

# A CITIZENS' GUIDE TO UNDERSTANDING THE YOBE STATE 2019 BUDGET OF CONSOLIDATION



Ministry of Budget & Economic Planning  
March 2019  
<http://budget.pfm.yb.gov.ng>





**Produced by:**

**Yobe State Ministry of Budget and Economic Planning  
Governor's Office, Damaturu.**

**April 2019**

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*"I wish to reassure all our citizens that in the implementation of the budget 2019, we shall continue to be resolutely committed to into the well-cherished principles of accountability, probity, transparency and strict observance of due process and budget discipline which our administration has been noted over the past ten years. We shall equally continue to institute some control measures in order to further encourage financial prudence, minimize unnecessary expenditure and ensure that the scarce resources in the coffers of the State Government are channeled to finance vital socio-economic services."*

- **H.E, Alh. (Dr.) Ibrahim Gaidam, FCPA, FNCA**  
During the Signing into law Finance and  
Appropriation Bills 2019

**FORWARD**

In an attempt to understand the 2019 budget, The Ministry of Budget and Planning has simplified the budget through the production of the document titled "*Citizen's guide to understanding the 2019 Budget*". The production of the document becomes imperative as the budget affects the people's lives in many significant ways. It is therefore important for the citizens to understand the key concepts, processes, cycle and the stakeholders involved in the annual budget process.

The citizens guide is a basic summary of the Yobe State 2019 Budget tagged Budget of Consolidation which is aimed at achieving the following objectives: -

- i. Increase access to health services;
- ii. Revamp agricultural activities as veritable tools for poverty alleviation
- iii. Create, upgrade water and electricity supply towards reducing rural-urban migration
- iv. Taking proactive steps to strengthen and fast-track the post-insurgency recovery pace
- v. Enhancing the internal revenue generation.
- vi. Increase educational access and development
- vii. Provision of infrastructural facilities

In order to ensure transparency and citizens' involvement in the process of budget preparation, the public was engaged through series of formal consultations after which their views were galvanized and streamlined as impetus to the 2019 budget preparation.

It is therefore my fervent hope and conviction that this document will go a long way in helping the public to understand the 2019 budget hence facilitate their ability to track its implementation and send feedback to us.

  
**Babaji Galadima** FCE  
Permanent Secretary  
Min. of Budget & Planning



## PREFACE

Annual Budgets outlines the policies of each government at various levels. The strategic policy direction and the area(s) where government focus its attention are clearly define. The state budget contains how state government intends to raise funds, allocate resources and provide public goods and services to the citizenry. Being the instrument for translating government's development policies into action, it is therefore important for citizens to understand the budget, especially its key deliverables and their role in its implementation. When citizens do not fully understand the budget, it significantly limits their ability to engage with the budget process and to hold government accountable for the prudent management of financial resources entrusted to it.

The Yobe State Government is committed to accountable governance, hence the Executive Governor, Alh. (Dr.) Ibrahim Gaidam FNCA, FCPA signs into law the Fiscal Responsibility law 2017 and the Public Procurement law (2017) making Yobe one of the few state in Nigeria to achieve fiscal transparency, and citizen engagement in the conduct of government business.

To advance the quality of citizen – government engagements, Yobe State has taken a step further to provide this citizen's reader-friendly version of the 2019 annual budget, tagged "Budget of Consolidation".

The citizen's Budget provides details of the State Budget in a non-technical manner. It explains what the state government is, how it is prepared, how government intends to mobilise funds and provides insights into the 2019 Budget – its context, priorities and content – as well as plans towards enhancing the well-being of Yobe citizenry.

The citizen's Budget and other pertinent information on the 2019 Budget are available on the state PFM website <http://budget.pfm.yb.gov.ng>

**Zainab Abdu Saleh**

*Director Budget*

Min. of Budget & Planning



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## INTRODUCTION

### **What is a Budget?**

Budget is an estimate of expected revenue and planned expenditure for a particular period. It is a plan that outlines where Government will get money from and how it intends to spend. Types of budget include personal, company and government budgets.

In Yobe, the Ministry of Budget and Economic Planning, on behalf of the Governor, is required by law to annually prepare budget and submit to the State House of Assembly for approval. The Budget covers a period of one year from 1<sup>st</sup> January to 31<sup>st</sup> December, referred to as the Financial Year or Fiscal Year respectively.

