



KOGI STATE GOVERNMENT OF NIGERIA

REVISED MULTI YEAR BUDGET 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	Department for International Development
CRF	Consolidated Revenue Fund
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



Section 1

Introduction and Background

1A Introduction

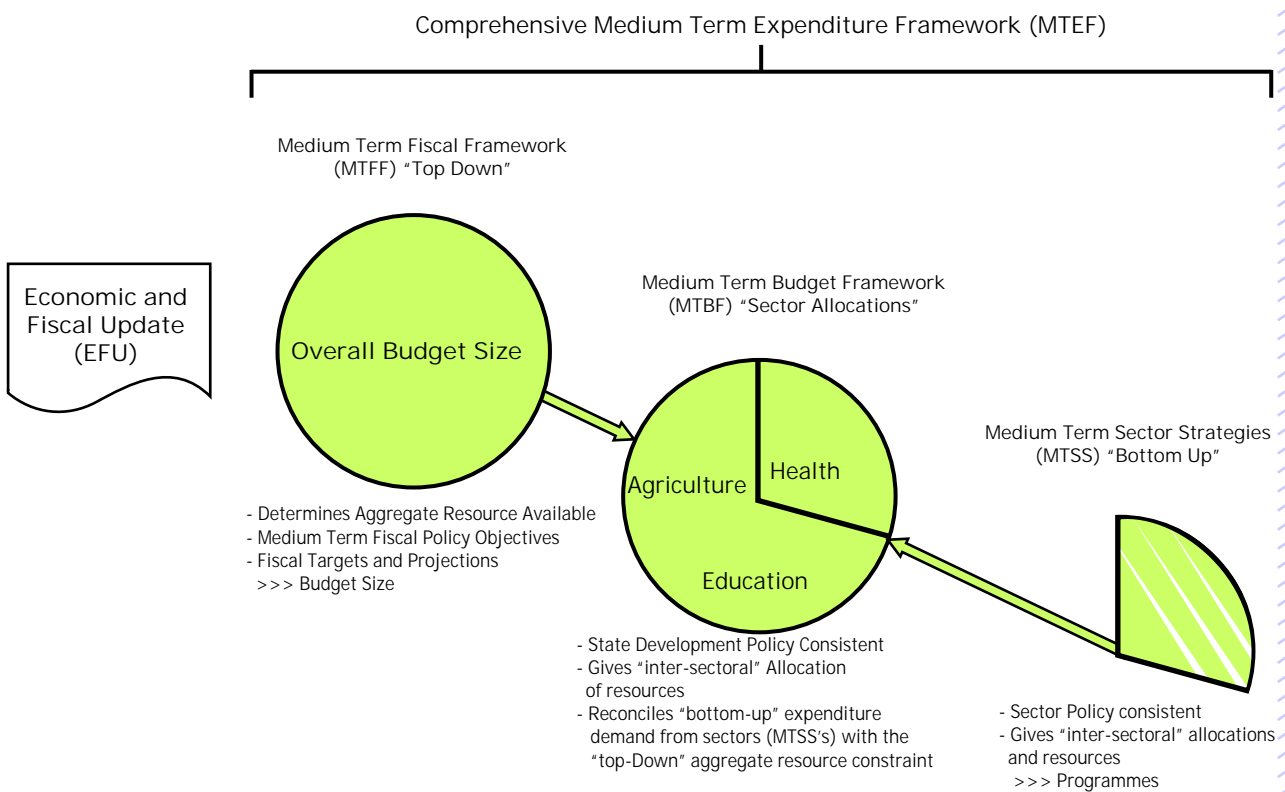
1. The Medium Term Expenditure Framework (MTEF) provides Government with a tool to manage the pressure between competing policy priorities and budget realities. This helps to reprioritize expenditure and make policy choices that are affordable in the medium term. This document covers period of 2020 - 2022
2. Government aims to improve service delivery information that is used to inform budget decisions. Better service delivery information are contained in budget documentation which also 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 economic and fiscal analyses, which form the basis for budget planning process. It is aimed primarily at policy and decision makers in Kogi State Government. 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) provides the basis for annual budget planning. 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 including 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).
6. This executive summary provides a full Economic and Fiscal Update, Fiscal Strategy Paper and Budget Policy Statement document. The full paper includes considerable analysis of prior fiscal and economic performance and a more substantive justification for the forward aggregate envelope and sector allocations.

1.A.1 Budget Process

7. The budget process describes the budget cycle in a fiscal year. Its conception is informed by the Medium Term Expenditure Framework (MTEF) process which has three components namely:
 - i. Medium Term Fiscal Framework (MTFF)

- ii. Medium Term Budget Framework (MTBF)
 - iii. Medium Term Sector Strategies (MTSS)
8. It commences with the conception through preparation, execution, control, monitoring and evaluation and goes back again to conception for the following year's budget.
9. The MTEF process is summarised in the diagram below:

Figure 1: MTEF Process



1.A.2 Summary of Document Content

10. In accordance with international best practice in budgeting, 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 2020-2022.
11. The purpose of this document is three-fold:
- i. To provide a historical summary of key economic and fiscal trends that will affect the public expenditure in the future - Economic and Fiscal Update;
 - ii. To set out medium term fiscal objectives and targets, including tax policy; revenue mobilisation; level of public expenditure; deficit financing and public debt - Fiscal Strategy; and
 - iii. Provide indicative sector envelopes for the period 2020-2022.



12. The EFU is presented in Section 2 of this document. The EFU provides economic and fiscal analysis in order to inform the budget planning process. It is aimed primarily at budget policy makers and decision makers in the Kogi State Government. The EFU also provides an assessment of budget performance (both historical and current) and identifies significant factors affecting implementation. It includes:
 - Overview of Global, National and State Economic Performance
 - Overview of the Petroleum Sector
 - Trends in budget performance over the last six years
13. The FS is a key element in the KSG Medium Term Expenditure Framework (MTEF) and annual budget process. As such, it determines the resources available to fund the Government's growth and poverty reduction programme from a fiscally sustainable perspective.

1.A.3 Preparation and Audience

14. The purpose of this document is to provide an informed basis for the 2020-2022 medium term expenditure framework and 2020 annual revised budget preparation cycle for all of the key Stakeholders, specifically:
 - State House of Assembly (SHoA);
 - Executive Council (ExCo);
 - Ministry of Finance, Budget and Economic Planning(MFB&EP);
 - All Government Ministries, Departments and Agencies (MDAs);
 - Organised private sectors;
 - Civil Society Organisations (CSOs)
 - Non Government Organisations (NGOs)
15. The document is prepared in the month of April of the year 2020 Budget in order to address the effects of COVID-19 pandemic. It is prepared by Kogi State Government MYBF 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 and Debt Management Office, Federal Ministry of Finance, Budget and National Planning and Kogi State Internal Revenue Service (KGIRS).

1.B Background

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

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

16. Federal legislation and regulations provide the legal framework for PFM at the state level only to some extent. The principal ones are the 1999 Constitution, the Finance (Control and

1. Based on June, 2009 PEMFAR Assessment for Kogi State



Management) Act Cap 144 of the Laws of the Federation 1990, the Revenue Allocation Act of 1992 together with the Executive Order of March 2004, the Personal Income Tax Decree 104 of 1993 (amended in 2004), and Act 21 of 1998 which defines the tax powers of each of the three tiers of government. These legislations and regulations cover several issues at the State level, in particular fiscal relations between tiers of government, revenue and expenditure management, State government accounts, external audit and legislative scrutiny.

17. State governments cannot enact their own constitution, but they have other legislative and executive powers that complement but not supersede those at the federal level. In Kogi State, however, the state government does not have a legislation of its own; rather, it has been leaning on federal government legislation, which may not be appropriate. The federal regulations that the state government has adopted include the Revised Public Service Rules of January 2000; Guides to Administrative Procedures; and Financial Regulations of January 2000. The state government needs to domesticate these legislations. The state is still largely dependent on guidelines issued by the Auditor General of the Federation. However, with the support of the Public Sector Governance Reform and Development Project, 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, Kogi State Public Finance Management (PFM) Law 2015; Kogi State Financial Instructions (FI) 2015; Kogi State Audit Law 2015; Monitoring & Evaluation Policy Guides (in draft) while the bill is undergoing legislation.

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

18. There are three arms of government – the executive, the legislature and the judiciary. It is the responsibility of the executive arm of government to: (i) formulate, implement and monitor the State budget; and (ii) account for its fiscal operations to the legislature. The Legislature, on the other hand, is charged with the responsibility to make laws, including the Appropriation Law, and to control the use of public funds. The focus of the judiciary extends to the determination of any question as to the civil rights and obligations of government, authority and any persons in Nigeria.
19. On the executive arm, 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 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 and budget preparation. The Office of Accountant-General is responsible for the collection, disbursement and control of State funds and for 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 Housing and 45 parastatals, with each one attached to a supervising ministry.

20. The principal institution of the legislative arm is the State House of Assembly (SHoA). The House carries out its oversight functions through various standing committees, two of which are directly involved in the budgeting process. The committees are the:
 - (i) Finance, Appropriation and Budget Monitoring Committee whose responsibility is to examine budget proposals and make appropriate recommendations to the entire House for consideration and approval; and
 - (ii) Public Accounts Committee (PAC) - Section 125, Sub-Section 5 of the 1999 Constitution empowers the PAC to carry out investigations on the reports of the State Auditor-General and the Auditor-General for Local Governments.
21. The judicial powers of a State are vested in the courts. The courts comprise the Supreme Court of Nigeria, the Federal Court of Appeal, the Federal High Court, a High Court of Kogi State, the Sharia Court of Appeal of Kogi state, and a Customary Court of Appeal of Kogi state.³ The Ministry of Justice and the Judicial Service Commission on the executive arm of government complement these courts.

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

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



22. Indicative Budget Calendar for Kogi State Government is presented below:

Table 1: Budget Calendar

S/N	SUBJECT	ACTIVITIES	DATE YEAR 2020	RESPONSIBILITY	
				Agency	Officer
1	Commencement of Year 2020 Revised Budget Preparation	(a) Review of Macroeconomic Framework and input of latest data to Medium Term Fiscal Strategy (MTFS) model	April 2020	Technical Working Group (TWG)	Director Planning
		(b) Preparation and Adoption of Economic Update and Fiscal Strategy Paper (EFU-FSP) 2020 – 2022	April 2020	TWG	Director Planning
		(c) Preparation and Adoption of Budget Policy Statement (BPS) 2020	April 2020	TWG	Director Budget
		(d) Meeting with Major Revenue Generating Agencies on Strategy 2020-2022 MTFS	April 2020	MFB&EP/Revenue Stakeholders	Director Budget
		(e) Presentation of Year 2020–2022 MYBF to EXCO	May 2020	MFB&EP, MDAs & EXCO	HC MFB&EP
		(f) Forwarding of MYBF draft to the SHoA for modifications (if any) and approval.	May 2020	MFB&EP/SHoA	HC MFB&EP
		(g) Budget Retreat for MDAs	May 2020	MFB&EP/MDAs	Director Budget.
2	Preparation of Y2020 Revised Budget Estimates	(a) Issuance of Year 2020 Call Circular	May 2020	MFB&EP	Permanent Secretary
		(b) Budget Consultative/Stakeholders Forum	May 2020	MFB&EP(Budget Dept.), MDAs & Other Stakeholders eg. CSOs	Permanent Secretary
		(c) Submission of Budget Proposals	May 2020	MFB&EP/MDAs	Permanent Secretary
		(d) Collation of Estimate	May 2020	MFB&EP/MDAs	Director Budget
3	2020 Draft Revised Budget	(a) Submission of Year 2020 draft Revised Budget to His Excellency	May 2020	MFB&EP	HC MFB&EP



		(b) Presentation of Year 2020 Draft Revised Budget to the State Executive Council	May,2020 (2 nd stage)	MFB&EP/EXCO	HC MFB&EP
4	Legislative Processes	(a) Presentation of Draft Year 2020 Revised Budget Estimates to House of Assembly	May 2020	Governor's Office	His Excellency
		(b) Consideration of Revised Budget Draft Estimates by SHoA including interaction with MDAs/scrutiny of estimates.	May, 2020	SHoA	Members SHoA/MDAs
		(c) Passing of the Year 2020 Revised Appropriation Bill	May, 2020	SHoA	Members
5	Appropriation Law	(a) Production of the year 2020 Revised Appropriation Law	May, 2020	SHoA	Members
		(b) Assent of Year 2020 Revised Budget by the Governor	May, 2020	Governor's Office	His Excellency
		(c) Uploading Approved Revised Budget onto the Budget Portal	May, 2020	MFB&EP	Permanent Secretary
		(d) Printing and Publishing of Approved Revised Budget	May/June 2020	MFB&EP	Permanent Secretary
6	Execution of Year 2020 Budget.	(a) Year 2020 Revised Budget Analysis with CSOs	June 2020	MFB&EP(Budget Dept.)	HC MFB&EP
		(b) Budget Profiling and Cash Management Plan	June 2020	MFB&EP/MoF/MDAs	Permanent Secretaries
7	Year 2020 Budget Execution Approvals	Request for approval of implementation of budgeted projects.	On-going in line with cash plan	MDAs	HC MFB&EP
8	Disbursement/Fund Release Warrants	Request for release of funds for approved projects.	On-going in line with cash plan	MDAs/MoF/AG	Permanent Secretaries/ Directors of Finance and Administration



Section 2

Economic and Fiscal Update

2.A Economic Overview

2.A.1 Global Economy⁴

23. The global economy is projected to contract sharply by –3 percent in 2020, much worse than during the 2008–09 financial crisis. In a baseline scenario, which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound, the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support. There is extreme uncertainty around the global growth forecast. The economic fallout depends on factors that interact in ways that are hard to predict, including the pathway of the pandemic, the intensity and efficacy of containment efforts, the extent of supply disruptions, the repercussions of the dramatic tightening in global financial market conditions, shifts in spending patterns, behavioural changes (such as people avoiding shopping malls and public transportation), confidence effects, and volatile commodity prices. Many countries face a multi-layered crisis comprising a health shock, domestic economic disruptions, plummeting external demand, capital flow reversals, and a collapse in commodity prices. Risks of a worse outcome predominate. Effective policies are essential to forestall worse outcomes. Necessary measures to reduce contagion and protect lives will take a short-term toll on economic activity but should also be seen as an important investment in long-term human and economic health. The immediate priority is to contain the fallout from the COVID-19 outbreak, especially by increasing health care expenditures to strengthen the capacity and resources of the health care sector while adopting measures that reduce contagion. Economic policies will also need to cushion the impact of the decline in activity on people, firms, and the financial system; reduce persistent scarring effects from the unavoidable severe slowdown; and ensure that the economic recovery can begin quickly once the pandemic fades. Because the economic fallout reflects particularly acute shocks in specific sectors, policymakers will need to implement substantial targeted fiscal, monetary, and financial market measures to support affected households and businesses. Such actions will help maintain economic relationships throughout the shutdown and are essential to enable activity to gradually normalize once the pandemic abates and containment measures are lifted. The fiscal response in affected countries has been swift and sizable in many advanced economies (such as Australia, France, Germany, Italy, Japan, Spain, the United Kingdom, and the United States). Many emerging

4. April 2020, World Economic Outlook (WEO)



market and developing economies (such as China, Indonesia, and South Africa) have also begun providing or announcing significant fiscal support to heavily impacted sectors and workers. Fiscal measures will need to be scaled up if the stoppages to economic activity are persistent, or the pickup in activity as restrictions are lifted is too weak. Economies facing financing constraints to combat the pandemic and its effects may require external support. Broad-based fiscal stimulus can pre-empt a steeper decline in confidence, lift aggregate demand, and avert an even deeper downturn. But it would most likely be more effective once the outbreak fades and people are able to move about freely. The significant actions of large central banks in recent weeks include monetary stimulus and liquidity facilities to reduce systemic stress. These actions have supported confidence and contribute to limiting the amplification of the shock, thus ensuring that the economy is better placed to recover. The synchronized actions can magnify their impact on individual economies and will also help generate the space for emerging market and developing economies to use monetary policy to respond to domestic cyclical conditions. Supervisors should also encourage banks to renegotiate loans to distressed households and firms while maintaining a transparent assessment of credit risk. Strong multilateral cooperation is essential to overcome the effects of the pandemic, including to help financially constrained countries facing twin health and funding shocks, and for channelling aid to countries with weak health care systems. Countries urgently need to work together to slow the spread of the virus and to develop a vaccine and therapies to counter the disease. Until such medical interventions become available, no country is safe from the pandemic (including a recurrence after the initial wave subsides) as long as transmission occurs elsewhere

24. As mentioned earlier, Global growth is projected at –3.0 percent in 2020, an outcome far worse than during the 2009 global financial crisis. The growth forecast is marked down by more than 6 percentage points relative to the October 2019 WEO and January 2020 WEO Update
25. The loss of working days is smaller than the number of days' severe containment measures are in place given that essential businesses continue to operate during the shutdown. The duration of containment efforts will vary across countries based on the intensity of the measures (for example, cancellation of public gatherings and school closures versus stay-at-home orders and lockdowns enforced with penalties).
26. Projections—an extraordinary revision over such a short period of time. Growth in the advanced economy group—where several economies are experiencing widespread outbreaks and deploying containment measures—is projected at –6.1 percent in 2020. Most economies in the group are forecast to contract this year, including the United States (–5.9 percent), Japan (–5.2 percent), the United Kingdom (–6.5 percent), Germany (–7.0 percent), France (–7.2 percent), Italy



(–9.1 percent), and Spain (–8.0 percent). In parts of Europe, the outbreak has been as severe as in China's Hubei province. Although essential to contain the virus, lockdowns and restrictions on mobility are extracting a sizable toll on economic activity. Adverse confidence effects are likely to further weigh on economic prospects. Among emerging market and developing economies, all countries face a health crisis, severe external demand shock, dramatic tightening in global financial conditions, and a plunge in commodity prices, which will have a severe impact on economic activity in commodity exporters. Overall, the group of emerging market and developing economies is projected to contract by –1.0 percent in 2020; excluding China, the growth rate for the group is expected to be –2.2 percent. Even in countries not experiencing widespread detected outbreaks as of the end of March (and therefore not yet deploying containment measures of the kind seen in places with outbreaks) the significant downward revision to the 2020 growth projection reflects large anticipated domestic disruptions to economic activity from COVID-19. The 2020 growth rate for the group excluding China is marked down 5.8 percentage points relative to the January WEO projection. As discussed below, growth would be even lower if more stringent containment measures are necessitated by a wider spread of the virus among these countries. Emerging Asia is projected to be the only region with a positive growth rate in 2020 (1.0 percent), albeit more than 5 percentage points below its average in the previous decade. In China, indicators such as industrial production, retail sales, and fixed asset investment suggest that the contraction in economic activity in the first quarter could have been about 8 percent year over year. Even with a sharp rebound in the remainder of the year and sizable fiscal support, the economy is projected to grow at a subdued 1.2 percent in 2020. Several economies in the region are forecast to grow at modest rates, including India (1.9 percent) and Indonesia (0.5 percent), and others are forecast to experience large contractions (Thailand, –6.7 percent). Other regions are projected to experience severe slowdowns or outright contractions in economic activity, including Latin America (–5.2 percent)—with Brazil's growth forecast at –5.3 percent and Mexico's at –6.6 percent; emerging and developing Europe (–5.2 percent)—with Russia's economy projected to contract by –5.5 percent; the Middle East and Central Asia (–2.8 percent)—with Saudi Arabia's growth forecast at –2.3 percent, with non-oil GDP contracting by 4 percent, and most economies, including Iran, expected to contract; and sub-Saharan Africa (–1.6 percent)—with growth in Nigeria and South Africa expected at –3.4 percent and –5.8 percent, respectively. Following the dramatic decline in oil prices since the beginning of the year, near-term prospects for oil-exporting countries have deteriorated significantly: the growth rate for the group is projected to drop to –4.4 percent in 2020.

