

GOMBE STATE Revised Citizens Budget 2020

Gombe - Nigeria
AUGUST 2020



Theme: - “Budget of Change”



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.

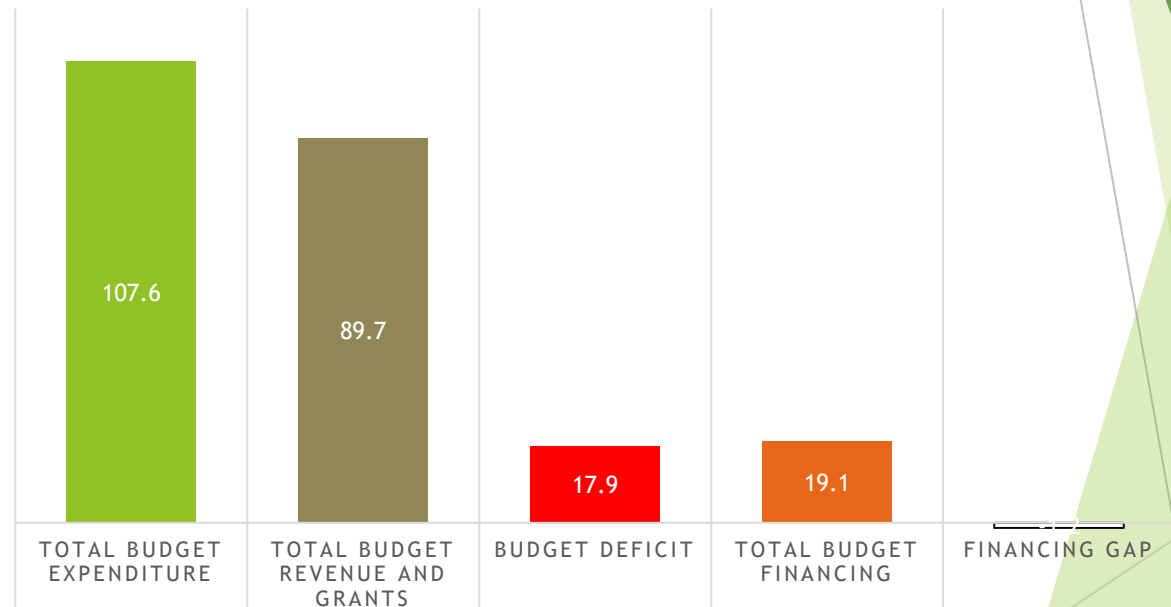
General fiscal framework

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

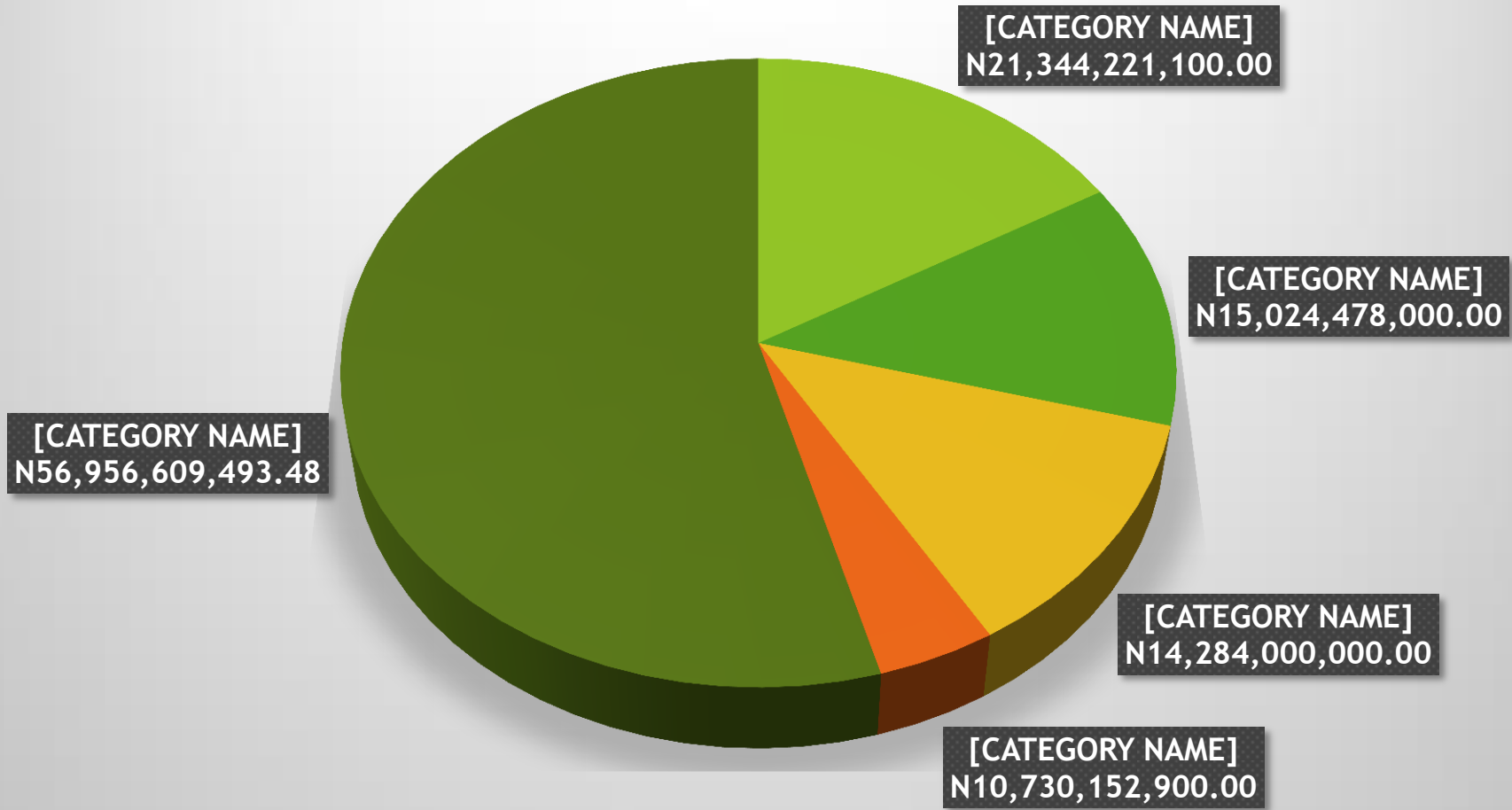


HIGHLIGHTS OF THE GOMBE STATE 2020 BUDGET REVIEW

S/No.	EXPENDITURE/REVENUE ITEM	APPROVED 2020	REVISED 2020	VARIANCE
1	STATUTORY ALLOCATION	42,000,000,000.00	29,000,000,000.00	13,000,000,000.00
2	VALUE ADDED TAX (VAT)	15,000,000,000.00	11,500,000,000.00	3,500,000,000.00
