

GOVERNMENT OF ENUGU STATE OF NIGERIA

**2019
FOURTH QUARTER &
CONSOLIDATED
BUDGET IMPLEMENTATION
REPORT**

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FOREWORD

The 2019 fourth quarter and consolidated budget implementation report involves presentation of budgetary outcomes, comparison of actuals with budgetary provisions, fiscal analysis, as well as explanation of variations from estimates of the 2019 Budget titled “**Budget of Peace, Equity and Prosperity**”. The budget of peace, equity and prosperity built on the peaceful coexistence in the State was to ensure even distribution of resources and to maintain the momentum on building new infrastructure, rebuilding existing social and physical infrastructure for the benefit of Enugu citizens and residents in the year 2019. The approved State Budget stood at **N109,199,243,000** (One Hundred and nine billion, one hundred and ninety-nine million, two hundred and forty-three thousand naira) in 2019 fiscal year. However, there were two (2) series of budget revision aimed at reordering the budgetary allocations according to government priorities to building new infrastructure, rebuilding existing social and physical infrastructure.

With the need to deepen openness in governance which Enugu State is committed to, I am pleased to present to you the 2019 fourth quarter and consolidated budget implementation report. This report provides detailed information on Enugu State Government budget performance for the year ended 31st December, 2019. As a 2019 fourth quarter and consolidated report, it evidenced the numerous achievements of Enugu State Government in the year 2019 under the steer-ship of His Excellency, Rt. Hon. Ifeanyi Ugwuanyi who is painstakingly but meekly ensuring the building and rebuilding of existing social and physical infrastructure for the benefit of Enugu citizens and residents.

The preparation and presentation of this report was indeed tasking and I sincerely thank the staff of Ministry of Budget and Planning for achieving this task. I also extend my sincere thanks to our colleagues in the Office of the Accountant General of Enugu State for their efforts in reconciling and corroborating the data required for this report.

Thank you.

Dr. David Okelue Ugwunta
Hon. Commissioner,
Ministry of Budget and Planning, Enugu State.

PREFACE

The 2019 Budget fourth quarter performance report was informed by various activities that happened in the economy within the period. It must however be noted that Government was at its formation stage at this period as the second term of the regime was just taking off in September with the constitution of the New State Executive Council. There was a lull in activity as the New Executive Council was just learning the rope; and not much activities took place in this quarter.

It must be noted also that the growth in 2019 has shown to be much stronger than every other quarter leading to a cumulative growth of 2.7% by the end of the third quarter. This has renewed confidence in the country's growth prospects. The 2019 Budget was prepared under a cautious optimism due to the underlying unpredictable environment caused mainly by the 2019 general Election which was to take the shine off the economic activities of the state. However, despite the noise of the political environment, so much was achieved through the implementation of the Budget. The Budget was passed very early on the 17th of January, 2019, having been presented to the House of Assembly on 28th December, 2018.

From the data gathered from both the state Board of internal revenue and the office of the Accountant General, it was shown that the oil sale dipped to \$57.37 per barrel in the last quarter of 2019 as against \$64.17 per barrel it was sold in the third quarter.

The outcome of the year 2019 Budget Implementation was robust in all ramification; the revenue was strong in performance as well as the implementation of the recurrent and capital expenditures. I want to thank the officers who compiled this report for their due diligence, and the office of the Accountant General of the state for making the figures available for our analysis and reporting.

I enjoin all and sundry to take time to go through this report for real appreciation of the effort put into the compilation; while I thank His Excellency the Governor for giving us the necessary enablement to actualize our vision and mission.

Ugwu Casmir K.

Permanent Secretary

Ministry of Budget and Planning, Enugu State.

TABLE OF CONTENTS

| | |
|--|-----|
| Foreword | ii |
| Preface | iii |
| Table of Contents | iv |
| List of Tables | v |
| List of Figures | vi |
| Executive Summary | vii |
| 1.0 Introduction | 1 |
| 2.0 Macro-Economic Development and Analysis | 3 |
| 3.0 Analysis of the 2019 Fourth Quarter and Consolidated Budget Implementation | 6 |
| 3.1 2019 Fiscal Framework/Budget Assumptions | 6 |
| 3.2 Enugu State 2019 Resource Profile | 7 |
| 3.3 Analysis of Recurrent Revenue and Capital Receipts Performance | 8 |
| 3.3.1 Recurrent Revenue Fourth Quarter 2019 And Consolidated Performance | 8 |
| 3.3.2 Capital Receipts Performance | 13 |
| 3.3.3 Fourth Quarter of 2019 Vs 2018 Revenue Performance | 15 |
| 3.4 Analysis of Recurrent and Capital Expenditure Performance | 16 |
| 3.4.1 Comparison of Q4 2019 Vs Q4 2018 Expenditure Performance | 16 |
| 3.4.2 Recurrent Expenditure Performance | 19 |
| 3.4.3 Capital Expenditure Performance | 23 |
| 3.4.4 MDAs' Capital Vote Utilization | 26 |
| 4.0 Conclusion | 25 |

LIST OF TABLES

| | |
|--|----|
| Table 2.1: 2019 Economic Update in the State | 4 |
| Table 3.1: 2019 Budget Micro Economic Assumptions | 6 |
| Table 3.2: 2019 Resource Profile | 7 |
| Table 3.3: 2019 Inflows (1 st January – 31 st December) | 8 |
| Table 3.4: Q1, Q2, Q3, Q4 and consolidated 2019 Revenue Performance (Budget Vs Actual) | 9 |
| Table 3.5: Comparison of Q4 2019 and Q4 2018 Revenue Performance | 15 |
| Table 3.6: Q4 2019 Vs Q4 2018 Expenditure Performance | 16 |
| Table 3.7: Performance of Aggregate Expenditure in the Fourth Quarter of 2019 Vs 2018 | 17 |
| Table 3.8: Outflows from Enugu State 2019 Budget as at 31st December 2019 | 18 |
| Table 3.9: Performance of Budget Expenditure and Actual in the 2019 Fourth Quarter | 19 |
| Table 3.10: Summary of 4th Quarter Recurrent Performance | 20 |
| Table 3.11: Consolidated Recurrent Budget Performance (Jan –Dec 2019) | 21 |
| Table 3.12: Comparism of 2018/2019 Recurrent Performance | 21 |
| Table 3.13: Details of Recurrent Expenditure Annual Performance (Jan – Dec) | 22 |
| Table 3.14: Summary of recurrent Quarterly performance | 22 |
| Table 3.15: Allocation of Capital Expenditure by sector | 23 |
| Table 3.16: Quarterly Capital Expenditure by sector | 24 |
| Table 3.17: Monthly Capital Expenditure | 24 |
| Table 3.18: Q4 2019 Aggregate Expenditure | 26 |
| Table 3.19: Q4 2019 Aggregate Expenditure Performance | 27 |

LIST OF FIGURES

| | |
|--|----|
| Figure 3.1: Statutory Allocation (Fourth Quarter/January – December 2019) | 9 |
| Figure 3.2: Value Added Tax (VAT) (Fourth Quarter/January – December 2019) | 10 |
| Figure 3.3: Main IGR (Fourth Quarter/January – December 2019) | 11 |
| Figure 3.4: Retained Earnings (Fourth Quarter/January – December 2019) | 12 |
| Figure 3.5: Aids and Grants (Fourth Quarter/January – December 2019) | 13 |
| Figure 3.6: Public Private Partnership (Fourth Quarter/January – December 2019) | 13 |
| Figure 3.7: Internal Loan (Fourth Quarter/January – December 2019) | 14 |
| Figure 3.8: International/External Loan (Fourth Quarter/January – December 2019) | 14 |
| Figure 3.9: 2019 Vs 2018 Fourth Quarter Revenue Performance | 16 |
| Figure 3.10: 2019 Vs 2018 Fourth Quarter Expenditure Performance | 17 |
| Figure 3.11: Q4 2019 Vs Q4 2018 Aggregate Expenditure Performance | 18 |
| Figure 3.12: MDAs Capital Budget Release by MDAs (as at 31st December, 2019) | 26 |
| Figure 3.13: Q4 2019 Aggregate Expenditure | 28 |

EXECUTIVE SUMMARY

The year 2019 was a year loaded with activities both in the political and economic senses. It was therefore no wonder that economic activities were slowed down due to distractions from the political activities. Notwithstanding the political activities that took place within the greater part of the year, a lot was still achieved in the economic environment. Many Project were executed, while the state work force had their salaries paid promptly and all other overhead items were equally given adequate attention.

The year 2019 was built on very cautious optimism, coming from the recession of 2017 and the gradual pick-up by 2018. On this premise, the budget was predicated on the following benchmarks or economic assumptions:

| | | |
|-------------------|---|--------------------|
| Oil Revenue price | - | \$60.00 per barrel |
| Oil production | - | 2.3 bpd |
| Exchange Rate | - | N 305/\$ |
| GDP growth | - | 3.01% |
| Inflation Rate | - | 9.98%. |

Knowing that the nation's economic activities revolve around the oil economy, the activities in the oil market influenced the State earnings in 2019 greatly. This informed the budget expectation for FAAC receipt to be predicated on ₦65.9 billion, while targeted ₦27.7 billion was targeted for the IGR in the year 2019. A budget of One Hundred and Nine Billion, One Hundred and Ninety Nine Million, Two Hundred and Forty Three Thousand Naira (N109,199,243,000.00) was approved for the year 2019. This is made up of Sixty Five Billion, Seven Hundred and Five Million, Nine Hundred Thousand Naira (N65,705,900,000.00) or 60.00% of recurrent budget and a capita budget of Forty Three Billion, Four Hundred and Ninety Three Million, Three Hundred and Forty Three Thousand Naira (N43,493,343,000.00) which is 40.00% of the entire budget size.

FOURTH QUARTER PERFORMANCE

Accordingly, the slope down in the price of oil in the Q4 from the oil price of \$64.17 in the Q3 to \$57.37 in the fourth quarter may have affected the oil revenue. The GDP rate in the Q4 dropped from 2.28% in the Q3 to 2.58% in the Q4. This is about 0.3% increase; inflation rate also rose in the Q4 due to the fiscal policies of the federal government that outlawed the importation of rice, and closure of Nigerian borders with neighboring countries.

Statutory Allocation stood at N10,976,131,574.00 (Ten billion, nine hundred and seventy-six million, one hundred and thirty-one thousand, five hundred and seventy-four naira). N3,113,412,870.00 (Three billion, one hundred and thirteen million, four hundred and twelve thousand, eight hundred and seventy) was received as VAT. Main IGR significantly increased by N8,563,970,359.00 (Eight billion, five hundred and sixty-three million, nine hundred and seventy thousand, three hundred and fifty-nine naira) or 193.05 above quarterly budget of N4,436,139,000.00 (Four billion, four hundred and thirty-six million, one hundred and thirty-nine thousand naira) to stand at Thirteen billion, one hundred and nine thousand, three hundred and fifty-nine naira (N13,000,109,359.00). Retained Earnings stood at N3,185,636,247.00 (Three billion, one hundred and eighty-five million, six hundred and thirty-six thousand, two hundred and forty-seven naira) which translates to a Six hundred eighty-eight million, two hundred and seventy-five thousand, two hundred and forty-seven (N688,275,247.00) or 27.56 percent above quarterly budget estimate of Two billion, four hundred and ninety-seven million, three hundred and sixty-one thousand naira (N2,497,361,000.00). The sum

of One billion, six hundred and forty-seven million, nine hundred and twelve thousand, four hundred and forty-one naira (N1,647,912,441.00) was received as aids and grants while N700,000,000.00 (Seven hundred million naira) was received as domestic loan. Net External Loan amounted to N499,537,979.00 (Four hundred and ninety-nine million, five hundred and thirty-seven thousand, nine hundred and seventy-nine naira).

For recurrent expenditure, the sum of N5,486,555,814.00 (Five billion, four hundred and eighty six million, five hundred and fifty five thousand, eight hundred and fourteen naira) was utilized for personnel cost, overhead expenditure stood at N8,003,273,676 (Eight billion, three million, two hundred and seventy-three thousand, six hundred and seventy-six naira), while the sum of N1,294,297,107 (One billion, two hundred and ninety-four million, two hundred and ninety-seven thousand, one hundred and seven naira) was released as subventions. Further analysis revealed that N7,644,346,577 (Seven billion, six hundred and forty-four million, three hundred and forty-six thousand, five hundred and seventy-seven naira) was utilized as consolidated revenue fund charges. The sum of N11,111,376,733.55 (Eleven billion, one hundred and eleven million, three hundred and seventy-six thousand, seven hundred and thirty-three naira, fifty five kobo) was spent as capital expenditure against quarterly budget of N10,873,335,750.00 (Ten billion, eight hundred and seventy-three million, three hundred and thirty-five thousand, seven hundred and fifty naira).

FY 2019 CONSOLIDATED PERFORMANCE

2019 total estimated revenue of N109,199,243,000.00 (One hundred and nine billion, one hundred and ninety nine million, two hundred and forty three thousand naira) declined by N5,363,601,267 (Five billion, three hundred and sixty-three million, six hundred and one thousand, two hundred and sixty-seven thousand naira) or -4.91% to stand at N103,835,641,733 (one hundred and three billion, eight hundred and thirty five million, six hundred and forty one thousand, seven hundred and thirty three naira). This includes N66.2 billion naira, N31.1 billion naira and N6.4 billion naira for FAAC receipts, IGR and capital receipts respectively. This translates to a decline of from the approved annual revenue of N109,199,243,000.00 (One hundred and nine billion, one hundred and ninety nine million, two hundred and forty three thousand naira).

