



# GOMBE STATE GOVERNMENT

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**2024-2026**

**MEDIUM TERM EXPENDITURE FRAMEWORK (MTEF)**

**Economic and Fiscal Update (EFU),**

**Fiscal Strategy Paper (FSP) and**

**Budget Policy Statement (BPS)**

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## List of Abbreviations

<b>BRINCS</b>	Brazil, Russia, India, Nigeria, China, South Africa
<b>CBN</b>	Central Bank of Nigeria
<b>CET</b>	Common External Tariff
<b>DEVAGOM</b>	Gombe State Development Plan
<b>DMD</b>	Debt Management Department
<b>ECOWAS</b>	Economic Community of West African States
<b>EFU</b>	Economic and Fiscal Update
<b>ExCo</b>	Executive Council
<b>FAAC</b>	Federal Allocation Accounts Committee
<b>FSP</b>	Fiscal Strategy Paper
<b>FPM</b>	Fiscal Policy Measure
<b>GDP</b>	Gross Domestic Product
<b>IGR</b>	Internally Generated Revenue
<b>IMF</b>	International Monetary Fund
<b>MDA</b>	Ministry, Department and Agencies
<b>GMSG</b>	Gombe State Government
<b>BPDPC</b>	Budget, Planning and Development Partners Coordination
<b>MINT</b>	Malaysia, Indonesia, Nigeria and Turkey
<b>MTBF</b>	Medium Term Budget Framework
<b>MTEF</b>	Medium Term Expenditure Framework
<b>MTFF</b>	Medium Term Fiscal Framework
<b>MTSS</b>	Medium Term Sector Strategy
<b>NA 2050</b>	Nigeria Agenda 2050
<b>NBS</b>	National Bureau of Statistics
<b>NDP</b>	National Development Plan
<b>NNPC</b>	Nigerian National Petroleum Company
<b>OAG</b>	Office of the Accountant General

<b>PFM</b>	Public Financial Management
<b>PITA</b>	Personal Income Tax Act
<b>SHoA</b>	State House of Assembly
<b>SPM</b>	Supplementary Protection Measures
<b>VAT</b>	Value Added Tax
<b>WEO</b>	World Economic Outlook

## FOREWORD

Since the inception of the States' Fiscal Transparency, Accountability and Sustainability (SFTAS), Program for Result (P for R) in 2018, sub national governments in Nigeria have been encouraged to key into International best practice aimed at providing good governance and people-oriented projects and programs pursuant to achieving the Sustainable Development Goals (SDGs).

Gombe State Government upholds existing best practices and initiated various reforms aimed at strengthening transparency and accountability in Governance and Public Financial Management (PFM), with a view to fortifying the effective utilization of the existing Fiscal Responsibility law, 2018 as amended.

The Medium-Term Expenditure Framework (MTEF) which includes the Economic and Fiscal Update (EFU) provides economic and fiscal analyses which form the basis for budget planning process. It is aimed primarily an economic planning tool for policy makers and decision takers in Gombe State Government. The EFU also provides an assessment of budget performance (both historical and current) and identifies significant factors affecting implementation.

Similarly, the Fiscal Strategy Paper (FSP) and Budget Policy Statement (BPS) are key elements in Medium Term Expenditure Framework (MTEF) and annual budget process, and as such, they determine the resources available to fund Government projects and programmes from a fiscally sustainable perspective.

Government decided to adopt the preparation of the EFU-FSP-BPS for the first time in 2018 as part of a comprehensive MTEF process. This is the 6th rolling iteration of the document and covers the period 2024 - 2025. This document is no doubt a comprehensive reference point providing clear guidance to the Ministries, Departments and Agencies of government (MDAs) on how to prepare their budgets which will in turn, impact, positively, the conduct of financial transactions to improve government financial management practices to provide value for money and improve the living standards of the citizens. The standardization and improvement of our budgeting system cannot therefore be over emphasized.

I would like to acknowledge the leadership and guidance provided by the Appropriation Committee of the Gombe State House of Assembly; Mal. Muhammad Gambo Magaji, Honourable Commissioner of Finance, Gombe State; Dr. Ishiyaku M. Mohammed, Special Adviser to the Gombe State Governor on Budget, Planning and Development Partner Coordination (BP&DPCO).

I also wish to recognize the roles played by Alh. Aminu Umar Yuguda, Gombe State Accountant General; Alh. Kabiru Tsoho, Director General, Debt Management Agency; Muhammed Yusuf Kulani; Abubakar Dauda Gadam; Mr. Bulus Nuhu and Mohammed Adamu and other members



of the state's MTEF preparation team for their valuable contributions resulting in the compilation of this document.

Finally, our special and profound thanks go to USAID State2State (S2S) Activity and officials, particularly the PFM Specialist, for sponsoring the MTEF preparation workshop and supporting the production of the MTEF 2024 -2026.

This is one significant document that will revolutionize budget preparation and implementation in the state. It will strengthen governance by facilitating Transparency and Accountability in the management of government resources to enhance a purposeful PFM practice in Gombe State.

**Abubakar Dauda Gadam**  
Permanent Secretary, BP&DPCO  
Gombe State.

# 1 Introduction and Background

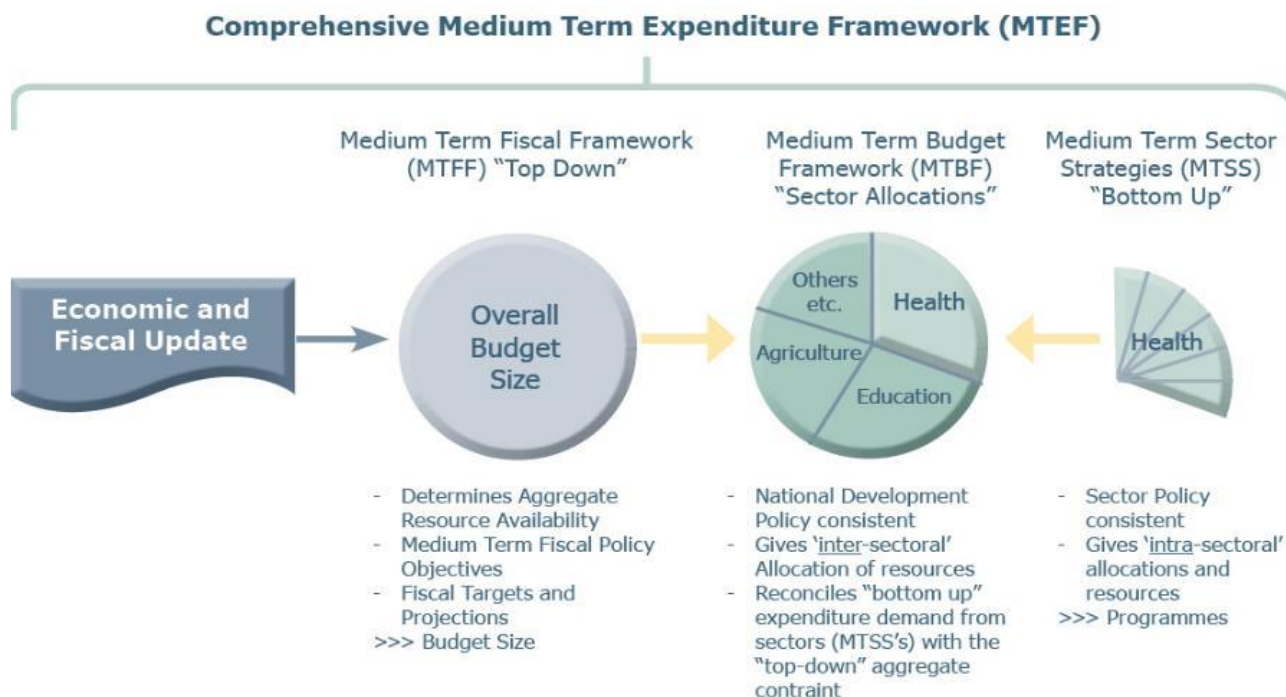
## 1.A Introduction

1. The Economic and Fiscal Update (EFU) provides economic and fiscal analyses which form the basis for budget planning process. It is aimed primarily at policy makers and decision takers in Gombe State Government. The EFU also provides an assessment of budget performance (both historical and current) and identifies significant factors affecting implementation.
2. On the other hand, Fiscal Strategy Paper (FSP) and Budget Policy Statement (BPS) are key elements in Medium Term Expenditure Framework (MTEF) and annual budget process, and as such, they determine the resources available to fund Government projects and programmes from a fiscally sustainable perspective.
3. Gombe State Government decided to adopt the preparation of the EFU-FSP-BPS for the first time in 2018 as part of the movement toward a comprehensive MTEF process. This is the 6th rolling iteration of the document and covers the period 2024 - 2026.

## 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); and
  - 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**



### 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 Gombe State Government (GSG) for the period 2024 - 2026.
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 MTEF; and
  - iii. Provide indicative sector envelopes for the period 2024 - 2026 which constitute the MTBF.
9. The EFU is presented in Section 2 of this document. The EFU provides economic and fiscal analysis in order to inform the budget planning process. It is aimed primarily at budget policy makers and decision takers in the Gombe 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; and
  - Trends in budget performance over the last six years.

10. The FSP is a key element in the GSG 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.

## Preparation and Audience

11. The purpose of this document is to provide an informed basis for the 2024 - 2026 budget preparation cycle for all of the key Stakeholders, specifically:
  - State House of Assembly (SHoA);
  - Executive Council (ExCo);
  - Budget, Planning and Development Partner Coordination Office;
  - Ministry of Finance;
  - All Government Ministries, Departments and Agencies (MDA's); and
  - Civil Society.
12. The document is prepared within in the first two quarters of the year prior to the annual budget preparation period. It is prepared by Gombe State Government (EFU-FSP-BPS) Working Group using data collected from international, national, and state organisations.

## 1.B Background

### Legislative and Institutional arrangement for PFM

13. Legislative Framework for PFM in Gombe State - The fundamental law governing public financial management in Nigeria and Gombe State is the 1999 Constitution as amended. Section 120 and 121 of the Constitution provides that all revenues accruing to Gombe State Government shall be paid into the Consolidated Revenue Fund (CRF) to be maintained by the Government and revenue cannot 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 Gombe State shall prepare and lay revenue and expenditure proposals for each 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.
14. Apart from the Nigerian Constitution, Gombe State has a set of laws and regulations that regulate its budget preparation and implementation. The laws are:
  - Gombe State Government Financial Regulations issued under the Finance (Control and Management) Act arising from the Finance (Control and Management) Act, 1958 which was reproduced as Chapter 108 of the Laws of Northern Nigeria, 1963 (Control and Management) Law.

- Gombe State Fiscal Responsibility (amendment) Law (FRL) 2018; Gombe State FRL established the Fiscal Responsibility Commission and a Governing Board that will provide general policy guidelines for the discharge of the functions of the Agency. Section 47 of Gombe State FRL states that “any person who wilfully or negligently fails to perform his/her obligations under the FRL, or who knowingly or recklessly makes a false statement in the discharge of his obligation under the law, commits an offence and is liable on conviction to one year imprisonment or a fine of N100,000.00, while some offences have imprisonment of not less than 3 years or N250,000.00”. In addition, the head of an institution that fails to ensure performance will be punished as if he/she personally committed the offence. Section 15 of the Law also require the state government to prepare MTEF for the next three financial years before the end of the second quarter of each financial year.
  - Gombe State Public Service Rules: The public service rules contains fundamental ethical and professional standards that the state’s public service must strictly adhered to. It entrenched the principle of transparency, accountability, justice, equity, due process, and the rule of law in the conduct of governance affairs in the state (including PFM). The public service rules also guide the recruitment/appointment, promotion, allowances, emoluments and increment, discipline, and dismissal of staff of the state government and consequently guides the items in the personnel budget of the state.
  - Occasional treasury circulars issued by the Accountant General of Gombe State for additional rules and guidelines to support accounting, internal audit, and stores procedures.
15. Institutional Framework for PFM in Gombe state - The Constitution vests 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>1</sup>. The Governor of Gombe 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.
  16. Specifically, Gombe State Executive Council (EXCO) formulates the policies of the state government, considers, and recommends the state budget to the House of Assembly. On passage, the Governor signs the appropriation bill into law.
  17. The Ministry of Finance is the main organ of the EXCO responsible for the formulation and execution of fiscal policy. The Ministry of Finance coordinates and manages the state’s fiscal policies and all revenue and expenditure profile of government. Ministry of Finance is also responsible for core treasury functions of revenue and expenditure management, accounting, and funds/cash management. The Ministry of Finance has two important quasi-autonomous agencies, the Office of the Accountant General for the State (OAGS) and the Internal Revenue Service (IRS).

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

18. Specific functions of the OAGS include to account for all receipts and payments of the state government; supervise the accounts of the state Ministries, Extra-Ministerial 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. The OAGS equally functions to provide cash backing for the operations of the state government; to maintain and operate the state government's accounts; to conduct routine and in-depth inspection of the books of accounts of state MDAs of government to ensure compliance with rules, regulations, policy decisions and maintenance of account codes; and to formulate and implement the accounting policy of the State Government. The OAGS also deploys and posts accounting staff to MDAs.
19. The Internal Revenue Service is responsible for generation of government revenue. The Service formulates and executes Joint Tax Board (JTB) policies on taxation, stamp duties and motor vehicle licensing.
20. The State Budget, Planning and Development Partner Coordination Office (BP&DPCO) supports the preparation of the budget (both capital and recurrent) in close collaboration with Ministry of Finance (MOF). It is also in charge of planning, setting the broad agenda for development and statistics.
21. Another important institutional framework in the circle of public financial management in the state is the Due Process Office. This Office plays a significant role in ensuring that all MDAs adhere with the best practice in procurement as well as monitors the execution of all capital projects.
22. The Office of the Auditor General conducts annual audit of public accounts prepared by the Accountant General and publishes audited reports. The audit of the financial statements of Gombe State Local Governments is overseen by the Auditor General of Local Governments. Audit reports from both the Auditor General of the state and Auditor General for local governments are submitted to the SHoA.
23. 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 BP&DPCO. There are three main categories of expenditure: personnel costs, overhead costs, and capital expenditure.
24. The payroll is centralized under the Head of Service (HoS) and 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.C Overview of Budget Calendar

25. Indicative Budget Calendar for Gombe State Government, as presented below, is contained in the Budget Manual that guides the budget planning, preparation, and implementation processes:

**Table 1: Budget Calendar**

Stage	Month(s)	Duration	Responsibility
Preparation of MTEF/EFU-FSP-BPS/MTSS Documents	May/June	4 Weeks	Director Budget & Director Planning
Submission of MTEF/EFU-FSP-BPS/MTSS Documents to EXCO for Review and Approval	June/July	1 Week	Hon. Commissioner of Finance
Transmission of MTEF/EFU-FSP-BPS/MTSS Documents to State House of Assembly for approval	July	1 Week	Executive Governor
Issuance of FY Budget call Circular	July/August	1 Week	Permanent Secretary – Budget
Preparation of Budget Proposals by MDAs	August to September	6 Weeks	Accounting Officers/Budget Officers in MDAs
Bilateral Budget Discussions with MDAs	September to October	4 Weeks	Permanent Secretary – Budget
Stakeholder Consultation (MDAs, CSO's, other stakeholders)	August to October	2 Days	Ministry of Finance & Budget, Planning and Development Partners Coordination Office (BPDPCO)
Consolidation of Proposals	October	1 Week	Ministry of Finance & Budget Office, BPDPCO
Submission of Draft Budget to State Executive Council (EXCO)	October	1 Day	Hon. Commissioner of Finance
EXCO Review and Approval of Draft Budget	October	1 Day	EXCO
Presentation of Proposed Budget to State House of Assembly	October	1 Day	Executive Governor
Budget Defence by MDA's before House of Assembly	November	4 Weeks	MDAs, Appropriation and Sector Committees of House of Assembly
Public Hearing on Budget Proposals with (MDAs, CSO's, other stakeholders)	December	1 Day	State House of Assembly
Debate and Approval of Budget by House of Assembly	December	2 Weeks	State House of Assembly
HE, The Governor's Assent FY Appropriation Law	December	1 Day	Executive Governor

<b>Stage</b>	<b>Month(s)</b>	<b>Duration</b>	<b>Responsibility</b>
Dissemination of Approved Budget	December	1 Day	Ministry of Finance & Budget Office, BPDPCO



## 2 Economic and Fiscal Update

### 2.A Economic Overview

#### Global Economy

26. The International Monetary Fund's (IMF's) April 2023 World Economic Outlook (WEO) reported a highly uncertain trend in the performance of the global economy following the cumulative effects of the COVID-19 pandemic in 2020 and 2021, and Russia's invasion of Ukraine in 2022. The effects of these factors were worsened by a constrained demand globally, lingering supply disruptions, and commodity price spikes, resulting in inflation that reached multidecade highs in 2022 in many economies, leading central banks to tighten monetary policies aggressively to bring it back toward their targets and keep inflation expectations anchored.
27. Global inflation has been pushed higher by demand pressures, including those from the lagged effects of earlier policy support, and supply shocks, including disruptions to both global supply chains and the availability of key commodities occasioned by COVID-19 and Russia-Ukraine war. Most commodity prices have eased, to varying degrees, largely due to the slowdown in global growth and ongoing concerns about the possibility of a global recession.
28. In some countries, inflation has also been spurred by large currency depreciations relative to the U.S. dollar, as well as tight labour market conditions. Although inflation is likely to gradually moderate over the course of the year, there are signs that underlying inflation pressures could become more persistent. In response, central banks around the world have been tightening monetary policies faster than previously expected. Interest rate hikes and liquidity tightening measures aimed to balance inflation containment and economic stability has increased, particularly in emerging economies.
29. Although, while this tightening is necessary for price stability, it has contributed to worsening the global financial conditions, which is exerting a substantial drag on economic activities. This drag is set to deepen given the lags between changes in monetary policy and its economic impacts, and the fact that real rates are expected to continue to increase. Similarly, asset prices have been in broad decline, investment growth has weakened substantially, and housing markets in many countries are worsening rapidly.
30. Financial conditions were also worsened with the unexpected failures of two specialized regional banks in the United States in mid-March 2023 and the collapse of confidence in Credit Suisse (a globally significant bank), bank depositors and investors are re-evaluating the safety of their holdings and shifting away from institutions and investments perceived as vulnerable; this will result to lower lending if depositors continue to perceive their holdings as vulnerable. The war in Ukraine and geopolitical tensions have also had a significant impact on regional economies, trade relationships, and investor sentiments.

31. As economies continue to recover from the COVID-19 pandemic, global oil demand is rebounding, and oil price remains high due to the Russian-Ukraine War. However, the pace and sustainability of this recovery remain contingent upon factors such as global economic growth, energy transition policies, and the adoption of clean energy alternatives. Also, technological advancements, such as shale oil extraction, have contributed to increase in non-OPEC supply, impacting global oil market dynamics. The increasing focus on reducing greenhouse gas emissions and transitioning to cleaner energy sources as well as evolving environmental regulations, such as carbon pricing mechanisms and stricter emission standards contribute to shaping the future landscape of the global oil industry. The IMF projects oil price to fall by 24% in 2023 and further by 5.8% in 2024.
32. The continued Russian-Ukraine war, escalation of sanctions on Russia, the emergence of the Omicron variant of Covid-19 in late 2021 and the recent emergence of the XBB.1.5 Omicron sub-variant in January 2023, has led to renewed uncertainties and potential disruptions in global economic activities and made this forecast considerably uncertain. Vaccination efforts and containment measures continue to play a crucial role in managing the impact of the pandemic on the global economy. The Russia invasion of Ukraine has contributed to economic fragmentation as a significant number of countries sever commercial ties with Russia and risks derailing the post-pandemic recovery. It also threatens the rule-based frameworks that have facilitated greater global economic integration and helped lift millions out of poverty.
33. Global growth is expected to fall from 3.4 percent in 2022 to 2.8 percent in 2023, before settling at 3.0 percent in 2024. Global trade is gradually recovering, but risks persist due to geopolitical tensions and supply chain disruptions. Foreign direct investment (FDI) flows have shown resilience, with developing economies attracting a significant share of FDI inflows. However, FDI levels remain below pre-pandemic levels.
34. Global headline inflation is set to fall from 8.7 percent in 2022 to 7.0 percent in 2023 on the back of lower commodity prices but underlying (core) inflation is likely to decline more slowly. Inflation's return to target is unlikely before 2025 in most cases, shockwaves emanating from the Russian invasion of Ukraine, especially in energy and other commodity markets is still making market confidence unstable.
35. The demand for agricultural commodities is expected to increase and affect the price dynamics; rising population, changing dietary patterns, and growing middle-class populations in emerging economies coupled with uncertain weather condition and potential supply constraints will influence inflation rate in the medium term.
36. The increases in real interest rates due to inflationary pressure are likely to be temporary. The central banks of advanced economies are projected to ease monetary policy and bring real interest rates back toward pre-pandemic levels when inflation is brought back under control. Emerging markets, particularly the large ones are expected to gradually converge towards advanced economies' real interest rates as productivity increases.

37. Global unemployment rate is expected to vary across regions. The IMF projects the unemployment rate in advanced economies to decline to 5.0% in 2023, while emerging market and developing economies are expected to have an unemployment rate of around 6.3% in the same year. The degree of labor market flexibility, particularly cross-country labour and migration regulations will influence global employment levels in the coming years.
38. Public and private debt levels have increased globally, driven by pandemic-related spending and economic support measures. Global public debt is projected to reach around 107% of GDP in 2023 according to IMF.
39. As economies recover from the pandemic, global oil demand is expected to continue its rebound. However, the pace and sustainability of this recovery remain contingent upon factors such as global economic growth, energy transition policies, and the adoption rate of clean energy alternatives are earlier outlined.
40. The economic outlook (GDP growth rate and inflation rate) of selected countries is shown in tables 2 and 3 below.
41. Countries selected are chosen to represent G20, BRINCS, MINT, N-11, Petro-economies, and other large African countries.

