



# **GOVERNMENT OF IMO STATE OF NIGERIA**

**2020 FOURTH QUARTER**

## **BUDGET IMPLEMENTATION REPORT**

*Produced and published by*

*Imo State Ministry of Budget, Economic Planning and Statistics*

## **PREFACE**

This Fourth quarter Budget Appraisal followed the third quarter appraisal and it is done based on 2020 Revised Budget.


The present Administration of **His Excellency, Distinguished Senator Hope Uzodimma** has introduced transparency, openness and accountability to his administration, hence the release of Fiscal Statistics needed to do this appraisal. Careful assumption were drawn after the appraisal of the Global Economic trend following the Covid-19 pandemic that informed both our economic and fiscal updates.

The Budget appraisal was impacted by the Global effect of Covid-19 pandemic which drastically reduced Oil prices and other Revenue indices. The 2020 Budget was revised downwards to accommodate the prevailing economic outlook.

Revenue projections became unrealizable while new expenditure item needed to ameliorate the ravaging pandemic in terms of COVID-19 palliatives became a new and important expenditure item. These made the review of the 2020 approved budget, a necessity.

It is important to note, that despite the Corona-Virus Pandemic challenges, and Economic activities lockdown, Imo State maintained reasonable economic stability.

I wish to thank the Office of Accountant General of the State for releasing Vital fiscal Statistical data required for this report, which was not available under previous administrations. The Ministry of Budget and Economic Planning and Statistics presented the 2020 fourth Quarter and Budget Appraisal to meet this important Budget Milestone, within the World Bank SFTAS requirement.

  
**Rt. Hon. C. C. Osuala, PhD.**

Honourable Commissioner

Ministry of Budget, Economic Planning and Statistics (MBEPS).

11-12-2020

## Fiscal Analysis of the 2020 Budget Appraisal or Implementation

2020 Approved Budget of Imo State signed into Law in December 2019, Adopted Federal Government 2020 Budget Assumption such as:

1. Crude oil bench mark of \$40per barrel
2. Oil production estimate of 1.86Million barrels per day
3. Exchange rate of ₦379 per US\$
4. Inflation rate of 14.23%
5. GDP Growth rate (real) of 3%



### IMO STATE GOVERNMENT OF NIGERIA REVISED BUDGET ESTIMATE – 2020 CONSOLIDATED FINANCIAL STATEMENT

REVISED BUDGET2020	% OF BUDGET 2020	APPROVED BUDGET 2019		
<b>A. REVENUE</b>				
		<b>REVISED BUDGET 2020</b>		
1	INTERNAL RESOURCES	31,648,198,925	35%	25,576,653,662
2	STATUTORY ALLOCATION	33,288,448,381	37%	50,000,000,000
3	VALUE ADDED TAX	18,428,598,226	20%	12,000,000,000
4	EXCESS CRUDE FUND	-	0.0%	3,000,000,000
5	13% DERIVATION FUND	5,360,590,597	6%	6,000,000,000
6	JAAC(IMO STATE UNIVERSAL BASIC EDUCATION BOARD)	-	0%	-
7	OTHER EXERNAL REVENUE	2,219,000,000	2%	1,113,395,185
<b>TOATL: RECURRENT REVENUE</b>		<b>90,944,836,130</b>	<b>100%</b>	<b>97,690,048,847</b>
<b>B RECURRENT EXEPENDITURE</b>				
1	OVERHEAD COSTS (INCLUDES 10BN FGN DEDUCTIONS)	24,084,285,489	17.5%	17,112,658,110
2	PERSONNEL COSTS	9,396,052,985	4.5%	15,304,901,626
3	SUBVENTION COSTS (INCLUDES 19BN IMSUBEB)	16,901,199,437	16.2%	13,449,316,397
4	CRFC (*)	13,038,198,348	8.0%	16,303,247,101
<b>TOTAL : RECURRENT EXEPENDITURE</b>		<b>63,419,736,259</b>	<b>46.3%</b>	<b>62,170,123,234</b>
<b>C RECURRENT TRANSFER</b>				
	TRANSFER TO CAPITAL FUND	<b>27,525,099,871</b>	24.8%	35,519,925,613
<b>D CAPITAL RECEIPTS</b>				
1	INTERNAL LOANS	13,300,000,000		
2	DEVELOPMENT PARTNERS	4,141,000,000	18.9%	127,439,222,965
3	GRANTS		0.5%	1,688,800,000
4	DIRECT FUNDING (FG)	-	0.0%	-
5	MISCELLANEOUS	-	0.0%	-
<b>TOTAL CAPITAL RECEIPTS</b>		17,441,000,000	19.4%	129,128,022,965
<b>TOTAL CAPITAL FUND</b>		<b>44,966,099,871</b>	<b>44.1%</b>	<b>164,647,948,578</b>
<b>E CAPITAL EXEPENDITURE</b>				
	ECONOMIC SECTOR	<b>20,555,468,871</b>	11.8%	82,439,555,839
	SOCIAL SERVICES SECTOR	<b>7,190,211,793</b>	10.7%	50,399,991,403
	ADMIN SERVICES SECTOR	<b>12,971,619,207</b>	8.8%	72,117,999,396
	COUNTERPART FUNDS EXP	<b>4,248,800,000</b>	2.1%	9,690,401,940
<b>TOTAL CAPITAL EXEPENDITURE</b>		<b>44,966,099,871</b>	<b>53.7%</b>	<b>214,647,948578</b>
<b>F BUDGET SUMMARY</b>				
	TOTAL BUDGET	<b>108,385,836,130</b>		<b>226,818,071,812</b>
	TOTAL EXEPENDITURE	<b>108,385,836,130</b>		<b>276,818,071,812</b>
BUDGET SURPLUS (DEFICIT)		0	9.6%	-50,000,000,000

