



KOGI STATE GOVERNMENT MTEF: 2025 - 2027



MEDIUM TERM EXPENDITURE FRAMEWORK:

Economic and Fiscal Update (EFU), Fiscal Strategy (FS) and Budget Policy Statement (BPS)

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Abbreviations

BRINCS	Brazil, Russia, India, Nigeria, China, South Africa
CBN	Central Bank of Nigeria
DMO	Debt Management Office
EFU	Economic and Fiscal Update
ExCo	Executive Council
FAAC	Federal Allocation Accounts Committee
FSP	Fiscal Strategy Paper
GDP	Gross Domestic Product
IGR	Internally Generated Revenue
IMF	International Monetary Fund
MDA	Ministry, Department and Agencies
MTBF	Medium Term Budget Framework
MTEF	Medium Term Expenditure Framework
MTFF	Medium Term Fiscal Framework
MTSS	Medium Term Sector Strategy
NBS	National Bureau of Statistics
NNPC	Nigerian National Petroleum Company
NPC	National Planning Commission
OAG	Office of the Accountant General
PFM	Public Financial Management
MINT	Mexico, Indonesian, Nigeria and Turkey
N-11	Next 11 Countries
PIB	Petroleum Industry Bill
PITA	Personal Income Tax Act
PMS	Premium Motor Spirit
SHoA	State House of Assembly
VAT	Value Added Tax
WEO	World Economic Outlook



PAC	Public Account Committee
SFRA	State Fiscal Responsibility Act
KSG	Kogi State Government
CSO	Civil Society Organisation
TWG	Technical Working Group
FI	Financial Instruction
PFM	Public Financial Management
MFB&EP	Ministry of Finance, Budget and Economic Planning
DOP	Director of Planning
DOB	Director of Budget
SG	Statistician General
PCNI	Presidential Committee on Northeast Initiative
NIRP	Nigerian Industrial Revolution Plan
OPEC	Organisation of Petroleum Exporting Countries
LGAs	Local Government Areas
POP	Plaster of Paris
FIRS	Federal Inland Revenue Service
NGN	Nigeria Naira
USD	United States Dollars
SDGs	Sustainable Development Goals
UNICEF	United Nations Children Emergency Fund
DFID	Consolidated Revenue Fund
CRF	Department for International Development
CPI	Consumer Price Index
PPP	Public Private Partnership
AF	Alternative Funding (Financing)
JVs	Joint Ventures
NPDC	Nigerian Petroleum Development Company



Section 1 Introduction and Background

1.A Introduction

1. The Medium-Term Expenditure Framework (MTEF) provides Government with a tool to manage the pressure between competing policy priorities and budget realities. This helps to reprioritize expenditure and make policy choices that are affordable in the medium term. This document covers period of 2025 - 2027
2. Government aims to improve information on service delivery. This information are better contained in budget document which enables the public to understand what government does, what programmes and activities are funded, and what outputs the budget is meant to achieve.
3. The Economic and Fiscal Update (EFU) of this Medium-Term Expenditure Framework (MTEF) document provides a detailed statement of the Government's financial position including updated economic and fiscal forecasts, analysis of the fiscal position and a summary of specific fiscal risks which form the basis for budget planning process in Kogi State. The EFU also provides an assessment of budget performance (both historical and current) and identifies significant factors affecting implementations.
4. The Fiscal Strategy Paper (FSP) is the guide to the state budget process. It consists of a macroeconomic framework that indicates fiscal targets and estimates revenues and expenditure, including government financial obligations in the medium term. The document also set out the underlying assumptions for these projections, provides an evaluation and analysis of the previous budget, and present an overview of consolidated debt and potential fiscal risks.
5. The important outcomes of the FSP include the macroeconomic outlook; fiscal balance; and other key indicators.
6. **They fulfil a requirement of Section 11 of the Fiscal Responsibility Act (SFRA) 2012, which stipulates that the Commissioner for Budget and Planning (now Commissioner of Finance, Budget and Economic Planning) shall prepare the MTEF and FSP and get them approved by the State Executive Council (EXCO) and State House of Assembly (SHoA).**

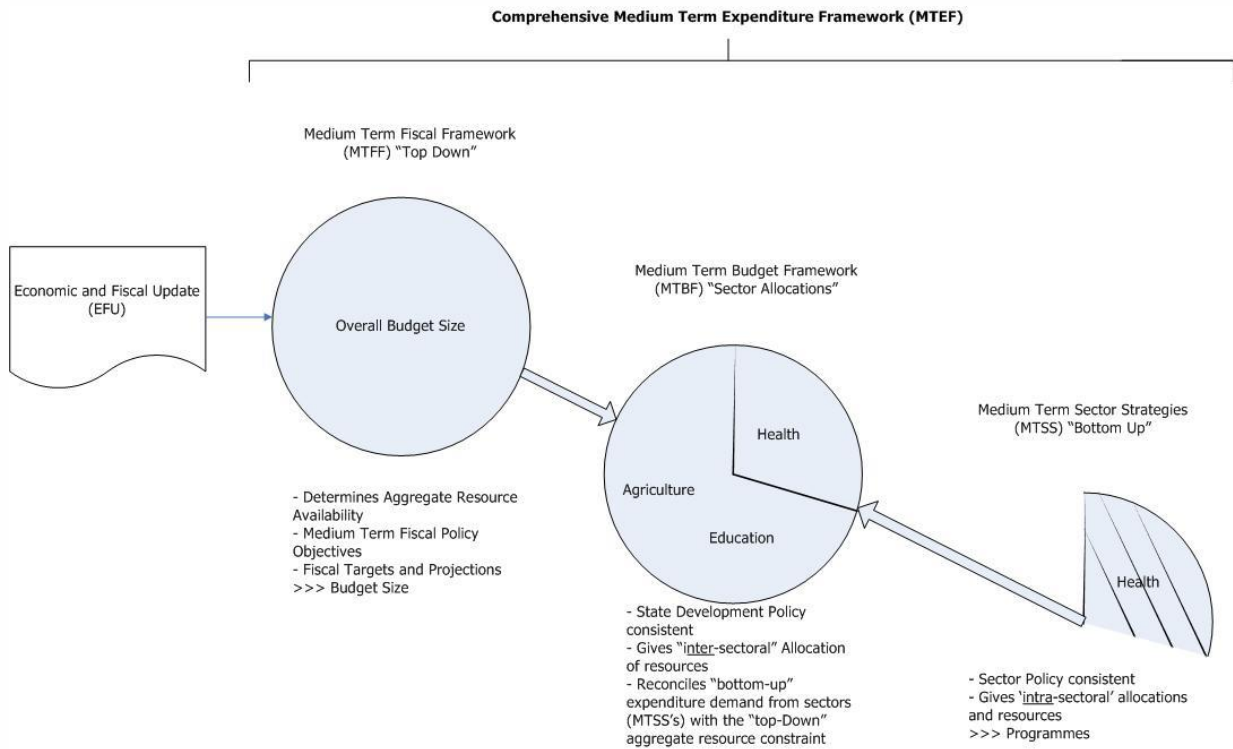
1.A.1 Budget Process

7. The budget process describes the budget cycle in a fiscal year. Its conception is informed by the Medium-Term Expenditure Framework (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)
8. It commences with the conception through preparation, execution, control, monitoring and evaluation and goes back again to conception for the following year's budget.
9. The MTEF process is summarised in the diagram below:

Figure 1: MTEF Process



1.A.2 Summary of Document Content

10. In accordance with international best budgeting practices, the production of a combined EFU, FS and BPS is the first step in the budget preparation cycle for Kogi State Government (KSG) for the period 2025-2027.
11. The purpose of this document is three-fold:
- i. To provide a historical summary of key economic and fiscal trends that will affect the public expenditure in the future - Economic and Fiscal Update;
 - ii. To set out medium term fiscal objectives and targets, including tax policy; revenue mobilisation; level of public expenditure; deficit financing and public debt - Fiscal Strategy; and
 - iii. Provide indicative sector envelopes for the period 2025-2027.



12. The EFU is presented in Section 2 of this document. The EFU provides economic and fiscal analysis in order to inform the budget planning process. It aims primarily at budget policy and decision makers in Kogi State. The EFU also provides an assessment of budget performance (both historical and current) and identifies significant factors affecting implementation. It includes:
 - Overview of Global, National and State Economic Performance
 - Overview of the Petroleum Sector
 - Trends in budget performance over the last six years
13. The FS is a key element in the KSG Medium Term Expenditure Framework (MTEF) 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

14. The purpose of this document is to provide an informed framework for the period 2025-2027 MTEF and 2025 annual Budget preparation cycle for all of the key Stakeholders, specifically:
 - State House of Assembly (SHoA);
 - Executive Council (ExCo);
 - Ministry of Finance, Budget and Economic Planning (MFB&EP);
 - All Government Ministries, Departments and Agencies (MDAs);
 - Organised private sectors;
 - Civil Society Organisations (CSOs)
 - Non-Government Organisations (NGOs)
15. The document is prepared in the month of June for the year 2024 Budget. It is prepared by Kogi State Government MTEF Technical Working Group (TWG), using data collected from International, National and State organisations such as International Monetary Fund (IMF), State Ministry of Finance, Budget and Economic Planning, Accountant General's Office, Debt Management Office, Federal Ministry of Finance, Budget and National Planning and Kogi State Internal Revenue Service (KGIRS).



1.B Background

1.B.1 Legislative and Institutional arrangement for Public Financial Management (PFM)¹

1.B.1.1 Legislative Framework for PFM in Kogi State–

16. Federal legislations and regulations provide the legal framework for PFM at the Federal and also state level. The principal ones are the 1999 Constitution, the Finance (Control and Management) Act Cap 144 of the Laws of the Federation 1990, the Revenue Allocation Act of 1992 together with the Executive Order of March 2004, the Personal Income Tax Decree 104 of 1993 (amended in 2004), and Act 21 of 1998 which defines the tax powers of each of the three tiers of government. These legislations and regulations cover several issues at the State level, in particular, fiscal relations between tiers of government, revenue and expenditure management, State government accounts, external audit and legislative scrutiny.
17. State governments cannot enact their own constitution, but they have other legislative and executive powers that complement but not supersede those at the federal level. In Kogi State, however, the state government does not have a legislation of its own; rather, it has been leaning on federal government legislation, which may not be appropriate. The federal regulations that the state government has adopted include the Revised Public Service Rules of January 2000; Guides to Administrative Procedures; and Financial Regulations of January 2000. The state government needs to domesticate these legislations. The state is still largely dependent on guidelines issued by the Auditor General of the Federation. However, with the support of the Public Sector Governance Reform and Development Project (now closed), the State has the following, either as laws or draft laws: Kogi State Fiscal Responsibility Law, 2012; Kogi State Revenue Administrative Law 2013 (Kogi State Revised Revenue Administrative Law 2017); Kogi State Public Procurement Law 2014 (as amended in 2020), Kogi State Public Finance Management (PFM) Law 2015; Kogi State Financial Instructions (FI) 2015; Kogi State Audit Law 2015 (as amended 2021); Monitoring & Evaluation Policy Guides (draft law, still undergoing legislation)

1.B.1.2 Institutional Framework for PFM in Kogi State –

¹ Based on June, 2009 PEMFAR Assessment for Kogi State



18. There are three arms of government – the executive, the legislature and the judiciary. It is the responsibility of the executive arm of government to: (i) formulate, implement and monitor the State budget; and (ii) account for its fiscal operations to the legislature. The Legislature, on the other hand, is charged with the responsibility to make laws, including the Appropriation Law, and to control the use of public funds. The focus of the judiciary extends to the determination of any question as to the civil rights and obligations of government, authority and any persons in Nigeria.
19. On the executive arm still, there are essentially two types of MDAs for the PFM system: cross-sectoral MDAs and sector MDAs. The principal cross-sectoral MDAs comprise largely the Office of the Governor, the State Executive Council, the Establishments Office, the Ministry of Finance, Budget and Economic Planning, the Office of Accountant-General, the Office of Auditor-General for the State and the Office of Auditor-General for Local Governments. The Governor of a State exercises executive powers which extend to the execution and maintenance of the Nigerian constitution and all laws made by the House of Assembly of the State and all matters with respect to which the House of Assembly has power to make laws. He may exercise his powers directly or through the Deputy Governor and Commissioners. Kogi State has a 24-member Statutory Executive Council but has, at present, been increased to 31 to achieve a more inclusive and robust decisions,² The EXCO is primarily concerned with strategic issues affecting the State. The Establishments Office has the mandate for staff recruitment, training, promotions and discipline. The Ministry of Finance, Budget and Economic Planning is the anchor for development planning, budget preparation, coordination of development partners' interventions etc. The Office of Accountant-General is responsible for the collection, disbursement and control of State funds and also the preparation of the financial statements of the government. The State Auditor-General conducts post-mortem analysis of State accounts to ensure value for money in the utilization of public funds. The Office of Auditor-General for Local Governments performs similar responsibilities at the local government level and reports to the legislature at the State level. There are twenty-one (21) sector ministries, consisting of Agriculture, Health. Women Affairs & Social

² The Executive Council comprises the Governor, the Deputy Governor, Secretary to the State Government and Commissioners



- Development, Education, Justice and Finance Budget & Economic Planning. The others are Commerce & Industry, Culture & Tourism, Environment, Water Resources, Works, Housing & Urban Devt., Transport, Rural & Energy Development, Youth & Sports, Information & Communication, Local Government & Chieftaincy Affairs, Special Duties & Inter-Governmental Affairs, Innovation, Science & Technology, Humanitarian & Poverty Alleviation and Solid Mineral & Natural Resources. The State government has 26 extra-ministerial departments including a Bureau that was, hitherto, a Ministry but now Bureau for Land and Urban Development and 48 parastatals, with each one attached to a supervising ministry.
20. The principal institution of the legislative arm is the State House of Assembly (SHoA). The House carries out its oversight functions through various standing committees, two of which are directly involved in the budgeting process. The two committees are:
 - (i) Finance, Appropriation and Budget Monitoring Committee, whose responsibility it is to examine budget proposals and make appropriate recommendations to the entire House for consideration and approval; and
 - (ii) Public Accounts Committee (PAC) - Section 125, Sub-Section 5 of the 1999 Constitution empowers the PAC to carry out investigations on the reports of the State Auditor-General and the Auditor-General for Local Governments.
 21. The judicial powers of a State are vested in the courts. The courts comprise the Supreme Court of Nigeria, the Appeal Court, the Federal Court of Appeal, the Federal High Court, the High Court of Kogi State, the Sharia Court of Appeal of Kogi state, and a Customary Court of Appeal of Kogi state.³ The Ministry of Justice, Public Defender and Citizens' Rights Commission and the Judicial Service Commission on the executive arm of government complement these courts.
 22. Indicative Budget Calendar for Kogi State Government is presented below:

Table 1: Budget Calendar

S/N	SUBJECT	ACTIVITIES	DATE YEAR 2023/24	RESPONSIBILITY	
				Agency	Officer
1	Commencement of Year 2025 Budget Preparation	(a) Review of Macroeconomic Framework and input of latest data to Medium Term Fiscal Strategy (MTFS) model	April 2024	Technical Working Group (TWG)	Director Budget

³Each state determines whether it wants the Sharia Court of Appeal and the Customary Court of Appeal



		(b) Meeting with Major Revenue Generating Agencies on Revenue Strategy period 2025-2027 MTFS	June 2024	MFB&EP/Revenue Stakeholders	Director Budget
		(c) Public Consultation on the Framework, FSP, Revenue and Expenditure Framework.	June 2024	MFB&EP/Revenue Stakeholders/CSO	Director Budget
		(d) Presentation of Year 2025–2027 MTEF to EXCO	June 2024	MFB&EP, MDAs & EXCO	HC MFB&EP
		(e) Forwarding of draft MTEF to the SHoA for consideration and approval.	June 2024	MFB&EP/ShoA	HC MFB&EP
		(f) Budget Retreat for MDAs	June 2024	MFB&EP/MDAs	Director Budget.
2	Y2024 (Current Year) Budget Monitoring & Appraisal.	(a) 1st Quarter Year 2024 Budget Performance Appraisal	28th April 2024	MFB&EP(DOB, DOP(M), DOP(SS)/MDAs	Hon. Commissioners /other Heads of MDAs
		(b) 2nd Quarter/Mid-Year Review of 2024 Budget Performance	28th July, 2024	MFB&EP(DOB, DOP(M), DOP(SS))/MDAs	Hon. Commissioners /other Heads of MDAs
		(c) 3rd Quarter Year 2024 Budget Performance Appraisal	28th Oct. 2024	MFB&EP(DOB, DOP(M), DOP(SS)/MDAs	Hon. Commissioners /other Heads of MDAs
3	Preparation of Y 2025 Budget Estimates	(a) Issuance of Year 2025 Call Circular	July 2024	MFB&EP	Director Budget
		(b) Budget Consultative /Stakeholders Forum /Citizens Engagement	July 2024	MFB&EP (Budget Dept.), MDAs & other Stakeholders eg. CSOs/NGOs	Director Budget
		(d) Submission of Budget Proposals	Aug./Sept. 2024	MFB&EP/MDAs	Director Budget
		(c) MDAs Budget Proposals Technical Defence	September 2024	MFB&EP/MDAs	Director Budget



		(e) Collation of Draft Estimate	October 2024	MFB&EP	Director Budget
4	2025 Draft Budget	Submission of Year 2025 draft Budget to EXCO	Oct./Nov. 2024	MFB&EP	HC MFB&EP
5	Legislative Processes	(a) Presentation of Draft Year 2025 Budget Estimates to House of Assembly	November 2024	Governor's Office	His Excellency
		(b) Consideration of Budget Draft Estimates by SHoA including interaction with MDAs/scrutiny of estimates.	December 2024	ShoA	Members SHoA/MDAs
		(c) Passing of the Year 2025 Appropriation Bill	December 2024	ShoA	Members
6	Appropriation Law	(a) Production of the Appropriation Law	December 2024	ShoA	Members
		(b) Governor's Assent to Year 2025 Budget	December 2024	Governor's Office	His Excellency
		(c) Uploading Approved Budget onto the Budget Portal	December, 2024	MFB&EP	Permanent Secretary
		(d) Printing and Publishing of Approved Budget	January, 2025	MFB&EP	Permanent Secretary
7	Execution of Year 2025 Budget.	(a) Year 2025 Budget Analysis (Budget Breakdown)	January, 2025	MFB&EP (Budget Dept.)	HC MFB&EP
8	Conclusion of Year 2024 Budget	(a) Year 2024 Budget Performance Appraisal for the 4th Quarter/Full Year	28th January, 2025	MFB&EP(Director Budget)	HC MFB&EP
9	Year 2025 Budget Execution Approvals	Request for approval of implementation of budgeted projects.	On-going	MDAs	HC MFB&EP
10	Disbursement/Fund Release Warrants	Request for release of funds for approved projects.	On-going	MDAs/MoF/AG	Permanent Secretaries/ Directors of Finance and Administration



Section 2 Economic and Fiscal Update

2.A Economic Overview

2.A.1 Global Economy⁴

23. The global economy remains remarkably resilient, with growth holding steady as inflation returns to target. The journey has been eventful, starting with supply-chain disruptions in the aftermath of the pandemic, a Russian-initiated war on Ukraine that triggered a global energy and food crisis, and a considerable surge in inflation, followed by a globally synchronized monetary policy tightening.
24. Yet, despite many gloomy predictions, the world avoided a recession, the banking system proved largely resilient, and major emerging market economies did not suffer sudden stops. Moreover, the inflation surge despite its severity and the associated cost of living crisis did not trigger uncontrolled wage-price spirals. Instead, almost as quickly as global inflation went up, it has been coming down.
25. On a year-over-year basis, global growth bottomed out at the end of 2022, at 2.3 percent, shortly after median headline inflation peaked at 9.4 percent. According to our latest projections, growth for 2024 and 2025 will hold steady around 3.2 percent, with median headline inflation declining from 2.8 percent at the end of 2024 to 2.4 percent at the end of 2025. Most indicators point to a soft landing.
26. Markets reacted exuberantly to the prospect of central banks exiting from tight monetary policy. Financial conditions eased, equity valuations soared, capital flows to most emerging market economies excluding China have been buoyant, and some low-income countries and frontier economies regained market access.
27. Even more encouraging, we now estimate that there will be less economic scarring from the pandemic the projected drop in output relative to pre-pandemic projections for most countries and regions, especially for emerging market economies, thanks in part to robust employment growth. Astonishingly, the US economy has already surged past its pre-pandemic trend.
28. Resilient growth and faster disinflation point toward favorable supply developments, including the fading of earlier energy price shocks, the striking rebound in labor supply supported by strong immigration flows in many advanced economies. Decisive monetary policy actions, as well as improved monetary policy frameworks, especially in emerging market economies, have helped anchor inflation expectations.

