



# MINISTRY OF ECONOMIC PLANNING, BUDGET AND DEVELOPMENT

Osun State, Nigeria.

Your Ref. NO.: \_\_\_\_\_

All communications should be addressed  
to the Permanent Secretary, quoting:

Our Ref. NO.: EST.1/1/2026/7

P.M.B. 4335, Osogbo,  
Osun State, Nigeria.

Tel: \_\_\_\_\_

*lsf* Date: September, 2025

## **CIRCULAR TO:**

The Secretary to the State Government,

The Chief of Staff to the Governor,

The Head of Service,

The Hon. Commissioners & Special Advisers,

All Chairman of Commissions and Boards,

Permanent Secretaries & Head of Non-Ministerial Agencies,

The Vice-Chancellor, Osun State University, Osogbo.

The Vice-Chancellor, University of Ilesa,

The Chief Medical Director, UNIOSUN Teaching Hospital, Osogbo,

Director General, Executive Secretaries and General Managers,

Heads of the State's Tertiary Institutions.

## **1.0 Introduction:**

### **CALL CIRCULAR FOR THE PREPARATION AND SUBMISSION OF 2026 DRAFT ESTIMATES**

**1.1** The 2026 Budget Call Circular sets out the requirements and policy guidelines that all Ministries, Departments and Agencies (MDAs) will follow in the preparation of the State 2026 Budget. This is in adherence to the Principles of Transparency and Accountability in Governance, which is the Cardinal objective of the Public Financial Management (PFM) Reform process, and in compliance with the Section 26 subsection (bi) of the Public Financial Management Law (2020) of Osun State. It empowers the Ministry of Economic Planning, Budget and Development to issue appropriate guidelines, directions and instructions to MDAs on Budget preparation and submission.

1.2 As enshrined in Section 121 (1) of the constitution of the Federal Republic of Nigeria, “each State of the Federation shall cause to prepare an annual Budget and place same before the State House of Assembly for appropriation, for a given financial year”. Therefore, this Budget Call Circular intends to provide instructions and guidelines to all Honourable Commissioners, Permanent Secretary/Chief Executives, Directors and other Officers saddled with the responsibility of the formulation, preparation, submission and consolidation of the 2026 Budget proposals of their respective MDAs. In line with this, all Accounting Officers are to carefully go through this circular, adhere strictly as stipulated in its contents, and comply with the instructions and guidelines.

## **2.0 Policy Trust and Priorities for 2026 Budget**

2.1 The main objective of the Medium Term Sector Strategy (MTSS) is to provide a robust framework for linking Policy, Planning and Budget across all sectors. By now, most MDAs are familiar with the reform imperatives as well as processes being followed to prepare MTSS.

2.2 The present Administration is committed to adopting the Medium Term Sector Strategy (MTSS) and Medium Term Expenditure Framework (MTEF) as a planning tool to provide the required framework for implementing programmes/projects over the medium term. Equally, the government is consistently examining the potential programmes/projects as well as activities which will largely involve the 16 Development Sectors of the State.

2.3 Moreso, all spending MDAs are advised to ensure that all activities that are urgent and important in the 2026 fiscal Year in accordance with the present Administration’s five (5) Points Developmental Agenda as contained in the State Development Plan (SDP) are included in their proposal by way of strategic sector priorities.

2.4 The Strategic objectives/budget policy thrust are to:

- (a) reduce dependence on the revenue from Federation Accounts through improved revenue generation internally via technology driven systems.

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- (b) ensure quality human-capital development initiative through continuous improvement in access to- and quality of – Public Services, which include Education and Health Care Delivery Systems at all levels. Inherent in this, is the resolve of government to promote gender equality and inclusive development;
  - (c) pursue initiatives that would continue to generate economic growth and guarantee security. This would involve implementation of programmes that generate employment and create wealth, and ensure adequate security;
  - (d) broaden governance reforms particularly in the area of policy and strategy; public expenditure and financial management; and public service management. As part of this process, the State Government has developed a State Development Plan (SDP), Medium Term Sector Strategy (MTSS), and Medium Term Expenditure Framework (MTEF) for the key Sectors.

**2.5** The Policy Statements shall include:

- a. Improving quality of basic and post basic education;
- b. Improving quality Health Care Delivery Services;
- c. Improving Skills acquisition through empowerment programs;
- d. Improving Security of lives and properties of Citizens;
- e. Agriculture and food security;
- f. Water supply and Sanitation;
- g. Fight Against Corruption

**3.0** Review of 2025 Budget Performance (January-June).

**3.1** The 2025 Approved Budget projected a total revenue and expenditure of ~~N~~427.7 billion, where the revenue projection included an anticipated opening balance of ~~N~~30 billion. However, the year 2024 audited financial report shows that the actual closing balance stands at ~~N~~60.2 billion. As at the end of the second quarter (Q1 – Q2), the cumulative revenue performance stood at 75% of the expected pro-rata target.

