



PUBLIC PRESENTATION OF APPROVED 2022 FGN BUDGET – *BREAKDOWN & HIGHLIGHTS*

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5th January, 2021

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INTRODUCTION & BACKGROUND

INTRODUCTION & BACKGROUND



- Mr. President signed the FGN 2022 Appropriation Bill into law on 31st December, 2021 having laid the proposal before the National Assembly on October 7, 2021. The President had similarly assented to the 2021 Budget on 31st December 2020.
- This underscores the Administration's firm commitment to sustaining the return to a predictable January – December fiscal year since 2020, as well enacting annual Finance Acts to facilitate budget implementation.
- A supplementary budget of N982.73bn was also passed by the NASS on the 7th of July, 2021, and Mr. President assented to it on the 26th of July, 2021 bringing the total appropriated expenditure for 2021 to N14.57 trillion.

INTRODUCTION & BACKGROUND



- The 2022 Appropriation Bill was signed into law to enable its implementation to commence on 1st January 2022.
- As directed by Mr. President, the Executive will submit amendment and/or virement request as soon as National Assembly resumes to mitigate the possible impact of some changes made by the National Assembly to the 2022 Executive Budget proposal.
- The effective implementation of the 2022 Budget is very critical for delivering Government's legacy projects, promoting social inclusion and strengthening the resilience of the economy

INTRODUCTION & BACKGROUND .../2



- Nigeria posted its fourth consecutive quarterly economic growth in Q3 2021, since the resumption of growth in Q4 2020 and recovery from the deepest economic recession recorded in 2020.
- Real GDP grew by a record 5.01% in Q2 2021, one of the best recorded by any nation across Sub-Saharan Africa. In fact, the highest growth recorded by the economy since 2014.
- Recovery was sustained by a 4.03% growth recorded in the Q3 2021, fuelled by the implementation of government's Economic Sustainability Plan (ESP) and the easing of COVID-19 induced restrictions on economic activities.



- Growth in the non-oil sector has shown greater resilience recording 5.44% in real terms during the reference quarter (Q3 2021). The growth recorded in the non-oil sector was mainly driven by trade, Information and Communication (Telecommunication).
- Other drivers include Financial and Insurance (Financial Institutions); Manufacturing (Food, Beverage & Tobacco); Agriculture (Crop Production); and Transportation and Storage (Road Transport).
- In real terms, the non-oil sector contributed 92.51% to GDP in Q3 2021, higher from the share recorded in the Q3 2020 which was 91.27%



- Nigeria's inflation rate has sustained its decline. Inflation dropped further in the month of November 2021 to 15.40% from a four-year high of 18.17% in March 2021.
- Urban inflation rate increased by 15.92% (year-on-year) in November 2021 from 15.47% in November 2020, while the rural inflation rate increased by 14.89% in November 2021 from 14.33% in November 2020.
- The downward trend is expected to continue through the end of the year.
- NBS' Q4 2020 estimates put unemployment at 33% and underemployment rate at 22.84%. High unemployment/underemployment rates have implications for poverty incidence in the population.

OVERVIEW OF 2021 FISCAL OUTCOMES & UPDATE ON 2021 BUDGET IMPLEMENTATION

**PROVISIONAL*

OVERVIEW OF 2021 FISCAL OUTCOMES



2021 Budget Parameters Performance

- The performance of key budget parameters are as shown in the table below

Description	2021 Budget	Nov 2021 Actual
Oil Price Benchmark (US\$/b)	40.0	*79.31
Oil Production (mbpd)	1.86	^^1.56
Exchange Rate (N/\$)	^379	**410.15
Inflation (%)	11.95	+15.40
GDP Growth Rate (%)	`3.0	`4.03

- Source: OPEC, NNPC, CBN, FMFBNP, NBS, BOF

*Average price of Nigerian crude for up to December, 2021.

^^Average production as at Oct, inclusive of production for repayment of cash call arrears and condensates of about 77kbpd.

** Exchange rate as at November, 2021

+ Inflation rate as at Nov, 2021.

`Revised GDP growth rate 2021 is 2.5%; ``Q3 2021 GDP growth rate.

UPDATE ON 2021 BUDGET IMPLEMENTATION (JAN – NOV)



Revenue Performance

- The fiscal numbers are preliminary and will be updated as the reconciliation process is concluded.
- As at November 2021, FGN's aggregate revenue was N5.51 trillion, 74% of target:
 - FGN share of oil revenues was **N970.3 billion** (representing **53%** performance of the prorated sum in the 2021 budget).
 - FGN share of non-oil tax revenues totalled **N1.62 trillion** (**118.8% over and above the target**).
 - Companies Income Tax (CIT) and Value Added Tax (VAT) collections were **N718.58 billion** and **N360.56 billion**, representing **115%** and **165%** respectively of the prorata targets for the period.
 - Customs collections was **N542.11 billion** (**104% of the target**).
- Other revenues amounted to **N2.80 trillion**, of which FGN Independent revenues was **N1.10 trillion** while GOEs' retained revenues was **N1.20 trillion**.

UPDATE ON 2021 BUDGET IMPLEMENTATION (JAN – NOV) .../2



Revenue Performance

		2021 Budget +Suppl. Budget	Pro Rata (Jan-Nov)	Actual (Jan-Nov)	Variance	
		Billions of Naira			Billions of Naira	%
S/N	AGGREGATE FEDERAL GOVERNMENT REVENUE	8,121.41	7,444.63	5,509.85	(1,934.78)	-26.0%
	FEDERAL RETAINED REVENUES (excl. GOEs)	6,772.58	6,208.19	4,308.76	(1,899.43)	-30.6%
A						
1	Oil Revenue	2,011.02	1,843.43	970.33	(873.11)	-47.4%
2	Share of Dividend (NLNG)	208.54	191.16	117.31	(73.86)	-38.6%
3	Minerals & Mining Revenue	2.65	2.43	3.15	0.72	29.6%
4	Non-Oil Revenue:	1,488.92	1,364.85	1,621.24	256.40	18.8%
i	CIT	681.72	624.91	718.58	93.67	15.0%
ii	VAT	238.43	218.56	360.56	142.00	65.0%
iv	Customs Revenues	508.27	465.91	503.75	37.83	8.1%
v	Federation Account Levies	60.51	55.47	38.36	(17.11)	-30.8%
B		4,410.28	4,042.76	2,797.83	(1,244.93)	-30.8%
1	FGN Independent Revenue	1,061.90	973.41	1,103.60	130.19	13.4%
2	FGN Drawdowns from Special Accounts/Levies	435.00	398.75	98.00	(300.75)	-75.4%
3	Signature Bonus / Renewals / Early Renewals	677.02	620.60	381.27	(239.33)	-38.6%
4	Domestic Recoveries + Assets + Fines*	32.68	29.95	-	(29.95)	-100.0%
5	Electronic Money Transfer Levy (formerly Stamp Duty)*	500.00	458.33	13.87	(444.46)	-97.0%
6	Grants and Donor Funding	354.85	325.28		(325.28)	-100.0%
7	GOEs Retained Revenue	1,348.84	1,236.43	1,201.09	(35.34)	-2.9%



Expenditure Performance

- On the expenditure side, **N12.56 trillion** (or 94.1%) has been spent out of the **N13.57 trillion** prorata budget. This performance is inclusive of expenditure estimates of the GOEs but exclusive of Project-tied Loans.
- Of the expenditure,
 - **N4.20 trillion** was for debt service, and
 - **N3.02 trillion** for Personnel cost, including Pensions.
- As at November 2021, **N3.40 trillion** had been expended for capital. Of this, N2.98 trillion represents 83% of the provision for MDAs' capital, N369.9 billion for Multi-lateral / Bilateral Project-tied loans, and N49.52 billion as GOEs capital expenditure.

