



# **GOVERNMENT OF ENUGU STATE OF NIGERIA**

## **2019 THIRD QUARTER BUDGET IMPLEMENTATION REPORT**

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## **PREFACE**

This third quarter report is informed by the activities that took place within the quarter which was derived from the implementation of the budget from July – September 2019.

On the national level, we witnessed that the gross domestic product grew by 2.28% year on year in real terms in the 3rd quarter according to the National Bureau of statistics. This is in contrast to the actual out look of the GDP at the same time in 2018 which recorded a growth of 1.81%. The GDP growth rate observed in the 3rd quarter of 2019 indicates an increase of 0.47% points; when compared to second quarter of the same year which recorded growth rate of 2.12%. Q3 2019 represents an increase of 0.17% points. On a quarter on quarter basis, however, real GDP grew by 9.23%. The represents the second highest quarterly rate recorded since 2016 according to NBS.

On our domestic front, we had a very robust outing in the third quarter as activities peaked since after the election due to slight increase in the FAAC return and the expected formation of the cabinet of the new government. The second tenure of the administration of Governor Ifeanyi Ugwuanyi which was inaugurated on 29th May,2019. Many capital projects were embarked upon after the inauguration which resulted in over N2.2 billion capital expenditure, but this is less than N 3.8 billion spent at the corresponding time in 2018. It represents 40% out of the expected out turn at this period. This might be due to non-existence of an Exco at this period as the Exco was reconstituted slipper. The expected formation of the cabinet of the new government.

On the recurrent expenditure, N 12.7 billion was spent within the third quarter. This overshoot the 2018 3rd quarter actual by about N668,378,481 or 5.5% increase over the corresponding quarter of 2018.

The aggregate revenue collected within this quarter was N11,814,674,612.59 as against 2nd quarter figure of N10,132,845,556.24. which represents an increase of N1,681,829,056.35 or 16.59% increase from the 2nd quarter collection. This is a very welcome development, judging from the fact that a lot needed to be done due to the new revised budget that was approved within this quarter.

Let me thank the staff of this Ministry who contributed in this report through their painstaking analysis of data collected from our various data agencies; namely, the State Internal Revenue Service, and the office of the Accountant General of the state. I hope that our partners SFTAS, world Bank bodies and other research agencies will find this report very useful.

I equally enjoin all the Ministries, Departments and Agencies to study the report and help us in further implementation of their budgets through proper reporting of their activities.

**Ugwu Casmir K.**

Permanent Secretary

Ministry of Budget and Planning

Enugu State

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## EXECUTIVE SUMMARY

We will bear in mind that this year, 2019 was mostly occupied with numerous activities like Election, dissolution of the state Executive Council, formation of Economic Reform committee and the formation of new EXCO members. All these brought about a slow-down in the year's activities as the Federal Executive and the State were trying to form a new Cabinet that will drive the budget implementation. Enugu State 2019 Budget was connoted or proclaimed on certain macroeconomic premise which are as follows

- Oil Benchmark of \$64.17 per barrel
- Exchange rate of 362.50
- Oil Production level of 2.5 mbpd
- GDP rate of 2.28 %
- Inflation rate of 11.85%

The National Budget and the State budget mostly rely on oil revenue. This means that any problem in the global market must definitely affect the Performance of the State budget. Our 2019 budget was built on expectation to the fact that the projection of N65,965,243,000 on FAAC and N27,734,000,000 naira of IGR will be achieved within the year but the speculation wasn't favorable due to the fact that the State IGR sloped. Information shows that Oil Benchmark is \$64.17 per barrel as against \$60 per barrel in the second quarter of the year, showing 6.49 percent increase. Oil production rate rose to 2.5mbpd in third quarter of the year as against 2.3mbpd in the second quarter of 2019, an increase of 0.2 or 8% GDP rate was 3.01% in the second quarter against 2.28% in the third quarter falling by 0.72 or 24% below the expectation. More, the quarter experienced an increase in inflation by 11.85% in November 2019 from 11.61 percent in the prior month. It was the highest

inflation rate since April last year as food prices continued to surge amid the ongoing country's border closure and the festive season mood. This is 1.87% higher than the second quarter expectation.

## **REVENUE UPDATES**

Based on 2019 projection of N93, 699,243,000, N65, 965,243,000 was budgeted as Statutory Allocation. Out of this total projection, N15, 125,159,840.83 was realized in the third quarter of the year which is made up of the following ;( Statutory Allocation =N11, 814,674,612.59, Vat = N3, 310,485,228.24) respectively which form 22.92% of the total projection.

An estimate of N27, 734,000,000 is budgeted for Independent revenue in the year. As at the end of the second quarter, total retained revenue is N1, 917,451,545.29 as against the estimated average of N6, 933,500,000 for each quarter. The retained revenue for third quarter is N1, 342,550,607.12 and quarterly estimate is N6, 933,500,000 showing the difference of N5, 590,949,392.88 or 80.63%. The high margin may be as a result of so many factors coupled with elections, insecurity, and formulation of reform committee, all these may have contributed to low revenue in the state.

## **EXPENDITURE UPDATE**

Watching the current development, so much was achieved in recurrent budget. Workers smile home at the end of every month notwithstanding the economic situation in the country. Out of the total Budgeted expenditure of N65,705,900,000 with quarterly average of N16,426,475,000, N12,776,772,659.62 was achieved in the third quarter of 2019. This represents high percentage performance of about 77.78% which is above average. The high Performance is a result of Governor Ugwuany's interest in the welfare of the workers.

On capital Receipts much was achieved as against proposed target in the quarter. The total sum of N43,493,343,000 is projected for 2019, an



average of N10,873,335,750 per quarter but N7,023,138,209.6 ( World bank projects = N1,518,924,324.02, External loans = N3,204,392,237.15, and other capital receipt of N2,299,821,648.43) is achieved representing 64.59% of the quarterly estimate.

Generally, coupled with economic situation in the country much was not carried out on capital project due to insecurity problems in the state within the period. A lot was spent within this quarter to stem the space of insecurity in the State through the procurement of security vehicles for the police and other security agencies. A lot was equally spent on purchase of other security gadgets for the forest guards as we were able to purchase over 400 security vehicles.

We could say that in subsequent time capital projects will be the paramount objective of the government as we look forward to see the betterment of the people in the State.

## **1.0 INTRODUCTION**

The 2019 Budget was prepared in line with 2018 global economic developments and analysis outcome, as well as estimated revenue from share of Federal Accounts Allocation (FAAC), Internally Generated Revenue (IGR), Capital Receipts, Medium Term Expenditure Framework, 8-Point Development Agenda and Visit Every Community Document. This budget was also prepared using a recurrent to capital ratio of 60:40 which is in line with international best practices and also gave special consideration to the completion of ongoing capital projects in Enugu State.

The 2019 approved Budget, titled "Budget of Peace, Equity and Prosperity" was built on the peaceful coexistence in the State, to ensure even distribution of resources as well as maintain the momentum on building new and rebuilding existing social and physical infrastructure for the benefit of our citizens and residents.

### **KEY DELIVERABLES AND EXPECTED OUTCOME OF THE 2019 BUDGET**

1. Better urban, Inter-Local Government and community road infrastructure;
2. Enhanced security of life and property and improved access to justice;
3. Improved access to health facilities;
4. Improved access to quality and affordable water and sanitation;
5. Increase in private sector investment
6. Improved and upgraded school infrastructure to improve learning environment as well as ensure quality teaching;
7. Job creation through increased inflow of local and international investments;

8. Affordable housing through Public Private Partnership (PPP);
9. More resources from Internally Generated Revenue (IGR) to fund development projects;
10. Strengthened systems and institutions for improved service delivery.

## **EXPECTED OUTCOMES**

1. World class infrastructure and transport network;
2. Better, educated, healthy and productive citizens;
3. More secured and responsive citizens;
4. Clean and eco-friendly environment;
5. Robust and dynamic Civil Service;
6. Improved investor-friendly environment for sustainable private sector development.

The Appropriation Bill for the 2019 Budget was presented to the Enugu State House of Assembly on 17th December, 2018 with the total sum of N109,199,243,000.00, N65,705,900,000.00 for Recurrent Expenditure representing 60.00% and N43,493,343,000.00 for Capital Expenditure representing 40.00%. After careful deliberation on the floor of the Enugu State House of Assembly, the same amount was approved for 2019 Fiscal Year.

This 2019 third quarter budget report provides detailed information on the budget implementation for the period under review. The rest of the report is organized as follows: a brief analysis of the macroeconomic development under which the budget was executed, fiscal analysis of the 2019 Budget Implementation and assumptions, followed by 2019 Resources Profile and careful analysis of 2019 third quarter budget implementation. Finally, we present a brief conclusion of this report.

## **2.0 MACROECONOMIC DEVELOPMENT & ANALYSIS**

### **GLOBAL ECONOMY**

The world economic outlook (WEO) database contains selected macro-economic data series from the statistical appendix of the world economic outlook report which present the IMF staff analysis and projections of economic development at the global level, in major country groups and in many individual countries. The global economy witnessed a slowdown due to weak business confidence between USA and China. After a sharp decline in the second half of 2018, growth in the advanced countries stabilized in the first half of 2019. The global economy is projected to grow at 3.5 percent in 2019 and 3.6 in 2020.,0.2 and 0.1 percentage point below last Oct. projections.

The IMF Report indicates that Global growth in 2020 will improve to 3.4 percent, a downward revision of 0.2 percent from our April projection. IMF release that this recovery is not broad-based and are precarious, unlike the synchronized slowdown. The IMF has released its biennial report – World Economic Outlook on October 15. The report indicates that over the past year, global growth has fallen sharply. For advanced economies, growth is projected to soften to 1.7% in year 2019 and 2020. However, India's GDP growth has been estimated at 6.1 percent. While it will go up to 7% in 2020.India's sharpest cut in the economy is next to Saudi Arabia's 1.7 percent in 2019 and 2020.

The report highlights that Indian economic growth softened in 2019 because corporate and environmental regulatory uncertainty, together with the concern about the health of the non- bank financial sector weighed on demand.

Developing economies such as Brazil, India, China, Mexico and Russia and some other countries are suffering from macro economies and financial stress. IMF report recommends that monetary policy and broad-based

structural reform should be used to address cyclical weakness and strengthen confidence in India.

## **NIGERIA ECONOMY**

Oil production levels – Nigeria’s big ticket cash cow – are currently lower than the Economic Recovery and Growth Plan’s bold projections. In Lagos this beautifully designed plan was not being implemented effectively, says Charles Robertson of global head of research at Renaissance Capital. “Nigeria would be one of the best reform stories of emerging markets if only they could actually implement this plan.” The researcher believes 4.5% growth was not an unrealistic target for an economy with a 3% annual growth rate in population but that Nigeria has been unable to deliver on relatively modest ambitions.

We expect the oil sector’s growth to be restored in the second quarter of 2019 due to new production from the Egina oilfield.” That plus a pick-up in agricultural and government activity sustain the non-oil sector’s growth at around 2.5%”. Overall Renaissance forecasts Nigeria at 2.5% for 2019. Buhari has moved to retain the governor of Nigeria’s central bank whose monetary policies have largely mirrored rhetoric from the presidency over the past four years.

