EKITI STATE GOVERNMENT

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

For Period: 2026 – 2028

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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
MoF	Ministry of Finance
MB&EP	Ministry of Budget and Economic Planning
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

1 Introduction and Background

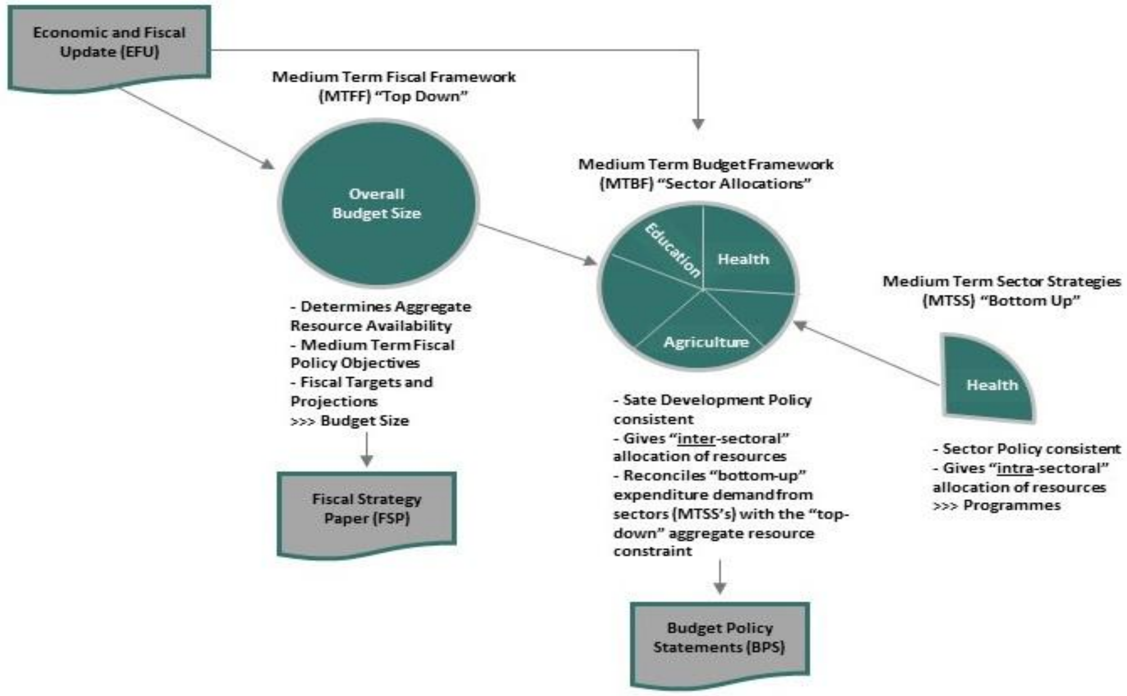
1.A Introduction

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 formulation and decision making in Ekiti State. The EFU 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. Therefore, 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 towards a comprehensive MTEF process. This is the 8th rolling iteration of the document and covers the period 2026 -2028.

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. The Budget process 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 2026-2028.

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 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. to provide indicative sector envelopes for the period 2026-2028 which constitute the MTBF.

9. The EFU is 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 2026-2028 Budget preparation cycle for all key Stakeholders, specifically:
    - State House of Assembly (SHoA);
    - Executive Council (ExCo);
    - Ministry of Budget and Economic Planning;
    - Ministry of Finance;
    - All Government Ministries, Departments and Agencies (MDAs);
    - Civil Society Organizations (CSOs); and
    - General Public
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 PFM[1]

13. Legislative Framework for Public Financial Management in Ekiti State
14. Institutional Framework for Public Financial Management 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 2026 -2028 Medium Term Expenditure Framework	April – August, 2025	Ministry of Budget and Economic Planning (MB&EP)
Call Circular letter to MDAs on the 2026 Budget Preparation	August, 2025	MB&EP
Submission of Ekiti State EFU-FSP-BPS 2026-2028 to EXCO	September, 2025	HCB&EP)
Review and Approval of EFU-FSP-BPS 2026-2028 (particularly the 2026 Budget size and sector ceilings for 2026 Budget)	September, 2025	ExCo
Revenue Forecast Meeting for 2026 Budget	September, 2025	MB&EP/MoF/IRS/Office of the State Acct.-Gen.
Sectoral Allocation / Allocation of Envelopes to MDAs on Overhead and Capital Estimates	September, 2025	MB&EP

Stage	Date(s)	Responsibility
Stakeholders Consultative Forum (Town Hall Meeting with Villages and Towns)	September, 2025	HE, the Governor and HCMB&EP
Submission of draft 2026 Estimates by MDAs	September, 2025	MDAs
Pre-Treasury Board Meeting with MDAs on 2026 Budget proposals submitted to the Budget Platform	September, 2025	MB&EP and other Fiscal Coordinating Agencies
Treasury Board Meeting with MDAs on 2026 Budget proposals	October, 2025	MB&EP and Treasury Board
Presentation of 2026 Draft Budget to HE, the Governor	October, 2025	HCMB&EP
Presentation of 2026 Draft Budget to ExCo	October, 2025	HCMB&EP
Presentation of the Appropriation Bill / details of 2026 draft Budget to the State House of Assembly	October, 2025	Mr. Governor
Consideration and Passage of the 2026 Appropriation Bill by the State House of Assembly.	October – December, 2025	House of Assembly
Assent by H.E, The Governor	December, 2025	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. Since the April 2025 WEO, uncertainty has remained elevated even as effective tariff rates have come down. Most notably, China and the United States on May 12, 2025 agreed to lower for 90 days (until August 12) tariffs that had resulted from post–April 2 escalation. The US pause on higher tariffs for most of its trading partners is now set to expire on August 1, pushing back the original deadline of July 9.

18. Letters issued by the US administration in July to some trading partners threaten to impose tariffs even higher than those announced on April 2. Legal proceedings are currently underway in the United States concerning the use of the International Emergency Economic Powers Act as a legal basis for the imposition of tariffs. Although the passage of the One Big Beautiful Bill Act (OBBBA) in July brought clarity to the near-term path of US fiscal policy,

19. US effective tariff rates include the tariffs announced April 2, until April 9, when they were paused, and additional tariffs on China announced April 8 and afterward, until May 10, when they were paused. These effective tariff rates are based on a pre-2025 United States-Mexico-Canada Agreement compliance rate.

20. Global financial conditions have eased. US equity markets have largely rebounded, erasing losses from the April 2 tariff fallout and reaching new heights. Other global equity markets have also rallied, swayed by tariff-related announcements and releases of macroeconomic data that turned out to be better than expected.

21. Notably, the US dollar has depreciated further, defying expectations that tariffs and larger fiscal deficits would cause the currency to appreciate. Implied paths for policy rates have flattened for advanced economies, while continued dollar weakness has provided some monetary policy space for emerging market and developing economies. Yield curves have steepened in the context of fiscal concerns, although the steepening thus far is not unusual by historical standards despite very high debt and deficit levels in many countries. With these forces in place, the global economy has continued to hold steady, but the composition of activity points to distortions from tariffs, rather than underlying robustness.

22. Global growth in the first quarter of 2025 was 0.3 percentage point above that predicted in the April WEO. International trade and investment drove activity, while private consumption was more subdued across major jurisdictions.

23. Real GDP decreased in the United States, at an annualized rate of 0.5 percent, marking the first quarterly contraction in three years. Consumer spending rose only by 0.5 percent, but this came after remarkably fast growth of 4.0 percent in the fourth quarter of 2024. Imports and business investment surged—especially in information processing equipment.

24. Taken together, these patterns were consistent with aggressive front loading by US firms and households ahead of expected higher prices induced by tariffs. In the euro area, GDP accelerated to 2.5 percent, driven by investment and net exports, even as private consumption lost steam. Ireland largely led the spurt, with growth shrinking to 1.4 percent when Ireland is excluded.

25. China's real GDP growth, at an annualized rate of 6.0 percent, exceeded expectations. This was mainly driven by exports, propped up by a depreciating renminbi closely tracking the dollar and with declining sales to the United States more than offset by strong sales to the rest of the world, and, to a smaller extent, by consumption, supported by fiscal measures.

26. Japan's economy contracted by an annualized 0.2 percent, as soft private consumption and weak net exports weighed on growth while strong private investment helped cushion the decline. Global trade grew robustly in the first quarter, but high-frequency indicators point to an unwinding of front-loading in the second quarter. China's Cumulative Export Growth by Destination (Percent) 20 Global inflation is showing mixed signs.

27. The global median of sequential headline inflation has increased a notch, but core inflation has eased considerably and is now below 2 percent. Several economies, including the euro area, have seen downside surprises. In the United States, inflation has ticked up, with tentative signs of pass-through from tariffs and a weaker dollar to consumer prices in some import sensitive categories, and intermediate goods costs for producers have risen

28. Economic policy uncertainty is assumed to remain elevated this year and next. Prices for energy commodities are expected to fall by about 7 percent in 2025, less than projected in the April WEO. Oil prices increased materially during military strikes between the Islamic Republic of Iran and Israel in June, with the increase primarily reflecting higher risk premiums, because the physical supply of oil was not disrupted.

29. This geopolitics-induced increase has now largely receded, and bearish fundamentals are back in focus, with strong supply from both inside OPEC+ (the Organization of the Petroleum Exporting Countries plus selected non-member countries, including Russia) and sources outside of OPEC+ outpacing tepid growth in demand.

30. Prices for natural gas have remained relatively contained amid expectations of lower energy demand resulting from trade uncertainty, news of European Union plans for more flexible targets in regard to storage filling, and the prospects of ample increases in liquid natural gas supply in the medium term.

31. Monetary policy rates in the United Kingdom and the United States are expected to decline in the second half of 2025, though at varying speeds, whereas the IMF staff expects the policy rate in the euro area to remain unchanged and that in Japan to rise gradually.

32. Fiscal stimulus is anticipated in major economies in the near term, including China, Germany, and the United States. In the United States, the OBBBA is expected to increase the fiscal deficit by about 1.5 percentage points of GDP in 2026, with tariff revenues offsetting about half of this increase. In the medium term, despite back-loaded spending cuts and sizable tariff revenues, US fiscal deficits are projected to be larger than they were in the April WEO. Global growth is expected to decelerate, with apparent resilience due to trade-related distortions waning. At 3.0 percent in 2025 and 3.1 percent in 2026, the forecasts are below the 2024 outcome of 3.3 percent and the pre-pandemic historical average of 3.7 percent, even though they are higher than the April reference forecast.

33. The upward revision for 2025 is quite broad based, because it owes in large part to strong front-loading in international trade as well as to a lower worldwide effective tariff rate than assumed in the April reference forecast and to an improvement in global financial conditions. Still, the revision is more pronounced in some countries, such as China, than in others. Front loading is expected to unwind in the coming quarters, with the payback weighing on activity in 2026 but offset by other developments, so growth overall is revised slightly upward.

34. Growth in advanced economies is projected to be 1.5 percent in 2025 and 1.6 percent in 2026. In the United States, with tariff rates settling at lower levels than those announced on April 2 and looser financial conditions, the economy is projected to expand at a rate of 1.9 percent in 2025. This is 0.1 percentage point higher than the April reference forecast, with some offset from private demand cooling faster than expected and weaker immigration.

Growth is projected to pick up slightly to 2.0 percent in 2026, with a near-term boost from the OBBBA kicking in primarily through tax incentives for corporate investment. This is 0.3 percentage point higher than the April reference forecast.

35. The IMF staff estimates that the OBBBA could raise US output by about 0.5 percent on average over the WEO horizon through 2030, relative to a baseline without this fiscal package. In the euro area, growth is expected to accelerate to 1.0 percent in 2025 and to 1.2 percent in 2026. This is an upward revision of 0.2 percentage point for 2025, but it is largely driven by the strong GDP outturn in Ireland in the first quarter of the year, although Ireland represents less than 5 percent of euro area GDP.

36. The upward revision for 2025 reflects a historically large increase in Irish pharmaceutical exports to the United States resulting from front-loading and the opening of new production facilities. Without Ireland, the revision would be only 0.1 percentage point.

37. The forecast for 2026 is unchanged from that in April, with the effects of front-loading fading and the economy growing at potential. Revised defense spending commitments are expected to have an impact in subsequent years, given the projected gradual increase to target levels by 2035. In other advanced economies, growth is projected to decelerate to 1.6 percent in 2025 and pick up to 2.1 percent in 2026.

38. In some cases, currency appreciation offsets the favourable effects of more accommodative financial conditions, while the effective tariff rates are the same or slightly higher than in the April WEO reference forecast because of new tariffs imposed on imports of vehicle parts in May and a doubling of tariffs on steel and aluminium in June.

39. In emerging market and developing economies, growth is expected to be 4.1 percent in 2025 and 4.0 percent in 2026. Relative to the forecast in April, growth in 2025 for China is revised upward by 0.8 percentage point to 4.8 percent. This revision reflects stronger-than-expected activity in the first half of 2025 and the significant reduction in US–China tariffs. The GDP outturn in the first quarter of 2025 alone implies a mechanical upgrade to the growth rate for the year of 0.6 percentage point.

40. A recovery in inventory accumulation is expected to partly offset payback from front-loading in the second half of 2025. Growth in 2026 is also revised upward by 0.2 percentage point to 4.2 percent, again reflecting the lower effective tariff rates. In India, growth is projected to be 6.4 percent in 2025 and 2026, with both numbers revised slightly upward, reflecting a more benign external environment than assumed in the April reference forecast. In the Middle East and Central Asia, growth is projected to accelerate to 3.4 percent in 2025 and 3.5 percent in 2026.

41. Growth is expected to be relatively stable in 2025 in sub-Saharan Africa at 4.0 percent, before picking up to 4.3 percent in 2026. In Latin America and the Caribbean, growth is projected to slow to 2.2 percent in 2025 and recover back to 2.4 percent in 2026. Growth in emerging and developing Europe is also expected to slow and remain sluggish at 1.8 percent in 2025 and 2.2 percent in 2026.

42. World trade volume is revised upward by 0.9 percentage point for 2025 and downward by 0.6 percentage point for 2026. The near-term offset provided by front-loading of some trade flows in view of elevated trade policy uncertainty and in anticipation of tighter trade restrictions is expected to fade in the second half of 2025, with the associated payback expected to materialize through 2026. A weaker dollar amplifies the tariff shock instead of absorbing it, leading to a positive impact of tariffs on the US current account balance, which the expansionary fiscal stance more than offsets.

43. Over the medium term, expansionary fiscal packages in economies with current account surpluses are expected to contribute to declining global imbalances. Global inflation is expected to continue to decline, with headline inflation falling to 4.2 percent in 2025 and 3.6 percent in 2026. This is virtually unchanged from the April WEO, with trends of cooling demand and falling energy prices remaining in place. The overall picture hides cross country

variation in forecasts, however. The tariffs, acting as a supply shock, are expected to pass through to US consumer prices gradually and hit inflation in the second half of 2025.

44. Elsewhere, the tariffs constitute a negative demand shock, lowering inflationary pressures. Inflation is projected to remain above the 2 percent target through 2026 in the United States, whereas in the euro area inflationary dynamics are expected to be more subdued, in part on account of currency appreciation and one-off fiscal measures. Although headline inflation in China is projected to remain broadly unchanged from the forecast in April because domestic energy prices have been lower than forecast then, core inflation is revised upward slightly to 0.5 percent in 2025 and to 0.8 percent in 2026.

45. The economic outlook (GDP growth rate and inflation rate) of selected countries is shown in Table 2 below.

46. Countries selected are chosen to represent G20, BRINCS, MINT, N-11, Petro-economies, and other large African countries.

Table 2 Real GDP Growth – Selected Economies

Country	ACTUAL				FORECAST		
	2021	2022	2023	2024	2025	2026	2027
Mexico	6.05%	3.69%	3.2%	1.45%	1.35%	2%	2.27%
Indonesia	3.7%	5.31%	5.05%	4.96%	5.07%	5.06%	5.07%
Turkey	11.44%	5.53%	5.11%	3.01%	2.7%	3.24%	3.4%
United States	6.06%	2.51%	2.89%	2.77%	2.15%	2.03%	2.12%
Germany	3.67%	1.37%	-0.26%	0.01%	0.79%	1.4%	1.15%
United Kingdom	8.58%	4.84%	0.34%	1.08%	1.48%	1.54%	1.46%
China	8.56%	3.11%	5.38%	5%	3.95%	3.96%	4.22%
Ghana	5.08%	3.82%	3.13%	5.69%	4..03%	4.76%	4.95%
South Africa	4.96%	1.91%	0.7%	0.58%	0.98%	1.29%	1.64%
Brazil	4.76%	3.02%	2.91%	3.04%	2.16%	2.25%	2.35%
Angola	2.1%	4.22%	1%	4.5%	2.37%	2.08%	2.52%
Nigeria	3.65%	3.25%	2.86%	3.43%	3.04%	2.73%	2.97%

2. A.2 Africa

47. Economic activity in sub-Saharan Africa improved significantly in 2024, exceeding expectations. Regional growth averaged 4.0 percent in 2024, about 0.4 percentage points higher than estimated in, driven primarily by public investment, commodity exports, and ongoing efforts at diversification. High-frequency indicators showed a general pickup in momentum across sub-Saharan Africa, with average growth accelerating to above 4 percent in the fourth quarter of 2024.

48. Growth in resource-intensive countries—especially oil exporters—has still been relatively sluggish, but even so the signs were positive: Nigeria grew by 3.4 percent in 2024 (an upward revision of 0.6 percentage points), supported by higher hydrocarbon production and strong services sector growth. ...and narrowing imbalances.

49. Regionwide, inflation has slowed, fiscal consolidation has continued, and public debt has stabilized. Tighter monetary policy has brought sub-Saharan African inflation down from the post-COVID peak of early 2023—helped by lower global food and energy prices, which feature heavily in the region's consumption mix. As of February 2025, median headline inflation was about 4.5 percent year over year compared with 6.5 percent at the end of 2023 and nearly 10 percent at the end of 2022. Perhaps more important for the region's most vulnerable, median food-price inflation has dropped from a peak of 14 percent in February 2023 to below 6 percent as of February 2025.

50. As a result of narrowing primary deficits, average public debt has stabilized and is now starting to decline as a proportion of GDP. Primary balances are now below pre-pandemic levels in many countries, with the median balance having improved by 0.5 percent of GDP in 2024, bringing the 2022-24 cumulative consolidation to about 2 percentage points. Although debt is still elevated and vulnerabilities remain, the median debt-to-GDP ratio remained below 60 percent in 2024.

51. Fiscal adjustment efforts will likely continue in 2025, given the continued need to rebuild buffers and reduce debt. The composition of adjustment has been slightly tilted towards expenditure prioritization. Over 2022–25, fiscal adjustment for the median country relied more on expenditure measures (about 60 percent of total adjustment) rather than revenues. Resource-intensive countries, particularly oil exporters, are expected to continue to lean more heavily on expenditure cuts and on efficient government spending. However, consolidation efforts have been more balanced across the rest of the region.

52. On domestic revenue mobilization, only a few countries have raised their revenue-to-GDP ratio by more than 2 percentage points over 2022-25, and those countries are focusing on streamlined exemptions, improved compliance, and a broader tax base. External imbalances have also been improving. With higher commodity prices (gold, cocoa, coffee) and more stable exchange rates, the region's terms of trade improved in 2024.

53. Some commodity producers in particular (Côte d'Ivoire, Republic of Congo, and São Tomé & Príncipe) have seen significantly higher export prices relative to import prices. Trade (exports and imports) across the continent has also been increasing, while inward remittances have remained buoyant. These positive developments, along with fiscal consolidation, have helped moderate exchange-rate pressures and boost reserves—the share of countries with foreign-exchange reserves more than three months of imports expanded slightly in 2024 (to about two-thirds). In a few cases, the easing of exchange rate pressures has been supported by a resolution of political uncertainty after elections. Market access for sub-Saharan African borrowers broadly improved in 2024.

54. Eight countries were able to tap international bond markets in 2024, while Benin, Côte d'Ivoire, Gabon, and Kenya issued Eurobonds in early 2025. Sovereign spreads in the region narrowed, helped by improved investor sentiment toward emerging and frontier markets, significant progress on debt restructurings in sub-Saharan Africa (Ghana, Zambia), and successful market reforms (Nigeria). Credit rating changes have been mixed. For example, Cabo Verde, Côte d'Ivoire, and Ghana were upgraded over the past year, but Gabon, Mozambique, and Senegal were downgraded over the same period.

55. Overall, however, Eurobond issuances for sub-Saharan African countries totaled more than $13 billion in 2024, exceeding the past decade average of $9 billion per year. Combined with historically high borrowing from the syndicated loan market, these external flows have helped alleviate governments' immediate liquidity constraints and reduced near-term rollover risks. A sudden shift in the economic landscape.

56. An abrupt shift in global policy priorities has clouded the outlook. Growth for 2025 in sub-Saharan Africa has been revised down by 0.4 percentage points to 3.8 percent, in line with a 0.5 percentage points downward shift in the global outlook, so that regional growth is now expected to slow this year (Figure 3, Figure 4).2 The shift has also added a sizable degree of uncertainty, suggesting that the recent four-year crisis—one shock following quickly after

another—might be far from over. Some changes have already been incorporated into staff projections, including the announcement of US tariffs on China, Canada, and Mexico, an expansion of tariffs on aluminium and steel, and the US measures announced on April 2, 2025, which include a minimum 10 percent baseline tariff for all trading partners and an additional set of individual country-specific tariffs that range as high as 50 percent. Given the fluidity of the current moment, arriving at a central growth outlook is more difficult than usual.

57. The direct exposure of sub-Saharan African exporters to US tariffs is limited (with exports to the United States generally less than 0.5 percent of GDP). That said, exposures are disproportionately larger for some of the region's smallest and most vulnerable countries such as Lesotho and Madagascar. Indirectly, softer global demand and lower commodity prices are likely to have significant implications for commodity exporters, and have contributed already to growth downgrades in a number of cases (for instance, Republic of Congo and Niger).

58. On April 9, the US authorities announced a 90-day pause for most of the bilateral April 2 tariffs, but the future status of this action has not yet been determined and so the pause has not yet been reflected in the projections. Staff simulations, however, suggest that the net effect of the pause on global growth would be muted, even if that pause were permanent (April 2025 World Economic Outlook). The impact on commodity prices and the region's overall outlook would similarly be limited.