**Table 2: Real GDP Growth – Selected Countries**

Country	Actual					Forecast			
	2018	2019	2020	2021	2022	2023	2024	2025	2026
Mexico	2.2	-0.2	-8.2	4.8	3.1	1.8	1.6	1.9	1.8
Indonesia	5.2	5.0	-2.1	3.7	5.3	5.0	5.1	5.0	5.0
Türkiye	3.0	0.9	1.8	11.0	5.6	2.7	3.6	3.0	3.0
United States	2.9	2.3	-3.4	5.7	2.1	1.6	1.1	1.8	2.1
Germany	1.1	1.1	-4.6	2.8	1.8	-0.1	1.1	2.0	1.8
United Kingdom	1.7	1.7	-9.3	7.4	4.0	-0.3	1.0	2.2	2.0
China	6.8	6.0	2.2	8.1	3.0	5.2	4.5	4.1	4.0
Ghana	6.2	6.5	0.4	4.2	3.2	1.6	2.9	4.8	5.0
South Africa	1.5	0.1	-6.4	4.9	2.0	0.1	1.8	1.6	1.4
Brazil	1.8	1.2	-3.9	4.6	2.9	0.9	1.5	1.9	2.0
Angola	-2.0	-0.7	-5.6	0.7	2.8	3.5	3.7	4.0	4.1
Nigeria	1.9	2.2	-1.8	3.6	3.3	3.2	3.0	3.0	3.0

Source: IMF's World Economic Outlook, April 2023

**Table 3: Inflation (CPI) – Selected Countries**

Table 3: Inflation (CPI) - Selected Countries									
Country	Actual					Forecast			
	2018	2019	2020	2021	2022	2023	2024	2025	2026
Mexico	4.9	3.6	3.4	5.7	7.9	6.3	3.9	3.3	3.1
Indonesia	3.3	2.8	2.0	1.6	4.2	4.4	3.0	2.7	2.6
Türkiye	16.3	15.2	12.3	19.6	72.3	50.6	35.2	24.9	20.0
United States	2.4	1.8	1.3	4.7	8.0	4.5	2.3	2.1	2.0
Germany	1.9	1.4	0.4	3.2	8.7	6.2	3.1	2.3	2.1
United Kingdom	2.5	1.8	0.9	2.6	9.1	6.8	3.0	1.8	2.0
China	1.9	2.9	2.5	0.9	1.9	2.0	2.2	2.2	2.2
Ghana	9.8	7.1	9.9	10.0	31.9	45.4	22.2	11.5	8.0
South Africa	4.6	4.1	3.3	4.6	6.9	5.8	4.8	4.5	4.5
Brazil	3.7	3.7	3.2	8.3	9.3	5.0	4.8	3.0	3.0
Angola	19.6	17.1	22.3	25.8	21.4	11.7	10.8	9.4	9.3
Nigeria	12.1	11.4	13.2	17.0	18.8	20.1	15.8	14.7	14.5

Source: IMF's World Economic Outlook, April 2023

### Africa Economy

42. The 2023 Africa's Macro-Economic Performance and Outlook of the African Development Bank reported that the estimated average growth of real GDP in Africa slowed to 3.8% in 2022 from 4.8% in 2021 as a result of the significant challenges faced by African economy following the Covid-19 shock and Russia's invasion of Ukraine. Despite the economic slowdown, 53 of Africa's 54 countries posted positive growth rates. All the five regions of the continent remain resilient with a steady outlook for the medium-term.
43. Growth varied widely across countries and regions in 2022. Central Africa was reported to grow the fastest by 4.7%, up from 3.6% in 2021, Southern Africa growth decelerated the most, to about 2.5% in 2022 from 4.3% in 2021. West Africa growth slowed to 3.6% in 2022 from 4.4% in 2021, this reflects decelerations in Côte d'Ivoire and Nigeria, the region's two largest economies. North Africa growth is reported to have declined by 1.1 percentage points to 4.3% in 2022 from 5.4% in 2021 because of sharp contraction in Libya and the drought in Morocco. East Africa growth moderated to 4.2% in 2022 from 5.1% in 2021.
44. Inflation increased by 0.9 percentage point, to 13.8 percent in 2022 from 12.9 percent in 2021 (a slight revision from the estimated 13 percent in African Economic Outlook 2022), the highest rate in more than a decade. Africa's persistently high inflation reflects domestic factors such as expansionary public investment spending and, more important, the direct effect of imported inflation, driven mainly by external factors such as rising oil and food prices, exacerbated by supply chain disruptions. Inflation surpassed central banks' target rates for countries with explicitly defined bands, reaching double digits in 19 countries, with the highest rates in Zimbabwe, Sudan, and Ethiopia.
45. Many African currencies depreciated in 2022, especially in commodity-exporting countries and more globally integrated economies, like Algeria, Kenya, Nigeria, and South Africa. The currency against the dollar lost substantial value due to monetary

- policy tightening in the United States, weak investment flows and weak external demand amongst other factors. The depreciation rates ranged from 21% in Malawi to 69% in South Sudan.
46. The fiscal positions of African countries' have been stretched by Covid-19 policy responses and support for vulnerable populations against rising food and energy prices amid high debt and the impacts of climate change. These, coupled with Russian invasion of Ukraine, pushed price stability beyond most central banks' grasp and led to higher borrowing costs for sub-Saharan African countries as well as placed greater pressure on exchange rates.
  47. The average fiscal deficit in Africa is estimated to have narrowed to 4.4 percent of GDP in 2022 from 5.2 percent in 2021 in the wake of fiscal strain induced by the COVID-19 pandemic. The average fiscal deficit increased sharply from 4.1 percent of GDP in 2019 to 6.9 percent in 2020, due to the fiscal stimulus measures that countries deployed to mitigate the pandemic's impact. The deficit narrowed in 2022 on improved revenue performance, especially in oil-exporting countries. Most net oil exporters posted surpluses, which partially offset Nigeria's sustained elevated fiscal deficit (5.3 percent of GDP in 2022) on the average for the group. Countries with fiscal surpluses include Angola, Chad, Congo, Equatorial Guinea, Gabon, and Libya, bringing the average deficit for the group to an estimated 3.6 percent of GDP in 2022, down from 4.8 percent in 2021.
  48. The African Development Bank projected Africa to outperform the rest of the world in economic growth over the next two years, with real gross domestic product (GDP) averaging around 4% in 2023 and 2024. Africa's pre-Covid-19 top five performing economies are projected to grow by more than 5.5% on average in 2023-2024 and to reclaim their position among the world's 10 fastest-growing economies. These countries are Rwanda (7.9%), Côte d'Ivoire (7.1%), Benin (6.4%), Ethiopia (6.0%), and Tanzania (5.6%). Other African countries are projected to grow by more than 5.5% in the 2023-24 period. They are the Democratic Republic of Congo (6.8%), The Gambia (6.4%), Mozambique (6.5%), Niger (9.6%), Senegal (9.4%), and Togo (6.3%).
  49. Sovereign external debt is projected to remain high, with lingering vulnerabilities, it declined marginally to 67% of GDP in 2022 from 68% in 2021. This ratio remains higher than the 61% of GDP in 2019, before the COVID-19 pandemic, but it is projected to stabilize at around 65% in 2023 and 2024. The stability in the debt ratio is, however, subject to great uncertainty due to growing financing needs associated with rising food and energy import bills, high debt service cost due to exchange rate depreciations, and rollover risks.
  50. Debt vulnerabilities are likely to linger as countries continue to grapple with the economic shocks from the COVID-19 pandemic and Russia's invasion of Ukraine. At the end of September 2022, 23 African countries were either in debt distress (8 countries) or at high risk of debt distress (15 countries), up from 20 in 2020. Debt vulnerabilities in many of Africa's debt-distressed economies preceded the pandemic. Strikingly, these vulnerabilities have increased over time and since 2020 have been

exacerbated by pandemic-related effects. These vulnerabilities have been on the increase since 2016, with more countries progressively sliding into debt distress or high risk of debt distress. The high debt burden, coupled with weak revenue performance, limits public sector investment capacity in Africa. Thus, restoring debt sustainability could expand fiscal space but will require debt reprofiling or an outright restructuring for some countries.

51. African Economic outlook is rigged with uncertainty due to the current soaring food and energy prices, tightening global financial conditions as inflationary pressures rise, and the associated increase in domestic debt service costs that continues to heighten the debt vulnerabilities of African countries. Climate change with its damaging impact on domestic food supply and the potential risk of policy reversal in countries holding elections in 2023 equally pose significant threats to this forecast.
52. Other downside factors to this forecast include the effect of the Russia–Ukraine conflict and related sanctions on Russia, and other socio-political and security issues. Overall, external position is expected to marginally improve, but uncertainty remains with increased food and energy prices weighing on commodity importers
53. Upside factors include enhancing resilience by boosting intra-Africa trade, especially in manufacturing products to cushion economies from volatile commodity prices, accelerating structural reforms to build tax administration capacity and investments in digitalization and e-governance to enhance transparency, reduce illicit financial flows, and scale up domestic resource mobilization, improving institutional governance and enacting policies that can leverage the private sector financing especially in climate-proof and pandemic-proof greenfield projects, and mobilizing Africa’s resources for inclusive and sustainable development. Sustainable growth will also require taking decisive action to reduce structural budget deficits and the accumulation of public debt in countries facing a high risk of debt distress or already in debt distress.

### **Nigerian Economy**

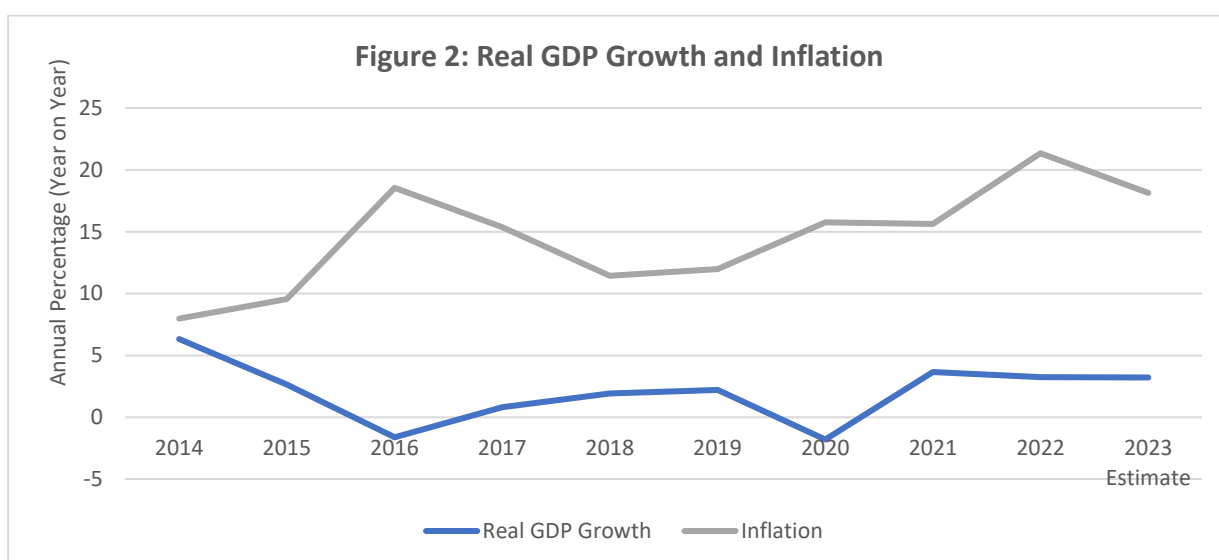
54. The effect of global economic integration has significant effect on Nigerian economy with positive and negative developments in parts of the globe having varying degrees of impact in the Nigerian economy. The shocks of higher commodity prices due to the ongoing Russia–Ukraine conflict which has led to slow growth rate, regional disintegration among major global trading partners and blocks as well as the volatility in global monetary policy and capital flows are having implications on Nigeria. This has resulted in distributional and financial shocks, arising particularly from Nigeria’s huge dependence on crude oil revenue.
55. The negative effect of oil price since mid-year 2014 and the volatility in oil production has continued to expose the Nigerian economy to both domestic and external vulnerabilities. Decline in oil exports even with increase in OPEC output quota for Nigeria further reinforced the oil price effects, a reversal of the current account surplus as well as pressures on the foreign reserves and the exchange rate. It is noteworthy

- that Nigeria has struggled to meet its oil production targets due to operational challenges and insecurity amid growing crude oil theft and pipeline vandalism.
56. To accommodate the pressures on reserves, Nigeria's foreign exchange policy has been revised continually. This has generated some pass-through effects on the volume of trade and led to rising inflation especially given the nature of the exchange rate changes and access restrictions. A flexible exchange rate policy has been instituted to stimulate trade and foreign investment in the economy, but its effect is yet to be felt in 2023.
  57. Real GDP - Nigeria's economy entered a recession in 2020, with the real GDP contracting by 1.8%, reversing three years of recovery from 2017 to 2020. This downturn resulted from the fall in crude oil prices on account of falling global demand and containment measures to fight the spread of COVID-19. However, in the fourth quarter of 2020, the Nigerian economy expanded by 0.11%; exiting one of its worst recessions, having posted a decline of 6.1% and 3.6% in 2020 Q2 and 2020 Q3, respectively. Data from the NBS as of May 25, 2023, reveals that the real GDP growth year-on-year (YoY) from March 2011 to March 2023 shows an average real growth rate of 2.7% and a nominal growth rate of 3.1%. Note that the data reached an all-time high of 6.9 % in March 2011 and a record low of -6.1 % in June 2020.
  58. Nigeria's economy advanced at a slower rate of 2.31% in the first quarter of 2023, compared to the 3.52% rise in the previous three-month period and below market expectations of a 3% growth. This marked the 10th consecutive quarter of growth, although the expansion was considerably weaker compared to the prior period, partly attributed to the adverse impacts of the cash crunch experienced throughout the first quarter. Despite a deceleration in growth, the non-oil sector continued to be the main catalyst of the country's economic expansion, boosted by services.
  59. Overall, 2023 real GDP growth estimated by the World Bank have been revised to 2.9% from 3.2% projected in June 2022. The downward revision of Nigeria's growth forecast for 2023 was hinged on the persistent fuel and foreign exchange shortages, with the naira depreciating by over 30 percent in 2022 in the parallel market and further dampen economic activities.
  60. According to the IMF forecast, it is expected that Nigeria's economy will expand by 3.2% in 2023. The Federal 2023-2025 MTEF anticipated 3.75% growth in 2023, decreasing to 3.0% in 2024 and later increase to 3.46% in 2025. Stable oil prices coupled with reforms initiated by the passing of the Petroleum Industry Act (PIA), the Start-up Act, and the commissioning of the Dangote refinery in May 2023 are expected to boost the economy.
  61. Inflation (CPI) reached 21.34% (year-on-year) in December 2022 representing a 5.71 percent points higher than the rate recorded in December 2021 which stood at 15.63%. This shows a fast increase in the rate when compared to the corresponding period of 2020 although the rate dropped from the 21.47% witnessed in November 2022, but later rose to 21.82% in January 2023 according to the National Bureau of Statistics (NBS). This has resulted to tightening monetary policies with the Central Bank of Nigeria (CBN)

increasing the interest rate from 18% to 18.5% in May 2023 to cushion the rising inflationary trend.

62. IMF forecast shows that inflation is expected to be at 16.1% by the end of 2022. The increase in actual inflation at end of 2022 has been attributed to a marginal increase in food inflation in the previous months, caused by increases in prices of bread and cereals, oil and fat, potatoes, yam and other tubers, fish, vegetables, fruits, and meat. The rate continually rises and is at 22.04% as of March 2023, a 6.52 percent points higher than the rate recorded in March 2022 which was at 15.52%.
63. The national annual real GDP growth and year-on-year inflation rates from 2014 to 2022 and 2023 estimate are shown in Figure 2 below.

**Figure 2: Real GDP Growth and Inflation**

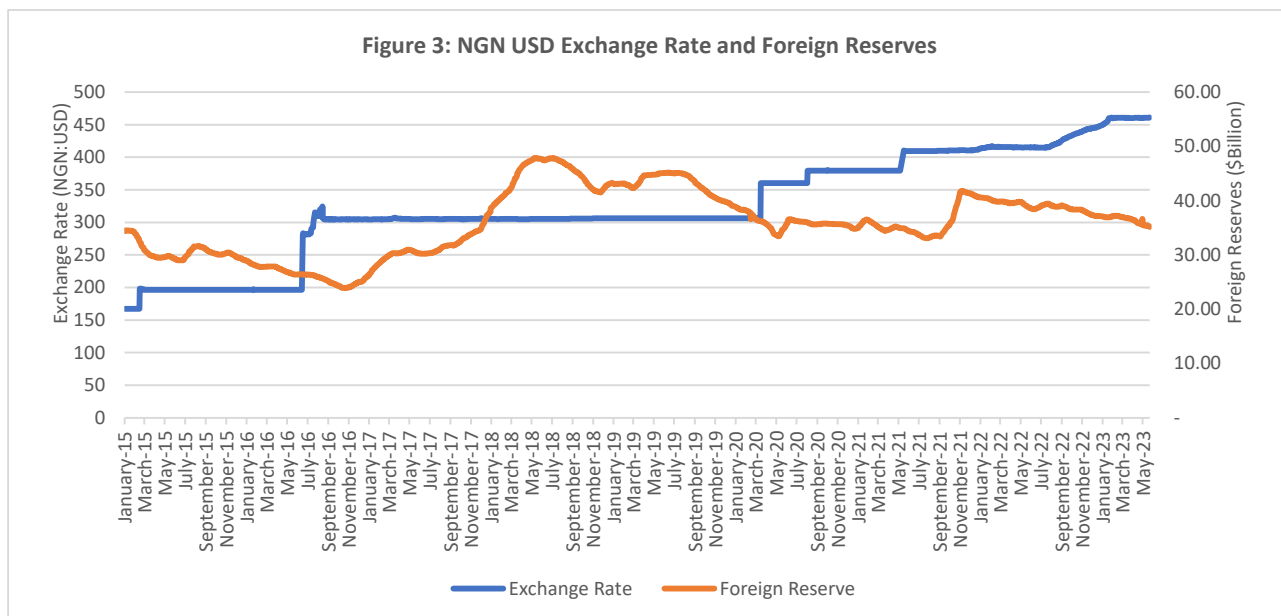


64. Figure 2: Real GDP Growth and Inflation (Data Source: WEO Database)
65. Foreign Exchange Rate – the exchange rate at the Importers and Exporters window depreciated by 5.7% in 2022, closing the year at N461.5/\$1 compared to N435/\$1 recorded in 2021. Similarly, the Naira has devalued against the dollar from N460.85 to N461.04, N461.31 and to N465 by end of April 2023. On June 14, 2023, the Central Bank of Nigeria abolished foreign exchange rate segmentation by collapsing all foreign exchange windows into the investors & exporters (I&E) window. Consequent upon the new exchange rate regime, the exchange rate rose from N465/\$1 to N770.8/\$1 by the end of June 2023 and N758/\$1 by the end of July 2023.
66. Foreign reserves have been on the decline since mid-2019 (25% drop from April 2019 to April 2020) and have remained relatively stable since the COVID pandemic. Foreign reserve stood at \$37.1 billion in December 31, 2022, compared to \$40.52 billion as of the end of December 31, 2021. The reserve has been decreasing marginally amidst steady increase in global oil prices. Nigeria commenced January 2023 with \$36.99 billion, fell to \$35.53bn as of the end of March 30, 2023, and further to \$35.19 as of May 22, 2023, according to the data from the Central bank of Nigeria (CBN), largely due to the CBN’s effort to manage the depreciation of the Naira.



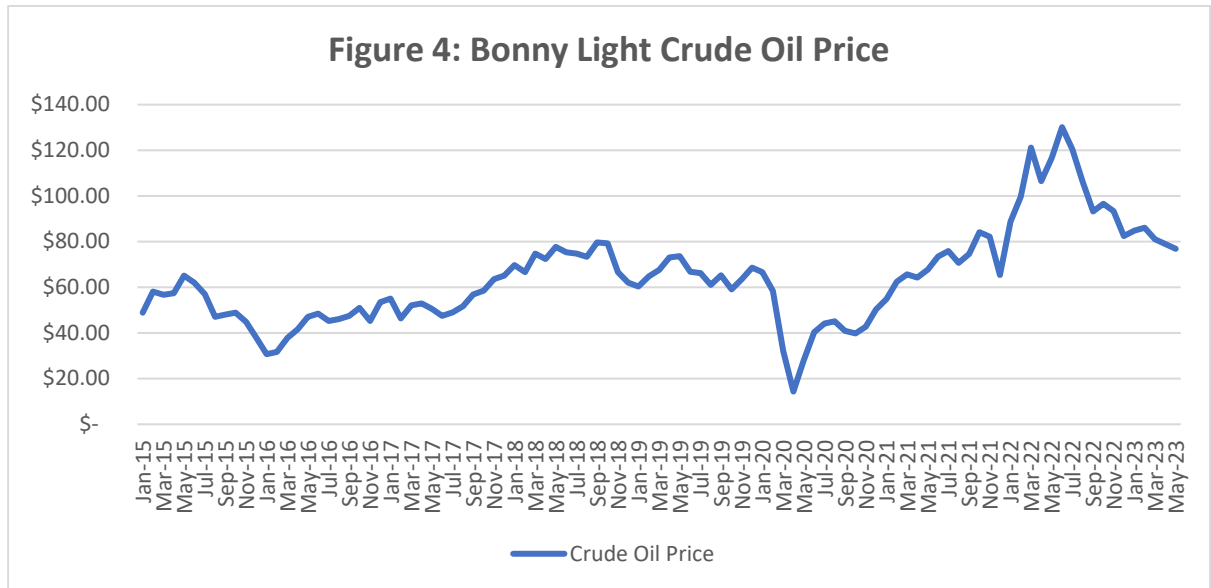
- 67. In 2022, arbitrage opportunities witnessed significant increase, weakening the convergence of foreign exchange windows. This is partly attributed to the ripples of economic downturn since the Russia–Ukraine conflict. Also, the fall in foreign reserve potentially condenses the policy options available to the CBN in controlling monetary aggregates.
- 68. The NGN:USD exchange rate, which is a key crude oil revenue parameter, for the period January 2015 to May 2023, is shown in Figure 3 below.

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



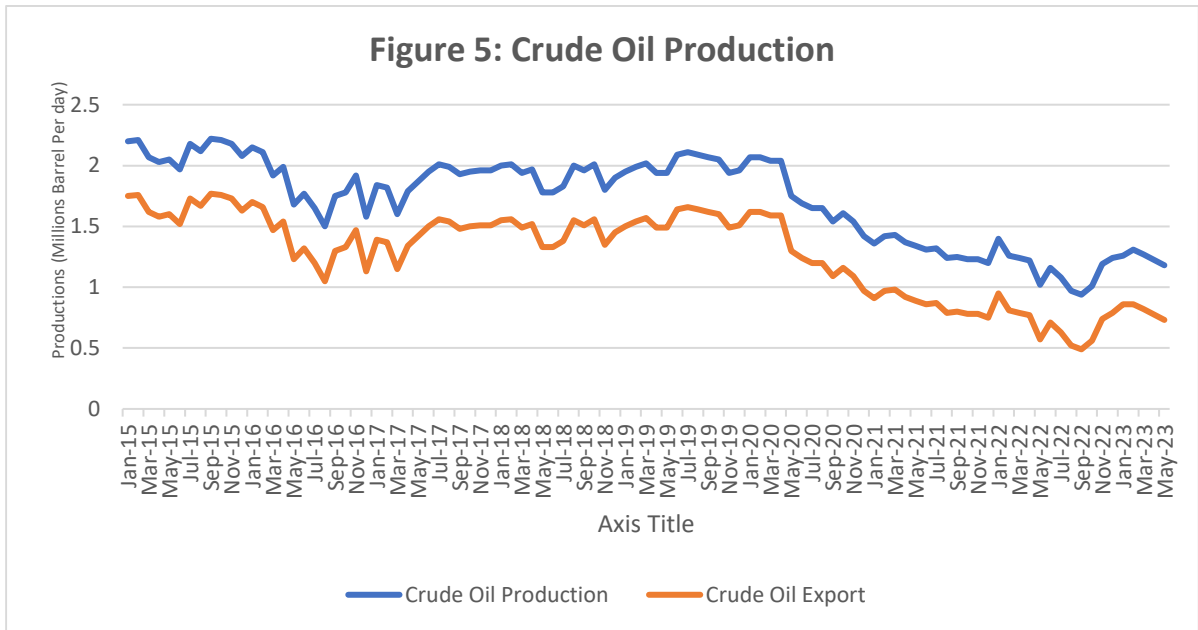
- 69. Figure 3: NGN: USD Exchange Rate and Foreign Reserves (Data Source: CBN)
- 70. Crude oil price has trended upward in 2022 following the Ukraine-Russian conflict which began on February 24th, 2022, rising from US\$99.64 in February 2022 oil price rose to US\$130.1 in June 2022 and closed but at US\$82.5 in December 2022. This implies that crude oil price generally increased in the first half of 2022 but gradually decreased in the second half.
- 71. The increase in the price of crude oil has been driven by the Ukraine-Russian conflict and other factors such as the failure of OPEC and non-OPEC members to increase their production level when the conflict began. Oil price picked up at US\$87.78 in January 2023 but declined in March to US\$79.24 due to the rising crude supply availability and the building of unsold cargoes for April loading, specifically in the Atlantic Basin. It is therefore important to always consider that the crude oil market is highly volatile, delicate, and unpredictable, reinforcing the rationale for a benchmark that is set significantly below the current/forecast price.
- 72. Crude Oil (Bonny Light) Price for the period of January 2015 to May 2023 from the data from CBN are presented in Figure 4 below.

