

GOVERNMENT OF ENUGU STATE OF NIGERIA

2019 FIRST QUARTER BUDGET IMPLEMENTATION REPORT

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FOREWORD

The 2019 Budget was built on a very cautious assumption in view of the previous years low economic performance. As it is usual, we had to study the trend of activities in the preceding years to inform our Economic and Fiscal update for the new Budget. Prior to the start of the new budget circle, we reviewed our previous year's performance, taking cognizance of the dominating oil economy, and its unhealthy status as at the last quarter of 2018, we had to assume a lesser figure from the Previous year's Budget which stood at ₦114 billion to a realistic budget of ₦109 billion. This cautious step was informed by the prevailing economic climate vis-a-vis the prevailing oil prices and non-realization of our expected quota within the ECOWAS oil producing zone.

Again, the popularity of the shale Oil as produced by the United States of America which has to reduce the expected foreign exchange from America as one of our major customers in the sector is an issue. It is encouraging however, that despite the cautious optimism which informed our projection for the year 2019, we have been able to maintain a stable economy in the state, through proper management of our lean resource to attend to our needs. A lot has been achieved so far through the instrumentality of prudent economic management and Financial wizardry of the administration of Rt. Hon Ifeanyi Ugwuanyi, who has been our source of encouragement and we have always believed that with enough political will from the headship we can deliver on our mandate.

I wish to thank the staff of the Ministry for this painstaking report, and our partners like the office of the Accountant General for always supplying us with the necessary data that informs this quarterly report.

Uche E. Ogbodo

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PREFACE

The 2019 budget was prepared under a cautious optimism due to an unpredictable economic environment. This informed our targets to be very tight and near actual. We were mindful of the prevailing vagaries in the oil sector pricing and the need to circumspect in projection as any slump in the oil price will invariably affect the budget adversely. Bearing this in mind, and the need to have a realistic budget based on our trend analysis of the last quarter of 2018, which indicated a very possible slope down in the realizable revenue for the implementation of the budget. We were equally mindful that this budget will also signal the beginning of a new tenure for this administration, and as such will be loaded with expectations and ambitions projects.

We are however glad to note that this budget which was presented to the State House of Assembly on the 19th December 2018, was passed on 17th of January 2019. This was done expeditiously to allow the politicians enough time to go for campaigns for the forthcoming elections. This signaled the immediate implementation of the budget as projected. As we are aware, over 80% of the federal budget, and by extension, the State budgets are derived from the oil economy, and as such any change in the price of the oil or the production level affected the budget immediately. In the 2019 federal budget, the oil price was bench-marked at \$60 per barrel currently around \$70 but in January, 2019, it went down below \$60 for one full month.

This of course gave a dangerous signal to the New Year's projections in the budget. We are however glad that as the year went on, the price of crude oil continued to hover around \$60-70\$ and as such the economy have been stable in the first quarter. Within this quarter, many capital budget provisions were implemented, and of course the Personnel Cost and Statutory Revenue Fund charges were attended to, hence the Q1 ratio of implementation got to approximately 78%. It is believed however, that with the inauguration of the new administration in the Q2, there is going to be added impetus in the level of

budget implementation, as the Government is expected to come in with a renewed vigour.

We continue to appreciate the staff of this office in the measurement and evaluation department and other staff of the office of the Accountant General who provided the data with which we populated this report.

Ugwu Casmir K.

Permanent Secretary

Ministry of Budget and Planning

Enugu State

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EXECUTIVE SUMMARY

The 2019 Budget was presented before the State House of Assembly on 19th December, 2019 by His Excellency the Governor of Enugu State, Rt. Hon. Ifeanyi Ugwuanyi with a very cautious projection and assumptions. This was informed by the fact that the globe wide economic indices were not very impressive as expected. After a study of the trend of event trailing the previous year's implementation and performance of the budget, the 2019 Budget was built on a very realistic projection as we know that budget implementation is a product of the amount of revenue available for spending.

It must be noted that our National Budget, and by extension, the state budget relies about 80% on oil revenue, hence any problem in the global oil market is bound to affect the Performance or non-performance of the state budget. It is equally important to note that the year 2018 ended in a very shaky oil market Price which rose up to about \$74 per barrel before it started coming down in January 2019 to as low as \$60 per barrel for the whole of January. This led the Federal Government to dip its hand into the federal reserve to make up for the money shared to other tiers of Government to enable them have a sizable amount to accomplish some of their outstanding projects before the election in March. First quarter GDP report shows an Economic growth of about 2.01% slower than 2.38% posted in the last quarter of 2018, but was higher than 1.89% growth recorded in first quarter of 2018 according to the National Bureau of Statistics report.

The report shows that the oil sector sinks lower to 2.40% from negative 1.62% of the fourth quarter report. Oil GDP was stronger by 14.02% in the first quarter of 2018 comparatively. The non-oil GDP was at 2.47%, which is a third lower than the fourth quarter figure of 2.70%; while the Agriculture sector and other non-oil sector grew better at 3.17% in the first quarter of 2018.

Looking at the current development in the budget within the first quarter, it can be observed that a lot was done due to several capital projects that was attended to within the time frame. The situation was possible due to stable growth in the revenue report as could be seen from the data we received from the Office of the Accountant General. According to data available to this Office within the quarter, our statutory Revenue recorded ~~₦~~5.8billion or 81.3% of the quarterly ratio of ~~₦~~6.9billion Naira. This can be seen from our ability to pay our bills despite the low sale of crude in the international market. We have equally observed the statutory allocation which includes receipts from FAAC, VAT, and refund from Paris/London clubs accounted for about ~~₦~~13,408,578,647 as against ~~₦~~16,491,310,750 expected from this sector in the first quarter. This represents about 81%. Performance, which we consider a very positive result.

So much was achieved under capital and Recurrent Budget in terms of actual implementation. Notwithstanding that the National Election took the shine off the actual governance, we posted a very high impressive report. Total expenditure within the quarter was about ~~₦~~15,188,507,616 out of the projected expenditure of ~~₦~~27,299,810,750 within the first quarter. This makes for percentage performance of about 55.64% which is slightly above average. This low performance is as result of few capital projects that were attended to during the campaign period. However, the recurrent arm of the budget recorded an impressive outing. Whereas the a total of ~~₦~~2,029,516,193 was spent on capital projects within the quarter, the sum of ~~₦~~13,158,991,423 was spent on recurrent expenditure. This is the sole reason why the state has been paying her salaries and wages including pensions.

It is hoped that with the Conclusion of the transition of the first tenure into the second tenure of this administration, activities will peak in the second and third quarter of this year, through the implementation of the capital projects and other Recurrent items. The only problem we may have in the second quarter is

the coming of the rainy season which may stall some activities due to the climatic conditions. However, we are very optimistic that the second quarter will be better than the first quarter in all ramifications.

1.0 INTRODUCTION

Nigeria's recovery gained traction in the final quarter of 2018, with growth accelerating to an over three-year high. According to data released by the National Bureau of Statistics (NBS), GDP expanded 2.4% annually in Q4, well above Q3's 1.8% increase. The acceleration was driven by the non-oil segment of the economy, while momentum within the oil sector remained weak. For the year as a whole, growth came in at 1.9%, picking up notably from the 0.8% expansion logged in 2017.

The 2019 Budget was guided by 2018 global economic developments and analysis outcome, as well as estimated revenue from share of Federal Accounts Allocation (FAAC), Internally Generated Revenue (IGR), Capital Receipts, Medium Term Expenditure Framework, 8-Point Development Agenda and 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.

The 2019 approved Budget, 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 and rebuilding existing social and physical infrastructure for the benefit of our citizens and residents.

KEY DELIVERABLES AND EXPECTED OUTCOME OF THE 2019 BUDGET

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 and 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.

EXPECTED OUTCOMES

1. World class infrastructure and transport network;
2. Better, educated, healthy and productive citizens;
3. More secured and responsive citizens;
4. Clean and eco-friendly environment;
5. Robust and dynamic Civil Service;
6. Improved investor-friendly environment for sustainable private sector development.

The Appropriation Bill for the 2019 Budget was presented to the Enugu State House of Assembly on 17th December, 2018 with the total sum of N109,199,243,000.00, N65,705,900,000.00 for Recurrent Expenditure representing 60.00% and N43,493,343,000.00 for Capital Expenditure representing 40.00%. After careful deliberation on the floor of the Enugu State House of Assembly, the same amount was approved for 2019 Fiscal Year.

This 2019 first quarter budget report provides detailed information on the budget implementation for the period under review. The rest of the report is organized as follows: a brief analysis of the macroeconomic development under which the budget was executed, fiscal analysis of the 2019 Budget Implementation and assumptions, followed by 2019 Resources Profile and careful analysis of 2019 first quarter budget implementation. Finally, we present a brief conclusion of this report.

2.0 MACROECONOMIC DEVELOPMENT & ANALYSIS

At inception of the year, the budget of 2019, was predicated on the following Macro-economic assumptions:

Crude oil bench mark @\$60pb.

Oil Production @ 2.3mbpd

Exchange rate @ ₦305/US\$

GDP 3.01%

Inflation rate @ 9.98%

Because of the low expectation from the internal sources of revenue, our budget was keyed into the macro-economic assumptions from the federal Government which is reliant on our oil economy. In actual fact 80% of our expected income in the year 2019 is from the federal allocation, hence the need to watch the Macro-economic indices above. The year started on a promising note however, the price of oil went down for the whole of January to as low as \$60pb before coming up again February and March to as high as \$70pb. The federal government has sustained its efforts to improve Public Financial Management through the comprehensive implementation of Treasury Single Account, TSA, the Government integrated financial management information system (GIFMIS), the integrated Payroll and Personnel information system (IPPIS).

