

2015 BUDGET

A REVIEW OF PROPOSED 2015 BUDGET



OPENING NOTE

This is the third edition of our publication, focused on building a virile and efficient government that optimizes resources for the benefit of the people. We take a look at the proposed 2015 budget, especially the top talking points. We also give short notes on the levers of revenue that feed into the Nigerian budget.

We hope you enjoy this edition and also continue the discussion online via our channels.

web: www.yourbudgit.com/data

twitter: www.twitter.com/budgitng

facebook: www.facebook.com/budgitng

Google+ [gplusid/budgitng](https://plusid/budgitng)

About BudgIT

BudgIT is a civic startup driven to make the Nigerian budget and public data more understandable and accessible across every literacy span. BudgIT's innovation within the public circle comes with a creative use of government data by either presenting these in simple tweets, interactive formats or infographic displays. We have a goal to use creative technology to intersect civic engagement and institutional reform.

Lead Partner : Oluseun Onigbinde

Research Team: Atiku Samuel, Abayomi Akinbo, Sayo Onigbinde, Tobi Babalola, Segun Olaleye

Creative Team: Segun Adeniyi & Richard Ofunrein

Contact: info@yourbudgit.com +2347034944492

© 2015

Disclaimer: This document has been produced by BudgIT to provide information on budgets and public data issues. BudgIT hereby certifies that all the views expressed in this document accurately reflect our analytical views that we believe are reliable. Whilst reasonable care has been taken in preparing this document, no responsibility or liability is accepted for errors or for any views expressed herein by BudgIT for actions taken as a result of information provided in this Report.



BUDGET TERMS

- Budget is an estimate of expenditures and revenues of the government over a specified period, usually a year.
- Recurrent Expenditure is the part of the total government expenditures meant for monthly payment of salaries of government workers, payment of debts and daily running of ministries.
- Capital expenditure is the part of the government expenditures meant for capital projects (schools, hospitals & markets) in the country.
- Personnel costs are the part of recurrent expenditure of government used for the payment of salaries and pensions of government workers.
- Overhead costs are the part of recurrent expenditures of government used for daily or periodic administrative expenses.
- Debt stock is the total of domestic and external debts of the government over a period of time.
- Debt servicing is the amount of money allocated in the budget for the payment of interest or principal of domestic and external debts.
- Revenue is the total amount generated by the government over a specified period.
- Released capital expenditure is the part of the capital expenditure budget that a ministry or agency can access for its capital projects. This is the amount authorised by the Ministry of Finance after due procurement process has been fulfilled.
- Cash-backed capital expenditure is amount in cash (with Central Bank of Nigeria) available to the ministry for execution of capital projects.
- Utilised Capital Expenditure is the total amount paid out by the Ministry, Department or Agency upon the provision of a service by a contractor or agency.



NIGERIA: QUICK NUMBERS

GDP
\$525.4bn
NBS (2014)

POPULATION
173.6m
World Bank (2013)

EXTERNAL FOREIGN
RESERVES
\$30.02bn
CBN (Feb. 2015)

INFLATION RATE
8.4% YoY
NBS (Feb. 2015)

PRIVATE SECTOR
CREDIT
N18.15tn
CBN (Dec 2014 Estimate)

GOVERNMENT
REVENUE
N8.14tn
Ministry of Finance 2013
Actual figure

OIL REVENUE
(DISTRIBUTABLE)
N6.79tn
Ministry of Finance 2013
Actual figure

NON-OIL REVENUE
(DISTRIBUTABLE)
N1.34tn
Ministry of Finance 2013
Actual figure

GDP PER CAPITA
\$3,006
WORLD BANK (2013)

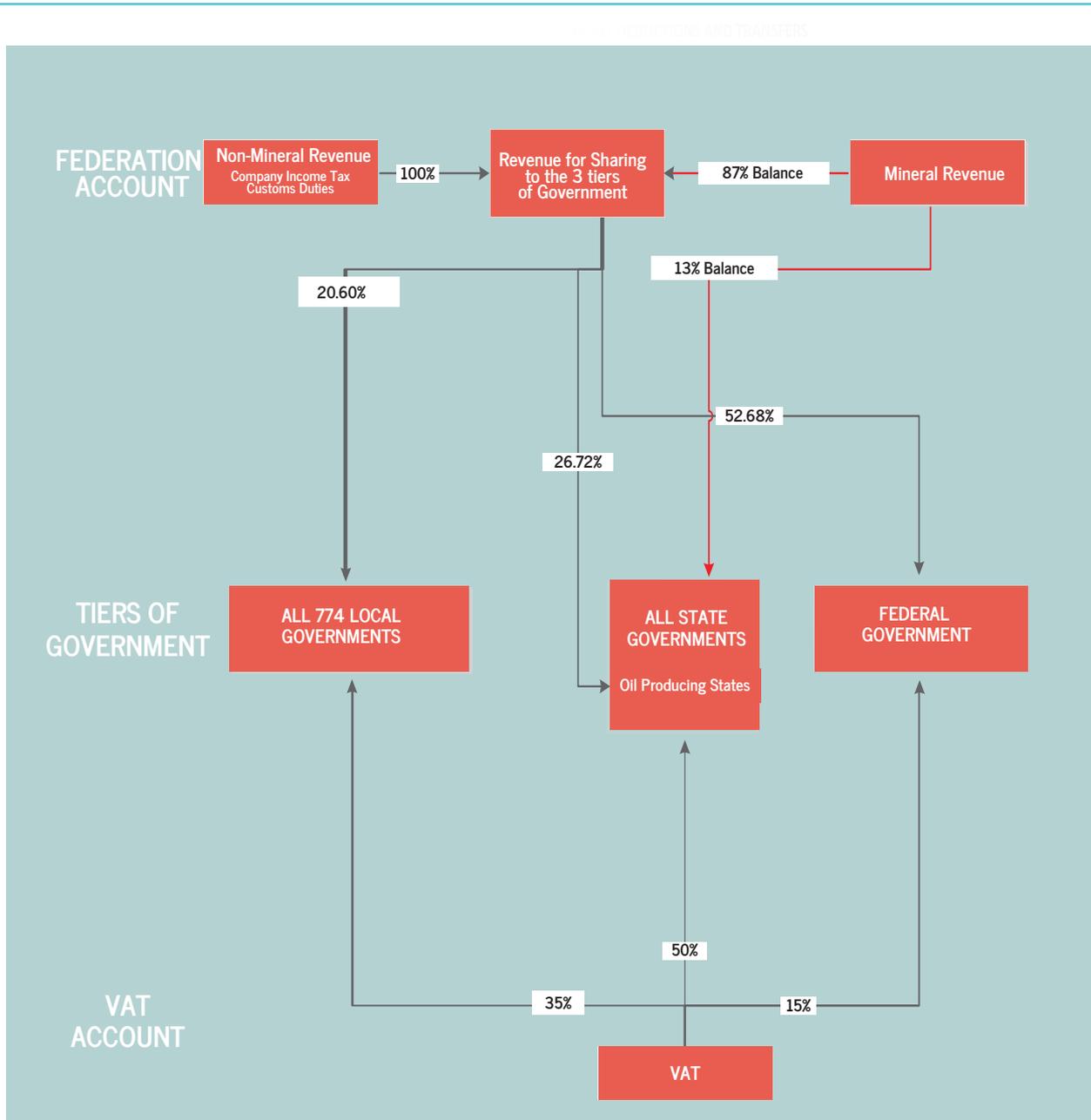
VALUE OF IMPORT
N6.68tn
NBS 2014 ESTIMATE

