

**YOBE STATE GOVERNMENT**

**2021**

**YOBE STATE DEBT SUSTAINABILITY ANALYSIS  
DEBT MANAGEMENT STRATEGY  
(YOBE S-DSA-DMS) REPORT**

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## **1.0 INTRODUCTION**

### **1.1 BACKGROUND**

The State Debt Sustainability Analysis (S-DSA) Toolkit was developed by Debt Management Office, Nigeria and reviewed by the World Bank to analyze the trends and patterns in the State's public finances during the period of 2016 - 2020 while also evaluating the ability of the State to sustain its debt in the long term (2021 – 2030). The DSA carried out by Yobe State's Technical Team appraised recent Revenue, Expenditure, State Public debt trends, and related policies adopted by the State Government, while considering the policy thrust of the State. A sub-national sustainability assessment was conducted using baseline scenarios and sensitivity analysis to evaluate the prospective performance of the State's public finances going forward. The intention is to assist the Yobe state Government in striking a balance between the State's programs execution and new borrowings by utilizing recent trends in the State's public finances.

### **1.2 SUMMARY OF FINDINGS**

The results of the Yobe State S-DSA show that the State's debt portfolio appears to be sustainable in the long term. The State has made giant strides in IGR mobilization through the recently introduced, improved, tax administration reforms. Yobe State adopted a strategy named "Medium Term Sector Strategies (MTSS)" is thus a road map that combines ambition and realism, and clearly plots priorities, deliverables and costs. It shows the chain of results that will achieve policy goals. The MTSS process involves getting the spending agencies within a sector to articulate their medium-term goals and objectives against the background of the overall goals of the YOSERA; identify and document key initiatives being embarked upon to achieve their goals and objectives (i.e. their key projects and programs); cost these initiatives, prioritize and phase the initiatives over a three year period; define the expected outcomes of the initiatives in clear measurable terms; and link expected outcomes to their objectives and goals. The State Development Plan - Yobe State Socio Economic Reform Agenda (YOSERA) defines economic targets, policy road map and goals while the MTSS set out specific inputs and activities to deliver specific outputs in the YOSERA.

## **2.0 YOBE STATE FISCAL AND DEBT FRAMEWORK**

### **2.1 Fiscal Reforms**

The Fiscal Reforms being implemented by the Yobe State Government in the last four to six years include the Public Financial Management (PFM) and Human Resource Management (HRM) which are sub-divided into Budget reform, Audit reform, Public Procurement reform, Tax Administration reform, and Civil Service & Pension reform. These reforms led to the enactment of Laws that regulates implementation of Fiscal Policies in the State. The Laws are Yobe State Socio-Economic Reform Agenda (YOSERA), Yobe State Fiscal Responsibility Law (FRL); Medium Term Fiscal Framework (MTFF); Medium Term Budget Framework (MTBF); Medium Term Sector Strategies (MTSS). Yobe State Finance Management Law; Yobe State Government Financial Regulations; Yobe State Public Procurement Law. The FRL for instance, provides for the creation of the implementation organ, medium term fiscal framework, how public expenditure should be carried out, borrowing process, transparency and accountability in governance and principles of sound financial management.

### **2.2 Yobe State Approved 2021 Budget, Economic and Fiscal Update (EFU), Fiscal Strategy Paper (FSP) and Budget Policy Statement (BPS), 2022-2024**

#### **2.2.1 Approved 2021 Budget**

The 2021 Budget was prepared amidst a challenging global and domestic environment due to the persistent headwinds from the Coronavirus Pandemic. The resulting global economic recession, low oil prices and heightened global economic uncertainty have had important implications for our economy.

Based on the foregoing fiscal assumptions and parameters. The Yobe State total revenue available to fund the 2021 Budget is estimated at N110.974 billion. This includes Internally Generated Revenue, Statutory Allocation, Value Added Tax, Other Statutory Revenue, Domestic Grants, Foreign Grants, Opening Balance, Domestic Loans, Foreign Loans and Sale of Government Assets, respectively.

An aggregate expenditure of N110.974 billion is proposed by the Yobe State Government in 2021. The 2021 proposed Expenditure comprises, Gross FAAC allocation of N30.330 billion, Overhead of N24.602 billion, Debt service (Interest and Principal) of N8.070 billion, Other Recurrent Expenditure of N5.034 billion, and Capital Expenditure of N42.938 billion, respectively.

### **2.2.2 Indicative Three-Year Fiscal Framework**

The Yobe State's policy direction focuses on diversifying the revenue sources and intensify efforts to improve the independent revenue base of the state to reduce the state's overdependence on FAAC Allocations and Donor Partners grants and assisted projects. It further intensifies effort and strategies on control and enforced compliance with the established spending limits to achieve sound budgeting system, which include aggregate fiscal discipline, allocative efficiency and effective spending. It also aimed at continued robust fiscal response to COVID 19 pandemic and a restored relative peace in the state.

