



Kebbi Secretariat Complex: A Triumph of  
Determination



Kebbi State Government

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# **ECONOMIC AND FISCAL UPDATE (EFU), FISCAL STRATEGY PAPER (FSP) AND BUDGET POLICY STATEMENT (BPS)**

To cover Period: 2026-2028

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## List of Abbreviations

AfDB	African Development Bank
AfDB	African Development Fund
AFS	Audited Financial Statement
BHCPF	Basic Healthcare Provision Fund
BIR	Board of Internal Revenue
BPPPI	Bureau of Public Procurement and Price Intelligence Agency
BRINCS	Brazil, Russia, India, Nigeria, China, South Africa
CBN	Central Bank of Nigeria
CIT	Companies Income Tax
CPIA	Country Policy and Institutional Assessment
CRF	Consolidated Revenue Fund
CSO	Civil Society Organisations
DFID	UK – Department for International Development
DMD	Debt Management Department
DMO	Debt Management Office (Federal)
EDSG	Edo State Government
EFU	Economic and Fiscal Update
EIA	US Energy Information Administration
EU	European Union
ExCo	Executive Council
FAAC	Federal Allocation Accounts Committee
FBO	Faith Based Organisations
FDA	French Development Agency
FGN	Federal Government of Nigeria
FIRS	Federal Inland Revenue Service
FRL	Fiscal Responsibility Law
FSP	Fiscal Strategy Paper
G11	A group of eleven countries - specifically Bangladesh, Egypt, Indonesia, Iran, Mexico, Nigeria, Pakistan, the Philippines, Turkey, South Korea, and Vietnam
G20	A group of 20 countries: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, United Kingdom, United States, and the European Union.
GDP	Gross Domestic Product
GOEs	Government Owned Entities
HoS	Head of Service
HRM	Human Resource Management
IDA	International Development Association
IFAD	International Fund for Agric. Development
IGR	Internally Generated Revenue
IMF	International Monetary Fund
IsDB	Islamic Development Bank
JTB	Joint Tax Board
KBGIS	Kebbi State Geographic Information System
KBIR	KEBBI State Board of Internal Revenue
KBPP	KEBBI State Bureau of Public Procurement
KBSG	KEBBI State Government

MBEP	Ministry of Budget and Economic Planning
MDAs	Ministries, Departments and Agencies
MEO	Macroeconomic Performance and Outlook
MINT	Mexico, Indonesia, Nigeria, and Turkey
MOF	Ministry of Finance
MOMR	Monthly Oil Market Report
MPC	Monetary Policy Committee
MTEF	Medium Term Expenditure Framework
MTFF	Medium Term Fiscal Framework
MTSS	Medium Term Sector Strategy
MYBF	Multi-Year Budgeting Framework
NBS	National Bureau of Statistics
NCS	National Customs Service
NGO	Non-Government Organisations
NHIS	National Health Insurance Scheme
NNPC	Nigerian National Petroleum Company
NPC	National Planning Commission
OAGF	Office of the Accountant General for the Federation
OAGS	Office of the Accountant General for the State
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OPEC	Organisation of Petroleum Exporting Countries
PFM	Public Financial Management
PIB	Petroleum Industry Bill
PITA	Personal Income Tax Act
PMS	Premium Motor Spirit (Petrol)
SFTAS	State Fiscal Transparency Accountability and Sustainability Project
SHOA	State House of Assembly
STEO	Short-Term Energy Outlook
UBE	Universal Basic Education
UNICEF	United Nations Children's Fund
VAT	Value Added Tax
WEO	World Economic Outlook
YOY	Year on Year



# 1 Introduction and Background

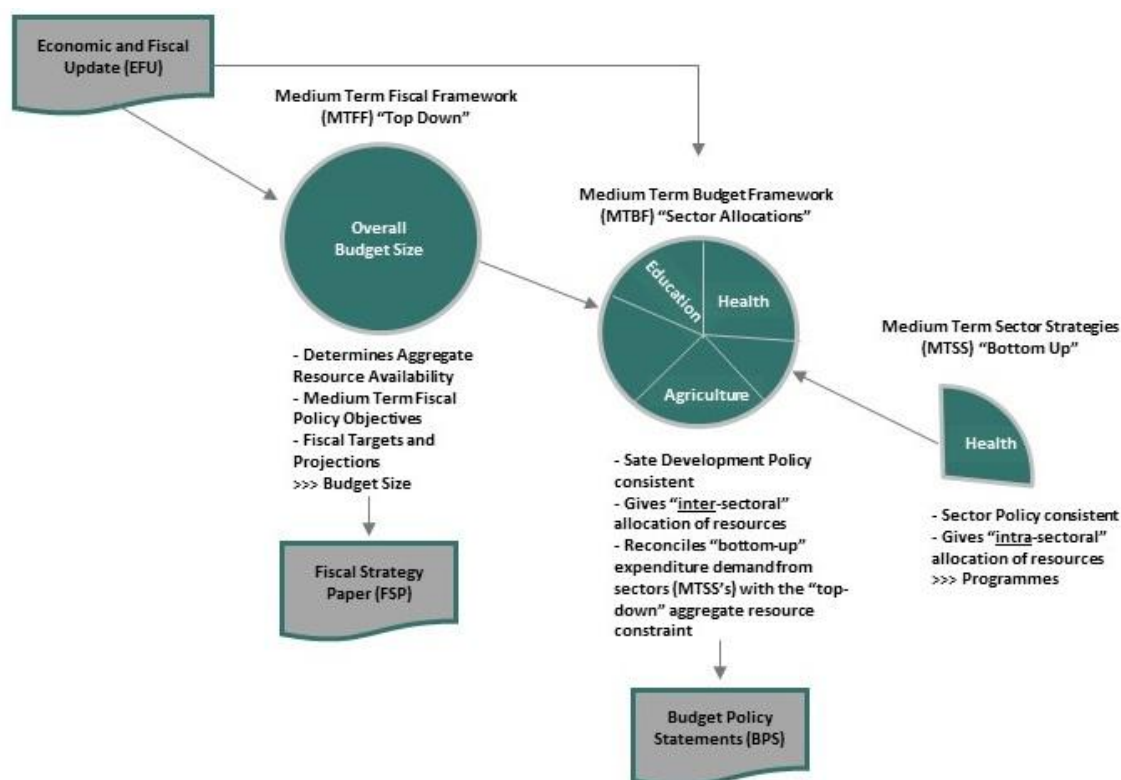
## 1.A Introduction

1. The Economic and Fiscal Update (EFU) provides economic and fiscal analyses that form the basis for the budget planning process. It is aimed primarily at policy makers and decision-makers in Kebbi State Government. The EFU also provides an assessment of budget performance (both historical and current) and identifies significant factors affecting implementation.
2. On the other hand, the Fiscal Strategy Paper (FSP) and Budget Policy Statement (BPS) are key elements in the Medium Term Expenditure Framework (MTEF) and annual budget process, and as such, they determine the resources available to fund Government projects and programmes from a fiscally sustainable perspective.
3. Kebbi State Government decided to adopt the preparation of the EFU-FSP-BPS for the first time in 2019 as part of the movement toward a comprehensive MTEF process. This is the seventh rolling iteration of the document and covers the period 2026-2028.

### 1.A.1 Budget Process

4. The budget process describes the budget cycle in a fiscal year. Its conception is informed by the MTEF process, which has three components, namely:
  - i. Medium Term Fiscal Framework (MTFF);
  - ii. Medium Term Budget Framework (MTBF);
  - iii. Medium Term Sector Strategies (MTSS).
5. It commences with the conception through preparation, execution, control, monitoring, and evaluation, and goes back again to conception for the ensuing year's budget.
6. The MTEF process is summarised in the diagram below:

**Figure 1: MTEF Process**



## 1.A.2 Summary of Document Content

7. In accordance with international best practice in budgeting, the production of a combined Economic and Fiscal Update (EFU), Fiscal Strategy Paper (FSP), and Budget Policy Statement (BPS) is the first step in the budget preparation cycle for Kebbi State Government (KBSG) for the period 2026-2028.
8. The purpose of this document is three-fold:
  - i. To provide a backwards-looking summary of key economic and fiscal trends that will affect the public expenditure in the future - Economic and Fiscal Update;
  - ii. To set out medium-term fiscal objectives and targets, including tax policy; revenue mobilisation; level of public expenditure; deficit financing and public debt - Fiscal Strategy Paper and MTFF; and
  - iii. Provide indicative sector envelopes for the period 2026-2028, which constitute the MTBF.
9. The EFU is presented in Section 2 of this document. The EFU provides economic and fiscal analysis to inform the budget planning process. It is aimed primarily at budget policy makers and decision-makers in the Kebbi State Government. The EFU also provides an assessment of budget performance (both historical and current) and identifies significant factors affecting implementation. It includes:
  - Overview of Global, National, and State Economic Performance;
  - Overview of the Petroleum Sector;
  - Trends in budget performance over the last six years.
10. The FSP is a key element in the KBSG Medium Term Expenditure Framework (MTEF) process and annual budget process. As such, it determines the resources available to fund the Government's growth and poverty reduction programme from a fiscally sustainable perspective.

## 1.A.3 Preparation and Audience

11. The purpose of this document is to provide an informed basis for the 2026 budget preparation cycle for all the key Stakeholders, specifically:
  - Kebbi State House of Assembly (SHoA);
  - Executive Council (ExCo);
  - Ministry of Economic Planning and Budget;
  - Ministry of Finance;
  - All Government Ministries, Departments, and Agencies (MDA's);
  - Civil Society Organisations (CSOs).
  - Private Sectors and Development Partners
12. The document is prepared within the first two quarters of the year prior to the annual budget preparation period. It is prepared by the Kebbi State Government MTEF Technical Working Group (TWG) using data collected from International, National and State organisations.

## 1.B Background

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

13. **Legislative Framework for PFM in Kebbi State** – The fundamental law governing public financial management in Nigeria and KEBBI State is the 1999 Constitution as amended. Sections 120 and 121 of the Constitution provide that all revenues accruing to KEBBI State Government shall be received into a Consolidated Revenue Fund (CRF) to be maintained by the Government, and no revenue shall be paid into any other fund, except as authorized by the State House of Assembly (SHoA) for a specific purpose. The withdrawal of funds from the CRF shall be authorized by the SHoA through the annual

budget or appropriation process. The Governor of KEBBI State shall prepare and lay expenditure proposals for the coming financial year before the SHoA, and the SHoA shall approve the expenditure proposal by passing an Appropriation Law. The Appropriation Law shall authorize the executive arm of government to withdraw and spend the amounts specified from the CRF<sup>1</sup>.

14. Apart from the Nigerian Constitution, KEBBI State has a set of laws and regulations that regulate its budget preparation and implementation. The laws are:

- KEBBI State Finance Management Law, 2017, with provisions for the control and management of the finances of KEBBI State.
- KEBBI State Government, Financial Instruction and Store Regulations, issued under the National Finance Management Law. The Financial Instruction and Store regulation provides guidelines for financial authorities, sub-accounting officer's cash book and monthly accounts, revenue-general, authorization of expenditure, expenditure-classification and control, payments procedure, adjustment, bank accounts and cheques, custody of public money, stamps, security books and documents, receipts and licence books, imprest, self-accounting ministries/extra-ministerial departments or units, accounting procedure and equipment, boards of survey, loss of and shortages in public funds, deposits, advances, salaries, internal audit functions, government vehicles, store-classification and general, general instructions: books and forms of accounts, supervision and custody of stores, receipts of stores, issues of stores, returned stores, handing over stores, acquisition of stores, government contracts, tenders boards and tenders, loss of stores and unserviceable stores, stores inspection, allocated stores, unallocated stores, court accounts, pensions procedure, and miscellaneous.
- The Kebbi State Fiscal Responsibility Law (FRL), 2017. The FRL was enacted in 2021 based on the Federal Fiscal Responsibility Act of 2007. The FRL Section 3 provides for the objectives and principles of responsible fiscal management and the creation of the implementation organ. Subsequently, section 14 Part III of the FRL provides for the preparation of the medium-term fiscal framework and its approval by the State House of Assembly. Significantly, the law outlines shows public expenditure may be carried out, the borrowing process, transparency and accountability in governance, and principles of sound financial management.
- KEBBI State Public Procurement Law 2020. The Public Procurement Law was enacted based on the Federal Public Procurement Act 2007 to set the administrative arrangement, standards, and procedures for procurement in KEBBI State.
- KEBBI State Audit Law, 2021.
- Kebbi State Development Plan, 2020-2025.
- Occasional treasury circulars issued by the Commissioner for Finance of KEBBI State for additional rules and guidelines to support accounting, internal audit, and stores procedures.

15. **Institutional Framework for PFM in Kebbi State** – The Constitution vests the executive powers of the State in the Governor. The Constitution provides that “the Governor shall cause to be prepared and laid before the House of Assembly at any time before the commencement of each financial year, estimates of the revenues and expenditure of the State for the next following financial year.”<sup>2</sup>. The Governor of KEBBI State exercises his executive powers either directly or through the Deputy Governor, the Commissioners, Special Advisers, Permanent Secretaries, and other officers in the public service of the State.

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<sup>1</sup> Sections 120 and 121 of Constitution of Federal Republic of Nigeria 1999 as amended.

<sup>2</sup> Section 121 (1) of Constitution of Federal Republic of Nigeria 1999 as amended.

16. Specifically, the Kebbi State Executive Council (EXCO) formulates the policies of the State Government, considers, and recommends the State's budget to the House of Assembly. On passage, the Governor signs the appropriation bill into law.
17. The State Ministry of Budget and Economic Planning oversees the preparation of the budget, both capital and recurrent. It is also in charge of planning (long and medium-term), setting the broad agenda for development, and statistics. The Ministry of Budget and Economic Planning is the main organ of the EXCO for the formulation and execution of fiscal policy. The Ministry also coordinates and manages the State's fiscal policies and all revenue and expenditure profiles of the government.
18. The Ministry of Finance is responsible for core treasury functions of revenue and expenditure management, accounting, and fund and cash management. One of the core departments in the Ministry of Finance is the Debt Management Department. The Debt Management Department manages KEBBI State public debt as well as liaising with the Debt Management Office at the Federal level. The Ministry of Finance has two important quasi-autonomous agencies, the Office of the Accountant General for the State (OAGS) and the Board of Internal Revenue (BIR).
19. Specific functions of the OAGS include to account for all receipts and payments of the State Government; supervise the accounts of the State Ministries, Departments and Agencies (MDAs); collate and prepare Statutory Financial Statements of the State Government and any other Statements of accounts required by the Commissioner for Finance; maintain and operate the accounts of the Consolidated Revenue Fund, development fund and other public funds and provide cash backing for the operations of the State Government; maintain and operate the State Government's accounts; conduct routine and in-depth inspection of the books of accounts of State ministries, departments and agencies to ensure compliance with rules, regulations, policy decisions and maintenance of account codes; and formulate and implement the accounting policy of the State Government.
20. The Kebbi State Internal Revenue Service is responsible for the generation of State government revenue. The Revenue Service formulates and executes Joint Tax Board (JTB) policies on taxation, stamp duties, and motor vehicle licensing.
21. Another important institutional framework in the circle of financial management in the State is the Bureau of Public Procurement. The Bureau plays a significant role in ensuring that all MDAs adhere to the best practices in procurement.
22. The State Government allows line agencies some autonomy in expenditure control. Line ministries and agencies propose their budgets based on the guidelines issued by the EXCO through the Ministry of Budget and Economic Planning. There are three main categories of expenditure: personnel costs, overhead costs, and capital expenditure. The payroll is centralized under the Office of the Accountant General of the State (OAGS). MDAs receive regular monthly disbursements for general items of overhead costs. They also receive, as the need arises, funds for other specific items of overhead expenditure. MDAs have the responsibility to execute their capital program, but capital funds are paid project by project by the OAGS.

### 1.B.2 Overview of Budget Calendar

23. Indicative Budget Calendar for Kebbi State Government is presented below:

**Table 1: Budget Calendar**

Stage	Date(s)	Responsibility
Preparation and Publication of EFU-FSP-BPS	May	MBEP and MoF
Presentation of EFU-FSP-BPS to the Governor and SHoA	June	MBEP
Pre-Budget Preparation Meeting	June	MBEP and MDAs
Preparation and Issuance of Budget Call Circular	July	MBEP
Preparation and Update of MTSSs by 5 Pilot Sectors	July	MDAs – Sector Planning Team
Preparation of MDAs Budget, Submissions, Bilateral Discussion, and Zonal Citizens Budget Engagements	August & September	MDAs
State-Level Townhall meetings	September	MBEP
Compilation of Draft Budget	September	MBEP
Presentation of Budget to the Governor and Exco	September	MBEP
Presentation of Draft Budget to the SHoA	October	Governor
Review and Approval of Budget by SHoA	December	SHoA
Signing Appropriation Bill	December	Governor

## 2 Economic and Fiscal Update

### 2.A Economic Overview

#### 2.A.1 Global Economy

24. The World Economic Outlook (WEO) updates released by the International Monetary Fund's (IMF) in July 2025<sup>3</sup> Signals a cautiously optimistic shift in global economic prospects and potential. Although with persistent trade tensions launched by the US and elevated policy uncertainty, global growth is now projected at 3.0 percent in 2025 and 3.1 percent in 2026, hence constituting a modest upward revision of 0.2 and 0.1 percentage points, respectively, from the April 2025 reference forecast. However, these figures remain 0.3 percentage points below the initial January 2025 projections and still fall short of the year 2000 – 2019 historical average of 3.7. The downcast outlook spans across income groups, with both aggregate and per capita GDP growth remaining below long-term trends. The IMF cautions that elevated trade tensions, particularly involving the United States, and geopolitical risks could further dampen confidence and investment, underscoring the need for predictable policy frameworks and structural reforms to restore resilience.
25. Growth in advanced economies is expected to reach 1.5 percent in 2025, buoyed by improved financial conditions and fiscal expansion in select jurisdictions. The United States is forecast to grow by 1.5 percent, a slight upward revision from earlier estimates, supported by front-loaded exports and easing tariff pressures. The euro area is projected to expand by 1.0 percent, aided by pharmaceutical exports and targeted stimulus. In emerging markets and developing economies, growth is expected to accelerate to 4.1 percent in 2025 and 4.3 percent in 2026, with notable upgrades for China (5.1 percent) and India (6.4 percent) following reduced tariff impacts and increased domestic spending. Global headline inflation is projected to decline to 4.2 percent in 2025 and 3.6 percent in 2026, broadly in line with earlier forecasts, though inflation remains above target in some advanced economies
26. Global trade growth is now expected to reach 2.6 percent in 2025, up from the previously forecast 1.7 percent, reflecting a surge in shipments ahead of anticipated tariff hikes and temporary easing of trade restrictions. However, trade growth is projected to slow to 1.9 percent in 2026 as higher levies take effect. Current account balances are expected to narrow gradually over the medium term, following a temporary widening in 2024 driven by increased goods trade and domestic imbalances. Creditor and debtor stock positions rose in 2024 but are projected to stabilize, although elevated gross external liabilities in some economies continue to pose risks of external stress.
27. The US dollar, which remains the world's trading base, appreciated sharply ahead of the November 2024 elections in the US, amid expectations of stronger growth and tighter monetary policy. However, since February 2025, the dollar has reversed its gains due to softer growth prospects and increased uncertainty globally and within the US administration's trade and foreign policy. While initial depreciation pressures affected emerging market currencies, including the BRICS nations, these have eased following improved sentiment and policy clarity.
28. In sub-Saharan Africa, growth is projected to moderate to 3.8 percent in 2025, before recovering to 4.2 percent in 2026. Nigeria's growth forecast has been revised downward by 0.2 percentage point for 2025 and 0.3 percentage point for 2026, primarily due to weaker oil prices. South Africa faces a similar downgrade of 0.5 percentage point for 2025 and 0.3 percentage point for 2026, reflecting sluggish momentum, policy uncertainty, and spillovers from global protectionism. South Sudan's outlook has deteriorated sharply, with a 31.5 percentage point downward revision for 2025 due to delays in oil production recovery.

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<sup>3</sup> World Economic Outlook Update - Global Economy: Tenuous Resilience amid Persistent Uncertainty

29. Under the reference forecast, Global headline inflation is projected to decline to 4.2 percent in 2025 and 3.6 percent in 2026, broadly in line with the April 2025 WEO reference forecast. Inflation is expected to return to target levels earlier in advanced economies, reaching 2.2 percent by 2026, while emerging market and developing economies (EMDEs) are forecast to see inflation fall to 4.6 percent over the same period. Compared to the January 2025 WEO Update, inflation projections have been revised slightly upward, particularly for advanced economies. The United States and United Kingdom stand out, with upward revisions of 1.0 and 0.7 percentage points, respectively, driven by persistent service sector inflation, core goods price increases, and regulated price adjustments. In contrast, inflation in the euro area remains unchanged. Among EMDEs, revisions are mixed: China's inflation remains subdued, while Russia and Ukraine have seen upward adjustments due to supply disruptions and geopolitical tensions.
30. Risks to the global outlook remain tilted to the downside, as reaffirmed in the July 2025 WEO Update. Escalating trade measures and persistent policy uncertainty, particularly following tariff announcements in early April, continue to pose significant threats to global GDP. Economies directly targeted by new tariffs, notably China and the United States, face the greatest near-term impact. While some countries may benefit from trade diversion and increased domestic value-added, as seen in Vietnam's 2018 experience, the IMF warns that fragmentation of global trade could lead to disrupted FDI flows, slower capital accumulation, and heightened macroeconomic instability. Over time, adverse effects may compound, depending on how quickly countries adapt through consumption shifts, trade rerouting, and productivity gains.
31. A reversal of global integration could trigger technological decoupling, resource misallocation, and financial stress, especially in economies with large external liabilities. The IMF also flags the risk of abrupt tightening in financial conditions if central bank independence is undermined or fiscal buffers erode. Rising prices are expected to have negative distributional effects, particularly in low-income countries. Tariffs on agricultural commodities may exacerbate food insecurity, while price increases on tradables disproportionately affect poor households. Welfare losses are likely to be concentrated among retirees and low-income groups, even when tariff revenues offset distortionary taxes. The surge in trade policy uncertainty—evidenced by a 16 percent increase in restrictive measures in Q1 2025—has already begun to weigh on investment and growth.
32. On the upside, more favorable outcomes are increasingly plausible. Core inflation could decline faster than expected due to lower energy prices, profit margin compression, and labor market softening. These developments would reduce the need for aggressive monetary tightening and support a soft landing for the global economy.
33. There is scope for positive surprises in domestic demand, as seen in early 2024. Many households still hold excess savings from the pandemic, which could sustain consumption momentum. In China, stronger-than-expected policy support—particularly through targeted household transfers—could bolster recovery and generate positive spillovers globally. However, such developments may also intensify inflationary pressures, requiring a more restrictive monetary stance.
34. Financial market risks remain elevated, as persistent inflation and divergent policy paths could lead central banks to keep interest rates higher for longer. This may trigger capital outflows and tighter financial conditions in emerging markets. The IMF warns that volatility could intensify if earnings disappoint or geopolitical tensions escalate. While the dollar has recently weakened, a sharp deterioration in global conditions could reverse that trend, with systemic implications.
35. Smaller economies with limited market access and high refinancing needs are vulnerable to external shocks, especially amid projected declines in oil and copper prices. A deeper correction—potentially induced by weaker-than-expected US growth—could reverberate through highly leveraged nonbank financial institutions and firms facing near-term refinancing pressure, amplifying systemic fragilities.
36. The economic outlook (GDP growth rate) of Sub-Saharan African Countries is shown in Table 2, however, the Countries selected are chosen to represent G20, BRICS, MINT, N-11, Petro-economies, and other large African countries.