### **What is a Citizens' Budget?**

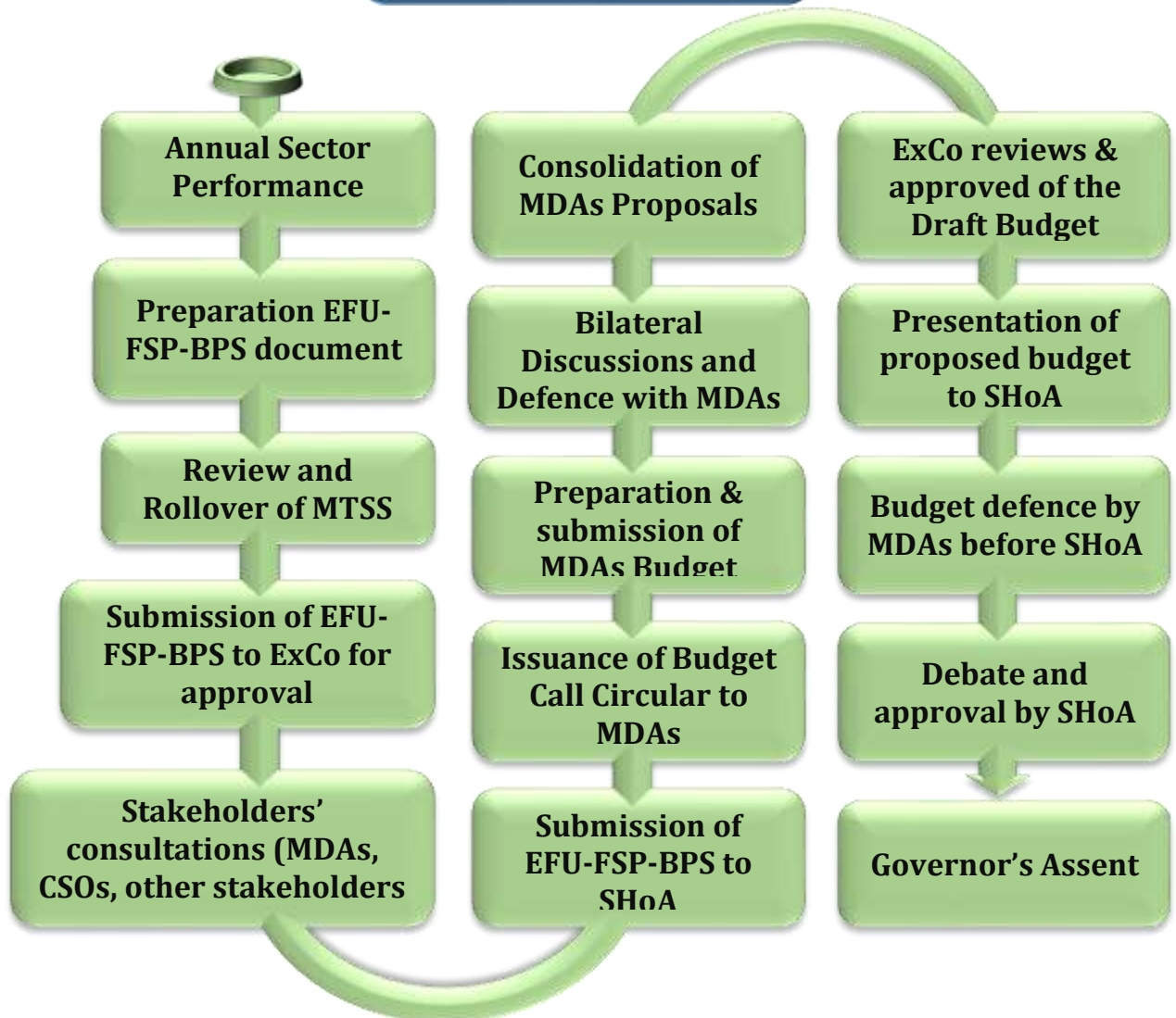
A Citizens' Budget explains the contents of the government budget in a simplified language. It is a guide for the general public and it ensures that citizens, at all levels have a better understanding of the contents of the budget.

### **Why do we need a state budget?**

The state budget gives details of expected revenue and expenditure; it presents a direction of budget policies and spending priorities for a given fiscal year.