⁴April 2023, World Economic Outlook (WEO)



However, the transmission of monetary policy may have been more muted this time around in countries such as the United States, where an increased share of fixed-rate mortgages and lower household debt levels since the global financial crisis may have limited the drag on aggregate demand up to now.

29. Despite these welcome developments, numerous challenges remain, and decisive actions are needed.
30. First, while inflation trends are encouraging, we are not there yet. Somewhat worryingly, the most recent median headline and core inflation numbers are pushing upward. This could be temporary, but there are reasons to remain vigilant. Most of the progress on inflation came from the decline in energy prices and goods inflation below its historical average. The latter has been helped by easing supply-chain frictions, as well as by the decline in Chinese export prices. But services inflation remains high sometimes stubbornly so and could derail the disinflation path. Bringing inflation down to target remains the priority.
31. Second, the global view can mask stark divergence across countries. The exceptional recent performance of the United States is certainly impressive and a major driver of global growth, but it reflects strong demand factors as well, including a fiscal stance that is out of line with long-term fiscal sustainability. This raises short-term risks to the disinflation process, as well as longer-term fiscal and financial stability risks for the global economy since it risks pushing up global funding costs. Something will have to give.
32. In the euro area, growth will pick up this year, but from very low levels, as the trailing effects of tight International Monetary Fund, monetary policy and past energy costs, as well as planned fiscal consolidation, weigh on activity. Continued high wage growth and persistent services inflation could delay the return of inflation to target. However, unlike in the United States, there is scant evidence of overheating, and the European Central Bank will also need to carefully calibrate the pivot toward monetary easing to avoid an excessive growth slowdown and inflation undershoot. While labor markets appear strong, that strength could prove illusory if European firms have been hoarding labor in anticipation of a pickup in activity that does not materialize.
33. China's economy is affected by the enduring downturn in its property sector. Credit booms and busts never resolve themselves quickly, and this one is no exception. Domestic demand will remain lackluster for some time unless strong measures and reforms address the root cause. Public debt dynamics are also of concern, especially if the property crisis morphs into a local public finance crisis. With depressed



domestic demand, external surpluses could rise. The risk is that this will further exacerbate trade tensions in an already fraught geopolitical environment.

34. At the same time, many other large emerging market economies are performing strongly, sometimes even benefiting from a reconfiguration of global supply chains and rising trade tensions between China and the United States. These countries' footprint on the global economy is increasing, and they will play an ever larger role in supporting global growth in years to come.
35. A troubling development is the widening divergence between many low-income developing countries and the rest of the world. For these economies, growth is revised downward, whereas inflation is revised up. Worse, in contrast with most other regions, scarring estimates for low-income developing countries, including some large ones, have been revised up, suggesting that the poorest countries are still unable to turn the page from the pandemic and cost-of-living crises. In addition, conflicts continue to result in loss of human lives and raise uncertainty. For these countries, investing in structural reforms to promote growth-enhancing domestic and foreign direct investment, and strengthening domestic resource mobilization, can help manage borrowing costs and reduce funding needs while achieving development goals. Efforts must also be made to improve the human capital of their large young populations.
36. Third, even as inflation recedes, real interest rates have increased, and sovereign debt dynamics have become less favorable for highly indebted emerging markets. Countries should turn their sights toward rebuilding fiscal buffers. Credible fiscal consolidations help lower funding costs and improve financial stability. In a world with more frequent adverse supply shocks and growing fiscal needs for safety nets, climate adaptation, digital transformation, energy security, and defense, this should be a policy priority. Yet this is never easy, fiscal consolidations are more likely to succeed when credible and when implemented while the economy is growing, rather than when markets dictate their conditions. In countries where inflation is under control, and that engage in a credible multiyear effort to rebuild fiscal buffers, monetary policy can help support activity. The successful 1993 US fiscal consolidation and monetary accommodation episode comes to mind as an example to emulate.
37. Fourth, medium-term growth prospects remain historically weak. Chapter 3 of this report takes an in-depth dive into the different drivers of the slow down. The main culprit is lower total factor productivity growth. A significant part of the decline comes from increased misallocation of capital and labour within sectors and countries. Facilitating faster and more efficient resource allocation can help boost growth. Much



hope rests on artificial intelligence (AI) delivering strong productivity gains in the medium term. It may do so, but the potential for serious disruptions in labour and financial markets is high. Harnessing the potential of AI for all will require that countries improve their digital infrastructure, invest in human capital, and coordinate on global rules of the road. Medium-term growth prospects are also harmed by rising geoeconomic fragmentation and the surge in trade restrictive and industrial policy measures since 2019. Global trade linkages are already changing as a result, with potential losses in efficiency. But the broader damage is to global cooperation and multilateralism.

- 38. Finally, huge global investments are needed for a green and climate resilient future. Cutting emissions is compatible with growth, as is seen in recent decades during which growth has become much less emissions intensive. Nevertheless, emissions are still rising. A lot more needs to be done and done quickly. Green investment has expanded at a healthy pace in advanced International Monetary Fund economies and China. Cutting harmful fossil fuel subsidies can help create the necessary fiscal room for further green investments. The greatest effort must be made by other emerging market and developing economies, which need to massively increase their green investment growth and reduce their fossil fuel investment. This will require technology transfer by other advanced economies and China, as well as substantial financing, much of it from the private sector, there is little hope for progress outside multilateral frameworks and cooperation.
- 39. **Countries selected are chosen to represent BRICS, MINT, N-11, Petro-economies and other large African countries.**

Table 2: Real GDP Growth - Selected Countries

Country	Actual ⁵			Forecast	
	2021	2022	2023	2024	2025
Mexico	6.0	3.7	3.2	2.3	2.1
Indonesia	3.7	5.3	5.0	5.0	5.1
Turkey	11.4	5.5	4.5	3.0	3.6
United States	5.8	1.9	2.5	2.5	1.8
Germany	-3.0	1.8	-0.3	0.0	0.8
United Kingdom	-9.5	4.0	0.3	1.1	1.5
China	8.4	3.0	5.2	4.8	4.1



Ghana	5.1	3.8	2.9	2.9	4.4
South Africa	4.7	1.9	0.6	1.2	1.3
Brazil	4.8	3.0	2.9	2.0	2.2
Angola	1.2	3.0	0.9	2.9	2.6

Source: World Economic Outlook, June 2024 /Global Economic Prospects (GEP)-June-2024.

Table 3: Inflation (CPI) - Selected Countries

Country	Actual			Forecast	
	2021	2022	2023	2024	2025
Mexico	5.7	7.9	5.5	4.7	3.8
Indonesia	1.6	4.2	3.7	2.5	2.5
Turkey	19.6	72.3	53.9	60.9	33.0
United States	4.7	8.0	4.1	3.0	1.9
Germany	3.2	8.7	6.0	2.4	2.0
United Kingdom	2.6	9.1	7.3	2.6	2.1
China	0.9	1.9	1.7	0.4	1.7
Ghana	10	31.9	39.2	19.5	11.5
South Africa	4.5	6.9	5.9	4.7	4.5
Brazil	8.3	9.3	4.6	4.3	3.6
Angola	25.8	21.4	13.6	28.4	21.3

Source: World Economic Outlook, April 2024

40. Turkey, Ghana and Angola experienced high inflation rates. Globally inflation rates are set to decrease over the next five years as mineral and agriculture prices stabilise.

2.A.2 Africa⁶

41. The growth outlook in 2024–25 is heterogenous across Africa's regions and economic groupings, reflecting differences in the structure of economies, commodity dependence, and the domestic policy responses to mitigate impact of these shocks.
42. The projected rebound in Africa's average growth will be led mainly by East Africa (up 3.4 percentage points)
43. East Africa is expected to bounce back as Africa's fastest growing region, with real GDP growth rising from an estimated 1.5 percent in 2023 to 4.9 percent in 2024 and 5.7 percent in 2025. The downward revision of 0.2 per centage points for 2024

⁶Source: AFRICAN ECONOMIC OUTLOOK, MAY 2024



compared with the forecast in the January 2024 MEO is due to larger-than-expected contractions in Sudan and South Sudan due to the ongoing conflict in the former.

44. Growth in Central Africa is expected to moderate from 4.3 percent in 2023 to 4.1 percent in 2024 before improving strongly to 4.7 percent in 2025. The upgraded forecast of 0.6 percentage point for 2024 over the January 2024 projections is attributable to expectations of stronger growth in Chad and the Democratic Republic of Congo due to expectations of favourable metal prices.
45. Growth is projected to pick up in West Africa, rising from an estimated 3.6 percent in 2023 to 4.2 percent in 2024 and consolidating at 4.4 percent the following year. This is an upgrade of 0.3 percentage points for 2024 over the January MEO 2024 projections, reflecting stronger growth upgrades in the region's large economies — Côte d'Ivoire, Ghana, Nigeria, and Senegal.
46. In North Africa, growth is projected to decline from an estimated 4.1 percent in 2023 to 3.6 percent in 2024 and 4.2 percent in 2025, with a downward revision of 0.3 percentage point for 2024 from the January 2024 MEO. Except for Libya and Mauritania, growth has been revised downward for all other countries in the region.
47. Growth in Southern Africa is projected to pick up slightly from an estimated 1.6 percent in 2023 to 2.2 percent in 2024 and firm up to 2.7 percent in 2025. The growth rates for 2024 and 2025 show an upgrade of 0.1 percentage point over the January 2024 projections, mainly reflecting a 0.7 percentage point increase in South Africa's projected growth. Due to South Africa's larger weight in the region, the upgraded growth forecast offset the combined effect of downward revisions in Angola, Botswana, Lesotho, Zambia, and Zimbabwe.
48. Average growth in non-resource-intensive economies is projected to improve from an estimated 4.8 percent in 2023 to 5.3 percent in 2024 and 5.6 percent in 2025. This growth is underpinned by increased public investments in major growth sectors and substantial capital outlays on critical public infrastructure including electricity, transport, and logistics.
49. Growth for tourism-dependent economies is projected to decelerate from 5.8 percent in 2023 to 4.7 percent in 2024 and further to 3.9 percent in 2025. This deceleration reflects the stabilization of tourism numbers to trend levels, with projected slower economic growth in Mauritius and Seychelles as the key driver for the group.
50. Average growth in oil-exporting countries is expected to decline from an estimated 3.7 percent in 2023 to 3.5 percent in 2024 but could pick up the pace to 4 percent in



2025. The projected slowdown in 2024 reflects lower oil production targets set by the Organization of the Petroleum Exporting Countries (OPEC), lower growth projections in South Sudan following the vandalizing of an oil pipeline due to the ongoing conflict, and uncertainty over new mechanisms for Angola’s oil exports following its exit from OPEC.

51. Growth in other (non-oil) resource-intensive economies on the continent is estimated to improve strongly from 0.3 percent in 2023 to 2.7 percent in 2024 and consolidate at 3.3 percent projected for 2025. The sharp increase in growth will be driven largely by rebound in China’s demand for metals and minerals linked to expansions in smart grids and construction. The dynamics of Africa’s macroeconomic fundamentals have remained mixed amid considerable challenges. Figure 2 presents the detailed outlook for countries’ key macroeconomic indicators for 2024–25 on average.

2.A.3 Nigerian Economy⁷

52. Analyst Views on Growth and Inflation

53. Inflation rose marginally to 23% in June from 22.4% in the previous month fueled by both food (25%) and core inflation rates (20%). The rise was primarily due to the increases in food and transport costs by 2.4% respectively. Though the removal of PMS subsidies in May drove petroleum prices upward by 120% (from ₦238/litre to ₦617 in June), the pass-through effect on inflation was partial. We expect that the full effect of the deregulation will impact inflation in subsequent months, as the price of PMS will likely continue its upward spiral in the short to medium term. But more importantly as more upward wage adjustments sustain spending
54. Prolonged fuel scarcity and high fuel prices will impact economic growth in the last quarter of the year. These challenges are expected to significantly impact the real sector's performance as many businesses continue to grapple with high operating costs and a tough business environment. These factors, along with a pressured exchange rate, would suppress the growth outcomes of many sectors and the overall economy in the last quarter of 2024.
55. On inflation, the surge in fuel prices to over N800 per litre is expected to elevate the prices of goods and services in Q4 2024. Without adequate intervention from the fiscal authorities to address doing business constraints, provide concessions to the Dangote refinery and negotiate for a fair price of fuel, the economy is likely to experience another round of heightened inflation in the short term.

⁷ Source: Nigeria Economic Outlook (Online publishing)



56. Analyst Views on Foreign Exchange

57. Forex inflows improved, but FX pressures persist. There has been an observable improvement in the sources of Forex inflows over the past quarters, yet FX pressures remain. The economy recorded a trade surplus of US\$8.9 billion, a 45.2% increase compared to US\$6.1 billion. Additionally, the high-interest-rate environment has boosted portfolio investment inflows into Nigeria. As a result, Nigeria's external reserves have been rising, although this has come at the expense of a depreciating Naira. The CBN's current focus on reserve accretion is aimed at boosting confidence in the FX market, but this posture is likely to shift in Q4 2024.
58. Exchange Rate Outlook for Q4 2024: Looking ahead to Q4 2024, we expect the exchange rate to close the year around N1,560/US\$. With the festive season approaching and added pressure in the FX market, we anticipate an increase in Forex inflows, driven by hikes in policy rates and increased FX interventions by the CBN, aimed at maintaining a stable exchange rate.
59. Dangote Refinery set to ease Forex pressures. The commencement of operations at the Dangote Refinery will significantly reduce pressure on the Forex market. Petroleum products account for 30-40% of Nigeria's import bills, and at full capacity, the Dangote Refinery will substantially lower these bills, thereby easing pressure on the Naira and stabilising the exchange rate in the near term. Additionally, the Naira for Crude Initiative, which kicks off on October 1st, 2024, is expected to further mitigate Forex risks. Thus, we maintain a positive outlook for the Naira in Q4 2024.

60. Fiscal dynamics

61. Policy reversal of some taxes e.g. green tax on single-use plastics, 5% telecom service excise, car import and local goods and services excise, could potentially curb inflationary pressures especially in consumer & industrial products and telecommunication sectors.
62. Tax reform committee set up with terms of reference that include enhancing revenue collection, fiscal responsibility and tax reforms, as well as improving compliance. Already, discussions or conversations are underway to streamline the number of tax obligations from 52 to 10, to achieve payment efficiency and enhance the ease of doing business. Furthermore, it is being considered conceptually whether the Federal Inland Revenue Service (FIRS) to change to the Nigeria Revenue Service (NRS) in a bid to harmonise all tax collection activities of the Federal government.



63. \$800 million World Bank Loan approved by the Senate to provide safety net and mitigation support to the poor and vulnerable segments of the population. The loan will increase national debt portfolio and deepen debt burden, on account of further currency devaluation.
64. FG to save about 30 to 50% of monthly FAAC allocations*, as part of an Infrastructure Support Fund (ISF) aimed at improving and enhancing the infrastructure growth and development of the States. However, a debate exists regarding the presence of an appropriate legal framework guiding this action.
- 65. Monetary dynamics**
66. Merchant Banks' CRR revised to 10% from 33% to strengthen the banks' capacity to provide increased financing for infrastructure, real estate, and other extended financing crucial for the growth of the Nigerian economy.
67. Journey toward FX unification included streamlining the markets for accessing FX to the singular I&E window. Though this aims to reduce arbitrage and encourage foreign investments in the medium to long-term, the policy has led to the devaluation of the Naira by over 70% since its launch. The divergence between the official window and the parallel markets is expected to continue in the short term, in the absence of further supporting reforms and policies.
68. Monetary Policy Rate (MPR) increased to 18.75%. This may likely have negative impact on economic growth, as it impedes headroom for banks to lend to the real and business sector. Despite the persistent increase in interest rates, inflation rates continue to rise, primarily driven by factors such as an expansion in money supply, currency devaluation, insecurity, lingering effect of the naira redesign policy, among others

Petroleum Sector

69. Oil was discovered in Nigeria in 1956 at Oloibiri in the Niger Delta after half a century of exploration. The discovery was made by Shell-BP, at the time the sole concessionaire. Nigeria joined the ranks of oil producers in 1958 when its first oil field came on stream producing 5,100 bpd. After 1960, exploration rights in onshore and offshore areas adjoining the Niger Delta were extended to other foreign companies. In 1965 the EA field was discovered by Shell in shallow water southeast of Warri. By the late sixties and early seventies, Nigeria had attained a production level of over 2 million barrels of crude oil a day. Although production figures dropped in the eighties due to economic slump, 2004 saw a total rejuvenation of oil production to a record



level of 2.5 million barrels per day. Current development strategies are aimed at increasing production to 4million barrels per day by the year 2010

70. The Nigerian Petroleum Development Company (NPDC) Ltd is a fully owned subsidiary of the Nigerian National Petroleum Corporation (NNPC) established in 1988. The company is engaged in Oil & Gas Exploration and Production activities in the hydrocarbon-rich Niger Delta regions.
71. Apart from technical and operational management of the parent corporation's equity interests in numerous joint-venture partnerships under Nigeria's marginal fields programme, NPDC is also an independent operator of its own assigned oil blocks both onshore and offshore.
72. NPDC has its Head office in Benin City and base offices/warehouses in Port Harcourt and Warri for logistics support. The analysis of the operation state below
73. The report of cumulative petrol subsidy bill from August 2023 will hit N6.884 trillion by December 2024 — leaving NNPC unable to remit N3.987 trillion in taxes and royalties to the federation account.
74. It said NNPC was expected to pause the payment of interim dividends for eight months this year — from May to December.
75. Interim dividends — based on inflow projections — are usually remitted monthly into the federation account and shared by the three tiers of government, while the final dividends are paid at the end of the year after reconciliation.
76. Under the Petroleum Industry Act (PIA), NNPC is obligated to pay taxes and royalties as well as dividends to the federation, its sole shareholder.
77. In June 2024, NNPC, the report said, cried out to Tinubu that the subsidy payments were negatively impacting its cash flow, and it was struggling to remain a "going concern".
78. The company said it might not be able to sustain petrol imports because of the ballooning subsidy bill, which it blamed on "forex pressure".
79. Group Chief Executive Officer of NNPC, Mele Kyari, was said to have informed the president that when subsidy was removed in June 2023, it led to monthly savings of N400 billion to the federation.
80. Kyari said that enabled the company to remit its taxes and royalties totalling N2.032 trillion into a sequestered account at the Central Bank of Nigeria (CBN) as at January 2024.
81. He said the development was short-lived with the devaluation of the naira, which led to month-on-month escalation in the NAFEX exchange rate.



82. In August 2023, NNPC moved from surplus to negative in fuel importation costs, incurring a subsidy bill of N52.73 billion, the report revealed.
83. That increased to N57.59 billion in September and N212.28 billion in October, before ballooning to N665.60 billion in November, when exchange rate had more than doubled from the time subsidy was removed, The Cable report added.
84. The bill fell slightly to N537.66 billion in December before hitting a new high of N693.67 billion in January 2024.
85. According to the report, “The bill dropped to N592.09 billion the following month and N497.39 billion in March before rising again to N833.68 billion in April, forcing Kyari to send an SOS to the president.
86. “He said the situation had continued to exert ‘undue pressure’ on the NNPC, leading to its inability to remit royalties and taxes into the federation account.
87. “Kyari further said national energy security was being threatened as the NNPC might not be able to sustain petrol imports beyond July 2024.”
88. In making his case to the president, Kyari was reported to have said NNPC had implemented a number of strategies between August 2023 and April 2024, but the situation was getting out of hand.
89. The strategies included improving oil production by fighting theft and vandalism, debt rescheduling/forward sales, payment deferrals to suppliers and contractors, deferrals of non-critical projects, and debt recovery.
90. However, the situation was still not looking good, as projections showed a consistent increase in cash flow deficit, mainly because of the exchange rate.
91. Whereas an estimated N3.987 trillion in taxes and royalties will be due the federation account by December 2024, NNPC said it will still be owed N2.897 trillion after reconciliation of its obligations and subsidy shortfall.
92. Kyari was said to have requested that Tinubu should approve the utilisation of the final dividends due the federation for 2023 and deferment of the remaining interim dividends for 2024 to defray the subsidy costs.
93. “The president approved Kyari’s request on June 6, 2024,” the report said.
94. The situation was made worse because when petrol subsidy was removed in June 2023, the exchange rate was N463/\$, but now about N1,500/\$, while crude oil prices had also been high, making it a “double whammy” for NNPC.



