OGUN STATE GOVERNMENT

VOLUME I

2025 - 2027
MEDIUM TERM EXPENDITURE FRAMEWORK (MTEF)

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

DECEMBER 2024

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Table of Contents

1. Introduction and Background 8

1.A Introduction 8

1.A.1 Budget Process 8

1.A.2 Summary of Document Content 9

1.A.3 Preparation and Audience 10

1.B Background 10

1.B.1 Legislative and Institutional Arrangement for PFM 10

1.B.2 Overview of the State MTEF/Budget Calendar 14

2 Economic and Fiscal Update 15

2.A Economic Overview 15

2.A.1 Global Economy 15

2.A.2 Africa 19

2.A.3 Sub-Sahara Africa Economy 25

2.A.4 Nigerian Economy 27

2.A.5 Ogun State Economy 33

2.B Fiscal Update 36

2.B.1 Historic Trends 36

2.B.2 Debt Position 49

3 Fiscal Strategy Paper 50

3.A Ogun State Macroeconomic Framework 50

3.B Fiscal Strategy and Assumptions 52

3.B.1 Fiscal Policy Statement 52

3.B.2 Objectives and Targets 54

3.B.3 Key Sectoral Policy Initiatives 58

3.C Indicative Three-Year Fiscal Framework 62

3.C.1 Assumptions 63

3.C.2 Fiscal Trends 64

3.D Fiscal Risks 67

3.E Budget Policy Thrust 70

3.F Sector Allocations (3 Year) 71

3.G Considerations for the Annual Budget Process 81

4 Summary of Key Points and Recommendations 82

List of Figures

Figure 1: MTEF Process 9
Figure 2: Real GDP Growth Graph 18
Figure 3: World Projections 19
Figure 4: Africa in Regions 25
Figure 5: Projections 26
Figure 6: Real GDP Growth (%) 28
Figure 7: Oil & Non-Oil Sector Growth Rate 29
Figure 8: Unemployment Rate 29
Figure 9: Unemployment Trend 30
Figure 10: Nigeria Inflation Trend 30
Figure 11: Money Market Indicators 31
Figure 12: Exchange Rate 31
Figure 13: Foreign Reserve 32
Figure 14 : Statutory Allocation 36
Figure 15 : Value Added Tax (VAT) 37
Figure 16 : Internally Generated Revenue (IGR) 38
Figure 17 : Grants 39
Figure 18 : Other Capital Receipts 40
Figure 19 : Loan Financing 40
Figure 20 : Personnel 41
Figure 21 : Social Contribution and Social Benefit 42
Figure 22 : Overheads 43
Figure 23 : Public Debt Service 43
Figure 24 : Capital Expenditure 44
Figure 25 : Capital Expenditure Ratio 45
Figure 26 : Ogun State Revenue Trend 65
Figure 27 : Ogun Expenditure Trend 66

List of Tables

Table 1: State MTEF/Year 2025 Budget Calendar 14
Table 2 : Real GDP Growth - Selected Countries 18
Table 3: Reccurent Expenditure Trend - Personnel 46
Table 4: Reccurent Expenditure Trend - Overhead 47
Table 5: Capital Expenditure Trend 48
Table 6 : Debt Position as at 31st October 2024 49
Table 7: State Key Macro-Economic Indicators 50
Table 8 : Ogun State Medium Term Fiscal Framework 62
Table 9: Fiscal Risks 67
Table 10 : Indicative Sector Expenditure Ceilings 2025 - 2027 – Personnel 72
Table 11 : Indicative Sector Expenditure Ceilings 2025 - 2027 – Overhead 73
Table 12 : Indicative Sector Expenditure Ceilings 2025 - 2027 –Capital 74
Table 13 : Indicative Sector Expenditure Ceilings 2025 - 2027 - Personnel 75
Table 14 : Indicative Sector Expenditure Ceilings 2025 - 2027 - Overhead 76
Table 15 : Indicative Sector Expenditure Ceilings 2025 - 2027 - Capital 77
Table 16 : Ogun State Global Sector Allocation 78
Table 17 : Ogun State ISEYA Sector Classification 79

List of Abbreviations

AMEO	Africa's Macroeconomic Performance and Outlook
BPS	Budget Policy Statement
CBN	Central Bank of Nigeria
CRF	Consolidated Revenue Fund
CSOs	Civil Society Organizations
DMO	Debt Management Office
EFU	Economic and Fiscal Update
ExCo	Executive Council
FAAC	Federal Allocation Accounts Committee
FRL	Fiscal Responsibility Law
FSP	Fiscal Strategy Paper
GDP	Gross Domestic Product
HRM	Human Resource Management
I&E	Importer and Exporter
IGR	Internally Generated Revenue
IMF	International Monetary Fund
MDAs	Ministry, Department and Agencies
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 Strategy
MTNDP	Medium-Term National Development Plan
NBS	National Bureau of Statistics
NNPC	Nigerian National Petroleum Company
OAG	Office of the Accountant-General
PFM	Public Financial Management
PITA	Personal Income Tax Act
PMS	Premium Motor Spirits
SHoA	State House of Assembly
VAT	Value Added Tax
WEO	World Economic Outlook
OGIRS	Ogun State Internal Revenue Service
OGSFRC	Ogun State Fiscal Responsibility Commission
OGSG	Ogun State Government

1. Introduction and Background

1.A Introduction

1. The Medium-Term Expenditure Framework (MTEF) sets out the State's Government strategic fiscal direction over a horizon of three years (e.g. 2025-2027), outlining various policy actions to keep the economy on the path of sustainable growth and development in the face of emerging domestic, continental and global challenges, while focusing on fiscal stability, discipline, transparency, efficiency, and accountability.

2. The agenda - **Building Our Future Together,** of the present Administration has advantageously thrived under the guides and directions spelled out in the five past editions of the State Medium-Term Expenditure Framework, covering 2020-2022, 2021-2023, 2022-2024, 2023-2025, and 2024-2026.

3. The Economic and Fiscal Update (EFU) evaluates past and current budget performance, highlighting key factors influencing implementation. It provides essential economic and fiscal insights that support the planning and budgeting process, primarily targeting policymakers and decision-makers within the Ogun State Government.

4. The Fiscal Strategy Paper (FSP) and Budget Policy Statement (BPS) are key components of the MTEF and the annual budget process. They play a vital role in identifying available resources for government projects and programmes, ensuring fiscal sustainability and proper allocation of funds.

5. The projected macroeconomic targets, detailed in the Macroeconomic Framework, are incorporated into the Medium-Term Fiscal Framework (MTFF). This framework aligns with the Government's macroeconomic objectives, outlining the total resources anticipated for the Treasury over the medium term. It also provides an overview of key policy priorities and the corresponding expenditures, ensuring that resource allocation aligns with these priorities. Additionally, it helps establish indicative resource and expenditure allocations for the twelve (12) sectors, in line with International Public Sector Accounting Standards (IPSAS) for 2025-2027.

6. As expected, this document sets out macroeconomic goals for 2025-2027, contributing to the formulation of the 2025 budget and the 2026-2027 frameworks.

7. Consequently, this document serves as a vital tool for both the State Legislature and the Executive Council in deliberating the distribution of resources for the 2025 budget and the subsequent years of 2026 and 2027.

1.A.1 Budget Process

8. The budget process outlines the budget cycle within a fiscal year and is structured around three key components of the MTEF:

   i. Medium-Term Fiscal Framework (MTFF);

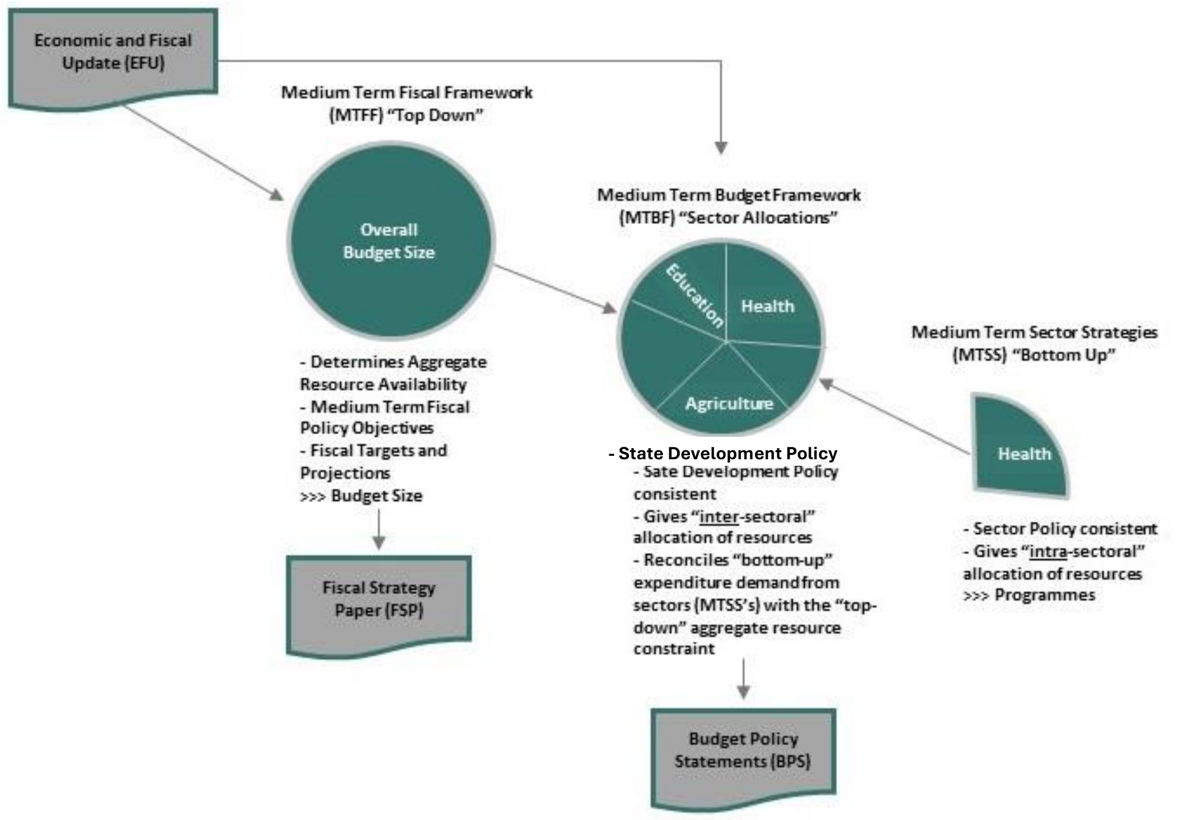
   ii. Medium-Term Budget Framework (MTBF); &

   iii. Medium-Term Sector Strategies (MTSS).

9. The process starts with conception, moving through preparation, execution, control, monitoring, and evaluation, before returning to conception for the budget planning of the following year.

10. The MTEF process is summarized in the diagram below:

Figure 1: MTEF Process



1.A.2 Summary of Document Content

11. The Ogun State Government (OGSG) has initiated the first phase of its budget preparation cycle for the 2025-2027 period, in alignment with international best practices in budgeting. This phase includes the development of the Economic and Fiscal Update (EFU), the Fiscal Strategy Paper (FSP), and the Budget Policy Statement (BPS).

12. The purpose of this document is in three folds:

   a. It provides a historical overview of key economic and fiscal trends that will influence future public expenditure, as detailed in the Economic and Fiscal Update;

   b. It sets out medium-term fiscal objectives and targets, covering tax policy, revenue mobilization, public expenditure levels, deficit financing, and public debt, as outlined in the Fiscal Strategy Paper and Medium-Term Fiscal Framework (MTFF);

   c. It offers indicative sectoral allocations for the 2025-2027 period, forming part of the Medium-Term Budget Framework (MTBF).

13. Section 2 of this document contains the EFU, which presents an economic and fiscal analysis to guide the budgeting and planning process. Its primary audience includes budget policymakers and decision-makers within the Ogun State Government. The EFU also reviews past and current budget performance, identifying key factors affecting implementation. It includes:

- Analysis of global, continental, national, and state economic performance;
- Overview of the petroleum sector;
- Trends in budget performance over the past six years.

14. The FSP is a critical part of the OGSG's Medium-Term Expenditure Framework (MTEF) and annual budget processes. It outlines the resources available to support the government's growth and poverty reduction programs while ensuring fiscal sustainability.

1.A.3 Preparation and Audience

15. This document provides a structured framework for the 2025-2027 budget preparation cycle, aimed at all key stakeholders, specifically:

- State House of Assembly (SHoA);
- State Executive Council (ExCo);
- Ministry of Budget and Planning (MoB&P);
- Ministry of Finance (MoF);
- All Government Ministries, Departments, and Agencies (MDAs);
- Civil Society Organizations (CSOs);
- Development Partners;
- Trade Unions/Groups; and
- Citizens of the State and the General Public.

16. The document is prepared during the first two quarters of the year preceding the annual budget preparation period by the Ogun State Economic Working Team, using data gathered from international, national, and state organizations.

1.B Background

1.B.1 Legislative and Institutional Arrangement for PFM

17. **Legislative Framework for Public Financial Management (PFM) in Ogun State**

The primary legal framework governing Public Financial Management (PFM) in Nigeria and Ogun State is the 1999 Constitution (as amended). According to Sections 120 and 121 of the Constitution, all revenues accruing to the Ogun State Government must be deposited into a Consolidated Revenue Fund (CRF) managed by the government. No revenue should be paid into any other fund unless explicitly authorized by the State House of Assembly (SHoA) for a specific purpose. The SHoA is responsible for approving the withdrawal of funds from the CRF through the annual budget or appropriation process. The Governor of Ogun State is required to prepare and present annual expenditure proposals to the Ogun State House of Assembly (OGSHoA), which, after thorough consideration, approves the proposals by passing an Appropriation Law. This Appropriation Law grants the executive branch of government the authority to withdraw and spend specified amounts from the CRF.

18. In addition to the Nigerian Constitution, Ogun State is governed by a set of laws and regulations that dictate its budget preparation and implementation process. These include:

- Ogun State Fiscal Responsibility Law, 2020 (as amended), which provides for:
    - The establishment of an implementation body;
    - The Medium-Term Expenditure Framework (MTEF);
    - Guidelines for public expenditure, borrowing processes, and ensuring transparency and accountability in governance; Principles of sound financial management.
- Public Procurement (Amendment) Law, 2020 sets the administrative arrangement, standards, and procedures for procurement in Ogun State;

- Ogun State Audit Service Commission Law, 2020;
- Ogun State Debt Management (Establishment) Law, 2020;
- Ministry of Budget and Planning: Budget Manual/Implementation Guidelines;
- Public Service Rule;
- Financial Regulation; and
- **Occasional Treasury Circulars** issued by the Accountant-General of Ogun State, which provide additional rules and guidelines to support accounting practices, internal audit procedures, and management of stores.

19. **Institutional Framework for Public Financial Management (PFM) in Ogun State** The Executive branch of government, exercising its constitutional authority, proposes the state budget (including revenue and expenditure estimates) before the start of each fiscal year and implements it following legislative approval by the Ogun State House of Assembly. The State's Ministries, Departments, and Agencies (MDAs) assist the Executive Governor in these processes. After the budget is approved by the legislature, the Governor authorizes MDAs to begin project execution. The Governor's express authorization is also required for MDAs to award contracts and for the Treasury to honour valid certificates.

20. Precisely, **the Ogun State Executive Council (ExCo)** is responsible for formulating the policies of the State Government and considering the State's budget before recommending it to the House of Assembly. Once the budget is passed, the Executive Governor signs the appropriation bill into law. The House of Assembly is tasked with appropriating funds for expenditure, overseeing budget execution, and enforcing audit findings.

21. **The Ministry of Budget and Planning (MoB&P)** is responsible for preparing and coordinating the strategic and fiscal planning of the Medium-Term Expenditure Framework (MTEF), which includes the Medium-Term Fiscal Framework (MTFF), Medium-Term Budget Framework (MTBF), and Medium-Term Sector Strategy (MTSS), in line with the Ogun State Fiscal Responsibility Law, 2020 (as amended). The Ministry ensures budget discipline, as well as the proper monitoring and evaluation of government revenues and expenditures. It oversees the preparation of both capital and recurrent budgets.

22. **The Ministry of Finance (MoF)** manages the State's public finances and fiscal policies, working closely with the MoB&P. MoF is responsible for core Treasury functions such as revenue and expenditure management, accounting, and Fund & Cash Management. It also oversees three important quasi-autonomous Agencies: the Office of the State Accountant-General (A-G)/State Treasury, the State Debt Management Office (DMO), and the Ogun State Internal Revenue Service (OGIRS).

23. **The Office of the Accountant-General**

    The Office of the Accountant-General is a semi-autonomous professional arm within the Ministry of Finance (MoF) that is responsible for managing treasury and accounting functions for the State. Its key responsibilities include receiving revenues (i.e. not generating), managing expenditures, financial reporting, conducting internal audits, preparing statutory financial statements for the State Government, and maintaining accounts for the Consolidated Revenue Fund, Development Fund, and other public funds. The Office also conducts routine inspections of financial records to ensure compliance with established rules, formulates and implements accounting policies for the State Government, and deploys personnel to manage finance and internal audit functions across all Ministries, Departments, and Agencies (MDAs) in the State.

24. **The Ogun State Internal Revenue Service (OGIRS)**

    The Ogun State Internal Revenue Service (OGIRS) is responsible for the collection of internally generated revenue (IGR) across the entire State, with policy guidance from the Ministry of Finance.

25. **The Ogun State Fiscal Responsibility Commission (OGSFRC)**

The Ogun State Fiscal Responsibility Commission (OGSFRC), established by the Fiscal Responsibility Law, 2020 (as amended), is expected to oversee the Medium-Term Expenditure Framework (MTEF) process vis-à-vis revenue and expenditure, monitoring and evaluation, targets setting for MDAs, and fiscal discipline in the State.

26. **The Debt Management Office (DMO)**

The Debt Management Office (DMO) is a semi-autonomous professional agency under the Ministry of Finance (MoF) responsible for managing the State's public debt. It also consults with the Federal Debt Management Office on matters related to debts.

27. **The Auditor-General**

The Auditor-General plays a vital role in reviewing and reporting on budget implementation. The State Auditor-General conducts audits of government spending across MDAs to ensure that expenditures align with the approved budget and that funds are used according to complete financial practices. The audit reports are then submitted to the State House of Assembly (SHoA) for consideration.

28. **Initiatives for Sustainable Economic Development and Institutionalizing Public Financial Management (PFM) Reforms**

To foster a sustainable economic environment and institutionalize reforms in Public Financial Management, the administration of **Prince Dapo Abiodun CON, Executive Governor of Ogun State**, has implemented several key initiatives during its first term and is committed to introducing additional reforms throughout his second term. These initiatives include:

- **State Fiscal Responsibility Law, 2020 (As Amended):** This law established the Ogun State Fiscal Responsibility Commission and defines the roles and functions of various stakeholders, as well as the expected fiscal activities in the State.
- **Bureau of Statistics:** This Bureau provides accurate, reliable, and efficient data for decision makers and other Stakeholders within and outside the State.
- **Bureau of Public Procurement:** This Bureau was established to promote a transparent, impartial, and competitive public procurement system, ensuring value for the State's spending.
- **State Debt Management Office:** Reinforced and upgraded to maintain a reliable database of financial instruments, loans, and contingent liabilities, prepare and implement a plan for the efficient management of the State debts obligations at sustainable levels compatible with desired economic activities for growth and development for each financial year.
- **Central Department of Monitoring and Evaluation:** Reinforced to ensure that projects and programs approved in the State Budget are executed and evaluated in terms of outputs, outcomes, and impacts, providing necessary feedback for efficient decision-making by the State Government.
- **Ogun State Public-Private Partnership (PPP) Office:** Established to drive the State's economic growth and position Ogun State as the fastest-growing economy in the country.
- **Medium-Term Revenue Strategy (MTRS):** This strategy shifts from the traditional expenditure-based budget to a revenue-driven budget by identifying key revenue-generating MDAs in the State.

- **State Fiscal Transparency, Accountability, and Sustainability (SFTAS):** The administration continues to implement this program to ensure effective resource allocation in line with international best practices.
- **Adoption of IPSAS Accrual Basis:** The State has adopted the International Public Sector Accounting Standards (IPSAS) accrual basis for accounting, a principle-based framework developed by the International Public Sector Accounting Standards Board (IPSASB).
- **Compliance with the National Chart of Accounts (NCoA):** The State has domesticated the National Chart of Accounts (NCoA) to enhance resource allocation efficiency and transparency, aligning with international best practices.
- **Ogun State Audit Service Commission Law, 2020:** Signed into law on December 31, 2021, this legislation established the Ogun State Audit Service Commission and the offices of the Auditor-General for both the State and Local Government.
- **Public Service Rules and the Bureau of Public Service Reforms:** The State Government adheres to the Public Service Rules, which define the roles of public officers in the PFM system, including Human Resource Management (HRM) processes such as job descriptions, recruitment, career development, and disciplinary procedures. Additionally, the establishment of the Bureau of Public Service Reforms aims to enhance the efficiency of Public Servants.

1.B.2 Overview of the State MTEF/Budget Calendar

29. The Indicative Budget Calendar for the Ogun State Government is presented below:

Table 1: State MTEF/Year 2025 Budget Calendar

Stage	Date(s)	Responsibility
Previous Year Budget Performance Review (i.e., Performance Management Review -PMR)	April-May 2024	• MoB&P.
Preparation and Adoption of Medium-Term Fiscal Framework (MTFF) & Medium-Term Budget Framework (MTBF)	June 2024	• MoB&P • MoF
Review of Medium-Term Sector Strategy (MTSS)	June-July 2024	• MoB&P
Presentation of MTEF to State Exco and OGHA	July – August 2024	• MoB&P • State Exco • OGHA
Issuance of Year 2025 Call Circular	July 2024	• MoB&P
Budget Consultative Forum (i. e. Stakeholders Forum)	August-September 2024	• MoB&P • ExCo
Collection and Collation of Budget proposals from MDAs	July-September 2024	• MoB&P
Budget Bilateral Discussions	August-September 2024	• MoB&P • MoF
Preparation and submission of Budget Draft	September 2024	• MoB&P
Presentation of Year 2025 Draft Budget to His Excellency	September 2024	• MoF • MoB&P
Presentation of Year 2025 Draft Budget to the State Treasury Board (STB) & the State Executive Council (SEC)	October 2024	• MoB&P
Presentation, consideration and approval of the State MTFF & MTBF and / or Revised to the State Exco and OGHA	October 2024	• MoF • MoB&P • ExCo • OGHA
Exco/Legislative Parley on Year 2025 Budget	October 2024	• MoF • MoB&P • ExCo • OGHA
Presentation, Consideration and Passing of Year 2025 Appropriation Bill	October-December 2024	• OGHA
Assent of the Year 2025 Budget by the Governor	December 2024	• HE
Gazette and Online Upload of the State MTEF (MTFF & MTBF) and Annual Budget	31st December 2024	• MoB&P • BIT
Issuance of General and Developmental Warrant	January 2025	• MoB&P
Distribution of Budget Operational Guideline	January 2025	• MoB&P
Publication of the State MTEF	31st January 2025	• MoB&P • BIT

2 Economic and Fiscal Update

2.A Economic Overview

2.A.1 Global Economy

30. The past four years have presented a complex array of challenges to the global economy, including the COVID-19 pandemic, escalating geopolitical tensions, and severe climate-related events. These external shocks have had far-reaching consequences, including significant disruptions to global supply chains, energy and food shortages, and unprecedented government interventions. Despite these challenges, the global economy has demonstrated resilience, although regional disparities and underlying vulnerabilities remain a concern.

31. The negative supply shocks to the global economy from 2020 have had lasting effects on output and inflation, with varied impacts across individual countries and country groups. The sharpest contrasts are between advanced and developing economies. While the former has caught up with activity and inflation projected before the pandemic, the latter are showing more permanent scars, with large output shortfalls and persistent inflation.

32. According to the October 2024 World Economic Outlook (WEO) Update, global growth is expected to remain stable at 3.2% in 2024 and 2025. The growth projection is virtually unchanged from that of the April and July 2024 WEO Updates despite the notable revisions of the forecast for the United States and other advanced economies including European countries.

33. Disruptions to the production and shipping of commodities especially oil through civil unrest and extreme weather events had caused downward revisions to the outlook of the Middle East and Central Asia and sub-Saharan Africa. The downward revisions are compensated for by upgrades to the forecast for emerging Asia, where surging demand for semiconductors and electronics, driven by significant investments in artificial intelligence, has bolstered growth.

34. Persistent structural changes such as population aging and weak productivity are holding back potential growth in many economies. The latest forecast for global growth five years from now—at 3.1%—remains below the pre-pandemic average.

35. Notwithstanding the elevated financing costs and heightened geopolitical tensions, global activity firmed up in early 2024. Global growth is envisaged to reach a slightly faster pace in 2024/2025 than previously projected, due mainly to the continued solid expansion of the U.S. economy.

36. Growth in the Emerging Market and Developing Countries (EMDC) is estimated at 4.4%, surpassing the 4.1% in 2022. Growth in the Advanced Economies is projected to remain flat at 1.7% in 2024 and increase marginally to 1.8% in 2025, while on average, Sub-Sahara African economies are expected to grow by 3.7% and 4.1% in 2024 and 2025 respectively.

37. The US economy, which accounts for about 25% of global output, is expected to grow by 2.5% in 2023, higher than the 1.9% recorded in 2022. The economy is projected to further grow by 2.6% in 2024 but to decline afterward by 1.9% in 2025, reflecting gradual fiscal policy tightening and a cooling labour market which slow consumption.

38. In the United Kingdom and the euro area, on the other hand, activity is projected to accelerate, closing the output gap from below. Growth is projected to have accelerated to 1.1% in 2024 and is expected to continue, reaching 1.5% in 2025 as falling inflation and interest rates stimulate domestic demand.

39. The Euro area’s growth is projected to rise further to 1.2%, helped by stronger domestic demand. Rising real wages are expected to boost consumption, and a gradual loosening of monetary policy is expected to support investment. Persistent weakness in manufacturing weighs on growth for countries such as Germany and Italy. However, whereas Italy’s domestic demand is expected to benefit from the European Union–financed National Recovery and Resilience Plan. Growth in

emerging and developing Europe is projected to remain steady at 3.2% in 2024 but to ease significantly to 2.2% in 2025. The moderation reflects a sharp slowdown in Russia from 3.6% in 2023 to 1.3% in 2025 as private consumption and investment slow amid reduced tightness in the labour market and slower wage growth. In Türkiye, growth is expected to slow from 5.1% in 2023 to 2.7% in 2025, with the slowdown driven by the shift to monetary and fiscal policy tightening since mid-2023.

40. Relative to pre-pandemic trends, a global shift from goods to services consumption is boosting activity in the services sector in advanced and emerging market economies but dampening manufacturing sector. Manufacturing production is also increasingly shifting toward emerging market economies, China and India, as advanced economies lose competitiveness.

41. Emerging Asia's strong growth is expected to diminish from 5.7% in 2023 to 5.0% in 2025, reflecting a sustained slowdown in the region's two largest countries – India and China. It reflects the repressed demand accumulated during the pandemic that has been exhausted, as the economy reconnects with its potential.

42. Growth is expected to decelerate in Japan in 2024, with the slowdown reflecting temporary supply disruptions (car industry) and fading of one-off factors that boosted activity in 2023, such as the surge in tourism. The output gap is already closed, GDP is expected to grow in line with potential. Growth outlook for emerging market and developing economies is expected stable for the next two years, hovering at about 4.2% and steadying at 3.9% by 2029.

43. Growth in the Middle East and Central Asia is projected to pick up from an estimated 2.1% in 2023 to 3.9% in 2025, as the effect of temporary disruptions to oil production and shipping on the region fades away. Compared with that in April 2024 WEO, the projection has been revised downward by 0.4% point for 2024, due mainly to the extension of oil production cuts in Saudi Arabia and ongoing conflict in Sudan taking a large toll.

44. In sub-Saharan Africa, GDP growth is projected to increase from an estimated 3.6% in 2023 to 4.2% in 2025, as the adverse impacts of prior weather shocks decline, and supply constraints gradually ease. The regional forecast is revised downward by 0.2% for 2024 and upward by 0.1% for 2025, reflecting the contraction of the South Sudanese economy, slower growth in Nigeria, amid weaker-than-expected activity in the first half of the year.

45. Global growth is expected to remain broadly flat— decelerating from 3.3% in 2023 to 3.1% by 2029, largely unchanged from WEO forecasts in April 2024 and October 2023. However, the offsetting revisions have brought major economies closer together as cyclical forces wane and GDP moves closer to potential. As inflation recedes, policy rates are expected to follow suit, preventing undue increases in real interest rates. Interest rates are expected to gradually descend toward their natural levels i.e. the levels at which the risk-free real interest rates are compatible with output at potential and inflation at target.

46. World trade growth is expected to recover to about 3¼% annually in 2024–25 (from quasi stagnation in 2023) and align with global GDP growth again. The uptick in the first quarter of this year is expected to moderate as manufacturing remains subdued. Although cross border trade restrictions have surged, harming trade between geopolitically distant blocs, the global trade-to-GDP ratio is expected to remain stable in the projection.

47. Although there are geopolitical tensions, global trade volume as a share of world GDP has not deteriorated. However, signs of geoeconomic fragmentation have started to emerge, with increasingly trade occurring within geopolitical blocs rather than between them. A more fragmented global trade landscape could reduce the resilience of global supply chains, increase funding costs, disrupt cross-border capital flows, lower market efficiency and slow knowledge transfer between advanced and emerging market and developing economies to the detriment income convergence.

48. Risks to the global outlook are tilted to the downside amid elevated policy uncertainty on accounts of newly elected governments in many countries of the world, sudden eruptions of financial market volatility, deeper or longer-than-expected contraction in property sector, further intensification of

protectionist policies and geopolitical rifts, rising social tensions and delay in the passage and implementation of necessary structural reforms.

49. The decline in global inflation in 2024 and 2025 reflects a broad-based decrease in core inflation, unlike the situation in 2023, when headline inflation fell mainly because of lower fuel prices. Core inflation is expected to drop by 1.3% in 2024, following a 0.1% decrease in 2023, with advanced economies leading the decline. Factors contributing to lower core inflation include the delayed effect of tight monetary policies as well as diminishing pass-through effects from earlier declines in prices, especially in those for energy.

50. Some emerging market economies are facing a resurgence of inflationary pressures occasioned by elevated food prices and supply disruptions from climate, health, and persistent geopolitical tensions. It is always harder for monetary policy to maintain price stability when faced with such shocks that simultaneously increase prices and reduce output.

51. Inflation forecasts for emerging and developing Europe, the Middle East and North Africa, and sub-Saharan Africa remain in double-digit on account of large outliers amid pass-through of past currency depreciation and administrative price adjustment (Egypt) and underperformance in agriculture (Ethiopia). For most countries in Latin America and the Caribbean, inflation rates have dropped significantly from their peaks and continue to be on a downward trend.

52. As the cyclical imbalances in the global economy wane, near-term policy priorities should be geared towards ensuring public debts are on a sustainable path, rebuilding fiscal buffers; country-specific circumstances, and implementation of long-overdue structural reforms.

53. Monetary policy rates of major central banks are still expected to decline in the second half of 2024, with divergence in the pace of normalization reflecting varied inflation circumstances.