## IMO STATE CONSOLIDATED FINANCIAL STATEMENT 2020

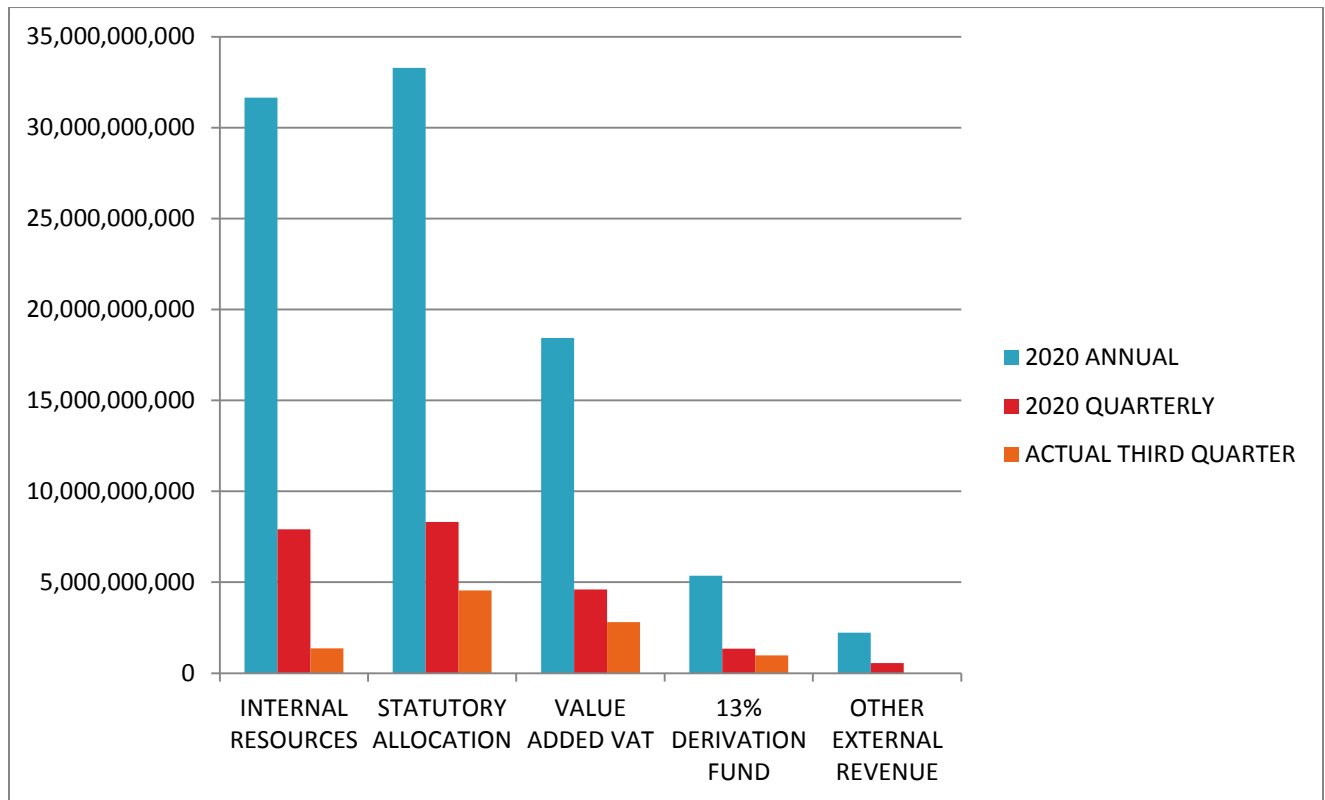
The Sum of **108,385,836,130** was appropriated by the Imo State House of Assembly for 2020 Fiscal Year. This is **168,432,235,682** less than what was approved in 2019. The Revised budget has a recurrent expenditure of **63,419,736,259** representing **58.5%** while the Capital Expenditure is **44,966,099,871** representing **41.5%** of the total budget size.

Therefore the recurrent expenditure has a quarterly budget of ***₦15,854,934,064.75***.

**TABLE 1 : PERFORMANCE OF REVENUE BUDGET AND ACTUAL IN 2020**  
**FOURTH QUARTER (OCT – NOV. 2020)**  
**2020 REVISED BUDGET ACTUALS – INFLOWS**

S/ NO	DESCRIPTION	BUDGETED		ACTUALS				% PERFORMANCE		
		Annual	Quarterly	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
1.	<b>Internally Generated Revenue</b>	31,648,198,925	7,912,049,731.25	2,239,498,709.25	4,647,332,404	2,349,701,216.52	1,370,498,475.43	50.7%	29.7%	17.3%
2	<b>Statutory Allocation</b>	33,288,448,381	8,322,112,095.25	6,824,112,413.28	5,362,986,790.49	9,844,393,078.5	4,552,068,791.68	36.5%	118.3%	54.7%
3	<b>VAT</b>	18,428,598,226	4,607,149,556.5	3,375,683,336.25	3,421,768,933.47	4,310,948,587.81	2,801,484,453.76	105.3%	93.6%	60.8%
3.	<b>13% Derivation</b>	5,360,590,597	1,340,147,649.25	2,725,730,139.52	2,108,303,182.34	2,242,737,091.91	976,800,764.43	84.3%	167.4%	72.9%
	<b>Other External Revenue</b>	2,219,000,000	554,750,000							
	<b>Excess Oil Revenue</b>									
4.	<b>Share Excess Bank Charges</b>									
5.	<b>Share of Exchange Gain difference</b>									
6.	Solid Mineral Reserve									
7.	Fore Equalization Account									
8.	Budget Support									

