

K o g i S t a t e B u d g e t 2 0 1 9



BUDGET OF CONSOLIDATION

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State Secretariat, Lokoja, Kogi State



KOGI STATE BUDGET 2019

Table of Contents

Introduction	04
Budget Glossary	05-07
General Framework BUDGET SUMMARY	08
Where will the Money come from? REVENUE SUMMARY	09
Revenue Breakdown REVENUE PERFORMANCE	10
Deficit Financing BUDGET DEFICIT FINANCING	11
How will Government source the grants? DOMESTIC GRANTS FOREIGN GRANTS	12 13



Table of Contents

How will Government source the loans?

DOMESTIC LOANS

14

FOREIGN LOANS

15

How will Government spend the money?

EXPENDITURE SUMMARY

16-17

Expenditure: Where does the money go?

RECURRENT EXPENDITURE

18

CAPITAL EXPENDITURE

19

TRACK CAPITAL PROJECTS WITH US

20-22



Introduction

What is a Budget?

A budget shows what the government expects to collect as revenue, what grants it expects to receive, how much it expects to save or borrow, and what the government plans to spend on.

A budget is a document that contains details about how the government plans to spend our communal wealth – the taxpayers' money. Federal, state and local governments all have a budget document which is called an Appropriation Act.

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

What is a Citizens Budget?

A Citizens Budgets is a simpler, less technical version of a government's budget specifically designed to present key information that is understandable by the general public. Citizens Budgets can vary widely in focus, content, and length and be presented in a number of ways, ranging from a simple brochure to a comprehensive

report. Citizens Budgets should also be accessible by the general public, including being published online on an official state website.

Why is a Citizens Budgets Important?

Every responsible citizen has the right to know how communal wealth is being expended in the delivery of public infrastructure and services. State governments must ensure that citizens have a good understanding of how the budget directly affects their lives.

Citizens budgets foster a greater understanding of how public funds are utilized, especially if the information presented is a more accessible format than standard government budgets.

Although they are not meant to replace more detailed budget documents, they are important for informing citizens and civil society and contributes to the effort of increasing government accountability on how it manages public money.



Budget Glossary

Total Budget Expenditure: This is the total amount of budget for the given year. It is the summation of both the Recurrent Expenditure and Capital Expenditure as approved by the State House of Assembly and assented to by the Executive Governor.

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

Revenue: Revenue is all the amount of money the government believes it will collect during the year from recurring taxes, levies and fees; put simply, this refers to money collected on behalf of citizens. States in Nigeria receive a share of revenues collected federally such as oil revenues, corporate income taxes, VAT and excises and duties.

These are called statutory allocation, VAT and other statutory revenue in the

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

Budget Deficit: This is generally the difference between what the government intend to spend on expenditures and the revenue generation capacity. A deficit occurs when the expenditure figure is higher than the revenue and grants figure. The total budget financing is the summation of all the financing the government intends to raise through borrowing/loans (domestic and foreign), sales of government assets or other deficit financing items.

Grants: A grant is one of the government's source of funds for funding ideas and projects to provide public services, stimulate the economy, and benefit the general public. Grants could be either from foreign or



Budget Glossary

domestic and is normally provided for a specific project and set of expenditures. Grants are not borrowing/loans so do not need to be paid back after it has been used for the intended project and set of expenditures.

Loans: Another source of funds for the government to finance the budget is a loan. Government borrows to finance its annual budget generally when revenues and grants are not enough to fund all the expenditures in the budget. Loans could be domestic and or foreign sources. Loans can be for a specific project or set of expenditures or could be used to finance the general budget expenditures.

Why does the Government borrow?
When the government intends to spend more money than they expect to collect as revenue and receive in grants, the budget is in deficit.

When they intend to spend less than what they expect to collect in revenue

and receive in grants, the budget is in surplus. A balanced budget is a budget where total revenues are equal to the total expenditures for the year.

When the budget has an expected deficit, the government will need to finance the budget deficit. It can do this through sales of government assets or through borrowing. Borrowing can be from banks, multilateral institutions, the federal government or from investors through the capital market

Recurrent Expenditure: Refers to recurring payments: wages and salaries for civil servants; overhead costs (electricity bills, purchase of diesel); consolidated revenue account charges; transfers (to local government, for example); interest payments on existing loans; and other (subsidies, for example).

