



## ONDO STATE OF NIGERIA 2019 CITIZENS' BUDGET

BUDGET OF ADVANCEMENT

MINISTRY OF ECONOMIC PLANNING AND BUDGET

April 2019

## **BUDGET GLOSSARY**

*Budget* is an estimation of revenues and expenditure of the government over a specified period, usually a year.

*Citizens Budget* is a simpler, less technical version of government's budget specifically designed to present key information that is understandable by the general public.

*Recurrent Expenditure* is the part of the total government expenditure meant for monthly payment of salaries of government workers, payment of interest on debts and daily running of Ministries, Departments and Agencies of Government.

*Capital Expenditure* is the part of government expenditures meant for developmental projects like schools, hospitals, roads, etc in the State.

*Roll-Over fund* is the unspent amount brought forward from the last financial year, to be added to the current year revenue.

*Personnel Costs* are the part of recurrent expenditure of government used for the payment of salaries and pension of government workers.

*Budget Support* is the amount given by the Federal Government to support the State to pay salaries and pensions in the event of low Federal allocation.

*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 repayment of principal of domestic and external debts.

*Revenue* is the total amount generated by the government over a specified period.

*Consolidated Revenue Fund Charges* is part of the estimate statutorily used to pay salaries of political office holders, Pensions Gratuity, benefits to past Governors/Deputy Governors and interest of borrowings/debts.

*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 authorized by government after due procurement process has been fulfilled.

*Cash-Backed Capital Expenditures* is amount in cash made available for execution of capital projects.

*Statutory Allocation* is the allocation to the State from the Federation Accounts. It is determined by Federal Account Allocation Committee (FAAC).

*Utilized 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.

*IPSAS*: International Public Sector Accounting Standards

*OUR FOCUS*: JMPPR which is the policy of the current state government.

*JMPPR*:

J - Job Creation through Agriculture, Entrepreneurship and Industrialization.

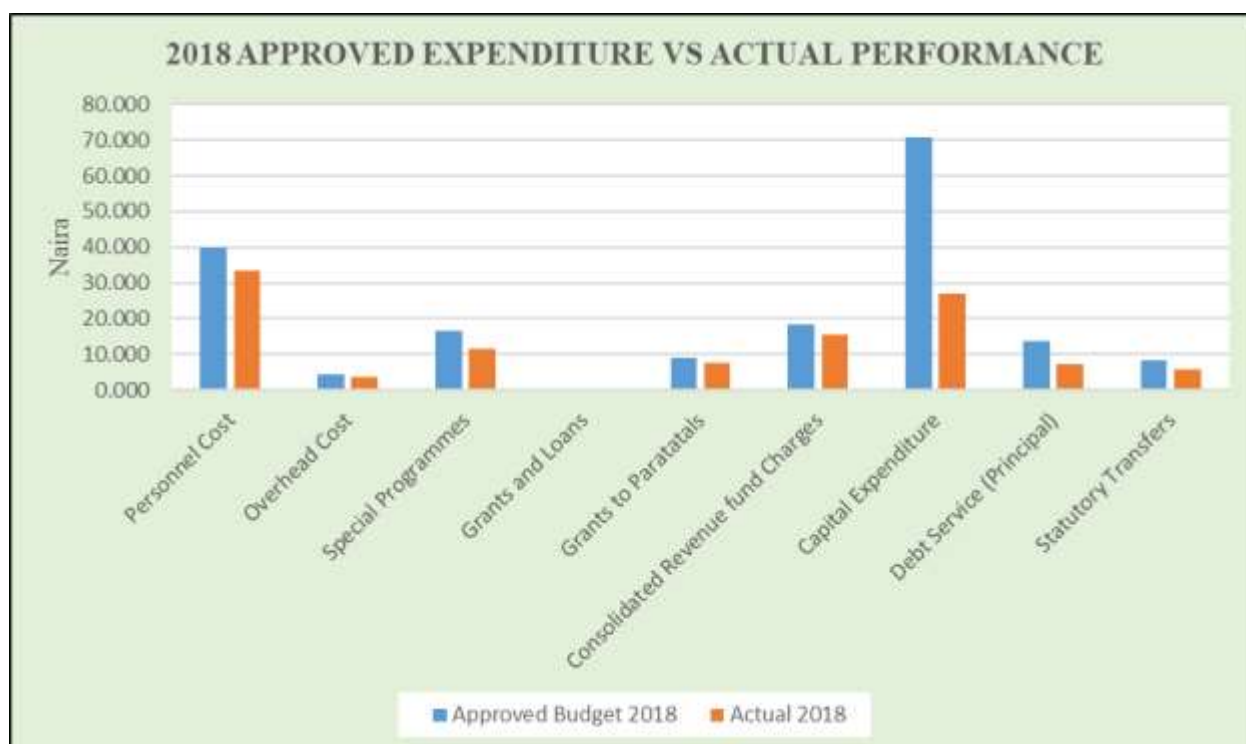
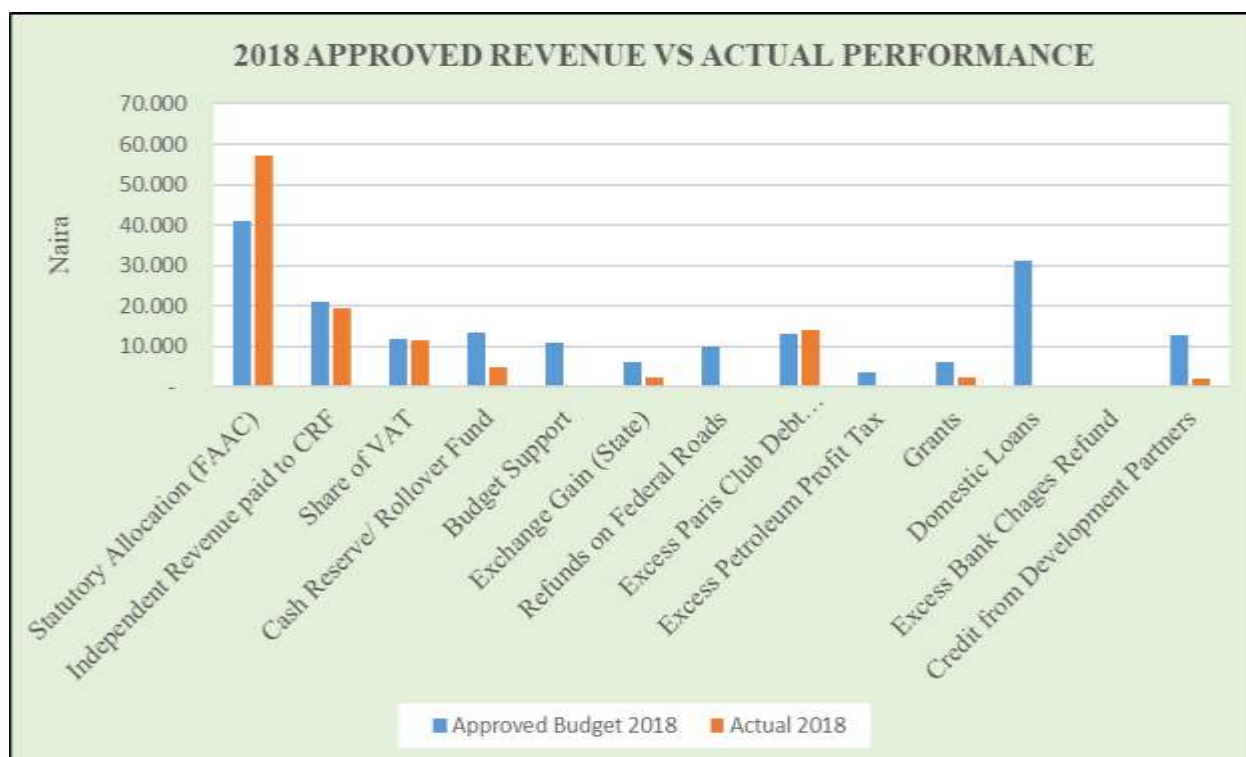
M - Massive Infrastructural Development and Maintenance

P - Promotion of Functional Education and Technological Growth

P - Provision of Accessible and Qualitative Health Care and Socio Service Delivery

