

ANAMBRA STATE GOVERNMENT



2020 REVISED BUDGET

EXPLANATORY NOTES

MINISTRY OF ECONOMIC PLANNING
BUDGET AND DEVELOPMENT PARTNERS
ANAMBRA STATE

EXPLANATORY NOTES: REVISED ANAMBRA STATE 2020 BUDGET

EN 1 - KEY REVENUE PROJECTIONS

The Anambra 2020 Original Budget of N137,135,743,439 (One Hundred and Thirty-Seven Billion, One Hundred and Thirty-Five Million, Seven Hundred and Forty-Three Thousand, Four Hundred and Thirty-Nine Naira) and themed, "Budget of Accelerating Infrastructural Development and Youth Entrepreneurship" was approved by the State House of Assembly on the October 25th, 2019 and assented to by His Excellency, the Executive Governor Chief Willie Obiano on November 8th 2019.

Following the COVID-19 pandemic which has caused a fall in crude oil price and the national and state-wide lockdown of businesses, Federal and State Governments have been forced to review their approved budgets downwards in line with the expected reductions in revenue. Other assumptions such as exchange rate, volume of oil production, inflation, GDP growth rate etc. were also adversely affected. The 2020 revised budget is N114,971,261,221 (One Hundred and Fourteen Billion, Nine Hundred and Seventy-One Million, Two Hundred and Sixty-One Thousand, Two Hundred and Twenty-One Naira)

TABLE 1.1 SUMMARY OF THE ANAMBRA STATE 2020 REVISED BUDGET

Item	2020 original budget	Final 2020 amended budget	o/w COVID-responsive* (in 2020 amended budget)	Reference to Explanatory Notes**
Assumptions:				
Oil price (US\$/bbl)	55	25		EN 1.1
Oil production (national, mbpd)	2.18	1.7		EN 1.1
Exchange rate (N/US\$)	305	360		EN 1.1
GDP growth (national, percent annual change)%	2.93	(4.42)		EN 1.1
Inflation (national, percent, annual average) %	11.30	14.13		EN 1.1
...[insert other key parameters as applicable]				
1. Opening Balance	21,586,871,163	15,601,651,810		EN 1.6
2. Revenues and grants:	120,961,213,551	89,369,609,410		
Gross Statutory Allocation (not net of deductions)	43,766,685,075	31,869,609,410		EN 1.2
Derivation				
Other FAAC transfers (exchange rate gain,	1,604,354,199	2,500,000,000		EN 1.3
VAT	15,590,174,277	18,000,000,000		EN 1.3
IGR	30,000,000,000	27,000,000,000		EN 1.4
Internal grants	3,165,364,972	2,500,000,000		EN 1.5
External grants	1,300,000,000	2,500,000,000		EN 1.5
External Loans	12,500,000,000	5,000,000,000		EN 1.5
Other Capital Receipts	13,034,635,028	0		EN 1.5
3. Expenditures:	137,135,743,439	114,971,261,221	13,911,738,275	
Recurrent:	58,772,739,914	49,164,463,959	7,190,238,275	EN 2.1, 2.2, 2.3
Personnel costs (salaries, allowances, etc.)	22,850,163,185	17,426,842,720	6,882,870,471	EN 2.1, 2.2, 2.3
Overhead costs	22,315,157,496	21,261,810,709		EN 2.1, 2.2, 2.3
Interest payments on debt (or debt service), including FAAC deductions	1,783,367,520	1,599,563,118		EN 2.4
Social Benefits (Pensions & Gratuities)	10,252,128,113	8,376,168,093		EN 2.4
Service Wide Votes	1,571,923,600	500,079,318		EN 2.4
Capital:	78,363,003,525	65,806,797,262	6,721,500,000	EN 2.1, 2.2, 2.3
Admin	11,886,173,437	9,456,392,765	750,000,000	EN 2.1, 2.2, 2.3
Economic	41,115,957,817	38,078,935,436	1,793,500,000	EN 2.1, 2.2, 2.3
Judiciary	1,731,650,000	951,600,000	-	EN 2.1, 2.2, 2.3
Social	23,629,222,271	17,319,869,061	4,178,000,000	EN 2.1, 2.2, 2.3
4. Balance (=1+2-3)	5,412,341,275	(10,000,000,000)		
5. Financing:	16,000,000,000	10,000,000,000		
Domestic bonds	-	-		
Commercial bank loans	16,000,000,000	2,000,000,000		EN 3.1
Internal loans	-	8,000,000,000		EN 3.1
Sales of Government Assets	-	-		
...[other financing items as applicable]	-	-		
6. Financing gap (=-(4+5))	21,412,341,275	(0)		
Memorandum Items:				
COVID-19 responsive expenditures (% of total expenditures)			12.1	EN 2.2