59. The pace of disinflation and monetary easing across the major advanced markets is now expected to be less rapid. In the United States, the policy rate is expected to reach its long-term equilibrium only in 2029, almost three years later than expected in projections. Also, the future path of the 10-year bond yield has shifted upward, implying that the high funding costs faced by sub-Saharan African borrowers will likely be sustained for longer.

60. Higher interest rates in advanced markets will discourage capital flows into sub-Saharan Africa, weighing on the region's exchange rates and reserves, adding to inflationary pressures, and generally representing an additional headwind to the region's recovery.

61. Poverty across sub-Saharan Africa is still widespread, with nearly one third of the population living on less than $2.15 per day. FAO and others (2023) estimate that undernourishment has worsened since the pandemic, aggravating a pre-pandemic trend in much of the region of deteriorating food security since 2014 and many countries are still vulnerable. Although market access improved in 2024, debt is still elevated for many countries, borrowing costs have increased, and global financial conditions are tightening.

62. External borrowing costs for market-access countries have increased by about 3 percentage points over the past three years, in line with global benchmark yields. Rising external costs have encouraged domestic borrowing in many cases, including through direct or indirect monetary financing (for instance, Burundi, Sierra Leone

63. Those five indicators ratio climbed to more than 12 percent in 2024 and is projected to remain elevated. Most recently, turmoil in global financial markets has not only increased the US benchmark yield, but has also prompted a notable increase in spreads for emerging-market and frontier-market sovereigns. And in this context, the region's debt-service needs, mainly from public debt, are projected to remain significant over the medium term, offsetting the region's consolidation efforts—the median Government primary deficit has narrowed significantly since the pandemic, but nonprimary interest spending has increased at the same time, leaving the overall fiscal balance virtually unchanged. This suggests that, as borrowing costs rise, many countries may need to run faster just to keep pace.

64. Regarding inflation, for example, one-third of countries still have inflation above target. On fiscal policy, two-thirds of countries still have primary deficits above debt-stabilizing levels. Moreover, many countries face a complex challenge with imbalances across a range of different areas. For example, more than half of sub-Saharan African countries have more

than one of the following macroeconomic imbalances: (1) a primary balance below debt-stabilizing levels, (2) reserves fewer than three months of imports, (3) an overvalued real effective exchange rate, (4) double-digit inflation, or (5) an interest-to-revenue ratio of more than 20 percent.

65. Those five indicators underscore the region’s wide heterogeneity and encompass multiple combinations of internal and external imbalances. For example, twelve countries still had double-digit inflation at end-2024. Of those, seven also had interest-to-revenue ratios of more than 20 percent, creating potential tensions between fiscal and monetary policies—efforts to control inflation often add further to the interest bill. Importantly, about one-third of the region’s countries have three or more imbalances simultaneously, suggesting a greater level of vulnerability to a broader range of potential shocks, and thus a more urgent need for front-loaded adjustment. A much less benign global environment.

66. The upturn in global uncertainty has led to a spike in volatility for risky assets. As a result, market participants are reassessing their strategies towards emerging and developing markets. An ongoing concern is that another unexpected shock may trigger a sudden flight to safety accompanied by a further tightening of global financial conditions, with important consequences for sub-Saharan Africa. Trade tensions have escalated rapidly over the past few months, and another uptick in protectionist measures could lead to significant distortions in production location and pricing. However, the impact of tariffs is complex, especially for countries in sub-Saharan Africa, where direct exposures are limited and where there may, in some instances, be small net (short-term) gains from trade diversion (April 2025 World Economic Outlook).

67. In this scenario, trade policy uncertainty deepens, divergence among the largest economies (China, Euro Area, United States) becomes more marked, and global financial conditions tighten. From the tariffs/uncertainty channel, real investment drops in advanced economies, which leads to a decline in aggregate demand and commodity prices, with consequences for sub-Saharan Africa’s export demand and terms of trade.

68. Over 2025–26, economic activity in sub-Saharan Africa would be lower by about 2 percent, owing to weaker external demand, investment uncertainty, and tighter financing conditions. Those negative effects would be larger and more persistent for oil exporters, for which economic activity could be weaker by up to 3 percentage points over the medium term. In tandem, however, lower growth and commodity prices would reduce inflationary pressures—outweighing the impact of further depreciation on prices—and would prompt headline inflation to ease by about 2 percentage points by 2026.

69. Beyond model simulations, a simple extrapolation of current funding flows for the public sector points to significant risks. Estimates suggest that external funding inflows increased in 2024, helped by renewed market access to global capital markets and above-average borrowing from private-sector creditors, but these were balanced by ballooning external debt service obligations (principal and interest), leaving net flows virtually unchanged at about 2 percent of regional GDP (excluding South Africa). However, about one-half of the inflows in 2024 came from Official Development Assistance (ODA), with nearly one-quarter from the United States and an equal share from the European Union (Box 1). Currently, the future of these ODA flows for 2025 and beyond is unclear.

70. The United States is reviewing its entire foreign assistance program, while other large donors (for example, the Netherlands, Germany, Sweden, Switzerland, and the United Kingdom) have indicated a potentially smaller ODA envelope in the future to create fiscal room for competing domestic priorities, including defense spending. The impact of a US suspension will differ from country to country. US disbursements for the region as a whole are relatively small at around 0.5 percent of GDP, but the disbursements are typically targeted at critical needs such as health, disease prevention, and humanitarian aid, and can be significant for individual countries (Central African Republic, Democratic Republic of the Congo, Lesotho, South Sudan).

71. Deteriorating security adds to pressure for more military spending, which has gradually increased across the region, representing a sizable portion of government spending in some countries (Burkina Faso, Burundi, Togo) and diverting resources from other essential development needs.

72. With climate-related shocks intensifying, natural disasters and ongoing climate change are testing the preparedness of the region and are increasingly threatening agricultural productivity and output. Potential consequences include spikes in food prices and hunger, infrastructure destruction, and migration.

73. The banking system also appears generally stable and well-capitalized, but some countries show pockets of vulnerability. Middle-income countries have strong financial sectors with sound banking practices. But low-in come and fragile countries face financial vulnerabilities, including from high nonperforming loans and increasing reliance on domestic public debt, which has increased bank exposure to sovereign risk in those countries, and potentially crowded out lending to the private sector. Policymaker's Trilemma Sub-Saharan Africa has made considerable progress addressing macroeconomic imbalances, but authorities now need to take into account a fast-changing global environment with significant uncertainty.

74. Reliance on costly debt financing over the past couple of decades has caused debt service to increase notably as a fraction of revenue. At a striking 12 percent, the amount of revenue spent by the median country on interest alone is still below pre-HIPC8 levels, but compares with only 4 percent in advanced economies. Because debt is now becoming a more and more expensive option, and because prospects for ODA are uncertain, countries will need to fund essential public services through increased domestic revenue—a more stable and sustainable source of financing. For oil exporters, funding will increasingly need to come from nonoil sources.

75. Efforts to broaden the tax base, increase tax rates where applicable, reduce arbitrary exemptions and simplify the tax code are all positive measures (Benitez and others 2023), and have been successfully showcased in a range of countries recently (Benin, Côte d'Ivoire and Liberia). Also, a predictable and progressive tax code, together with greater emphasis on corporate income and property tax collection, can help ensure fair burden sharing.

76. Finally, strengthened tax collection capacity, integrity and accountability, including through digitalization, can yield significant revenues (Nigeria, Senegal). Improving spending efficiency. Cutting back on wasteful spending can also improve fiscal sustainability. As a key example, removing inefficient fuel subsidies that tend to benefit the rich can create significant budgetary space for more targeted development spending. Such reforms have been completed in Nigeria and are progressing in Angola, Central African Republic, and the Republic of Congo.

77. Further, evidence suggests that about 30–40 percent of resources allocated to public infrastructure in developing countries are lost because of inefficiencies. These losses can be reduced through better governance and public financial management, including by improving the framework for planning and implementing infrastructure projects, addressing corruption, and greater transparency (Angola, Senegal). Similarly, identifying and removing ghost workers can help contain the wage bill (Chad, Mozambique). Digitalization such as automated budget payments or the adoption of an e-procurement platform can boost fiscal transparency and improve spending efficiency. Guinea-Bissau, for example, has employed blockchain technology to improve transparency and better manage its wage bill.

78. Reforming State-Owned Enterprises (SOEs). Poorly run SOEs can have an outsized impact on a country's fiscal risks and sustainability, through ongoing operating subsidies, large capital injections, and sudden unexpected bailouts. For example, inefficient SOEs have resulted in a steady drain on South Africa's public finances of 5 percent of GDP per year since 2008 (IMF 2025). Better financial monitoring and improved management, oversight,

and transparency are key. In addition, private sector participation in essential sectors (South Africa) or outright privatization of SOEs (Ethiopia) can, in some circumstances, open up fiscal space while improving efficiency. Calibrating the pace of adjustment.

79. Consolidation will generally need to be front-loaded where adjustment needs are high, as front-loading reduces the chance of a crisis, boosts the credibility of adjustment plans, and helps ease borrowing costs and exchange-rate pressures. However, frontloading can also exacerbate social tensions, and the balance between financial-market reactions and social impact will differ from country to country—in some cases, the balance will also have to account for an increased need for critical services and humanitarian spending in light of reduced foreign assistance.

80. In addition, greater transparency in designing and implementing reforms, together with safeguards that address corruption and support social inclusion, can enhance public trust and support. Countries should strengthen their resilience to shocks. Beyond building buffers, pre-emptive contingency planning for trade, spending, or funding shocks may allow for a more agile response. Developing local debt markets, including by widening the investor base or implementing reforms to attract private-sector partners (Ethiopia), can diversify sources of financing.

81. Furthermore, authorities should ensure that they themselves are not a disruptive source of uncertainty. At minimum, this requires an added degree of caution; particularly in avoiding policy mistakes that could worsen fundamentals—these often have an outsized impact on confidence and borrowing costs during periods of uncertainty. More positively, medium-term fiscal frameworks can help support fiscal planning, ensure consistency with other elements of the policy mix, boost credibility, anchor expectations, and reduce the volatility of funding flows

82. Monetary and financial policy: taming inflation and maintaining stability Several countries are still combating high inflation. Inflation has been particularly entrenched in countries where the authorities target monetary aggregates (de facto), including Angola, Burundi, and Nigeria. For those countries, the monetary authorities have typically had less help from fiscal adjustment. Although most of these authorities hiked rates in 2024, they often remain negative in real terms. In some cases, governments have resorted to borrowing from the central bank (Angola, Burundi, Malawi). Low interest rates and monetary financing can ease borrowing constraints in the short term, but they are generally inconsistent with the goal of low inflation as they can add to the persistence of inflation and intensify exchange-rate pressure. This in turn can take a larger, longer-term toll on the population— the recent cost-of-living crisis serves as an example of how inflation is felt most acutely by society's most vulnerable.

83. Diversified market-led growth requires improved governance, a better business environment, more human capital, and strengthened infrastructure. Poor governance that allows for corruption and the arbitrary use of opaque rules, or that does not provide security and adequate enforcement of property rights, can add to uncertainty and discourage private-sector activity. Governance challenges are especially acute in resource-intensive countries where private sector development has largely stagnated.

84. Moreover, with knowledge-based economic activities growing globally, sub-Saharan Africa risks being left behind if it does not invest enough in human capital, particularly for the large number of youths who will enter the workforce in the coming decades. Strengthening infrastructure for transportation, power generation, telecommunications (including internet access) can improve competitiveness and facilitate market-led growth. Supporting digitalization can unlock productivity gains, especially among the digitally enabled youth, and support development of modern services. Furthermore, digitalization together with basic education opens the door for using the opportunities afforded by artificial intelligence to solve the region's unique problems. Sub-Saharan Africa currently scores poorly in artificial intelligence preparedness.

85. Seeking new opportunities and boosting resilience to external shocks. The current shake-up in global value chains will likely be disruptive, but can also bring new trade and investment opportunities, particularly in the critical mineral sector. Countries should look to develop domestic capacity in mining and processing of critical minerals, encourage foreign direct investment, and ensure foreign firms are well integrated with local value chains.

2.A.2 Nigerian Economy[2]

86. The Nigerian Government has implemented major reforms over the last two years, which have impacted monetary and fiscal stability and economic resilience. These reforms have undoubtedly brought stability to the overall economy.

87. Notably, various national macro-economic parameters have improved. For instance, the Naira exchange rate has settled in the range of 1,500 to 1,600 after the harmonisation of exchange rate regimes and the free-floating of the Naira while, the fuel subsidy has been removed thus, freeing up trillions of Naira to support the budgets of Federal, State and Local Governments, and for interventions aimed at the most vulnerable.

88. In the same vein, Real GDP growth has been stable while Inflation is on a downward trend. Crude Oil production is close to the 1.5 million Barrels Per Day (MBPD) threshold of Nigeria's OPEC quota including lease condensates, production is close to 1.7 MBPD over the first half of 2025.

89. Meanwhile, the passage of the four Tax Acts in mid-2025 – Nigeria Tax Act 2025, Nigeria Tax Administration Act 2025, the Joint Revenue Board of Nigeria (Establishment) Act 2025 and the Nigeria Revenue Service Establishment Act 2025. These lay the foundation for improved tax administration, a fairer pro-growth tax regime, which should ultimately result in increases in economic growth and an increased Tax to GDP ratio (providing the government with more resources) over the medium term.

90. However, a weak global economic outlook is perpetuated by the conflicts in the Middle East and international trade policies (tariffs). These are manifested in low crude oil prices, which impact the resources available to the three tiers of government in Nigeria over the short to medium term. Climate shocks are also becoming more common, necessitating increased allocations to climate change adaptation and mitigation initiatives in the budgets of Federal, State and Local Governments.

91. **Real GDP** – Real GDP growth increased quarter on quarter from Q2-4 in 2024, from 2.98% in Q1 to 3.84% in Q4. This gave an overall growth rate of 3.4% for the year. This is slightly lower than the 3.8% annual growth forecast for 2024 in the FGN 2025-2027 MTEF. However, nominal GDP was significantly above the forecast in the MTEF, at N277 trillion. The 2025-2027 MTEF envisaged growth of 4.6% in 2026, which appears optimistic. The economy grew by 3.13% (year-on-year) in real terms in Q1 2025.

92. In its most recent Article IV report, the IMF forecasts growth at 3.4% in 2025, falling slightly to 2% in 2026, premised on crude oil production of 1.7 MBPD and a strong contribution by the agriculture sector to growth. It forecasts a margin increase in 2027 and 2028, to 3.3% growth in both years.

93. The World Bank is slightly more optimistic in its latest Global Economic Prospects report, forecasting 3.6% growth in 2025, followed by 3.7% and 3.8% in 2026 and 2027, respectively. Several factors can alter these outlooks over the next 4-5 months – not least the trajectory of crude oil prices and production (positive deviations from the current price and production levels could have significant positive impacts on GDP). Adopting the prudent estimates of the IMF would be sensible in this period of uncertainty.

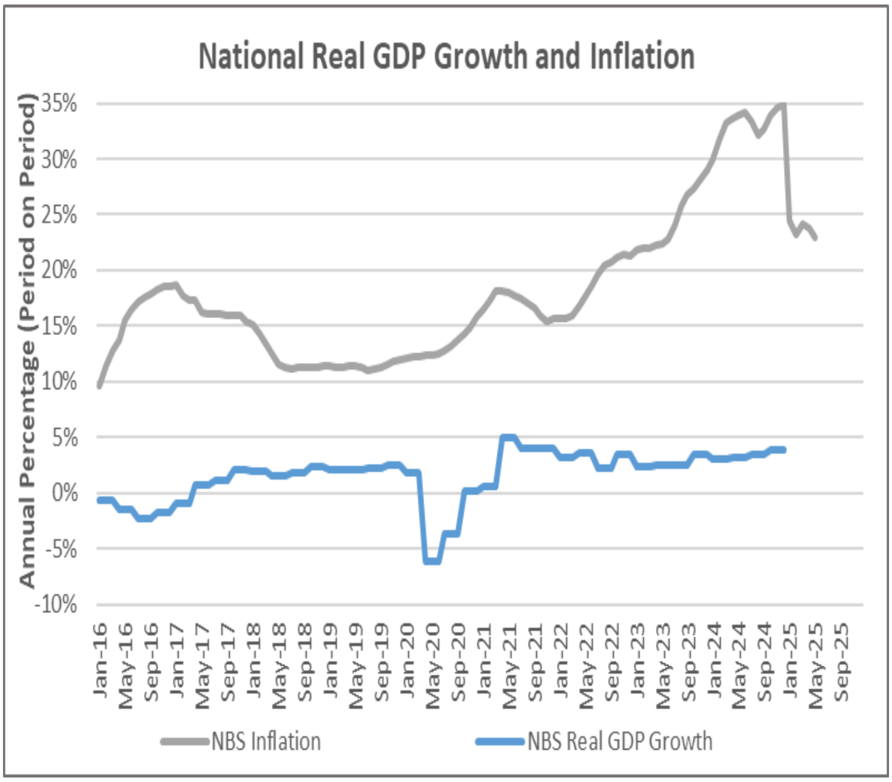
94. **Inflation (CPI)** – As noted in section 1, the rebasing of the CPI basket resulted in a significant reduction in the inflation rate from 34.80% to 24.48% in January 2025. The most recent inflation figures, for May 2025, stood at 22.97%. As the effects of the Naira devaluation and the removal of the fuel subsidy work their way out of the figures, they are likely to reduce slightly over the remainder of 2025.

95. The IMF forecasts CPI inflation at 24% in 2025, falling to 23% in 2026 and then dropping to 17% in 2027 and 15% in 2028. The cessation of CBN financing of the FGN deficit (which resulted in significant increases in the money supply) and the stabilisation of the Naira in the foreign exchange markets bring a greater degree of predictability to the forecasts.

96. The IMF forecasts are still somewhat higher than the FGN 2025-2027 MTEF projections for inflation, which were 15.75% and 14.21% respectively, for 2025 and 2026. But these forecasts are more "targets" than balanced estimates, and do not reflect the latest macro-fiscal trends. Adopting IMF estimates would be prudent.

97. The latest GDP reports issued by the National Bureau of Statistics (NBS) 2025 are shown in Figure below.

Figure 1 : Real GDP Growth and Inflation



Data Sources and Trends:

- Real GDP grew form 2.98% in Q1 to 3.84% in Q4, 2024, providing a overall growth rate of 3.40%
- The increase was driven by the vast contributions of Transport and Financial Services. Also, the slight uptick in crude oil production was also attributed to the increase while the contribution of the agricultural sector was weak at 1.19% in 2024.
- Non-oil GDP grew by 2.80% year on year. The largest growing sector in 2024 Q2 was financial and insurance at 28.79%.
- NBS undertook a Consumer Price Index (CPI) rebased exercise in early 2024 and it resulted in a significant drop in inflation rate from Jan., 2025 to date

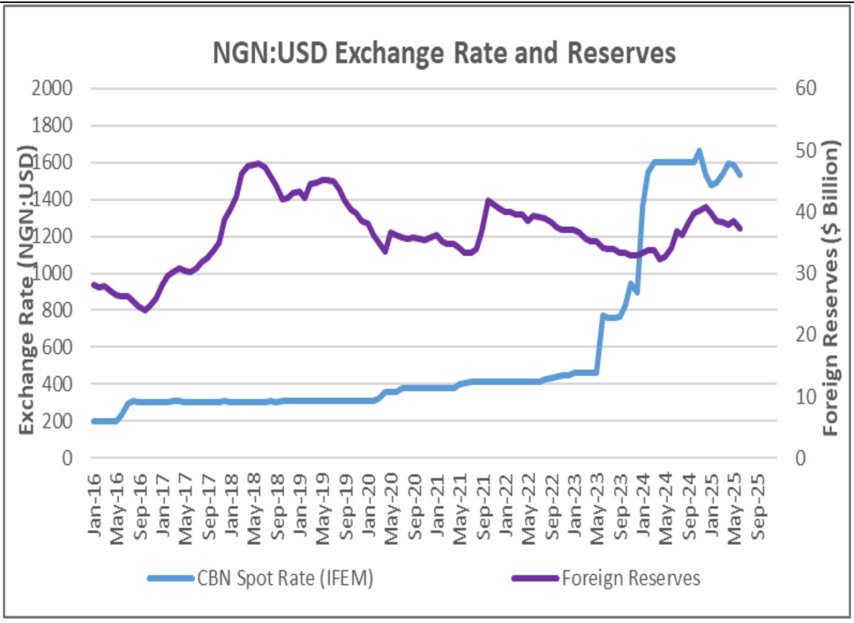
98. **Foreign Exchange Rate** – The Naira: US Dollar exchange rate has stabilised over the last 12 months, settling in the range of 1,500 to 1,600. With Foreign Reserves reaching around $37 billion as at the end of June 2025, and the settlement of several outstanding liabilities having been completed, there is reason for optimism that further depreciations of the Naira are unlikely in the short to medium term.

99. However, to take a balanced view, supply and demand factors should be considered when anticipating the exchange rate in 2026 and beyond. Some of the key factors include:

- FGN Borrowing Strategy, particularly the proportion of new foreign currency-denominated debt issuances (FGN is concluding on its 2024-2027 Medium Term Debt Strategy, which should provide more clarity on this issue).
- Foreign debt service obligation on existing debt stock (a Eurobond principal repayment of $1.18 billion is due in November 2025).
- Crude oil price and production – material increases in either should further boost foreign reserves, potentially leading to an appreciation of the Naira.
- Monetary policy stance of the CBN, including the potential for increasing the supply of US Dollars to the open market.

100. Adopting the current rate of 1,500 would be prudent for the three years covered by the MTEF.

Figure 2 NGN: USD Exchange Rate and Foreign Reserves



Data Sources and Trends:

- Data from CBN documents
- The Naira undergone a series of devaluations against the US Dollar in May, 2023. This led to an increase in the exchange rate from N460 to N1600.
- While in the last 12 months, Exchange Rate has been stabilized in the region of N1,500 to N1,600 with foreign reserve hovering around the range of $35-$40.
- The devaluation has had multiple knock-on economic and fiscal implications on inflation on imported goods and PMS, Foreign debt service cost and the valuation of debt stocks

101. **Crude oil price and production rate:** The price of Bonny Light averaged $72.39 per barrel in the first six months of 2025, according to the Organisation of Petroleum Exporting Countries (OPEC), with a low of $64.55 in May and a high of $80.14 in January.

