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## MINISTRY OF BUDGET & ECONOMIC PLANNING

Phase V, State Secretariat Complex, Ado-Ekiti, Ekiti State, Nigeria.

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12<sup>th</sup> September, 2022

All Honourable Commissioners,  
All Special Advisers,  
The Secretary to the State Government,  
The Head of Service,  
Chief of Staff,  
All Permanent Secretaries,  
The Auditors-General (State & Local Governments),  
All Directors-General,  
All General Managers/Executive Secretaries,  
The Chief Registrar of the High Court of Justice,  
The Clerk, Ekiti State House of Assembly,  
All Heads of Extra-Ministerial Departments, Agencies and Tertiary Institutions,  
Non-Governmental Organisations/Civil Society Organisations,  
Faith Based Organisations,  
Trade Unions

### **2023 ADVANCE PROPOSAL AND DRAFT ESTIMATES**

A sound Budget preparation procedure should aim at explicit Government priorities. One of the cardinal principles of budgeting is that all activities of Government should be carefully articulated in line with the established Guidelines to ensure fiscal discipline, transparency and accountability. This underlying principle has always occupied the front burner in the formulation, preparation and implementation of Ekiti State Fiscal Documents in conformity with the global best practice. In view of the hitherto achievements by the current administration, it has become expedient to ensure continuity and sustainability. To this end, the Ministry of Budget and Economic Planning is set to begin the preparation of the 2023 Fiscal year Budget.

The 2023 Budget preparation shall sustain the adoption of Zero-Based Budgeting (ZBB) approach in line with the subsisting Government policy thrust as encapsulated in the six -Point Agenda of the in-coming administration. For clarity, programmes/projects should be conceived and prepared in line with the policy thrust of Government and provisions for such programmes/projects must be thoroughly justified. Traditionally, ZBB seeks to justify resource allocation plans, regardless of prior year's provisions and discourages unjustified conventional Incremental Budget Adjustments.

Having subscribed to Open Government Partnership, the Government shall adopt more inclusive and transparent Budgeting process which adumbrates Bottom-up/Participatory method. To enrich the proposed Budget and ensure ownership, inputs/requests from the general public shall be articulated through Citizens' Engagement and incorporated in the proposals of relevant MDAs for the proposed 2023 Fiscal document.

## 2.0 PRINCIPLES AND POLICIES

2.1 This outgoing administration is unequivocally committed to its Operational Policy, whereby people can strive and live their lives in dignity, making Ekiti State a friendly environment and destination of choice for Investors to engender job creation, wealth generation, improved quality of life and peaceful co-existence. The in-coming administration shall continue in the spirit of implementation of laudable programmes and projects aimed at improving the welfare and well-being of the good people of Ekiti State as encapsulated in the six (6) strategic Pillars of the administration. The Administration has unveiled its Socio-economic Agenda aptly tagged 'Six (6) Strategic Plan of Action' for the State. These are:

- (i). Youths Development and Job Creation;
- (ii). Human Capital Development;
- (iii). Agriculture and Rural Development;
- (iv). Infrastructure and Industrialization;
- (v). Arts, culture & tourism; and
- (vi). Governance.

The focus of the 2023 Budget shall be improved revenue generation drive to finance Government programmes and projects. The specific objectives of the 2023 Budget shall be:



### 3.0 OBJECTIVES OF THE 2023 BUDGET

- i. to gradually achieve the vision of Ekiti State as captured in the 30-year Development Plan by making Ekiti a destination of choice in Africa to live, to invest and to visit;
- ii. to establish a framework consistent with Government Fiscal and Monetary Policy in the proposed 2023 Budget;
- iii. to promote good governance through Budget discipline, probity, accountability and Transparency in the allocation and utilization of public funds;
- iv. to maintain and improve on the development of Agribusiness and Micro, Small and Medium Scale Enterprises (MSMSEs) in the State towards rapid job creation for the teeming youths;
- v. to ensure the completion of any on-going developmental Project through equitable and prudent distribution and allocation of the available resources;
- vi. to further widen the revenue sources for the State with a view to reducing the pressure and dependence on Federal Allocation;
- vii. to sustain the ease-of-doing business by creating enabling environment for socio-economic activities in the State and enlist the trust and confidence of Investors and Development Partners to attract more domestic and Foreign Investment;
- viii. to facilitate programmes tailored towards widening Human Capital Development and capacity building in the State through strategic investments in Information Communication and Technology (ICT), Agribusiness, etc;
- ix. to increase the State Gross Domestic Product (GDP) by harnessing the economic potentials of the State;
- x. to strengthen security apparatus of the State and create enabling environment for socio-economic activities which will in turn improve the Gross Domestic Product (GDP) of the State; and
- xi. to improve the well-being of the people and promote sustainable growth in the State.