R - Rural Development and Community Extension Services

## Budget Performance for 2018



## General Framework

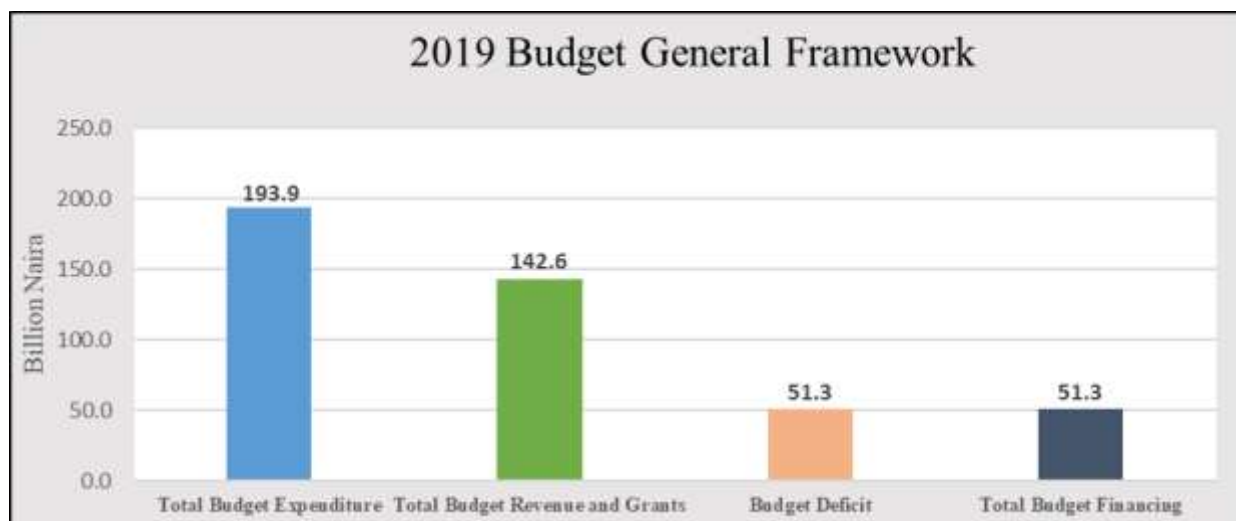
### 2019 Budget Summary



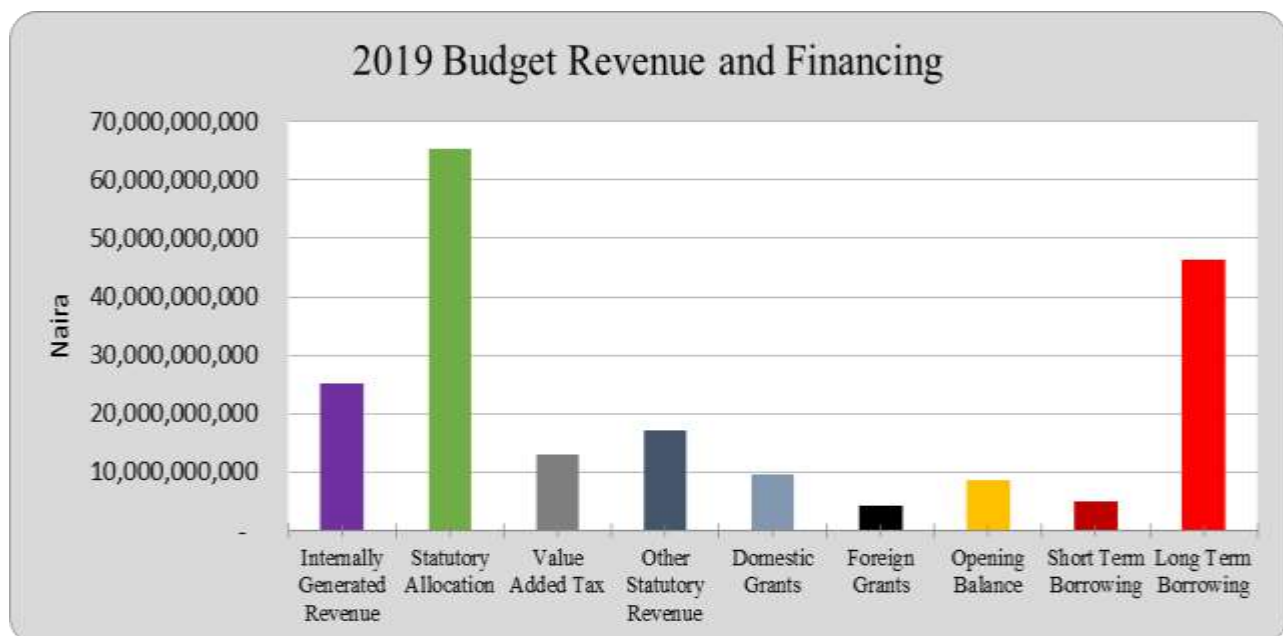
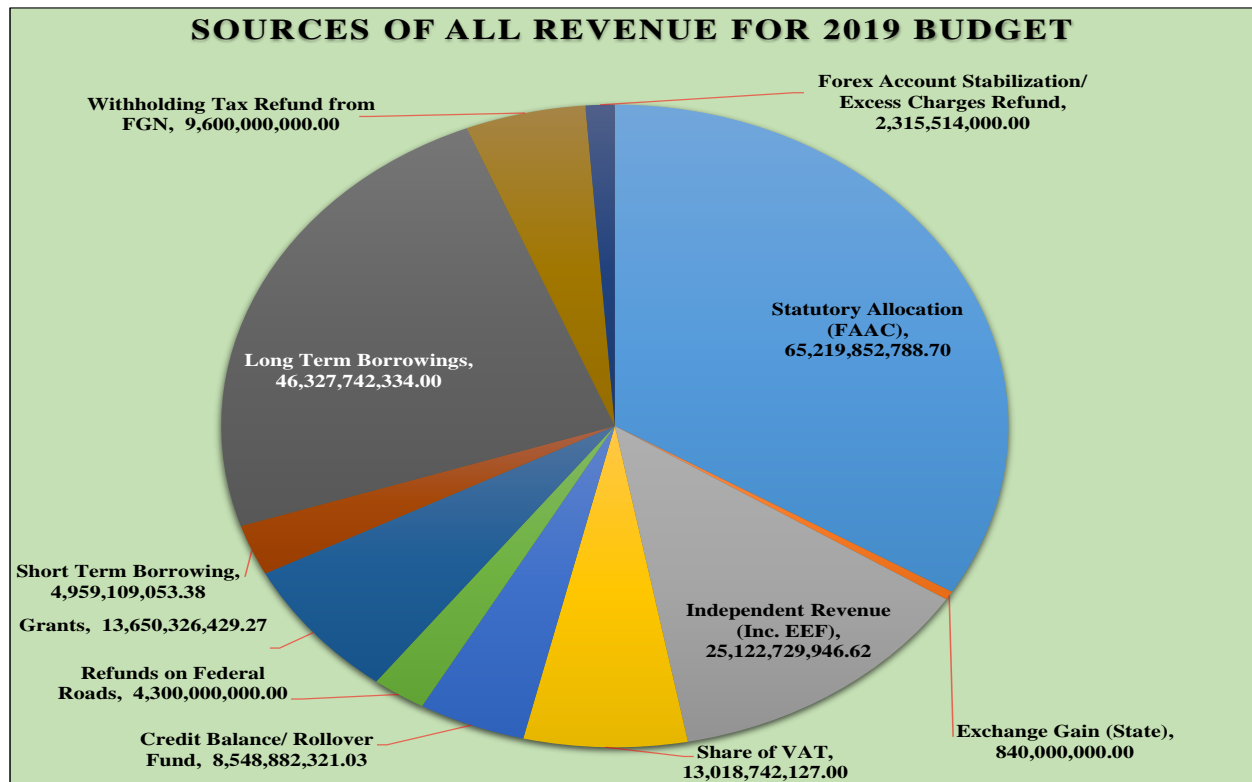
**N193.903Billion**  
**Total Budget Expenditure**

**N142.616Billion**  
**Total Revenue**  
**excluding Loans**

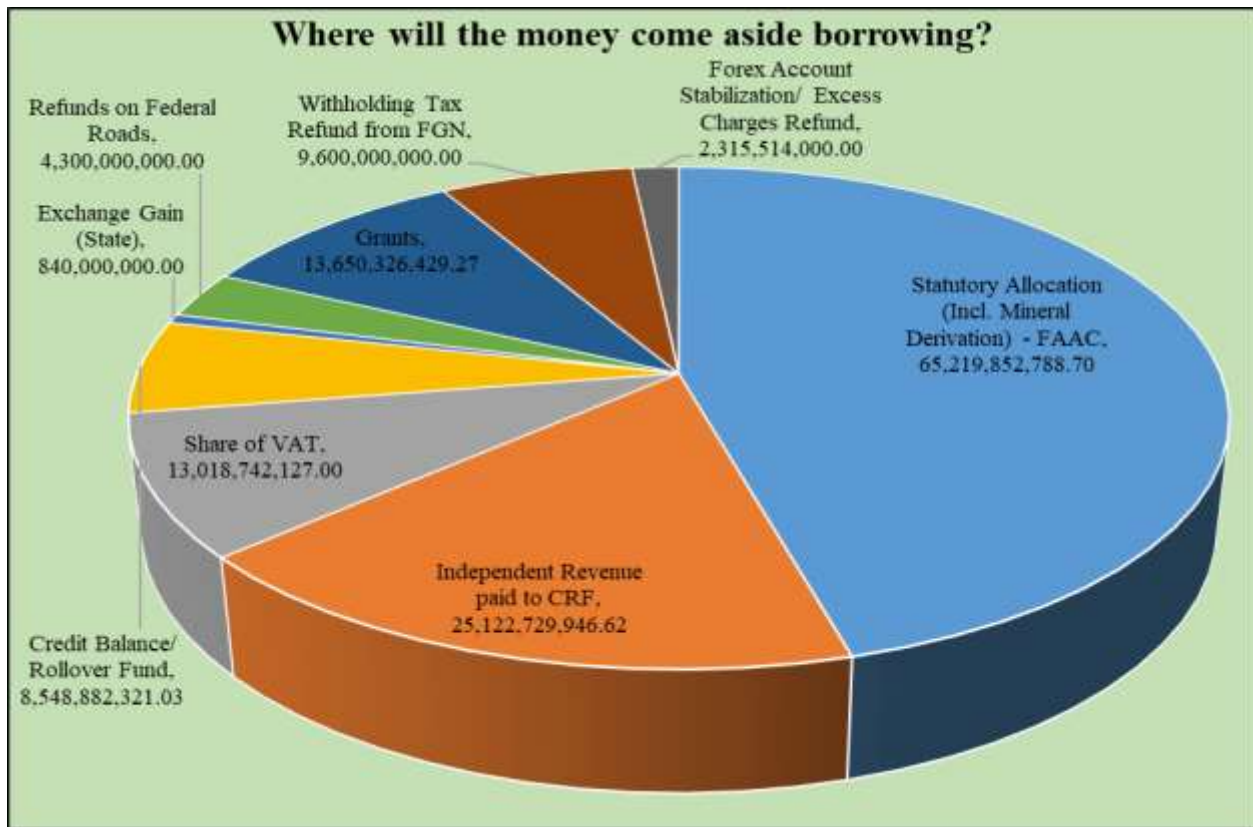
**N51.287Billion**  
**Budget Deficit**



## 2019 TOTAL REVENUE ESTIMATES: ₦193,902,899.000.00

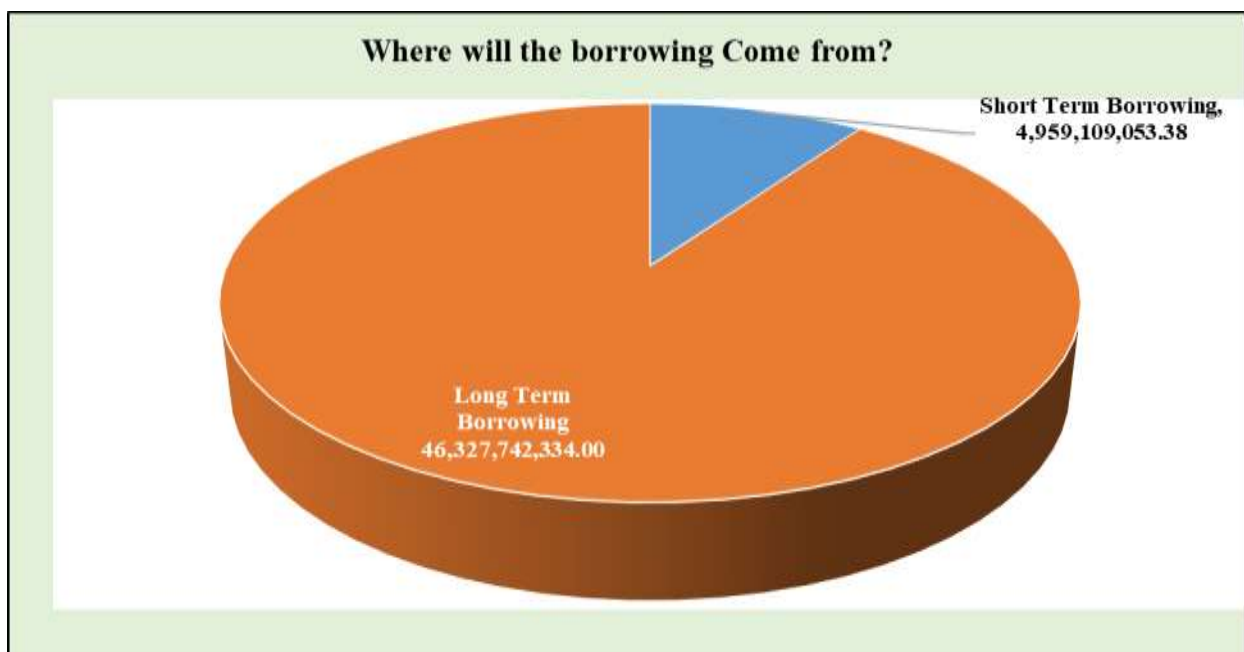


## SOURCES OF FUND OUTSIDE OF BORROWING



The Total budget amounts to **₦142,616,047,612.62** without borrowing.

