

LAGOS STATE GOVERNMENT MINISTRY OF ECONOMIC PLANNING AND BUDGET



YEAR 2019 3RD QUARTER BUDGET APPRAISAL AND CUMULATIVE PERFORMANCE

By

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PURPOSE OF THE PRESENTATION



DELIBERATE ON Q3 & CUMULATIVE
BUDGET PERFORMANCE



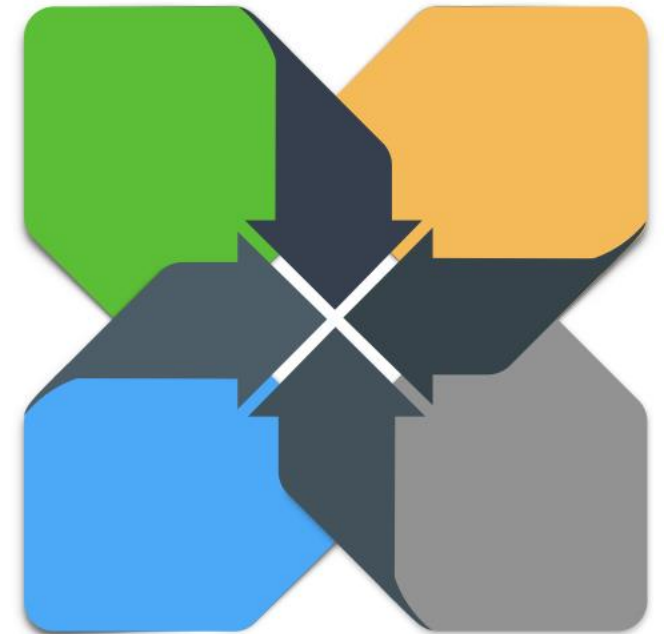
PROFFER SUGGESTIONS AND SOLUTIONS FOR
IMPROVEMENT



IDENTIFY BUDGET IMPLEMENTATION
CHALLENGES



APPLY LESSONS LEARNT FROM Q3 IN DRIVING
SUBSEQUENT BUDGET IMPLEMENTATION





2019

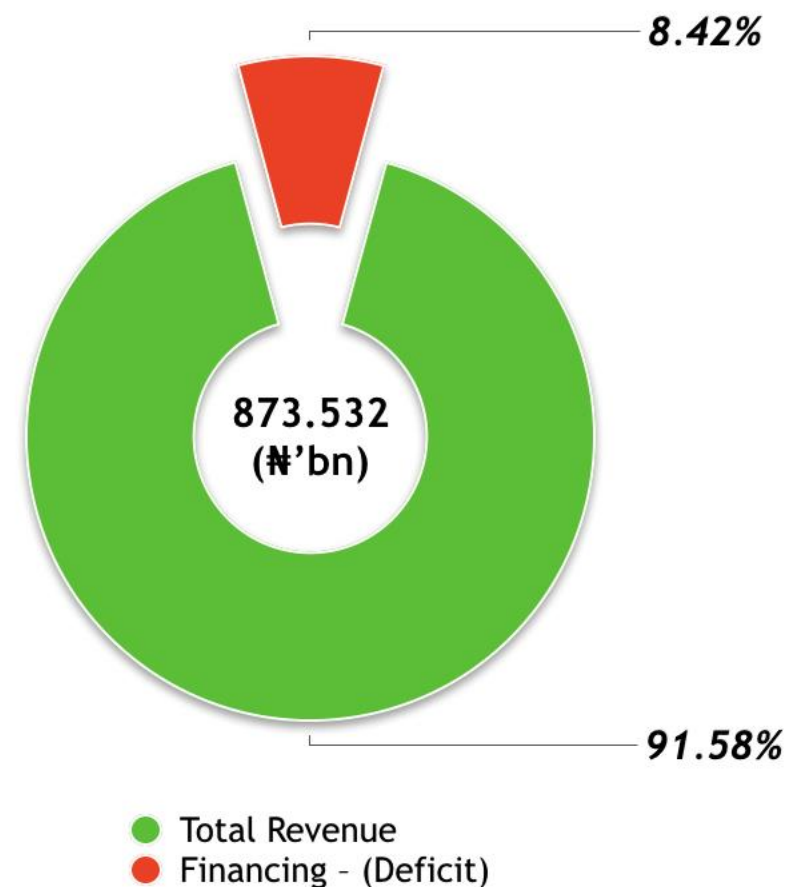
APPROVED BUDGET OVERVIEW



2019 BUDGET OVERVIEW

THE 2019 BUDGET OF N873.532BN WAS SIGNED INTO LAW BY HIS EXCELLENCY, THE GOVERNOR, ON THE 3RD OF JUNE, 2019

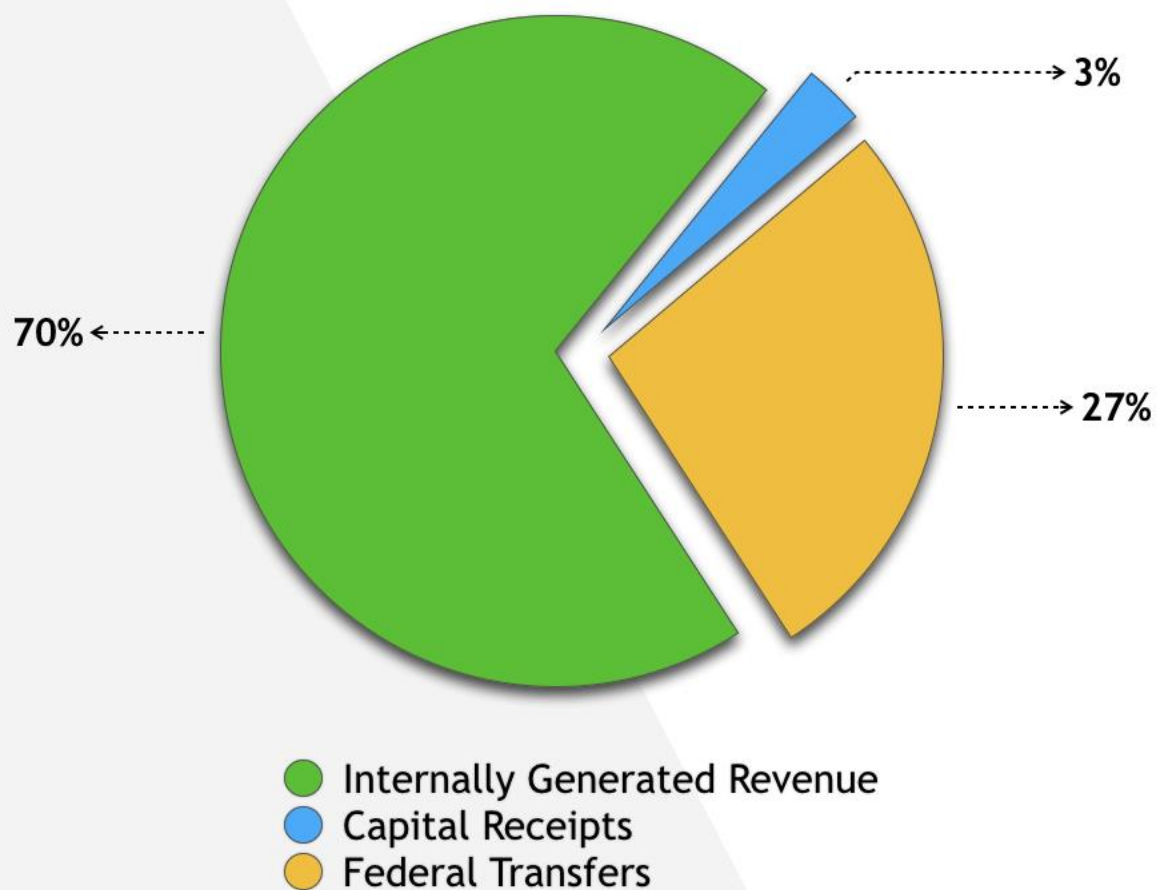
DETAILS	2019 BUDGET (N'BN)
TOTAL REVENUE	799.996
▶ INTERNALLY GENERATED REVENUE	556.140
▶ CAPITAL RECEIPTS	24.915
▶ FEDERAL TRANSFERS	218.940
TOTAL RECURRENT EXPENDITURE (DEBT & NON-DEBT)	393.841
▶ RECURRENT (DEBT)	20.249
▶ PERSONNEL COST	169.556
▶ OVERHEAD COST	204.037
CAPITAL EXPENDITURE	479.691
FINANCING - (DEFICIT)	73.537
▶ EXTERNAL LOANS	24.673
▶ INTERNAL LOANS	48.864
BOND ISSUANCE	-
BUDGET SIZE	873.532



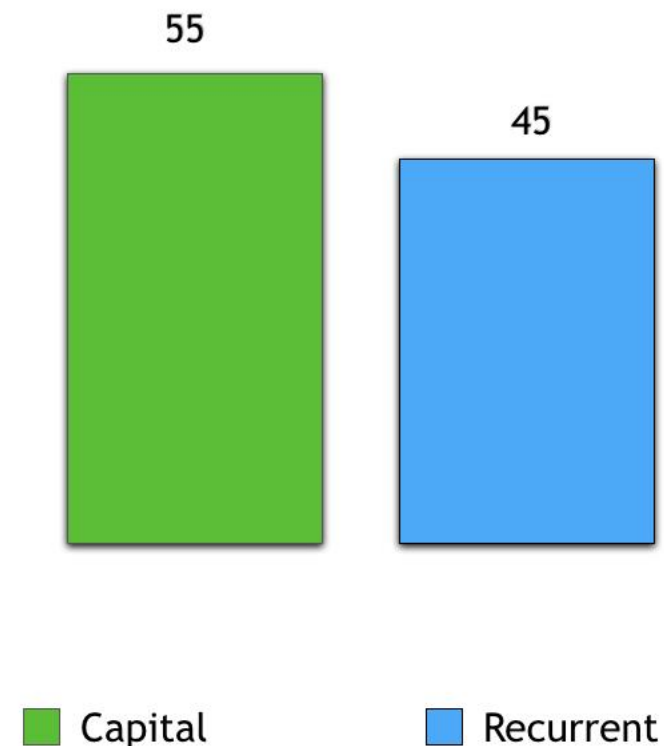
2019 BUDGET PROJECTED REVENUE SOURCES | CAPITAL/RECURRENT RATIO



PROJECTED REVENUE SOURCES ₦'BN



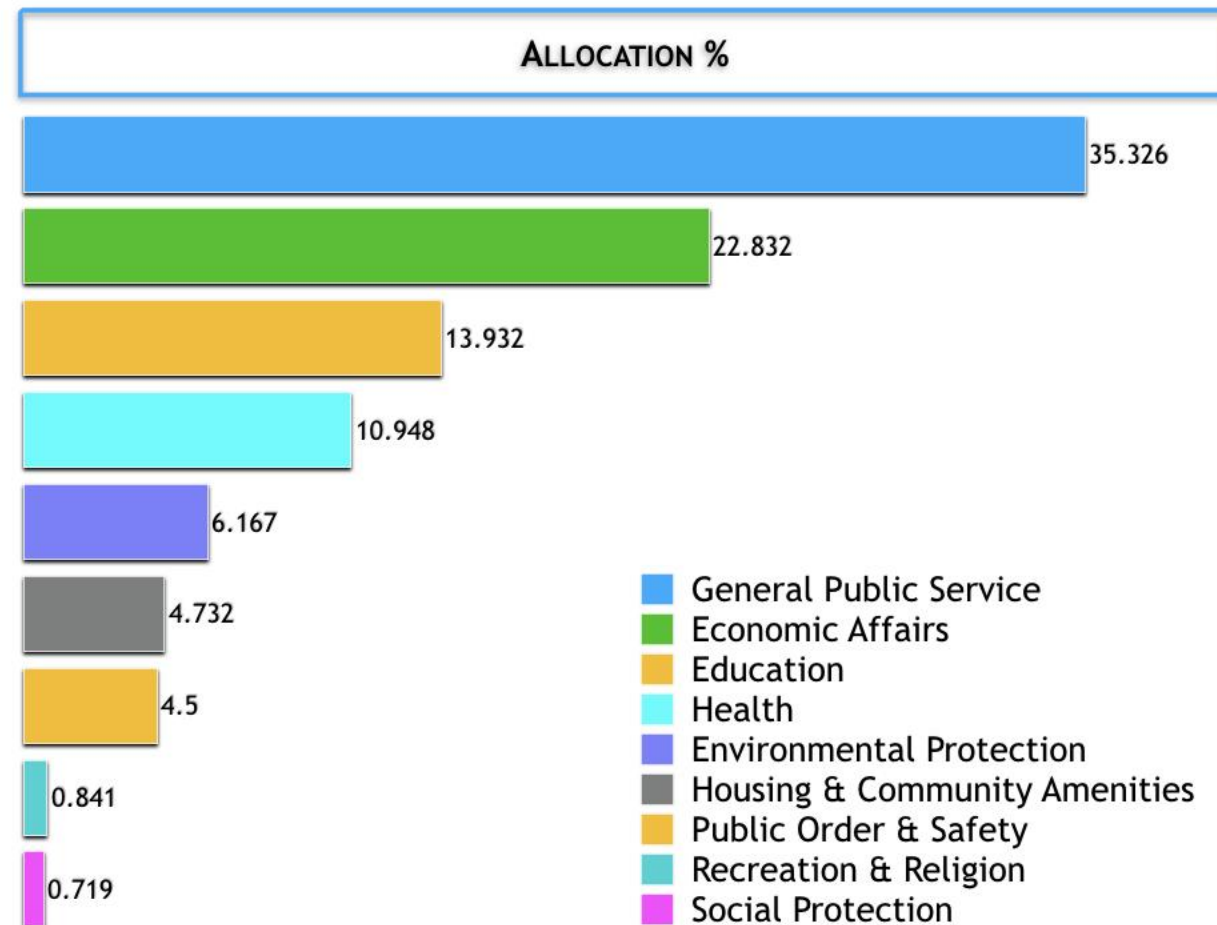
CAPITAL:RECURRENT



2019 - FUNCTION GROUP ALLOCATION



FUNCTION GROUP	ALLOCATION ₱'BN
GENERAL PUBLIC SERVICE	276.359
ECONOMIC AFFAIRS	35.204
EDUCATION	178.617
HEALTH	48.252
ENVIRONMENTAL PROTECTION	37.022
HOUSING & COMMUNITY AMENITIES	85.655
PUBLIC ORDER & SAFETY	6.581
RECREATION & RELIGION	108.995
SOCIAL PROTECTION	5.630
TOTAL	782.315