### THE BUDGET PROCESS



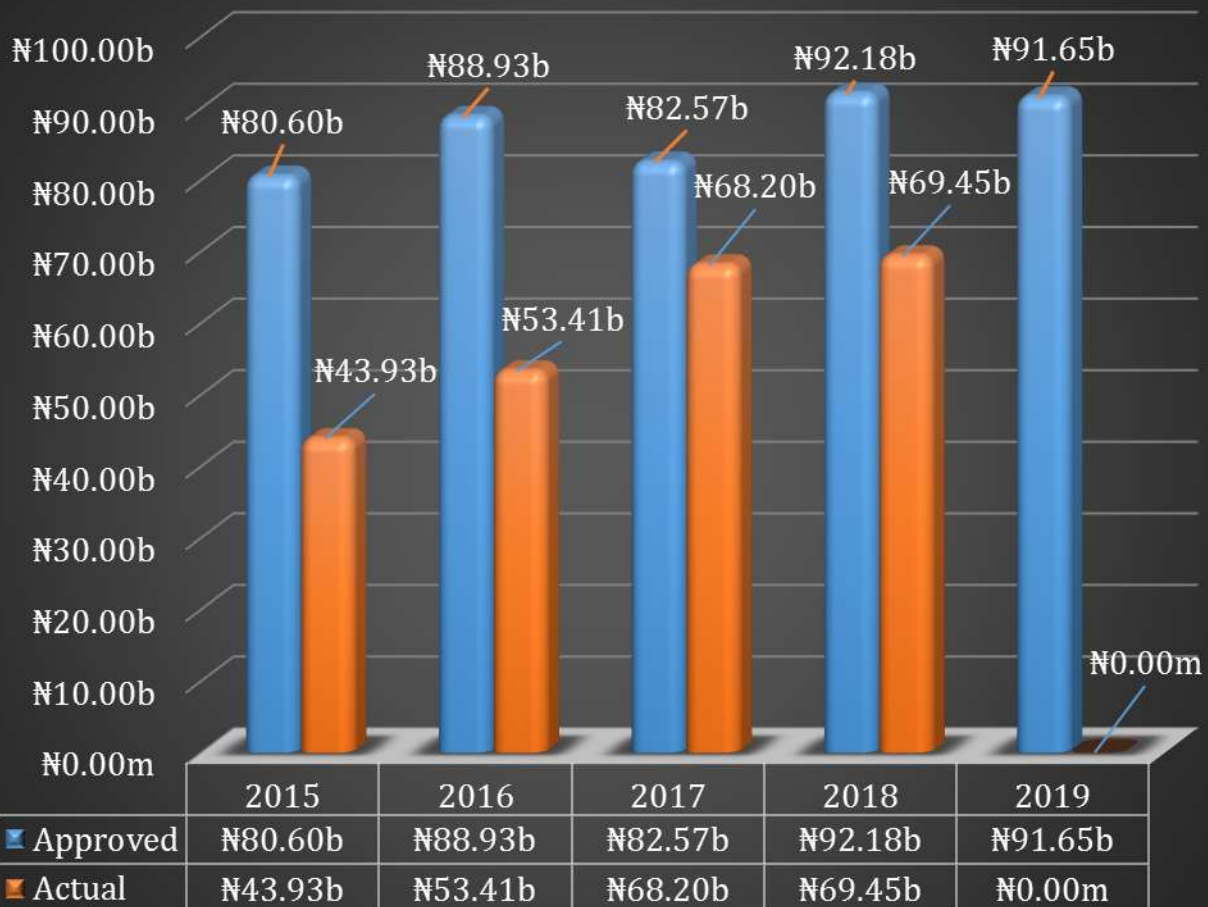
The Ministry of Budget and Economic Planning requests inputs from Ministries, Departments and Agencies (MDAs) and the general public, afterwards holds consultations (bilateral discussions and budget dialogue) with them on what should go into the Budget. It then supports all MDAs of Government to review their draft Budgets to ensure that their activities are in line with the state development plan (YOSERA), medium-term sector strategy (MTSS) and does not exceeds the ceilings issued to them.

The draft document (proposed) is submitted to Executive Council for approval. The Ministry of Budget and Economic Planning thereafter presents the Proposed Budget to the State House of Assembly, which is then considered, debated, approved, and passed into the Law as the Appropriation Act. It will then send the Approved Budget to the Executive Governor for assent.



