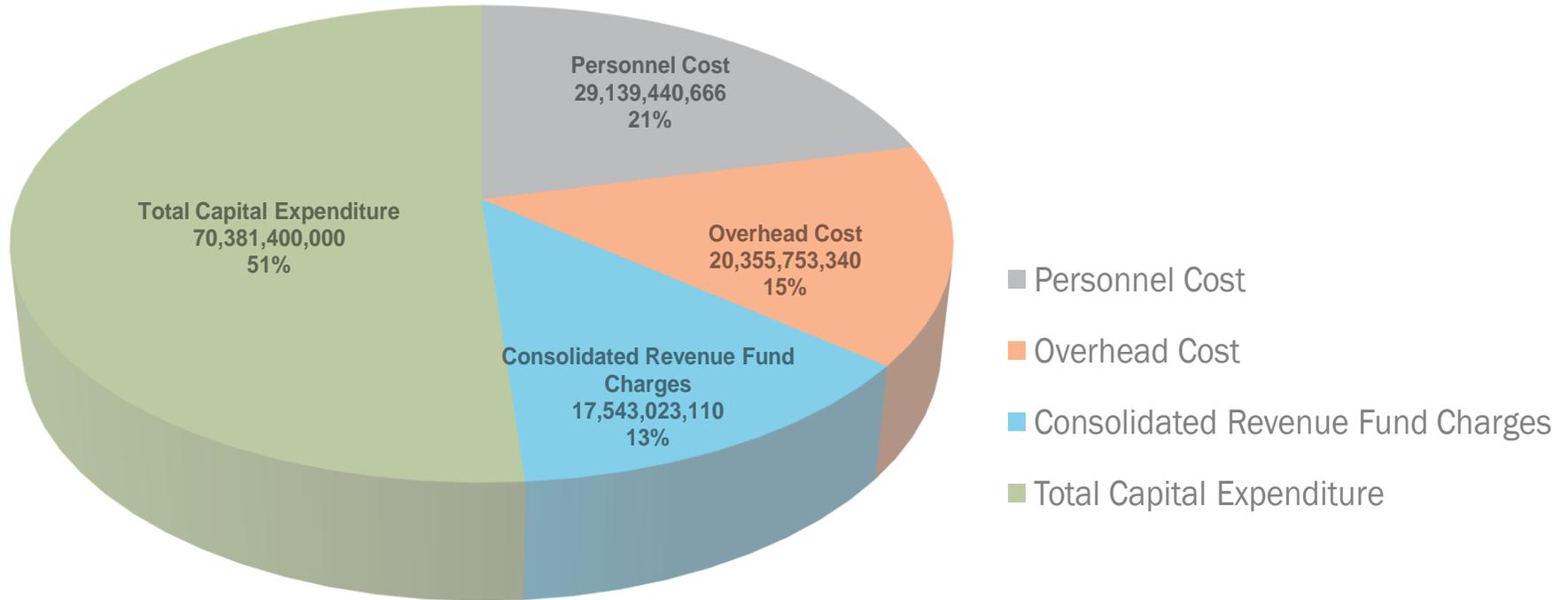
In a democracy, every responsible citizen has the right to know how communal wealth is being expended in the delivery of public infrastructure and services.

A Citizens Budget is a simpler, less technical version of a government's budget specifically designed to present key information that is understandable by the general public. Citizens Budget can vary widely in focus, content, and length and be presented in a number of ways, ranging from a simple brochure to a comprehensive report. Citizens Budget should also be accessible by the general public, including being published online on an official state website.

WHAT IS A CITIZENS BUDGET?

WHERE DOES THE MONEY GO?