EXPLANATORY NOTES: REVISED ANAMBRA STATE 2020 BUDGET

1.1 REVISION OF KEY MACROECONOMIC ASSUMPTIONS

The revised budget assumes a reduced crude oil price benchmark of US\$25/bbl against adopted against US\$55/bbl in the original 2020 budget in line with the Federal Government's Macroeconomic Framework. Taking into account the OPEC directed cuts, the average daily production was reduced from 2.18m/bbl to 1.7m/bbl. Exchange rate of N360 to USD was used as against N305 for the original 2020 in line with the monetary policy decision of the Central Bank of Nigeria.

A contraction of -4.42% in the economy is assumed against 2.93% growth previously projected for the original 2020 budget. Inflation rate of 14.13% was adopted according to data from the National Bureau of Statistics (NBS) as against 11.30% for the original 2020 budget.

Table 1.2 Macroeconomic Framework

	Original 2020-2022 Macroeconomic Framework	Revised 2020-2022 Macroeconomic Framework
Oil price (US\$/bbl)	55	25
Crude Oil production (national, mbpd)	2.18	1.7
Exchange rate (N/US\$)	305	360
GDP growth (national, percent annual change)	2.93	(4.42)
Inflation (national, percent, annual average)	11.30	14.13

1.2 REVISIONS TO GROSS STATUTORY ALLOCATION

Gross Statutory allocation was reviewed 27.18% downwards from N43,766,685,075 (Forty-Three Billion, Seven Hundred and Sixty-Six Million, Six Hundred and Eighty-Five Thousand, Seventy-Five naira) in the original 2020 Budget to N31,869,609,410 (Thirty One Billion, Eight Hundred and Sixty-Nine Million, Six Hundred and Nine Thousand, Four Hundred and Ten Naira) in the revised 2020 budget.

This 27.18% represents a N 11,897,075,664 (Eleven Billion, Eight Hundred and Ninety-Seven Million, Seventy-Five Thousand, Six Hundred and Sixty-Four Naira) cut from the original sum. This projected reduction is due to fall in crude oil price, cut in production and low demand caused by lockdown/movement restrictions as a result of the pandemic ravaging the economy.

This revised figure of N31,869,609,410 (Thirty One Billion, Eight Hundred and Sixty-Nine Million, Six Hundred and Nine Thousand, Four Hundred and Ten Naira) is within the upper bounds in the guidelines set by Federal Government.

1.3 REVISIONS TO VAT, OTHER FEDERATION ACCOUNT ALLOCATION COMMITTEE (FAAC) TRANSFERS

The projected VAT receivables is increased from ₦15,590,174,277 (Fifteen Billion, Five Hundred and Ninety Million, One Hundred and Seventy-Four Thousand, Two Hundred and Seventy-Seven Naira) in the original 2020 budget to ₦18,000,000,000 (Eighteen Billion naira) in the revised 2020 budget. This

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15.46% increase amounts to ₦2,409,825,723 (Two Billion, Four Hundred and Nine Million, Eight Hundred and Twenty-Five Thousand, Seven Hundred and Twenty-Three Naira) in projected VAT receivables from the Federation is based on figures provided by the Federal Government (MTEF guidelines) for Federation Revenue Projections.

The Federal Budget Office projects that VAT revenues are expected to rise by 10% in 2020 from N1.2 trillion in 2019 to N1.3 trillion in 2020. Although many businesses have been shut down or are currently running at low capacity especially in aviation, transport, hotels and restaurants, activities in the telecommunications industry, light manufacturing and pharmaceuticals have increased significantly. VAT revenues are expected to recover with the gradual easing of lockdowns and rise in inflation, coupled with the increase in VAT rate from 5% to 7.5% since February 2020. These have been taken into consideration in the Anambra State revised budget.

