



# **Abia State Government**

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## **2023 CITIZENS BUDGET**

April 2023

## 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.

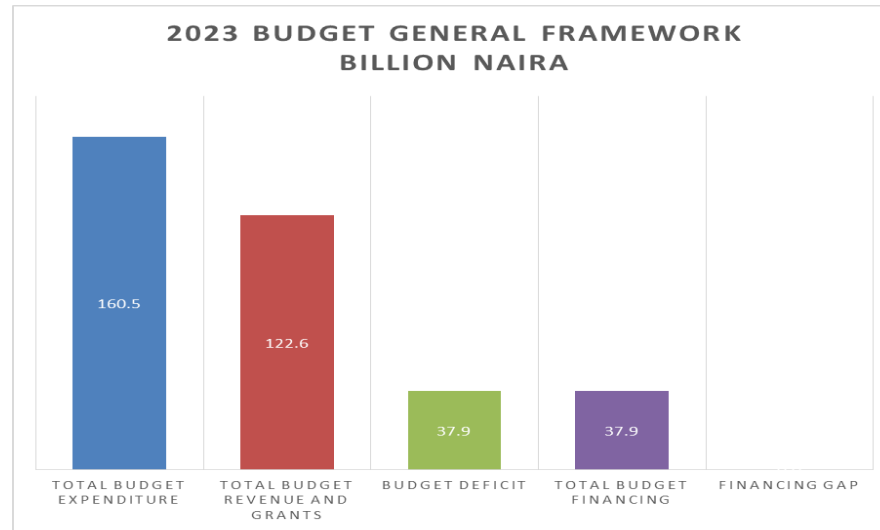
A Citizens Budgets is a simpler, less technical version of a government's budget specifically designed to present key information that is understandable by the general public. Citizens Budgets can vary widely in focus, content, and length and be presented in a number of ways, ranging from a simple brochure to a comprehensive report. Citizens Budgets should also be accessible by the general public, including being published online on an official state website.



**In 2023, Abia State will spend NGN 160.5 billion.**

**Of this, NGN 122.6 billion will be sourced from revenue and grants, which results in NGN 37.9 billion in budget deficit.**

**The deficit will be resolved by NGN 37.9 billion of total financing, leading to zero financing gap.**



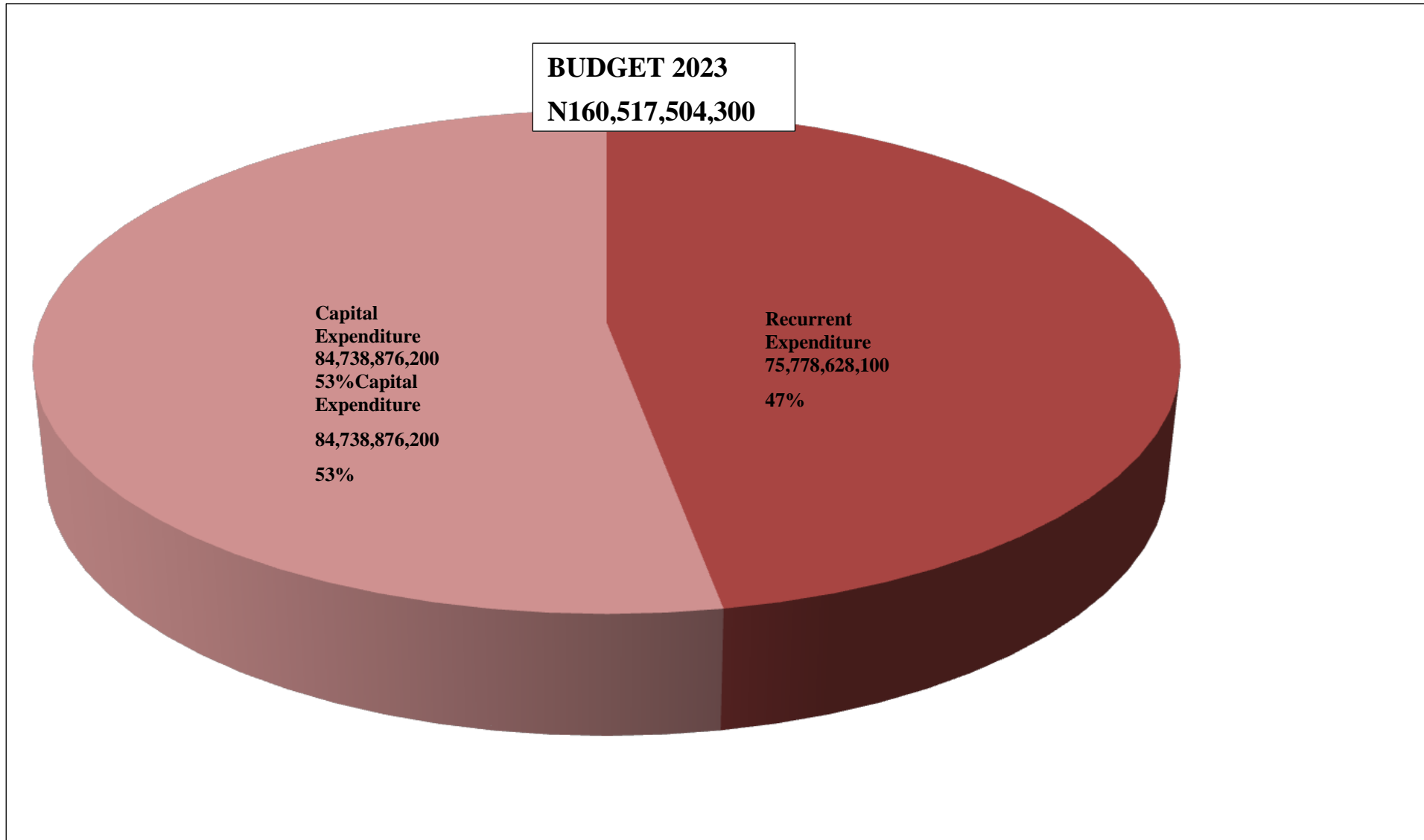
total amount of budget for the given year. It is the summation of both the Recurrent Expenditure + Capital Expenditure as approved by the Executive Governor.

