



EKITI STATE GOVERNMENT

ECONOMIC AND FISCAL UPDATE (EFU), FISCAL STRATEGY PAPER (FSP) AND BUDGET POLICY STATEMENT (BPS)

For Period: 2024 – 2026

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List of Abbreviations

BPS	Budget Policy Statement
BRINCS	Brazil, Russia, India, Nigeria, China, South Africa
CBN	Central Bank of Nigeria
CDF	Capital Development Fund
CIA	Central Internal Audit
CIT	Companies Income Tax
COVAX	COVID-19 Vaccines Global Access
CPI	Consumer Price Index
CPIA	Country Policy and Institutional Assessment
CPS	Contributory Pension Scheme
DFID	Department for International Development (UK)
DMD	Debt Management Department
DSSI	Debt Service Suspension Initiative
EFU	Economic and Fiscal Update
EIA	Energy Information Administration
EKSG	Ekiti State Government
ERAS	Ekiti Revenue Autonomous System
EU	European Union
ExCo	Executive Council
FAAC	Federal Allocation Accounts Committee
FCT	Federal Capital Territory
FGN	Federal Government of Nigeria
FIRS	Federal Inland Revenue Service
FS	Fiscal Strategy
FSP	Fiscal Strategy Paper
GDP	Gross Domestic Product
G20	Group of 20
ICT	Information and Communication Technology
IGR	Internally Generated Revenue
IMF	International Monetary Fund
MBEP	Ministry of Budget and Economic Planning
MBNP	Ministry of Budget and National Planning
MBPD	Million Barrels per Day (Oil production)
MDAs	Ministries, Department and Agencies
MINT	Mexico, Indonesia, Nigeria and Turkey
MSME	Micro-Small and Medium Enterprises
MTBF	Medium Term Budget Framework
MTEF	Medium Term Expenditure Framework
MTFF	Medium Term Fiscal Framework
MTSS	Medium Term Sector Strategy
N-11	Next 11 Emerging Economies
NBS	National Bureau of Statistics
NCS	National Customs Service
NNPC	Nigerian National Petroleum Company
NPC	National Planning Commission
OAG	Office of the Accountant-General
OPEC	Organization of the Petroleum Exporting Countries
PAYE	Pay As You Earn (PAYE)
PFM	Public Financial Management

PIB	Petroleum Industry Bill
PITA	Personal Income Tax Act
PMS	Petroleum Motor Spirit
RMAFC	Revenue Mobilization, Allocation and Fiscal Commission
SDR	Special Drawing Rights
SFTAS	State Fiscal Transparency, Accountability and Sustainability
SHoA	State House of Assembly
TWG	Technical Working Group
UBEC	Universal Basic Education Commission
UNICEF	United Nations International Children's Emergency Fund
VAT	Value Added Tax
WEO	World Economic Outlook

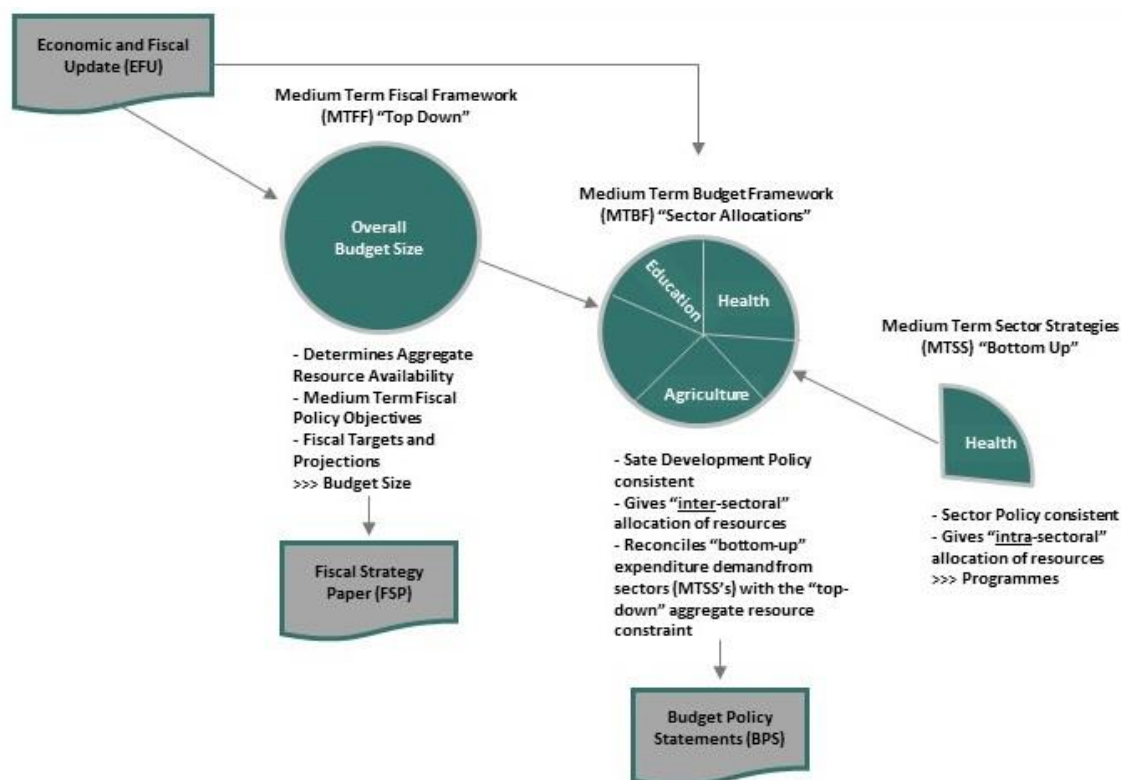
Introduction and Background

1.A Introduction

1. The Economic and Fiscal Update (EFU) provides economic and fiscal analysis which form the basis for Budget planning process. It is aimed primarily at policy makers and decision takers in Ekiti State Government. The EFU also provides an assessment of budget performance (both historical and current) and identifies significant factors affecting implementation.
2. On the other hand, Fiscal Strategy Paper (FSP) and Budget Policy Statement (BPS) are key elements in Medium Term Expenditure Framework (MTEF) and annual budget process, and as such, they determine the resources available to fund Government projects and programmes from a fiscally sustainable perspective.
3. Ekiti State Government adopted the preparation of the EFU-FSP-BPS for the first time in 2019 as part of the movement toward a comprehensive MTEF process. This is the 6th rolling iteration of the document and covers the period 2024 -2026.

1.A.1 Budget Process

4. The Budget process describes the budget cycle in a fiscal year. Its conception is informed by the MTEF process which has three components, namely:
 - i. Medium Term Fiscal Framework (MTFF);
 - ii. Medium Term Budget Framework (MTBF);
 - iii. Medium Term Sector Strategies (MTSS).
5. It commences with the conception through preparation, execution, control, monitoring and evaluation and goes back again to conception for the ensuing year's budget.
6. The MTEF process is summarised in the diagram below:

Figure 1: MTEF Process

1.A.2 Summary of Document Content

7. In accordance with international best practice in budgeting, the production of a combined Economic and Fiscal Update (EFU), Fiscal Strategy Paper (FSP) and Budget Policy Statement (BPS) is the first step in the budget preparation cycle for Ekiti State Government (EKSG) for the period 2024-2026.
8. The purpose of this document is three-fold:
 - i. to provide a backward looking summary of key economic and fiscal trends that will affect the public expenditure in the future - Economic and Fiscal Update;
 - ii. to set out medium term fiscal objectives and targets, including tax policy; revenue mobilisation; level of public expenditure; deficit financing and public debt - Fiscal Strategy Paper and MTFF; and
 - iii. provides indicative sector envelopes for the period 2024-2026 which constitute the MTBF.
9. The EFU is presented in Section 2 of this document. The EFU provides economic and fiscal analysis which informs the budget planning process. It is aimed primarily at budget policy makers and decision takers in the Ekiti State Government. The EFU also provides an assessment of budget performance (both historical and current) and identifies significant factors affecting implementation. It includes:
 - Overview of Global, National and State Economic Performance;
 - Overview of the Petroleum Sector;
 - Trends in budget performance over the last six years.
10. The FSP is a key element in the EKSG Medium Term Expenditure Framework (MTEF) process and annual budget process. As such, it determines the resources available to fund

the Government's growth and poverty reduction programme from a fiscally sustainable perspective.

1.A.3 Preparation and Audience

11. The purpose of this document is to provide an informed basis for the 2024-2026 Budget preparation cycle for all key Stakeholders, specifically:
 - State House of Assembly (SHoA);
 - Executive Council (ExCo);
 - Ministry of Budget, Economic Planning and Performance Management;
 - Ministry of Finance;
 - All Government Ministries, Departments and Agencies (MDAs);
 - Civil Society Organizations (CSOs).
12. The document is prepared within in the first two quarters of the year prior to the annual budget preparation period. It is prepared by Ekiti State Government Working Group, using data collected from International, National and State organisations.

1.B Background

1.B.1 Legislative and Institutional arrangement for PFM¹

13. Legislative Framework for PFM in Ekiti State –
14. Institutional Framework for PFM in Ekiti State –

1.B.2 Overview of Budget Calendar

15. Indicative Budget Calendar for Ekiti State Government is presented below:

Table 1: Budget Calendar

Stage	Date(s)	Responsibility
TASK		
Preparation of Ekiti State 2024 -2026 Medium Term Expenditure Framework	August, 2023	Ministry of Budget, Economic Planning and Performance Management (MBEPPM)
Budget Monitoring Committee (BMC) meeting on 2023 Mid-year Budget Performance and MTEF Document	September, 2023	BMC/MBEPPM
Submission of Ekiti State EFU-FSP-BPS 2024-2026 to ExCo	September, 2023	HC,MBEPPM
Call Circular letter to MDAs on the 2024 Budget Preparation	September, 2023	MBEPPM

Stage	Date(s)	Responsibility
Review and Approval of EFU-FSP-BPS 2024-2026 (particularly the 2024 Budget size and sector ceilings for 2024 Budget	September, 2023	ExCo
Sectoral Allocation / Allocation of Envelopes to MDAs on Overhead and Capital Estimates	September, 2023	MBEPPM
Posting of budget proposals by MDAs to the Budget Platform	September, 2023	MDAs
Stakeholders Consultative Forum (Town Hall Meeting with Villages and Towns)	September/October, 2023 (Date to be determined by H.E., the Governor).	HE, the Governor and HCBEPPM
Pre-Treasury Board Meeting with MDAs on 2024 Budget proposals submitted to the Budget Platform	October, 2023	MBEPPM and other Fiscal Coordinating Agencies
Treasury Board Meeting with MDAs on 2024 Budget proposals	October, 2023	MBEPPM and Treasury Board
Presentation of 2024 Draft Budget to HE, the Governor	October, 2023	HC,BEPPM
Presentation of 2024 Draft Budget to ExCo	October, 2023	HC,BEPPM
Presentation of the Appropriation Bill / details of 2024 draft Budget to the State House of Assembly	October, 2023	Mr. Governor
Consideration and Passage of the 2024 Appropriation Bill by the State House of Assembly.	October – December, 2023	House of Assembly
Assent by H.E, The Governor	December, 2023	Mr. Governor

2 Economic and Fiscal Update

2.A Economic Overview

16. The Economic Update takes a close look at recent trends in economic development from the global level to the local economy and the likely impact on future growth prospects. This is very important, given the large exposure of the Nigerian economy to the vagaries of global economic developments as affected by commodities prices, foreign direct investments, dollarization of international trade as well as the inexplicable influence of international financial institutions, particularly the World Bank and IMF, on the national economy.

2.A.1 Global Economy

17. The International Monetary Fund's (IMF's) July 2023 World Economic Outlook (WEO) Update², provides that global growth is projected to fall from 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024 on an annual average basis. Compared with projections in the April 2023 WEO, growth has been upgraded by 0.2 percentage point for 2023, with no change for 2024. The forecast for 2023–24 remains well below the historical (2000–19) annual average of 3.8 percent. It is also below the historical average across broad income groups, in overall Gross Domestic Product (GDP) as well as per capita GDP terms.
18. Advanced economies continue to drive the decline in growth from 2022 to 2023, with weaker manufacturing, as well as unique factors, offsetting stronger services activity. In emerging market and developing economies, the growth outlook is broadly stable for 2023 and 2024, although with notable shifts across regions. On a year-over-year basis, global growth bottomed out in the fourth quarter of 2022. However, in some major economies, it is not expected to bottom out before the second half of 2023.
19. World trade growth is expected to decline from 5.2 percent in 2022 to 2.0 percent in 2023, before rising to 3.7 percent in 2024, well below the 2000–19 average of 4.9 percent. The decline in 2023 reflects not only the path of global demand, but also shifts in its composition toward domestic services, lagged effects of United States (US) dollar appreciation—which slows trade owing to the widespread invoicing of products in US dollars—and rising trade barriers.
20. These forecasts are based on a number of assumptions, including those regarding fuel and nonfuel commodity prices and interest rates. Oil prices rose by 39 percent in 2022 and are projected to fall by about 21 percent in 2023, reflecting the slowdown in global economic activity. Assumptions regarding global interest rates have been revised upward, reflecting actual and signalled policy tightening by major central banks since April 2023. The Federal Reserve and Bank of England are now expected to raise rates by more than assumed in the April 2023 WEO—to a peak of about 5.6 percent in the case of the Federal Reserve—before reducing them in 2024. The European Central Bank is assumed to raise its policy rate to a peak of 3¾ percent in 2023 and to ease gradually in 2024. Moreover, with near-term inflation expectations falling, real interest rates are likely to stay up even after nominal rates start to fall.
21. For advanced economies, the growth slowdown projected for 2023 remains significant: from 2.7 percent in 2022 to 1.5 percent in 2023, with a 0.2 percentage point upward revision from the April 2023 WEO. About 93 percent of advanced economies are projected to have lower growth in 2023, and growth in 2024 among this group of economies is projected to remain at 1.4 percent.
22. For emerging market and developing economies, growth is projected to be broadly stable at 4.0 percent in 2023 and 4.1 percent 2024, with modest revisions of 0.1 percentage point for 2023 and –

² [World Economic Outlook Update, July 2023: Near-Term Resilience, Persistent Challenges \(imf.org\)](https://www.imf.org/en/Publications/WEO/Issues/2023/07/27/world-economic-outlook-update-july-2023)

0.1 percentage point for 2024. However, this stable average masks divergences, with about 61 percent of the economies in this group growing faster in 2023.

23. In sub-Saharan Africa, growth is projected to decline to 3.5 percent in 2023 before picking up to 4.1 percent in 2024. Growth in Nigeria in 2023 and 2024 is projected to gradually decline, in line with April projections, reflecting security issues in the oil sector. In South Africa, growth is expected to decline to 0.3 percent in 2023, with the decline reflecting power shortages, although the forecast has been revised upward by 0.2 percentage point since the April 2023 WEO, on account of resilience in services activity in the first quarter.
24. Global headline inflation is set to fall from an annual average of 8.7 percent in 2022 to 6.8 percent in 2023 and 5.2 percent in 2024, broadly as projected in April, but above pre-pandemic (2017–19) levels of about 3.5 percent. About three-quarters of the world's economies are expected to see lower annual average headline inflation in 2023. Monetary policy tightening is expected to gradually dampen inflation, but a central driver of the disinflation projected for 2023 is declining international commodity prices. Differences in the pace of disinflation across countries reflect such factors as different exposures to movements in commodity prices and currencies and different degrees of economic overheating. The forecast for 2023 is revised down by 0.2 percentage point, largely on account of subdued inflation in China. The forecast for 2024 has been revised upward by 0.3 percentage point, with the upgrade reflecting higher-than-expected core inflation.
25. Core inflation is generally declining more gradually. Globally, it is set to decline from an annual average of 6.5 percent in 2022 to 6.0 percent in 2023 and 4.7 percent in 2024. It is proving more persistent than projected, mainly for advanced economies, for which forecasts have been revised upward by 0.3 percentage point for 2023 and by 0.4 percentage point for 2024 compared with the April 2023 WEO. Global core inflation is revised down by 0.2 percentage point in 2023, reflecting lower-than-expected core inflation in China, and up by 0.4 percentage point in 2024. On an annual average basis, about half of economies are expected to see no decline in core inflation in 2023, although on a fourth quarter-over-fourth-quarter basis, about 88 percent of economies for which quarterly data are available are projected to see a decline. Overall, inflation is projected to remain above target in 2023 in 96 percent of economies with inflation targets and in 89 percent of those economies in 2024.
26. The balance of risks to global growth remains tilted downward, but adverse risks have receded since the publication of the April 2023 WEO. The resolution of US debt ceiling tensions has reduced the risk of disruptive rises in interest rates for sovereign debt, which would have increased pressure on countries already struggling with increased borrowing costs. The quick and strong action authorities took to contain banking sector turbulence in the United States and Switzerland succeeded in reducing the risk of an immediate and broader crisis.
27. More favourable outcomes for global growth than in the baseline forecast have become increasingly plausible. Core inflation could fall faster than expected—from greater-than-expected pass-through of lower energy prices and a compression of profit margins to absorb cost increases, among other possible causes—and declining job vacancies could play a strong role in easing labor markets, which would reduce the likelihood of unemployment having to rise to curb inflation. Developments along these lines would then reduce the need for monetary policy tightening and allow a softer landing.
28. Scope exists for more favorable surprises to domestic demand around the world, as in the first quarter of 2023. In numerous economies, consumers have not yet drained the stock of excess savings they accumulated during the pandemic; this could further sustain the recent strength in consumption. Stronger policy support in China than currently envisaged—particularly through means-tested transfers to households—could further sustain recovery and generate positive global spillovers. Such developments, however, would increase inflation pressure and necessitate a tighter monetary policy stance.
29. Despite the recent growth surprises, plausible risks continue to be skewed to the downside. Tight labour markets and pass-through from past exchange rate depreciation could push up inflation and risk de-anchoring longer-term inflation expectations in a number of economies. The institutional setup of wage setting in some countries could amplify inflation pressures on wages. Moreover, El

Niño could bring more extreme temperature increases than expected, exacerbate drought conditions, and raise commodity prices. The war in Ukraine could intensify, further raising food, fuel, and fertilizer prices. The recent suspension of the Black Sea Grain Initiative is a concern in this regard. Such adverse supply shocks might affect countries asymmetrically, implying different dynamics for core inflation and inflation expectations, a divergence in policy responses, and further currency movements.

30. Financial markets have adjusted their expectations of monetary policy tightening upward since April but still expect less tightening than policymakers have signalled, raising the risk that unfavourable inflation data releases could—as in the first quarter of 2023—trigger a sudden rise in expectations regarding interest rates and falling asset prices. Such movements could further tighten financial conditions and put stress on banks and nonbank financial institutions whose balance sheets remain vulnerable to interest rate risk, especially those highly exposed to commercial real estate. Contagion effects are possible, and a flight to safety, with an attendant appreciation of reserve currencies, would trigger negative ripple effects for global trade and growth.
31. The economic outlook (GDP growth rate and inflation rate) of selected countries is shown in Table 2 and Table 3 below.
32. Countries selected are chosen to represent G20, BRICS, MINT, N-11, Petro-economies, and other large African countries.

Table 2 Real GDP Growth – Selected Economies

Country	Actual				Forecast		
	2019	2020	2021	2022	2023	2024	2028
Mexico	-0.2	-8.2	4.8	2.0	1.8	1.6	1.8
Indonesia	5	-2.1	3.7	5.4	5.0	5.1	5.0
Turkey	0.9	1.8	11.0	2.7	2.7	3.6	3.0
United States	2.3	-3.4	5.7	3.7	1.6	1.1	2.1
Germany	1.1	-4.6	2.8	2.1	-0.1	1.1	1.1
United Kingdom	1.7	-9.3	7.4	3.7	-0.3	1.0	1.5
China	6	2.2	8.1	4.4	5.2	4.5	3.4
Ghana	6.5	0.4	4.2	5.2	1.6	2.9	5
South Africa	0.1	-6.4	4.9	1.9	0.1	1.8	1.4
Brazil	1.2	-3.9	4.6	0.8	0.9	1.5	2.0
Angola	-0.7	-5.6	0.7	3.0	3.5	3.7	4.2
Nigeria	2.2	-1.8	3.6	3.4	3.2	3.0	3.0

Source: IMF's World Economic Outlook, April 2023

Table 3 Inflation – Selected Economies

Country	Actual				Forecast		
	2019	2020	2021	2022	2023	2024	2027
Mexico	3.6	3.4	5.7	6.8	6.3	3.9	3.0
Indonesia	2.9	2.0	1.6	3.3	4.4	3.0	2.5
Turkey	15.2	12.3	19.6	60.5	50.6	35.2	20.0
United States	1.8	1.2	4.7	7.7	4.5	2.3	2.1
Germany	1.4	0.4	3.2	5.5	6.2	3.1	2.0
United Kingdom	1.8	0.9	2.6	7.4	6.8	3.0	2.0
China	2.9	2.4	0.9	2.1	2.0	2.2	2.2
Ghana	7.1	9.9	10.0	16.3	45.4	22.2	8.0
South Africa	4.1	3.3	4.5	5.7	5.8	4.8	4.5
Brazil	3.7	3.2	8.3	8.2	5.0	4.8	3.0
Angola	17.1	22.3	25.8	23.9	11.7	10.8	8.9
Nigeria	11.4	13.2	17.0	16.1	20.1	15.8	14.0

Source: IMF's World Economic Outlook, April 2023

2. A.2 Africa

33. The African Economic Outlook, 2022³ provides that African economies remain resilient amidst multiple shocks with average growth projected to stabilize at 4.1 percent in 2023–24, higher than the estimated 3.8 percent in 2022. Africa's growth in real GDP was estimated at 3.8 percent in 2022, down from 4.8 percent in 2021 but above the global average of 3.4 percent. The growth slowdown was attributed mainly to the tightening global financial conditions, and supply chain disruptions exacerbated by Russia's invasion of Ukraine, subduing global growth. Growth was also impaired by the residual effects of the COVID-19 pandemic and the growing impact of climate change and extreme weather events. While the deceleration was broad-based, with 31 of the 54 African countries posting weaker growth rates in 2022 relative to 2021, the continent performed better than most world regions in 2022, with the continent's resilience projected to put five of the six pre-pandemic top performing economies—Benin, Côte d'Ivoire, Ethiopia, Rwanda, and Tanzania—back in the league of the world's 10 fastest-growing economies in 2023–24.
34. Growth is projected to rebound to 4 percent in 2023 and consolidate at 4.3 percent in 2024, underpinning Africa's continued resilience to shocks. The forecast for 2023 has been maintained as predicted in the January 2023 edition of Africa's Macroeconomic Performance and Outlook (MEO) published by the African Development Bank Group. However, due to expected slight improvements in medium-term global and regional economic conditions—mainly underpinned by China's re-opening and slower pace of interest rate adjustments—the forecast for 2024 has been revised up by 0.4 percentage points relative to the January 2023 MEO projection. Despite this, climate change, elevated global inflation, and persistent fragilities in supply chains will remain on the watchlist as potential factors for possible slowdowns of growth in the continent.
35. Growth in West Africa, despite macroeconomic challenges in some of the region's large economies, is projected to rise from an estimated 3.8 percent in 2022 to 3.9 percent in 2023 and 4.2 percent in 2024. This favourable outlook reflects higher growth in the region's small economies. Of the nine countries with projected growth rates of 5 percent or higher in 2023, eight are small economies, accounting for 15 percent of the region's GDP and 22 percent of the projected growth.