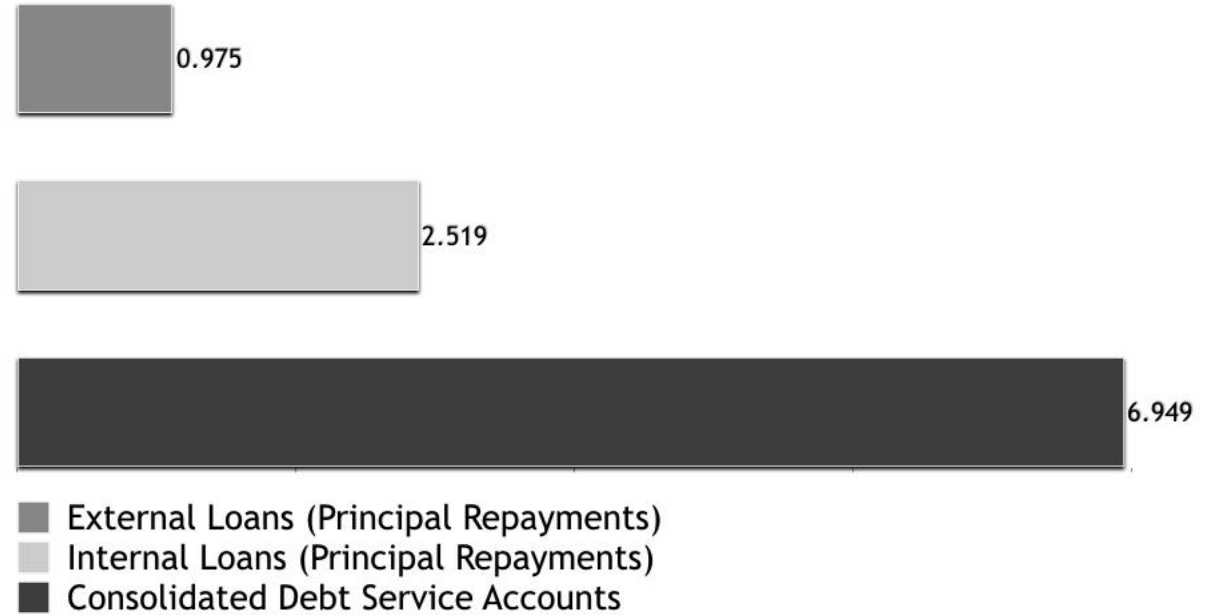


2019 - DEBT SERVICING



FUNCTION GROUP	ALLOCATION ₱'BN
EXTERNAL LOANS (PRINCIPAL REPAYMENTS)	8.517
INTERNAL LOANS (PRINCIPAL REPAYMENTS)	22.000
CONSOLIDATED DEBT SERVICE ACCOUNTS	60.700
TOTAL	91.217

ALLOCATION % (OF TOTAL BUDGET SIZE, ₱873.532)





2019 (PRE-THEMES) BUDGET FOCUS — 1/2

THE PRELIMINARY KEY FOCUS AREAS FOR THE 2019 BUDGET



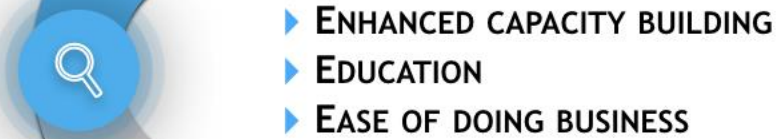
- ▶ INFRASTRUCTURAL RENEWAL DEVELOPMENT
- ▶ SUSTAINABLE ENVIRONMENT (CLEANER LAGOS INITIATIVE)
- ▶ SKILL ACQUISITION/MICROFINANCE



- ▶ POWER
- ▶ E-GOVERNANCE
- ▶ ECONOMY (INCLUDING AGRICULTURE & TOURISM)

2019 (PRE-THEMES) BUDGET FOCUS — 2/2



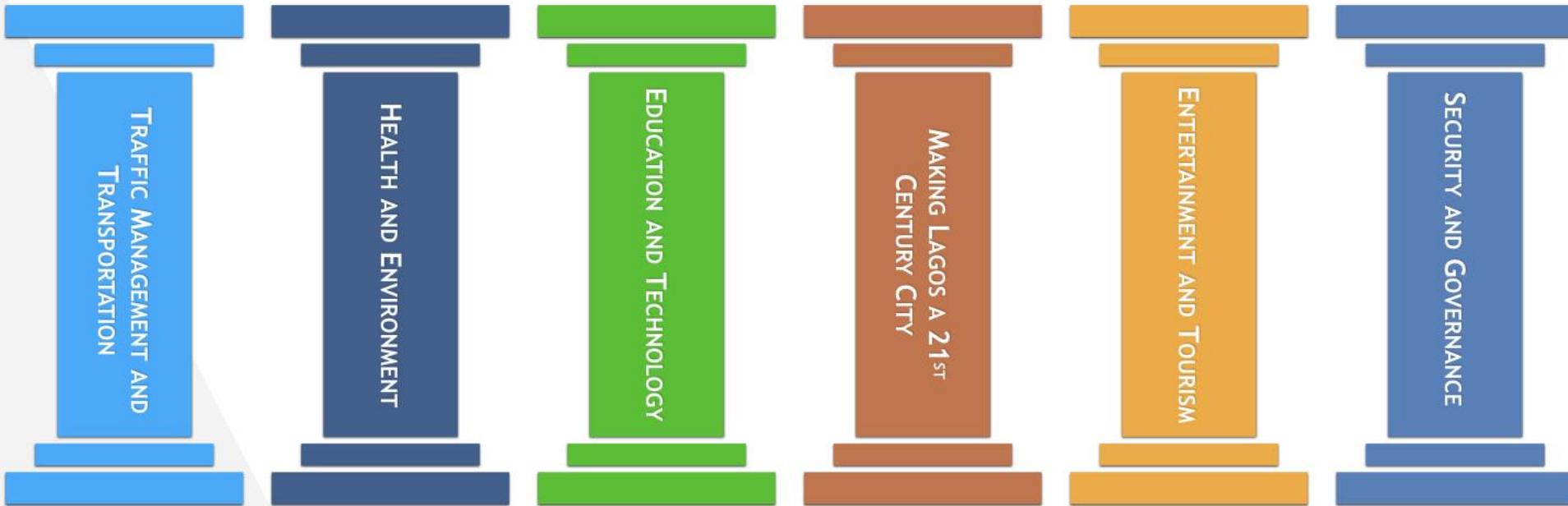
- 
- ▶ ENHANCED CAPACITY BUILDING
 - ▶ EDUCATION
 - ▶ EASE OF DOING BUSINESS

- 
- ▶ HOUSING
 - ▶ LAND REFORMS





2019 BUDGET Focus – THEMES



A MID CYCLE SHIFT TO A THEMES-DRIVEN FOCUS FOR IMPLEMENTATION OF THE 2019 BUDGET OCCURRED IN JUNE 2019



A SIGNIFICANT NUMBER OF PRELIMINARY KEY FOCUS AREAS ARE CAPTURED IN THE THEMES APPROACH AND PRE-THEMES BUDGET FOCUS



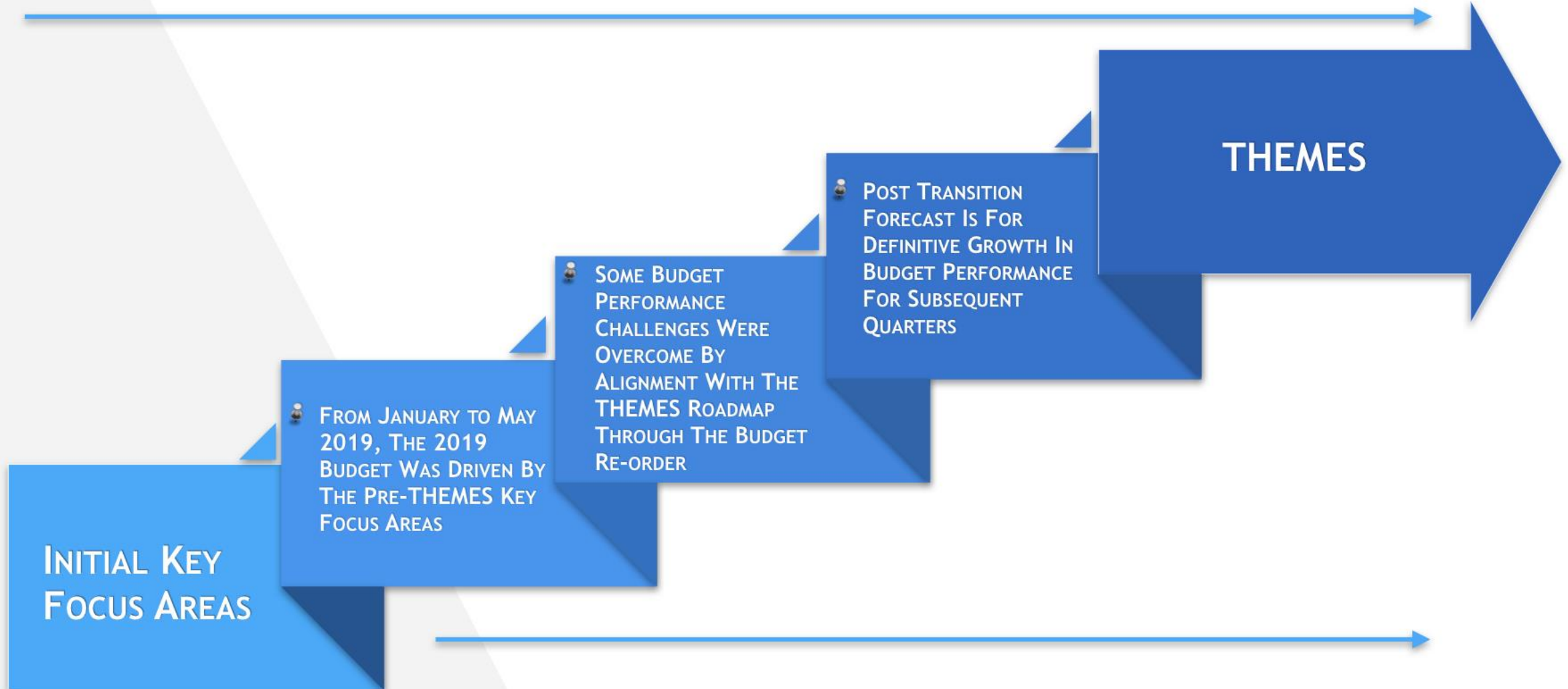
THE TRANSITION PRODUCED SOME UNDERSTANDABLE DISRUPTIONS WHICH IMPACTED THE Q3 BUDGET PERFORMANCE



THE CHANGE IN FOCUS PROVIDED FOR DEFICIT FUNDING THAT HAD PREVIOUSLY REMAINED UNARRANGED FOR

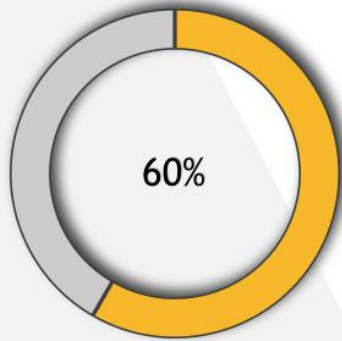


2019 BUDGET FOCUS — REALIGNMENT TRANSITION



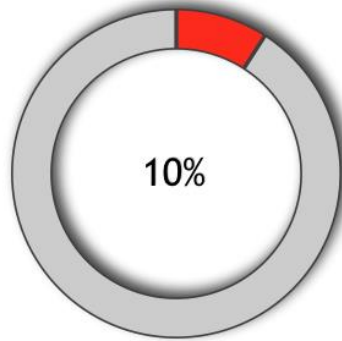


2019 BUDGET KEY IMPLEMENTATION CHALLENGES



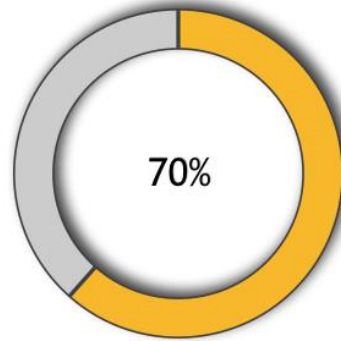
BENCHMARK PERFORMANCE SET AT 100%

- ▶ MDAs HAVE BEEN UNABLE TO ACHIEVE THIS TARGET DUE TO NUMEROUS REASONS, SPECIFICALLY, BUDGET IMPLEMENTATION IS CONCENTRATED MORE TOWARDS RECURRENT (OVERHEAD) EXPENDITURE AS IT IS THE EASIER TO EXECUTE.
- ▶ A DEEPER DIVE INTO QUARTERLY PERFORMANCE REVIEW IS REQUIRED GOING FORWARD WITH MORE REGULAR AND ACTIVE ENGAGEMENT BETWEEN MEPB AND THE MDAs.



