



GOVERNMENT OF IMO STATE OF NIGERIA

2020 THIRD QUARTER

BUDGET IMPLEMENTATION REPORT

Produced and published by

Imo State Ministry of Budget, Economic Planning and Statistics

July - September 2020

PREFACE

This third quarter Budget Appraisal followed the second quarter appraisal and it is based on 2020 Revised Budget estimates.

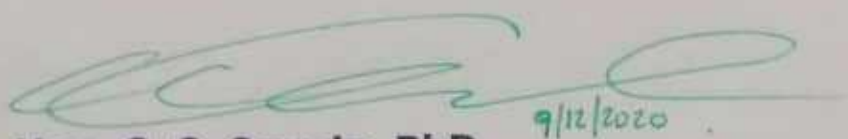
The present Administration of **His Excellency, Distinguished Senator Hope Uzodimma** has introduced transparency, openness and accountability to his administration, hence the release of Fiscal Statistics needed to do this appraisal carefully. The appraisal of the Global Economic trend following the Covid-19 pandemic that informed both our economic and fiscal updates.

The appraisal was affected by the Global Covid-19 pandemic, which drastically impacted Oil price, and resulted to the 2020 Budget revision.

Revenue projections became unrealizable while new expenditure item needed to ameliorate the ravaging pandemic in terms of COVID-19 palliatives became necessary and important expenditure item. These factors made the review of the 2020 approved budget, a necessity.

It is important to note that despite the Corona-Virus Pandemic challenges, and lockdown, Imo State maintained reasonable economic stability.

I wish to thank the Office of Accountant General of the State for releasing Vital Fiscal Statistical data for this report; which was not available under previous administrations. The Ministry of Budget and Economic Planning and Statistics presented the 2020 third Quarter Budget Appraisal to meet this important Budgetary Milestone.



Rt. Hon. C. C. Osuala, PhD.

Honourable Commissioner

Ministry of Budget, Economic Planning and Statistics (MBEPS).

9/12/2020

Fiscal Analysis of the 2020 Budget Appraisal or Implementation

2020 Approved Budget of Imo State signed into Law in December 2019,

Adopted Federal Government 2020 Budget Assumption such as:

1. Crude oil bench mark of \$40per barrel
2. Oil production estimate of 1.86Million barrels per day
3. Exchange rate of ₦379 per US\$
4. Inflation rate of 14.23%
5. GDP Growth rate (real) of 3%



IMO STATE GOVERNMENT OF NIGERIA REVISED BUDGET ESTIMATE – 2020 CONSOLIDATED FINANCIAL STATEMENT

REVISED BUDGET2020	% OF BUDGET 2020	APPROVED BUDGET 2019		
A. REVENUE				
		REVISED BUDGET 2020		
1		INTERNAL RESOURCES	31,648,198,925	35%
2		STATUTORY ALLOCATION	33,288,448,381	37%
3		VALUE ADDED TAX	18,428,598,226	20%
4		EXCESS CRUDE FUND	-	0.0%
5		13% DERIVATION FUND	5,360,590,597	6%
6		JAAC(IMO STATE UNIVERSAL BASIC EDUCATION BOARD)	-	0%
7		OTHER EXERNAL REVENUE	2,219,000,000	2%
TOATL: RECURRENT REVENUE		90,944,836,130	100%	97,690,048,847
B RECURRENT EXPENDITURE				
1		OVERHEAD COSTS (INCLUDES 10BN FGN DEDUCTIONS)	24,084,285,489	17.5%
2		PERSONNEL COSTS	9,396,052,985	4.5%
3		SUBVENTION COSTS (INCLUDES 19BN IMSUBEB)	16,901,199,437	16.2%
4		CRFC (*)	13,038,198,348	8.0%
TOTAL : RECURRENT EXPENDITURE		63,419,736,259	46.3%	62,170,123,234
C RECURRENT TRANSFER				
		TRANSFER TO CAPITAL FUND	27,525,099,871	24.8%
D CAPITAL RECEIPTS				
1		INTERNAL LOANS	13,300,000,000	
2		DEVELOPMENT PARTNERS	4,141,000,000	18.9%
3		GRANTS	-	0.5%
4		DIRECT FUNDING (FG)	-	0.0%
5		MISCELLANEOUS	-	0.0%
TOTAL CAPITAL RECEIPTS		17,441,000,000	19.4%	129,128,022,965
TOTAL CAPITAL FUND		44,966,099,871	44.1%	164,647,948,578
E CAPITAL EXPENDITURE				
		ECONOMIC SECTOR	20,555,468,871	11.8%
		SOCIAL SERVICES SECTOR	7,190,211,793	10.7%
		ADMIN SERVICES SECTOR	12,971,619,207	8.8%
		COUNTERPART FUNDS EXP	4,248,800,000	2.1%
TOTAL CAPITAL EXPENDITURE		44,966,099,871	53.7%	214,647,948,578
F BUDGET SUMMARY				
		TOTAL BUDGET	108,385,836,130	
		TOTAL EXPENDITURE	108,385,836,130	
BUDGET SURPLUS (DEFICIT)		0	9.6%	-50,000,000,000

