THE PRESIDENCY

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Analysis of Q1 2020 FAAC Disbursements and Impact of COVID19 on Revenues for Rest of 2020

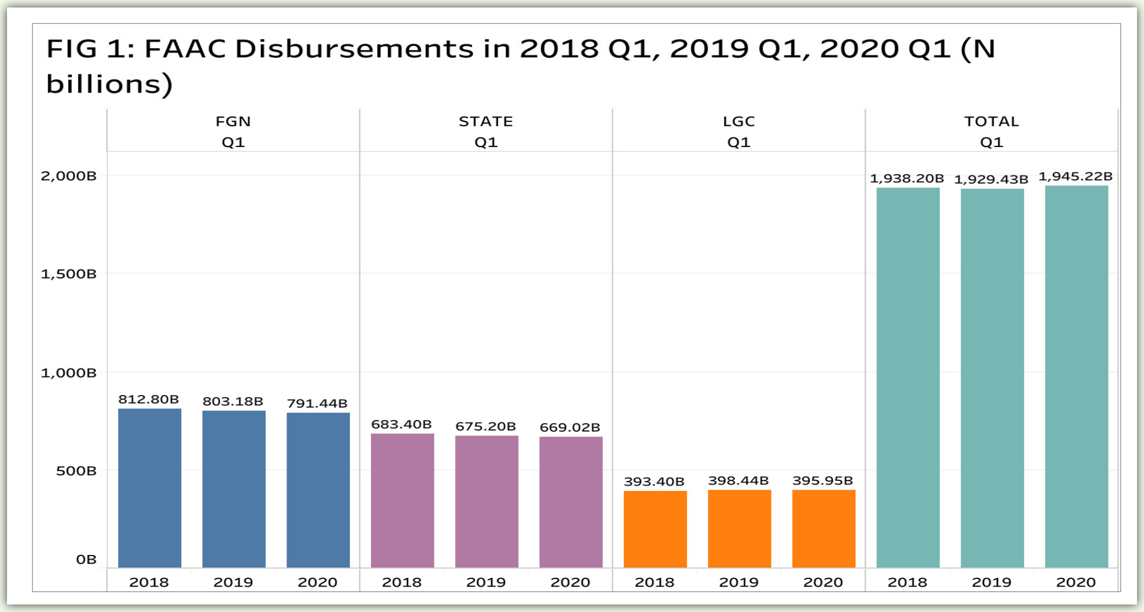
This review presents an analysis of disbursements from the Federation Accounts Allocation Committee (FAAC) to the three tiers of government in the first quarter of 2020. This has come in the midst of the Covid-19 pandemic which has had devastating consequences for the global economy.

The analysis conducted in this review makes use of data from the National Bureau of Statistics (NBS) and NEITI's data generated from attendance at FAAC meetings[1].

This review contains an additional special section on projections for government revenue arising from the Covid-19 pandemic. The Covid-19 pandemic has particularly hit oil producing countries hard, owing to the effects of global lockdowns which have drastically reduced demand for crude oil. This special section will analyse possible implications of this pandemic on government revenues, and consequently, future FAAC disbursements.

Total FAAC Disbursements in Q1 2020 were 0.82% Higher than Disbursements in Q1 2019 and 0.36% Higher than Disbursements in Q1 2018[2]

Total FAAC disbursements in the first quarter of 2020 were N1.945 trillion. This was 0.82% higher than the N1.929 trillion disbursed in the first quarter of 2019; and 0.36% higher than the N1.938 trillion disbursed in the first quarter of 2018. Figure 1 presents total FAAC disbursements to the three tiers of government in the first quarters of 2018, 2019 and 2020. The figure reveals small differences



Sources: National Bureau of Statistics, Fiscal Disbursements Division @ NEITI

[1] This review focuses on months of disbursement rather than months of allocation. The FAAC allocations for any specific month are disbursed in the immediate succeeding month. However, since the allocations are not actually available for spending until they are disbursed in the next month, it is more important to analyse disbursement of funds. It is these disbursed funds that are available to the different tiers of government for expenditure in any month, rather than allocations for that month.

[2] Total FAAC allocations comprise gross disbursements to FGN, States, LGCs, 13% Derivation, Cost of Collection -NCS, Cost of Collection - FIRS, Cost of Collection – DPR, Refund – NCS, Refund – FIRS, Transfer to NEDC, Transfer to Excess Non-Oil Revenue.

HIGHLIGHTS

- Total FAAC disbursements in the first quarter of 2020 were N1.945 trillion; comprising N791.44 billion to the Federal Government, N669.02 billion to state governments, and N395.95 billion to local governments;
- The total FAAC Disbursements in Q1 2020 is the highest first quarterly disbursement since total disbursements of N2.030 trillion in Q1 2014;
- Total net FAAC disbursements to states in Q1 2020 ranged between N6.44 billion in Osun State and N52.03 billion in Delta State;

N50.67 BILLION

- Delta State's net FAAC disbursements were higher than the combined total net disbursements of N50.67 billion of the six lowest receiving states: Osun, Cross River, Plateau, Ogun, Ekiti, Gombe;
- Combined net FAAC disbursement to the four highest receiving states higher than the combined net disbursements for the 17 states with lowest disbursements;
- Falling oil demand and prices projected to result in considerably lower remittances into the Federation Account, thereby leading to lower FAAC disbursements in forthcoming months;
- Negative effects also projected on other sources of government revenue, such as taxes and customs duties.
- All tiers of government are projected to struggle with revenues, which combined with reduced economic activities from lockdown likely to negatively impact productivity