The 2019 Budget proposal is intended to further reposition the economy on the path of higher, inclusive, diversified and sustainable growth and to lift Significant numbers of our citizens out of poverty. The Budget also reflected the Key execution priorities of the Economic Recovery and Growth plan of the federation. (ERGP) namely Restoring Macro-

Economic Stability; Agriculture and food Security, Energy Sufficiency, Transportation Infrastructure; Industrialization (focusing on SMEs)

Government will continue to create the enabling environment for private sector to increase their investment and contribute significantly to job creation and economic growth. Already, diversification effort is yielding positive results with significant growth in the non- oil sector.

Achieving Fiscal Stability and Macro- Fiscal objectives of Government will require bold, decision and urgent action.

Nigeria's gross domestic product advanced 2.0% year-on-year in the first quarter of 2019, easing from a 2.4% expansion in the previous period and below market expectations of 2.1% mainly due to a steeper contraction in the country's oil sector. GDP Annual Growth rate in Nigeria averaged 3.83% from 1982 until 2019, reaching an all-time high of 19.17% in the Fourth quarter of 2004 and a record low of -7.81% in the fourth quarter of 1983.

The oil sector shrank 2.4 percent in the first three months to March 2019, after contracting 1.6% in the period. The country produced 1.96 million barrel of Crude oil per day, lower than 1.98mbpd in the same period a year earlier. As a result, the oil sector accounted for 9.1% of the GDP compared to 9.6% a year ago.

The non-oil sector rose to 2.5 percent, slowing from 2.7 percent growth in the prior quarter. On a quarterly basis, the economy shrank 13.8% after a 5.3% growth in the last quarter of 2018. It was the steepest contraction in GDP Since the March Quarter of 2016; this is according to the central bank of Nigeria Report.

It is however hoped that as the year goes on more fiscal and monetary development may be introduced by the Government to stem the tide of this slide, otherwise we will experience a gloomy year ahead.

The annual inflation rate in Nigeria increased to 11.26 percent in the first quarter of 2019. It is the highest inflation rate since January amid surge in food price. Inflation rate in Nigeria averaged 12.45 percent in 1996 until 2019, reaching an all-time high of 47.56% in January of 1996 and a record low of -2.49% in January of 2000.

3.0 FISCAL ANALYSIS OF THE 2019 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: 2019 Budget Assumptions

| SN | PARTICULARS | 2019 BUDGET BENCHMARKS | 2019 First QUARTER |
|----|---------------------------|-----------------------------|-----------------------------|
| 1 | Crude oil price benchmark | US\$60 per barrel | US\$68 per barrel |
| 2 | Oil production estimate | 2.3 million barrels per day | 1.8 million barrels per day |
| 3 | Exchange rate | N305/US\$ | N305/US\$ |
| 4 | Real GDP growth | 3.01 percent | 2.2 percent |
| 5 | Inflation Rate | 9.98 percent | 11.37 percent |

Source: NBS and BOF

3.2 ENUGU STATE 2019 RESOURCES PROFILE

The sum of N109,199,243,000.00 was appropriated by the Enugu State House of Assembly for 2019 Fiscal year. This is 5.44% more than 2018 Approved Budget of N103,563,500,000.00. Out of the total Approved Budget for 2019 Fiscal year, the sum of N93,699,243,000.00 was for Recurrent Revenue, N15,500,000,000.00 was for Capital Receipts while N27,993,343,000.00 was transferred from Consolidated Revenue Fund to Capital Development Fund. Furthermore, the sum of N65,705,900,000.00 representing 60.00% of the total budget was for Recurrent Expenditure while N43,493,343,000.00 representing 40.00% of the total budget was for Capital Expenditure.

Table 3.2: 2019 Budget Resource Profile

| ITEMS | Approved Budget 2018 | % | Revised Budget 2018 | % | Approved Budget 2019 | % |
|---|-------------------------|---------------|------------------------|---------------|-------------------------|---------------|
| | ₦ | | ₦ | | ₦ | |
| Statutory Allocation | 39,829,500,000 | 44.72 | 39,829,500,000 | 39.92 | 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 |
| 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 |
| TOTAL RECURRENT REVENUE | 89,063,500,000 | 100.00 | 99,763,500,000 | 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 |
| Consolidated Revenue Fund Charges (CRFC) | - | - | - | - | 14,325,000,000 | 21.80 |
| Overhead Cost | 17,234,600,000 | 28.39 | 20,039,600,000 | 33.00 | 20,065,720,000 | 30.54 |
| Subvention | 5,981,993,000 | 9.85 | 5,981,993,000 | 9.85 | 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 |
| CAPITAL RECIEPTS | | | | | | |
| Transfer from Consolidated Revenue Fund | 28,346,476,000 | 66.16 | 39,046,476,000 | 72.92 | 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 |
| Public Private Patnership | 500,000,000 | 1.17 | 500,000,000 | 0.93 | 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 |
| International Loans/Borrowing Receipts | 2,000,000,000 | 4.67 | 2,000,000,000 | 3.74 | 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 |
| 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 |
| Economic Sector | 24,225,345,000 | 56.54 | 31,041,845,000 | 57.97 | 24,584,264,000 | 56.52 |
| Law & Justice Sector | 1,219,200,000 | 2.85 | 2,969,200,000 | 5.55 | 1,046,320,000 | 2.41 |
| Regional Sector | 152,500,000 | 0.36 | 152,500,000 | 0.28 | 380,000,000 | 0.87 |
| Social Sector | 13,812,263,000 | 32.24 | 14,392,763,000 | 26.88 | 11,325,516,000 | 26.04 |
| TOTAL | 42,846,476,000 | 100.00 | 53,546,476,000 | 100.00 | 43,493,343,000 | 100.00 |
| BUDGET SIZE | 103,563,500,000 | | 114,263,500,000 | | 109,199,243,000 | |

Source: MB&P

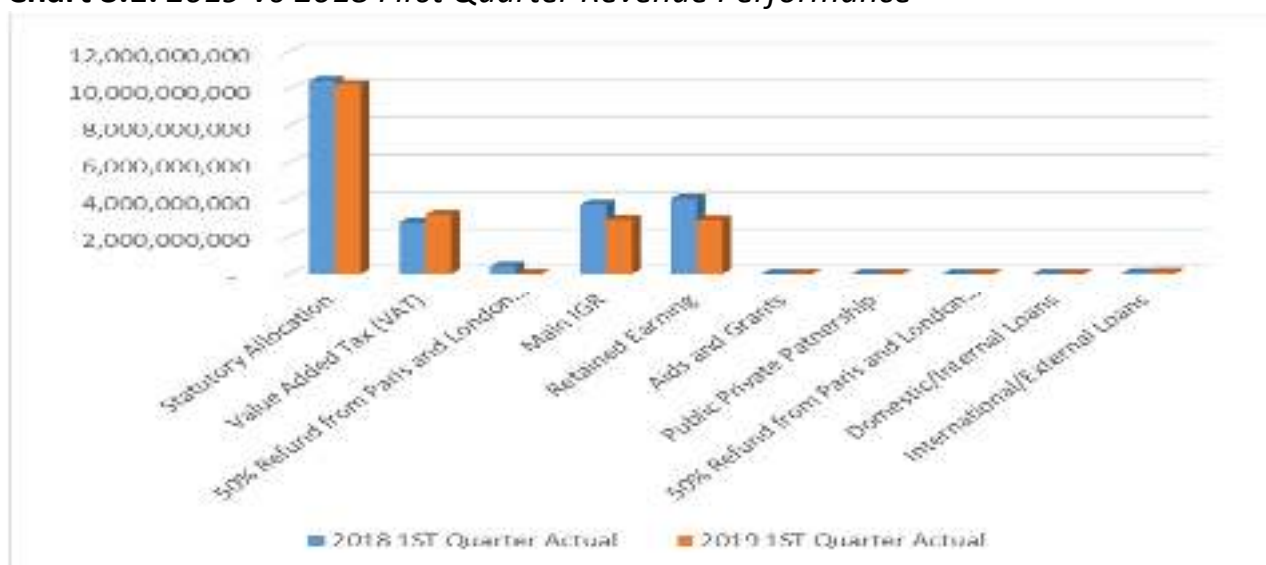
3.3 Analysis of Recurrent Revenue and Capital Receipts Performance

Table 3.3: Performance of Revenue in the First Quarter of 2019 Vs 2018

| S/N | DESCRIPTION | 2018 | 2019 | VARIANCE | |
|-----|---|-----------------------|-----------------------|--------------------------------------|----------------|
| | | 1ST Quarter Actual | 1ST Quarter Actual | 1ST Quarter 2019 Vs 1ST Quarter 2018 | |
| | REVENUE | N | N | N | % |
| 1 | Statutory Allocation | 10,410,600,718 | 10,219,754,784 | (190,845,934) | (1.83) |
| 2 | Value Added Tax (VAT) | 2,783,272,796 | 3,188,823,863 | 405,551,067 | 14.57 |
| 3 | 50% Refund from Paris and London Club | 400,000,000 | - | (400,000,000) | (100.00) |
| | Sub-Total | 13,593,873,515 | 13,408,578,647 | (185,294,868) | (1.36) |
| | Internally Generated Revenue (IGR) | | | | |
| 4 | Main IGR | 3,746,566,918 | 2,928,382,676 | (818,184,242) | (21.84) |
| 5 | Retained Earning | 4,055,199,273 | 2,896,567,154 | (1,158,632,119) | (28.57) |
| | Sub-Total (IGR) | 7,801,766,190 | 5,824,949,830 | (1,976,816,361) | (25.34) |
| | CAPITAL RECEIPTS | | | | |
| 6 | Aids and Grants | - | - | - | - |
| 7 | Public Private Patnership | - | - | - | - |
| 8 | 50% Refund from Paris and London Club | - | - | - | - |
| 9 | Domestic/Internal Loans | - | - | - | - |
| 10 | International/External Loans | 70,707,065 | 92,634,328 | 21,927,264 | 31.01 |
| | Sub-Total | 70,707,065 | 92,634,328 | 21,927,264 | 31.01 |
| | Grand Total | 21,466,346,770 | 19,326,162,805 | (2,140,183,965) | (9.97) |