IMO STATE CONSOLIDATED FINANCIAL STATEMENT 2020

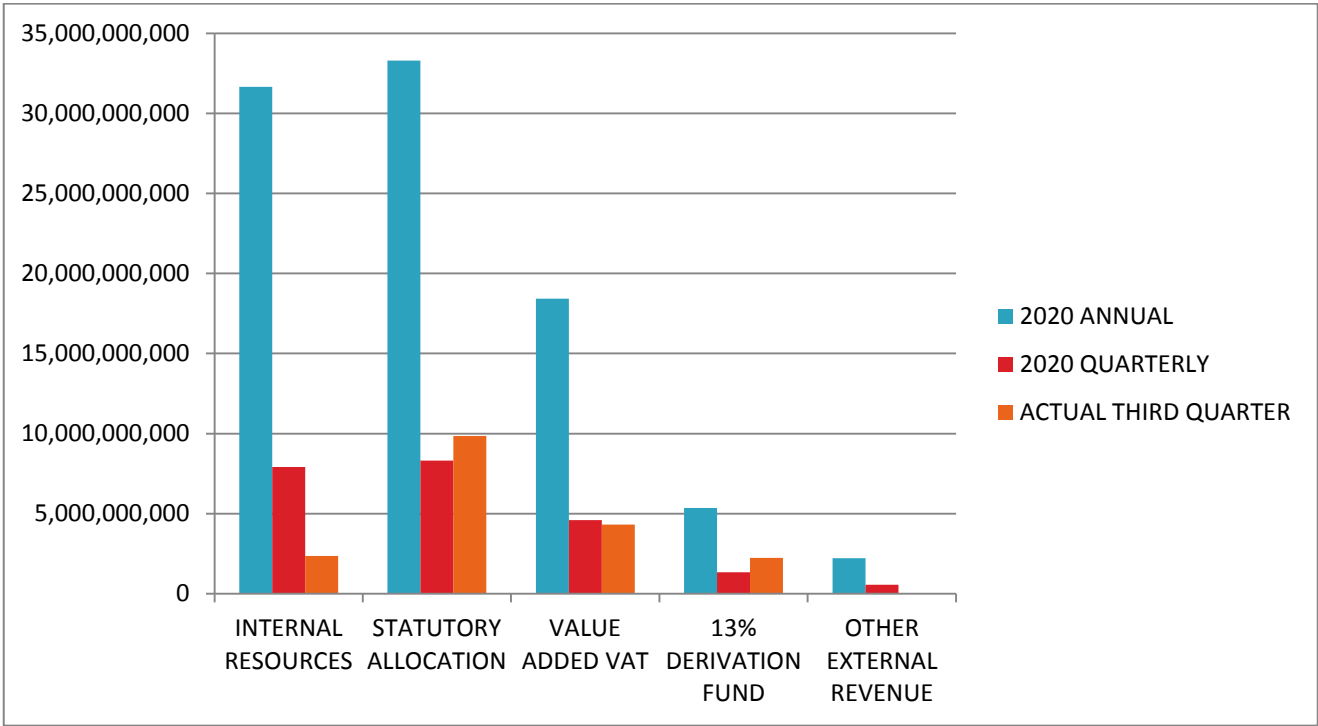
The Sum of **108,385,836,130** was appropriated by the Imo State House of Assembly for 2020 Fiscal Year. This is **168,432,235,682** less than what was approved in 2019. The Revised budget has a recurrent expenditure of **63,419,736,259** representing 58.5% while the Capital Expenditure is 44,966,099,871 representing 41.5% of the total budget size.

Therefore the recurrent expenditure has a quarterly budget of ₦15,854,934,064.75.

TABLE 1 :PERFORMANCE OF REVENUE BUDGET AND ACTUAL IN 2020 THIRD
QUARTER (JULY - SEPTEMBER)
2020 REVISED BUDGET ACTUALS – INFLOWS

S/ NO	DESCRIPTION	BUDGETED		ACTUALS			% PERFORMANC E	
		ANNUAL	QUARTERLY	1 ST Quarter	2 ND Quarter	3 rd Quarter	2 nd Quarter	3 rd Quarter
1.	Internally Generated Revenue	31,648,198,925	7,912,049,731.25	2,239,498,709.25	4,647,332,404	2,349,701,216.52	50.7%	29.7%
2	Statutory Allocation	33,288,448,381	8,322,112,095.25	6,824,112,413.28	5,362,986,790.49	9,844,393,078.5	36.5%	118.3 %
3	VAT	18,428,598,226	4,607,149,556.5	3,375,683,336.25	3,421,768,933.47	4,310,948,587.81	105.3 %	93.6%
3.	13% Derivation	5,360,590,597	1,340,147,649.25	2,725,730,139.52	2,108,303,182.34	2,242,737,091.91	84.3%	167.4 %
	Other External Revenue	2,219,000,000	554,750,000					
	Excess Oil Revenue							
4.	Share Excess Bank Charges							
5.	Share of Exchange Gain difference							
6.	Solid Mineral Reserve							
7.	Fore Equalization Account							
8.	Budget Support							
9.								