Restoring Nigeria’s economy will not be easy task unless it is guided by the overarching principles proposed by the Economic Recovery & Growth Plan which include:

- ❖ Focus on tackling constraints to growth—this implies phasing these challenges on fuel, power, foreign exchange and even business unfriendly regulations.
- ❖ Leveraging the power of private sector – ERGP cannot be achieved by government alone. It is essential to harness the entrepreneurial nature of Nigeria to the large domestic and multinational corporations.

- ❖ Promoting national cohesion and social inclusion –this ensures social inclusions in the initiatives with the end goal of strengthening national cohesion.
- ❖ Allowing markets to function – this allow the use of the market as a means of resource allocation where possible and support business friendly economic environment.
- ❖ It requires all citizens and stakeholders to adhere to these principles in the bid to reposition and grow the economy in a sustainable manner

**Table 2.1: ECONOMIC UPDATE IN THE STATE**

	2019	2019	2019
Item	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter
Statutory Allocation	10,219,754,784	10,132,845,556	11,814,674,612.59
Vat	3,188,823,863	3,107,889,892	3,310,485,228.24
IGR			
Main	2,928,382,676	2,705,976,793	2,740,200,990.38
Retained	2,896,567,154	1,917,451,545.29	1,342,550,607.12
50% Refund from Paris & London Club		600,000,000	
Refund (Federal Roads)		9,057,423,308	
Budget Support		700,000,000	

**Statutory Allocation** –The table illustrate the 1st, 2nd and 3rd quarter estimate from Federal Allocation. Out of N65,965,243,000 budgeted in 2019, N16,491,310,750 was expected every quarter but N15,125,159,840.83 was realized in the 3rd quarter of 2019 with N 11,814,674,612.59 and N3,310,485,228.24 (Fed. Allocation & Vat) respectively as compared to 1st quarter and second quarter with an increase of 1,681,829,056.59 or 91.71% as against second quarter of 80.28%. This was geared towards ensuring a realistic budget, considering the performance trend of the Statutory Allocation and its external nature to the State.

**Internally Generated Revenue (IGR)** – The State IGR over the years has fluctuated, rising and falling in between the years. Though the IGR improved tremendously in 2017 to an all-time high of 22 billion due to the massive restructuring of the State Internal Revenue Service by the State Government both physically (rehabilitation of infrastructure) and Human Resource Management (appointment and employment of professionals to manage the agency). 3rd quarter of 2019 witnessed a tremendous decline in revenue generation in the State as compared to other quarters in the year. One can reflect the situation to general Economic melt-down in the Federation It is therefore felt that based on the current economic downturn facing the country, focus would be on improving the IGR in order to cushion the effect of the dwindling revenue from FAAC.

**Grants** – Grants are highly unpredictable and very difficult to estimate. It can only be estimated by the State through signed commitments with local and international donor agencies, institutions and governments. The State was unable to get any grant in the 3rd quarter of 2019.

**Other Capital Receipts** - This source of revenue is comprised mainly of partnerships with the Local Governments, Songhai Enugu Initiative and San Carlos Programme. Just like grants, they are also unpredictable, but to a minimal extent. During this period, the State was able to receive N1, 518,924,324.02 as capital receipt under World Bank Projects.

It must be noted that there was a considerable increase in revenue generated in this quarter from the Federation Account Allocation rising from N10.13 in the second quarter to N11.18 in the third quarter. This represents about 16.59% increase from the second quarter.

## 3.0 FISCAL ANALYSIS OF THE 2019 BUDGET IMPLEMENTATION

### 3.1 2019 FISCAL FRAMEWORK/BUDGET ASSUMPTIONS

The 2019 approved Budget assumptions include key macro-economic development, estimated recurrent revenue and capital receipt, Medium Term Expenditure Framework, 8-Point Development Agenda, Visit Every Community Document and series of meetings with all stakeholders.

**Table 3.1:** *2019 Budget Assumptions*

SN	PARTICULARS	2019 BUDGET BENCHMARKS	2019 THIRD QUARTER OUTCOME
1	Crude oil price benchmark	US\$60 per barrel	US\$64 per barrel
2	Oil production estimate	2.3 million barrels per day	1.8 million barrels per day
3	Exchange rate	N305/US\$	N306/US\$
4	Real GDP growth	3.01 percent	2.18 percent
5	Inflation Rate	9.98 percent	12.63 percent

Source: NBS and BOF

### 3.2 ENUGU STATE 2019 RESOURCES PROFILE

The sum of N109,199,243,000.00 was appropriated by the Enugu State House of Assembly for 2019 Fiscal year. This is 5.44% more than 2018 Approved Budget of N103,563,500,000.00. Out of the total Approved Budget for 2019 Fiscal year, the sum of N93,699,243,000.00 was for Recurrent Revenue, N15,500,000,000.00 was for Capital Receipts while N27,993,343,000.00 was transferred from Consolidated Revenue Fund to Capital Development Fund. Furthermore, the sum of N65,705,900,000.00 representing 60.00% of the total budget was for Recurrent Expenditure while N43,493,343,000.00 representing 40.00% of the total budget was for Capital Expenditure. (Table 3.2).



**Table 3.2: 2019 Budget Resource Profile**

ITEMS	Approved Budget 2018	%	Revised Budget 2018	%	Approved Budget 2019	%	Revised Budget 2019	%
	₦		₦		₦		₦	
Statutory Allocation	39,829,500,000	44.72	39,829,500,000	39.92	54,475,243,000	58.14	54,475,243,000	58.14
Value Added Tax (VAT)	11,234,000,000	12.61	11,234,000,000	11.26	11,490,000,000	12.26	11,490,000,000	12.26
50% Refund from Paris and London Club	8,000,000,000	8.98	8,000,000,000	8.02	-	0.00	-	-
Independent Revenue (IGR)	30,000,000,000	33.68	40,700,000,000	40.80	27,734,000,000	29.60	27,734,000,000	29.60
<b>TOTAL RECURRENT REVENUE</b>	<b>89,063,500,000</b>	<b>100.00</b>	<b>99,763,500,000</b>	<b>100.00</b>	<b>93,699,243,000</b>	<b>100.00</b>	<b>93,699,243,000</b>	<b>100.00</b>
<b>RECURRENT EXPENDITURE</b>								
Personnel Cost	37,500,431,000	61.76	34,695,431,000	57.14	24,337,180,000	37.04	24,337,180,000	37.04
Consolidated Revenue Fund Charges (CRFC)	-	-	-	-	14,325,000,000	21.80	11,405,000,000	17.36
Overhead Cost	17,234,600,000	28.39	20,039,600,000	33.00	20,065,720,000	30.54	22,985,720,000	34.98
Subvention	5,981,993,000	9.85	5,981,993,000	9.85	6,978,000,000	10.62	6,978,000,000	10.62
<b>SUB TOTAL</b>	<b>60,717,024,000</b>	<b>100.00</b>	<b>60,717,024,000</b>	<b>100.00</b>	<b>65,705,900,000</b>	<b>100.00</b>	<b>65,705,900,000</b>	<b>100.00</b>
<b>CAPITAL RECIEPTS</b>								
Transfer from Consolidated Revenue Fund	28,346,476,000	66.16	39,046,476,000	72.92	27,993,343,000	64.36	27,993,343,000	64.36
Aids and Grants	2,000,000,000	4.67	2,000,000,000	3.74	4,000,000,000	9.20	4,000,000,000	9.20
Public Private Patnership	500,000,000	1.17	500,000,000	0.93	500,000,000	1.15	500,000,000	1.15
50% Refund from Paris and London Club	8,000,000,000	18.67	8,000,000,000	14.94		0.00	-	-
Domestic Loans/Borrowing Receipts	2,000,000,000	4.67	2,000,000,000	3.74	5,000,000,000	11.50	5,000,000,000	11.50
International Loans/Borrowing Receipts	2,000,000,000	4.67	2,000,000,000	3.74	6,000,000,000	13.80	6,000,000,000	13.80
<b>TOTAL</b>	<b>42,846,476,000</b>	<b>100.00</b>	<b>53,546,476,000</b>	<b>100.00</b>	<b>43,493,343,000</b>	<b>100.00</b>	<b>43,493,343,000</b>	<b>100.00</b>
<b>CAPITAL EXPENDITURE SUMMARY BY SECTORS</b>								
Administration Sector	3,437,168,000	8.02	4,990,168,000	9.32	6,157,243,000	14.16	8,939,143,000	20.55
Economic Sector	24,225,345,000	56.54	31,041,845,000	57.97	24,584,264,000	56.52	26,064,264,000	59.93
Law & Justice Sector	1,219,200,000	2.85	2,969,200,000	5.55	1,046,320,000	2.41	746,320,000	1.72
Regional Sector	152,500,000	0.36	152,500,000	0.28	380,000,000	0.87	280,000,000	0.64
Social Sector	13,812,263,000	32.24	14,392,763,000	26.88	11,325,516,000	26.04	7,463,616,000	17.16
<b>TOTAL</b>	<b>42,846,476,000</b>	<b>100.00</b>	<b>53,546,476,000</b>	<b>100.00</b>	<b>43,493,343,000</b>	<b>100.00</b>	<b>43,493,343,000</b>	<b>100.00</b>
<b>BUDGET SIZE</b>	<b>103,563,500,000</b>		<b>114,263,500,000</b>		<b>109,199,243,000</b>		<b>109,199,243,000</b>	

Source: MB&amp;P

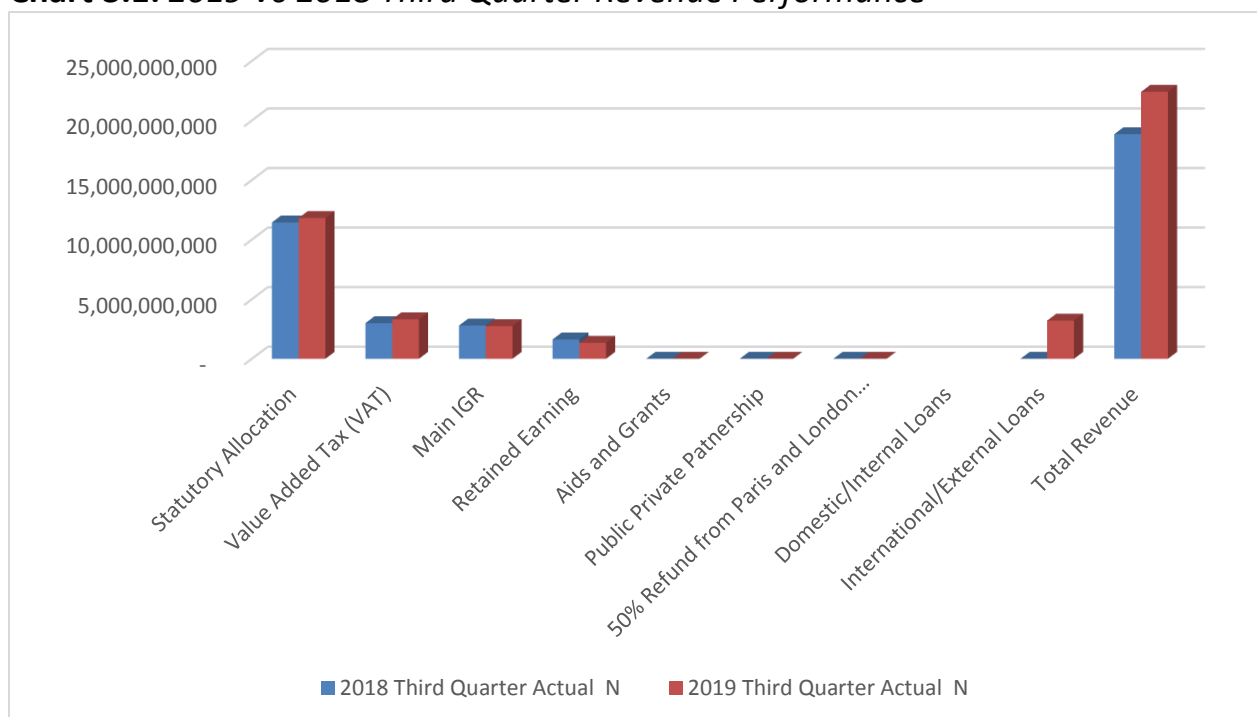
### 3.3 Analysis of Recurrent Revenue and Capital Receipts Performance