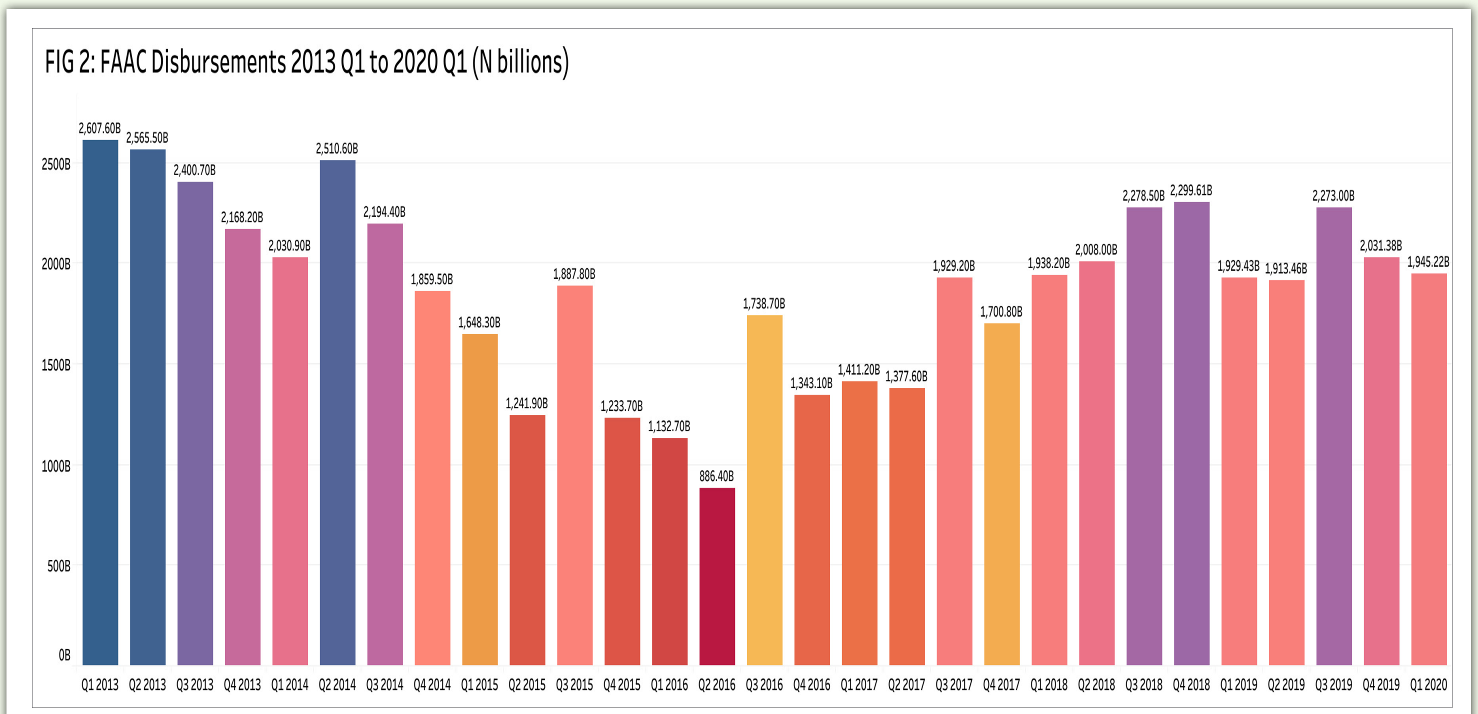
in the disbursements received by the three tiers of government over these periods. For the Federal Government (FG), disbursements in Q1 2020 were lower than disbursements in Q1 2019 and Q1 2018. Total disbursements to FG were N791.44 billion in Q1 2020. This was 1.46% lower than the N803.18 billion disbursed in Q1 2019, and 2.63% lower than the N812.8 billion disbursed in Q1 2018. For states, total disbursements in Q1 2020 were N669.02 billion. This was 0.91% lower than the N675.2 billion disbursed in Q1 2019, and 2.1% lower than N683.4 billion disbursed in Q1 2018. Total disbursements to local governments in the first quarter of 2020 were N395.95 billion. This was 0.62% lower than the N398.44 billion disbursed in Q1 2019 but 0.65% higher than the N393.4 billion disbursed in Q1 2018.

It is evident from Figure 1 that while total disbursements in Q1 2020 were slightly higher than Q1 2019 and Q1 2018, disbursements to the three tiers of government in Q1 2020 were slightly lower than Q1 2019 and Q1 2018. This is due to transfers to other accounts in Q1 2020 which were not done in either Q1 2019 or Q1 2018. These include allocations to the North East Development Commission and transfer to excess.

"With the exception of 2018, the general trend since 2015 has been that total disbursements fall in the second quarter, before rising in the third quarter. With the Covid-19 pandemic, it is almost certain that total disbursements will fall in the second quarter of 2020"

The Total FAAC Disbursements in Q1 2020 were the Highest for a First Quarter since Q1 2014

Figure 2 presents quarterly total FAAC disbursements from Q1 2013. The figure reveals that the N1.945 trillion disbursed in Q1 2020 is the highest first quarterly disbursement following total disbursements of N2.030 trillion in Q1 2014. Total disbursements were N1.648 trillion in Q1 2015, N1.132 trillion in Q1 2016, N1.411 trillion in Q1 2017, N1.938 trillion in Q1 2018, and N1.929 trillion in Q1 2019. With the exception of 2018, the general trend since 2015 has been that total disbursements fall in the second quarter, before rising in the third quarter. With the Covid-19 pandemic, it is almost certain that total disbursements will fall in the second quarter of 2020.



Sources: National Bureau of Statistics, Fiscal Disbursements Division @ NEITI

[3] FAAC disbursements consist of two primary pools: the Federation Account Pool and the VAT Pool. Funds in the Federation Account Pool are shared as follows: FG (52.58%), States (26.72%), LG (20.60%). Funds in the VAT Pool are shared as follows: FG (15%), States (50%), LG (35%). Thus, while the FG receives the bulk form the Federation Account Pool, it receives the lowest form the VAT Pool. This explains why the total disbursements received by FG is below 52%.

Total Net FAAC Disbursements to States in Q1 2020 Ranged between N6.44 billion and N52.03 billion

Figure 3 presents total net FAAC disbursements and deductions for states in the first quarter of 2020. Osun State had the lowest net FAAC disbursement of N6.44 billion while Delta State had the highest net FAAC disbursement of N52.03 billion. This implies that Delta State's total net FAAC disbursements were eight times those of Osun State. Also, Delta State's net FAAC disbursements were higher than the combined total net disbursements of N50.67 billion of the six lowest receiving states (Osun, Cross River, Plateau, Ogun, Ekiti, Gombe).

Figure 3 shows that the four states with the highest net FAAC disbursements were all in the South-South geopolitical zone: Delta, Akwa Ibom, Rivers and Bayelsa. The combined total net FAAC disbursement of these four states was N167.76 billion. This figure is higher than the combined total of N159.99 billion received by the 17 lowest receiving states (Osun, Cross River, Plateau, Ogun, Ekiti, Gombe, Zamfara, Kwara, Nassarawa, Ebonyi, Taraba, Benue, Adamawa, Bauchi, Abia, and Kogi).

Figure 3 shows that most states (31 states) received less than N20 billion as total net FAAC disbursements in the first quarter of 2020. Eight states received less than N10 billlion: Osun (N6.44 billion), Cross River (N8.01 billion), Plateau (N8.53 billion), Ogun (N8.76 billion), Ekiti (N9.45 billion), Gombe (N9.48 billion), Zamfara (N9.78 billion), Kwara (N9.95 billion).

