JIGAWA STATE GOVERNMENT

2024 - 2026

Medium Term Expenditure Framework [MTEF]

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

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List of Abbreviations

Acronym	Definition
BPS	Budget Policy Statement
CDF	Comprehensive Development Framework
CSOs	Civil Society Organizations
EFU	Economic and Fiscal Update
ExCo	Executive Council
FAAC	Federation Allocation Accounts Committee
FGN	Federal Government of Nigeria
FRL	Fiscal Responsibility Law
FSP	Fiscal Strategy Paper
GDP	Growth Domestic Product
IMF	International Monetary Fund
JGSG	Jigawa State Government
LGs	Local Governments
MBDP	Barrels Per Day
MBEP	Ministry of Budget & Economic Planning
MDAs	Ministries, Departments and Agencies
MEO	*Macroeconomic Performance and Outlook*
MPC	Monetary Policy Committee
MPR	Monetary Policy Rate
MTBF	Medium Term Budget Framework
MTEF	Medium Term Expenditure Framework
MTFF	Medium Term Fiscal Framework
MTSS	Medium Term Sector Strategies
NEMA	National Emergency Management Agency
OPEC	Oil Producing Countries
PAYE	Pay As You Earn
PFM	Public Financial Management
SDRs	Special Drawing Rights
SHoA	House of Assembly
TETFunds	Tertiary Education Trust Funds
TSA	Treasury Single Account
UBEC	Universal Basic Education
WEO	World Economic Outlook

Section 1: Introduction and Background

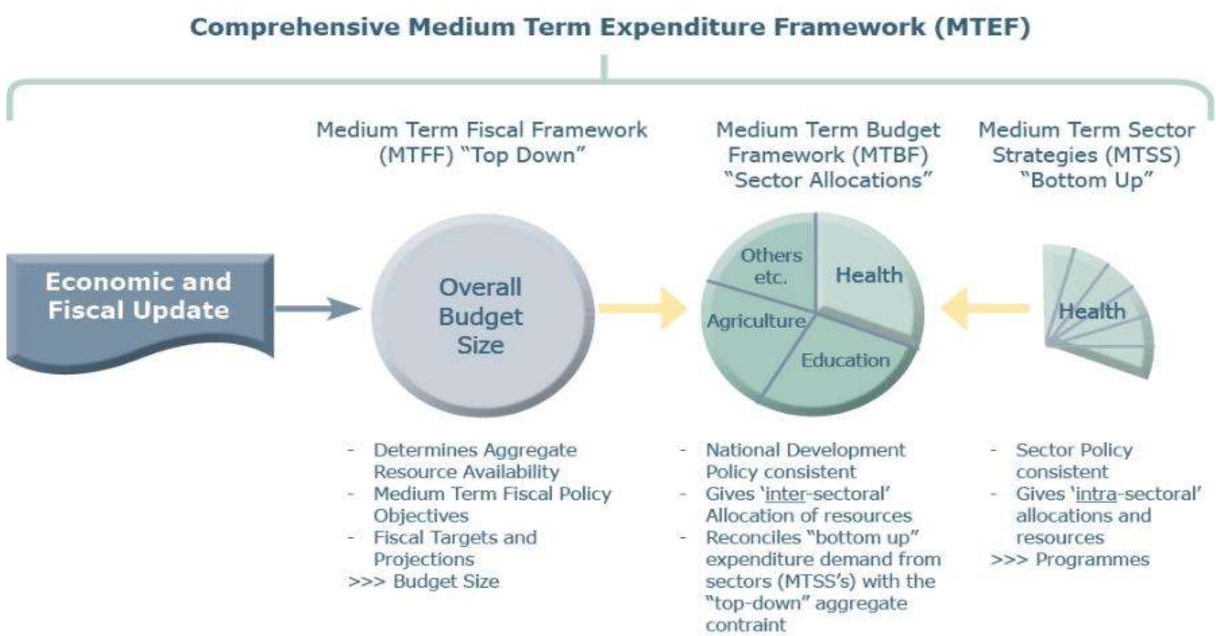
1.A Introduction

1. The Economic and Fiscal Update (EFU) provides economic and fiscal analyses that form the basis for the budget planning process. It is aimed primarily at policy-makers and decision-takers in Jigawa State Government. The EFU also provides an assessment of budget performance (both historical and current) and identifies significant factors affecting implementation.
2. On the other hand, Fiscal Strategy Paper (FSP) and Budget Policy Statement (BPS) are key elements in Medium Term Expenditure Framework (MTEF) and annual budget process, and as such, they determine the resources available to fund Government projects and programmes from a fiscally sustainable perspective.
3. As the best practice, Jigawa State Government has adopted the preparation of the EFU-FSP-BPS due to its importance in coming up with comprehensive MTEF process. Thus, it plays a major role in guiding a government's decision making over resource allocation and prioritisation of activities in accordance with national and state level development plan objectives. This rolling iteration of the document covers the period 2024 - 2026.

1.A.1 Budget Process

1. While the budget process describes the budget cycle in a fiscal year, its conception is informed by the MTEF process which has three components namely:
   - Medium Term Fiscal Framework (MTFF);
   - Medium Term Budget Framework (MTBF);
   - Medium Term Sector Strategies (MTSS).
2. It starts from the conception through preparation, execution, control, monitoring and evaluation and goes back again to conception for the ensuing year's budget.
3. The MTEF process is summarised in the diagram below:

Figure 1: MTEF Process



1.A.2 Summary of Document Content

4. In line with international best practice in budgeting, the production of a combined Economic and Fiscal Update (EFU), Fiscal Strategy Paper (FSP) and Budget Policy Statement (BPS), which is three-in-one document, is the first step in the budget preparation cycle for Jigawa State Government (JGSG) for the period 2024-2026.
5. The purpose of this document, in a summary, include:
   i. To provide a backwards looking summary of key economic and fiscal trends that will affect the public expenditure in the future;
   ii. To set out medium term fiscal objectives and targets, including tax policy; revenue mobilisation; level of public expenditure; deficit financing and public debt; and
   iii. Provide indicative sector envelopes for the period 2024-2026 which constitute the Medium-Term Budget Framework (MTBF).

1.A.3 Preparation and Audience

6. This document is purposely prepared to provide an informed basis for the 2024-2026 Budget preparation cycle for all of the key stakeholders, which include:
   - State House of Assembly (SHoA);
   - Executive Council (ExCo);
   - Ministry of Finance;
   - Ministry of Budget & Economic Planning;
   - Office of the Accountant General;
   - Office of the Auditor General;
   - Due Process & Project Monitoring Bureau;
   - Jigawa State Board of Internal Revenue;
   - Ministry for Local Government & Community Development;
   - All Government Ministries, Departments and Agencies (MDAs);
   - Civil Society Organizations (CSOs).
7. This important document is prepared prior to the commencement of annual budget preparation process. It is prepared by Jigawa State Ministry of Budget & Economic Planning in collaboration with major stakeholders under the EFU-FSP-BPS Working Group.

1.B Background

1.B.1 Legislative and Institutional arrangement for PFM

8. There are many Legislative Frameworks that provide legal basis and regulatory framework for the public expenditure and financial management system function and operate smoothly, efficiently and effectively. There exist many Laws establishing many Government Agencies with specific sections on financial managements as it affects raising and expending revenues. Apart from the constitution, some of Jigawa State Public Financial Management Laws that have direct influence on the annual planning and budget process include:

Table 1: PFM Institutions

S/N	Legislations	Remarks / Provisions
1	The Fiscal Responsibility Law, 2009	The FRL makes provisions for the promotion and enforcement of best practice in public expenditure and financial management. It seeks to ensure strategic prioritisation and resource allocation through the budget process as well as the promotion of accountability, transparency and prudence in the entire PFM process. The law also provides for multi-year fiscal planning, including aggregate revenue forecasts and expenditure estimates
2	The Jigawa State Internal Revenue Service Law. Revenue Codification and Consolidation Law, 2017	The 2017 Law aimed at improving the tax administration and enhancing internally generated revenue. It provides for the harmonization, consolidation and codification of all Jigawa State Internal Revenue Service Laws and restructures it for better performance. With respect to assessment, collection, and remittance of revenues through a single revenue account.
3	Annual Appropriation Laws	Annual Appropriation Laws especially of the immediate past Fiscal Year. These contained revenue and expenditure estimates approved by the State House of Assembly in accordance with section 120 - 123 of the constitution.
4	Local Government Law of 2007 (as amended)	The Local Government Law of 2007 as amended provides guidance for the functions, administration and other related matters of the 27 Local Governments in the State
5	Economic Planning Board Law No. 8 of 2016	Basis for the establishment of this was Section 7(3) of the Constitution of the Federal Republic of Nigeria. Some of the functions of the EPB include: • provide inputs into the short, medium and long-term development plans of the State and the Local Governments in line with the State development objectives and priorities; • examine the plans and budgets of the State and Local Government Councils for consistency with each other and with the State development objectives and priorities; • examine and take appropriate actions on periodic reports on budget implementation and other similar reports from MDAs; • monitor and ensure compliance with provisions of the Economic Planning and Fiscal Responsibility Law by the relevant Government Agencies;
6	Public Financial Management Law No. of 2019	This covers public financial management in line with best practice.

9. Institutional Framework for PFM in Jigawa State – MDAs are, and to a certain extent, directly involved in the preparation and implementation of public expenditure and financial management functions of Government. However, a few numbers of Agencies provide coordination and leadership, and also serve as institutional homes that define the institutional framework for PFM in the State as indicated in the table below:

Table 1: PFM Institutions

S/N	PFM Related Agencies	Summaries of the Roles & Responsibilities
1	Ministry of Finance	The PFM functions of the Ministry of Finance and Economic Planning are carried by its constituent Departments and Agencies under the leadership of the Honourable Commissioner. These include Office of the Accountant General and Board of Internal Revenue.
2	Ministry of Budget and Economic Planning	Coordinates the entire annual planning and budget process of the State beginning with conception of the EFU-FSP-BPS to the preparation of the Medium terms Sector plans and the Annual Appropriation Law being the major outputs.
3	Office of the Accountant General	Office of the Accountant General, which is the Treasury Department, is where the financial management functions of the Ministry of Finance are mainly centred. It carries out general treasury operations for the government, including collection of revenues, expenditure / accounting controls and cash management. As the Head of the Treasury, the Accountant General exercises the general management and supervision of all the accounting operations of the State Government and serves as the Chief Accounting Officer of receipts and payments of the State Government in that respect. The Debt Management Function is also exercised by the AG's Office. The major output of the annual operations of the Office of the Accountant General is the annual Financial Statements which it submits to the Auditor General for further action.
4	Jigawa State Internal Revenue Service,	The State Internal Revenue Service supervise by the Commissioner for Finance, has the major mandate of revenue collection and revenue administration including having an oversight function of monitoring revenue collection by other revenue generating agencies of the State Government. Some of the major functions JSIRS include providing general policy guidelines regarding the functions of the Service, ensuring the effectiveness and optimum collection of all revenues due to the State, supervising and monitoring all revenue collection from the state government agencies.
5	Directorate of Salaries and Pensions	The Directorate of Salaries and Pensions which is under the supervision of the Head of the State Civil Service is responsible for the State's Computerised Payroll System. It undertakes the preparation of salaries and pensions for payment for all Agencies of Government including the Judiciary, the Legislative Arm and the Local Government Councils
6	Office of State Auditor Generals and Office of the Local Governments Auditor General)	The Office of Auditor General of the State audits all accounts of government. It posts auditors to all MDAs to undertake post payment audit of transactions. In addition, the Auditor General embarks on annual audits of public accounts prepared by the Accountant General and publishes audit reports. The Auditor General of Local Governments facilitates the audit of the financial statements of all LGs in the State and issues a report annually. Both the Auditor General of the State and the Auditor General of Local Governments report to the PAC Committee of State House of Assembly.
7	Due Process and Project Monitoring Bureau;	The Due Process and Project Monitoring Bureau regulates all procurement activities and carries out certification of transactions prior to payment by the treasury.
8	Ministry for Local Government and Community Development	The Ministry for Local Government & Community Development supervises the Public Financial Management process of 27 Local Governments in the State. It ensures that Local Governments abide by the provisions of Financial Memorandum and all matters relating to local government finances. For closer monitoring and supervision, the Ministry established 9No. Zonal offices across the State.

1.B.2 Overview of Budget Calendar

10. The Jigawa State Comprehensive Development Framework Section 10.5 provides a framework for Public Expenditure & Financial Management Reforms and presents a Generic Budget Calendar (GBC) within which the annual budget process is being be pursued. In as much as detail of stages is contained in the GBC, indicative Budget Calendar for Jigawa State Government is presented below:

Table 3: Budget Calendar

Stage	Date(s)	Responsibility
Preparation and Publication of EFU-FSP-BPS	May	MBEP
Update of MTSSs by Sectors	June	Sector MDAs
Preparation and Issuance of Budget Call Circular	July	MBEP
Preparation of MDA Budget Submissions	August	MDAs
Budget Negotiations	September	MBEP and MDAs
Compilation of Draft Budget	October	MBEP
Review and Approval of Budget by ExCo	October	Exco
Review and Approval of Budget by SHoA	November	SHoA
Signing Appropriation Bill	December	Governor

Section 2: Economic and Fiscal Updates

1.C Economic Overview

1.C.1 Global Economy

11. The International Monetary Fund's (IMF's) July 2023 World Economic Outlook (WEO) Update[1], provided that "The global recovery from the COVID-19 pandemic and Russia's invasion of Ukraine is slowing amid widening divergences among economic sectors and regions. The global recovery from the COVID-19 pandemic and Russia's invasion of Ukraine is slowing amid widening divergences among economic sectors and regions. The World Health Organization (WHO) announced in May that it no longer considers COVID-19 to be a "global health emergency." Supply chains have largely recovered, and shipping costs and suppliers' delivery times are back to pre-pandemic levels. But forces that hindered growth in 2022 persist".

12. Inflation remains high and continues to erode household purchasing power. Policy tightening by central banks in response to inflation has raised the cost of borrowing, constraining economic activity. Immediate concerns about the health of the banking sector have subsided, but high interest rates are filtering through the financial system, and banks in advanced economies have significantly tightened lending standards, curtailing the supply of credit. The impact of higher interest rates extends to public finances, especially in poorer countries grappling with elevated debt costs, constraining room for priority investments. As a result, output losses compared with pre-pandemic forecasts remain large, especially for the world's poorest nations.

13. Despite these headwinds, global economic activity was resilient in the first quarter of 2023, with that resilience driven mainly by the services sector. The post-pandemic rotation of consumption back toward services is approaching completion in advanced economies (including in tourism-dependent economies of southern Europe), and it accelerated in a number of emerging market and developing economies in the first quarter. However, as mobility returns to pre-pandemic levels, the scope for further acceleration appears more limited.

14. At the same time, non-services sectors, including manufacturing, have shown weakness, and high-frequency indicators for the second quarter point to a broader slowdown in activity. Amid softening consumption of goods, heightened uncertainties regarding the future geo-economic landscape, weak productivity growth, and a more challenging financial environment, firms have scaled back investment in productive capacity. Gross fixed capital formation and industrial production have slowed sharply or contracted in major advanced economies, dragging international trade and manufacturing in emerging markets with them. International trade and indicators of demand and production in manufacturing all point to further weakness. Excess savings built up during the pandemic are declining in advanced economies, especially in the United States, implying a slimmer buffer to protect against shocks, including those to the cost of living and those from more restricted credit availability.

15. *The fight against inflation continues.* Inflation is easing in most countries but remains high, with divergences across economies and inflation measures. Following the build-up of gas inventories in Europe and weaker-than-expected demand in China, energy and food prices have dropped substantially from their 2022 peaks, although food prices remain elevated. Together with the normalization of supply chains, these developments have contributed to a rapid decline in headline inflation in most countries. Core inflation, however, has on average declined more gradually and remains well above most central banks' targets. Its persistence reflects, depending on the particular economy considered, pass-through of past shocks to headline inflation into core inflation, corporate

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[1] IMF World Economic Outlook Update, July 2023: Near-Term Resilience, Persistent Challenges (imf.org)

profits remaining high, and tight labor markets with strong wage growth, especially in the context of weak productivity growth that lifts unit labor costs. However, to date, wage-price spirals—wherein prices and wages accelerate together for a sustained period—do not appear to have taken hold in the average advanced economy, and longer-term inflation expectations remain anchored. In response to the persistence of core inflation, major central banks have communicated that they will need to tighten monetary policy further. The Federal Reserve paused rate hikes at its June meeting but signaled further ones ahead, and the Reserve Bank of Australia, Bank of Canada, Bank of England, and European Central Bank have continued to raise rates.

At the same time, in some other economies, particularly in East Asia, where mobility curbs during the pandemic restricted demand for services longer than elsewhere, core inflation has remained low. In China, where inflation is well below target, the central bank recently cut policy interest rates. The Bank of Japan has kept interest rates near zero under the quantitative and qualitative monetary easing with yield curve control policy.