54. The trajectory of monetary policy tightening by major central banks in advanced economies has shifted. Governments in advanced economies are on average expected to tighten their fiscal policy stances in both 2024 and 2025, halving primary deficits by 2029.

55. As global disinflation continues to progress, bumps on the road to price stability are still possible. Goods prices have stabilized, but service price inflation remains elevated in many regions, pointing to the importance of understanding sectoral dynamics and calibrating monetary policy accordingly. The downside risks are rising due to the escalation in regional conflicts and trade restrictions, too long monetary policy tightening, possible resurgence of financial market volatility with adverse effects on sovereign debt markets, deeper growth slowdown in China, and the continued ratcheting up of protectionist policies.

56. The global battle against inflation has largely been won, cyclical imbalances have eased since the beginning of the year, leading to a better alignment of economic activity with potential output in major economies. This adjustment is bringing inflation rates across countries closer together and on balance has contributed to lower global inflation. Global headline inflation is expected to fall from an annual average of 6.7% in 2023 to 5.8% in 2024 and 4.3% in 2025, with advanced economies returning to their inflation targets sooner than emerging markets and developing economies. Overall, inflation is expected to decline steadily on a sequential basis, and by the end of 2025, most economies are expected to be either at target or within a stone's throw to it. [1]

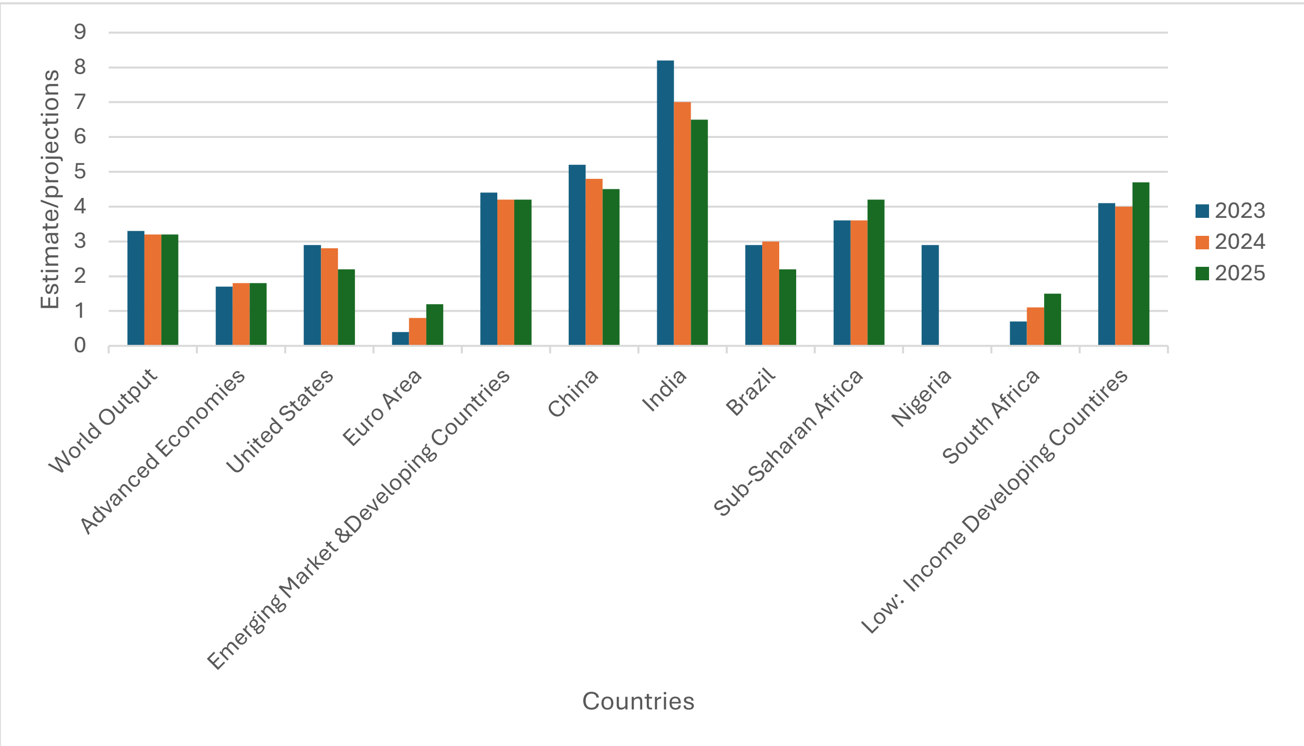
57. Structural reforms are essential to lift medium-term growth prospects, but support for the most vulnerable should be maintained. Multilateral cooperation is needed more than ever to accelerate the green transition and to support debt-restructuring efforts. Mitigating the risks of geoeconomic fragmentation and strengthening rules-based multilateral frameworks are essential to ensure that all economies can reap the benefits of future growth.

[1] World Economic Outlook (WEO) Update - IMF, October 2024

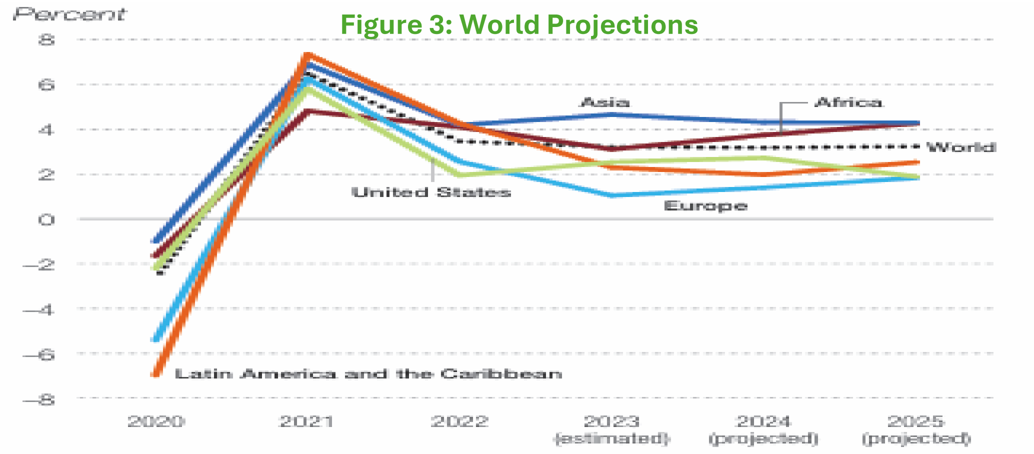
Table 2 : Real GDP Growth - Selected Countries

Country	Estimate		Projections
	2023	2024	2025
World Output	3.3	3.2	3.2
Advanced Economies	1.7	1.8	1.8
United States	2.9	2.8	2.2
Euro Area	0.4	0.8	1.2
Emerging Market &Developing Countries	4.4	4.2	4.2
China	5.2	4.8	4.5
India	8.2	7	6.5
Brazil	2.9	3	2.2
Sub-Saharan Africa	3.6	3.6	4.2
Nigeria	2.9	2,9	3.2
South Africa	0.7	1.1	1.5
Low: Income Developing Countries	4.1	4.0	4.7

Figure 2: Real GDP Growth Graph



Source: World Economic Outlook (WEO) October, 2024



Source: World Economic Outlook (WEO) October 2024

2.A.2 Africa

58. Africa's growth performance remains volatile, reflecting entrenched structural challenges and susceptibility to shocks. Average growth in real gross domestic product (GDP) decelerated to an estimated 3.1% in 2023 from 4.1% recorded in 2022, reflecting pockets of political instability and conflicts in some African countries (Sudan), persistently high food and energy prices on the back of sustained impact of Russia's invasion of Ukraine, weak global demand weighing down on exports performance, climate change and extreme weather events on agricultural productivity and electricity generation.

59. The slowdown was compounded by monetary policy tightening aimed at bringing inflation down amid depreciation pressures on exchange rates in several countries. Although the growth deceleration was broad-based, affecting Africa's five regions, East Africa was the most affected as the conflict in Sudan raged on and continued to destabilize economic activity with spillover effects across the region. The impact of the conflict on Sudan's economy and the continent at large appears to be much deeper than previously assessed, with a contraction in real output reaching 37.5% in 2023 as against the 12.3% projected in January Africa's Macroeconomic Performance and Outlook (MEO) 2024. The conflict is also having a significant contagion impact, particularly in neighbouring South Sudan, which relies heavily on the former's pipelines and refineries, as well as port infrastructure for oil exports. Oil contributes about 90% to South Sudan's revenue and almost all its exports.

60. The estimated slowdown in Africa's real output growth in 2023 is corroborated by other high-frequency indicators of economic activity. The Purchasing Managers' Index (PMI) in three of Africa's top six economies declined in 2023, PMI was 47.9 in Egypt, 48.1 in Kenya, and 49.3 in South Africa, all below the 50 benchmarks, showing a weakening of economic activity. Meanwhile in Nigeria, the PMI dropped to 50.4 in 2023, from 53.9 in 2022, due to heightened inflationary pressures and a weak domestic currency weighing on economic activity.

61. The adverse impact of the conflict in Sudan is evident in growth estimates for Africa. Excluding Sudan, average GDP growth for Africa is estimated to be 0.6% lower in 2023 relative to 2022, compared with a 1.0% drop with Sudan included. Most importantly, the growth estimates for East Africa excluding Sudan increase to 5.7% in 2023 from 5.4% in 2022 compared with a growth of 1.5% when Sudan's deep contraction is factored in.

62. Despite the persistent headwinds, more than half of African countries (31) had higher real GDP growth rates in 2023 than in 2022, with six (6) of them — Burkina Faso, Djibouti, eSwatini, Libya, the Republic of Congo, and South Sudan — showing a difference in growth rates of more than 2%. In Libya, recording the highest growth increase of 16.3% points in 2023, growth was boosted by

continued oil production as the security situation improved. Importantly, fifteen (15) countries recorded a growth rate in real GDP of at least 5% in 2023. Conversely, real output in Equatorial Guinea contracted in 2023, joining Sudan and South Sudan, which have been in recession since 2019 and 2021, respectively.

63. Looking forward, Africa's economic performance is poised to gradually improve; Real GDP growth is projected to increase to 3.7% in 2024 and firm up at 4.3% in 2025, as most of the effects of the risks (i.e. high food and energy prices on the back of Russia's invasion of Ukraine, weak global demand weighing down export performance, climate change and extreme weather events on agricultural productivity and power generation, and political instability/conflict in some African countries) that caused the deceleration in 2023 begin to subside.

64. The projected rebound in Africa's average growth will be led by East Africa (up by 3.4% points) Southern Africa and West Africa (each rising by 0.6% points). Importantly, 40 countries will post higher growth in 2024 relative to 2023, and the number of countries with more than 5% growth rate will increase to Seventeen (17). With this, Africa will retain its position as the second fastest-growing region after developing Asia, with a projected average real GDP growth of 3.7% higher than the global average of 3.2% in 2024. Furthermore, ten (10) countries in Africa will be among the world's top 20 fastest-growing economies in 2024, sustaining the trend of the past two decades.

65. East Africa is expected to maintain its position as Africa's fastest-growing region, with real GDP growth rising from an estimated 1.5% in 2023 to 4.9% in 2024 and 5.7% in 2025 despite the downward revision of 0.2% for 2024 forecast in the January 2024 Africa's Macroeconomic Performance and Outlook (MeO) occasioned by larger-than-expected contractions in Sudan and South Sudan.

66. Growth in Central Africa is expected to moderate from 4.3% in 2023 to 4.1% in 2024 before improving strongly to 4.7% in 2025. The growth will be largely driven by stronger-than-expected growth in Chad and the Democratic Republic of Congo.

67. Growth is projected to pick up in West Africa, rising from an estimated 3.6% in 2023 to 4.2% in 2024 and consolidating at 4.4% in 2025, reflecting stronger growth upgrades in the region's large economies — Côte d'Ivoire, Ghana, Nigeria, and Senegal.

68. In North Africa, growth is projected to decline from an estimated 4.1% in 2023 to 3.6% in 2024 and 4.2% in 2025. Except for Libya and Mauritania, growth has been revised downward for all other countries in the region.

69. Growth in Southern Africa is projected to pick up slightly from an estimated 1.6% in 2023 to 2.2% in 2024 and firm up to 2.7% in 2025, largely driven by South Africa which upgraded growth forecast offset the combined effect of downward revisions in Angola, Botswana, Lesotho, Zambia, and Zimbabwe.

70. African non-resource–intensive economies are projected to improve from an estimated 4.8% in 2023 to 5.3% in 2024 and 5.6% in 2025, given the increased public investments in major growth sectors and substantial capital outlays on critical public infrastructure including electricity, transport, and logistics.

71. Tourism-dependent African economies are projected to decelerate from 5.8% in 2023 to 4.7% in 2024 and further to 3.9% in 2025 reflecting the stabilization of tourism numbers to trend levels and projected slower growth in Mauritius and Seychelles as the key driver for the group.

72. Average growth in oil-exporting countries is expected to decline from an estimated 3.7% in 2023 to 3.5% in 2024 but could pick up the pace to 4% in 2025. The projected slowdown in 2024 reflects lower oil production targets set by OPEC, lower growth projections for South Sudan due to the stoppage faced by the main pipeline transporting crude oil exports through Sudan, and uncertainty over new mechanisms for Angola's oil exports following its exit from OPEC.

73. Growth in non-oil resource-rich African economies is estimated to improve strongly from 0.3% in 2023 to 2.7% in 2024 and consolidate at 3.3% in 2025 reflecting the rebound in China's demand for metals and minerals linked to expansions in smart grids and construction.

74. Higher inflation across Africa has eroded the socioeconomic gains before the COVID-19 outbreak. Fiscal deficits are expected to slightly widen before reaching pre-pandemic levels, but uncertainties remain high. Average fiscal deficits on the continent increased marginally to 5% of GDP in 2023 from 4.9% in 2022, reflecting a slight widening of the primary balance from 1.6% of GDP in 2022 to 2.1% of GDP in 2023 as countries continue to implement measures to mitigate the effects of rising food prices amid falling energy sector revenues.

75. Oil-exporting countries are expected to see a budget deficit increase in 2024, while other groups should experience a gradual reduction. The average current account deficit is projected to widen from an estimated 1.7% of GDP in 2023 to 2.0% of GDP in 2024 and 2025, reflecting expectations that oil prices will remain relatively elevated and stabilize at around $77 per barrel, with net oil-importing economies severely affected.

76. The continent improvements of 0.2% points and 0.1% points over the January 2024 forecast for 2024 and 2025 reflect the rebound in global trade, the boost to China's commodity imports as its construction sector stabilizes, and resilience in its domestic economy is aided by recovering investments and firm consumer spending, which could benefit Africa's commodity exporters.

77. Average consumer price inflation in Africa is estimated to have increased by 3% to 17% in 2023, from 14% in 2022. The increase reflects a combination of higher local food prices induced by drought-related domestic supply shortages, liquidity overhangs from pandemic-induced fiscal and monetary policy support, and the pass-through effects of currency depreciation against a strong US dollar propelled by high interest rates in the United States.

78. Although global commodity prices fell in 2023, they remained high relative to the immediate period before and during the peak of the COVID-19 pandemic. While average energy and food prices declined in 2023 by about 30% and 9.2% respectively from 2022, they were about 100.3% and 34.7% higher than the level in 2020. The decline in average energy and food prices in 2023 largely reflected subdued global demand.

79. The short-term outlook of commodity prices remains highly uncertain. The trajectory of energy prices will be shaped largely by a combination of global demand and supply conditions, geopolitical tensions, and decisions by OPEC+. While OPEC estimates in March 2024 show that oil demand would grow by 2.2 million barrels a day in 2024, geopolitical tensions and attacks in the Red Sea pose risks to energy supply and prices. Although food prices are expected to continue a downward trend facilitated by demand moderation amid increased supplies of major crops, particularly corn and soybeans, supply chain disruptions and effects of extreme weather events on agricultural output remain a major risk to this outlook.

80. Although to a lesser extent than in 2022, the depreciation of African currencies persisted in 2023. Most African currencies depreciated further against a stronger US dollar in 2023 under the pressure of high global interest rates and continued global uncertainty fuelled by geopolitical and trade tensions. For instance, Nigeria's exchange rates depreciated by 95.6% in 2023. This depreciation largely reflected a correction following reforms in the foreign exchange market in June 2023, which led to the floating of the Naira.

81. Other countries with large currency depreciation rates included Angola, Malawi, and Zambia. These countries experienced limited foreign currency liquidity on the market, and in Angola, the situation was exacerbated by lower oil prices and the end of the moratorium by Chinese creditors. The depreciation in Zambia was further compounded by weak market sentiment due to the protracted debt restructuring process.

82. Public debt is declining but still above pre-pandemic levels, highlighting the persistence of the debt burden on the continent. Africa's median public debt ratio, which rose from 54.5% of GDP in 2019 to

64% in 2020, stabilized at around 63.5 from 2021–23 and is expected to decline further to around 60 from 2024 — halting a decade-long upward trend. While debt levels have stabilized across the continent with relative improvement in fiscal positions, the ratio remains high and above pre-pandemic levels in many countries where public finances have been volatile due to the unprecedented shocks.

83. The debt overhang reflects the burden of Africa's indebtedness in the face of government actions to support pandemic-stricken economies and cushion households against high food and energy costs and the higher cost of borrowing induced by Russia's invasion of Ukraine.

84. Unlike real GDP growth, where Africa's performance compares favourably with most global regions, trailing only Asia, the continent's growth rate of real GDP per capita has lagged all other global regions for three consecutive years. In 2023, the estimated real GDP per capita growth in Africa was 0.7%, representing a decline of 1.0% point from 2022. Moreover, Africa's estimated real GDP per capital growth in 2023 trailed Asia, the best-performing region, by 3.3% points, and Europe, the second least-performing region, by 0.5% points. This is a significant setback for a continent seeking income convergence toward advanced economies.

85. Although real GDP per capita in Africa is projected to double to 1.4% in 2024 and reach 1.9% in 2025, it will still trail all other regions. At these relatively low real GDP per capita growth rates, it becomes increasingly evident that without deliberate sustained policies to engender structural transformation to spur higher economic growth, it will take much longer years for countries to transition to higher income categories.

86. Sectoral and demand-side decomposition of growth:

a. The decline in GDP growth in 2023 reflects the slow improvement in private consumption on the demand side and the vulnerability of the services sector, which dominates the supply side while private consumption has been the driver of growth on the demand side for many years. The persistent negative shocks, the tightening of monetary policy, and the erosion of household incomes due to inflation pass-throughs that weigh on their purchasing power/real income are some of the factors responsible for the slow growth of this component of GDP.

b. Consequently, the contribution of private consumption to real GDP growth of 3.1% increased modestly from 1.5% of GDP in 2022 to 1.7% in 2023 as the weight of the above factors rose. In 2024, the contribution is projected to increase to 2.4% and maintain the growth momentum in the medium term. However, the positive trajectory in private consumption may be scaled down with the increasing cost of living caused by structural challenges and inflation pass-throughs that affect household incomes/real income.

c. Net exports marginally declined by 0.1% between 2022 and 2023, reflecting the weakening of the domestic currencies. In 2024–25, the contribution of net exports is projected to decline by an average of 0.1% due to the expected strengthening of the domestic currencies thus expanding the imports.

d. Investment growth declined from a contribution of 1.7% in 2022 to negative 0.2% in 2023. It is projected to improve to 1.0% in 2024–25 to support GDP growth. The growth momentum in the medium term for investment could be supported through private sector growth and policy reforms expected to attract both domestic and foreign direct investments.

e. The contribution of agriculture is estimated to have marginally declined from 0.5% in 2022 to 0.4% in 2023 while industry remained unchanged at 0.6%. The decline in agriculture was due to climate challenges such as droughts that affected yields while industry continues to face structural challenges such as the skills mismatch, high cost of capital, low internet access, and weak governance among others.

f. In 2024–25, agriculture is projected to improve by an average of 0.7% and industry by 1.2% as the impact of climate change eases in several countries in the region and ongoing policy interventions to improve agricultural productivity in countries such as Kenya, Ethiopia, Nigeria, and South Africa. However, downward risks to both agriculture and industry remain, including the negative effects of climate change, the escalation of global tensions that may affect imports of fertilizers and equipment, and the uncertainty limiting capital inflow to the productive sectors. Targeted policy interventions to improve productivity are required to build the resilience of the supply-side factors to cushion countries against emerging shocks.

87. The main downside risks to the continent's outlook include the following:

a. Persistent inflationary pressures in many African countries could put further pressure on African economies by further lowering real wages and keeping interest rates high.

b. The protracted gridlock in trade and investment and attendant effects fuelled by rising geopolitical tensions and polarization have overturned Africa’s growth, and further escalation could jeopardize the continent’s economic recovery.

c. Higher commodity prices could ignite a new wave of inflation, upend the decline in poverty, and delay the process of monetary policy easing, which in turn could jeopardize the positive economic outlook.

d. Increased regional conflicts and political instability in some countries have imposed untold human suffering and large social and economic costs. Left unresolved, these conflicts will exacerbate the already dire humanitarian and socioeconomic situations, with long-term consequences for economic and macroeconomic stability in these economies.

e. Climate shocks constitute yet another important downside risk to growth recovery in Africa. Indeed, climate change poses grave threats to countries across Africa — but especially transition states.

88. Potential upside risks include:

a. Further traction of the recent positive trend in fiscal consolidation and progress in debt structuring, improved global market conditions, and a decline in risk premia for African countries’ debt. Combined, these factors could stimulate investors’ confidence, thereby stimulating economic growth.

b. Renewed investment and capital accumulation to further boost the pace of structural transformation could strengthen growth prospects. Countries need to increase debt transparency by improving the collection, reporting, and management of debt statistics and strengthening the monitoring of state-owned enterprises to reduce fiscal risks from undisclosed debt and contingent liabilities.

c. The return to a lower policy rate environment in advanced economies and some emerging markets could ease the cost of capital and limit capital outflows and other macroeconomic shocks in Africa, with attendant benefits for medium- term economic growth prospects.

89. A mix of short to medium-term and long-term policies are needed to address Africa’s macroeconomic challenges and to put the economy on the path of sustained higher growth.

90. In the short term, to achieve faster disinflation and to anchor inflation expectations at minimal cost to the economy requires:

a. Tailored monetary policy adjustments – central banks in economies with high core inflation, such as Egypt, Ethiopia, Ghana, Malawi, Nigeria, and Zimbabwe, need to tighten monetary policy quickly and decisively to reduce the cost of living on households.

b. Promoting local production and diversifying import sources are key to addressing rising food prices. Supporting African smallholder farmers can trigger an agricultural revolution to feed Africa, especially in urban areas. African countries need to provide farmers with broad access to affordable finance, improved food production technologies (especially certified seeds adapted to extreme climatic conditions), and large-scale systematic extension and mechanization services to increase food production.

c. Implementing governance reforms and strengthening debt management capacity are key to reducing the burden of public debt through efficient use of borrowed resources. Countries need to increase debt transparency by improving the collection, reporting, and management of debt statistics and strengthening the monitoring of state-owned enterprises to reduce fiscal risks from undisclosed debt and contingent liabilities.

d. Good governance also forms the basis for broader economic reforms. efficient use of borrowed resources through investment in growth-creating sectors and infrastructure will further unlock the economic potential of African economies.

e. Addressing exchange rate pressures should be a key short-term policy priority. The depreciation of currencies in African countries has continued despite various measures to stabilize the exchange rates, largely because the pressure is externally induced. In countries with floating exchange rates, currencies should therefore be allowed to adjust as much as possible, since trying to resist movements based on fundamentals could have adverse secondary consequences on the economy.

f. In countries with pegged exchange rates, monetary policy must be aligned with that of the anchor country to maintain external stability and avoid further losses in foreign exchange reserves as they intervene to preserve the exchange rate parity.

91. In the medium to long term;

a. Reforming the current global financial architecture and expanding the representation of developing countries will improve decision-making, increase transparency, and reduce the cost of capital. The resulting additional finance mobilized for development could help alleviate fiscal pressures on African countries, promote macroeconomic stability, boost market confidence, and reduce borrowing costs.

b. With elevated public debt choking many countries, scaling up domestic resource mobilization should be a top policy priority for African countries to accelerate structural transformation. In addition to improving debt management and fighting illicit financial flows, a multidimensional approach is needed to improve the collection and retention of resources generated domestically.

c. To tackle illicit international flows, the measures include tightening financial regulations by imposing transparency and putting the burden of accountability on financial institutions.

d. Creating an enabling environment is crucial for attracting and scaling up external financial flows as complementary sources of development financing to accelerate Africa's economic transformation. Although domestic resources will remain an integral and larger part of financing Africa's economic transformation, external financial flows will be essential as complementary sources of funding for development needs. Africa has performed relatively well in attracting foreign direct investment (FDI) but much of this investment has been in extractive sectors and limited to few mostly large economies. African economies need to implement structural policies and create a supportive macroeconomic environment to attract more quality and stable FDI and predictable official development assistance to reap the growth dividends of external financial flows. [2]

e. Accelerating structural reforms is essential to building resilient economies. The prolonged growth volatility in Africa in the aftermath of the COVID- 19 pandemic, coupled with the decline in income growth, clearly calls for prioritizing structural reforms to strengthen the continent's resilience to shocks. In countries where growth volatility is largely due to monopolies in the energy sector — one of the main causes of power generation inefficiencies and related bottlenecks — liberalizing the energy sector should be a priority. In an environment where gaps

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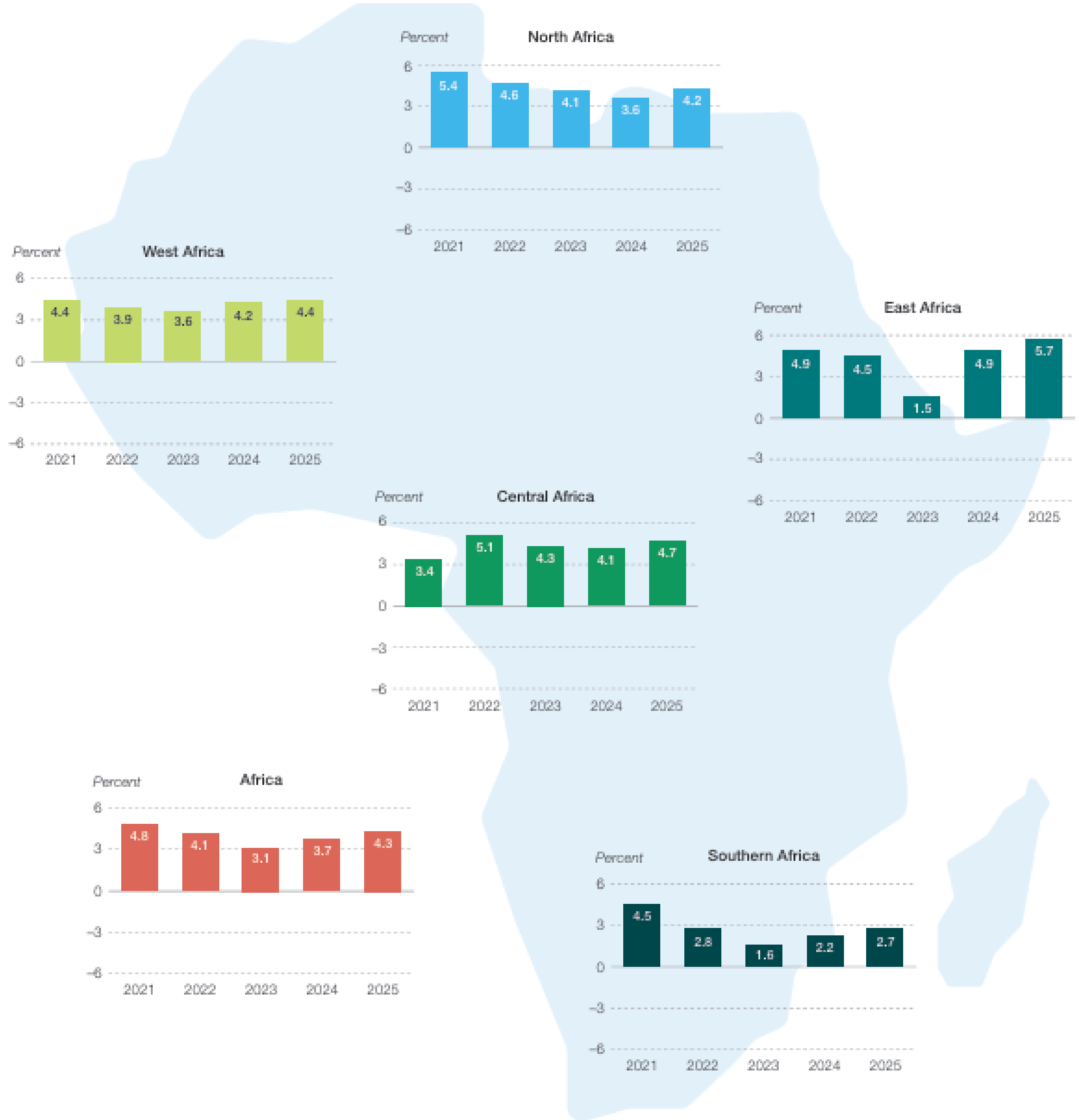
[2] African Economic Outlook (AEO) – AFDB, 2024

in development financing remain large and financing conditions tight, budget spending should be reprioritized to redirect it to growth- enhancing public investment projects.

f. Countries must also prioritize climate adaptation policies to improve their resilience to climate- related disasters and thus strengthen resilience.

Figure 4: Africa in Regions



Source: African Development Bank statistics.

2.A.3 Sub-Sahara Africa Economy

92. The overall sub-Saharan regional outlook is gradually improving, with economic activity picking up slowly. Growth is expected to rise from 3.4% in 2023 to 3.8% in 2024, with nearly two thirds of countries anticipating higher growth. Economic recovery is expected to continue beyond this year, with growth projected to reach 4.0% in 2025.

93. However, not all is glowing, the funding squeeze continues, reflecting a reduction in the region's traditional funding sources, particularly Official Development Assistance (ODA). The region's

governments are grappling with financing shortages, high borrowing costs, and rollover risks amid low domestic resource mobilization.

94. Significant debt repayments are looming this year and next year. The financing challenges are forcing countries to cut essential public spending and redirect development funds to debt service, thereby endangering growth prospects for future generations. As concessional sources have become scarcer, governments are seeking alternative financing options, which are typically associated with higher charges, less transparency, and shorter maturities.

95. Risk s to the outlook remain tilted to the downside. The region continues to be more vulnerable to global shocks, particularly from weaker external demand and elevated geopolitical risks. The region faces a critical year with 18 national elections in 2024. Similarly, climate shocks are becoming more frequent and widespread, including droughts of unparalleled severity.

96. Amid current financing constraints and cascading shocks, the international community needs to play a more active role in assisting the region. In addition, three policy priorities can help countries adapt to these challenges:

   a. Improved public finances focused on revenue mobilization is still the first line of defense against a world of higher borrowing costs and narrowing funding options. But top priority should be given to minimizing the impact of fiscal consolidation on lives and livelihoods. On the financing side, there is still a pressing need for concessional funding.

   b. Monetary policy should remain focused on ensuring price stability. As inflation eases, more countries will have space to cut interest rates. Enhanced coordination between fiscal, monetary, and exchange rate policies is crucial.

   c. Implementing structural reforms such as expediting trade integration and improving the business environment to attract more foreign direct investments could diversify funding sources and the economy. Sub-Saharan African countries will need more support from the international community, with multilateral and regional development banks potentially exploring options to further leverage their balance sheets to support a more inclusive, sustainable, and prosperous future.