23 states received between N10 billion and N20 billion: Nassarawa (N10.28 billion), Ebonyi (N10.49 billion), Taraba (N10.70 billion), Benue (N11.21 billion), Adamawa (N11.40 billion), Bauchi (N11.80 billion), Abia (N11.81 billion), Kogi (N11.90 billion), Ondo (N11.91 billion), Yobe (N12.00 billion), Enugu (N12.09 billion), Kebbi (N12.22 billion), Anambra (N12.33 billion), Oyo (N12.59 billion), Sokoto (N12.90 billion), Niger (N13.30 billion), Imo (N13.35 billion), Jigawa (N13.47 billion), Borno (N14.38 billion), Katsina (N14.47 billion), Edo (N14.91 billion), Kaduna (N15.81 billion), and Kano (19.38 billion).

Five states received more than N20 billion: Lagos (N26.23 billion), Bayelsa (N35.14 billion), Rivers (N39.99 billion), Akwa Ibom (N40.61 billion), and Delta (N52.03 billion).

Figure 3 also presents total deductions for the states in the first quarter of 2020. Lagos State had the largest deductions of N14.92 billion, while Yobe State had the lowest deductions of N820.18 million. There is wide disparity in the amounts deducted for the states. 15 states had total deductions in the first quarter less than N2 billion: Yobe (N820.18 million), Jigawa (N1.04 billion), Anambra (N1.10 billion), Enugu (N1.31 billion), Ebonyi (N1.39 billion), Sokoto (N1.40 billion), Kebbi (N1.48 billion), Borno (N1.51 billion), Katsina (N1.53 billion), Nassarawa (N1.62 billion), Adamawa (N1.72 billion), Taraba (N1.82 billion), Kwara (N1.83 billion), Kaduna (N1.91 billion) and Niger (N1.97 billion).

Total deductions were between N2 billion and N3 billion in seven states: Kano (N2.12 billion), Kogi (N2.29 billion), Abia (N2.34 billion), Edo (N2.35 billion), Ekiti (N2.35 billion), Rivers (N2.76 billion) and Gombe (N2.90 billion). 10 states had total deductions ranging between N3 billion and N5 billion: Imo (3.19 billion), Zamfara (N3.28 billion), Benue (N3.46 billion), Oyo (N3.70 billion), Bauchi (N3.75 billion), Akwa Ibom (N3.84 billion), Ogun (N4.17 billion), Delta (N4.24 billion), Bayelsa (N4.55 billion) and Ondo (N4.59 billion). Finally, total deductions were higher than N5 billion in four states: Cross River (N5.06 billion), Plateau (N5.18 billion), Osun (N5.87 billion) and Lagos (N14.92 billion).

Figure 4 presents the monthly net FAAC disbursements for the first quarter of 2020. The four states with the highest net disbursements (Delta, Akwa Ibom, Rivers, Bayelsa) all received more than N10 billion in each month. Lagos State had net disbursements higher than N10 billion only in January, but disbursements in February and March were N8.06 billion and N8.09 billion respectively.

Net FAAC disbursements to most states were below N5 billion per month. Monthly net FAAC disbursements were less than N5 billion in all three months in 25 states: Abia, Adamawa, Anambra, Bauchi, Benue, Cross River, Ebonyi, Ekiti, Enugu, Gombe, Imo, Kebbi, Kogi, Kwara, Nassarawa, Niger, Ogun, Ondo, Osun, Oyo, Plateau, Sokoto, Taraba, Yobe, Zamfara. For three states – Borno, Jigawa and Katsina – monthly net disbursements were higher than N5 billion in January, and fell below N5 billion in subsequent months. In two states – Edo and Kaduna - monthly net disbursements

N20 BILLION

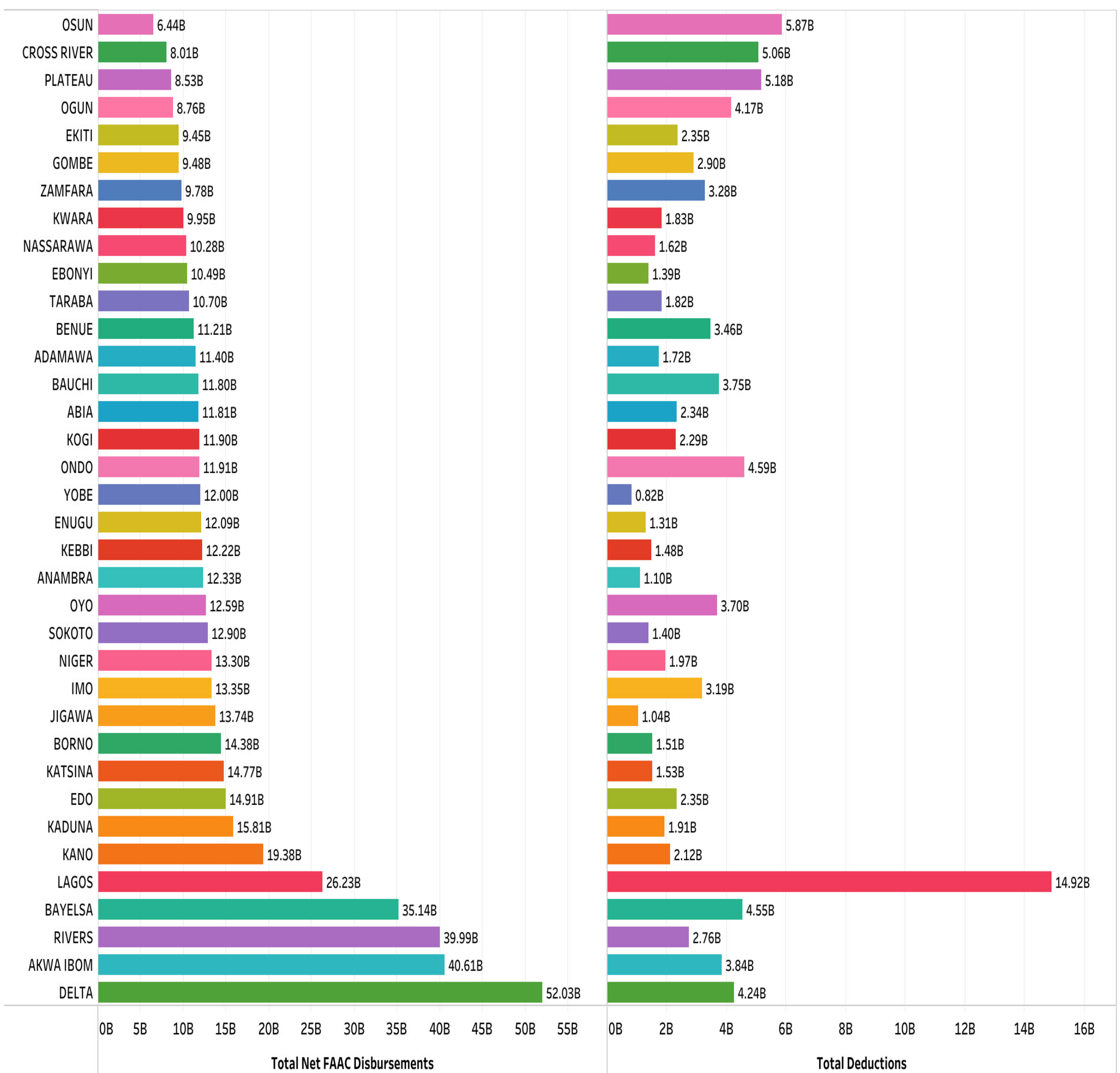
"Figure 3 shows that most states (31 states) received less than N20 billion as total net FAAC disbursements in the first quarter of 2020."

were higher than N5 billion in January and February, while they were less than N5 billion in March.