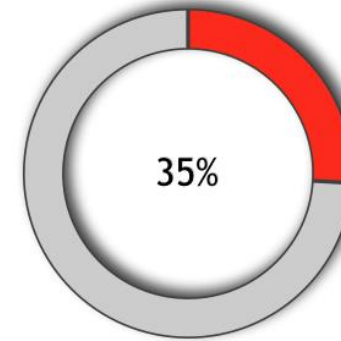
REVENUE STAKEHOLDERS' MEETING AS A VEHICLE FOR SUSTAINED REVENUE DRIVE

- ▶ ONLY TWO (2) REVENUE STAKEHOLDERS' MEETINGS HELD SO FAR IN 2019,
- ▶ REQUIRED UPDATES ON REVENUE PERFORMANCE ARE LIMITED TO MONTHLY RETURNS FORWARDED BY MDAs. WE NEED TO KEEP OUR REVENUE DRIVERS ACTIVE AND FOCUSED ON THE GOAL.



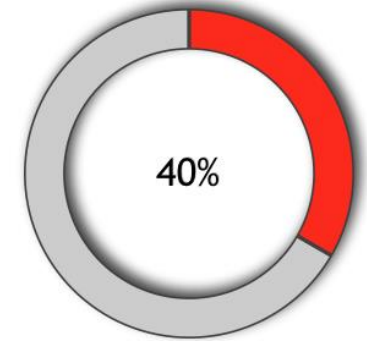
QUARTERLY BUDGET PERFORMANCE APPRAISAL

- ▶ 2019 BUDGET NOT PREPARED WITH THEMES AGENDA. TRANSITING THE FOCUS TO THEMES TOGETHER WITH THE LATE SIGNING OF THE BILL WAS A DRAWBACK THAT THE RE-ORDERING OF THE 2019 BUDGET SEEKS TO CORRECT.
- ▶ WHILE APPROVAL PROCESS HAS BEEN SOMEWHAT DELEGATED, WORK CULTURE AND BUREAUCRACY REMAIN CHALLENGED, SLOWING DOWN THE PROCESS SIGNIFICANTLY.



CENTRAL BILLING, REVENUE AUTOMATION, MULTI-CHANNELS REVENUE PAYMENT SYSTEM

- ▶ IRREGULAR & POOR QUALITY OF POWER, DESTROYS COMPUTERS, SWITCHES, UPS ETC.
- ▶ INADEQUATE TRAINING OF STAFF.
- ▶ RESISTANCE TO ADOPTION.
- ▶ ONLY 12 MDAs HAVE BEEN ACTIVATED SO FAR.
- ▶ NEED FOR MAJOR REVENUE GENERATING AGENCIES LIKE LANDS BUREAU ON THE SYSTEM.

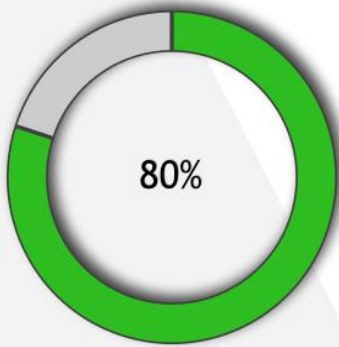


TIGHTER OPERATIONAL EXPENDITURE CONTROL

- ▶ PROCESSING HABITS THAT ARE NOT ALIGNED WITH THE OPERATIONAL GUIDELINE. MANY TIMES, THIS DELAYS THE PROCESS.
- ▶ SOME TRANSACTIONS FROM MDAs DID NOT COMPLY WITH THE GUIDELINES THEREBY RESULTING IN DISTORTIONS IN BUDGET IMPLEMENTATION.
- ▶ LATE PASSAGE OF 2019 BUDGET AND CENTRALIZED EXPENDITURE APPROVAL IN THE FIRST HALF OF THE YEAR CONTRIBUTED TO BUDGETARY CONTROLS CHALLENGES.

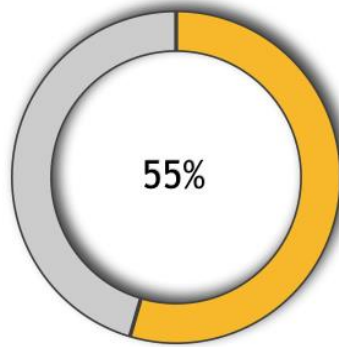


2019 BUDGET KEY IMPLEMENTATION CHALLENGES



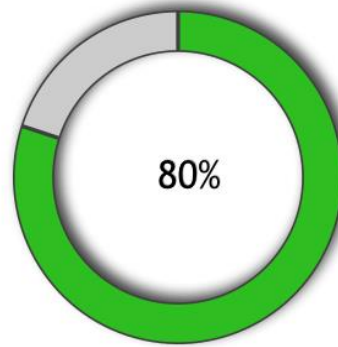
CONTINUOUS IMPLEMENTATION OF TREASURY SINGLE ACCOUNT (TSA)

- ▶ TSA ADOPTION REMAINS STRONG AND IS STILL BEING MAINTAINED.



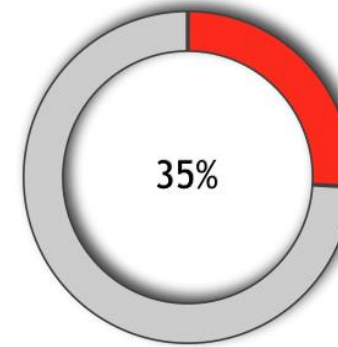
MORE EFFECTIVE AND EFFICIENT PROJECT MONITORING AND EVALUATION

- ▶ THERE IS A NEED TO UPDATE THE M&E POLICY AND DEVELOP A PLAN FOR A MORE EFFECTIVE WAY OF EXECUTION THAT STEMS FROM A DEEPER LEVEL OF EVALUATION INTO OUTCOME CHALLENGES AND IMPACT ASSESSMENT.
- ▶ THERE IS ALSO A NEED FOR A PROJECT MONITORING SYSTEM. THIS WILL ENSURE ALL GOVERNMENT INTERVENTIONS ABOVE CERTAIN THRESHOLD WOULD BE DIGITALLY DISPLAYED



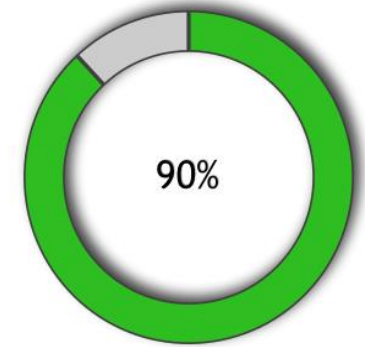
ENSURING CAPITAL TO RECURRENT RATIO OF 55:45

- ▶ CURRENT CAPITAL TO RECURRENT RATIO IS 48:52.
- ▶ GIVEN THE BUDGET RE-ORDERING, IT IS EXPECTED THAT BY THE END OF Q4 2019, THE PROJECTED RATIO WILL BE RESTORED.



PLANNED AND SYSTEMATIC MAINTENANCE OF EXISTING/NEW INFRASTRUCTURAL FACILITIES

- ▶ THERE IS NO PLANNED/SCHEDULED SYSTEMATIC MAINTENANCE OF INFRASTRUCTURAL FACILITIES.
- ▶ WHILE WE HAVE SEEN MINOR IMPROVEMENTS IN THE MANAGEMENT OF SOME FACILITIES, THERE IS STILL A NEED TO ESTABLISH A CULTURE OF MAINTENANCE THAT WILL OPTIMALLY SERVE ACROSS ALL PROJECTS.



ENSURING SUSTAINABLE FISCAL DEFICITS

- ▶ WE HAVE MAINTAINED A PERFORMANCE WELL WITHIN INTERNATIONAL BENCHMARKS THRESHOLDS.



2019 BUDGET KEY STRENGTHS

2019 BUDGET KEY STRENGTHS

STRENGTHS	PERFORMANCE				
	VERY WEAK	WEAK	AVERAGE	STRONG	VERY STRONG
Y2019 BUDGET IMPLEMENTATION 📍 THOUGH 2019 BUDGET WAS SIGNED INTO LAW IN JUNE, IMPLEMENTATION IS ON COURSE TO CLOSE AT 80% PERFORMANCE	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
ADHERENCE TO THE BUDGET PROCESS AND TIMING 📍 THE PREPARATION AND SUBMISSION OF THE 2020 BUDGET WAS COMPLETED WITHIN A REASONABLE TIME FRAME AND IS PRESENTLY UNDERGOING LEGISLATIVE CONSIDERATION WITH THE EXPECTATION OF BEING PASSED INTO LAW DECEMBER, 2019	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
REVENUE AND EXPENDITURE TRACKING 📍 THE TIMELY COLLATION OF MONTHLY REVENUE AND EXPENDITURE RETURNS, AS WELL AS DEPLOYMENT OF OTHER BUDGET TRACKING TOOLS TO TRACK PERFORMANCE OF EACH MDA HAS BEEN HELPFUL TO THE MINISTRY'S EFFICIENCY IN BUDGET TRACKING, AND CAN BE IMPROVED	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>



2019

BUDGET PERFORMANCE HIGHLIGHTS

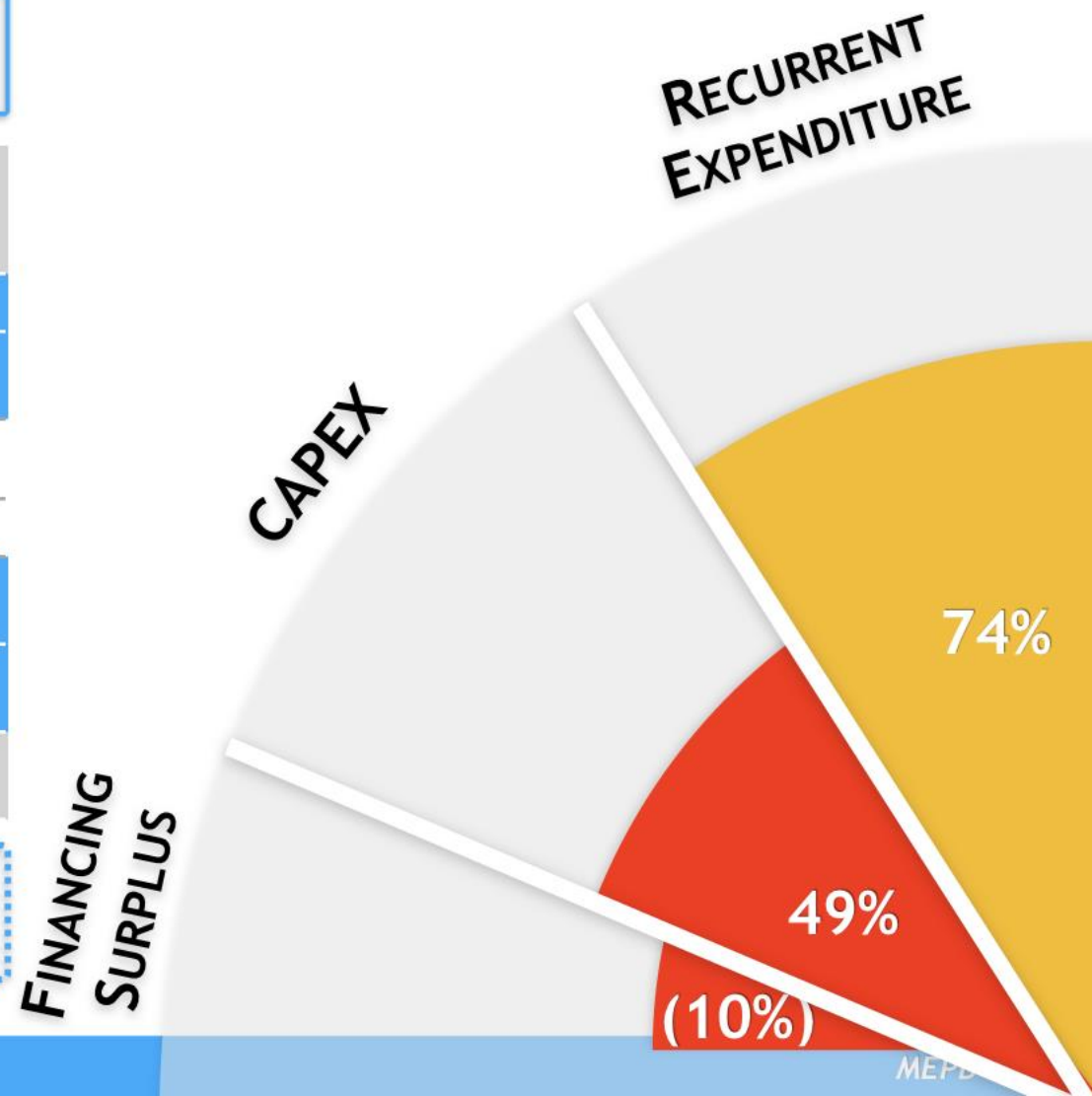


BUDGET OVERVIEW HIGHLIGHTS – Q3 2019

THE THIRD QUARTER BUDGET PERFORMANCE WAS 60%; BELOW THE BENCHMARK OF 100% AND LOWER THAN THIRD QUARTER 2018 AT 62% AND THIRD QUARTER 2017 AT 99%

DETAILS	2019 BUDGET (₱'BN)	BUDGET Q3 2019 (₱'BN)	ACTUAL Q3 2019 (₱'BN)	PERFORMANCE (%)
TOTAL REVENUE	799.996	199.999	133.269	67
RECURRENT EXPENDITURE	393.841	98.460	72.997	74
▶ PERSONNEL COST	169.556	42.389	27.855	66
▶ OVERHEAD COST	204.037	51.009	37.489	73
CAPITAL EXPENDITURE	479.691	119.923	58.485	49
FINANCING - SURPLUS	(73.537)	18.384	1.787	10
BUDGET SIZE (PROVISION)	873.532	218.383	131.438	60

FINANCING ACTIVITY FOR Q3 SHOWS A SURPLUS OF 1.787BN, WHICH INDICATES THAT EXECUTION OF THE BUDGET WAS SLOWED DOWN.