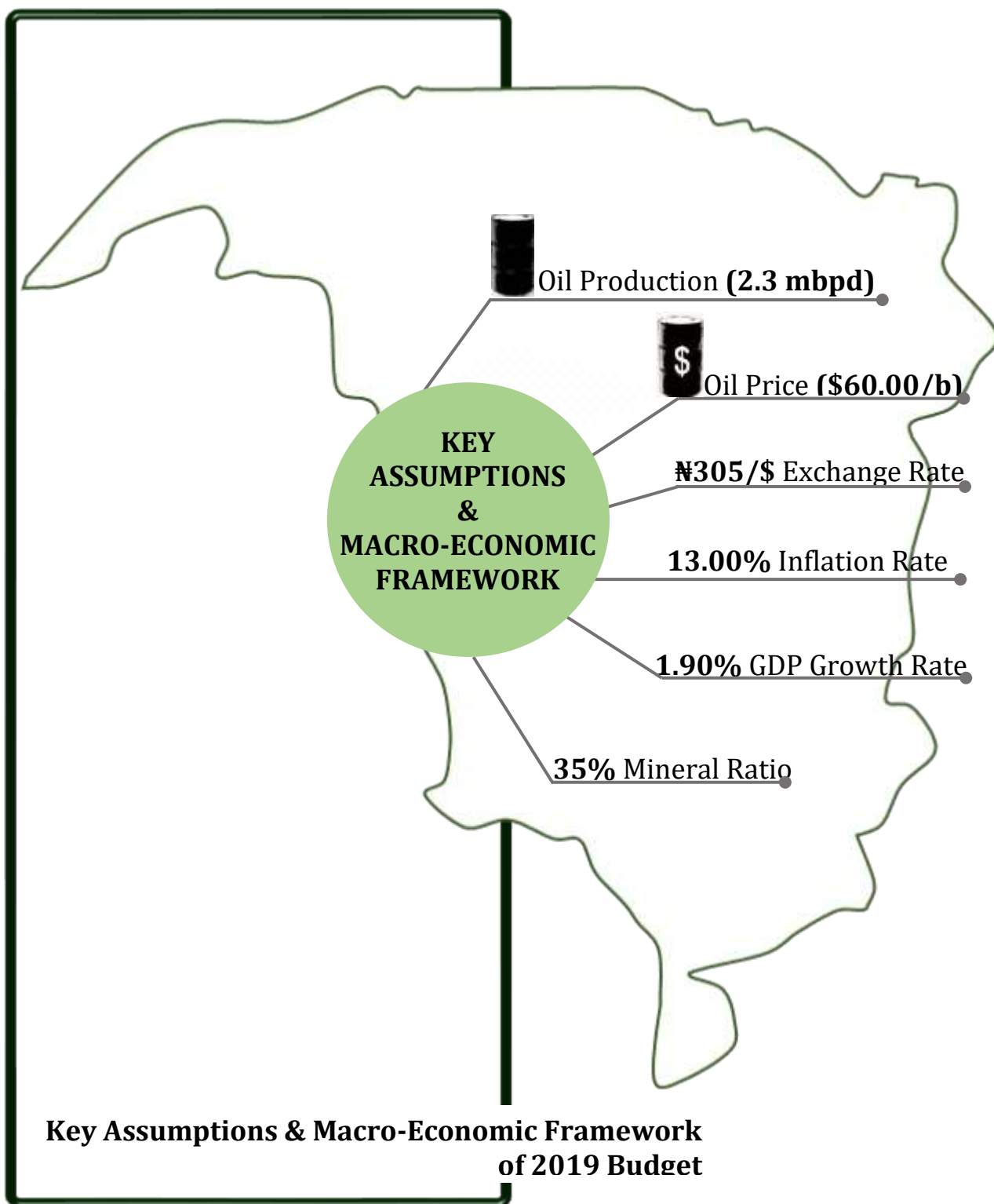


THE STATE BUDGET IN BRIEF: 2015 - 2019





**KEY ASSUMPTIONS & MACRO-ECONOMIC