TARABA STATE GOVERNMENT

BUDGET IMPLEMENTATION REPORT: FIRST QUARTER YEAR 2019

INTRODUCTION

The budget process of the year 2019 describes the budget cycle in the fiscal year. Its conception is informed by the Medium Term Expenditure Framework (MTEF) process which has three components namely: Medium Term Fiscal Framework (MTFF), Medium Term Budget Framework (MTBF) and Medium Term Sector Strategies (MTSS).

The Economic and Fiscal Update (EFU) and the Medium Term Budget Framework (MTBF) provide the basis for annual budget planning intended to facilitate a number of important outcomes: greater macroeconomic balance; improved inter- and intra-sectorial resource allocation; greater budgetary predictability for line ministries; and more efficient use of public monies.

They consist of a macroeconomic framework that indicates fiscal targets and estimates of revenues and expenditures, including government financial obligations in the medium term. It Improve macroeconomic balance, including fiscal discipline, aids attainment through good estimates of the available resource via the EFU analysis which are then used to make budgets that fit squarely within the envelope.

The EFU also set out the underlying assumptions for the realization of the projections, provide an evaluation and analysis of the previous budgets and present an overview of the debt position and potential fiscal risks if there is any. The EFU produces a number of important information including the macroeconomic outlook; fiscal balance; and other key indicators.

The Medium Term Expenditure Framework (MTEF) provides Government with a tool to manage the pressure between competing policy priorities and budget realities. This helps to reprioritize expenditure and make informed policy choices that are affordable in the medium term. Hence, it provides a platform for the State Executive Council (EXCO), to make decision over the allocation of resources in the 2019 budget and the Long Term Development Plan (The Rescue Plan “2016-2025).

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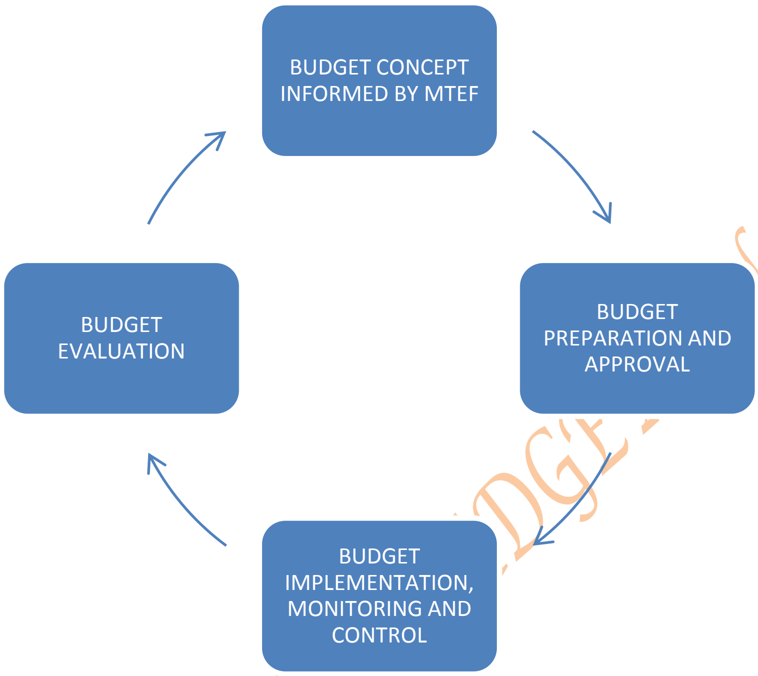
The budget framework commences from conception through preparation, execution, control, monitoring and evaluation and goes back again to conception for the ensuing year's budget, as shown in Figure 1.1 below.

Fig 1:1 Budgeting Cycle



The 2019 budget which is tagged "Budget of Consolidation" in this report captures the detail budget performance for the first quarter of 2019 which is presented on charts and graphs.

2.0 MACROECONOMIC DEVELOPMENT AND ANALYSIS OF THE FIRST QUARTER GLOBAL ECONOMY.

2.1 Global Economic Overview

The Global growth is expected to remain at 3.0 per cent in year 2019 and year 2020, however, the steady pace of expansion in the global economy masks an increase in downside risks which *has weakened* and exacerbates development challenges in many parts of the world[1]. This risk could severely disrupt economic activities and inflict significant damage on long-term development prospects in the global economy.

Global growth for 2018 is estimated at 3.7 percent[2], despite weaker performance in some economies, notably Europe and Asia. The global economy is projected to grow at 3.5 percent in 2019 and 3.6 percent in 2020, 0.2 and 0.1 percentage point below last October's projections. The global growth forecast for 2019 and 2020 had already been revised downward in the last World Economic Outlook (WEO), partly because of the negative effects of tariff increases enacted in the United States and China earlier that year.