Table 4: Inflation (CPI) - Selected Countries

Country	Actual				Forecast		
	2019	2020	2021	2022	2023	2024	2028
Mexico	3.6	3.4	5.7	7.9	6.3	3.9	3.0
Indonesia	5.0	-2.1	3.7	5.3	5.0	5.1	5.0
United States	1.8	1.3	4.7	8.0	4.5	2.3	2.1
Norway	2.2	1.3	3.5	5.8	4.9	2.8	2.0
Germany	1.4	0.4	3.2	8.7	6.2	3.1	2.0
United Kingdom	1.8	0.9	2.6	9.1	6.8	3.0	2.0
China	2.9	2.5	0.9	1.9	2.0	2.2	2.2
Ghana	7.1	9.9	10.0	31.9	45.4	22.2	8.0
South Africa	4.1	3.3	4.6	6.9	5.8	4.8	4.5
Brazil	3.7	3.2	8.3	9.3	5.0	4.8	3.0
Angola	17.1	22.3	25.8	21.4	11.7	10.8	8.9
Nigeria	11.4	13.2	17.0	18.8	20.1	15.8	14.0

IMF World Economic Outlook (A Rockey Recovery), April, 2023

16. *Acute stress in the banking sector has receded, but credit availability is tight.* The swift reaction of the March 2023 banking scare remained contained and limited to problematic regional banks in the United States and Credit Suisse in Switzerland. Accordingly, since the April 2023 WEO, global financial conditions have eased, a sign that financial markets may have become less concerned about risks to financial stability coming from the banking sector. But tight monetary policy continues to put some banks under pressure, both directly (through higher costs of funding) and indirectly (by increasing credit risk). Bank lending surveys in the United States and Europe suggest that banks restricted access to credit considerably in the first quarter of 2023, and they are expected to continue to do so in coming months. Corporate loans have been declining lately, as has commercial real estate lending.

17. *Following a reopening boost, China's recovery is losing steam.* Manufacturing activity and consumption of services in China rebounded at the beginning of the year when Chinese authorities abandoned their strict lockdown policies; net exports contributed strongly to sequential growth in February and March as supply chains normalized and firms swiftly put backlogs of orders into production. Nonetheless, continued weakness in the real estate sector is weighing on investment, foreign demand remains weak, and rising and elevated youth unemployment (at 20.8 percent in May 2023) indicates labor market weakness. High-frequency data through June confirm a softening in momentum into the second quarter of 2023.

18. *Global growth* is projected to fall from 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024 on an annual average basis. Compared with projections in the April 2023 WEO, growth has been upgraded

by 0.2 percentage point for 2023, with no change for 2024. The forecast for 2023–24 remains well below the historical (2000–19) annual average of 3.8 percent. It is also below the historical average across broad income groups, in overall GDP as well as per capita GDP terms. Advanced economies continue to drive the decline in growth from 2022 to 2023, with weaker manufacturing, as well as idiosyncratic factors, offsetting stronger services activity. In emerging market and developing economies, the growth outlook is broadly stable for 2023 and 2024, although with notable shifts across regions. On a year-over-year basis, global growth bottomed out in the fourth quarter of 2022. However, in some major economies, it is not expected to bottom out before the second half of 2023. The actual and forecasted GDP growth for the period of 2019 – 2022 and 2023-2028 respectively of some selected countries (Advanced, Emerging and developing) are shown in Table 4 below:

Table 5: Real GDP Growth - Selected Countries

Country	Actual				Forecast		
	2019	2020	2021	2022	2023	2024	2028
Mexico	-0.2	-8	4.7	3.1	1.8	1.6	1.8
Indonesia	5.0	-2.1	3.7	5.3	5.0	5.1	5.0
United States	2.3	-2.8	5.9	2.1	1.6	1.1	2.1
Norway	1.1	-0.3	3.9	3.3	2.1	2.5	1.4
Germany	1.1	-3.7	2.6	1.8	-0.1	1.1	1.1
United Kingdom	1.6	-11.0	7.6	4.0	0.3	1.0	1.5
China	6.0	2.2	8.4	3.0	5.2	4.5	3.4
Ghana	6.5	0.5	5.4	3.2	1.6	2.9	5.0
South Africa	0.3	-6.3	4.9	2	0.1	1.8	1.4
Brazil	1.2	-3.3	5	2.9	0.9	1.5	2
Angola	-0.7	-5.6	1.1	2.8	3.5	3.7	4.2
Nigeria	2.2	-1.8	3.6	3.3	3.2	3.0	3.0

IMF World Economic Outlook (A Rockey Recovery), April, 2023

19. World trade growth is expected to decline from 5.2 percent in 2022 to 2.0 percent in 2023, before rising to 3.7 percent in 2024, well below the 2000–19 average of 4.9 percent. The decline in 2023 reflects not only the path of global demand, but also shifts in its composition toward domestic services, lagged effects of US dollar appreciation—which slows trade owing to the widespread invoicing of products in US dollars—and rising trade barriers.

20. *These forecasts are based on a number of assumptions, including those regarding fuel and nonfuel commodity prices and interest rates*. Oil prices rose by 39 percent in 2022 and are projected to fall by about 21 percent in 2023, reflecting the slowdown in global economic activity. Assumptions regarding global interest rates have been revised upward, reflecting actual and signaled policy tightening by major central banks since April. The Federal Reserve and Bank of England are now expected to raise rates by more than assumed in the April 2023 WEO—to a peak of about 5.6 percent in the case of the Federal Reserve—before reducing them in 2024. The European Central Bank is assumed to raise its policy rate to a peak of 3¾ percent in 2023 and to ease gradually in 2024. Moreover, with near-term inflation expectations falling, real interest rates are likely to stay up even after nominal rates start to fall.

1.C.2 Africa

21. African economies remain resilient amidst multiple shocks with average growth projected to stabilize at 4.1 percent in 2023–24, higher than the estimated 3.8 percent in 2022.

22. Africa's growth in real gross domestic product (GDP) was estimated at 3.8 percent in 2022, down from 4.8 percent in 2021 but above the global average of 3.4 percent. The growth slowdown was attributed mainly to the tightening global financial conditions, and supply chain disruptions exacerbated by Russia's invasion of Ukraine, subduing global growth. Growth was also impaired by the residual effects of the COVID-19 pandemic and the growing impact of climate change and extreme weather events. While the deceleration was broad-based, with 31 of the 54 African countries posting weaker growth rates in 2022 relative to 2021, the continent performed better than most world regions in 2022, with the continent's resilience projected to put five of the six pre-pandemic top performing economies—Benin, Côte d'Ivoire, Ethiopia, Rwanda, and Tanzania—back in the league of the world's 10 fastest-growing economies in 2023–24.

23. Growth is projected to rebound to 4 percent in 2023 and consolidate at 4.3 percent in 2024, underpinning Africa's continued resilience to shocks. The forecast for 2023 has been maintained as predicted in the January 2023 edition of *Africa's Macroeconomic Performance and Outlook* (MEO) published by the African Development Bank Group. However, due to expected slight improvements in medium-term global and regional economic conditions—mainly underpinned by China's re-opening and slower pace of interest rate adjustments—the forecast for 2024 has been revised up by 0.4 percentage points relative to the January 2023 MEO projection. Despite this, climate change, elevated global inflation, and persistent fragilities in supply chains will remain on the watchlist as potential factors for possible slowdowns of growth in the continent.

24. **The medium-term growth outlook is heterogenous across Africa's regions**: The growth momentum in ***Central Africa*** is projected to decline from an estimated 5.0 percent in 2022 to 4.9 percent in 2023 and 4.6 percent in 2024. The slowdown reflects a downward trend in commodity prices from their peak in 2022. Central Africa comprises mostly commodity exporters, and fluctuations in commodity prices indicate the risks associated with commodity export dependence across these countries. Growth in ***East Africa*** is projected to strengthen from an estimated 4.4 percent in 2022 to 5.1 percent in 2023 and 5.8 percent in 2024. ***With the exception of South Sudan***, growth in all countries in this region are estimated to increase in 2023, with seven of them achieving 5 percent GDP growth or higher, driven by fairly diversified production structures and a decline in commodity prices. Many countries in East Africa are commodity importers, and lower prices would benefit their GDP growth. However, pockets of drought and insecurity remain and may pose a challenge to achieving the projected higher growth.

    In North Africa, growth is projected to rise from an estimated 4.1 percent in 2022 to 4.6 percent in 2023 and 4.4 percent in 2024. The increase in 2023 will come largely from the strong recoveries in Morocco and Libya, the former from devastating drought, the latter from fluctuating oil production. ***Growth in Southern*** Africa is projected to decelerate by 1.1 percentage points, from an estimated 2.7 percent in 2022 to 1.6 percent in 2023. But with the right policy interventions, growth could recover to 2.7 percent in 2024. The projected sharp decline in 2023 largely reflects continued growth weakness in South Africa, the region's largest economy and trading partner, from an estimated 2.0 percent in 2022 to 0.2 percent in 2023, as it grapples with the impact of high interest rates and persistent power outages on economic activity.

    Growth in West Africa, despite macroeconomic challenges in some of the region's large economies, is projected to rise from an estimated 3.8 percent in 2022 to 3.9 percent in 2023 and 4.2 percent in 2024. This favorable outlook reflects higher growth in the region's small economies of the nine countries with projected growth rates of 5 percent or higher in 2023, eight are small economies, accounting for 15 percent of the region's GDP and 22 percent of the projected growth.

25. **The growth outlook also varies according to economic groupings reflecting diverse exposure to underlying economic uncertainties:** Growth in tourism-dependent economies is projected to decline

from an estimated 8.4 percent in 2022 to 4.9 percent in 2023 and 4.4 percent in 2024, reflecting an abating base effect and growth slowdowns in important tourist source markets, especially Europe and North America.

Despite the decline, oil prices have remained above the five-year trend, boosting growth in oil-exporting countries since the recession at the peak of COVID-19. Growth in this group, estimated at 4.0 percent in 2022, is projected to strengthen to an average of 4.2 percent in 2023 and 2024. The oil output effect, notably in Libya and Nigeria, could also shore up economic growth as production improves following efforts to tackle insecurity.

Growth in other resource-intensive economies is, however, projected to decline from an estimated 3.0 percent in 2022 to 2.4 percent in 2023, with a recovery to 3.5 percent in 2024. The growth deceleration in 2023 is largely attributed to limited diversification and the lower prices of key commodities, notably minerals, amid weak global growth.

Non-resource-intensive economies, largely countries with more diversified economic structures, are likely to sustain their resilience. Average growth for the group is projected to accelerate to 5.0 percent in 2023 and 5.6 percent in 2024 from an estimated 4.4 percent in 2022. This group recovered the strongest from the effects of COVID-19. The projected higher growth underscores the importance of economic diversification to weather the effects of exogenous shocks.

Sustained tightening of global financial conditions has put pressure on African national currencies. National currencies in Africa's net commodity exporters lost substantial value in 2022, mainly due to monetary policy tightening in the United States, which propped up the US dollar and historical domestic macroeconomic imbalances. Zimbabwe's dollar, Ghana's cedi, and Sierra Leone's Leone were among Africa's most devalued currencies against the US dollar in 2022, with respective depreciation rates of around 323.4 percent, 42.5 percent, and 34.0 percent. Although most African currencies weakened, others appreciated or remained stable. Countries with appreciating currencies included Angola (27.1 percent), Seychelles (15.6 percent), and Zambia (15.3 percent). Depreciation rates could ease in 2023 and 2024, but continued strengthening of the US dollar will keep African currencies under pressure. Currency weaknesses in some of Africa's more globally integrated economies (Kenya, Nigeria, and South Africa) are expected to persist in 2023, largely due to potential capital outflows as investors search for safe assets in advanced economies.

26. **Africa's average consumer price inflation is projected to increase from an estimated 14.2 percent in 2022 to 15.1 percent in 2023, and to decline to 9.5 percent in 2024.** The projected increase in 2023 mirrors structural weaknesses in most African countries: supply constraints to offset the effects of elevated food prices, dependence on energy imports, even in key oil producers such as Nigeria, and exchange rate passthrough effects from the stronger US dollar. The resulting increase in the cost of living could further intensify price-induced social unrest events across the continent.

Other contributors include the lingering impact of supply chain disruptions, excess demand fuelled by massive government spending in the aftermath of the pandemic, and spill-over effects of Russia's invasion of Ukraine. The return to single-digit inflation in 2024 after four years of sustained build-up in inflationary pressures reflects the benefits of monetary policy tightening and countries' efforts to tackle structural impediments to domestic food supplies.

The number of countries with at least double-digit inflation in 2024 is projected to halve from 16 in 2023, down from the 18 in 2022. Countries with inflation-targeting frameworks have been more successful in taming inflation relative to non-targeting peers. The former group's average inflation, at 10.9 percent in 2022, was half the rate for non-targets (23.1 percent), and the trend is expected to persist in 2024. The inflation rate for inflation targets is projected to hit single digits of 7.9 percent, against 13.6 percent for non-targets in 2024.

Sovereign debt remains a threat to economic recovery despite recent debt relief initiatives. Although Africa's debt-to-GDP ratio is estimated to stabilize around 70 percent in 2021 and 2022, from 71.4 percent in 2020, thanks to growth recovery and debt relief measures, it will remain above pre-pandemic levels. The international financial community's initiatives, such as the Debt Service Suspension Initiative (DSSI), the Common Framework, and the International Monetary Fund's August 23rd, 2021, general allocation of $650 billion-equivalent Special Drawing Rights (SDRs) have also helped alleviate liquidity pressures in many countries by boosting external buffers. However, these initiatives have not erased debt vulnerabilities, with 23 African countries either in or at risk of debt distress as of February 2022. Additional structural reforms such as debt restructuring, and reprioritizing public spending are required to ensure long-term debt sustainability. Reconfiguring the global debt relief architecture, including reinstating the DSSI, will be crucial in supporting debt-ridden African countries' transition toward a path of sustainable debt in the medium to long term.

Continued implementation of corrective measures to restore external balances and increased export revenues could prop up the current account, with the deficit projected to stabilize at around 2.3 percent in 2023–24, an improvement of more than 1.5 percentage points from the pre-pandemic 3.8 percent. Corrective measures to restore external balance include fiscal consolidation and monetary policy actions to curb domestic inflation and reverse capital outflows, reduce dependence on imported products, and enhance African countries' external competitiveness.

27. **Fiscal performance improved in 2022, reflecting reversals of pandemic-induced expansionary spending across the continent.** The overall fiscal deficit is estimated to have narrowed to 4 percent of GDP in 2022 from 4.9 percent in 2021. The fiscal deficit in 2022 also shows a 0.4 percentage point improvement from the earlier estimate of 4.4 percent of GDP reported in the 2023 MEO. This is the second consecutive year of improved fiscal position after the sharp deterioration to 6.8 percent of GDP in 2020 due to large fiscal support to alleviate the socioeconomic impacts of the pandemic.

The sustained improvement was broad-based, and Africa's average fiscal deficit is projected to stabilize at 4.1 percent of GDP in 2023 and could narrow to 3.8 percent in 2024, below the pre-pandemic 4 percent in 2019.

28. **Improvement in the current account positions in oil-exporting countries was insufficient to mitigate weaknesses in other economies.** Net oil exporters recorded a current account surplus of 1.4 percent of GDP in 2022, benefiting from higher oil prices, which helped reverse a deficit of 1.1 percent the previous year. However, the current account in non-resource and other resource-intensive countries deteriorated further, eroding the gains from their oil-exporting peers.

The deficit in non-resource-intensive economies rose from an estimated 5.4 percent of GDP in 2021 to 7.6 percent in 2022 and 2.8 percent of GDP in other resource economies, against a surplus of 0.5 percent the previous year. Despite an improvement in tourism-dependent economies from 21.5 percent in 2021, the current account deficit remained elevated at 14.4 percent of GDP in 2022, reinforcing the deterioration in other resource economies and non-resource dependent counterparts. As a result, Africa's average current account deficit widened to 2.1 percent of GDP in 2022 from 1.7 percent in 2021.

1.C.3 Nigerian Economy

29. Nigeria, Africa's largest economy and top oil producer, accounts for about 30 percent of the output for this group of countries and about 15 percent of Africa's GDP. But it has suffered from a steady decline in oil production, due to aging infrastructure and rising pipeline vandalism. The negative output effect has thus offset any gains from higher prices of crude oil, impeding the sector's contribution to the country's growth.

30. With Nigeria's medium-term growth projected to remain tepid, much of the group's projected average growth of 4.2 percent in 2023–24 will be driven by strong recovery in Libya (13 percent average for the period) and consolidation in other countries. Efforts to shore up political stability in Libya and spur catalytic investment in oil sector could contribute to growth in Africa's oil exporters. Addressing insecurity and rehabilitating infrastructure as well as anticipated coming on stream of the Dangote oil refinery in Nigeria, could add further impetus to the group's future growth. Africa's oil exporters, with

vast reserves, have the opportunity to capture European markets as well as other markets that rely on Russian oil. Considerable risks remain for the long term, however, as the net-zero transition gathers pace.

31. Many aspects of the macroeconomic and fiscal environment remained the same in the first half of 2023 as they have been in the recent past. Inflation continues to edge upward as it has every month for the last 18 months (bar December 2022), reaching 22.22% year-on-year in April 2023. Quarterly Real Gross Domestic Product (GDP) growth has been fluctuating in the range of 2-4% over the last eight quarters (two years). The impact of the general elections and the Naira design on 2023 Q1 GDP was not as acute anticipated – growth was reported at 2.31% for the first quarter.

32. Of greater concern is the plight of key crude oil indices. Crude oil prices dropped in May 2023 to less than $75 per barrel (the closing price of Brent Crude was $73.15 on the 31st of May), which is below the level observed immediately prior to the Russian military presence on the Ukrainian border in early 2022. Notably, it is also below the 2023 FGN Benchmark price of $75 per barrel. There are a number of factors that have contributed to the decline, not least the weakened global macro-economic outlook. Whilst the decline in the crude price is positive in terms of its impact on the domestic petroleum prices post-subsidy removal, the impact on fiscal revenues and foreign reserves is still negative. This is coupled with the reduced crude oil production – OPEC reported production of less than 1.0 Million Barrels Per Day (MBDP) in April 2023 (this does not include lease condensate, which probably adds 0.2 MBDP).