Aggregate recurrent expenditure in 2019 stood at a total of N61,979,382,589.00 (Sixty-one billion, nine hundred and seventy-nine million, three hundred and eighty-two thousand, five hundred and eighty-nine naira) against approved budget of N65,705,900,000.00 (Sixty-five billion, seven hundred and five million, nine hundred thousand). Aggregate capital expenditure stood at 24,912,050,750.39 (Twenty-four billion, nine hundred and twelve million, fifty thousand, seven hundred and fifty naira, thirty-nine kobo) against approved budget of N43,493,343,000.00 (Forty-three billion, four hundred and ninety-three million, three hundred and forty-three thousand naira). Consequently, the total expenditure for the year 2019 stood at N86,891,433,339.39 (Eighty six billion, eight hundred and thirty three million, four hundred and thirty three thousand, three hundred and thirty nine naira, thirty nine kobo). While the recurrent expenditure performed at 94.33%, capital expenditure performed at 57.27%. Total expenditure stood at 79.57% or approximately 80%.

Further analysis shows that the Economic sector received the highest capital expenditure of N12,951,337,591.33 (twelve billion, nine hundred and fifty one million, three hundred and thirty seven thousand, five hundred and ninety one naira thirty three kobo) followed by the Social sector at

N8,141,871,320.49 (eight billion, one hundred and forty one million, eight hundred and seventy one thousand, three hundred and twenty naira, forty nine kobo.

1.0 INTRODUCTION

The 2019 approved Budget of One Hundred and Nine Billion, One Hundred and Ninety Nine Million, Two Hundred and Forty Three Thousand Naira (N109,199,243,000.00) titled "Budget of Peace, Equity and Prosperity" was built on the peaceful coexistence in the State, to ensure even distribution of resources as well as maintain the momentum on building new, rebuilding existing, social and physical infrastructure for the benefit of our citizens and residents. The 2019 Budget was prepared in line with 2018 global economic developments, analysis and outcomes. Also informing the 2019 estimates are projections of revenue from share of Federation Accounts Allocation (FAAC), Internally Generated Revenue (IGR), Capital Receipts, Medium Term Expenditure Framework, 8-Point Development Agenda of the State and the Visit Every Community Document. This budget was also prepared using a recurrent to capital ratio of 60:40 which is in line with international best practices and also gave special consideration to the completion of ongoing capital projects in Enugu State.

KEY DELIVERABLES AND EXPECTED OUTCOME OF THE 2019 BUDGET

Key deliverables and outcome of the 2019 budget include:

1. Better urban, Inter-Local Government and community road infrastructure;
2. Enhanced security of life and property and improved access to justice;
3. Improved access to health facilities;
4. Improved access to quality and affordable water as well as sanitation;
5. Increase in private sector investment
6. Improved and upgraded school infrastructure to improve learning environment as well as ensure quality teaching;
7. Job creation through increased inflow of local and international investments;
8. Affordable housing through Public Private Partnership (PPP);
9. More resources from Internally Generated Revenue (IGR) to fund development projects;
10. Strengthened systems and institutions for improved service delivery.

The Appropriation Bill of One hundred and nine billion, one hundred and ninety nine million, two hundred and forty three thousand naira (N109,199,243,000.00) for the 2019 Budget was presented to the Enugu State House of Assembly on 17th December, 2018 with the total sum Sixty five billion, seven hundred and five million, nine hundred thousand naira (N65,705,900,000.00) for Recurrent Expenditure representing 60.00% and Forty three billion, four hundred and ninety three million, three hundred and forty three thousand naira (N43,493,343,000.00) for Capital Expenditure representing 40.00%. Upon approval of the 2019 budget and signing into law, implementation commenced immediately.

Thus, this report provides detailed information concerning the 2019 fourth quarter as well as the consolidated (January – December, 2019) budget implementation report. This report further analyses the macroeconomic development under which the 2019 budget was executed, fiscal analyses of the 2019 (4th quarter and FY) budget implementation, resource profile, as well as a conclusion.

2.0 MACROECONOMIC DEVELOPMENT & ANALYSIS IN THE 2019 4TH QTER.

According to record, in October 15, 2019 the pace of global economic activity remained weak. The momentum in manufacturing activities in particular has weakened substantially to levels not seen since the global financial crisis. Rising trade and geopolitical tensions have increased uncertainty about the future of the global trading system and international cooperation more generally taking a toll on business confidence, investment decisions, and global trade. A notable shift toward increased monetary policy accommodation – through both action and communication – has cushioned the impact of these tensions on financial market sentiment and activity while a general resilient service sector has supported employment growth.

Real GDP growth was estimated at 2.3% in 2019, marginally higher than 1.9% in 2018. The effort to lower inflation to the 65 – 95 range faced structural and macroeconomic constraints, including rising food prices and arrears, payments, resulting in a rate estimated at 11.3% for 2019. With oil GDP growth still anemic, the Federation has looked to diversify earning by also focusing on non-oil and gas fiscal earnings. To this end, VAT rate has been increased by 50%. A new Finance Bill 2019 was passed to update, amend and increase the Federation’s tax to GDP ratio. In this regard, for instance, all bank accounts maintained for business activities must have Tax Identification Numbers.

Nigeria signed the African Continental Free Trade Agreement (ACFTA). The ACFTA allows goods to move between member states in Africa without tariffs. This agreement favours Africa nations as they can export cheaper and gain market share. In the same vein, Nigeria has closed her land border to encourage local manufactures and increase in value addition to our agricultural produce. There was a ban on importation of grains and rice products to encourage our local farmers. Nigeria is seeking to enforce that imports through her land border originated or have had value addition from African markets from where those imports came from. However, China remained the key export destination for Nigeria, and in turn is the biggest Chinese investment destination in Africa. The Nigeria pension fund Assets under Management are estimated at N9.81tm (US \$.32.0bn) about 7.7% of 2018 GDP.

All these translated into the resource envelope witnessed in the fourth quarter of 2019 as presented in table 2.1. Table 2.1 equally presented a comparison between the 4th quarter of 2019 and that of 2018.

Table 2.1: Comparison between 4th Quarter 2019 and 2018

| S/N | PARTICULARS | 2018 4 TH QUARTER | 2019 4 TH QUARTER |
|-----|----------------------------|------------------------------|------------------------------|
| 1 | Statutory Allocation | 11,931,505,207 | 10,976,131,573.91 |
| 2 | VAT | 2,988,954,380 | 3,113,412,869.68 |
| | SUB TOTAL | 14,920,459,587 | 14,089,544,443.59 |
| 3 | Main | 2,753,436,775 | 13,000,109,359.42 |
| 4 | Retained | 2,615,361,832 | 3,185,636,247.28 |
| | IGR | 5,368,798,607 | 16,185,745,606.7 |
| 5 | Aids and Grants | - | 1,647,912,441 |
| 6 | Public Private Partnership | - | - |
| 7 | Internal Loans | - | 700,000,000 |
| 8 | External Loans | 327,682,135 | 499,537,979 |
| | CAPITAL RECEIPTS | 327,682,135 | 2,847,450,420 |
| 9 | 50% Refund from Paris Club | 2,000,000 | - |

Source: OAG

Statutory Allocation: N65,965,243,000 (Sixty-five billion, nine hundred and sixty-five million two hundred and forty-three thousand naira) was budgeted in 2019 with a quarterly estimate of N16,491,310,750 (sixteen billion, four hundred and ninety one million, three hundred and ten thousand, seven hundred and fifty naira). Out of the quarterly estimate, statutory allocation witnessed about 93.2% Performance. A total of N14,089,544,443.59 (fourteen billion, eighty-nine million, five hundred and forty-four thousand, four hundred and forty- three naira, fifty-nine kobo) was realized from the Federation Account (inclusive of Value Added Tax) in the last quarter of 2019 when compared to third quarter of 2019 of N15,125,159,840.83 (fifteen billion, one hundred and twenty-five million, one hundred and fifty-nine, thousand eight hundred and forty naira, eighty-three kobo). When compared to the last quarter of 2018, a total of N14, 920,459,587 (Fourteen billion, nine hundred and twenty million, four hundred and fifty-nine thousand, five hundred and eighty-seven naira) was realized against N14,089,544,443.59 (Fourteen billion, eighty-nine million, five hundred and forty-four thousand, four hundred and forty- three naira, fifty-nine kobo) of 2019 fourth quarter. This shows a decrease of N830,915,143.41 (Eight hundred and thirty million, nine hundred and fifteen thousand, one hundred and forty-three naira, forty-one kobo) or 5.56%.

Internally Generated Revenue (IGR) – The State IGR has in the fourth quarter stood at N16,185,745,606.7 (sixteen billion, one hundred and eighty five million, seven hundred and forty five thousand, six hundred and six naira, seventy kobo). The administration of Rt. Hon. Ifeanyi Ugwuanyi has taken bold steps to reform the IGR administration in the State through restructuring of the State Board of Internal Revenue.

Other Capital Receipts: The State was able to realize Seven hundred million naira (N700,000,000) in the last quarter of 2019 when compared to Two hundred million

(N200,000,000) of 2018 fourth quarter resulting in a difference of Five hundred million (N500,000,000) or 71.42%.

3.0 ANALYSIS OF THE 2019 FOURTH QUARTER AND CONSOLIDATED BUDGET IMPLEMENTATION

3.1 2019 FISCAL FRAMEWORK / BUDGET ASSUMPTIONS

The 2019 approved Budget assumptions include key macro-economic development, estimated recurrent revenue and capital receipt, Medium Term Expenditure Framework, 8-Point Development Agenda, Visit Every Community Document and series of meetings with all stakeholders.

Table 3.1 compares the macro economic assumptions of the 2019 Approved Budget against the 2019 Fourth Quarter Outcomes.

Table 3.1: 2019 Budget Micro Economic Assumptions/Outcome

| S/N | PARTICULARS | 2019 BUDGET BENCHMARKS | 2019 FOURTH QUARTER OUTCOME |
|------------|---------------------------|-----------------------------------|--|
| 1 | Crude oil price benchmark | US\$60 per barrel | US\$57.37per barrel |
| 2 | Oil production estimate | 2.3 million barrels per day | 2.18 million barrels per day |
| 3 | Exchange rate | N305/US\$ | N305/US\$ |
| 4 | Real GDP growth | 3.01 percent | 2.58 percent |
| 5 | Inflation Rate | 9.98 percent | 11.98 percent |

Source: NBS and Budget Office of the Federal (BOF)

Table 3.1 shows that by the end of the 2019 fourth quarter, crude oil price benchmark moved from \$60 per barrel down to \$57.37 per barrel. Oil production came down from 2.3mbpd to 2.18mbpd; the official exchange rate for naira remain the same; Real GDP decline from 3.01 percent to 2.58 percent and Inflation Rate rose from 9.98 percent to 11.98 percent.

3.2 ENUGU STATE 2019 RESOURCES PROFILE

Table 3.2 shows the 2019 resource profile of the State. This is the summary of recurrent revenue, capital receipts, recurrent expenditure and capital expenditure within the year.

Table 3.2: 2019 Budget Resource Profile

| ITEMS | Approved Budget 2018 | % | Revised Budget 2018 | % | Approved Budget 2019 | % | Revised Budget 2019 | % |
|---|-------------------------|---------------|------------------------|---------------|-------------------------|---------------|------------------------|---------------|
| | ₦ | | ₦ | | ₦ | | ₦ | |
| Statutory Allocation | 39,829,500,000 | 44.72 | 39,829,500,000 | 39.92 | 54,475,243,000 | 58.14 | 54,475,243,000 | 58.14 |
| Value Added Tax (VAT) | 11,234,000,000 | 12.61 | 11,234,000,000 | 11.26 | 11,490,000,000 | 12.26 | 11,490,000,000 | 12.26 |
| 50% Refund from Paris and London Club | 8,000,000,000 | 8.98 | 8,000,000,000 | 8.02 | - | 0.00 | - | - |
| Independent Revenue (IGR) | 30,000,000,000 | 33.68 | 40,700,000,000 | 40.80 | 27,734,000,000 | 29.60 | 27,734,000,000 | 29.60 |
| TOTAL RECURRENT REVENUE | 89,063,500,000 | 100.00 | 99,763,500,000 | 100.00 | 93,699,243,000 | 100.00 | 93,699,243,000 | 100.00 |
| RECURRENT EXPENDITURE | | | | | | | | |
| Personnel Cost | 37,500,431,000 | 61.76 | 34,695,431,000 | 57.14 | 24,337,180,000 | 37.04 | 24,337,180,000 | 37.04 |
| Consolidated Revenue Fund Charges (CRFC) | - | - | - | - | 14,325,000,000 | 21.80 | 11,405,000,000 | 17.36 |
| Overhead Cost | 17,234,600,000 | 28.39 | 20,039,600,000 | 33.00 | 20,065,720,000 | 30.54 | 22,985,720,000 | 34.98 |
| Subvention | 5,981,993,000 | 9.85 | 5,981,993,000 | 9.85 | 6,978,000,000 | 10.62 | 6,978,000,000 | 10.62 |
| SUB TOTAL | 60,717,024,000 | 100.00 | 60,717,024,000 | 100.00 | 65,705,900,000 | 100.00 | 65,705,900,000 | 100.00 |
| CAPITAL RECEIPTS | | | | | | | | |
| Transfer from Consolidated Revenue Fund | 28,346,476,000 | 66.16 | 39,046,476,000 | 72.92 | 27,993,343,000 | 64.36 | 27,993,343,000 | 64.36 |
| Aids and Grants | 2,000,000,000 | 4.67 | 2,000,000,000 | 3.74 | 4,000,000,000 | 9.20 | 4,000,000,000 | 9.20 |
| Public Private Partnership | 500,000,000 | 1.17 | 500,000,000 | 0.93 | 500,000,000 | 1.15 | 500,000,000 | 1.15 |
| 50% Refund from Paris and London Club | 8,000,000,000 | 18.67 | 8,000,000,000 | 14.94 | - | 0.00 | - | - |
| Domestic Loans/Borrowing Receipts | 2,000,000,000 | 4.67 | 2,000,000,000 | 3.74 | 5,000,000,000 | 11.50 | 5,000,000,000 | 11.50 |
| International Loans/Borrowing Receipts | 2,000,000,000 | 4.67 | 2,000,000,000 | 3.74 | 6,000,000,000 | 13.80 | 6,000,000,000 | 13.80 |
| TOTAL | 42,846,476,000 | 100.00 | 53,546,476,000 | 100.00 | 43,493,343,000 | 100.00 | 43,493,343,000 | 100.00 |
| CAPITAL EXPENDITURE SUMMARY BY SECTORS | | | | | | | | |
| Administration Sector | 3,437,168,000 | 8.02 | 4,990,168,000 | 9.32 | 6,157,243,000 | 14.16 | 8,939,143,000 | 20.55 |
| Economic Sector | 24,225,345,000 | 56.54 | 31,041,845,000 | 57.97 | 24,584,264,000 | 56.52 | 26,064,264,000 | 59.93 |
| Law & Justice Sector | 1,219,200,000 | 2.85 | 2,969,200,000 | 5.55 | 1,046,320,000 | 2.41 | 746,320,000 | 1.72 |
| Regional Sector | 152,500,000 | 0.36 | 152,500,000 | 0.28 | 380,000,000 | 0.87 | 280,000,000 | 0.64 |
| Social Sector | 13,812,263,000 | 32.24 | 14,392,763,000 | 26.88 | 11,325,516,000 | 26.04 | 7,463,616,000 | 17.16 |
| TOTAL | 42,846,476,000 | 100.00 | 53,546,476,000 | 100.00 | 43,493,343,000 | 100.00 | 43,493,343,000 | 100.00 |
| BUDGET SIZE | 103,563,500,000 | | 114,263,500,000 | | 109,199,243,000 | | 109,199,243,000 | |

