



ABIA STATE CITIZENS BUDGET 2021

“Budget of Local Content and Sustainable Development”




WHAT IS A BUDGET?

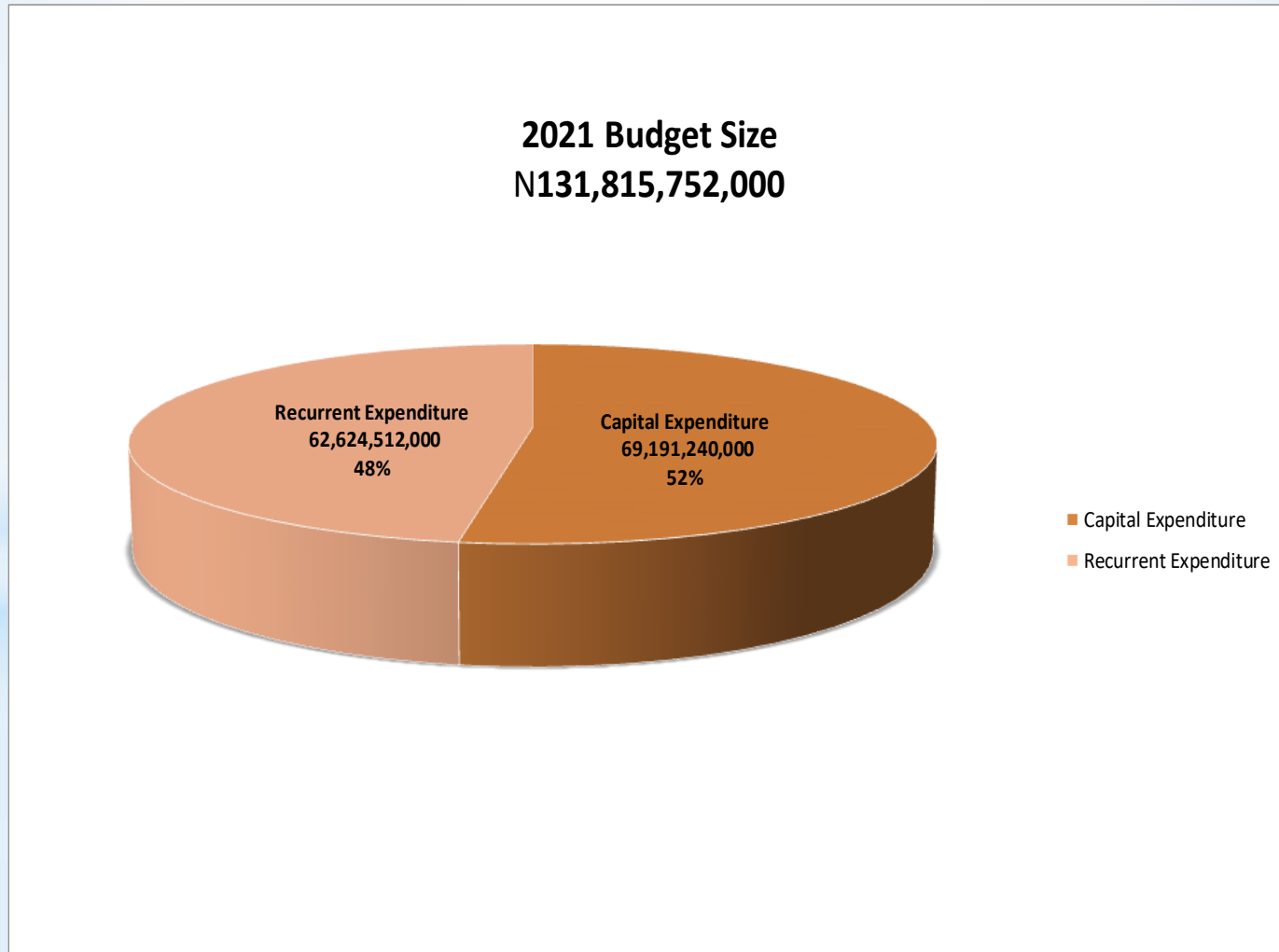
A budget shows what the government expects to collect as revenue, what grants it expects to receive, how much it expects to save or borrow, and what the government plans to spend on. A budget is a document that contains details about how the government plans to spend our communal wealth – the taxpayers’ 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.

A Citizens Budget 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 Budget 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 Budget should also be accessible by the general public, including being published online on an official state website.



