# Table of Contents

**Introduction** 04

**Budget Glossary** 05-07

**General Framework** 08

**BUDGET SUMMARY**

**Where will the Money come from?**

**REVENUE SUMMARY** 09

**Revenue Breakdown**

**REVENUE PERFORMANCE** 10

**Deficit Financing**

**BUDGET DEFICIT FINANCING** 11

**How will Government source the grants?**

**DOMESTIC GRANTS** 12

**FOREIGN GRANTS** 13
# Table of Contents

## How will Government source the loans?
- **DOMESTIC LOANS** 14
- **FOREIGN LOANS** 15

## How will Government spend the money?
- **EXPENDITURE SUMMARY** 16-17

## Expenditure: Where does the money go?
- **RECURRENT EXPENDITURE** 18
- **CAPITAL EXPENDITURE** 19
- **TRACK CAPITAL PROJECTS WITH US** 20-22
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.

What is a Citizens Budget?

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.

Why is a Citizens Budgets Important?

Every responsible citizen has the right to know how communal wealth is being expended in the delivery of public infrastructure and services. State governments must ensure that citizens have a good understanding of how the budget directly affects their lives.

Citizens budgets foster a greater understanding of how public funds are utilized, especially if the information presented is a more accessible format than standard government budgets.

Although they are not meant to replace more detailed budget documents, they are important for informing citizens and civil society and contributes to the effort of increasing government accountability on how it manages public money.
Budget Glossary

**Total Budget Expenditure:** This is the total amount of budget for the given year. It is the summation of both the Recurrent Expenditure and Capital Expenditure as approved by the State House of Assembly and assented to by the Executive Governor.

This 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.

**Revenue:** 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 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.

**Budget Deficit:** This is generally the difference between what the government intend to spend on expenditures and the revenue generation capacity. A deficit occurs when the expenditure figure is higher than the revenue and grants figure. The total budget financing is the summation of all the financing the government intends to raise through borrowing/loans (domestic and foreign), sales of government assets or other deficit financing items.

**Grants:** 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
Budget Glossary

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.

Loans: Another source of funds for the government to finance the budget is a loan. 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.

Why does the Government borrow? When the government intends to spend more money than they expect to collect as revenue and receive in grants, the budget is in deficit. When they intend to spend less than what they expect to collect in revenue and receive in grants, the budget is in surplus. A balanced budget is a budget where total revenues are equal to the total expenditures for the year.

When the budget has an expected deficit, the government will need to finance the budget deficit. It can do this through sales of government assets or through borrowing. Borrowing can be from banks, multilateral institutions, the federal government or from investors through the capital market.

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).

Personnel Cost: include salaries, allowance and other benefits that
Budget Glossary

Government pays to its workers (civil servants).

**Overhead Cost:** These are any regular expenses which are not paid directly to a civil servant or other government workers, including amounts billed directly to customers. Overheads must be paid for regularly. Examples are electricity bills, water bills, the buying diesel for generators, or the money spent on travelling during work, by civil servants.

**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.”

**Sectoral Allocation:** Expenditure is allocated to different ministries, departments and agencies (MDA). Each 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.

It is recommended that States include allocations for all MDAs in the template or at least the highest spending MDAs.

With technical support from World Bank, Open Government Partnership Secretariat and BudgIT Foundation.
General Framework

BUDGET SUMMARY

N199.7bn
Total Budget Expenditure

N127.9bn
Total Budget Revenue & Grants

N71.9bn
Budget Deficit

SECURITY, PEACE AND PROSPERITY IN BENUE
Where will the Money come from?

REVENUE SUMMARY

N35.2bn IGR

N13.9bn Grants

N58.1bn Statutory Allocation

N14.9bn Value Added Tax

N5.56bn Other Statutory Revenue

N2.67bn Opening Balance

SECURITY, PEACE AND PROSPERITY IN BENUE
Revenue Breakdown

2019 Budget Target
2018 Budget Actual

- **Internally Generated Revenue**: N35.2bn
- **Statutory Allocation**: N58.1bn
- **VAT**: N14.9bn
- **Other Statutory Revenue**: N5.57bn

**Revenue Performance**

Security, Peace and Prosperity in Benue
## Deficit Financing

**BUDGET DEFICIT FINANCING**

<table>
<thead>
<tr>
<th>Category</th>
<th>2019 Budget Target</th>
<th>2018 Budget Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Loans</td>
<td>N4.16bn</td>
<td>N/A</td>
</tr>
<tr>
<td>Foreign Loans</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Sales of Government Assets</td>
<td>N/A</td>
<td>N7.89bn</td>
</tr>
<tr>
<td>Other Deficit Financing Items</td>
<td>N/A</td>
<td>N2.21bn</td>
</tr>
</tbody>
</table>

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SECURITY, PEACE AND PROSPERITY IN BENUE
How will Government source the grants?