VALUE OF EXPORT
N9.2tn
NBS 2014 ESTIMATE

OIL PRODUCTION
2.15mbpd
NNPC DEC. 2014 ESTIMATE

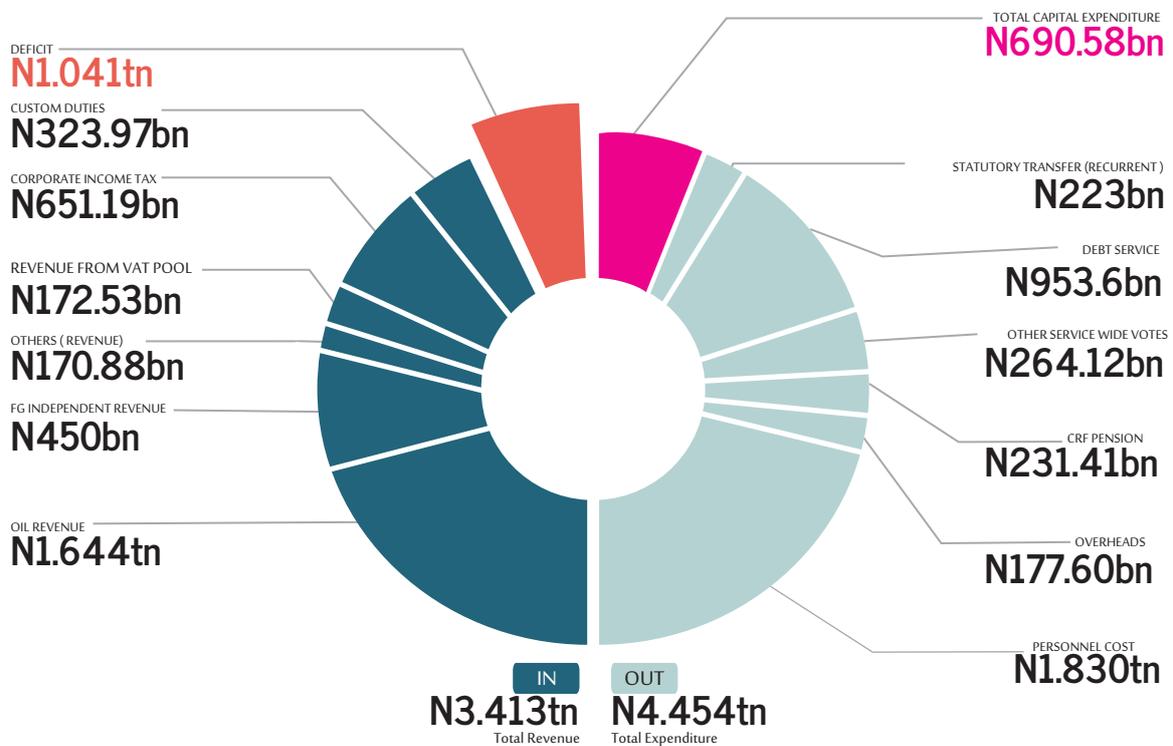


HOW IS THE FEDERATION REVENUE SHARED?





FEDERAL GOVERNMENT PROPOSED 2015 BUDGET BREAKDOWN



Source: Ministry of Finance

2015 FEDERAL GOVERNMENT BUDGET

WHERE DOES MONEY COME FROM?



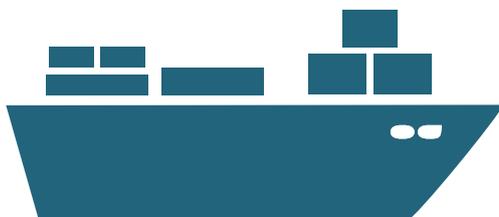
₦3.41tn

Federal Government share of oil revenue from Federation Account and other independent agencies such as FAAN, CBN, NCC that generate revenue.



