

Enugu State Budget Analysis & Monitoring Report



Citizens Report on Budget and Selected Capital Project Monitoring
in Aninri and Aniocha North Local Government Areas in Enugu State

2022

Aninri LGA

2021 BUDGET ANALYSIS

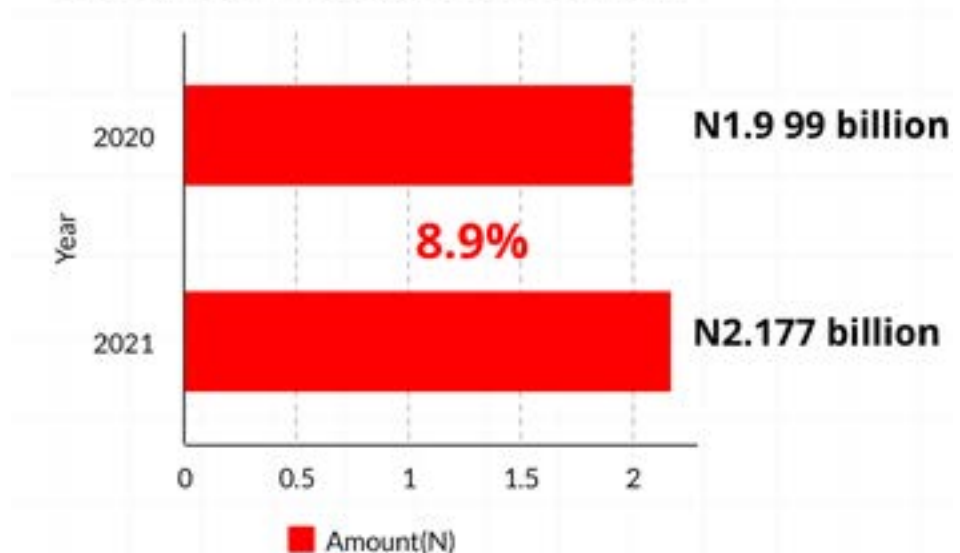
The year 2021 is the year immediately after the Covid-19 global lockdowns which crippled the economies of governments at every level across the world. Aninri Local government Area of Enugu state was not left out of the effects of the Pandemic.

The 2021 budget for Aninri Local Government area was one that was expected to respond to the effects of the pandemic and put the economy of the Local Government Area on the path of recovery and prosperity.

The total budget for the 2021 fiscal year is put at the sum of Two billion, one hundred and seventy-six million, six hundred and fifty-three thousand, four hundred and sixteen naira (N2,176,653,416) representing an increase of eight percent which amounts to the sum of one hundred and seventy-seven million, eight hundred and thirty-two thousand, two hundred and seventy-three naira (N177,832,273) over the 2020 budget size of one billion, nine hundred and ninety-eight million, eight hundred and twenty-one thousand, one hundred and forty-three naira (N1,998,821,143)

A summary breakdown of the budget reveals that the sum of One billion, five hundred and eighteen million, one hundred and fifty-three thousand, four hundred and sixteen naira (N1,518,153,416) or seventy percent of the total budget is allocated to recurrent expenditure. The balance of Six hundred and fifty-eight million, five hundred thousand naira (N658,500,000) or thirty percent is allocated to capital expenditure. From the foregoing, it could be seen that there is a five percent increase above the 2020 budget share of sixty-five percent for recurrent expenditure on one hand, and a five percent decrease from the 2020 allocation to capital expenditure on the other hand. the drop in allocation to capital expenditure in the 2021 budget could be seen both in the amount of money allocated , and the percentage share of the budget.

2020/2021 Budget Comparism



Graphic Summary of the Budget

	Budget 2020	%	Budget 2021	%
Recurrent Expenditure	1.300 bn	65	1.518 bn	70
Capital Expenditure	698 m	35	659 m	30
Total	1.999 bn	100	2.177 bn	100

A survey of the revenue profile of the local government area showed that the budget is largely going to be funded by allocations from the Federation account in the sum of Two billion, one hundred and sixty-four million, nine hundred and three thousand, four hundred and sixteen naira (N2,164,903,416). This represents 99,4% of the total budget. Internally Generated Revenue IGR accounted for the sum of Eleven million, seven hundred and fifty thousand naira only, or 0.6% of the estimated revenue for the fiscal year.

