

PRESIDENT TINUBU APPROVES ESTABLISHMENT OF INFRASTRUCTURE SUPPORT FUND FOR STATES

President Tinubu has approved the establishment of an Infrastructure Support Fund (ISF) for the 36 States, as part of measures to cushion the impact of the petrol subsidy removal.

The approval was disclosed at the monthly meeting of the Federal Accounts Allocation Committee (FAAC), on Thursday July 20, 2023, in Abuja.

The new Infrastructure Fund will enable the States intervene and invest in the critical areas of Transportation inclusive of farm to market road improvements; Agriculture inclusive of livestock and ranching solutions; Health, especially basic healthcare; Education, especially basic education; Power and Water Resources, that will improve economic competitiveness, create jobs and deliver economic prosperity for Nigerians.

The Committee also resolved to save a portion of the monthly distributable proceeds, to minimize the impact of the increased revenues—occasioned by the subsidy removal and exchange rate unification on money supply, as well as inflation and the exchange rate.

To this end, only 907 Trillion Naira of the total distributable revenue of 1.9 Trillion Naira for June 2023 will be distributed across the three tiers of Government, while 590 billion will be saved, with the balance going towards statutory deductions and funding of various priority projects.

The savings will complement the efforts of the Infrastructure Support Fund (ISF) and other existing and planned fiscal measures, all aimed at ensuring that the subsidy removal translates into tangible improvements in the lives and living standards of Nigerians.

The Committee commends the President for the bold decision to remove the petrol subsidy, and even more importantly, to ensure that States are duly supported in the collective effort to cushion the effect of the subsidy removal on Nigerians.