3.2 The Recurrent Revenue was projected at ₦361.5 billion, and as at the end of Second quarter, the actual revenue realized stood at ₦104.51 billion representing 58% performance against the pro-rata. The budgeted Capital Receipts stands at ₦36.2 billion, while the Actual receipts at the end of Q2 stood at ₦5.98 billion, representing 33% performance against the pro-rata.

3.3 The Recurrent Expenditure (Debt & Non-Debt) was projected at ₦236.2 billion, but the actual expenditure at the end of Q2 stood at ₦89.37 billion, representing a cumulative performance of 76% against the pro-rata target.

3.4 In the same vein, the capital expenditure was projected at ₦191.55 billion, with an actual spending of ₦57.13 billion, resulting to a performance of 60% against the pro-rata target.

3.5 The above analysis showed the revenue performance of 75% while that of expenditure was 69% against the pro-rata, at the end of Second quarter 2025 as contain in the table below:

**Table 1:**

**2025 Performance Year to Date (JANUARY-JUNE)**

Item	2 025 Approved Budget	2025 Performance Year to Date (JANUARY-JUNE)	% of Performance Against PRO-RATA	Balance (against Approved Budget)
Opening Balance	30,001,125,120.00	60,205,607,471.60		-
Recurrent Revenue	361,541,100,820.00	104,514,403,953.07	57.82	257,026,696,866.93
11 - GOVERNMENT SHARE OF FAAC	251,670,167,990.00	74,009,947,539.05	58.82	177,660,220,450.95
12 - INDEPENDENT REVENUE	109,870,932,830.00	30,504,456,414.02	55.53	79,366,476,415.98
Recurrent Expenditure	236,197,782,900.00	89,385,776,797.43	75.69	146,812,006,102.57
21 - PERSONNEL COST (INCLUDING 2201 WHERE APPROPRIATE)	102,895,821,010.00	39,215,186,044.96	76.22	63,680,634,965.04
22 - OTHER RECURRENT COSTS (EXCLUDING 2201)	133,301,961,890.00	50,170,590,752.47	75.27	83,131,371,137.53
<i>Breakdown of Other Recurrent Costs</i>				
2202 - OVERHEAD COST	88,890,461,440.00	33,292,516,834.93	74.91	55,597,944,605.07
OTHER RECURRENT (2203-2208)	44,411,500,450.00	16,878,073,917.54	76.01	27,533,426,532.46
Transfer to Capital Account	185,548,925,391.60	75,334,234,627.24	81.20	110,214,690,764.36
Other Receipts	36,204,699,230.00	5,976,912,257.11	33.02	30,227,786,972.89
13 - AID AND GRANTS	30,694,699,230.00	5,869,501,129.11	38.24	24,825,198,100.89
14 - CAPITAL DEVELOPMENT FUND (CDF) RECEIPTS	5,510,000,000.00	107,411,128.00	3.90	5,402,588,872.00
Capital Expenditure	191,549,142,270.00	57,130,864,245.02	59.65	134,418,278,024.98
23 - Capital Expenditure	191,549,142,270.00	57,130,864,245.02	59.65	134,418,278,024.98
<b>Total Revenue (including OB)</b>	<b>427,746,925,170.00</b>	<b>170,696,923,681.78</b>	<b>74.55</b>	<b>287,254,483,839.82</b>
<b>Total Expenditure</b>	<b>427,746,925,170.00</b>	<b>146,516,641,042.45</b>	<b>68.51</b>	<b>281,230,284,127.55</b>

**4.0 Fiscal Framework 2026 – 2028**

**4.1 Key Assumptions;**

The assumption is in accordance with the fiscal forecast for 2026 – 2028 as provided in the table below;

Table II – Indices for 2026-2028 fiscal forecast;

S/N	Description	2026	2027	2028
1.	Crude Oil Price (US\$/barrel)	55.00	55.00	55.00
2.	Crude Oil Production (mbpd)	1.700	1.750	1.800
3.	Inflation Rate (%)	23.00	17.00	15.00
4.	Exchange Rate (₦/\$)	1,500	1,500	1,500
5.	GDP Growth Rate (%)	3.20%	3.30%	3.30%
6.	Mineral Ratio (%)	20%	23%	25%

