

**REPORT OF THE JOINT COMMITTEES ON FINANCE,  
APPROPRIATIONS AND NATIONAL PLANNING & ECONOMIC  
DEVELOPMENT ON THE 2021 – 2023 MEDIUM TERM EXPENDITURE  
FRAMEWORK (MTEF) AND FISCAL STRATEGY PAPER (FSP)**

**1.0. INTRODUCTION:**

The Speaker, Rt. Hon. Femi Gbajabiamila at Plenary on Tuesday 21<sup>st</sup> July, 2020, formally announced the request of Mr. President, Commander-in-Chief of the Armed Forces of Nigeria for the consideration and passage of the 2021 – 2023 Medium Term Expenditure Framework (MTEF) and Fiscal Strategy Paper (FSP).

The House thereafter, referred the document to the Joint Committees of Finance, Appropriations and National Planning & Economic Development for further legislative action.

**2.0. BACKGROUND:**

It is the intention of the budget of any nation to prioritize and optimally allocate public resources/fund for the promotion of planned and balanced economic development in the country. Budget therefore, is a planning tool used by governments to drive economic policies such that material resources of the nation are harnessed and distributed to serve common good for securing maximum welfare, freedom and happiness of the citizenry.

In consultation with State Governments, the federal Government is mandated by Section 11(1)(b) of the Fiscal Responsibility Act (FRA) 2007, to “not later than Four Months before the commencement of the next financial year, cause to be prepared a Medium-Term Expenditure Framework for the next three financial years”. This section provides an express responsibility among other things, state in clear terms, the policy thrust behind government revenue and expenditure as estimates for the next three year period, highlighting its revenue projections, expenditure plans and fiscal targets over the medium term.

Section 11 (2) of the FRA, 2007 then states that “the frame-work so laid shall be considered for approval with such modifications if any, as the National Assembly finds appropriate by a resolution of each House of the National Assembly”.

However, this very important economic planning tool for the next three years came at a time of the complex and severe health and economic crisis imposed by the COVID-19 pandemic. Though global in effect, the macroeconomic evolutions have significantly impacted Nigerian economy.

It was designed deliberately to minimize the adverse socio-economic consequents of the unabating COVID-19 pandemic and other crisis peculiar to our country, accommodate changing realities and propel the economy on the path of accelerated growth.

The global economy virtually came to a standstill as a result of the COVID-19 pandemic, with many countries, including a number of the leading economies in the world, either currently in recession or on their way to major recessions. It's difficult to identify any country that has not experienced a decline in economic activities in the first half of 2020 owing to the supply chain collapse and depressed demand, necessitated by the COVID-19 crisis. Countries have been implementing several belt-tightening measures, reassessment and re-alignment of economic priorities in the face of these present challenges.

In the case of our country, the National Bureau of Statistic (NBS) has projected that the Nigerian economy will contract by -4.2% in 2020, as the COVID-19 pandemic and resultant crude oil price shock in the International Market, exacerbates the vulnerability of Nigeria's fiscal and monetary landscape.

### 3.0. MEMBERSHIP:

1. Rt. Hon. James Abiodun Faleke	Chairman, Finance
2. Hon. Muktar Betara Aliyu	Chairman, Appropriations
3. Hon. Olododo C. Abdulganiyu	Chairman, National Planning
4. Hon. Musa Sai'd Abdulahi	Dep. Chairman, Finance
5. Hon. Bello Hassan Shinkafi	Dep. National Planning
6. Hon. Lynda Chuba Ikpeazu	oMember
7. Hon. Alli Adeyemi Taofeek	Member
8. Hon. Dr. John Dyegh	Member
9. Hon. Manir Dan Agundi	Member
10. Hon. Musa M. Adamu	Member
11. Hon. Kolawole Lawal	Member
12. Hon. Gibeon Goroki	Member
13. Hon. Olufwemi Adebajo	Member
14. Hon. Ahmed A. Kalambaina	Member
15. Hon. Adedeji S. Olajide	Member
16. Hon. Shabba Ibrahim	Member
17. Hon. Fatuhun Mohammed	Member
18. Hon. Nasiru A. Gabasawa	Member
19. Hon. Obinna Chidoka	Member
20. Hon. Nwuzi Ephraim	Member
21. Hon. Mansur Manu Soro	Member
22. Hon. Rasheed Olalekan	Member
23. Hon. Omowunmi Olubunmi	Member
24. Hon. Aniekan Umanah	Member
25. Hon. Yusuf Ahmed Tijjani	Member
26. Hon. Samson Okwu	Member

27.Hon. Muktar Ahmed	Member
28.Hon. Ofor Chukwuegbo	Member
29.Hon. Usman Ibrahim Auyo	Member
30.Hon. Dr. Koko	Member
31.Hon. Anayo Edwin	Member
32.Hon. Etta Mbora	Member
33.Hon. Aminu Ashiru Mani	Member
34.Hon. Tajudeen Obasa	Member
35.Hon. Shoyinka Olatunji	Member
36.Hon. Johnson Oguma	Member
37.Hon. Karu Simon	Member
38.Hon. Princess Marian Onuoha	Member
39.Hon Idem Unyime	Member
40.Hon. Jafaru Ribadu	Member
41.Hon. Idris Zacharias	Member
42.Hon. Isreal Sunny Goli	Member
43.Hon. James Owolabi	Member
44.Hon. Leke Abejide	Member
45.Hon. Aminu Suleiman	Member
46.Hon. Yemi Adaramodu	Member
47.Hon. Tijjani Zanna Zakariya	Member
48.Hon. Abdulahi Mahmud Gaya	Member

### 3.1. SECRETARIAT:

1. Mallam Lawali Ibahim Clerk to Finance Committee
2. Dr. Abel Ochigbo Clerk to Appropriations Committee

#### **4.0. METHODOLOGY:**

Exploiting the economic situations necessitated by the COVID-19 Pandemic and the Committee engaged the large array of government agencies to a 5 day interactive session. Specifically, government owned enterprises (GOEs), revenue generating agencies, Ministries of Finance, Budget and National planning as well as the Budget Office were invited to the session.

This was intended to enable detailed legislative scrutiny of the revenue and expenditure pattern of the invited MDAs, upon whom, the successful implementation of the 2021 - 2023 MTEF/FSP and annual budget for the fiscal year under consideration, largely depends.

For purpose of convenience, the Joint Committee categorized the MDAs into:

- i. Agencies fully funded by the Appropriations Act
- ii. Partially funded by the Budget
- iii. Government owned enterprises that receive no Appropriations from the Federal Budget

The Joint Committee requested from the MDAs to submit detail information on the revenue performance 2018 to 2020, actual revenue collected and remitted to the CRF as well as revenue projections for the year 2021 to 2023.

Among the Ministries, Departments and Agencies (MDAs) that were invited to the interactive session are: (See Appendix 1 for the full list of invited MDAs)

#### **5.0. 2020 BUDGET IMPLEMENTATION:**

The FY 2020 started with some subdued optimism for global growth due to downward revision of growth projection attributed mainly to negative

surprises to economic activity in a few emerging market economies. The subdued optimism has been further intensified by the Saudi-Russia oil price war and the outbreak of the COVID-19 pandemic.

## **5.1. REVENUE OUTTURNS FOR 2020**

### **5.1.1. OIL REVENUE:**

Following the revision of key parameters of the 2020 budget, necessitated largely by the COVID-19 Pandemic, gross oil and gas revenue was revised downwards to N3.03 trillion from N7.67 trillion FY 2020. As at May, N1.99 trillion was realized out of the prorated sum of N1.62 trillion. This represents 57.4% more than the prorate. After netting out deductions (including 13% derivation), Net oil and Gas revenue inflows to the Federation Account amounted to N1.45 trillion – N575.66 billion or 66.1% more than the projected as at May. This record performance was partly attributed to activities in Q1, where actual crude oil was higher than the revised budget benchmark.

### **5.1.2. FEDERATION AND VAT POOL ACCOUNTS DISTRIBUTABLE:**

The amount available for distribution from the Federation Account was N2.21 trillion. Of this, the Federal Government received N1.17 trillion while the States and Local Governments received N591.52 billion and N456.04 billion respectively. Federal, State and Local Governments received N72.95 billion, N243.17 billion and N170.22 billion respectively, from the VAT Pool Account.

### **5.1.3. FGN Revenue:**

As at the end of May 2020, FGN's retained revenue was N1.62 trillion. The share of oil revenue was N844.97 billion (representing 100% above prorated sum). While non-oil tax revenue was N439.32 billion (65% less performance). Company Income Tax (CIT) and Value Added Tax (VAT) collections were N213.24 billion and N68.09 billion respectively, representing 62% and 58% of the prorata. Customs collections was N158 billion (representing 73% of target). Other revenues amounted to N339.51 billion, of which Independent revenues was N189.31 billion.

## **5.2. 2020 EXPENDITURE OUTTURNS**

On the expenditure side, N9.97 trillion was appropriated, while N3.98 trillion (representing 95.7% of prorata, N4.16 trillion) was spent of the expenditure, N1.58 trillion was for debt service, and N1.32 trillion for personnel cost and pensions. As at May 2020, only N378.85 billion has been released for capital.

## **6.0. ASSUMPTIONS UNDERLYING OIL AND NON-OIL REVENUE PROJECTIONS IN 2021-2023**

### **6.1. ASSUMPTION UNDERLYING OIL REVENUE**

#### **6.1.1. Crude Oil Production and Export:**

Crude oil output continues to have important implications for government revenues in Nigeria. In the first quarter of 2020, crude oil production accounted for 9.5% of Nigeria's real GDP. However, crude oil receipts constituted about 50% of Federal government's revenues during the same period and about 90% of Nigeria's foreign exchange earnings.