**Table 3.3: Performance of Revenue in the Third Quarter of 2019 Vs 2018**

S/N	DESCRIPTION	2018	2019	VARIANCE	
		Third Quarter Actual	Third Quarter Actual	Third Quarter 2019 Vs Third Quarter 2018	
	REVENUE	N	N	N	%
1	Statutory Allocation	11,440,140,108	11,814,674,613	374,534,505	3.27
2	Value Added Tax (VAT)	2,994,733,837	3,310,485,228	315,751,392	10.54
	<b>Sub-Total</b>	<b>14,434,873,944</b>	<b>15,125,159,841</b>	<b>690,285,897</b>	<b>4.78</b>
	<b>Internally Generated Revenue (IGR)</b>				
3	Main IGR	2,793,986,631	2,740,200,990	(53,785,640)	(1.93)
4	Retained Earning	1,626,082,807	1,342,550,607	(283,532,200)	(17.44)
	<b>Sub-Total (IGR)</b>	<b>4,420,069,438</b>	<b>4,082,751,598</b>	<b>(337,317,840)</b>	<b>(7.63)</b>
	<b>CAPITAL RECEIPTS</b>				
5	Aids and Grants	-	-	-	-
6	Public Private Partnership	-	-	-	-
7	50% Refund from Paris and London Club	-	-	-	-
8	Domestic/Internal Loans	-	-	-	-
9	International/External Loans	-	3,204,392,237	3,204,392,237	
	<b>Sub-Total</b>	<b>-</b>	<b>3,204,392,237</b>	<b>3,204,392,237</b>	
	<b>Grand Total</b>	<b>18,854,943,382</b>	<b>22,412,303,675</b>	<b>3,557,360,294</b>	<b>18.87</b>

Source: MB&P and OAG

**Chart 3.1: 2019 Vs 2018 Third Quarter Revenue Performance**



Source: MB&P and OAG

**Table 3.4: Inflows to the 2019 Enugu State Budget as at 30<sup>th</sup> September 2019**

S/N	DESCRIPTION	2019 BUDGET			2019 ACTUAL				VARIANCE					
		ANNUAL	QUARTERLY	3QRTS	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	3QRTS	3RD Quarter Actual Vs Quarterly Budget		3RD Quarter Vs 2ND Quarter (Actual)		Actual Vs Budget (3QRTS)	
	REVENUE	N	N	N	N	N	N	N	N	%	N	%	N	%
1	Statutory Allocation	54,475,243,000	13,618,810,750	40,856,432,250	10,219,754,784	20,490,268,864	11,814,674,613	42,524,698,260	(1,804,136,137)	(13.25)	(8,675,594,251)	(42.34)	1,668,266,010	4.08
2	Value Added Tax (VAT)	11,490,000,000	2,872,500,000	8,617,500,000	3,188,823,863	3,107,889,892	3,310,485,228	9,607,198,983	437,985,228	15.25	202,595,336	6.52	989,698,983	11.48
	Sub-Total	65,965,243,000	16,491,310,750	49,473,932,250	13,408,578,647	23,598,158,756	15,125,159,841	52,131,897,244	(1,366,150,909)	(8.28)	(8,472,998,915)	(35.91)	2,657,964,994	5.37
	Internally Generated Revenue (IGR)													
3	Main IGR	17,744,556,000	4,436,139,000	13,308,417,000	2,942,778,524	2,705,976,790	2,740,200,990	8,388,956,304	(1,695,938,010)	(38.23)	34,224,201	1.26	(4,919,460,696)	(36.97)
4	Retained Earning	9,989,444,000	2,497,361,000	7,492,083,000	2,852,151,306	1,917,451,545	1,342,550,607	6,112,153,459	(1,154,810,393)	(46.24)	(574,900,938)	(29.98)	(1,379,929,541)	(18.42)
	Sub-Total (IGR)	27,734,000,000	6,933,500,000	20,800,500,000	5,794,929,830	4,623,428,335	4,082,751,598	14,501,109,762	(2,850,748,403)	(41.12)	(540,676,737)	(11.69)	(6,299,390,238)	(30.28)
	CAPITAL RECEIPTS													
5	Aids and Grants	4,000,000,000	1,000,000,000	3,000,000,000	-	-	-	-	(1,000,000,000)	(100.00)	-	-	(3,000,000,000)	(100.00)
6	Public Private Partnership	500,000,000	125,000,000	375,000,000	-	-	-	-	(125,000,000)	(100.00)	-	-	(375,000,000)	(100.00)
7	Domestic/Internal Loans	5,000,000,000	1,250,000,000	3,750,000,000	-	-	-	-	(1,250,000,000)	(100.00)	-	-	(3,750,000,000)	(100.00)
8	International/External Loans	6,000,000,000	1,500,000,000	4,500,000,000	92,634,328	326,756,360	3,204,392,237	3,623,782,925	1,704,392,237	113.63	2,877,635,878	880.67	(876,217,075)	(19.47)
	Sub-Total	15,500,000,000	3,875,000,000	11,625,000,000	92,634,328	326,756,360	3,204,392,237	3,623,782,925	(670,607,763)	(17.31)	2,877,635,878	880.67	(8,001,217,075)	(68.83)
	Grand Total	109,199,243,000	27,299,810,750	81,899,432,250	19,296,142,805	28,548,343,451	22,412,303,675	70,256,789,931	(4,887,507,075)	(17.90)	(6,136,039,775)	(21.49)	(11,642,642,319)	(14.22)

Source: MB&P and OAG

**Table 3.5: Performance of Revenue Budget and Actual in the 2019 Third Quarter**

S/N	DESCRIPTION	2019 BUDGET			2019 ACTUAL				2019 PERFORMANCE			
		ANNUAL	QUARTERLY	3QRTS	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	3QRTS	THIRD QUARTER ACTUAL/QUARTERLY BUDGET	3QRTS ACTUAL/3QRTS BUDGET	THIRD QUARTER ACTUAL	3QRTS ACTUAL
	REVENUE	N	N	N	N	N	N	N	%	%	% (Contribution)	% (Contribution)
1	Statutory Allocation	54,475,243,000	13,618,810,750	40,856,432,250	10,219,754,784	20,490,268,864	11,814,674,613	42,524,698,260	86.75	104.08	52.72	60.53
2	Value Added Tax (VAT)	11,490,000,000	2,872,500,000	8,617,500,000	3,188,823,863	3,107,889,892	3,310,485,228	9,607,198,983	115.25	111.48	14.77	13.67
		65,965,243,000	16,491,310,750	49,473,932,250	13,408,578,647	23,598,158,756	15,125,159,841	52,131,897,244	91.72	105.37		
	Internally Generated Revenue (IGR)											
3	Main IGR	17,744,556,000	4,436,139,000	13,308,417,000	2,942,778,524	2,705,976,790	2,740,200,990	8,388,956,304	61.77	63.03	12.23	11.94
4	Retained Earning	9,989,444,000	2,497,361,000	7,492,083,000	2,852,151,306	1,917,451,545	1,342,550,607	6,112,153,459	53.76	81.58	5.99	8.70
	Sub-Total (IGR)	27,734,000,000	6,933,500,000	20,800,500,000	5,794,929,830	4,623,428,335	4,082,751,598	14,501,109,762	58.88	69.72		
	CAPITAL RECEIPTS											
5	Aids and Grants	4,000,000,000	1,000,000,000	3,000,000,000	-	-	-	-	-	-	-	-
6	Public Private Partnership	500,000,000	125,000,000	375,000,000	-	-	-	-	-	-	-	-
7	Domestic/Internal Loans	5,000,000,000	1,250,000,000	3,750,000,000	-	-	-	-	-	-	-	-
8	International/External Loans	6,000,000,000	1,500,000,000	4,500,000,000	92,634,328	326,756,360	3,204,392,237	3,623,782,925	213.63	80.53	14.30	5.16
	Sub-Total	15,500,000,000	3,875,000,000	11,625,000,000	92,634,328	326,756,360	3,204,392,237	3,623,782,925	82.69	31.17		
	Grand Total	109,199,243,000	27,299,810,750	81,899,432,250	19,296,142,805	28,548,343,451	22,412,303,675	70,256,789,931	82.10	85.78	100.00	100.00

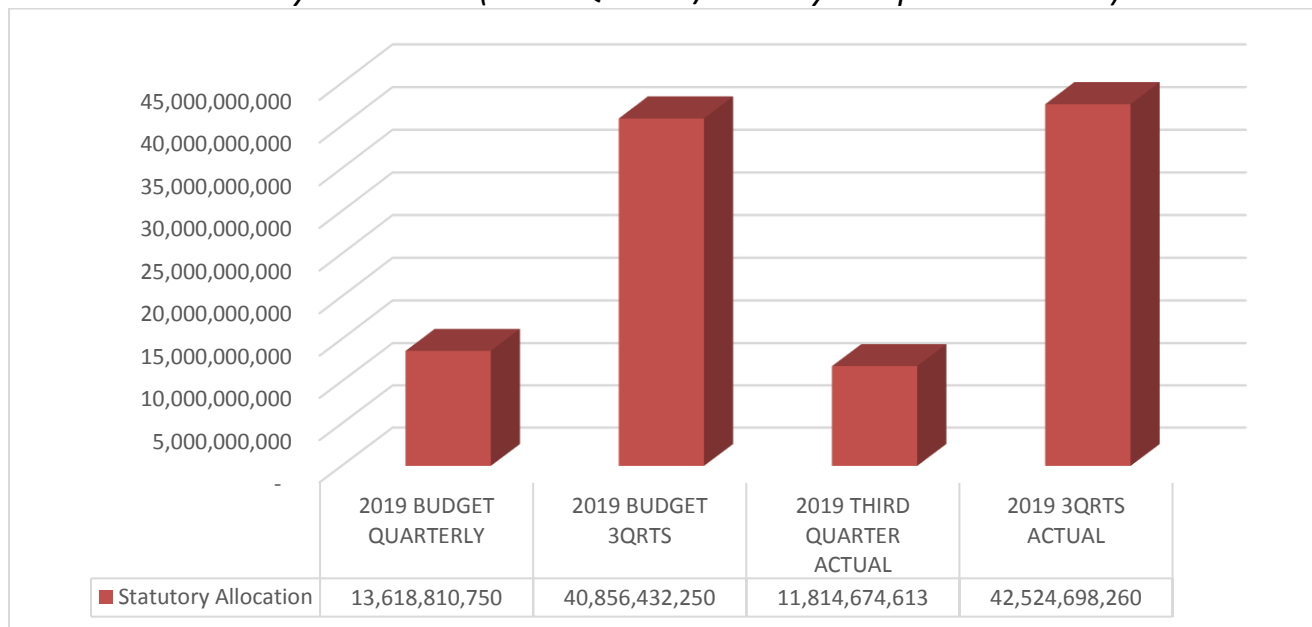
Source: MB&P and OAG

### 3.3.1 RECURRENT REVENUE PERFORMANCE

#### Statutory Allocation:

In the quarter under review, Statutory Allocation actual stood at N11,814,674,613.00. This translate to a N1,804,136,137.00 or 13.25 percent less than the quarterly budget of N13,618,810,750.00 for the period under review. It contributed about 52.72 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts). The actual revenue realized for Statutory Allocation in the third quarter of 2019 reveals an increase of N374,534,505.00 or 3.27 percent when compared with the actual revenue in the third quarter of 2018 (Table 3.3). The accumulated Statutory Allocation for 2019 three quarters was N42,524,698,260.00 which translate to a N1,668,266,010.00 4.08 percent above budgeted projection of N40,856,432,250.00 (3QRTS). This was 60.53 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts) (Table 3.4, 3.5).