2.A.4 Kogi State Economy

95. Fitch Rates Kogi State 'B-'; Outlook Positive
96. Fitch Ratings - Milan - 12 Jul 2024: Fitch Ratings has assigned Kogi State a 'B-' Long-Term Issuer Default Rating (IDR) with a Positive Outlook and an 'AA-(nga)' National Long-Term Rating. Fitch assesses Kogi's Standalone Credit Profile (SCP) at 'b'. A full list of ratings is below.
97. The ratings reflect Kogi's revenue dependency on volatile transfers from the federal government of Nigeria. The 'b' SCP reflects Kogi's stable operating balance but also vulnerability to oil prices changes and rising adjusted debt. The IDRs are capped by Nigeria's 'B-' ratings. The Positive Outlook on the IDRs mirrors that on the sovereign as Kogi's SCP is currently above the sovereign.
98. KEY RATING DRIVERS
99. Risk Profile: 'Vulnerable'
100. Kogi's 'Vulnerable' risk profile reflects a very high risk that the state's ability to cover debt service with its operating balance may weaken unexpectedly over our forecast horizon (2024-2028). This may be due to lower-than-expected revenue, higher-than-expected expenditure, or an unexpected rise in liabilities or debt-service requirements.
101. Revenue Robustness: 'Weaker'
102. Kogi's revenue robustness is influenced by the state's overall weak socio-economic profile by international standards and reliance on volatile transfers from the federal government. About 80% of Kogi's revenue is made of federal allocated revenue, i.e. VAT and statutory transfers (over half of operating revenue) that are highly dependent on the sale of hydrocarbons. The proportion of internally generated revenue (IGR) of total operating revenue is less than 20%, below the Nigerian states' average.
103. Revenue Adjustability: 'Weaker'
104. Kogi's revenue potential depends on its ability to broaden its tax base and enforce tax compliance. The main fiscal revenue is pay-as-you-earn taxes, on which Kogi cannot set the tax rate. Other IGR sources, including fees, are marginal for Kogi and could offer some potential room for increase. However, Fitch views the ability to expand the tax base as limited by the presence of a wide informal economy and the population's low-income level.
105. Expenditure Sustainability: 'Weaker'
106. Kogi has a broad set of responsibilities and high spending needs to support its population and the local economy. Spending responsibilities range from social



- sector (about a third, including education and healthcare) and economic development (about 24%). Kogi is exposed to a deteriorating operating environment, which weakens its control over total expenditure growth, influenced by high inflation, rising commodity prices, and supply constraint amid naira depreciation.
107. Fitch expects spending growth to outpace revenue growth in the medium term, in its rating case of a prolonged economic downturn, driven by increasing workforce costs and high inflation on purchases.
 108. Expenditure Adjustability: 'Weaker'
 109. The Nigerian central government has no mandatory balanced budget rules for states, which are required to keep their deficits below 3% of national GDP. Fitch considers Kogi's cost structure as rigid, with salaries representing about 40% of total costs and opex overall amounting to over 65% of expenditure. In our view, capex flexibility is hampered by the limited share of capex in total expenditure (30% in 2023) and the territory's high need for investment in energy, infrastructures, information technology to support a more favourable environment to attract business.
 110. Liabilities & Liquidity Robustness: 'Weaker'
 111. The national framework for debt is evolving so borrowing limits are quite wide. Nigerian states have no restrictions on debt maturities, interest rates or foreign currency exposure. Kogi's NGN165 billion direct debt at end-2023 is made up of domestic debt with local counterparties, a bond issuance, and several facilities sponsored by the federal government making up over 50% of its direct debt. External debt represents about 25% of direct debt at end-2023, encompassing the effect of steep depreciation of the naira. Kogi's debt is largely served through deductions from the statutory allocation. The state's reported arrears are minimal at less than NGN4 billion and we report them under adjusted debt.
 112. Liabilities & Liquidity Flexibility: 'Weaker'
 113. Fitch deems Kogi's liquidity as weak as the state has no committed liquidity lines, and domestic banks rated in the 'B' category tend to extend credit lines either with short maturities or with back-up from the federal government through direct deductions from federal allocations for longer maturities. Kogi's liquidity sources include cash, and the sinking fund set aside for bond repayments. We generally do not consider financial assets in our calculation as they usually represent non-sellable or illiquid stakes in local entities.



114. Emergency liquidity may also come directly from the federal government with dedicated facilities helping states meet liquidity shortfalls and covering payments of salaries and pensions.
115. Debt Sustainability: 'bb category'
116. Under Fitch's rating case of a prolonged economic downturn, Kogi's debt payback ratio (net debt/operating balance) - the primary metric of debt sustainability assessment - could deteriorate to over 18 years by 2028, corresponding to a 'bb' assessment. Kogi's fiscal debt burden (net adjusted debt/operating revenue) could increase to above 200%, equivalent to a 'bb' assessment, while its actual debt servicing coverage will be less than 1x, consistent with a 'b' assessment.
117. Kogi's fiscal performance improved in 2023, backed by increasing FAAC allocation. We expect federal transfers to further increase in 2024 under all scenarios. Kogi's operating margin are quite low in the range of 10% to 15%, with a negative operating balance in 2019 due to a peak in personnel costs arrears.
118. We expect Kogi's net Fitch-adjusted debt to increase around NGN500 billion in the medium term, close to 240% of the state's revenue. The debt stock encompasses the effect of the naira's devaluation on external debt that will support Kogi's extensive capex plan of over NGN400 billion in 2024-2028 to fund infrastructure construction and upgrade.
119. Derivation Summary
120. Fitch assesses Kogi's SCP at 'b', reflecting a combination of a 'Vulnerable' risk profile and 'a' debt sustainability. The SCP also factors in comparison with other Nigerian states and with international peers, in particular, South American local and regional governments. Fitch does not apply any asymmetric risk or ad-hoc support from the central government and views inter-governmental financing as neutral to Kogi's ratings.
121. Short-Term Ratings
122. Kogi's Short-Term IDR of 'B' is mapped to its 'B-' Long-Term IDR.
123. National Ratings
124. Kogi's National Ratings are driven by its 'B-' Long-Term Local-Currency IDR. Kogi's 'AA-(nga)' reflects its low level of IGR in operating revenue compared with most Nigerian states, improving payback ratio in the short term thanks to high federal transfers, and modest capex with below-budget implementation. It also considers the protective debt service mechanism through deductions from statutory allocation and Kogi's debt repayment predictability owing to a high share of fixed-rate debt.
125. Key Assumptions



126. Qualitative Assumptions
127. Risk Profile: 'Vulnerable'
128. Revenue Robustness: 'Weaker'
129. Revenue Adjustability: 'Weaker'
130. Expenditure Sustainability: 'Weaker'
131. Expenditure Adjustability: 'Weaker'
132. Liabilities and Liquidity Robustness: 'Weaker'
133. Liabilities and Liquidity Flexibility: 'Weaker'
134. Debt sustainability: 'bb'
135. Support (Budget Loans): 'N/A'
136. Support (Ad Hoc): 'N/A'
137. Asymmetric Risk: 'N/A'
138. Rating Cap (LT IDR): 'B-'
139. Rating Cap (LT LC IDR) 'B-'
140. Rating Floor: 'N/A'
141. Quantitative assumptions - Issuer Specific
142. Fitch's rating case is a "through-the-cycle" scenario, which incorporates a combination of revenue, cost and financial risk stresses. It is based on 2019-2022 figures, 2023 preliminary data, and 2024-2028 projected ratios. The key assumptions for the scenario include:
 143. - Operating revenue growing at around 9.4% on average, below nominal GDP growth rate; the revenue dynamic considers that transfers growth is driven by oil-price adjustments and naira/US dollar exchange rate;
 144. - Opex growth at about 9.4% on average, driven by high inflation;
 145. - Average cost of debt expected at around 8% on average;
 146. - Debt stock hovering towards NGN500 billion considers new borrowing and stresses the conversion of foreign debt with the FX rate at NGN1,000-NGN1,500/USD across the rating horizon;
 147. - Annual net capital averaging about NGN56 billion considers an increase in both capex and grants, the uncovered part would be financed with new debt.
148. Issuer Profile
149. Kogi's economy relies on a large agricultural sector and some large industrial conglomerates. Kogi's ambitious 2024-2056 development plan focuses on fostering efficient governance, improving social conditions, boosting infrastructures, and tapping into its rich mineral resources.
150. Rating Sensitivities



151. Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade
152. Negative rating action on the sovereign could lead to corresponding rating action on Kogi.
153. Weakening debt sustainability due to social unrest damaging economic prospects or undermining transfers from the central government could also trigger negative rating action.
154. Factors that Could, Individually or Collectively, Lead to Positive Rating Action/ Upgrade
155. Positive rating action on Nigeria could be reflected in Kogi's ratings, provided it continues to perform in line with our expectations.
156. ESG Considerations
157. Kogi State has an ESG Relevance Score of '4' for Biodiversity and Natural Resource Management due to the state's dependency on oil-related transfers from the sovereign that impact financial operations, which has a negative impact on the credit profile, and is relevant to the rating[s] in conjunction with other factors.
158. The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores.
159. There was an appropriate quorum at the committee and the members confirmed that they were free from recusal. It was agreed that the data was sufficiently robust relative to its materiality. During the committee no material issues were raised that were not in the original committee package. The main rating factors under the relevant criteria were discussed by the committee members. The rating decision as discussed in this rating action commentary reflects the committee discussion.
160. RESOURCES IN TO BE TAPPED IN KOGI STATE
161. Agriculture, Forestry and other Bush Activities: Kogi State has extensive arable land for cultivation, with good grazing grounds for livestock breeding and large water bodies for fishing. Agriculture is the mainstay of the state economy. There are many Farm produce from the state notably coffee, cocoa, palm oil, cashews, groundnuts, maize, cassava, yam, rice and melon. Rice production is encouraged in the flood plains of the rivers, while coffee, cocoa, orange, and cashew nuts are produced in Ijumu and Kabba/Bunu LGAs. Farmers are engaged in share



cropping schemes at Iyagu, Alade and Adikena. Palm plantations are being rehabilitated and a standard agricultural mechanical workshop is being constructed for the maintenance of machinery.

162. The Kogi State Agricultural Development Project was established with an initial investment capital of N144 million to be drawn from a World Bank loan. This was done to improve 300 kilometres of rural roads, provide fifty points of potable water and distribute 50 tonnes of various farm inputs. Much emphasis has been placed on agriculture with substantial lumbering and saw milling carried out in the forest areas of the state (e.g Ijumu and Kabba/Bunu LGAs).
163. Exotic plants such as teak (*tectona grandis*) and pulp wood are being planted in different parts of the State. Other basic economic activities include the unincorporated private sector with farmers, fishermen, artisans and people in other activities such as mechanics, vulcanizers, electricians, carpenters, bricklayers, plumbers and traders.
164. Mineral Resources: Kogi State is rich in mineral resources. These Mineral resources include coal, limestone, iron, petroleum and tin. The state is home to the largest iron and steel industry in Nigeria known as Ajaokuta Steel Company Limited and one of the largest cement factories in Africa, the Obajana Cement Factory. Most of these minerals are available in commercial quantities. Coal at KotonKarfe, Okaba and Ogboyaga; limestone and marble at Jakura, Ajaokuta, Osara, Ekinrin Adde and Itobe; kaolin at Agbaja and iron ore at Agbaja plateau and Itakpe hills. It is worthy of note here to highlight that out of the seven (7) mineral resources of focus by Nigeria in the effort towards diversification, three (3) of them are available in Kogi State in commercial quantities. These are Iron Ore, Limestone and Coal.
165. Coal was mined in Kogi State during the Nigerian civil war; limestone and marble are exploited at Jakura. Other minerals include feldspar at Okene and Osara; clay, cassiterite, columbite and tantalite at Egbe; gold at Isanlu, gems, quartz, mica and crude oil at Idah. At the present time however, attention is being given for the commencement of exploitation of Coal in Kogi East by Dangote group. The Federal Government has started giving the exploitation of Itakpe Iron Ore attention. For years now the limestone had continued to be exploited by Dangote group into cement manufacturing.
166. Industrial Development: The available resources are land, water, minerals, agriculture and forestry, hydro power and electricity. Ajaokuta iron and steel and the tertiary institutions in the State are potential sources of input for industrialisation, if properly developed and maintained. There were sixteen industrial establishments operating



in the State in 1992. Development of the Ajaokuta Steel Company will lead to springing up of upstream and downstream industries in Kogi State.

167. The Itakpe Iron Ore Mining Company and the Ajaokuta Steel Company, both of which could generate subsidiary industries such as iron and steel, foundries, cement plant, tar installation plant, carbon black and carbon graphic electrodes industry light forging, metal fabrication and agricultural tools and implements industries.
168. Development Potentials: Kogi State's endowment of natural resources include land, water, mineral and forest resources. The vast land area of the State provides adequate opportunity for the location of various types of industrial and other economic activities.
169. The water resources of Rivers Niger and Benue and their several tributaries could provide ample water supply for people, animals and various industries when fully harnessed. The confluence of Rivers Niger and Benue could be an important source of tourist attraction. Fishery could be developed on a large scale with allied fishery industries.
170. The waterfalls at Osomi, Ogugu and Ofeiji are potential sources of hydroelectricity. The water from the rivers could support large irrigation schemes for raising various crops. The forests provide wood for timber and fuel.
171. Local Sourcing of Raw Materials: Agricultural products such as grains (maize, guinea corn, rice and others), root crops (yam, cassava and groundnut etc), Other crops include beans, soya beans, cocoa and coffee provide the needed raw materials for cereals, flour beverages and other food processing industries. Livestock and fisheries could provide raw materials for meat and fish canning industries.
172. The forest has the potential to provide wood for plywood and other wood related industries to produce such items as toothpicks, matches and other household utensils while foliage and minerals are sources of raw materials for chemical and pharmaceutical industries. Mineral resources in the State can provide immense local sources of raw materials for the manufacture of various products.
173. Coal and iron ore provide raw materials for the iron and steel industry and for the manufacture of machinery, alloys, oxides, tools, rails, linoleum and fillers. Coal also provides raw material for making ammonia, tar, cyanide, explosives and organic compounds. Limestone and marble at Jakura, Oshokoshoko, Ajaokuta, Osara, Ekinrin Adde and Itoke have raw materials for making cement, glass, lime,



ceramics, carbon dioxide, ethylene, caustic soda, carbide, paint, floor slabs, terrazzo chips and building stones amongst others. Feldspar from Osara, Okene, Okoloke and Egbe and clay obtained in many parts of the LGAs of the State could supply the needed raw materials for glass, ceramics and pottery. Kaolin from Agbaja is an important raw material for chalk making, paint, kaolin poultice and Plaster of Paris (POP).

174. Cassiterite, columbite and tantalite from Okoloke, Egbe are used for tin coating and alloys while talc and mica from Isanlu, Ogborun and Mopa could supply the raw materials for ceramics, paints and electrical equipment. Gold from Isanlu in Yagba East LGA, gems and ornamental stones from Lokoja, quartz from Okene, Okehi, Okoloke and Egbe and crude petroleum from Ibaji are other important minerals in the state.

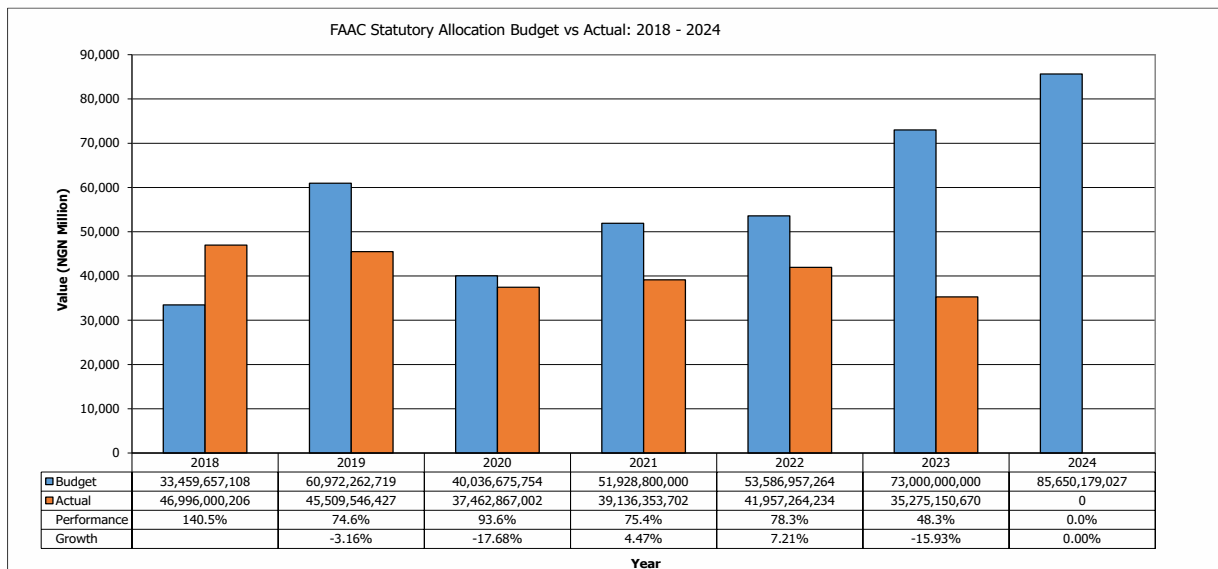
2.B Fiscal Update

2. B.1 Historic Trends

Revenue Side

175. On the revenue side, the document looks at Statutory Allocation, VAT, IGR, Excess Crude/Capital Receipts – budget versus actual for the period 2018-2024.

Figure 2: Statutory Allocation

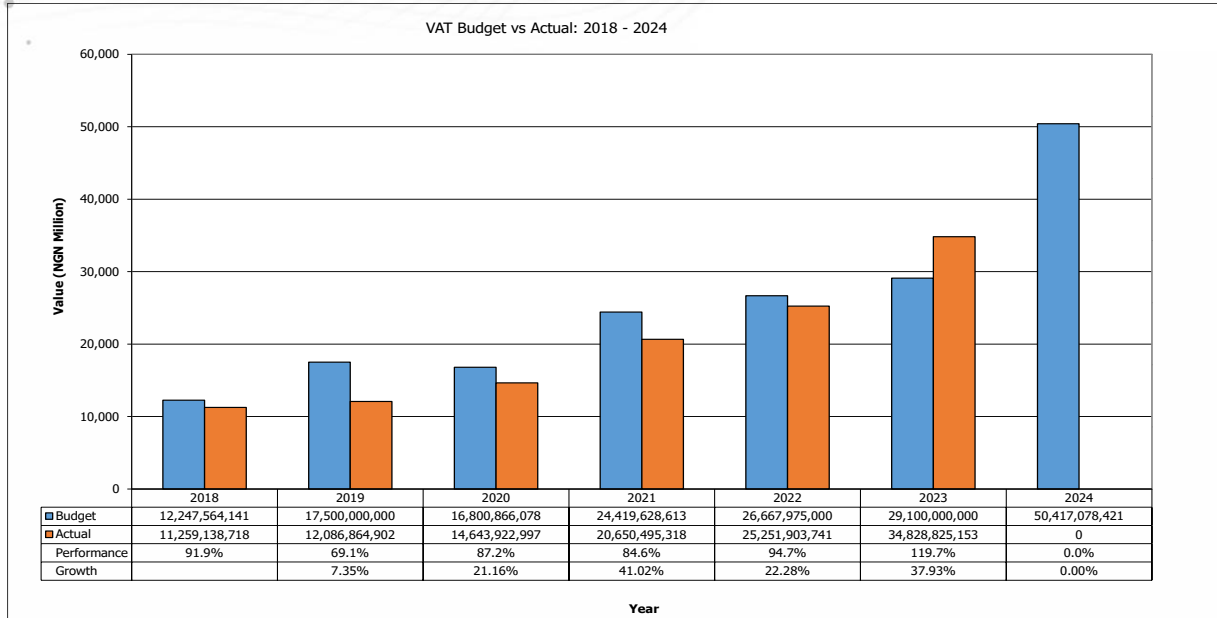


176. Statutory Allocation is a transfer from Federation Account that is distributed to all three tiers of government based on vertical (percentage to each of the three tiers) and horizontal (example equality, land mass, population) sharing formula.



177. Performance against budget for the six years under review was not stable. It started by decreasing from 2018 to 2020, then started increasing to 2022 and decreased in 2023. However, in 2018 the income supersedes the budgetary provisions.