³ African Economic Outlook 2022 - Mobilizing Private Sector Financing for Climate and Green Growth in Africa(afdb.org)

36. Growth in tourism-dependent economies is projected to decline from an estimated 8.4 percent in 2022 to 4.9 percent in 2023 and 4.4 percent in 2024, reflecting an abating base effect and growth slowdowns in important tourist source markets, especially Europe and North America.
37. Despite the decline, oil prices have remained above the five-year trend, boosting growth in oil-exporting countries since the recession at the peak of COVID-19. Growth in this group, estimated at 4.0 percent in 2022, is projected to strengthen to an average of 4.2 percent in 2023 and 2024. The oil output effect, notably in Libya and Nigeria, could also shore up economic growth as production improves following efforts to tackle insecurity.
38. Growth in other resource-intensive economies is, however, projected to decline from an estimated 3.0 percent in 2022 to 2.4 percent in 2023, with a recovery to 3.5 percent in 2024. The growth deceleration in 2023 is largely attributed to limited diversification and the lower prices of key commodities, notably minerals, amid weak global growth.
39. Non-resource-intensive economies, largely countries with more diversified economic structures, are likely to sustain their resilience. Average growth for the group is projected to accelerate to 5.0 percent in 2023 and 5.6 percent in 2024 from an estimated 4.4 percent in 2022. This group recovered the strongest from the effects of COVID-19. The projected higher growth underscores the importance of economic diversification to weather the effects of exogenous shocks.

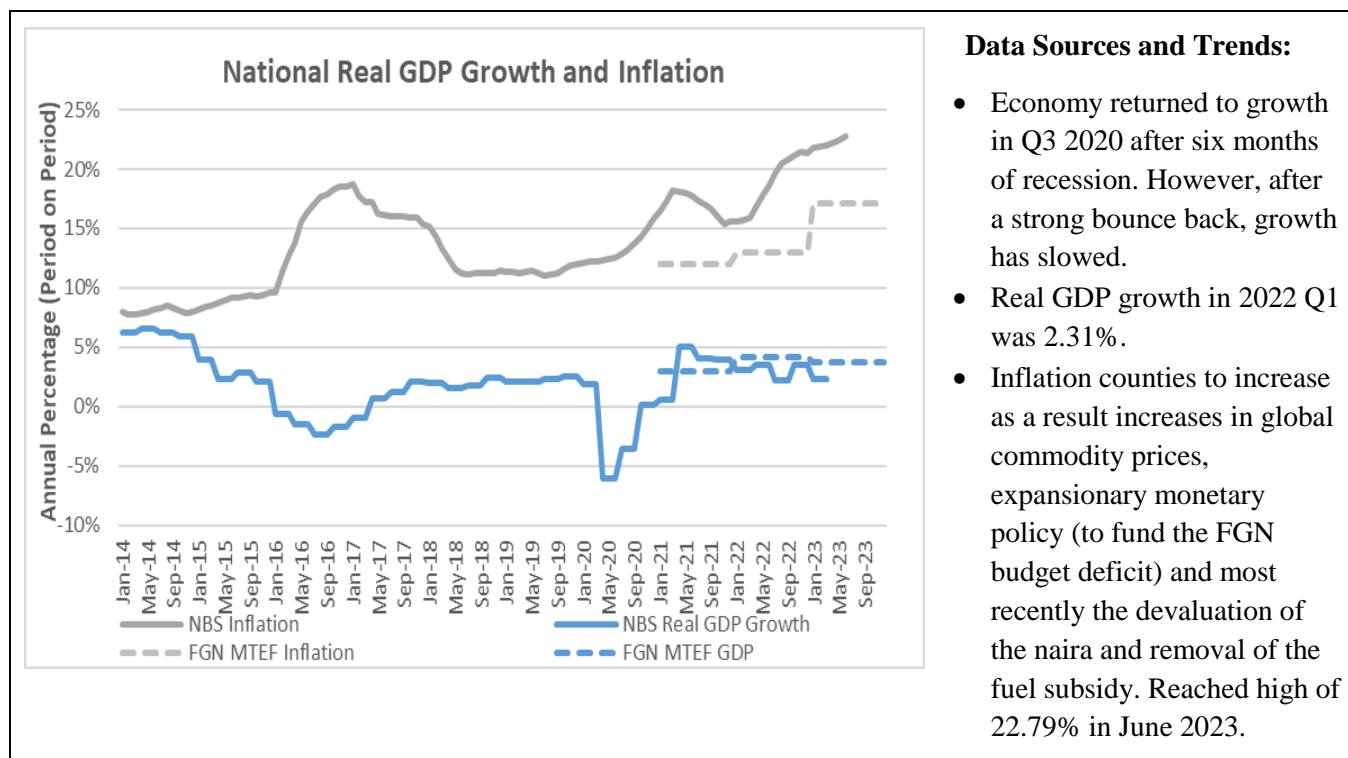
2.A.1.1 Nigerian Economy⁴

40. The challenging global economic context has put pressure on Nigeria's economy. However, domestic policies play the major role in determining Nigeria's economic performance and resilience to further external shocks. The previous mix of fiscal, monetary, and exchange rate policies, including the naira redesign program, did not deliver the desired improvements in growth, inflation, and economic resilience. The new government has recognized the need to chart a new course and has already made a start on critical reforms, such as the elimination of the petrol subsidy and foreign exchange (FX) harmonization.
41. With the petrol subsidy (PMS Under Recovery) removal, the government is projected to achieve fiscal savings of approximately N2 trillion in 2023, equivalent to 0.9 percent of GDP. These savings are expected to reach over N11 trillion by the end of 2025. However, the nature of the causal relationship between fuel price and key macroeconomic variables in Nigeria is such that if appropriate mitigation strategies are not well crafted, the removal of subsidy will likely have negative ripple effects on aggregate output and employment.
42. **Real GDP** - Nigeria's Gross Domestic Products (GDP) growth remained weak and fragile as it slowed to 2.31 percent in the first quarter of 2023, from 3.5 percent in the fourth quarter of 2022. This growth rate declined from 3.11 percent recorded in the first quarter of 2022, and 3.52 percent in the fourth quarter of 2022. The reduction in growth is attributed to the adverse effects of the cash crunch experienced during the quarter, as well as the elections.
43. The performance of the GDP in the first quarter of 2023 was driven mainly by the services sector, which recorded a growth of 4.35 percent and contributed 57.29 percent to the aggregate GDP. The agriculture sector grew by -0.90 percent, lower than the growth of 3.16 percent recorded in the first quarter of 2022. Although the growth of the industry sector improved to 0.31 percent relative to 6.81 percent recorded in the first quarter of 2022, agriculture, and the industry sectors contributed less to the aggregate GDP in the quarter under review compared to the first quarter of 2022.
44. **Inflation (CPI)** - Inflation has increased consecutively for the last 17 month, from 15.60 percent in January 2022 to 22.79 percent in June 2023. Dynamics in commodity prices, which are being exacerbated by the conflict in Ukraine, are causing inflations pressures globally. Also, the

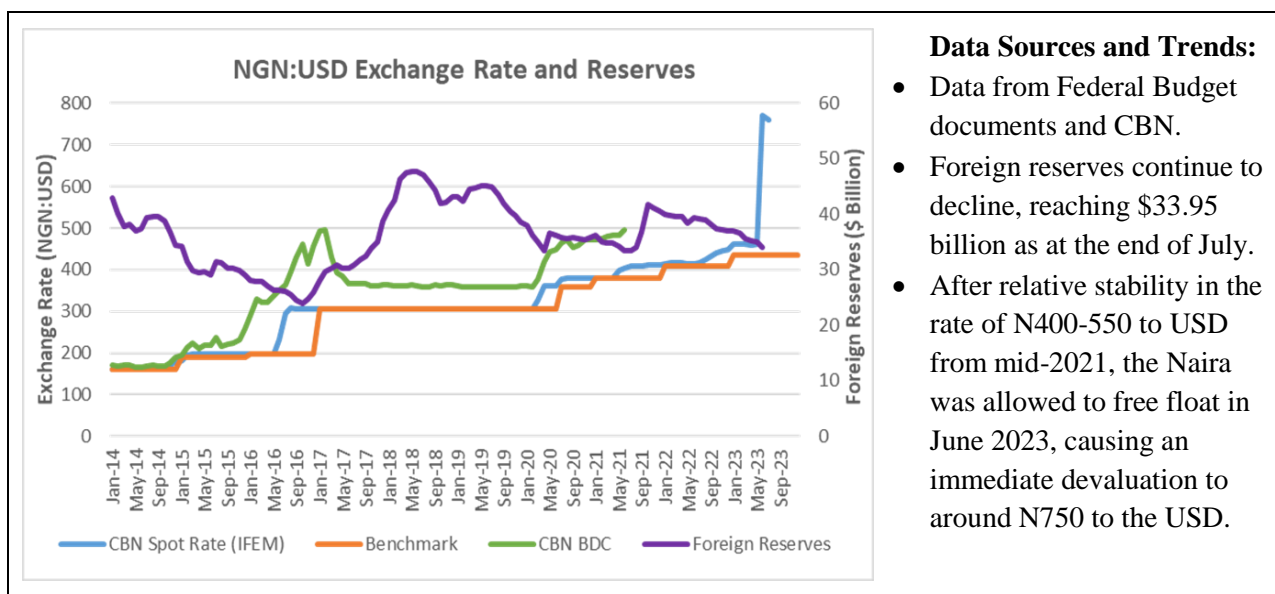
devaluation of the Naira has impacts (some positive, some negative) as does the removal of the Fuel Subsidy.

45. The national quarterly real GDP growth and year on year inflation rates from January 2014 and June 2023 are shown in Figure 2 below.

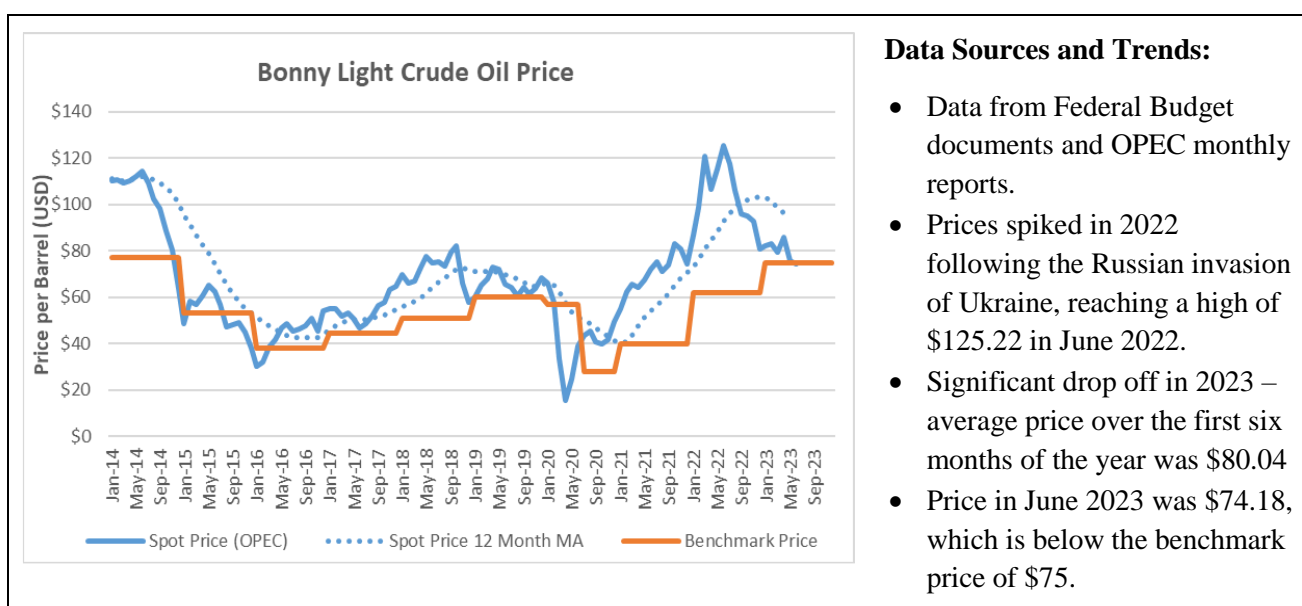
Figure 2: Real GDP Growth and Inflation



46. **Foreign Exchange Rate** – the Naira devalued against the dollar from NGN415:1\$ in May 2022 to N750 by July 2023 as a result of the implementation of a floating exchange rate. Foreign Reserves have been falling over the last 21 months, reaching \$33.95 billion as at the end of July 2023.
47. In 2022, arbitrage opportunities witnessed significant increase, weakening the convergence of foreign exchange windows. This is partly attributed to the ripples of economic downturn since the Russia–Ukraine conflict. Also, the fall in foreign reserve potentially condenses the policy options available to the Central bank of Nigeria (CBN) in controlling monetary aggregates.
48. **The NGN: USD exchange rate**, which is a key crude oil revenue parameter, for the period January 2014 to August 2023, along with the benchmarks assumed in the Federal Government budgets over the same period and foreign reserves, are shown in below.
49. The NGN: USD exchange rate (Import and Export Rate) is currently (1st August 2023) N 775.355. The end of the fixed exchange rate regime is likely to bring about more fluctuations in the rate. FGN adjusted 2023 budget was based on a rate of N750 to the USD.

Figure 3 NGN: USD Exchange Rate and Foreign Reserves

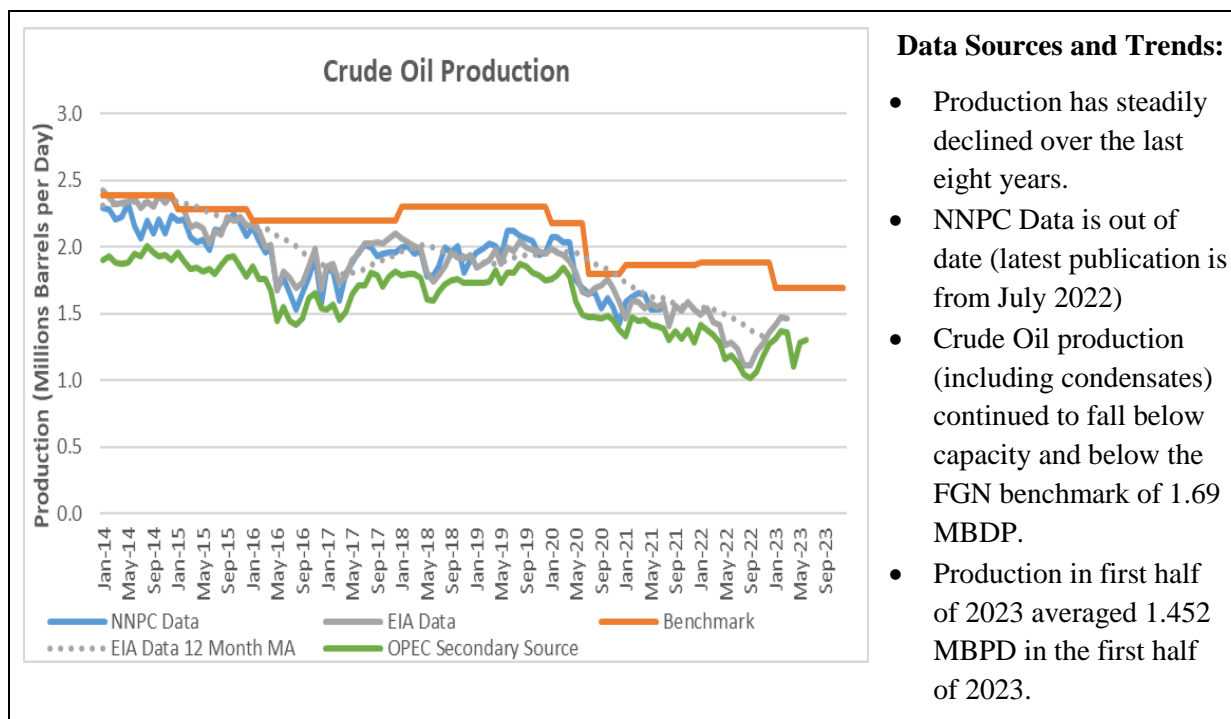
50. **Crude oil price:** Crude Oil (Bonny Light) Price (spot price and benchmark for the period of January 2014 to July 2023 are presented in Figure 4 below.

Figure 4 Crude Oil Price

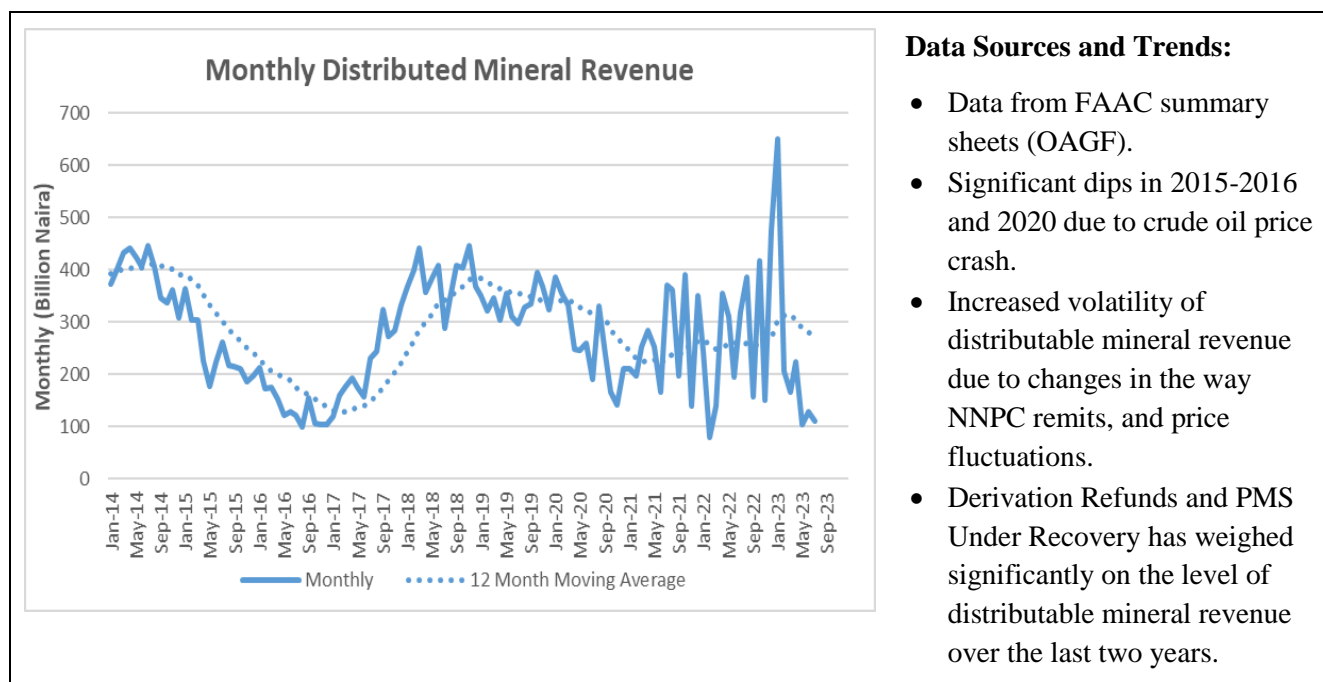
51. In its July 2023 Short-Term Energy Outlook (STEO), the US Energy Information Administration (EIA) is forecasting an average price of \$83.51 per barrel for Brent Crude in 2024, which would imply a price of \$86.33 for Bonny Light.
52. In its April 2023 WEO, IMF is slightly more cautious, forecasting a basket price of \$73.13 in 2023 and \$68.90 in 2024 which translates to \$75.06 for 2023 and \$70.71 in 2024 for Bonny Light.
53. **Crude Oil production** continues to lag below the longer-term average of 2.0 Million Barrels per Day (MBPD). Production (including condensates) has averaged 1.45 MBPD over the first five months of 2023 according to figures published by the Nigerian Upstream Petroleum Regulatory Commission (NURPC). The FGN assumption is that production will average 1.72 MBPD in the second half of 2023 – this seems ambitious and might be considered a target rather than a balanced estimate (i.e. with equal potential for over or under-achievement).

54. Crude Oil Production (including condensates) for the period January 2014 to May 2023 along with the benchmark is presented in Figure 5 below.

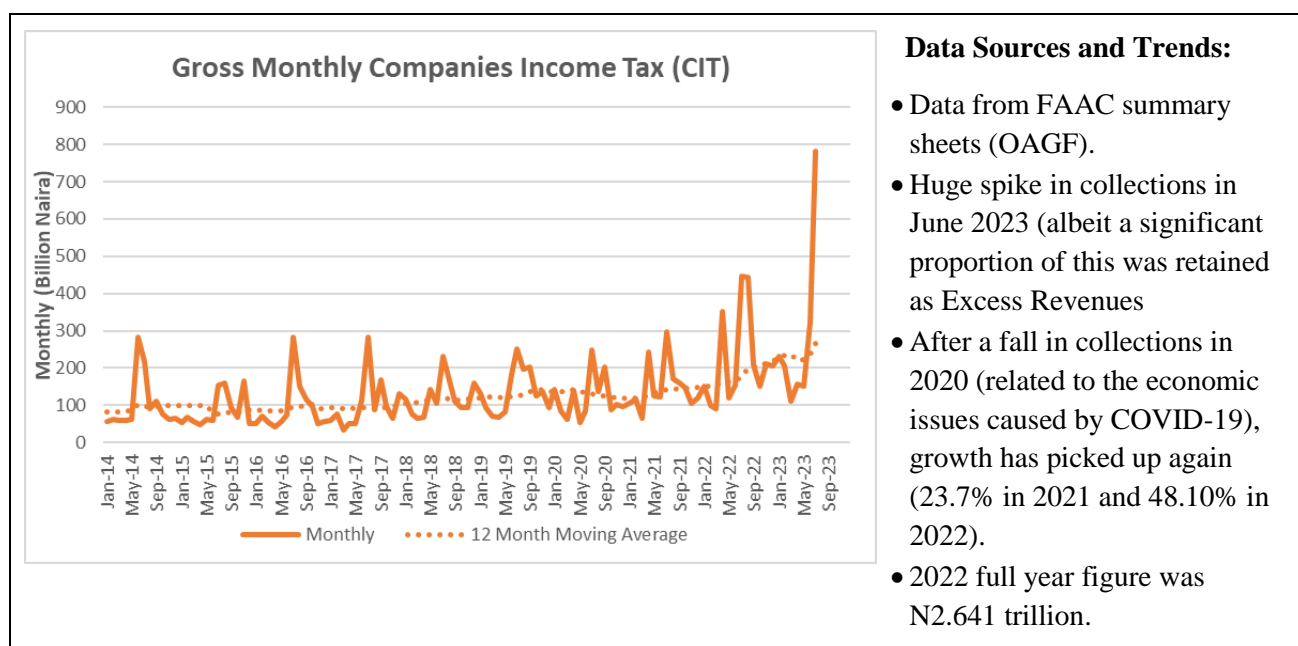
Figure 5 Crude Oil Production



55. The policy thrust of the Economic Sustainability Plan (ESP) and National Development Plan include deregulation of the price of refined petroleum products and the establishment of a sustainable framework for maintaining the national strategic stock; remittance of 100% of royalties and taxes paid to NNPC into the Federation Account as well as sustained periodic reconciliation with DPR and FIRS. The implementation of the Finance ACT 2021 and VAT reforms, development of business continuity plans for tax and custom administration and rationalization of ineffective tax incentives and exemptions as well as increased remittances and recovery of unremitted revenues from GOEs.
56. Monthly distributed Mineral Revenues (Statutory Allocation (SA) and Net Derivation (ND)) to the three tiers of government from January 2014 to May 2023 inclusive are shown in Figure 6 below.

