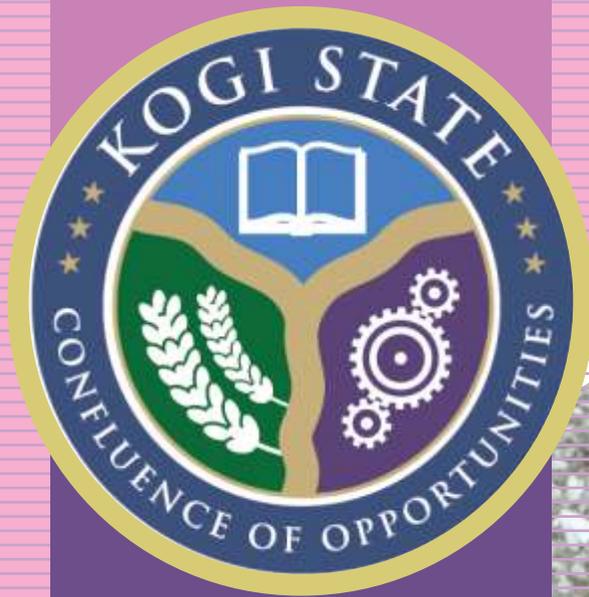


KOGI STATE REVISED BUDGET 2020



Budget of Prosperity

Prepared by Ministry of Finance, Budget and Economic Planning
State Secretariat, Phase 2. Lokoja, Kogi State



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FOREWORD

As we know, the Citizens Budget is a derivative of the main Budget. Therefore, Kogi Citizens Budget for 2020 was derived from 2020 Approved Budget. In recent time, however, the global economy has been witnessing unprecedented disruptions due to the effects of COVID-19 pandemic. As a result, the assumptions that informed the preparation of the Budget have been hard hit. For example, the Budget was prepared on crude oil benchmark of \$57 US Dollars per barrel and exchange rate of N305/\$, amongst others. These assumptions have changed and changed very quickly. In December, 2019, the price of crude oil was still as high as \$67 US Dollars per barrel but this has significantly dropped to, sometime, as low as \$17 US Dollars per barrel while the exchange rate has risen to N360/\$. On all of this, our observation is that, the situation appeared to be showing no sign of imminent recovery. Based on this development, the Citizens Budget, just like the Approved Budget for 2020, can no longer be realistic; hence the need for a downward review.

The disruption caused by COVID-19 pandemic has no doubt slowed down the state economy and as a result, the projected sources of IGR are also adversely affected. The Civil servant/ public servants are now working from home, banks are only

providing skeletal services, businesses have slowed down. Our overall production capacity is operating at sub optimal level. These are not normal times. We must, therefore, take unusual steps to solve this unusual reality. We are, however, taking steps to explore other sources of funding and investments options, to stabilize the state economy, but this will take time to materialize.

The State has carefully assessed the overall effects of COVID-19 on our revenue profile through a technical committee and prioritized Health, Education, Agriculture and key recurrent services.

In the light of the above, the State Budget for 2020 has now been REVISED to N102,123,091,931 from the earlier Approved Budget of N176,123,091,931. The reduction in the budget size is N74,000,000,000 representing 42%. We shall continue to respond creatively to the economic and allied challenges posed by Covid-19 to our society in order to maximise the welfare of our people.

ALHAJI YAHAYA BELLO
EXECUTIVE GOVERNOR



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 in 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 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



BUDGET GLOSSARY

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 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



BUDGET GLOSSARY

respectively.

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

2019 Actual Budget as used in this report is the unaudited figures for year 2019 budget performance

BUDGET SUMMARY



N102.1bn

TOTAL BUDGET EXPENDITURE

DEFICIT
26.0bn

76.1bn

TOTAL BUDGET REVENUE
& GRANTS



WHERE WILL THE MONEY COME FROM?

