KWARA STATE GOVERNMENT

**Revised Budget 2020**

**Explanatory Note**



**June 2020**

 Ministry of Finance and Planning

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**1.0 INTRODUCTION**

1.1 The Kwara State Government has reviewed 2020 budget, and the review is coming on the heel of prevailing economic situation and current macro-economic challenges occasioned by sharp fall in global oil price and Covid-19 pandemic. This has resulted in revenue realized by government and posing a threat to the viability of most projects to be financed. This led to the reworking of the 2020 budget to reflect the current realities.

1.2 The pandemic affected the price of oil, leading to an adverse economic outlook, and low revenue to Kwara state from Federation Account. The Kwara State 2020 budget projection for Statutory Allocation from Federation Account was based on anticipated oil price of $57 per barrel, but the decline in the price oil has forced the government to revise this to $30 per barrel

1.3 The revised budget of N121bn is being proposed to Kwara State House of Assembly (KWHA) for consideration and passage. The budget focuses on creating an economic stimulus platform that can sustain the socio-economic growth of the state with emphasis on health, agriculture, jobs creation and youth empowerment.

**2.0 BACKGROUND TO THE 2020 REVISED BUDGET**

2.1 In the face of imminent and unprecedented global recession and containment of the Covid-19 pandemic, Kwara state adopted the Federal Government and Nigeria Governor’s Forum (NGF) structure on the statutory revenue distributable to State; Independent Revenue Capacity of the State; and external grants from ongoing programme and projects.

2.2 The collapse in the oil price will slash reduce Kwara Statutory Revenue allocation expected from federation account as much as 50% causing a serious cut to the State’s Capital budget and additional cut in total expenditure.

2.3 The proposed revision to the 2020 budget reflects changes in the resources envelope as well as the corresponding adjustments on expenditures. As a result of the proposed changes, the total budget size is proposed to fall from N162.4bn to N121bn showing a decrease of N41bn (41%). The following are the key changes being proposed are as follows:

**2.3.1 Statutory Revenue Allocation from Federation Account-N28.8bn:**

 Larger proportion of Kwara State Budget is financed from Statutory Revenue from Federation Account, which is likely to be reducing by 41.1%. Based on the Federal Government and NGF position on the amount distributable to States, the proportion of changes was adapted to Kwara and obtains revenue accruable under the current situation. This has led to changes in the Kwara State revenue from FACC being projected at an average of N2.2bn per month for the next seven months of the year 2020. As such the expected revenue from **FACC** has been reviewed downward by **41.1%; from N48.9bn approved for 2020 fiscal year to N28.8bn.** This budget review is premised on the following revised macro-economic assumptions:

 (a) Oil price benchmark of USD$25/barrel. Kwara would have to reduce the amount of state funding for projects. The reduction in crude oil price from $57/per barrel to $25 per barrel means that we are going to get less revenue, almost 56% less than planned- With this scenario, we have amended a lot of projections in revised budget to reflect the current realities.

 (b) Crude Oil production is now below the original benchmark of 2.18bpd. Now an average of 1.9bpd is feasible in the country, contributing to a further drastic fall in the Federation revenue receipt.

 © Inflation rate is forecast at an average of 14.8%. The border closure and slow pace of economic activities resulting into lower output of goods and services have continued to create general increase in price level. The inflation rate that was targeted at 10.8% in 2020 have continued to increase. It increased to 12.3% in April from 11.6% in March 2020 and further increased by 1.17% in the month of May, 2020.

 (d) Exchange Rate: NGN: USD is N360. The naira has come under tremendous pressure on the currencies of crude-dependent economies like Nigeria, Africa’s largest producer of the commodity; Since oil prices slumped to around $25 a barrel, below the government’s $57 target. Earnings from sales of crude oil accounts for 90% of foreign exchange earnings and more than half of Nigeria income. Hence, a weaker official rate will boost the revenues of the Federal government and states by allowing dollar earnings from oil to be converted to naira at a higher rate.

