Year 2019 Citizens Budget

EDO
STATE

BUDGET OF SOCIO-ECONOMIC INCLUSION.

A budget is a document that 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.

The budget contains details of how the government plans to spend our communal wealth in a fiscal year

The budget when passed into law is called an Appropriation Law.

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

What is a Budget?

How does it concern you?

What is a Citizens Budget?

Why should you be concerned about this?

This document is a simpler, less technical version of Edo State's approved budget for 2019 fiscal year, specifically designed to present key information that is understandable by the general public.

OBJECTIVES OF THE 2019 APPROVED BUDGET

❏ The 2019 Budget will consolidate on the State's Government efforts to build the EDO of our dreams

❏ It reflects the Governments desire to carry every one along, leaving no one behind in its plans, projects and programmes which aim to bring growth and development to EDO State

❏ The key goals and priorities of the 2019 budget are as follows:

1. Continued investment in the repair of existing (and the development of new) socio-economic infrastructure.
2. Strengthen internal capacity for project execution and governance.
3. Scale up investments in socio-welfare enhancement programmes.
4. Continued investment in programmes/projects for job creation particularly through industrialization, agriculture, and micro small & medium Enterprises (MSME) development.
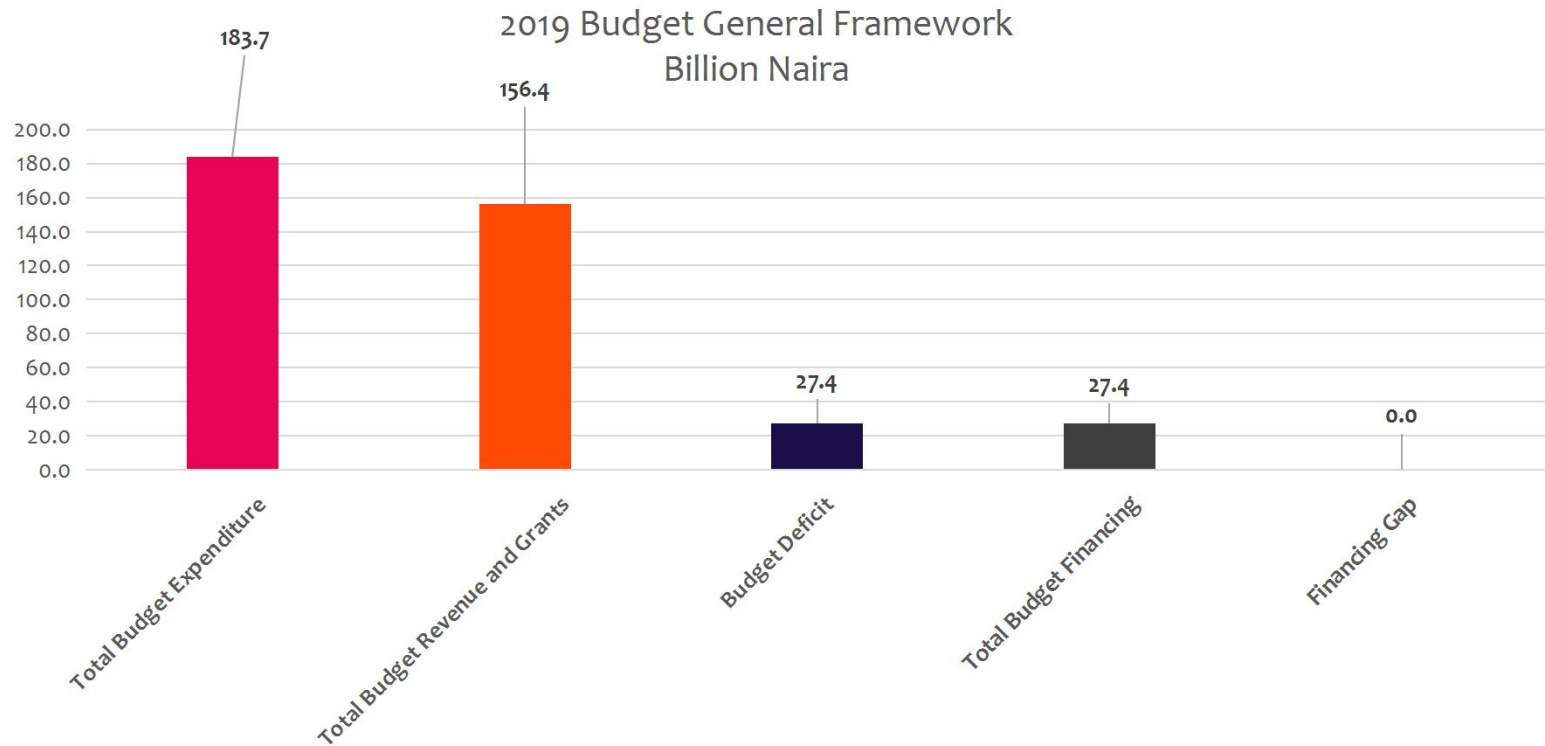5. Enhanced investment in Security and Administration of Justice.