102. The latest US Energy Information Administration (EIA) Short-Term Energy Outlook (STEO) forecasts Brent Crude prices of $69 for 2025 and $58 for 2026 based on a build-up of oil inventories as OPEC looks to increase production volumes in the second half of 2025. Based on this, Bonny Light would be around $70 and $59 in 2025 and 2026, respectively.

103. The IMF uses a slightly different benchmark for its outlook, taking an average of UK Brent, Dubai Fateh, and West Texas Intermediate. It's forecast in the April 2025 WEO is for a basket price of $62.38 in 2026, which equates to approximately $64.50 for Bonny Light. The World Bank, in its June 2025 Global Economic Prospects report, forecasts $62 for Brent Crude in 2026, increasing marginally to $65 in 2027. These equate to prices of around $63 and $66 for Bonny Light in 2026 and 2027, respectively.

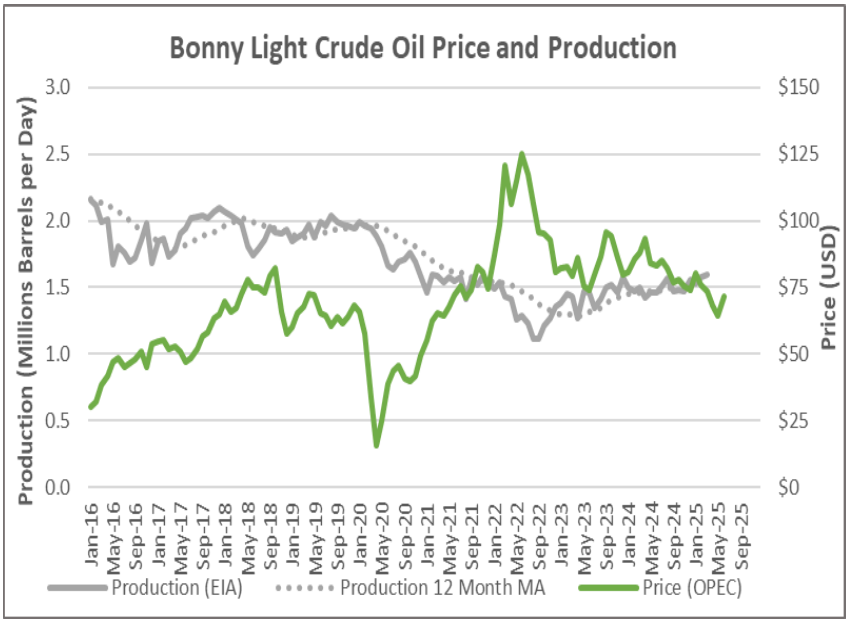
104. In recent years, FGN has moved away from providing a buffer in its crude oil price benchmark, adopting a price close to the market price at the time of the development of the

MTEF-FSP. However, State Governments are urged to adopt some degree of caution, especially due to the volatile situation in the Middle East.

105. A prudent approach would be to adopt a slight discount against the forecast market prices – say $5 per barrel.

106. According to the latest NURPC figures, Nigeria produced 1.675 MBPD over the first six months of 2025, comprising 1.475 MBPD of crude oil and 200,000 barrels per day of lease condensate. These figures are close to the upper limit Nigeria can produce based on its current OPEC production quota. Whilst Nigeria may be desirous to increase production towards and over 2.0 MBPD over the second half of 2025, States should adopt caution in adopting "target" based estimates as opposed to a balanced view on what is achievable, which is probably in line with current production levels.

Figure 3. NGN: Crude Oil Price and Production Rate



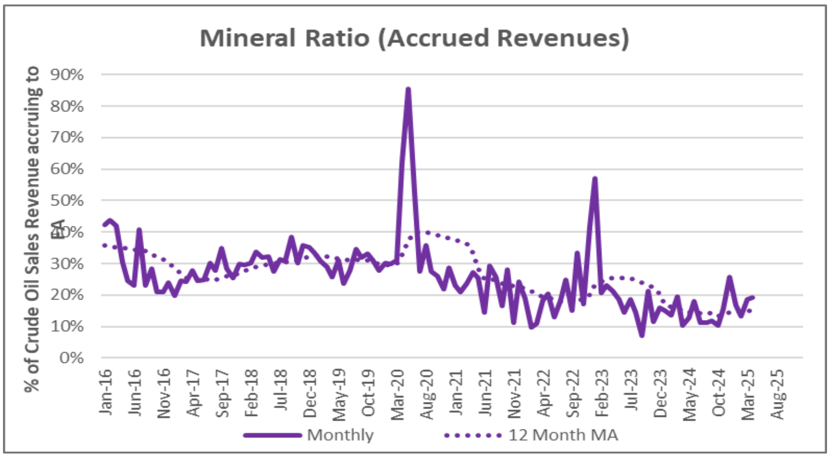
Data Sources and Trends:

- Data from OPEC Monthly Reports, Nigeria Upstream Petroleum Regulation Commission (NUPRC) and US Energy Information Administration (EIA)
- The price of Bonny Light has fluctuated between $65 to $80 per barrel in the lasty 12 months.
- Crude Oil Production has averaged around 1.675 Million Barrels per day (MBPD) over the first 6 months of 2025
- The production figure of 1.675MBPD is higher than 1.47MBPD produced in 2023 while Nigeria is seeking to increase output to 2.0 MBPD by 2027.

107. **Mineral Ratio -** The Mineral Ratio is the percentage of Mineral Sector (oil and gas) GDP that accrues to the federation account as mineral revenue for distribution through FAAC. As noted in Section 1, this has fallen to around 18% in 2025 based on mineral revenues (including Exchange Gain) accruing to the Federation Account (including those used for derivation refunds). It is difficult to see the mineral ratio increasing significantly over the short to medium term, especially with the relatively low price of crude oil. A rate of 20% might be considered for 2026, increasing to 22% in 2027 and 24% in 2028.

108. Monthly distributed Mineral Revenues (Statutory Allocation (SA) and Net Derivation (ND) to the three tiers of government from January 2016 to 2025 H2 inclusive are shown in Figure 1 below.

Figure 1 Figure: Mineral Revenue Contribution to FAAC



Data Sources and Trends:

- Nominal mineral revenue grew by more than 100% in 2024 compared to 2023, to N10.0 trillion (including mineral Exchange Gains).
- The total mineral revenue accruing to the Federation Account only represented 14.6% of crude oil GDP. This is significantly below the mineral ratios observed +10 year ago
- The slight increase in production observed between Q1 and Q2,

109. **Excess Non-Mineral and Other Deductions** - As well as derivation refunds, there have been other deductions from FAAC accrued revenues over recent years. A total of N6.9 trillion was deducted as Excess Non-Mineral Revenue in 2024. In the first six months of 2025, the figure is N3.158 trillion. These revenues appear to be used to fund various presidential interventions, such as the Infrastructure and Security Trust funds. The precise use of these funds, including what transfers have been made to State Governments, is not clear.

110. There have also been deductions of N500 billion against mineral revenues in the first six months of 2025 for LGA Signature Bonus, albeit this appears to have concluded.

111. It would be prudent to assume the Excess Non-Mineral deductions will continue into 2026 and beyond, unless otherwise stated by FAAC or within the FGN MTEF-FSP. A figure of N10 trillion per year for 2026, 2027 and 2028 might be considered, to cover both the deductions for derivation refunds and the Excess Non-Mineral deductions.

112. **New Tax Legislations, Regulations and Orders -** The 2024 Deduction of Tax at Source (Withholding) Regulation, VAT Modification Order 2024 and the four 2025 Tax Acts, namely the Nigeria Tax Act 2025, Nigeria Tax Administration Act 2025, the Joint Revenue Board of Nigeria (Establishment) Act 2025 and Nigeria Revenue Service Establishment Act 2025 issued by the Executive and passed by the National Assembly respectively, cover tax policy and tax administration. These introduce exemptions, revised administrative frameworks, consolidation and harmonisation of revenue items. These are expected to simplify compliance, improve efficiency and optimise revenue collection.

113. At the policy level, there are several factors that need to be taken into consideration when forecasting FAAC revenues for 2026 onwards:

i. The Nigeria Tax Act 2025 exempts low-income earners with taxable income of NGN800,000 or less per annum from income tax. This will impact States whose average and active taxpayer income fall within the bracket is this. Such States must expand their tax base leveraging enumeration campaigns, technology, system interoperability, data exchange with various MDAs (including Federal, State and local government such as MDAs NIMC, CAC, FIRS, NIBBS, Ministry of Lands, Ministry of Commerce, NIS, etc).

ii. The Act also exempts "small company" earning a gross turnover of N50,000,000 or less per annum with total fixed assets not exceeding N250,000,000, from income tax if such is not providing professional services. This is expected to impact revenue accruing from tax on profit of companies.

iii. Also, it introduces a 5% surcharge to be imposed on chargeable fossil fuel[3] products provided or produced in Nigeria. Its commencement is subject the Minister of Finance issuing an order accordingly. The surcharge is to be computed on retail price of the products and accounted for monthly by the Nigeria Revenue Service. While this will accrue more revenues upon commencement, it may heighten inflationary pressures given that an essential fuel like petrol isn't exempted.

iv. Effective administration of VAT exemptions and input VAT credit/refund is important to avoid carousel fraud that may endanger the recent increases in VAT collection and distribution. The Nigeria Revenue Service must continue to implement risk-based compliance strategies and ramp up nationwide adoption of its TaxPro Max Solution/ an easier to use VAT fiscalisation system to support VAT accounting and remittance by persons making taxable supplies. It can leverage the new section 23 of The Nigeria Tax Administration Act 2025 which warrants that any person making taxable supply must use the Electronic Fiscal System provided by the Service, for recording and reporting all supplies.

v. Still in relation to VAT, there are changes to the vertical and horizontal sharing formula. Firstly, the increase in State Governments' share to 55% at the expense of the Federal Government (whose share would drop to 10%). And the proposed increase in the Derivation[4]from 20% to 30% (and associated reduction of Population from 30% to 20%), while equality is kept at 50%. It is important States simulate the impact of this new distribution formula and reflect the relative impact on their VAT receipts to keep their projections realistic.

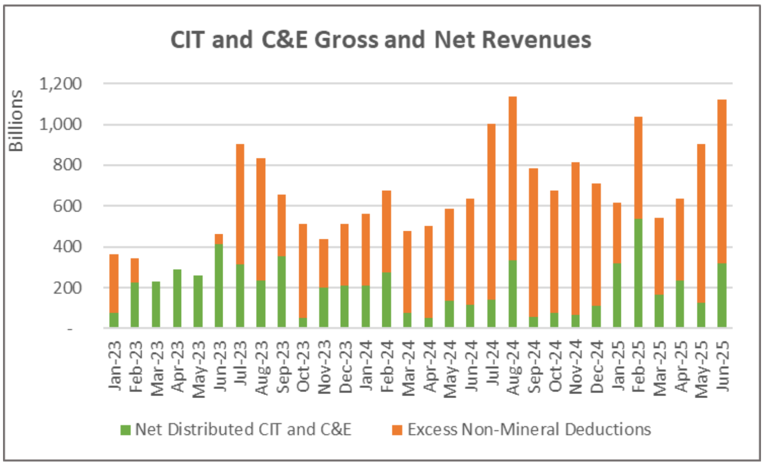
114. The FGN MTEF-FSP for 2026-2028, once released, should provide some more specific indication of the impacts the new Tax Acts will have on Federation Account revenues. For now, in keeping with the advice on other macroeconomic and mineral sector assumptions, States are recommended to take a prudent view on these dynamics and continually monitor for more in-depth analysis by FGN and other commentators.

115. Despite the strong performance of the underlying revenues, particularly Non-Mineral revenues, there are considerable deductions that are impacting the level of Statutory Allocation being distributed. A total of N13.7 trillion was collected from Mineral Revenue sources, CIT and Customs in 2024 – these are the three revenues that fund statutory allocation and derivation. The total distribution under these two items was only N2.89 trillion – a difference of N10.8 trillion. This trend has continued in the first half of 2025, albeit not quite as stark: a total of N10.14 trillion has been collected from the three sources in the first six months of the year, whilst only N4.7 trillion has been distributed. Day-to-day cost of collections (e.g.4% of CIT and 7% of Customs revenues) may account for a small amount of the difference, but the remainder has been diverted to fund other expenditures.

116. **Non-Mineral Revenues -** Despite the strong performance of the underlying revenues, particularly Non-Mineral revenues, there are considerable deductions that are impacting the level of Statutory Allocation being distributed. A total of N13.7 trillion was collected from Mineral Revenue sources, CIT and Customs in 2024 – these are the three revenues that fund

statutory allocation and derivation. The total distribution under these two items was only N2.89 trillion – a difference of N10.8 trillion. This trend has continued in the first half of 2025, albeit not quite as stark: a total of N10.14 trillion has been collected from the three sources in the first six months of the year, whilst only N4.7 trillion has been distributed. Day-to-day cost of collections (e.g.4% of CIT and 7% of Customs revenues) may account for a small amount of the difference, but the remainder has been diverted to fund other expenditures.

Figure 6 CIT Revenues



Data Sources and Trends:

- Data from FAAC summary sheets (OAGF).
- In 2023, a total of N2.946 trillion was deducted as Excess Non-Mineral whilst a meagre N84 billion was distributed. In the first six months of 2024, N2.12 trillion has been deducted.
- To put these figures into context, the total collection for gross CIT and Customs in the first half of 2024 was N3.431 trillion naira. So, 62% of the gross accrued revenue has been deducted as excess non-mineral.

117. A significant proportion of CIT and Customs revenues have been deducted from FAAC as "Excess Non-Mineral" over the last 18 months, meaning the growth levels for the gross revenue receipts noted above have not been reflected in Statutory Allocation distributions. The "Excess" deductions are to be made when the revenue in the month exceeds 1/12 of the budgeted revenue in the FGN annual budget, and are intended to be used to augment distributions in the months when actual revenues fall short of the budget. However, what has been observed in terms of deductions and distributions of Excess Non-Mineral does not appear to be made in a systematic manner – rather, they have been used to fund various initiatives, including the share of signature bonuses to States, different infrastructure and security initiatives, etc.

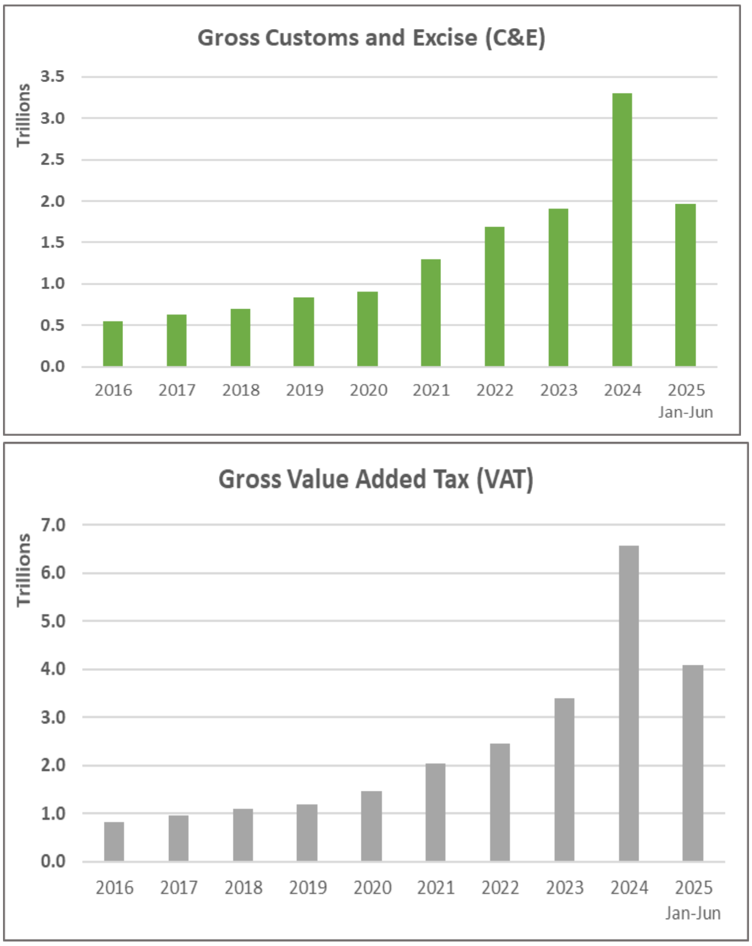
118. In 2024, a total of N6.9 trillion was deducted as Excess Non-Mineral, whilst a meagre N100 billion was distributed. In the first six months of 2025, N3.16 trillion has been deducted.

119. To put these figures into context, the total collection for gross CIT and Customs in the first half of 2025 was N4.85 trillion. So, 65% of the gross accrued revenue has been deducted as excess non-mineral.

120. **Value Added Tax -** The primary driver of the growth in distributions to states in 2026 will be Value Added Tax (VAT), which is expected to increase by 25.42% (from an estimated N4.14 billion to N5.20 billion). This is a substantial gain, especially when compared to the Statutory Allocation, which is forecast to grow by 15.38%.

121. The slight drop in mineral-based revenues reflects the expectation of a decline in global crude oil prices in 2026, accompanied by static production and exchange rates. Growth in the key non-mineral revenues, whilst still positive, is impacted by the provisions of the Nigeria Tax Act passed in June 2025. State distributions are forecast to grow by more than FGN due to the increased share of VAT to States. The table does not include any provisions for distributions to States under Infrastructure and Security Funds, derivation refunds and any other non-standard FAAC distributions.

Figure 2 NCS and VAT Revenues



Data Sources and Trends:

- Data from FAAC summary sheets (OAGF) and online FAAC summary sheets (www.oagf.gov.ng)
- The performance of CIT grew by 34.88%, whilst Customs and Excise (C& E) duties increased by 73.07% and value Added Tax grew by 93.22%

122. Half-year figures for 2025 suggest the Annual growth trend for the current year will also be strong, albeit not quite as impressive as 2024. Again, based on the half-year figures and historical in-year collection profiles, CIT is likely to grow by 47.5% in 2025, with C&E and VAT estimated to grow by 34.4% and 36.6% respectively.

2.A.3 Ekiti State Economy

123. 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 late General Sani Abacha. Ekiti State has (16) Local Government Areas (LGAs). However, on 4th August, 2021, nineteen (19) Local Council Development Areas (LCDAs) were created following the enactment of Ekiti State House of Assembly. 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).

124. 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.

125. 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.

126. 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.

127. 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.

128. 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 Resort; 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 Ikogosi Warm Spring Resort has unique natural feature, and supporting facilities. The spring is at present, being processed and packaged into bottled water for commercial purpose.

129. 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.

130. 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.

131. In Ekiti State, an accelerated approach has been instituted to drive the potentials of Secondary School Pupils and Teachers with entrepreneurship and Information Communicationand 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. This catch-them-young approach for ICT has the potential of making the State the base for the development of cutting-edge technology in Nigeria.

132. The State as at 2010 had the lowest Pupils to Teacher ratio in South-western Nigeria at both the Primary and Secondary levels (Universal Basic Education Commission 2010 Basic Education Profile). 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.

133. There are four (4) State 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 Federal Government owned institutions are the Federal University, Oye-Ekiti, Federal Polytechnic, Ado-Ekiti, and the new Federal College of Education, Ilawe Ekiti. The private institutions include: Afe Babalola University, Ado-Ekiti, Venite University, Iloro Ekiti, Hillside University of Science and Technology, Okemesi Ekiti,Crown Polytechnic, Odo Ekiti 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) had sprung up in these locations to improve the standard of living of the people.

134. 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.

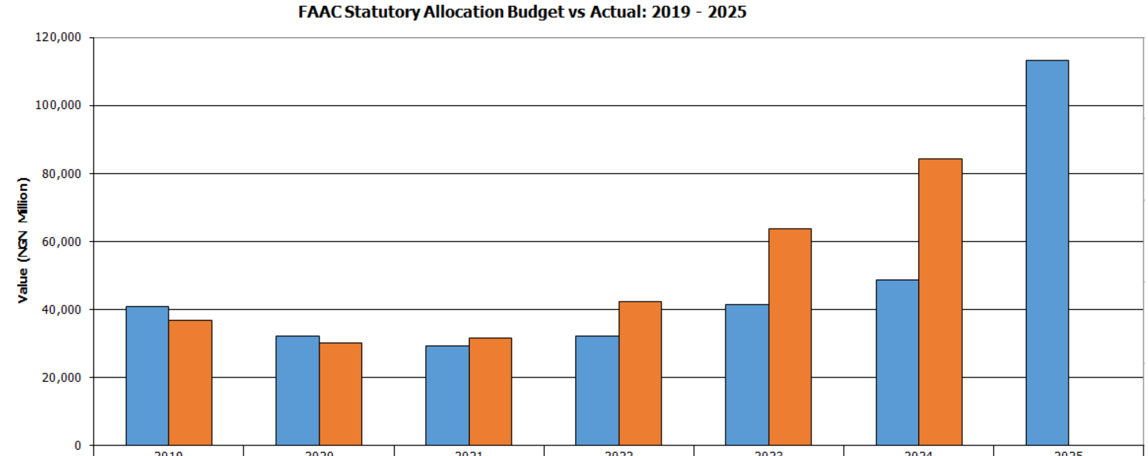
2.B Fiscal Update

2.B.1 Historic Trends

Revenue Side

135. On the revenue side, the document looks at Statutory Allocation, VAT, IGR, Excess Crude, and Capital Receipts – budget versus actual for the period 2019-2024 (six year historic) and 2025 Budget.