FRAMEWORK**





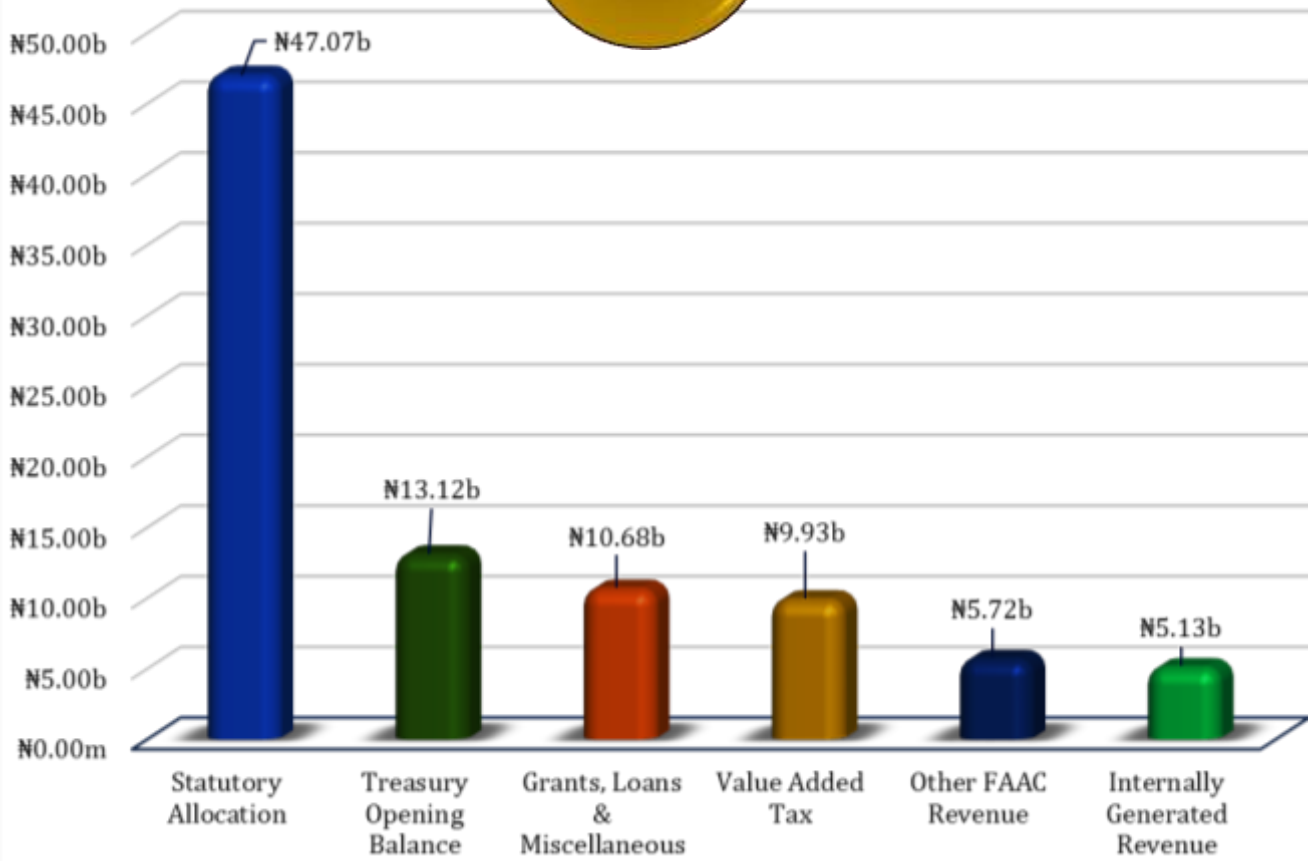
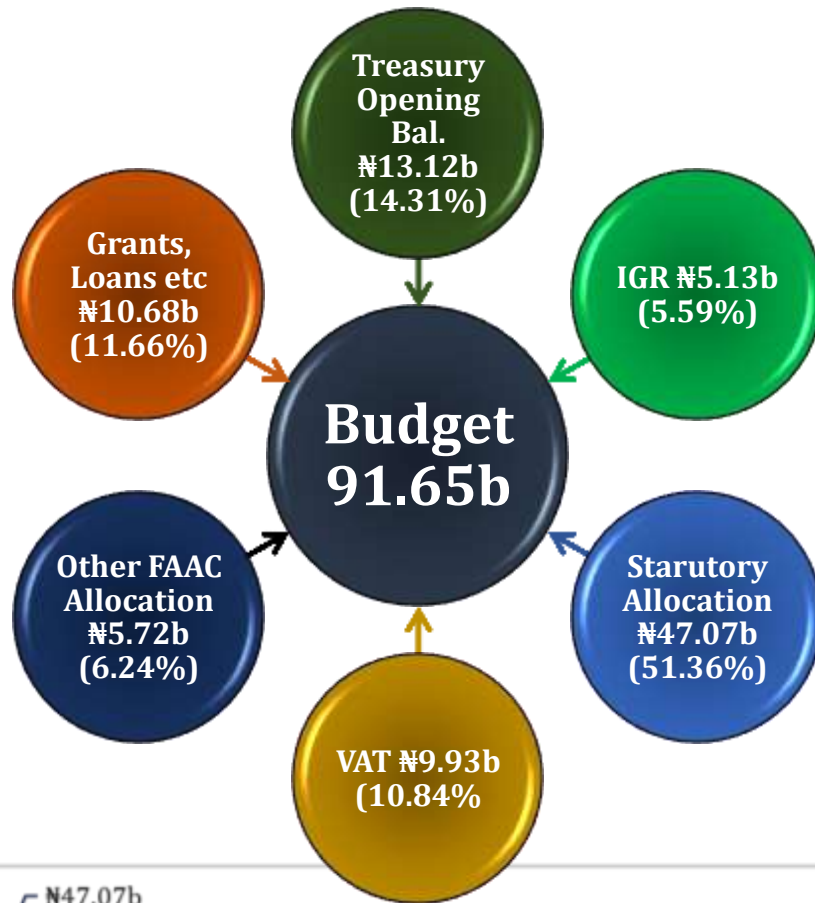
## STRATEGIC FOCUS OF THE 2019 BUDGET