The further downward revision since October in part reflects carry over from softer momentum in the second half of 2018, (Germany inclusive) following the introduction of new automobile fuel emission standards and in Italy where concerns about sovereign and financial risks have weighed on domestic demand. Also weakening financial market sentiment in Turkey now projected to be deeper than anticipated.

These risks include an escalation of trade disputes, an abrupt tightening of global financial conditions, and intensifying climate risks.
In many developed countries, growth rates have risen close to their potential, while unemployment rates have dropped to historical lows. Among the developing economies, the East and South Asia regions remain on a relatively strong growth trajectory, amid robust domestic demand conditions.

Beneath the strong global headline figures, however, economic progress has been highly uneven across regions. Despite an improvement in growth prospects at the global level, several large developing countries saw a decline in per capita income in 2018. Even among the economies that are experiencing strong per capita income growth, economic activity is often driven by core industrial and urban regions, leaving peripheral and rural areas behind.

While economic activity in the commodity-exporting countries, notably fuel exporters, is gradually recovering, growth remains susceptible to volatile commodity prices. For these economies, the sharp drop in global commodity prices

[1] according to the World Economic Situation and Prospects 2019
[2] As contained in October 2018 World Economic Outlook (WEO) forecast

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in 2014/15 has continued to weigh on fiscal and external balances, while leaving a legacy of higher levels of debt[3].

Global inflation raised to 2.6% in March 2019 [4]estimates which exclude Venezuela. While global inflation should pick up marginally from its current level this year, inflation for 2019 as a whole is expected to be below 2018, largely on weaker growth momentum in developed economies and lower average oil prices. Specifically, growth in advanced economies is projected to slow from an estimated 2.3 percent in 2018 to 2.0 percent in 2019 and 1.7 percent in 2020. This estimated growth rate for 2018 and the projection for 2019 are 0.1 percentage point lower than in the October 2018 WEO, mostly due to downward revisions for the euro area.

There is substantial uncertainty around the baseline projection of about 1.5 percent growth in the *United Kingdom* in 2019-20. The unchanged projection relative to the October 2018 WEO reflects the offsetting negative effect of prolonged uncertainty about the Brexit outcome and the positive impact from fiscal stimulus announced in the 2019 budget. This baseline projection assumes that a Brexit deal is reached in 2019 and that the UK transitions gradually to the new regime. However, as of mid-January, the shape that Brexit will ultimately take remains highly uncertain.

The growth forecast for the *United States* also remains unchanged. Growth is expected to decline to 2.5 percent in 2019 and soften further to 1.8 percent in 2020 with the unwinding of fiscal stimulus and as the federal funds rate temporarily overshoots the neutral rate of interest. Nevertheless, the projected pace of expansion is above the US economy's estimated potential growth rate in both years. Strong domestic demand growth will support rising imports and contribute to a widening of the US current account deficit.

Japan's economy is set to grow by 1.1 percent in 2019 (0.2 percentage point higher than in the October WEO). This revision mainly reflects additional fiscal support to the economy this year, including measures to mitigate the effects of the planned consumption tax rate increase in October 2019. Growth is projected to moderate to 0.5 percent in 2020 (0.2 percentage point higher than in the October 2018 WEO) following the implementation of the mitigating measures.

For the emerging market and developing economy group, growth is expected to tick down to 4.5 percent in 2019 (from 4.6 percent in 2018), before improving to 4.9 percent in 2020. The projection for 2019 is 0.2 percentage point lower than in the October 2018 WEO.

[3] https://www.un.org/development/desa/dpad/publication/world-economic-situation-and-prospects-2019/
[4] Focus Economics, May 2, 2019

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Growth in emerging and developing Europe in 2019 is now expected to weaken more than previously anticipated, to 0.7 percent (from 3.8 percent in 2018) despite generally buoyant growth in Central and Eastern Europe, before recovering to 2.4 percent in 2020. The revisions (1.3 percentage point in 2019 and 0.4 percentage point in 2020) are due to a large projected contraction in 2019 and a slower recovery in 2020 in *Turkey,* amid policy tightening and adjustment to more restrictive external financing conditions.

In Latin America, growth is projected to recover over the next two years, from 1.1 percent in 2018 to 2.0 percent in 2019 and 2.5 percent in 2020 (0.2 percentage point weaker for both years than previously expected). The revisions are due to a downgrade in *Mexico*'s growth prospects in 2019–20, reflecting lower private investment, and an even more severe contraction in *Venezuela* than previously anticipated. The downgrades are only partially offset by an upward revision to the 2019 forecast for *Brazil*, where the gradual recovery from the 2015–16 recession is expected to continue. *Argentina*'s economy will contract in 2019 as tighter policies aimed at reducing imbalances slow domestic demand, before returning to growth in 2020.