In line with our assumptions, other FAAC transfers estimates is projected at N2,500,000,000 (Two Billion, Five Hundred Million naira) in the revised 2020 Budget. This estimates for the revised budget is based on the actual receipt of N1.3b from January to May, 2020 and actual for 2019 of N2.3b.

Table 1.3 Other FAAC transfers.

S/No	Item	Original 2020 Budget (NGN)	Amended 2020 budget
1	Excess Crude Allocation from FAAC	1,251,913,264	1,054,092,530
2	Refund from Paris Club	0	0
3	Exchange Rate Difference	72,867,351	73,894,853
4	Excess PPT	116,715,600	265,828,852
	Over deduction Refund	162,857,984	205,132,273
	Share of Solid Minerals	0	57,272,629
	Forex Equalization	0	843,778,862
	Total	1,604,354,199	2,500,000,000

1.4 INTERNALLY GENERAL REVENUE (IGR)

The IGR figure (Independent Revenues) was reviewed downwards from ₦30,000,000,000 (Thirty Billion naira) in the original budget to ₦27,000,000,000 (Twenty-Seven Billion Naira) in the revised budget and this represents a 10% reduction in IGR collections. Actual IGR collections from January to May is N11,250,000,000 (Eleven Billion, Two Hundred and Fifty Million Naira).

High collection components of the IGR have been reduced taking into consideration the lockdown and economic downturn experienced from March to Middle of the year.

Direct Assessment was reduced by 30% from N1,040,091,416 (One Billion, Forty Million, Ninety-one Thousand, Four Hundred and Sixteen naira) to N728,063,991 (Seven Hundred and Twenty-Eight Million, Sixty-Three Thousand, Nine Hundred and Ninety-one naira) in the revised budget,

PAYE was increased by 17% from N12,850,251,737 (Twelve Billion, Eight Hundred and Fifty Million, Two Hundred and Fifty-One Thousand, Seven Hundred and Thirty-Seven naira) to (N14,995,176,276)

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(Fourteen Billion, Nine Hundred Ninety-Five Million, One Hundred and Seventy-Six Thousand, Two Hundred and Seventy-Six naira). This increase is not due to increase in tariff amount but due to increase in the number of persons in the tax database of the state.

Revenue from Land administration was reduced by 30% from N4,867,828,852 (Four Billion, Eight Hundred and Sixty-Seven Million, Eight Hundred and Twenty-Eight Thousand, Eight Hundred and Fifty-Two naira) to N3,407,480,196 (Three Billion, Four Hundred and Seven Million, Four Hundred and Eighty-Thousand, One Hundred and Ninety-Six naira) in the revised budget.

Transport was reduced by 30% from N606,456,547 (Six Hundred and Six Million, Four Hundred and Fifty-Six Thousand, Five Hundred and Eighty-Three Naira) to N424,519,583 (Four Hundred and Twenty-Four Million, Five Hundred and Nineteen Thousand, Five Hundred and Eighty-Three naira) in the revised budget.

Physical planning was also reduced by 30% from N1,228,228,715 (One Billion, Two Hundred and Twenty-Eight Million, Two Hundred and Twenty-Eight Thousand, Seven Hundred and Fifteen naira) to N859,760,101 (Eight Hundred and Fifty-Nine Million, Seven Hundred and Sixty Million, One Hundred and One naira)

Despite the improvement in collections, due to activation of the Anambra State Social Identification Number (ANSSID) and installation of electronic and technology-based revenue collection solutions, there is a 10% revision in the collection figure due to the effect COVID-19 pandemic and it is expected to affect collection of independent revenue for the remainder of the year. It is also envisaged that there may be delayed payment of tax to government arising from low trade activities, tax rebate and waivers of some tax component to traders and manufacturers as support during this pandemic period.