Oil Revenue

₦1.644TRILLION

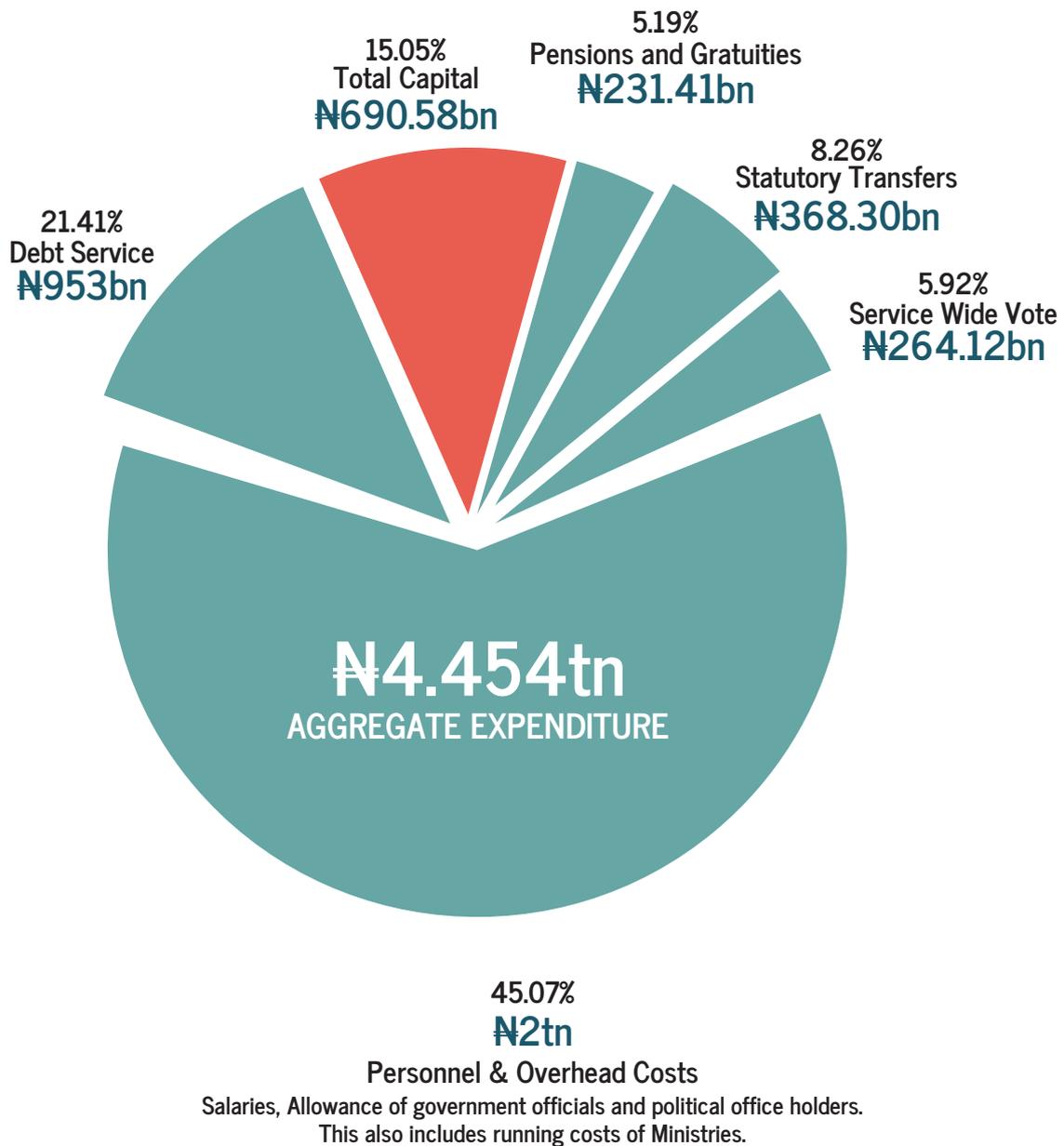


Non Oil Revenue

₦1.214TRILLION



WHERE DOES THE MONEY GO?