Figure 6 Distributed Mineral Revenues

57. The impact of the Fuel Subsidy and derivation refunds mean the benefits of the crude oil price spike in 2022 (as a result of the conflict in the Ukraine) have not resulted in any marked increase in distributable mineral revenues. The change in status of NNPC, specifically the manner in which it remits to FAAC, has also brought about increased volatility in distributable mineral revenues. The removal of the subsidy, the devaluation of the Naira and eventual conclusion of the derivation refunds should bring about a significant nominal increase in distributable mineral revenues in 2024.
58. Gross Companies Income Tax (CIT) revenues, which are distributed as part of Statutory Allocation, from January 2014 to May 2022 inclusive are shown in Figure 7 below. The graph also includes 12 month moving average.

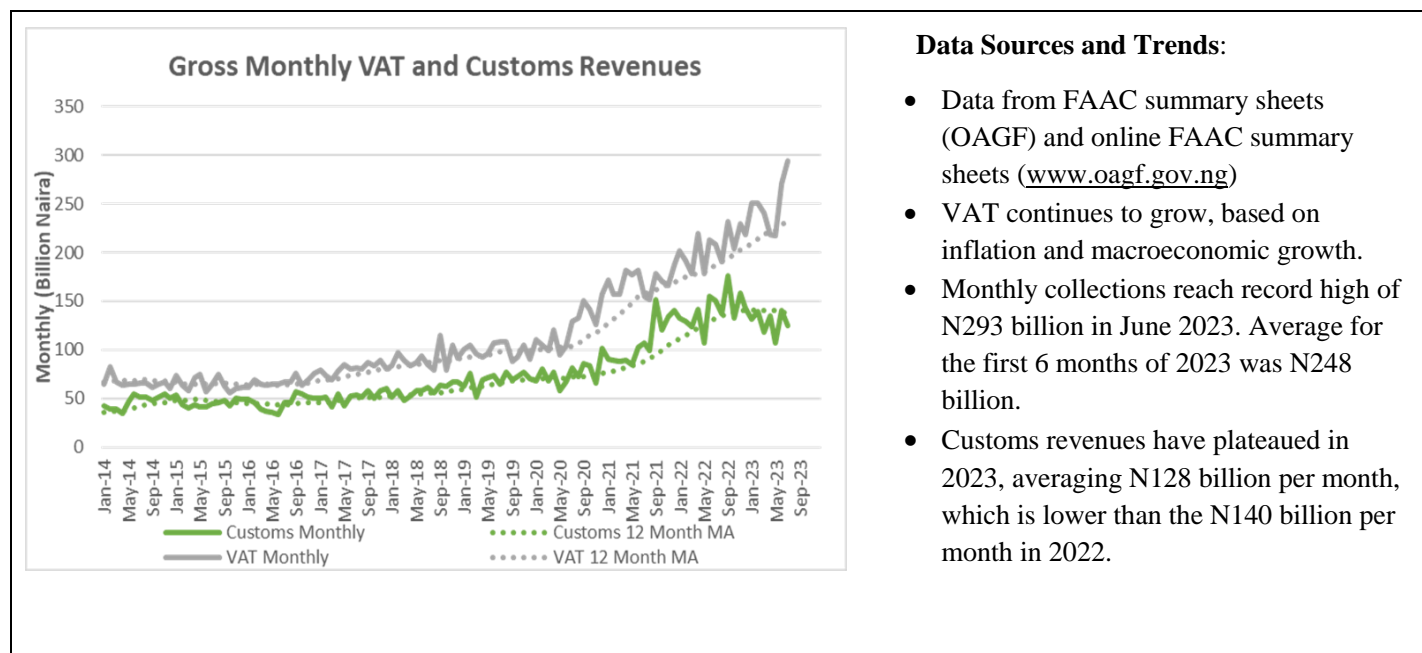
Figure 7 CIT Revenues

59. The graph shows the annual spike in distributions (collections from the previous month) that is in line with the annual tax returns and payment cycle in FIRS. This generally happens in July because

June collections, the month many companies file their return, are distributed in July. June 2023 collection were a record N781 billion, albeit a significant portion of this was deducted from FAAC as excess revenue. This record collection in June has helped the 12 month average more than double in the last two years.

60. Customs and Excise duties (NCS), which is distributed as part of Statutory Allocation, and Value Added Tax (VAT) which is distributed in its own right for the period January 2014 to May 2022 are shown in Figure 8 below.

Figure 8 NCS and VAT Revenues



61. VAT shows a clear upward trend since late-2015. This is to be expected as the general price level rose quite significantly over the same period, which should transfer straight into additional VAT (for VAT-able items). Given the increase in VAT from 5% to 7.5%, in the 2020 Finance Act, there have been significant upward trend in VAT over the last three year months from August 2020. There is still a level of monthly volatility that makes it slightly difficult to forecast. However, with the economy returning to positive real growth and inflation staying slightly above 20% for some time, it is anticipated that VAT will continue to grow in nominal terms.
62. Exchange rate controls import policy and devaluing Naira may have affected some Customs receipts historically, and they have not experienced anywhere near the level of growth that has been observed in CIT and VAT over the last two years. However, there are still some short-term volatility and Federal Revenue reforms should increase collections in the medium term, but the timing of impact remains uncertain. The free float of the Naira may help increase imports and related duties going forward.

Table 4: Nigeria Key Macroeconomic Indicators

Indicator	2023	2024	2025	2026
GDP Growth	3.20%	3.00%	3.00%	3.00%
Inflation (%)	22.00%	20.00%	15.50%	15.20%
Exchange Rate (NGN:USD FX Rate)	750	750	750	750
Oil Production Benchmark (MBPD)	1.5000	1.6000	1.7000	1.8000
Oil Price Benchmark	\$75.00	\$65.00	\$65.00	\$65.00

Source: (Economic Outlook) National Bureau of Statistics, (WEO) IMF; CBN

2.A.4 Ekiti State Economy

63. Ekiti State is located in the South-Western part of Nigeria. The State was created on 1st October, 1996 by the then Military Government of the late General Sani Abacha. Ekiti State had (16) Local Government Areas (LGAs). However, on 4th August, 2021, additional 19 Local Council Development Areas (LCDAs) were approved for creation following the enactment of Ekiti State House of Assembly, which brings the current Local Government Areas to 35. Ekiti State is made up of over 152 Towns and Villages. The State is divided into three (3) Senatorial Districts namely: Ekiti Central, Ekiti North and Ekiti South. The motto of the State is 'Land of Honour' (Ile iyi, Ile Eye).
64. The topography of the State is dotted with undulating terrain with some outcrops in several places. Most of the rocks and hill in the States are well exposed and are as high as 240m above sea level in some places like Efon-Alaaye Ekiti, Ikere Ekiti, Igbara Odo-Ekiti, Okemesi Ekiti and Emure Ekiti. The rocks are heterogeneous, consisting of metamorphic and granitic portion with varying textural characteristics. The name of the State which derives from "Okiti" (which means Hills) was underscored by the State's physical features composing of series of rock chains and valleys. The presence of these rocks has high economic and financial benefits by creating employment opportunities through quarrying activities and tourism development which also have the capacity to generate revenue.
65. Ekiti State is situated entirely within the tropics. It is located between longitudes 40°51' and 50°451' East of the Greenwich meridian and latitudes 70°151' and 80°51' north of the Equator. It lies south of Kwara and Kogi State, East of Osun State and bounded by Ondo State in the East and in the south, with a total land Area of 5,887.890sq km. The State Capital- Ado-Ekiti, is the most populous city in the State with estimation 497,000 in 2021 and a growth rate of 3.54%. Ekiti's gender distribution is closely aligned between males and females with about 50.7% males and 49.3% females making up the population. Ekiti's age distribution has about 59.4% of its population in the 15-64 age bracket, thus showing a viable labour force and active working population.
66. The State lies within the tropical rain forest with two distinct seasons. These are the rainy season (April–October) and the dry season (November–March). Temperature ranges between 21° and 28 °C with high humidity. Tropical forest exists in the south, while savannah occupies the northern peripheries. These climatic factors uphold the growth of a range of commercially valued products like Cocoa, Citrus, Kola and Oil palm, Maize, Rice, Yam, Cocoyam, Plantain, Banana, Cassava and Vegetables. Ekiti State is listed among the six highest Cocoa producers in Country with 80% of the product exported. This is imperative on the availability of well-drained soil of average pH range and extensive precipitation which characterized the State. This has aided year-round Agricultural practice which also forms the bedrock of the State economy providing income and employment for more than 75% of the population of Ekiti State.
67. The State is involved in Livestock Farming like poultry, goats, sheep and cattle rearing. The Ikun Dairy Farm in Ikun- Ekiti, a joint venture between the State Government and Promasiddor would increase milk production in the country and also serve as a prototype for National Livestock Transformation Plan in addressing farmer-herder crisis in the country.
68. The State is also blessed with water resources, one of which is Ero River located in Moba Local Government. The State also boasts of an array of dams comprising Egbe Dam in Aiyekire Local Government, Ero dam in Moba Local Government, Itapaji Dam in Ikole Local Government and Ureje Dam in Ado Ekiti Local Government Area. The origin of notable rivers like Osun, Ose, and Ogbese which drained the Southwest has been traced to State. More so, a variety of tourist attractions abound in the State; namely, Ikogosi Warm Springs; Arinta Water Falls; Olosunta and Orole hills of Ikere; Erin-Ayonugba River at Erijiyan Ekiti; Fajuyi Memorial Park of Ado - Ekiti and so on. The Ikogosi Warm Springs is adorable centre of attraction for tourists. The warm spring is a unique natural feature, and supporting facilities are developed in the centre. The spring is at present, being processed and packaged into bottled water for commercial purpose.
69. Ekiti State is endowed with lots of bounteous mineral resources, although the majority of these natural resources found in the state are untapped. Most of these minerals include ceramic clays and kaolinitic clays that are located in the Ijero Local government area, Feldspar, Marble, Quartzite,

Granite, Tin and Columbite. The exploration of these solid mineral could uphold a flourishing Solid Minerals Industry and improve the economic status of the citizenry. There likewise exist a bounty of important precious stones like gold, marble and uranium.

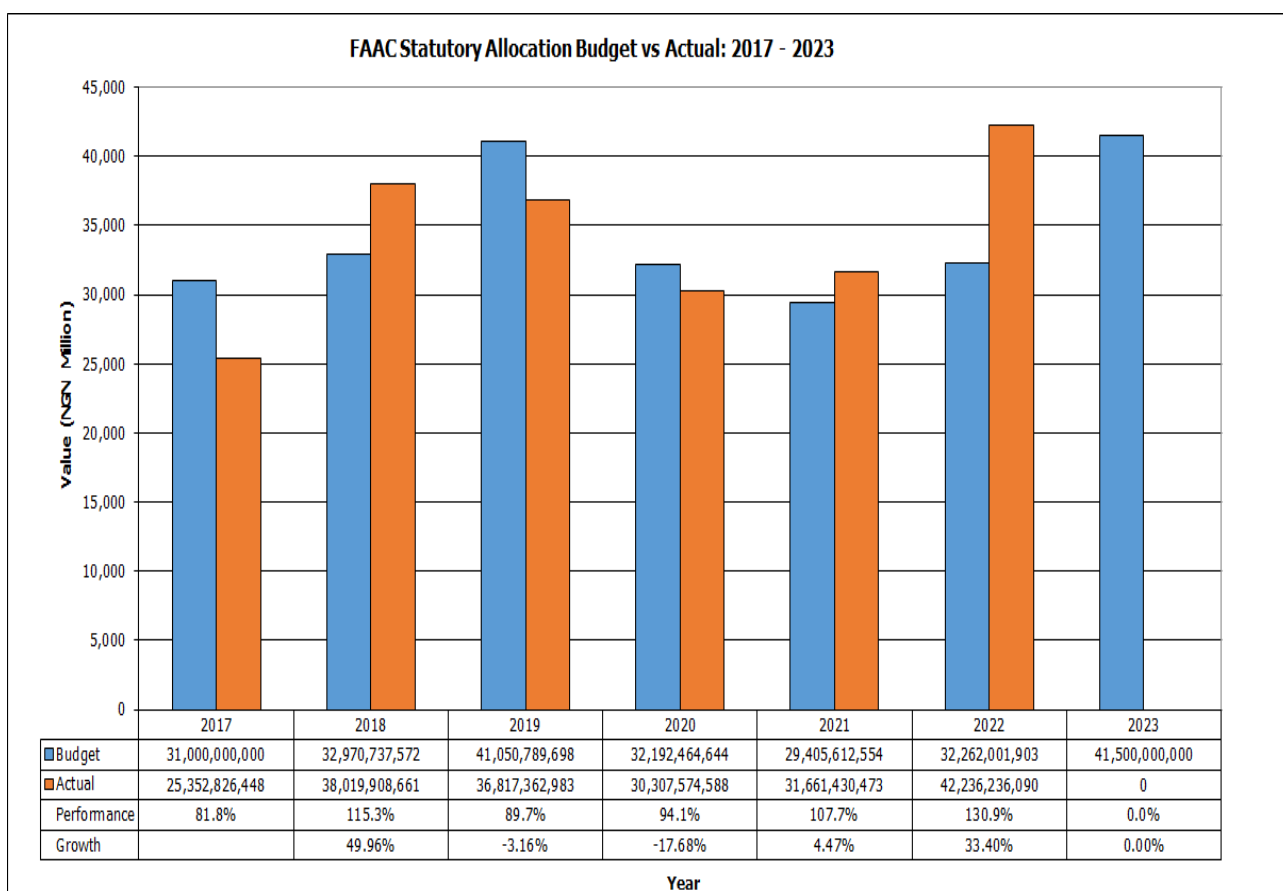
70. The State is homogeneous, consisting of Yoruba-speaking people (with slight variation in accents), with close historical and cultural affinity. Ekiti people are well known for their entrepreneurial abilities and also for their diverse and quality of traditional arts; mat weaving in Ogotun-Ekiti, pottery centre at Isan-Ekiti, music, poetry.
71. In Ekiti State, an accelerated approach has been instituted to drive the potentials of Secondary School Pupils and Teachers with entrepreneurship and Information Communication and Technology skills to complement teaching and learning. The idea is to make entrepreneurship and ICT a way of life by encouraging its application in every sphere of life and to reduce the demand for white collar jobs and promoting future employers of labour.
72. Based on the Multiple Indicator Cluster Survey 6 (MICS) of UNICEF in 2021, Ekiti State has the second lowest rate of out of school children at 2%. At the tertiary level, the State has significant number of highly qualified personnel that are contributing to the educational development of several other states in Nigeria and even overseas. Given this human resource based in the educational sector, Ekiti State could contribute significantly to the socio-economic development of Nigeria and facilitate the realization of the national vision of making Nigeria a developed Country.
73. The State at present has four Government owned tertiary institutions and other private institutions. These Institutions are all located in strategic areas of the State. The Institutions are: Ekiti State University, Ado Ekiti, Bamidele Olumilua University of Education, Science and Technology, Ikere Ekiti, College of Health Technology, Ijero Ekiti and Ekiti State Polytechnic, Isan Ekiti. The prognosis for establishing these institutions at Ado/Iworoko-Ekiti, Ijero Ekiti and Ikere Ekiti was to ensure a rapid and sustainable development of the areas. The services of these Institutions are being compensated significantly by other educational Institutions such as Federal University, Oye-Ekiti, Federal Polytechnic, Ado-Ekiti, Afe Babalola University, Ado-Ekiti, Crown Polytechnic and other schools of Science and Technology as well as School of Midwifery and Nursing. This investment by the State Government has led to the creation of job opportunities for the populace of these communities. Also, Micro-Small and Medium Enterprises (MSMEs) have sprung up in these locations to improve the standard of living of the people.
74. One of the goals of the State Government is the commitment to improve grassroots sports through the assemblage of talented sportsmen and women. In order to achieve this goal, the present administration has made a proposal to establish a Sport Academy at Ikogosi Ekiti with a view to combining academics with sporting activities for better performance. In addition, a general overhaul of all sporting facilities is presently being implemented. This will in no small measure ensure peace and friendliness among the people of the State.

2. B. Fiscal Update

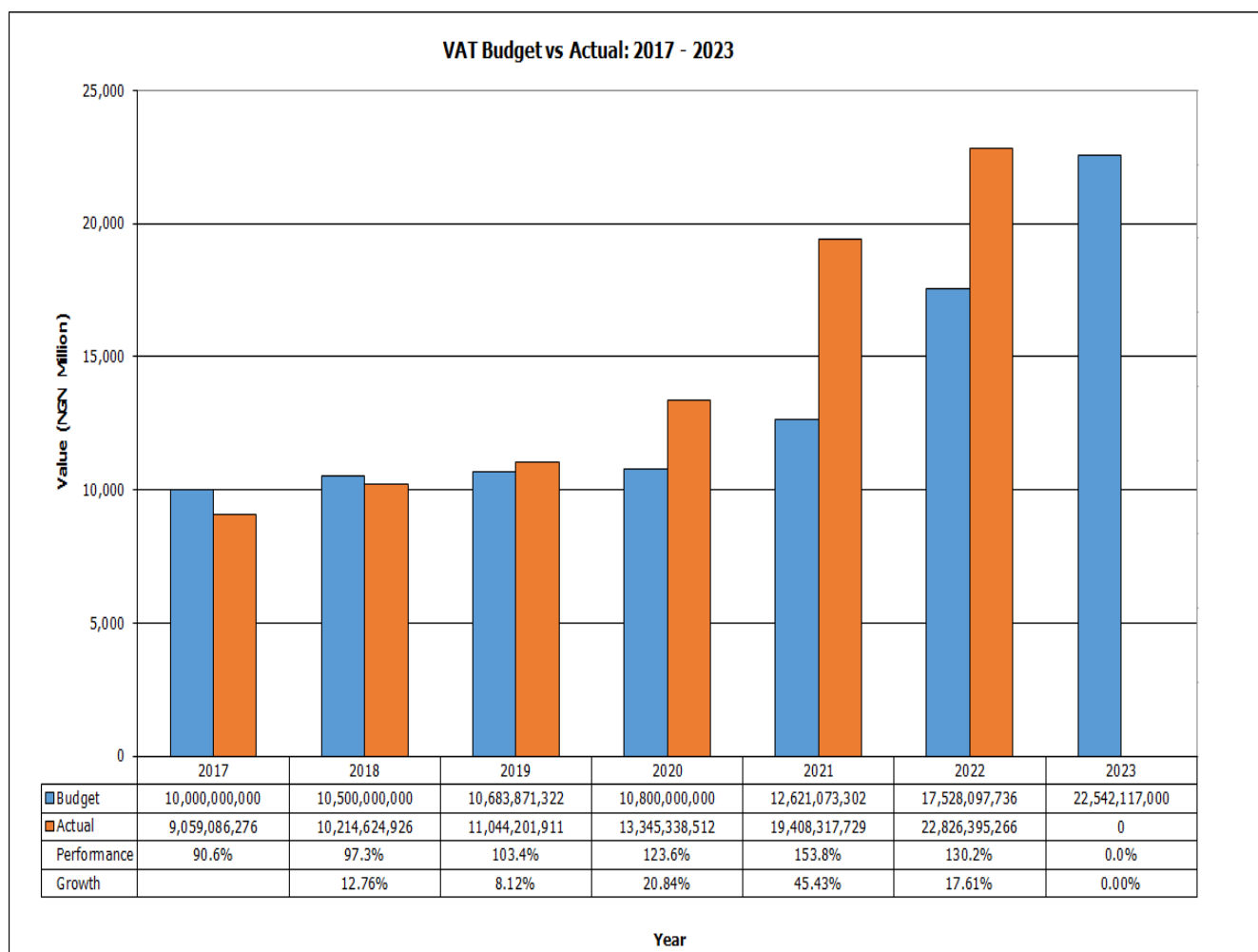
2. B.1 Historic Trends

Revenue Side

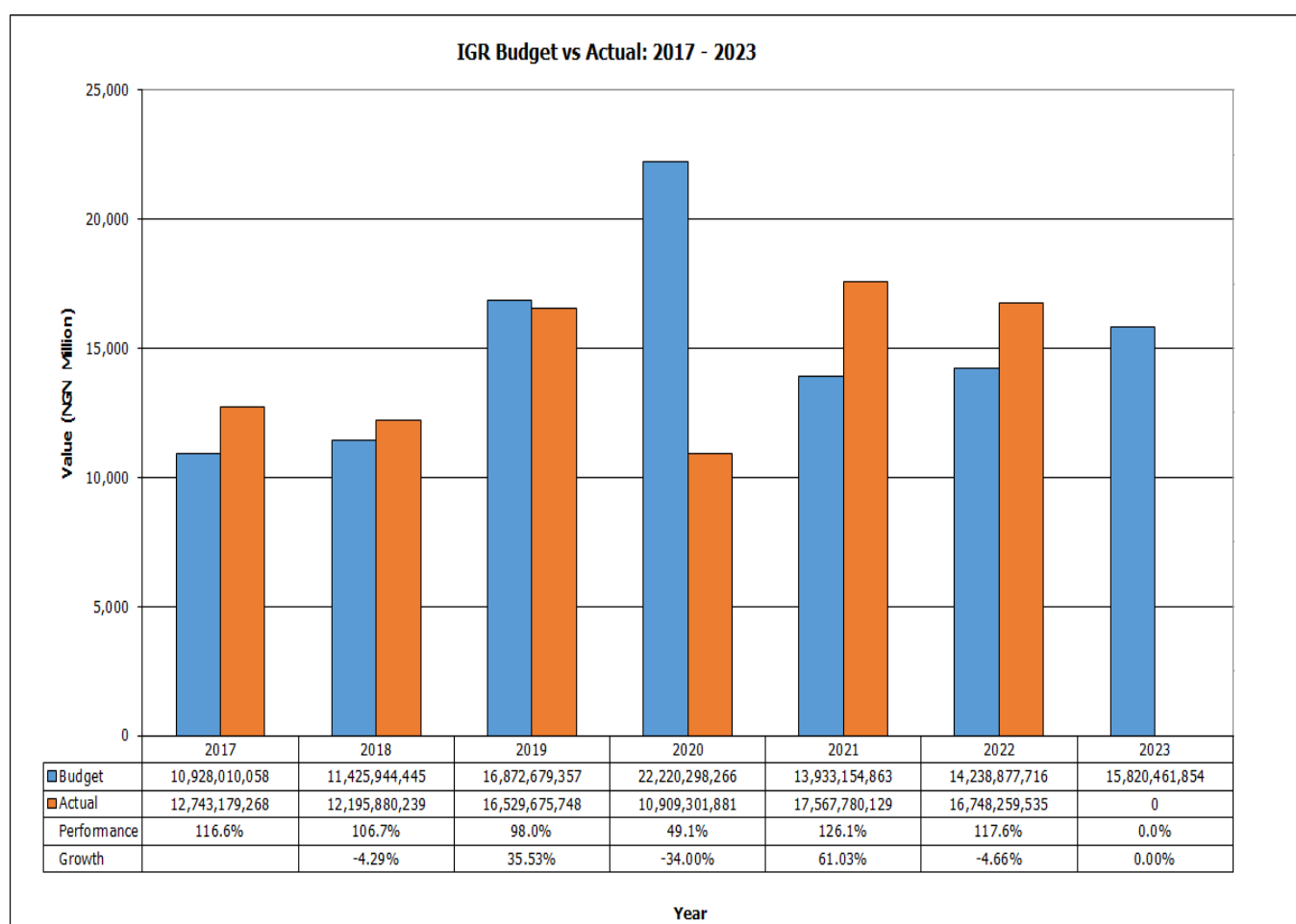
75. On the revenue side, the document looks at Statutory Allocation, VAT, IGR, Excess Crude, and Capital Receipts – budget versus actual for the period 2017-2022 (six year historic) and 2023 budget.