According to NNPC, total crude oil production in Nigeria decreased in January 2020 by 1.32 million barrels or 2.22% at 60.80 million barrels with

daily average of 1.96mbpd. Production was disrupted by shutdown of Forcados for repairs, while Bonny was shut down due to pipeline leakages. Production was also interrupted due to lube oil loss, pump issues, loss of power, riser protector replacement, pipeline repairs and flare management.

Considering the fact that crude oil production has averaged 1.97mbpd over the last 3 years, a very conservative oil output ensures greater budget realism. Therefore, following consultations with stakeholders, crude oil production is estimated at 1.86mbpd, 2.09mbpd and 2.38mbpd in 2021, 2022 and 2023 respectively.

#### **6.1.2. Global Crude Oil Supply and Demand:**

Global crude oil demand is expected to continue growing at a relatively healthy rate in the medium-term. The Organization of Petroleum Exporting Countries (OPEC) forecasts demand to reach 104.8 million barrel a day (mbpd) by 2024. This represents an increase of 6.1mbpd above the 2018 level. The average growth will be about 1mbpd over the medium-term period, declining from a projected 1.1mbpd in 2019 to 0.9mbpd in 2024. Incremental demand is forecasted to come primarily from non-OECD countries.

However, OPEC estimates a steady rise in global oil supply from an average of 99.4mbpd in 2019 to 101.3mbpd in 2020, 102.3mbpd in 2021 and 105.0mbpd in 2024.

#### **6.1.3. Crude Oil Price Benchmark:**

Crude oil prices collapsed recently in the world oil market due to various measures introduced to contain the COVID-19 Pandemic. Cargoes traded for as low as US\$ 7.15 a barrel on Tuesday April 2020. Like many other oil



producing countries, Nigeria faced great difficulties in selling its crude cargoes during the pandemic. The sharp decline in oil prices was due to both global demand shocks and market concerns over crude oil oversupply. In addition, the price war between Saudi Arabia and Russia has further exerted downward pressure on crude oil prices.

Therefore, in consultation with the Nigerian National Petroleum Corporation (NNPC) and other relevant stakeholders, a benchmark oil price of US\$40 per barrel has been proposed for 2021, 2022 and 2023.

## **6.2. NON-OIL REVENUE BASELINE ASSUMPTIONS:**

The assumptions underlying the non-oil revenue forecasts for the 2021-2023 are outlined below:

### **6.2.1. Customs Collections: Import Duties, Excise, Fees and Special Levies**

Customs collections are estimated based on the cost, insurance and freight (CIF) value of imports, applicable tariffs, an efficiency factor. The nominal growth of the tax base is assumed to be driven by tax elasticity in the medium term.

### **6.2.2. Companies Income Tax (CIT):**

The projection of CIT is based on estimated nominal GDP, Companies' Profitability Ratio, and an efficiency factor. Estimates were also derived with due consideration for the effects of COVID-19 on the domestic economic activities, efforts aimed at improving the business environment as well as the strategic implementation of the Nigeria Economic Sustainability Plan. Other important assumptions include improved collection efficiency and successful

broadening of the tax net. Specifically, a 10% year-on-year improvement in collection efficiency is envisaged.

### **6.2.3. Value Added Tax (VAT):**

This was estimated using projected aggregate nominal consumption, taking into account variable items and collection efficiency. Aggregate consumption is estimated at N118.89 trillion in 2021 from N117.91 trillion estimated for 2020. The VAT projections over the Medium-term are based on holding the rate at 7.5%.

### **6.2.4. FGN Independent Revenue:**

Government-Owned Enterprises (GOEs) are still characterized by revenue leakages, excessive expenditures and weak accountability. Hence, the estimation of Operating Surpluses (the main component of FGN Independent Revenues) is predicted on strict and effective implementation of recent measures aimed at ensuring that GOEs operate in a more fiscally responsible manner.

## **7.0 2021-2023 FISCAL STRATEGY PAPER HIGHLIGHTS:**

The Fiscal Strategy of 2021 – 2023 highlights the macro-economic objectives of the government over the period 2021-2023 and the policy measures to be implemented to achieve them, in the medium term, government aims at sustaining economic growth and facilitating economic stability and promoting poverty reduction and equity.

### **7.1 Marco-economic Policy Objectives:**

Government's economic objectives include:

#### **i. Sustaining Economic Growth and Ensuring Inclusiveness**

In view of the COVID-19 Pandemic, the Nigerian economy is projected to recess in 2020, with real GDP growth now projected by the NBS to be -4.2%, as against the projection of 2.93%. Therefore, the immediate concern of the government of Nigeria is to boost the economy and ensure quick recovery from the effects of the COVID-19 Pandemic. The Government recently established a N500 billion COVID-19 Crisis Intervention Fund to address emerging and priority funding needs. The N500 billion is proposed to be used for key programs and projects including the following:

- N36 billion to support State Governments;
- N56.46 billion for jobs and food for All: Agriculture and Food Security program;
- N12.43 billion for Energy for All: Mass Rural Electrification/Solar Power Strategy programme;
- N75.0 billion for Supporting Small Businesses/MSME Survival Fund;
- N60.0 billion for Maintenance of Roads through contract and Direct Labour in the 6 (Six) Geo-Political Zones;
- N9.59 billion for Job Creation Scheme for Youth and Women Post Covid-19;
- N52.0 billion Public Works Programme;
- N32.46 billion for Social Intervention Programme;
- N5.0 billion bail-out for support to the Aviation Sector;
- N126 billion for upgrading healthcare infrastructural facilities and operations across Federal Medical Centers, Teaching Hospitals and others;

- N2.98 billion for the Ministry of Interior;
- N6.0 billion for Artisanal and Small-Scale Miners;
- N9.89 billion for Water, Sanitation and Hygiene programme;  
and
- N750 million for Monitoring and Evaluation and Reporting.

**ii. Supporting Employment Creation and Preserving Jobs:**

The key consequence of the COVID-19 Pandemic is massive job losses worldwide. In Nigeria, unemployment rate is expected to rise from 23.1% (or 20.0 million people) at Q3 2018 to about 3.86% (or 39.4 million people) at Q2 2020. Hence, urgent need for productive engagement of the very large population of unemployed youths to prevent them from engaging in criminal activities and anti-social behavior.

Program like N-Power is providing a pipeline of skilled workers to help rebuild the economy post-COVID-19. Over 109,823 of the beneficiaries have established businesses from savings accrued from the scheme.

**iii. Ensuring Macroeconomic Stability**

Efforts will be made to stabilize the macroeconomic environment in the medium term. Inflation rate increased for the ninth consecutive month by 12.4% (year-on-year) in May 2020, the highest rate recorded since May 2018, driven by largely by rise in cost of food exacerbated by insecurity and interstate travel disruptions owing to the Coronavirus pandemic. It is expected that inflation rate will decelerate as the security situation improves, the economy opens up and outputs expands.

## 7.2 SUMMARY OF 2021 FGN REVENUE AND EXPENDITURE FRAMEWORK

- i. Daily crude oil Production - 1.86mbpd;
- ii. Benchmark oil price - USD\$40 per barrel;
- iii. Exchange rate - N379/US\$;
- iv. GDP growth rate – 3.00%;
- v. Inflation growth rate – 11.95%;
- vi. FGN retained revenue - N7.89 trillion;
- vii. Total FGN proposed expenditure – N13.08 trillion;
- viii. Fiscal deficit - N5.20 trillion (including GOEs);
- ix. New Borrowings – N4.28 trillion (including Foreign and domestic Borrowing);
- x. Statutory transfers – N484.49 billion;
- xi. Debt Service – N3.12 trillion;
- xii. Sinking Fund - N220 billion;
- xiii. Pension, Gratuities & Retirees Benefits – N520.69 billion;
- xiv. Total FGN Expenditure – N13.08 trillion
- xv. Total Recurrent (Non-debt) – N5.67 trillion;
- xvi. Personnel Costs (MDAs + GOEs) – N3.76 trillion
- xvii. Capital expenditure (exclusive of Transfers) – N3.58 trillion;
- xviii. Special Intervention (Recurrent) – N350 billion; and
- xix. Special intervention (Capital) – N20 billion.