Revenue Profile

Expected Revenue Sources	Amount in Naira (N)	Percentage Share (%)
Federation Account Allocation	2,164,903,416.00	99.4
Internally Generated Revenue (IGR)	11,750,000.00	0.6
Total	2,176,653,416.00	100

A breakdown of revenue expected from the Federation Account is as follows

Share of Federation Account Allocation	Amount in Naira (N)	Percentage Share (%)
Statutory Allocation (FAAC)	1,494,903,416.00	69
Value Added Tax (VAT)	550,000,000.00	26
Excess Crude and Others	120,000,000.00	6
Federation Account Allocation Sub-Total	2,164,903,416.00	100

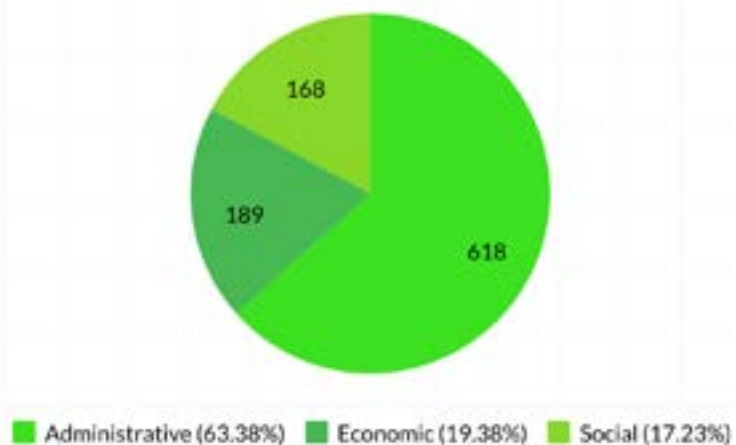
The other sources of revenue include the sum of Eleven million, seven hundred and fifty thousand naira (N11,750,000) from Internally Generated Revenue IGR. This represents a paltry 1.6% of the total budget. From the budget allocations it could be seen that there is a drop in revenue expected from internally Generated Revenue in the 2021 fiscal year. This drop is in the sum of Two hundred and fifty thousand naira (N250,000). Internally Generated Revenue IGR sources include Taxes (N1,000,000.00), Licenses (N3,590,000.00), fees (N2,810,000.00), Sales (N800,000.00), and Earnings (N3,550,000.00)




A summary of the recurrent expenditure estimates by sector shows that the administrative sector received the sum of Six hundred and seventeen million, six hundred and eighty-three thousand, nine hundred and eighty-two naira (N617,683,982.00) as recurrent expenditure. This represents forty-one percent (41%) of the total recurrent expenditure. When compared with the recurrent expenditure estimates for that sector for the 2020 fiscal year, there is an increase of One hundred and forty-five million, three hundred and sixty thousand, nine hundred and twenty-four naira (N 145,360,924.00) or thirty-one percent (31%).

The Economic sector received the sum of One hundred and eighty-eight million, seven hundred and twenty thousand, five hundred and sixty-one naira (N188,720,561.00) as recurrent expenditure. This exceeds the 2020 figure of One hundred and forty-one million, six hundred and forty-two thousand, two hundred and eighty-two naira (N141,642,282.00) by Forty-seven million, seventy-eight thousand, two hundred and seventy-nine naira (N47,078,279.00). the social sector also received the sum of One hundred and sixty-seven million, five hundred and ninety-three thousand, five hundred and eighty-four naira (N167,593,584.00) as recurrent expenditure for the 2021 fiscal year.

This figure is higher than the recurrent expenditure estimates for the 2020 fiscal year of One hundred and forty million, thirty thousand, four hundred and forty-eight naira (N140,030,448.00) by Twenty-seven million, five hundred and sixty-three thousand, one hundred and thirty-six naira (N27,563,136.00). It follows therefore that there is a general increase in the recurrent expenditure estimates of the Aninri Local Government Council across all sectors of the economy in the year under review

Recurrent Expenditure Estimates by Sector



Sector	2021	2020
 General Administration	N617,683,982.00	N472,323,058.00
 Economic	N188,720,561.00	N141,642,282.00
 Social	N167,593,584.00	N140,030,448.00

A further breakdown of the recurrent expenditure estimates reveals that the office of the Chairman of Aninri Local Government Council received an allocation of the sum of Two hundred and thirty-seven million, six hundred and sixty thousand, and eight naira (N237,660,008.00) or sixteen percent (16) of the total recurrent expenditure of the LGC.

The health sub-sector got the sum of One hundred and nineteen million, seven hundred and sixty-five thousand, six hundred and seventy-seven naira (N119,765,677.00) as estimated recurrent expenditure for the year under review. This translates into eight percent (8%) of the total recurrent expenditure of the Local Government Council.