**Chart 3.2: Statutory Allocation (Third Quarter/January – September 2019)**

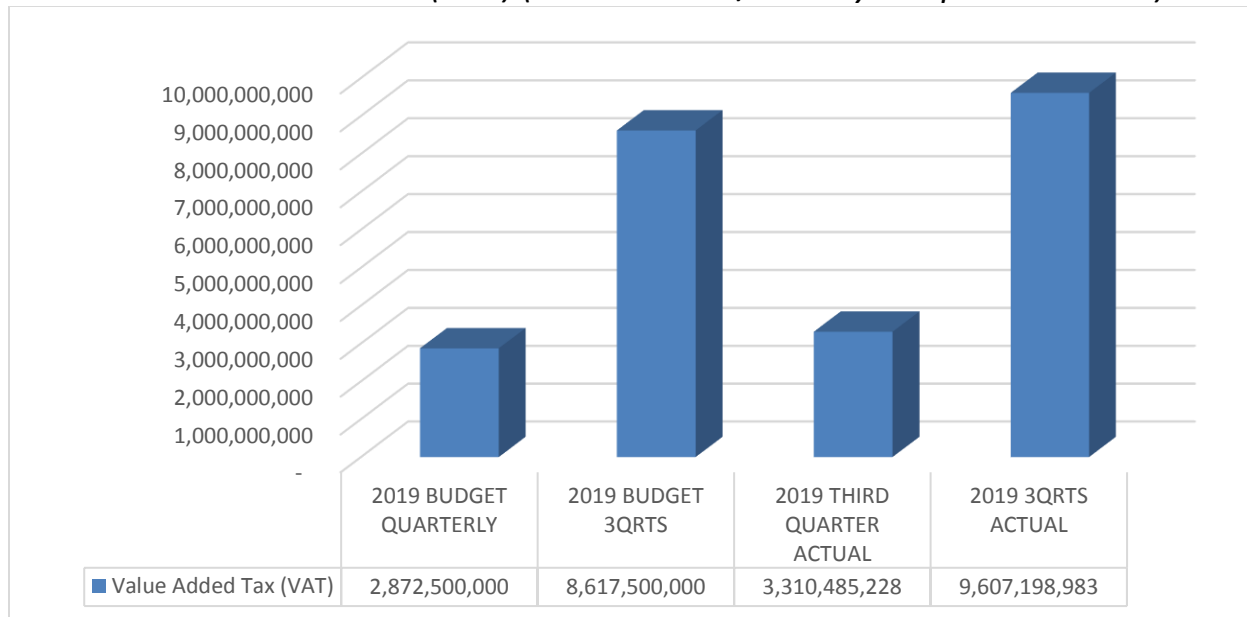


Source: MB&P and OAG

### Value Added Tax (VAT):

N3,310,485,228.00 was recorded as actual in the third quarter of 2019 for Value Added Tax (VAT) which was an increase of N437,985,228.00 or 15.25 percent above the estimated quarterly projection of N2,872,500,000.00. It contributed about 14.77 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts) (Table 3.4,3.5). The actual revenue in the third quarter of 2019 reveals an increase of N315,751,392.00 or 10.54 percent when compared with the actual revenue in the third quarter of 2018 (Table 3.3). The Value Added Tax (VAT) recorded N9,607,198,983.00 actual for 2019 three quarters. This represents an increase of N989,698,983.00 or 11.48 percent above the three quarters budget figure of N8,617,500,000.00. it contributed about 13.67 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts) (Table 3.4,3.5).

**Chart 3.3:** Value Added Tax (VAT) (Third Quarter/January – September 2019)

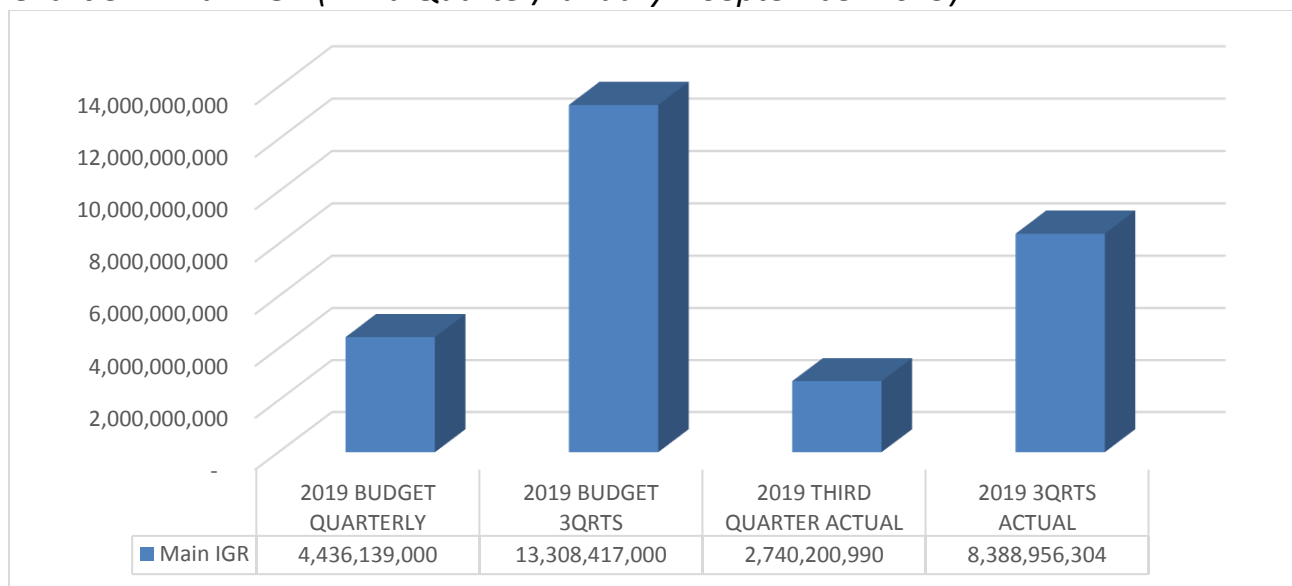


Source: MB&P and OAG

### Internally Generated Revenue (IGR) – Main:

The Main IGR in the third quarter indicating a decrease of N1,695,938,010.00 or 38.23 below quarterly budget of N4,436,139,000.00 in which the actual stood at N2,740,200,990.00. It yielded about 12.23 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts) (Table 3.4,3.5). The actual revenue collected in the third quarter of 2019 reveals a shortfall of N53,785,640.00 or 1.93 percent when compared with the actual revenue in the third quarter of 2018 (Table 3.3). The actual revenue that accrued in the third quarter (three quarters) of 2019 was N8,388,956,304.00, depicting a decrease of N4,919,460,696.00 or 36.97 percent below the estimated three quarters budget of N13,308,417,000.00. It was however contributed 11.94 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts) (Table 3.4,3.5).

**Chart 3.4:** *Main IGR (Third Quarter/January – September 2019)*

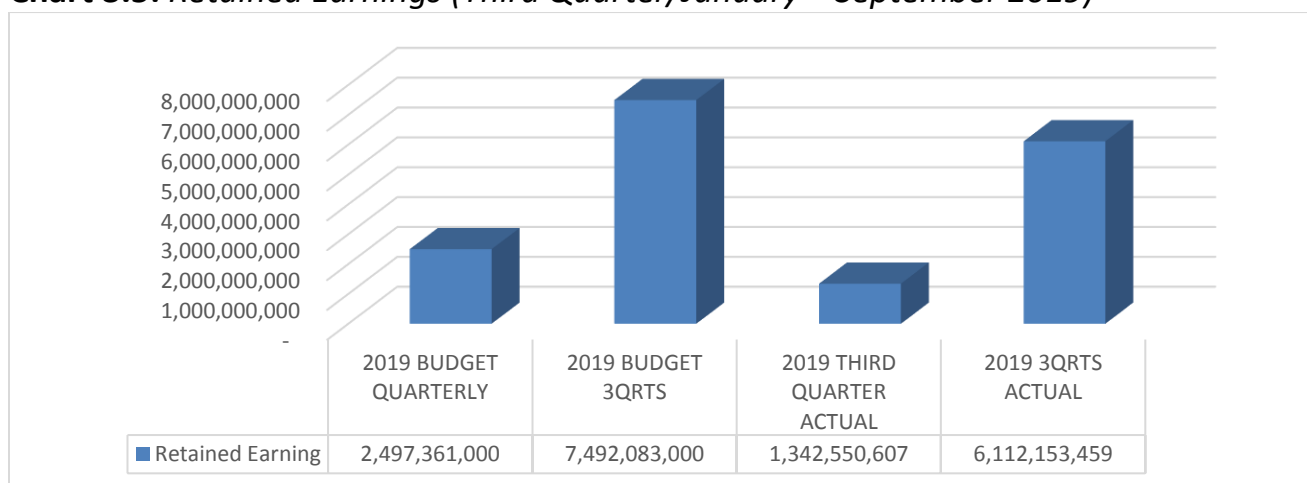


Source: MB&P and OAG

### Internally Generated Revenue (IGR) – Retained Earnings:

The Retained Earning stood at N1,342,550,607.00 in the third quarter of 2019. It translates to a N1,154,810,393.00 or 46.24 percent shortfall when compared with the quarterly budget estimate of N2,497,361,000.00. However, it contributed about 5.99 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts). The actual revenue in the third quarter of 2019 reveals a decrease of N283,532,200.00 or 17.44 percent when compared with the actual revenue in the third quarter of 2018. The total sum of N6,112,153,459.00 was received for 2019 three quarters against N7,492,083,000.00 budgeted projection. This translate to a N1,379,929,541 or 18.42 percent below the budgeted projection. It was however yielded 8.70 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts).