Figure 9: Statutory Allocation

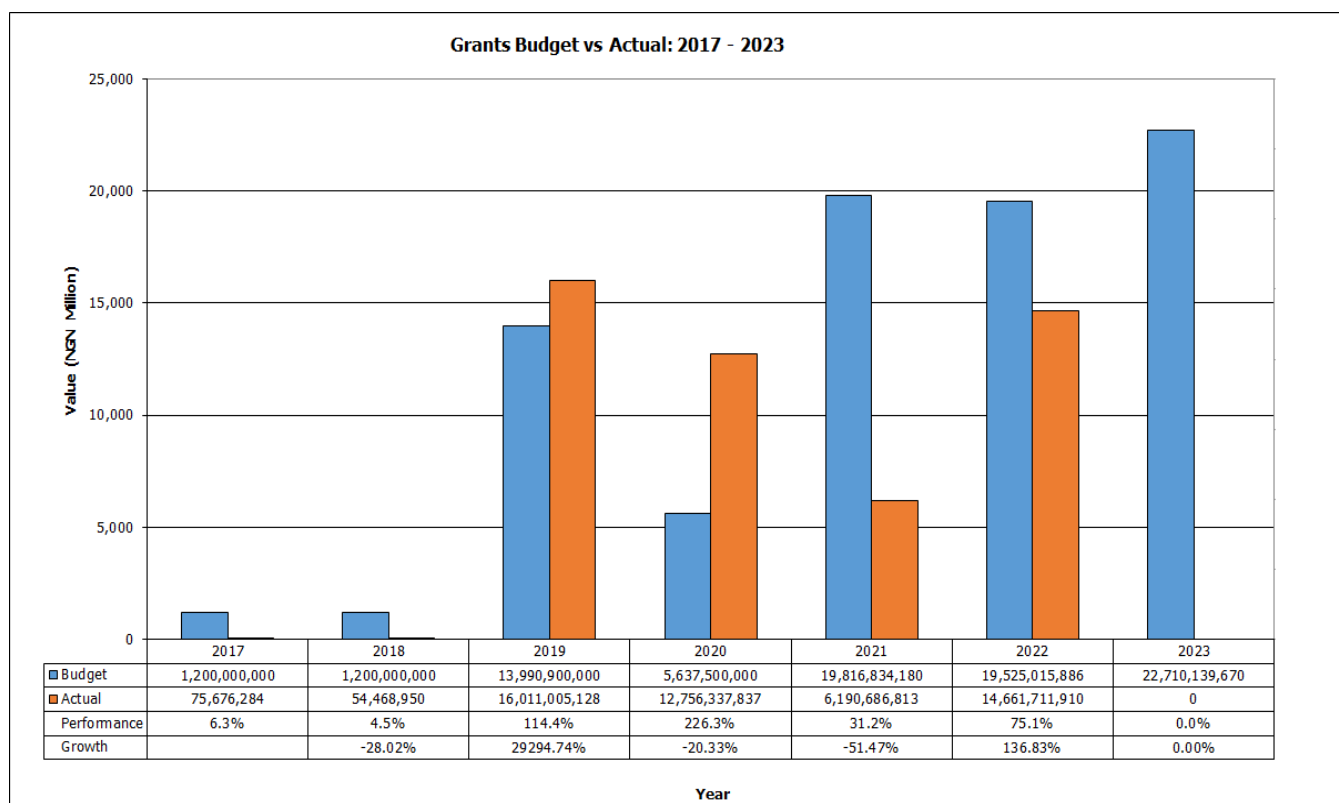
76. Federal Allocation is a statutory transfer from the Federation Account to the State. This Statutory allocation is exogenous to the State Government because it is determined by the Federal Government using some indices such as IGR, land mass, health facilities, and primary education facilities as recommended by the Revenue Mobilization, Allocation and Fiscal Commission (RMAFC).
77. The above graph shows that Statutory Allocation to the State increased by 49.96% in years 2018. However, due to the adverse impact of COVID-19 pandemic on the oil price in year 2019 and 2020, the Allocation fell by 3.16% and 17.68% in 2019 and 2020 respectively. However, there was an increase of 4.4% and 33.40% in 2021 and 2022 respectively.
78. Performance against budget varied as actual exceeded budget in 2018, 2021 and 2022 while actual receipts were less than budgeted in 2017, 2019 and 2020. In making projection, the crude oil global price, oil production per barrel and OPEC quota should be considered.

Figure 10: VAT

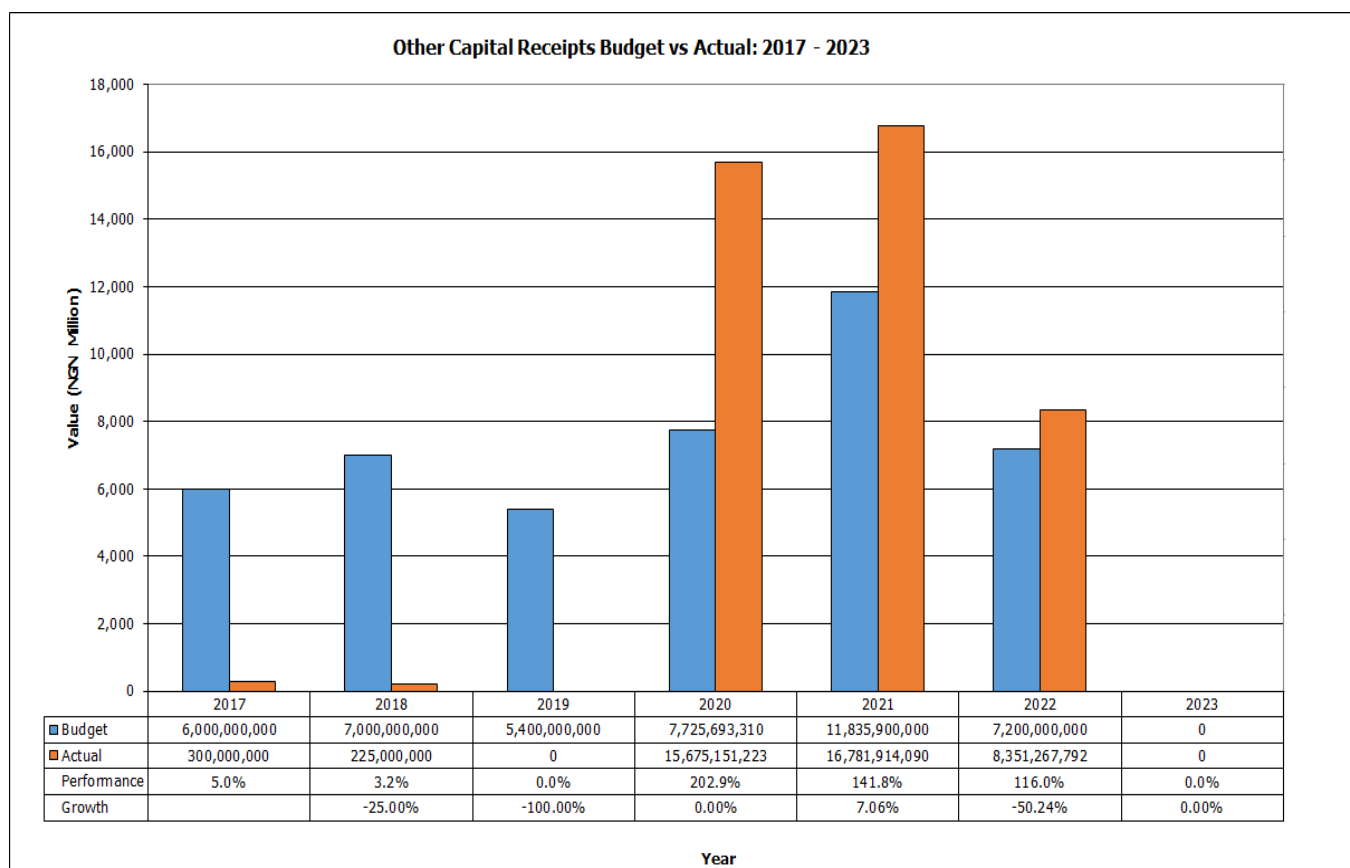
79. VAT is ad valorem tax on essential goods and services at a rate of 7.5% since 2020. It is collected by the Federal Inland Revenue Service (FIRS) on behalf of the States and distributed among the three tiers of Government and FCT on monthly basis based on set ratios. In the current distribution arrangement, States receive 50% of the total VAT collected, LGAs and FCT receive 35% and FGn 15%.
80. VAT receipts ranged from ₦9.0 billion, ₦10.2 billion, ₦11.0 billion and 13.3 billion between 2017 to 2020. Ekiti State received significant amount as VAT with growth rate of 45.43% in 2021. This is due to agitations for a new VAT regime by some States of the Federation in 2020.

Figure 11: IGR

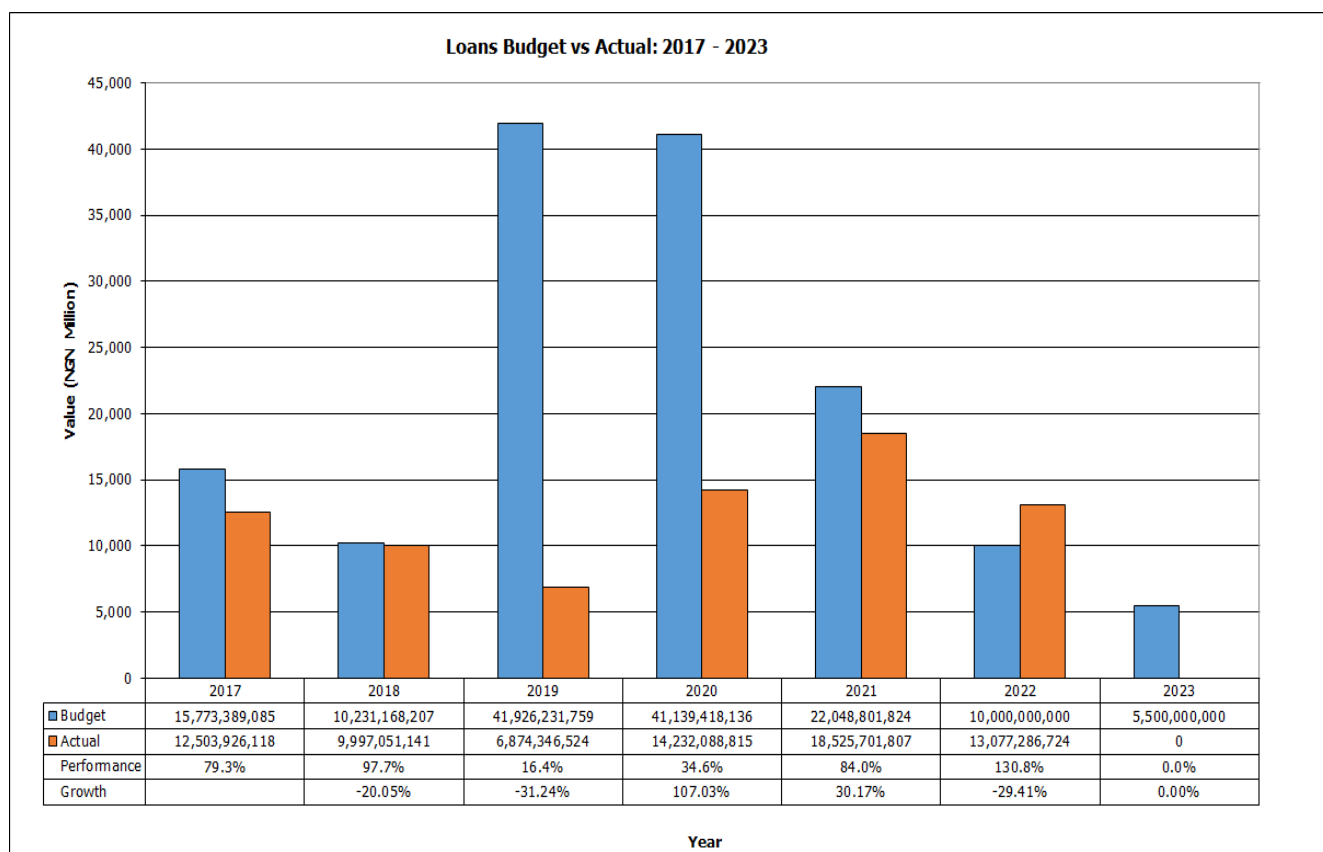
81. Internally Generated Revenue is revenue collected within Ekiti State and includes Income tax (PAYE) which represents the highest contributor to IGR, fines, levies, fees, and other earnings within the State.
82. The State's revenue oscillates between ₦13 billion and ₦18 billion from 2016 – 2022 with the lowest value of ₦10.9 billion in 2020 as a result of the COVID-19 lockdown, which affected socio-economic activities. The actual collections were lower than the Budgeted for the years 2019 and 2020. It is noteworthy that in all the years, PAYE formed the major component of income tax and is considered as main contributor to the State IGR.
83. Notwithstanding the increase in economic activities recorded over the years, the performance is still low when compared with the IGR performance of neighbouring States. Ekiti State Revenue Service was recently restructured to improve on the IGR performance through deployment of a new Revenue collection known as Ekiti Revenue Autonomous System (ERAS).

Figure 12: Grants

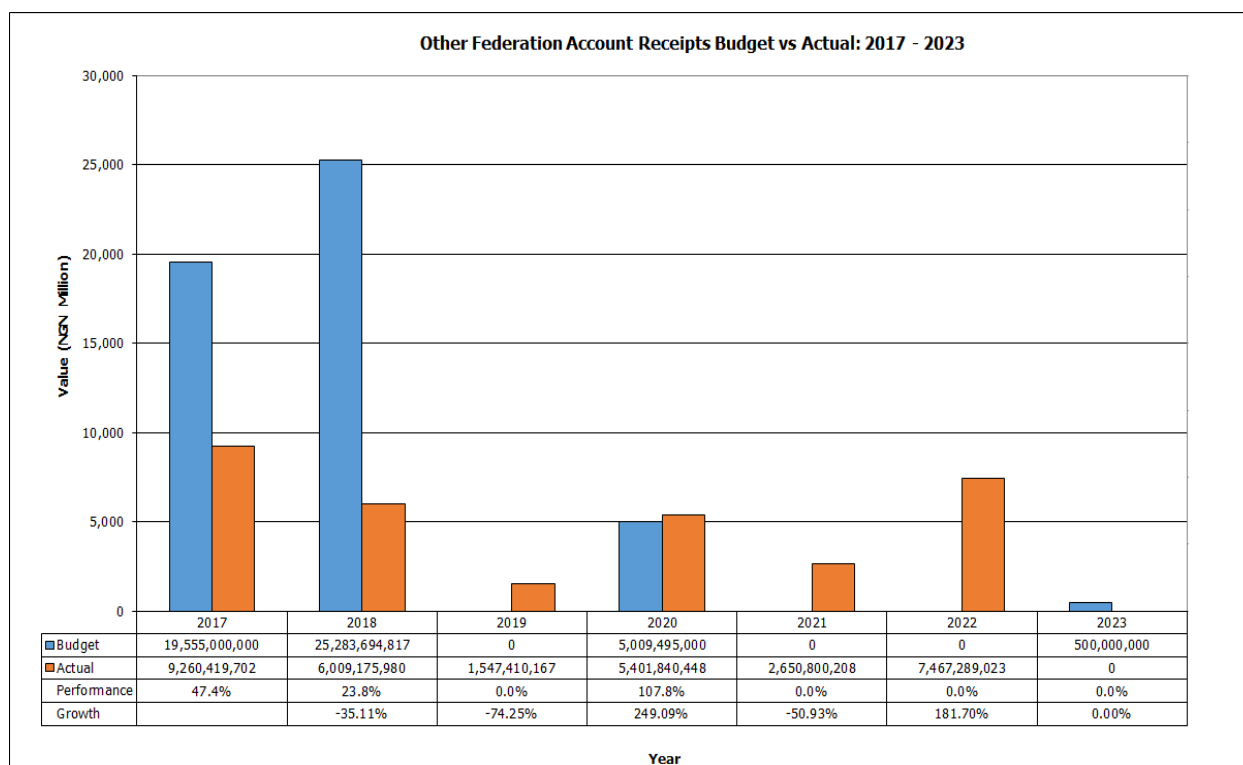
84. Grants include receipts from Federal Agencies and Development Partners, including International Institutions. Sources of Grants to Ekiti State include Conditional Grants from SDG, Grant from UBEC, Grants from International Development Partners(including UK, Department for International Development (DFID), European Union (EU), World Bank and UNICEF (United Nations International Children's Emergency Fund)
85. The graph above indicates that Grants received from UBEC, CGS and other International Development Partners reduced from ₦16.01billion in 2019 to ₦6.19billion in 2021. However, in 2019 and 2020 the actual performance of 114.4% and 226.3% exceeded budget as a result of World Bank's SFTAS.

Figure 13: Other Capital Receipts

86. Other Capital Receipts comprise sundry incomes and transfer from prior year Capital Development Fund (CDF). The graph indicates that in 2019, the State received no amount from this source.
87. However, the State received significant amount of other capital in 2020, 2021 and 2022 with impressive performance of 202.9%, 141.8% and 116% respectively. It is expected that the State would sustain this trend going forward by consolidating on the already established relationship between the State Government and the Development Partners.

Figure 14: Loans/Financing

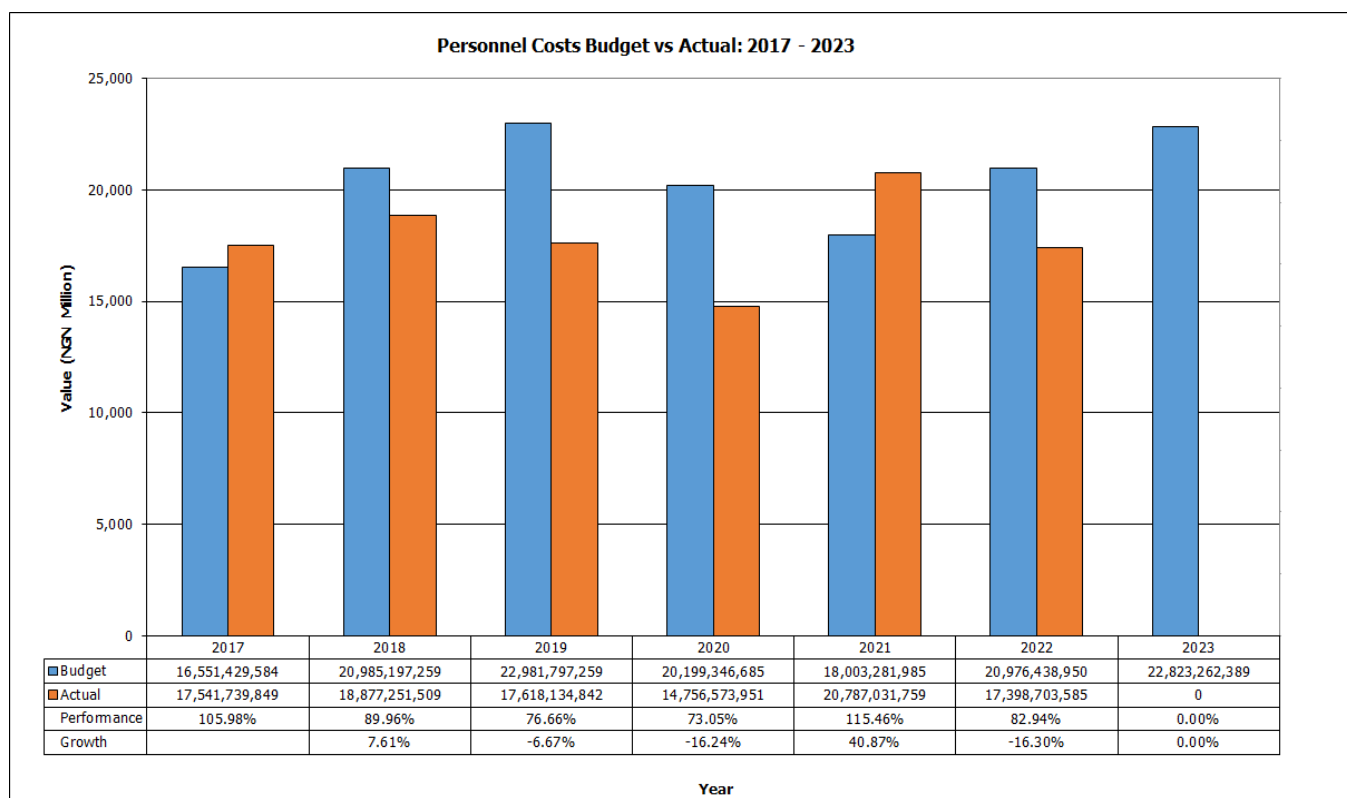
88. Loans are borrowings from both internal and external sources. The Internal Loans cover all domestic loans such as loan from Commercial Banks, Central Bank of Nigeria and Capital Market while External Loans are loans from International Institutions and foreign countries such as the World Bank, European Union, International Monetary Fund etc.
89. The above chart shows that performances varied with budget exceeding actual from 2017 - 2021, while actual loans exceeded budget in 2022 only. Ekiti State internal and external loans fell from ₦12.5 billion in 2017 to ₦6.87 billion in 2019. However, owing to the need to contain the impact of the COVID-19 pandemic and put the State economy on the path of recovery, the loan obtained in 2020 was ₦14.23 billion which rose by 30.17% in 2021. However, there was a significant reduction in 2022 as the actual loan was ₦13 billion.