Table 1 presents total deductions expressed as a percentage of total gross disbursements for states in the first quarter of 2020. Wide disparities exist in this percentage between states. The table shows that total deductions as a percentage of gross disbursements ranged between 6.40% in Yobe State to 47.66% in Osun State. For most states (25), these percentages were less than 20%. The percentage of total deductions to gross disbursements was lower than 10% in 11 states: Yobe, Rivers, Jigawa, Delta, Anambra, Akwa Ibom, Katsina, Borno, Enugu, Sokoto and Kano. This percentage was between 10% and 20% in 14 states: Kaduna, Kebbi, Bayelsa, Ebonyi, Niger, Adamawa, Nassarawa, Edo, Taraba, Kwara, Kogi, Abia, Imo, and Ekiti. Six states had the percentage of deductions to gross disbursements between 20% and 30%: Oyo, Gombe, Benue, Bauchi, Zamfara, and Ondo. This percentage was between 30% and 40% in four states: Ogun, Lagos, Plateau and Cross River. Osun State was the only state with this percentage higher than 40%. For these states with higher percentages of deductions, their net disbursements from FAAC are lower, thereby impairing the resources available to them to undertake critical expenditure.

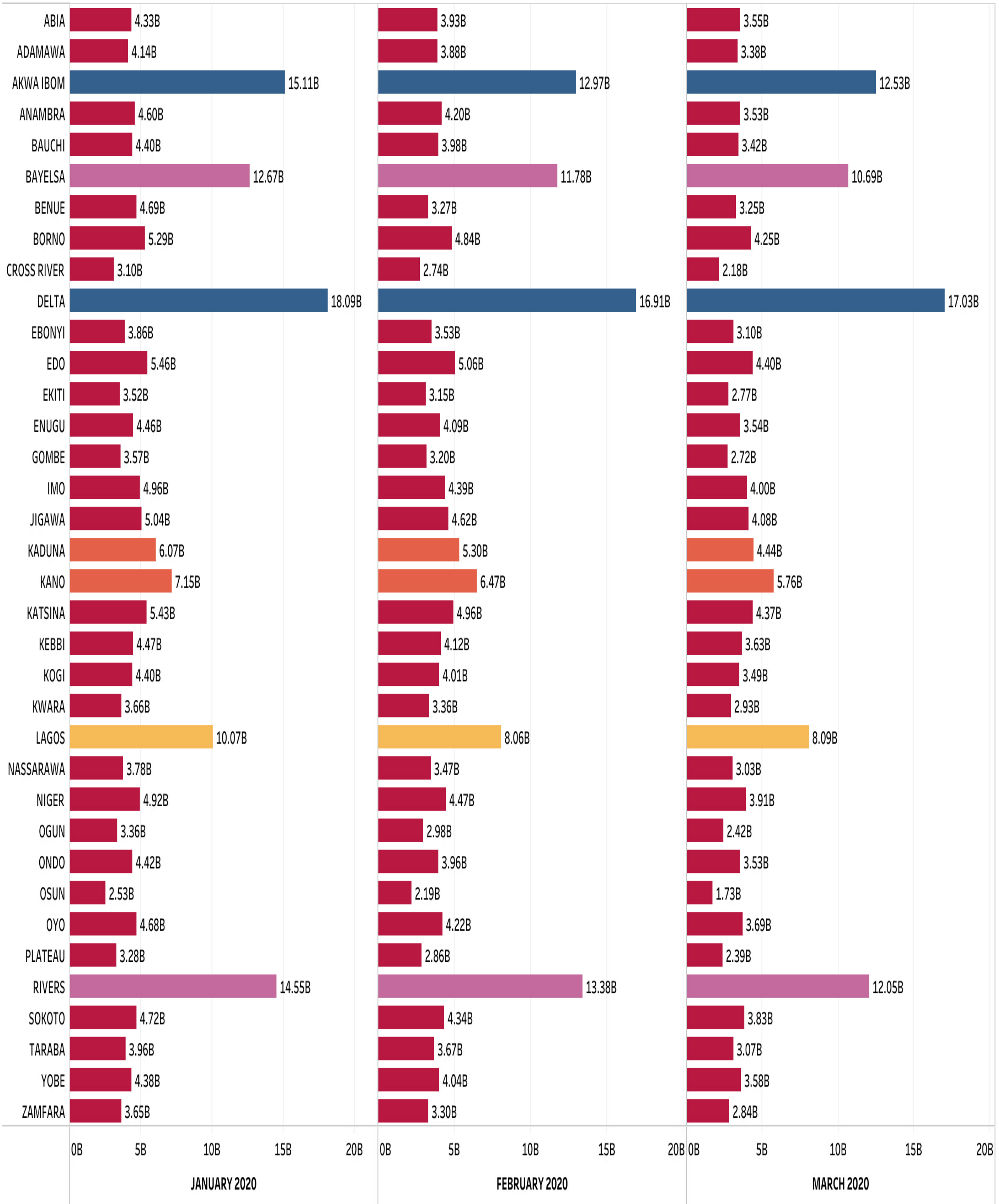
"The states with higher deductions naturally have lower net disbursements, which in turn constricts the resources available for them to fund their activities."