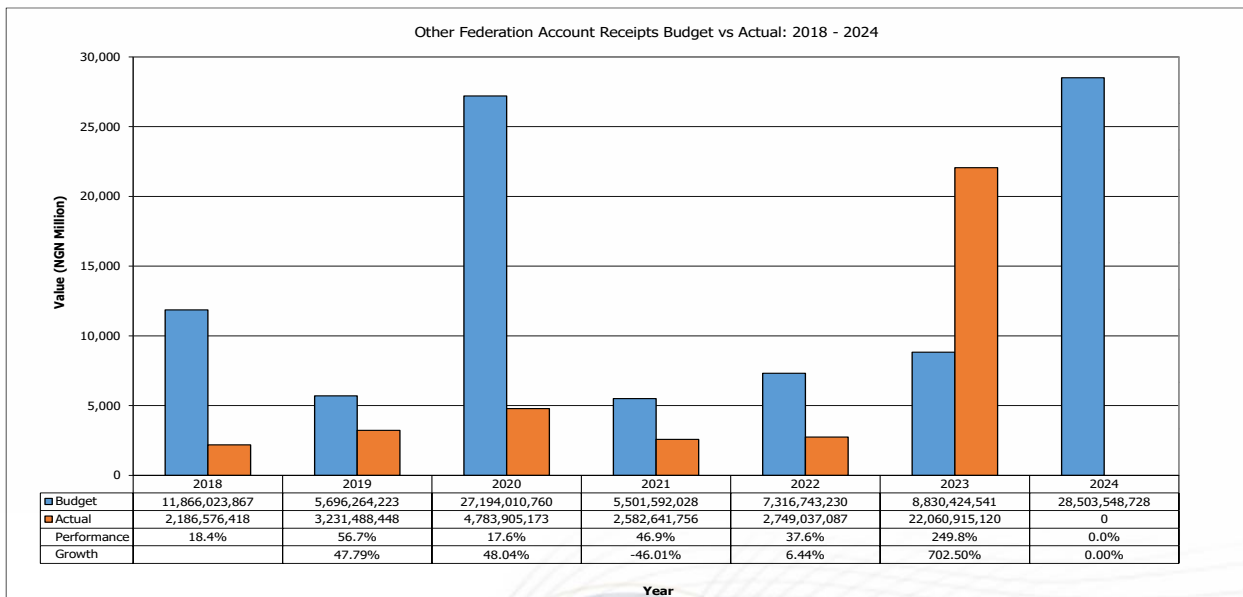
Figure 3: VAT



178. VAT (Value Added Tax) is an ad-valorem tax applied to sales of almost all goods and services within the Nigerian economy. The distribution to each State is based on a set of criteria slightly different from those used for Statutory Allocation.

179. The performance kept on increase throughout the years under review.

Figure 4: Excess Crude/Other FA Receipts.



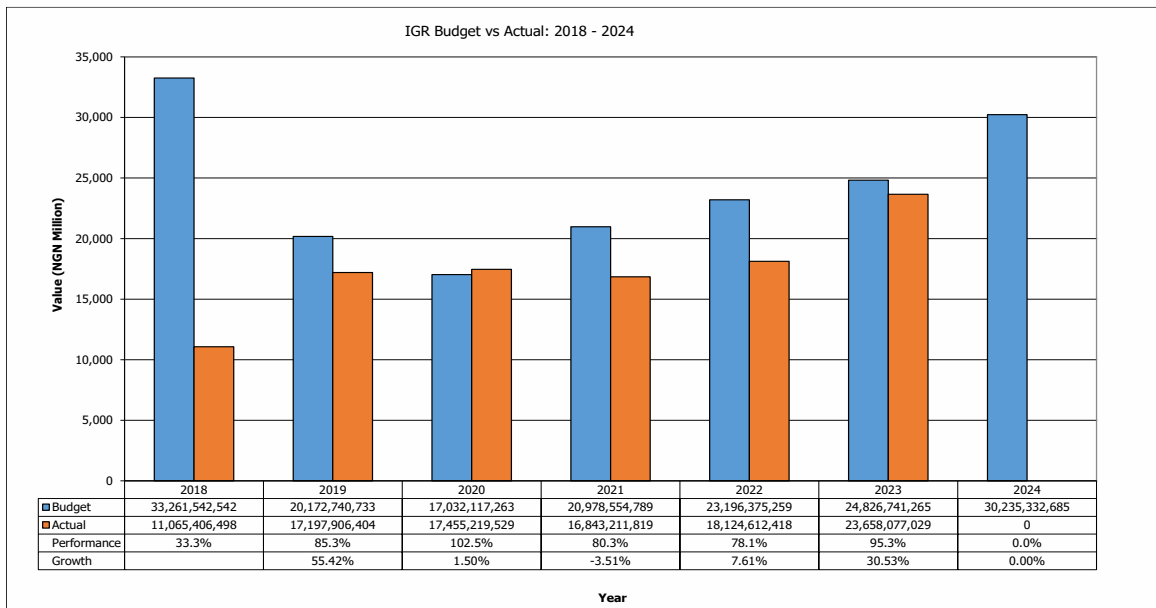
180. Excess crude receipt is distributed from the Federation Account based on Mineral Revenue receipts above the oil benchmark price, production and exchange rate, it



includes exchange gains, refunds from NNPC and FIRS, and augmentation. It is generated when actual crude oil price, production and NGN: USD exchange rates exceed the benchmarks and hence excess revenue is generated. It is shared among the three tiers of government using the same formulas as Statutory Allocation. The timing and level of Excess Crude distribution is very difficult to predict.

- 181. Due to unpredictable nature of the excess crude oil revenue and other FA Receipts. Performance against budget for the six years under review was not stable. It started increasing from 2018 to 2020, then started decreasing to 2022 and increased in 2023.

Figure 5: IGR



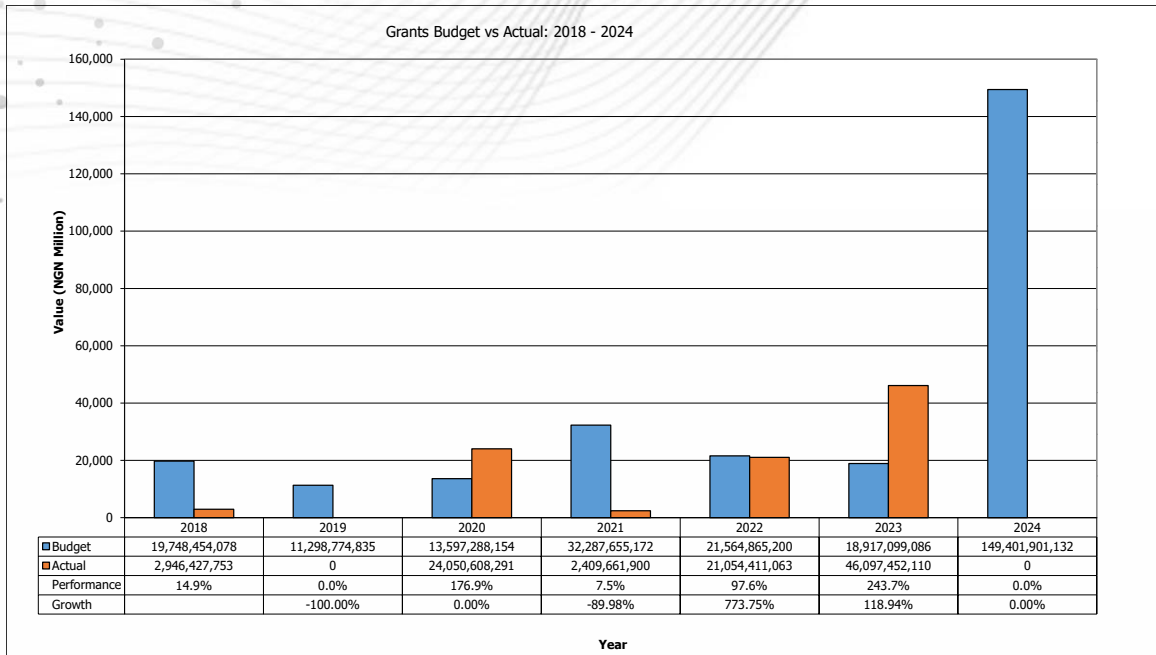
- 182. IGR (Internally Generated Revenue) is revenue collected within Kogi State relating to income tax (company and individuals including Pay As You Earn (PAYE), fines, levies, fees and other sources of revenue within the State. Pay as You Earn represents the highest contributor to IGR.

- 183. IGR performance kept on increasing throughout the years under review except 2021 that experience slight decreased.





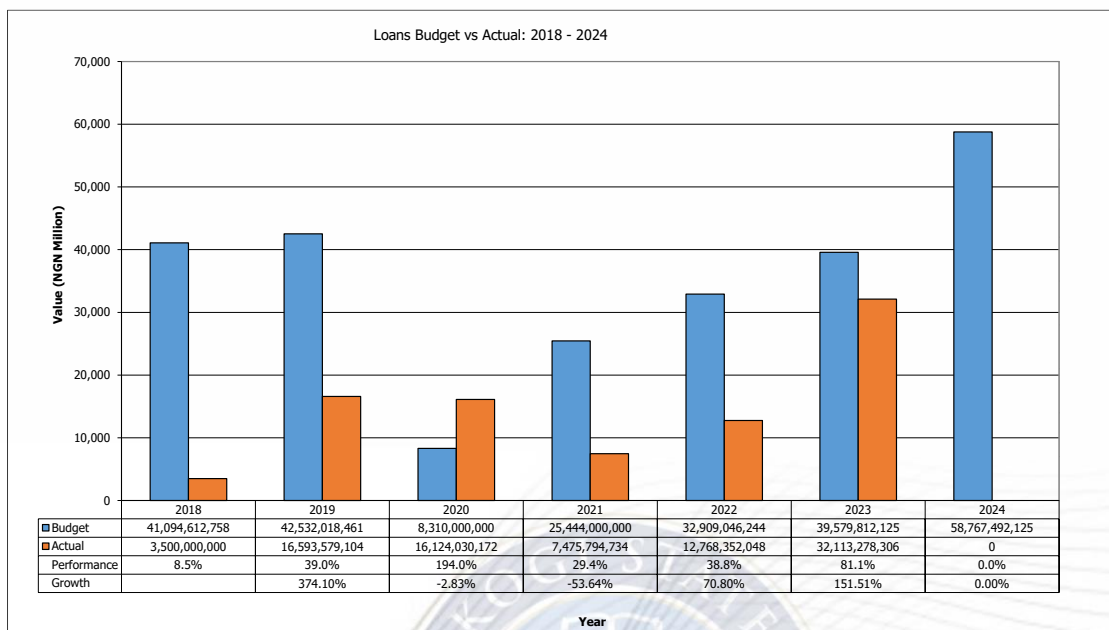
Figure 6: Grants



184. Grants are receipts from Federal Government and Local Governments such as Federal Government Sustainable Development Goals (SDGs) Conditional Grants Scheme, as well as grants from the international development partners (including UK - Department for International Development (DFID), European Union (EU), United Nations Children’s Fund (UNICEF), and the World Bank. The receipt or performance has been irregular to the extent that 2019 experienced zero collection.

185. Grant estimates going forward should be consistent with signed agreements; any “blue-sky” should be specifically linked to the implementation of specific projects.

Figure 7: Loans / Financing



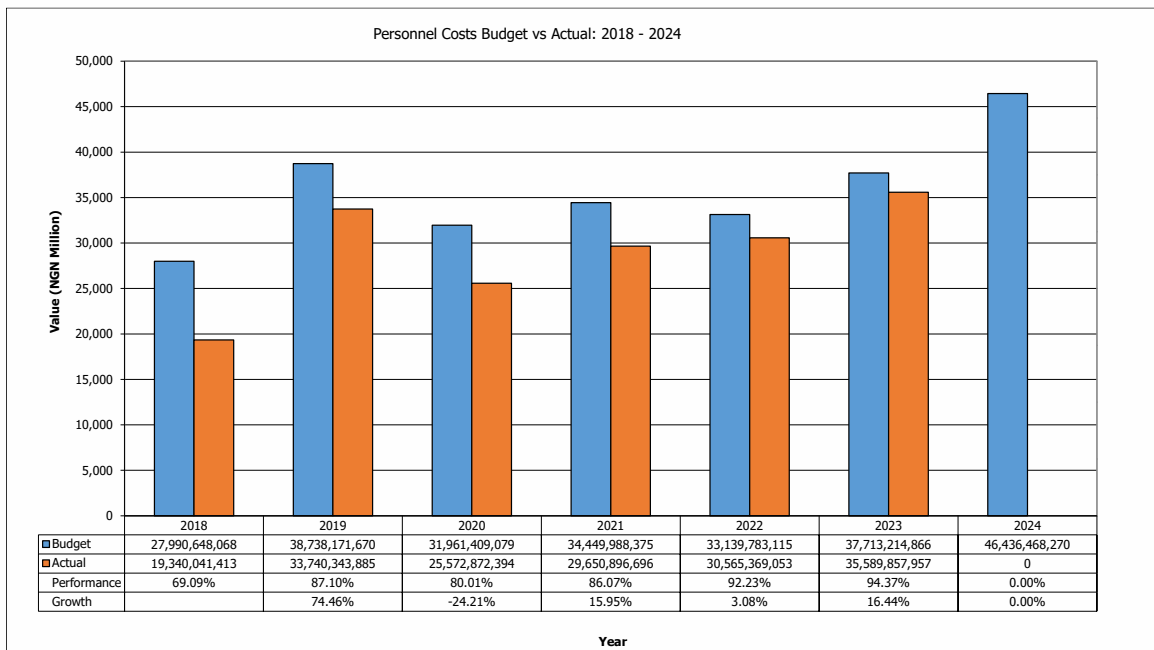


- 186. Loans in this context are referred to as internal loans (commercial bank loans, loans from local capital markets, loans from individuals, etc) and external loans are loans that are largely drawn from the development partners such as the World Bank, IFAD, AfDB, etc.
- 187. Performance against budget for the six years under review was not stable. It experiences irregularity in its performance.

Expenditure Side

188. On the expenditure side, the document looks at Consolidated Revenue Fund (CRF) charges, Personnel, Overheads and Capital Expenditure – budget versus actual for the period 2018-2024.

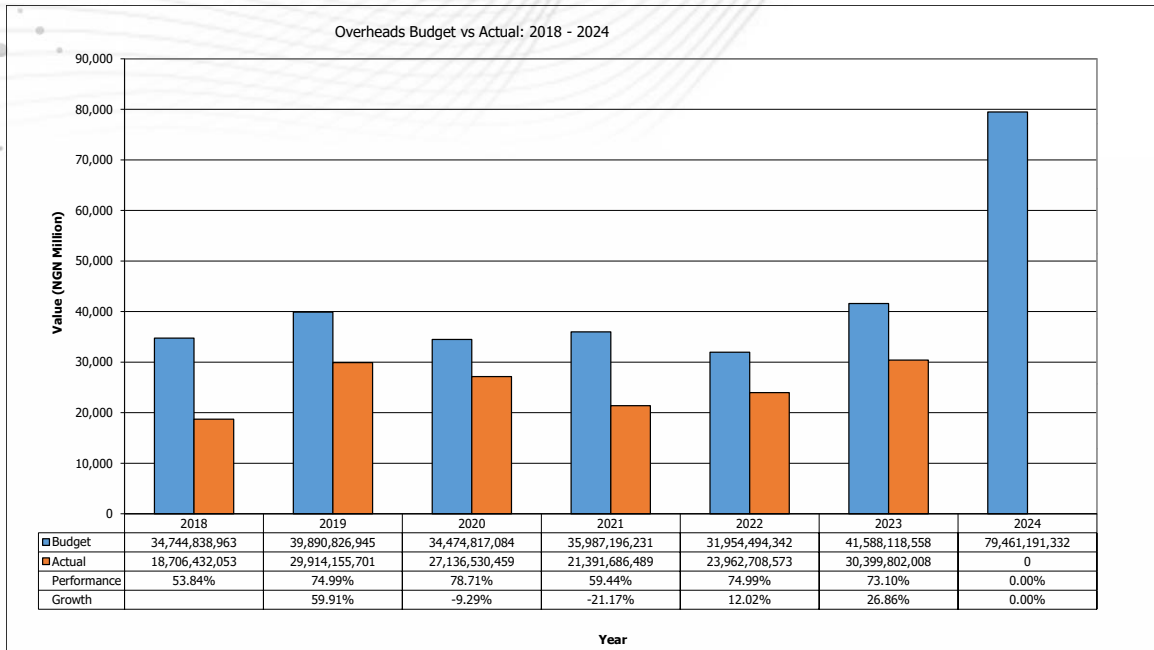
Figure 8: Personnel



- 189. Personnel costs comprise of salaries and allowances of civil servants.
- 190. The expenditures were on steady rise from 2018 till 2019. There was a serious increase in 2019 because of huge gratuity payment and payment of arrears of people with screening problem before they were cleared. However, year 2021 performance also continue to rise till 2023. This is due to many Staff recruitment in Kogi State Confluence University of Science and Technology, Osara, Kogi State University, Kabba and increased in pension and gratuity payments to retirees.



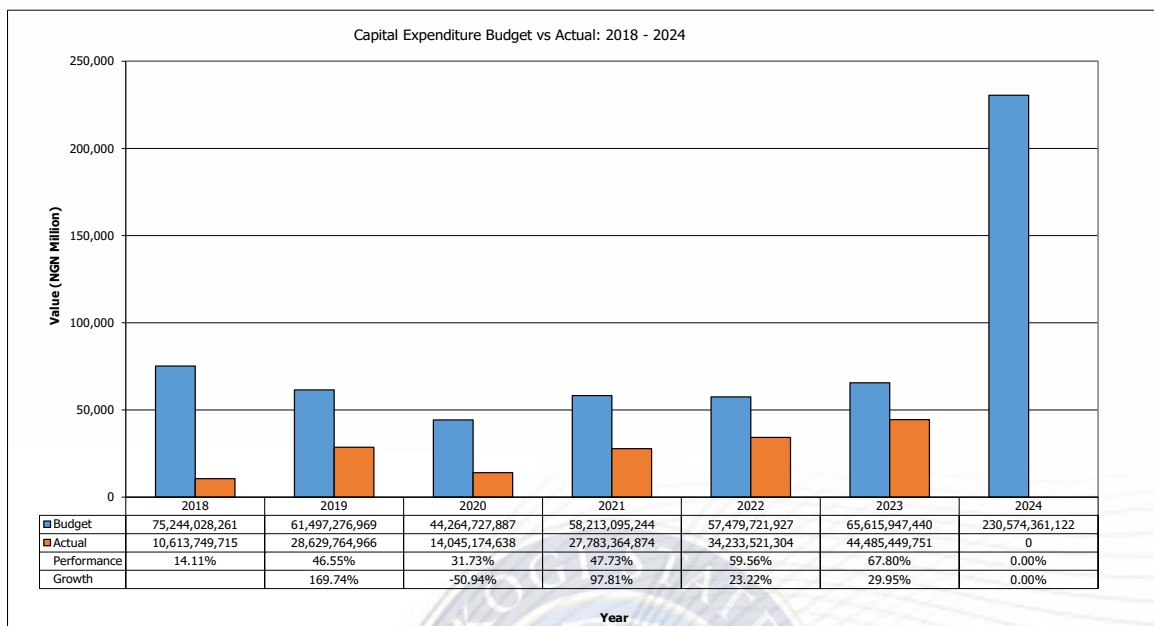
Figure 9: Overhead Expenditure



191. Overheads comprise mainly operational, debt servicing and maintenance costs for running the government.

Overhead costs on the graph above shows an increased from 2018 to 2019. This was largely due to increased cost of running government, especially with respect to maintenance of many government offices. However, there was steady decreased in 2020 and 2022 this was due reduction in running costs of government. However, there rise in 2023, this due to high inflation occasioned by Subsidy fuel removal.