UPDATE ON 2021 BUDGET IMPLEMENTATION (JAN – NOV) .../4



Expenditure Performance

	Fiscal Items	2021 Budget +Suppl. Budget	Pro Rata (Jan-Nov)	Actual (Jan-Nov)	Variance	
		Billions of Naira			Billions of Naira	%
S/N	AGGREGATE FGN EXPENDITURE	14,570.76	13,356.53	12,562.25	794.28	-5.9%
	FGN EXPENDITURE (excl. GOEs and Project-tied Loans)	12,512.23	11,469.55	11,781.02	(311.47)	2.7%
A	Statutory Transfers	496.53	455.15	455.15	0.00	0.0%
B	Recurrent Expenditure	9,089.68	8,332.21	8,706.58	(374.37)	4.5%
1	Non-Debt Recurrent Expenditure	5,765.30	5,284.86	4,505.23	779.63	-14.8%
	Non-Debt Recurrent Expenditure (excl. GOEs)	4,752.06	4,356.05	4,143.44	212.62	-4.9%
i	Personnel Costs (MDAs)	3,046.46	2,792.59	2,792.59	(0.00)	0.0%
ii	Personnel Costs (GOEs)	701.16	642.73	224.00	418.73	-65.1%
iii	Pensions & Gratuities including Service wide pension	504.19	462.18	326.53	135.65	-29.4%
iv	Overheads (MDAs)	382.58	350.70	350.70	(0.00)	0.0%
v	Overheads (GOEs)	312.08	286.07	137.79	148.28	-51.8%
vi	Other Service Wide Votes	403.82	370.17	359.69	10.48	-2.8%
vii	Presidential Amnesty	65.00	59.58	54.17	5.41	-9.1%
viii	Special Intervention Programme	350.00	320.83	259.76	61.07	-19.0%
2	Debt Service	3,324.38	3,047.35	4,201.35	(1,154.00)	37.9%
i	Domestic Debt	2,183.49	2,001.53	2,200.30	(198.76)	9.9%
ii	Foreign Debt	940.89	862.48	885.01	(22.53)	2.6%
iii	Sinking Fund	200.00	183.33	0.60	182.74	-99.7%
iv	Interest on Ways & Means		-	1,115.45	(1,115.45)	
C	Aggregate Capital Expenditure	4,984.55	4,569.17	3,400.52	1,168.65	-25.6%
	Capital Expenditure (MDAs + Others)	3,939.27	3,611.00	2,981.08	629.92	-17.4%
	GOEs Capital Expenditure	335.59	307.63	49.52	258.11	-83.9%
	Multi-lateral/Bilateral Project-tied loans	709.69	650.55	369.93	280.62	-43.1%

UPDATE ON 2021 BUDGET IMPLEMENTATION (JAN – NOV) .../5

Deficit and Deficit Financing



	Fiscal Items	2021 Budget +Suppl. Budget	Pro Rata (Jan-Nov)	Actual (Jan-Nov)	Variance
		Billions of Naira			Billions of Naira
	FISCAL BALANCE	(6,449.35)	(5,911.90)	(7,052.40)	1,140.50
			-		-
	FINANCING ITEMS	6,449.35	5,911.90	7,052.40	(1,140.50)
	Sales of Government Property		-		-
	Privatisation Proceeds	205.15	188.06		188.06
	Multi-lateral / Bilateral Project-tied Loans	709.69	650.55	369.93	280.62
	Restructured Loans	39.63			
	Foreign Aid / Grant (in Cash)	6.00			
	New Borrowings	5,488.88	5,031.47	6,682.47	(1,651.00)
	Domestic Borrowing (including CBN)	2,744.44	2,515.74	5,058.87	(2,543.13)
	Foreign Borrowing	2,744.44	2,515.74	1,623.60	892.14

UPDATES ON GLOBAL OUTLOOK AND DOMESTIC DEVELOPMENTS

BUDGET 2022: GLOBAL, REGIONAL & DOMESTIC DEVELOPMENTS



Global

- The global economy is projected to grow by **5.9%** in 2021 and **4.9 %** in 2022.
- The Euro Area was projected to rebound to a **5.0%** growth in 2021. The recovery was anticipated to be driven by pent up demand and higher household incomes.
- China's economy is projected to tick up **8.0%** in 2021 and **5.6 %** in 2022



Africa

- Economic activities in Sub Saharan Africa region were expected to pick up in 2021 and 2022 albeit unevenly. GDP projections for 2021 and 2022 are **3.7%** and **3.8% respectively**.
- Despite the adverse impact of COVID-19 pandemic, Egypt grew at 3.6% in 2020 owing to high domestic consumption. Real GDP growth is projected to hit 5.3 % in 2022.
- South Africa is projected to recover from **-6.4% decline** and **grow by 5.0%** in 2021 and **2.2%** in 2022



Nigeria

- Nigeria's economy posted a **4.03%** year-on-year growth in Q3 2021 signaling sustained recovery after a 5.01 % growth in Q2 2021..
- The non-oil sector is a significant contributor to the economic performance in Q3,2021 with growth of **5.44%** in real terms..
- .The IMF has reviewed upward Nigeria's GDP growth forecast to **2.6%** and **2.7%** in 2021 and 2022 respectively.

BUDGET 2022: GLOBAL, REGIONAL & DOMESTIC DEVELOPMENTS.../2



	Estimate	Projections	
<i>Real GDP annual percent change</i>	2020	2021	2022
World Output	-3.1	5.9	4.9
Advanced Economies	-4.5	5.2	4.5
United States	-3.4	6	5.2
Euro Area	-6.3	5	4.3
Emerging Market & Developing Countries	-2.1	6.4	5.1
China	2.3	8	5.6
India	-7.3	9.5	8.5
Brazil	-4.1	5.2	1.5
Sub – Saharan Africa	-1.7	3.7	3.8
Nigeria	-1.8	2.6	2.7
South Africa	-6.4	5	2.2
Low: Income Developing Countries	0.1	3	5.3

- In its recent World Economic Outlook, the IMF reviewed **Advanced economies' contraction in 2020**, from **-4.6%** to **-4.5%**
- Growth in Advanced economies is projected at **5.2%** in 2021 & **4.5%** in 2022.
- **Low income developing countries' GDP Growth** is projected to accelerate to **3.0%** in 2021, and **5.3%** in 2022.

Source: IMF, World Economic Outlook Update, October, 2021

APPROACH TO THE 2022 BUDGET

APPROACH TO THE 2022 BUDGET



- The 2022 Budget seeks to continue the reflationary policies of the 2020 and 2021 Budgets, which helped put the economy back on the path of recovery and growth.
- The 2022 Budget was prepared taking into consideration the policies/strategies contained in the 2022–2024 Medium Term Expenditure Framework and Fiscal Strategy Paper (MTEF/FSP).
- The Budget was prepared using the Zero-Based Budgeting (ZBB) approach and in line with the government's development priorities, as articulated in the National Development Plan (NDP) 2021-2025.
- Allocations to Ministries, Departments and Agencies (MDAs) were guided by the core objectives of the NDP 2021 - 25.

The NDP 2021-25



NATIONAL DEVELOPMENT PLAN (NDP) 2021-2025

© Federal Ministry of Finance, Budget and National Planning

Thematic Areas

1

Accelerate Growth

2

Deepen the Initiatives for Diversified Growth

3

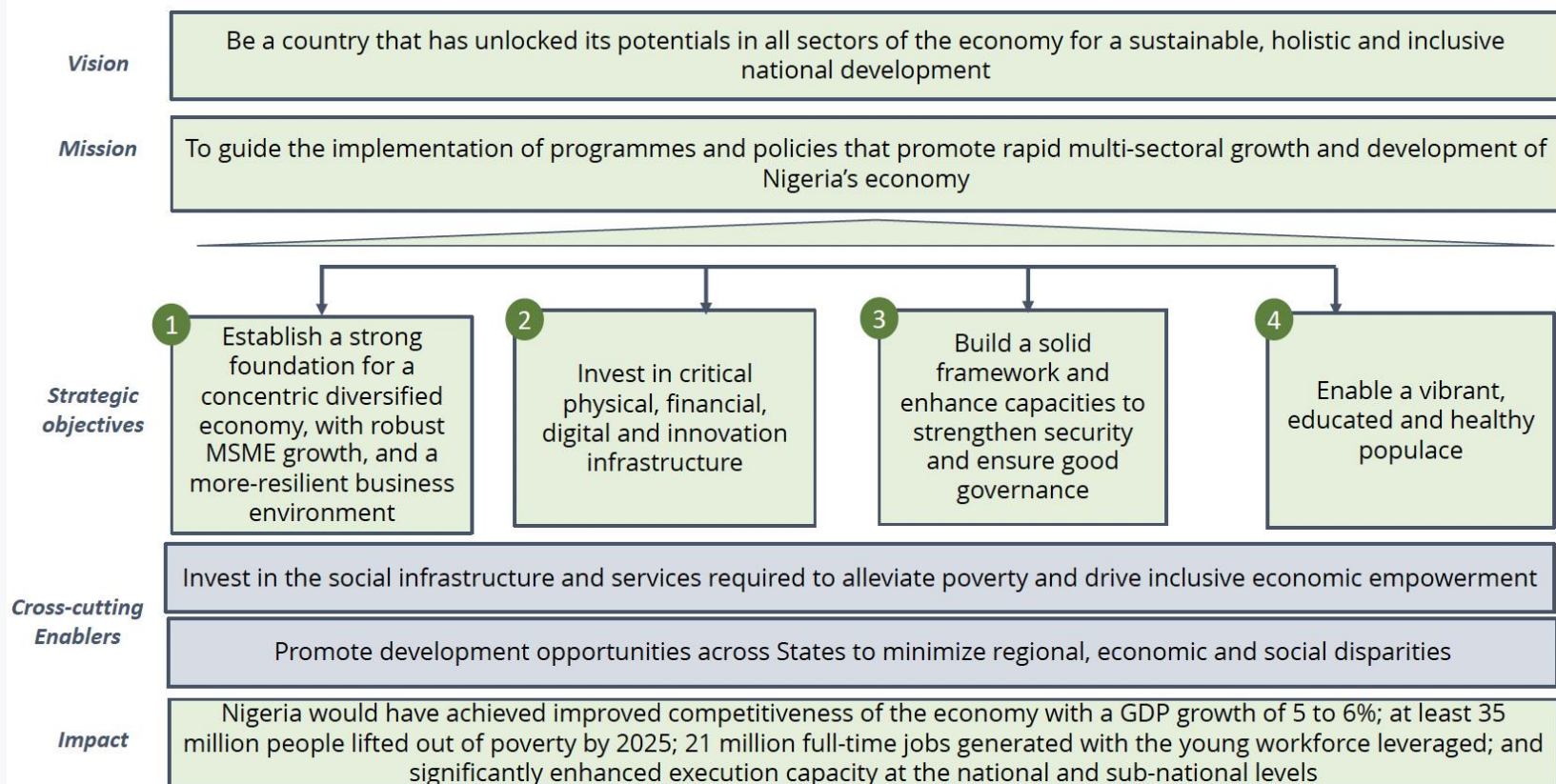
Foster Sustainable Development

- The plan, with an investment size of **N348.1tn**, will be funded by the federal, state governments and the private sector.
- For the investment size above, the expected financing contribution is shown below -
 - *Public Sector: **N49.7 tn** (subnational will contribute N20.1trn, FGN N29.6tn)*
 - *Private Sector: **N298.3 tn***
- The 2022 FGN Budget is the first key public sector contribution to implementing the plan