1.5 REVISIONS OF GRANTS (INTERNAL AND EXTERNAL) EXTERNAL LOANS & OTHER CAPITAL RECEIPTS

Original 2020 budget estimate for grants (Internal Grants and External Grants) have been realistically reduced to N5,000,000,000 (Five Billion Naira) from N30,000,000,000 (Thirty Billion Naira) representing an 83.33% reduction.

Internal grants reduced from N 3,165,364,972 (Three Billion, One Hundred and Sixty-Five Million, Three Hundred and Sixty-Four Thousand, Nine Hundred and Seventy-Two Naira) in the original 2020 budget to N2,500,000,000 (Two Billion, Five Hundred Million naira) in the revised budget.

External grants increased from N 1,300,000,000 (One Billion, Three Hundred Million Naira) in the original budget to N2,500,000,000 (Two Billion, Five Hundred Million Naira) in the revised budget.

External Loan of N12,500,000,000 (Twelve Billion, Five Hundred Million Naira) was reduced to N5,000,000,000 (Five Billion Naira)

This revision has been in External Loan projection has been made as a result of more conservative projections across external loan programs as a result of COVID-19.

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The State has taken a more conservative view on its ability to attract new external grants given the impact of the Pandemic on the global economy.

Table 1.4 Internal Grant components

S/No	Grant Name	2020 Original Budget Amount (NGN)	2020 Revised Budget Amount (NGN)
1	SDG-CGS PPP Arrangements and Other Grants	500,000,000	300,000,000
2	Tertiary Trust Fund (TETFUND)	1,365,364,972	
3	Solid Mineral Development Fund (SMDF)	100,000,000	
4	Save One Million Lives (SOML)	300,000,000	
5	Covid Donations		200,000,000
6	Universal Basic Education UBEC SUBEB Fund		1,000,000,000
	FGN Covid Response 19 Support		1,000,000,000
	Family Planning Programme and Activities	300,000,000	
	Zero Hepatitis Programme and Activities	300,000,000	
	Maternal Perinatal Disease Surveillance (MPDRS)	300,000,000	
	Total	3,165,364,972	2,500,000,000

Table 1.5 External Grant components

S/No	Grant Name	2020 Original Budget Amount (NGN)	2020 Revised Budget Amount (NGN)
1	State and Local Government Reform Project (SLOGOR)	800,000,000	
2	SFTAS Grants		1,000,000,000
3	SFTAS Additional Financing		1,500,000,000
4	Refund and Reimbursement		
5	RUWASSA	500,000,000	
	Total	1,300,000,000	2,500,000,000

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Table 1.6 External Loans components

S/No	Loan Name	2020 Original Budget Amount (NGN)	2020 Revised Budget Amount (NGN)
1	World Bank - IDA Support for FADAMA DEV Phase 3	400,000,000	-
2	World Bank Assisted SGCBP II and CSDP	0	-
3	UNDP Assisted SGCBP II and CSDP	300,000,000	-
4	State Education Programme Project - SEPIP	4,500,000,000	
5	Nigeria Erosion and Watershed Mgt Project - NEWMAP	7,000,000,000	4,500,000,000
6	Rural Access and Agricultural Marketing Project (RAAMP)	300,000,000	500,000,000
	Total	12,500,000,000	5,000,000,000

The state has reviewed downward the following external loans projection; The World Bank - IDA Support for FADAMA DEV Phase 3 with a budget of N400,000,000 in the 2020 original budget and State Education Program Project – SEPIP with a budget of N4,500,000,000 (Four Billion, Five Hundred Million Naira) has been cut-off from the 2020 revised budget. The Nigeria Erosion and Watershed Mgt Project – NEWMAP have been reduced from N7,000,000,000 (Seven Billion Naira) to N4,500,000,000 (Four Billion, Five Hundred Million Naira) and the sum of N300,000,000 (Three Hundred Million) in the original 2020 budget for Rural Access and Agricultural Marketing Project (RAAMP) was increased to N500,000,000 (Five Hundred Million Naira)

Overall, external loans receipt is projected to reduce by 59.02% in the revised budget from initially budgeted figures in the 2020 budget.

Other Capital Receipts estimated at N13,034,635,028 in the original 2020 budget has been reduced to zero in the revised 2020 budget.