(e) GDP Growth Rate has been declining drastically on a negative economic productive range. The growth rate of -4.42% is assumed as forecast by the Federal Government in 2020. The Real GDP growth rate is projected to rise to 2.9% in 2020 and 3.3% in 2021 with emphasis on economic diversification. The Covid-19 outbreak and collapse in international crude oil prices are set to push the economy back to recession this year. Job looser and lower remittances are poised to hit private sector hard, while investment activity will suffer amid project delays and uncertainty.

2.3.2 N3.8bn projection on **other extra expected Revenue from Federation account** is still feasible owing to various intervention and support from Federal Government efforts.

**2.3.3 Value Added Tax** has equally been declining at an average rate of 6.7%. VAT accrued to Kwara State decreased from N1.03bn in January to N0.95bn in the month of February, and further declined to N0.83bn in the month of May. A total of N4.8bn was received as VAT in the month of January to May 2020. The state sustained Federal Government forecast of VAT distributable to State in remaining financial year decline putting it at an average of N0.9bn per month. As economic activities ground to a halt, governments may not see the benefits of the new Finance Act 2020 which among others increase the VAT rate from 5% to 7.5%. The State VAT is now reviewed downward from N16.4bn to N12.32bn (27.32%).

**2.3.4 The independent revenue (IGR)-M32.5bn:**

 **The State IGR** generally is likely to fall within expectation. This is because over 70% of state IGR is consistently generated from PAYE while other MDAs related IGR potentials are expected to fall by 13.4% due to short down of offices and lockdown of economic activities within the second quarter of 2020. In January State IGR was N2.37bn and decreased in February to N2.16bn and later rose slightly in the month of March to N2.64bn; Hence tertiary institutions account for about 40% of this Revenue within the school season. The total amount of IGR generated in the first quarter amounted to N7.19bn. The target revenue for the year has been reduced by 19. %. The major part of which are constant from PAYE (70%), other revenue such as fines, fees, taxes which has been affected by the lockdown will be strengthened on other part. Based on professional forecast, the state can only project an average IGR of N2bn per month. The only portion of IGR affected by the lockdown is fines, fees, earnings on government activities and taxes from informal sector. Hence, the IGR has been reviewed downward by 19**% (i.e from N40.21b to 32.5bn). Kwara have put efforts on institutional reforms and** diversification of the economy in order to exploit extra revenue potentials. With institutional efforts and reforms within KWIRS, the capacity of IGR potentials can be strengthened to bridge the gap of the economic uncertainty.

**2.3.5 Local Government Bail-Out Repayments**-N64m: This revenue comes from the Local Government Authority loan repayment given as support from the State Government in the past administration. With Federal Government suspending debt repayment by the State Government, We have equally alike suspended the debt repayment from the Local Government with effect from May, 2020. This will affect the revenue expected from this budget line from N192m to N64m.

**3.0 THE REVISED 2020 BUDGET PROPOSALS**

The budget revision process has been informed by the current pandemic and fall in oil price.

**Revenue-N123bn**

The budget has a deficit finance of N2bn to be sources from Commercial bank. This fund has been allocated to fund the state share of Universal Basic Education.

Covid-19 support and recovery loot by EFCC also account for revenue receipts from miscellaneous sources: EFCC, recovered 255.3m; Voluntary contributions to Covid-19; N128.2m. More recovery loot are expected from EFCC viz- pay roll fraud, and others. The Sum of N1bn has been proposed in addition as revenue receipts with expectation of the recent EFCC efforts uncovering more looters.

**Table 1. Changes in Revenue**

|  |  |  |  |
| --- | --- | --- | --- |
| **Fiscal Items**  | **Approved Budget 2020 (N)**  | **Revised Budget 2020 (N)**  | **Changes**  |
| Opening Balance  | 7,000,000,000  | 7,000,000,000  | 0  |
| Gross Statutory Allocation from FAAC  | 48,943,215,564  | 28,626,492,476  | 20,316,723,088  |
| Other FAAC Transfer (exchange rate gain and others)  | 3,838,863,505  | 3,838,863,505  | 0  |
| Value Added Tax  | 16,430,807,482  | 12,942,004,138  | 3,488,803,344  |
| Internally Generated Revenue  | 40,210,012,486  | 32,630,041,483  | 7,579,971,003  |
| LGAs salary Bail out (loan repayment)  | 193,322,646  | 64,440,883  | 128,881,763  |
| Aids and Grants  | 33,615,197,892  | 24,198,011,544  | 9,417,186,348  |
| External Loan  | 12,256,246,595  | 11,803,132,440  | 453,114,155  |
| Commercial Bank Loan  | 0  | 2,000,000,000  | 0  |
| TOTAL  | 162,487,666,170  | 123,102,986,469  | 39,384,679,701 (24%)  |