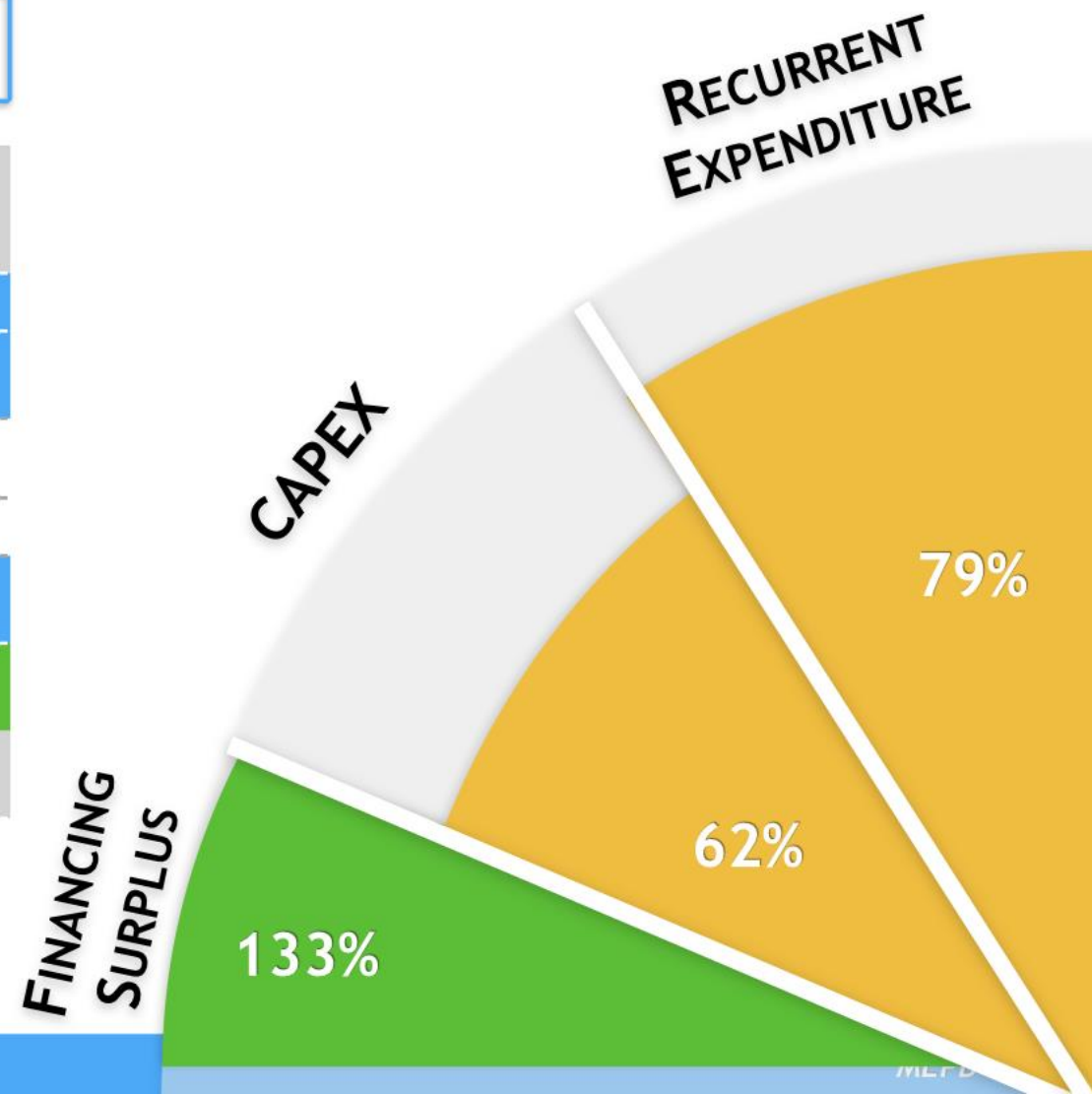




BUDGET OVERVIEW HIGHLIGHTS — CUMULATIVE (Q1-Q3) 2019

CUMULATIVE (Q1-Q3) OVERALL BUDGET PERFORMANCE WAS 69%; WHICH IS HIGHER THAN THE 61% RECORDED FOR THE SAME PERIOD IN 2018.

DETAILS	2019 BUDGET (₦'BN)	BUDGET Q1-Q3 2019 (₦'BN)	ACTUAL Q1-Q3 2019 (₦'BN)	PERFORMANCE (%)
TOTAL REVENUE	799.996	599.997	472.576	79
RECURRENT EXPENDITURE	393.841	295.381	232.440	79
▶ PERSONNEL COST	169.556	127.167	79.043	63
▶ OVERHEAD COST	204.037	153.028	129.673	85
CAPITAL EXPENDITURE	479.691	359.768	221.763	62
FINANCING - SURPLUS	(73.537)	(55.153)	18.373	133
BUDGET SIZE (PROVISION)	873.532	655.149	454.203	69





Q3

2019 — REVENUE APPRAISAL HIGHLIGHTS

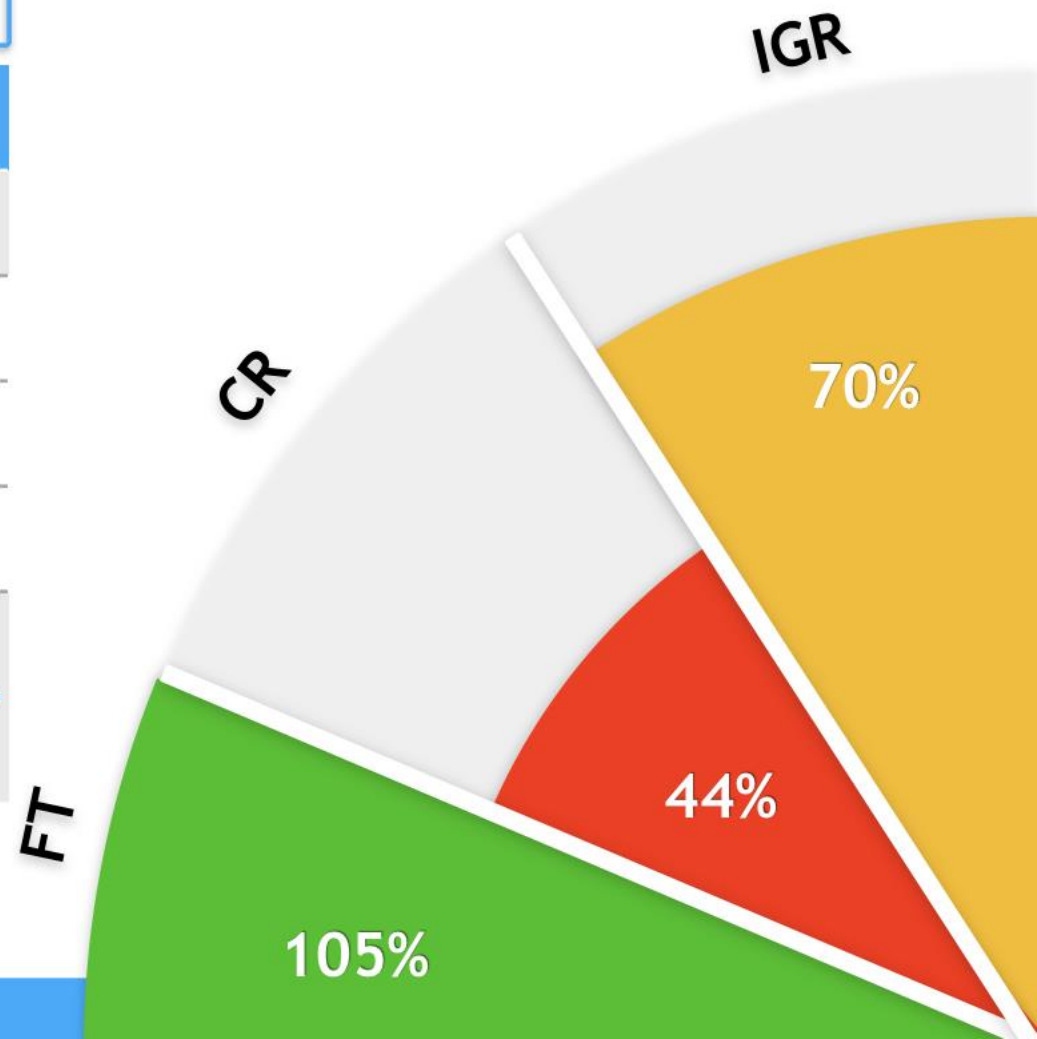


REVENUE PERFORMANCE — CUMULATIVE (Q1-Q3) 2019

REVENUE PERFORMANCE AT 79% IS FAIR BUT BELOW OUR EXPECTATIONS.

THE SUMMARY OF THE CUMULATIVE THIRD QUARTER REVENUE PERFORMANCE IS TABULATED BELOW.

(Q1 - Q3) REVENUE				
2019	2019 BUDGET ₦'BN	PROVISION ₦'BN	ACTUAL ₦'BN	PERFORMANCE %
A. INTERNALLY GENERATED REVENUE	556.140	417,105	291,217	70
B. CAPITAL RECEIPTS	24.915	18,686	8,155	44
C. FEDERAL TRANSFERS	218.940	164,205	173,204	105
TOTAL REVENUE (A+B+C)	799.996	599,997	472,576	79
BUDGET SIZE	873.532	655.149	454.203	69



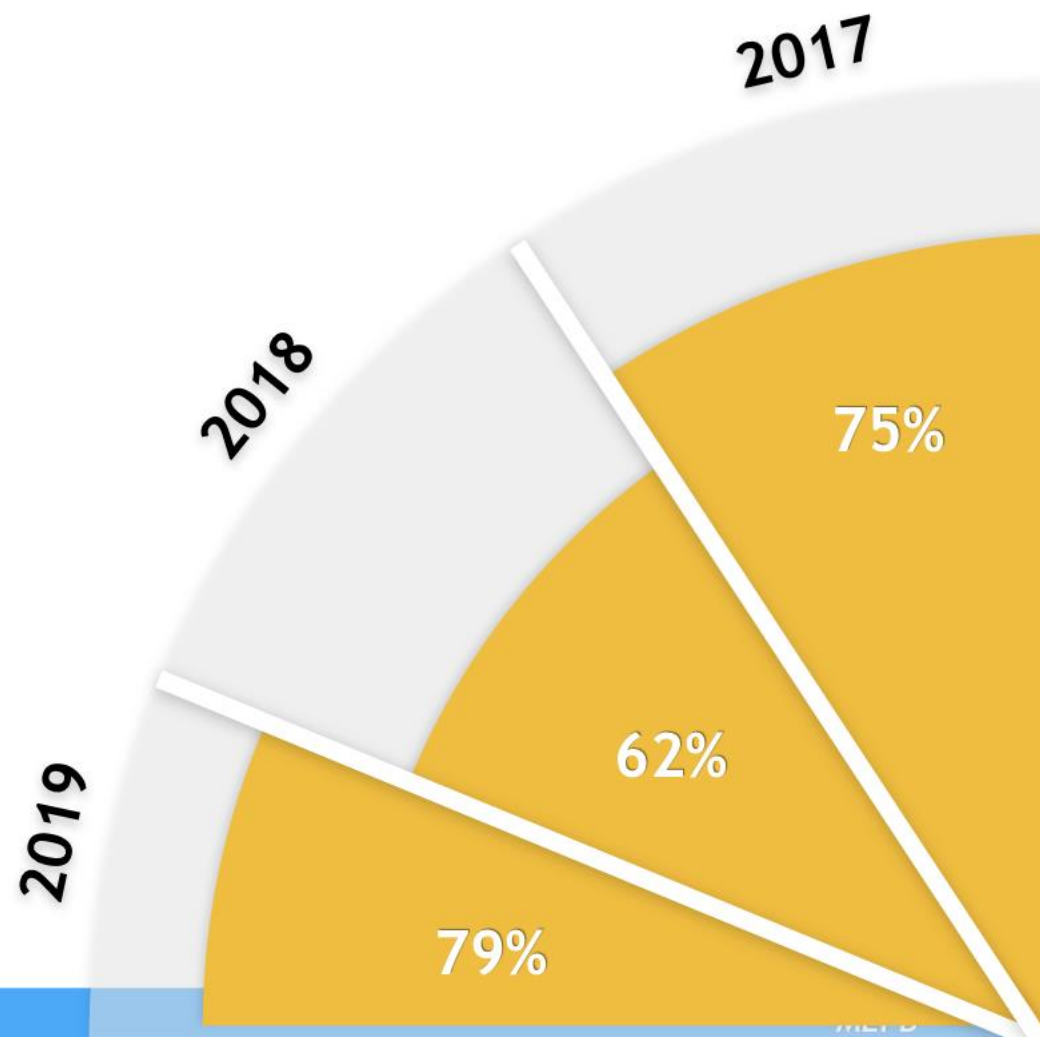


REVENUE PERFORMANCE — CUMULATIVE (Q1-Q3) 2017 TO 2019

Q1 - Q3 REVENUE (YEAR ON YEAR)