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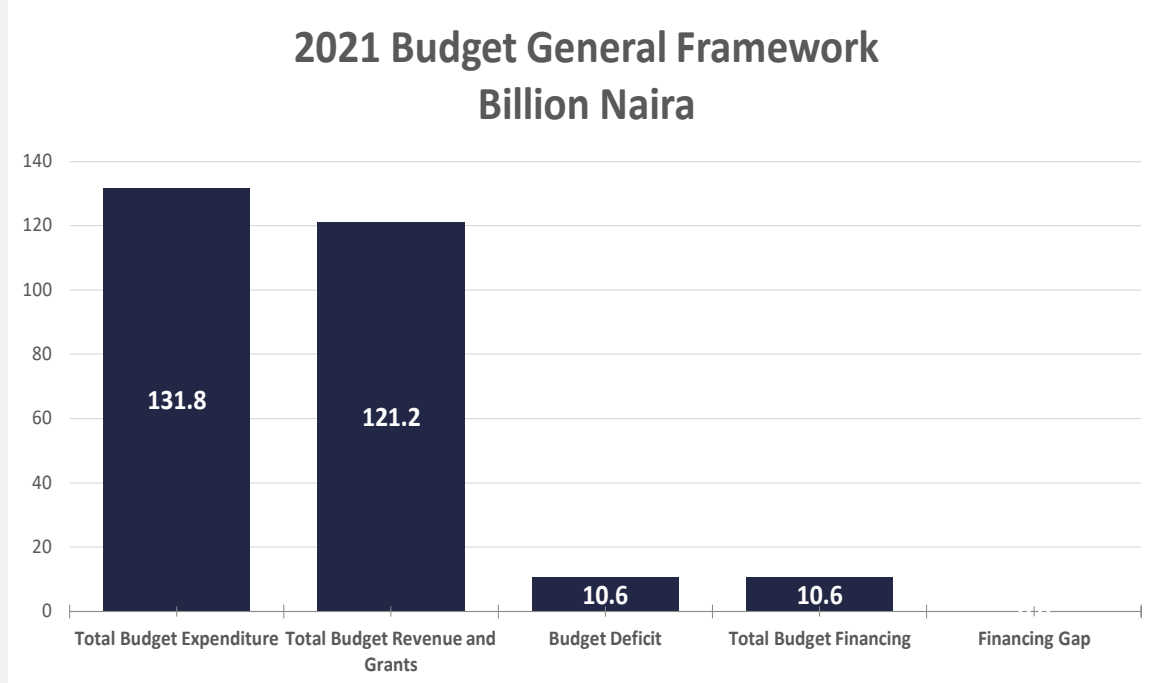


In 2021, Abia State will spend NGN 131.8 billion.

Of this, NGN 121.2 billion will be sourced from revenue and grants, which results in NGN 10.6 billion in budget deficit.

The deficit will be resolved by NGN 10.6 billion of total financing, leading to Zero financing gap.

Opening Balance of N13,073,490,962 will also aid financing.



GENERAL FISCAL FRAMEWORK

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.

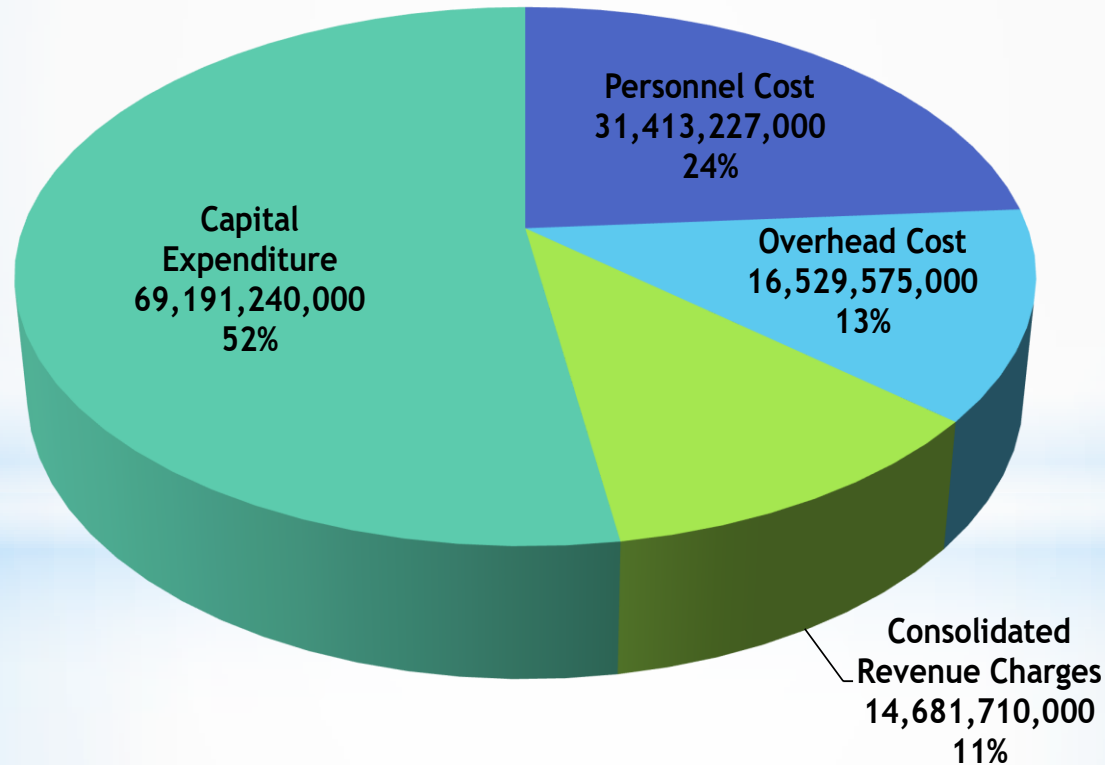
A deficit occurs when the expenditure figure is higher than the revenue and grants figure.