Figure 5: Projections

2.A.4 Nigerian Economy[3]

97. In line with the goals of the National Development Plan 2021-2025, in the medium term, the government aims at restoring and preserving macroeconomic stability, improve the business and investment environment, enhancing national security, and achieving high and inclusive economic growth. Other key macroeconomic objectives include facilitating employment and job creation, promoting environmental sustainability, improving health crisis preparedness, as well as promoting human capital and social development. To achieve these objectives, fiscal, monetary, and other economic policies will be aligned and implemented in a very coordinated manner.

98. As against the FGN targeted projections in the 2025-2027 Medium Term Expenditure Framework of GDP growth of 4.6% and 15% inflation, the Nigeria's economic growth is projected to increase to 3.2% in 2024 and 3.4% in 2025 (Africa Economic Outlook 2024), due to improved security, higher oil production, and stronger consumer demand. Inflation is expected to be at 31.6% in 2024, driven by higher food prices and continued depreciation of the Naira, before moderating to 20.7% in 2025 as inflationary pressures abate.

99. Nigeria has transitioned to a more transparent foreign exchange management system. It is projected that the current volatility in the Naira exchange rate will moderate, and the Naira will begin to appreciate as fiscal, monetary, and trade policies become better aligned. Recent economic reforms have been pivotal to reshaping Nigeria's fiscal landscape. The unification of the exchange rate regime represents a significant step toward achieving greater market-driven stability, enhancing investor confidence, and reducing currency speculation. This outcome will be aided by policies that seek to eliminate uncertainty and restore investors' confidence in the exchange rate market. The macroeconomic environment will be further stabilized as Nigeria sets on a fiscally sustainable path through accelerated domestic revenue mobilisation and better expenditure management, moderate fiscal deficits, and a healthy debt sustainability framework.

100. Furthermore, the Federal Government's removal of the Premium Motor Spirit (PMS) subsidy has alleviated a long-standing fiscal burden, creating room for more targeted expenditures on critical infrastructure and social services. These reforms are central to the medium-term strategy aimed at unlocking Nigeria's economic potential and promoting inclusive growth.

101. The fiscal deficit, financed by domestic borrowing, is projected to narrow to 4.3% of GDP in 2024 and 4.1% in 2025 as both oil and non-oil revenues improve. The current account surplus is expected to improve to 3.0% of GDP in 2024 and 3.6% in 2025 due to higher oil exports. Headwinds include insecurity, lower oil production, rising fuel and food prices, and further exchange rate volatility. Tailwinds include new oil production from the Dangote and other modular refineries, which is expected to lower energy prices as it starts supplying the local market

102. Despite some evidence of structural transformation, reflected in agriculture employment's falling share in total employment from 49.3% in 2000 to 35.2% in 2021, the pace of transformation is not sufficient to propel industrial take-off. Labor has relocated to the services sector, with share of employment rising from 39.4% in 2000 to 52.1% in 2021. However, industry's share of employment has increased marginally over the past 20 years, from 11.3% to 12.7%, reflecting slow industrialization. Furthermore, wage employment is low, at 11.8%, reflecting low-quality jobs and characterized by high informality, at 92.6%.

103. To finance structural transformation, Nigeria needs to accelerate domestic resource mobilization, especially by reforming tax administration. Nigeria faces exorbitant financing costs in global financial markets, with its 30-year bond trading at a double-digit yield of 11.11% in January 2023 and 10.58% in April 2024 compared with 8.25% at issue in 2021.

104. In the medium term, the Federal Government will focus on consolidating these gains while implementing further measures to shore up revenue and improve the efficiency of expenditure. Key

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[3] *FGN 2024 – 2026 Medium Term Expenditure Framework and Fiscal Strategy Paper (MTEF & FSP).*

to this strategy is the government's commitment to leveraging technology and automation to enhance revenue collection across key sectors. The deployment of automation tools, alongside ongoing efforts to correct inefficiencies in revenue administration, will significantly improve tax compliance, streamline customs operations, and reduce revenue leakages.

105. Complementing these fiscal measures is a comprehensive overhaul of Nigeria's security architecture. The government recognizes that security is a prerequisite for sustained economic activity, particularly in regions that serve as critical hubs for agriculture, commerce, and industry. Enhanced security operations, coupled with intelligence-driven strategies, are expected to facilitate the return of economic activities to pre-crisis levels, fostering growth and creating jobs.

106. The Real Gross Domestic Product (RGDP) grew by 2.98% (year-on-year) in the first quarter of 2024, slower than the 3.46% recorded in the fourth quarter of 2023 but higher than the 2.31% recorded in the first quarter of 2023. Despite several headwinds, the economy posted (3.19% and 3.46% in the second and third quarters of 2024) positive for the fourteenth consecutive quarter, although lower than the expected growth.

107. The performance of the real GDP in the first quarter of 2024 was driven mainly by the Services sector, which grew by 4.32% and contributed 58.04% to the aggregate GDP. The services sector contributed more to the aggregate GDP in the first quarter of 2024 compared to the corresponding quarter of 2023.

108. The non-oil sector grew by 2.8% in real terms in Q1 2024. This rate was however slightly lower by 0.27% compared to the 3.07% recorded in Q4 2023. Non-oil sector growth in the first quarter of 2024 was mainly driven by Financial Institutions; Telecommunications; Crop production; Food, Beverage, and Tobacco. In real terms, the non-oil sector contributed 93.62% to the nation's GDP in the first quarter of 2024, lower than the share recorded in the first quarter of 2023 which was 93.79% and lower than the fourth quarter of 2023 recorded as 95.30%.

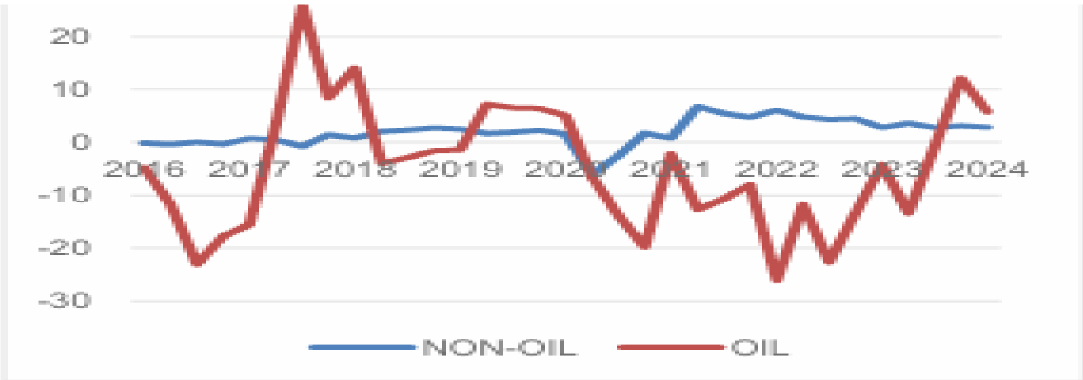
109. The oil sector grew in real terms by 5.70% (year-on-year) in Q1 2024. This represents an increase of 9.91% relative to the -4.21% recorded in the corresponding quarter of 2023. Growth decreased by 6.41% points when compared to Q4 2023 which was 12.11%. On a quarter-on-quarter basis, the oil sector recorded a growth rate of 13.77% in Q1 2024. The Oil sector contributed 6.38% to the total real GDP in Q1 2024, up from the 6.21% recorded in the corresponding period of 2023 and 4.70% contributed to the preceding quarter.

110. Average daily crude oil production was 1.57 million barrels per day (mbpd) in the first quarter of 2024, higher than the daily average production of 1.51mbpd recorded in the same quarter of 2023 and production volume of 1.55 mbpd in the fourth quarter of 2023.

Figure 6: Real GDP Growth (%)

Source: National Bureau of Statistics

Figure 7: Oil & Non-Oil Sector Growth Rate



111. Unemployment and Underemployment

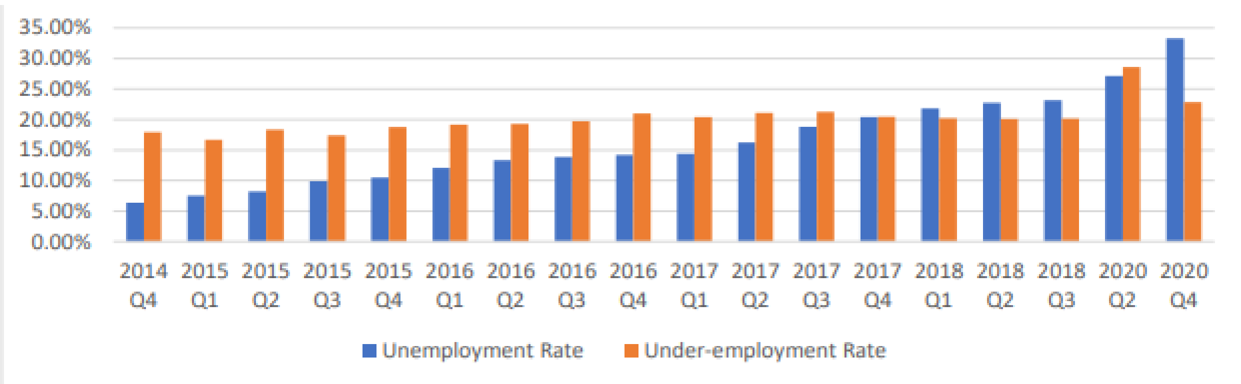
112. According to the National Bureau of Statistics, 87.3% of employed Nigerians were primarily self-employed with the remaining 12.7% being primarily engaged as employees. Disaggregation by sex, 90.5% of women were engaged as self-employed while 84.2% of men were self-employed. 80.3% of employed people in urban areas were self-employed this is lower when compared with 94.5% of employed people in rural areas.

113. The unemployment rate in Q3 2023 was 5.0% compared to 4.2% recorded in Q2 2023. The unemployment rate by sex among men was 4.0% and among women was 6.0%. Disaggregated by location, the unemployment rate was 6.0% in urban areas and 4.0% in rural areas. Focusing on young people, the youth unemployment rate was 8.6%. The unemployment rate measures the share of the labour force who are not employed but are actively searching and are available for work.

114. In Q3 2023, the labour force participation rate in Nigeria fell to 79.5% from 80.4% in Q2 2023. The participation rate among men was 80.9% and 78.2% for women. Persons living in rural areas are more likely to participate in labour activities than urban dwellers.

115. In Q3 2023, the share of employed Nigerians that were underemployed was 12.3%. The share of employed persons aged 15 to 24 years who were underemployed was 18.3%. The unemployment / underemployment data reveal the need to implement policies and programmes to support labour intensive sectors and improve the Nigerian business operating environment are expected to reduce unemployment, underemployment and poverty rates in the country. About 75.6% of Nigeria's working-age population was estimated to be in employment In Q3 2023. Disaggregating by sex, the

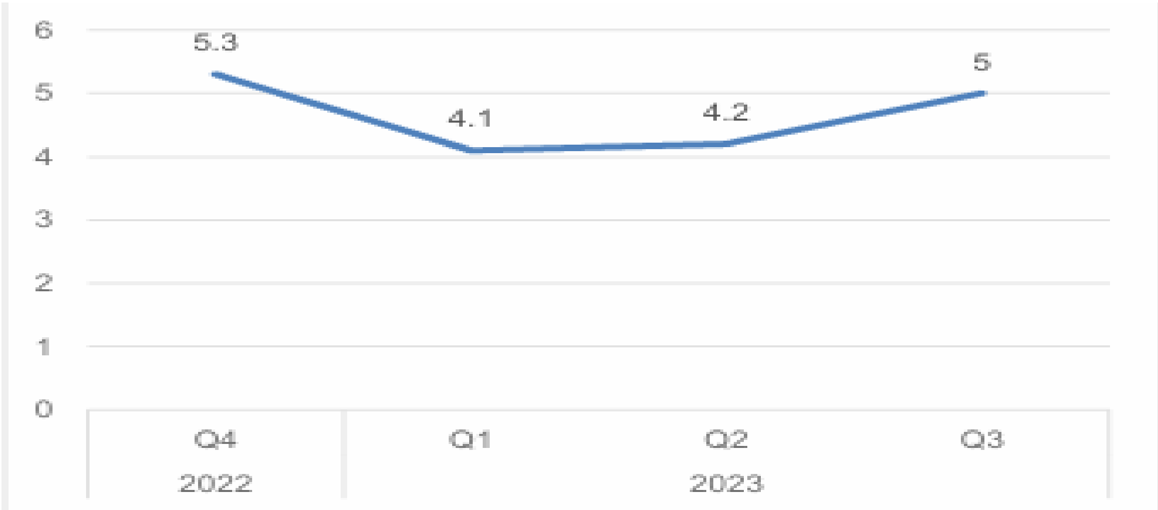
Figure 8: Unemployment Rate



Source: National Bureau of Statistics

employment-to-population ratio was 77.7% for males and 73.5% for females. The employment-to-population ratio in urban areas was 71.1% and 80.7% in rural areas.

Figure 9: Unemployment Trend

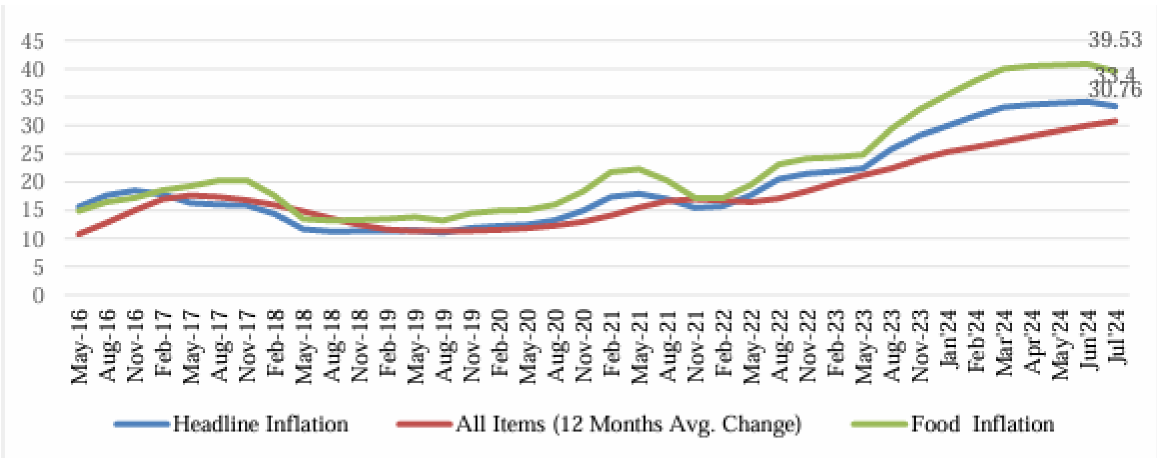


Source: National Bureau of Statistics

116. Monetary Sector

117. Generally, inflationary pressures persist in Nigeria. In July 2024, the headline inflation rate was 33.4%, a slight decrease from 34.19% in June 2024. The month-on-month headline inflation rate also fell marginally, from 2.31% in June to 2.28% in July. Several factors contribute to this persistent inflation including the lingering insecurity in major food-producing areas, the high cost of transportation driven by rising energy costs occasioned by fuel subsidy removal, activities of middlemen in the food distribution channels, and the persistence of shocks from legacy infrastructural bottlenecks, which remain major drivers of the inflationary pressure. Other contributing factors include the unification of the Foreign Exchange (FX) market segments continuing to weigh on consumer prices and electricity tariff hikes.

Figure 10: Nigeria Inflation Trend



Source: National Bureau of Statistics, 2024

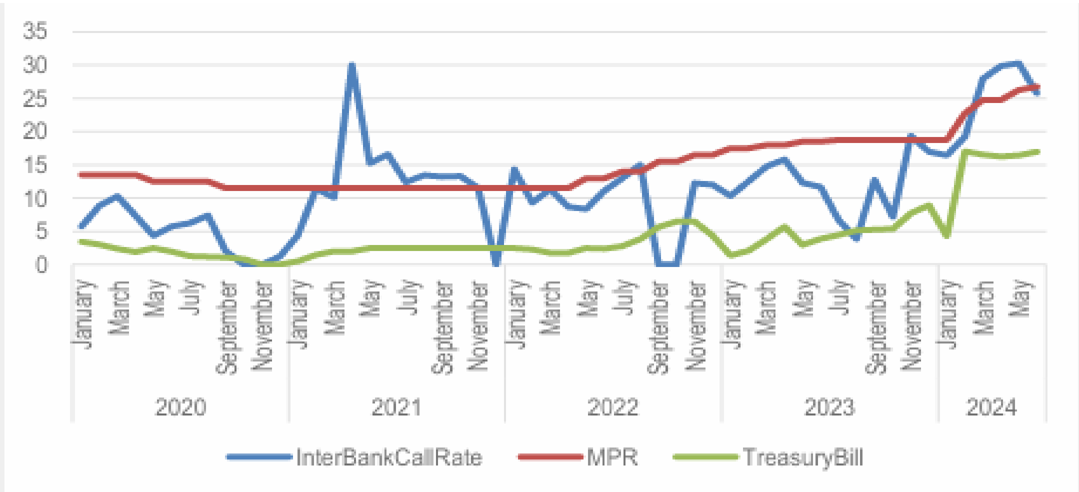
118. The Nigerian government aims to create an environment that encourages investment and consumption by maintaining lower interest rates. However, the Central Bank of Nigeria (CBN) has had to increase the Monetary Policy Rate (MPR) to combat rising inflation. As of November 2024, the

MPR jumped from 27.25% to 27.50%, a 25-basis-point increase. This benchmark interest rate influences borrowing costs, money supply, and inflation in Nigeria.

119. In addition to adjusting the MPR, the CBN has maintained the Cash Reserve Ratio (CRR) at 45%. The CRR represents the percentage of deposits that Deposit Money Banks (DMBs) must hold with the CBN to influence their capacity to lend and impact overall economic activity. A higher CRR means banks have less money available to lend, which can tighten credit conditions and stabilize economic activity. Conversely, a lower CRR increases the funds available for lending, potentially boosting economic activity by increasing credit availability to businesses and consumers.

120. Other notable trends include a steady rise in Treasury bill rates from 16.44% in May to 16.99% in June 2024, and increasing fixed deposit rates across various maturity, 9.99%, 15.2%, 16.36%, and 16.93% for one, three, six, and twelve-month maturities, respectively.

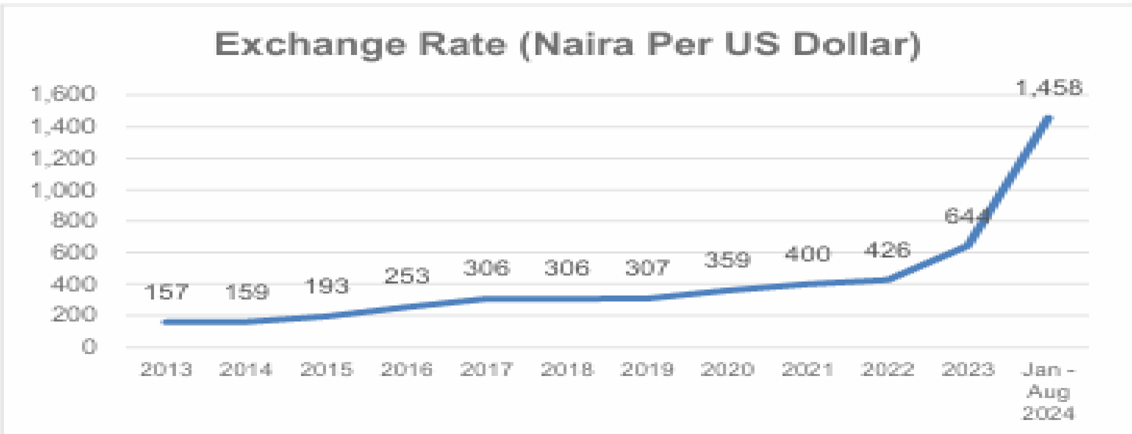
Figure 11: Money Market Indicators



Source: Central Bank of Nigeria

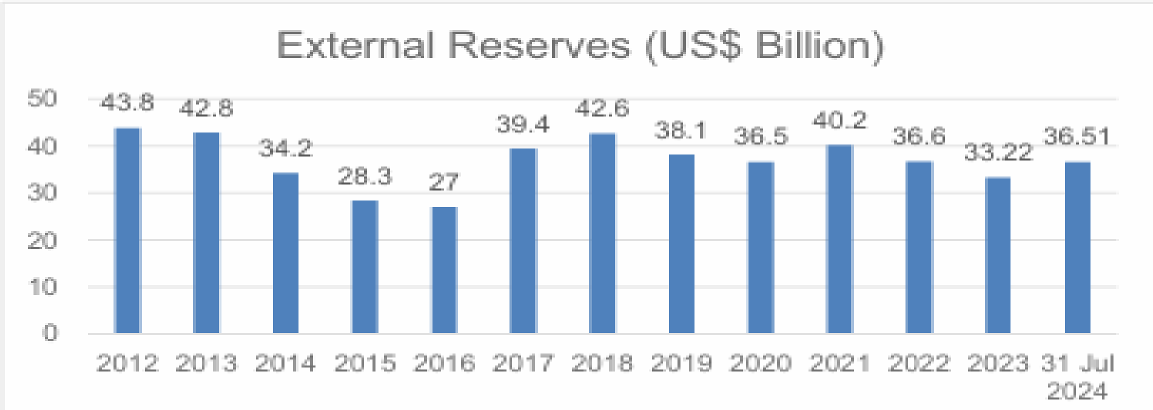
121. Prior to the implementation of the exchange rate unification reforms in June 2023, Nigeria's foreign exchange market was plagued by significant challenges. The coexistence of multiple exchange rates created arbitrage opportunities, discouraged investment, and distorted market signals. Although the unification effort resulted in a temporary depreciation of the Naira, it has given rise to a more transparent and market-driven system, particularly at the Investors' and Exporters' (I&E) window. This enhanced transparency is anticipated to promote greater efficiency and attract foreign investment over the long term.

Figure 12: Exchange Rate



122. Nigeria's external reserves have generally declined in recent years, although, there was a slight increase in 2024. As of July 31, 2024, Nigeria's foreign exchange reserves were approximately $36.51 billion, reflecting a 10% increase compared to $33.22 billion recorded as of December 31, 2023. This upward trend is expected to continue for the remainder of 2024, driven by ongoing positive outcomes from the CBN's FX Policy reforms, increased net oil revenues among others.

Figure 13: Foreign Reserve



123. Over time, low government revenue has constrained the ability of the government to meet its fiscal obligations. Reforms therefore have focused on improving domestic revenue mobilisation, revenue management, and tax administration system, as well as crude oil revenue challenges such as pipeline vandalization and oil theft.

124. Nigeria's tax-to-GDP ratio rose to 10.86% from 5- 6% largely because of non-oil revenue growth and the inclusion of federal and sub-national revenue items that were previously left out of the computation.

125. Further improvement is expected as current reforms take root. Tighter fiscal prudence measures with emphasis on achieving value for money, process automation, and efficiency are also being implemented. These measures are expected to optimise tax revenues and remittances by Government owned enterprises. Institutional reforms to automate the revenue collection functions, implement tax harmonization to eliminate multiple taxation, and improve voluntary compliance are also being implemented.

126. Total revenue increased by 76% from N7.1 trillion in 2022 to N12.5 trillion in 2023. Oil revenue rose by 200% from N0.8 trillion in 2022 to N2.4 trillion in 2023 and contributed 19.2% to total revenue. The remarkable increase in oil revenue is largely due to higher crude oil production, which increased from an average of 1.31mbpd in 2022 to 1.41mbpd in 2023.

127. Non-oil revenue increased by 57.8% from N6.4 trillion in 2022 to N10.1 trillion in 2023, contributing 80.8% to the total revenue. The expectation is for increased and sustainable revenue streams as the positive effects of the diverse reforms begin to yield the desired results. The government will therefore be able to meet its fiscal obligations and implement programmes and projects articulated in the Renewed Hope Agenda of the current Administration.

128. Nigeria's non-oil revenue has seen significant growth, leading to an increase in the Tax-GDP ratio. However, despite this progress, Nigeria still ranks low compared to other countries with similar economic potential. The good news is that this narrative may change with the full implementation of the Presidential tax reform committee's recommendations. In fact, the 2023 Tax Transparency in Africa Report, which covered 33 countries took note of the progress being made in Nigeria's tax system.

129. This report highlights the efforts being made to improve tax transparency and compliance in Nigeria. With continued reforms and implementation, Nigeria may soon see improvements in its Tax-GDP ratio and overall economic competitiveness

130. Government expenditure remains an important instrument in the development process. The government channels spending to areas of priority to enhance and promote inclusive growth. Recent growth in government expenditure is attributable to the Federal Government's expansive investment in critical infrastructures and ambitious social protection schemes through the Social Investment Programme (SIP). Expansionary fiscal measures have been employed to spur economic activities by putting more money into the hands of consumers and businesses as a key part of the government's policy response to accelerate recovery in the wake of two successive economic recessions.

131. Sustainable debt management is a key priority of the fiscal authorities in Nigeria. Borrowing activities, debt servicing, and debt sustainability are managed and monitored by the Debt Management Office (DMO) with the primary objective of ensuring that Nigeria's debt remains sustainable and does not pose a significant risk to the country's economy.

132. The external debts are mainly due to borrowing from multilateral, bilateral, commercial, and syndicated sources. Over the years, the DMO has proactively developed more debt instruments to enable the government to further access the domestic debt market. This also offers different categories of retail, corporate, and institutional investors, the opportunities to invest in the sovereign debt instruments. While the FGN Bonds and the Nigerian Treasury Bills are the dominant domestic debt instruments, the Savings Bond, Green Bond, Sukuk, and Promissory Notes are also issued as part of the local debt instruments.

133. While multilateral and bilateral loans are concessionary, commercial and syndicated borrowings are on commercial terms. Given that almost half of the borrowing is from concessionary sources, it reduces the interest payment burden that would have been incurred from the commercial loans.

134. The sustainability of public debt remains a significant concern, as high debt servicing costs and limited fiscal space constrain the government's ability to invest in critical sectors such as healthcare, education, and infrastructure.

135. There has been a steady decline in Nigeria's capital importation for four consecutive years. Quarterly data also showed capital importation declined by 51.5% in Q4 2022. Trade credits, Loans, and Currency deposits represent the largest component of capital importation in 2022 accounting for 65.2% of total capital imported in Q4 2022. This was followed by Portfolio Investment with 26.9% and Foreign Direct Investment (FDI) with 7.94%.

136. However, the government is implementing various policy reforms to attract capital inflows. These include the ease of doing business initiatives, improvements in the regulatory environment, and efforts to diversify the economy away from oil dependency. These reforms aim to create a more investor-friendly climate and enhance the attractiveness of Nigeria as an investment destination.

137. Foreign capital inflow to the domestic economy was adversely affected by the relative attractiveness of securities in the international financial market, particularly in the United States.

2.A.5 Ogun State Economy

138. Ogun State, 'Gateway State', established on February 3rd, 1976, is the second most industrialised state after Lagos, with a focus on metal processing. As a pivotal industrial and agricultural hub in Nigeria, the State is home to numerous Industrial Estates, fostering economic growth and development.

139. Geographically, it is seated on an expansive 16,980.55 km2 of land, ranking as the second-largest state in the southwestern region and twenty-fourth in Nigeria. Notably, most of this land is arable, presenting vast opportunities for agricultural development and food production.

140. In terms of market potential, Ogun State boast of a substantial local market of over 7.5 million people. Moreover, its strategic location provides access to a broader market of 350 million people within the West Africa/ECOWAS region, making it an attractive destination for businesses, investors, and trade.

141. To drive economic growth and development, the State's government actively collaborates with the private sector, primarily through initiatives focused on agriculture and industrialization. This partnership aims to stimulate investment, create employment opportunities, and improve the overall standard of living for the people of Ogun State. As a significant player in Nigeria's economy, its economic profile includes:

a. **Industrialization and Business Competitiveness**: Ogun State is Nigeria's second-most industrialized state, after Lagos. It has a high concentration of industries, with major companies like Dangote Cement, Nestle, Lafarge Cement, etc. The State Government has established several industrial estates and parks (Agbara Industrial Estate, OPIC Agbara-Igbesa Industrial Estate, New Makun City Industrial Estate, Flowergate Industrial Park, etc.) to support entrepreneurship and business growth of the state.

b. **Financial Sector**: Ogun State has a relatively underdeveloped financial sector, but there are efforts to improve access to finance for businesses and individuals. The State Government has established a microfinance scheme to support small-scale entrepreneurs, and there are several commercial banks operating in the state.

c. **Capital Importation**: Ogun State has attracted significant foreign investment in recent years, particularly in the manufacturing, agriculture, and infrastructure sectors (e.g. OGSTEP). The state government has also established the Ogun State Investment Promotion and Facilitation Agency (OgunInvest) to attract and facilitate foreign investment. OgunInvest provides a range of services, including investment promotion, facilitation, and aftercare support. The Industrial Platform Remo Free Zone (IPRFZ) which is a Public-Private Partnership between ARISE Integrated Industrial Platforms (IIP) and the Ogun State Government aims to open up investment opportunities in **Agro-Processing** (Cashew, cassava, soybean, and palm oil processing facilities), **Light and Heavy Industries** (Pharmaceuticals, renewables, and logistics) and **Textile Industry**.

d. **ICT Infrastructure**: Ogun State has made significant investments in ICT infrastructure, including establishing several ICT parks and hubs. The state government has also launched initiatives to further promote digital literacy (OGSERA) and entrepreneurship in the State. These investments have fetched the State several prestigious awards including the Best Overall Performing State in Digital Technology Development (December 2024) by National Council on Communications, Innovation and Digital Economy (NCCIDE), the Most Digitally Compliant State (2023) by the National Information Technology Development Agency (NITDA), and the Best State in e-Governance Implementation Category (2023) by the National Council on Communications & Digital Economy (NCCDE).

e. **Education**: Ogun State has a well-developed education sector, with several ranked universities (14nos.), polytechnics, and colleges (14nos.) totalling Twenty-Eight (28) at present. The state is home to the Federal University of Agriculture, Abeokuta, and the Olabisi Onabanjo University, Moshood Abiola Polytechnic, among others. The state government has also established several vocational training centres to support skills development.

f. **Citizens' Livelihood and Welfare**: Ogun State has implemented several initiatives to improve the livelihood and welfare of its citizens. It launched "Ilera-Dero" Health Insurance Program, and O'kowo Dapo among others to promote healthcare and empowerment for the vulnerable. The state ranks fifth in citizens' livelihood & welfare with a score of 53.7%.

g. **Agriculture**: Ogun State has a comparative advantage in the production of rice, corn (maize), cassava (manioc), yams, plantains, bananas, cocoa, kolanut, rubber, palm oil, and palm kernels. The state government has established several initiatives to support agricultural development, including the provision of credit facilities and extension services to farmers.

142. The Gateway State serves as an access point to Nigeria's extensive road network, Lagos-Ibadan Road. It strategically shares borders with four major States and the Republic of Benin (i.e. Lagos State to the south, Oyo State and Osun State to the north, Ondo State, and the Republic of Benin to the west) in the Southwest and extension, a strategic link to the Northern, Southern, Eastern regions of Nigeria.

