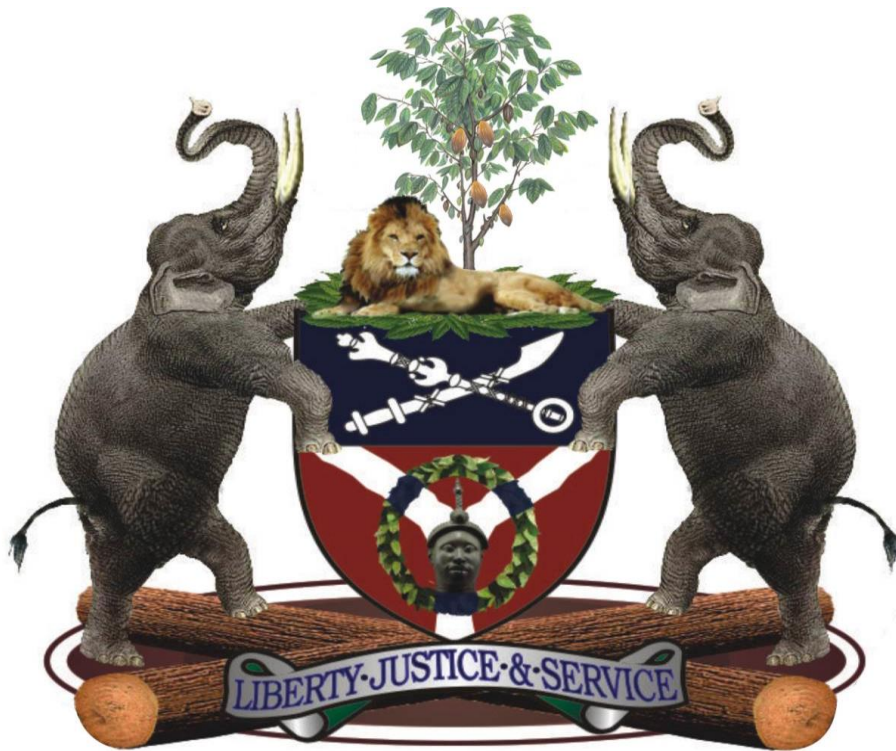


**FINANCE
&
REVENUE MOBILIZATION SECTOR**

2021 – 2023 MEDIUM-TERM SECTOR STRATEGY (MTSS)



October, 2020

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FOREWORD

The imperative of effective revenue mobilisation, generation and allocation cannot be over-emphasised. Ditto the utilisation and allocation of the resources so generated to ensure value addition to the governance. It has become apparent that funds from the Federal allocation can no longer meet the myriad of mandatory financial responsibilities confronting the State Government. Yet there is the need for the State to move beyond the current threshold in its efforts to meet the yearnings of its citizenry.

In recognition of this fact, the present administration sustained the process and implementation of the Medium-Term Sector Strategies (MTSS) in the State. In the process, Agencies of Government that are finance - and revenue - related are grouped into MTSS Finance and Revenue Mobilisation Sector and are charged with the mandate to evolve strategies that are capable of improving revenue performances in the State. The efforts of the Sector are expected to birth the Sector's Implementable MTSS that are revenue-generation driven. Therefore, this document is a product of the efforts on how to review and improve the revenue generation and allocation in the State leveraging on the Global MTSS standard.

The document details the various world - class strategies aiming at soaring up the State's IGR and effective allocation of same. The strategies primarily are going to dwell on plugging both the existing and potential revenue leakages, expansion of tax base, bringing of more eligible tax-payers into the tax net to

mention but a few. Without mincing words, an impressive IGR figure is to serve as supplement to the State's Federal Fund Allocation and even, in some instances, desired to be more than it. The current administration in the State desires the later.

The twin-sister to revenue generation is effective revenue allocation and this has been determined to be healthily pursued. This is because, the State Government cannot afford to let its efforts on revenue generation be wasted when their products are not well allocated or allowed to go down the drain. To this end, this document provides strategies for revenue mobilisation and generation as well as prioritisation of resource allocation to people projects based on need assessments in a way that ensures equities and value addition among the competing projects.

It is therefore my pleasure to recommend this MTSS Finance and Revenue Mobilisation Sector document for advancing the frontiers of development of the State.

Signed
Bola Oyebamiji
Hon. Commissioner (Finance).

ACKNOWLEDGEMENTS

I wish to specially thank the following Public Officers whose unwavering efforts and supports culminated in the successful development of this document. First and foremost, I wish to express appreciation to the Executive Governor of the State of Osun, Alhaji Gboyega Oyetola and his Deputy, Mr. Benedict Alabi for their assured readiness to implement the content of this document. Also worthy of appreciation are the Hon. Commissioner for Finance, Bola Oyebamiji who doubles as the Chairman of the Finance and Revenue Mobilisation Sector as well as other notable figures within the Finance and Revenue Mobilisation Sector who have been giving their unflinching supports to the development and implementation of the MTSS in the State.

The contributions from the Accounting Officers and other Career Officers of the Sector's conglomerate cannot afford to go unappreciated. Thus, I express gratitude to them for making themselves personally available and releasing their Officers for activities leading to the emergence of this document when the need arose and all the Officers who, in one way or the other, participated in the development of the document.

To everyone, I say thank you.

Adebimpe Ogunlumade, mni
Permanent Secretary (Finance)

EXECUTIVE SUMMARY

Since August 27, 1991 when Osun State was created, successive Governments had been trying to develop the State without any definite developmental blue print. This is characterized with uncoordinated development in all the thirteen (13) sectors of the State. This document attempts to put in place a plan of action capable of bringing meaningful and coordinated developments to the State as being done in other climes that have brought them to where they are. It equally attempts to look at programs and projects that lead to the achievement of the stated goals.

The Finance and Revenue Mobilization Sector is one of the Sectors established in the State Development Plan (SDP) with a view to preparing a Medium-Term Sector Strategy (MTSS). The main goal of Medium-Term Sector Strategy of this Sector is to provide a linkage between Development Plan and Annual Budget of the Sector. The Finance and Revenue Mobilization Sector comprises the following Agencies: Ministry of Finance, Office of the Accountant-General, Osun Internal Revenue Service (OIRS) and Debt Management Office (DMO).

The mandate of the Sector is to evolve strategies that are capable of improving revenue generation and performances in the State by developing arobust Financeand Revenue Mobilization Strategies that will be pursued over the next three years (2021 - 2023) towards the achievement of the Sector's goals and objectives. The Sectors seeks to address the following key financial and revenue generation issues:

- State Integrated Financial Management Information System (SIFMIS)
- Expansion of Revenue Collection Points
- Public Enlightenment Campaign and Tax Enforcement
- Osun Partnership Public Private Support Scheme

In conclusion, the Strategies put together by the Finance and Revenue Mobilization Sector is expected to improve revenue generation and utilization in the State.