Source: MB&P and OAG

Chart 3.1: 2019 Vs 2018 First Quarter Revenue Performance



Source: MB&P and OAG

Table 3.4: Inflows to the 2019 Enugu State Budget as at 31st March 2019

| S/N | DESCRIPTION | BUDGET | | | ACTUAL | | 2019 VARIANCE | | | |
|-----|---|------------------------|------------------------|-----------------------|-----------------------|-----------------------|--|----------------|-------------------------------|----------------|
| | | 2018 ANNUAL | 2019 ANNUAL | 2019 QUARTERLY | 2018 FIRST QUARTER | 2019 FIRST QUARTER | 1ST Quarter Actual Vs Quarterly Budget | | Total Actual Vs Annual Budget | |
| | REVENUE | N | N | N | N | N | N | % | N | % |
| 1 | Statutory Allocation | 39,829,500,000 | 54,475,243,000 | 13,618,810,750 | 10,410,600,718 | 10,219,754,784 | (3,399,055,966) | (24.96) | (44,255,488,216) | (81.24) |
| 2 | Value Added Tax (VAT) | 11,234,000,000 | 11,490,000,000 | 2,872,500,000 | 2,783,272,796 | 3,188,823,863 | 316,323,863 | 11.01 | (8,301,176,137) | (72.25) |
| 3 | 50% Refund from Paris and London Club | 8,000,000,000 | - | - | 400,000,000 | - | - | - | - | - |
| | Sub-Total | 59,063,500,000 | 65,965,243,000 | 16,491,310,750 | 13,593,873,515 | 13,408,578,647 | (3,082,732,103) | (18.69) | (52,556,664,353) | (79.67) |
| | Internally Generated Revenue (IGR) | | | | | | | | | |
| 4 | Main IGR | 18,461,702,290 | 17,744,556,000 | 4,436,139,000 | 3,746,566,918 | 2,928,382,676 | (1,507,756,324) | (33.99) | (14,816,173,324) | (83.50) |
| 5 | Retained Earning | 11,538,297,710 | 9,989,444,000 | 2,497,361,000 | 4,055,199,273 | 2,896,567,154 | 399,206,154 | 15.99 | (7,092,876,846) | (71.00) |
| | Sub-Total (IGR) | 30,000,000,000 | 27,734,000,000 | 6,933,500,000 | 7,801,766,190 | 5,824,949,830 | (1,108,550,170) | (15.99) | (21,909,050,170) | (79.00) |
| | CAPITAL RECEIPTS | | | | | | | | | |
| 6 | Aids and Grants | 2,000,000,000 | 4,000,000,000 | 1,000,000,000 | - | - | (1,000,000,000) | (100.00) | (4,000,000,000) | (100.00) |
| 7 | Public Private Partnership | 500,000,000 | 500,000,000 | 125,000,000 | - | - | (125,000,000) | (100.00) | (500,000,000) | (100.00) |
| 8 | 50% Refund from Paris and London Club | 8,000,000,000 | - | - | - | - | - | - | - | - |
| 9 | Domestic/Internal Loans | 2,000,000,000 | 5,000,000,000 | 1,250,000,000 | - | - | (1,250,000,000) | (100.00) | (5,000,000,000) | (100.00) |
| 10 | International/External Loans | 2,000,000,000 | 6,000,000,000 | 1,500,000,000 | 70,707,065 | 92,634,328 | (1,407,365,672) | (93.82) | (5,907,365,672) | (98.46) |
| | Sub-Total | 14,500,000,000 | 15,500,000,000 | 3,875,000,000 | 70,707,065 | 92,634,328 | (3,782,365,672) | (97.61) | (15,407,365,672) | (99.40) |
| | Grand Total | 103,563,500,000 | 109,199,243,000 | 27,299,810,750 | 21,466,346,770 | 19,326,162,805 | (7,973,647,945) | (29.21) | (89,873,080,195) | (82.30) |

Source: MB&P and OAG

Table 3.5: Performance of Revenue Budget and Actual in the 2019 First Quarter

| S/N | DESCRIPTION | BUDGET | | | ACTUAL | | 2019 PERFORMANCE | | |
|-----|---|------------------------|------------------------|-----------------------|-----------------------|-----------------------|---------------------------------------|----------------------------|----------------------|
| | | 2018 ANNUAL | 2019 ANNUAL | 2019 QUARTERLY | 2018 FIRST QUARTER | 2019 FIRST QUARTER | FIRST QUARTER ACTUAL/QUARTERLY BUDGET | TOTAL ACTUAL/ANNUAL BUDGET | FIRST QUARTER ACTUAL |
| | REVENUE | N | N | N | N | N | % | % | % (Contribution) |
| 1 | Statutory Allocation | 39,829,500,000 | 54,475,243,000 | 13,618,810,750 | 10,410,600,718 | 10,219,754,784 | 75.04 | 18.76 | 52.88 |
| 2 | Value Added Tax (VAT) | 11,234,000,000 | 11,490,000,000 | 2,872,500,000 | 2,783,272,796 | 3,188,823,863 | 111.01 | 27.75 | 16.50 |
| 3 | 50% Refund from Paris and London Club | 8,000,000,000 | - | - | 400,000,000 | - | 0.00 | 0.00 | 0.00 |
| | Sub-Total | 59,063,500,000 | 65,965,243,000 | 16,491,310,750 | 13,593,873,515 | 13,408,578,647 | 81.31 | 20.33 | |
| | Internally Generated Revenue (IGR) | | | | | | 0.00 | 0.00 | |
| 4 | Main IGR | 18,461,702,290 | 17,744,556,000 | 4,436,139,000 | 3,746,566,918 | 2,928,382,676 | 66.01 | 16.50 | 15.15 |
| 5 | Retained Earning | 11,538,297,710 | 9,989,444,000 | 2,497,361,000 | 4,055,199,273 | 2,896,567,154 | 115.99 | 29.00 | 14.99 |
| | Sub-Total (IGR) | 30,000,000,000 | 27,734,000,000 | 6,933,500,000 | 7,801,766,190 | 5,824,949,830 | 84.01 | 21.00 | |
| | CAPITAL RECEIPTS | | | | | | 0.00 | 0.00 | |
| 6 | Aids and Grants | 2,000,000,000 | 4,000,000,000 | 1,000,000,000 | - | - | 0.00 | 0.00 | 0.00 |
| 10 | Public Private Partnership | 500,000,000 | 500,000,000 | 125,000,000 | - | - | 0.00 | 0.00 | 0.00 |
| 11 | 50% Refund from Paris and London Club | 8,000,000,000 | - | - | - | - | 0.00 | 0.00 | 0.00 |
| 12 | Domestic/Internal Loans | 2,000,000,000 | 5,000,000,000 | 1,250,000,000 | - | - | 0.00 | 0.00 | 0.00 |
| 13 | International/External Loans | 2,000,000,000 | 6,000,000,000 | 1,500,000,000 | 70,707,065 | 92,634,328 | 6.18 | 1.54 | 0.48 |
| | Sub-Total | 14,500,000,000 | 15,500,000,000 | 3,875,000,000 | 70,707,065 | 92,634,328 | 2.39 | 0.60 | |
| | Grand Total | 103,563,500,000 | 109,199,243,000 | 27,299,810,750 | 21,466,346,770 | 19,326,162,805 | 70.79 | 17.70 | 100.00 |

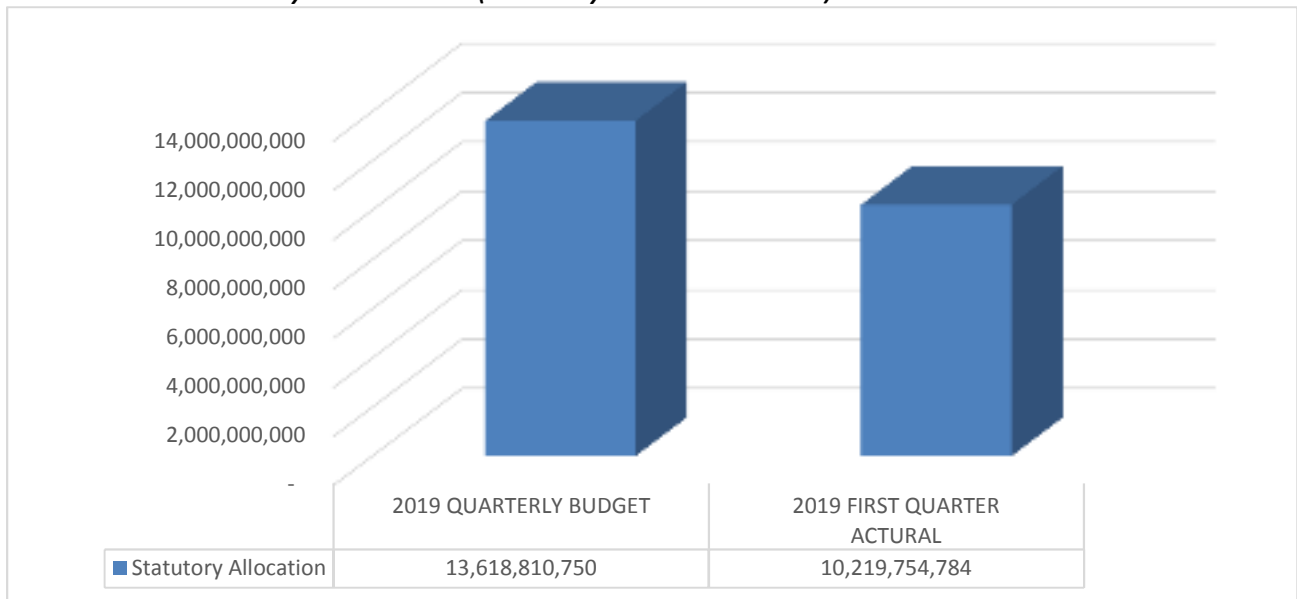
Source: MB&P and OAG

3.3.1 RECURRENT REVENUE PERFORMANCE

Statutory Allocation:

Statutory Allocation actual collected was N10,219,754,784.00 out of budgeted quarterly amount of N13,618,810,750.00 in the first quarter of 2019. This translate to a N3,399,055,966.00 or 24.96 percent less than the prorated budget for the period under review. It contributed about 52.88 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts). The actual revenue realized in the first quarter of 2019 reveals a decrease of N190,845,934.00 or 1.83 percent when compared with the actual revenue in the first quarter of 2018.

