

2024-2026 MTEF & FSP

Public Consultation on the Draft 2024 - 2026 Medium Term Expenditure Framework & Fiscal Strategy Paper [MTEF & FSP]



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INTRODUCTION & BACKGROUND

INTRODUCTION & BACKGROUND

- This draft 2024-2026 MTEF&FSP has been prepared against the backdrop of a democratic transition and will reflect the current realities and new direction of the President Tinubu Administration in addressing key policy and fiscal challenges.
- Factors impacting the medium term fiscal outlook include:
 - *The Russia and Ukraine war which continues unabated, with severe implications on global food and energy prices;*
 - *Challenges in Domestic revenue mobilization;*
 - *Public Debt Sustainability concerns;*
 - *Elevated inflation domestically and in most economies, prompting monetary tightening in advanced economies with the inherent negative impact on capital inflow to emerging markets economies;*
 - *Challenging domestic macroeconomic and business environment – infrastructure, foreign exchange, etc; and*
 - *Negative impact of insecurity on the domestic economy.*

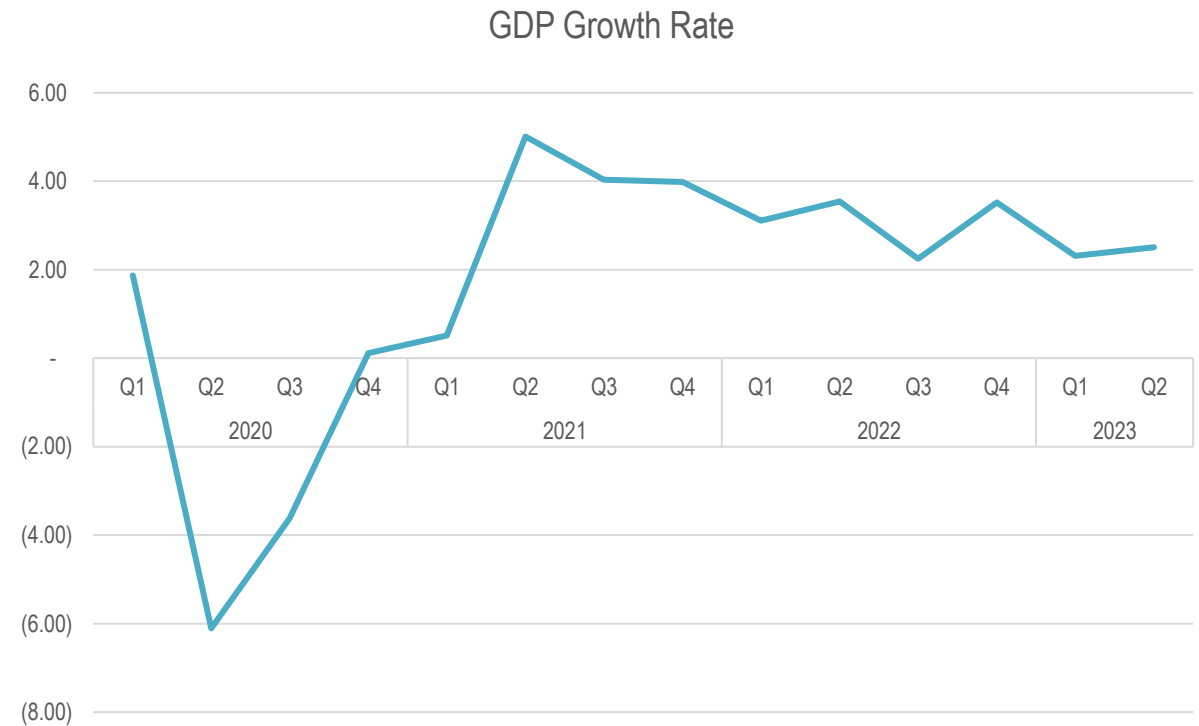
INTRODUCTION & BACKGROUND .../2

- This draft 2024-2026 MTEF&FSP seeks to present a clear picture of the current situation as well as the medium-term outlook of the Nigerian economy
- It is designed to accelerate the rate of inclusive economic growth and prosperity in tandem with the Renewed Hope Agenda of the Administration.
- It provides a comprehensive framework for prudent fiscal management and resource allocation.

INTRODUCTION & BACKGROUND

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- The economy posted positive, albeit lower-than-expected growth, for the eleventh consecutive quarter, inspite of a multitude of headwinds.
- Real Gross Domestic Product (GDP) grew by 2.51% (year-on-year) in the second quarter of 2023 slower than 3.54% recorded in the second quarter of 2022.
- The growth performance was driven largely by the sustained non-oil sector growth.



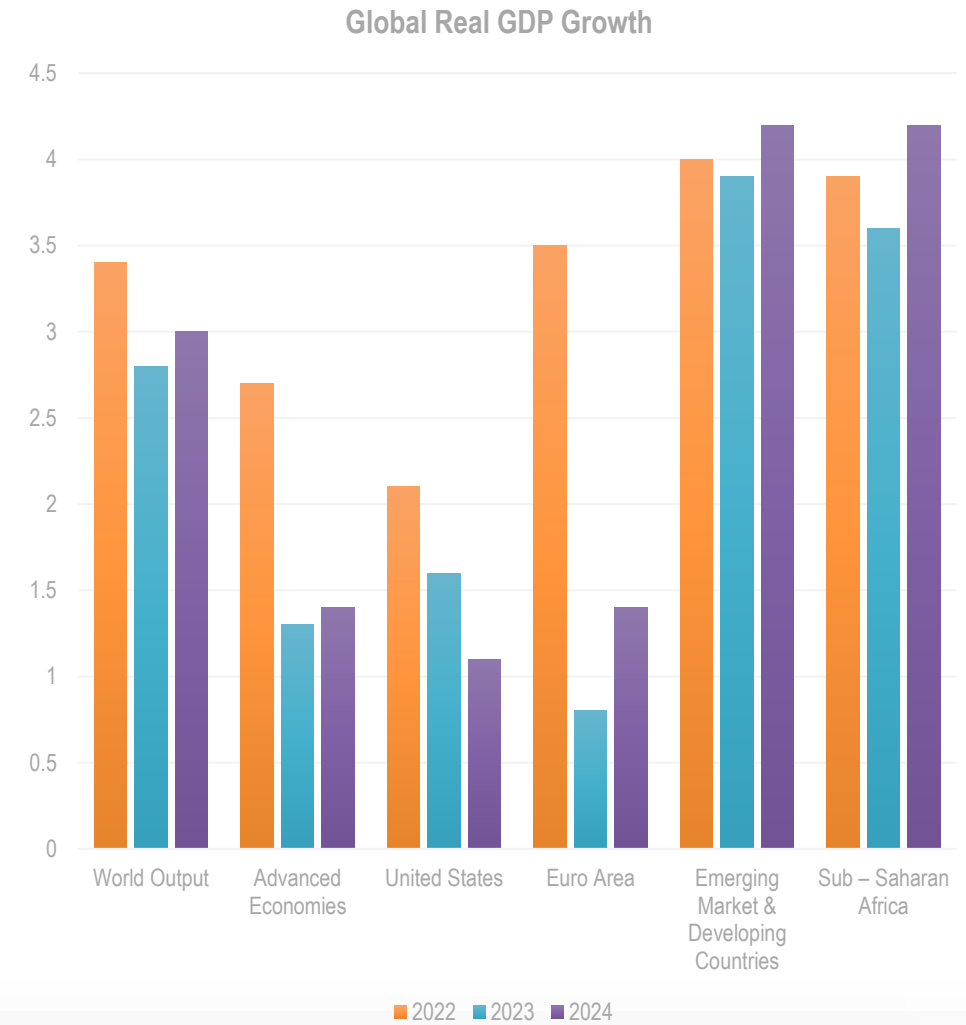
The World Bank recently reviewed Nigeria's economic outlook downward lowering 2023 GDP growth forecast to 2.8% from earlier projection of 3.0%. NBS has however not revised its projection of 3.75% growth.

INTRODUCTION & BACKGROUND

The International Monetary Fund (IMF) projects global growth to fall from an estimated 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9% in 2024.

- The US economy is currently projected to maintain a steady growth trajectory at 2.1% in 2022 and 2023 but declining to 1.5% in 2024
- From 3.3% in 2022, the IMF has revised EU GDP growth down to 0.7% in 2023 (from 0.9%) and 1.2% in 2024 (from 1.5%)
- Growth in Sub Sahara Africa is projected to slow from 4.0% in 2022 to 3.3% in 2023, and a rebound to 4.0% for 2024.

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OVERVIEW OF 2022 FISCAL OUTCOMES & UPDATE ON 2023 FEDERATION REVENUE PERFORMANCE

PERFORMANCE OF 2022 BUDGET PARAMETERS

Description	2022 Budget	2022 Actual
Oil Price Benchmark (US\$/b)	73.0	103.87*
Oil Production (mbpd)	1.6+	1.28+
Exchange Rate (N/\$)	410.2	402.28^
Inflation (%)	16.11	18.77++
GDP Growth Rate (%)	3.55	3.10**

Source

* CBN Average price of Bonny Light crude FY 2022

+ Average production FY 2022, exclusive of volumes for repayment of arrears.