143. The proximity to Lagos State, the fourth-highest GDP city in Africa and first in Nigeria puts the State at an economic scale advantage position along the trade strip. The GDP of Ogun as the second most industrialized state in Nigeria after Lagos is driven by industries in metal processing such as Proforce Limited manufacturing armoured vehicles and the Wagon Assembly Plant producing railway vehicles.

144. Ogun State is gradually becoming the industrial hub in Nigeria and West Africa its GDP has experienced over 150% growth from N2.9 trillion in 2021 to N7.3 trillion in 2024. Expectedly, consumption (households and investment) is the largest driver of the growing economy – NBS (2019) Report ranked Ogun State as the 6th largest in the country in term of consumption. Additionally, a 2018 World Bank Report noted that Ogun State has one of the lowest incidences of extreme poverty in Nigeria, with around 5% of the population living below the poverty line.

145. Ogun State has continued to grow its revenue. As of 31st December 2023, its IGR was N146.02 billion compared to N100.9 billion as of 31st December 2021. The State of States 2023 Edition by BudgIT, Ogun State has significantly grown its IGR year-on-year to become first amongst sub-nationals thereby reducing its over-reliance on federal transfers to run the State.

146. Ogun State is endowed with numerous natural resources including Limestone, Bitumen, Phosphate, Granite, Silica Sand, Feldspar, Kaolin, Clay, etc. The NBS Mineral Production Statistics 2021 show that Ogun state recorded the highest production in 2021 with 32.04 million tons, followed by Kogi with 18.40 million tons and Cross River with 11.64 million tons. Limestone, Granite, and Laterite remain the three biggest minerals mined commodities to date. This achievement further justifies the creation of the **Ogun State Ministry of Mineral Resources** to effectively mine the natural endowment wealth towards growing the State's revenue.

147. Comparative advantage on commercial activities because of the location of three (3) Free Trade Zones (FTZs) – Olokola FTZ, Igbesa FTZ and Kajola FTZ. Industrial Investment hubs mostly share resources and hence benefit from economies of scale. To date, Ogun State is ranked high among the few States with good ratings on Ease of Doing Business (EoDB) in Nigeria.

148. Investment in Education and a conducive environment has brought about the highest number of tertiary institutions in Nigeria (28 currently), with its outputs i.e. availability of trainable labour, serving as a pull factor for investments and investors.

149. Looking forward, over the 2025 – 2027 horizon, Ogun State aims to be the fastest-growing economy and one of the top three States in Nigeria, with a broader focus on becoming Africa's Model Industrial & Logistics Hub. The platform to achieve the lofty idea is already in place with the soon-completed flagship Gateway Agro-Cargo International Airport, Iperu, and the commencement of the Compressed Natural Gas (CNG) Transit Buses in the State. The construction of the logistic hubs at Wasimi and Kajola in 2025 will further boost the drive and the economic activities of the State to attract new firms.

150. The overall mission of these investments is to give Ogun State focused and qualitative governance and to create an enabling business environment for public-private sector partnership towards fostering economic growth and making the State self-sustainable. This is the motivation behind the ongoing reforms and infrastructural projects in the State, including the Ogun State Economic Transformation Project (OGSTEP) among others.

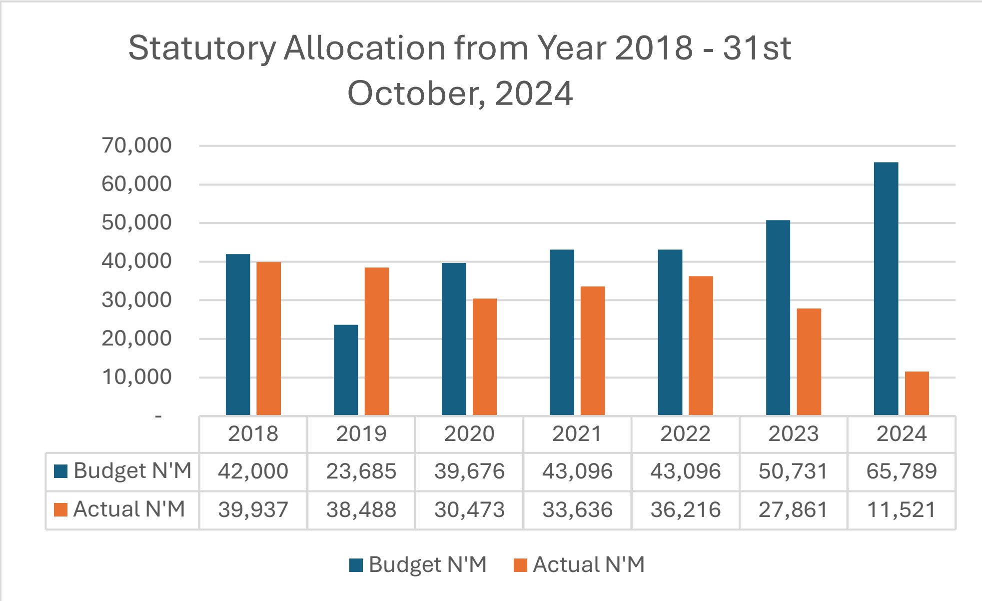
2.B Fiscal Update

2.B.1 Historic Trends

Revenue Side

151. The State Revenue is made up of Statutory Allocation, VAT, IGR, Excess Crude and Capital Receipts. The figures in the graph show (budget versus actual) from 2018 to 2023 (i.e. six years historic) and 2024 prorata as 31st October 2024 for each component of the revenue.

Figure 14 : Statutory Allocation



	2018	2019	2020	2021	2022	2023	2024
Budget N'M	42,000	23,685	39,676	43,096	43,096	50,731	65,789
Actual N'M	39,937	38,488	30,473	33,636	36,216	27,861	11,521

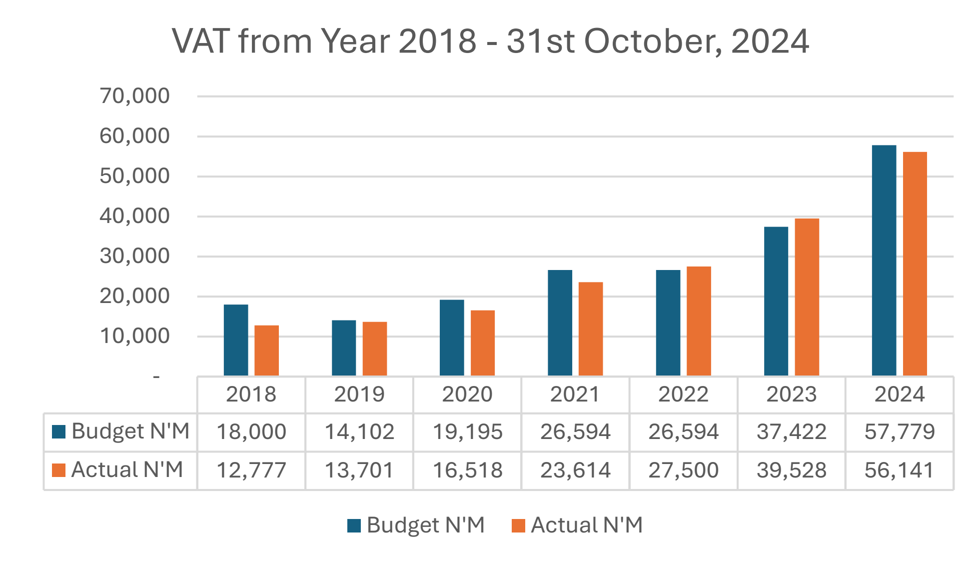
152. Statutory Allocation refers to the periodic transfer of funds from the Federation Accounts, administered by the Federal Allocation Accounts Committee (FAAC), to the three tiers of government in Nigeria based on a predetermined sharing ratio. Sources of revenue to the accounts include sales of mineral resources especially oil, and non-mineral revenues such as companies' income tax, customs duties, excise duties, and others.

153. Before 2019 when the actual receipts exceeded the budget, the trend between the budget and actual used to be very close. The allocation however dropped in 2020 due to the Covid-19 pandemic which crippled the global economy. Thereafter, it increased until the year 2023 when the removal of fuel subsidies and unification of exchange rates triggered an unplanned rise in government expenditure on social protection which was funded by internal borrowing thereby reducing the net allocation due to increasing debt servicing cost. The State's actual receipts as of 31st October 2024 stood at ₦11.52B.

154. Recent economic reforms have been pivotal in reshaping Nigeria's fiscal landscape. The unification of the exchange rate regime represents a significant step toward achieving greater market-driven stability, enhancing investor confidence, and reducing currency speculation. Furthermore, the Federal Government's removal of the Premium Motor Spirit (PMS) subsidy has alleviated a long-standing fiscal burden, creating room for more targeted expenditures on critical infrastructure and social services. These reforms are central to the medium-term strategy aimed to further unlock the State's economic potential and promote inclusive growth.

155. Considering the relative increase in national oil production and global demand for energy, the State expects an uptick in the State's Statutory Allocation in the medium term covering 2025 to 2027.

Figure 15 : Value Added Tax (VAT)



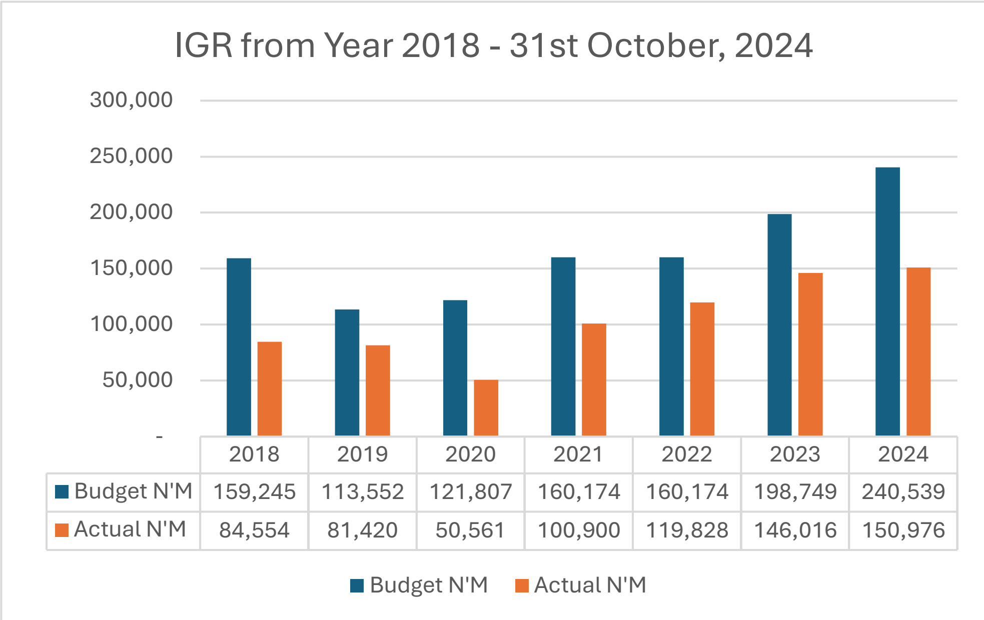
	2018	2019	2020	2021	2022	2023	2024
Budget N'M	18,000	14,102	19,195	26,594	26,594	37,422	57,779
Actual N'M	12,777	13,701	16,518	23,614	27,500	39,528	56,141

156. Value Added Tax (VAT) is a consumption tax levied on goods and services at each stage of production and distribution at a rate of 7.5%. The Federal Inland Revenue Service (FIRS) is responsible for administering VAT in Nigeria, and the revenue generated from VAT is shared monthly among the three tiers of government - federal, state, and local in ratios of 15%, 50%, and 35% respectively.

157. VAT receipts, over the years (2018 - 2024) have been increasing due to the growth in nominal economic activities in Nigeria. Compared with budgets, the actual receipts have exceeded budgets for two consecutive years 2022 and 2023. The tendency is high that the trend will continue in 2024, because about 97% of the 2024 projection had been achieved as of 31st October 2024. With the continued fading of COVID-19 pandemic effects, declining inflation, and increased economic activities at both the national and global levels, it is projected that the accruable revenue from VAT will most likely increase. Most importantly, it is certain that the projected tax reforms in Nigeria and the upcoming National Sports Festival in Ogun State will further boost revenue from VAT in the year 2025.

158. The new Tax Reforms will herald new innovations and the attitudinal change that will enhance the coverage and efficiency of Value Added Tax (VAT) collection through nationwide VAT Registration, improved Monitoring and Enforcement, and deployment of IT-Enabled E-Collection Platforms. Therefore, in the medium term, the possibility of an increase in VAT revenue to the Federal, State and local governments is most certain.

Figure 16 : Internally Generated Revenue (IGR)



	2018	2019	2020	2021	2022	2023	2024
Budget N'M	159,245	113,552	121,807	160,174	160,174	198,749	240,539
Actual N'M	84,554	81,420	50,561	100,900	119,828	146,016	150,976

159. Internally Generated Revenue (IGR) is the revenue collected within the State from sources like personal income tax, property taxes, stamp duties, withholding taxes, direct assessment fines, levies, fees, and other sources of revenue collectible within the State by the Ogun State Internal Revenue Service (OGIRS), as well as incomes generated by other State Ministries, Departments and Agencies.

160. The State's IGR from 2021 to date has continued to rise, reflecting the potency of various reforms initiated by the present Administration since its inception in 2019. The sharp dip witnessed in 2020 was inevitable. It was occasioned by the total economic shutdown on account of the COVID-19 pandemic. Thereafter, the economy has gradually been bouncing back to the effect that the IGR generated in 2021 doubled that of 2020 and above the State's pre-Covid IGR. As of 31st October 2024, the IGR stood at N150.98B and above N146.02B generated in 12 months of 2023.

161. A higher IGR of N314.82B is projected for 2025 given the digital/automation of payment procedures to forestall leakages, improve tax administration and collection efficiency, and expand the tax base over the years. Additionally, it is believed that the flag off operation at the Gateway Agro-Cargo International Airport, the completion of other infrastructure projects e.g. ongoing development of our Airport City, Abeokuta - Lagos Federal Highway, and Atan-Agbara-Lusada as well as the enhancement of the various economic clusters in agriculture, industries, technology, tourism, logistics and transportation spread across the four divisions of the State in 2025, will attract more investments to the State and increase the State's IGR.

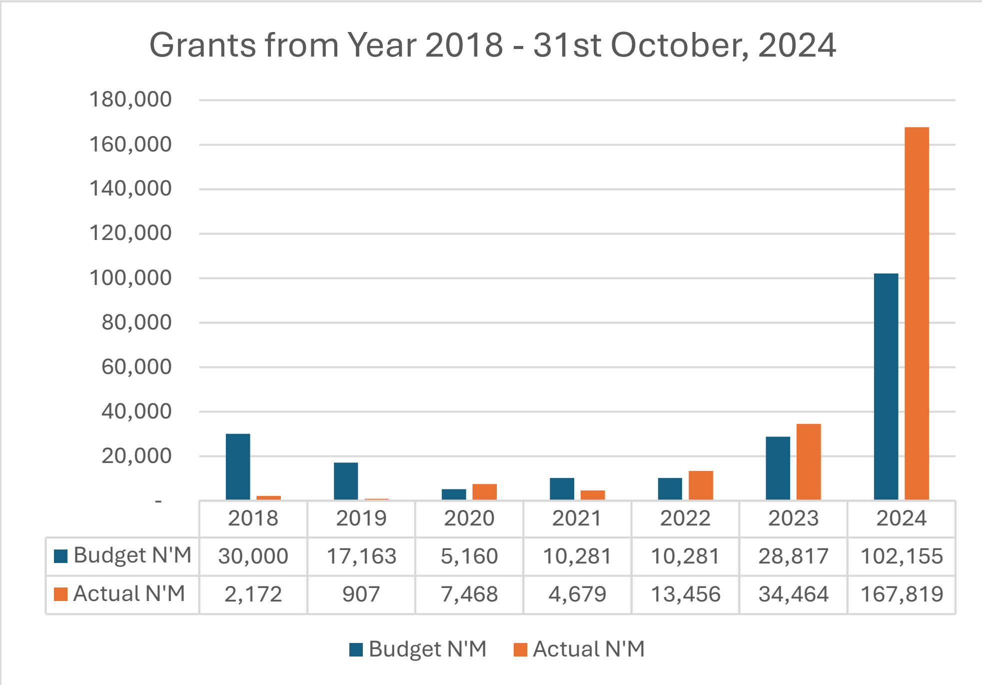
162. The present Administration will continue to review outdated rates of taxes levied on companies and individuals to make the tax payable commensurate with the present economic realities through the Ogun State Board of Internal Revenue Law 2021. Some other key and strategic steps taken by the State Government to significantly boost the State's economy in the coming years include the establishment of the Ministries of Mineral Resources, Energy, Information Communication Technology, and Digital Economy.

163. Other plans include the construction of an extension of Red-line Metro Rail, Agbado to Kajola, Blueline Metro Rail, Okokomaiko-Agbara/Lusada and Purple-line Metro Rail to Mowe-Iperu, Sagamu-Ore, Abeokuta-Sango-Lagos Expressways and the rehabilitation of

150km feeder roads across the State to attract, facilitate movement of people, goods and services, as well as stimulate industrialization along the border communities.

164. The extension of the Billing and Payment Management System (BPML) launched in 2021 to digitalise the Ogun State Lands Administration and Revenue Management System to other MDAs will further attract more investors to the state, and ultimately lead to increased revenue. This innovative system has been implemented to attract investors, block leakages and fast-track business processes in the State.

Figure 17 : Grants



165. Grants represent a category of receipts that the state government receives from various external sources including the Federal Government of Nigeria, International Development Partners such as the Economic Community of West Africa (ECOWAS), United Kingdom's Department for International Development (DFID), the European Union (EU), the United Nations Children's Fund (UNICEF) and other international organizations and agencies.

166. Unlike loans, grants do not require repayment and are often awarded based on merit, need, or alignment with the grantor's objectives. Grants are typically provided to support development projects, capacity-building initiatives, and programs aimed at improving the lives of citizens.

167. Actual receipts compared to budgets as of 2019 were very low and insignificant. However, the narratives have changed with actual receipts exceeding budgets from 2020 to 2024 except for 2021. This persistent increase in grants affirms the State’s adherence and compliance with international best practices in areas of transparency, accountability, and citizen participation. Proceeds from grants have also contributed significantly to the State’s funding and budget performance, supporting the state to meet the increasing social needs for education, healthcare, and sustenance.

168. Due to inflows from SFTAS, TETFUND, Basic Healthcare as well as UBEC, the State surpassed its year 2023 budget of N10.3B with a performance of N13.5B. As of 31st October 2024, the actual receipts of N167.8B have also exceeded the budget of N102.2B by 64%. It is most likely it will double the approved budget by 31st December 2024.

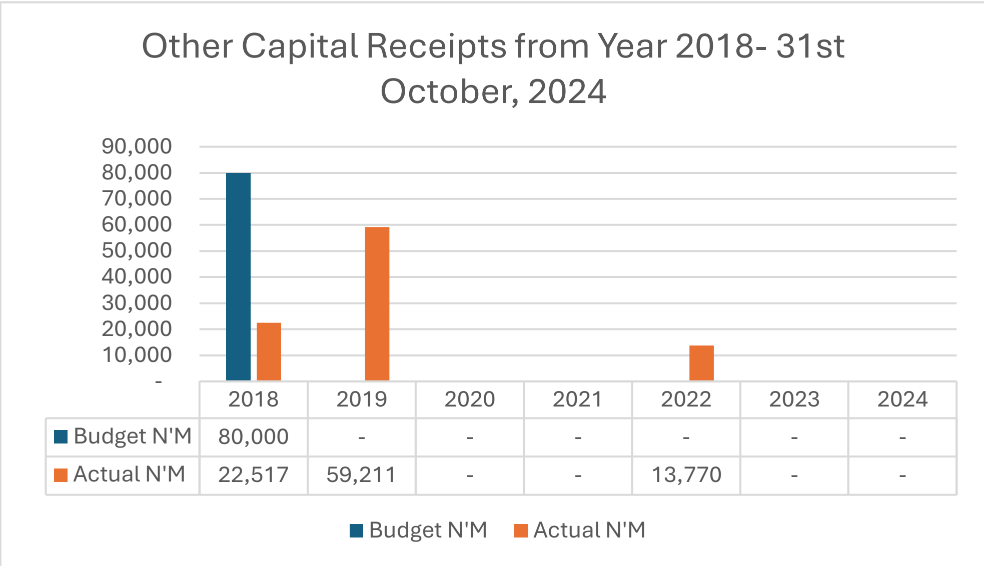
169. Going forward, and for continued desirability for grants, the state is committed towards raising further, the bar of transparency, accountability, and fiscal discipline. This is germane in view of the

fact that grant estimates must be grounded and proposed activities align with the terms outlined in signed agreements and must be explicitly tied to the implementation of specific projects or initiatives.

170. This approach will help maintain the integrity of the grant estimation process, preventing unrealistic or unsubstantiated projections. By linking grant estimates to concrete projects and agreements, stakeholders can better understand the basis for these estimates and track progress over time.

171. The State has been a beneficiary of the World Bank Group assistance to improve, strengthen, and consolidate the Fiscal Sustainability Plan (FSP) to shield the State's finances against fiscal crisis.

Figure 18 : Other Capital Receipts

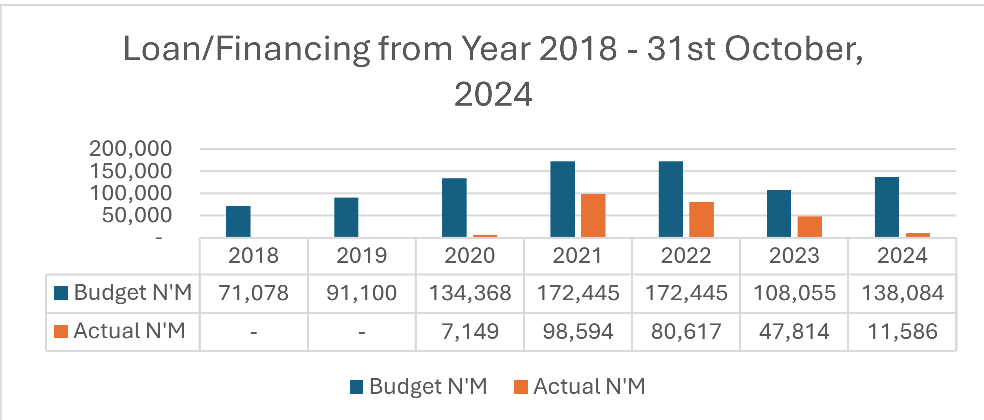


172. Other Capital Receipts comprise the refunds on federal road construction, and other maintenance costs incurred by the State on behalf of the Federal Government. The State received N22.5B compared to N80B budgeted for in 2018.

173. Based on the existing Federal Government policy on CAPEX FG Road Refund since 2019 that stops refunds to State on road construction refund claims without legal backing/MOU, there have been zero revenue projections for the source from 2019 to date. However, in 2019 and 2022, the State received N59.2B and N13.8B (SURE-P) respectively.

174. Going forward, the State is expected to receive refunds of Capital Expenditure incurred on federal road construction after satisfying FGN guidelines on Federal Road construction by States.

Figure 19 : Loan Financing



175. Besides short-term loans through banks, financing has come in the form of various World Bank programs including Social Protection, Housing and Community Development, Health and Education sector supports.

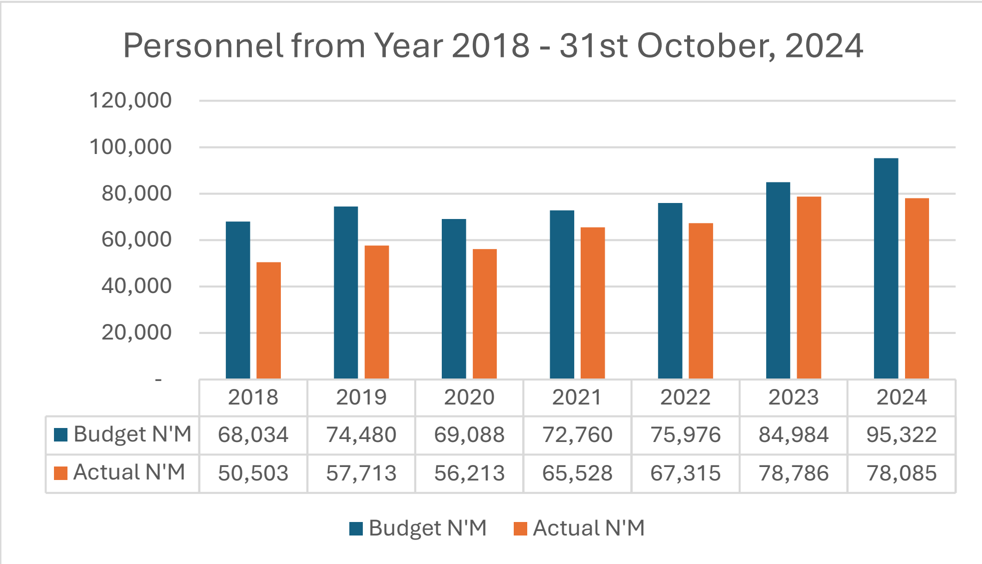
176. The CBN has various financing programs and interventions aimed at promoting economic development, particularly in the areas of agriculture, manufacturing, and infrastructure development. Specifically, Ogun State is a beneficiary of the Central Bank Single Digit Loan initiative ‘Differentiated Cash Reserve Ratio - DCRR’ of Seventy-Five Billion naira (N75 billion) basically for infrastructure development in the State.

177. However, the State Government is scaling up efforts to improve IGR and reduce reliance on loan financing towards achieving fiscal sustainability.

Expenditure Side

178. On the expenditure side, the Personnel (Salaries, Wages, and Allowances), Social Benefits and Social Contributions, Overheads, Debt Service, and Capital Expenditure – budget versus actual for the period 2018 – 2023 (six years) and 2024 budget.

Figure 20 : Personnel



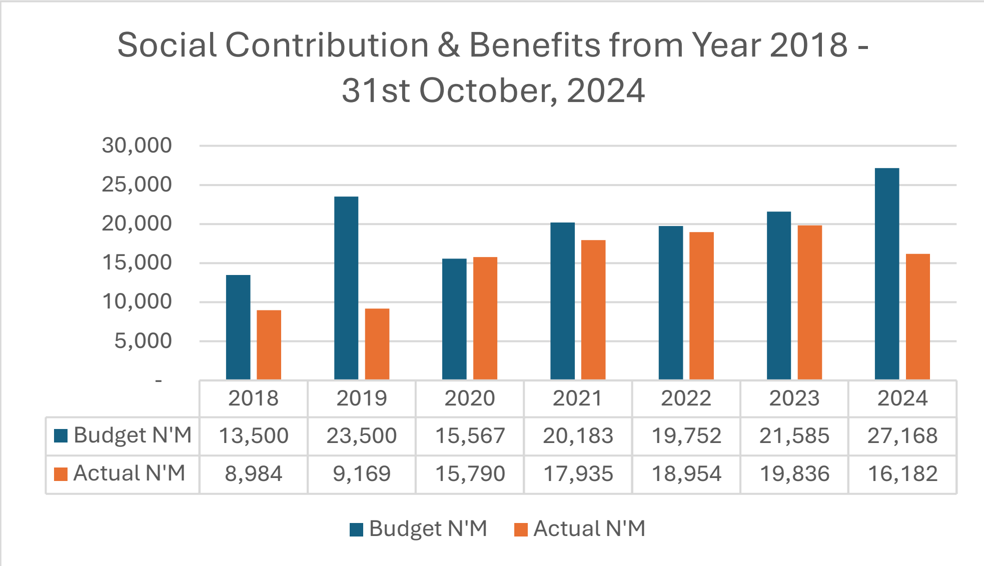
179. Personnel cost represents the wage bill of the State Government workers, funded from the revenue accruable to the State. While the budgeted values are seemingly increasing year on year from 2018 to date, the actual figures showed an uneven trend between 2018 and 2020, thereafter it has been increasing year on year. A gradual increase in budgeted figures from 2021 to 2023 was because of an absolute increase in the actual personnel costs in the year 2019 on account of the review of Health workers' salaries, recruitment of teachers, and continuous recruitment of staff as well as pension obligations and payment of backlog on pension liabilities which were appropriately budgeted for.

180. The implementation of the new national minimum wage of N70,000.00 and the absorption of 4,000 Ogun-teach interns have further increased the personnel cost. It is unarguable that the additional personnel cost effect of the new minimum wage and full employment for 4,000 interns outweighs the personnel cost of those who exited the system through retirement, resignation, and of course death.

181. Pairing personnel cost with productivity using IGR to proxy staff productivity, the outcomes show prudent management and efficient use of personnel by the government, given the downward trend in the ratio of personnel cost to IGR – 2019 (70.9%), 2021 (64.9%), 2022 (56.2%), 2023 (53.9%) and 51.8% as 31st October 2024. The year 2020 is excluded due to its economic peculiarity (COVID-19

pandemic). The trend shows the historical fiscal sustainability of the State which is expected to continue beyond the medium term of 2025-2027 in view of the key reforms and deliberate infrastructure investments to attract more investments and investors to the State.

Figure 21 : Social Contribution and Social Benefit

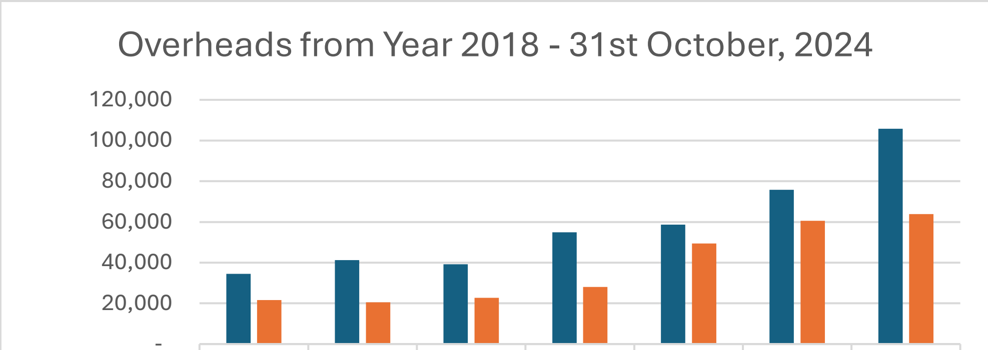


182. Government social contributions and benefits refer to the programs and services provided by governments to support the welfare and well-being of citizens. These contributions and benefits can take various forms, including pensions and retirement, healthcare, education, unemployment, and social assistance benefits.

183. The present Administration inherited arrears of social contributions and benefits in the year 2019 which it started to pay off after consultation with stakeholders with effect from the 2020 fiscal year as evident in the table above.

184. In the short and medium term, the government has navigated the complexities of limited resources to sustain the payment of pensions and gratuities. This achievement is particularly noteworthy, given the severity of the economic challenges that have impacted the state's revenue.

185. To accelerate the payment of outstanding gratuities and alleviate the financial burdens faced by beneficiaries, **the State Government has increased its quarterly payment to N2 billion. This represents a significant increase from the previous quarterly payment of N500 million and surpasses the N1 billion per quarter agreed upon with labour unions**.



