

OPENING NOTE

This is the third edition of our publication, focused on building a virile and efficient government that optimizes resources for the benefit of the people. We take a look at the proposed 2015 budget, especially the top talking points. We also give short notes on the levers of revenue that feed into the Nigerian budget.

We hope you enjoy this edition and also continue the discussion online via our channels.

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About BudgIT

BudgIT is a civic startup driven to make the Nigerian budget and public data more understandable and accessible across every literacy span. BudgIT's innovation within the public circle comes with a creative use of government data by either presenting these in simple tweets, interactive formats or infographic displays. We have a goal to use creative technology to intersect civic engagement and institutional reform.

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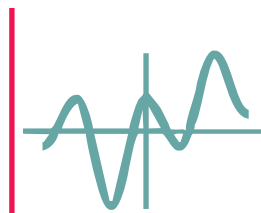
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BUDGET TERMS

- Budget is an estimate of expenditures and revenues of the government over a specified period, usually a year.
- Recurrent Expenditure is the part of the total government expenditures meant for monthly payment of salaries of government workers, payment of debts and daily running of ministries.
- Capital expenditure is the part of the government expenditures meant for capital projects (schools, hospitals & markets) in the country.
- Personnel costs are the part of recurrent expenditure of government used for the payment of salaries and pensions of government workers.
- Overhead costs are the part of recurrent expenditures of government used for daily or periodic administrative expenses.
- Debt stock is the total of domestic and external debts of the government over a period of time.
- Debt servicing is the amount of money allocated in the budget for the payment of interest or principal of domestic and external debts.
- Revenue is the total amount generated by the government over a specified period.
- Released capital expenditure is the part of the capital expenditure budget that a ministry or agency can access for its capital projects. This is the amount authorised by the Ministry of Finance after due procurement process has been fulfilled.
- Cash-backed capital expenditure is amount in cash (with Central Bank of Nigeria) available to the ministry for execution of capital projects.
- Utilised Capital Expenditure is the total amount paid out by the Ministry, Department or Agency upon the provision of a service by a contractor or agency.



NIGERIA: QUICK NUMBERS

GDP
\$525.4bn
NBS (2014)

POPULATION
173.6m
World Bank (2013)

EXTERNAL FOREIGN
RESERVES
\$30.02bn
CBN (Feb. 2015)

INFLATION RATE
8.4% YoY
NBS (Feb. 2015)

PRIVATE SECTOR
CREDIT
N18.15tn
CBN (Dec 2014 Estimate)

GOVERNMENT
REVENUE
N8.14tn
Ministry of Finance 2013
Actual figure

OIL REVENUE
(DISTRIBUTABLE)
N6.79tn
Ministry of Finance 2013
Actual figure

NON-OIL REVENUE
(DISTRIBUTABLE)
N1.34tn
Ministry of Finance 2013
Actual figure

GDP PER CAPITA
\$3,006
WORLD BANK (2013)

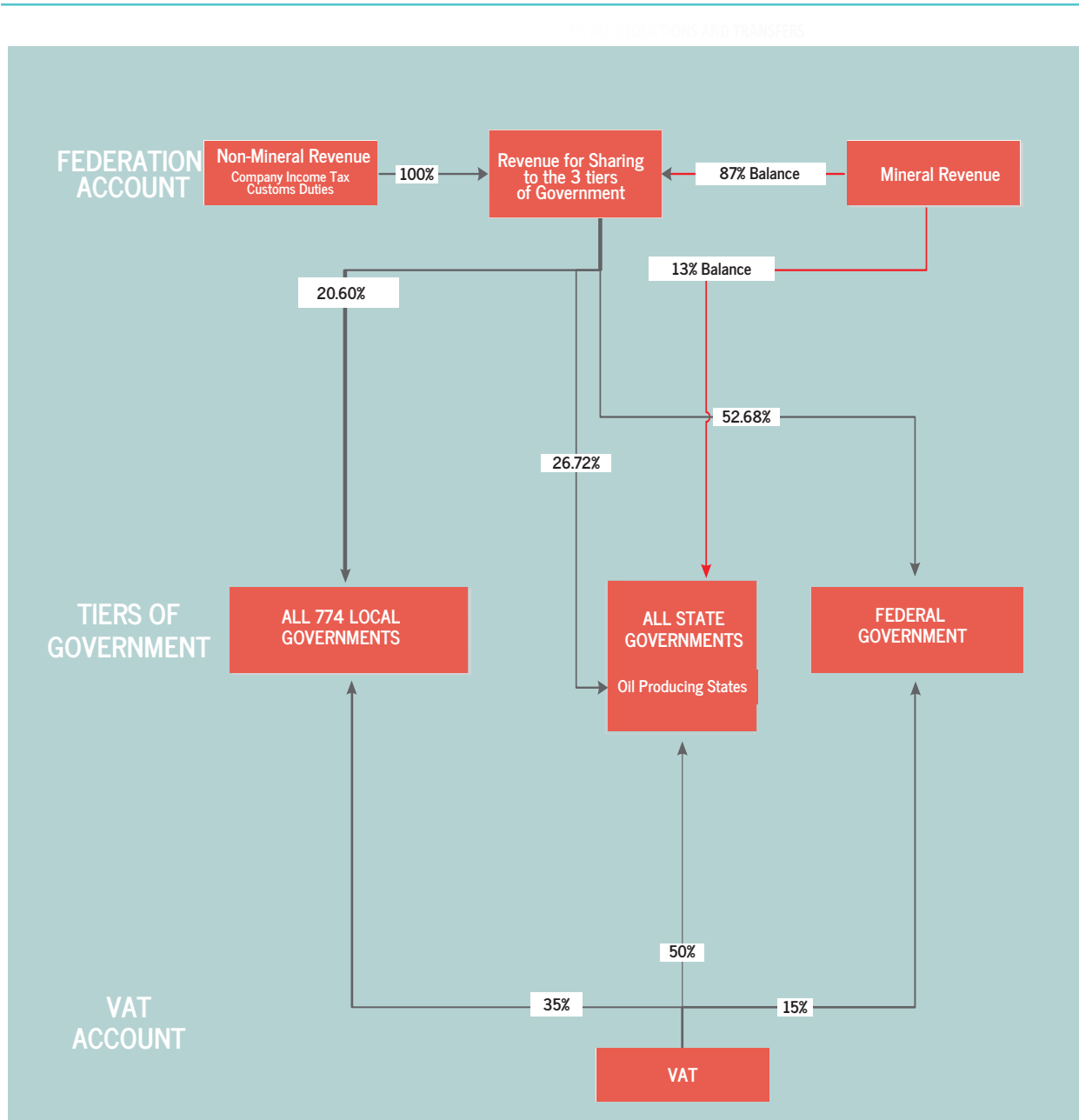
VALUE OF IMPORT
N6.68tn
NBS 2014 ESTIMATE