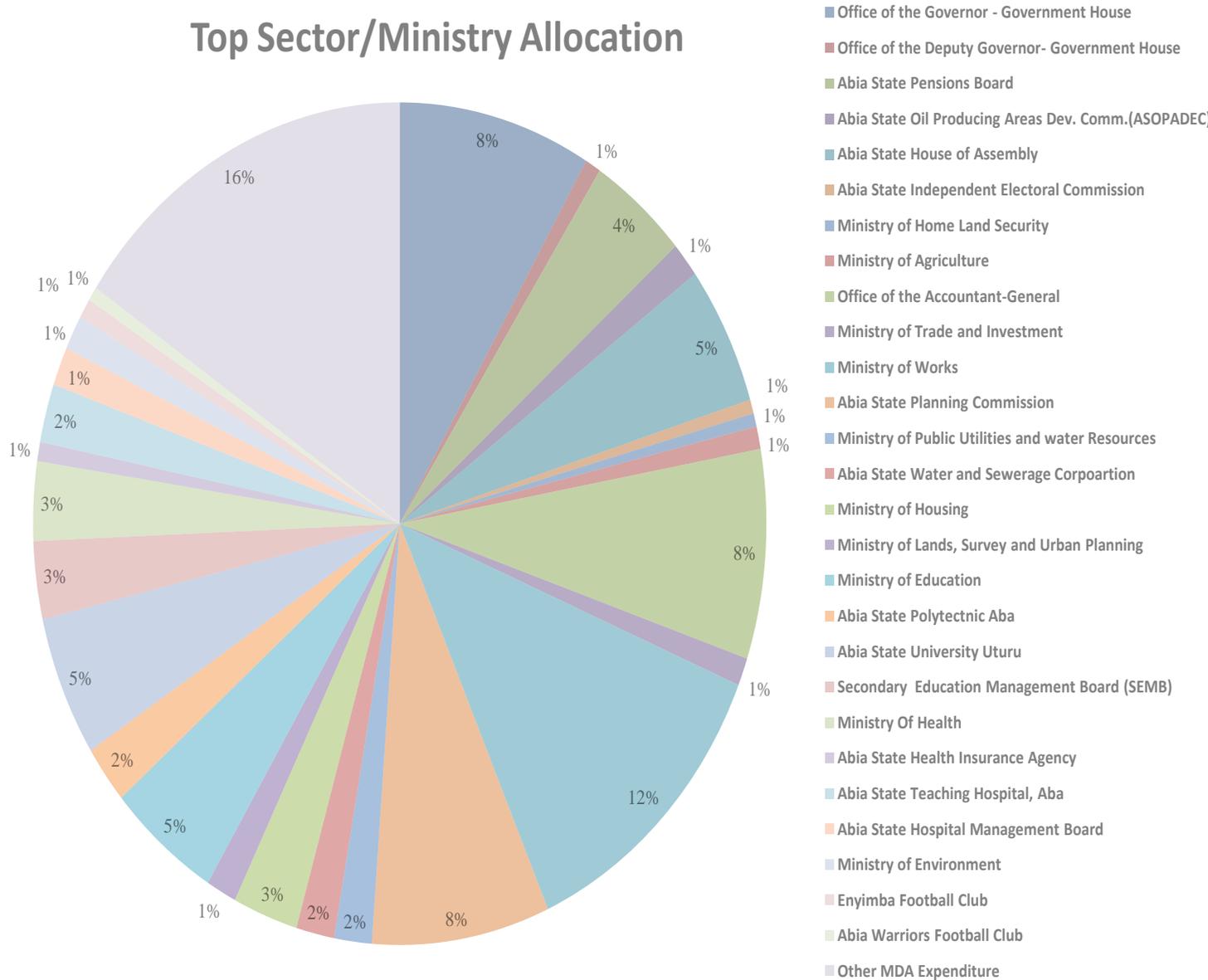
2020 Budgeted Expenditure



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.

ALLOCATIONS BY MINISTRIES, DEPARTMENTS AND AGENCIES (MDAS)

Top Sector/Ministry Allocation



Expenditure is allocated to different Ministries, Departments and Agencies (MDAs). Each MDA will have an approved budget of recurrent and capital expenditure as part of the overall approved state government budget to run its daily activities as well as carry out projects associated with them respectively.

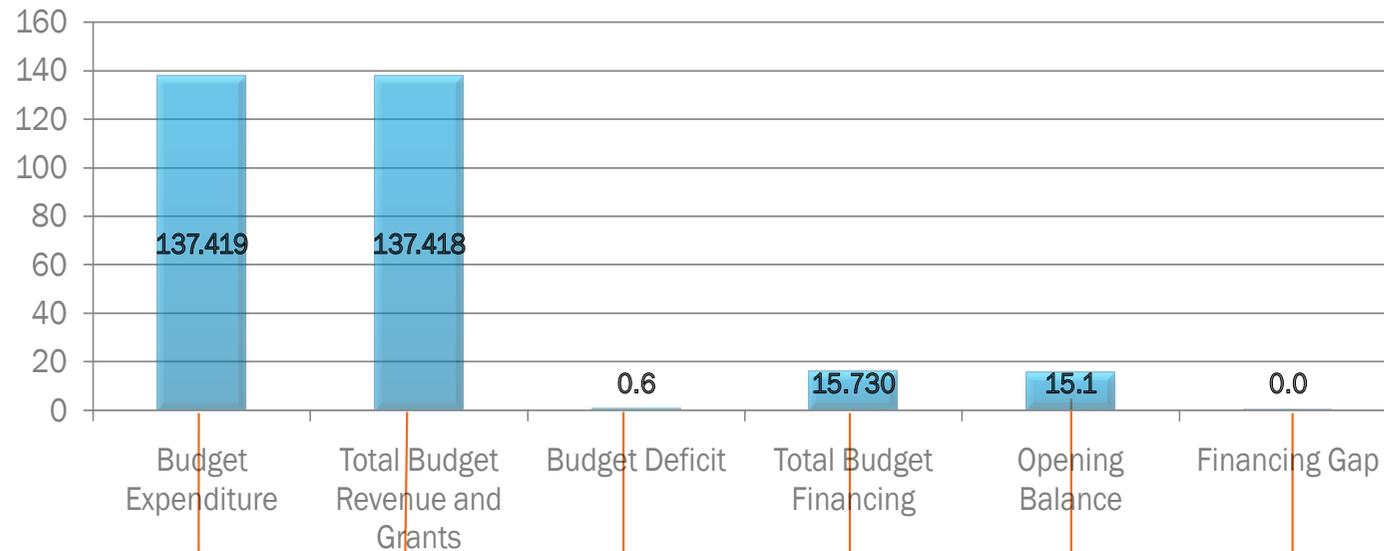
2020 Budget General Framework Billion Naira

In 2020, Abia State intend to spend ₦137.419 billion.

Of this, ₦137.418 billion will be sourced from Statutory Allocation, Independent Revenue and Grants, which results in ₦0.6 Million in budget deficit.

The deficit will be resolved by ₦15.730 billion of total financing hence, No Financing Gap

Opening Balance of ₦15.108 billion will also aid financing.