**3.1 Managing the existing resources**

3.1.1 To fund the support for the Kwara economy and ensure our public services are equipped to deal with the corona virus pandemic, the Ministry of Finance & Planning has taken action to reallocate funds within the existing budgets to respond to Covid-19 pandemic. As a result, N 16.63bn (13.8%) has been proposed in the revised budget for Covid-19 response.

3.2 This has required difficult choices to assess what could be realigned to meet the financial challenge of the pandemic. To minimize the impacts of this reprioritization exercise we have looked to protect:

* Expenditure which protects the lives of citizens
* Areas where we have a legal or statutory commitment to deliver
* Areas of Government priority.

3.3 We have also sought to minimize the impact through identifying where funding cannot be used for its intended purpose for new activities planned during 2020 but not yet started and could be deferred to a later date.

3.4 Due to the evolving nature of this pandemic, we have also continue to closely monitor the impacts of our decisions and the wider impacts of the pandemic in Kwara state so far as to assess what further action we might need to take.

**4.0 BUDGET ALLOCATION TO COVID-19- N16.63bn.**

This Budget allocates N16.63bn in response to our COVID-19 efforts centered around five main pillars

* Health and Public Services
* Water and Sanitation
* Supporting the Economy
* Coordination and Communication
* Social Protection

4.1 Recurrent Expenditure-**N3.6bn**

 Our first priority has been to ensure our healthcare system is able to cope with the unprecedented strain the pandemic is placing on it. We have provided where required additional funding to increase our normal capacity and give the Major component of health services in the state the tools it required for covid-19 response. The state wide-vote has been the major budgetary provision that has been directed towards fighting Covid-19 since the crises enter Nigeria.

4.1.1 An increase of N1bn to provide sum of N3.bn under the state-wide vote to cater for

* Provision of Personnel Protective Equipment for health personnel’s;
* Equipment and infrastructure for treatment center;
* Improving the turnaround time for lab sample results;
* Providing adequate personnel to man EOC call centers
* Strengthening health facilities across the 16 LGAs.
* State wide Fumigation exercise of public places.
* Creation of Covid-19 Response centre at Sobi Specialist Hospital, Ilorin. (Designated for isolation and treatment).
* Refurbishment of the state’s oxygen plant.
* Procurement of 5 new ultra modern ambulances.
* Putting in place additional 30 ventilators in addition to the existing 10.
* Provision of mobile X-ray facilities.
* Proposed additional Isolation center across the 3 senatorial districts in the state
* PPE (Face Masks & Hand Sanitizers) Supplied to the 16 LGAs And 193 Wards In The State

4.1.7 As well as increases to hospital capacity, the need to provide adequate training of health personnel on Covid-19 case management; N6.01m have been allocated to cater for training and N6.0m to workshop for health workers respectively to cope with Covid-19 response

4.1.8 We have allocated N396m to provide drugs and equip our medical laboratories across Kwara.

4.2.0 We have made available N21m to support State Emergency Routine Immunization Coordination to maximize the service contribution which can be made to healthcare delivery.

4.4.4. We have equally allocated N100m as exigency programme funding. This is to cater for unforeseen operational expenses in response to covid-19 to close the budgetary gap in MDAs recurrent expenditure that could arise and critical to support any emergency needs not provided for in the critical sectors of the economy.

4.4.5. Additional N123m has been allocated to Institutionalize Kwara State Identification and Registration Agency. We believe proper tracking, and identification of our structural development requires the need to provide data base management of the citizen’s as a basis for accurate planning in for the welfare of our people.