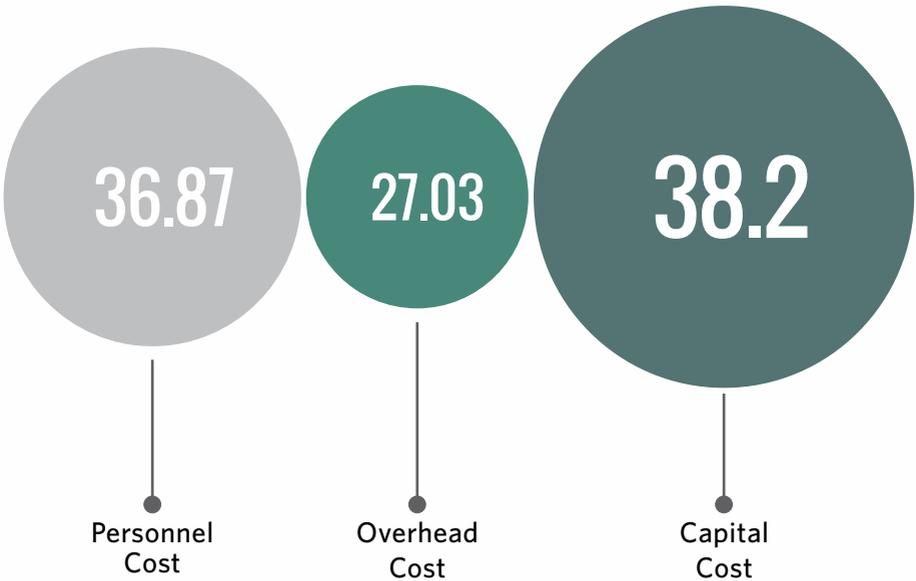




WHERE DOES THE MONEY GO ?

NGN'BN

N102.1bn
TOTAL RECURRENT
EXPENDITURE



WHERE DOES THE MONEY GO ?

WHERE DOES THE MONEY GO?

PERSONNEL COST



₦ 36,866,592,479

OVERHEAD COST



₦ 27,035,227,030

WHERE DOES THE MONEY GO?

AGRICULTURE



₦3,358,366,000

Education



₦3,576,711,709

Road Construction



₦ 5,885,500,000

Health



₦ 5,971,556,992

WHERE DOES THE MONEY GO?

Water Supply



₦1,355,000,000

Power/Electricity



₦627,012,800

Office Accommodation/Housing



₦3,450,732,000

Transportation



₦1,985,480,000

Security



₦92,048,000

Youths & Sports



₦ 570,520,000

Environment



₦1,933,008,000

Information, Communication & Technology



₦1,086,384,500

WHERE DOES THE MONEY GO?

Commerce & Industry



₦ 565,240,000

Tourism



₦349,366,400

Other Government Projects



₦ 7,414,346,021



HOW WILL THE GOVERNMENT SOURCE THE LOANS?

NGN'BN

Domestic Loans

COMMERCIAL BANK FACILITIES TO KOGI STATE GOVERNMENT (TERM LOAN, BRIDGING FACILITIES, OVERDRAFTS)

8.0bn

HOUSING SCHEME LOANS FACILITIES

1.0bn

ACCOUNTS/ INFRASTRUCTURE DEVELOPMENT DEBTS FINANCING/DONOR AGENCIES

523m

ACCELERATING NUTRITION RESULTS IN NIGERIA

436m

Foreign Loans

EXTERNAL BORROWING FROM WORLD BANK TO FINANCE STAPLE CROPS PROCESSING ZONE PROJECT AT ALAPE

2.0bn

NEW MAP

8.67bn

WORLD BANK ASSISTED RURAL ACCESS AND AGRICULTURAL MARKETING PROJECT

1.0bn

YESSO NET (MUTILATERAL)

310m

AGRO-PROCESSING, PRODUCTIVITY ENHANCING AND LIVELIHOOD SUPPORT (APPEALS) (WORLD BANK SUPPORT).

1.50bn

WORLD BANK ASSISTED COMMUNITY AND SOCIAL DEVELOPMENT (MUTILATERAL)

550m



HOW WILL THE GOVERNMENT SOURCE THE GRANTS?



DOMESTIC GRANTS

5.05bn

SPECIAL GRANTS/
DONATIONS TO
STATE GOVERNMENT
/REFUNDS

500m

GRANT
FROM FGN ON
ECOLOGICAL / FLOOD

1.0bn

SPECIAL GRANTS
FOR PRIMARY
SCHOOL
FUNDING (UBEC)

650m

1% DEDUCTION
FOR JAAC
MAINTAINANCE

500m

SAVE ONE MILLION
LIVES (PROGRAMME
FOR RESULT)

450m

1% DEDUCTION
FROM LOCAL
GOVERNMENT
ALLOCATION FOR
AUDIT EXPENDITURE

260m

CONTRIBUTIONS
FROM MDAS

200.9m

1% LOCAL
GOVERNMENT
CONTRIBUTION FOR
TRAINING OF LOCAL
GOVERNMENT
AREA STAFF

150m

CONTRIBUTIONS
FROM LGAS

50m

CONTRIBUTIONS
FROM INDIVIDUAL
AND CORPORATE
BODIES

40m

GRANTS FROM YESSO/NDE
FOR ARTISAN TRAINING IN
NIGERIA-KOREA
FRIENDSHIP INSTITUTE.