27. Income growth in 2020 than at the time of the 2009 financial crisis. These countries account for a broadly similar purchasing-power-parity share of the world economy compared with the group that experienced negative per capita income growth in 2009.



28. Countries selected are chosen to represent BRICS, MINT, N-11, Petro-economies and other large African countries.

Table 2: Real GDP Growth - Selected Countries

Country	Actual ⁵			Forecast		
	2016	2017	2018	2019	2020	2021*
Mexico	2.9	2.1	2.0	-0.1	-6.6	3.0
Indonesia	5.0	5.1	5.2	5.0	0.5	8.2
Turkey	3.2	7.4	2.6	0.9	-5.0	5.0
United States	2.7	2.5	2.6	2.3	-5.9	4.7
Germany	1.9	2.0	0.9	0.6	-7.0	5.2
United Kingdom	3.1	2.1	1.7	1.4	-6.5	4.0
China	6.7	6.8	6.6	6.1	1.2	9.2
Ghana	3.4	8.1	5.6	6.1	1.5	5.9
South Africa	0.4	1.4	0.8	0.2	-5.8	4.0
Brazil	-3.3	1.1	1.1	1.1	-5.3	2.9
Angola	-2.6	-0.2	-1.7	-1.5	-1.4	2.4

Source: World Economic Outlook, April, 2019 & 2020.

29. Table 3: Inflation (CPI) - Selected Countries

Country	Actual			Forecast		
	2016	2017	2018	2019	2020	2021*
Mexico	2.8	6.0	4.9	3.6	2.7	2.8
Indonesia	3.5	3.8	3.2	2.8	2.9	2.9
Turkey	7.8	11.1	16.3	15.2	12.0	12.0
United States	1.3	2.1	2.4	1.8	0.6	2.2
Germany	0.4	1.7	1.9	1.3	0.3	1.2
United Kingdom	0.7	2.7	2.5	1.8	1.2	1.5
China	2.0	1.6	2.1	2.9	3.0	2.6
Ghana	17.5	12.4	9.8	7.2	9.7	8.5
South Africa	6.3	5.3	4.6	4.1	2.4	3.2
Brazil	8.7	3.4	3.7	3.7	3.6	3.3
Angola	30.7	29.8	19.6	17.1	20.7	22.3

Source: World Economic Outlook, April, 2019 & 2020

⁵ * = estimate



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

2.A.2 Africa

31. In the April edition of its Regional Economic Outlook, the IMF forecast a recession of 1.8% across the region as a whole – the first since 1991 – compared with its previous forecast of 3.5% growth. Like all forecasts, this should be treated with caution. The economic impact will depend on the duration and extent of the COVID 19 outbreak, not only in Africa, but among its trading partners.
32. Nonetheless, economies overly reliant on single export-orientated industries will be worst hit. The island nations of Seychelles, Mauritius, Cabo Verde, and São Tomé and Príncipe are expected to experience contractions in GDP of between 4.0% and 10.8% – an average drop of 10.8 percentage points from their pre-COVID forecasts – as a result of the effective freeze on global tourism. The region's oil exporters – Angola, Cameroon, Chad, Congo (Brazzaville), Equatorial Guinea, Gabon, Nigeria and South Sudan – will be hard hit by the fall in oil prices that are caused, in large part, by the demand disruption caused by COVID-19. The mining economies of southern Africa will also struggle. The economies of Congo (DRC), Botswana, Zambia and Zimbabwe all rely on primary mineral products for more than 60% of export revenues and all are forecast to contract by more than 2%.
33. Some countries will prove more resilient. In West Africa, Senegal, Guinea and Côte d'Ivoire are all projected to see GDP growth of more than 2.7% in 2020. In East Africa, Rwanda, Ethiopia and Uganda are forecast to grow at above 3.2%. These figures represent a drop of 3.8 percentage points from previous growth forecasts. This is a sharp hit, but significantly less than the 5.2-percentage point drop for sub-Saharan Africa as a whole or the eight-percentage point drop for the world's advanced economies.
34. What these countries have in common are growth models based on domestic consumption; healthy local private sectors; and relatively robust agricultural sectors. The first two factors enable economies to keep going despite the disruption to global supply chains caused by COVID-19. Meanwhile, the agriculture sector is typically regarded as an essential service and is less affected by social distancing measures or other government restrictions.
35. Expensive treatments
36. These economic impacts require a fiscal response. Central banks across the continent have adopted aggressive monetary policy initiatives in an attempt to boost liquidity in their economies, massively increasing the funds available to commercial banks and introducing debt repayment holidays. But this will not be enough. Such measures have limited trickledown effects. Despite a rapid rise in financial inclusion in Africa over the past decade, large parts of many economies – including smallest businesses and consumers – have only limited exposure to



- formal financial services and therefore will only see limited benefits from central bank measures.
37. To sustain these parts of the economy, governments will have to look to fiscal policy. Many are already doing so, announcing emergency funds and loans for businesses, providing welfare support for the worst-affected citizens, and lowering or suspending taxes. But most countries went into this crisis with high fiscal deficits and little headroom to increase spending on a sustainable basis, meaning that any such fiscal stimulus will have to be funded by borrowing. This could push those countries with already high debt burdens – such as Comoros, Eswatini, Guinea-Bissau, Mauritania and Zambia – into sovereign default events.
 38. International recognition of the economic and fiscal challenges faced by African economies will help to some extent. The IMF and World Bank announced on 17 April that official creditors had mobilised USD 57bn to assist Africa to cope with the pandemic, and suggested that support from private creditors could equate to a further USD 13bn in 2020. The IMF has provided debt relief to 19 countries in sub-Saharan Africa that effectively cancels six months of IMF debt payments owed by these countries so that they can divert financial resources to tackling COVID-19. The G20 forum has also agreed to a one-year suspension of debt repayments for the world's poorest countries, which include the majority of sub-Saharan Africa, and urged private creditors to engage in similar actions.
 39. But the increasing complexity of Africa's debt profile in recent years will undermine the effectiveness of these measures. Africa now has more debt in more forms held by more creditors, from emerging markets to commercial institutions. Private-sector creditors have already expressed misgivings about the idea of blanket debt moratoriums, instead stressing the need for debts to be restructured on a case-by-case basis. China – the largest single creditor to sub-Saharan Africa – will participate in debt relief schemes but has expressed a similar preference to look at the issue on a case-by-case basis. Such restructurings demand time and resources that are currently in limited supply and are likely to still count as default events with consequences for credit ratings and future borrowing ability.
 40. This fragmented debt landscape also undermines the negotiating ability of African governments. Debt relief initiatives from the IMF and World Bank followed unified calls by finance ministers from across the continent. However, such strength in unity is less effective in negotiations with other bilateral or commercial creditors that may only have exposure to a few countries. Such creditors are also likely to tighten requirements for new loans, making it difficult for Africa to access the USD 44bn that the IMF and World Bank believes is necessary on top of what has already been committed. Bilateral creditors struggling with their own imminent recessions will find it politically difficult to justify grants or concessional loans, while commercial financial markets are tightening.
 41. Cautious recovery
 42. Sub-Saharan Africa's recovery from COVID-19 will be slow and uncertain. The IMF may be forecasting growth in 22 of the region's 49 economies in 2020, but this growth is low, especially



on a per capita basis. The resultant fiscal challenges mean that the 2021 recovery will not be as pronounced as elsewhere in the world. Nonetheless, the huge uncertainty around these forecasts means that the pandemic may well drive some long-term changes that open new opportunities for investors.

43. Most importantly, the scale of the crisis is likely to prompt shifts in economic policies in many countries. Not all these changes will be favourable for investors. There may be a rethink of the privatisation efforts ongoing in many southern and East African countries. Not only has the pandemic disrupted short-term schedules, but some governments will be more reluctant to sell off state-owned enterprises that have served as a vehicle for ensuring employment, or state utilities that can freeze utility bills as a form of financial relief for citizens. However, reductions in the scale of privatisation plans are more likely than reversals. Leaders such as Angolan President João Lourenço and Ethiopian Prime Minister Abiy Ahmed have already reiterated their commitment to these reforms. Meanwhile, the reinvigorated role of multilateral institutions such as the IMF will increase pressure to push ahead, and governments will be even less able to afford the burden often loss-making public companies place on budgets.
 44. Economic diversification efforts are also likely to move up priority lists. Progress by oil exporters in diversifying their economies since the 2014 oil price crash has been limited, despite bold rhetoric, but the current crisis has been far more disruptive. Diversification efforts will be uneven as governments facing severe fiscal challenges will struggle to put in place the necessary infrastructure to make some sectors attractive to prospective investors. But reducing bureaucratic burdens, offering tax incentives, and using concession or build-own-operate models in promising sectors requires little capital expenditure.
- 2.A.3 Nigerian Economy
45. Nigeria's revenue is 80 percent oil receipts. The 2020 budget was benchmarked on the crude oil price of \$57 per barrel. The on-going disruption caused by the Covid-19 pandemic has plunged crude oil prices to below \$29 per barrel. The Oil market plunge is further exacerbated by the oil production rift between Saudi Arabia and Russia, two countries who have for some years led efforts to balance World Oil Prices, through the OPEC+ arrangements between OPEC members and non-OPEC oil producers. The production rift stemmed from Russia's non-alignment with OPEC's (Saudi Arabia-led) proposal to cut down on oil production (reduce supply) to cushion the plunging of oil prices below International benchmark of about \$66 per barrel. This production rift may lead to Russia's reneging on the OPEC+ arrangement, which has the effect of removing the cap on production, allowing OPEC and non-OPEC oil producing states increase production to volumes as can be commercially viable.



46. By market forces, where there is surplus oil production, crude oil price per barrel crashes. Presently, the price per barrel fluctuates between \$20 and \$29. Noting that Nigeria's 2020 budget was pegged on the presumption of oil selling at \$57 per barrel, this plunge drags the 2020 budget into a large deficit.
47. The National Bureau of Statistics (NBS) reported that the Nigerian economy advanced by 2.55 percent in the last quarter of 2019. If the Covid-19 pandemic is not contained, and oil price continues to plunge, the Nigerian economy may contract into a negative. Given overwhelming dependency on oil receipts, negative economic growths of more than two months will plunge the economy into a recession.
48. Notionally, in times as these, budget deficit is covered by savings in the Excess Crude Oil Account. However, the limited fund in that account has necessitated calls by the government to slash the 2020 budget, which when implemented, will run negatively on the country's projected economic growth.
49. Possible solutions to curb an economic downturn
50. Cut-Down on cost of governance – For many years, Federal recurrent expenditures have accounted for 70 to 80 percent of the annual budgets, leaving the remainder for capital projects, notwithstanding the country's growing debt profile. Slashing this cost by at least, 40 percent, will free up revenue to cushion the effect of the Oil price plunge on the 2020 budget and broader Nigerian economy.
51. Removal of fuel subsidy – Nigeria spent \$1.8 billion on fuel subsidy in 2018, four times more than it spent on Health, Education and Science and Technology. The Nigerian 2020 budget sits at \$35 billion. Fuel subsidy is primarily paid to absorb high prices of PMS (Premium Motor Spirit- petrol) if sold at market value; to keep the price pegged at, at least N145 per litre. Thus, fuel subsidy is the money paid to stakeholders in the downstream oil sector to keep the price of PMS as it is currently, which essentially is the difference between Government-controlled prices and market prices. The reason given by successive governments to justify non-removal of fuel subsidy has been the poor purchasing power of majority of Nigeria's population. Presently, the plunge in oil prices may likely mean that the market cost of supplying a litre of fuel will be less than the retail price, such that a removal of subsidy will not lead to an increase in the retail price.
52. Additionally, the Dangote Refinery, projected to come on-stream in early 2021 (with 650,000 barrels per day refining capacity), will substantially reduce the system of exporting and importing refined crude products, bringing down retail prices to considerable rates. The plunge in oil prices and Dangote Refinery's potential elimination of associated need for foreign refining capacity, provide short and long-term buffers against the income stress that will be caused by a withdrawal of subsidy.



53. If fuel subsidy is withdrawn, more funds will be released to cover the budgetary short fall occasioned by the global oil price plunge.
54. Opening of land borders (strictly for trade) – Premised on the plan to curb rice smuggling and to support profitability of local production, the Nigerian land borders have been closed since October 2019, preventing imports from neighbouring countries (such as Niger Republic, Benin Republic, Chad and Cameroon). While the borders remain closed, ironically, the neighbouring countries are arguably substantial recipients of Nigeria's non-oil exports. The border closure particularly lays to ridicule the African Continental Free Trade Agreement (AfCFTA) the Country recently signed (even though un-ratified by the National Assembly). The border closure continues to increase inflation in Nigeria. Last month's (February's) food inflation was 14.9 percent, up by 0.05 percent from 14.85 percent recorded in January 2020. This has also affected cross-borders businesses, with many turning losses and closing shops, lengthening unemployment rate. With the fall in oil prices and impending budget cut, the resultant outpour is inflation; which will cause a rapid loss of purchasing strength of Nigerians, and accelerate the economy towards another recession.
55. It is recommended that the borders be re-opened strictly for trade (essentially- processed agricultural produce, with attendant incorporation of social distancing guidelines given the pandemic) whilst the Nigeria's Customs tightens its enforcements mechanism to curb smuggling, and whilst the Federal government creates enabling infrastructure for local producers. A border re-opening will revive legitimate cross-border businesses, which will by its shed reduce the unemployment spike. Food inflation will flutter down as more agriculture goods flood the Nigerian market. This reduces the strain on expendable income of Nigerians who already spend almost 60 percent of income on food. A competitive agriculture market and higher expendable income of Nigerians are mild fadders to withstanding any impending economic downturn.
56. Floating of the Naira – The Nigerian Exchange rate is currently a Fixed Exchange Rate. The CBN extends dollars (from its foreign reserve) to commercial banks to fund imports at subsidised exchange rates. This means that for importations, the Naira is not traded based on its real market value. Thus, as has been reported, the CBN spent about \$16.56 billion in 2019 to maintain the current Inter-bank exchange rate of the Naira.
57. Although CBN's governor has reiterated the government's resolve against floating the Naira, the money spent appears to be non-prudent expenditure, as it only seeks to maintain an artificial (non-real market) value of Naira, which chunks away the economic legitimacy of Nigeria's GDP. If the government allows the Naira to Exchange at market value, that is an estimated north of \$10 billion in government's coffers (noting that the Country's 2020 budget is \$35 billion).



58. The Naira ordinarily gains against the Dollars when receipts from exports (largely crude oil) are high, and falls against the Dollars when receipts from exports are low. The subsidisation of exchange rates for imports (defending of Naira) by CBN has been to maintain an artificially low exchange rate for Naira against the Dollars, but that was possible due to high foreign receipts from crude oil sales. Presently, due to the fall in oil price per barrel, there seems to not be enough foreign reserve to defend the Naira. Although floating (or devaluation) of the Naira may be useless if there is no revenue diversification (to increase foreign receipts through exports) since Nigeria is an oil-dominant, import-reliant economy, however, such released fund (from discontinuing the Naira defence) can optimally be utilised to cover any impending budgetary short-fall, resulting from fall in oil prices.
59. As the World continues its search and development of a vaccine to combat Covid-19, it is projected that if the pandemic continues to spread beyond April and May, the suggested solutions may be proactive tools to absorbing the effects of an economic downturn in Nigeria, while the government looks towards pursuing capital projects and creating policies to stimulate trade and investment for long-term sustainability.



Macroeconomic Indicators
Table 4: Nigeria Key Macroeconomic Indicators

Indicator	2015	2016	2017	2018
GDP Growth (%)	2.7	- 1.6	0.8	2.1
GDP (Billion Naira)	69,023.93	67,931.24	68,490.98	69,799.94
Inflation (%)	9.0	15.7	16.5	11.08
Exchange Rate (NGN:USD FX Rate)	197	305	305	305
Unemployment (%)	4.3	7.1	18.1	23.1
Balance of Payments (% of GDP)	-1.6	-2.2	0	0

Source: National Bureau of Statistics,
Petroleum Sector

60. 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 4 million barrels per day by the year 2010.
61. 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.
62. Oil slump: Nigeria economy to contract 3.4 percent in 2020
63. Africa's top oil producer cut its budget for a second time this year; it expects to earn far less oil revenue in 2020.
64. Nigeria's economy is projected to contract by 3.4 percent this year, government officials said, as dwindling oil revenues and the new coronavirus forced it to cut budget plans for a second time. The West African nation was assuming a lower petroleum price of \$20 per barrel.
65. Nigeria, which emerged from a recession in 2017, was already contending with low growth of about 2 percent before oil prices plummeted. Africa's top oil exporter relies on crude oil sales for about 90 percent of foreign exchange earnings and more than half of government revenue.
66. With global oil prices plunging, Finance Minister Zainab Ahmed said in March that this year's record 10.59 trillion naira (\$29.42bn) budget would be cut by about 15 percent.