1.6 OPENING BALANCE

The 2020 original budget has a projected opening balance of N21,586,871,163, which has been changed to ₦ 15,601,651,810 in the revised 2020 budget estimates in line with the published 2019 Audited Financial Statement of the State.

1.7 EXPECTED REVENUES

The total revenue projections (FAAC, VAT, Other FAAC Transfers, IGR, Internal Grants, External Grants and External Loans) have been reviewed downwards to ₦89,392,910,736 (Eighty Nine Billion, Three Hundred and Ninety Two Million, Nine Hundred and Ten Thousand, Seven Hundred and Thirty Six naira) in the 2020 revised budget as against the N122,565,567,750 (One Hundred and Twenty Two Billion, Five Hundred and Sixty-Five Million, Five Hundred and Sixty-Seven Thousand, Seven Hundred and Fifty Naira) in the original 2020 budget.

There is a 27.07 % decline in expected revenues for the revised 2020 budget.

EN 2 - KEY EXPENDITURE ITEMS

2.1 (NON-COVID) EXPENDITURE

Owing to the need for the State to ensure that some expenditure items are marked as COVID response expenditure it became highly imperative that the State also indicate spending that are non-COVID but critical

The total recurrent expenditure is 49,164,463,959 (Forty-Nine Billion, One Hundred and Sixty-Four Million, Four Hundred and Sixty-Three Thousand, Nine hundred and Fifty-Nine Naira) in the 2020 revised budget as against N58,772,739,914 (Fifty-Eight Billion, Seven Hundred and Seventy-Two Million, Seven Hundred and Thirty-Nine Thousand, Nine Hundred and Fourteen Naira) in the 2020 original budget. This represents 42.76% of the 2020 revised budget.

The total capital expenditure is N65,806,797,262 (Sixty-Five Billion, Eight Hundred and Six Million, Seven Hundred and Ninety-Seven Thousand, Two Hundred and Sixty-Two Naira) in the 2020 revised budget as against N78,363,003,525 (Seventy-Eight Billion, Three Hundred and Sixty-Three Million, Three Thousand, Five Hundred and Twenty-Five Naira) in the 2020 original budget. This represents 57.24% of the revised budget.

The Non-COVID in the recurrent expenditure of the revised 2020 budget is N41,974,225,683 (Forty-One Billion, Nine Hundred and Seventy-Four Million, Two Hundred and Twenty-Five Thousand, Six Hundred and Eighty-Three Naira) while the NON-COVID response in the capital expenditure of the revised 2020 budget N59,735,297,262 (Fifty-Nine Billion, Seven Hundred and Thirty-Five Million, Two Hundred and Ninety-Seven Thousand, Two Hundred and Sixty-Two Naira only).

Ongoing projects and projects for which contractual agreements have been signed, contracts that were awarded and which payment had started before the COVID-19 outbreak have been noted and will receive priority funding.

In this 2020 revised budget, some NON -COVID recurrent expenditures like salaries for all public servants are listed as critical expenditures with exception of the Ministry of Health and other Health related Agencies or Departments which are listed as COVID-19 expenditures. This classification is important to ensure that government does not lose sight of the fact that some critical NON-COVID expenditures also makes up significant percentage of workforce in the state

Overheads for Ministries, Departments and Agencies have been reduced to accommodate the expected cut in revenue due to the COVID lockdown.

The percentage of reduction in overhead costs for some offices were not very substantial because actual releases January to May are high when checked against initially budgeted figures. Reductions have been made to ensure that work does not grind to a halt in those MDAs.

MDAs overheads in Health Sector were not reduced as all personnel in this sector have been working at full capacity through the initial lockdown and have also continued to provide coordination and support to health facilities spread around the state.

2.2 COVID RESPONSE EXPENDITURES

The cases of COVID-19 in the State has relatively remained rather low thereby justifying the fund spent by the government at the beginning of the pandemic in setting up structures to control response with focus on treatment, prevention, spread and control of already imported cases. Contact tracing of identified cases is at the fore of the state response strategy.

The State has set up strategy to ensure prompt payment of salaries especially for health workers who work tirelessly in the hospitals and teachers in the education sector who are ensuring that pupils and students are continuously being lectured through online (internet), TV & Radio. This also increases the amount of money for consumer items in the state thereby increasing the GDP of the state.