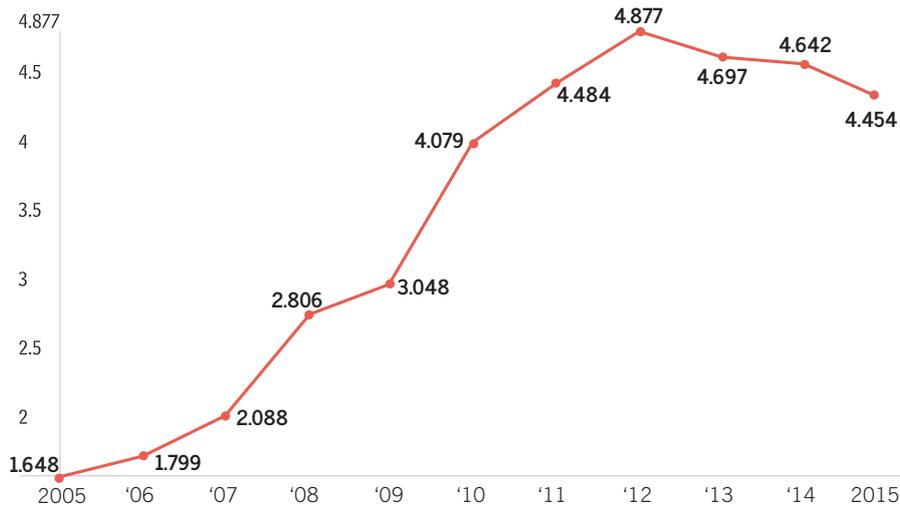
2015 BUDGET IN CHARTS



Source: Budget Office of the Federation, BudGIT Research

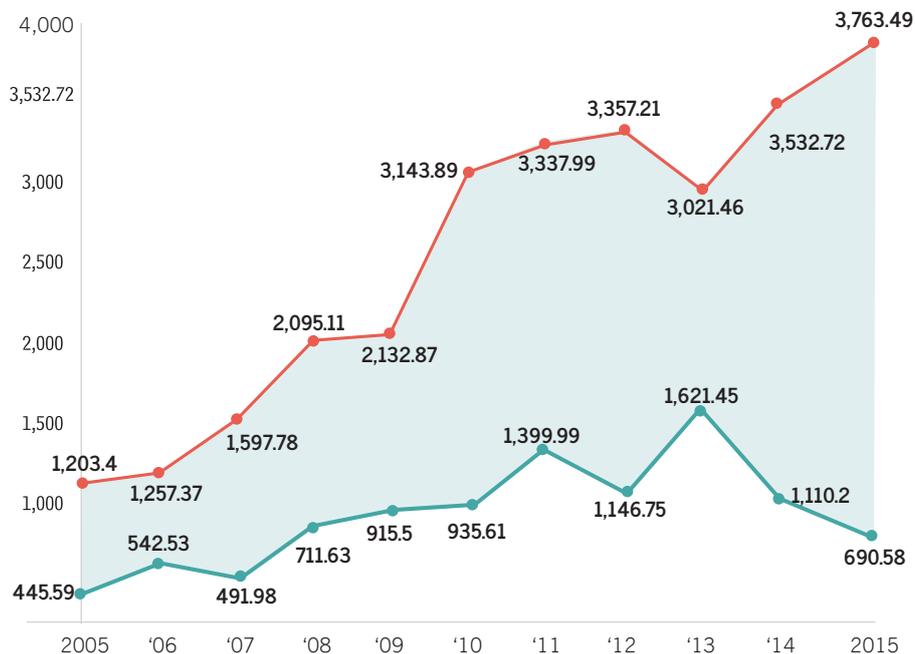
Government plans to spend less in 2015 compared to the previous year. Nigeria is feeling the impact of falling oil prices.

FG Budget (N trillions)
Budgets for 2012 & 2013 excludes funds for SURE-P projects.



Nigeria's recurrent expenditure has always exceeded the capital expenditure for infrastructure and public facilities. However, capital expenditure takes a very sharp decline in 2015.

Recurrent Expenditure vs Capital Expenditure (Nbn)
■ Recurrent Expenditure ■ Capital Expenditure



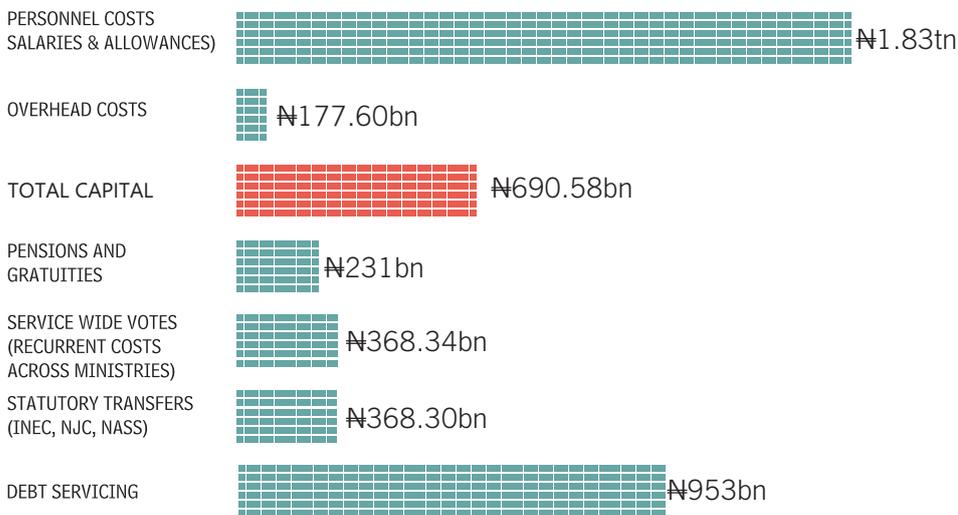
2015 BUDGET IN CHARTS



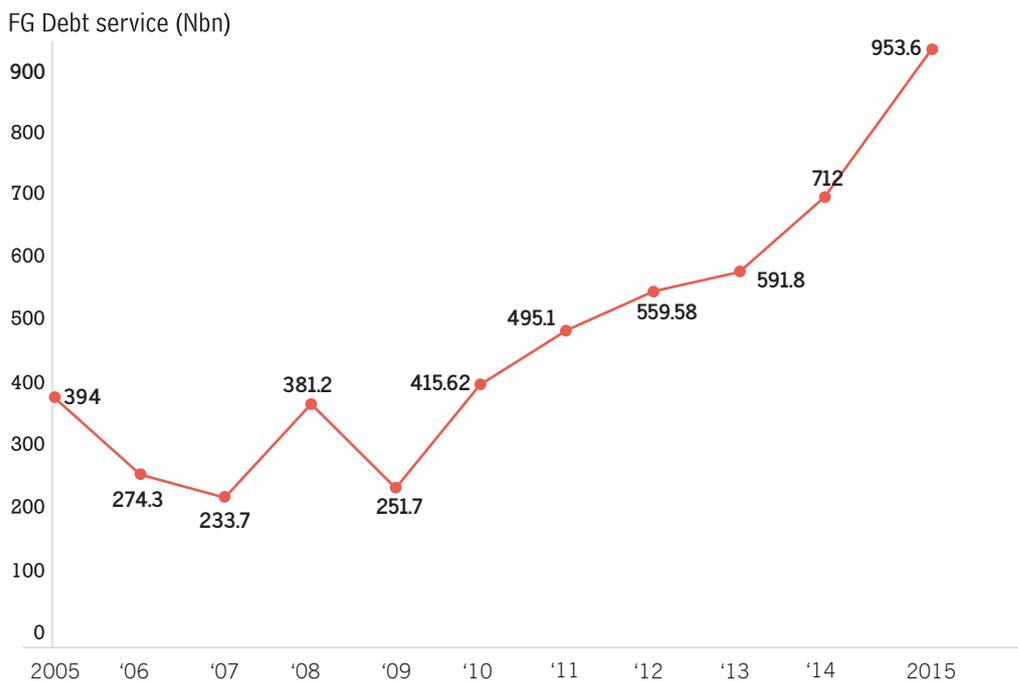
Source: Budget Office of the Federation, BudgIT Research