## BORROWED FUNDS



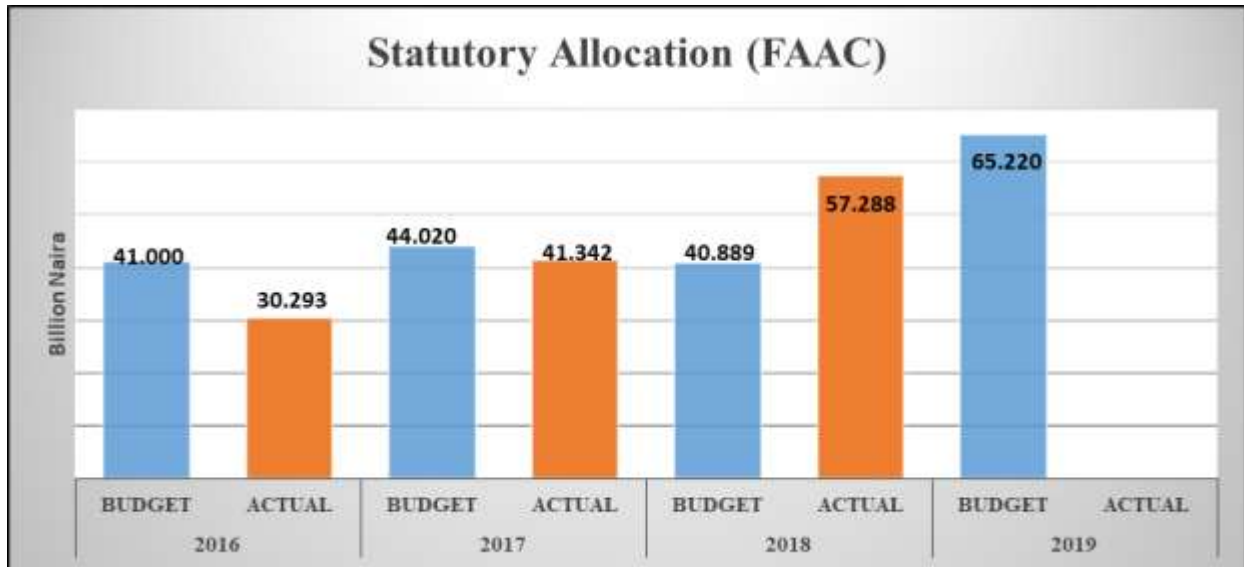
Total amount to be borrowed: **₦51,286,851,387.38**



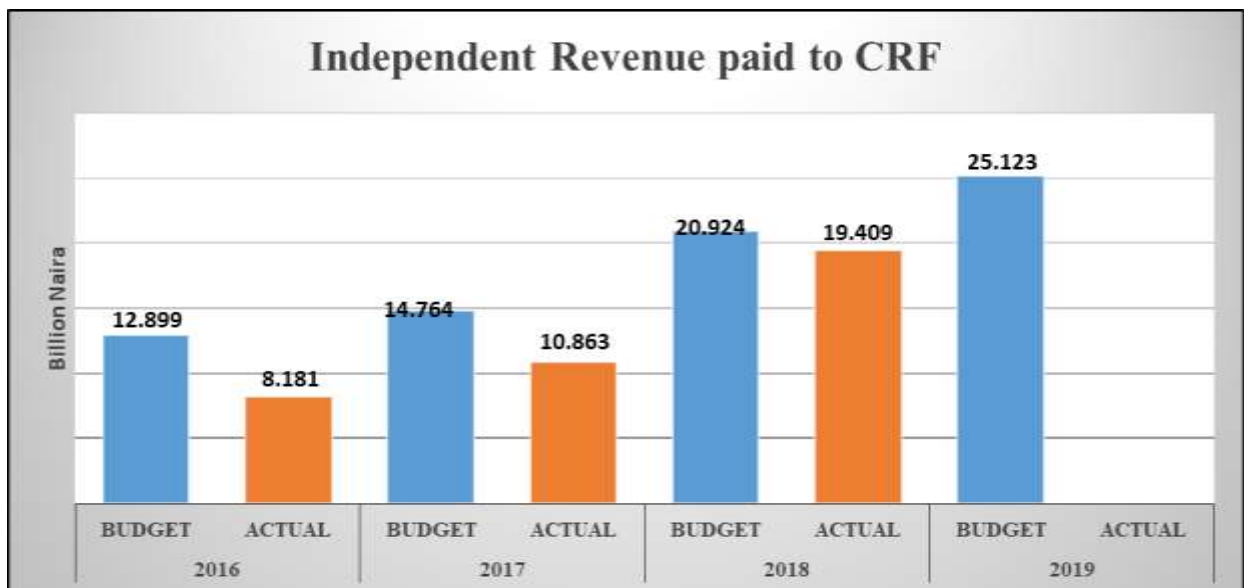
## REVENUE HISTORICAL TRENDS

**Revenue:** The graphs below show the four-year historical trends of the revenue sources.

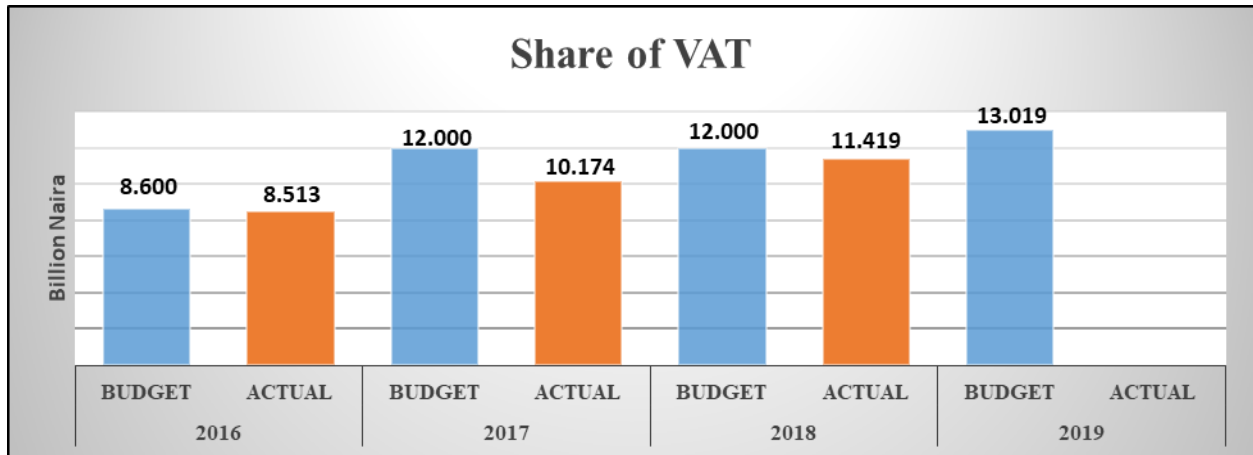
i. **Statutory Allocations** – Statutory Allocations are transfers from the Federation Accounts distributed to the three tiers of Government based on vertical and horizontal sharing formula. This also includes Mineral Derivation.



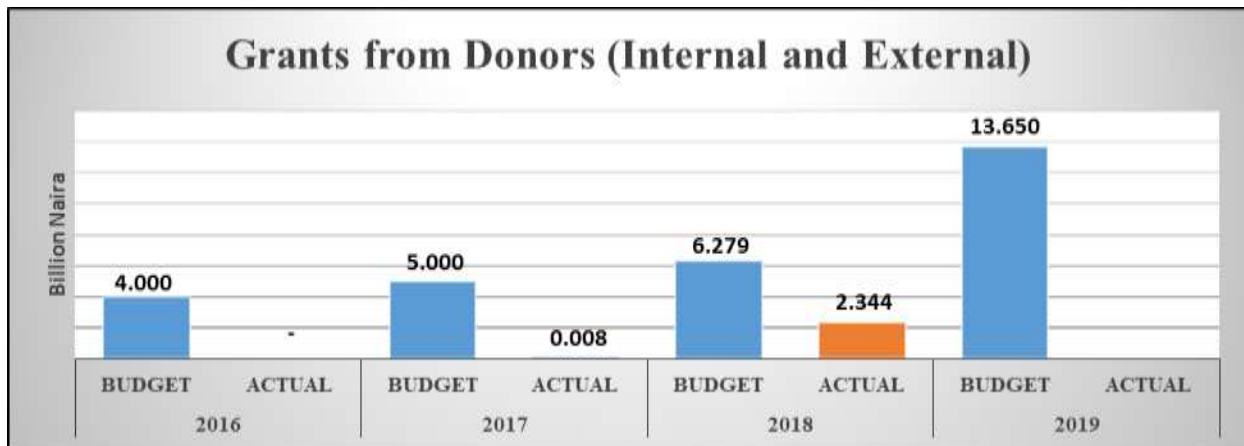
ii. **Independent Revenue (IR):** Independent Revenue also Known as the Internally Generated Revenue (IGR) is the total funds generated within the State.



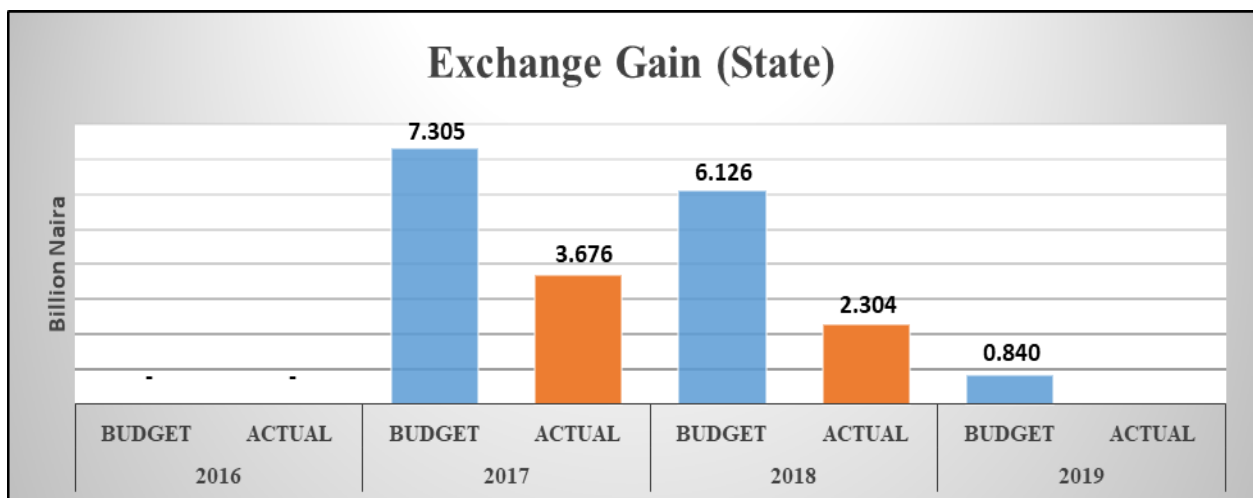
iii. **Value Added Tax (VAT):** is a tax placed on products whenever value is added at a stage of production and /or at the point of retail sale.



iv. Grants from Donors: Grants are non-refundable funds disbursed to the government to execute specific projects. Grants are not loans but gifts to government.

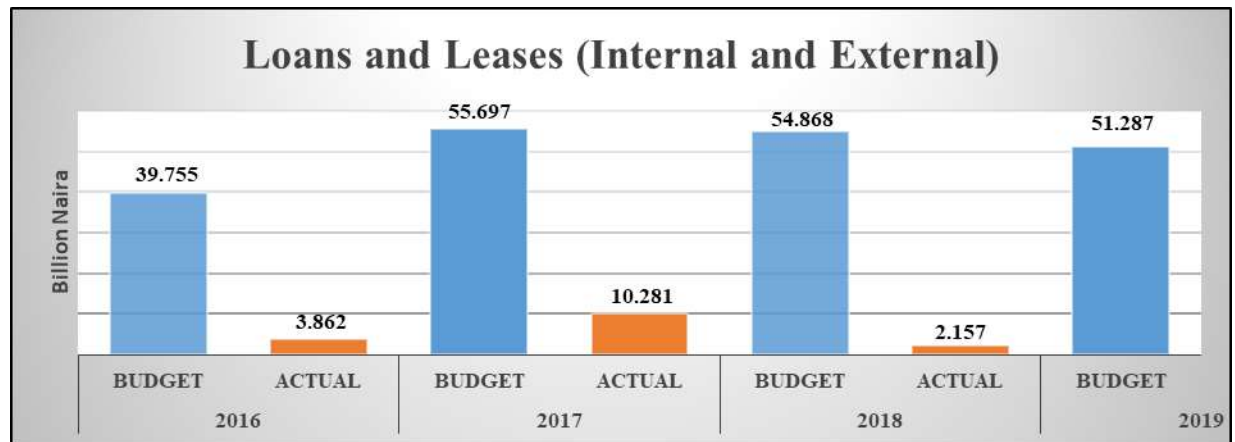


v. Exchange Gains: Exchange Gain is the increase in cash inflow caused by a positive change in the exchange rate of Naira in relation to Dollar. There was no such income from FG to the state before 2017.