DOMESTIC GRANTS

Total Domestic Grants: N4.43bn

- N2.20bn CAPITAL DOMESTIC GRANT (SDG)
- N122m DOMESTIC GRANT CURRENT (OAG)
- N1.50bn MATCHING GRANT UBEC
- N457m HEALTH INSURANCE SCHEME (SG)
- N100m Basic Health provision fund
- N50m DOMESTIC GRANT (MOEST)
How will Government source the grants?

**FOREIGN GRANTS**

- **N9.53bn**
  - **N6.13bn**: STFAS (WORLD BANK)(OAG)
  - **N2.05bn**: STFAS WOFEE (WORLD BANK)(BSPC)
  - **N1bn**: GCCCE(SUBEB)
  - **N50m**: WOFEE(MOWA)
  - **N300m**: COMMUNITY AND SOCIAL DEVELOPMENT PROGRAMME (WB)

Total Foreign Grants

Security, Peace and Prosperity in Benue
How will Government source the loans?

N39.9bn
BORROWING FROM FINANCIAL INSTITUTIONS (OAG)

N39.98bn
Domestic Loans
How will Government spend the money?

EXPENDITURE SUMMARY

N199.7bn
Total Expenditure

N109.3bn
Total Recurrent Expenditure

N55.2bn
Personnel Cost

N40.5bn
Overhead Cost
How will Government spend the money?

EXPENDITURE SUMMARY

- **Personnel Cost**: N30.0bn
- **Overhead Cost**: N10.9bn
- **Capital Expenditure**: N1.83bn

**2019 Budget Target**

- **Personnel Cost**: N55.2bn
- **Overhead Cost**: N40.5bn
- **Capital Expenditure**: N90.4bn

**2018 Budget Actual**
Expenditure: Where does the money go?

RECURRENT EXPENDITURE

Administrative Sector
N45.9bn

Social Sector
N36.8bn

Economic Sector
N22.9bn

Law & Justice Sector
N3.63bn
Expenditure: Where does the money go?

CAPITAL EXPENDITURE

Economic Sector N63.4bn

Social Sector N18.4bn

Administrative Sector N7.49bn

Law & Justice Sector N1.13bn
Expenditure: Where does the money go?

TRACK CAPITAL PROJECTS WITH US

<table>
<thead>
<tr>
<th>Project</th>
<th>Line Ministry/Agency</th>
<th>Location</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAND &amp; BUILDINGS - OFFICE</td>
<td>Benue state universal basic education board</td>
<td>xxxxxxxx</td>
<td>5,895,331,381</td>
</tr>
<tr>
<td>ROADS &amp; BRIDGES: CONSTRUCTION OF GBAJIMBA - TSE UPEV - TSE AKAAHENA - NASSARAWA BORDER HIGHWAY, 32KM LONG, GUMA LG</td>
<td>Bureau of rural development &amp;cooperative</td>
<td>xxxxxxxx</td>
<td>1,396,205,036</td>
</tr>
<tr>
<td>Fertilizer procurement</td>
<td>Ministry of Agriculture</td>
<td>Makurdi</td>
<td>1,000,000,000</td>
</tr>
<tr>
<td>Land development scheme</td>
<td>Ministry of agriculture</td>
<td>Makurdi</td>
<td>1,000,000,000</td>
</tr>
<tr>
<td>ROADS &amp; BRIDGES: Construction of Awajir-Oju Road (52.0km)</td>
<td>Ministry of works, transport &amp; energy</td>
<td>xxxxxxxx</td>
<td>1,000,000,000</td>
</tr>
<tr>
<td>ROADS &amp; BRIDGES: Construction of Makurdi-Yogbo-Udei-Udei Branch Road.</td>
<td>Ministry of works, transport &amp; energy</td>
<td>xxxxxxxx</td>
<td>1,000,000,000</td>
</tr>
<tr>
<td>ROADS &amp; BRIDGES: Construction of Origbo-Imade Akpu-Gbajimba Road.</td>
<td>Ministry of works, transport &amp; energy</td>
<td>xxxxxxxx</td>
<td>1,000,000,000</td>
</tr>
<tr>
<td>ROADS &amp; BRIDGES: Construction of Otukpo Icho-Odudaje-Aondona Road.</td>
<td>Ministry of works, transport &amp; energy</td>
<td>xxxxxxxx</td>
<td>1,000,000,000</td>
</tr>
<tr>
<td>ROADS &amp; BRIDGES: Construction of Road from Obussa-Ogori Oju II Constituency.</td>
<td>Ministry of works, transport &amp; energy</td>
<td>xxxxxxxx</td>
<td>1,000,000,000</td>
</tr>
<tr>
<td>ROADS &amp; BRIDGES: Construction of Zaki Biam - Tor Donga Road, with Spur to Tsewuaze-Tiza-Abiki Shila Road.</td>
<td>Ministry of works, transport &amp; energy</td>
<td>xxxxxxxx</td>
<td>1,000,000,000</td>
</tr>
</tbody>
</table>
# Expenditure: Where does the money go?