CHAPTER ONE

1.1 Objectives of the MTSS Document

The Medium-Term Sector Strategies (MTSS) is a three-year (2021-2023) plan that provides a link between government expenditures and State goals and programmes as analysed in the State Development Plan (SDP). In the development of the MTSS, medium-term objectives are set, broken down into programmes and linked to the SDP. In other words, MTSS is consistent with Sector Plan, linking the overall government policy to detailed sector strategy. All activities are costed within projected ceilings with no funding gap.

This MTSS represents Finance and Revenue Mobilization Sector's priorities which are determined and aligned with resources allocated, within the context of forecast information on the State's macroeconomic and financial outlook. It broadly defines the outcomes which the Sector is trying to achieve and the strategies to reach its objectives for the Three Years (2021-2023).

Summary of the Process used for the MTSS Development:

1.2 Summary of the Process used for the MTSS Development

- All stakeholders in the Finance and Revenue Mobilization sector constituted the Sector Planning Team (SPT).
The constituent MDAs within the sector are the following:
 - Ministry of Finance
 - Office of the Accountant General (State)
 - Osun Internal Revenue Services
 - Debt Management Office
- Inception meeting was conveyed by the SPT in the Ministry of Finance where Stakeholders were briefed on the tasks ahead of the team
- Individual member of the SPT was saddled with the responsibilities of sourcing the sector policies as it related to each constituent MDA
- Shortcomings from the previous MTSS document were identified and improved upon during this review process

- **Process used for the MTSS Development**
- The production of the Finance and Revenue Mobilization Sector’s (2021 – 2023) MTSS rollover document is a product of a series of workshops organized by the State Government in collaboration with the United Kingdom Department for International Development (UK-DFID) which brought together various stakeholders such as NGOs and CSOs. Due considerations were given to Key financial and revenue generation issues in some high-level policy documents such as ERGP, SEED, SDG. In the course of the workshops and consultations, participatory approaches and concerted efforts were adopted to review the goals, objectives, programs, activities, outputs, outcomes, key performance indicators (KPI) and costing within the ceilings of budget envelope. Various plenary sessions were held during the MTSS workshops in order to arrive at the project prioritization, costing and KPI that were agreed and contained in this report.

1.3 Summary of the sector’s Programmes, Outcomes and Related Expenditures

Table 1: Programmes, Expected Outcomes and Proposed Expenditures

Programme	Expected Outcome	Proposed Expenditure		
		2021 (‘000)	2022 (‘000)	2023 (‘000)
Financial Management Reform	Improved Transparency, Accountability and Efficiency in Government Spending	15,000.00	11,250.00	12,250.00
OsunTaxReform Programme	Increased Internally Generated Revenue	166,614.00	86,842.00	62,232.00
Osun Partnership Public Private Support Scheme	Increased PPP Investment	2,099,000.00	2,096,000.00	1,946,000.00
		2,280,614.00	2,194,092.00	2,020,482.00

1.4 Outline of the Structure of the Document

The five chapters of this MTSS documents are as follow:

Chapter One: It summarizes the key objectives of the MTSS document; the process used for the development of the MTSS; and the sector's programmes, expected outcomes and related expenditures. The chapter ends with an outline of the structure of the MTSS document.

Chapter Two: This chapter contains brief introduction to the State, overview of sector institutional Structure, the current situation in the sector, Sector's policy, Statement of the Mission, Vision and Core Values, the Sector's objectives and programmes for the Medium-Term Sector Strategy period

Chapter Three has to do with the development of this sector's strategy; it contains an outline of the major strategic challenges to the sector, resource constraints, project prioritization, personnel and overhead cost (Existing and Projections), contributions from our partners, cross-cutting issues, outline of key strategies, justifications, responsibilities and operational plan.

Chapter Four contains the Sector's three (3) years (2021-2023) expenditure projections which includes the process used and outline in making the projections

Chapter Five contains the monitoring and evaluation process which has to do with conducting the annual sector review and organizational arrangement.

CHAPTER TWO

THE SECTOR AND POLICY IN THE STATE

2.1. A Brief Introduction to the State

GEOGRAPHY

Osun State is located in the South-Western part of Nigeria. It covers an area of approximately 14,875 square kilometres. It lies between longitude 04 00E and 05°5 latitude 05°55⁸N and 08°07W. It is bounded by Ogun, Kwara, Oyo, Ondo and Ekiti States in the South, North, West and East respectively. The State lies within the tropical rain forest.

POPULATION

According to the National Population and Housing Census exercise conducted in 2006, Osun State has a population of 3,416,959.

PEOPLE AND CULTURE

The indigenes of the State belong to the Yoruba tribe and are composed of the Oyos, Ifes, Ijesas, Igbominas and Osuns. However, non-indigenes from all parts of Nigeria and foreigners reside in the State and live together in harmony. Yoruba and English are the languages used for official and business transactions.

The people have a rich cultural heritage which is eloquently demonstrated in all spheres of their lives. Their culture finds expression in their arts, literature, music and other social activities. It is marvellous being among the people savouring the beauty of their well-acclaimed cultural inheritance.

TOURISM

Tourist centres abound across the State. Some of the popular ones are the Oranmiyan Staff; Ife Museum; ObafemiAwolowo University Zoological Gardens; Ile-Ase; Yeyemolu and Oduduwa Shrines and Grove, all at Ile-Ife. Others include Osun-Osogbo Shrine, which is the venue of the internationally recognised Osun-Osogbo Festival; the Mbari-Mbayo Cultural Heritage; Idi-Baba Cultural Centre; Adunni Susan Wengers Centre and Nike Arts Gallery, all based in Osogbo. There are also the Olumirin Water-Falls at Erin-Ijesa; Igbo-Sango, Ede, Kiriji War Site, Igbajo and the Ayikunugba Water-Falls at OkeIla-Orangun.

The State Government accords great importance to tourism. All issues pertaining to tourism are handled by the State Ministry of Home Affairs, Culture and Tourism. This Ministry is charged with the responsibility of modernizing and developing tourism and culture in the State. OsunOsogbo Grove has been recognised by UNESCO as a World Heritage Site while the OsunOsogbo Festival has been listed as an international festival. The UNESCO has also established the Centre for Black Culture and International Understanding in Osogbo, the State Capital.