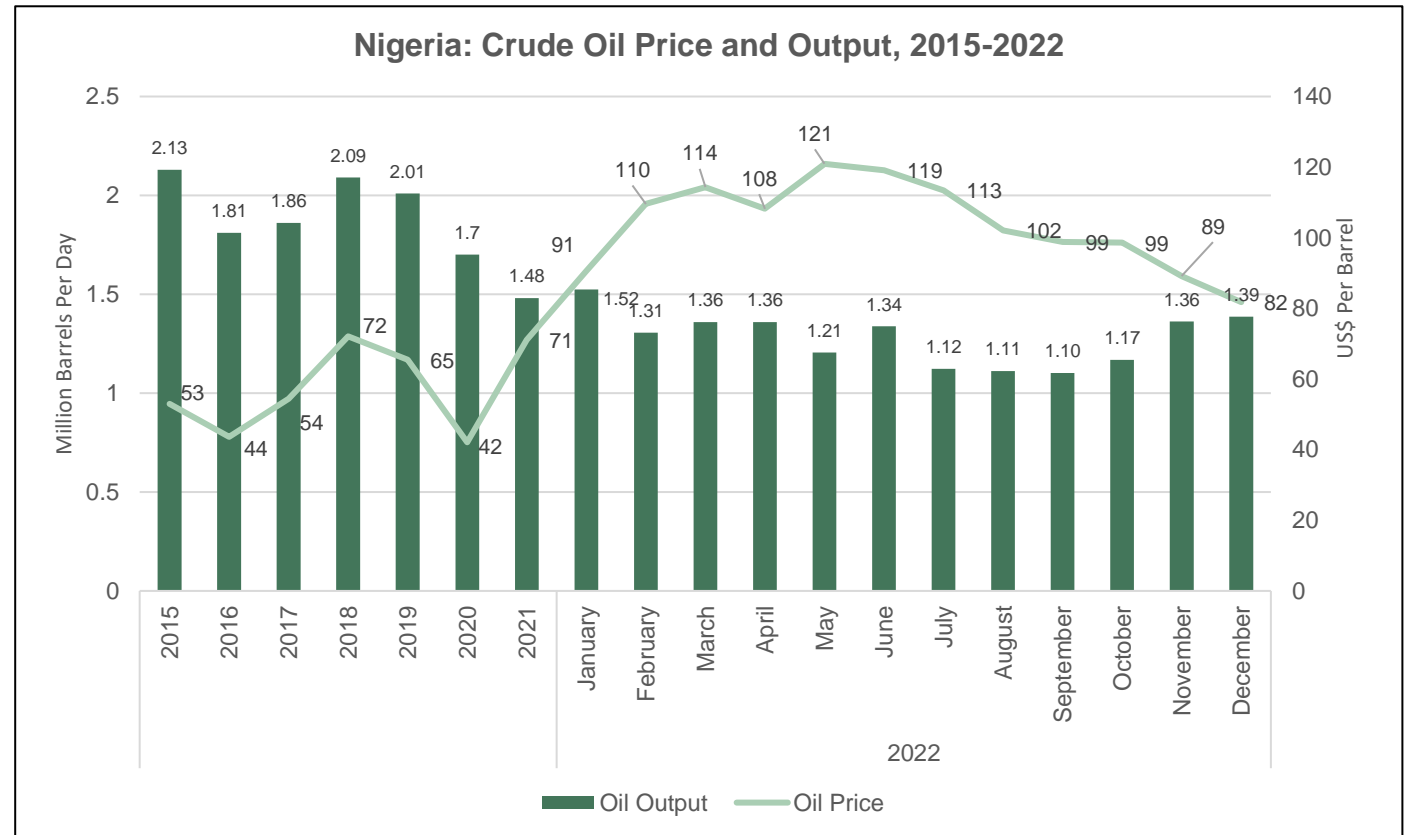
^ CBN average exchange rate FY, 2022.

++ NBS Inflation rate FY 2022 (21.34% as of December 2022);

** NBS FY 2022 GDP growth rate [Q4 2022 real GDP growth was 3.52%].

PERFORMANCE OF 2022 BUDGET PARAMETERS [Federation]..../2

- Gross oil and gas revenue was projected at **N9.37 trillion** for FY2022. Actual receipts totalled **N6.54 trillion**, representing 69.8% performance.
- After all deductions (including 13% derivation), the net oil and gas revenue inflow to the Federation Account was **N1.61 trillion**. This is **N2.93 trillion** (or 64.6%) short of the projection.
- Lower-than-budget oil production volume, as well as cost overruns, accounted for the poor performance of oil and gas revenue.
- **PMS subsidy cost in 2022** was put at **N4.105 trillion** by **NNPCL**, as against the provision of **N4 trillion** in the approved fiscal framework.



OVERVIEW OF 2022 Federation Revenues

	Fiscal Items	2022 Budget	Actuals (Jan-Dec)	Variance	
		Billions of Naira		Billions of Naira	%
A	OIL REVENUE				
a	Gross Oil and Gas Revenue	9,369.96	6,538.09	(2,831.87)	-30.2%
b	Deductions*	4,831.04	4,929.32	98.29	2.0%
c	Net Oil and Gas Revenue	4,538.93	1,608.77	(2,930.16)	-64.6%
B	NON-OIL REVENUE				
a	Non-Oil Taxes	6,448.52	7,019.98	571.46	8.9%
i	<i>Corporate Tax</i>	1,987.78	2,821.50	833.72	41.9%
ii	<i>VAT</i>	2,441.80	2,511.52	69.72	2.9%
iii	<i>Customs</i>	2,018.94	1,686.96	(331.98)	-16.4%
b	Deductions	467.14	472.88	5.74	1.2%
c	Net Non-Oil Taxes	5,981.38	6,547.10	565.73	9.5%
d	Other Revenues**	216.86	135.41	(81.45)	-37.6%
e	Net Non-Oil Revenue	6,198.24	6,682.52	484.28	7.8%
	* This include 13% derivation and transfer to Nigeria Police Trust Fund				
	** These include revenue from Soild Minerals after derivation, and Electronic Money Transfer				
	Note: The Net Non-Oil Revenue refers to those accurable to the Federation; thus, it excludes FGN Independent Revenues				

- Non-oil revenue outperformed the budget.
- The projection for non-oil taxes was N6.45 trillion, but **N7.02 trillion** was collected. This represents a **performance of 108.9%**.
- Corporate Income Tax (CIT) and Value Added Tax (VAT) collections were **N2.82 trillion and N2.51 trillion**, representing 141.9% and 102.9% performances respectively.
- Customs collection was **N1.69 trillion, which was 83.6%** of the target.

OVERVIEW OF 2022 Federation Revenues .../2

	Fiscal Items	2022 Budget	Actuals (Jan-Dec)	Variance
		Billions of Naira		Billions of Naira
A	Net Federation Account Distributable*	8,475.08	5,823.84	(2,651.24)
i	FGN's Share (52.68%)	4,464.67	3,068.00	(1,396.68)
ii	States' Share (26.72%)	2,264.54	1,556.13	(708.41)
iii	LG's Share (20.60%)	1,745.87	1,199.71	(546.16)
B	Net VAT Pool Account Distributable	2,262.08	2,341.90	79.82
iv	FGN's Share (15%)	339.31	351.28	11.97
v	States' Share (50%)	1,131.04	1,170.95	39.91
vi	Local Govt.'s Share (35%)	791.73	819.66	27.94
C	Electronic Money Transfer Levy (EMTL) Distributable	209.77	125.55	(84.22)
vii	FGN's Share (15%)	31.46	18.83	(12.63)
viii	States' Share (50%)	104.88	62.77	(42.11)
ix	Local Govt.'s Share (35%)	73.42	43.94	(29.48)

- The accretions to the Main Pool and VAT Pool federation accounts were **N5.82 trillion** and **N2.34 trillion** respectively, while
- From the **Main Pool**, the **Federal Government** received **N3.07 trillion**, while the **States and Local Governments** received **N1.56 trillion** and **N1.20 trillion**, respectively.
- From the VAT Pool, the Federal, State and Local governments received **N351.28 billion**, **N1.17 trillion** and **N819.66 billion**, respectively.
- **N125.55 billion** was available for distribution among the three tiers of government from the **Electronic Money Transfer Levy**.

OVERVIEW OF 2022 FGN Revenues

		2022 Amended Budget	Actual (Jan-Dec)	Variance	
		Billions of Naira		Billions of Naira	%
S/N	AGGREGATE FEDERAL GOVERNMENT REVENUE	9,969.17	8,805.75	(1,163.42)	-11.7%
	FEDERAL RETAINED REVENUES (excl. GOEs)	8,240.78	6,611.71	(1,629.07)	-19.8%
A					
1	Oil Revenue	2,190.37	776.35	(1,414.02)	-64.6%
2	Share of Dividend (NLNG & BOI)	195.72	101.70	(94.02)	-48.0%
3	Minerals & Mining Revenue	2.92	4.74	1.83	62.6%
4	Non-Oil Revenue:	2,258.39	2,388.91	130.52	5.8%
i	CIT	909.30	1,289.69	380.39	41.8%
ii	VAT	316.69	327.87	11.17	3.5%
iii	Customs Revenues	634.12	694.42	(139.70)	-16.7%
iv	Federation Account Levies	71.97	59.38	(12.61)	-17.5%
v	Share of Electronic Money Transfer Levy	29.37	17.58		
vi	Share of Oil Price Royalty	96.94			
B		5,321.77	5,534.04	212.28	4.0%
1	FGN Independent Revenue	2,616.22	1,402.43	(1,213.78)	-46.4%
2	FGN Drawdowns from Special Accounts/Levies	300.00	175.79	(124.21)	-41.4%
3	Signature Bonus / Renewals / Early Renewals	280.86	280.86	(0.00)	0.0%
4	Domestic Recoveries + Assets + Fines*	26.93	7.15	(19.79)	-73.5%
5	Grants and Donor Funding	63.38	1,145.11	1,081.74	1706.8%
6	Education Tax (TETFUND)	306.00	328.67	22.68	7.4%
7	GOEs Retained Revenue	1,728.39	2,194.04	465.65	26.9%

The FY 2022 FGN revenue was projected at N9.97 trillion. **The actual FGN revenue was N8.81 trillion.**

- Of this, oil revenue was **N776.35 billion** (representing 35.4% performance), while non-oil tax revenue was N2.39 trillion (105.8% performance).
- The contributions of **CIT and VAT** to FGN non-oil tax revenue were **N1.29 trillion and N327.87 billion**, respectively, representing **141.8% and 103.5%** of the Budget.
- Customs collections were **N753.78 billion**, of which N694.42 billion was from import duties, excise, and fees, and N59.36 billion was from Special Levies. FGN share of Electronic Money Transfer Levy was N15.66 billion.

Other revenues collected include **independent revenues of N1.40 trillion**, draw-down of N175.79 billion from Special Accounts, Signature bonus of N280.86 billion, Domestic recoveries of N7.15 billion, and Education Tax of N328.67 billion.

N2.19 trillion accrued as Government Owned Enterprises (GOEs) retained revenue, while Grants/Aid was N1.15 trillion.