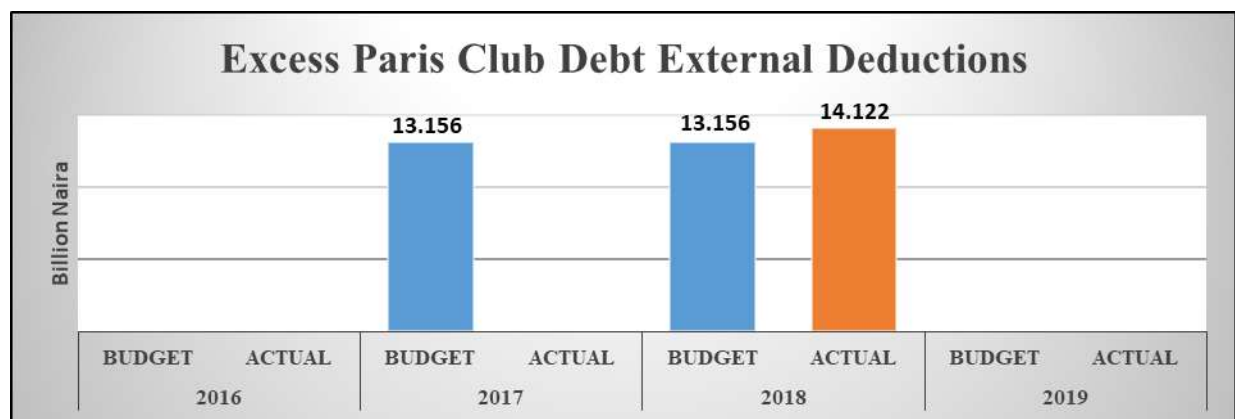




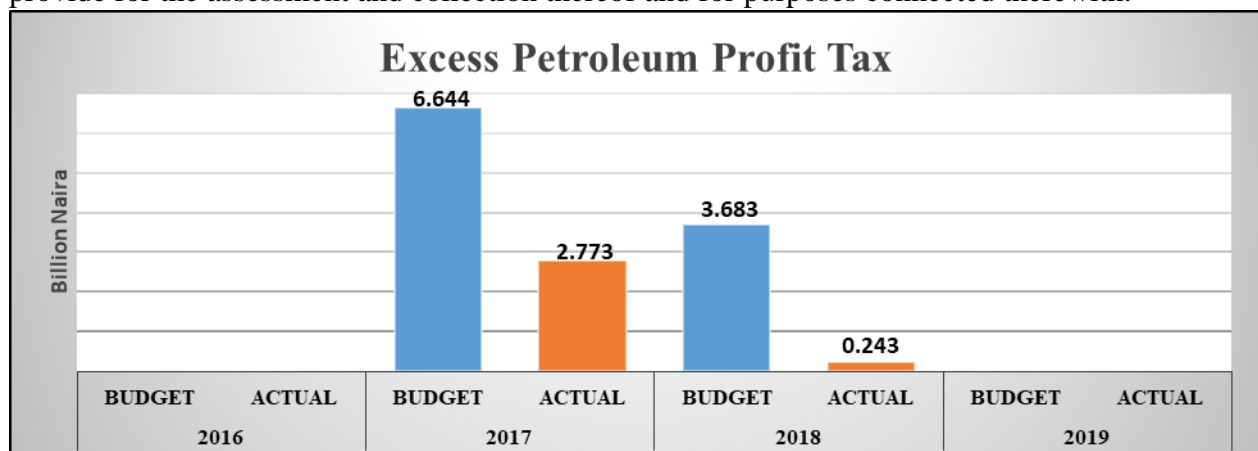
vi. Loans and Leases: This is the combination of both the long-term and short-term borrowings.



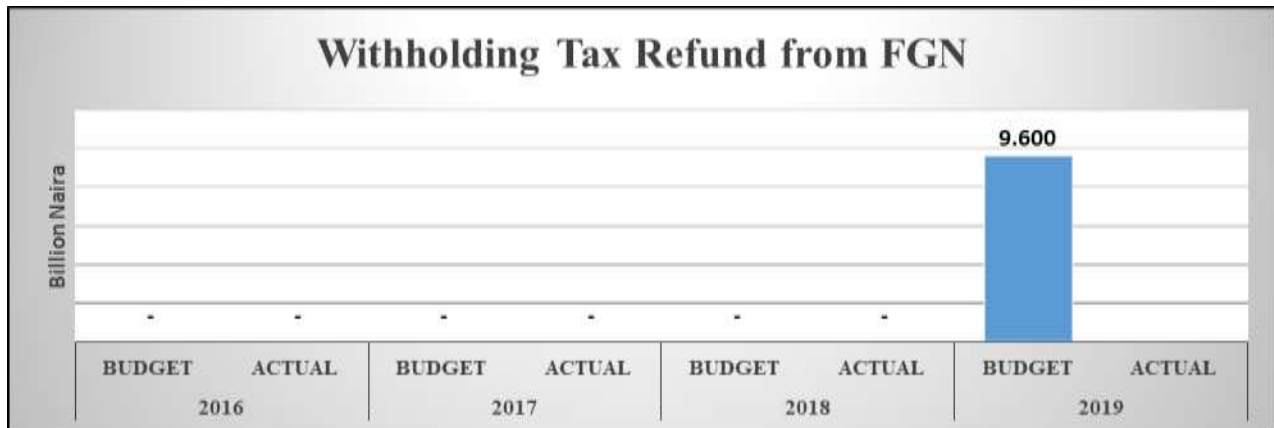
vii. Paris Club Refund: This is the fund released to the State Government by the Federal Government from the accumulated State funds earlier meant for the repayment of the Paris Club loan borrowed by the States and Federal Government, but later forgiven.



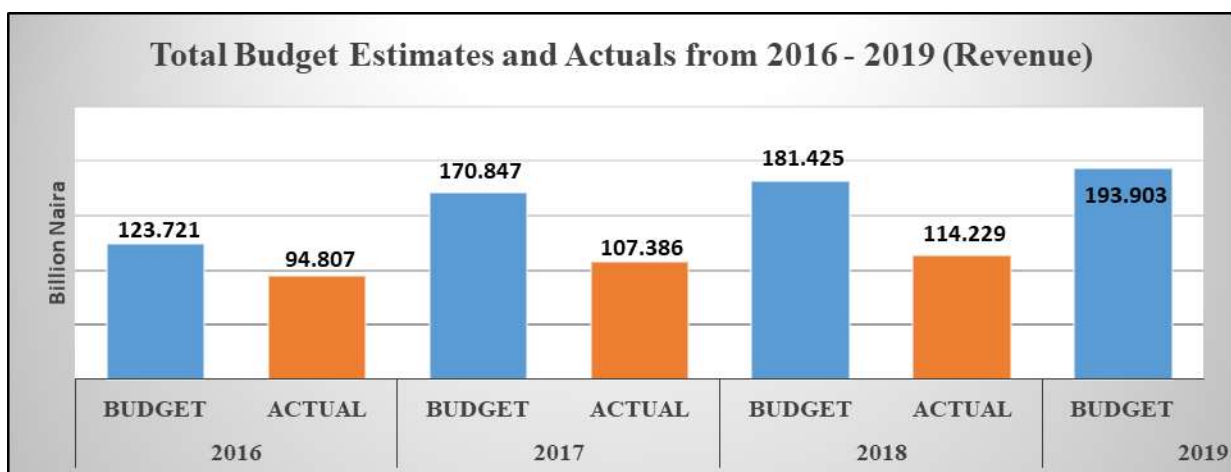
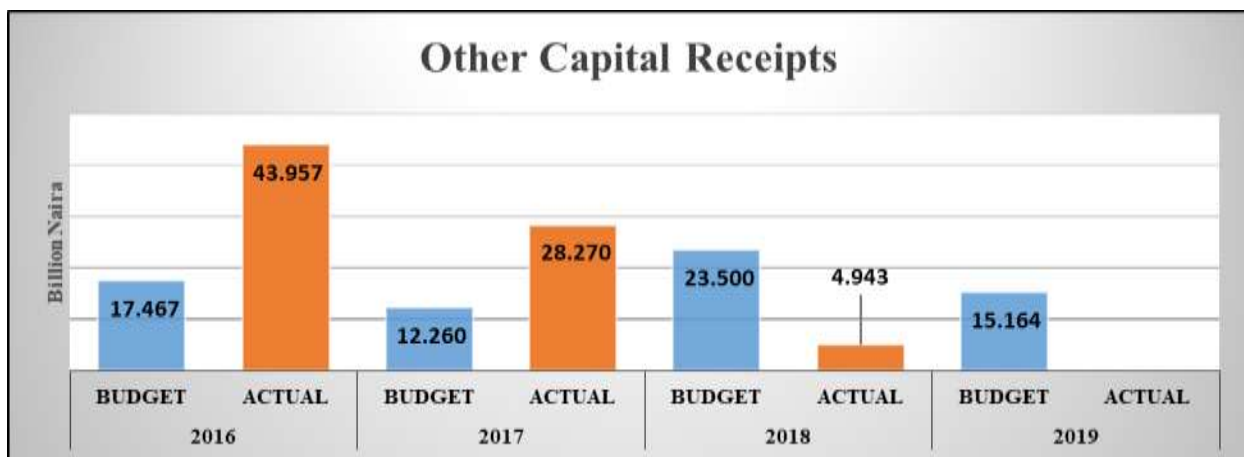
viii. Excess Petroleum Profit Tax: is a tax upon profits from refining Petroleum in Nigeria, to provide for the assessment and collection thereof and for purposes connected therewith.



ix. Withholding Tax Refund from Federal Government: Withholding Tax is an income tax paid to the government by the payer of income rather than the recipient of the income. This refund is the portion of the withholding tax that should have been paid to the State.



x. Other Capital Receipts comprise: Cash Reserve/Rollover Fund, Refund on Federal Roads, Forex Account Stabilization/ Excess Charges Refund.



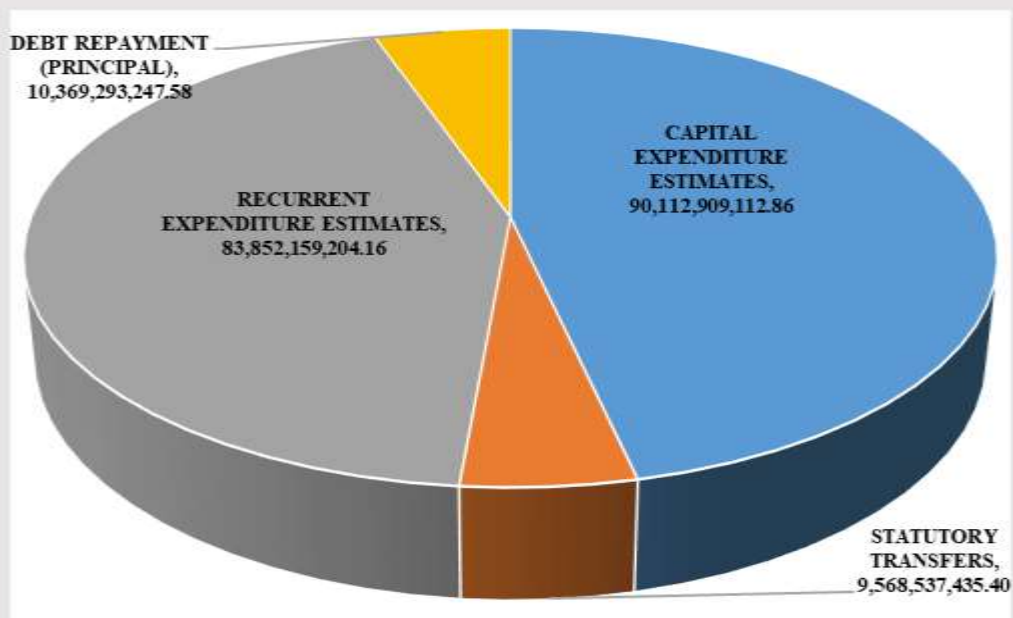
## HOW WILL GOVERNMENT SPEND THE MONEY?