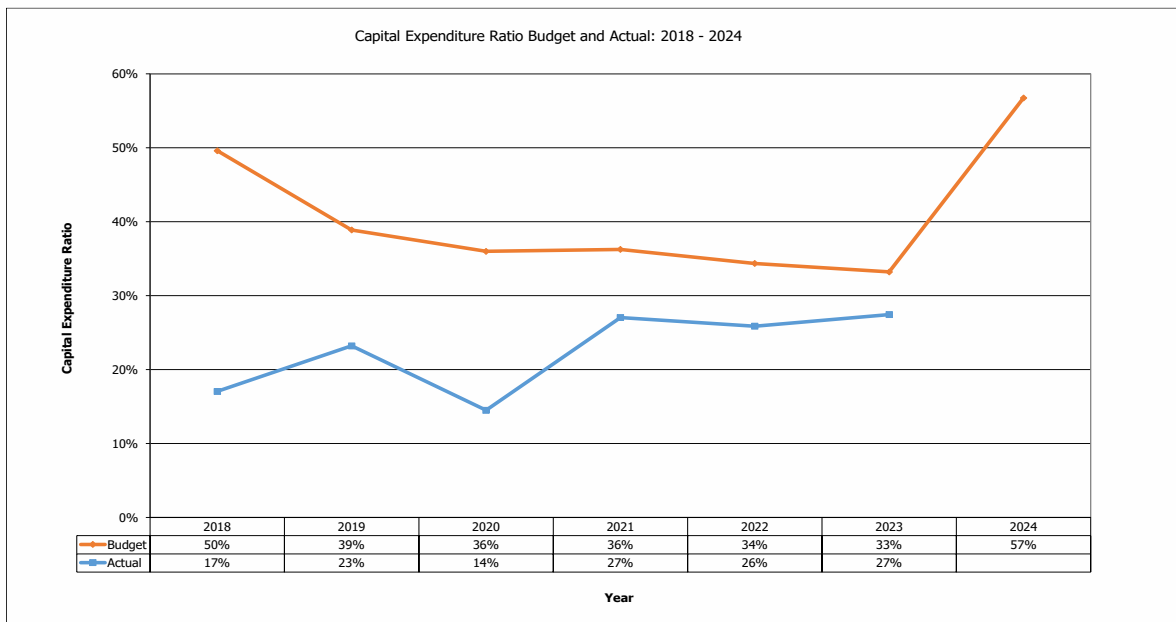
Figure 10: Capital Expenditure





- 192. Capital expenditure refers to costs of projects that generate State assets (e.g. roads, schools, hospitals, etc). Capital expenditure includes the main investments and programmes of government.
- 193. The performance has been below expectation when compared to budgetary provisions. This is due to high costs of running government in terms of overheads and personnel cost. The performance increased from 2018 to 2019 but failed in 2020. However, the performance picked up in the year 2021 with slow increased to 2023.

Figure 11: Capital Expenditure Ratio

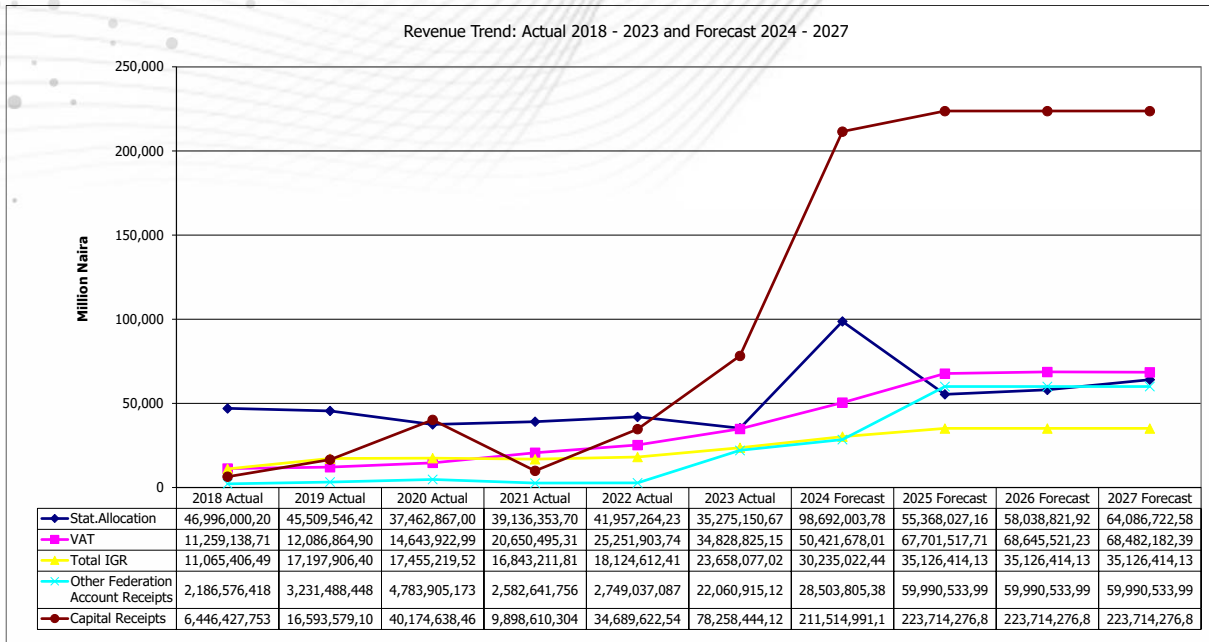


- 194. The capital expenditure ratio was significantly low under the years captured. The actual percentage ranged from 14% to 27% which is far below expectation.





Figure 12: Expenditure Trend



195. The Figure 12 above comprises of the trend of personnel, social contribution & social benefit, Overhead, grants, contributions & subsidies, public debt and Capital both historical from year 2018-2023 and forecast from year 2024-2027 with average anticipation.



By Sector

Table 4: Sector Expenditure – Budget Vs Actual

Sector Personnel Expenditure – Budget Vs Actual

Personnel Expenditure by Sector												
No.	Sector	2020 Budget	2020 Actual	2021 Budget	2021 Actual	2022 Budget	2022 Actual	2023 Budget	2023 Actual	Performance	Average Budget	Average Actual
1	Administrative	15,201,499,522	20,036,570,515	23,091,370,245	18,771,637,533	23,297,058,770	22,721,426,395	28,725,443,139	27,916,248,441	99.04%	44.79%	46.84%
2	Economic	4,010,581,960	3,087,545,682	3,798,248,863	2,942,170,219	3,776,912,592	3,176,713,725	4,262,604,159	3,492,843,731	80.13%	7.86%	6.65%
3	Law & Justice	2,907,887,001	2,889,371,852	3,287,888,186	2,936,357,758	2,811,997,379	2,605,501,362	3,296,224,552	3,201,504,894	94.54%	6.10%	6.09%
4	Social	20,239,844,555	18,549,042,325	19,391,064,118	17,003,697,836	20,778,493,697	19,375,434,419	22,757,831,816	22,253,101,260	92.80%	41.25%	40.42%
	Total	42,359,813,038	44,562,530,374	49,568,571,412	41,653,863,346	50,664,462,438	47,879,075,901	59,042,103,666	56,863,698,326	94.71%	100.00%	100.00%

196. Performance of Personnel expenditure by sector over the period 2020-2023 is as shown in Table 5 above, Administrative Sector, Economic Sector, Law & Justice Sector and Social Sector all performed at more than 80%. Personnel Costs by sector performed in the range 80.13%-99.04% in the years. The highest performing sector was Administrative Sector with 99.04% while the least performing sector is economic Sector with 80.13%.

Sector Overhead Expenditure – Budget Vs Actual

Overhead Expenditure by Sector												
No.	Sector	2020 Budget	2020 Actual	2021 Budget	2021 Actual	2022 Budget	2022 Actual	2023 Budget	2023 Actual	Performance	Average Budget	Average Actual
1	Administrative	25,137,227,664	17,738,510,480	23,728,771,152	17,880,285,571	20,286,923,424	16,961,216,606	29,219,755,695	23,961,825,479	77.81%	44.47%	43.14%
2	Economic	7,172,209,409	12,482,283,072	22,681,772,294	13,300,923,352	31,906,346,367	29,342,886,114	27,519,499,370	24,629,545,329	89.33%	40.36%	44.95%
3	Law & Justice	1,067,704,156	400,811,702	1,157,021,879	477,239,939	1,752,212,113	863,389,018	4,637,460,978	3,824,761,075	64.62%	3.89%	3.14%
4	Social	2,969,275,855	2,557,420,255	5,210,998,621	1,644,010,973	5,212,295,928	3,060,160,692	11,564,907,763	8,315,257,008	62.41%	11.28%	8.78%
	Total	36,346,417,084	33,179,025,508	52,778,563,946	33,302,459,834	59,157,777,832	50,227,652,429	72,941,623,806	60,731,388,892	80.21%	100.00%	100.00%

197. Performance of Overhead expenditure by sector over the period 2020-2023 is depicted above. Administrative Sector, Economic Sector, Law & Justice Sector and Social Sector all performed at more than 62%. Overhead expenditure by sector, performance range from 62.41%-89.33% in the years. The highest performing sector is Economic Sector with 89.33% while the least performing sector is Social Sector with 62.41%.

Sector Capital Expenditure – Budget Vs Actual

Capital Expenditure by Sector												
No.	Sector	2020 Budget	2020 Actual	2021 Budget	2021 Actual	2022 Budget	2022 Actual	2023 Budget	2023 Actual	Performance	Average Budget	Average Actual
1	Administrative	5,629,845,140	553,656,761	3,954,883,200	1,050,582,482	2,457,889,609	534,340,343	6,061,730,891	2,880,919,647	27.73%	8.03%	3.99%
2	Economic	16,277,081,438	7,010,280,672	25,340,181,793	11,861,041,870	26,827,009,734	14,439,795,474	38,031,956,187	27,554,988,237	57.16%	47.20%	48.44%
3	Law & Justice	1,364,604,800	1,236,103,086	1,521,133,188	32,793,500	825,466,938	104,247,070	1,129,555,287	203,424,775	32.57%	2.15%	1.25%
4	Social	20,993,196,509	10,346,493,730	27,396,897,063	14,838,947,022	27,369,355,646	19,155,138,417	20,392,705,075	13,846,117,093	60.52%	42.63%	46.31%
	Total	44,264,727,887	19,146,534,249	58,213,095,244	27,783,364,874	57,479,721,927	34,233,521,304	65,615,947,440	44,485,449,751	55.70%	100.00%	100.00%



198. Performance of Capital expenditure by sector was not encouraging over the period 2020-2023. Administrative Sector, Economic Sector, Law & Justice Sector and Social Sector all performed less than 61%. Capital expenditure by sector performed in the range of 27.73-60.52%. The highest performing sector is Social Sector with 60.52% while the least performing sector was Administrative Sector with 27.73%. Generally, the performance of capital expenditure was very low when compared to personnel and overhead expenditures.



2.B.2 Debt Position

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

Table 5: Debt Position as at 31st December 2023

Debt Sustainability Analysis		
A DSA RATIO SCENARIOS:	Sustainability Thresholds	As at 31st December 2023
Solvency Ratios		Percentage
1 Total Domestic Debt/Total Recurrent Revenue	50%	105.17%
2 Total Domestic Debt/IGR	150%	514.87%
3 Total External Debt/Total Revenue	50%	16.29%
4 Total Public Debt/Total Revenue	100%	121.46%
5 Total Public Debt/State GDP Ratio	40%	No GDP Figure Available
Liquidity Ratios		
6 External Debt Service/Total Revenue	10%	3.02%
7 Total Debt Service/Total Revenue	15%	146.07%
8 Domestic Debt Service/IGR	10%	700.32%
		2023 Actual
B PUBLIC DEBT DATA AS AT 31st DECEMBER 2023		Naira
1 Total Domestic Debt		121,808,350,345
2 Total External Debt		18,870,824,000
3 Total Public Debt		140,679,174,346
4 Total Domestic Debt Service 2023		165,682,338,940
5 Total External Debt Service in 2023		3,499,023,292
6 Total Public Debt Service		169,181,362,232
C STATE GDP FOR 2023		
1 State GDP		0

200. Given the above table, the state performance is impressive in total external debt to total revenue and external debt service to total revenue while Total Domestic Debt/Total Recurrent Revenue; Total Domestic Debt/IGR; Total Public Debt/Total Revenue; Total Debt Service to total revenue and Domestic Debt Service/IGR are not impressive.

201. In the interim, despite the risk pose by foreign exchange, foreign loans present brighter window

2.C Macroeconomic Framework

202. The Macroeconomic framework is based on the latest Nigerian National real GDP growth and inflation represented by Consumer Price Index (CPI) as estimated in the period 2025-2027 Federal MTEF document. The Oil benchmarks and NGN: USD exchange rates are also based on the figures in the period 2025-2027 Federal Fiscal Strategy Paper document.

**Figure13: Kogi State Macroeconomic Framework**

Macro-Economic Framework				
Item	2024	2025	2026	2027
National Inflation	21.40%	15.75%	14.21%	10.04%
National Real GDP Growth	3.80%	4.60%	4.40%	5.50%
State Inflation				
State Real GDP Growth				
State GDP Actual				
Oil Production Benchmark (MBPD)	1.7800	2.0600	2.1000	2.3500
Oil Price Benchmark	\$77.96	\$75.00	\$76.20	\$75.30
NGN:USD Exchange Rate	800.00	1,400.00	1,400.00	1,400.00
Other Assumptions				
Mineral Ratio	38%	38%	38%	38%

2.D Fiscal Strategy and Assumptions

Policy Statement

203. The fiscal strategy of Government is anchored on the on-going Public Financial Management Reform (PFM). Over the period 2025 -2027 the State Government fiscal policy is directed at:

- Creation of a broad-based foundation in agriculture mechanized farming, access to production inputs, financing, enhanced role of women and youth farmers leading to enhanced agricultural productivity
- Investments in infrastructure to ensure consistent supply of agricultural commodities, attract financial capital to agri-based value chains
- Modernise agriculture to put an end to human drudgery in agriculture by replacing the use of traditional agricultural implements with modern farming tools and equipment to make it profitable and attractive
- To create an enabling environment for businesses to thrive.
- Eliminate structural bureaucracies in the business sector.
- Develop business hubs across the State.
- Attract strategic investments into the State.
- Restore and operationalize moribund State-Owned Enterprises
- Improve the framework for e-governance and develop a robust masterplan reflective of the current digital age.
- Increase internal revenue contribution of tourism.
- Transform the State into a hub for official and leisure tourism
- Improve the qualified teacher-to-student ratio in the State.
- Improve the literacy rate
- Improving the efficiency and effectiveness of spending;
- Achieving a better balance between capital and recurrent expenditure;
- Including greater control of the wage bill;



- Directing capital expenditure on critical infrastructure such as Agriculture, Health Road, Education, Security, Water, Youth engagement etc
- Boosting revenue receipts by identifying and blocking revenue leakages; and gradual fiscal consolidation to achieve a level of public spending consistent with macroeconomic stability and sustainable debt.

Objectives and Targets

204. The specific fiscal objective of Kogi State is effective allocation of scarce resources to identified critical programmes and projects, with the following major targets (non-quantifiable and time bound targets):

- ❖ To improve the quality of education to citizens at all levels in order to produce articulate and skilled manpower necessary for economic transformation of the State;
- ❖ To improve access to healthcare leading to improvement in efficiency of the healthcare delivery system;
- ❖ To ensure food security and generate a high proportion of the GDP from agriculture;
- ❖ To exploit the full potentials and expand trade and commerce in the State to ensure that products from agricultural and industrial activities have access to markets locally and internationally;
- ❖ To ensure gainful employment of youths and create opportunities for the development of their talents;
- ❖ To achieve sustainable development and promoting social and economic development through culture and tourism;
- ❖ To establish the necessary framework for a robust mining and Solid minerals sector, branding Kogi State as the foremost mining and minerals exploitation destination;
- ❖ To improve the road network in the State through continued construction of new roads and bridges and rehabilitation of existing ones in urban and rural areas;
- ❖ To improve the quantity, quality and access to safe water for domestic, commercial and industrial uses as well as improve sanitation and hygiene practices among the citizens;
- ❖ To ensure sustainable use of the environment and continuous management of environmental challenges such as pollution, degradation and gully erosion;



- ❖ To ensure easy access to lands for agricultural, residential, commercial and industrial uses to all citizens and investors to facilitate the social and economic development of the State;
- ❖ To improve the quantity of decent housing and facilitate the creation of viable urban communities in the state;
- ❖ To improve and expand affordable housing options through the use of public private partnership arrangements;
- ❖ To reduce average power outage through the generation and distribution of adequate electricity in the urban and rural areas in Kogi State;
- ❖ To rejuvenating the transportation sector and all its players to facilitates Internally Generated Revenue;
- ❖ To provide an enabling environment to facilitate economic and social development in the State as well as introduce and implement reform measures to strengthen governance institutions, i.e. the Civil Service, the pension etc.;
- ❖ To increased security of lives and property in the state;
- ❖ To continue to expand the State's revenue base in Internally Generated Revenue (IGR) and
- ❖ To reduce the level of Domestic Debt Profile of Kogi State.



2.E Indicative Three Year Fiscal Framework

205. The indicative three-year fiscal framework for the period 2025-2027 is presented in the table below.

206. Table 6: Kogi State Medium Term Fiscal Framework

Recurrent Revenue	2024	2025	2026	2027
Statutory Allocation	85,650,116,098	70,044,056,918	72,548,527,401	80,108,403,227
VAT	50,421,678,010	90,000,253,867	92,296,499,143	95,279,558,107
IGR	30,235,022,443	35,126,414,139	35,126,414,139	35,126,414,139
Excess Crude / Other Revenue	28,503,805,381	85,188,468,029	85,188,468,029	85,188,468,029
Total Recurrent Revenue	194,810,621,933	280,359,192,953	285,159,908,713	295,702,843,503
Recurrent Expenditure				
Personnel Costs	46,436,578,967	74,832,547,005	75,580,872,475	76,336,681,200
Social Contribution and Social Benefit	18,979,043,980	35,118,822,981	35,118,822,981	35,118,822,981
Overheads	78,571,936,265	107,761,410,588	108,839,024,694	111,015,805,188
Grants, Contributions and Subsidies	16,685,582,042	33,371,164,083	33,704,875,724	34,041,924,481
Public Debt Service	15,100,828,071	27,981,834,415	28,261,652,759	28,544,269,286
Total	175,773,969,325	279,065,779,072	281,505,248,633	285,057,503,137
Transfer to Capital Account	19,036,652,608	1,293,413,881	3,654,660,080	10,645,340,366
Capital Receipts				
Grants	149,401,901,132	230,441,483,012	230,441,483,012	230,441,483,012
Other Capital Receipts	3,345,597,895	3,705,812,895	3,705,812,895	3,705,812,895
Total	152,747,499,027	234,147,295,907	234,147,295,907	234,147,295,907
Reserves				
Contingency Reserve	1,948,106,219	2,803,591,930	2,851,599,087	2,957,028,435
Planning Reserve	2,305,471,607	3,033,383,404	3,053,717,681	3,123,624,484
Total Reserves	4,253,577,826	5,836,975,334	5,905,316,768	6,080,652,919
Capital Expenditure				
Discretionary Funds	226,293,582,861	297,501,365,083	299,466,451,344	306,281,795,479
Non-Discretionary Funds	0	0	0	0
Financing	58,763,009,052	67,897,630,629	67,569,812,125	67,569,812,125
Total Budget Size	406,321,130,012	582,404,119,489	586,877,016,745	597,419,951,535

2.E.1 Assumptions

207. **Statutory Allocation** - is premised on elasticity based forecast consistent with the macroeconomic framework and the numerous assumptions in the period 2025-2027 Fiscal Strategy Paper displayed above.

208. **VAT** - is also based on elasticity forecasting using National Real GDP Growth and Inflation data as the explanatory variables for VAT growth.

209. **Excess Crude/Other Revenue** - the previous year excess crude/other revenue, which includes forex equalisation, non-oil revenue, exchange difference, recovered excess bank charges, solid minerals, ecological fund, electronic money transfer (EMT), were used in the forecast using own percentage.



210. **Internally Generated Revenue (IGR)**–IGR forecast was based on own percentage of the actual collections.
211. **Grants** - grants are very hard to predict and the recording of actual grant receipts is not accurate as a lot of expenditure is off budget. The forecasts are based on current commitments from Federal Government/and the development partners (including UNICEF, NEPAD and the World Bank group). These funds are non-discretionary and are therefore tied to the implementation of specific programmes/projects. If the funds are not forthcoming, the programmes/projects will not be implemented. The estimates for period 2025-2027 are thus conservatively based on the current 2024 budget.
212. **Financing (Net Loans)** –It is difficult to use forecasting method to predict net loans due to irregular loans expectation.
213. **Personnel** –forecast is based on own percentage using actual historical personnel figures. This assumes gradual growth rate of employment.
214. **Overheads**–the forecasting method used to estimate overhead figures for the period 2025 - 2027 is own percentage with the hope that cost of running government will maintain the trend.
215. **Contingency and Planning Reserves** -1% of total revenue has been allocated to the Contingency Reserve which will be used in accordance with Finance Act, during budget implementation. Also 1% deduction of the same total revenue is for Planning Reserve which will be allocated during MDA budget defence to MDAs that are able to justify the need for more resources over and above the given ceiling.
216. **Capital Expenditure** - is based on the recurrent account surplus plus capital receipts.

2.E.2 Fiscal Trends

217. The fiscal trend is depicted in the Figures 14 and 15 below with actual historical revenue and expenditure figures for the period 2018-2023 and 2024-2027 projected figures using the forecasting methods as noted in 3.C.