Figure 3: Statutory Allocation



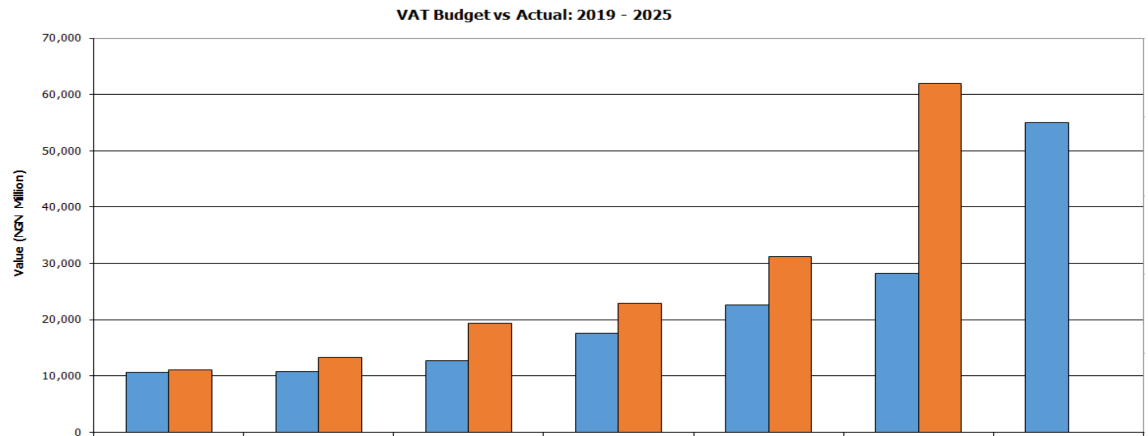
	2019	2020	2021	2022	2023	2024	2025
Budget	41,050,789,698	32,192,464,644	29,405,612,554	32,262,001,903	41,500,000,000	48,620,000,000	113,227,089,797
Actual	36,817,362,983	30,307,574,588	31,661,430,473	42,236,236,090	63,682,711,761	84,234,740,886	0
Performance	89.7%	94.1%	107.7%	130.9%	153.5%	173.3%	0.0%
Growth		-17.68%	4.47%	33.40%	50.78%	32.27%	0.00%

136. 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).

137. The above graph shows that Statutory Allocation to the State decreased by 17.68 in year 2020 due to the adverse impact of COVID-19 pandemic on the oil price. However, there was an increase of 4.47%, and 33.40% respectively in years 2021 and 2022. Meanwhile, increase of 50.78% and 32.27% recorded in years 2023 and 2024 was attributed to the petrol subsidy removal, unification of the exchange rate and other latest fiscal reforms.

138. Performance against budget varied as actual exceeded budget in 2021, 2022, 2023 and 2024 while actual receipts were less than budgeted in 2019 and 2020. In making projection, the crude oil global price, oil production per barrel and OPEC quota should be considered.

Figure 4: VAT

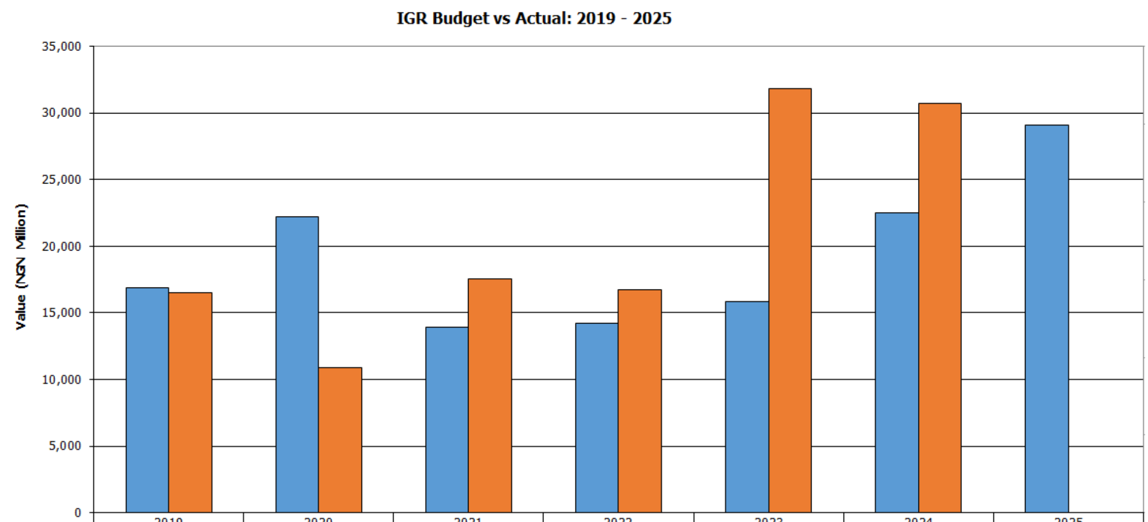


	2019	2020	2021	2022	2023	2024	2025
Budget	10,683,871,322	10,800,000,000	12,621,073,302	17,528,097,736	22,542,117,000	28,230,438,137	54,923,862,415
Actual	11,044,201,911	13,345,338,512	19,408,317,729	22,826,395,266	31,197,541,896	61,884,500,857	0
Performance	103.4%	123.6%	153.8%	130.2%	138.4%	219.2%	0.0%
Growth		20.84%	45.43%	17.61%	36.67%	98.36%	0.00%

139. VAT is ad valorem tax on essential goods and services at a rate of 7.5% since 2020. It is collected by the Nigerian Revenue Service 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 and FCT receive 50% of the total VAT collected, LGAs receive 35% and FGN 15%.

140. VAT receipts ranged from ₦11.0 billion to ₦61.8billion between 2019. 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, and the increase of the VAT rate from 5% to 7.5%.

Figure 5: IGR



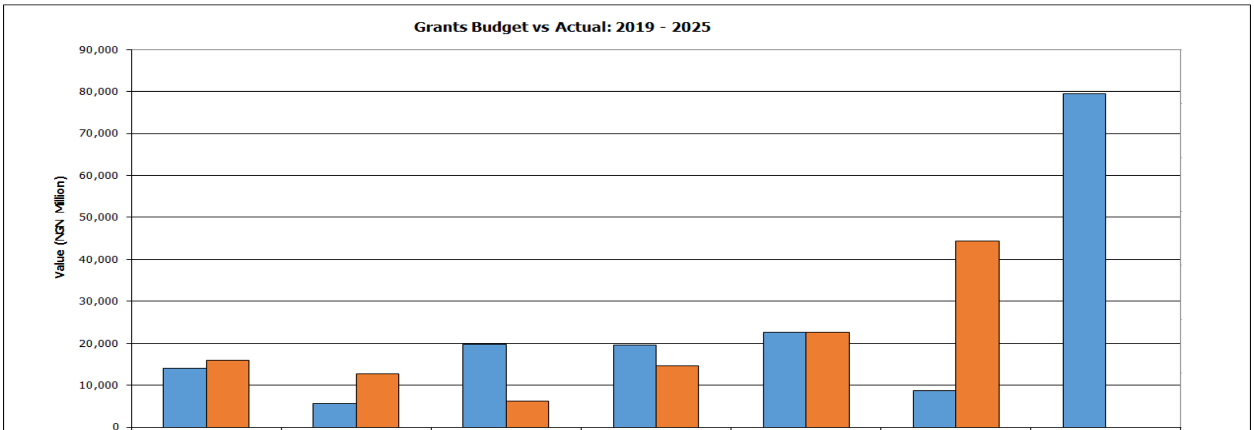
	2019	2020	2021	2022	2023	2024	2025
Budget	16,872,679,357	22,220,298,266	13,933,154,863	14,238,877,716	15,820,461,854	22,531,426,053	29,069,979,952
Actual	16,529,675,748	10,909,301,881	17,567,780,129	16,748,259,535	31,792,404,887	30,689,408,275	0
Performance	98.0%	49.1%	126.1%	117.6%	201.0%	136.2%	0.0%
Growth		-34.00%	61.03%	-4.66%	89.83%	-3.47%	0.00%

141. Internally Generated Revenue is revenue collected within Ekiti State and includes Income tax (PAYE and direct assessment) which represents the highest contributor to IGR, fines, levies, fees, and other earnings within the State.

142. The State's revenue oscillates between ₦16.5 billion and ₦31 billion from 2018 – 2023, while it later decreased to ₦30.6 billion in 2024. The lowest value of ₦10.9billion 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.

143. Notwithstanding the increase in economic activities recorded over 2021 and 2022, the performance was low when compared with the IGR performance of neighbouring States. Nevertheless, the impressive performances of 201% and 136% recorded in 2023 and 2024 respectively could be attributed to the organizational restructuring of Ekiti State Internal Revenue Service and the deployment of a new Revenue collection means known as Ekiti Revenue Autonomous System (ERAS)

Figure 6: Grants

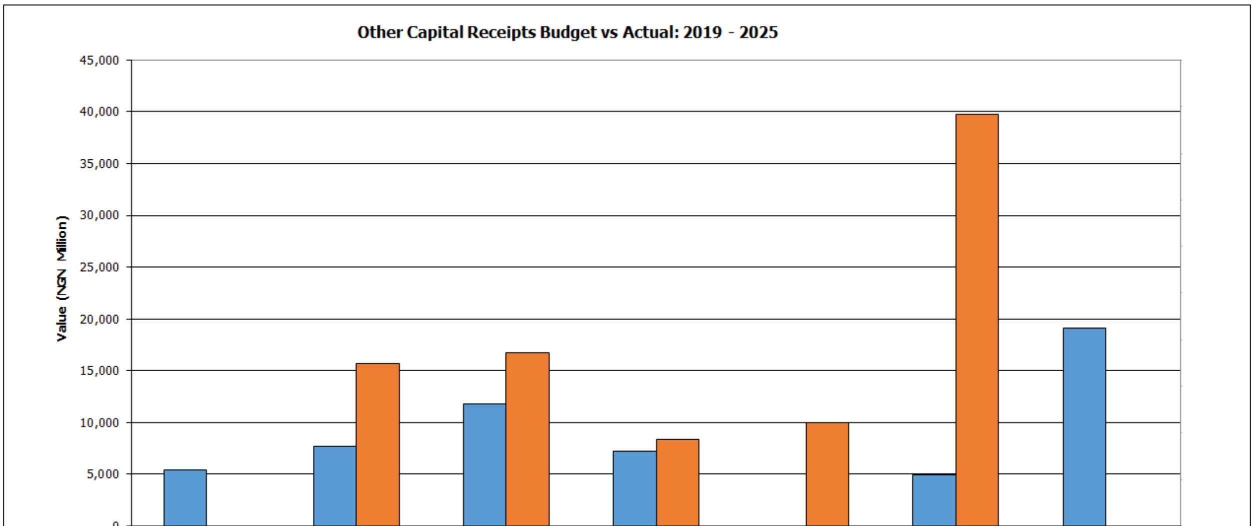


	2019	2020	2021	2022	2023	2024	2025
Budget	13,990,900,000	5,637,500,000	19,816,834,180	19,525,015,886	22,710,139,670	8,663,052,793	79,507,268,421
Actual	16,011,005,128	12,756,337,837	6,190,686,813	14,661,711,910	22,587,148,671	44,290,177,683	0
Performance	114.4%	226.3%	31.2%	75.1%	99.5%	511.3%	0.0%
Growth		-20.33%	-51.47%	136.83%	54.06%	96.09%	0.00%

144. Grants include receipts from Federal Agencies and Development Partners, including International Institutions. Sources of Grants to Ekiti State include 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).

145. 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 and ₦14.66 billion in 2022. This under-performance was as partly due to the impact of COVID-19 Outbreak globally. However, the 2023 and 2024 actual performance of 99.5% and 511% respectively, was as a result of some supports from the Federal Government and other private donors to mitigate the effect of Petrol subsidy removal and provide some interventions in the health, education, agriculture and other sectors in the State.

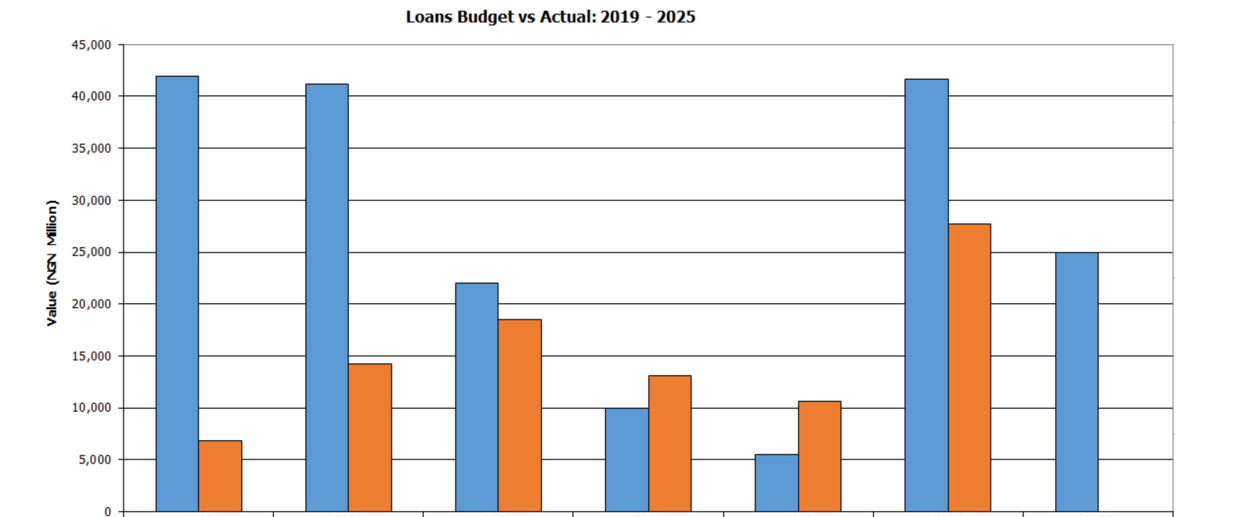
Figure 7: Other Capital Receipts



	2019	2020	2021	2022	2023	2024	2025
Budget	5,400,000,000	7,725,693,310	11,835,900,000	7,200,000,000	0	4,894,754,410	19,135,819,594
Actual	0	15,675,151,223	16,781,914,090	8,351,267,792	9,994,754,410	39,714,164,594	0
Performance	0.0%	202.9%	141.8%	116.0%	0.0%	811.4%	0.0%
Growth		0.00%	7.06%	-50.24%	19.68%	297.35%	0.00%

146. 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. However, the State received significant amount of other capital in 2020, 2021 and 2024 with impressive performance of 202.9%, 141.8% and 811.4% 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 8: Loans/Financing



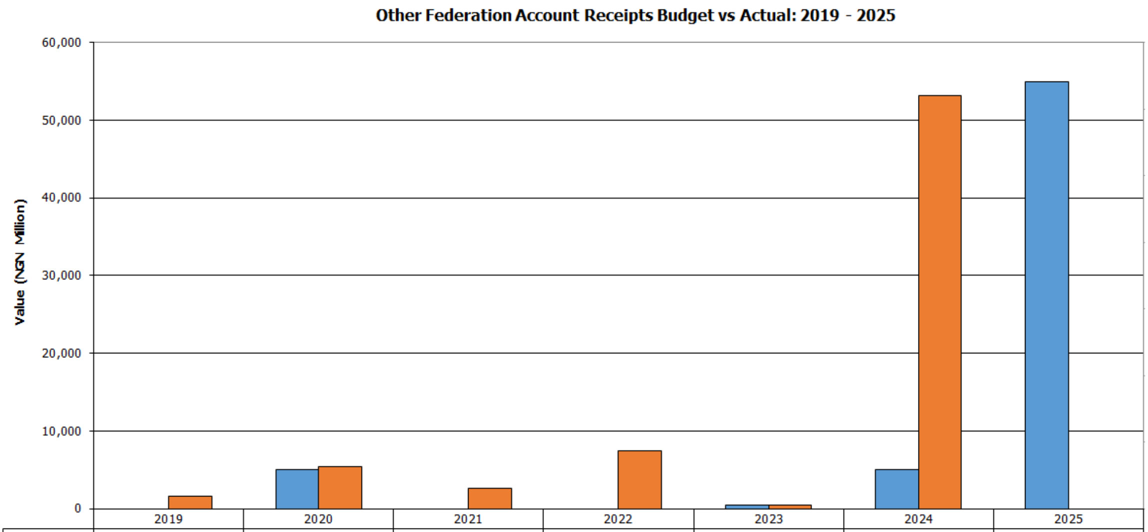
	2019	2020	2021	2022	2023	2024	2025
Budget	41,926,231,759	41,139,418,136	22,048,801,824	10,000,000,000	5,500,000,000	41,632,810,523	25,000,000,000
Actual	6,874,346,524	14,232,088,815	18,525,701,807	13,077,286,724	10,585,887,432	27,689,572,736	0
Performance	16.4%	34.6%	84.0%	130.8%	192.5%	66.5%	0.0%
Growth		107.03%	30.17%	-29.41%	-19.05%	161.57%	0.00%

Year

147. 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.

148. The above chart shows that performances varied with budget exceeding actual from 2019 - 2021, while actual loans exceeded budget in 2022 and 2023. It is imperative to note that the Budget figures for loans were later revised in the course of the years. Ekiti State internal and external loans have hovered between ₦6.8 billion in 2019 to ₦27,6 billion in 2024. 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 loans obtained in 2020 was ₦14.23billion which reduced 29.41% in 2022 and 19.05% in 2023 respectively due to improvement in the State revenue.

Figure 9: Other Federation Account Receipt



	2019	2020	2021	2022	2023	2024	2025
Budget	0	5,009,495,000	0	0	500,000,000	5,000,000,000	54,926,057,440
Actual	1,547,410,167	5,401,840,448	2,650,800,208	7,467,289,023	484,502,076	53,161,629,208	0
Performance	0.0%	107.8%	0.0%	0.0%	96.9%	1063.2%	0.0%
Growth		249.09%	-50.93%	181.70%	-93.51%	10872.43%	0.00%

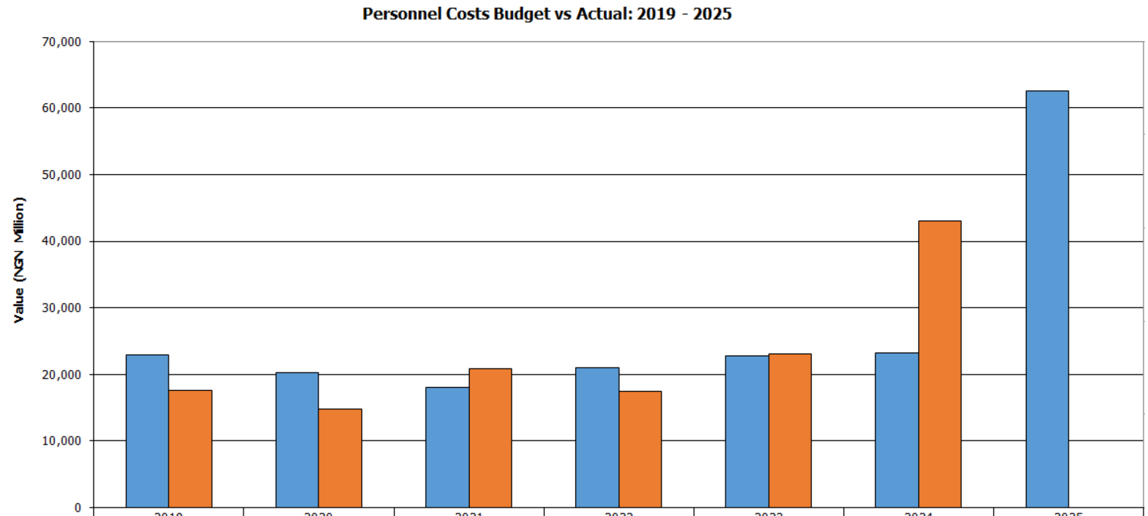
149. Other Federation Account Receipts include receipt from Excess Crude Account. Ekiti State received a sum of ₦5.4 billion in 2020 as Other Federation Account Receipts. Based on recent trend, Other Federation Account Receipts were ₦2.6 billion and N7.4 billion in 2021 and 2022 respectively. While the sporadic increase in 2024 was as a result of some Federal Government fiscal support to stabilize the Nigerian economy.

150. The Other Federation Account Receipt performed significantly in year 2022 with 181%.but reduced to 93.5%in 2023. Meanwhile, it later increased significantly by 10872% in 2024.

Expenditure Side

151. On the expenditure side, the document looks at Personnel, Social Contributions and Social Benefits, Overheads, Public Debt Service and Capital Expenditure – budget versus actual for the period 2019-2024 (six years) and 2025 budget.

Figure 10: Personnel



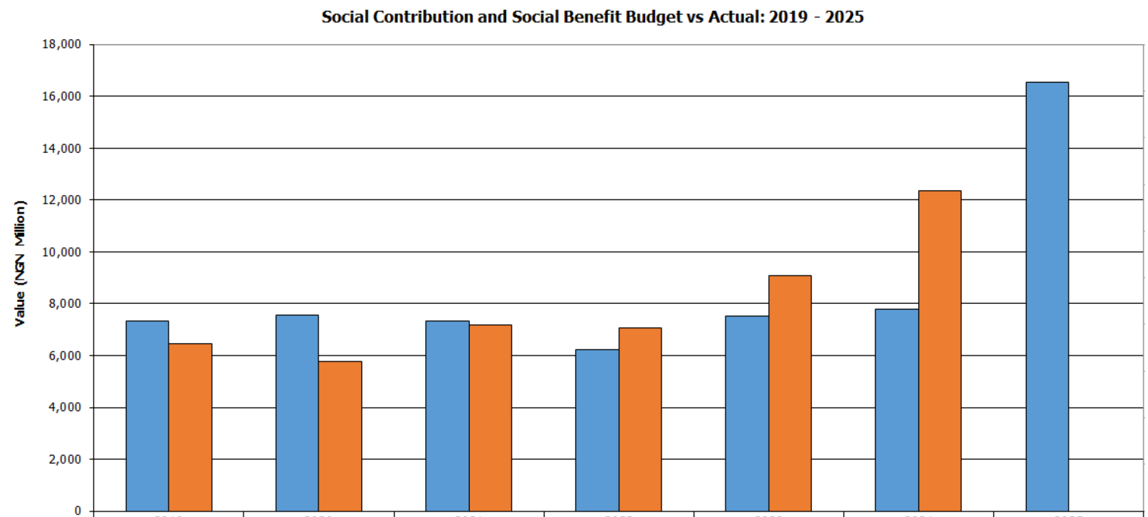
	2019	2020	2021	2022	2023	2024	2025
Budget	22,981,797,259	20,199,346,685	18,003,281,985	20,976,438,950	22,823,262,389	23,240,782,964	62,508,068,087
Actual	17,618,134,842	14,756,573,951	20,787,031,759	17,398,703,585	23,137,684,283	43,001,471,642	0
Performance	76.66%	73.05%	115.46%	82.94%	101.38%	185.03%	0.00%
Growth		-16.24%	40.87%	-16.30%	32.99%	85.85%	0.00%

Year

152. The personnel costs covered the salaries and allowances of civil servants as well as political office holders.

153. 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. Meanwhile, the performance of N185% recorded in 2024 was attributed to the Minimum Wage Palliate to Public Servants personnel costs exceeded budget significantly.