<p>Total amount of budget for the given year. It is the summation of both the Recurrent Expenditure + Capital Expenditure as approved by the Legislature.</p>	<p>The summation of all funds the State Government intends to collect as revenues and receive as grants.</p>	<p>A Deficit occurs when the expenditure figure is higher than the summation of the revenue and grants figure.</p>	<p>This is the summation of all the financing the government intends to raise through loans, sales of government assets or other deficit financing items.</p>	<p>This represents the Cash and Bank Balances from the preceding year</p>	<p>The difference between budget deficit and total budget financing. In general, there should be no financing gap in the approved budget.</p>
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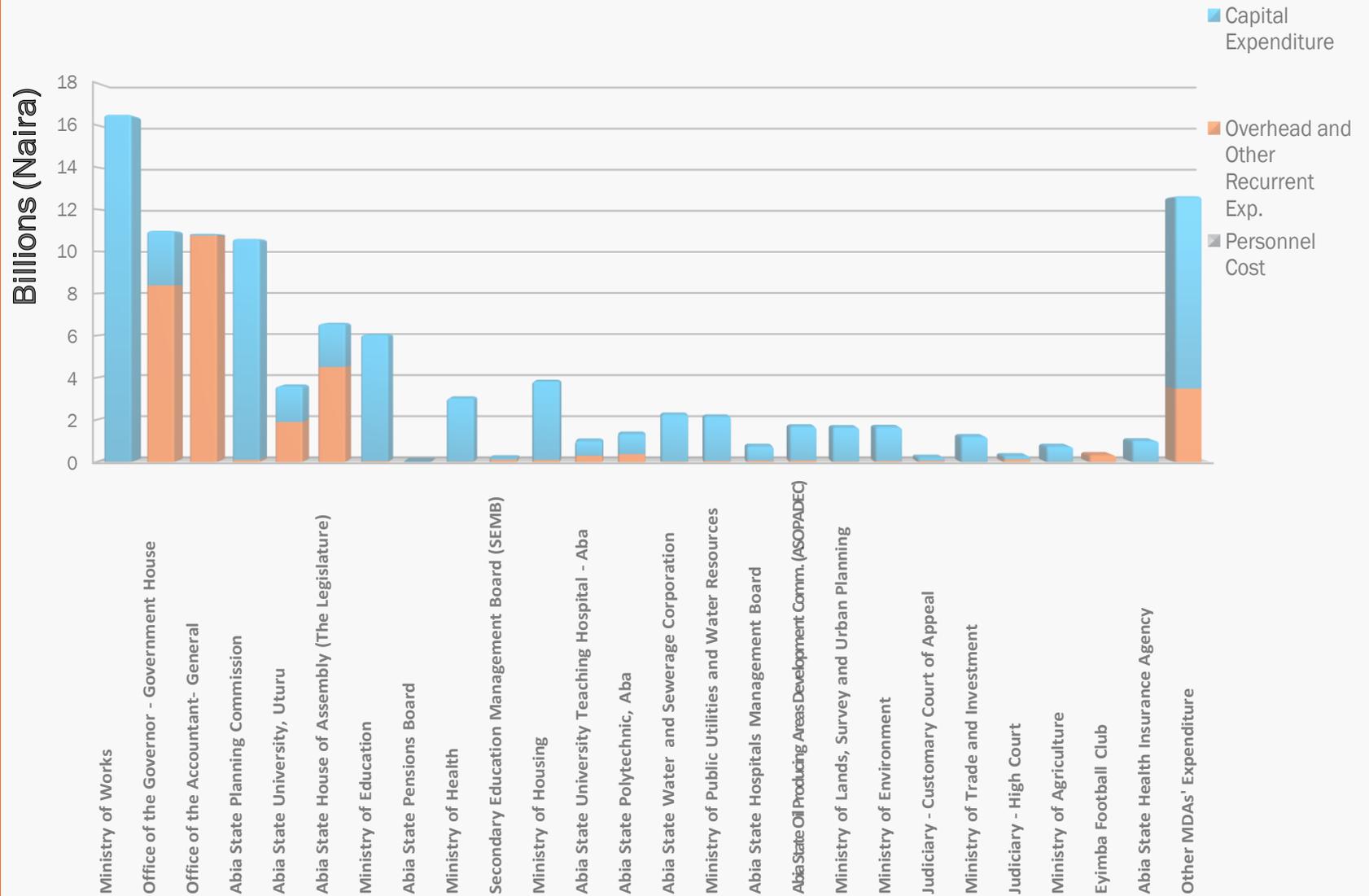
TOP MDAs 2020 BUDGETED EXPENDITURE ALLOCATION

Ministries, Departments and Agencies (MDAs)	Personnel Cost ₦	Overhead and Other Recurrent Exp. ₦	Total Recurrent Expenditure ₦	Capital Expenditure ₦	Total Expenditure ₦
Ministry of Works	149,361,920	10,600,000	159,961,920	16,500,000,000	16,659,961,920
Office of the Governor - Government House	688,066,770	8,383,000,000	9,071,066,770	2,600,000,000	11,671,066,770
Office of the Accountant-General	204,880,890	10,750,619,110	10,955,500,000	90,000,000	11,045,500,000
Abia State Planning Commission	173,496,488	101,267,430	274,763,918	10,500,500,000	10,775,263,918
Abia State University, Uturu	3,816,458,680	1,900,000,000	5,716,458,680	1,700,000,000	7,416,458,680
Abia State House of Assembly (The Legislature)	768,638,170	4,509,000,000	5,277,638,170	2,060,000,000	7,337,638,170
Ministry of Education	779,427,530	43,500,000	822,927,530	6,000,000,000	6,822,927,530
Abia State Pensions Board	6,000,000,000	6,000,000	6,006,000,000	2,500,000	6,008,500,000
Ministry of Health	1,145,290,100	26,000,680	1,171,290,780	3,000,000,000	4,171,290,780
Secondary Education Management Board (SEMB)	3,932,329,120	109,400,000	4,041,729,120	61,000,000	4,102,729,120
Ministry of Housing	117,087,827	100,000,000	217,087,827	3,730,000,000	3,947,087,827
Abia State University Teaching Hospital - Aba	2,082,624,060	294,500,000	2,377,124,060	700,000,000	3,077,124,060
Abia State Polytechnic, Aba	1,734,011,140	375,400,000	2,109,411,140	950,000,000	3,059,411,140
Abia State Water and Sewerage Corporation	63,568,210	30,000,000	93,568,210	2,220,000,000	2,313,568,210
Ministry of Public Utilities and Water Resources	119,584,650	53,000,000	172,584,650	2,100,000,000	2,272,584,650
Abia State Hospitals Management Board	1,288,354,970	66,500,000	1,354,854,970	675,000,000	2,029,854,970
Abia State Oil Producing Areas Development Comm. (ASOPADEC)	174,999,990	80,000,000	254,999,990	1,600,000,000	1,854,999,990
Ministry of Lands, Survey and Urban Planning	197,000,000	30,000,000	227,000,000	1,615,000,000	1,842,000,000
Ministry of Environment	175,269,990	55,728,000	230,997,990	1,600,000,000	1,830,997,990
Judiciary - Customary Court of Appeal	1,349,592,920	60,600,000	1,410,192,920	145,000,000	1,555,192,920
Ministry of Trade and Investment	249,409,350	8,000,000	257,409,350	1,200,600,000	1,458,009,350
Judiciary - High Court	1,036,540,459	120,000,000	1,156,540,459	160,000,000	1,316,540,459
Ministry of Agriculture	443,382,020	10,050,000	453,432,020	730,000,000	1,183,432,020
Eyimba Football Club	700,000,000	338,000,000	1,038,000,000		1,038,000,000
Abia State Health Insurance Agency	-	8,950,000	8,950,000	1,000,000,000	1,008,950,000
Total	27,389,375,254	27,470,115,220	54,859,490,474	60,939,600,000	115,799,090,474
Other MDAs' Expenditure					21,620,526,642
Total Budgeted Expenditure					137,419,617,116