Figure 9: Other Federation Account Receipt

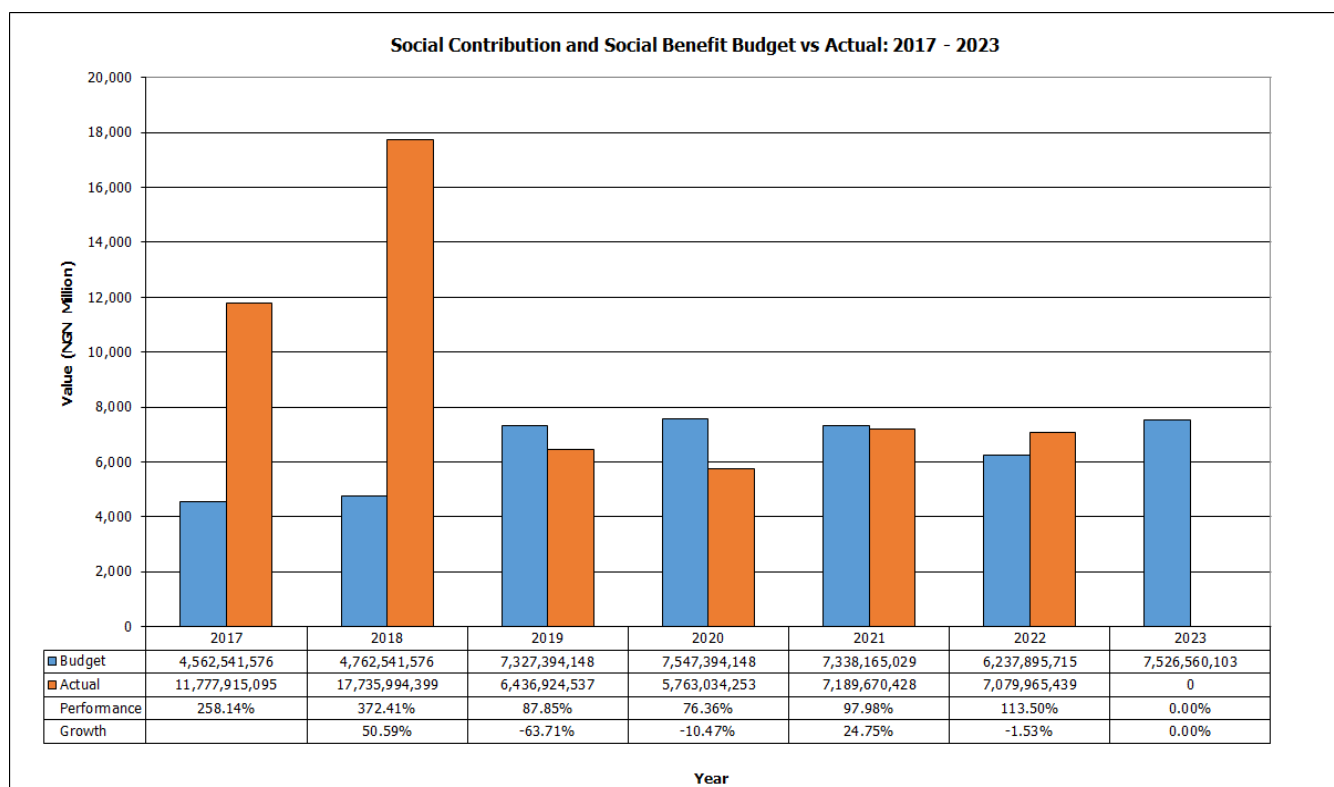
90. Other Federation Account Receipts include receipt from Excess Crude Account. Ekiti State received a sum of ₦9.2 billion in 2017 as Other Federation Account Receipts. Based on recent trend, Other Federation Account Receipt was ₦2.6 billion and ₦7.4 billion in 2021 and 2022 respectively.
91. The Other Federation Account Receipt performed significantly in year 2022 with 181%.

Expenditure Side

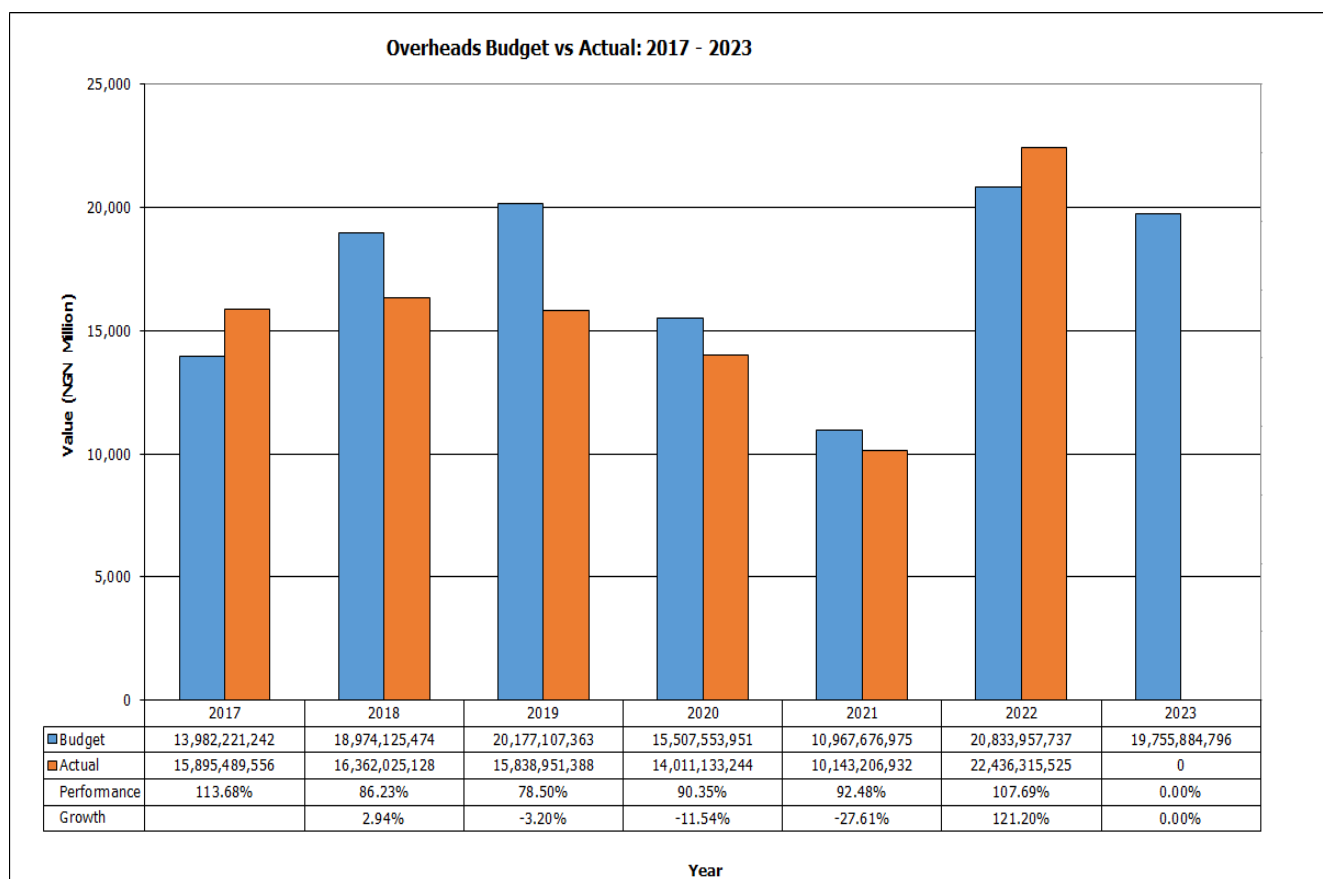
92. On the expenditure side, the document looks at Consolidated Revenue Fund (CRF) charges, Personnel, Overheads and Capital Expenditure – budget versus actual for the period 2017-2022 (six years) and 2023 budget.

Figure 15: Personnel

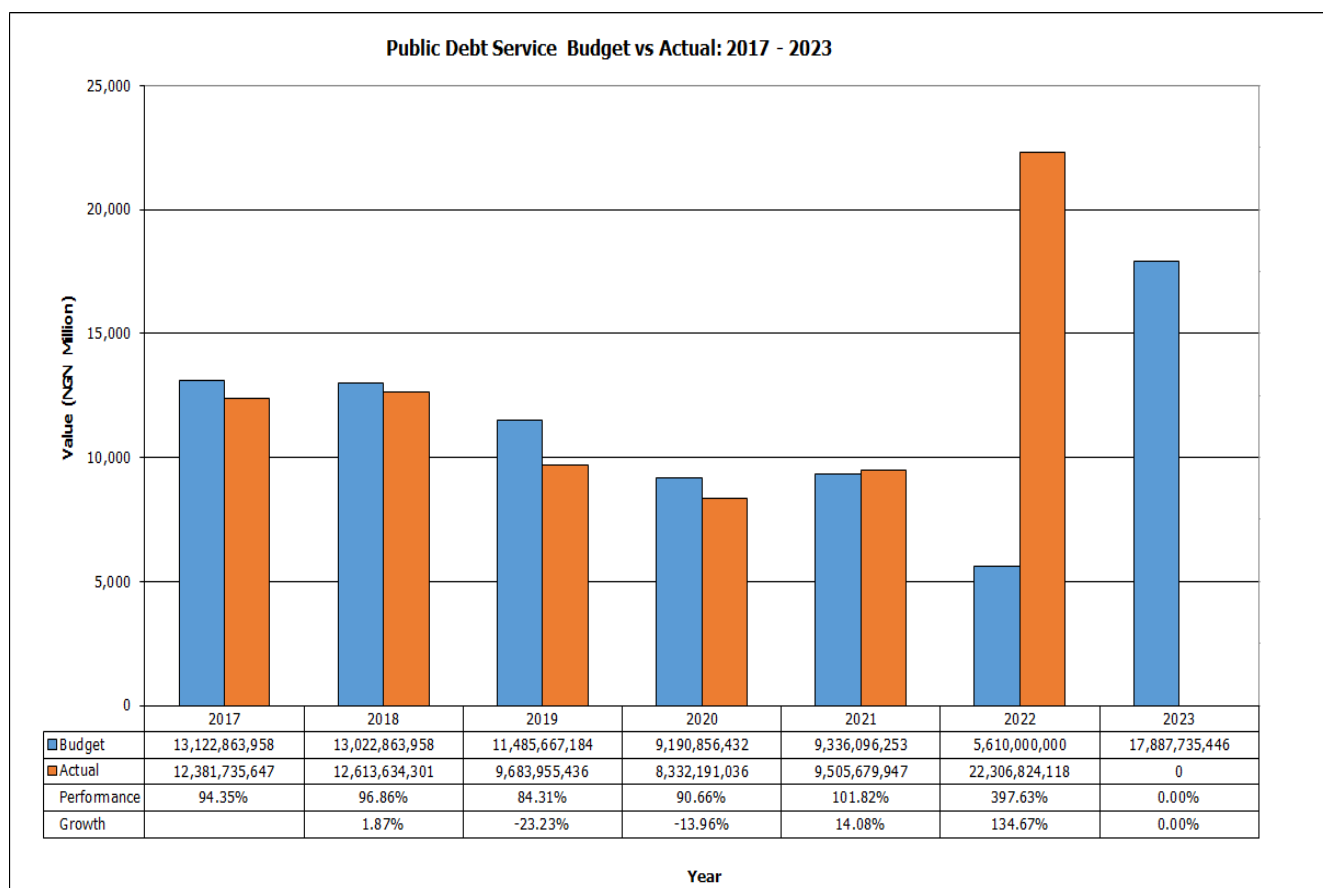
93. The personnel costs covered the salaries and allowances of civil servants as well as political office holders.
94. As indicated in the diagram, there was steady drop from 2019 to 2020 due to the verification exercise which identified and stopped some nugatory payments. Actual expenditure has been close to budget in all the years except 2017 and 2021 when personnel costs exceeded budget significantly.

Figure 16: Social Contributions and Social Benefits

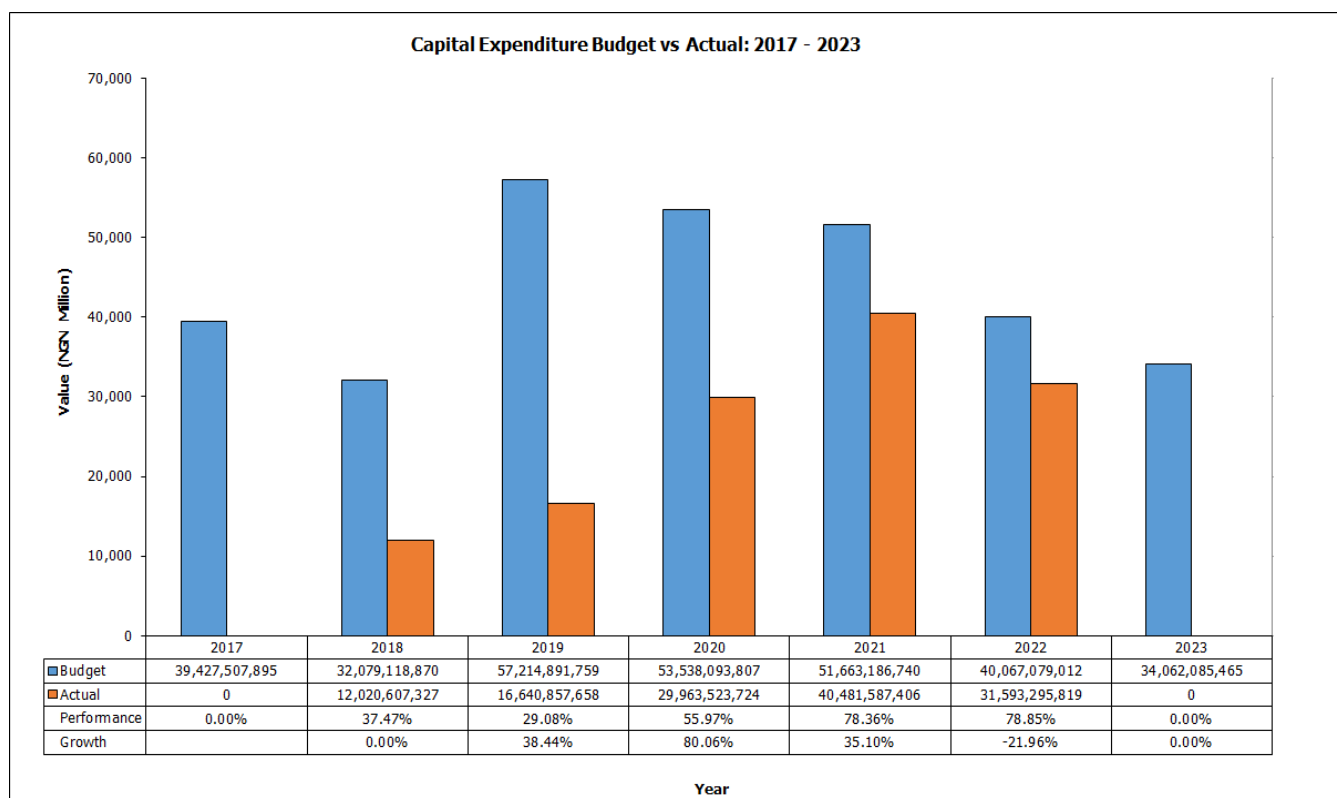
95. This expenditure consists of Pensions, Gratuities, 5% Contribution to Redeemable Retirement Funds Accounts, 10% Government Contributions to CPS, Actuarial Valuation and Pension/Maintenance of Past Political Office Holders. Actual expenditure increased from 2017 to 2018 as a result of the part payment of backlog of arrears of pension and gratuities.
96. A critical examination of the above graph shows that the actual expenditure was relatively lower than the budget in 2020 as it recorded a growth of -10.47%

Figure 17: Overheads

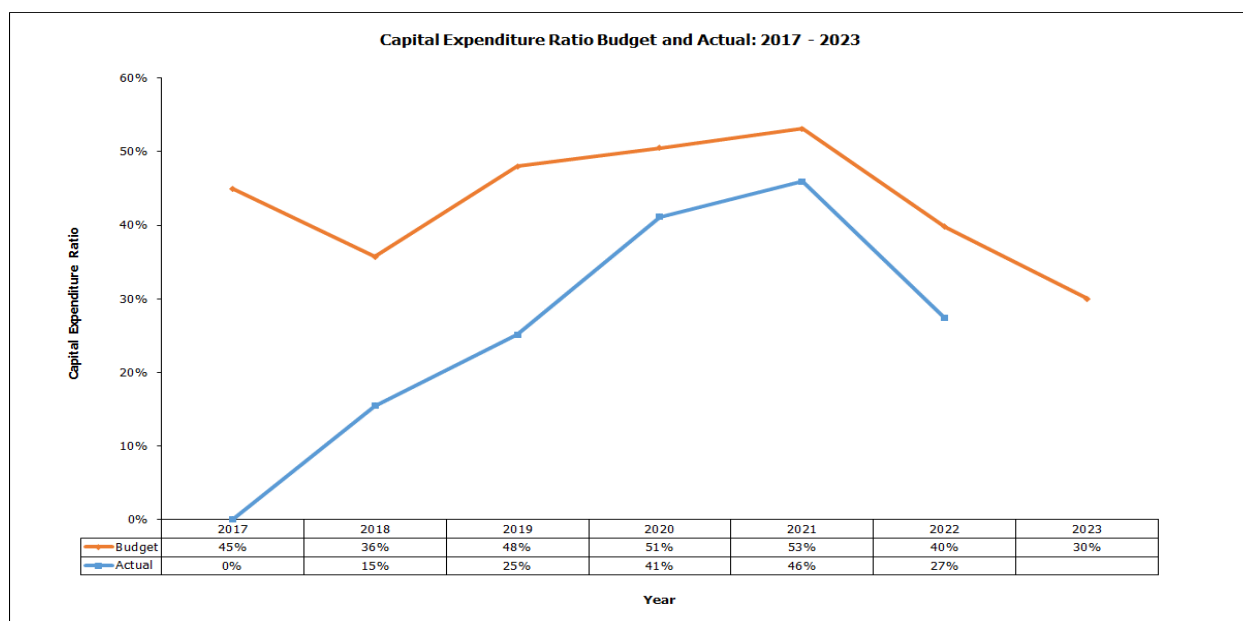
97. The Overhead expenses consist of the expenses incurred in the day-to-day cost of running the government business and other operational costs. It includes Grant, contribution subsidies and transfer.
98. As depicted in the graph, actual overhead expenditure fell from ₦16.3billion in 2016 to ₦10.1billion in 2021. The performance of the overheads was relatively high during the year under review. There were significant drop in the performance of the overhead cost in 2020 and 2021 owing to reduction in the availability of fund to run the government activities within the period. However, the was significant growth of 121% in 2022

Figure 18: Public Debt Service

99. This expenditure element consists of judgment debts, repayment of short-term borrowings and servicing of short-term loans. Arising from the well-planned public debt mechanism in the State, the cost of servicing debt in the period under review has been relatively low with the State meeting its loan obligations as and when due.
100. A quick look at the above graph indicates that the actual amount for debt servicing were relatively lower than the budget from 2017 to 2022. However, actual exceeded the budget in all 2021 and 2022. The Performances of the actual against the budget recorded high rate all through the period under review.

Figure 19: Capital Expenditure

101. Capital expenditure consists of Government spending on developmental projects and programmes that create public assets such as roads, hospital facilities, education facilities, construction of market, provision of electricity, pipe borne water and sanitation facilities in the State.
102. Actual performance was less than budget within the FY 2017 – FY 2022. Capital expenditure experienced a least performance of 29.08% in 2019. The State Government increases its capital spending consistently from ₦12.02billion in 2018 to ₦40.48billion in 2021, while the actual for 2022 was 31.5%. The impressive performance stemmed from the efforts of the present administration to improve industrial and infrastructural facilities and legacy projects to drive economic activities in the State.

Figure 20: Recurrent: Capital Expenditure Ratio

103. From the above graph, it was observed that the recurrent to capital expenditure ratio increased steadily from 15% in year 2018 to 46% in 2021. Thereafter, the actual recurrent to capital expenditure ratio experienced a decline to 27% in 2022.

Expenditure Performance by Sector

104. **Personnel Expenditure by Sector** had an impressive overall performance of 85.88% for the period 2017 – 2022. The highest performance was recorded in the Ministry of Justice with 177.69% while the least performing sector was recorded in the Ekiti State Civil Service Commission with 19.98%. Performance of Personnel Expenditure by sector over the period of 2017-2022 is presented in Table 5 below.
105. **Overhead Performance by Sector** also experienced a significant performance of 92.51% over the period 2017-2022. Governor's Office had the highest performance of 168.59% while Ministry of Agriculture and Food Security recorded a least performance of 19.64%. This is shown in Table 6 below.
106. **The Capital Expenditure by Sector** over the same period had an average performance of 53.80%. The Ministry of Finance had highest performance of 314% while the lowest performance was recorded by Ekiti State Mineral Resources Development Agency with 0.28%. The performance of most sectors were not impressive. The analysis of the Capital Expenditure by Sector is shown on Table 7 below:

Table 5: Sector Expenditure – Personnel - Budget Vs Actual

Personnel Expenditure by Sector											
No.	Sector	2019 Budget	2019 Actual	2020 Budget	2020 Actual	2021 Budget	2021 Actual	2022 Budget	2022 Actual	Performance	Average Budget
1	Governor's Office	965,674,441	565,674,441	765,674,441	256,802,152	541,544,184	1,509,182,074	782,095,411	526,866,231	93.57%	3.72%
2	Secretary To The State Government	1,044,416,613	962,514,215	844,416,613	1,430,390,726	1,232,646,011	2,437,056,209	1,341,301,421	1,442,602,675	140.55%	5.43%
3	Ekiti State House Of Assembly	686,770,124	554,145,741	586,770,124	507,969,398	558,196,149	446,529,418	727,089,545	510,407,428	78.91%	3.11%
4	Ministry Of Information And Value Orientation	515,759,308	302,145,741	445,759,308	263,278,343	286,692,665	264,955,221	278,772,767	281,776,553	72.83%	1.86%
5	Head Of Service	96,749,744	50,124,514	95,749,744	84,829,190	83,073,244	79,660,933	81,513,210	78,423,828	82.06%	0.43%
6	Ekiti State Auditor General Office	160,452,090	120,145,741	160,452,090	107,138,477	118,930,545	111,274,806	1,155,783,930	112,613,684	28.28%	1.94%
7	Public Complaint Commission/Ombudsman	0	0	0	0	0	0	54,660,746	0	0.00%	0.07%
8	Ekiti State Civil Service Commission	57,883,386	35,214,120	56,883,386	52,197,196	53,660,746	50,298,002	703,939,826	36,585,460	19.98%	1.06%
9	Ekiti State Independence Electoral Commission	88,162,155	50,121,574	80,162,155	0	77,519,302	77,804,404	77,519,302	80,264,489	64.38%	0.39%
10	Ministry Of Agriculture And Food Security	814,153,273	502,147,201	800,153,273	579,358,927	674,613,015	632,397,621	703,939,826	719,791,082	81.32%	3.64%
11	Ministry Of Finance & Economic Development	506,634,678	401,254,201	406,634,678	454,060,638	579,711,185	1,433,797,823	2,579,512,367	390,221,549	65.79%	4.96%
12	Ministry Of Trade And Industries	321,836,096	258,041,201	221,836,096	164,503,872	168,589,272	147,923,087	177,251,170	175,482,866	83.86%	1.08%
13	Bureau Of Employment, Labour And Productivity	15,046,137	10,215,412	13,046,137	9,606,919	24,502,599	25,200,218	26,215,045	23,160,589	86.52%	0.10%
14	Bureau Of Information, Communication And Technology (ICOT)	25,002,451	20,145,417	22,002,451	0	22,551,558	24,609,847	26,405,506	25,997,185	73.73%	0.12%
15	Ekiti State Electricity Board	92,630,339	82,145,412	90,630,339	67,907,784	73,985,498	70,113,951	76,176,666	78,225,306	89.49%	0.41%
16	Ekiti State Mineral Resources Development Agency	30,110,231	30,110,231	29,110,231	0	16,449,736	11,103,897	9,794,313	15,521,239	66.38%	0.10%
17	Ministry Of Works And Transportation	606,469,969	606,469,969	406,469,969	301,451,529	298,438,383	270,421,267	335,753,891	329,422,380	91.54%	2.00%
18	Ministry Of Arts, Culture And Tourism Development	100,256,913	100,256,913	98,256,913	70,619,218	56,533,532	59,027,489	80,609,871	93,823,879	96.45%	0.41%
19	Ministry Of Budget And Economic Planning	135,090,797	135,090,797	133,090,797	103,418,870	103,985,365	101,180,861	110,122,354	102,980,862	91.79%	0.59%
20	Fiscal Responsibility Commission	0	0	0	0	13,610,500	12,388,170	12,713,605	12,319,340	93.86%	0.03%
21	Ekiti State Water Corporation	491,591,074	491,591,074	400,591,074	334,476,829	369,615,378	307,179,456	351,593,811	319,707,931	90.06%	1.96%
22	Ministry Of Housing And Urban Development	300,225,820	300,225,820	290,225,820	881,379,730	141,971,197	143,722,513	156,958,676	192,685,397	170.68%	1.08%
23	Bureau Of Lands	20,132,541	15,132,541	18,132,541	39,263,135	80,912,204	73,345,226	65,826,164	51,147,640	96.69%	0.23%
24	Ministry Of Infrastructure And Public Utilities	80,359,695	70,359,695	70,359,695	62,697,292	63,953,328	64,720,682	77,777,184	92,106,609	99.12%	0.36%
25	Judicial Council	0	0	0	0	0	0	0	0	0.00%	0.00%
26	Ministry Of Justice	198,110,676	180,210,417	198,110,676	174,992,421	187,379,620	871,003,445	225,782,304	212,011,458	177.69%	0.99%
27	Ministry Of Regional And Special Duties	25,124,102	22,514,001	89,124,102	0	11,979,240	10,947,139	10,055,591	15,118,321	35.65%	0.17%
28	Ministry Of Youth And Sport Development	98,480,057	60,214,120	80,480,057	56,172,339	89,531,807	83,897,534	109,953,400	87,561,665	76.06%	0.46%
29	Ministry Of Women Affairs, Gender Empowerment And Social Development	100,416,854	98,000,215	99,416,854	83,475,800	76,821,932	90,447,229	89,494,569	99,876,473	101.54%	0.45%
30	Ministry Of Education, Science And Technology	11,782,855,576	9,327,830,407	10,782,855,576	5,616,510,607	9,267,162,706	8,407,776,205	7,691,828,781	7,803,029,834	78.82%	48.11%
31	Ministry Of Health And Human Services	3,275,057,980	2,021,587,412	2,575,057,406	2,812,378,329	2,528,134,331	2,752,776,869	2,624,617,348	3,284,895,038	98.81%	13.39%
32	Ministry Of Environment	250,761,561	149,923,719	246,311,561	177,010,684	124,644,076	135,665,166	132,558,058	110,797,224	76.02%	0.92%
33	Ministry Of Local Government Affairs	95,582,578	94,582,578	91,582,578	64,682,546	75,942,676	80,624,999	98,822,293	93,279,373	92.05%	0.44%
	Total	22,981,797,259	17,618,134,842	20,199,346,685	14,756,572,951	18,003,281,985	20,787,031,759	20,976,438,950	17,398,703,585	85.88%	100.00%