## CHART1.1: 2020 FOURTH QUARTER REVENUE PERFORMANCE



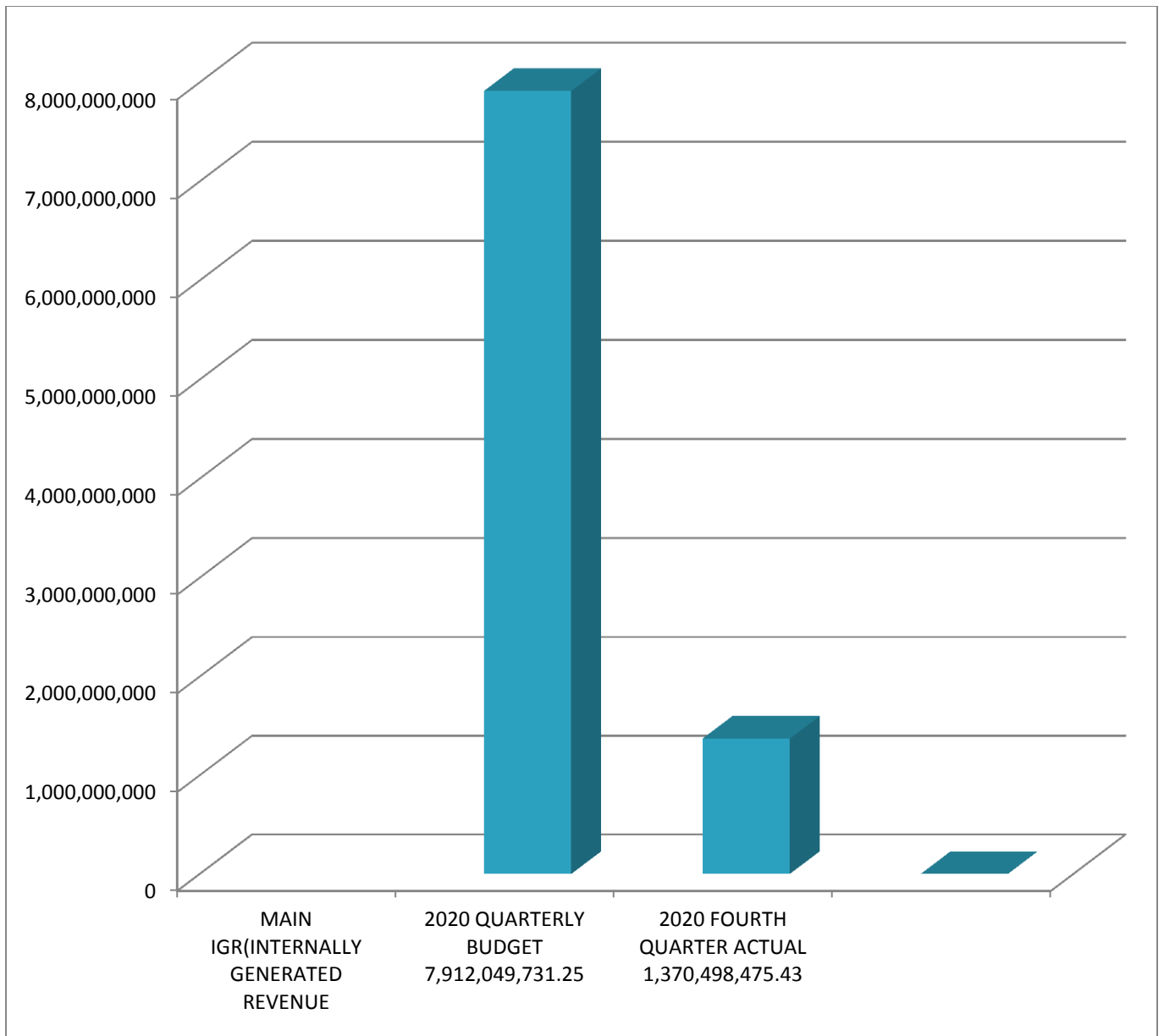
### **RECURRENT EXPENDITURE PERFORMANCE IN 4<sup>TH</sup> QUARTER (OCT - NOVEMBER 2020)**

The following Subheads make up the Recurrent Expenditure item;

#### **INTERNAL GENERATED REVENUE (IGR)**

A sum of 7,912,049,731.25 was budgeted for IGR in the fourth quarter of the year 2020 but the actual inflow is 1,370,498,475.43 representing 17.3% performance.

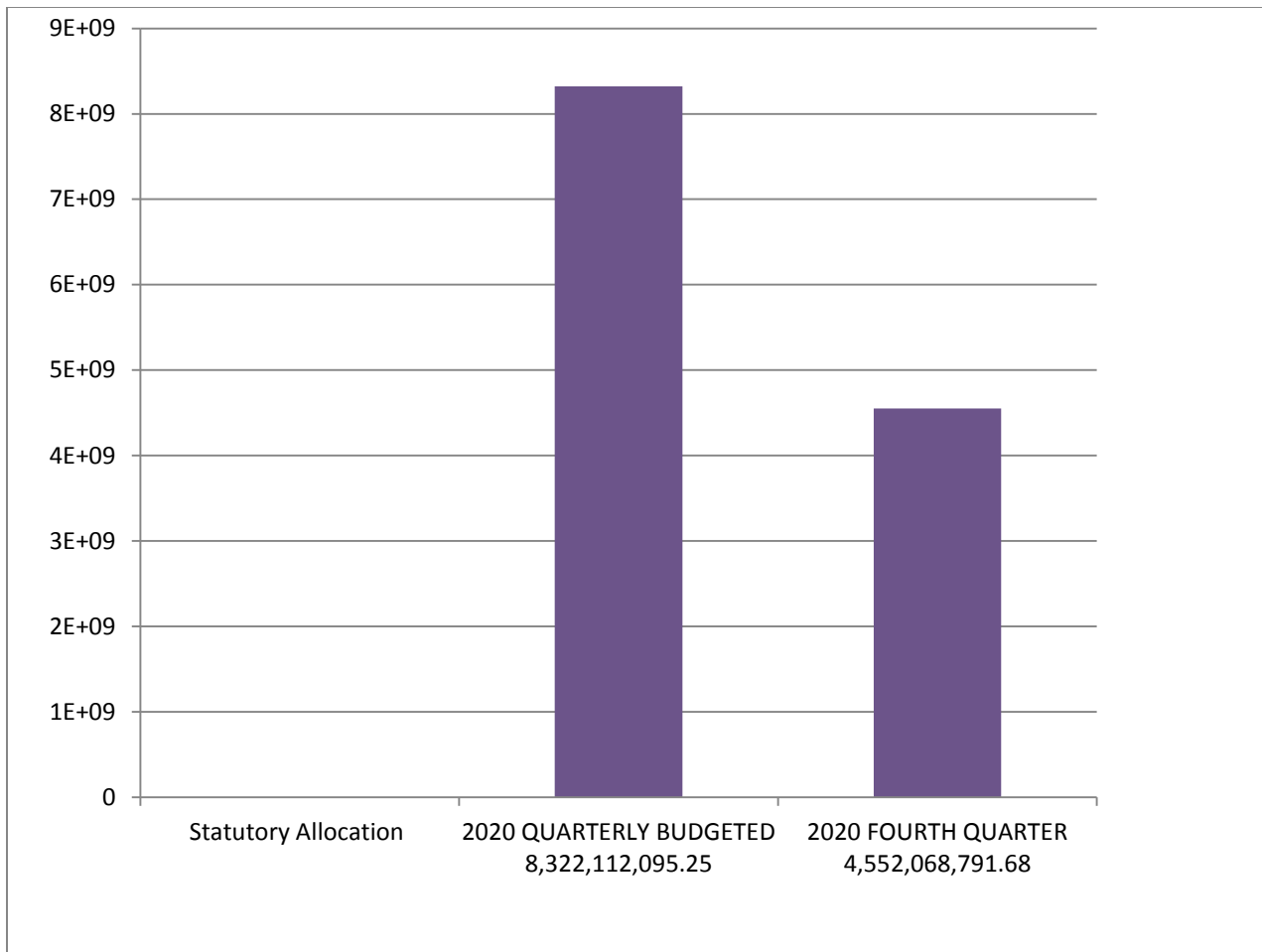
#### **Chart main IGR (Fourth Quarter Oct-Nov. 2020)**