PREVIOUS ADMINISTRATIONS

Col. Leo SegunAjiborisa was the pioneer Military Administrator of the State from August to December, 1991. He wielded both executive and legislative powers. He was succeeded by AlhajiIsiakaAdetunjiAdeleke, the first democratically-elected Governor, who ruled from January 1992 to November, 1993. With the take-over of the government by the Military, the State was administered from November, 1993 to May, 1999 by a succession of Military Administrators. They were Navy Captain Anthony Udofia, Col. Anthony Obi and Col. TheophilusBamigboye. On 29th May, 1999, Chief BisiAkande was sworn-in as the second Executive Governor. He was succeeded by Prince OlagunsoyeOyinlola from 2003 – 2007. He recontested for the second term and was in office from 29th May, 2007 till 26th November, 2010 when he was sacked by a Court order which declared Mr. Rauf AdesojiAregbesola as the winner of April, 14, 2007 Governorship election. Consequently, Mr. Rauf Governor of Osun State. Having served out his second tenure on 26th November, 2018AlhajiGboyegaOyetola was sworn-in on November 27, 2018 as a successor to Mr. Rauf AdesojiAregbesola.

EXECUTIVE

The Executive arm of Government is headed byAlhajiGboyegaOyetola; and is being assisted by his Deputy, Mr. Benedict GboyegaAlabi, the Secretary to the State Government (SSG), Mr. Kola Oyebamiji, the Chief of Staff, Dr. Charles Akinola, the Head of Service Dr. FestusOlowogboyegaOyebade.

LEGISLATURE

The State House of Assembly consists of 26 Honourable Members. The Speaker is Hon. Timothy Owoeye.

JUDICIARY

The Judiciary is headed by Hon. Justice AdepeleOjo. The Chief Judge is assisted by 18 other High Court Judges in the dispensation of justice. The Customary Court of Appeal is headed by Justice Gloria E. Oladoke and consisted of other Judges.

ADMINISTRATIVE SET UP

The State is divided into three Senatorial Districts viz: Osun 1 (West), Osun II (Central) and Osun III (East). Each of these districts is further divided into two zones, making a total of six zones. Osun I is made up of Ede and Iwo Zones while Osun II comprises Osogbo and Ikirun Zones. Osun III consists of Ilesa and Ife Zones. The State is made up of 30 Local Government Areas, 37 Local Council Development Areas and Ife-East Local Government Area Office.

2.2 Overview of the Finance and Revenue Mobilization Sector

The Finance and Revenue Mobilization Sector in the State of Osun has been the sole handler of the Finances of the Government for effective Governance of the State. Its responsibilities involve making funds available for the three arms of Government and Ministries, Departments and Agencies (MDAs) alike. The Sector comprises all MDAs whose roles are finance-related and their roles cut across the entire Service. These MDAs include Ministry of Finance, Office of the Accountant-General, Osun State Internal Revenue Service and Debt Management Office.

The Finance and Revenue Mobilization Sector conglomerate's roles based on its component MDAs include mobilization/generation of revenues, productive distribution/application of Government funds, exploration of creative means of increasing and expanding our internally generated revenue base for the collective good of the citizenry, harnessing the State's resources to achieve wealth and prosperity for the populace, equitable distribution of resources and effective management of Government debt portfolios (that is, ensuring sustainability of Government debts).

2.3 The Current Situation in the Sector

The Sector is made up of four MDAs namely:

- Ministry of Finance
- Office of the Accountant-General
- Osun State Internal Revenue Service (OIRS)
- Osun State Debt Management Office

Finance is the wheel that drives governance at any level. It is therefore of great importance to secure adequate revenue for the government and to effectively and efficiently allocate the revenue so generated in a way that will better the lots of the greater percentage of the citizenry.

However, the State has engaged is in the process of reviewing its obsolete revenue laws, assenting to new financial legislations such as Revenue Harmonization Law, Public Financial Management Law (currently at the Ministry of Justice and State House of Assembly respectively) as well as launching its Cash Management Strategy. The State has also successfully implemented the Treasury Single Account (TSA) Policy which has helped in Her Financial Management by plugging revenue leakages. In addition, the State has developed a robust taxpayers' database that captures all eligible taxpayers including the informal sector which has subsequently improved the internally generated revenue in the State. Through the implementation of the International Public Sector Accounting Standards (IPSAS), financial reporting system is now in line with International best practices.

It is therefore important for the State to expedite actions in developing a robust financial management information system. Full utilization of the taxpayers' database is germane to the improvement of the State internally generated revenue in order to improve the financial status of the State.

The State is also going participating in the on-going State Fiscal Transparency, Accountability and Sustainability Program (SFTAS) in other to ease financial burden. The Programme provides performance-based grants and technical assistance to States to implement the 22-points Fiscal Sustainability Plan and the Open Government Partnership (OGP) commitments over 4 years (2018-2021).

2.4 Sector Policy

The policy thrust of Finance and Revenue Mobilization Sector in the State of Osun is the institutionalization of a robust financial system which ensures availability of funds to meet government expenditures, reduce wastages and leakages, and ensures fiscal transparency, accountability and sustainability. The policy has the following specific dimensions:

- Developing accountable and transparent institutions at all levels;
- Increasing Internally Generated Revenue;
- Ensuring provision of adequate financial input to all MDAs without which their functioning will be impossible.
- Ensuring formulation of fiscal policy with positive impacts on the State Economy.
- Prioritizing funding of revenue generating projects by the government;
- Ensuring programmes/projects are monitored to achieve value for money.
- Ensuring effective maintenance and upkeep of the State's capital assets and expenditure plan schemes.
- Ensuring increased revenue generation that outperformed State's financial outflows through:
 - o increased number of taxpayers,
 - o synchronization of revenue generating agencies,
 - o blockage of revenue leakages,
 - o re-evaluate ongoing and pending Memorandum of Understanding (MoUs) on revenue generation
 - o Increased State Revenue Generation Task Force (SRGTF) across all Local Government Areas (LGAs) of the State of Osun
 - o Deployment of function revenue collection web based app and USSD

Thus, the policy goal in the Finance and Revenue Mobilization Sector is an accountable and transparent governance that ensures effectiveness and efficiency in the sourcing and application of government funds.

2.5 The Sector's, Mission, Vision and Core Values

Mission Statement

- To improve the financial status of the State by maximizing the State's revenue potentials and ensuring transparency, accountability and sustainability through effective and efficient use of State's financial resources.

Vision Statement

- To be the most efficient sector in the State of Osun in achieving financial self-reliance and fiscal sustainability for the State.