The Budget 2019 aims to revitalize the education system, increase access to health services, revamp agricultural activities as veritable tools for poverty alleviation, create jobs and ensure food security. It is also aimed at accelerating the phase of infrastructural upgrade, water and electricity supply towards reducing rural-urban migration, and taking proactive steps to strengthen avenues that have the potentials of enhancing the internal revenue generation base of the state shall be explored and tapped for the achievement of maximum results.



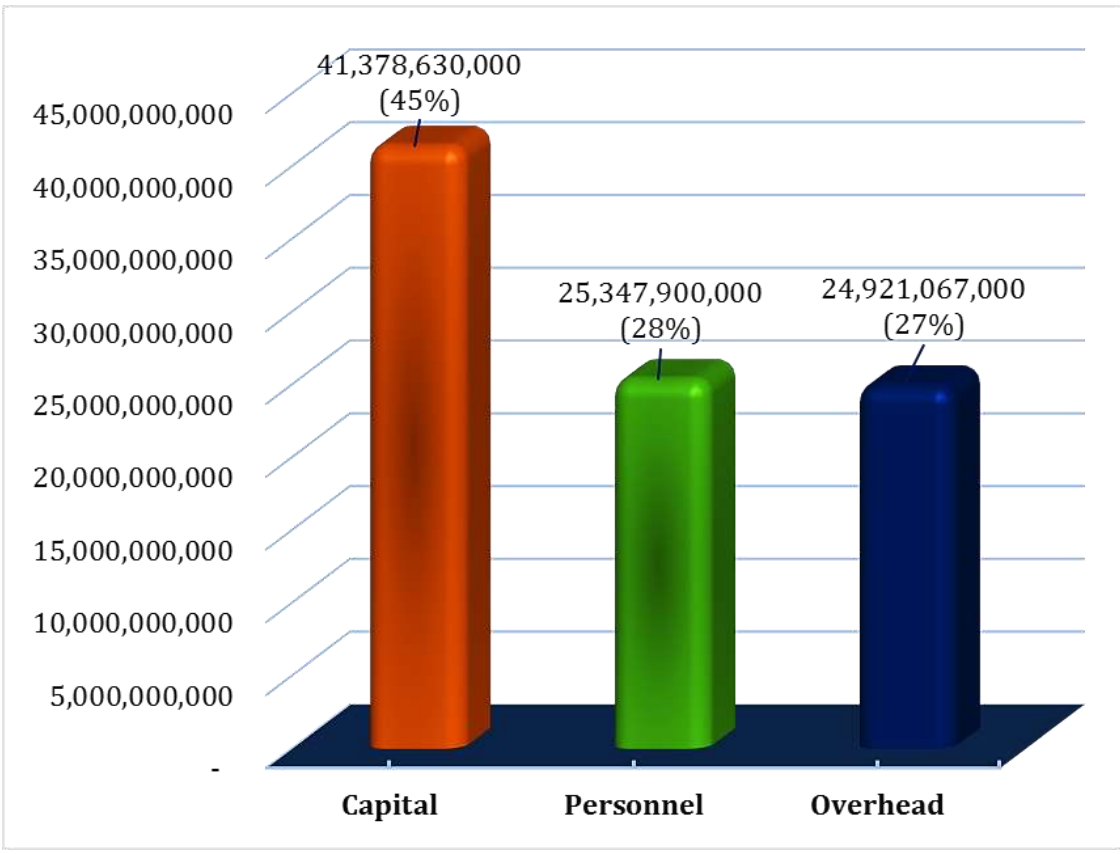
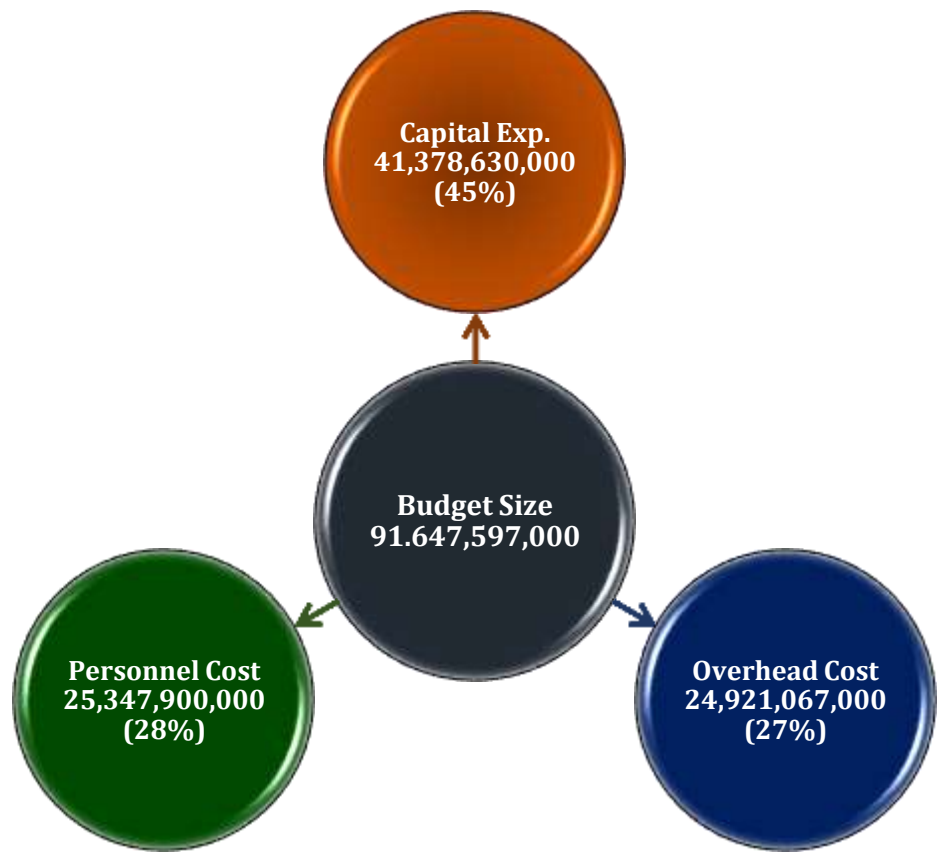


