

Foreword

This Citizen's Guide to Understanding the 2019 Taraba State Budget aims to explain in a simple, direct way the principles and processes that are involved in making the State Budget. It is an instrument developed by a team of financial experts, planners, and budget officers for public guidance.

This Citizens' Guide to Understanding the 2019 Taraba State Budget is a compendium of simplified public financial management instrument which will also be an invaluable asset to all public servants and stakeholders in the budget process.

A lot of effort was made to get the document done to help the public use the document as a reference point in their day to day activities. The Citizens' Guide Budget went through the whole budget cycle from Medium Term Fiscal Framework to Governor's Assent.

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It will equally act as a guide for budget analysts on budget reporting and performance evaluation. There is no doubt that this document will be of immense value to all officers in the State Public Finance Management as well as a veritable guide to the public.



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Executive Chairman,

Taraba State Planning Commission,

Jalingo.

Preface

Over the years the Budget interpretations are left exclusively to technical people which of course excludes the lay man from understanding its processes and what it aims at achieving.

The State Budget have always being a mystery to over 95% of the people of the State because they were never at anytime involved in any of its process. As a result they developed a laissez – faire attitudes towards the Budget and always wait for it outcomes rather than striving to contribute.

It is against this backdrop that this simplified version of Budget is put in place to galvanize the entire citizens into the process for inclusion.



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Director of Budget

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Definition

What is a Budget?

A Budget is an income and expenditure estimates for a particular period. Types of Budget includes personal, family, company and government budgets.

The Essence/Primary Purpose of Government

- The primary purpose of any government budget is the provision of public goods and services to her citizens.

Problems Faced by Government in Fulfilling its Purpose

- Limited government resources
- Too much resources allocated to some sectors
- Lack of continuity

The Taraba State Budget Process



Budget Story From 2016 - 2019

2016 – Rescue Budget

- Well articulated economic policies
- Sound fiscal management and innovative financial architecture that will enable us to meet the challenges of the domestic environment and the global complexities



The 2017 - Rapid progress to greatness Budget

- To focus on the need to achieve sustained peace and security which is a panacea for development



2018 – The Budget of Sustainable Development

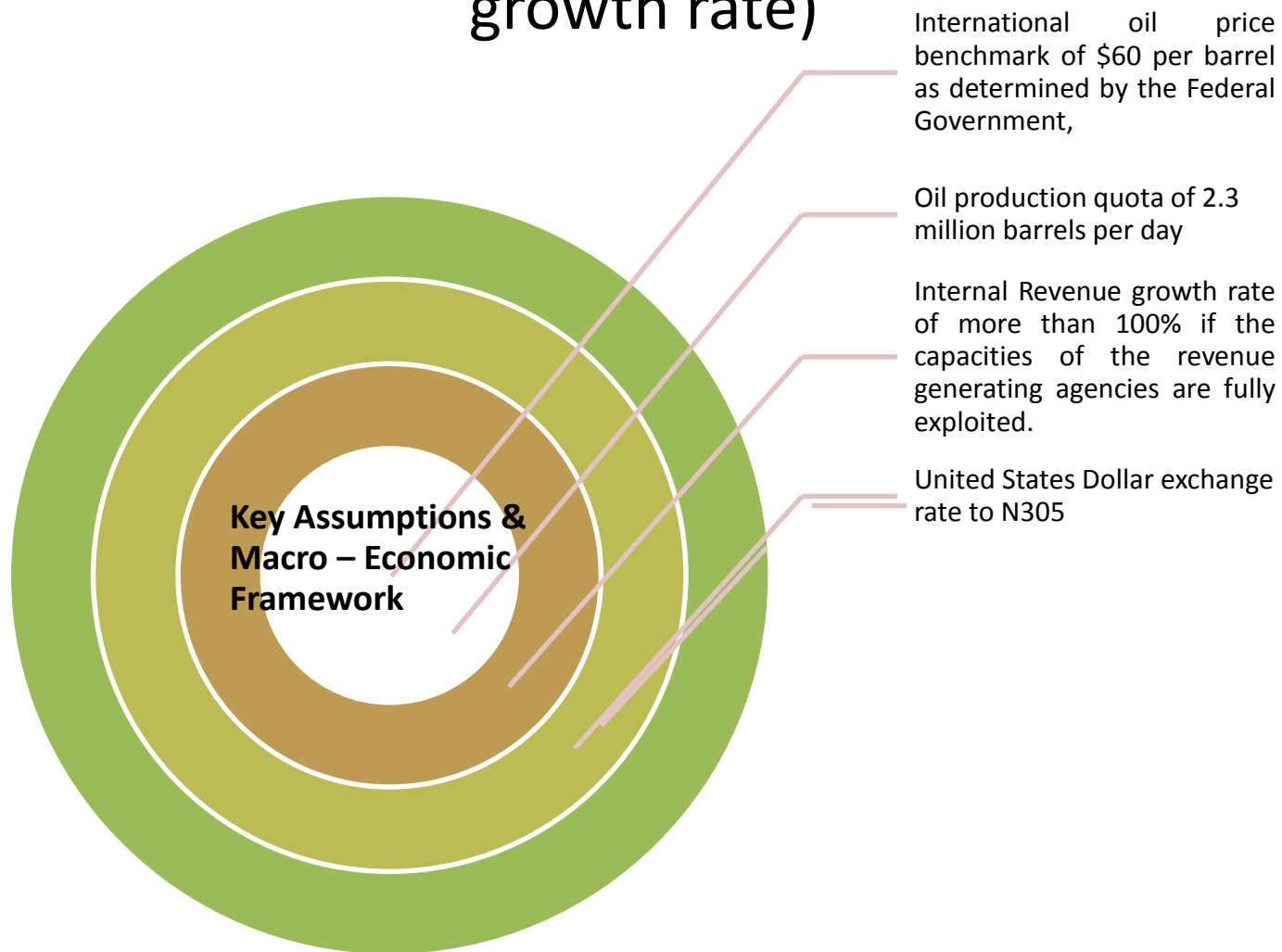
- The cardinal objective of the 2018 budget is to set expenditure at such a sustainable level as to have the optimum for the majority of our people