OVERVIEW OF 2022 FGN Expenditures

S/N	Fiscal Items	2022 Amended Budget + Supplementar y Budget	Actual (Jan-Dec)	Variance	
		Billions of Naira		Billions of Naira	%
	AGGREGATE FGN EXPENDITURE	18,138.24	14,287.72	3,871.62	-21.3%
	FGN EXPENDITURE (excl. GOEs and Project-tied Loans)	16,287.81	13,410.37	1,867.26	-12.2%
A	Statutory Transfers	817.70	810.12	7.68	-0.9%
B	Recurrent Expenditure	11,088.71	11,289.89	(194.09)	1.8%
i	Non-Debt Recurrent Expenditure	7,108.82	6,824.21	1,484.41	-20.9%
	Non-Debt Recurrent Expenditure (excl. GOEs)	6,039.89	6,060.16	999.74	-16.4%
i	Personnel Costs (MDAs)	3,717.43	3,494.37	223.07	-6.0%
ii	Personnel Costs (GOEs)	617.72	297.15	320.58	-51.9%
iii	Pensions & Gratuities Including Service wide pension	577.86	387.32	190.54	-33.0%
iv	Overheads (MDAs)	376.38	371.73	4.65	-1.2%
v	Overheads (GOEs)	451.00	276.91	174.09	-38.6%
vi	Other Service Wide Votes	937.92	715.31	222.61	-23.7%
vii	Presidential Amnesty	65.00	65.00	-	0.0%
iv	TETFUND - Recurrent	15.30	16.43	(1.13)	
v	Special Intervention Programme	350.00		350.00	-100.0%
2	Debt Service	8,878.09	6,859.58	(1,878.49)	42.2%
i	Domestic Debt	2,562.15	2,571.47	(9.32)	0.4%
ii	Foreign Debt	1,123.23	1,191.66	(68.43)	6.1%
iii	Sinking Fund	292.71		292.71	-100.0%
iv	Interest on Ways & Means		1,893.45	(1,893.45)	
C	Aggregate Capital Expenditure	8,234.83	2,178.80	4,058.03	-85.1%
	Capital Expenditure (MDAs + Others)	4,431.93	1,893.51	2,538.42	-57.3%
	GOEs Capital Expenditure	647.08	283.29	363.79	-56.2%
	Multi-lateral/Bilateral Project-tied loans	1,155.82		1,155.82	-100.0%

- The actual expenditure for FY 2022 was N14.27 trillion out of the FGN Budget of N18.14 trillion (78.7% of the Budget).
- Recurrent expenditure was N194.09 billion, higher than the budget estimate of N11.08 trillion.
- Of the **N11.28 trillion** spent on recurrent expenditure,
 - **N4.18 trillion** was spent on personnel costs and pensions.
 - Debt service was **N5.66 trillion**, representing 40% of aggregate expenditure and 64% of revenue. Debt service cost exceeded budget by **N1.68 trillion** mainly due to interest on Ways and Means of **N1.89 trillion** and generally higher interest rates on borrowings.
- The actual capital spending of **N2.18 trillion** was 65% of the budget.

PERFORMANCE OF 2023 YTD BUDGET PARAMETERS

Description	2023 Budget	2023 Actual
Oil Price Benchmark (US\$/b)	75.0	80.51*
Oil Production (mbpd)	1.69	1.36+
Exchange Rate (N/\$)	435.57	554.91^
Inflation (%)	17.16	26.72++
GDP Growth Rate (%)	3.75	2.51**

Source: BOF, NNPC, OPEC, CBN, NBS, PRM&RC

* CBN Average price of Bonny Light crude

+ Average production, exclusive of volumes for repayment of arrears.

^ CBN average exchange rate.

++ NBS Inflation rate as of September.

** This is the Q2 real GDP growth. It was 2.31% in Q1, and 2.41% for half-year 2023.

OVERVIEW OF 2023 FEDERATION REVENUES

	Fiscal Items	2023 Budget	Prorata	Actuals (Jan-July)	Variance	
		Billions of Naira			Billions of Naira	%
A	OIL REVENUE					
a	Gross Oil and Gas Revenue	9,384.72	5,474.42	4,148.14	(1,326.28)	-24.2%
b	Deductions*	4,764.42	2,779.25	2,462.22	(317.02)	-11.4%
c	Net Oil and Gas Revenue	4,620.30	2,695.17	1,685.92	(1,009.25)	-37.4%
B	NON-OIL REVENUE					
a	Non-Oil Taxes	7,534.84	4,395.32	5,270.10	874.78	19.9%
i	<i>Corporate Tax</i>	2,092.67	1,220.72	2,515.65	1,294.93	106.1%
ii	<i>VAT</i>	2,953.77	1,723.03	1,789.74	66.70	3.9%
iii	<i>Customs</i>	2,488.40	1,451.57	964.72	(486.85)	-33.5%
b	Deductions	577.97	337.15	305.68	(31.47)	-9.3%
c	Net Non-Oil Taxes	6,956.87	4,058.17	4,964.42	906.25	22.3%
d	Other Revenues**	144.58	84.34	140.79	56.45	66.9%
e	Net Non-Oil Revenue	7,101.45	4,142.51	5,105.21	962.70	23.2%
	* This include 13% derivation and transfer to Nigeria Police Trust Fund					
	** These include revenue from Solid Minerals after derivation, and Electronic Money Transfer Levy					
	Note: The Net Non-Oil Revenue refers to those accruable to the Federation; thus, it excludes FGN Independent Revenues					

- The gross oil and gas revenue for FY2023 was projected at N9.38 trillion. As of July 2023, **N4.16 trillion was realized** as against the prorated estimate of N5.47 trillion. This represents about **75.8% performance**.
- After accounting for deductions (including 13% derivation), net oil and gas revenue inflows to the Federation Account amounted to only **N1.69 trillion**. This is N1.01 trillion or **37% less than the target**.
- Net non-oil revenue also outperformed the prorata target by **N962.70 billion or 23.2%**. Only Customs revenue performed below target (66%)

OVERVIEW OF 2023 FEDERATION REVENUES .../2

	Fiscal Items	2023 Budget	Prorata	Actuals (Jan-July)	Variance
		Billions of Naira			Billions of Naira
A	Net Federation Account Distributable*	8,985.38	5,241.47	5,673.23	431.77
i	FGN's Share (52.68%)	4,733.50	2,761.21	981.39	(1,779.81)
ii	States' Share (26.72%)	2,400.89	1,400.52	497.78	(902.75)
iii	LG's Share (20.60%)	1,850.99	1,079.74	383.76	(695.98)
B	Net VAT Pool Account Distributable	2,736.38	1,596.22	1,117.90	(478.32)
iv	FGN's Share (15%)	410.46	239.43	167.68	(71.75)
v	States' Share (50%)	1,368.19	798.11	558.95	(239.16)
vi	Local Govt.'s Share (35%)	957.73	558.68	391.26	(167.41)
C	Electronic Money Transfer Levy (EMTL) Distributable	136.35	79.54	70.76	(8.78)
vii	FGN's Share (15%)	20.45	11.93	10.61	(1.32)
viii	States' Share (50%)	68.17	39.77	35.38	(4.39)
ix	Local Govt.'s Share (35%)	47.72	27.84	24.76	(3.07)

- The amount available for distribution from the Federation Account – Main Pool was N1.86 trillion. Of this, the Federal Government received **N981.39 billion**, while the States and Local Governments received **N497.78 billion** and **N383.76 billion**, respectively.
- Federal, State and Local governments received **N167.68 billion**, **N558.95 billion** and **N391.26 billion**, respectively from the **VAT Pool Account**, and **N10.61 billion**, **N35.38 billion** and **N24.76 billion**, respectively from **EMTL**.

OVERVIEW OF 2023 FGN REVENUE PERFORMANCE

		2023 Budget	Pro Rata (Jan-July)	Actual (Jan-July)	Variance	
		Billions of Naira			Billions of Naira	%
S/N	AGGREGATE FEDERAL GOVERNMENT REVENUE	11,045.11	6,442.98	5,187.86	(1,255.12)	-19.5%
	FEDERAL RETAINED REVENUES (excl. GOEs)	8,626.00	5,031.83	4,833.09	(198.75)	-3.9%
A						
1	Oil Revenue	2,229.64	1,300.62	813.58	(487.04)	-37.4%
2	Share of Dividend (NLNG & BOI)	81.79	47.71	46.22	(1.48)	-3.1%
3	Minerals & Mining Revenue	3.64	2.13	3.85	1.72	81.0%
4	Non-Oil Revenue:	2,465.61	1,438.27	1,836.96	398.69	27.7%
i	CIT	933.28	544.41	1,156.27	611.85	112.4%
ii	VAT	383.09	223.47	234.30	10.83	4.8%
iii	Customs Revenues	949.59	553.93	386.33	(167.60)	-30.3%
iv	Federation Account Levies	167.19	97.53	46.63	(50.89)	-52.2%
v	Share of Electronic Money Transfer Levy	19.09	11.14	13.43	2.29	20.6%
vi	Share of Oil Price Royalty	13.37	7.80			
B		6,264.43	3,654.25	2,487.24	(1,167.01)	-31.9%
1	FGN Independent Revenue	3,169.07	1,848.63	1,038.62	(810.01)	-43.8%
2	FGN Drawdowns from Special Accounts/Levies	300.00	175.00	38.00	(137.00)	-78.3%
3	Signature Bonus / Renewals / Early Renewals	57.05	33.28	209.35	176.07	529.1%
4	Domestic Recoveries + Assets + Fines*	27.90	16.27		(16.27)	-100.0%
5	Grants and Donor Funding	43.03	25.10	480.19	455.09	1813.1%
6	Education Tax (TETFUND)	248.27	144.82	366.32	221.50	152.9%
7	GOEs Retained Revenue	2,419.11	1,411.15	354.77	(1,056.38)	-74.9%

OVERVIEW OF 2023 FGN REVENUE PERFORMANCE

- As of July 2023, FGN's retained revenue was **N5.19 trillion**, approximately 80.5% of the prorata target of N6.44 trillion.
- The FGN share of oil revenues was **N813.58 billion** (62.6% performance), while non-oil tax revenues totalled N1.84 trillion (a performance of 127.7%).
- CIT and VAT collections were **N1.16 trillion and N234.30 billion**, representing **212.4% and 104.8%** of their respective targets.
- Customs collections (made up of import duties, excise and fees, as well as federation account special levies) recorded **N432.96 billion** out of N651.46 billion (**66.5%** of target).
- Other revenues amounted to **N2.49 trillion**, of which Independent revenue (mostly transfers from GOEs and MDAs) was N1.04 trillion.