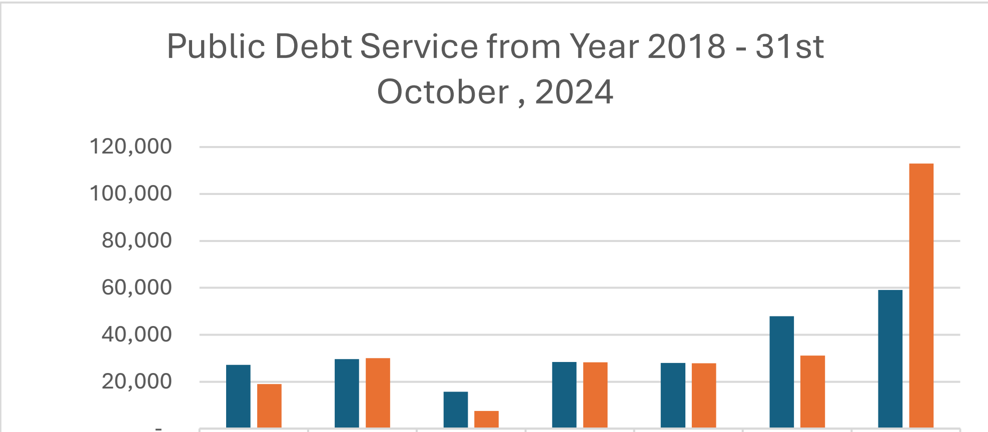
	2018	2019	2020	2021	2022	2023	2024
Budget N'M	34,569	41,186	39,149	54,934	58,747	75,743	105,792
Actual N'M	21,605	20,499	22,799	28,014	49,453	60,549	63,894

186. Overhead is an aggregation of operational and maintenance expenses incurred by the government during its daily activities. These expenditures are essential for the smooth functioning of government operations. The monthly payment of overheads is contingent upon the issuance of warrants and the availability of funds, ensuring a prudent and transparent allocation of resources.

187. Despite the upward trend in actual overhead expenditure, largely driven by inflationary pressures, the State Government has successfully maintained overhead spending below budgeted levels since 2018. This notable achievement underscores the effectiveness of the present Administration's cost-cutting strategies and prudent resource utilization initiatives.

188. To ensure cost leaner, more efficient, and more effective public sector, the Government will continue to intensify efforts aimed at implementing stringent cost-cutting measures, while promoting a culture of maintenance and balance between overheads and productivity to further flatten the overhead cost.

Figure 23 : Public Debt Service



	2018	2019	2020	2021	2022	2023	2024
Budget N'M	27,150	29,650	15,678	28,371	28,013	47,903	59,089
Actual N'M	18,993	30,078	7,555	28,229	27,867	31,118	112,978

189. Public debt charges encompass a comprehensive range of expenditures associated with the management and servicing of the government's debt obligations. It includes interest on running

debts, amortization of premiums and discounts on running debt, servicing costs, and costs of issuing new borrowings.

190. The Debt Sustainability Analysis (DSA) provided by the Debt Management Office (DMO) has been instrumental in accurately estimating debt servicing costs, ultimately contributing to an improved credit rating for the state. The State's DSA key performance indicators (KPIs) for 2025 - 2027 are within the recommended thresholds – fiscal deficit to GDP, 3%; capital receipt to total revenue, 89%; and capital receipt (mostly grants) to total funding is 47%.

191. The DSA's KPIs offer valuable insights into the State's debt dynamics such as debt-carrying capacity, enabling the government to make informed decisions about borrowing and public investment through capital projects that will drive economic growth and development of the State.

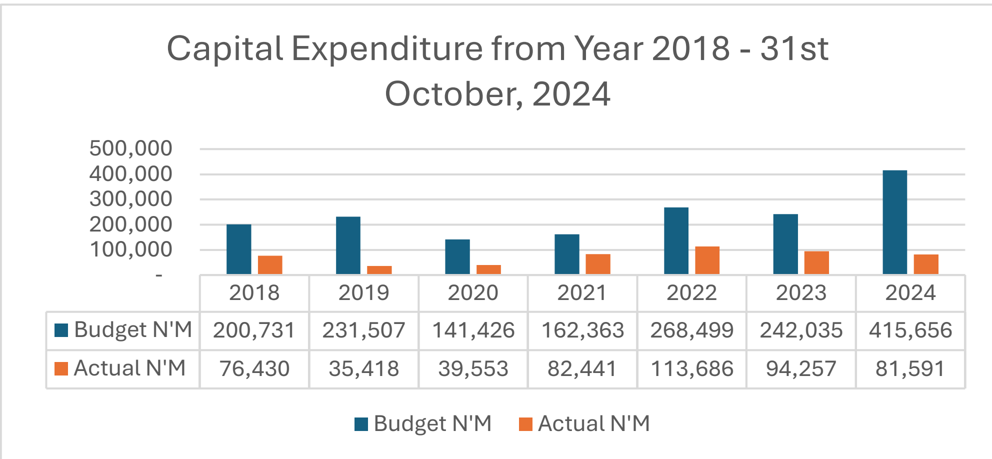
192. The State Debt Service Figures from 2021 have been trending upward but below the budgeted figures up to 2023. The increase was partly because of the Federal Government/CBN intervention credit facilities deductible directly from the State's allocation and expiration of moratoriums on some developmental credit facilities and mostly because of the increasing social commitment of the State Government to citizens through distribution of palliatives and introduction of compressed natural gas (CNG) mass transit buses to cushion the negative impacts of fuel subsidy removal in the transport sector.

193. However, the trajectory increased in public debt charges in 2024, which exceeded the budget by over 100%, can be attributed to several key factors. Firstly, the unification of the exchange rate led to a substantial devaluation of the Naira, which in turn triggered a review of external loans based on the new exchange rate. Secondly, the persistent rise in inflation also played a crucial role in pushing up public debt charges. As inflation increases, the cost of borrowing also rises, leading to higher interest payments on debt. This creates a challenging environment for governments to manage their debt obligations.

194. It is worth noting that developing countries, including those in Africa, face significant challenges in managing debts due to limited access to concessional financing, higher borrowing costs, and vulnerability to external shocks. These factors can exacerbate the impact of debt on economic development and poverty reduction.

195. Going forward, the State Government will give preference to domestic loans, concessional financing, Public-Private Partnerships (PPPs), improved tax administration, Foreign Direct Investment (FDI), etc. to bridge its financing gap.

Figure 24 : Capital Expenditure



	2018	2019	2020	2021	2022	2023	2024
Budget N'M	200,731	231,507	141,426	162,363	268,499	242,035	415,656
Actual N'M	76,430	35,418	39,553	82,441	113,686	94,257	81,591

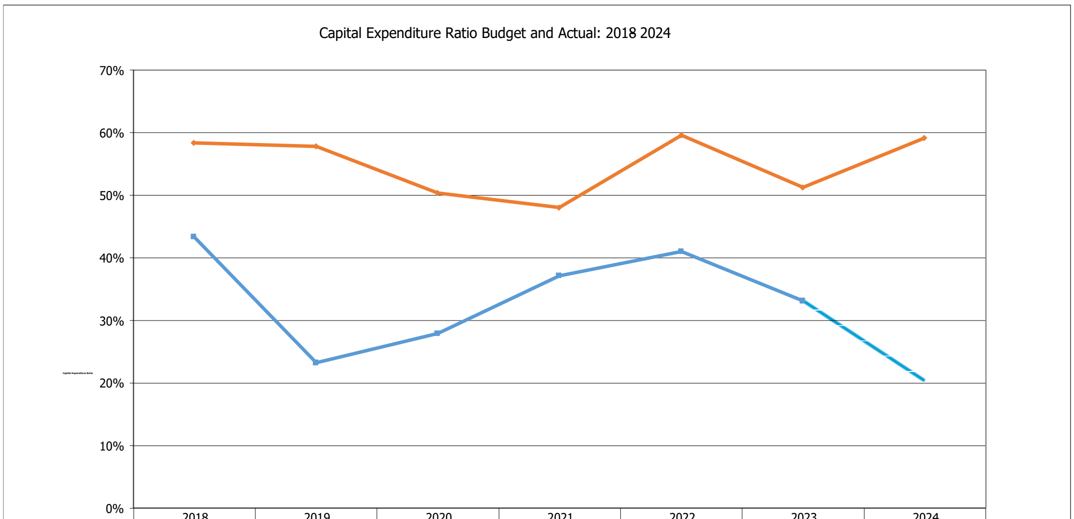
196. The size of the projected capital expenditure to the overall budget figure reveals the vision of the Government for infrastructure development.

197. Capital expenditure performances show an uneven trend in addition to being below the average of the budgeted figures. The challenges of meeting the increasing social protection needs and public debt charges triggered by the removal of fuel subsidies, unification of exchange rates, and persistent rise in prices of basic items, have seriously constrained the channelling of resources to capital projects. It is expected that the trend will change in the medium term of 2025 – 2027. As at 31st October 2024, the actual capital expenditure was N81.6B, representing 19.6% of total capital project.

198. In attempts to further improve on infrastructural deficit of the State, the present Administration has embraced concessional financing and Public-Private Partnerships (PPPs) to complement the government's drive for sustainable economic growth and development. The government will also scale up the revenue mobilisation drive and tight controls on recurrent expenditure to make money available for capital expenditure and improve capital expenditure performance over the medium term. This will be achieved by avoiding wastage, while concerted efforts will be taken to invest in capital expenditure with high returns on investment.

199. In addition, the State Government will address the capital investment gaps in the medium term by being more aggressive with revenue drive and by making sure that various agencies' activities are in line with the reforms being introduced.

Figure 25 : Capital Expenditure Ratio



	2018	2019	2020	2021	2022	2023	2024
Budget	58%	58%	50%	48%	60%	51%	59%
Actual	43%	23%	28%	37%	41%	33%	20%

200. The Capital Expenditure has been increasing since the inception of the present Administration in 2019. The downward trend in 2023 and 2024 was a result of economic challenges stated in paragraph 225.

201. The performance of personnel, overhead, and capital are detailed in sectoral classifications in tables 3 – 5 overleaf:

SECTORAL CLASSIFICATION

Table 3: Reccurent Expenditure Trend - Personnel

No.	Sector	2021 Budget	2021 Actual	2022 Budget	2022 Actual	2023 Budget	2023 Actual	Performance	Average Budget	Average Actual
1	EDUCATION	36,456,506,594	35,684,448,335	36,637,723,777	34,599,231,491	40,912,118,271	38,993,257,063	95.80%	48.38%	52.62%
2	HEALTH	10,781,243,707	9,980,972,450	10,634,326,942	9,517,570,521	11,185,039,652	10,195,997,843	90.44%	14.48%	14.87%
3	HOUSING & COMMUNITY DEVELOPMENT	3,918,196,697	2,831,471,604	3,735,545,300	3,030,147,444	4,013,902,959	3,202,120,041	78.70%	4.72%	4.22%
4	AGRICULTURE & INDUSTRY	3,249,239,503	2,636,855,987	3,500,634,182	2,702,282,451	3,608,217,489	2,822,609,529	78.30%	4.15%	3.69%
5	INFRASTRUCTURE	1,081,135,421	803,441,518	1,081,447,758	828,643,090	1,089,905,977	884,183,660	75.91%	1.35%	1.16%
6	RECREATION, CULTURE & RELIGION	2,183,730,858	1,597,819,153	2,171,505,449	1,721,650,127	2,243,678,929	1,824,537,898	77.45%	2.70%	2.38%
7	SOCIAL PROTECTION	346,144,317	255,753,342	711,036,228	475,754,500	908,872,284	4,610,767,486	252.08%	0.72%	2.05%
8	GENERAL PUBLIC SERVICE (EXECUTIVE ORGAN)	2,543,180,504	2,325,960,608	5,245,113,027	5,149,347,920	6,874,439,815	3,453,151,103	56.80%	7.21%	4.65%
9	GENERAL PUBLIC SERVICE (FINANCIAL & FISCAL AFFAIRS)	2,731,242,049	1,398,212,176	2,139,168,675	1,412,065,062	2,255,327,146	1,572,208,927	63.77%	2.80%	2.03%
10	GENERAL PUBLIC SERVICE (GENERAL PERSONNEL SERVICES)	510,368,191	310,058,125	535,818,984	338,747,375	577,835,552	346,712,920	59.47%	0.66%	0.45%
11	PUBLIC ORDER & SAFETY	700,270,788	419,517,209	668,551,548	521,755,728	708,744,143	562,655,823	74.18%	0.78%	0.66%
12	ECONOMIC AFFAIRS	1,429,274,346	944,729,947	1,412,765,696	988,440,995	1,436,561,987	1,110,626,564	71.84%	1.69%	1.38%
13	JUDICIARY	1,660,191,560	1,282,298,599	1,636,913,680	1,425,729,999	2,175,933,508	1,658,662,092	81.45%	2.21%	2.05%
14	LEGISLATURE	560,899,897	463,468,348	1,166,835,582	368,989,461	1,523,359,184	580,678,437	45.52%	1.23%	0.64%
15	STATEWIDE	4,608,537,132	4,592,811,901	4,237,634,670	4,234,259,056	7,214,379,440	6,968,246,556	91.39%	6.91%	7.17%
	Total	**72,760,161,565**	**65,527,819,301**	**75,515,021,496**	**67,314,615,220**	**86,728,316,337**	**78,786,415,941**	**88.08%**	**100.00%**	**100.00%**

Table 4: Reccurent Expenditure Trend - Overhead

No.	Sector	2021 Budget	2021 Actual	2022 Budget	2022 Actual	2023 Budget	2023 Actual	Performance	Average Budget	Average Actual
1	EDUCATION	5,934,454,952	3,723,506,723	4,313,156,345	3,117,260,819	6,184,184,164	4,303,447,041	60.49%	5.26%	4.10%
2	HEALTH	3,021,619,914	1,458,154,673	1,843,940,708	1,377,407,044	2,220,094,440	1,532,004,548	48.46%	2.58%	1.61%
3	HOUSING & COMMUNITY DEVELOPMENT	4,103,635,101	1,826,623,862	2,587,366,527	1,379,227,917	3,441,972,067	1,481,875,096	47.65%	3.13%	1.92%
4	AGRICULTURE & INDUSTRY	2,762,271,723	402,756,602	873,060,185	353,398,180	1,168,305,212	622,857,453	30.43%	1.26%	0.49%
5	INFRASTRUCTURE	438,891,302	214,565,096	1,149,417,021	324,564,725	920,238,984	303,763,164	28.80%	0.87%	0.32%
6	RECREATION, CULTURE & RELIGION	1,512,755,141	910,434,805	1,341,941,446	680,298,459	1,603,908,965	997,258,677	48.91%	1.62%	1.02%
7	SOCIAL PROTECTION	20,636,802,874	18,107,842,813	21,581,362,646	20,451,121,179	23,908,083,198	21,169,954,752	92.36%	20.09%	23.87%
8	GENERAL PUBLIC SERVICE (EXECUTIVE ORGAI	5,775,382,770	5,380,943,812	8,859,000,000	7,715,409,586	14,332,867,474	10,139,807,868	82.02%	8.39%	8.85%
9	GENERAL PUBLIC SERVICE (FINANCIAL & FISC/	18,172,725,526	4,744,976,259	22,295,341,236	22,553,468,659	22,483,287,547	20,526,367,095	75.61%	16.47%	16.02%
10	GENERAL PUBLIC SERVICE (GENERAL PERSON	189,137,417	133,638,738	252,278,946	161,727,050	246,135,802	189,352,862	56.79%	0.27%	0.19%
11	PUBLIC ORDER & SAFETY	3,493,362,586	2,910,849,255	2,710,999,623	2,443,260,109	4,327,347,704	3,572,586,818	87.02%	3.20%	3.58%
12	ECONOMIC AFFAIRS	1,307,942,742	144,673,042	385,137,408	177,145,245	985,443,553	158,740,258	20.31%	0.72%	0.19%
13	JUDICIARY	966,374,555	681,793,184	1,065,394,918	879,314,000	1,088,639,068	959,257,550	81.65%	0.94%	0.99%
14	LEGISLATURE	2,733,977,973	1,275,913,100	2,788,975,423	1,366,261,800	3,823,536,526	1,848,491,150	40.91%	3.42%	1.80%
15	STATEWIDE	22,903,308,152	21,468,496,506	33,464,932,136	33,293,578,422	58,496,945,130	43,696,557,875	85.81%	31.76%	35.05%
	Total	**93,952,642,731**	**63,385,168,469**	**105,512,304,568**	**96,273,443,193**	**145,230,989,835**	**111,502,322,208**	**77.75%**	**100.00%**	**100.00%**

Table 5: Capital Expenditure Trend

No.	Sector	2021 Budget	2021 Actual	2022 Budget	2022 Actual	2023 Budget	2023 Actual	Performance	Average Budget	Average Actual
1	EDUCATION	15,897,040,627	3,962,117,075	15,265,142,585	3,481,529,212	22,495,425,077	5,123,108,679	26.44%	6.96%	4.49%
2	HEALTH	20,678,562,702	1,487,520,109	21,750,247,324	1,383,723,954	36,315,158,098	1,432,426,872	4.94%	14.30%	1.72%
3	HOUSING & COMMUNITY DEVELOPMENT	23,655,633,139	10,307,941,487	22,767,355,620	9,285,694,096	22,411,404,992	4,548,218,048	37.07%	9.36%	8.46%
4	AGRICULTURE & INDUSTRY	11,713,359,520	558,152,744	10,910,509,428	944,588,074	11,706,186,087	548,400,108	10.33%	4.64%	1.17%
5	INFRASTRUCTURE	51,611,382,668	45,304,993,254	162,022,667,471	85,423,264,481	113,214,539,134	68,670,156,217	55.37%	46.91%	63.35%
6	RECREATION, CULTURE & RELIGION	2,873,580,879	346,109,751	3,349,093,003	206,247,375	3,160,964,129	141,189,430	9.07%	1.17%	0.26%
7	SOCIAL PROTECTION	281,442,187	15,390,861	1,999,150,210	73,617,575	1,428,613,817	28,997,076	3.66%	0.46%	0.04%
8	GENERAL PUBLIC SERVICE (EXECUTIVE ORGAN)	4,095,018,693	3,429,589,014	3,681,272,468	2,899,028,199	3,739,654,113	2,506,564,330	77.77%	1.59%	3.02%
9	GENERAL PUBLIC SERVICE (FINANCIAL & FISCAL AFFAIRS)	10,523,615,468	289,357,877	5,658,913,837	480,215,249	6,840,557,232	1,637,219,704	11.52%	2.95%	0.83%
10	GENERAL PUBLIC SERVICE (GENERAL PERSONNEL SERVICES)	229,071,139	54,222,344	310,359,283	63,900,601	398,326,554	41,056,763	17.42%	0.14%	0.06%
11	PUBLIC ORDER & SAFETY	1,628,597,764	912,683,896	2,550,556,622	2,181,949,274	3,186,890,655	1,455,400,240	65.02%	1.05%	1.66%
12	ECONOMIC AFFAIRS	2,092,237,309	346,000,189	2,192,647,066	369,971,100	3,960,925,100	72,093,840	9.48%	1.11%	0.26%
13	JUDICIARY	346,442,819	47,524,938	518,949,495	92,015,030	1,060,448,141	69,600,000	13.40%	0.26%	0.09%
14	LEGISLATURE	999,843,970	13,575,000	3,085,573,804	282,809,700	4,220,981,768	154,110,500	10.60%	1.20%	0.31%
15	STATEWIDE	25,272,309,841	26,158,152,473	12,436,090,708	6,517,012,732	7,895,353,827	7,828,691,769	74.10%	7.91%	14.30%
	Total	**171,898,138,727**	**93,233,331,013**	**268,498,528,923**	**113,685,566,650**	**242,035,428,723**	**94,257,233,578**	**41.00%**	**100.00%**	**100.00%**

2.B.2 Debt Position

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

Table 6 : Debt Position as at 31st October 2024

Debt Sustainability Analysis			
A	**DSA RATIO SCENARIOS:**	**Sustainability Thresholds**	**ACTUAL 31ST OCTOBER, 2024**
	Solvency Ratios	%	%
1	Total Domestic Debt/IGR	150%	109%
2	Total External Debt/Gross FAAC	150%	148%
3	Total Public Debt/Total Recurrent Revenue	150%	124%
4	Total Public Debt/State GDP Ratio	25%	9%
	Liquidity Ratios	**%**	**Percentage**
5	Domestic Debt Service/IGR	15%	69%
6	External Debt Service/Gross FAAC	10%	9%
7	Debt Service Deductions from FAAC/Gross FAAC	40%	117%
8	Total Debt Service/Total Recurrent Revenue	25%	45%
B	**PUBLIC DEBT DATA**		
1	Total Domestic Debt		164,273,675,848.22
2	Total External Debt		148,812,957,782.68
3	**Total Public Debt**		**313,086,633,630.90**
4	Total Domestic Debt Service		103,803,105,522.60
5	Total External Debt Service		9,174,595,908.37
6	**Total Public Debt Service**		**112,977,701,430.97**
C	**STATE GDP FOR 2024**		7,299,839,000,000

203. As of October 2024, the State's total public debt stood at N313,086,633,630.90 - N164,273,675,848.22 (domestic) and N148,812,957,782.68 (external). The DSA rating for the State Domestic Debt/IGR and Total Public Debt/Total Recurrent Revenue of 109% and 124% respectively as of 31st October 2024 were within the 150% threshold, reflecting prudential debt management, increased revenue generation and fiscal sustainability of the State.

204. The State Government through the Debt Management Office (DMO) will continue to review the debt position of the state with a view to managing its debt obligations towards sustaining the State's credibility to borrow to execute necessary capital expenditure projects that will engender economic growth and development.

205. The various Tax Administration Reforms introduced to boost IGR and reduce debts will be sustained by the State Government. These reforms include the enactment of new Revenue Administration Law and Land Use Charge Administration Law.

3 Fiscal Strategy Paper

3.A Ogun State Macroeconomic Framework

206. The macroeconomic and mineral sector assumptions for 2025 - 2027 are presented in 7 below.

Table 7: State Key Macro-Economic Indicators

Macro-Economic Framework

Item	OGSG 2024	FGN 2025 MTEF	OGSG 2025	OGSG 2026	OGSG 2027
National Inflation	24.44%	15.75%	33.87%	37.94%	38.02%
National Real GDP Growth	3.30%	4.60%	4.22%	4.78%	4.80%
State Inflation	24.44%	-	34.13%	38.25%	38.38%
State Real GDP Growth	14.89%	-	4.22%	4.78%	4.80%
State GDP Actual	7,299,839,000,000	338,038,800,000,000	8,121,458,000,000	9,036,138,000,000	10,053,832,500,000
Oil Production Benchmark (MBPD)	1.8000	2.0600	1.8000	1.8100	1.8100
Oil Price Benchmark	$75.00	$75.00	$73.76	$69.90	$65.00
NGN: USD Exchange Rate	$750	$1400	1,240.31	1,324.67	1,409.04
Other Assumptions					
Mineral Ratio	25.00%	-	25%	25%	25%

207. The State's estimated GDP of ₦7.30 trillion in 2024 is expected to rise within the year 2025 - 2027 medium term to ₦10.05 trillion by 2027 at a projected annual average growth rate of 10%. The projection is based on the increasing State's population and expanding commercial and economic activities since Q3 of 2021. The vision of the State is to be the fastest growing economy and one of the top three States in Nigeria by 2025 and to become Africa's Model Industrial & Logistics Hub', the Sub - Saharan Africa's first choice destination for investment.

208. Mineral revenue projections for the medium term, spanning 2025 to 2027, are expected to experience significant growth, driven by several key factors including improved security architecture to optimise oil production capacity by reducing oil theft, increasing OPEC quota, oil price benchmark of $73/76 per barrel and an average oil production of 1.80mbpd.

209. The State Government will continue to entrench transparent public financial management system, create enabling environment to attract both the local and foreign investments and encourage Public-Private Sector Partnership through sustained investment in: physical infrastructure such as the construction of the Redline Metro Rail, Agbado to Kajola, Blueline Metro Rail, Okokomaiko to Agbara/Lusada and Purpleline Metro Rail to Mowe-Iperu and rehabilitation of 150km feeder roads across the State; Education, Housing, Healthcare, Finance and Economic Planning, Environment and Physical Planning, Water and Waste Management, Industry, Trade and Investments, Agriculture and Food Security, Information, Communication and Technology (ICT).

210. The macroeconomic overarching objective for the Medium Term 2025 - 2027 is to position the State in the right path of economic recovery, growth and development through protection of lives and property and food security.

211. Several economic and fiscal reforms put in place by the State Government, coupled with the foreign direct investment drive of the Federal Government through fiscal, monetary and trade policies will help achieve the set objectives over the medium term.

212. The public service in performing its engine role, will be committed to upholding financial discipline, ensuring that expenditure remains within prudent limits to maintain a low fiscal deficit and

sustainable public debt levels. To achieve this, the State Government will sustain the present robust framework that will continue to optimize the allocation of public funds, aligning them with the government's policy objectives and enhancing key performance indicators in Ogun State.

213. Furthermore, the government will continue with the accurate revenue estimates, supported by sustainable growth in tax revenue from the Ogun State Internal Revenue Service (OGIRS) and non-tax revenue from other revenue-generating agencies in the state. This comprehensive approach will ensure fiscal responsibility, promote economic stability, and drive development in Ogun State.

214. Summarily, the macroeconomic targets and fiscal framework projections for 2025 - 2027 are as follow:

- Increase internally generated revenue through far-reaching reforms including review of rents and rates, expansion of tax base, enforcing informal sector tax compliance, plugging revenue leakages, etc.,
- Effective management of borrowings to bridge financing gap,
- Achieve real GDP growth rate of 4.8% by 2027
- Improve purchasing power by preventing activities fuelling inflation in the State,
- Keep fiscal deficit to GDP ratio at barest level to be fiscally sustainable,
- Strive to achieve capital expenditure target averaging 57% over the medium term,
- Keep wage bill within the State's Wage Policy and the Development Policy Operation triggers.

215. Given the targets above, the Government intends to pursue the following strategies:

Gross Domestic Product (State)

216. Given the increasing State's IGR and the commercial and economic advantage, the State's GDP is expected to be driven primarily by the vibrant non-oil sector.

217. Investments in key infrastructure as well as a continued focus on promoting macroeconomic stability are expected to enhance the structural economic shift, thereby positioning Ogun State as one of the major emerging economies in Nigeria and the World. It is against this backdrop that the economic growth is conservatively projected at an average rate of 10% between Y2025 - Y2027.

Inflation

218. The State's inflation is expected to be at an average of 33.6% within the medium term 2025 to 2027. Fiscal pressures may rise because of the new minimum wage, increased pension obligations and higher debt service cost.

219. Overall, it is expected that the State's economy will be fully revitalized within the medium term of 2025-2027 given the increasing commitment of the State Government to socio-economic needs of the people.

Government interventions to ensure price stability over the medium term will include resuscitation of Bulk Purchasing Agency, developing rail transport system, preventing hoarding of goods, increasing number of CNG buses and electric bikes, scaling up security architecture and distributing farm inputs to encourage farmers return to farms and sales of basic food items at subsidized prices to relieve masses. These interventions are expected to herald growth of small and medium enterprises, boost industrial and agricultural production with positive ripple effects on purchasing power of consumers.

3.B Fiscal Strategy and Assumptions

3.B.1 Fiscal Policy Statement

220. Fiscal discipline and sustainability shall be the focus of all economic activities of the State; therefore, the Ministry of Finance shall reinforce the operational efficiency of the Medium-Term Revenue Strategy (MTRS) towards ensuring an improved State Internally Generated Revenue (IGR) that will exceed the State's Recurrent Expenditure.

221. As a responsible government, we will sustain Public Financial Management (PFM) system that can foster desirable economic outcomes through aggregate fiscal discipline, strategic allocation of limited resources and efficient service delivery.

222. Supporting the institutionalized PFM reforms of the present administration in line with the World Best Practice, Public Expenditure Management ("PEM") will target outcomes rather than budget lines to resolve identified gaps between expenditure and outcomes.

223. PEM will continue to focus on outcomes and ensure that expenditure produces targeted outputs which are needed to achieve desired outcomes as against the traditional conventional budgeting that focuses narrowly the expenditures on inputs.

224. In achieving this, the Ministry of Budget and Planning will continue to strengthen the department of Monitoring and Evaluation to coordinate other departments of Planning, Research and Statistics in the different MDAs.

225. Accordingly, the budget and the medium-term plan will prioritize human development with particular attention to children, the foundation of our nation.

226. Towards improving the budget performance, Government will focus on ensuring value for money, greater transparency and accountability in partnership with development partners and private sector.

227. A stable macro-economic environment is important to catalyse private investment and accelerate economic growth. The present Administration shall continue to implement business and investment friendly measures for sustainable growth.

228. In the medium term, the State Government's fiscal policy will target increase in capital expenditure and ensure that recurrent expenditures are reviewed and sustainable by ensuring greater control of the wage bill and direct capital expenditure to critical infrastructure.

229. The Government transformative fiscal reforms will also target improved revenue generation, human capital and infrastructural investments, reduced fiscal pressures, fiscal prudence and transparency, and effective debt management by identifying and plugging revenue leakages; and gradual fiscal consolidation to achieve a level of public spending consistent with macroeconomic stability and sustainable debt.

230. In achieving the foregoing, measures aimed at diversifying away from dependence on the volatile oil revenue/Federal Allocation to finance the budget will be pursued vigorously by opening new frontiers and reviving hitherto dormant sources. The step already taken in this direction was the creation of the Ministry of Mineral Resources, Ministry of Energy, and Ministry of Youth Development; The Government will unlock the revenue potentials of the solid minerals sector, adopt innovative ways to expand its fiscal space, diversify revenue sources and raise the revenues required to finance its expenditure.

231. Some tax administration reforms recently introduced for the seamless payment of taxes will further improve tax administration and expand the non-oil revenue base. It is expected that measures to support the growth of businesses in the informal sector will bring more businesses into the tax net and increase tax revenue.

232. Strategies to achieve revenue projections in the medium term include reduction of revenues forgone through tax expenditures and improved technology to simplify tax processes, voluntary tax compliance drive, increased revenue collection points, and creation of a tax environment that is conducive for taxpayers to fulfil their tax obligations. Other strategies will include improved strengthening of Monitoring and Evaluation frameworks, and capacity building of staff particularly the Inspectors of Taxes to effectively discharge their responsibilities in handling tax cases such as recovering all outstanding tax debts through effective engagements.

233. Revenue generation of other agencies particularly the State's Parastatals will be enhanced by optimizing their operational and collection efficiency through regular monitoring/reporting of revenues and expenditure performance by the State's Treasury Office/Accountant-General and Ministry of Budget and Planning.

234. Other strategy options will include proper scrutiny of the annual budget and procurement processes, mandatory use of the Treasury Single Account for all financial transactions, and exclusion of agencies with capacity for self-funding from allocations in the State budget. In this array as well are the imposition of appropriate sanctions for unauthorized use of IGR and amendment of relevant sections of the Laws establishing government agencies to reflect current economic realities and policy thrust.

235. In line with the present administration's strategic imperatives and implementation road map, the medium-term fiscal strategy of the present administration 2025 - 2027 will rely on the existing five main pillars.

- Infrastructure (ICT, Power & Energy, Transport, Industrialization)
- Social Welfare and Well Being (Healthcare, Housing, environment and Physical Planning, Water and Waste Management)
- Education (Human Capital Development),
- Youth Empowerment (Sports, Entrepreneurship, Creative Arts, Entertainment)
- Agriculture and Food Security (Cash and food Crops, Plantations, Forestry, Fisheries Mineral Resources,)

236. The focus of Government will be to continue to reduce the infrastructure gap as well as providing fiscal stimulus to lift demand and help the State's economy to recover.