GENERAL FISCAL FRAMEWORK

TREX

In 2019, Edo State will spend NGN 183.7 billion.

Of this, NGN 156.4 billion will be sourced from revenue and grants, which results in NGN 27.4 billion in budget deficit.

The deficit will be resolved by loans from both internal and external sources

2019 Budget General Framework
Billion Naira

- Total Budget Expenditure: 183.7
- Total Budget Revenue and Grants: 156.4
- Budget Deficit: 27.4
- Total Budget Financing: 27.4
- Financing Gap: 0.0

total amount of budget for the given year. It is the summation of both the Recurrent Expenditure + Capital Expenditure as approved by the Executive Governor.

the summation of all funds the State Government intends to collect as revenues and receive as grants.

A deficit occurs when the expenditure figure is higher than the revenue and grants figure.
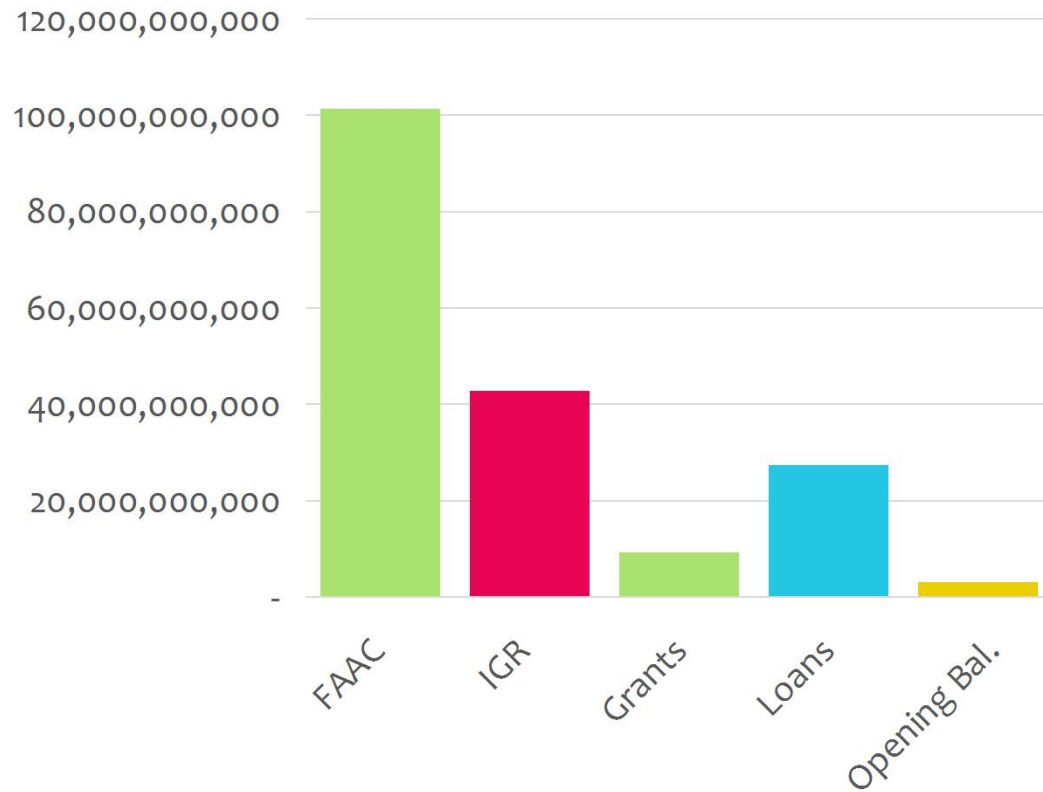
this is the summation of all the financing the government intends to raise through loans (internal and external)