Figure 11: Social Contributions and Social Benefits



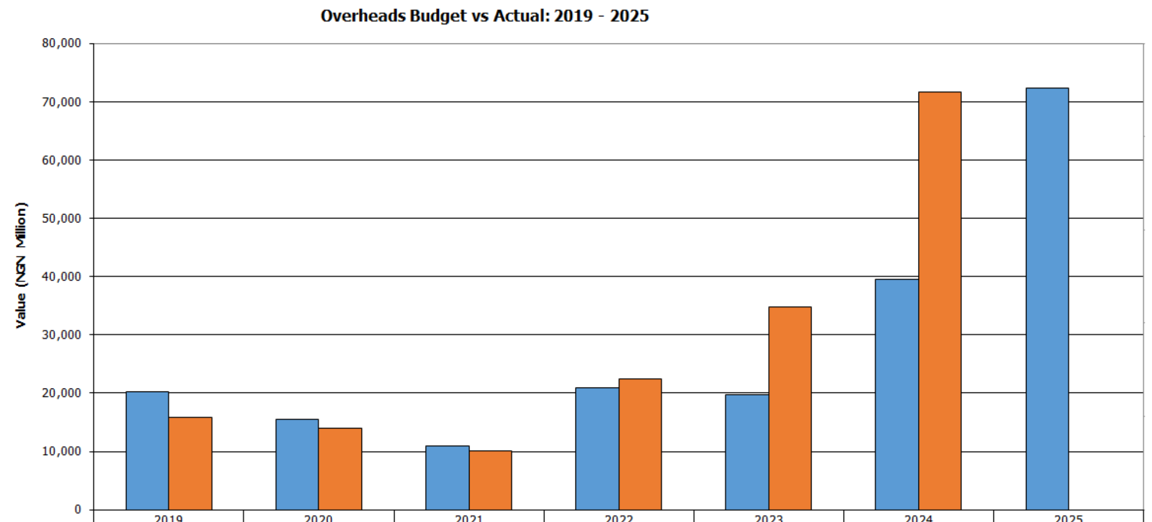
	2019	2020	2021	2022	2023	2024	2025
Budget	7,327,394,148	7,547,394,148	7,338,165,029	6,237,895,715	7,526,560,103	7,783,737,347	16,533,119,871
Actual	6,436,924,537	5,763,034,253	7,189,670,428	7,079,965,439	9,063,530,038	12,341,626,258	0
Performance	87.85%	76.36%	97.98%	113.50%	120.42%	158.56%	0.00%
Growth		-10.47%	24.75%	-1.53%	28.02%	36.17%	0.00%

Year

154. 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 has a result of the part have performed optimally against the Budget based on the proactive measures by the Government to defray outstanding pension and gratuities and meet its obligations on the Contributory Pensions Scheme.

155. The performance of 158.5 recorded in 2024 was attributed to the payment of Minimum Wage Palliate to Retiree. Also, the payment of Gratuities to Retirees was as a significant factor. Actual expenditure has been close to budget in all the years except 2021 and 2025 when personnel costs exceeded budget significantly.

Figure 12: Overheads

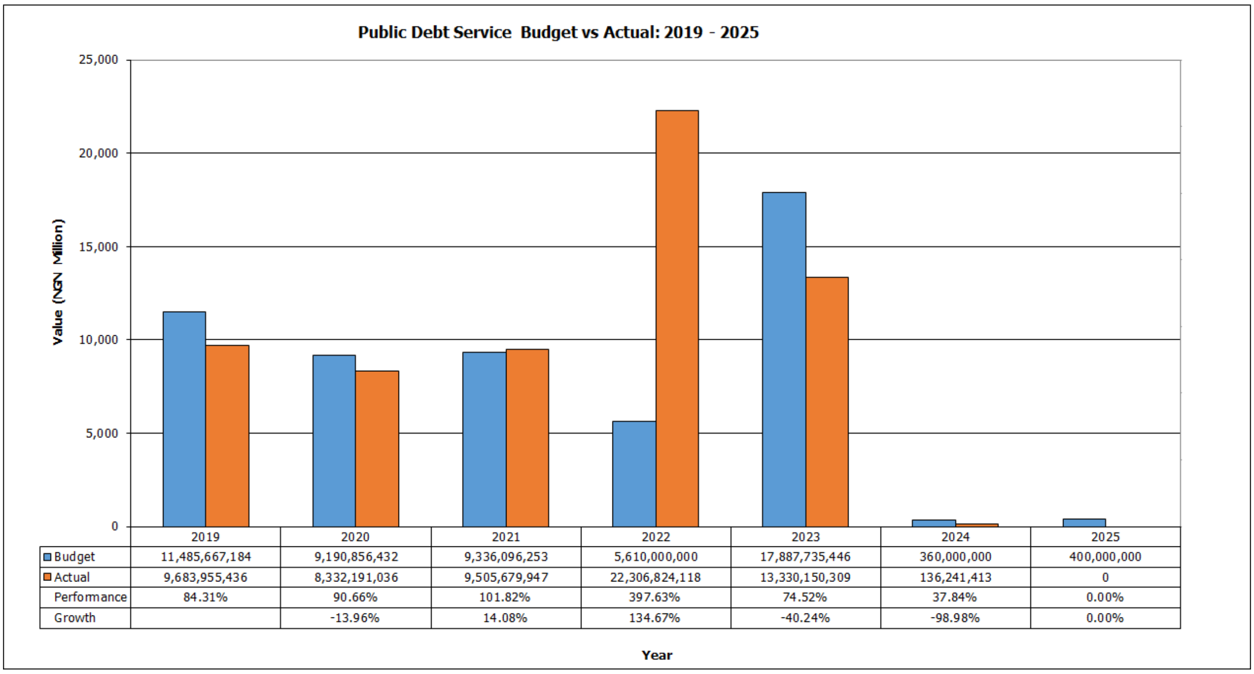


	2019	2020	2021	2022	2023	2024	2025
Budget	20,177,107,363	15,507,553,951	10,967,676,975	20,833,957,737	19,755,884,796	39,434,838,402	72,341,088,823
Actual	15,838,951,388	14,011,133,244	10,143,206,932	22,436,315,525	34,736,476,300	71,715,481,026	0
Performance	78.50%	90.35%	92.48%	107.69%	175.83%	181.86%	0.00%
Growth		-11.54%	-27.61%	121.20%	54.82%	106.46%	0.00%

156. 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.

157. As depicted in the graph, actual overhead expenditure fell from ₦15.8billion in 2019 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%, 54.8% and 106.4% in 2022, 2023 and 2024 respectively due to increase in economic activities

Figure 13: Public Debt Service

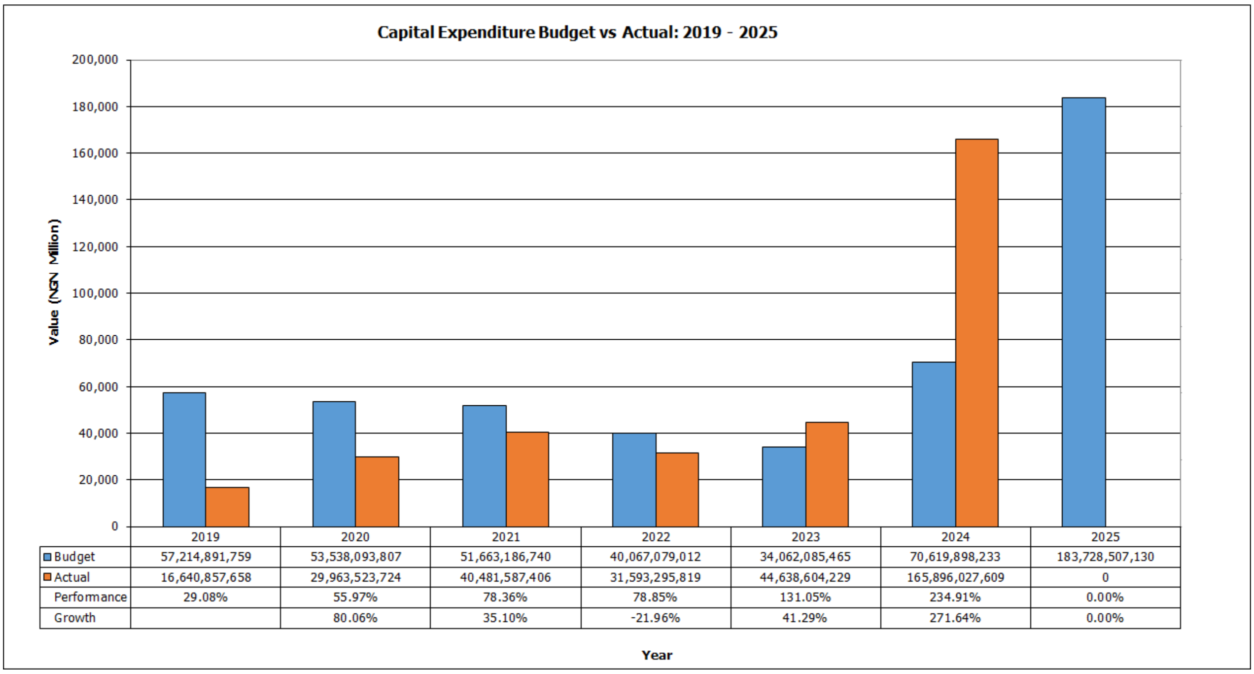


	2019	2020	2021	2022	2023	2024	2025
Budget	11,485,667,184	9,190,856,432	9,336,096,253	5,610,000,000	17,887,735,446	360,000,000	400,000,000
Actual	9,683,955,436	8,332,191,036	9,505,679,947	22,306,824,118	13,330,150,309	136,241,413	0
Performance	84.31%	90.66%	101.82%	397.63%	74.52%	37.84%	0.00%
Growth		-13.96%	14.08%	134.67%	-40.24%	-98.98%	0.00%

158. This expenditure element consists of repayment of short-term and long-term borrowings and servicing of short-term and long-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.

159. A quick look at the above graph indicates that the actual amount for debt servicing were relatively lower than the budget from 2019, 2020 and 2024. 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 14: Capital Expenditure

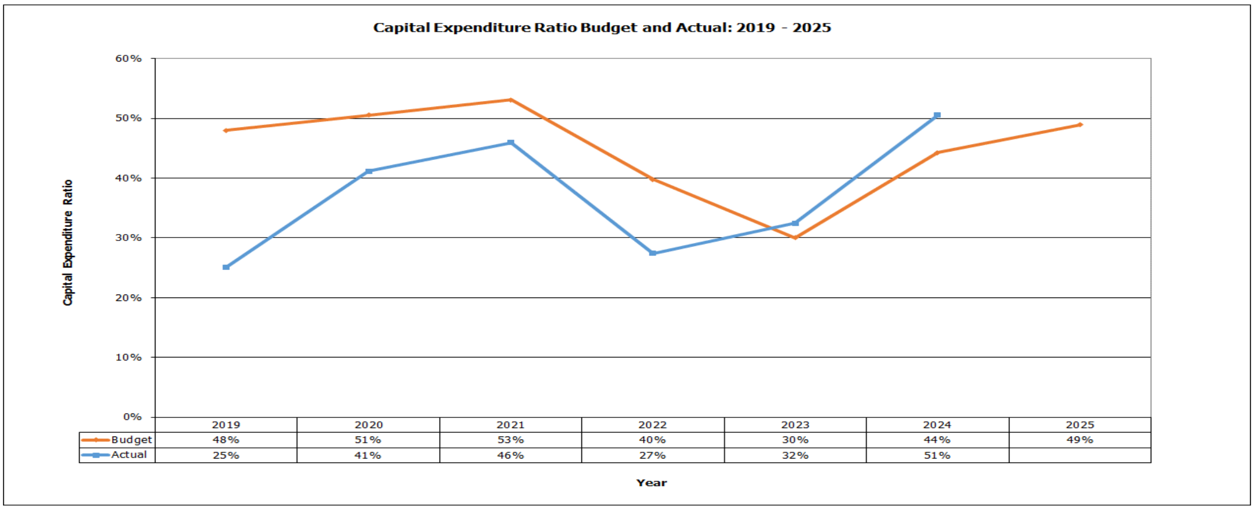


	2019	2020	2021	2022	2023	2024	2025
Budget	57,214,891,759	53,538,093,807	51,663,186,740	40,067,079,012	34,062,085,465	70,619,898,233	183,728,507,130
Actual	16,640,857,658	29,963,523,724	40,481,587,406	31,593,295,819	44,638,604,229	165,896,027,609	0
Performance	29.08%	55.97%	78.36%	78.85%	131.05%	234.91%	0.00%
Growth		80.06%	35.10%	-21.96%	41.29%	271.64%	0.00%

160. 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.

161. Actual performance was less than budget within the FY 2019 – FY 2022. Capital expenditure experienced a least performance of 29.08% in 2019. The State Government increases its capital spending consistently from ₦29.08 billion in 2019 to ₦165.8billion in 2024. The actual for 2022 and 2023 were N31.5billion and N44.6billion respectively. This could be attributed to the efforts of the present administration to improve industrial and infrastructural facilities and legacy projects to drive economic activities in the State.

Figure 15: Recurrent: Capital Expenditure Ratio



162. From the above graph, it was observed that the recurrent to capital expenditure ratio increased steadily from 26% in year 2019 to 46% in 2021. Thereafter, the actual recurrent to capital expenditure ratio experienced a decline to 27% in 2022 and later grew to 32% in 2023 and 51% in 2024.

Expenditure Performance by Sector

163. **Personnel Expenditure by Sector** had an impressive overall performance of 111.6% for the period 2019 – 2024. The highest performance was recorded in the Ministry of Justice with 176.70% while the least performing sector was recorded in the Ekiti State Civil Service Commission with 21.09%. Performance of Personnel Expenditure by sector over the period of 2019-2024 is presented in Table 3 below.

164. **Overhead Performance by Sector** also experienced a significant performance of 170.68% over the period 2019-2024. Ministry of Agriculture & Food Security had the highest performance of 492.2%, while Public Complaint Commission recorded a least performance of 28.72%. This is shown in Table 4 below.

165. **The Capital Expenditure by Sector** over the same period had an overall performance of 544.7%. The Ministry of Finance had highest performance of 255.01% while the lowest performance was recorded by Ministry of Chieftaincy & Home Affairs, Ministry of Transportation, Ministry of Rural Development and Ministry of Capacity Development & Reforms with 0%. The performance of most sectors were not impressive. The analysis of the Capital Expenditure by Sector in shown on Table 5 below.

Table 3: Sector Expenditure – Personnel - Budget Vs Actual

Personnel Expenditure by Sector

No.	Sector	2021 Budget	2021 Actual	2022 Budget	2022 Actual	2023 Budget	2023 Actual	2024 Budget	2024 Actual	Performance	Average Budget	Average Actual
1	Governor's Office	541,544,184	1,509,182,074	782,095,411	526,866,231	584,842,962	1,862,099,834	8,414,214,322	13,045,463,416	164.14%	11.12%	16.34%
2	Secretary To The State Government	1,232,646,011	2,437,056,209	1,341,301,421	1,442,602,675	2,599,902,226	1,010,764,893	71,968,728	2,446,086,243	139.85%	5.65%	7.08%
3	Ekiti State House Of Assembly	558,196,149	446,529,418	727,089,545	510,407,428	524,853,391	543,771,073	524,853,391	1,855,000,000	143.71%	2.52%	3.24%
4	Ministry Of Information And Value Orientat	286,692,665	264,955,221	278,772,767	281,776,553	306,026,691	323,638,856	325,485,572	384,312,050	104.82%	1.29%	1.21%
5	Head Of Service	83,073,244	79,660,933	81,513,210	78,423,828	87,504,881	77,571,189	77,480,610	106,983,168	103.96%	0.36%	0.33%
6	Ekiti State Auditor General Office	118,930,545	111,274,806	1,155,783,930	112,613,684	123,136,487	133,113,798	135,397,548	177,904,942	34.89%	1.65%	0.52%
7	Public Complaint Commission/Ombudsman	0	0	54,660,746	0	0	0	0	0	0.00%	0.06%	0.00%
8	Ekiti State Civil Service Commission	53,660,746	50,298,002	703,939,826	36,585,460	41,740,684	41,477,032	41,330,799	48,932,919	21.09%	0.91%	0.17%
9	Ekiti State Independence Electoral Commis	77,519,302	77,804,404	77,519,302	80,264,489	89,499,961	88,093,991	88,999,411	107,393,386	106.00%	0.36%	0.34%
10	Ministry Of Agriculture And Food Security	674,613,015	632,397,621	703,939,826	719,791,082	783,970,273	700,067,906	678,436,892	914,655,093	104.43%	3.06%	2.86%
11	Ministry Of Finance & Economic Developme	579,711,185	1,433,797,823	2,579,512,367	390,221,549	817,395,716	346,142,308	2,897,790,997	408,635,528	37.51%	7.41%	2.49%
12	Ministry Of Trade And Industries	168,589,272	147,923,087	177,251,170	175,482,866	194,355,538	197,216,983	194,784,612	256,341,451	105.71%	0.79%	0.75%
13	Ministry Of Employment And Wealth Creati	24,502,599	25,200,218	26,215,045	23,160,589	26,731,599	22,034,918	21,374,628	35,773,204	107.43%	0.11%	0.10%
14	Ministry of Innovation, Science and Techno	22,551,558	24,609,847	26,405,506	25,997,185	28,105,448	27,853,184	26,327,279	0	75.89%	0.11%	0.08%
15	Ekiti State Electricity Board	73,985,498	70,113,951	76,176,666	78,225,306	85,604,299	89,492,862	89,627,433	117,550,792	109.22%	0.35%	0.34%
16	Ekiti State Mineral Resources Development	16,449,736	11,103,897	9,794,313	15,521,239	17,306,580	18,111,466	16,848,339	25,385,828	116.10%	0.07%	0.07%
17	Ministry Of Works And Transportation	298,438,383	270,421,267	335,753,891	329,422,380	362,153,097	312,512,381	264,189,303	504,649,676	112.41%	1.36%	1.37%
18	Ministry Of Arts, Culture And Tourism Deve	56,533,532	59,027,489	80,609,871	93,823,879	102,882,586	93,249,485	95,282,399	121,501,857	109.63%	0.36%	0.35%
19	Ministry Of Budget And Economic Planning	103,985,365	101,180,861	110,122,354	102,980,862	114,617,838	120,235,975	122,542,889	158,271,838	106.96%	0.49%	0.47%
20	Fiscal Responsibility Commission	13,610,500	12,388,170	12,713,605	12,319,340	14,037,729	15,147,881	13,934,715	23,098,975	115.95%	0.06%	0.06%
21	Ekiti State Water Coorporation	369,615,378	307,179,456	351,593,811	319,707,931	355,419,212	336,063,770	248,510,956	307,209,467	95.85%	1.43%	1.23%
22	Ministry Of Physical Planning And Urban D	141,971,197	143,722,513	156,958,676	192,685,397	151,967,253	197,150,011	208,092,546	219,910,409	114.34%	0.71%	0.73%
23	Bureau Of Lands	80,912,204	73,345,226	65,826,164	51,147,640	107,092,549	107,116,472	107,054,280	152,484,995	106.43%	0.39%	0.37%
24	Ministry Of Infrastructure And Public Utilit	63,953,328	64,720,682	77,777,184	92,106,609	101,708,568	100,449,053	100,056,129	155,688,000	120.22%	0.37%	0.40%
25	Judicial Council	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%
26	Ministry Of Justice	187,379,620	871,003,445	225,782,304	212,011,458	234,250,551	236,013,420	237,792,623	282,980,074	180.98%	0.95%	1.55%
27	Ministry Of Regional And Inter-Governmen	11,979,240	10,947,139	10,055,591	15,118,321	15,879,487	14,697,013	14,259,517	19,474,071	115.45%	0.06%	0.06%
28	Ministry Of Youth And Sport Development	89,531,807	83,897,534	109,953,400	87,561,665	118,630,228	98,516,445	121,378,220	125,273,352	89.93%	0.47%	0.38%
29	Ministry Of Women Affairs, Gender Empow	76,821,932	90,447,229	89,494,569	99,876,473	89,048,857	106,097,463	84,548,837	158,669,946	133.88%	0.37%	0.44%
30	Ministry Of Education, Science And Techno	9,267,162,706	8,407,776,205	7,691,828,781	7,803,029,834	10,886,447,086	11,475,699,832	11,486,848,690	14,693,295,914	107.75%	42.37%	40.88%
31	Ministry Of Health And Human Services	2,528,134,331	2,752,776,869	2,624,617,348	3,284,895,038	3,628,305,611	4,016,911,664	3,900,572,365	4,862,610,365	117.63%	13.66%	14.39%
32	Ministry Of Environment	124,644,076	135,665,166	132,558,058	110,797,224	128,115,343	225,878,858	215,313,066	458,473,419	154.97%	0.65%	0.90%
33	Ministry Of Local Government Affairs	75,942,676	80,624,999	98,822,293	93,279,373	101,729,660	51,094,724	50,587,121	72,556,432	90.97%	0.35%	0.29%
	Total	**18,003,281,985**	**20,787,031,759**	**20,976,438,950**	**17,398,703,585**	**22,823,262,389**	**23,137,684,283**	**31,024,520,311**	**42,352,463,754**	**111.69%**	**100.00%**	**100.00%**