What is the highest item in the proposed 2015 Budget of the Federal Government? Here is a quick outlook. Do you notice that government personnel cost is FAR HIGHER than funds for capital project?

2015 Proposed Budget Breakdown



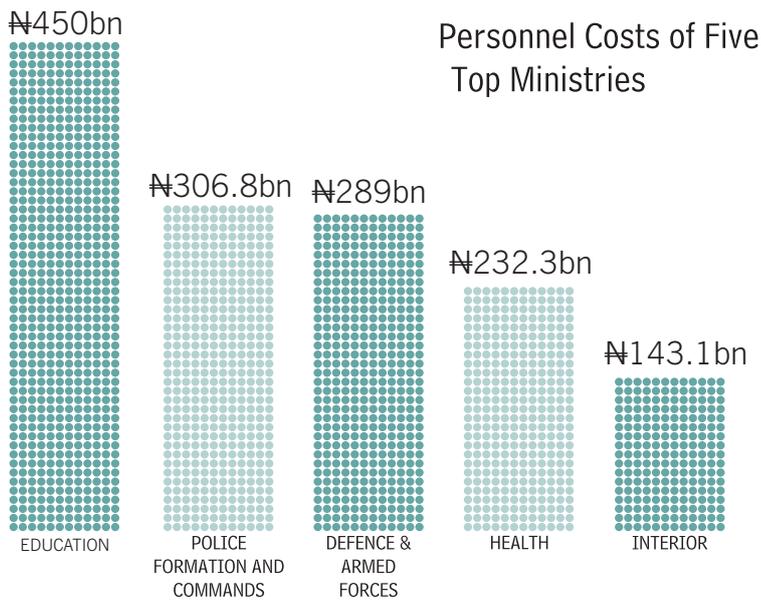
Cost of serving government debts is projected to rise in 2015. Are we raising debts at high rates? Banks and investors in public debts are smiling all the way.



2015 BUDGET IN CHARTS

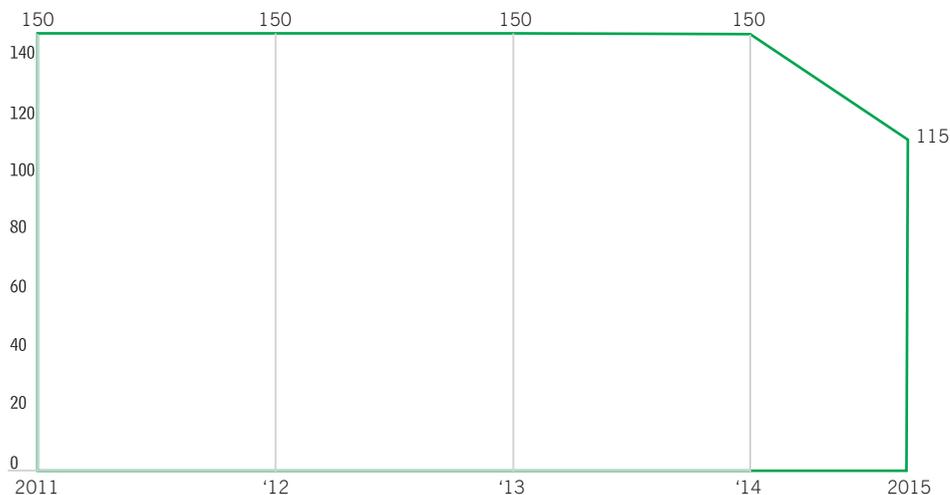


The highest costs of government are the salaries and allowance of civil servants and public officials. However, 5 out of 43 ministries spend about 68% of proposed personnel costs.



The National Assembly without any detailed breakdown takes N150bn yearly since 2011. However, the National Assembly took a cut of N45bn in the 2015 proposed expenditure plan, which many analysts believe is not enough.