YEAR	PROVISION ₦'BN	ACTUAL ₦'BN	PERFORMANCE %
2017	482.136	360.930	75
2018	673.067	415.597	62
2019	599.997	472.576	79

- ▶ TOTAL REVENUE ("TR") FOR Q1-Q3 PERFORMED AT 79% / ₦472.576BN OF THE TARGET OF ₦599,997 COMPARED TO 62% / ₦415.597BN IN Q1-Q3 2018, DUE TO NOMINAL INCREASES; ₦52.979BN MORE IN ABSOLUTE TERMS DUE TO ONGOING REFORMS IN REVENUE COLLECTION.
- ▶ LIRS PERFORMANCE OF 77% / ₦259,031BN IS NOT GOOD ENOUGH CONSIDERING ITS POTENTIALS AND EFFECT ON THE TOTAL REVENUE OF THE STATE. HOWEVER, IT IS BELIEVED THAT THIS WILL BE IMPROVED UPON WITH NECESSARY SUPPORT AND PROVISION OF WORKING TOOLS.
- ▶ TOTAL INTERNALLY GENERATED REVENUE ("TIGR") WAS 69% / ₦299.373BN, AGAINST 55% ₦297.740BN IN Q1-Q3 2018.
 - ▶ INTERNALLY GENERATED REVENUE PERFORMED ("IGR" (OTHERS)) LOW AT 38%. THEREFORE, THERE IS A NEED FOR OTHER REVENUE GENERATING AGENCIES TO IMPROVE IN Q4 2019;
- ▶ DEDICATED REVENUE AMOUNTED TO 53% / ₦10.430BN, INDICATING THAT PARASTATALS WILL INCREASINGLY DEPEND ON SUBVENTIONS THAN BEING AGGRESSIVE IN REVENUE GENERATION.
- ▶ GENERALLY, THE TOTAL REVENUE OF ₦472.576BN IS INADEQUATE TO CATER TO THE MASSIVE INFRASTRUCTURAL DEFICIT OF THE STATE, THEREFORE, GREATER EFFORTS ARE REQUIRED TO IMPROVE THE REVENUE WHILE ALTERNATIVE SOURCES OF FUNDING SHOULD BE SOUGHT IN THE INTERIM.



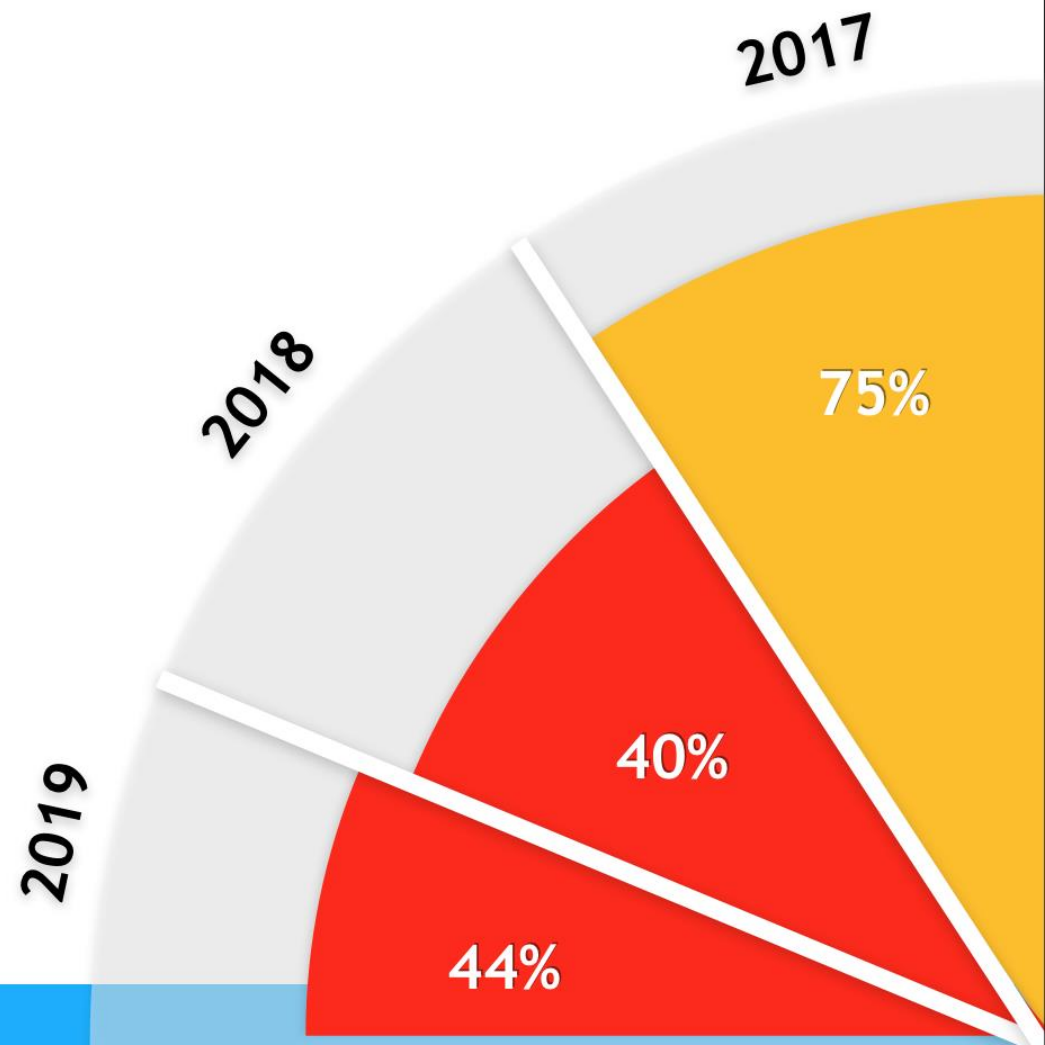


CAPITAL RECEIPTS PERFORMANCE — CUMULATIVE (Q1-Q3) 2017 TO 2019

CAPITAL RECEIPTS (YEAR ON YEAR)

YEAR	PROVISION (Q1-Q3) ₹'BN	ACTUAL (Q1-Q3) ₹'BN	PERFORMANCE %
2017	19.081	14.285	75
2018	29.655	11.831	40
2019	18.686	8.154	44

- ▶ THERE ARE NO COORDINATED, FOCUSED AND DEDICATED EFFORTS IN RETRIEVING CAPITAL RECEIPTS.
- ▶ GOING FORWARD MEPB WILL WORK CLOSELY WITH THE SDG AND FINANCE MINISTRY TO BOOST OUR OUTCOMES ON CAPITAL RECEIPTS.
- ▶ CHANGES IN APPROACH IS REQUIRED IN DPD.

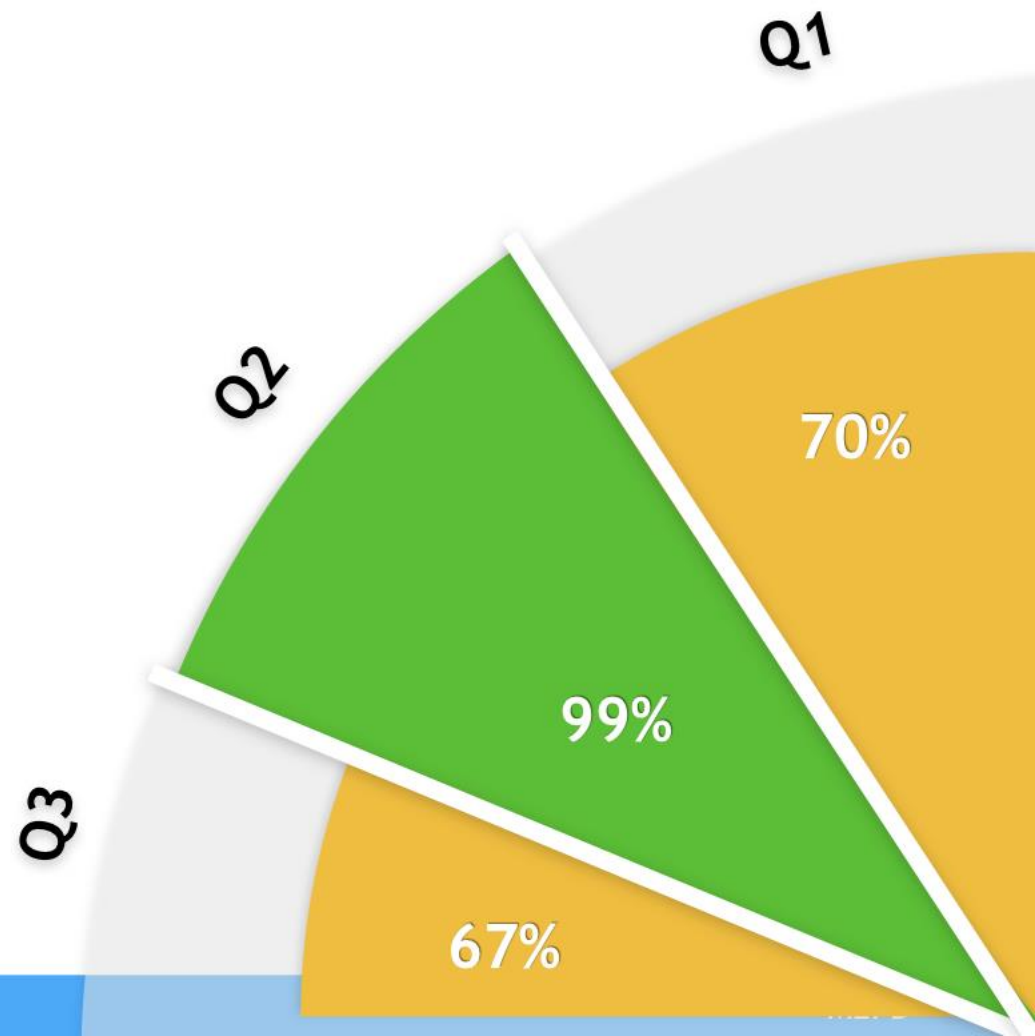




COMPARATIVE REVENUE ANALYSIS — (Q1 TO Q3) 2019

(Q1 - Q3) REVENUE			
2019	PROVISION ₹'BN	ACTUAL ₹'BN	PERFORMANCE %
Q1 (JAN - MARCH)	199.999	140.676	70
Q2 (APRIL - JUNE)	199.999	198.631	99
Q3 (JULY - SEPT)	199.999	133.269	67

CYCLICALLY, PERFORMANCE GENERALLY DIPS IN THE THIRD QUARTER OF RECENT YEARS AS IS DEMONSTRATED IN OUR TREND DATA.