VALUE OF EXPORT
N9.2tn
NBS 2014 ESTIMATE

OIL PRODUCTION
2.15mbpd
NNPC DEC. 2014 ESTIMATE

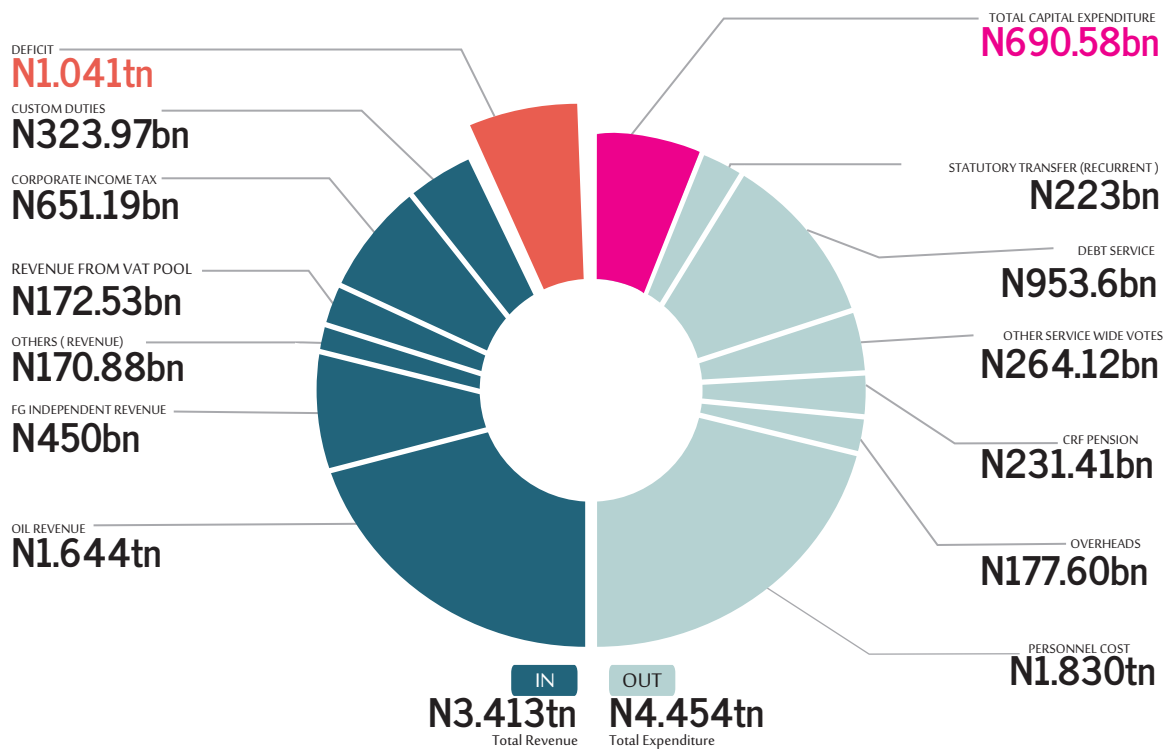


HOW IS THE FEDERATION REVENUE SHARED?





FEDERAL GOVERNMENT PROPOSED 2015 BUDGET BREAKDOWN



Source: Ministry of Finance

2015 FEDERAL GOVERNMENT BUDGET

WHERE DOES MONEY COME FROM?



₦3.41tn

Federal Government share of oil revenue from Federation Account and other independent agencies such as FAAN, CBN, NCC that generate revenue.