2019 – Budget of Consolidation

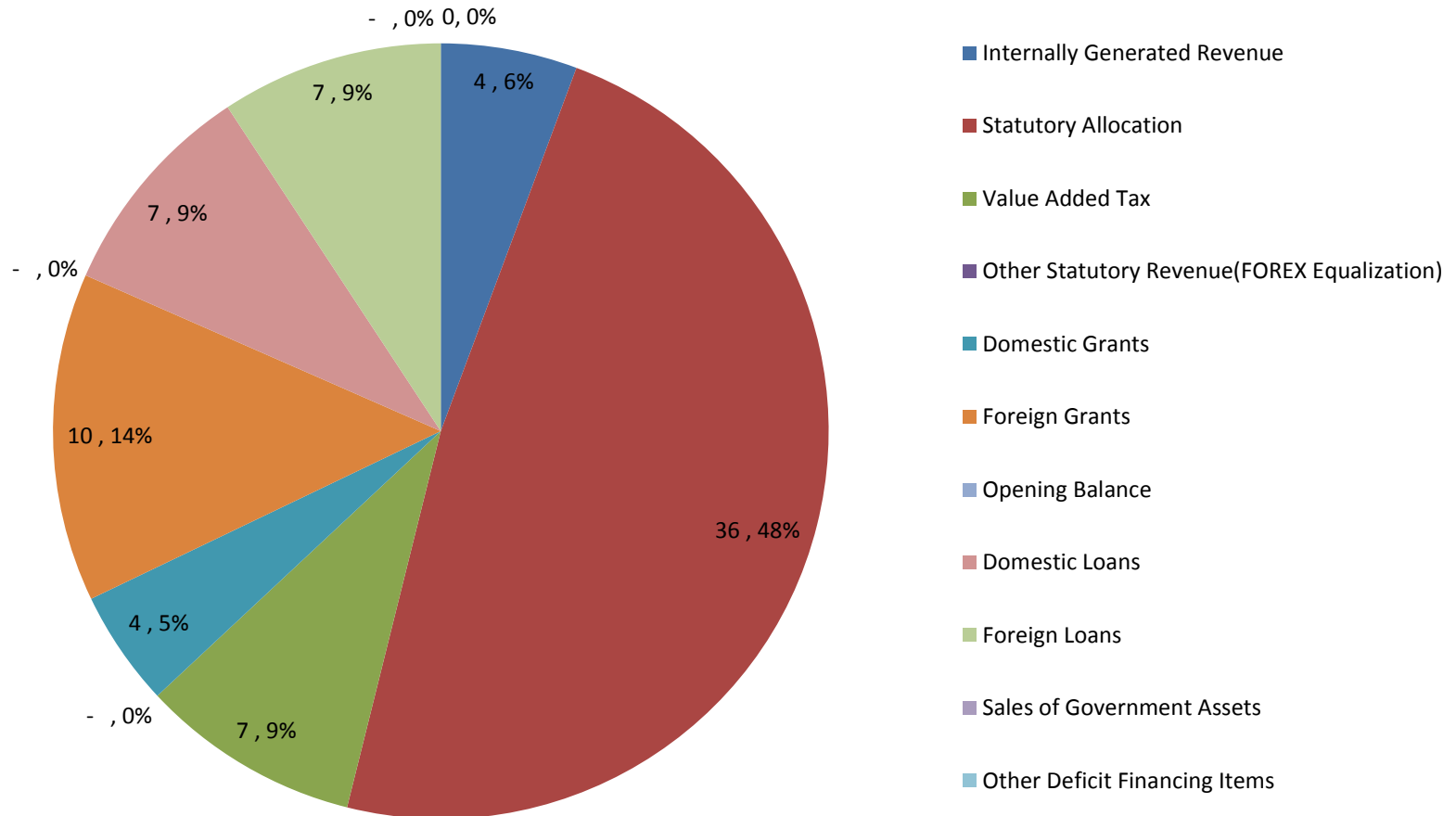
- The overarching goal for the 2019 Budget is to consolidate on the achievements recorded so far and open up new vistas that would accelerate the policy thrust of the Rescue Agenda

