

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** |
| **DMD** | **Debt Management Department** |
| **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 North East Initiative |
| **NIRP** | Nigerian Industrial Revolution Plan |
| **OPEC** | Organisation of Petroleum Exporting Countries |
| **TNP** | Trans Niger Pipeline |
| **NCTL** | Nembe Creek Trunk Line |
| **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 |
| **PSC** | Production Sharing Contract |
| **WTI** | West Texas Intermediate |
| **OECD** | Organisation for Economic Co-operation and Development |

# Introduction and Background

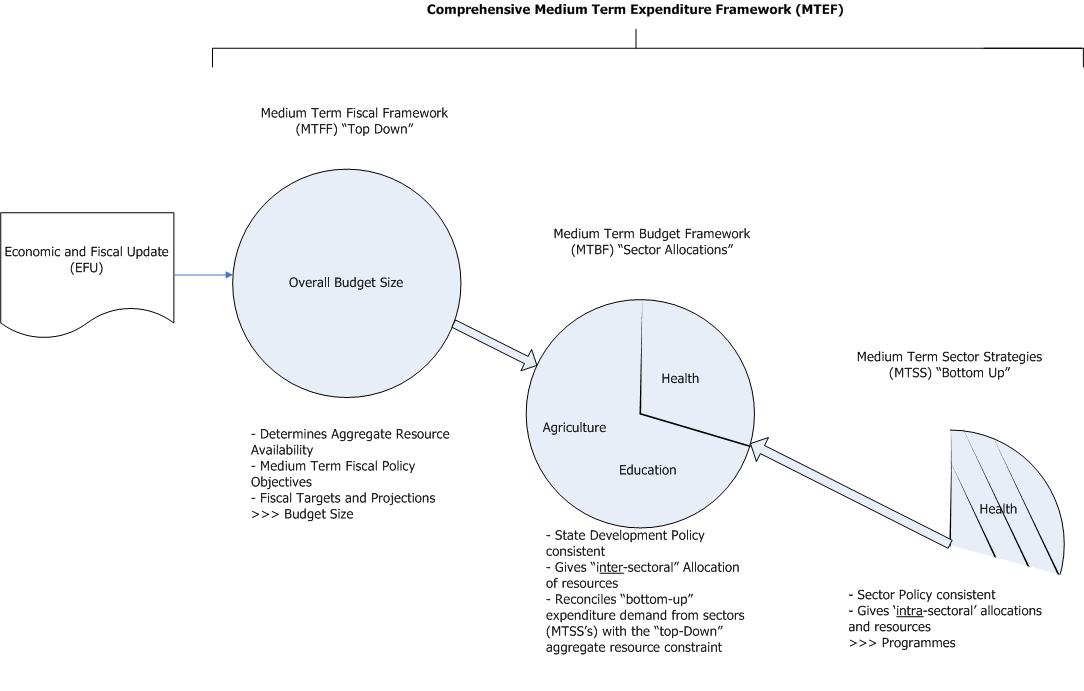
## Introduction

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 2023 - 2025
2. Government aims to improve information on service delivery. These 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 Multi Year Budget Framework (MYBF) 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. **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).**

### Budget Process

1. 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:
2. Medium Term Fiscal Framework (MTFS)
3. Medium Term Budget Framework (MTBF)
4. Medium Term Sector Strategies (MTSS)
5. It commences with the conception through preparation, execution, control, monitoring and evaluation and goes back again to conception for the following year’s budget.
6. The MTEF process is summarised in the diagram below:

Figure 1: MTEF Process



### Summary of Document Content

1. 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 2023-2025.
2. The purpose of this document is three-fold:
3. To provide a historical summary of key economic and fiscal trends that will affect the public expenditure in the future - Economic and Fiscal Update;
4. 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
5. Provide indicative sector envelopes for the period 2023-2025.
6. 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

1. 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.

### Preparation and Audience

1. The purpose of this document is to provide an informed framework for the 2023-2025 MTEF and 2022 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)

1. The document is prepared in the month of June for the year 2022 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).

## Background

### Legislative and Institutional arrangement for Public Financial Management (PFM)[[1]](#footnote-1)

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

1. 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.
2. 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, 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 Stadte 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. 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.
2. 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 19-member Statutory Executive Council but has, at present, been increased to 27 to achieve a more inclusive and robust decisions,[[2]](#footnote-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 Seventeen (17) sector ministries, consisting Agriculture, Health, Women Affairs & Social Development, Education Science & Technology, Justice and Finance Budget & Economic Planning. The others are Commerce & Industry, Culture & Tourism, Environment, Water Resources, Works & Housing, Transport, Rural Development, Youth & Sports, Information & Communication, Local Government & Chieftaincy Affairs and Solid Mineral & Natural Resources. The State government has 17 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.
3. 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.

1. 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]](#footnote-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.
2. Indicative Budget Calendar for Kogi State Government is presented below:

Table 1: Budget Calendar

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **S/N** | **SUBJECT** | **ACTIVITIES** | **DATE**  **YEAR 2021/22** | **RESPONSIBILITY** | |
| **Agency** | **Officer** |
| 1 | Commencement of Year 2023 Budget Preparation | (a) Review of Macroeconomic Framework and input of latest data to Medium Term Fiscal Strategy (MTFS) model | April 2022 | Technical Working Group (TWG) | Director Budget |
| (b) Meeting with Major Revenue Generating Agencies on Revenue Strategy 2023-2025 MTFS | June 2022 | MFB&EP/Revenue Stakeholders | Director Budget |
| (c) Public Consultation on the Framework, FSP, Revenue and Expenditure Framework. | June 2022 | MFB&EP/Revenue Stakeholders/CSO | Director Budget |
| (d) Presentation of Year 2023–2025 MTEF to EXCO | June 2022 | MFB&EP, MDAs & EXCO | HC MFB&EP |
| (e) Forwarding of draft MTEF to the SHoA for consideration and approval. | June 2022 | MFB&EP/SHoA | HC MFB&EP |
| (f) Budget Retreat for MDAs | June 2022 | MFB&EP/MDAs | Director Budget. |
| 2 | Y2022 (Current Year) Budget Monitoring & Appraisal. | (a) 1st Quarter Year 2022 Budget Performance Appraisal | 28th April 2022 | MFB&EP(DOB, DOP(M), DOP(SS)/MDAs | Hon. Commissioners/other Heads of MDAs |
| (b) 2nd Quarter/Mid-Year Review of 2022 Budget Performance | 28th July, 2022 | MFB&EP(DOB, DOP(M), DOP(SS))/MDAs | Hon. Commissioners/other Heads of MDAs |
| (c) 3rd Quarter Year 2022 Budget Performance Appraisal | 28th Oct. 2022 | MFB&EP(DOB, DOP(M), DOP(SS)/MDAs | Hon. Commissioners/other Heads of MDAs |
| 3 | Preparation of Y 2023 Budget Estimates | (a) Issuance of Year 2023 Call Circular | July 2022 | MFB&EP | Permanent Secretary |
| (b) Budget Consultative /Stakeholders Forum /Citizens Engagement | July 2022 | MFB&EP (Budget Dept.), MDAs & other Stakeholders eg. CSOs | Permanent Secretary |
| (d) Submission of Budget Proposals | Aug./Sept. 2022 | MFB&EP/MDAs | Permanent Secretary |
| (c) MDAs Budget Proposals Technical Defence | September 2022 | MFB&EP/MDAs | Permanent Secretary |
| (e) Collation of Draft Estimate | October 2022 | MFB&EP | Director Budget |
| 4 | 2023 Draft Budget | Submission of Year 2023 draft Budget to EXCO | Oct./Nov. 2022 | MFB&EP | HC MFB&EP |
| 5 | Legislative Processes | (a) Presentation of Draft Year 2023 Budget Estimates to House of Assembly | November 2022 | Governor’s Office | His Excellency |
| (b) Consideration of Budget Draft Estimates by SHoA including interaction with MDAs/scrutiny of estimates. | December 2022 | SHoA | Members SHoA/MDAs |
| (c) Passing of the Year 2023 Appropriation Bill | December 2022 | SHoA | Members |
| 6 | Appropriation Law | (a) Production of the Appropriation Law | December 2022 | SHoA | Members |
| (b) Governor’s Assent to Year 2022 Budget | December 2022 | Governor’s Office | His Excellency |
| (c) Uploading Approved Budget onto the Budget Portal | December, 2022 | MFB&EP | Permanent Secretary |
| (d) Printing and Publishing of Approved Budget | January, 2023 | MFB&EP | Permanent Secretary |
| 7 | Execution of Year 2023 Budget. | (a) Year 2023 Budget Analysis (Budget Breakdown) | January, 2023 | MFB&EP (Budget Dept.) | HC MFB&EP |
| 8 | Conclusion of Year 2022 Budget | (a) Year 2022 Budget Performance Appraisal for the 4th Quarter/Full Year | 28th January, 2023 | MFB&EP(Director Budget) | HC MFB&EP |
| 9 | Year 2023 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 |