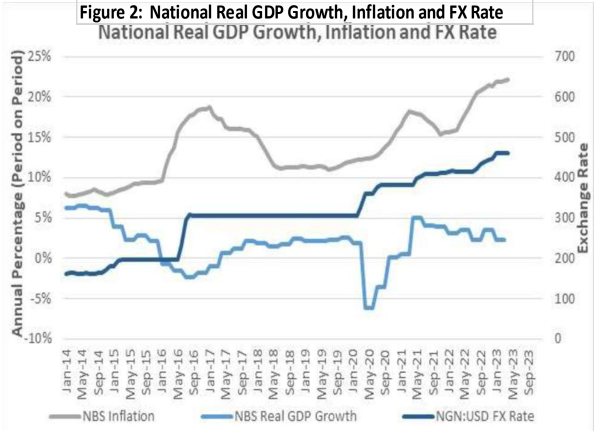
33. Subsidy removal, as announced by the Tinubu Administration, is expected to bring about some distortion in the economy. Inflation will push the general price level upwards (including the cost of public administration), reduce household income and consumption in the short run and exert some negative impact on real economic growth. The anticipated $800 million loan from the World Bank to support cushioning the effects of the subsidy removal might be difficult to implement and achieve intended objectives due to the rent-seeking behaviour of implementers.

34. The Tinubu Administration has also hinted at the plan of exchange rate unification (in his inauguration speech, Tinubu said “Monetary policy needs a thorough house cleaning. The Central Bank must work towards a unified exchange rate. This will direct funds away from arbitrage into meaningful investment in the plant, equipment and jobs that power the real economy”). These are expected to be key monetary policy variables that would help to stimulate the business environment and macroeconomy against potential upheavals arising from subsidy removal. The Naira to US Dollar (USD) official exchange (Import and Export (I&E)) rate has been fairly stable during the first five months of 2023, at a rate of around N460 to the USD (note the unofficial rate is around N300 higher than the I&E rate).

Macroeconomic

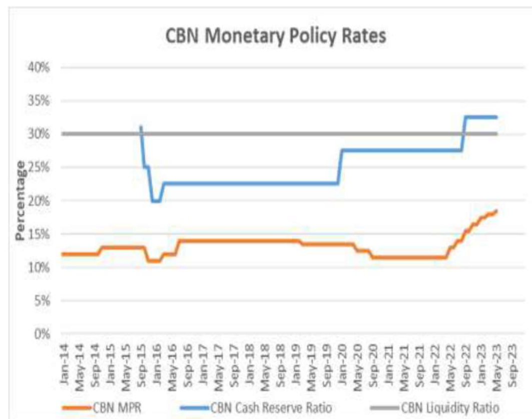
35. Real GDP growth fell slightly in 2023 Q1 to 2.31% compared to 3.52% in the last quarter of 2022. Albeit, the negative impact of the elections and the naira redesign on the economy were not as significant as they could have been. The Q1 figure points to a full-year growth figure for 2023 in the range of the IMF’s estimate in the April 2023 World Economic Outlook (WEO) of 3.2%. This is some way below the figures in the National Development Plan (NDP) 2021-2025 (4.39%) and the 2023-2025 FGN MTEF (3.75%). The outlook by IMF for 2024 onwards is for growth to plateau at 3.0% per annum over the period 2024-2026. This is consistent with the broader global forecast for the period.

Figure 2: National Real GDP Growth, Inflation and FX Rate



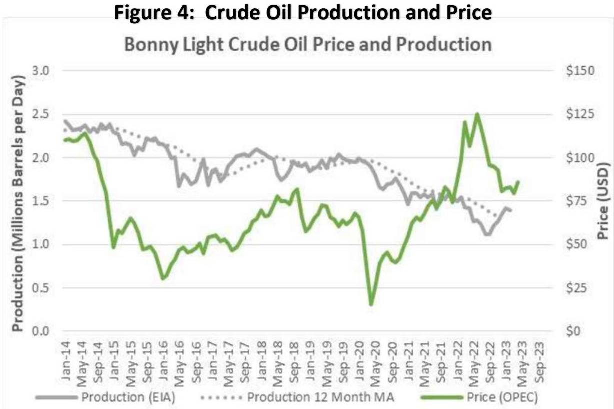
36. Consumer Price Index (CPI) inflation has crept up over the first four months of 2023, reaching 22.22% in April. Several issues will affect inflation going forwards including the cost of PMS and the knock-on effect of PMS prices on other goods and services. The future direction of Exchange Rate policies (e.g. moving to a free-floating rate) will also impact inflation, as would an increase in the VAT rate. Globally, price levels remain stubbornly high despite significant monetary policy tightening. The IMF April 2023 WEO, forecasts 20.1% for the full year in 2023, dropping to 15.8% in 2024 and to 14.0% by 2028. These forecasts appear on the low side and do not necessarily reflect the recent decision to remove the subsidy. The FGN 2023-2025 MTEF forecast is 17.16% for 2023, dropping slightly to 16.21% in 2024.

Figure 3: CBN Monetary Policy Rates



37. The future direction of the Monetary Policy Committee (MPC) decisions on the Monetary Policy Rate (MPR) and the Cash Reserve Ratio, which have included significant tightening in recent months, may also prove a factor for the future direction of CPI inflation. The IMF has urged continued prudence in this regard, in its latest Article IV consultations. Future decisions on the deficit funding of the FGN budget could also impact heavily on money supply and inflation. Given the uncertainty about the ultimate price of PMS post-subsidy removal and also the uncertainty of the future exchange rate, it is reasonable to expect CPI inflation to exceed 25% in 2023.

Figure 4: Crude Oil Production and Price



38. The low levels of crude oil production and the dwindling prices coupled with the ongoing deductions for derivation repayments (N502 billion over the first five months of the year) mean that distributable mineral revenue (for derivation and statutory allocation) stood at a meagre N1.348 trillion for the first five months of 2023. Although this is slightly above the amount distributed in the first five months of 2022, during that period, there was also a deduction of N1.218 trillion for PMS Under Recovery. There were no deductions for PMS Under Recovery in the first five months of 2023 – all the costs have been accrued by NNPC for repayment in the future (it is not clear how NNPC has funded this level of subsidy without deducting it from its gross revenues).

39. Foreign reserves have been gradually falling since late 2021 (following a boost from the IMF RFI and World Bank support in the wake of COVID-19). As noted in Section 2, they have fallen from N39.4 trillion as at 30 June 2022 to N35.1 trillion as at 26th May 2023. The official exchange has been stable at around N460 over the first five months of 2023. There are a number of factors that could influence

the future direction of the exchange rate, including specific policies around the merging of rates and restrictions on FX transactions, the future direction of crude oil price and production, domestic refinery capacity etc. However, recent history suggests that the future direction of travel is more likely to be downwards (devaluation) than upwards. It is more a matter of when and by how much.

Table 6: Nigeria Key Macroeconomic Indicators

Indicator	2023 Forecast	2024	2025	2026
Oil Production (mbpd)	1.4	1.4	1.5	1.5
Oil Price Benchmark (UK)	75	$65	$65	$65
GDP Growth	3.1%	3.0%	3.0%	3.0%
Inflation (%)	20.10%	22.10%	22.50%	22.80%
Exchange Rate (NGN:USD FX Rate)	460	600	600	600

Source: Briefing Note / 5th June 2023 / Issue 1 by PERL-ARC

1.C.4 Jigawa State Economy

40. The economy of Jigawa State is largely characterized by informal sector activities as over 80% of the population is engaged in agriculture (farming and animal husbandry). Though agriculture activities have been in practice in the area even before the creation of the State, it has taken different dimension after its creation in 1991. With development of agricultural policy in 2016 which seeks to achieve food security with a diversified state economy, Agriculture and Livestock Development have successfully been pursued which elevated the State to be among the top crop producers in Nigeria especially for such crops as rice and sesame. Many farmers also engage in rearing of livestock such as goats, sheep, poultry, and cattle.

38. Before the development of agricultural policy, the State experienced economic stagnation due to its agrarian nature considering considerable number of people in both rural and urban areas are engaged in agricultural production which was largely subsistence.

41. Trade and commerce are being undertaken on small and medium scale, especially in agriculture livestock and other consumer goods. Commercial activities are mostly dominated by the informal sector in form of retail business, however industrialization is just beginning mainly through government intervention. Apart from remodelling of economic empowerment activities in State, other informal sector activities include blacksmithing, leather-works, tailoring services, auto repairs and many others are being encouraged and supported. These have been making a lot of impact on the economy of the state.

42. The economy of the State has been restructured by the Jigawa State Government intervention followed a process that tapped the resources and harnessed the economic potentials of women, youths and the physically challenged in the State. The process started with youth summit on drugs and later “Talakawa Summit” were masses were able to air their views. Their testimonies were compiled, analyzed and passed to relevant agencies and these testimonies were translated into tangible programmes.

43. Modalities and strategies for poverty alleviation, employment generation and to develop economic sustainability and equitable economic growth in the State were developed in tandem with the aspirations of the people. These led to participatory planning where vocational skills acquisition training, community organization development, micro, small and medium scale enterprises, cooperative groups sprang up and economic activities improved all over the state. The empowerment activities are being undertaken in partnership with State SDG Office under Directorate of Budget & Economic Planning, NGOs, CBOs, LGAs and some concerned citizens to implement poverty alleviation and employment generation activities in the State.

44. The State is also known to have deposits of over 10 different kinds of solid minerals in commercial quantities including recently discovered crude oil seepage. Large scale manufacturing is still relatively

not large rice processing mills, dairy processing, and a shoe factory. Two mega plans for rice and sugar processing plants are currently being developed. There is presently an ongoing effort by the State Government to establish an industrial cluster around Gujungu - Gagarawa Axis to serve as the State's industrial hub.

45. The State has a good investment climate with strong commitment to continuously get the business environment improved to enhance the competitiveness of the State so as to attract more private domestic and foreign direct investments. This is being facilitated by the State Investment Promotion Agency popularly known as InvestJigawa which also serves as the Secretariat of the State Committee on Ease of Doing Business.

46. The economy of the State is fast growing looking at the spread of numbers of small, medium and large-scale industries most especially venturing on Agro-allied which will continue to further strengthen agricultural activities beyond subsistence but to the level of 'Agro-business'. The government will continue to give top priority to agriculture in term of providing enabling environment for the development of small and medium scale enterprises to enhance agricultural value chain.

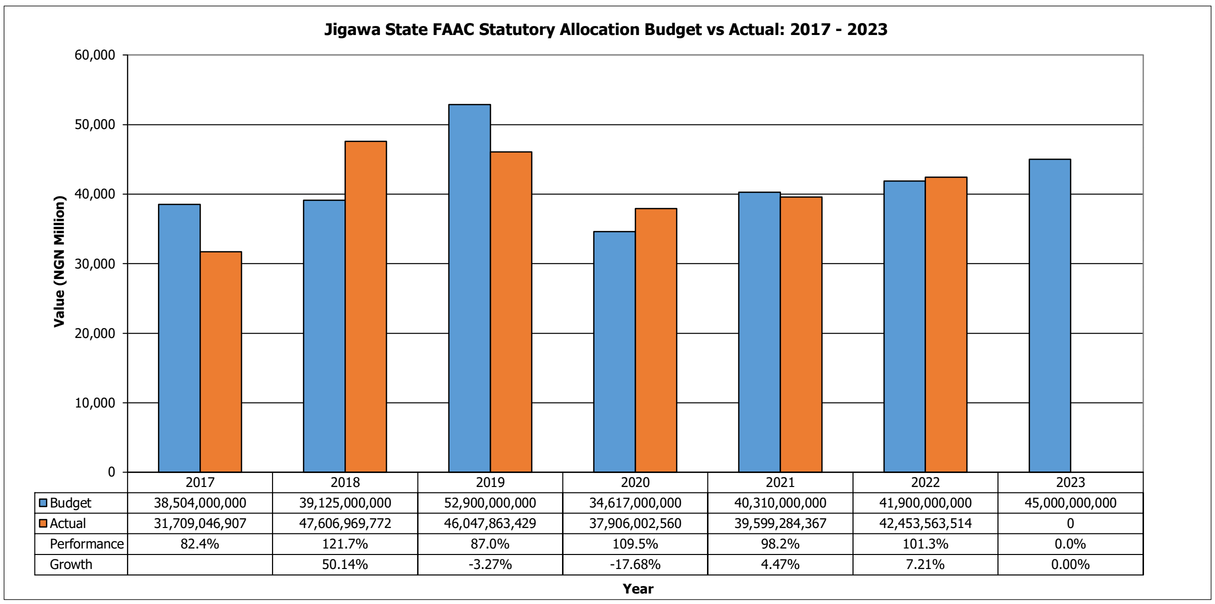
1.D Fiscal Update

1.D.1 Historic Trends

Revenue Side

47. On the revenue side, the document looks at Statutory Allocation, VAT, IGR, Other Federation Account, and Capital Receipts (Loans, Grants, Other Capital Receipts) – budget versus actual for the period 2017-2022 (six year historic) and 2023 budget.

Figure 5: Statutory Allocation

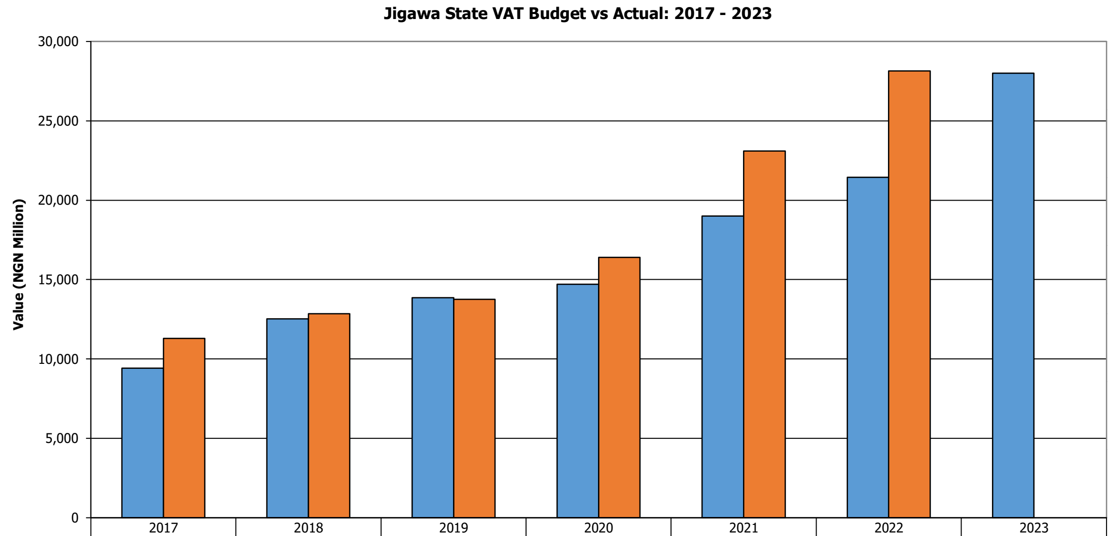


	2017	2018	2019	2020	2021	2022	2023
Budget	38,504,000,000	39,125,000,000	52,900,000,000	34,617,000,000	40,310,000,000	41,900,000,000	45,000,000,000
Actual	31,709,046,907	47,606,969,772	46,047,863,429	37,906,002,560	39,599,284,367	42,453,563,514	0
Performance	82.4%	121.7%	87.0%	109.5%	98.2%	101.3%	0.0%
Growth		50.14%	-3.27%	-17.68%	4.47%	7.21%	0.00%

48. The Statutory Allocation is a transfer from the Federation Allocation Accounts Committee (FAAC) and is based on the collection of minerals (largely Oil) and non-mineral revenues (companies income tax, custom and excise duties) at the national level, which is then shared between the three tiers of government using sharing ratios.

49. From Figure 5 above, it shows that the budgetary allocation increased from 2017 – 2019 in various proportion but fall in 2020 due to effect of COVID-19 pandemic and pick up slightly from 2021-2023. The actual performance of 2017, 2019 and 2021 showed negative variance of 17.6%, 13% and 1.8% respectively while in 2018, 2020 and 2022 indicated positive variance of 21.7% (due to unexpected increase in both price and production), 9.5% and 1.3% respectively. Only 2017 and 2018 showed variance of more than 15% while other years indicated good projections. The supplementary budgets were made in those years with excess receipts.

Figure 6: VAT



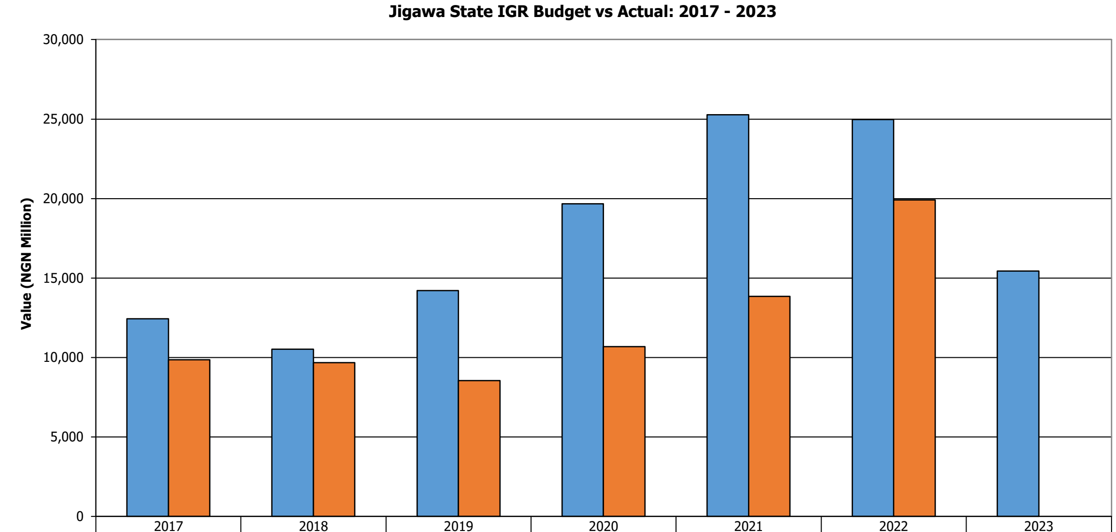
	2017	2018	2019	2020	2021	2022	2023
Budget	9,404,000,000	12,512,000,000	13,860,000,000	14,711,000,000	18,990,000,000	21,440,000,000	28,000,000,000
Actual	11,290,404,233	12,857,521,736	13,752,777,423	16,395,911,903	23,102,976,464	28,138,353,650	0
Performance	120.1%	102.8%	99.2%	111.5%	121.7%	131.2%	0.0%
Growth		13.88%	6.96%	19.22%	40.91%	21.80%	0.00%

Year

50. Value Added Tax (VAT) is a tax collectable on most goods and services. It is collected by the Federal Inland Revenue Service (FIRS) and distributed between the three tiers of government on a monthly basis - based on set ratios and the amount of VAT a particular state generated.