69. At the time, she said the initial assumed oil price of \$57 a barrel would be reduced to a worst-case scenario of \$30 a barrel.
70. But she said that benchmark would again have to be revised down.
71. "We are in the process of an amendment that is bringing down the revenue indicator to \$20 per barrel," Ahmed said in a web conference about the impact of low oil prices on the country.
72. Budget revisions need to be approved by legislators before being signed into law by the president.
73. Ahmed also said Nigerian oil and gas projects would be "delivered much later than originally planned" due to upstream budget cuts.
74. Nigeria's economy has been battered by low oil prices following a dispute between Russia and Saudi Arabia.
75. It also plans to cut oil production to 1.7 million barrels per day (bpd), from the 2.1 million bpd initially proposed in the budget, under an agreement brokered by the Organization of the Petroleum Exporting Countries (OPEC).
76. Ben Akabueze, budget office director-general, said oil revenues were expected to fall by more than 80 percent. He said the government had revised its projections and expected the economy to contract by 3.4 percent this year compared with its previous expectation that it would grow by 2.9 percent.
77. Nigeria would speed up marginal field licensing and oil mining licence renewals to try to raise revenues, Akabueze said.
78. The government officials on the call discussed the issue of Nigeria's debt servicing costs, a week after the country shelved plans to borrow 850 billion naira (\$2.36bn) from international markets and instead tap domestic markets to finance the budget.
79. The finance minister said Nigeria is in talks to defer debt service obligations to "2021 and beyond".
80. "It's not debt forgiveness, it's just rescheduling of our obligations," said Ahmed, with regards to talks with lenders.
81. She did not provide details of the lenders with whom talks were held. Ahmed said Nigeria was spending approximately 58 percent to 60 percent of revenues to service debt, which was responsible for the request.
82. And the budget office director-general said debt servicing costs were expected to rise by 200 billion naira in 2020.
83. The effect of low oil prices has been compounded by shockwaves caused by the new coronavirus pandemic.
84. Africa's most populous country recorded its first confirmed coronavirus case in late February. There have been 2,802 recorded cases and 93 deaths out of 200 million inhabitants.



2.A.4 Kogi State Economy

83. 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. Crops cultivated include yam, cassava, maize, guinea corn and groundnut. Rice production is encouraged in the flood plains of the rivers, while coffee, cocoa, orange and cashew nuts are produced in Ijumu and Kabba/Bunu LGAs. Farmers are engaged in share cropping schemes at Iyagu, Alade and Adikena. Palm plantations are being rehabilitated and a standard agricultural mechanical workshop is being constructed for the maintenance of machinery.
84. The Kogi State Agricultural Development Project was established with an initial investment capital of N144 million to be drawn from a World Bank loan. This was done to improve 300 kilometres of rural roads, provide fifty points of potable water and distribute 50 tonnes of various farm inputs. Much emphasis has been placed on agriculture with substantial lumbering and saw milling carried out in the forest areas of the state (e.g Ijumu and Kabba/Bunu LGAs).
85. Exotic plants such as teak (*tectonagrandis*) 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.
86. Mineral Resources: Kogi State is rich in mineral resources. Most of these minerals are available in commercial quantities and these include coal at Koton-Karfe, Okaba and Ogboyaga; limestone and marble at Jakura, Ajaokuta, Osara, Ekinrin-Adde and Itobe; kaolin at Agbaja and iron ore at Agbaja plateau and Itakpe hills. It is worthy of note here to highlight that out of the seven (7) mineral resources of focus by Nigeria in the effort towards diversification, three (3) of them are available in Kogi State in commercial quantities. These are Iron Ore, Limestone and Coal.
87. 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.
88. 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.



89. 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.
90. 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.
91. 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.
92. The waterfalls at Osomie, 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.
93. 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.
94. 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.
95. 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, EkinrinAdde and Itobe 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).
96. Cassiterite, columbite and tantalite from Egbe are used for tin coating and alloys while talc and mica from Isanlu, Ogborun and Mopa could supply the raw materials for ceramics, paints and electrical equipment. Gold from Isanlu in Yagba East LGA, gems and ornamental stones from Lokoja, quartz from Okene, Okehi, Okoloke and Egbe and crude petroleum from Ibaji are other important minerals in the state.



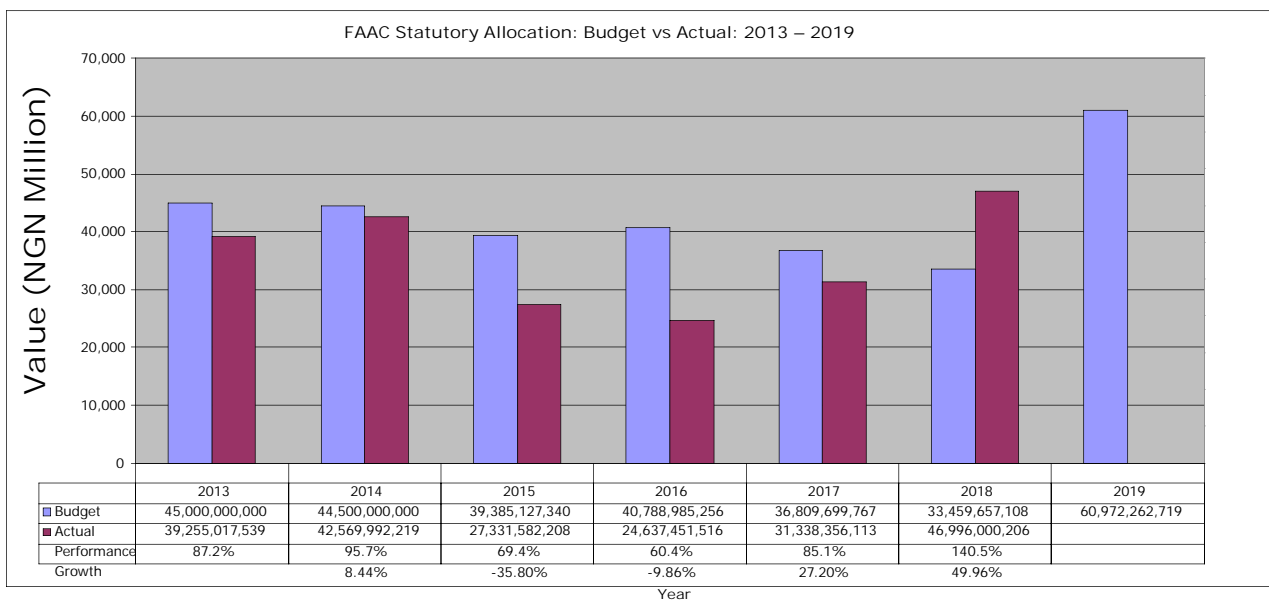
2.B Fiscal Update

2. B.1 Historic Trends

Revenue Side

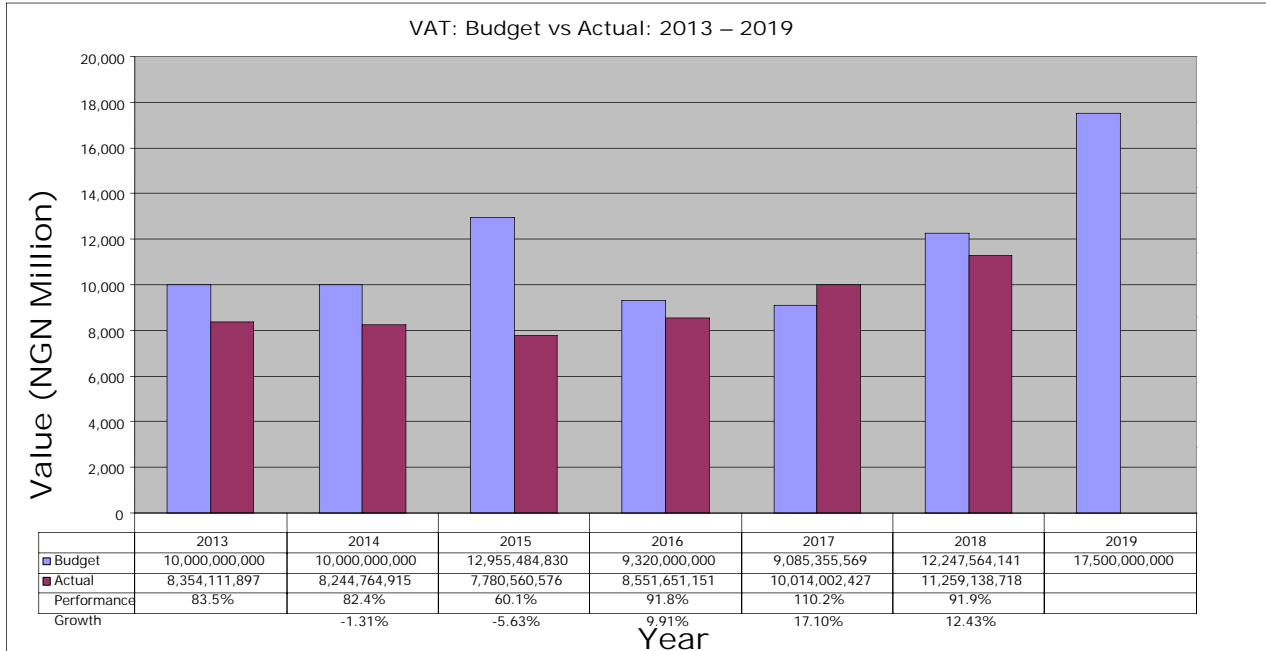
On the revenue side, the document looks at Statutory Allocation, VAT, IGR, Excess Crude/Capital Receipts – budget versus actual for the period 2013-2019.

Figure 2: Statutory Allocation



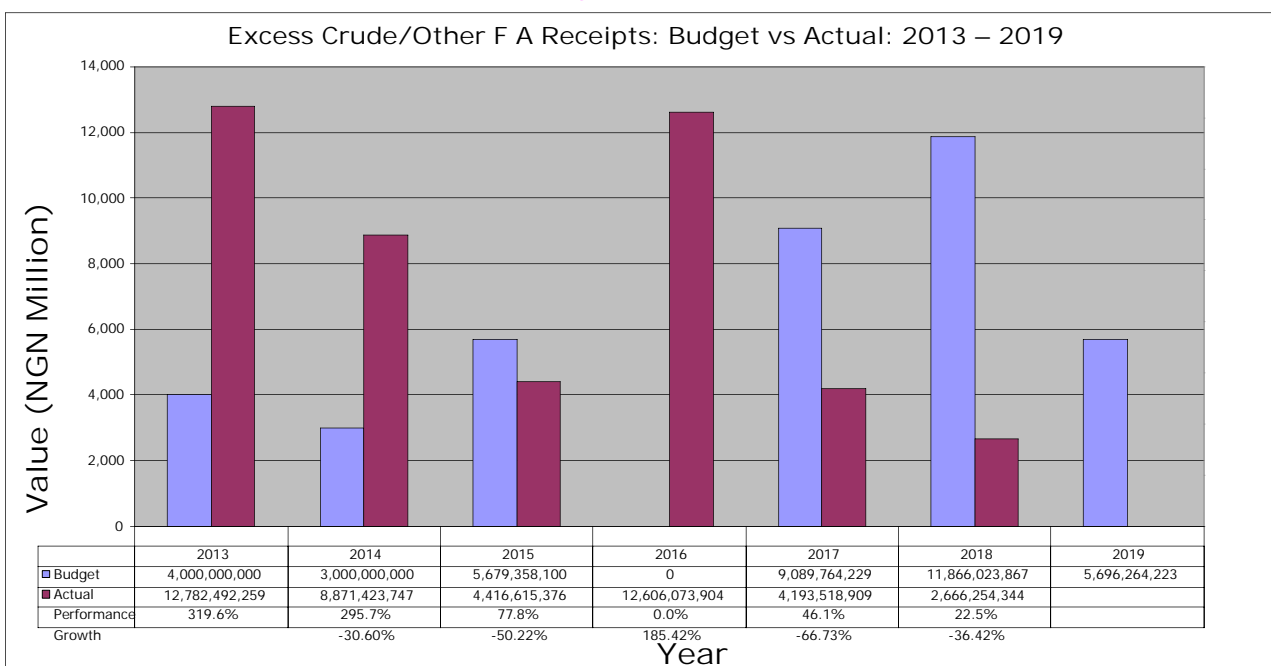
98. Statutory Allocation is a transfer from Federation Account that is distributed to all three tiers of government based on vertical (percentage to each of the three tiers) and horizontal (example equality, land mass, population) sharing formula.
99. Performance against budget for the six years under review was generally positive except for 2015 and 2016 where it drastically fell at a decreasing rate and experience positive increased in 2017 and 2018. The positive performance was largely as a result of increase in world oil prices while 2015 and 2016 was as a result of decrease in price of World oil prices which affected Nigeria.

Figure 3: VAT



100. 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.
101. The performance was positive throughout the years under review despite it was at a decreasing rate except 2016, 2017 and 2018 where they increased at an increasing rate.

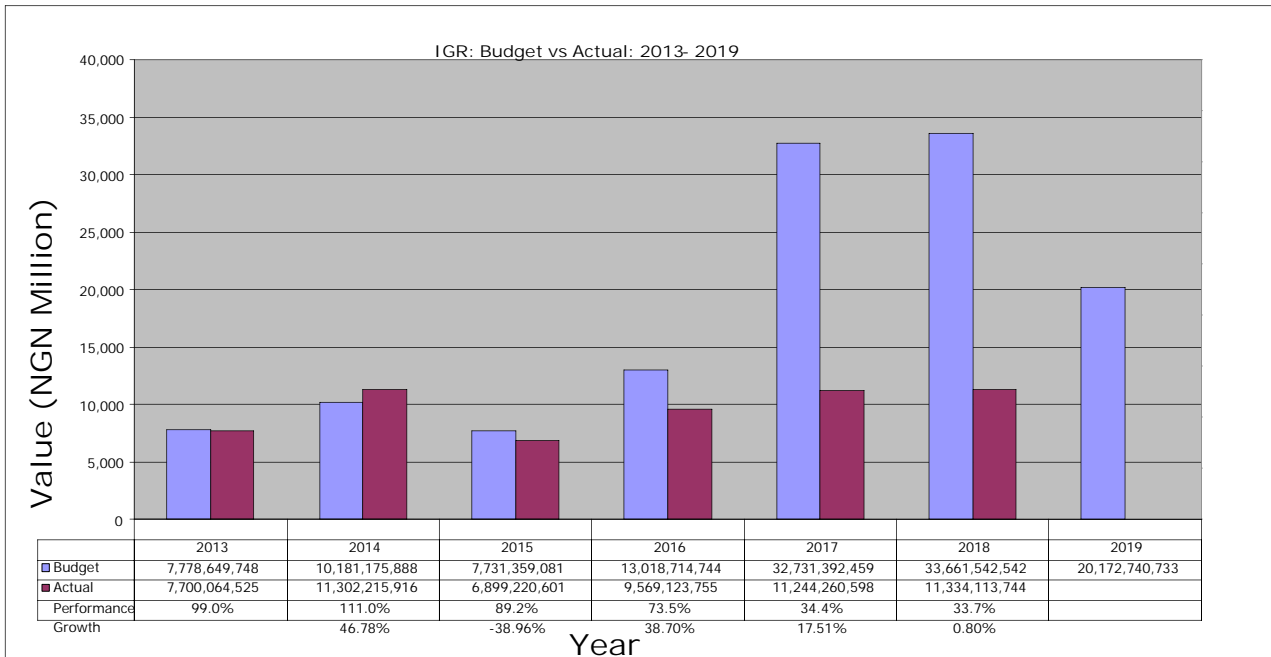
Figure 4: Excess Crude/Other FA Receipts.





- 102. 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.
- 103. Due to unpredictable nature of the excess crude oil revenue, the budget figures have generally been lower than the actual figures except 2015, 2017 and 2018. There was a drastic decrease in the year 2015 and 2017 due to fall in global oil prices, hence the oil benchmark price despite it has started picking up. In 2016 there was a serious generation despite no budgetary provision.

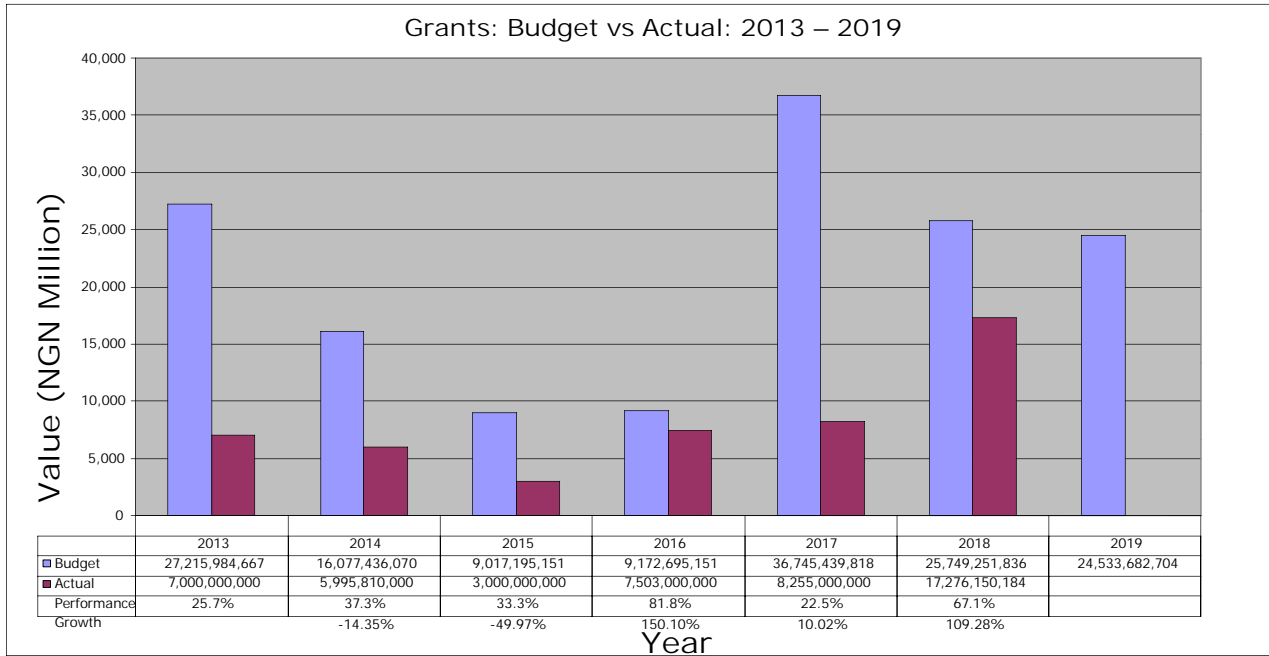
Figure 5: IGR



- 104. IGR(Internally Generated Revenue) is revenue collected within KogiState 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.
- 105. IGR in Kogi State was relatively low in year 2013. It increased in the year 2014 and dropped seriously in the year 2015. The drastic fall in 2015 can be explained by irregular payment of workers' salaries thereby making economic activities to be slow. It started picking up in the year 2016, 2017 and 2018. The impressive growth in IGR since 2016 is due to the granting of autonomy to Internal Revenue Service. The relatively stable economic activities in the country and Kogi State in particular in those years resulted to the relatively increased in IGR for the years.