THE NDP 2021-25 .../2

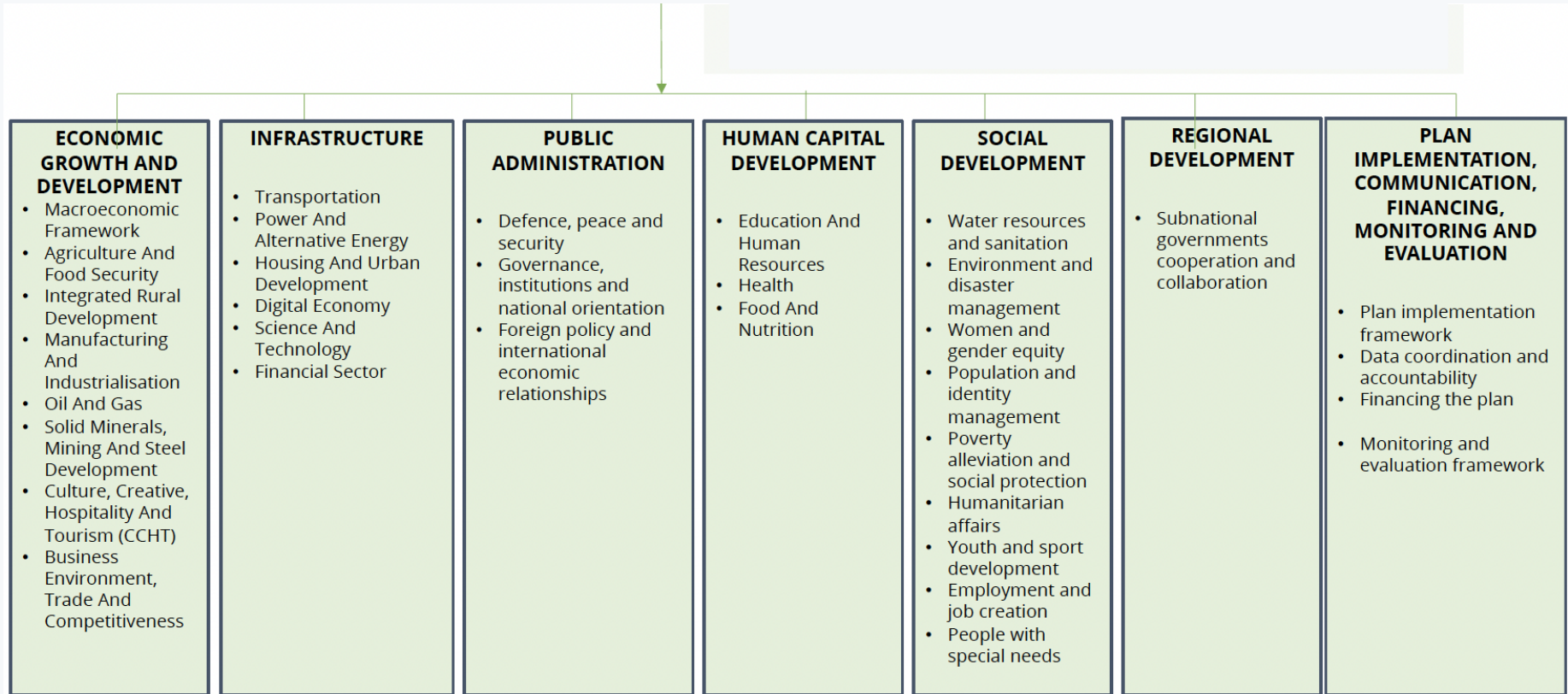


The National Development Plan 2021-2025



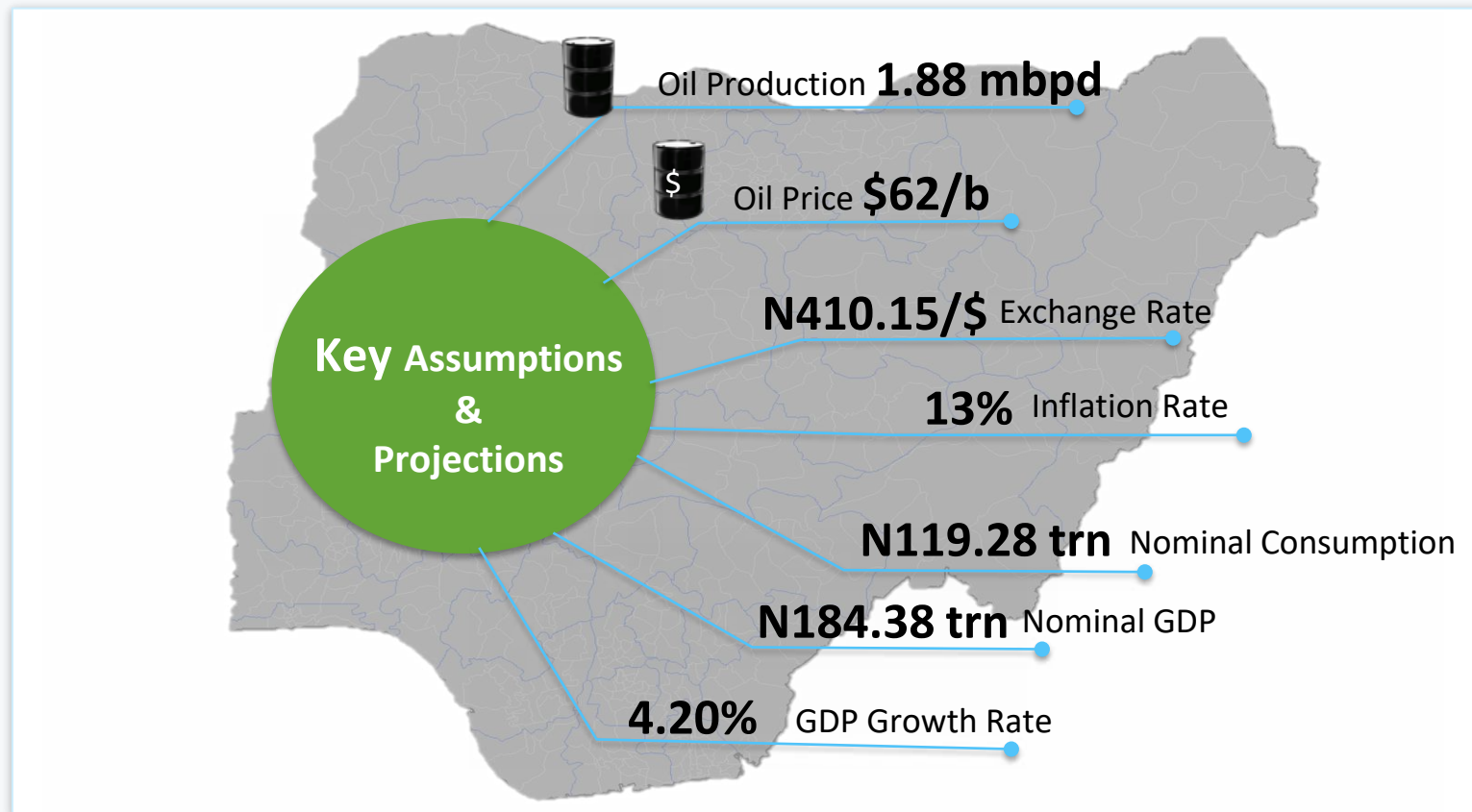


Sectoral Composition in the National Development Plan 2021-2025



UNDERLYING MACROECONOMIC ASSUMPTIONS, PARAMETERS & TARGETS FOR THE 2022 BUDGET

KEY ASSUMPTIONS & 2022 BUDGET-FRAMEWORK



KEY ASSUMPTIONS & BUDGET-FRAMEWORK .../2



Crude Oil Production

- Although Nigeria's total production capacity is 2.5 mbpd, current (year to date) crude production is about 1.4mbpd (slightly short of the OPEC+ production quota), and an additional 300,000bpd of condensates, totaling about 1.6mbpd.
- The Energy Information Administration (EIA) expects that global oil production will increase to match rising levels of global oil consumption.
- OPEC crude production is projected to average 28.34 million barrels per day in 2022 higher than 26.94 million barrels per day forecast for 2021.
- The National Assembly maintained the proposed production volume of **1.88mbpd** (including condensates) in 2022.