This is the summation of all the financing the government intends to raise through loans, sales of government assets or other deficit financing items.

The difference between budget deficit and total budget financing. In general, there should be no financing gap in the approved budget.

2021 Budgeted Expenditure

Where does the money go?



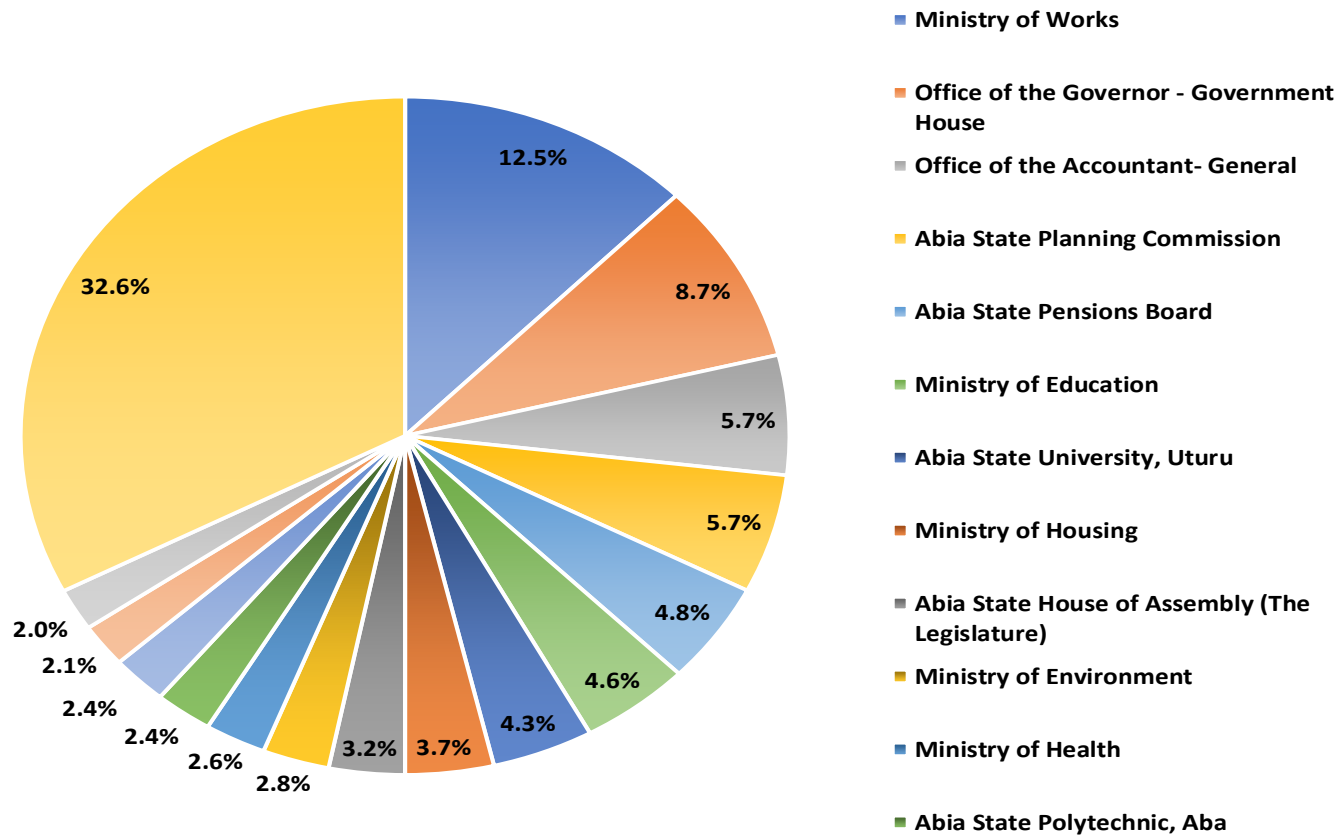
Expenditure is how the government plans to spend, on behalf of the citizens, according to the resources it manages. Government expenditure has two main categories: Recurrent and Capital Expenditure.