## REVENUE

4.1 The need for continuity in governance cannot be over-emphasized, in view of its enormous benefits in achieving a sustainable socio- economic development. The incoming administration is determined to improve on the revenue generation drive of the State in the 2023 fiscal year through the creation of enabling environment and by exploring untapped revenue sources. This will be achieved through improved security network and safety of lives and property. The revenue focus shall be on agricultural sector where collaborative efforts with reputable Companies such as Dangote Groups, Stallion Group, Promacido, among others, would be intensified. In addition, the effort of Government would be intensified to strengthen the ease-of-doing-business in the State. The existing mutual understanding and collaboration between the State Government, domestic and foreign Development Partners such as World Bank, UNICEF, and European Union etc., which has led to implementation of various developmental projects in the State in the recent years, will be sustained and improved upon.

4.2 It cannot be gain-said that the allocation from the Federation Account which constitutes the major source of the State's revenue has continued to nose-dive. To this end, the State Government will continue to look inward to improve on the Internally Generated Revenue (IGR). This will be done by widening the tax net and blocking any loopholes. Efforts will also be made to improve on the existing sources of revenue in critical sectors such as Mining, Forestry-tourism etc, while other sources, such as property tax and luxury tax would be explored. The Government is confident to achieve this by ensuring the judicious use of tax funds, simple and digitized tax payment system. The existing automated and e-payment platforms as well as all other means of revenue collection will be strengthened for effectiveness, efficiency and accountability.

4.3 States Viability Index (SVI), which is the measure of IGR to FAAC receipts, has shown in the recent years that Ekiti State has improved on its IGR. However, it is necessary to state that the objective of making the State to be self- sustaining is still work-in-progress, and will be accorded necessary priority in the 2023 fiscal year.

4.4. Furthermore, it is imperative to reiterate that the extant policies of State Government of Direct Bank Lodgment System (DBLS) and the Treasury Single Account (TSA) would remain operational.



● Consequently, all Ministries, Departments and Agencies (MDAs) with fiscal mandate are required to remit all revenues to the State Treasury promptly, using the approved platforms.

4.5 Also, Tertiary Institutions are enjoined to continue to render their returns on revenue (from all sources) to the Budget platform, in line with the Open Government Partnership (OGP). For emphasis, Students' enrolment and tuition fees are to be disclosed by the Institutions, using the attached Proforma. It should be noted that funding from the State Treasury during the 2023 fiscal year will be limited to monthly subventions with special consideration for specific Capital Projects, if need be, within the ambit of the available resources. However, greater proportion of the revenue to finance the Overhead Cost of the Institutions is expected to be generated internally through their efforts. Therefore, it is pertinent to state that the monthly records of revenue and expenditure should be forwarded to this Ministry and the Office of the State Accountant General.

## 5.0 RECURRENT EXPENDITURE

5.1 There is no denying the fact that Public Service is the engine room of Government. Government Businesses across all sectors of the State shall be funded to justify the passion of the administration for openness, transparency and accountability. However, focus would be on prudent management of the available resources such that all non-essential programmes/activities will not be accommodated in the 2023 Budget. Adequate budgetary provision shall be allocated to all MDAs to ensure smooth running of their activities and the sustenance of government programmes. It is a common knowledge that government is continuum. Government shall, therefore, continue to place premium on the clearance of all arrears of salary and gratuities of Public Servants.

## 6.0 OTHER SERVICE GENERAL

6.1 As you are no doubt aware, the National Chart of Accounts has remained the underlying base for the preparation of the Ekiti State Budget since its adoption. The policy shall be strengthened and sustained in the preparation of the 2023 Budget. It is not in doubt that frivolous expenditure under the guise of contingency has been outlawed.