# Economic and Fiscal Update

## Economic Overview

### Global Economy[[4]](#footnote-4)

1. Global economic prospects have worsened significantly since our last World Economic Outlook forecast in January. At the time, we had projected the global recovery to strengthen from the second quarter of this year after a short-lived impact of the Omicron variant. Since then, the outlook has deteriorated, largely because of Russia’s invasion of Ukraine—causing a tragic humanitarian crisis in Eastern Europe—and the sanctions aimed at pressuring Russia to end hostilities.
2. This crisis unfolds while the global economy was on a mending path but had not yet fully recovered from the COVID-19 pandemic, with a significant divergence between the economic recoveries of advanced economies and emerging market and developing ones. In addition to the war, frequent and wider-ranging lockdowns in China—including in key manufacturing hubs—have also slowed activity there and could cause new bottlenecks in global supply chains. Higher, broader, and more persistent price pressures also led to a tightening of monetary policy in many countries. Overall risks to economic prospects have risen sharply and policy trade-offs have become ever more challenging.
3. Beyond the immediate humanitarian impacts, the war will severely set back the global recovery, slowing growth and increasing inflation even further. This report projects global growth at 3.6 percent in 2022 and 2023—0.8 and 0.2 percentage points lower than in the January forecast, respectively. The downgrade largely reflects the war’s direct impacts on Russia and Ukraine and global spillovers.
4. Both Russia and Ukraine are projected to experience large GDP contractions in 2022. The severe collapse in Ukraine is a direct result of the invasion, destruction of infrastructure, and exodus of its people. In Russia, the sharp decline reflects the impact of the sanctions with a severing of trade ties, greatly impaired domestic financial intermediation, and loss of confidence.
5. The economic effects of the war are spreading far and wide—like seismic waves that emanate from the epicenter of an earthquake—mainly through commodity markets, trade, and financial linkages. Because Russia is a major supplier of oil, gas, and metals, and, together with Ukraine, of wheat and corn, the current and anticipated decline in the supply of these commodities has already driven their prices up sharply. Europe, Caucasus and Central Asia, Middle East and North Africa, and sub-Saharan Africa are most affected. The food and fuel price increases will hurt lower-income households globally—including in the Americas and Asia.
6. Besides, the war adds to the series of supply shocks that have struck the global economy over the course of the pandemic, contributing to more shortages beyond the energy and agricultural sectors. Through closely integrated global supply chains, production disruptions in one country can very quickly cascade globally. Firms in Russia and Ukraine supply specialized inputs, and shortfalls in some of those inputs are already having impacts on European car manufacturers. Some countries in eastern Europe and central Asia have large direct trade and remittance links with Russia. Activities in those economies is expected to suffer. The displacement of more than 4 million Ukrainian people to neighboring countries, especially Poland but also Romania, Moldova, and Hungary, will also add to economic pressures in the region.
7. Even prior to the war, inflation had surged in many economies because of soaring commodity prices and pandemic-induced supply-demand imbalances. Some emerging markets and developed economies’ central banks, such as the US Federal Reserve and those in Latin America, had already come under pressure before the war, bringing forward the timing of their monetary policy tightening. War-related supply shortages will greatly amplify those pressures, notably through increases in the price of energy, metals, and food. Although bottlenecks are expected to eventually ease as production elsewhere responds to higher prices and new capacity becomes operational, supply shortages in some sectors are expected to last into 2023. As a result, inflation is now projected to remain elevated for much longer than in our previous forecast, in both advanced and emerging market and developing economies.
8. In many countries, inflation has become a central concern. In some advanced economies, including the United States and some European countries, it has reached its highest level in more than 40 years, in the context of tight labor markets. There is a rising risk that inflation expectations become de-anchored, prompting a more aggressive tightening response from central banks. In emerging market and developing economies, increases in food and fuel prices could significantly increase the risk of social unrest.
9. Immediately after the invasion, capital outflows increased markedly from emerging market and developing economies, tightening financial conditions for vulnerable borrowers and net importers of commodities, and putting downward pressure on the currencies of the most exposed countries. So far, this repricing has been mostly orderly. Yet the April 2022 Global Financial Stability Report highlights several financial fragility risks. A wider range of emerging market economies could come under pressure if the pace of global monetary tightening accelerates further, especially in the United States, or if financial markets start to reprice more aggressively, which would further weigh on the global outlook.
10. On the fiscal side, policy space was already eroded in many countries by necessary COVID-related spending. Debt levels have risen significantly, and extraordinary fiscal support was expected to be removed in 2022–23. The war and the impending increase in global interest rates will further reduce fiscal space in many countries, especially oil- and food-importing emerging market and developing economies. The non-financial corporate and household leverage increased in many countries during the pandemic, as many governments helped maintain access to credit. Looking ahead, this may create some credit market vulnerabilities as interest rates and risk premier rise, with implications for financial stability.
11. The war has also increased the risk of a more permanent fragmentation of the world economy into geopolitical blocks with distinct technology standards, cross-border payment systems, and reserve currencies. Such a tectonic shift would entail high adjustment costs and long-run efficiency losses as supply chains and production networks are reconfigured. It also represents a major challenge to the rules-based framework that has governed international and economic relations for the last 70 years.
12. Because of the unprecedented nature of the shock, we highlight that the uncertainty around these projections is considerable, well-beyond the usual range. Growth could slow significantly more while inflation could turn out higher than expected if, for instance, sanctions aimed at ending the war extend to an even broader volume of Russian energy and other exports. Moreover, the pandemic is still with us. The continued spread of the virus could give rise to more lethal variants that escape vaccines or immunity from past infections, prompting new lockdowns and production disruptions.
13. In this difficult and uncertain environment, effective national-level policies and multilateral efforts have an ever more important role in shaping economic outcomes. Central banks will need to adjust their monetary stances even more aggressively should medium- or long-term inflation expectations start drifting from central bank targets or core inflation remains persistently elevated. As advanced economy central banks tighten policy and interest rates rise in those countries, emerging market and developing economies could face a further withdrawal of capital and currency depreciations that increase inflation pressures. Clear central bank communications on the drivers of inflation and forward guidance on the outlook for monetary policy, supplemented—when appropriate—with capital flow management measures in line with the IMF’s revised Institutional View on capital flows, will be essential to minimize the risk of disruptive adjustments.
14. Although several economies will need to consolidate their fiscal balances, this should not impede governments from providing well-targeted support for refugees displaced by conflict, households squeezed by higher food and fuel prices, and those affected by the pandemic, as argued in the April 2022 Fiscal Monitor. Social and health spending more broadly should continue to be prioritized. Embedding these fiscal initiatives in a medium-term framework with a clear, credible path for stabilizing public debt can also help create room to deliver the needed support.
15. Even as policymakers focus on cushioning the impact of the war and the pandemic, attention will need to be maintained on longer-term goals. This includes reskilling workers for the ongoing digital transformation while facilitating the labour market transformation necessary to achieve net zero emissions.
16. **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]](#footnote-5)** | | | **Forecast** | |
| **2019** | **2020** | **2021** | **2022** | **2023** |
| Mexico | -0.2 | –8.2 | 4.8 | 2.0 | 2.5 |
| Indonesia | 5.0 | –2.1 | 3.7 | 5.4 | 6.0 |
| Turkey | 0.9 | 1.8 | 11 | 2.7 | 3.0 |
| United States | 3.0 | 2.4 | –2.5 | 6.6 | 3.0 |
| Germany | 1.8 | 1.9 | –3.0 | 1.1 | 2.7 |
| United Kingdom | 1.6 | 1.7 | –9.5 | 7.7 | 5.3 |
| China | 6.0 | 2.2 | 8.1 | 4.4 | 5.1 |
| Ghana | 6.5 | 0.4 | 4.2 | 5.2 | 5.1 |
| South Africa | 0.1 | –6.4 | 4.9 | 1.9 | 1.4 |
| Brazil | 1.2 | –3.9 | 4.6 | 0.8 | 1.4 |
| Angola | –0.7 | –5.6 | 0.7 | 3.0 | 3.3 |

Source:World Economic Outlook, April 2022.

Table 3: Inflation (CPI) - Selected Countries

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Country** | **Actual** | | | **Forecast** | |
| **2019** | **2020** | **2021** | **2022** | **2023** |
| Mexico | 3.6 | 3.4 | 5.7 | 6.8 | 3.9 |
| Indonesia | 2.8 | 2 | 1.6 | 3.3 | 3.3 |
| Turkey | 15.2 | 12.3 | 19.6 | 60.5 | 37.2 |
| United States | 1.8 | 1.2 | 4.7 | 7.7 | 2.9 |
| Germany | 1.4 | 0.4 | 3.2 | 5.5 | 2.9 |
| United Kingdom | 1.8 | 0.9 | 2.6 | 7.4 | 5.3 |
| China | 2.9 | 2.4 | 0.9 | 2.1 | 1.8 |
| Ghana | 7.1 | 9.9 | 10 | 16.3 | 13 |
| South Africa | 4.1 | 3.3 | 4.5 | 5.7 | 4.6 |
| Brazil | 3.7 | 3.2 | 8.3 | 8.2 | 5.1 |
| Angola | 17.1 | 22.3 | 25.8 | 23.9 | 13.2 |

Source: World Economic Outlook, April, 2022

1. 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.