The state is also focused on providing support for the following areas; Agric inputs, Water and Sanitation, Educational Facilities (Primary and Post Primary Schools), Health Facilities (Primary Health Centers, General Hospitals and the Teaching Hospital). There is also a concerted effort during this period by the government to also provide funds to Micro, Small and Medium enterprises to reflate the economy of the state.

Overhead and personnel costs for Ministry of Health, Chukwuemeka Odumegwu Ojukwu University Teaching Hospital, General Hospitals, Anambra State Primary Health Care Agency, Anambra State Health Insurance Agency and other health related institutions is not reduced in the 2020 revised budget owing to the fact that these agencies are central to the State COVID-response.

A total of N584,666,446 (Five Hundred and Eighty-Four Million, Six Hundred and Sixty-Six Thousand, Four Hundred and Forty-Six Naira) is budgeted as personnel and overheads for Ministry of Health to ensure that salaries, equipment maintenance, consumables, transportation of staff and medical supplies throughout the state does not get affected by the COVID pandemic.

The sum of N1,469,956,211 (One Billion, Four Hundred and Sixty-Nine Million, Nine Hundred and Fifty-Six Thousand, Two Hundred and Eleven Naira) budgeted for State Hospital Management Board in the revised 2020 budget for the personnel cost still remains same as the original 2020 budget. This is to ensure that salaries and allowances are fully taken care of during this COVID-19 pandemic period.

The sum of N1,036,904,144 (One Billion, Thirty-Six Million, Nine Hundred and Four Thousand, One Hundred and Forty-Four Naira) budgeted in the 2020 revised budget to cover overhead and personnel in the 2020 revised budget for Chukwuemeka Odumegwu Ojukwu Teaching Hospital and State Hospital Management Board.

Total **COVID RESPONSE activities on recurrent expenditure** estimate for the revised 2020 budget stands at ₦7,190,238,275 (Seven Billion, One Hundred and Ninety Million, Two Hundred and Thirty-Eight, Two Hundred and Seventy-Five Naira). This represents 14.62% of the Recurrent Expenditure budget of the 2020 revised budget.

Total **COVID RESPONSE Capital Expenditure** for the revised 2020 budget amounts to ₦ 6,721,500,000 (Six Billion, Seven Hundred and Twenty-One Million, Five Hundred Naira). This represents 10.21% of the Capital Expenditure budget of the 2020 revised budget.

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Ministry of Finance has a budgeted figure of N1,000,000,000 (One billion Naira) for on-lending to Anambra State Small Business Agency for support to youths and MSMEs who are involved in the Agriculture/Fishery value chain. The Anambra State Small Business Agency is focused primarily on providing low interest loans and business advisory to Micro, Small and Medium Enterprises.

Ministry of Agriculture has a provision of N320,000,000 (Three hundred and Twenty Million Naira) budgeted in the revised 2020 budget to support procurement of Fertilizers, Agro inputs, support to cluster farmers while N138,500,000 (One hundred and Thirty-Eighty Million, Five Hundred Naira) for Fisheries and Aquaculture Agency to support Fishery Development, empowerment initiatives and aquaculture value chain development.

COVID-19 spending in the 2020 revised budget for Ministry of Power & Domestic Water Development to improve water supply access in rural areas is N335,000,000 (Three hundred and Thirty-Five Million Naira only)

Ministry of Social Welfare, Children and Women Affairs has a COVID-19 fund provision of N110,000,000 (One hundred and Ten million Naira) to provide grants to women and the physically challenged who are involved in entrepreneurship.

COVID-19 capital spending in the Ministry of Basic Education of N1,000,000,000 (One Billion Naira) to support special interventions in Post-Primary Schools.

The total amount budgeted for COVID-19 response spending in the revised 2020 budget amounts is ₦ 13,911,738,275 (Thirteen Billion, Nine Hundred and Eleven Million, Seven Hundred and Thirty-Eight Thousand, Two Hundred and Seventy-Five Naira only).