Personnel Cost: include salaries, allowance and other benefits that Government pays to its workers (civil



Budget Glossary

servants).

Overhead Cost: These are any regular expenses which are not paid directly to a civil servant or other government workers, including amounts billed directly to customers. Overheads must be paid for regularly. Examples are electricity bills, water bills, the buying diesel for generators, or the money spent on travelling during work, by civil servants.

Capital Expenditure: Capital Expenditure is money spent by government to acquire or build fixed capital assets, land or intangible assets. Capital Expenditure is how much is used for projects like the

building of schools, hospitals, roads, or buying security equipment. Capital Expenditure is sometimes called "Capex."

Sectoral Allocation: Expenditure is allocated to different ministries, departments and agencies (MDA). Each MDA will have an approved budget of recurrent and capital expenditure as part of the overall approved state government budget to run its daily activities as well as carry out projects associated with them respectively.

It is recommended that States include allocations for all MDAs in the template or at least the highest spending MDAs.

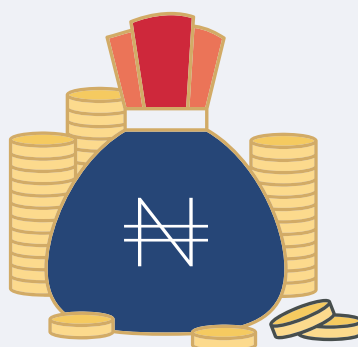
With technical support from
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**KOGI STATE
BUDGET 2019**

General Framework

BUDGET SUMMARY



N146.7bn
Total Budget Expenditure

N121.6bn
Total Budget
Revenue & Grants

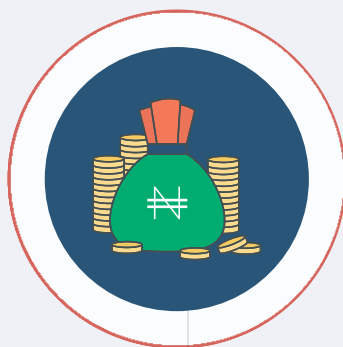
N25.1bn
Budget Deficit



**KOGI STATE
BUDGET 2019**

Where will the Money come from?