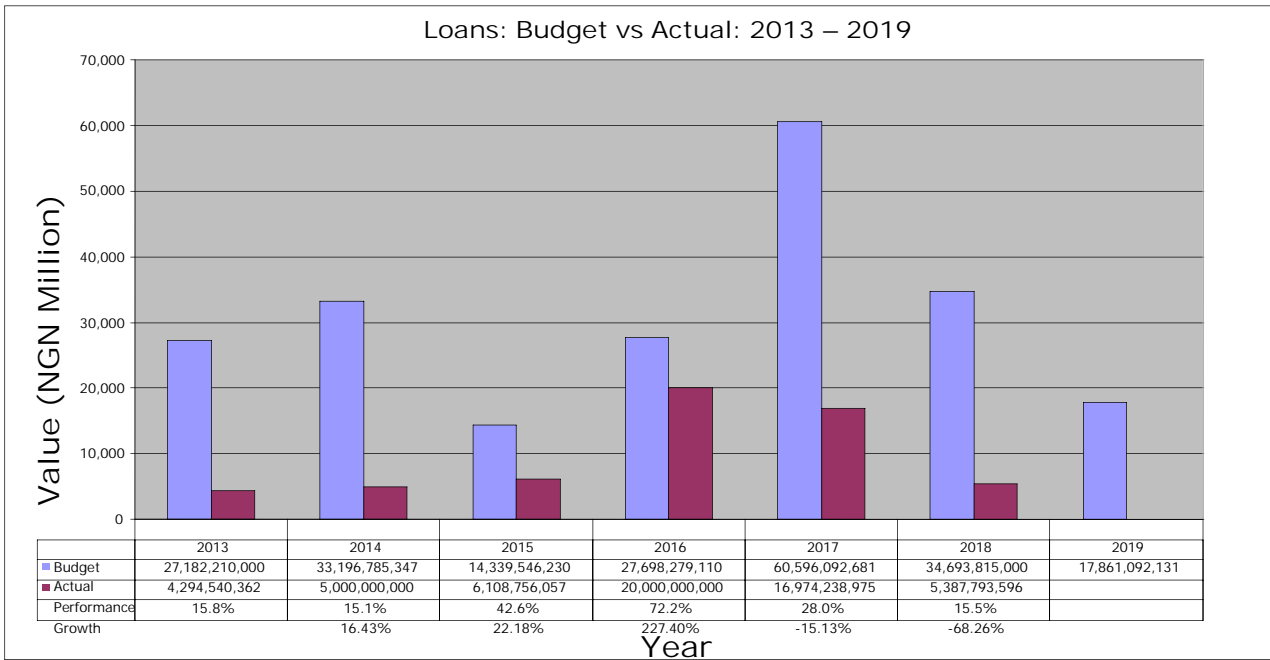


Figure 6: Grants



106. 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 Emergency Fund (UNICEF), and the World Bank. The receipts or performance were very low throughout the years under discussion except year 2018 under the Federal Ministry of Finance, Budget and National Planning/ World Bank SFTAS performance based grants. Meanwhile, 2016 economic growth and performance is high with 150.10% and 81.8%. This was due to low budgetary provision.
107. 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



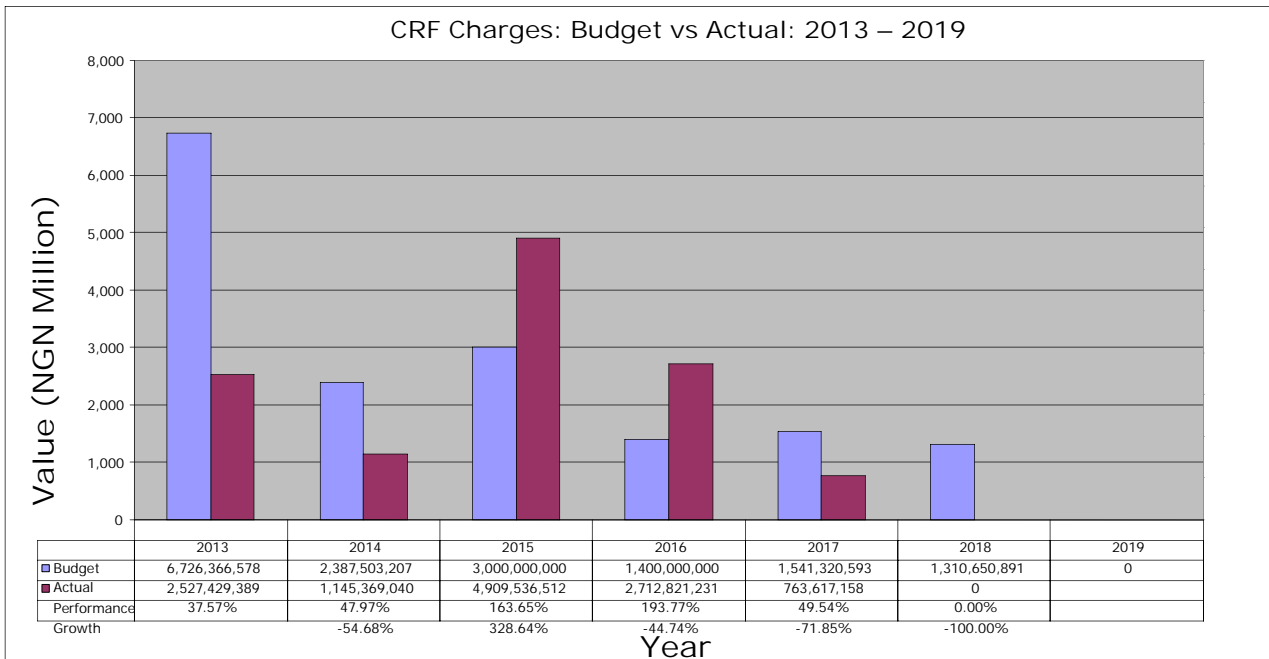
108. Loans in this context are referred to as internal loans (commercial bank loans, loans from local capital markets, loans from individuals, etc) and external loans are loans that are largely drawn from the development partners such as the World Bank, IFAD, AfDB, etc.
109. The performance of 2013-2018 was unsatisfactory except 2016 where the actual was closed to budgetary.
110. The poor performance in 2013-2018 was based on anticipated internal loans that we never eventually floated.

Expenditure Side

111. On the expenditure side, the document looks at Consolidated Revenue Fund (CRF) charges, Personnel, Overheads and Capital Expenditure – budget versus actual for the period 2013-2019.

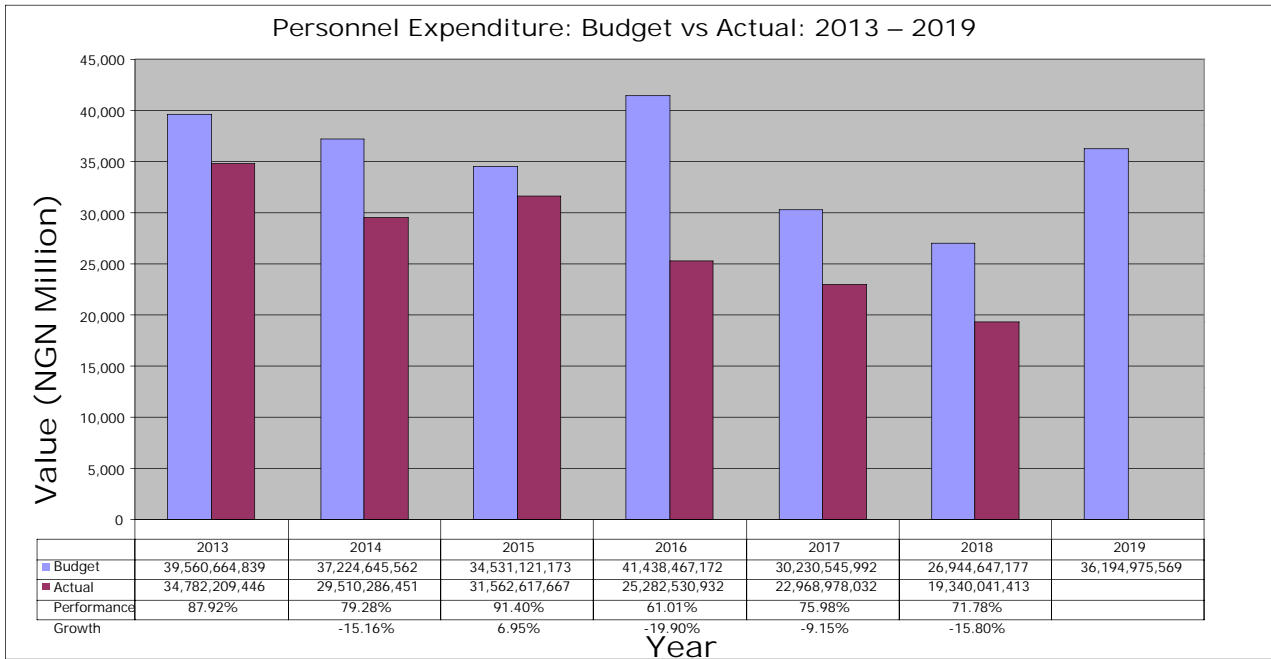


Figure 8: CRF Charges



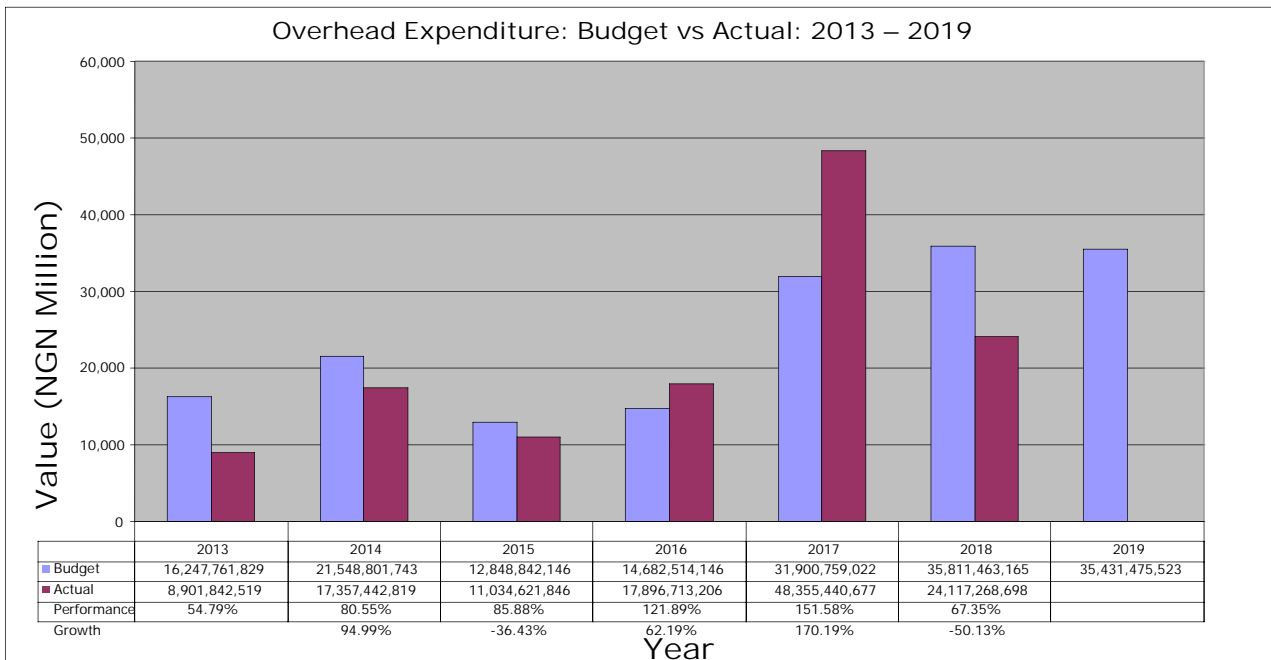
112. CRF (Consolidated Revenue Fund) charges relate to salaries for statutory positions (e.g. the Auditor General, Political Office Holders, Judiciary and Sharia Court officials).The salary for statutory positions has been relatively not easy to forecast, and has increased steadily year by year.
113. The actual has been far below budgetary provision for 2013-2014. While 2015 and 2016 actuals were almost double budgetary provision. This is due to political appointment not being steady. Performance in 2017 was low because a lot of the payments were not separated from normal civil servant salary. Likewise, in 2018 payments were not separated and in the year 2019 no budgetary provision was made due to non separation of payment between normal salary and that of consolidated salary.

Figure 9: Personnel



- 114. Personnel costs comprise of salaries and allowances of civil servants. Personnel costs had risen year by year.
- 115. The expenditures were irregular from 2013 to 2016 and thereafter a steady drop were experienced till 2018. The steady drop from 2016 to 2018 were due to screening exercise which retired many people from the service.

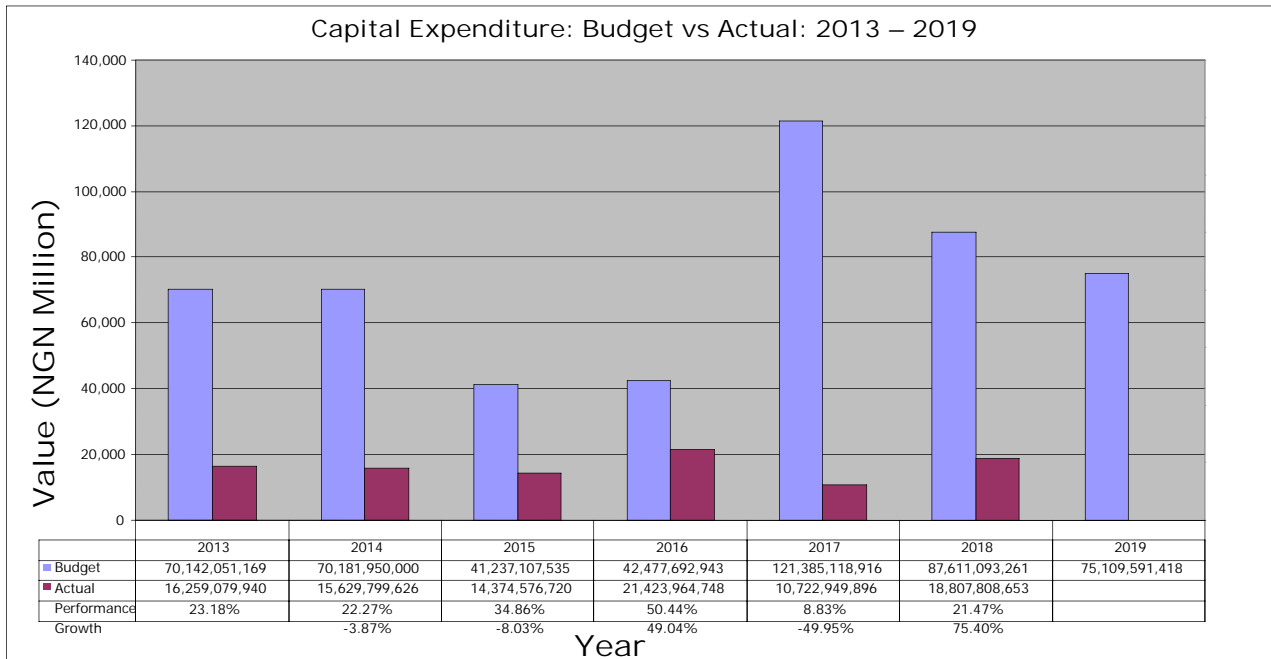
Figure 10: Overheads





- 116. Overheads comprise mainly operational and maintenance costs for running the government.
- 117. Overhead costs on the graph above show irregular spending year by year. This was largely due to increased cost of running government, especially with respect to maintenance of many government offices. 2016 and 2017 expenditures were far ahead of budgetary provision due to serious expenditure on screening exercise.
- 118.