Chart 3.2: Statutory Allocation (January – March 2019)



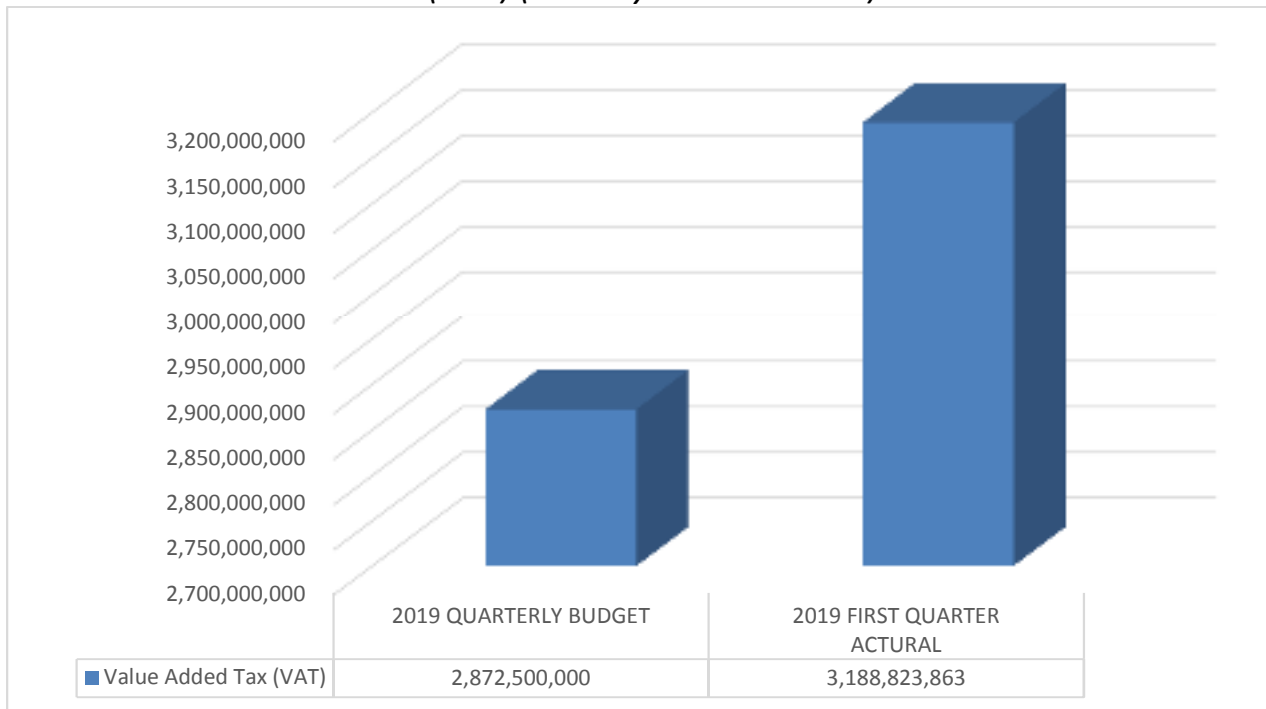
Source: MB&P and OAG

Value Added Tax (VAT):

The actual Value Added Tax (VAT) that accrued in the first quarter of 2019 was N3,188,823,863.00, translating an increase of N316,323,863.00 or 11.01 percent above the estimated quarterly projection of N2,872,500,000.00. It contributed about 16.50 percent of

the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts). The actual revenue in the first quarter of 2019 reveals an increase of N405,551,067.00 or 14.57 percent when compared with the actual revenue in the first quarter of 2018.

Chart 3.3: Value Added Tax (VAT) (January – March 2019)

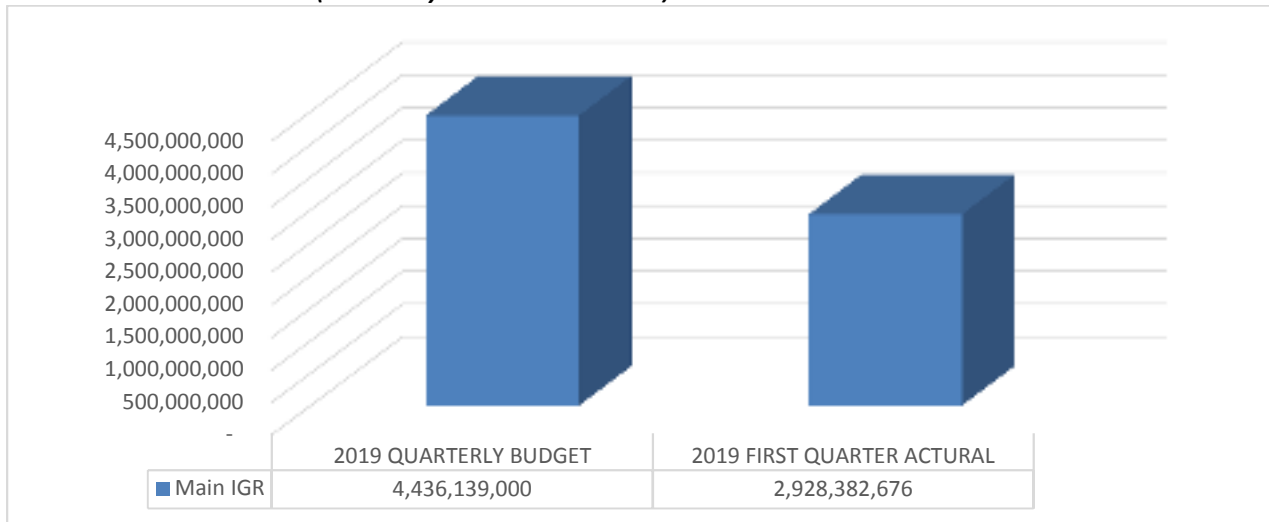


Source: MB&P and OAG

Internally Generated Revenue (IGR) – Main:

The actual of the Main IGR was N2,928,382,676.00 in the first quarter 2019 against N4,436,139,000.00 quarterly budget projection. It fell below by sum of N1,507,756,324.00 or 33.99 percent of quarterly budget. It yielded about 15.15 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts). The actual revenue collected in the first quarter of 2019 reveals a shortfall of N818,184,242.00 or 21.84 percent when compared with the actual revenue in the first quarter of 2018.

Chart 3.4: Main IGR (January – March 2019)

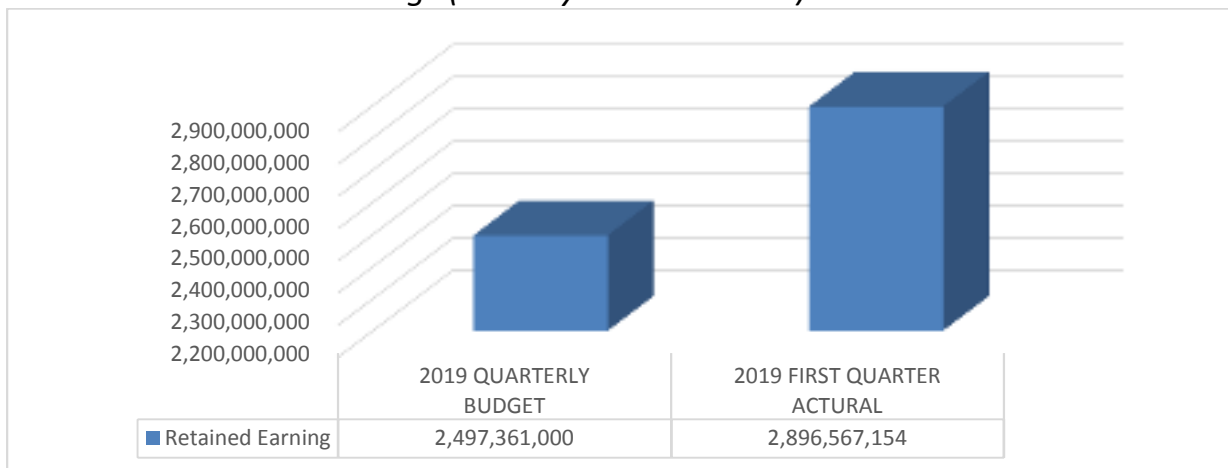


Source: MB&P and OAG

Internally Generated Revenue (IGR) – Retained Earnings:

The actual revenue of N2,896,567,154.00 was collected in the first quarter of 2019. It gives an increase of N399,206,154.00 or 15.99 percent above the quarterly estimate of N2,497,361,000.00. It contributed about 14.99 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts). The actual revenue in the first quarter of 2019 reveals a decrease of N1,158,632,119.00 or 28.57 percent when compared with the actual revenue in the first quarter of 2018.