REVENUE SUMMARY



N18.2bn
IGR

N19.3bn
Grants



N60.9bn
Statutory Allocation

N17.5bn
Value Added Tax



N5.69bn
Other Statutory Revenue

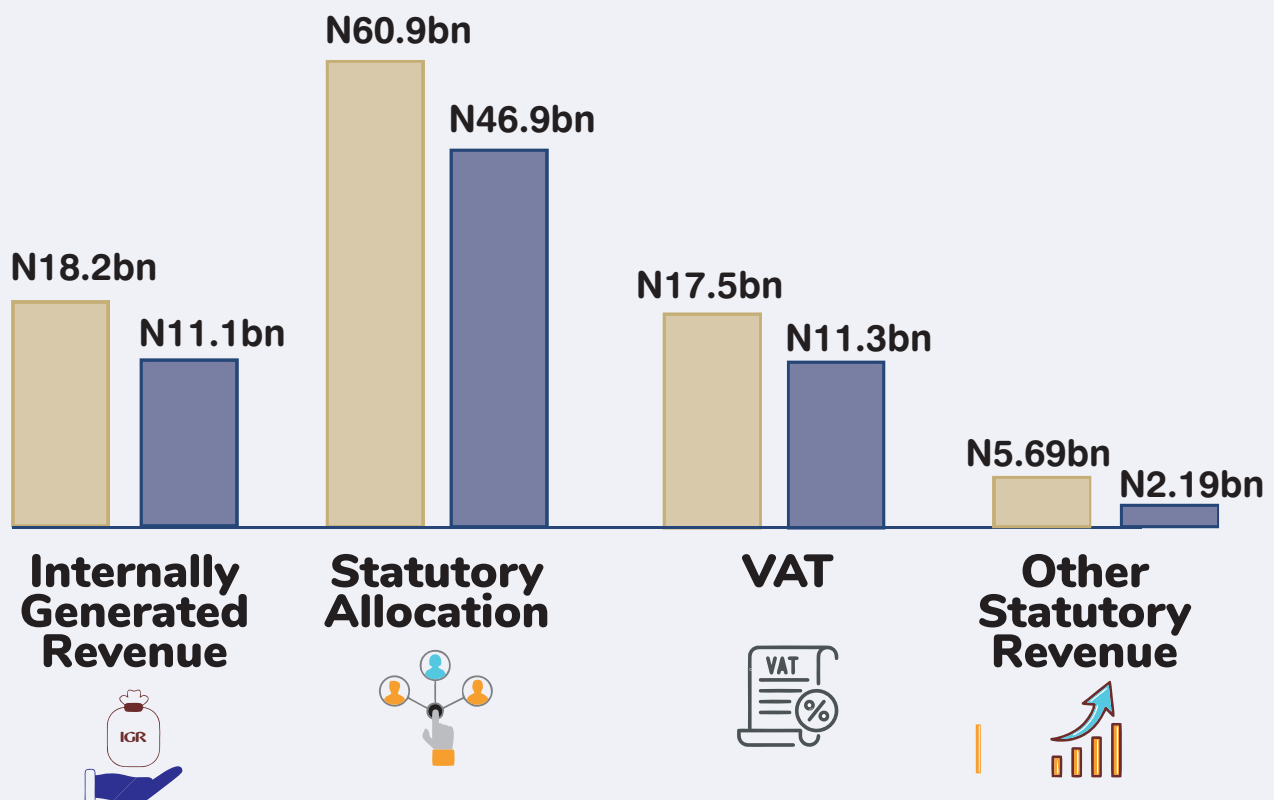
Revenue Breakdown



**KOGI STATE
BUDGET 2019**

REVENUE PERFORMANCE

- 2019 Budget Target