51. The VAT projections from 2017-2023 indicated various performance as shown in the Figure 6 above. While from 2017-2022 both budgeted and actual collection continue to increase, the actual performance revealed that only from 2018-2020 had variance within the acceptable limit. It also indicated that, there was high economic activities in 2017, 2020 and 2022 which contributed to high collection and led to positive variance of unacceptable limit of 20.15%, 21.7% and 31.2%. The projection of 2023 was increased by N6.56 billion over that of 2022 fiscal year.

Figure 7: IGR



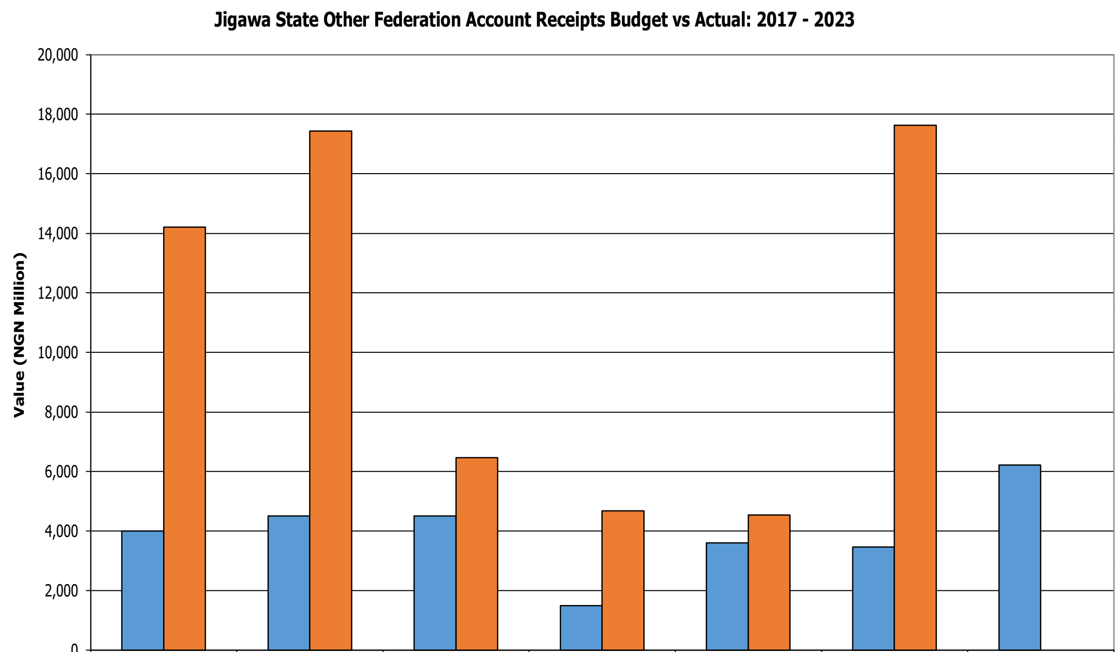
	2017	2018	2019	2020	2021	2022	2023
Budget	12,439,000,000	10,513,000,000	14,210,000,000	19,675,400,000	25,270,100,000	24,979,557,000	15,441,619,000
Actual	9,859,445,280	9,682,227,407	8,536,371,115	10,677,375,381	13,853,655,219	19,906,608,862	0
Performance	79.3%	92.1%	60.1%	54.3%	54.8%	79.7%	0.0%
Growth		-1.80%	-11.83%	25.08%	29.75%	43.69%	0.00%

Year

52. Internally Generated Revenue (IGR) is a revenue collectable within Jigawa State. The broad sources of this revenue include: income tax (PAYE), fines & fees, licenses, levies and other miscellaneous sources.

53. As shown above, from 2017-2022 fiscal years actual performance fall short of budgetary projections in various proportion. With exception of 2018 which show a variance of 7.9%, other years showed unencouraging performance. This indicated that concerted effort has to be done to improve the situation as this trend revealed that, either there are less economic activities in the State or there may be less effort in collection and remittance.

Figure 8: Other Federation Account

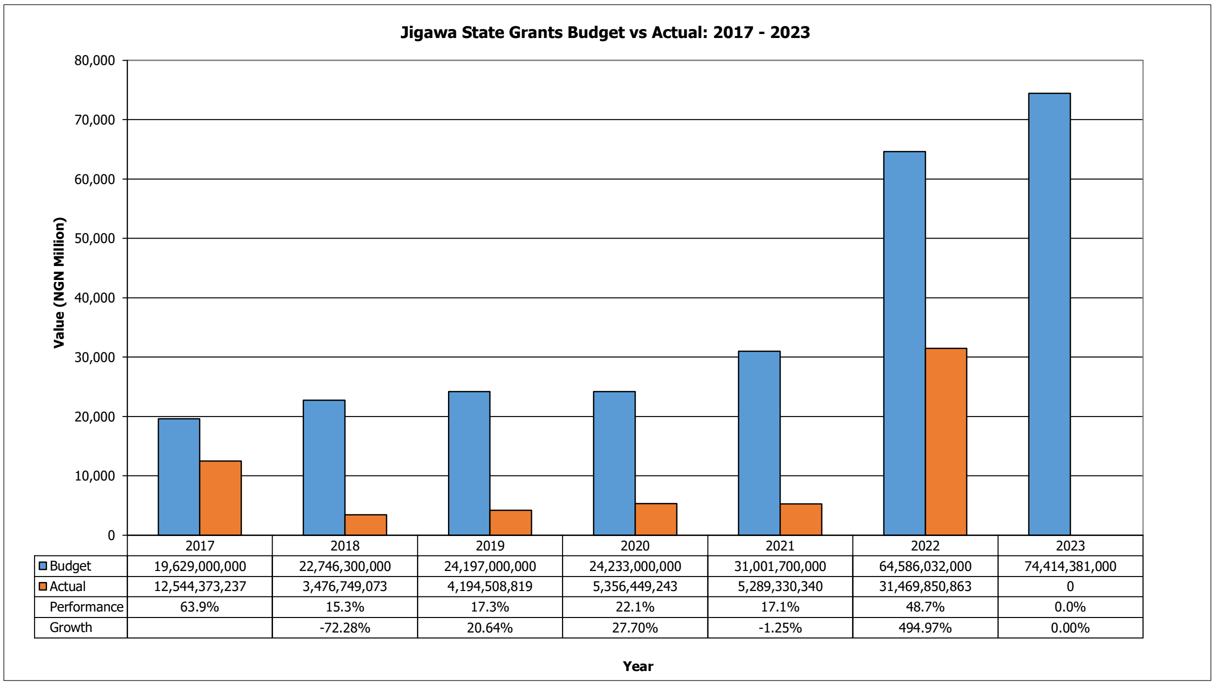


	2017	2018	2019	2020	2021	2022	2023
Budget	4,000,000,000	4,500,000,000	4,500,000,000	1,500,000,000	3,600,000,000	3,460,000,000	6,215,000,000
Actual	14,215,333,414	17,438,241,530	6,468,578,800	4,678,199,180	4,535,971,458	17,635,292,490	0
Performance	355.4%	387.5%	143.7%	311.9%	126.0%	509.7%	0.0%
Growth		22.67%	-62.91%	-27.68%	-3.04%	288.79%	0.00%

54. Other Federation Account Receipts are other receipts from Federation Accounts which include Excess Crude Oil, Exchange Gain Differential, NNPC refund, Augmentation and other Miscellaneous Receipts.

55. Due to unpredictability nature of this receipt, it is usually difficult to make a realistic projection. From the chart above, it showed that the actual performance from 2017-2022 were divergent with the projections as the positive variances range from 26% to about 410%. Notwithstanding the unpredictability, effort should be made to improve by learning from the past experience and the current situation.

Figure 9: Grants

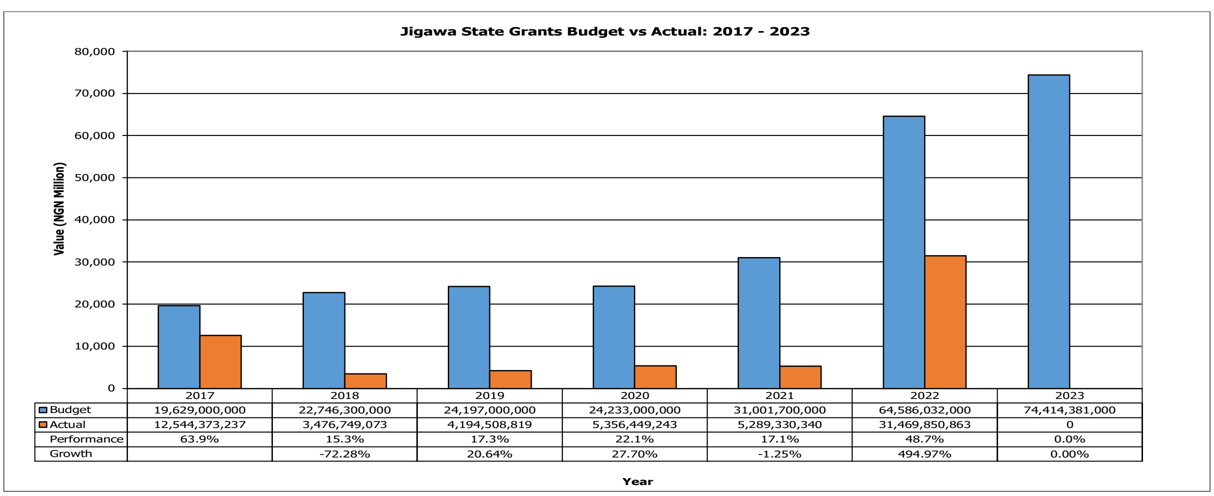


	2017	2018	2019	2020	2021	2022	2023
Budget	19,629,000,000	22,746,300,000	24,197,000,000	24,233,000,000	31,001,700,000	64,586,032,000	74,414,381,000
Actual	12,544,373,237	3,476,749,073	4,194,508,819	5,356,449,243	5,289,330,340	31,469,850,863	0
Performance	63.9%	15.3%	17.3%	22.1%	17.1%	48.7%	0.0%
Growth		-72.28%	20.64%	27.70%	-1.25%	494.97%	0.00%

56. Grants, Contributions and Reimbursements are the projected drawdown from International organizations, Federal Government, Local Governments, etc. These include: UNICEF and World Bank supports, National Trust Funds such as UBEC Intervention grants, TETFunds, Federal Government SDG-CGS grants, Local Governments Capital contributions for the State-wide projects and funding of State University, donations from private companies as corporate responsibilities, etc.

57. Apart from 2017 and 2022 with performance of about 64% and 49%, others years ranged from as low as 15.3% - 22.1%. This aspect is also within the group of unpredictable sources as the drawdown is not controlled the beneficiary States but by the donors. Despite this problem, effort has to be made to ensure that the MDAs give realistic figures to be drawdown.

Figure 10: Other Capital Receipts

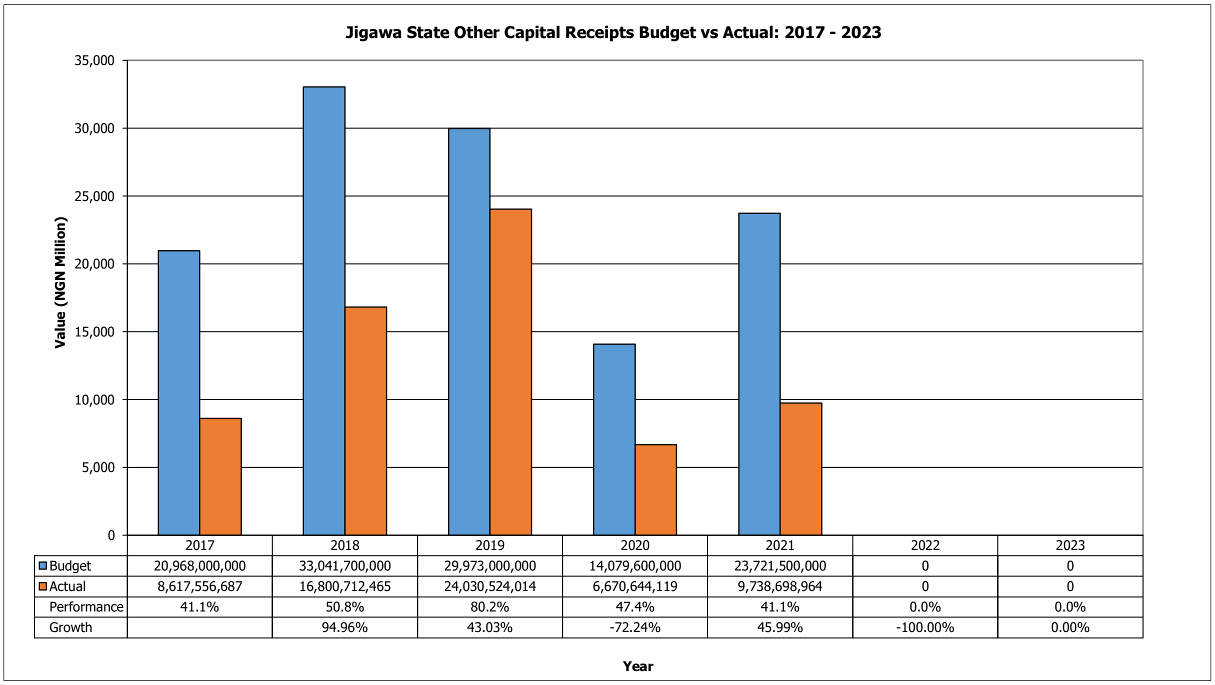


	2017	2018	2019	2020	2021	2022	2023
Budget	19,629,000,000	22,746,300,000	24,197,000,000	24,233,000,000	31,001,700,000	64,586,032,000	74,414,381,000
Actual	12,544,373,237	3,476,749,073	4,194,508,819	5,356,449,243	5,289,330,340	31,469,850,863	0
Performance	63.9%	15.3%	17.3%	22.1%	17.1%	48.7%	0.0%
Growth		-72.28%	20.64%	27.70%	-1.25%	494.97%	0.00%

58. Other Capital Receipts are other accruable receipts which are directly use in financing capital expenditure programmes or/and projects. These include: Capitalized revenue of parastatals, proceeds from the sales of government properties, proceeds from sales of condemned stores, etc. These are also not predictable but only estimated when the situation arises.

59. From 2017-2021, the graph shows that the budgetary provision increased year-in-year-out while from 2022 to 2023 took a different dimension due to reflection of recurrent grant under this category. Though performance in 2017 reached about 64% which was unencouraging, others indicated dismal performance of between 15.3% to 48.7%. These poor performances were not unconnected with economic reasons and other determining factors such as over-ambitious projections.

Figure 11: Loans/Financing



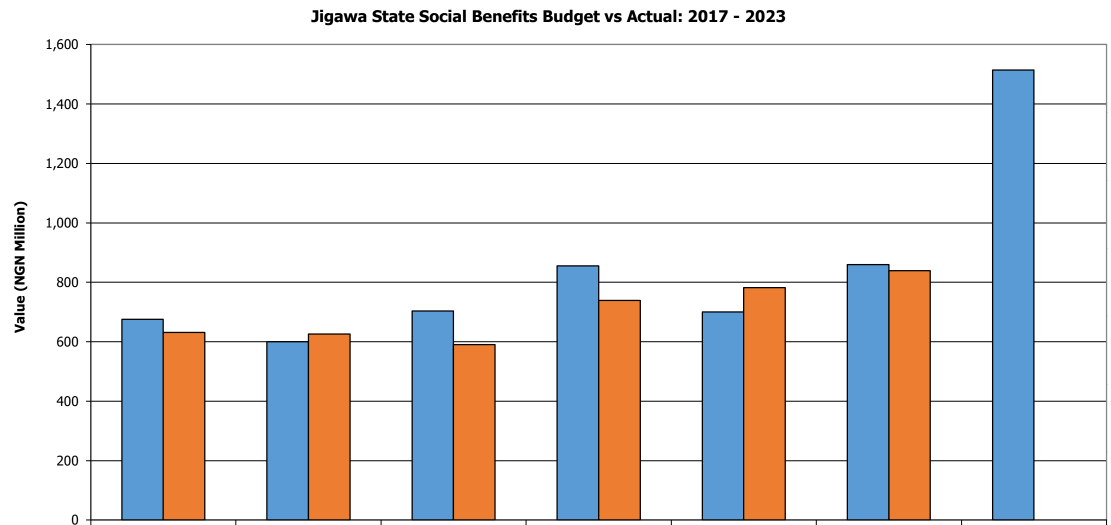
	2017	2018	2019	2020	2021	2022	2023
Budget	20,968,000,000	33,041,700,000	29,973,000,000	14,079,600,000	23,721,500,000	0	0
Actual	8,617,556,687	16,800,712,465	24,030,524,014	6,670,644,119	9,738,698,964	0	0
Performance	41.1%	50.8%	80.2%	47.4%	41.1%	0.0%	0.0%
Growth		94.96%	43.03%	-72.24%	45.99%	-100.00%	0.00%

60. Loans comprise of both internal (domestic) and external (Foreign, International). As indicated in the chart, the projections and actual performance varied from 2017 – 2021. Incidentally, the 2017 and 2021 performance were as low as 41.1%, while on 50.8% and 80.2% were drawdown in 2018 and 2019 respectively. No drawdowns from any of the loan were expected in 2022 and 2023.