237. The above strategic investment is necessary for the State to provide and sustain necessary economic activities that will provide the necessary buffer or serve as economic insulator in readiness to tackle the outcomes of the obvious pandemic and Ukraine versus Russia war challenges in the areas of elevated debt levels, bankruptcies, unemployment, and rising inequality.

238. The Government has the responsibility to put measures in place now to protect its citizenry by supporting businesses and employment opportunities in addition to ensuring that trade networks are preserved to foster greater and diversified economic growths.

239. The expected diplomatic resolve of the Russia – Ukraine and Israel-Hamas wars will increase global and regional trade; the present Administration will continue to ensure that the State is part of the smooth global recovery through its ISEYA agenda and focus on the following priorities:

(i) **protect lives**. The State Government will prioritise health expenditures. This includes funding health system—getting resources to doctors, nurses and hospitals; the purchase of medical equipment, and to help the most vulnerable people.

(ii) **protect livelihoods**. Ensuring that the lifelines for households and businesses are available to reduce the effects of economic standstill witnessed during the pandemic. This includes cash transfers, wage subsidies and tax relief, helping people to meet their needs and businesses to stay afloat.

(iii) **prepare for recovery**. The present Administration despite paucity of funds has sustained its social protection programme as a fiscal stimulus to lift demand and help the economy to come back.

3.B.2 Objectives and Targets

240. The 2025 - 2027 fiscal objectives will focus on revenue drive, strategic allocation of resources to the most productive, growth-enhancing and safety-net sectors.

241. The State's infrastructure gap requires a huge outlay of resources to close. Government will therefore prioritise Public Private Partnership (PPP) and Private Sector participation including concession to complement capital and infrastructure investments from the Budget.

242. Over the medium term, Ogun State will strive to meet its energy demand targets for both households and industrial to attract more investment. This will be achieved through private capital funding as well as high-level fundraising through multilateral engagements within the directive and guidance of the newly created Ministry of Energy.

243. Structural transformation generally entails a gradual transition from resource-based and low- tech economy to medium and high-tech economy. The latter has high-value-addition manufacturing processes with higher technological intensity and labour productivity. Government will therefore invest more in the Ministries of Energy and Mineral Resources.

244. The highlights of Government fiscal strategy include:

- The revenue driven budget approach through the Medium-Term Revenue Strategy (MTRS) is expected to assist the State Fiscal Sustainability drive and endear potential investors to the State economy;
- Enhancing economic growth and ensuring inclusiveness;
- Promoting economic diversification;
- Maintaining macroeconomic stability;
- Increasing revenue generation;
- Re-balancing the distribution of Government spending;
- Improving quality of spending;
- Tilt capital investment funds towards Government Key priority areas;
- Use budget to facilitate jobs creation, poverty eradication and wealth creation;
- Sustain the Modified Zero-Based Budgeting (Modified ZBB) & MTSS across all MDAs and Budget profiling for cash management;
- Lay greater emphasis on maintenance of public assets;
- Promote government parastatals self-sustainability to reduce fiscal pressure;
- Foster a robust enabling environment for private investors participation
- Improved fiscal discipline.

Enhancing economic growth and promoting inclusiveness

245. The State Economic Development Plan and Strategy (2021 – 2025 EDP&S) is built upon the policies and initiatives outlined in the State Development Plan, 2018-2030 (SDP), with the goal of achieving the state's five Development Pillars - ISEYA. These pillars articulate the present Administration's goals for an improved living standards through infrastructure development, access to quality education and healthcare services, food security, job creation, and empowerment. The EDP&S, the Medium-Term National Development Plan 2021-2025 (MTNDP) and the Medium-Term Expenditure Framework (MTEF) overtime, contain the strategies and activities to achieves the above stated goals.

246. To realize this objective, new private investments will be harnessed, and expansionary public sector infrastructure spending will be sustained.

247. Executive will work with the legislature to address legislative and regulatory bottlenecks constraining private investments in key sectors and strengthen the framework for concessions and public private partnerships.

248. It is expected that medium term growth, will generate the revenue necessary for future expansion of public service delivery, rebuild fiscal space, and narrow down borrowing requirements.

Promoting Economic Diversification

249. The diversification of the productive base of the Ogun State economy is a critical objective needed to create job opportunities, promote local content and boost IGR.

250. Given the historical volatility of crude oil production and prices, the State has adopted a cautious approach to projecting statutory returns over the 2025-2027 medium term. This conservative estimate is designed to mitigate potential revenue risks. The forecast is based on the State's own revenue projections.

251. In the medium-term, government will make concerted efforts to open new frontiers in areas of culture and tourism, geological and mineral resources, information communication technology (ICT), transportation, etc. to diversify the economic base of the State.

252. Towards hedging the usual negative impact of volatility in oil production and prices on budget performances, government will vigorously pursue measures to revive abandoned revenue generating assets in the State such as Apoje Farm Settlement and Lomiro Oil Palm Plantation.

253. The step already taken in this direction was the establishment of the Ministries of Mineral Resources; Informational Communication Technology and Digital Economy; Energy and Youth Development. Government will unlock the revenue potentials of the solid minerals sector. Some tax administration reforms recently introduced for seamless payment of taxes will further improve tax administration and expand the non-oil revenue base.

254. Government will leverage on Science, Technology, and Innovation (STI) to drive competitiveness and productivity of all sectors including value - chain to boost growth of commercial and economic activities in the State.

255. Supportive State Government policies and intervention measures will focus on developing the entire value chain in key areas of the real sector including agriculture, manufacturing, and solid minerals, among others.

256. As part of efforts to provide an enabling environment for economic diversification and growth, Government will continue to focus on the acceleration and completion of the strategic establishment of Economic Development Clusters that will endear/attract investment to the State. This will further improve the domestic business environment, and secure both existing and new jobs.

Maintaining Macro Economic Stability

257. A stable macroeconomic environment is essential for sustainable growth and development. It endears certainty and enables businesses and households to plan their production, investment, and consumption activities.

258. In the medium term, macroeconomic objectives shall be to ensure stable macroeconomic environment, accelerate economic growth and enhance social inclusion through employment and job creation.

259. The strategies of government as contained in the State Development Plan, 2018 - 2030 (SDP) and State Economic Development Plan and Strategy, 2021 – 2025 (EDP&S) are focused on achieving the global Sustainable Development Goals ("SDGs") by 2030. These goals include poverty eradication,

zero hunger, good health, quality education, gender equality, water and sanitation, affordable and clean energy, decent economic growth, infrastructure, and industrialization.

Increasing Revenue Generation

260. Notwithstanding the progress witnessed in revenue generation through the Medium-Term Revenue Strategy (MTRS), government revenue is still low relative to target and potentials due to the constraints of low tax rates, weak tax administration, high tax expenditures, evasion and avoidance. It is essential to review current revenue mobilization policies and institutional frameworks for revenue collection. Over time, the Public Revenue-to-GDP ratio will increase, generating the necessary revenue to expand public service delivery, rebuild fiscal space, and reduce the need for new borrowing. Higher revenue collections will enable the government to deliver public services more effectively, enhance infrastructure investment, and increase investment in human capital.

261. The government must accelerate domestic resource mobilization, particularly by reforming tax administration and strengthening engagement with relevant stakeholders and potential investors to attract more investments to the state.

262. Furthermore, enhancing security and developing critical infrastructure will be key priorities to attract new investments to the State. The tax system will also be strengthened by improving collection efficiency, boosting compliance, and optimizing the operations of tax and revenue agencies.

263. The government will further expand the scope of the Medium-Term Revenue Strategy (MTRS) framework to include MDAs with revenue generation potential for the State. Simultaneously, efforts will be intensified to identify and address revenue leakages, enhance tax compliance, tighten the tax code, and broaden the tax base with appropriate technology. Additionally, the government will work to formalize more businesses in the informal sector.

264. A broad tax audit campaign will be conducted to identify under-filing taxpayers and non-compliant taxpayers will be engaged to ensure compliance.

Re-balancing the Distribution of Government Spending

265. The fiscal strategy will include efforts to address the tilt towards recurrent expenditure.

266. Government will strategically strive to allocate an average of 57% of its total spending over the medium term to execution of capital projects to accelerate the State's quest for economic growth and development.

267. Inadequate funding and various global economic limitations have always been the bane of budget performance. To ensure significant availability of capital resource, efforts will be intensified to boost internally generated revenue collection. The existing Consortium for the Administration of Salaries and Pension (CASP) will also be strengthened to improve the effectiveness and efficiency of payroll administration.

268. Despite the paucity of funds to meet increasing public needs, the State Government will continue to sustain the investment on social and welfare projects to forestall breakdown of social system because of the present inflationary environment. In particular, the National Social Safety Net project will be expanded to provide targeted cash transfers to poor and vulnerable households. In addition, efforts will made to graduate existing beneficiaries toward productive activities and employment.

269. Government will utilize alternative mechanisms for financing capital projects and consider social and welfare investments in partnership with the private sector.

Improving the Quality of Spending

270. Government will continue to improve on operational efficiency and quality of spending.

271. Public expenditure will be closely scrutinized to ensure value for money by enhancing the budget formulation process and assessing capital projects in alignment with the objectives of the State Development Plan and the Strategic Pillars of the current Administration.

272. As part of cost-reduction measures, increased focus will be placed on accurately estimating the costs of activities and projects, encouraging competitive bidding in public procurement, conducting ongoing audits of MDAs' operations, and introducing other public financial management reforms to deliver positive results.

Ensuring Sustainable Deficit Levels

273. In view of the development needs of the State, budget deficit is inevitable. As at 31st October 2024, the ratio of personnel cost to IGR was 62% despite the payment of new minimum wage of N77,000 to workers. This juxtaposes the fact that government is borrowing to meet the development needs of the State particularly the increasing social protection need prompted by the subsidy removal, unification of exchange rates and the consequent inflationary outcomes.

274. The projected budget deficit of the State over the medium term of 2025 – 2027 is within the limit of DSA thresholds; Fiscal Deficit to GDP – 3%, Capital Receipt to Total Revenue – 89%, Deficit to Total Expenditure – 42%.

275. The conservative stance maintained in the determination of macroeconomic indicators (oil production per day, oil price per barrel, exchange rate, etc.) for 2025 – 2027 is expected to pay off by bringing more revenue to the State's Government coffer to reduce the budgeted capital receipts and in extension reduce fiscal pressures.

276. Additionally, the Debt Management Office (DMO) will continue to pursue debt management strategies that will tilt towards longer term financing and lesser capital cost. This will significantly create more fiscal space for private sector to thrive in the domestic credit market with overall positive impact on interest rates. It will also accord private capital a leading role in driving growth.

277. Government will strive harder to ensure the total public debt decreases further over the medium term of 2025 - 2027. The total public debit was 7% of GDP in 2022, 6% of GDP in 2023, 9% of GDP as at 31st October 2024, it is expected to decline further to 3% of GDP over the medium term, though, the international debt sustainability threshold is 25% of GDP.

278. The State's Debt Service-to-Revenue ratio at 45% in October 2024 was above the international threshold of 40%, reflecting the effects of Naira devaluation to dollar and upward review of interest rates by lenders. However, the tendency is high that debt servicing to revenue will drastically be below the threshold averaging 14% over the medium term in view of revenue drive and flexible financing gap options of the present Administration.

279. In adherence to the provisions of the Ogun State Fiscal Responsibility Law; Fiscal deficit will be maintained within the acceptable threshold with specific consideration of emerging socio-economic challenges to the State.

Facilitating Output Growth, Economic Diversification and Job Creation

280. Promoting job creation is a major challenge in an environment plagued by a significant infrastructure deficit. To tackle this, the current Administration has constructed and rehabilitated over 600 kilometers of roads across the state. Additionally, the Sagamu-Ore and Abeokuta-Sango-Lagos Federal Express Roads are currently under construction. In the 2025 fiscal year, at least 150 kilometers of rural roads will also be constructed.

281. By prioritizing these key areas, the government aims to drive economic growth, create job opportunities, and reduce poverty. Investing in infrastructure development, including transportation

networks, energy systems, and digital connectivity, is essential for attracting businesses, generating employment, and fostering economic advancement.

282. To achieve sustainable economic growth and development, the current Administration is fully committed to implementing the national initiative for a Compressed Natural Gas (CNG) transport system. This adoption will ease the financial burden of rising fuel costs while providing a more stable and cost-effective energy alternative, stimulating local industries and creating new job opportunities over time. In the long term, the transition to CNG is expected to reduce harmful emissions, improve air quality, and offer residents a more affordable and reliable transportation option.

283. This strategy aligns with the United Nations' Sustainable Development Goals (SDGs), particularly Goal 8, which emphasizes the importance of promoting sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

284. The government's strategic interventions in key sectors, particularly agriculture, are poised to drive economic growth and reduce unemployment. A significant boost to the agriculture sector is the increased allocation from 2% in 2024 to 6% over the medium term. This deliberate move is to leverage the State's comparative advantage in agriculture, given that over 80% of its 16,980.55Km^2 landmass is arable.

285. Government has identified agriculture and physical infrastructure as the key sectors that will benefit from Public-Private Partnership (PPP) initiatives and private sector participation. This strategic decision is aimed at leveraging the strengths of both the public and private sectors to drive economic growth, improve efficiency, and enhance the overall quality of life for citizens.

3.B.3 Key Sectoral Policy Initiatives

Accelerating Economic Growth and Job Creation

286. The State Government will continue with the following.

- Improve process and coverage of internally generated revenue (IGR).
- Enhance public finance management system.
- Increase performance on Information Technology drive by the State through the Bureau to ensure unemployed youths catch up with global IT standards.
- Provide incentives to corporate bodies and parastatals to expand opportunities for internships, traineeships for young new entrants into the labour market; and,
- Provide loans to Micro, Small and Medium Scale Enterprises (MSMEs).
- Enhance and sustain the State's credit rating required to position the State as a bankable and credit counterpart.

287. Education is the cornerstone of a prosperous society. The present Administration will continue to invest in Human Capital Development with specific focus on acquisition of technical and vocational skills in specialized areas such as information technology, agriculture, manufacturing, and artisanship to boost economic growth.

288. This explains the outright rehabilitation and reconstruction of the eight technical colleges as well as the acquisition of state-of-the-art workshop and laboratories. This is to make them ready to produce much needed mid-level technical professionals for our industries, self-employment and job creation for increasing youths.

289. Ogun State is among the seven states benefiting from the pilot scheme of the Africa Development Bank (AfDB) Programme regarding the Special Agro-industrial Processing Zones (SAPZs) in 18 African countries since 2022. The State is selected for its comparative advantage in cassava, rice, poultry, and fisheries. Government will explore the areas further to create jobs for youths

290. The thrust of the job portal is to have the aggregate summation of unemployed and underemployed residents of Ogun State and to create a strategy on job creation by amplifying State Government

investments and support where necessary on sectors with potentials for massive job creation in the following:

- Boosting public works programmes.
- To latch onto the Federal Government N-Power volunteer corps to provide temporary employment for graduates annually in education, agriculture, and health.
- Enforcing the local content policy to promote job creation through procurement processes.
- Improving employability of school leavers and graduates, given the changing nature of work arising from increasing digitalization of the global economy.
- Developing local empowerment centres to disseminate and provide business support to entrepreneurs through apprenticeship and mentorship.

291. To guarantee sustainability, incentives will be provided to participating employers, recognizing participants, and offering tax rebates.

Industrialization through Public Private Partnerships (PPP)

292. The State Government will continue to create enabling environment through increased mobility of people and resources and in tandem with the dictates of the existing Ogun State Public Private Partnership (PPP) Law.

293. The reviewed Public Private Partnership (PPP) law protects aspiring and eventual investors with the goal of improving ease of doing business in the State.

294. The implementation of the Statewide physical infrastructure masterplan and implementation of the framework for Power Sector development are veritable strategic initiatives to activate Industrialization and sustain Public Private Partnerships (PPP) in the State.

295. The State Government will also explore other economic and commercial avenues that could make the State the next Industrial hub by:

- Intensifying efforts on a special initiative called **Small & Medium Enterprises Industrial Land Acquisition Scheme (SILAS)** for allocation of lands to SMEs towards facilitating access to finance and facility sharing centres for SMEs.
- Reviewing/providing local fiscal and regulatory incentives to support the development of industrial cities, parks and clusters, especially around existing ports, and transport corridors.
- Partnering with private sector to develop new commercial and retail malls, recreation facilities and city centres.
- Harmonizing taxes and levies to eliminate multiplicity and ensure ease of self-assessment and payment.
- Partnering with real estate developers and access modern technologies for mass housing projects.
- Partnering with private sector to redesign, redevelop and construct new urban centres, commercial hubs, and rural/agricultural communities.
- Improving on the gains of the establishment of the Ogun State Investment Promotion and Facilitation Agency and Ogun State Enterprise Development Agency to bring investment needed support and capacity building to the Micro, Small, Medium Enterprises (MSMEs) which are the bedrock of any economy.
- Strengthening the PPP Office, capacity development of personnel to attract potential investors and sustain public - private sector partnership engagements.

296. Government intervention in areas of land access, extension services and financing, will be favourably considered to attract large-scale farmers to the agriculture sector of the State.

297. The medium-term goal of the State is to achieve food security, self-sufficiency and sustainability in Ogun and to become a net exporter of key agricultural products, e.g., cassava, poultry, maize, rice, tomatoes, vegetable oil, cashew nuts, fish, and forestry products.

298. Strategies to achieve food security in the medium term include:

- Focus on three (3) cash crops and two (2) livestock with competitive advantages: Cassava, Rice, Maize and Poultry and Fishery.
- Provide seamless land access through special Agriculture land allocation schemes for youths, small, medium, and large-scale farmers.
- Establish an Agricultural inputs and Support Agency to provide easy access to farm machineries and equipment on lease basis, facilitate the supply of inputs (seeds, fertilizers, and chemicals) and market off-take.
- Revamp and restructure the agriculture extension services for provision of advisory and training to farmers.
- Support the National Food System Transformation Pathways
- Facilitate access to FGN/CBN intervention funds: Anchor Borrowers, Commercial Agriculture Credit (CACS); AGSMIES; Accelerated Agriculture Development (AADS) improving access to finance.

Social Investments: Health, Education and Social Welfare

299. Towards realising the Sustainable Development Goals; poverty eradication, zero hunger, good health, quality education, gender equality, water and sanitation, affordable and clean energy, decent economic growth, infrastructure, industrialization, etc. Government is determined to continue to intensify investments in Human capital development particularly the acquisition of technical and vocational skills in specialized areas such as agriculture, health and education and social intervention programmes.

300. Access to quality healthcare is a necessity for good standard of living. The increasing upgraded Primary Health Care Centres are designed to ensure that every citizen, regardless of background, has access to essential health services. Government has invested in upgrading facilities, training healthcare professionals and enhancing the range of services available for the health and well-being of people including public servants — "Ilera-Dero" Health Insurance program for the formal sector.

301. Furthermore, Government will:

- Review education curriculum to include technical, ICT, sciences and entrepreneurship skills and training.
- Seek partnership with the private sector in the development of educational institutions and technical certification programs.
- Revive and support new post-secondary school trade centres and technical schools.
- Introduce post-university skills development institutions (PUSDIs).
- Seek partnerships and strategic alliances with local and international bodies, such as the UNESCO, World Bank, DFI's, Bill and Melinda Gates Foundation etc.
- Improve enrolment especially in primary and secondary schools.
- Re-train, redeploy and recruit more teachers.
- Strengthen the newly established e-learning/digital class across schools and introduce e-libraries and research centres.
- Continue with the location of primary healthcare centres in each of the 236 wards and the renovation of the existing primary health care facilities.
- Expand and sustain the home-grown school feeding to enhance school enrolment and combat stunting.

- Rehabilitate, equip, and adequately staff the General Hospitals and Olabisi Onabanjo Teaching Hospital (OOUTH) to serve as effective referral centres for lower tier healthcare delivery centres.
- Designate a hospital as specialist centre in each of the three (3) Senatorial District.
- Re-train and recruit more medical personnel.
- Review and restructure the Health Insurance Scheme to facilitate accreditation and access to the Basic Healthcare Provision Fund (BHCPF) through enrolment of children, aged and vulnerable.
- Partner with the DFIs and NGOs to provide better healthcare outcomes: WHO, Federal Ministry of Health, local and International Foundations.
- Invest in the social housing programme: new low and medium density housing projects and estate across the State.
- Implement beautification projects of parks, gardens round-about, highways and other community centres.

3.C Indicative Three-Year Fiscal Framework

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

Table 8 : Ogun State Medium Term Fiscal Framework

Fiscal Framework				
Item	**2024**	**2025**	**2026**	**2027**
Opening Balance	25,855,929,170.20	39,007,051,725.49	40,746,906,394.04	42,564,364,832.51
Recurrent Revenue				
Statutory Allocation	50,438,933,310.48	69,844,058,378.30	71,123,091,600.13	79,080,399,755.87
VAT	65,778,819,500.00	85,402,159,500.00	98,460,149,687.55	127,112,574,199.80
IGR	234,388,655,485.26	314,816,567,514.87	366,725,692,310.36	434,715,028,750.02
Excess Crude / Other Revenue	82,486,521,909.52	72,810,135,680.51	76,435,189,727.94	71,405,613,100.21
Total Recurrent Revenue	**433,092,930,205.26**	**542,872,921,073.69**	**612,744,123,325.99**	**712,313,615,805.90**
Recurrent Expenditure				
Personnel Costs	111,668,295,043.12	124,863,648,516.43	128,130,167,637.96	131,965,211,867.10
Social Contribution and Social Benefit	35,585,320,565.86	37,744,477,319.90	38,958,092,595.59	41,730,230,509.12
Overheads	128,044,954,454.96	215,870,990,475.45	285,654,839,906.02	383,425,533,558.82
Grants, Contributions and Subsidies	0	0	0	0
Public Debt Service	124,089,320,000.00	76,073,125,615.99	68,996,512,369.34	63,383,779,745.91
Total	**399,387,890,063.94**	**454,552,241,927.77**	**521,739,612,508.91**	**620,504,755,680.95**
Transfer to Capital Account	**59,560,969,311.52**	**127,327,730,871.41**	**131,751,417,211.11**	**134,373,224,957.45**
Capital Receipts				
Grants	114,229,944,187.85	207,672,741,558.47	335,651,211,971.71	441,259,218,311.50
Other Capital Receipts	0	0	0	0
Total	**114,229,944,187.85**	**207,672,741,558.47**	**335,651,211,971.71**	**441,259,218,311.50**
Capital Expenditure	**303,640,123,367.71**	**599,989,778,219.69**	**743,710,811,668.04**	**834,763,232,122.55**
Discretional Funds	133,981,789,342.43	176,634,071,903.66	330,372,107,087.04	340,697,453,349.59
Non-Discretional Funds	169,658,334,025.28	423,355,706,316.04	413,338,704,581.00	494,065,778,772.95
Financing (Loans)	129,849,209,868.34	264,989,305,789.81	276,308,182,485.22	259,130,788,853.59
Total Revenue (Including Opening Balance)	**703,028,013,431.65**	**1,054,542,020,147.46**	**1,265,450,424,176.95**	**1,455,267,987,803.50**
Total Expenditure (including Contingency Reserve)	**703,028,013,431.65**	**1,054,542,020,147.46**	**1,265,450,424,176.95**	**1,455,267,987,803.50**
Closing Balance				
Ratios				
Growth in Recurrent Revenue	88%	25%	13%	16%
Growth in Recurrent Expenditure	151%	14%	15%	19%
Capital Expenditure Ratio	43%	57%	59%	57%
Deficit (Financing) to Total Expenditure	18%	25%	22%	18%
Deficit (Financing) to GDP Ratio	2%	3%	3%	3%

3.C.1 Assumptions

303. **Opening Balance** represents the estimated cash and cash equivalents available to the State at the commencement of a fiscal year. This amount is assumed to be the closing cash and cash equivalents to be carried forward to support operational cash flow requirements in the new fiscal year.

304. **Statutory Allocation** though actual receipt has been below budget from 2020 due to volatility in crude oil production and its price, it is expected to experience significant growth in 2025 – 2027 given the projected increase in oil production, improved security and revamping of non-oil sector activities. The projected revenue to the State from the Federal Government is expected to witness an average increase of over 11.4% over the medium term of 2025 - 2027 from N65.8B in year 2024 to N79.1B in year 2027. The Forecast is hinged on own value.

305. **Value Added Tax (VAT) –** Overtime, the actual receipts have exceeded budgets for two consecutive years of 2022 and 2023. The tendency is high that the trend will continue in 2024, because about 97% of the 2024 projection had been achieved as at 31st October 2024. The State is hoping for an increased VAT returns in view of its household and investment consumption on account of high commercial – economic activities. Consequently, the State's VAT projection over the medium term shows an increase of over 79.3%. The Forecast is hinged on own value.

306. **Internally Generated Revenue (IGR) –** comprises Pay as You Earn (PAYE), Withholding Taxes, Direct Assessment, and other forms of revenue collectable by the Ogun State Internal Revenue Services (OGIRS) and other revenue generating MDAs in the State. Despite the increasing trend in IGR, the fiscal-GDP ratio is still low hence there exists a lot of revenue generation potentials yet to be captured into the State's revenue net. Consequently, the State's IGR is projected to be N314.8B - 2025, N366.7B - 2026 and N434.7B - 2027. The revenue projection is anchored on the State's enhanced revenue generation capacity, driven by a realistic and policy-driven model -MTRS. MTRS enables collective working/interactions with MDAs to achieve a bottom-up approach to the prevailing gaps viz-a-viz revenue potentials, leakage blocking, technology development, monitoring and evaluation strengthening and capacity development. Most importantly, IGR projection is based on projected State GDP growth.

307. **Grants –** are interest free and non-repayable sums of money awarded by governments, foundations, corporations, or non-profit organizations (NGOs), development partners, etc. to support a specific project, program, or initiative. The 2025 – 2027 projections show an average increase of over 200% due to increase in donors and development partners. The expected grant inflows are FGN Infrastructural Support Fund; Donations/Grants/Sponsorship in respect of the 2024 National Sport Festival for Ogun State as host; Sustainable Development Goals (SDGs) & Universal Basic Education Commission (UBEC) Programmes Fund.

308. **Other Capital Receipts –** include proceeds from the Federal Government's Road refund for federal roads constructed by the state government. However, due to the Federal Government's policy on CAPEX FG Road Refund, which has been in place since 2019, there's no provision for this source of funding in the medium term 2025-2027. This policy restricts refunds to states for road construction without a legal backing or Memorandum of Understanding (MOU).

309. **Financing –** This is the amount of money (loan) expected to be sourced from both internal and external sources to fund the finance gap in the budget. The Internal sources include financial institutions and stock market classified under Concessionary loans (i.e., single digit interest loans with longer tenor from CBN or other regulated source) or Differentiated Cash Reserves Requirement (DCRR) – a form of concessionary loan from CBN that is being assessed through Deposit Money Banks (DMBs). The CBN gives approval to DMBs to lend out from cash reserves ratio with CBN, while External sources consist of Long-Term Loans from World Bank, AFDB, etc. The State will ensure continuous growth in IGR to cover recurrent expenditures and sustain debt sustainability which will further attract credit facilities in the outer years to execute developmental projects as contained in

the State's year 2023 debt sustainability analysis. *http://api.ogunstate.gov.ng/archive/2024OGSGDSA-DMSREPORT.pdf*

310. **Personnel –** The year-on-year growth between 2024 and 2025 shows a significant jump of 11. 8% reflecting the effects of new national minimum wage of N77,000. However, the projections over the medium term show an average increase of 2.8% to cater for increment, outstanding promotion and payment of outstanding allowances – 2025 (N124.9B), 2026 (N128-1B) and 2027 (N132.0B).

311. **Social Contribution and Social Benefits –** This is projected payments for outstanding pensions, gratuities and contributory pensions. It used to include grants to local government to facilitate grassroot development but due to the local government autonomy, that portion has been stopped. Given the commitment of the present Administration to fast-track payment of outstanding gratuities, the State Government has increased quarterly payment of gratuities to N2 billion from N500 million per quarter. Therefore, it is projected that a sum of N37.7B, N38.98B and N41.73B will be paid to clear and sustain government's commitment in 2025, 2026 and 2027 respectively.

312. **Overheads –** To sustain continuous operations of Government businesses and in view of the persistent inflationary pressures affecting utilities and other essential costs, projected overheads over the medium-term show a significant rise compared to 2024 (N128B). The State Government is expected to spend N215.9B, N285.7B and N383.4B in 2025, 2026 and 2027 respectively.

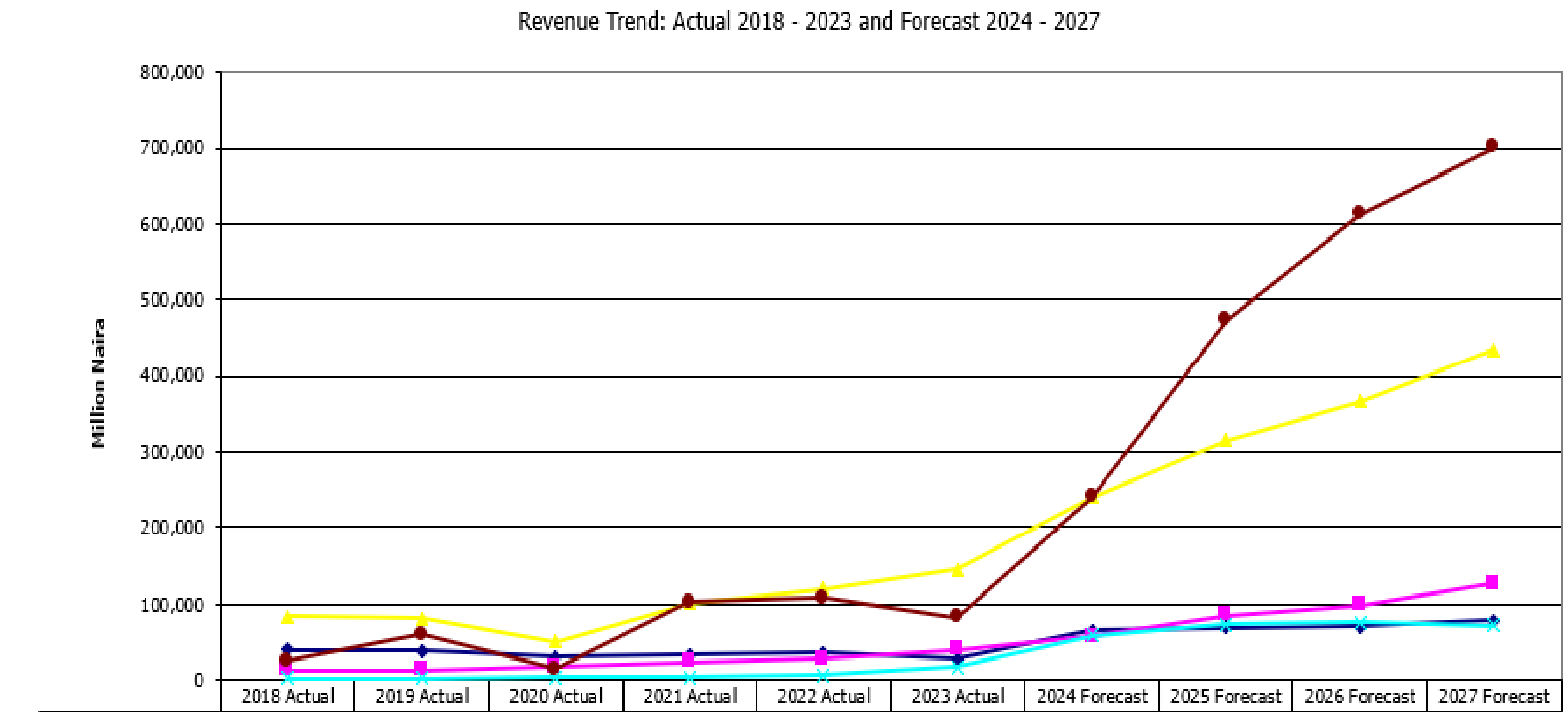
313. **Public Debt Service -** This includes expenditure on the servicing of Internal and External Loans (i.e., interest and principal). It is the practice of Ogun State Government to capitalize Interest on Loans obtained for Developmental Projects in accordance with IPSAS 5 Accrual Accounting Standard; Public Debt Service is projected to be N76.10B, N69.99B, N63.38B within the medium term of 2025 to 2027.