### Africa[[6]](#footnote-6)

1. Africa’s gross domestic product has recovered strongly in the last year, but the lingering effects of the Covid-19 pandemic, Russia’s invasion of Ukraine and the ensuing war could pose considerable challenges in the medium term.
2. Africa’s gross domestic product grew by an estimated 6.9% in 2021. This is after the continent suffered a pandemic-induced contraction of 1.6% in 2020, says the Bank’s flagship publication.
3. Rising oil prices and global demand have generally helped improve Africa’s macroeconomic fundamentals, the report found. But growth could decelerate to 4.1% in 2022, and remain stuck there in 2023, because of the lingering pandemic and inflationary pressures caused by the Russia-Ukraine war. Both countries are major grain suppliers to Africa.
4. The African Development Bank Group has responded to the likelihood of a looming food crisis with a $[1.5 billion African Emergency Food Production Facility](https://www.afdb.org/en/news-and-events/press-releases/african-development-bank-board-approves-15-billion-facility-avert-food-crisis-51716) approved by the Group’s executive board last week. Its president, Dr Akinwumi Adesina, said international efforts, including those of the African Development Bank Group, the G20 Common Framework for Debt Treatment, and the $650 billion in Special Drawing Rights issued by the International Monetary Fund, are supporting the continent’s recovery.
5. However, he said the recovery will still be costly. “Africa will need at least $432 billion to address the effects of Covid-19 on its economies and on the lives of its people — resources it does not have,” Adesina said.
6. The theme of the 2022 African Economic Outlook is “Supporting Climate Resilience and a Just Energy Transition in Africa.” It highlights a growing threat to lives and livelihoods in Africa. The Bank launched the report during its Group Annual Meetings in Accra, Ghana. The meetings carry the same theme.
7. Acting Chief Economist and Vice President Kevin Urama said: “Climate change is the most existential challenge to Africa's development today. Finding policies that address climate adaptation and mitigation of greenhouse gas emissions while ensuring social and economic development is one of the most enduring policy challenges of our time,” says Urama. He adds: “The African Economic Outlook report 2022 provides evidence-based policy options for driving inclusive growth by building climate resilience and a just energy transition in Africa.”
8. The African Economic Outlook makes it clear that the pandemic and Russia-Ukraine war could leave a lasting impression over several years, if not as much as a decade. Meanwhile, around 30 million people in Africa were pushed into extreme poverty in 2021 and about 22 million jobs were lost in the same year because of the pandemic. And the trend is expected to continue through this second half of 2022 and on into 2023. The economic disruptions stemming from the Russia-Ukraine war could push a further 1.8 million people across the African continent into extreme poverty in 2022. That number could swell with another 2.1 million in 2023. The continent’s additional financing needs for 2020-22 are estimated at $432 billion. Financing African countries’ nationally determined contributions—public pledges from countries on how they plan to play a part in post-2020 collective action on climate change—will require up to $1.6 trillion between 2022 by 2030. The least emitter of climate forcing emissions, Africa is disproportionately affected by climate change. The continent loses between 5% to15% of gross domestic product to climate change. Collectively, African countries received only $18.3 billion in climate finance between 2016 and 2019. This leaves a climate finance gap of up to $127.2 billion annually from 2020 to 2030.
9. The report estimates that Africa will have a carbon credit of up to $4.8 trillion by 2050, based on the current social cost of carbon. The report underscores Africa’s vulnerability to climate change. In 2020 and 2021, Africa recorded 131 extreme-weather, climate change-related disasters.
10. The report calls on the international community to meet commitments such as the $100 billion annual financing promised by rich nations to support climate action in developing countries. It records the billions of dollars lost to climate events each year in Africa, as well as the economic prospects of green growth. It suggests, for example, that Africa could gain about 20.5 million more jobs by 2050 if the world adjusts its energy consumption and manages to maintain global warming at 1.5 degrees Celsius above pre-industrial levels.
11. The 2022 African Economic Outlook proposes a series of policy recommendations to build back better and engender resilient economies in Africa. Proposals include speeding up Covid-19 vaccination and delivering strong support to domestic pharmaceutical industries; reducing reliance on single food sources; and revisiting global debt frameworks.
12. The 2022 African Economic Outlook theme also ties in with the United Nations Climate Conference, COP 27, also known as the “African COP,” which Egypt will host in November. It will be the first time in five years that the United Nations climate conference will be held in Africa, and it comes as the continent faces an alarming increase in climate-related disasters
13. South Africa’s growth slowed in the second half of 2021 after a relatively strong performance in the first half of the year. The third COVID-19 wave and the July unrest weighed on growth in the third quarter and were only partially offset by  
    a rebound in the fourth quarter. After the 2021 rebound associated with the lifting of lockdowns, growth is expected to slow down to a modest 1.9 percent in 2022, held down by structural constraints (including in the electricity sector) and tighter global financial conditions. Without fiscal adjustment, public debt is projected to grow steadily in the coming years, reaching 83.7 percent of GDP by 2026. Increasing potential growth and maintaining debt sustainability hinges on the timely implementation of credible fiscal policies and structural reforms, including on the product market regulatory framework, labor market flexibility, management of state-owned enterprises (SOEs), and acceleration of the energy transition.  
    • Nigeria’s growth outlook has improved through higher oil prices and a stronger-than-anticipated recovery of manufacturing and agriculture. Growth is expected to reach 3.4 percent in 2022, falling back to 2.9 percent from 2024 onwards. The outlook is subject to high uncertainty associated with oil prices and financial conditions. Moreover, low vaccination rates, rising security risks, and elevated price pressures weigh negatively on the medium-term growth outlook. Diversification away from oil will be critical to raise growth potential sustainably and reduce volatility.  
    • Angola grew 0.7 percent in 2021, reversing a five-year long recession streak. The country could not take full advantage of high oil prices because of recurring technical problems and low investment affecting oil production. Growth is expected to accelerate to 3 percent in 2022, with non-oil sectors (agriculture, construction, and  
    transportation) as the main drivers of growth. In the medium-term, growth could gradually reach 4 percent because of high oil prices and the strong performance of non-oil sectors. Key risks to this outlook include high inflation (especially food) and continued oil production problems.  
    • Ethiopia’s growth is expected to slow down from 6.3 percent in FY2021 to 3.8 percent in FY2022 because of the intensified military conflict in the first half of the fiscal year, the lingering effects of the pandemic amid low vaccination rates, and the spillovers from the war in Ukraine. High food and commodity prices and elevated debt risks also cloud the outlook. The country is highly dependent on wheat imports from Russia and Ukraine, adding pressure on food prices. Although medium-term growth prospects are better, uncertainty is very high because of internal conflict and global geopolitical tensions.  
    • Tourism-dependent countries face a particularly challenging recovery. International travel faces a longer recovery path than other sectors. Many tourism-dependent countries experienced a short-term setback in their recovery with the emergence of the Omicron variant. Some countries have fared better because of significant remittance inflows (Comoros, The Gambia) or rapid vaccination rollout (Seychelles). Still, others face persistent income losses as large as 15 percent of GDP (Cabo Verde, Mauritius).  
    • Fragile economies’ economic growth is expected to accelerate marginally from 4.6 percent in 2021 to 4.8 percent in 2022—a much more modest acceleration than expected in October 2021. Furthermore, the outlook has significant downside risks. Many countries—particularly in the Sahel—face ongoing security challenges and political instability, coupled with regional and international sanctions. Food security concerns have increased greatly because of the rapid rise of food prices, which exacerbates risks of social unrest. In addition, rising inflation and limited fiscal space  
    constrain policy options further

### Nigerian Economy[[7]](#footnote-7)

1. Recent macroeconomic and financial developments
2. Nigeria’s economy entered a recession in 2020, reversing three years of recovery, due to fall in crude oil prices on account of falling global demand and containment measures to fight the spread of COVID–19. The containment measures mainly affected aviation, tourism, hospitality, restaurants, manufacturing, and trade. Contraction in these sectors offset demand-driven expansion in financial and information and communications technology sectors. Overall real GDP is estimated by the Bank to have shrunk by 3% in 2020, although mitigating measures in the Economic Sustainability Programme (ESP) prevented the decline from being much worse. Inflation rose to 12.8% in 2020 from 11.4% in 2019, fueled by higher food prices due to constraints on domestic supplies and the pass-through effects of an exchange rate premium that widened to about 24%. The removal of fuel subsidies and an increase in electricity tariffs added further to inflationary pressures. The Central Bank of Nigeria cut the policy rate by 100 basis points to 11.5% to shore up a flagging economy. The fiscal deficit, financed mostly by domestic and foreign borrowing, widened to 5.2% in 2020 from 4.3% in 2019, reflecting pandemic-related spending pressures and revenue shortfalls. Total public debt stood at $85.9 billion (25% of GDP) on 30 June 2020, 2.4% higher than a year earlier. Domestic debt represented 63% of total debt, and external debt, 37%. High debt service payments, estimated at more than half of federally collected revenues, pose a major fiscal risk to Nigeria. The current account position was expected to remain in deficit at 3.7% of GDP, weighed down by the fall in oil receipts and weak external financial flows.
3. Outlook and risks
4. The economy is projected to grow by 1.5% in 2021 and 2.9% in 2022, based on an expected recovery in crude oil prices and production. Stimulus measures outlined in the ESP and the Finance Act of 2020 could boost nonoil revenues. Improved revenues can narrow the fiscal deficit to 4.6% and the current account deficit to 2.3% of GDP in 2021 as global economic conditions improve. Reopening borders will increase access to inputs, easing pressure on domestic prices and inflation, projected at 11.4% in 2021. Downside risks include reduced fiscal space, should oil prices remain depressed. In addition, flooding and rising insecurity could hamper agricultural production. Further depletion in foreign reserves from $35 billion (7.6 months of import cover) could lead to sharp exchange rate depreciation and inflationary pressures. A potential relapse in COVID–19 cases could exacerbate these risks. High unemployment (27%), poverty (40%) and growing inequality remain a major challenge in Nigeria.
5. Financing issues and options
6. Nigeria’s public debt is relatively sustainable at 25% of GDP. But debt service payments are high, and the country’s ability to attract external private financial flows is hurt by macroeconomic imbalances and policy uncertainty. During the first half of 2020, Nigeria received $7.1 billion in foreign investment. This was half the amount it received in the corresponding period of 2019. Nigeria’s financing requirements require improved domestic revenue collection. Currently, nonoil revenue collections are equivalent to 4% of GDP. The revenue yield in 2020 from an increase in the value-added tax rate to 7.5% from 5% was less than projected because of subdued economic activity. Broadening the tax base could strengthen Nigeria’s fiscal buffers, if structural reforms to enhance compliance are supported and illicit financial flows are tackled. Remittances and sharia-compliant sukuk bonds also offer potential financing options. In 2019, remittances totaled $23.8 billion (5.3% of GDP), but the effect of the COVID– 19 pandemic in key source markets could reduce this figure. The third issuance of sukuk bonds of 150 billion naira ($395 million) in June 2020 attracted 669.1 billion naira, of which 162.5 billion naira was allotted to finance 44 critical road projects. Use of foreign reserves as a financing option in the medium term is impaired by lower oil receipts, the main source of foreign exchange.

#### Macroeconomic Indicators

Table 4: Nigeria Key Macroeconomic Indicators

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Indicator** | **2018** | **2019** | **2020** | **2021** |
| GDP Growth (%) | 1.92 | 2.21 | -1.79 | 3.40 |
| GDP (N’bn) | 121,579.86 | 137,528.03 | 155,105.65 | 142,960.5 |
| Inflation (%) | 12.09 | 11,40 | 14.89 | 16.98 |
| Exchange Rate (NGN:USD FX Rate) | 306.1 | 306.9 | 358.8 | 279 |
| Unemployment (%) | 8.45 | 8.53 | 9.01 | 0 |
| Balance of Payments (% of GDP) | 3.9 | -17.0 | -15.8 | -15.8 |

Source: National Bureau of Statistics, Public Presentation of 2021 FGN Approved Budget breakdown & highlights

#### Petroleum Sector

1. 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
2. Petroleum production and export play a dominant role in Nigeria's economy and account for about 90% of her gross earnings. This dominant role has pushed agriculture, the traditional mainstay of the economy, from the early fifties and sixties, to the background.
3. Nigeria joined the Organisation of Petroleum Exporting Countries (OPEC) in 1971 and established the Nigerian National Petroleum Company (NNPC) in 1977; a state owned and controlled company which is a major player in both the upstream and downstream sectors.
4. The first quarter of 2022 has been eventful for the global oil and gas industry. With oil prices reaching their highest in a while, it appears that the industry is now in recovery from the Covid-19 Pandemic ("Pandemic"). Contributing to the increased oil prices is the fact that many countries are now opening their boarders and dropping the Covid-19 protocols they had put in place.
5. This move has generally encouraged movement both domestically and internationally, increasing the demand for petroleum and related products. Russia's war in Ukraine has also significantly impacted the price of crude oil, causing price to rise to an all-time high.
6. As a result of the invasion, many of the western countries imposed a ban on Russian oil and gas. The ban, together with the attack on Saudi Aramco's Jeddah depot, caused a further spike in the price of crude to over $120 per barrel in the first quarter.
7. On a domestic level, Nigeria is witnessing assets divestments by International Oil Companies (IOCs), the inconclusive 2020 marginal fields bidding rounds and the operationalization of the Petroleum Industry Act (PIA).
8. With this eventful start, 2022 may signal the recovery for the Nigerian Oil and Gas Industry, bringing its performance to a level better than the pre-pandemic levels. This edition of the newsletter focuses on some noteworthy developments and the impact of these developments on the growth of the Nigerian Oil and Gas sector and the economy at large.