The indicative three-year fiscal framework for the period 2022-2024 is presented in the table below.

## Yobe State Medium Term Fiscal Framework

### Fiscal Framework

| Item                   | 2022          | 2023          | 2024          |
|------------------------|---------------|---------------|---------------|
| <b>Opening Balance</b> | 3,500,000,000 | 3,500,000,000 | 3,500,000,000 |

| <b>Recurrent Revenue</b>        |                       |                       |                       |
|---------------------------------|-----------------------|-----------------------|-----------------------|
| Statutory Allocation            | 38,643,642,465        | 43,886,794,111        | 41,989,736,547        |
| VAT                             | 20,525,503,792        | 20,525,503,792        | 20,525,503,792        |
| IGR                             | 20,180,802,773        | 15,180,802,773        | 15,180,802,773        |
| Excess Crude/Other FAAC Revenue | 2,982,338,710         | 2,982,338,710         | 2,982,338,710         |
| <b>Total Recurrent Revenue</b>  | <b>82,332,287,740</b> | <b>82,575,439,386</b> | <b>80,678,381,822</b> |

| <b>Recurrent Expenditure</b>           |                       |                       |                       |
|----------------------------------------|-----------------------|-----------------------|-----------------------|
| Personnel Costs                        | 30,618,548,584        | 32,149,476,013        | 33,756,949,814        |
| Social Contribution and Social Benefit | 3,792,324,605         | 3,792,324,605         | 3,792,324,605         |
| Overheads                              | 26,330,466,900        | 26,593,771,569        | 27,125,647,000        |
| Grants, Contributions and Subsidies    | 21,614,940            | 24,857,181            | 28,585,758            |
| Public Debt Service                    | 21,152,874,393        | 10,576,437,196        | 6,345,862,318         |
| <b>Total</b>                           | <b>81,915,829,422</b> | <b>73,136,866,565</b> | <b>71,049,369,495</b> |
| <b>Transfer to Capital Account</b>     | <b>3,916,458,318</b>  | <b>12,938,572,821</b> | <b>13,129,012,327</b> |

| <b>Capital Receipts</b> |                       |                       |                       |
|-------------------------|-----------------------|-----------------------|-----------------------|
| Grants                  | 28,000,000,000        | 22,300,000,000        | 22,300,000,000        |
| Other Capital Receipts  | 15,000,000,000        | 5,000,000,000         | 5,000,000,000         |
| <b>Total</b>            | <b>43,000,000,000</b> | <b>27,300,000,000</b> | <b>27,300,000,000</b> |

| <b>Reserves</b>       |                      |                      |                      |
|-----------------------|----------------------|----------------------|----------------------|
| Contingency Reserve   | 0                    | 0                    | 0                    |
| Planning Reserve      | 4,291,614,387        | 4,303,771,969        | 4,208,919,091        |
| <b>Total Reserves</b> | <b>4,291,614,387</b> | <b>4,303,771,969</b> | <b>4,208,919,091</b> |

|                            |                       |                       |                       |
|----------------------------|-----------------------|-----------------------|-----------------------|
| <b>Capital Expenditure</b> | <b>47,624,843,931</b> | <b>40,934,800,852</b> | <b>41,220,093,236</b> |
| Discretionary Funds        | 25,624,843,931        | 18,934,800,852        | 19,220,093,236        |
| Non-Discretionary Funds    | 22,000,000,000        | 22,000,000,000        | 22,000,000,000        |

|                          |               |               |               |
|--------------------------|---------------|---------------|---------------|
| <b>Financing (Loans)</b> | 5,000,000,000 | 5,000,000,000 | 5,000,000,000 |
|--------------------------|---------------|---------------|---------------|

|                                                          |                        |                        |                        |
|----------------------------------------------------------|------------------------|------------------------|------------------------|
| <b>Total Revenue (Including Opening Balance)</b>         | <b>133,832,287,740</b> | <b>118,375,439,386</b> | <b>116,478,381,822</b> |
| <b>Total Expenditure (including Contingency Reserve)</b> | <b>133,832,287,740</b> | <b>118,375,439,386</b> | <b>116,478,381,822</b> |

|                        |  |  |  |
|------------------------|--|--|--|
| <b>Closing Balance</b> |  |  |  |
|------------------------|--|--|--|