- 2018 Budget Actual





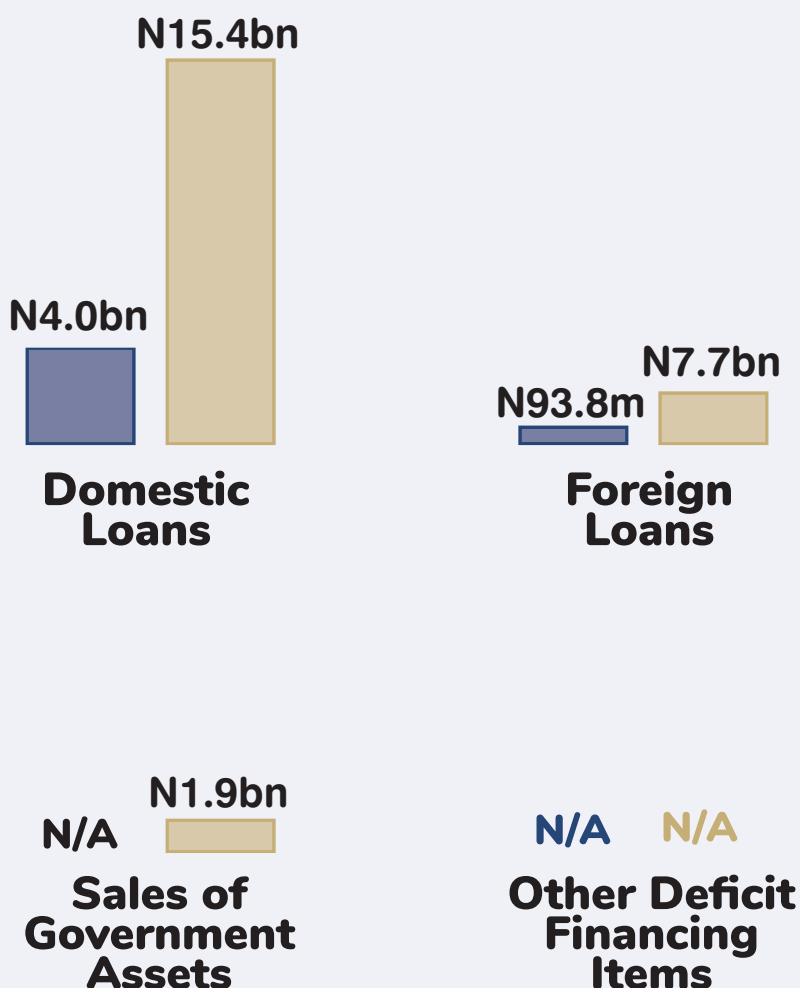
KOGI STATE BUDGET 2019

Deficit Financing

BUDGET DEFICIT FINANCING

■ 2019 Budget Target

■ 2018 Budget Actual

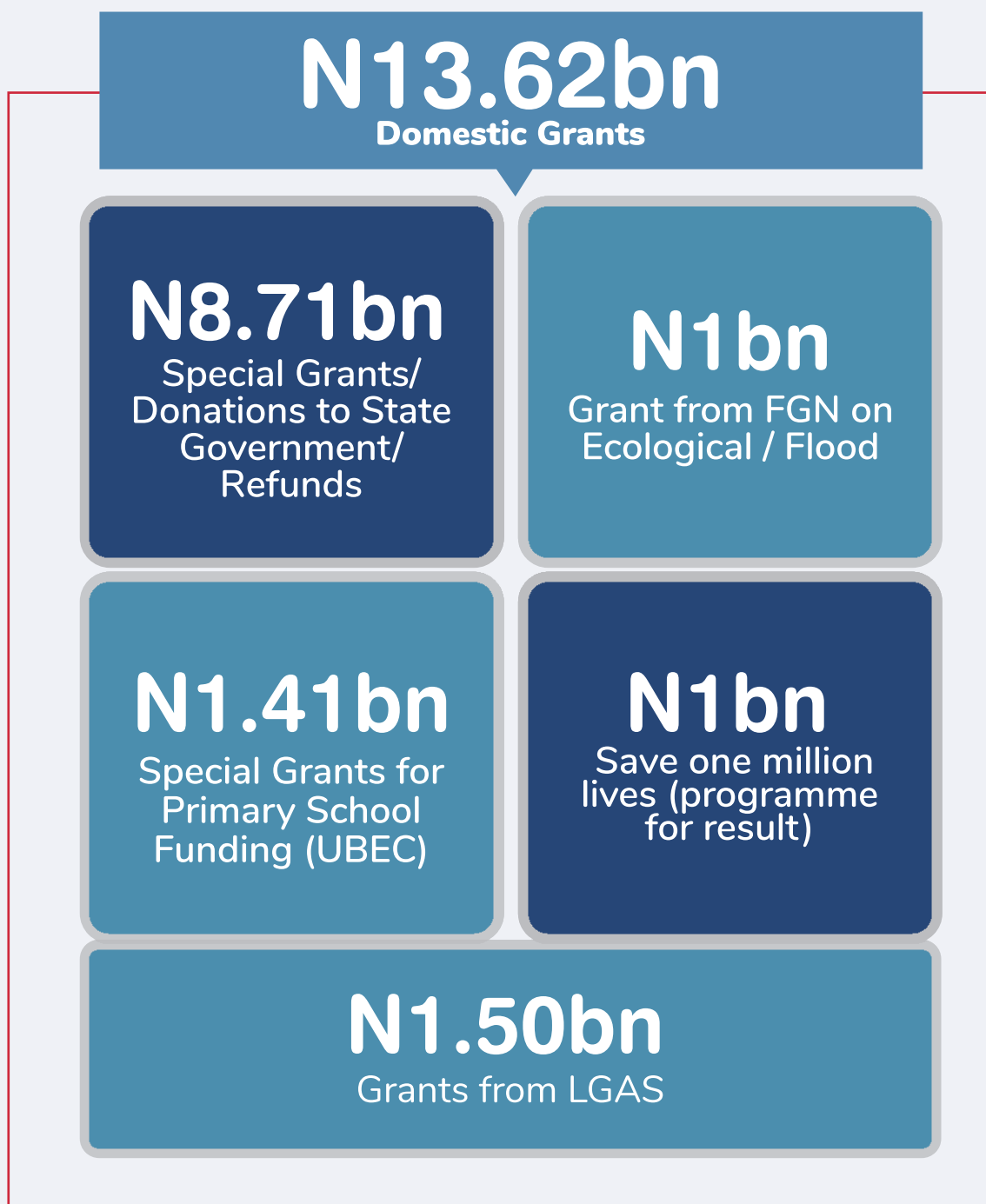


How will Government source the grants?