**Figure 4: Bonny Light Crude Oil Price**



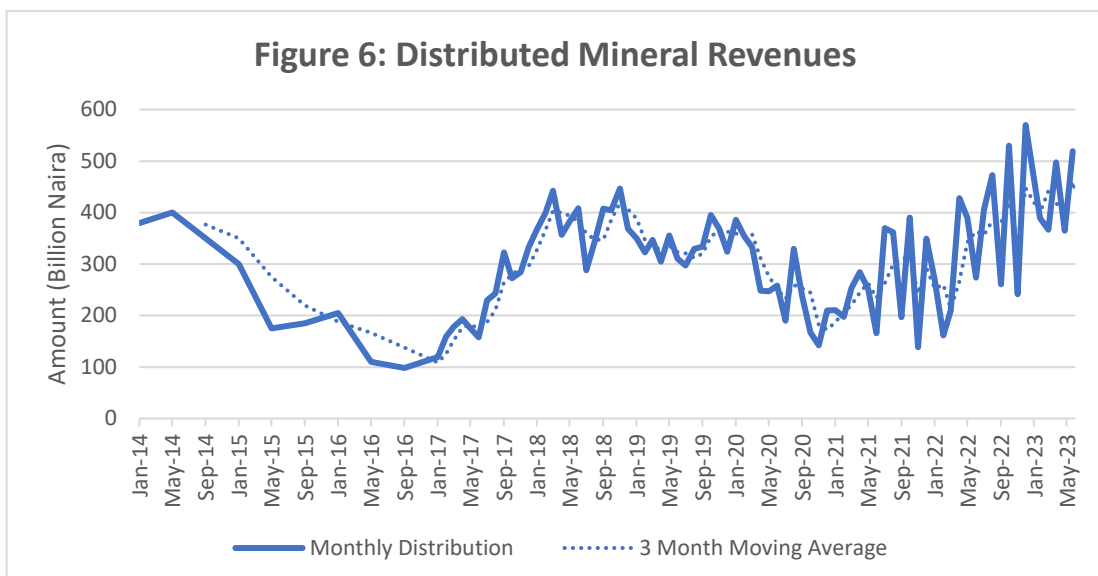
73. Figure 4: Bonny Light Crude Oil Price (Data Source: CBN)
74. As indicated in Figure 4 above the current price (May 2023) is \$76.91. EIA is forecasting an average price of \$78.65 in 2023 and \$74.47 in 2024 for Brent Crude. The IMF forecast in its April 2023 WEO suggest a price of around \$73.13 in 2023 and \$68.90 in 2024 for Brent Crude – lower than the EIA forecasts and indicative of 24% decline in oil price in 2023 and 5.8% decline in 2024.
75. Crude Oil Production for Nigeria in the first quarter of 2023 rose by 11.63% to 1.280 million barrels a day compared to 1.147 million barrels produced daily in the fourth quarter of 2022. However, this number fell to an average of 0.998 million barrels per day (mbpd) in April 2023, representing a 21.3% decline compared to the production recorded in March 2023. This fall was partly due to the shutting down of oil platforms and declaration of force majeure by Exxon Mobil in mid-April because of the industrial action (strike) by Exxon Mobil employees that began on April 13, in addition to the occurrence of oil theft and pipeline vandalism in the Niger Delta. The fall is happening despite a 1.8mbpd OPEC oil production quota for Nigeria in 2023, this quota is significantly higher than the current levels at which Nigeria is producing. The consistent inability to meet 2023 quota partly led to OPEC’s reduction of oil production quota for Nigeria in 2024 to 1.38mbpd.
76. Several things are likely to impact crude oil production in the medium term, including the implementation of the Petroleum Industry Act (PIA), the commissioning of Dangote Refinery, any significant boycott of Russian oil because of the conflict in Ukraine and changes in OPEC’s decisions on Nigeria’s production benchmark.
77. Crude Oil Production and Export (including condensates) for the period January 2015 to May 2023 from data from CBN is presented in Figure 5 below.

**Figure 5: Crude Oil Production**



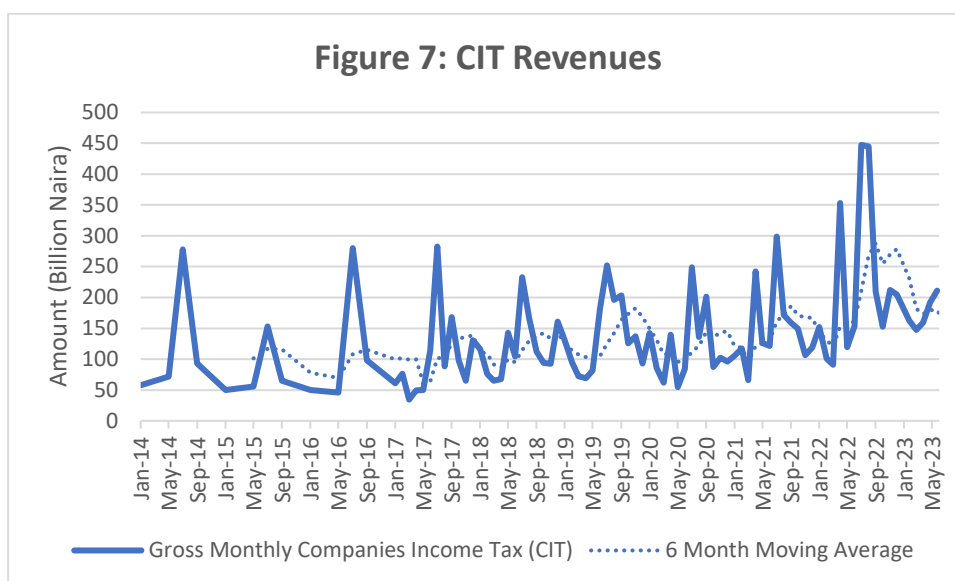
- 78. Figure 5: Crude Oil Production and Export (Data Source: CBN)
- 79. The implementation of the Finance Act (Effective Date Variation) Order, 2023 and Customs, Excise Tariff (Variation) Amendment Order, 2023, development of business continuity plans for tax and custom administration and rationalization of ineffective tax incentives and exemptions as well as increased remittances and recovery of unremitted revenues from GOEs is critical to grow Nigeria’s fiscal space.
- 80. Monthly distributed Mineral Revenues (Statutory Allocation (SA) and Net Derivation (ND)) to the three tiers of government from January 2014 to May 2023 inclusive are shown in Figure 6 below.
- 81. Figure 6: Distributed Mineral Revenues (Data Source: FAAC summary Sheets, OAGF/NBS)

**Figure 6: Distributed Mineral Revenue**



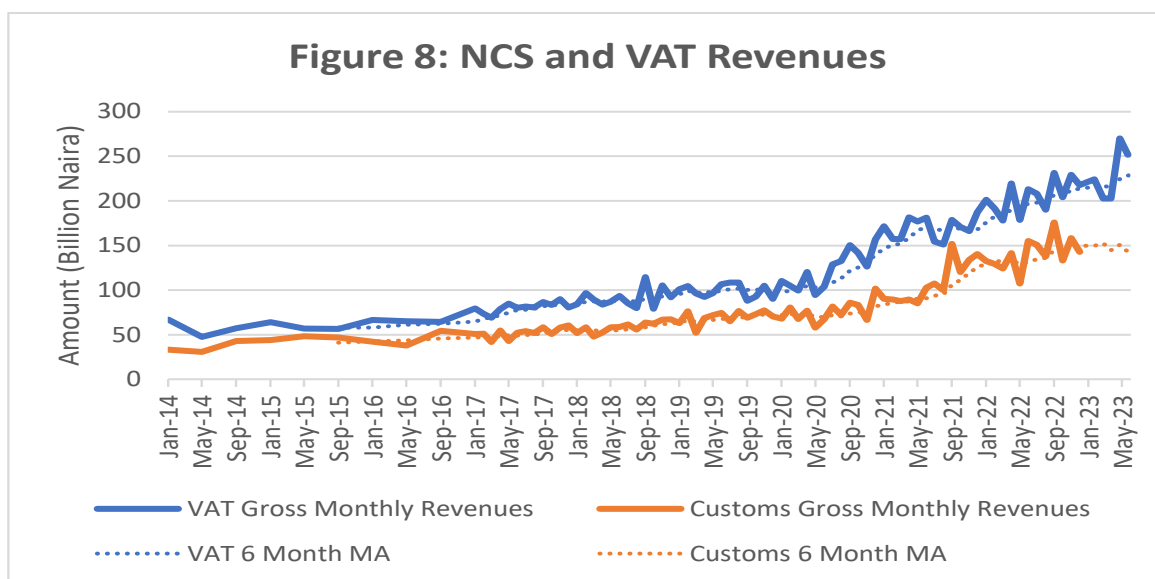
- 82. A total of N655.932 billion generated as FAAC revenue in the month of April 2023 was disbursed to the federal, states and local governments as allocation for May 2023. This was lower than the last month (March FAAC distributed in April) of N714.629 billion. Out of this amount, N364.65 billion was distributed as SA, compared to N497.45 billion distributed for March.
- 83. Gross Companies Income Tax (CIT) revenues, which are distributed as part of Statutory Allocation, from January 2014 to May 2023 inclusive are shown in Figure 7 below. The graph also includes linear trend.
- 84. Figure 7: CIT Revenues (Data Source: FAAC Summary Sheet, OAGF/NBS)

**Figure 7: CIT Revenues**



- 85. The graph shows the annual spike in distributions (collections from the previous month) that is in line with the annual tax returns and payment cycle in FIRS. This generally happens in July because June collections are distributed in July, the month many companies file their return.
- 86. Nigeria generated a sum of N2.64 trillion from Company Income Tax (CIT) in 2022, an increase of 48.1% compared to 2021. High CIT in 2022 compared to the volume in 2021 is something to cheer Nigeria as this shows growth of the non-oil sector. It is also a signal for policy makers towards planning for a sustainable increase in non-oil revenue.
- 87. Customs and Excise duties (NCS), which is distributed as part of Statutory Allocation, and Value Added Tax (VAT) which is distributed separately for the period January 2014 to May 2023 are shown in Figure 8 below.
- 88. Figure 8: NCS and VAT Revenues (Data Source: Gombe State 2023 Cash Plan, FAAC Summary Sheet, OAGF/NBS).

**Figure 8: NCS and VAT Revenue**



89. VAT shows a clear upward trend since late-2015, rising to N2.46 trillion in 2022 from N2 trillion in 2021. This is to be expected as the general price level rose quite significantly over the same period, which should transfer straight into additional VAT (for VAT-able items). Given the increase in VAT from 5% to 7.5%, in the 2020 Finance Act, there have been significant spike in VAT from August 2020. There is still a level of monthly volatility that makes it slightly difficult to forecast. However, with the economy maintaining a positive real growth and inflation staying above 10% for a longer time, it is anticipated that VAT will continue to grow in nominal terms.
90. Exchange rate controls import policy and devaluing Naira may have affected some Customs receipts. However, there are still some short-term volatility and Federal Revenue reforms expected to increase collections in the medium term, but the timing of impact remains uncertain as Custom and Excise Duty stood at N1.7trillion as of the end of 2022.
91. The Federal Government, in April 2023, adopted a new Fiscal Policy Measures (FPM 2023) which was amended on July 6, 2023. The amended FPM provides for Supplementary Protection Measures (SPM) for the implementation of the ECOWAS Common External Tariff (CET) 2022 to 2026, increased excise duty rates on certain items such as tobacco and alcoholic beverages, and reduced import duty rates on some manufacturing items available to verifiable manufacturers.
92. The implementation of the President Bola Ahmed Tinubu' inaugural address on a unified exchange rate regime, removal of petroleum subsidy, and the expected reduction in the importation of petroleum products when Dangote Refinery commences production is expected to positively affect Nigeria's vulnerability to exchange rate volatility.
93. The policy thrust of the National Development Plan (NDP) 2021-2025, a medium-term plan for the implementation of the Nigeria Agenda - NA 2050 (Nigeria's long term development plan) include a broad-based real GDP growth rate of about 5% on average during the plan period; an increased employment generation of about 21 million jobs; and an inclusive growth that will lift 35 million people out of poverty over the plan period

(2021-2025). The implementation of this will affect the aggregate macro-fiscal performance of Nigeria and will set the stage for achieving the government's target of lifting 100 million Nigerians out of poverty in 10 years under the National Poverty Reduction and Growth Strategy.

94. In addition, the March 2023 16 amendments to the 1999 Constitution of the Federal Republic of Nigeria (as amended) which in part gave powers to state governments to invest in railway and power infrastructure by moving railways and power from the exclusive list to the concurrent list is also expected to boost Nigeria's economic performance in the medium term.

## Gombe State Economy

95. The dominant economic activities in Gombe State are agriculture, public service, and trading. Subsistence agriculture accounts for about 70% of total employment and the civil service provides the bulk of paid employment. A small proportion of total employment is provided by commercial enterprises while the rest of the population embark on self-employment through commercial and other activities.
96. The state is endowed with vast arable and grazing land stretching through three vegetation zones comprising Sudan savannah in the northern part, guinea savannah in the central part and forest savannah in the southern part. The ecological conditions of the state hold out enormous prospects for abundant production of a variety of crops. It produces cash crops such as groundnut, cotton, cowpea as well as food crops like maize, guinea corn, millet, rice with various other types of vegetables. Many of the farmers involved in crop production are women. The expansive and rich grazing land encourages the rearing of cattle, goats, sheep, and poultry.
97. Gombe State has enormous water resources comprising rivers, inland lakes, and dams. There are three dams that are among the largest dams in Nigeria. The Dadin Kowa Dam, Balanga Dam and Cham Dam. The presence of these masses of water presents great opportunities for fishery and tourism development activities. The irrigation potentials of the water resources could also be harnessed for all year-round crop and fish production.
98. There are rich deposits of solid minerals in commercial quantities spread across the state. These include clay, limestone, uranium, columbine, talc, silica sand, gypsum, halides, dolomite, coal, zircon, agates, dolomite, granite, quartz, galena, amethyst, mica, bentonite, tourmaline, opal, topaz, iron ore, sand and kaolin; and most recently discovered oil and gas deposits at Kolmani, Akko LGA (Gongola Basin, Upper Benue Trough) which was commissioned in 2022 by the Federal Government, among others. The state has several cultural and heritage sites in different communities including the Kanawa forest and Bima hill in Yamaltu Deba Local Government amongst others. These sites and the mild weather condition, hilly and undulating physical landscape perennially covered by green grass, endow the state with good tourism potentials.

99. There is one large industrial enterprise in the state, i.e., Ashaka Cement Company, as well as a few medium size enterprises and several cottage industries and business concerns. The private sector in the state is dominated by informal sector activities such as trading, transportation, subsistence farming, agro-processing, poultry, and animal production as well as production of local arts and crafts.
100. The size of the organised and formal private sector is small and highly concentrated in the few urban centres, particularly the state capital city, Gombe Town. The major activities undertaken by most enterprises in the formal private sector are services, finance, insurance, and general commerce.
101. Like most states in Nigeria, the state depends largely on statutory allocations and other transfers from the federation account for recurrent revenue used to finance its annual budgets. In its drive to improve internally generated revenues, the state has embarked on the reform and modernization of its internal revenue service, and the upgrading of its revenue generating assets particularly with the construction of Muhammadu Buhari Industrial park, Dadin Kowa currently ongoing to expand commercial activities.

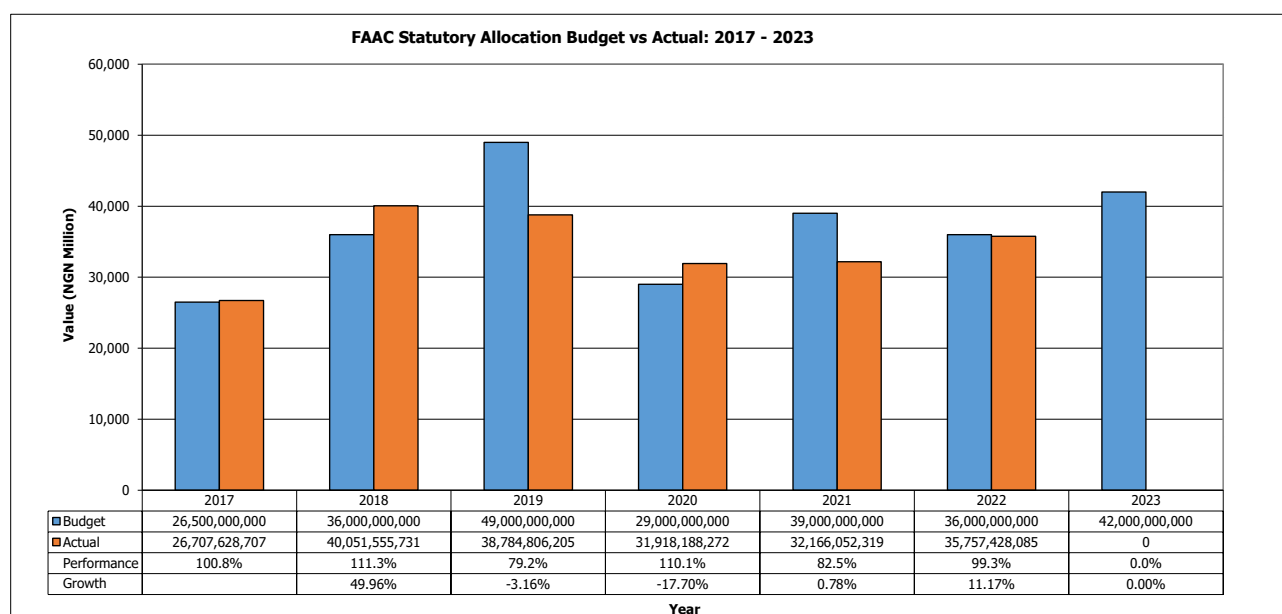
## 2.B Fiscal Update

### 2.B.1 Historical Trends

#### Revenue Side

102. On the revenue side, the document looks at Statutory Allocation, VAT, IGR, Excess Crude, and Capital Receipts – budget versus actual for the period 2017-2022 (six year historic) and 2023 budget.

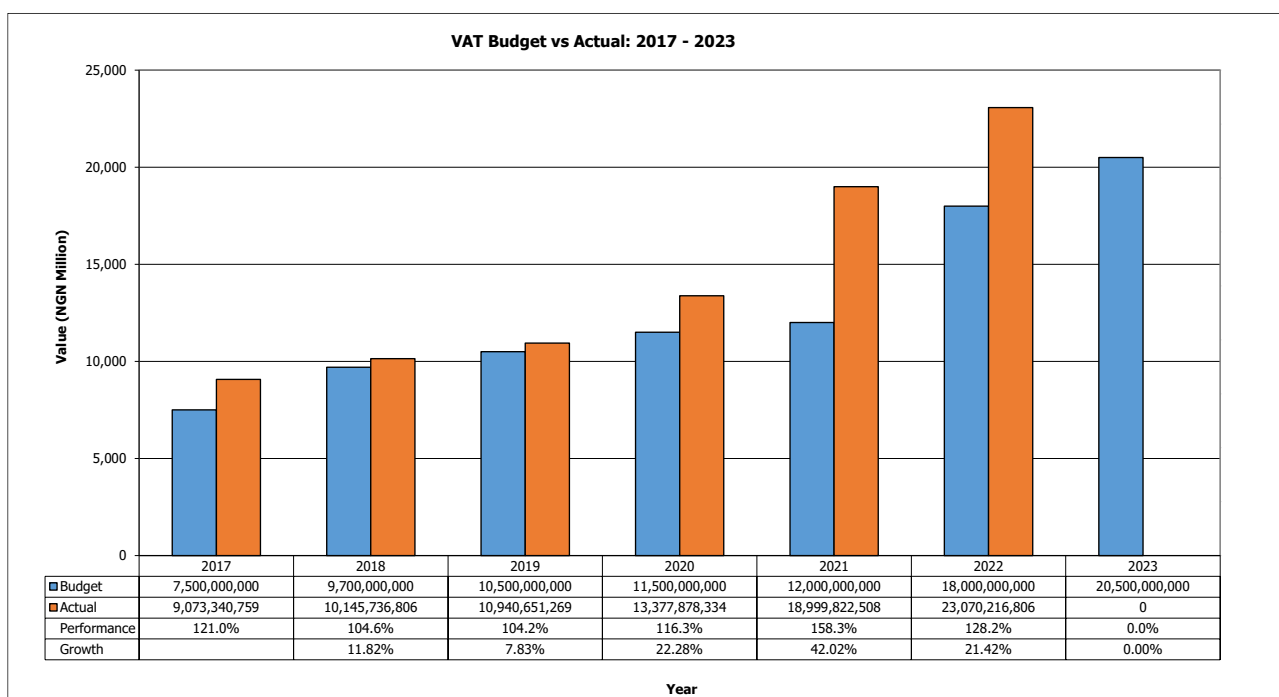
**Figure 9:: Statutory Allocation**





103. Statutory Allocation is a transfer from Federation Account that is distributed to all three tiers of government based on vertical (percentage to each of the three tiers) and a horizontal (e.g., Equity, land mass, population, etc) sharing formula. The revenue that flows into the Federation Account as Statutory allocation comes from the mineral and non-mineral sources (company income tax and custom and excise duties).
104. FAAC Statutory Allocations make up a significant portion of Gombe State Government's recurrent revenues (55.9% in 2020, 49.7% in 2021, and 41.3% in 2022), consequently, realistic forecasting that would ensure strong performance is of great importance. This is depicted in Figure 9 above.
105. Actual performance has been relatively stable, over the period 2017-2022. In 2017, the performance of statutory allocation was 100.8% and 111.3% in 2018, while it felled to 79.2% in 2019. Statutory Allocation actual performance was 110.1%, 82.5% and 99.3% in 2020, 2021 and 2022, respectively.