OVERVIEW OF 2023 FGN EXPENDITURE PERFORMANCE

S/N	Fiscal Items	2023 Budget + Supplementary	Pro Rata (Jan-July)	Actual (Jan-July)	Variance	
		Billions of Naira			Billions of Naira	%
	AGGREGATE FGN EXPENDITURE	22,646.73	13,210.59	8,598.50	4,612.09	-34.9%
	FGN EXPENDITURE (excl. GOEs and Project-tied Loans)	18,456.21	10,766.12	8,445.58	2,320.55	-21.6%
A	Statutory Transfers	967.49	564.37	551.18	13.19	-2.3%
B	Recurrent Expenditure	14,886.97	8,684.06	7,190.24	1,493.82	-17.2%
1	Non-Debt Recurrent Expenditure	8,329.37	4,858.80	3,254.99	1,603.81	-33.0%
	Non-Debt Recurrent Expenditure (excl. GOEs)	6,745.65	3,934.96	3,134.30	800.66	-20.3%
i	Personnel Costs (MDAs)	4,103.59	2,393.76	2,338.67	55.09	-2.3%
ii	Personnel Costs (GOEs)	912.32	532.19	68.44	463.74	-87.1%
iii	Pensions & Gratuities including Service wide pension	854.81	498.64	273.52	225.12	-45.1%
iv	Overheads (MDAs)	443.28	258.58	188.81	69.77	-27.0%
v	Overheads (GOEs)	671.40	391.65	52.24	339.41	-86.7%
vi	Other Service Wide Votes	1,066.55	622.15	277.07	345.09	-55.5%
vii	Presidential Amnesty	65.00	37.92	37.92	(0.00)	0.0%
iv	TETFUND - Recurrent	12.41	7.24	18.32	(11.07)	
v	Special Intervention Programme	200.00	116.67		116.67	-100.0%
2	Debt Service	6,557.60	3,825.27	3,935.25	(109.99)	2.9%
i	Domestic Debt	3,295.11	1,922.15	1,708.12	214.03	-11.1%
ii	Foreign Debt	1,814.76	1,058.61	530.48	528.13	-49.9%
iii	Sinking Fund	247.73	144.51		144.51	-100.0%
iv	Interest on Ways & Means	1,200.00	700.00	1,696.65	(996.65)	
C	Aggregate Capital Expenditure	6,792.27	3,962.16	857.08	3,105.08	-78.4%
	Capital Expenditure (MDAs + Others)	4,185.48	2,441.53	824.84	1,616.69	-66.2%
	GOEs Capital Expenditure	835.39	487.31	32.24	455.07	-93.4%
	Multi-lateral/Bilateral Project-tied loans	1,771.40	1,033.32		1,033.32	-100.0%

OVERVIEW OF 2023 FGN EXPENDITURE PERFORMANCE

- The aggregate expenditure for FY 2023 is estimated at N22.65 trillion, with a prorata spending target of N13.21 trillion at end of July.
- The actual spending was N8.60 trillion.
 - Of this amount, N3.94 trillion was for debt service, and
 - N2.68 trillion for Personnel cost, including Pensions.
- Only about N857.08 billion (22% of the pro-rata budget) has been released for MDAs' capital expenditure as of July 2023.
- This level of performance is partly explained by the introduction of the “Bottom-up Cash Plan” arrangement with effect from 2023.

OVERVIEW OF 2023 FGN FISCAL DEFICIT

	Fiscal Items	2023 Budget	Pro Rata (Jan-July)	Actual (Jan-July)	Variance
		Billions of Naira			Billions of Naira
	FISCAL BALANCE	(11,601.62)	(6,767.61)	(3,410.64)	(3,356.97)
	FINANCING ITEMS	10,782.08	6,289.55	3,410.64	2,878.91
	Sales of Government Property		-		-
	Privatisation Proceeds	206.18	120.27		120.27
	Multi-lateral / Bilateral Project-tied Loans	1,771.40	1,033.32		1,033.32
	New Borrowings	8,804.49	5,135.95	3,410.64	1,725.32
	Domestic Borrowing (including CBN)	7,043.59	4,108.76	3,410.64	698.13
	Foreign Borrowing	1,760.90	1,027.19		1,027.19

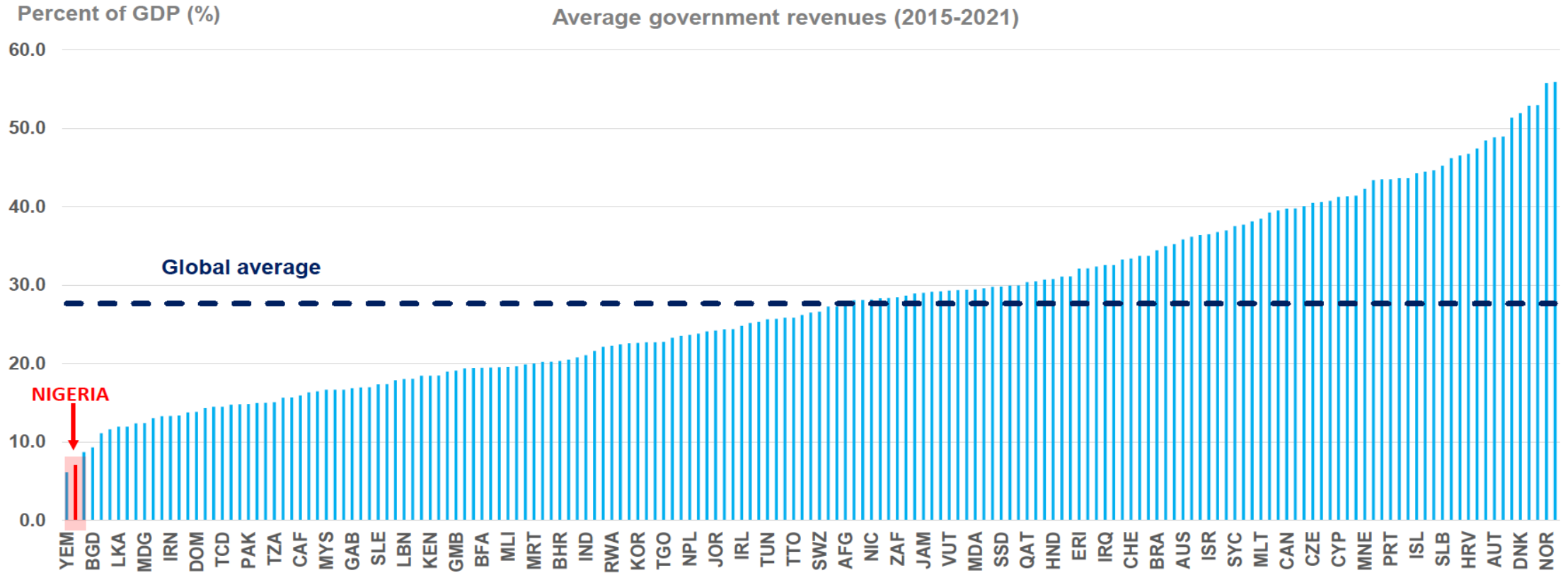
- The projected fiscal deficit for FY 2023 is N11.60 trillion, with a prorata deficit of N6.77 trillion at end of July.
- The actual deficit was N3.41 trillion, and was mainly financed by domestic borrowing.

CURRENT FISCAL CHALLENGES & RECOMMENDATIONS

GROSSLY INADEQUATE GOVERNMENT REVENUES [GON]



Low revenues are the key risk to fiscal and debt sustainability; and oil revenues have continued to fall despite higher oil prices



Source: World Bank MFMOD, World Bank, PFR

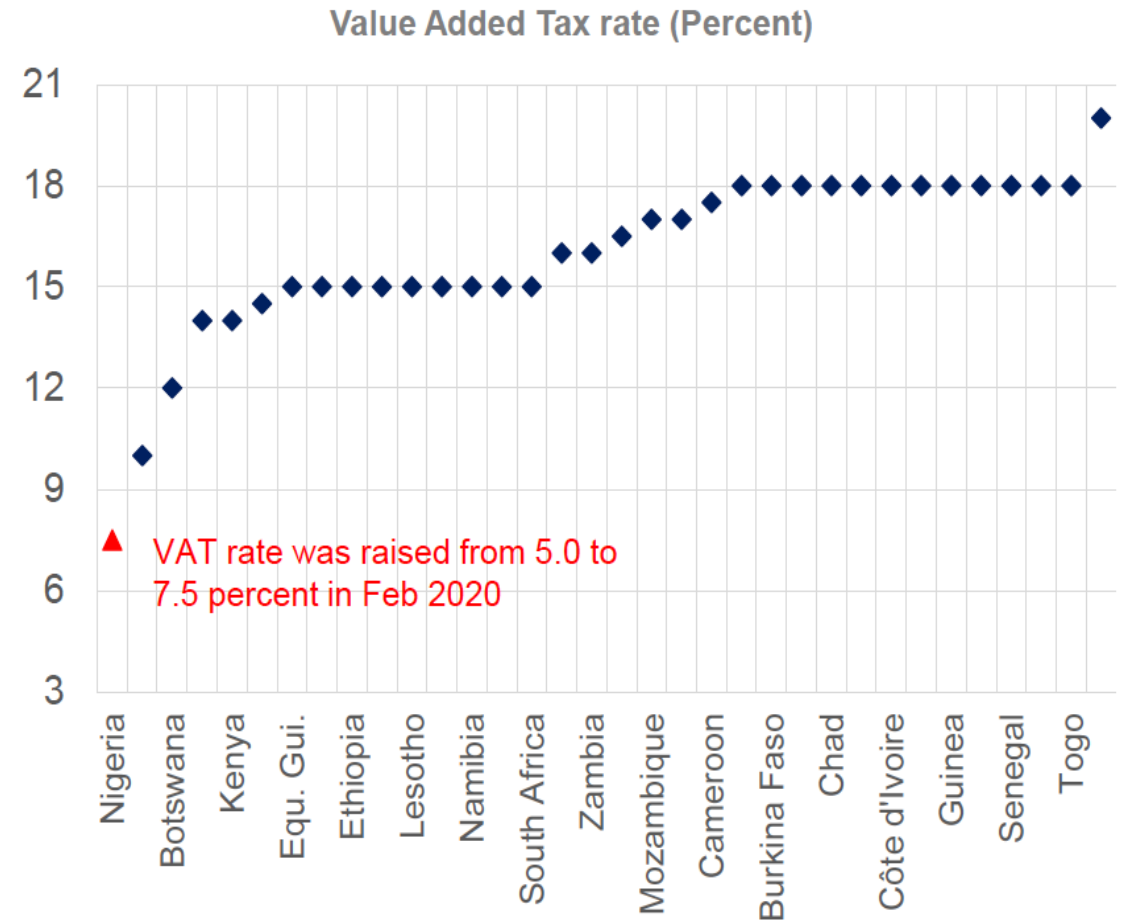
Nigeria's government [FGN + States + LG] revenues are one of the lowest in the world

NIGERIA'S GOVERNMENT REVENUES ARE ONE OF THE LOWEST IN THE WORLD



Factors responsible for the low revenues include:

- Lower crude oil production
- High production costs
- Oil theft and insecurity
- Federation arrears in Joint Ventures
- Inadequate investment in the Oil and Gas Sector
- Weak actual tax collections compared to potential
- An unchecked rise in tax expenditures
- Low tax rates and inefficiencies in tax administration (even at 7.5%, VAT is still the lowest in SSA)
- Poor supervision of GOEs and weak accountability framework
- Poor fiscal accounting of government's inflows and outflows



Source: World Bank, PFR

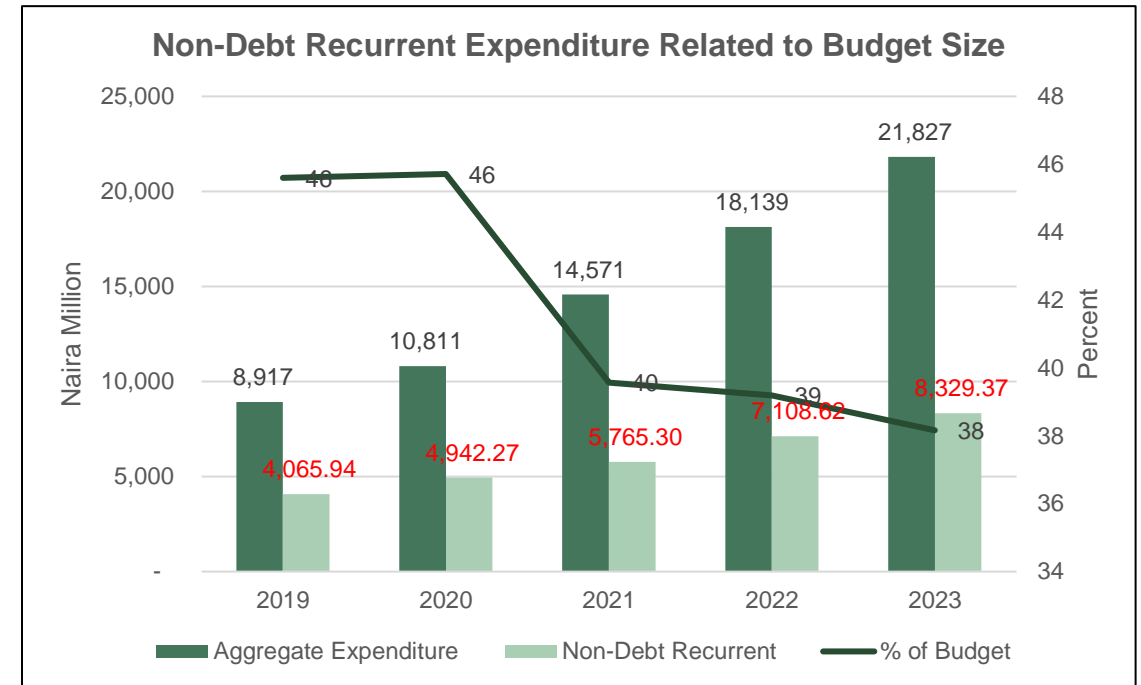
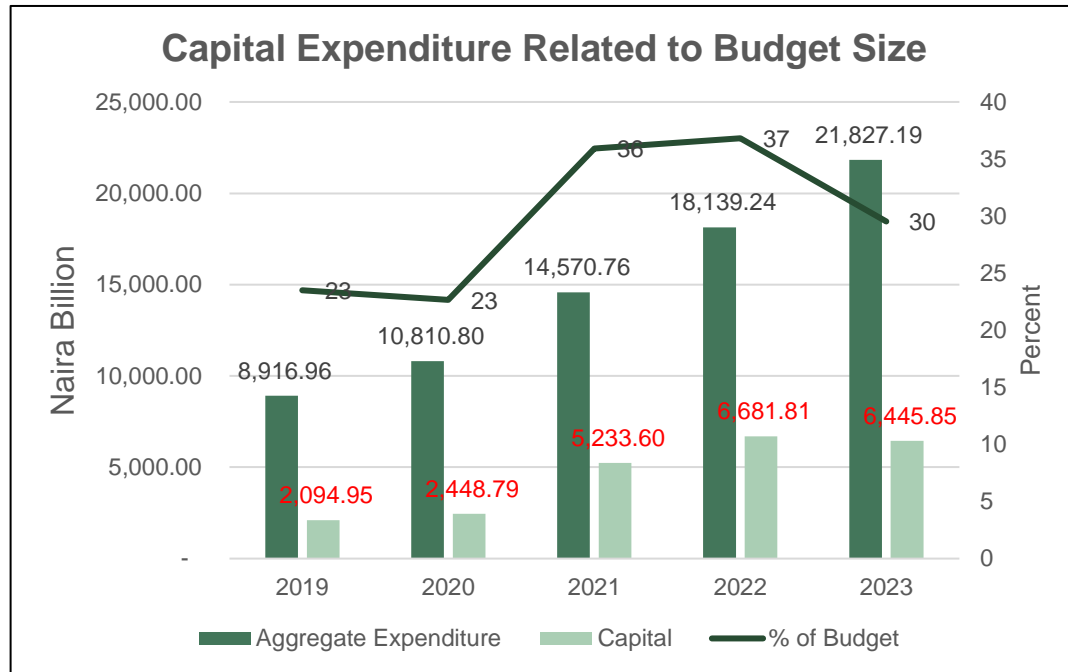


Recommendations for Increasing Government's revenues:

- Significantly improve crude oil production by:
 - Stimulating increased investments in the sector
 - Curbing oil thefts/losses associated with the vandalization of oil pipelines as well as the integrity of the pipelines.
- Require all oil and gas payments in cash.
- Rationalise tax incentives and exemptions to broaden the tax base & Implement initiatives to combat tax evasion and illicit financial flows.
- Close legal tax loopholes with material effect.
- Raise pro-health excise taxes/rates to regional averages.
- Strengthen the performance management framework of GOEs.

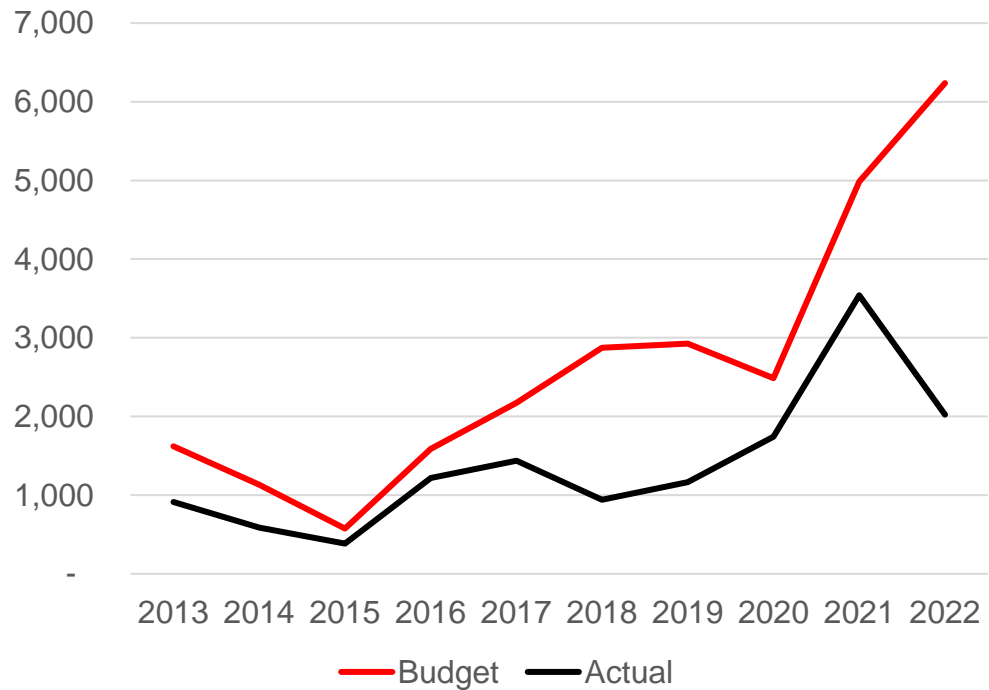
RIISING COST OF GOVERNANCE AND LOW SPENDING EFFICIENCY

The low revenue is compounded by the rising cost of governance and low spending efficiency.



- A direct result of Nigeria's high cost of governance is that less than 30% of FGN's resources was available to fund **capital projects** since 2017, when the Government set itself a minimum target of 30%.
- Even then, a significant part of this is for “administrative capital” expenditure rather than core capital expenditure.

RISING COST OF GOVERNANCE AND LOW SPENDING EFFICIENCY .../2



- The investments required to bridge **infrastructure gap** are now way beyond the means available to government for the foreseeable future.

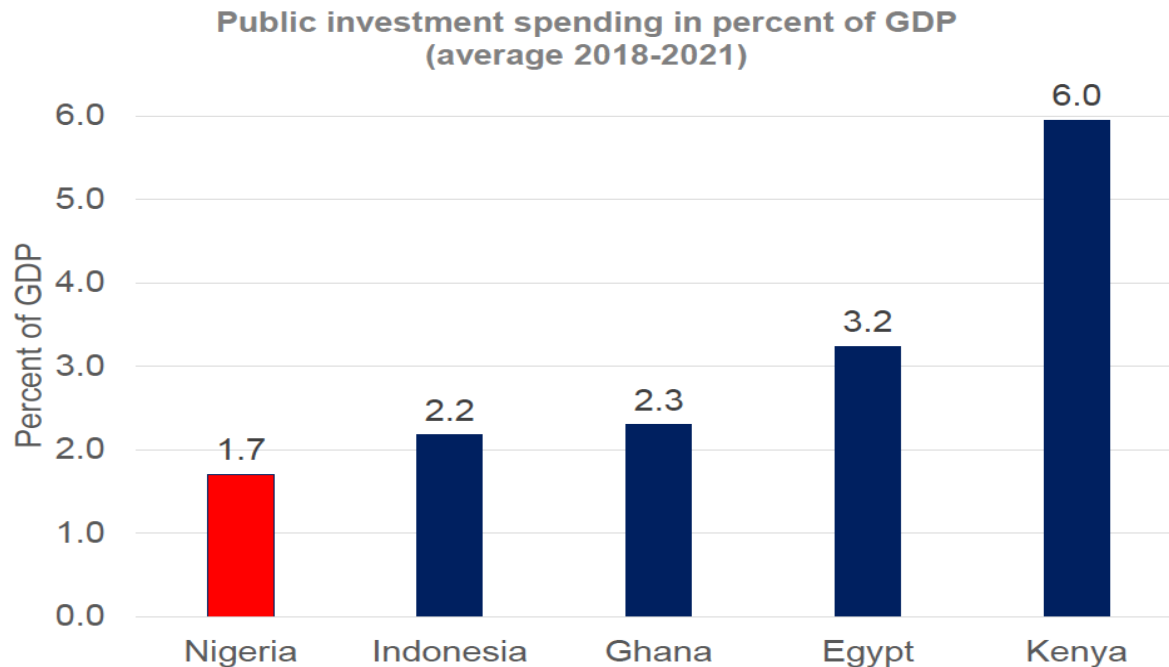
- Due to funding constraints, many capital projects are **abandoned, or uncompleted.**
- The lack of a rigorous process for selecting capital projects and assessing the viability of the projects vis-à-vis planned outcomes has greatly undermined spending efficiency.
- Government's huge recurrent expenditure has constrained the provision of good roads, steady power supply, healthcare services, quality education, quality shelter etc.
- This has contributed to observable underperformance of the economy, slow growth and current infrastructural challenges.
- **No country can develop when a large part of its earnings is spent on administrative structures rather than on productive public investment.**

