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Governor Gombe State

INTRODUCTION

The outbreak of Corona Virus (COVID-19) and its subsequent declaration as a global Pandemic by the WHO had a negative impact on the crude oil price bringing it down below \$30 per barrel. This is in addition to the broader depression of economic activities due to travel and movement restrictions. The effect of this crisis is felt across the three tiers of government and calls for drastic review and changes in the earlier revenue expectations and fiscal projections.

The 2020 fiscal year budget was prepared with high revenue expectations. The approved budget had projected revenue increase of about 20% from 2019 figure. The revenue assumptions were premised on increased global oil demand and stable market with oil price benchmark and oil output respectively at \$57 per barrel and 2.18 Million Barrels Per Day.

In view of the negative socio-economic impact of COVID-19, it became imperative that the 2020 budget is reviewed recognizing the current realities, assuming a crude oil price of \$25 dollars per barrel, exchange rate of N360.00 to a dollar and oil production rate of 1.7million barrels per day.

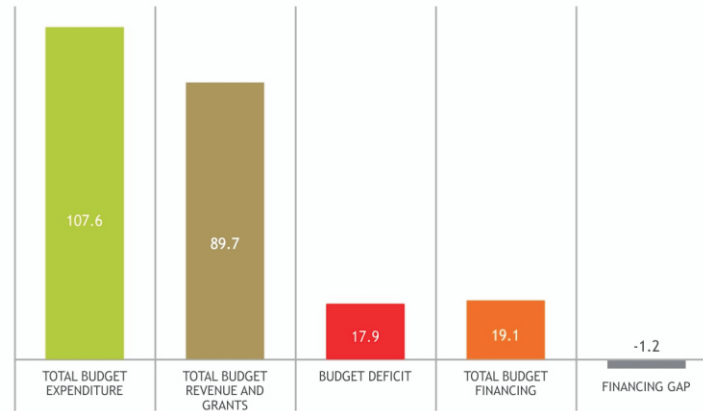
GENERAL FISCAL FRAMEWORK

In 2020, Gombe State reviewed its budget from N130.8 billion to N107.6 billion as a result of COVID-19 Pandemic associated socio-economic global woos.

Of the N107.6 billion, N89.7 billion will be sourced from revenue and grants, which results in N17.9 billion in budget deficit.

The deficit will be resolved by N19.1 billion of total financing facility.

2020 REVISED BUDGET GENERAL FRAMEWORK BILLION NAIRA

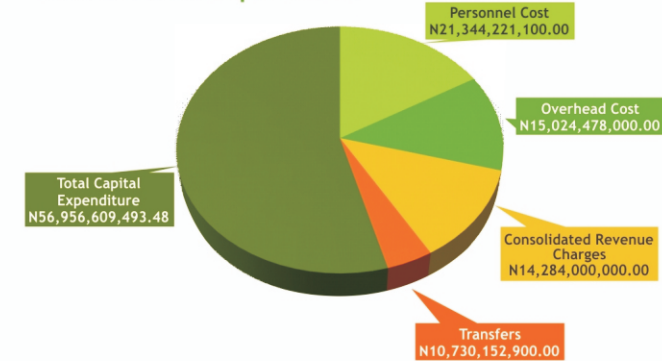


HIGHLIGHTS OF THE GOMBE STATE 2020 BUDGET REVIEW

EXPENDITURE/REVENUE ITEM	APPROVED 2020	REVISED 2020	VARIANCE
STATUTORY ALLOCATION	42,000,000,000.00	29,000,000,000.00	13,000,000,000.00
VALUE ADDED TAX (VAT)	15,000,000,000.00	11,500,000,000.00	3,500,000,000.00
INTERNALLY GENERATED REVENUE (IGR)	11,265,595,000.00	9,918,143,850.00	1,347,451,150.00
OTHER RECURRENT RECEIPTS	33,800,000,000.00	27,050,000,000.00	6,750,000,000.00
GRANTS & CAPITAL RECEIPTS	19,500,000,000.00	16,750,000,000.00	2,750,000,000.00
RECURRENT EXPENDITURE	59,781,783,900.00	50,652,699,100.00	9,129,084,800.00
CAPITAL EXPENDITURE	71,046,953,693.48	56,956,609,493.48	14,090,344,200.00
Budget Size	130,828,737,593.48	107,609,308,593.48	23,219,429,000.00
			<i>decrease of 17.75%</i>

Where does THE MONEY GO?

2020 Revised Expenditure



Where will the Money Come From?

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**, which 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.

Revised 2020 Budget Revenue and Financing