**Chart 3.5:** *Retained Earnings (Third Quarter/January – September 2019)*



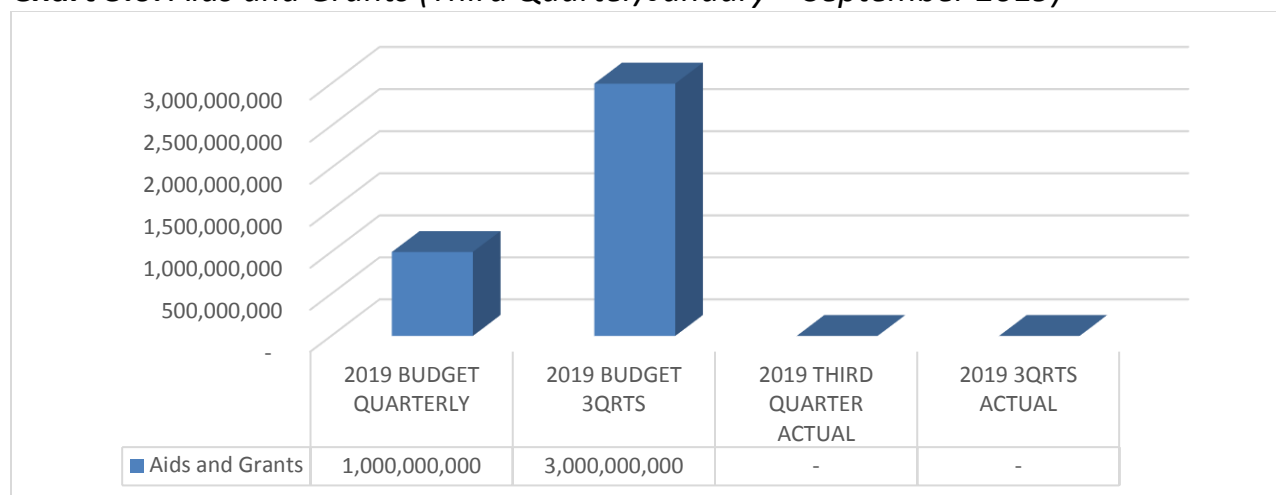
Source: MB&P and OAG

### 3.3.2 CAPITAL RECEIPTS PERFORMANCE

### Aids and Grants:

The State projected quarterly budget of N1,000,000,000.00 to be realized from Aids and Grant but nothing was actually received in the first, second and third quarter of 2019.

**Chart 3.6:** *Aids and Grants (Third Quarter/January – September 2019)*

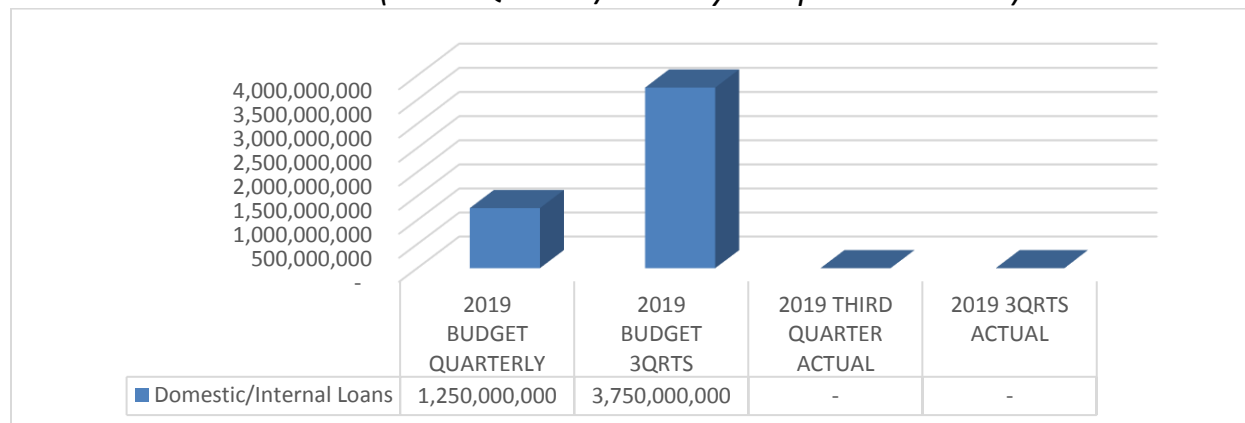


Source: MB&P and OAG

### Domestic/Internal Loan:

In the first, second and third quarter 2019, nothing was received against N1,250,000,000.00 quarterly budget projection.

**Chart 3.7:** *Internal Loan (Third Quarter/January – September 2019)*



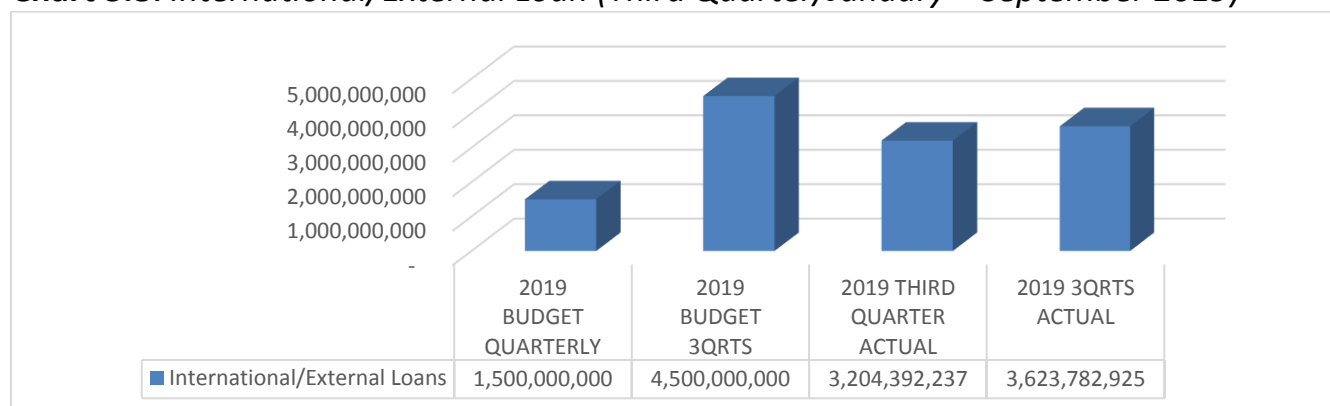
Source: MB&P and OAG

### External Loan:



The net External Loan in the third quarter of 2019 amounted to N3,204,392,237.00 shows an increase of N1,704,392,237.00 or 113.63 percent above the quarterly budget of N1,500,000,000.00. It contributed about 14.30 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts). The total sum of N3,623,782,925.00 was received for the 2019 three quarters (3QRTS).

**Chart 3.8: International/External Loan (Third Quarter/January – September 2019)**

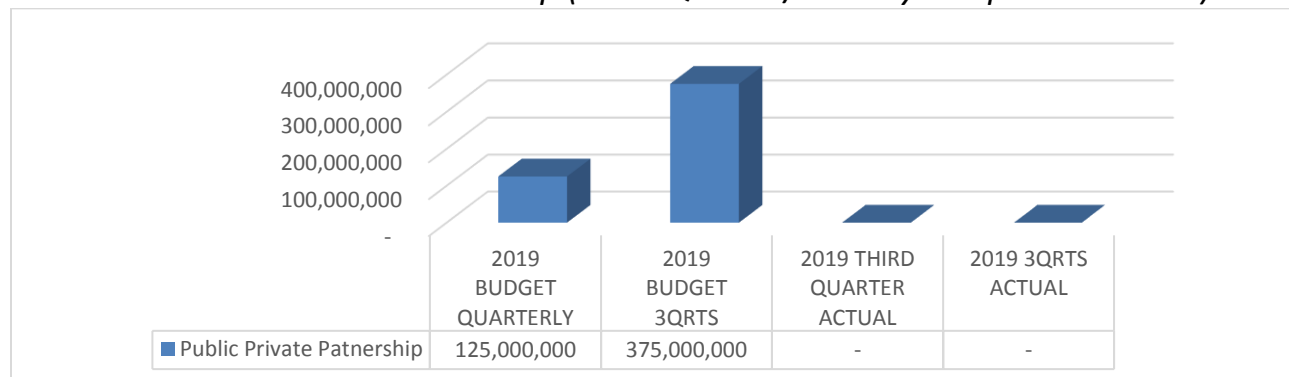


Source: MB&P and OAG

### Public Private Partnership:

The State projected N125,000,000.00 quarterly to be realized from Public Private Partnership but nothing was actually received in the first, second and third quarter of 2019.

**Chart 3.9: Public Private Partnership (Third Quarter/January – September 2019)**



Source: MB&P and OAG

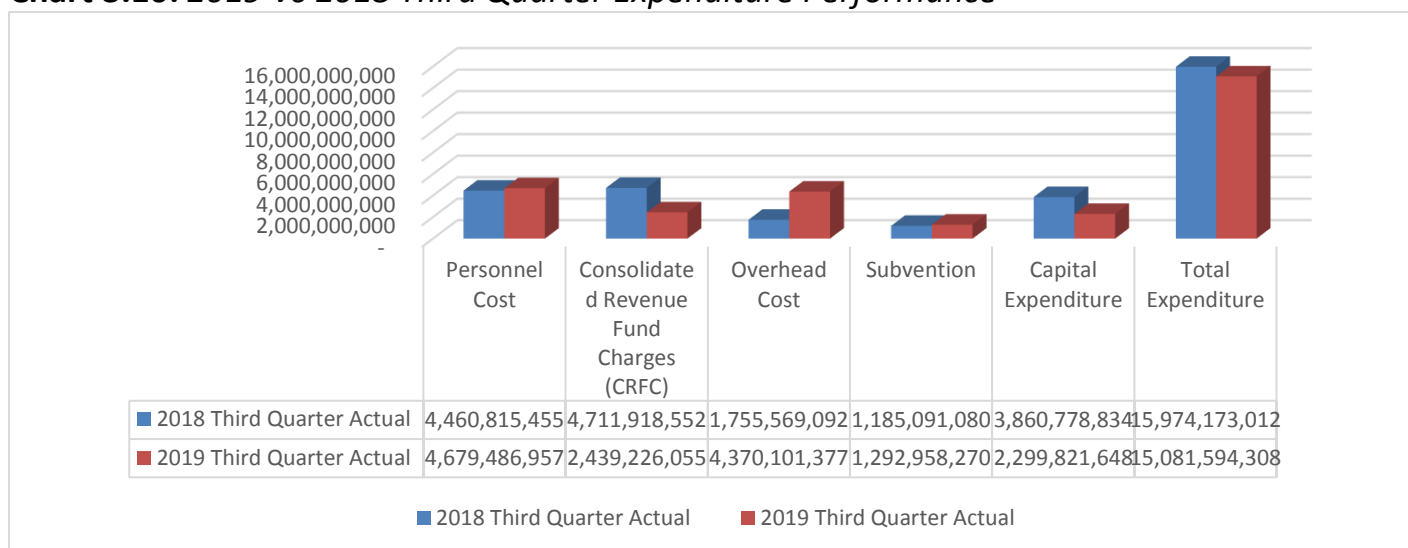
### 3.4 Analysis of Recurrent and Capital Expenditure Performance