6.4 It is necessary to state that the incoming Government is desirous of new ideals and innovations that would improve the living standard of the good people of the State. Priority shall therefore be accorded programmes/projects that would improve the revenue base of the State and improve the standard of living of the people. All MDAs are advised to note that only well-articulated and justified

programmes/projects as recommended by relevant Authorities would be captured in the proposed 2023 Budget.

## 7.0 CAPITAL EXPENDITURE

7.1 To improve on the achievements of the incumbent, the new administration has identified six (6) Point- Agenda upon which implementation of programmes will be anchored. It is apposite to note that the current administration, in conjunction with the United Nations Development Programme, has achieved a great milestone by developing a 30-year Development Plan for the State. The new administration will ensure the full implementation of the programmes/projects in line with the 30-year Development Plan and align the 3- year Medium Term Expenditure Framework (MTEF) and the annual Budget with the Development Plan. In this regard, the initial focus of the new administration will be to complete outstanding projects and ensuring the improvement in the fiscal index of Government. However, the incoming Administration will introduce new essential projects as the need arises. MDAs are advised to present only realistic capital projects which would guarantee high return on investment to boost the Internally Generated Revenue of the State in line with the six (6) new Strategic Plan.

7.2. MDAs are to note that their proposed Capital Projects for the 2023 Budget will be included after the Sectoral/ Negotiation meeting, in conformity with the Medium-Term Expenditure Framework (MTEF) Guideline. All Accounting Officers are enjoined to take adequate briefs from their Chief Executives in the preparation of their Budgets. Furthermore, Heads of Departments should be engaged in the exercise to ensure collective responsibility.

7.3. As posited earlier, 2023 Budget shall be Zero-Based. Therefore, the Capital Budget shall comprise priority projects only which Government has made financial commitment and hopes to continue and/or complete in the 2023 fiscal year. It is important to state that the Capital Budget shall be guided by the following principles:

- (i) must be consistent and in line with the already identified strategic plan;
- (ii) must be realistic;
- (iii) must be achievable;
- (iv) must be measurable;
- (v) must have economic value;



- (v) must have been admitted in the Medium-Term Expenditure Framework (MTEF) 2023 – 2025; and
- (vi) must have obtained the approval of His Excellency, the Governor.

It is instructive to state that Government will continue the use of Multi-Year Budget Framework template as an integral part of the Medium-Term Expenditure Framework. To this end, MDAs are expected to submit their Medium-Term Sectoral Strategy document to the Directorate of Project Planning, Research and Statistics (PPR&S) in the Ministry of Budget and Economic Planning to align their projects with the 2023 Capital Budget. Where necessary, clarifications should be sought from the Ministry of Budget and Economic Planning.

#### 8.0 GENERAL

8.1 Kindly note that the deadline for posting of returns on revenue and expenditure as at 31<sup>st</sup> of August, 2022 to the Budget Platform at [www.ekbudget.com](http://www.ekbudget.com) is Monday, 16<sup>th</sup> September, 2022. In addition, all Tertiary Institutions are requested to forward the hard copies of their projections for 2023 fiscal year and duly completed proforma to the Budget Department.

9.0 Thank you.

  
'Leke Adefolaju  
Permanent Secretary

**PROFORMA:**

To be completed by Tertiary Institutions and endorsed by the Chief Executive.

**1. NUMBERS OF STUDENTS (FULL & PART-TIME PROGRAMMES)**

**1a. Full Time Programmes**

S/N	Category	No of Students Per Faculty	No of Students Per Department	Tuition Fee (specified against each course and Student's level)
		<b>Total</b>	<b>Total</b>	<b>Total</b>

**1b. Part Time Programmes**

S/N	Category	No of Students Per Faculty	No of Students Per Department	Tuition Fee (specified against each course and Student's level)



		<b>Total</b>	<b>Total</b>	<b>Total</b>

**2. DETAILS OF ALL REVENUE**

	<b>Revenue Heads 2022 Estimate</b>	<b>Actual Revenue (Jan.-Aug., 2022)</b>	<b>Proposed 2023 Estimate</b>
	Subvention		
	TETFUND		
	IGR		
	Donations		
	Others (Please, specify)		
	<b>Total</b>	<b>Total</b>	<b>Total</b>

3. Provide Bank statement of all revenues for the period 1<sup>st</sup> January to 31<sup>st</sup> August 2022 and current Bank balances