Growth in the Middle East, North Africa, Afghanistan, and Pakistan region is expected to remain subdued at 2.4 percent in 2019 before recovering to about 3 percent in 2020. Multiple factors weigh on the region's outlook, including weak oil output growth, which offsets an expected pickup in non-oil activity (*Saudi Arabia*); tightening financing conditions (*Pakistan*); US sanctions (*Iran*); and, across several economies, geopolitical tensions.

In sub-Saharan Africa, growth is expected to pick up from 2.9 percent in 2018 to 3.5 percent in 2019, and 3.6 percent in 2020. For both years the projection is 0.3 percentage point lower than last October's projection, as softening oil prices have caused downward revisions for *Angola* and *Nigeria*. The headline numbers for the region mask significant variation in performance, with over one-third of sub-Saharan economies expected to grow above 5 percent in 2019–20 and activity in the Commonwealth of Independent States is projected to expand by about 2¼ percent in 2019–20, slightly lower than projected in the October 2018 WEO due to the drag on *Russia's* growth prospects from the weaker near-term oil-price outlook.

The projection of commodities and inflation on Crude oil prices have been volatile since August, reflecting supply influences, including US policy on Iranian oil exports and, more recently, fears of softening global demand. As of early January, crude oil prices stood at around $55 a barrel, and markets expected prices to remain broadly at that level over the next 4–5 years. Prices of metals and agricultural commodities have softened slightly since August, in part due to subdued demand from China. Consumer price inflation has generally remained contained in recent months in advanced economies but has inched up in the United States, where above-trend growth continues. Among emerging market economies, inflationary

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pressures are easing with the drop in oil prices. For some, this easing has been partially offset by the pass through of currency depreciations to domestic prices.

Projection on Financial conditions in advanced economies has tightened since the fall. Equity valuations which were stretched in some countries have been pared back with diminished optimism about earnings prospects amid escalating trade tensions and expectations of slower global growth. Concerns over a US government shutdown further weighed on financial sector sentiment toward year-end. Major central banks also appear to be adopting a more cautious approach.

While the US Federal Reserve raised the target range for the federal funds rate to 2.25–2.50 percent in December, it signaled a more gradual pace of rate hikes in 2019 and 2020. In line with earlier communication, the European Central Bank ended its net asset purchases in December. However, it also confirmed that monetary policy would remain amply accommodative, with no increase in policy rates until at least summer 2019, and full reinvestment of maturing securities continuing well past the first rate hike.

Financial conditions in emerging markets have tightened modestly since the fall, with notable differentiation based on country-specific factors. Emerging market equity indices have sold off over this period, in a context of rising trade tensions and higher risk aversion. Concerns about inflationary effects from earlier oil price increases and, in some cases, closing output gaps or passthrough from currency depreciation have led central banks in many emerging market economies (Chile, Indonesia, Mexico, Philippines, Russia, South Africa, Thailand) to raise policy rates since the fall.

By contrast, central banks in China and India maintained policy rates on hold and acted to ease domestic funding conditions (by lowering reserve requirements for banks and providing liquidity to non-bank financial companies, respectively). As of early January, with some notable exceptions (e.g., Mexico, Pakistan), emerging market governments generally face lower domestic-currency long-term yields than in August-September. Foreign-currency sovereign credit spreads have edged up for most countries and risen substantially for some frontier markets.

Capital flows and exchange rates affected with investors generally lowering exposure to riskier assets, emerging market economies experienced net capital outflows in the third quarter of 2018. As of early January, the US dollar remains broadly unchanged in real effective terms relative to September, the euro has weakened by about 2 percent amid slower growth and concerns about Italy, and the pound has depreciated about 2 percent as Brexit-related uncertainty increased. In contrast, the Japanese yen has appreciated by about 3 percent, on higher risk aversion. Several emerging market currencies—including the Turkish lira, the Argentine peso, the Brazilian real, the South African rand, the Indian rupee, and the

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Indonesian rupiah—have staged recoveries from their 2018 valuation lows last August-September.

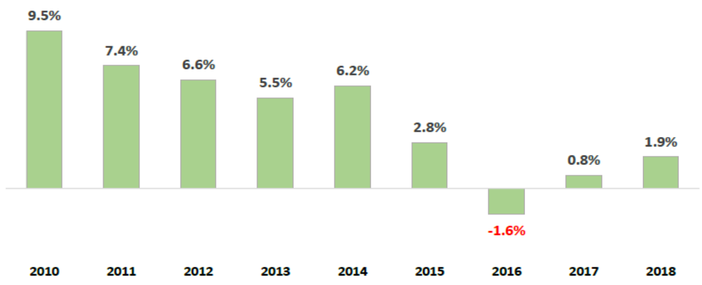
Average oil prices are projected at just below $60 per barrel in 2019 and 2020 (down from about $69 and $66, respectively, in the last WEO). Metals prices are expected to decrease 7.4 percent year-over-year in 2019 (a deeper decline than anticipated last October), and to remain roughly unchanged in 2020. Price forecasts for most major agricultural commodities have been revised modestly downwards.