**KOGI STATE
BUDGET 2019**

DOMESTIC GRANTS





**KOGI STATE
BUDGET 2019**

How will Government source the grants?

FOREIGN GRANTS

N5.7bn
Foreign Grants

N5bn

State Fiscal
Transparency,
Accountability and
Sustainability (SFTAS)
Programme for Results

N675m

Yesso State Lead S4J
Training of
Beneficiaries in
Partnership with
Koica-lokoja
15,000 X 45,000



**KOGI STATE
BUDGET 2019**

How will Government source the loans?

DOMESTIC LOANS



N15.44bn
Domestic Loans

N8bn

Accounts/
Infrastructure
Development
Debts
Financing/donor
Agencies



N500m
Stabilization Fund

N6bn

Commercial Bank
Facilities to Kogi
State Government
(Term Loan, Bridging
Facilities, Overdrafts)

N936m

Accelerating
Nutrition Results
in Nigeria



**KOGI STATE
BUDGET 2019**

How will Government source the loans?

FOREIGN LOANS



N7.66bn
Foreign Loans

N4.00bn

New Map

N1.8bn

Agro - Processing, Productivity
Enhancing and Livelihood Support
(Appeals)(world Bank Support).

N550m

World Bank Assisted
Community and Social
Development (Mutilateral)

N510m

Yesso Net
(Mutilateral)

N500m

World Bank Assisted
Rural Access and
Agricultural Marketing
Project

N300m

World Bank Programme on
HIV/AIDS (KOSACA)
(Mutilateral)

How will Government spend the money?

EXPENDITURE SUMMARY



**KOGI STATE
BUDGET 2019**

N146.7bn

Total Expenditure



N71.6bn

Total Recurrent
Expenditure



N36.2bn
Personnel
Cost



N35.4bn

Overhead Cost

How will Government spend the money?