TOP MDAS EXPENDITURE ALLOCATION

Top Sector/Ministry Allocation	Personnel Cost	Overheads and Other Recurrent	Recurrent Expenditure	Capital Expenditure	Total Expenditure
Ministry of Works	142,331,000	31,450,000	173,781,000	16,260,000,000	16,433,781,000
Office of the Governor - Government House	660,927,000	8,053,550,000	8,714,477,000	2,747,325,000	11,461,802,000
Office of the Accountant- General	198,364,000	7,208,824,000	7,407,188,000	110,000,000	7,517,188,000
Abia State Planning Commission	269,578,000	70,000,000	339,578,000	7,144,500,000	7,484,078,000
Abia State Pensions Board		6,372,660,000	6,372,660,000	2,500,000	6,375,160,000
Ministry of Education	1,395,216,000	60,250,000	1,455,466,000	4,655,500,000	6,110,966,000
Abia State University, Uturu	2,804,954,000	1,738,122,000	4,543,076,000	1,085,000,000	5,628,076,000
Ministry of Housing	120,088,000	50,000,000	170,088,000	4,730,000,000	4,900,088,000
Abia State House of Assembly (The Legislature)	580,476,000	1,503,500,000	2,083,976,000	2,122,000,000	4,205,976,000
Ministry of Environment	198,605,000	51,200,000	249,805,000	3,454,400,000	3,704,205,000
Ministry of Health	1,502,357,000	38,679,000	1,541,036,000	1,856,400,000	3,397,436,000
Abia State Polytechnic, Aba	1,503,832,000	738,400,000	2,242,232,000	950,000,000	3,192,232,000
Secondary Education Management Board (SEMB)	2,938,830,000	100,050,000	3,038,880,000	61,000,000	3,099,880,000
Abia State University Teaching Hospital - Aba	1,858,982,000	176,400,000	2,035,382,000	685,000,000	2,720,382,000
Abia State Universal Basic Education Board (ASUBEB)	2,263,250,000	18,650,000	2,281,900,000	368,000,000	2,649,900,000
Other MDA Expenditure					42,934,602,000
Total (Except Other MDA Expenditure)	16,437,790,000	26,211,735,000	42,649,525,000	46,231,625,000	88,881,150,000
Total Budgeted Expenditure					131,815,752,000

ALLOCATIONS BY MDA/SECTOR

Ministry/ Sector Share of Budgeted Expenditure



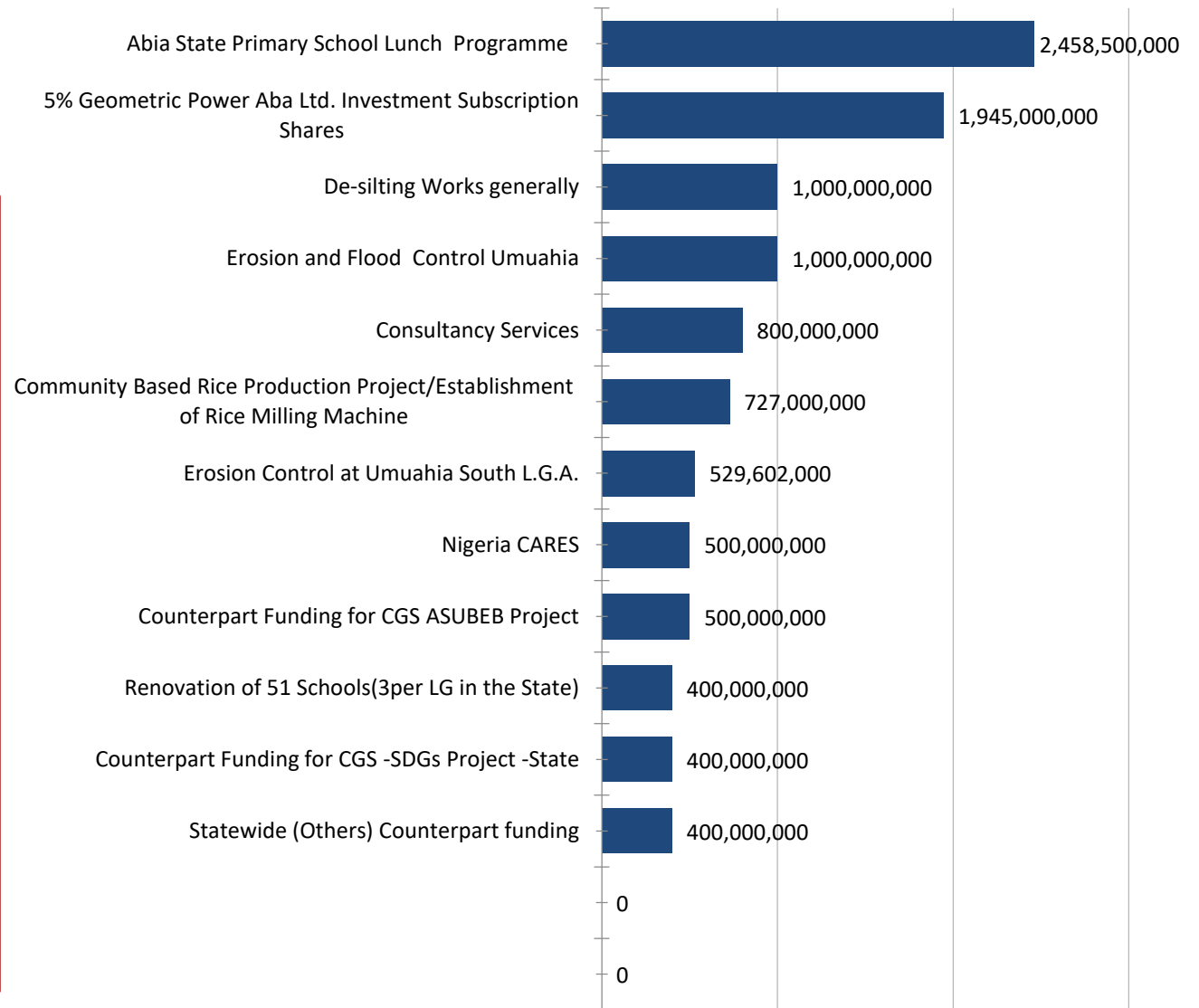
Expenditure is allocated to different Sectors or Ministries, Departments and Agencies (MDAs). Each Sector/MDA will have an approved budget of recurrent and capital expenditure as part of the overall approved state government budget to run its daily activities as well as carry out projects associated with them respectively.