Source: MB&P

The sum of One hundred and nine billion, one hundred and ninety-nine million, two hundred and forty-three thousand naira (N109,199,243,000.00) was presented by the Governor and approved by the Enugu State House of Assembly for 2019 fiscal year. This is 5.44% more than 2018 approved budget of One hundred and three billion, five hundred and sixty-three million, five hundred thousand naira (N103,563,500,000.00). Out of the total approved budget for 2019 fiscal year, the sum of Ninety three billion, six hundred and ninety nine million, two hundred and forty three thousand naira (N93,699,243,000.00) is expected from recurrent revenue; Fifteen billion, five hundred million naira (N15,500,000,000.00) from capital receipts; while Twenty seven billion, nine hundred and ninety three million, three hundred and forty three thousand naira (N27,993,343,000.00) was transferred from Consolidated Revenue Fund to Capital Development Fund. On the expenditure side, the sum of Sixty-five billion, seven hundred and five million, nine hundred thousand naira (N65,705,900,000.00) representing 60.00% of the total budget was

provided for recurrent expenditure while Forty-three billion, four hundred and ninety-three million, three hundred and forty-three thousand naira (N43,493,343,000.00) representing 40.00% of the total budget was provided for capital expenditure.

3.3 ANALYSIS OF RECURRENT REVENUE AND CAPITAL RECEIPTS PERFORMANCE

3.3.1 Recurrent Revenue Fourth Quarter 2019 and Consolidated Performance

In table 3.4 and 3.5, the first, second, third, fourth and consolidated Inflows, quarterly and annual budget are presented

Table 3.3: 2019 Inflows (1st January – 31st December)

| S/N | DESCRIPTION | 2019 BUDGET | | 2019 ACTUAL | | | | | VARIANCE | | | | | |
|-----|------------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|-----------------|--|----------|-------------------------------------|---------|-------------------------------|----------|
| | | ANNUAL | QUARTERLY | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER | TOTAL ACTUAL | 4th Quarter Actual Vs Quarterly Budget | | 4TH Quarter Vs 3RD Quarter (Actual) | | Total Actual Vs Annual Budget | |
| | | | | | | | | | N | % | N | % | N | % |
| | REVENUE | N | N | N | N | N | N | N | N | % | N | % | N | % |
| 1 | Statutory Allocation | 54,475,243,000 | 13,618,810,750 | 10,219,754,784 | 20,490,268,864 | 11,814,674,613 | 10,976,131,574 | 53,500,829,834 | (2,642,679,176) | (19.40) | (838,543,039) | (7.10) | (974,413,166) | (1.79) |
| 2 | Value Added Tax (VAT) | 11,490,000,000 | 2,872,500,000 | 3,188,823,863 | 3,107,889,892 | 3,310,485,228 | 3,113,412,870 | 12,720,611,853 | 240,912,870 | 8.39 | (197,072,359) | (5.95) | 1,230,611,853 | 10.71 |
| | Sub-Total | 65,965,243,000 | 16,491,310,750 | 13,408,578,647 | 23,598,158,756 | 15,125,159,841 | 14,089,544,444 | 66,221,441,687 | (2,401,766,306) | (14.56) | (1,035,615,397) | (6.85) | 256,198,687 | 0.39 |
| | Internally Generated Revenue (IGR) | | | | | | | | | | | | | |
| 3 | Main IGR | 17,744,556,000 | 4,436,139,000 | 3,100,956,234 | 2,858,812,707 | 2,885,298,694 | 13,000,109,359 | 21,845,176,994 | 8,563,970,359 | 193.05 | 10,114,810,665 | 350.56 | 4,100,620,994 | 23.11 |
| 4 | Retained Earning | 9,989,444,000 | 2,497,361,000 | 2,852,151,306 | 1,917,451,545 | 1,342,550,607 | 3,185,636,247 | 9,297,789,706 | 688,275,247 | 27.56 | 1,843,085,640 | 137.28 | (691,654,294) | (6.92) |
| | Sub-Total (IGR) | 27,734,000,000 | 6,933,500,000 | 5,953,107,540 | 4,776,264,252 | 4,227,849,302 | 16,185,745,607 | 31,142,966,700 | 9,252,245,607 | 133.44 | 11,957,896,305 | 282.84 | 3,408,966,700 | 12.29 |
| | CAPITAL RECEIPTS | | | | | | | | | | | | | |
| 5 | Aids and Grants | 4,000,000,000 | 1,000,000,000 | - | - | - | 1,647,912,441 | 1,647,912,441 | 647,912,441 | 64.79 | 1,647,912,441 | - | (2,352,087,559) | (58.80) |
| 6 | Public Private Partnership | 500,000,000 | 125,000,000 | - | - | - | - | - | (125,000,000) | (100.00) | - | - | (500,000,000) | (100.00) |
| 7 | Domestic/Internal Loans | 5,000,000,000 | 1,250,000,000 | - | - | - | 700,000,000 | 700,000,000 | (550,000,000) | (44.00) | 700,000,000 | - | (4,300,000,000) | (86.00) |
| 8 | International/External Loans | 6,000,000,000 | 1,500,000,000 | 92,634,328 | 326,756,360 | 3,204,392,237 | 499,537,979 | 4,123,320,904 | (1,000,462,021) | (66.70) | (2,704,854,258) | (84.41) | (1,876,679,096) | (31.28) |
| | Sub-Total | 15,500,000,000 | 3,875,000,000 | 92,634,328 | 326,756,360 | 3,204,392,237 | 2,847,450,420 | 6,471,233,345 | (1,027,549,580) | (26.52) | (356,941,817) | (11.14) | (9,028,766,655) | (58.25) |
| | Grand Total | 109,199,243,000 | 27,299,810,750 | 19,454,320,515 | 28,701,179,368 | 22,557,401,379 | 33,122,740,470 | 103,835,641,733 | 5,822,929,720 | 21.33 | 10,565,339,091 | 46.84 | (5,363,601,267) | (4.91) |

Source: MB&P and OAG

Table 3.3 shows a decline in the 2019 expected revenue (recurrent revenue and capital receipt) by -4.91% to stand at N103,835,641,733 (one hundred and three billion, eight hundred and thirty five million, six hundred and forty one thousand, seven hundred and thirty three naira). This translates to a decline of ₦5,363,601,267 (Five billion, three hundred and sixty-three million, six hundred and one thousand, two hundred and sixty-seven thousand naira) from the approved annual revenue of ₦109,199,243,000.00 (One hundred and nine billion, one hundred and ninety nine million, two hundred and forty three thousand naira). The means that the budget target was not met during the course of the year.

Table 3.4: Q1, Q2, Q3, Q4 and consolidated 2019 Revenue Performance (Budget Vs Actual)

| S/N | DESCRIPTION | 2019 BUDGET | | 2019 ACTUAL | | | | | 2019 PERFORMANCE | | | |
|-----|------------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|-----------------|------------------|---------------|----------------|----------------|
| | | ANNUAL | QUARTERLY | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER | TOTAL ACTUAL | FOURTH QUARTER | TOTAL | FOURTH QUARTER | TOTAL |
| | | | | | | | | | ACTUAL/QUARTERLY | ACTUAL/ANNUAL | ACTUAL | ACTUAL |
| | REVENUE | N | N | N | N | N | N | N | % | % | % | % |
| | | | | | | | | | | | (Contribution) | (Contribution) |
| 1 | Statutory Allocation | 54,475,243,000 | 13,618,810,750 | 10,219,754,784 | 20,490,268,864 | 11,814,674,613 | 10,976,131,574 | 53,500,829,834 | 80.60 | 98.21 | 33.14 | 51.52 |
| 2 | Value Added Tax (VAT) | 11,490,000,000 | 2,872,500,000 | 3,188,823,863 | 3,107,889,892 | 3,310,485,228 | 3,113,412,870 | 12,720,611,853 | 108.39 | 110.71 | 9.40 | 12.25 |
| | Sub-Total | 65,965,243,000 | 16,491,310,750 | 13,408,578,647 | 23,598,158,756 | 15,125,159,841 | 14,089,544,444 | 66,221,441,687 | 85.44 | 100.39 | | |
| | Internally Generated Revenue (IGR) | | | | | | | | | | | |
| 3 | Main IGR | 17,744,556,000 | 4,436,139,000 | 3,100,956,234 | 2,858,812,707 | 2,885,298,694 | 13,000,109,359 | 21,845,176,994 | 293.05 | 123.11 | 39.25 | 21.04 |
| 4 | Retained Earning | 9,989,444,000 | 2,497,361,000 | 2,852,151,306 | 1,917,451,545 | 1,342,550,607 | 3,185,636,247 | 9,297,789,706 | 127.56 | 93.08 | 9.62 | 8.95 |
| | Sub-Total (IGR) | 27,734,000,000 | 6,933,500,000 | 5,953,107,540 | 4,776,264,252 | 4,227,849,302 | 16,185,745,607 | 31,142,966,700 | 233.44 | 112.29 | | |
| | CAPITAL RECEIPTS | | | | | | | | | | | |
| 5 | Aids and Grants | 4,000,000,000 | 1,000,000,000 | - | - | - | 1,647,912,441 | 1,647,912,441 | 164.79 | 41.20 | 4.98 | 1.59 |
| 6 | Public Private Partnership | 500,000,000 | 125,000,000 | - | - | - | - | - | - | - | 0.00 | 0.00 |
| 7 | Domestic/Internal Loans | 5,000,000,000 | 1,250,000,000 | - | - | - | 700,000,000 | 700,000,000 | 56.00 | 14.00 | 2.11 | 0.67 |
| 8 | International/External Loans | 6,000,000,000 | 1,500,000,000 | 92,634,328 | 326,756,360 | 3,204,392,237 | 499,537,979 | 4,123,320,904 | 33.30 | 68.72 | 1.51 | 3.97 |
| | Sub-Total | 15,500,000,000 | 3,875,000,000 | 92,634,328 | 326,756,360 | 3,204,392,237 | 2,847,450,420 | 6,471,233,345 | 73.48 | 41.75 | | |
| | Grand Total | 109,199,243,000 | 27,299,810,750 | 19,454,320,515 | 28,701,179,368 | 22,557,401,379 | 33,122,740,470 | 103,835,641,733 | 121.33 | 95.09 | 100.00 | 100.00 |

Source: MB&P and OAG

Statutory Allocation:

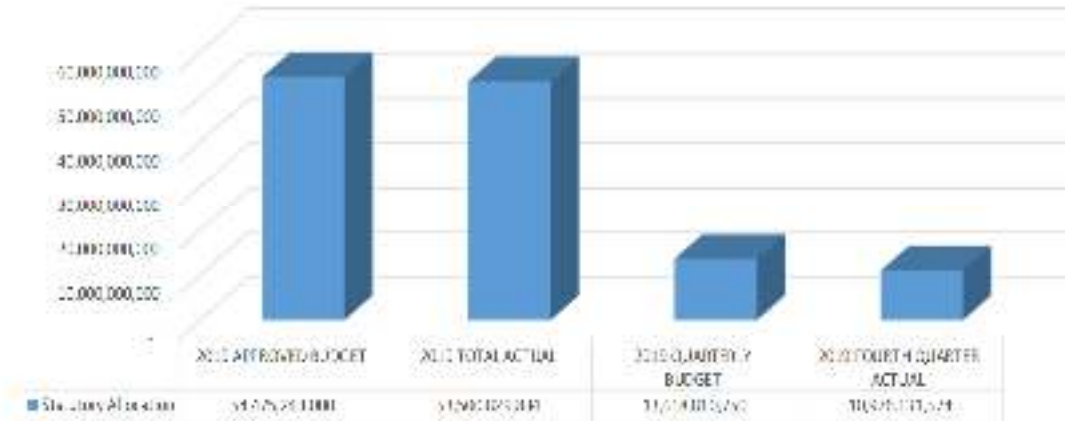


Figure 3.1: Statutory Allocation (Fourth Quarter/January – December 2019)

Source: Table 3.3 and 3.4

In the quarter under review, actual Statutory Allocation stood at Ten billion, nine hundred and seventy-six million, one hundred and thirty-one thousand, five hundred and seventy-four naira (N10,976,131,574.00). This translates to Two billion, six hundred and forty-two million, six hundred and seventy-nine thousand, one hundred and seventy-six naira (N2,642,679,176.00) or 19.40 percent less than the quarterly budget of Thirteen billion, six hundred and eighteen million, eight hundred and ten thousand, seven hundred and fifty naira (N13,618,810,750.00) for the period under review. It contributed about 33.14 percent to the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts) in the quarter under review. The accumulated Statutory Allocation for 2019 fiscal year was Fifty-three billion, five hundred million, eight hundred and twenty-nine thousand, eight hundred and thirty-four naira (N53,500,829,834.00) which translate to a Nine hundred and seventy-four million, four hundred and thirteen thousand, one hundred and sixty-six naira (N974,413,166.00) or 1.79 percent less budgeted projection of Fifty four billion, four hundred and seventy five million, two hundred and forty three thousand naira (N54,475,243,000.00). This was 51.52 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts) (Table 3.4, 3.5).