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.

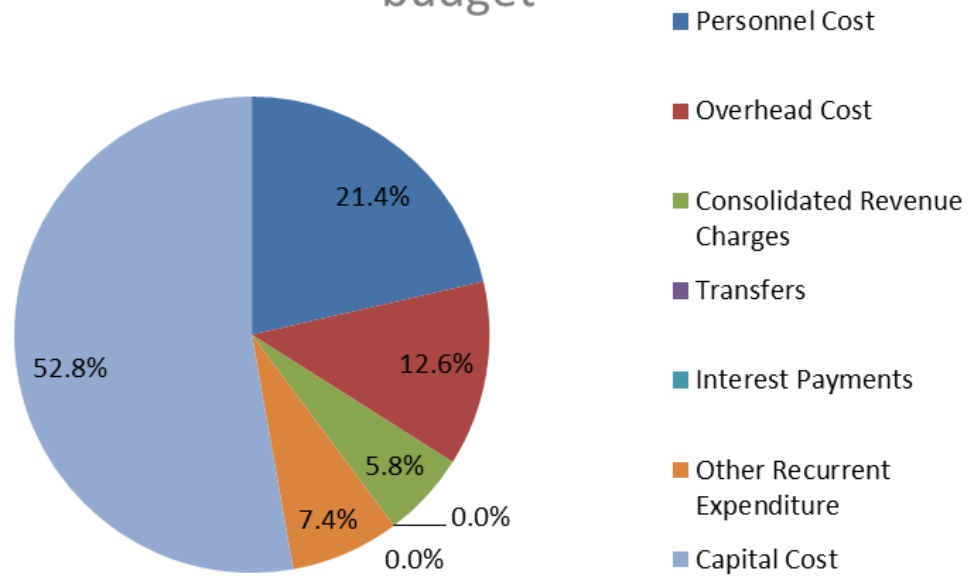
the difference between budget deficit and total budget financing. In general, there should be no financing gap in the approved budget.