4.4.6. Funding of our Emergency Management Agency has been increased to N120m in response to Covid-19 coordination and management. Provision of necessary fund for the procurement of preventive materials on Covid-19;

4.4.7. Peace keeping activities; Public order and order safety enforcement has been allocated N5.6mn. (Out of which N2m is for prosecution of cases and N3.6m is for prerogative of mercy. This fund has been responsive to Covid-19, when it comes to safety compliance; prosecution of cases associated with violations and prerogative of mercy to decongest prisons.

4.4.8. Funding Special Committee and Commission also required additional funding along with the earlier expended. N30m is allocated to committee and sub-committee on welfare, economic response, health monitoring and emergency relief team.

4.4.9 Provisional funding logistic requirement in response to covid-19 logistic materials led to additional funding to allocate N25.5m for the Response Committee.

4.4.11 Further 2.5m for Coordinating Kwara Social Investment Scheme. This additional funding aims to provide resilience and additional capacity in the event of coordinating welfare and economic oriented program response to Covid-19.

**4.2 Capital Budget-N12.8bn**

4.2.1 In addition to isolation centers, funding has been provided for use of other health facilities in the state. The reduction of Fund in some expenditure line items have been redirected to cater for immediate rehabilitation and equipping of primary/basic health center across the state. A sum of N1bn has been allocated

4.2.2 Additional fund of N6m provided to rehabilitate Mortuary in the State General Hospital.

4.2.3 N566m has been allocated to Health Insurance Scheme to reduce out of pocket health expenses of the poor and benefit of vulnerable kwarans.

4.2.4 Additional Fund of N160m is provided to rehabilitate existing laboratories in the state.

4.2.5 Fund allocation to purchase Medical Equipments has been reduced to **N750m** since state-wide-vote already expended huge funding at the earlier response to Covid-19 and made available some medical facilities in battling the pandemic. In this same instance, Ambulance purchase has been reduced and repurposed to **N38.1m** since efforts already made to purchase few ambulance under the same state wide vote.

4.2.6 Additional sum of N100mn is provided to acquire another oxygen plants in the Covid-19 response centers.

4.2.7. Funding of water treatment chemicals increased to **N203.1m.** This will sustain our capacity to ensure access to hygienic water. Provision of water facilities reduced to **N120m** to only cater for the immediate support need: Alike, a conservative fund of **N431.8m** has been allocated to expand our Semi-Urban and Urban water scheme; **N69.2m** to provide toilets in sensitive areas of the state. This recognizes the essential role of water hygiene in health care delivery as equal response to corona virus, and supporting the most vulnerable communities.

4.2.8 We are committed to doing all that we can within our powers and resources to support SMEs, farmers, traders, artisan and poor and vulnerable groups and help see our economy back to prepandemic levels of growth and we took early action to support Kwara economic growth and development. **1.5bn** has been provided in the State Social Investment programme This fund is to equally provide creative intervention support to the youth and graduate empowerment.

4.2.9 A further increase of fund to the sum of N1.2bn as exigency vote has been allocated to support a range of additional actions as part of the COVID-19 response, including enhanced economic activities and recovery support to sector affected by the lockdown and economic stimulus to support micro-projects in rural communities.

4.2.10 The state will as a matter of medium term measure its moribund industries. N800m has been allocated for the construction of Large Scale Garment Production factories in the state. This is a short-term investment response towards reopening of the economy.

4.2.11 N300m has been allocated for construction of Civic center. Kwara Government recognized that there are numbers of talented kwarans to can be promoted, this investment as an economic stimulus is to empower our youths and graduate in Visual art.

4.2.12 N750m has equally been allocated to investment in ICT, hub. The emergence of this has been notice in the way our creative youth in ICT administered their talents. Kwara recognized the need to provide sector resourceful investment that could provide immediate economic recovery response to covid-19, this Hub is opted to create a coordinating economic sustainability in ICT. Additional **N30bn** has been provided to purchase ICT equipment. It would equally strengthened employment capacity in ICT and recruit more youths into the current innovation on Information Communication Technology.

4.2.13 In addition to construction of ICT Hub, to help quickly respond to sustaining economic of Kwara by connecting lagging towns to growth, link farmers and products to markets, bring down the cost of transporting products, and bring more jobs and livelihood to people. Road construction allocation has been reduced to **N1bn** to limit spending in such areas to on-going road infrastructure and open up link route to rural farmers.