314. **Capital Expenditure –** To achieve the fiscal stimulus of spending target of increased capital expenditure investment within the 2025 - 2027 Medium Term Framework, the State Government intends to invest an average of N726.15B.

3.C.2 Fiscal Trends

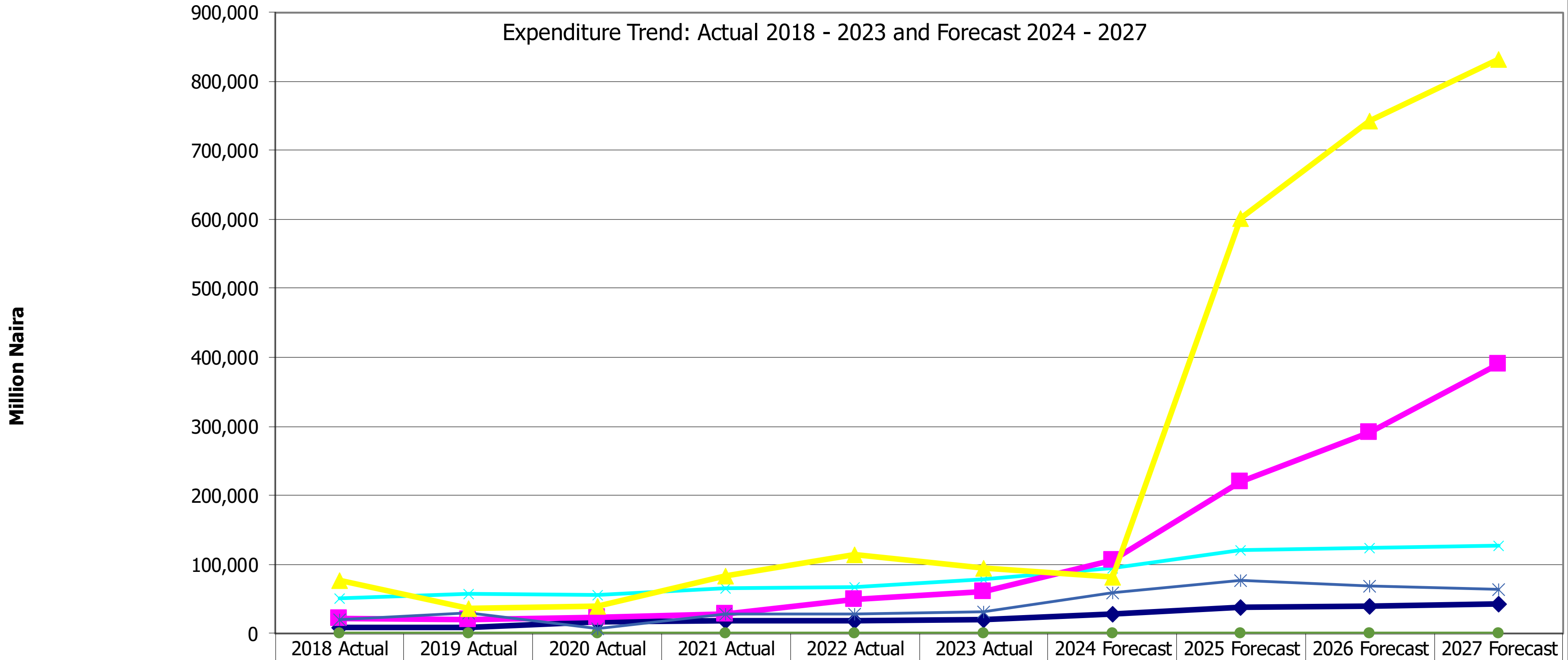
315. Based on the above envelope, actual figures for 2025 - 2027 (using the same basis for forecasting as noted in the sub-sections within section 3.B), the trend from historical, actual to forecast can be seen for revenue and expenditure in the line graphs overleaf.

Figure 26 : Ogun State Revenue Trend



	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Stat.Allocation	39,937,169,26	38,488,458,51	30,473,026,27	33,636,153,23	36,215,988,26	27,861,212,50	65,788,933,31	69,844,058,37	71,123,091,60	79,080,399,75
VAT	12,776,510,58	13,700,584,44	16,517,951,37	23,613,856,40	27,500,166,54	39,527,630,07	57,778,819,50	85,402,159,50	98,460,149,68	127,112,574,2
Total IGR	84,554,199,59	81,420,131,10	50,561,119,45	100,900,104,1	119,828,164,3	146,016,129,5	240,538,655,4	314,816,567,5	366,725,692,3	434,715,028,7
Other Federation Account Receipts	1,838,012,640	2,042,074,588	4,104,080,190	4,138,244,719	5,861,338,945	17,334,518,16	58,486,521,91	72,810,135,68	76,435,189,72	71,405,613,10
Capital Receipts	24,688,990,07	60,118,055,84	14,616,868,24	103,272,190,9	107,843,246,5	82,277,833,46	240,239,154,0	472,662,047,3	611,959,394,4	700,390,007,1

Figure 27 : Ogun Expenditure Trend



	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Personnel Costs	50,502,544,392	57,712,658,760	56,213,334,321	65,527,819,301	67,314,615,220	78,786,415,941	95,054,755,497	119,884,684,365	123,002,254,562	126,683,881,399
Social Contribution and Social Benefit	8,984,307,918	9,168,584,091	15,789,761,868	17,934,864,870	18,953,661,050	19,835,642,415	27,435,320,566	37,744,460,594	38,958,059,144	41,730,180,332
Overheads	21,604,770,883	20,499,118,433	22,798,650,780	28,013,546,450	49,453,193,994	60,548,527,801	105,792,215,092	219,856,945,972	291,200,184,389	391,099,242,009
Grants, Contributions and Subsidies	0	0	0	0	0	0	0	0	0	0
Public Debt Service	18,993,218,182	30,078,066,356	7,555,214,251	28,228,599,067	27,866,588,149	31,118,151,992	59,089,320,000	76,073,125,616	68,996,512,369	63,383,779,746
Capital Expenditure	76,430,169,256	35,418,281,381	39,552,681,307	82,441,489,095	113,685,566,650	94,257,233,578	81,590,641,068	600,982,803,600	743,293,413,718	832,370,904,318

3.D Fiscal Risks

316. Fiscal risks refer to economic trends or specific events that could potentially affect the fiscal outlook, creating uncertainty in financial projections. Some developments may only suggest a possible fiscal impact, while others are likely to occur, but their timing or scale remain uncertain, making it difficult to incorporate them into forward estimates.

317. Effective risk management is a shared responsibility that demands active participation from all political leaders and civil servants. However, appointing a senior officer to oversee risk monitoring and management is essential for maintaining a proactive and coordinated approach. This role requires a specific set of skills, including the ability to anticipate, mitigate, and manage risks through strategies like prediction, control, reduction, transfer, acceptance, and avoidance, ultimately minimizing threats and maximizing opportunities.

318. The analysis and forecasting basis as laid out below implies some fiscal risks, including but not limited to the underlisted risk matrix, showing the various risk exposures, likelihood, impact and mitigating strategy for Ogun State.

Table 9: Fiscal Risks

	RISK	LIKELIHOOD	IMPACT	REACTION (MITIGATION STRATEGY)
1	**POLITICAL**			
A	Difference in political affiliation between State and Federal	LOW	There is high possibility of uncooperative attitude by the FGN whenever the State needs FGN sign off in crucial transactions which require FGN guarantee or sign off.	Continuous dialogue between the State and FGN and use of Legal means have been major mitigants to political risk. The current FGN and the OGSG have the same affiliation which mitigates this risk in the relevant period.
B	Change in Government	LOW	Change in government may likely stall the continuity of the State's policy thrust and affect implementation of the Development Plan.	Most reforms are properly Institutionalized. Government will continue to entrench its policies within the legal and institutional framework
2	**ENVIRONMENTAL**			
A	Natural Disaster e.g., flood, fire, etc.	MEDIUM	This can ultimately lead to unplanned expenditure, loss of life and distortion in plans	The State has strengthened different agencies such as, Ministry of Environment, OGSEMA, OGEPA etc. amongst others to adequately manage any natural disaster occurrences. The Ogun State Waste Management Authority has also been set up.
B	Environmental Pollution	HIGH	The rising population and the cosmopolitan nature of the State predispose it to high generation of solid, water and air pollutants than most States of the Federation. This can mount additional expenditure on the State Government.	OGEPA, Ministry of Environment etc. can adequately manage any natural disaster occurrences. The Ogun State Waste Management Authority has also been set up.

C	Epidemic/Pandemic outbreak	HIGH	The State is susceptible to outbreak of contagious diseases from all parts of the world because it is a neighbour to the commercial capital of the Country. The occurrence of this may expose the State to unplanned expenditure	The State has mechanism for quick response, there shall be designated Infectious Diseases Control hospitals and on-going capacity development of personnel to manage unforeseen cases. Different isolation centres have been established at both tertiary and secondary hospitals State-wide.
D	Global Warming	MEDIUM	The State is part of the global economy exposed to the consequences of the ozone layer depletion.	Government's programs and advocacy in environmental sustainability which includes, greening, yearly tree planting campaign and encouragement for the use of renewable energy sources shall be put in place.
3	**FINANCIAL/ ECONOMIC**			
A	Unforeseen Changes in Macroeconomic Indicators such as exchange rate, inflation rate and interest rate.	MEDIUM	The unforeseen changes in macro-economic variables predispose the State's economy to high volatility in revenue and expenditure.	The adoption of conservative assumption in determining the budget size and reduced expectation from statutory allocations have always mitigated economic shocks from major macro indicators.
B	Contingent Liability e.g., Default in liability obligation	LOW	The risk of default in making good the State obligation varies from legal risk, reputation, and loss of revenue	There is existence of professional MDA for management of debt obligation of the State
C	Fall in commodity prices e.g., crude oil and Gas.	HIGH	The major commodities determining the revenue size includes Oil and Gas. Any volatility in their prices has the potential of either downside or upside in revenue accumulation	The conservative projection for statutory allocation and robust IGR base has always reduced the effect of falling oil prices.
D	Counter-party failure	LOW	The government counter parties include contractors, suppliers, and financiers. Inability to meet up with agreed terms and conditions may occasion loss of funds, litigation, and reputation.	Implementation of budget profiling cash management in the State will mitigate the risk of payment default
E	Loss of revenue/Tax evasion	HIGH	Continuous evasion of taxes by potential taxpayers could result in reduction in IGR and negative impact on the overall budget performance.	The incidence of tax evasion is on the rise. However, government is currently Implementing different programmes to bring more people into its tax net and have a comprehensive database of taxpayers.
4	**SECURITY/ SOCIAL**			
A	Rural urban Migration/population	HIGH	Uncontrolled rural Urban Migration will ultimately lead into population explosion which would mount more pressure on the scarce resources of the State.	Government continues to institute structures and programmes capable of reducing rural urban drift. Some of these include provision of essential amenities in rural areas and supports in agriculture e,g. rehabilitation of rural roads and power sully. However, Government may not

				be able to control the influx from other States of the Federation.
B	Insurgency spill over, e.g., Herdsmen Clashes, Kidnappers and Robbers on the highway.	MEDIUM	Continuous insurgency activities in the Northeast Nigeria and sub-Sahara African Continent pose a huge risk to all parts of the country and the citizenry. The insurgency has mounted additional pressure on the resources of governments at all levels.	The State Government is partnering with Nigerian Police Force, investing in Community Policing and security gadgets to monitor every aspect of the State. In addition, the creation of Security Network tagged 'AMOTEKUN' by the Southwest Governors with joint purchase of high-level Helicopter to combat the insurgence activities within the Southwest Region had gradually reduced the high rate of kidnapping and highway robbery. Establishment of the Ogun State Security Trust Fund (OGSTF) – a private sector driven programme to support the State Government on various security challenges in the State. Also, the State Government had in existence the Joint Security Intervention Squad (JSIS) handed over patrol vans and motorcycles to secure lives and properties in the State
C	Crime	MEDIUM	The closeness to Lagos State and gateway to the neighbouring country (Seme Border) predisposes it to crime and violence. This will continue to affect the attraction of investors and mount pressure on State's security machinery	Ditto
D	Religious Sentiments	LOW	Religious bigotry is becoming endemic in everyday affairs of the citizenry. The expression of this sentiment polarizes national issues and discourse which is capable of degenerating to security threat. This is potential additional strain on revenue of the State.	The tolerant nature of the State is a major mitigant and advocacy in area of religious tolerance is equally of benefit
5	**LEGAL**			
A	Change in Debt Regulatory Framework	MEDIUM	This can impact negatively on the government's ability to raise debt finance.	The State government mitigates this through long-term debt instrument like bonds and multi-lateral loans from World Bank.
6	**GLOBAL RISK**			
A	Global financial crisis	HIGH	The risk posed by the global financial crisis and economic recession is extremely high affecting agriculture sector. The attendant consequence of this often manifests in form of liquidity squeeze and	Ditto

			credit contraction. This can impact negatively on the government's ability to raise debt finance.	
B	Loss of key diplomatic relationship	LOW	The Federal Government is expected to sustain the existing cordial relationship with foreign countries and as a result the State will continue to benefit from the proceeds of the Foreign bilateral relationship	The State Government continues to utilize its potentials, governance structure and diplomatic relationship to manage and woo more development partners despite the FGN
C	War (e.g. Russia and Ukraine, Israel and Hamas)	HIGH	Food supply crises (e.g., wheat, grain etc.) shortage of Gas and Oil supply to the international market	Beef up security in food and oil producing regions, increase allocation to agricultural sector and invest in modern storage facilities. NNPC to conclude the ongoing contract module with the European Union on Production and Supply of Gas & Oil to the European Communities. The Federal Government will rely on the grain reserves to cushion existing shortage and commodity price spike

319. However, it is important to note that no budget is free from risk. The 2025 budget will be carefully monitored considering changing economic conditions, particularly in relation to security, to assess its impact on the state economy.

Budget Policy Statement

3.E Budget Policy Thrust

320. The medium-term economic management strategy focuses on fostering sustainable economic growth while maintaining fiscal sustainability. This approach recognizes the challenges arising from global crises, such as political transitions in many countries, the lingering effects of the Covid-19 pandemic, and the ongoing Russia-Ukraine and Israel-Hamas conflicts, all of which have disrupted commodity supply chains. Additionally, the strategy considers domestic macroeconomic developments, including the removal of subsidies, exchange rate unification or deregulation, and rising electricity tariffs, each of which significantly influences the country's economic trajectory.

321. In managing public sector expenditures, the government will adhere to policies focused on achieving operational targets, ensuring transparency and efficiency, and minimizing risks, all in support of implementing policies that deliver direct benefits to the people.

322. In preparing the budgets for 2025, 2026, and 2027, the State government will adopt the following budget policy:

- A deficit budget policy will be implemented, with a focus on fiscal sustainability to support ongoing economic expansion, considering the impacts of the Covid-19 pandemic, the Russia-Ukraine conflict, the Israel-Hamas war, and other local macroeconomic factors such as subsidy removal, exchange rate unification or deregulation, and rising utility tariffs on the State's economy.
- The State government will aim to enhance managerial efficiency to optimize public spending.
- Government agencies will be encouraged to redeploy operations with lower priority or that have become redundant, to reduce operating expenses.
- The government will maintain a capital-to-recurrent expenditure ratio of at least 57:43 to support and sustain economic expansion.

- The Ogun State Development Plan (OGSDP) 2018-2030 and the State Economic Development Plan & Strategy 2021-2025 will continue to guide the present administration. These documents provide a clear, progressive foundation for the State's development and serve as the framework for aligning public finances.

3.F Sector Allocations (3 Year)

323. The tables below present the proposed allocations for three key areas—Personnel, Overheads, and Capital—across various sectors and sub-sectors within the State. In developing these allocations, careful consideration was given to international benchmarks that reflect best practices in governance, such as the African Union's Abuja Declaration (2001), which recommended 15% for the Health sector; UNESCO's 2015 guidelines, which suggested 15-20% for Education; and the African Union's Maputo Declaration (2003), which advocated for 10% for the Agricultural sector.

324. Despite resource constraints, the international benchmark for the education sector has been met, and efforts are ongoing to achieve the same for the health and agricultural sectors. Global and national economic challenges, such as the Russia-Ukraine war, the mild resurgence of COVID-19, Naira redesign, fuel scarcity, fuel subsidy removal, exchange rate unification, the Niger and Gabon coups, and the Israel-Hamas conflict, have negatively impacted crude oil revenues and economic activities, affecting the State's revenue projections. However, the State remains committed to meeting these benchmarks in the long term.

ADMINISTRATIVE CLASSIFICATION

Table 10 : Indicative Sector Expenditure Ceilings 2025 - 2027 – Personnel

S/No.		APPROVED BUDGET, 2024		ACTUAL AS AT 31ST OCTOBER, 2024		2025 APPROVED BUDGET		2026 PROPOSALS		2027 PROPOSALS	
		N' M	%	N' M	%	N' M	%	N' M	%	N' M	%
1	GOVERNOR	47,781.08	32.47%	30,806.77	32.68%	42,336.81	26.06%	50,335.05	30.15%	53,509.24	30.83%
2	STATE HOUSE OF ASSEMBLY	1,780.35	1.21%	348.01	0.37%	1,996.55	1.23%	1,834.83	1.10%	1,835.02	1.06%
3	MINISTRY OF INFORMATION & STRATEGY	1,208.20	0.82%	727.05	0.77%	1,465.39	0.90%	1,524.20	0.91%	1,584.31	0.91%
4	OFFICE OF THE HEAD OF SERVICE	327.49	0.22%	170.56	0.18%	443.29	0.27%	456.59	0.27%	470.28	0.27%
5	OFFICE OF THE AUDITOR-GENERAL	531.54	0.36%	284.81	0.30%	628.78	0.39%	647.64	0.39%	667.07	0.38%
6	SERVICE COMMISSION	241.62	0.16%	119.03	0.13%	302.40	0.19%	311.47	0.19%	320.81	0.18%
7	STATE INDEPENDENT ELECTORAL COMMISSION	88.90	0.06%	72.04	0.08%	152.65	0.09%	157.23	0.09%	161.95	0.09%
8	LOCAL GOVERNMENT SERVICE COMMISSION	97.61	0.07%	43.26	0.05%	6,331.26	3.90%	125.88	0.08%	129.66	0.07%
9	MINISTRY OF SPECIAL DUTIES & INTER-GOVERNMENTAL AFFAIRS	499.62	0.34%	267.30	0.28%	717.40	0.44%	738.92	0.44%	761.09	0.44%
10	SECRETARY TO THE STATE GOVERNMENT	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
11	MINISTRY OF AGRICULTURE	2,713.79	1.84%	1,898.16	2.01%	3,108.99	1.91%	3,177.87	1.90%	3,270.51	1.88%
12	MINISTRY OF FORESTRY	898.64	0.61%	610.41	0.65%	1,064.64	0.66%	1,096.58	0.66%	1,129.48	0.65%
13	MINISTRY OF FINANCE	8,648.49	5.88%	1,071.16	1.14%	4,873.97	3.00%	5,020.19	3.01%	5,170.79	2.98%
14	MINISTRY OF INDUSTRY, TRADE AND INVESTMENT	963.24	0.65%	561.85	0.60%	1,162.83	0.72%	1,197.29	0.72%	1,232.79	0.71%
15	BUREAU OF JOB CREATION AND YOUTH EMPOWERMENT	23.35	0.02%	8.49	0.01%	27.85	0.02%	28.68	0.02%	29.54	0.02%
16	MINISTRY OF INFORMATION & COMMUNICATION TECHNOLOGY AND DIGITAL ECONOMY	48.40	0.03%	-	0.00%	48.14	0.03%	49.58	0.03%	51.07	0.03%
17	MINISTRY OF TRANSPORTATION	1,250.25	0.85%	988.18	1.05%	1,774.02	1.09%	1,827.24	1.09%	1,882.06	1.08%
18	MINISTRY OF ENERGY	48.40	0.03%	-	0.00%	48.35	0.03%	20.24	0.01%	20.24	0.01%
19	MINISTRY OF MINERAL RESOURCES	148.31	0.10%	-	0.00%	147.66	0.09%	152.09	0.09%	156.65	0.09%
20	MINISTRY OF WORKS AND INFRASTRUCTURE	718.66	0.49%	490.29	0.52%	860.79	0.53%	886.61	0.53%	913.21	0.53%
21	MINISTRY OF RURAL DEVELOPMENT	192.07	0.13%	134.95	0.14%	238.42	0.15%	245.57	0.15%	252.94	0.15%
22	MINISTRY OF CULTURE AND TOURISM	315.28	0.21%	235.30	0.25%	398.70	0.25%	410.66	0.25%	422.98	0.24%
23	MINISTRY OF BUDGET AND PLANNING	364.45	0.25%	258.62	0.27%	512.50	0.32%	518.00	0.31%	533.54	0.31%
24	MINISTRY OF HOUSING	2,156.86	1.47%	1,360.28	1.44%	2,415.94	1.49%	2,362.76	1.42%	2,433.64	1.40%
25	MINISTRY OF PHYSICAL PLANNING AND URBAN DEVELOPMENT	1,449.81	0.99%	854.83	0.91%	1,621.60	1.00%	1,564.80	0.94%	1,611.74	0.93%
26	JUDICIARY	2,575.92	1.75%	1,844.58	1.96%	3,891.23	2.40%	3,998.93	2.40%	4,115.01	2.37%
27	MINISTRY OF JUSTICE	551.95	0.38%	376.11	0.40%	667.98	0.41%	688.02	0.41%	708.66	0.41%
28	LAGOS-OGUN JOINT DEVELOPMENT COMMISSION	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
29	MINISTRY OF YOUTHS	137.82	0.09%	-	0.00%	138.36	0.09%	142.51	0.09%	146.79	0.08%
30	MINISTRY OF WOMEN AFFAIRS AND SOCIAL DEVELOPMENT	721.96	0.49%	426.97	0.45%	832.27	0.51%	853.02	0.51%	874.34	0.50%
31	MINISTRY OF EDUCATION, SCIENCE & TECHNOLOGY	52,825.42	35.90%	38,204.50	40.53%	62,644.44	38.56%	64,308.23	38.52%	66,220.24	38.16%
32	MINISTRY OF HEALTH	14,747.95	10.02%	10,385.63	11.02%	18,229.86	11.22%	18,776.76	11.25%	19,340.06	11.14%
33	MINISTRY OF ENVIRONMENT	767.89	0.52%	511.05	0.54%	989.02	0.61%	1,018.69	0.61%	1,049.25	0.60%
34	MINISTRY OF SPORTS DEVELOPMENT	1,394.26	0.95%	562.59	0.60%	1,407.67	0.87%	1,449.90	0.87%	1,493.40	0.86%
35	MINISTRY OF LOCAL GOVERNMENT & CHIEFTAINCY AFFAIRS	181.66	0.12%	110.16	0.12%	208.07	0.13%	214.31	0.13%	220.74	0.13%
36	MINISTRY OF COMMUNITY DEVELOPMENT & COOPERATIVES	762.39	0.52%	533.98	0.57%	770.31	0.47%	793.42	0.48%	817.23	0.47%
	TOTAL	**147,163.62**	**100.00%**	**94,266.92**	**100.00%**	**162,458.13**	**100.00%**	**166,933.76**	**100.00%**	**173,536.31**	**100.00%**

Table 11 : Indicative Sector Expenditure Ceilings 2025 - 2027 – Overhead

S/No.		APPROVED BUDGET, 2024		ACTUAL AS AT 31ST OCTOBER, 2024		2025 APPROVED BUDGET		2026 PROPOSALS		2027 PROPOSALS	
		N' M	%	N' M	%	N' M	%	N' M	%	N' M	%
1	GOVERNOR	44,407.47	17.61%	34,239.21	19.36%	50,459.80	17.28%	69,763.18	19.66%	96,539.05	21.59%
2	STATE HOUSE OF ASSEMBLY	5,233.12	2.07%	1,734.38	0.98%	8,712.89	2.98%	12,046.00	3.39%	16,669.38	3.73%
3	MINISTRY OF INFORMATION & STRATEGY	867.96	0.34%	306.74	0.17%	2,172.33	0.74%	3,003.36	0.85%	4,156.08	0.93%
4	OFFICE OF THE HEAD OF SERVICE	533.94	0.21%	167.17	0.09%	918.61	0.31%	1,270.03	0.36%	1,757.48	0.39%
5	OFFICE OF THE AUDITOR-GENERAL	354.59	0.14%	133.65	0.08%	356.92	0.12%	493.46	0.14%	682.85	0.15%
6	SERVICE COMMISSION	124.66	0.05%	58.79	0.03%	240.37	0.08%	332.32	0.09%	459.87	0.10%
7	STATE INDEPENDENT ELECTORAL COMMISSION	2,089.45	0.83%	49.66	0.03%	92.36	0.03%	127.69	0.04%	176.70	0.04%
8	LOCAL GOVERNMENT SERVICE COMMISSION	109.94	0.04%	36.60	0.02%	176.78	0.06%	244.41	0.07%	338.21	0.08%
9	MINISTRY OF SPECIAL DUTIES & INTER-GOVERNMENTAL AFFAIRS	427.14	0.17%	144.18	0.08%	839.91	0.29%	1,161.22	0.33%	1,606.91	0.36%
10	SECRETARY TO THE STATE GOVERNMENT	280.25	0.11%	156.49	0.09%	255.75	0.09%	353.58	0.10%	489.29	0.11%
11	MINISTRY OF AGRICULTURE	1,245.51	0.49%	691.55	0.39%	12,808.95	4.39%	15,088.19	4.25%	20,879.21	4.67%
12	MINISTRY OF FORESTRY	223.37	0.09%	65.61	0.04%	577.33	0.20%	798.19	0.22%	1,104.54	0.25%
13	MINISTRY OF FINANCE	146,215.35	57.97%	121,447.89	68.66%	98,228.04	33.63%	99,626.78	28.08%	91,970.28	20.57%
14	MINISTRY OF INDUSTRY, TRADE AND INVESTMENT	1,691.78	0.67%	696.96	0.39%	5,252.78	1.80%	5,608.50	1.58%	7,761.10	1.74%
15	BUREAU OF JOB CREATION AND YOUTH EMPOWERMENT	11.41	0.00%	-	0.00%	12.00	0.00%	16.59	0.00%	22.96	0.01%
16	MINISTRY OF INFORMATION & COMMUNICATION TECHNOLOGY AND DIGITAL ECONOMY	99.71	0.04%	-	0.00%	20.00	0.01%	27.65	0.01%	38.26	0.01%
17	MINISTRY OF TRANSPORTATION	757.09	0.30%	182.91	0.10%	1,484.23	0.51%	2,017.46	0.57%	2,791.79	0.62%
18	MINISTRY OF ENERGY	50.00	0.02%	-	0.00%	100.26	0.03%	138.62	0.04%	191.82	0.04%
19	MINISTRY OF MINERAL RESOURCES	37.85	0.02%	-	0.00%	321.00	0.11%	443.80	0.13%	614.13	0.14%
20	MINISTRY OF WORKS AND INFRASTRUCTURE	2,884.03	1.14%	68.65	0.04%	14,144.97	4.84%	19,556.12	5.51%	27,061.97	6.05%
21	MINISTRY OF RURAL DEVELOPMENT	306.38	0.12%	127.67	0.07%	456.38	0.16%	630.97	0.18%	873.14	0.20%
22	MINISTRY OF CULTURE AND TOURISM	456.88	0.18%	144.67	0.08%	485.96	0.17%	671.86	0.19%	929.73	0.21%
23	MINISTRY OF BUDGET AND PLANNING	2,176.81	0.86%	678.38	0.38%	3,542.06	1.21%	4,159.51	1.17%	5,755.98	1.29%
24	MINISTRY OF HOUSING	2,309.26	0.92%	781.53	0.44%	5,001.70	1.71%	6,915.09	1.95%	9,569.18	2.14%
25	MINISTRY OF PHYSICAL PLANNING AND URBAN DEVELOPMENT	5,323.72	2.11%	3,219.55	1.82%	10,459.08	3.58%	14,393.85	4.06%	19,918.36	4.46%
26	JUDICIARY	2,227.12	0.88%	1,212.85	0.69%	3,313.07	1.13%	4,580.48	1.29%	6,338.52	1.42%
27	MINISTRY OF JUSTICE	1,271.19	0.50%	176.37	0.10%	1,433.73	0.49%	1,982.20	0.56%	2,742.99	0.61%
28	LAGOS-OGUN JOINT DEVELOPMENT COMMISSION	10.00	0.00%	-	0.00%	11.50	0.00%	15.90	0.00%	22.00	0.00%
29	MINISTRY OF YOUTHS	39.77	0.02%	-	0.00%	86.72	0.03%	119.90	0.03%	165.91	0.04%
30	MINISTRY OF WOMEN AFFAIRS AND SOCIAL DEVELOPMENT	1,880.69	0.75%	443.46	0.25%	2,205.18	0.75%	3,048.78	0.86%	4,218.93	0.94%
31	MINISTRY OF EDUCATION, SCIENCE & TECHNOLOGY	11,104.19	4.40%	5,164.85	2.92%	29,283.79	10.03%	32,801.82	9.24%	47,324.75	10.58%
32	MINISTRY OF HEALTH	6,219.81	2.47%	3,242.58	1.83%	23,931.03	8.19%	33,085.83	9.32%	45,784.53	10.24%
33	MINISTRY OF ENVIRONMENT	4,122.43	1.63%	967.81	0.55%	6,743.86	2.31%	9,323.72	2.63%	12,902.26	2.89%
34	MINISTRY OF SPORTS DEVELOPMENT	5,437.91	2.16%	336.61	0.19%	4,319.44	1.48%	5,971.83	1.68%	8,263.89	1.85%
35	MINISTRY OF LOCAL GOVERNMENT & CHIEFTAINCY AFFAIRS	1,320.77	0.52%	37.73	0.02%	1,769.46	0.61%	2,446.37	0.69%	3,385.31	0.76%
36	MINISTRY OF COMMUNITY DEVELOPMENT & COOPERATIVES	372.73	0.15%	157.41	0.09%	1,875.87	0.64%	2,593.48	0.73%	3,588.89	0.80%
	TOTAL	**252,224.27**	**100.00%**	**176,871.92**	**100.00%**	**292,094.12**	**100.00%**	**354,858.73**	**100.00%**	**447,096.29**	**100.00%**