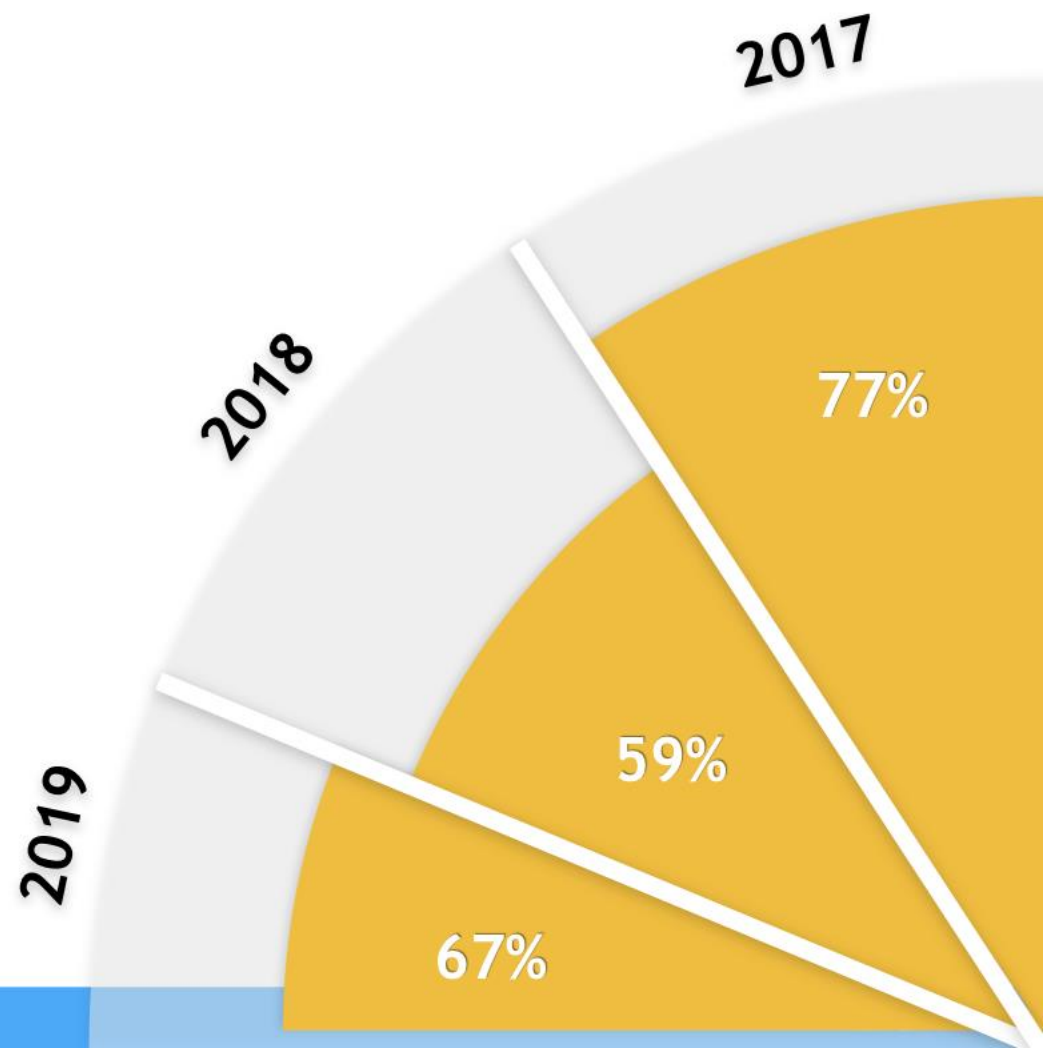




COMPARATIVE REVENUE ANALYSIS — (Q3) 2017 TO 2019

REVENUE (YEAR ON YEAR)

YEAR	PROVISION (Q3) ₹'BN	ACTUAL (Q3) ₹'BN	PERFORMANCE %
2017	160.712	123.116	77
2018	224.356	133.402	59
2019	199.999	133.269	67





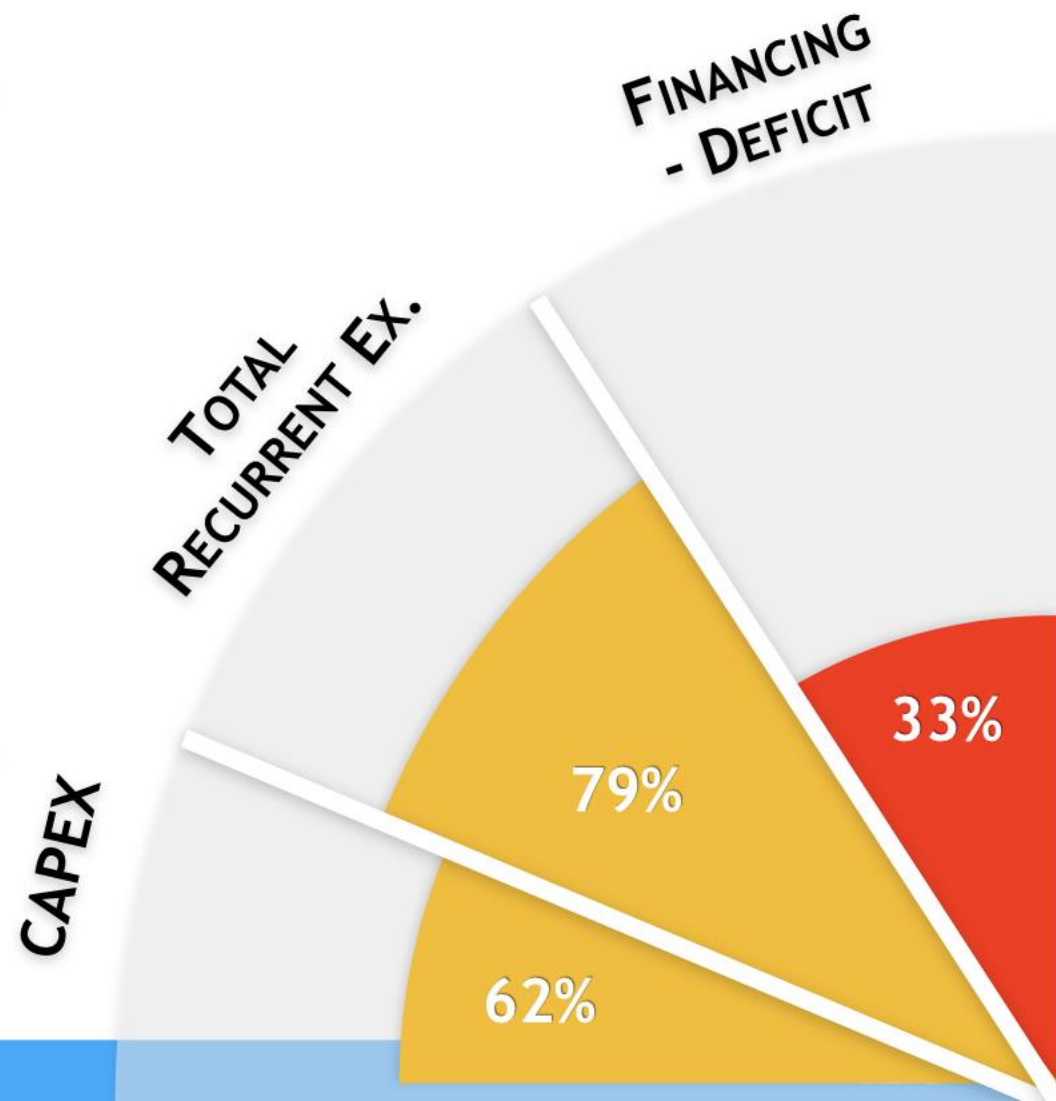
Q3

2019 — EXPENDITURE APPRAISAL HIGHLIGHTS



EXPENDITURE PERFORMANCE — CUMULATIVE (Q1-Q3) 2019

Q1-Q3 EXPENDITURE				
2019	2019 BUDGET ₹'BN	PROVISION ₹'BN	ACTUAL ₹'BN	PERFORMANCE %
A. CAPITAL EXPENDITURE	479,691	359,768	221,763	62
B. TOTAL RECURRENT EXPENDITURE (DEBT & NON-DEBT)	393.841	295.381	232.440	79
C. FINANCING - DEFICIT	73.537	55.153	18.373	33
TOTAL EXPENDITURE (A+B+C)	799.996	599.997	468.576	78
BUDGET SIZE	873.532	655.149	454.203	69.33

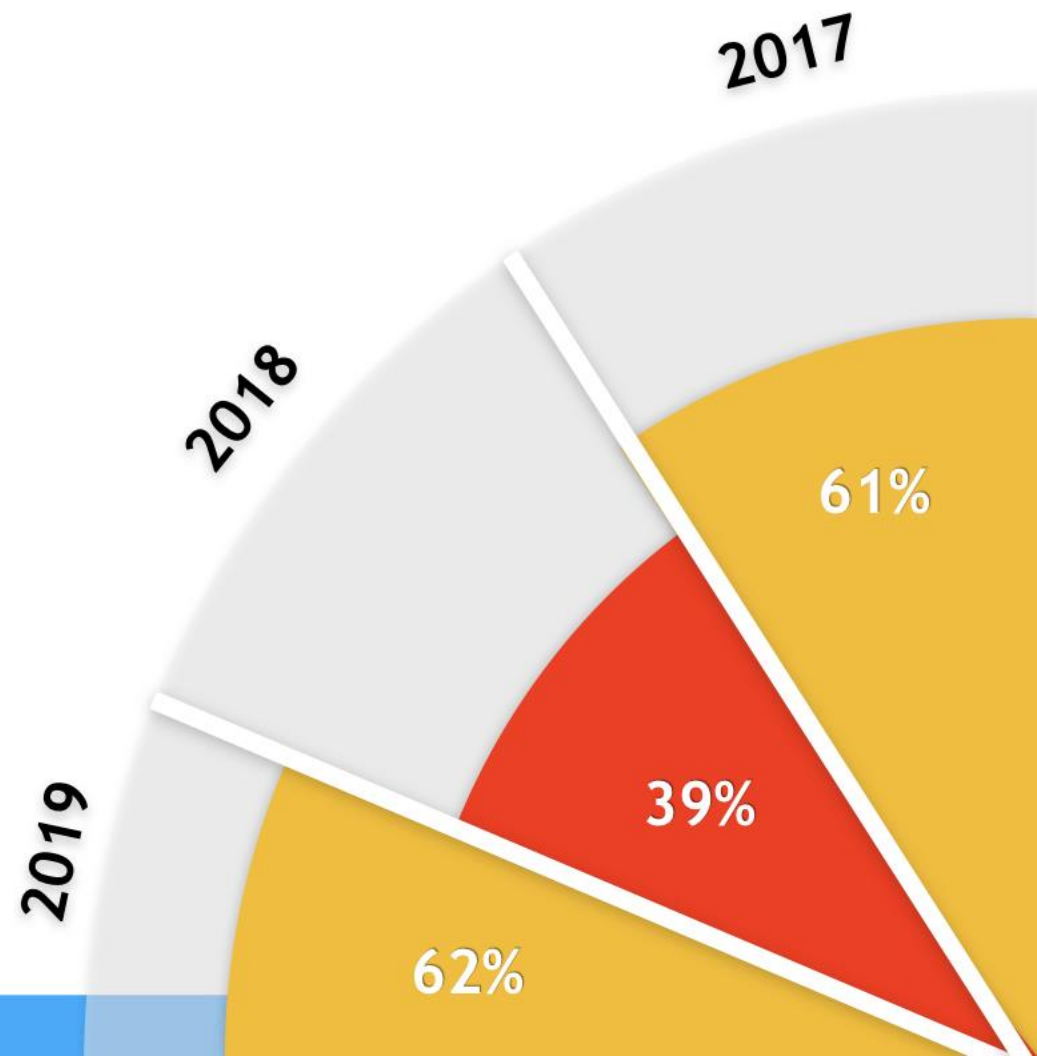




CAPITAL EXPENDITURE PERFORMANCE — CUMULATIVE (Q1-Q3) 2017 TO 2019

Q1-Q3 CAPEX (YEAR ON YEAR)			
YEAR	PROVISION ₦'BN	ACTUAL ₦'BN	PERFORMANCE %
2017	380.863	232.865	61
2018	679.157	263.054	39
2019	359.768	221.763	62

- ▶ THE TOTAL CAPITAL EXPENDITURE PERFORMED AT 62% / ₦221.763 IN Q1-Q3 2019.
- ▶ NOTE THAT 43% / ₦96.522 OF THE TOTAL CAPEX WAS USED FOR REPAYMENT. THIS COULD BE RESPONSIBLE FOR THE SLOW COMPLETION OF CAPITAL PROJECTS.
- ▶ THE (ACTUAL) CORE CAPITAL EXPENDITURE IN Q1-Q3 2019 PERFORMED AT 45% / ₦108.194 AGAINST A PROVISION OF ₦241.168, WHICH WAS SLIGHTLY LOWER THAN COMPARATIVE 2018 PERIOD WHICH PERFORMED AT 50% / ₦161.912 AGAINST A PROVISION OF ₦325.245.
- ▶ THE TOTAL CAPITAL EXPENDITURE FOR Q3 2019 PERFORMED AT 49% / ₦58.485 AGAINST A PROVISION OF ₦119.923.