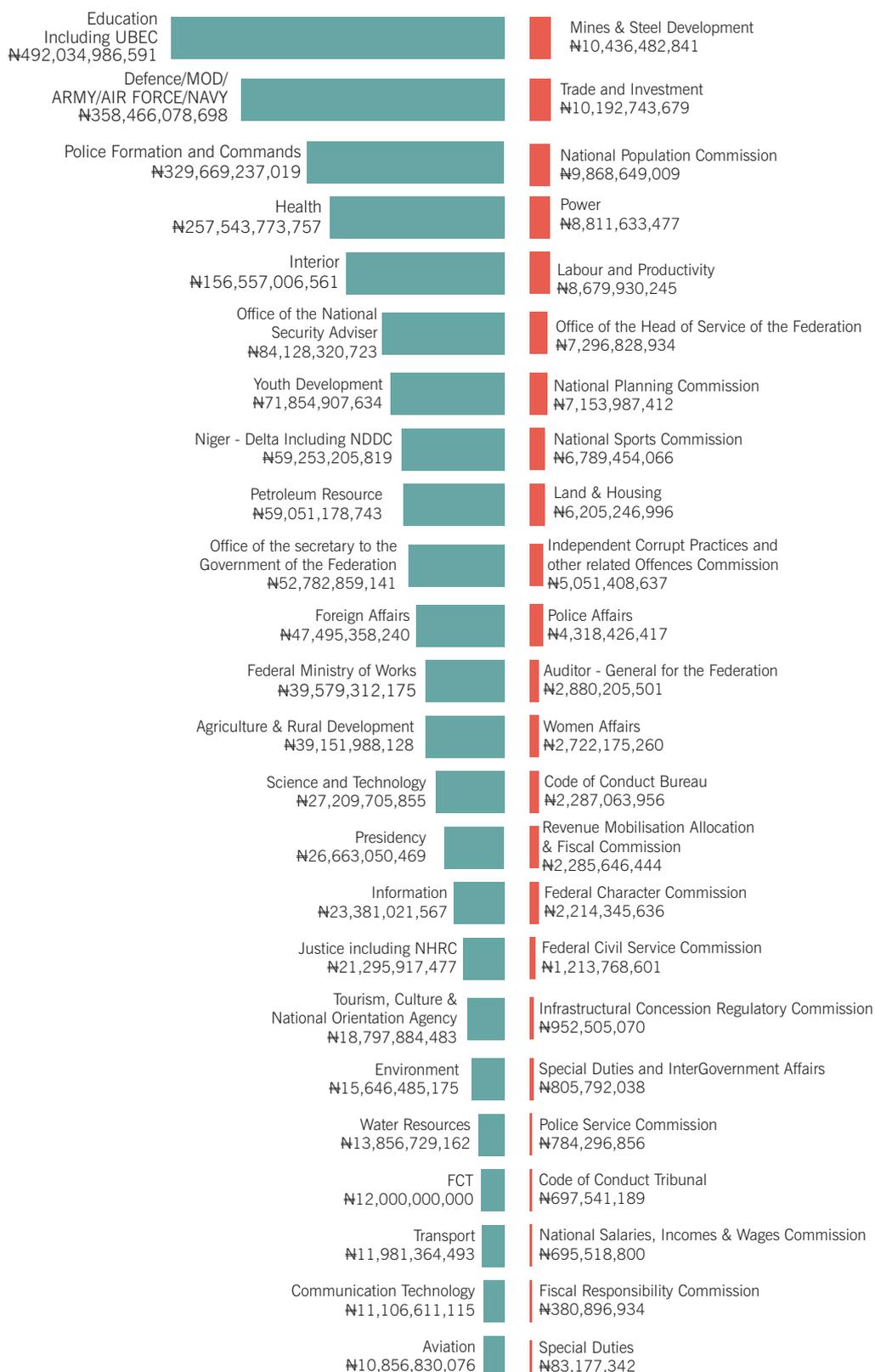
National Assembly Budget (N bn)