2.2 Overview of the Nigerian Economic Performance

The Nigerian economy expanded by 2.4% in 2018 Q4 and 1.9% in full year 2018 with an expanded real gross domestic product (GDP) growth of 2.4%. This represents an improvement when compared with 2.1% growth recorded in the fourth quarter of 2017 and 1.8% in the third quarter of 2018[5]. For the full year of 2018, GDP (economic output) grew by 1.9%, performing better than 2017, where growth was 0.8%. In nominal terms, the value of goods and services produced in the economy in 2018 was N129 billion (2017:N114.9 billion). As in previous years, the non-oil sector accounted for 91% of total GDP in 2018[6].

Fig. 2.1

Nigeria's Real GDP Growth (2010-2018)



Information & Communication, Agriculture and Manufacturing drove GDP Growth in 2018

For the full year 2018, several sectors were crucial in influencing the performance of overall GDP growth, particularly based on their performance and contribution (weight) to overall GDP. The key sectors that contributed significantly to GDP

[5] CENTRAL BANK OF NIGERIA COMMUNIQUÉ NO.123OF THE MONETARY POLICY COMMITTEE MEETING OF MONDAY25TH AND TUESDAY26THMARCH, 2019

[6] National Bureau of Statistics and NESG Research

growth in 2018 were: Information & Communication, which accounted for 56.9% of total GDP growth; Agriculture (27.6%); Manufacturing (10%) and Transport & Storage (8.9%). Some sectors that weighed growth in 2018 include Real Estate (by -16.9%), Trade (-5.5%) and Public Administration (-2.4%).

The uncertainty surrounding the election cycle however seems to have dented economic activity, somewhat after growth hit an over three years high in 4th quarter of 2018. Although the purchasing managers index (PMI) gained ground in March largely owing to faster output growth and continued job creation, the quarterly average landed below that of 4th quarter. Inflation remained unchanged in March while consumer prices rose 0.79% on a month-on-month basis in March, marginally above February's 0.73% increase.

The un-going recovery is set to gain momentum this year, largely on the back of improved consumers spending as household incomes benefits from the plan increase in minimum wage. With the election cycle over, reduced uncertainties also bodes well for investment activity ahead. The economy over-reliance on volatile oil production and prices weighs on the outlook, however Focus Economics Panalists see GDP increasing 2.3% in 2019 which is unchanged from March, 2019 estimates and 2.8% in 2020.

2.3 TARABA STATE ECONOMIC PERFORMANCE

The State which is blessed with so much natural resources and having most of the populace involved in agricultural activities which contributes in a large extent to the Internally Generated Revenue (IGR) of the State. The state is also endowned with many other resources such as mineral deposits which are yet to be exploited for the benefit of the state. As a result of this, the State still relies heavily on the Federation Account Allocation which accounted for over 80% of its total income. There is therefore the need for the state to harness these resources in order to boost the IGR and reduce the dependant on the external source which the state has no control over.

3.0 FINANCIAL ANALYSIS OF THE 2019 BUDGET IMPLEMENTATION

3.1 Key Assumptions and Projections

The 2019 Budget document which is based on some key Macro-economic assumptions such as Exchange rate, IGR growth, oil production, prevailing Crude Oil price which determines the State share from FAAC and VAT.

Table 3.1: Key Parameters, Assumptions and Indicators

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FISCAL ITEMS	2019 Budget	Actual Jan-Mar 2019
1. KEY PARAMETERS, ASSUMPTIONS & INDICATORS (As Determined by the National Government)		
Average Budget Price Per Barrel (In US$)*	**$60pb**	*
Average Exchange Rate*	**1$/N305**	*
Total Production (Mbpd)*	**2.3mbpd**	*
2. OTHER ASSUMPTIONS		
IGR Growth Rate	**5.5%**	*
State Share from FAAC Growth Rate	**2.5%**	*
State Share from VAT Growth Rate	**0.88%**	*
State GDP Growth Rate	**N.A**	**N.A**
3. GROSS STATE COLLECTIBLE REVENUE		
State Share from Statutory Allocation	53,821,313,638.18	9,135,403,520.67
State Share of VAT	10,227,089,431.00	2,755,401,708.06
State Internally Generated Revenue (IGR)	6,353,554,840.00	921,463,673.15
4. TARABA STATE BUDGET REVENUE (INFLOWS)		
Unspent Balance from Previous Financial Year	**N.A**	**N.A**
State Allocation from Federation Account	53,821,313,638.18	9,135,403,520.67
Internally Generated Revenue (IGR)	6,353,554,840.00	921,463,673.15
TOTAL	**60,174,868,478.18**	**10,056,867,193.82**
5. TARABA STATE GOVERNMENT BUDGET	**146,073,726,882.10**	**13,173,613,497.98**
6. MDA SPENDING		
Personnel Cost (MDAs)	30,141,412,193.64	5,383,558,049.84
Overhead Costs	3,904,000,000.00	1,255,424,058.70
Consolidated Revenue Fund (CRF) Charges	24,539,375,164.57	3,100,652,524.49
Sub – Total	**58,584,787,358.21**	**9,739,634,633.03**
Total Recurrent Expenditure		