Oil Revenue

₦1.644TRILLION

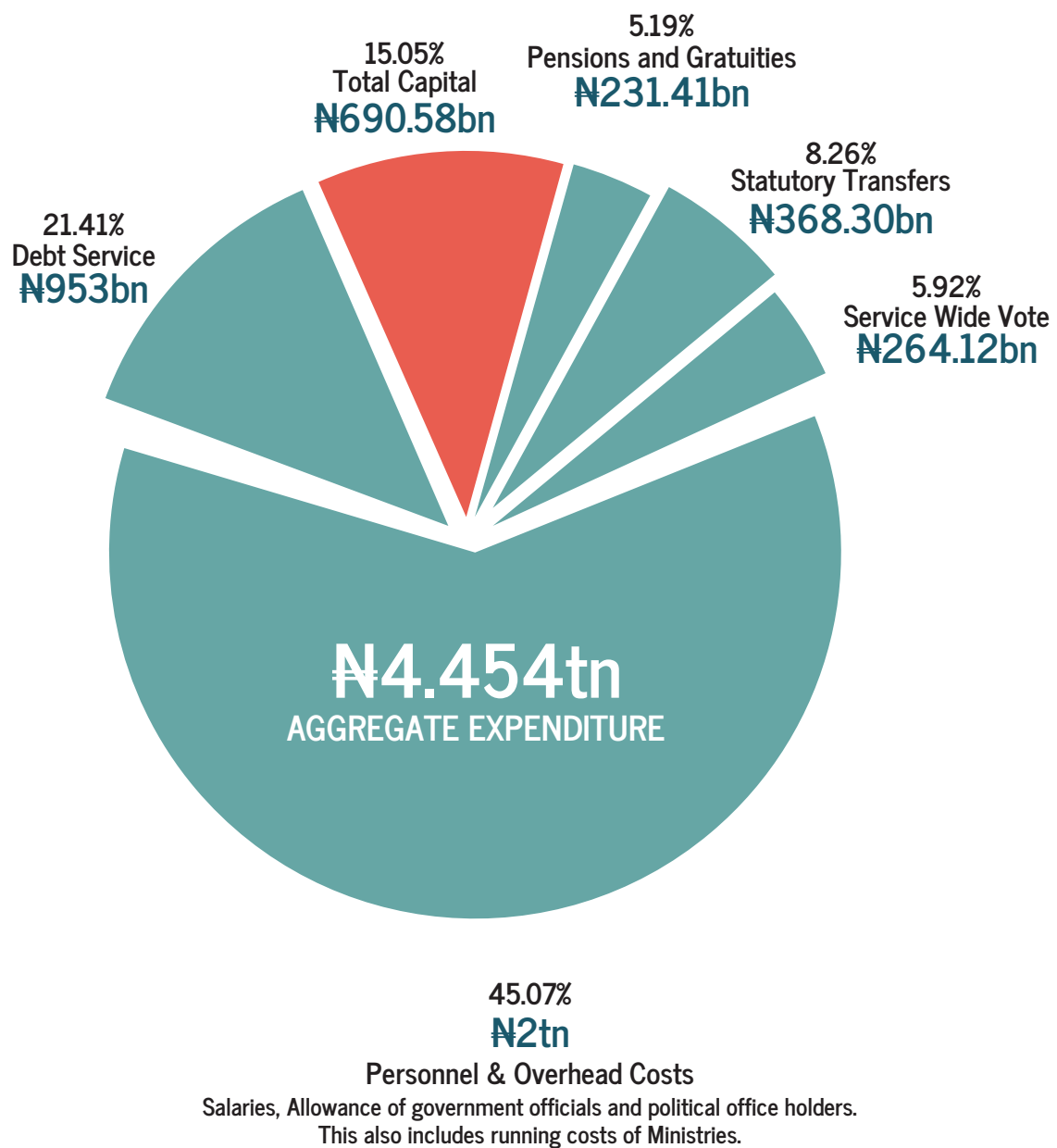


Non Oil Revenue

₦1.214TRILLION



WHERE DOES THE MONEY GO?



2015 BUDGET IN CHARTS

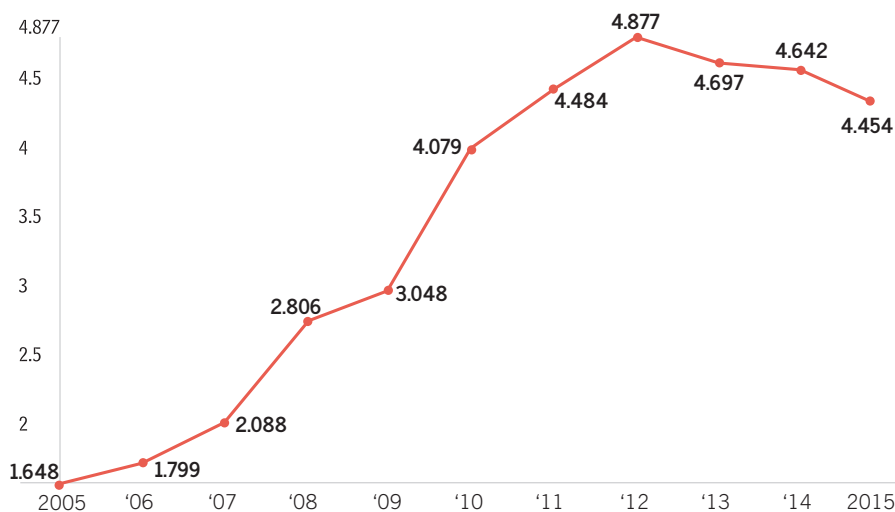


Source: Budget Office of the Federation, BudGIT Research

Government plans to spend less in 2015 compared to the previous year. Nigeria is feeling the impact of falling oil prices.