CHART1.1: 2020 THIRD QUARTER REVENUE PERFORMANCE



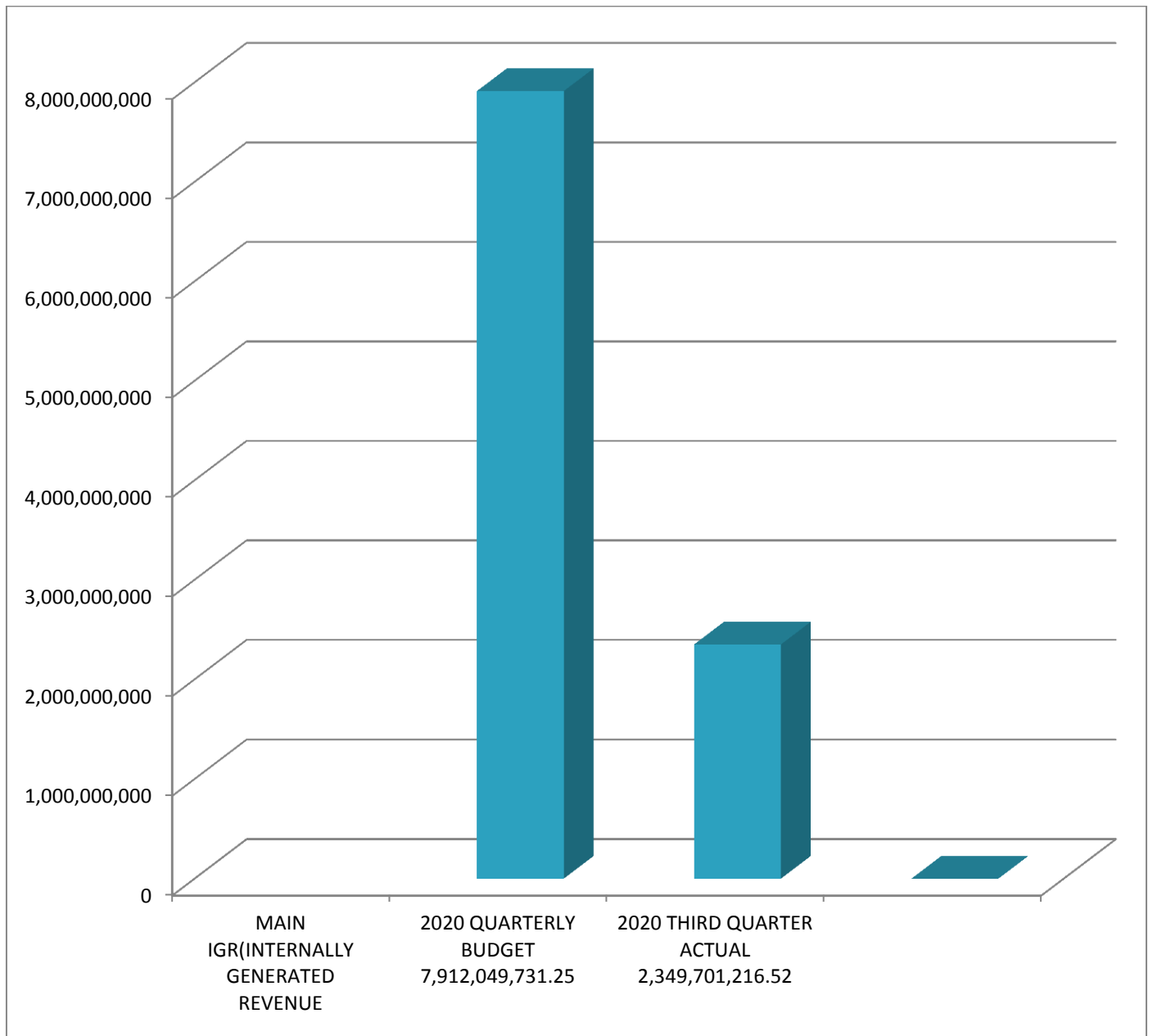
RECURRENT EXPENDITURE PERFORMANCE IN 3RD QUARTER (JULY–SEPTEMBER 2020)

The following Subheads make up Recurrent Expenditure item;

INTERNAL GENEERATED REVENUE (IGR)

A sum of 7,912,049,731.25 was budgeted for IGR in the third quarter of the year 2020 but the actual inflow is 2,349,701,216.52 representing 29.7% performance.

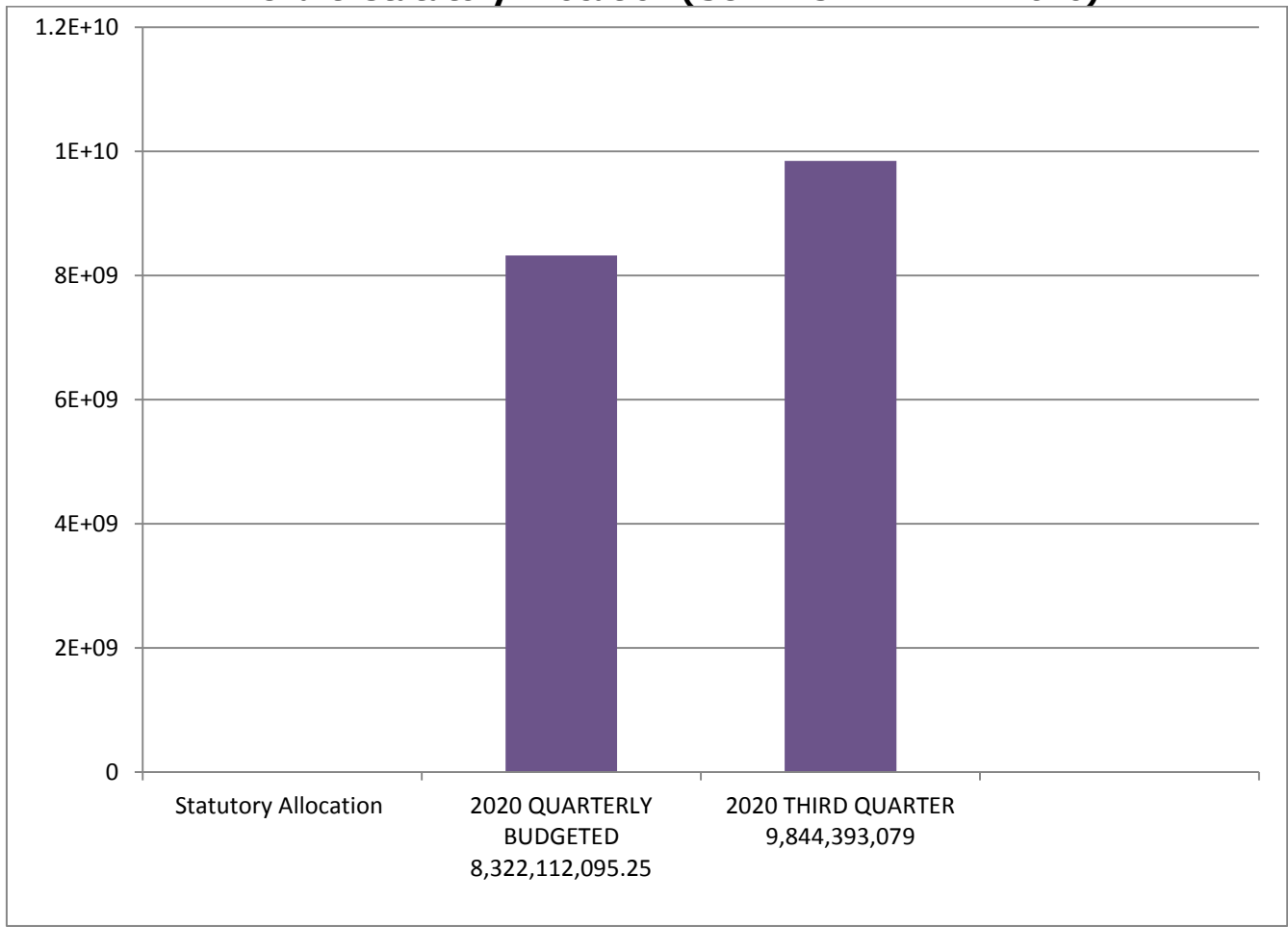
Chart main IGR (Third Quarter July - Sept 2020)