**WHERE WILL THE MONEY COME FROM?**



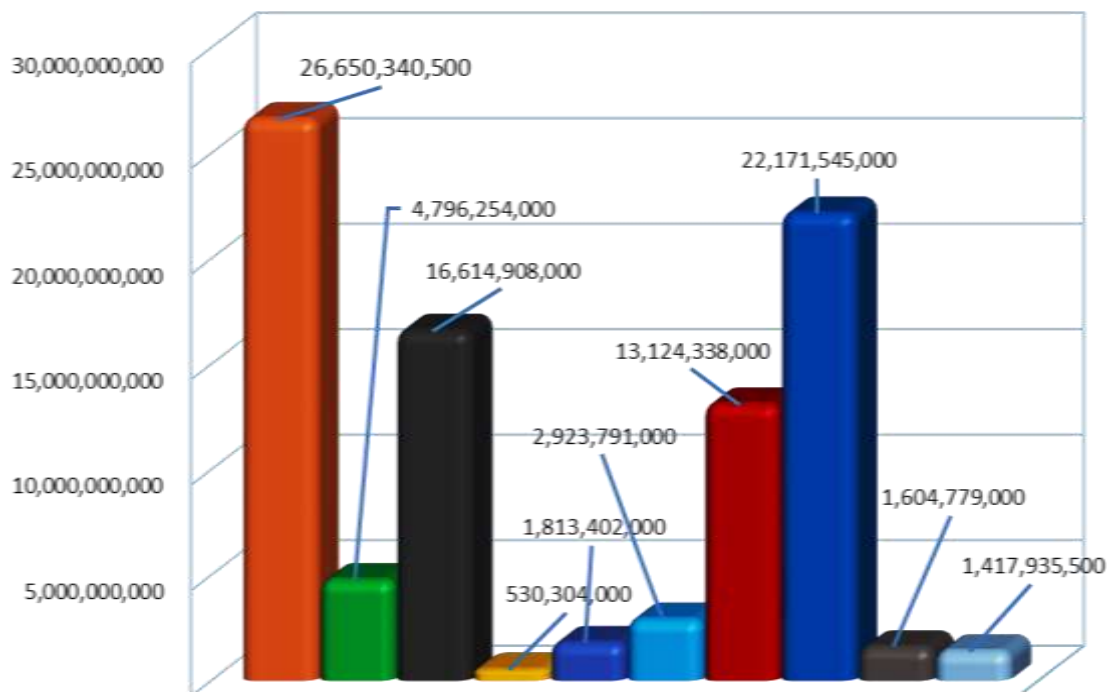
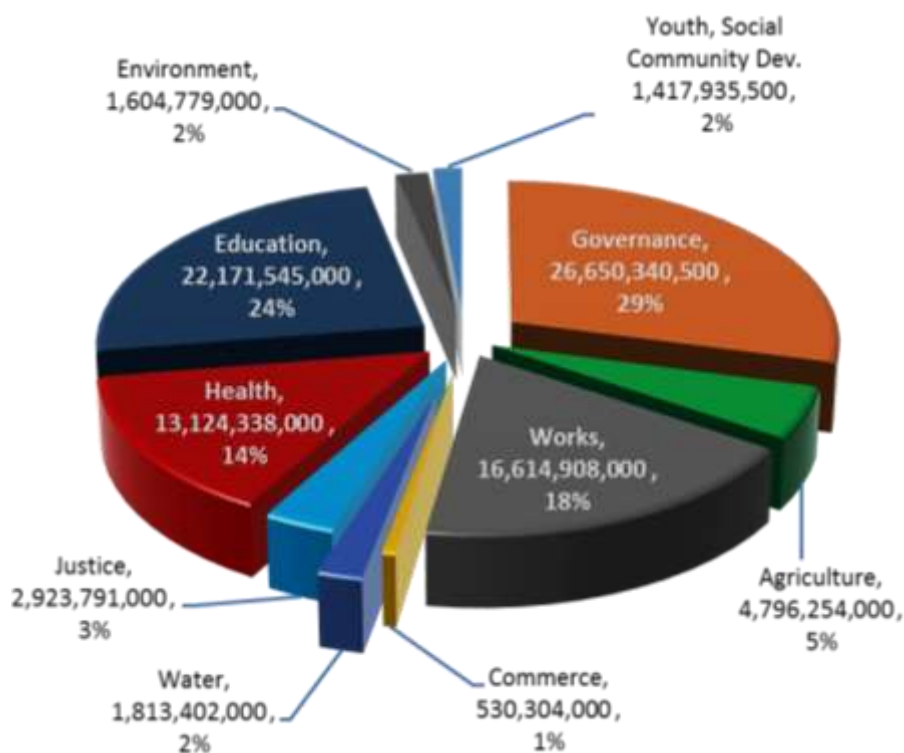


**WHERE WILL THE MONEY BE EXPENDED?**





### SECTORAL BUDGET ALLOCATION



- Governance
- Agriculture
- Works
- Commerce
- Water
- Justice
- Health
- Education
- Environment
- Social



**MAJOR CAPITAL PROJECTS/INITIATIVE IN 2019 BUDGET**

**GOVERNANCE/ADMINISTRATION**

**Sustainable development Goals (SDGs)**

- Provision of health centers across the state (₦140,481,000)
- Rehabilitation of Hospitals/health centers (₦200,618,000)

**State Emergency Management Agency (SEMA)**

- Provision of relief materials to victims of fire disaster and flooding (₦460,000,000)

**Office of the Secretary to the State Government**

- Purchase of motor vehicle various MDEs (₦600,000,000)
- Rehabilitation of Government Lodges (₦400,000,000)
- Counterpart fund to Unicef (₦300,000,000)

**Information Services:**

- Digitization of the Radio and television station (₦700,000,000)
- Purchase of fire fishing equipment (₦56,000,000)





**EDUCATION**

- Rehabilitation of public schools (e.g. GSS Kukar Gadu, GSS Jajere, GSS Jajimaji, GSS Babbangida, GSS Yusufari etc.)  
₦1,687,000,000
- Payment of Tuition, Registration & Exam fees ₦1,190,220,000.
- Purchase of school furniture and fittings ₦140,000,000
- Purchase of teaching and learning equipment ₦30,000,000
- Purchase of sporting/gaming equipment ₦15,000,000
- Purchase of school laboratory equipment ₦50,000
- Construction of classes, toilets, halls, and staff quarters ₦800M
- Educational research and development ₦5,000,000
- Counter Part funding UBE ₦1.4B







**AGRICULTURE**

- Purchase of agricultural equipment such as tractors, threshers and other farm implements ₦100,000,000
- Construction of agricultural facilities ₦150,000,000
- Rehabilitation and repair of water ways for irrigation ₦100,000,000
- Purchase of agricultural spare-parts and tools ₦20,000,000
- Construction and provision of water facilities for irrigation scheme across the state (₦30,000,000)
- Counterpart funding (₦50,000,000)
- Monitoring and Evaluation (₦10,000,000)