FG Budget (N trillions)

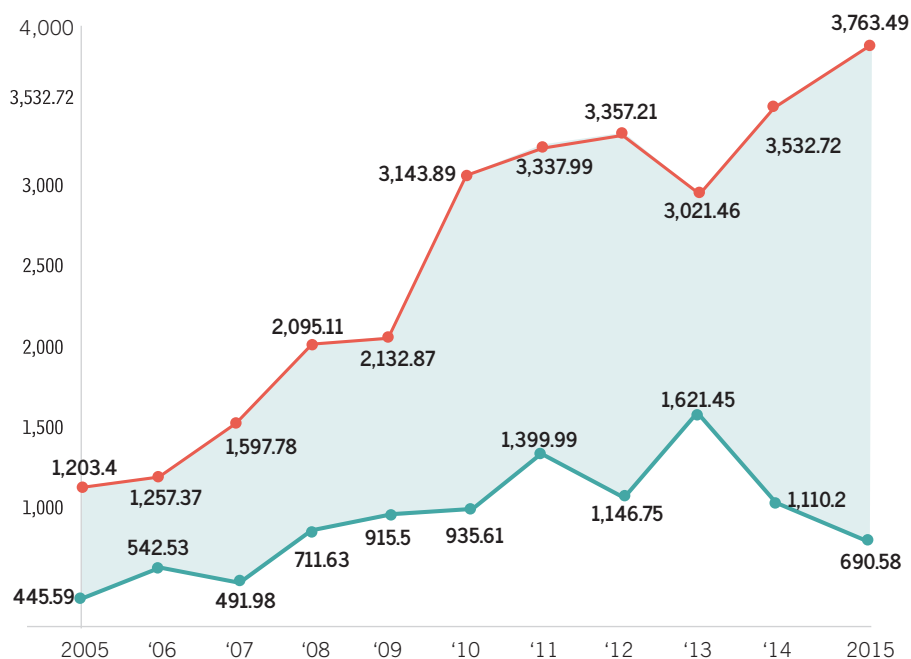
Budgets for 2012 & 2013 excludes funds for SURE-P projects.



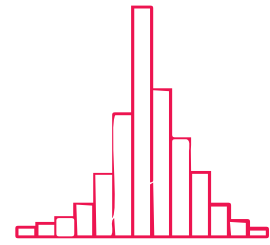
Nigeria's recurrent expenditure has always exceeded the capital expenditure for infrastructure and public facilities. However, capital expenditure takes a very sharp decline in 2015.

Recurrent Expenditure vs Capital Expenditure (Nbn)

■ Recurrent Expenditure ■ Capital Expenditure



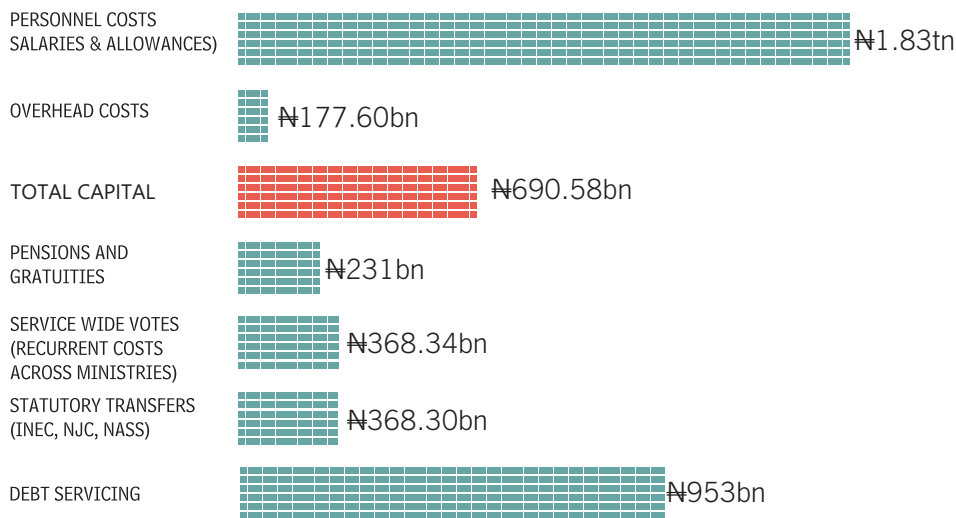
2015 BUDGET IN CHARTS



Source: Budget Office of the Federation, BudGIT Research

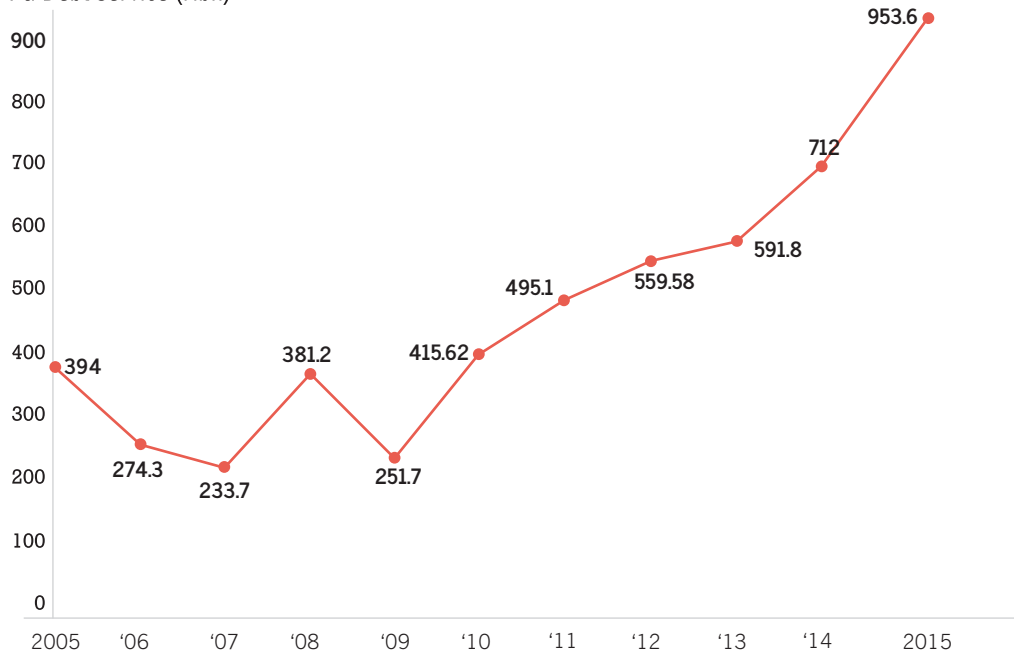
What is the highest item in the proposed 2015 Budget of the Federal Government? Here is a quick outlook. Do you notice that government personnel cost is FAR HIGHER than funds for capital project?