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8. CAPITAL SPENDING	**72,826,433,910.37**	**1,090,517,198.45**
9. AGGREGATE EXPENDITURE		
10. FISCAL DEFICIT/SURPLUS		
11. DEFICIT/GDP		
Aids and Grants		
Domestic Borrowing		
Foreign Borrowing		
Miscellaneous Receipts		
Total		

Table 3.2. Below shows the sources of income in the first quarter of 2019 with statutory allocation taking the lead and also demonstrated in fig. 3.2

Table 3.2: Income flow

Sources	**Budget 2019**	**Quarterly Estimates**	**Actual (January - March) 2019**	**% Performance**
Statutory Allocation (Excess PPT, Excess Bank Charges, Forex Equal. Acct. & Ex. Rate Diff)	53,821,313,638.18	13,455,328,409.55	9,135,403,520.67	67.89
Value Added Tax	10,227,089,431.00	2,556,772,357.75	2,755,401,708.06	107.77
FG Budget Support to States	-	-	253,722,719.55	#VALUE!
Independent Revenue (IGR)	6,353,554,840.00	1,588,388,710.00	921,463,673.15	58.01
Aids & Grants	10,878,715,309.90	2,719,678,827.48	107,621,876.55	3.96

Source: Taraba SPC

The 2019 budget approved figure of N146,073,726,882.10 is to be generated from the sources stated in the table 2.1 above. Since this is a quarterly report, for the purpose of convenience of the analysis, we decided to project all items (revenue and expenditure) from the total approved estimate evenly though the propensity to generate and or expend may not be the same in the quarters.

The bulk of the revenue expected for this quarter is from the statutory allocation of N13,455,328,409.55 of out which the sum of N9,135,403,520.67 (67.89%) was generated thereby leaving a shortfall of 4,319,924,888.88. On the contrary, the sum of 2,556,772,357.75 was expected from VAT for the period but the sum of N2,755,401,708.06 (107.77%) was generated ie N198,629,350.31 higher. The IGR

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performance fall short of the expected target of N1,588,388,710.00 to N921,463,673.15(58.01) which amounted to a shortfall of N666,925,036.85. Aids and Grant generated the sum N107,621,876.55 (3.96%) of the expected N2,719,678,827.48 thereby allowing a shortfall of N2,612,056,950.93.

From the above, the total revenue performance for the period under review stood at N13,173,613,497.98(64.83%) as against N20,320,168,304.78 having a shortfall of N7,146,554,806.80 against the expected.

Fig. 3.1: Income Performance

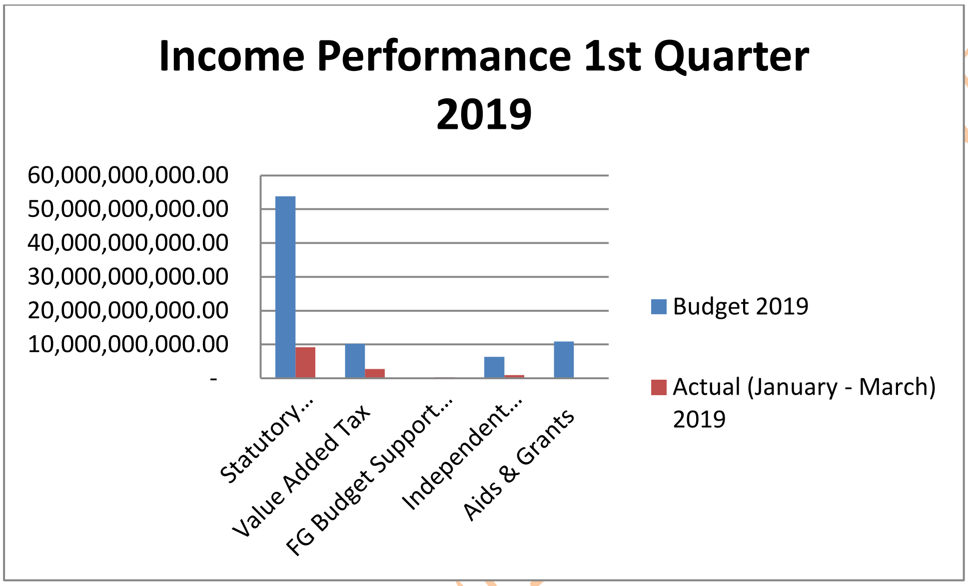

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Table 3.3: Recurrent Expenditure