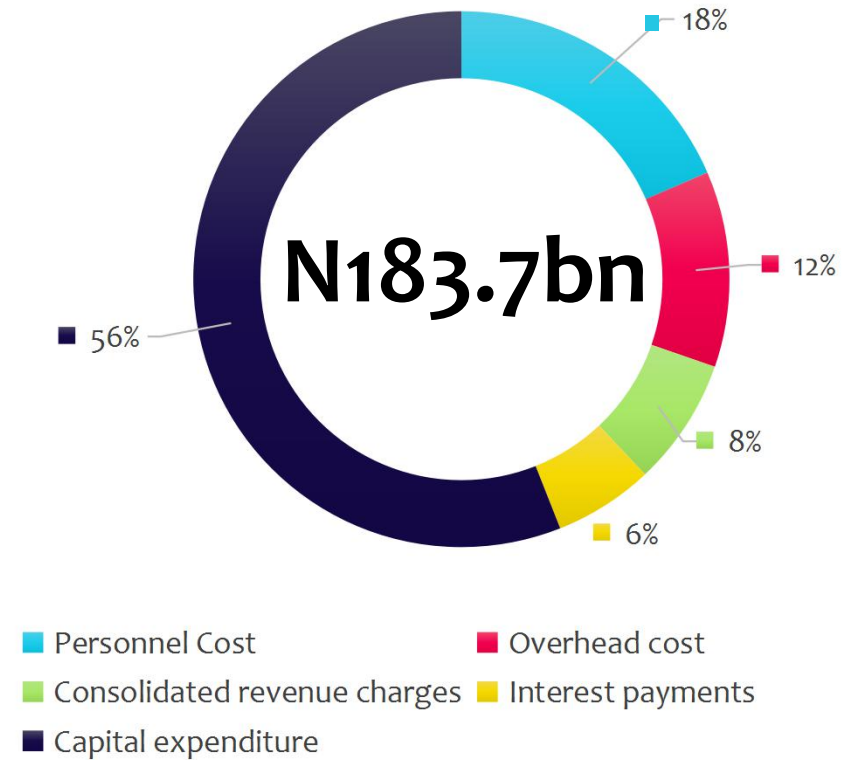the difference between budget deficit and total budget financing.

EDO STATE Proposed 2019 Budget

Budget of Socio-Economic Inclusion

Total Receipts

Total Expenditure

N183.7bn

- 18%
- 12%
- 8%
- 6%
- 56%

■ Personnel Cost   ■ Overhead cost
■ Consolidated revenue charges ■ Interest payments
■ Capital expenditure

- **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.

- Edo State receive a share of revenues collected federally such as oil revenues, corporate income taxes, VAT, excises, duties, etc. These are called **Federal/FAAC Receipts** in the budget and are transferred to the state 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.

- Grants are one of the government's sources of capital receipts for funding projects to provide public services, stimulate the economy, and benefit the general public. Grants could be either from foreign or domestic sources and are normally provide for a specific project and set of expenditures. Grants do not need to be paid back after it has been used for the intended project and set of expenditures.

- Loans are capital receipts, derived from 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.