## STATUTORY ALLOCATION

In fourth quarter of 2020 Revised Budget, Statutory Allocation was budgeted with 8,322,112,095.25 but the actual generated was 4,552,068,791.68 representing 54.7% performance in the period under review (fourth quarter)

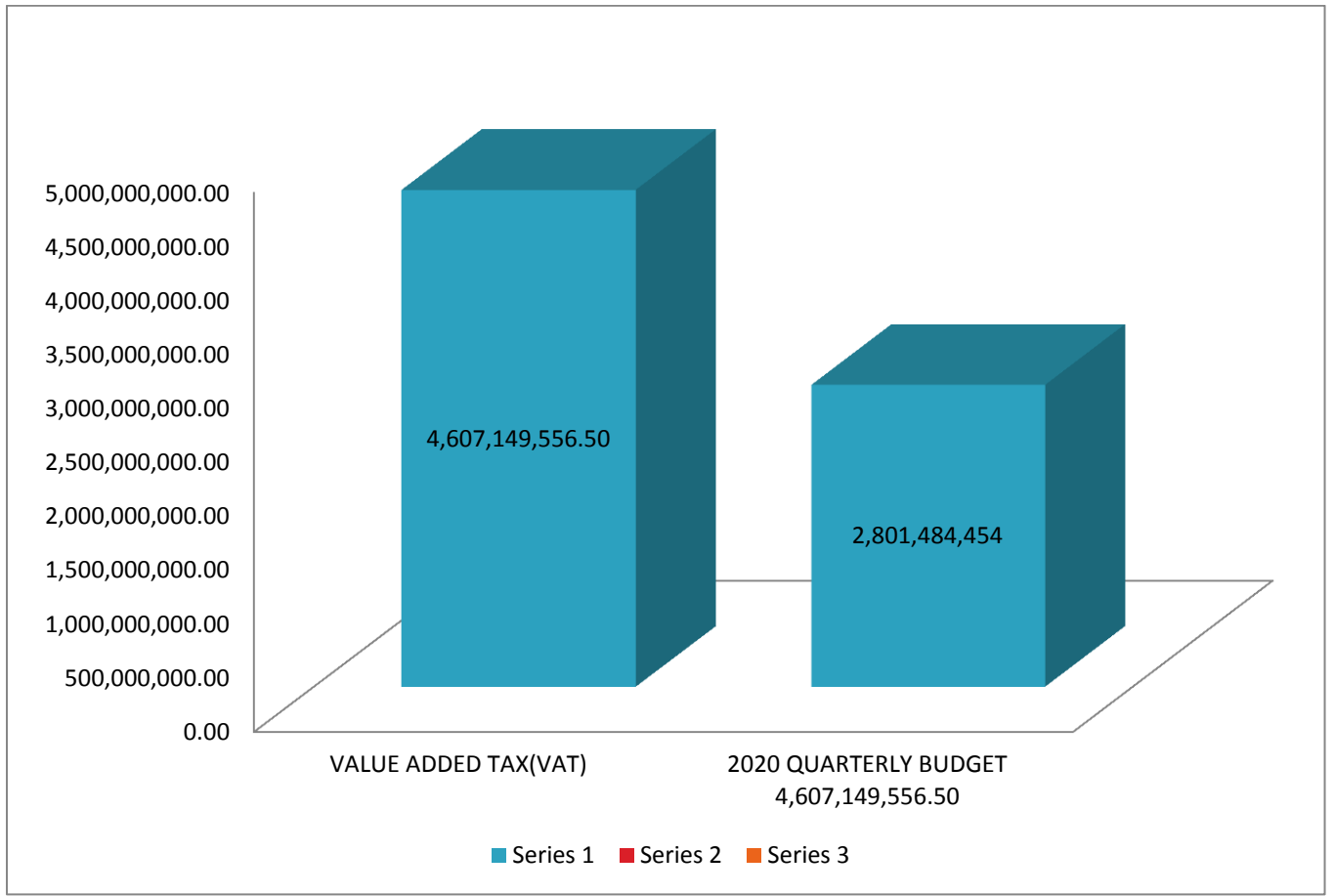
**Chart: Statutory Allocation (OCT. – NOV. 2020)**



### **VALUE ADDED TAX (VAT)**

The sum of 4,607,149,556.5 was budgeted for Value Added Tax in the fourth quarter of 2020 Revised budget but it recorded 2,801,484,453.76 as actual in the quarter under review (fourth quarter) representing 60.8% performance in the quarter.