2015 FEDERAL GOVERNMENT BUDGET

ALLOCATIONS TO MINISTRY*

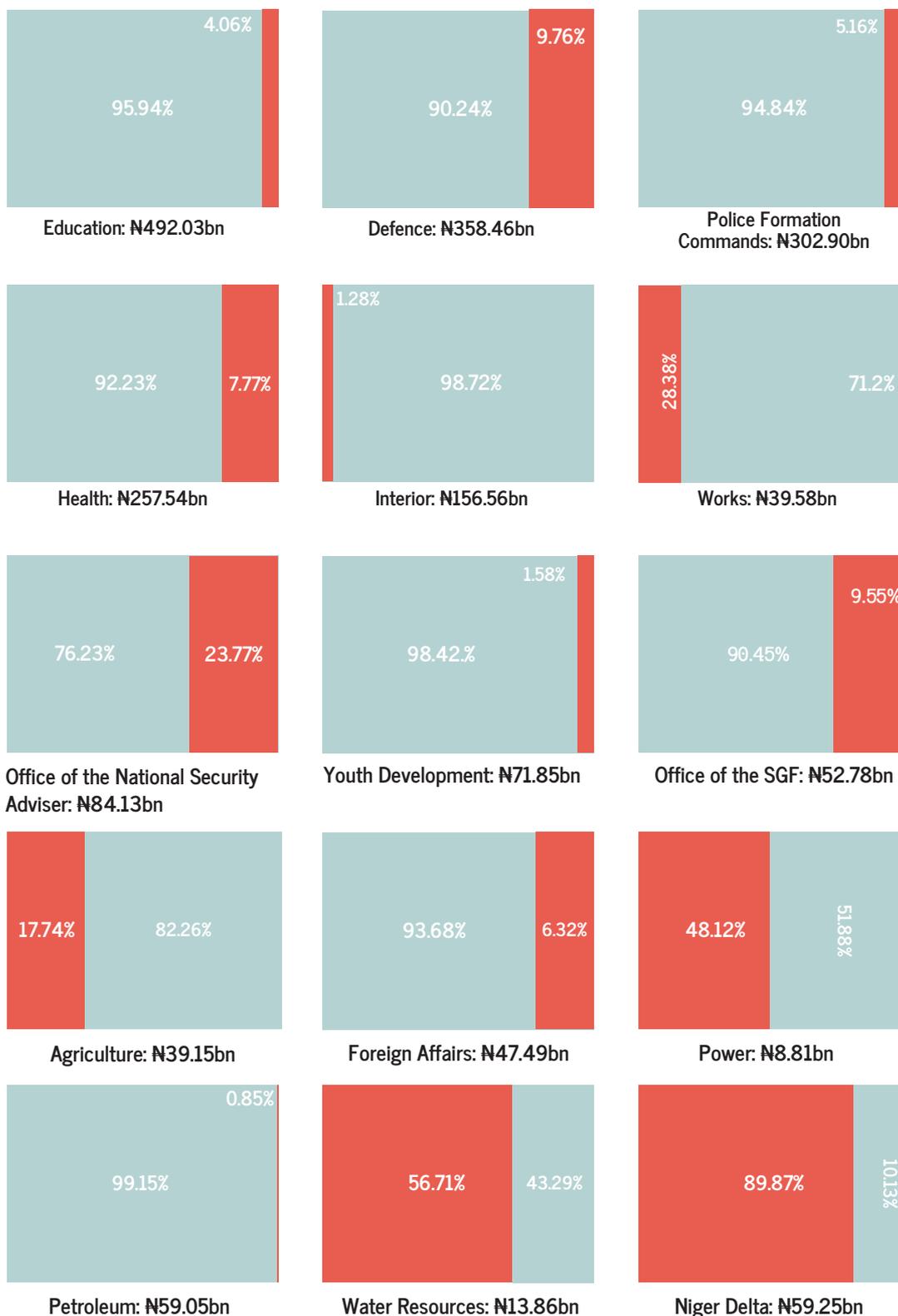


2015 FEDERAL GOVERNMENT BUDGET

Federal Government Top 15 Ministries *

Most ministries have more recurrent than capital expenditure except Ministry of Works, Water Resources and Niger Delta

■ Recurrent Expenditure ■ Capital Expenditure

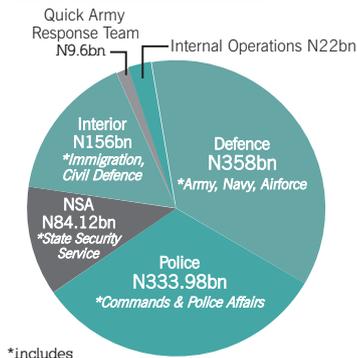


*As proposed by the Executive

NIGERIA: SECURITY BUDGET ANALYSIS

2015 BUDGET *

2015 BUDGET OF SECURITY AGENCIES

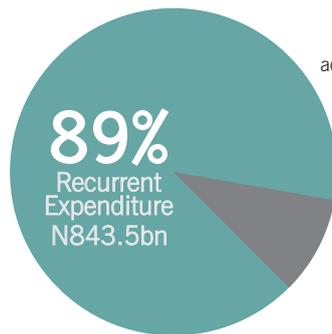


Comparing Security Sector Budgets



N964bn

Total Security Budget

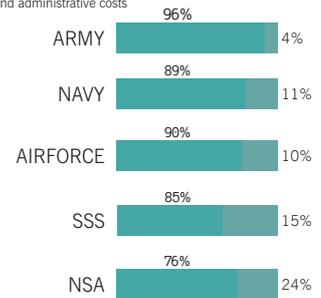


Most of Security Spending goes to salaries and administrative costs

8% Capital Expenditure
N74.27bn



Most of Security budget goes to salaries and administrative costs



How much do security agencies budget for weapons?

NIGERIAN ARMY



Procurement of Ammunition
N697.720m

NATIONAL SECURITY ADVISER



Procurement of Security Equipment
N8.8m

STATE SECURITY SERVICE



Firearms and Ammunition
N850m

Selected Capital Items



2 units - 35.6m
Patrol/Attack Craft
N1.715bn



Purchase of Helicopters
N1bn

National Security Adviser



Purchase of operational and Utility Vehicles
N610.14m

DO WE NEED TO RE-ORDER OUR PRIORITIES?

2015 BUDGET



N115bn
National Assembly



N134.25bn
Nigeria Army



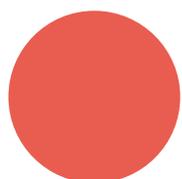
Army Quick Response Team
N9.6bn



State House Budget
N9.5bn



OTHER RECURRENT ITEMS*



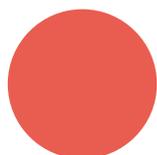
PRESIDENTIAL AMNESTY PROGRAMME

₦63.3BN



ARREARS OF 33% INCREASE IN PENSION RATES

₦18.0BN



PAYMENT INTO THE REDEMPTION FUND (5% OF TOTAL PERSONNEL COST)

₦60.3BN



CONTINGENCY

₦15.0BN



PUBLIC SERVICE WAGE ADJUSTMENT FOR MDAs (INCLUDING ARREARS OF PROMOTION AND SALARY INCREASES)

₦26.7BN



GROUP LIFE INSURANCE FOR ALL MDAs INCLUDING DSS

₦14.7BN



OPERATIONS - INTERNAL FOR THE ARMED FORCES

₦22.0BN



IMPROVED REMUNERATION PACKAGE FOR THE NIGERIAN POLICE

₦11.8BN



OPERATION ZAMAN LAFIYA

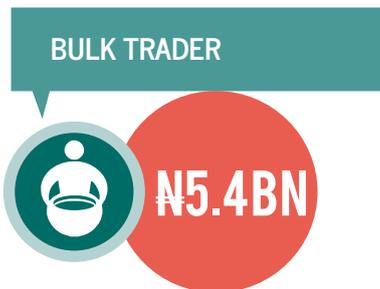
₦20.3BN



ARREARS OF 2014 SALARY INCREASE FOR MEDICAL DOCTORS AND OTHER HEALTH PROFESSIONAL

₦11.1BN

CAPITAL INTERVENTIONS*



*Selected top items

*As proposed by the Executive

SURE-P



TOTAL AMOUNT: ₦70.53BN



WHERE DOES THE MONEY COMES FROM?