Core Values

- **Accountability:** Be fiscally responsible and focused on efficient, effective and prudent use of resources. E.g. strict adherence to MTEF document, timely publication of Annual Financial Statements
- **Transparency:** Provide transparent financial reporting to enable public scrutiny and provide apolitical and non-partisan advice. i.e. timely publication of Annual Financial Statements on the State's website and regular conduct of Audit Forum.
- **Sustainability:** Maintain the growth and development in the State's financial status through steady growth in IGR
- **Integrity:** Act professionally with honesty, consistency and impartiality. i.e. strict adherence to financial laws
- **Efficiency:** Focus on quality and value for money in public expenditure.
- **Financial Discipline:** Ensure that government spending is within the available resources

Core Value/Justification	Definition	Example of behavioural trait relating to the core value	Strategy implication of the core value
Accountability	Be fiscally responsible and focused on efficient, effective and prudent use of resources	Should be accountable for every action and inaction	Strict adherence to MTSS document, timely publication of Annual Financial Statements
Transparency	Provide transparent financial reporting to enable public scrutiny and provide apolitical and non-partisan advice.	Should ensure openness and auditability of decisions and transactions	Timely publication of Annual Financial Statements on the State's website and regular conduct of Audit Forum.
Sustainability	Maintain the growth and development in the State's financial status through steady growth in IGR	Should be able to maintain and manage the strategy for revenue generation without ceasing	Continuous engagement of Stakeholders and period review of strategies
Efficiency	Focus on quality and value for money in public expenditure	Should provide value for every kobo spent	Training and retraining of Stakeholders on quality assurance within and outside the sector
Financial Discipline	Ensure that government spending is within the available resources	Should be controlled by the lay down plan on resource allocation and sharing	Real time streaming of available resource and engagement of the State Integrated Financial Management Information System and other Financial Management tools available in the State

2.6 The Sector's Objectives and Programmes for the MTSS Period

Table 2: Summary of State Level Goals, Sector Level Objectives, Programmes and Outcomes

State Level Goal	Sector Level Objective	Programme	Outcome
Achieve diversified and enhanced revenue base by providing enabling business environment which will attract and retain investors and expand existing businesses	Ensure adequate Mobilization and judicious utilisation of government resources	Financial Management Reform	Improved Transparency, Accountability and Efficiency in Government Spending
		Osun Tax Reform Programme	Internally Generated Revenue Increased
		Osun Public Private Partnership Support Scheme	Public Private Partnership Investment increased

Table 3: Objectives, Programmes and Outcome Deliverables

S/N	Objective	Programme	Outcome	Key Performance Indicators (KPI)	Baseline (e.g. Value of the Outcome in 2020)	Outcome Target Values		
						2021	2022	2023
1.	Ensure adequate and judicious utilisation of government resources	Financial Management Reform	Improved Transparency, Accountability and Efficiency in Government Spending	No of months taken to prepare the Annual Financial Statements	6 months	3months	1month	1 week
2.	To increase Internally Generated Revenue	Osun Tax Reform Programme	Internally Generated Revenue Increased	Percentage in the increase of Internally Generated Revenue	10%	25%	35%	30%
3.	To increase support through PPP and Donors	Osun Public Private Partnership Support Scheme	Increased PPP and Donors Participation	Percentage of Increase in the volume of Public Private Investment in the State	10%	25%	35%	30%

CHAPTER THREE

THE DEVELOPMENT OF SECTOR STRATEGY

3.1 Major Strategic Challenges

The following constitute the challenges hampering productivity of the Finance and Revenue Mobilization Sector in the State of Osun:

Sectoral Challenges and High-Level Strategy

Challenges	High-Level Strategy
Low information and communication Technology skills on the part of some Officers of the sector coupled with existence of inadequate database;	Training and re training of Officer on ICT skills development
Apathy to implementation of government policies by the citizenry;	Strict compliance to policy-plan implementation
The general idea of “expecting from the government” rather than “giving back to the society”;	Public enlightenment on the need to support government policies and programmes
Poor commitment to enforcement of the fiscal/financial Rules;	Strict compliance to the enforcement of fiscal rules
Duplication and overlapping of MDAs functions which is a fall-out from excessive expansion of bureaucracy;	Overlapping mandates will be identified and treated as cross cutting issues
Unstable power supply to Ministries, Departments and Agencies of the sector conglomerates	Alternative power supply will be sourced for adequacy and efficiency
Lack of effective manpower planning resulting in poor governance and administration;	Manpower planning shall be improved through establishment of relevant units
Lack of coordination among allied agencies and within the various units of a department resulting in some instances to duplication and wastage of financial resources;	Coordination and harmonization of relevant units within the sector will be strengthened
Use of outdated methods and procedures in the operation of fiscal and monetary policy in the State;	Sectoral manpower skill development in line with monetary global best practices will be focused
Lack of enabling environment for new investors;	The sector will ensure friendly environment for investors with focus on “Ease of Doing Business”

Sectoral Objectives and High-Level Strategy

S/N	SECTOR OBJECTIVES	HIGH-LEVEL STRATEGY
	To ensure adequate and judicious utilisation of government resources	<ul style="list-style-type: none"> • Adopt regular monitoring of requests and releases • Ensure transparency in projects funding • Conduct regular round table meeting with stakeholders in the finance and revenue mobilization sector • Engage in policy reforms that will result in increased revenue generation

3.2 Resource Constraints

Tables 3 and 4 indicate the historical budget data of the Finance and Revenue Mobilization Sector. The data shows that 48% of the budgeted funds were released and expended under personnel while actual expenditure was 93% of amount released for overhead and 21% of the amount released represents Capital expenditure during 2019 fiscal year. However, with regards to Capital expenditure, funds released in year 2020 as at March accounted for 5% of approved budget while actual expenditure amounted to 100% of amount released. The data as at March 2020 shows that 30% of the approved budget has been released and expended while 42% represents the amount released as overhead.