## **Chart : Value Added Tax(VAT) (OCT. – NOV. 2020)**

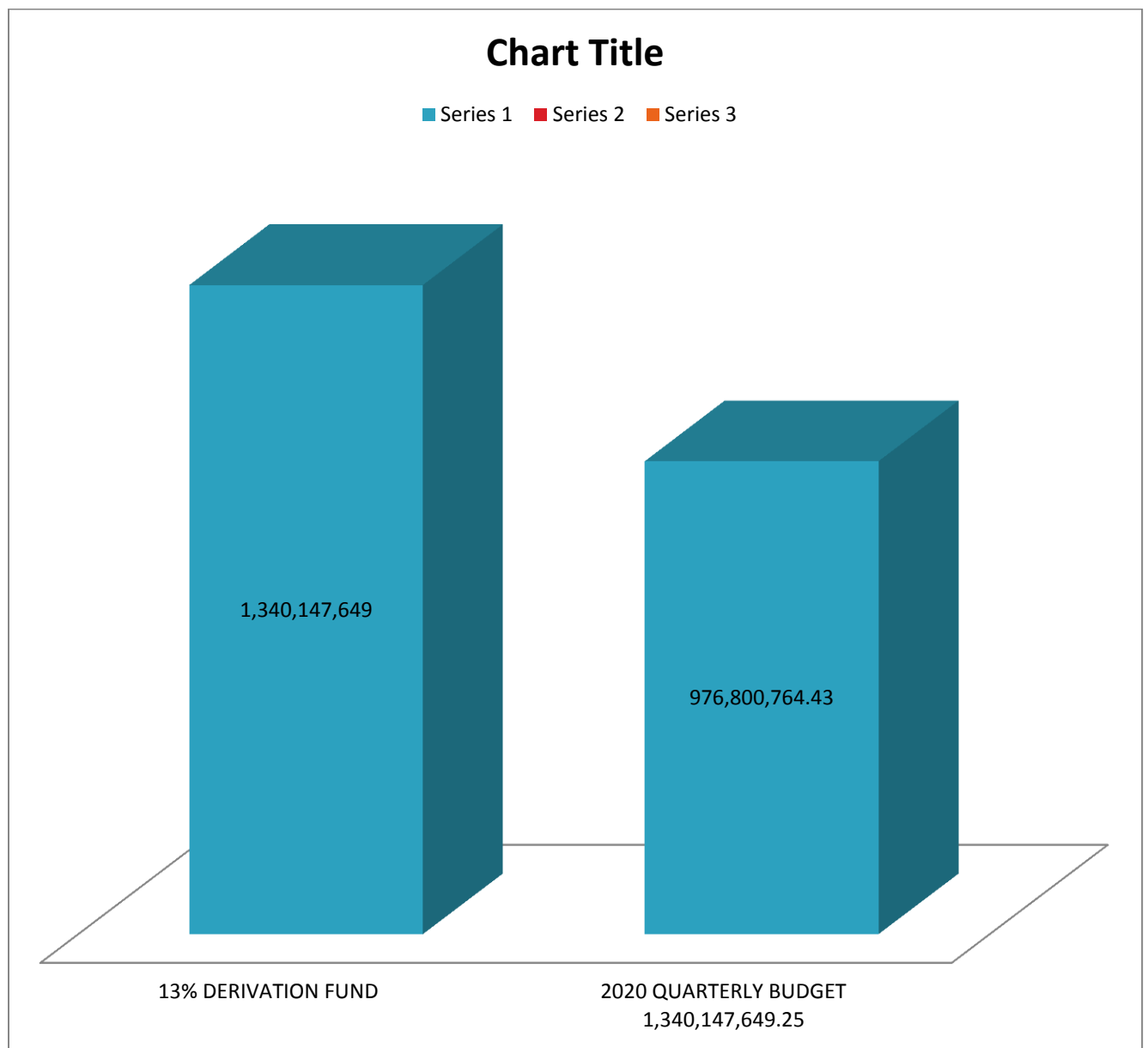




### 13% DERIVATION FUND

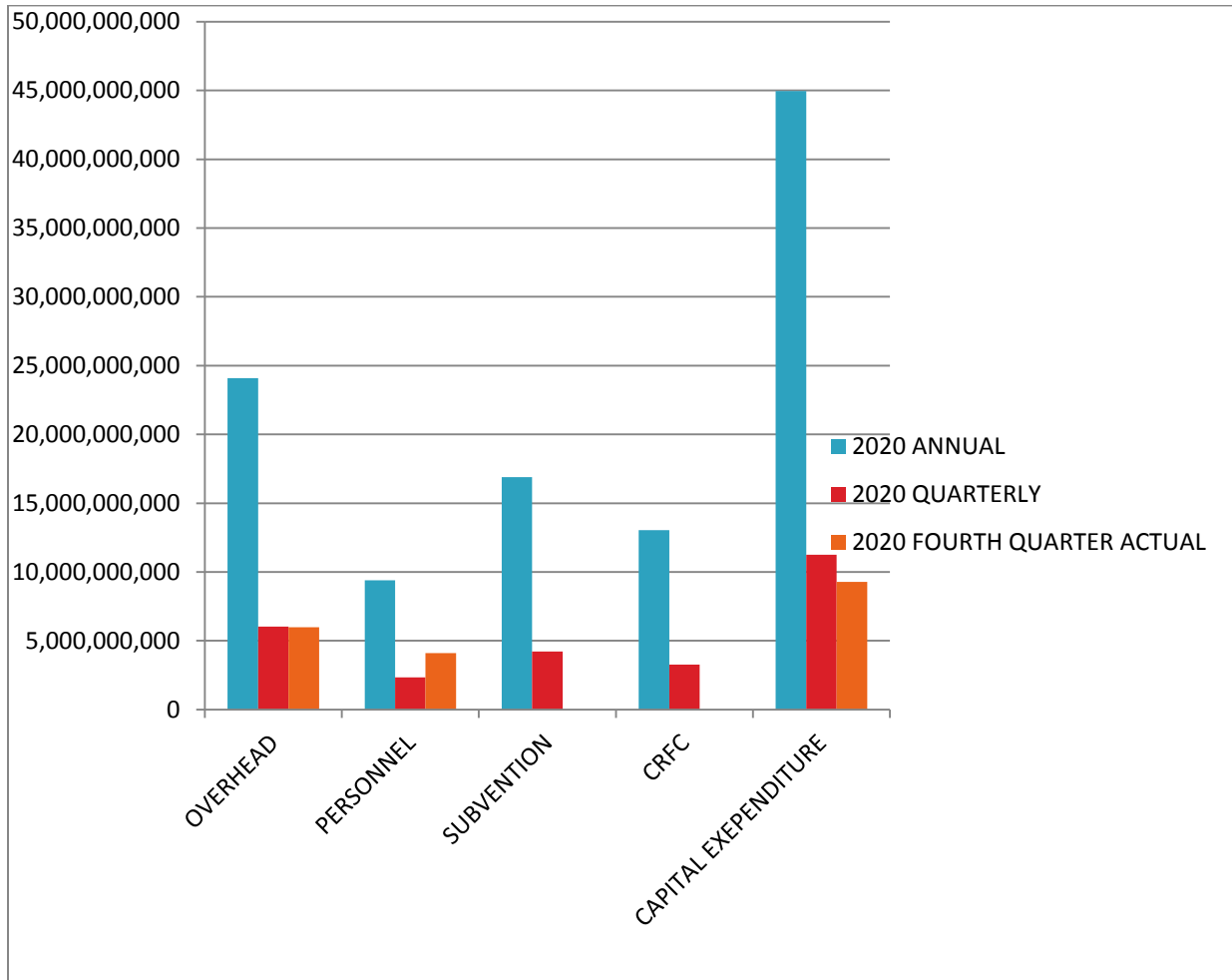
Derivation Fund was budgeted with the sum of 1,340,147,649.25 in the fourth quarter of the 2020 Revised Budget but recorded 976,800,764.43 as actual in the fourth quarter of 2020 representing 72.9% performance in the fourth quarter of 2020

**Chart: 13% DERIVATION (OCT. – NOV. 2020)**



### PERFORMANCE CHART OF RECURRENT/CAPITAL EXPENDITURE AND ACTUAL IN FOURTH

## QUARTER OF THE REVISED 2020 BUDGET



## **RECURRENT EXPENDITURE PERFORMANCE IN 4<sup>th</sup> QUARTER**

The following Subheads make up Recurrent Expenditure item.

### **1. PERSONNEL COST**

The budgeted Personnel Cost for 2020 Revised Budget was ***₦2,349,013,246.25 (Two Billion, Three Hundred and Forty Nine Million, Thirteen Thousand, Two Hundred and Six Naira)*** only in the fourth quarter while the actual was ***₦4,112,954,234.97 (Four Billion, One Hundred and Twelve Million, Nine Hundred and Fifty-Four Thousand , Two Hundred and Thirty-Four Naira, Ninety-Seven Kobo)*** only, representing **175.1%** performance.

### **2. OVERHEAD**

The sum of ***₦6,021,071,374.50 (Six Billion, Twenty One Million, Seventy One Thousand, Three Hundred and Seventy Four Naira, Fifty Kobo)*** was budgeted for Overhead Costs in the fourth quarter of the revised 2020 budget but the actual spent was ***₦3,442,305,129.17 (Three Billion, Four Hundred and Forty-Two Million, Three Hundred and Five Thousand, One Hundred and Twenty-Nine Naira, Seventeen Kobo)*** only representing **57.2%** performance.