| <b>Ratios</b>                            |        |         |        |
|------------------------------------------|--------|---------|--------|
| Growth in Recurrent Revenue              | 41.23% | 0.30%   | -2.30% |
| Growth in Recurrent Expenditure          | 91.97% | -10.72% | -2.85% |
| Capital Expenditure Ratio                | 38.79% | 38.22%  | 39.00% |
| Deficit (Financing) to Total Expenditure | 3.74%  | 4.22%   | 4.29%  |

| <b>ITEM</b>                                     | <b>2022</b>           | <b>2023</b>           | <b>2024</b>           |
|-------------------------------------------------|-----------------------|-----------------------|-----------------------|
| <b>Internal Grants</b>                          |                       |                       |                       |
| Development of Mineral Resources & Tourism      | 20,000,000,000        | 20,000,000,000        | 20,000,000,000        |
| FGN Grant for SDG                               | 300,000,000           | 300,000,000           | 300,000,000           |
| UBE Matching Grant                              | 1,500,000,000         | 1,500,000,000         | 1,500,000,000         |
| Agro-Climatic Resilience                        | 500,000,000           | 500,000,000           | 500,000,000           |
|                                                 |                       |                       |                       |
|                                                 |                       |                       |                       |
| <b>Sub-Total Internal Grant</b>                 | <b>22,300,000,000</b> | <b>22,300,000,000</b> | <b>22,300,000,000</b> |
| <b>External Grants</b>                          |                       |                       |                       |
| SFTAS                                           | 5,700,000,000         | 0                     | 0                     |
| N-CARES                                         | 0                     | 0                     | 0                     |
|                                                 |                       |                       |                       |
| <b>Sub-Total External Grant</b>                 | <b>5,700,000,000</b>  | <b>0</b>              | <b>0</b>              |
| <b>Grant Balancing Item / Blue Sky</b>          |                       |                       |                       |
| <b>Total Grants</b>                             | <b>28,000,000,000</b> | <b>22,300,000,000</b> | <b>22,300,000,000</b> |
| <b>Internal Loans</b>                           |                       |                       |                       |
| CBN Infrastructural Development Credit Facility | 0                     | 0                     | 0                     |
| Capital Market Issuances                        | 0                     | 0                     | 0                     |
| N-CARES                                         | 5,000,000,000         | 5,000,000,000         | 5,000,000,000         |
|                                                 |                       |                       |                       |
| <b>Total</b>                                    | <b>5,000,000,000</b>  | <b>5,000,000,000</b>  | <b>5,000,000,000</b>  |
| <b>External Loans</b>                           |                       |                       |                       |
| WB                                              |                       |                       |                       |
|                                                 |                       |                       |                       |
| <b>Total</b>                                    | <b>0</b>              | <b>0</b>              | <b>0</b>              |
| <b>Loan Balancing Item / Blue Sky</b>           |                       |                       |                       |
| <b>Total Loans</b>                              | <b>5,000,000,000</b>  | <b>5,000,000,000</b>  | <b>5,000,000,000</b>  |
| <b>Other Capital Receipts</b>                   |                       |                       |                       |
| Refund on Federal Roads                         | 15,000,000,000        | 5,000,000,000         | 5,000,000,000         |
|                                                 |                       |                       |                       |
| <b>Total</b>                                    | <b>15,000,000,000</b> | <b>5,000,000,000</b>  | <b>5,000,000,000</b>  |
| <b>OCR Balancing Item / Blue Sky</b>            |                       |                       |                       |
| <b>Total Other Capital Receipts</b>             | <b>15,000,000,000</b> | <b>5,000,000,000</b>  | <b>5,000,000,000</b>  |

### The Key Objectives of Approved 2021 Budget

- i. consolidate and improve on the provision of functional education strategy already embarked upon in the State, with emphasis on technical and technological aspects;
- ii. sustain and improve the State's healthcare delivery system;
- iii. enhance the overall improvement in human capital development such that will empower youths, artisans and market women for wealth and jobs creation;
- iv. ensure security of lives and properties of the residents of the State;
- v. combat the spread of Covid-19 and ameliorate the effects of same on people, SMEs and MSMEs across the State;

- vi. ensure the completion of the on-going capital projects and also sustain the current investment in infrastructural facilities;
- vii. sustain and intensify the current efforts in Independent Revenue generation;
- viii. combat gender-based violence and facilitate social inclusion through target spending on the vulnerable and other marginalized group;
- ix. improve the state's public financial management to entrench transparency, accountability and integrity; and
- x. Strategic diversification of the state's economy using the Public Private Partnership (PPP) model.