MDA /SECTOR EXPENDITURE

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).

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

Top 2021 Capital Project Allocations

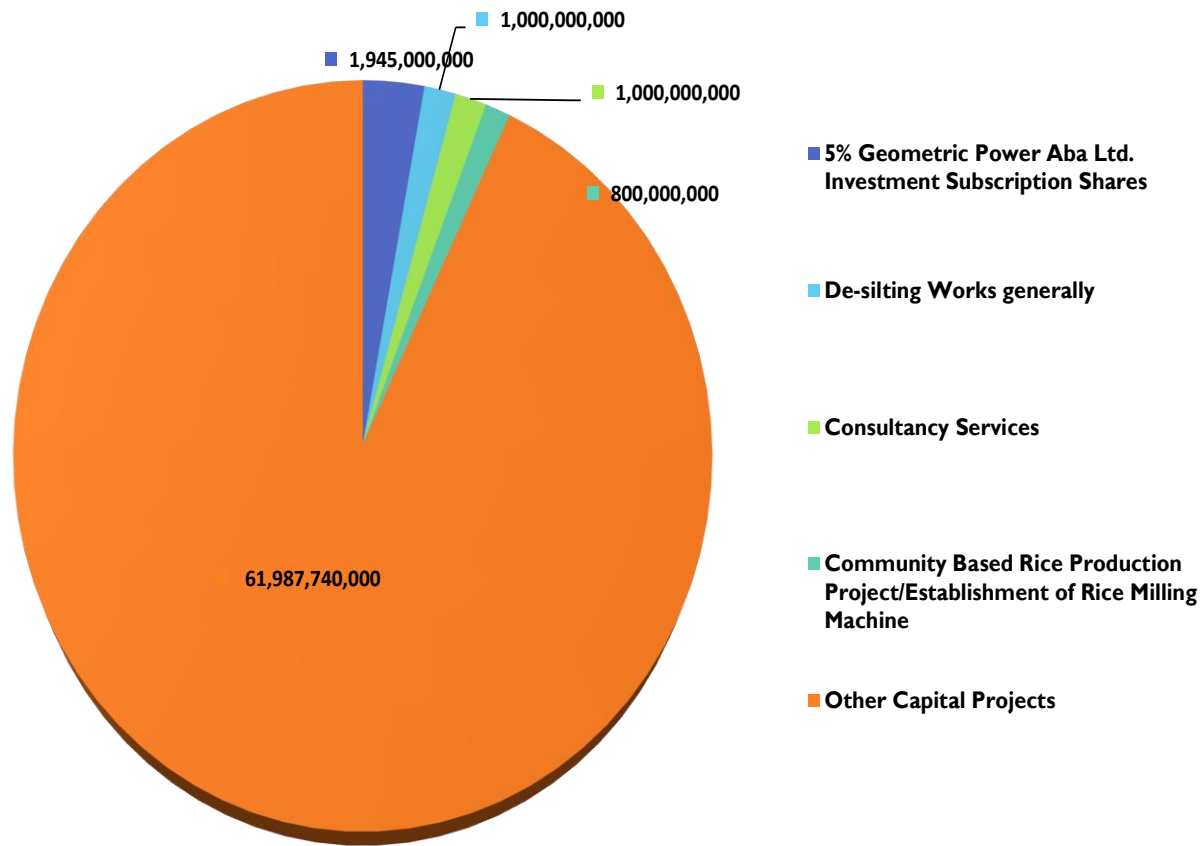


Amount (Billion Naira)