FIG 3: Total Net FAAC Disbursements and Deductions for States, Jan. to Mar. 2020 (N billions)



Sources: National Bureau of Statistics, Fiscal Disbursements Division @ NEITI

FIG 4: Total Net FAAC Disbursements to States, Jan. to Mar. 2020 (N billions)



Sources: National Bureau of Statistics, Fiscal Disbursements Division @ NEITI

Table 1: Total Gross and Net Disbursements, Total Deductions and Total Deductions as a Percentage of Total Gross Disbursements in Q1 2020

States	Total Gross Disbursements in Q1 2020 (N billion)	Total Net Disbursements in Q1 2020 (N billion)	Total Deductions in Q1 2020 (N billions)	Total Deductions as a Percentage of Total Gross Disbursements in Q1 2020 (%)
Abia	14.15	11.81	2.34	16.53
Adamawa	13.12	11.40	1.72	13.10
Akwa Ibom	44.45	40.61	3.84	8.64
Anambra	13.43	12.33	1.10	8.17
Bauchi	15.55	11.80	3.75	24.14
Bayelsa	39.69	35.14	4.55	11.46
Benue	14.66	11.21	3.46	23.57
Borno	15.90	14.38	1.51	9.52
Cross River	13.07	8.01	5.06	38.70
Delta	56.27	52.03	4.24	7.54
Ebonyi	11.88	10.49	1.39	11.71
Edo	17.26	14.91	2.35	13.60
Ekiti	11.80	9.45	2.35	19.93
Enugu	13.39	12.09	1.31	9.75
Gombe	12.38	9.48	2.90	23.43
Imo	16.54	13.35	3.19	19.26
Jigawa	14.77	13.74	1.04	7.02
Kaduna	17.72	15.81	1.91	10.77
Kano	21.50	19.38	2.12	9.86
Katsina	16.30	14.77	1.53	9.37
Kebbi	13.70	12.22	1.48	10.78
Kogi	14.19	11.90	2.29	16.14
Kwara	11.79	9.95	1.83	15.57
Lagos	41.15	26.23	14.92	36.26
Nassarawa	11.89	10.28	1.62	13.58
Niger	15.27	13.30	1.97	12.90
Ogun	12.93	8.76	4.17	32.28
Ondo	16.50	11.91	4.59	27.82
Osun	12.31	6.44	5.87	47.66
Oyo	16.29	12.59	3.70	22.73
Plateau	13.71	8.53	5.18	37.80
Rivers	42.74	39.99	2.76	6.45
Sokoto	14.30	12.90	1.40	9.81
Taraba	12.52	10.70	1.82	14.53
Yobe	12.82	12.00	0.82	6.40
Zamfara	13.07	9.78	3.28	25.12

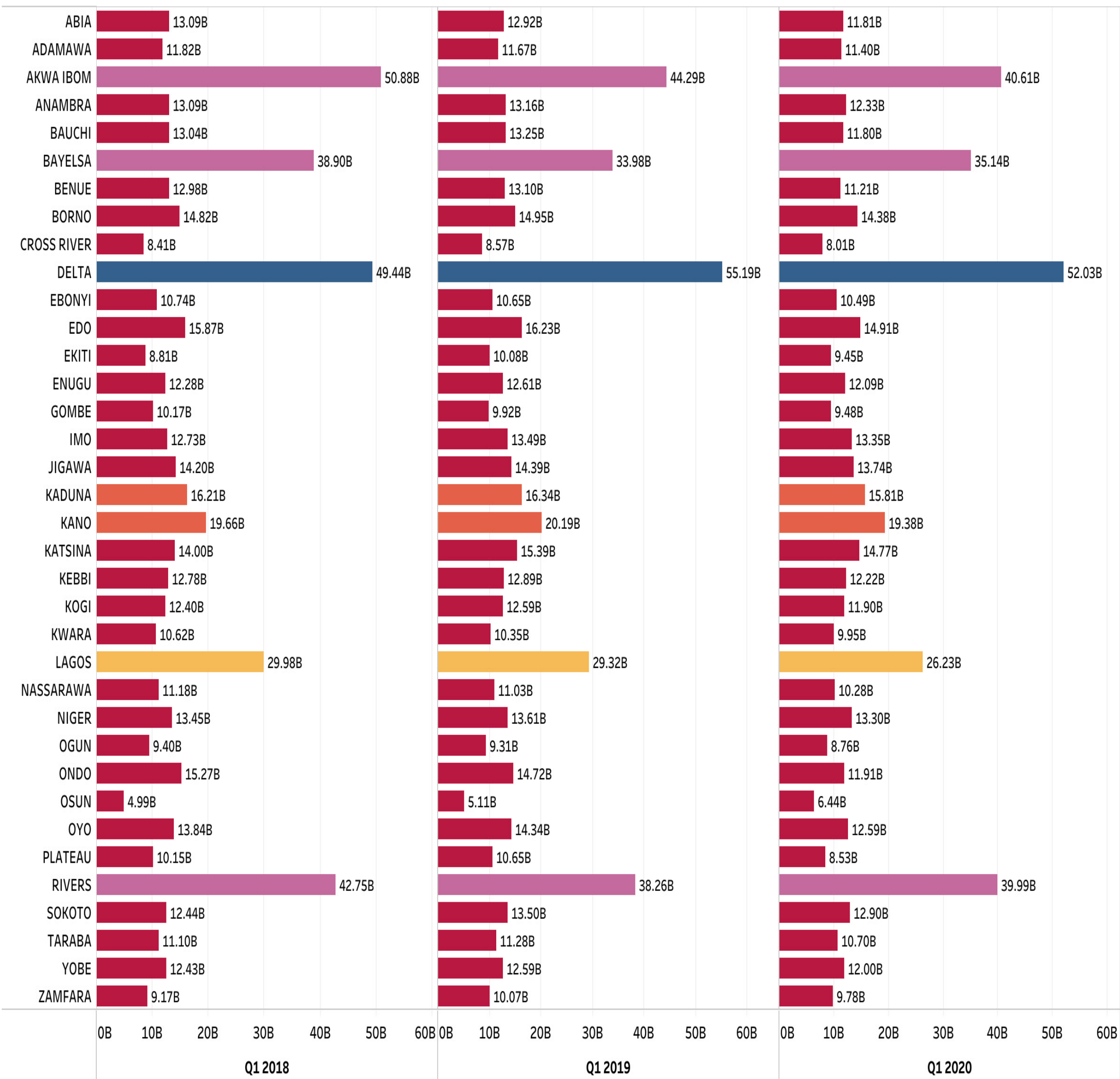
Sources: National Bureau of Statistics, Fiscal Disbursements Division @ NEITI

Total Net FAAC Disbursements were Lowest in Q1 2020 in 27 States, when Compared to Q1 2018 and Q1 2019

Figure 5 presents total net FAAC disbursements to states in Q1 2018, Q1 2019 and Q1 2020. Disbursements were lower for most states in Q1 2020 than in Q1 2018 and Q1 2019. 27 states had lower disbursements in Q1 2020 than in either Q1 2018 or Q1 2019. These are: Abia, Adamawa, Akwa Ibom, Anambra, Bauchi, Benue, Borno, Cross River, Ebonyi, Edo, Enugu, Gombe, Jigawa, Kaduna, Kano, Kebbi, Kogi, Kwara, Lagos, Nassarawa, Niger, Ogun, Ondo, Oyo, Plateau, Taraba, and Yobe States.