**Figure 10:: VAT**

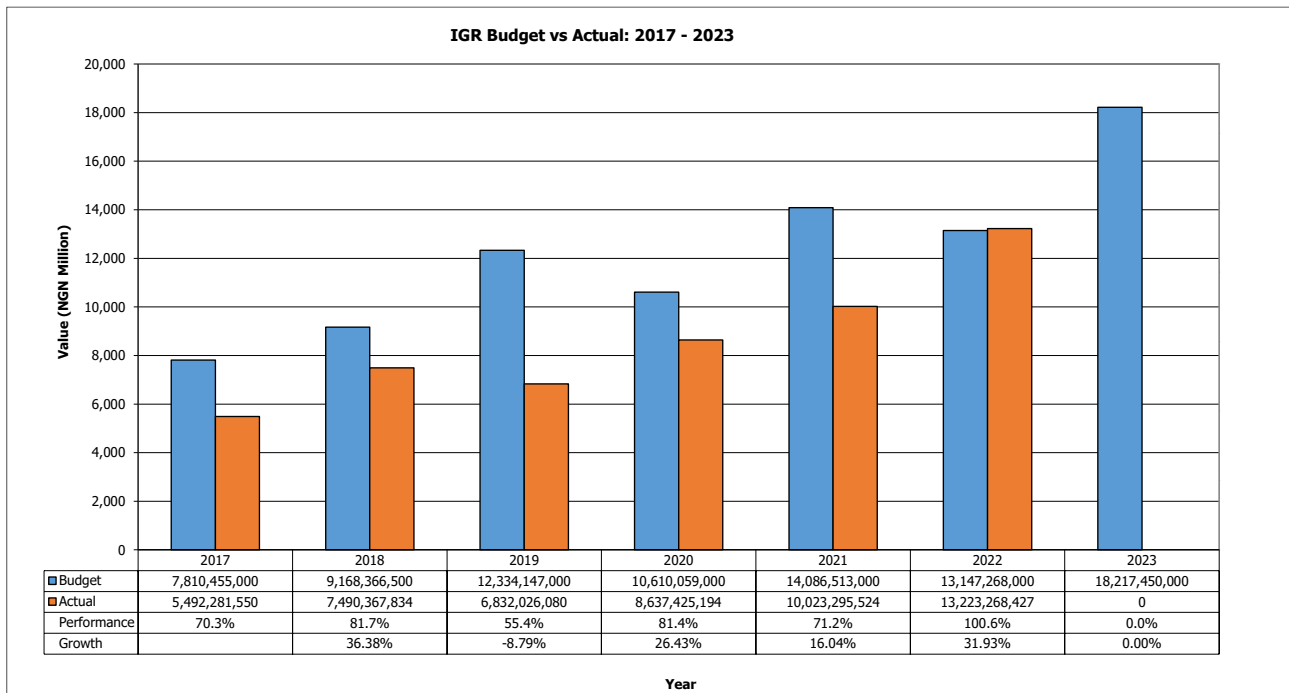


106. Value Added Tax (VAT) is an ad-valorem tax applied to sales of almost all goods and services within the Nigerian economy which is applied hitherto at a rate of 5%. VAT is collected by FIRS and distributed across the three tiers of government. The distribution to each state is based on a set of criteria slightly different from statutory allocation distribution. VAT has however, been increased to 7.5% from April 2020.
107. The VAT receipt by Gombe State performance was 121.0% in 2017 and continued to impress by more than 100% each year (2018-2022) as shown in Figure 10 above.
108. The VAT revenue forecasting over the period 2017-2020 have consistently been close to actual whereas the actual over the period 2021-2022 have exceeded the forecasts by over 28%. This will require a more critical look at the assumptions surrounding VAT forecasting

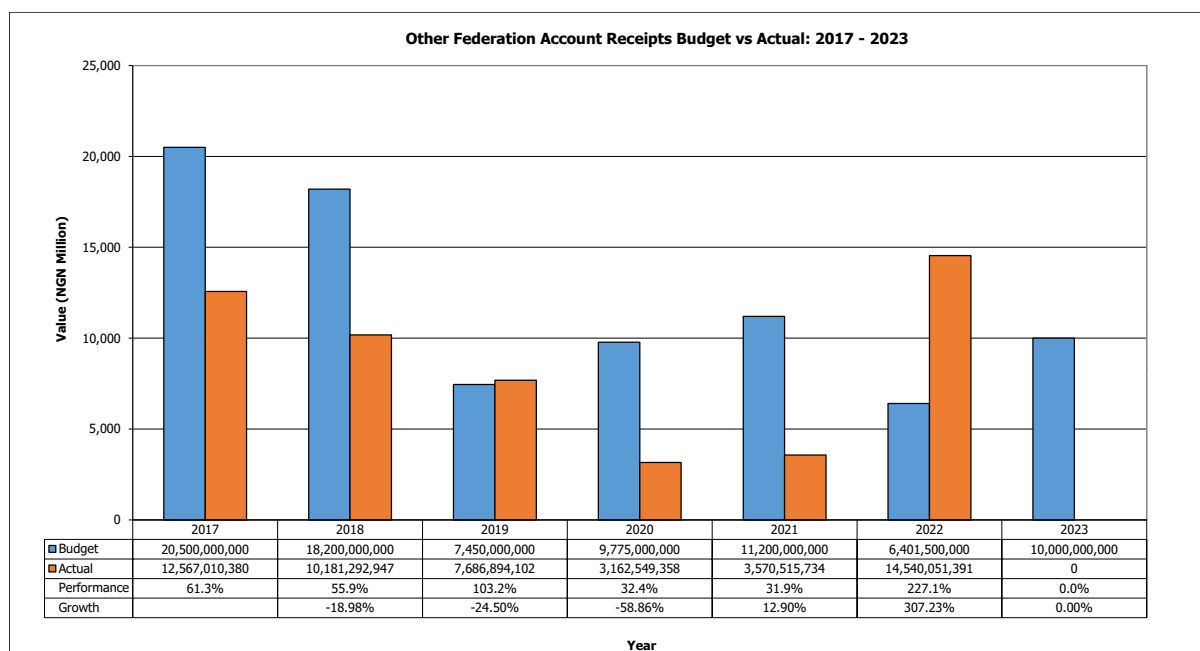


to ensure that 2024-2026 forecasts consider all the factors that resulted in the spike in VAT earnings in 2021 and 2022.

**Figure 11: IGR**

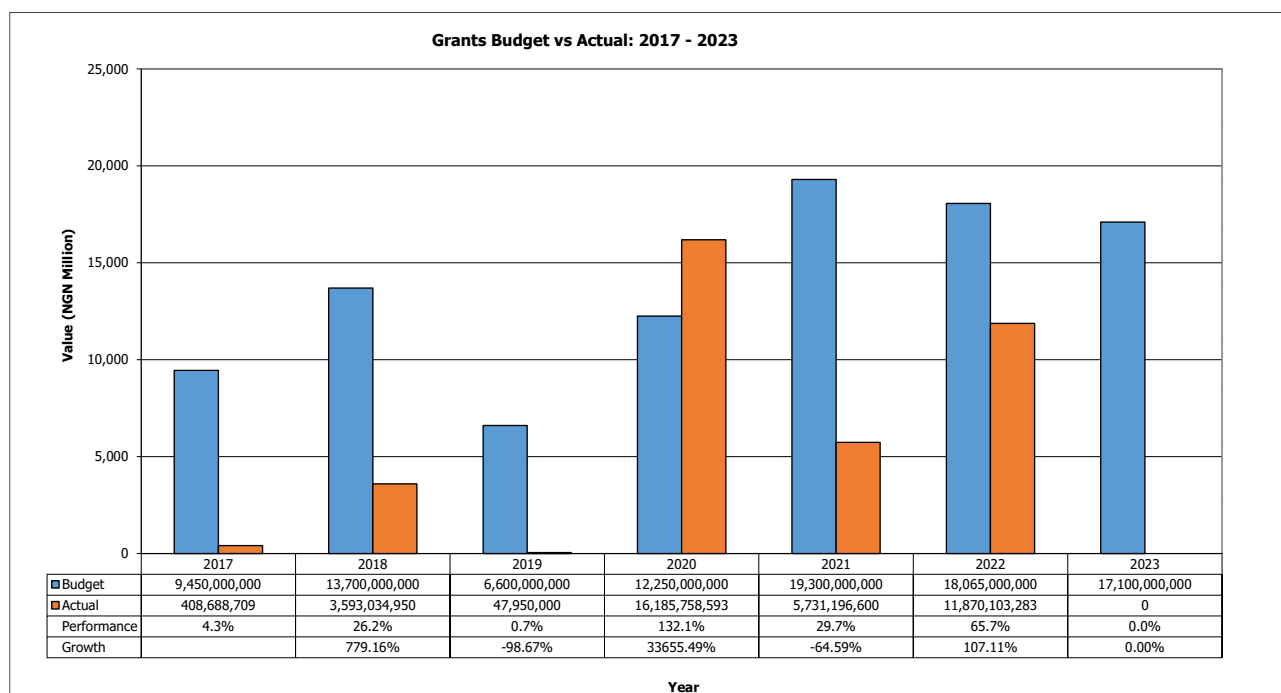


109. Internally Generated Revenue (IGR) is collected by Gombe State Internal Revenue Service (GSIRS) and revenue collecting MDAs. The major sources of IGR are PAYE, land, and land Services, withholding tax, fines, fees, licenses, and other sources.
110. Over the last six years (2017 - 2022), actual IGR collection has been lower than the budgeted figure except for 2022. As depicted in Figure 11, IGR collection was 70.3% in 2017, while it was 81.7% in 2018, 55.4% in 2019 while rising to 81.4% in 2020 and fell to 71.2% in 2021, this necessitates the need for a more realistic forecast for the period of 2024-2026. On the other hand, IGR collection was 100.6% in 2022 primarily because of the collection of back duties and implementation of the state’s IGR Expansion Strategy (2023-2027). The sharp increase in collection because of the IGR Expansion Strategy presents an outlook of the IGR potentials that must captured in the 2024-2026 forecast as the state intensifies the implementation of the IGR Expansion Strategy.

**Figure 12: Other FAAC Receipts**

111. Other FAAC receipts include all FAAC distributed revenue accruing from other sources such as excess crude, exchange gains, refunds from NNPC and FIRS, augmentations, and any other periodic revenue shared by FAAC.
112. As depicted in Figure 12, the actuals, over the period 2017 - 2022, have varied greatly in real terms, and against the budget, underperforming in all the years, except in 2019 and 2022. In 2017 actual receipts were 61.3%, in 2018, other FAAC receipts declined to 55.9%. It rose to 103.2% in 2019 but further declined to 32.4% in 2020 and 31.9% in 2021, this may be attributed to COVID-19 induced disruption in the global value chain between 2020 and 2021. In 2022, however, it rose significantly to 227.1% because of the gains from oil price increase occasioned by the Russian-Ukraine war. Going forward, budgeting for other Federation Accounts receipts should be done more conservatively due to their ad-hoc nature while the assumptions around them need to be addressed in the fiscal risks section.

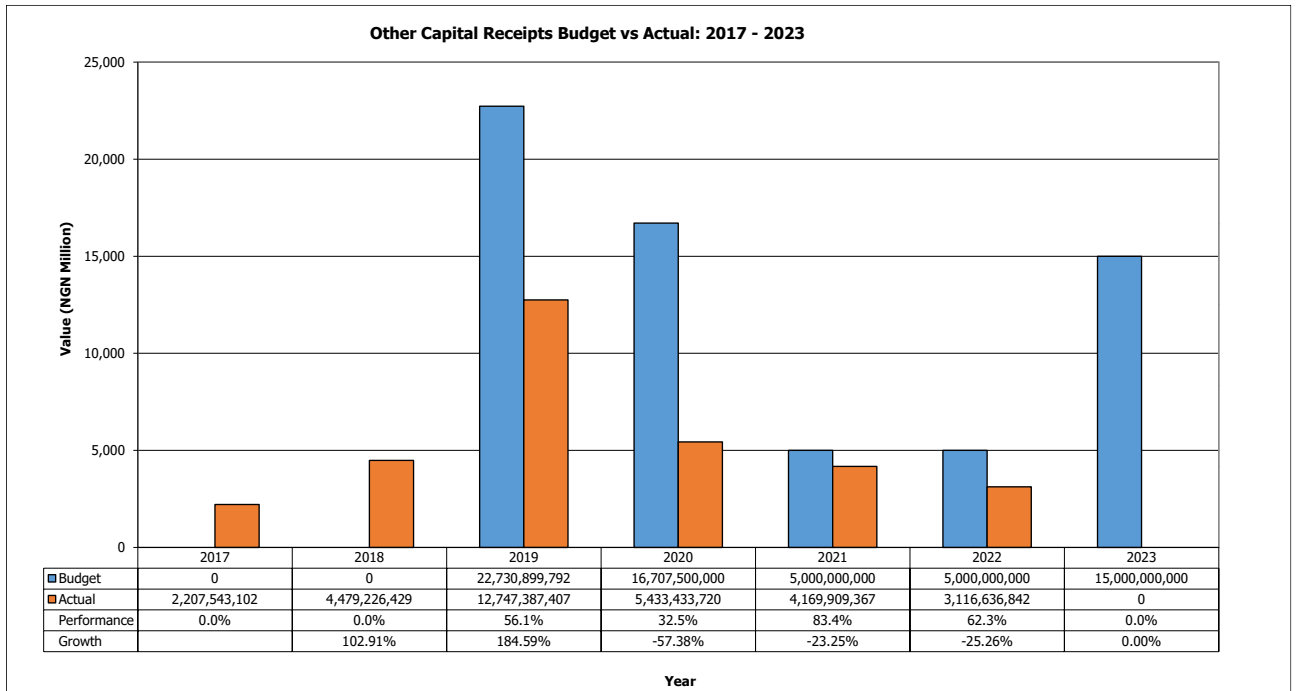
**Figure 13: Grants**



113. Grants are receipts from government and development partners such as Federal Government Conditional Grant Scheme, Federal Government Universal Basic Education Scheme, UNICEF, UNFPA, etc.

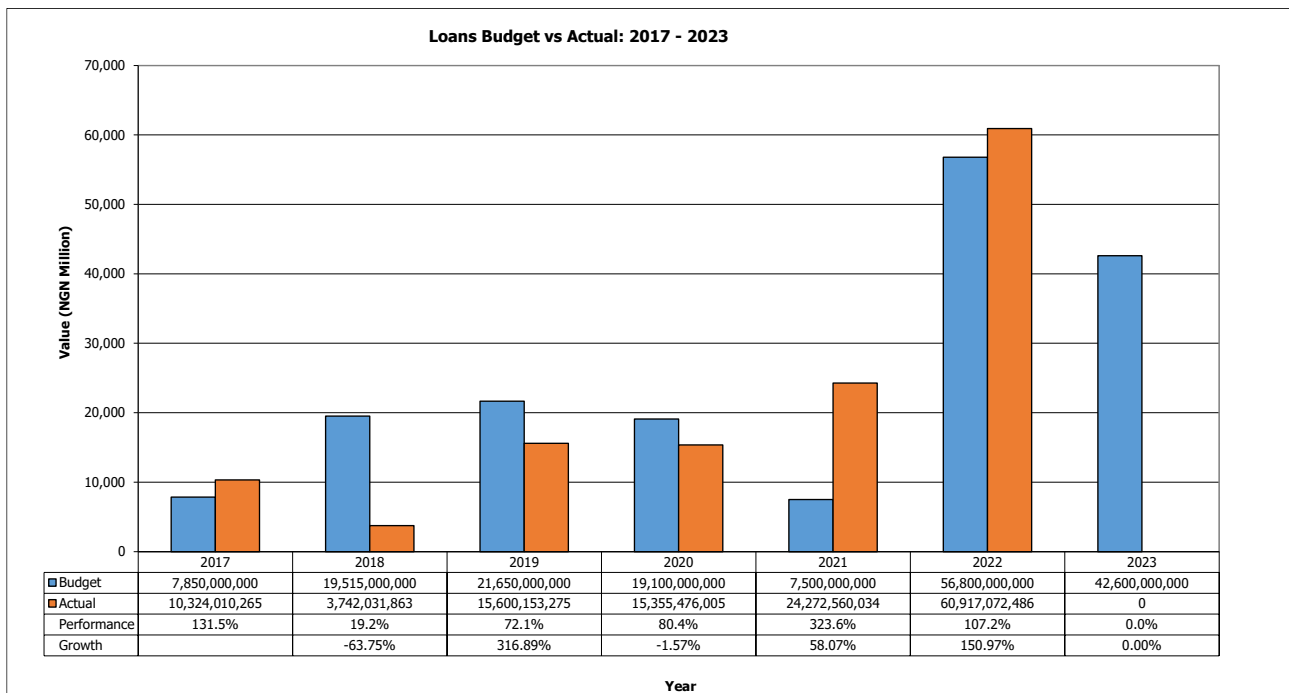
114. In Gombe State significant receipts on grants are shown in the budget over the period 2017 - 2022, but the accounts only showed impressive actuals in 2020 as depicted in Figure 13. In 2017 and 2018 huge amount of grants was budgeted but actual grants accruing to the state were very low. A mere 4.3% in 2017, 26.2% in 2018 with a mere 0.7% in 2019. In 2020 actual grants receipt rose to 132.1% because of the COVID-19 pandemic. Grants fell to 29.7% in 2021 and rose to 65.7% in 2022. With the state's 10-year development plan (DEVAGOM 2021-2030) currently under implementation, donors are expected to key in with more grants in the coming years.

**Figure 14: Other Capital Receipts**



115. Significant amount of other capital receipts has been budgeted over the last six years as shown in Figure 14. In some instances, these receipts have not materialised as expected, in others there are receipts without corresponding budget such as in 2017 and 2018. Only 2021 and 2022 witnessed a non-impressive performance of over 60%, with 83.4% and 62.3% respectively. More realistic budgets are expected in this category to avoid under performances.

**Figure 15: Loans/Financing**

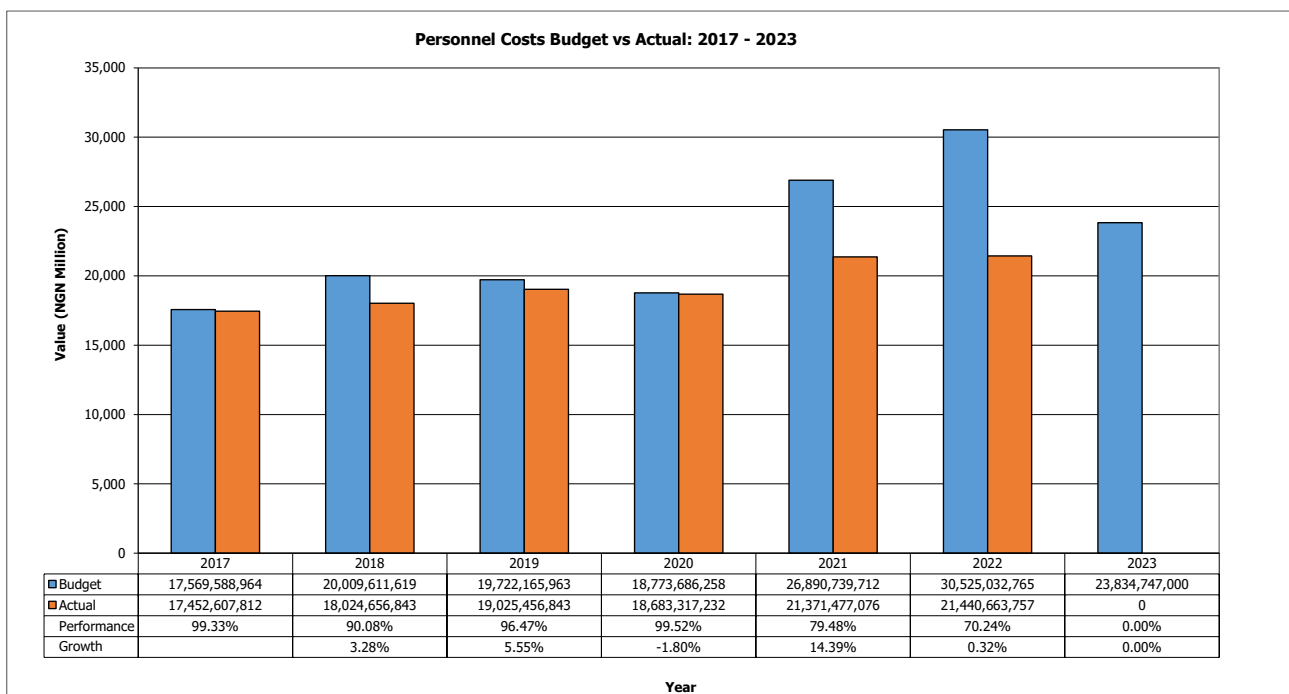


- 116. Loans include both Internal and External loans. Internal loans include, development bond, short term commercial loan, etc. External loan are receipts from World Bank, African Development, etc.
- 117. Gombe State loan budget for 2017 was N7.8 billion with 131.5% actual receipt. Over the years, Loans budgeted and actual have been fluctuating as shown in Figure 15.
- 118. However, from 2019, the chart indicates a progressive increase in actual loan performance. Loan budget and actuals for the fiscal year 2022 is high due to the massive construction/infrastructure works embarked by the state government to establish an industrial hub for enhanced commercial activities which will create employment and boost economic activities that will positively influence IGR.

### Expenditure Side

- 119. On the expenditure side, this document looks at Consolidated Revenue Fund (CRF) charges, Personnel, Overheads and Capital Expenditure – budget versus actual for the period 2017 -2022 (six years) and 2023 budget.