Key Assumptions & Macro – Economic Framework of 2019 Budget (Driven nationally except internal revenue growth rate)

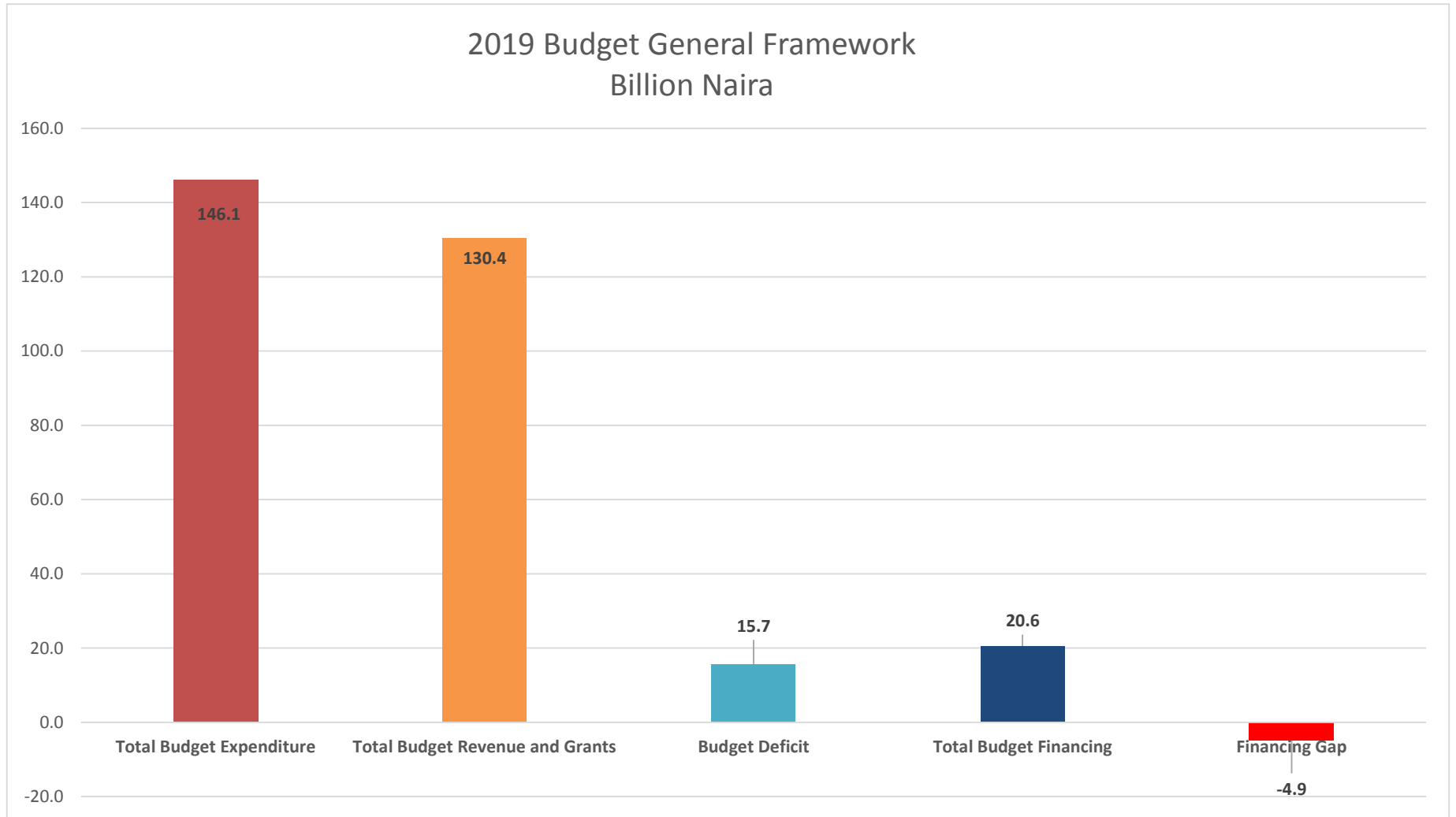


TARABA STATE 2019 BUDGET BREAKDOWN

2019 Budget Revenue and Financing

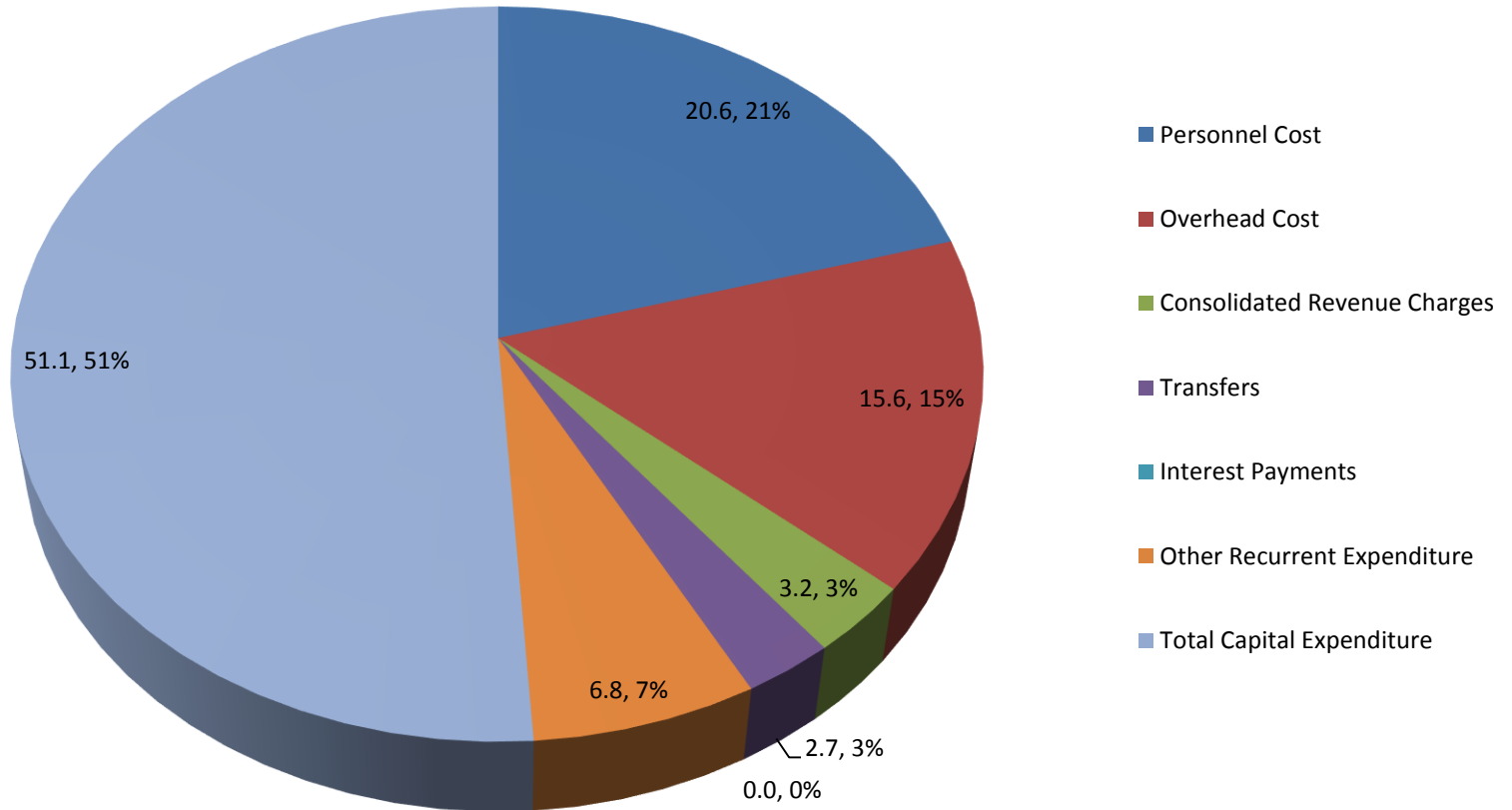


2019 Budget General Framework



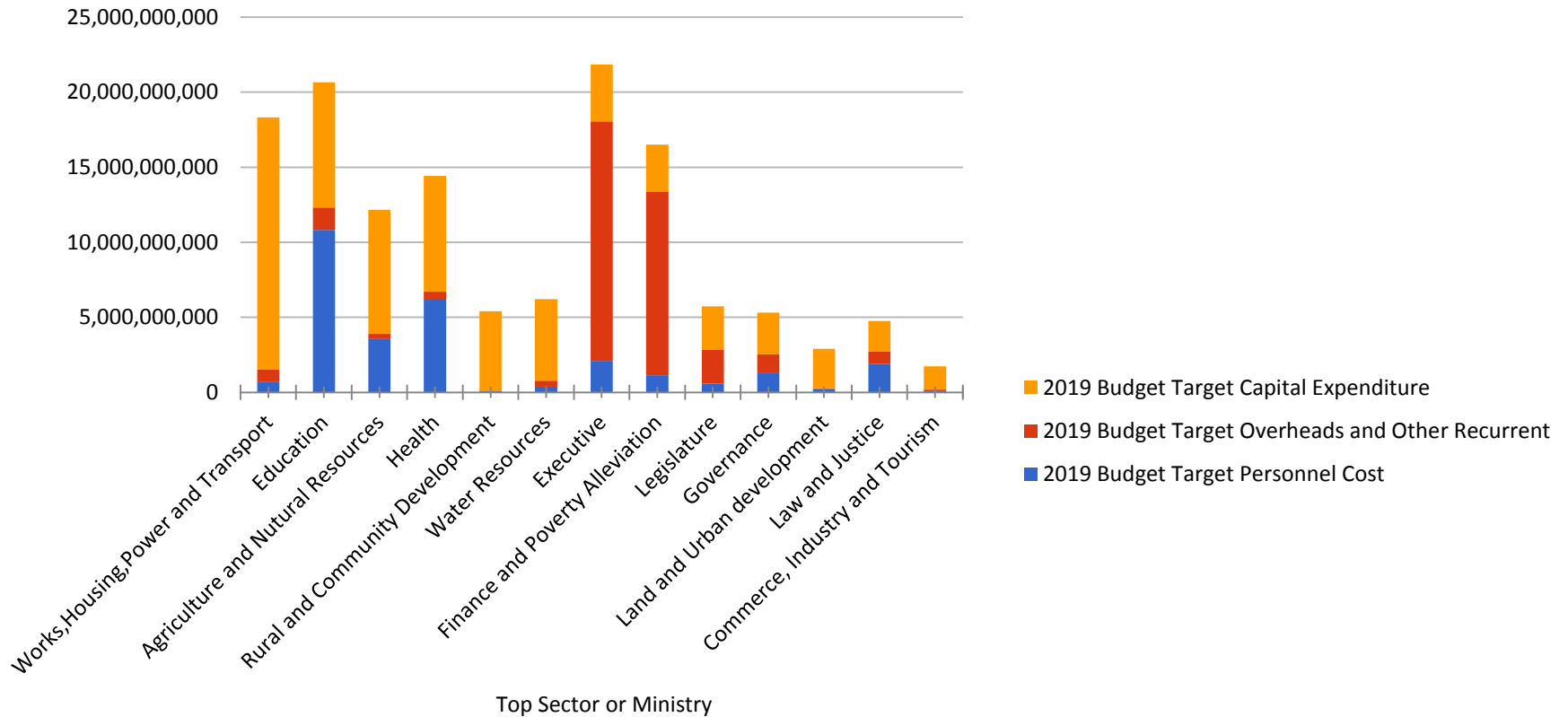
Expenditure

2019 Budgeted Expenditure



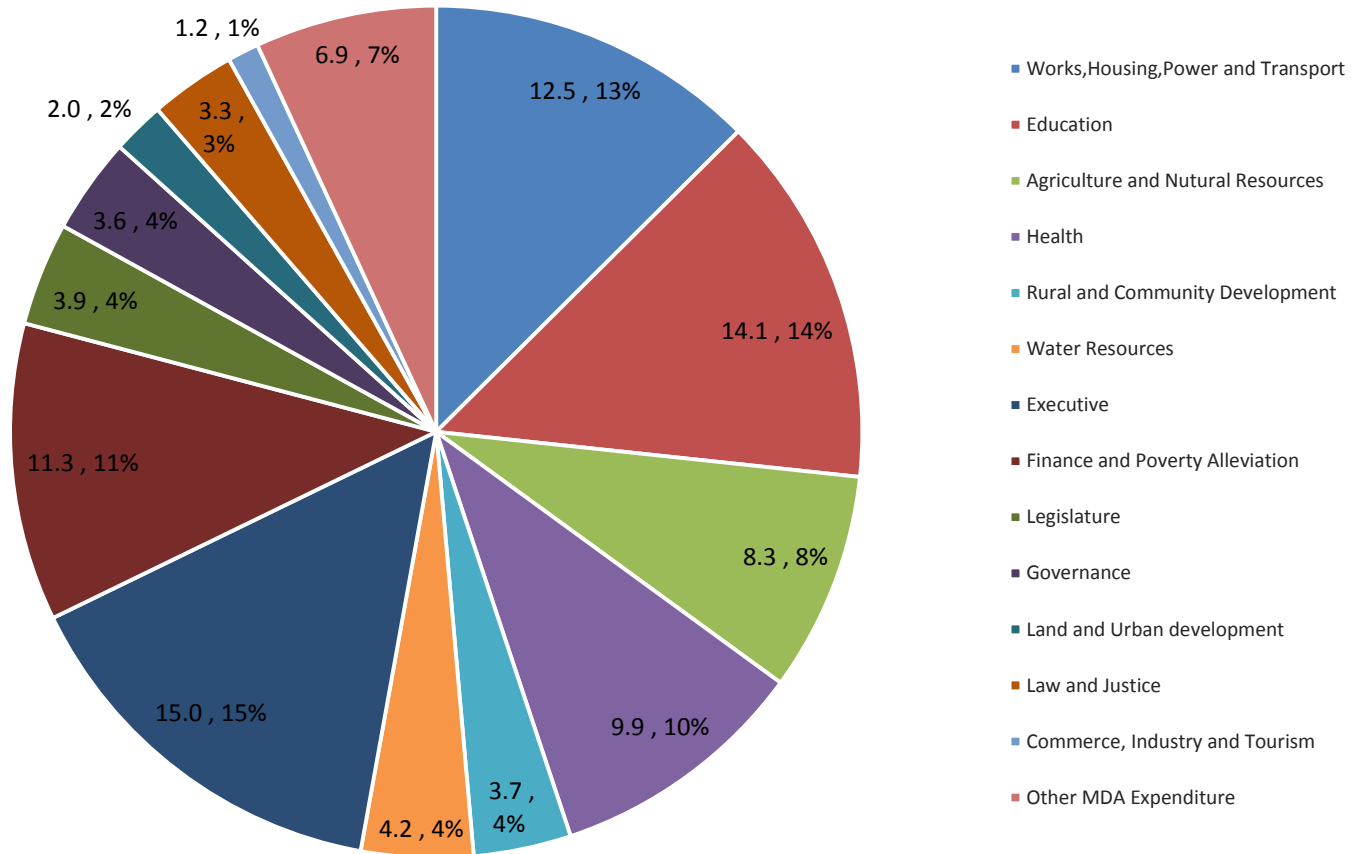
2019 Expenditure Allocation

Top MDA 2019 Budgeted Expenditure Allocation



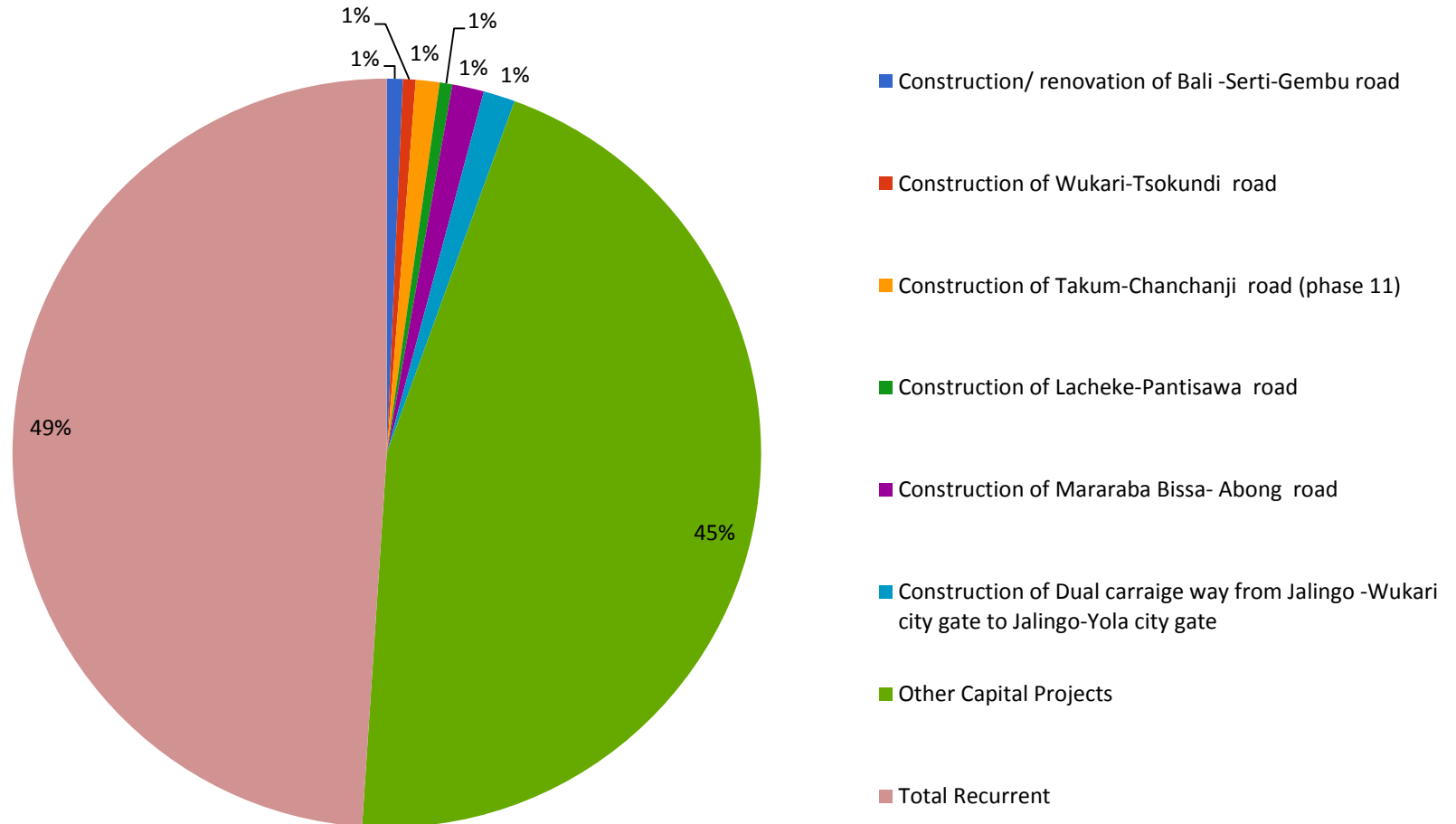
2019 MDAs Expenditure

Top MDA share of Total Budgeted Expenditure



2019 Budget Vs Capital Projects

Top 2019 Budgeted Capital Projects vs Total Budget



Annex 1 - Budget Timeline