TOP MDA 2020 BUDGETED EXPENDITURE ALLOCATION

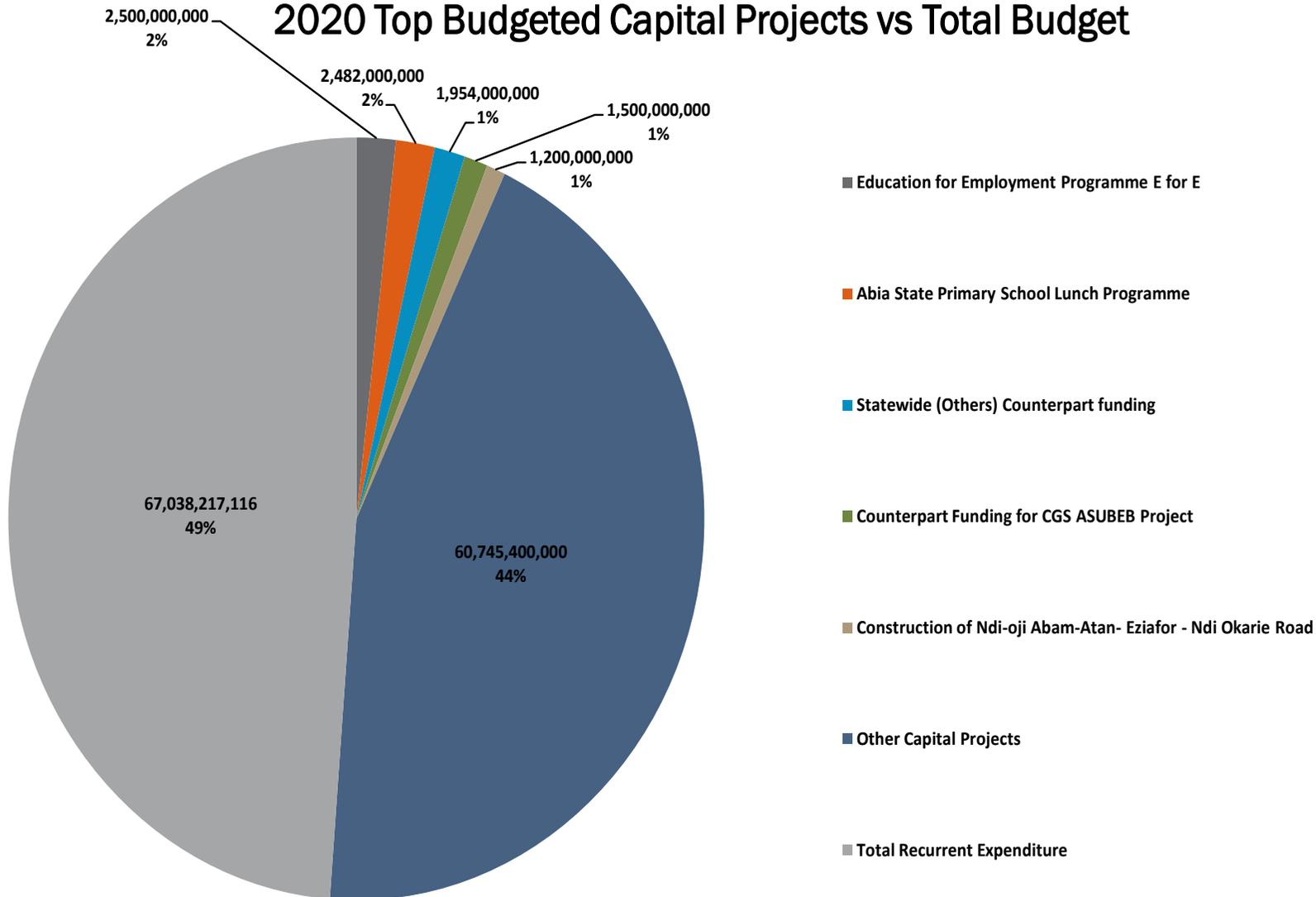
□ Recurrent Expenditure: This comprises of Personnel Cost, Overhead Cost and Consolidated Revenue Fund Charges. Personnel Cost refers to payments of wages and salaries for civil servants; Overhead Costs refers to payments of electricity bills, repairs, maintenance, purchase of diesel, office stationeries etc.); Consolidated Revenue Fund Charges; transfers (to local government, for example); interest payments on existing loans; and other (subsidies, for example).

□ 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."