Top capital projects

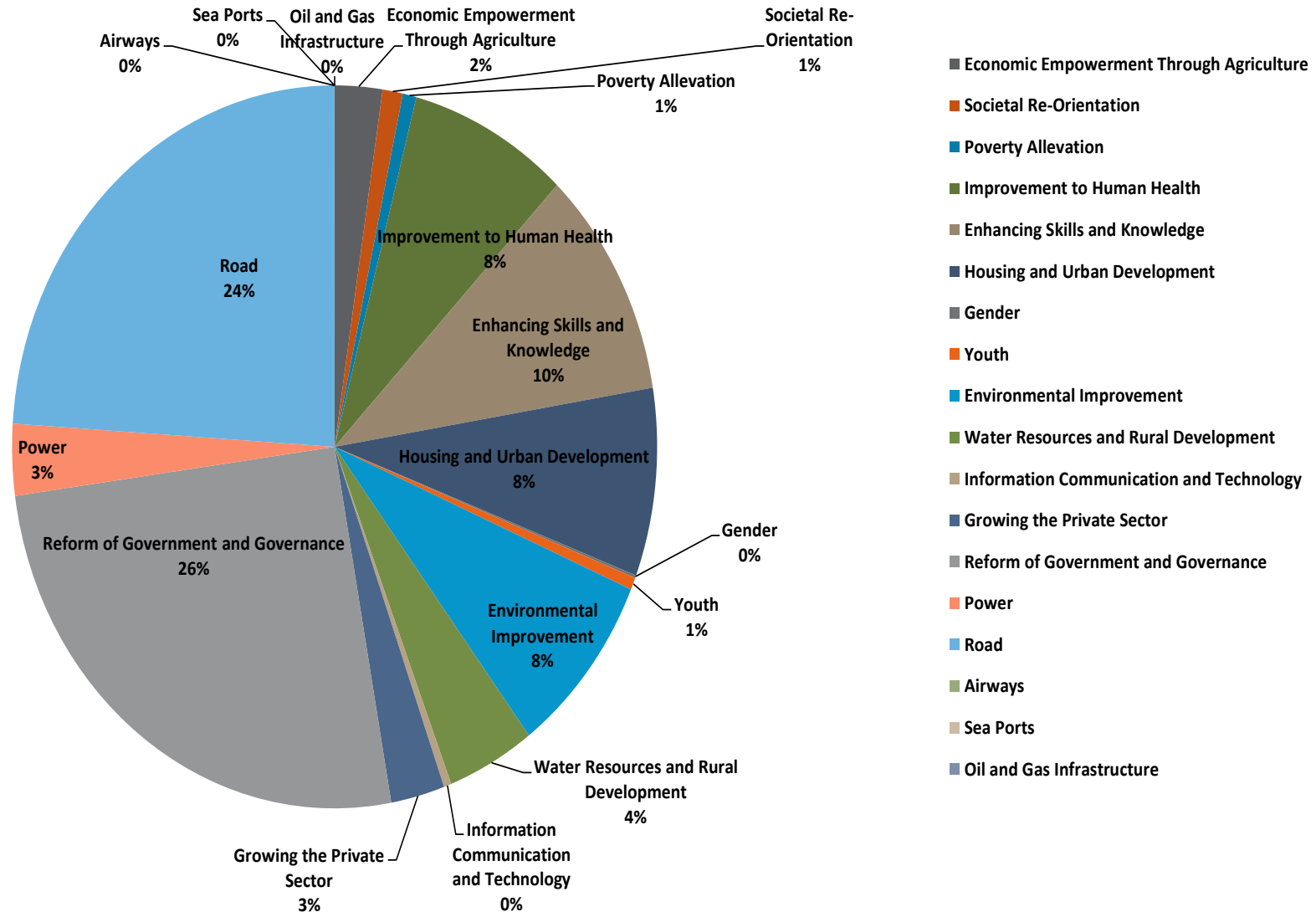
These are the highest-value capital projects for 2021. Their total comprises 8.09% of the total budget for the year.

2021 Capital Project Allocation - Top 5 and Other Capital Projects



2021 BUDGETED CAPITAL EXPENDITURE ALLOCATION BY PROGRAMMES

Programme Classification shows the planned budgetary Capital Expenditure allocation to specific programmes (such as poverty reduction) that may be implemented by a variety of organizational units. It identifies and clarifies the goals and objectives of government spending.