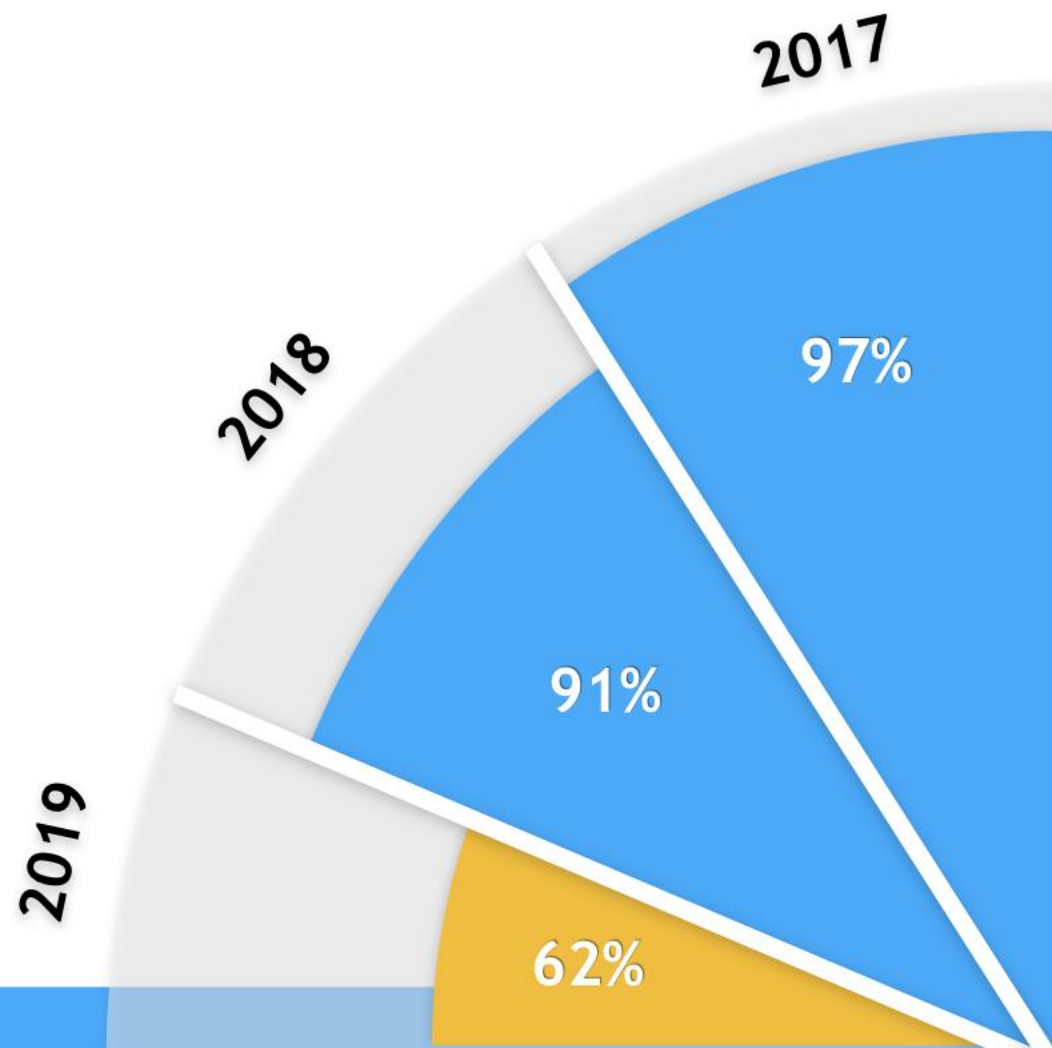


PERSONNEL COST PERFORMANCE — CUMULATIVE (Q1-Q3) 2017 TO 2019

Q1 - Q3 TCP EXPENDITURE (YEAR ON YEAR)

YEAR	PROVISION ₦'BN	ACTUAL ₦'BN	PERFORMANCE %
2017	78.534	75.795	97
2018	84.182	76.598	91
2019	127.167	79.044	62

- ▶ TOTAL PERSONNEL COST (“TPC”) IN Q1-Q3 PERFORMED AT 62% / ₦79.044BN, COMPARED TO Q1-Q3, 2018 AT 91% (₦76.598BN), INDICATING THAT PERSONNEL COSTS PROVISION MAY HAVE BEEN AGGRESSIVE.
- ▶ TPC ACCOUNTED FOR 27% OF IGR, 17% OF TOTAL REVENUE (“TR”) AND 34% OF TOTAL RECURRENT EXPENDITURE, WHICH REMAINS WITHIN THE STATE WAGE POLICY OF 25% CEILING OF TR AND 35% OF IGR.



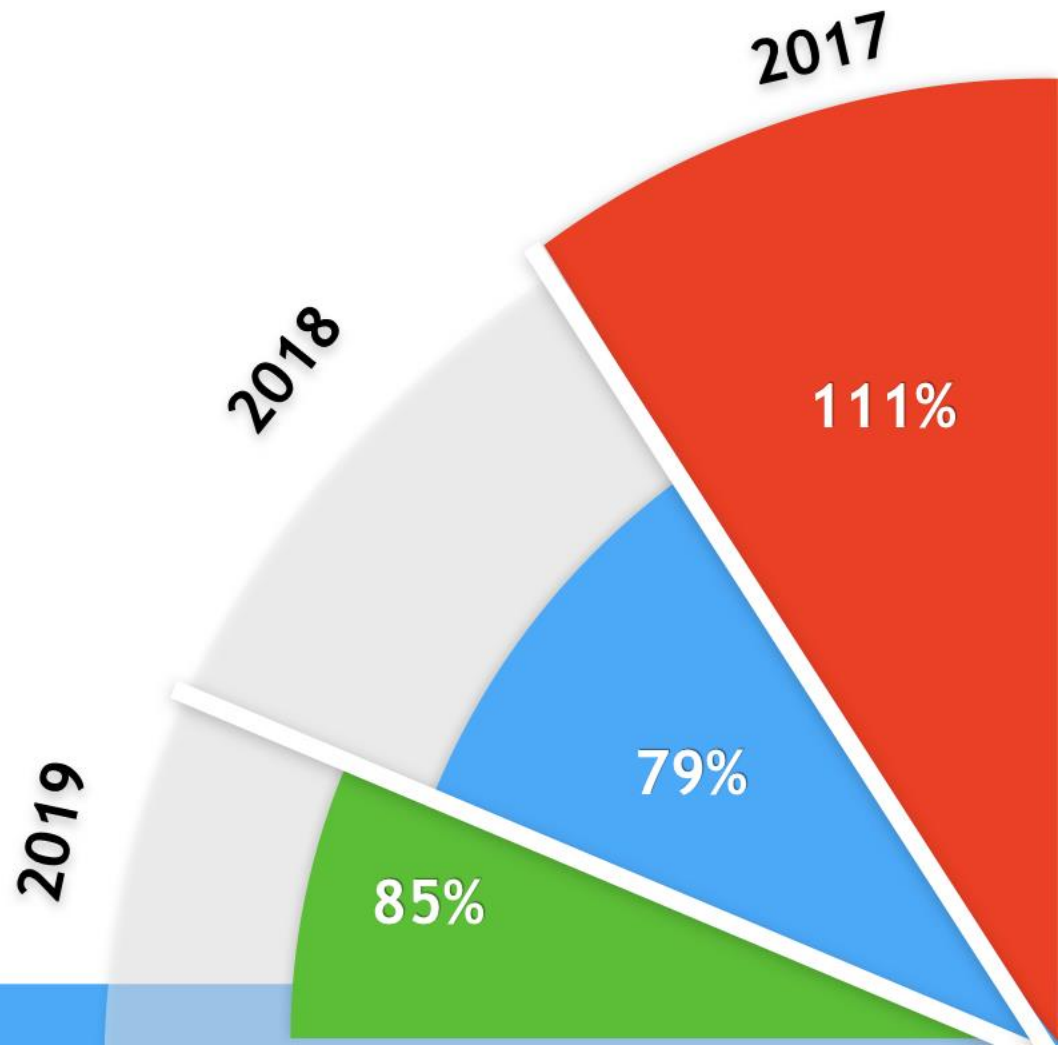


OVERHEAD COSTS PERFORMANCE — CUMULATIVE (Q1-Q3) 2017 TO 2019

Q1-Q3 OVERHEAD COST (YEAR ON YEAR)

YEAR	PROVISION ₱'BN	ACTUAL ₱'BN	PERFORMANCE %
2017	127.795	141.803	111
2018	149.169	117.439	79
2019	153.028	129.673	85

- ▶ TOTAL OVERHEAD COST IN Q1-Q3 PERFORMED AT 85% / ₱129.673BN COMPARED TO Q1-Q3, 2018's 79% / ₱117.439BN.
 - ▶ OVERHEAD COSTS PERFORMED ABOVE PROVISION AT 110% / ₱86.293BN.
- ▶ SUBVENTIONS (OVERHEAD) TO PARASTATAL ORGANIZATIONS/TERTIARY INSTITUTIONS PERFORMED AT 60% / ₱32.950BN AS AGAINST 42% / ₱14.956BN IN 2018.



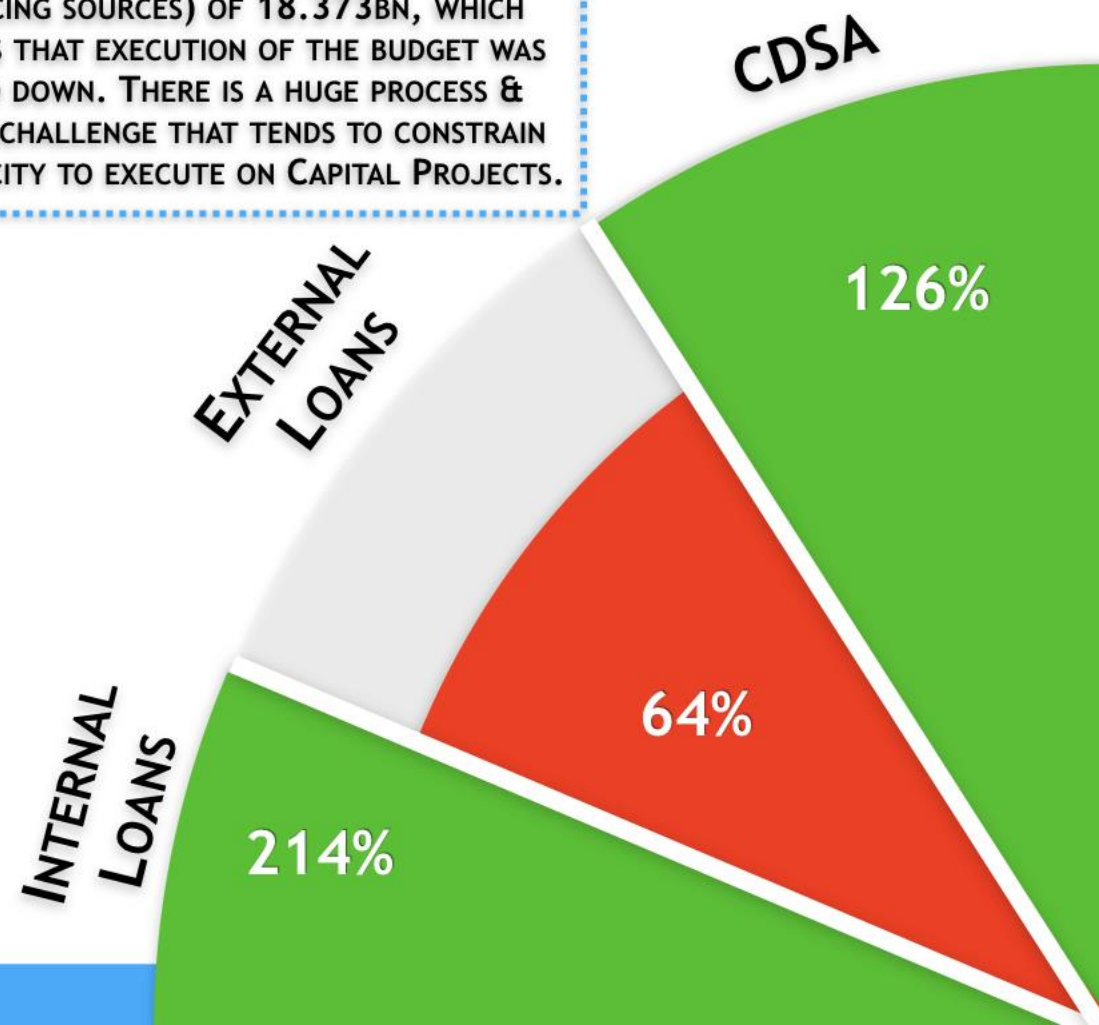


FINANCING ACTIVITIES – (Q3) 2019

FINANCING ACTIVITIES (YEAR ON YEAR)

YEAR	PROVISION ₹'BN	ACTUAL ₹'BN	PERFORMANCE %
FINANCING REQUIREMENT	(55.153)	18.373	133
FINANCING			
▶ FINANCING (SOURCES)	55.153	-	-
▶ EXTERNAL LOANS	18.505	-	-
▶ OTHERS	18.505	-	-
▶ INTERNAL LOANS	36.648	-	-
▶ BOND ISSUE	-	-	-
▶ REPAYMENTS	68.413	96.522	141
▶ EXTERNAL LOANS (PRINCIPAL REPAYMENTS)	6.388	4.065	64
▶ INTERNAL LOAN (PRINCIPAL REPAYMENTS)	16.500	35.322	214
▶ CONSOLIDATED DEBT SERVICE ACCOUNTS	45.525	57.134	126

FINANCING ACTIVITY FOR 2019 SHOWS A SURPLUS (FINANCING SOURCES) OF 18.373BN, WHICH INDICATES THAT EXECUTION OF THE BUDGET WAS SLOWED DOWN. THERE IS A HUGE PROCESS & CULTURE CHALLENGE THAT TENDS TO CONSTRAIN OUR CAPACITY TO EXECUTE ON CAPITAL PROJECTS.