### Kogi State Economy

1. The State has not been particularly challenged by COVID but by its effects. Kogi State, as in other states across the country, is still largely dependent on oil revenue, to fund its budget, which, incidentally, has been significantly plummeted due to COVID induced restrictions. The effects of these restrictions have constrained businesses and general economic activities, which triggered loss of incomes, food inflation, general inflation, unemployment, lower standard of living, poverty and increased vulnerability. As a result of this, the State has sustained key reform initiatives which has improved the credibility of the budget, audited financial statements, public procurement, IGR and sustainable debt management. The State has also prioritized key sectors including education, health, agriculture, infrastructure and tourism. Arguably the most important strength of the State, is the significantly improved security over the last 6 years. The strategic objective of establishing the Confluence University of Science and Technology (CUSTEC), is to build local skills and capacity that will turnaround the rich natural resources of the State (Ajaokuta Steel Company) and diversify its economy, away from crude oil.
2. 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](https://en.wikipedia.org/wiki/Crop) from the state notably [coffee](https://en.wikipedia.org/wiki/Coffee), [cocoa](https://en.wikipedia.org/wiki/Cocoa_bean), [palm oil](https://en.wikipedia.org/wiki/Palm_oil), [cashews](https://en.wikipedia.org/wiki/Cashew), [groundnuts](https://en.wikipedia.org/wiki/Bambara_groundnut), [maize](https://en.wikipedia.org/wiki/Maize), [cassava](https://en.wikipedia.org/wiki/Cassava), [yam](https://en.wikipedia.org/wiki/Yam_(vegetable)), [rice](https://en.wikipedia.org/wiki/Rice) and [melon](https://en.wikipedia.org/wiki/Melon). Rice production is encouraged in the flood plains   
   of the rivers, while coffee, cocoa, orange, and cashew nuts are produced in ljumu and Kabba/Bunu LGAs. Farmers are engaged in share cropping schemes at lyagu, Alade and Adikena. Palm plantations are being rehabilitated and a standard agricultural mechanical workshop is being constructed for the maintenance of machinery.
3. 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 ljumu and Kabba/Bunu LGAs).
4. 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.
5. Mineral Resources: Kogi State is rich in mineral resources. These Mineral resources include [coal](https://en.wikipedia.org/wiki/Coal), [limestone](https://en.wikipedia.org/wiki/Limestone), [iron](https://en.wikipedia.org/wiki/Iron), [petroleum](https://en.wikipedia.org/wiki/Petroleum) and [tin](https://en.wikipedia.org/wiki/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 ltobe; 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.
6. 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.
7. 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.
8. 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.
9. 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.
10. 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.
11. The waterfalls at Osomi, Ogugu and Ofejiji are potential sources of hydro-electricity.   
    The water from the rivers could support large irrigation schemes for raising   
    various crops. The forests provide wood for timber and fuel.
12. 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.
13. 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.
14. 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 ltobe 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).
15. 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.

## Fiscal Update

### 2. B.1 Historic Trends

#### Revenue Side

1. On the revenue side, the document looks at Statutory Allocation, VAT, IGR, Excess Crude/Capital Receipts – budget versus actual for the period 2016-2022.

Figure 2: Statutory Allocation



1. 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.
2. Performance against budget for the six years under review was not stable. It started increasing from 2016 to 2018, then started decreasing to 2020 and increased slightly in 2021 when compare with 2020. however, in 2018 the income supersede the budgetary provisions.

Figure 3: VAT



1. 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.
2. The performance kept on increase throughout the years under review. The performance ranges from N5.4B in 2016 to N20.7B in 2021

**Figure 4:** Excess Crude/Other FA Receipts.



1. 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.
2. 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 decreasing from 2016 to 2018, then started increasing to 2020 and decreased in 2021 when compare with 2020.

Figure 5: IGR



1. 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.
2. IGR performance kept on increasing throughout the years under review except 2021 that experience slight decreased.

Figure 6: Grants



1. 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.
2. 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



1. 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.
2. The receipt or performance has been irregular to the extent that 2020 experienced nil collection. Performance against budget for the six years under review was not stable. It started decreasing at an increasing rate from 2016 to 2018, then increasing in 2019 and follow up with decreased 2021.

#### Expenditure Side

1. On the expenditure side, the document looks at Consolidated Revenue Fund (CRF) charges, Personnel, Overheads and Capital Expenditure – budget versus actual for the period 2016-2022.

Figure 8: CRF Charges



1. CRF (Consolidated Revenue Fund) charges relate to salaries for statutory positions (e.g. the Auditor General, Political Office Holders, Judiciary and Sharia Court officials).
2. The actual performance of CRF (Consolidated Revenue Fund) charges kept on decreasing until it was final fused together under civil servants’ salaries in 2018 till date. However, the year 2016 performance were more than budgetary provisions. This is due to political appointment not being steady.

Figure 9: Personnel



1. Personnel costs comprise of salaries and allowances of civil servants.
2. The expenditures were on steady rised from 2016 till 2019. There was a serious increase in 2019 as a result of huge gratuity payment and payment of arrears of people with screening problem before they were cleared. However, year 2021 performance also jumped up. This is due to many Staff recruitment in Kogi State Confluence University of Science and Technology, Osara and increased in pension and gratuity payments to retirees.

Figure 10: Overhead Expenditure



1. Overheads comprise mainly operational, debt servicing and maintenance costs for running the government.
2. Overhead costs on the graph above shows steady increased year by year from 2016 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 2021 this was due reduction in running costs of government.

Figure 11: Capital Expenditure



1. 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.
2. 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 except in 2019 where the State experienced a little increased as a result of multilateral projects in addition to State projects. However, the performance is trying to pick up in the year 2021 but still below 50% performance when compare with budgetary provision of that year.

Figure 12: Capital Expenditure Ratio



1. The capital expenditure ratio was significantly low under the years captured. The actual percentage ranged from 14% to 33% which is far below expectation.

Figure **13: Expenditure Trend**



1. The Figure 13 above comprises of the trend of personnel, social contribution & social benefit, Overhead, grants, contributions & subsides, public debt and Capital both historical from year 2016-2021 and forecast from year 2022-2025 with average anticipation.

By Sector

Table 5: Sector Expenditure – Budget Vs Actual

Sector Personnel Expenditure – Budget Vs Actual



1. Performance of Personnel expenditure by sector over the period 2018-2021 is as shown in Table 5 above, Administrative Sector, Economic Sector, Law & Justice Sector and Social Sector all performed at more than 77%. Personnel Costs by sector performed in the range 77.98%-127.04% in the years. The highest performing sector was Administrative Sector with 127.04% while the least performing sector was economic Sector with 77.98%.

Sector Overhead Expenditure – Budget Vs Actual



1. Performance of Overhead expenditure by sector over the period 2018-2021 is depicted above. Administrative Sector, Economic Sector, Law & Justice Sector and Social Sector all performed at more than 34%. Overhead expenditure by sector, performance range from 34.74%-74.96% in the years. The highest performing sector was Administrative Sector with 74.96% while the least performing sector was Law and Justice Sector with 34.74%.

Sector Capital Expenditure – Budget Vs Actual



1. Performance of Capital expenditure by sector was not encouraging over the period 2018-2021. Administrative Sector, Economic Sector, Law & Justice Sector and Social Sector all performed less than 44%. Capital expenditure by sector performed in the range of 20.09-43.42%. The highest performing sector was Economic Sector with 43.42% while the least performing sector was Administrative Sector with 20.09%. Generally, the performance of capital expenditure was very low when compared to personnel and overhead expenditures.

### 2.B.2 Debt Position

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

Table 6: Debt Position as at 31st December 2021



1. 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.
2. In the interim, despite the risk pose by foreign exchange, foreign loans present brighter window

## Macroeconomic Framework

1. 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 2023-2025 Federal MTEF document. The Oil benchmarks and NGN: USD exchange rates are also based on the figures in the 2023-2025 Federal Fiscal Strategy Paper document.

Figure14: Kogi State Macroeconomic Framework



## Fiscal Strategy and Assumptions

#### Policy Statement

1. The fiscal strategy of Government is anchored on the on-going Public Financial Management Reform (PFM). Over the period 2023 -2025 the State Government fiscal policy is directed at:
   * 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 in order to achieve a level of public spending consistent with macroeconomic stability and sustainable debt.

#### Objectives and Targets

1. 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 the area of Internally Generated Revenue (IGR) and
* To reduce the level of Domestic Debt Profile of Kogi State.

## Indicative Three Year Fiscal Framework

1. The indicative three-year fiscal framework for the period 2023-2025 is presented in the table below.

Table 7: Kogi State Medium Term Fiscal Framework



### Assumptions

1. **Statutory Allocation** - is premised on elasticity based forecast consistent with the macroeconomic framework and the numerous assumptions in the 2023-2025 Fiscal Strategy Paper displayed above.
2. **VAT** - is also based on elasticity forecasting using National Real GDP Growth and Inflation data as the explanatory variables for VAT growth.
3. **Excess Crude/Other Revenue** - the previous year excess crude/other revenue (2022), which includes Nigerian National Petroleum Corporation (NNPC) refunds, exchange gains, budget support facilities and all other excess distributions, were used in the forecast using own percentage.
4. **Internally Generated Revenue (IGR)**–IGR forecast was based on own percentage of the actual collections.
5. **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 2023-2025 are thus conservatively based on the current 2022 budget.
6. **Financing (Net Loans)** –It is difficult to use forecasting method to predict net loans due to irregular loans expectation.
7. **Personnel** –forecast is based on own percentage using actual historical personnel figures. This assumes gradual growth rate of employment.
8. **Overheads**–the forecasting method used to estimate overhead figures for the period 2022 is own percentage with the hope that cost of running government will maintain the trend.
9. **Contingency and Planning Reserves** -2% of total revenue has been allocated to the Contingency Reserve which will be used in accordance with Finance Act, during budget implementation. Also 2% 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.
10. **Capital Expenditure** - is based on the recurrent account surplus plus capital receipts.

### Fiscal Trends

1. The fiscal trend is depicted in the Figures 15 and 16 below with actual historical revenue and expenditure figures for the period 2016-2021 and 2022-2025 projected figures using the forecasting methods as noted in 3.C.

Figure15: Kogi State Revenue Trend



Figure16: Kogi State Expenditure Trend



## Fiscal Risks

1. It is pertinent to note that the ability of the State to achieve the estimated fiscal figures for the 2023-2025 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 8: 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 and 2019 flooding, impact on economic activity and hence IGR tax base, and causing increased overhead expenditure | Medium | Increased investment to increase climate resilience (flood control and irrigation) adaptation, and awareness |
| 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. |

1. It should be noted, however, that no budget is without risk. The ongoing implementation of the 2022 budget should be closely monitored.