WHERE WILL THE MONEY COME FROM

IGR

FAAC

Capital Receipts
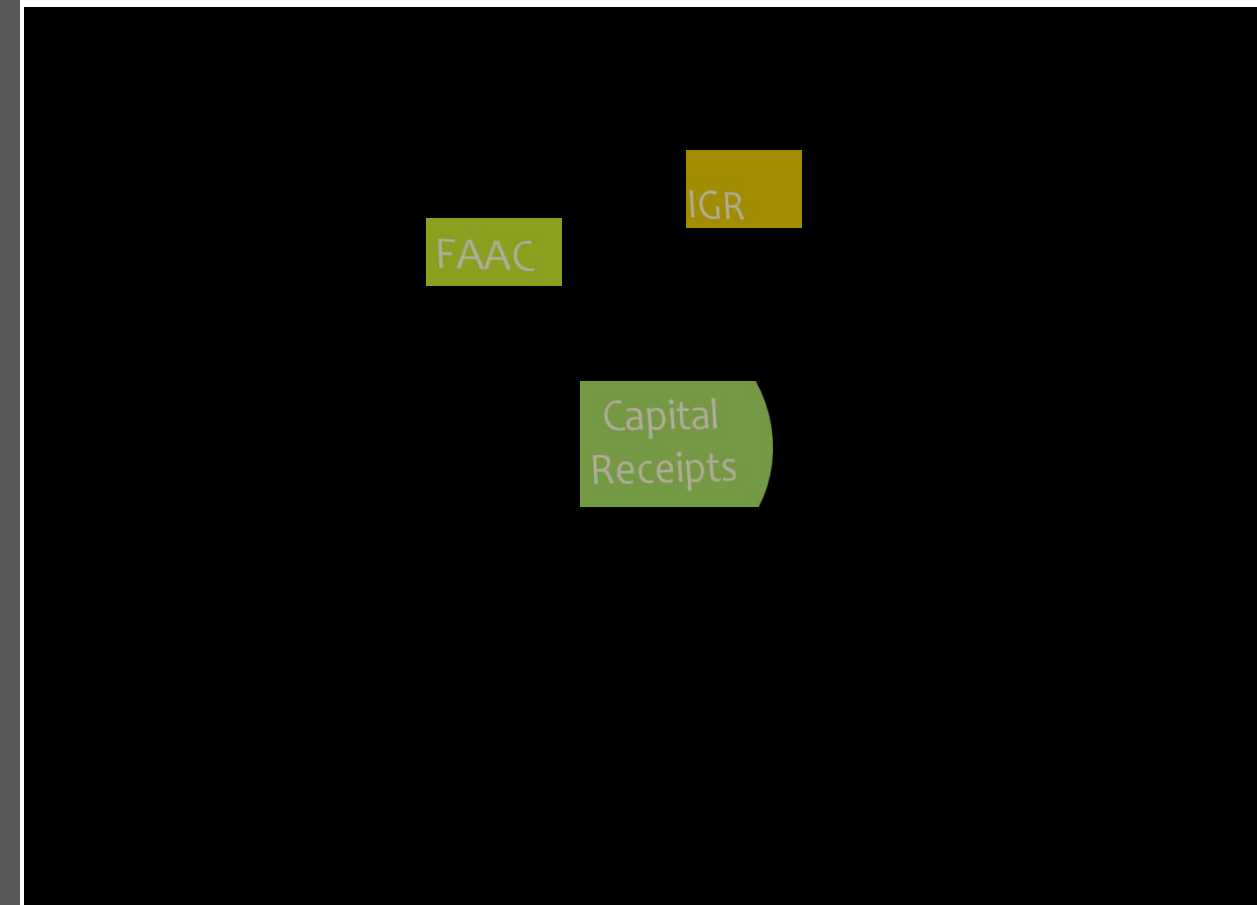
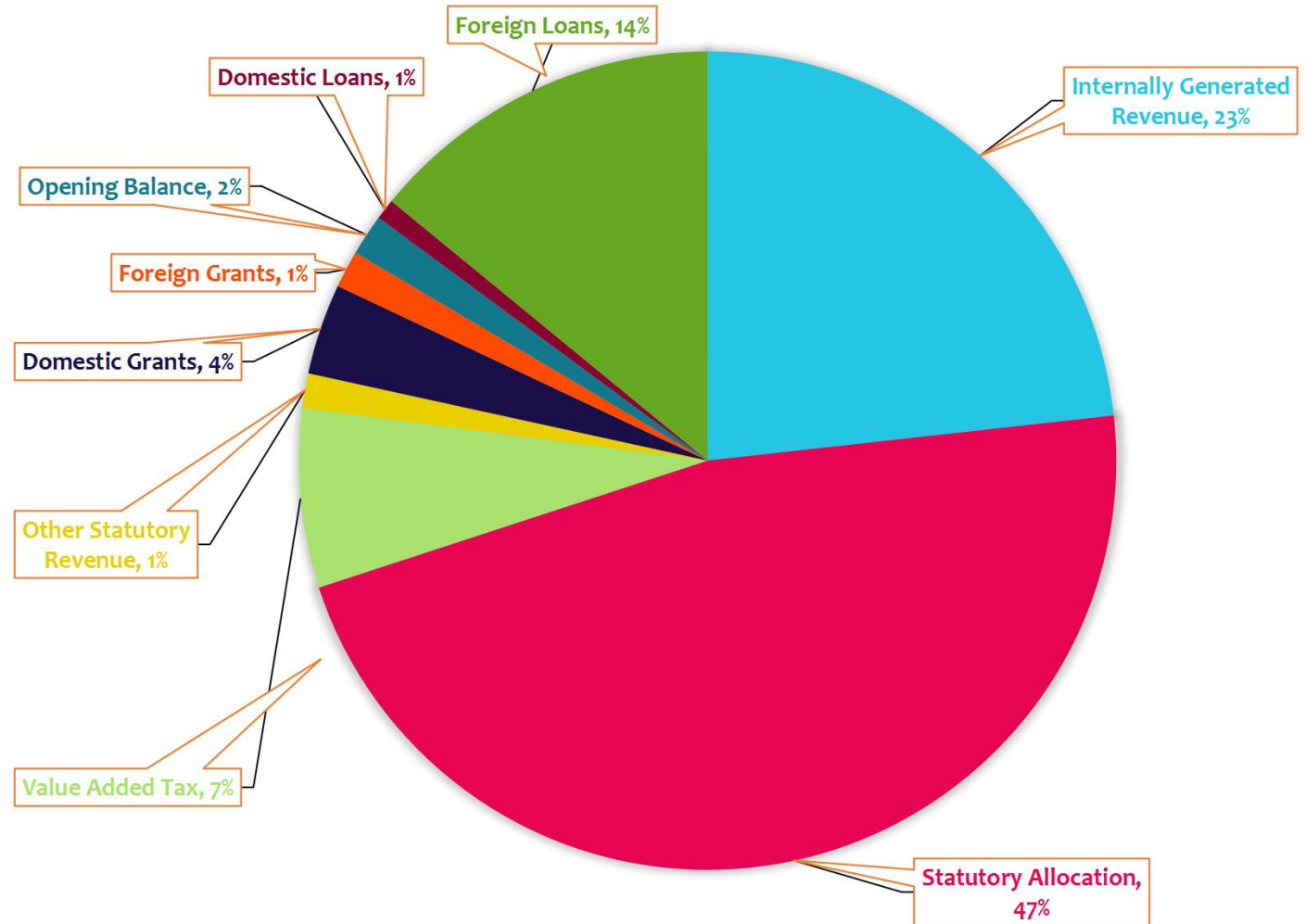□Federal Receipts amounts to 47% of our expected revenue for Year 2019

□23% will be expected as IGR which amounts to NGN 42.7 billion. Of this amount 67.39% will be sourced from taxes

□Domestic Grants amounts to NGN 6.6 billion which represents 4 % of total revenue budget

□1% of total revenue is attributed to Foreign grants

□Loans accounts for 15% of expected total revenue.