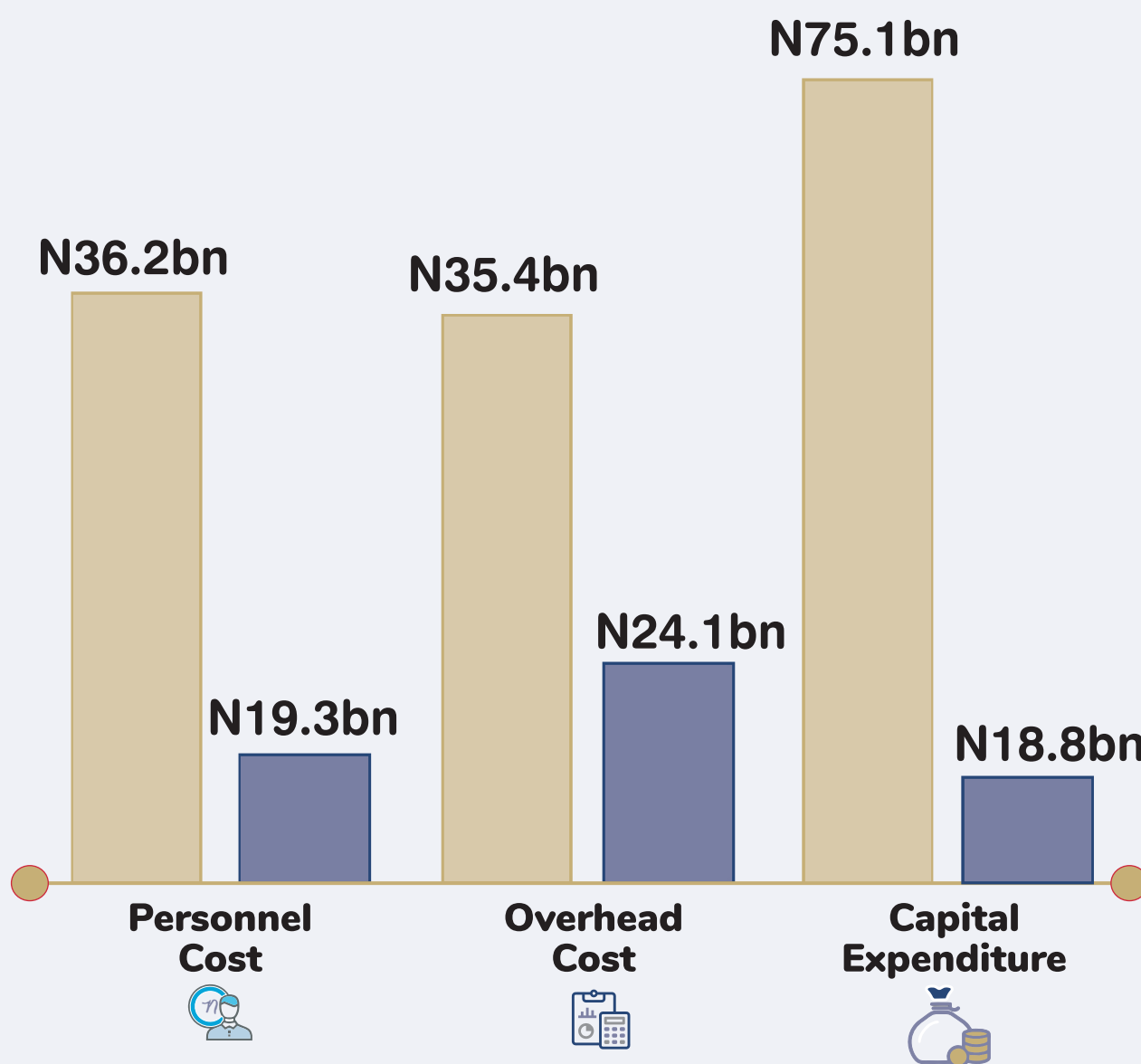


**KOGI STATE
BUDGET 2019**

EXPENDITURE SUMMARY

■ 2019 Budget Target

■ 2018 Budget Actual





**KOGI STATE
BUDGET 2019**

Expenditure: Where does the money go?

RECURRENT EXPENDITURE



**Administrative Sector
N30.12bn**



**Economic
Sector
N9.27bn**



**Social Sector
N26.53bn**



**Law & Justice
Sector
N5.69bn**



**KOGI STATE
BUDGET 2019**

Expenditure: Where does the money go?

CAPITAL EXPENDITURE



**Economic
Sector
N42.6bn**



**Social Sector
N15.75bn**



**Administrative
Sector
N15.0bn**



**N1.75bn
Law & Justice
Sector**



KOGI STATE BUDGET 2019

Expenditure: Where does the money go?

TRACK CAPITAL PROJECTS WITH US

Project	Line Ministry/Agency	Location	Amount
Road Maintenance Agency's Projects	Kogi State Road Maintenance Agency	Across the State	3,000,000,000
Sustainable Development Goals (SDG) (GCCC)	Government House	Across the State	2,366,308,278
Purchase of Vehicles for Ministries/Depts.	Office of the Head of Civil Service	Lokoja	2,000,000,000
Transport Projects	Ministry of Transport	Across the State	1,695,500,000
Upgrading of Ajaokuta-Anyigba Transmission Line & Distribution to LGAs/Communities	Ministry of Rural Development	Ajaokuta-Eastern Senatorial District	1,500,000,000
Renovations and Expansion of Learning Environment in 42 Schools 2 per LGA (GYB Lagacy/Model School Projects)	Ministry of Education, Science and Technology	Across the State	1,400,000,000
Kogi State Social Investment Programme.	Government House	Across the State	1,000,000,000
Crop Production/Value Chain Development on Cassava, Rice, Cashew and Other Stable Crops	Ministry of Agriculture	Across the State	1,000,000,000
Agricultural Mechanization (Ministry of Agriculture, Headquarters)	Ministry of Agriculture	Across the State	1,000,000,000
SME Credit Scheme(SIP)	Ministry of Commerce	Across the State	900,000,000
Accreditation of Courses in Kogi Polytechnic, Lokoja, COE, Ankpa, KSU, Anyigba, COE Technical, Kabba	Ministry of Education, Science and Technology	Lokoja, Anyigba, Ankpa and Kabba	650,000,000
Eastern Water Project Scheme, (Ejule, Odu-Okpakili,Idah, Ankpa, Agaliga, Imane, Ajaka, Abejukolo Anyigba and Oguma) (BD)	Ministry of Water Resource	Ejule, Odu-Okpakili,Idah, Ankpa, Agaliga, Imane, Ajaka, Abejukolo Anyigba and Oguma	600,000,000



KOGI STATE BUDGET 2019

Expenditure: Where does the money go?