STATUTORY ALLOCATION

In third quarter of 2020 Revised Budget, Statutory Allocation was awarded 8,322,112,095.25 but the actual generated was 9,844,393,078.50 representing 118.3% performance in the period under review (third quarter)

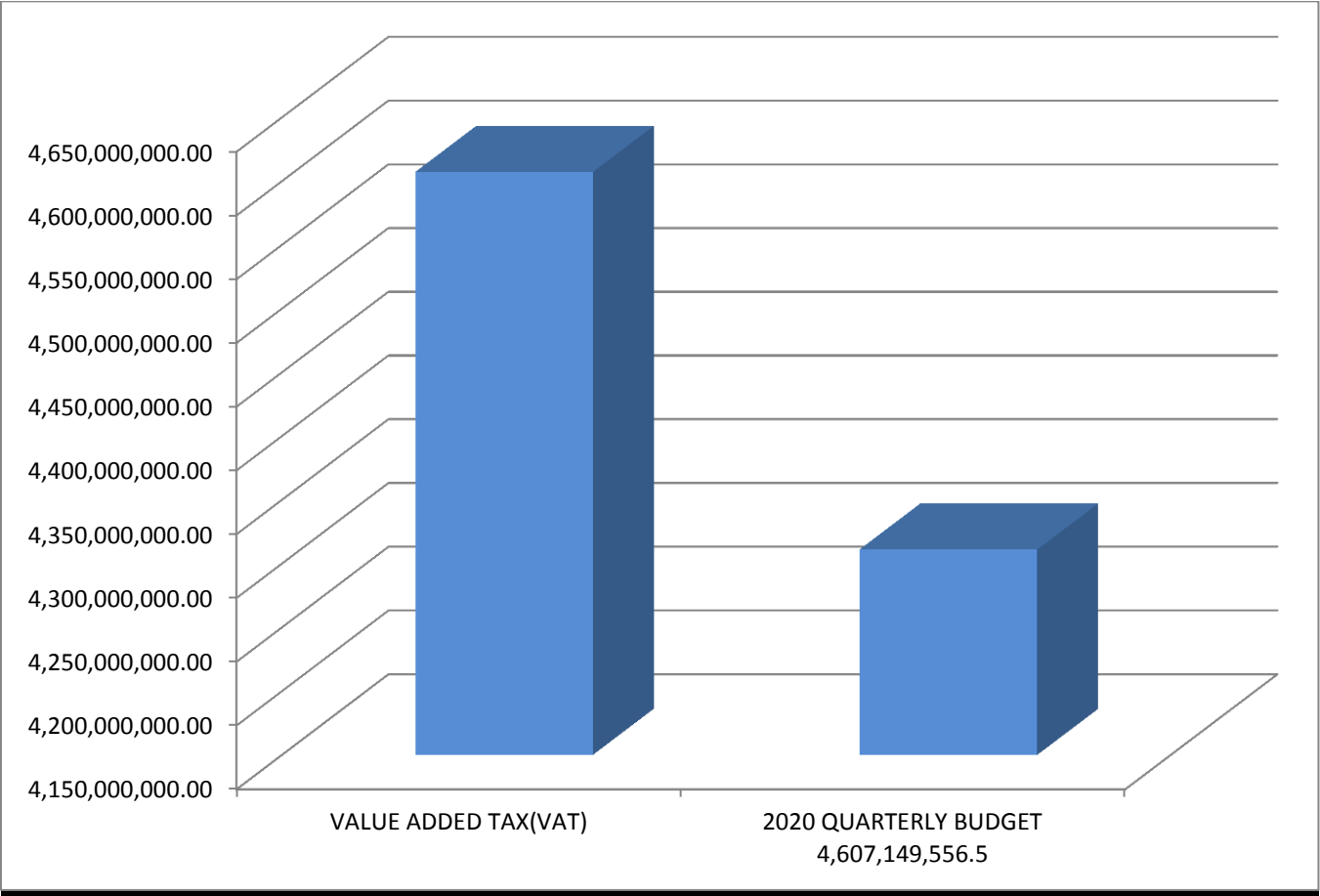
Chart: Statutory Allocation (JULY - SEPTEMBER 2020)



VALUE ADDED TAX (VAT)

The sum of 4,607,149,556.5 was budgeted for Value Added Tax in the third quarter of 2020 Revised but it recorded 4,310,948,587.81 as actual in the quarter under review (third quarter) representing 93.6% performance in the quarter.