**Annex Table 1.1.5. Sub-Saharan African Economies: Real GDP, Consumer Prices, Current Account Balance, and Unemployment**  
(Annual percent change, unless noted otherwise)

	Real GDP			Consumer Prices <sup>1</sup>			Current Account Balance <sup>2</sup>			Unemployment <sup>3</sup>		
	2024	Projections		2024	Projections		2024	Projections		2024	Projections	
		2025	2026		2025	2026		2025	2026		2025	2026
<b>Sub-Saharan Africa</b>	<b>4.0</b>	<b>3.8</b>	<b>4.2</b>	<b>18.3</b>	<b>13.3</b>	<b>12.9</b>	<b>-1.7</b>	<b>-2.5</b>	<b>-2.2</b>	...	...	...
<b>Oil Exporters<sup>4</sup></b>	<b>3.4</b>	<b>2.7</b>	<b>3.1</b>	<b>29.8</b>	<b>23.6</b>	<b>29.5</b>	<b>6.4</b>	<b>3.8</b>	<b>2.7</b>	...	...	...
Nigeria	3.4	3.0	2.7	33.2	26.5	37.0	9.1	6.9	5.2	...	...	...
Angola	4.5	2.4	2.1	28.2	22.0	16.4	5.4	2.1	1.4	...	...	...
Gabon	3.1	2.8	2.6	1.2	1.5	2.0	4.5	2.2	0.6	...	...	...
Chad	1.5	1.7	3.2	5.7	3.9	3.5	-1.3	-3.4	-2.8	...	...	...
Equatorial Guinea	1.9	-4.2	0.0	3.2	4.0	3.5	-2.4	-1.7	-2.4	...	...	...
<b>Middle-Income Countries<sup>5</sup></b>	<b>3.1</b>	<b>3.4</b>	<b>3.6</b>	<b>6.4</b>	<b>5.4</b>	<b>4.8</b>	<b>-2.4</b>	<b>-2.5</b>	<b>-2.3</b>	...	...	...
South Africa	0.6	1.0	1.3	4.4	3.8	4.5	-0.6	-1.2	-1.4	32.8	32.8	32.7
Kenya	4.5	4.8	4.9	4.5	4.1	4.9	-3.7	-3.9	-4.2	...	...	...
Ghana	5.7	4.0	4.8	22.9	17.2	9.4	1.6	1.6	1.3	...	...	...
Côte d'Ivoire	6.0	6.3	6.4	3.5	3.0	2.2	-4.2	-3.6	-2.1	...	...	...
Cameroon	3.6	3.6	4.0	4.5	3.4	3.0	-3.3	-2.8	-3.9	...	...	...
Senegal	6.7	8.4	4.1	0.8	2.0	2.0	-12.1	-8.2	-6.2	...	...	...
Zambia	4.0	6.2	6.8	15.0	14.2	9.2	-1.7	0.5	2.6	...	...	...
<b>Low-Income Countries<sup>6</sup></b>	<b>6.0</b>	<b>5.7</b>	<b>6.3</b>	<b>23.3</b>	<b>13.3</b>	<b>7.2</b>	<b>-6.0</b>	<b>-6.5</b>	<b>-5.0</b>	...	...	...
Ethiopia	8.1	6.6	7.1	21.7	21.5	12.2	-4.2	-4.8	-3.2	...	...	...
Tanzania	5.4	6.0	6.3	3.2	4.0	4.0	-3.1	-3.0	-2.9	...	...	...
Democratic Republic of the Congo	6.5	4.7	5.2	17.7	8.9	7.2	-4.1	-2.9	-2.5	...	...	...
Uganda	6.3	6.1	7.6	3.3	4.2	4.7	-7.3	-6.4	-4.2	...	...	...
Mali	4.4	4.9	5.1	3.2	3.0	2.0	-6.1	-5.1	-1.6	...	...	...
Burkina Faso	4.4	4.3	4.5	4.2	3.0	2.5	-6.4	-2.1	-2.0	...	...	...

Source: IMF staff estimates.

**Table 2 Real GDP Growth – Sub-Saharan African Economies**

Source: IMF World Economic Outlook, April 2025

## 2.A.1 Africa

37. The sub-Saharan Africa economic outlook is gradually strengthening, with real GDP growth expected to rise from 3.4% in 2024 to 4.0% in 2026, according to the AfDB's 2025 projections. Two-thirds of countries in the region are forecast to experience accelerated growth, driven by improvements in macroeconomic stability, strategic investments in infrastructure, and stronger regional integration efforts.
38. Within the subregions, the West African Economic and Monetary Union (WAEMU) is set to maintain robust momentum, with economic activity projected to expand by 5.9% in 2024 and 6.2% in 2025, showcased by strong performances in Benin, Côte d'Ivoire, Niger, and Senegal. In Nigeria, growth is forecast at 3.6% in 2025–2026, supported by ongoing fiscal and macroeconomic reforms. These reforms are facilitating gradual recovery, especially in the non-oil sectors, while the oil industry



stabilizes amid moderate price adjustments and improving production levels, as well as the ongoing oil-sector reforms championed by the new board of the NNPC.

39. Africa's inflation has witnessed a decline markedly, while public debt ratios have shown signs of stabilization. Several countries have successfully issued Eurobonds in 2024, indicating renewed investor confidence. Nonetheless, a funding squeeze persists, as governments contend with constrained access to affordable finance, elevated borrowing costs, and looming debt servicing obligations. The African outlook remains vulnerable to external risks which are ranging from the disruption in global trade and foreign aid policies to escalating geopolitical tensions and climate-related disruptions.
40. To strengthen resilience and unlock sustainable growth, the African Development Bank recommends three key policy directions for sub-Saharan Africa: Enhancing public finance systems through targeted tax reforms and transparency; Aligning monetary policy to maintain price stability and combat inflation; And diversifying both sources of finance and economic structures to reduce overdependence on volatile sectors. Given persistent challenges from global financial pressures to climate and geopolitical risks, the AfDB underscores the need for coordinated international support to help African nations build a more inclusive, green, and equitable future.
41. The Real growth in Central Africa is projected to moderate to 3.2% in 2025, down from earlier estimates, reflecting weaker diversification and challenges in managing resource wealth. However, Chad and the Democratic Republic of Congo (DRC) remain bright spots, with Chad benefiting from non-oil sector expansion and DRC from sustained private consumption. The region's medium-term prospects hinge on structural reforms and improved governance.
42. In 2025, 21 African currencies are expected to depreciate against the US dollar, driven by geopolitical tensions, declining export earnings, and tightened global financial conditions. Countries like Nigeria, Egypt, Ethiopia, and Ghana are forecast to experience depreciation of 6% or more, while Kenya, Morocco, and CFA franc zone members may see appreciations exceeding 3%.
43. African countries continue to grapple with elevated debt levels, rising debt service costs, and limited fiscal space. The lingering effects of COVID-19, climate shocks, and geopolitical instability, including the Russia-Ukraine war and Israel-Gaza conflict, have compounded fiscal vulnerabilities. In 2024, Africa's average fiscal deficit widened to 4.6% of GDP, with only a modest narrowing to 4.1% projected for 2025-2026.
44. The continent's outlook remains clouded by persistent inflation, volatile commodity prices, and climate-related disruptions. Domestic debt service costs are rising, and policy reversals in newly transitioned governments pose additional risks. External financial flows remain fragile, with foreign direct investment and aid declining, while portfolio investments offer limited relief.
45. Africa's economic outlook remains vulnerable to multiple downside risks, including the ongoing Russia-Ukraine conflict, the Israel-Gaza war, Iran-Israel tension, and broader geopolitical instability, alongside trade protectionism, climate shocks, and persistently high interest rates that exacerbate debt distress, especially for commodity-importing nations. Yet, opportunities for upside growth abound. Key drivers include full implementation of the African Continental Free Trade Area (AfCFTA) to boost regional trade; digitalization and e-governance initiatives to enhance transparency and curb illicit financial flows; structural reforms aimed at strengthening tax administration and mobilizing domestic resources; and harnessing private sector financing for climate-resilient, pandemic-proof infrastructure projects. The path to sustainable development also calls for decisive action to reduce structural budget deficits and slow the accumulation of public debt in high-risk economies.
46. Tourism-dependent economies across Africa are projected to experience a slowdown, with growth declining from an estimated 6% in 2023 to 3.8% by 2025, signalling the waning base effect and weaker demand from major tourist source markets such as China, Europe, and the United States. In contrast, non-resource-intensive economies, typically those with more diversified economic structures like Kenya and Uganda, are poised to sustain momentum, with average growth accelerating to 5.7% in 2025. These countries have shown strong recovery post-COVID, fueled by rising investment levels,

which highlights the critical role of economic diversification in shielding African economies from external shocks and sustaining long-term resilience.

47. Finally, the effective rollout of the African Continental Free Trade Area (AfCFTA) between 2025 and 2027 is pivotal for enhancing regional trade, macroeconomic stability, and fiscal sustainability. Full implementation could generate \$560 billion in additional exports and lift continental income by \$450 billion by 2035.

## 2.A.2 Nigerian Economy<sup>4</sup>

48. Nigeria's economy remains highly sensitive to global developments. The lingering effects of the Russia–Ukraine conflict and the Israel–Gaza war have disrupted commodity markets and global trade flows, amplifying volatility in monetary policy and capital movements. These shocks have had distributional and fiscal implications for Nigeria, particularly due to its historical reliance on crude oil exports. The IMF's July 2025 WEO highlights the need for structural reforms across Sub-Saharan Africa to mitigate such vulnerabilities
49. Nigeria's oil sector has long been susceptible to external and internal shocks, with persistent underperformance relative to its OPEC production quota of 1.5 million barrels per day (mbpd). Operational inefficiencies, insecurity, and widespread crude oil theft have hampered output, reinforcing the economy's vulnerability to global oil market swings and revenue shortfalls. However, recent developments suggest a more optimistic trajectory for 2025. According to the NNPC 2025 report, improved surveillance measures, pipeline infrastructure upgrades, and stronger regulatory oversight have begun to yield results. The country's average production is expected to reach 1.75 mbpd, a marked recovery from the 1.30 mbpd recorded in 2023. This improvement is supported by the gradual implementation of the Petroleum Industry Act (PIA) and new upstream investment commitments, signaling a potential turning point for Nigeria's oil-dependent fiscal outlook
50. Nigeria's exchange rate and monetary policy in 2025 reflect a nuanced balancing act between domestic stabilization and global pressures, with the Central Bank of Nigeria (CBN) maintaining a tight stance by holding the Monetary Policy Rate at 27.5% amid persistent inflationary pressures and investor concerns. The naira has shown relative stability, hovering around ₦1,532–₦1,535 per USD in the parallel market, while official projections suggest a possible appreciation to ₦1,450 by year-end—driven by rising oil output, improved capital inflows, and a stronger non-oil export base. Gross external reserves reached \$40.1 billion, providing a robust 9.5 months of import cover and buffering external shocks. Convergence between official and parallel market rates has narrowed, supported by reforms such as the Electronic FX Matching System (B-Match) and the Nigeria FX Code. On the monetary front, the CBN retained key parameters, including a 50% Cash Reserve Ratio and a 30% Liquidity Ratio—while inflation moderated to 22.22% in June 2025, though month-on-month spikes remain driven by food and services. A wait-and-see posture dominates policy circles, as prior tightening measures continue to filter through the economy, with external factors such as geopolitical instability and oil price volatility still shaping Nigeria's macroeconomic landscape.
51. Nigeria's GDP performance in 2025 is marked by cautious optimism, with the Central Bank of Nigeria projecting a 4.17% growth, supported by stable oil prices, improved domestic production, and ongoing structural reforms. The IMF's outlook is slightly more conservative at 3.4%, citing resilience in non-oil sectors and macroeconomic adjustments, while the African Development Bank forecasts 3.2%, pointing to the need for enhanced revenue mobilization and better capital deployment. According to Q1 2025 data from the National Bureau of Statistics, Nigeria recorded real GDP growth of 3.13%, driven

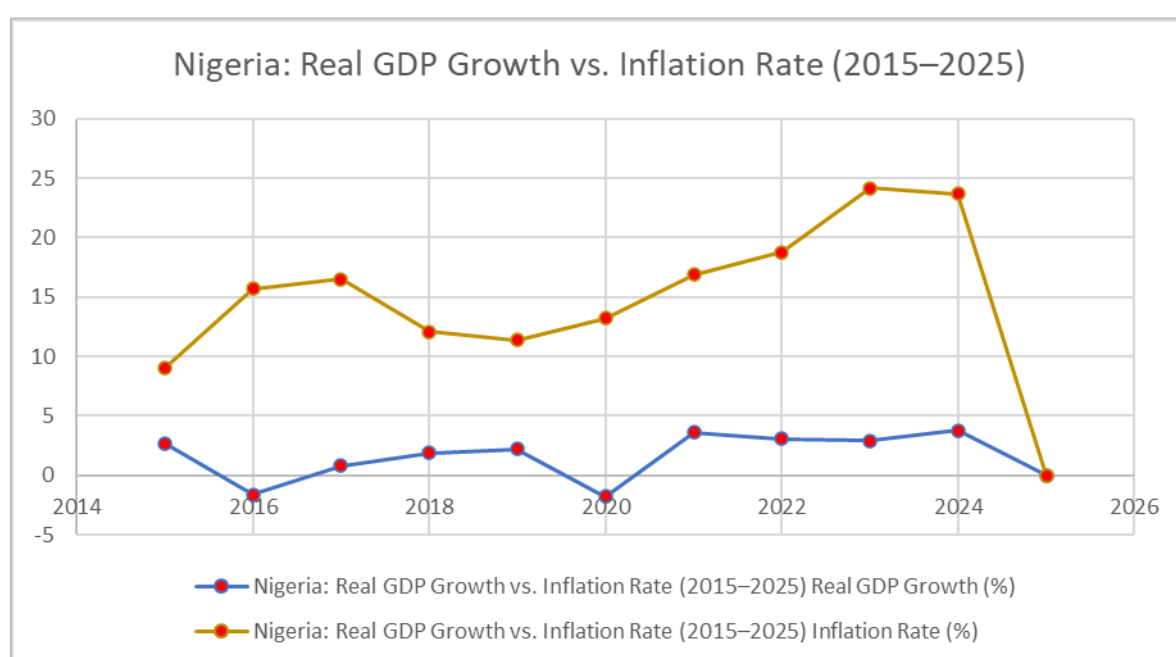
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<sup>4</sup> Sources: IMF WEO, April 2025, Africa Economic Outlook, 2025 NBS Reports, CBN Reports, NNPC Reports and OPEC Reports.

largely by the services sector which now accounts for over 57% of total output, led by telecommunications, finance, and trade. Although the momentum reflects a recovery from earlier shocks, risks tied to global market volatility, domestic insecurity, and reform implementation continue to shape the medium-term outlook.

52. In 2025, Nigeria's inflation dynamics show signs of easing but remain a major concern, with headline inflation declining to 22.22% by June from a high of 34.80% in December 2024, partly due to the recent rebasing of the Consumer Price Index by the National Bureau of Statistics. The IMF projects inflation to average 23.7% this year, with further moderation expected in 2026 if reforms are sustained. Meanwhile, the CBN has tightened monetary policy to contain inflationary pressures, raising rates and maintaining strong reserve levels. Food inflation continues to drive overall price trends, exacerbated by logistics challenges, exchange rate volatility, and production bottlenecks. While current figures suggest a downward trajectory, underlying pressures remain, with global commodity prices and domestic supply chain vulnerabilities posing risks to sustained price stability.

**Figure 2: National Real GDP Growth and Inflation (2014 – 2025)**



Source: Nigeria Bureau of Statistic and CBN Economic Reports.

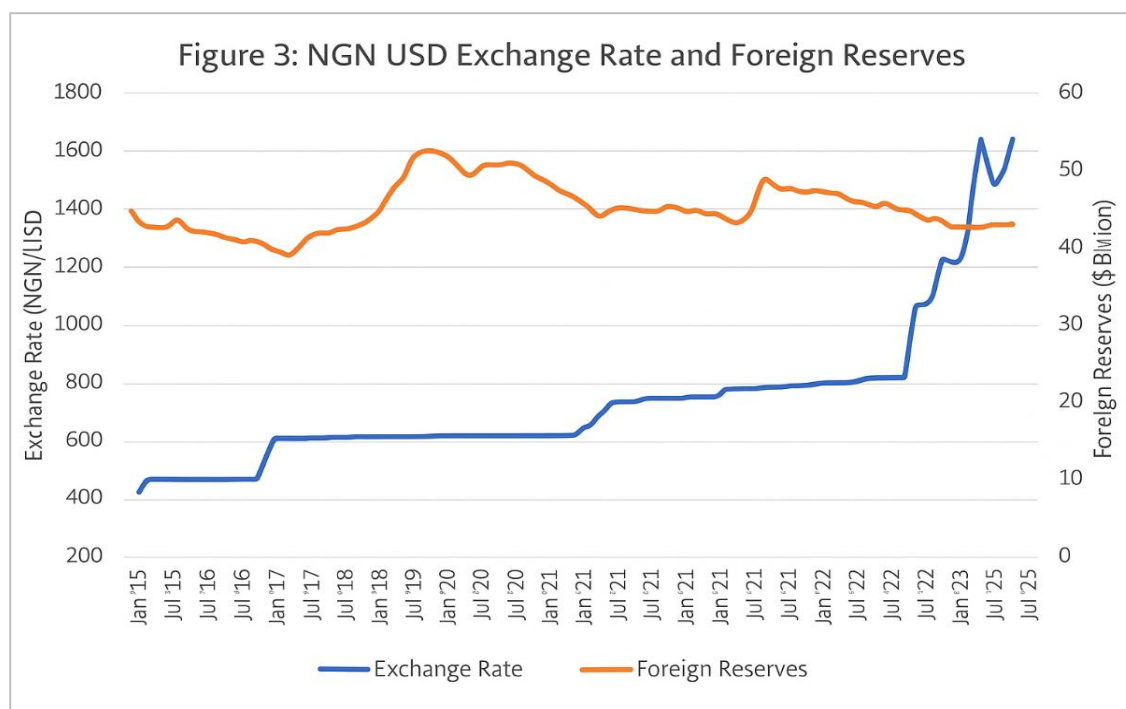
In 2025, Nigeria's labour-intensive sectors and non-oil sector contributing to GDP such as Construction, Agriculture, Trade, and Manufacturing, are expected to continue driving productivity gains, supported by targeted fiscal reforms and infrastructure investments. The unemployment rate is projected to stabilize around 4.84% in 2025, down from 5.0% in 2024, reflecting improved job creation and economic activity. With a population growth rate estimated at 3.2%, the sustained expansion in these sectors is anticipated to enhance real per capita income, especially as labour productivity improves and informal employment transitions into more structured roles. Subsequently, for 2026, the IMF forecasts a real GDP growth rate of 3.2%, signalling continued momentum. However, structural reforms particularly in education, energy, and trade facilitation, will be critical to sustaining employment gains and mitigating underemployment.

53. The foreign exchange market in Nigeria underwent significant transformation following the June 2023 unification of FX windows by the Central Bank of Nigeria (CBN). This policy shift led to sharp depreciation of the Naira, with the exchange rate rising from N899.4/\$1 in December 2023 to N1,356.9/\$1 in January 2024, peaking above N1,600/\$1 in February, before settling at N1,482.5/\$1 by May 2024. In 2025, the Naira continues to face volatility, with forecasts suggesting an average rate of

N1,551/\$1 by December 2025, driven by persistent FX demand pressures, limited export diversification, and subdued capital inflows. Projections for 2026 indicate a modest recovery, with the exchange rate expected to hover around N1,570/\$1 in January, before easing to N1,523/\$1 by March, assuming improved oil receipts and external reserves stabilization.

54. Nigeria's foreign reserves, which had been on a downward trend since mid-2019, showed significant recovery in 2025, after picking up from \$32.69 billion in May 2024 to rebound at \$39.4 billion by mid-February 2025, and further climbed to \$40.11 billion by July 2025. This resurgence is attributed to startling reforms and national government efforts around the improvements in oil production, which reached 1.54 million barrels per day as of January 2025 and averages around 1.56mbpd at year-to-date; Increased capital inflows and rising non-oil exports is also a contributor, as well as the reduced imports, easing pressure on foreign exchange demand and enhancing the balance of payments outlook.
55. The strengthened foreign reserve position equivalent to 9.5 months of import cover has expanded the Central Bank of Nigeria's (CBN) policy space, allowing for more flexibility in managing monetary aggregates and stabilizing the exchange rate. However, external debt servicing and foreign exchange interventions remain key risks to reserve sustainability. Looking ahead to 2026, projections suggest reserves may fluctuate between \$37.65 billion and \$40 billion, depending on oil market dynamics, debt obligations, and investor sentiment.
56. The Naira and US Dollar exchange rate, a critical parameter for crude oil revenue and macroeconomic planning, has experienced significant volatility. Following the FX unification in June 2023, the Naira depreciated sharply, peaking above ₦1,600/\$1 in early 2024 before stabilizing around ₦1,482.5/\$1 by May 2024. In 2025, the exchange rate has hovered between ₦1,526/\$1 and ₦1,551/\$1, with forecasts indicating a gradual appreciation to ₦1,523/\$1 by February 2026, and further to ₦1,477/\$1 by March 2026, assuming the FX market reforms and improved external reserves are continued and sustained.
57. The NGN:USD exchange rate, which is a key crude oil revenue parameter, for the period January 2015 to May 2025, is shown in Figure 3 below.