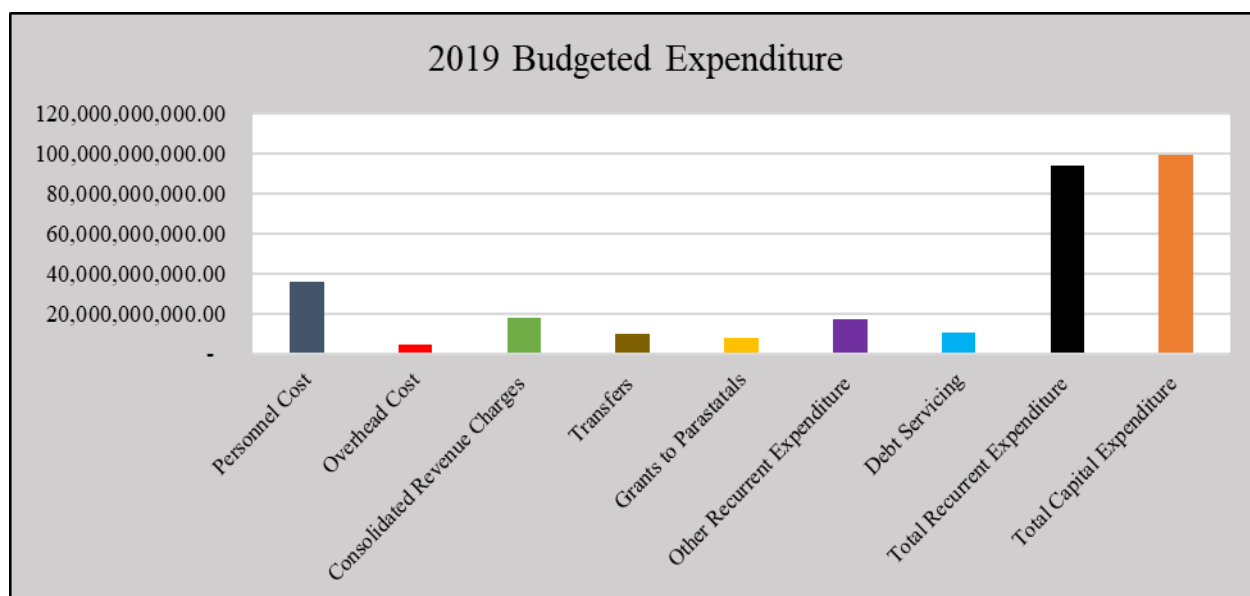


## SPENDING ALLOCATIONS



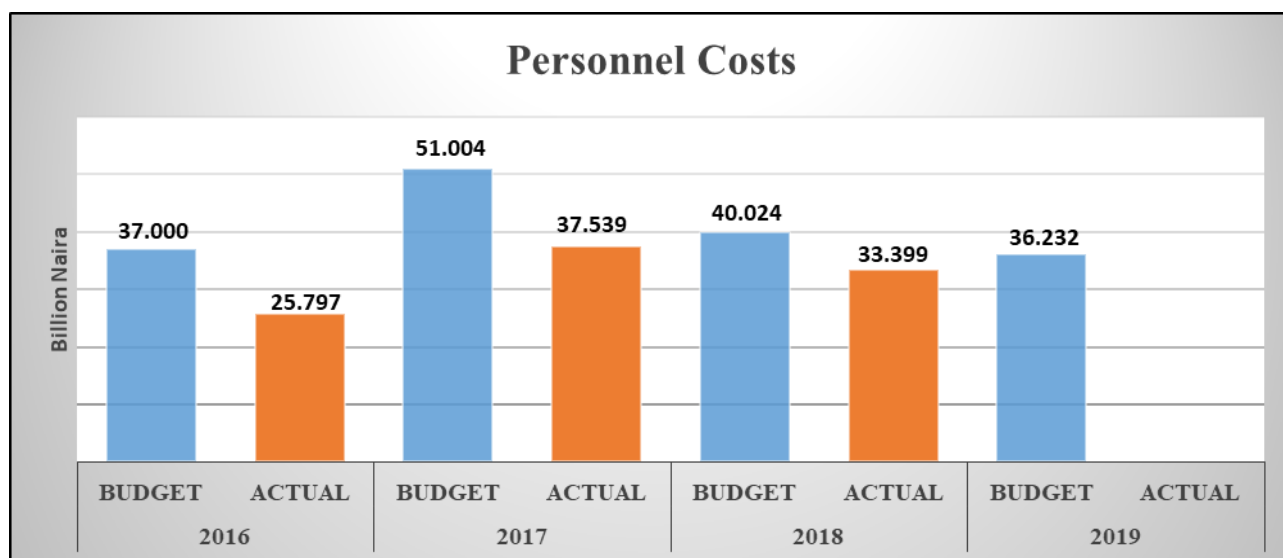
### How Are We Going To Spend the Money?



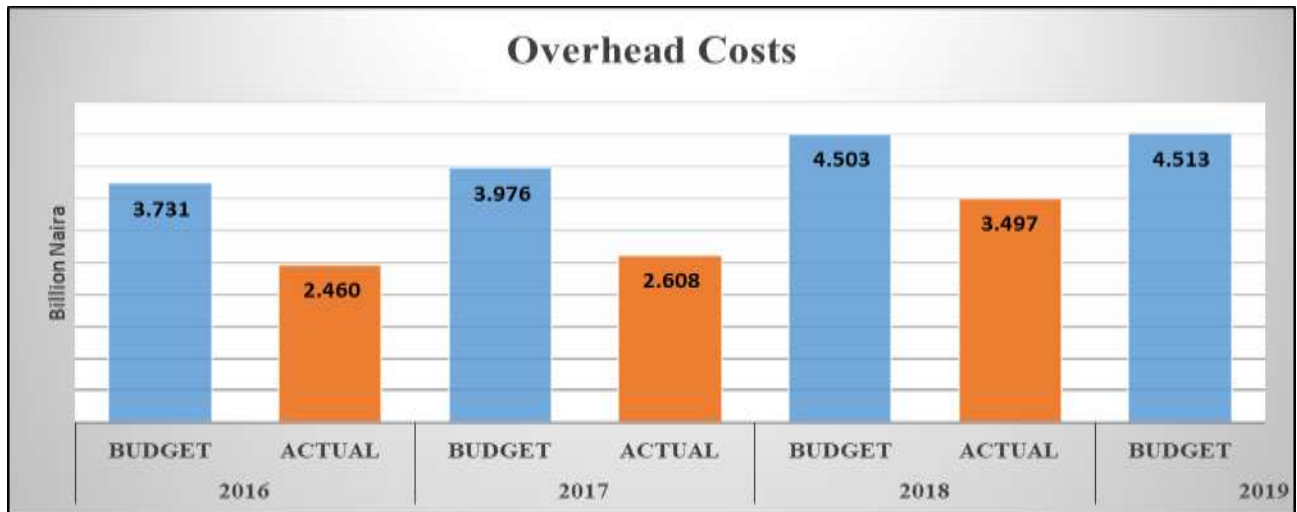


## EXPENDITURE HISTORICAL TRENDS:

i. Personnel Cost: Personnel Cost comprises salaries, benefits and allowances of civil servants, public servants in government agencies and parastatals, members of the State House of Assembly, Judicial Officers etc.



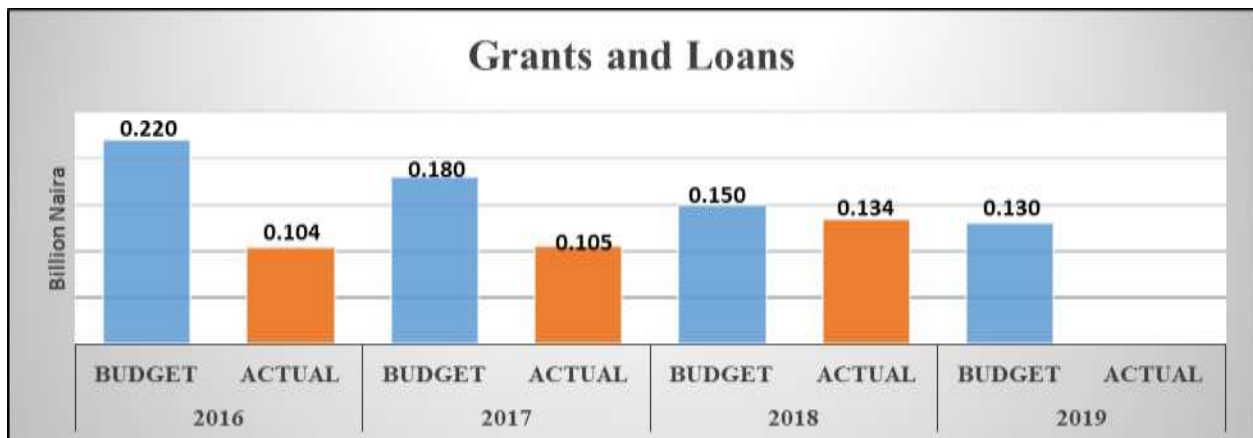
ii. Overhead Cost: are regular operational and maintenance cost for running government activities and programmes



iii. Special Programmes: are expenses that are not capital in nature but do not occur on monthly bases.

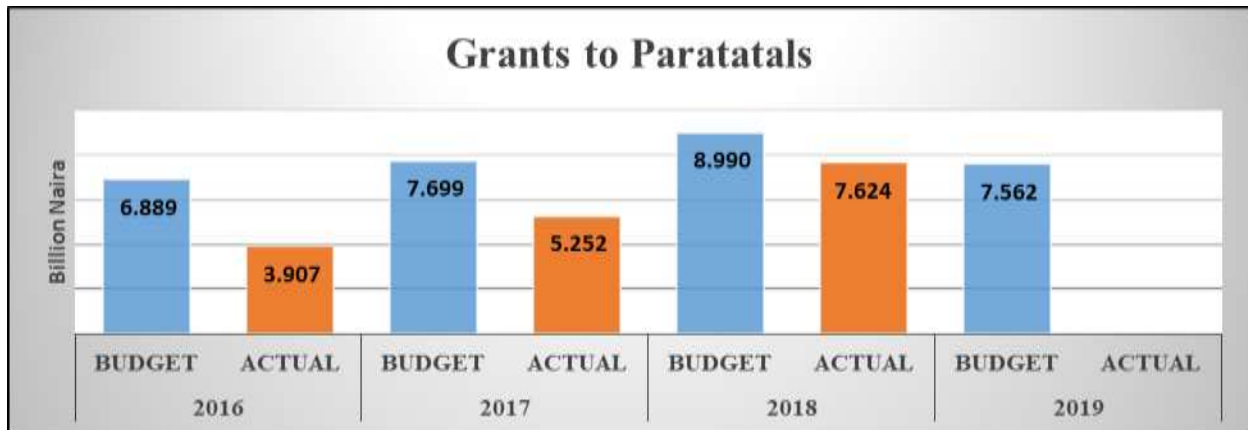


iv. Grants and Loans: This is the funds given to Owena Press by the state government.