Table 4: Sector Expenditure – Overhead - Budget Vs Actual

Overhead Expenditure by Sector

No.	Sector	2021 Budget	2021 Actual	2022 Budget	2022 Actual	2023 Budget	2023 Actual	2024 Budget	2024 Actual	Performance	Average Budget	Average Actual
1	Governor's Office	587,629,210	487,629,000	1,702,458,412	5,193,596,355	1,576,108,724	10,728,882,527	7,191,597,145	22,717,400,845	353.85%	10.10%	20.94%
2	Secretary To The State Government	500,418,214	409,874,123	700,254,147	1,230,328,502	618,543,658	415,261,596	1,223,687,838	698,033,301	90.49%	2.78%	1.47%
3	Ekiti State House Of Assembly	500,548,120	412,000,088	2,200,548,120	941,301,674	1,694,512,053	1,346,496,463	1,694,512,053	2,075,836,931	78.42%	5.56%	2.56%
4	Ministry Of Information And Value Orientat	150,450,121	80,354,123	100,145,741	130,519,456	111,752,407	13,890,522	89,432,986	399,124,927	138.10%	0.41%	0.33%
5	Head Of Service	125,014,201	99,879,412	105,145,120	120,480,450	263,121,000	193,044,146	176,587,219	192,190,350	90.41%	0.61%	0.32%
6	Ekiti State Auditor General Office	102,315,102	98,784,111	100,584,123	48,434,000	63,490,000	75,842,852	138,228,471	150,853,295	92.41%	0.37%	0.20%
7	Public Complaint Commission/Ombudsman	12,512,000	5,120,002	13,250,000	445,000	510,000	540,000	516,889	1,590,000	28.72%	0.02%	0.00%
8	Ekiti State Civil Service Commission	24,102,451	15,102,451	20,151,112	16,852,000	28,000,000	25,172,000	52,481,069	40,899,000	78.59%	0.11%	0.05%
9	Ekiti State Independence Electoral Commis	25,102,000	15,102,000	23,145,277	4,900,000	12,000,000	16,659,000	22,000,000	17,300,000	65.61%	0.08%	0.03%
10	Ministry Of Agriculture And Food Security	123,456,102	60,874,123	500,142,102	31,979,190	34,975,226	48,511,873	78,530,091	3,501,485,130	494.21%	0.67%	1.95%
11	Ministry Of Finance & Economic Developme	3,581,201,526	4,021,443,062	8,674,621,293	12,229,458,058	8,317,839,719	17,948,409,842	25,990,916,904	27,456,281,382	132.41%	42.53%	32.99%
12	Ministry Of Trade And Industries	201,458,120	98,741,222	199,231,451	25,146,920	34,638,723	49,996,723	42,999,211	247,837,775	88.17%	0.44%	0.23%
13	Ministry Of Employment And Wealth Creati	36,541,210	29,112,774	30,451,245	4,267,000	8,546,800	10,810,600	30,978,124	31,089,600	70.67%	0.10%	0.04%
14	Ministry of Innovation, Science and Techno	20,102,456	12,874,333	21,458,412	6,381,000	8,661,000	12,831,000	124,702,555	104,943,940	78.34%	0.16%	0.07%
15	Ekiti State Electricity Board	162,458,120	51,748,120	150,123,548	181,397,607	406,468,656	636,343,664	501,500,000	2,792,407,035	300.02%	1.11%	1.96%
16	Ekiti State Mineral Resources Development	21,415,784	16,874,222	22,894,555	1,960,000	4,000,000	4,945,000	5,781,981	5,040,000	53.28%	0.05%	0.02%
17	Ministry Of Works And Transportation	221,451,201	159,000,741	200,154,546	28,918,000	40,589,639	29,830,675	7,652,004	27,915,053	52.29%	0.43%	0.13%
18	Ministry Of Arts, Culture And Tourism Deve	105,845,120	95,125,400	110,548,111	27,280,000	17,101,751	29,721,000	34,115,375	64,086,500	80.79%	0.24%	0.12%
19	Ministry Of Budget And Economic Planning	300,897,451	200,740,100	255,215,400	229,252,625	592,100,000	598,965,975	1,170,485,389	634,168,256	71.73%	2.12%	0.89%
20	Fiscal Responsibility Commission	10,235,120	2,500,142	12,451,231	5,985,000	11,938,282	9,555,000	11,404,556	11,695,000	64.60%	0.04%	0.02%
21	Ekiti State Water Coorporation	312,380,450	198,217,542	210,214,555	33,138,853	21,200,000	59,132,500	23,000,000	80,190,000	65.40%	0.52%	0.20%
22	Ministry Of Physical Planning And Urban D	218,745,120	197,213,000	250,214,521	3,656,162	54,025,065	25,830,523	33,217,829	65,422,296	52.52%	0.51%	0.16%
23	Bureau Of Lands	100,548,120	97,213,584	125,111,210	25,838,193	18,886,917	23,477,393	26,163,420	214,328,763	133.30%	0.25%	0.19%
24	Ministry Of Infrastructure And Public Utilit	68,451,230	57,412,587	60,251,481	12,036,000	18,900,000	26,773,100	39,268,893	79,251,000	93.90%	0.17%	0.09%
25	Judicial Council	854,123,105	800,412,000	1,054,215,456	82,536,212	1,853,401,984	0	2,856,900,047	3,650,219,502	68.49%	6.05%	2.43%
26	Ministry Of Justice	250,123,102	240,874,123	318,974,523	347,280,821	113,422,766	268,876,178	176,618,225	312,243,377	136.10%	0.78%	0.63%
27	Ministry Of Regional And Inter-Governmen	121,021,320	99,231,444	124,120,512	2,310,000	45,820,000	5,904,100	54,735,000	10,731,000	34.19%	0.32%	0.06%
28	Ministry Of Youth And Sport Development	50,124,512	20,784,231	61,254,123	28,594,410	128,686,271	45,712,000	226,556,942	177,135,965	58.34%	0.43%	0.15%
29	Ministry Of Women Affairs, Gender Empow	120,456,841	99,214,560	125,412,896	37,116,363	92,200,000	134,369,849	92,200,000	240,692,323	118.85%	0.39%	0.27%
30	Ministry Of Education, Science And Techno	1,051,241,000	999,223,417	1,888,745,231	1,040,883,828	1,689,270,830	1,252,481,735	11,691,362,326	23,837,651,315	166.23%	14.91%	14.52%
31	Ministry Of Health And Human Services	852,442,024	809,451,230	1,316,691,631	129,686,353	1,625,354,869	315,331,688	3,599,705,642	6,273,124,588	101.80%	6.75%	4.03%
32	Ministry Of Environment	102,451,201	100,666,777	110,546,231	214,772,733	227,262,368	342,766,000	314,044,726	726,998,767	183.64%	0.69%	0.74%
33	Ministry Of Local Government Affairs	52,415,321	50,412,888	45,231,421	19,582,760	22,556,088	3,240,000	3,000,000	10,790,000	68.20%	0.11%	0.04%
	Total	**10,967,676,975**	**10,143,206,932**	**20,833,957,737**	**22,436,315,525**	**19,755,884,796**	**34,736,476,300**	**57,928,063,371**	**119,551,199,645**	**170.68%**	**100.00%**	**100.00%**

Table 5: Sector Expenditure – Capital - Budget Vs Actual

Capital Expenditure by Sector

No.	Sector	2021 Budget	2021 Actual	2022 Budget	2022 Actual	2023 Budget	2023 Actual	2024 Budget	2024 Actual	Performance	Average Budget	Average Actual
1	Governor's Office	1,000,521,478	3,105,253,746	850,214,102	2,835,936,145	2,969,829,817	2,849,499,210	3,332,846,692	4,926,054,789	168.23%	4.15%	4.85%
2	Secretary To The State Government	1,900,524,177	2,077,758,260	1,222,415,741	764,149,125	435,000,000	0	1,607,494,841	115,176,846	57.25%	2.63%	1.05%
3	Ekiti State House Of Assembly	1,521,478,102	65,845,564	500,124,102	27,814,682	450,000,000	138,827,871	635,000,000	401,101,325	20.39%	1.58%	0.22%
4	Ministry Of Information And Value Orientation	350,417,524	1,018,250	200,415,741	0	284,080,563	20,700,000	255,307,151	4,000,000	2.36%	0.56%	0.01%
5	Head Of Service	65,241,000	0	50,241,584	0	150,000,000	0	95,000,000	4,870,000	1.35%	0.18%	0.00%
6	Ekiti State Auditor General Office	100,748,120	0	50,231,471	0	27,878,273	16,923,004	489,632,850	90,000,000	15.99%	0.34%	0.04%
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	40,889,412	0	25,417,120	0	16,500,000	1,300,000	13,500,000	0	1.35%	0.05%	0.00%
9	Ekiti State Independence Electoral Commission	200,417,512	425,052,548	100,241,741	5,000,000	455,000,000	0	100,000,000	0	50.26%	0.44%	0.15%
10	Ministry Of Agriculture And Food Security	2,000,487,412	2,520,887,955	1,742,145,741	683,098,534	1,231,348,162	821,998,904	4,637,773,564	9,345,768,297	139.12%	4.89%	4.73%
11	Ministry Of Finance & Economic Development	250,125,412	972,149,330	200,415,410	533,106,017	908,805,375	353,098,977	1,815,932,484	14,689,605,878	521.15%	1.62%	5.86%
12	Ministry Of Trade And Industries	350,214,451	319,228,776	152,417,120	940,184,532	2,212,086,272	1,539,324,519	8,812,534,215	6,172,321,516	77.82%	5.87%	3.17%
13	Ministry Of Employment And Wealth Creation	280,415,210	30,000,000	150,458,741	179,633,203	283,000,000	200,000,000	416,500,000	449,604,000	76.01%	0.58%	0.30%
14	Ministry of Innovation, Science and Technology	35,214,100	39,319,784	20,524,123	50,567,789	80,000,000	33,434,323	150,000,000	127,624,808	87.82%	0.15%	0.09%
15	Ekiti State Electricity Board	1,008,524,120	49,449,648	932,514,210	111,820,135	125,000,000	698,944,745	1,005,000,000	2,243,492,736	101.06%	1.56%	1.10%
16	Ekiti State Mineral Resources Development Agency	32,412,102	400,000	25,451,210	0	15,170,430	0	73,500,000	0	0.27%	0.07%	0.00%
17	Ministry Of Works And Transportation	22,200,241,748	13,408,576,351	18,002,154,120	11,203,823,897	11,270,000,000	16,795,971,366	19,453,176,414	66,148,204,752	151.65%	36.11%	38.06%
18	Ministry Of Arts, Culture And Tourism Development	202,451,784	101,400,000	150,210,451	4,000,000	133,343,938	0	650,000,000	400,903,301	44.57%	0.58%	0.18%
19	Ministry Of Budget And Economic Planning	3,500,415,210	8,757,047,770	2,114,541,210	12,716,709,320	5,018,723,774	15,703,465,152	1,854,000,000	30,845,654,064	544.72%	6.36%	24.07%
20	Fiscal Responsibility Commission	55,412,102	0	25,412,102	2,000,000	10,000,000	0	15,000,000	0	1.89%	0.05%	0.00%
21	Ekiti State Water Coorporation	1,540,157,840	251,290,911	1,212,884,745	66,000,000	80,000,000	92,388,592	2,737,000,000	672,973,522	19.44%	2.84%	0.38%
22	Ministry Of Physical Planning And Urban Development	500,415,741	27,354,359	250,412,444	441,100,000	281,373,025	22,491,976	1,750,000,000	73,327,531	20.28%	1.42%	0.20%
23	Bureau Of Lands	300,415,241	1,703,546,849	255,412,100	273,043,993	769,758,076	124,851,040	530,000,000	2,929,284,487	271.11%	0.94%	1.78%
24	Ministry Of Infrastructure And Public Utilities	150,021,400	6,500,000	121,584,112	30,519,215	95,000,000	226,875,269	2,387,481,986	220,395,288	17.58%	1.40%	0.17%
25	Judicial Council	2,501,410,210	54,900,000	1,001,215,411	163,450,000	650,000,000	578,006,000	471,000,000	0	17.22%	2.35%	0.28%
26	Ministry Of Justice	1,500,214,120	2,500,000	854,210,221	0	566,741,341	45,000,000	332,710,314	48,210,600	2.94%	1.66%	0.03%
27	Ministry Of Regional And Inter-Governmental Affairs	201,451,210	14,896,786	101,415,210	2,640,000	49,500,000	0	73,000,000	0	4.12%	0.22%	0.01%
28	Ministry Of Youth And Sport Development	250,214,120	2,000,000	150,445,121	3,000,000	182,331,750	19,237,000	303,614,190	91,040,000	13.00%	0.45%	0.04%
29	Ministry Of Women Affairs, Gender Empowerment And Soci	2,526,983,288	50,797,141	1,212,041,210	66,953,500	343,000,000	35,932,000	532,675,826	193,143,410	7.52%	2.35%	0.12%
30	Ministry Of Education, Science And Technology	2,510,415,241	3,643,400,449	3,303,242,729	163,100,120	2,549,473,325	2,456,507,203	8,392,403,112	2,570,764,441	52.72%	8.53%	3.13%
31	Ministry Of Health And Human Services	4,214,504,100	2,404,728,830	4,787,587,218	282,786,487	1,580,247,091	1,563,304,997	3,455,643,153	5,712,168,997	70.97%	7.15%	3.53%
32	Ministry Of Environment	250,417,841	206,859,900	200,541,210	27,859,125	608,894,250	300,522,080	2,288,171,442	1,404,713,150	57.94%	1.70%	0.69%
33	Ministry Of Local Government Affairs	120,415,412	239,424,200	100,541,241	15,000,000	230,000,000	0	50,000,000	0	50.79%	0.26%	0.09%
34	Ministry of Chirftaincy And Home Affairs	0	0	0	0	0	0	10,000,000	0	0.00%	0.01%	0.00%
35	Ministry of Rural And Community Development	0	0	0	0	0	0	404,000,000	407,412,232	100.84%	0.21%	0.14%
36	Ministry of Capacity Development And Training	0	0	0	0	0	0	250,000,000	0	0.00%	0.13%	0.00%
37	Ministry Of Transportation	0	0	0	0	0	0	1,240,000,000	15,608,211,639	1258.73%	0.63%	5.52%
	Total	**51,663,186,740**	**40,481,587,406**	**40,067,079,012**	**31,593,295,819**	**34,062,085,462**	**44,638,604,229**	**70,619,898,233**	**165,896,027,609**	**143.89%**	**100.00%**	**100.00%**

2.B.2 Ekiti State Debt Position

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

Table 6: Debt Position as at 31st December 2024

Debt Sustainability Analysis			
A	**DSA RATIO SCENARIOS:**	**Sustainability Thresholds**	**As at 31st December 2024**
	Solvency Ratios	**Percentage**	**Percentage**
1	Total Domestic Debt/IGR	150%	8.87%
2	Total External Debt/Gross FAAC	150%	8.13%
3	Total Public Debt/Total Recurrent Revenue	150%	8.23%
4	Total Public Debt/State GDP Ratio	25%	25%
	Liquidity Ratios	**Percentage**	**Percentage**
5	Domestic Debt Service/IGR	15%	21%
6	External Debt Service/Gross FAAC	10%	4.35%
8	Debt Service Deductions from FAAC/Gross FAAC	40%	9.47%
8	Total Debt Service/Total Recurrent Revenue	25%	30.25%
B	**PUBLIC DEBT DATA AS AT 31st DECEMBER 2024**		**Naira**
1	Total Domestic Debt		2,722,353,991
2	Total External Debt		16,198,951,097
3	**Total Public Debt**		**18,921,305,088**
4	Total Domestic Debt Service 2024		60,902,295,417
5	Total External Debt Service in 2024		8,671,262,723
6	**Total Public Debt Service**		**69,573,558,140**
C	**STATE GDP FOR 2024**		
1	**State GDP**		4.79%

Source: Ministry of Finance (Debt Management Office)/ 2024 Audited Financial Statements

167. 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.

168. 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.

169. The above table indicates that the total domestic debt in the State as at December, 2024 stood at ₦2.7 billion while total external debt stands at ₦16.1 billion. The implication of this is that 14% is from domestic sources while external debt accounts for 86%. The sum of ₦69.5 billion was spent to service the State's public debt.

3 Fiscal Strategy Paper

3.A Macroeconomic Framework

170. The Macroeconomic framework is based on:

A. Global Publications

i. Global Economic Prospects -June 2025 (World Bank)
ii. Regional Economic Outlook – April, 2025 (IMF)
iii. World Economic Outlook – July, 2025 (IMF)
iv. US Energy Information Administration Short Term Energy Outlook – July 2025
v. Nigeria: 2025 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Nigeria (IMF)
vi. World Economic Outlook, April 2025: A Critical Juncture amid Policy Shifts (IMF)
vii. Organization of the Petroleum Exporting Countries (Monthly Oil Market Report)

B. National Publications

i. CBN Monetary Policy Communique: Monetary Policy COMMUNIQUE No.157
ii. NBS Inflation Reports: Nigeria - Consumer Price Index and Inflation
iii. NBS GDP Reports: Nigeria - Gross Domestic Product
iv. OAGF June 2024 FAAC Distributions: FAAC Report – The OAGF Website
v. Oil Production Status Report – Nigerian Upstream Petroleum Regulatory Commission
viii. FGN 2025-2027 MTEF-FSP
ix. FGN 2024 - 2027 Medium Term Debt Strategy
x. Nigeria Tax Act, 2025
xi. Nigeria Tax Administration Act, 2025
xii. Joint Tax Revenue Board of Nigeria (Establishment) Act, 2025
xiii. Nigeria Revenue Service Establishment Act, 2025

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

Figure 16: Ekiti State Macroeconomic Framework

Macro-Economic Framework

Macro-Economic Framework

Item	2025	2026	2027	2028
National Inflation	24.00%	23.00%	17.00%	15.00%
National Real GDP Growth	3.40%	3.20%	3.30%	3.30%
Oil Production Benchmark (MBPD)	1.6500	1.7000	1.7500	1.8000
Oil Price Benchmark	$65.00	$55.00	$55.00	$55.00
NGN:USD Exchange Rate	1500	1500	1500	1500
Other Assumptions				
Mineral Ratio	18%	20%	22%	24%

Source: National Bureau of Statistics (NBS), NNPC, Federal Ministry of Budget & National Planning, Nigeria Governor's Forum (NGF)

3.B Fiscal Strategy and Assumptions

Policy Statement

172. 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

173. The key targets from a fiscal perspective are:

i. to further promote good governance through professional ethos, accountability, transparency and efficiency in public service delivery;

ii. to reinvigorate the State Government drive to improve Internally Generated Revenue by strengthening the capacities of the Ekiti State Internal Revenue Service and other Revenue Generating MDAs to achieve their operational goals for effective service delivery;

iii. to promote social inclusion and human capital development in the State with a view to enhancing the dignity of individuals, guarantee security and provide opportunity for a better life;

iv. to further boost agriculture for efficient, stable and resilient food system to meet local food demand and ensure food security;

v. to realize the long-term aspiration of making Ekiti State the best place to live, to work, to visit and invest by 2050;

vi. to enhance quality health care delivery through the implementation of strategic heath policies;

vii. to further create employment opportunities by attracting investors to the State through the creation and provision of enabling business environment;

viii. to enhance productivity through technological development/digitalization of the Public Service;

ix. to provide tourist-friendly environment to promote culture and tourism and boost the economy of the State; and

x. to improve Youth Engagement, Participation and Empowerment and by extension promote values reorientation and productivity.

3.C Indicative Three-Year Fiscal Framework

174. The indicative three-year fiscal framework for the period 2026-2028 is presented in the table below.

Table 7: Ekiti State Medium Term Fiscal Framework

Macro-Economic Framework

Item	2025	2026	2027	2028
National Inflation	24.00%	23.00%	17.00%	15.00%
National Real GDP Growth	3.40%	3.20%	3.30%	3.30%
Oil Production Benchmark (MBPD)	1.6500	1.7000	1.7500	1.8000
Oil Price Benchmark	$65.00	$55.00	$55.00	$55.00
NGN:USD Exchange Rate	1500	1500	1500	1500
Other Assumptions				
Mineral Ratio	18%	20%	22%	24%

Fiscal Framework

Item	2025	2026	2027	2028
Opening Balance	70,003,536,831	27,714,164,594	27,714,164,594	27,714,164,594
Recurrent Revenue				
Statutory Allocation	310,716,617,130	320,242,790,009	355,654,968,947	390,189,507,221
Derivation				
VAT	88,709,157,859	103,301,286,765	114,226,898,959	122,225,378,241
IGR	32,223,878,689	48,335,818,033	50,752,608,935	55,827,869,828
Excess Crude / Other Revenue	0	0	0	0
Total Recurrent Revenue	**431,649,653,677**	**471,879,894,807**	**520,634,476,841**	**568,242,755,290**
Recurrent Expenditure				
Personnel Costs	47,301,618,806	52,031,780,687	53,072,416,300	53,603,140,463
Social Contribution and Social Benefit	16,661,195,449	16,827,807,403	16,996,085,477	17,166,046,332
Overheads	118,871,660,018	121,249,093,218	124,886,566,015	127,384,297,335
Public Debt Service	31,669,791,532	32,569,791,532	32,569,791,532	32,569,791,532
Total	**214,504,265,805**	**222,678,472,841**	**227,524,859,325**	**230,723,275,663**
Transfer to Capital Account	**287,148,924,703**	**276,915,586,560**	**320,823,782,110**	**365,233,644,221**
Capital Receipts				
Grants	25,257,735,541	25,923,017,351	22,093,817,351	19,863,817,351
Other Capital Receipts	0	0	0	0
Total	**25,257,735,541**	**25,923,017,351**	**22,093,817,351**	**19,863,817,351**
Reserves				
Contingency Reserve	25,082,659,525	24,979,702,970	27,417,432,072	29,797,845,994
Planning Reserve	5,294,029,008	6,173,117,662	6,708,770,385	7,306,034,320
Total Reserves	**30,376,688,534**	**31,152,820,632**	**34,126,202,457**	**37,103,880,314**
Capital Expenditure	**302,328,298,710**	**296,217,227,079**	**320,026,481,403**	**346,912,000,258**
Discretional Funds	269,772,236,170	256,762,765,928	284,697,579,653	321,129,763,907
Non-Discretional Funds	32,556,062,541	39,454,461,151	35,328,901,751	25,782,236,351
Financing (Loans)	22,298,327,000	33,531,443,800	20,235,084,400	7,918,419,000
Total Revenue (Including Opening Balance)	**549,209,253,049**	**559,048,520,552**	**590,677,543,185**	**623,739,156,235**
Total Expenditure (including Contingency Reserve)	**547,209,253,049**	**550,048,520,552**	**581,677,543,185**	**614,739,156,235**

3.C.1 Assumptions

175. **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 2026-2028 Federal Fiscal Strategy Paper. It is based on historical mineral revenues flows and elasticity-based forecast using national Real GDP and Inflation data.

176. **VAT –** is based on elasticity forecast using the combined change in GDP and inflation rate. The estimate for 2026-2028 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.