## 8.0 FINDINGS/OBSERVATIONS:

- I. The Committee observed that the daily crude oil production was estimated at 1.86mbpd, 2.09mbpd, and 2.38mbpd in 2021, 2022 and 2023 respectively,

given the fact that crude oil production has averaged 1.97mbpd over the past 3 years and that such a very conservative oil output benchmark has been adopted for the medium term in order to ensure greater budget realism and following wide consultations with key stakeholders;

- II. The Committee also noted that benchmark oil price of USD\$40 per barrel US\$ 40 per barrel has been proposed for 2021,2022 and 2023 taking into consideration crude oil price forecasts by the World Bank and EIA, as well as considerations with the Nigerian National Petroleum Corporation (NNPC);
- III. That notwithstanding the higher Naira to Dollar exchange rate in the parallel market which the CBN refuses to recognize as a legitimate window in the Nigeria's foreign exchange rate, a benchmark exchange rate of N379/US\$ has been proposed for the years 2021-2023;
- IV. The Committee observed that a GDP growth rate of 3.00% has been estimated for the 2021-2023 period, notwithstanding the consequence of the outbreak of Covid-19;
- V. Inflation growth rate the Committee observed was put at 11.95%, as the Central Bank of Nigeria (CBN) has reportedly adopted measures to rein in inflation and reduce pressure on the Naira in the foreign exchange market, despite the challenges envisaged as a result of the COVID -19 Pandemic.
- VI. With respect to Borrowing in the 2021 fiscal year, the Committee observed that an estimate of N4.28 trillion (including) Foreign and domestic Borrowing has been proposed;
- VII. The Committee also observed the following parameters in the summary of the revenue and expenditure framework upon which 2021 FGN budget is predicated upon: FGN retained revenue of N7.89 trillion; total FGN proposed expenditure of N13.08 trillion; a Fiscal deficit of N5.20 trillion (including GOEs) ; New Borrowings of N4.28 trillion (including Foreign and domestic

Borrowing); Statutory transfers, totaling, N484.49 billion; Pensions, Gratuities & Retirees Benefits of N552.8 billion and Fiscal deficit- N5.20 trillion (including GOEs)

- VIII. Aggregate FGN Expenditure of N13.08 trillion; made up of Total Recurrent (Non-debt) of N5.67 trillion; Personnel Costs (MDAs + GOEs) of N3.76 trillion; of Capital expenditure (exclusive of Transfers) N3.58 trillion; Special Intervention (Recurrent) amounting to N350 billion; and Special Intervention (Capital) of N20 billion.
- IX. That based on the extent of funding from annual budget and their respective revenue -generating potentials, agencies of the Federal government were classified into three, namely: fully-funded (i.e. The National Lottery Regulatory Commission, Nigeria Broadcasting Corporation and the Nigeria Export Promotion Council, etc.); partially funded (i.e. Nigerian Television Authority, Nigerian Investment Promotion Council, etc.) and the self-funded agencies (e.g. FIRS, Customs and the NNPC);
- X. That apart from the major revenue drivers of the Federal Government; in the Oil and Gas sector, the Nigerian Customs Service, and the Federal Inland Revenue Service (FIRS), majority of the other revenue generating agencies, failed to meet their yearly revenue targets, within the 2018-2020 period reviewed;
- XI. That majority of the revenue generating agencies of the Federal Government engaged in arbitrary and frivolous expenditure, making it difficult to determine actual Federal Government revenue, with a large percentage of these expenditure, being extra-budgetary;
- XII. That many revenue generating agencies expended enormous funds on overhead and recurrent expenditure, including huge personnel costs that was

difficult to reconcile with the number of staff on their nominal pay roll, thereby reducing their operating surpluses;

- XIII. That most of these revenue agencies engaged either in outright non-remittance or under – remittance of operating surpluses due to the CRF, in breach of the Fiscal Responsibility Act, 2007 and the extant laws, that created the agencies. The sum of N1.4 billion outstanding remittance was discovered in the case of just one of these agencies between 2018 and 2019;
- XIV. It was also noted during the interactive sessions that agencies whose operational budgets were based on percentage of cost of collection performed significantly better towards meeting revenues targets and even surpass projections. Such agencies includes FIRS & Customs;
- XV. The Joint Committee equally observed that inadequate overhead funding and erratic releases prompted most MDAs to spend their IGR without recourse to the provisions of the extant laws on IGR and FRA 2007;
- XVI. That the country is blessed with very prosperous non-oil sector, which if effectively tapped, leakages blocked and MDAs play by the rules of extant laws on remittance to the CRF, sufficient revenue would accrue to the government to fund the budget without recourse to much borrowing;
- XVII. That a non-implementation of the International Public Sector Accounting Standards (IPSAS) and general significant weakness in expenditure control, accounting, financial reporting and lack of completeness and accuracy of the consolidated financial statements of the revenue – generating agencies were also observed;
- XVIII. That the unremitted and under-remitted funds due the CRF, were not just revenue earned by government, through the agencies but include profits and earnings, resulting from foreign and domestic borrowings, invested in or through these agencies, in the three years reviewed;



- XIX. That there exists inadequate deployment of Information and Communication Technology (ICT) in revenue collections in many of the agencies, including the collection Stamp Duties;
- XX. The non-collection of excise duties on carbonated drinks, like Coca-Cola, despite its huge revenue potential and as a deterrent to its consumption due to the well-acknowledged negative health implications as it is in most countries was also noted by the Committee;
- XXI. That many of the partially – funded government agencies need to be excised from the budget, but not without the relevant amendments to their extant laws and in some cases certain sections of the 1999 constitution;
- XXII. The Committee also observed that some of the heads of the agencies do not appreciate the need to work towards meeting their revenue targets, largely because there are no sanctions for non-performance and motivation for optimal performances;
- XXIII. That some agencies entitled to certain statutory percentages either from the monies collected through it and paid into the Consolidated Revenue Fund (CRF) or from other agencies of government, were being denied such monies, which continue to hinder their performance;
- XXIV. The Joint Committee observed that the concept of partial commercialization of many of the agencies continued to mitigate the effective functioning of such agencies. Many of these agencies, although having the potentials to contribute significantly to the revenue generation drive of the Federal Government are hindered by their lack of competitiveness with their peers in the private sector.
- XXV. The Committee observed that the unit cost of production of a barrel of oil in Nigeria is one of the highest among other oil producing countries which currently stands \$31-33 per unit cost.

- XXVI. The Committee observed that most MDAs fails to pay for services rendered by other agencies of the Government despite been budgeted for in their respective budget for instance NTA.
- XXVII. That the Committee observed that the National Auto Policy has great potential to increase revenue accruable to the Federal Government as a result of the imposition of 35% levy on imported vehicles.
- XXVIII. Many of the agencies were also found to be unmindful of cost control measures. Hence, while they continue to fall short of their revenue targets, their recurrent and personnel costs continue to rise;
- XXIX. The Joint Committee equally observed that many of the science and technology-oriented agencies, in particular, the National Agency for Science and Engineering Infrastructure, National Office for Technology Acquisition and Promotion; and the Nigerian Communication Satellite Limited (NIGCOMSAT), had far greater potentials for revenue generation than they are currently doing;
- XXX. That the OAGF and Budget office are not able to track the entire revenue stream of the federal government as, at when generated due to inadequate technology to harness and connect all revenue generating agencies to a central management system.

## **9.0 RECOMMENDATIONS:**


- i. That the House do direct the Joint Committees on Finance and National Planning & Economic development in partnership with the Ministry of Finance, Budget & National Planning and the Auditor General of the Federation to conduct a detailed analysis of all MDAs funded by the FGN Budget to identify more agencies that need to be taken off the budget wholly or partially and those that need to be retained. This is to

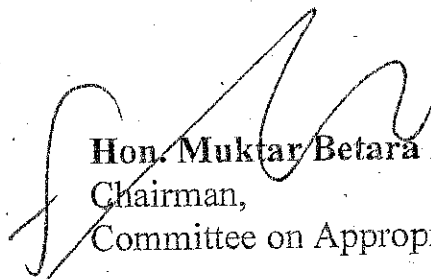
- further reduce the deficit burden of the federal budget and free up more resources for other critical projects;
- ii. On Auto Policy, the Committee recommends downward review of the levy imposed on imported vehicles to 15% and 20% on both commercial vehicles (buses and trucks) and luxury vehicles respectively;
  - iii. The Joint Committee recommends enhancement of capacities of the FIRS, personnel and technology deployment to boost non-oil revenue collections;
  - iv. That the House do commence the process of amending the establishment Acts of all the revenue generating agencies to conform with the provisions of the Fiscal Responsibility Act (FRA) 2007;
  - v. The Joint Committee also recommends the amendment of Sections 21 and 22 of the (FRA) 2007 to conform with the current circular on expenditure to revenue ratio of 70/30 and 60/40 issued by the Executives;
  - vi. That the Nigeria Custom Service device plans and policies to facilitate trade as the already signed African Continental Force Trade Area (AFCTA) will reduce revenue, while collaborations with neighboring countries are improved for increased transnational/ transborder trade for more IGR by the NCS;
  - vii. The Federal Government, through its relevant MDAs be advised to be more proactive in improving the welfare and well-being of citizens and residents in border communities across Nigeria;
  - viii. The Joint Committee recommends that the proposed Finance Act 2019 Amendment Bill to be submitted to the National Assembly by the Executives considers the amendment of Sections Fiscal Responsibility


Responsibility Act do address the LACUNAE created in Stamp Duties Administration in Nigeria. This will eliminate losses and needless rivalry among MDAs.

## 11. CONCLUSION

The Committees express appreciation to the Leadership and Honourable Members for the confidence reposed on us to serve this Hallowed Chamber, and our beloved fatherland. The Committees also register its appreciation to the Secretariat for working tirelessly to produce this report.

  
Rt. Hon. James Abiodun Faleke  
Chairman,  
Committee on Finance.