Chart 3.5: Retained Earnings (January – March 2019)



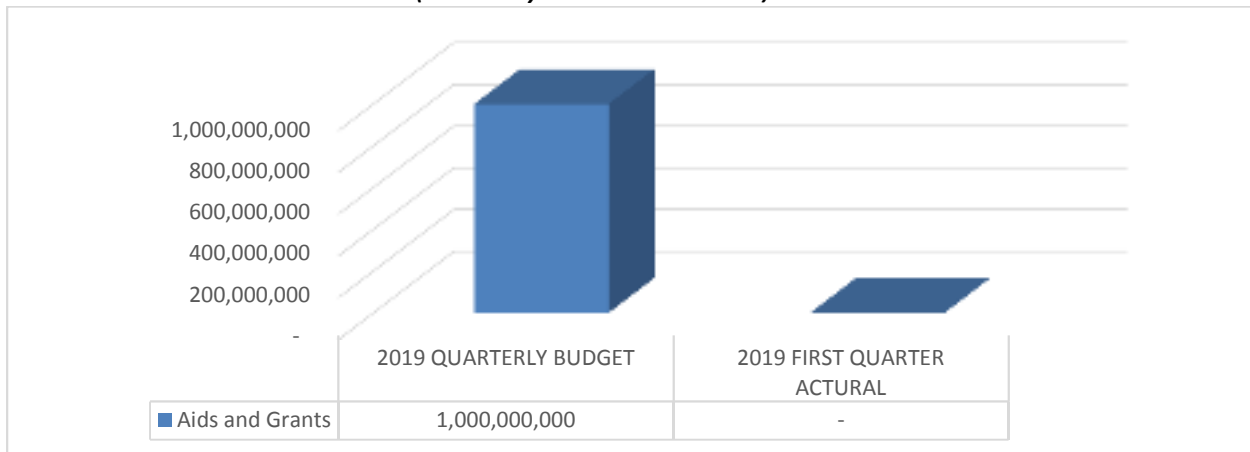
Source: MB&P and OAG

3.3.2 CAPITAL RECEIPTS PERFORMANCE

Aids and Grants:

The State projected quarterly budget of N1,000,000,000.00 to be realized from grant in the 2019 first quarter but nothing was actually received.

Chart 3.6: *Aids and Grants (January – March 2019)*

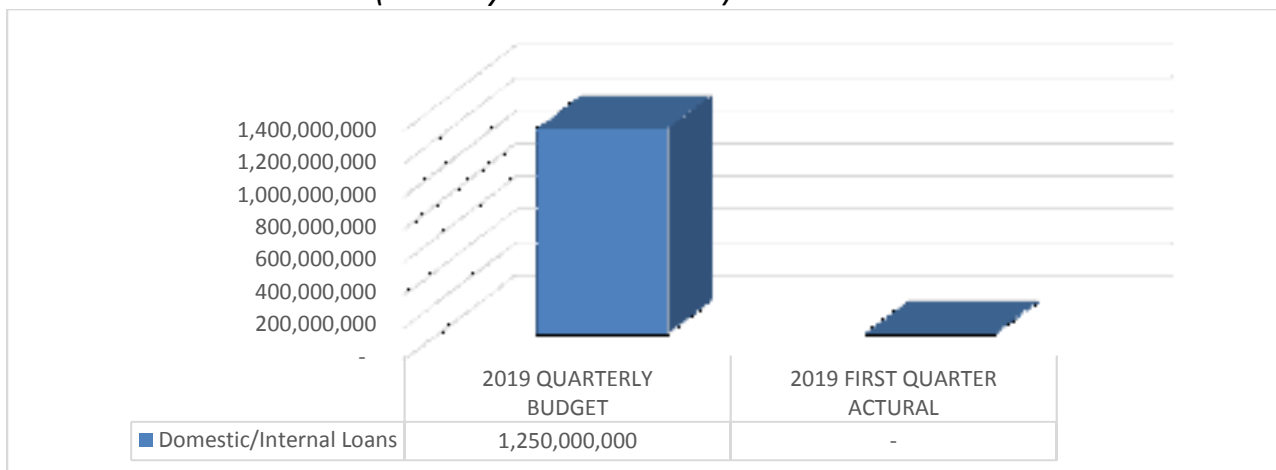


Source: MB&P and OAG

Internal Loan:

In the first quarter 2019, nothing was received against N1,250,000,000.00 quarterly budget projection.

Chart 3.7: *Internal Loan (January – March 2019)*

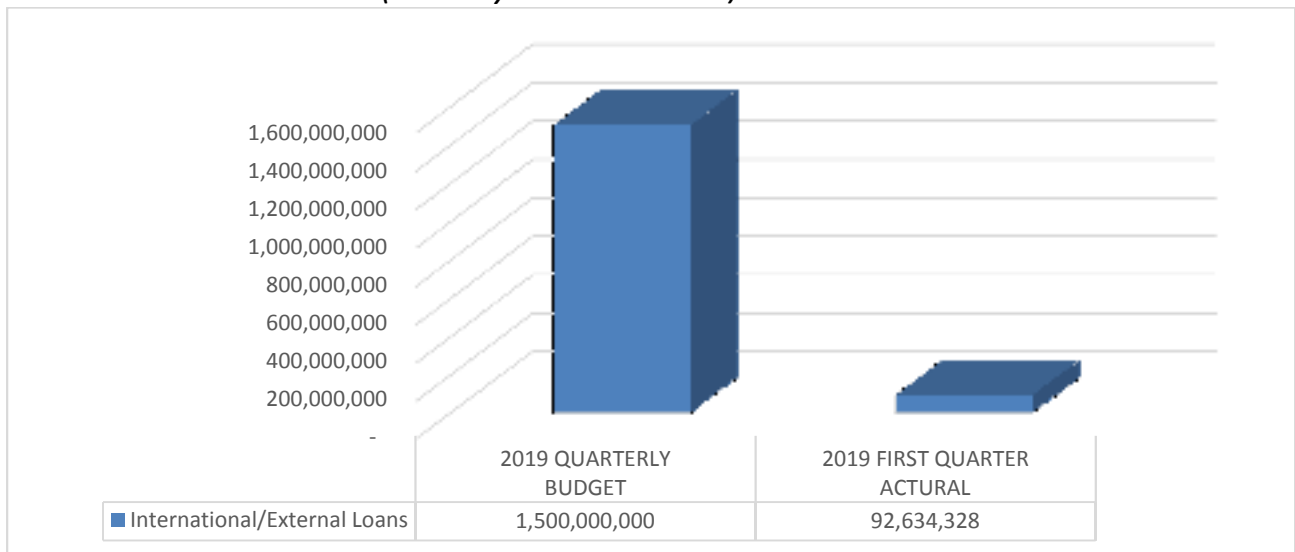


Source: MB&P and OAG

External Loan:

The sum of N92,634,328.00 was collected during the first quarter 2019. This denotes a shortfall of N1,407,365,672.00 or 93.82 percent below the quarterly estimate of N1,500,000,000.00. It contributed about 0.48 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts). The performance in the first quarter of 2019 was however above the equivalent level in the same period of 2018 by N21,927,264.00 or 31.01 percent.

Chart 3.8: *External Loan (January – March 2019)*

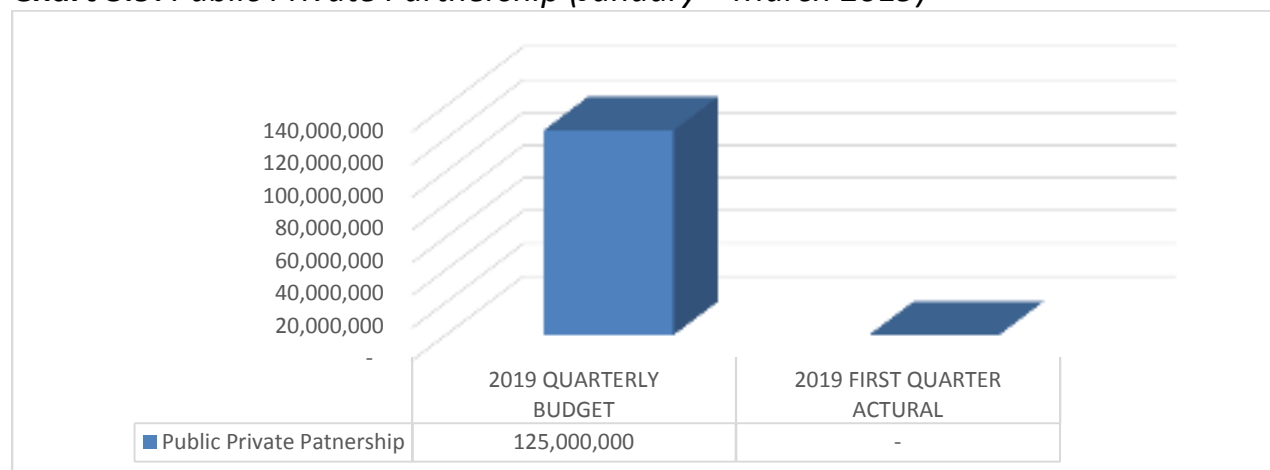


Source: MB&P and OAG

Public Private Partnership:

The State projected N125,000,000.00 quarterly to be realized from Public Private Partnership but nothing was actually received in the first quarter 2019.