## TRACK CAPITAL PROJECTS WITH US

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
<th>Ministry</th>
<th>Tier</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROADS &amp; BRIDGES:</td>
<td>Construction of Zaki Biam - Tor Donga Road, with Spur to Tsewuaze-Tiza-Abiki Shila Road.</td>
<td>Ministry of works, transport &amp; energy</td>
<td>Tier</td>
<td>1,000,000,000</td>
</tr>
<tr>
<td>ROADS &amp; BRIDGES:</td>
<td>Surfacing and Construction of New Township Roads in Makurdi, Gboko, Otukpo, Katsina Ala, Vandeikya, Oju, and others.</td>
<td>Ministry of works, transport &amp; energy</td>
<td>Tier</td>
<td>1,000,000,000</td>
</tr>
<tr>
<td>WATER DISTRIBUTION NETWORK:</td>
<td>Greater Makurdi Reticulation Network</td>
<td>Ministry of water resources and environment</td>
<td>Tier</td>
<td>1,000,000,000</td>
</tr>
<tr>
<td>BOREHOLES &amp; OTHER WATER FACILITIES</td>
<td></td>
<td>Benue state planning commission</td>
<td>Tier</td>
<td>980,000,000</td>
</tr>
<tr>
<td>SEWAGE/ DRAINAGE NETWORK:</td>
<td>Ecological projects</td>
<td>Ministry of water resources and environment</td>
<td>Tier</td>
<td>800,000,000</td>
</tr>
<tr>
<td>LAND &amp; BUILDINGS - ADMINISTRATIVE:</td>
<td>Reconstruction and Renovation of Burnt (PHC)</td>
<td>Primary Health Care Board</td>
<td>Tier</td>
<td>625,000,000</td>
</tr>
<tr>
<td>ROADS &amp; BRIDGES:</td>
<td>Construction of Makurdi Outer Ring Road (Mobile Police Road Junction-Police Barracks-Welfare Qtrs-Yaikyo-Apir).</td>
<td>Ministry of works, transport &amp; energy</td>
<td>Tier</td>
<td>600,000,000</td>
</tr>
<tr>
<td>WATER DISTRIBUTION NETWORK:</td>
<td>Operation and Maintenance of Katsina Ala Water Works</td>
<td>Ministry of water resources and environment</td>
<td>Tier</td>
<td>600,000,000</td>
</tr>
<tr>
<td>LAND &amp; BUILDINGS - ADMINISTRATIVE:</td>
<td>Construction/Renovation Projects in Post-Pri. Schs (Outstanding Balance)</td>
<td>Ministry of education science &amp; technology</td>
<td>Tier</td>
<td>527,000,000</td>
</tr>
<tr>
<td>LAND &amp; BUILDINGS - ADMINISTRATIVE:</td>
<td>Construction of Classroom Blocks in Benue State.</td>
<td>Development cooperations, sustainable development goals (SDG)</td>
<td>Tier</td>
<td>520,000,000</td>
</tr>
</tbody>
</table>
### Expenditure: Where does the money go?