**Table 3.6: Performance of Expenditure in the Third Quarter of 2019 Vs 2018**

S/N	DESCRIPTION	2018	2019	VARIANCE	
		Third Quarter Actual	Third Quarter Actual	Third Quarter 2019 Vs Third Quarter 2018	
	EXPENDITURE	N	N	N	%
1	Personnel Cost	4,460,815,455	4,679,486,957	218,671,503	4.90
2	Consolidated Revenue Fund Charges (CRFC)	4,711,918,552	2,439,226,055	(2,272,692,497)	(48.23)
3	Overhead Cost	1,755,569,092	4,370,101,377	2,614,532,286	148.93
4	Subvention	1,185,091,080	1,292,958,270	107,867,190	9.10
5	Capital Expenditure	3,860,778,834	2,299,821,648	(1,560,957,185)	(40.43)
	<b>Total</b>	<b>15,974,173,012</b>	<b>15,081,594,308</b>	<b>(892,578,704)</b>	<b>(5.59)</b>

Source: MB&P and OAG

**Chart 3.10: 2019 Vs 2018 Third Quarter Expenditure Performance**



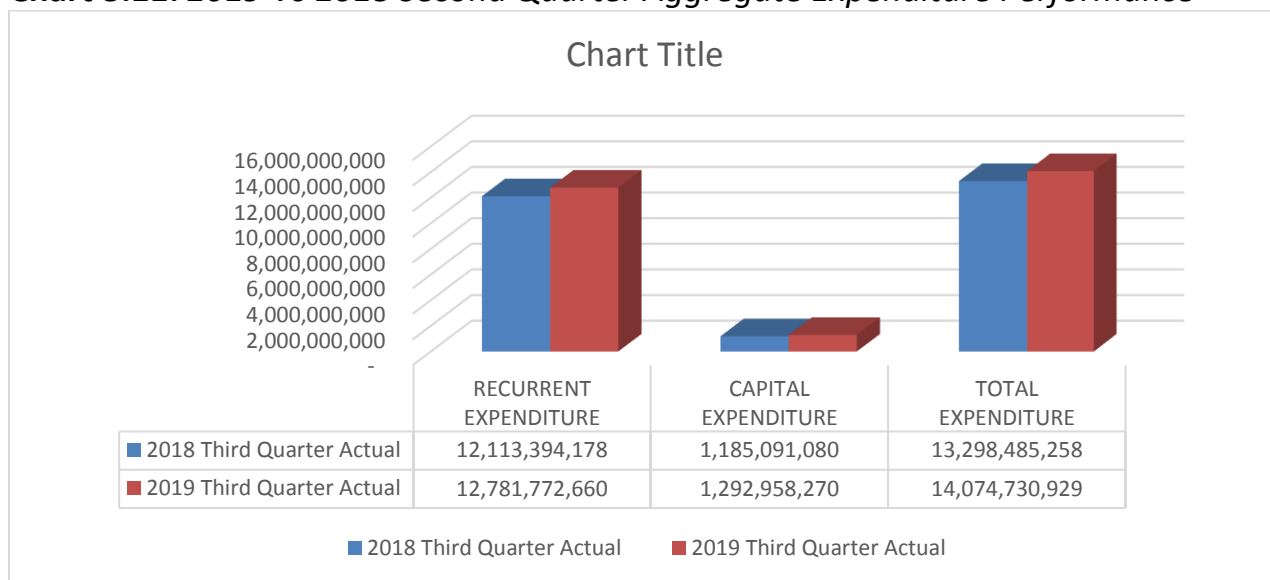
Source: MB&P and OAG

**Table 3.7: Performance of Aggregate Expenditure in the Third Quarter of 2019 Vs 2018**

S/N	DESCRIPTION	2018	2019	VARIANCE	
		Third Quarter Actual	Third Quarter Actual	Third Quarter 2019 Vs Third Quarter 2018	
	EXPENDITURE	N	N	N	%
1	RECURRENT	12,113,394,178	12,781,772,660	668,378,481	5.52
2	CAPITAL	3,860,778,834	2,299,821,648	(1,560,957,185)	(40.43)
	<b>Total</b>	<b>15,974,173,012</b>	<b>15,081,594,308</b>	<b>(892,578,704)</b>	<b>(5.59)</b>

Source: MB&P and OAG

**Chart 3.11: 2019 Vs 2018 Second Quarter Aggregate Expenditure Performance**



Source: MB&P and OAG

**Table 3.8: Outflows 2019 Enugu State Budget as at 30th September, 2019**

S/N	DESCRIPTION	2019 BUDGET			2019 ACTUAL				2019 VARIANCE					
		ANNUAL	QUARTERLY	3QRTS	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	3QRTS	3RD Quarter Actual Vs Quarterly Budget		3RD Quarter Vs 2ND Quarter (Actual)		Actual Vs Budget (3QRTS)	
	EXPENDITURE	N	N	N	N	N	N	N	N	%	N	%	N	%
1	Personnel Cost	24,337,180,000	6,084,295,000	5,123,677,404	5,123,677,404	4,828,294,093	4,679,486,957	14,631,458,454	(1,404,808,043)	(23.09)	(148,807,136)	(3.08)	9,507,781,051	185.57
2	Consolidated Revenue Fund Charges (CRFC)	13,840,000,000	3,460,000,000	10,380,000,000	2,641,027,388	2,419,059,241	2,439,226,055	7,499,312,684	(1,020,773,945)	(29.50)	20,166,815	0.83	(2,880,687,316)	(27.75)
3	Overhead Cost	20,550,720,000	5,137,680,000	15,413,040,000	4,102,144,929	5,069,932,591	4,370,101,377	13,542,178,897	(767,578,623)	(14.94)	(699,831,214)	(13.80)	(1,870,861,103)	(12.14)
4	Subvention	6,978,000,000	1,744,500,000	5,233,500,000	1,292,141,683	1,292,849,843	1,292,958,270	3,877,949,795	(451,541,731)	(25.88)	108,427	0.01	(1,355,550,205)	(25.90)
5	Capital Expenditure	43,493,343,000	10,873,335,750	32,620,007,250	2,029,516,193	4,947,777,035	2,299,821,648	9,277,114,877	(8,573,514,102)	(78.85)	(2,647,955,386)	(53.52)	(23,342,892,373)	(71.56)
	<b>Total</b>	<b>109,199,243,000</b>	<b>27,299,810,750</b>	<b>68,770,224,654</b>	<b>15,188,507,596</b>	<b>18,557,912,803</b>	<b>15,081,594,308</b>	<b>48,828,014,707</b>	<b>(12,218,216,442)</b>	<b>(44.76)</b>	<b>(3,476,318,495)</b>	<b>(18.73)</b>	<b>(19,942,209,946)</b>	<b>(29.00)</b>

Source: MB&P and OAG

**Table 3.9: Performance of Budget Expenditure and Actual in the 2019 Third Quarter**

S/N	DESCRIPTION	2019 BUDGET			2019 ACTUAL				2019 PERFORMANCE			
		ANNUAL	QUARTERLY	3QRTS	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	3QRTS	THIRD QUARTER ACTUAL/QUARTERLY BUDGET	3QRTS ACTUAL/3QRTS BUDGET	THIRD QUARTER ACTUAL	3QRTS ACTUAL
	EXPENDITURE	N	N	N	N	N	N	N	%	%	(Contribution)	(Contribution)
1	Personnel Cost	24,337,180,000	6,084,295,000	18,252,885,000	5,123,677,404	4,828,294,093	4,679,486,957	14,631,458,454	76.91	80.16	31.03	29.97
2	Consolidated Revenue Fund Charges (CRFC)	13,840,000,000	3,460,000,000	10,380,000,000	2,641,027,388	2,419,059,241	2,439,226,055	7,499,312,684	70.50	72.25	16.17	15.36
3	Overhead Cost	20,550,720,000	5,137,680,000	15,413,040,000	4,102,144,929	5,069,932,591	4,370,101,377	13,542,178,897	85.06	87.86	28.98	27.73
4	Subvention	6,978,000,000	1,744,500,000	5,233,500,000	1,292,141,683	1,292,849,843	1,292,958,270	3,877,949,795	74.12	74.10	8.57	7.94
5	Capital Expenditure	43,493,343,000	10,873,335,750	32,620,007,250	2,029,516,193	4,947,777,035	2,299,821,648	9,277,114,877	21.15	28.44	15.25	19.00
	<b>Total</b>	<b>109,199,243,000</b>	<b>27,299,810,750</b>	<b>81,899,432,250</b>	<b>15,188,507,596</b>	<b>18,557,912,803</b>	<b>15,081,594,308</b>	<b>48,828,014,707</b>	<b>55.24</b>	<b>59.62</b>	<b>100.00</b>	<b>100.00</b>

Source: MB&P and OAG

### **3.4.1 RECURRENT EXPENDITURE PERFORMANCE**

The Original Recurrent Budget was revised during the third quarter. This adjustment did not affect the total recurrent Budget Size but included reallocation of fund from consolidated Revenue fund charges to overhead expenditure to accommodate the increase in operational cost of Government establishments. The sum of N2,435,000,000 moved from consolidated Revenue Fund to the overhead expenditure.

Analysis reveals that the total revised Budget size remains N109,199,234,000 for expenditure in the 2019, out of this amount, The sum N65,705,900,000 was for Recurrent Expenditure.

The data further revealed that a total amount of N12,781,772,660.00 Was released and cash backed for Recurrent Expenditure during the third quarter 2019. This represents 78% performance within the period. The Quarter as recorded Signifies a decrease of N828,363,108 representing decrease 6% over the second quarter performance which recorded N13,610,135,768. It also reveals an increase of N1,437,342,550 above the figure reported at the end of corresponding quarter of 2018, which recorded N12,172,793,256.

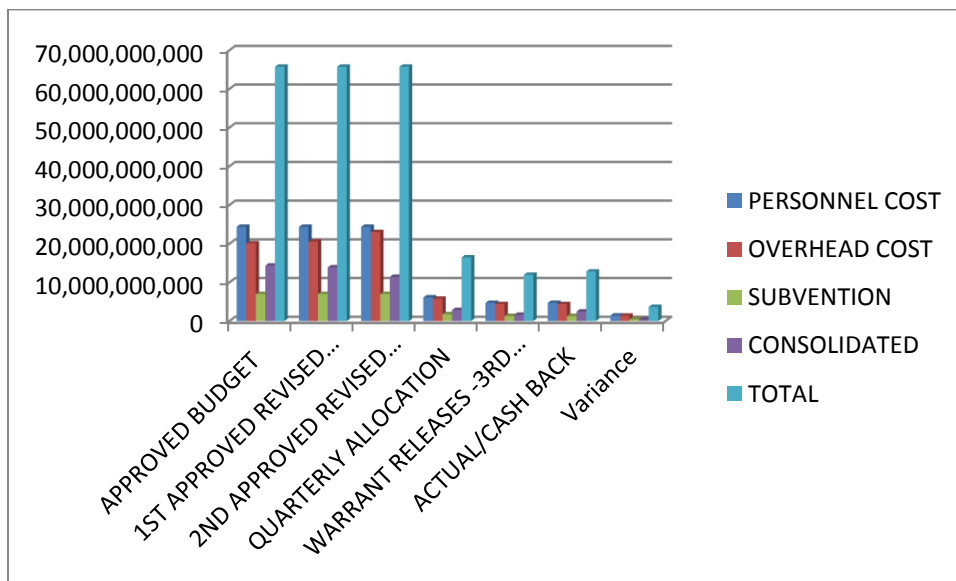
The tables below show the comparison of the level of Recurrent Performance over budget for the third (3rd) quarter of the year 2019. It also represents a comparison of Recurrent Expenditure performance of third quarter 2019 with the third quarter of the year 2018. The variance and percentage performance is also represented on the templates below.