Chart 3.9: Public Private Partnership (January – March 2019)



Source: MB&P and OAG

3.4 Analysis of Recurrent and Capital Expenditure Performance

Table 3.6: Performance of Expenditure in the First Quarter of 2019 Vs 2018

| S/N | DESCRIPTION | 2018 | 2019 | VARIANCE | |
|-----|--|-----------------------|-----------------------|--------------------------------------|---------------|
| | | 1ST Quarter Actual | 1ST Quarter Actual | 1ST Quarter 2019 Vs 1ST Quarter 2018 | |
| | EXPENDITURE | N | N | N | % |
| 1 | Personnel Cost | 4,318,693,073 | 5,123,677,404 | 804,984,331 | 18.64 |
| 2 | Consolidated Revenue Fund Charges (CRFC) | 2,139,798,671 | 4,102,144,949 | 1,962,346,277 | 91.71 |
| 3 | Overhead Cost | 4,134,467,284 | 2,641,027,388 | (1,493,439,896) | (36.12) |
| 4 | Subvention | 1,101,188,760 | 1,292,141,683 | 190,952,923 | 17.34 |
| 5 | Capital Expenditure | 4,786,621,677 | 2,029,516,193 | (2,757,105,483) | (57.60) |
| | Total | 16,480,769,465 | 15,188,507,616 | (1,292,261,849) | (7.84) |

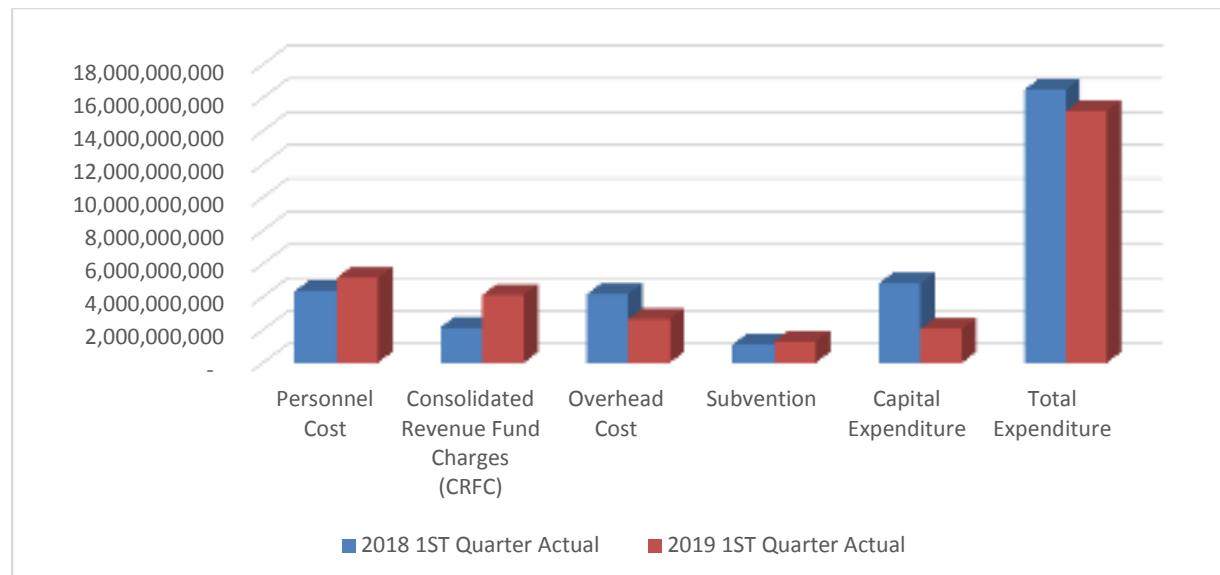
Source: MB&P and OAG

Table 3.7: Performance of Aggregate Expenditure in the First Quarter of 2019 Vs 2018

| S/N | DESCRIPTION | 2018 | 2019 | VARIANCE | |
|-----|--------------|-----------------------|-----------------------|--------------------------------------|---------------|
| | | 1ST Quarter Actual | 1ST Quarter Actual | 1ST Quarter 2019 Vs 1ST Quarter 2018 | |
| | EXPENDITURE | N | N | N | % |
| 1 | RECURRENT | 11,694,147,789 | 13,158,991,423 | 1,464,843,634 | 12.53 |
| 2 | CAPITAL | 4,786,621,677 | 2,029,516,193 | (2,757,105,483) | (57.60) |
| | Total | 16,480,769,465 | 15,188,507,616 | (1,292,261,849) | (7.84) |

Source: MB&P and OAG

Chart 3.10: 2019 Vs 2018 First Quarter Expenditure Performance



Source: MB&P and OAG

Table 3.8: Outflows 2019 Enugu State Budget as at March 2019

| S/N | DESCRIPTION | BUDGET | | | ACTUAL | | 2019 VARIANCE | | | |
|-----|--|------------------------|------------------------|-----------------------|-----------------------|-----------------------|--|----------------|-------------------------------|----------------|
| | | 2018 ANNUAL | 2019 ANNUAL | 2019 QUARTERLY | 2018 FIRST QUARTER | 2019 FIRST QUARTER | 1ST Quarter Actual Vs Quarterly Budget | | Total Actual Vs Annual Budget | |
| | EXPENDITURE | N | N | N | N | N | N | % | N | % |
| 1 | Personnel Cost | 37,500,431,000 | 24,337,180,000 | 6,084,295,000 | 4,318,693,073 | 5,123,677,404 | (960,617,596) | (15.79) | (19,213,502,596) | (78.95) |
| 2 | Consolidated Revenue Fund Charges (CRFC) | - | 14,325,000,000 | 3,581,250,000 | 2,139,798,671 | 4,102,144,949 | 520,894,949 | 14.55 | (10,222,855,051) | (71.36) |
| 3 | Overhead Cost | 17,234,600,000 | 20,065,720,000 | 5,016,430,000 | 4,134,467,284 | 2,641,027,388 | (2,375,402,612) | (47.35) | (17,424,692,612) | (86.84) |
| 4 | Subvention | 5,981,993,000 | 6,978,000,000 | 1,744,500,000 | 1,101,188,760 | 1,292,141,683 | (452,358,318) | (25.93) | (5,685,858,318) | (81.48) |
| 5 | Capital Expenditure | 42,846,476,000 | 43,493,343,000 | 10,873,335,750 | 4,786,621,677 | 2,029,516,193 | (8,843,819,557) | (81.33) | (41,463,826,807) | (95.33) |
| | Total | 103,563,500,000 | 109,199,243,000 | 27,299,810,750 | 16,480,769,465 | 15,188,507,616 | (12,111,303,134) | (44.36) | (94,010,735,384) | (86.09) |

Source: MB&P and OAG

Table 3.9: Performance of Budget Expenditure and Actual in the 2019 First Quarter

| S/N | DESCRIPTION | BUDGET | | | ACTUAL | | 2019 PERFORMANCE | | |
|-----|--|------------------------|------------------------|-----------------------|-----------------------|-----------------------|---------------------------------------|----------------------------|----------------------|
| | | 2018 ANNUAL | 2019 ANNUAL | 2019 QUARTERLY | 2018 FIRST QUARTER | 2019 FIRST QUARTER | FIRST QUARTER ACTUAL/QUARTERLY BUDGET | TOTAL ACTUAL/ANNUAL BUDGET | FIRST QUARTER ACTUAL |
| | EXPENDITURE | N | N | N | N | N | % | % | % (Contribution) |
| 1 | Personnel Cost | 37,500,431,000 | 24,337,180,000 | 6,084,295,000 | 4,318,693,073 | 5,123,677,404 | 84.21 | 21.05 | 33.73 |
| 2 | Consolidated Revenue Fund Charges (CRFC) | - | 14,325,000,000 | 3,581,250,000 | 2,139,798,671 | 4,102,144,949 | 114.55 | 28.64 | 27.01 |
| 3 | Overhead Cost | 17,234,600,000 | 20,065,720,000 | 5,016,430,000 | 4,134,467,284 | 2,641,027,388 | 52.65 | 13.16 | 17.39 |
| 4 | Subvention | 5,981,993,000 | 6,978,000,000 | 1,744,500,000 | 1,101,188,760 | 1,292,141,683 | 74.07 | 18.52 | 8.51 |
| 5 | Capital Expenditure | 42,846,476,000 | 43,493,343,000 | 10,873,335,750 | 4,786,621,677 | 2,029,516,193 | 18.67 | 4.67 | 13.36 |
| | Total | 103,563,500,000 | 109,199,243,000 | 27,299,810,750 | 16,480,769,465 | 15,188,507,616 | 55.64 | 13.91 | 100.00 |

Source: MB&P and OAG

3.4.1 RECURRENT EXPENDITURE PERFORMANCE

The tables below show the comparison of the level of released Recurrent warrant/Actual payments over recurrent expenditure budget for the first quarter of the year ended 31st march 2019. It also represents the Recurrent Cost Expenditure budget performance over the first quarter for the year 2018. The variance and percentage performance is also represented on the templates below.

Analysis shows that a total of N109,199,234,000 was appropriated for expenditure in the 2019 State budget, out of this amount, the sum N65,705,900,000 was for Recurrent Expenditure. This is 4.5% more than Recurrent Budget of 2018 N60,717,096,000.00. The 2019 Recurrent Budget therefore translates to a quarterly share of N16,426,475,000.

The also revealed that a total amount of N13,158,991,464 Was released and cash backed for Recurrent Expenditure as at 31st march 2019. The Quarter recorded, signifies an increase performance of 5% relative to the rate recorded in the corresponding quarter 2018.

Further analysis shows that out of N6,084,295,000 was budgeted for Personnel cost within the period, but the sum of N5,123,677,404 was utilized. This signifies 84% performance over the appropriated sum. A total of N5,016,430,000 was for overhead cost but the data shows that N4,102,144,989 or (82%) was spent in the first quarter. Also the sum N1,744,500,000 was appropriated of subvention to parastatals, but the actual expenditure stood at N1,292,141,683 in the first quarter representing 74% performance. Also the sum N3,581,250,000 was approved for consolidated Revenue fund charges. Actual expenditure however amounted to N2,641,027,388 indicating 74 % budget performance in the first quarter. The data from the office of the State Accountant General on first quarter of 2019 recurrent performance shows that the all released warrants were 100% cash backed.

NOTE: The Personnel cost in each of the tables comprises the salaries and allowances of civil servants and political office holders, while subventions are funds given to parastatals to argument their Internally Generated revenue for salaries.

Consolidated fund releases on the templates, comprises only pensions, gratuities and the loan repayment usually deducted at source by FAAC.

The overhead cost includes both monthly imprest released to ministries for upkeep and other individual recurrent releases.