  
Hon. Muktar Betara Aliyu  
Chairman,  
Committee on Appropriations

  
Hon. Olododo C. Abdulganiyu  
Chairman,  
Committee on National Planning  
& Economic Development

## Revised 2021-2023 Medium Term Fiscal Framework

1	FISCAL ITEMS	2020 Revised Budget	2021 Proj.	2022 Proj.	2023 Proj.	1
2	Budget Oil Production Volume Net Incremental Oil Production for Repayment Arrears (mbpd)	1.80	1.86	2.09	2.38	2
3	Projected Budget Benchmark Price (US\$ per barrel)	28.00	40.00	40.00	40.00	3
4	Average Exchange Rate (N/US\$)	360.0	379.0	379.0	379.0	4
5	Oil production (mbpd)					5
6	Joint Ventures	0.707	0.716	0.747	0.804	6
7	Modified Carry Arrangement	0.055	0.067	0.033	0.038	7
8	External Financing	0.041	0.041	0.047	0.060	8
9	Production Sharing Contracts	0.734	0.812	0.754	0.800	9
10	Independents	0.225	0.190	0.456	0.627	10
11	Service Contracts	0.003	0.003	0.002	0.002	11
12	Marginal Fields	0.035	0.035	0.050	0.051	12
13	Repayment Arrears*	0.080	0.090	0.116	0.119	13
14						14
15	<b>FEDERALLY COLLECTIBLE REVENUE</b>	N	N	N	N	15
16	Gross Minerals Revenue	3,549,154,361,474	6,077,436,339,295	6,200,459,697,678	6,732,965,610,651	16
17	Gross Oil Revenue (See Line Item 84)	3,033,363,682,134	5,185,567,005,001	5,984,474,363,388	6,546,863,526,644	17
18	Dividend Payment (NLNG) (See Line Item 107)	160,754,400,000	208,540,960,000	173,165,100,000	178,463,520,000	18
19	Solid Minerals (NLNG) (See Line Item 112)	4,515,225,139	6,312,862,816	6,944,149,098	7,638,564,007	19
20	Signature Bonus (See Line Item 116)	350,521,054,200	677,015,511,478	35,876,085,192	-	20
21	Other Revenue (Gross)	6,612,869,525,468	6,119,151,366,514	7,020,108,566,277	7,427,249,273,199	21
22	Gross Non-Oil Revenue (See Line Item 133)	6,078,846,844,325	5,564,124,246,453	6,379,234,801,696	6,688,006,345,100	22
23	Non-Federation Account Levies for Targeted Expenditure	240,853,804,117	212,899,040,571	241,610,295,817	249,296,464,195	23
24	Education Tax	277,024,798,007	323,287,939,274	377,277,025,133	467,240,672,913	24
25	National Information Technology Development Fund	16,144,079,019	18,840,140,216	21,986,443,632	22,705,790,991	25
26	<b>Total Federally Collectible Revenue</b>	<b>10,162,023,886,942</b>	<b>12,196,587,705,809</b>	<b>13,220,568,263,955</b>	<b>14,160,214,883,850</b>	26
27						27
28	<b>GROSS FEDERATION ACCOUNT INFLOWS</b>	<b>9,116,725,751,599</b>	<b>10,756,004,114,271</b>	<b>12,370,653,314,182</b>	<b>13,242,508,435,752</b>	28
29	<b>OIL REVENUE</b>					29
30	Profit Oil from Crude Oil & Gas Sales	656,864,742,350	630,047,317,077	778,162,434,930	803,210,179,161	30
31	NNPC JV Crude Oil & Gas (Profit Oil)	280,691,780,270	326,315,068,096	513,532,766,318	499,661,067,565	31
32	MCA Crude Oil & Gas (Profit Oil)	40,582,080,000	73,736,759,633	36,899,302,923	41,858,301,247	32
33	EF Crude Oil & Gas (Profit Oil)	30,252,096,000	45,902,914,713	51,652,164,174	65,964,027,060	33
34	PSC Crude Oil & Gas (Profit Oil)	145,007,962,453	183,663,196,393	175,789,487,585	195,490,037,866	34
35	PSC Crude Oil & Gas (New Terms)	160,000,000,000	-	-	-	35
36	SC Crude Oil & Gas (Profit Oil)	330,823,627	429,378,242	288,713,930	236,745,422	36
37	Petroleum Profits Tax on Oil & Gas	284,003,905,677	1,636,832,713,488	2,131,876,240,283	2,474,107,678,215	37

1	FISCAL ITEMS	2020 Revised Budget	2021 Proj.	2022 Proj.	2023 Proj.	1
2	Budget Oil Production Volume Net Incremental Oil Production for Repayment Arrears (mbpd)	1.80	1.86	2.09	2.38	2
3	Projected Budget Benchmark Price (US\$ per barrel)	28.00	40.00	40.00	40.00	3
4	Average Exchange Rate (N/US\$)	360.0	379.0	379.0	379.0	4
38	NNPC JV PPT	-	408,667,532,089	472,042,342,975	523,906,585,055	38
39	NNPC JV PPT (Gross)	-	1,573,550,885,334	1,643,090,882,952	1,767,353,589,793	39
40	NNPC JV PPT (Cost Recovery)	-	1,164,883,353,245	1,171,048,539,977	1,243,447,004,739	40
41	JV Partner PPT	-	302,487,850,240	349,396,666,818	387,785,581,668	41
42	JV Partner PPT (Gross)	-	1,164,712,112,350	1,216,184,281,616	1,308,161,148,155	42
43	JV Partner PPT (Cost Recovery)	-	862,224,262,110	866,787,614,798	920,375,566,487	43
44	PSC PPT	201,609,570,026	460,982,045,035	542,696,725,890	605,203,357,151	44
45	PSC PPT (Gross)	1,314,419,496,138	2,025,704,442,692	1,883,224,048,421	1,996,804,857,600	45
46	PSC PPT (Cost Recovery)	1,112,809,926,112	1,564,722,397,658	1,340,527,322,531	1,391,601,500,449	46
47	SC PPT	8,537,428,773	12,804,939,818	8,610,041,533	7,060,234,057	47
48	Independent Producers' Tax	-	129,234,088,106	363,472,065,173	523,731,461,612	48
49	Independent Producers' Tax (Gross)	-	721,081,424,290	1,732,469,745,343	2,381,238,572,929	49
50	Independent Producers' Tax (Cost Recovery)	-	591,847,336,184	1,368,997,680,170	1,857,507,111,317	50
51	MCA Profits Tax	-	66,193,156,959	36,641,836,762	42,889,572,001	51
52	External Financing Profits Tax	-	41,206,839,758	51,291,759,414	67,589,195,063	52
53	Marginal Fields Profits Tax	-	73,897,949,460	125,901,364,004	129,547,515,728	53
54	Marginal Fields Profit Tax (Gross)	-	149,325,577,415	213,322,253,450	217,588,698,519	54
55	Marginal Fields Profit Tax (Cost Recovery)	-	75,427,627,955	87,420,889,446	88,041,182,791	55
56	Repayment Arrears (Partners' Tax)	73,856,906,878	141,358,312,024	181,823,437,714	186,394,175,880	56
57	Repayment Arrears (Partners' Tax) Gross	85,982,622,419	146,435,949,420	188,354,595,830	193,089,516,425	57
58	Repayment Arrears (Partners' Tax) Cost Recovery	12,125,715,541	5,077,637,397	6,531,158,117	6,695,340,546	58
59	Gas Income @ 30% CITA (Net of Cost recovery)	426,614,336,799	511,685,864,793	535,808,829,689	555,283,463,823	59
60	NNPC JV Gas Income Tax	216,697,576,272	239,634,852,135	250,884,129,310	262,075,285,093	60
61	JV Partner Gas Income Tax	157,338,428,373	177,373,110,349	185,699,609,036	193,983,087,386	61
62	Independent Producers' Gas Income Tax	52,578,332,154	94,677,902,309	99,225,091,344	99,225,091,344	62
63	Oil & Gas Royalties	945,373,464,571	1,685,716,769,835	1,988,249,438,920	2,283,033,616,334	63
64	NNPC JV Royalty	326,807,785,038	464,061,165,030	490,026,950,658	527,869,379,358	64
65	JV Partner Royalty	237,286,563,894	343,489,152,349	362,708,527,655	390,718,765,822	65
66	PSC Royalty	85,386,635,447	449,078,753,811	417,492,251,579	442,672,000,000	66
67	SC Royalty	2,279,934,064	3,419,579,742	2,299,325,418	1,885,446,843	67
68	Independent Producers' Royalty	160,289,992,800	203,014,912,600	487,763,492,562	670,419,351,378	68
69	Marginal Fields Royalty	11,995,693,920	17,991,850,100	25,702,643,000	26,216,695,860	69
70	MCA Royalty	37,883,371,680	68,833,265,117	34,445,499,279	39,074,724,214	70
71	EF Royalty	28,240,331,616	42,850,370,885	48,217,295,257	61,577,419,260	71
72	Repayment Arrears (Royalties) - NNPC	31,981,921,482	53,429,920,377	68,724,729,806	70,452,354,965	72
73	Repayment Arrears (Royalties) - JV Partner	23,221,234,630	39,547,799,823	50,868,723,706	52,147,478,633	73