TRACK CAPITAL PROJECTS WITH US

Central Water Project Schemes (Okene, Ekuku, Adogo,ogori, Magongo, Essomi, Egge, Idoji, Kuroko Obangede, Nagazi,Oboroke and Ikuehi(BD)/Construction of Underground Water Tank, Okene	Ministry of Water Resource	Okene, Ekuku, Adogo,ogori, Magongo, Essomi, Egge, Idoji, Kuroko Obangede, Nagazi,Oboroke and Ikuehi	565,432,000
Kogi State Agricultural Revolution Project	Ministry of Agriculture	Across the State	500,000,000
Construction of Ogaminana Eboga Ipaku-Kuroko Juction (4km)	Ministry of Works and Urban Development	Adavi	450,000,000
Construction of Obehira Okengwe/Ihima Township Road	Ministry of Works and Urban Development	Okehi	450,000,000
Asphalt Overlay of Iyamoye-Jege-Ijowa Road to Isanlu (71km)	Ministry of Works and Urban Development	Yagba East	450,000,000
Construction of Agassa Upogoro – Okene Road (805km)	Ministry of Works and Urban Development	Okene	400,000,000
On-going Construction of Odenyi Oguma/Sheria Road (16.0km)	Ministry of Works and Urban Development	Bassa	400,000,000
Rehabilitation of Ibana Junction/Ikeje/Ogugu/Ette Road	Ministry of Works and Urban Development	Olamaboro	400,000,000
Asphalt overlay of new Market/Muritala Mohammed /Barrack/ Kabba Junction Road (20.75kms)(BD)	Ministry of Works and Urban Development	Lokoja	400,000,000



KOGI STATE BUDGET 2019

Expenditure: Where does the money go?

TRACK CAPITAL PROJECTS WITH US

Reconstruction of Ankpa-Abejukolo Road (56km)	Ministry of Works and Urban Development	Omala	300,000,000
Construction and Dualization of Ankpa Township Rd phase 1&II (6.5km)	Ministry of Works and Urban Development	Ankpa	280,000,000
Supply of Science, Technical and Vocational Equipment to 21 Government Science and Technical Colleges and 21 Government Schools in 21 LGA.	Ministry of Education, Science and Technology	Across the State	270,000,000
Supply of Customized Text Books to Schools (MOEHQ) including Instructional Materials	Ministry of Education, Science and Technology	Across the State	265,981,025
Western Water Scheme (Kabba, Ogidi, Mopa, Isanlu, Egbe, Aiyegunle-Gbede, and Omi) (BD)	Ministry of Water Resource	Kabba, Ogidi, Mopa, Isanlu, Egbe, Aiyegunle-Gbede, and Omi	260,000,000
Greater Lokoja Water Supply scheme Phase II/ Maintenance	Ministry of Water Resource	Lokoja	220,000,000
Rehabilitation of Idah/Onyedega Road (32km)	Ministry of Works and Urban Development	Idah	200,000,000
Construction of Oke-Giro Road (Kabba/Bunu LGA)	Ministry of Works and Urban Development	Kabba	200,000,000
Construction of Ogori/Magongo Township Road	Ministry of Works and Urban Development	Ogori/Magongo	100,000,000
Construction of Iyara Township Road	Ministry of Works and Urban Development	Ijumu	100,000,000
Construction of Idoji-Ahache-Agassa Road	Ministry of Works and Urban Development	Okene	100,000,000
Rehabilitation of Koton-karfe Township Road II (4.46km)	Ministry of Works and Urban Development	Kogi	100,000,000



KOGI STATE BUDGET 2019





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