2015 Proposed Budget Breakdown



Cost of serving government debts is projected to rise in 2015. Are we raising debts at high rates? Banks and investors in public debts are smiling all the way.

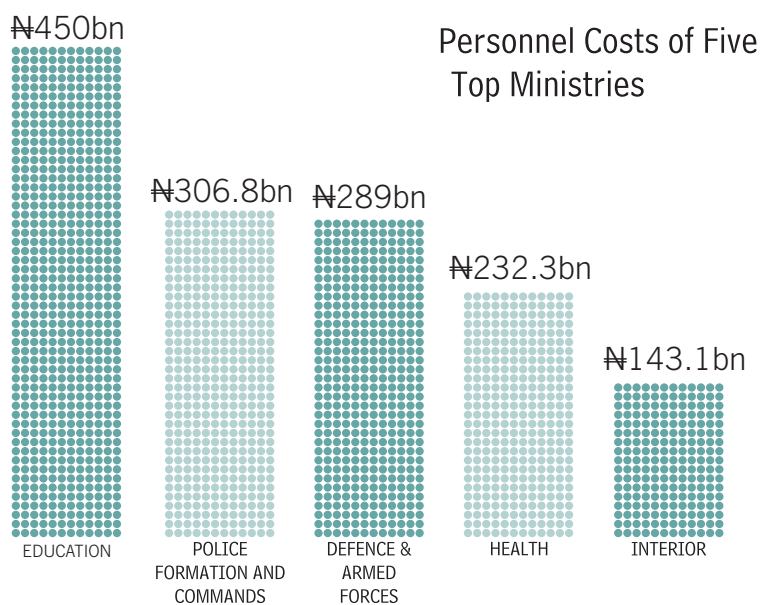
FG Debt service (Nbn)



2015 BUDGET IN CHARTS

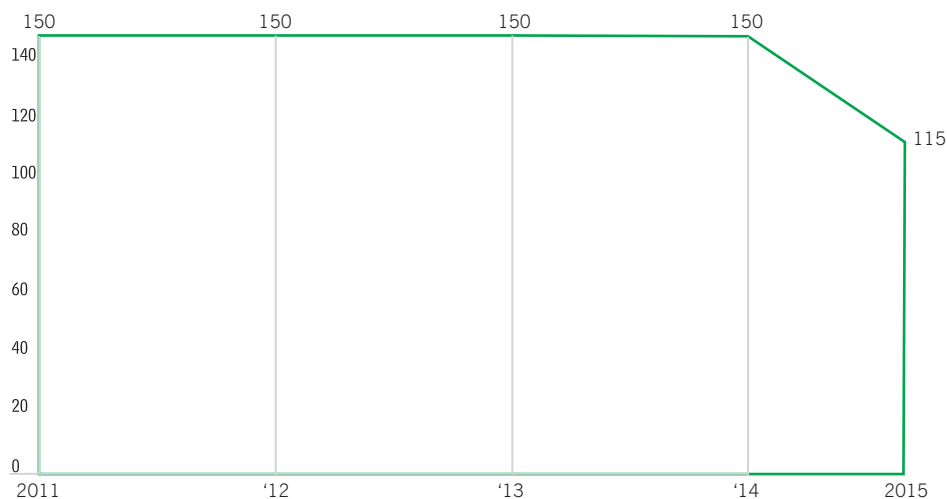


The highest costs of government are the salaries and allowance of civil servants and public officials. However, 5 out of 43 ministries spend about 68% of proposed personnel costs.



The National Assembly without any detailed breakdown takes N150bn yearly since 2011. However, the National Assembly took a cut of N45bn in the 2015 proposed expenditure plan, which many analysts believe is not enough.