Figure14: Kogi State Revenue Trend

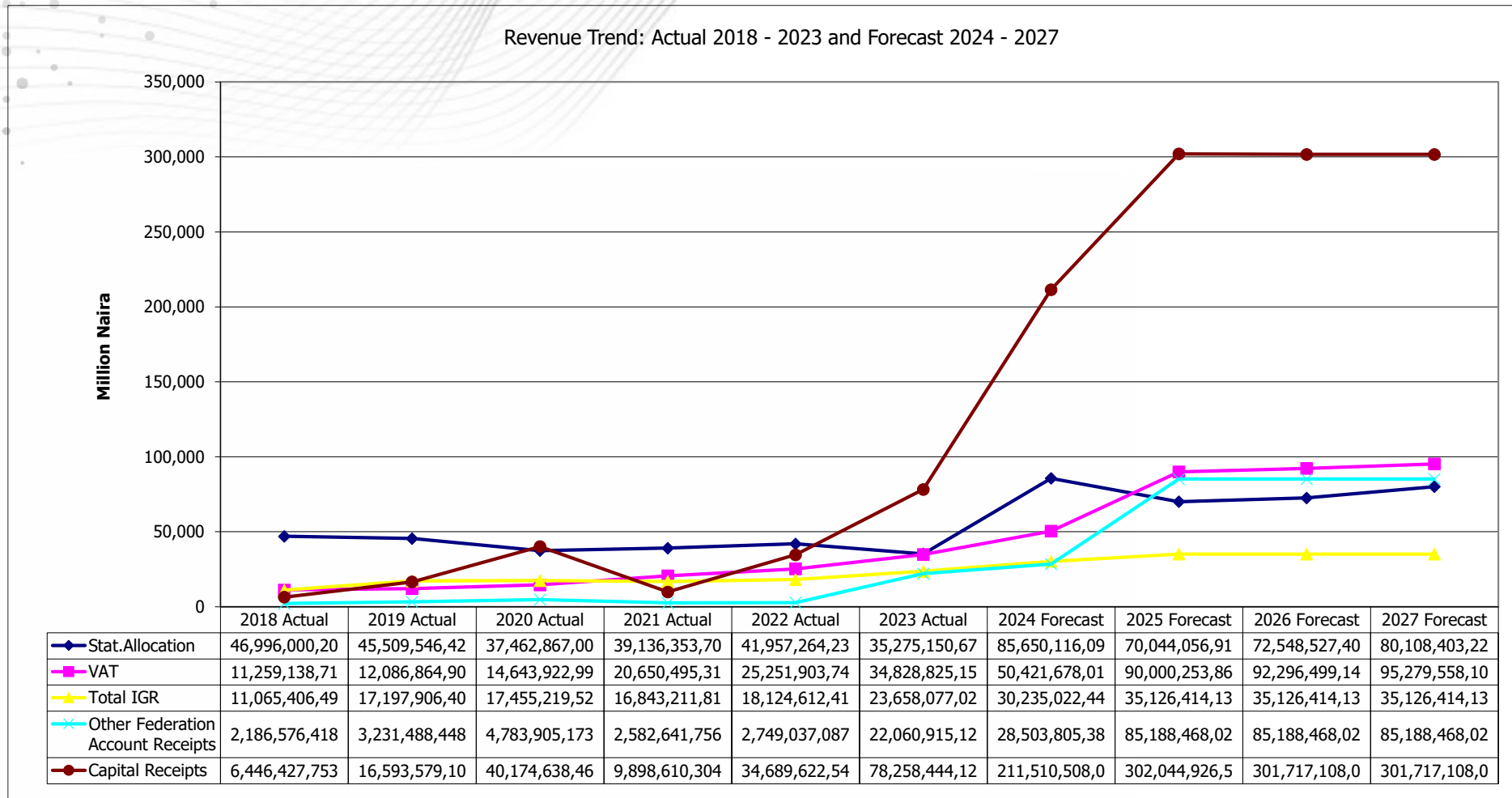
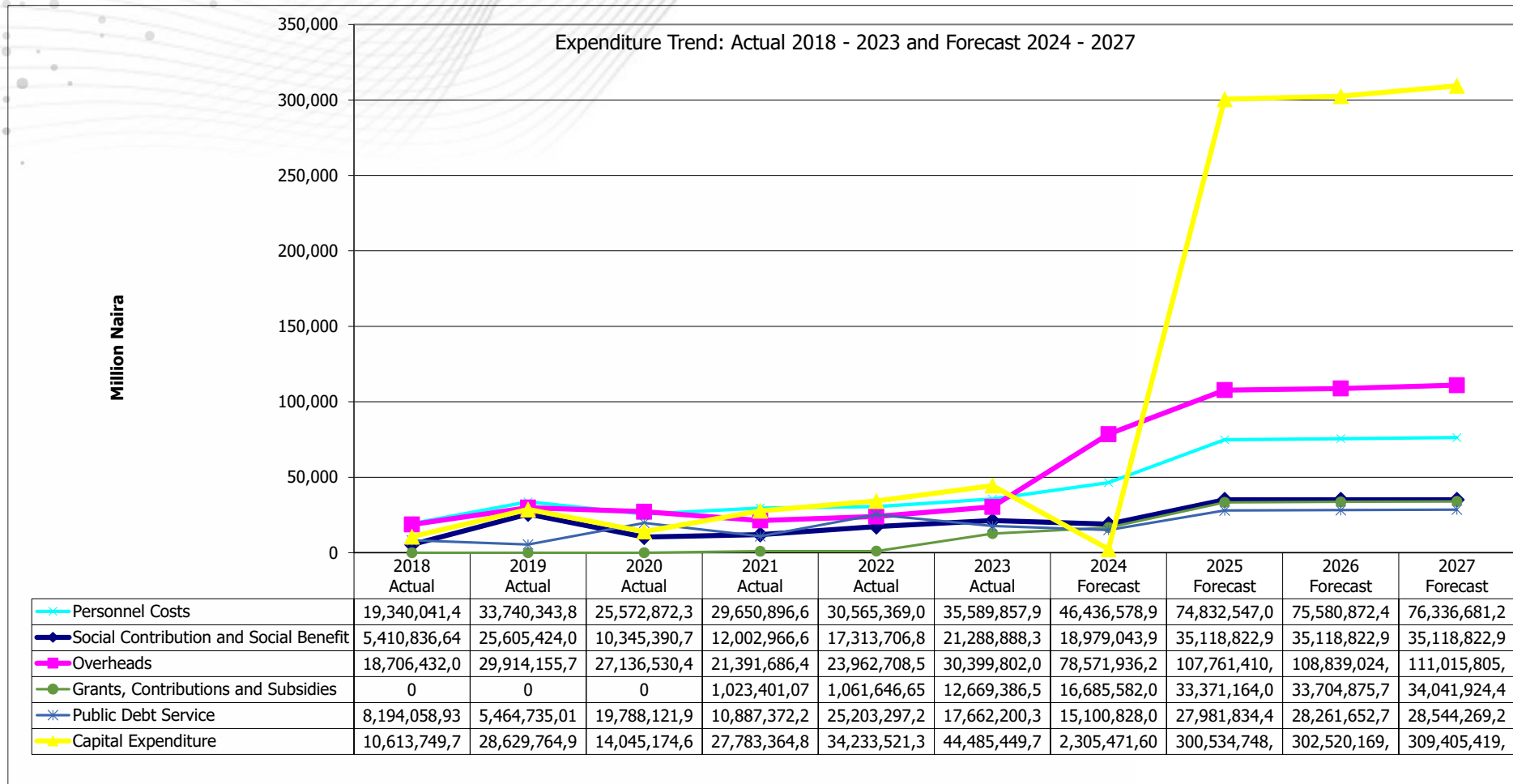




Figure15: Kogi State Expenditure Trend





2.F Fiscal Risks

218. It is pertinent to note that the ability of the State to achieve the estimated fiscal figures for the period 2025-2027 medium term horizon is subject to some fiscal risks. Table 8 below shows, as much as possible, our understanding of inherent fiscal risks, the likelihood of occurrence of such risks and the expected reaction to mitigate the effect of the risks.

Table 7: Fiscal Risks

Risk	Likelihood	Reaction
Security challenges nationwide such as Movement for the Actualisation of Sovereign State of Biafra (MASSOB), Indigenous People of Biafra (IPOB), Boko Haram, Kidnapping, Herdsmen Attack, Gunmen, ramped inter-tribal crises etc causing reductions in VAT, other federal transfers and some State IGR.	High	In longer term, Kogi State must become less dependent on Statutory Allocation, VAT and Excess Crude to funds its expenditure – this would be achieved through higher IGR collection. In the short term, capital projects must be prioritised, and Overhead expenditure must be flexible to reduction if short-falls are experienced.
Risks to Statutory Allocation and Excess Crude based on Oil Price or Production shock	High	The budget for excess crude should be prudent. However, clear prioritisation of projects in the capital budget is required. Increased IGR effort to decrease reliance on federal transfers and seeking alternative means of funding such as grants, PPP etc.
Floods and other natural disasters e.g. 2012, 2015, 2018, 2019 and 2023 flooding, impact on economic activity and hence IGR tax	Medium	Increased investment to increase climate resilience (flood control and irrigation) adaptation, and awareness



Risk	Likelihood	Reaction
base, and causing increased overhead expenditure		
Security situations has impact on social welfare, employment and policies thus impacting expenditure in related sectors	Medium	Expenditure is prioritised in appropriate sectors and focus on employment creation in partnership with private sector. Greater emphasis on community mobilisation.
Mismanagement and inefficient use of financial resources	High	Adherence to existing and new institutional and legal/regulatory framework that will require more transparent and efficient use of financial resources.
Risks based on high inflation due to increased taxes which could result to high prices leading to unconducive people welfare.	High	Increase domestic investments to reduce high level of dependence on imported goods.
Challenges to strengthening the fiscal framework will continue to put pressure on spending, thus, potentially crowding out progressive growth expenditure.	Medium	This will jeopardize macroeconomic stability as inflation increases and fiscal buffers decline, thereby, undermining Government's fiscal consolidation plans, thus government is expected to intensify effort in IGR drive and reduce expenditures that are not prioritised to overall objectives of the State.
Challenge of COVID-19 and other related issues	High	This seriously contracted the expected revenues for the approved 2021 Budget.

219. It should be noted, however, that no budget is without risk. The ongoing implementation of the 2024 budget should be closely monitored.



Section 3 Budget Policy Statement

3.A Budget Policy Thrust

220. The Medium-Term Expenditure Framework (2025 – 2027) which was delivered under these assumptions
- Guarantee the well-being and productivity of the people;
 - Optimise the key sources of economic growth;
 - Foster social and economic development;
 - Build a productive, competitive and functional human resource;
 - Broaden the infrastructural gap for economic growth and wealth creation;
 - Delivering better public services within tight financial constraints;
 - Improve governance, security, law and order, engaging in more efficient and effective use of resources, and providing social harmony.

3.B Sector Allocations (3 Year)

Figure16: Capital Expenditure by Sector (proposed period 2025-2027)

221. Presented in the charts and tables below are the indicative three envelopes for sectors and sub-sectors.



Indicative Sector Expenditure Ceilings 2024 -2026

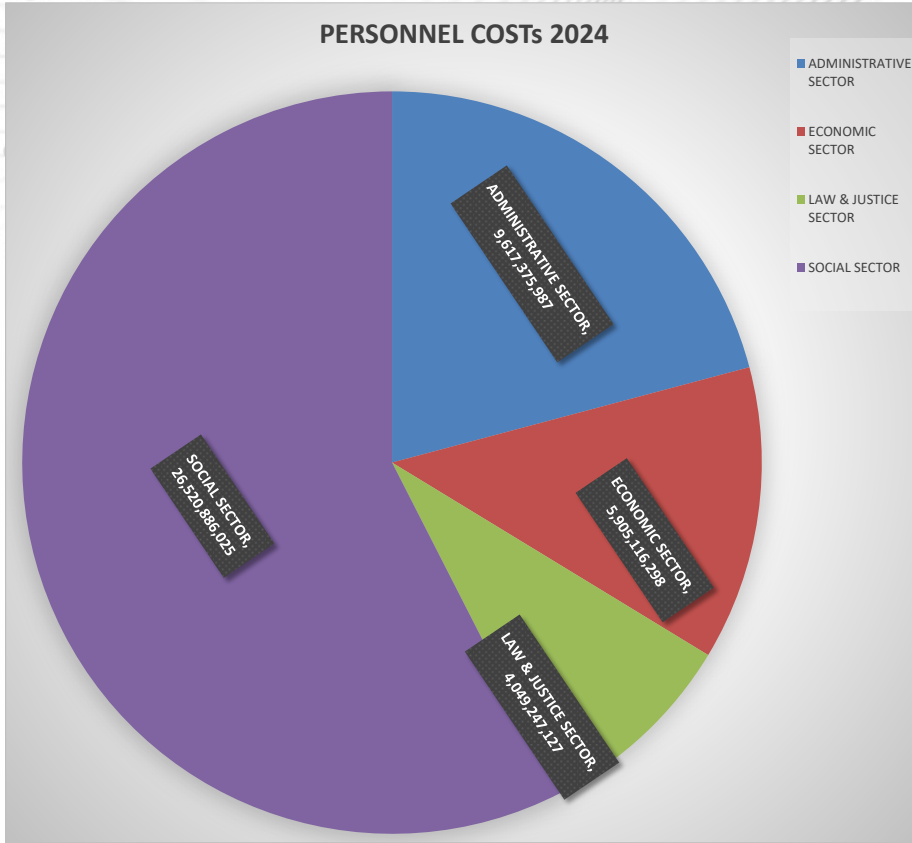
Personnel Expenditure by Sector							
No.	Sector	% 2025	2025 Allocation	% 2026	2026 Allocation	% 2027	2027 Allocation
1	Administrative	14.89%	11,143,091,873	14.89%	11,254,522,792	14.89%	11,367,068,019
2	Economic	12.44%	9,312,410,136	12.44%	9,405,534,237	12.44%	9,499,589,580
3	Law & Justice	9.65%	7,221,521,544	9.65%	7,293,736,759	9.65%	7,366,674,127
4	Social	63.01%	47,155,523,453	63.01%	47,627,078,687	63.01%	48,103,349,474
	Total	100.00%	74,832,547,005	100.00%	75,580,872,475	100.00%	76,336,681,200

Indicative Sector Expenditure Ceilings 2024 -2026

Overhead Expenditure by Sector							
No.	Sector	% 2025	2025 Allocation	% 2026	2026 Allocation	% 2027	2027 Allocation
1	Administrative	37%	39,501,732,909	37%	39,896,750,238	37%	40,694,685,243
2	Economic	16%	17,165,706,671	16%	17,337,363,738	16%	17,684,111,012
3	Law & Justice	7%	7,133,346,838	7%	7,204,680,306	7%	7,348,773,912
4	Social	41%	43,960,624,170	41%	44,400,230,412	41%	45,288,235,020
	Total	100.00%	107,761,410,588	100.00%	108,839,024,694	100.00%	111,015,805,188

Indicative Sector Expenditure Ceilings 2024 -2026

Capital Expenditure by Sector				Discretionary Funds			
No.	Sector	% 2025	2025 Allocation	% 2026	2026 Allocation	% 2027	2027 Allocation
1	Administrative	11%	32,754,829,413	11%	32,971,184,943	11%	33,721,552,708
2	Economic	61%	182,072,860,672	61%	183,275,506,841	61%	187,446,543,847
3	Law & Justice	3%	10,126,211,015	3%	10,193,097,694	3%	10,425,075,160
4	Social	24%	72,547,463,982	24%	73,026,661,866	24%	74,688,623,764
	Total	100.00%	297,501,365,083	100.00%	299,466,451,344	100.00%	306,281,795,479



**PROJECTIONS FOR THE PROPOSED YEARS****PERSONNEL COST****ADMINISTRATIVE SECTOR**

Description	Percent age %	Estimates 2025	Percent age %	Estimates 2026	Percent age %	Estimates 2027
GOVERNMENT HOUSE	2.37	1,770,751,337	2.37	1,788,458,851	2.37	1,806,343,439
DEPUTY GOVERNORS OFFICE	0.13	99,214,998	0.13	100,207,148	0.13	101,209,220
EMERGENCY MANAGEMENT AGENCY	0.05	39,375,830	0.05	39,769,588	0.05	40,167,284
BUREAU OF PUBLIC PROCUREMENT (BPP)	0.11	84,822,265	0.11	85,670,488	0.11	86,527,192
KOGI STATE PENSION COMMISSION	0.10	71,466,498	0.10	72,181,163	0.10	72,902,974
OFFICE OF THE SECRETARY TO THE STATE GOVERNMENT	6.33	4,734,025,891	6.33	4,781,366,150	6.33	4,829,179,812
CHRISTIAN PILGRIMS COMMISSION	0.03	23,327,561	0.03	23,560,836	0.03	23,796,445
KOGI STATE HAJJ COMMISSION	0.10	76,410,086	0.10	77,174,187	0.10	77,945,929
STATE SECURITY TRUST FUND	0.01	6,352,578	0.01	6,416,103	0.01	6,480,264
KOGI STATE HOUSE OF ASSEMBLY	2.01	1,504,675,810	2.01	1,519,722,568	2.01	1,534,919,794
KOGI STATE HOUSE OF ASSEMBLY SERVICE COMMISSION	0.38	286,575,840	0.38	289,441,598	0.38	292,336,014
MINISTRY OF INFORMATION AND COMMUNICATION	0.27	202,774,607	0.27	204,802,353	0.27	206,850,376
KOGI STATE BROADCASTING CORPORATION	0.37	279,805,713	0.37	282,603,771	0.37	285,429,808
KOGI STATE NEWSPAPER CORPORATION	0.15	110,739,627	0.15	111,847,023	0.15	112,965,493
OFFICE OF THE HEAD OF CIVIL SERVICE	1.68	1,256,255,211	1.68	1,268,817,764	1.68	1,281,505,941
OFFICE OF THE STATE AUDITOR-GENERAL	0.40	301,521,609	0.40	304,536,825	0.40	307,582,194
OFFICE OF THE LOCAL GOVT. AUDITOR-GENERAL	0.23	173,678,269	0.23	175,415,052	0.23	177,169,202
CIVIL SERVICE COMMISSION	0.08	60,732,536	0.08	61,339,862	0.08	61,953,260
LOCAL GOVERNMENT SERVICE COMMISSION	0.08	60,585,606	0.08	61,191,462	0.08	61,803,377
Sub-Total	14.89	11,143,091,873	14.89	11,254,522,792	14.89	11,367,068,019
ECONOMIC SECTOR						
MINISTRY OF AGRICULTURE AND FOOD SECURITY	1.11	830,634,055	1.11	838,940,396	1.11	847,329,800
KOGI AGRICULTURAL DEVELOPMENT PROJECT (ADP)	0.60	451,840,478	0.60	456,358,883	0.60	460,922,472
KOGI AGRO-ALLIED COMPANY	0.13	97,988,438	0.13	98,968,322	0.13	99,958,005
KOGI LAND DEV. BOARD	0.03	21,696,014	0.03	21,912,974	0.03	22,132,104
MINISTRY OF FINANCE, BUDGET AND ECONOMIC PLANNING	0.41	307,671,744	0.41	310,748,462	0.41	313,855,946
BUDGET AND ECONOMIC PLANNING	0.26	193,183,177	0.26	195,115,009	0.26	197,066,159