Items	Budget 2019	Quarterly Estimates	Actual (January - March) 2019	% Performance
Personnel Cost	30,141,412,193.64	7,535,353,048.41	5,383,558,049.84	71.44
CRF Charges - Statutory Office Holder's Salaries/Allowances	4,662,505,614.00	1,165,626,403.50	1,255,424,058.70	107.70
CRF Charges - Pensions and Gratuities	3,904,000,000.00	976,000,000.00	765,585,356	78.44
Overhead Cost	24,539,375,164.57	6,134,843,791.14	3,100,652,524.49	50.54

Source: Taraba SPC

As stated in the revenue analysis above, the expenditures are projected evenly from the 2019 approval of each item, though the propensity to expend may not be the same for all the quarters. However, we still wish to emphasise that the table above is populated based on the response to data request from our MDAs.

The expenditure side as we all know is usually classified into recurrent and capital.

On the recurrent aspect, the sum of N15,811,823,243.05 was estimated with a performance of N10,505,219,988.57 (66.44%). The personnel cost estimated at N7,535,353,048.41 with a performance of N5,383,558,049.84(71.44) having a shortfall of N2,151,794,998.57. Consolidated Revenue Fund Charges (CRFC) estimated the sum of N1,165,626,403.50 with a performance of N1,255,424,058.70 (107.7%) which is above the quarterly estimate.

The CRFC charges on pensions and gratuities was estimated at the sum of N976,000,000.00 with a performance of N765,585,356(78.44) lower then the expected. On the aspect of overhead, the sum of N6,134,843,791.14 was estimated for the quarter but only N3,100,652,524.49 (50.54%) was actually spent leaving a balance of N3,034,191,266.65

For the capital, the sum of N18,206,608,477.59 was estimated to be spent on capital development within the period but a total sum of N1,090,517,198.45(5.99) was actually expended leaving a high shortfall of N17,116,091,279.14

The total expenditure performance for the period stood at N11,595,737,187.48(42.58%) as against the estimated N34,018,431,720.64 leaving a balance of N22,422,694,533.16.

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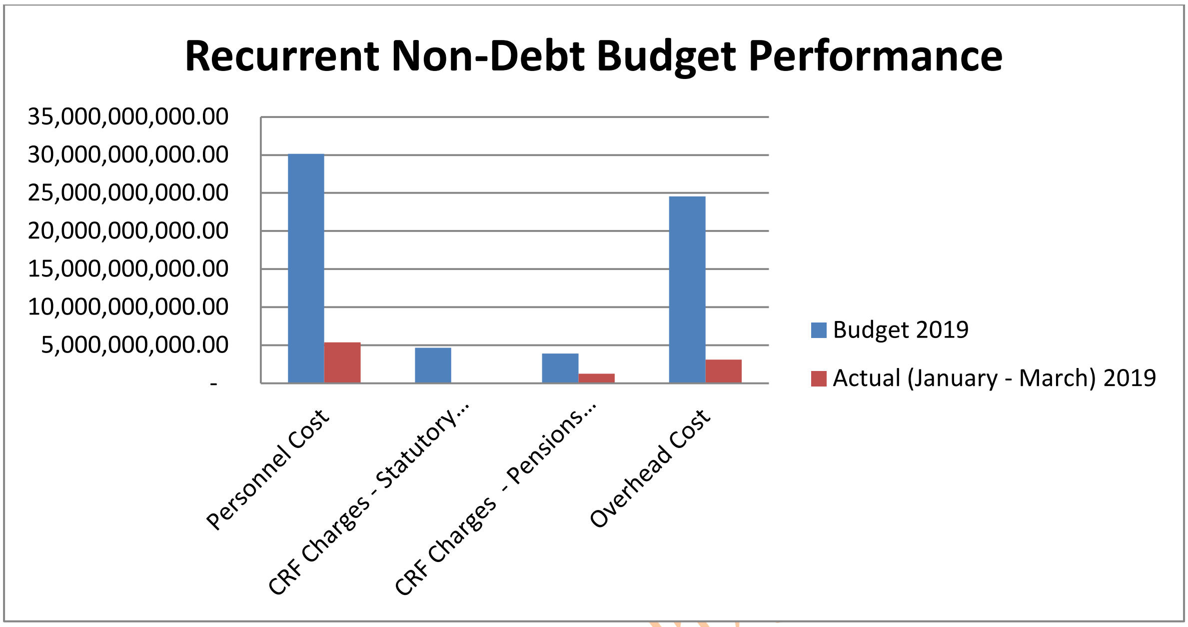
The reason for this low performance could be attributed to political uncertainties within the State. Moreover, huge shortfall of revenue is a also a contributing factor to the low performance.

Fig. 3.2: Recurrent Non-Debt Performance



3.2 Capital Expenditure Analysis

In the capital expenditure the performance of the first quarter of 2019 is below 10% compared to the annual approved estimate.