Exchange Rate

- ❑ An average Exchange rate of **N410.15/US\$** is proposed in 2022 as advised by the Central Bank.



Crude Oil Price

- We projected our base oil price at \$57/bbl in 2022 in consultation with NNPC & other stakeholders.
- This was premised on the averages of forecasts by leading institutions, factors driving market fundamentals, global economic recovery, plans by governments and market sentiments.
- However, the National Assembly increased the proposed **2022 oil price benchmark of \$57pbl to \$62pbl.**
- World Bank forecasts that crude oil prices will average US\$74 pb in 2022 as oil demand strengthens and reaches pre-pandemic levels
- Energy EIA expects Brent prices to average \$70.05 per barrel in 2022.



Macroeconomic Projections

- **Consumption** is projected to increase by about 9.36% from a revised N136.57 trillion in 2021 to N149.35 trillion in 2022.
- **Nominal GDP** is projected to rise from N168.60 trillion in 2021 to N184.38 trillion in 2022 and then up to N221.78 trillion in 2024.
- **Real GDP growth** forecast is 4.2% in 2022, 2.3% for 2023 (*election year impact*) and 3.3% in 2024.
- **Inflation** is projected to be double digit in the medium-term given structural issues impacting cost of doing business, including high food distribution cost.
- However, current steady decline is expected to be sustained, seeing inflation rate drop to 13% in 2022 and 10 % by 2024.

2022 BUDGET: OVERVIEW OF REVENUE, EXPENDITURE & DEFICIT FINANCING

2022 BUDGET: REVENUE – WHERE THE MONEY IS COMING FROM?



An Overview of the Revenue Framework

- The projected aggregate revenue available to fund the 2022 budget of **N10.74 trillion** (inclusive of GOEs) is *32% higher than the 2021 projection of N8.12 trillion*. Without the GOEs retained revenue, the FGN revenue is projected at N9.01 trillion.
- To promote fiscal transparency, accountability & comprehensiveness, allocations to TETFUND and the budgets of 63 GOEs are integrated in the FGN's 2022 Budget proposal.
- In aggregate, 35% of projected revenues is to come from oil-related sources while 65% is to be earned from non-oil sources.

2022 BUDGET: REVENUE – WHERE THE MONEY IS COMING FROM?



An Overview of the Revenue Framework

FISCAL ITEMS		2021 Budget Passed by NASS + Supplementary Budget	2022 Proj. Passed by NASS	VARIANCE
AMOUNT AVAILABLE FOR FGN BUDGET (excluding GOEs retained revenue)		6,772,575,467,981	9,012,414,552,755	2,239,839,084,774
a	Share of Oil Revenue	2,011,017,892,674	3,362,008,316,763	1,350,990,424,089
b	Dividend	208,540,960,000	195,716,305,950	(12,824,654,050)
	NLNG	208,540,960,000	187,397,535,000	(21,143,425,000)
	Bank of Industry		8,318,770,950	8,318,770,950
c	Share of Minerals & Mining	2,650,393,903	2,915,433,293	265,039,390
d	Share of Non-Oil Taxes	1,488,924,372,031	2,132,083,163,179	643,158,791,148
	Share of CIT	681,718,292,330	909,302,644,947	227,584,352,617
	Share of VAT	238,426,227,556	316,691,050,420	78,264,822,864
	Share of Customs	508,269,596,837	834,116,601,034	325,847,004,197
	Share of Federation Acct. Levies	60,510,255,308	71,972,866,778	11,462,611,469
e	Share of Electronic Money Transfer Levy (formerly called Stamp Duty)	500,000,000,000	29,367,152,138	(470,632,847,862)
f	Share of Oil Price Royalty	-	96,943,894,289	96,943,894,289
g	Revenue from GOEs	2,173,860,133,098	3,306,600,375,927	1,132,740,242,829
h	GOEs Operating Surplus (80% of which is captured in Independent Revenue)	(825,023,025,138)	(1,578,211,097,139)	(753,188,072,001)
i	Independent Revenue	1,061,898,590,939	2,216,217,091,075	1,154,318,500,136
j	Draw-down from Special Levies Accounts	435,000,000,000	300,000,000,000	(135,000,000,000)
k	Signature Bonus / Renewals / Early Renewals	677,015,511,478	280,855,138,079	(396,160,373,399)
l	Domestic Recoveries + Assets + Fines	32,675,085,307	26,933,139,822	(5,741,945,486)
m	Grants and Donor Funding	354,852,661,650	63,376,918,168	(291,475,743,482)
n	Education Tax (TETFUND)	-	305,998,000,000	305,998,000,000
AMOUNT AVAILABLE FOR FGN BUDGET (including GOEs)		8,121,412,575,941	10,740,803,831,543	2,619,391,255,602

2022 BUDGET: EXPENDITURE – *WHERE THE MONEY IS GOING?*



An Overview of the Expenditure Framework

- The 2022 Aggregate FGN Expenditure (inclusive of GOEs and project-tied Loans) is projected to be **N17.13 tn**, which is 18% higher than the 2021 Budget.
- Recurrent (non-debt) spending, estimated to amount to **N6.91tn**, is 40% of total expenditure, and 20% higher than the 2021 Budget.
- Aggregate Capital Expenditure of **N5.96tn** is 35% of total expenditure. This provision is inclusive of Capital component of Statutory Transfers, GOEs Capital & Project-tied loans expenditures.
- At **N3.61tn**, debt service is 21% of total expenditure, and 34% of total revenues.
- Provision to retire maturing bonds to local contractors / suppliers of **N270.71 bn** is 1.6% of total expenditure. This provision is in line with the FGN's commitment to offset accumulated arrears of contractual obligations dating back over a decade.

2022 BUDGET REVENUE PROPOSALS – WHERE THE MONEY IS GOING?



An Overview of the Expenditure Framework

FISCAL ITEMS		2021 Budget Passed by NASS + Supplementary Budget	2022 Proj. Passed by NASS	VARIANCE
STATUTORY TRANSFER		496,528,471,273	869,667,187,543	373,138,716,270
DEBT SERVICE		3,124,380,000,000	3,609,241,188,415	484,861,188,415
SINKING FUND		200,000,000,000	270,711,793,135	70,711,793,135
RECURRENT (NON-DEBT)		5,765,302,234,844	6,909,849,788,736	1,144,547,553,892
a	Personnel Costs (MDAs)	3,046,464,689,489	3,494,367,075,514	447,902,386,025
b	Personnel Costs (GOEs)	701,162,016,535	617,724,992,745	(83,437,023,790)
c	Overheads (MDAs)	382,583,509,504	371,726,148,777	(10,857,360,727)
d	Overheads (GOEs)	312,081,710,125	451,001,890,322	138,920,180,198
e	Pensions, Gratuities & Retirees Benefits	504,191,130,679	577,862,188,757	73,671,058,078
f	Other Service Wide Votes (including GAVI/Immunization)	403,819,178,513	966,867,592,621	563,048,414,108
g	Presidential Amnesty Programme	65,000,000,000	65,000,000,000	-
h	TETFUND - Recurrent	-	15,299,900,000	15,299,900,000
SPECIAL INTERVENTIONS (Recurrent)		350,000,000,000	350,000,000,000	-
AGGREGATE CAPITAL EXPENDITURE		5,233,596,865,028	5,961,066,005,970	727,469,140,942
a	Capital Supplementation	763,342,061,374	455,588,000,000	(307,754,061,374)
b	Capital Expenditure in Statutory Transfers	249,049,989,627	493,662,046,107	244,612,056,480
c	Special Intervention Programme (Capital)	10,000,000,000	7,000,000,000	(3,000,000,000)
d	Amount Available for MDAs Capital Expenditure	2,811,073,054,351	2,750,893,902,177	(60,179,152,174)
e	GOEs Capital Expenditure	335,593,381,300	647,079,937,729	311,486,556,429
f	TETFUND Capital Expenditure	-	290,698,100,000	290,698,100,000
g	Grants and Donor Funded Projects	354,852,661,650	63,376,918,168	(291,475,743,482)
h	Multi-lateral / Bi-lateral Project-tied Loans	709,685,716,725	1,155,823,207,500	446,137,490,775
i	FGN Share of Oil Price Royalty Transferred to NSIA	-	96,943,894,289	96,943,894,289
Capital Expenditure (Exclusive of Transfers)		4,984,546,875,401	5,467,403,959,863	482,857,084,462
TOTAL FGN BUDGET (Excluding GOEs & Project-tied Loans)		12,512,234,756,833	14,255,243,889,395	1,743,009,132,562
TOTAL FGN BUDGET (Including GOEs & Project-tied Loans)		14,570,757,581,518	17,126,873,917,692	2,556,116,336,174