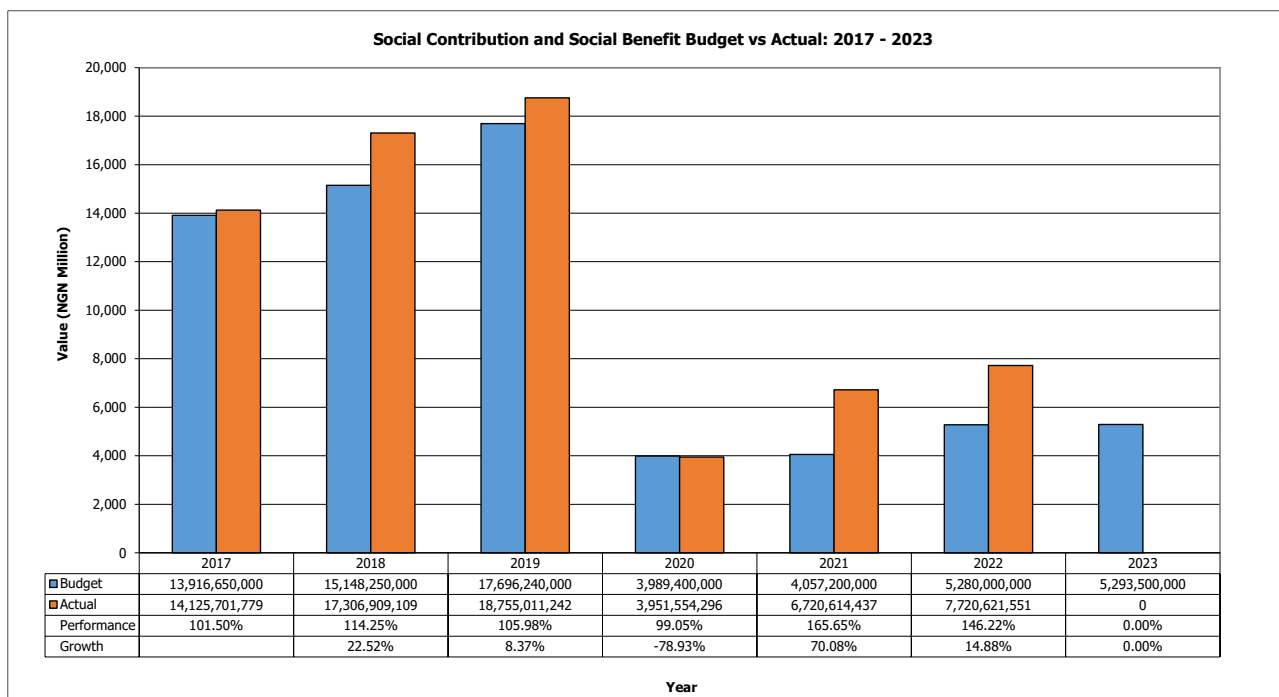
**Figure 16: Personnel**



- 120. Personnel Cost consist of salaries and allowances of civil servants, public servants in government agencies and parastatals, members of the state’s House of Assembly, Judicial Officers, other Political Office holders, staff of the office of the Accountant General, Auditors General of the state and Local Government including staff of Statutory Commissions.

121. Over the period 2017 - 2022, the actual personnel expenditure as a percentage of the budget has been between 70.2% and 99.52% with some years recording variance of less than 2% (i.e., 2017 and 2020). However, as shown in Figure 16, the actual personnel expenditure performance decreased to 79.5% and 70.24% in 2021 and 2022.

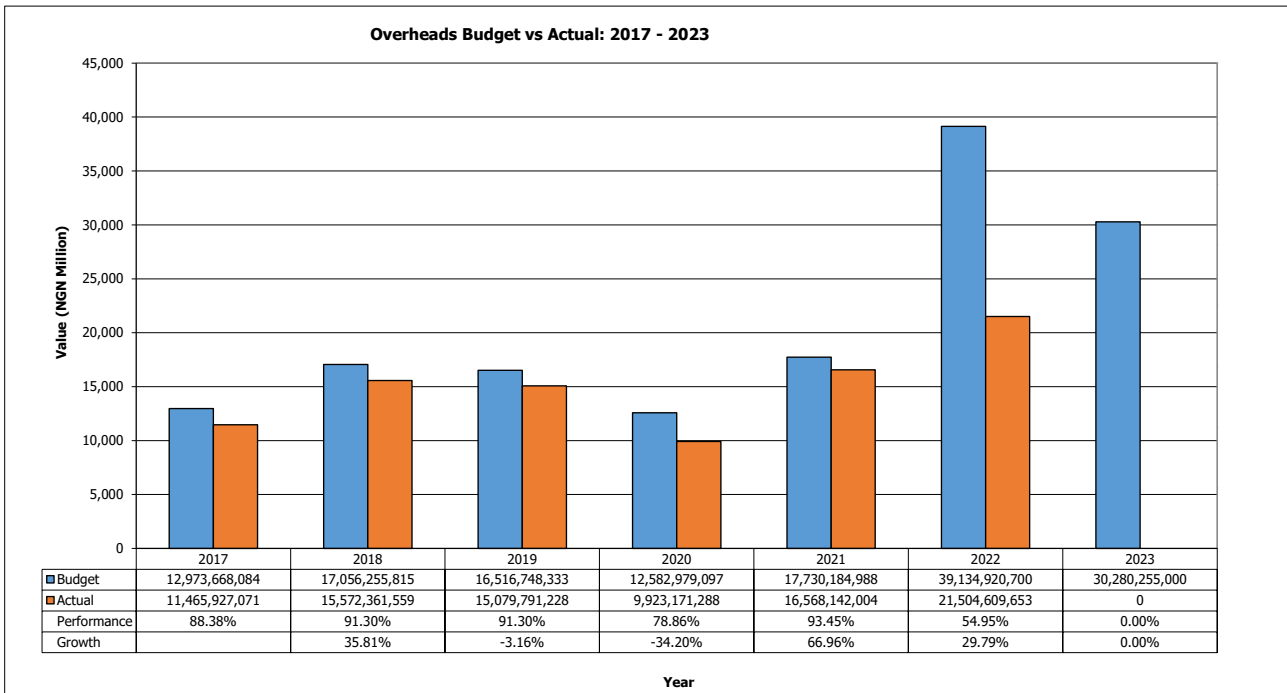
**Figure 17: Social Contributions and Social Benefits**



122. Social Contributions and Social Benefits, depicted in Figure 17, include payment of Pension and Gratuity to retired civil servants, public servants in government agencies and parastatals, members of the state’s House of Assembly, Judicial Officers, and other Political Office holders.

123. Over the period 2017 - 2020, the actual social contributions and social benefits expenditure has been impressive and consistently been within 15% deviation. However, as shown in Figure 17, performance rose to over 165.7% and 146.2% in 2021 and 2022 respectively increasing deviation to over 45%.

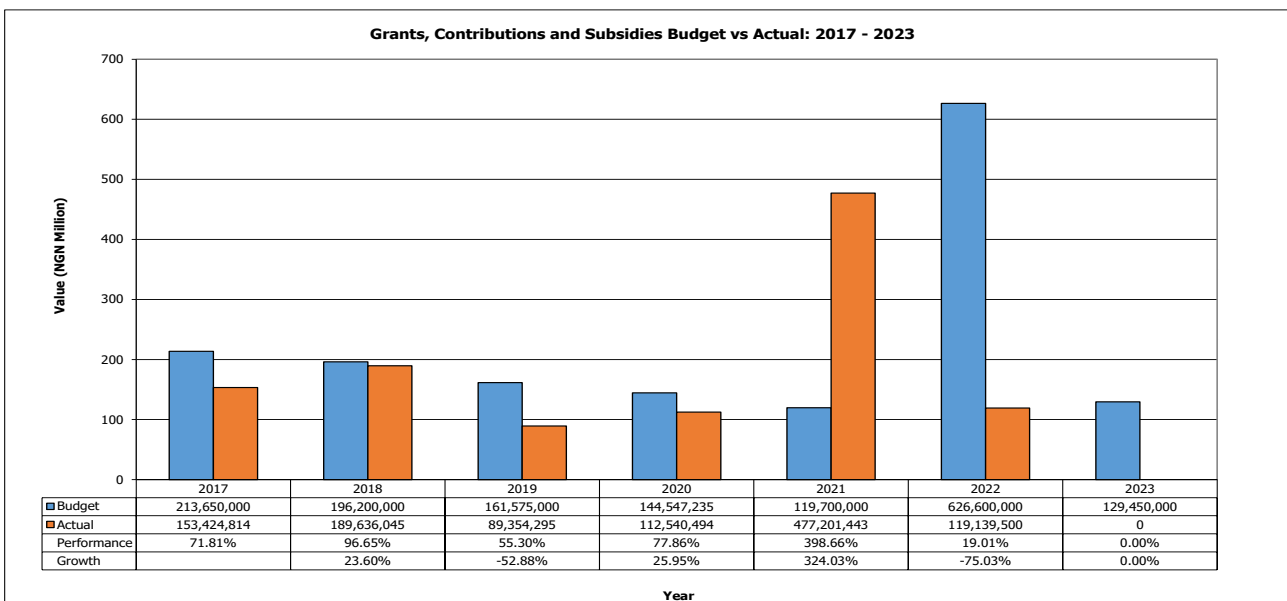
**Figure 18: Overheads**



124. Overhead expenditure comprises of operational and maintenance cost for running day-to-day Government activities.

125. Overhead expenditure has been relatively volatile, with a lower figure in 2017 but increased in 2018 and 2019 as shown in Figure 19. Overhead declined in 2020 and rose again in 2021. However, performance over budget has been stable over the period as actual performance has been close to budget through the years except in 2020 and 2022 which recorded merely 78.9% and 54.9%. The performance for 2022 was significantly low due to the bogus budget, therefore, the overhead budget for subsequent years must be realistic to avoid a reoccurrence.

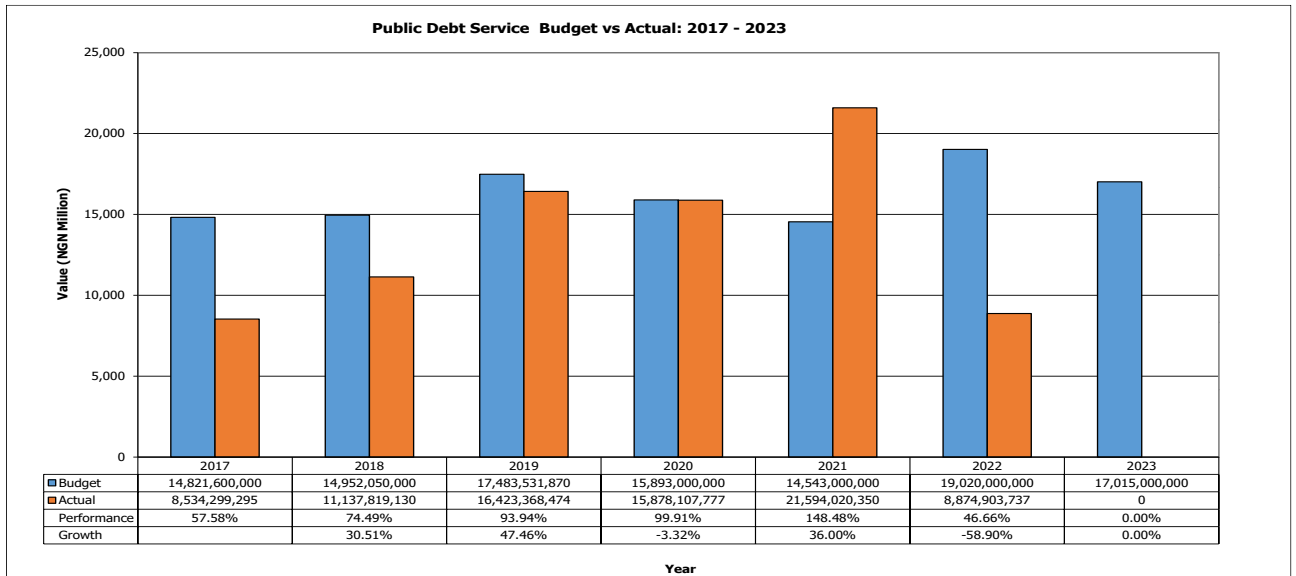
**Figure 19: Grants, Contributions, Subsidies, Transfers**



126. Grants, Contributions, Subsidies and Transfers in Gombe State are mainly monies transferred to parastatals, state owned tertiary education and health institutions and agencies for their personnel and overhead costs.
127. As depicted in Figure 19, Actual expenditure has been relatively steady between 2017 and 2018 but fell low in 2019 and 2022. Actual performance over budget was 71.81% in 2017, 96.65% in 2018 and 55.3% in 2019 while rising to 77.86% in 2020, 398.66% in 2021, and fell low to 19.01% in 2022. This is indicative of renewed government commitment to fulfilling its obligations.

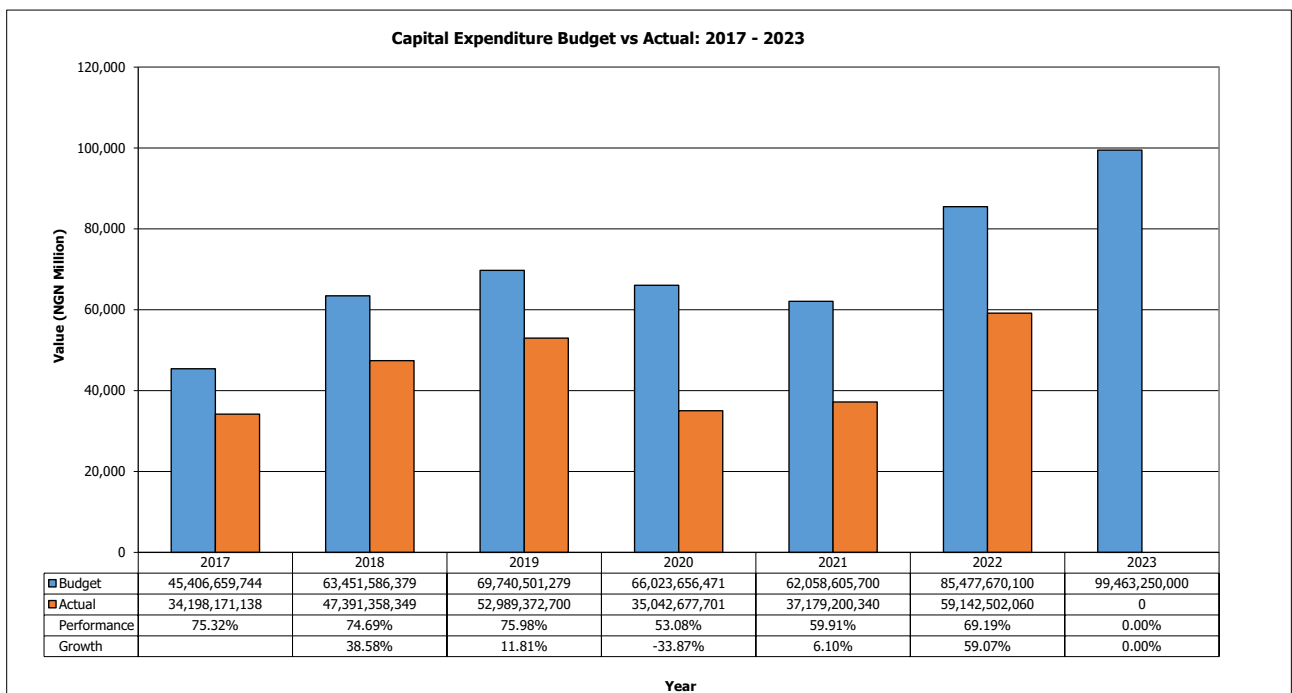


**Figure 20: Public Debt Service**



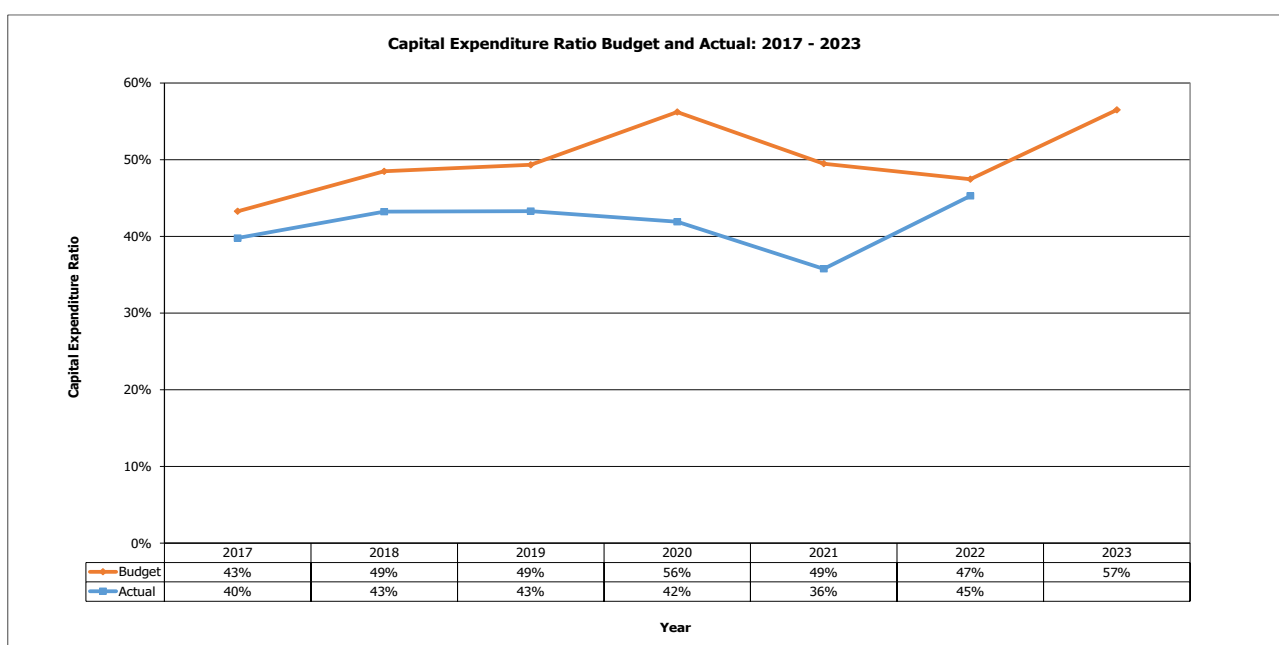
- 128. Public Debt Charge includes payment for internal and external debt (principal and interest).
- 129. As shown in Figure 20, the targets and performance in 2019 and 2020 indicated a good projection with variance of less than 5%. Debt service however, increased in 2021 simply because of the resumption of debt repayments after the holiday enjoyed in 2020 due to COVID-19, and later fell in 2022.
- 130. Strong forecasting ability, to maintain equality in both budget and actuals should provide for accurate estimates going forward as well as ensuring that debt data is kept up-to-date and regularly reconciled with the Debt Management Office (DMO), Abuja.

**Figure 21: Capital Expenditure**



- 131. Capital Expenditure includes the main investment and implementation of programmes and projects of government.
- 132. The capital expenditure budgets for the period (2017 – 2022) have been on the high with the actuals deviating significantly from the budget. Performance have been slightly above 50.0% in 2020, 2021 and 2022 as depicted in Figure 21.
- 133. Over the period 2017-2022, the actual capital expenditure has consistently underperformed against the budget. Lack of fund releases affect capital spending and the delivery of capital projects. Government should exhibit more commitment and prioritize capital projects. Again, forecasting trends show the need for a more conservative on capital expenditure budgeting.

**Figure 22: Recurrent: Capital Expenditure Ratio**



- 134. The budgeted Capital Expenditure ratio for the period 2017 – 2022 as depicted in Figure 22 has been between 43% and 56%. There was a drop in 2017 (43%) and 2022 (47%). The drop in 2017 was largely due to revenue short falls because of the global crude oil price drop in 2017.
- 135. Stronger revenue drive (particularly IGR), better reporting on loan and grant receipts and expenditures, and more efficiency in overhead expenditure can all contribute to a higher level of actual capital expenditure in future years.

**By Sector**

- 136. Analysis of both personnel, overhead & capital budget, and actual expenditure with performance indicators for all sectors from 2019 to 2022 are presented in Figures below.

Figure 23: Expenditure Allocation – Personnel

Personnel Expenditure by Sector						
No.	Sector	% 2024	2024 Allocation	% 2025	2025 Allocation	2026 Allocation
1	Administrative Sector	13.58%	4,888,800,000	13.58%	5,377,680,000	5,907,300,000
2	Governors Office	3.00%	1,080,000,000	3.00%	1,188,000,000	1,305,000,000
3	Gombe State House of Assembly	2.00%	720,000,000	2.00%	792,000,000	870,000,000
4	Ministry of Information and Culture	1.00%	360,000,000	1.00%	396,000,000	435,000,000
5	Ministry of Internal Security and Ethical Orientation	0.08%	28,800,000	0.08%	31,680,000	34,800,000
6	Office of the Head of Civil Service	2.50%	900,000,000	2.50%	990,000,000	1,087,500,000
7	Office of the Auditor General	1.00%	360,000,000	1.00%	396,000,000	435,000,000
8	Civil Service Commission	0.50%	180,000,000	0.50%	198,000,000	217,500,000
9	Gombe State Independent Electoral Commission	0.50%	180,000,000	0.50%	198,000,000	217,500,000
10	Local Government Service Commission	0.50%	180,000,000	0.50%	198,000,000	217,500,000
11	Office of the Secretary to the State Government	2.00%	720,000,000	2.00%	792,000,000	870,000,000
12	Ministry of Special Duties	0.50%	180,000,000	0.50%	198,000,000	217,500,000
13	Economic Sector	31.90%	11,484,000,000	31.90%	12,632,400,000	13,876,500,000
14	Ministry of Agriculture and Animal Husbandry	4.50%	1,620,000,000	4.50%	1,782,000,000	1,957,500,000
15	Ministry of Finance and Economic Development	3.00%	1,080,000,000	3.00%	1,188,000,000	1,305,000,000
16	Ministry of Commerce, Industry and Tourism	2.00%	720,000,000	2.00%	792,000,000	870,000,000
17	Ministry of Science, Technology and Innovation	1.50%	540,000,000	1.50%	594,000,000	652,500,000
18	Ministry of Energy and Mineral Resources	1.00%	360,000,000	1.00%	396,000,000	435,000,000
19	Ministry of Works and Transport	3.00%	1,080,000,000	3.00%	1,188,000,000	1,305,000,000
20	Budget, Planning and Development Partners Coordination Office	1.00%	360,000,000	1.00%	396,000,000	435,000,000
21	Fiscal Responsibility Commission	1.00%	360,000,000	1.00%	396,000,000	435,000,000
22	Ministry of Water Resources	6.00%	2,160,000,000	6.00%	2,376,000,000	2,610,000,000
23	Ministry of Housing and Urban Development	3.00%	1,080,000,000	3.00%	1,188,000,000	1,305,000,000
24	Ministry of Lands and Survey	3.40%	1,224,000,000	3.40%	1,346,400,000	1,479,000,000
25	Ministry of Rural, Community Development and Cooperatives	2.50%	900,000,000	2.50%	990,000,000	1,087,500,000
26	Law and Justice Sector	5.50%	1,980,000,000	5.50%	2,178,000,000	2,392,500,000
27	Judicial Service Commission	3.50%	1,260,000,000	3.50%	1,386,000,000	1,522,500,000
28	Ministry of Justice	2.00%	720,000,000	2.00%	792,000,000	870,000,000
29	Social Sector	49.02%	17,647,200,000	49.02%	19,411,920,000	21,323,700,000
30	Ministry of Youth Development	2.50%	900,000,000	2.50%	990,000,000	1,087,500,000
31	Ministry of Women Affairs & Social Development	2.50%	900,000,000	2.50%	990,000,000	1,087,500,000
32	Ministry of Education	17.50%	6,300,000,000	17.50%	6,930,000,000	7,612,500,000
33	Ministry of Health	15.02%	5,407,200,000	15.02%	5,947,920,000	6,533,700,000
34	Ministry of Environment	2.00%	720,000,000	2.00%	792,000,000	870,000,000
35	Ministry for Local Government and Chieftancy Affairs	1.50%	540,000,000	1.50%	594,000,000	652,500,000
36	Ministry of Higher Education	8.00%	2,880,000,000	8.00%	3,168,000,000	3,480,000,000
	<b>Total</b>	<b>100.00%</b>	<b>36,000,000,000</b>	<b>100.00%</b>	<b>39,600,000,000</b>	<b>43,500,000,000</b>

137. Personnel Expenditure Performance averaged between 78% and 165% in all the sectors except The Governor’s Office over the period 2019-2022. This is depicted in Figure 23.