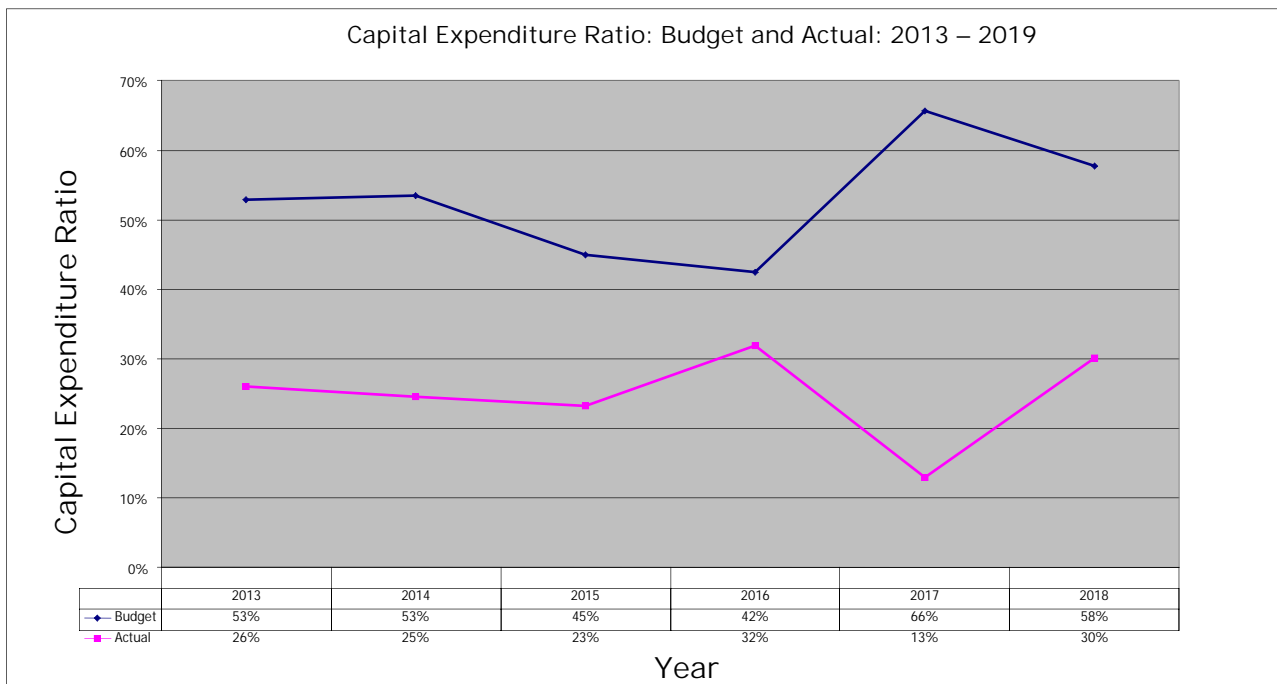
Figure 11: Capital Expenditure





- 119. 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.
- 120. 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.

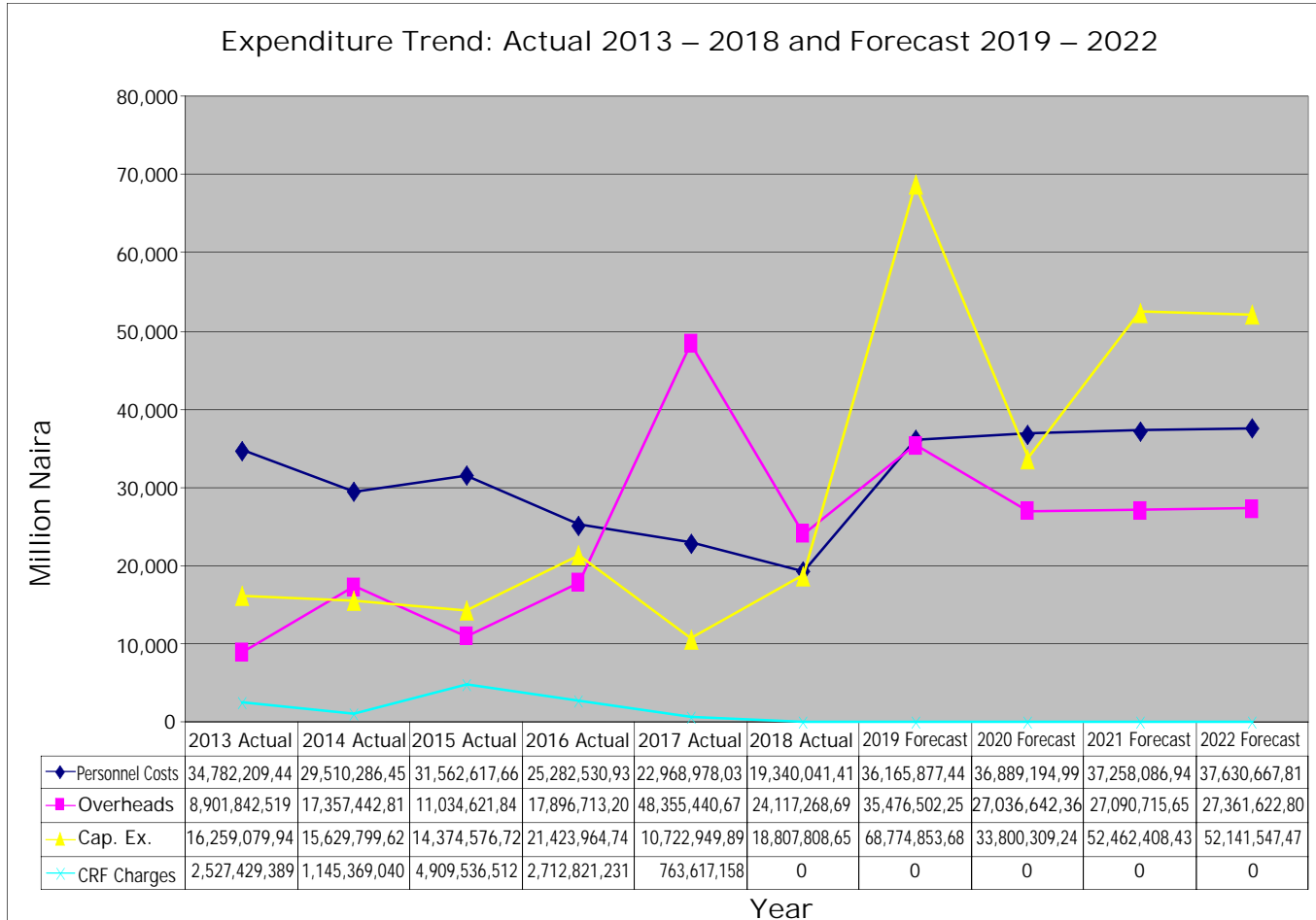
Figure 12: Recurrent: Capital Expenditure Ratio



121. The capital expenditure ratio was on the significance low under the years captured. The actual percentage ranged from 13% to 30% which is below expectation.

By Sector

122. Figure 13: Sector Expenditure Trend



123. The Figure 13 above comprises of the trend of personnel, Overhead, Capital and CRF Charges both historical from year 2012-2017 and forecast from year 2019-2022 with high anticipation.





Table 6: Sector Expenditure – Budget Vs Actual
Sector Personnel Expenditure – Budget Vs Actual

Personnel Expenditure by Sector												
No.	Sector	2015 Budget	2015 Actual	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2018 Actual	Performance	Average Budget	Average Actual
1	Administrative	10,566,606,687	8,816,782,125	6,817,056,937	7,820,293,080	6,790,253,420	6,681,324,322	7,885,594,186	2,661,369,736	81.04%	23.13%	25.31%
2	Economic	4,493,149,929	3,310,472,636	3,557,687,356	2,936,316,888	3,661,792,265	2,840,335,138	3,994,218,657	2,531,432,083	73.97%	11.33%	11.32%
3	Law & Justice	2,986,366,364	2,200,301,410	2,416,803,498	1,951,619,270	2,460,242,683	1,607,031,970	2,597,323,297	1,545,228,674	69.82%	7.55%	7.12%
4	Social	23,392,344,192	17,235,061,495	20,557,029,401	15,287,122,925	18,859,578,217	12,603,903,759	17,552,551,130	12,602,010,920	71.84%	57.99%	56.25%
	Total	41,438,467,172	31,562,617,667	33,348,577,192	27,995,352,163	31,771,866,585	23,732,595,190	32,029,687,270	19,340,041,413	74.05%	100.00%	100.00%

124. Performance of Personnel expenditure by sector over the period 2015-2018 is as shown in Table 6 above. Administrative Sector, Economic Sector, Law & Justice Sector and Social Sector all performed at more than 70%. Personnel Cost by sector performed in the range 71.84%-81.04% in the years. The highest performing sector was Administrative Sector with 81.04% while the least performing sector was Social Sector with 71.84%.

Sector Overhead Expenditure – Budget Vs Actual

Overhead Costs by Sector												
No.	Sector	2015 Budget	2015 Actual	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2018 Actual	Performance	Average Budget	Average Actual
1	Administrative	11,018,883,175	8,281,225,394	15,577,803,539	14,172,848,629	21,881,834,920	35,010,415,250	24,548,889,539	19,291,187,604	105.11%	72.36%	75.69%
2	Economic	990,728,269	744,580,369	1,316,752,550	1,197,995,245	4,459,936,278	8,640,041,769	5,047,314,707	2,644,127,834	111.95%	11.71%	13.04%
3	Law & Justice	1,083,312,948	814,162,248	1,121,520,000	1,020,370,629	2,433,993,051	2,149,809,374	1,984,668,367	575,788,571	68.85%	6.56%	4.50%
4	Social	1,589,589,755	1,194,653,835	1,654,738,834	1,505,498,702	3,124,994,773	2,555,174,282	3,083,966,350	1,606,164,689	72.58%	9.37%	6.77%
	Total	14,682,514,146	11,034,621,846	19,670,814,923	17,896,713,206	31,900,759,022	48,355,440,676	34,664,838,963	24,117,268,698	100.48%	100.00%	100.00%

125. Performance of Overhead expenditure by sector over the period 2015-2018 is depicted above. Administrative Sector, Economic Sector, Law & Justice Sector and Social Sector all performed at more than 68%. Overhead expenditure by sector, performance range from 68.85%-111.95% in the years. The highest performing sector was Economic Sector with 111.95% while the least performing sector was Law and Justice Sector with 68.85%.

Sector Capital Expenditure – Budget Vs Actual

Capital Expenditure by Sector												
No.	Sector	2015 Budget	2015 Actual	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2018 Actual	Performance	Average Budget	Average Actual
1	Administrative	5,030,793,204	1,702,435,275	10,102,500,000	4,607,043,658	24,559,956,749	1,139,428,799	13,194,263,929	1,429,508,232	16.79%	17.88%	13.59%
2	Economic	25,985,796,644	8,793,670,315	27,535,407,146	12,556,973,310	73,143,046,207	8,303,664,649	53,516,871,627	15,390,530,402	25.00%	60.91%	68.95%
3	Law & Justice	1,444,435,570	488,801,262	1,372,250,000	625,787,247	2,024,321,180	15,602,951	1,121,187,498	449,329,275	26.49%	2.02%	2.42%
4	Social	10,016,667,525	3,389,669,868	7,969,125,000	3,634,160,534	21,657,794,780	1,264,253,497	17,151,005,207	1,538,440,744	17.30%	19.20%	15.04%
	Total	42,477,692,943	14,374,576,720	46,979,282,146	21,423,964,748	121,385,118,916	10,722,949,896	84,983,328,261	18,807,808,653	22.08%	100.00%	100.00%



126. Performance of Capital expenditure by sector was not encouraging over the period 2015-2018. Administrative Sector, Economic Sector, Law & Justice Sector and Social Sector all performed at less than 15%. Capital expenditure by sector performed in the range of 16.79-26.49%. The highest performing sector was Law and Justice Sector with 26.49% while the least performing sector was Administrative Sector with 16.79%. Generally, the performance of capital expenditure was very low when compared to personnel and overhead expenditures.

2.B.2 Debt Position

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

Table 7: Debt Position as at 31st December 2019

Debt Sustainability Analysis		
DSA RATIO SCENARIOS:	Sustainability Thresholds	As at 31st December 2019
Solvency Ratios		Percentage
Total Domestic Debt/Total Recurrent Revenue	50%	183.33%
Total Domestic Debt/IGR	150%	1168.73%
Total External Debt/Total Revenue	50%	12.92%
Total Public Debt/Total Revenue	100%	196.25%
Total Public Debt/State GDP Ratio	40%	No GDP Figure Available
Liquidity Ratios		
External Debt Service/Total Revenue	10%	0.25%
Total Debt Service/Total Revenue	15%	91.49%
Domestic Debt Service/IGR	10%	581.67%
		2019 Actual
PUBLIC DEBT DATA AS AT 31st DECEMBER 2019		Naira
Total Domestic Debt		132,464,662,160
Total External Debt		9,334,758,974
Total Public Debt		141,799,421,134
Total Domestic Debt Service 2019		65,927,162,797
Total External Debt Service in 2019		180,778,068
Total Public Debt Service		66,107,940,865
STATE GDP FOR 2019		
State GDP		0



128. The State is not doing well within most benchmark ratios largely due to a low IGR and other Recurrent Revenue base which must be built in the short-medium term in both solvency and liquidity ratios. Once IGR and Other Recurrent Revenue base are at a more appropriate level compared to the level of economic activity in the state, more domestic borrowing will be possible.
129. In the interim, although foreign exchange represents a risk, foreign loans represent a more affordable solution to borrowing.



Section 3

Fiscal Strategy Paper

3.A Macroeconomic Framework

130. 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 April, 2019 IMF World Economic Outlook document. The Oil benchmarks and NGN: USD exchange rates are based on the figures in the 2019-2022 Federal Fiscal Strategy Paper document.

Figure 14:Kogi State Macroeconomic Framework

Macro-Economic Framework				
Item	2019	2020	2021	2022
National Inflation	9.98%	14.13%	11.95%	10.94%
National Real GDP Growth	3.01%	-4.42%	-4.42%	-4.42%
State Inflation				
State Real GDP Growth				
State GDP Actual				
Oil Production Benchmark (MBPD)	2.3000	1.7000	1.8600	2.0900
Oil Price Benchmark	\$60.00	\$20.00	\$30.00	\$40.00
NGN:USD Exchange Rate	305	360	360	360

3.B Fiscal Strategy and Assumptions

Policy Statement

131. The fiscal strategy of Government is anchored on the on-going Public Financial Management Reform (PFM). Over the period 2020 -2022 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 Road, Housing Education, Health 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

132. The specific fiscal objective of Kogi State is effective allocation of scarce resources to identified critical programmes and projects, with the following major 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.



3.C Indicative Three Year Fiscal Framework

133. The indicative three-year fiscal framework for the period 2020-2022 is presented in the table below.

Table 8: Kogi State Medium Term Fiscal Framework

<u>Fiscal Framework</u>	2019	2020	2021	2022
Recurrent Revenue				
Statutory Allocation	60,972,334,977	29,189,557,783	30,639,790,208	34,409,976,898
VAT	17,500,000,299	11,800,363,435	9,885,897,608	10,213,401,782
IGR	20,172,795,664	17,032,113,280	17,883,718,944	18,062,556,134
Excess Crude / Other Revenue	5,696,319,092	1,771,555,238	2,037,288,523	2,078,034,294
Total Recurrent Revenue	104,341,450,032	59,793,589,736	60,446,695,283	64,763,969,108
Recurrent Expenditure				
CRF Charges	0	0	0	0
Personnel	36,165,877,442	38,198,399,755	38,580,383,752	38,966,187,590
Overheads	35,476,502,254	27,320,454,386	27,375,095,295	27,648,846,248
Total	71,642,379,696	65,518,854,140	65,955,479,047	66,615,033,837
Transfer to Capital Account	32,699,070,335	-5,725,264,404	-5,508,783,763	-1,851,064,730
Capital Receipts				
Grants	6,011,200,000	29,621,836,595	25,959,675,617	25,959,675,617
Other Capital Receipts	5,000,000,000	0	0	0
Total	11,011,200,000	29,621,836,595	25,959,675,617	25,959,675,617
Reserves				
Contingency Reserve	2,808,344,668	1,954,508,527	2,024,580,749	2,110,926,226
Planning Reserve	3,510,430,835	2,443,135,658	2,530,725,937	2,638,657,782
Total Reserves	6,318,775,502	4,397,644,185	4,555,306,686	4,749,584,008
Capital Expenditure	68,774,853,689	32,206,572,191	35,273,558,419	38,931,277,452
Discretionary Funds	68,774,853,689	32,206,572,191	35,273,558,419	38,931,277,452
Non-Discretionary Funds	0	0	0	0
Net Financing	25,064,583,353	8,310,000,000	14,822,666,565	14,822,666,565
Total Budget Size	146,736,008,887	102,123,070,516	105,784,344,151	110,295,895,298



3.C.1 Assumptions

134. Statutory Allocation - is premised on elasticity based forecast consistent with the macroeconomic framework and the numerous assumptions in the 2019-2022 Fiscal Strategy Paper displayed above.
135. VAT - is also based on elasticity forecasting using National Real GDP Growth and Inflation data as the explanatory variables for VAT growth.
136. Excess Crude/Other Revenue - the previous year excess crude/other revenue (2018), 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.
137. Internally Generated Revenue (IGR)–IGR forecast was based on own percentage of the actual collections.
138. 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 2019-2021 are thus conservatively based on the current 2018 budget.
139. Financing (Net Loans) –It is difficult to use forecasting method to predict net loans due to irregular loans expectation.
140. Personnel –forecast is based on own percentage using actual historical personnel figures. This assumes gradual growth rate of employment.
141. Overheads–the forecasting method used to estimate overhead figures for the period 2019 is own percentage with the hope that cost of running government will maintain the trend.
142. 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 2.5% 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.
143. Capital Expenditure - is based on the recurrent account surplus plus capital receipts.

3.C.2 Fiscal Trends

144. The fiscal trend is depicted in the Figures 15 and 16 below with actual historical revenue and expenditure figures for the period 2013-2018 and 2019-2022 projected figures using the forecasting methods as noted in 3.C.