2022 BUDGET - DEFICIT, FINANCING & CRITICAL RATIOS



An Overview of the Deficit, Financing & Critical ratios

FISCAL ITEMS	2021 Budget Passed by NASS + Supplementary Budget	2022 Proj. Passed by NASS	VARIANCE
Total Fiscal Deficit (including GOEs and Project-tied Loans)	(6,449,345,005,577)	(6,386,070,086,148)	63,274,919,429
GDP	142,694,417,135,112	184,381,975,950,038	41,687,558,814,926
DEFICIT/GDP (including GOEs and Project-tied Loans)	(4.52%)	(3.46%)	1.06%
Capital Expenditure as % of Non-Debt Expenditure	47%	45%	(2%)
Capital Expenditure as % of total FGN Expenditure	36%	35%	(1%)
Capital Expenditure (Inclusive of Transfers, but exclusive of GOEs Capital & Project-tied loans) as % of FGN Expenditure	33%	29%	(4%)
Recurrent Expenditure as % of total FGN Exp (incl. GOEs + Project-tied Loans)	64%	65%	1%
Debt Service to Revenue Ratio (incl. GOEs + Project-tied Loans)	38%	34%	(5%)
Deficit as % of FGN Revenue (incl. GOEs + Project-tied Loans)	79%	59%	(20%)
ADDITIONAL FINANCING			-
a Sales of Government Property			-
b Privatization Proceeds	205,153,707,813	90,731,800,000	(114,421,907,813)
c Non-Oil Asset Sales	-	-	-
d Multi-lateral / Bi-lateral Project-tied Loans	709,685,716,725	1,155,823,207,500	446,137,490,775
e Restructured Loans	39,627,660,000	-	(39,627,660,000)
f Foreign Aid / Grant (in Cash)	6,000,000,000	-	(6,000,000,000)
g New Borrowings	5,488,877,921,039	5,139,515,078,648	(349,362,842,390)
Domestic Borrowing	2,744,438,960,519	2,569,757,539,324	(174,681,421,195)
Foreign Borrowing	2,744,438,960,519	2,569,757,539,324	(174,681,421,195)
Sub-Total	6,449,345,005,577	6,386,070,086,148	(63,274,919,429)

- Overall budget deficit is **N6.39 tn** for 2022. This represents **3.46% of GDP**.
- Budget deficit is to be financed mainly by borrowings:
 - Domestic sources: **N2.57 tn**
 - Foreign sources: **N2.57 tn**
 - Multi-lateral /bi-lateral loan drawdowns: **N1.16 tn**
- And Privatisation Proceeds – **N90.7 bn**

OVERVIEW OF NIGERIA'S DEBT SUSTAINABILITY



- This is to restate, that the debt level of the Federal Government is still within sustainable limits.
- Borrowings are essentially for Capital Expenditure and Human Development, as specified in Section 41(1)a of the Fiscal Responsibility Act 2007;
- Having witnessed two economic recessions we have had to spend our way out of recession, which contributed significantly to the growth in the public debt;
- It is unlikely that our recovery from each of the two recessions would have been as fast without the sustained government expenditure funded partly by debt.

OVERVIEW OF NIGERIA'S DEBT SUSTAINABILITY.....2



- To compound matters, the country has technically been at war, with the pervasive security challenges across the nation; This has necessitated massive expenditures on security equipment and operations, contributing to the fiscal deficit; Defence and Security sector accounts for 22% of the 2021 budget!
- Nigeria's Budget Deficit/GDP (-4.3%, as at November 2021) and Debt/GDP ratios (30% as at September 2021) are the lowest among Africa's leading economies;
- However, Nigeria's Debt Service/Revenue ratio (76% as at November 2021) is the highest among same African top economies; This is proof that what we have is not a classic debt sustainability problem, but a revenue challenge;
- Tax rates and compliance ratios are significantly higher in these comparator countries; For instance, Nigeria's VAT rate of 7.5% is the lowest in Africa, and less than 50% of the average rate.

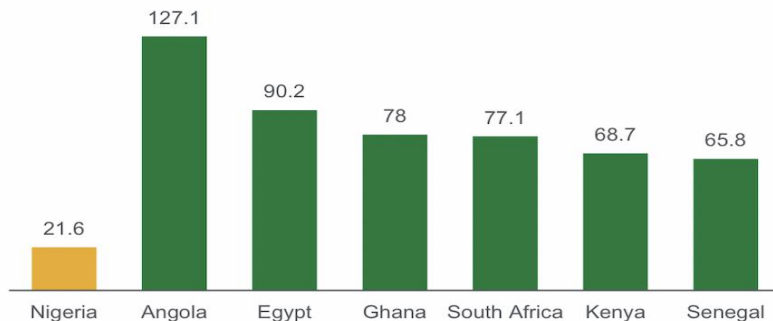
OVERVIEW OF NIGERIA'S DEBT SUSTAINABILITY.....3



Impact on Nigeria's debt structure has been contained from the 2020 COVID-19 & oil price shocks with progress made in achieving longer term debt objectives

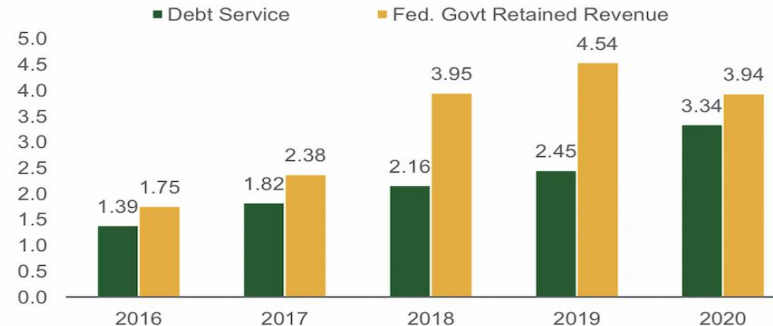
Nigeria Maintains One of the Lowest Debt / GDP Ratios of Peers*

2020 Government Debt / GDP (%)



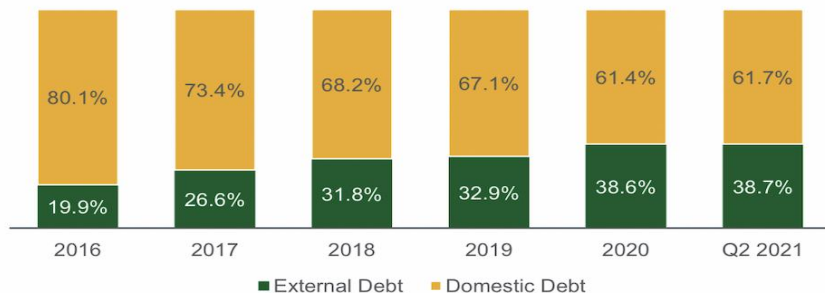
Increasing Debt Service Cost Managed by Revenue Growth

Debt Service and Revenue (₦ trillions)



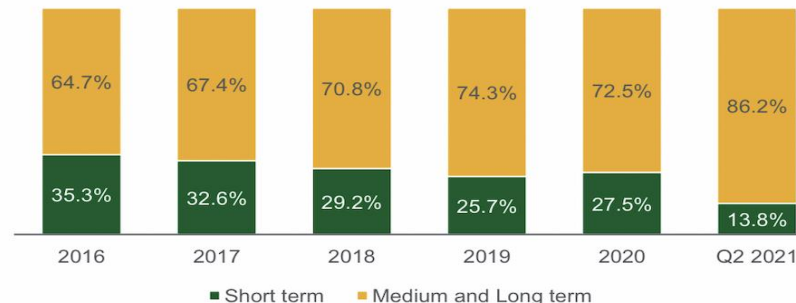
Rebalancing to Optimal External/Domestic Debt Mix

% of Total Federal Government Debt



Shifting Domestic Debt Portfolio to Long Term Maturities

% of Total Domestic Federal Government Debt (Residual Maturity)



OVERVIEW OF NIGERIA'S DEBT SUSTAINABILITY.....4



- Efforts are ongoing to fix our revenue challenge, because cutting expenditure is not currently a viable option, as our Public Expenditure /GDP ratio is also the lowest among same Africa's leading economies;
- We must however continue to rationalise our expenditures as we cannot afford waste; In reality, our largest expenditure items are currently personnel cost, debt service and capital expenditure, which between them account for 85% of the 2022 budget; There is very little scope for cut in any of these over the medium term;
- The most viable solution to our fiscal challenge therefore remains to grow our revenues and plug all leakages.
- Our target over the medium term is to grow our Revenue-to-GDP ratio from about 8 – 9 percent currently to 15 percent by 2025. At that level of revenues, the Debt-Service-to-Revenue ratio will cease to be a critical concern. The SRGI and other ongoing initiatives will address this.