RISING COST OF GOVERNANCE AND LOW SPENDING EFFICIENCY .../3

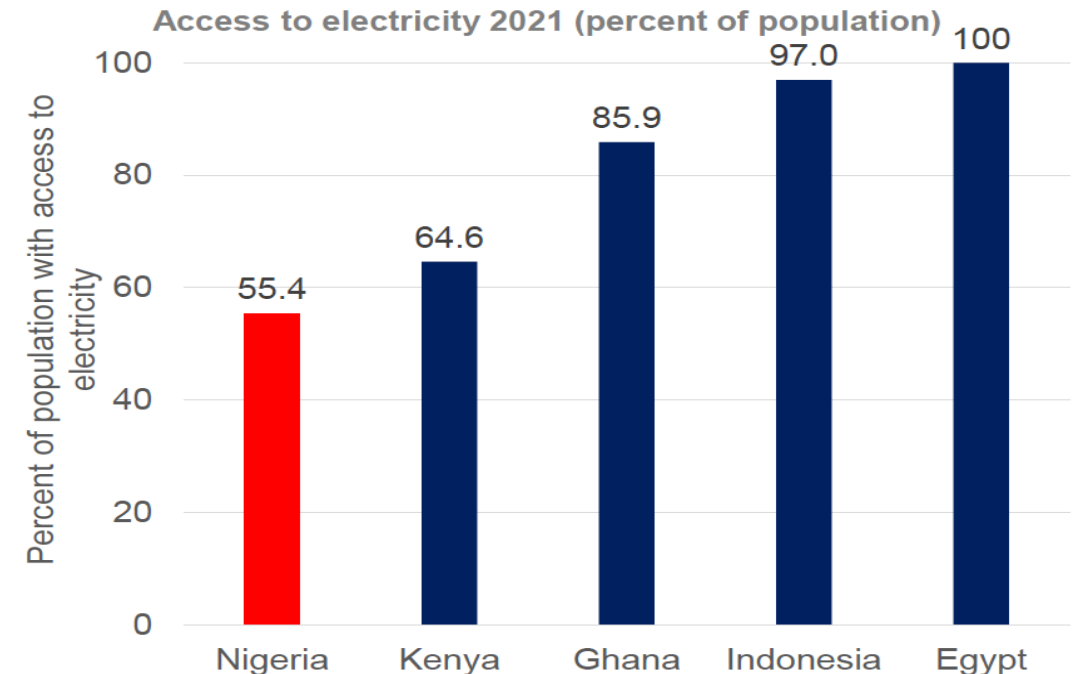
Large Infrastructure Gap

- According to the World Bank, it would take 300 years to close Nigeria's infrastructure gap at the current rate of capital spending.

Public investment spending in Nigeria lags those in other countries...



...resulting in poor quality of and access to infrastructure

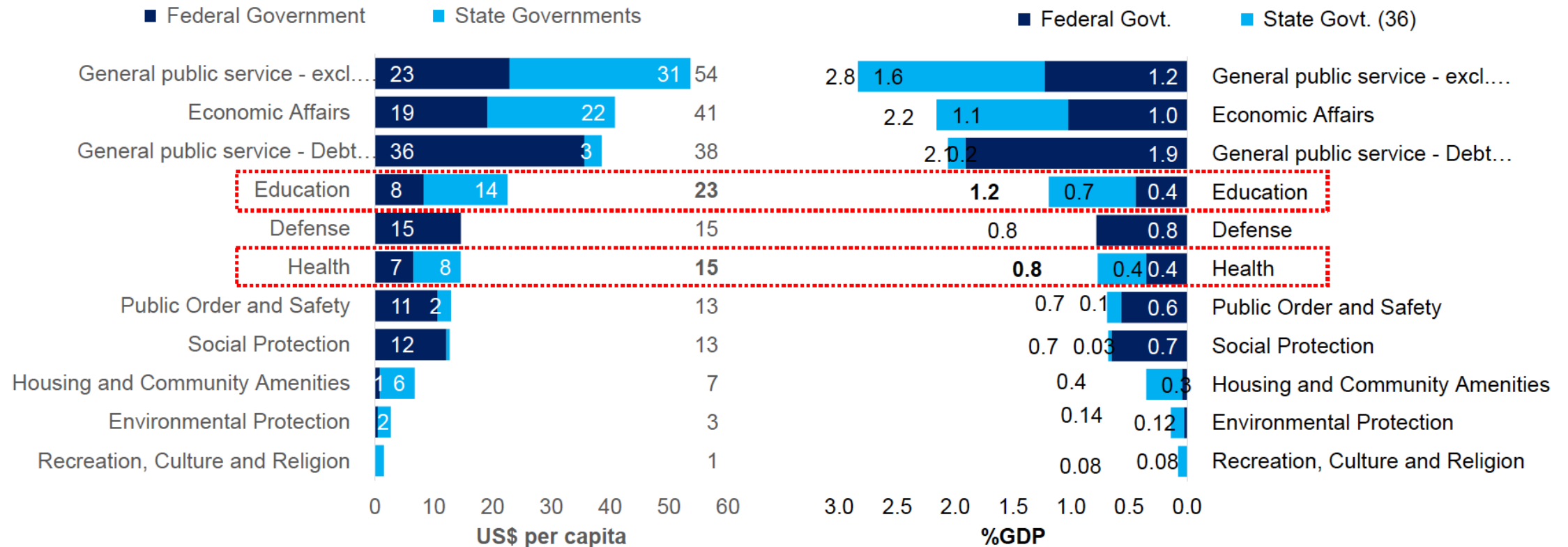


Source: MFMod and World Development Indicators
Source: World Bank, PFR

RIISING COST OF GOVERNANCE AND LOW SPENDING EFFICIENCY .../4

Low Spending on Social Sectors

- Public Spending per person on education was US\$23, and health was \$15 in 2021.



Source: Federal Government and 36 state government budgets 2021.

Note: Estimates exclude FCT, local governments, Federal Government-owned enterprises, and extrabudgetary funds receiving Federation Account allocations.

Source: World Bank, PFR

RIISING COST OF GOVERNANCE AND LOW SPENDING EFFICIENCY .../5

Some recommendations to stem the rising cost of governance and improve spending efficiency include:

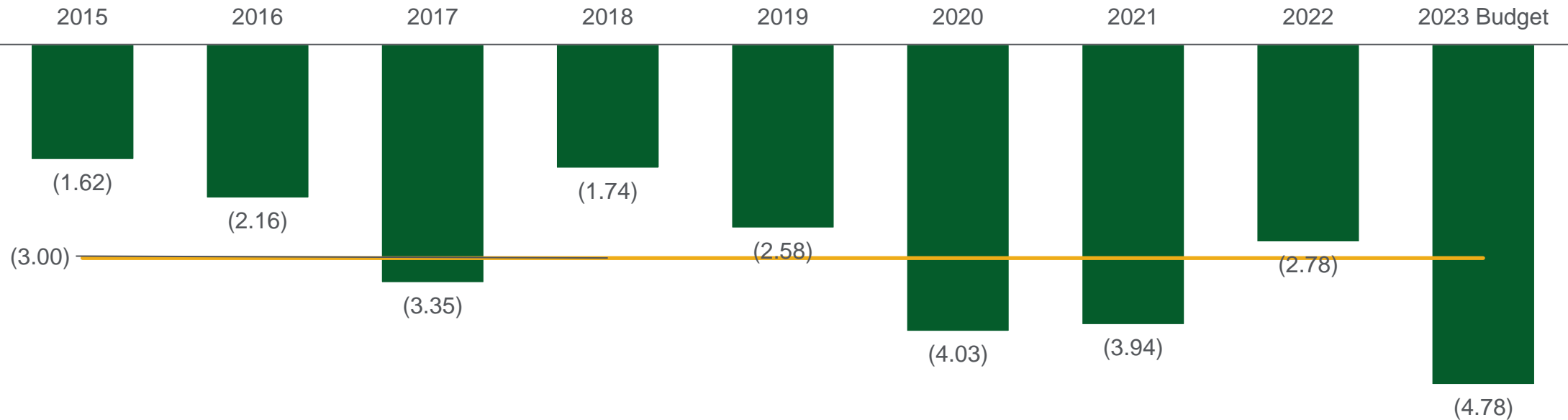
- Improve procurement practices, including review of the Public Procurement Act to improve efficiency and value for money, as well as reduce corruption.
- Enhance discipline and sustainability in recurrent expenditures, especially personnel costs.
- Mandate that capital expenditure beyond a certain threshold must pass a viability assessment / cost benefit analysis before being admitted into the Budgets of MDAs.
- Increase spending efficiency by creating a benchmark price list, and spending caps for certain expenditures.
- Tag some critical expenditures (especially those with long-term and multiplier effects) to certain revenue lines; earmarked taxes
- Achieve and sustain fully deregulated pricing of petroleum products and cost-reflective electricity tariffs in 2024.

RISING FGN BUDGET DEFICITS AND BORROWINGS



Fiscal Policy, with four Budget Deficit Below 3% of GDP

Budget Deficit as % of GDP



- Fiscal deficits are consistently higher than budgeted as well as the 3% threshold due to factors including poor performance management framework for GOEs, over-optimistic revenue projections, and extra-budgetary spending.
- This has forced the government to rely increasingly on borrowings, including the expensive and inflationary Ways & Means.