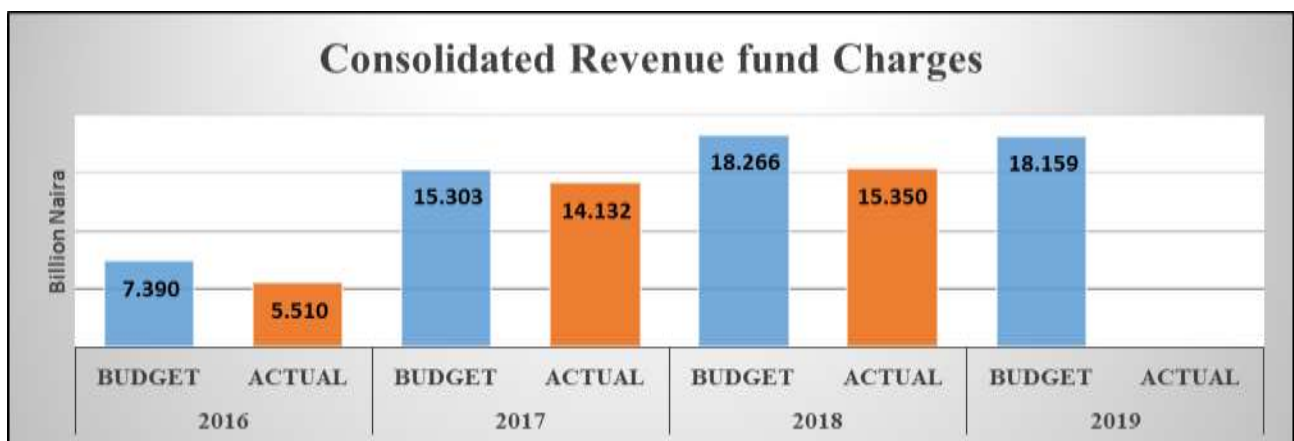




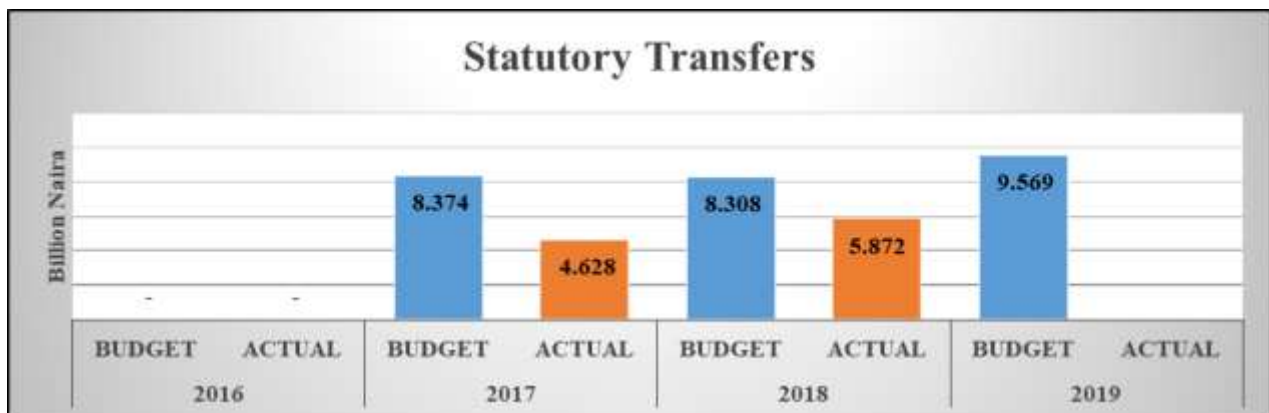
v. Grants to Parastatals: Grants to Parastatals are non-refundable funds given to governments establishments to run their activities.



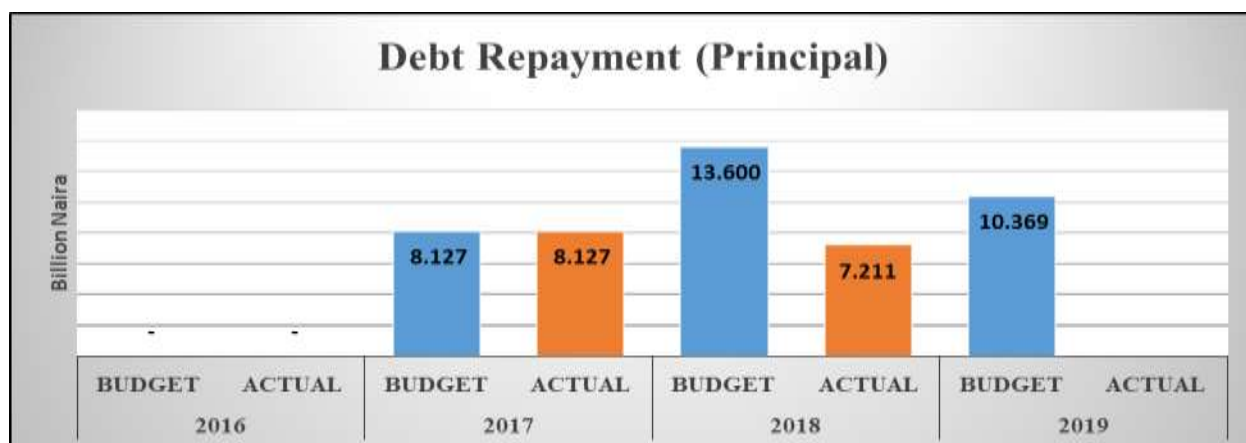
vi. Consolidated Revenue Fund Charges: Consolidated Revenue Fund (CRF) charges include Public Debt Charges, Pensions, Gratuities and Salaries of Political Office Holders.



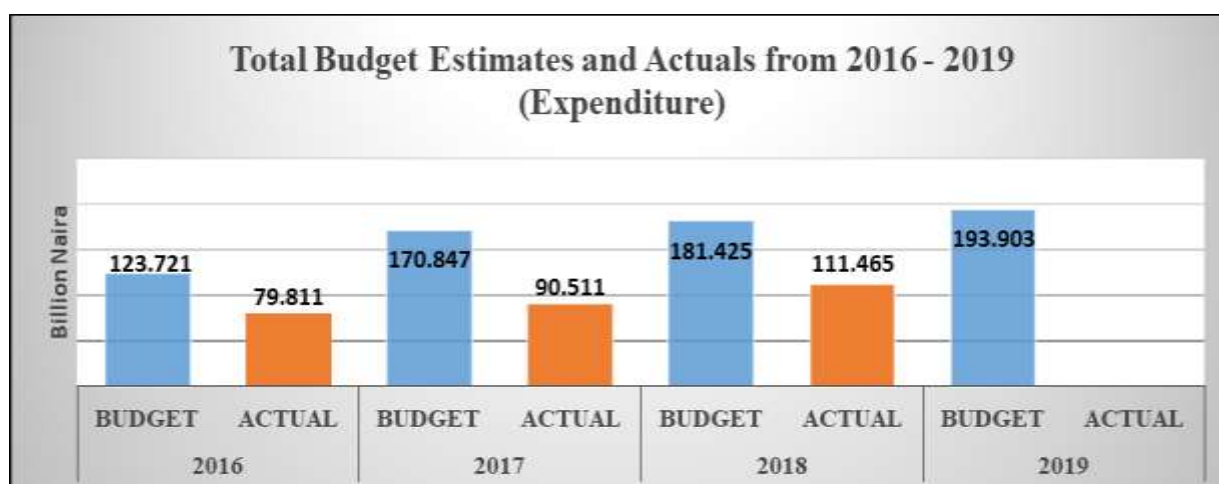
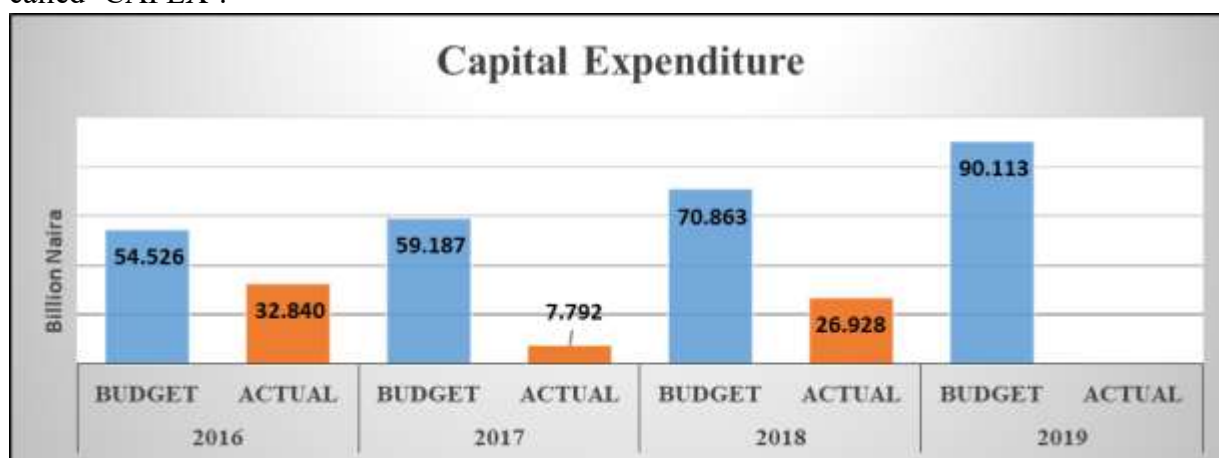
vii. Statutory Transfers: Statutory Transfer are funds made mandatory by law to be given to some statutory bodies like OSOPADEC , Local Governmt etc by the State.



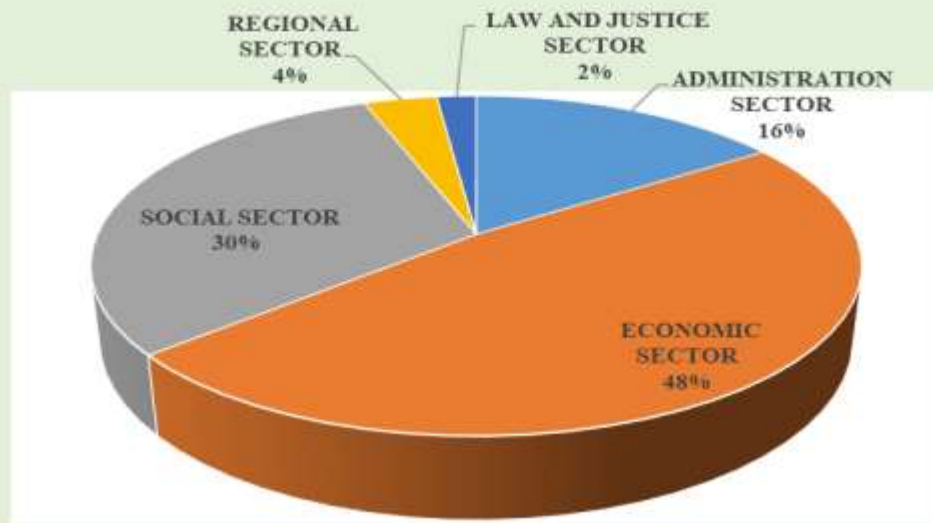
viii. **Debt Repayment (Principal):** This is the amount earmarked for the repayment of (both foreign and internal) debts owed by the government.



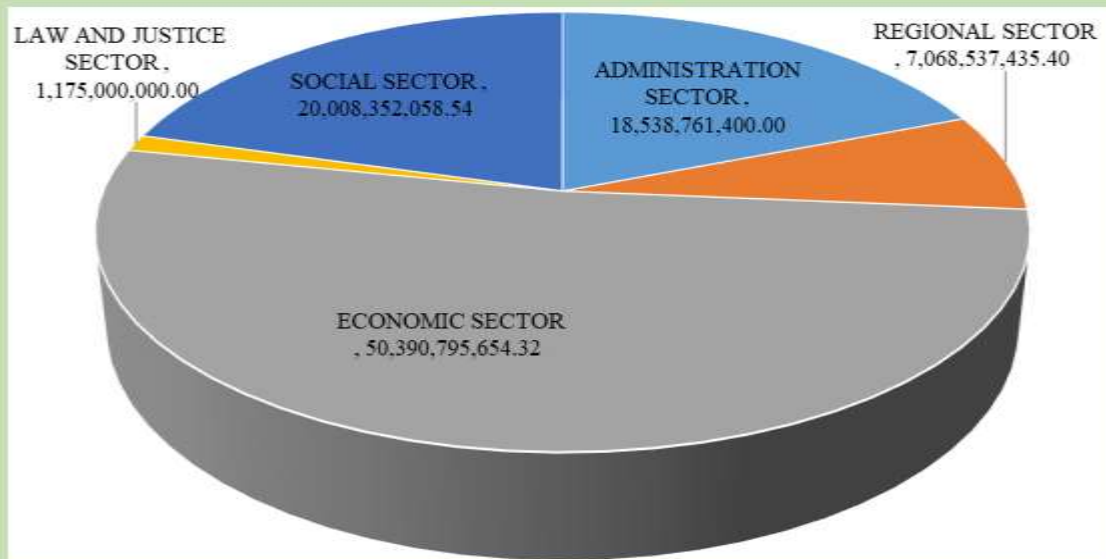
ix. **Capital Expenditure:** It is expenditure on fixed capital assets, land or intangible assets, building of schools, hospital, roads, security equipment etc. Capital Expenditure is otherwise called 'CAPEX'.