# Budget Policy Statement

## Budget Policy Thrust

1. The Medium Term Expenditure Framework (2023 – 2025) which was delivered under these assumptions
2. Guarantee the well-being and productivity of the people;
3. Optimise the key sources of economic growth;
4. Foster social and economic development;
5. Build a productive, competitive and functional human resource;
6. Broaden the infrastructural gap for economic growth and wealth creation;
7. Delivering better public services within tight financial constraints;
8. Improve governance, security, law and order, engaging in more efficient and effective use of resources, and providing social harmony.

## Sector Allocations (3 Year)

Figure17: Capital Expenditure by Sector (proposed 2023-2025)

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

Indicative Sector Expenditure Ceilings 2023 -2025



Indicative Sector Expenditure Ceilings 2023 -2025



Indicative Sector Expenditure Ceilings 2023 -2025





|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| PROJECTIONS FOR THE PROPOSED YEARS | | | | | | |
| PERSONNEL COST | | | | | | |
| ADMINISTRATIVE SECTOR | | | | | | |
| **Description** | Percentage % | **Estimates 2023** | Percentage % | **Estimates 2024** | Percentage % | **Estimates 2025** |
| GOVERNMENT HOUSE | 3.19 | 1,211,022,815 | 3.19 | 1,211,022,815 | 3.19 | 1,211,022,815 |
| DEPUTY GOVERNORS OFFICE | 0.14 | 52,194,917 | 0.14 | 52,194,917 | 0.14 | 52,194,917 |
| EMERGENCY MANAGEMENT AGENCY | 0.07 | 27,873,729 | 0.07 | 27,873,729 | 0.07 | 27,873,729 |
| BUREAU OF PUBLIC PROCUREMENT (BPP) | 0.19 | 73,468,532 | 0.19 | 73,468,532 | 0.19 | 73,468,532 |
| KOGI STATE PENSION COMMISSION | 0.14 | 53,004,068 | 0.14 | 53,004,068 | 0.14 | 53,004,068 |
| OFFICE OF THE SECRETARY TO THE STATE GOVERNMENT | 8.75 | 3,326,196,808 | 8.75 | 3,326,196,808 | 8.75 | 3,326,196,808 |
| CHRISTIAN PILGRIMS COMMISSION | 0.04 | 14,970,885 | 0.04 | 14,970,885 | 0.04 | 14,970,885 |
| KOGI STATE HAJJ COMMISSION | 0.10 | 39,594,799 | 0.10 | 39,594,799 | 0.10 | 39,594,799 |
| STATE SECURITY TRUST FUND | 0.01 | 3,439,780 | 0.01 | 3,439,780 | 0.01 | 3,439,780 |
| KOGI STATE HOUSE OF ASSEMBLY | 1.61 | 613,297,047 | 1.61 | 613,297,047 | 1.61 | 613,297,047 |
| MINISTRY OF INFORMATION AND COMMUNICATION | 0.30 | 114,210,477 | 0.30 | 114,210,477 | 0.30 | 114,210,477 |
| KOGI STATE BROADCASTING CORPORATION | 0.41 | 153,952,592 | 0.41 | 153,952,592 | 0.41 | 153,952,592 |
| KOGI STATE NEWSPAPER CORPORATION | 0.19 | 72,260,250 | 0.19 | 72,260,250 | 0.19 | 72,260,250 |
| KOGI STATE FIRE AGENCY | 0.11 | 41,025,778 | 0.11 | 41,025,778 | 0.11 | 41,025,778 |
| OFFICE OF THE HEAD OF CIVIL SERVICE | 1.46 | 553,642,947 | 1.46 | 553,642,947 | 1.46 | 553,642,947 |
| OFFICE OF THE STATE AUDITOR-GENERAL | 0.33 | 126,517,974 | 0.33 | 126,517,974 | 0.33 | 126,517,974 |
| OFFICE OF THE LOCAL GOVT. AUDITOR-GENERAL | 0.23 | 85,951,841 | 0.23 | 85,951,841 | 0.23 | 85,951,841 |
| CIVIL SERVICE COMMISSION | 0.17 | 64,327,823 | 0.17 | 64,327,823 | 0.17 | 64,327,823 |
| LOCAL GOVERNMENT SERVICE COMMISSION | 0.09 | 32,644,859 | 0.09 | 32,644,859 | 0.09 | 32,644,859 |
| Sub-Total | 17.53 | 6,659,597,921 | 17.53 | 6,659,597,921 | 17.53 | 6,659,597,921 |
| ECONOMIC SECTOR | | | | | | |
| MINISTRY OF AGRICULTURE | 1.22 | 463,632,471 | 1.22 | 463,632,471 | 1.22 | 463,632,471 |
| KOGI AGRICULTURAL DEVELOPMENT PROJECT (ADP) | 0.86 | 327,677,101 | 0.86 | 327,677,101 | 0.86 | 327,677,101 |
| KOGI AGRO-ALLIED COMPANY | 0.15 | 57,839,538 | 0.15 | 57,839,538 | 0.15 | 57,839,538 |
| KOGI LAND DEV. BOARD | 0.04 | 14,752,106 | 0.04 | 14,752,106 | 0.04 | 14,752,106 |
| MINISTRY OF FINANCE, BUDGET AND ECONOMIC PLANNING | 0.34 | 130,303,298 | 0.34 | 130,303,298 | 0.34 | 130,303,298 |
| BUDGET AND ECONOMIC PLANNING | 0.09 | 34,397,802 | 0.09 | 34,397,802 | 0.09 | 34,397,802 |
| OFFICE OF THE ACCOUNTANT GENERAL | 1.19 | 451,186,739 | 1.19 | 451,186,739 | 1.19 | 451,186,739 |
| KOGI STATE INTERNAL REVENUE SERVICE (KGIRS) | 3.61 | 1,369,973,177 | 3.61 | 1,369,973,177 | 3.61 | 1,369,973,177 |
| MIN. OF COMMERCE & INDUSTRY | 0.28 | 107,336,589 | 0.28 | 107,336,589 | 0.28 | 107,336,589 |
| KOGI STATE ENTERPRISES DEVELOMENT AGENCY | 0.66 | 249,046,965 | 0.66 | 249,046,965 | 0.66 | 249,046,965 |
| KOGI STATE MARKET DEVELOPMENT BOARD | 0.00 | 1,719,890 | 0.00 | 1,719,890 | 0.00 | 1,719,890 |
| MINISTRY OF TRANSPORT | 0.16 | 62,134,759 | 0.16 | 62,134,759 | 0.16 | 62,134,759 |
| MINISTRY OF WORKS AND HOUSING | 0.46 | 175,905,766 | 0.46 | 175,905,766 | 0.46 | 175,905,766 |
| ROAD MAINTENANCE AGENCY | 0.10 | 37,554,376 | 0.10 | 37,554,376 | 0.10 | 37,554,376 |
| MIN. OF CULTURE & TOURISM | 0.15 | 55,858,413 | 0.15 | 55,858,413 | 0.15 | 55,858,413 |
| COUNCIL FOR ARTS AND CULTURE | 0.23 | 85,621,153 | 0.23 | 85,621,153 | 0.23 | 85,621,153 |
| HOTEL AND TOURISM BOARD | 0.03 | 11,378,749 | 0.03 | 11,378,749 | 0.03 | 11,378,749 |
| MINISTRY OF WATER RESOURCES | 0.16 | 60,053,192 | 0.16 | 60,053,192 | 0.16 | 60,053,192 |
| KOGI STATE WATER BOARD | 0.28 | 106,434,507 | 0.28 | 106,434,507 | 0.28 | 106,434,507 |
| RURAL WATER AND SANITATION AGENCY (RUWASSA) | 0.00 | 1,158,429 | 0.00 | 1,158,429 | 0.00 | 1,158,429 |
| BUREAU FOR LANDS AND URBAN DEVELOPMENT | 0.65 | 245,855,268 | 0.65 | 245,855,268 | 0.65 | 245,855,268 |
| KOGI STATE UTILITY INFRASTRUCTURE MANAGEMENT AND COMPLIANCE AGENCY | 0.00 | 799,776 | 0.00 | 799,776 | 0.00 | 799,776 |
| KOGI STATE TOWN PLANNING AND DEVELOPMENT BOARD | 0.29 | 108,801,918 | 0.29 | 108,801,918 | 0.29 | 108,801,918 |
| MINISTRY OF RURAL AND ENERGY DEVELOPMENT | 0.34 | 130,135,268 | 0.34 | 130,135,268 | 0.34 | 130,135,268 |
| Sub-Total | 11.29 | 4,289,557,251 | 11.29 | 4,289,557,251 | 11.29 | 4,289,557,251 |
| LAW & JUSTICE SECTOR | | | | | | |
| KOGI STATE JUDICIAL SERVICE COMMISSION | 0.29 | 108,460,533 | 0.29 | 108,460,533 | 0.29 | 108,460,533 |
| HIGH COURT OF JUSTICE | 4.62 | 1,755,935,869 | 4.62 | 1,755,935,869 | 4.62 | 1,755,935,869 |
| CUSTOMARY COURT OF APPEAL | 0.98 | 372,311,856 | 0.98 | 372,311,856 | 0.98 | 372,311,856 |
| SHARIA COURT OF APPEAL | 1.23 | 468,164,038 | 1.23 | 468,164,038 | 1.23 | 468,164,038 |
| MINISTRY OF JUSTICE | 1.37 | 519,345,324 | 1.37 | 519,345,324 | 1.37 | 519,345,324 |
| Sub-Total | 8.49 | 3,224,217,619 | 8.49 | 3,224,217,619 | 8.49 | 3,224,217,619 |
| SOCIAL SECTOR | | | | | | |
| MINISTRY OF YOUTH & SPORTS | 0.16 | 59,070,667 | 0.16 | 59,070,667 | 0.16 | 59,070,667 |
| KOGI STATE SPORTS COUNCIL | 0.22 | 82,627,277 | 0.22 | 82,627,277 | 0.22 | 82,627,277 |
| MINISTRY OF WOMEN AFFAIRS AND SOCIAL DEVELOPMENT | 0.28 | 106,558,190 | 0.28 | 106,558,190 | 0.28 | 106,558,190 |
| MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY | 0.67 | 252,924,161 | 0.67 | 252,924,161 | 0.67 | 252,924,161 |
| STATE UNIVERSAL BASIC EDUCATION BOARD | 0.56 | 214,399,756 | 0.56 | 214,399,756 | 0.56 | 214,399,756 |
| KOGI STATE LIBRARY BOARD | 0.06 | 22,421,421 | 0.06 | 22,421,421 | 0.06 | 22,421,421 |
| ADULT & NON-FORMAL EDUCATION BOARD | 0.15 | 58,636,054 | 0.15 | 58,636,054 | 0.15 | 58,636,054 |
| KOGI STATE POLYTECHNIC, LOKOJA | 7.99 | 3,037,857,222 | 7.99 | 3,037,857,222 | 7.99 | 3,037,857,222 |
| COLLEGE OF EDUCATION, ANKPA | 5.18 | 1,968,011,517 | 5.18 | 1,968,011,517 | 5.18 | 1,968,011,517 |
| COLLEGE OF EDUCATION TECHNICAL, KABBA | 1.94 | 736,960,164 | 1.94 | 736,960,164 | 1.94 | 736,960,164 |
| PRINCE ABUBAKAR AUDU UNIVERSITY, ANYIGBA | 11.18 | 4,246,543,281 | 11.18 | 4,246,543,281 | 11.18 | 4,246,543,281 |
| CONFLUENCE UNIVERSITY OF SCIENCE AND TECHNOLOGY (CUSTECH), OSARA | 1.96 | 746,568,992 | 1.96 | 746,568,992 | 1.96 | 746,568,992 |
| KOGI STATE SCIENCE, TECHNOLOGY EDUCATION AND TEACHING SERVICE COMMISSION | 12.94 | 4,915,470,373 | 12.94 | 4,915,470,373 | 12.94 | 4,915,470,373 |
| STATE SCHOLARSHIP BOARD | 0.02 | 8,848,614 | 0.02 | 8,848,614 | 0.02 | 8,848,614 |
| NIGERIA-KOREA FRIENDSHIP INSTITUTE | 0.15 | 56,443,346 | 0.15 | 56,443,346 | 0.15 | 56,443,346 |
| MINISTRY OF HEALTH | 1.17 | 445,228,374 | 1.17 | 445,228,374 | 1.17 | 445,228,374 |
| PRIMARY HEALTHCARE DEVELOPMENT AGENCY | 0.20 | 77,354,486 | 0.20 | 77,354,486 | 0.20 | 77,354,486 |
| PRINCE ABUBAKAR AUDU UNIVERSITY TEACHING HOSPITAL, ANYIGBA | 1.07 | 406,912,167 | 1.07 | 406,912,167 | 1.07 | 406,912,167 |
| KOGI STATE SPECIALIST HOSPITAL, LOKOJA | 3.25 | 1,234,902,906 | 3.25 | 1,234,902,906 | 3.25 | 1,234,902,906 |
| KOGI STATE HOSPITAL MANAGEMENT BOARD | 9.34 | 3,549,724,773 | 9.34 | 3,549,724,773 | 9.34 | 3,549,724,773 |
| COLLEGE OF NURSING AND MIDWIFERY, OBANGEDE | 0.59 | 224,759,406 | 0.59 | 224,759,406 | 0.59 | 224,759,406 |
| COLLEGE OF HEALTH SCIENCE & TECHNOLOGY, IDAH | 0.72 | 274,421,984 | 0.72 | 274,421,984 | 0.72 | 274,421,984 |
| MINISTRY OF ENVIRONMENT | 0.38 | 144,198,926 | 0.38 | 144,198,926 | 0.38 | 144,198,926 |
| STATE ENVIRONMENTAL PROTECTION AGENCY | 0.12 | 46,344,817 | 0.12 | 46,344,817 | 0.12 | 46,344,817 |
| SANITATION & WASTE MANAGEMENT BOARD | 0.74 | 280,873,334 | 0.74 | 280,873,334 | 0.74 | 280,873,334 |
| MINISTRY OF LOCAL GOVERNMENT AND CHIEFTAINCY AFFAIRS | 1.65 | 626,421,405 | 1.65 | 626,421,405 | 1.65 | 626,421,405 |
| Sub-Total | 62.70 | 23,824,483,615 | 62.70 | 23,824,483,615 | 62.70 | 23,824,483,615 |
| Total Personnel Costs | 100 | 37,997,856,406 | 100 | 37,997,856,406 | 100 | 37,997,856,406 |