4.2.14 Strengthening Agric mechanization, and also as an alternative to managing the available resources, Kwara have reduced fund allocation to **N389m** as immediate option and response to covid-19 to arrange tractors for farmers across the rural communities in the state through lease arrangement.

Additional provision made to allocated **N100m** for state wide irrigation scheme, as a response to sustainable agricultural productivity in the state.

4.2.15 Additional **N2.5bn** proposed to be sourced from African Development Bank. This fund is in form of soft loan grant to support Covid-19 response as economy reopens. It is an intervention programme from AfDB on small and medium scale farmers.

The state government has put some measures in place toimprove coordination and consistency in communication: It includes the following

* Establishment of Task Force Committee to include health personnel and environmental health safety cadre.
* Creation of State-committee and sub-committee report center.
* Sensitization campaign and jingles in all the languages in Kwara State produced and aired on media.
* Establishment of New Media mechanism-social media and feedback mechanism on the issue of Covid-19 and improvement of the existing communication institutions
* Release of Fund to execute the incident action plan;

4.2.16 Increased allocation to Communication Equipment to N49m

4.2.17 Provision of N110mn for e-governance. Since the lockdown and shut- down of offices will require electronic operations and coordination of government assignments through virtual meetings and other government businesses.

4.2.18 A further funding of the State Broadcasting Corporation to the tune of N72m

4.2.19 further more, sum of N9.5mn has been provided to renovate and equip canteen at Specialist hospital, Sobi for Covid-19 use. The isolation centers will allow us to cater for everyone who needs it, whilst ensuring that people needing urgent treatment for other illnesses can continue to be treated in hospital settings.

**5.0 AMENDED COVID-19 RESPONSIVE BUDGET**

**5.1 Recurrent Expenditure-N68.9bn**

5.1.1 Personnel Cost reduced to N14.5bn. This is premised on the shut-down of offices and cost gain as a result of delay in the promotion of civil servants as well as voluntary retirement from service. Kwara will maintain required solvency to defray essential liabilities such as salaries of civil servants to avoid accruing arrears.

5.1.2 Salaries of Public office holders have been sustained with approved budget of N500m. This funding is projected with increased number of political office holders in the state.

5.1.3 Increased pension and gratuities to N8.9bn was premised on the critical numbers of Workers being retired within the mid-year most especially the Permanent Secretaries and as such additional fund required providing for their pensions and gratuities.

5.1.4 A further fund provided in Other Consolidated Revenue Fund charges to N1.06bn. The sum of is meant for LGA shares of IGR of the state and payment of board’s salaries in the state.

5.1.5 Overhead Cost-N38.7bn

The overhead cost has been revised downward from N41.2bn to N38.65bn in three categories;

a) The overhead cost in MDAs has been reduced from and allocated N20.29bn. Out of which N3.6bn is allocated to Covid-19. This Review Cost of Governance to provide for critical and essential spending. The state cost on unnecessary travelling and other operational costs like training, seminars, has been cut off, with exceptional focus on health, agriculture and essentially key administration and coordination. The budget has allocated additional N8.1m to the overhead cost of newly created Ministry of Special Duties. The budget emphasis is on funding the essential key over-head cost for improved service delivery. Constituted state economic team to manage affairs of the state economy as optional response to militate against negative impact of Covid-19

(b) Overhead Cost (Parastatals): N7.6bn. The reduced amount cut other non-essential expenditures like other MDAs. The fund allocated to parastatals is essential to sustain the health sectors, the economic and other government businesses as an engine to mobilize revenue to the state. N244m is allocated in response to Covid-19 from this overhead funding as identified in Table.. Above.

C) Overhead Cost (Tertiary institution) reduced to N10.7bn. The fund constitutes personal costs and other running expenses of the state owned tertiary institutions and the reduction necessitated by school closure and total lock-down.

**5.1.6** State Support Grant to Parastatals operation sustained at N10m as support to shortage in operational expenses resulting from the total lockdown.

5.1.7 Debt repayment. N5.08bn

* Direct deduction of Kwara debt servicing from Federation account has been suspended from April, 2020 to March 2021. The state debt services suspension from Federal Government was as a relief to states in response to Covid-19. The state has sustained debt already paid in the revised budget under this category. The budget under this categories of debt repayment has been revised to N4.3bn
* N470.7m has been allocated as external loan repayment on existing various development partners’ projects.