TOP CAPITAL PROJECTS

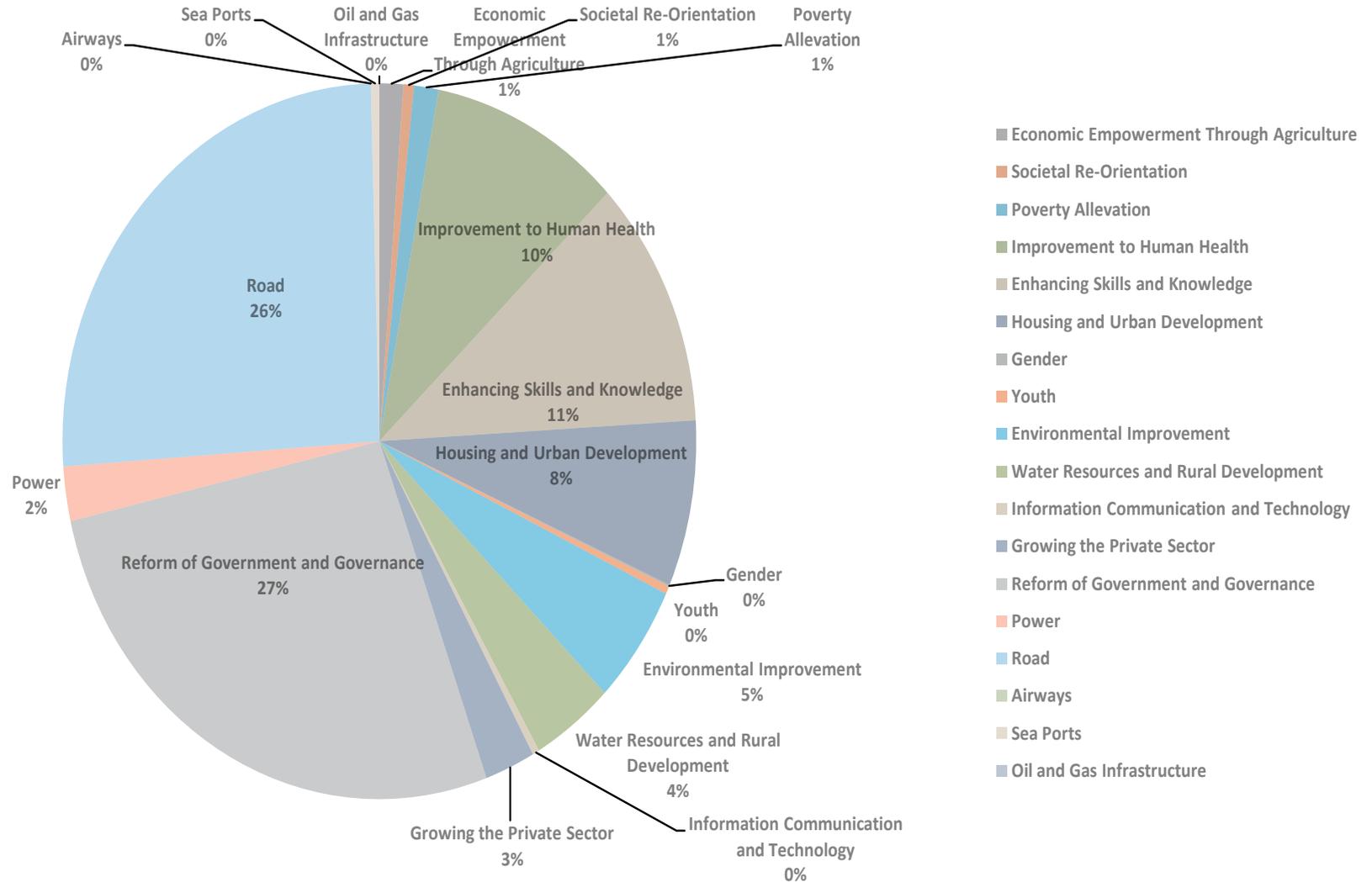
2020 Top Budgeted Capital Projects vs Total Budget



These are the top 5 highest-value capital projects for 2020. Their total comprises 7% of the total budget for the year.

2020 BUDGETED CAPITAL EXPENDITURE ALLOCATION BY PROGRAMMES

Programme Classification shows the planned budgetary Capital Expenditure allocation to specific programmes (such as poverty reduction) that may be implemented by a variety of organizational units. It identifies and clarifies the goals and objectives of government spending.



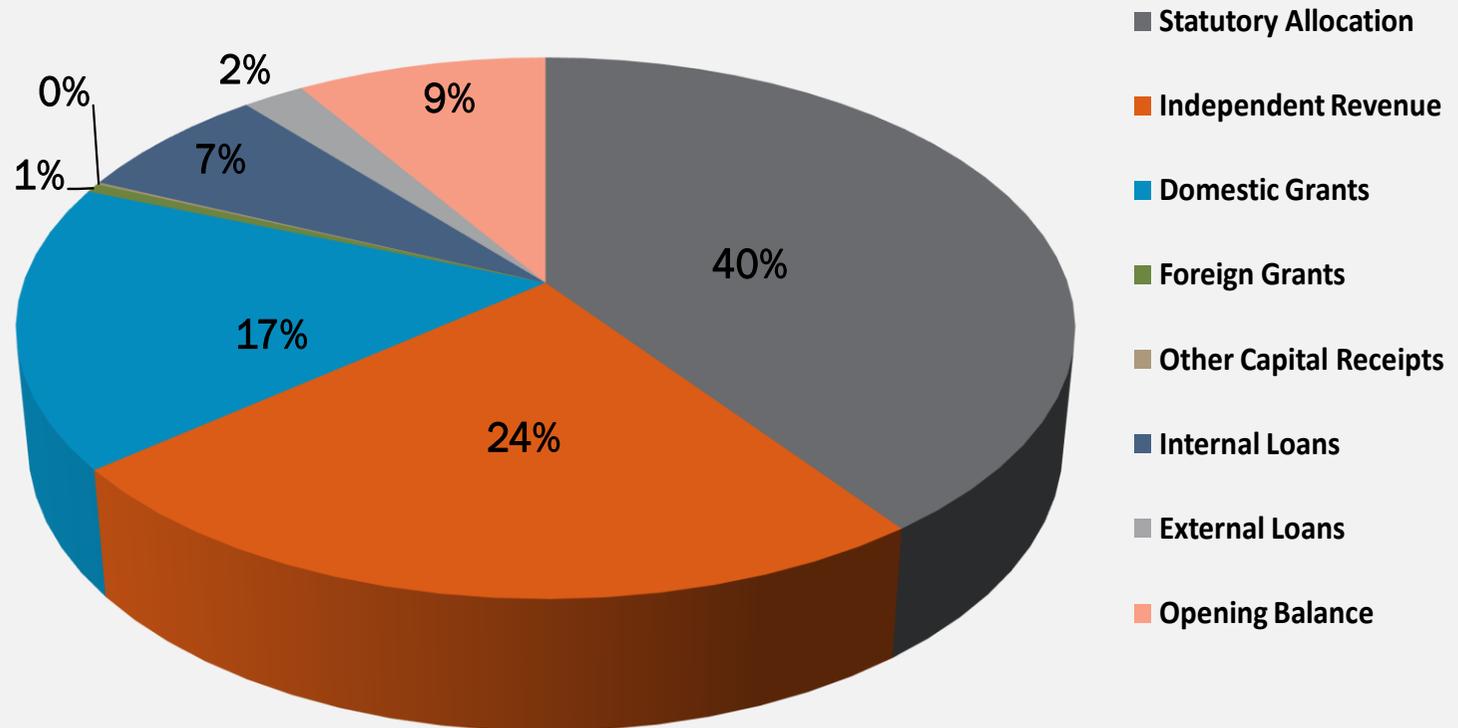
WHERE WILL THE MONEY COME FROM?