Table 2.1 CAPITAL SPENDING BY SECTOR FOR COVID -19 RESPONSE

S/No	SECTOR	2020 Original Budget	2020 Revised Budget	COVID SPENDING
1	Administration	11,886,173,437	9,456,392,765	750,000,000
2	Economic	41,115,957,817	38,078,935,436	1,793,500,000
3	Judiciary	1,731,650,000	951,600,000	-
4	Social	23,629,222,271	17,319,869,061	4,178,000,000

As expected, the bulk of COVID-19 capital spending is in the Social sector as Anambra State has focused on ensuring that structures are put in place to ensure that issues arising for COVID-19 are handled properly and this is followed by Economic Sector and Administration.

The COVID RESPONSE expenditure of the entire 2020 revised budget (Recurrent and Capital) is **12.1%** of the 2020 revised budget.

2.3 REVISIONS TO NON-ESSENTIAL SPENDING

Reduction of project cost in the capital expenditure budget is clearly based on prioritization.

Non-essential expenditures as referred to in the 2020 revised budget means personnel, overheads and projects and these were either removed or reduced from the original 2020 budget passed in 2019.

Non-essential travels, seminars, purchase of new vehicles for executive members of government, entertainment and conferences were totally suspended or cut off from the 2020 revised budget.

Vehicles like ambulances, security or fire service vehicles were not cut from the initial budget to allow for COVID-19 response.

Table 2.2 Capital Spending cuts by MDA

S/No		MDA
1	Administration	2,429,780,672
2	Economic	3,037,022,381
3	Judiciary	780,050,000
4	Social	6,309,353,210
	TOTAL	12,556,206,263

Total capital expenditures reductions in the revised 2020 budget amounts to N12,556,206,263 (Twelve Billion, Five Hundred and Fifty-Six Million, Two Hundred and Six Thousand, Two Hundred and Sixty-Three Naira Only) which is a 16.02% reduction from the original 2020 budget

2.4 REVISIONS TO OTHER EXPENDITURE ITEMS

The debt servicing component of the revised 2020 budget is projected at N 1,599,563,118 (One Billion, Five Hundred and Ninety-Nine Million, Five Hundred and Sixty-Three Thousand, One Hundred and Eighteen Naira) which represents a downward review of% from the initial budgeted figure of ₦ 1,783,367,520 (One Billion, Seven Hundred and Eighty-Three Million, Three Hundred and Sixty- Seven Thousand, Five Hundred and Twenty Naira). This reduction in the 2020 revised budget is based on the suspension of debt repayments for Federal Government and the Central Bank of Nigeria (CBN).

Service Wide votes has been reduced to N500,079,318 (Five Hundred Million, Seventy-Nine Thousand, Three Hundred and Eighteen Naira) in the revised 2020 budget from the sum of N1,571,923,600 (One Billion, Five Hundred and Seventy-One Million, Nine Hundred and Twenty-Three Thousand, Six Hundred Naira in the original 2020 budget.

Social Benefits (Pensions and Gratuities) have been reduced to N8,376,168,093 (Eight Billion, Three Hundred and Seventy-Six Million, One Hundred and Sixty-Eight Thousand, Ninety-Three Naira) in the revised budget to N 10,252,128,113 (Ten Billion, Two Hundred and Fifty-Two Million, One Hundred and Twenty-Eight Thousand, One Hundred and Thirteen Naira) in the original 2020 budget.

EN 3 - FINANCING ITEMS**3.1 REVISION TO INTERNAL LOANS:**

Provision of N10,000,000,000 (Ten Billion Naira) was made in the 2020 revised budget as Central Bank of Nigeria (CBN) and Commercial Bank facilities to support various development projects by the state. This loan estimates have been approved by the State House of Assembly.

Table 3.1 Internal Loans

S/No	Grant Name	2020 Revised Budget Amount (NGN)
1	CBN Health Intervention Facility.	2,500,000,000
2	CBN Accelerated Agriculture Development Scheme (AADS) Facility	1,500,000,000
3	CBN Commercial Agric Credit Scheme (CACCS) Facility.	3,000,000,000
4	CBN Micro, Small and Medium Enterprises Development Fund (MSMDF) Facility	1,000,000,000
5	Commercial Banks to finance counterpart contributions for development projects	2,000,000,000
	Total	10,000,000,000