Only Osun State had disbursements in Q1 2020 higher than disbursements in Q1 2018 or Q1 2019. 23 states had disbursements highest in Q1 2019: Anambra, Bauchi, Benue, Borno, Cross River, Delta, Edo, Ekiti, Enugu, Imo, Jigawa, Kaduna, Kano, Katsina, Kebbi, Kogi, Niger, Oyo, Plateau, Sokoto, Taraba, Yobe, and Zamfara. Disbursements were highest in Q1 2018 in 12 states: Abia, Adamawa, Akwa Ibom, Bayelsa, Ebonyi, Gombe, Kwara, Lagos, Nassarawa, Ogun, Ondo, and Rivers States.

FIG 5: Total Net FAAC Disbursements to States, Q1 2018, Q1 2019, Q1 2020 (N billions)



Sources: National Bureau of Statistics, Fiscal Disbursements Division @ NEITI

Projected Impact of COVID-19 Pandemic on Subsequent FAAC Disbursements

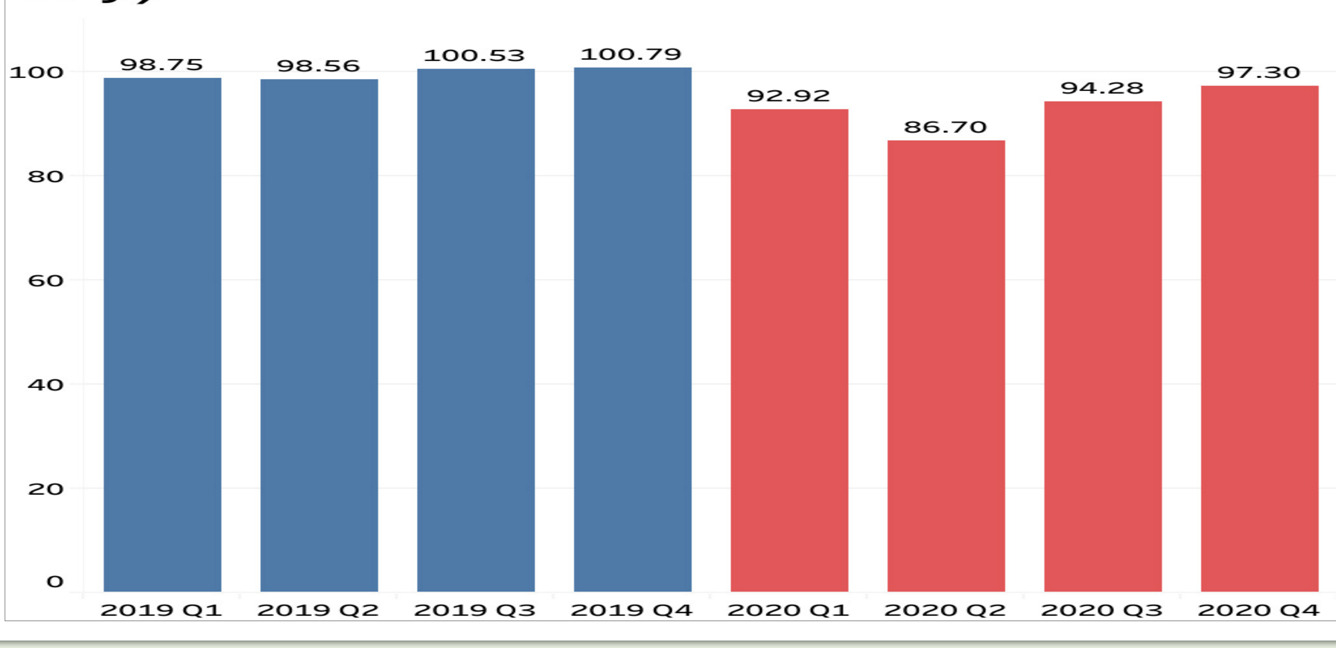
The coronavirus disease (COVID-19) was declared by the World Health Organisation (WHO) as a pandemic on March 11, 2020. Covid-19, a new respiratory disease that is highly contagious, has resulted in high casualties globally in a short space of time.

COVID-19 has distorted global health and economic systems due to the large number of infections and deaths. The high death rates led to many countries declaring lockdowns of either major epicentres of the disease or country-wide lockdowns. Such lockdowns have had devastating effects on the global oil market. Global oil demand has fallen as a result of lower activities in transportation and industrial sectors. This was first noticed in oil demand from China which was the first country to declare a lockdown. As more countries have instituted lockdowns, oil demand has continued to fall.

This is evident from Figure 6 which shows daily oil demand. In the whole of 2019, average oil demand was 99.67 million barrels per day (mb/d). The figure shows that oil demand was lowest in the second quarter of 2019 with 98.56 mb/d, while it was highest in the fourth quarter with 100.79 mb/d. The figure shows that oil demand is projected to fall considerably in 2020 compared to the 2019 figures. Projected global oil demand is 92.82 mb/d in 2020. Oil demand is projected to be lowest in the second quarter with 86.70 mb/d, while it is projected to be highest in the fourth quarter with 97.30 mb/d. Interestingly, the highest demand figure in 2020 will be lower than the lowest demand figure in 2019. Oil demand in Q1 2020 is 5.90% lower than in Q1 2019. Also, oil demand in Q2 2020 is projected to be 12.03% below demand in Q2 2019. Oil demand in Q3 2020 and Q4 2020 are projected to be 6.22% and 3.46% lower than demand in the respective quarters of 2019.

A key consequence of the reduction in oil demand has been the crash in oil prices. Figure 7 presents oil prices between January 2, 2020 and April 27, 2020. Oil prices were $67.05 per barrel on January 2, 2020. They reached $70.25 per barrel on January 4, but then started falling. Despite falling, oil prices remained above $50 per barrel until March 9 when they crashed to $35.33 per barrel. Oil prices were as low as $9.12 per barrel on April 21.