STATE BUREAU OF STATISTICS	0.07	54,177,670	0.07	54,719,447	0.07	55,266,642
OFFICE OF THE ACCOUNTANT GENERAL	3.29	2,464,800,104	3.29	2,489,448,105	3.29	2,514,342,586
KOGI STATE INTERNAL REVENUE SERVICE (KGIRS)	3.25	2,429,071,521	3.25	2,453,362,236	3.25	2,477,895,858
MIN. OF COMMERCE & INDUSTRY	0.27	202,383,361	0.27	204,407,195	0.27	206,451,267
KOGI STATE ENTERPRISES DEVELOPMENT AGENCY	0.21	160,161,186	0.21	161,762,798	0.21	163,380,426
KOGI STATE MARKET DEVELOPMENT BOARD	0.00	2,382,217	0.00	2,406,039	0.00	2,430,099
MINISTRY OF TRANSPORT	0.13	95,288,664	0.13	96,241,550	0.13	97,203,966
MINISTRY OF WORKS	0.43	320,597,571	0.43	323,803,546	0.43	327,041,582
ROAD MAINTENANCE AGENCY	0.10	72,224,024	0.10	72,946,264	0.10	73,675,727
KOGI STATE FIRE AGENCY	0.12	91,012,302	0.12	91,922,425	0.12	92,841,650
MIN. OF CULTURE & TOURISM	0.13	94,896,003	0.13	95,844,963	0.13	96,803,413
COUNCIL FOR ARTS AND CULTURE	0.22	165,937,701	0.22	167,597,078	0.22	169,273,049
HOTEL AND TOURISM BOARD	0.03	20,572,948	0.03	20,778,677	0.03	20,986,464
MINISTRY OF WATER RESOURCES	0.15	111,430,505	0.15	112,544,810	0.15	113,670,258
KOGI STATE WATER BOARD	0.18	137,069,047	0.18	138,439,738	0.18	139,824,135
RURAL WATER AND SANITATION AGENCY (RUWASSA)	0.00	1,830,899	0.00	1,849,208	0.00	1,867,700
BUREAU FOR LANDS AND URBAN DEVELOPMENT	0.75	559,171,690	0.75	564,763,407	0.75	570,411,041
KOGI STATE UTILITY INFRASTRUCTURE MANAGEMENT AND COMPLIANCE AGENCY	0.08	63,525,776	0.08	64,161,034	0.08	64,802,644
KOGI STATE TOWN PLANNING AND DEVELOPMENT BOARD	0.25	188,345,424	0.25	190,228,878	0.25	192,131,167
MINISTRY OF RURAL AND ENERGY DEVELOPMENT	0.23	174,517,618	0.23	176,262,794	0.23	178,025,422
Sub-Total	12.44	9,312,410,136	12.44	9,405,534,237	12.44	9,499,589,580
LAW & JUSTICE SECTOR						
KOGI STATE JUDICIAL SERVICE COMMISSION	0.30	224,738,661	0.30	226,986,048	0.30	229,255,908
HIGH COURT OF JUSTICE	5.70	4,268,854,319	5.70	4,311,542,862	5.70	4,354,658,291
CUSTOMARY COURT OF APPEAL	1.35	1,010,209,816	1.35	1,020,311,914	1.35	1,030,515,033
SHARIA COURT OF APPEAL	1.08	804,799,262	1.08	812,847,255	1.08	820,975,728
MINISTRY OF JUSTICE	1.12	841,346,137	1.12	849,759,598	1.12	858,257,194
KOGI STATE OFFICE OF THE PUBLIC DEFENDER AND CITIZENS' RIGHTS COMMISSION	0.10	71,573,348	0.10	72,289,082	0.10	73,011,973
Sub-Total	9.65	7,221,521,544	9.65	7,293,736,759	9.65	7,366,674,127
SOCIAL SECTOR						
MINISTRY OF YOUTH & SPORTS	0.26	191,984,319	0.26	193,904,162	0.26	195,843,204
KOGI STATE SPORTS COUNCIL	0.21	154,846,326	0.21	156,394,789	0.21	157,958,737

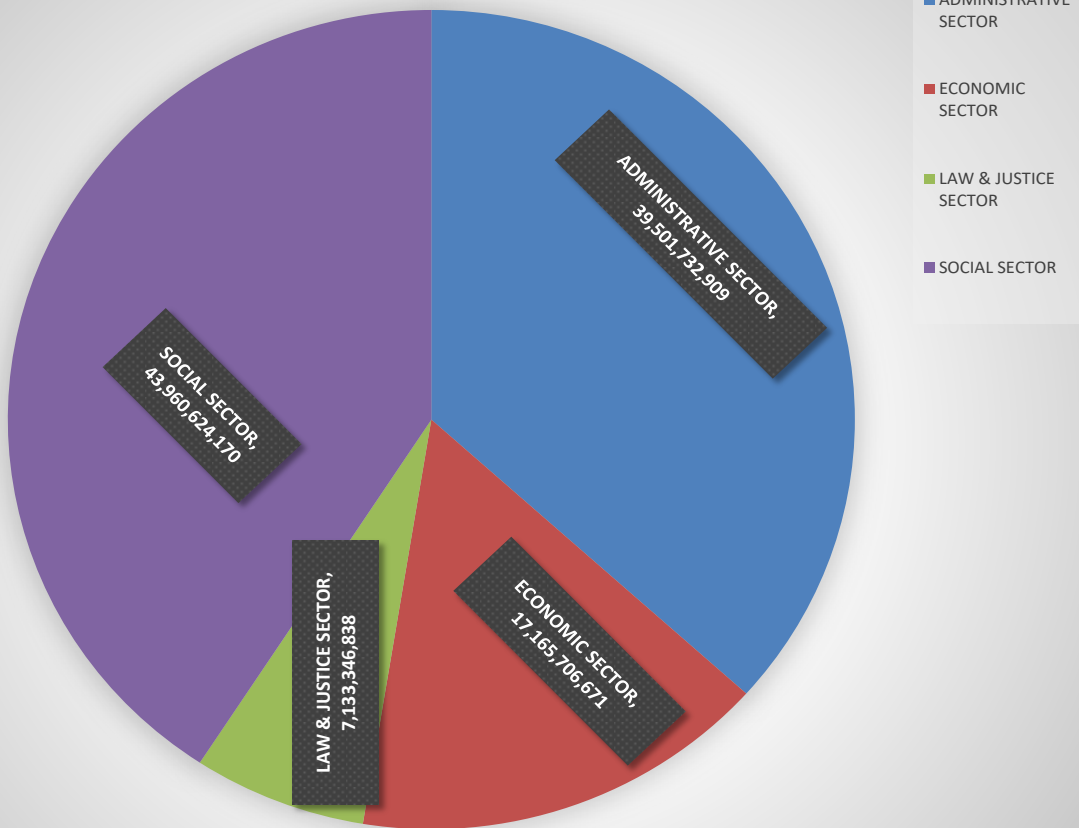


KOGI STATE GOVERNMENT MTEF: 2025 – 2027

MINISTRY OF WOMEN AFFAIRS AND SOCIAL DEVELOPMENT	0.24	180,010,472	0.24	181,810,577	0.24	183,628,683
KOGI STATE OFFICE FOR DISABILITY AFFAIRS	0.01	7,623,093	0.01	7,699,324	0.01	7,776,317
MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY	0.52	390,833,153	0.52	394,741,485	0.52	398,688,900
STATE UNIVERSAL BASIC EDUCATION BOARD	0.54	400,893,478	0.54	404,902,413	0.54	408,951,437
KOGI STATE LIBRARY BOARD	0.04	29,905,164	0.04	30,204,216	0.04	30,506,258
ADULT & NON-FORMAL EDUCATION BOARD	0.12	87,040,471	0.12	87,910,875	0.12	88,789,984
KOGI STATE POLYTECHNIC, LOKOJA	6.45	4,827,318,130	6.45	4,875,591,312	6.45	4,924,347,225
COLLEGE OF EDUCATION, ANKPA	4.21	3,153,750,798	4.21	3,185,288,306	4.21	3,217,141,189
COLLEGE OF EDUCATION TECHNICAL, KABBA	2.98	2,233,296,797	2.98	2,255,629,765	2.98	2,278,186,062
PRINCE ABUBAKAR AUDU UNIVERSITY, ANYIGBA	9.06	6,776,131,930	9.06	6,843,893,249	9.06	6,912,332,182
KOGI STATE UNIVERSITY, KABBA	0.21	158,814,440	0.21	160,402,584	0.21	162,006,610
CONFLUENCE UNIVERSITY OF SCIENCE AND TECHNOLOGY (CUSTECH), OSARA	2.58	1,934,411,456	2.58	1,953,755,571	2.58	1,973,293,127
KOGI STATE SCIENCE, TECHNOLOGY EDUCATION AND TEACHING SERVICE COMMISSION	9.99	7,476,722,288	9.99	7,551,489,511	9.99	7,627,004,406
STATE SCHOLARSHIP BOARD	0.02	12,814,564	0.02	12,942,710	0.02	13,072,137
NIGERIA-KOREA FRIENDSHIP INSTITUTE	0.35	259,228,036	0.35	261,820,316	0.35	264,438,519
MINISTRY OF HEALTH	1.29	962,224,088	1.29	971,846,329	1.29	981,564,793
KOGI STATE HEALTH INSURANCE AGENCY	0.19	145,430,426	0.19	146,884,730	0.19	148,353,577
PRIMARY HEALTHCARE DEVELOPMENT AGENCY	0.32	240,043,428	0.32	242,443,862	0.32	244,868,301
PRINCE ABUBAKAR AUDU UNIVERSITY TEACHING HOSPITAL, ANYIGBA	3.38	2,529,513,156	3.38	2,554,808,287	3.38	2,580,356,370
KOGI STATE SPECIALIST HOSPITAL, LOKOJA	3.26	2,441,698,920	3.26	2,466,115,909	3.26	2,490,777,069
KOGI STATE REFERENCE HOSPITAL, OKENE	4.24	3,176,288,793	4.24	3,208,051,681	4.24	3,240,132,198
KOGI STATE HOSPITAL MANAGEMENT BOARD	7.84	5,869,481,669	7.84	5,928,176,485	7.84	5,987,458,250
COLLEGE OF NURSING AND MIDWIFERY, OBANGEDE	0.55	412,917,543	0.55	417,046,719	0.55	421,217,186
COLLEGE OF HEALTH SCIENCE & TECHNOLOGY, IDAH	0.89	666,320,626	0.89	672,983,832	0.89	679,713,670
MINISTRY OF ENVIRONMENT AND ECOLOGICAL MANAGEMENT	0.36	266,527,248	0.36	269,192,520	0.36	271,884,445
STATE ENVIRONMENTAL PROTECTION AGENCY	0.10	71,758,000	0.10	72,475,580	0.10	73,200,336
SANITATION & WASTE MANAGEMENT BOARD	0.53	394,086,346	0.53	398,027,210	0.53	402,007,482
MINISTRY OF HUMANITARIAN AFFAIRS AND POVERTY ALLEVIATION	0.00	0	0.00	0	0.00	0
KOGI STATE SOCIAL INVESTMENT PROGRAMME AGENCY (SIP)	0.17	127,051,552	0.17	128,322,067	0.17	129,605,288
MINISTRY OF LOCAL GOVERNMENT AND CHIEFTAINCY AFFAIRS	2.11	1,576,556,742	2.11	1,592,322,310	2.11	1,608,245,533
Sub-Total	63.01	47,155,523,453	63.01	47,627,078,687	63.01	48,103,349,474
Total Personnel Costs	100	74,832,547,005	100	75,580,872,475	100	76,336,681,200



OVERHEAD COSTS 2025



**OVERHEAD COSTS****ADMINISTRATIVE SECTOR**

Description	Percent age %	Estimates 2025	Percent age %	Estimates 2026	Percent age %	Estimates 2027
GOVERNMENT HOUSE	21.00	22,633,405,452	21.00	22,859,739,506	21.00	23,316,934,296
DEPUTY GOVERNORS OFFICE	1.40	1,510,328,055	1.40	1,525,431,336	1.40	1,555,939,963
EMERGENCY MANAGEMENT AGENCY	0.03	33,288,211	0.03	33,621,093	0.03	34,293,515
BUREAU OF PUBLIC PROCUREMENT (BPP)	0.19	206,906,725	0.19	208,975,792	0.19	213,155,308
KOGI STATE PENSION COMMISSION	0.30	324,863,920	0.30	328,112,560	0.30	334,674,811
KOGI STATE INVESTMENT PROMOTION & PUBLIC PRIVATE PARTNERSHIP AGENCY	0.16	173,620,500	0.16	175,356,705	0.16	178,863,839
OFFICE OF THE SECRETARY TO THE STATE GOVERNMENT	0.56	598,173,586	0.56	604,155,322	0.56	616,238,429
CHRISTIAN PILGRIMS COMMISSION	0.16	169,212,181	0.16	170,904,303	0.16	174,322,389
KOGI STATE HAJJ COMMISSION	0.30	317,917,169	0.30	321,096,341	0.30	327,518,267
STATE SECURITY TRUST FUND	0.54	579,906,139	0.54	585,705,201	0.54	597,419,305
MINISTRY OF SPECIAL DUTY & INTER-GOVERNMENTAL AFFAIRS	0.99	1,069,050,951	0.99	1,079,741,461	0.99	1,101,336,290
KOGI STATE HOUSE OF ASSEMBLY	1.81	1,947,878,222	1.81	1,967,357,004	1.81	2,006,704,144
KOGI STATE HOUSE OF ASSEMBLY SERVICE COMMISSION	0.36	386,539,915	0.36	390,405,314	0.36	398,213,420
MINISTRY OF INFORMATION AND COMMUNICATION	2.92	3,143,686,919	2.92	3,175,123,789	2.92	3,238,626,264
KOGI STATE BROADCASTING CORPORATION	0.26	279,325,649	0.26	282,118,905	0.26	287,761,283
KOGI STATE NEWSPAPER CORPORATION	0.02	22,116,248	0.02	22,337,411	0.02	22,784,159
OFFICE OF THE HEAD OF CIVIL SERVICE	1.78	1,914,119,842	1.78	1,933,261,041	1.78	1,971,926,262
OFFICE OF THE STATE AUDITOR-GENERAL	0.72	772,791,076	0.72	780,518,987	0.72	796,129,367
OFFICE OF THE LOCAL GOVT. AUDITOR-GENERAL	0.56	601,692,914	0.56	607,709,843	0.56	619,864,040
STATE AUDIT SERVICE BOARD	0.05	56,158,598	0.05	56,720,184	0.05	57,854,588
LOCAL GOVERNMENT AUDIT BOARD	0.06	69,459,387	0.06	70,153,981	0.06	71,557,061
CIVIL SERVICE COMMISSION	0.05	56,408,621	0.05	56,972,707	0.05	58,112,161
STATE INDEPENDENT ELECTORAL COMMISSION (SIEC)	1.98	2,135,497,367	1.98	2,156,852,341	1.98	2,199,989,388
LOCAL GOVERNMENT SERVICE COMMISSION	0.46	499,385,261	0.46	504,379,114	0.46	514,466,696
Sub-Total	36.66	39,501,732,909	36.66	39,896,750,238	36.66	40,694,685,243



ECONOMIC SECTOR						
MINISTRY OF AGRICULTURE AND FOOD SECURITY	0.56	603,097,757	0.56	609,128,734	0.56	621,311,309
KOGI AGRICULTURAL DEVELOPMENT PROJECT (ADP)	0.50	540,864,228	0.50	546,272,870	0.50	557,198,327
KOGI AGRO-ALLIED COMPANY	0.00	1,389,988	0.00	1,403,888	0.00	1,431,966
KOGI LAND DEV. BOARD	0.00	1,209,427	0.00	1,221,521	0.00	1,245,952
MINISTRY OF FINANCE, BUDGET AND ECONOMIC PLANNING	0.65	704,405,922	0.65	711,449,981	0.65	725,678,981
BUDGET AND ECONOMIC PLANNING	4.43	4,774,688,366	4.43	4,822,435,249	4.43	4,918,883,954
STATE BUREAU OF STATISTICS	0.05	55,506,105	0.05	56,061,166	0.05	57,182,389
DEBT MANAGEMENT OFFICE	0.11	115,694,085	0.11	116,851,026	0.11	119,188,047
OFFICE OF THE ACCOUNTANT GENERAL	3.52	3,797,652,457	3.52	3,835,628,981	3.52	3,912,341,561
KOGI STATE INTERNAL REVENUE SERVICE (KGIRS)	1.76	1,892,982,263	1.76	1,911,912,086	1.76	1,950,150,327
MIN. OF COMMERCE & INDUSTRY	0.02	20,885,560	0.02	21,094,416	0.02	21,516,304
KOGI STATE ENTERPRISES DEVELOPMENT AGENCY	0.26	277,554,336	0.26	280,329,880	0.26	285,936,477
KOGI STATE MARKET DEVELOPMENT BOARD	0.01	11,061,074	0.01	11,171,685	0.01	11,395,118
MINISTRY OF INNOVATION, SCIENCE AND TECHNOLOGY	1.00	1,080,848,065	1.00	1,091,656,546	1.00	1,113,489,677
MINISTRY OF TRANSPORT	0.03	30,339,595	0.03	30,642,991	0.03	31,255,851
MINISTRY OF SOLID MINERAL AND NATURAL RESOURCES	0.07	75,887,589	0.07	76,646,465	0.07	78,179,394
KOGI STATE SOLID MINERALS DEVELOPMENT AGENCY	0.19	200,051,703	0.19	202,052,220	0.19	206,093,265
MINISTRY OF WORKS	0.25	272,446,853	0.25	275,171,321	0.25	280,674,747
ROAD MAINTENANCE AGENCY	0.01	12,943,516	0.01	13,072,951	0.01	13,334,410
KOGI STATE FIRE AGENCY	0.02	20,038,956	0.02	20,239,345	0.02	20,644,132
MIN. OF CULTURE & TOURISM	0.12	130,401,207	0.12	131,705,219	0.12	134,339,323
COUNCIL FOR ARTS AND CULTURE	0.17	181,504,879	0.17	183,319,928	0.17	186,986,326
HOTEL AND TOURISM BOARD	0.00	580,789	0.00	586,597	0.00	598,329
KOGI STATE FISCAL RESPONSIBILITY COMMISSION	0.02	22,051,153	0.02	22,271,665	0.02	22,717,098
MINISTRY OF WATER RESOURCES	0.01	7,311,849	0.01	7,384,968	0.01	7,532,667
KOGI STATE WATER BOARD	0.01	12,447,740	0.01	12,572,217	0.01	12,823,662
RURAL WATER AND SANITATION AGENCY (RUWASSA)	0.03	36,607,236	0.03	36,973,309	0.03	37,712,775
MINISTRY OF HOUSING AND URBAN DEVELOPMENT	0.75	812,383,397	0.75	820,507,231	0.75	836,917,375
BUREAU FOR LANDS AND URBAN DEVELOPMENT	0.15	164,524,580	0.15	166,169,825	0.15	169,493,222
KOGI STATE UTILITY INFRASTRUCTURE MANAGEMENT AND COMPLIANCE AGENCY	0.15	162,996,764	0.15	164,626,732	0.15	167,919,267
KOGI STATE TOWN PLANNING AND DEVELOPMENT BOARD	0.06	59,311,199	0.06	59,904,311	0.06	61,102,397
MINISTRY OF RURAL AND ENERGY DEVELOPMENT	1.01	1,086,038,035	1.01	1,096,898,415	1.01	1,118,836,383
Sub-Total	15.93	17,165,706,671	15.93	17,337,363,738	15.93	17,684,111,012