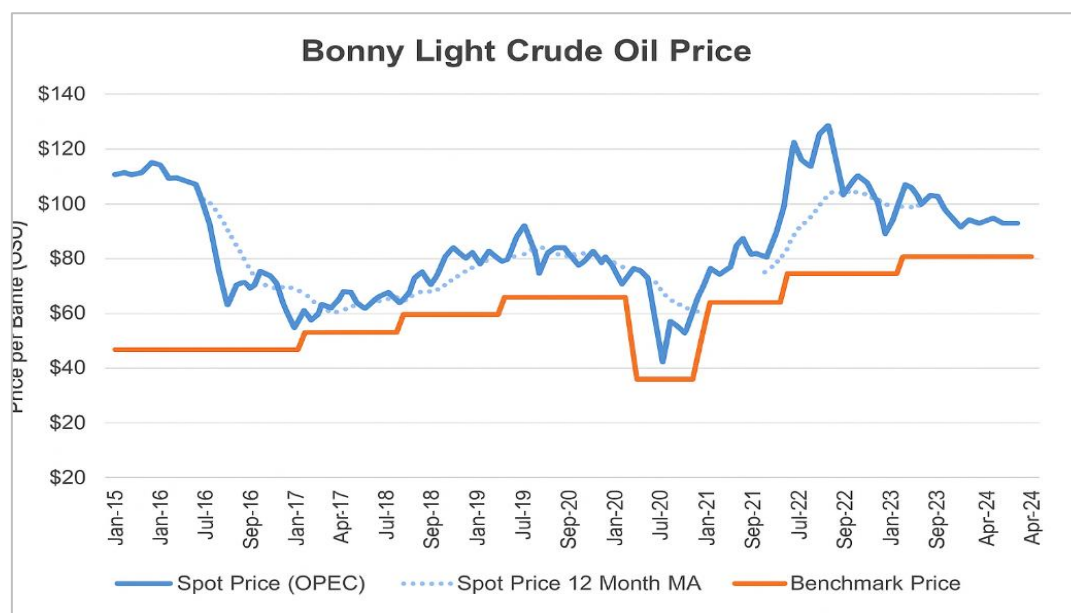
**Figure 3 NGN: USD Exchange Rate and Foreign Reserves**



Source: Central Bank of Nigeria

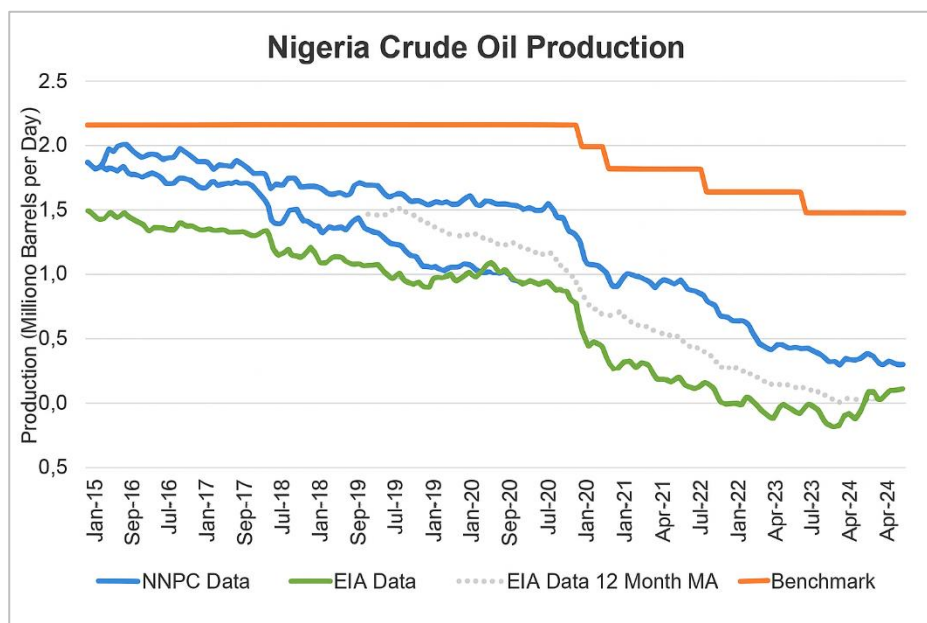
58. **Crude oil price:** Crude Oil (Bonny Light) Price (spot price and benchmark for the period of January 2014 to July 2023 are presented in Figure 4 Below.

**Figure 4 Crude Oil Price**



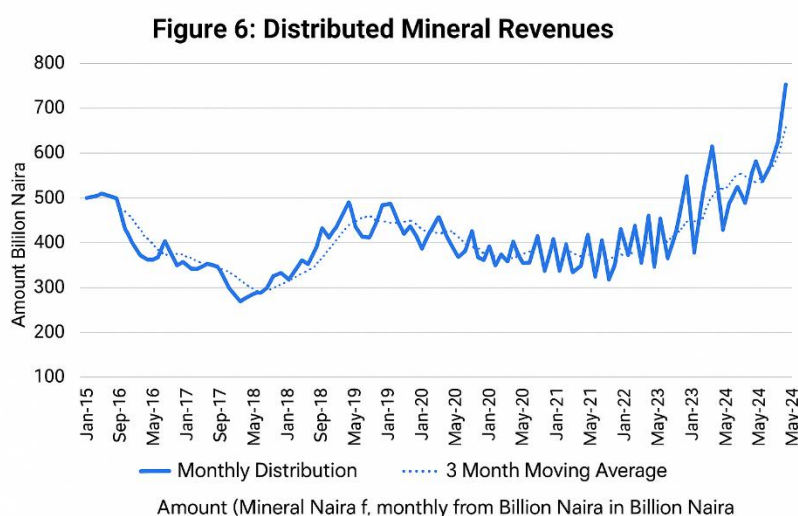
59. In its January 2025 Short-Term Energy Outlook (STEO), the US Energy Information Administration (EIA) forecasted that Brent crude oil prices will average \$82 per barrel in 2024 and \$79 per barrel in 2025. Applying the historical premium for Bonny Light, this translates to \$84.80 in 2024 and \$81.55 in 2025. However, recent market volatility, driven by geopolitical tensions and supply shifts, suggests that actual prices may fluctuate between \$70 and \$90 per barrel, with Bonny Light peaking at \$80.14 in January 2025 and dipping to \$64.55 in May 2025.
60. The IMF's April 2024 World Economic Outlook (WEO) maintained a cautious stance, projecting a basket price of \$70.10 in 2024 and \$66.00 in 2025, which implies Bonny Light prices of approximately \$72.00 and \$68.00, respectively. These figures reflect subdued global demand and anticipated inventory builds, especially in H2 2025
61. Crude oil production continues to underperform relative to the longer-term benchmark of 2.0 million barrels per day (MBPD). According to the Nigerian Upstream Petroleum Regulatory Commission (NUPRC), Nigeria averaged 1.45 MBPD (excluding condensates) in May 2025, down from 1.485 MBPD in April. The FGN's assumption of 2.06 MBPD for the 2025 budget appears overly optimistic, with actual output ranging between 1.60 and 1.82 MBPD in H1 2025. This shortfall places pressure on budget funding and reinforces the view that the production target is more aspirational than balanced.
62. Crude Oil Production (including condensates) for the period January 2015 to May 2024, along with the benchmark is presented in Figure 5 below.

Figure 5 Crude Oil Production



63. Customs, A total of ₦736.47 billion was earned as mineral revenue in February 2024, the highest monthly figure recorded that year. In April 2024, ₦648.58 billion was generated and disbursed in May 2024 to the federal, state, and local governments as part of the statutory allocation. This marked a significant increase from the ₦494.784 billion distributed in April 2024 for March revenue. Overall, mineral revenue disbursements in 2024 surged to ₦15.26 trillion, reflecting a 43% rise from 2023, driven by fiscal reforms such as fuel subsidy removal and FX adjustments
64. In 2025, mineral revenue continued its upward trend. A total of ₦1.703 trillion was disbursed in January, including ₦125.284 billion in 13% derivation revenue to oil-producing states. By May 2025, ₦1.659 trillion was shared, with ₦124.076 billion allocated as derivation revenue. June 2025 saw the highest disbursement so far, reaching ₦1.818 trillion, with ₦120.759 billion distributed to oil-producing states. Monthly distributed Mineral Revenues (Statutory Allocation (SA) and Net Derivation (ND)) to the three tiers of government from January 2015 to May 2023 inclusive are shown in Figure 6 Below.

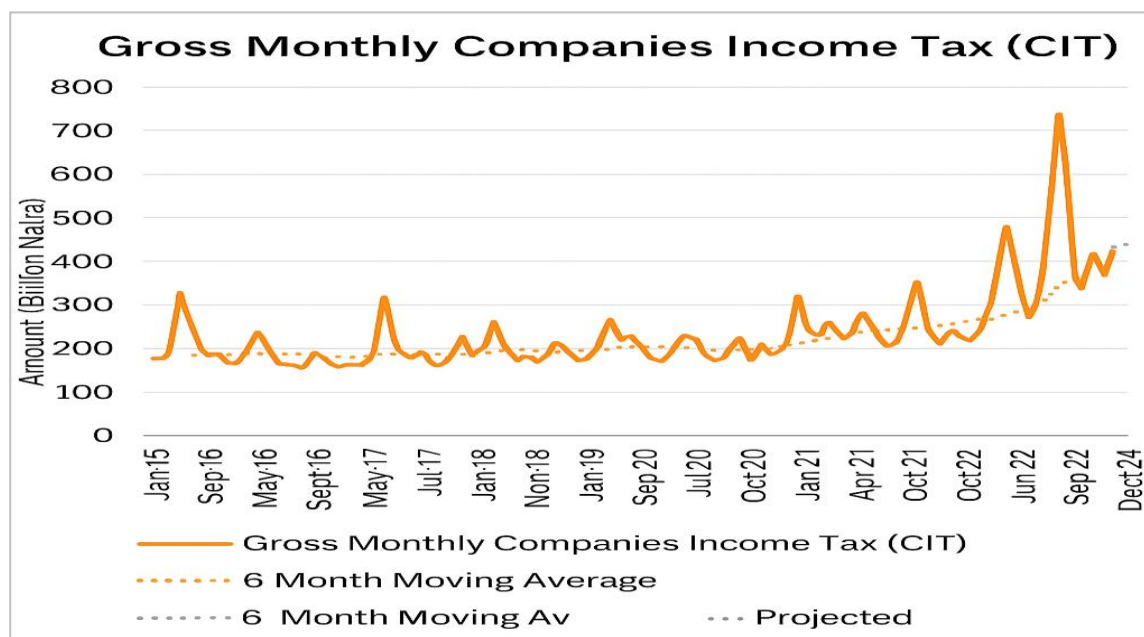
Figure 6 Distributed Mineral Revenues





65. Gross Companies Income Tax (CIT) revenues, which are distributed as part of Statutory Allocation, from January 2015 to May 2025 inclusive, are shown in Figure 7 below. The graph also includes linear trend.

**Figure 7 CIT Revenues**



66. Figure 7 illustrates the consistent rise in CIT revenues, a pattern tied to corporate tax filing deadlines. This trend has remained consistent from 2015 through 2025. In July 2024, FAAC disbursed ₦2.61 trillion, while July 2025 saw a sharper spike with ₦2.94 trillion distributed, driven by record-high CIT and VAT inflows. The July 2025 disbursement marks the largest mid-year allocation in the past decade, confirming a pronounced seasonal spike rather than a steady monthly growth.
67. CIT collections have shown a compound upward trajectory since 2015. From ₦1.2 trillion in 2015, Nigeria's CIT revenue rose steadily, reaching ₦2.64 trillion in 2022 and ₦2.69 trillion in 2023. In 2024, CIT collections accelerated, surpassing ₦3.1 trillion, and by May 2025, cumulative CIT had already crossed ₦1.8 trillion, indicating potential for another record-breaking year. This reflects sustained growth, not just seasonal spikes, and underscores the strengthening of Nigeria's non-oil revenue base through improved compliance, digital tax systems, and corporate profitability.
68. Customs and Excise duties (NCS), which is distributed as part of Statutory Allocation, and Value Added Tax (VAT), which is distributed in its own right for the period January 2015 to May 2025,
69. Value Added Tax (VAT) collections in 2024 and early 2025 continued their upward trend as seen in the chart above, driven by inflationary pressures, improved compliance, and strengthened digital administration. By May 2025, VAT revenue reached ₦742.82 billion, up from ₦642.82 billion in April, with ₦691.71 billion distributed to the three tiers of government. The Nigeria Tax Act (NTA 2025), which was signed into law in June 2025 and led by the Presidential Tax Reform Initiative team, retained the 7.5% VAT rate but introduced mandatory e-invoicing and fiscalisation, enhancing transparency and reducing leakages, amongst other reforms. The new Act broadened the VAT base to include digital assets, virtual currencies, and cross-border digital services, positioning Nigeria ahead of global trends. These sterling reforms are expected to sustain nominal VAT growth, especially as inflation remains elevated and real GDP growth stabilizes.
70. Customs and Excise Duties (NCS) in 2024 benefited from progressive reforms under the Tinubu administration. Revenue from Customs duties reached ₦3.34 trillion in 2023 and ₦1.24 trillion by April 2024, with collections surging to ₦1.3 trillion in Q1 2025 alone, more than double the same period in 2023. This growth was fueled by the modernization of the Nigeria Customs Service, the rollout of the National Single Window Project, which is chaired by the Presidential team led by the Chief of Staff, and

Nigeria's active participation in the African Continental Free Trade Area (AfCFTA) protocol. These reforms have improved trade facilitation, reduced bottlenecks, and enhanced revenue efficiency.

71. The Federal Government's Tax Reform Acts, signed into law on June 26, 2025, represent the most comprehensive overhaul of Nigeria's tax system in decades. The four Acts, which are the Nigeria Tax Act (NTA), Nigeria Tax Administration Act (NTAA), Nigeria Revenue Service Act (NRSA), and Joint Revenue Board Act (JRBA), consolidate fragmented tax laws, eliminate duplications, and introduce a 4% Development Levy on assessable profits, replacing multiple sectoral levies. Small businesses with turnover below ₦50 million are now exempt from Company Income Tax, Capital Gains Tax, and the Development Levy, while individuals earning less than ₦800,000 annually are exempt from Personal Income Tax, providing relief to low-income earners and SMEs, amongst others. Additionally, the reforms also introduce a Tax Ombudsman to protect taxpayer rights and resolve disputes independently.
72. The final year of the National Development Plan (NDP) 2021–2025 coincides with the implementation of these fiscal reforms, reinforcing Nigeria's macroeconomic goals. The plan targets 5% average real GDP growth, 21 million new jobs, and lifting 35 million Nigerians out of poverty. The new tax laws support these objectives by improving revenue mobilization, reducing the tax burden on small enterprises, and incentivizing capital investment through the Economic Development Incentive (EDI)—a 5% annual tax credit on qualifying capital expenditure for five years.

### **2.A.3 late 2015Kebbi State Economy**

73. Kebbi State's economic outlook in 2025 is undergoing a strategic shift, driven by the discovery of five new solid mineral deposits, which are limestone, iron ore, bauxite, coal, and kaolin across key local government areas like Jega, Gwandu, Suru, and Birnin Kebbi. These discoveries have positioned the state to diversify beyond agriculture, federal allocation, and grants, and with the foresight of the newly established Ministry of Solid Minerals Development now overseeing exploration, licensing, and investor engagement. The state's GDP growth potential is projected to accelerate as mining activities ramp up, supported by federal concessions and a crackdown on illegal mining operations across the state.
74. The State economy still majorly hovers around agriculture, but recent reforms have elevated its scale and sophistication. In early 2025, the state launched a dry season farming initiative that distributed over 36,000 water pumps, 3,000 power tillers, and 10,000 liters of agrochemicals to farmers. This was complemented by the Residual Moisture Crop Production Scheme, which helped 16,000 flood-affected farmers recover using improved seeds and inputs. Kebbi also signed a cross-border trade protocol with the Benin Republic, formalizing agricultural exports and boosting regional commerce. These efforts are transforming Kebbi into a model for climate-resilient and export-oriented agriculture. Additionally, the establishment of the Kebbi State Investment Promotion Agency (KIPA), has also positioned the state to not just attract diverse investors but to better attract investment opportunities to the state in a more refined fashion.
75. Internally Generated Revenue (IGR) in the state is gaining traction through digital reforms. The Kebbi Geographic Information Service (KEBGIS) is targeting ₦1 billion in IGR for 2025, while the Ministry of Solid Minerals is beginning to pick up revenue figures from the sales and issuance of mining licences, amongst others. The state also rolled out a unified electronic tax system, simplifying compliance and expanding the tax base. Meanwhile, the 2025 Citizens' Budget reflects a 91% increase in total spending, with ₦580.3 billion allocated to infrastructure, health, education, and economic development. This signals a bold fiscal stance aimed at unlocking private sector growth and reducing dependency on federal allocations.



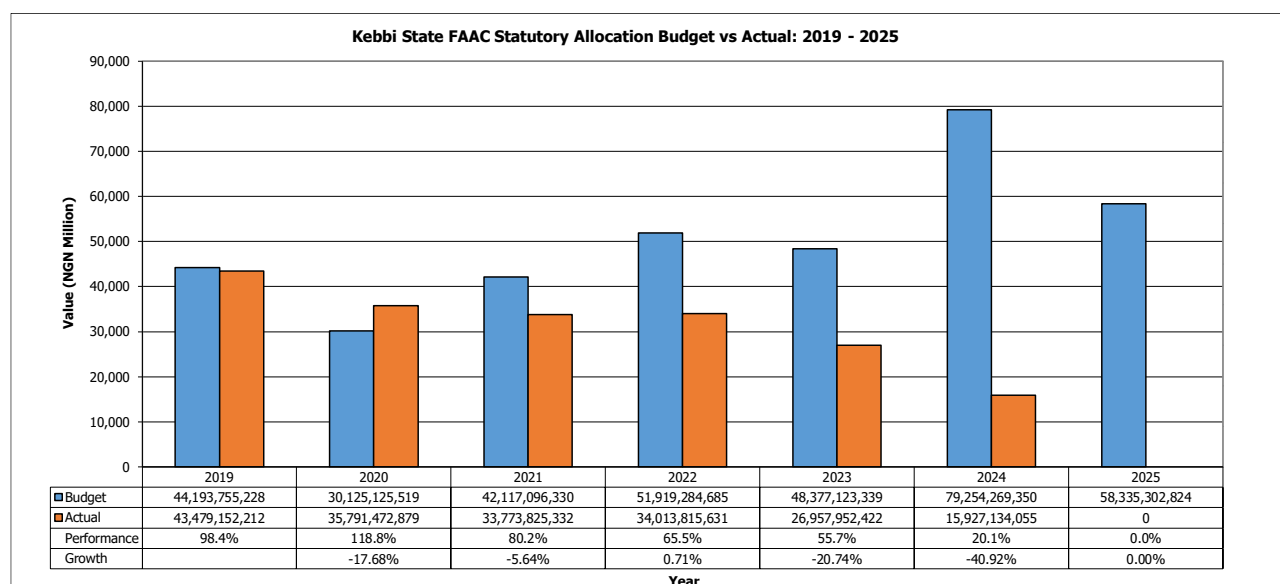
## 2.B Fiscal Update

### 2.B.1 Historic Trends

#### Revenue Side

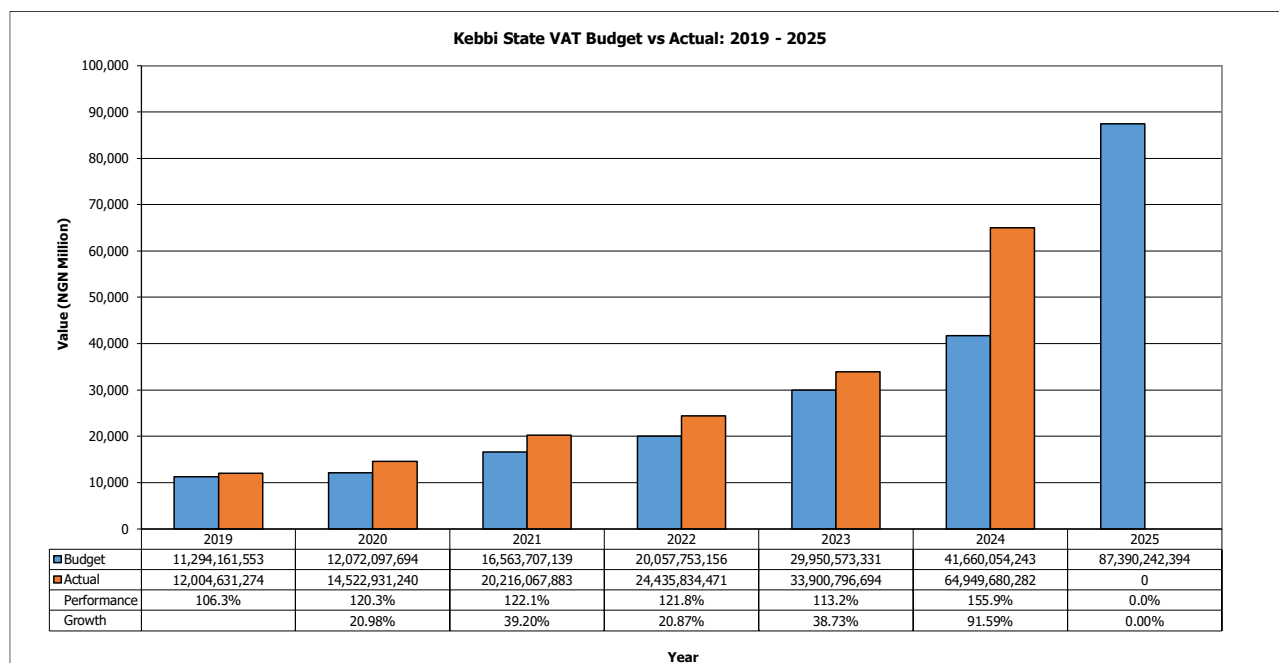
76. On the revenue side, the document looks at Statutory Allocation, VAT, IGR, Other Federation Account, and Capital Receipts (Loans, Grants, Other Capital Receipts) – budget versus actual for the period 2019-2024 (six-year historic) and 2025 budget.

**Figure 8: Statutory Allocation**

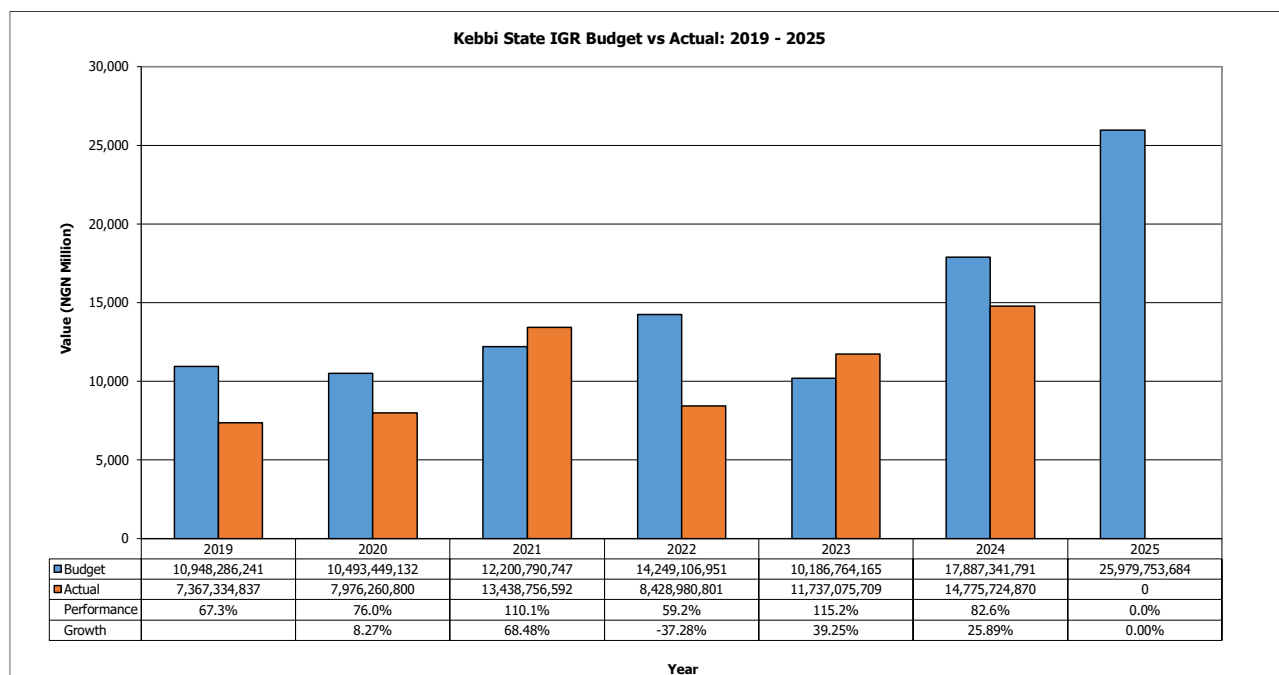


77. Statutory Allocation is a transfer from the Federation Allocation Accounts Committee (FAAC) and is based on the collection of minerals (largely Oil) and non-mineral revenues (companies' income tax, custom and excise duties) at the national level, which is then shared between the three tiers of government using sharing ratios.
78. Statutory Allocation data illustrates a volatile trend shaped by macroeconomic and political disruptions. The notable dip in 2020 (-17.68%) reflects the global oil market shock from COVID-19, which dampened mineral revenue, while 2021's mild decline (-5.64%) continued the ripple effect. The slight 2022 rebound (+0.71%) aligns with early post-pandemic recovery. However, 2023's sharp decrease (-20.74%) appears linked to domestic political turbulence and subsidy removal, both of which disrupted federal revenue stability.
79. Actual receipts decreased from 2019 to 2024 considerably. This could be due to the pressure exerted on the federal government as 2019 was the onset of Covid 19 pandemic in the last quarter through of 2020 and most of 2021 grossly affected oil prices due to the Global Economic lockdown. This was reflected in the decreased allocation by -17.68% in 2020 and a slight decline of -5.64% in 2021. However, it increased slightly (by 0.71%) in 2022 because the Global Economy was gradually coming back to normal. It also drastically decreased by -20.74% in 2023, which is mainly affected due to the political activities in the country and the instability of the just removed subsidy, and a further decrease in 2024 by -40.92%.