177. **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, 2025. Furthermore, it is anticipated that own value would be sustained throughout the forecasting period (2026 -2028).

178. **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 2026, 5% in 2027 and 10% in 2028, 2026 and 2027 respectively based on IGR reforms initiatives being introduced by the current administration the State.

179. **Grants –** the estimate for internal Grants are based on the actual receipts for 2024 and performance from January to June, 2025. In addition, it was based on the estimates submitted by the relevant Agencies supervising donor support programmes and projects in the State. External grants are based on signed Grant Agreements with the International Institutions e.g. World Bank, UNICEF, EU, UBEC etc.

180. **Miscellaneous Capital Receipts – –** modest amount from sundry sources such as refund from Federal Government and transfers is provided for the years.

181. **Financing (Loans) –** The internal and external loans projections are based on signed Agreement and other borrowing expectations.

182. A full schedule of estimates capital receipts is presented in Annex 1.

183. **Personnel –** The present administration has commenced the implementation of the new Minimum Wage for Ekiti State Public. The Government has cleared some of the outstanding emolumentof the workforce. Consequently, the personnel cost of the State is projected to rise by over 10% in year 2026 due to the recruitment of civil servants and the promotion exercise for eligible officers.

184. **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 1% in 2026 and 1% in 2027 and 2028 respectively for the period under review.

185. **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 Administration hopes to defray some backlog of arrears of subventions to the tertiary institutions in the State. The estimation technique used is the Own Percentage at a rate of 2% for 2026. The increase could be attributed to the effect of inflation on prices of commodities and hyper-inflation.

186. **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 2026 – 2028 from the DSA/MTDS

187. **Contingency and Planning Reserves –** 5% of Total Revenue 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 Total Revenue 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.

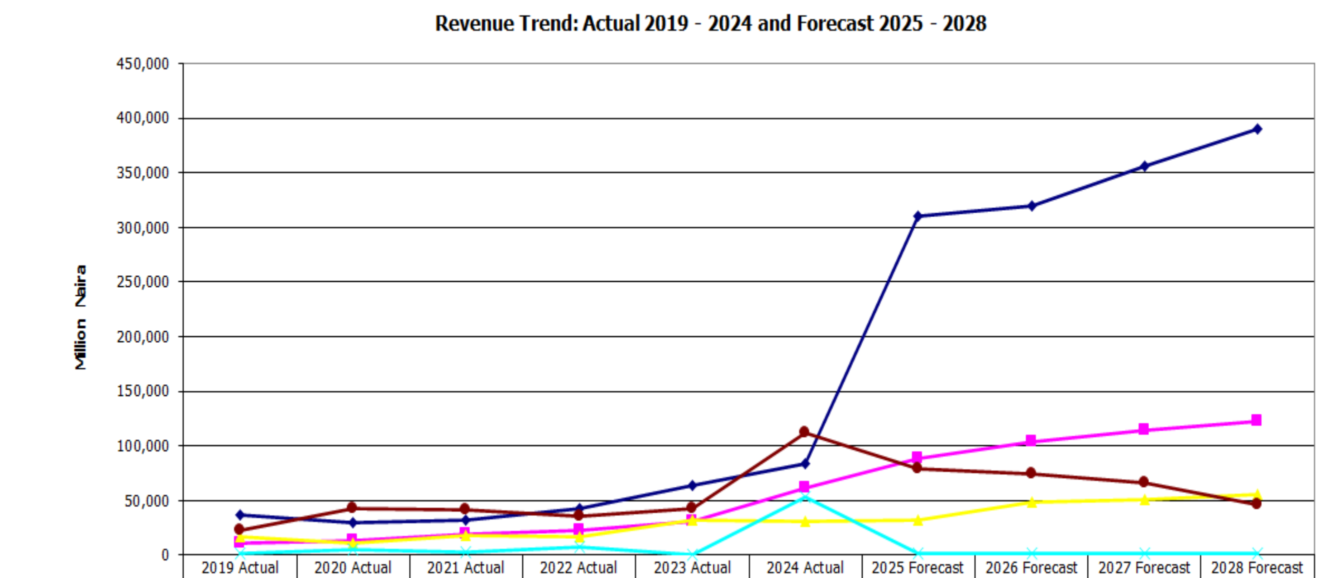
188. **Capital Expenditure** – This is the balance from the Recurrent Account plus Capital Receipts, less Planning and Contingency Reserves. The projection is contingent upon the Reserves and ease of accessing long term loans/Drawdown.

189. **Closing Balance** – This is the estimated utilized revenue that would be transferred into the next fiscal year.

3.C.2 Fiscal Trends

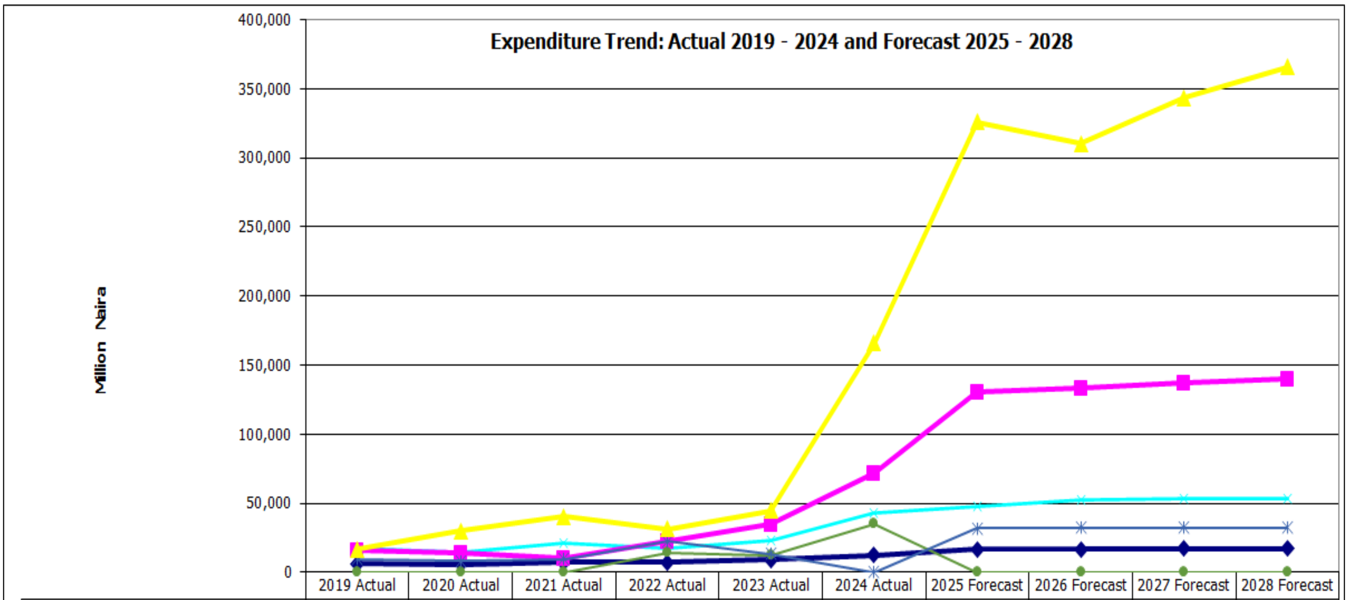
190. Based on the above envelope, plus actual figures for 2019-2024 (using the same basis for forecasting as noted in the sub-sections within section 3.B), the trend from historical actual to forecast can be seen for revenue and then expenditure in the line graphs below.

Figure 17: Ekiti State Revenue Trend



	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
Stat.Allocation	36,817,362,98	30,307,574,58	31,661,430,47	42,236,236,09	63,682,711,76	84,234,740,88	310,716,617,1	320,242,790,0	355,654,968,9	390,189,507,2
VAT	11,044,201,91	13,345,338,51	19,408,317,72	22,826,395,26	31,197,541,89	61,884,500,85	88,709,157,85	103,301,286,7	114,226,898,9	122,225,378,2
Total IGR	16,529,675,74	10,909,301,88	17,567,780,12	16,748,259,53	31,792,404,88	30,689,408,27	32,223,878,68	48,335,818,03	50,752,608,93	55,827,869,82
Other Federation Account Receipts	1,547,410,167	5,401,840,448	2,650,800,208	7,467,289,023	484,502,076	53,161,629,20	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Capital Receipts	22,885,351,65	42,663,577,87	41,498,302,71	36,090,266,42	43,167,790,51	111,693,915,0	79,556,062,54	74,454,461,15	66,328,901,75	46,782,236,35

Figure 18: Ekiti State Expenditure Trend



	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
Personnel Costs	17,618,134,842	14,756,573,951	20,787,031,759	17,398,703,585	23,137,684,283	43,001,471,642	47,301,618,806	52,031,780,687	53,072,416,300	53,603,140,463
Social Contribution and Social Benefit	6,436,924,537	5,763,034,253	7,189,670,428	7,079,965,439	9,063,530,038	12,341,626,258	16,661,195,449	16,827,807,403	16,996,085,477	17,166,046,332
Overheads	15,838,951,388	14,011,133,244	10,143,206,932	22,436,315,525	34,736,476,300	71,715,481,026	130,522,175,467	133,132,618,976	137,126,597,545	139,869,129,496
Grants, Contributions and Subsidies	0	0	0	14,558,587,446	12,659,207,455	35,356,749,623	0	0	0	0
Public Debt Service	9,683,955,436	8,332,191,036	9,505,679,947	22,306,824,118	13,330,150,309	136,241,413	31,669,791,532	32,569,791,532	32,569,791,532	32,569,791,532
Capital Expenditure	16,640,857,658	29,963,523,724	40,481,587,406	31,593,295,819	44,638,604,229	165,896,027,609	325,871,812,270	310,406,818,983	343,395,220,258	365,633,202,416

3.D Fiscal Risks

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

Table 8: Fiscal Risks

Risk	Likelihood	Impact	Reaction
High Inflation	Medium	High	National Governmentshould reduce money supply and apply the new Tax law to reduce the purchasing power of wealthy individuals or organizations.
Currency Volatility	Medium	High	Federal Government is addressing this by intensifying effort to increase the nation's foreign reserve. Furthermore, effort is being made to reduce the nation's dependence on foreign goods.
COVID-19 Pandemic	Low	Low	National and State Government are addressing the pandemic through vaccination, awareness fr social distancing, hygiene and other health protocols.
Insecurity	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.
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
Fiscal Discipline	Medium	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.

Risk	Likelihood	Impact	Reaction
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 countries: Russia and Ukraine/ Israel, Palestine, Lebanon and Iran	High	High	Multilateral discussion ongoing by various International Bodies such as United Nations, EU, AU, ECOWAS, etc to resolve the conflicts.

192. It should be noted however that no budget is without risk. The ongoing implementation of the 2025 budget should be closely monitored, as should the security situation and impact of the fiscal and economic outlook.

193. The revenue forecast for the 16 Local Governments in Ekiti State are as follows:

Local Government Council	Statutory Allocation Share	VAT Share	IGR Share	2026				
				Statutory Allocation	VAT	Other Federation Account	Share of State IGR	**Total Transfer**
ADO EKITI	0.1437%	0.1320%	8.114%	4,211,876,765	1,542,395,737	30,234,796	392,184,447	**6,176,691,745**
AIYEKIRE	0.1094%	0.0976%	6.174%	3,206,536,661	1,140,438,060	23,018,000	298,425,863	**4,668,418,584**
EFON	0.1043%	0.0845%	5.887%	3,057,054,604	987,366,968	21,944,949	284,544,864	**4,350,911,386**
EKITI EAST	0.1077%	0.0955%	6.078%	3,156,709,309	1,115,899,946	22,660,317	293,808,020	**4,589,077,591**
EKITI SOUTH WEST	0.1141%	0.1013%	6.438%	3,344,294,634	1,183,671,880	24,006,891	311,199,948	**4,863,173,353**
EKITI WEST	0.1163%	0.1044%	6.563%	3,408,777,090	1,219,894,810	24,469,775	317,239,799	**4,970,381,474**
EMURE	0.0958%	0.1860%	5.408%	2,807,917,844	2,173,375,811	20,156,530	261,407,564	**5,262,857,749**
IDO-OSI	0.1180%	0.1000%	6.662%	3,458,604,442	1,168,481,619	24,827,459	322,033,207	**4,973,946,727**
IJERO	0.1263%	0.1133%	7.129%	3,701,879,161	1,323,889,674	26,573,797	344,562,732	**5,396,905,365**
IKERE	0.1103%	0.0975%	6.225%	3,232,915,847	1,139,269,578	23,207,362	300,878,931	**4,696,271,719**
IKOLE	0.1182%	0.1020%	6.671%	3,464,466,483	1,191,851,251	24,869,540	322,441,385	**5,003,628,660**
ILEJEMEJI	0.0829%	0.0752%	4.681%	2,429,816,172	878,698,177	17,442,342	226,276,558	**3,552,233,249**
IREPODUN/IFELODUN	0.1051%	0.0936%	5.933%	3,080,502,770	1,093,698,795	22,113,271	286,790,269	**4,483,105,105**
ISE/ORUN	0.1026%	0.0903%	5.790%	3,007,227,252	1,055,138,902	21,587,265	279,860,596	**4,363,814,015**
MOBA	0.1100%	0.0973%	6.210%	3,224,122,785	1,136,932,615	23,144,242	300,154,264	**4,684,353,905**
OYE	0.1069%	0.0946%	6.036%	3,133,261,143	1,105,383,611	22,491,995	291,773,356	**4,552,910,105**
Total	**2%**	**2%**	**100%**	**51,925,962,962**	**19,456,387,434**	**372,748,532**	**4,833,581,803**	**76,588,680,731**

Local Government Council	Statutory Allocation Share	VAT Share	2027				
			Statutory Allocation	VAT	Other Federation Account	Share of State IGR	**Total Transfer**
ADO EKITI	0.1437%	0.1320%	4,677,622,563	1,705,526,499	30,234,796	411,793,669	**6,825,177,527**
AIYEKIRE	0.1094%	0.0976%	3,561,112,793	1,261,055,957	23,018,000	313,347,156	**5,158,533,907**
EFON	0.1043%	0.0845%	3,395,101,137	1,091,795,373	21,944,949	298,772,108	**4,807,613,566**
EKITI EAST	0.1077%	0.0955%	3,505,775,574	1,233,922,581	22,660,317	308,498,421	**5,070,856,893**
EKITI SOUTH WEST	0.1141%	0.1013%	3,714,103,928	1,308,862,382	24,006,891	326,759,945	**5,373,733,146**
EKITI WEST	0.1163%	0.1044%	3,785,716,800	1,348,916,413	24,469,775	333,101,789	**5,492,204,777**
EMURE	0.0958%	0.1860%	3,118,415,042	2,403,241,885	20,156,530	274,477,942	**5,816,291,400**
IDO-OSI	0.1180%	0.1000%	3,841,054,018	1,292,065,530	24,827,459	338,134,868	**5,496,081,875**
IJERO	0.1263%	0.1133%	4,111,229,852	1,463,910,245	26,573,797	361,790,868	**5,963,504,763**
IKERE	0.1103%	0.0975%	3,590,408,968	1,259,763,891	23,207,362	315,922,878	**5,189,303,100**
IKOLE	0.1182%	0.1020%	3,847,564,280	1,317,906,840	24,869,540	338,563,455	**5,528,904,114**
ILEJEMEJI	0.0829%	0.0752%	2,698,503,204	971,633,278	17,442,342	237,590,386	**3,925,169,211**
IREPODUN/IFELODUN	0.1051%	0.0936%	3,421,142,181	1,209,373,336	22,113,271	301,129,782	**4,953,758,570**
ISE/ORUN	0.1026%	0.0903%	3,339,763,918	1,166,735,173	21,587,265	293,853,626	**4,821,939,982**
MOBA	0.1100%	0.0973%	3,580,643,577	1,257,179,760	23,144,242	315,161,977	**5,176,129,555**
OYE	0.1069%	0.0946%	3,479,734,530	1,222,293,991	22,491,995	306,362,024	**5,030,882,540**
Total	**2%**	**2%**	**57,667,892,365**	**21,514,183,135**	**372,748,532**	**5,075,260,894**	**84,630,084,925**

Local Government Council	Statutory Allocation Share	VAT Share	2028				
			Statutory Allocation	VAT	Other Federation Account	Share of State IGR	**Total Transfer**
ADO EKITI	0.1437%	0.1320%	5,131,825,511	1,824,952,120	30,234,796	452,973,036	**7,439,985,464**
AIYEKIRE	0.1094%	0.0976%	3,906,901,259	1,349,358,538	23,018,000	344,681,872	**5,623,959,669**
EFON	0.1043%	0.0845%	3,724,769,665	1,168,245,865	21,944,949	328,649,318	**5,243,609,797**
EKITI EAST	0.1077%	0.0955%	3,846,190,728	1,320,325,208	22,660,317	339,348,263	**5,528,524,516**
EKITI SOUTH WEST	0.1141%	0.1013%	4,074,748,023	1,400,512,498	24,006,891	359,435,940	**5,858,703,352**
EKITI WEST	0.1163%	0.1044%	4,153,314,593	1,443,371,222	24,469,775	366,411,968	**5,987,567,558**
EMURE	0.0958%	0.1860%	3,421,217,008	2,571,523,442	20,156,530	301,925,737	**6,314,822,717**
IDO-OSI	0.1180%	0.1000%	4,214,025,124	1,382,539,485	24,827,459	371,948,354	**5,993,340,423**
IJERO	0.1263%	0.1133%	4,510,435,366	1,566,417,237	26,573,797	397,969,955	**6,501,396,355**
IKERE	0.1103%	0.0975%	3,939,042,129	1,347,975,998	23,207,362	347,515,166	**5,657,740,655**
IKOLE	0.1182%	0.1020%	4,221,167,540	1,410,190,275	24,869,540	372,419,800	**6,028,647,154**
ILEJEMEJI	0.0829%	0.0752%	2,960,531,210	1,039,669,693	17,442,342	261,349,425	**4,278,992,670**
IREPODUN/IFELODUN	0.1051%	0.0936%	3,753,339,327	1,294,056,958	22,113,271	331,242,760	**5,400,752,316**
ISE/ORUN	0.1026%	0.0903%	3,664,059,133	1,248,433,155	21,587,265	323,238,988	**5,257,318,542**
MOBA	0.1100%	0.0973%	3,928,328,506	1,345,210,919	23,144,242	346,678,175	**5,643,361,841**
OYE	0.1069%	0.0946%	3,817,621,066	1,307,882,353	22,491,995	336,998,226	**5,484,993,640**
Total	**2%**	**2%**	**63,267,516,186**	**23,020,664,967**	**372,748,532**	**5,582,786,983**	**92,243,716,668**

Budget Policy Statement

3.E Budget Policy Thrust

143. 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:

i. 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;

ii. 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;

iii. to provide conducive environment and sustainable welfare package for Ekiti State's workers, retires and traditional institution, develop the State's rural, support farmers and improve the productivity of agriculture sector;

iv. to develop Arts, Culture and Tourism industry by investing in attractions, cultural endowments and assets;

v. to provide qualitative 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

3.F Sector Allocations (3 Year)

194. The ceiling for the total budget size for 2025 fiscal year is **₦550,048,520,552.00** of which the sum of **₦222,678,472,841.00** will be for Recurrent Expenditure, **₦296,217,227,079.00** for Capital Expenditure, and **₦31,152,820,632.00** will be for contingency and planning reserve that will be allocated to sectors at bilateral discussion stage to fund critical expenditure items.

195. The Capital Expenditure component is divided into Discretionary Capital expenditure of the sum of **₦256,762,765,928.00** that will be spent across all MDAs and non-discretionary Capital Expenditure of **₦39,454,461,151.00** 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.

196. 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. Youth Development and Job Creation.

ii. Human Capital Development.

iii. Agriculture and Rural Development.

iv. Infrastructure and Industrialisation.

v. Arts, Culture and Tourism.

vi. Governance.