STRATEGIC REVENUE GROWTH INITIATIVES

INITIATIVES TO IMPROVE FGN REVENUES



- Revenue generation remains the major fiscal constraint of the Federal Government.
- The systemic resource mobilization problem has been compounded by recent economic recessions.
- Several measures are being instituted under the Administration's **Strategic Revenue Growth Initiatives** to improve government revenue and entrench fiscal prudence with emphasis on achieving value for money.
- These measures include:
 - Improving the tax administration framework including tax filing and payment compliance improvements.



■ Other measures:

- Evaluation of the process and policy effectiveness of Fiscal Incentives, including:
- Review of Sectors eligible for Pioneer Tax Holiday Incentives under the Industrial Development Income Tax Relief Act ('IDITRA');
- Dimensioning the cost of tax waivers/concessions, and evaluating their policy effectiveness.
- Setting annual ceilings on Tax Expenditures to better manage their impact on already constrained government revenues.
- Ensuring that MDAs appropriately account for and remit their internally-generated revenue

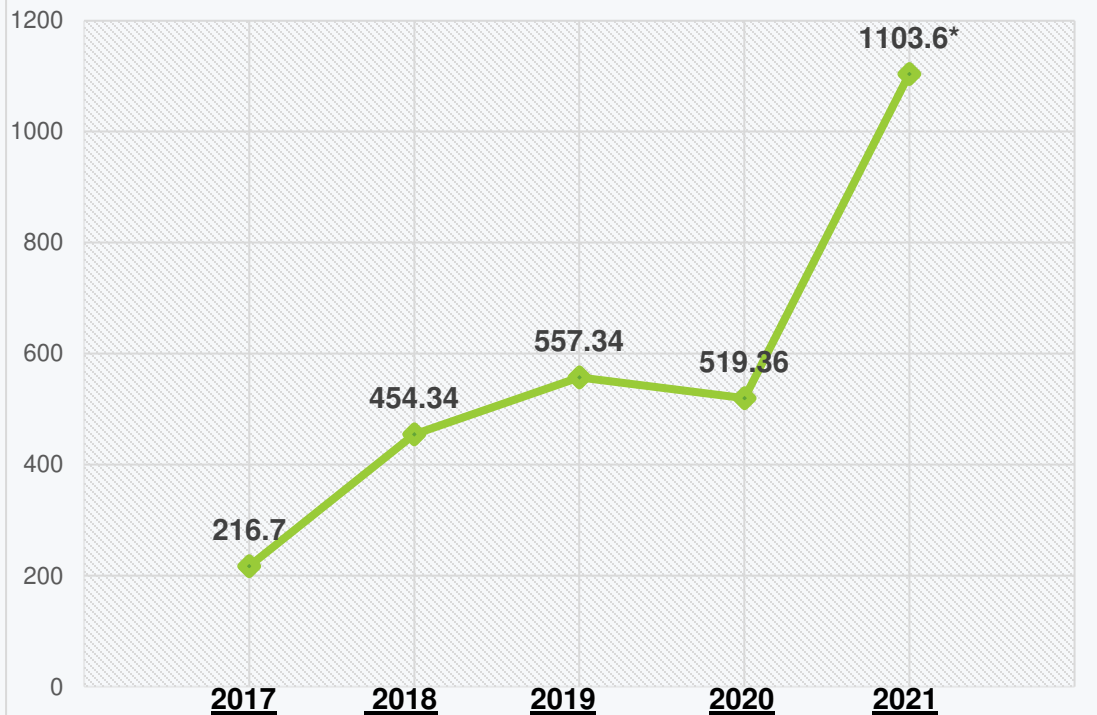


- Other measures Cont'd:
 - Identifying and plugging existing revenue leakages to enhance tax compliance and reduce tax evasion;
 - Leveraging technology and automation; and
 - Plugging fiscal drainers like subsidies
- To further enhance Independent Revenue collection, Government aims to optimize the operational efficiencies and revenue generation focus of GOEs
- Introduction of new and further increases in existing pro health taxes for example, excise on carbonated drinks

INITIATIVES TO IMPROVE FGN REVENUES .../4



Independent Revenues
Remittance (Actual) 2017 – 2021



***2021 As at November**

- The trend in the graph shows a steady improvement of our independent revenues over the years.
- As at November, 2021, we had surpassed all collections for FGN independent revenues from 2017 to date. This reflects performance of our revenue growth initiatives for this revenue stream.
- We have now for the first time surpassed the 1 trillion mark collection for independent revenues (***N1.104tn collected as at November against a budget target of 973.41bn***). Analysts have always considered our projections unrealistic, but we have always insisted on the potentials that exist to grow FGN independent revenues.

KEY HIGHLIGHTS OF FINANCE ACT, 2021

ANNUAL FINANCE ACTS: A NEW FISCAL TRADITION...



▪ Keeping Presidential Commitments Vis-à-vis Annual Finance Bills as a New Fiscal Tradition

- ✓ When Mr. President presented his 2022 Budget of 'Economic Growth & Sustainability', he directed the Hon. Minister of Finance, Budget & National Planning ('HMFBNP') to prepare a Finance Bill to support the Budget
- ✓ Mr. President assented to the Finance Act, 2021 on 31st December 2021, alongside the 2022 Appropriation Act

▪ Key Reform Areas amended by the Finance Act, 2021 include:

1. Domestic Revenue Mobilisation

2. Tax Administration & Legislative Drafting

3. International Taxation

4. Financial Sector Reforms & Tax Equity

5. Public Financial Management Reforms

S/N LAWS & STATUTES PROPOSED TO BE AMENDED

1. Capital Gains Tax Act ('CGTA');
2. Companies Income Tax Act ('CITA');
3. Customs, Excise Tariffs Etc. (Consolidation) Act ('CETECA');
4. Federal Inland Revenue Service (Establishment) Act ('FIRSEA');
5. Personal Income Tax Act ('PITA');
6. Stamp Duties Act ('SDA');
7. Tertiary Education Trust Fund (Establishment) Act ('TETFEA');
8. Value Added Tax Act ('VATA');
9. Insurance Act;
10. Nigeria Police Trust Fund (Establishment) Act;
11. Nat'l Agency for Science & Engineering Infrastructure Act ('NASENI');
12. Finance (Control & Management) Act; &
13. Fiscal Responsibility Act.

FINANCE ACT, 2021: CRITICAL POLICY THRUSTS



Key Points

#1. Domestic Revenue Mobilisation

Sections	Issues	Mechanisms	Rationale & Commentary
§2-FA, amending §30-CGTA	Partial Roll-back of Exemption of Shares from Capital Gains Taxes	<ul style="list-style-type: none"> • 10% Capital Gains Tax imposed on Shares' Disposal Transactions where the aggregate Disposal Proceeds exceed N100m in any 12 consecutive calendar months; • Reinvestment Relief provided to defer Capital Gains Tax where Disposal Proceeds are Wholly or Partially Reinvested; & • Taxpayers are required to report Disposals annually for ease of administration & compliance (to FIRS for corporate shareholders & State IRS for individuals) 	<p>Partial Roll-back of CGT exemption on Shares intended to raise revenues for States & FGN:</p> <ul style="list-style-type: none"> ✓ Reinvestment Relief retained to encourage long-term investments in equities ✓ Pension Funds' Assets are exempted under §10 Pension Reforms Act, 2014 to protect Pensioners)
§17-FA amending §21-CETECA	Duty on Non-alcoholic, Carbonated & Sweetened Beverages	<ul style="list-style-type: none"> • Excise Duty of N10/liter imposed on all Non-alcoholic, Carbonated & Sweetened Beverages • To discourage excessive consumption of sugar in beverages which contributes to diabetes, obesity, etc. 	<p>New 'Sugar Tax' introduced to raise excise duties & revenues for health-related & other critical expenditures (in line with the 2022 Budget's Priorities)</p>

FINANCE ACT, 2021: CRITICAL POLICY THRUSTS



Key Points

#2. Tax Administration & Legislative Drafting

Sections	Issues	Mechanisms	Rationale & Commentary
§18-FA amending §25-FIRSEA	FIRS Automation & ICT Reforms	<ul style="list-style-type: none">• FIRS empowered to sanction non-compliant taxpayers refusing access to IT systems• FIRS may deploy both Proprietary & Third-Party Tech Applications to collect information from taxpayers	✓ To enhance the ongoing ICT & Tax Admin. reforms by FIRS to increase revenue generation (in line with the 2022 Budget's Priorities)
§21-FA amending §50-FIRSEA	Taxpayers' Confidential Data	<ul style="list-style-type: none">• Enhance confidentiality & non-disclosure by FIRS staff of Taxpayers' Confidential Data• Penalize data breaches by non-compliant FIRS staff	✓ Provide safeguards to protect Taxpayers' Data & provide sanctions