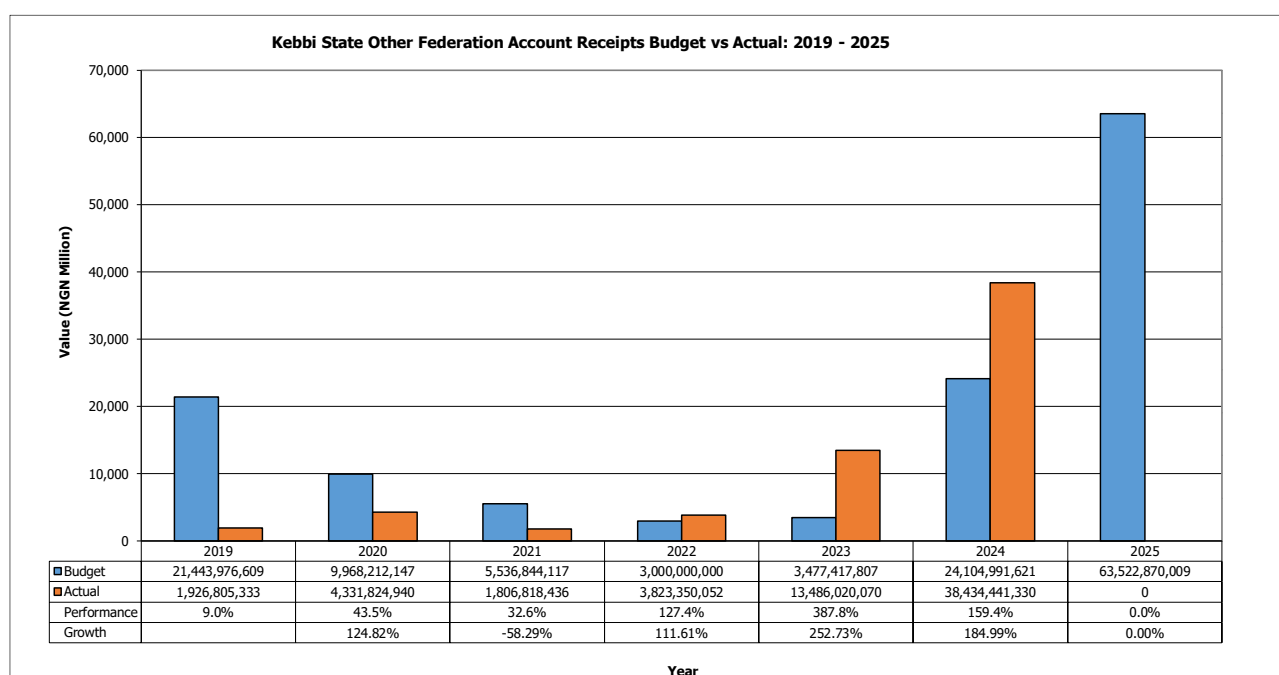
Figure 9: VAT



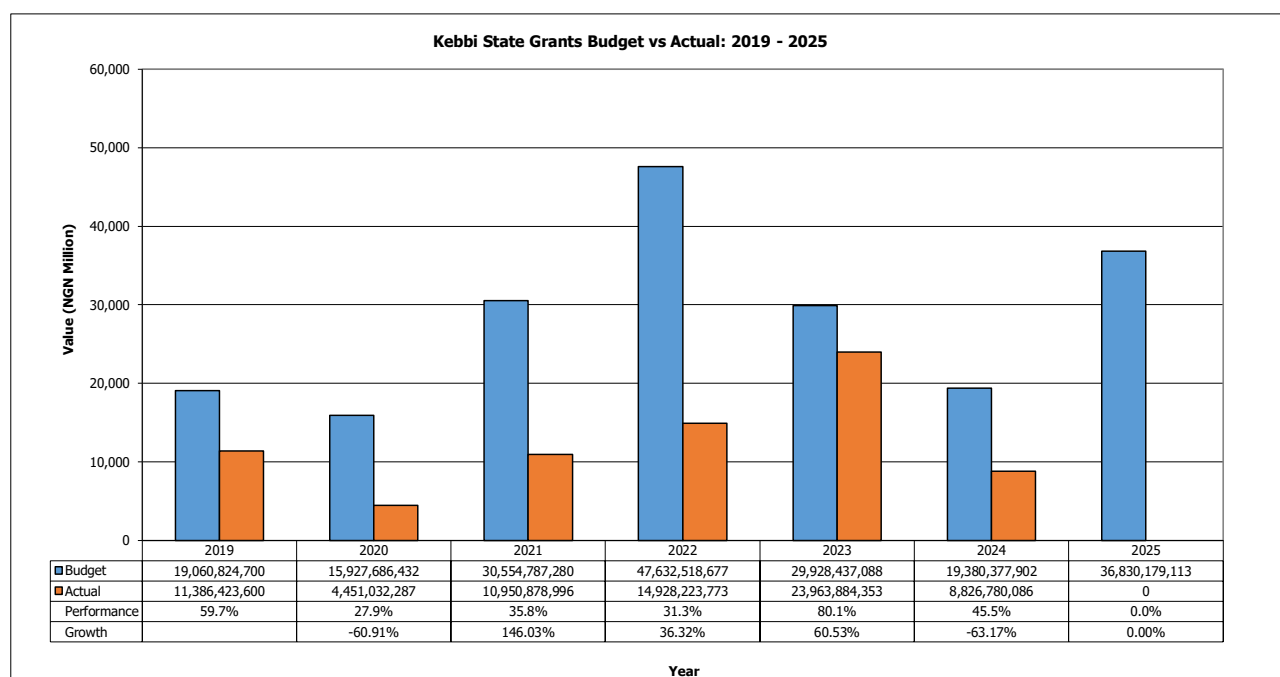
80. VAT is an ad valorem tax on most goods and services at a rate of 7.5%. It is collected by the Nigeria Revenue Service (NRS) and distributed between the three tiers of government monthly, partially based on set ratios, and partially based on the amount of VAT a particular State generated. States receive 50% of the total VAT collections nationally, from which KEBBI gets around 2.1% of the States' allocation.
81. VAT receipts have continued to grow over the last six years (2019 to 2024) increasing marginally from particularly with the increase in the VAT rate from 5% to 7.5% and the ease of doing business reforms of the Federal Government. Performance relative to budget (i.e., budget accuracy) has been good.
82. VAT receipts in Kebbi State have shown a strong upward trend from 2019 to 2024, with actual collections surpassing budgeted expectations in every year except 2024. This growth was fueled by the increase in the VAT rate from 5% to 7.5% in early 2020, ongoing federal reforms focused on ease of doing business and tax reforms, as well as overall improvements in compliance and revenue administration. Specifically, VAT collections rose from ₦12.2 billion in 2019 to ₦41.97 billion in 2024, signalling a cumulative increase of over 240%, with performance ratios consistently above 100%, peaking at 142.3% in 2020.
83. Kebbi State's current share of VAT is projected to increase from 2.2% to approximately 2.6–2.8%, depending on its actual VAT generation and compliance improvements, premises on the new Tax reform act. However, Kebbi state will need to intensify VAT receipts by stimulating business within its state, thereby earning more from the derivation benefits of the new law.

**Figure 10: IGR**

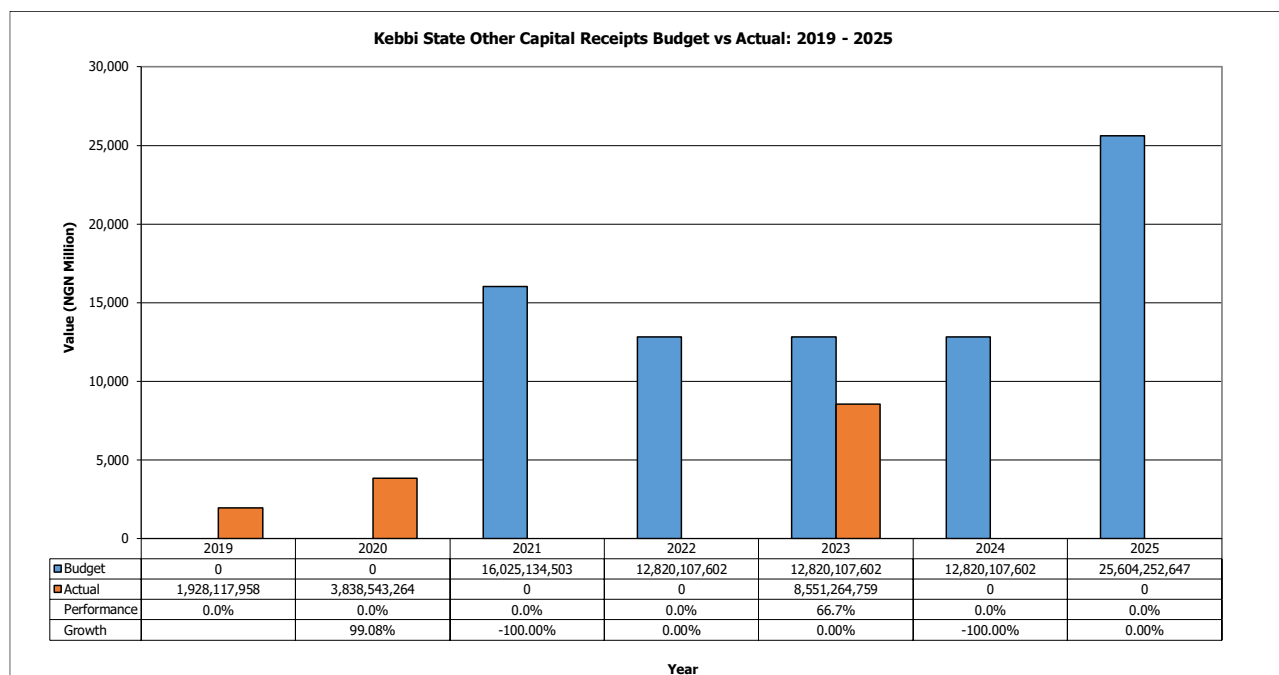
84. Internally Generated Revenue (IGR), also known as Independent Revenue (IR) is revenue collected within KEBBI State related to income tax (PAYE represents the highest contributor to IGR), fines, levies, fees, and other sources of revenue within the State.
85. From 2022 – 2024, actual collections have been lower than the budget, but the increase in performance has been steady and continues with a negative growth in 2022. The Government is doing all it can to widen the tax net and block all leakages in the administration and collection of IGR. The IGR collections grew in 2021 by 68.48% due to the inclusion of a non-IGR component into the consolidated Revenue account, with 2022 performance reflecting the normal trend in the IGR growth. Large reforms being carried out by the State Government in the KEBBI State Internal Revenue Service have contributed a lot to improved performance.

**Figure 11: Other Federation Account**

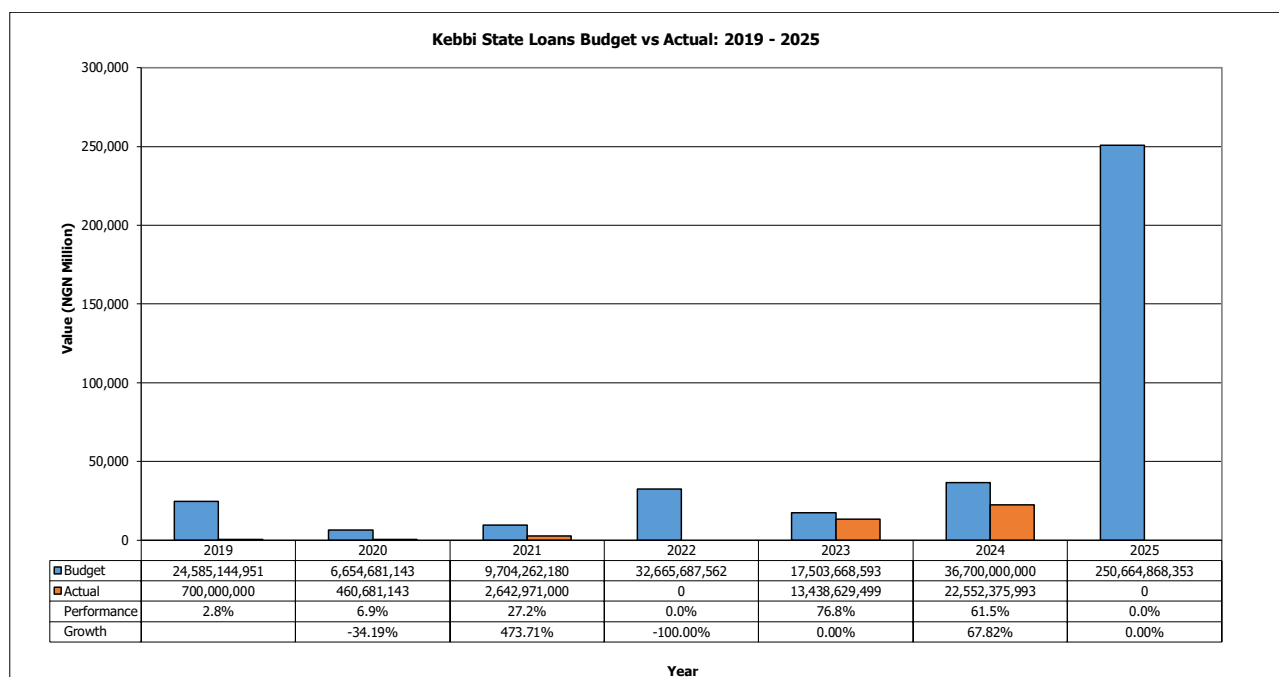
86. Other Federation Account Receipts are other receipts from Federation Accounts, which include Exchange Gain, NNPC refund, EMTL, etc.
87. Over the years, the state budget captured other FAAC receipts as miscellaneous revenues with the same components as other FAAC receipts. The huge gap recorded in terms of performance to the budget provisions for 2019 & 2020 is due to the unrealistic projections made by the State. However, this has improved since 2021 as the draws close to a realistic projection. There is also a component of EMTL that was captured from the 2023 & 2024, which was sudden. The State is committed to making realistic projections.

**Figure 12: Grants**

88. Grants are receipts from both internal and external sources, such as Federal Government UBE, TETFUND, as well as grants from the international development partners (including UK - Department for International Development (DFID), European Union (EU), and United Nations Children's Fund (UNICEF). KEBBI State has proactively included as much grant expenditure "on-budget" as possible, even if the funds don't travel through the State treasury.
89. Actual grant receipts have been inconsistent over the years, with performance remarkably high in 2022 and 2023, while 2024 performance was abysmally low.
90. With the Global economy getting back to normal, more grants are expected as many Development partners are more than ever ready to work with the State to provide technical assistance and funding. Grant estimates going forward should be consistent with signed agreements; any "blue-sky" should be specifically linked to the implementation of specific projects.

**Figure 13: Other Capital Receipts**

91. Other capital receipts here include refund on federal roads constructed by the State, budget support, Excess Paris Club deduction refund, and refunds from withholding tax.
92. The performance on this item is surrounded by uncertainties. Refunds on Road construction from the Federal Government may or may not happen in any given Fiscal year. Despite the non-performance in 2021 & 2022 increase in provision from refund on sale of government assets, which did not materialise in 2021 and 2022, was moved over to 2023.

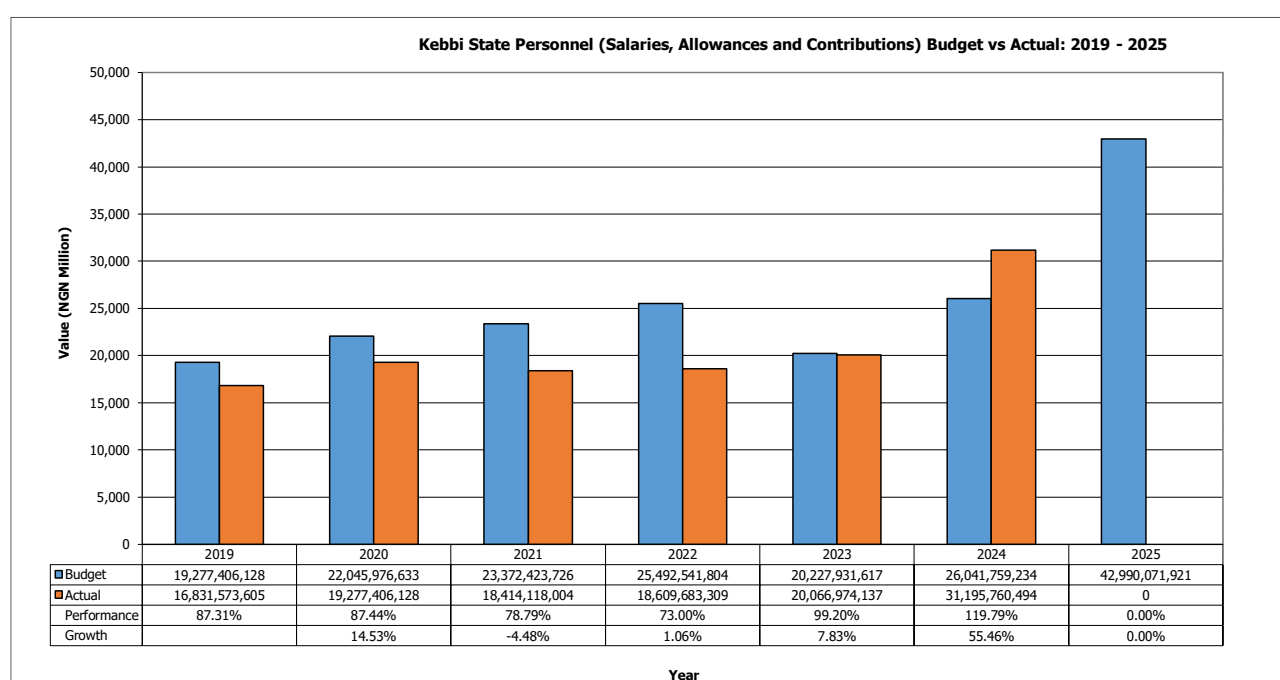
**Figure 14: Loans/Financing**

93. Loans and financing refer to the additional outside funding sourced by the Government to finance some capital projects. Some of these loans could be external or internal. States such as Kebbi, with inadequate funds and infrastructural deficits, need to borrow to fill in the gap.

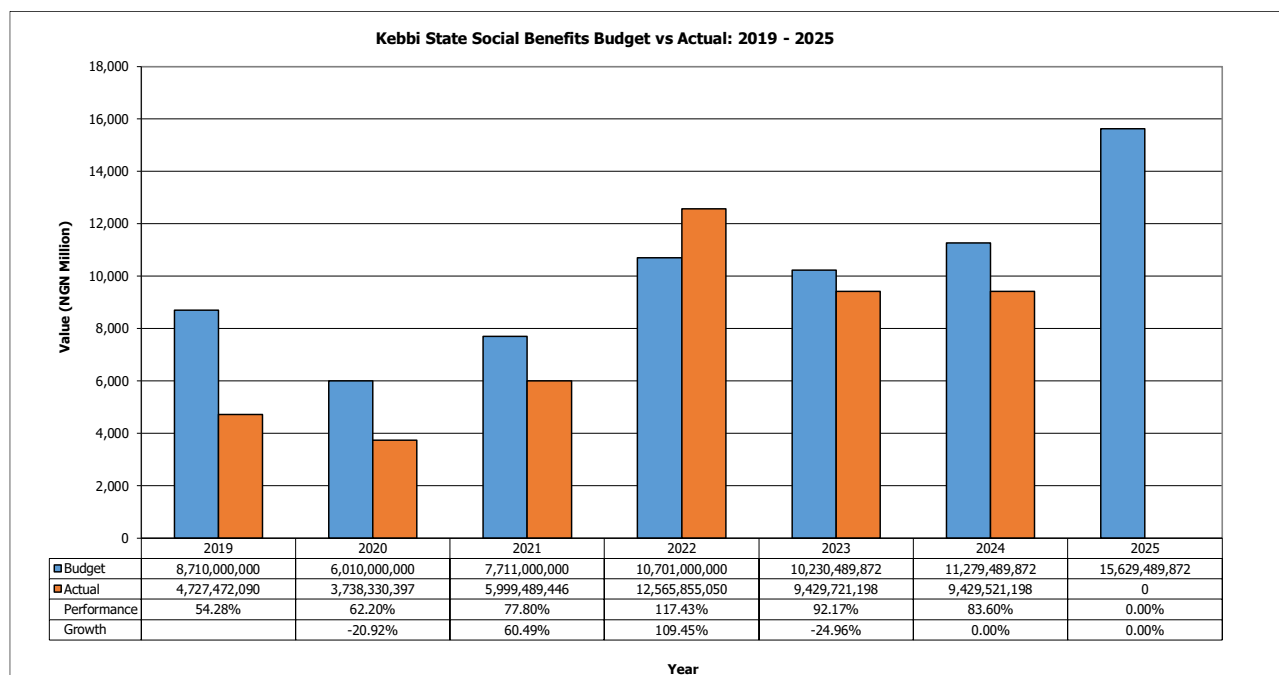
## Expenditure Side

94. On the expenditure side, the document looks at Personnel (Salaries and Allowance), Social Contributions and Social Benefits, Overheads, Debt Service, and Capital Expenditure – budget versus actual for the period 2019-2024 (six years) and 2025 budget.
95. Expenditures are directly linked to available resources at any given time. As a State that is conscious of the welfare of its citizens, priority is given to the payment of salaries, pensions, gratuities, and the provision of security. These items are non-negotiable, and so they continue to attract funding irrespective of how much the state receives. There is a need to also fill up the infrastructure gap, and this requires a lot of funds.
96. The implication for the years 2026- 2028 is for the State to vigorously pursue IGR and other sources of funding to be able to keep up with the above requisite expenditures and other capital expenditures in view of the rising budgetary allocations.