Value Added Tax (VAT):

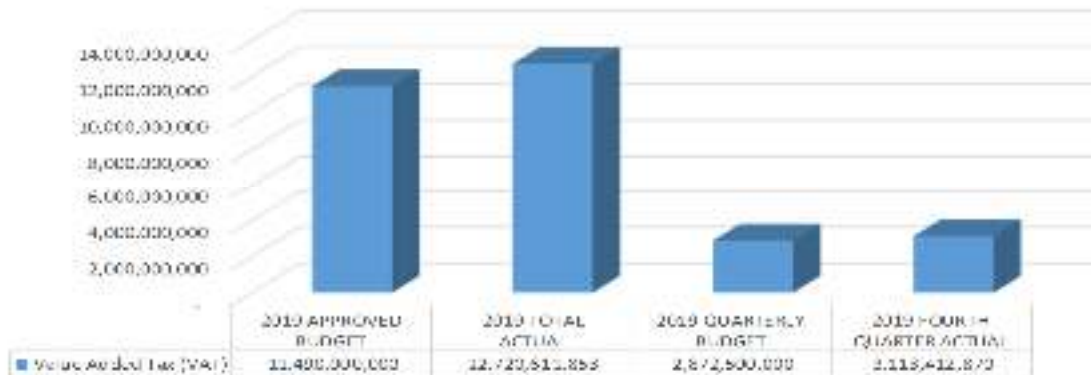


Figure 3.2: Value Added Tax (VAT) (Fourth Quarter/January – December 2019)

Source: Table 3.4 and 3.5

Three billion, one hundred and thirteen million, four hundred and twelve thousand, eight hundred and seventy (N3,113,412,870.00) was recorded as actual VAT receipt in the fourth quarter of 2019. Value Added Tax (VAT) recorded an increase of Two hundred and forty million, nine hundred and twelve thousand, eight hundred and seventy naira (N240,912,870.00) or 8.39 percent above the estimated quarterly projection of Two billion, eight hundred and seventy-two million, five hundred thousand naira (N2,872,500,000.00). It contributed about 9.40 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts) in the quarter under review. The Value Added Tax (VAT) recorded Twelve billion, seven hundred and twenty million, six hundred and eleven thousand, eight hundred and fifty-three naira (N12,720,611,853.00) actuals for 2019 fiscal year. This represents an increase of One billion, two hundred and thirty million, six hundred and eleven thousand, eight hundred and fifty-three naira (N1,230,611,853.00) or 10.71 percent above the budgeted value of Eleven billion, four hundred and ninety million naira (N11,490,000,000.00). It contributed about 12.25 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts) (Table 3.4,3.5).

Internally Generated Revenue (IGR) – Main:

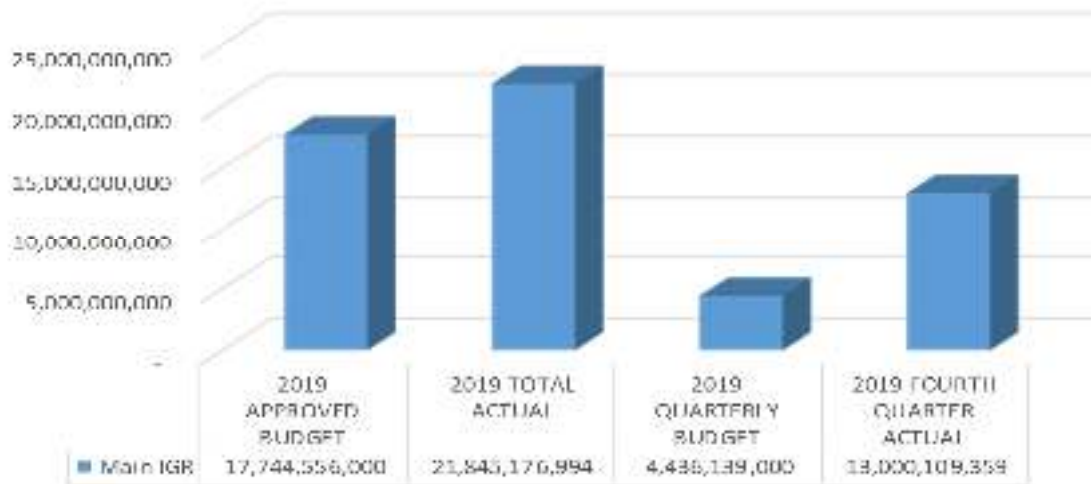


Figure 3.3: Main IGR (Fourth Quarter/January – December 2019)

Source: Table 3.4 and 3.5

The Main IGR in the fourth quarter indicated a significant increase of Eight billion, five hundred and sixty-three million, nine hundred and seventy thousand, three hundred and fifty-nine naira (N8,563,970,359.00) or 193.05 above quarterly budget of Four billion, four hundred and thirty-six million, one hundred and thirty-nine thousand naira (N4,436,139,000.00) as actual main IGR stood at Thirteen billion, one hundred and nine thousand, three hundred and fifty-nine naira (N13,000,109,359.00). It yielded about 39.25 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts) in the quarter. The actual main revenue that accrued to the state in 2019 fiscal year was Twenty-one billion, eight hundred and forty-five million, one hundred and seventy-six thousand, nine hundred and ninety-four (N21,845,176,994.00), which recorded an increase of Four billion, one hundred million, six

hundred and twenty thousand, nine hundred and ninety-four naira (N4,100,620,994.00) or 23.11 percent above the estimated budget of Seventeen thousand, seven hundred forty-four naira (N17,744.00). It however contributed 11.94 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts) (Table 3.4,3.5).

Internally Generated Revenue (IGR) – Retained Earnings:

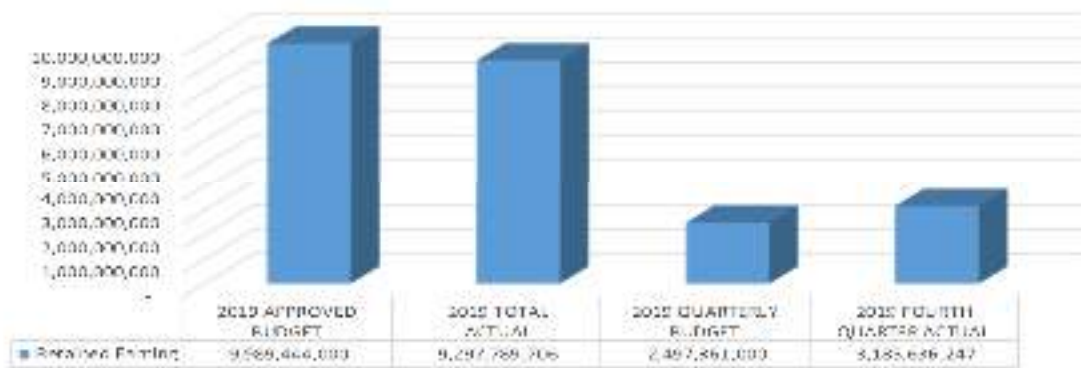


Figure 3.4: Retained Earnings (Fourth Quarter/January – December 2019)

Source: Table 3.4 and 3.5

The Retained Earning stood at Three billion, one hundred and eighty-five million, six hundred and thirty-six thousand, two hundred and forty-seven naira (N3,185,636,247.00) in the fourth quarter of 2019. It translates to a Six hundred eighty-eight million, two hundred and seventy-five thousand, two hundred and forty-seven (N688,275,247.00) or 27.56 percent above quarterly budget estimate of Two billion, four hundred and ninety-seven million, three hundred and sixty-one thousand naira (N2,497,361,000.00). However, it contributed about 9.62 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts). The total sum of Nine billion, two hundred and ninety-seven million, seven hundred and eighty-nine thousand, seven hundred and six naira (N9,297,789,706.00) was received in 2019 Fiscal Year against N9,989,444,000.00 budgeted projections. This translate to a Six hundred and ninety-one million, six hundred and fifty-four thousand, two hundred and ninety-four naira (N691,654,294) or 6.92 percent below the 2019 budget projection. It however yielded 8.95 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts) (Table 3.4,3.5).

3.3.2 Capital Receipts Performance

Aids and Grants:



Figure 3.5: Aids and Grants (Fourth Quarter/January – December 2019)

Source: Table 3.4 and 3.5

The State projected quarterly budget of One billion naira (N1,000,000,000.00) to be realized from Aids and Grant. The sum of One billion, six hundred and forty-seven million, nine hundred and twelve thousand, four hundred and forty-one naira (N1,647,912,441.00) was received in the fourth quarter 2019 which is above the quarterly budget by Six hundred and forty-seven million, nine hundred and twelve thousand, four hundred and forty-one naira (N647,912,441.00) or 64.79 percent. This was 4.98 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts). The aggregate fund receipt for the 2019 fiscal year was One billion, six hundred and forty-seven million, nine hundred and twelve thousand, four hundred and forty-one naira (N1,647,912,441.00) of Two billion, three hundred and fifty-two million, eighty-seven thousand, five hundred and fifty-nine naira (N2,352,087,559) or 58.80 percent lower than the annual projection of Four billion (N4,000,000,000.00). It contributed about 1.59 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts). The consolidated record shows that aids and grants were received in the fourth quarter only. (Table 3.4,3.5).

Public Private Partnership:



Figure 3.6: Public Private Partnership (Fourth Quarter/January – December 2019)

Source: Table 3.4 and 3.5

The State projected One hundred and twenty-five million naira (N125,000,000.00) quarterly to be realized from Public Private Partnership but nothing was actually received in the first, second, third and fourth quarter of 2019.

Domestic/Internal Loan:

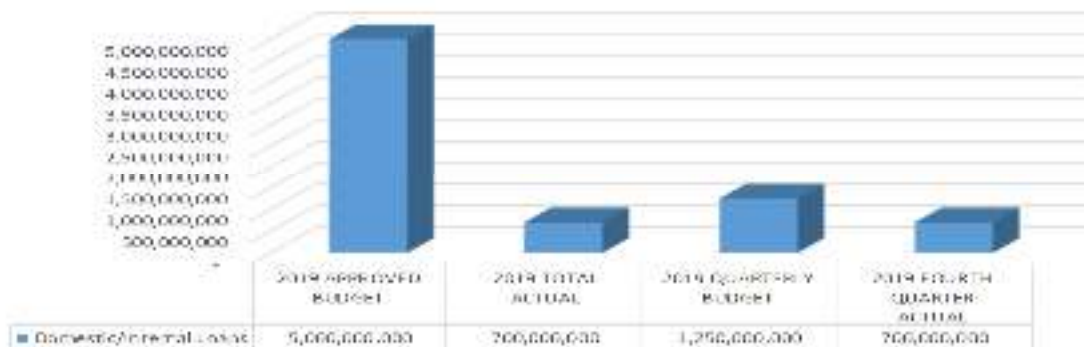


Figure 3.7: Internal Loan (Fourth Quarter/January – December 2019)

Source: Table 3.3 and 3.4

In the fourth quarter of 2019, Seven hundred million naira (N700,000,000.00) was received against a quarterly budget projection of One billion, two hundred and fifty million naira (N1,250,000,000.00). This indicates a decrease by 44% and by Five hundred and fifty million naira (N550,000,000.00). This yielded 2.11 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts) in the quarter.

Total internal loan accessed for the 2019 fiscal year was Seven hundred million naira (N700,000,000.00). This is Four billion, three hundred million naira (N4,300,000,000) or 86.00 percent lower than the annual projection of Five billion (N5,000,000,000.00). The accessed loan contributed about 0.67 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts) in FY 2019.

Consolidated record shows that it is only in the fourth quarter of 2019 that domestic loan was actually received (See Table 3.4,3.5).

International/External Loan:

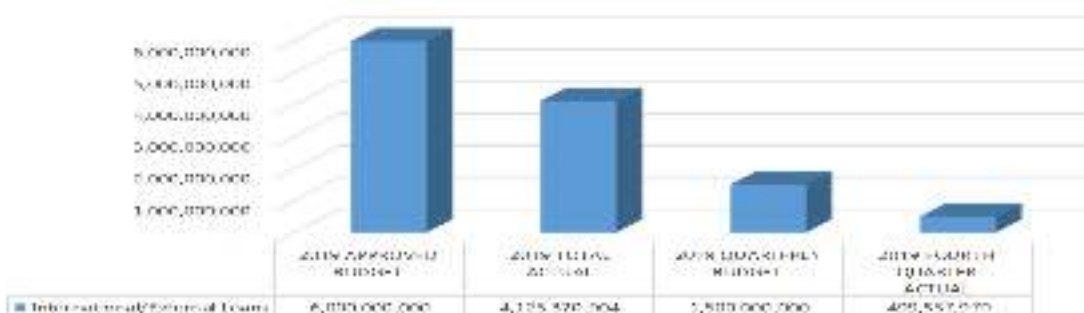


Figure 3.8: International/External Loan (Fourth Quarter/January – December 2019)**Source:** Table 3.3 and 3.4

The net External Loan in the fourth quarter of 2019 amounted to Four hundred and ninety-nine million, five hundred and thirty-seven thousand, nine hundred and seventy-nine naira (N499,537,979.00) resulting in decrease of One billion, four hundred and sixty-two thousand and twenty-one naira (N1,000,462,021.00) or 66.70 percent below the quarterly budget of One billion, five hundred million naira (N1,500,000,000.00). It contributed about 1.51 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts). The total sum of Four billion, one hundred and twenty-three million, three hundred and twenty thousand nine hundred and four naira (N4,123,320,904.00) out of a projected external loan of Six billion naira (N6,000,000,000) was received for the 2019 fiscal year. This implies a reduction of One billion, eight hundred and seventy-six million, six hundred and seventy-nine thousand, ninety-six naira (N1,876,679,096.00) or 31.28 percent below the annual estimate and contributed 3.97 percent to the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts).