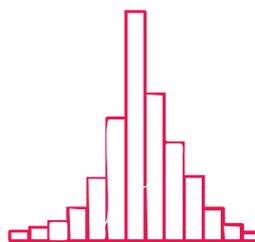
<p>₦21.03BN EXPECTED INFLOW FOR 12 MONTHS</p>	<p>₦49.5BN ESTIMATED UNSPENT BALANCE FROM 2014</p>
--	---

WHERE DOES THE MONEY GO? *

<p> ₦11.2BN AUGMENTATION FOR EAST- WEST ROAD (SECTIONS IV)</p>	<p> ₦3.2BN PORTHARCOURT-MAIDUGURI RAIL</p>
<p> ₦10BN REHABILITATION OF LAGOS- SHAGAMU-IBADAN DUAL CARRIAGEWAY SECTION I IN LAGOS STATE C/NO.6204</p>	<p> ₦30.4BN SOCIAL SAFETY NETS</p>
<p> ₦10BN REHABILITATION OF LAGOS- SHAGAMU-IBADAN DUAL CARRIAGEWAY SECTION II IN OYO STATE C/NO.6205</p>	<p> ₦4.8BN ABUJA-KADUNA RAIL</p>
<p> ₦15BN CONCESSION OF 2ND NIGER BRIDGE LINKING ANAMBRA AND DELTA STATES ON DESIGN, BUILD, FINANCE, OPERATE AND TRANSFER (DBFOT) BASIS UNDER THE PUBLIC PRIVATE PARTNERSHIP (PPP) SCHEME</p>	<p> ₦2BN COUNTERPART FUND FOR HIV/AIDS PROGRAMME</p>
<p> ₦2BN PUBLIC WORKS FOR YOUTH</p>	<p> ₦15.3BN COUNTERPART FUND FOR POLIO ERADICATION PROGRAMME & ROUTINE IMMUNIZATION</p>

* Selected Items

*As proposed by the Executive



THINGS TO NOTE*

1

279MDAS

With personnel cost of N233.43bn will have nothing in terms of Projects to monitor given that the MDAs have Zero capital Budget.

2

N100M

The total capital allocation to the office of the auditor general of the federation. Will the amount be enough to build capacity given that the agency audits 601 MDAs among others and the agency is expected to have presence in 36 states.

3

N16TN

Amount the chairman of the National assembly Public Accounts Committee- Solomon Olamilekan claims is excluded from the federal budget. Most MDAs hid under the "operating surplus" toga to keep huge amount of revenue - which is Largely unaudited.

4

N40BN

Allocation for constituency project in the proposed 2015 budget - down from N100bn (2014).

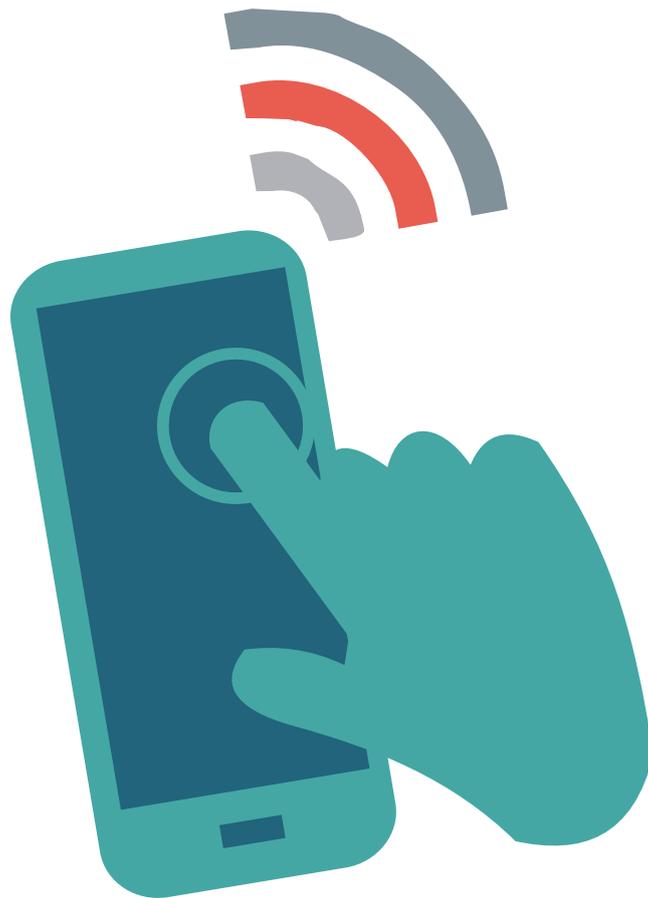
5

N368.34BN

Total allocation under Service wide vote. Up from N292.2bn. The amount will be spent under discretion and mostly not linked to any ministry.

*As proposed by the Executive

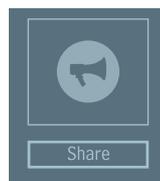
tracka



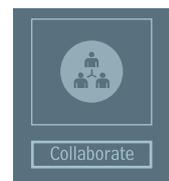
<http://www.tracka.ng>



Upload Public Projects across the Globe.
You can upload the file via a csv
or using google docs



Announce and share with your friends and
millions of people across the globe.



Upload Pictures, Add Comments,
Send feedback to institutions



SIMPLIFYING THE NIGERIAN BUDGET

At Budget, we believe it is the RIGHT of every citizen to have access and also understand public budgets. We also believe budgets must be efficiently implemented for the GOOD of the people.