### **Fiscal Strategy Objectives and Targets**

The key targets from a fiscal perspective are:

- i. Completion of on-going legacy projects.
- ii. Continue to ensure reduction in non-essential overheads.
- iii. Executions of capital expenditures both COVID-19 related and those considered critical by the government.
- iv. Diversify the internal revenue base and also reviewing revenue projections to reflect current realities.
- v. Compliance with NGF Budget guidelines that maybe given from time to time.
- vi. Ensure adjustment of debt servicing or repayment period (re-financing and restructuring) in order to free up funds for other developmental projects.
- vii. Use loans to finance capital expenditure projects only;
- viii.** Target sources of capital receipts and financing outside of loans (e.g., Aid and Grants, PPP, etc.).



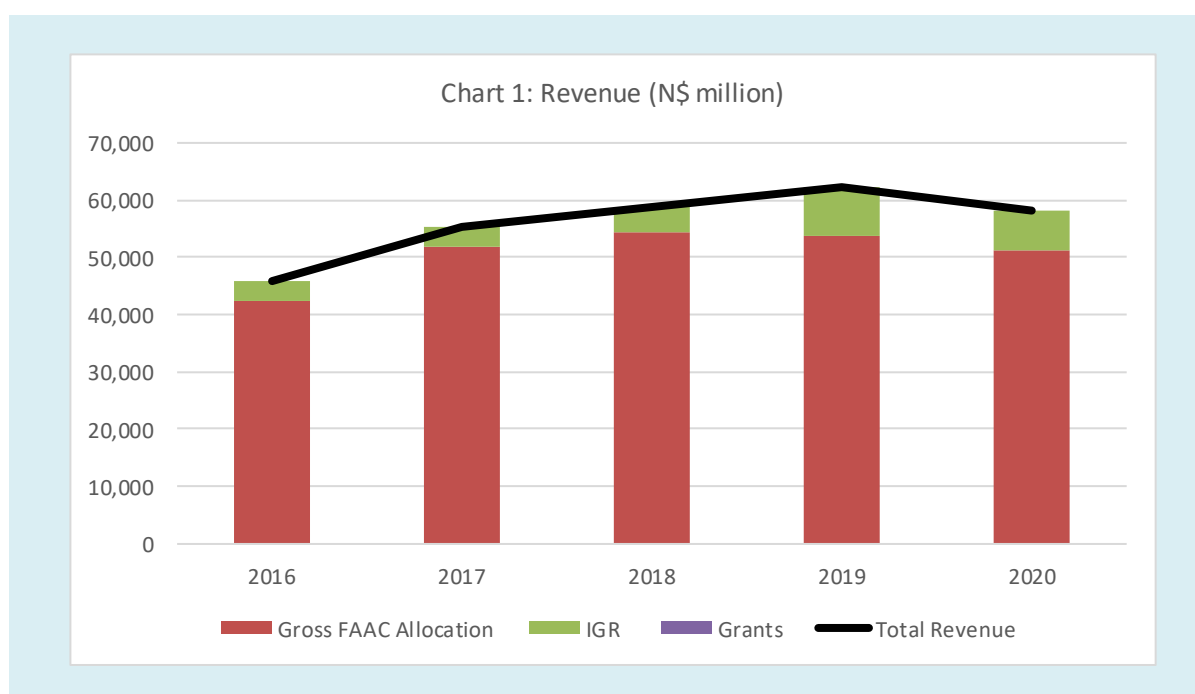
### **3.0 REVENUE, EXPENDITURE, FISCAL AND DEBT PERFORMANCE, 2016-2020**

#### **3.1 Revenue**

Yobe State's Revenue stood at N58.222 billion in 2020 compared to N62.194 billion in the period of 2019, which represent a decline of N3.972 billion or 6.39 percent. The Revenue has shown improvements from 2016 (N45.748 billion) to 2020 (N58.222 billion), the increase was due to the growth increased in the financial resources to the real sector of the economy, and effective implementation of the Economic Policies in the State. The Gross FAAC allocation that comprises the Statutory allocation, derivations, VAT allocation, exchange rate gain, augmentation among others declined from N53.679 billion in 2019 to N51.389 billion in 2020, which present a declined of N2.290 billion or 4.27 percent, the decline was due to slow in financial activities during the Coronavirus Pandemic Period in 2020.

Yobe State's Internally Generated Revenue (IGR) shows a growth during the period under review, the IGR shows a significant grow from N3.231 billion in 2016, N3.598 billion in 2017, N4.375 billion 2018, N8.515 billion in 2019, declined to N6.833 billion due to coronavirus pandemic in 2020. The improvement in IGR was mainly because of tax administration reforms. These reforms covered legal, institutional, and operational frameworks. Accordingly, several reform activities were instituted to strengthen the IGR collection. Specifically, as a bedrock for other reforms, new Revenue Administration law was passed, among other things, to consolidate state revenue code covering all state IGR sources. Collections were thereafter enhanced with improvement on all electronic platforms and payment gateways used by the State Internal Revenue Service. The state also expanded its Taxpayer database and developed an electronic taxpayer database system. Revenue sources were expanded to include Introduction of Land Use Charge and all revenue leakages were blocked through automation processes.