Expenditure Side

61. On this aspect, the document looks at Personnel (Salaries and Allowance), Social Contributions and Social Benefits, Overhead costs, Grants, Contribution & Subsides and Transfers, Public Debt Service, and Capital Expenditure in term of budget versus actual for the period 2017 - 2022 (six years) and 2023 fiscal year budget.

Figure 2: Personnel



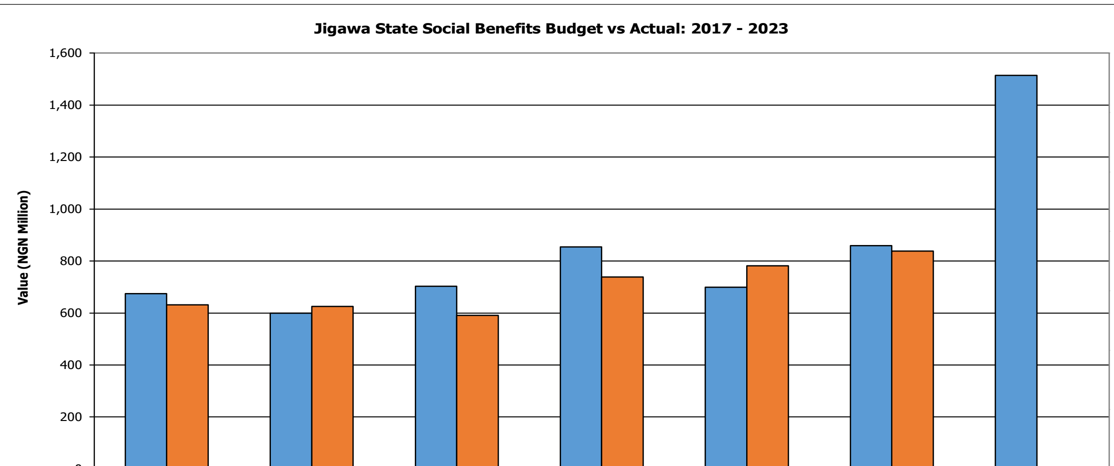
	2017	2018	2019	2020	2021	2022	2023
Budget	675,000,000	600,000,000	703,240,000	855,000,000	700,000,000	860,000,000	1,514,274,000
Actual	631,002,555	625,673,616	590,467,314	738,599,994	781,714,450	839,040,626	0
Performance	93.48%	104.28%	83.96%	86.39%	111.67%	97.56%	0.00%
Growth		-0.84%	-5.63%	25.09%	5.84%	7.33%	0.00%

Year

62. Personnel cost is an expenditure component directed towards payment of salaries and allowances of civil servants and political officeholders cutting across three tiers of government (executive, legislative and judiciary).

63. As shown by the graph, the projections and the performances from 2017-2021 were very impressive indicating application of realism concept with the performance ranged from 82.46% to 98.25%. The 2022 performance was about 83.11% due to mass retirements of teaching and non-teaching staff as well as health workers without recruitments. It also shows that the 2023 has the highest projection in anticipation of mass recruitments especially in the social service sectors.

Figure 13: Social Contributions and Social Benefits



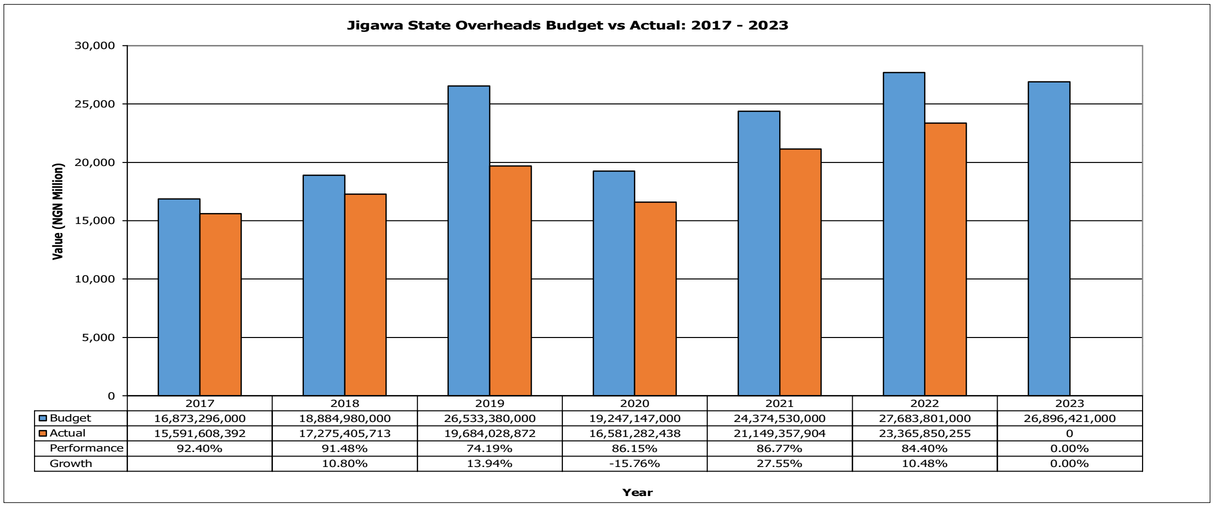
	2017	2018	2019	2020	2021	2022	2023
Budget	675,000,000	600,000,000	703,240,000	855,000,000	700,000,000	860,000,000	1,514,274,000
Actual	631,002,555	625,673,616	590,467,314	738,599,994	781,714,450	839,040,626	0
Performance	93.48%	104.28%	83.96%	86.39%	111.67%	97.56%	0.00%
Growth		-0.84%	-5.63%	25.09%	5.84%	7.33%	0.00%

Year

64. Social benefits comprise of the allocation set aside for the payment of pension and gratuities (both retirees and deaths) to public and civil servants in the state. The projection captured in the budget is mainly for the payment of those who are on the old scheme.

65. As shown in the chart above, there were good budgetary provisions and performances from 2017 to 2022, as the variances are with the acceptable limit indicating realistic projections.

Figure 14: Overhead Costs

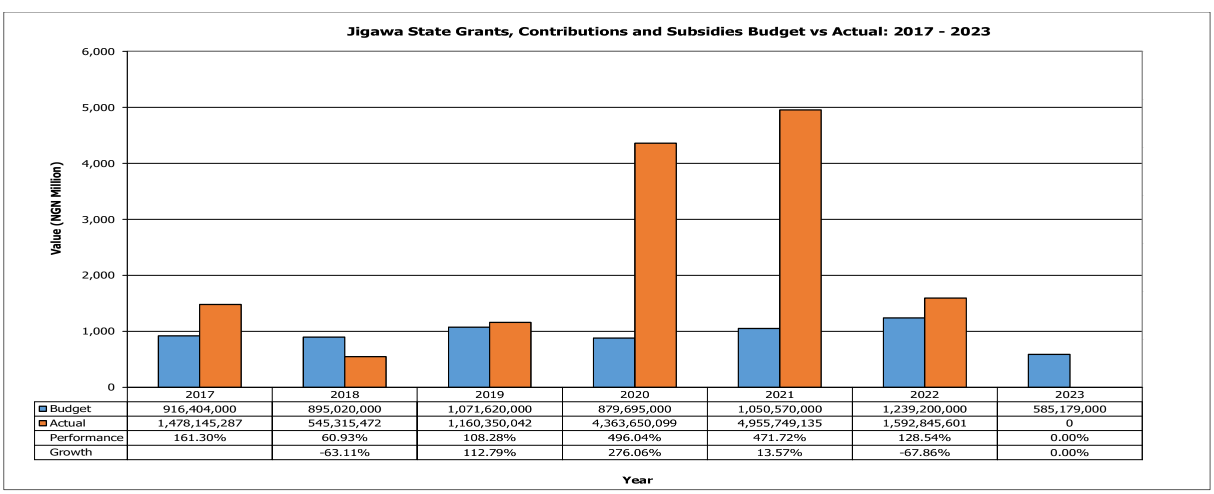


	2017	2018	2019	2020	2021	2022	2023
Budget	16,873,296,000	18,884,980,000	26,533,380,000	19,247,147,000	24,374,530,000	27,683,801,000	26,896,421,000
Actual	15,591,608,392	17,275,405,713	19,684,028,872	16,581,282,438	21,149,357,904	23,365,850,255	0
Performance	92.40%	91.48%	74.19%	86.15%	86.77%	84.40%	0.00%
Growth		10.80%	13.94%	-15.76%	27.55%	10.48%	0.00%

66. Overhead costs are components of recurrent expenditure directed towards payment of operational expenses for the day-to-day running of offices, maintenance of structures, facilitation of capital projects implementation and delivery of other essential services. It is also used for the implementation of government policies that are recurrent in nature such payment of scholarship, institutional feeding of boarding students, payment for external examinations, etc.

67. From the figure 14 above, it revealed that there was impressive performance of 92.4%, 91.48%, 86.15% and 86.77% in 2017, 2018, 2020 and 2021 respectively while that of 2019 was fair with performance of 74.19%. While the budgetary provisions increased from 2017 to 2019, it dropped in 2020 because of the effect of COVID-19. It however pick-up in 2021 indicating government commitment in fulfilling mandatory expenditure associated with this aspect. The projection was slightly reduced in 2023 to channel more funds into investment expenditure.

Figure 15: Grants, Contributions, Subsidies, Transfers

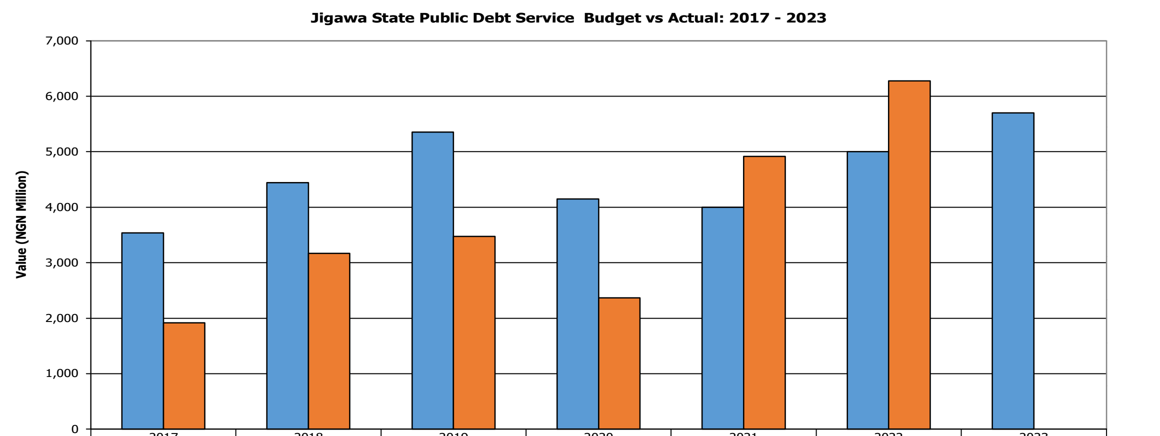


	2017	2018	2019	2020	2021	2022	2023
Budget	916,404,000	895,020,000	1,071,620,000	879,695,000	1,050,570,000	1,239,200,000	585,179,000
Actual	1,478,145,287	545,315,472	1,160,350,042	4,363,650,099	4,955,749,135	1,592,845,601	0
Performance	161.30%	60.93%	108.28%	496.04%	471.72%	128.54%	0.00%
Growth		-63.11%	112.79%	276.06%	13.57%	-67.86%	0.00%

68. Grants, contributions, subsidies and transfer covered all budgetary allocations set aside for payment to MDAs to support them to undertake crucial activities that were not covered by other codes of

expenditure. The performance for 2017, 2020, 2021 and 2022, as indicated by the chart above, were unrealistic projected as the performance reached unimaginable level of 161.3%,496%, 471.2% and 129.5% respectively. The principle of budget realism should be employed to curtail this ugly situation.

Figure 16: Public Debt Service

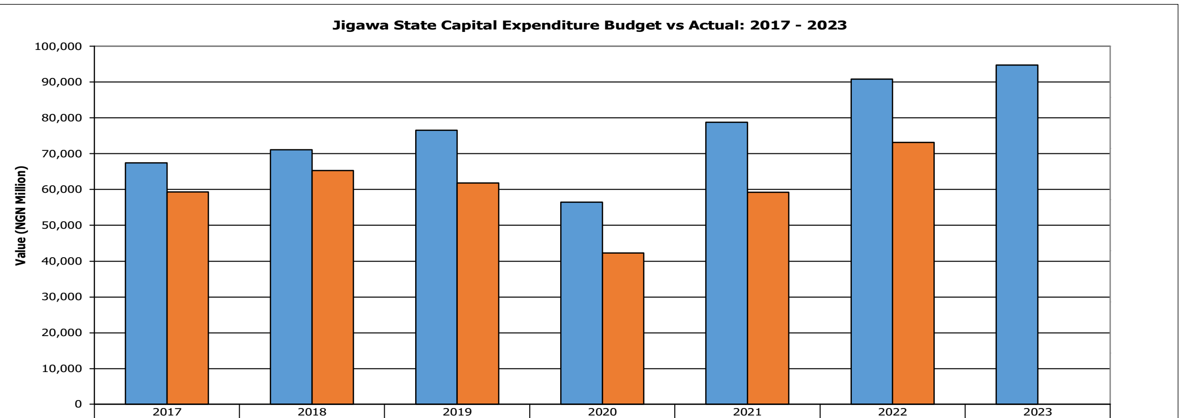


	2017	2018	2019	2020	2021	2022	2023
Budget	3,540,000,000	4,442,000,000	5,355,000,000	4,150,000,000	4,000,000,000	5,000,000,000	5,700,400,000
Actual	1,915,899,075	3,169,669,938	3,474,741,607	2,368,933,111	4,913,658,418	6,276,280,495	0
Performance	54.12%	71.36%	64.89%	57.08%	122.84%	125.53%	0.00%
Growth		65.44%	9.62%	-31.82%	107.42%	27.73%	0.00%

Year

69. Public Debt Service is part of recurrent expenditure set aside for the repayment domestic and external debts and the interests accrued therefrom. The State considers this as an obligation and consistently been allocating some money for this purpose. It is being done base on the reconciled figure with Federal Debt Management Office (DMO). The performances from 2017 to 2020 had negative variance of 45.88%, 28.64%, 35.11% and 42.92% respectively and positive variance of 22.84%, 25.53% for 2021 and 2022 respectively which show unsoundness in the projections. The deviation may not be unconnected with reconciliation with DMO. For 2023 fiscal year, an estimated allocation of N5.7 billion was made for this purpose.

Figure 17: Capital Expenditure



	2017	2018	2019	2020	2021	2022	2023
Budget	67,486,000,000	71,134,000,000	76,535,000,000	56,459,000,000	78,739,900,000	90,837,000,000	94,773,000,000
Actual	59,339,421,867	65,305,330,154	61,866,584,413	42,280,861,771	59,192,951,576	73,175,772,269	0
Performance	87.93%	91.81%	80.83%	74.89%	75.18%	80.56%	0.00%
Growth		10.05%	-5.27%	-31.66%	40.00%	23.62%	0.00%

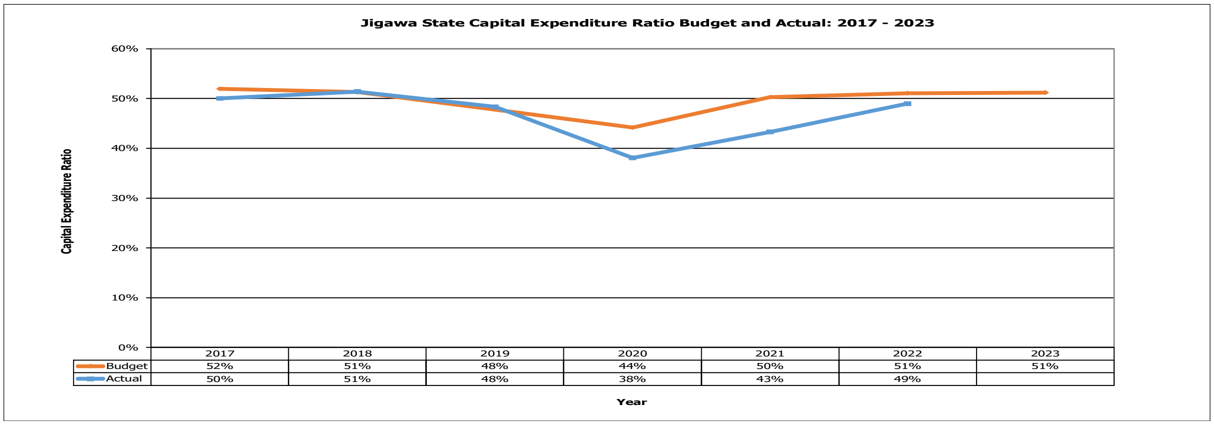
Year

70. Capital expenditure is that aspect of expenditure that is directed towards implementation of yearnings and aspirations of the people of the State through the implementation of government policies. This covers all the programmes and projects intended to improve the lives of the citizens in all nooks and corners of the State.