Figure 15: Kogi State Revenue Trend

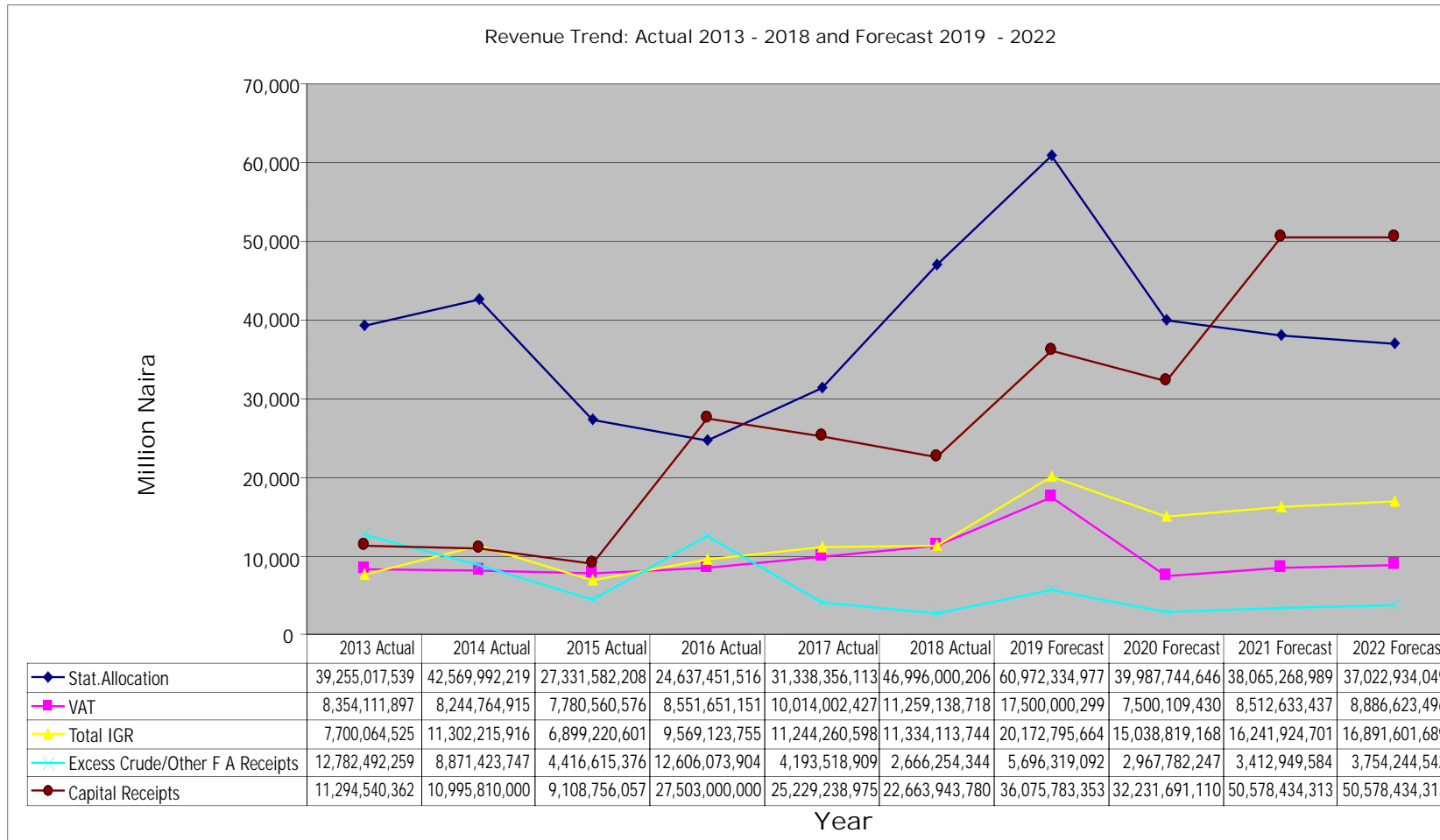
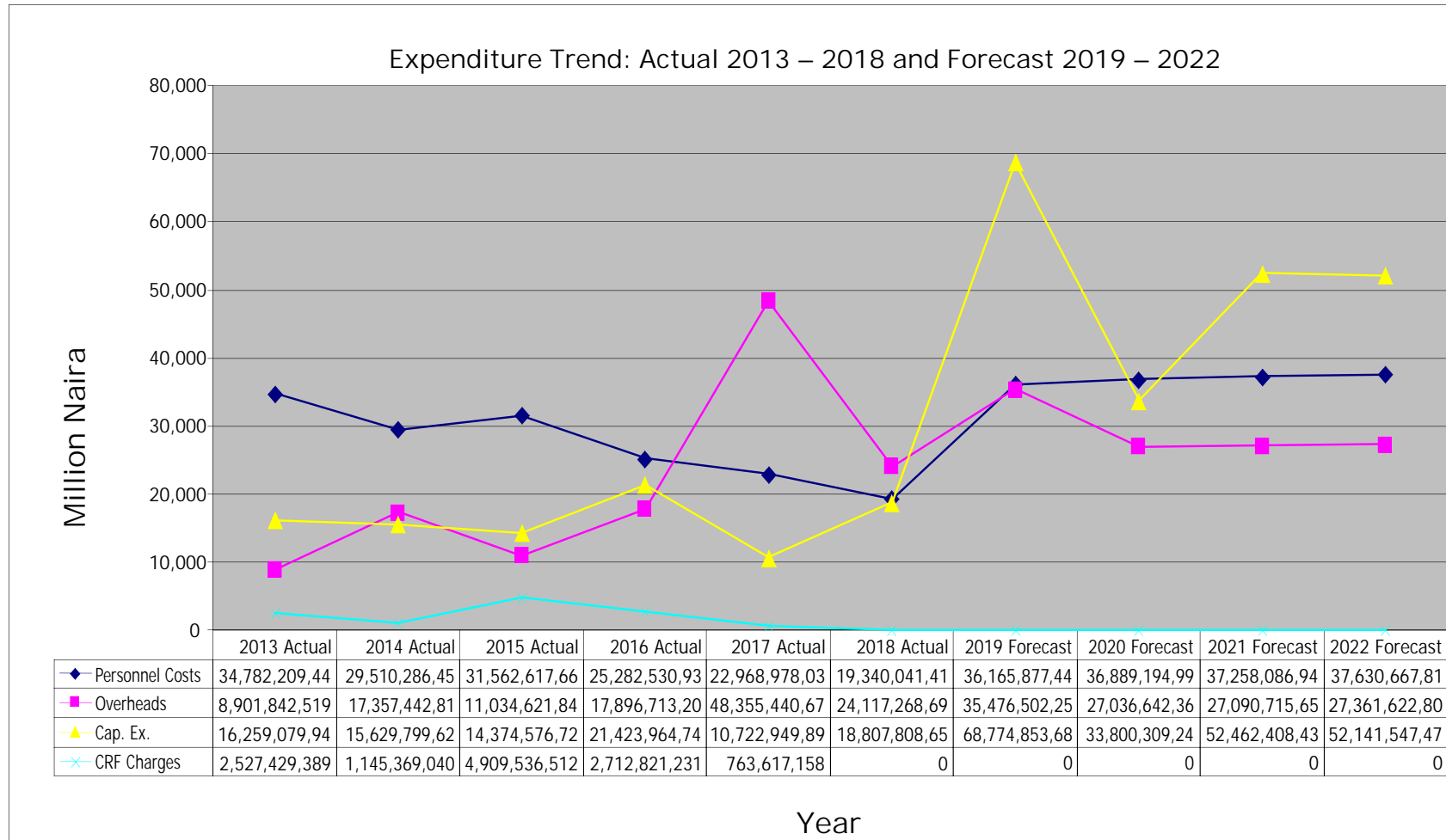


Figure 16: Kogi State Expenditure Trend





3.D Fiscal Risks

1. It is pertinent to note that the ability of the State to achieve the estimated fiscal figures for the 2020-2022 medium term horizon is subject to some fiscal risks. Table 9 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 9: 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, rampant 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 is 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 (grants, PPP etc.)
Floods and other natural disasters e.g. 2012, 2015 and 2018 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 in the overall objectives of the State.

146. It should be noted however that no budget is without risk. The ongoing implementation of the 2019 budget should be closely monitored.



Section 4 Budget Policy Statement

4.A Budget Policy Thrust

147. The Medium Term Expenditure Framework (2020 – 2022) which was delivered under these assumptions
- a) Guarantee the well-being and productivity of the people;
 - b) Optimise the key sources of economic growth;
 - c) Foster social and economic development;
 - d) Build a productive, competitive and functional human resource;
 - e) Broaden the infrastructural gap for economic growth and wealth creation;
 - f) Delivering better public services within tight financial constraints;
 - g) Improve governance, security, law and order, engaging in more efficient and effective use of resources, and providing social harmony.

4.B Sector Allocations (3 Year)

Figure 17: Capital Expenditure by Sector (proposed 2020-2022)

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

Indicative Sector Expenditure Ceilings 2020 -2022

Personnel Expenditure by Sector							
No.	Sector	% 2020	2020 Allocation	% 2021	2021 Allocation	% 2022	2022 Allocation
1	Administrative	21.17%	7,809,442,580	21.17%	7,887,537,005	21.17%	7,966,412,375
2	Economic	11.74%	4,330,791,492	11.74%	4,374,099,407	11.74%	4,417,840,401
3	Law & Justice	9.66%	3,563,496,236	9.66%	3,599,131,199	9.66%	3,635,122,510
4	Social	57.43%	21,185,464,683	57.43%	21,397,319,330	57.43%	21,611,292,524
	Total	100.00%	36,889,194,991	100.00%	37,258,086,941	100.00%	37,630,667,810

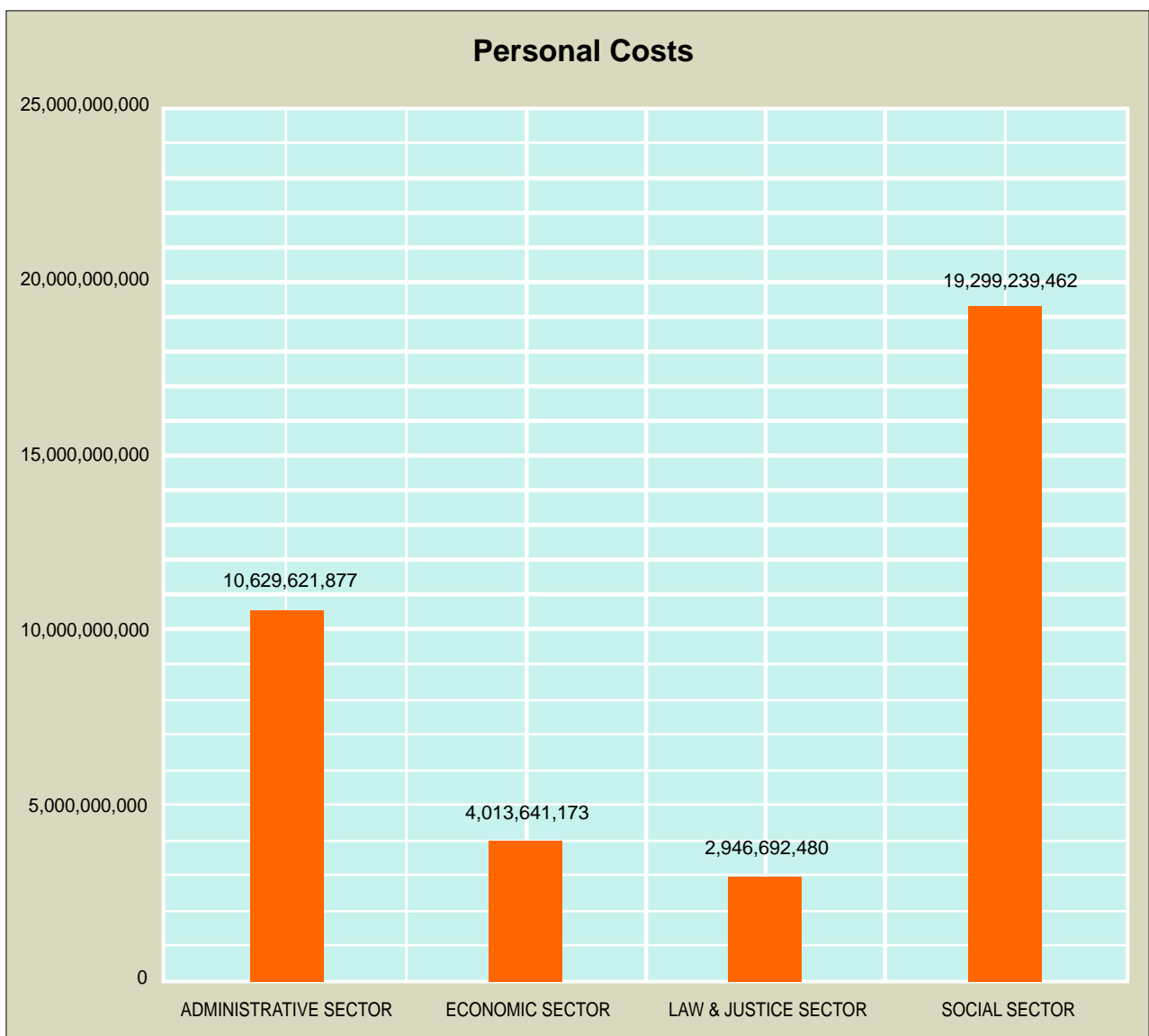
Indicative Sector Expenditure Ceilings 2020 -2022

Overhead Costs by Sector							
No.	Sector	% 2020	2020 Allocation	% 2021	2021 Allocation	% 2022	2022 Allocation
1	Administrative	68.85%	18,614,728,270	68.85%	18,651,957,727	68.85%	18,838,477,304
2	Economic	14.29%	3,863,536,194	14.29%	3,871,263,267	14.29%	3,909,975,899
3	Law & Justice	5.79%	1,565,421,593	5.79%	1,568,552,436	5.79%	1,584,237,961
4	Social	11.07%	2,992,956,310	11.07%	2,998,942,223	11.07%	3,028,931,645
	Total	100.00%	27,036,642,368	100.00%	27,090,715,653	100.00%	27,361,622,809



Indicative Sector Expenditure Ceilings 2020 -2022

Capital Expenditure by Sector							
No.	Sector	% 2020	2020 Allocation	% 2021	2021 Allocation	% 2022	2022 Allocation
1	Administrative	19.99%	6,756,681,817	19.99%	10,487,235,445	19.99%	10,423,095,339
2	Economic	56.71%	19,168,155,371	56.71%	29,751,431,821	56.71%	29,569,471,570
3	Law & Justice	2.33%	787,547,205	2.33%	1,222,374,116	2.33%	1,214,898,056
4	Social	20.97%	7,087,924,848	20.97%	11,001,367,048	20.97%	10,934,082,504
	Total	100.00%	33,800,309,241	100.00%	52,462,408,431	100.00%	52,141,547,470





PERSONNEL COST						
ADMINISTRATIVE SECTOR						
Description	Percent age %	Estimates 2020	Percenta ge %	Estimates 2021	Percentag e %	Estimates 2022
011100100100 GOVERNMENT HOUSE	0.52	192,184,265	0.52	194,106,108	0.52	196,047,169
011100100200 EMERGENCY MANAMENT AGENCY	0.07	26,772,463	0.07	27,040,187	0.07	27,310,589
011100100300 CHRISTIAN PILGRIMS COMMISSION	0.05	17,557,944	0.05	17,733,523	0.05	17,910,859
011100100400 KOGI STATE HAJJ COMMISSION	0.08	30,484,975	0.08	30,789,824	0.08	31,097,723
011100100500 STATE SECURITY TRUST FUND	0.02	7,353,589	0.02	7,427,125	0.02	7,501,396
011100200100 DEPUTY GOVERNORS OFFICE	0.16	58,097,282	0.16	58,678,255	0.16	59,265,037
011100300100 OFFICE OF THE SECRETARY TO THE STATE GOVERNMENT	4.86	1,792,558,887	4.86	1,810,484,476	4.86	1,828,589,321
011101000100 BUREAU OF PUBLIC PROCUREMENT (BPP)	0.00	-	0.00	-	0.00	-
011103500100 BUREAU OF STATE PENSION	17.18	6,337,903,671	17.18	6,401,282,708	17.18	6,465,295,535
011104800100 BUREAU OF LOCAL GOVERNMENT PENSION	0.09	34,216,004	0.09	34,558,164	0.09	34,903,745
011111100100 BUREAU OF PUBLIC PRIVATE PARTNERSHIP	0.06	20,485,103	0.06	20,689,954	0.06	20,896,853
011200100100 KOGI STATE HOUSE OF ASSEMBLY	2.02	745,583,643	2.02	753,039,480	2.02	760,569,874
011200200100 KOGI STATE HOUSE OF ASSEMBLY SERVICE	0.13	49,163,523	0.13	49,655,158	0.13	50,151,710



012300100100 MINISTRY OF INFORMATION AND COMMUNICATION	0.24	90,045,111	0.24	90,945,562	0.24	91,855,018
012300300100 KOGI STATE BROADCASTING CORPORATION	0.49	179,093,920	0.49	180,884,859	0.49	182,693,708
012301300100 KOGI STATE NEWSPAPER CORPORATION	0.22	80,800,531	0.22	81,608,536	0.22	82,424,621
012400200100 KOGI STATE FIRE AGENCY	0.09	32,876,534	0.09	33,205,299	0.09	33,537,352
012500100100 OFFICE OF THE HEAD OF CIVIL SERVICE	1.93	712,637,401	1.93	719,763,775	1.93	726,961,412
014000100100 OFFICE OF THE STATE AUDITOR - GENERAL	0.24	88,693,519	0.24	89,580,454	0.24	90,476,258
014000100200 OFFICE OF THE LOCAL GOVT. AUDITOR-GENERAL	0.12	45,958,092	0.12	46,417,673	0.12	46,881,850
014700100100 CIVIL SERVICE COMMISSION	0.10	37,342,875	0.10	37,716,304	0.10	38,093,467
014800100100 STATE INDEPENDENT ELECTORAL COMMISSION (SIEC)	0.00	-	0.00	-	0.00	-
015000100100 LOCAL GOVERNMENT SERVICE COMMISSION	0.14	49,812,547	0.14	50,310,672	0.14	50,813,779
Sub-Total	28.82	10,629,621,877	28.82	10,735,918,096	28.82	10,843,277,277
ECONOMIC SECTOR						
021500100100 MINISTRY OF AGRICULTURE	1.22	449,773,059	1.22	454,270,790	1.22	458,813,498
021500300100 KOGI AGRICULTURAL DEVELOPMENT PROJECT (ADP)	0.88	323,565,197	0.88	326,800,849	0.88	330,068,857
021500500100 KOGI AGRO-ALLIED COMPANY	0.15	54,779,105	0.15	55,326,896	0.15	55,880,165