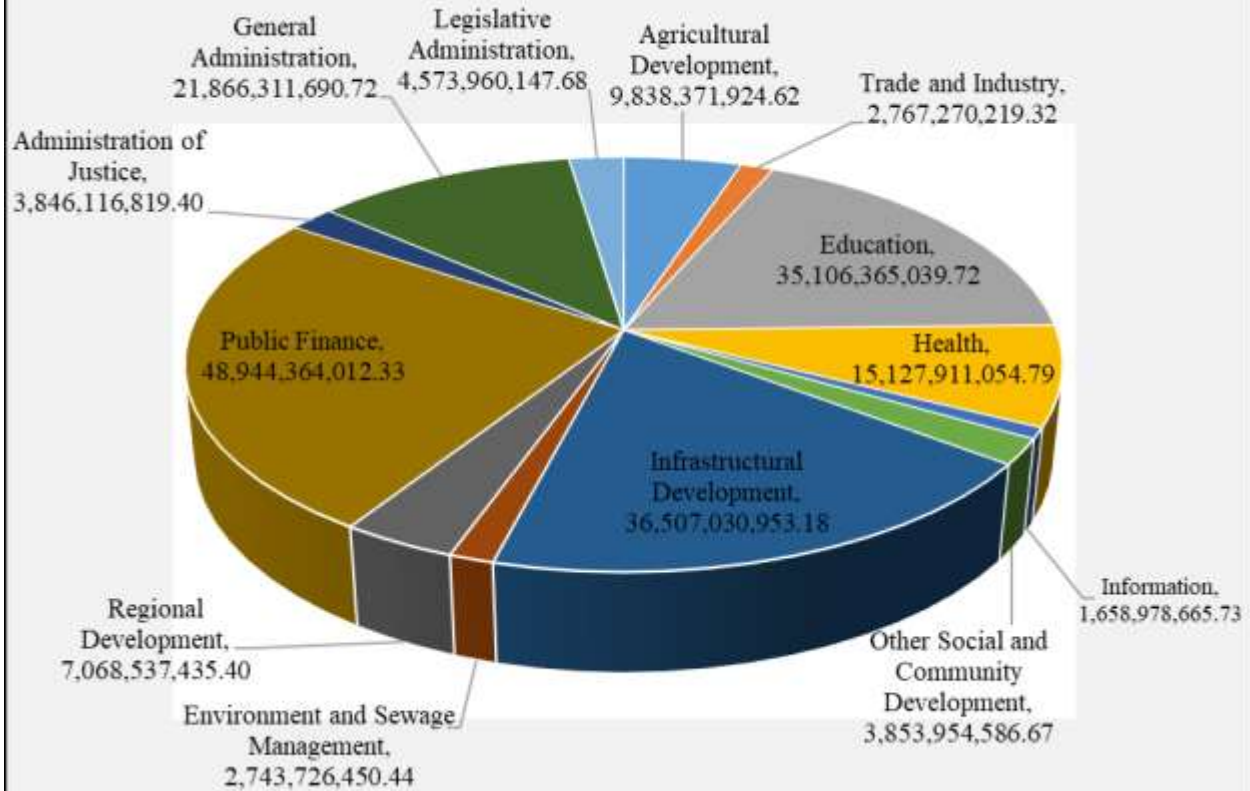
### 2019 Budget Allocation Based on IPSAS Sector



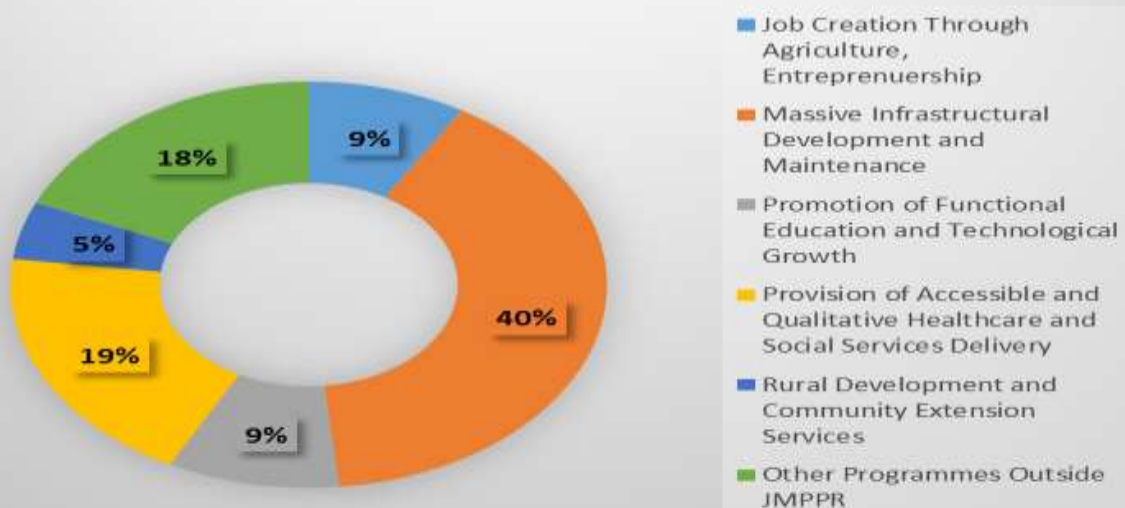
### 2019 Capital Budget Allocation Based on IPSAS Sector



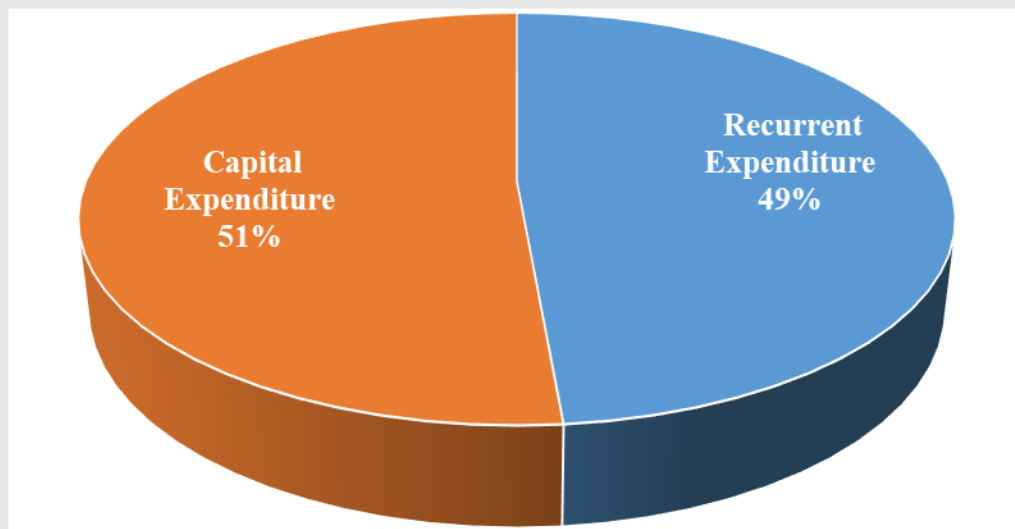
### Budget Allocation Based On State Sub-Sector



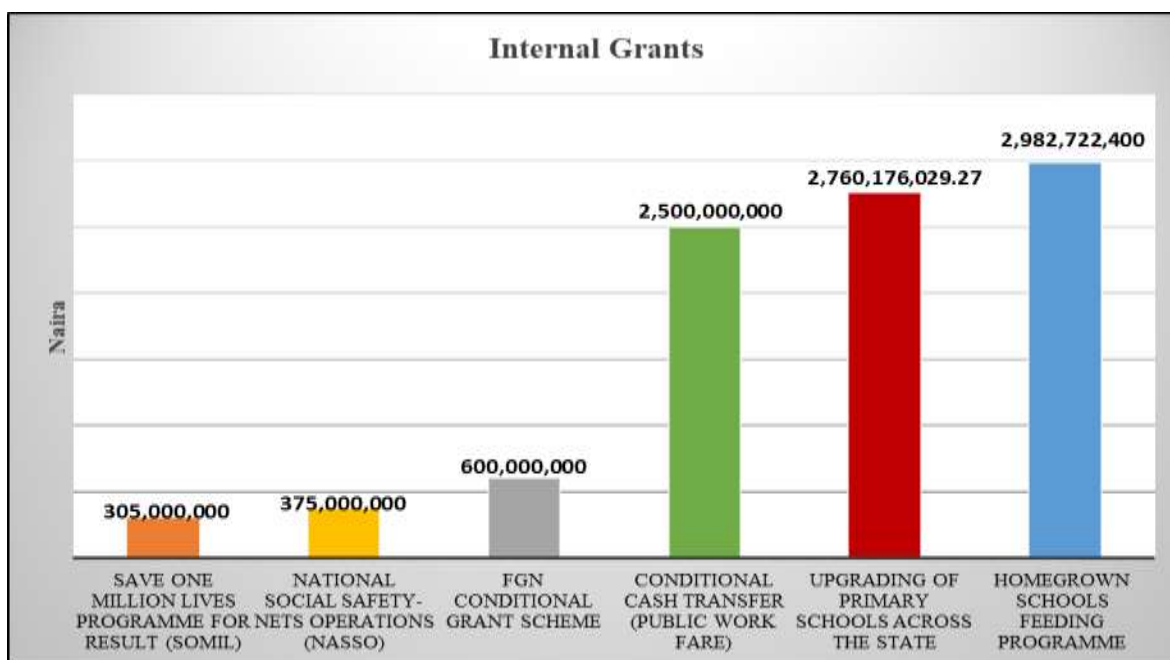
### Capital Allocation Based on State Government Policy (JMPPR)



### Capita Expenditure Vs Recurrent Expenditure 2019



### INTERNAL GRANTS: N9.523B





**N600M**



FGN Conditional Grant Scheme

**N2.5B**



Fund Transfer (Public Work Fare)

**N375M**



NASSO

**N2.760B**



Upgrading of Primary Schools

**N2.982B**



Homegrown Schools Feeding Prog

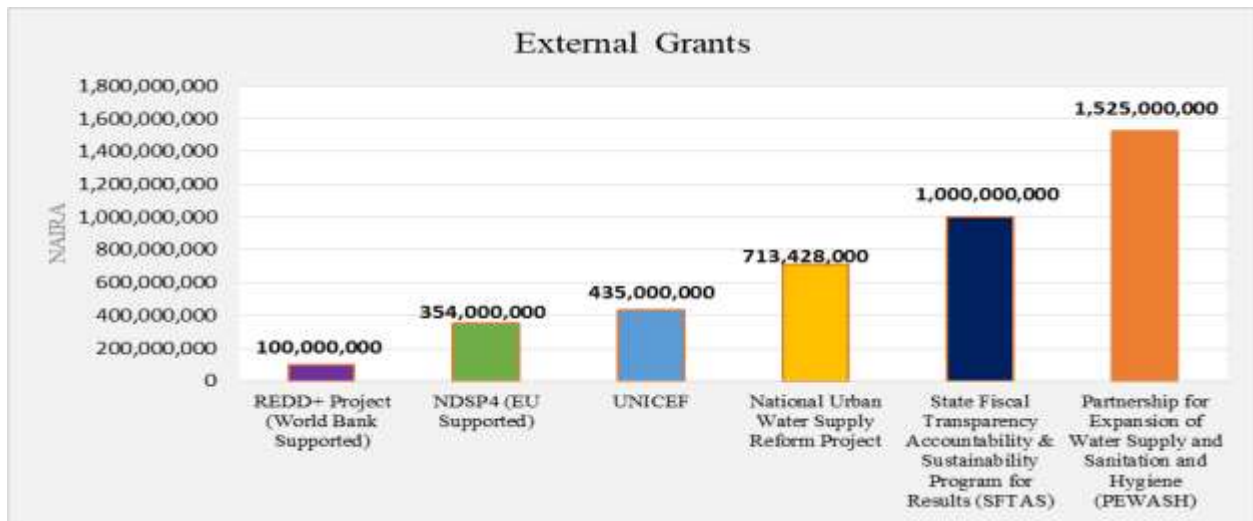
**N305M**



Save One Million Lives Prog.