RISING BUDGET DEFICITS AND BORROWINGS .../2

- More stringent revenue projections would help to reduce fiscal indiscipline; Budget deficits are worsened by expenditures based on unrealistic revenue projections that undermine the credibility of the Budget
- Ensure that all expenditure items in the budget are aligned with the set national priorities.
- Adopt a more rigorous approach to allocating capital to agencies and admitting capital projects to the budget, as well as enhance the execution capacity of agencies.
- Strengthen expenditure controls and oversight mechanisms.
- Enhance budget implementation and monitoring processes.
- Strengthen debt sustainability analysis and management framework.

PROPOSED 2024-2026 FISCAL FRAMEWORK

KEY ASSUMPTIONS & MACRO-FRAMEWORK

2024 – 2026 MTFP PROJECTIONS

- The key parameters as well as other macroeconomic projections driving the medium-term revenue and expenditure framework have been revised in line with the emergent realities. The new figures are presented in the table below.

Description	2023	2023 Revised Forecast (as at July 2023)	2024	2025	2026
Oil Price Benchmark (US\$/b)	75.0	75.0	73.96	73.76	69.90
Oil Production (mbpd)	1.69	1.72	1.78	1.80	1.81
Exchange Rate (N/\$)	435.57	700.00	700.00	665.61	669.79
Inflation (%)	17.16	17.16	21.40	20.30	18.60
Non-Oil GDP (N'bn)	214,049.5	214,049.5	223,989.2	249,188.0	278,251.7
Oil GDP (N'bn)	11,457.8	11,457.8	12,316.0	13,225.7	14,272.0
Nominal GDP (N'bn)	225,507	225,507	236,305.2	262,413.7	292,523.7
GDP Growth Rate (%)	3.75	3.75	3.76	4.22	4.78
Imports	24,385.6	24,385.6	32,453.5	33,401.3	34,515.4
Nominal Consumption (N'bn)	121,933.1	121,933.1	163,227.8	189,992.8	218,594.2

KEY ASSUMPTIONS & MACRO-FRAMEWORK .../2

2024 Budget Assumptions

- Crude oil forecasts are based on available information on approved work plans. Crude oil forecast assumes that all evacuation lines will be operational as the security situation is expected to improve.
- The gas forecast also considered the Nigeria Gas Flare Commercialisation Programme [NGFCP] projects' onstream commencement and Gas export commencement in Anyala-Madu Field in 2025.
- All Nigerian crude grades are priced on a "Formula pricing basis" of which Dated Brent contributes between 98%-99% of the final price. However, the budget benchmark price has discounted for vagaries in international oil market price.
- Inflation is projected to average 21.4% in 2024 before declining to 20.3% and 18.6% in 2025 and 2026, respectively.

OVERVIEW OF THE 2024 – 2026 FISCAL FRAMEWORK

Federation Account Revenue

- ❑ Total Federation Account revenue is projected to increase to **N24.54 trillion** in 2024, up from **N11.86 trillion** projected for 2023.

- ❑ Out of this,
 - *Main Pool is projected to be N20.70 trillion*

 - *while VAT Pool and EMTL are projected at N3.66 trillion and N174.26 billion, respectively.*

- ❑ The exchange rate effects, higher oil production projection, and the removal of subsidy are mainly responsible for the increase in projected revenue inflows.

OVERVIEW OF THE 2024 – 2026 FISCAL FRAMEWORK

Federation Account Revenue

FISCAL ITEMS	2023 Budget Approved by NASS + Supplementary	2024 Proposal	2025	2026
Budget Oil Production Volume Net Incremental Oil Production for Repayment Arrears (mbpd)	1.69	1.78	1.80	1.81
Projected Budget Benchmark Price (US\$ per barrel)	75.00	73.96	73.76	69.90
Average Exchange Rate (N/US\$)	435.57	700.00	665.61	669.79
NET FEDERATION ACCOUNT (MAIN POOL)	9,030,528,378,089	20,802,700,283,521	21,581,041,103,669	22,060,538,437,963
Transfer to Police Trust Fund (0.5% of Fed. Acct.)	45,152,641,890	104,013,501,418	107,905,205,518	110,302,692,190
NET FEDERATION ACCOUNT - MAIN POOL (after 0.5% transfer to Police Trust Fund)	8,985,375,736,198	20,698,686,782,103	21,473,135,898,151	21,950,235,745,773
Net Oil Revenue after Costs, Deductions & Derivation	4,597,197,314,933	13,818,908,074,426	14,085,896,195,516	14,596,522,539,407
Net Solid Minerals Revenue after Derivation	7,514,013,071	9,392,516,339	11,740,645,424	11,740,645,424
NLNG Dividend	153,732,619,872	667,553,460,000	665,529,780,683	56,556,853,267
Net Corporate Tax Distributable	1,924,288,830,489	3,036,242,280,088	3,386,214,588,759	3,789,865,089,597
Net Customs Revenue Distributable	1,957,924,806,341	2,654,709,885,826	2,796,944,689,293	2,951,204,331,322
Net Special Levies Distributable	344,718,151,493	511,880,565,423	526,809,998,476	544,346,286,757
NET FEDERATION ACCOUNT (VAT POOL)				
Net Federation Account - VAT Pool (after CoC and Transfers to NEDC and NPTF)	2,736,375,247,640	3,663,095,695,937	4,263,746,611,082	4,905,607,614,917
FEDERATION ACCOUNT (EMTL)	137,032,655,344	175,111,289,611	195,124,908,924	215,014,086,445
Transfer to Police Trust Fund (0.5% of Fed. Acct.) from EMTL	685,163,277	875,556,448	975,624,545	1,075,070,432
Net Electronic Money Transfer Levy after transfer to NPTF	136,347,492,067	174,235,733,163	194,149,284,379	213,939,016,013
DISTRIBUTION				
Distribution - Federation Account (Main Pool, VAT Pool and EMTL)	11,858,098,475,906	24,536,018,211,203	25,931,031,793,612	27,069,782,376,703
Main Pool	8,985,375,736,198	20,698,686,782,103	21,473,135,898,151	21,950,235,745,773
FGN's Share of Federation Account (52.68%)	4,733,495,937,829	10,904,068,196,812	11,312,047,991,146	11,563,384,190,873
States' Share of Federation Account (26.72%)	2,400,892,396,712	5,530,689,108,178	5,737,621,911,986	5,865,102,991,271
Local Govt.'s Share of Federation Account (20.60%)	1,850,987,401,657	4,263,929,477,113	4,423,465,995,019	4,521,748,563,629
VAT Pool	2,736,375,247,640	3,663,095,695,937	4,263,746,611,082	4,905,607,614,917
FGN's' Share of VAT Pool Account (15%)	410,456,287,146	549,464,354,390	639,561,991,662	735,841,142,238
States' Share of VAT Pool Account (50%)	1,368,187,623,820	1,831,547,847,968	2,131,873,305,541	2,452,803,807,458
Local Govt.'s Share of VAT Pool Account (35%)	957,731,336,674	1,282,083,493,578	1,492,311,313,879	1,716,962,665,221
Electronic Money Transfer Levy (EMTL)	136,347,492,067	174,235,733,163	194,149,284,379	213,939,016,013
FGN's' Share (15%)	20,452,123,810	26,135,359,974	29,122,392,657	32,090,852,402
States' Share (50%)	68,173,746,034	87,117,866,581	97,074,642,190	106,969,508,007
Local Govt.'s Share (35%)	47,721,622,224	60,982,506,607	67,952,249,533	74,878,655,605

OVERVIEW OF THE 2024 – 2026 FISCAL FRAMEWORK

FGN Revenue

- ❑ The 2024 FGN Revenue is projected at N16.96 trillion (N5.91 trillion or 54% more than the 2023 Budget).
 - Of the aggregate revenue, N6.95 trillion or 41% is projected to come from oil-related sources.
 - The balance of N10.01 trillion is to be earned from non-oil sources.
- ❑ The FGN share of non-oil tax is projected at N3.52 trillion compared to N2.43 trillion in 2023, while its share of Minerals and Mining revenues is N4.56 billion in 2024 from N3.64 billion in 2023.
- ❑ The projection for Independent Revenue has been moderated to N1.91 trillion, down from N3.17 trillion, while the projection for Grants and Donor funded projects is N639.92 billion.
- ❑ Dividends from the Bank of Industry, Development Bank of Nigeria, Galaxy Backbone, and Bank of Agriculture are projected at N316.68 billion compared to N81.79 billion in 2023.
- ❑ The projected sum of other revenues, including FGN's share of Oil Price Royalty, Education Tax, Electronic Money Transfer Levy, and Drawdowns from Special Accounts, is N736.04 billion.

OVERVIEW OF THE 2024 – 2026 FISCAL FRAMEWORK

FGN Revenue

FISCAL ITEMS		2023 Budget Approved by NASS + Supplementary	2024 Proposal	2025	2026
AMOUNT AVAILABLE FOR FGN BUDGET (excluding GOEs retained revenue)		8,625,998,338,101	14,097,920,521,036	14,293,896,683,564	14,797,955,265,578
a	Share of Oil Revenue	2,229,640,697,742	6,702,170,416,097	6,831,659,654,825	7,079,313,431,612
b	Dividends	81,786,706,388	334,797,174,557	333,143,962,366	37,459,838,068
	<i>NLNG</i>	74,560,320,638	323,763,428,100	322,781,943,631	27,430,073,835
	<i>Bank of Industry</i>	7,226,385,750	5,534,053,940	4,695,537,160	3,552,626,680
	<i>Development Bank of Nigeria</i>		2,920,000,000	2,520,000,000	2,790,000,000
	<i>Bank of Agriculture</i>		2,429,692,517	2,966,481,575	3,487,137,554
	<i>Galaxy Backbone</i>		150,000,000	180,000,000	200,000,000
c	Share of Minerals & Mining	3,644,296,339	4,555,370,424	5,694,213,031	5,694,213,031
d	Share of Non-Oil Taxes	2,433,154,452,006	3,521,207,272,130	3,851,259,624,668	4,220,211,684,311
	<i>Share of CIT</i>	933,280,082,787	1,472,577,505,843	1,642,314,075,548	1,838,084,568,454
	<i>Share of VAT</i>	383,092,534,670	512,833,397,431	596,924,525,551	686,785,066,088
	<i>Share of Customs</i>	949,593,531,075	1,287,534,294,626	1,356,518,174,307	1,431,334,100,691
	<i>Share of Federation Acct. Levies</i>	167,188,303,474	248,262,074,230	255,502,849,261	264,007,949,077
e	Share of Electronic Money Transfer Levy (formerly called Stamp Duty)	19,088,648,889	24,393,002,643	27,180,899,813	29,951,462,242
f	Share of Oil Price Royalty	13,366,750,326	21,400,442,583	17,513,224,501	162,800,944,613
g	Revenue from GOEs	3,873,416,174,946	4,069,565,246,556	4,387,477,031,247	4,745,915,124,664
h	GOEs Operating Surplus (80% of which is captured in Independent Revenue)	(1,454,304,201,187)	(1,208,484,776,894)	(1,381,028,451,271)	(1,561,706,089,473)
i	Independent Revenue	3,169,072,692,545	1,907,775,748,763	2,092,245,206,405	2,226,756,631,719
j	Draw-down from Special Levies Accounts	300,000,000,000	300,000,000,000	300,000,000,000	300,000,000,000
k	Signature Bonus / Renewals / Early Renewals	57,048,776,004	251,455,481,172	83,455,481,178	-
l	Domestic Recoveries + Assets + Fines	27,898,500,000	-	-	-
m	Grants and Donor Funding	43,028,488,073	639,923,474,400	338,087,750,215	297,290,993,426
n	Education Tax (TETFUND)	248,268,329,787	390,242,138,267	413,656,666,563	438,476,066,557
AMOUNT AVAILABLE FOR FGN BUDGET (including GOEs)		11,045,110,311,860	16,959,000,990,698	17,300,345,263,540	17,982,164,300,769