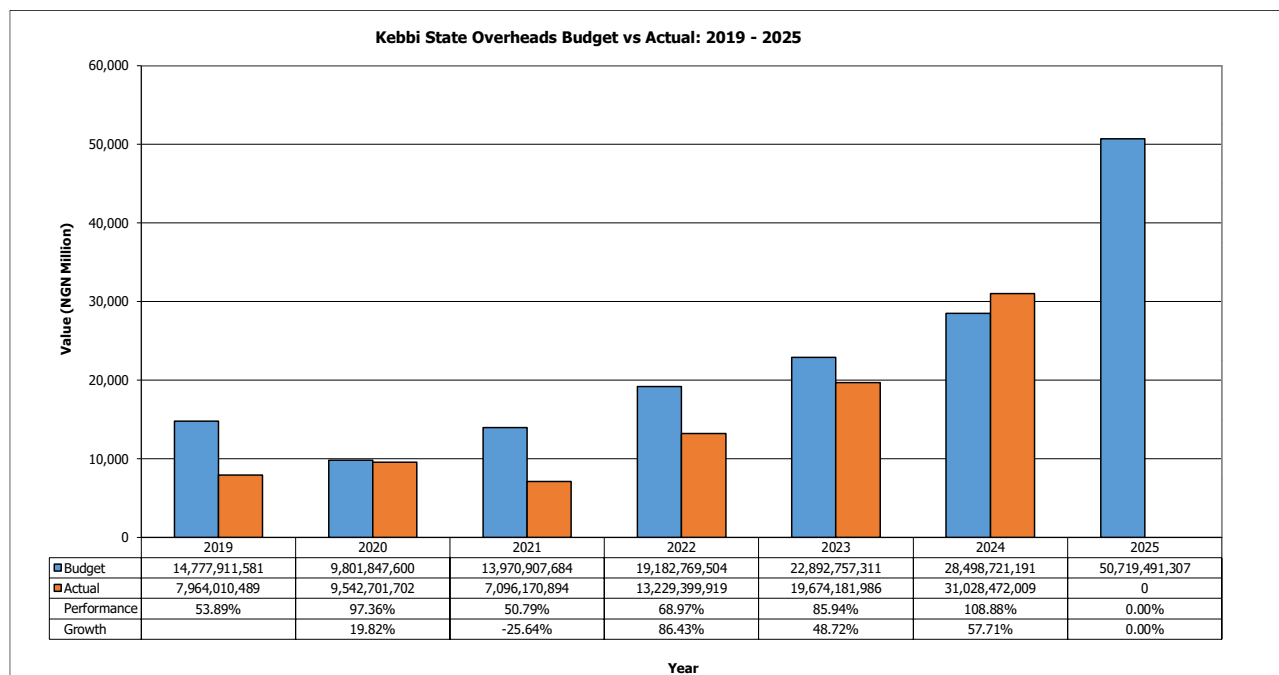
**Figure 15: Personnel**



97. Personnel expenditure includes salaries, allowances, and benefits of core civil servants of the State. Personnel costs have risen year on year since 2019, though not astronomically.
98. Actual expenditure has been close to the budget in all years. This is because actual personnel cost is known and can be correctly determined, and the fact that as personnel retire, they are paid gratuities and enrolled in pensions, which is sometimes higher than their salary.
99. For the 3-year forecast, personnel cost is expected to rise due to the commitment of the State Government to ease the burden posed by the fuel subsidy and floating of the Naira, impacts on the civil servants and the citizens in general. The State has also ensured the implementation of the national minimum wage, hence the drastic increase in personnel expenditure in the year 2024.

**Figure 16: Social Contributions and Social Benefits**

100. Social Contributions and social benefit Budget refer to payments of Gratuities and pensions to retired civil servants. In Kebbi, once a civil servant retires, he gets enrolled on the pension payroll.
101. From the graph, performances record highs and lows from 2019 to 2024. In 2022, performance was higher than the actual amount budgeted due to a backlog of retirees' Gratuities. In 2023 & 2024, it dropped.
102. For the 3-year forecast, adequate provision was made to take care of any retirement of civil servants.

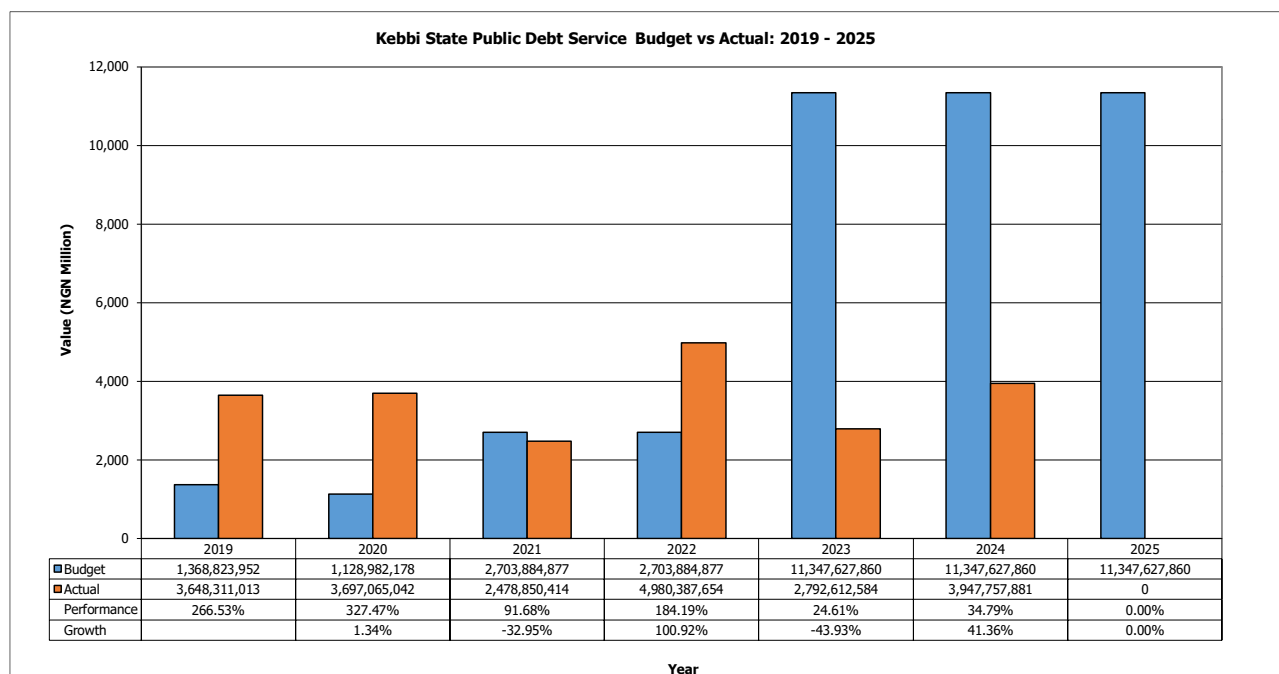
**Figure 17: Overheads**

103. Overheads comprise mainly of operational and maintenance costs for running day-to-day activities of the Government. Overhead allocations are transferred to MDAs monthly.
104. Overheads had been steadily progressive above 60% from 2022 to 2024 to keep the Government machinery Functional. Overhead expenditure, both provision and expenditure, was reduced

significantly in the year 2024 due to the government's harmonization of overhead structure to ensure that all Government MDAs have received sufficient monthly resources to work efficiently.

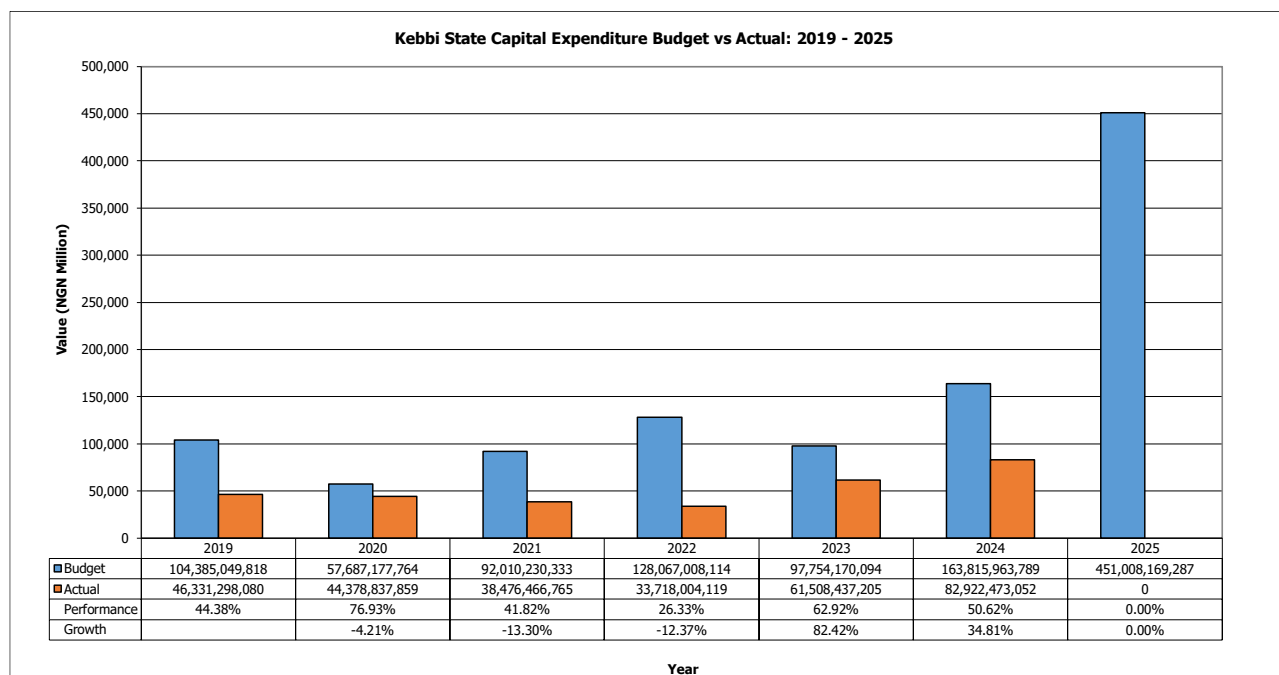
105. Overheads are very important but must be kept in check in consideration of funding availability. Provisions for the next 3 years have been kept to the barest minimum to ensure full implementation.

**Figure 18: Public Debt Service**

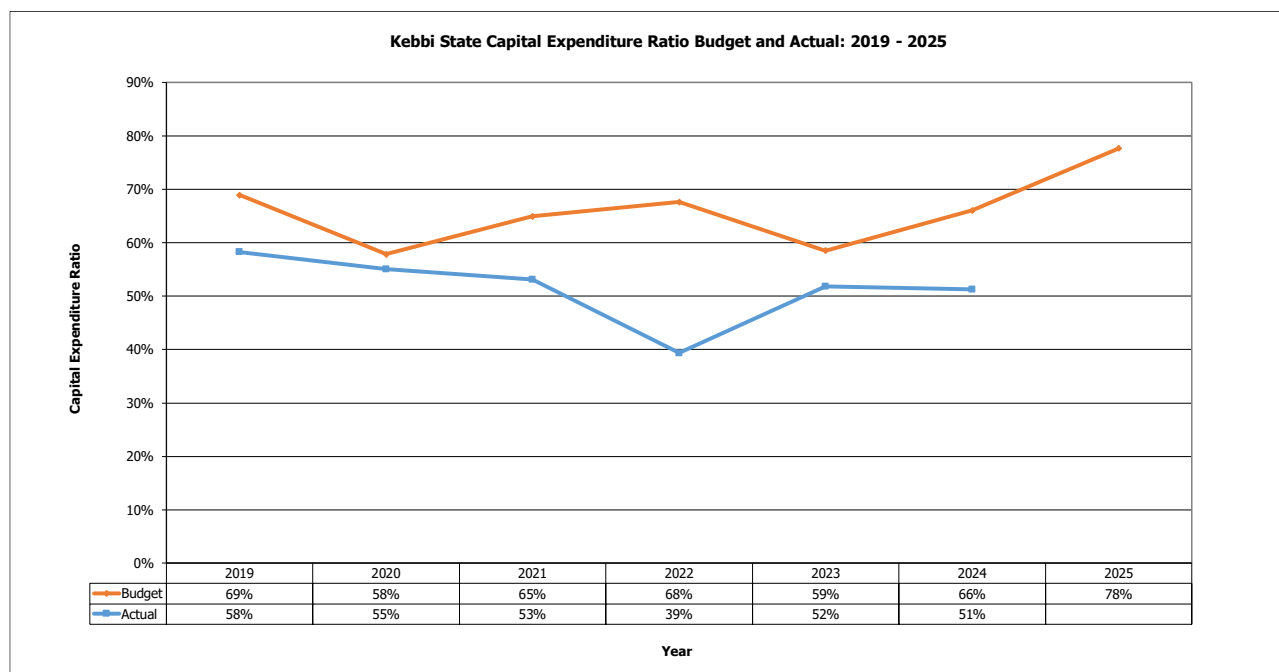


106. Public debt service is the debt repayment of loans/debt contracted by the State either internally or externally. The debt burden of the State is not very high, and adequate provisions have been made previously for repayment.
107. Performance has been above the provision from 2019 – 2022. This could be because of very poor forecasting of the debt burden and transmission of the correct figures to the Ministry of Budget. The 2023-2025 budget for public debt service reflects the principal and interest element of the Foreign and Domestic debt payment as against the practice of making provision for only the interest element in the previous years.
108. For the next 3 years, adequate provisions had been made taking into account the loans contracted by the State Government. Government may also borrow to fill the infrastructure deficit of the State.



**Figure 19: Capital Expenditure**

109. Capital expenditure refers to projects that generate State assets (e.g. roads, schools, hospitals).
110. Capital expenditure provisions have consistently been higher due to the deliberate effort of the Government to continuously provide infrastructural facilities and improve the livelihood of the people. However, in 2020 this was reduced due to the impact of the COVID 19 pandemic on the Global Economy, which caused National and state budgets to be revised in accordance with economic realities. In all these years, actual capital receipts have greatly affected the capital expenditure performance, as actual revenues were much below the budgetary provisions.
111. In 2023, capital expenditure performance was over 62% and this was because the capital receipts of the State performed considerably well, and so the state had adequate funds to spend. There was a gradual increase in 2024, which was also not unconnected with receivable revenue.
112. There should be tight control on recurrent expenditure, which will make more funds available for capital expenditure for improved budget performance. Going forward, concerted efforts should be made by the state to ensure that grants and loans are obtained as envisaged to increase capital receipt for capital expenditure.

**Figure 20: Recurrent: Capital Expenditure Ratio**

113. The capital expenditure ratio seeks to explain the actual capital budget performance vis-à-vis the budgeted provision. The ratio between 2019 to 2021 was relatively steady until 2022, when performances dropped drastically.
114. It will be observed that in all the years reviewed (i.e., 2019 – 2024, the actual capital expenditure ratio was lower than the capital budget ratio. This may be because of a lack of accuracy in the budgetary process, coupled with the instability of the oil market and, in recent years, falling prices of oil prices.
115. The implication for the 2026 – 2028 forecast is that if more capital receipts are not obtained and the IGR increases, the same scenario may still be recorded since the State IGR cannot fund recurrent expenditure.

### By Sector

116. The emphasis of expenditure of the current administration has been on infrastructure, which was, up till 2022, in a State of disrepair. The allocations of a high percentage of capital expenditure reflect this, and the investment in this sector is expected to ultimately boost economic activity in the State.
117. The performance of personnel and overhead is detailed in Table 3 and Table 4 While performance of capital expenditure is detailed in Table 5 Below.

Table 3: Sector Expenditure – Personnel - Budget Vs Actual

Kebbi State Personnel (Salaries, Allowances and Social Contributions) Expenditure by Sector												
No.	Sector	2021 Budget	2021 Actual	2022 Budget	2022 Actual	2023 Budget	2023 Actual	2024 Budget	2024 Actual	Performance	Average Budget	Average Actual
1	Governor's Office	354,685,782	312,035,249	381,687,649	83,673,870	335,308,514	124,760,776	268,167,246	85,911,502	45.26%	1.41%	0.67%
2	Office of the Secretary to the State Government	577,127,624	545,828,138	630,627,624	295,966,147	504,339,215	478,931,419	365,926,423	748,586,468	99.58%	2.18%	2.30%
3	State Assembly	539,848,317	127,521,014	502,753,538	138,162,792	377,593,696	314,647,071	617,084,851	589,509,423	57.42%	2.14%	1.30%
4	Ministry of Information and Culture	366,721,286	335,358,881	364,285,840	340,390,559	320,750,636	323,033,997	416,975,827	361,466,395	92.61%	1.54%	1.51%
5	Office of the Head of State Civil Service	0	224,138,480	256,000,000	217,700,448	218,802,076	207,344,502	259,703,259	247,933,001	122.14%	0.77%	1.00%
6	Ministry of Special Duties	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%
7	Office of the State Auditor General	89,909,548	81,956,689	210,078,663	78,678,433	100,145,830	84,493,024	124,761,146	57,847,444	57.72%	0.55%	0.34%
8	Civil Service Commission (CSC)	35,000,000	23,620,533	70,313,976	5,596,404	33,549,252	2,837,892	40,633,525	7,298,450	21.92%	0.19%	0.04%
9	Kebbi State Independent Electoral Commission	3,800,000	3,660,399	43,407,924	30,765,986	25,292,109	32,850,773	32,688,207	26,492,461	89.14%	0.11%	0.10%
10	Local Government Service Commission	8,000,000	7,111,982	8,010,000	7,123,219	34,095,944	30,802,907	36,309,129	38,583,811	96.77%	0.09%	0.09%
11	Ministry of Agriculture	657,000,000	619,762,962	657,000,000	584,873,857	543,719,775	537,728,787	706,835,084	585,683,008	90.78%	2.70%	2.59%
12	Ministry of Animal Health Husbandry and Fisheries	632,947,778	661,100,457	760,113,091	663,579,446	739,548,768	735,388,662	961,413,398	735,388,662	90.35%	3.25%	3.11%
13	Ministry of Finance	2,483,297,948	1,955,920,050	1,302,923,721	628,532,715	679,458,704	697,005,123	52,791,921	9,140,224,658	274.91%	4.75%	13.81%
14	Ministry of Commerce and Industry	160,937,350	139,612,994	165,293,699	139,707,054	137,955,136	137,648,307	179,341,677	161,716,523	89.92%	0.68%	0.64%
15	Ministry of Information Communication and Technology (ICT)	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%
16	Ministry of Works and Transport	405,000,000	388,872,366	431,200,000	351,779,226	377,014,799	347,960,102	460,570,144	347,960,102	85.83%	1.76%	1.60%
17	Ministry of Budget & Economic Planning	24,500,000	27,396,124	32,526,274	29,894,661	56,852,702	29,833,383	67,513,275	29,833,383	64.48%	0.19%	0.13%
18	Fiscal Responsibility Commission	0	0	20,249,387	0	27,000,000	0	27,000,000	0	0.00%	0.08%	0.00%
19	Ministry of Water Resources and Rural Development	276,000,000	249,462,273	281,000,000	248,298,537	239,869,675	234,417,647	311,826,679	234,417,647	87.18%	1.17%	1.07%
20	Ministry of Lands and Housing	295,899,000	263,649,601	293,559,356	101,499,782	262,459,688	118,664,621	143,214,009	129,570,655	61.64%	1.05%	0.68%
21	Judiciary	1,333,000,000	1,044,620,747	2,317,782,949	1,067,304,021	1,135,368,994	1,096,266,004	1,464,728,813	1,253,897,264	71.38%	6.57%	4.96%
22	Ministry of Justice	69,700,000	60,450,173	87,418,245	61,209,866	78,297,252	66,262,177	96,470,953	103,055,683	87.67%	0.35%	0.32%
23	Ministry of Youths & Sports	63,857,951	55,933,682	61,347,282	53,944,816	53,410,761	56,410,761	69,433,989	64,721,292	93.13%	0.26%	0.26%
24	Ministry of Women Affairs and Social Development	64,000,000	56,639,263	63,000,000	56,301,316	56,342,430	56,342,430	73,245,159	70,423,567	93.42%	0.27%	0.27%
25	Ministry for Basic and Secondary Education	5,381,461,142	4,811,987,728	6,685,075,031	4,748,835,896	4,720,812,776	4,633,561,902	6,436,806,614	5,026,966,222	82.76%	24.41%	21.37%
26	Ministry for Higher Education	3,930,200,000	2,964,097,073	4,043,546,235	3,019,851,386	3,227,780,257	3,160,503,813	3,808,091,134	3,737,419,250	85.82%	15.78%	14.32%
27	Ministry of Health	5,115,000,000	4,884,657,658	5,597,661,320	5,029,148,385	5,733,096,993	6,004,472,573	8,233,026,091	6,704,700,575	91.67%	25.94%	25.16%
28	Ministry of Environment	165,430,000	159,425,966	165,580,000	155,618,719	155,037,661	160,630,818	201,548,960	190,985,196	96.96%	0.72%	0.74%
29	Ministry of Local Government and Chieftaincy Affairs	58,600,000	55,372,716	60,100,000	56,243,114	54,027,972	52,195,798	70,236,364	57,222,698	90.97%	0.26%	0.25%
30	Ministry of solid Minerals Development and Mining	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%
31	Ministry of Physical planning and Urban Development	0	0	0	148,177,075	0	140,612,443	196,483,566	145,612,443	221.09%	0.21%	0.48%
32	Ministry of rural and Community Development	35,000,000	0	0	25,013,897	0	19,443,951	29,549,095	27,633,551	111.68%	0.07%	0.08%
33	Ministry of humanitarian Affairs and Empowerment	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%
34	Ministry of Digital Economy	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%
35	Ministry of Home affairs and Internal security	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%
36	Ministry for Religious affairs	3,500,000	0	0	20,164,942	0	20,321,170	4,940,000	19,561,371	711.46%	0.01%	0.07%
37	Ministry of Establishment, Training and Pension	242,000,000	0	0	221,646,741	0	161,601,303	284,442,699	265,137,787	123.16%	0.55%	0.72%
38	Ministry of Transport and Renewable Energy	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%
39	0	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%
	Total	23,372,423,726	20,060,193,199	25,492,541,804	18,609,683,309	20,227,931,617	20,066,974,137	26,041,759,234	31,195,760,494	94.53%	100.00%	100.00%