2023 Citizens Budget ..... “Valedictory, Economic Expansion and Stability Budget~.....

## WHERE DOES THE MONEY GO?

Expenditure type as % of total 2023 budget

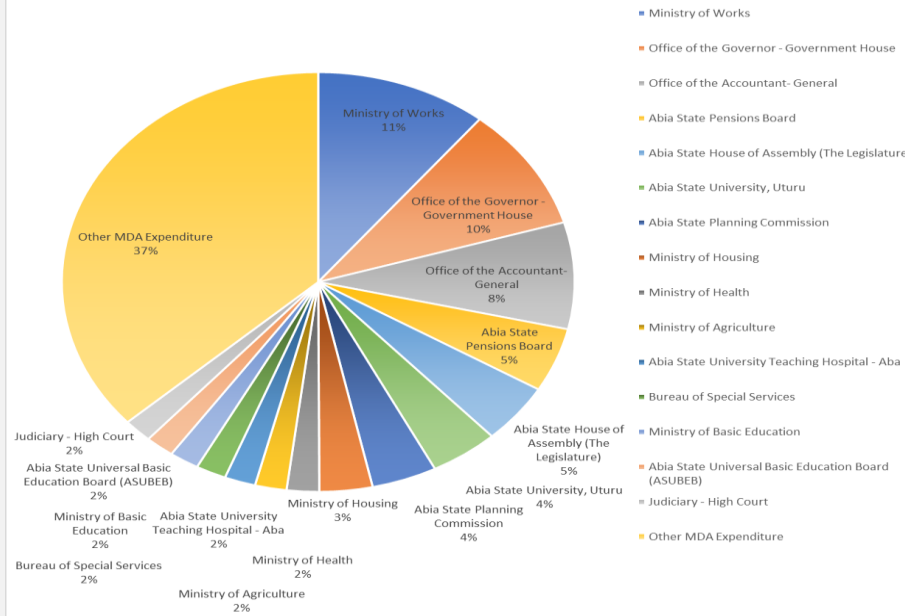


## WHERE DOES THE MONEY GO?

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.

# ALLOCATIONS BY MDA/SECTOR

Ministry/ Sector Share of Budgeted Expenditure

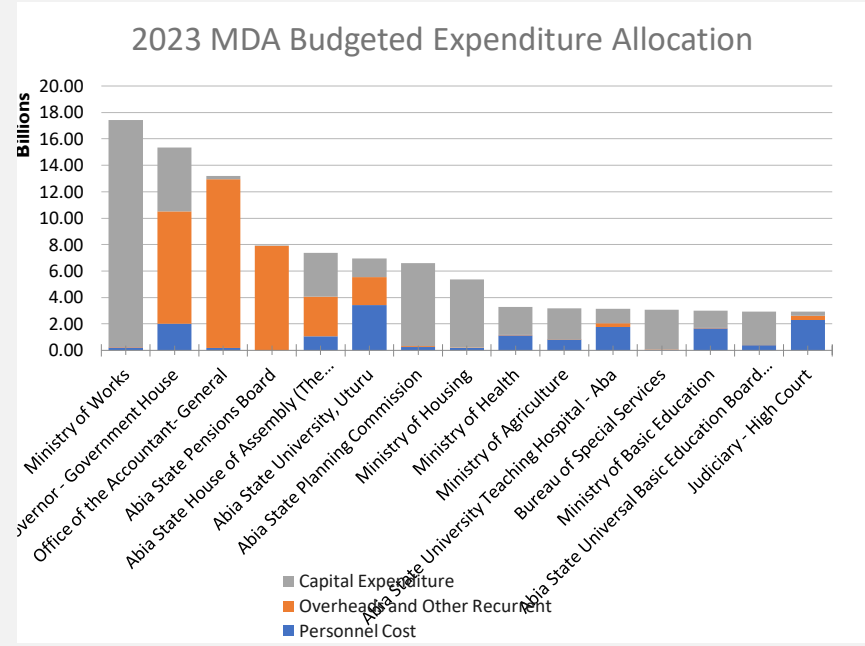


Expenditure is allocated to different sectors or ministries, departments and agencies (MDAs). Each sector/MDA MDA will have an approved budget of recurrent and capital expenditure as part of the overall approved state government budget to run its daily activities as well as carry out projects associated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