FINANCE ACT, 2021: CRITICAL POLICY THRUSTS



Key Points

#3. International Taxation

Sections	Issues	Mechanisms	Rationale & Commentary
<p>§4-FA amending §13-CITA; &</p> <p>§8-FA amending §30-CITA</p>	<p>Taxation of E-Commerce Biz. by Non-Resident Companies on a Fair & Reasonable Turnover Tax Basis (i.e. 6% of Turnover)</p>	<ul style="list-style-type: none"> • Empower FIRS to assess Non-Resident Firms to tax on Fair & Reasonable Turnover Tax Basis on Turnover earned from providing Digital Services to Nigerian customers • Introduce Turnover Tax on Fair & Reasonable Percentage of Profits earned from providing Digital Services to Nigerian customers • <u>Note</u> that such Digital Services include Apps, High Frequency Trading, Electronic Data Storage, Online Advertising, etc. 	<p>✓ Modernize the taxation of ICT & digital economy in line with current realities (in line with the NDP 2021-25)</p> <p>✓ Enhance administrative modalities for the taxation of Non-Resident Taxpayers deriving revenues from Nigeria (in line with the NDP 2021-25)</p>
<p>§30-FA amending §10-VATA; &</p> <p>§31-FA amending §14-VATA</p>	<p>VAT Obligations of Digital Non-Resident Companies</p>	<ul style="list-style-type: none"> • Restrict VAT obligations mainly to Digital Non-Resident Companies (who supply individuals who cannot self-account for VAT) • Reduce compliance burden on other Non-Resident Taxpayers who are not required to register for VAT in Nigeria • Clarify that FIRS may appoint persons (including Non-Residents) for the purpose of tax collection • Clarify that such appointed persons may collect & remit taxes to FIRS / Relevant Tax Authorities 	

FINANCE ACT, 2021: CRITICAL POLICY THRUSTS

Key Points

#4. Financial Sector Reforms & Tax Equity



Sections	Issues	Mechanisms	Rationale & Commentary
§3-FA amending §9-CITA	Securities Lending Transaction Reforms by Securities & Exchange Commission ('SEC')	<ul style="list-style-type: none">• Securities Lending: permit Lenders to receive compensating 'manufactured dividends' from securities lending traders	✓ Tax Equity: to enable Securities Lending Reforms being championed by SEC (in line with the NDP 2021-25)
§14-FA amending §78-CITA; & §16-FA amending §105-CITA	Real Estate Investment Trusts ('REITs') Reforms by SEC	<ul style="list-style-type: none">• Clarify that Withholding Taxes deducted from Unit Trusts' dividends are final taxes on Unit Trusts' income• Clarify that REITs' special tax regime provisions apply to REITs set up as Unit Trust Schemes	✓ Tax Equity: in support of SEC's REITs & Unit Trusts financial sector reforms (in line with the NDP 2021-25)
§33, §34, §35-FA amending §9, §10 & §102-Insurance Act, 2003	Insurance Companies' Capitalization Reforms by the National Insurance Commission ('NAICOM')	<ul style="list-style-type: none">• Enhance definition of share capital (capital requirement) in determining minimum capital to enhance NAICOM's recapitalization reforms	✓ Tax Equity: in support of NAICOM insurance sector capitalization reforms (in line with the NDP 2021-25)

FINANCE ACT, 2021: CRITICAL POLICY THRUSTS



Key Points

#5. Public Financial Management Reforms

Sections	Issues	Mechanisms	Rationale & Commentary
§22-FA amending §68-FIRSEA	Reinforce FIRS' mandate as Principal Tax Collection Agency is reiterated	<ul style="list-style-type: none"> FIRS confirmed as FGN's Principal Tax Revenue Collection Agency & may collaborate with other Federal Law Enforcement MDAs 	✓ Tax Administration & DRM reforms to streamline tax collection under FIRS
§37-FA amending §20-NASENI Act	<p>NASENI Levy comprises:</p> <ul style="list-style-type: none"> ✓ 1% of FAAC ✓ 0.25% Levy on PBT on major companies with Turnover ≥ N100m in the banking, oil & gas, maritime, aviation, telecoms & ICT sectors 	<ul style="list-style-type: none"> Empower FIRS to collect NASENI Levy Increased Funds to accrue into a special NASENI account to fund budgeted expenditures targeted at nurturing dynamic science & engineering sectors 	✓ New changes introduced by NASS to clarify aspects of the NASENI Levy & enhance administration by FIRS
§38 & §39-FA amending §3 & §4-Finance (Control & Mgt.) Act 1958	Reiterate the supremacy of Fiscal Rules in the the 1999 Constitution & other Extant Money Acts in public financial management	<ul style="list-style-type: none"> Reiterate & reinforce the 1999 Constitution as well as the Finance (Control & Mgt.) Act's provisions vis-à-vis mgt. of public finances & collection of revenues 	✓ Enhance public financial mgt. reforms to reduce revenue leakages & better tie actual expenditures to revenue performance

ANNUAL FINANCE ACTS: CONCLUDING THOUGHTS



- **This Administration is committed to accelerating post-COVID-19 economic recovery through the NDP 2021-2025 by:**
 - ✓ Stimulating inclusive, diversified & sustained economic growth;
 - ✓ Supporting the private sector's productivity & competitiveness;
 - ✓ Creating productive employment & preserving jobs;
 - ✓ Ensuring macroeconomic stability; &
 - ✓ Promoting poverty reduction & more equitable wealth creation.
- **Accelerating Strategic Revenue Generation Initiatives ('SRGIs') through the Annual Finance Bills**
 - ✓ Nigeria must diversify its revenues from Oil & Gas to fund critical developmental expenditures;
 - ✓ The annual tradition of enacting Finance Acts to accompany the Federal Budget is one of many SRGIs being undertaken by the FGN to optimise Domestic Revenue & Resource Mobilisation;
 - ✓ While ongoing fiscal reforms to enhance Non-Oil Revenues are yielding tangible results, there remains a significant fiscal gap to be bridged to effectively finance the 2022 Budget & other tiers of Government;
 - ✓ The Finance Act, 2022 enacts significant tax, fiscal & other reforms to drive Domestic Revenue Mobilisation;
 - ✓ More fiscal reforms & measures may be required during the 2022 Fiscal Year to deal with emerging fiscal constraints & challenges, particularly as the Economy recovers; &
 - ✓ However, this Administration remains committed to continuous dialogue & robust engagement with all key Stakeholders in developing & implementing its fiscal policies.

CRITICAL SECTORAL ALLOCATIONS IN THE 2022 BUDGET

CRITICAL SECTORAL ALLOCATIONS IN 2022 BUDGET



Education Sector N1.234 trillion



N815.69bn

Amount provisioned for
**Federal Ministry of
Education and its
agencies (Recurrent &
Capital expenditure)**



N112.29bn

Amount
provisioned for
**Universal Basic
Education
Commission
(UBEC)**



N306.00bn

Transfers to the
Tertiary Education
Trust Fund
(**TETFUND**) for
infrastructure
projects in Tertiary
institutions

CRITICAL SECTORAL ALLOCATIONS IN 2022 BUDGET.../2



Health Sector N876.38 billion i.e 5.1% of FGN Budget



N770.87bn

Amount provisioned for
**Federal Ministry of
Health and its
agencies (Recurrent &
Capital expenditure,
including Hazard
Allowance)**



N49.37bn

**Gavi/ Immunization funds,
including Counterpart
Funding for Donor Supported
Programmes, Including
Global Fund**



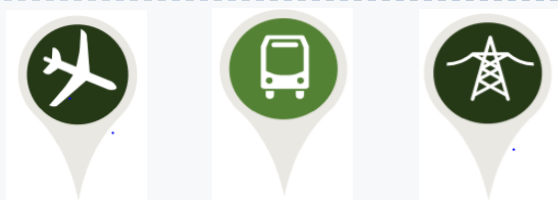
N56.14bn

Transfer to Basic
Healthcare
Provision Fund
**(BHCPF)
1% of CRF**



Defence & Security Sector (N2.29 trillion) – (13.4% of Budget)

Amount provisioned for the Military, Police, Intelligence & Para-Military (*Recurrent & Capital expenditure*)



Infrastructure (N1.42 trillion) 8.3%

This include provisions for Works & Housing, Power (*inclusive of PSRP Provisions*), Transport, Water Resources, Aviation.



Social Development & Poverty Reduction Programmes (N462 billion) - (3% of Budget)

Amount provisioned for Social Investments / Poverty Reduction Programmes

CONCLUSION

CONCLUSION



- The 2022 Budget is expected to further accelerate the recovery of our economy and facilitate the completion of critical projects, as well as improve the general living conditions of our people.
- The Budget reflects the key execution priorities and strategies of the NDP 2021-2025.
- Government will continue to create the enabling environment for private sector to increase their investment and contribute significantly to job creation, economic growth and lifting millions of our citizens out of poverty.
- Early passage of the 2022 Budget for implementation from January 1 will significantly contribute towards achieving government macro-fiscal and sectoral objectives.

CONCLUSION .../2



- However, revenue currently remains our main fiscal challenge. Government remains committed to the effective implementation of the Strategic Revenue Growth Initiatives to improve revenue collection, expenditure management and fiscal sustainability.
- We are optimistic about our ability to finance the budget considering the positive global oil market outlook and the continuing improvement in our non-oil revenues.
- We shall explore available opportunities for public-private partnerships, concessions as well as climate finance arrangements to fast-track the pace of our infrastructural development.