**Table 3.10: SUMMARY 3RD QUATRTER RECURRENT PERFORMANCE**

DESCRIPTION	Original APPROVED BUDGET	1ST APPROVED REVISED BUDGET	2ND APPROVED REVISED BUDGET	QUARTERLY ALLOCATION	3RD QUARTER WARRANT RELEASES	3RD QUARTER ACTUAL RELEASES	VARIANCE	% PERFORMANCE Actual/ Budget
PERSONNEL COST	24,337,180,000	24,337,180,000	24,337,180,000	6,084,295,000	4,679,272,907	4,679,486,957	1,404,808,043	77.1
OVERHEAD COST	20,065,720,000	20,550,720,000	22,985,720,000	5,746,430,000	4,367,442,561	4,370,101,377	1,376,328,623	76.04
SUBVENTION	6,978,000,000	6,978,000,000	6,978,000,000	1,744,500,000	1,294,264,629	1,292,958,270	451,541,731	74.1
CONSOLIDATED	14,325,000,000	13,840,000,000	11,405,000,000	2,851,250,000	1,599,344,024	2,439,226,055	412,023,945	86
TOTAL	65,705,900,000	65,705,900,000	65,705,900,000	16,426,475,000	11,940,324,121	12,781,772,660	3,644,702,340	78

Source: Min. of Budget and Planning and Office of the Accountant General

**Chart 3.12:**



**Table 3.11: COMPARISM OF 2018 3RD QUARTER OVER 2019 3RD QUARETR PERFORMANCE WARRANTS ONLY**

DESCRIPTION	JULY	AUGUST	SEPTEMBER	TOTAL 3RD QUARTER 2018	JULY	AUGUST	SEPTEMBER	TOTAL 3RD QUARTER 2019
PERSONNEL COST	1,516,537,009	1,618,582,116	1,488,534,005	4,623,653,130	1,553,816,574	1,561,137,513	1,564,318,820	4,679,272,907
OVERHEAD COST	1,538,857,977	1,643,983,253	1,630,790,776	4,813,632,006	1,748,706,430	1,359,566,350	1,259,169,781	4,367,442,561
SUBVENTION	377,362,920	377,362,920	430,362,920	1,185,088,760	431,421,543	431,421,543	431,421,543	1,294,264,629
CONSOLIDATED	580,129,381	583,080,005	590,310,174	1,753,519,560	554,924,750	521,510,893	522,908,381	1,599,344,024
<b>TOTAL</b>	<b>4,012,887,287</b>	<b>4,223,008,294</b>	<b>4,139,997,875</b>	<b>12,375,893,456</b>	<b>4,288,869,297</b>	<b>3,873,636,299</b>	<b>3,777,818,525</b>	<b>11,940,324,121</b>

Source: Min. of Budget and Planning

**Table 3.12: COMPARISON OF 2<sup>ND</sup> QUARTER / 3<sup>RD</sup> QUARTER**

DESCRIPTION	SECOND (2 <sup>ND</sup> ) QUARTER	THIRD(3 <sup>RD</sup> )QUARTER	% PERF OF 3RD QUARTER/2ND QUARTER
PERSONNEL COST	4,828,294,094	4,679,486,957	97
OVERHEAD COST	5,069,932,591	4,370,101,377	86.19
SUBVENTION	1,292,849,843	1,292,958,270	100
CONSOLIDATED	2,419,059,240	2,439,226,055	100
TOTAL	<b>13,610,135,768</b>	<b>12,781,772,660</b>	94

The breakdown of the Actual Recurrent expenditure in the third quarter of 2019 revealed that the sum of N6,084,295,000 was budgeted for Personnel cost within the period, but the sum of N4,679,486,957 was utilized, this signifies 77.1% performance over The appropriated sum, and a decrease of N148,807,137.00 or (3%) below the figure reported in the second quarter with a record of N4,828,294,094.00.

The Revised Budget shows that a total of N22,985,720,000 were for overhead cost, giving a quarterly allocation of N5,746,430,000. But the actual expenditure stood at N4,370,101,377, representing

76.04% performance during the third quarter, this implies a decrease of N699,831,214.00 or 14% below the figure utilized in the second quarter of 2019 which reported a total Overhead actual expenditure of N5,069,932,591. This is as a result of prudent management of resources by the Government and reduction in the overall activities after the General election which took place during the second quarter.

Also, a quarterly allocation of N1,744,500,000 was appropriated for subvention to parastatals, but the actual expenditure stood at N1,292,958,270.00 during the third quarter representing 74% performance.

The Consolidated Revenue Fund Charges was revised from N13,840,000,000.00 to N11,405,000,000.00 during the third quarter resulting to a quarterly allocation of N2,851,250,000.00 Actual expenditure however amounted to N2,439,226,055.00, indicating 86% performance in this quarter.

The data from the office of the State Accountant General on third quarter of 2019 recurrent performance shows that the all released warrants were 100% cash backed.

**Table 3.13: MONTHLY WARRANT RELEASES (JAN- SEPT**

DESCRIPTION	JAN	FEB	MARCH	TOTAL 1ST QUARTER	APRIL	MAY	JUNE	TOTAL 2ND QUARTER	JULY	AUGUST	SEPTEMBER	TOTAL 3RD QUARTER
PERSONNEL COST	1,705,249,896	1,730,553,544	1,699,738,836	5,135,542,276	1,706,702,957	1,605,006,267	1,525,625,278	4,837,334,502	1,553,816,574	1,561,137,513	1,564,318,820	4,679,272,907
OVERHEAD COST	1,301,402,779	1,568,357,687	1,590,600,672	4,460,361,138	1,540,349,723	1,804,850,331	1,738,856,133	5,084,056,187	1,748,706,430	1,359,566,350	1,259,169,781	4,367,442,561
SUBVENTION	430,712,920	430,712,920	430,712,920	1,292,138,760	430,712,920	430,712,920	431,421,543	1,292,847,383	431,421,543	431,421,543	431,421,543	1,294,264,629
CONSOLIDATED	630,712,980	682,079,037	617,434,058	1,930,226,075	441,153,156	634,187,810	517,477,532	1,592,818,498	554,924,750	521,510,893	522,908,381	1,599,344,024
TOTAL	4,068,078,575	4,411,703,188	4,338,486,486	12,818,268,249	4,118,918,756	4,474,757,328	4,213,380,486	12,807,056,570	4,288,869,297	3,873,636,299	3,777,818,525	11,940,324,121

Source: Ministry of Budget and Planning

**Table 3.14: MONTHLY ACTUAL RELEASES (JAN-SEPT)**

DESCRIPTION	JAN	FEB	MARCH	TOTAL 1ST QUARTER	APRIL	MAY	JUNE	TOTAL 2ND QUARTER	JULY	AUGUST	SEPTEMBER	TOTAL 3RD QUARTER
PERSONNEL COST	1,698,408,868	1,725,949,083	1,699,319,452	5,123,677,404	1,698,437,360	1,604,381,779	1,525,474,955	4,828,294,093	1,553,876,438	1,561,206,696	1,564,403,823	4,679,486,957
OVERHEAD COST	847,559,215	1,562,594,988	1,691,990,725	4,102,144,928	1,517,886,669	1,935,496,430	1,616,549,492	5,069,932,591	1,726,354,205	1,315,704,742	1,328,042,431	4,370,101,377
SUBVENTION	421,114,228	440,313,728	430,713,728	1,292,141,683	430,714,125	430,714,175	431,421,543	1,292,849,843	431,422,301	431,421,844	430,114,125	1,292,958,270
CONSOLIDATED	875,365,404	867,777,025	897,884,959	2,641,027,388	899,756,125	721,604,057	797,699,058	2,419,059,241	835,302,466	801,961,794	801,961,794	2,439,226,055
TOTAL	3,842,447,715	4,596,634,823	4,719,908,864	13,158,991,402	4,546,794,279	4,692,196,442	4,371,145,047	13,610,135,768	4,546,955,410	4,110,295,076	4,124,522,174	12,781,772,660

Source: Office of the Accountant General

NOTE: The Personnel cost in this report comprises the salaries and allowances of civil servants and political office holders, while subventions are funds given to parastatals to augment their Internally Generated revenue for salaries.

Consolidated fund releases on this report, comprise only pensions, gratuities and the loan repayment usually not issued release warrants but deducted at source by FAAC.

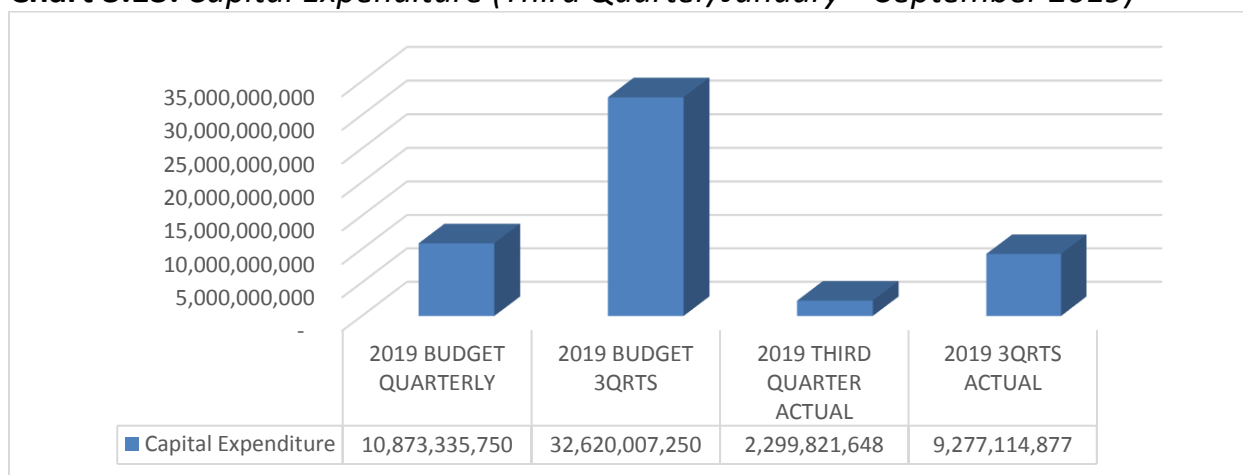
The overhead cost includes both monthly imprest released to Agencies for upkeep and other individual recurrent releases.