71. From the above chart, the projections and performances from 2017-2022 showed that government is investing a lot towards improving the lives of the people of the State. It also revealed that the

performance of 2017, 2019 and 2022 were satisfactory, whereas for 2020 and 2021 with 75% performance indicated negative variance of 25% which is above the acceptable limit of PEFA, though this scenario was not unconnected with effect pre and post-COVID-19 which globally affect the economic performance.

Figure 8: Recurrent: Capital Expenditure Ratio



	2017	2018	2019	2020	2021	2022	2023
Budget	52%	51%	48%	44%	50%	51%	51%
Actual	50%	51%	48%	38%	43%	49%	

72. From the chart, it clearly shows that the projected capital expenditure for 2017, 2018, 2022 and 2023 are higher than recurrent expenditure of the same periods (high capital ratio than recurrent). As for expenditure, the chart revealed that only in 2018 fiscal year the capital ratio is higher 51% (i.e 51:49), while the same ratio was maintained in 2017 and 2022 with 50:50 each. For the year 2019 and 2020, recurrent projections exceed that of capital by 2% and 6% respectively, likewise performance of recurrent were higher than that of capital in the same periods and 2021 by 2%, 12% and 7% or 52:48, 62:38 and 57:43 respectively. These coincidentally also happened in pre and post-COVID periods. Largely these could be said to be satisfactory and in line with the dictate of public expenditure management.

By Sector

73. From Table 7, Personnel costs had an impressive performance going by the trend of actual expenditure of 2019 – 2022 as only one (1) sector had 37.56% performance. This happened because of sound projections and implementation.

74. With regards to the overhead costs performance by sector, it can be seen vividly in Table 8 that the performance was satisfactory as only four (4) Sectors out of fourteen (14) had less than 80% performance.

75. As for the capital expenditure by sector, as revealed by Table 9, the performances from 2019 – 2022 fiscal years were not impressive as only six (6) sectors out of fourteen (14) had satisfactorily performed while others showed unsatisfactory performance.

Table 7: Sector Expenditure – Personnel - Budget Vs Actual

Jigawa State Personnel (Salaries, Allowances and Social Contributions) Expenditure by Sector										
No.	Sector	2019 Budget	2019 Actual	2020 Budget	2020 Actual	2021 Budget	2021 Actual	2022 Budget	2022 Actual	Performance
1	Road Developmment	257,940,000	233,181,095	281,054,000	280,945,680	277,024,000	272,530,075	279,113,000	258,174,933	95.41%
2	Agriculture	767,600,000	752,025,109	867,248,000	863,981,326	879,000,000	850,910,059	930,500,000	888,350,838	97.41%
3	Commerce & Industry	90,037,000	73,047,071	93,081,000	88,667,794	96,940,000	88,067,160	95,559,000	87,502,920	89.79%
4	Rural Electrification (Energy)	26,850,000	24,923,979	28,090,000	28,040,240	27,973,000	26,428,239	24,499,000	23,843,689	96.11%
5	Economic Empowerment	57,570,000	57,126,191	76,260,000	76,221,052	74,000,000	72,722,307	70,374,000	68,874,069	98.83%
6	Education	30,112,941,000	23,575,243,580	30,680,243,000	29,215,141,059	31,286,269,000	29,450,533,153	31,281,586,000	29,657,147,160	90.71%
7	Health	9,876,630,000	9,182,724,140	6,308,463,000	6,294,350,063	6,350,381,000	6,239,503,001	11,630,826,000	6,982,549,018	84.00%
8	Women & Soc. Devpt	304,520,000	74,958,581	156,390,000	143,496,205	331,300,000	99,657,877	334,087,000	104,922,367	37.56%
9	Information, Culture & Sports	350,149,000	322,721,839	378,063,000	375,035,014	418,500,000	395,611,193	405,723,000	354,888,281	93.29%
10	Environment	434,570,000	393,637,030	484,856,000	483,426,964	504,523,000	494,882,366	513,962,000	524,334,906	97.85%
11	Water Supply	435,022,000	405,897,283	498,726,000	497,335,171	505,573,000	448,292,364	462,836,000	429,239,186	93.62%
12	Urban & Regional Devpt	198,520,000	200,766,369	261,778,000	250,855,432	255,400,000	243,597,357	252,691,000	234,569,207	96.01%
13	General Administration	5,412,560,000	4,567,268,635	4,381,545,000	4,381,249,719	5,085,299,000	5,431,641,957	4,273,950,000	3,941,693,984	95.66%
14	Law & Justice	1,616,851,000	1,318,714,267	1,666,703,000	1,654,811,217	1,630,818,000	1,564,402,575	1,619,882,000	1,487,520,533	92.21%
	Total	49,941,760,000	41,182,235,168	46,162,500,000	44,633,556,936	47,723,000,000	45,678,779,682	52,175,588,000	45,043,611,089	90.07%

Table 8: Sector Expenditure – Overhead - Budget Vs Actual

Jigawa State Overhead Expenditure by Sector										
No.	Sector	2019 Budget	2019 Actual	2020 Budget	2020 Actual	2021 Budget	2021 Actual	2022 Budget	2022 Actual	Performance
1	Road Developmment	1,351,200,000	1,319,044,285	1,344,400,000	1,334,346,229	1,351,400,000	1,341,709,661	2,068,153,000	2,796,189,979	111.06%
2	Agriculture	47,500,000	43,199,417	39,800,000	18,598,820	39,800,000	21,659,503	41,000,000	36,697,604	71.48%
3	Commerce & Industry	52,000,000	19,426,527	31,600,000	20,666,401	31,300,000	26,133,946	30,800,000	21,078,873	59.92%
4	Rural Electrification (Energy)	219,700,000	209,772,800	186,000,000	182,360,320	200,000,000	179,212,342	226,000,000	218,365,336	94.95%
5	Economic Empowerment	17,200,000	16,785,686	9,000,000	2,441,804	6,000,000	3,110,675	9,000,000	817,203,561	2037.72%
6	Education	6,803,434,000	5,839,045,240	5,124,200,000	3,796,678,703	5,832,800,000	6,227,634,071	6,633,226,000	5,880,096,475	89.14%
7	Health	687,806,000	641,475,973	2,390,721,000	2,292,425,587	2,619,144,000	2,579,353,011	4,389,916,000	1,496,374,582	69.49%
8	Women & Soc. Devpt	439,360,000	405,575,755	828,500,000	49,176,175	611,200,000	593,554,105	615,434,000	601,529,340	66.14%
9	Information, Culture & Sports	196,200,000	204,266,436	169,550,000	232,146,871	220,780,000	267,466,570	170,800,000	314,766,699	134.50%
10	Environment	51,400,000	43,547,535	50,200,000	50,646,432	50,200,000	40,552,897	50,190,000	95,481,770	113.98%
11	Water Supply	1,158,600,000	1,010,865,607	1,153,875,000	1,121,478,288	1,211,200,000	1,095,720,008	1,211,150,000	1,030,309,482	89.94%
12	Urban & Regional Devpt	86,200,000	61,122,345	92,040,000	75,068,977	88,800,000	79,235,638	99,800,000	97,513,467	85.31%
13	General Administration	15,918,700,000	9,464,906,425	8,390,956,000	7,138,398,430	12,736,476,000	8,361,793,459	12,898,882,000	15,750,077,746	81.52%
14	Law & Justice	575,700,000	404,994,842	316,000,000	266,849,402	426,000,000	332,222,019	478,650,000	486,445,833	82.97%
	Total	27,605,000,000	19,684,028,872	20,126,842,000	16,581,282,438	25,425,100,000	21,149,357,904	28,923,001,000	29,642,130,750	85.28%

Table 9: Sector Expenditure – Capital - Budget Vs Actual

Jigawa State Capital Expenditure by Sector										
No.	Sector	2019 Budget	2019 Actual	2020 Budget	2020 Actual	2021 Budget	2021 Actual	2022 Budget	2022 Actual	Performance
1	Road Developmment	24,745,000,000	27,193,789,730	11,135,500,000	13,899,118,772	14,069,800,000	15,942,694,500	24,160,200,000	22,165,465,442	106.87%
2	Agriculture	7,857,000,000	3,274,064,983	6,313,200,000	2,266,486,785	11,634,180,000	4,256,669,800	8,553,500,000	2,950,809,738	37.10%
3	Commerce & Industry	362,000,000	220,269,041	447,800,000	193,432,305	2,197,290,000	235,557,433	2,751,500,000	1,651,598,814	39.96%
4	Rural Electrification (Energy)	890,000,000	1,036,696,634	850,000,000	464,812,960	687,100,000	1,598,308,531	1,100,000,000	989,997,751	115.95%
5	Economic Empowerment	612,500,000	850,927,445	883,000,000	535,877,487	1,239,560,000	1,161,434,326	1,509,400,000	1,324,048,994	91.23%
6	Education	15,466,900,000	12,151,307,562	18,350,320,000	12,192,798,502	19,891,778,000	13,259,174,235	19,268,900,000	17,066,722,836	74.91%
7	Health	9,250,000,000	7,587,731,599	6,739,000,000	5,040,709,642	12,299,402,000	10,706,186,804	12,678,200,000	11,120,949,071	84.11%
8	Women & Soc. Devpt	910,000,000	430,856,097	654,500,000	386,455,000	1,697,500,000	1,121,503,684	1,759,000,000	1,659,822,529	71.67%
9	Information, Culture & Sports	294,000,000	186,218,880	357,080,000	191,882,876	217,614,000	343,258,908	168,300,000	141,369,851	83.20%
10	Environment	995,100,000	191,751,831	495,000,000	253,923,045	1,790,300,000	404,346,821	5,929,000,000	3,440,493,487	46.59%
11	Water Supply	5,515,000,000	4,185,749,406	5,084,100,000	3,206,984,428	5,947,700,000	5,332,757,017	4,398,900,000	3,759,435,303	78.70%
12	Urban & Regional Devpt	2,707,000,000	912,812,600	873,000,000	199,159,098	1,157,475,000	973,603,349	1,405,500,000	1,282,983,801	54.84%
13	General Administration	6,336,500,000	3,481,606,581	3,710,500,000	3,191,608,055	5,038,201,000	3,383,401,179	5,846,600,000	4,484,751,123	69.47%
14	Law & Justice	594,000,000	162,802,023	566,000,000	257,612,816	872,000,000	474,054,990	1,308,000,000	1,137,323,528	60.83%
	Total	76,535,000,000	61,866,584,413	56,459,000,000	42,280,861,771	78,739,900,000	59,192,951,576	90,837,000,000	73,175,772,269	78.17%

1.D.2 Debt Position

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

Table 10: Debt Position as at 31st December 2021

Debt Sustainability Analysis			
A	**DSA RATIO SCENARIOS:**	**Sustainability Thresholds**	**As at 31st December 2022**
	Solvency Ratios	**Percentage**	**Percentage**
1	Total Domestic Debt/IGR	150%	220.79%
2	Total External Debt/Gross FAAC	150%	13.72%
3	Total Public Debt/Total Recurrent Revenue	150%	51.84%
4	Total Public Debt/State GDP Ratio	25%	No GDP Figure Available
	Liquidity Ratios	**Percentage**	**Percentage**
5	Domestic Debt Service/IGR	15%	28.69%
6	External Debt Service/Gross FAAC	10%	0.64%
8	Debt Service Deductions from FAAC/Gross FAAC	40%	6.18%
8	Total Debt Service/Total Recurrent Revenue	25%	5.80%
B	**PUBLIC DEBT DATA AS AT 31st DECEMBER 2022**		**Naira**
1	Total Domestic Debt		43,952,167,579
2	Total External Debt		12,105,430,919
3	**Total Public Debt**		**56,057,598,498**
4	Total Domestic Debt Service 2022		5,710,877,087
5	Total External Debt Service in 2022		565,403,408
6	**Total Public Debt Service**		**6,276,280,495**
C	**STATE GDP FOR 2022**		
1	**State GDP**		0

77. The total public debt position of the State as at 31st December 2022 stood at N56,057,598,498, out of which N43,952,167,579 and N12,105,430,919 represent domestic and external debt respectively. As indicated by Debt Sustainability Analysis (DSA) in the Table 10 above, the State solvency ratio showed that the State is drastically below the thresholds (within acceptable limit) with exception of Domestic Debt/IGR Ratio which has 220.79% as against 150% acceptable threshold. This mean that it is not advisable for the State to go for additional domestic debts, as the liquidity ratio for Domestic Debt service/IGR was 28.69% as against threshold of 15%.

78. As for solvency ratio of Total External Debts/Gross FAAC, the State has 13.72% against 150 threshold and had the liquidity ratio of 0.64% against threshold of 10%, which mean the State is safer and comfortable to go for external loan if the need arises. State is also comfortable under other scenarios.

79. It also indicated that the State Government needs to improve its internally generated revenue in order to be less dependent on FAAC and to have the ability to raise loan from internal sources if the need arises.

Fiscal Strategy Paper

1.E Macroeconomic Framework

80. As the Government MTEF for 2024-2026 is not yet prepared and published, the State uses the PERL Briefing Note of 5th June 2023 which was an extract from IMF WEO April 2023. While some indices and their projections were derived from the IMF WEO Forecast, others were derived from NBS report and the current happening in the country. The framework used in the projection 0f 2024-2026 MTEF is shown below:

Table 3: Jigawa State Macroeconomic Framework

Jigawa State Macroeconomic and Mineral Framework 2024 - 2026

Item	2024	2025	2026
National Inflation (CPI)	20.00%	20.50%	20.50%
National Real GDP Growth	3.00%	3.00%	3.00%
Oil Price Benchmark	$65.00	$65.00	$65.00
Oil Production Benchmark (MBPD)	1.5000	1.7000	1.8000
NGN:USD Exchange Rate	750	750	750
Other Assumptions			
PMS Under Recovery			
Mineral Ratio (Before Subsidy)	20%	20%	20%

1.F Fiscal Strategy and Assumptions

Policy Statement

81. The overarching policy objectives and priorities of CDF III (under review) remain the reference point for the current planning and budget circle. Accordingly, the policy objectives covered the 12-points Agenda of the current administration would be the pursued for sustainable improvement in the socio-economic wellbeing of the people of the State. Generally, resource allocations will strategically be guided by:

- The contributions of specific initiatives to the sustained growth and diversification of the State's economy most especially in the area of empowerment and employment, agricultural development, ICT, critical infrastructure and development of small & medium scale enterprises. Emphasis will also be given to agricultural value-chain because of its multiplier effect in employment generation and socio-economic development.
- The extent to which initiative contributes to sustainable improvements in the State's human capital in terms of education, health and skills development. As usual, this requires focus on projects and programmes that could potentially expand access to and quality of human development services (education, health, economic empowerment and social protection).

Objectives and Targets

82. The key targets from a fiscal perspective are:

- Ensuring that the 1st year phasing of 2024-2026 MTSS ceiling is maintain in proposing of capital expenditure and that higher proportion of capital investment over recurrent expenditure would be maintained;
- Sustain personnel costs allocation within manageable limit with emphasis on new recruitment in the social service sectors and be kept within reasonable limit in other sectors to create room for implementation of succession plan in the civil service. Yearly increment and promotion would also be considered in all sector MDAs.

- Overhead costs would also be maintained within reasonable limit to facilitate optimal service delivery. Reasonable increase would be made due inflationary trend in the country.
- Revenue base would be expanded by exploring untapped sources as well as comply with TSA policy to ensure that all revenue collected in the State including that of Parastatals and Institutions are captured in the same net. Revenue from contract would also be introduced and strengthened to improve the IGR of the State.
- Emphasize on rehabilitation of existing projects, completion, and commissioning of ongoing ones for the benefit of the people. The 12-points Agenda of this administration which formed policy objectives of the government as capture in the revised CDF will be the point of reference.