1	FISCAL ITEMS	2020 Revised Budget	2021 Proj.	2022 Proj.	2023 Proj.	1
2	Budget Oil Production Volume Net Incremental Oil Production for Repayment Arrears (mbpd)	1.80	1.86	2.09	2.38	2
3	Projected Budget Benchmark Price (US\$ per barrel)	28.00	40.00	40.00	40.00	3
4	Average Exchange Rate (N/US\$)	360.0	379.0	379.0	379.0	4
75	Concessional Rentals	6,030,890,426	6,052,601,135	6,025,813,895	6,025,813,895	75
76	Gas Flared Penalty	103,508,708,449	130,424,297,362	136,564,930,959	120,451,995,213	76
77	Miscellaneous (Pipeline Fees etc)	6,295,658,511	57,559,535,851	57,469,473,830	57,559,411,808	77
78	Exchange Gain		27,504,670,557	35,395,044,279	28,311,368,196	78
79	Incidental Oil Revenue (Royalty Recovery & Marginal Field Licences)	604,671,975,351	499,743,234,904	314,922,156,602	218,880,000,000	79
80	Royalties Recovery and Marginal Fields	80,671,975,351	-	-	-	80
81	Good and Valuable Consideration of Diversted Assets	334,800,000,000	390,303,234,904	260,202,156,602	-	81
82	Recovery of Back Taxes from NPDC	189,200,000,000	-	-	-	82
83	Lease Renewal Bonus		109,440,000,000	54,720,000,000	218,880,000,000	83
84	Total Oil & Gas Revenue	3,033,363,682,134	5,185,567,005,001	5,984,474,363,388	6,546,863,526,644	84
85	Deductions	424,233,211,044	395,607,269,903	525,455,994,474	327,199,964,748	85

1	FISCAL ITEMS	2020 Revised Budget	2021 Proj.	2022 Proj.	2023 Proj.	1
2	Budget Oil Production Volume Net Incremental Oil Production for Repayment Arrears (mbpd)	1.80	1.86	2.09	2.38	2
3	Projected Budget Benchmark Price (US\$ per barrel)	28.00	40.00	40.00	40.00	3
4	Average Exchange Rate (N/US\$)	360.0	379.0	379.0	379.0	4
86	Fiscal Deductions (Base JV Cash Call + EF + MCA + RA)	-	-	-	-	86
87	<b>Other Federally Funded Upstream Projects</b>	<b>424,233,211,044</b>	<b>395,607,269,903</b>	<b>525,455,994,474</b>	<b>327,199,964,748</b>	87
88	National Domestic Gas Development	80,704,587,044	80,704,587,044	80,704,587,044	80,704,587,044	88
89	Gas Infrastructure Development	60,920,374,000	60,920,374,000	218,574,450,000	103,302,000,000	89
90	Brass LNG Gas Supply Projects	411,750,000	-	-	-	90
91	Crude Oil Pre-Export Inspection Agency Expenses (NESS)	10,250,000,000	10,250,000,000	10,000,000,000	5,000,000,000	91
92	Frontier Exploration Services (NFES)	50,000,000,000	50,000,000,000	90,058,830,701	93,473,868,844	92
93	EGTL Funding	-	-	-	-	93
94	Renewable Energy Development (RED)	3,050,000,000	3,050,000,000	17,208,000,000	15,037,200,000	94
95	Pipeline Security & Maintenance Cost	57,896,500,000	29,682,308,859	29,682,308,859	29,682,308,859	95
96	Nigerian Crude Oil Finger Printing	-	-	-	-	96
97	Pre-Export Financing	60,000,000,000	60,000,000,000	79,227,817,869	-	97
98	PMS Under-Recovery	-	-	-	-	98
99	Other deductions (transfer to excess crude oil on PPT and Royalty)	-	-	-	-	99
100	Refinery Rehabilitation	100,000,000,000	100,000,000,000	-	-	100
101	Nigeria Morocco Pipeline	1,000,000,000	1,000,000,000	-	-	101
102	<b>13% Derivation</b>	<b>339,186,961,242</b>	<b>622,694,765,563</b>	<b>709,672,387,959</b>	<b>808,556,263,047</b>	102
103	<b>Special Federation Transfers:</b>	<b>169,200,000,000</b>				103
104	Presidential Power Initiative	72,000,000,000				104
105	Nigeria Sovereign Investment Authority (NSIA)	97,200,000,000				105
106	<b>Net Oil &amp; Gas Revenue after Costs, Deductions &amp; Derivation</b>	<b>2,100,743,509,848</b>	<b>4,167,264,969,535</b>	<b>4,749,345,980,956</b>	<b>5,411,107,298,850</b>	106
107	<b>DIVIDEND BY COMPANIES/INVESTMENTS</b>	<b>160,754,400,000</b>	<b>208,540,960,000</b>	<b>173,165,100,000</b>	<b>178,463,520,000</b>	107
108	<b>SOLID MINERAL &amp; OTHER MINING REVENUES</b>					108
109	Royalties on Mining & Other Minerals	2,638,138,336	5,283,306,569	5,811,637,226	6,392,800,949	109
110	Taxes on Minerals & Other Mining	-	-	-	-	110
111	Mining Rents, Premium & Fees	1,877,086,803	1,029,556,247	1,132,511,872	1,245,763,059	111
112	<b>Total Solid Minerals Revenue</b>	<b>4,515,225,139</b>	<b>6,312,862,816</b>	<b>6,944,149,098</b>	<b>7,638,564,007</b>	112
113	Less 13% Derivation	586,979,268	820,672,166	902,739,383	993,013,321	113
114	<b>Net Solid Minerals after Derivation</b>	<b>3,928,245,871</b>	<b>5,492,190,650</b>	<b>6,041,409,715</b>	<b>6,645,550,686</b>	114
115						115
116	<b>SIGNATURE BONUS</b>	<b>350,521,054,200</b>	<b>677,015,511,478</b>	<b>35,876,085,192</b>		116
117						117
118	<b>NON-OIL REVENUE</b>					118
119	<b>Corporate Tax</b>	<b>1,798,617,662,965</b>	<b>1,496,529,236,236</b>	<b>1,886,017,658,963</b>	<b>1,946,016,133,951</b>	119
120	Companies Income Tax	1,540,399,276,594	1,274,801,531,567	1,606,582,846,490	1,657,691,869,925	120
121	NLNG Tax	227,487,217,263	202,070,326,095	254,661,381,910	262,762,734,768	121
122	Stamp Duties	17,192,462,425	12,398,869,904	15,625,814,067	16,122,906,451	122
123	Capital Gains Tax	13,538,706,682	7,258,508,670	9,147,616,497	9,438,622,807	123



1	FISCAL ITEMS	2020 Revised Budget	2021 Proj.	2022 Proj.	2023 Proj.	1
2	Budget Oil Production Volume Net Incremental Oil Production for Repayment Arrears (mbpd)	1.80	1.86	2.09	2.38	2
3	Projected Budget Benchmark Price (US\$ per barrel)	28.00	40.00	40.00	40.00	3
4	Average Exchange Rate (N/US\$)	360.0	379.0	379.0	379.0	4
124	Value-Added Tax	2,190,615,599,087	1,838,346,807,579	1,958,312,755,901	2,028,355,868,636	124
125	Surcharge on Luxury Items	-	-	-	-	125
126	Customs	1,156,771,315,633	1,267,349,611,699	1,479,920,164,986	1,526,999,762,879	126
127	Main Federation Account	1,004,239,295,104	1,132,521,262,419	1,326,909,060,441	1,369,121,030,035	127
128	Import	923,761,997,840	1,031,726,870,063	1,208,814,154,062	1,247,269,258,362	128
129	Excise	78,668,818,674	98,529,349,830	115,441,088,258	119,113,529,613	129
130	Fees	1,808,478,590	2,265,042,525	2,653,818,121	2,738,242,060	130
131	Special levies (Federation Account)	152,532,020,529	134,828,349,280	153,011,104,544	157,878,732,843	131
132	FGN Independent Revenue	932,842,266,640	961,898,590,939	1,054,984,221,846	1,186,634,579,635	132
133	Total Non-Oil Revenue	6,078,846,844,325	5,564,124,246,453	6,379,234,801,696	6,688,006,345,100	133
134	Costs and Deductions	3,300,376,564,340	2,972,821,040,786	3,216,332,095,655	3,423,721,077,031	134
135	FIRS Tax Refunds	25,000,000,000	25,000,000,000	25,000,000,000	25,000,000,000	135
136	4% Collection Cost (CIT, Stamp Duties & Capital Gains)	70,944,706,519	58,861,169,449	74,440,706,359	76,840,645,358	136
137	4% Collection Cost (VAT & Surcharge on Luxury Items)	87,624,623,963	73,533,872,303	78,332,510,236	81,134,234,745	137
138	3% Transfer to North East Development Commission (NEDC) from VAT	63,089,729,254	52,944,388,058	56,399,407,370	58,416,649,017	138
139	0.5% Transfer to Nigerian Police Trust Fund from VAT	10,514,954,876	8,824,064,676	9,399,901,228	9,736,108,169	139
140	Value-Added Tax & Luxury Surcharge Net of Cost of Collection, and transfers to NEDC and Police Trust Fund	2,029,386,290,994	1,703,044,482,541	1,814,180,937,067	1,879,068,876,704	140
141	7% Cost of Collection (Duty, Excise & Fees)	70,296,750,657	79,276,488,369	92,883,634,231	95,838,472,102	141
142	7% Cost of Collection (Spec. Levies -Fed. Acct.)	10,677,241,437	9,437,984,450	10,710,777,318	11,051,511,299	142
143	FGN Independent Revenue	932,842,266,640	961,898,590,939	1,054,984,221,846	1,186,634,579,635	143
144	Net Non-Oil Revenue after Costs & Deductions	2,778,470,279,985	2,591,303,205,667	3,162,902,706,041	3,264,285,268,070	144
145						145
146	NET FEDERATION ACCOUNT (MAIN POOL)	4,893,871,873,398	6,772,107,744,122	7,924,325,630,414	8,686,564,767,883	146
147	Transfer to Police Trust Fund (0.5% of Fed. Acct.)	24,469,359,367	41,867,680,099	45,626,984,186	47,936,840,865	147
148	NET FEDERATION ACCOUNT - MAIN POOL (after 0.5% transfer to Police Trust Fund)	4,869,402,514,031	6,730,240,064,023	7,878,698,646,228	8,638,627,927,018	148
149	Net Oil Revenue after Costs, Deductions & Derivation	2,090,239,792,299	4,146,428,644,688	4,725,599,251,051	5,384,051,762,356	149
150	Dividend Payment (NLNG)					150
151	Net Solid Minerals Revenue after Derivation	3,908,604,642	5,464,729,697	6,011,202,666	6,612,322,933	151
152	Net Corporate Tax Distributable	1,694,159,591,664	1,405,604,726,453	1,777,644,067,841	1,834,954,611,150	152
153	Net Customs Revenue Distributable	929,272,831,724	1,047,978,550,179	1,227,855,299,079	1,266,916,145,143	153
154	Net Special Levies Distributable	141,145,505,197	124,763,413,007	141,588,825,590	146,093,085,436	154
155	Actual Balances in Special Accounts	10,676,188,505	-	-	-	155