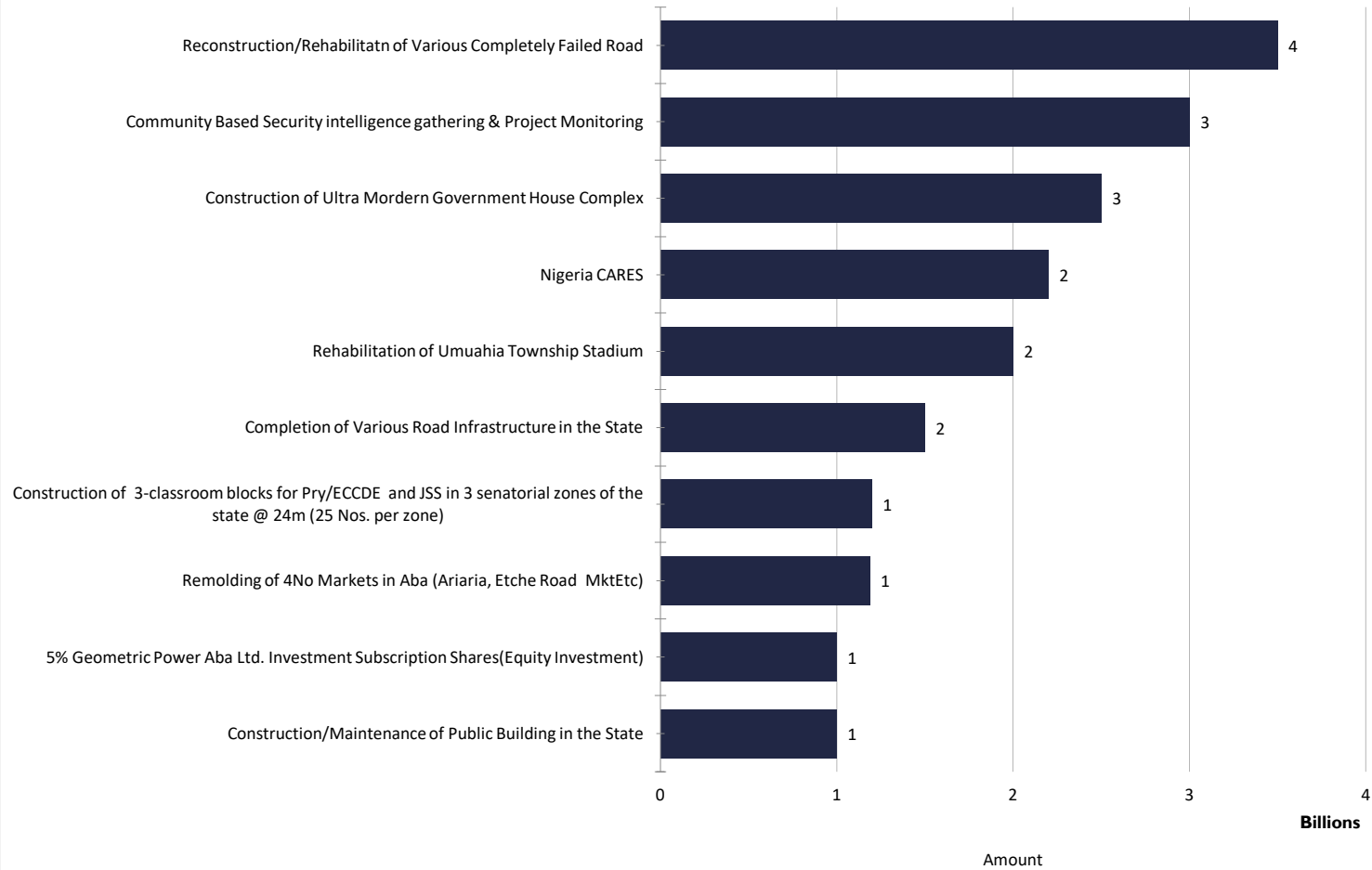


## MDA /SECTOR EXPENDITURE CATEGORIES

- **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 Expenditure is sometimes called "Capex."