2019 BUDGET REVENUE AND FINANCING

Foreign Loans, 14%

Domestic Loans, 1%

Internally Generated Revenue, 23%

Opening Balance, 2%

Foreign Grants, 1%

Domestic Grants, 4%

Other Statutory Revenue, 1%

Value Added Tax, 7%

Statutory Allocation, 47%

Breakdown of Grants.

Grants are one of Government's sources of capital receipts for funding programs and projects to provide public services, stimulate the economy, and benefit the general public.

Grants could be either from foreign or domestic organizations and is normally provided for a specific project or Expenditure.

A look at the grants for the Year 2019 shows that NGN 6.6 billion is expected as domestic grants while NGN 2.7 billion will be sourced from foreign organizations in the social sector of the state.

Domestic Grants	2019 Budget Target
Project/Donor	Amount Naira
Edo SDG [Federal SDG]	500,000,000
Edo SUBEB [UBEC]	1,900,000,000
Save One Million Lives [FMoF; FMH]	400,000,000
SFTAS [FMoF]	3,800,000,000
Total Domestic Grants	6,600,000,000

Foreign Grants	2019 Budget Target
Project/Donor	Amount Naira
Various Ministry of Health Projects [Various Donors]	500,000,000
SEEFOR [European Union]	1,600,000,000
Programme Support [UNICEF]	400,000,000
Task Force Against Human Trafficking [Various Donors	200,000,000
Total Foreign Grants	2,700,000,000

Breakdown of Loans.

The Government generally borrows to finance its annual budget when revenues and grants are not enough to fund all the Expenditure plans in the budget.

The Loans are targeted at specific project/ set of expenditures and used to finance the general budget expenditures.
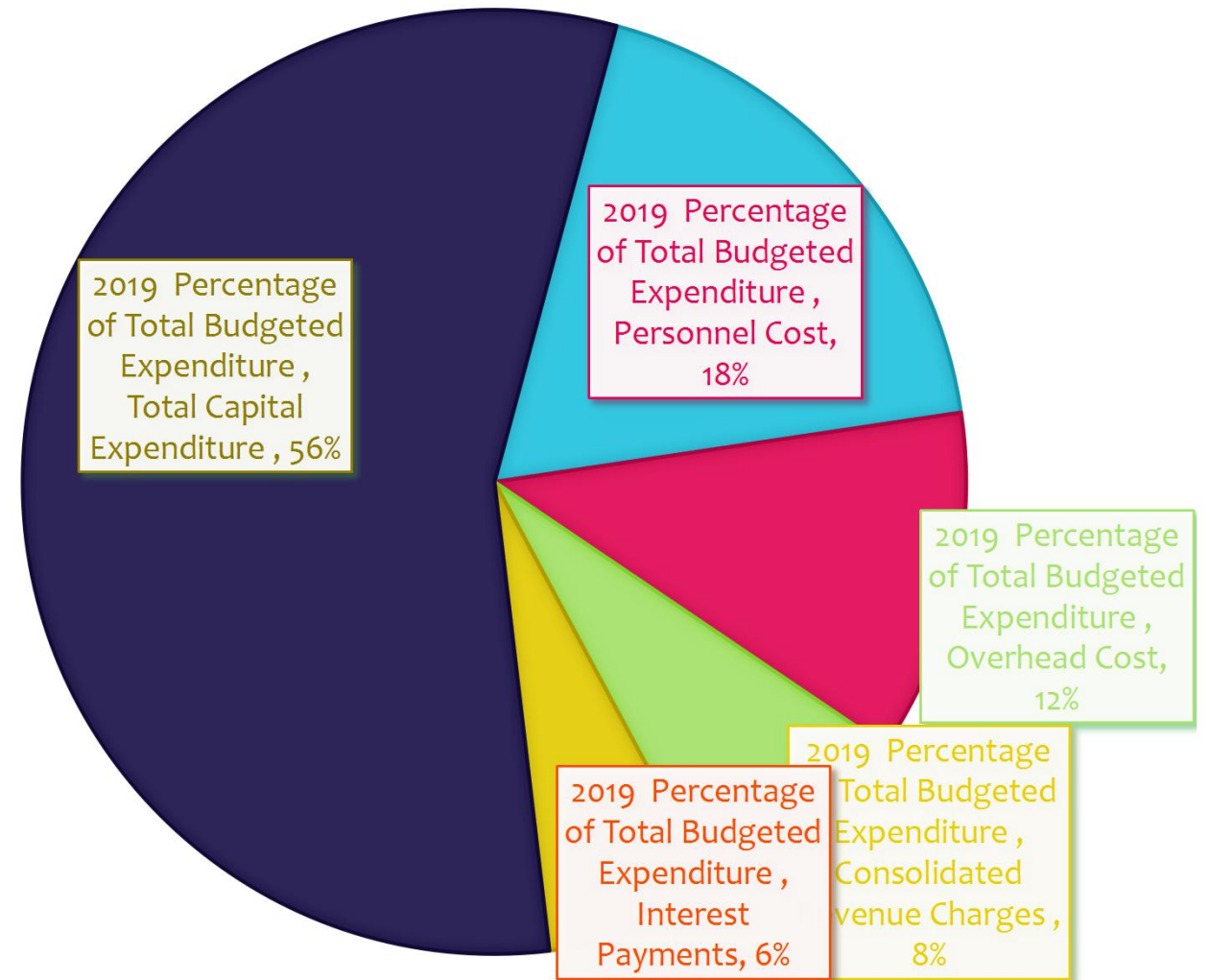
Domestic Loans	2019 Budget Target
Project/Institution	Amount Naira
Special Development Loan {CBN}	1,500,000,000
Total Domestic Loans	1,500,000,000
Foreign Loans	2019 Budget Target
Project/Insitution	Amount Naira
Edo P4R [World Bank]	10,300,000,000
SEEFOR [World Bank]	3,000,000,000
CSDP [World Bank]	900,000,000
NEWMAP [World Bank]	11,400,000,000
FADAMA [World Bank]	250,000,000
Total Foreign Loans	25,850,000,000