Source: Draft 2026-2028 MTEF, Ministry of Economic Planning, Budget and Development

## 5.0 GUIDELINES FOR BUDGET PREPARATION

### 5.1 Measures Guiding the Budget Preparation:-

- a. MDAs are expected to strictly abide by the agreed sectoral envelopes from the 2026 – 2028 Medium Term Expenditure Frameworks, to guide their respective budget estimates. Please note that these will guide the discussions at the Pre-Treasury meeting.
- b. The new National Chart of Accounts (NCoA) format and Coding has been adopted nationally and must be adhered at all times;
- c. All submissions not on the format **shall not be entertained**,
- d. All Budget proposals must be approved and duly signed by the Accounting Officer of the MDA.

### 5.2 Revenue

- (i) Revenue generation is a top priority of Government. All MDAs are therefore advised to ensure that all collectible revenues are clearly indicated and coded accordingly. Revenue performance **January to August, 2025** must be indicated, and an explanation for non – performance, if any.
- (ii) The Ministry of Economic Planning, Budget and Development wishes to emphasize that all Revenue, including Aids, Grants and Loans Projects implemented by an MDA or proposed for 2026 must be captured.
- (iii) Please, note that Development partners operating under your MDA should also be captured in terms of their Budget performance and proposal for year 2026.
- (iv) Considering the high premium placed on openness, transparency and accountability towards the management of fiscal resources, all Tertiary Institutions are expected to ***explicitly state all their revenue***

*sources/heads for year 2026, and the actual revenue as at August 31, 2025.* Put differently, they are required to state their students' enrolment and tuition fees to support their returns. All Tertiary Institutions should note that continued funding from the State Treasury in 2026 fiscal year shall be guaranteed by the full disclosure of all internal revenue sources to the Institutions.

### **5.3 Personnel Cost**

- (i) All MDAs are reminded of the subsisting conditions for new employment, and must restrict their personnel cost proposals to the existing Staff Nominal Roll.
- (ii) Ensure that the personnel cost proposals cover the cost of annual increment and staff promotion.
- (iii) All MDAs that have recruited Staff in 2025 or planning to do so in 2026 must support their proposals for new establishments with copies of Executive approval to that effect.

### **5.4 Overhead Cost**

- (i) It is important that all MDAs ensure that budgetary provisions for Overhead and Consolidated Revenue Fund Charges (CRFC) are in tune with the prevailing situation on ground. This is a result of the current economic reality, noticeable trends and fiscal space contained in the 2026-2028 Medium Term Expenditure Framework (MTEF).
- (ii) Accordingly, all MDAs are to note that Government is mindful of any increase in overhead cost expenditure as this affects the quantum of surplus funds to finance capital expenditure. Thus, overhead cost estimates should be restricted to essential services and imperative overhead cost i.e. those necessitated by the implementation of capital.

- (iii) All MDAs are advised to critically study their overhead cost performance, based on 2025 budget and further eliminate non-essential provision with a view to creating more savings to accommodate capital project proposals.

### **5.5 Capital Expenditure Proposal:-**

- (i) In line with the Zero-Based Budgeting (ZBB) Principle, each MDA is required to do a review of its existing project portfolios, utilizing the approved lists of projects and programmes from the sectoral review of the MTSS 2026-2028, to update all on-going/New projects and programmes. MDAs are therefore enjoined to accord priority to ongoing projects, especially those nearing completion that fit into government's current priorities, in allocating capital budget resources.
- (ii) All capital projects must therefore be linked to the Five (5) Points Development Agenda of Mr. Governor, as well as the reviewed State Development Plan (SDP), and should be presented in the format that will clearly state the current status of projects, especially level of completion and implementation timeline.

### **6.0 Impact Assessment of Public Expenditure.**

#### **6.1 Aid, Grants and Counterpart funding:-**

- (i) All MDAs supported with any form of Aid or Grant are to disclose full details of the nature of the Aid/Grant, the projects funded duration, etc. A schedule of all such aid/grant (in cash and kind) and loan must be submitted separately to the Department of Economic Planning of this Ministry for authentication before the MDAs budget is finalized.
- (ii) MDAs with counterpart funded projects are advised to reflect such funding requirements and funding duration in their proposal. This should be supported with explanatory details of the project's impact. While the amount expected as Counterpart fund be submitted to the Ministry of Finance for Coordination.