Table 4: Summary of 2019 Budget Data

Item	Approved Budget (₦'000) in 2019	Amount Released (₦'000) in 2019	Actual Expenditure (₦'000) in 2019	Amount Released as % of Approved	Actual Expenditure as % of Releases
Personnel	307,339.00	148,764.00	148,764.00	48%	100%
Overhead	317,151.00	257,059.00	238,300.00	81%	93%
Capital	145,224.00	30,546.00	30,546.00	21%	100%
Total	769,714.00	436,369.00	417,610.00		

Table 5: Summary of 2020 Budget Data

Item	Approved Budget (₦'000) in 2020	Amount Released (₦'000) in 2020 (Up to March)	Actual Expenditure (₦'000) in 2020	Amount Released as % of Approved	Actual Expenditure as % of Releases
Personnel	121,568.00	36,230.00	50,249.00	30%	139%
Overhead	134,169.00	56,881.00	109,074.00	42%	192%
Capital	668,139.00	32,014.00	32,014.00	5%	100%
Total	923,876.00	125,125.00	191,337.00		

3.3 Project Prioritization

Table 6: Summary of Projects Review and Prioritization

S/N	Project Code	Project Name	Project's Contribution to State Development Plan Objectives					Project Status (Ongoing = 3; New = 1)	Likelihood of completion not later than 2023 (2021 = 3; 2022 = 2; 2023 = 1; Beyond	Nature of Project (Developmental = 3; Administrative = 1)	Total Score	Project Ranking	Physical Location: Local Government/ Statewide	Project Status (Ongoing/ New)	Timelines	
			Inclusive, sustainable economic growth with full and productive	Diversified and enhanced revenue base by providing enabling business environment whic	World class state infrastructure system that attracts investors, facilitates economic growth	Qualitative and functional education and healthy living in a safe and secure	Cities and human settlements are safe, resilient and sustainable while also conserving th								Project Commencement Year	Expected Year of Completion
1		Procurement of Motor Vehicles (Tokunbo)and Motor Cycles for Revenue Mobilization	3	3	0	0	0	3	3	1	13	1	State Wide	Ongoing	2020	2020
2		Construction of Omoluabi Mall	1	3	3	0	0	1	1	3	12	2	State Wide	New	2021	2023
3		Renovation of 11 Tax Stations	3	3	1	0	0	3	1	1	12	2	Multiple LGAs	Ongoing	2020	2022
4		Erection of 20 Tax Collection Points	3	3	1	0	0	3	1	1	12	2	Multiple LGAs	Ongoing	2020	2022
5		Purchase of Vehicles for Office of the Accountant-General	3	2	2	0	0	3	1	1	12	2	State Wide	Ongoing	2021	2023
6		Purchase of Office Equipment / Fittings for for Office of the Accountant-General	3	2	2	0	0	3	1	1	12	2	State Wide	Ongoing	2021	2023
7		Conduct of Tax Payer Enumeration Survey	2	3	0	0	0	3	3	1	12	2	State Wide	Ongoing	2021	2021
8		Construction of LivingSpring Drug Manufacturing	1	3	1	0	0	1	2	3	11	8	State Wide	New	2021	2022
9		Construction of Osun Investment Company Mega Petrol Station	1	3	1	0	0	1	2	3	11	8	State Wide	New	2021	2022
10		Reconstruction/Expansion of OSICOL Waters	1	2	2	0	0	1	2	3	11	8	State Wide	New	2021	2022
11		Reconstruction/Expansion of OSICOL Waters 2	1	2	2	0	0	1	2	3	11	8	State Wide	New	2021	2022
12		Additional Capital for LivingSpring Bulk Purchase Limited	1	2	2	0	0	1	2	3	11	8	State Wide	New	2021	2022
13		Procurement of Computer Systems and others for Revenue Services	2	3	0	0	0	3	1	1	10	13	State Wide	Ongoing	2020	2022
14		Procurement of Utility Vehicles for Official Activities(Ministry of Finance)	2	0	0	0	0	1	3	1	7	14	State Wide	New	2021	2021
15		Purchase of Computers and Networking Equipments for Finance Activities	2	0	0	0	0	1	3	1	7	14	State Wide	New	2021	2021
16		Renovation and Upgrading of Finance Building	1	0	0	0	0	1	3	1	6	16	State Wide	New	2021	2021
17		Renovation of Treasury Cash Offices	1	0	0	0	0	1	2	1	5	17	Multiple LGAs	New	2021	2023
18		Renovation of Office of the Accountant-General Building	1	0	0	0	0	1	1	1	4	18	State Wide	New	2021	2023
19		Renovation of Treasury Cash Offices 2	1	0	0	0	0	1	1	1	4	18	Multiple LGAs	New	2023	2023

3.4 Personnel and Overhead Costs: Existing and Projections

Table 7: Personnel and Overhead Costs: Existing and Projected

Expenditure Head	2020 (N'000)		Projections (N'000)		
	Approved	Actual (By March)	2021	2022	2023
Personnel Cost	121,568.00	50,249.00	133,724.80	147,097.28	161807.008
Overhead Cost	134,169.00	109,074.00	147,585.90	162,344.49	178578.939
Total Cost (N)	255,737.00	159,323.00	281,310.70	309,441.77	340,385.95

3.5 Contributions from our Partners

The following are the list of Development Partners supporting the sector:

- i. **SFTAS:** The State Fiscal Transparency and Accountability Sustainability Scheme is supporting the sector as follows:
 - Fiscal strategies coordination
 - Grants and supports for various government policy directions

Table 8: Grants and Donor Funding

Source / Description of Grant	Amount Expected (N'000)			Counterpart Funding Requirements (N'000)		
	2021	2022	2023	2021	2022	2023
Ministry of Finance (SFTAS)	3,500,000,000	1,800,000,000				

3.6 Cross-Cutting Issues

Finance and Revenue Mobilization sector is a multi-faceted sector having various links to all the thirteen (13) Sectors in the State of Osun. It is therefore pertinent to highlight the fact that for any meaningful development to take place in the State, the Finance and Revenue Mobilization Sector along with its constituent Ministries, Departments and Agencies have a greater role to play through effective revenue generation and management while all Revenue Generating Agencies (RGAs) are not left out of the drive to ensure sustainable income to the coffers of the State Government.

It is necessary to address certain disparity in terms of Project Financing and Internally Generated Revenue while various sectors of the Osun State economy must also be involved to form part of the sector's policy strategy and implementation processes in order to make the sector projects and programmes laudable.

Revenue Generation:

The establishment of an effective tax system is an important strategy for sustainable revenue generation and best practices by coordinating activities of all Revenue Generating Agencies, ensure proper management of all inflow from FAAC and also ensure judicious allocation of funds to projects and programmes in line with the strategic direction of the State.