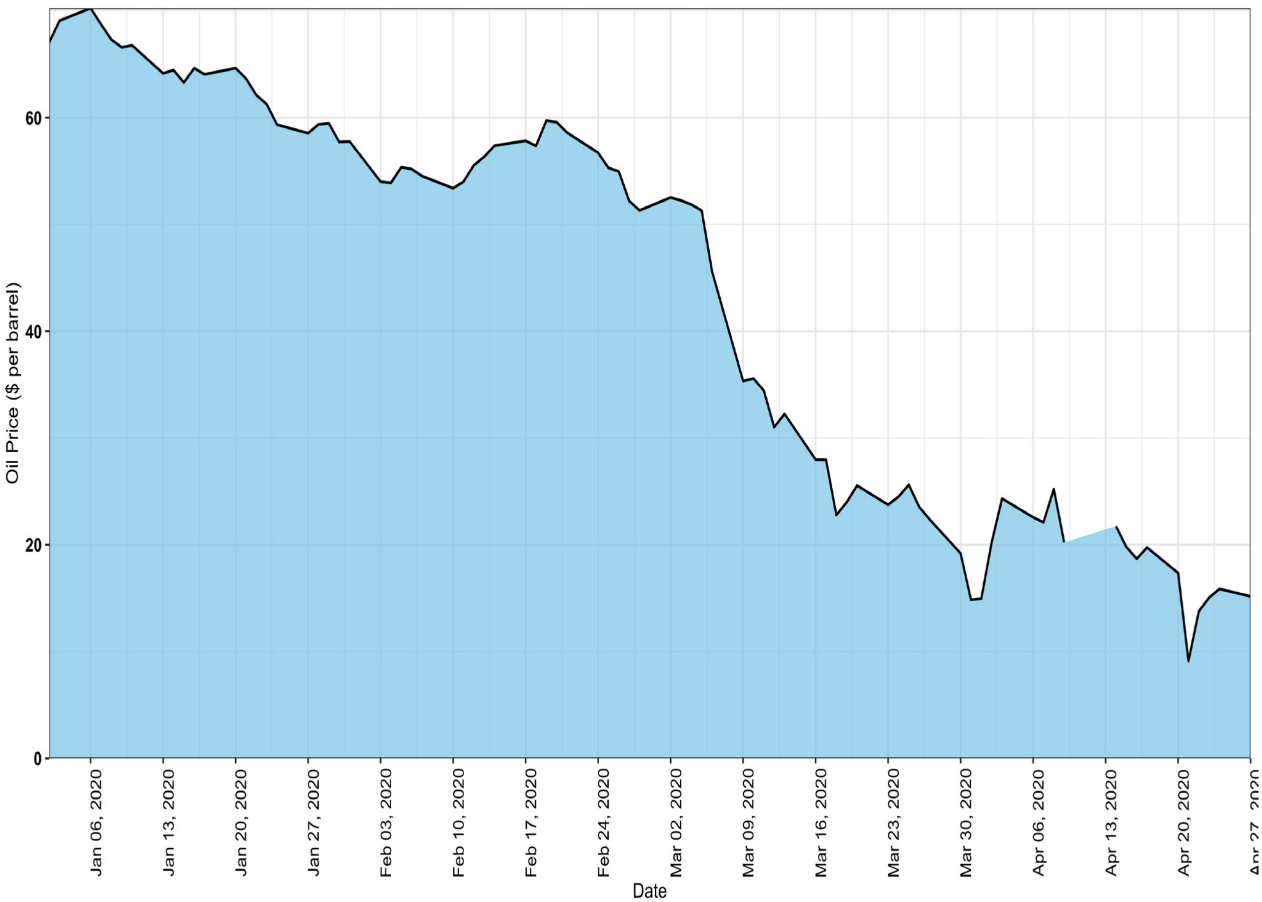
FIG 6: Global Oil Demand Average, Q1 2019 to Q4 2020 (million barrels per day)



Source: OPEC Monthly Oil Market Report, April 2020

FIG 7: CRUDE OIL PRICE (Brent)

January 2, 2020 to April 27, 2020 (Dollars per barrel)



Source: Energy Information Administration

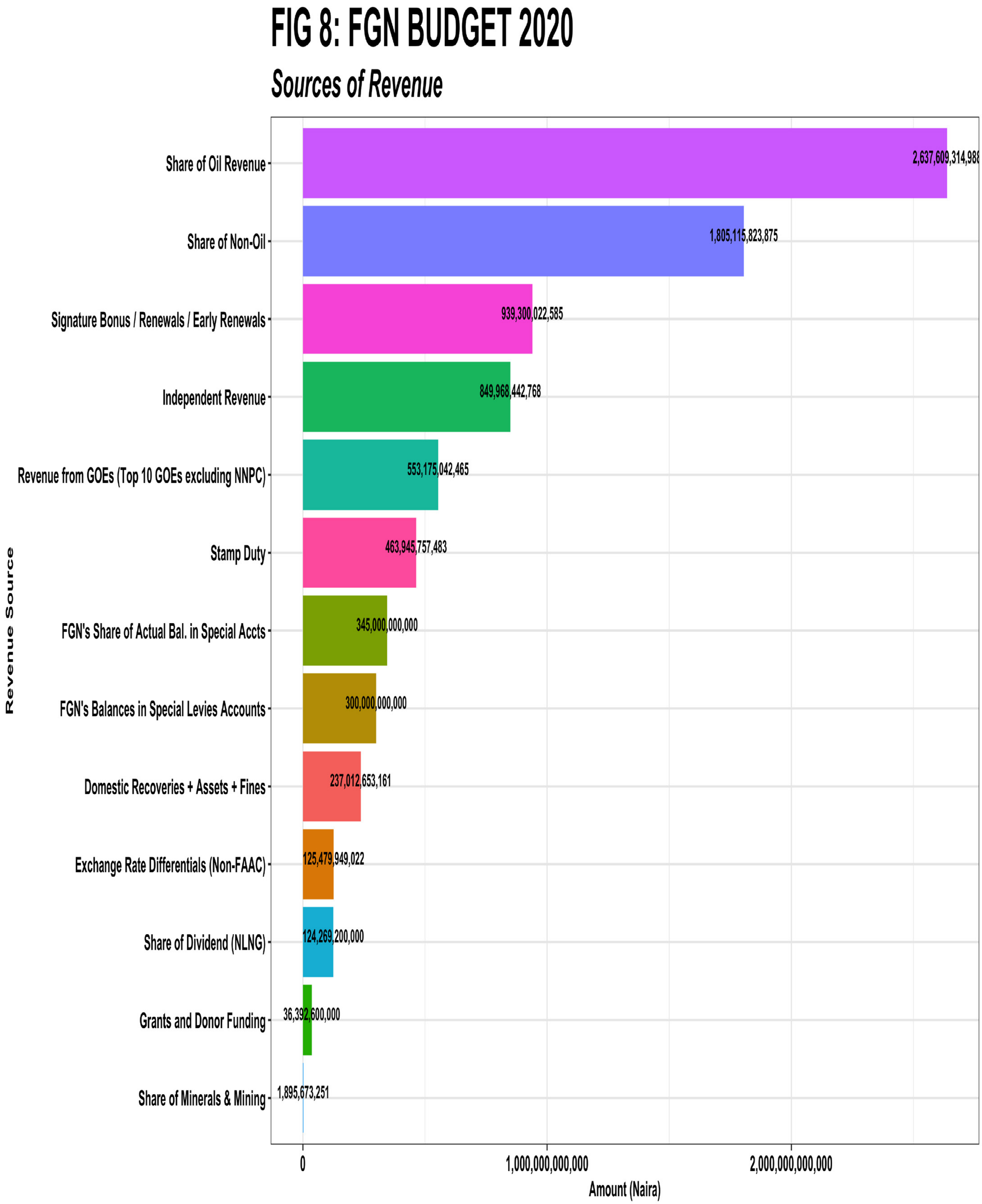
This scenario, where both oil demand and oil prices have fallen, represents a 'double whammy' for revenue in Nigeria. This situation is further compounded as there are reports that the country is struggling to find buyers for its crude oil. There are reports that over 50 million barrels of Nigeria's crude were unsold as at April 16[3]. This will ultimately have the effect of severely reducing government revenue from oil, considerably lower remittances into the Federation Account, thereby leading to lower FAAC disbursements in forthcoming months.