3	INTERNALLY GENERATED REVENUE (IGR)	11,265,595,000.00	9,918,143,850.00	1,347,451,150.00
4	OTHER RECURRENT RECEIPTS	33,800,000,000.00	27,050,000,000.00	6,750,000,000.00
5	GRANTS & CAPITAL RECEIPTS	19,500,000,000.00	16,750,000,000.00	2,750,000,000.00
6	RECURRENT EXPENDITURE	59,781,783,900.00	50,652,699,100.00	9,129,084,800.00
7	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
				decrease of 17.75%

Where does the money go?

2020 Revised Expenditure



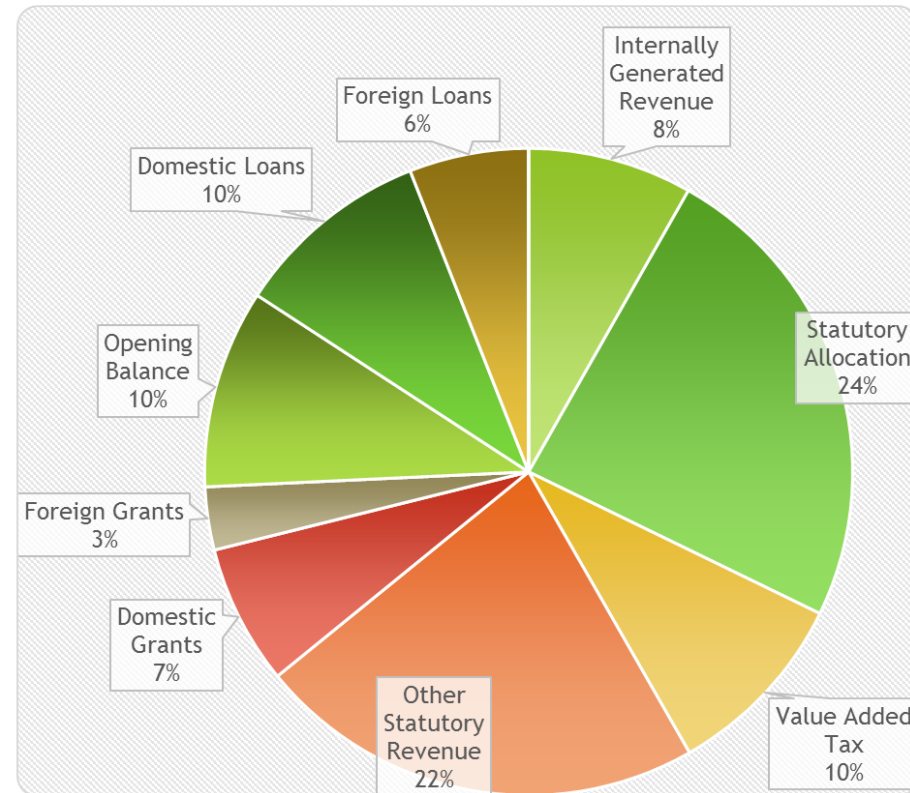
Where will the money come from?