2020 Budgeted Revenue and Financing

Revenue is all the amount of money the government believes it will collect during the year from recurring taxes, levies and fees; put simply, this refers to money collected on behalf of citizens.

States in Nigeria receive a share of revenues collected federally such as oil revenues, corporate income taxes, VAT and excises and duties. These are called statutory allocation, VAT and other statutory revenue in the budget and are transferred to the states from the federation accounts.

Revenues that states directly collect and retain for its own use are called internally generated revenue (IGR); IGR includes personal income taxes, road taxes, property taxes etc.

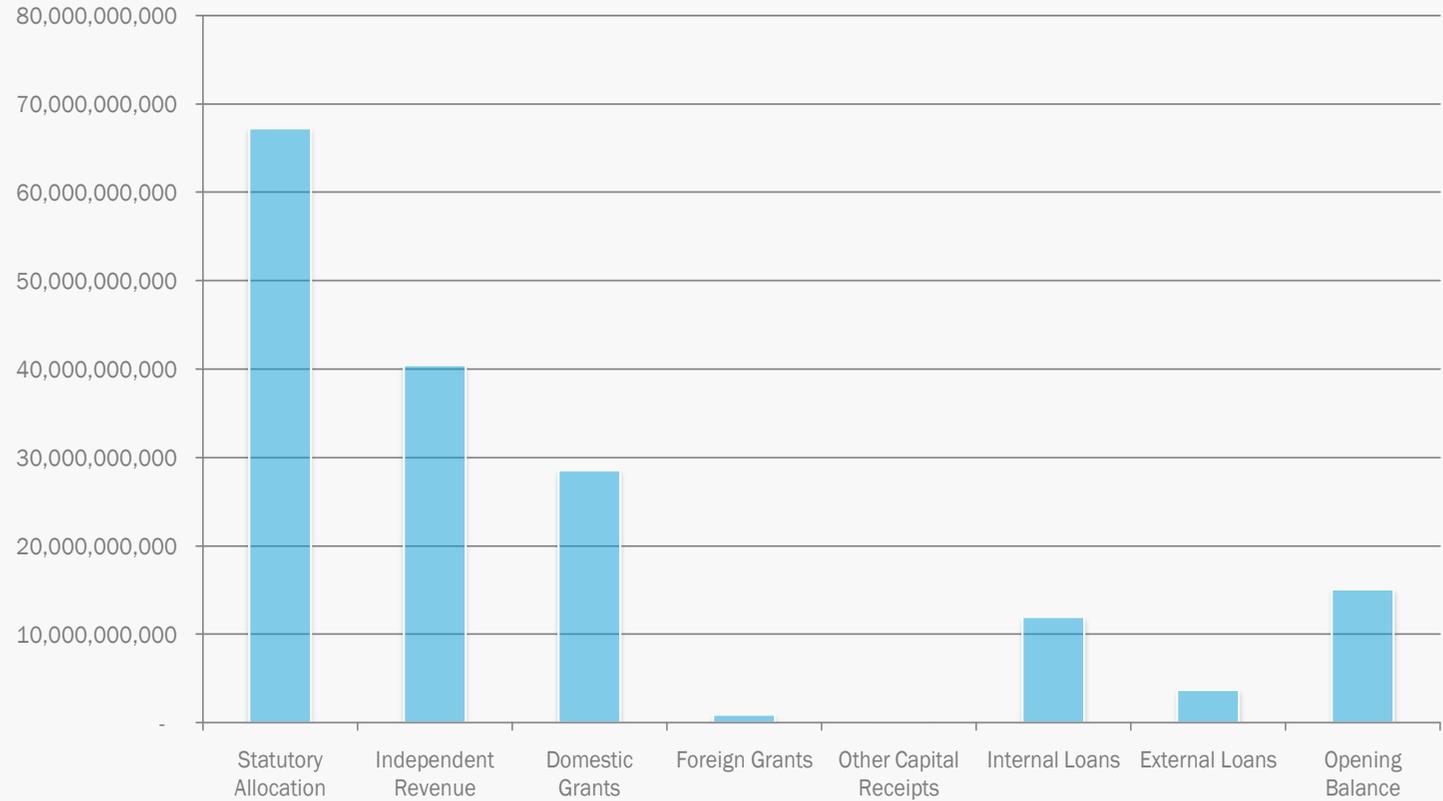


WHERE WILL THE MONEY COME FROM?