There will also be indirect effects on other sources of government revenue. Figure 8 presents the sources of revenue in the FG budget of 2020. Projected revenue for 2020 was N8.42 trillion, comprising oil revenue of N2.64 trillion, non-oil revenue of N1.81 trillion, and revenue from other sources of N3.97 trillion[4]. Oil revenue remained the dominant single source of revenue, with the figure of N2.64 trillion making up 31.35% of total projected revenue[5].

"Oil revenue remained the dominant single source of revenue, with the figure of N2.64 trillion making up 31.35% of total projected revenue"

The interesting point to note from Figure 8 is that while the share of oil revenue represents the direct revenue from oil there are also indirect sources of revenue from oil. These include signature bonus and renewals and share of dividend from NLNG. In addition, taxes and customs duties, which are based on economic activities, will suffer in light of the lockdown of the major activity hubs of the country. Thus, the overall effects (direct + indirect) of COVID-19 on government revenue will be quite large.

[3] https://www.spglobal.com/platts/en/market-insights/latest-news/oil/041620-nigerian-crude-in-dire-straits-gasping-for-buyers



[4] These other sources include dividends, recoveries/ fines, independent revenue, and others.
[4] The figure of N2.64 trillion for oil revenue was based on the key assumptions of oil production of 2.18 million barrels per day and a benchmark oil price of $57 per barrel.

Faced with the prospect of lower disbursements from FAAC, it is imperative that all tiers of government make adjustments in their revenue and expenditure plans for 2020. The FG has been proactive in this regard. First, President Buhari, sensing possible declining FAAC disbursements to the sub-national governments, approved the withdrawal of $150 million from the Stabilisation Fund of the Nigeria Sovereign Investment Authority. This amount will be used to support the June 2020 FAAC disbursements. Second, the President directed both the Federal Ministry of Finance and Central Bank of Nigeria to agree on modalities for states to benefit from debt and interest moratorium. Essentially, this means that states will stop paying interest and capital payments on their loans once average monthly FAAC disbursements fall below a specific threshold; and such payments will only resume if FAAC disbursements exceed the threshold. Furthermore, work is ongoing to amend the FG's 2020 Appropriation Act to reflect current realities. This amendment will see the reduction of the benchmark oil price from $57 per barrel to reportedly $20 per barrel; and oil production reduced from 2.18 mb/d to 1.4 mb/d. In addition, non-oil revenue projections will be revised downwards. Finally, the FG applied for $3.4 billion to be provided under the International Monetary Fund's (IMF) Rapid Financing Instrument (RFI). This request was approved by the Executive Board of the IMF on April 28, 2020. Despite these pro-active measures at the federal level, it is projected that all tiers of government will struggle with their finances this year on account of the impact of COVID-19.

"Faced with the prospect of lower disbursements from FAAC, it is imperative that all tiers of government make adjustments in their revenue and expenditure plans for 2020. The FG has been proactive in this regard."

Following the lead of the FG, state governments will also need to revise their budgets and prepare for lower FAAC disbursements. The states might need to rely more on internally generated revenue (IGR) to service their budgets. However, it must be said that IGR depends largely on personal incomes, which will likely fall as the lockdown is prolonged and economic opportunities become scarce. All states, including Lagos that is the least exposed to FAAC disbursements, are projected to struggle with increasing or even maintaining their IGRs. States will have to be very innovative in this regard or rely more on slashing their budgets, which combined with the lockdown could also affect overall productivity.

Figure 9 presents net FAAC disbursements and IGR expressed as percentages of total revenue for states in 2018 and 2019. The figure shows that net FAAC disbursements accounted for over 70% of total revenue in 29 states in 2018, and 26 states in 2019. Thus, FAAC disbursements have been the dominant source of revenue for most states. The COVID-19 pandemic will also change the structure of expenditure of many states, as more resources will have to be channelled to the health sector to combat the pandemic. This will result in movement of funds from other sectors hitherto identified as critical in their budgets.

FIG 9: Total Net FAAC Disbursements and Total IGR as a Percentage of Total Revenue in 2018 & 2019

Sources: National Bureau of Statistics, Fiscal Disbursements Division @ NEITI

Conclusion

This review has conducted an analysis of FAAC disbursements to the three tiers of government in the first quarter of 2020. The review showed that total FAAC disbursements in the first quarter of 2020 were N1.945 trillion. Of this amount, total disbursements to the federal, states and local governments were N791.44 billion, N669.02 billion and N395.95 billion, respectively. This review also found that the total disbursements in Q1 2020 were 0.82% higher than the N1.929 trillion disbursed in the first quarter of 2019; and 0.36% higher than the N1.938 trillion disbursed in the first quarter of 2018.

Furthermore, the review found that the total FAAC disbursements in Q1 2020 of N1.945 trillion is the highest first quarterly disbursement following total disbursements of N2.030 trillion in Q1 2014. Total net FAAC disbursements to states in Q1 2020 ranged between N6.44 billion in Osun State and N52.03 billion in Delta State.

Finally, this review examined the prospects for FAAC disbursements for the rest of 2020. It was seen that in light of the 'double whammy' of declining oil demand and oil prices as a result of the COVID-19 pandemic, government revenue would likely continue to fall in subsequent months, as global crude oil prices plummet in the midst of the global oil supply glut arising from lockdown of economic activities in many countries of the world. It is projected that all tiers of government will struggle to fund their 2020 budgets. Diminished revenues and limited economic activities on account of the lockdown and wider impact of COVID-19 are also projected to negatively impact national productivity. There is thus the need for innovative and concerted actions by all tiers of government and other stakeholders to minimize the impact of COVID-19 not just on revenues but also on the economy as a whole.

"It is projected that all tiers of government will struggle to fund their 2020 budgets. Diminished revenues and limited economic activities on account of the lockdown and wider impact of COVID-19 are also projected to negatively impact national productivity.."

The NEITI Quarterly Review is an analytical review of topical issues designed to ensure transparent and accountable management of revenues from the extractive sector. It is one of NEITI's policy and advocacy tools.

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