## **6.2 Stakeholders Consultation in the Budget Process**

In line with Fiscal Sustainability Plan (FSP), Public Financial Management (PFM) reform and International Best Practices which stipulate inclusiveness in the budget process, Political Heads and Accounting Officers of MDAs are implored to ensure sector-wide consultations and stakeholders participation/involvement in the budget preparation process to harvest their inputs into the Budget proposals.

## **6.3 Nutrition Specific & Sensitive Programmes**

One of the critical factors of Human Capital Development is Food and Nutrition. Thus, MDAs that implement nutrition specific & sensitive programmes are requested to make budgetary provisions and allocations to nutrition expenditure. Budgetary provisions and allocations should be tagged using the “**Nutrition Budget Tagging Reference and Guidance Manual**”. Such provisions must be consistent with Osun State priorities contained in the Osun State Multisectoral Plan of Action for Food & Nutrition (OSMPFAN) 2025-29.

## **6.4 Defence of Budget Proposals**

**6.4.1** All budget proposals must be **prepared on the prescribed Budget Templates using Microsoft Excel; as** they would be reviewed for compliance with this circular, as well as other relevant guidelines. Subsequently, **Pre-Treasury Board defence will be scheduled for MDAs to hold between Monday, 29<sup>th</sup> September and Friday, 3<sup>rd</sup> October, 2025.**

**6.4.2** All Accounting Officers are enjoined to ensure that the proposals are submitted within the stipulated deadline, as this would give the Budget Committee ample opportunity for proper scrutiny and consideration of the budget proposals.

6.4.3 All Accounting Officers are also advised to work hand-in-hand with their Political Heads in the preparation of year 2026 Estimates, to align it with Mr. Governor's agenda for the Agency.

#### 6.5 Submission of Budget Proposal

6.5.1 All MDAs are requested to **submit the copies of 2025 budget proposals in landscape form on legal paper and on Microsoft Excel package**, and to be submitted in both Hard and Soft copies not later than Friday, 19<sup>th</sup> September, 2025 as follows:

- (i) Thirty (30) copies to the Office of the Director of Budget, Ministry of Economic Planning, Budget and Development;
- (ii) Five (5) copies to the Permanent Secretary, Bureau of Human Resources and Capacity Building.

6.5.2 In order to do away with avoidable technical bottlenecks that are usually associated with the submission/acceptance of draft Estimates at the ICT unit of the Budget Department of this Ministry; all MDAs are requested to clear:

- (i) the Personnel Components of the draft budget with the Bureau of Human Resources and Capacity Building;
- (ii) the Capital Components with the Department of Economic Planning of this Ministry and;
- (iii) the Soft Copies of the draft 2026 budget with the Information and Communication Technology (ICT) Unit of Budget Department of this Ministry **before producing any copy for submission.**

6.5.3 All MDAs should constantly relate with the Ministry of Economic Planning, Budget and Development to clear any area of doubt until the draft Budget is taken to the State House of Assembly.

## **7.0 Contribution to Governor's Budget Speech**

**7.1** All Ministries, Departments and Agencies (MDAs) are expected to prepare and forward their contributions to Mr. Governor's Budget Speech (both hard and soft copies) to the Ministry of Economic Planning, Budget and Development for collation.

**7.2** The Speech is expected to address the following:-

- (i) the importance of your Sector/Agency to the development of the State in line with this Administration's Agenda;
- (ii) the achievement so far since the beginning of year 2025 (project/programme) including the expected achievement for the rest of the year.
- (iii) the Programmes and Projects to undertake in 2026 and specific impact on the Citizens of the State.

**7.3** Therefore, Political Heads and Accounting Officers are implored to kindly monitor and ensure that the contribution **both in hard and soft copies reach the Office of the Director Budget**, Ministry of Economic Planning, Budget and Development not later than **Friday, 26<sup>th</sup> September, 2025**.

## **8.0 Conclusion**

**8.1** All Political Heads and Accounting Officers of MDAs, including Tertiary Institutions, are requested to note that the Pre-Treasury Board as well as Treasury Board Defence will hold as usual to consider the nitty-gritty of their draft budgets. Consequently, you are enjoined to ensure **thoroughness and transparency** in the budget preparation efforts in order to achieve the desired result. MDAs/Sectors are to be led to the **Pre-Treasury Board meetings by their Accounting Officers, while the Political Heads will lead their MDAs/Sectors to the Treasury Board Meetings.**

8.2 Finally, Political Office Holders and Accounting Officers are to give this Circular the urgency and important consideration it deserves.

8.3 I thank you.

  
Yetunde Esan,  
Permanent Secretary