HOW WILL THE GOVERNMENT SOURCE THE GRANTS?



FOREIGN GRANTS

3.5bn

STATE FISCAL TRANSPARENCY,
ACCOUNTABILITY AND
SUSTAINABILITY (SFTAS)
PROGRAMME FOR RESULTS

0.275bn

YESSO STATE LEAD S4J
TRAINING OF BENEFICIARIES IN
PARTNERSHIP WITH KOICA
-LOKOJA 15,000 X 45,000



TOP SECTOR/MINISTRY ALLOCATION

GOVERNMENT HOUSE	17,787,235,011
MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY	17,520,530,646
MINISTRY OF FINANCE, BUDGET AND ECONOMIC PLANNING	12,002,296,999
MINISTRY OF HEALTH	11,914,360,693
OFFICE OF THE HEAD OF CIVIL SERVICE.	8,527,873,681
MINISTRY OF WORKS AND HOUSING	6,204,082,634
KOGI STATE JUDICIAL SERVICE COMMISSION.	4,146,582,441
MINISTRY OF AGRICULTURE	4,114,075,832
KOGI STATE HOUSE OF ASSEMBLY SERVICE COMMISSION.	3,791,993,014
OFFICE OF THE SSG	3,074,135,077
MINISTRY OF ENVIRONMENT	1,823,586,201
MINISTRY OF WATER RESOURCES	1,441,310,056
DEPUTY GOVERNOR'S OFFICE	1,379,929,222
MINISTRY OF LOCAL GOVERNMENT AND CHIEFTAINCY AFFAIRS.	1,248,067,454
MINISTRY OF JUSTICE.	1,193,865,416
BUREAU FOR LANDS AND URBAN DEVELOPMENT	1,094,453,081
MINISTRY OF INFORMATION AND COMMUNICATION.	806,727,456
MINISTRY OF RURAL DEVELOPMENT.	727,152,697



TOP SECTOR/MINISTRY ALLOCATION

OFFICE OF THE STATE AUDITOR-GENERAL.	712,153,604
MINISTRY OF YOUTH & SPORTS	526,213,596
MINISTRY OF WOMEN AFFAIRS AND SOCIAL DEVELOPMENT.	502,547,816
MIN. OF CULTURE & TOURISM	487,170,815
MINISTRY OF TRANSPORT	442,810,964
MIN. OF COMMERCE & INDUSTRY	392,037,567
LOCAL GOVT. SERVICE COMMISSION	171,981,977
CIVIL SERVICE COMMISSION	89,917,981
TOTAL	102,123,091,931



TOP CAPITAL PROJECTS : 2020 APPROVED BUDGET

Project	Line Ministry/ Agency	Location	LGAs	Amount
00040000030128 Construction Of Central Reference Hospital, Okene	052100100100 MINISTRY OF HEALTH	Okene	Okene	2,550,000,000
00010000090104 Establishment of Staple Crops Processing Zone Project	021500100100 MINISTRY OF AGRICULTURE.	Kabba	Kabba Bunu	1,500,000,000
00030000020141 Government Connect on Humanitarian and Social Development	011100100100 GOVERNMENT HOUSE.	Across the State	All the 21 LGAs	1,000,000,000
00130000010105 Purchase of Vehicles for Ministries/Depts.	012500100100 OFFICE OF THE HEAD OF CIVIL SERVICE.	State Headquarters	Lokoja	1,000,000,000
00170000010182 Construction of ozuri/Ogaminana/Obangede/Okaito/Kabba Junction Road (9.4km)	023400100100 MINISTRY OF WORKS AND HOUSING.	Okene	Okene	700,000,000
00170000010308 Construction of Ozuma-Udiannechi-Ereh Road	023400100100 MINISTRY OF WORKS AND HOUSING.	Okene	Okene	600,000,000
00030000020106 Constituency Project	011200100100 KOGI STATE HOUSE OF ASSEMBLY.	Across the State	All the 21 LGAs	500,000,000
00170000010239 Reconstruction of Idoji-Agassa-Ahache-Enyinare Road(2409M)	023400100100 MINISTRY OF WORKS AND HOUSING.	Okene	Okene	500,000,000
00050000040114 Renovations and Expansion of Learning Environment in 42 Schools 2 per LGA (GYB Lagacy/Model School Projects)	051700100100 MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY.	Across the State	All the 21 LGAs	500,000,000
00090000010101 Erosion Control	053500100100 MINISTRY OF ENVIRONMENT.	Across the State	All the 21 LGAs	500,000,000
00100000010130 Sanitation and Janitorial Service	011100100100 GOVERNMENT HOUSE.	Lokoja	Lokoja	400,000,000
00170000010224 Construction of Okene Township Road	023400100100 MINISTRY OF WORKS AND HOUSING.	Okene	Okene	400,000,000
00170000010310 Construction of Barki-Idichi-Spur Enyinarl to Okene Eba to Ahache	023400100100 MINISTRY OF WORKS AND HOUSING.	Okene	Okene	400,000,000