### **3. SUBVENTION**

The Sum of ***₦16,901,199,437 (Sixteen Billion, Nine Hundred and one Million One Hundred and Ninety Nine Thousand, Four Hundred and thirty Seven Naira)*** only was appropriated for Subvention in the fourth quarter of year 2020 but there was no available data on the actual on subvention within the period under review (fourth quarter).

#### **4. CONSOLIDATED REVENUE FUND CHARGES (CRFC)**

The sum of ~~**#3,259,549,587**~~ (*Three Billion, Two Hundred and Fifty Nine Million, Five Hundred and Eighty Seven Thousand Naira*) only was budgeted for CRFC in the fourth quarter of 2020 revised budget but , but there was no available data on the actual as at the time of writing the report.

#### **5. PENSION**

The sum of **#1,000,000,000** (*One Billion Naira*) only, was budgeted for Pension in the fourth quarter of year 2020 but the actual spent was **#1,619,225,865.94** (*One Billion, Six Hundred and Nineteen Million, Two Hundred and Twenty-Five Thousand, Eight Hundred and Sixty-Five Naira, Ninety-Four Kobo*) only, representing 161.9%% performance.

## 2020 BUDGET CAPITAL RECEIPTS PERFORMANCE FOR FOURTH QUARTER (OCT – NOV. 2020)

\*This appraisal was made based on the 2020 Revised Budget.