CONCLUSION .../3



- Achieving government's budget objectives require bold, decisive and urgent actions, and government is determined to act as may be required.
- However, Government remains committed to implementing measures aimed at moderating the unintended negative effects of policies on the citizenry.
- Safety nets will be provided to cushion the impact of reform measures on the vulnerable segments of the population.

CONCLUSION .../4



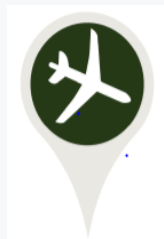
- We welcome citizens' participation in enhancing budget implementation monitoring via the following platforms:
 - i-monitor
 - Citizens' Budget Monitoring app (*available for free on the google play store*)
- A list of some key projects in the 2022 Budget are presented as an Appendix to the presentation.
- Details of the FGN 2022 Appropriation Act and the Finance Act 2021 are available on the website of the Budget Office of the Federation – www.budgetoffice.gov.ng

THANK YOU!

ANNEX: SELECTED PROJECTS IN THE **2022 BUDGET**

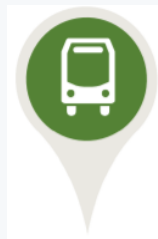
*(INVESTING FOR A RESILIENT FUTURE: CRITICAL INFRASTRUCTURE
& HUMAN CAPITAL)*

SELECTED PROJECTS IN THE 2022 BUDGET



AVIATION

- **N2 billion** for safety & Security critical projects and airport certification Nationwide
- **N14 billion** for construction of Second Run-Way at Nnamdi Azikiwe International Airport Abuja.
- **N600 million** Extension & asphalt overlay of MMIA runway
- **N500 million** Construction of new terminal building in Enugu
- **N100 million** Construction of Abeokuta airstrip



RAIL

- **N59 billion** for counterpart funding for Railway projects including:
 1. Lagos-Kano (Ongoing)
 2. Calabar-Lagos (Ongoing)
 3. Ajaokuta-Itakpe-Aladja (Warri) (Ongoing)
 4. Port Harcourt- Maiduguri
 5. Kano-Katsina-Jibiya-Maradi In Niger Republic (New)
 6. Abuja-Itakpe and Aladja (Warri)-Warri Port And Refinery /Warri New Harbour



POWER

- **N1 billion** for Rural Electrification access program in federal universities
- **N220.5 billion** for multilateral and bilateral funded projects (*Zungeru, NEP, Abuja Power Feeding scheme, Transmission Access Project etc*)

SELECTED PROJECTS IN THE 2022 BUDGET .../2



RAIL (Cont'd)

- **Over N4 billion** for rehabilitation of various railway tracks including



POWER (Cont'd)

- **N800 million** for the Distribution expansion programme projects to utilise the stranded power from the grid
- **N114 billion** funding (inclusive of multilateral loans) to the **REA** for the completion of renewable energy interventions and Rural Electrification projects nationwide
- **N303 million** for construction of 215MW LPFO/ Gas Power station Kaduna
- **N470 billion** for Kashambilla Transmission.

SELECTED PROJECTS IN THE 2022 BUDGET .../3



HOUSING

- **N4.3 billion** for provision of Infrastructure & services for Housing Programmes Nationwide
- **N10 billion** for Social Housing Scheme (Family Homes Fund)
- **N1 billion** for Prototype Housing scheme in Niger & Lagos states
- **N14 billion** for FGN National Housing Programme Nationwide
- **N2.01 billion** for new social housing on defunct NITEL site in Iponri Lagos State



INDUSTRY TRADE & INVESTMENT

- **N2.2 billion** Conditional Grant Scheme
- **N1 billion** for Presidential Enabling Business Environment Council
- **N500 million** for Export Expansion Grant
- **N6.64 billion** for Special Economic Zones Development
- **N3.6 billion** Revitalisation of 6No Industrial Development Centres.
- **N1.39 billion** National Business Skills Development Initiative (NBSDI)
- **N1 bn** for One Local Government One Product scheme (OLOP)



NIGER DELTA

- **Over 15 billion** provided for other critical infrastructure, Agriculture and Health systems projects in the Niger Delta.

SELECTED PROJECTS IN THE 2022 BUDGET .../4



HEALTH

- **56 billion** Provisioned for the implementation of the National Health Act (**BHCPF**)
- **N49.4 billion** provided for GAVI/Immunization
- **N2.8 billion** for Polio Eradication Initiatives
- **N1.45 billion** for the procurement RI & non-Polio Vaccine & operational cost
- **N2.39 billion** for expanded midwives service scheme



SOCIAL INVESTMENTS

- **N410 billion** for FGN Special Intervention Programme (including Home Grown School Feeding Programme, Government Economic Empowerment Programme, N-Power Job Creation Programme, Conditional Cash Transfers, etc)
 - *The **NSIO** is now domiciled in the Ministry of Humanitarian Affairs and Disaster Management & Social Development*
- Mr. President approved additional **N100bn** for FGN Share of the National Poverty Reduction With Growth Strategy.



REGIONAL INTERVENTIONS

- **N65 billion** for reintegration of transformed ex-militants under the Presidential Amnesty Programme.
- **N48 billion** for the North East Development Commission (NEDC) – Statutory Transfer –
- **N102.78 billion** for the Niger Delta Development Commission (NDDC)

SELECTED PROJECTS IN THE 2022 BUDGET .../5



WORKS



ROADS

- **Over N168 billion for the construction and rehabilitation of roads in every geo-political zone of the country, such as:**

- Counterpart Funding for the Dualization of Makurdi - Enugu Road
- Counterpart Funding for the Dualization of Akwanga – Jos - Bauchi - Gombe Road
- Reconstruction of the Outstanding Sections of Benin – Ofosu – Ore – Ajebandele - Shagamu Expressway
- Construction of Bodo - Bonny Road
- Rehabilitation of Yola-Hong-Mubi Road

ROADS (Cont'd)

- Dualization of Ilorin – Jebba - Mokwa/Bokani Junction Road
- Rehabilitation Of Nguru-Gashua-Bayamari Road, Section I (Nguru-gashua) Phase II
- Dualization of Ilorin-Kabba-Obajana Junction to Benin (Various Sections)
- Rehabilitation of 9th Mile-Enugu-Port Harcourt Dual Carriageway Including 9th mile bypass
- Upgrading & Rehabilitation of Keffi – Akwanga - Lafia Road Project
- Rehabilitation of Zaria-Funtua-Gusau-Sokoto-Birnin Kebbi C/No. 6029a
- Dualisation of Suleja-Minna Road, Niger State C/No.6077

BRIDGES

- **Over N54 billion for Construction & Renovation of various Bridge projects nationwide**
- **N162m** counterpart funding for construction of joint border bridge at Mfum/Ekok under the Nigeria/Cameroun International highway and transport facilitation programme
- **N409m** Emergency rehabilitation & maintenance of 3rd mainland bridge.

SELECTED PROJECTS IN THE 2022 BUDGET .../6



EDUCATION

- **N122.2 billion** Provided for Universal Basic Education (UBEC)
- **N1 bn** for classroom/hostel rehabilitation & furnishing and **N500 million** allocated for provision of Security Infrastructure in 104 Colleges
- **N2 billion** for take off grant for the establishment of 10 Federal Science & Technical Colleges (FSTCs)-
- **About N3.56 billion** for various Scholarship allowances
- **N2 billion** for payment of 5,000 Federal Teachers Scheme Allowance



WATER RESOURCES

- **N41 billion** Transforming irrigation in Nigeria project (TRIMING) (multilateral/bilateral funded loan)
- **Over N24 billion** provisioned for Rehabilitation and completion of ongoing dam projects nationwide including Itisi, Mangu, Auna-Kotangora, and several earth dams
- **N563.9 million** for Partnership for Expanded Water, Sanitation and Hygiene (PEWASH)
- **Over N17 billion** for various water supply schemes & Irrigation projects nationwide viz – *Gushwa town, Zungeru/Wushishi, Gurara II, Hawul, Damaturu, North East IDP water supply projects and Middle Rima Irrigation project etc*



SELECTED PROJECTS IN THE 2022 BUDGET .../7



DEFENCE

- **N833 million** Balance payment for procurement of 3 X JF - 17 Thunder Aircraft, support equipment and spares including targeting Pod for JF - 17, complete with aircraft arms & ammunition
- **N792 billion** Procurement of 30/32/35 metre hydro survey ship & landing ship tank
- **N1 billion** Procurement of 3 X AW109 Helicopters and part payment for procurement of 1 X AW139 Helicopter.
- **N4.4bn** for the Completion of Naval War College Nigeria complex.
- **N1.4 billion** Upgrade of Nigerian Navy Reference Hospital Ojo.



OTHERS

- **N2.09 billion** Provisioned for capital projects for **National Commission for Persons with Disability (NCPD)**.
- **N25 Billion** provided for Nigeria Youth Investment Fund