021500600100 KOGI LAND DEV. BOARD	0.03	11,673,242	0.03	11,789,975	0.03	11,907,875
022000100100 MINISTRY OF FINANCE, BUDGET AND ECONOMIC PLANNING	0.28	102,462,806	0.28	103,487,434	0.28	104,522,309
022000700100 OFFICE OF THE ACCOUNTANT GENERAL	2.09	772,479,804	2.09	780,204,602	2.09	788,006,648
022000800100 KOGI STATE INTERNAL REVENUE SERVICE (KGIRS)	3.03	1,117,959,062	3.03	1,129,138,652	3.03	1,140,430,039
022001100100 KOGI INVESTMENT & PROPERTIES LTD	0.00	-	0.00	-	0.00	-
022200100100 MIN. OF COMMERCE & INDUSTRY	0.21	77,078,851	0.21	77,849,640	0.21	78,628,136
022205300100 KOGI STATE MARKET DEVELOPMENT BOARD	0.02	8,834,234	0.02	8,922,576	0.02	9,011,802
022900100100 MINISTRY OF TRANSPORT	0.14	50,864,600	0.14	51,373,246	0.14	51,886,979
022900300100 ROAD MAINTENANCE AGENCY	0.06	22,347,673	0.06	22,571,149	0.06	22,796,861
023305100100 MINISTRY OF SOLID MINERAL AND NATURAL RESOURCES	0.04	14,575,561	0.04	14,721,316	0.04	14,868,529
023400100100 MINISTRY OF WORKS AND HOUSING	0.59	218,806,127	0.59	220,994,189	0.59	223,204,131
023600100100 MIN. OF CULTURE & TOURISM	0.12	44,893,623	0.12	45,342,559	0.12	45,795,985
023600300100 COUNCIL FOR ARTS AND CULTURE	0.16	60,582,560	0.16	61,188,385	0.16	61,800,269
023605200100 HOTEL AND TOURISM BOARD	0.03	12,228,890	0.03	12,351,179	0.03	12,474,690
023800100100 MINISTRY OF BUDGET AND PLANNING	0.00	-	0.00	-	0.00	-



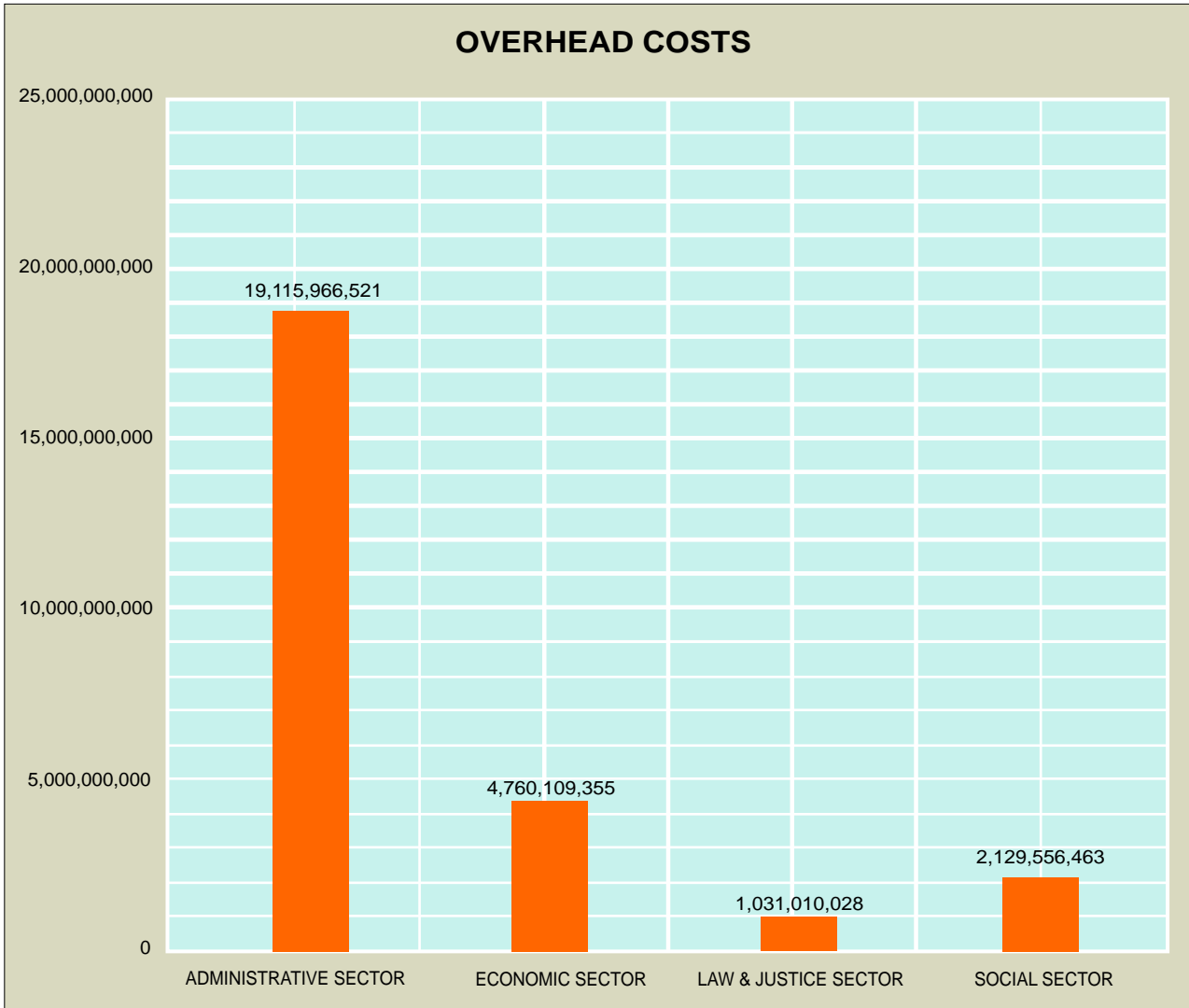
023800200100 STATE BUREAU OF STATISTICS	0.06	22,888,527	0.06	23,117,412	0.06	23,348,587
025200100100 MINISTRY OF WATER RESOURCES	0.15	53,800,183	0.15	54,338,185	0.15	54,881,567
025210200100 KOGI STATE WATER BOARD	0.60	220,219,969	0.60	222,422,168	0.60	224,646,390
025210300100 RURAL WATER AND SANITATION AGENCY (RUWASSA)	0.00	963,991	0.00	973,631	0.00	983,367
025300100100 BUREAU FOR LANDS AND URBAN DEVELOPMENT	0.48	177,810,233	0.48	179,588,335	0.48	181,384,218
025300900100 KOGI STATE TOWN PLANNING AND DEVELOPMENT BOARD	0.29	106,236,367	0.29	107,298,731	0.29	108,371,718
026100100100 MINISTRY OF RURAL DEVELOPMENT	0.24	88,817,509	0.24	89,705,684	0.24	90,602,741
Sub-Total	10.88	4,013,641,173	10.88	4,053,777,584	10.88	4,094,315,360
LAW & JUSTICE SECTOR						
031801100100 KOGI STATE JUDICIAL SERVICE COMMISSION	0.24	88,218,156	0.24	89,100,338	0.24	89,991,341
032600100100 MINISTRY OF JUSTICE	1.15	424,445,480	1.15	428,689,934	1.15	432,976,834
032605100100 HIGH COURT OF JUSTICE	4.57	1,684,548,258	4.57	1,701,393,740	4.57	1,718,407,678
032605200100 CUSTOMARY COURT OF APPEAL	1.09	400,840,101	1.09	404,848,502	1.09	408,896,987
032605300100 SHARIA COURT OF APPEAL	0.95	348,640,485	0.95	352,126,890	0.95	355,648,159
Sub-Total	7.99	2,946,692,480	7.99	2,976,159,404	7.99	3,005,920,998
SOCIAL SECTOR						
051300100100 MINISTRY OF YOUTH & SPORTS	0.10	36,498,638	0.10	36,863,625	0.10	37,232,261



051300100200 KOGI STATE SPORTS COUNCIL	0.22	82,367,772	0.22	83,191,450	0.22	84,023,364
051400100100 MINISTRY OF WOMEN AFFAIRS AND SOCIAL DEVELOPMENT	0.20	74,348,154	0.20	75,091,636	0.20	75,842,552
051700100100 MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY	0.69	252,745,567	0.69	255,273,022	0.69	257,825,753
051700200100 STATE UNIVERSAL BASIC EDUCATION BOARD	0.56	207,487,204	0.56	209,562,076	0.56	211,657,697
051700800100 KOGI STATE LIBRARY BOARD	0.06	20,779,397	0.06	20,987,191	0.06	21,197,063
051700900100 ADULT & NON-FORMAL EDUCATION BOARD	0.17	61,067,558	0.17	61,678,234	0.17	62,295,016
051701800100 KOGI STATE POLYTECHNIC, LOKOJA	4.60	1,698,134,152	4.60	1,715,115,493	4.60	1,732,266,648
051701900100 COLLEGE OF EDUCATION, ANKPA	4.29	1,583,356,995	4.29	1,599,190,565	4.29	1,615,182,471
051702000100 COLLEGE OF EDUCATION TECHNICAL, KABBA	1.02	376,836,026	1.02	380,604,386	1.02	384,410,430
051702100100 KOGI STATE UNIVERSITY, ANYIGBA	8.69	3,206,786,565	8.69	3,238,854,430	8.69	3,271,242,975
051705400100 KOGI STATE SCIENCE, TECHNOLOGY EDUCATION AND TEACHING SERVICE COMMISSION	14.05	5,182,154,400	14.05	5,233,975,944	14.05	5,286,315,703
051705600100 STATE SCHOLARSHIP BOARD	0.02	8,216,712	0.02	8,298,880	0.02	8,381,868
051706500100 NIGERIA-KOREA FRIENDSHIP INSTITUTE	0.13	48,038,002	0.13	48,518,382	0.13	49,003,565
052100100100 MINISTRY OF HEALTH	1.04	383,253,444	1.04	387,085,978	1.04	390,956,838



052100300100 PRIMARY HEALTHCARE DEVELOPMENT AGENCY	0.17	61,252,783	0.17	61,865,311	0.17	62,483,964
052102600100 KOGI STATE UNIVERSITY TEACHING HOSPITAL, ANYIGBA	1.57	580,990,138	1.57	586,800,039	1.57	592,668,039
052102700100 KOGI STATE SPECIALIST HOSPITAL, LOKOJA	2.43	895,741,160	2.43	904,698,571	2.43	913,745,557
052110200100 KOGI STATE HOSPITAL MANAGEMENT BOARD	9.03	3,330,913,359	9.03	3,364,222,493	9.03	3,397,864,717
052110400100 COLLEGE OF NURSING AND MIDWIFERY, OBANGEDE	0.48	176,706,264	0.48	178,473,327	0.48	180,258,060
052110600100 COLLEGE OF HEALTH SCIENCE & TECHNOLOGY, IDAH	0.54	200,183,965	0.54	202,185,805	0.54	204,207,663
053500100100 MINISTRY OF ENVIRONMENT	0.29	107,455,016	0.29	108,529,566	0.29	109,614,862
053501600100 STATE ENVIRONMENTAL PROTECTION AGENCY	0.10	37,700,933	0.10	38,077,942	0.10	38,458,722
053505300100 SANITATION & WASTE MANAGEMENT BOARD	0.40	147,821,918	0.40	149,300,137	0.40	150,793,138
055100100100 MINISTRY OF LOCAL GOVERNMENT AND CHIEFTAINCY AFFAIRS	1.46	538,403,341	1.46	543,787,374	1.46	549,225,248
Sub-Total	52.32	19,299,239,462	52.32	19,492,231,856	52.32	19,687,154,175
Total Personnel Costs	100	36,889,194,991	100	37,258,086,941	100	37,630,667,810



OVERHEAD COSTS						
ADMINISTRATIVE SECTOR						
Description	Percent age %	Estimates 2019	Percenta ge %	Estimates 2020	Percentag e %	Estimates 2021
011100100100 GOVERNMENT HOUSE	57.24	15,475,710,136	57.24	15,506,661,556	57.24	15,661,728,172
011100100200 EMERGENCY MANAMENT AGENCY	0.07	19,010,473	0.07	19,048,494	0.07	19,238,979
011100100300 CHRISTIAN PILGRIMS COMMISSION	0.22	58,554,510	0.22	58,671,619	0.22	59,258,335



011100100400 KOGI STATE HAJJ COMMISSION	0.41	111,492,687	0.41	111,715,672	0.41	112,832,829
011100100500 STATE SECURITY TRUST FUND	0.42	112,971,454	0.42	113,197,397	0.42	114,329,371
011100200100 DEPUTY GOVERNORS OFFICE	3.27	883,176,233	3.27	884,942,586	3.27	893,792,012
011100300100 OFFICE OF THE SECRETARY TO THE STATE GOVERNMENT	2.17	586,810,719	2.17	587,984,340	2.17	593,864,184
011101000100 BUREAU OF PUBLIC PROCUREMENT (BPP)	0.18	47,646,694	0.18	47,741,988	0.18	48,219,408
011103300100 KOGI STATE HIV/AIDS CONTROL AGENCY	0.00	1,189,099	0.00	1,191,477	0.00	1,203,392
011103500100 BUREAU OF STATE PENSION	0.04	10,651,393	0.04	10,672,695	0.04	10,779,422
011104800100 BUREAU OF LOCAL GOVERNMENT PENSION	0.01	2,396,998	0.01	2,401,792	0.01	2,425,810
011111100100 BUREAU OF PUBLIC PRIVATE PARTNERSHIP	0.20	53,655,032	0.20	53,762,342	0.20	54,299,965
011200100100 KOGI STATE HOUSE OF ASSEMBLY	2.84	768,419,726	2.84	769,956,565	2.84	777,656,131
011200200100 KOGI STATE HOUSE OF ASSEMBLY SERVICE COMMISSION	0.56	150,881,198	0.56	151,182,961	0.56	152,694,790
012300100100 MINISTRY OF INFORMATION AND COMMUNICATION	0.24	63,844,022	0.24	63,971,710	0.24	64,611,427
012300300100 KOGI STATE BROADCASTING CORPORATION	0.40	107,534,307	0.40	107,749,376	0.40	108,826,870
012301300100 KOGI STATE NEWSPAPER CORPORATION	0.06	15,260,948	0.06	15,291,470	0.06	15,444,384



012400200100 KOGI STATE FIRE AGENCY	0.01	1,856,499	0.01	1,860,212	0.01	1,878,814
012500100100 OFFICE OF THE HEAD OF CIVIL SERVICE	0.86	232,708,567	0.86	233,173,984	0.86	235,505,724
014000100100 OFFICE OF THE STATE AUDITOR - GENERAL	0.13	36,356,433	0.13	36,429,146	0.13	36,793,438
014000100200 OFFICE OF THE LOCAL GOVT. AUDITOR-GENERAL	0.81	218,115,683	0.81	218,551,914	0.81	220,737,434
014700100100 CIVIL SERVICE COMMISSION	0.10	26,592,978	0.10	26,646,164	0.10	26,912,626
014800100100 STATE INDEPENDENT ELECTORAL COMMISSION (SIEC)	0.03	8,924,382	0.03	8,942,231	0.03	9,031,653
015000100100 LOCAL GOVERNMENT SERVICE COMMISSION	0.45	122,206,348	0.45	122,450,761	0.45	123,675,269
Sub-Total	70.70	19,115,966,521	70.70	19,154,198,454	70.70	19,345,740,439
ECONOMIC SECTOR						
021500100100 MINISTRY OF AGRICULTURE	0.11	28,684,085	0.11	28,741,453	0.11	29,028,867
021500300100 KOGI AGRICULTURAL DEVELOPMENT PROJECT (ADP)	0.03	7,772,432	0.03	7,787,977	0.03	7,865,857
021500500100 KOGI AGRO-ALLIED COMPANY	0.00	1,006,294	0.00	1,008,306	0.00	1,018,389
021500600100 KOGI LAND DEV. BOARD	0.00	892,978	0.00	894,764	0.00	903,711
022000100100 MINISTRY OF FINANCE, BUDGET AND ECONOMIC PLANNING	3.24	876,896,584	3.24	878,650,377	3.24	887,436,880
022000700100 OFFICE OF THE ACCOUNTANT GENERAL	2.09	565,416,899	2.09	566,547,733	2.09	572,213,210



022000800100 KOGI STATE INTERNAL REVENUE SERVICE (KGIRS)	11.09	2,998,565,182	11.09	3,004,562,312	11.09	3,034,607,935
022001100100 KOGI INVESTMENT & PROPERTIES LTD	0.00	-	0.00	-	0.00	-
022200100100 MIN. OF COMMERCE & INDUSTRY	0.04	11,412,727	0.04	11,435,553	0.04	11,549,908
022205300100 KOGI STATE MARKET DEVELOPMENT BOARD	0.04	9,765,503	0.04	9,785,034	0.04	9,882,885
022900100100 MINISTRY OF TRANSPORT	0.03	7,977,947	0.03	7,993,903	0.03	8,073,842
022900300100 ROAD MAINTENANCE AGENCY	0.03	9,238,684	0.03	9,257,161	0.03	9,349,733
023305100100 MINISTRY OF SOLID MINERAL AND NATURAL RESOURCES	0.19	52,681,258	0.19	52,786,620	0.19	53,314,487
023400100100 MINISTRY OF WORKS AND HOUSING	0.04	11,626,209	0.04	11,649,461	0.04	11,765,956
023600100100 MIN. OF CULTURE & TOURISM	0.18	48,352,571	0.18	48,449,276	0.18	48,933,769
023600300100 COUNCIL FOR ARTS AND CULTURE	0.14	36,766,874	0.14	36,840,407	0.14	37,208,812
023605200100 HOTEL AND TOURISM BOARD	0.00	406,894	0.00	407,708	0.00	411,785
023800100100 MINISTRY OF BUDGET AND PLANNING	0.00	-	0.00	-	0.00	-
023800200100 STATE BUREAU OF STATISTICS	0.15	39,403,972	0.15	39,482,780	0.15	39,877,607
025000100100 KOGI STATE FISCAL RESPONSIBILITY COMMISSION	0.05	14,870,128	0.05	14,899,869	0.05	15,048,867
025200100100 MINISTRY OF WATER RESOURCES	0.02	5,003,422	0.02	5,013,429	0.02	5,063,563