|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| OVERHEAD COSTS | | | | | | | |
| ADMINISTRATIVE SECTOR | | | | | | | |
| Description | Percentage % | Estimates 2023 | Percentage % | Estimates 2024 | Percentage % | Estimates 2025 |
| GOVERNMENT HOUSE | 45.83 | 16,829,311,166 | 45.83 | 17,165,897,389 | 45.83 | 17,680,874,311 |
| DEPUTY GOVERNORS OFFICE | 1.88 | 690,738,958 | 1.88 | 704,553,737 | 1.88 | 725,690,349 |
| EMERGENCY MANAGEMENT AGENCY | 0.07 | 26,671,108 | 0.07 | 27,204,530 | 0.07 | 28,020,666 |
| BUREAU OF PUBLIC PROCUREMENT (BPP) | 0.39 | 141,742,325 | 0.39 | 144,577,172 | 0.39 | 148,914,487 |
| KOGI STATE PENSION COMMISSION | 0.55 | 202,699,159 | 0.55 | 206,753,142 | 0.55 | 212,955,736 |
| KOGI STATE INVESTMENT PROMOTION & PUBLIC PRIVATE PARTNERSHIP AGENCY | 0.16 | 60,284,149 | 0.16 | 61,489,832 | 0.16 | 63,334,527 |
| OFFICE OF THE SECRETARY TO THE STATE GOVERNMENT | 1.72 | 630,645,511 | 1.72 | 643,258,422 | 1.72 | 662,556,174 |
| CHRISTIAN PILGRIMS COMMISSION | 0.37 | 135,527,043 | 0.37 | 138,237,584 | 0.37 | 142,384,712 |
| KOGI STATE HAJJ COMMISSION | 0.57 | 211,013,139 | 0.57 | 215,233,402 | 0.57 | 221,690,404 |
| STATE SECURITY TRUST FUND | 1.10 | 402,177,232 | 1.10 | 410,220,776 | 1.10 | 422,527,400 |
| KOGI STATE HIV/AID CONTROL AGENCY | 0.01 | 5,415,798 | 0.01 | 5,524,114 | 0.01 | 5,689,837 |
| KOGI STATE HOUSE OF ASSEMBLY | 2.98 | 1,095,631,652 | 2.98 | 1,117,544,285 | 2.98 | 1,151,070,613 |
| KOGI STATE HOUSE OF ASSEMBLY SERVICE COMMISSION | 0.76 | 279,600,849 | 0.76 | 285,192,866 | 0.76 | 293,748,652 |
| MINISTRY OF INFORMATION AND COMMUNICATION | 0.80 | 294,723,544 | 0.80 | 300,618,014 | 0.80 | 309,636,555 |
| KOGI STATE BROADCASTING CORPORATION | 0.24 | 88,909,737 | 0.24 | 90,687,931 | 0.24 | 93,408,569 |
| KOGI STATE NEWSPAPER CORPORATION | 0.05 | 17,736,882 | 0.05 | 18,091,620 | 0.05 | 18,634,368 |
| KOGI STATE FIRE AGENCY | 0.01 | 2,059,209 | 0.01 | 2,100,393 | 0.01 | 2,163,405 |
| OFFICE OF THE HEAD OF CIVIL SERVICE | 0.81 | 297,629,039 | 0.81 | 303,581,620 | 0.81 | 312,689,069 |
| OFFICE OF THE STATE AUDITOR-GENERAL | 0.90 | 330,699,203 | 0.90 | 337,313,187 | 0.90 | 347,432,582 |
| OFFICE OF THE LOCAL GOVT. AUDITOR-GENERAL | 1.58 | 579,982,459 | 1.58 | 591,582,108 | 1.58 | 609,329,571 |
| CIVIL SERVICE COMMISSION | 0.09 | 34,468,504 | 0.09 | 35,157,874 | 0.09 | 36,212,611 |
| STATE INDEPENDENT ELECTORAL COMMISSION (SIEC) | 0.08 | 30,667,473 | 0.08 | 31,280,822 | 0.08 | 32,219,247 |
| LOCAL GOVERNMENT SERVICE COMMISSION | 1.11 | 408,305,545 | 1.11 | 416,471,656 | 1.11 | 428,965,806 |
| Sub-Total | 62.08 | 22,796,639,684 | 62.08 | 23,252,572,478 | 62.08 | 23,950,149,652 |
| ECONOMIC SECTOR | | | | | | | |
| MINISTRY OF AGRICULTURE | 1.23 | 452,408,445 | 1.23 | 461,456,614 | 1.23 | 475,300,313 |
| KOGI AGRICULTURAL DEVELOPMENT PROJECT (ADP) | 0.03 | 9,972,035 | 0.03 | 10,171,475 | 0.03 | 10,476,620 |
| KOGI AGRO-ALLIED COMPANY | 0.00 | 703,650 | 0.00 | 717,723 | 0.00 | 739,255 |
| KOGI LAND DEV. BOARD | 0.00 | 372,454 | 0.00 | 379,903 | 0.00 | 391,300 |
| MINISTRY OF FINANCE, BUDGET AND ECONOMIC PLANNING | 2.11 | 773,126,589 | 2.11 | 788,589,120 | 2.11 | 812,246,794 |
| BUDGET AND ECONOMIC PLANNING | 2.25 | 826,064,925 | 2.25 | 842,586,223 | 2.25 | 867,863,810 |
| OFFICE OF THE ACCOUNTANT GENERAL | 5.92 | 2,174,605,231 | 5.92 | 2,218,097,335 | 5.92 | 2,284,640,255 |
| KOGI STATE INTERNAL REVENUE SERVICE (KGIRS) | 3.01 | 1,105,791,953 | 3.01 | 1,127,907,792 | 3.01 | 1,161,745,026 |
| MIN. OF COMMERCE & INDUSTRY | 0.19 | 68,909,711 | 0.19 | 70,287,905 | 0.19 | 72,396,542 |
| KOGI STATE ENTERPRISES DEVELOMENT AGENCY | 0.32 | 118,039,675 | 0.32 | 120,400,469 | 0.32 | 124,012,483 |
| KOGI STATE MARKET DEVELOPMENT BOARD | 0.03 | 11,646,204 | 0.03 | 11,879,128 | 0.03 | 12,235,502 |
| MINISTRY OF TRANSPORT | 0.07 | 27,191,351 | 0.07 | 27,735,178 | 0.07 | 28,567,233 |
| MINISTRY OF SOLID MINERAL AND NATURAL RESOURCES | 0.16 | 59,190,065 | 0.16 | 60,373,866 | 0.16 | 62,185,082 |
| KOGI STATE SOLID MINERALS DEVELOPMENT AGENCY | 0.11 | 40,650,507 | 0.11 | 41,463,517 | 0.11 | 42,707,423 |
| MINISTRY OF WORKS AND HOUSING | 0.41 | 149,350,179 | 0.41 | 152,337,182 | 0.41 | 156,907,298 |
| ROAD MAINTENANCE AGENCY | 0.02 | 8,040,905 | 0.02 | 8,201,723 | 0.02 | 8,447,775 |
| MIN. OF CULTURE & TOURISM | 0.10 | 36,517,355 | 0.10 | 37,247,702 | 0.10 | 38,365,133 |
| COUNCIL FOR ARTS AND CULTURE | 0.07 | 25,625,837 | 0.07 | 26,138,353 | 0.07 | 26,922,504 |
| HOTEL AND TOURISM BOARD | 0.00 | 465,401 | 0.00 | 474,709 | 0.00 | 488,951 |
| STATE BUREAU OF STATISTICS | 0.04 | 14,021,317 | 0.04 | 14,301,743 | 0.04 | 14,730,795 |