Chart : Value Added Tax(VAT) (JULY – SEPTEMBER 2020)



13% DERIVATION FUND

Derivation Fund was budgeted with the sum of 1,340,147,649.25 in the third quarter of the 2020 revised budget but recorded 2,242,737,091.91 as actual in the third quarter of 2020 representing 167.4% performance in the third quarter of 2020

Chart : 13% DERIVATION (JULY - SEPTEMBER 2020)

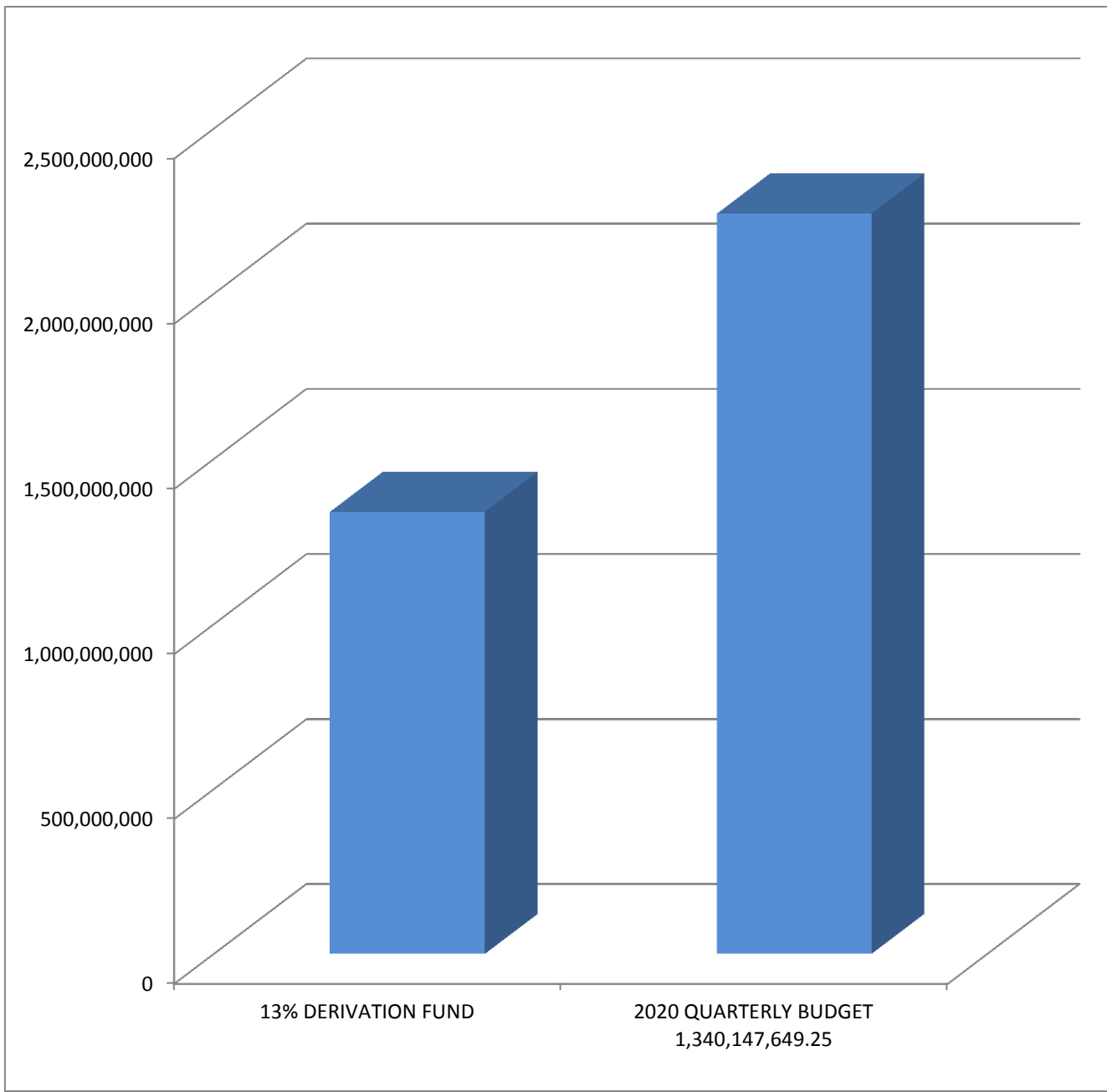
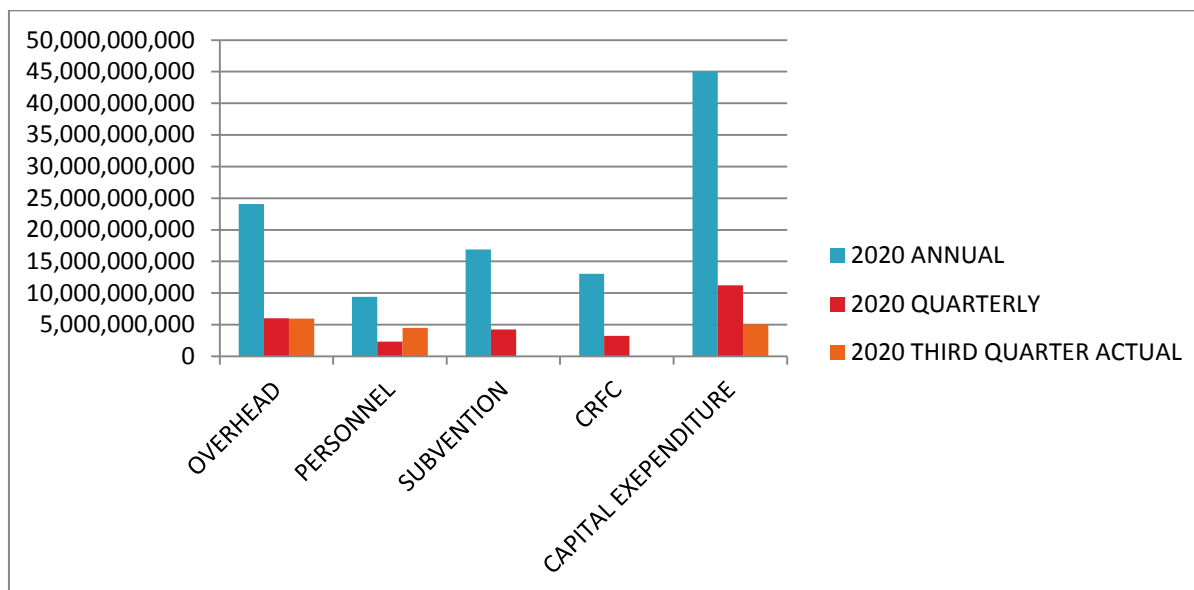