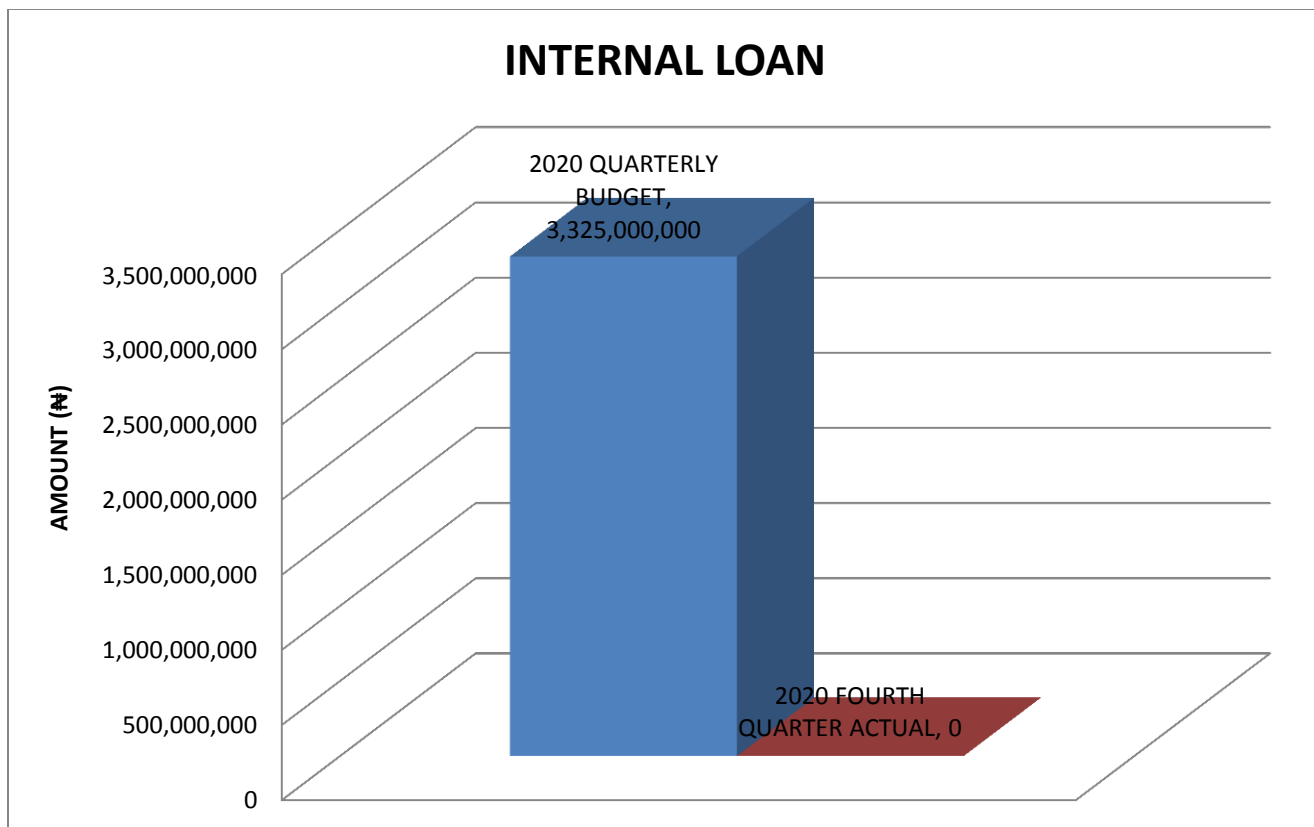
S/N	DESCRIPTION	BUDGET		ACTUAL	2020 PERFORMANCE	
		2020 ANNUAL	2020 QUARTERLY	2020 FOURTH QUARTER	FOURTH QUARTER ACTUAL/QUARTERLY BUDGET	FOURTH QUARTER ACTUAL
1	INTERNAL LOANS	13,300,000,000	3,325,000,000			
2	DEVELOPMENT PARTNERS	4,141,000,000	1,035,250,000			
3	GRANTS					

### INTERNAL LOANS:

The State has a revised quarterly budget of **₦3,325,000,000 for internal loan** in the 2020 Revised Budget but there was no data to show that the State has received Internal Loan in the fourth quarter of the year under review (2020)