**TRACK CAPITAL PROJECTS WITH US**

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Ministry of</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAND &amp; BUILDINGS - ADMINISTRATIVE: Renov of 32 No. Govt Schools and Colleges in Benue State</td>
<td>Ministry of education science &amp; technology</td>
<td>500,000,000</td>
</tr>
<tr>
<td>LAND &amp; BUILDINGS - OFFICE</td>
<td>Ministry of lands, survey and solid minerals</td>
<td>500,000,000</td>
</tr>
<tr>
<td>ROADS &amp; BRIDGES: Construction of Ge-Ikyobo-Agbeede-Amua-Anshagba Road.</td>
<td>Ministry of works, transport &amp; energy</td>
<td>500,000,000</td>
</tr>
<tr>
<td>ROADS &amp; BRIDGES: Construction of Township Roads</td>
<td>Ministry of works, transport &amp; energy</td>
<td>500,000,000</td>
</tr>
<tr>
<td>ROADS &amp; BRIDGES: Construction of Abuku-Ortese-Jingir-Ugah-lorchor Road, with Jingir-Tyogbenda Wombo as spur.</td>
<td>Ministry of works, transport &amp; energy</td>
<td>500,000,000</td>
</tr>
<tr>
<td>ROADS &amp; BRIDGES: Construction of Adoka-Odugbo-Okokolo-Road.</td>
<td>Ministry of works, transport &amp; energy</td>
<td>500,000,000</td>
</tr>
<tr>
<td>ROADS &amp; BRIDGES: Construction of Igumale-Agila Road.</td>
<td>Ministry of works, transport &amp; energy</td>
<td>500,000,000</td>
</tr>
<tr>
<td>ROADS &amp; BRIDGES: Construction of Oju-Obussa-Utonkon Road.</td>
<td>Ministry of works, transport &amp; energy</td>
<td>500,000,000</td>
</tr>
<tr>
<td>ROADS &amp; BRIDGES: Rehabilitation of 3 No. Selected Township Roads in Makurdi</td>
<td>Ministry of works, transport &amp; energy</td>
<td>466,000,000</td>
</tr>
<tr>
<td>LAND &amp; BUILDINGS - ADMINISTRATIVE: Fire House, Senate Building</td>
<td>Benue state university</td>
<td>420,000,000</td>
</tr>
<tr>
<td>ROADS &amp; BRIDGES: Construction of Igbor-Ikpa-Wannune Road.</td>
<td>Ministry of works, transport &amp; energy</td>
<td>400,000,000</td>
</tr>
<tr>
<td>ROADS &amp; BRIDGES: Construction of 5 No. Selected Township Roads in Makurdi</td>
<td>Ministry of works, transport &amp; energy</td>
<td>366,229,529</td>
</tr>
</tbody>
</table>
## Expenditure: Where does the money go?

**TRACK CAPITAL PROJECTS WITH US**

<table>
<thead>
<tr>
<th>Description</th>
<th>Development cooperations, sustainable development goals (SDG)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAND &amp; BUILDINGS - ADMINISTRATIVE: Construction of PHCs in 3 Senatorial Districts.</td>
<td>xxxxxxxxx</td>
<td>315,000,000</td>
</tr>
<tr>
<td>BOREHOLES &amp; OTHER WATER FACILITIES: Provision of Safe and Portable Water.</td>
<td>xxxxxxxxx</td>
<td>210,000,000</td>
</tr>
<tr>
<td>LABORATORY/MEDICAL EQUIPMENTS - Procurement of modern medical equipment for all the 23 general hospitals in the state and BSUTH</td>
<td>ministry of health and human services</td>
<td>149,000,000</td>
</tr>
<tr>
<td>LABORATORY/MEDICAL EQUIPMENTS - Procurement of modern medical equipment for all the 23 general hospitals in the state and BSUTH</td>
<td>ministry of health &amp; human services</td>
<td>149,000,000</td>
</tr>
<tr>
<td>LABORATORY/MEDICAL EQUIPMENTS - Furnishing and Equipping of Ophthalmology complex and Radiology department offices at BSUTH.</td>
<td>ministry of health &amp; human services</td>
<td>50,000,000</td>
</tr>
</tbody>
</table>