Table 3.4: Capital Expenditure Based on Sub-Sector

Capital Expenditure Based on Sub – Sector				
ITEM	**Budget 2019**	**Quarterly Estimate**	**Actual (Jan - March) 2019**	**% Performance**
AGRICULTURE & NATURAL RESOURCES	**6,507,995,761.72**	**1,626,998,940.43**	**50,000,000.00**	**3.07**
COMMERCE, INDUSTRY & TOURISM	**1,557,360,123.20**	**389,340,030.80**		**0.00**
RURAL & COMMUNITY DEVELOPMENT	**3,997,342,050.00**	**999,335,512.50**	**178,243,566.65**	**17.84**
WORKS, HOUSING & TRANSPORT	**18,294,219,558.00**	**4,573,554,889.50**	**28,000,000.00**	**0.61**
FINANCE & POVERTY	**3,122,500,000.00**	**780,625,000.00**		**0.00**

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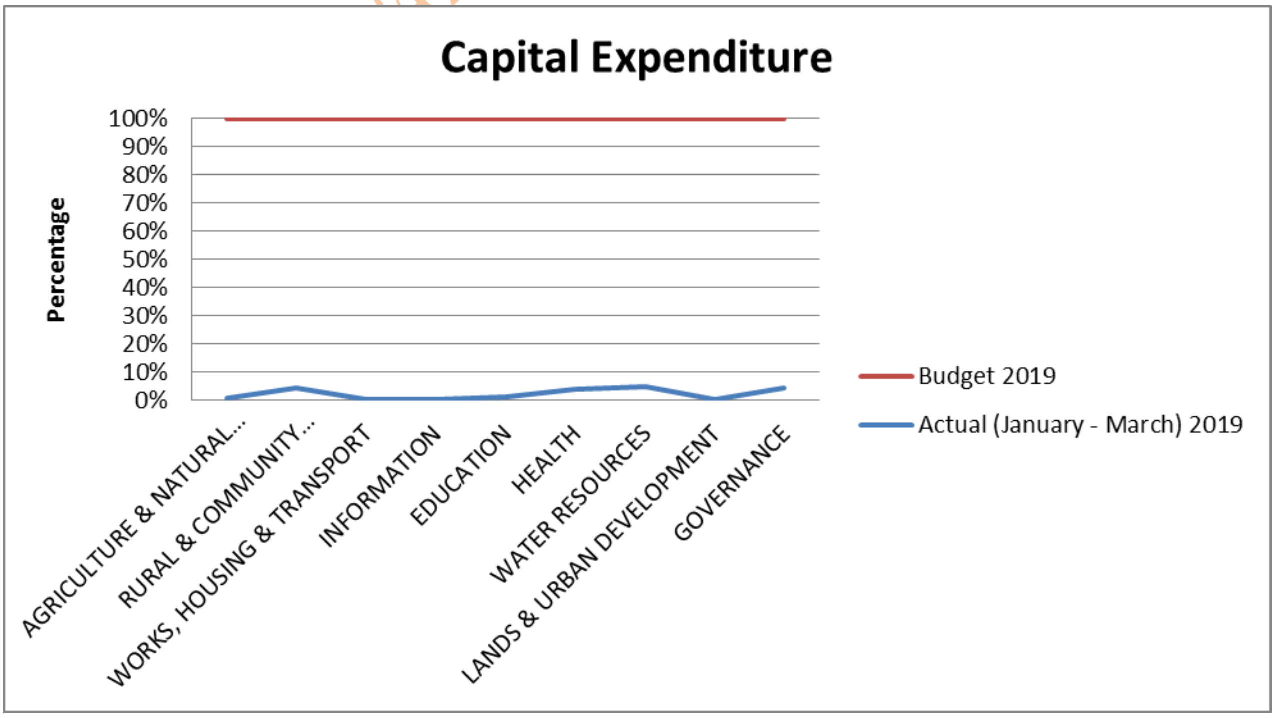
ALLEVIATION				
INFORMATION	1,433,000,000.00	358,250,000.00	1,333,500.00	0.37
EDUCATION	8,011,032,016.80	2,002,758,004.20	103,555,775.24	5.17
HEALTH	7,547,343,279.70	1,886,835,819.93	303,275,472.56	16.07
SOCIAL DEVELOPMENT	1,471,040,454.94	367,760,113.74		0.00
ENVIRONMENT & FORESTRY	919,844,666.60	229,961,166.65		0.00
SOLID MINERALS	200,000,000.00	50,000,000.00		0.00
WATER RESOURCES	5,929,700,000.00	1,482,425,000.00	300,000,000.00	20.24
LANDS & URBAN DEVELOPMENT	2,723,949,248.82	680,987,312.21	12,114,550.00	1.78
EXECUTIVE	3,791,160,143.00	947,790,035.75		0.00
GOVERNANCE	2,573,081,356.30	643,270,339.08	113,994,334.00	17.72
LAW & JUSTICE	1,900,865,251.29	475,216,312.82		0.00
LEGISLATURE	2,846,000,000.00	711,500,000.00		0.00
Total	72,826,433,910.37	18,206,608,477.59	1,090,517,198.45	5.99