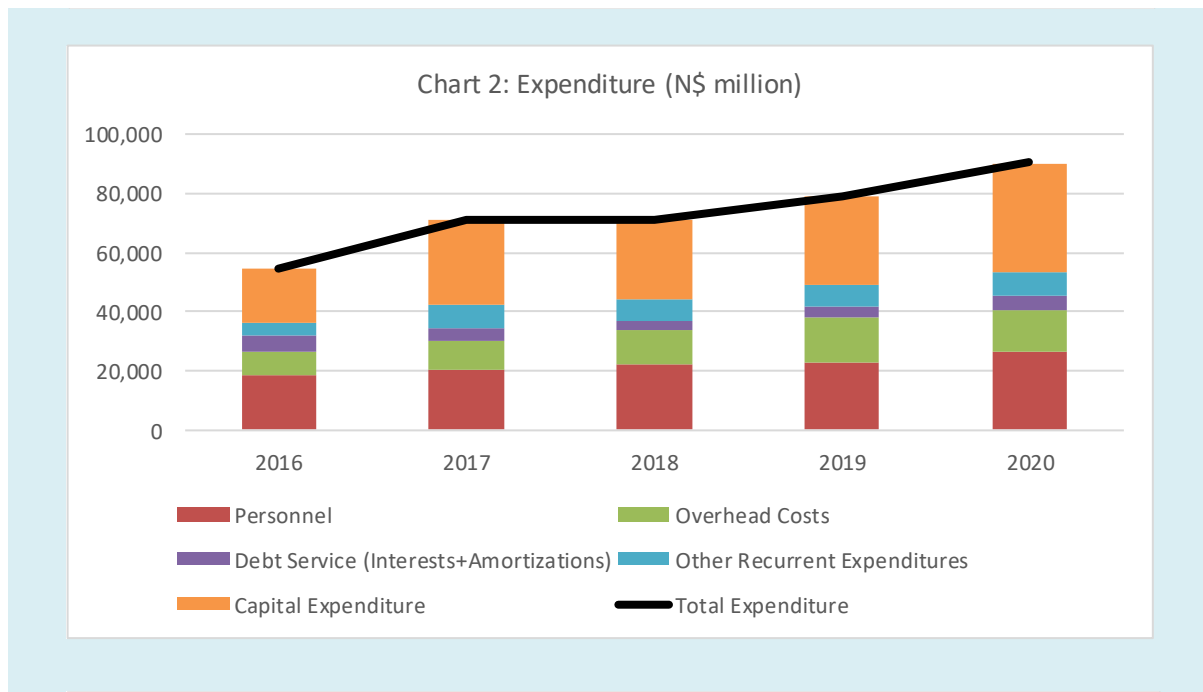
|                       | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> |
|-----------------------|-------------|-------------|-------------|-------------|-------------|
| Total Revenue         | 45,748      | 55,502      | 58,745      | 62,194      | 58,222      |
| Gross FAAC Allocation | 42,517      | 51,904      | 54,370      | 53,679      | 51,389      |
| IGR                   | 3,231       | 3,598       | 4,375       | 8,515       | 6,833       |
| Grants                | 0           | 0           | 0           | 0           | 0           |



### 3.2 Expenditure Performance

The State's Total Expenditure includes Capital expenditure, Personnel costs, Overhead costs, other recurrent expenditure, and Debt service (interest payment and principal repayment). In 2020 Yobe State Expenditure amounted N90.197 compared to N54.254 billion in 2016, which represent a growth of N35.943 or 66.25 percent. The personnel cost stood at N18.749 billion in 2016, N20.345 billion in 2017, N22.048 billion in 2018, N22.872 billion in 2019, and N26.274 billion in 2020, respectively. The overhead cost stood at N13.927 billion in 2020, N15.102 billion in 2019, N11.499 billion in 2018, N9.860 billion in 2017, and N7.810 billion in 2016. Capital expenditure amounted to N37.165 billion in 2020, N30.096 billion in 2019, N26.699 billion in 2018, N28.454 billion in 2017, and N18.288 billion in 2016, respectively. The Total debt service that comprises the interest payment and principal repayment stood at N5.255 billion in 2020 compared to N5.113 billion in 2016 (see table below).