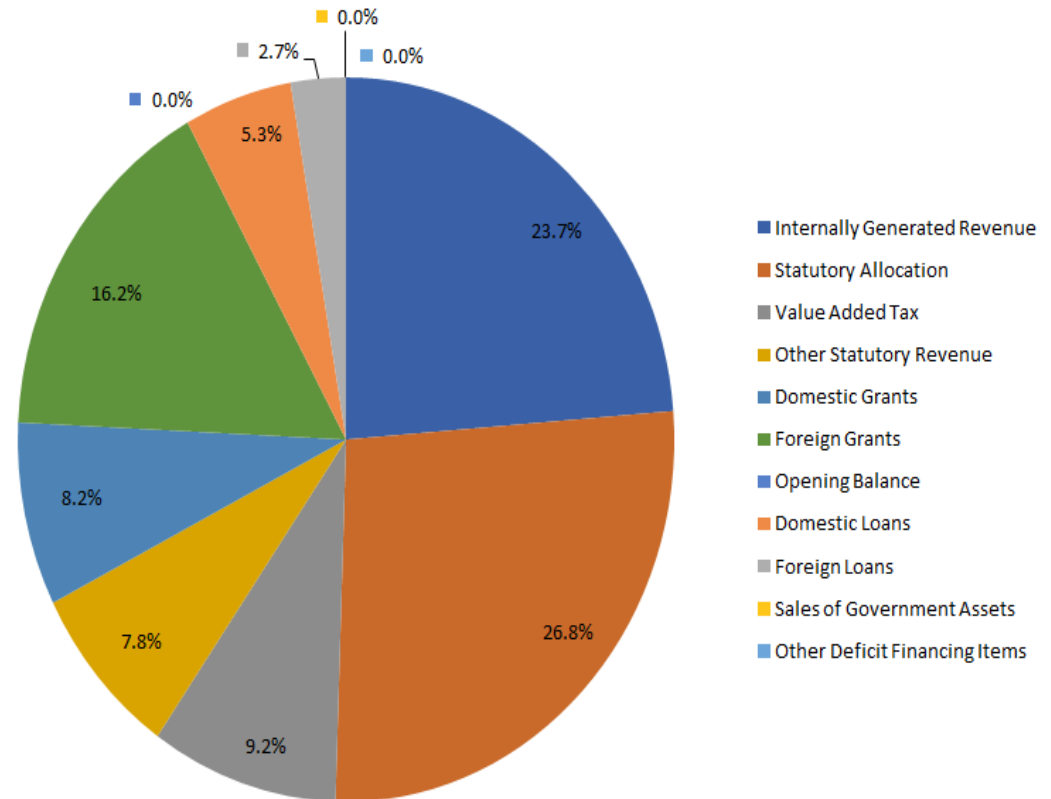
WHERE WILL THE MONEY COME FROM?

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.

