

Budget of Growth, Consolidation and Transformation



EBONYI STATE BUDGET 2020



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 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



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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



N178.1bn

TOTAL BUDGET EXPENDITURE

DEFICIT
50.8bn

127.4bn

TOTAL BUDGET REVENUE
& GRANTS



WHERE WILL THE MONEY COME FROM?



INTERNALLY
GENERATED
REVENUE

26.1bn



DOMESTIC
GRANTS

2.2bn



STATUTORY
ALLOCATION

50.7bn



OPENING
BALANCE

19.7bn



VALUE
ADDED TAX

15.3bn



DOMESTIC
LOANS

22.8bn



OTHER
STATUTORY
REVENUE

13.5bn



FOREIGN
LOANS

25.0bn

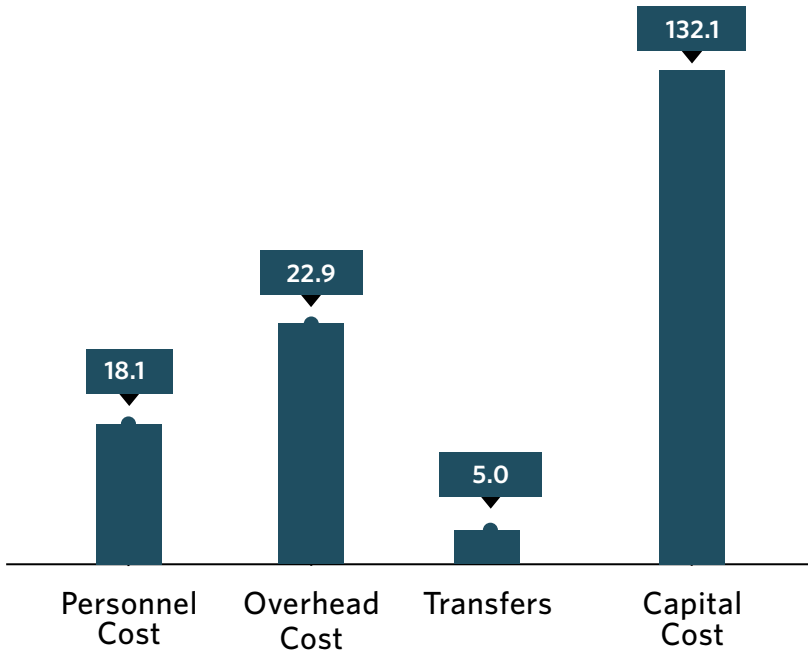


SALES OF
GOVERNMENT
ASSETS

3.0bn



WHERE DOES THE MONEY GO ?





HOW WILL THE GOVERNMENT SOURCE THE LOANS?

Foreign Loans

AFDB AND IDB LOANS
(PART PAYMENT)

25.0bn

Domestic Loans

INTERNAL LOANS
(UBA FOR STAFF
SALARIES)

3.0bn

SME FUND

2.0bn

INTERNAL LOANS
(OTHER BANKS)

11.4bn

EBONYI STATE
HEALTH INSURANCE
SCHEME

400m

LOANS (UBA FOR
MARKET
CONSTRUCTION)

3.0bn

AGRIC LOAN -
ZENITH BANK

3.0bn



HOW WILL THE GOVERNMENT SOURCE THE GRANTS?



GRANTS FROM
FEDERAL GOVT

2.0bn

SAVE ONE
MILLION LIVES

200m

EBONYI STATE BUDGET 202012



TOP CAPITAL PROJECTS : 2020 APPROVED BUDGET

Project	Line Ministry/Agency	Location(s)	LGA(s)	Amount
Construction of Abakaliki Ring Road	Ministry of Works and Transport	Ebonyi North and Central Senatoial zone	Ebonyi North and Central Senatoial zone	25,000,000,000.00
2018 EBSUBEB/UBEC Projects Implementation	Universal Basic Education	State Wide	State Wide	7,604,406,111.54
Furnishing EBSU Teachin Hospital, Uburu	Ministry of Health	Uburu	Ohaozara	5,000,000,000.00
University Teaching Hospital,	Ministry of Health	Uburu	Ohaozara	4,000,000,000.00
Fund 2019 and 2020	Universal Basic Education	Abakaliki	Abakaliki	3,600,000,000.00
Design/Constructi on of Ebonyi State New Airport	Ministry of Special Projects	Ezza North	Ezza North	3,000,000,000.00
Interventions on Roads, Bridges and Culverts	Ministry of Works and Transport	State Wide	State Wide	3,000,000,000.00
purchase monetized vehicles for Govt Officers to enable them	Office of the Secretary to State Govt	State Wide	State Wide	2,000,000,000.00
Christmas Celebration and celebration	Office of the Secretary to State Govt	State Wide	State Wide	2,000,000,000.00
Rehabilitation of International Market	Ministr of Commerce and Industry	International Market	Abakaliki	2,000,000,000.00
Completion of Shopping Mall	Ministr of Commerce and Industry	Abakaliki	Abakaliki	2,000,000,000.00
Construction of New Stadium at Cetenary City	Ministry of Youth and Sports Development	Cetenary City	Abakaliki	2,000,000,000.00



TOP CAPITAL PROJECTS : 2020 PROPOSED BUDGET

2180 Mkt Women/Men Ebonyians under micro - enterprises, 60% of them will be Women while	Department of Small and Medium Enterprise	State Wide	State Wide	1,000,000,000.00
Credit Facility to Ebonyi State Farmers	Ministry of Agric and Natural Resources	State Wide	State Wide	1,000,000,000.00
15km Ntezi Agba-Isu Road	Ministry of Works and Transport	Agba	Ishielu	1,000,000,000.00
Dualization of Abakaliki-Afikpo Road	Ministry of Works and Transport	Abakaliki-Afikpo Road	the Three Senatorial Zone	1,000,000,000.00
Abakaliki-Enugu Road to Ebonyi State Boundary with Enugu	Ministry of Works and Transport	Abakaliki-Enugu Road	Ebonyi North Senatoial zone	1,000,000,000.00
Dualization of Mpu-Obiozara road	Ministry of Works and Transport	Mpu-Obiozara Road	Ohaozara	1,000,000,000.00
Light in Ebonyi State	Ministry of Power and Energy	State Wide	State Wide	1,000,000,000.00