3.3.3 Comparison of Fourth Quarter 2019 Vs 2018 Revenue Performance

Table 3.5 shows a comparison of Q4 2019 and Q4 2018 Revenue Performance

| S/N | DESCRIPTION | 2018 | 2019 | VARIANCE | |
|-----|---|-----------------------|-----------------------|--|---------------|
| | | Fourth Quarter Actual | Fourth Quarter Actual | Fourth Quarter 2019 Vs Fourth Quarter 2018 | |
| | REVENUE | N | N | N | % |
| 1 | Statutory Allocation | 11,931,505,207 | 10,976,131,574 | (955,373,633) | (8.01) |
| 2 | Value Added Tax (VAT) | 2,988,954,380 | 3,113,412,870 | 124,458,489 | 4.16 |
| | Sub-Total | 14,920,459,587 | 14,089,544,444 | (830,915,144) | (5.57) |
| | Internally Generated Revenue (IGR) | | | | |
| 3 | Main IGR | 2,753,436,775 | 13,000,109,359 | 10,246,672,584 | 372.14 |
| 4 | Retained Earning | 2,615,361,832 | 3,185,636,247 | 570,274,415 | 21.80 |
| | Sub-Total (IGR) | 5,368,798,607 | 16,185,745,607 | 10,816,947,000 | 201.48 |
| | CAPITAL RECEIPTS | | | | |
| 5 | Aids and Grants | - | 1,647,912,441 | 1,647,912,441 | - |
| 6 | Public Private Partnership | - | - | - | - |
| 7 | Domestic/Internal Loans | - | 700,000,000 | 700,000,000 | - |
| 8 | International/External Loans | 327,682,135 | 499,537,979 | 171,855,844 | 52.45 |
| | Sub-Total | 327,682,135 | 2,847,450,420 | 2,519,768,285 | 768.97 |
| | Grand Total | 20,616,940,329 | 33,122,740,470 | 12,505,800,141 | 60.66 |

Source: MB&P and OAG

The actual statutory allocation received in the fourth quarter of 2019 declined by Nine hundred and fifty-five million, three hundred and seventy-three thousand, six hundred and thirty-three naira (N955,373,633.00) or 8.01 percent when compared to the fourth quarter of 2018 while Value Added Tax (VAT) recorded an increase of One hundred and twenty four million, four hundred and fifty eight thousand, four hundred and eighty nine naira (N124,458,489.00) or 4.16 percent in the fourth quarter of 2019 when compared to the fourth quarter of 2018. (see table 3.5).

The inflow from both main IGR and retained earnings in the fourth quarter of 2019 indicated an increase of Ten billion, one hundred and nine thousand, five hundred and eighty-four (N10,000,109,584.00) or 372.14 percent and Five hundred and seventy million, two hundred and

seventy-four thousand, four hundred and fifteen naira (N570,274,415.00) or 21.80 percent respectively relative to the actual recorded in the corresponding quarter of 2018 (see table 3.5).

However, under capital receipts the State realized fund from Aids & Gants and Domestic Loans in the fourth quarter of 2019 while nothing was generated in fourth quarter of 2018. For International Loan, the State recorded an increase of One hundred and seventy-one million, eight hundred and fifty-five thousand, eight hundred and forty-four naira (N171,855,844.00) or 52.45 percent in the fourth quarter of 2019 when compared to the fourth quarter of 2018 (see table 3.5).

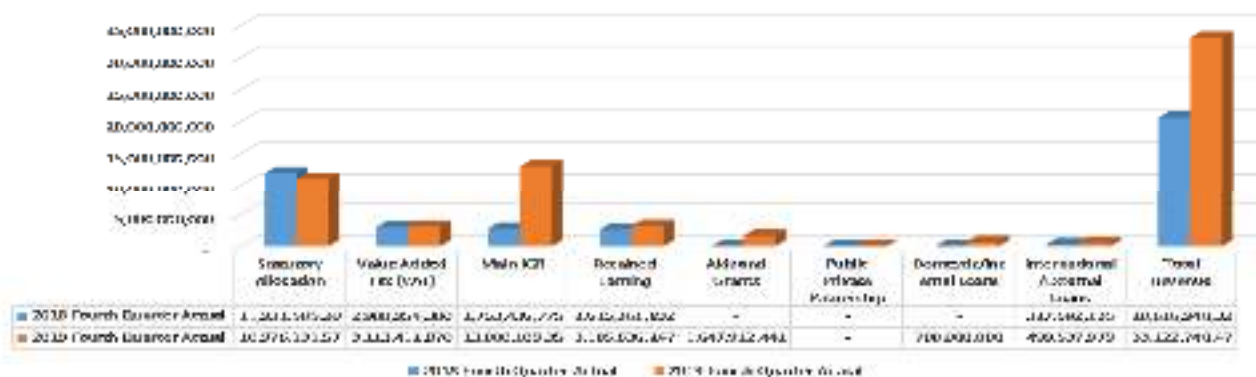


Figure 3.9: 2019 Vs 2018 Fourth Quarter Revenue Performance

Source: Table 3.5

3.4 ANALYSIS OF RECURRENT AND CAPITAL EXPENDITURE PERFORMANCE

3.4.1 Comparison of Q4 2019 Vs Q4 2018 Expenditure Performance

Table 3.6 and Figure 3.10 compares Q4 2019 to Q4 2018 recurrent and capital expenditure performance.

Table 3.6: Q4 2019 Vs Q4 2018 Expenditure Performance

| S/N | DESCRIPTION | 2018 | 2019 | VARIANCE | |
|-----|--|-----------------------|-----------------------|--|--------------|
| | | Fourth Quarter Actual | Fourth Quarter Actual | Fourth Quarter 2019 Vs Fourth Quarter 2018 | |
| | EXPENDITURE | N | N | N | % |
| 1 | Personnel Cost | 5,578,114,433 | 5,486,555,814 | (91,558,619) | (1.64) |
| 2 | Consolidated Revenue Fund Charges (CRFC) | 2,254,829,881 | 7,644,347,162 | 5,389,517,281 | 239.02 |
| 3 | Overhead Cost | 6,660,412,065 | 8,003,273,676 | 1,342,861,611 | 20.16 |
| 4 | Subvention | 1,292,892,733 | 1,294,306,107 | 1,413,374 | 0.11 |
| 5 | Capital Expenditure | 5,576,243,185 | 14,116,011,550 | 8,539,768,365 | 153.15 |
| | Total | 21,362,492,297 | 36,544,494,308 | 15,181,999,011 | 71.07 |

Source: MB&P and OAG

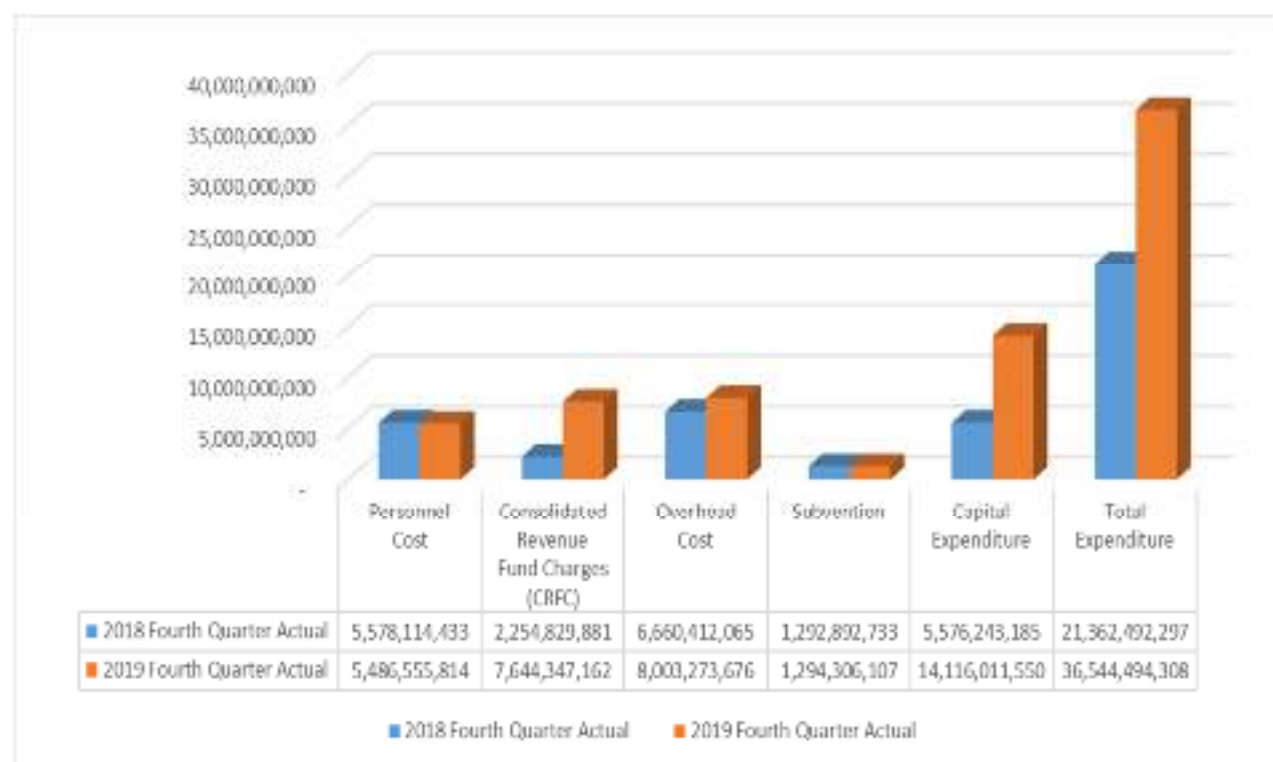


Figure 3.10: 2019 Vs 2018 Fourth Quarter Expenditure Performance

Source: Table 3.6

The 2019 fourth quarter actual for CRFC, Overhead Cost, Subvention and Capital Expenditure surpassed the 2018 fourth quarter actual while only the Personnel Cost was below.

Table 3.7: Q4 2019 Vs Q4 2018 Aggregate Expenditure Performance

| S/N | DESCRIPTION | 2018 | 2019 | VARIANCE | |
|-----|--------------|-----------------------|-----------------------|--|--------------|
| | | Fourth Quarter Actual | Fourth Quarter Actual | Fourth Quarter 2019 Vs Fourth Quarter 2018 | |
| | EXPENDITURE | N | N | N | % |
| 1 | RECURRENT | 15,786,749,112 | 22,428,482,759 | 6,642,233,647 | 47.08 |
| 2 | CAPITAL | 5,576,243,185 | 14,116,011,550 | 8,539,768,365 | 153.15 |
| | Total | 21,362,492,297 | 36,544,494,308 | 15,182,002,012 | 71.07 |

Source: MB&P and OAG

Table 3.7 shows that aggregate expenditure (recurrent and capital) recorded in the fourth quarter of 2019 is greater than that of the fourth quarter of 2018 by N15,182,002,012.00 (Fifteen billion, one hundred and eighty two million, two thousand, twelve naira) or by 71.07%.

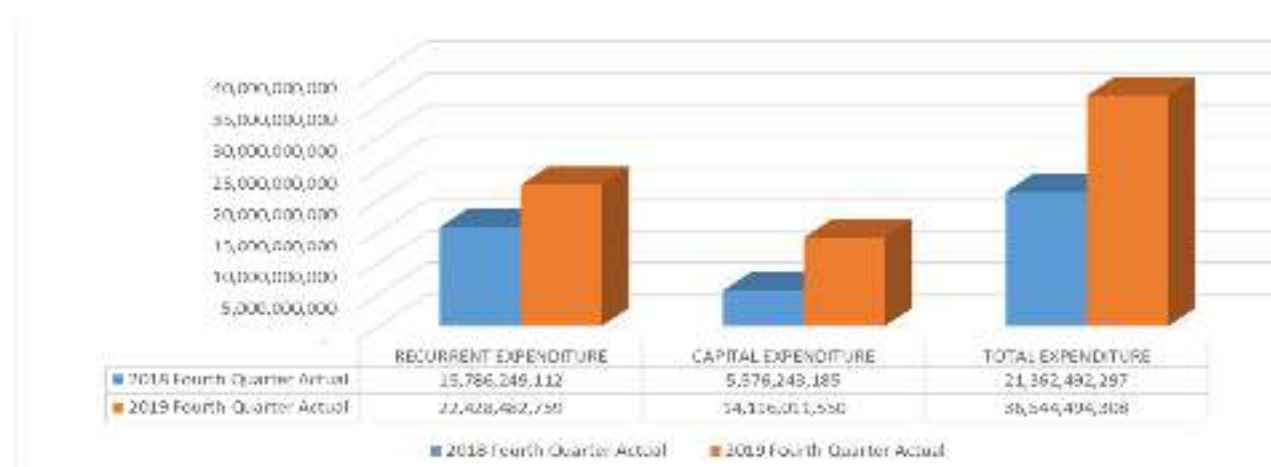


Figure 3.11: Q4 2019 Vs Q4 2018 Aggregate Expenditure Performance

Source: Table 3.7

Table 3.7 above which was graphically represented in Figure 3.11 clearly show that the 2019 recurrent and capital expenditure was higher than that of 2018 with the total sum of N15,182,002,012.00 (Fifteen billion, one hundred and eighty two million, two thousand, twelve naira).