### 3.4.2 CAPITAL EXPENDITURE PERFORMANCE

The sum of N43,493,343,000.00 was projected to fund the Capital Expenditure in 2019 translating to a quarterly budget of N10,873,335,750.00 for the provision of critical infrastructure in the roads, health, power, housing, water, education, transport, electricity, security and good governance etc. The sum of N2,029,516,193.00 was spent in the first quarter of 2019, N4,947,777,035.00 was in the second quarter of 2019 while N2,299,821,648.00 was in the third quarter of 2019 giving a total sum of N9,277,114,877.00 for the three quarters of the year. Actual expenditure in the third quarter of 2019 implies a significant decrease of N8,573,514,102.00 or 78.85 percent below the quarterly estimate of N10,873,335,750.00. Also, total capital expenditure for the three quarters of 2019 translating to a N23,342,892,373.00 or 71.56 percent expenditure shortfall for the period. The actual capital expenditure in the third quarter 2019 reflect a decrease of N1,560,957,185.00 or 40.43 percent below the 2018 third quarter actual capital expenditure. It is important to note that capital expenditure releases are made on request by the beneficiaries and also subject to budgetary provisions and availability of funds.

**Chart 3.13: Capital Expenditure (Third Quarter/January – September 2019)**



Source: MB&P and OAG

### 3.4.3 MDAs' Capital Vote Utilization

The total Capital Expenditure Warrants issued as at third quarter of 2019 was N9,623,012,777.00 out of this, N9,277,114,877.00 was cash backed. The data showed that most of MDAs have cash backed their warrants 100.00 percent during the third quarter 2019.

**Table 3.15: Capital Budget Releases by MDAs (as at 30<sup>th</sup> September, 2019)**

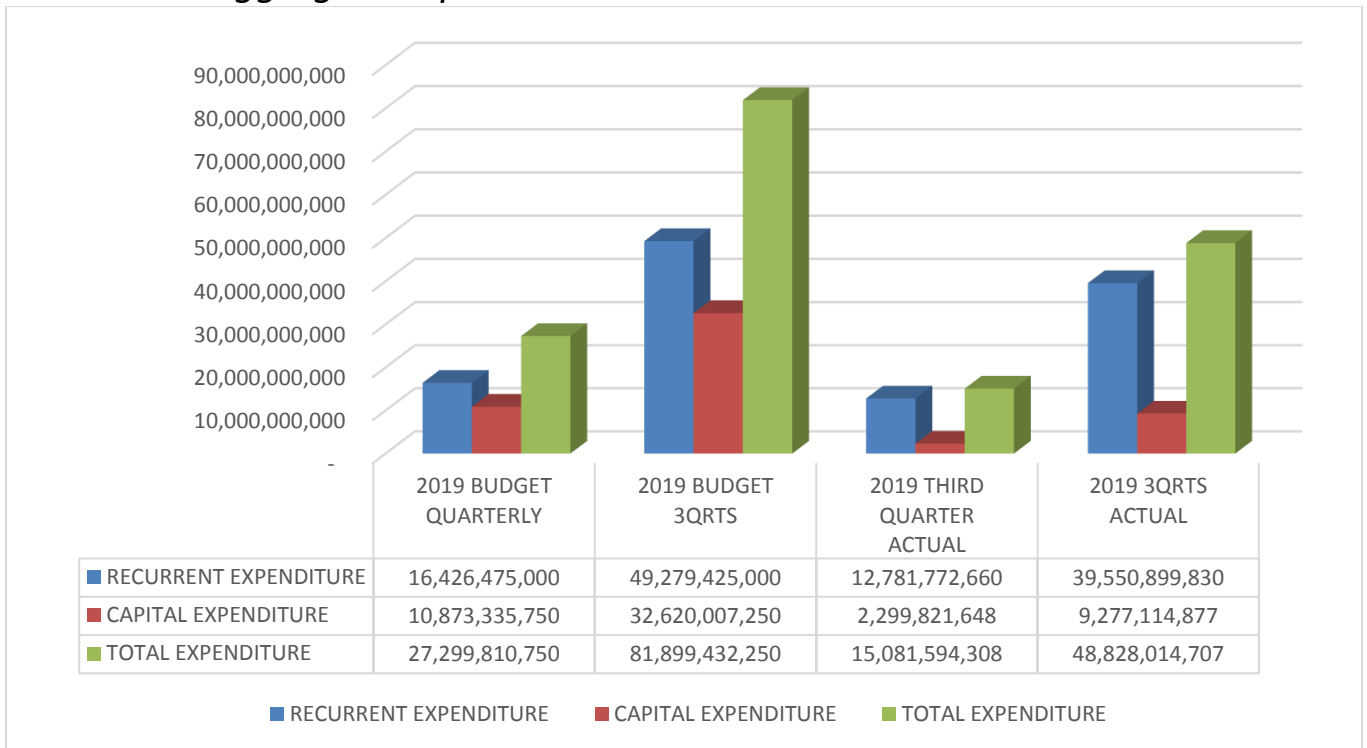
S/N	MDAs	2019 Approved Budget	2019 Revised Budget	Total Amount of Warrant Released from 1st January to 30th September, 2019	Total Amount Cash Backed	Percentage of Release (Cash Backed/Approved Budget)	Percentage of Release (Cash Backed/Revised Budget)
		N	N	N	N	%	%
1	Enugu State Universal Basic Education Board	1,518,682,000	678,682,000	27,417,734	27,417,734.00	1.81	4.04
2	Enugu State Broadcasting Service - Radio/TV ESBS/TV	68,000,000	68,000,000	14,212,000	13,566,000.00	19.95	19.95
3	Office of the Executive Governor	1,344,455,000	2,833,455,000	498,176,239	488,138,195.20	36.31	17.23
4	Ministry of Works and Infrastructure	16,076,000,000	18,151,000,000	6,802,644,403	6,481,649,450.55	40.32	35.71
5	Post Primary Schools Management Board (PPSMB)	1,000,000,000	650,000,000	17,633,828	17,633,828.36	1.76	2.71
6	Enugu State Rural Electrification Board (REB)	1,000,000,000	1,450,000,000	314,736,490	314,736,487.32	31.47	21.71
7	Office of the Secretary to the State Government	1,079,000,000	3,079,000,000	812,235,875	812,235,875.00	75.28	26.38
8	Enugu State Polytechnic Iwollo	504,500,000	664,500,000	3,500,000	3,500,000.00	0.69	0.53
9	Ministry of Health	1,112,200,000	1,222,200,000	178,275,126	178,275,125.68	16.03	14.59
10	Ministry of Justice	143,520,000	143,520,000	9,139,660	13,449,660.00	9.37	9.37
11	Enugu State Justice Reom Team	12,550,000	12,550,000	4,310,000	-	0.00	
12	Enugu State Water Corporation	455,000,000	2,005,000,000	28,384,066	28,384,065.50	6.24	1.42
13	Enugu State Economic Planning	531,500,000	131,500,000	8,892,100	8,892,100.00	1.67	6.76
14	Ministry of Environment	71,000,000	51,000,000	3,376,400	1,600,000.00	2.25	3.14
15	Enugu State Internal Revenue Services	254,900,000	144,900,000	33,472,000	33,472,000.00	13.13	23.10
16	Enugu State Waste Management Authority (ESWAMA)	145,000,000	145,000,000	5,000,000	5,000,000.00	3.45	3.45
17	Office of the Accountant General	319,600,000	199,600,000	30,814,100	30,814,100.00	9.64	15.44
18	Customary Court of Appeal	27,000,000	27,000,000	32,116,370	20,513,684.14	75.98	75.98
19	Enugu State Investment Development Agency	114,400,000	114,400,000	492,500	492,500.00	0.43	0.43
20	Institute of Management and Techonology (IMT)	690,000,000	590,000,000	282,456,918	282,456,917.67	40.94	47.87
21	Enugu State Fire Services	222,000,000	272,000,000	146,701,444	146,701,443.75	66.08	53.93
22	Ministry of Housing	498,000,000	100,000,000	4,000,000	4,000,000.00	0.80	4.00
23	Enugu State High Court - The Judiciary	626,600,000	326,600,000	265,825,127	277,427,812.80	44.28	84.94
24	Enugu State Science Technical and Vocational Sch. Mgt. Board	371,650,000	371,650,000	28,148,340	28,148,340.00	7.57	7.57
25	Ministry of Finance and Economic Development	114,250,000	114,250,000	3,516,057	3,516,056.77	3.08	3.08
26	Ministry of Gender Affairs and Social Development	210,000,000	285,000,000	4,000,000	4,000,000.00	1.90	1.40
27	Office of the State Auditor General	25,450,000	33,450,000	18,825,500	6,383,000.00	25.08	19.08
28	Enugu State Primary Health Care Development Agency	300,300,000	178,300,000	11,846,500	11,846,500.00	3.94	6.64
29	Ministry of Chieftancy Matters	54,000,000	54,000,000	21,770,000	21,770,000.00	40.31	40.31
30	Ministry of Education	109,573,000	109,573,000	11,094,000	11,094,000.00	10.12	10.12
	<b>Total</b>	<b>28,999,130,000</b>	<b>34,206,130,000</b>	<b>9,623,012,777</b>	<b>9,277,114,877</b>	<b>31.99</b>	<b>27.12</b>

Source: MB&P and OAG

**Chart3.14: MDAs Capital Budget Release by MDAs (as at 30<sup>th</sup> September, 2019)**



**Chart 3.15: Aggregate Expenditure in the 2019 Third Quarter**



Source: MB&P and OAG

## 4.0 Conclusion

In Conclusion, the third quarter of 2019 activities generally proved a challenging period not only for our nation but for the entire world. The melt down in the global economy meant that every responsive and responsible government should design other strategies to survive the strains of recession within the economy. In our State, there were some difficult moments when funds available to us could not match our aspirations but with Prudent, we were able to achieve most of our goals. Government recorded visible accomplishment in human capital development through its driving force on enhancement of security of lives and property.

It will be recalled that the 2019 budget is made up of recurrent expenditure of N65, 705,900,000 which consists of Personnel Costs, Overhead Costs, Subvention to Parastatals and other non-ministerial departments representing 60.17% of the total envelop. Out of expected quarterly releases of N16, 426, 475, 000; N12,781,772,660 is achieved in the third quarter. This is as result of salaries and overhead cost which was judiciously taken care of within the period.

The sum of N43, 493,343,000 is budgeted for capital expenditure with an average of N10, 873,335,750 per quarter, but N4, 723,316,561.17 (World Bank projects = N1,518,924,324.02 External Loans = N3,204,392,237.15) plus N2,299,821,648.43 from other capital expenditure was achieved on capital projects in the quarter under review according to Accountant General Report. Much was achieved in terms of infrastructural development as we were able to achieve up to 64.59% during the third quarter of 2019.

On the Revenue side, within the third quarter our share of Federal Revenue estimated to N15,125,159,840.83 which had a better outlook of the expected quarterly average of N16,491,310,750 representing 91.71%. Our Independent revenue collection was less than the expected target. Out of N27,734,000,000, the retained revenue for third quarter is N1,342,550,607.12 or 80.63% less than the expected quarterly average of N6,933,500,000. The margin may be as result of State Inland revenue inactive in their normal revenue drive coupled with other factors which hindered MDAs hitting their actual target in the revenue collection.

Our Internally Generated Revenue cannot match our commitments and desires to take Enugu State to the next level. We must continue in our bid to seek the best options for achieving the Enugu State Vision 4: 2020 as a way of ensuring a better future for the people of our beloved State. Posterity, no doubt, shall reward our collective and individual efforts towards making Enugu State a model that we shall be proud of.