Table 3.10: SUMMARY OF 2019 1ST QUARTER RECCURENT REPORT

| DESCRIPTION | APPROVED BUDGET (N) | APPROVED 1ST QUARTER | 1ST QUARTER RELEASES | ACTUAL/CASH BACK | BALANCE FROM ACTUAL (N) | PERCENTAGE PERFORMANCE (N) |
|----------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|----------------------------|
| PERSONNEL COST | 24,337,180,000 | 6,084,295,000 | 5,135,542,276 | 5,123,677,404 | 960,617,596 | 84.2 |
| OVERHEAD COST | 20,065,720,000 | 5,016,430,000 | 4,460,361,138 | 4,102,144,989 | 914,285,011 | 82 |
| SUBVENTION | 6,978,000,000 | 1,744,500,000 | 1,292,138,760 | 1,292,141,683 | 452,358,317 | 74.1 |
| CONSOLIDATED | 14,325,000,000 | 3,581,250,000 | 1,930,226,075 | 2,641,027,388 | 940,222,612 | 74 |
| | | | | | | |
| TOTAL | 65,705,900,000 | 16,426,475,000 | 12,818,268,249 | 13,158,991,464 | 3,267,483,536 | 80.1 |

Source: Ministry of Budget and Planning/Office of the State Accountant General

Table 3.11: Monthly Releases of Recurrent Expenditure (1st Quarter 2019)

| DESCRIPTION | WARRANT RELEASES | | | | | ACTUAL RELEASES | | | |
|----------------|---------------------|---------------|---------------|---------------|-----------------------|-----------------|---------------|---------------|-----------------------|
| | APPROVED BUDGET (N) | JAN | FEB | MARCH | TOTAL | JAN | FEB | MARCH | TOTAL |
| | 2019 | 2019 | 2019 | 2019 | 2019 | 2019 | 2019 | 2019 | 2019 |
| PERSONNEL COST | 24,337,180,000 | 1,705,249,896 | 1,730,553,544 | 1,699,738,836 | 5,135,542,276 | 1,698,408,868 | 1,725,949,083 | 1,699,319,452 | 5,123,677,403 |
| OVERHEAD COST | 20,065,720,000 | 1,301,402,779 | 1,568,357,687 | 1,590,600,672 | 4,460,361,138 | 847,559,215 | 1,562,594,988 | 1,691,990,725 | 4,102,144,928 |
| SUBVENTION | 6,978,000,000 | 430,712,920 | 430,712,920 | 430,712,920 | 1,292,138,760 | 421,114,228 | 440,313,728 | 440,313,728 | 1,301,741,684 |
| CONSOLIDATED | 14,325,000,000 | 630,712,980 | 682,079,037 | 617,434,058 | 1,930,226,075 | 875,365,404 | 867,777,025 | 897,884,959 | 2,641,027,388 |
| | 65,705,900,000 | 4,068,078,575 | 4,411,703,188 | 4,338,486,486 | 12,818,268,249 | 3,842,447,715 | 4,596,634,824 | 4,729,508,864 | 13,168,591,403 |

Source: Ministry of Budget and Planning/Office of the Accountant General

Table 3.12: COMPARISM OF 1ST QUARTER 2019 OVER 1ST QUARTER 2018 PERFORMANCES

| DESCRIPTION | 2018 | | | 2019 | | |
|----------------|-----------------------------|-----------------------|-----------------------|-----------------------------|-----------------------|-----------------------|
| | 1ST QUARTER APPROVED BUDGET | 1ST QUARTER RELEASES | TOTAL CASH BACK | 1ST QUARTER APPROVED BUDGET | 1ST QUARTER RELEASES | TOTAL CASH BACK |
| | 2018 | 2018 | 2018 | 2019 | 2019 | 2019 |
| PERSONNEL COST | 6,373,875,750 | 4,644,197,491 | 4,318,693,073 | 6,084,295,000 | 5,135,542,276 | 5,123,677,404 |
| OVERHEAD COST | 4,754,900,000 | 4,307,774,690 | 4,134,467,284 | 5,016,430,000 | 4,460,361,138 | 4,102,144,989 |
| SUBVENTION | 1,495,498,250 | 1,116,338,760 | 1,101,188,760 | 1,744,500,000 | 1,292,138,760 | 1,292,141,683 |
| CONSOLIDATED | 2,555,000,000 | 1,383,004,519 | 2,139,798,671 | 3,581,250,000 | 1,930,226,075 | 2,641,027,388 |
| | | | | | | |
| TOTAL | 15,179,274,000 | 11,451,315,460 | 11,694,147,788 | 16,426,475,000 | 12,818,268,249 | 13,158,991,464 |

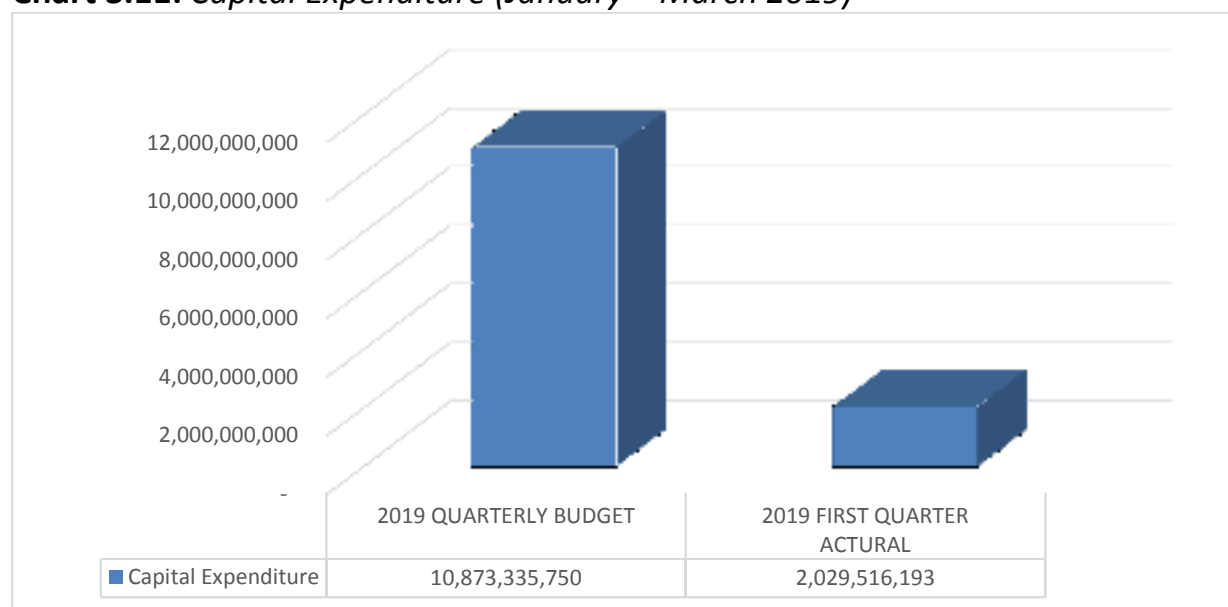
Source: Ministry of Budget and Planning/Office of the Accountant General

| DESCRIPTION | APPROVED BUDGET (N) | APPROVED 1ST QUARTER | 1ST QUARTER RELEASES | BALANCE (N) | PERCENTAGE PERFORMANCE (N) | REMARKS |
|----------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------------|---------|
| | 2019 | 2019 | 2019 | 2019 | 2019 | |
| PERSONNEL COST | 24,337,180,000 | 6,084,295,000 | 5,135,542,276 | 948,752,724 | 84 | |
| OVERHEAD COST | 20,065,720,000 | 5,016,430,000 | 4,460,361,138 | 556,068,862 | 89 | |
| SUBVENTION | 6,978,000,000 | 1,744,500,000 | 1,292,138,760 | 452,361,240 | 74 | |
| CONSOLIDATED | 14,325,000,000 | 3,581,250,000 | 1,930,226,075 | 1,351,023,925 | 54 | |
| TOTAL | 65,705,900,000 | 16,426,475,000 | 12,818,268,249 | 3,308,206,751 | 78 | |

3.4.2 CAPITAL EXPENDITURE PERFORMANCE

A total of N43,493,343,000.00 was appropriated in the 2019 Budget to be used for capital expenditure for the provision of critical infrastructure in the roads, health, power, housing, water, education, transport, electricity, security and good governance etc. The sum of N2,029,516,193.00 was spent in the first quarter of 2019. This implies a significant decrease of N8,843,819,557.00 or 81.33 percent below the quarterly estimate of N10,873,335,750.00. The actual capital expenditure in the first quarter 2019 reflect a decrease of N2,757,105,483.00 or 57.60 percent below the 2018 first quarter actual capital expenditure. It is important to note that capital expenditure releases are made on request by the beneficiaries and also subject to budgetary provisions and availability of funds.

Chart 3.11: Capital Expenditure (January – March 2019)



Source: MB&P and OAG

3.4.3 MDAs' Capital Vote Utilization

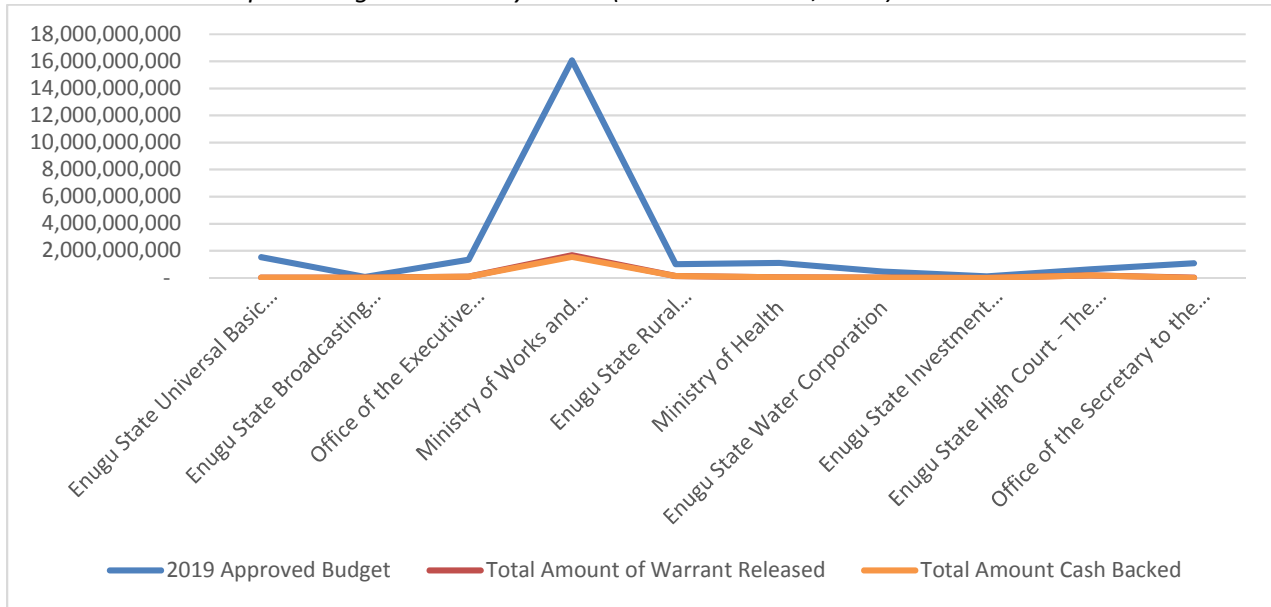
The total Capital Expenditure Warrants issued as at first quarter of 2019 was N2,189,105,554.00 out of this, N2,029,516,193.00 was cash backed. The data showed that most of MDAs have cash backed their warrants 100.00 percent during the first quarter 2019.