|                                        | 2016   | 2017   | 2018   | 2019   | 2020   |
|----------------------------------------|--------|--------|--------|--------|--------|
| Total Expenditure                      | 54,254 | 70,948 | 71,090 | 79,186 | 90,197 |
| Personnel                              | 18,749 | 20,345 | 22,048 | 22,872 | 26,274 |
| Overhead Costs                         | 7,810  | 9,860  | 11,499 | 15,102 | 13,927 |
| Debt Service (Interests+Amortizations) | 5,113  | 4,222  | 3,147  | 3,537  | 5,255  |
| Other Recurrent Expenditures           | 4,294  | 8,067  | 7,697  | 7,579  | 7,576  |
| Capital Expenditure                    | 18,288 | 28,454 | 26,699 | 30,096 | 37,165 |



### 3.3 STATE DEBT PORTFOLIO, 2016 - 2020

Yobe State's Debt stock amounted to N64.912 billion in 2020 compared to N37.717 billion in 2019, representing an increase of N27.194 billion or 72.10 percent. The increase in the Total Debt stock was reflected in both Domestic and External Debt components. The external debt stock increased from N8.740 billion in 2019 to N10.044 billion in 2020, while the domestic debt stock significantly increased to N54.868 billion in 2020 from N28.977 billion in 2019, domestic debt increase was due to additional new stock from Commercial Bank Loans (N9.642 billion) and Other Debts (N15.959 billion) in 2020.

|                              | 2016   | 2017   | 2018   | 2019   | 2020   |
|------------------------------|--------|--------|--------|--------|--------|
| Outstanding Debt (Old + New) | 29,457 | 37,208 | 36,216 | 37,717 | 64,912 |
| External                     | 7,216  | 9,027  | 8,423  | 8,740  | 10,044 |
| Domestic                     | 22,241 | 28,181 | 27,793 | 28,977 | 54,868 |

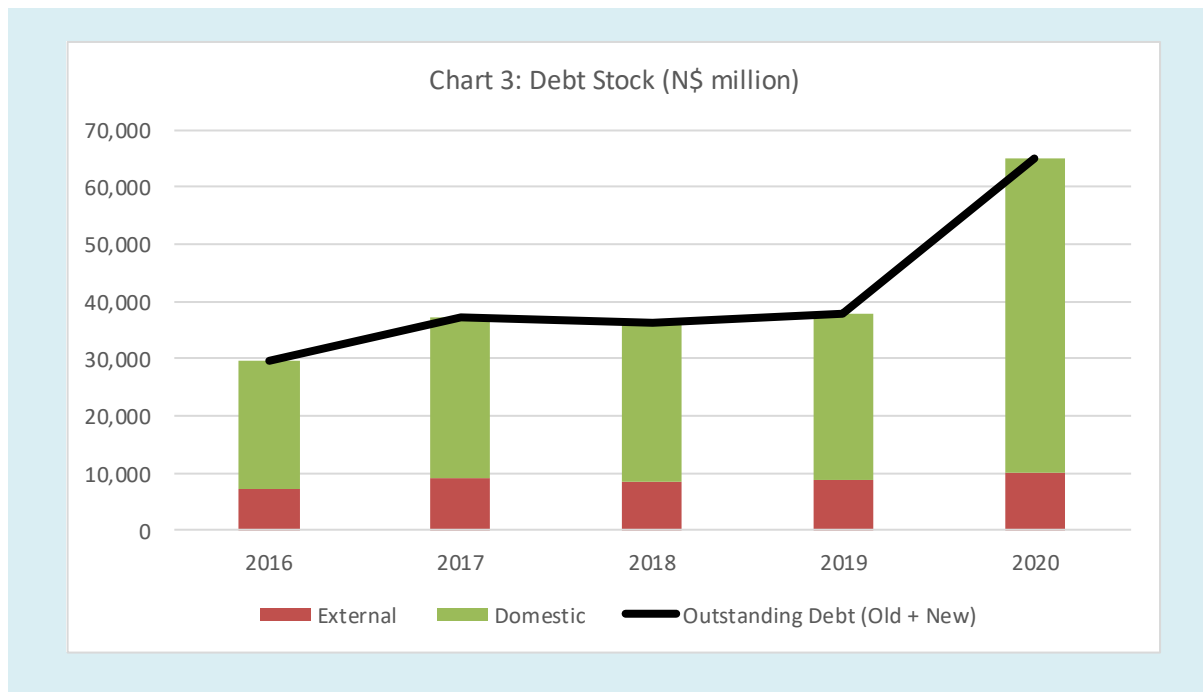


Chart 3: shows an increase in the Debt Stock from N29.457 billion in 2016 to N64.912 billion in 2020. Domestic debt comprises Budget Support Facility, Excess Crude Account Backed Loan, Contractors' Arrears, Pension and Gratuity Arrears, with the new additional stock in 2020 from Commercial Bank Loans and Other Debts.