National Assembly Budget (N bn)





2015 FEDERAL GOVERNMENT BUDGET

ALLOCATIONS TO MINISTRY*

Education Including UBEC ₦492,034,986,591		Mines & Steel Development ₦10,436,482,841
Defence/MOD/ ARMY/AIR FORCE/NAVY ₦358,466,078,698		Trade and Investment ₦10,192,743,679
Police Formation and Commands ₦329,669,237,019		National Population Commission ₦9,868,649,009
Health ₦257,543,773,757		Power ₦8,811,633,477
Interior ₦156,557,006,561		Labour and Productivity ₦8,679,930,245
Office of the National Security Adviser ₦84,128,320,723		Office of the Head of Service of the Federation ₦7,296,828,934
Youth Development ₦71,854,907,634		National Planning Commission ₦7,153,987,412
Niger - Delta Including NDDC ₦59,253,205,819		National Sports Commission ₦6,789,454,066
Petroleum Resource ₦59,051,178,743		Land & Housing ₦6,205,246,996
Office of the secretary to the Government of the Federation ₦52,782,859,141		Independent Corrupt Practices and other related Offences Commission ₦5,051,408,637
Foreign Affairs ₦47,495,358,240		Police Affairs ₦4,318,426,417
Federal Ministry of Works ₦39,579,312,175		Auditor - General for the Federation ₦2,880,205,501
Agriculture & Rural Development ₦39,151,988,128		Women Affairs ₦2,722,175,260
Science and Technology ₦27,209,705,855		Code of Conduct Bureau ₦2,287,063,956
Presidency ₦26,663,050,469		Revenue Mobilisation Allocation & Fiscal Commission ₦2,285,646,444
Information ₦23,381,021,567		Federal Character Commission ₦2,214,345,636
Justice including NHRC ₦21,295,917,477		Federal Civil Service Commission ₦1,213,768,601
Tourism, Culture & National Orientation Agency ₦18,797,884,483		Infrastructural Concession Regulatory Commission ₦952,505,070
Environment ₦15,646,485,175		Special Duties and InterGovernment Affairs ₦805,792,038
Water Resources ₦13,856,729,162		Police Service Commission ₦784,296,856
FCT ₦12,000,000,000		Code of Conduct Tribunal ₦697,541,189
Transport ₦11,981,364,493		National Salaries, Incomes & Wages Commission ₦695,518,800
Communication Technology ₦11,106,611,115		Fiscal Responsibility Commission ₦380,896,934
Aviation ₦10,856,830,076		Special Duties ₦83,177,342

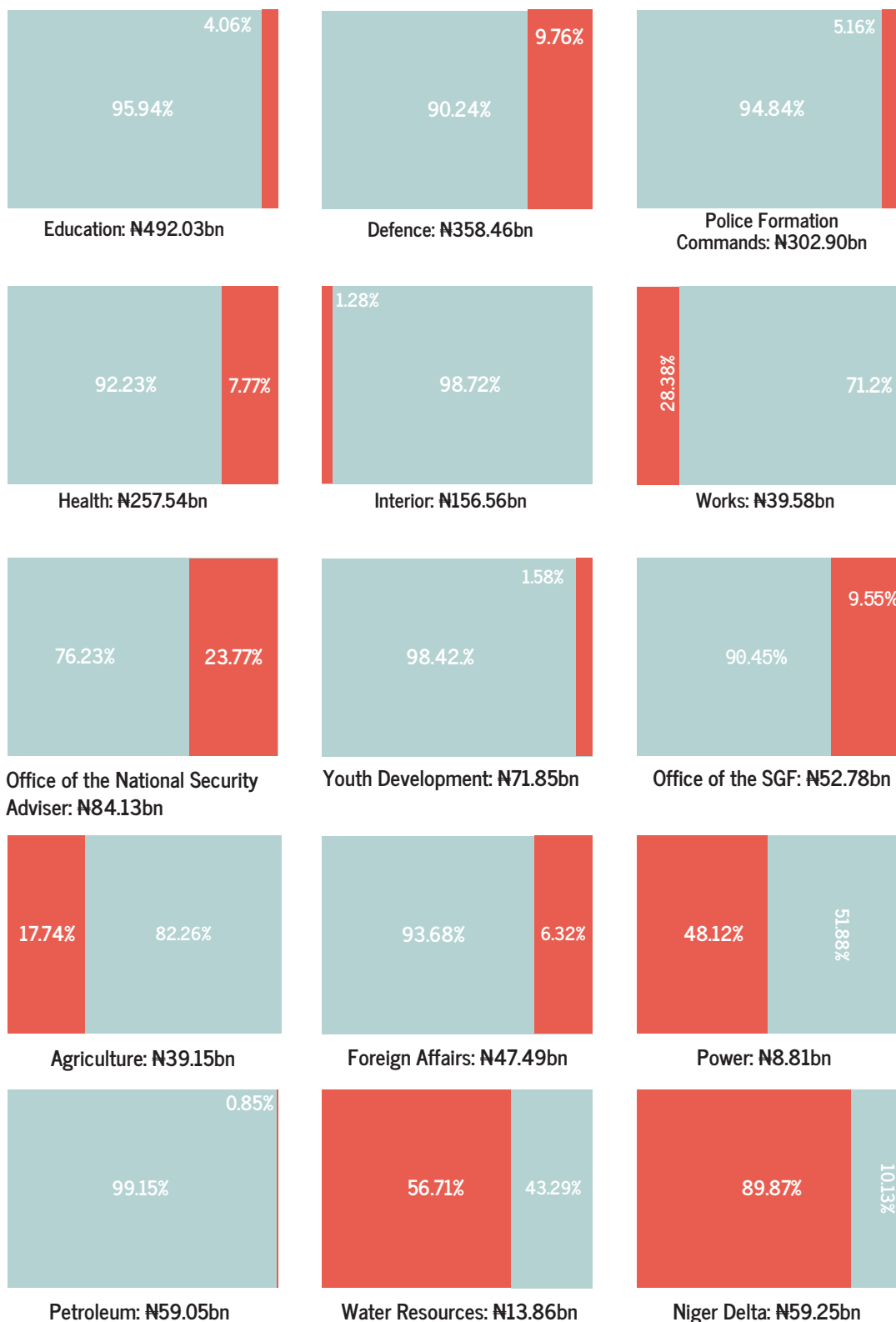
*As proposed by the Executive

2015 FEDERAL GOVERNMENT BUDGET

Federal Government Top 15 Ministries *

Most ministries have more recurrent than capital expenditure except Ministry of Works, Water Resources and Niger Delta