	FISCAL ITEMS	2020 Revised Budget	2021 Proj.	2022 Proj.	2023 Proj.	
2	Budget Oil Production Volume Net Incremental Oil Production for Repayment Arrears (mbpd)	1.80	1.86	2.09	2.38	2
3	Projected Budget Benchmark Price (US\$ per barrel)	28.00	40.00	40.00	40.00	3
4	Average Exchange Rate (N/US\$)	360.0	379.0	379.0	379.0	4
164	<b>Distribution</b>					
165	FGN's Share of Federation Account (52.68%)	2,565,201,244,392	3,545,490,465,727	4,150,498,446,833	4,550,829,191,953	164
166	States' Share of Federation Account (26.72%)	1,301,104,351,749	1,798,320,145,107	2,105,188,278,272	2,308,241,382,099	165
167	Local Govt.'s Share of Federation Account (20.60%)	1,003,096,917,890	1,386,429,453,189	1,623,011,921,123	1,779,557,352,966	166
168	<b>Total Federation Account Distribution (Net) (100.00%)</b>	<b>4,869,402,514,031</b>	<b>6,730,240,064,023</b>	<b>7,878,698,646,228</b>	<b>8,638,627,927,018</b>	167
169						168
170	<b>NET VAT POOL ACCOUNT DISTRIBUTABLE</b>	<b>2,029,386,290,994</b>	<b>1,703,044,482,541</b>	<b>1,814,180,937,067</b>	<b>1,879,068,876,704</b>	169
171						170
172	FGN's Share of VAT Pool Account (15%)	304,407,943,649	255,456,672,381	272,127,140,560	281,860,331,506	171
173	States' Share of VAT Pool Account (50%)	1,014,693,145,497	851,522,241,271	907,090,468,533	939,534,438,352	172
174	Local Govt.'s Share of VAT Pool Account (35%)	710,285,201,848	596,065,568,889	634,963,327,973	657,674,106,846	173
175	<b>Total VAT Pool Account Distribution (Net) (100.00%)</b>	<b>2,029,386,290,994</b>	<b>1,703,044,482,541</b>	<b>1,814,180,937,067</b>	<b>1,879,068,876,704</b>	174
176						175
188	<b>TOTAL STATES</b>	<b>2,315,797,497,246</b>	<b>2,649,842,386,378</b>	<b>3,012,278,746,806</b>	<b>3,247,775,820,451</b>	176
189	States' Share of Federation Account (26.72%)	1,301,104,351,749	1,798,320,145,107	2,105,188,278,272	2,308,241,382,099	188
190	States' Share of VAT Pool Account (50%)	1,014,693,145,497	851,522,241,271	907,090,468,533	939,534,438,352	189
191						190
194	<b>TOTAL LGCs</b>	<b>1,713,382,119,738</b>	<b>1,982,495,022,078</b>	<b>2,257,975,249,096</b>	<b>2,437,231,459,812</b>	191
195	Local Govt.'s Share of Federation Account (20.60%)	1,003,096,917,890	1,386,429,453,189	1,623,011,921,123	1,779,557,352,966	194
196	Local Govt.'s Share of VAT Pool Account (35%)	710,285,201,848	596,065,568,889	634,963,327,973	657,674,106,846	195
197						196
202	<b>REDISTRIBUTE FGN'S SHARE OF FED. ACCT</b>					197
203	Gross FGN's Share of Federation Account (52.68%)	2,565,201,244,392	3,545,490,465,727	4,150,498,446,833	4,550,829,191,953	202
204	<b>Deductions</b>	<b>203,541,025,087</b>	<b>281,324,034,676</b>	<b>329,329,603,412</b>	<b>361,094,647,349</b>	203
205	FCT 1%	48,694,025,140	67,302,400,640	78,786,986,462	86,386,279,270	204
206	Ecology and Derivation 1%	48,694,025,140	67,302,400,640	78,786,986,462	86,386,279,270	205
207	Statutory stabilisation 0.5%	24,347,012,570	33,651,200,320	39,393,493,231	43,193,139,635	206
208	Development of Natural Resources 1.68%	81,805,962,236	113,068,033,076	132,362,137,257	145,128,949,174	207
209	<b>Net FGN's Share of Federation Account (48.5%)</b>	<b>2,361,660,219,305</b>	<b>3,264,166,431,051</b>	<b>3,821,168,843,421</b>	<b>4,189,734,544,604</b>	208
210	Net Ecology and Derivation (after 10% Transfer to NEDC)	43,824,622,626	60,572,160,576	70,908,287,816	77,747,651,343	209
211						210
212	<b>REDISTRIBUTE FGN'S SHARE OF VAT</b>					211
213	Gross FGN's Share of VAT (15%)	304,407,943,649	255,456,672,381	272,127,140,560	281,860,331,506	212
214	<b>Deductions</b>					213
215	FCT 1%	20,293,862,910	17,030,444,825	18,141,809,371	18,790,688,767	214
216	<b>Net FGN's Share of VAT Pool Account (14%)</b>	<b>284,114,080,739</b>	<b>238,426,227,556</b>	<b>253,985,331,189</b>	<b>263,069,642,739</b>	215
217	<b>AMOUNT AVAILABLE FOR FGN BUDGET (excluding GOEs retained revenue)</b>	<b>5,365,422,722,620</b>	<b>6,537,575,467,981</b>	<b>6,450,323,113,013</b>	<b>6,907,546,497,855</b>	216
218	a Share of Oil Revenue	1,013,766,299,265	2,011,017,892,674	2,291,915,636,760	2,611,265,104,742	217
219	b Share of Dividend (NLNG)	80,377,200,000	208,540,960,000	173,165,100,000	178,463,520,000	218
						219

1	FISCAL ITEMS		2020 Revised Budget	2021 Proj.	2022 Proj.	2023 Proj.	1
2	Budget Oil Production Volume Net Incremental Oil Production for Repayment Arrears (mbpd)		1.80	1.86	2.09	2.38	2
3	Projected Budget Benchmark Price (US\$ per barrel)		28.00	40.00	40.00	40.00	3
4	Average Exchange Rate (N/US\$)		360.0	379.0	379.0	379.0	4
220	c	Share of Minerals & Mining	1,895,673,251	2,650,393,903	2,915,433,293	3,206,976,622	220
221	d	Share of Non-Oil	1,624,934,376,103	1,488,924,372,031	1,780,323,104,557	1,838,332,105,977	221
222		Share of CIT	821,667,401,957	681,718,292,330	862,157,372,903	889,952,986,408	222
223		Share of VAT	284,114,080,739	238,426,227,556	253,985,331,189	263,069,642,739	223
224		Share of Customs	450,697,323,386	508,269,596,837	595,509,820,054	614,454,330,394	224
225		Share of Federation Acct. Levies	68,455,570,020	60,510,255,308	68,670,580,411	70,855,146,437	225
226	e	Revenue from GOEs	990,113,888,722	2,173,860,133,098	2,377,065,648,677	2,471,678,354,010	226
227	f	GOEs Operating Surplus (80% of which is captured in Independent Revenue)	(520,531,126,098)	(825,023,025,138)	(902,637,079,581)	(979,770,761,775)	227
228	g	Independent Revenue	932,842,266,640	961,898,590,939	1,054,984,221,846	1,186,634,579,635	228
229	h	Transfers from Special Levies Accounts	300,000,000,000	300,000,000,000	300,000,000,000	300,000,000,000	229
230	i	Transfers from Special Accounts	345,000,000,000				230
244	j	Signature Bonus / Renewals / Early Renewals	350,521,054,200	677,015,511,478	35,876,085,192		244
246	k	Domestic Recoveries + Assets + Fines	237,012,653,161	32,675,085,307	26,933,139,822	33,587,644,833	246
252	l	Stamp Duty	200,000,000,000	500,000,000,000	500,000,000,000	500,000,000,000	252
254	n	Grants and Donor Funding	42,703,200,000	354,852,661,650	284,210,391,544	256,056,566,044	254
255	o	Transfers from Special Accounts for COVID-19 Intervention Across the Federation	186,370,000,000				255
256	p	Grants and Donations for COVID-19 Crisis Intervention Fund	50,000,000,000				256
258	<b>AMOUNT AVAILABLE FOR FGN BUDGET (including GOEs)</b>		<b>5,835,005,485,245</b>	<b>7,886,412,575,941</b>	<b>7,924,751,682,109</b>	<b>8,399,454,090,089</b>	258
259							259
260	<b>TOTAL FEDERAL GOVERNMENT EXPENDITURE</b>		<b>10,810,548,872,072</b>	<b>13,082,420,568,233</b>	<b>13,330,929,429,771</b>	<b>13,422,438,477,761</b>	260
261	<b>STATUTORY TRANSFER</b>		<b>428,032,186,792</b>	<b>484,488,471,273</b>	<b>517,570,933,434</b>	<b>539,425,100,557</b>	261
262	a	NDDC (15% NDDC States Share of Federation Account)	45,947,397,566	63,506,151,945	74,342,940,013	81,513,588,298	262
264	b	NEDC (10% of North East States' Share of FAAC)	21,761,560,225	29,704,539,570	34,773,368,182	38,127,386,639	264
267	c	National Judicial Council	110,000,000,000	110,000,000,000	110,000,000,000	110,000,000,000	267
270	d	Universal Basic Education Commission (2% of CRF)	52,915,486,001	70,051,853,172	81,503,083,492	89,056,083,747	270
273	e	Independent National Electoral Commission	36,000,000,000	40,000,000,000	40,000,000,000	40,000,000,000	273
276	f	National Assembly	128,000,000,000	128,000,000,000	128,000,000,000	128,000,000,000	276
279	g	Public Complaint Commission	4,700,000,000	5,200,000,000	5,200,000,000	5,200,000,000	279
282	h	Human Rights Commission	2,250,000,000	3,000,000,000	3,000,000,000	3,000,000,000	282
285	i	Basic Health Care Fund (1% of CRF)	26,457,743,000	35,025,926,586	40,751,541,746	44,528,041,873	285
288	<b>Sub-Total (Statutory Transfers)</b>		<b>428,032,186,792</b>	<b>484,488,471,273</b>	<b>517,570,933,434</b>	<b>539,425,100,557</b>	288
289	<b>of which: Capital Expenditure in Statutory Transfers (%)</b>		<b>45.97%</b>	<b>50.97%</b>	<b>53.82%</b>	<b>55.52%</b>	289
290							290