Furthermore, the education sub-sector received an allocation of the sum of Forty-seven million, eight hundred and twenty-seven thousand, nine hundred and seven naira (N47,827,907.00) as estimated recurrent expenditure. Similarly, the agriculture sub-sector got an allocation of Twenty-eight million, nine hundred and seventy-two thousand, nine hundred and ninety naira (N28,972,990.00) as recurrent expenditure estimates for the 2021 fiscal year.

On the capital expenditure side of the budget, the capital expenditure estimates for Aninri Local Government Council witnessed a decline in the 2021 fiscal year when compared to the 2020 estimates. In 2020, the capital expenditure estimate stood at the sum of Six hundred and ninety-eight million, four hundred and sixty-three thousand, five hundred and eighteen naira (N698,463,518.00). This amount dropped in 2021 to the sum of Six hundred and fifty-eight million, five hundred thousand naira (N658,500,000.00).

Despite the apparent drop in the capital expenditure outlay in the 2021 fiscal year, there was substantial increase in the capital expenditure allocations to the sub-sectors of education and agriculture. The capital expenditure allocation to Education increased from Sixty-one million naira (N61,000,000.00) in 2020 to a whopping One hundred and six million naira (N106,000,000.00) in 2021. Capital expenditure allocation to agriculture increased from the sum of Twenty-three million one hundred and ten thousand naira (N23,110,000.00) in 2020 to the sum of Twenty-five million naira (N25,000,000.00) in 2021. Capital expenditure allocation to the health sub-sector however suffered a reversal from the sum of Three hundred and thirty-one million, six hundred and eighty-eight thousand naira (N331,688,000.00) in 2020 to a paltry sum of Sixty-six million, five hundred thousand naira in 2021. There was no capital expenditure allocation for water supply in the 2021 budget of Aninri LGC.

Recurrent Expenditure estimates for Critical Sub-Sectors



A summary of the capital expenditure estimates of Aninri Local Government Council for the year under review sector-wise indicates that the social sector received the highest allocation in the sum of Three hundred and thirty-two million, five hundred thousand naira (N332,500,000.00) or fifty percent (50%). The economic sector received an allocation of Three hundred and thirteen million, eight hundred thousand naira (N313,800,000.00) or forty-eight percent (48%) of the total capital expenditure estimates.

To understand how this budget responds to the development needs of Aninri Local Government area in a post COVID-19 economy, a critical look at some major capital projects is necessary. In the social sector where the largest allocation for capital expenditure was channeled to, apart from the allocation of the sum of Thirty-million-naira (N30,000,000.00) for the construction of a few classroom blocks at three locations (Ten million naira (N10,000,000.00) each for a three (3) classroom block), the bulk of the funds was allocated to the “Construction of Hall at Mini stadium” at the sum of One hundred and fifty million naira (N150,000,000.00). This project, and the Two hundred- and fifteen-million-naira (N215,000,000.00) allocation for the building of a road and bridge from Ezenisi to Ndeaboh are easily the signature capital expenditure projects of Aninri Local Government Council in the 2021 fiscal year. The only capital projects under agriculture are a fifteen-million-naira (N15,000,000.00) allocation for “Purchase of Agro chemicals”, and a Ten-million-naira (N10,000,000.00) allocation for the “Purchase of improved seeds varieties”. There is no allocation for water supply, and there is also no allocation for soft loans and micro-credit facilities to traders and farmers.

In all, this budget is heavily dependent on revenue from the Federation Account for its funding. It is equally oriented towards recurrent expenditure consumption and lacks the necessary investments in productive sectors that possesses the power to stimulate the local economy and guarantee recovery and stability.

Budgets like these does not meet the expectations of a post COVID-19 economy and run short of the demands for Local Government autonomy.



Aniocha North LGA

Aniocha North Local Government Area (LGA) is a pivotal administrative unit within Delta State, Nigeria. It occupies a significant position among the 25 LGAs in the state, with its headquarters located in Issele-Uku. Notably, Issele-Uku also hosts the National Youth Service Corps (NYSC) Permanent Orientation Camp for Delta State. The indigenous populace predominantly comprises Igbo-speaking communities belonging to the Anioma sub-group, contributing to the cultural diversity of the region.

Established in 1991 following the division of the erstwhile Aniocha Local Government Area, Aniocha North LGA encompasses approximately 406.00 square kilometers of land, nestled within the tropical savanna climate belt. Despite its historical significance and cultural richness, the population size of the LGA, reported at 104,711 during the 2006 National Population and Housing Census, is believed to be an underestimation, reflecting the need for more accurate demographic data.