3.7 Outline of Key Strategies

1. Blockage of revenue leakages
2. Widen the taxpayer's database by capturing new tax payers
3. Encouragement of Public Private Partnership
4. Massive public enlightenment and tax education
5. Periodic meeting of RGAs aimed at coordination of all Revenue Generating Agencies (RGAs)
6. Review of all existing fees and charges
7. Review of all existing MoUs on revenue collection

3.7 Outline of Key Strategies

Table 9: Summary of projects' expenditures and output measures

Outcome	Project Title	Proposed Expenditure (₦'000)			Output	Output KPI	Base Line (e.g. Output Value in 2020)	Output Target			MDA Responsible
		2021	2022	2023				2021	2022	2023	
Improved Accountability and Efficiency in Government Spending	Purchase of Vehicles for Office of the Accountant-General	5,000	2,500	2,500	Vehicles purchased	Number of vehicles purchased	0	1	1	1	Office of the Accountant-General
	Purchase of Office Equipment / Fittings for Office of the Accountant-General	4,500	2,250	2,250	Office Equipment purchased	Number of Safes purchased	0	10	8	8	Office of the Accountant-General
	Renovation of Treasury Cash Offices	3,000	3,500		Treasury Cash offices Renovated	Number of TCOs Renovated	0	3	4		Office of the Accountant-General
	Renovation of Office of the Accountant-General Building	2,500	3,000	3,500	Office of the Accountant-General Building Renovated	Percentage of Renovation	0%	30%	60%	100%	Office of the Accountant-General
	Renovation of Treasury Cash Offices 2			4,000	Treasury Cash offices Renovated	Number of TCOs Renovated	0	3	4	0	Office of the Accountant-General
Increased Internally Generated Revenue	Procurement of Motor Vehicles (Tokunbo) and Motor Cycles for Revenue Mobilization	10,350.00	11,643.00	6,549.00	Vehicles purchased	Number of vehicles purchased	0	4	4	2	OIRS
	Renovation of 11 Tax Stations	59,614.00	59,614.00	44,710.00	Tax Stations renovated	Number of tax Station renovated	0	4	4	2	OIRS
	Conduct of Taxpayers Enumeration Survey	66,842.00			Taxpayers enumeration Survey Conducted	Number of new taxpayers captured in the tax net	0	100,000			OIRS
	Erection of 20 Tax Collection Points	8,780.00	4,390.00	4,390.00	Collection points erected	Number of collection points erected	0	10	5	5	OIRS
	Procurement of Computer Systems and others for Revenue Services	21,027.00	11,193.00	6,581.00	Computer Systems purchased	Number of Computer Systems purchased	0	20	20	10	OIRS
Increased Public Private Partnership	Construction of Omoluabi Mall	350,000.00	350,000.00	300,000.00	Omoluabi Mall Constructed	Percentage of Completion	0	40%	60%	100%	Min of Finance

Construction of LivingSpring Drug Manufacturing	350,000.00	350,000.00	300,000.00	LivingSpring Drug Manufacturing Constructed	Percentage Completion of	0	30%	60%	100%	Min of Finance
Construction of Osun Investment Company Mega Petrol Station	850,000.00	850,000.00	819,999.00	Osun Investment Company Mega Petrol Station Constructed	Percentage Completion of	0	40%	60%	100%	Min of Finance
Reconstruction/Expansion of OSICOL Waters	358,000.00	400,000.00	408,000.00	OSICOL Waters Reconstructed and Expanded	Percentage Completion of	0	30%	50%	100%	Min of Finance
Reconstruction/Expansion of OSICOL Waters 2	142,000.00	100,000.00	92,000.00	OSICOL Waters Reconstructed and Expanded	Percentage Completion of	0	40%	60%	100%	Min of Finance
Additional Capital for LivingSpring Bulk Purchase Limited	250,000.00	250,000.00	250,000.00	More Capital injected into LivingSpring Bulk Purchase Limited	Percentage of Additional Funds	0	40	0.5	1	Min of Finance
Procurement of Utility Vehicles for Official Activities (Ministry of Finance)	10,000.00	0	0	Utility Vehicles Procured	Number of Vehicles procured	0	4	0	0	Min of Finance
Purchase of Computers and Networking Equipment for Finance Activities	6,800.00	2,100.00	1,600.00	Computer and Networking Equipment Purchased	Number of Computer and Networking Equipment Purchased	0	17	0	0	Min of Finance
Renovation and Upgrading of Finance Building	260,000.00	28,900.00	28,900.00	Finance Building Renovated and Upgraded	Percentage of Renovation	0	30%	60%	100%	Min of Finance
TOTAL	2,616,413	2,329,090	2,182,979							

3.8 Justification

ACCOUNTABILITY, PROBITY AND TRANSPARENCY

- i. Standardized Accountability and Reporting System: Rendering of time to time stewardship (Accountability and Reporting) by those in Government to the Citizenry capable of providing enablement to the Citizenry in their evaluation of Government activities.
- ii. Automated-Auditable Revenue Generation: Plugging of all aspects of revenue leakages via institution of electronically-made payments into Government coffers.

3.9 Responsibilities and Operational Plan

MDA Responsible	
Office of the Accountant General	Purchase of Vehicles for Office of the Accountant-General
Office of the Accountant General	Purchase of Office Equipment / Fittings for Office of the Accountant-General
Office of the Accountant General	Renovation of Treasury Cash Offices
Office of the Accountant General	Renovation of Office of the Accountant-General Building
Office of the Accountant General	Renovation of Treasury Cash Offices 2
OIRS	Renovation of 11 Tax Stations
OIRS	Erection of 20 Tax Collection Points
OIRS	Conduct of Taxpayers Enumeration Survey
OIRS	Procurement of Computer System and Others for Revenue Services
OIRS	Procurement of Motor Vehicles(Tokunbo) and Motor Cycles for Revenue Mobilization
Ministry of Finance	Construction of Living Spring Drug Manufacturing Company
Ministry of Finance	Construction of OSICOL Mega Petrol Station
Ministry of Finance	Construction of Omoluabi Mall
Ministry of Finance	Renovation and Upgrading of Finance Building
Ministry of Finance	Procurement of Utility Vehicles for Official Activities(Ministry of Finance)
Ministry of Finance	Purchase of Computers and Networking Equipments for Finance Activities

Ministry of Finance	Reconstruction and Expansion of OSICOL Waters
Ministry of Finance	Additional Capital for LivingSpring Bulk Purchase Limited

CHAPTER FOUR
THREE YEAR EXPENDITURE PROJECTIONS

4.1 The process used to make Expenditure Projections

The existing wage structure, market survey, projections from NBS and Office of Statistician-General informed the proposed expenditure on personnel and projects in this MTSS.

4.2 Outline Expenditure Projections

We envisage that at the end of this plan period, the ratio of the recurrent to capital expenditure would have reached 30% to 70% compared to the current situation of 48% to 52% that will lead to the desired development in the sector.