Recurrent Expenditure Capital Expenditure

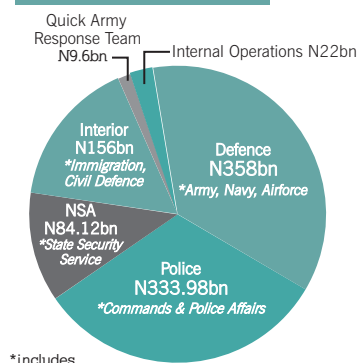


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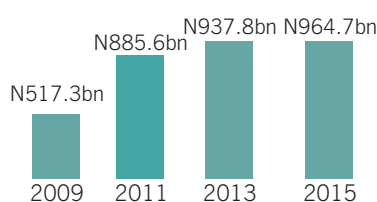
NIGERIA: SECURITY BUDGET ANALYSIS

2015 BUDGET *

2015 BUDGET OF SECURITY AGENCIES

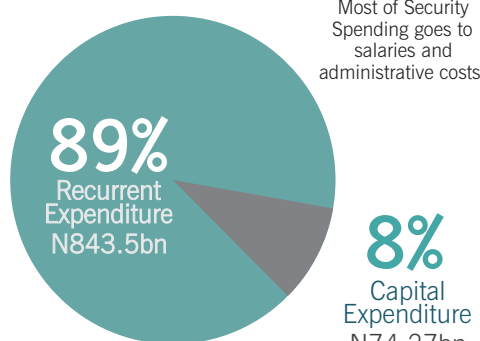


Comparing Security Sector Budgets

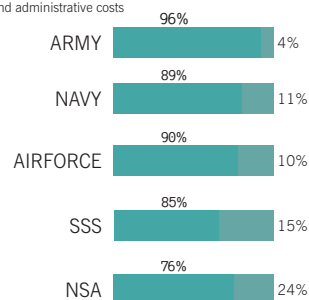


N964bn

Total Security Budget



Most of Security budget goes to salaries and administrative costs



How much do security agencies budget for weapons?

NIGERIAN ARMY



Procurement of Ammunition
N697.720m

NATIONAL SECURITY ADVISER



Procurement of Security Equipment
N8.8m

STATE SECURITY SERVICE



Firearms and Ammunition
N850m

Selected Capital Items



2 units - 35.6m
Patrol/Attack Craft
N1.715bn



Purchase of Helicopters
N1bn

National Security Adviser



Purchase of operational and Utility Vehicles
N610.14m

DO WE NEED TO RE-ORDER OUR PRIORITIES?

2015 BUDGET



N115bn
National Assembly



N134.25bn
Nigeria Army



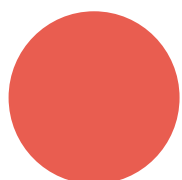
Army Quick Response Team
N9.6bn



State House Budget
N9.5bn



OTHER RECURRENT ITEMS*



PRESIDENTIAL AMNESTY
PROGRAMME

₦63.3BN



ARREARS OF 33% INCREASE
IN PENSION RATES

₦18.0BN



PAYMENT INTO THE REDEMPTION
FUND (5% OF TOTAL PERSONNEL
COST)

₦60.3BN



CONTINGENCY

₦15.0BN



PUBLIC SERVICE WAGE ADJUSTMENT
FOR MDAs (INCLUDING ARREARS OF
PROMOTION AND SALARY INCREASES)

₦26.7BN



GROUP LIFE INSURANCE FOR
ALL MDAs INCLUDING DSS

₦14.7BN



OPERATIONS - INTERNAL FOR
THE ARMED FORCES

₦22.0BN



IMPROVED REMUNERATION PACKAGE
FOR THE NIGERIAN POLICE

₦11.8BN



OPERATION ZAMAN LAFIYA

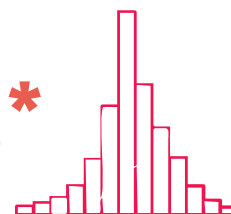
₦20.3BN



ARREARS OF 2014 SALARY INCREASE
FOR MEDICAL DOCTORS AND OTHER
HEALTH PROFESSIONAL

₦11.1BN

CAPITAL INTERVENTIONS*



SPECIAL INTERVENTION/
CONSTITUENCY PROJECTS



₦40BN

REFUNDS TO STATES FOR
FEDERAL ROADS PROJECTS



₦7BN

CONDITIONAL GRANTS AND
SOCIAL SAFETY NETS (MDGS)



₦35.3BN

NATIONAL JOB CREATION
SCHEME



₦6BN

SINKING FUND FOR INFRASTRUCTURAL
DEVELOPMENT



₦20BN

BULK TRADER



₦5.4BN

REFUND TO SPECIAL ACCOUNT



₦10BN

SPECIAL INTERVENTION MDG



₦9.6BN

PAYMENT FOR MATURING
DOMESTIC BONDS



₦7.5BN

NELMCO (OUTSTANDING LIABILITIES)



₦5BN

*Selected top items

*As proposed by the Executive

SURE-P



TOTAL AMOUNT: ₦70.53BN



WHERE DOES THE MONEY COMES FROM?