FISCAL ITEMS		2020 Revised Budget	2021 Proj.	2022 Proj.	2023 Proj.	
2	Budget Oil Production Volume Net Incremental Oil Production for Repayment Arrears (mbpd)	1.80	1.86	-2.09	2.38	2
3	Projected Budget Benchmark Price (US\$ per barrel)	28.00	40.00	40.00	40.00	3
4	Average Exchange Rate (N/US\$)	360.0	379.0	379.0	379.0	4
291	<b>DEBT SERVICE</b>					
292	a Service on Domestic Debt	2,678,810,000,000	3,124,380,000,000	3,496,510,000,000	3,496,510,000,000	291
293	b Service on Foreign Debt	1,873,340,000,000	2,183,490,000,000	2,379,490,000,000	2,379,490,000,000	292
295	<b>Sub-Total</b>	805,470,000,000	940,890,000,000	1,117,020,000,000	1,117,020,000,000	293
296		2,678,810,000,000	3,124,380,000,000	3,496,510,000,000	3,496,510,000,000	295
297	<b>SINKING FUND</b>					
298	a Sinking Fund to retire maturing bond to Local Contractors	272,900,000,000	220,000,000,000	286,670,000,000	286,670,000,000	297
299	<b>Sub-Total</b>	272,900,000,000	220,000,000,000	286,670,000,000	286,670,000,000	298
300	<b>RECURRENT (NON-DEBT)</b>					
301	a Personnel Costs (MDAs)	4,942,269,251,935	5,669,572,137,889	5,925,973,889,898	6,106,155,964,810	300
302	b Personnel Costs (GOEs)	2,827,648,399,908	3,063,825,348,605	3,145,476,080,058	3,239,840,362,459	301
303	c Overheads (MDAs)	218,805,923,102	701,162,016,535	745,547,741,391	784,918,705,581	302
304	d Overheads (GOEs)	243,178,783,662	313,120,076,635	302,426,076,635	302,426,076,635	303
306	e Pensions, Gratuities & Retirees Benefits	89,606,753,712	312,081,710,125	332,949,169,853	354,254,491,131	304
308	f Other Service Wide Votes (including GAVI/Immunization)	536,717,450,127	520,691,130,679	569,403,542,840	586,485,649,125	306
309	g Other Service Wide Votes (COVID-19 Crisis Intervention Fund- Recurrent)	397,334,060,757	343,691,855,311	415,171,279,123	423,230,679,878	308
310	h Presidential Amnesty Programme	213,977,880,667				309
315	<b>Sub-Total</b>	65,000,000,000	65,000,000,000	65,000,000,000	65,000,000,000	310
316		4,942,269,251,935	5,669,572,137,889	5,925,973,889,898	6,106,155,964,810	315
317	<b>SPECIAL INTERVENTIONS (Recurrent)</b>					
318	<b>Sub-Total</b>	350,000,000,000	350,000,000,000	350,000,000,000	350,000,000,000	317
324		350,000,000,000	350,000,000,000	350,000,000,000	350,000,000,000	318
325	<b>AGGREGATE CAPITAL EXPENDITURE</b>					
327	a Capital Supplementation	2,685,307,684,387	3,830,901,948,697	3,382,777,654,436	3,293,160,502,483	324
328	b Capital Expenditure in Statutory Transfers	261,354,210,000	375,616,592,273	234,196,000,000	234,196,000,000	325
329	c Special Intervention Programme (Capital)	196,770,251,042	246,921,989,627	278,573,047,997	299,483,090,089	327
330	d Amount Available for MDAs Capital Expenditure (Including N100bn reallocation of existing capital for COVID-19)	-20,000,000,000	20,000,000,000	30,000,000,000	30,000,000,000	328
333	e COVID-19 Crisis Intervention Fund- Incremental Capital	1,349,989,018,202	1,788,231,607,122	1,559,237,316,023	1,637,199,181,825	329
334	f COVID-19 Intervention Across the Federation	99,652,119,333				330
335	g Top 10 GOEs Capital Expenditure	186,370,000,000				333
336	h Grants and Donor Funded Projects	141,170,085,810	335,593,381,300	395,931,657,853	352,734,395,522	334
337	i Multi-lateral / Bi-lateral Project-tied Loans	42,703,200,000	354,852,661,650	284,210,391,544	256,056,566,044	335
339	<b>Capital Expenditure (Exclusive of Transfers)</b>	387,298,800,000	709,685,716,725	600,629,241,019	483,491,269,004	336
340		2,483,537,433,345	3,583,979,959,070	3,104,204,606,439	2,993,677,412,394	337
341	<b>TOTAL FCN BUDGET (Excluding GOEs &amp; Project-tied Loans)</b>					
342	<b>TOTAL FCN BUDGET (Including GOEs &amp; Project-tied Loans)</b>	9,973,667,309,448	11,023,897,743,548	11,255,871,619,656	11,447,039,616,523	340
343	<b>Fiscal Deficit (excluding GOEs and Project-tied Loans)</b>	10,810,548,872,072	13,082,420,568,233	13,330,929,429,771	13,422,438,477,761	341
344	<b>Total Fiscal Deficit (including GOEs and Project-tied Loans)</b>	(4,608,244,586,828)	(4,486,322,275,567)	(4,805,548,506,643)	(4,539,493,118,668)	342
		(4,075,543,386,878)	(5,186,007,002,707)	(5,406,177,747,663)	(5,077,084,387,673)	343