Table 6: Sector Expenditure – Overhead - Budget Vs Actual**Overhead Expenditure by Sector**

No.	Sector	2019 Budget	2019 Actual	2020 Budget	2020 Actual	2021 Budget	2021 Actual	2022 Budget	2022 Actual	Performance	Average Budget	Average Actual
1	Governor's Office	1,310,796,183	1,010,796,000	902,458,102	900,200,874	587,629,210	487,629,000	1,702,458,412	5,193,596,355	168.59%	6.67%	12.16%
2	Secretary To The State Government	1,000,410,254	902,415,111	987,598,634	903,400,478	500,418,214	409,874,123	700,254,147	1,230,328,502	108.07%	4.72%	5.52%
3	Ekiti State House Of Assembly	1,000,417,895	912,478,120	904,256,231	904,000,471	500,548,120	412,000,088	2,200,548,120	941,301,674	68.82%	6.82%	5.08%
4	Ministry Of Information And Value Orientation	200,412,894	95,874,112	224,001,854	85,400,154	150,450,121	80,354,123	100,145,741	130,519,456	58.10%	1.00%	0.63%
5	Head Of Service	255,897,412	109,874,120	361,451,231	261,231,000	125,014,201	99,879,412	105,145,120	120,480,450	69.79%	1.26%	0.95%
6	Ekiti State Auditor General Office	251,487,120	155,874,222	245,123,415	123,415,111	102,315,102	98,784,111	100,584,123	48,434,000	60.97%	1.04%	0.68%
7	Public Complaint Commission/Ombudsman	0	0	0	0	12,512,000	5,120,002	13,250,000	445,000	21.60%	0.04%	0.01%
8	Ekiti State Civil Service Commission	35,412,102	28,741,000	36,412,552	25,520,778	24,102,451	15,102,451	20,151,112	16,852,000	74.27%	0.17%	0.14%
9	Ekiti State Independence Electoral Commission	95,478,112	36,874,120	97,214,102	37,214,102	25,102,000	15,102,000	23,145,277	4,900,000	39.05%	0.36%	0.15%
10	Ministry Of Agriculture And Food Security	251,478,120	65,112,014	265,214,784	66,000,421	123,456,102	60,874,123	500,142,102	31,979,190	19.64%	1.69%	0.36%
11	Ministry Of Finance & Economic Development	7,014,791,557	6,147,915,000	4,197,021,457	5,855,614,854	3,581,201,526	4,021,443,062	8,674,621,293	12,229,458,058	120.40%	34.77%	45.26%
12	Ministry Of Trade And Industries	124,102,000	99,124,771	550,417,562	99,254,111	201,458,120	98,741,222	199,231,451	25,146,920	29.97%	1.59%	0.52%
13	Bureau Of Employment, Labour And Productivity	67,221,041	47,221,999	70,584,123	48,000,784	36,541,210	29,112,774	30,451,245	4,267,000	62.79%	0.30%	0.21%
14	Bureau Of Information, Communication And Public Relations	30,417,210	15,417,210	32,451,210	16,874,000	20,102,456	12,874,333	21,458,412	6,381,000	49.36%	0.15%	0.08%
15	Ekiti State Electricity Board	90,247,123	58,247,123	92,841,235	50,222,741	162,458,120	51,748,120	150,123,548	181,397,607	68.92%	0.73%	0.55%
16	Ekiti State Mineral Resources Development	20,149,521	10,789,411	22,148,654	15,000,888	21,415,784	16,874,222	22,894,555	1,960,000	51.52%	0.13%	0.07%
17	Ministry Of Works And Transportation	301,458,412	201,458,412	651,248,751	255,441,778	221,451,201	159,000,741	200,154,546	28,918,000	46.92%	2.04%	1.03%
18	Ministry Of Arts, Culture And Tourism Development	105,784,201	94,787,771	114,215,012	95,000,741	105,845,120	95,125,400	110,548,111	27,280,000	71.54%	0.65%	0.50%
19	Ministry Of Budget And Economic Planning	368,412,441	178,412,441	370,458,412	179,222,000	300,897,451	200,740,100	255,215,400	229,252,625	60.82%	1.92%	1.26%
20	Fiscal Responsibility Commission	0	0	0	0	10,235,120	2,500,142	12,451,231	5,985,000	37.40%	0.03%	0.01%
21	Ekiti State Water Corporation	321,458,120	195,441,210	555,124,102	196,123,487	312,380,450	198,217,542	210,214,555	33,138,853	44.52%	2.07%	1.00%
22	Ministry Of Housing And Urban Development	380,412,789	199,000,471	410,457,120	200,784,111	218,745,120	197,213,000	250,214,521	3,656,162	47.68%	1.87%	0.96%
23	Bureau Of Lands	235,104,589	120,987,120	240,214,587	100,888,999	100,548,120	97,213,584	125,111,210	25,838,193	49.21%	1.04%	0.55%
24	Ministry Of Infrastructure And Public Utilities	120,481,222	79,222,000	121,214,784	80,111,778	68,451,230	57,412,587	60,251,481	12,036,000	61.77%	0.55%	0.37%
25	Judicial Council	1,558,451,203	1,058,451,111	921,451,210	900,789,411	854,123,105	800,412,000	1,054,215,456	82,536,212	64.77%	6.50%	4.55%
26	Ministry Of Justice	341,210,584	209,210,584	345,112,457	221,487,120	250,123,102	240,874,123	318,974,523	347,280,821	81.16%	1.86%	1.63%
27	Ministry Of Regional And Special Duties	101,254,123	71,222,123	102,415,410	55,741,000	121,021,320	99,231,444	124,120,512	2,310,000	50.91%	0.67%	0.37%
28	Ministry Of Youth And Sport Development	90,148,421	36,148,421	92,415,000	36,000,245	50,124,512	20,784,231	61,254,123	28,594,410	41.34%	0.44%	0.19%
29	Ministry Of Women Affairs, Gender Empowerment And Social Development	170,514,231	90,874,111	172,123,147	91,231,555	120,456,841	99,214,560	125,412,896	37,116,363	54.11%	0.87%	0.51%
30	Ministry Of Education, Science And Technology	3,001,458,741	2,451,871,439	1,123,457,412	1,056,878,931	1,051,241,000	999,223,417	1,888,745,231	1,040,883,828	78.54%	10.47%	8.89%
31	Ministry Of Health And Human Services	1,056,445,550	999,000,741	1,014,914,497	999,123,000	852,442,024	809,451,230	1,316,691,631	129,686,353	69.27%	6.28%	4.70%
32	Ministry Of Environment	200,558,774	100,874,100	203,124,120	100,745,321	102,451,201	100,666,777	110,546,231	214,772,733	83.85%	0.91%	0.83%
33	Ministry Of Local Government Affairs	75,235,418	55,235,000	80,412,784	50,213,000	52,415,321	50,412,888	45,231,421	19,582,760	69.26%	0.38%	0.28%
	Total	20,177,107,363	15,838,951,388	15,507,553,951	14,011,133,244	10,967,676,975	10,143,206,932	20,833,957,737	22,436,315,525	92.51%	100.00%	100.00%

Table 7: Sector Expenditure – Capital - Budget Vs Actual**Capital Expenditure by Sector**

No.	Sector	2019	2019	2020	2020	2021	2021	2022	2022	Performance	Average Budget	Average Actual
		2019 Budget	2019 Actual	2020 Budget	2020 Actual	2021 Budget	2021 Actual	2022 Budget	2022 Actual			
1	Governor's Office	3,200,548,741	15,849,754	1,500,214,784	1,512,529,781	1,000,521,478	3,105,253,746	850,214,102	2,835,936,145	114.01%	3.24%	6.29%
2	Secretary To The State Government	4,547,221,457	18,405,121	3,500,241,574	1,937,393,115	1,900,524,177	2,077,758,260	1,222,415,741	764,149,125	42.95%	5.52%	4.04%
3	Ekiti State House Of Assembly	1,324,478,100	115,748,741	1,020,548,100	176,834,517	1,521,478,102	65,845,564	500,124,102	27,814,682	8.85%	2.16%	0.33%
4	Ministry Of Information And Value Orientation	700,254,174	15,748,123	501,241,120	7,400,000	350,417,524	1,018,250	200,415,741	0	1.38%	0.87%	0.02%
5	Head Of Service	150,478,112	6,001,214	101,214,754	0	65,241,000	0	50,241,584	0	1.63%	0.18%	0.01%
6	Ekiti State Auditor General Office	200,147,412	6,841,254	198,214,150	0	100,748,120	0	50,231,471	0	1.25%	0.27%	0.01%
7	Public Complaint Commission/Ombudsman	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%
8	Ekiti State Civil Service Commission	55,114,784	0	45,002,140	1,530,000	40,889,412	0	25,417,120	0	0.92%	0.08%	0.00%
9	Ekiti State Independence Electoral Commission	200,478,112	2,540,123	155,012,410	5,000,000	200,417,512	425,052,548	100,241,741	5,000,000	66.69%	0.32%	0.37%
10	Ministry Of Agriculture And Food Security	3,200,762,818	412,874,512	2,573,510,485	2,981,748,662	2,000,487,412	2,520,887,955	1,742,145,741	683,098,534	69.34%	4.70%	5.56%
11	Ministry Of Finance & Economic Development	52,100,124	25,887,445	100,415,214	362,460,906	250,125,412	972,149,330	200,415,410	533,106,017	314.00%	0.30%	1.60%
12	Ministry Of Trade And Industries	350,214,741	15,210,123	250,451,210	375,086,436	350,214,451	319,228,776	152,417,120	940,184,532	149.53%	0.54%	1.39%
13	Bureau Of Employment, Labour And Productivity	351,112,478	0	300,415,741	7,266,000	280,415,210	30,000,000	150,458,741	179,633,203	20.04%	0.53%	0.18%
14	Bureau Of Information, Communication And Technology (IC)	35,214,000	0	32,154,112	46,066,253	35,214,100	39,319,784	20,524,123	50,567,789	110.44%	0.06%	0.11%
15	Ekiti State Electricity Board	900,142,100	621,457,412	1,201,457,102	109,878,816	1,008,524,120	49,449,648	932,514,210	111,820,135	22.08%	2.00%	0.75%
16	Ekiti State Mineral Resources Development Agency	50,213,410	0	35,417,210	0	32,412,102	400,000	25,451,210	0	0.28%	0.07%	0.00%
17	Ministry Of Works And Transportation	19,000,478,221	10,014,587,412	20,221,748,102	10,106,221,457	22,200,241,748	13,408,576,351	18,002,154,120	11,203,823,897	56.32%	39.23%	37.69%
18	Ministry Of Arts, Culture And Tourism Development	150,471,222	25,415,412	250,417,210	43,500,000	202,451,784	101,400,000	150,210,451	4,000,000	23.13%	0.37%	0.15%
19	Ministry Of Budget And Economic Planning	5,778,451,201	1,858,815,802	4,012,541,021	171,551,859	3,500,415,210	8,757,047,770	2,114,541,210	12,716,709,320	152.57%	7.61%	19.80%
20	Fiscal Responsibility Commission	0	0	0	300,000	55,412,102	0	25,412,102	2,000,000	2.85%	0.04%	0.00%
21	Ekiti State Water Corporation	908,114,784	200,541,874	1,214,874,512	4,947,077,462	1,540,157,840	251,290,911	1,212,884,745	66,000,000	112.08%	2.41%	4.60%
22	Ministry Of Housing And Urban Development	452,000,212	0	501,457,120	620,482,951	500,415,741	27,354,359	250,412,444	441,100,000	63.89%	0.84%	0.92%
23	Bureau Of Lands	200,457,122	0	350,214,102	29,875,875	300,415,241	1,703,546,849	255,412,100	273,043,993	181.33%	0.55%	1.69%
24	Ministry Of Infrastructure And Public Utilities	101,211,000	0	214,478,112	4,991,650	150,021,400	6,500,000	121,584,112	30,519,215	7.15%	0.29%	0.04%
25	Judicial Council	2,200,145,200	105,412,412	2,541,874,541	0	2,501,410,210	54,900,000	1,001,215,411	163,450,000	3.93%	4.07%	0.27%
26	Ministry Of Justice	2,500,100,241	25,412,410	2,000,418,120	0	1,500,214,120	2,500,000	854,210,221	0	0.41%	3.39%	0.02%
27	Ministry Of Regional And Special Duties	101,214,541	0	150,221,451	500,000	201,451,210	14,896,786	101,415,210	2,640,000	3.25%	0.27%	0.02%
28	Ministry Of Youth And Sport Development	250,221,478	0	200,124,512	22,500,000	250,214,120	2,000,000	150,445,121	3,000,000	3.23%	0.42%	0.02%
29	Ministry Of Women Affairs, Gender Empowerment And Soci	2,602,145,748	25,412,103	2,501,245,102	158,613,789	2,526,983,288	50,797,141	1,212,041,210	66,953,500	3.41%	4.37%	0.25%
30	Ministry Of Education, Science And Technology	5,221,451,201	1,012,542,985	4,111,254,102	5,166,720,785	2,510,415,241	3,643,400,449	3,303,242,729	163,100,120	65.93%	7.48%	8.41%
31	Ministry Of Health And Human Services	2,014,417,000	2,116,153,426	3,500,451,274	703,633,345	4,214,504,100	2,404,728,830	4,787,587,218	282,786,487	37.94%	7.17%	4.64%
32	Ministry Of Environment	265,417,241	0	150,417,210	464,360,065	250,417,841	206,859,900	200,541,210	27,859,125	80.65%	0.43%	0.59%
33	Ministry Of Local Government Affairs	150,114,784	0	100,847,210	0	120,415,412	239,424,200	100,541,241	15,000,000	53.91%	0.23%	0.21%

2.B.2 Ekiti State Debt Position

107. A summary of the consolidated debt position for Ekiti State Government is provided in the table below.

Table 8: Debt Position as at 31st December 2022

Debt Sustainability Analysis		
DSA RATIO SCENARIOS:	Sustainability Thresholds	As at 31st December 2022
Solvency Ratios	Percentage	Percentage
Total Domestic Debt/IGR	150%	582.52%
Total External Debt/Gross FAAC	150%	65.30%
Total Public Debt/Total Recurrent Revenue	150%	162.33%
Total Public Debt/State GDP Ratio	25%	0
Liquidity Ratios	Percentage	Percentage
Domestic Debt Service/IGR	15%	99.95%
External Debt Service/Gross FAAC	10%	7.67%
Debt Service Deductions from FAAC/Gross FAAC	40%	22.44%
Total Debt Service/Total Recurrent Revenue	25%	24.99%
PUBLIC DEBT DATA AS AT 31st DECEMBER 2022		Naira
Total Domestic Debt		97,561,437,082
Total External Debt		47,361,915,888
Total Public Debt		144,923,352,969
Total Domestic Debt Service 2022		16,740,558,399
Total External Debt Service in 2022		5,566,265,719
Total Public Debt Service		22,306,824,118
STATE GDP FOR 2022		
State GDP		0

Source: Ministry of Finance & Economic Development (Debt Management Office)

108. Debt is desirable for financing regenerative projects provided it is within the threshold. The State is currently consolidating on its aggressive Internally Generated Revenue policy to improve on the IGR as a veritable alternative to the monthly allocation from FAAC. Hence, the resolve of the State Government to develop the State within the available economic resources while borrowing (domestic and external) are kept at its bearable minimum. Government will do all that is necessary to improve the debt sustainability profile and further reduce the current level of debt burden arising from the high cost of servicing the debts.
109. Arising from the above, Plan has been put in place to ensure that both IGR and other recurrent revenue base perform optimally and to ensure that the current debts are prudently utilized for developmental projects. Fiscal Strategy Plan has been developed to ensure that Debt/Gross Domestic Ratio in the State is high enough to generate economic prosperity and proper debt management that will propel the State economy towards self-reliance.
110. The above table indicates that the total domestic debt in the State as at December, 2022 stood at ₦97.56 billion while total external debt stands at ₦47.36 billion. The implication of this is that 67% is from domestic sources while external debt accounts for 33%. The sum of ₦22.30 billion was spent to service the State's public debt.

3. Fiscal Strategy Paper

3.A Macroeconomic Framework

119. The Macroeconomic framework is based on:

- A. International Monetary Fund (IMF)
 - i. World Economic Outlook April 2023
 - ii. World Economic Outlook July 2023 Update
 - iii. African Economic Outlook October 2021
 - iv. Fiscal Monitor April 2023
 - v. Article IV February 2023
 - vi. Select Issues February 2023
 - vii. World Bank Global Economic Prospects January 2023
 - viii. World Bank Nigeria Development Update June 2023
 - ix. African Development Africa Macroeconomic Performance and Outlook 2023
 - x. OPEC July 2023 Monthly Oil Market Report
 - xi. US Energy Information Administration Short Term Energy Outlook (STEO) July 2023
- B. NBS CPI Inflation Report June 2023
- C. NBS GDP Report 2023 Q1
- D. CBN MPC Communique 149 July 2023
- E. CBN Monthly Report February 2023
- F. NNPC Monthly Report July 2022 (a little out of date)
- G. February 2023 FAAC Distributions
- H. Federal Government 2023-2025 MTEF Final Version
- I. Nigeria Economic Sustainability Plan
- J. FAAC Schedule 1 2014-2023

120. The current and forecast trends in mineral sector indices and the national macroeconomic indices are reflected below:

Figure 21: Ekiti State Macroeconomic Framework**Macro-Economic Framework**

Item	2023	2024	2025	2026
National Inflation	22.00%	20.00%	15.50%	15.20%
National Real GDP Growth	3.20%	3.00%	3.00%	3.00%
State Inflation	0.00%	0.00%	0.00%	0.00%
State Real GDP Growth	0.00%	0.00%	0.00%	0.00%
State GDP Actual	0	0	0	0
Oil Production Benchmark (MBPD)	1.5000	1.6000	1.7000	1.8000
Oil Price Benchmark	\$75.00	\$65.00	\$65.00	\$65.00
NGN:USD Exchange Rate	750	750	750	750
Other Assumptions				
Mineral Ratio	25%	30%	32%	35%

Source: National Bureau of Statistics (NBS), Ekiti State Bureau of Statistics, NNPC, Federal Ministry of Budget & National Planning

3.B Fiscal Strategy and Assumptions

Policy Statement

121. The administration policy statement and operational ideology is to ensure that the State realize its vision of shared prosperity through the implementation of its 6-Pillar namely: job creation for young people; human capital development; agriculture and rural development, infrastructure and industrialization; arts culture and tourism; and governance. This policy will not only guide the direction of Government, it will also be a standard of measurement for all developmental issues including, budget preparation and budget implementation, budget discipline and control through transparency and accountability in Governance.

Objectives and Targets

122. The key targets from a fiscal perspective are:

- i. to achieve shared prosperity through collaboration, compassion, fiscal prudence and quality service delivery;
- ii. to create enabling environment for Micro, Small and Medium Enterprises to thrive through business-friendly policies and provision of infrastructure;
- iii. to expand the revenue base in the area of Internally Generated Revenue (IGR), create enabling environment for the deployment and implementation of modern technology in collection and widening the tax net;
- iv. to ensure timely completion of on-going developmental projects through equitable and effective distribution and allocation of available resources.
- v. to strengthen the security architecture of the State to safety of lives and property in the various cities and farmstead and ensure unhindered access to justice;
- vi. to cushion the effect of the petrol subsidy removal and unification of exchange rate through strategic and well-coordinated empowerment programmes and social investment programmes;

- vii. to guarantee food security and support agro-allied industries by encouraging farming and deepening agricultural value chain through a combination of policies, programmes and direct investments;
- viii. to further widen the base and create employment opportunities through the exploration and exploitation of mineral resources available in the State;
- ix. to further develop human capital index by expanding access to free and compulsory qualitative education and providing affordable and good healthcare service;
- x. to provide a veritable platform for youths and women empowerment and skills acquisition and entrepreneurial development;
- xi. to further strengthen and build relationship with existing development partners and attract new ones to the State for developmental collaborations;
- xii. to further promote good governance through budget discipline, probity and accountability in the allocation and utilization of public funds;
- xiii. to improve the capacity of public servants and provide enabling environment for them for continued effective service delivery;
- xiv. to promote arts and tourism in the State by developing the tourism hubs and showcasing them in the global space as a veritable source of revenue to the State; and
- xv. to encourage the patronage of businesses in Ekiti State to boost local content and stimulate economic activities.