Table 4: Sector Expenditure – Overhead - Budget Vs Actual

Kebbi State Overhead Expenditure by Sector											
No.	Sector	2021 Budget	2021 Actual	2022 Budget	2022 Actual	2023 Budget	2023 Actual	2024 Budget	2024 Actual	Performance	Average Budget
1	Governor's Office	3,479,384,308	3,721,029,550	4,740,258,308	4,510,618,841	5,507,866,762	4,373,395,760	7,328,443,454	7,764,408,887	96.74%	23.62%
2	Office of the Secretary to the State Government	2,509,150,000	552,594,000	2,759,350,000	1,844,241,048	2,747,950,000	1,037,067,472	2,229,400,000	4,139,820,511	73.92%	11.49%
3	State Assembly	2,635,530,779	1,560,947,052	2,222,700,000	1,444,858,507	2,223,200,000	1,768,830,515	4,056,118,738	5,524,818,738	92.48%	12.49%
4	Ministry of Information and Culture	82,710,000	47,829,000	90,560,000	49,428,533	91,760,000	54,149,000	91,760,000	77,498,000	64.16%	0.40%
5	Office of the Head of State Civil Service	78,890,000	45,169,146	0	42,600,000	0	195,767,345	105,700,000	202,011,620	263.04%	0.21%
6	Ministry of Special Duties	0	0	0	0	0	14,040,000	58,300,000	40,347,000	93.29%	0.07%
7	Office of the State Auditor General	27,160,000	26,645,000	109,150,000	15,200,000	105,512,024	36,490,000	105,512,024	90,235,000	48.53%	0.39%
8	Civil Service Commission (CSC)	13,350,000	11,210,000	13,350,000	11,950,000	13,350,000	6,000,000	120,000,000	20,410,000	30.97%	0.18%
9	Kebbi State Independent Electoral Commission	6,200,000	5,747,000	22,000,000	5,897,100	22,000,000	6,537,000	22,000,000	5,936,500	33.40%	0.08%
10	Local Government Service Commission	14,050,000	13,280,000	23,500,000	13,650,000	23,500,000	13,650,000	23,500,000	28,709,040	81.95%	0.09%
11	Ministry of Agriculture	35,640,000	21,641,000	58,920,000	25,204,000	48,070,000	19,840,000	113,370,000	135,555,000	79.00%	0.29%
12	Ministry of Animal Health Husbandry and Fisheries	16,200,000	10,275,000	28,500,000	10,110,000	78,500,000	10,590,000	78,500,000	10,590,000	20.61%	0.23%
13	Ministry of Finance	881,150,692	1,227,228,210	1,688,600,692	988,102,558	1,582,600,692	1,188,439,353	1,501,928,096	1,528,575,657	87.23%	6.34%
14	Ministry of Commerce and Industry	305,350,000	13,609,500	304,750,000	21,029,690	302,250,000	21,007,790	339,900,000	304,245,491	28.74%	1.40%
15	Ministry of Information Communication and Technology (ICT)	17,400,000	0	0	0	0	0	0	0	0.00%	0.02%
16	Ministry of Works and Transport	278,618,000	71,678,000	281,900,000	77,085,000	281,100,000	71,860,000	297,700,000	71,860,000	25.67%	1.28%
17	Ministry of Budget & Economic Planning	45,700,000	36,356,099	65,700,000	40,334,000	562,770,000	72,923,500	817,850,000	81,373,500	15.48%	1.67%
18	Fiscal Responsibility Commission	3,640,000	2,529,000	3,640,000	3,600,000	3,640,000	3,600,000	18,000,000	3,600,000	46.09%	0.03%
19	Ministry of Water Resources and Rural Development	186,985,000	134,666,490	194,967,000	210,028,000	186,356,036	138,472,000	778,231,036	138,472,000	46.17%	1.51%
20	Ministry of Lands and Housing	53,385,000	23,887,000	56,780,000	16,740,000	90,937,142	11,040,000	32,300,000	48,450,000	42.89%	0.26%
21	Judiciary	1,592,524,000	364,394,750	708,048,000	419,342,400	683,724,000	579,215,420	825,724,000	1,006,023,340	62.18%	4.27%
22	Ministry of Justice	603,100,000	171,611,500	435,960,000	282,279,000	435,960,000	1,841,748,000	3,028,500,000	1,426,506,000	82.65%	5.05%
23	Ministry of Youths & Sports	147,000,000	14,800,000	524,800,000	376,236,000	354,900,000	235,245,000	244,200,000	208,100,000	65.65%	1.43%
24	Ministry of Women Affairs and Social Development	75,160,000	23,587,388	49,398,000	18,222,388	54,458,000	24,222,388	108,985,000	95,092,388	55.95%	0.32%
25	Ministry for Basic and Secondary Education	1,971,060,000	1,069,551,550	2,179,920,000	1,797,792,799	4,621,445,000	3,157,899,207	5,424,085,000	3,631,229,155	68.02%	15.93%
26	Ministry for Higher Education	498,970,000	348,860,257	848,760,000	387,819,855	776,860,000	473,432,341	621,880,000	491,390,885	61.95%	3.08%
27	Ministry of Health	1,160,223,404	339,136,700	1,493,987,004	466,772,750	1,495,992,155	962,918,518	1,474,082,155	769,748,508	45.14%	6.31%
28	Ministry of Environment	14,500,000	12,930,000	16,642,500	11,710,000	16,642,500	7,915,000	25,550,000	48,400,000	110.39%	0.08%
29	Ministry of Local Government and Chieftaincy Affairs	15,200,000	8,454,560	15,100,000	7,259,550	15,300,000	49,015,550	122,400,000	116,168,470	107.68%	0.19%
30	Ministry of solid Minerals Development and Mining	0	0	0	0	0	0	50,500,000	50,500,000	100.00%	0.06%
31	Ministry of Physical planning and Urban Development	0	0	0	11,949,900	0	34,153,500	113,537,142	67,473,500	100.04%	0.13%
32	Ministry of rural and Community Development	0	0	3,818,000	3,129,000	5,118,000	3,299,000	55,118,000	43,970,000	78.68%	0.07%
33	Ministry of Humanitarian Affairs and Empowerment	0	0	0	4,460,000	0	6,200,000	56,200,000	51,200,000	110.07%	0.06%
34	Ministry of Digital Economy	0	10,475,000	80,300,000	7,290,000	0	10,136,995	61,300,000	46,820,000	52.77%	0.16%
35	Ministry of Home affairs and Internal security	0	0	0	0	0	0	148,000,000	42,120,000	28.46%	0.17%
36	Ministry for Religious affairs	0	0	60,350,000	42,553,000	60,000,000	43,705,000	131,750,000	120,410,000	81.98%	0.28%
37	Ministry of Establishment, Training and Pension	0	0	101,060,000	61,906,000	101,060,000	89,866,161	107,360,000	48,487,000	64.71%	0.35%
38	Ministry of Transport and Renewable Energy	0	0	0	0	0	0	0	18,165,000	0.00%	0.00%
39	0	0	0	0	0	0	0	0	0	0.00%	0.00%
	Total	16,748,231,183	9,890,122,752	19,182,769,504	13,229,399,919	22,492,822,311	16,562,671,814	30,717,684,645	28,498,721,191	76.49%	100.00%

Note: The Overhead cost in Table 4 is inclusive of Special Programmes

Table 5: Sector Expenditure – Capital - Budget Vs Actual

Kebbi State Capital Expenditure by Sector											
No.	Sector	2021 Budget	2021 Actual	2022 Budget	2022 Actual	2023 Budget	2023 Actual	2024 Budget	2024 Actual	Performance	Average Budget
1	Governor's Office	3,490,000,000	0	3,540,000,000	0	3,610,000,000	0	250,000,000	0	0.00%	2.26%
2	Office of the Secretary to the State Government	8,620,105,000	3,600,611,617	10,285,620,640	4,691,897,410	8,740,000,000	13,635,128,848	18,400,000,000	13,674,310,586	77.32%	9.56%
3	State Assembly	1,653,495,000	1,622,004,000	2,126,128,721	124,943,465	1,828,980,750	5,504,537	1,942,123,975	0	23.21%	1.57%
4	Ministry of Information and Culture	256,000,000	9,195,000	228,000,000	33,000,000	381,500,000	36,000,000	551,500,000	257,373,500	23.68%	0.29%
5	Office of the Head of State Civil Service	0	1,133,859,338	0	3,000,000	0	5,565,255,670	6,322,436,100	4,450,000,000	176.39%	1.31%
6	Ministry of Special Duties	0	0	650,000,000	0	0	0	5,074,800,000	902,716,170	15.77%	1.19%
7	Office of the State Auditor General	0	0	182,646,405	0	295,075,405	90,438,790	295,075,405	0	11.70%	0.16%
8	Civil Service Commission (CSC)	0	0	0	0	0	0	200,000,000	0	0.00%	0.04%
9	Kebbi State Independent Electoral Commission	0	0	0	0	0	0	0	0	0.00%	0.00%
10	Local Government Service Commission	0	0	0	0	0	0	0	0	0.00%	0.00%
11	Ministry of Agriculture	7,791,537,363	2,654,780,036	10,115,742,696	2,612,192,799	5,607,862,000	10,221,429,736	12,225,262,000	17,703,048,250	92.87%	7.42%
12	Ministry of Animal Health Husbandry and Fisheries	2,285,000,000	1,285,000,000	4,930,000,500	532,281,426	4,432,500,000	60,000,000	3,480,000,000	719,807,815	17.17%	3.14%
13	Ministry of Finance	2,914,000,000	1,961,356,224	7,514,000,000	2,806,654,004	2,090,000,000	2,292,689,766	2,561,634,276	499,646,397	50.14%	3.13%
14	Ministry of Commerce and Industry	2,612,000,000	50,000,000	2,727,000,000	10,500,000	2,622,000,000	156,013,750	1,028,177,759	1,134,274,536	15.03%	1.87%
15	Ministry of Information Communication and Technology (ICT)	1,513,000,000	0	3,524,000,000	0	980,000,000	0	980,000,000	0	0.00%	1.45%
16	Ministry of Works and Transport	12,704,000,000	7,028,536,599	14,695,485,919	5,760,123,819	13,939,485,919	14,095,888,551	30,276,485,919	21,176,006,434	67.11%	14.87%
17	Ministry of Budget & Economic Planning	2,889,761,446	764,270,000	6,896,827,612	1,012,350,000	5,557,353,595	3,279,565,720	9,016,813,433	455,990,085	22.63%	5.06%
18	Fiscal Responsibility Commission	0	0	0	0	0	0	0	0	0.00%	0.00%
19	Ministry of Water Resources and Rural Development	3,831,000,000	2,624,206,352	4,295,000,000	1,881,541,002	3,787,000,000	968,340,764	6,619,000,000	268,340,764	30.99%	3.85%
20	Ministry of Lands and Housing	8,439,000,000	2,503,921,607	14,292,247,655	2,370,760,190	8,667,113,455	762,423,545	4,790,594,000	1,146,151,800	18.74%	7.51%
21	Judiciary	1,763,240,380	539,109,020	1,628,240,380	147,000,000	2,119,225,506	212,000,000	2,388,475,506	590,754,452	18.85%	1.64%
22	Ministry of Justice	243,000,000	237,687,500	168,000,000	0	148,000,000	10,000,000	625,000,000	70,000,000	26.83%	0.25%
23	Ministry of Youths & Sports	1,604,000,000	163,085,000	1,493,500,000	195,982,587	1,868,820,000	465,685,700	1,444,500,000	963,525,000	27.89%	1.33%
24	Ministry of Women Affairs and Social Development	1,468,212,000	627,180,973	1,514,500,000	498,870,504	2,014,000,000	1,070,601,121	3,998,000,000	1,813,000,000	44.58%	1.87%
25	Ministry for Basic and Secondary Education	14,520,000,000	6,985,548,550	14,990,941,632	7,265,488,178	10,915,000,000	4,855,905,512	14,466,479,308	7,615,550,841	48.68%	11.40%
26	Ministry for Higher Education	5,120,000,000	1,520,878,449	9,666,649,955	814,157,482	7,221,779,575	1,360,942,240	6,608,522,822	0	12.92%	5.94%
27	Ministry of Health	6,889,879,144	979,089,355	10,212,976,000	1,853,873,891	9,435,473,888	1,039,346,285	7,179,435,891	1,749,697,987	16.67%	7.00%
28	Ministry of Environment	1,373,000,000	143,660,000	2,277,000,000	143,060,000	1,370,000,000	230,000,000	4,786,000,000	2,253,000,000	28.25%	2.04%
29	Ministry of Local Government and Chieftaincy Affairs	30,000,000	854,546,646	112,500,000	0	123,000,000	0	446,199,087	0	120.07%	0.15%
30	Ministry of solid Minerals Development and Mining	0	0	0	0	0	0	710,000,000	0	0.00%	0.15%
31	Ministry of Physical planning and Urban Development	0	0	0	0	0	0	6,395,000,000	2,701,026,472	42.24%	1.33%
32	Ministry of rural and Community Development	0	1,169,644,648	0	942,127,362	0	1,012,074,580	2,580,000,000	628,847,500	145.45%	0.54%
33	Ministry of Humanitarian Affairs and Empowerment	0	0	0	0	0	0	4,409,625,000	1,446,000,000	32.79%	0.92%
34	Ministry of Digital Economy	0	18,295,850	0	18,200,000	0	39,661,825	0	703,404,463	0.00%	0.00%
35	Ministry of Home affairs and Internal security	0	0	0	0	0	43,540,265	472,000,000	0	9.22%	0.10%
36	Ministry for Religious affairs	0	0	0	0	0	0	2,559,000,000	0	0.00%	0.53%
37	Ministry of Establishment, Training and Pension	0	0	0	0	0	0	733,823,308	0	0.00%	0.15%
38	Ministry of Transport and Renewable Energy	0	0	0	0	0	0	0	0	0.00%	0.00%
39	0	0	0	0	0	0	0	0	0	0.00%	0.00%
	Total	92,010,230,333	38,476,466,765	128,067,008,114	33,718,004,119	97,754,170,094	61,508,437,205	163,815,963,790	82,922,473,052	44.98%	100.00%

## 2.B.2 Debt Position

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

**Table 6: Debt Position as at 31st December 2024**

<b>Debt Sustainability Analysis</b>		
<b>A DSA RATIO SCENARIOS:</b>	<b>Sustainability Thresholds</b>	<b>As at 31st December 2024</b>
<b>Solvency Ratios</b>	<b>Percentage</b>	<b>Percentage</b>
<b>1</b> Total Domestic Debt/IGR	150%	103.02%
<b>2</b> Total External Debt/Gross FAAC	150%	66.08%
<b>3</b> Total Public Debt/Total Recurrent Revenue	150%	70.15%
<b>4</b> Total Public Debt/State GDP Ratio	25%	No GDP Figure Available
<b>Liquidity Ratios</b>	<b>Percentage</b>	<b>Percentage</b>
<b>5</b> Domestic Debt Service/IGR	15%	1.36%
<b>6</b> External Debt Service/Gross FAAC	10%	3.14%
<b>8</b> Debt Service Deductions from FAAC/Gross FAAC	40%	3.14%
<b>8</b> Total Debt Service/Total Recurrent Revenue	25%	2.94%
<b>B PUBLIC DEBT DATA AS AT 31st DECEMBER 2024</b>		<b>Naira</b>
<b>1</b> Total Domestic Debt		15,222,009,997
<b>2</b> Total External Debt		78,845,686,132
<b>3 Total Public Debt</b>		<b>94,067,696,129</b>
<b>4</b> Total Domestic Debt Service 2024		200,641,707
<b>5</b> Total External Debt Service in 2024		3,747,116,174
<b>6 Total Public Debt Service</b>		<b>3,947,757,881</b>

119. By December 2024, the State's total public debt was N94,067,696,129, broken into N15,222,009,997 for domestic debt and N78,845,686,132 for external debt. In general, the State is faring not too badly in the analysis, except for those related to IGR – specifically, domestic debt to IGR solvency ratio and domestic debt service to IGR liquidity ratio. This is largely due to a low IGR base, which must be increased in the short-medium term. Moreover, the state is anticipating generating more revenue with the inception of Solid Minerals exploration in the state, which is due to generate more revenue in the state. On the other hand the upward review of the state TAX will improve revenue generation, and the state will ensure that all revenue leakages will be blocked. Once IGR is at a more appropriate level compared to the level of economic activity in the State, more domestic borrowing will be possible.
120. In the interim, although foreign exchange represents a risk considering the volatility of the naira, foreign loans represent a more affordable solution to borrowing.

### 3 Fiscal Strategy Paper

#### 3.A Macroeconomic Framework

121. The Macroeconomic framework is based on IMF's national real GDP growth and inflation forecasts from the April 2025 IMF World Economic Outlook document, and mineral benchmarks are based on a thorough analysis of the current outlook for crude oil prices, production, and mineral ratio. The current NGN: USD exchange rate has been adopted throughout the period. This translates to the following figures, which underpin the Kebbi State 2026 – 2028 MTEF.

**Figure 21: Kebbi State Macroeconomic Framework**

**Kebbi State Macroeconomic and Mineral Framework 2026 - 2028**

Item	2026	2027	2028
National Inflation (CPI)	23.00%	17.00%	15.00%
National Real GDP Growth	3.20%	3.30%	3.30%
Oil Price Benchmark	\$55.00	\$55.00	\$55.00
Oil Production Benchmark (MBPD)	1.7000	1.8000	2.0000
NGN:USD Exchange Rate	1527.25	1533.5	1539.75
<b>Other Assumptions</b>			
FAAC Deductions	10,000,000,000	10,000,000,000	10,000,000,000
Mineral Ratio (Before Subsidy)	20%	20%	20%

#### 3.B Fiscal Strategy and Assumptions

##### Policy Statement

122. KEBBI State's developmental mission is to mobilize the people of the State to harness all its God-given resources, create and use wealth for the ends of individual happiness, collective fulfilment, and peaceful cohabitation in a safe and secure environment of transparent and honest leadership. The State's fiscal policy is envisaged to facilitate effective management of public finance, thereby ensuring control and enforcing compliance with the established spending and budgeting system, which includes aggregate fiscal discipline, allocative efficiency, and effective spending in line with the approved budget.

##### Objectives and Targets

123. The key targets for Kebbi State Government from a fiscal perspective are:
- Create efficiencies in personnel and overhead expenditure to allow greater resource for capital development;
  - Grow IGR by a minimum of 15% every year from 2026 to 2028
  - Ensure loans will only be used for capital expenditure projects;
  - Achieve long term target of funding all recurrent expenditure with revenue of a recurrent nature (IGR, VAT and Non-mineral component of Statutory Allocation);
  - Target sources of capital receipts and financing outside of loans (e.g. Grants, PPP, etc.);
  - Give priority to the completion of ongoing capital projects before new projects are commenced; and
  - Grow the economy through targeted spending in areas of comparative advantage.

### 3.C Indicative Three-Year Fiscal Framework

124. The indicative three-year fiscal framework for the period 2026-2028 is presented in the table below.

**Table 7: Kebbi State Medium Term Fiscal Framework**

**Kebbi State Fiscal Framework 2026 - 2028**

Item	2026 Forecast	2027 Forecast	2028 Forecast
<b>Recurrent Revenue</b>			
Statutory Allocation	65,258,463,076	69,384,536,691	77,416,509,235
VAT	113,129,489,700	139,249,136,230	168,215,313,500
IGR	16,290,236,670	17,104,748,503	17,959,985,928
Other Federation Account Revenues	66,699,013,509	70,033,964,184	73,535,662,394
Other Recurrent Revenues (Recurrent Grants)	6,694,254,655	6,726,579,183	6,756,579,183
<b>Total Recurrent Revenue</b>	<b>268,071,457,609</b>	<b>302,498,964,791</b>	<b>343,884,050,240</b>
<b>Recurrent Expenditure</b>			
Personnel (Salaries, Allowances and Contributions)	61,767,605,779	64,855,986,068	68,098,785,371
Social Benefits	16,595,957,308	17,425,755,173	18,297,042,932
Overheads	62,056,944,018	65,780,360,659	71,042,789,511
Grants, Contributions and Subsidies	9,842,732,140	10,334,868,747	10,851,612,185
Public Debt Service	4,776,787,036	5,015,626,388	5,266,407,707
<b>Total</b>	<b>155,040,026,281</b>	<b>163,412,597,035</b>	<b>173,556,637,707</b>
<b>Transfer to Capital Account</b>	<b>113,031,431,329</b>	<b>139,086,367,756</b>	<b>170,327,412,533</b>
<b>Capital Receipts</b>			
Capital Grants	39,425,644,099	40,145,644,099	42,841,916,817
Other Capital Receipts	0	0	0
<b>Total</b>	<b>39,425,644,099</b>	<b>40,145,644,099</b>	<b>42,841,916,817</b>
<b>Reserves</b>			
Contingency Reserve	11,643,732,367	12,285,098,829	11,594,136,156
Planning Reserve	5,361,429,152	6,049,979,296	6,877,681,005
Climate Response Reserve	0	0	0
<b>Total Reserves</b>	<b>17,005,161,520</b>	<b>18,335,078,125</b>	<b>18,471,817,161</b>
<b>Capital Expenditure</b>	<b>321,034,335,275</b>	<b>338,717,724,859</b>	<b>319,666,896,884</b>
Discretionary Funds	290,359,586,552	308,102,101,464	286,997,299,061
Non-Discretionary Funds	25,313,319,571	24,565,644,099	25,791,916,817
Planning and Climate Reserves	5,361,429,152	6,049,979,296	6,877,681,005
<b>Financing (Loans)</b>	<b>180,220,992,215</b>	<b>171,770,811,833</b>	<b>118,091,703,690</b>
<b>Total Revenue (Including Opening Balance)</b>	<b>487,718,093,923</b>	<b>514,415,420,723</b>	<b>504,817,670,747</b>
<b>Total Expenditure (including Reserves)</b>	<b>487,718,093,923</b>	<b>514,415,420,723</b>	<b>504,817,670,747</b>

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

#### 3.C.1 Assumptions

126. **Statutory Allocation** – The forecast for the statutory allocation is based on the benchmarked oil price, exchange rate and the oil production Benchmark for the 3 years. Once they are actualised, coupled with the sustained subsidy removal, the State can receive the forecasted figures for cash allocation and general expenditure execution. It is based on historical mineral revenue flows and an elasticity-based forecast was used.
127. **VAT** – elasticity forecast method was used, and based on the past performance, which is used to forecast VAT for 2026-2028. This forecast considered the new tax reform act and the sustained VAT rate of 7.5%, while also considering specific changes in Kebbi state's share of VAT pool and change in VAT receipts.



128. **Other Federation Account receipts** – The estimation is based on the historical trend (i.e. from 2019-2024). The State is developing its mineral sector and is expected to receive more funds from derivation and other sources of funds. Additionally, other components of the federal account receipts are also forecasted to present positive outturns within the 2026 – 2028.
129. **Internally Generated Revenue (IGR)** – the current administration is improving on the ongoing measures to grow IGR. These measures have started yielding results as actual IGR for the current year quarter 2 is beginning to show great outlook as it currently stands at 36.1%. It is anticipated that IGR will continue to increase by 10% in the current year and start to stabilise from 2026 with a minimum annual growth of 15%. Own Percentage of 25%, 30% and 27% is therefore used to forecast IGR for 2026 – 2028 respectively. The decline in 2028 is due electioneering activities.
130. **Grants** – The internal grants are based on the actual receipts for 2024 and performance from 2019 to 2024. External grants are based on signed grant agreements with the development partners and multilateral donors.
131. **Financing** – Kebbi State intends to secure an external loan/borrowing of about N137 Billion in 2026. All internal and external loans are projections based on signed agreements.
132. A full schedule of estimated capital receipts is provided in Annex 1.
133. **Personnel** – with the implementation of the new minimum wage, the subsidy removal, the naira devaluation and the ongoing recruitment of teachers and health workers in the state. These will have an impact on the wage bill. The projection is that t, total wage bill will increase by 20% in 2025, with a progressive increase of 30% in 2026 and a stabilized workforce wage bill, which implies a slight decline of 20% and 15% for 2027 and 2027, respectively.
134. **Social Contribution and Social Benefits** – Pensions are now being paid equitably and regularly in the state, hence the need to ensure constant budgetary provision to offset government accrued social contributions and benefits for the people of Kebbi State. The current administration continues to prioritize the rights and well-being of its Staff. Own percentage of 4%, 5% and 5% was used to forecast 2026, 2027 and 2028, respectively.
135. **Overheads** – The current government administration have increasingly ensured adequate release for the operational running of ministries, department and agency through their monthly unhindered cash allocations as since in the positive performance of overhead expenditure in 2023 and 2024, hence overhead is forecasted at an increasing margin own percentage of 4%, 6% and 8% for 2026, 2027, and 2028 ( respectively).
136. A special programme is expected to increase marginally on the actual performance level of 2024. This trend is expected in the period of forecast and has been incorporated in the basis of the forecast for 2026 – 2028.
137. **Public Debt Service** - is based on the projected principal and interest repayments for 2026, 2027, and 2028
138. **Contingency and Planning Reserves** – This will be allocated when a deficit occurs, as it might result from getting less than 100% from projections such as the Statutory Allocation, VAT, or excess crude oil account. This is expected to cover the unforeseen that might occur. Contingency is estimated at 3.5% of the total capital expenditure estimate (including opening balance), whilst 2% of the capital development fund is set aside as planning reserve. Additionally, the new climate response reserve, which is expected to be used to finance unexpected climate change-related shocks, was set at 0.5% of the total recurrent revenue, including opening balance.
139. **Capital Expenditure** – is based on the balance from the recurrent account plus capital receipts, less contingency reserve as outlined above.

### 3.C.2 Fiscal Trends

140. Based on the above, plus actual figures for 2019-2024 (using the same basis but with slight changes 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 then expenditure in the line graphs below.