Figure 24: Expenditure Allocation – Overhead

Overhead Expenditure by Sector						
No.	Sector	% 2024	2024 Allocation	% 2025	2025 Allocation	2026 Allocation
1	Administrative Sector	20.79%	5,197,545,653	20.79%	5,613,349,305	6,133,349,305
2	Governors Office	5.00%	1,250,000,000	5.00%	1,350,000,000	1,500,000,000
3	Gombe State House of Assembly	3.14%	785,869,355	3.14%	848,738,903	924,338,903
4	Ministry of Information and Culture	1.20%	300,867,810	1.20%	324,937,235	354,937,235
5	Ministry of Internal Security and Ethical Orientation	1.37%	341,397,187	1.37%	368,708,962	402,708,962
6	Office of the Head of Civil Service	1.14%	285,831,259	1.14%	308,697,760	336,697,760
7	Office of the Auditor General	1.18%	295,209,202	1.18%	318,825,938	348,825,938
8	Civil Service Commission	1.66%	416,241,129	1.66%	449,540,419	490,540,419
9	Gombe State Independent Electoral Commission	0.15%	37,248,544	0.15%	40,228,428	43,228,428
10	Local Government Service Commission	0.57%	142,760,819	0.57%	154,181,684	167,181,684
11	Office of the Secretary to the State Government	4.33%	1,082,826,701	4.33%	1,169,452,837	1,266,452,837
12	Ministry of Special Duties	1.04%	259,293,646	1.04%	280,037,138	305,037,138
13	Economic Sector	37.44%	9,360,621,191	37.44%	10,109,470,887	10,994,470,887
14	Ministry of Agriculture and Animal Husbandry	2.79%	697,109,942	2.79%	752,878,738	822,878,738
15	Ministry of Finance and Economic Development	13.00%	3,250,000,000	13.00%	3,510,000,000	3,810,000,000
16	Ministry of Commerce, Industry and Tourism	2.57%	642,765,186	2.57%	694,186,401	751,186,401
17	Ministry of Science, Technology and Innovation	0.75%	186,841,214	0.75%	201,788,511	219,788,511
18	Ministry of Energy and Mineral Resources	1.05%	261,871,198	1.05%	282,820,894	307,820,894
19	Ministry of Works and Transport	2.98%	743,956,043	2.98%	803,472,526	872,472,526
20	Budget, Planning and Development Partners Coordination Office	1.08%	269,719,616	1.08%	291,297,186	317,297,186
21	Fiscal Responsibility Commission	0.66%	165,861,416	0.66%	179,130,329	194,130,329
22	Ministry of Water Resources	5.23%	1,307,894,826	5.23%	1,412,526,412	1,537,526,412
23	Ministry of Housing and Urban Development	3.50%	874,693,859	3.50%	944,669,368	1,024,669,368
24	Ministry of Lands and Survey	1.87%	467,069,893	1.87%	504,435,484	547,435,484
25	Ministry of Rural, Community Development and Cooperatives	1.97%	492,837,997	1.97%	532,265,037	577,265,037
26	Law and Justice Sector	3.52%	880,198,630	3.52%	950,614,520	1,035,614,520
27	Judicial Service Commission	2.18%	544,143,400	2.18%	587,674,872	639,674,872
28	Ministry of Justice	1.34%	336,055,230	1.34%	362,939,648	394,939,648
29	Social Sector	38.25%	9,561,478,526	38.25%	10,326,396,808	11,181,396,808
30	Ministry of Youth Development	1.01%	252,458,200	1.01%	272,654,855	295,654,855
31	Ministry of Women Affairs & Social Development	0.32%	78,882,519	0.32%	85,193,120	91,193,120
32	Ministry of Education	15.02%	3,753,965,528	15.02%	4,054,282,770	4,359,282,770
33	Ministry of Health	15.16%	3,789,675,757	15.16%	4,092,849,818	4,397,849,818
34	Ministry of Environment	0.47%	116,260,770	0.47%	125,561,632	135,561,632
35	Ministry for Local Government and Chieftancy Affairs	0.18%	44,090,568	0.18%	47,617,813	51,617,813
36	Ministry of Higher Education	6.10%	1,526,145,184	6.10%	1,648,236,799	1,781,236,799
	<b>Total</b>	<b>100.00%</b>	<b>25,000,000,000</b>	<b>100.00%</b>	<b>27,000,000,000</b>	<b>29,000,000,000</b>

138. The average Overhead expenditure performance over the period 2019-2022 was 73%, with significant variation across sectors as some sectors performed below 55% on the average as shown in Figure 24.

**Figure 25: Expenditure Allocation – Capital**

Capital Expenditure by Sector		Discretionary Funds					Non-Discretionary Funds					Total Capital Envelope				
No.	Sector	% 2024	2024 Allocation	% 2025	2025 Allocation	% 2026	2026 Allocation	2024 Allocation	2025 Allocation	2026 Allocation	% 2024	2024 Allocation	% 2025	2025 Allocation	% 2026	2026 Allocation
1	Administrative Sector	6.47%	5,291,715,188	6.47%	5,578,051,022	6.47%	4,897,901,545	0	0	0	2.9%	5,291,715,188	3.0%	5,578,051,022	3.0%	4,897,901,545
2	Governors Office	1.28%	1,047,731,316	1.28%	1,104,424,281	1.28%	969,758,321	0	0	0	0.6%	1,047,731,316	0.6%	1,104,424,281	0.6%	969,758,321
3	Gombe State House of Assembly	1.05%	857,662,575	1.05%	904,070,880	1.05%	793,834,646	0	0	0	0.5%	857,662,575	0.5%	904,070,880	0.5%	793,834,646
4	Ministry of Information and Culture	0.72%	588,493,315	0.72%	620,336,814	0.72%	544,697,176	0	0	0	0.3%	588,493,315	0.3%	620,336,814	0.3%	544,697,176
5	Ministry of Internal Security and Ethical Orientation	0.38%	313,501,515	0.38%	330,465,149	0.38%	290,170,494	0	0	0	0.2%	313,501,515	0.2%	330,465,149	0.2%	290,170,494
6	Office of the Head of Civil Service	1.13%	921,491,490	1.13%	971,353,590	1.13%	852,913,362	0	0	0	0.5%	921,491,490	0.5%	971,353,590	0.5%	852,913,362
7	Office of the Auditor General	0.38%	307,657,821	0.38%	324,305,251	0.38%	284,761,682	0	0	0	0.2%	307,657,821	0.2%	324,305,251	0.2%	284,761,682
8	Civil Service Commission	0.10%	82,489,929	0.10%	86,953,476	0.10%	76,350,963	0	0	0	0.0%	82,489,929	0.0%	86,953,476	0.0%	76,350,963
9	Gombe State Independent Electoral Commission	0.14%	116,972,297	0.14%	123,301,693	0.14%	108,267,126	0	0	0	0.1%	116,972,297	0.1%	123,301,693	0.1%	108,267,126
10	Local Government Service Commission	0.07%	59,894,346	0.07%	63,124,701	0.07%	55,427,706	0	0	0	0.0%	59,894,346	0.0%	63,124,701	0.0%	55,427,706
11	Office of the Secretary to the State Government	1.05%	858,348,949	1.05%	904,794,393	1.05%	794,469,939	300,000,000	1,000,000,000	1,400,000,000	0.6%	1,158,348,949	1.0%	1,904,794,393	1.3%	2,194,469,939
12	Ministry of Special Duties	0.17%	137,481,635	0.17%	144,920,795	0.17%	127,250,142	0	0	0	0.1%	137,481,635	0.1%	144,920,795	0.1%	127,250,142
13	Economic Sector	49.38%	40,401,700,657	49.38%	42,587,845,274	49.38%	37,394,974,040	0	0	0	22.0%	40,401,700,657	22.6%	42,587,845,274	22.9%	37,394,974,040
14	Ministry of Agriculture and Animal Husbandry	3.25%	2,661,041,046	3.25%	2,805,030,543	3.25%	2,463,004,260	3,000,000,000	4,350,000,000	2,500,000,000	3.1%	5,661,041,046	3.8%	7,155,030,543	3.0%	4,963,004,260
15	Ministry of Finance and Economic Development	2.30%	1,883,975,097	2.30%	1,985,917,390	2.30%	1,743,768,175	4,100,000,000	2,480,000,000	0	3.3%	5,983,975,097	2.4%	4,465,917,390	1.1%	1,743,768,175
16	Ministry of Commerce, Industry and Tourism	3.44%	2,815,760,769	3.44%	2,968,122,183	3.44%	2,606,209,619	0	0	0	1.5%	2,815,760,769	1.6%	2,968,122,183	1.6%	2,606,209,619
17	Ministry of Science, Technology and Innovation	0.27%	218,386,031	0.27%	230,202,945	0.27%	202,133,569	0	0	0	0.1%	218,386,031	0.1%	230,202,945	0.1%	202,133,569
18	Ministry of Energy and Mineral Resources	1.40%	1,146,048,032	1.40%	1,208,060,935	1.40%	1,060,758,228	0	0	0	0.6%	1,146,048,032	0.6%	1,208,060,935	0.6%	1,060,758,228
19	Ministry of Works and Transport	22.75%	18,611,666,259	22.75%	19,618,747,490	22.75%	17,226,571,290	0	0	0	10.1%	18,611,666,259	10.4%	19,618,747,490	10.6%	17,226,571,290
20	Budget, Planning and Development Partners Coordination	1.97%	1,609,421,730	1.97%	1,696,507,882	1.97%	1,489,647,288	2,000,000,000	300,000,000	300,000,000	2.0%	3,609,421,730	1.1%	1,996,507,882	1.1%	1,789,647,288
21	Fiscal Responsibility Commission	0.03%	24,444,375	0.03%	25,767,065	0.03%	22,625,205	0	0	0	0.0%	24,444,375	0.0%	25,767,065	0.0%	22,625,205
22	Ministry of Water Resources	5.29%	4,328,024,821	5.29%	4,562,215,165	5.29%	4,005,929,780	250,000,000	350,000,000	250,000,000	2.5%	4,578,024,821	2.6%	4,912,215,165	2.6%	4,255,929,780
23	Ministry of Housing and Urban Development	4.33%	3,540,254,939	4.33%	3,731,818,886	4.33%	3,276,786,357	0	0	0	1.9%	3,540,254,939	2.0%	3,731,818,886	2.0%	3,276,786,357
24	Ministry of Lands and Survey	1.62%	1,324,551,825	1.62%	1,396,223,606	1.62%	1,225,977,628	0	0	0	0.7%	1,324,551,825	0.7%	1,396,223,606	0.8%	1,225,977,628
25	Ministry of Rural, Community Development and Cooperatives	2.74%	2,238,125,734	2.74%	2,359,231,194	2.74%	2,071,562,641	2,000,000,000	800,000,000	800,000,000	2.3%	4,238,125,734	1.7%	3,159,231,194	1.8%	2,871,562,641
26	Law and Justice Sector	4.38%	3,582,713,743	4.38%	3,776,575,146	4.38%	3,316,085,344	0	0	0	1.9%	3,582,713,743	2.0%	3,776,575,146	2.0%	3,316,085,344
27	Judicial Service Commission	2.82%	2,303,344,466	2.82%	2,427,978,926	2.82%	2,131,927,744	0	0	0	1.3%	2,303,344,466	1.3%	2,427,978,926	1.3%	2,131,927,744
28	Ministry of Justice	1.56%	1,279,369,277	1.56%	1,349,596,221	1.56%	1,184,157,600	0	0	0	0.7%	1,279,369,277	0.7%	1,349,596,221	0.7%	1,184,157,600
29	Social Sector	39.77%	32,539,417,609	39.77%	34,300,132,418	39.77%	30,117,808,335	0	0	0	17.7%	32,539,417,609	18.2%	34,300,132,418	18.4%	30,117,808,335
30	Ministry of Youth Development	1.68%	1,372,658,369	1.68%	1,446,933,206	1.68%	1,270,504,044	0	0	0	0.7%	1,372,658,369	0.8%	1,446,933,206	0.8%	1,270,504,044
31	Ministry of Women Affairs & Social Development	1.02%	831,501,213	1.02%	876,493,921	1.02%	769,620,233	0	0	0	0.5%	831,501,213	0.5%	876,493,921	0.5%	769,620,233
32	Ministry of Education	12.50%	10,225,657,905	12.50%	10,778,970,430	12.50%	9,464,656,331	1,500,000,000	1,400,000,000	1,400,000,000	6.4%	11,725,657,905	6.5%	12,178,970,430	6.7%	10,864,656,331
33	Ministry of Health	15.15%	12,391,322,433	15.15%	13,061,819,526	15.15%	11,469,150,386	2,050,000,000	1,450,000,000	850,000,000	7.9%	14,441,322,433	7.7%	14,511,819,526	7.5%	12,319,150,386
34	Ministry of Environment	3.14%	2,571,652,730	3.14%	2,710,805,407	3.14%	2,380,268,294	3,000,000,000	1,000,000,000	800,000,000	3.0%	5,571,652,730	2.0%	3,710,805,407	1.9%	3,180,268,294
35	Ministry for Local Government and Chieftancy Affairs	0.20%	165,861,642	0.20%	174,836,450	0.20%	153,518,087	0	0	0	0.1%	165,861,642	0.1%	174,836,450	0.1%	153,518,087
36	Ministry of Higher Education	6.09%	4,980,763,317	6.09%	5,250,273,480	6.09%	4,610,090,960	2,000,000,000	3,000,000,000	3,500,000,000	3.8%	6,980,763,317	4.4%	8,250,273,480	5.0%	8,110,090,960
<b>Total</b>		<b>100.00%</b>	<b>81,814,500,000</b>	<b>100.00%</b>	<b>86,241,500,000</b>	<b>100.00%</b>	<b>75,725,800,000</b>	<b>20,200,000,000</b>	<b>16,130,000,000</b>	<b>11,800,000,000</b>	<b>100.00%</b>	<b>183,831,094,394</b>	<b>100.00%</b>	<b>188,615,207,722</b>	<b>100.00%</b>	<b>163,253,538,528</b>

139. For Capital Expenditure, overall performance has been poor as noted in paragraph 108 and depicted in Figure 25. The only sector that has received more than 60% of its budgetary allocations is Economic sector. The Ministries of Water Resources, Works and Transport and Environment had the highest performance over the period 2019-2022 while Works and Transport, Education and Health had both the largest budget allocation and actual releases over the period.

### Debt Position

140. A summary of the consolidated debt position for Gombe State Government is provided in Table 4 below.

Table 4: Debt Position as of 31<sup>st</sup> December 2022

<b>Debt Sustainability Analysis</b>			
<b>A</b>	<b>DSA RATIO SCENARIOS:</b>	<b>Sustainability Thresholds</b>	<b>As at 31st December 2022</b>
	<b>Solvency Ratios</b>	<b>Percentage</b>	<b>Percentage</b>
<b>1</b>	Total Domestic Debt/IGR	150%	457.16%
<b>2</b>	Total External Debt/Gross FAAC	150%	0.63%
<b>3</b>	Total Public Debt/Total Recurrent Revenue	150%	70.35%
<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%	181.57%
<b>6</b>	External Debt Service/Gross FAAC	10%	1.33%
<b>8</b>	Debt Service Deductions from FAAC/Gross FAAC	40%	20.53%
<b>8</b>	Total Debt Service/Total Recurrent Revenue	25%	28.85%
<b>B PUBLIC DEBT DATA AS AT 31st DECEMBER 2022</b>			<b>Naira</b>
<b>1</b>	Total Domestic Debt		60,452,150,337
<b>2</b>	Total External Debt		464,922,149
<b>3</b>	<b>Total Public Debt</b>		<b>60,917,072,486</b>
<b>4</b>	Total Domestic Debt Service 2022		24,009,447,136
<b>5</b>	Total External Debt Service in 2022		973,737,211
<b>6</b>	<b>Total Public Debt Service</b>		<b>24,983,184,347</b>

141. The domestic and foreign debt ratio (both liquidity and solvency) for the 2022 fiscal year did not exceed recommended sustainability thresholds except for the ratio of total domestic debt to IGR, Domestic Debt Service to IGR, and public debt service to Total Recurrent Revenue.
142. Based on the above ratios, future debt drawdown should be focused on foreign concessional rate debt rather than higher interest domestic debt.
143. To be on a sustainable debt level, the state's 2022 Debt Sustainability Analysis (DSA) recommends that the total debt stock of the state in 2023 and 2024 not to exceed N86.5 billion and N83.5 billion respectively, and the Total Debt/Revenue ratio not to exceed 90.27% and 81.24% respectively.

### 3 Fiscal Strategy Paper

#### 3.A Macroeconomic Framework

144. The Macroeconomic framework as shown in Figure 26 reflects the mineral sector benchmarks (price and NGN: USD exchange rate) adopted for 2024-2026. We have adopted oil price of \$70 per barrel for 2024, and \$68 per barrel for 2025 – 2026. Real GDP growth and Inflation (CPI) are as per the IMF World Economic Outlook dated April 2023. The figures represent a prudent macro-economic framework from which the Gombe State Medium Term Fiscal Framework are drawn.

**Figure 26: Gombe State Macroeconomic Framework`**

<b>Macro-Economic Framework</b>			
<b>Item</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
National Inflation	21.50%	20.50%	20.50%
National Real GDP Growth	3.00%	3.00%	3.00%
State Inflation			
State Real GDP Growth			
State GDP Actual			
Oil Production Benchmark (MBPD)	1.5000	1.7000	1.8000
Oil Price Benchmark	\$70.00	\$68.00	\$68.00
NGN:USD Exchange Rate	750	750	750
<b>Other Assumptions</b>			
Mineral Ratio	30%	30%	30%

#### 3.B Fiscal Strategy and Assumptions

##### Policy Statement

145. Gombe state policy statement is based on its fiscal responsibility law which advocates “sound public expenditure and financial management in the state” specifically this will be achieved through:

- Aligning state government’s income and expenditure by keeping spending limits within the dictates of available resources and fiscal sustainable debt position;
- Boosting IGR in accordance with the IGR Expansion Strategy (2023-2027) of GSIRS;
- Emphasis on achieving a more favourable balance for capital expenditure through restraining the increasing trend in recurrent expenditure;
- Ensuring that the budget process is pursued with a framework that supports strategic prioritization and rational resource allocation and in accordance with the overall development policy objectives of the state; and
- Ensure strict adherence to due process in budget execution as well as accountability, transparency, and prudence in the entire public financial management process.

146. This strategy is anchored on the PFM Reform programs of the state government.

## Objectives and Targets

147. The key targets from the fiscal perspective are:

- To have higher proportion of capital expenditure compared to recurrent expenditure, with a capital-recurrent ratio of 55:45.
- Personnel expenditure is to be on stable marginal increase of 3% in 2025 and 2026.
- To decrease overhead expenditure by 20% by 2025.
- To ensure certain revenue generating parastatals cover their overhead expenditure from the revenue they generate.