3.C Indicative Three-Year Fiscal Framework

4. The indicative three-year fiscal framework for the period 2024-2026 is presented in the table below.

Table 9: Ekiti State Medium Term Fiscal Framework

Macro-Economic Framework

Item	2023	2024	2025	2026
National Inflation	22.00%	20.00%	15.50%	15.20%
National Real GDP Growth	3.20%	3.00%	3.00%	3.00%
State Inflation	0.00%	0.00%	0.00%	0.00%
State Real GDP Growth	0.00%	0.00%	0.00%	0.00%
State GDP Actual	0	0	0	0
Oil Production Benchmark (MBPD)	1.5000	1.6000	1.7000	1.8000
Oil Price Benchmark	\$75.00	\$65.00	\$65.00	\$65.00
NGN:USD Exchange Rate	750	750	750	750
Other Assumptions				
Mineral Ratio	25%	30%	32%	35%

Fiscal Framework

Item	2023	2024	2025	2026
Opening Balance	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000

Recurrent Revenue				
Statutory Allocation	75,369,970,641	89,162,546,077	104,828,083,575	124,682,200,970
Derivation				
VAT	29,589,106,602	38,754,925,207	49,359,784,993	61,522,112,515
IGR	17,585,672,512	18,464,956,137	19,388,203,944	20,357,614,141
Excess Crude / Other Revenue	4,000,000,000	4,400,000,000	4,400,000,000	4,400,000,000
Total Recurrent Revenue	126,544,749,755	150,782,427,421	177,976,072,512	210,961,927,626

Recurrent Expenditure

Personnel Costs	19,138,573,944	23,923,217,429	26,315,539,172	28,947,093,090
Social Contribution and Social Benefit	7,575,563,019	8,333,119,321	8,916,437,674	9,540,588,311
Overheads	24,679,947,078	29,615,936,493	31,096,733,318	32,651,569,984
Public Debt Service	17,579,493,899	20,432,023,996	20,549,524,527	21,400,981,029
Total	68,973,577,940	82,304,297,241	86,878,234,691	92,540,232,414

Transfer to Capital Account	62,571,171,815	73,478,130,180	96,097,837,821	123,421,695,212
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Capital Receipts

Grants	19,710,139,670	16,016,125,000	12,016,125,000	9,388,474,000
Other Capital Receipts	0	0	0	0
Total	19,710,139,670	16,016,125,000	12,016,125,000	9,388,474,000

Reserves

Contingency Reserve	6,577,237,488	7,789,121,371	9,148,803,626	10,798,096,381
Planning Reserve	1,715,626,230	1,999,525,104	2,321,919,256	2,755,843,384
Total Reserves	8,292,863,717	9,788,646,475	11,470,722,882	13,553,939,766

Capital Expenditure	79,488,447,767	92,187,608,706	106,625,239,939	126,238,229,447
Discretionary Funds	56,778,308,097	69,689,483,706	89,627,114,939	113,867,755,447
Non-Discretionary Funds	22,710,139,670	22,498,125,000	16,998,125,000	12,370,474,000

Financing (Loans)	8,500,000,000	15,482,000,000	12,982,000,000	9,982,000,000
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Total Revenue (Including Opening Balance)	159,754,889,425	187,280,552,421	207,974,197,512	235,332,401,626
Total Expenditure (including Contingency Reserve)	156,754,889,425	184,280,552,421	204,974,197,512	232,332,401,626

Closing Balance	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
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3.C.1 Assumptions

123. **Statutory Allocation** – the estimation for statutory allocation is based on elasticity forecast, taking into consideration the macro-economic framework (National) and the mineral assumptions in the 2024-2026 Federal Fiscal Strategy Paper. It is based on historical mineral revenues flows and elasticity-based forecast using national Real GDP and Inflation data.

124. **VAT** – is based on elasticity forecast using the combined change in GDP and inflation rate. The estimate for 2024-2026 is in line with the current rate of collections (7.5%). This forecast is contingent upon the resolution of the agitation for collection and distribution of VAT in favour of the status quo. The forecast should be revisited if there are any changes to the VAT collection and distribution arrangement in the country.
125. **Excess Crude/Other Federation Account Distributions** – The forecast method used is own value (historical). The own value used is based on the actual Receipts from January to June, 2023. Furthermore, it is anticipated that own value would be sustained throughout the forecasting period (2024 -2026).
126. **Internally Generated Revenue (IGR)** – The forecast is calculated based on the projected growth rate (own percentage). IGR is expected to increase annually by 5% in 2023, 2024 and 2025 and 2025 respectively based on IGR reforms initiatives being introduced by the current administration in the State.
127. **Grants** – the estimate for internal Grants are based on the actual receipts for 2022 and performance from January to June, 2023. External grants are based on signed Grant Agreements with the International Institutions e.g World Bank, UNICEF, EU, etc.
128. **Miscellaneous Capital Receipts** – – modest amount from sundry sources such as refund from Federal Government and transfers is provided for the years.
129. **Financing (Net Loans)** – The internal and external loans projections are based on signed Agreement and other borrowing expectations.
130. **A full schedule of estimates capital receipts is presented in Annex 1.**
131. **Personnel** – The present administration approved the payment of the consequential adjustment to workers on Grade 14-17. It also approved the payment of the 2017 leave bonus for civil servants. Furthermore, it has defrayed some of the outstanding salaries of the workforce. Consequently, the personnel cost of the State is projected to rise by 25% in year 2024 and 10% in 2025 and 2026 respectively due to the appointment of Political Office Holders, recruitment of public servants and clearance of other outstanding emoluments.
132. **Social Contribution and Social Benefits** – This includes pension, gratuity, and contributions to Retirement Fund and benefits for past Political Office Holders. It is anticipated that the growth rate will increase by 7% in 2024 and 5% in 2025 and 2026 respectively for the period under review.
133. **Overheads** – These are expenses relating to day-to-day operations and maintenance cost. It is projected that the overhead cost of the State would increase steadily over the periods due to prevailing economic realities. The new Administration hopes to defray some backlog of arrears of subventions to the tertiary institutions in the State. The estimation technique used is the Own value method.
134. **Public Debt Service** - This represents the State's total obligation on judgment debts and short- term borrowings. The Own Value estimating method is used in making projections for 2024 – 2026.
135. **Contingency and Planning Reserves** – 5% of Total Recurrent Revenue plus Opening Balance has been allocated to Contingency Reserve to be set aside for future occurrence and appropriated in accordance with PFM Law during Budget implementation. Also, 2% of the Capital Expenditure is set aside for Planning Reserve which will be allocated during Envelope Sharing with MDA when they will justify the need for the allocation or the need for more resources over and above the given ceiling.
136. **Capital Expenditure** – This is the balance from the Recurrent Account plus Capital Receipts plus Financing (Loan), less Planning and Contingency Reserves and Closing balance. The projection is contingent upon the Reserves and ease of accessing long term loans/Drawdown
137. **Opening Balance** – This is the estimated utilized revenue that would be transferred into the next fiscal year

i. Fiscal Trends

138. Based on the above envelope, plus actual figures for 2024-2026 (using the same basis for forecasting as noted in the sub-sections within section 3.B), the trend from historical actual to forecast can be seen for revenue and then expenditure in the line graphs below.

Figure 22: Ekiti State Revenue Trend

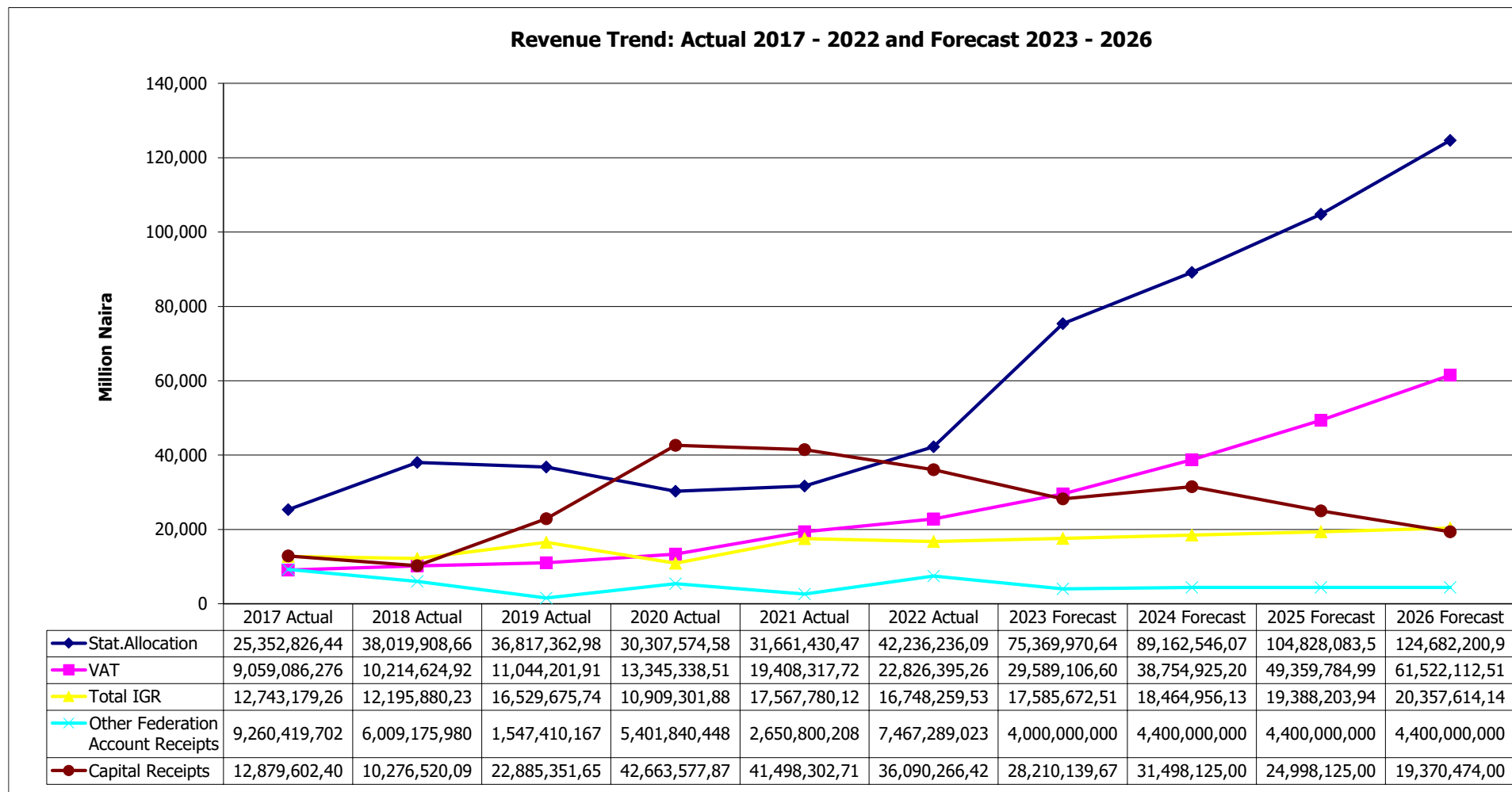
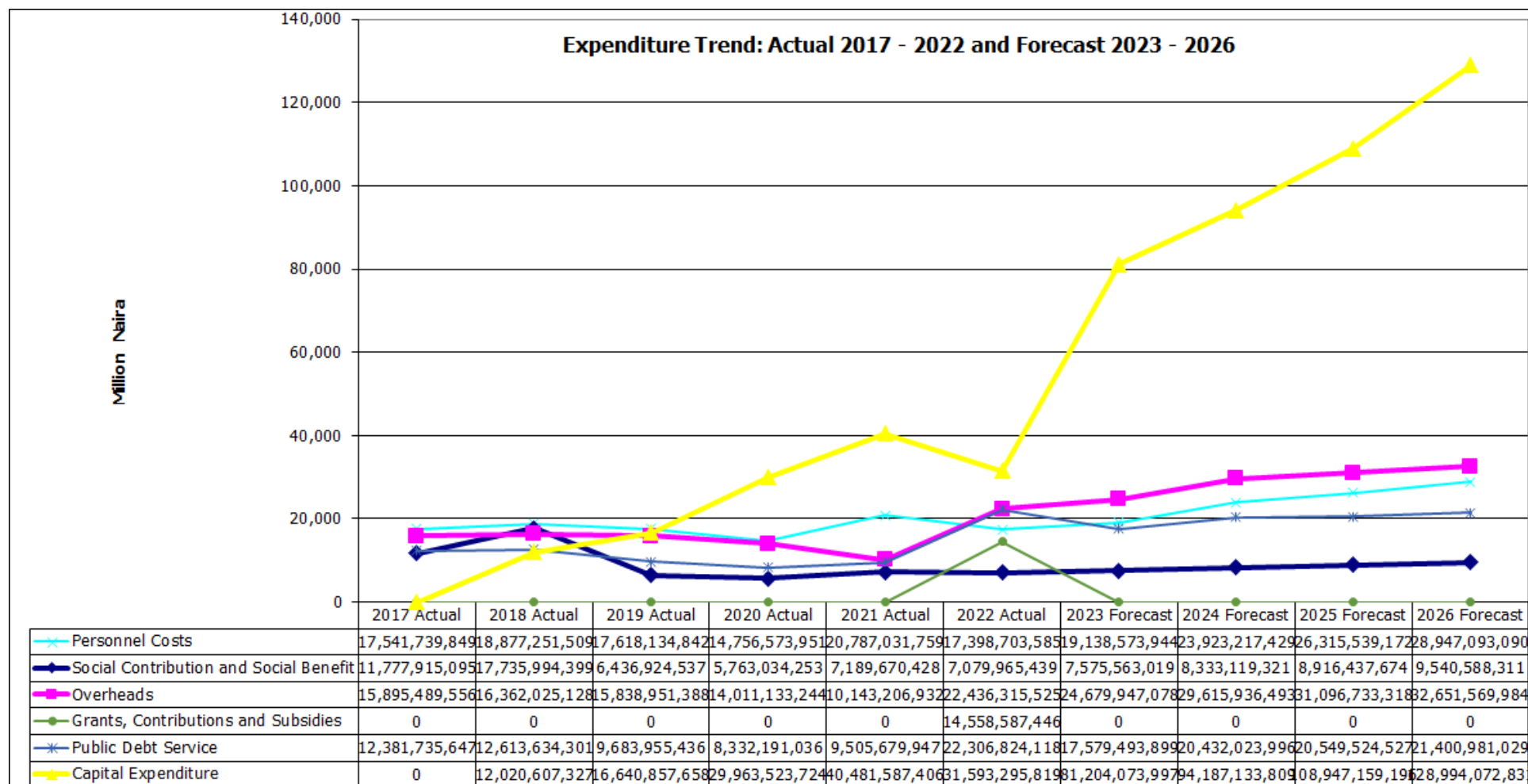


Figure 23: Ekiti State Expenditure Trend



a. Fiscal Risks

139. The analysis and forecasting basis as laid out above implies some fiscal risks, including but not limited to.

Table 10: Fiscal Risks

Risk	Likelihood	Impact	Reaction
Petrol Subsidy Removal	High	High	National and State Government are addressing this challenge with the provision of palliatives to vulnerable. Furthermore consideration is being made to review the minimum wage.
Exchange Rate Unification	High	High	Federal Government is addressing this by intensifying effort to increase the nations foreign reserved. Furthermore, effort is being made to reduce the nation's dependence on foreign goods.
COVID-19 Pandemic	Medium	Medium	National and State Government are addressing the pandemic through vaccination, awareness for social distancing, hygiene and other health protocols.
Herdsmen menace and Kidnapping	Medium	Medium	Federal/State Government is addressing it by setting aside adequate vote for security, enactment of Ekiti State Anti-Grazing Law and Regional Security Network.
Volatility in the Global oil Market	Medium	Medium	Intervention from OPEC and diversification of the economy.
Epileptic Power Supply	Medium	Medium	The State Government is addressing this challenge with the introduction of Independent Power Plant (IPP) which would be commissioned any moment from now. Other alternative energy source such as solar and hydro-power are equally being considered

Risk	Likelihood	Impact	Reaction
Mismanagement of Public funds/ corruptions	Low	Low	Aggressive fight against misappropriation of public funds embedded in the Ekiti state Financial Management Law, 2020. The State has also subscribed to Open Government Partnership (OGP)
Low Internally Generated Revenue	Medium	Medium	Providing enabling business environment and deployment of ICT Infrastructure to improved revenue collection.
Natural Disaster, flooding.	Medium	Medium	Government is addressing it by making necessary budgetary provision to respond to unforeseen natural disasters through NEWMAP projects and other FGN Intervention.
War between Russia and Ukraine/ Coup de' tat in some West Africa Country	High	High	Multilateral discussion ongoing by various International Bodies such as United Nations, EU, AU, ECOWAS, etc to resolve the conflicts.

140. It should be noted however that no budget is without risk. The ongoing implementation of the 2023 budget should be closely monitored, as should the security situation and impact of the fiscal and economic outlook.

4. Budget Policy Statement

4.A Budget Policy Thrust

142. The administration's policy statement and operational ideology is to ensure that Governance is all- inclusive most especially in Budget process, through participatory and bottom-up approach in Budget preparation. Budget as a short- term Development Plan, shall be adopted to ensure a sustainable and rapid development of Ekiti State. The Budget will be a fallout of the 2021-2050 State Development Plan. It will be a standard of measurement for all developmental activities in relation to the six (6) Points Agenda of the new Administration in the State. The overall policy objectives are captured by the following Policy Statements:
- to provide quality education and harness the benefits of the State's Knowledge Zone to create jobs, new markets and attract financing for industrious Ekiti entrepreneurs to start or grow their business;
 - to complete all strategic ongoing capital projects in transport, agriculture and energy to improve the quality of life for all and make Ekiti competitive for business of all sizes;
 - to provide conducive environment and sustainable welfare package for Ekiti State's workers, retirees and traditional institution, develop the State's rural, support farmers and improve the productivity of agriculture sector;
 - to develop Arts, Culture and Tourism industry by investing in attractions, cultural

endowments and assets;

- v. to provide qualitative and affordable health care service delivery;
- vi. to drive innovation, wealth creation through development of Information, Communication and Technology to bring deserved development; and
- vii. to promote prosperity, peace and progress through a secure environment and competitive markets

a. Sector Allocations (3 Year)

143. The ceiling for the total budget size for 2024 fiscal year is **₦184,280,552,421.00** of which the sum of **₦82,304,297,241.00** will be for Recurrent Expenditure, **₦92,187,608,706.00** for Capital Expenditure, and **₦9,788,646,475.00** will be for contingency and planning reserve that will be allocated to sectors at bilateral discussion stage to fund critical expenditure items.
144. The Capital Expenditure component is divided into Discretionary Capital expenditure of the sum of **₦69,689,483,706.00** that will be spent across all MDAs and non- discretionary Capital Expenditure of **₦22,498,125,000.00** which is specifically earmarked for projects and programmes in Health, Education, Infrastructure, Agriculture and Governance. The non-discretionary amount is in the form of loans and grants.
145. The Sectoral Allocation for capital expenditure in the State is captured in line with the six-point Agenda of the Administration as captured in the manifesto of the new Administration as follows:
 - i. Job creation for young people.
 - ii. Human capital development.
 - iii. Agriculture and Rural Development.
 - iv. Infrastructure and Industrialisation.
 - v. Arts, Culture and Tourism.
 - vi. Governance.

146. Presented in the table below are the indicative three envelopes for **sectors / Main Orgs.**

Table 11: Indicative Sector Expenditure Ceilings 2024-2026

Personnel Expenditure by Sector												
No.	Sector	Performance	Average Budget	Average Actual	2023 Budget	2023 Budget %	% 2024	2024 Allocation	% 2025	2025 Allocation	% 2026	2026 Allocation
1	Governor's Office	93.57%	3.72%	4.05%	584,842,962	2.56%	3.44%	823,912,379	3.44%	906,303,616	3.44%	996,933,978
2	Secretary To The State Government	140.55%	5.43%	8.89%	2,599,902,226	11.39%	8.57%	2,050,446,939	8.57%	2,255,491,633	8.57%	2,481,040,796
3	Ekiti State House Of Assembly	78.91%	3.11%	2.86%	524,853,391	2.30%	2.76%	659,922,131	2.76%	725,914,344	2.76%	798,505,778
4	Ministry Of Information And Value Orientation	72.83%	1.86%	1.58%	306,026,691	1.34%	1.59%	380,822,427	1.59%	418,904,670	1.59%	460,795,137
5	Head Of Service	82.06%	0.43%	0.42%	87,504,881	0.38%	0.41%	98,350,064	0.41%	108,185,071	0.41%	119,003,578
6	Ekiti State Auditor General Office	28.28%	1.94%	0.64%	123,136,487	0.54%	1.04%	248,881,322	1.04%	273,769,454	1.04%	301,146,400
7	Public Complaint Commission/Ombudsman	0.00%	0.07%	0.00%	0	0.00%	0.02%	5,305,287	0.02%	5,835,816	0.02%	6,419,397
8	Ekiti State Civil Service Commission	19.98%	1.06%	0.25%	41,740,684	0.18%	0.50%	118,952,703	0.50%	130,847,974	0.50%	143,932,771
9	Ekiti State Independence Electoral Commission	64.38%	0.39%	0.30%	89,499,961	0.39%	0.36%	86,184,920	0.36%	94,803,412	0.36%	104,283,753
10	Ministry Of Agriculture And Food Security	81.32%	3.64%	3.45%	783,970,273	3.43%	3.51%	839,444,666	3.51%	923,389,133	3.51%	1,015,728,046
11	Ministry Of Finance & Economic Development	65.79%	4.96%	3.80%	817,395,716	3.58%	4.11%	983,672,001	4.11%	1,082,039,201	4.11%	1,190,243,121
12	Ministry Of Trade And Industries	83.86%	1.08%	1.06%	194,355,538	0.85%	1.00%	238,546,018	1.00%	262,400,620	1.00%	288,640,682
13	Bureau Of Employment, Labour And Productivity	86.52%	0.10%	0.10%	26,731,599	0.12%	0.10%	24,694,874	0.10%	27,164,361	0.10%	29,880,797
14	Bureau Of Information, Communication And Public Relations	73.73%	0.12%	0.10%	28,105,448	0.12%	0.11%	27,130,016	0.11%	29,843,018	0.11%	32,827,320
15	Ekiti State Electricity Board	89.49%	0.41%	0.42%	85,604,299	0.38%	0.40%	95,994,383	0.40%	105,593,821	0.40%	116,153,204
16	Ekiti State Mineral Resources Development	66.38%	0.10%	0.08%	17,306,580	0.08%	0.09%	20,753,901	0.09%	22,829,291	0.09%	25,112,220
17	Ministry Of Works And Transportation	91.54%	2.00%	2.14%	362,153,097	1.59%	1.91%	456,804,164	1.91%	502,484,581	1.91%	552,733,039
18	Ministry Of Arts, Culture And Tourism Development	96.45%	0.41%	0.46%	102,882,586	0.45%	0.44%	105,111,498	0.44%	115,622,647	0.44%	127,184,912
19	Ministry Of Budget And Economic Planning	91.79%	0.59%	0.63%	114,617,838	0.50%	0.57%	136,886,128	0.57%	150,574,741	0.57%	165,632,215
20	Fiscal Responsibility Commission	93.86%	0.03%	0.04%	14,037,729	0.06%	0.04%	10,252,059	0.04%	11,277,264	0.04%	12,404,991
21	Ekiti State Water Corporation	90.06%	1.96%	2.06%	355,419,212	1.56%	1.86%	444,982,171	1.86%	489,480,389	1.86%	538,428,427
22	Ministry Of Housing And Urban Development	170.68%	1.08%	2.15%	151,967,253	0.67%	1.30%	310,977,729	1.30%	342,075,502	1.30%	376,283,052
23	Bureau Of Lands	96.69%	0.23%	0.25%	107,092,549	0.47%	0.32%	75,591,219	0.32%	83,150,341	0.32%	91,465,375
24	Ministry Of Infrastructure And Public Utilities	99.12%	0.36%	0.41%	101,708,568	0.45%	0.40%	96,682,862	0.40%	106,351,148	0.40%	116,986,263
25	Judicial Council	0.00%	0.00%	0.00%	0	0.00%	0.00%	0	0.00%	0	0.00%	0
26	Ministry Of Justice	177.69%	0.99%	2.04%	234,250,551	1.03%	1.35%	322,944,724	1.35%	355,239,197	1.35%	390,763,116
27	Ministry Of Regional And Special Duties	35.65%	0.17%	0.07%	15,879,487	0.07%	0.10%	24,265,903	0.10%	26,692,493	0.10%	29,361,742
28	Ministry Of Youth And Sport Development	76.06%	0.46%	0.41%	118,630,228	0.52%	0.46%	110,711,445	0.46%	121,782,589	0.46%	133,960,848
29	Ministry Of Women Affairs, Gender Empowerment	101.54%	0.45%	0.53%	89,048,857	0.39%	0.45%	108,670,513	0.45%	119,537,564	0.45%	131,491,321
30	Ministry Of Education, Science And Technology	78.82%	48.11%	44.15%	10,886,447,086	47.70%	46.65%	11,160,917,330	46.65%	12,277,009,063	46.65%	13,504,709,969
31	Ministry Of Health And Human Services	98.81%	13.39%	15.41%	3,628,305,611	15.90%	14.90%	3,564,305,263	14.90%	3,920,735,789	14.90%	4,312,809,368
32	Ministry Of Environment	76.02%	0.92%	0.81%	128,115,343	0.56%	0.76%	182,774,628	0.76%	201,052,091	0.76%	221,157,300
33	Ministry Of Local Government Affairs	92.05%	0.44%	0.47%	101,729,660	0.45%	0.45%	108,325,763	0.45%	119,158,340	0.45%	131,074,174
	Total	85.88%	100.00%	100.00%	22,823,262,389	100.00%	100.00%	23,923,217,429	100.00%	26,315,539,172	100.00%	28,947,093,090