| KOGI STATE FISCAL RESPONSIBILITY COMMISSION | 0.05 | 18,293,001 | 0.05 | 18,658,861 | 0.05 | 19,218,627 |
| MINISTRY OF WATER RESOURCES | 0.02 | 5,851,758 | 0.02 | 5,968,794 | 0.02 | 6,147,857 |
| KOGI STATE WATER BOARD | 0.03 | 10,326,286 | 0.03 | 10,532,812 | 0.03 | 10,848,796 |
| RURAL WATER AND SANITATION AGENCY (RUWASSA) | 0.01 | 3,466,335 | 0.01 | 3,535,662 | 0.01 | 3,641,732 |
| BUREAU FOR LANDS AND URBAN DEVELOPMENT | 0.25 | 92,085,419 | 0.25 | 93,927,127 | 0.25 | 96,744,941 |
| KOGI STATE UTILITY INFRASTRUCTURE MANAGEMENT AND COMPLIANCE AGENCY | 0.06 | 22,724,553 | 0.06 | 23,179,044 | 0.06 | 23,874,416 |
| KOGI STATE TOWN PLANNING AND DEVELOPMENT BOARD | 0.11 | 40,918,488 | 0.11 | 41,736,858 | 0.11 | 42,988,964 |
| MINISTRY OF RURAL AND ENERGY DEVELOPMENT | 0.01 | 4,293,701 | 0.01 | 4,379,575 | 0.01 | 4,510,962 |
| Sub-Total | 16.61 | 6,100,653,328 | 16.61 | 6,222,666,395 | 16.61 | 6,409,346,387 |
| LAW & JUSTIC SECTOR | | | | | | | |
| KOGI STATE JUDICIAL SERVICE COMMISSION | 0.25 | 91,061,243 | 0.25 | 92,882,468 | 0.25 | 95,668,942 |
| HIGH COURT OF JUSTICE | 1.50 | 550,407,313 | 1.50 | 561,415,460 | 1.50 | 578,257,923 |
| CUSTOMARY COURT OF APPEAL | 0.43 | 159,326,124 | 0.43 | 162,512,647 | 0.43 | 167,388,026 |
| SHARIA COURT OF APPEAL | 0.57 | 208,935,192 | 0.57 | 213,113,896 | 0.57 | 219,507,313 |
| MINISTRY OF JUSTICE | 2.09 | 767,721,651 | 2.09 | 783,076,084 | 2.09 | 806,568,367 |
| KOGI STATE OFFICE OF THE PUBLIC DEFENDER AND CITIZENS' RIGHTS COMMISSION | 0.52 | 191,350,703 | 0.52 | 195,177,717 | 0.52 | 201,033,048 |
| Sub-Total | 5.36 | 1,968,802,227 | 5.36 | 2,008,178,272 | 5.36 | 2,068,423,620 |
| SOCIAL SECTOR | | | | | | | |
| MINISTRY OF YOUTH & SPORTS | 0.51 | 187,682,609 | 0.51 | 191,436,261 | 0.51 | 197,179,349 |
| KOGI STATE SPORTS COUNCIL | 0.02 | 6,981,101 | 0.02 | 7,120,723 | 0.02 | 7,334,344 |
| MINISTRY OF WOMEN AFFAIRS AND SOCIAL DEVELOPMENT | 0.46 | 170,534,713 | 0.46 | 173,945,407 | 0.46 | 179,163,769 |
| MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY | 0.88 | 324,925,404 | 0.88 | 331,423,912 | 0.88 | 341,366,629 |
| STATE UNIVERSAL BASIC EDUCATION BOARD | 0.11 | 41,880,622 | 0.11 | 42,718,234 | 0.11 | 43,999,781 |
| KOGI STATE LIBRARY BOARD | 0.00 | 1,381,285 | 0.00 | 1,408,910 | 0.00 | 1,451,178 |
| ADULT & NON-FORMAL EDUCATION BOARD | 0.05 | 18,269,611 | 0.05 | 18,635,003 | 0.05 | 19,194,053 |
| KOGI STATE POLYTECHNIC, LOKOJA | 2.27 | 834,856,936 | 2.27 | 851,554,075 | 2.27 | 877,100,697 |
| COLLEGE OF EDUCATION, ANKPA | 0.30 | 111,001,385 | 0.30 | 113,221,413 | 0.30 | 116,618,055 |
| COLLEGE OF EDUCATION TECHNICAL, KABBA | 0.48 | 177,193,223 | 0.48 | 180,737,087 | 0.48 | 186,159,200 |
| PRINCE ABUBAKAR AUDU UNIVERSITY, ANYIGBA | 2.15 | 789,110,972 | 2.15 | 804,893,192 | 2.15 | 829,039,987 |
| CONFLUENCE UNIVERSITY OF SCIENCE AND TECHNOLOGY (CUSTECH), OSARA | 1.88 | 690,458,056 | 1.88 | 704,267,217 | 1.88 | 725,395,233 |
| KOGI STATE SCIENCE, TECHNOLOGY EDUCATION AND TEACHING SERVICE COMMISSION | 0.24 | 88,831,526 | 0.24 | 90,608,156 | 0.24 | 93,326,401 |
| STATE SCHOLARSHIP BOARD | 0.01 | 3,783,499 | 0.01 | 3,859,169 | 0.01 | 3,974,944 |
| NIGERIA-KOREA FRIENDSHIP INSTITUTE | 0.19 | 68,446,671 | 0.19 | 69,815,605 | 0.19 | 71,910,073 |
| MINISTRY OF HEALTH | 0.39 | 142,789,638 | 0.39 | 145,645,431 | 0.39 | 150,014,794 |
| KOGI STATE HEALTH INSURANCE AGENCY | 1.06 | 389,582,053 | 1.06 | 397,373,694 | 1.06 | 409,294,905 |
| PRIMARY HEALTHCARE DEVELOPMENT AGENCY | 0.28 | 102,661,632 | 0.28 | 104,714,864 | 0.28 | 107,856,310 |
| PRINCE ABUBAKAR AUDU UNIVERSITY TEACHING HOSPITAL, ANYIGBA | 0.11 | 40,803,705 | 0.11 | 41,619,779 | 0.11 | 42,868,372 |
| KOGI STATE SPECIALIST HOSPITAL, LOKOJA | 0.30 | 110,437,701 | 0.30 | 112,646,455 | 0.30 | 116,025,848 |
| KOGI STATE HOSPITAL MANAGEMENT BOARD | 0.19 | 68,653,441 | 0.19 | 70,026,510 | 0.19 | 72,127,305 |
| COLLEGE OF NURSING AND MIDWIFERY, OBANGEDE | 0.37 | 134,293,811 | 0.37 | 136,979,687 | 0.37 | 141,089,078 |
| COLLEGE OF HEALTH SCIENCE & TECHNOLOGY, IDAH | 0.13 | 49,481,650 | 0.13 | 50,471,283 | 0.13 | 51,985,422 |
| MINISTRY OF ENVIRONMENT | 0.29 | 107,360,891 | 0.29 | 109,508,108 | 0.29 | 112,793,352 |
| STATE ENVIRONMENTAL PROTECTION AGENCY | 0.01 | 1,898,792 | 0.01 | 1,936,768 | 0.01 | 1,994,871 |
| SANITATION & WASTE MANAGEMENT BOARD | 0.13 | 48,865,778 | 0.13 | 49,843,094 | 0.13 | 51,338,387 |
| MINISTRY OF LOCAL GOVERNMENT AND CHIEFTAINCY AFFAIRS | 3.12 | 1,144,418,670 | 3.12 | 1,167,307,043 | 3.12 | 1,202,326,254 |
| Sub-Total | 15.95 | 5,856,585,373 | 15.95 | 5,973,717,081 | 15.95 | 6,152,928,593 |
| Total Overhead Costs | 100 | 36,722,680,613 | 100 | 37,457,134,225 | 100 | 38,580,848,252 |