**Table 2: Changes in Recurrent Expenditure**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Fiscal Items**  | **Approved Budget 2020**  | **Revised Budget 2020 Cost**  | **Covid-19 Contributions**  | **Changes**  |
| Personnel Cost (Salaries and Pensions) Including other CRF charges | 24,595,676,964  | 25,102,385,764  |  | +506,681,800  |
| Overhead Cost  | 41,271,470,358  | 38,745,550,741  | 3,828,149,492  | 2,525,919,617  |
| Debt Servicing  | 7,142,815,078  | 5,085,695,660  |  | 2,057,119,418  |
| State support Grants  | 10,000,000  | 10,000,000  |  | -  |
| Total  | 73,019,962,400  | 68,983,335,765  | 3,828,149,492  | 4,583,012,035  |

**6.0 CAPITAL EXPENDITURE-N52.7bn**

The capital expenditure review takes cognizance of the completion of all on-going projects. Commencement of new project is prioritized and centered on Agricultural Development, Health Care delivery, Industrialization and strengthened entrepreneurship, Critical and essential infrastructure most especially in the rural communities.

**6.1 The Capital Budget** has been reviewed downward by 41%. The projected capital estimate in 2020 budget has been reviewed from NN89.4bn to N52.7bn. The Capital project will be prioritized on investment with capacity and potential to create wealth in the state. Priority has been given to the following key projects.

* Agricultural mechanization and extension services
* Improvement in health facilities across the state
* Health Insurance Programm
* Construction of large scale garment production factories
* Strong support to SMEs
* Resilient infrastructure on Rural road to create enabling environment for agricultural productivities
* Construction of Information Technology (ICT) Hub
* Social investment programme to support the vulnerable and create several economic stimuli to Kwarans.
* Universal Basic Education
* Environmental Protection

**Table 3: Changes in Capital Expenditure based on function.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Capital Expenditure Based on Functions** | **Approved Budget 2020 (N)** | **Revised Budget 2020 (N)** | **Covid-19 Contributions (N)** |  **Changes**  |
| General Public Services |  6,966,579,011  |  6,443,795,000  |  1,740,000,000  |  522,784,011  |
| Public Order & Safety |  1,409,465,600  |  466,165,000  |  5,000,000  |  943,300,600  |
|  Economic Affairs  |  36,206,289,358  |  19,488,405,216  |  7,393,889,582  |  16,717,884,142  |
| Environmental Protection |  1,558,282,579  |  342,537,916  |  202,848,706  |  1,215,744,663  |
| Housing and Community Amenities |  3,290,557,240  |  1,345,746,869  |  824,228,162  |  1,944,810,371  |
| Health | 23,763,095,838  |  18,279,150,254  |  2,630,274,511  |  5,483,945,584  |
| Recreation, Culture and Religion |  2,412,290,671  |  297,500,000  |  10,000,000  |  2,114,790,671  |
| Education |  13,743,843,473  |  6,038,550,658  |   |  7,705,292,815  |
| Social Protection |  117,300,000  |  92,300,000  |   |  25,000,000  |
| **TOTAL CAPEX** | **89,467,703,770**  |  **52,794,150,913**  |  **12,806,240,961**  |  **36,673,552,857 (41%)**  |

6.2 Major Capital Expenditure funding from Surplus Gain in Recurrent Revenue-**N16.6bn**

* Covid-19 Contributions Kwara State Reduce non-productive capital spending for government administration (halt all purchase of vehicles and lease of buildings). Effort has been made to stop new projects, complete the existing essential ones, and prioritize major new projects that are key into economic stimulus and health care delivery. **N10.3bn** is allocated to Covid-19 response.
* Counterpart Funding of **N2.9bn** has been allocated to cater for several obligations required to attract grants receipts from development partners including
	+ N50m allocated to SDGs
	+ N178m for World Bank Assisted community and Social Development Programme
	+ State’s 50% share of contribution to Universal Basic Education in collaboration with Federal Government has been reduced to N1.82bn, and to be financed by domestic loan.
	+ N70mn allocated for Global Alliance Vaccine and Immunization-GAVI
	+ N100mn for Food and Nutrition (ANRIN) programme
	+ N10mn for Global Support on Malaria and HIV/AIDs
	+ N50mn has been allocated for Negleted tropical diseases
	+ N300mn has equally been allocated to Rural Access Agriculture and Marketing Project (RAAMP)