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

148. The indicative four-year fiscal framework for the period 2023-2026 is presented in Table 5 below.

**Table 5: Gombe State Medium Term Fiscal Framework**

<b>Macro-Economic Framework</b>				
<b>Item</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
National Inflation	13.10%	21.50%	20.50%	20.50%
National Real GDP Growth	2.30%	3.00%	3.00%	3.00%
State Inflation				
State Real GDP Growth				
State GDP Actual				
Oil Production Benchmark (MBPD)	1.6000	1.5000	1.7000	1.8000
Oil Price Benchmark	\$75.00	\$70.00	\$68.00	\$68.00
NGN:USD Exchange Rate	460	750	750	750
<b>Other Assumptions</b>				
Mineral Ratio	22%	30%	30%	30%
<b>Fiscal Framework</b>				
<b>Item</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
<b>Opening Balance</b>	<b>3,500,000,000</b>	<b>14,000,000,000</b>	<b>15,000,000,000</b>	<b>10,000,000,000</b>
<b>Recurrent Revenue</b>				
Statutory Allocation	46,825,346,247	48,000,000,000	62,000,000,000	71,000,000,000
Derivation	0	0	0	0
VAT	21,388,855,907	36,000,000,000	39,000,000,000	43,500,000,000
IGR	14,281,129,901	19,900,000,000	20,100,000,000	20,500,000,000
Excess Crude / Other Revenue	3,600,000,000	13,000,000,000	14,000,000,000	15,500,000,000
<b>Total Recurrent Revenue</b>	<b>86,095,332,055</b>	<b>116,900,000,000</b>	<b>135,100,000,000</b>	<b>150,500,000,000</b>
<b>Recurrent Expenditure</b>				
Personnel Costs	21,976,680,350	36,000,000,000	39,600,000,000	43,500,000,000
Social Contribution and Social Benefit	7,952,240,197	8,000,000,000	8,100,000,000	8,200,000,000
Overheads	22,579,840,136	25,000,000,000	27,000,000,000	27,000,000,000
Grants, Contributions and Subsidies	125,096,475	150,115,770	157,621,559	165,502,636
Public Debt Service	9,141,150,849	24,000,000,000	23,500,000,000	23,000,000,000
<b>Total</b>	<b>61,775,008,007</b>	<b>93,150,115,770</b>	<b>98,357,621,559</b>	<b>101,865,502,636</b>
<b>Transfer to Capital Account</b>	<b>27,820,324,048</b>	<b>37,749,884,230</b>	<b>51,742,378,441</b>	<b>58,634,497,364</b>
<b>Capital Receipts</b>				
Grants	32,100,000,000	49,006,238,219	55,445,376,661	39,873,972,024
Other Capital Receipts	0	0	0	0
<b>Total</b>	<b>32,100,000,000</b>	<b>49,006,238,219</b>	<b>55,445,376,661</b>	<b>39,873,972,024</b>
<b>Reserves</b>				
Contingency Reserve	2,239,883,301	3,272,500,000	3,752,500,000	4,012,500,000
Planning Reserve	1,980,406,481	2,169,122,449	2,063,755,102	1,970,169,388
<b>Total Reserves</b>	<b>4,220,289,782</b>	<b>5,441,622,449</b>	<b>5,816,255,102</b>	<b>5,982,669,388</b>
<b>Capital Expenditure</b>	<b>84,300,034,266</b>	<b>102,014,500,000</b>	<b>102,371,500,000</b>	<b>87,525,800,000</b>
Discretionary Funds	53,700,034,266	81,814,500,000	86,241,500,000	75,725,800,000
Non-Discretionary Funds	30,600,000,000	20,200,000,000	16,130,000,000	11,800,000,000
<b>Financing (Loans)</b>	<b>42,600,000,000</b>	<b>35,700,000,000</b>	<b>11,000,000,000</b>	<b>10,000,000,000</b>
<b>Total Revenue (Including Opening Balance)</b>	<b>164,295,332,055</b>	<b>215,606,238,219</b>	<b>216,545,376,661</b>	<b>210,373,972,024</b>
<b>Total Expenditure (including Contingency Reserve)</b>	<b>150,295,332,055</b>	<b>200,606,238,219</b>	<b>206,545,376,661</b>	<b>195,373,972,024</b>
<b>Closing Balance</b>	<b>14,000,000,000</b>	<b>15,000,000,000</b>	<b>10,000,000,000</b>	<b>15,000,000,000</b>
<b>Ratios</b>				
Growth in Recurrent Revenue	-0.57%	35.78%	15.57%	11.40%
Growth in Recurrent Expenditure	21.93%	50.79%	5.59%	3.57%
Capital Expenditure Ratio	57.41%	51.93%	50.56%	45.81%
Deficit (Financing) to Total Expenditure	28.34%	17.80%	5.33%	5.12%



## Assumptions

149. **Statutory Allocation** - The estimation for statutory allocation is based on budget performance for this year forecast taking into consideration the national and global macro-economic projections, GDP growth and inflation rate provided in WEO April 2023 Report.
150. **VAT - This** is based on budget performance for this year forecast using the combined change in GDP and inflation rate. The estimate for 2024-2026 is in line with the current rate of collections which is 7.5% as revised by the National Assembly.
151. **Internally Generated Revenue (IGR) - IGR** estimation is based on revenue performance for this year. An IGR growth rate estimated for 2024 and estimated for 2025 and 2026. These growth rates are based on the increasing economic activity of the state and reform of revenue administration which significantly increased total collections in 2022. However, actual collections are largely from traditional sources such as PAYE, fees, etc. It is believed that ongoing effort to establish a robust taxpayer database by GSIRS and integration of ICT in IGR processes, perfection of the TSA and technical support from development partners towards improving IGR processes and other efforts focused on blocking leakages and dealing with the phenomena of tax avoidance/evasion and incomplete remittances, collections will improve. Also, GSIRS has identified additional revenue items (not collected hitherto but permitted by the Revenue Law) to boost inflows, therefore, IGR is expected to grow annually in 2024 up to 2026.
152. **Other FAAC transfer** - the estimation is based on the current receipt (i.e., from January to March 2023).
153. **Grants** - Internal grants are largely TETFund, UBEC grant and NLTP grant. External grants are from multiple sources for Health, Education, Water and Social Development sectors. It is important that the relevant institutions in Gombe State Government put in place the necessary requirements to draw down the grants particularly UBEC funds and TETFund.
154. **Financing (Net Loans)** – Gombe State will continue to make use of short to medium term commercial bank facility, National Housing Loan Facility, the FGN Bridging Finance and the new World Bank funded SABER programme performance-for-result lending. Gombe State will, however, prioritize external loans between 2024-2026 by continuing to draw down existing World Bank and AfDB facilities.
155. **Personnel Costs** – Budget performance for this year was used to estimate the personnel cost for 2024 and same for 2025-2026 considering the average performance between performance between 2017 and 2022 and the performance in Q1 2023, as well as the ongoing recruitment drive of the state which will increase personnel emoluments in 2024. The plan for minimum wage increases after the removal of fuel subsidy will also increase personnel cost in 2024.
156. **Social Contribution and Social Benefits** – Budget performance for this year was used taking into consideration the declining trend in annual growth rate between 2018 and 2022 and the performance in Q1 2023.



157. **Overhead Costs** – Actual overhead costs decreased by 3% and 34% in 2019 and 2020 due to decline in revenue but rose in 2021 and 2022 and is expected to increase with the significant increase in inflation and exchange rate in 2023. Performance for this year was used to estimate overhead cost for 2024-2026 taking into consideration the current performance. Increment was estimated for 2024 and is expected to reduce in 2025 and 2026 after which the plan of the Federal Government to curtail national inflation is expected to have materialized.
158. **Public Debt Service** – Current debt management performance for this year was used based on expected debt repayment for 2024, 2025 and 2026.
159. **Capital Expenditure** - This is based on the balance from the recurrent account plus capital receipts. It is presented in the form of discretionary and non-discretionary capital expenditure.

### 3.D Fiscal Trends

160. Based on the above envelope, plus actual figures for 2024 - 2026 (using the same basis for forecasting as noted in the sub-sections within section 3.B), the trend from historical actual to forecast can be seen for revenue and then expenditure in the line graphs depicted in Figures 27 and 28 below.

**Figure 27: Gombe State Revenue Trend**

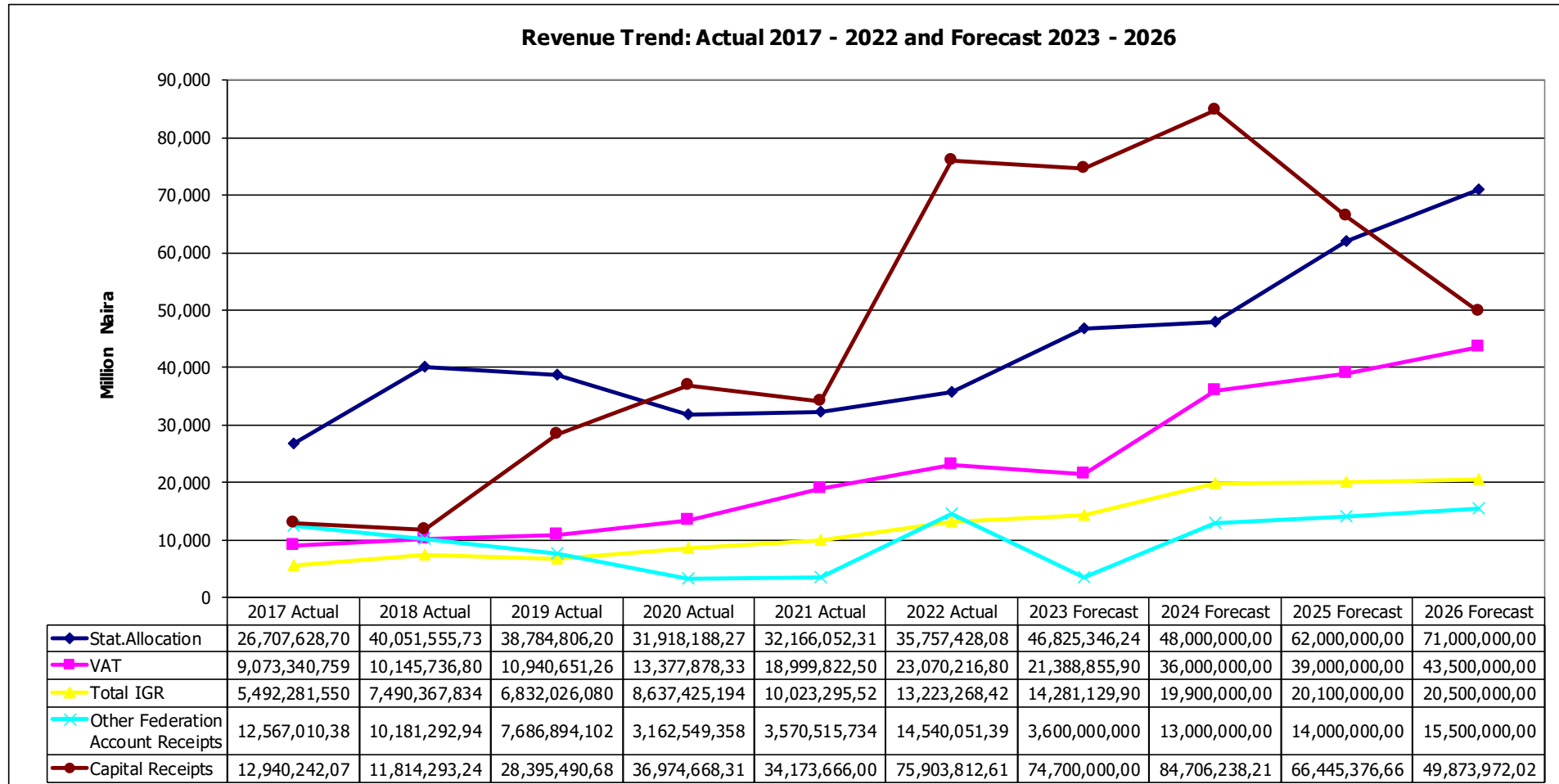
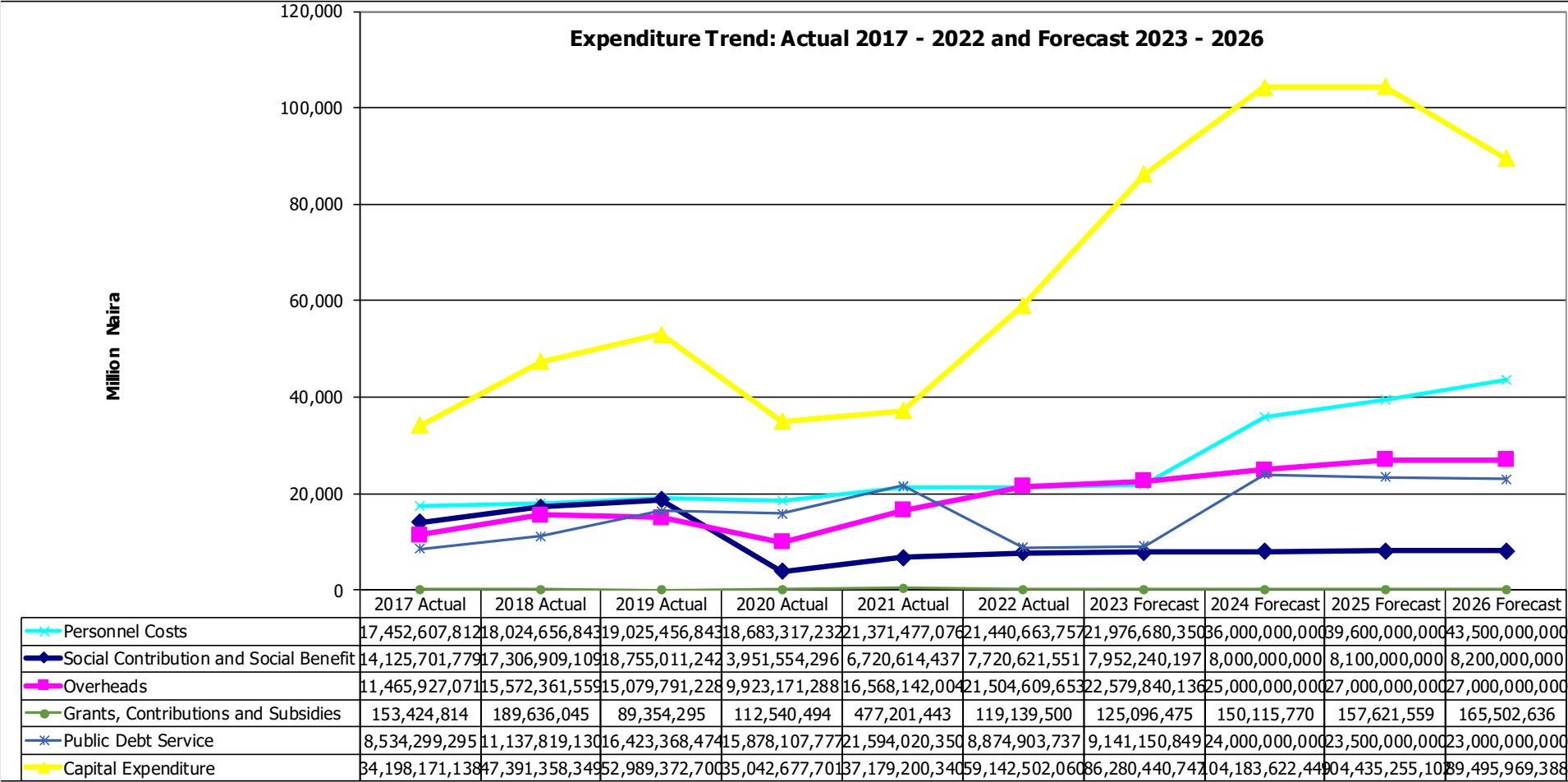


Figure 28: Gombe State Expenditure Trend



### 3.E Local Government Forecasts

161. 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 have been forecasted for the 11 Local Governments (LGs) of Gombe State.

162. Forecasts for 2024 for the 11 Local Governments in Gombe State are provided in Table 6 below.

**Table 6: Local Government FAAC and IGR Share Estimates 2024 – 2026**

Local Government Council	Statutory Allocation Share	VAT Share	IGR Share	2024					2025					2026				
				Statutory Allocation	VAT	Other Federation Account	Share of State IGR	Total Transfer	Statutory Allocation	VAT	Other Federation Account	Share of State IGR	Total Transfer	Statutory Allocation	VAT	Other Federation Account	Share of State IGR	Total Transfer
AKKO	0.203260%	0.143076%	10.047%	3,673,578,132	2,351,113,247	1,143,594,725	199,929,300	<b>7,368,215,404</b>	4,745,038,420	2,547,039,351	1,231,563,550	201,938,640	<b>8,725,579,961</b>	5,433,834,320	2,840,928,507	1,363,516,787	205,957,320	<b>9,844,236,934</b>
BALANGA	0.147614%	0.115745%	8.839%	2,667,871,811	1,901,994,488	830,515,650	175,903,293	<b>5,576,285,242</b>	3,446,001,089	2,060,494,029	894,401,469	177,671,165	<b>6,578,567,752</b>	3,946,227,054	2,298,243,340	990,230,198	181,206,910	<b>7,415,907,501</b>
BILLIRI	0.148571%	0.113476%	10.299%	2,685,154,362	1,864,700,405	835,895,755	204,945,025	<b>5,590,695,547</b>	3,468,324,385	2,020,092,106	900,195,428	207,004,774	<b>6,595,616,693</b>	3,971,790,828	2,253,179,656	996,644,938	211,124,272	<b>7,432,739,694</b>
DUKKU	0.161888%	0.114576%	8.056%	2,925,838,008	1,882,786,582	910,821,219	160,313,666	<b>5,879,759,476</b>	3,779,207,427	2,039,685,464	980,884,390	161,924,859	<b>6,961,702,140</b>	4,327,802,054	2,275,033,787	1,085,979,146	165,147,244	<b>7,853,962,231</b>
FUNAKAYE	0.157458%	0.120879%	9.497%	2,845,777,887	1,986,360,170	885,898,289	188,992,006	<b>5,907,028,351</b>	3,675,796,438	2,151,890,184	954,044,311	190,891,423	<b>6,972,622,355</b>	4,209,379,791	2,400,185,205	1,056,263,344	194,690,257	<b>7,860,518,598</b>
GOMBE	0.171453%	0.127040%	8.569%	3,098,690,623	2,100,743,804	964,630,702	170,525,217	<b>6,334,590,345</b>	4,002,475,388	2,275,805,788	1,030,833,063	172,239,038	<b>7,409,353,277</b>	4,583,479,879	2,530,398,764	1,150,136,606	175,666,680	<b>8,447,681,929</b>
KALTUNGO	0.134434%	0.102060%	9.649%	2,429,659,790	1,677,105,359	756,359,609	192,009,180	<b>5,055,133,938</b>	3,138,310,562	1,816,864,139	814,541,117	193,938,920	<b>5,963,654,738</b>	3,593,871,772	2,026,502,309	901,813,380	197,798,401	<b>6,719,985,862</b>
KIWAMI	0.144205%	0.111983%	8.283%	2,606,257,671	1,840,162,881	811,335,003	164,839,605	<b>5,422,595,160</b>	3,366,416,159	1,993,509,788	873,745,388	166,496,285	<b>6,400,167,619</b>	3,855,089,472	2,223,530,148	967,360,965	169,809,644	<b>7,215,790,229</b>
NAFADA	0.131469%	0.098525%	8.438%	2,376,079,586	1,635,456,569	739,679,948	167,909,158	<b>4,919,125,260</b>	3,069,102,798	1,771,744,616	796,578,405	169,596,687	<b>5,807,022,507</b>	3,514,617,720	1,976,176,688	881,926,091	172,971,746	<b>6,545,692,245</b>
SHONGOM	0.124682%	0.102434%	7.950%	2,253,410,690	1,683,252,319	701,492,791	158,200,046	<b>4,796,355,847</b>	2,910,655,475	1,823,523,346	755,453,775	159,789,996	<b>5,649,422,592</b>	3,333,169,979	2,033,929,885	836,395,251	162,969,897	<b>6,366,465,013</b>
YAMALTI/DEBA	0.170171%	0.125059%	10.374%	3,075,540,140	2,055,037,662	957,423,894	206,433,504	<b>6,294,435,201</b>	3,972,572,681	2,226,290,801	1,031,071,886	208,508,213	<b>7,438,443,580</b>	4,549,236,457	2,483,170,509	1,141,543,874	212,657,630	<b>8,386,608,469</b>

### 3.F Fiscal Risks

163. The analysis and forecasting basis as laid out above implies some fiscal risks, including but not limited to the risks outlined in Table 7 below.

**Table 7: Fiscal Risks**

Risk	Likelihood	Impact	Reaction
Transition into a new administration	High	Medium: Spike in overhead expenses e.g., Severance package/allowance for political office holders.	Offset the total spike in overhead cost from the 2023 budget.
Domestic oil production shocks	High	High: Daily production target have not been met between 2022 and 2023 due to oil bunkering and insecurity in the oil producing region.	Reduce dependence on statutory allocation by increasing domestic revenue generation efforts through effective implementation of the IGR Expansion Strategy (2023-2027).
Debt sustainability	High	High: Significantly high domestic debt stock and deviation from the domestic debt to IGR ratio. This have can	Prioritize external loans over internal loans and gear up IGR.

		bring negative impact on fiscal sustainability of the state.	
Russian/Ukraine War	Medium	High: Uncertain movement in oil price which will impact on statutory allocation.	In the long term, Gombe State would have to be less dependent on Statutory Allocation to fund its expenditure. This would be achieved through higher IGR collections. In the short term, capital projects would be prioritized, and overhead expenditure should be further reduced.
Threat to security in Gombe and neighbouring states which could reduce economic activity by taxpayers.	Medium	Medium: Reduced IGR and increased overhead cost.	Collaborative and strategic approach to stem the tides of crimes among communities in the state and neighbouring states to be deployed.
Adverse climate change and farmer/herder conflict might negatively affect farm output and other economic activities	High	Medium: Reduced IGR and increased unemployment/poverty.	Increase investment to raise the level of climate resilience (other farming methods e.g., irrigation) adaptation and awareness, invest in grazing infrastructures, and security measures to be put in place.
Non-materialisation of Capital Receipts	Medium	Low: Short-Fall in Capital Receipts	Loans that are at the risk of not materialising must be ring-fenced to specific activities and the risk should be spread reasonably across sectors to the extent possible, and on lower priority projects.

## 4 Budget Policy Statement

### 4.A Budget Policy Thrust

164. The current administration of Gombe State focuses on the following strategic areas:

- Internal Security and Order – The state will actively collaborate with security agencies and other stakeholders to combat the root causes of all insecurity and ensure safety and security of lives and livelihoods of all citizens across the state.
- Infrastructural Development – Address the issues of uneven development by ensuring that investments in infrastructure are tailored to meet the needs of all citizens as this will go a long way in making Gombe State a suitable destination for investment, generate employment and promoting rural income growth. To this end, ongoing infrastructural projects and exceptional (viable) new ones with huge economic potentials will be prioritized. The state will consolidate existing achievements by investing in the development of critical infrastructure such as roads, bridges, water supply, and electricity, improve rural and urban transportation networks, and invest in climate-friendly and sustainable projects. Urban renewal and redevelopment, especially in the state capital and the local government headquarters will be pursued vigorously to ensure decent living and attract investment in hospitality and tourism.
- Education and Human Capital Development- Policies and programmes aimed at eradicating illiteracy in Gombe State and increase academic success rates will be given priority by enhancing teaching standards and ensuring appropriate support from basic to tertiary levels of education for an informed and educated citizenry. These include upgrades of school infrastructure, provision of instructional materials and improving the capacity of teachers and administrators. The state is committed to expanding access to education, particularly for out-of-school children, girl-child and other marginalized groups, through various initiatives like the Adolescent Girl Initiative for Learning and Empowerment (AGILE), enhancing vocational and technical education to align with the needs of the rapidly evolving job market, particularly the agriculture, energy and oil and gas sectors which are fast taking shape in Gombe State, especially with discovery of oil and gas at Kolmani.
- Health care and social welfare - Proactively implement strategies to achieve Universal Health Coverage in Gombe State using Primary Health Care as the corner stone by increasing access to efficient, qualitative, and affordable healthcare services and ensure availability of essential drugs and vaccines throughout the state. Deliberate policies will be made to ensure the resilience of health system post COVID-19 to ensure adequate capacity to respond to pandemics and other public health concerns. The state will leverage Go-Health and Gombe State Primary Healthcare Development Agency (GSPHCDA) to strengthen healthcare systems and infrastructure to ensure accessible and quality healthcare services for all and improve the capacity of healthcare professionals

by investing in training and capacity building, as well as partner with FG and other relevant stakeholders to implement social welfare programs that support vulnerable groups and alleviate poverty.

- Economic Empowerment and Job Creation: promoting ease of doing business to foster conducive business environment, attract investments, and stimulate economic growth. This, including training and upskilling of youths, investing in ICT skills and innovation, and harnessing agri-business potentials to enhance food security and create employment opportunities.
- Good Governance and Accountability – Promote transparent, accountable, and inclusion in governance process and activities in conformity with best practices. The state will sustain the principles of people-driven, needs-based, and participatory governance by improving open government policies. The efficient use of public resources through plugging leakages and reducing wastages will foster a culture of meritocracy and inclusivity in governance, thus improving the efficiency of the system.
- Women and Youths Empowerment – Raising the level of women and youth’s participation in socioeconomic activities including political participation through the provision of necessary skills and start up grants thereby boosting entrepreneurial development.