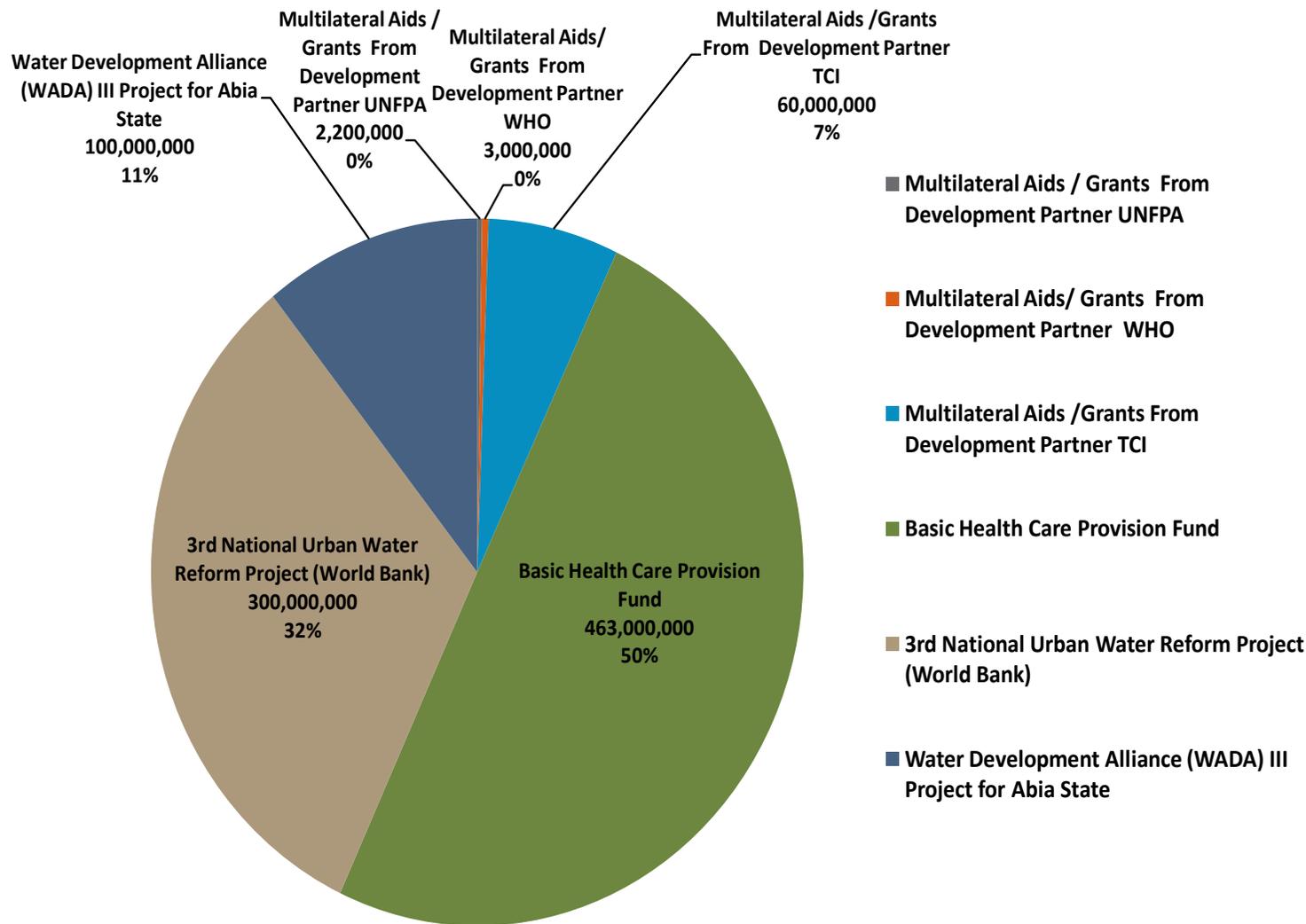
2020 Budget Revenue and Financing

Majority of revenue will come from statutory allocation (67.2b,), IGR (40.4 billion) and Grant (Domestic and Foreign) 29.3b.

Financing can come from a mixture of domestic and foreign loans and Opening Balance.