197. Presented in the tables below are the indicative three envelopes for sectors / Main Orgs.

Table 9: Indicative Sector Expenditure Ceilings 2026-2028 – Personnel Expenditure

Personnel Expenditure by Sector

No.	Sector	Performance	Average Budget	Average Actual	2025 Budget	2025 Budget %	% 2026	2026 Allocation	% 2027	2027 Allocation	% 2028	2028 Allocation
1	Governor's Office	164.14%	11.12%	16.34%	17,065,668,234	28.14%	18.53%	9,643,170,638	18.53%	9,836,034,051	18.53%	9,934,394,391
2	Secretary To The State Government	139.85%	5.65%	7.08%	2,396,875,894	3.95%	5.56%	2,892,848,543	5.56%	2,950,705,514	5.56%	2,980,212,569
3	Ekiti State House Of Assembly	143.71%	2.52%	3.24%	1,855,000,000	3.06%	2.94%	1,528,089,722	2.94%	1,558,651,517	2.94%	1,574,238,032
4	Ministry Of Information And Value Orientat	104.82%	1.29%	1.21%	455,602,777	0.75%	1.08%	563,820,485	1.08%	575,096,894	1.08%	580,847,863
5	Head Of Service	103.96%	0.36%	0.33%	112,290,940	0.19%	0.29%	151,007,341	0.29%	154,027,488	0.29%	155,567,763
6	Ekiti State Auditor General Office	34.89%	1.65%	0.52%	196,577,821	0.32%	0.83%	432,169,337	0.83%	440,812,724	0.83%	445,220,851
7	Public Complaint Commission/Ombudsman	0.00%	0.06%	0.00%	0	0.00%	0.02%	10,212,835	0.02%	10,417,092	0.02%	10,521,263
8	Ekiti State Civil Service Commission	21.09%	0.91%	0.17%	59,539,015	0.10%	0.39%	203,756,249	0.39%	207,831,374	0.39%	209,909,688
9	Ekiti State Independence Electoral Commis	106.00%	0.36%	0.34%	122,641,188	0.20%	0.30%	156,534,370	0.30%	159,665,058	0.30%	161,261,708
10	Ministry Of Agriculture And Food Security	104.43%	3.06%	2.86%	1,067,569,148	1.76%	2.56%	1,332,415,001	2.56%	1,359,063,301	2.56%	1,372,653,934
11	Ministry Of Finance & Economic Developme	37.51%	7.41%	2.49%	10,169,109,309	16.77%	8.89%	4,623,711,518	8.89%	4,716,185,748	8.89%	4,763,347,605
12	Ministry Of Trade And Industries	105.71%	0.79%	0.75%	291,696,893	0.48%	0.67%	350,713,947	0.67%	357,728,226	0.67%	361,305,508
13	Ministry Of Employment And Wealth Creati	107.43%	0.11%	0.10%	36,125,818	0.06%	0.09%	46,555,565	0.09%	47,486,676	0.09%	47,961,543
14	Ministry of Innovation, Science and Techno	75.89%	0.11%	0.08%	48,379,918	0.08%	0.09%	46,277,372	0.09%	47,202,920	0.09%	47,674,949
15	Ekiti State Electricity Board	109.22%	0.35%	0.34%	126,661,033	0.21%	0.30%	156,467,792	0.30%	159,597,148	0.30%	161,193,119
16	Ekiti State Mineral Resources Development	116.10%	0.07%	0.07%	27,393,498	0.05%	0.06%	30,848,993	0.06%	31,465,973	0.06%	31,780,632
17	Ministry Of Works And Transportation	112.41%	1.36%	1.37%	567,410,007	0.94%	1.22%	634,822,109	1.22%	647,518,551	1.22%	653,993,737
18	Ministry Of Arts, Culture And Tourism Deve	109.63%	0.36%	0.35%	141,299,145	0.23%	0.32%	164,550,280	0.32%	167,841,286	0.32%	169,519,699
19	Ministry Of Budget And Economic Planning	106.96%	0.49%	0.47%	177,717,934	0.29%	0.41%	215,879,881	0.41%	220,197,479	0.41%	222,399,454
20	Fiscal Responsibility Commission	115.95%	0.06%	0.06%	26,303,092	0.04%	0.05%	28,197,865	0.05%	28,761,822	0.05%	29,049,441
21	Ekiti State Water Coorporation	95.85%	1.43%	1.23%	412,113,855	0.68%	1.11%	577,919,775	1.11%	589,478,171	1.11%	595,372,952
22	Ministry Of Physical Planning And Urban D	114.34%	0.71%	0.73%	264,266,858	0.44%	0.62%	324,741,420	0.62%	331,236,249	0.62%	334,548,611
23	Bureau Of Lands	106.43%	0.39%	0.37%	175,259,993	0.29%	0.35%	181,799,150	0.35%	185,435,133	0.35%	187,289,484
24	Ministry Of Infrastructure And Public Utilit	120.22%	0.37%	0.40%	157,329,506	0.26%	0.34%	178,252,381	0.34%	181,817,429	0.34%	183,635,603
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	180.98%	0.95%	1.55%	327,850,745	0.54%	1.01%	527,141,775	1.01%	537,684,610	1.01%	543,061,456
27	Ministry Of Regional And Inter-Governmen	115.45%	0.06%	0.06%	22,012,953	0.04%	0.05%	26,119,814	0.05%	26,642,210	0.05%	26,908,633
28	Ministry Of Youth And Sport Development	89.93%	0.47%	0.38%	146,598,080	0.24%	0.37%	190,156,487	0.37%	193,959,617	0.37%	195,899,213
29	Ministry Of Women Affairs, Gender Empow	133.88%	0.37%	0.44%	168,450,412	0.28%	0.36%	187,810,742	0.36%	191,566,957	0.36%	193,482,627
30	Ministry Of Education, Science And Techno	107.75%	42.37%	40.88%	17,190,532,281	28.34%	37.20%	19,354,256,450	37.20%	19,741,341,579	37.20%	19,938,754,995
31	Ministry Of Health And Human Services	117.63%	13.66%	14.39%	6,160,693,726	10.16%	12.74%	6,626,605,183	12.74%	6,759,137,287	12.74%	6,826,728,659
32	Ministry Of Environment	154.97%	0.65%	0.90%	478,363,447	0.79%	0.78%	404,727,389	0.78%	412,821,937	0.78%	416,950,156
33	Ministry Of Local Government Affairs	90.97%	0.35%	0.29%	81,388,514	0.13%	0.26%	134,163,402	0.26%	136,846,670	0.26%	138,215,137
	Total	**111.69%**	**100.00%**	**100.00%**	**60,653,068,087**	**100.00%**	**100.00%**	**52,031,780,687**	**99.80%**	**53,072,416,300**	**100.00%**	**53,603,140,463**

Table 10: Indicative Sector Expenditure Ceilings 2026-2028 – Overheads Expenditure

Overhead Expenditure by Sector

No.	Sector	Performance	Average Budget	Average Actual	2025 Budget	2025 Budget %	% 2026	2026 Allocation	% 2027	2027 Allocation	% 2028	2028 Allocation
1	Governor's Office	353.85%	10.10%	20.94%	23,978,074,566	18.14%	16.39%	21,822,881,524	16.39%	22,477,567,970	16.39%	22,927,119,329
2	Secretary To The State Government	90.49%	2.78%	1.47%	1,201,150,000	0.91%	1.72%	2,290,471,721	1.72%	2,359,185,872	1.72%	2,406,369,590
3	Ekiti State House Of Assembly	78.42%	5.56%	2.56%	4,326,416,271	3.27%	3.80%	5,054,880,125	3.80%	5,206,526,529	3.80%	5,310,657,060
4	Ministry Of Information And Value Orientat	138.10%	0.41%	0.33%	470,000,000	0.36%	0.37%	489,047,838	0.37%	503,719,273	0.37%	513,793,658
5	Head Of Service	90.41%	0.61%	0.32%	187,880,000	0.14%	0.36%	478,399,628	0.36%	492,751,617	0.36%	502,606,649
6	Ekiti State Auditor General Office	92.41%	0.37%	0.20%	269,463,784	0.20%	0.26%	343,252,182	0.26%	353,549,747	0.26%	360,620,742
7	Public Complaint Commission/Ombudsman	28.72%	0.02%	0.00%	6,850,000	0.01%	0.01%	14,985,059	0.01%	15,434,611	0.01%	15,743,303
8	Ekiti State Civil Service Commission	78.59%	0.11%	0.05%	56,000,000	0.04%	0.07%	92,635,322	0.07%	95,414,381	0.07%	97,322,669
9	Ekiti State Independence Electoral Commis	65.61%	0.08%	0.03%	25,000,000	0.02%	0.04%	54,543,666	0.04%	56,179,976	0.04%	57,303,576
10	Ministry Of Agriculture And Food Security	494.21%	0.67%	1.95%	175,275,000	0.13%	0.92%	1,222,713,783	0.92%	1,259,395,197	0.92%	1,284,583,101
11	Ministry Of Finance & Economic Developme	132.41%	42.53%	32.99%	20,381,802,482	15.42%	30.31%	40,357,602,775	30.31%	41,568,330,858	30.31%	42,399,697,476
12	Ministry Of Trade And Industries	88.17%	0.44%	0.23%	199,700,000	0.15%	0.27%	361,064,629	0.27%	371,896,568	0.27%	379,334,499
13	Ministry Of Employment And Wealth Creati	70.67%	0.10%	0.04%	25,650,000	0.02%	0.05%	69,662,065	0.05%	71,751,927	0.05%	73,186,965
14	Ministry of Innovation, Science and Techno	78.34%	0.16%	0.07%	82,000,000	0.06%	0.10%	130,969,055	0.10%	134,898,127	0.10%	137,596,089
15	Ekiti State Electricity Board	300.02%	1.11%	1.96%	3,015,930,000	2.28%	1.79%	2,376,721,511	1.79%	2,448,023,156	1.79%	2,496,983,620
16	Ekiti State Mineral Resources Development	53.28%	0.05%	0.02%	6,400,000	0.00%	0.02%	30,917,459	0.02%	31,844,982	0.02%	32,481,882
17	Ministry Of Works And Transportation	52.29%	0.43%	0.13%	32,200,000	0.02%	0.19%	259,591,638	0.19%	267,379,387	0.19%	272,726,975
18	Ministry Of Arts, Culture And Tourism Deve	80.79%	0.24%	0.12%	213,000,000	0.16%	0.17%	231,314,776	0.17%	238,254,219	0.17%	243,019,304
19	Ministry Of Budget And Economic Planning	71.73%	2.12%	0.89%	11,927,386,851	9.02%	4.01%	5,338,492,616	4.01%	5,498,647,394	4.01%	5,608,620,342
20	Fiscal Responsibility Commission	64.60%	0.04%	0.02%	27,070,000	0.02%	0.03%	34,805,117	0.03%	35,849,270	0.03%	36,566,256
21	Ekiti State Water Coorporation	65.40%	0.52%	0.20%	210,000,000	0.16%	0.29%	388,258,431	0.29%	399,906,184	0.29%	407,904,307
22	Ministry Of Physical Planning And Urban De	52.52%	0.51%	0.16%	74,800,000	0.06%	0.24%	319,926,235	0.24%	329,524,022	0.24%	336,114,502
23	Bureau Of Lands	133.30%	0.25%	0.19%	123,660,000	0.09%	0.18%	236,932,564	0.18%	244,040,541	0.18%	248,921,352
24	Ministry Of Infrastructure And Public Utilit	93.90%	0.17%	0.09%	106,712,000	0.08%	0.12%	153,236,091	0.12%	157,833,174	0.12%	160,989,838
25	Judicial Council	68.49%	6.05%	2.43%	3,960,000,000	3.00%	3.82%	5,088,526,514	3.82%	5,241,182,310	3.82%	5,346,005,956
26	Ministry Of Justice	136.10%	0.78%	0.63%	325,600,000	0.25%	0.55%	735,208,995	0.55%	757,265,265	0.55%	772,410,571
27	Ministry Of Regional And Inter-Governmen	34.19%	0.32%	0.06%	61,935,000	0.05%	0.14%	188,975,155	0.14%	194,644,410	0.14%	198,537,298
28	Ministry Of Youth And Sport Development	58.34%	0.43%	0.15%	266,000,000	0.20%	0.26%	343,072,528	0.26%	353,364,704	0.26%	360,431,998
29	Ministry Of Women Affairs, Gender Empow	118.85%	0.39%	0.27%	546,097,073	0.41%	0.36%	479,156,606	0.36%	493,531,304	0.36%	503,401,930
30	Ministry Of Education, Science And Techno	166.23%	14.91%	14.52%	27,680,029,795	20.94%	16.79%	22,349,564,155	16.79%	23,020,051,080	16.79%	23,480,452,101
31	Ministry Of Health And Human Services	101.80%	6.75%	4.03%	7,375,385,080	5.58%	5.45%	7,260,452,692	5.45%	7,478,266,273	5.45%	7,627,831,599
32	Ministry Of Environment	183.64%	0.69%	0.74%	680,005,000	0.51%	0.65%	862,960,278	0.65%	888,849,086	0.65%	906,626,068
33	Ministry Of Local Government Affairs	68.20%	0.11%	0.04%	15,000,000	0.01%	0.06%	74,927,164	0.06%	77,174,978	0.06%	78,718,478
	Total	**170.68%**	**100.00%**	**100.00%**	**132,204,804,901**	**100.00%**	**89.79%**	**133,132,618,976**	**89.79%**	**137,126,597,545**	**89.79%**	**139,869,129,496**

Table 11: Indicative Sector Expenditure Ceilings 2026-2028 – Capital Expenditure

Capital Expenditure by Sector					Discretionary Funds							
No.	Sector	Performance	Average Budget	Average Actual	2025 Budget	2025 Budget	% 2026	2026 Allocation	% 2027	2027 Allocation	% 2028	2028 Allocation
1	Governor's Office	168.23%	4.15%	4.85%	16,959,869,748	9.23%	6.08%	15,483,066,545	6.08%	17,878,717,640	6.08%	19,841,924,721
2	Secretary To The State Government	57.25%	2.63%	1.05%	1,555,000,000	0.85%	1.51%	3,839,555,958	1.51%	4,433,639,591	1.51%	4,920,483,940
3	Ekiti State House Of Assembly	20.39%	1.58%	0.22%	3,849,715,000	2.10%	1.30%	3,312,346,932	1.30%	3,824,857,004	1.30%	4,244,852,806
4	Ministry Of Information And Value Orientation	2.36%	0.56%	0.01%	363,562,306	0.20%	0.25%	646,970,550	0.25%	747,074,474	0.25%	829,108,427
5	Head Of Service	1.35%	0.18%	0.00%	730,000,000	0.40%	0.19%	494,668,510	0.19%	571,207,170	0.19%	633,929,675
6	Ekiti State Auditor General Office	15.99%	0.34%	0.04%	473,639,420	0.26%	0.21%	539,962,003	0.21%	623,508,796	0.21%	691,974,383
7	Public Complaint Commission/Ombudsman	0.00%	0.00%	0.00%	0	0.00%	0.00%	0	0.00%	0	0.00%	0
8	Ekiti State Civil Service Commission	1.35%	0.05%	0.00%	5,000,000	0.00%	0.02%	44,326,580	0.02%	51,185,106	0.02%	56,805,585
9	Ekiti State Independence Electoral Commission	50.26%	0.44%	0.15%	100,000,000	0.05%	0.21%	545,230,139	0.21%	629,592,057	0.21%	698,725,627
10	Ministry Of Agriculture And Food Security	139.12%	4.89%	4.73%	23,641,074,776	12.87%	7.50%	19,097,748,456	7.50%	22,052,689,059	7.50%	24,474,227,125
11	Ministry Of Finance & Economic Development	521.15%	1.62%	5.86%	3,164,247,329	1.72%	3.06%	7,805,687,258	3.06%	9,013,439,170	3.06%	10,003,177,246
12	Ministry Of Trade And Industries	77.82%	5.87%	3.17%	12,017,224,508	6.54%	5.20%	13,231,299,421	5.20%	15,278,540,957	5.20%	16,956,230,621
13	Ministry Of Employment And Wealth Creation	76.01%	0.58%	0.30%	574,904,698	0.31%	0.40%	1,012,384,377	0.40%	1,169,027,748	0.40%	1,297,395,095
14	Ministry of Innovation, Science and Technology	87.82%	0.15%	0.09%	2,450,000,000	1.33%	0.52%	1,331,250,292	0.52%	1,537,230,884	0.52%	1,706,029,487
15	Ekiti State Electricity Board	101.06%	1.56%	1.10%	2,740,000,000	1.49%	1.38%	3,526,067,011	1.38%	4,071,645,387	1.38%	4,518,740,263
16	Ekiti State Mineral Resources Development Agency	0.27%	0.07%	0.00%	140,404,313	0.08%	0.05%	128,347,881	0.05%	148,206,785	0.05%	164,480,917
17	Ministry Of Works And Transportation	151.65%	36.11%	38.06%	54,200,000,000	29.51%	34.56%	88,014,487,963	34.56%	101,632,720,747	34.56%	112,792,697,715
18	Ministry Of Arts, Culture And Tourism Development	44.57%	0.58%	0.18%	1,569,015,666	0.85%	0.54%	1,368,271,328	0.54%	1,579,980,081	0.54%	1,753,472,842
19	Ministry Of Budget And Economic Planning	544.72%	6.36%	24.07%	10,248,197,496	5.58%	12.00%	30,567,196,511	12.00%	35,296,772,372	12.00%	39,172,602,555
20	Fiscal Responsibility Commission	1.89%	0.05%	0.00%	15,000,000	0.01%	0.02%	53,272,444	0.02%	61,515,138	0.02%	68,269,927
21	Ekiti State Water Coorporation	19.44%	2.84%	0.38%	9,500,000,000	5.17%	2.80%	7,123,488,363	2.80%	8,225,685,570	2.80%	9,128,922,842
22	Ministry Of Physical Planning And Urban Development	20.28%	1.42%	0.20%	415,769,370	0.23%	0.61%	1,564,174,549	0.61%	1,806,194,853	0.61%	2,004,527,564
23	Bureau Of Lands	271.11%	0.94%	1.78%	5,936,000,000	3.23%	1.99%	5,056,745,671	1.99%	5,839,161,626	1.99%	6,480,342,033
24	Ministry Of Infrastructure And Public Utilities	17.58%	1.40%	0.17%	1,080,000,000	0.59%	0.72%	1,834,998,822	0.72%	2,118,922,999	0.72%	2,351,595,427
25	Judicial Council	17.22%	2.35%	0.28%	630,000,000	0.34%	0.99%	2,528,795,706	0.99%	2,920,069,113	0.99%	3,240,712,935
26	Ministry Of Justice	2.94%	1.66%	0.03%	397,569,013	0.22%	0.64%	1,618,876,935	0.64%	1,869,361,184	0.64%	2,074,629,995
27	Ministry Of Regional And Inter-Governmental Affairs	4.12%	0.22%	0.01%	0	0.00%	0.07%	189,117,538	0.07%	218,379,160	0.07%	242,358,705
28	Ministry Of Youth And Sport Development	13.00%	0.45%	0.04%	262,579,288	0.14%	0.21%	539,193,599	0.21%	622,621,499	0.21%	690,989,654
29	Ministry Of Women Affairs, Gender Empowerment And Soci	7.52%	2.35%	0.12%	1,785,186,332	0.97%	1.15%	2,923,822,094	1.15%	3,376,216,817	1.15%	3,746,948,818
30	Ministry Of Education, Science And Technology	52.72%	8.53%	3.13%	11,130,442,205	6.06%	5.91%	15,039,938,624	5.91%	17,367,025,788	5.91%	19,274,045,559
31	Ministry Of Health And Human Services	70.97%	7.15%	3.53%	7,649,433,018	4.16%	4.95%	12,595,681,921	4.95%	14,544,576,159	4.95%	16,141,671,403
32	Ministry Of Environment	57.94%	1.70%	0.69%	4,101,404,646	2.23%	1.54%	3,925,437,500	1.54%	4,532,809,341	1.54%	5,030,543,216
33	Ministry Of Local Government Affairs	50.79%	0.26%	0.09%	51,500,000	0.03%	0.12%	316,749,584	0.12%	365,759,351	0.12%	405,922,262
34	Ministry of Chirftaincy And Home Affairs	0.00%	0.01%	0.00%	10,000,000	0.01%	0.00%	8,944,062	0.00%	10,327,952	0.00%	11,462,033
35	Ministry of Rural And Community Development	100.84%	0.21%	0.14%	1,500,000,000	0.82%	0.39%	990,283,281	0.39%	1,143,507,012	0.39%	1,269,072,006
36	Ministry of Capacity Development And Training	0.00%	0.13%	0.00%	150,000,000	0.08%	0.07%	177,382,429	0.07%	204,828,310	0.07%	227,319,878
37	Ministry Of Transportation	1258.73%	0.63%	5.52%	4,276,768,000	2.33%	2.83%	7,201,139,849	2.83%	8,315,351,850	2.83%	9,228,435,102
	Total	**143.89%**	**100.00%**	**100.00%**	**183,673,507,130**	**100.00%**	**100.00%**	**254,676,910,685**	**100.00%**	**294,082,348,753**	**100.00%**	**326,374,628,389**

4.B Considerations for the Annual Budget Process

198. The Budget Call Circular contains instructions and guidelines on the preparation of 2026 Budget. MDAs are 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);

199. The 2026 Budget will be prepared in line with the National Chart of Accounts (NCOA)-Compliant Budget Template.

- The application of the NCOA coding shall be applied through:

a. Administrative
b. Economic segment
c. Function segment
d. Programme segment
e. Fund segment
f. Location segment

- Capital Expenditure Project descriptions
- Capital Receipt descriptions
- Debt Service provisions
- Social benefits (i.e., pension and gratuity) provisions
- HOPE-GOV requirements related to PFM
- Latest templates (MDA, Consolidation)
- Appropriation Law

4 Summary of Key Points and Recommendations

200. 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 impact of 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, theGovernor 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 tosolve the identified challenges.

Annex 1 Capital Receipts

Table 12 Schedule of Estimated Capital Receipts

ITEM	2025	2026	2027	2028
Internal Grants				
UBEC Projects	7,286,156,878	9,472,001,941	9,472,001,941	9,472,001,941
GAC Health Financing Programme (Clinton Health Init	570,000,000	0	0	0
Nigeria for Women Empowerment and Development (I	1,898,276,940	2,847,415,410	2,147,415,410	1,847,415,410
Basic Health Care Prov. Fund	1,152,000,000	1,200,000,000	1,300,000,000	1,360,000,000
Federal Government Intervention Fund	12,000,000,000	10,000,000,000	7,000,000,000	5,000,000,000
Sub-Total Internal Grant	**22,906,433,818**	**23,519,417,351**	**19,919,417,351**	**17,679,417,351**
External Grants				
Innovative Development Effectiveness in Aqusitition of S	312,750,000	0	0	0
Nutrition + Immunization Programme	131,900,000	151,600,000	162,400,000	172,400,000
Grants from UNICEF Programme	10,000,000	12,000,000	12,000,000	12,000,000
Adolecent Girl Initiative for Learning and Empowerme	1,896,651,723	240,000,000	0	0
HOPE-GOVERNANCE		2,000,000,000	2,000,000,000	2,000,000,000
Sub-Total External Grant	**2,351,301,723**	**2,403,600,000**	**2,174,400,000**	**2,184,400,000**
Grant Balancing Item / Blue Sky				
Total Grants	**25,257,735,541**	**25,923,017,351**	**22,093,817,351**	**19,863,817,351**
Internal Loans				
Internal Loan	10,000,000,000	15,000,000,000	5,000,000,000	2,000,000,000
Total	**10,000,000,000**	**15,000,000,000**	**5,000,000,000**	**2,000,000,000**
External Loans				
Rural Access and Agricultural Marketing Projects (RAAMP)		2,000,000,000	2,000,000,000	1,000,000,000
Sustainable Urban and Rural Water Supply and Hygie	613,327,000	520,176,800	520,176,800	0
State Action Business Enabling Result (SABER)	5,000,000,000	5,000,000,000	2,000,000,000	
Ekiti State Knowledge Zone	2,158,000,000	5,474,267,000	4,667,907,600	1,061,419,000
Livestock Productivity and Resilience Support Project (	3,500,000,000	2,500,000,000	4,000,000,000	1,800,000,000
Human Capital Development Programme	27,000,000	37,000,000	47,000,000	57,000,000
Nigeria Erosion and Watershed Management Projects	1,000,000,000	3,000,000,000	2,000,000,000	2,000,000,000
Total	**12,298,327,000**	**18,531,443,800**	**15,235,084,400**	**5,918,419,000**
Loan Balancing Item / Blue Sky				
Total Loans	**22,298,327,000**	**33,531,443,800**	**20,235,084,400**	**7,918,419,000**