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, VAT and other statutory revenue** in the budget and 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.

2020 Budget Revenue and Financing



Fund Sources: Revenue Expectations

FUND SOURCES: REVENUE EXPECTATIONS		
Where the Money Comes From	2020 Revised Budget Target	
REVENUE SOURCES	Amount Naira	Amount Naira Billion
STATUTORY ALLOCATION	29,000,000,000.00	29.00
INDEPENDENT REVENUE	9,918,143,850.00	9.92
SHARE OF VALUE ADDED TAX (VAT)	11,500,000,000.00	11.50
OTHER RECURRENT RECEIPTS	27,050,000,000.00	27.05
		0.00
TOTAL EXPECTED INCOME	77,468,143,850	77.47

Just as any other State in Nigeria, Gombe State Government generate its revenue and receive funds from the Federal Government monthly. Revenue accrued to the Federal Government of Nigeria from various sources (crude oil sales, revenue from other mineral resources, Company income tax, Collections by Federal Inland Revenue Service, Nigeria Customs and Value Added Tax - VAT etc. are allocated based on agreed sharing formula among the 3 tiers (Federal, State and Local Governments).

Financing: Breakdown of loans

Domestic Loans		
	2020 Revised Budget Target	
Project/Institution	Amount Naira	Amount Naira Billion
COMMERCIAL & OTHER BANK LOANS	1,500,000,000.00	1.50
GOMBE STATE REVENUE BOND	8,400,000,000.00	8.40
CBN SUPPORT FACILITY FOR HEALTH (COVID-19)	2,000,000,000.00	2.00
	11,900,000,000.00	11.90
Total Domestic Loans		
Foreign Loans		
	2020 Revised Budget Target	
Project/Insitution	Amount Naira	Amount Naira Billion
		0.00
YESSO World Bank Assisted	500,000,000.00	0.50
World Bank Fadama III Project	100,000,000.00	0.10
Gombe State Agency for Community Dev. (W/B)	500,000,000.00	0.50
NEWMAP World Bank	2,500,000,000.00	2.50
State Education Prog. Investment Proj. (SEPIP)	400,000,000.00	0.40
Nigeria State Health Investment Proj. (NSHIP)	1,500,000,000.00	1.50
Accelerating Nutrition Results in Nigeria	600,000,000.00	0.60
Islamic Development Bank	100,000,000.00	0.10
Inclusive Basic Service Delivery (ADB)	1,000,000,000.00	1.00
	7,200,000,000	7.20
Total Foreign Loans		

The 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. Loans can be for a specific projects and programmes or could be used to finance the general budget expenditures. Most foreign loans are credits borrowed by Federal Government on behalf of the State.