Table 3.8: Outflows from Enugu State 2019 Budget as at 31st December

| S/N | DESCRIPTION | 2019 BUDGET | | 2019 ACTUAL | | | | | VARIANCE | | | | | |
|-----|---------------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--|-------------------------------------|-------------------------------|---------------|-------------------------|----------------|
| | | ANNUAL | QUARTERLY | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER | TOTAL ACTUAL | 4th Quarter Actual Vs Quarterly Budget | 4TH Quarter Vs 3RD Quarter (Actual) | Total Actual Vs Annual Budget | | | |
| | | N | N | N | N | N | N | N | N | % | N | % | N | % |
| 1 | Personnel Cost | 24,337,180,000 | 6,084,295,000 | 5,123,677,404 | 4,828,294,093 | 4,679,486,957 | 5,486,555,814 | 20,118,014,268 | (597,739,186) | (9.82) | 807,068,857 | 17.25 | (4,219,165,732) | (17.34) |
| | Consolidated Revenue Fund | | | | | | | | | | | | | |
| 2 | Charges (CRFC) | 13,840,000,000 | 3,460,000,000 | 2,641,027,388 | 2,419,059,241 | 2,439,226,055 | 7,644,347,162 | 15,143,659,845 | 4,184,347,162 | 120.93 | 5,205,121,106 | 213.39 | 1,303,659,845 | 9.42 |
| 3 | Overhead Cost | 20,550,720,000 | 5,137,680,000 | 4,102,144,929 | 5,069,932,591 | 4,370,101,377 | 8,003,273,676 | 21,545,452,573 | 2,865,593,676 | 55.78 | 3,633,172,298 | 83.14 | 994,732,573 | 4.84 |
| 4 | Subvention | 6,978,000,000 | 1,744,500,000 | 1,292,141,683 | 1,292,849,843 | 1,292,958,270 | 1,294,306,107 | 5,172,255,902 | (450,193,893) | (25.81) | 1,347,838 | 0.10 | (1,805,744,098) | (25.88) |
| 5 | Capital Expenditure | 43,493,343,000 | 10,873,335,750 | 2,029,516,193 | 4,947,777,035 | 3,818,745,972 | 14,116,011,550 | 24,912,050,750 | 3,242,675,800 | 29.82 | 10,297,265,577 | 269.65 | (18,581,292,250) | (42.72) |
| | Total | 109,199,243,000 | 27,299,810,750 | 15,188,507,596 | 18,557,912,803 | 16,600,518,632 | 36,544,494,308 | 86,891,433,339 | 9,244,683,558 | 33.86 | 19,943,975,676 | 120.14 | (22,307,809,661) | (20.43) |

Source: MB&P and OAG

Table 3.9: Q4 2019 Budget Vs Actual Performance

| S/N | DESCRIPTION | 2019 BUDGET | | 2019 ACTUAL | | | | | 2019 PERFORMANCE | | | |
|-----|--|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--|----------------------------|-----------------------|------------------|
| | | ANNUAL | QUARTERLY | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER | TOTAL ACTUAL | FOURTH QUARTER ACTUAL/QUARTERLY BUDGET | TOTAL ACTUAL/ANNUAL BUDGET | FOURTH QUARTER ACTUAL | TOTAL ACTUAL |
| | REVENUE | N | N | N | N | N | N | N | % | % | % (Contribution) | % (Contribution) |
| 1 | Personnel Cost | 24,337,180,000 | 6,084,295,000 | 5,123,677,404 | 4,828,294,093 | 4,679,486,957 | 5,486,555,814 | 20,118,014,268 | 90.18 | 82.66 | 15.01 | 23.15 |
| 2 | Consolidated Revenue Fund Charges (CRFC) | 13,840,000,000 | 3,460,000,000 | 2,641,027,388 | 2,419,059,241 | 2,439,226,055 | 7,644,347,162 | 15,143,659,845 | 220.93 | 109.42 | 20.92 | 17.43 |
| 3 | Overhead Cost | 20,550,720,000 | 5,137,680,000 | 4,102,144,929 | 5,069,932,591 | 4,370,101,377 | 8,003,273,676 | 21,545,452,573 | 155.78 | 104.84 | 21.90 | 24.80 |
| 4 | Subvention | 6,978,000,000 | 1,744,500,000 | 1,292,141,683 | 1,292,849,843 | 1,292,958,270 | 1,294,306,107 | 5,172,255,902 | 74.19 | 74.12 | 3.54 | 5.95 |
| 5 | Capital Expenditure | 43,493,343,000 | 10,873,335,750 | 2,029,516,193 | 4,947,777,035 | 3,818,745,972 | 14,116,011,550 | 24,912,050,750 | 129.82 | 57.28 | 38.63 | 28.67 |
| | Total | 109,199,243,000 | 27,299,810,750 | 15,188,507,596 | 18,557,912,803 | 16,600,518,632 | 36,544,494,308 | 86,891,433,339 | 133.86 | 79.57 | 100.00 | 100.00 |

Source: MB&P and OAG

3.4.2 Recurrent Expenditure Performance

The approved State Budget stood at **N109,199,243,000** (One Hundred and nine billion, one hundred and ninety-nine million, two hundred and forty-three thousand naira) in 2019 fiscal year. However, there were two (2) series of budget revision aimed at reordering the budgetary allocations according to government priorities.

In all the revisions, out of the total budget size, the recurrent budget size remains unchanged at **N65,705,900,000** (Sixty-five billion, seven hundred and five thousand, nine hundred naira) living the quarterly budgetary provision at N16,426,475,000 (Sixteen billion, four hundred twenty-six million, four hundred and seven five) wherein funds were reallocated within recurrent expenditure items. A total sum of N2,920,000,000 (Two billion, nine hundred and twenty million naira) was reallocated from consolidated revenue fund charges to overhead cost during the final budget revision. This is to accommodate the frequent request for increase in Overhead cost by MDAs during the course of the year.

Further analysis revealed that a total amount of **N61,979,373,004** (Sixty-one billion, nine hundred and seventy-nine thousand, three hundred and seventy-three thousand, four naira) was released for recurrent expenditure during the 2019 fiscal year. This represents approximately 94% annual performance for the recurrent expenditure. The tables below show the comparison of the level of Recurrent Performance over budget within the period under review.

TABLE 3.10: FOURTH (4TH) QUARTER TOTAL RECURRENT PERFORMANCE

| DESCRIPTION | APPROVED BUDGET | 1ST APPROVED REVISED BUDGET | 2ND APPROVED REVISED BUDGET | 4th QUARTER EXPECTED EXPENDITURE | 4th QUARTER WARRANT RELEASES | 4th QUARTER ACTUAL RELEASES | PERCENTAGE PERFORMANCE |
|----------------|-----------------------|-----------------------------|-----------------------------|----------------------------------|------------------------------|-----------------------------|------------------------|
| PERSONNEL COST | 24,337,180,000 | 24,337,180,000 | 24,337,180,000 | 6,084,295,000 | 5,503,901,295 | 5,486,555,814 | 90.2 |
| OVERHEAD COST | 20,065,720,000 | 20,550,720,000 | 22,985,720,000 | 5,746,430,000 | 8,427,546,590 | 8,003,273,676 | 139.3 |
| SUBVENTION | 6,978,000,000 | 6,978,000,000 | 6,978,000,000 | 1,744,500,000 | 1,294,264,629 | 1,294,297,107 | 74.2 |
| CONSOLIDATED | 14,325,000,000 | 13,840,000,000 | 11,405,000,000 | 2,851,250,000 | 1,950,431,239 | 7,644,346,577 | 268.1 |
| TOTAL | 65,705,900,000 | 65,705,900,000 | 65,705,900,000 | 16,426,475,000 | 17,176,143,752 | 22,428,473,174 | 136.5 |

Source: MOBP/OAG

The breakdown of the recurrent expenditure releases during the year revealed that the sum of N24,337,180,000.00 (Twenty four billion, three hundred and thirty seven thousand, one hundred and eighty naira) was earmarked for Personnel cost in the 2019 fiscal year, giving a quarterly allocation of N6,084,295,000 (Six billion, eighty four million, two hundred and ninety five thousand naira) but the sum of N5,486,555,814.00 (Five billion, four hundred and eighty six million, five hundred and fifty five thousand, eight hundred and fourteen naira) was utilized. This signifies 90.2% personnel cost performance over the appropriated amount for 2019 fiscal year

The final Revised Budget during the fiscal year shows that a total of N22,985,720,000 (Twenty-two billion, nine hundred and eighty-five thousand, seven hundred and twenty naira) were for overhead cost with a quarterly outlay of N5,746,430,000 (Five billion, seven hundred and forty-six million, four hundred and thirty thousand naira). The actual overhead expenditure stood at N8,003,273,676 (Eight billion, three million, two hundred and seventy-three thousand, six hundred and seventy-six naira) or (139.3%) performance during the quarter. However, despite the budget revision, further analysis revealed that the fourth (4th) quarter actual overhead expenditure was higher than the budgeted by N2,256,843,676.00 (Two billion, two hundred and fifty-six million, eight hundred and forty-three thousand, six hundred and seventy-six naira). This is as a result of increase of recurrent activities towards the last quarter of the year under review, the increase was specifically in the consulting services rendered during the recovery of Government fund which also enhanced the State internally generated revenue (IGR)

Also the sum N1,744,500,000 (One Billion, Seven Hundred and Forty-Four Million, Five Hundred Thousand Naira) was appropriated for subvention to parastatals, but the sum of N1,294,297,107 (One billion, two hundred and ninety-four million, two hundred and ninety-seven thousand, one hundred and seven naira) was released and fully cash backed during the 2019 fiscal year representing 74.1% performance.

Further analysis on recurrent expenditure revealed that out of a quarterly budgetary provision of N2,851,250,000.00 (Two billion, eight hundred and fifty-one million, two hundred and fifty thousand naira) for consolidated revenue fund charges, actual expenditure amounted to Seven billion, six hundred and forty-four million, three hundred and forty-six thousand, five hundred and seventy-seven naira (N7,644,346,577), indicating a 136.5% performance. This indicated over expenditure of 36.5% above the budgetary provision. There was an increase in the debt servicing of the State and other outstanding obligations such as payment of severance allowance to the political office holders who served with the immediate past regime.

TABLE 3.11: Consolidated Recurrent Budget Performance (Jan –Dec 2019)

| DESCRIPTION | APPROVED BUDGET | 1ST APPROVED REVISED BUDGET | 2ND APPROVED REVISED BUDGET | TOTAL WARRANT RELEASES | TOTAL CASHBACK INCLUDING FAAC DEDUCTIONS | TOTAL BUDGET BALANCE | % (ACTUAL/ BUDGET) |
|----------------|-----------------------|-----------------------------|-----------------------------|------------------------|--|----------------------|--------------------|
| PERSONNEL COST | 24,337,180,000 | 24,337,180,000 | 24,337,180,000 | 20,156,050,979 | 20,118,014,268 | 4,219,165,732 | 82.7 |
| OVERHEAD COST | 20,065,720,000 | 20,550,720,000 | 22,985,720,000 | 22,339,406,476 | 21,545,452,572 | 1,440,267,428 | 93.7 |
| SUBVENTION | 6,978,000,000 | 6,978,000,000 | 6,978,000,000 | 5,173,515,401 | 5,172,246,902 | 1,805,753,098 | 74.1 |
| CONSOLIDATED | 14,325,000,000 | 13,840,000,000 | 11,405,000,000 | 7,072,819,836 | 15,143,659,261 | -3,738,659,261 | 132.8 |
| TOTAL | 65,705,900,000 | 65,705,900,000 | 65,705,900,000 | 54,741,792,692 | 61,979,373,004 | 3,726,526,996 | 94.3 |

Source: MoBP / OAG

The table above shows a total amount of **N61,979,373,004.00** (Sixty-one billion, nine hundred and seventy-nine thousand, three hundred and seventy-three thousand, four naira) was spent on recurrent expenditure. This represents approximately 94% annual performance for the recurrent expenditure.