Importance of Improved Budgeting for Critical Sectors


Effective budgeting is paramount for driving sustainable development and fostering socio-economic progress, particularly in critical sectors such as Education, Health, and Infrastructural Development. Here's why:

Education: Adequate funding for education ensures access to quality learning facilities, resources, and trained personnel, essential for nurturing skilled manpower and promoting literacy and numeracy among the populace. Investment in education lays the foundation for human capital development, driving innovation, and fostering economic growth.

Health: Improved budgeting for healthcare facilitates the provision of essential medical services, infrastructure, and equipment, enhancing healthcare access and quality. By prioritizing health expenditure, governments can address public health challenges, reduce morbidity and mortality rates, and promote overall well-being, thereby contributing to a healthier and more productive population.

Infrastructural Development: Strategic allocation of resources towards infrastructural development stimulates economic activity, enhances connectivity, and improves living standards. Investments in roads, water supply, energy, and other vital infrastructure not only facilitate the movement of goods and people but also attract investments, create employment opportunities, and bolster economic growth and productivity.


2021 MONITORING REPORT


Project Description	The evidence on the ground showed that the project was started in 2022 and was completed this year. It yet to be commissioned and put to use.
Amount	N4,000,000.00
Remark	The evidence on the ground showed that the project was started in 2022 and was completed this year. It yet to be commissioned and put to use.
Picture	


Project Description	Youth Summit Unspecified in the Budget
Amount	N3,000,000.00
Remark	No evidence of project execution
Picture	N/A

Project Description	Youth Summit Unspecified in the Budget
Amount	N3,000,000.00
Remark	No evidence of project execution
Picture	N/A

Project Description	Opening of all existing Earth roads in the LGA The Entire LGA
Amount	N5,000,000.00

Remark	No evidence of project execution
Picture	N/A
Project Description	Construction of Dump Site
Amount	N2,000,000.00
Remark	No evidence of project execution
Picture	N/A
Project Description	Construction od Abatoir in Afor Market at Afor Market, Issele-UKU
Amount	N2,000,000.00
Remark	No evidence of project execution. What exist in the market is as shown in the picture
Picture	
Project Description	Establishment of ICT/ICT Equipments Unspecified in the Budget
Amount	N10,000,000.00
Remark	No evidence of project execution
Picture	N/A
Project Description	Provision of ICT Infrastructure, unspecified in the Budget
Amount	N2,000,000.00
Remark	No evidence of project execution
Picture	N/A
Project Description	Constituency Projects
Amount	N195,000,000.00
Remark	No evidence of project execution

Picture	N/A
Project Description	Manual drilling of borehole at (Ward 19), Ogbeidibo, Idumu-Ahaba and Ukpai Quarters, Issele-Uku
Amount	N15,000,000.00
Remark	No evidence of project execution
Picture	N/A
Project Description	Rehabilitation of roads from St. Paul's Cathedral to old Lagos/Asaba road leading to OnichaUgbo
Amount	N2,000,000.00
Remark	Residence confirmed that surface grading of the was carried out in 2021 and is being repeated very recently
Picture	
Project Description	Same as above
Amount	N2,000,000.00
Remark	No evidence of project execution
Picture	N/A
Project Description	(Ward 20) Manual drilling of borehole at Ishiekpe, Ogboli and Ogbenti, Issele-Uku
Amount	N15,000,000.00
Remark	No evidence of project execution
Picture	N/A
Project Description	Rehabilitation of Ogboli and Nwangbani road to link Onicha-Ugbo Road

Amount	N2,000,000.00
Remark	Residents attested to the surface grading of the road in 2021 and same level of work has just been repeated on the road very recently
Picture	

Project Description	Renovation and Manual drilling of Borehole at Ward 17, Onicha-Olona Health Centre
Amount	N10,000,000.00
Remark	No evidence of project execution
Picture	N/A

Project Description	Ward 18 Perimeter fencing of the Health Centre at Issele-Ikpitime
Amount	N8,000,000.00
Remark	No evidence of project execution
Picture	N/A

Project Description	Ward 14 Rehabilitation of Ezi Health Centre, Ezi Health Centre
Amount	N5,000,000.00
Remark	No evidence of project execution
Picture	N/A

Project Description	Electrification of Farm Road Street at Ogbeobi, Ward 15, Onicha-Ugbo Onicha-Ugbo Community
Amount	N3,000,000.00
Remark	No evidence of project execution

Picture	N/A
Project Description	Drading of Ugbodu/IdumujeUnor Earth Road, Ward 13
Amount	N7,000,000.00
Remark	LG officials confirmed project execution in 2021 and a repeat of same level of work very recently (this year 2023)

Picture



Note: Very senior LG officials who on basis of confidentiality revealed that the LG couldn't really carry out capital projects in 2021 after the current administration of the Council was inaugurated in March that year (2021).

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