- Budget Start up - June
- EXCO agreeing on Budget policy statements - June
- Preparation of Sector policies and limits - June
- Issuance of Call circular reflecting agreed policies & limits - 1st July
- Stake holder's consultation with Legislature, CSOs, NGOs, CBOs, etc June - August
- Submission of Proposals by MDAs - August
- Bilateral discussions and defence of proposals - August
- Consolidation of proposals - September
- EXCO approval of draft proposal - September
- Presentation of draft budget to House of Assembly - September
- Assembly Approval - December
- Governors Assent - December
- Publication and Dissemination of Budget - December

Annex 2 – Stakeholders in the Budget Process

1. Civil Society Organizations/Non Government Organizations (CSOs/NGOs)
2. Organized Private Sector
3. Trade and Labour Unions
4. International Development Partners
5. Professional Organizations
6. Traditional & Religious Institutions

Citizens' Participation

- **You can participate in the budget process through one or more of the following:**
- Reading the Fiscal Strategy Paper (FSP) and communicating your comments and inputs to the Budget Department of Taraba State Planning Commission. The FSP can be downloaded from the website of the Taraba State Government (www.tarabastate.gov.ng) or by sending email to: admin@tarabastate.gov.ng.
- Keeping informed on all aspects of the budget implementation, including the amount released to MDAs to carry out their various projects and programmes. Go to our Citizen's portal to downloads and be regularly updated.