TABLE 3.12: Comparison of 2018/2019 Recurrent Expenditure Performance

| 2018 | | | | | | | 2019 | | | | | | | |
|----------------|-----------------------|-----------------------|--------------------------|--|----------------------|---------------|-----------------------|-----------------------------|-----------------------------|------------------------|--|----------------------|-----------------------|---------------|
| DESCRIPTION | APPROVED BUDGET | REVISED BUDGET | WARRANT RELEASES JAN-DEC | TOTAL CASHBACK INCLUDING FAAC DEDUCTIONS | TOTAL BUDGET BALANCE | % PERFORMANCE | APPROVED BUDGET | 1ST APPROVED REVISED BUDGET | 2ND APPROVED REVISED BUDGET | TOTAL WARRANT RELEASES | TOTAL CASHBACK INCLUDING FAAC DEDUCTIONS | TOTAL BUDGET BALANCE | % ACTUAL /2ND REVISED | %(2019 /2018) |
| PERSONNEL COST | 25,495,431,000 | 25,495,431,000 | 19,203,761,834 | 18,580,779,550 | 6,914,651,450 | 72.9 | 24,337,180,000 | 24,337,180,000 | 24,337,180,000 | 20,156,050,979 | 20,118,014,268 | 4,219,165,732 | 82.7 | 108.3 |
| OVERHEAD COST | 17,234,600,000 | 20,039,600,000 | 20,755,773,321 | 20,333,624,330 | -294,024,330 | 102 | 20,065,720,000 | 20,550,720,000 | 22,985,720,000 | 22,339,406,476 | 21,545,452,572 | 1,440,267,428 | 93.7 | 106.0 |
| SUBVENTION | 5,981,993,000 | 5,981,993,000 | 4,725,805,040 | 4,710,661,333 | 1,271,331,667 | 78.7 | 6,978,000,000 | 6,978,000,000 | 6,978,000,000 | 5,173,515,401 | 5,172,246,902 | 1,805,753,098 | 74.1 | 109.8 |
| CONSOLIDATED | 12,005,000,000 | 9,200,000,000 | 6,690,667,924 | 8,386,815,223 | 813,184,777 | 91.2 | 14,325,000,000 | 13,840,000,000 | 11,405,000,000 | 7,072,819,836 | 15,143,659,261 | -3,738,659,261 | 132.8 | 180.6 |
| TOTAL | 60,717,024,000 | 60,717,024,000 | 51,376,008,119 | 52,011,880,436 | 8,705,143,564 | 85.7 | 65,705,900,000 | 65,705,900,000 | 65,705,900,000 | 54,741,792,692 | 61,979,373,004 | 3,726,526,996 | 94.3 | 119.2 |

Source: MoBP / OAG

The table above shows the overall performance of 2019 recurrent expenditure over the 2018 fiscal year. It revealed that 2019 recorded a total recurrent expenditure of Sixty-one billion, nine hundred and seventy-nine million, three hundred and seventy-three thousand, four naira (N61,979,373,004) which reflects 94.3% as against the 2018 expenditure which has a total of Fifty-two billion, eleven million, eight hundred and eighty thousand, four hundred and thirty-six naira (N52,011,880,436) or 85.7 annual performance

Table 3.13: Details of Recurrent Expenditure Annual Performance (Jan – Dec)

| MONTHS | PERSONNEL COST | OVERHEAD COST | SUBVENTION | CRFC |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|
| JANUARY | 1,698,408,868 | 847,559,215 | 421,114,228 | 875,365,404 |
| FEBRUARY | 1,725,949,083 | 1,562,594,988 | 440,313,728 | 867,777,025 |
| MARCH | 1,699,319,452 | 1,691,990,725 | 430,713,728 | 897,884,959 |
| TOTAL 1ST QUARTER | 5,123,677,404 | 4,102,144,928 | 1,292,141,683 | 2,641,027,388 |
| APRIL | 1,698,437,360 | 1,517,886,669 | 430,714,125 | 899,756,125 |
| MAY | 1,604,381,779 | 1,935,496,430 | 430,714,125 | 721,604,057 |
| JUNE | 1,525,474,955 | 1,616,549,492 | 431,421,543 | 797,699,058 |
| TOTAL 2ND QUARTER | 4,828,294,093 | 5,069,932,591 | 1,292,849,793 | 2,419,059,241 |
| JULY | 1,553,876,438 | 1,726,354,205 | 431,422,301 | 835,302,466 |
| AUGUST | 1,561,206,696 | 1,315,704,742 | 431,421,844 | 801,961,794 |
| SEPTEMBER | 1,564,403,823 | 1,328,042,431 | 430,114,125 | 801,961,794 |
| TOTAL 3RD QUARTER | 4,679,486,957 | 4,370,101,377 | 1,292,958,270 | 2,439,226,055 |
| OCTOBER | 1,535,725,277 | 1,446,854,895 | 431,448,801 | 952,248,062 |
| NOVEMBER | 1,557,242,895 | 4,478,475,085 | 431,423,359 | 951,379,354 |

| | | | | |
|-------------------------------|----------------|----------------|---------------|----------------|
| DECEMBER | 2,393,587,643 | 2,077,943,697 | 431,424,948 | 5,740,719,162 |
| TOTAL 4 TH QUARTER | 5,486,555,814 | 8,003,273,676 | 1,294,297,107 | 7,644,346,577 |
| CONSOLIDATED TOTAL | 20,118,014,268 | 21,545,452,572 | 5,172,246,852 | 15,143,659,261 |

Source: MoBP / OAG

Table 3.13 translated into the quarterly recurrent expenditure performance presented in table 3.14.

Table 3.14: Summary of Recurrent Quarterly performance

| Description | TOTAL 1ST QUARTER | TOTAL 2ND QUARTER | % change (2nd/1st) | TOTAL 3RD QUARTER | % change (3rd/2nd) | TOTAL 4TH QUARTER | % change (4th/3rd) |
|----------------|-----------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|
| Personnel Cost | 5,123,677,404 | 4,828,294,093 | 94.2 | 4,679,486,957 | 96.9 | 5,486,555,814 | 117.2 |
| Overhead Cost | 4,102,144,928 | 5,069,932,591 | 123.6 | 4,370,101,377 | 86.2 | 8,003,273,676 | 183.1 |
| Subvention | 1,292,141,683 | 1,292,849,843 | 100.1 | 1,292,958,270 | 100.0 | 1,294,297,107 | 100.1 |
| CRFC | 2,641,027,388 | 2,419,059,241 | 91.6 | 2,439,226,055 | 100.8 | 7,644,346,577 | 313.4 |
| Total | 13,158,991,402 | 13,610,135,768 | 103.4 | 12,781,772,660 | 93.9 | 22,428,473,174 | 175.5 |

Source: MoBP / OAG

The table shows the performance changes in each quarter of the year under review. It shows the final quarter has the highest performance of approximately 176% higher than the 3rd while the lowest 3rd quarter recorded the lowest change with 93% against 103.4 witnessed in the 2nd quarter over the first quarter.

NOTE:

- The Personnel cost in each of the tables comprises the salaries and allowances of civil servants and political office holders, while subventions are grants to parastatals to augment their Internally Generated revenue for salaries.
- Consolidated revenue fund charge releases comprise of pensions, gratuities and loan repayment. Usually, warrants are not issued from the MBP as they are deducted at source by FAAC.
- Overhead cost includes both monthly imprest released to MDAs for upkeep and other individual recurrent releases.

3.4.3 Capital Expenditure Performance

Out of N109,199,243,000.00 (One hundred and nine billion. One hundred and ninety-nine million, two hundred and forty-three thousand naira) budget size approved for the 2019 fiscal year, the sum of N43,493,343,000.00 (Forty-three billion, four hundred and ninety-three million, three hundred and forty-three thousand naira) was projected to fund the Capital Expenditure for the provision of critical infrastructure in the roads, health, power, housing, water, education, transport, electricity, security and good governance etc.

Table 3.15: Allocation of Capital Expenditure by sector

| S/N | Sector | Approved Budget 2019 | % | Revised Budget 2019 | % |
|-----|-----------------------------|-------------------------|---------------|------------------------|---------------|
| | | ₦ | | ₦ | |
| 1 | Administration Sector | 6,157,243,000 | 14.16 | 8,939,143,000 | 20.55 |
| 2 | Economic Sector | 24,584,264,000 | 56.52 | 26,064,264,000 | 59.93 |
| 3 | Law & Justice Sector | 1,046,320,000 | 2.41 | 746,320,000 | 1.72 |
| 4 | Regional Sector | 380,000,000 | 0.87 | 280,000,000 | 0.64 |
| 5 | Social Sector | 11,325,516,000 | 26.04 | 7,463,616,000 | 17.16 |
| | Total Capital Budget | 43,493,343,000 | 100.00 | 43,493,343,000 | 100.00 |

Source: MB&P

Table 3.15 shows allocation of 2019 capital expenditure by sector. Economic sector received the highest capital allocation of 59.93% followed by Administration and Social sectors at 20.55% and 17.16% respectively. Consequently, actual capital expenditure is presented in table 3.16.

Table 3.16: Quarterly Capital Expenditure by sector

| S/N | SECTOR | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER | TOTAL |
|-----|-----------------|-------------------------|-------------------------|-------------------------|--------------------------|--------------------------|
| 1 | Administration | 97,957,030.00 | 1,041,164,025.75 | 181,202,014.45 | 2,112,928,388.34 | 3,433,251,458.54 |
| 2 | Economic | 1,685,931,587.69 | 3,429,890,305.26 | 3,455,760,634.96 | 4,379,755,063.42 | 12,951,337,591.33 |
| 3 | Law and Justice | 190,722,566.80 | 64,340,126.14 | 56,328,464.00 | 74,199,223.00 | 385,590,379.94 |
| 4 | Regional | | | | | |
| 5 | Social | 54,905,009.00 | 412,382,577.67 | 125,454,859.04 | 7,549,128,874.78 | 8,141,871,320.49 |
| | Total | 2,029,516,193.49 | 4,947,777,034.82 | 3,818,745,972.45 | 14,116,011,549.54 | 24,912,050,750.30 |

Source: MB&P

Table 3.16 shows that the Economic sector received the highest capital expenditure of N12,951,337,591.33 (twelve billion, nine hundred and fifty one million, three hundred and thirty seven thousand, five hundred and ninety one naira thirty three kobo followed by the Social sector at N8,141,871,320.49 (eight billion, one hundred and forty one million, eight hundred and seventy one thousand, three hundred and twenty naira, forty nine kobo).

The monthly capital expenditure performance is as presented in table 3.17.

Table 3.17: Monthly Capital Expenditure

| MONTHS | CAPITAL EXPENDITURE |
|--|----------------------------|
| JANUARY | 19,259,384.00 |
| FEBRUARY | 1,162,525,672.13 |
| MARCH | 847,731,137.36 |
| 1ST QTR TOTAL | 2,029,516,193.49 |
| APRIL | 952,968,945.13 |
| MAY | 1,697,279,838.57 |
| JUNE | 2,297,528,251 |
| 2ND QTR TOTAL | 4,947,777,034.82 |
| JULY | 781,091,713.53 |
| AUGUST | 1,039,230,925.99 |
| SEPTEMBER | 479,499,008.91 |
| 3RD QTR TOTAL | 2,299,821,648.43 |
| OCTOBER | 2,198,595,515.61 |
| NOVEMBER | 1,672,312,527.93 |
| DECEMBER | 7,240,468,689.01 |
| 4TH QTR TOTAL | 11,111,376,732.55 |
| WORLD BANK PROJECT 3 RD QTR | 1,518,924,324.04 |
| WORLD BANK PROJECT 4 TH QTR | 3,004,634,817.08 |
| TOTAL WORLD BANK PROJECT | 4,523,559,141.10 |
| CONSOLIDATED TOTAL | 24,912,050,750.39 |

Source: MB&P and OAG

During the fourth quarter of 2019, the sum of N11,111,376,733.55 (Eleven billion, one hundred and eleven million, three hundred and seventy-six thousand, seven hundred and thirty-three naira, fifty five kobo) was spent against quarterly budget of N10,873,335,750.00 (Ten billion, eight hundred and seventy-three million, three hundred and thirty-five thousand, seven hundred and fifty naira) indicating a N238,040,983.55 (Two hundred and thirty million, forty thousand, nine hundred and eighty three naira, fifty five kobo) or 2.19 percent above the quarterly budget. Furthermore, the total actual capital expenditure for 2019 fiscal year was N20,388,491,609.00 (Twenty billion, three hundred and eighty-eight million, four hundred and ninety-one thousand, six hundred and nine naira) lower than annual budget of N43,493,343,000.00 (Forty-three billion, four hundred and ninety-three million, three hundred and forty-three thousand) by N23,104,851,391.00 (Twenty three billion, one hundred and four million, eight hundred and fifty one thousand, three hundred and ninety one naira) or 53.12 percent. The sum of 4,523,559,141.10 (Four billion, five hundred

3.4.5 Aggregate Expenditure Performance

Tables 3.18 and 3.19 show fourth quarter 2019 aggregate expenditure performance

Table 3.18: Q4 2019 Aggregate Expenditure

| S/N | DESCRIPTION | 2019 BUDGET | | 2019 ACTUAL | | | | | VARIANCE | | | | | |
|-----|--------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--|--------------|-------------------------------------|---------------|-------------------------------|----------------|
| | | ANNUAL | QUARTERLY | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER | TOTAL ACTUAL | 4th Quarter Actual Vs Quarterly Budget | | 4th Quarter Vs 3RD Quarter (Actual) | | Total Actual Vs Annual Budget | |
| | REVENUE | N | N | N | N | N | N | N | N | % | N | % | N | % |
| 1 | RECURRENT | 65,705,900,000 | 16,426,475,000 | 13,158,991,403 | 13,610,135,768 | 12,781,772,660 | 22,428,482,759 | 61,979,382,589 | 6,002,007,759 | 36.54 | 9,646,710,099 | 75.47 | (3,726,517,411) | (5.67) |
| 2 | CAPITAL | 43,493,343,000 | 10,873,335,750 | 2,029,516,193 | 4,947,777,035 | 3,818,745,972 | 14,116,011,550 | 24,912,050,750 | 3,242,675,800 | 29.82 | 10,297,265,577 | 269.65 | (18,581,292,250) | (42.72) |
| | Total | 109,199,243,000 | 27,299,810,750 | 15,188,507,596 | 18,557,912,803 | 16,600,518,632 | 36,544,494,308 | 86,891,433,339 | 9,244,683,558 | 33.86 | 19,943,975,676 | 120.14 | (22,307,809,661) | (20.43) |

Source: MB&P and OAG

Table 3.19: Q4 2019 Aggregate Expenditure Performance

| S/N | DESCRIPTION | 2019 BUDGET | | 2019 ACTUAL | | | | | 2019 PERFORMANCE | | | |
|-----|--------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--|----------------------------|-----------------------|----------------|
| | | ANNUAL | QUARTERLY | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER | TOTAL ACTUAL | FOURTH QUARTER ACTUAL/QUARTERLY BUDGET | TOTAL ACTUAL/ANNUAL BUDGET | FOURTH QUARTER ACTUAL | TOTAL ACTUAL |
| | REVENUE | N | N | N | N | N | N | N | % | % | (Contribution) | (Contribution) |
| 1 | RECURRENT | 65,705,900,000 | 16,426,475,000 | 13,158,991,403 | 13,610,135,768 | 12,781,772,660 | 22,428,482,759 | 61,979,382,589 | 136.54 | 94.33 | 61.37 | 71.33 |
| 2 | CAPITAL | 43,493,343,000 | 10,873,335,750 | 2,029,516,193 | 4,947,777,035 | 3,818,745,972 | 14,116,011,550 | 24,912,050,750 | 129.82 | 57.28 | 38.63 | 28.67 |
| | Total | 109,199,243,000 | 27,299,810,750 | 15,188,507,596 | 18,557,912,803 | 16,600,518,632 | 36,544,494,308 | 86,891,433,339 | 133.86 | 79.57 | 100.00 | 100.00 |

Source: MB&P and OAG

The aggregate recurrent expenditure in 2019 stood at a total of N61,979,382,589.00 (Sixty-one billion, nine hundred and seventy-nine million, three hundred and eighty-two thousand, five hundred and eighty-nine naira) against approved budget of N65,705,900,000.00 (Sixty-five billion, seven hundred and five million, nine hundred thousand) reflecting a decrease of N3,726,517,411.00 (Three billion, seven hundred and twenty six million, five hundred and seventeen thousand, four hundred and eleven naira) or -5.67 percent. The aggregate capital expenditure stood at 24,912,050,750.39 (Twenty-four billion, nine hundred and twelve million, fifty thousand, seven hundred and fifty naira, thirty-nine kobo) in the FY 2019 against approved budget of N43,493,343,000.00 (Forty-three billion, four hundred and ninety-three million, three hundred and forty-three thousand naira) indicating a decrease of N18,581,292,249.61 (Eighteen billion, Nine hundred and twelve million, fifty thousand, seven hundred and fifty naira, thirty nine kobo) or 42.72 percent. Consequently, the total expenditure for the year 2019 stood at N86,891,433,339.39 (Eighty six billion, eight hundred and thirty three million, four hundred and thirty three thousand, three hundred and thirty nine naira, thirty nine kobo) against approved budget of N109,199,243,000.00 (One hundred and nine billion. One hundred and ninety-nine million, two hundred and forty-three thousand naira). This implies a decrease of N22,307,809,660.61 (Twenty two billion, three hundred and seven million, eight hundred and nine thousand, six hundred and sixty naira, sixty one kobo) or 20.42 percent below the approved budget.