# EXTERNAL GRANTS: N4.127B



**N435M**

UNICEF Grant

**N354M**

NDSP4 (EU Supported) Grant

**N713.4M**

Urban Water Supply Reform Project

**N100M**

REDD+ Project (World Supported)

**N1B**

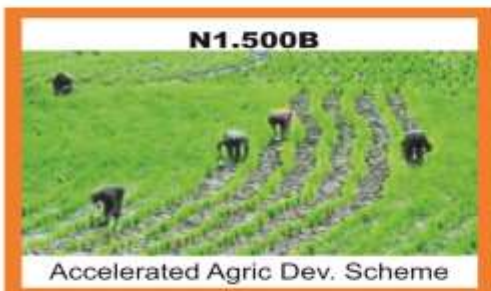
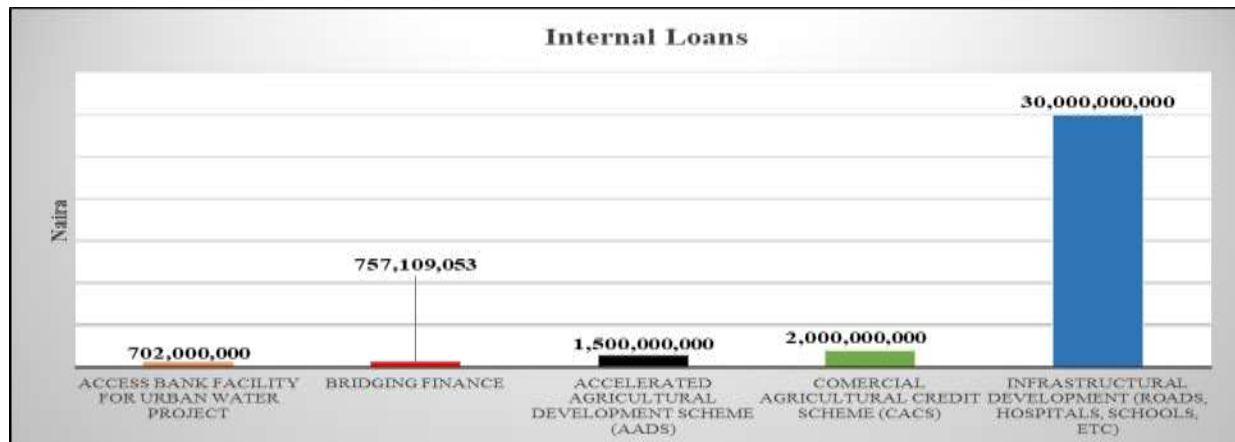
Fiscal Transparency

State Fiscal Transparency Accountability And Sustainability Programme

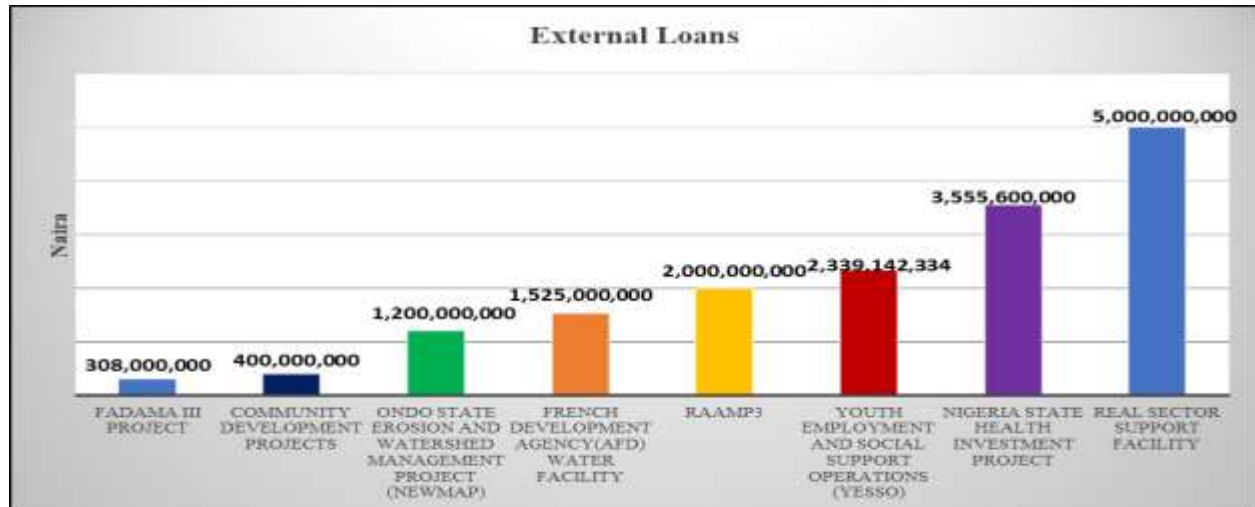
**N1.525B**

Water Sanitation and Hygiene Grants

# INTERNAL LOANS: N34.959B



















## EXTERNAL LOANS: N16.328B





## SELECTED CAPITAL PROJECTS ACROSS THE STATE

<b>N542.5M</b>  Establishment/Mgt. Of Deep Sea Port	<b>N4.23B</b>  Provision of Portable Water	<b>N2B</b>  Dualisation of Shoprite Road - Oda Town	<b>N795M</b>  Renovation of Schools
<b>N1.78B</b>  Primary School Feeding	<b>N3.555B</b>  Health Investment Project Credit (World Bank Assisted)	<b>N5.446B</b>  SUBEB/UBEC Contribution (GCC)	<b>5.0B</b>  Infrastructure Development Fund
<b>N1.5B</b>  OSAEC Project	<b>N2.57B</b>  YESSO Programme	<b>19.438B</b>  Rehabilitation/Construction State Highways	<b>N720.6M</b>  Investible Fund
<b>N857M</b>  Const./Renovation of Hospitalst	<b>N2.5B</b>  Construction of Rural Roads (RAAMP)	<b>N2.5B</b>  Public Workfare	<b>N1.3B</b>  New Map Programme

**BEING AN ADDRESS DELIVERED BY ARAKUNRIN OLUWAROTIMI  
AKEREDOLU, SAN, GOVERNOR OF ONDO STATE, ON THE OCCASION OF THE  
SIGNING OF THE 2019 APPROPRIATION BILL INTO LAW, HELD ON THURSDAY,  
31<sup>ST</sup> JANUARY, 2019 AT THE EXCO CHAMBER, GOVERNOR'S OFFICE, AKURE**

Protocol.

We have every cause to express profound gratitude to the Almighty who has bestowed uncommon Grace on us to see the light of this day. I am particularly elated to stand before you, once again, today for a very important assignment of State, signing the Appropriation Bill into Law.

It is an annual event and, I dare to add, the most significant. The seriousness attached to this business of State should find expression in marked improvement in the conditions of living of our people. I stand before the representatives of the people, yet again, imbued with the confidence in our readiness to discharge our mandate.

Let me hasten to thank the Honourable Speaker and other principal officers of the House, and indeed all honourable members for the unalloyed cooperation this Administration has enjoyed till this moment. We acknowledge the fact that the journey would have been much more daunting without the harmonious relationship which has been existing between the leadership of this Administration and other levels of responsibilities for almost two years now.

Let me put on record the uncommon sacrifice of Mr Speaker and the members of the House of Assembly for the speed with which they considered the 2019 Appropriation Bill. They, in an unequivocal expression of their patriotism to the State, had to resume from their annual parliamentary recess, a situation which has even compelled some of them to suspend their scheduled electioneering campaigns to attend to the Bill and pass it without compromising the integrity of the document. A special mention must be made of the diligence and patriotism of the Chairman and members of the Finance and Appropriation Committee. They have exhibited uncommon devotion for public service in the consideration and passage of the Bill. It is noteworthy that, in spite of the short time available for this exercise, nothing escaped the painstaking scrutiny of the Committee. Minutest details were questioned and clarified before final passage. Our people are grateful for this exemplary conduct.

The 2019 budget was prepared on the basis of the inputs garnered during our Town Hall meetings with various stakeholders across the State and the 5-point development agenda (the Blueprint to Progress) of this Administration. It is the major platform upon which our aspirations and dreams for the State shall be translated into tangible and life transforming projects or programmes in the 2019 fiscal year.

The 2019 budget, aptly christened the Budget of Advancement, which has just been signed into Law, has a total size of ₦193.903 Billion. Of this amount ₦10.369 Billion representing 5.3% is for Debt Service; ₦9.568 Billion representing 4.9% is for Statutory Transfers to OSOPADEC and the 10% share of Independent Revenue to Joint Account and Allocation Committee (JAAC) of Local Governments in the State. The sums of ₦83.852 Billion and ₦90.113 Billion

representing 43.2% and 46.5% are for Recurrent Expenditure and Capital Development, respectively. I wish to reiterate that the main objective of the budget is to advance the State to a higher level through completion of the on-going projects across the State.

Distinguished Ladies and Gentlemen, Government is not unaware of the challenges posed by inadequacy of funds to effective and impactful budget implementation. This is not unconnected with our inability to grow our Independent Revenue to a level where we can cover most of our recurrent expenditure from funds generated internally. It is also disheartening to note that some Development Partners, in recent times, have failed to meet up with their terms of agreement. Consequently, some of our government agencies have not been able to access their expected draw-downs.

To avert the above, we have resolved to sustain the use of ICT and engagement of revenue consultants to help drive independent revenue generation. These steps will assist in plugging the loopholes used by unscrupulous elements in the Public Service to deprive the State of deserved revenue. This Administration will continue to take the issue of workers' welfare seriously. We will equally not fail to sanction any erring public servant.

We also solicit the voluntary cooperation of all residents in the State to be faithful in the payment of their taxes and levies. We seek the understanding of our traditional rulers and leaders of thought in our various communities in disseminating the important information on the need for our citizens to perform their civic responsibilities. We must cultivate the habit of paying taxes. Appointed revenue collectors will be moving into the nooks and crannies of the State. We look forward to enjoying the cooperation of all stakeholders in this regard.

Mr Speaker, members of the press, distinguished ladies and gentlemen, this Administration intends to continue to approach all issues of governance with the required *gravitas*. We shall proceed with renewed determination, despite the stated challenges. I wish to assure you that this budget will be implemented, faithfully, in our quest to deliver the dividends of democracy and good governance to our people. We will make sure that we have good value for every naira spent. We anticipate creation of more jobs for our youths. We shall deepen our engagement in developing infrastructural facilities. Provision of functional education and qualitative health care services remain our priorities.

Finally, I wish to express my gratitude to the other two arms of government for their unparalleled support and cooperation since the inception of this Administration. I appreciate the efforts of our traditional rulers, religious and political leaders in ensuring peace in our communities. I thank, specially, the various security Agencies, for their feat in curtailing the nefarious activities of criminals and other social deviants in the last few weeks. I enjoin you to sustain this peaceful atmosphere as we approach the upcoming general elections, and even beyond.

I thank you all for your patience.

**ARAKUNRIN OLUWAROTIMI O. AKEEDOLU, SAN**  
**GOVERNOR, ONDO STATE**



For further enquiries, please contact:

- Permanent Secretary – 08033527357
- Director Budget – 08035307218
- Assistant Director Budget - 07030292713
- Budget Portal: [www.ondobudget.org/budget\\_information.php](http://www.ondobudget.org/budget_information.php)
- Budget email address: [ondobudget@yahoo.com](mailto:ondobudget@yahoo.com)
- Ministry's email Address: [ondoplanningandbudget@gmail.com](mailto:ondoplanningandbudget@gmail.com)
- Ministry's website: [www.mepbondostate.org](http://www.mepbondostate.org)