S/N	ITEM	2021	2022	2023
1	Total Allocation			
2	Personnel			
3	Overhead			
4	Capital Expenditure			

CHAPTER FIVE

MONITORING AND EVALUATION

Monitoring and Evaluating the efficiency, effectiveness and cost-effectiveness of the Medium Terms Sector Strategy (MTSS) for the Sector is essential to keep tracking the progress of activities against established Key Performance Indicators (KPIs) which would help determine the need for revising policies, strategies, budget, outputs, outcomes and KPI targets.

5.1 Conducting Annual Sector Performance Review

5.1.1 Preamble:

The overall objective of Sector Performance review is to support State in assessing the performance of MTSS with regards to programmes and projects using a constructive, participatory and coordinated approach, and in improving implementation where necessary, to reach the expected results. The Sector Performance Review is a review, conducted preferably midway into the MTSS implementation on annual basis, to identify any corrective measures to be taken. The specific objective of the Sector Performance Review is to provide an independent assessment of MTSS implementation to support projects management. The review assesses the status of projects design and implementation through analysis of documentation and meaningful consultation with all stakeholders involved, including beneficiaries. It also reviews the progress in terms of input provision, activities undertaken, results delivered (outputs and outcomes) and risk management. Sector Performance Review highlight the strengths and weaknesses of the projects implementation in the MTSS with a view to assisting State and key stakeholders in dealing with questions and problems that have emerged, find solutions to revise approaches and, where relevant, adapt to changing needs and circumstances.

5.1.2 Reasons for Conducting Sector performance review:

Conducting Sector performance review and distributing information regarding MTSS performance will help State to:

- Track progress and results achievements to be able to demonstrate MDAs' capacity to deliver and report on results;
- Support the overall programme and implementation with accurate, evidence-based reporting that informs Sector Planning Team and wider stakeholders on how to guide and improve MTSS performance whenever required and deliver effective services to its beneficiaries;
- Show accountability for resources invested in programmes and projects; and
- Provide opportunities for stakeholders' feedback, including beneficiaries, to provide input into Sector's work during implementation.

The review will also consider how projects or programmes include cross-cutting issues in their design and implementation.

5.1.3 Stages for conducting Sector performance Review:

The following stages of Sector Performance Review will be engaged:

- the preparatory stage, which encompasses
 - the logistics
 - a desk or document review phase; and
- the implementation stage consisting of
 - a field phase, which includes consultations with the Chief Executive officer of the constituent MDAs and key stakeholders;
 - a report drafting phase; and
 - a quality check and finalization phase, ending with the release of the performance review report and finally,
- dissemination and use of the performance review report.

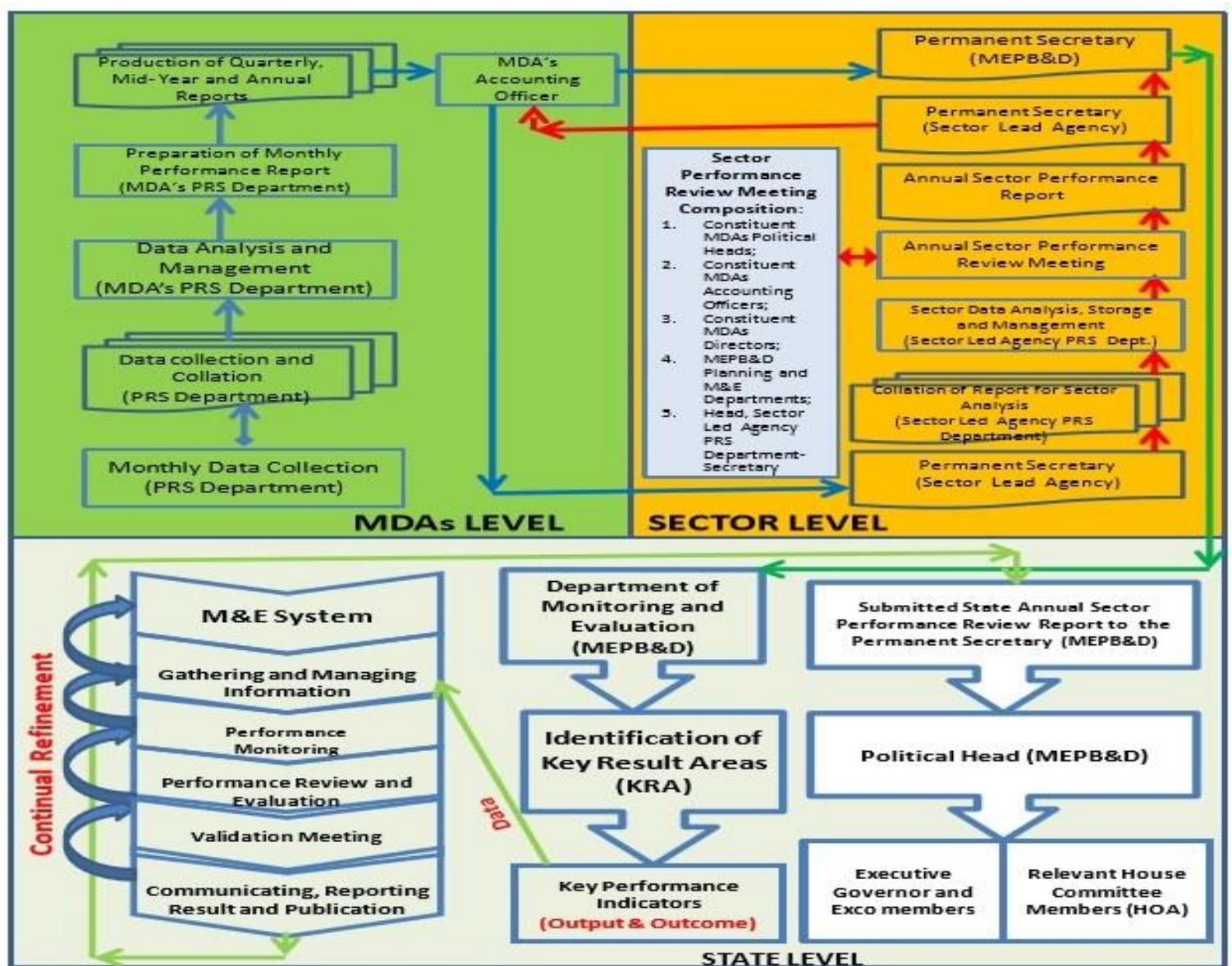
5.1.4 Sector Performance Review Reporting Template:

The Sector Performance review reporting template deployed by the Ministry of Economic Planning and Budget shall be adopted by the Sector for the purpose of reporting.

5.2 Organizational Arrangements

The sector will make use of clear administrative channels through which timely evidence is made available to decision makers.