Furthermore, the performance of recurrent expenditure stood at 94.33 percent, capital expenditure stood at 57.27 percent while total expenditure stood at 79.57 percent and approximately 80% against approved budget.

4.0 Conclusion

The outcome of this report has clearly shown that in the year 2019, a good number of socio-economic developments in the area of security, health, Education, Human Capital development, Urban and Rural Development, Housing and others took place. This was occasioned by combined FAAC and IGR revenue inflow of N97,364,408,387 (Ninety seven billion, three hundred and sixty four million, four hundred and eight thousand, three hundred and eighty seven naira), and capital receipt of N6,471,233,345 (Six billion, four hundred and seventy one million, two hundred and thirty three thousand, three hundred and forty five naira). Thus, in the year 2019, expected revenue (recurrent revenue and capital receipt) estimate of ₦109,199,243,000.00 (One hundred and nine billion, one hundred and ninety nine million, two hundred and forty three thousand naira) was not achieved by a paltry of ₦5,363,601,267 (Five billion, three hundred and sixty-three million, six hundred and one thousand, two hundred and sixty-seven thousand naira) from the approved annual revenue. This translates into 95.09% revenue performance.

On expenditure, aggregate recurrent expenditure stood at a total of N61,979,382,589.00 (Sixty-one billion, nine hundred and seventy-nine million, three hundred and eighty-two thousand, five hundred and eighty-nine naira) against approved budget of N65,705,900,000.00 (Sixty-five billion, seven hundred and five million, nine hundred thousand). This recurrent estimate was not achieved by the sum of N3,726,517,411.00 (Three billion, seven hundred and twenty six million, five hundred and seventeen thousand, four hundred and eleven naira). Aggregate capital expenditure stood at 24,912,050,750.39 (Twenty-four billion, nine hundred and twelve million, fifty thousand, seven hundred and fifty naira, thirty-nine kobo) against approved budget of N43,493,343,000.00 (Forty-three billion, four hundred and ninety-three million, three hundred and forty-three thousand naira). The capital estimate was not achieved by a total of N18,581,292,249.61 (Eighteen billion, Nine hundred and twelve million, fifty thousand, seven hundred and fifty naira, thirty nine kobo) or 42.72 percent. Consequently, a total expenditure of N86,891,433,339.39 (Eighty six billion, eight hundred and thirty three million, four hundred and thirty three thousand, three hundred and thirty nine naira, thirty nine kobo) was achieved against approved budget size of N109,199,243,000.00 (One hundred and nine billion, One hundred and ninety-nine million, two hundred and forty-three thousand naira). This projection was not achieved by a total sum of N22,307,809,660.61 (Twenty two billion, three hundred and seven million, eight hundred and nine thousand, six hundred and sixty naira, sixty one kobo) or 20.42 percent below the approved budget.

Thus, given a budget size of N109,199,243,000.00 (One hundred and nine billion, One hundred and ninety-nine million, two hundred and forty-three thousand naira), and an aggregate expenditure of N86,891,433,339.39 (Eighty six billion, eight hundred and thirty three million, four hundred and thirty three thousand, three hundred and thirty nine naira, thirty nine kobo), total budget performance stood at 79.57 percent and approximately 80%. This is made up of recurrent expenditure performance of 94.33 percent and capital expenditure performance 57.27%. It is

expected that with an expected improvement in revenue generation in the coming year, we hope to do better, however this is a good performance.

Appendix 1: Capital Budget Releases by MDAs (as at 31st December, 2019)

| S/N | MDAs | 2019 Approved Budget | 2019 Second Revised Budget | Total Amount of Warrant Released from 1st January to 31st December, 2019 | Total Amount Cash Backed | Percentage of Release (Cash Backed/Approved Budget) | Percentage of Release (Cash Backed/Revised Budget) |
|-----|--|-----------------------|----------------------------|--|--------------------------|---|--|
| | | N | N | N | N | % | % |
| 1 | Office of the Executive Governor | 1,344,455,000 | 2,833,455,000 | 1,268,333,636 | 952,386,984.54 | 70.84 | 33.61 |
| 2 | Office of the Secretary to the State Government | 1,079,000,000 | 3,079,000,000 | 2,692,937,400 | 2,390,882,945.00 | 221.58 | 77.65 |
| 3 | Enugu State House of Assembly | 1,610,483,000 | 1,610,483,000 | 33,400,000 | 33,400,000.00 | 2.07 | 2.07 |
| 4 | Ministry of Information | 77,920,000 | 77,920,000 | 441,000 | - | 0.00 | 0.00 |
| 5 | Enugu State Broadcasting Service - Radio/TV ESBS/TV | 68,000,000 | 68,000,000 | 14,212,000 | 13,671,000.00 | 20.10 | 20.10 |
| 6 | Office of the State Auditor General | 25,450,000 | 33,450,000 | 19,275,500 | 11,923,000.00 | 46.85 | 35.64 |
| 7 | Enugu State Independent Electoral Commission | 9,500,000 | 9,500,000 | 8,772,000 | 8,771,500.00 | 92.33 | 92.33 |
| 8 | Ministry of Finance and Economic Development | 114,250,000 | 114,250,000 | 4,856,057 | 23,340,000.00 | 20.43 | 20.43 |
| 9 | Office of the Accountant General | 319,600,000 | 199,600,000 | 30,814,100 | 30,814,100.00 | 9.64 | 15.44 |
| 10 | Enugu State Internal Revenue Services | 254,900,000 | 144,900,000 | 33,472,000 | 33,472,000.00 | 13.13 | 23.10 |
| 11 | Ministry of Commerce and Industry | 144,900,000 | 144,900,000 | 12,090,000 | 12,090,000.00 | 8.34 | 8.34 |
| 12 | Enugu State Investment Development Agency | 114,400,000 | 114,400,000 | 492,500 | 492,500.00 | 0.43 | 0.43 |
| 13 | Ministry of Labour and Productivity | 74,800,000 | 57,800,000 | 4,894,500 | - | 0.00 | 0.00 |
| 14 | Ministry of Works and Infrastructure | 16,076,000,000 | 18,151,000,000 | 9,878,181,111 | 10,889,915,852.82 | 67.74 | 60.00 |
| 15 | Rural Access Mobility Project (RAMP) | 443,000,000 | 443,000,000 | 400,238,237 | 400,238,237.00 | 90.35 | 90.35 |
| 16 | Enugu State Economic Planning Commission | 531,500,000 | 131,500,000 | 8,892,100 | 8,892,100.00 | 1.67 | 6.76 |
| 17 | Ministry of Water Resources | 100,000,000 | 100,000,000 | 1,397,150 | - | 0.00 | 0.00 |
| 18 | Enugu State Water Corporation | 455,000,000 | 2,005,000,000 | 49,625,346 | 28,384,065.50 | 6.24 | 1.42 |
| 19 | Ministry of Housing | 498,000,000 | 100,000,000 | 8,800,000 | 4,000,000.00 | 0.80 | 4.00 |
| 20 | Enugu State Rural Electrification Board (REB) | 1,000,000,000 | 1,450,000,000 | 338,600,963 | 513,899,647.00 | 51.39 | 35.44 |
| 21 | Enugu State Fire Services | 222,000,000 | 272,000,000 | 171,902,844 | 160,621,443.75 | 72.35 | 59.05 |
| 22 | Ministry of Lands and Urban Development | 216,000,000 | 166,000,000 | 59,912,850 | 71,131,850.00 | 32.93 | 42.85 |
| 23 | Ministry of Justice | 143,520,000 | 143,520,000 | 21,756,660 | 16,686,660.00 | 11.63 | 11.63 |
| 24 | Enugu State Justice Reorm Team | 12,550,000 | 12,550,000 | 4,310,000 | - | 0.00 | 0.00 |
| 25 | Enugu State High Court - The Judiciary | 626,600,000 | 326,600,000 | 282,325,127 | 348,390,035.80 | 55.60 | 106.67 |
| 26 | Customary Court of Appeal | 27,000,000 | 27,000,000 | 32,116,370 | 20,513,684.14 | 75.98 | 75.98 |
| 27 | Ministry of Capital Territory Development | 380,000,000 | 280,000,000 | 16,777,747 | - | 0.00 | 0.00 |
| 28 | Ministry of Youth and Sport | 81,500,000 | 131,500,000 | 21,616,375 | 33,031,395.00 | 40.53 | 25.12 |
| 29 | Ministry of Gender Affairs and Social Development | 210,000,000 | 285,000,000 | 48,974,593 | 48,974,593.45 | 23.32 | 17.18 |
| 30 | Ministry of Education | 109,573,000 | 109,573,000 | 11,094,000 | 13,837,000.00 | 12.63 | 12.63 |
| 31 | Enugu State Universal Basic Education Board | 1,518,682,000 | 678,682,000 | 46,469,134 | 3,383,114,548.96 | 222.77 | 498.48 |
| 32 | Enugu State Polytechnic Iwollo | 504,500,000 | 664,500,000 | 151,857,600 | 63,067,067.86 | 12.50 | 9.49 |
| 33 | Institute of Management and Technology (IMT) | 690,000,000 | 590,000,000 | 282,456,918 | 404,896,653.73 | 58.68 | 68.63 |
| 34 | Post Primary Schools Management Board (PPSMB) | 1,000,000,000 | 650,000,000 | 17,633,828 | 89,795,863.00 | 8.98 | 13.81 |
| 35 | Enugu State Science Technical and Vocational Sch. Mgt. Board | 371,650,000 | 371,650,000 | 28,148,340 | 28,148,340.00 | 7.57 | 7.57 |
| 36 | Ministry of Health | 1,112,200,000 | 1,222,200,000 | 398,854,926 | 178,275,125.68 | 16.03 | 14.59 |
| 37 | Enugu State Primary Health Care Development Agency | 300,300,000 | 178,300,000 | 28,706,500 | 11,846,500.00 | 3.94 | 6.64 |
| 38 | Ministry of Environment and Mineral Resources | 71,000,000 | 51,000,000 | 5,743,900 | 8,936,400.00 | 12.59 | 17.52 |
| 39 | Enugu State Waste Management Authority (ESWAMA) | 145,000,000 | 145,000,000 | 5,000,000 | 5,000,000.00 | 3.45 | 3.45 |
| 40 | Ministry of Chieftancy Matters | 54,000,000 | 54,000,000 | 21,770,000 | 21,770,000.00 | 40.31 | 40.31 |
| 41 | Enugu State University of Science and Technology (ESUT) | 675,000,000 | 365,100,000 | - | 183,891,257.57 | 27.24 | 50.37 |
| 42 | Rangers Management Corporation | 70,000,000 | 70,000,000 | - | 1,450,000.00 | 2.07 | 2.07 |
| 43 | Daily Star Corporation | 8,800,000 | 8,800,000 | - | 4,523,529.00 | 51.40 | 51.40 |
| 44 | Ministry of Inter-Ministerial Affairs | 500,000,000 | 500,000,000 | - | 17,692,500.00 | 3.54 | 3.54 |
| 45 | Ministry of Rural Development | 1,569,050,000 | 69,050,000 | - | 172,360,000.05 | 10.98 | 249.62 |
| 46 | ESUT Parklane Hospital | - | - | - | 125,714,961.00 | 0.00 | 0.00 |
| 47 | Community and Social Development Agency | 100,000,000 | - | - | 601,685,795.21 | 601.69 | 0.00 |
| 48 | Enugu State College of Education (Technical) | 652,180,000 | 372,180,000 | - | 18,486,505.35 | 2.83 | 4.97 |
| 49 | Nigerian Erosion Watershed Programme | 2,273,300,000 | 433,300,000 | - | 3,521,635,108.89 | 154.91 | 812.75 |
| | Total | 37,985,563,000 | 39,045,663,000 | 16,467,153,312 | 24,912,050,750 | 65.58 | 63.80 |

Source: MB&P and OAG