### Top 2023 Capital Project Allocations



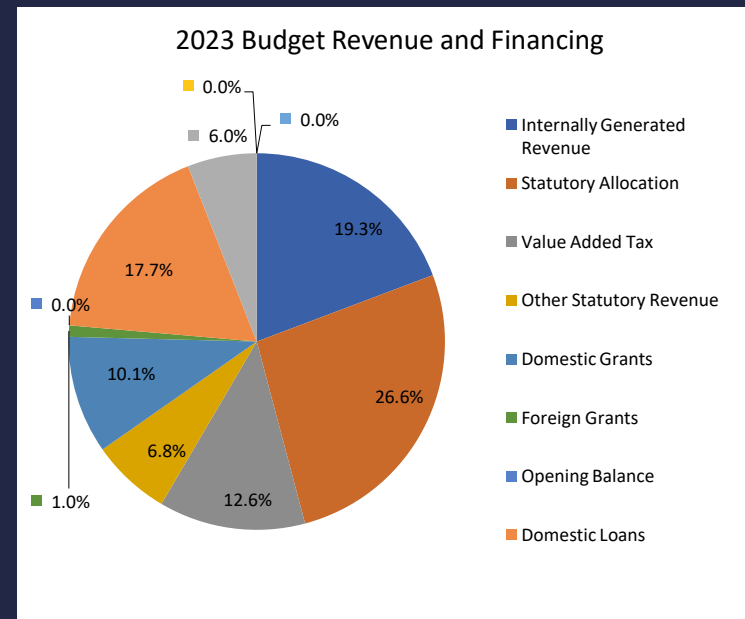
<b>Where will the money come from?</b>		
<b>Budget Resource Envelope (Source of Funds)</b>		<b>2023 Budget Target</b>
<b>Revenue</b>	Internally Generated Revenue	30,923,100,700
	Statutory Allocation	42,695,083,895
	Value Added Tax	20,204,587,705
	Other Statutory Revenue	10,974,995,100
<b>Grant</b>	Domestic Grants	16,231,184,800
	Foreign Grants	1,559,747,900
<b>Opening Balance</b>	Opening Balance	
<b>Total Revenue, Grant (including Opening Balance)</b>		<b>122,588,700,100</b>
<b>Budget Financing</b>	Domestic Loans	28,372,197,029
	Foreign Loans	9,556,607,171
	Sales of Government Assets	-
	Other Deficit Financing Items	-
<b>Total Budget Financing</b>		<b>37,928,804,200</b>
<b>Total Budget Revenue and Financing</b>		<b>160,517,504,300</b>

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.

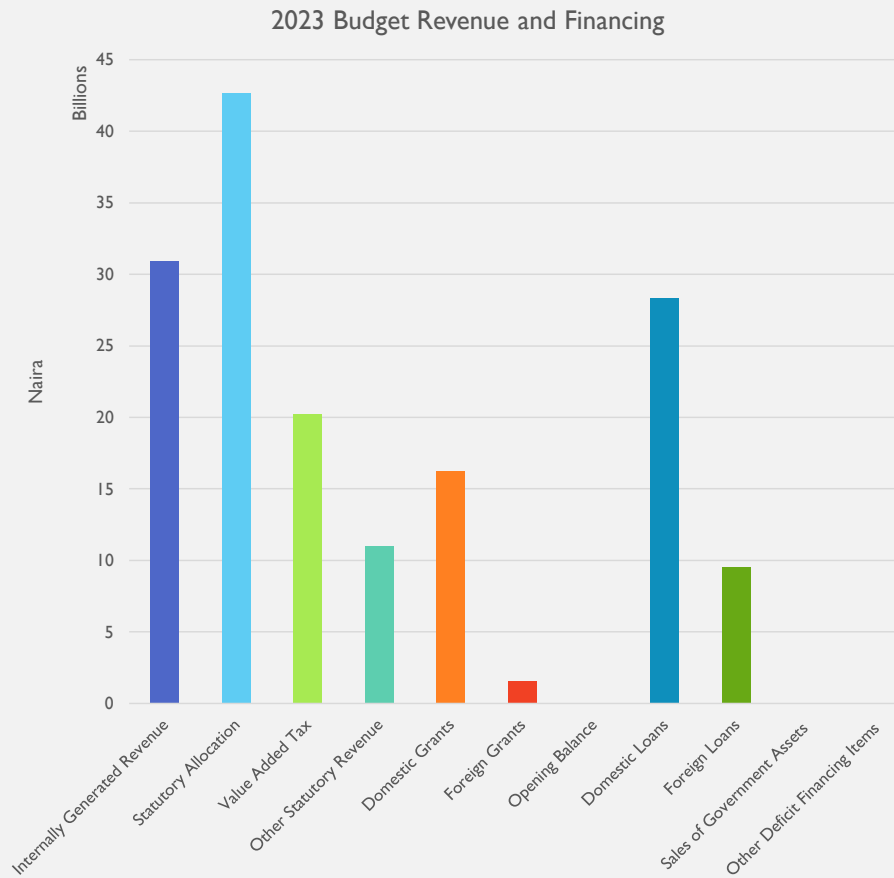
Revenues that states directly collect and retain for its own use are called **internally generated revenue (IGR)**; IGR includes personal income taxes, road taxes, property taxes etc.