## WATER

- Construction and provision of water facilities across the state (₦240,000,000,)
- Rehabilitation of water facilities (₦120,000,000)
- Purchase of water Drilling Equipment (₦57,000,000)
- Counterpart funding (₦50,000,000)
- Maintenance of water facilities (₦10,000,000)





**HEALTH**

- Drugs/laboratory/medical supplies (₦415,000,000)
- Purchase of Hospital furniture and filling (₦200,000,000)
- Construction of health centers across the state (₦500,000,000)
- Purchase of Delivery beds, surgical instruments, anesthetic machines etc. (₦400,000,000)
- Rehabilitation of Hospital & Health centers (₦600,000,000)
- Primary Healthcare services Counterpart Fund & Development Partners (₦234,000,000)





## WORKS AND TRANSPORT

- Procurement of heavy-duty plan and machinery (₦200,000,000)
- Purchase of heavy duty spare parts and tools ₦80,000,000
- Completion/provision of airport Aerodrome (₦8,700,000,000)
- Construction of roads across the state (₦2,800,000,000)
- Rehabilitation/Repairs of Roads (₦1,400,000,000)
- Construction of Power/Electricity (₦250,000,000)
- Maintenance of Electricity (₦250,000,000)
- Construction of motor parks/markets ₦200,000,000





## CONCLUSION

The 2019 Budget sets the platform for transforming the economy which will be anchored on key priority pillars: agriculture; infrastructure; job creation; entrepreneurship and innovation. It will also deliver on critical social services in education, health, water and sanitation.

Keeping informed on all aspects of the budget implementation, including the amount released to MDAs to carry out their various projects and programme, so our website [www.budget.pfm.gov.ng](http://www.budget.pfm.gov.ng) to download document and be regularly updated. The quarterly budget performance is always placed on the website by the end of each quarter for transparency and accountability.

Attending and contributing at public hearing on the budget at the citizens' budget dialogue and the State House of Assembly you would be satisfied at how responsive the Ministry of Budget and Economic Planning and the elected officials of the House of Assembly can be to your views.

By going through this citizen's guide, you have already started your participation in the annual budget process, so keep it up and extend the message to your loved ones.

**GLOSSARY (BUDGET TERMINOLOGIES)**

- **Accountability:** This is when Government is answerable to its citizens by accounting for its activities and disclosing the results of such actions, this may include the responsibility for money or other properties that Government holds in trust.
- **Budget deficit:** This occurs when Government estimated expenditure is greater than the expected revenue.
- **Budget Policy Statements (BPS):** This reaffirms government's commitment to operate within its budget responsibility rules, which draws together key findings and policy recommendations from EFU and FSP into a cohesive statement on budget policy which then informs preparation of the annual budget, and produces the three year sector allocations (either for all expenditure, capital only, or capital and recurrent separately), which is prepared and approved prior to the issuance of (and be the basis for) the annual budget call circular.
- **Budget surplus:** This occurs when government's estimated revenues exceed the targeted expenditure.
- **Capital Expenditure:** This is money spent on major infrastructure projects such as roads, schools, hospitals, bridges, transport, water systems, plant and machinery etc.
- **Consolidated Revenue Fund charges (CRF):** This constitutes payment of statutory transfers, payment of judges, law makers, executive council members
- **Economic & Fiscal Updates (EFU):** This provides economic and fiscal analysis which formed the basis for budget planning process. It is aimed primarily at policy makers and decision takers in the state. It also provides an assessment of budget performance (both historical and current) and identifies significant factors affecting implementation.



- **Fiscal Strategy Papers (FSP):** Is a multi-year outline of the key fiscal parameters associated with the Government's budgetary operations, namely: revenue; expenditure; budget balance; financing; and debt. It provides revenue and expenditure estimates which are then embedded in the annual Budget Policy Statement.
- **Grants:** These are types of financial assistance, non-refundable in nature, given to the Government by Development Partners.
- **Gross Domestic Product (GDP):** This refers to the total value of all goods and services produced in the country over a specific time period.
- **Inflation:** The rate of increase in general price level of goods and services over a period of time.
- **Macroeconomic Framework:** This provides a detailed economic overview, which analyses significant economic, political and social events both globally, nationally and states level which have been influencing state economic and financial performance.
- **Medium Term Expenditure Framework (MTEF):** This is a transparent planning and budgeting formulation process within which the government established credible contacts for allocating public resources to their strategic priorities while ensuring overall fiscal discipline which involves setting fiscal targets and allocating resources to strategic priorities of the government.
- **Medium Term Sector Strategies (MTSS):** This sets out the projects and programmes that will be carried out in a particular sector over a three-year period, how much each programme and project will cost, where the money will come from and who will carry out the projects within the limitations of resource constraints, so that it is realistic which links policy, planning and budgets.



- **Overhead cost:** This is made up of which includes provision of office consumables, staff welfare, maintenance of office furniture and fittings, procurement of fuel and lubricants etc. as a running cost and day-to-day activities of government entity.
- **Personnel cost:** This is made up of salaries and salary-related allowances, non-regular allowances, social security, gratuities etc. paid to public servants.
- **Transparency:** This is when Government provides adequate and timely information for its citizens about what it is doing.
- **Value Added Tax (VAT):** The tax levied as value is added to goods and services at each stage of production.