2021 Budget Revenue and Financing

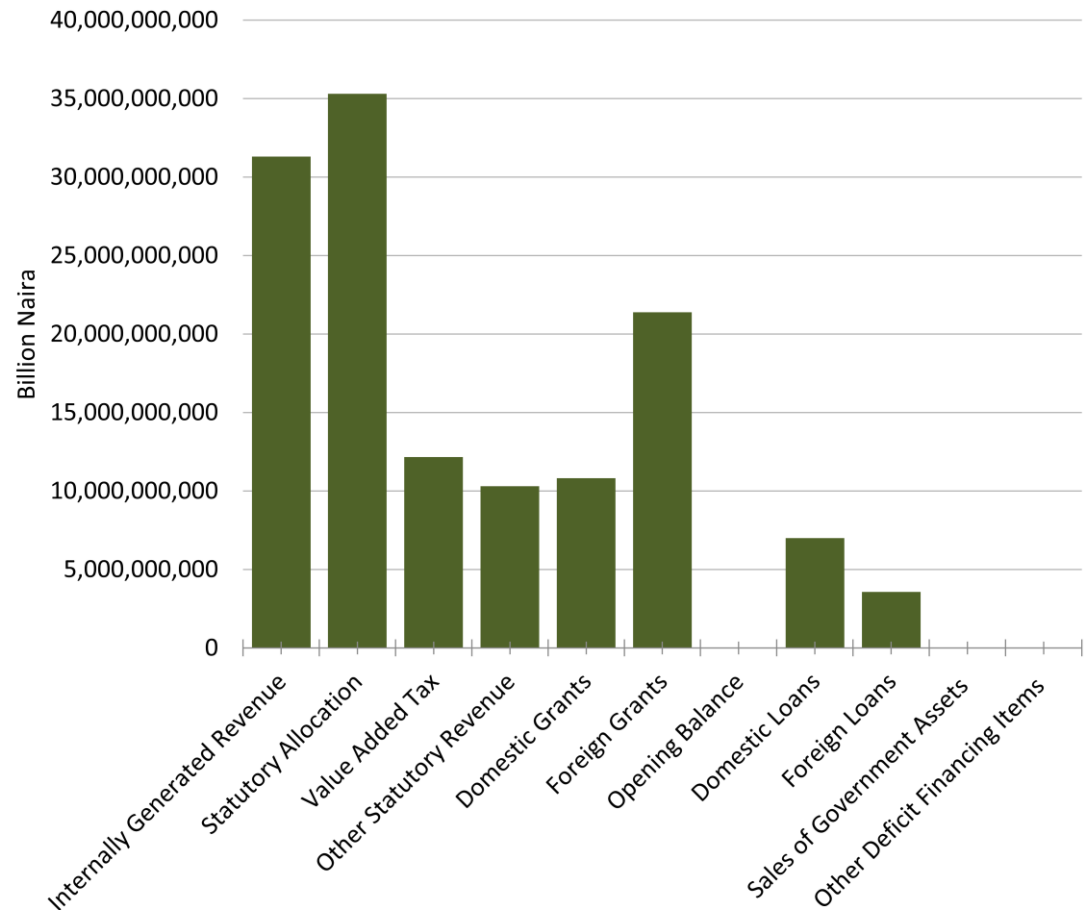


WHERE WILL THE MONEY COME FROM?

Majority of revenue will come from statutory allocation (35.3 billion), IGR (31.3 billion) and Grants (Domestic and Foreign) 32.2 billion.

Financing can come from a mixture of domestic and foreign loans and opening balance.

2021 Budget Revenue and Financing



BREAKDOWN OF GRANTS

Domestic Grants	2021 Budget Target
Project/Donor	Amount Naira
National Programme for Food Security (NPFs) ADP	78,000,000
CBNRMP/NDDC/RUMED/IFAD	100,000,000
Agric Trans Agenda/Agricultural Ext. Trans Agenda ATA/ETA	50,000,000
Federal Government Grant for UBE	3,677,000,000
Tertiary Education Trust Fund (TETFUND)	4,000,000,000
FGN Covid 19 Response	1,000,000,000
5% Premium Contribution from Formal Sector	400,000,000
CBN – Abia State Integrated & Infrastructural Development Proj	1,000,000,000
SDGs Grant From FG	500,000,000
Total Domestic Grants	10,805,000,000
Foreign Grants	2021 Budget Target
Project/Donor	Amount Naira
State Agency for the Control of HIV & AIDS (SACA) World Bank	1,600,000
UNICEF Grant & UBE	50,000,000
Other Grants/Aids	20,000,000
Innovation Development & Effectiveness in the Acquisition of Skills	762,500,000
SFTAS Grant	5,753,000,000
Basic Health Care Provision Fund (Abia State Health Insurance Agency)	500,000,000
Multilateral Aids /Grants From Development Partner TCI	204,791,050
Multilateral Aids / Grants From Development Partner UNFPA	3,000,000
Basic Health Care Provision Fund (Abia State Primary Health Care Development Agency)	500,000,000
UNICEF Programme	66,000,000
Multilateral Aids/ Grants From Development Partner WHO	66,000,000
NEWMAP	10,000,000,000
Grants from Development Partner	300,000,000
World bank Grants to Abia State Operation Coordinating Units	45,000,000
NCARES	1,600,000,000
Water Development Project From World Bank	300,000,000
3rd National Urban Water Reform Project (World Bank)	300,000,000
Nigerian Sustainable Rural Wash Project(WADA) III Project	300,000,000
Household Upliftment Programme (Conditional Cash Transfer)	612,767,530
Total Foreign Grants	21,384,658,580

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.

FINANCING: BREAKDOWN OF LOANS

Domestic Loans		2021 Budget Target
Project/Institution	Amount Naira	
Loan from Commercial Banks	7,000,000,000	
Total Domestic Loans	7,000,000,000.00	
Foreign Loans		2021 Budget Target
Project/Insitution	Amount Naira	
World Bank Nigeria Women Project	1,200,000,000	
Abia State Livelihood Improvement Family Ent. For Niger Delta	366,000,000	
World Bank – Education for Employment and Skill Acquisition	730,000,000	
Save a Million Lives World Bank/Federal Min. of Health	305,000,000	
Accelerating Nutrition Results in Nigeria (ARIN)	90,000,000	
Belgium Gov't – Umuahia/Aba Regional Water Scheme	300,000,000	
Rural Access Agric. & Marketing Agency (RAAMP)	580,528,813	
Total Foreign Loans	3,571,528,813	

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 sources. Loans can be for a specific project or set of expenditures or could be used to finance the general budget expenditures.



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