Overhead Expenditure by Sector

No.	Sector	Performance	Average Budget	Average Actual	2023 Budget	2023 Budget %	% 2024	2024 Allocation	% 2025	2025 Allocation	% 2026	2026 Allocation
1	Governor's Office	168.59%	6.67%	12.16%	1,576,108,724	7.98%	8.94%	2,646,889,301	8.94%	2,779,233,766	8.94%	2,918,195,454
2	Secretary To The State Government	108.07%	4.72%	5.52%	618,543,658	3.13%	4.46%	1,320,447,385	4.46%	1,386,469,755	4.46%	1,455,793,242
3	Ekiti State House Of Assembly	68.82%	6.82%	5.08%	1,694,512,053	8.58%	6.83%	2,021,718,910	6.83%	2,122,804,855	6.83%	2,228,945,098
4	Ministry Of Information And Value Orientation	58.10%	1.00%	0.63%	111,752,407	0.57%	0.73%	216,594,101	0.73%	227,423,806	0.73%	238,794,996
5	Head Of Service	69.79%	1.26%	0.95%	263,121,000	1.33%	1.18%	348,983,803	1.18%	366,432,993	1.18%	384,754,642
6	Ekiti State Auditor General Office	60.97%	1.04%	0.68%	63,490,000	0.32%	0.68%	201,494,507	0.68%	211,569,233	0.68%	222,147,694
7	Public Complaint Commission/Ombudsman	21.60%	0.04%	0.01%	510,000	0.00%	0.02%	4,903,336	0.02%	5,148,502	0.02%	5,405,928
8	Ekiti State Civil Service Commission	74.27%	0.17%	0.14%	28,000,000	0.14%	0.15%	44,604,965	0.15%	46,835,213	0.15%	49,176,973
9	Ekiti State Independence Electoral Commission	39.05%	0.36%	0.15%	12,000,000	0.06%	0.19%	56,119,769	0.19%	58,925,757	0.19%	61,872,045
10	Ministry Of Agriculture And Food Security	19.64%	1.69%	0.36%	34,975,226	0.18%	0.74%	219,695,899	0.74%	230,680,694	0.74%	242,214,729
11	Ministry Of Finance & Economic Development	120.40%	34.77%	45.26%	8,317,839,719	42.10%	40.71%	12,057,150,210	40.71%	12,660,007,721	40.71%	13,293,008,107
12	Ministry Of Trade And Industries	29.97%	1.59%	0.52%	34,638,723	0.18%	0.76%	225,551,834	0.76%	236,829,426	0.76%	248,670,897
13	Bureau Of Employment, Labour And Productivity	62.79%	0.30%	0.21%	8,546,800	0.04%	0.18%	54,564,761	0.18%	57,292,999	0.18%	60,157,649
14	Bureau Of Information, Communication And Public Relations	49.36%	0.15%	0.08%	8,661,000	0.04%	0.09%	27,754,973	0.09%	29,142,722	0.09%	30,599,858
15	Ekiti State Electricity Board	68.92%	0.73%	0.55%	406,468,656	2.06%	1.11%	329,638,446	1.11%	346,120,368	1.11%	363,426,387
16	Ekiti State Mineral Resources Development	51.52%	0.13%	0.07%	4,000,000	0.02%	0.07%	21,724,458	0.07%	22,810,681	0.07%	23,951,215
17	Ministry Of Works And Transportation	46.92%	2.04%	1.03%	40,589,639	0.21%	1.09%	323,283,822	1.09%	339,448,013	1.09%	356,420,414
18	Ministry Of Arts, Culture And Tourism Development	71.54%	0.65%	0.50%	17,101,751	0.09%	0.41%	121,748,888	0.41%	127,836,332	0.41%	134,228,149
19	Ministry Of Budget And Economic Planning	60.82%	1.92%	1.26%	592,100,000	3.00%	2.06%	609,850,380	2.06%	640,342,899	2.06%	672,360,044
20	Fiscal Responsibility Commission	37.40%	0.03%	0.01%	11,938,282	0.06%	0.04%	10,625,878	0.04%	11,157,172	0.04%	11,715,031
21	Ekiti State Water Corporation	44.52%	2.07%	1.00%	21,200,000	0.11%	1.06%	313,769,339	1.06%	329,457,806	1.06%	345,930,696
22	Ministry Of Housing And Urban Development	47.68%	1.87%	0.96%	54,025,065	0.27%	1.03%	306,266,881	1.03%	321,580,226	1.03%	337,659,237
23	Bureau Of Lands	49.21%	1.04%	0.55%	18,886,917	0.10%	0.56%	166,521,125	0.56%	174,847,182	0.56%	183,589,541
24	Ministry Of Infrastructure And Public Utilities	61.77%	0.55%	0.37%	18,900,000	0.10%	0.34%	99,803,978	0.34%	104,794,177	0.34%	110,033,885
25	Judicial Council	64.77%	6.50%	4.55%	1,853,401,984	9.38%	6.81%	2,017,493,459	6.81%	2,118,368,132	6.81%	2,224,286,539
26	Ministry Of Justice	81.16%	1.86%	1.63%	113,422,766	0.57%	1.36%	401,432,558	1.36%	421,504,186	1.36%	442,579,395
27	Ministry Of Regional And Special Duties	50.91%	0.67%	0.37%	45,820,000	0.23%	0.42%	124,682,223	0.42%	130,916,334	0.42%	137,462,150
28	Ministry Of Youth And Sport Development	41.34%	0.44%	0.19%	128,686,271	0.65%	0.43%	126,519,581	0.43%	132,845,560	0.43%	139,487,838
29	Ministry Of Women Affairs, Gender Empowerment And Social Development	54.11%	0.87%	0.51%	92,200,000	0.47%	0.62%	182,514,018	0.62%	191,639,719	0.62%	201,221,705
30	Ministry Of Education, Science And Technology	78.54%	10.47%	8.89%	1,689,270,830	8.55%	9.30%	2,755,027,671	9.30%	2,892,779,054	9.30%	3,037,418,007
31	Ministry Of Health And Human Services	69.27%	6.28%	4.70%	1,625,354,869	8.23%	6.41%	1,896,959,893	6.41%	1,991,807,887	6.41%	2,091,398,282
32	Ministry Of Environment	83.85%	0.91%	0.83%	227,262,368	1.15%	0.96%	285,533,748	0.96%	299,810,435	0.96%	314,800,957
33	Ministry Of Local Government Affairs	69.26%	0.38%	0.28%	22,556,088	0.11%	0.26%	76,066,395	0.26%	79,869,715	0.26%	83,863,200
	Total	92.51%	100.00%	100.00%	19,755,884,796	100.00%	100.00%	29,615,936,493	100.00%	31,096,733,318	100.00%	32,651,569,984

Capital Expenditure by Sector				Discretionary Funds								Non-Discretionary Funds				Total Capital Envelope					
				2023																	
No. Sector	Performance	Average Budget	Average Actual	2023 Budget	2023 Budget %	% 2024	2024 Allocation	% 2025	2025 Allocation	% 2026	2026 Allocation	2024 Allocation	2025 Allocation	2026 Allocation	% 2024	2024 Allocation	% 2025	2025 Allocation	% 2026	2026 Allocation	
1 Governor's Office	114.01%	3.24%	6.29%	2,969,829,817	0.72%	6.00%	4,229,062,892	6.00%	5,451,826,543	6.00%	6,926,333,085	1,000,000,000	1,000,000,000	1,000,000,000	5.7%	5,229,062,892	6.1%	6,451,826,543	6.3%	7,926,333,085	
2 Secretary To The State Government	42.95%	5.52%	4.04%	435,000,000	1.20%	3.61%	2,517,269,000	3.61%	3,237,440,617	3.61%	4,113,942,094	0	0	0	2.7%	2,517,269,000	3.0%	3,237,440,617	3.3%	4,113,942,094	
3 Ekiti State House Of Assembly	8.65%	2.16%	0.33%	450,000,000	1.32%	1.27%	803,453,122	1.27%	1,136,204,913	1.27%	1,443,504,047	0	0	0	1.0%	803,453,122	1.1%	1,136,204,913	1.1%	1,443,504,047	
4 Ministry Of Information And Value Orientation	1.38%	0.87%	0.02%	204,000,563	0.83%	0.57%	399,594,236	0.57%	513,799,359	0.57%	652,762,056	0	0	0	0.4%	399,594,236	0.5%	513,799,359	0.5%	652,762,056	
5 Head Of Service	1.63%	0.18%	0.01%	150,000,000	0.44%	0.21%	145,596,479	0.21%	187,250,524	0.21%	237,894,491	0	0	0	0.2%	145,596,479	0.2%	187,250,524	0.2%	237,894,491	
6 Ekiti State Auditor General Office	1.25%	0.27%	0.01%	27,878,273	0.08%	0.12%	83,374,635	0.12%	107,227,493	0.12%	136,228,337	0	0	0	0.1%	83,374,635	0.1%	107,227,493	0.1%	136,228,337	
7 Public Complaint Commission/Ombudsman	0.00%	0.00%	0.00%	0	0.00%	0.00%	0	0.00%	0	0.00%	0	0	0	0	0.0%	0	0.0%	0	0.0%	0	
8 Ekiti State Civil Service Commission	0.92%	0.08%	0.00%	16,500,000	0.05%	0.04%	30,645,106	0.04%	39,412,430	0.04%	50,071,966	0	0	0	0.0%	30,645,106	0.0%	39,412,430	0.0%	50,071,966	
9 Ekiti State Independence Electoral Commission	66.66%	0.32%	0.37%	455,000,000	1.24%	0.68%	471,232,433	0.68%	606,040,447	0.68%	769,960,926	0	0	0	0.5%	471,232,433	0.6%	606,040,447	0.6%	769,960,926	
10 Ministry Of Agriculture And Food Security	69.34%	4.70%	5.56%	1,231,348,162	3.62%	4.63%	3,222,171,730	4.63%	4,145,296,657	4.63%	5,266,437,800	3,902,000,000	2,902,000,000	2,902,000,000	7.8%	7,205,171,730	6.7%	7,122,966,657	6.5%	8,248,437,800	
11 Ministry Of Finance & Economic Development	314.00%	0.30%	1.68%	908,805,375	2.67%	1.52%	1,059,023,750	1.52%	1,362,774,056	1.52%	1,731,351,310	0	0	0	1.1%	1,059,023,750	1.3%	1,362,774,056	1.4%	1,731,351,310	
12 Ministry Of Trade And Industries	149.53%	0.54%	1.39%	2,212,086,272	6.49%	2.81%	1,959,092,832	2.81%	2,518,280,290	2.81%	3,199,307,108	500,000,000	500,000,000	500,000,000	2.7%	2,459,092,832	2.8%	3,018,280,290	2.5%	3,999,807,108	
13 Bureau Of Employment, Labour And Productivity	20.04%	0.53%	0.18%	283,000,000	0.83%	0.52%	359,635,003	0.52%	462,523,942	0.52%	587,618,510	0	0	0	0.4%	359,635,003	0.4%	462,523,942	0.5%	587,618,510	
14 Bureau Of Information, Communication And Technology (ICT)	110.44%	0.06%	0.11%	80,000,000	0.23%	0.14%	95,293,213	0.14%	122,555,876	0.14%	155,702,463	0	0	0	0.1%	95,293,213	0.1%	122,555,876	0.1%	155,702,463	
15 Ekiti State Electricity Board	22.08%	2.00%	0.75%	125,000,000	0.37%	1.04%	723,753,749	1.04%	930,814,192	1.04%	1,182,563,143	0	0	0	0.8%	723,753,749	0.9%	930,814,192	0.9%	1,182,563,143	
16 Ekiti State Mineral Resources Development Agency	0.28%	0.07%	0.00%	15,170,430	0.04%	0.04%	26,086,595	0.04%	34,570,646	0.04%	43,630,822	0	0	0	0.0%	26,086,595	0.0%	34,570,646	0.0%	43,630,822	
17 Ministry Of Works And Transportation	56.38%	39.23%	37.68%	11,220,000,000	33.08%	36.67%	25,553,043,062	36.67%	32,864,603,201	36.67%	41,753,107,151	0	0	0	27.7%	25,553,043,062	30.0%	32,864,603,201	31.1%	41,753,107,151	
18 Ministry Of Arts, Culture And Tourism Development	23.13%	0.37%	0.15%	133,343,938	0.39%	0.30%	211,598,253	0.30%	272,020,442	0.30%	345,591,367	900,000,000	800,000,000	500,000,000	1.2%	1,111,598,253	1.0%	1,072,020,442	0.7%	945,591,367	
19 Ministry Of Budget And Economic Planning	152.57%	7.61%	19.80%	5,018,723,774	14.73%	14.05%	9,780,744,471	14.05%	12,591,801,996	14.05%	15,997,393,549	3,179,750,000	179,750,000	179,750,000	14.1%	12,870,494,471	12.0%	12,771,551,996	12.8%	16,177,143,549	
20 Fiscal Responsibility Commission	2.65%	0.04%	0.00%	10,000,000	0.03%	0.02%	16,542,574	0.02%	21,275,278	0.02%	27,029,412	0	0	0	0.0%	16,542,574	0.0%	21,275,278	0.0%	27,029,412	
21 Ekiti State Water Corporation	112.08%	2.41%	4.68%	80,000,000	0.23%	2.42%	1,683,640,778	2.42%	2,165,317,599	2.42%	2,750,951,595	0	0	0	1.8%	1,683,640,778	2.0%	2,165,317,599	2.2%	2,750,951,595	
22 Ministry Of Housing And Urban Development	63.89%	0.84%	0.92%	281,373,025	0.83%	0.86%	608,560,226	0.86%	772,375,939	0.86%	981,273,520	0	0	0	0.7%	608,560,226	0.7%	772,375,939	0.8%	981,273,520	
23 Bureau Of Lands	181.33%	0.55%	1.68%	769,750,076	2.26%	1.50%	1,044,644,251	1.50%	1,343,509,025	1.50%	1,706,875,840	0	0	0	1.1%	1,044,644,251	1.3%	1,343,509,025	1.4%	1,706,875,840	
24 Ministry Of Infrastructure And Public Utilities	7.15%	0.29%	0.04%	95,000,000	0.28%	0.20%	148,388,065	0.20%	188,552,874	0.20%	229,385,315	2,500,000,000	2,000,000,000	0	2.9%	2,640,388,065	2.0%	2,188,552,874	0.2%	229,385,315	
25 Judicial Council	3.93%	4.07%	0.27%	650,000,000	1.91%	2.08%	1,452,526,577	2.08%	1,688,083,383	2.08%	2,373,327,111	0	0	0	1.6%	1,452,526,577	1.8%	1,688,083,383	1.9%	2,373,327,111	
26 Ministry Of Justice	0.41%	3.39%	0.02%	566,741,341	1.66%	1.68%	1,178,403,670	1.68%	1,515,535,997	1.68%	1,925,429,402	0	0	0	1.3%	1,178,403,670	1.4%	1,515,535,997	1.5%	1,925,429,402	
27 Ministry Of Regional And Special Duties	3.25%	0.27%	0.02%	49,500,000	0.15%	0.14%	100,880,876	0.14%	129,742,127	0.14%	164,832,315	0	0	0	0.1%	100,880,876	0.1%	129,742,127	0.1%	164,832,315	
28 Ministry Of Youth And Sport Development	3.22%	0.42%	0.02%	182,331,750	0.54%	0.33%	227,361,550	0.33%	292,407,967	0.33%	371,492,923	0	0	0	0.2%	227,361,550	0.3%	292,407,967	0.3%	371,492,923	
29 Ministry Of Women Affairs, Gender Empowerment And Soc	3.41%	4.37%	0.25%	343,000,000	1.01%	1.88%	1,307,432,750	1.88%	1,681,479,323	1.88%	2,136,353,928	600,000,000	600,000,000	400,000,000	2.1%	1,907,432,750	2.1%	2,281,479,323	2.0%	2,536,353,928	
30 Ministry Of Education, Science And Technology	65.93%	7.48%	8.41%	2,549,473,325	7.48%	7.79%	5,430,939,640	7.79%	6,894,690,174	7.79%	8,073,776,570	6,354,375,000	6,354,375,000	6,354,375,000	12.8%	11,765,314,640	12.5%	13,539,065,174	12.1%	15,228,151,570	
31 Ministry Of Health And Human Services	37.94%	7.17%	4.64%	1,580,247,091	4.64%	5.48%	3,821,136,683	5.48%	4,914,334,824	5.48%	6,243,470,810	1,802,000,000	1,502,000,000	453,849,000	6.3%	5,083,136,683	6.1%	6,496,334,824	5.3%	6,897,219,810	
32 Ministry Of Environment	80.65%	0.43%	0.59%	608,894,250	1.79%	0.93%	651,534,380	0.93%	837,933,410	0.93%	1,064,561,751	1,500,000,000	1,000,000,000	500,000,000	2.3%	2,151,534,380	1.7%	1,837,933,410	1.2%	1,594,561,751	
33 Ministry Of Local Government Affairs	53.91%	0.22%	0.21%	230,000,000	0.68%	0.37%	260,797,272	0.37%	335,409,380	0.37%	426,124,551	0	0	0	0.3%	260,797,272	0.3%	335,409,380	0.3%	426,124,551	

4.B Considerations for the Annual Budget Process

147. The budget Call Circular entails succinct instructions to MDAs to submit the following, among others, for the annual Budget:

- Only prioritised projects contained in the sectors' MTSS would be in the MDAs Capital Budget proposal;
- Submissions for Capital projects are expected to include full life-time capital investment requirements (costs) and also sources of funding (particularly if grants and/or loans are to be used to partially / fully fund the project);

5. Summary of Key Points and Recommendations

148. We summarise below a list of the key points arising in this document:

- i. Aggressive Internally Generated Revenue should be pursued to a level commensurate with ongoing economic activities in the State.
- ii. Government Plans to improve macro-economic performance through service delivery in major areas such as road networks, water supply, power supply to provide the infrastructure needed for sustainable economic growth and development in all sectors of the Ekiti economy.
- iii. The National Government should intensify efforts towards mitigating the activities of the Herdsmen, kidnappers, Boko Haram in the North-East and other insurgent groups across the Country in order to achieve high level of revenue to finance the Budget.
- iv. The Recurrent Ratio to Capital Ratio is relatively normal. However, Budget discipline and monitoring should be sustained in order to achieve higher Budget performance.
- v. This document should serve as a tool for economic recovery, growth and sustainable economic development.
- vi. Risk associated with political instability and unrest should be controlled to a bearable level.
- vii. The ultimate goal is to modernize agriculture to ensure food security, employment and provide raw materials for industrial development.
- viii. The goal of Government is to correct the decline in Education sector and strengthen the human capital development in the State.
- ix. The State Government is determined to curb poverty to reduce mortality rate and incessant illness in Ekiti State.
- x. The State Government is further committed to promote public involvement and massive participation of all stakeholders in the Budget process through Town/Community meetings, thereby creating a platform for His Excellency, the Governor to have one-on-one/group interaction with the good people of Ekiti in order to know their peculiar challenges and to fashion out administrative strategies to solve the identified challenges.

Annex 1 Capital Receipts

ITEM	2023	2024	2025	2026
Internal Grants				
Sustainable Developments Goals (SDG) Conditional	0	0	0	0
State Action Business Enabling Result (SABER)	0	0	0	0
State Covid-19 Action Recovery Economic Stimulus (\$	5,500,000,000	3,000,000,000	0	0
Africa Development Union Development Agency / New	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Bank of Industries' Small Medium Enterprise Scheme	500,000,000	500,000,000	500,000,000	500,000
State Tech. Committee on Female Genital Mutilation	849,000,000	849,000,000	849,000,000	849,000
UBEC Projects	4,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Cash Transfer/Min. Information	85,000,000	85,000,000	85,000,000	85,000,000
Nigeria Women Projects	500,000,000	600,000,000	600,000,000	400,000,000
Saving a Million Life Programme	500,000,000	400,000,000	200,000,000	150,000,000
Nigeria Covid-19 Preparedness and Response Project	400,000,000	400,000,000	200,000,000	20,000,000
Basic Health Care Prov. Fund	200,000,000	200,000,000	200,000,000	150,000,000
Sub-Total Internal Grant	13,534,000,000	10,034,000,000	6,634,000,000	4,806,349,000
External Grants				
Innovative Development Effectiveness in Acquisition of	2,794,014,670	1,500,000,000	1,500,000,000	1,500,000,000
Nutrition + Immunization	70,000,000	70,000,000	70,000,000	70,000,000
Grants from UNICEF Programme	63,000,000	63,000,000	63,000,000	63,000,000
WSSSRP III	0	0	0	0
Immunization plus and Malarial Progress by Accelerated	800,000,000	900,000,000	800,000,000	500,000,000
Adolescent Girl Initiative for Learning and Empowerment	1,854,375,000	1,854,375,000	1,854,375,000	1,854,375,000
Bill & Melinda Gates	0	0	0	0
Nigeria Erosion and Watershed Management Projects	500,000,000	1,500,000,000	1,000,000,000	500,000,000
United State African Development Foundation (USADF)	94,750,000	94,750,000	94,750,000	94,750,000
Sub-Total External Grant	6,176,139,670	5,982,125,000	5,382,125,000	4,582,125,000
Grant Balancing Item / Blue Sky				
Total Grants	19,710,139,670	16,016,125,000	12,016,125,000	9,388,474,000
Internal Loans				
Internal Loan	2,500,000,000	5,000,000,000	5,000,000,000	5,000,000,000
Total	2,500,000,000	5,000,000,000	5,000,000,000	5,000,000,000
External Loans				
Rural Access and Agricultural Marketing Projects (RAP)	1,500,000,000	3,982,000,000	2,982,000,000	2,982,000,000
PE WASH (STWSS) Water Resources	0	0	0	0
Sustainable Urban and Rural Water Supply and Hygiene	1,500,000,000	2,500,000,000	2,000,000,000	0
State Action Business Enabling Result (SABER)	3,000,000,000	4,000,000,000	3,000,000,000	2,000,000,000
Total	6,000,000,000	10,482,000,000	7,982,000,000	4,982,000,000
Loan Balancing Item / Blue Sky				
Total Loans	8,500,000,000	15,482,000,000	12,982,000,000	9,982,000,000