1.G Indicative Three-Year Fiscal Framework

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

Table 12: Jigawa State Medium Term Fiscal Framework

Jigawa State Fiscal Framework 2024 - 2026			
Item	**2024 Forecast**	**2025 Forecast**	**2026 Forecast**
Opening Balance	30,000,000,000	33,500,000,000	34,500,000,000
Recurrent Revenue			
Statutory Allocation	55,940,732,051	63,474,410,646	68,953,590,239
Derivation			
VAT	48,995,965,963	59,337,033,865	71,860,683,195
IGR	64,900,000,000	65,900,000,000	66,400,000,000
Other Federation Account Revenues	17,500,000,000	20,000,000,000	26,000,000,000
Total Recurrent Revenue	**187,336,698,015**	**208,711,444,511**	**233,214,273,434**
Recurrent Expenditure			
Personnel (Salaries, Allowances and Contributions)	63,000,000,000	64,400,000,000	65,000,000,000
Social Benefits	1,630,000,000	1,100,000,000	1,100,000,000
Overheads	46,900,000,000	50,600,000,000	51,600,000,000
Grants, Contributions and Subsidies	634,000,000	750,000,000	810,000,000
Public Debt Service	6,800,000,000	5,100,000,000	5,200,000,000
Total	**118,964,000,000**	**121,950,000,000**	**123,710,000,000**
Transfer to Capital Account	**98,372,698,015**	**120,261,444,511**	**144,004,273,434**
Capital Receipts			
Grants	46,585,900,000	21,400,000,000	15,559,000,000
Other Capital Receipts	6,684,000,000	6,480,000,000	6,480,000,000
Total	**53,269,900,000**	**27,880,000,000**	**22,039,000,000**
Reserves			
Contingency Reserve	5,433,417,450	6,055,286,113	6,692,856,836
Planning Reserve	3,799,277,940	3,679,243,335	3,976,298,203
Total Reserves	**9,232,695,391**	**9,734,529,448**	**10,669,155,039**
Capital Expenditure	**147,409,902,624**	**146,406,915,063**	**156,374,118,395**
Discretional Funds	125,730,002,624	125,650,915,063	140,715,118,395
Non-Discretional Funds	21,679,900,000	20,756,000,000	15,659,000,000
Financing (Loans)	5,000,000,000	8,000,000,000	1,000,000,000
Total Revenue (Including Opening Balance)	**275,606,598,015**	**278,091,444,511**	**290,753,273,434**
Total Expenditure (including Reserves)	**275,606,598,015**	**278,091,444,511**	**290,753,273,434**

84. A detailed schedule of Capital receipt estimates is provided in Annex 1.

1.G.1 Assumptions

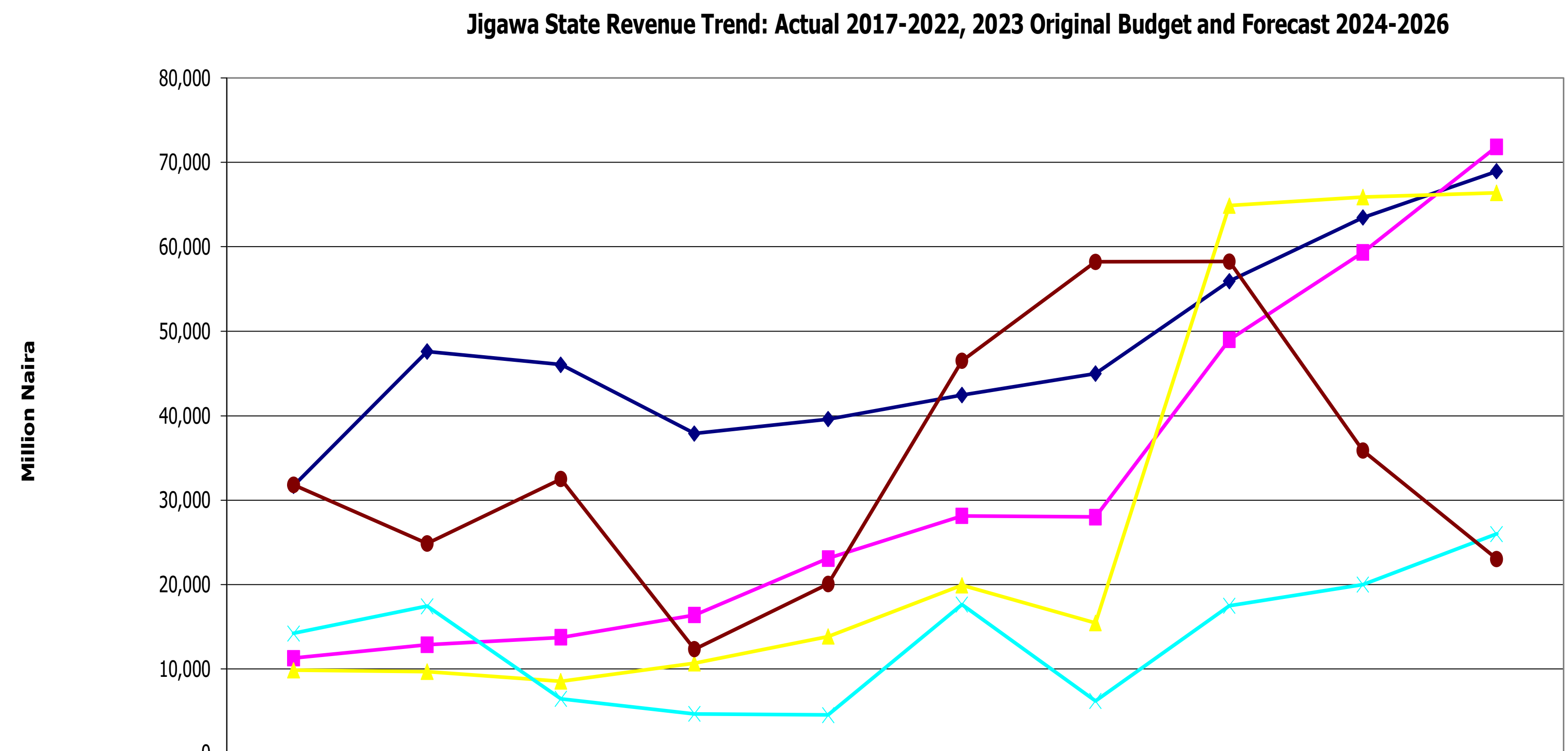
85. The assumptions that support the preparation of 2024-2026 MTEF are as follow:

- **Opening Balance –** Estimated base on the expected closing balance of 2023 fiscal year.
- **Statutory Allocation –** Elasticity base forecasting method was used because of its dependence on minerals and other macroeconomic parameters.
- **VAT –** Elasticity base forecasting method was also used because of its dependence upon non-minerals and other macroeconomic parameters.
- **Other Federation Account receipts –** Own value is used because of its unpredictable nature.
- **Internally Generated Revenue (IGR) –** Own value is also used considering combination of some factors such as actual collection trend of previous and current years, and forecasted economic activities in the State in the medium-term.
- **Grants –** This was estimated base on the expectation of the implementation MDAs. The MDAs have full understanding of the expected grants and have the idea of what they have received as drawdowns and what are outstandings.
- **Miscellaneous Capital Receipts –** These are also estimated base on experience of the responsible agencies, but guided by principle of budget realism.
- **Financing –** This is arrived at by considering the magnitude of agreed loans to be drawn, how much was drawdown (if any) and expected amount as outstanding to be reflected in the fiscal year.
- **Personnel –** Own value is used taking into cognizance the actual expenditure and the projected amount to be end of the year, net of retirement and other exit, plus expected amount for new recruitments, promotions and yearly increments.
- **Social Contribution and Social Benefits –** Own value is used by considering of the expenditure trends and the expected additional retirements for those who are not covered by contributory scheme.
- **Overheads –** Own value is used based on other considerations apart from day-to-day running expenses, like implementation of some policies of government which are based on overhead costs, like payment of external examinations, school feeding, etc. Others include implementation of some capital projects which have overhead cost implications.
- **Grants, Contributions, Subsidies and Transfers –** Own value is used to reflect the grants or other transfers from FGN, Local Governments, etc to finance some recurrent aspects of the budget.
- **Public Debt Service –** Own value based on the discussion with State Debt Management Office (DMO) and reconcile figure of the Federal Debt Management Office.
- **Contingency and Planning Reserves –** These are estimated base on 3.0% each on recurrent revenue (including Opening Balance) and Capital Expenditure projections respectively.
- **Capital Expenditure –** Projected based on the surplus from recurrent revenue and capital receipts (discretional and non-discretional).

1.G.2 Fiscal Trends

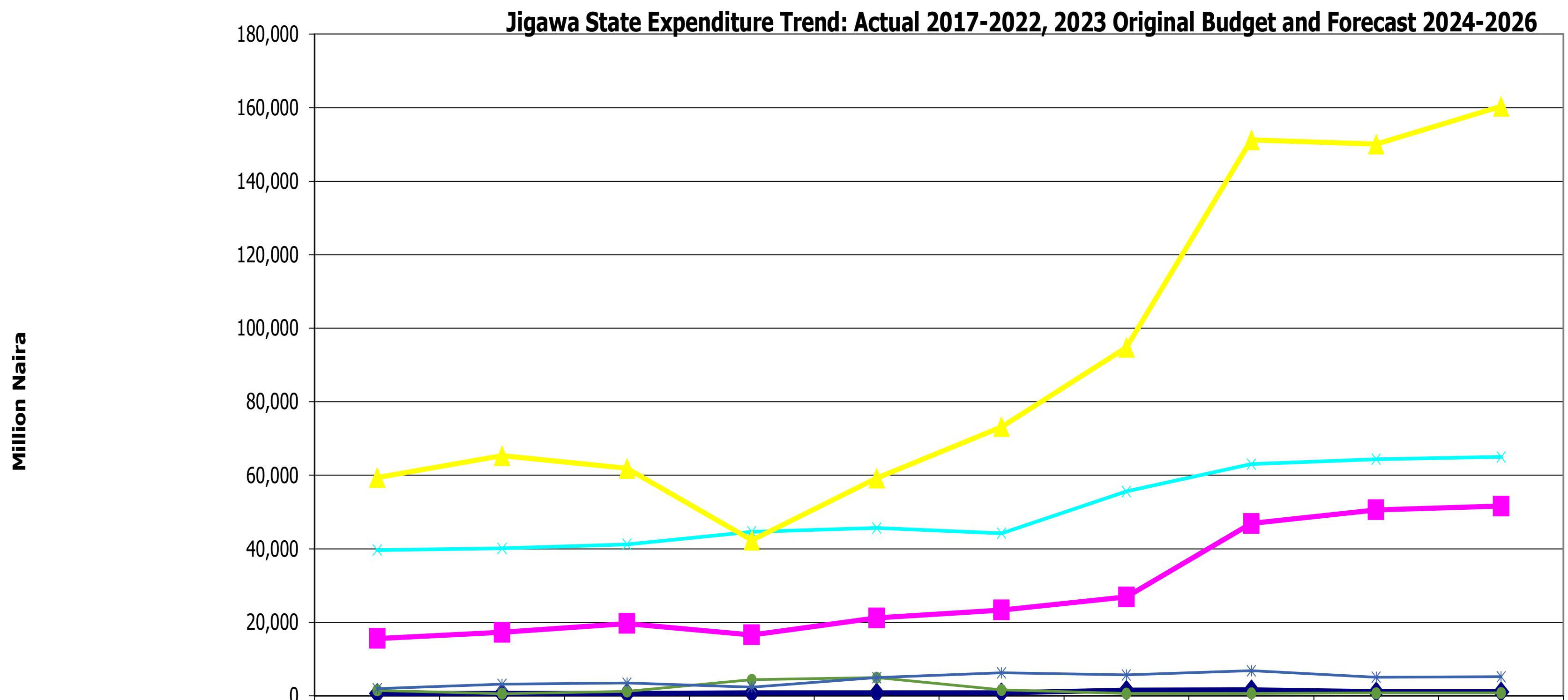
86. This is derived from actual revenue and expenditure 2017-2022, 2023 original budget and forecast for 2024-2026 in figure 9 and 10 below.

Figure 9: Jigawa State Revenue Trend



	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Original Budget	2024 Forecast	2025 Forecast	2026 Forecast
Stat.Allocation	31,709,046,907	47,606,969,772	46,047,863,429	37,906,002,560	39,599,284,367	42,453,563,514	45,000,000,000	55,940,732,051	63,474,410,646	68,953,590,239
VAT	11,290,404,233	12,857,521,736	13,752,777,423	16,395,911,903	23,102,976,464	28,138,353,650	28,000,000,000	48,995,965,963	59,337,033,865	71,860,683,195
Total IGR	9,859,445,280	9,682,227,407	8,536,371,115	10,677,375,381	13,853,655,219	19,906,608,862	15,441,619,000	64,900,000,000	65,900,000,000	66,400,000,000
Other Federation Account Receipts	14,215,333,414	17,438,241,530	6,468,578,800	4,678,199,180	4,535,971,458	17,635,292,490	6,215,000,000	17,500,000,000	20,000,000,000	26,000,000,000
Capital Receipts	31,808,705,155	24,866,969,670	32,509,849,236	12,351,606,896	20,068,276,619	46,505,753,149	58,244,688,000	58,269,900,000	35,880,000,000	23,039,000,000

Figure 10: Jigawa State Expenditure Trend



	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Original Budget	2024 Forecast	2025 Forecast	2026 Forecast
Personnel (Salaries, Allowances and Contributions)	39,673,500,303	40,117,887,776	41,182,235,168	44,633,556,936	45,678,779,682	44,204,570,463	55,605,726,000	63,000,000,000	64,400,000,000	65,000,000,000
Social Benefits	631,002,555	625,673,616	590,467,314	738,599,994	781,714,450	839,040,626	1,514,274,000	1,630,000,000	1,100,000,000	1,100,000,000
Overheads	15,591,608,392	17,275,405,713	19,684,028,872	16,581,282,438	21,149,357,904	23,365,850,255	26,896,421,000	46,900,000,000	50,600,000,000	51,600,000,000
Grants, Contributions and Subsidies	1,478,145,287	545,315,472	1,160,350,042	4,363,650,099	4,955,749,135	1,592,845,601	585,179,000	634,000,000	750,000,000	810,000,000
Public Debt Service	1,915,899,075	3,169,669,938	3,474,741,607	2,368,933,111	4,913,658,418	6,276,280,495	5,700,400,000	6,800,000,000	5,100,000,000	5,200,000,000
Capital Expenditure	59,339,421,867	65,305,330,154	61,866,584,413	42,280,861,771	59,192,951,576	73,175,772,269	94,773,000,000	151,209,180,564	150,086,158,399	160,350,416,598

1.H Local Government Estimates

87. The Local Government estimates 2024 is based on the Macroeconomic assumptions in section 1.E, the forecasting techniques noted in section 1.F and the vertical and horizontal sharing ratios, the Federation Account revenues and share of State IGR have been forecasted for the 27 Local Governments (LGs) of Jigawa State for 2024-2026 as shown in Table 11 below:

Table 2: Local Government FAAC and State IGR Share Estimates 2024-2026

Local Government Council	Statutory Allocation Share	VAT Share	IGR Share	2024				
				Statutory Allocation	VAT	Other Federation Account	Share of State IGR	**Total Transfer**
Auyo	0.1074%	0.0992%	3.364%	1,570,080,484	1,351,953,443	564,563,200	93,865,957	**3,580,463,084**
Babura	0.1270%	0.1155%	3.978%	1,856,951,826	1,574,329,682	667,715,239	111,016,322	**4,210,013,069**
Birnin Kudu	0.1576%	0.1380%	4.937%	2,304,527,859	1,881,951,119	828,652,821	137,774,283	**5,152,906,083**
Birniwa	0.1192%	0.1014%	3.734%	1,743,105,930	1,382,133,493	626,778,991	104,210,140	**3,856,228,554**
Buji	0.1023%	0.0881%	3.204%	1,495,736,946	1,201,149,625	537,831,051	89,421,390	**3,324,139,012**
Dutse	0.1003%	0.0917%	3.143%	1,467,278,223	1,250,759,105	527,597,978	87,720,009	**3,333,355,316**
Gagarawa	0.1408%	0.1236%	4.412%	2,059,655,802	1,685,494,424	740,602,716	123,134,811	**4,608,887,753**
Garki	0.1182%	0.1035%	3.703%	1,728,605,273	1,411,074,548	621,564,903	103,343,230	**3,864,587,954**
Gumel	0.1035%	0.0938%	3.244%	1,514,143,501	1,279,367,034	544,449,606	90,521,811	**3,428,481,952**
Guri	0.1094%	0.0955%	3.427%	1,599,610,191	1,302,326,431	575,181,373	95,631,366	**3,572,749,361**
Gwaram	0.1522%	0.1293%	4.767%	2,225,150,589	1,762,753,364	800,110,663	133,028,779	**4,921,043,395**
Gwiwa	0.1125%	0.0976%	3.524%	1,645,195,230	1,330,084,011	591,572,657	98,356,630	**3,665,208,529**
Hadejia	0.0950%	0.0935%	2.975%	1,388,812,945	1,274,887,365	499,383,751	83,029,028	**3,246,113,089**
Jahun	0.1305%	0.1200%	4.089%	1,908,879,076	1,635,674,549	686,387,030	114,120,749	**4,345,061,404**
Kafin Hausa	0.1468%	0.1290%	4.599%	2,147,000,281	1,758,299,995	772,009,691	128,356,628	**4,805,666,595**
Kaugama	0.1076%	0.0983%	3.371%	1,573,544,463	1,340,133,313	565,808,764	94,073,048	**3,573,559,589**
Kazaure	0.1139%	0.1055%	3.567%	1,665,108,325	1,438,136,655	598,732,927	99,547,118	**3,801,525,025**
Kiri Kasamma	0.1188%	0.1119%	3.720%	1,736,678,874	1,525,886,143	624,467,976	103,825,903	**3,990,858,897**
Kiyawa	0.1227%	0.1079%	3.844%	1,794,243,859	1,471,504,779	645,166,961	107,267,378	**4,018,182,978**
Maigatari	0.1238%	0.1094%	3.877%	1,809,758,121	1,491,381,299	650,745,517	108,194,885	**4,060,079,823**
Mallam Madori	0.1159%	0.1055%	3.632%	1,695,380,483	1,437,899,960	609,618,068	101,356,913	**3,844,255,424**
Miga	0.1063%	0.0984%	3.331%	1,555,103,208	1,341,500,883	559,177,732	92,970,553	**3,548,752,376**
Ringim	0.1305%	0.1120%	4.088%	1,908,451,424	1,527,350,145	686,233,256	114,095,183	**4,236,130,007**
Roni	0.0965%	0.0875%	3.023%	1,411,315,967	1,193,625,068	507,475,296	84,374,352	**3,196,790,683**
Sule Tankarkar	0.1211%	0.0989%	3.795%	1,771,370,068	1,348,587,117	636,942,096	105,899,888	**3,862,799,169**
Taura	0.1102%	0.0991%	3.451%	1,611,052,099	1,351,240,437	579,295,608	96,315,411	**3,637,903,555**
Yankwashi	0.1021%	0.0914%	3.198%	1,492,840,585	1,246,048,586	536,789,589	89,248,234	**3,364,926,994**
Total	**3%**	**3%**	**100%**	**46,679,581,634**	**38,795,532,575**	**16,784,855,460**	**2,790,700,000**	**105,050,669,669**

1.I Fiscal Risks

88. The analysis and forecasting basis as laid out above implies some fiscal risks. Some of these risks include the following, as highlighted in the Table below:

Table 3: Fiscal Risks

Risk	Likelihood	Impact	Reaction
Fuel subsidy removal and reversal.	Medium	High	• Reversal from this direction would have negative effect on other federally collected revenue and impliedly the projects and programmes implementation.
Unexpected shock in oil prices and sporadic vandalization of pipelines could threaten the modest growth projected.	Medium	High	• Clear prioritisation of capital projects. • Increased IGR effort; Seeking alternative means of funding (grants, PPP etc.)
Possible upward devaluation of the naira in the face of dwindling foreign reserves. This can severely affect budgetary provision for foreign debt servicing especially as this is deducted at sources and has severe implication of constraining the fiscal space for funding other expenditure components.	High	High	• Realistic projection to accommodate possible shocks. • Diversify internally generated revenue.
Security Challenges - Even as governments at all level are making concerted efforts to contained sporadic challenges across the country, the impending election may increase tension.	High	High	• Collaboration with security agencies • Close monitoring of early-warning sign • Awareness creation of people
Deep involvement in war with our neighbouring country, Niger, in avid to reinstate the overthrown government will affect the country socio-economically.	Medium	High	• Collaboration with security agencies • Enlightenment of people
Floods, Farmers/Fulani herdsmen crises and other natural disasters impact on economic activity and hence IGR tax base, and causing increased overhead costs and capital expenditure	Medium	Medium	• Close monitoring of Early Warning Signing (EWS); • Effective communication between JSG and Hadejia-Jama'are River Basin Authority; • Access to ecological fund • Effective collaboration with NEMA.