Figure 22: Kebbi State Revenue Trend

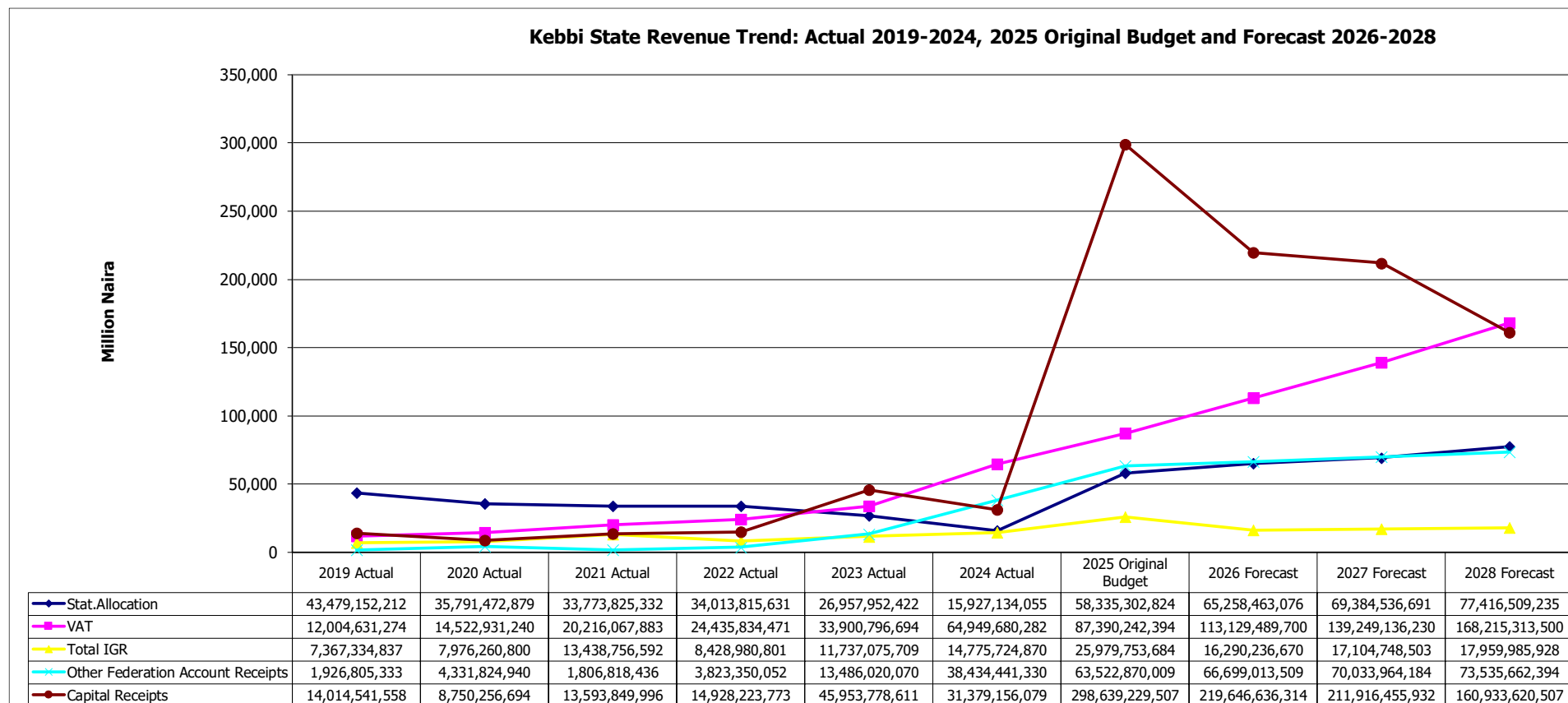
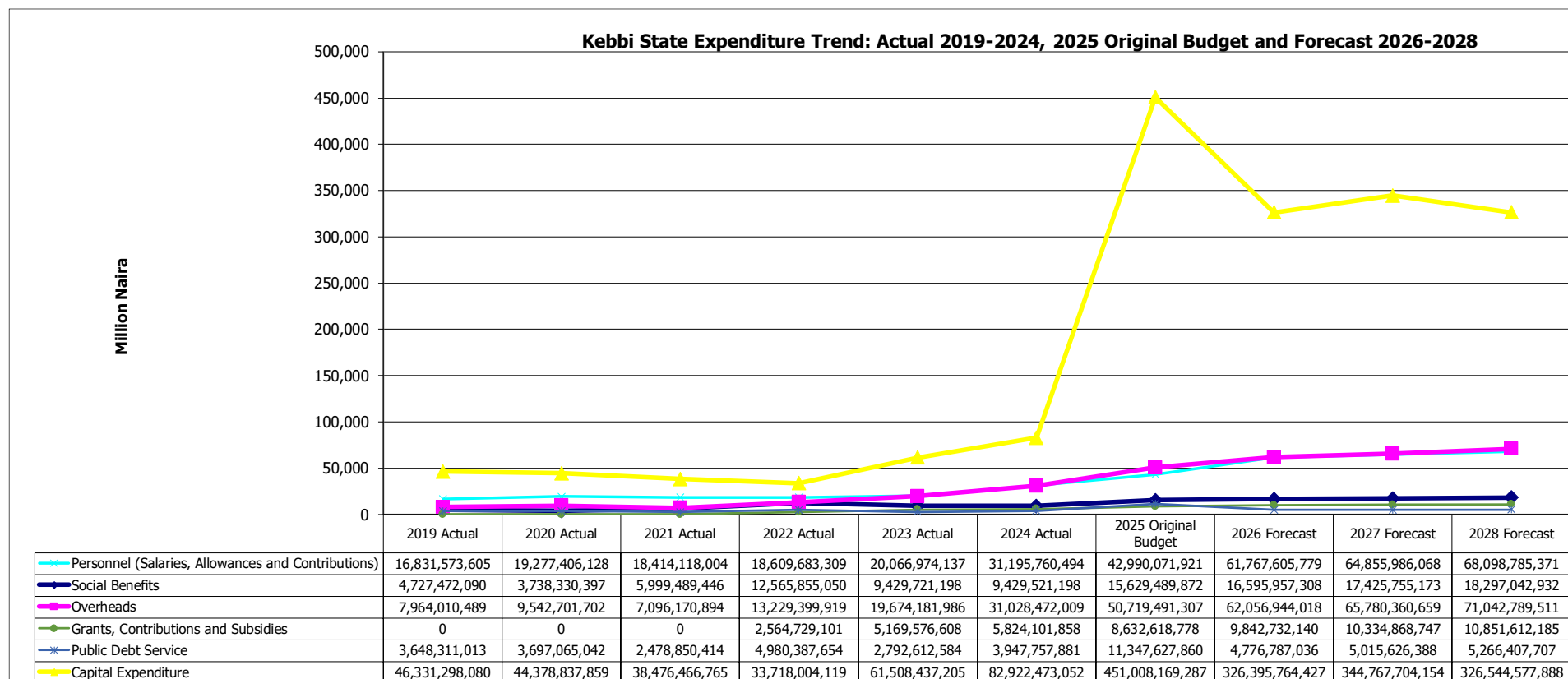


Figure 23: Kebbi State Expenditure Trend



## 3.D

### 3.E Local Government Estimates

141. Based on the Macroeconomic assumptions in section 3.A, the forecasting techniques noted in section 3.B and the vertical and horizontal sharing ratios, the Federation Account revenues and share of State IGR have been forecasted for the 21 Local Governments (LGs) of Kebbi State for 2026-2028 as follows. These estimates are expected to guide the preparation of the LGA budget more realistically:

**Table 8 Local Government FAAC and State IGR Share Estimates 2026-2028**

Local Government Council	2026				
	Statutory Allocation	VAT	Other Federation Account	Share of State IGR	Total Transfer
ALIERU	1,768,550,974	2,951,139,458	2,077,690,713	58,200,107	<b>6,855,581,252</b>
AREWA	2,889,742,258	3,891,710,200	3,394,864,349	95,096,670	<b>10,271,413,478</b>
ARGUNGU	2,434,006,076	3,982,965,249	2,859,466,249	80,099,141	<b>9,356,536,715</b>
AUGIE	2,009,681,919	3,359,962,713	2,360,970,941	66,135,330	<b>7,796,750,903</b>
BAGUDO	2,676,504,559	4,320,236,069	3,144,353,058	88,079,368	<b>10,229,173,054</b>
BIRNIN - KEBBI	3,274,541,419	4,564,052,924	3,846,925,757	107,759,779	<b>11,793,279,879</b>
BUNZA	2,230,854,452	3,393,217,347	2,620,804,062	73,413,755	<b>8,318,289,616</b>
DANDI KAMBA	2,369,958,859	3,574,962,603	2,784,223,686	77,991,453	<b>8,807,136,601</b>
DANKO /WASAGU	2,944,232,846	4,538,422,795	3,458,879,801	96,889,866	<b>11,038,425,308</b>
FAKAI	2,050,091,007	3,391,233,541	2,408,443,470	67,465,127	<b>7,917,233,146</b>
GWANDU	2,165,431,146	3,628,708,592	2,543,944,872	71,260,782	<b>8,409,345,393</b>
JEGA	2,388,941,240	3,965,979,413	2,806,524,155	78,616,132	<b>9,240,060,939</b>
KALGO	1,988,120,933	3,105,940,016	2,335,641,131	65,425,794	<b>7,495,127,874</b>
KOKO/BESSE	2,281,498,700	3,657,278,577	2,680,300,839	75,080,374	<b>8,694,158,490</b>
MAIYAMA	2,639,477,965	3,825,232,801	3,100,854,279	86,860,884	<b>9,652,425,929</b>
NGASKI	2,114,733,355	3,419,548,579	2,484,385,192	69,592,401	<b>8,088,259,528</b>
SAKABA	2,084,003,775	3,142,062,802	2,448,284,133	68,581,141	<b>7,742,931,851</b>
SHANGA	2,162,673,453	3,438,510,253	2,540,705,139	71,170,031	<b>8,213,058,876</b>
SURU	2,616,545,558	3,622,422,558	3,073,913,325	86,106,216	<b>9,398,987,658</b>
YAURI	2,010,634,369	3,220,458,968	2,362,089,878	66,166,674	<b>7,659,349,888</b>
ZURU	2,401,597,934	3,744,454,476	2,821,393,218	79,032,643	<b>9,046,478,270</b>
	-	-	-	-	-
	-	-	-	-	-
<b>Total</b>	<b>49,501,822,799</b>	<b>76,738,499,934</b>	<b>58,154,658,247</b>	<b>1,629,023,667</b>	<b>186,024,004,647</b>

Local Government Council	2027				
	Statutory Allocation	VAT	Other Federation Account	Share of State IGR	Total Transfer
ALIERU	1,880,370,517	3,632,506,621	2,181,575,249	61,110,113	<b>7,755,562,499</b>
AREWA	3,072,450,963	4,790,238,913	3,564,607,567	99,851,504	<b>11,527,148,947</b>
ARGUNGU	2,587,900,112	4,902,563,177	3,002,439,561	84,104,098	<b>10,577,006,949</b>
AUGIE	2,136,747,362	4,135,720,110	2,479,019,488	69,442,097	<b>8,820,929,057</b>
BAGUDO	2,845,730,960	5,317,704,009	3,301,570,711	92,483,336	<b>11,557,489,016</b>
BIRNIN - KEBBI	3,481,579,684	5,617,813,967	4,039,272,045	113,147,768	<b>13,251,813,464</b>
BUNZA	2,371,903,892	4,176,652,664	2,751,844,265	77,084,443	<b>9,377,485,265</b>
DANDI KAMBA	2,519,803,404	4,400,359,764	2,923,434,870	81,891,025	<b>9,925,489,063</b>
DANKO /WASAGU	3,130,386,808	5,586,266,284	3,631,823,791	101,734,360	<b>12,450,211,243</b>
FAKAI	2,179,711,382	4,174,210,833	2,528,865,644	70,838,384	<b>8,953,626,242</b>
GWANDU	2,302,344,091	4,466,514,774	2,671,142,116	74,823,821	<b>9,514,824,802</b>
JEGA	2,539,985,977	4,881,655,605	2,946,850,362	82,546,938	<b>10,451,038,883</b>
KALGO	2,113,823,147	3,823,047,957	2,452,423,188	68,697,084	<b>8,457,991,375</b>
KOKO/BESSE	2,425,750,206	4,501,681,075	2,814,315,881	78,834,393	<b>9,820,581,555</b>
MAIYAMA	2,806,363,299	4,708,413,030	3,255,896,993	91,203,928	<b>10,861,877,250</b>
NGASKI	2,248,440,848	4,209,063,324	2,608,604,452	73,072,021	<b>9,139,180,645</b>
SAKABA	2,215,768,340	3,867,510,870	2,570,698,340	72,010,198	<b>8,725,987,748</b>
SHANGA	2,299,412,038	4,232,402,921	2,667,740,396	74,728,532	<b>9,274,283,887</b>
SURU	2,781,980,953	4,458,777,403	3,227,608,992	90,411,527	<b>10,558,778,874</b>
YAURI	2,137,760,032	3,964,007,357	2,480,194,372	69,475,008	<b>8,651,436,769</b>
ZURU	2,553,442,912	4,608,984,384	2,962,462,878	82,984,275	<b>10,207,874,449</b>
	-	-	-	-	-
	-	-	-	-	-
<b>Total</b>	<b>52,631,656,928</b>	<b>94,456,095,044</b>	<b>61,062,391,160</b>	<b>1,710,474,850</b>	<b>209,860,617,981</b>

Local Government Council	2028				
	Statutory Allocation	VAT	Other Federation Account	Share of State IGR	Total Transfer
ALIERU	2,098,042,712	4,388,129,482	2,290,654,011	64,165,618	<b>8,840,991,823</b>
AREWA	3,428,118,710	5,786,689,687	3,742,837,945	104,844,079	<b>13,062,490,421</b>
ARGUNGU	2,887,476,122	5,922,379,299	3,152,561,539	88,309,303	<b>12,050,726,264</b>
AUGIE	2,384,097,809	4,996,019,894	2,602,970,463	72,914,202	<b>10,056,002,367</b>
BAGUDO	3,175,153,538	6,423,876,450	3,466,649,247	97,107,503	<b>13,162,786,738</b>
BIRNIN -KEBBI	3,884,608,280	6,786,414,359	4,241,235,647	118,805,156	<b>15,031,063,443</b>
BUNZA	2,646,476,122	5,045,467,113	2,889,436,478	80,938,665	<b>10,662,318,378</b>
DANDI KAMBA	2,811,496,521	5,315,709,075	3,069,606,613	85,985,577	<b>11,282,797,786</b>
DANKO /WASAGU	3,492,761,223	6,748,304,225	3,813,414,980	106,821,077	<b>14,161,301,505</b>
FAKAI	2,432,035,355	5,042,517,338	2,655,308,926	74,380,303	<b>10,204,241,922</b>
GWANDU	2,568,864,059	5,395,625,447	2,804,699,222	78,565,012	<b>10,847,753,740</b>
JEGA	2,834,015,434	5,897,122,598	3,094,192,881	86,674,285	<b>11,912,005,198</b>
KALGO	2,358,519,881	4,618,306,641	2,575,044,347	72,131,938	<b>9,624,002,806</b>
KOKO/BESSE	2,706,555,699	5,438,106,934	2,955,031,675	82,776,113	<b>11,182,470,421</b>
MAIYAMA	3,131,228,666	5,687,842,635	3,418,691,842	95,764,124	<b>12,333,527,268</b>
NGASKI	2,508,720,963	5,084,619,738	2,739,034,675	76,725,622	<b>10,409,100,997</b>
SAKABA	2,472,266,276	4,672,018,593	2,699,233,257	75,610,708	<b>9,919,128,833</b>
SHANGA	2,565,592,591	5,112,814,367	2,801,127,415	78,464,959	<b>10,557,999,331</b>
SURU	3,104,023,813	5,386,278,573	3,388,989,441	94,932,103	<b>11,974,223,929</b>
YAURI	2,385,227,706	4,788,587,982	2,604,204,091	72,948,758	<b>9,850,968,537</b>
ZURU	2,849,030,147	5,567,731,148	3,110,586,022	87,133,489	<b>11,614,480,805</b>
	-	-	-	-	-
	-	-	-	-	-
<b>Total</b>	<b>58,724,311,625</b>	<b>114,104,561,579</b>	<b>64,115,510,718</b>	<b>1,795,998,593</b>	<b>238,740,382,515</b>

### 3.F Fiscal Risks

142. The analysis and forecasting basis as laid out above implies some fiscal risks, including but not limited to.

**Table 9: Fiscal Risks**

Risk	Likelihood	Impact	Reaction
Global Oil Price Volatility	High	High	<p>Although the state has already prepared for this through conservation, with oil price estimates set at \$60, the lowest it has been, it allows the state to bounce back better from oil price shocks or rather celebrate an excess if it pulls beyond the estimated price.</p> <p>However, this administration will continue to focus on diversifying the revenue base; strengthening IGR collection, and non-oil tax enforcement.</p>

Risk	Likelihood	Impact	Reaction
The New VAT Derivation Formula Adjustment	Medium	Medium	A substantial VAT revenue is still expected, as the VAT rate remains unchanged. However, the state is prepared to make appropriate adjustments in response to the potential impact of the new tax law, once its effects become clearer. Additionally, Kebbi State is committed to collaborating with tax agencies to ensure full compliance and accurate documentation of VAT incurred within the state. Efforts are also underway to attract VAT-liable businesses and investments into the local economy, thereby reinforcing the state's revenue base.
Inflation & Exchange Rate Instability	High	High	Adjust budget assumptions quarterly when needed and leverage on budget readjustment/review using the planning and/or contingency reserves.
Pressure and Risks associated with debt financing	Low	Medium	Reprofile existing external debt; prioritize concessional borrowing and debt ceilings.
Mismanagement and inefficient use of financial resources	Medium	High	Adherence to existing and new institutional and legal/regulatory frameworks that will require more transparent and efficient use of financial resources. Additionally, continuous training and retraining of Finance Staff across MDAs to serve as compliance specialists to curtail funds misappropriation and corruption.
Insecurity and Climate Change Related Risk and shocks	High	High	The government has established a climate shock response reserve of 0.5% of the recurrent revenue to serve as support to tackle this risk when it emerges; however, other climate risk prevention and mitigation measures are expected to be deployed during the fiscal year. More so, the state government will continue to leverage the local governance structures to mitigate and address brewing tension from insecurity and farmers-herder clashes.

143. It should be noted however that no budget is without risk. The ongoing implementation of the 2025 budget should be closely monitored, as should the security situation and impact of the fiscal and economic outlook.

## 4 Budget Policy Statement

### 4.A Budget Policy Thrust

144. The overall policy objectives are captured by the following points:

- To reduce over-dependence on Federal transfers through improved independent revenue generation achievable via a technology-driven and autonomous Kebbi State internal revenue service ; these include expanding the tax net, reviewing the rates of fines and fees, and leveraging digital platforms for efficient collection and compliance.
- To accelerate economic growth by harnessing the state's solid mineral potential, promoting responsible mining, and attracting private investment into the sector. This complements ongoing efforts in agriculture, trade, and industrialization to create jobs and stimulate wealth creation.
- To ensure quality human-capital development initiative through continuous improvement in access to - and quality of - public services, which include education and Health Care Delivery Systems at all levels. Inherent in this is the resolve of the government to promote gender equality and inclusive development;
- To pursue initiatives that would continue to generate economic growth and guarantee security. This would involve the implementation of programmes that generate employment and create wealth, and ensure adequate security.
- To deepen reforms in public financial management, policy formulation, and service delivery. As part of this, the government will finalize and operationalize the Kebbi State Development Plan (KBSDP 2020 - 2025) and Medium-Term Sector Strategies (MTSS) for priority sectors, as well as other sectoral policy documents, while ensuring alignment with national frameworks and global best practices.

### 4.B Sector/Main Organization Allocations (3 Year)

145. The total forecast budget size for the 2026 fiscal year is explained in Section 3. C above is **N487,718,093,923** of which the sum of **N155,040,026,281** will be for recurrent expenditure (i.e. Personnel, Overhead, Social Contributions, Special Programmes, Grants & Contributions Public Debt Charge, Transfer to Internal Revenue Services and Transfer to Local Governments), **N321,034,335,275** will be for capital expenditure, **N113,031,431,329** as transfer to Capital and **N11,643,732,367** will be for contingency reserve that will be allocated during the budget year after getting approval from the SHoA. A planning reserve of **N5,361,429,152** provision was made, which will be allocated to sectors at the bilateral discussion stage to fund critical expenditure items not envisaged at the stage of issuing the budget call circular. The capital component of the budget is derived from discretionary and non-discretionary funds. Discretionary fund of **N290,359,586,552** will be distributed to all MDAs, while non-discretionary capital fund of **N25,313,319,571** is specifically earmarked for special projects. The non-discretionary fund is in the form of loans and grants.
146. The indicative three-year envelopes for Main Organisations for Personnel, Overhead, and Capital Expenditure are presented in Table 10, Table 11 and Table 12.