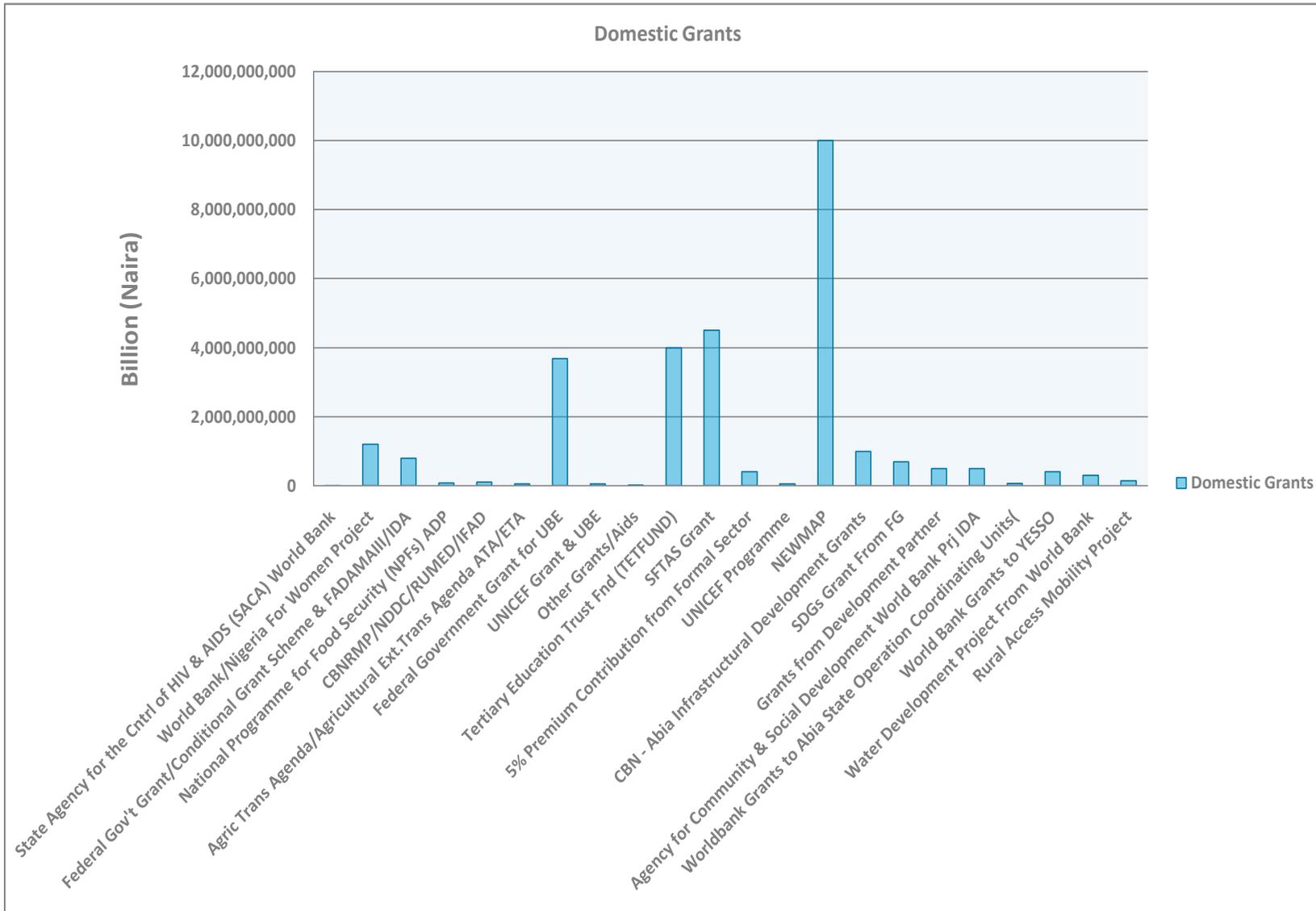
BREAKDOWN OF FOREIGN GRANTS



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.

BREAKDOWN OF DOMESTIC GRANTS



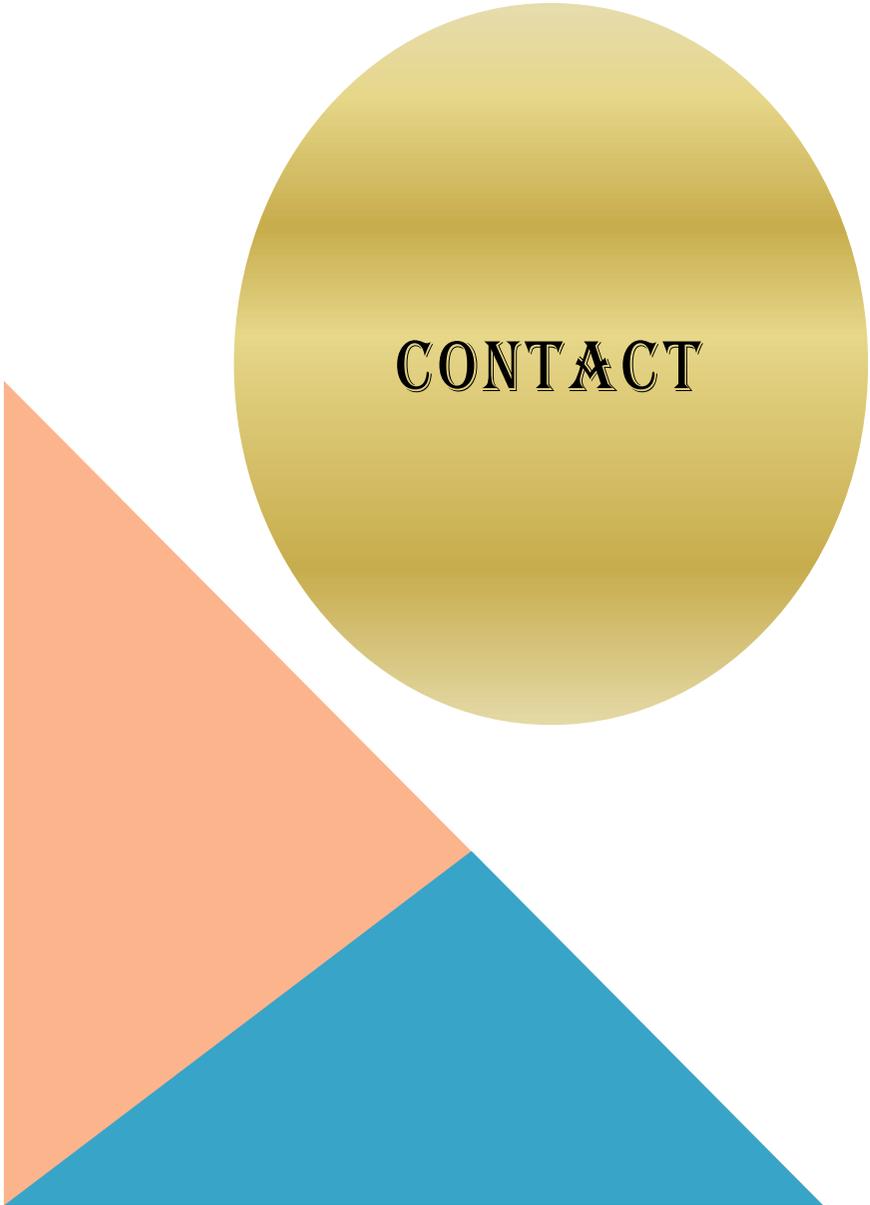
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FINANCING: BREAKDOWN OF LOANS

LOANS	2020 Budget Target	
	Amount Naira	Amount (Naira) Billion
Project/Donor		
Loan from Commercial Banks	2,000,000,000	2.00
Loan from The Infrastructural Bank(TIB)	10,000,000,000	10.00
World Bank - Education for Employment and Skill Acquisition	730,000,000	0.73
Belgium Gov't - Umuahia/Aba Regional Water Scheme	3,000,000,000	3.00
Total Loans	15,730,000,000	15.73

The 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.



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