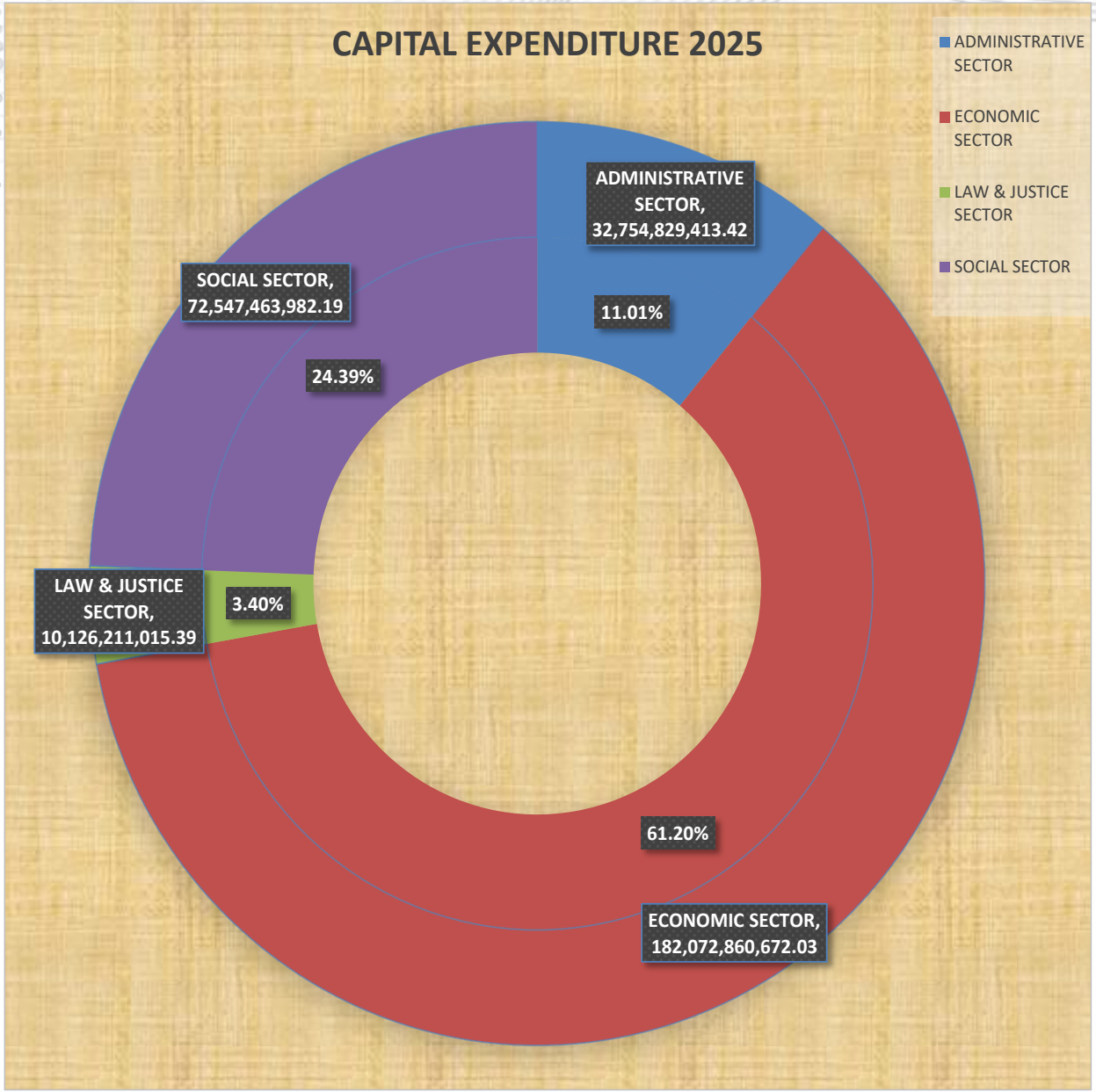
LAW & JUSTIC SECTOR						
KOGI STATE JUDICIAL SERVICE COMMISSION	0.11	117,574,677	0.11	118,750,424	0.11	121,125,432
HIGH COURT OF JUSTICE	0.85	911,252,110	0.85	920,364,631	0.85	938,771,924
CUSTOMARY COURT OF APPEAL	0.77	826,222,532	0.77	834,484,757	0.77	851,174,453
SHARIA COURT OF APPEAL	0.41	445,037,159	0.41	449,487,531	0.41	458,477,281
MINISTRY OF JUSTICE	4.14	4,457,013,446	4.14	4,501,583,581	4.14	4,591,615,252
KOGI STATE OFFICE OF THE PUBLIC DEFENDER AND CITIZENS' RIGHTS COMMISSION	0.35	376,246,913	0.35	380,009,382	0.35	387,609,570
Sub-Total	6.62	7,133,346,838	6.62	7,204,680,306	6.62	7,348,773,912
SOCIAL SECTOR						
MINISTRY OF YOUTH & SPORTS	0.54	585,412,751	0.54	591,266,879	0.54	603,092,216
KOGI STATE SPORTS COUNCIL	0.07	71,006,032	0.07	71,716,092	0.07	73,150,414
MINISTRY OF WOMEN AFFAIRS AND SOCIAL DEVELOPMENT	0.93	1,007,041,583	0.93	1,017,111,999	0.93	1,037,454,239
KOGI STATE OFFICE FOR DISABILITY AFFAIRS	0.19	202,933,965	0.19	204,963,304	0.19	209,062,571
MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY	0.47	508,594,547	0.47	513,680,492	0.47	523,954,102
STATE UNIVERSAL BASIC EDUCATION BOARD	0.05	50,493,017	0.05	50,997,948	0.05	52,017,907
KOGI STATE LIBRARY BOARD	0.00	1,665,059	0.00	1,681,709	0.00	1,715,343
ADULT & NON-FORMAL EDUCATION BOARD	0.02	23,493,886	0.02	23,728,825	0.02	24,203,402
KOGI STATE POLYTECHNIC, LOKOJA	1.34	1,440,070,219	1.34	1,454,470,922	1.34	1,483,560,340
COLLEGE OF EDUCATION, ANKPA	0.21	221,397,775	0.21	223,611,753	0.21	228,083,988
COLLEGE OF EDUCATION TECHNICAL, KABBA	1.00	1,074,414,446	1.00	1,085,158,590	1.00	1,106,861,762
PRINCE ABUBAKAR AUDU UNIVERSITY, ANYIGBA	1.01	1,086,401,295	1.01	1,097,265,308	1.01	1,119,210,614
KOGI STATE UNIVERSITY, KABBA	2.34	2,523,333,265	2.34	2,548,566,598	2.34	2,599,537,930
CONFLUENCE UNIVERSITY OF SCIENCE AND TECHNOLOGY (CUSTECH), OSARA	2.83	3,044,795,051	2.83	3,075,243,001	2.83	3,136,747,861
KOGI STATE SCIENCE, TECHNOLOGY EDUCATION AND TEACHING SERVICE COMMISSION	0.11	114,518,426	0.11	115,663,610	0.11	117,976,882
STATE SCHOLARSHIP BOARD	0.00	4,455,345	0.00	4,499,899	0.00	4,589,897
NIGERIA-KOREA FRIENDSHIP INSTITUTE	0.24	254,523,164	0.24	257,068,396	0.24	262,209,764
MINISTRY OF HEALTH	10.74	11,570,070,260	10.74	11,685,770,963	10.74	11,919,486,382



KOGI STATE HEALTH INSURANCE AGENCY	1.96	2,115,158,445	1.96	2,136,310,030	1.96	2,179,036,230
PRIMARY HEALTHCARE DEVELOPMENT AGENCY	6.66	7,174,152,915	6.66	7,245,894,445	6.66	7,390,812,334
PRINCE ABUBAKAR AUDU UNIVERSITY TEACHING HOSPITAL, ANYIGBA	0.07	75,171,764	0.07	75,923,482	0.07	77,441,951
KOGI STATE SPECIALIST HOSPITAL, LOKOJA	0.30	321,096,592	0.30	324,307,558	0.30	330,793,709
KOGI STATE REFERENCE HOSPITAL, OKENE	0.23	244,071,205	0.23	246,511,917	0.23	251,442,155
KOGI STATE HOSPITAL MANAGEMENT BOARD	0.09	101,496,509	0.09	102,511,474	0.09	104,561,704
COLLEGE OF NURSING AND MIDWIFERY, OBANGEDE	0.18	190,462,224	0.18	192,366,846	0.18	196,214,183
COLLEGE OF HEALTH SCIENCE & TECHNOLOGY, IDAH	0.06	59,449,457	0.06	60,043,951	0.06	61,244,830
KOGI STATE HIV/AIDS CONTROL AGENCY	0.03	37,111,826	0.03	37,482,944	0.03	38,232,603
DRUGS AND MEDICAL SUPPLY MANAGEMENT AGENCY	1.14	1,226,789,643	1.14	1,239,057,539	1.14	1,263,838,690
MINISTRY OF ENVIRONMENT AND ECOLOGICAL MANAGEMENT	2.03	2,188,608,976	2.03	2,210,495,066	2.03	2,254,704,967
STATE ENVIRONMENTAL PROTECTION AGENCY	0.00	2,288,884	0.00	2,311,773	0.00	2,358,008
SANITATION & WASTE MANAGEMENT BOARD	0.14	155,149,759	0.14	156,701,256	0.14	159,835,281
MINISTRY OF HUMANITARIAN AFFAIRS AND POVERTY ALLEVIATION	0.42	451,707,807	0.42	456,224,885	0.42	465,349,382
KOGI STATE SOCIAL INVESTMENT PROGRAMME AGENCY (SIP)	3.48	3,749,107,073	3.48	3,786,598,144	3.48	3,862,330,107
MINISTRY OF LOCAL GOVERNMENT AND CHIEFTAINCY AFFAIRS	1.93	2,084,181,005	1.93	2,105,022,815	1.93	2,147,123,272
Sub-Total	40.79	43,960,624,170	40.79	44,400,230,412	40.79	45,288,235,020
Total Overhead Costs	100	107,761,410,588	100	108,839,024,694	100	111,015,805,188



CAPITAL EXPENDITURE 2025



**CAPITAL EXPENDITURE ANALYSIS****ADMINISTRATIVE SECTOR**

Description	Percent age %	Estimates 2025	Percent age %	Estimates 2026	Percent age %	Estimates 2027
GOVERNMENT HOUSE	4.92	14,635,422,494	4.92	14,732,093,874	4.92	15,067,371,129
DEPUTY GOVERNORS OFFICE	0.39	1,171,046,711	0.39	1,178,781,828	0.39	1,205,608,886
BUREAU OF PUBLIC PROCUREMENT (BPP)	0.11	322,593,513	0.11	324,724,340	0.11	332,114,511
KOGI STATE PENSION COMMISSION	0.05	135,489,275	0.05	136,384,223	0.05	139,488,095
OFFICE OF THE SECRETARY TO THE STATE GOVERNMENT	0.06	173,657,328	0.06	174,804,387	0.06	178,782,636
CHRISTIAN PILGRIMS COMMISSION	0.01	15,825,469	0.01	15,930,001	0.01	16,292,540
KOGI STATE HAJJ COMMISSION	0.00	12,903,741	0.00	12,988,974	0.00	13,284,580
STATE SECURITY TRUST FUND	0.17	516,149,621	0.17	519,558,945	0.17	531,383,217
MINISTRY OF SPECIAL DUTY & INTER-GOVERNMENTAL AFFAIRS	0.33	967,780,539	0.33	974,173,021	0.33	996,343,533
KOGI STATE HOUSE OF ASSEMBLY	2.11	6,279,284,277	2.11	6,320,760,844	2.11	6,464,610,548
KOGI STATE HOUSE OF ASSEMBLY SERVICE COMMISSION	0.07	196,833,924	0.07	198,134,071	0.07	202,643,264
MINISTRY OF INFORMATION AND COMMUNICATION	0.10	290,137,412	0.10	292,053,857	0.10	298,700,503
OFFICE OF THE HEAD OF CIVIL SERVICE	2.65	7,884,185,455	2.65	7,936,262,879	2.65	8,116,878,645
OFFICE OF THE STATE AUDITOR-GENERAL	0.00	0	0.00	0	0.00	0
OFFICE OF THE LOCAL GOVT. AUDITOR-GENERAL	0.01	25,807,481	0.01	25,977,947	0.01	26,569,161
CIVIL SERVICE COMMISSION	0.01	32,267,610	0.01	32,480,747	0.01	33,219,953
STATE INDEPENDENT ELECTORAL COMMISSION (SIEC)	0.00	0	0.00	0	0.00	0
LOCAL GOVERNMENT SERVICE COMMISSION	0.03	95,444,565	0.03	96,075,005	0.03	98,261,507
Sub-Total	11.01	32,754,829,413	11.01	32,971,184,943	11.01	33,721,552,708

ECONOMIC SECTOR

MINISTRY OF AGRICULTURE AND FOOD SECURITY	5.88	17,494,873,208	5.88	17,610,432,123	5.88	18,011,215,432
MINISTRY OF FINANCE, BUDGET AND ECONOMIC PLANNING	0.59	1,760,379,896	0.59	1,772,007,736	0.59	1,812,335,601
BUDGET AND ECONOMIC PLANNING	1.86	5,539,795,520	1.86	5,576,387,540	1.86	5,703,296,581
OFFICE OF THE ACCOUNTANT GENERAL	0.60	1,774,367,551	0.60	1,786,087,784	0.60	1,826,736,086
KOGI STATE INTERNAL REVENUE SERVICE (KGIRS)	0.18	526,537,132	0.18	530,015,068	0.18	542,077,305
MIN. OF COMMERCE & INDUSTRY	0.20	591,066,044	0.20	594,970,213	0.20	608,510,718



KOGI STATE ENTERPRISES DEVELOPMENT AGENCY	0.36	1,071,010,463	0.36	1,078,084,810	0.36	1,102,620,176
MINISTRY OF INNOVATION, SCIENCE AND TECHNOLOGY	0.22	645,187,026	0.22	649,448,681	0.22	664,229,022
MINISTRY OF TRANSPORT	1.42	4,225,638,222	1.42	4,253,549,838	1.42	4,350,353,355
MINISTRY OF SOLID MINERAL AND NATURAL RESOURCES	0.83	2,471,336,536	0.83	2,487,660,460	0.83	2,544,275,356
MINISTRY OF WORKS	22.97	68,329,005,915	22.97	68,780,339,611	22.97	70,345,662,478
ROAD MAINTENANCE AGENCY	9.15	27,226,892,489	9.15	27,406,734,328	9.15	28,030,464,716
MIN. OF CULTURE & TOURISM	0.09	275,572,282	0.09	277,392,521	0.09	283,705,500
MINISTRY OF WATER RESOURCES	5.29	15,744,702,870	5.29	15,848,701,382	5.29	16,209,390,713
KOGI STATE WATER BOARD	0.10	296,786,032	0.10	298,746,393	0.10	305,545,350
RURAL WATER AND SANITATION AGENCY (RUWASSA)	1.26	3,742,084,750	1.26	3,766,802,348	1.26	3,852,528,326
MINISTRY OF HOUSING AND URBAN DEVELOPMENT	2.80	8,329,326,707	2.80	8,384,344,422	2.80	8,575,157,758
BUREAU FOR LANDS AND URBAN DEVELOPMENT	0.54	1,597,483,076	0.54	1,608,034,934	0.54	1,644,631,058
KOGI STATE UTILITY INFRASTRUCTURE MANAGEMENT AND COMPLIANCE AGENCY	0.12	360,982,141	0.12	363,366,537	0.12	371,636,138
MINISTRY OF RURAL AND ENERGY DEVELOPMENT	6.75	20,069,832,812	6.75	20,202,400,112	6.75	20,662,172,178
Sub-Total	61.20	182,072,860,672	61.20	183,275,506,841	61.20	187,446,543,847
LAW & JUSTICE SECTOR						
KOGI STATE JUDICIAL SERVICE COMMISSION	0.08	239,365,032	0.08	240,946,110	0.08	246,429,631
HIGH COURT OF JUSTICE	1.05	3,130,447,449	1.05	3,151,124,999	1.05	3,222,839,213
CUSTOMARY COURT OF APPEAL	0.90	2,676,880,970	0.90	2,694,562,576	0.90	2,755,886,211
SHARIA COURT OF APPEAL	0.97	2,898,825,307	0.97	2,917,972,923	0.97	2,984,380,995
MINISTRY OF JUSTICE	0.35	1,051,654,852	0.35	1,058,601,350	0.35	1,082,693,305
KOGI STATE OFFICE OF THE PUBLIC DEFENDER AND CITIZENS' RIGHTS COMMISSION	0.04	129,037,405	0.04	129,889,736	0.04	132,845,804
Sub-Total	3.40	10,126,211,015	3.40	10,193,097,694	3.40	10,425,075,160



SOCIAL SECTOR						
MINISTRY OF YOUTH & SPORTS	0.36	1,081,049,573	0.36	1,088,190,232	0.36	1,112,955,580
MINISTRY OF WOMEN AFFAIRS AND SOCIAL DEVELOPMENT	0.40	1,188,544,182	0.40	1,196,394,875	0.40	1,223,622,776
KOGI STATE OFFICE FOR DISABILITY AFFAIRS	0.05	163,103,280	0.05	164,180,626	0.05	167,917,097
MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY	2.61	7,769,390,262	2.61	7,820,709,429	2.61	7,998,695,396
STATE UNIVERSAL BASIC EDUCATION BOARD	1.13	3,366,462,938	1.13	3,388,699,442	1.13	3,465,820,444
KOGI STATE POLYTECHNIC, LOKOJA	0.46	1,376,378,669	0.46	1,385,470,066	0.46	1,417,000,994
COLLEGE OF EDUCATION, ANKPA	0.05	135,489,275	0.05	136,384,223	0.05	139,488,095
COLLEGE OF EDUCATION TECHNICAL, KABBA	1.08	3,225,935,129	1.08	3,247,243,404	1.08	3,321,145,109
PRINCE ABUBAKAR AUDU UNIVERSITY, ANYIGBA	0.82	2,451,710,698	0.82	2,467,904,987	0.82	2,524,070,283
KOGI STATE UNIVERSITY, KABBA	4.45	13,230,024,499	4.45	13,317,412,802	4.45	13,620,494,335
CONFLUENCE UNIVERSITY OF SCIENCE AND TECHNOLOGY (CUSTECH), OSARA	2.31	6,861,564,020	2.31	6,906,886,720	2.31	7,064,075,646
NIGERIA-KOREA FRIENDSHIP INSTITUTE	0.10	308,664,475	0.10	310,703,297	0.10	317,774,372
MINISTRY OF HEALTH	2.27	6,757,124,757	2.27	6,801,757,604	2.27	6,956,553,972
PRIMARY HEALTHCARE DEVELOPMENT AGENCY	0.20	582,061,619	0.20	585,906,311	0.20	599,240,537
PRINCE ABUBAKAR AUDU UNIVERSITY TEACHING HOSPITAL, ANYIGBA	0.04	123,875,909	0.04	124,694,147	0.04	127,531,972
KOGI STATE SPECIALIST HOSPITAL, LOKOJA	0.04	115,488,478	0.04	116,251,314	0.04	118,896,995
COLLEGE OF NURSING AND MIDWIFERY, OBANGEDE	0.04	127,747,031	0.04	128,590,839	0.04	131,517,346
COLLEGE OF HEALTH SCIENCE & TECHNOLOGY, IDAH	0.10	311,594,364	0.10	313,652,539	0.10	320,790,734
MINISTRY OF ENVIRONMENT AND ECOLOGICAL MANAGEMENT	2.84	8,457,111,534	2.84	8,512,973,307	2.84	8,706,714,017
MINISTRY OF HUMANITARIAN AFFAIRS AND POVERTY ALLEVIATION	0.09	258,074,810	0.09	259,779,472	0.09	265,691,609
MINISTRY OF LOCAL GOVERNMENT AND CHIEFTAINCY AFFAIRS	4.93	14,656,068,478	4.93	14,752,876,232	4.93	15,088,626,457
Sub-Total	24.39	72,547,463,982	24.39	73,026,661,866	24.39	74,688,623,764
Total Cap. Exp.	100	297,501,365,083	100	299,466,451,344	100	306,281,795,479
Total Personnel, Overheads & Cap. Exp.	300	480,095,322,676	300	483,886,348,513	300	493,634,281,867
Contingency Reserve		2,803,591,930	0	2,851,599,087	0	2,957,028,435
Planning Reserve		3,033,383,404	0	3,053,717,681	0	3,123,624,484
Social Contribution and Social Benefit		35,118,822,981		35,118,822,981		35,118,822,981
Grants, Contributions and Subsidies		33,371,164,083		33,704,875,724		34,041,924,481
Public Debt Service		27,981,834,415		28,261,652,759		28,544,269,286
Grand Total	300	582,404,119,489	300	586,877,016,745	300	597,419,951,535



4.C Considerations for the Planning and Annual Budget Process

222. The planning and budget call circular will be issued to include the following instructions to MDAs for the annual budget submissions:

- With a relatively small Capital Development Fund, priority must be given to completing ongoing projects;
- Budget submissions for capital projects must include full life-time capital investment requirements (costs) and also sources of funding (particularly if grants and/or loans are being used to partially / fully fund the project);
- It is recommended that any savings in Overheads can be carried forward to the following year;
- There should be gaps on MDA increments to individual personnel and overhead items of 5% and any increases above this need written justification.
- The policies, targets and strategies set out in the KOSEEDS, the National Vision 20:2020, the Revised New Direction Blue Print of Let's do MORE and Kogi State Development Plan 2024 – 2056 documents should be inculcated.
- Projects/programmes that will generate employment, create wealth and reduce poverty level in the state should be given priority;
- Make adequate provision for projects/programmes that require Government Cash Counterpart Contribution (GCCC);
- Projects needing rehabilitation should also be given attention;
- Other projects that are critical to the responsibility of your organisation and COVID 19 solution/other related diseases.



Section 4 Summary of Key Points and Recommendations

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

- Risks centre around the insecurity both nationally and in the state due to the activities of the Movement for the Indigenous People of Biafra (IPOB), Boko Haram, Kidnapping, Herdsmen Attack, banditry, rampant inter-tribal crises, Gun Men and also the still heavy dependence on fiscal transfers (Statutory Allocation, VAT and Excess Crude) to fund the budget;
- Recurrent expenditure is high particularly administrative sector and needs to be rationalised;
- IGR needs to be grown to a level commensurate with the level of economic activity in the state;
- The State needs to work on macroeconomic variables such as State inflation rate and State GDP growth & State GDP Actual;
- Based on the fiscal trend, the average capital expenditure ratio over the period 2018 -2023 is about 27% which is considered not good enough. It is therefore advisable to take necessary steps to raise the ratio to at least 50% by limiting the increase in recurrent expenditure and exploring ways and means for generating recurrent revenue over the medium term.
- Policy of Government places emphasis on Agriculture and Food Security, Business, Innovation and Skills, Communication and Digital Economy, Mining and Mineral Resources, Culture and Tourism, Education and Human Capital Development, Health and Human Services, Infrastructure, Natural and Built Environment, Water and Sanitation, Finance and Revenue Mobilisation, Governance and Administration, Security, Law and Justice and Social & Youth Development