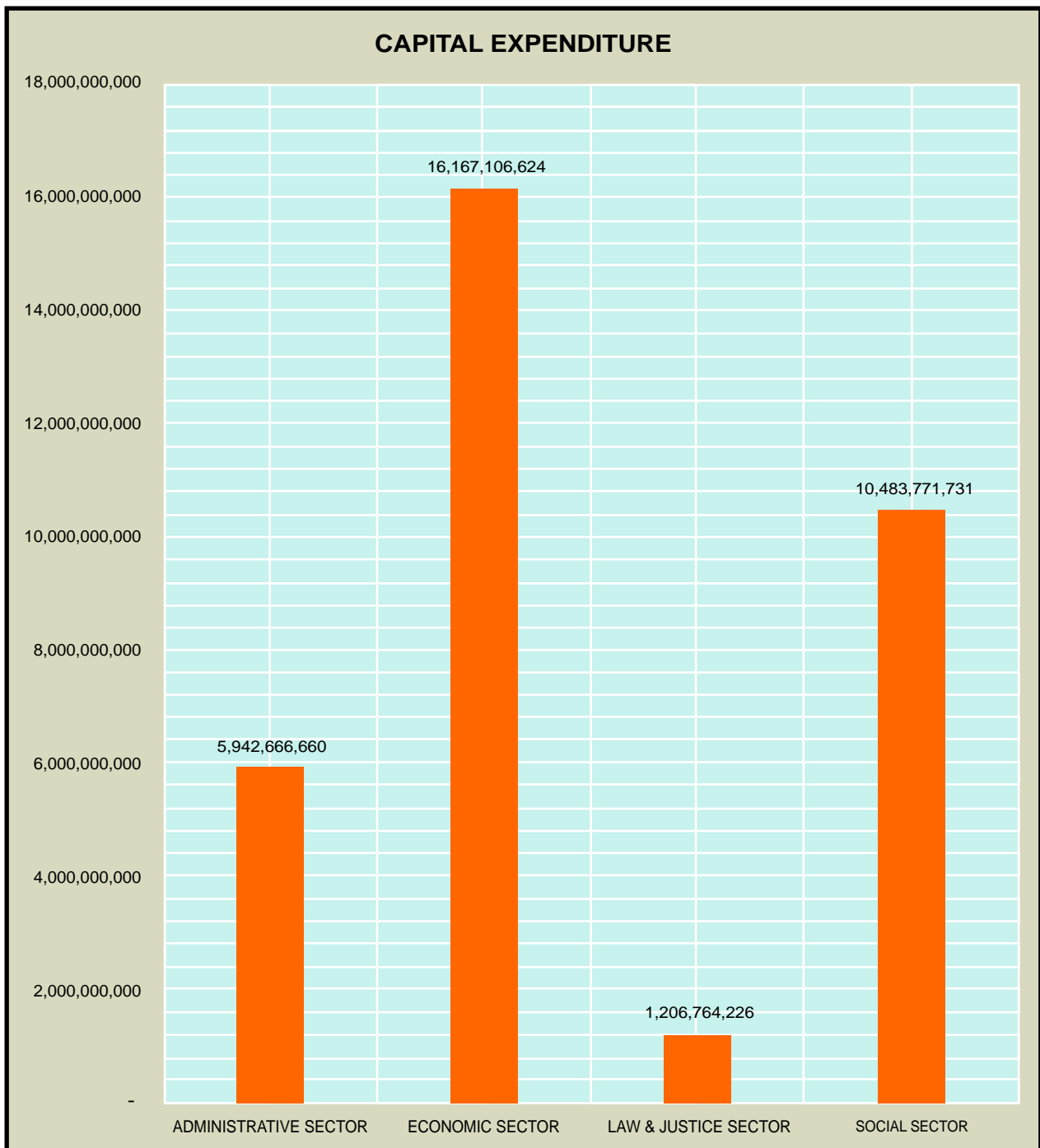
025210200100 KOGI STATE WATER BOARD	0.03	8,885,013	0.03	8,902,783	0.03	8,991,811
025210300100 RURAL WATER AND SANITATION AGENCY (RUWASSA)	0.01	2,606,828	0.01	2,612,042	0.01	2,638,163
025300100100 BUREAU FOR LANDS AND URBAN DEVELOPMENT	0.04	11,797,488	0.04	11,821,083	0.04	11,939,293
025300900100 KOGI STATE TOWN PLANNING AND DEVELOPMENT BOARD	0.02	6,617,596	0.02	6,630,832	0.02	6,697,140
026100100100 MINISTRY OF RURAL DEVELOPMENT	0.01	3,461,789	0.01	3,468,713	0.01	3,503,400
Sub-Total	17.61	4,760,109,355	17.61	4,769,629,574	17.61	4,817,325,870
LAW & JUSTIC SECTOR						
031801100100 KOGI STATE JUDICIAL SERVICE COMMISSION	0.16	43,935,388	0.16	44,023,259	0.16	44,463,491
032600100100 MINISTRY OF JUSTICE	2.00	539,708,253	2.00	540,787,670	2.00	546,195,546
032605100100 HIGH COURT OF JUSTICE	0.96	258,890,753	0.96	259,408,534	0.96	262,002,619
032605200100 CUSTOMARY COURT OF APPEAL	0.40	108,891,900	0.40	109,109,684	0.40	110,200,781
032605300100 SHARIA COURT OF APPEAL	0.29	79,583,734	0.29	79,742,902	0.29	80,540,331
Sub-Total	3.81	1,031,010,028	3.81	1,033,072,048	3.81	1,043,402,769
SOCIAL SECTOR						
051300100100 MINISTRY OF YOUTH & SPORTS	0.35	95,887,935	0.35	96,079,710	0.35	97,040,508
051300100200 KOGI STATE SPORTS COUNCIL	0.02	6,113,422	0.02	6,125,649	0.02	6,186,905
051400100100 MINISTRY OF WOMEN AFFAIRS AND SOCIAL	0.20	53,960,041	0.20	54,067,961	0.20	54,608,640



051700100100 MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY	0.85	229,882,324	0.85	230,342,089	0.85	232,645,510
051700200100 STATE UNIVERSAL BASIC EDUCATION BOARD	0.14	36,591,416	0.14	36,664,598	0.14	37,031,244
051700800100 KOGI STATE LIBRARY BOARD	0.00	1,209,391	0.00	1,211,810	0.00	1,223,928
051700900100 ADULT & NON-FORMAL EDUCATION BOARD	0.06	16,260,602	0.06	16,293,123	0.06	16,456,055
051701800100 KOGI STATE POLYTECHNIC, LOKOJA	1.12	303,464,806	1.12	304,071,736	1.12	307,112,453
051701900100 COLLEGE OF EDUCATION, ANKPA	0.37	100,821,028	0.37	101,022,670	0.37	102,032,897
051702000100 COLLEGE OF EDUCATION TECHNICAL, KABBA	0.27	72,201,870	0.27	72,346,273	0.27	73,069,736
051702100100 KOGI STATE UNIVERSITY, ANYIGBA	1.08	291,158,816	1.08	291,741,133	1.08	294,658,545
051705400100 KOGI STATE SCIENCE, TECHNOLOGY EDUCATION AND TEACHING SERVICE COMMISSION	0.16	42,894,813	0.16	42,980,603	0.16	43,410,409
051705600100 STATE SCHOLARSHIP BOARD	0.01	3,367,448	0.01	3,374,183	0.01	3,407,925
051706500100 NIGERIA-KOREA FRIENDSHIP INSTITUTE	0.23	63,124,755	0.23	63,251,004	0.23	63,883,514
052100100100 MINISTRY OF HEALTH	0.05	14,013,734	0.05	14,041,761	0.05	14,182,179
052100300100 PRIMARY HEALTHCARE DEVELOPMENT AGENCY	0.16	42,169,920	0.16	42,254,259	0.16	42,676,802
052102600100 KOGI STATE UNIVERSITY TEACHING HOSPITAL,	0.12	32,769,299	0.12	32,834,838	0.12	33,163,186



052102700100 KOGI STATE SPECIALIST HOSPITAL, LOKOJA	0.29	78,586,461	0.29	78,743,634	0.29	79,531,070
052110200100 KOGI STATE HOSPITAL MANAGEMENT BOARD	0.08	22,882,535	0.08	22,928,300	0.08	23,157,583
052110400100 COLLEGE OF NURSING AND MIDWIFERY, OBANGEDE	0.22	58,131,043	0.22	58,247,305	0.22	58,829,778
052110600100 COLLEGE OF HEALTH SCIENCE & TECHNOLOGY, IDAH	0.08	22,483,738	0.08	22,528,705	0.08	22,753,993
053500100100 MINISTRY OF ENVIRONMENT	0.58	156,756,603	0.58	157,070,116	0.58	158,640,817
053501600100 STATE ENVIRONMENTAL PROTECTION AGENCY	0.00	1,329,871	0.00	1,332,530	0.00	1,345,856
053505300100 SANITATION & WASTE MANAGEMENT BOARD	0.06	14,985,302	0.06	15,015,273	0.06	15,165,426
055100100100 MINISTRY OF LOCAL GOVERNMENT AND CHIEFTAINCY AFFAIRS	1.36	368,509,291	1.36	369,246,310	1.36	372,938,773
Sub-Total	7.88	2,129,556,463	7.88	2,133,815,576	7.88	2,155,153,732
Total Overhead Costs	100	27,036,642,368	100	27,090,715,653	100	27,361,622,809





CAPITAL EXPENDITURE ANALYSIS						
ADMINISTRATIVE SECTOR						
Description	Percent age %	Estimates 2019	Percenta ge %	Estimates 2020	Percentag e %	Estimates 2021
011100100100 GOVERNMENT HOUSE	5.55	1,875,022,113	5.55	2,910,274,436	5.55	2,892,475,149
011100100300 CHRISTIAN PILGRIMS COMMISSION	0.05	18,535,607	0.05	28,769,636	0.05	28,593,680
011100200100 DEPUTY GOVERNORS OFFICE	1.03	347,517,868	1.03	539,392,235	1.03	536,093,303
011100300100 OFFICE OF THE SECRETARY TO THE STATE GOVERNMENT	0.47	159,179,830	0.47	247,067,482	0.47	245,556,413
011101000100 BUREAU OF PUBLIC PROCUREMENT (BPP)	0.00	-	0.00	-	0.00	-
011111100100 BUREAU OF PUBLIC PRIVATE PARTNERSHIP	0.02	5,348,442	0.02	8,301,467	0.02	8,250,695
011200100100 KOGI STATE HOUSE OF ASSEMBLY	5.10	1,723,785,975	5.10	2,675,536,582	5.10	2,659,172,956
011200200100 KOGI STATE HOUSE OF ASSEMBLY SERVICE COMMISSION	0.34	114,281,214	0.34	177,379,079	0.34	176,294,225
012300100100 MINISTRY OF INFORMATION AND COMMUNICATION	0.71	239,099,425	0.71	371,112,926	0.71	368,843,194
012500100100 OFFICE OF THE HEAD OF CIVIL SERVICE	3.14	1,062,714,120	3.14	1,649,468,406	3.14	1,639,380,230
014000100100 OFFICE OF THE STATE AUDITOR - GENERAL	0.52	176,498,596	0.52	273,948,424	0.52	272,272,950



014000100200 OFFICE OF THE LOCAL GOVT. AUDITOR-GENERAL	0.32	109,251,928	0.32	169,572,983	0.32	168,535,872
014700100100 CIVIL SERVICE COMMISSION	0.07	22,998,302	0.07	35,696,310	0.07	35,477,991
014800100100 STATE INDEPENDENT ELECTORAL COMMISSION (SIEC)	0.26	88,433,239	0.26	137,259,712	0.26	136,420,229
015000100100 LOCAL GOVERNMENT SERVICE COMMISSION	0.00	-	0.00	-	0.00	-
Sub-Total	17.58	5,942,666,660	17.58	9,223,779,677	17.58	9,167,366,888
ECONOMIC SECTOR						
021500100100 MINISTRY OF AGRICULTURE	8.47	2,862,094,031	8.47	4,442,336,457	8.47	4,415,167,054
022000100100 MINISTRY OF FINANCE, BUDGET AND ECONOMIC PLANNING	11.86	4,008,016,966	11.86	6,220,955,601	11.86	6,182,908,133
022000700100 OFFICE OF THE ACCOUNTANT GENERAL	0.94	318,359,661	0.94	494,134,963	0.94	491,112,825
022000800100 KOGI STATE INTERNAL REVENUE SERVICE (KGIRS)	1.36	460,206,576	1.36	714,299,541	1.36	709,930,873
022001100100 KOGI INVESTMENT & PROPERTIES LTD	0.00	-	0.00	-	0.00	-
022200100100 MIN. OF COMMERCE & INDUSTRY	0.75	252,034,732	0.75	391,190,179	0.75	388,797,653
022900100100 MINISTRY OF TRANSPORT	1.00	339,583,638	1.00	527,077,294	1.00	523,853,680
022900300100 ROAD MAINTENANCE AGENCY	1.05	353,732,957	1.05	549,038,848	1.05	545,680,917



023305100100 MINISTRY OF SOLID MINERAL AND NATURAL RESOURCES	0.51	172,444,816	0.51	267,656,438	0.51	266,019,447
023400100100 MINISTRY OF WORKS AND HOUSING	14.41	4,870,460,645	14.41	7,559,578,636	14.41	7,513,344,127
023600100100 MIN. OF CULTURE & TOURISM	0.74	251,164,548	0.74	389,839,543	0.74	387,455,278
023800100100 MINISTRY OF BUDGET AND PLANNING	0.00	-	0.00	-	0.00	-
025200100100 MINISTRY OF WATER RESOURCES	2.83	955,078,983	2.83	1,482,404,889	2.83	1,473,338,476
025210200100 KOGI STATE WATER BOARD	0.18	61,903,267	0.18	96,081,798	0.18	95,494,160
025300100100 BUREAU FOR LANDS AND URBAN DEVELOPMENT	2.07	700,538,407	2.07	1,087,325,319	2.07	1,080,675,219
026100100100 MINISTRY OF RURAL DEVELOPMENT	1.66	561,487,397	1.66	871,500,344	1.66	866,170,233
Sub-Total	47.83	16,167,106,624	47.83	25,093,419,851	47.83	24,939,948,078
LAW & JUSTICE SECTOR						
031801100100 KOGI STATE JUDICIAL SERVICE COMMISSION	0.26	86,644,765	0.26	134,483,772	0.26	133,661,267
032600100100 MINISTRY OF JUSTICE	0.60	203,396,450	0.60	315,697,337	0.60	313,766,527
032605100100 HIGH COURT OF JUSTICE	1.11	375,995,494	1.11	583,593,157	1.11	580,023,891
032605200100 CUSTOMARY COURT OF APPEAL	0.70	235,331,461	0.70	365,264,565	0.70	363,030,601



032605300100 SHARIA COURT OF APPEAL	0.90	305,396,055	0.90	474,013,787	0.90	471,114,711
Sub-Total	3.57	1,206,764,226	3.57	1,873,052,618	3.57	1,861,596,997
SOCIAL SECTOR						
051300100100 MINISTRY OF YOUTH & SPORTS	0.80	270,096,336	0.80	419,224,103	0.80	416,660,121
051400100100 MINISTRY OF WOMEN AFFAIRS AND SOCIAL DEVELOPMENT	0.98	330,995,002	0.98	513,746,631	0.98	510,604,548
051700100100 MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY	7.23	2,444,499,033	7.23	3,794,175,543	7.23	3,770,970,302
051701800100 KOGI STATE POLYTECHNIC, LOKOJA	0.93	315,289,864	0.93	489,370,245	0.93	486,377,248
051701900100 COLLEGE OF EDUCATION, ANKPA	0.31	106,119,887	0.31	164,711,654	0.31	163,704,275
051702000100 COLLEGE OF EDUCATION TECHNICAL, KABBA	0.38	128,228,197	0.38	199,026,582	0.38	197,809,332
051702100100 KOGI STATE UNIVERSITY, ANYIGBA	0.52	176,866,478	0.52	274,519,424	0.52	272,840,459
051706500100 NIGERIA-KOREA FRIENDSHIP INSTITUTE	0.36	120,269,205	0.36	186,673,208	0.36	185,531,512
052100100100 MINISTRY OF HEALTH	13.57	4,588,019,906	13.57	7,121,194,439	13.57	7,077,641,096
052100300100 PRIMARY HEALTHCARE DEVELOPMENT AGENCY	0.54	183,056,805	0.54	284,127,604	0.54	282,389,875
052102600100 KOGI STATE UNIVERSITY TEACHING HOSPITAL, ANYIGBA	0.39	132,649,859	0.39	205,889,568	0.39	204,630,344



052102700100 KOGI STATE SPECIALIST HOSPITAL, LOKOJA	0.47	160,453,269	0.47	249,044,021	0.47	247,520,864
052110400100 COLLEGE OF NURSING AND MIDWIFERY, OBANGEDE	0.37	123,806,535	0.37	192,163,597	0.37	190,988,321
052110600100 COLLEGE OF HEALTH SCIENCE & TECHNOLOGY, IDAH	0.39	132,649,859	0.39	205,889,568	0.39	204,630,344
053500100100 MINISTRY OF ENVIRONMENT	2.87	968,768,448	2.87	1,503,652,692	2.87	1,494,456,328
055100100100 MINISTRY OF LOCAL GOVERNMENT AND CHIEFTAINCY AFFAIRS	0.89	302,003,049	0.89	468,747,407	0.89	465,880,540
Sub-Total	31.02	10,483,771,731	31.02	16,272,156,285	31.02	16,172,635,507
Total Cap. Exp.	100	33,800,309,241	100	52,462,408,431	100	52,141,547,470
Total Personnel, Overheads & Cap. Exp.	300	97,726,146,600	300	116,811,211,025	300	117,133,838,090
Contingency Reserve		1,954,522,932	0	2,336,224,220	0	2,342,676,762
Planning Reserve		2,442,400,984	0	2,920,280,276	0	2,928,345,952
Grand Total	300	102,123,070,516	300	122,067,715,521	300	122,404,860,804

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

150. The planning and revised 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 caps 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 state New Direction Blue Print and Let's do MORE documents should be inculcated.
- Projects/programmes that will generate employment, create wealth and reduce poverty level in the state;
- Make adequate provision for projects/programmes that require Government Cash Counterpart Contribution (GCCC);
- Projects needing rehabilitation;
- Other projects that are critical to the responsibility of your organisation and COVID 19 solution.



Section 5

Summary of Key Points and Recommendations

151. 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 Movement for the Actualisation of Sovereign State of Biafra (MASSOB), Indigenous People of Biafra (IPOB), Boko Haram, Kidnapping, Herdsmen Attack, ramped inter-tribal crises 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 2013 -2018 is about 32% 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 and;
- Policy of Government places emphasis on Education, Health, Agriculture, infrastructure, youth engagement, Civil Service Reforms, Security and Funding Governance.