Source: Taraba SPC

Fig. 3.3:Capital Expenditure



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3.3 INTERNALLY GENERATED REVENUE (IGR) INFLOW ANALYSIS

Table 3.5: IGR Inflow

Revenue Source/ Organization Name	Approved Estimates 2019	Quarterly Estimates 2019	Actual Performance 2019	% performance
Ministry of Agriculture	68,453,900.00	17,113,475.00	18,919,800.00	110.55
Board of Internal Revenue	3,618,561,926.21	904,640,481.55	621,711,494.28	68.72
College of Agriculture, Jalingo	26,250,000.00	6,562,500.00	24,921,250.00	379.75
Taraba State Polytechnic, Suntai	148,350,000.00	37,087,500.00	38,145,050.00	102.85
Taraba State University, Jalingo	550,000,000.00	137,500,000.00	104,141,829.87	75.74
Ministry of Environment	503,100,000.00	125,775,000.00	64,356,300.00	51.17
State Specialist Hospital, Jalingo	96,562,759.26	24,140,689.82	35,332,849.00	146.36
Others	1,872,902,913.73	468,225,728.43	13,935,100.00	2.98
Total	6,884,181,499.20	1,721,045,374.80	921,463,673.15	53.54

Source: Taraba SPC

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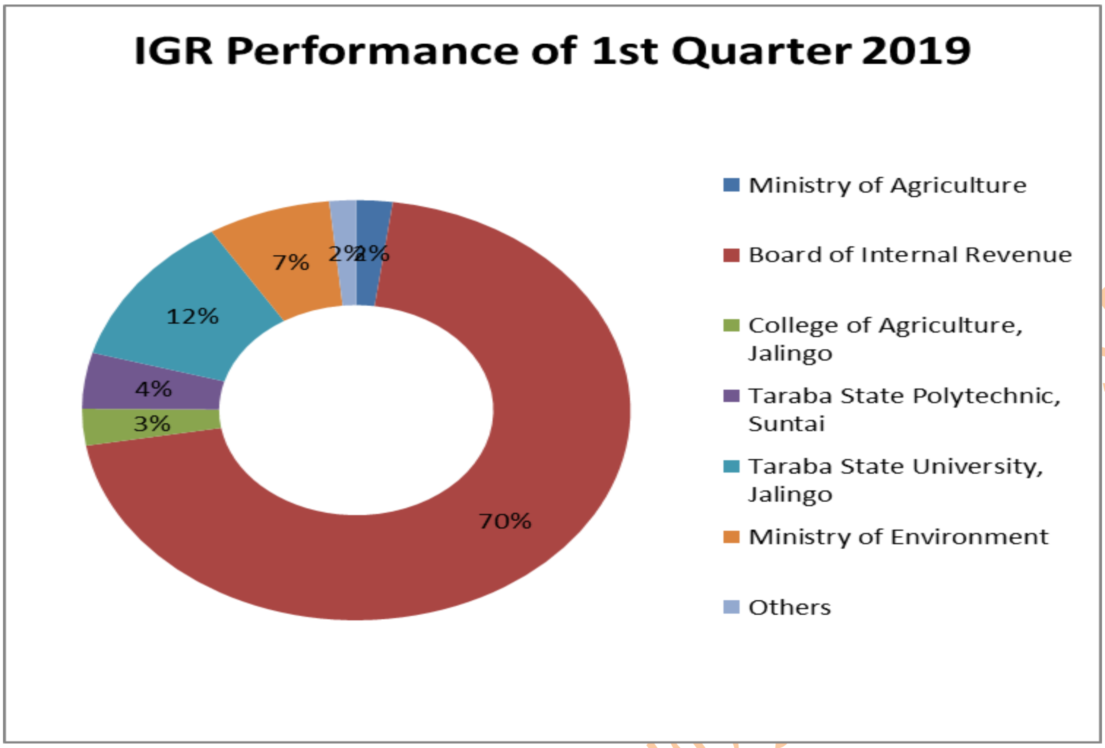
Fig. 3.4: IGR Performance



4.0 CONCLUSION

The first quarter (January –March) 2019 was dominated by political activities which distracted economic activities so much. This negatively affected the budget implementation through low performances of most of the macroeconomic assumptions used in the year's projections.

Apart from VAT, all the others fall short of expectations and this in turn affected the expenditure implementation.

On the expenditure side, CRFC overshoot it's expected performance by 7% while other expenditure items performed below expected.

Generally, performances are below expectation and the implication of this is that a huge variance have been created which if not augmented may lead to a generally low budget implementation.