OVERVIEW OF THE 2024 – 2026 FISCAL FRAMEWORK

FGN Aggregate Expenditure

- The FGN's 2024 aggregate expenditure is estimated at **N26.01 trillion**. This is **14.8%** (or about **N3.36 trillion**) higher than the corresponding 2023 FGN aggregate expenditure estimate of **N22.65 trillion** (which includes the **N819.54 billion** supplementary provision).
 - The 2024 expenditure estimate includes statutory transfers of N1.30 trillion and non-debt recurrent expenditure of **N10.26 trillion**.
 - The provisions of **N8.25 trillion** and **N243 billion** have been made for Debt Service and Sinking Fund to retire maturing bonds issued to local contractors/creditors, respectively.
 - A total of **N6.78 trillion** (inclusive of **N1.02 trillion** for GOEs) is provided for personnel and pension costs, an increase of **N904.49 billion** or **15%** over the 2023 provision. This is **40%** of the projected aggregate revenues for 2024.
 - The aggregate amount available for capital expenditures in the 2024 budget is **N6.87 trillion**. This represents **26%** of total expenditure and is about **5%** less than the 2023 provision of **N7.27 trillion**.

OVERVIEW OF THE 2024 – 2026 FISCAL FRAMEWORK

FGN Aggregate Expenditure

FISCAL ITEMS		2023 Budget Approved by NASS + Supplementary	2024 Proposal	2025	2026
STATUTORY TRANSFER		967,486,010,536	1,296,546,596,947	1,274,474,245,026	1,309,442,061,183
DEBT SERVICE		6,309,870,967,327	8,247,298,455,073	10,060,930,623,529	11,611,911,778,541
SINKING FUND		247,726,644,470	243,662,151,758	240,151,732,268	300,000,000,000
RECURRENT (NON-DEBT)		8,329,370,195,637	10,256,794,611,173	9,513,917,222,455	9,823,891,748,823
a	Personnel Costs (MDAs)	4,103,593,137,536	4,492,668,968,008	4,582,522,347,368	4,674,172,794,316
b	Personnel Costs (GOEs)	912,320,744,988	1,017,413,229,133	1,078,603,027,244	1,181,920,949,117
c	Overheads (MDAs)	443,276,374,887	664,914,562,331	698,160,290,447	733,068,304,969
d	Overheads (GOEs)	671,403,880,673	892,204,551,288	994,674,670,618	1,073,531,843,644
e	Pensions, Gratuities & Retirees Benefits	854,812,179,406	1,265,131,274,415	827,862,188,757	827,862,188,757
f	Other Service Wide Votes (including GAVI/Immunization)	1,066,550,461,658	1,639,949,919,085	1,046,411,864,693	1,046,411,864,693
g	Presidential Amnesty Programme	65,000,000,000	65,000,000,000	65,000,000,000	65,000,000,000
h	TETFUND - Recurrent	12,413,416,489	19,512,106,913	20,682,833,328	21,923,803,328
SPECIAL INTERVENTIONS (Recurrent)		200,000,000,000	200,000,000,000	200,000,000,000	200,000,000,000
AGGREGATE CAPITAL EXPENDITURE		7,265,388,311,198	6,871,009,784,478	7,310,632,751,783	7,334,502,334,672
a	Capital Supplementation	1,384,105,508,000	855,700,746,339	855,700,746,339	855,700,746,339
b	Capital Expenditure in Statutory Transfers	473,116,443,962	908,089,990,854	883,862,848,843	917,253,037,855
c	Special Intervention Programme (Capital) - Family Home Fund	7,000,000,000	7,000,000,000	7,000,000,000	7,000,000,000
d	Amount Available for MDAs Capital Expenditure	2,502,124,677,119	2,306,069,846,227	2,335,514,645,399	2,460,768,822,197
e	GOEs Capital Expenditure	835,387,348,099	820,908,398,828	804,070,709,084	809,686,754,648
f	TETFUND Capital Expenditure	235,854,913,298	370,730,031,353	392,973,833,235	416,552,263,229
g	Grants and Donor Funded Projects	43,028,488,073	639,923,474,400	338,087,750,215	297,290,993,426
h	Multi-lateral / Bi-lateral Project-tied Loans	1,771,404,182,322	941,186,853,893	1,675,908,994,167	1,407,448,772,365
i	FGN Share of Oil Price Royalty Transferred to NSIA	13,366,750,326	21,400,442,583	17,513,224,501	162,800,944,613
Capital Expenditure (Exclusive of Transfers)		6,792,271,867,236	5,962,919,793,624	6,426,769,902,939	6,417,249,296,817
TOTAL FGN BUDGET (Excluding GOEs & Project-tied Loans)		18,456,209,529,125	22,335,508,575,432	22,962,986,325,105	24,989,906,565,590
TOTAL FGN BUDGET (Including GOEs & Project-tied Loans)		22,646,725,685,206	26,007,221,608,575	27,516,243,726,217	29,462,494,885,364

OVERVIEW OF THE 2024 – 2026 FISCAL FRAMEWORK

FGN Fiscal Deficit

- ❑ The budget deficit is projected to be **N9.05 trillion** in 2024, ie, 22% down from **N11.60 trillion** budgeted in 2023. The proposed deficit represents about **53%** of total FGN revenues and **3.83%** of the estimated GDP.
- ❑ The high projected level of fiscal deficit in 2024 is partly attributable to the proposed salary review of Federal workers across board, increased pension obligations and higher debt service cost.
- ❑ At **3.83%**, the projected level of deficit is higher than the **3%** threshold stipulated in the Fiscal Responsibility Act (FRA), 2007, but significantly lower than the 2023 level of **5.18%**; **FRA 2007** however allows government to exceed the 3% threshold if justified by threats to national security.

OVERVIEW OF THE 2024 – 2026 FISCAL FRAMEWORK

FGN Fiscal Deficit

FISCAL ITEMS		2023 Budget Approved by NASS + Supplementary	2024 Proposal	2025	2026
TOTAL FGN BUDGET (Including GOEs & Project-tied Loans)		22,646,725,685,206	26,007,221,608,575	27,516,243,726,217	29,462,494,885,364
Total Fiscal Deficit (including Project-tied Loans)		(11,601,615,373,346)	(9,048,220,617,877)	(10,215,898,462,677)	(11,480,330,584,594)
GDP		225,507,296,343,920	236,305,190,724,943	262,413,705,561,062	292,523,682,667,292
DEFICIT/GDP (including Project-tied Loans)		(5.14%)	(3.83%)	(3.89%)	(3.92%)
TOTAL FGN EXPENDITURE		22,646,725,685,206	26,007,221,608,575	27,516,243,726,217	29,462,494,885,364
Total Non-Debt Expenditure		16,089,128,073,410	17,516,261,001,744	17,215,161,370,420	17,550,583,106,823
Capital Expenditure as % of Non-Debt Expenditure		45%	39%	42%	42%
Capital Expenditure as % of total FGN Expenditure		32%	26%	27%	25%
Capital Expenditure (Inclusive of Transfers, but exclusive of GOEs Capital & Project-tied loans) as % of FGN Expenditure		21%	20%	18%	17%
Recurrent Expenditure as % of total FGN Exp (incl. GOEs + Project-tied Loans)		68%	74%	73%	75%
Debt Service to Revenue Ratio (incl. GOEs + Project-tied Loans)		57%	49%	58%	65%
Deficit as % of FGN Revenue (incl. GOEs + Project-tied Loans)		105%	53%	59%	64%
ADDITIONAL FINANCING					
a	Privatization Proceeds	206,182,616,701	298,486,421,740	37,500,000	-
b	Multi-lateral / Bi-lateral Project-tied Loans	1,771,404,182,322	941,186,853,893	1,675,908,994,167	1,407,448,772,365
c	New Borrowings	9,624,028,574,324	7,808,547,342,244	8,539,951,968,511	10,072,881,812,229
	<i>Domestic Borrowing</i>	7,863,130,247,022	6,040,937,020,465	6,415,515,078,747	8,940,432,042,472
	<i>Foreign Borrowing</i>	1,760,898,327,302	1,767,610,321,779	2,124,436,889,764	1,132,449,769,757
Sub-Total		11,601,615,373,346	9,048,220,617,877	10,215,898,462,677	11,480,330,584,594

CONCLUSION

CONCLUSION

- In conclusion, the draft 2024-2026 MTEF/FSP represents a realistic, well-balanced and forward-looking fiscal framework that sets the stage for inclusive growth, resilience and sustainable development, while also addressing key fiscal challenges and promoting transparency.
- Furthermore, the draft 2024-26 MTEF/FSP strikes a crucial balance between fiscal prudence and supporting economic growth and laying the foundation for sustainable development over the next three years.
- Over the medium term, we shall implement measures for revenue diversification and improved tax administration in order to enhance fiscal sustainability, reduce dependency on volatile revenue sources and promote fiscal stability.
- The current administration is committed to managing and monitoring debt sustainability, ensuring that the country's debt remains at manageable levels while financing critical projects and programmes.

**THANK
YOU !**