Table 3.13: Capital Budget Releases by MDAs (as at 31st March, 2019)

| | | 2019 Approved Budget | Total Amount of Warrant Released | Total Amount Cash Backed | Percentage of Release (Cash Backed/Approved Budget) |
|-----|---|-----------------------|----------------------------------|--------------------------|---|
| S/N | MDAs | N | N | N | % |
| 1 | Enugu State Universal Basic Education Board | 1,518,682,000 | 17,964,384 | 17,964,384.00 | 1.18 |
| 2 | Enugu State Broadcasting Service - Radio/TV ESBS/TV | 68,000,000 | 14,212,000 | 13,566,000.00 | 19.95 |
| 3 | Office of the Executive Governor | 1,344,455,000 | 92,323,865 | 84,391,030.00 | 6.28 |
| 4 | Ministry of Works and Infrastructure | 16,076,000,000 | 1,674,100,681 | 1,541,167,424.62 | 9.59 |
| 5 | Enugu State Rural Electrification Board (REB) | 1,000,000,000 | 143,988,032 | 138,353,263.07 | 13.84 |
| 6 | Ministry of Health | 1,112,200,000 | 36,940,625 | 36,940,625.00 | 3.32 |
| 7 | Enugu State Water Corporation | 455,000,000 | 5,918,400 | 5,918,400.00 | 1.30 |
| 8 | Enugu State Investment Development Agency | 114,400,000 | 492,500 | 492,500.00 | 0.43 |
| 9 | Enugu State High Court - The Judiciary | 626,600,000 | 190,722,567 | 190,722,566.80 | 30.44 |
| | Office of the Secretary to the State Government | 1,079,000,000 | 12,442,500 | - | 0.00 |
| | Total | 23,394,337,000 | 2,189,105,554 | 2,029,516,193.49 | 8.68 |

Source: MB&P and OAG

Chart 3.12: MDAs Capital Budget Release by MDAs (as at 31st March, 2019)



Source: MB&P and OAG

Table 3.14: Aggregate Expenditure in the 2019 First Quarter

| S/N | DESCRIPTION | BUDGET | | | ACTUAL | | 2019 VARIANCE | | | |
|-----|--------------|------------------------|------------------------|-----------------------|-----------------------|-----------------------|--|----------------|-------------------------------|----------------|
| | | 2018 ANNUAL | 2019 ANNUAL | 2019 QUARTERLY | 2018 FIRST QUARTER | 2019 FIRST QUARTER | 1ST Quarter Actual Vs Quarterly Budget | | Total Actual Vs Annual Budget | |
| | EXPENDITURE | N | N | N | N | N | N | % | N | % |
| 1 | RECURRENT | 60,717,024,000 | 65,705,900,000 | 16,426,475,000 | 11,694,147,789 | 13,158,991,423 | (3,267,483,577) | (19.89) | (52,546,908,577) | (79.97) |
| 2 | CAPITAL | 42,846,476,000 | 43,493,343,000 | 10,873,335,750 | 4,786,621,677 | 2,029,516,193 | (8,843,819,557) | (81.33) | (41,463,826,807) | (95.33) |
| | Total | 103,563,500,000 | 109,199,243,000 | 27,299,810,750 | 16,480,769,465 | 15,188,507,616 | (12,111,303,134) | (44.36) | (94,010,735,384) | (86.09) |

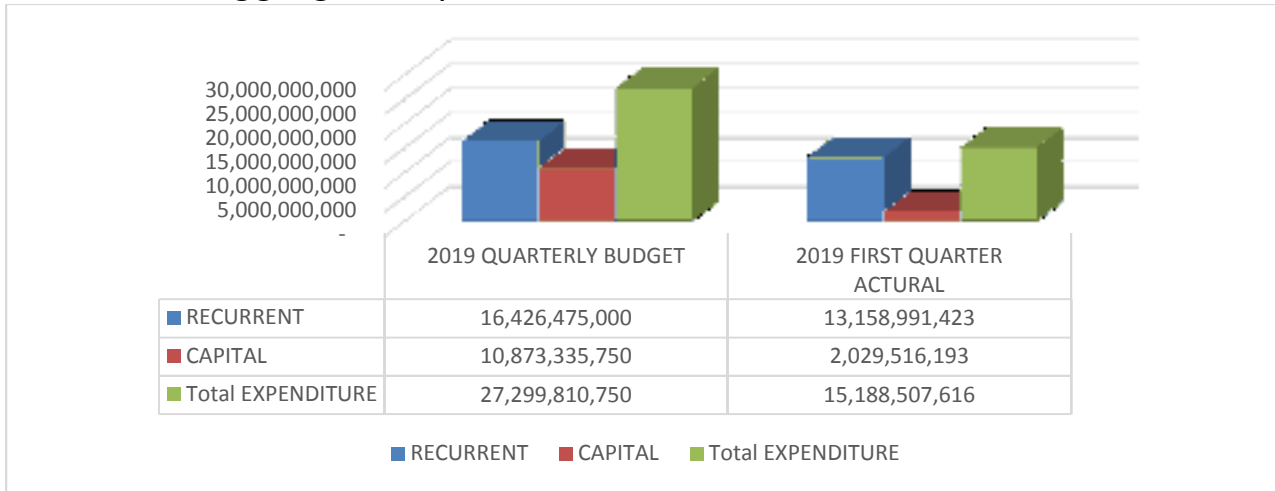
Source: MB&P and OAG

Table 3.15: Performance of Aggregate Expenditure in the 2019 First Quarter

| S/N | DESCRIPTION | BUDGET | | | ACTUAL | | 2019 PERFORMANCE | | |
|-----|--------------|------------------------|------------------------|-----------------------|-----------------------|-----------------------|---------------------------------------|----------------------------|----------------------|
| | | 2018 ANNUAL | 2019 ANNUAL | 2019 QUARTERLY | 2018 FIRST QUARTER | 2019 FIRST QUARTER | FIRST QUARTER ACTUAL/QUARTERLY BUDGET | TOTAL ACTUAL/ANNUAL BUDGET | FIRST QUARTER ACTUAL |
| | EXPENDITURE | N | N | N | N | N | % | % | %(Contribution) |
| 1 | RECURRENT | 60,717,024,000 | 65,705,900,000 | 16,426,475,000 | 11,694,147,789 | 13,158,991,423 | 80.11 | 20.03 | 86.64 |
| 2 | CAPITAL | 42,846,476,000 | 43,493,343,000 | 10,873,335,750 | 4,786,621,677 | 2,029,516,193 | 18.67 | 4.67 | 13.36 |
| | Total | 103,563,500,000 | 109,199,243,000 | 27,299,810,750 | 16,480,769,465 | 15,188,507,616 | 55.64 | 13.91 | 100.00 |

Source: MB&P and OAG

Chart 3.13: Aggregate Expenditure in the 2019 First Quarter



Source: MB&P and OAG

4.0 Conclusion

In conclusion, the 2019 Budget as we observed so far cannot be said to have performed badly as our resource envelop was quite impressive within the first quarter. However, it cannot be said to be without some unrealizable forecasts due to the general economic low turn in the globe. Like we observed earlier, our economy is monolithic in a sense, that the oil economy drives the greater part of the economies albeit the Budget. Whenever there is a drop in the oil price, it goes on to shock the performance of the Budget, as it is bound to affect the amount realizable from the federal allocation.

Within the first quarter of the budget year, we could not realize the expected IGR due to the pending election year which made the state Inland Revenue services to be less aggressive in tax collection, hence the Revenue collected within the period was less than the expected target. Out of the expected first quarter collection of about N6.9 billion, only about N5.8 billion was collected which represents about 84% performance. However, if broken down further, into actual IGR and retained Revenue it may be observed that the State's actual IGR in this quarter amounted to ~~N~~2.9 billion out of expected ~~N~~3.7 billion, while retained Revenue garnered ~~N~~2.89 as against the expected ~~N~~4.05billion.

On the Expenditure side, the first quarter reports a very impressive outing not minding the fact that the 2019 general Election took off the shine out of the years usual activities. A lot was achieved in the infrastructural development as we were able to spend over ~~N~~2.029billion in the quarter, out of the expected quarterly target of ~~N~~10.87billion or 81.33% less than the target for the period. This figure when compared to the equivalent expenditure by this quarter in 2018 is 57.60% less.

However, the Recurrent Expenditure had a better outlook as out of the expected quarterly average of ₦16.42billion about ₦13.15billion was spent within the quarter in review. This represents about 80.10% of the budgeted figure for the first quarter. This has to be so because our recurrent expenditures which includes salaries and Overheads were promptly paid.

In conclusion, we are on course, as there is high expectation that with the whole electoral process over now, and the new Government in place, actions will resume in all sectors to activate the Government structures. We are very hopeful that the coming months will present a better picture for the state's economy. We thank the Government for keeping faith with its mandate of providing the needed democracy dividend for the people through service delivery, and infrastructural development.