- By attending and contributing at public hearings on the Budget at the Taraba State House of Assembly. Add your voice and it can make a difference.
- By going through this Citizens' Guide, you have already started your participation in the Taraba State Budget process. Stay on course, stay alive!

Glossary Terms

- **Appropriation Bill:** A proposed law that authorizes the expenditure of government funds. It is a bill that sets money aside for specific spending.
- **Borrowing:** Means any financial obligation arising from any loan including principal, interest, fees of such loan or a bonds, debentures, notes, trades/bankers acceptance or similar instruments.
- **Budget:** Means the estimates of receipts and revenues as well as expenditures. It contains the proposed sources of revenues and receipts for expenditure for previous, succeeding and future period(s).
- **Budget Call Circular:** Means a circular requesting the submission in a prescribed form, of the revenue and expenditure estimates of extra – ministerial departments, and other executing agencies of Government for the next financial year. It also gives detailed guidelines and instructions on the preparation of the estimates and expenditures in a manner consistent with the Medium Term Expenditure Framework.
- **Budget Proposal:** An estimate of the future expenditures, revenues and the financial plan for a stipulated Fiscal period presented by the executive arm to the legislative arms of government for consideration.
- **Capital Expenditure:** Means spending on an asset that lasts for more than one financial year and expenses associated with the acquisition of such assets.
- **Deficit:** This is the amount by which expenditure (Spending) exceeds revenue (Income) for a financial period.
- **Fiscal Year:** A 12 – Month period to which the annual operating budget applies. The fiscal year is currently January 1st through December 31st as stipulated in the Nigerian constitution.
- **Recurrent Expenditure:** Means expenditure and spending that are utilized within the fiscal years that are not of a capital nature.