The architectural presentation of the monitoring tasks is as detailed below:



Annex 5
MTSS PERFORMANCE REVIEW REPORT TEMPLATE

Name of sector:	Reporting Period
Name of Lead Agency:	
Name of Constituent MDAs:	
Executive Summary	
<i>Not more than 1 page, summarise the achievement(s), factors militated against the implementation of the plan, financial input and others.</i>	
Projects Synopsis	
Context	
<i>Provide a brief sectoral, thematic and the geographic location of the targeted population and what issues the projects are addressing. Then, list briefly the objective, outcomes and outputs of the executed project(s). Finally, indicate project(s) and institutions responsible for implementation, actors involved in the implementation and the direct and indirect beneficiaries.</i>	
1. Relevance	
1.1 As presently designed, does the intervention logic and related tools allow for effective implementation?	
<i>Relevance is the extent to which the executed project's objective and intended results remain valid and pertinent either as originally planned or as subsequently modified.</i> <i>Mention if the indicators have target values, if they are realistic/SMART or need to be updated. Analyse also if activities and indicators consider the participation of women and is covered in M&E reports as per reporting standards on gender.</i> <i>Analyse the information/data needed to measure indicators, if it is appropriate, realistic, accessible and effectively used in the reports to enable assessing progress towards results or consider alternative information/data sources, if necessary.</i>	
2. EFFECTIVENESS	
2.1 Is the project(s) effective in reaching its the planned results (outcomes)?	
Findings/comments	
<i>The effectiveness criterion assesses the extent to which a project achieves its intended results. Start with an overall finding relating to the main question (2.1), of the extent to which the project is effective or not in reaching its results (outcomes) and if the planned results are expected to be reached by project's end. Assess the output delivery and quality, to verify if satisfactory as per work plan. In case of delays or deviations, mention the reasons and the implications for milestones and targets. It is not about "justifying" the delays but rather identifying the causes, analysing and describing the adopted corrective measures. If such actions were not performed, then negative effects on the project or risks of such effects need to be mentioned.</i> <i>To understand inter-institutional structures, coordination and communication mechanisms among stakeholders, analyse the relationships, and if an internal monitoring or follow up system exists (such as technical committees), its characteristics (i.e. how regularly it convenes, who are the members, discussions, reporting etc.), and if it is effective to steer the action, ensure accountability and rectify situation if necessary. Consider additionally if the project M&E system is functional and linked to the results.</i> <i>Analyse sector coordination mechanisms (if it is effective, how regularly it convenes) and if the complementarity support impact and sustainability, enable synergies and prevent overlap.</i>	
2.2 As presently implemented what is the likelihood of the project(s) objective and outcomes to be reached/achieved?	
Findings/comments	
<i>Provide an overall finding relating to the guiding question above (2.2)</i> <i>Analyse causes and effects of the strategy of implementation and its flexibility and each main output and the level of achievement or delivery. Compare what was planned (i.e. implementation schedule, work plan, etc.) and what was effectively implemented. The analysis can be done by component/result with concrete cases or examples. Analyse if any relevant facts or circumstances took place in the project context (political, economic, social, etc.) since it was commenced, and if those affected the project and how.</i> <i>Comment if the project(s) environment has produced any planned or unplanned positive or negative effects on target groups, and if the project actions contributed to increasing positive and diminishing negative effects.</i>	

2.3 Does the project(s) presently respond to the needs of the target groups and does the project work effectively with all relevant stakeholders?
Findings/comments
<i>As a priority, start with the overall finding relating to the guiding question (2.3), whether the project presently responds to the beneficiary needs and if the commitment of all stakeholders towards the project objectives is effective.</i>
3. EFFICIENCY
3.1 How well is the availability/usage of means/inputs managed?
Findings/comments
<i>Efficiency is the level of how economically resources/inputs (funds, expertise, time, etc.) are converted into outputs. Check the project budget, burn rate or expenditures and compare it with the time elapsed under the project, to understand if the input utilization is aligned with the timeframe spent. Use the quantitative analysis to understand the state of inputs (human, material and financial means) and delays in the planned situation to identify any deviations. To check cost-efficiency: a) assess if there are synergies with other projects, activities, organizations, etc. to save costs or make more profitable activities or outputs (i.e. common events, sharing venues, reusing manuals, etc.); b) compare the actual cost of outputs versus the planned costs in the original budget to check for deviations and its causes and effects. Mention any delays in the disbursements made by the State nor or other partners or if the planning for activities has been revised. Identify issues or serious deficiencies, which need to be immediately addressed in order not to jeopardize results. In such cases the cost-efficiency of outputs may also be questioned, and if corrective measures can be financially implemented... Check how effective the monitoring mechanisms established regularly report on the efficient and cost-effective implementation, and if these reports are regularly shared with the stakeholders. Analyse the implementation modalities under the project. Consider: 1) human resources: quantity, quality, geographic distribution; 2) technical and physical resources: quality/know-how, offices, technology, vehicles and materials; 3) implementation time: was it sufficient and realistic? 4) Financial resources: is the budget well-structured and sufficient for the project purposes?</i>
4. CROSS-CUTTING ISSUES
4.1. So far, are there good practices inherent in the project which could be useful to share beyond the project context?
Findings/comments
<i>Summarize good practices and/or lessons learned) that have already been identified, referring to, for example: coordination, management and implementation mechanisms, relationship between partners, quality of outputs and outcomes, M&E mechanisms, sustainability factors, etc., having a high replication potential in geographic or thematic terms. If applicable, mention specific current practices and eventually “possible or future” practices, and indicate why they are good and their replication potential. Good practices can also be related to the innovative aspects of the project, but not necessarily.</i>
OVERALL CONCLUSIONS
<i>Summarise the most important conclusions surfacing under all criteria. Conclusions must be simple and short, highlighting the relationships between cause – effect – findings. Confirm if the situation assessed is satisfactory overall or if the issues were noted in case of deficient.</i>
RECOMMENDATIONS
<i>Recommendations address the most significant weaknesses identified in the findings and summarized under conclusions above. The tone in recommendations should be appropriate, constructive and positive. Recommendations should be listed from the highest to the least importance, and priorities in recommendations should be considered as not every conclusion necessarily leads to a recommendation. Recommendations must clearly identify who is responsible for their implementation, i.e. project team, ministry, Provide consistent and realistic recommendations in line with midterm implementation timeframe.</i>
ANNEX
<i>Photographs, meetings attendance list, Projects Performance Table and others</i>

ORGANIZATIONAL STRUCTURE FOR FINANCE AND REVENUE MOBILIZATION SECTOR