CHART OF PERFORMANCE OF RECURRENT EXPENDITURE AND ACTUAL IN THIRD QUARTER OF THE REVISED 2020 BUDGET



RECURRENT EXPENDITURE PERFORMANCE IN 3rd QUARTER

The following Subheads make up Recurrent Expenditure item.

1. PERSONNEL COST

The budgeted Personnel Cost for 2020 Revised Budget was ***₦2,349,013,246.25 (Two Billion, Three Hundred and Forty Nine Million, Thirteen Thousand, Two Hundred and Six Naira)*** only in the third quarter while the actual was ***₦4,498,423,414 (Four Billion, Four Hundred and Ninety-Eight Million, Four Hundred and Twenty-Three Thousand, Four hundred and Fourteen Naira)*** only, representing **191.5%** performance.

2. OVERHEAD

The sum of ***₦6,021,071,374.50 (Six Billion, Twenty One Million, Seventy One Thousand, Three Hundred and Seventy Four Naira, Fifty Kobo)*** was budgeted for Overhead Costs in the third quarter of the revised 2020 budget but the actual spent was ***₦5,980,235,129 (Five Billion, Nine Hundred and Eighty Million, Two Hundred and Thirty Five Thousand One Hundred and Twenty Nine Naira)*** only representing **99.32%** performance.

3. SUBVENTION

The Sum of ***₦16,901,199,437 (Sixteen Billion, Nine Hundred and one Million One Hundred and Ninety Nine Thousand, Four Hundred and thirty Seven Naira)*** only was the appropriated for Subvention in the third quarter of year 2020 but there was no available data on the actual on subvention within the period under review (third quarter).

4. CONSOLIDATED REVENUE FUND CHARGES (CRFC)

The sum of ***₦3,259,549,587 (Three Billion, Two Hundred and Fifty Nine Million, Five Hundred and Eighty Seven Thousand Naira)*** only was budgeted for CRFC in the third quarter of 2020 revised budget but , but there was no available data on the actual as at the time of writing the report.

5. PENSION

The sum of ***₦1,000,000,000 (One Billion Naira)*** only, was budgeted for Pension in the third quarter of year 2020 but the actual spent was ***₦1,555,031,917.52 (One Billion, Five Hundred and Fifty-Five Million, Thirty-One Thousand, Nine Hundred and Seventeen Naira, Fifty-Two Kobo) only***, representing 155.5%% performance.

2020 BUDGET CAPITAL RECEIPTS PERFORMANCE FOR THE THIRD QUARTER (JULY – SEPTEMBER 2020)

This appraisal was made based on the 2020 Revised Budget.