|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| CAPITAL EXPENDITURE ANALYSIS | | | | | | | |
| ADMINISTRATIVE SECTOR | | | | | | | |
| **Description** | **Percentage %** | **Estimates 2023** | **Percentage %** | **Estimates 2024** | **Percentage %** | **Estimates 2025** |
| GOVERNMENT HOUSE | 0.25 | 173,949,410 | 0.25 | 173,932,960 | 0.25 | 170,983,831 |
| DEPUTY GOVERNORS OFFICE | 0.21 | 143,388,490 | 0.21 | 143,374,930 | 0.21 | 140,943,930 |
| BUREAU OF PUBLIC PROCUREMENT (BPP) | 0.09 | 59,982,555 | 0.09 | 59,976,883 | 0.09 | 58,959,942 |
| OFFICE OF THE SECRETARY TO THE STATE GOVERNMENT | 0.12 | 84,123,314 | 0.12 | 84,115,359 | 0.12 | 82,689,137 |
| CHRISTIAN PILGRIMS COMMISSION | 0.03 | 18,598,667 | 0.03 | 18,596,908 | 0.03 | 18,281,588 |
| KOGI STATE HAJJ COMMISSION | 0.02 | 11,996,511 | 0.02 | 11,995,377 | 0.02 | 11,791,988 |
| STATE SECURITY TRUST FUND | 0.16 | 107,968,599 | 0.16 | 107,958,389 | 0.16 | 106,127,895 |
| KOGI STATE HOUSE OF ASSEMBLY | 1.23 | 845,695,484 | 1.23 | 845,615,510 | 1.23 | 831,277,636 |
| KOGI STATE HOUSE OF ASSEMBLY SERVICE COMMISSION | 0.04 | 27,385,716 | 0.04 | 27,383,126 | 0.04 | 26,918,830 |
| MINISTRY OF INFORMATION AND COMMUNICATION | 0.42 | 287,600,756 | 0.42 | 287,573,559 | 0.42 | 282,697,592 |
| OFFICE OF THE HEAD OF CIVIL SERVICE | 1.45 | 998,109,716 | 1.45 | 998,015,330 | 1.45 | 981,093,433 |
| OFFICE OF THE STATE AUDITOR-GENERAL | 0.02 | 11,996,511 | 0.02 | 11,995,377 | 0.02 | 11,791,988 |
| OFFICE OF THE LOCAL GOVT. AUDITOR-GENERAL | 0.00 | 2,519,267 | 0.00 | 2,519,029 | 0.00 | 2,476,318 |
| CIVIL SERVICE COMMISSION | 0.05 | 37,196,862 | 0.05 | 37,193,344 | 0.05 | 36,562,711 |
| STATE INDEPENDENT ELECTORAL COMMISSION (SIEC) | 0.18 | 121,343,087 | 0.18 | 121,331,612 | 0.18 | 119,274,368 |
| LOCAL GOVERNMENT SERVICE COMMISSION | 0.02 | 16,755,031 | 0.02 | 16,753,447 | 0.02 | 16,469,383 |
| Sub-Total | 4.28 | 2,948,609,977 | 4.28 | 2,948,331,140 | 4.28 | 2,898,340,570 |
| ECONOMIC SECTOR | | | | | | | |
| MINISTRY OF AGRICULTURE | 4.85 | 3,342,467,899 | 4.85 | 3,342,151,817 | 4.85 | 3,285,483,801 |
| MINISTRY OF FINANCE, BUDGET AND ECONOMIC PLANNING | 2.15 | 1,482,062,301 | 2.15 | 1,481,922,150 | 2.15 | 1,456,795,347 |
| OFFICE OF THE ACCOUNTANT GENERAL | 0.70 | 479,860,441 | 0.70 | 479,815,062 | 0.70 | 471,679,535 |
| KOGI STATE INTERNAL REVENUE SERVICE (KGIRS) | 0.25 | 170,350,456 | 0.25 | 170,334,347 | 0.25 | 167,446,235 |
| MIN. OF COMMERCE & INDUSTRY | 1.29 | 890,501,013 | 1.29 | 890,416,802 | 1.29 | 875,319,297 |
| MINISTRY OF TRANSPORT | 0.23 | 161,639,781 | 0.23 | 161,624,496 | 0.23 | 158,884,064 |
| MINISTRY OF SOLID MINERAL AND NATURAL RESOURCES | 1.79 | 1,235,640,635 | 1.79 | 1,235,523,786 | 1.79 | 1,214,574,803 |
| MINISTRY OF WORKS AND HOUSING | 20.32 | 14,013,674,218 | 20.32 | 14,012,349,009 | 20.32 | 13,774,761,952 |
| ROAD MAINTENANCE AGENCY | 2.92 | 2,015,115,152 | 2.92 | 2,014,924,592 | 2.92 | 1,980,760,441 |
| MIN. OF CULTURE & TOURISM | 0.21 | 145,829,588 | 0.21 | 145,815,797 | 0.21 | 143,343,411 |
| MINISTRY OF WATER RESOURCES | 3.18 | 2,189,363,260 | 3.18 | 2,189,156,222 | 3.18 | 2,152,037,879 |
| KOGI STATE WATER BOARD | 0.09 | 61,182,206 | 0.09 | 61,176,420 | 0.09 | 60,139,141 |
| BUREAU FOR LANDS AND URBAN DEVELOPMENT | 1.30 | 894,448,345 | 1.30 | 894,363,761 | 1.30 | 879,199,333 |
| MINISTRY OF RURAL AND ENERGY DEVELOPMENT | 7.40 | 5,100,916,484 | 7.40 | 5,100,434,113 | 7.40 | 5,013,953,458 |
| Sub-Total | 46.67 | 32,183,051,778 | 46.67 | 32,180,008,374 | 46.67 | 31,634,378,696 |
| LAW & JUSTICE SECTOR | | | | | | | |
| KOGI STATE JUDICIAL SERVICE COMMISSION | 0.11 | 75,578,619 | 0.11 | 75,571,472 | 0.11 | 74,290,116 |
| HIGH COURT OF JUSTICE | 0.34 | 236,417,822 | 0.34 | 236,395,465 | 0.34 | 232,387,250 |
| CUSTOMARY COURT OF APPEAL | 0.19 | 129,206,183 | 0.19 | 129,193,965 | 0.19 | 127,003,410 |
| SHARIA COURT OF APPEAL | 0.34 | 232,133,901 | 0.34 | 232,111,949 | 0.34 | 228,176,364 |
| MINISTRY OF JUSTICE | 0.42 | 290,315,567 | 0.42 | 290,288,113 | 0.42 | 285,366,119 |
| KOGI STATE OFFICE OF THE PUBLIC DEFENDER AND CITIZENS' RIGHTS COMMISSION | 0.04 | 26,620,229 | 0.04 | 26,617,712 | 0.04 | 26,166,394 |
| Sub-Total | 1.44 | 990,272,321 | 1.44 | 990,178,676 | 1.44 | 973,389,654 |
| SOCIAL SECTOR | | | | | | | |
| MINISTRY OF YOUTH & SPORTS | 0.68 | 465,860,512 | 0.68 | 465,816,458 | 0.68 | 457,918,285 |
| MINISTRY OF WOMEN AFFAIRS AND SOCIAL DEVELOPMENT | 1.69 | 1,162,389,937 | 1.69 | 1,162,280,015 | 1.69 | 1,142,572,921 |
| MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY | 6.90 | 4,759,353,052 | 6.90 | 4,758,902,982 | 6.90 | 4,678,213,173 |
| STATE UNIVERSAL BASIC EDUCATION BOARD | 1.91 | 1,319,616,212 | 1.91 | 1,319,491,422 | 1.91 | 1,297,118,721 |
| KOGI STATE POLYTECHNIC, LOKOJA | 0.22 | 154,419,090 | 0.22 | 154,404,487 | 0.22 | 151,786,474 |
| COLLEGE OF EDUCATION, ANKPA | 0.24 | 164,099,877 | 0.24 | 164,084,359 | 0.24 | 161,302,219 |
| COLLEGE OF EDUCATION TECHNICAL, KABBA | 0.25 | 173,949,410 | 0.25 | 173,932,960 | 0.25 | 170,983,831 |
| PRINCE ABUBAKAR AUDU UNIVERSITY, ANYIGBA | 2.22 | 1,529,555,154 | 2.22 | 1,529,410,511 | 2.22 | 1,503,478,518 |
| CONFLUENCE UNIVERSITY OF SCIENCE AND TECHNOLOGY (CUSTECH), OSARA | 4.38 | 3,023,120,776 | 4.38 | 3,022,834,893 | 4.38 | 2,971,581,071 |
| NIGERIA-KOREA FRIENDSHIP INSTITUTE | 0.42 | 286,963,053 | 0.42 | 286,935,916 | 0.42 | 282,070,760 |
| MINISTRY OF HEALTH | 14.11 | 9,727,179,972 | 14.11 | 9,726,260,117 | 14.11 | 9,561,346,047 |
| PRIMARY HEALTHCARE DEVELOPMENT AGENCY | 0.49 | 338,181,359 | 0.49 | 338,149,379 | 0.49 | 332,415,871 |
| PRINCE ABUBAKAR AUDU UNIVERSITY TEACHING HOSPITAL, ANYIGBA | 0.17 | 116,544,864 | 0.17 | 116,533,843 | 0.17 | 114,557,948 |
| KOGI STATE SPECIALIST HOSPITAL, LOKOJA | 0.21 | 148,156,911 | 0.21 | 148,142,901 | 0.21 | 145,631,056 |
| COLLEGE OF NURSING AND MIDWIFERY, OBANGEDE | 0.18 | 121,044,796 | 0.18 | 121,033,349 | 0.18 | 118,981,163 |
| COLLEGE OF HEALTH SCIENCE & TECHNOLOGY, IDAH | 0.19 | 131,961,621 | 0.19 | 131,949,142 | 0.19 | 129,711,872 |
| MINISTRY OF ENVIRONMENT | 10.25 | 7,068,344,290 | 10.25 | 7,067,675,869 | 10.25 | 6,947,839,551 |
| MINISTRY OF LOCAL GOVERNMENT AND CHIEFTAINCY AFFAIRS | 3.11 | 2,142,936,763 | 3.11 | 2,142,734,115 | 3.11 | 2,106,402,884 |
| Sub-Total | 47.62 | 32,833,677,649 | 47.62 | 32,830,572,718 | 47.62 | 32,273,912,365 |
| Total Cap. Exp. | 100 | 68,955,611,726 | 100 | 68,949,090,909 | 100 | 67,780,021,285 |
| Total Personnel, Overheads &Cap. Exp. | 300 | 143,676,148,745 | 300 | 144,404,081,540 | 300 | 144,358,725,943 |
| Contingency Reserve |  | 1,082,487,880 |  | 1,089,835,671 |  | 1,089,258,194 |
| Planning Reserve |  | 707,455,552 |  | 707,463,905 |  | 695,649,288 |
| Social Contribution and Social Benefit (Pension & Gratuity) |  | 15,544,145,279 |  | 15,544,145,279 |  | 15,544,145,279 |
| Grants, Contributions and Subsidies |  | 2,990,708,888 |  | 2,990,708,888 |  | 2,990,708,888 |
| Public Debt Service |  | 8,089,840,949 |  | 8,089,840,949 |  | 8,089,840,949 |
| Grand Total | 300 | 172,090,787,293 | 300 | 172,826,076,232 | 300 | 172,768,328,541 |

## 4.C Considerations for the Planning and Annual Budget Process

1. 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 and the Revised New Direction Blue Print of Let’s do MORE 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.

# Summary of Key Points and Recommendations

1. 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 Actualisation of Sovereign State of Biafra (MASSOB), 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 2016 -2021 is about 28% 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 Education, Health, Agriculture, infrastructure, youth engagement, Civil Service Reforms, Security and Funding Governance.

1. Based on June, 2009 PEMFAR Assessment for Kogi State [↑](#footnote-ref-1)
2. The Executive Council comprises the Governor, the Deputy Governor, Secretary to the State Government and Commissioners [↑](#footnote-ref-2)
3. Each state determines whether it wants the Sharia Court of Appeal and the Customary Court of Appeal [↑](#footnote-ref-3)
4. April 2022, World Economic Outlook (WEO) [↑](#footnote-ref-4)
5. [↑](#footnote-ref-5)
6. Source: AFRICAN ECONOMIC OUTLOOK, MAY 2022 [↑](#footnote-ref-6)
7. Source: Nigeria Economic Outlook (Online publishing) [↑](#footnote-ref-7)