Table 10: Indicative Sector Expenditure Ceilings 2026-2028 – Personnel (Salaries and Allowances)

Kebbi State Personnel (Salaries, Allowances and Social Contributions) Expenditure by Sector						
No.	Sector	% 2026	2026 Allocation	% 2027	2027 Allocation	2028 Allocation
1	Governor's Office	1.01%	621,757,909	1.01%	652,845,805	685,488,095
2	Office of the Secretary to the State Government	2.35%	1,451,504,720	2.35%	1,524,079,956	1,600,283,954
3	State Assembly	1.85%	1,145,723,966	1.85%	1,203,010,164	1,263,160,672
4	Ministry of Information and Culture	1.46%	903,965,967	1.46%	949,164,266	996,622,479
5	Office of the Head of State Civil Service	1.02%	630,269,672	1.02%	661,783,155	694,872,313
6	Ministry of Special Duties	0.02%	11,015,372	0.02%	11,566,141	12,144,448
7	Office of the State Auditor General	0.45%	276,611,231	0.45%	290,441,793	304,963,882
8	Civil Service Commission (CSC)	0.12%	76,630,612	0.12%	80,462,143	84,485,250
9	Kebbi State Independent Electoral Commission	0.12%	73,987,562	0.12%	77,686,940	81,571,287
10	Local Government Service Commission	0.11%	66,841,311	0.11%	70,183,377	73,692,546
11	Ministry of Agriculture	2.53%	1,563,568,575	2.53%	1,641,747,003	1,723,834,354
12	Ministry of Animal Health Husbandry and Fisheries	3.49%	2,155,996,513	3.49%	2,263,796,339	2,376,986,156
13	Ministry of Finance	7.37%	4,553,117,466	7.37%	4,780,773,339	5,019,812,006
14	Ministry of Commerce and Industry	0.62%	385,973,541	0.62%	405,272,218	425,535,829
15	Ministry of Information Communication and Technology (ICT)	0.00%	0	0.00%	0	0
16	Ministry of Works and Transport	1.52%	937,222,420	1.52%	984,083,541	1,033,287,718
17	Ministry of Budget & Economic Planning	0.18%	110,904,828	0.18%	116,450,069	122,272,573
18	Fiscal Responsibility Commission	0.06%	34,819,256	0.06%	36,560,219	38,388,230
19	Ministry of Water Resources and Rural Development	1.05%	651,540,432	1.05%	684,117,454	718,323,326
20	Ministry of Lands and Housing	0.72%	443,147,762	0.72%	465,305,150	488,570,407
21	Judiciary	5.34%	3,300,563,583	5.34%	3,465,591,763	3,638,871,351
22	Ministry of Justice	0.34%	210,341,330	0.34%	220,858,396	231,901,316
23	Ministry of Youths & Sports	0.27%	163,871,203	0.27%	172,064,763	180,668,002
24	Ministry of Women Affairs and Social Development	0.27%	169,649,456	0.27%	178,131,928	187,038,525
25	Ministry for Basic and Secondary Education	23.77%	14,679,934,503	23.77%	15,413,931,228	16,184,627,790
26	Ministry for Higher Education	15.04%	9,288,051,399	15.04%	9,752,453,969	10,240,076,668
27	Ministry of Health	26.68%	16,479,655,777	26.68%	17,303,638,565	18,168,820,494
28	Ministry of Environment	0.71%	436,701,616	0.71%	458,536,697	481,463,532
29	Ministry of Local Government and Chieftaincy Affairs	0.23%	143,236,807	0.23%	150,398,647	157,918,580
30	Ministry of solid Minerals Development and Mining	0.00%	0	0.00%	0	0
31	Ministry of Physical planning and Urban Development	0.43%	263,096,360	0.43%	276,251,178	290,063,737
32	Ministry of rural and Community Development	0.07%	46,029,794	0.07%	48,331,283	50,747,847
33	Ministry of Humanitarian Affairs and Empowerment	0.00%	0	0.00%	0	0
34	Ministry of Digital Economy	0.00%	0	0.00%	0	0
35	Ministry of Home affairs and Internal security	0.00%	0	0.00%	0	0
36	Ministry for Religious affairs	0.03%	19,122,755	0.03%	20,078,893	21,082,838
37	Ministry of Establishment, Training and Pension	0.67%	416,705,169	0.67%	437,540,427	459,417,449
38	Ministry of Transport and Renewable Energy	0.09%	56,046,913	0.09%	58,849,258	61,791,721
39	0	0.00%	0	0.00%	0	0
	<b>Total</b>	<b>100.00%</b>	<b>61,767,605,779</b>	<b>100.00%</b>	<b>64,855,986,068</b>	<b>68,098,785,371</b>

**Table 11: Indicative Sector Expenditure Ceilings 2026-2028 – Overhead (Account Class 2202)**

Kebbi State Overhead Expenditure by Sector						
No.	Sector	% 2026	2026 Allocation	% 2027	2027 Allocation	2028 Allocation
1	Governor's Office	26.69%	16,564,624,729	26.46%	17,407,225,940	18,799,804,015
2	Office of the Secretary to the State Government	10.68%	6,626,932,440	10.57%	6,950,937,184	7,507,012,159
3	State Assembly	14.03%	8,708,109,473	13.91%	9,150,578,433	9,882,624,708
4	Ministry of Information and Culture	0.32%	201,546,739	0.32%	211,076,190	227,962,285
5	Office of the Head of State Civil Service	0.61%	376,437,018	0.60%	397,697,054	429,512,819
6	Ministry of Special Duties	0.30%	185,935,537	0.30%	196,672,814	212,406,639
7	Office of the State Auditor General	0.30%	187,978,603	0.30%	196,761,901	212,502,854
8	Civil Service Commission (CSC)	0.16%	102,205,556	0.16%	107,188,012	115,763,053
9	Kebbi State Independent Electoral Commission	0.05%	33,533,356	0.05%	35,026,637	37,828,768
10	Local Government Service Commission	0.09%	56,737,094	0.09%	59,533,871	64,296,581
11	Ministry of Agriculture	0.29%	181,338,941	0.29%	190,380,048	205,610,452
12	Ministry of Animal Health Husbandry and Fisheries	0.18%	108,826,982	0.17%	113,907,489	123,020,088
13	Ministry of Finance	8.70%	5,399,396,426	8.64%	5,682,737,095	6,137,356,063
14	Ministry of Commerce and Industry	0.91%	562,332,239	0.89%	587,075,396	634,041,428
15	Ministry of Information Communication and Technology (ICT)		0	0.01%	4,280,005	4,622,405
16	Ministry of Works and Transport	0.62%	386,944,923	0.61%	401,976,200	434,134,296
17	Ministry of Budget & Economic Planning	1.33%	826,002,334	1.31%	864,843,072	934,030,518
18	Fiscal Responsibility Commission	0.03%	15,698,256	0.02%	16,432,376	17,746,966
19	Ministry of Water Resources and Rural Development	1.67%	1,037,575,030	1.66%	1,090,155,336	1,177,367,763
20	Ministry of Lands and Housing	0.20%	121,336,062	0.19%	126,939,351	137,094,499
21	Judiciary	3.48%	2,159,712,288	3.44%	2,261,921,976	2,442,875,734
22	Ministry of Justice	7.63%	4,735,988,392	7.58%	4,987,792,203	5,386,815,580
23	Ministry of Youths & Sports	1.19%	737,433,743	1.17%	772,549,000	834,352,920
24	Ministry of Women Affairs and Social Development	0.27%	168,764,718	0.27%	176,821,461	190,967,177
25	Ministry for Basic and Secondary Education	11.01%	6,831,961,383	10.85%	7,139,884,388	7,711,075,139
26	Ministry for Higher Education	2.37%	1,473,835,665	2.34%	1,542,533,819	1,665,936,525
27	Ministry of Health	4.74%	2,941,215,687	4.68%	3,077,281,014	3,323,463,495
28	Ministry of Environment	0.19%	117,017,321	0.19%	123,511,486	133,392,405
29	Ministry of Local Government and Chieftaincy Affairs	0.23%	142,887,979	0.23%	150,254,263	162,274,604
30	Ministry of solid Minerals Development and Mining	0.08%	47,978,512	0.08%	50,494,406	54,533,959
31	Ministry of Physical planning and Urban Development	0.74%	461,733,988	0.74%	488,622,321	527,712,106
32	Ministry of rural and Community Development	0.09%	53,068,117	0.08%	55,792,009	60,255,370
33	Ministry of Humanitarian Affairs and Empowerment	0.17%	105,275,947	0.17%	111,188,735	120,083,834
34	Ministry of Digital Economy	0.13%	80,918,627	0.13%	84,756,421	91,536,935
35	Ministry of Home affairs and Internal security	0.27%	170,479,298	0.27%	179,644,752	194,016,332
36	Ministry for Religious affairs	0.62%	383,829,544	0.62%	405,048,107	437,451,956
37	Ministry of Establishment, Training and Pension	0.29%	182,535,609	0.29%	191,264,290	206,565,433
38	Ministry of Transport and Renewable Energy	0.29%	178,844,909	0.29%	189,575,603	204,741,651
39	0	0.00%	0	0.00%	0	0
	<b>Total</b>	<b>100.97%</b>	<b>62,056,944,018</b>	<b>100.00%</b>	<b>65,780,360,659</b>	<b>71,042,789,511</b>

Table 12: Indicative Sector Expenditure Ceilings 2026-2028 – Capital

Kebbi State Capital Expenditure by Sector		Discretionary Funds						Non-Discretionary Funds			Total Capital Envelope					
No.	Sector	% 2026	2026 Allocation	% 2027	2027 Allocation	% 2028	2028 Allocation	2026 Allocation	2027 Allocation	2028 Allocation	% 2026	2026 Allocation	% 2027	2027 Allocation	% 2028	2028 Allocation
1	Governor's Office	0.77%	2,241,984,052	0.77%	2,378,981,201	0.77%	2,216,022,468	0	0	0	0.7%	2,241,984,052	0.7%	2,378,981,201	0.7%	2,216,022,468
2	Office of the Secretary to the State Government	11.42%	33,157,368,321	11.42%	35,183,459,861	11.42%	32,773,414,734	0	0	0	10.5%	33,157,368,321	10.6%	35,183,459,861	10.5%	32,773,414,734
3	State Assembly	0.93%	2,690,977,902	0.93%	2,855,410,963	0.93%	2,659,817,087	0	0	0	0.9%	2,690,977,902	0.9%	2,855,410,963	0.9%	2,659,817,087
4	Ministry of Information and Culture	0.26%	754,857,815	0.26%	800,983,642	0.26%	746,116,760	0	0	0	0.2%	754,857,815	0.2%	800,983,642	0.2%	746,116,760
5	Office of the Head of State Civil Service	2.42%	7,025,726,142	2.42%	7,455,035,373	2.42%	6,944,370,085	0	0	0	2.2%	7,025,726,142	2.2%	7,455,035,373	2.2%	6,944,370,085
6	Ministry of Special Duties	1.07%	3,102,447,119	1.07%	3,292,023,137	1.07%	3,066,521,599	0	0	0	1.0%	3,102,447,119	1.0%	3,292,023,137	1.0%	3,066,521,599
7	Office of the State Auditor General	0.08%	223,399,759	0.08%	237,050,672	0.08%	220,812,848	0	0	0	0.1%	223,399,759	0.1%	237,050,672	0.1%	220,812,848
8	Civil Service Commission (CSC)	0.02%	64,868,833	0.02%	68,832,663	0.02%	64,117,669	0	0	0	0.0%	64,868,833	0.0%	68,832,663	0.0%	64,117,669
9	Kebbi State Independent Electoral Commission	0.00%	0	0.00%	0	0.00%	0	0	0	0	0.0%	0	0.0%	0	0.0%	0
10	Local Government Service Commission	0.00%	0	0.00%	0	0.00%	0	0	0	0	0.0%	0	0.0%	0	0.0%	0
11	Ministry of Agriculture	15.11%	43,884,562,483	15.11%	46,566,142,635	15.11%	43,376,390,815	2,303,727,281	2,303,727,281	0	14.6%	46,188,289,764	14.7%	48,869,869,916	13.9%	43,376,390,815
12	Ministry of Animal Health Husbandry and Fisheries	2.31%	6,716,403,951	2.31%	7,126,811,951	2.31%	6,638,629,763	0	0	0	2.1%	6,716,403,951	2.1%	7,126,811,951	2.1%	6,638,629,763
13	Ministry of Finance	2.52%	7,316,543,706	2.52%	7,763,820,436	2.52%	7,231,820,058	0	0	0	2.3%	7,316,543,706	2.3%	7,763,820,436	2.3%	7,231,820,058
14	Ministry of Commerce and Industry	1.03%	2,988,238,393	1.03%	3,170,835,651	1.03%	2,953,635,380	0	0	0	0.9%	2,988,238,393	1.0%	3,170,835,651	0.9%	2,953,635,380
15	Ministry of Information Communication and Technology (ICT)	0.48%	1,406,039,732	0.48%	1,491,956,237	0.48%	1,389,758,163	0	0	0	0.4%	1,406,039,732	0.4%	1,491,956,237	0.4%	1,389,758,163
16	Ministry of Works and Transport	16.72%	48,553,452,241	16.72%	51,520,326,387	16.72%	47,991,216,060	0	0	0	15.4%	48,553,452,241	15.5%	51,520,326,387	15.3%	47,991,216,060
17	Ministry of Budget & Economic Planning	4.20%	12,198,880,717	4.20%	12,944,297,204	4.20%	12,057,620,893	0	0	0	3.9%	12,198,880,717	3.9%	12,944,297,204	3.9%	12,057,620,893
18	Fiscal Responsibility Commission	0.00%	0	0.00%	0	0.00%	0	0	0	0	0.0%	0	0.0%	0	0.0%	0
19	Ministry of Water Resources and Rural Development	2.77%	8,035,557,556	2.77%	8,526,572,856	2.77%	7,942,507,917	0	0	0	2.5%	8,035,557,556	2.6%	8,526,572,856	2.5%	7,942,507,917
20	Ministry of Lands and Housing	5.24%	15,218,684,086	5.24%	16,148,626,618	5.24%	15,042,455,735	0	0	0	4.8%	15,218,684,086	4.9%	16,148,626,618	4.8%	15,042,455,735
21	Judiciary	1.02%	2,956,452,653	1.02%	3,137,107,633	1.02%	2,922,217,711	0	0	0	0.9%	2,956,452,653	0.9%	3,137,107,633	0.9%	2,922,217,711
22	Ministry of Justice	1.00%	2,901,847,618	1.00%	3,079,165,940	1.00%	2,868,244,987	0	0	0	0.9%	2,901,847,618	0.9%	3,079,165,940	0.9%	2,868,244,987
23	Ministry of Youths & Sports	0.90%	2,610,861,209	0.90%	2,770,398,714	0.90%	2,580,628,124	0	0	0	0.8%	2,610,861,209	0.8%	2,770,398,714	0.8%	2,580,628,124
24	Ministry of Women Affairs and Social Development	1.64%	4,768,531,437	1.64%	5,059,914,067	1.64%	4,713,313,099	8,000,000,000	8,000,000,000	12,000,000,000	4.0%	12,768,531,437	3.9%	13,059,914,067	5.3%	16,713,313,099
25	Ministry for Basic and Secondary Education	9.98%	28,977,808,660	9.98%	30,748,506,877	9.98%	28,642,253,273	3,554,642,584	3,554,642,584	3,554,642,584	10.3%	32,532,451,244	10.3%	34,303,149,462	10.3%	32,196,895,857
26	Ministry for Higher Education	3.22%	9,354,469,780	3.22%	9,926,077,632	3.22%	9,246,147,485	3,487,274,233	3,487,274,233	3,487,274,233	4.1%	12,841,744,013	4.0%	13,413,351,865	4.1%	12,733,421,718
27	Ministry of Health	6.07%	17,611,367,853	6.07%	18,687,516,088	6.07%	17,407,432,854	1,567,675,472	1,700,000,000	1,800,000,000	6.1%	19,179,043,325	6.1%	20,387,516,088	6.1%	19,207,432,854
28	Ministry of Environment	3.25%	9,423,894,859	3.25%	9,999,744,953	3.25%	9,314,768,640	0	0	0	3.0%	9,423,894,859	3.0%	9,999,744,953	3.0%	9,314,768,640
29	Ministry of Local Government and Chieftaincy Affairs	0.21%	607,998,959	0.21%	645,150,929	0.21%	600,958,491	0	0	0	0.2%	607,998,959	0.2%	645,150,929	0.2%	600,958,491
30	Ministry of solid Minerals Development and Mining	0.22%	647,628,464	0.22%	687,202,007	0.22%	640,129,097	0	0	0	0.2%	647,628,464	0.2%	687,202,007	0.2%	640,129,097
31	Ministry of Physical planning and Urban Development	1.60%	4,653,790,154	1.60%	4,938,161,482	1.60%	4,599,900,491	0	0	0	1.5%	4,653,790,154	1.5%	4,938,161,482	1.5%	4,599,900,491
32	Ministry of rural and Community Development	0.96%	2,788,428,380	0.96%	2,958,816,183	0.96%	2,756,139,114	6,200,000,000	5,300,000,000	4,700,000,000	2.8%	8,988,428,380	2.5%	8,258,816,183	2.4%	7,456,139,114
33	Ministry of Humanitarian Affairs and Empowerment	0.89%	2,572,982,868	0.89%	2,730,205,805	0.89%	2,543,188,404	200,000,000	220,000,000	250,000,000	0.9%	2,772,982,868	0.9%	2,950,205,805	0.9%	2,793,188,404
34	Ministry of Digital Economy	0.63%	1,816,168,942	0.63%	1,927,146,522	0.63%	1,795,138,184	0	0	0	0.6%	1,816,168,942	0.6%	1,927,146,522	0.6%	1,795,138,184
35	Ministry of Home affairs and Internal security	0.10%	299,072,286	0.10%	317,347,193	0.10%	295,609,107	0	0	0	0.1%	299,072,286	0.1%	317,347,193	0.1%	295,609,107
36	Ministry for Religious affairs	0.39%	1,137,427,869	0.39%	1,206,930,760	0.39%	1,124,256,754	0	0	0	0.4%	1,137,427,869	0.4%	1,206,930,760	0.4%	1,124,256,754
37	Ministry of Establishment, Training and Pension	0.20%	582,456,006	0.20%	618,047,165	0.20%	575,711,318	0	0	0	0.2%	582,456,006	0.2%	618,047,165	0.2%	575,711,318
38	Ministry of Transport and Renewable Energy	0.37%	1,068,405,751	0.37%	1,133,691,024	0.37%	1,056,033,894	0	0	0	0.3%	1,068,405,751	0.3%	1,133,691,024	0.3%	1,056,033,894
39	0	0.00%	0	0.00%	0	0.00%	0	0	0	0	0.0%	0	0.0%	0	0.0%	0
	Total	100.00%	290,359,586,552	100.00%	308,102,101,464	100.00%	286,997,299,061	25,313,319,571	24,565,644,099	25,791,916,817	100.00%	315,672,906,123	100.00%	332,667,745,563	100.00%	312,789,215,879

#### **4.C Considerations for the Annual Budget Process**

147. The budget call circular should include the following instructions to MDAs for the annual budget submissions:
- Only prioritised projects contained in the sectors' MTSS should be in the MDA's capital budget proposal;
  - Budget submissions for capital projects must include full life-time capital investment requirements (costs) and also sources of funding (particularly if grants and/or loans are being used to partially/fully fund the project).

## 5 Summary of Key Points and Recommendations

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

- Kebbi State should sustain the current Budget reform programme particularly as it relates to the preparation of a realistic budget, ensuring policy-plan-budget linkages using the State MTSSs, and early passage of the budget. Efforts should be made to prepare MTSS for other sectors not yet provided for.
- Kebbi State should prioritize increasing its Internally Generated Revenue (IGR) through digital reforms, expansion of the tax base, and strategic engagement with private sector activities, particularly solid minerals and agriculture. The Kebbi Geographic Information Service (KEBGIS), the Ministry of Solid Minerals Development, and the Kebbi Investment Promotion Agency (KIPA) are instrumental to achieving these strides. Sustained growth in IGR will position the State to fund its recurrent expenditures independently over time, reduce reliance on federal transfers, and allow greater flexibility in capital spending.
- Kebbi State must continue to monitor the performance of mineral-based revenues to ensure estimates are consistent with the latest development globally and within the Federal Government's budget process. If the benchmark price of crude in the Federal FSP is lower or higher than \$60 per barrel used herein and IMF, World Bank, OPEC and US Energy Information Administration Reports validates the oil price benchmark provided in Federal FSP, the State would revisit the assumptions and recalculate statutory allocation.
- It is vital to link sectoral budgets to Medium-Term Sector Strategies (MTSS), prioritize completion of ongoing capital projects, and implement performance-based budgeting for improved efficiency. The State should finalize and operationalize the Kebbi State Development Plan (KBSDP) and MTSS documents to guide policy-plan-budget alignment. Additionally, efforts to institutionalize climate resilience, security reforms, and inclusive service delivery across sectors like health, education, and agriculture must be supported with adequate budgetary provisions and governance reforms.

## Annex 1 Detailed Capital Receipts Table 13 Capital Receipts by Item – 2026-2028

ITEM	2026	2027	2028
<b>Internal Grants</b>			
Federal Grant for Universal Basic (UBE)	3,554,642,584	3,554,642,584	3,554,642,584
Local Government Grant for Social Security Welfare Fund	200,000,000	220,000,000	250,000,000
Federal Government Tertiary Education Trust Fund (TETFUND) grant for College of Education	670,862,602	670,862,602	670,862,602
Federal Government Tertiary Education Trust Fund (TETFUND) Intervention (KSUSTA)	1,656,944,930	1,656,944,930	1,656,944,930
Federal Government Tertiary Education Trust Fund (TETFUND) Intervention Poly Dakinga	1,159,466,701	1,159,466,701	1,159,466,701
25% Contribution from LG for Joint Capital Project	15,000,000,000	16,500,000,000	18,000,000,000
BHCPF for National Health Insurance Scheme (NHIS)	687,675,472	700,000,000	700,000,000
Local Government Grants for Primary Healthcare Under One Roof	880,000,000	1,000,000,000	1,100,000,000
Sub-Total Recurrent External Grants	887,675,472	920,000,000	950,000,000
Sub-Total Capital External Grants	22,921,916,817	24,541,916,817	26,141,916,817
<b>Sub-Total Internal Grant</b>	<b>23,809,592,289</b>	<b>25,461,916,817</b>	<b>27,091,916,817</b>
<b>External Grants</b>			
UNICEF Aid for General Support to the State	5,806,579,183	5,806,579,183	5,806,579,183
Agricultural Transformation Agenda Support Program Phase-1 (ATASP-1) (AfDB Grants)	2,303,727,281	2,303,727,281	
World Bank Grants for the Implementation of Nigeria for Women Project (NFWP)	8,000,000,000	8,000,000,000	12,000,000,000
AFDB (e-HEART Rural Electrification) Project	6,200,000,000	5,300,000,000	4,700,000,000
Sub-Total Recurrent External Grants	5,806,579,183	5,806,579,183	5,806,579,183
Sub-Total Capital External Grants	16,503,727,281	15,603,727,281	16,700,000,000
<b>Sub-Total External Grant</b>	<b>22,310,306,464</b>	<b>21,410,306,464</b>	<b>22,506,579,183</b>
<b>Grant Balancing Item / Blue Sky (Capital)</b>			
Total Recurrent Grants	6,694,254,655	6,726,579,183	6,756,579,183
Total Capital Grants	39,425,644,099	40,145,644,099	42,841,916,817
<b>Total Grants</b>	<b>46,119,898,754</b>	<b>46,872,223,282</b>	<b>49,598,496,000</b>
<b>Internal Loans</b>			
Commercial Bank Loans (Including Infrastructural Loan)	10,000,000,000	10,000,000,000	10,000,000,000
Loan for the construction of houses under the Family Homes Fund Housing (Federal Loan)	7,528,242,313		
<b>Total</b>	<b>17,528,242,313</b>	<b>10,000,000,000</b>	<b>10,000,000,000</b>
<b>External Loans</b>			
Rural Access Mobility Project (RAMP) World Bank Loan	16,421,201,040	16,421,201,040	
World Bank State Action on Business Enabling Reforms (SABER) Programme (World Bank Loan)	22,000,000,000	22,000,000,000	
COVID-19 Action Recovery and Economic Stimulus (CARES) Project (World Bank Loan)	25,050,000,000	16,050,000,000	
World Bank Loan for the implementation of Agro-Climatic Resilience in Semi-Arid Landscapes (ACREASAL)	28,620,000,000	28,620,000,000	28,620,000,000
Special Agro Industrial Processing Zone (SAPZ - AfDB)	31,375,000,000	31,375,000,000	31,375,000,000
World Bank for implementation of Rural Access Road Agency for construction of State Road	10,000,000,000	10,000,000,000	10,000,000,000
World Bank (HOPE) Human Capital Opportunities for Prosperity and Equity Programme (World Bank Loan)	10,000,000,000	25,000,000,000	25,000,000,000
CBN backed loan for Accelerated Agricultural Development Scheme (AADS)			
World Bank Loan for the the implementation of Adolescent Girls Initiative for Learning and Empowerment (AGILE) Program	7,450,000,000		
World Bank Loan for Immunization Plus Malaria Progress by Accelerating Coverage and Transforming Services (IMPACT)	10,720,425,000	10,720,425,000	10,720,425,000
Accelerating Nutrition Result in Nigeria (ANRIN 2.0)	1,056,123,862	1,584,185,793	2,376,278,690
<b>Total</b>	<b>162,692,749,902</b>	<b>161,770,811,833</b>	<b>108,091,703,690</b>
<b>Loan Balancing Item / Blue Sky</b>			
<b>Total Loans</b>	<b>180,220,992,215</b>	<b>171,770,811,833</b>	<b>118,091,703,690</b>
<b>Other Capital Receipts</b>			
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>OCR Balancing Item / Blue Sky</b>			
<b>Total Other Capital Receipts</b>	<b>0</b>	<b>0</b>	<b>0</b>