₦21.03BN

EXPECTED INFLOW FOR
12 MONTHS

₦49.5BN

ESTIMATED UNSPENT
BALANCE FROM 2014

WHERE DOES THE MONEY GO? *

 **₦11.2BN**

AUGMENTATION FOR EAST-
WEST ROAD (SECTIONS I-IV)

 **₦3.2BN**

PORTHARCOURT-MAIDUGURI RAIL

 **₦10BN**

REHABILITATION OF LAGOS-
SHAGAMU-IBADAN DUAL CARRIAGEWAY
SECTION I IN LAGOS STATE C/NO.6204

 **₦30.4BN**

SOCIAL SAFETY NETS

 **₦10BN**

REHABILITATION OF LAGOS-
SHAGAMU-IBADAN DUAL CARRIAGEWAY
SECTION II IN OYO STATE C/NO.6205

 **₦4.8BN**

ABUJA-KADUNA RAIL

 **₦15BN**

CONCESSION OF 2ND NIGER BRIDGE LINKING ANAMBRA
AND DELTA STATES ON DESIGN, BUILD, FINANCE,
OPERATE AND TRANSFER (DBFOT) BASIS UNDER THE
PUBLIC PRIVATE PARTNERSHIP (PPP) SCHEME

 **₦2BN**

COUNTERPART FUND FOR
HIV/AIDS PROGRAMME

 **₦2BN**

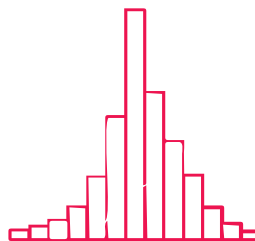
PUBLIC WORKS FOR YOUTH

 **₦15.3BN**

COUNTERPART FUND FOR POLIO
ERADICATION PROGRAMME &
ROUTINE IMMUNIZATION

* Selected Items

*As proposed by the Executive



THINGS TO NOTE*

1

279MDAS

With personnel cost of N233.43bn will have nothing in terms of Projects to monitor given that the MDAs have Zero capital Budget.

2

N100M

The total capital allocation to the office of the auditor general of the federation. Will the amount be enough to build capacity given that the agency audits 601 MDAs among others and the agency is expected to have presence in 36 states.

3

N16TN

Amount the chairman of the National assembly Public Accounts Committee- Solomon Olamilekan claims is excluded from the federal budget. Most MDAs hid under the "operating surplus" toga to keep huge amount of revenue - which is Largely unaudited.

4

N40BN

Allocation for constituency project in the proposed 2015 budget - down from N100bn (2014).

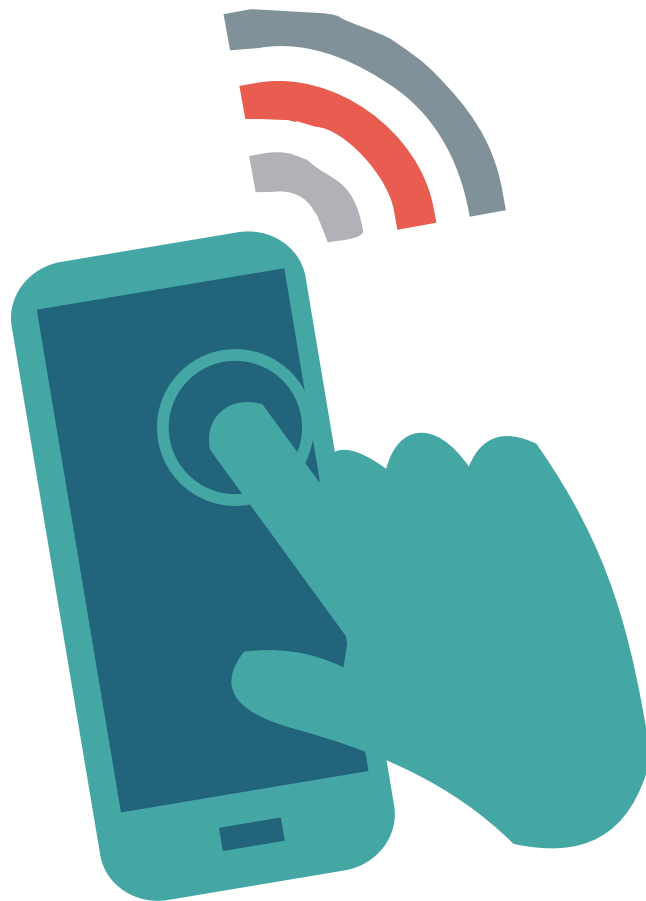
5

N368.34BN

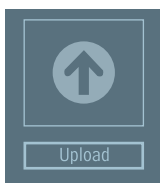
Total allocation under Service wide vote. Up from N292.2bn. The amount will be spent under discretion and mostly not linked to any ministry.

*As proposed by the Executive

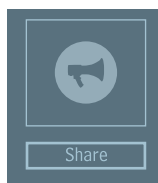
tracka



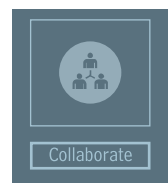
<http://www.tracka.ng>



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SIMPLIFYING THE NIGERIAN BUDGET

At BudgIT, we believe it is the RIGHT of every citizen to have access and also understand public budgets. We also believe budgets must be efficiently implemented for the GOOD of the people.