#### INTERNAL LOAN (JULY – SEPTEMBER 2020)

S/N	2020 QUARTERLY BUDGET	2020 FOURTH QUARTER ACTUAL
1	3,325,000,000	



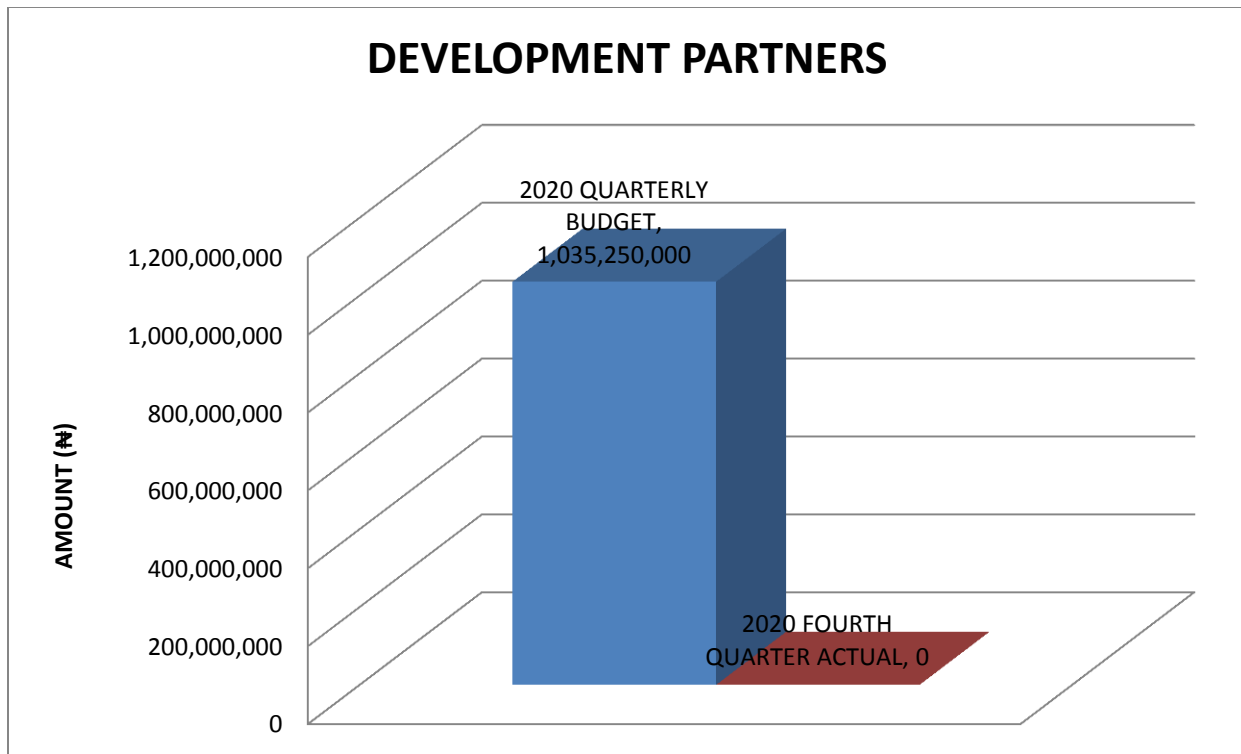
## DEVELOPMENT PARTNERS

The State has a revised quarterly budget of **₦1,035,250,000 (One Billion, Thirty-Five Million, Two Hundred and Fifty Thousand Naira) only**, for Development Partners in the 2020 Revised Budget but there was no evidence to show that the State has received anything in the fourth quarter of 2020.

## DEVELOPMENT PARTNERS (OCT – NOV. 2020)

S/N	2020 QUARTERLY BUDGET	2020 FOURTH QUARTER ACTUAL
	<b>1,035,250,000</b>	

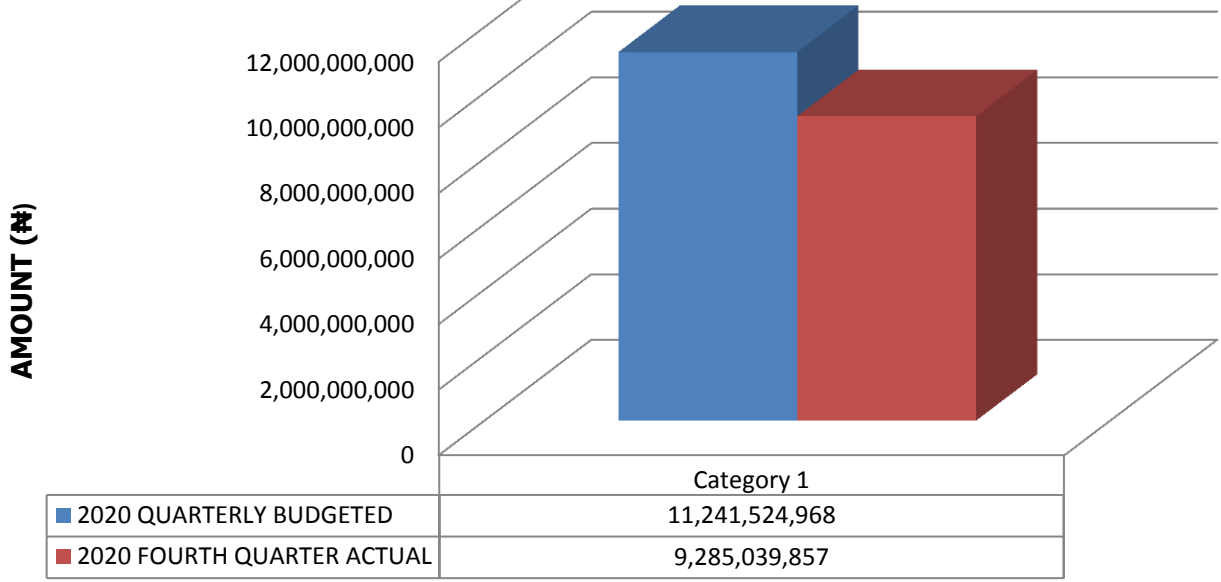
## DEVELOPMENT PARTNERS



### ANALYSIS OF CAPITAL EXPENDITURE PERFORMANCE IN THE FOURTH QUARTER OF YEAR 2020:

S/N	DESCRIPTION	2020 QUARTERLY BUDGETED	2020 FOURTH QUARTER ACTUAL	FOURTH QUARTER PERFORMANCE
1	CAPITAL BUDGET	11,241,524,967.75	9,285,039,856.67	82.6%

## FOURTH QUARTER CAPITAL EXPENDITURE PERFORMANCE





## **2020 FOURTH QUARTER APPRAISAL:**

A sum of ***₦11,241,524,968 (Eleven Billion, Two Hundred and Forty-One Million, Five Hundred and Twenty-Four Thousand, Nine Hundred and Sixty-Eight Naira)*** only, was set aside for Capital Projects in the revised 2020 budget for the Fourth quarter of the year under review (2020). This is to provide infrastructural projects/facilities for the well being of Imo citizens.

However, from the records available, it was observed that a total sum of ***₦9,285,039,857 (Nine Billion, Two Hundred And Eighty Five Million ,Thirty Nine Thousand, Eight Hundred And Fifty Seven Naira Only)***, was spent for Capital Projects in the Fourth quarter of the year 2020 **representing 82.6% performance** in the Fourth quarter of year 2020.

This is a remarkable improvement from the **third quarter** performance where the Capital performance was 45%. This is as a result of amelioration in Covid-19 pandemic, which showed remarkable increase in the execution of Capital Projects within the State.

The reason for the good performance stemmed from the avowed commitment of the Shared Prosperity administration of **His Excellency, Dist. Senator Hope Uzodimma** with the 3R Mantra of, Rehabilitation, Reconstruction and Recovery, to provide basic infrastructural projects for Imolites, despite the Global Economic Outlook occasioned by Covid-19 pandemic.

There was no data/information available on the sectoral breakdown of the Capital Expenditure as at the time of preparing this report.

This appraisal was done based on the data available at the time of preparing this report.

**NB:** This fourth Quarter Report analysis is based on the availability of information in the months of October and November. Information on the last month of the year (December) was not available as at the time of preparing the Fourth Quarter report.