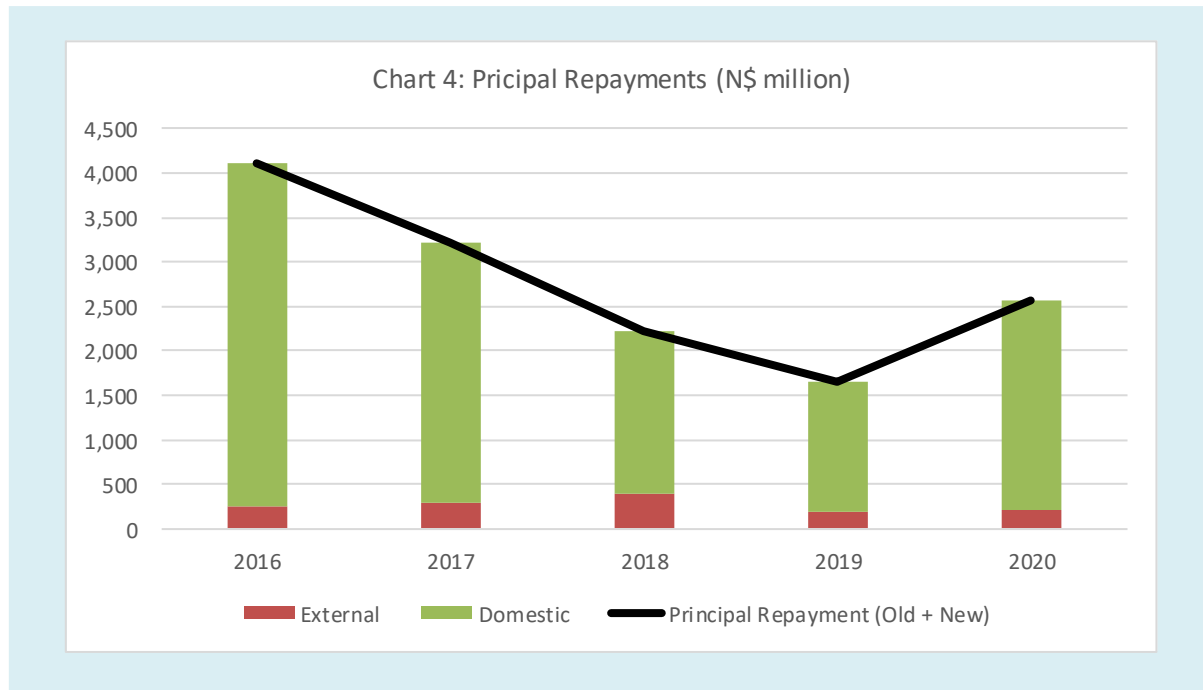
Yobe State Debt composition consists of external debt N10.044 billion or 15.47 percent and Domestic debt was amounted to N54.868 billion or 84.53 percent, respectively.

Yobe State holds a medium cost and medium risk debt portfolio. The debt portfolio has an average domestic interest rate of 9.40 percent and average external interest of 1.33 percent in 2020. The State debt portfolio is minimally exposed to currency, rollover, and interest rate risks. Exposures to currency fluctuations is limited because the foreign currency-denominated loans are only 15.47 percent of total debt stock in 2020. Most all the loans in Yobe State are fixed-rate obligations, thus not affected by changes in interest rates. A large portion of these loans have maturities ranging from 10 to 35 years and include financing from the Federal Government and Multilateral organizations. Therefore, rollover/refinancing risk associated with potential deterioration of domestic financial conditions is reasonably negligible.