TOP CAPITAL PROJECTS : 2020 APPROVED BUDGET

Project	Line Ministry/ Agency	Location	LGAs	Amount
00170000040102 Additional Equipment for Kogi State Road Maintenance Agency (Procurement of Cruishing Mechine and Asphalt)	022900300100 ROAD MAINTENANCE AGENCY.	Lokoja	Lokoja	300,000,000
00170000010155 Construction of Agassa Upogoro - Okene Road (805km)	023400100100 MINISTRY OF WORKS AND HOUSING.	Okene	Okene	300,000,000
00170000010165 Construction of Ogaminana Eboga Ipaku-Kuroko Junction (4km)	023400100100 MINISTRY OF WORKS AND HOUSING.	Ogaminana	Adavi	300,000,000
00170000010127 Construction of Oziokutu Ihima-Obangede Road (3KM)	023400100100 MINISTRY OF WORKS AND HOUSING.	Okene	Okene	300,000,000
00170000010227 Construction of Obehira Okengwe/Ihima Township Road	023400100100 MINISTRY OF WORKS AND HOUSING.	Ogaminana	Adavi	300,000,000
00040000010179 Bello Health Intervention Programme (SIP)	052100100100 MINISTRY OF HEALTH .	Across the State	Across the State	300,000,000
00130000030189 State Integrated Fin. Mgt. Information System	022000700100 OFFICE OF THE ACCOUNTANT GENERAL .	Lokoja	Lokoja	250,000,000
00130000010179 Automation of Board of Internal Revenue (BIR)	022000800100 KOGI STATE INTERNAL REVENUE SERVICE.	Lokoja	Lokoja	207,200,000
00130000030138 Renovation/Construction Of Palaces for 1st Class Chiefs (Office/Halls Inclusive)	055100100100 MINISTRY OF LOCAL GOVERNMENT AND CHIEFTAINCY AFFAIRS.	Across the State	All the 21 LGAs	202,400,000
00130000030203 Remodeling of Government House Structure	011100100100 GOVERNMENT HOUSE.	State Headquarte rs	Lokoja	200,000,000
00010000040102 Agricultural Mechanization (Ministry of Agriculture, Headquarters)	021500100100 MINISTRY OF AGRICULTURE.	State Headquarte rs	Lokoja	200,000,000
00010000010104 Farmers Direct Inputs and Fertilizer (SIP)	021500100100 MINISTRY OF AGRICULTURE.	Across the State	All the 21 LGAs	200,000,000



TOP CAPITAL PROJECTS : 2020 APPROVED BUDGET

Project	Line Ministry/ Agency	Location	LGAs	Amount
00100000010117 Greater Lokoja Water Supply scheme Phase II/ Maintenance	025200100100 MINISTRY OF WATER RESOURCES.	State Headquarters	Lokoja	200,000,000
00050000010106 Renovation of School Buildings, (Primary & Post Primary) SUBEB	051700100100 MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY.	Across the State	All the 21 LGAs	200,000,000
00040000020101 National Health Insurance Scheme/State Health Insurance Scheme	052100100100 MINISTRY OF HEALTH .	Across the State	All the 21 LGAs	200,000,000
00040000010177 State Contribution to Accelerating of Nutrition Results in Nigeria (ANTRIN)	052100100100 MINISTRY OF HEALTH .	State Headquarters	Lokoja	200,000,000
00120000010131 Construction of Lokoja Beach Embankment	053500100100 MINISTRY OF ENVIRONMENT.	State Headquarters	Lokoja	200,000,000