## WHERE WILL THE MONEY COME FROM?

Majority of revenue will come from statutory allocation (42.7 billion) and IGR ( 30.9billion).

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



## BREAKDOWN OF GRANTS

Domestic Grants	2023 Budget Target
Project/Donor	Amount Naira
Federal Government State Agency for the Cntrl of H	1,721,500
Federal Gov't Grant/Conditional Grant Scheme & FA	861,000,000
National Programme for Food Security (NPFs) ADP	83,948,400
Central of Nigeria Rural Mobilization/ Niger Delta De	107,625,400
Agric Trans Agenda/Agricultural Ext.Trans Agenda A	53,812,700
SFTAS Grant	-
FGN Covid 19 Donations	322,875,100
FGN Covid 19 Response	1,076,249,700
CBN-Abia State Integrated & Infrastructure Develop	1,050,000,000
SDGs Grant From FG	753,374,600
Open Government Partnership From Federal Gover	209,869,100
Nat Youth Volunteer Program for Hand washing and	-
Federal Government Grant for UBE	4,305,000,000
Tertiary Education Trust Fund (TETFUND)- Federal	6,953,683,100
5% Premium Contribution from Formal Sector (Stat	452,025,200
<b>Total Domestic Grants</b>	<b>16,231,184,800</b>
Foreign Grants	2023 Budget Target
Project/Donor	Amount Naira
Grants from Development Partner World Bank	538,124,900
UNDP Counterpart Cash Transfer Contribution	209,869,100
Worldbank Grants to Abia State Operation Coordin	48,431,000
Bi-lateral Aid to Water, Sanitation & Hygiene-Partne	300,000,000
UNICEF Grant & UBE	53,812,700
World Bank Educational Grants Programmes	21,524,600
UNICEF Programme	75,338,500
Multilateral Aids / GrantsFrom Development Partner	16,893,200
Multilateral Aids/ GrantsFrom Development Partner	75,338,500
Multilateral Aids /Grants FromDevelopment Partner	220,415,400
<b>Total Foreign Grants</b>	<b>1,559,747,900</b>

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	2023 Budget Target
Project/Institution	Amount Naira
Abia State Livelihood Improvement Family Ent. for Niger	366,000,000
CBN- Bridging Facility	18,587,067,641
Nig Covid-19 Action Recovery & Econ Stimulus Prog (	5,381,246,700
National Social Safety Net Project-Scale-up (NASSP-S	50,000,000
Nigerian Sustainable Rural Wash Project(WADA) III Pr	102,000,000
Household Upliftment Programme (Conditional Cash T	49,845,100
Federal Government Basic Health Care Provision Fun	538,124,900
Federal Government of Nigeria Basic Health Care Pro	2,152,500,600
Loan from Commercial Banks	750,211,688
Rural Access Agric. & Marketing Agency (RAAMP)	395,200,400
<b>Total Domestic Loans</b>	<b>28,372,197,029.00</b>
Foreign Loans	2023 Budget Target
Project/Insitution	Amount Naira
State Action on Business Enabling Reforms	5,538,356,371
Water Development Project From World Bank	322,875,100
3rd National Urban Water Reform Project (World Bank	322,875,100
Belgium Gov't - Umuahia/Aba Regional Water Scheme	0
World Bank Nigeria Women Project	1,200,000,000
World Bank Innovation Dev. & Effectiveness in the Acc	762,500,600
World Bank Save a Million Lives World Bank/Federal M	320,000,000
World Bank Acelerating Nutrition Results in Nigeria (AF	90,000,000
World Bank State Optimal Nutrition Project	1,000,000,000
<b>Total Foreign Loans</b>	<b>9,556,607,171</b>

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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