Capital Budget: Comparism of MDA Allocations

CAPITAL EXPENDITURE	APPROVED BUDGET 2020	REVISED BUDGET 2020
Ministry/Department/Agency	Amount in Naira	Amount in Naira
MINISTRY OF AGRICULTURE & ANIMAL HUSBANDRY	845,000,000.00	610,000,000.00
MINISTRY OF EDUCATION	4,771,485,000.00	1,521,485,000.00
MINISTRY OF HEALTH	4,220,000,000.00	5,271,000,000.00
MINISTRY OF WOMEN AFFAIRS	862,900,000.00	1,296,900,000.00
MINISTRY OF WORKS & TRANSPORT	19,016,500,000.00	9,331,500,000.00
MINISTRY OF SPORTS & YOUTH DEVELOPMENT	695,000,000.00	1,760,000,000.00
MINISTRY OF ENVIRONMENT & FOREST RESOURCES	3,207,500,000.00	2,587,500,000.00
OTHER MIN./DEPART./AGENCIES	37,428,568,693.48	34,578,224,493.48
TOTAL	71,046,953,693.48	56,956,609,493.48

The first approved 2020 budget set aside the sum of **Seventy-One Billion, Fourty -Six Million, Nine Hundred and Fifty-Three Thousand, Six Hundred and Ninety-Three (N71,046,953,693.48) Naira, Forty-Eight Kobo** for Capital Expenditure.

However, the revised budget consist of the sum of **Fifty-Six Billion, Nine Hundred and Fifty-Six Million, Six Hundred and Nine Thousand, Four Hundred and Ninety-Three (N56,956,609,493.48) Naira, Forty-Eight Kobo** for Capital Expenditure with MDAs sharing as in the table adjacent.

TOP VALUE PROJECTS

Project	Project Location	Programme Code	MDA Responsible	2020 Budget
BULK PRUCHASE OF RELIEF MATERIALS	JEKA DA FARI, GOMBE	17000063	SEMA	1,716,183,450
HUMANITARIAN & SOCIAL PALLIATIVES	STATE WIDE	09000001	SSG	1,657,924,724
FERTILIZER PROCUREMENT/SUBSIDY	STATE WIDE	01000001	Min. of Agric.	1,522,500,000
PURCHASE OF MOTOR VEHICLES	STATE WIDE	05000179	Min of Finance	1,500,000,000
CONSTRUCTION OF ROAD	GOMBE NORTH Phase I	10000001	Ministry of Works	1,450,000,000
DUALIZATION OF GOMBE - BAUCHI FED. HIGHWAY	GOMBE - BAUCHI ROAD	17000034	Min. of Works	1,321,825,900
ROAD NETWORKS CONSTRUCTION	MALAM INNA - KURBA - G/KWAMI	17000019	Min. of Works	1,232,729,900
CONSTRUCTION OF ROAD	STATE WIDE	23050101	Ministry of Works	2,540,000,000
CONSTRUCTION OF ROAD	STATE WIDE	06000002	Ministry of Works	1,050,000,000
CONSTRUCTION OF ROAD	BILLIRI	17000012	Ministry of Works	815,721,200
CONSTRUCTION OF ROAD	STATE WIDE	13000746	Ministry of Works	768,000,000
CONSTRUCTION OF ROAD	STATE WIDE	05000067	Ministry of Works	751,000,000
CONSTRUCTION OF ROAD	BAMBAM - TULA YIRI	17000023	Ministry of Works	737,270,100
CONSTRUCTION OF ROAD	MARABA JEBA - PANDI KOLA	17000089	Ministry of Works	725,400,000
PROVISION & INSTALLATION OF STREET LIGHT	MALALA - ZAUNE - DUKKUYEL	17000028	Ministry of Works	706,459,100
CONSTRUCTION OF ROAD	BOLTONGO - NONO	17000066	Ministry of Works	690,649,900
OPERATION & MAINTENANCE OF REGIONAL WATER	DEGRI - REME - TALASE	17000037	Water Board	675,000,000
LAND ACQUISITION AND COMPENSATION	SERVICE WIDE	13000001	Ministry of Lands	700,000,000
EDUCATION PROGRAM	GOMBE	04000012	Ministry of Education	700,000,000
BETTER EDUCATION PROGRAM (BESDA)	GONA - GARKO - KALSHINGI	17000021	Ministry of Education	516,250,900
IMPROVEMENT & EQUIPING SPECIALIST HOSPITAL	NGAJI BAUCHI - JURARA - LUBO	17000016	Ministry of Health	418,650,710
COVID -19 INTERVENTION & CONTROL	STATE WIDE	13000001	Ministry of Health	390,000,000
ENVIRONMENTAL SANITATION	STATE WIDE	04000128	Ministry of Environment	500,000,000
CONSTRUCTION /RENOVATION OF GOVT BUIDINGS	GOMBE TOWNSHIP	17000005	Ministry of Housing	208,000,000
SCHOLARSHIP AWARD LOCAL	STATE WIDE	5000001	Ministry of Higher Education	118,662,600

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