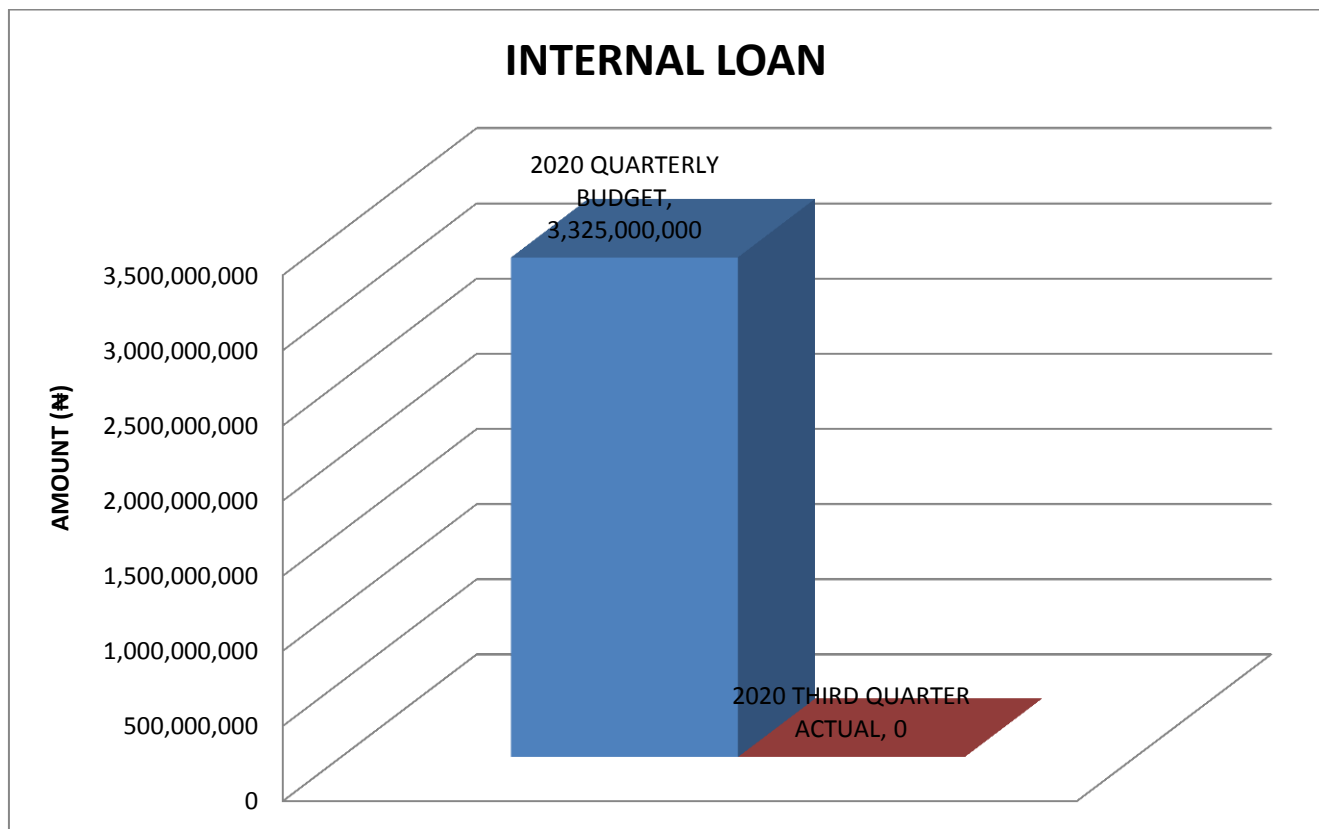
S/N	DESCRIPTION	BUDGET		ACTUAL	2020 PERFORMANCE	
		2020 ANNUAL	2020 QUARTERLY	2020 THIRD QUARTER	THIRD QUARTER ACTUAL/QUARTERLY BUDGET	THIRD QUARTER ACTUAL
1	INTERNAL LOANS	13,300,000,000	3,325,000,000			
2	DEVELOPMENT PARTNERS	4,141,000,000	1,035,250,000			
3	GRANTS					

INTERNAL LOANS:

The State has a revised quarterly budget of **₦3,325,000,000** for internal loan in the 2020 Revised Budget but there was no data to show that the State has received Internal Loan in the third quarter of the year under review (2020)

INTERNAL LOAN (JULY – SEPTEMBER 2020)

S/N	2020 QUARTERLY BUDGET	2020 THIRD QUARTER ACTUAL
1	3,325,000,000	



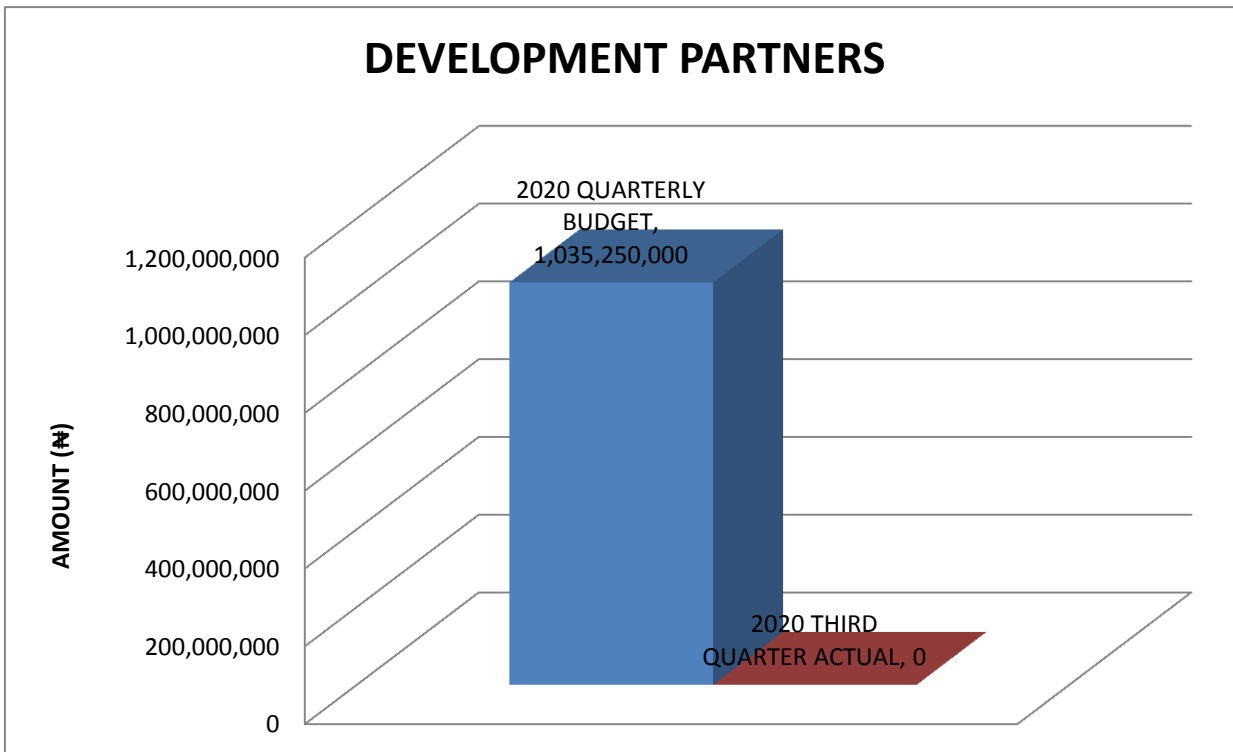
DEVELOPMENT PARTNERS

The State has a revised quarterly budget of **₦1,035,250,000** for Development Partners in the 2020 Revised Budget but there was no evidence to show that the State has received anything in the third quarter of 2020.