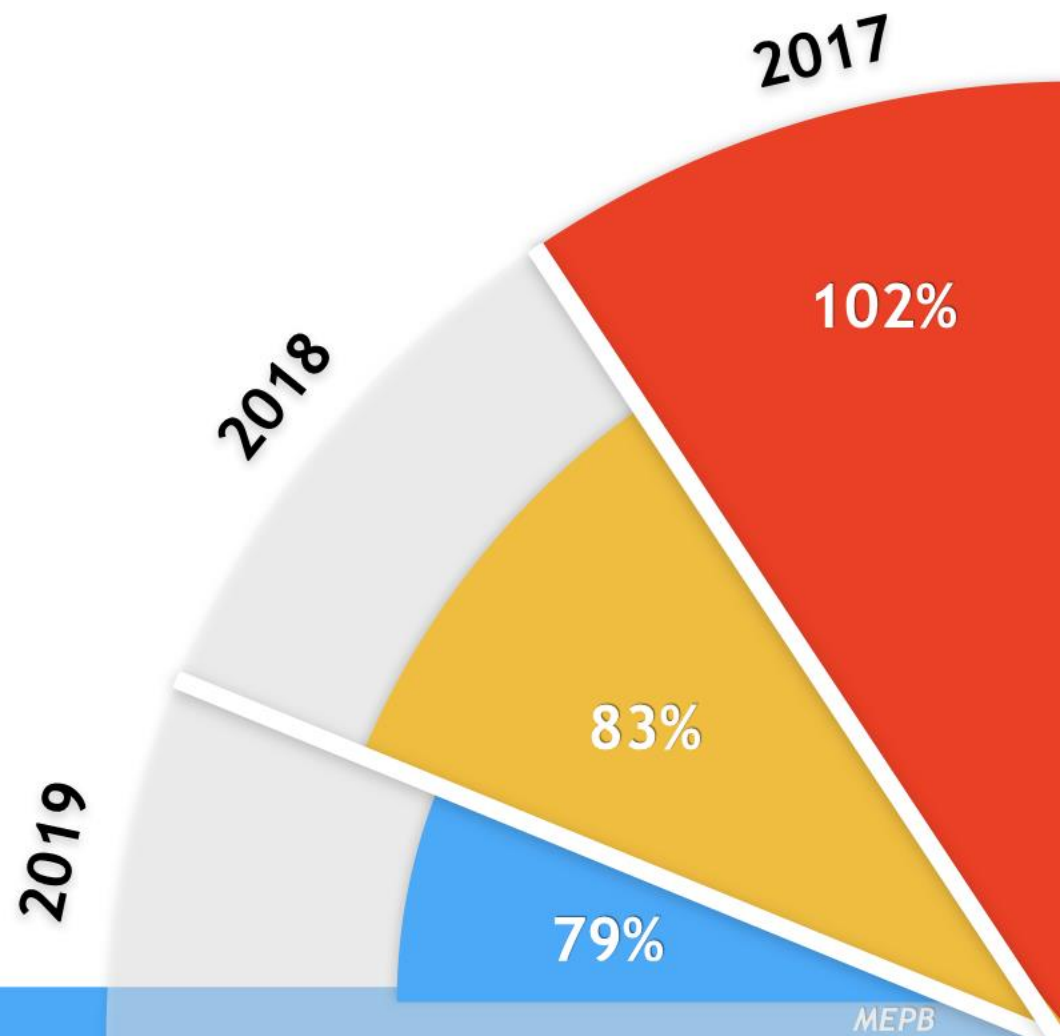


RECURRENT EXPENDITURE PERFORMANCE — CUMULATIVE (Q1-Q3) 2017 TO 2019



RECURRENT EXPENDITURE (YEAR ON YEAR)

YEAR	PROVISION (Q1-Q3) ₹'BN	ACTUAL (Q1-Q3) ₹'BN	PERFORMANCE %
2017	228.887	234.217	102
2018	260.279	214.952	83
2019	295.381	232.441	79

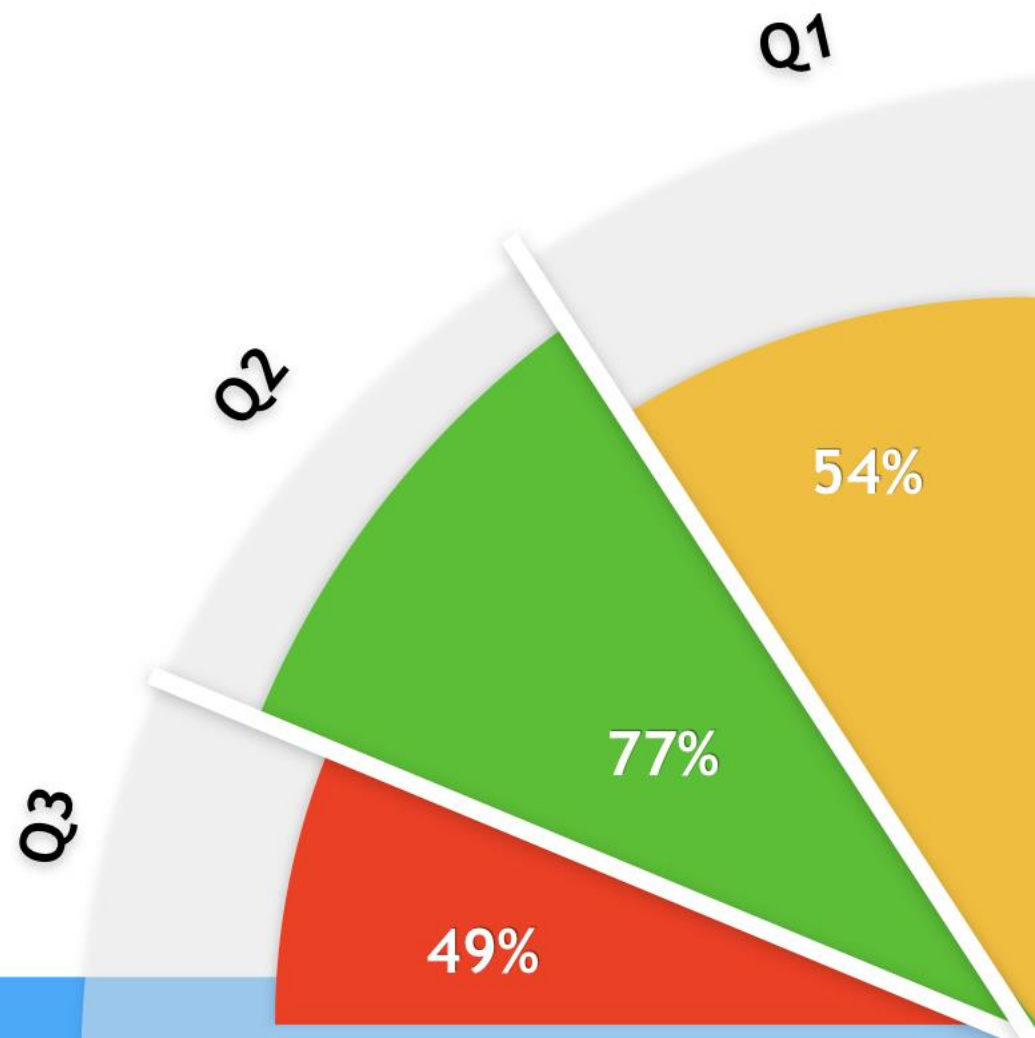




COMPARATIVE EXPENDITURE ANALYSIS — CAPEX (Q1 TO Q3)

Q1-Q3 CAPITAL EXPENDITURE

2019	PROVISION ₹'BN	ACTUAL ₹'BN	PERFORMANCE %
Q1 (JAN - MARCH)	119.923	64.892	54
Q2 (APRIL - JUNE)	119.923	92.792	77
Q3 (JULY - SEPT)	119.923	58.485	49

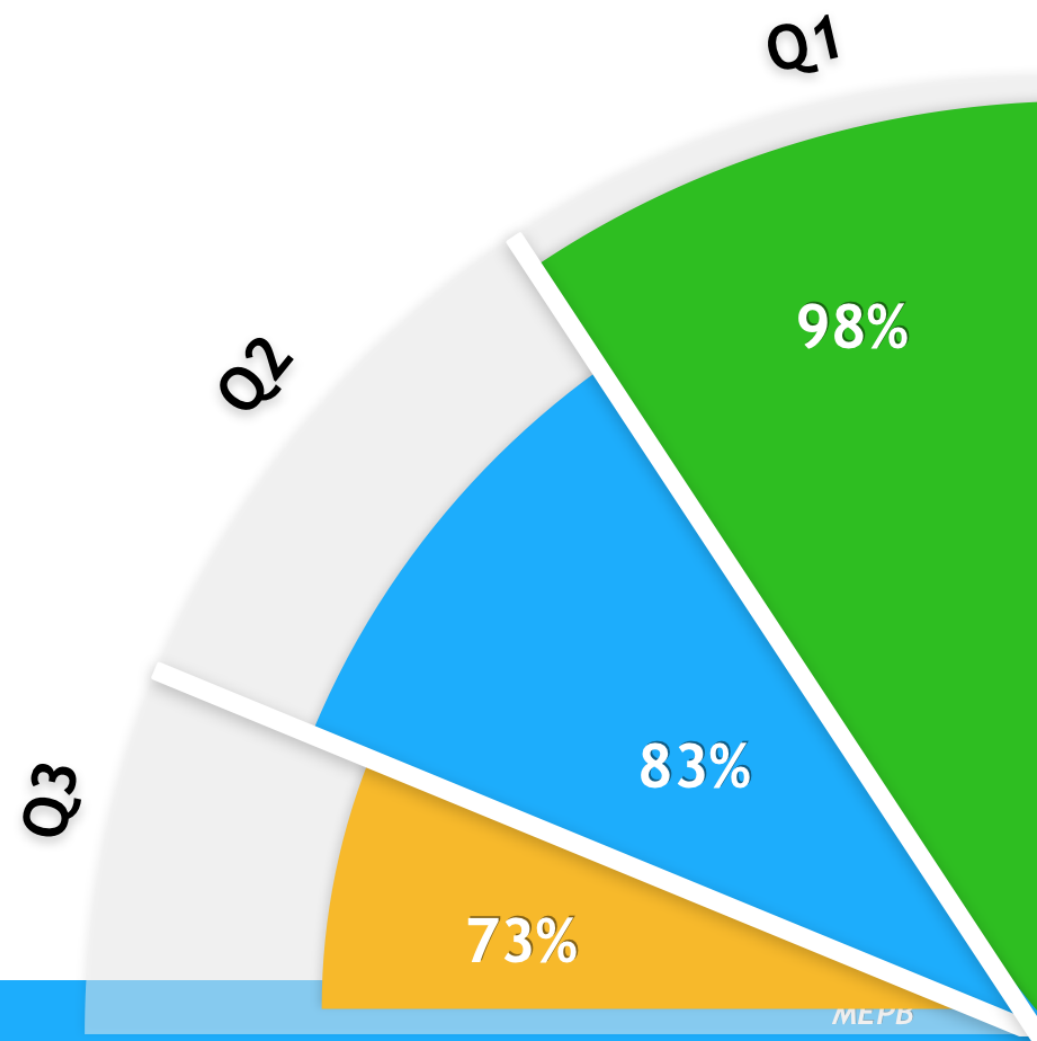




COMPARATIVE EXPENDITURE ANALYSIS — OVERHEAD COST (Q1 TO Q3)

OVERHEAD COST

2019	PROVISION ₦'BN	ACTUAL ₦'BN	PERFORMANCE %
Q1 (JAN - MARCH)	51.009	49.928	98
Q2 (APRIL - JUNE)	51.009	41.742	83
Q3 (JULY - SEPT)	51.009	37.489	73



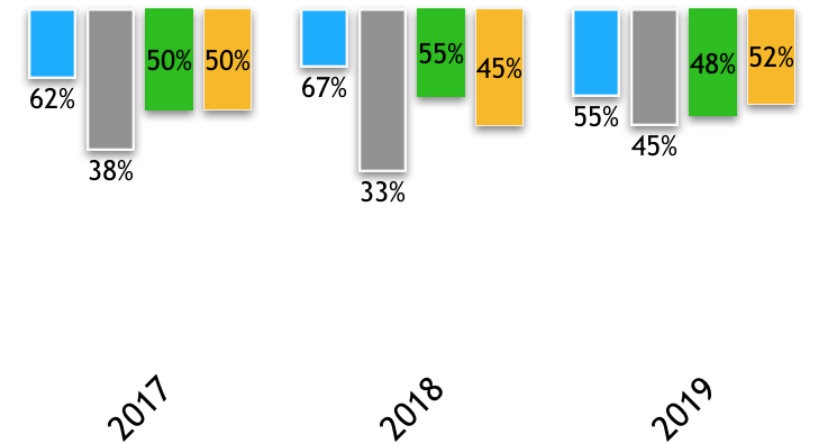


CAPITAL/RECURRENT EXPENDITURE RATIO (Q3) 2017 TO 2019

EXPENDITURE (YEAR ON YEAR)

YEAR	BUDGET PROJECTION	ACTUAL PERFORMANCE
2017	62:38	50:50
2018	67:33	55:45
2019	55:45	48:52

- BP - Capital Expenditure
- BP - Recurrent Expenditure
- AP - Capital Expenditure
- AP - Recurrent Expenditure





THE STATE EXECUTIVE COUNCIL IS INVITED TO NOTE

BUDGET SIZE

2019 BUDGET SIZE WAS ₦873.5321BN, WITH A Q3 PRO-RATA SIZE OF ₦655,1494BN

TOTAL REVENUE PERFORMANCE WAS 79% / ₦472.576BN COMPARED TO 62% / ₦415.597BN IN Q3 2018

TR

Q3

THIRD QUARTER PERFORMED AT 69% / ₦454.203BN COMPARED TO 61% / ₦478.004BN FOR SAME PERIOD IN 2018

TOTAL CAPITAL RECEIPTS FOR THE PERIOD AMOUNTED TO 44% / ₦8.155BN

CR

TRX

TOTAL RECURRENT EXPENDITURE FOR Q3 2019 PERFORMED AT 79% / ₦232.441BN (TOTAL PERSONNEL COST 62% / ₦79.004BN; TOTAL OVERHEAD COST 85% / ₦129.673BN)

TOTAL CAPITAL EXPENDITURE PERFORMANCE WAS 62% / ₦221.763BN

TCX

C/R

CAPITAL/RECURRENT EXPENDITURE RATIO CLOSED AT 48:52 VS 67:33 TARGET FOR 2019

THE BOND ISSUANCE WAS NIL

DEBT



THANK YOU



COMMENTS, OBSERVATIONS & QUESTIONS?