Where will the money go?

Budgeted expenditure shows how the government plans to spend, on behalf of the citizens, according to the resources it manages.
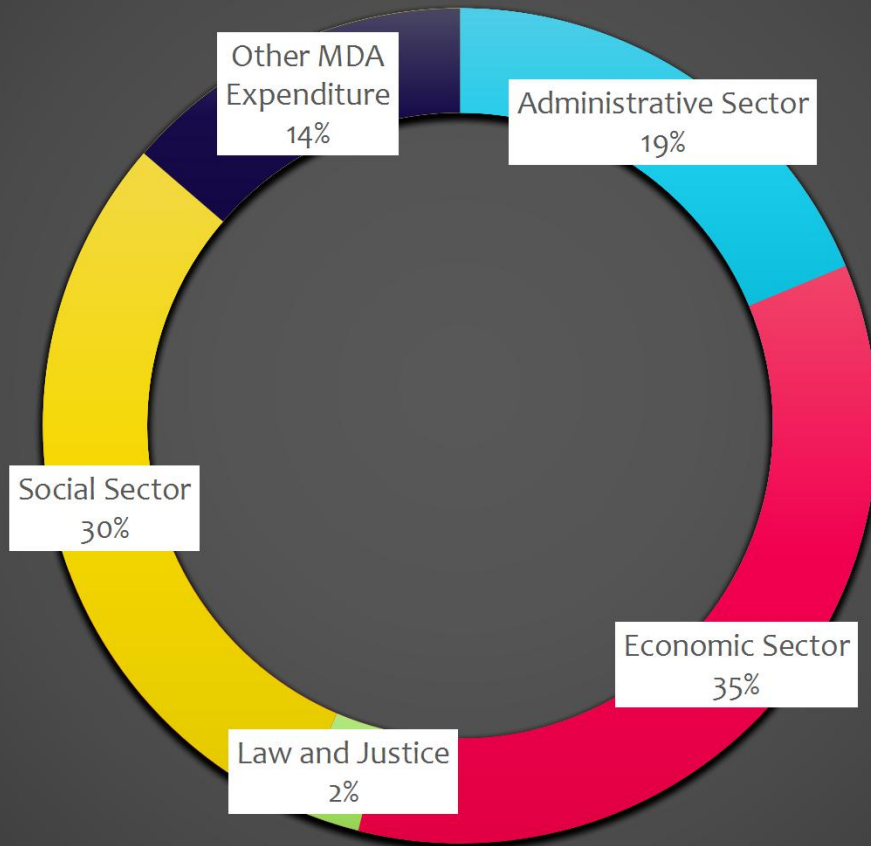
Government plans to spend 56% of the Budget on capital expenditure, while the remaining 44% will be distributed between personnel 18%, overhead 12%, CRF charges 8%, interest payments 6%.