Table 12 : Indicative Sector Expenditure Ceilings 2025 - 2027 –Capital

S/No.		APPROVED BUDGET, 2024		ACTUAL AS AT 31ST OCTOBER, 2024		2025 APPROVED BUDGET		2026 PROPOSALS		2027 PROPOSALS	
		N' M	%	N' M	%	N' M	%	N' M	%	N' M	%
1	GOVERNOR	24,992.78	8.23%	11,050.29	13.54%	39,984.89	6.66%	62,337.34	8.38%	63,700.90	7.63%
2	STATE HOUSE OF ASSEMBLY	7,398.61	2.44%	14.67	0.02%	10,479.52	1.75%	11,800.32	1.59%	11,876.89	1.42%
3	MINISTRY OF INFORMATION & STRATEGY	984.67	0.32%	78.54	0.10%	1,447.57	0.24%	1,639.44	0.22%	1,776.84	0.21%
4	OFFICE OF THE HEAD OF SERVICE	357.42	0.12%	17.05	0.02%	358.90	0.06%	575.08	0.08%	762.83	0.09%
5	OFFICE OF THE AUDITOR-GENERAL	217.59	0.07%	34.53	0.04%	274.41	0.05%	310.78	0.04%	336.83	0.04%
6	SERVICE COMMISSION	249.04	0.08%	5.54	0.01%	248.32	0.04%	281.24	0.04%	304.81	0.04%
7	STATE INDEPENDENT ELECTORAL COMMISSION	26.84	0.01%	5.22	0.01%	26.78	0.00%	30.33	0.00%	32.87	0.00%
8	LOCAL GOVERNMENT SERVICE COMMISSION	101.35	0.03%	2.26	0.00%	142.57	0.02%	161.47	0.02%	175.01	0.02%
9	MINISTRY OF SPECIAL DUTIES & INTER-GOVERNMENTAL AFFAIRS	1,419.80	0.47%	73.23	0.09%	2,696.53	0.45%	3,053.96	0.41%	3,309.91	0.40%
10	SECRETARY TO THE STATE GOVERNMENT	102.13	0.03%	4.14	0.01%	121.94	0.02%	138.10	0.02%	149.68	0.02%
11	MINISTRY OF AGRICULTURE	7,267.33	2.39%	2,186.66	2.68%	38,561.69	6.43%	22,168.02	2.98%	27,172.31	3.26%
12	MINISTRY OF FORESTRY	568.08	0.19%	157.44	0.19%	788.25	0.13%	892.74	0.12%	967.56	0.12%
13	MINISTRY OF FINANCE	2,125.27	0.70%	96.74	0.12%	2,877.45	0.48%	8,110.17	1.09%	7,244.01	0.87%
14	MINISTRY OF INDUSTRY, TRADE AND INVESTMENT	2,151.48	0.71%	157.55	0.19%	4,325.90	0.72%	4,999.29	0.67%	5,418.29	0.65%
15	BUREAU OF JOB CREATION AND YOUTH EMPOWERMENT	19.81	0.01%	-	0.00%	5.00	0.00%	5.66	0.00%	6.14	0.00%
16	MINISTRY OF INFORMATION & COMMUNICATION TECHNOLOGY AND DIGITAL ECONOMY	74.87	0.02%	-	0.00%	4.98	0.00%	5.64	0.00%	6.11	0.00%
17	MINISTRY OF TRANSPORTATION	3,274.32	1.08%	20.73	0.03%	11,421.02	1.90%	13,311.02	1.79%	14,531.60	1.74%
18	MINISTRY OF ENERGY	500.00	0.16%	-	0.00%	1,999.98	0.33%	2,265.07	0.30%	2,454.91	0.29%
19	MINISTRY OF MINERAL RESOURCES	99.53	0.03%	-	0.00%	395.46	0.07%	447.88	0.06%	485.41	0.06%
20	MINISTRY OF WORKS AND INFRASTRUCTURE	126,417.74	41.63%	49,560.41	60.74%	226,504.99	37.75%	286,561.45	38.53%	329,595.99	39.49%
21	MINISTRY OF RURAL DEVELOPMENT	10,750.76	3.54%	2,293.31	2.81%	24,451.99	4.08%	27,693.09	3.72%	30,014.08	3.60%
22	MINISTRY OF CULTURE AND TOURISM	760.06	0.25%	27.46	0.03%	620.95	0.10%	703.26	0.09%	762.20	0.09%
23	MINISTRY OF BUDGET AND PLANNING	8,096.79	2.67%	725.43	0.89%	3,654.57	0.61%	3,119.15	0.42%	3,380.57	0.41%
24	MINISTRY OF HOUSING	14,004.33	4.61%	3,838.62	4.70%	23,211.23	3.87%	31,362.86	4.22%	34,204.58	4.10%
25	MINISTRY OF PHYSICAL PLANNING AND URBAN DEVELOPMENT	4,399.94	1.45%	67.34	0.08%	8,827.51	1.47%	7,198.42	0.97%	7,801.72	0.93%
26	JUDICIARY	2,326.28	0.77%	176.00	0.22%	3,340.18	0.56%	3,789.05	0.51%	4,106.32	0.49%
27	MINISTRY OF JUSTICE	521.64	0.17%	20.38	0.02%	1,194.26	0.20%	1,352.55	0.18%	1,465.91	0.18%
28	LAGOS-OGUN JOINT DEVELOPMENT COMMISSION	28.08	0.01%	-	0.00%	28.08	0.00%	31.81	0.00%	34.47	0.00%
29	MINISTRY OF YOUTHS	85.07	0.03%	-	0.00%	207.80	0.03%	235.82	0.03%	256.01	0.03%
30	MINISTRY OF WOMEN AFFAIRS AND SOCIAL DEVELOPMENT	3,616.84	1.19%	1,385.19	1.70%	1,667.61	0.28%	3,821.63	0.51%	4,837.47	0.58%
31	MINISTRY OF EDUCATION, SCIENCE & TECHNOLOGY	38,462.76	12.67%	6,255.75	7.67%	84,063.19	14.01%	117,547.87	15.81%	134,469.50	16.11%
32	MINISTRY OF HEALTH	29,744.03	9.80%	705.31	0.86%	93,521.15	15.59%	113,611.21	15.28%	128,295.82	15.37%
33	MINISTRY OF ENVIRONMENT	2,369.98	0.78%	194.69	0.24%	5,699.49	0.95%	6,454.95	0.87%	6,995.95	0.84%
34	MINISTRY OF SPORTS DEVELOPMENT	9,660.31	3.18%	2,325.75	2.85%	4,869.38	0.81%	5,467.28	0.74%	5,345.72	0.64%
35	MINISTRY OF LOCAL GOVERNMENT & CHIEFTAINCY AFFAIRS	64.60	0.02%	5.76	0.01%	480.03	0.08%	543.66	0.07%	589.22	0.07%
36	MINISTRY OF COMMUNITY DEVELOPMENT & COOPERATIVES	399.99	0.13%	104.63	0.13%	1,486.21	0.25%	1,630.32	0.22%	1,766.96	0.21%
	TOTAL	**303,640.12**	**100.00%**	**81,590.64**	**100.00%**	**599,989.78**	**100.00%**	**743,657.93**	**100.00%**	**834,635.39**	**100.00%**

SECTORAL CLASSIFICATION

Table 13 : Indicative Sector Expenditure Ceilings 2025 - 2027 - Personnel

No.	Sector	2024 Budget	2024 Budget %	% 2025	2025 Allocation	% 2026	2026 Allocation	% 2027	2027 Allocation
1	EDUCATION	53,360,512,283.91	47.78%	50.51%	62,989,124,767.33	50.54%	64,679,624,591.30	50.54%	66,619,149,329.04
2	HEALTH	14,119,153,155.84	12.64%	13.97%	17,420,976,613.40	14.02%	17,943,605,911.80	14.02%	18,481,914,089.15
3	HOUSING & COMMUNITY DEVELOPMENT	4,971,052,758.97	4.45%	4.52%	5,639,230,563.39	4.46%	5,702,950,363.88	4.46%	5,874,038,874.79
4	AGRICULTURE & INDUSTRY	4,314,095,751.68	3.86%	3.98%	4,964,084,751.81	3.98%	5,088,617,294.36	3.97%	5,238,577,613.19
5	INFRASTRUCTURE	1,574,099,170.43	1.41%	1.66%	2,064,896,278.16	1.64%	2,097,286,618.82	1.64%	2,159,598,017.38
6	RECREATION, CULTURE & RELIGION	3,454,102,159.04	3.09%	3.12%	3,888,247,529.13	3.13%	4,004,894,955.00	3.13%	4,125,041,803.65
7	SOCIAL PROTECTION	923,805,511.59	0.83%	0.89%	1,113,601,893.09	0.89%	1,142,800,349.89	0.89%	1,172,812,960.38
8	GENERAL PUBLIC SERVICE (EXECUTIVE ORGAN)	7,813,360,563.08	7.00%	6.50%	8,106,721,261.20	6.52%	8,349,922,899.03	6.53%	8,600,420,586.00
9	GENERAL PUBLIC SERVICE (FINANCIAL & FISCAL AFFAIRS)	9,647,974,410.48	8.64%	4.94%	6,155,657,402.76	4.86%	6,224,143,974.04	4.86%	6,410,868,293.26
10	GENERAL PUBLIC SERVICE (GENERAL PERSONNEL SERVICES)	683,667,537.58	0.61%	0.70%	872,368,858.19	0.70%	898,539,923.94	0.70%	925,496,121.66
11	PUBLIC ORDER & SAFETY	1,101,942,828.35	0.99%	1.77%	2,201,541,639.36	1.77%	2,267,587,888.54	1.77%	2,335,615,525.19
12	ECONOMIC AFFAIRS	1,290,629,880.87	1.16%	1.33%	1,659,765,011.72	1.34%	1,709,137,962.07	1.34%	1,759,992,100.93
13	JUDICIARY	2,446,219,747.93	2.19%	3.01%	3,756,529,501.16	3.02%	3,869,225,386.20	3.02%	3,985,302,147.78
14	LEGISLATURE	1,488,008,856.44	1.33%	1.35%	1,688,928,141.32	1.36%	1,739,595,985.55	1.36%	1,791,783,865.12
15	STATEWIDE	4,479,670,426.93	4.01%	1.76%	2,191,974,304.41	1.76%	2,257,733,533.54	1.76%	2,325,465,539.55
	Total	**111,668,295,043.12**	**100.00%**	**100.00%**	**124,713,648,516.43**	**100.00%**	**127,975,667,637.96**	**100.00%**	**131,806,076,867.10**

Table 14 : Indicative Sector Expenditure Ceilings 2025 - 2027 - Overhead

No.	Sector	2024 Budget	2024 Budget %	% 2025	2025 Allocation	% 2026	2026 Allocation	% 2027	2027 Allocation
1	EDUCATION	11,330,365,912.69	4.49%	10.16%	29,677,080,422	9.40%	33,345,559,377	10.75%	48,077,186,855
2	HEALTH	5,996,616,632.18	2.38%	8.13%	23,761,073,810	9.26%	32,850,860,515	10.17%	45,459,380,696
3	HOUSING & COMMUNITY DEVELOPMENT	12,072,982,714.89	4.79%	8.15%	23,808,475,053	9.26%	32,850,044,178	10.17%	45,458,251,040
4	AGRICULTURE & INDUSTRY	2,026,704,054.87	0.80%	5.57%	16,262,794,718	5.60%	19,863,309,159	6.15%	27,487,064,838
5	INFRASTRUCTURE	4,004,348,200.27	1.59%	5.55%	16,205,119,703	6.31%	22,404,380,005	6.93%	31,003,426,515
6	RECREATION, CULTURE & RELIGION	10,899,376,522.36	4.32%	4.36%	12,748,576,271	4.97%	17,625,537,641	5.46%	24,390,412,093
7	SOCIAL PROTECTION	2,199,790,567.67	0.87%	1.04%	3,036,679,982	1.18%	4,198,360,365	1.30%	5,809,737,071
8	GENERAL PUBLIC SERVICE (EXECUTIVE ORGAN)	25,177,697,125.89	9.99%	8.63%	25,202,611,454	9.82%	34,843,857,652	10.78%	48,217,311,969
9	GENERAL PUBLIC SERVICE (FINANCIAL & FISCAL AFFAIRS)	25,084,808,699.15	9.95%	9.45%	27,596,721,364	10.54%	37,416,275,800	8.49%	37,977,052,387
10	GENERAL PUBLIC SERVICE (GENERAL PERSONNEL SERVICES)	766,940,107.88	0.30%	0.46%	1,339,618,600	0.52%	1,852,089,015	0.57%	2,562,941,070
11	PUBLIC ORDER & SAFETY	11,669,030,564.34	4.63%	3.52%	10,273,795,779	4.00%	14,204,031,131	4.40%	19,655,693,899
12	ECONOMIC AFFAIRS	1,335,096,615.96	0.53%	0.99%	2,901,539,380	0.65%	2,323,224,248	0.72%	3,214,903,167
13	JUDICIARY	2,227,123,778.55	0.88%	1.13%	3,313,069,620	1.29%	4,580,482,718	1.42%	6,338,522,169
14	LEGISLATURE	5,233,124,118.82	2.08%	2.98%	8,712,885,705	3.39%	12,045,995,702	3.73%	16,669,380,828
15	STATEWIDE	132,110,268,839.44	52.40%	29.87%	87,254,074,231	23.80%	84,454,727,192	18.96%	84,775,026,779
	Total	**252,134,274,454.96**	**100.00%**	**100.00%**	**292,094,116,091**	**100.00%**	**354,858,734,699**	**100.00%**	**447,096,291,375**

Table 15 : Indicative Sector Expenditure Ceilings 2025 - 2027 - Capital

No.	Sector	Average Actual	2024 Budget	2024 Budget %	2025 Allocation	% 2026	2026 Allocation	% 2027	2027 Allocation
1	EDUCATION	4.49%	38,937,761,218.49	12.82%	84,622,628,935.27	15.89%	118,181,457,605.60	16.19%	135,156,186,161.83
2	HEALTH	1.72%	30,188,943,199.41	9.94%	93,355,788,726.47	15.25%	113,423,932,042.96	15.35%	128,092,843,593.41
3	HOUSING & COMMUNITY DEVELOPMENT	8.46%	20,345,524,742.17	6.70%	38,125,991,734.47	6.11%	45,402,510,817.50	5.92%	49,420,900,225.25
4	AGRICULTURE & INDUSTRY	1.17%	9,173,592,967.18	3.02%	42,697,305,282.77	3.61%	26,851,814,997.92	3.86%	32,248,655,105.77
5	INFRASTRUCTURE	63.35%	142,647,423,775.01	46.98%	266,385,716,361.01	44.61%	331,737,166,270.40	45.36%	378,569,680,079.72
6	RECREATION, CULTURE & RELIGION	0.26%	12,383,482,831.79	4.08%	8,621,780,541.78	1.31%	9,717,516,546.44	1.19%	9,952,608,605.30
7	SOCIAL PROTECTION	0.04%	3,756,534,230.64	1.24%	2,266,378,938.28	0.61%	4,499,761,041.33	0.67%	5,572,438,872.06
8	GENERAL PUBLIC SERVICE (EXECUTIVE ORGAN)	3.02%	14,762,427,687.76	4.86%	10,354,120,012.97	1.39%	10,351,453,356.13	1.08%	9,032,038,558.22
9	GENERAL PUBLIC SERVICE (FINANCIAL & FISCAL AFFAIRS)	0.83%	10,660,269,805.61	3.51%	10,125,555,831.42	2.06%	15,299,168,757.67	1.68%	14,035,526,717.73
10	GENERAL PUBLIC SERVICE (GENERAL PERSONNEL SERVICES)	0.06%	707,682,574.67	0.23%	707,438,702.29	0.13%	969,809,342.58	0.14%	1,190,649,990.75
11	PUBLIC ORDER & SAFETY	1.66%	2,826,654,416.16	0.93%	13,973,443,243.64	2.71%	20,139,999,702.47	3.16%	26,377,533,743.40
12	ECONOMIC AFFAIRS	0.26%	552,956,234.23	0.18%	1,411,133,055.08	0.28%	2,065,519,877.95	0.28%	2,331,840,775.89
13	JUDICIARY	0.09%	2,326,277,131.69	0.77%	3,340,176,201.98	0.51%	3,789,054,859.24	0.49%	4,106,317,043.01
14	LEGISLATURE	0.31%	7,398,605,024.05	2.44%	10,479,524,694.18	1.59%	11,800,318,938.22	1.42%	11,876,887,667.14
15	STATEWIDE	14.30%	6,971,987,528.84	2.30%	13,522,795,958.09	3.96%	29,428,445,087.91	3.20%	26,671,281,913.02
	Total	**100.00%**	**303,640,123,367.71**	**100.00%**	**599,989,778,219.70**	**100.00%**	**743,657,929,244.31**	**100.00%**	**834,635,389,052.49**

Table 16 : Ogun State Global Sector Allocation

No.	Sector	Year 2025 N' M	%	Year 2026 N' M	%	Year 2027 N' M	%
1	EDUCATION	177,835	17%	216,752	17%	250,398	17%
2	HEALTH	134,538	13%	164,218	13%	192,034	13%
3	HOUSING & COMMUNITY DEVELOPMENT	67,696	6%	83,956	7%	100,753	7%
4	AGRICULTURE & INDUSTRY	63,924	6%	51,804	4%	64,974	4%
5	INFRASTRUCTURE	284,656	27%	356,239	28%	411,733	28%
6	RECREATION, CULTURE & RELIGION	25,274	2%	31,379	2%	38,514	3%
7	SOCIAL PROTECTION	39,836	4%	44,798	4%	50,321	3%
8	GENERAL PUBLIC SERVICE (EXECUTIVE ORGAN)	46,863	4%	56,745	4%	69,050	5%
9	GENERAL PUBLIC SERVICE (FINANCIAL & FISCAL AFFAIRS)	43,878	4%	58,940	5%	58,423	4%
10	GENERAL PUBLIC SERVICE (GENERAL PERSONNEL SERVICES)	2,919	0.3%	3,720	0.3%	4,679	0.3%
11	PUBLIC ORDER & SAFETY	26,449	3%	36,612	3%	48,369	3%
12	ECONOMIC AFFAIRS	5,972	1%	6,098	0%	7,307	1%
13	JUDICIARY	10,544	1%	12,368	1%	14,560	1%
14	LEGISLATURE	21,189	2%	25,681	2%	30,381	2%
15	STATEWIDE	102,969	10%	116,141	9%	113,772	8%
	TOTAL	**1,054,542**	**100%**	**1,265,450**	**100%**	**1,455,268**	**100%**

Table 17 : Ogun State ISEYA Sector Classification

No.	ISEYA CLASSIFICATION	Year 2025	%	Year 2026	%	Year 2027	%
		N' M		N' M		N ' M	
1	INFRASTRUCTURE (ICT, POWER, TRANSPORT, INDUSTRIALISATION)	290,628	28%	362,337	29%	419,039	29%
2	SOCIAL WELFARE & WELL BEING (HEALTH, HOUSING, ENVIRONMENT, PHYSICAL PLANNING, SPECIAL NEEDS)	242,069	23%	292,972	23%	343,108	24%
3	EDUCATION (EARLY CHILDHOOD, VOCATIONAL, TECHNICAL AND TERTIARY)	177,835	17%	216,752	17%	250,398	17%
4	YOUTH EMPOWERMENT, RELIGION AND CULTURE (SPORTS, ENTREPREUNERSHIP, CREATIVE ARTS AND ENTERTAINMENT)	25,274	2%	31,379	2%	38,514	3%
5	AGRICULTURE (FORESTRY, CROPS, PLANTATIONS, HUSBANDRY)	63,924	6%	51,804	4%	64,974	4%
6	ENABLERS (GENERAL PUBLIC SERVICE, PUBLIC ORDER & SAFETY)	254,812	24%	310,207	25%	339,234	23%
	TOTAL	**1,054,542**	**100%**	**1,265,450**	**100%**	**1,455,268**	**100%**

325. The global economy's recovery from the impacts of the Covid-19 pandemic, the Russia-Ukraine war, and the Israel-Hamas conflict has been slow and challenging. The recovery remains fragile and uneven, with many obstacles still to overcome. Given these constraints and limited resources, the government will continue to focus on allocative efficiency. Consequently, the 2024 budget will serve as the baseline for the 2025-2027 medium-term sectoral allocations.

326. Despite the above, the proposed allocations in this section will continue to be driven by the strategic allocation policy of the Government considering the following:

- 2021 – 2025 Ogun State Economic Development Plan & Strategy and Medium-Term National Development Plan;
- Ongoing projects;
- Projects that have revenue and employment generating capacity in line with the development drive of the present Administration; and
- Projects contained in the 2018 – 2030 SDP.

Personnel Expenditure

327. Personnel cost refers to the total amount of money allocated and expended by the government to compensate its employees for their services. It includes salaries, wages, allowances, benefits, and other forms of remuneration paid to civil servants, public officials, and other government workers. The budgeted value is on the increase due to the implementation of new national minimum wage, recruitment of staff e.g. absorption of the OgunTeach Interns, and allowances including leave allowance.

328. The payment of the minimum wage of N77,000 became necessary to boost purchasing power of consumers which had been affected seriously by inflation, improve standard of living of people and boost economic activities. Nevertheless, the State allocated annual expenditure of N124.86B, N128.13B and N131.97B over the medium term of 2025 - 2027.

Overhead Expenditure

329. The present economic realities suggest a cut of overhead cost to minimize wastages, yet Government operations cannot be sustained without attendant financial implications. Funds including Public Debt Service Charges have been allocated for the medium term; 2025 – N295.9B, 2026 – N360.5B and 2027 – N454.5B.

330. The government is dedicated to implementing cost-saving measures to reduce overhead expenditures. This will involve curbing non-essential spending and making strategic decisions to allocate resources based on their potential socioeconomic impact, with a particular emphasis on the revenue generation prospects of Ministries, Departments, and Agencies (MDAs).

Capital Expenditure

331. The government's overarching objective is to achieve poverty eradication, social wellbeing, and sustainable economic growth through a strategic allocation of resources, guided by the ISEYA framework's five pillars. This approach synergizes with the existing 14 functional and administrative sector classifications, focusing on infrastructure, urban renewal and development. To accomplish this, the government has committed a total capital investment of N2.176 trillion for the medium-term, allocated as N600.98 billion, N743.23 billion, and N832.37 billion for 2025, 2026, and 2027, respectively.

332. The State Government will continue to prioritise investment in critical sectors to stimulate economic growth, build a more resilient and sustainable economy to improve living standards and reduce poverty. Continued investment in these sectors will further drive the present administration's commitment through ISEYA Development Pillars to achieve the Sustainable Development Goals (SDGs) by 2030.

Inter- and Intra- Functional Allocation & Sector Heads

333. The Medium-Term Fiscal Framework (MTFF) is a holistic, top-down fiscal strategy that facilitates resource allocation, allowing the State to ascertain its aggregate resources over a three-year period, while considering medium-term fiscal policy objectives, fiscal targets, projections, and macroeconomic variables, thereby providing a systematic approach to resource allocation and fiscal stability.

334. The overall budget is disaggregated into functions based on the State's priorities hence the functional allocation of resources through the Medium-Term Budget Framework (MTBF).

335. The intra-functional allocation is to further disaggregate the resource allocation to each of the spending entities in line with sector priorities.

336. While the requests from MDAs are infinite, government resources are finite. Therefore, it is essential for MDAs to prioritize their requests in alignment with the Government's overarching policy. Each sector is required to produce a medium-term policy document outlining all its programs and projects (with cost implications) for the year, ranked by priority and in accordance with the Government's policy focus.

337. The Ministry of Budget & Planning (MB&P) gives envelopes to the sector which is then disaggregated by the Sector Committee through the conveyance of a general meeting wherein all MDAs that make up the sector are present, and chairman of the sector ensures a consensus is reached and MDAs are given a fair share of resource allocation.

338. The Sector Heads have the responsibility of ensuring that the Envelope allocated to the sector is effectively disaggregated to the respective MDAs under it and in line with government's goals.

3.G Considerations for the Annual Budget Process

339. In line with its commitment to the people of Ogun State, this Administration will continue to build on the existing Economic Development Strategy as the foundation for initiatives that provide effective, high-quality services. Driven by the vision of "building our future together" and fostering balanced development, the State Government will uphold its 'Five Development Pillar Agenda'—ISEYA, which focuses on Infrastructure, Social Welfare and Well-being, Education, Youth Empowerment, and Agriculture.

340. The Ogun State Economic Transformation Project (OGSTEP), funded by the World Bank, is a vital development initiative designed to drive socio-economic growth in the state. The project focuses on advancing agriculture by strengthening key agricultural value chains, improving the skills of industry participants, and investing in technical and vocational education to support the sector. Furthermore, OGSTEP aims to enhance the business environment, making it more efficient and appealing to private investment, thereby fostering economic growth and development.

341. To create a favourable and dynamic environment that supports rapid and sustainable growth, the government will continue to prioritize the implementation of the following key enablers in 2025, designed to accelerate progress and drive development throughout the state:

- Good Governance
- Enabling Business Environment
- Security
- ICT/Digital/TVET Transformation
- Transport, health and housing Infrastructure

342. Moving forward in the medium term in allocating envelopes to different Sectors and MDA; priority would be given to the following in the allocation process.

- Completion of ongoing projects;
- Projects with revenue potential;
- Projects that can enhance employment generation;
- Projects consistent with priorities articulated in the State Economic Development Plan & Strategy 2021 – 2025;
- Projects that align with the seven (7) thematic areas contained in the Medium-Term National Development Plan 2021-2025, namely:
    i. Economic Growth and Development;
    ii. Infrastructure;
    iii. Public Administration (Governance, Security, and International Relations);
    iv. Human Capital Development;
    v. Social Development;
    vi. Regional Development; &
    vii. Plan Implementation, Communication, Financing, Monitoring and Evaluation

4 Summary of Key Points and Recommendations

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

Development Priorities

344. The current Administration remains committed to its vision of boosting the state's economic growth by completing ongoing projects and initiating new ones. These efforts are aimed at enhancing investment opportunities, creating employment, improving citizens' well-being, and, most importantly, generating revenue for the State.

345. Recognizing the limited resources available in relation to the numerous needs outlined in the 2025-2027 medium-term document, the current Administration will adopt a more frugal and strategic approach to addressing the State's socioeconomic needs. Its development priorities will focus on education, infrastructure, agriculture, housing and healthcare.

346. In education, the government will allocate over 17% of its budget, with the Ogun State Economic Empowerment Project (OGSTEP) working to transform the state's technical colleges into model institutions.

347. In infrastructure, the state government aims to strengthen the construction of roads and bridges, including rural and township roads, while also completing the construction of the Gateway Agro-Cargo Airport and its aeropolis.

348. In agriculture, the state government is focused on boosting value addition and investment opportunities by establishing food processing and cottage industries, constructing feeder roads to facilitate the transportation of agricultural products to market, and revitalizing farm settlements with essential infrastructure and extension services.

349. The government is committed to developing both physical and human capital, recognizing that these are key to boosting investment and productivity in the State. To drive successful economic growth, the government will focus on key indicators such as infrastructural development, increasing Internally Generated Revenue, and attracting industrial investment along the Sagamu-Lagos expressway, all of which are identified as vital sectors.

350. The government will continue to prioritize transparency and accountability to maintain support from the World Bank Group and attract additional international development partners in sectors such as agriculture, vocational education, and information technology. This strategy aims to enhance, strengthen, and consolidate the Fiscal Sustainability Plan (FSP).

Roles of Government

351. Government spending is a vital tool for stimulating the economy, particularly during periods of economic shocks. These shocks arise when the market fails to effectively produce or utilize goods and services, causing economic instability. To address this, the government is expected to intervene with strategic spending to stimulate economic activity and promote growth.

352. The government will continue to shield the economy from external disruptions, such as market volatility, political instability, and global crises. This commitment was evident in its swift response to the pandemic, which included providing emergency relief, supporting healthcare workers, setting up isolation facilities, and offering tax incentives to businesses.

353. However, in sectors where the private sector has the capacity to deliver goods and services efficiently, the government will strategically reduce its direct involvement. Instead, it will focus on its core responsibilities and foster an environment that promotes private sector growth, innovation, and investment. This approach aims to build a stronger, more sustainable, and resilient economy that benefits all stakeholders.

354. The State's Public-Private Partnership (PPP) strategy aims to create opportunities for investors to achieve reasonable returns on investment while ensuring the people receive reliable and efficient services.

355. The government is currently engaging in numerous partnerships with the private sector. The Public-Private Partnership (PPP) initiative is an effective strategy for accelerating service delivery and stimulating economic growth in the State. The PPP program has been thoughtfully designed to attract Foreign Direct Investment and private capital into Ogun State, complementing the government's "Building Our Future Together Agenda" and supporting the achievement of prioritized medium-term goals.

356. As a result, the role of the Ogun State Government in public expenditure is as critical as developing a strategic policy plan to transform the economy. The State will continue to formulate economic policies and plans, ensuring strict adherence to implementation, monitoring, and evaluation. This approach will positively enhance the State's image over time and attract both local and foreign investments in due course.

357. To strengthen its revenue base and achieve fiscal sustainability, the government will focus on alternative financing sources in line with the principles of the Fiscal Sustainability Plan (FSP). This approach is designed to optimize public fund management, ensuring efficient resource use and minimizing the cost of governance. By adopting this framework, the government aims to fulfil its vision, agenda, and strategic pillars, while promoting fiscal discipline, transparency, and accountability in the management of public finances.

358. The objective is to strengthen the State's fiscal independence through the medium-term revenue strategy framework, ensuring that internally generated revenue (IGR) makes up more than half of the total recurrent revenue and is sufficient to cover all recurrent expenses, including personnel and overhead costs. In line with this commitment to fiscal discipline, the 2025 budget will focus on transparency and accountability, enhance the performance of public revenue relative to expenditure, and improve public financial and debt management.

359. The outcome of this approach is to establish a clean and conducive environment that will attract both local and foreign investments, leading to job creation, an improvement in the Ease of Doing Business (EoDB) and a gradual reduction in State Government ownership of enterprises in the State.

360. The State is deeply interconnected with national and international socio-economic, security, and trade policies, making it susceptible to various external factors. Nigeria's economy is undergoing a significant transformation, shifting from a primary-based economy reliant on agriculture and extractive industries like oil and gas, to one driven by manufacturing, secondary industries, and services in the tertiary sector. This transition is vital for the State's economic growth and development, as the volatility and global market dependence of the primary sector have presented substantial challenges. By diversifying its economy, the State can reduce its reliance on FAAC allocations, boost revenue generation, and create more job opportunities in the manufacturing and services sectors.

361. Aligned with the goals of the Medium-Term National Development Plan 2021-2025 (MTNDP), achieving self-sufficiency as a State depends on our unwavering commitment to developmental policies. To reach this objective, we must focus on attracting high-quality private sector investments and leveraging external funding opportunities to drive economic diversification, promote inclusive growth, and foster sustainable development. By embracing this comprehensive approach, we can unlock the full potential of the State, ensure long-term prosperity, and create a brighter future for our citizens.

OGUN STATE

NIGERIA