89. It should be noted that no any investment is without risk. The ongoing implementation of the 2023 budget should be closely monitored, likewise the security situation and impact of the fiscal and economic outlook.

Budget Policy Statement

1.J Budget Policy Thrust

90. As provided in the CDF III (document to be published), the overarching policy objective of the State Government is to achieve sustained improvements in the social and economic wellbeing of the citizens which are consistent in the 12-points agenda of this administration. The main policy thrust is the pursuit of policies that guarantee inclusive economic growth with sustained progress in the improvements in the basic human development indicators of the State. Accordingly, within the limit of sector envelops and budget ceilings, submissions by Sectors / MDAs should be in such a way that resources are strategically allocated to fund budget initiatives that meets the following policy priorities:

- Significant contribution to sustained growth and diversification of the State's economy. This requires focus of agriculture, critical infrastructure and development of small and medium scale enterprises;
- Sustainable improvements in the State's human capital in terms of education, health and skills development. This requires focus of projects and programmes that could potentially expand access to and quality of human development services. These cover education, health, economic empowerment & Employment as well as social protection.

1.K Sector Allocations (3 Year)

91. Table 15, 16 and 17 below present the indicative three (3) year envelopes for the sectors for Personnel, Overhead and Capital Expenditure:

Table 4: Indicative Sector Expenditure Ceilings 2024-2026 – Personnel (Salaries and Allowances)

Jigawa State Personnel (Salaries, Allowances and Social Contributions) Expenditure by Sector							
No.	Sector	% 2024	2024 Allocation	% 2025	2025 Allocation	% 2026	2026 Allocation
1	Road Developmment	0.46%	292,543,373	0.50%	322,000,000	0.50%	325,000,000
2	Agriculture	1.46%	919,114,963	1.48%	953,120,000	1.48%	962,000,000
3	Commerce & Industry	0.16%	103,841,076	0.19%	120,150,701	0.20%	130,000,000
4	Rural Electrification (Energy)	0.04%	25,793,685	0.05%	32,200,000	0.05%	32,500,000
5	Economic Empowerment	0.12%	77,058,633	0.14%	92,668,139	0.14%	91,000,000
6	Education	57.60%	36,288,490,080	57.55%	37,062,200,000	57.66%	37,479,000,000
7	Health	22.69%	14,294,000,239	22.61%	14,560,840,000	22.62%	14,703,000,000
8	Women & Soc. Devpt	0.56%	349,826,848	0.54%	347,760,000	0.53%	344,500,000
9	Information, Culture & Sports	0.70%	439,674,850	0.70%	450,800,000	0.70%	455,000,000
10	Environment	0.95%	598,703,663	0.96%	618,240,000	0.96%	624,000,000
11	Water Supply	0.73%	459,127,587	0.78%	502,320,000	0.80%	520,000,000
12	Urban & Regional Devpt	0.44%	277,926,952	0.45%	289,800,000	0.46%	299,000,000
13	General Administration	10.82%	6,819,216,125	10.85%	6,987,400,000	10.75%	6,987,500,000
14	Law & Justice	3.26%	2,054,252,034	3.20%	2,060,800,000	3.15%	2,047,500,000
	Total	100.00%	63,000,000,000	100.00%	64,400,000,000	100.00%	65,000,000,000

Table 5: Indicative Sector Expenditure Ceilings 2024-2026 – Overhead (Account Class 2023)

Jigawa State Overhead Expenditure by Sector							
No.	Sector	% 2024	2024 Allocation	% 2025	2025 Allocation	% 2026	2026 Allocation
1	Road Developmment	14.23%	6,675,176,953	14.30%	7,235,800,000	14.30%	7,378,800,000
2	Agriculture	0.18%	82,728,763	0.19%	96,140,000	0.20%	103,200,000
3	Commerce & Industry	0.13%	61,106,479	0.14%	70,840,000	0.15%	77,400,000
4	Rural Electrification (Energy)	2.00%	940,099,713	2.10%	1,062,600,000	2.10%	1,083,600,000
5	Economic Empowerment	0.05%	22,562,389	0.06%	30,360,000	0.06%	30,960,000
6	Education	21.62%	10,141,731,335	21.50%	10,879,000,000	21.50%	11,094,000,000
7	Health	8.78%	4,116,382,590	8.60%	4,351,600,000	8.80%	4,540,800,000
8	Women & Soc. Devpt	0.21%	98,710,477	0.22%	111,320,000	0.23%	118,680,000
9	Information, Culture & Sports	0.89%	418,344,302	0.90%	455,400,000	0.89%	459,240,000
10	Environment	0.19%	90,249,670	0.20%	101,200,000	0.21%	108,360,000
11	Water Supply	10.03%	4,703,004,713	10.10%	5,110,600,000	10.12%	5,221,920,000
12	Urban & Regional Devpt	0.39%	185,199,613	0.41%	207,460,000	0.41%	211,560,000
13	General Administration	38.59%	18,097,464,838	38.48%	19,470,880,000	38.23%	19,726,680,000
14	Law & Justice	2.70%	1,267,238,539	2.80%	1,416,800,000	2.80%	1,444,800,000
	Total	100.00%	46,900,000,000	100.00%	50,600,000,000	100.00%	51,600,000,000

Table 17: Indicative Sector Expenditure Ceilings 2024-2026 – Capital

wa State Capital Expenditure by	Discretionary Funds					
Sector	**% 2024**	**2024 Allocation**	**% 2025**	**2025 Allocation**	**% 2026**	**2026 Allocation**
Road Developmment	20.63%	25,938,099,541	21.28%	26,738,514,725	20.32%	28,593,312,058
Agriculture	9.52%	11,969,496,250	9.67%	12,150,443,487	9.80%	13,790,081,603
Commerce & Industry	2.88%	3,621,024,076	2.88%	3,618,746,354	2.50%	3,517,877,960
Rural Electrification (Energy)	1.00%	1,257,300,026	1.00%	1,256,509,151	1.00%	1,407,151,184
Economic Empowerment	3.41%	4,287,393,089	3.43%	4,309,826,387	3.80%	5,347,174,499
Education	24.10%	30,300,930,632	23.93%	30,065,588,696	23.81%	33,504,269,690
Health	15.50%	19,488,150,407	15.41%	19,362,806,011	15.50%	21,810,843,351
Women & Soc. Devpt	2.20%	2,766,060,058	2.13%	2,675,148,979	2.13%	2,995,870,783
Information, Culture & Sports	0.72%	905,256,019	0.70%	879,556,405	1.02%	1,435,294,208
Environment	3.43%	4,314,554,108	3.43%	4,311,840,138	3.43%	4,828,783,739
Water Supply	5.00%	6,286,500,131	5.00%	6,282,545,753	5.00%	7,035,755,920
Urban & Regional Devpt	2.80%	3,520,440,073	2.86%	3,593,616,171	3.35%	4,713,956,466
General Administration	7.50%	9,429,750,197	6.91%	8,687,702,705	6.75%	9,498,270,492
Law & Justice	1.31%	1,647,063,034	1.37%	1,721,417,536	1.59%	2,237,370,382
Total	**100.00%**	**125,730,002,624**	**100.00%**	**125,650,915,063**	**100.00%**	**140,715,118,395**

Jigawa State Capital Expenditure by		Non-Discretionary Funds		
No.	**Sector**	**2024 Allocation**	**2025 Allocation**	**2026 Allocation**
1	**Road Developmment**	2,000,000,000	4,000,000,000	0
2	**Agriculture**	512,000,000	12,000,000	12,000,000
3	**Commerce & Industry**	0	0	0
4	**Rural Electrification (Energy)**	0	0	0
5	**Economic Empowerment**	0	0	0
6	**Education**	8,528,800,000	9,188,000,000	9,400,000,000
7	**Health**	4,245,000,000	4,297,000,000	4,397,000,000
8	**Women & Soc. Devpt**	650,000,000	650,000,000	650,000,000
9	**Information, Culture & Sports**	0	0	0
10	**Environment**	4,300,000,000	1,260,000,000	0
11	**Water Supply**	444,100,000	349,000,000	200,000,000
12	**Urban & Regional Devpt**	1,000,000,000	1,000,000,000	1,000,000,000
13	**General Administration**	0	0	0
14	**Law & Justice**	0	0	0
	Total	**21,679,900,000**	**20,756,000,000**	**15,659,000,000**

Jigawa State Capital Expenditure by		Total Capital Envelope					
No.	**Sector**	**% 2024**	**2024 Allocation**	**% 2025**	**2025 Allocation**	**% 2026**	**2026 Allocation**
1	**Road Developmment**	19.0%	27,938,099,541	21.0%	30,738,514,725	18.3%	28,593,312,058
2	**Agriculture**	8.5%	12,481,496,250	8.3%	12,162,443,487	8.8%	13,802,081,603
3	**Commerce & Industry**	2.5%	3,621,024,076	2.5%	3,618,746,354	2.2%	3,517,877,960
4	**Rural Electrification (Energy)**	0.9%	1,257,300,026	0.9%	1,256,509,151	0.9%	1,407,151,184
5	**Economic Empowerment**	2.9%	4,287,393,089	2.9%	4,309,826,387	3.4%	5,347,174,499
6	**Education**	26.3%	38,829,730,632	26.8%	39,253,588,696	27.4%	42,904,269,690
7	**Health**	16.1%	23,733,150,407	16.2%	23,659,806,011	16.8%	26,207,843,351
8	**Women & Soc. Devpt**	2.3%	3,416,060,058	2.3%	3,325,148,979	2.3%	3,645,870,783
9	**Information, Culture & Sports**	0.6%	905,256,019	0.6%	879,556,405	0.9%	1,435,294,208
10	**Environment**	5.8%	8,614,554,108	3.8%	5,571,840,138	3.1%	4,828,783,739
11	**Water Supply**	4.6%	6,730,600,131	4.5%	6,631,545,753	4.6%	7,235,755,920
12	**Urban & Regional Devpt**	3.1%	4,520,440,073	3.1%	4,593,616,171	3.7%	5,713,956,466
13	**General Administration**	6.4%	9,429,750,197	5.9%	8,687,702,705	6.1%	9,498,270,492
14	**Law & Justice**	1.1%	1,647,063,034	1.2%	1,721,417,536	1.4%	2,237,370,382
	Total	**100.00%**	**147,411,917,642**	**100.00%**	**146,410,262,499**	**100.00%**	**156,375,012,335**

2 Considerations for the Annual Budget Process

92. The budget call circular should include the following instructions to MDAs for the annual budget submissions:

- Revenue collection and remittance should be given much attention by ensuring that all existing sources are fully tapped and new revenue sources within the mandate of the MDAs should be proposed for collection in 2024 fiscal year. Remittance to central revenue account should also be monitored. The revenue proposal should be guided by concept of budget realism;

- All ongoing, existing projects and other capital commitments that will spill over to 2024 fiscal year should be considered and reflected in the budget as priority projects;

- No new projects should be reflected in 2024 budget unless they are considered critical and the same have been captured in the 2024-2026 MTSS. Government directives for the implementation of 112 points agenda should also be considered and captured in Annual budget which must have been reflected in MTSS;

- Budget ceiling should be used as an upper limit of resource constrain and should therefore guide the proposals of the capital investment and recurrent expenditure aspects.

Summary of Key Points and Recommendations

93. We summarise below a list of the key points arising from this document:

- Like previous years, Jigawa State sustains the Budget reforms in term of preparation of a realistic budget and maintaining policy-plan-budget linkages which make the budget to be policy-based;

- Important recommendations from the annual sector performance review of MTSS Sectors are considered in the 2024 - 2026 planning and budget process. This ensures that the MTSS will continue to be used as a bridge between the State Development Plan (CDF) and the Annual budget;

- The removal of oil subsidy by the Federal Government would have significant impact in improving federally collectable revenues. The anticipated improvement in such collections for the medium-term is reflected in the projections to improve the quality of life of the people. More resources are directed to funds capital expenditure.

- Bearing in mind resource constrain and Jigawa State Government determination to improve well-beings of its people, recurrent expenditure should continue to be maintained within manageable limit. Consideration for new recruitments was made under projected personnel costs to reduce the wider gaps created by retirements, deaths and other exits.

- There is a greater need for devoting more effort to improve internally generated revenue collection to reduce over-dependence on federally collected revenues, thus improve fiscal sustainability.

Annex 1 Detailed Capital Receipts

Table 18: Capital Receipts by Item – 2024-2026

ITEM	2024	2025	2026
Internal Grants			
Local Government Contribution for LEA Staff Salaries			
Local Government Contribution for PHC Staff Salaries			
Basic Healthcare Provision Fund Receipts	2,248,000,000	2,300,000,000	2,400,000,000
APPEALS Project Grants	500,000,000		
Federal Grants for Universal Basic Education	2,580,400,000	3,200,000,000	3,400,000,000
Federal Tertiary Education Grants	5,948,400,000	5,988,000,000	6,000,000,000
Federal Grants Water Projects	220,000,000	200,000,000	200,000,000
Federal Government SDG Grants	250,000,000	250,000,000	250,000,000
Fed. Govt. Grant on COVID-19 Accelerated Responsive Stat	5,000,000,000		
World Bank Supported Nigeria Watershed Management Project (NEWMAP)			
World Bank Agro Climate Resilience in Semi Arid Land Pr	4,300,000,000	1,260,000,000	
Local Government Contributions for Basic Healthcare	122,000,000	122,000,000	122,000,000
Other Capital Grants (Sanitation Marketing)			
Local Government Grants and Re-embursements	1,260,000,000	1,300,000,000	1,300,000,000
COVID-19 Emergency Preparedness Response Health Gran	605,000,000	605,000,000	605,000,000
Infrastructural Support Grant from Federal Government	14,000,000,000		
Ecological Funds	3,300,000,000	3,300,000,000	
Sub-Total Internal Grant	**40,333,800,000**	**18,525,000,000**	**14,277,000,000**
External Grants			
UNICEF Primary Healthcare Grants	600,000,000	600,000,000	600,000,000
Sasakawa Global Agricultural Grants	12,000,000	12,000,000	12,000,000
Global Alliance for Vaccine (GAVI) Fund Grants	670,000,000	670,000,000	670,000,000
African Development Bank Grants for Agricultural develope	1,444,000,000	1,444,000,000	
European Union Water Supply and Sanitation Grants	224,100,000	149,000,000	
UNICEF Water Supply Grants	150,000,000		
Global Education Grants (World Bank BESDA Project - 2023	3,152,000,000		
World Bank Nigeria For Women Project	650,000,000	650,000,000	650,000,000
Sub-Total External Grant	**6,252,100,000**	**2,875,000,000**	**1,282,000,000**
Grant Balancing Item / Blue Sky			
Total Grants	**46,585,900,000**	**21,400,000,000**	**15,559,000,000**
Internal Loans			
Domestic Loan/Borrowing from Financial Institutes (Housin	1,000,000,000	1,000,000,000	1,000,000,000
Total	**1,000,000,000**	**1,000,000,000**	**1,000,000,000**
External Loans			
World Bank Supported RAMP	2,000,000,000	4,000,000,000	
International Loans/ Borrowings (Islamic Development Bank)			
Worldbank SABER Loan	2,000,000,000	3,000,000,000	
Total	**4,000,000,000**	**7,000,000,000**	**0**
Loan Balancing Item / Blue Sky			
Total Loans	**5,000,000,000**	**8,000,000,000**	**1,000,000,000**
Other Capital Receipts			
Sales of Fixed Assets and Condemned Stores			
Local Governments Capital projects contribution	6,684,000,000	6,480,000,000	6,480,000,000
Total	**6,684,000,000**	**6,480,000,000**	**6,480,000,000**
OCR Balancing Item / Blue Sky			
Total Other Capital Receipts	**6,684,000,000**	**6,480,000,000**	**6,480,000,000**