**6.3 Other Finances: External Loan Receipts**

* World Bank YESSO N2bn to complete the programme
* CBN Creative intervention fund-N300m
* AFDB Intervention on small and medium farmers N2.5bn
* KWACIDA- Reduced from N600m to N200m as conservative receipt expected from World Bank Assisted Programme on community micro-projects in social economic facilities.
* N3bn has been provided for as revenue receipts from World Bank Covid-19 Action Recovery and Economic Stimulus (CARES)
* RAMP=Programme reviewed downward from N4.2bn to 1.1bn.

**Deficit Finance Funding**

**6.4 Domestic Loan: N2bn.** The loan is meant to finance the state share of contributions to Universal Basic Education with sum of N1.8bn

The pandemic is disproportionately impacting children and young people. While reproposing funding has resulted in some planned activities not being delivered as planned, or planned projects being delayed there has not been any identified negative impact on those with protected characteristics or on children’s rights at this stage. However there are some instances where there could be potential negative impacts resulting from the decisions that have been taken, despite the actions we have taken to reduce or avoid these impacts. N1.8bn has been allocated as state share of counterpart funding to SUBEB. This is to be finance from domestic loan from commercial bank.

**6.5 Sources of finance from Aids and Grants**

**6.5.1 Aids and Grants-**

* NPI Activities of the Federal Ministry of Health reduced to N6bn
* N385.3m PEPFAR contribution support for the control of HIV/AIDs sustained on verified expectation
* Universal Basic Education- Federal Government Contribution-N1.8bn
* Federal Government Training Fund for Universal Basic Education-N165m
* SBMC SIP programme-N5m
* Special Grants to UBEC for special needs-N73.4m
* UBEC- The state has made provision of N1.82bn as share of UBEC funding from the Federal Government meant for the state in 2014 and 2015 disbursement.
* FG contribution to live stock transformation plants-N800m
* World Bank IDA international Development Association) (ANRIN) programme reduced to N643.1mn to cater for the intervention activities on Accelerating nutrition Results in Nigeria. Kwara State Foreign Loan recipt support for the remaining part of the fiscal year 2020.
* UNICEF reduced N300m to N50m; The expected activities of Unicef programme for the year work plan in 2020 has been delayed due to covid-i9 incidence response and lockdown activities, leaving the remaining year activities to only be catered for at reduced intervention.
* SDGs FG Contributions= N150m
* UNICEF Food and NUTRITION-N50m
* N455m Saving One Million Lives Programme for Result (SOML P for R) on health guarantee matters
* N306.2mn sustained Global Fund Support on Malaria and HIV/AIDS
* MEDSHARE (NGO) partnership grants support has been revised to Zero based on the grand that it can no longer be executed for the financial year
* Grant to KFA-N5m
* **SFTAS Grants:** The pool of resources from World Bank through Kwara State Performance on Fiscal Transparency and Accountability System has been revised at N4.82bn (i.e-$13m) on the following performance projections
* The state achievement of 2018 performance disbursement of N$5m
* Grants for 2019 performance expected to be disbursed in 2020 viz-a viz Quarterly budget report ($0.3m); Citizens input in budget preparation ($0.3m); Citizen’s budget online ($0.3m)
* TSA-Improved cash management ($1.5m)
* Biometric Registration of workers ($0.5m)
* Linked BVN of workers salary’s account ($0.5m)
* Additional finance of $5m for DLI 1 for the revised budget 2020.

**6.6 Identified Non-Assessable Capital Receipts out of the revised budget included**

* Ecological Fund
* Refund from FGN to state on Construction of Kishi-Kaiama Road
* Stabilization fund-
* JAMB Tertiary Institution Competition
* Sponsorship
* UNICEF Assisted Projects-N300m
* Baseball & Softball foreign intervention.