1	FISCAL ITEMS	2020 Revised Budget	2021 Proj.	2022 Proj.	2023 Proj.	1
2	Budget Oil Production Volume Net Incremental Oil Production for Repayment Arrears (mbpd)	1.80	1.86	2.09	2.38	2
3	Projected Budget Benchmark Price (US\$ per barrel)	28.00	40.00	40.00	40.00	3
4	Average Exchange Rate (N/US\$)	360.0	379.0	379.0	379.0	4
385	Unfunded Deficit	-	-	-	-	385
386		-	-	-	-	386
387	<b>MEMORANDUM ITEMS</b>					387
388	<b>SPECIAL TRANSFERS FOR TARGETED AGENCIES NET OF COSTS</b>					388
389	Education Tax Net of Cost of Collection	272,281,613,975	317,752,643,509	370,817,334,975	459,240,636,401	389
390	Transfer of Levies Acct to CBN for Beneficiaries Net of Cost of Coll:	223,994,037,829	197,996,107,731	224,697,575,110	231,845,711,701	390
391	7% Port Devt. Levy - NPA, Raw Materials, Shippers, NEXIM	67,381,122,994	59,560,514,274	67,592,758,681	69,743,036,767	391
392	5% Sugar Levy : Nat. Sugar Devt. Council	11,427,941,723	10,101,554,499	11,463,835,460	11,828,525,919	392
393	1% Com. Import Sup. Scheme (CISS): Service Providers	88,633,874,984	78,346,559,712	88,912,262,909	91,740,762,503	393
394	0.50% Ecowas Trade Lib Sch. (ETLS): ECOWAS Sec.	46,360,515,483	40,979,669,401	46,506,128,069	47,985,592,881	394
395	Cement Levy	980,383,722	866,595,213	983,462,985	1,014,749,160	395
396	10% Steel	918,815,779	812,173,171	921,701,665	951,023,073	396
397	35% Nat. Automative Council	5,817,268,303	5,142,085,444	5,835,539,615	6,021,181,290	397
398	1% Nigerian Export Supervision Scheme (NESS)	2,474,114,840	2,186,956,015	2,481,885,726	2,560,840,108	398
399	Transfer of Nat. Information Tech. Devt. Fund Net of Cost of Collection	15,498,315,859	18,086,534,607	21,106,985,886	21,797,559,351	399
400	Transfer to North East Development Commission	89,720,691,992	89,379,167,693	99,051,474,198	105,182,663,582	400
401	3% VAT Net Cost of Collection	63,089,729,254	52,944,388,058	56,399,407,370	58,416,649,017	401
402	FGN's Contribution (10% of North East States' Share of FAAC)	21,761,560,225	29,704,539,570	34,773,368,182	38,127,386,639	402
403	10% of Ecology and Derivation transferred to NEDC	4,869,402,514	6,730,240,064	7,878,698,646	8,638,627,927	403
404	<b>Total Transfers to Nigeria Police Trust Fund</b>	<b>35,278,961,992</b>	<b>42,930,748,707</b>	<b>49,331,736,752</b>	<b>53,489,007,776</b>	404
405	0.5% Federation Account Transfer to Nigeria Police Trust Fund	34,984,314,243	42,684,603,397	49,021,529,380	53,168,932,009	405
406	0.005% of Net Companies Profit Transfer to Nigeria Police Trust Fund	294,647,749	246,145,310	310,207,371	320,075,767	406
407	<b>Grants &amp; Aids for Technical/Donor Assistance</b>	<b>42,703,200,000</b>	<b>354,852,661,650</b>	<b>284,210,391,544</b>	<b>256,056,566,044</b>	407
408	NNPC's Share of Incremental JV Funding	172,062,243,955	214,642,289,315	-	-	408
409	Govt Equity Share of Alternative Funded JV Projects	172,062,243,955	214,642,289,315	-	-	409
410	Gas Infrastructure Dev. (US\$120 million) (Alt. Funding)	-	-	-	-	410
411	Transfer to NLNG Special Account	80,377,200,000	208,540,960,000	173,165,100,000	178,463,520,000	411
417	Transfer to FIRS & NCS for Costs of Collection, NDDC Share of ECA	332,739,433,623	330,807,509,730	379,962,436,767	397,737,472,449	417
418	<b>FIRS</b>	<b>188,958,277,675</b>	<b>163,683,943,126</b>	<b>185,112,364,498</b>	<b>191,883,148,255</b>	418
419	FIRS Tax Refunds	25,000,000,000	25,000,000,000	25,000,000,000	25,000,000,000	419
420	4% Cost of Collection (CIT, Stamp Duties, etc)	70,944,706,519	58,861,169,449	74,440,706,359	76,840,645,358	420
421	4% Cost of Collection (VAT)	87,624,623,963	73,533,872,303	78,332,510,236	81,134,234,745	421
422	4% Cost of Collection (Amnesty Tax Income)	-	-	-	-	422
423	4% Cost of Collection (Education Tax & NITDF)	5,388,947,193	6,288,901,374	7,339,147,903	8,908,268,152	423
424	<b>NCS</b>	<b>97,833,758,382</b>	<b>103,617,405,659</b>	<b>120,507,132,256</b>	<b>124,340,735,895</b>	424
425	7% Cost of Collection (Duty, Excise & Fees)	70,296,750,657	79,276,488,369	92,883,634,231	95,838,472,102	425

1	FISCAL ITEMS	2020 Revised Budget	2021 Proj.	2022 Proj.	2023 Proj.	1
2	Budget Oil Production Volume Net Incremental Oil Production for Repayment Arrears (mbpd)	1.80	1.86	2.09	2.38	2
3	Projected Budget Benchmark Price (US\$ per barrel)	28.00	40.00	40.00	40.00	3
4	Average Exchange Rate (N/US\$)	360.0	379.0	379.0	379.0	4
426	7% Cost of Collection (Spec. Levies -Fed. Acct.)	10,677,241,437	9,437,984,450	10,710,777,318	11,051,511,299	426
427	7% Cost of Coll. (Spec. Levies - Non-Fed. Acct.)	16,859,766,288	14,902,932,840	16,912,720,707	17,450,752,494	427
428	Additional Funding from CISS Account	-	-	-	-	428
429	NDDC	45,947,397,566	63,506,151,945	74,342,940,013	81,513,588,298	429
430	15% NDDC States Share of Federation Account	45,947,397,566	63,506,151,945	74,342,940,013	81,513,588,298	430
432	UBEC	-	-	-	-	432
433	Universal Basic Education Commission (2% of CRF)	-	-	-	-	433
435	STATES AND LGCs SHARE OF FAAC, VAT POOL, SIGNATURE BONUS E	4,029,179,616,985	4,632,337,408,456	5,270,253,995,902	5,685,007,280,263	435
436	STATES	2,315,797,497,246	2,649,842,386,378	3,012,278,746,806	3,247,775,820,451	436
437	States' Share of Federation Account	1,301,104,351,749	1,798,320,145,107	2,105,188,278,272	2,308,241,382,099	437
438	States' Share of VAT Pool Account	1,014,693,145,497	851,522,241,271	907,090,468,533	939,534,438,352	438
439	States' Share of Stabilisation (ECA)	-	-	-	-	439
440	States' Share of Amnesty Tax Income	-	-	-	-	440
441	States' Share of Signature Bonus	-	-	-	-	441
442	States' share of Proceeds from JV Assets transfer to NPDC	-	-	-	-	442
443	LOCAL GOVERNMENT COUNCILS	1,713,382,119,738	1,982,495,022,078	2,257,975,249,096	2,437,231,459,812	443
444	Local Govt.'s Share of Federation Account	1,003,096,917,890	1,386,429,453,189	1,623,011,921,123	1,779,557,352,966	444
445	Local Govt.'s Share of VAT Pool Account	710,285,201,848	596,065,568,889	634,963,327,973	657,674,106,846	445
446	Local Govt.'s Share of Stabilisation (ECA)	-	-	-	-	446
447	Local Govt.'s Share of Signature Bonus	-	-	-	-	447
448	Share of Proceeds from JV Assets transfer to NPDC	-	-	-	-	448
449	<b>TOTAL MEMORANDUM ITEMS</b>	<b>5,108,950,217,393</b>	<b>6,081,843,962,373</b>	<b>6,562,575,332,466</b>	<b>7,060,330,185,420</b>	<b>449</b>

\* Relates to oil production volumes, the proceeds of which will be applied to repay the arrears of JV Cash Calls, and hence not available for sale to fund the budget.

1	FISCAL ITEMS				1	
		2020 Revised Budget	2021 Proj.	2022 Proj.	2023 Proj.	
2	Budget Oil Production Volume Net Incremental Oil Production for Repayment Arrears (mbpd)	1.80	1.86	2.09	2.38	2
3	Projected Budget Benchmark Price (US\$ per barrel)	28.00	40.00	40.00	40.00	3
4	Average Exchange Rate (N/US\$)	360.0	379.0	379.0	379.0	4
345	GDP	139,517,515,936,044	142,694,417,135,112	146,794,565,467,177	151,464,431,638,719	345
346	DEFICIT/GDP (excluding GOEs and Project-tied Loans)	(3.30%)	(3.14%)	(3.27%)	(3.00%)	346
347	DEFICIT/GDP (including GOEs and Project-tied Loans)	(3.57%)	(3.64%)	(3.68%)	(3.32%)	347
348						348
349	<b>TOTAL FGN EXPENDITURE</b>					349
350	Total Non-Debt Expenditure	10,810,548,872,072	13,082,420,568,233	13,330,929,429,771	13,422,438,477,761	350
351	Capital Expenditure as % of Non-Debt Expenditure	7,858,838,872,072	9,738,040,568,233	9,547,749,429,771	9,639,258,477,761	351
352	Capital Expenditure as % of total FGN Expenditure	34%	39%	35%	34%	352
353	Capital Expenditure (Inclusive of Transfers, but exclusive of GOEs Capital & Project-tied loans) as % of FGN Expenditure	25%	29%	25%	25%	353
354	Recurrent Expenditure as % of total FGN Exp (incl. GOEs + Project-tied Loans)	22%	25%	21%	21%	354
355	Debt Service to Revenue Ratio (incl. GOEs + Project-tied Loans)	75%	71%	75%	75%	355
356	Deficit as % of FGN Revenue (incl. GOEs + Project-tied Loans)	46%	40%	44%	42%	356
357		85%	66%	68%	60%	357
358	<b>ADDITIONAL FINANCING</b>					358
359	a Sales of Government Property	-	-	-	-	359
360	b Privatization Proceeds	-	-	-	-	360
361	c Non-Oil Asset Sales	126,041,863,844	205,153,707,813	83,562,450,000	164,933,750,000	361
364	d Multi-lateral / Bi-lateral Project-tied Loans	-	-	-	-	364
365	f Borrowing from Special Accounts	387,298,800,000	709,685,716,725	600,629,241,019	483,491,269,004	365
366	g New Borrowings	263,630,000,000				366
367	Domestic Borrowing	4,198,572,722,984	4,281,168,567,753	4,721,986,056,643	4,374,559,368,668	367
368	Foreign Borrowing	2,213,892,722,984	2,140,584,283,877	2,360,993,028,321	2,187,279,684,334	368
382	Sub-Total	1,984,680,000,000	2,140,584,283,877	2,360,993,028,321	2,187,279,684,334	382
383		4,975,543,386,828	5,196,007,992,222	5,406,177,747,662	5,022,984,387,672	383
384	<b>Grand-Total (Revenue + Financing)</b>	10,810,548,872,072	13,082,420,568,233	13,330,929,429,771	13,422,438,477,761	384