2019 BUDGETED EXPENDITURE

2019 Percentage of Total Budgeted Expenditure, Total Capital Expenditure, 56%

2019 Percentage of Total Budgeted Expenditure, Personnel Cost, 18%

2019 Percentage of Total Budgeted Expenditure, Overhead Cost, 12%

2019 Percentage of Total Budgeted Expenditure, Interest Payments, 6%

2019 Percentage Total Budgeted Expenditure, Consolidated Revenue Charges, 8%

Allocation by Sector

Sectorial Allocation of Total Budgeted Expenditure

Other MDA Expenditure 14%

Administrative Sector 19%

Social Sector 30%

Economic Sector 35%

Law and Justice 2%

All Ministries, Departments and Agencies (MDAs) fall into one sector.

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.

Expenditure analysis by Sector
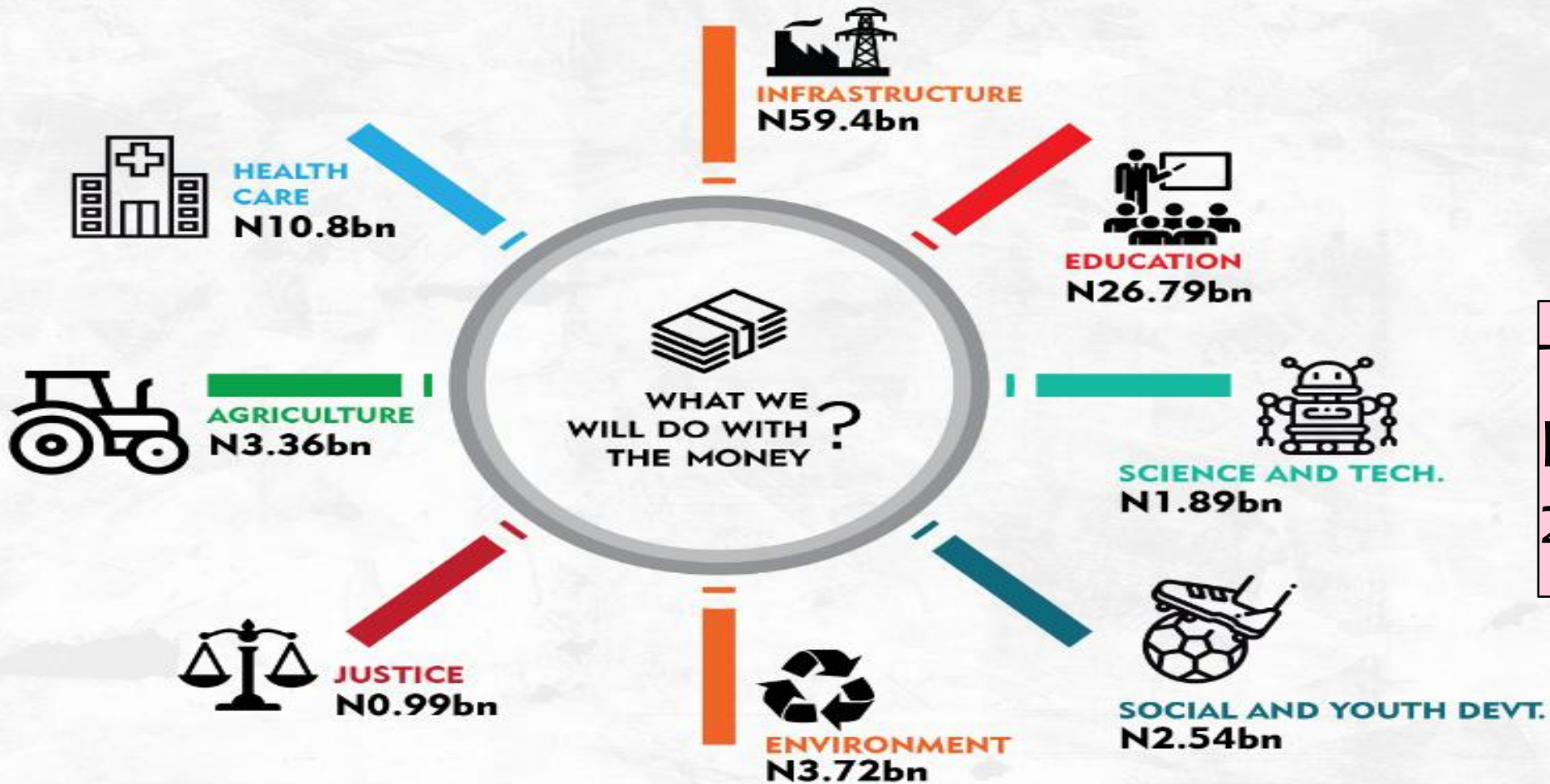
2019 Budgeted Expenditure Allocation by Sector
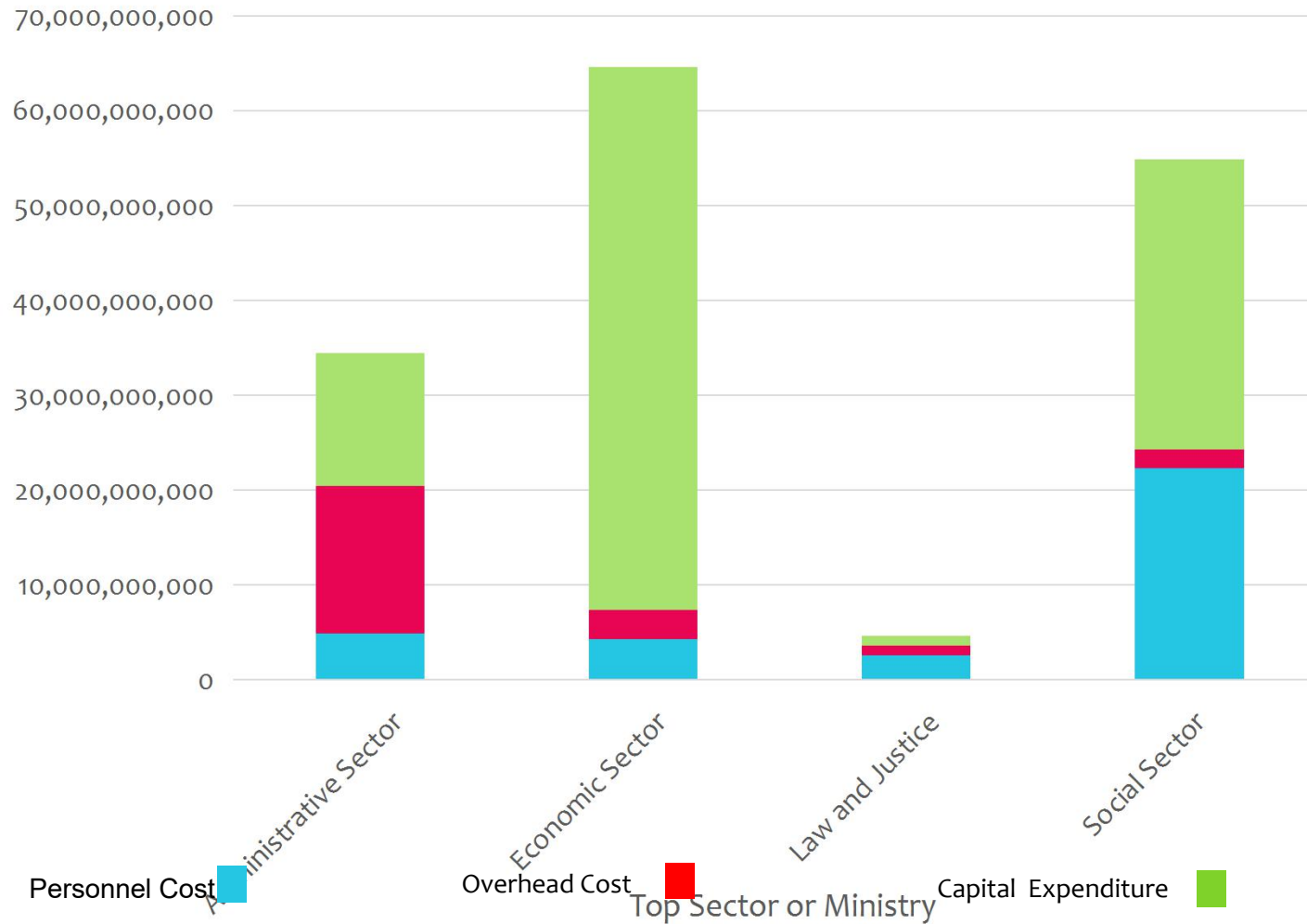
Recurrent Expenditure: Refers to recurring payments: wages and salaries for civil servants; overhead costs (electricity bills, purchase of diesel); consolidated revenue account charges.

Capital Expenditure: Capital Expenditure is money spent by government to acquire or build fixed capital assets, land or intangible assets. Projects like the building of schools, hospitals, roads, or buying security equipment. Capital Expenditure is sometimes called "Capex."

The Economic sector has a huge budgeted capital expenditure because of the transportation, Environmental, and other infrastructure projects the Government wants to develop to help your business grow, create jobs and improve the State economy.

The social sector has a huge budget for both Capital and Recurrent Expenditure due to the number of Healthcare and Educational facilities Government wants to renovate and build, and the doctors and teachers it pays to work in these facilities.

EDO STATE 2019 APPROVED BUDGET

INFRASTRUCTURE N59.4bn

HEALTH CARE N10.8bn

EDUCATION N26.79bn

AGRICULTURE N3.36bn

WHAT WE WILL DO WITH THE MONEY ?

SCIENCE AND TECH. N1.89bn

JUSTICE N0.99bn

ENVIRONMENT N3.72bn

SOCIAL AND YOUTH DEVT. N2.54bn

Top Capital Projects for Year 2019

Thank You

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