DEVELOPMENT PARTNERS (JULY – SEPTEMBER 2020)

S/N	2020 QUARTERLY BUDGET	2020 THIRD QUARTER ACTUAL
	1,035,250,000	

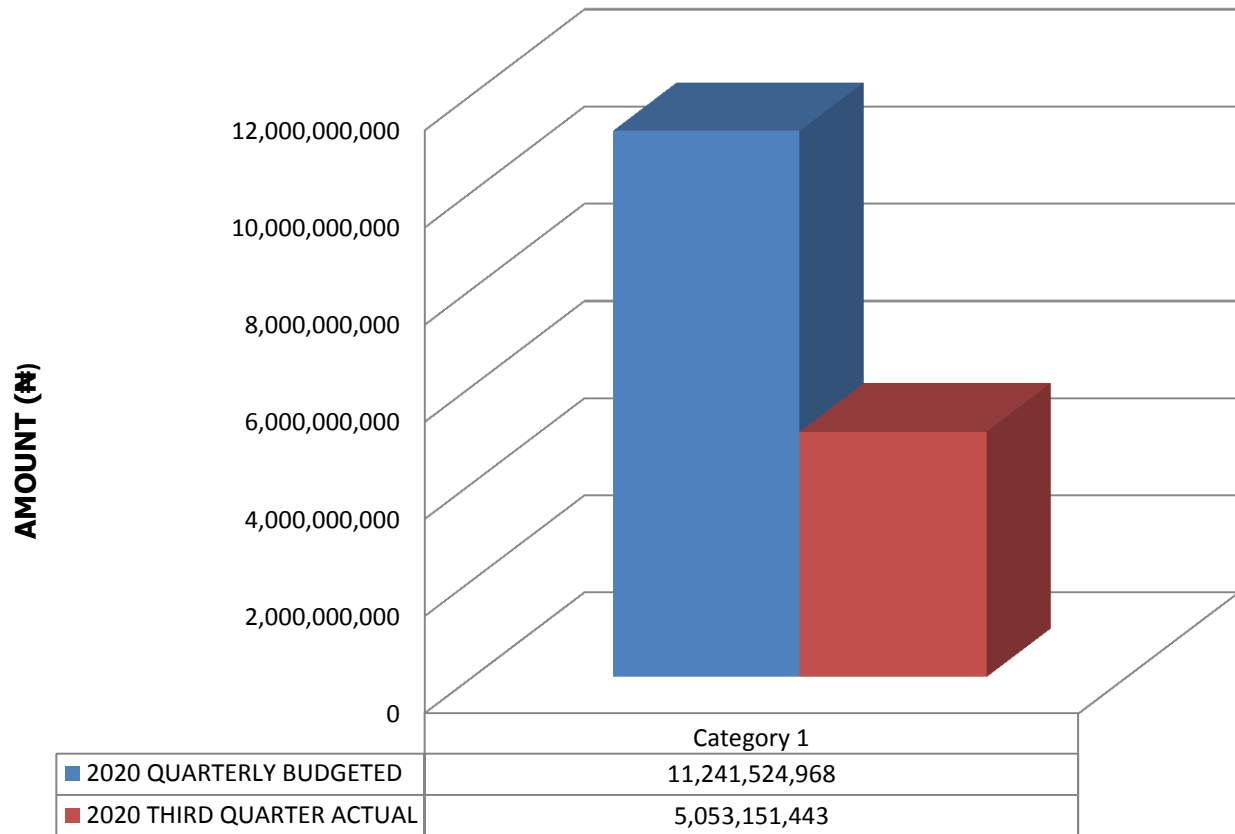
DEVELOPMENT PARTNERS



ANALYSIS OF CAPITAL EXPENDITURE PERFORMANCE IN THE THIRD QUARTER OF YEAR 2020:

S/N	DESCRIPTION	2020 QUARTERLY BUDGETED	2020 THIRD QUARTER ACTUAL	THIRD QUARTER PERFORMANCE
1	CAPITAL BUDGET	11,241,524,967.75	5,053,151,443.03	45%

THIRD QUARTER CAPITAL EXPENDITURE PERFORMANCE



2020 THIRD QUARTER APPRAISAL:

A sum of ***₦11,241,524,968 (Eleven Billion, Two Hundred and Forty-One Million, Five Hundred and Twenty-Four Thousand, Nine Hundred and Sixty-Eight Naira)*** only, was set aside for Capital Projects in the revised 2020 budget for the third quarter of the year under review (2020). This is to provide infrastructural projects/facilities for the well being of Imo citizens.

However, from the records available, it was observed that a total sum of ***₦5,053,151,443 (Five Billion, Fifty-Three Million, One Hundred and Fifty-One Thousand, Four Hundred and Forty-Three Naira)*** only, was spent for capital projects in the third quarter of the year 2020 **representing 45% performance** in the third quarter of year 2020.

This is averagely good performance because it was more realistic and showed a remarkable increase in the execution of capital projects within the State than the Second quarter of the year 2020 with 20.3% performance despite that the period under review (July – Sept. 2020) is a Covid-19 pandemic era.

The reason for the averagely good performance stemmed from the avowed commitment of the Shared Prosperity administration of ***His Excellency, Dist. Senator Hope Uzodimma*** to provide basic infrastructural projects for Imolites. But a lot needs to be done to upscale the performances of the Capital Projects in 4th quarter of the year.

This appraisal was done based on the data available at the time of preparing this report.