#### 4.B Sector Allocations (3 Year)

165. The total budget size for 2024 fiscal year as highlighted in Section 3.C above should not be more than **N200,606,238,219.00** out of which the sum of **N93,150,115,770.00** will be for recurrent expenditure. Planning reserve is set at **N2,169,122,449.00** (2% of Capital Expenditure Budget) and Contingency Reserve of **N3,272,500,000.00** Recurrent Revenue (including opening balance); while planned capital expenditure is estimated at **N215,606,238,219.00**.
166. The components of capital expenditure are - discretionary capital expenditure in the sum of **N81,814,500,000.00** that will be spent across all MDAs and non-discretionary capital expenditure of **N20,200,000,000.00** which is earmarked for projects and programmes in Health, Education, Water, Sanitation and Agricultural sectors. The non-discretionary amount is in the form of loans and grants.
167. Presented in Tables 8-10 below are the indicative three-year (2024-2026) envelopes for sectors. The basis for the envelopes is as follows:
- Non-Discretionary capital expenditure is allocated automatically to the relevant sectors.
  - Discretionary capital expenditure is allocated using the average trend from (2017-2023 budget and 2017-2022 actuals).
  - These are combined to give the total sector envelopes.

Table 8: Indicative Sector Personnel Expenditure Ceilings 2024 – 2026

Personnel Expenditure by Sector							
No.	Sector	% 2024	2024 Allocation	% 2025	2025 Allocation	% 2026	2026 Allocation
1	<b>Administrative Sector</b>	13.58%	4,888,800,000	13.58%	5,377,680,000	13.58%	5,907,300,000
2	<b>Governors Office</b>	3.00%	1,080,000,000	3.00%	1,188,000,000	3.00%	1,305,000,000
3	<b>Gombe State House of Assembly</b>	2.00%	720,000,000	2.00%	792,000,000	2.00%	870,000,000
4	<b>Ministry of Information and Culture</b>	1.00%	360,000,000	1.00%	396,000,000	1.00%	435,000,000
5	<b>Ministry of Internal Security and Ethical Orientation</b>	0.08%	28,800,000	0.08%	31,680,000	0.08%	34,800,000
6	<b>Office of the Head of Civil Service</b>	2.50%	900,000,000	2.50%	990,000,000	2.50%	1,087,500,000
7	<b>Office of the Auditor General</b>	1.00%	360,000,000	1.00%	396,000,000	1.00%	435,000,000
8	<b>Civil Service Commission</b>	0.50%	180,000,000	0.50%	198,000,000	0.50%	217,500,000
9	<b>Gombe State Independent Electoral Commission</b>	0.50%	180,000,000	0.50%	198,000,000	0.50%	217,500,000
10	<b>Local Government Service Commission</b>	0.50%	180,000,000	0.50%	198,000,000	0.50%	217,500,000
11	<b>Office of the Secretary to the State Government</b>	2.00%	720,000,000	2.00%	792,000,000	2.00%	870,000,000
12	<b>Ministry of Special Duties</b>	0.50%	180,000,000	0.50%	198,000,000	0.50%	217,500,000
13	<b>Economic Sector</b>	31.90%	11,484,000,000	31.90%	12,632,400,000	31.90%	13,876,500,000
14	<b>Ministry of Agriculture and Animal Husbandry</b>	4.50%	1,620,000,000	4.50%	1,782,000,000	4.50%	1,957,500,000
15	<b>Ministry of Finance and Economic Development</b>	3.00%	1,080,000,000	3.00%	1,188,000,000	3.00%	1,305,000,000
16	<b>Ministry of Commerce, Industry and Tourism</b>	2.00%	720,000,000	2.00%	792,000,000	2.00%	870,000,000
17	<b>Ministry of Science, Technology and Innovation</b>	1.50%	540,000,000	1.50%	594,000,000	1.50%	652,500,000
18	<b>Ministry of Energy and Mineral Resources</b>	1.00%	360,000,000	1.00%	396,000,000	1.00%	435,000,000
19	<b>Ministry of Works and Transport</b>	3.00%	1,080,000,000	3.00%	1,188,000,000	3.00%	1,305,000,000
20	<b>Budget, Planning and Development Partners Coordination Office</b>	1.00%	360,000,000	1.00%	396,000,000	1.00%	435,000,000
21	<b>Fiscal Responsibility Commission</b>	1.00%	360,000,000	1.00%	396,000,000	1.00%	435,000,000
22	<b>Ministry of Water Resources</b>	6.00%	2,160,000,000	6.00%	2,376,000,000	6.00%	2,610,000,000
23	<b>Ministry of Housing and Urban Development</b>	3.00%	1,080,000,000	3.00%	1,188,000,000	3.00%	1,305,000,000
24	<b>Ministry of Lands and Survey</b>	3.40%	1,224,000,000	3.40%	1,346,400,000	3.40%	1,479,000,000
25	<b>Ministry of Rural, Community Development and Cooperatives</b>	2.50%	900,000,000	2.50%	990,000,000	2.50%	1,087,500,000
26	<b>Law and Justice Sector</b>	5.50%	1,980,000,000	5.50%	2,178,000,000	5.50%	2,392,500,000
27	<b>Judicial Service Commission</b>	3.50%	1,260,000,000	3.50%	1,386,000,000	3.50%	1,522,500,000
28	<b>Ministry of Justice</b>	2.00%	720,000,000	2.00%	792,000,000	2.00%	870,000,000
29	<b>Social Sector</b>	49.02%	17,647,200,000	49.02%	19,411,920,000	49.02%	21,323,700,000
30	<b>Ministry of Youth Development</b>	2.50%	900,000,000	2.50%	990,000,000	2.50%	1,087,500,000
31	<b>Ministry of Women Affairs &amp; Social Development</b>	2.50%	900,000,000	2.50%	990,000,000	2.50%	1,087,500,000
32	<b>Ministry of Education</b>	17.50%	6,300,000,000	17.50%	6,930,000,000	17.50%	7,612,500,000
33	<b>Ministry of Health</b>	15.02%	5,407,200,000	15.02%	5,947,920,000	15.02%	6,533,700,000
34	<b>Ministry of Environment</b>	2.00%	720,000,000	2.00%	792,000,000	2.00%	870,000,000
35	<b>Ministry for Local Government and Chieftancy Affairs</b>	1.50%	540,000,000	1.50%	594,000,000	1.50%	652,500,000
36	<b>Ministry of Higher Education</b>	8.00%	2,880,000,000	8.00%	3,168,000,000	8.00%	3,480,000,000
	<b>Total</b>	<b>100.00%</b>	<b>36,000,000,000</b>	<b>100.00%</b>	<b>39,600,000,000</b>	<b>100.00%</b>	<b>43,500,000,000</b>



Table 9: Indicative Sector Overhead Expenditure Ceilings 2024 – 2026

Overhead Expenditure by Sector							
No.	Sector	% 2024	2024 Allocation	% 2025	2025 Allocation	% 2026	2026 Allocation
1	Administrative Sector	20.79%	5,197,545,653	20.79%	5,613,349,305	20.79%	5,613,349,305
2	Governors Office	5.00%	1,250,000,000	5.00%	1,350,000,000	5.00%	1,350,000,000
3	Gombe State House of Assembly	3.14%	785,869,355	3.14%	848,738,903	3.14%	848,738,903
4	Ministry of Information and Culture	1.20%	300,867,810	1.20%	324,937,235	1.20%	324,937,235
5	Ministry of Internal Security and Ethical Orientation	1.37%	341,397,187	1.37%	368,708,962	1.37%	368,708,962
6	Office of the Head of Civil Service	1.14%	285,831,259	1.14%	308,697,760	1.14%	308,697,760
7	Office of the Auditor General	1.18%	295,209,202	1.18%	318,825,938	1.18%	318,825,938
8	Civil Service Commission	1.66%	416,241,129	1.66%	449,540,419	1.66%	449,540,419
9	Gombe State Independent Electoral Commission	0.15%	37,248,544	0.15%	40,228,428	0.15%	40,228,428
10	Local Government Service Commission	0.57%	142,760,819	0.57%	154,181,684	0.57%	154,181,684
11	Office of the Secretary to the State Government	4.33%	1,082,826,701	4.33%	1,169,452,837	4.33%	1,169,452,837
12	Ministry of Special Duties	1.04%	259,293,646	1.04%	280,037,138	1.04%	280,037,138
13	Economic Sector	37.44%	9,360,621,191	37.44%	10,109,470,887	37.44%	10,109,470,887
14	Ministry of Agriculture and Animal Husbandry	2.79%	697,109,942	2.79%	752,878,738	2.79%	752,878,738
15	Ministry of Finance and Economic Development	13.00%	3,250,000,000	13.00%	3,510,000,000	13.00%	3,510,000,000
16	Ministry of Commerce, Industry and Tourism	2.57%	642,765,186	2.57%	694,186,401	2.57%	694,186,401
17	Ministry of Science, Technology and Innovation	0.75%	186,841,214	0.75%	201,788,511	0.75%	201,788,511
18	Ministry of Energy and Mineral Resources	1.05%	261,871,198	1.05%	282,820,894	1.05%	282,820,894
19	Ministry of Works and Transport	2.98%	743,956,043	2.98%	803,472,526	2.98%	803,472,526
20	Budget, Planning and Development Partners Coordination Office	1.08%	269,719,616	1.08%	291,297,186	1.08%	291,297,186
21	Fiscal Responsibility Commission	0.66%	165,861,416	0.66%	179,130,329	0.66%	179,130,329
22	Ministry of Water Resources	5.23%	1,307,894,826	5.23%	1,412,526,412	5.23%	1,412,526,412
23	Ministry of Housing and Urban Development	3.50%	874,693,859	3.50%	944,669,368	3.50%	944,669,368
24	Ministry of Lands and Survey	1.87%	467,069,893	1.87%	504,435,484	1.87%	504,435,484
25	Ministry of Rural, Community Development and Cooperatives	1.97%	492,837,997	1.97%	532,265,037	1.97%	532,265,037
26	Law and Justice Sector	3.52%	880,198,630	3.52%	950,614,520	3.52%	950,614,520
27	Judicial Service Commission	2.18%	544,143,400	2.18%	587,674,872	2.18%	587,674,872
28	Ministry of Justice	1.34%	336,055,230	1.34%	362,939,648	1.34%	362,939,648
29	Social Sector	38.25%	9,561,478,526	38.25%	10,326,396,808	38.25%	10,326,396,808
30	Ministry of Youth Development	1.01%	252,458,200	1.01%	272,654,855	1.01%	272,654,855
31	Ministry of Women Affairs & Social Development	0.32%	78,882,519	0.32%	85,193,120	0.32%	85,193,120
32	Ministry of Education	15.02%	3,753,965,528	15.02%	4,054,282,770	15.02%	4,054,282,770
33	Ministry of Health	15.16%	3,789,675,757	15.16%	4,092,849,818	15.16%	4,092,849,818
34	Ministry of Environment	0.47%	116,260,770	0.47%	125,561,632	0.47%	125,561,632
35	Ministry for Local Government and Chieftancy Affairs	0.18%	44,090,568	0.18%	47,617,813	0.18%	47,617,813
36	Ministry of Higher Education	6.10%	1,526,145,184	6.10%	1,648,236,799	6.10%	1,648,236,799
	<b>Total</b>	<b>100.00%</b>	<b>25,000,000,000</b>	<b>100.00%</b>	<b>27,000,000,000</b>	<b>100.00%</b>	<b>27,000,000,000</b>

Table 10: Indicative Sector Capital Expenditure Ceilings 2024 – 2026

Capital Expenditure by Sector		Discretionary Funds					Non-Discretionary Funds			Total Capital Envelope						
No.	Sector	% 2024	2024 Allocation	% 2025	2025 Allocation	% 2026	2026 Allocation	2024 Allocation	2025 Allocation	2026 Allocation	% 2024	2024 Allocation	% 2025	2025 Allocation	% 2026	2026 Allocation
1	Administrative Sector	6.47%	5,291,715,188	6.47%	5,578,051,022	6.47%	4,897,901,545	0	0	0	2.9%	5,291,715,188	3.0%	5,578,051,022	3.0%	4,897,901,545
2	Governors Office	1.28%	1,047,731,316	1.28%	1,104,424,281	1.28%	969,758,321	0	0	0	0.6%	1,047,731,316	0.6%	1,104,424,281	0.6%	969,758,321
3	Gombe State House of Assembly	1.05%	857,662,575	1.05%	904,070,880	1.05%	793,834,646	0	0	0	0.5%	857,662,575	0.5%	904,070,880	0.5%	793,834,646
4	Ministry of Information and Culture	0.72%	588,493,315	0.72%	620,336,814	0.72%	544,697,176	0	0	0	0.3%	588,493,315	0.3%	620,336,814	0.3%	544,697,176
5	Ministry of Internal Security and Ethical Orientation	0.38%	313,501,515	0.38%	330,465,149	0.38%	290,170,484	0	0	0	0.2%	313,501,515	0.2%	330,465,149	0.2%	290,170,484
6	Office of the Head of Civil Service	1.13%	921,491,490	1.13%	971,353,590	1.13%	852,913,362	0	0	0	0.5%	921,491,490	0.5%	971,353,590	0.5%	852,913,362
7	Office of the Auditor General	0.38%	307,657,821	0.38%	324,305,251	0.38%	284,761,682	0	0	0	0.2%	307,657,821	0.2%	324,305,251	0.2%	284,761,682
8	Civil Service Commission	0.10%	82,489,929	0.10%	86,953,476	0.10%	76,350,963	0	0	0	0.0%	82,489,929	0.0%	86,953,476	0.0%	76,350,963
9	Gombe State Independent Electoral Commission	0.14%	116,972,297	0.14%	123,301,693	0.14%	108,267,126	0	0	0	0.1%	116,972,297	0.1%	123,301,693	0.1%	108,267,126
10	Local Government Service Commission	0.07%	59,884,346	0.07%	63,124,701	0.07%	55,427,706	0	0	0	0.0%	59,884,346	0.0%	63,124,701	0.0%	55,427,706
11	Office of the Secretary to the State Government	1.05%	858,348,949	1.05%	904,794,393	1.05%	794,469,939	300,000,000	1,000,000,000	1,400,000,000	0.6%	1,158,348,949	1.0%	1,904,794,393	1.3%	2,194,469,939
12	Ministry of Special Duties	0.17%	137,481,635	0.17%	144,920,795	0.17%	127,250,142	0	0	0	0.1%	137,481,635	0.1%	144,920,795	0.1%	127,250,142
13	Economic Sector	49.38%	40,401,700,657	49.38%	42,587,845,274	49.38%	37,394,974,040	0	0	0	22.0%	40,401,700,657	22.6%	42,587,845,274	22.9%	37,394,974,040
14	Ministry of Agriculture and Animal Husbandry	3.25%	2,661,041,046	3.25%	2,805,030,543	3.25%	2,463,004,260	3,000,000,000	4,350,000,000	2,500,000,000	3.1%	5,661,041,046	3.8%	7,155,030,543	3.0%	4,963,004,260
15	Ministry of Finance and Economic Development	2.30%	1,883,975,097	2.30%	1,985,917,390	2.30%	1,743,768,175	4,100,000,000	2,480,000,000	0	3.3%	5,983,975,097	2.4%	4,465,917,390	1.1%	1,743,768,175
16	Ministry of Commerce, Industry and Tourism	3.44%	2,815,760,769	3.44%	2,968,122,183	3.44%	2,606,209,619	0	0	0	1.5%	2,815,760,769	1.6%	2,968,122,183	1.6%	2,606,209,619
17	Ministry of Science, Technology and Innovation	0.27%	218,386,031	0.27%	230,202,945	0.27%	202,133,569	0	0	0	0.1%	218,386,031	0.1%	230,202,945	0.1%	202,133,569
18	Ministry of Energy and Mineral Resources	1.40%	1,146,048,032	1.40%	1,208,060,935	1.40%	1,060,758,228	0	0	0	0.6%	1,146,048,032	0.6%	1,208,060,935	0.6%	1,060,758,228
19	Ministry of Works and Transport	22.75%	18,611,666,259	22.75%	19,618,747,480	22.75%	17,226,571,290	0	0	0	10.1%	18,611,666,259	10.4%	19,618,747,480	10.6%	17,226,571,290
20	Budget, Planning and Development Partners Coordination Commission	1.97%	1,609,421,730	1.97%	1,696,507,882	1.97%	1,489,647,288	2,000,000,000	300,000,000	300,000,000	2.0%	3,609,421,730	1.1%	1,996,507,882	1.1%	1,789,647,288
21	Fiscal Responsibility Commission	0.03%	24,444,375	0.03%	25,767,065	0.03%	22,625,205	0	0	0	0.0%	24,444,375	0.0%	25,767,065	0.0%	22,625,205
22	Ministry of Water Resources	5.29%	4,328,024,821	5.29%	4,562,215,165	5.29%	4,005,929,780	250,000,000	350,000,000	250,000,000	2.5%	4,578,024,821	2.6%	4,912,215,165	2.6%	4,255,929,780
23	Ministry of Housing and Urban Development	4.33%	3,540,254,939	4.33%	3,731,818,886	4.33%	3,276,786,357	0	0	0	1.9%	3,540,254,939	2.0%	3,731,818,886	2.0%	3,276,786,357
24	Ministry of Lands and Survey	1.62%	1,324,551,825	1.62%	1,396,223,606	1.62%	1,225,977,628	0	0	0	0.7%	1,324,551,825	0.7%	1,396,223,606	0.8%	1,225,977,628
25	Ministry of Rural, Community Development and Cooperative	2.74%	2,238,125,734	2.74%	2,359,231,194	2.74%	2,071,562,641	2,000,000,000	800,000,000	800,000,000	2.3%	4,238,125,734	1.7%	3,159,231,194	1.8%	2,871,562,641
26	Law and Justice Sector	4.38%	3,582,713,743	4.38%	3,776,575,146	4.38%	3,316,085,344	0	0	0	1.9%	3,582,713,743	2.0%	3,776,575,146	2.0%	3,316,085,344
27	Judicial Service Commission	2.82%	2,303,344,466	2.82%	2,427,978,926	2.82%	2,131,927,744	0	0	0	1.3%	2,303,344,466	1.3%	2,427,978,926	1.3%	2,131,927,744
28	Ministry of Justice	1.56%	1,279,369,277	1.56%	1,348,596,221	1.56%	1,184,157,600	0	0	0	0.7%	1,279,369,277	0.7%	1,348,596,221	0.7%	1,184,157,600
29	Social Sector	39.77%	32,539,417,609	39.77%	34,300,132,418	39.77%	30,117,808,335	0	0	0	17.7%	32,539,417,609	18.2%	34,300,132,418	18.4%	30,117,808,335
30	Ministry of Youth Development	1.68%	1,372,658,369	1.68%	1,446,933,206	1.68%	1,270,504,044	0	0	0	0.7%	1,372,658,369	0.8%	1,446,933,206	0.8%	1,270,504,044
31	Ministry of Women Affairs & Social Development	1.02%	831,501,213	1.02%	876,493,921	1.02%	769,620,233	0	0	0	0.5%	831,501,213	0.5%	876,493,921	0.5%	769,620,233
32	Ministry of Education	12.50%	10,225,657,905	12.50%	10,778,970,430	12.50%	9,464,656,331	1,500,000,000	1,400,000,000	1,400,000,000	6.4%	11,725,657,905	6.5%	12,178,970,430	6.7%	10,864,656,331
33	Ministry of Health	15.15%	12,391,322,433	15.15%	13,061,819,526	15.15%	11,469,150,386	2,050,000,000	1,450,000,000	850,000,000	7.9%	14,441,322,433	7.7%	14,511,819,526	7.5%	12,319,150,386
34	Ministry of Environment	3.14%	2,571,652,730	3.14%	2,710,805,407	3.14%	2,380,268,294	3,000,000,000	1,000,000,000	800,000,000	3.0%	5,571,652,730	2.0%	3,710,805,407	1.9%	3,180,268,294
35	Ministry for Local Government and Chieftancy Affairs	0.20%	165,861,642	0.20%	174,836,450	0.20%	153,518,087	0	0	0	0.1%	165,861,642	0.1%	174,836,450	0.1%	153,518,087
36	Ministry of Higher Education	6.09%	4,980,763,317	6.09%	5,250,273,480	6.09%	4,610,090,960	2,000,000,000	3,000,000,000	3,500,000,000	3.8%	6,980,763,317	4.4%	8,250,273,480	5.0%	8,110,090,960
	<b>Total</b>	<b>100.00%</b>	<b>81,814,500,000</b>	<b>100.00%</b>	<b>86,241,500,000</b>	<b>100.00%</b>	<b>75,725,800,000</b>	<b>20,200,000,000</b>	<b>16,130,000,000</b>	<b>11,800,000,000</b>	<b>100.00%</b>	<b>183,831,094,394</b>	<b>100.00%</b>	<b>188,615,207,722</b>	<b>100.00%</b>	<b>163,253,538,528</b>

## 4.C Considerations for the Annual Budget Process

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

- Only projects that are consistent with the prioritized MTSS of the sectors/MDAs and within the allocations as provided above should be in the MDAs capital budget proposal.
- Budget submissions for capital projects must include full life-time capital investment requirements (costs) and sources of funding (particularly if grants and/or loans are being used to fund the project, partially or fully) and the locations of the projects.
- It is expected that projects that have direct impact on the lives of citizens and can generate employment are initiated. Hence, all new capital projects/programmes must be accompanied with the cost-benefit analysis as well as the risk and opportunities associated with such projects/programmes.
- Programs/Projects aimed at cushioning the impact of inflation and rising cost of living, especially on the weak and vulnerable population, are to be prioritized.
- Increases in personnel cost due to new recruitment or promotion must be accompanied with the clearance from the Establishment and Service Matters, Office of the Head of Civil Service.
- All MDAs are to scale down overhead costs. Proposals for overhead costs (other charges) must be accompanied with the actual expenditure profile for January – August of the current financial year.

## 5 Summary of Key Points and Recommendations

169. We summarised below a list of the key points and recommendations arising in this document:
1. This document should be used as a tool to promote budget realism and fiscal discipline towards engendering growth and sustainability in the economy.
  2. Gombe State Sectors and MDAs should expedite action to produce 2024-2026 MTSS drawn from the state's 10-year development plan (DEVAGOM 2021-2030).
  3. Sector envelopes should be issued to all Sectors/MDAs, through the Budget Call Circular, as scheduled in the Budget Calendar to form the basis for the 2024 annual budget preparation.
  4. A more in-depth review of current debt portfolio (particularly domestic debt) should be undertaken, and appropriate debt management strategy developed.
  5. The state government should invest in training and resourcing the State Bureau of Statistic (SBS) to enhance their capacity to generate/estimate state level macroeconomic statistics for a more informed macro-fiscal planning.
  6. Aggressive Internally Generated Revenue should be pursued through the implementation of the state's IGR Expansion Strategy (2023-2027).
  7. Government should intensify efforts towards mitigating the impact of the activities of the Herdsmen on the agricultural sector to reduce rural unemployment and achieve high level of food security.
  8. Budget discipline and monitoring should be sustained to achieve higher Budget performance.
  9. The Government needs to correct the decline in education success rate and strengthen the human capital development in the state.
  10. The state government should upscale public involvement and massive participation of non-government stakeholders in the budget process through Town/Community meetings, business breakfast meetings, etc., thereby creating a platform for His Excellency, the Governor to have one-on-one or group interaction with individual and corporate citizens and residents of Gombe State, to know their peculiar challenges and to fashion out strategies to solve the identified challenges.