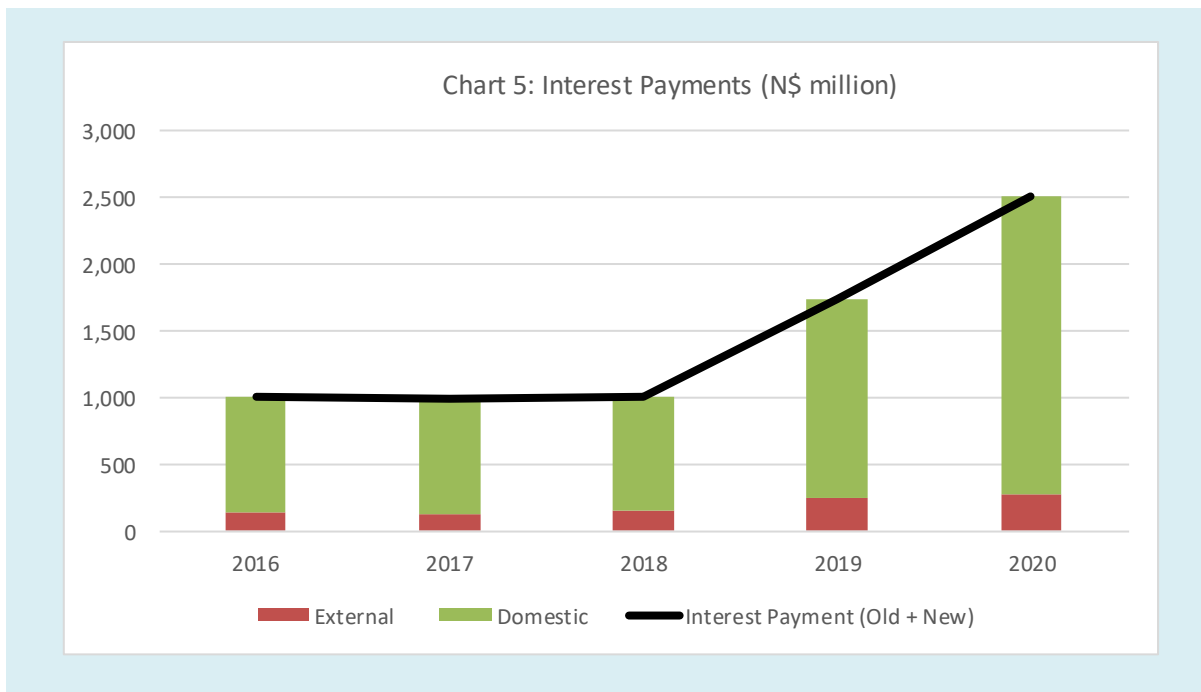
Yobe State Debt Service amounted to N5.107 billion in 2016, N4.215 billion in 2017, N3.222 billion in 2018, N3.390 billion in 2019 and N5.080 billion in 2020 respectively. The principal repayment amounted at N4.105 billion in 2016, N2.213 billion in 2018, and N2.565 billion in 2020, respectively. While the Interest Payment amounted to N2.516 billion in 2020 compared

to N1.736 billion in 2019. The principal repayments and Interest Payment made were on both External Debt and Domestic Debt (see Chart 4 and 5).

|                                 | 2016  | 2017  | 2018  | 2019  | 2020  |
|---------------------------------|-------|-------|-------|-------|-------|
| Principal Repayment (Old + New) | 4,105 | 3,216 | 2,213 | 1,653 | 2,565 |
| External                        | 248   | 300   | 383   | 179   | 205   |
| Domestic                        | 3,857 | 2,916 | 1,830 | 1,474 | 2,360 |



|                              | 2016  | 2017 | 2018  | 2019  | 2020  |
|------------------------------|-------|------|-------|-------|-------|
| Interest Payment (Old + New) | 1,002 | 999  | 1,009 | 1,736 | 2,516 |
| External                     | 134   | 123  | 153   | 254   | 277   |
| Domestic                     | 868   | 876  | 856   | 1,482 | 2,239 |



#### 4.0 DEBT SUSTAINABILITY ANALYSIS

**A debt sustainability analysis (DSA) assesses how a state or nation's current level of debt and prospective borrowing affect its present and future ability to meet debt service obligations. It is a consensus that a key factor for achieving external and public debt sustainability is macroeconomic stability.** The concept of debt sustainability refers to the ability of the Government to honor its future financial obligations. Since policies and institutions governing spending and taxation largely determine such obligations, debt sustainability ultimately refers to the ability of the Government to maintain sound fiscal policies over time without having to introduce major budgetary or debt adjustments in the future. Conversely, fiscal policies are deemed unsustainable when they lead to excessive accumulation of public debt, which could eventually cause the Government to take action to address the unwanted consequences of a heavy debt burden. Government therefore should endeavor to strike a balance between revenue and expenditure, so that any debt incurred will not impact negatively on the State, leading to serious financial crisis.

#### YOBE STATE DEBT SUSTAINABILITY ANALYSIS

Chart 21 shows to the Debt as a percentage of State GDP (with indicative threshold of 25%). The sustainability position of the State's Total debt portfolio in the fiscal block shows a gradual ascending trend from 2016 to 2030. Even though the ratio has continued to declining steadily over the period to 5.00 percent in 2030 compared with 7.713 percent in 2021 and 6.67 percent in 2022, it is well within the threshold insinuating room for additional further borrowing under the right circumstances.

#### Yobe State Debt Management Unit 2021

Based on this, the State's GDP have potentials for growth and can also accommodate the State's debt stock, with minimal effect on the State economy. Chart 22 shows the Debt as a percentage of revenue estimated to decline from 111.49 percent in 2020 to 95.90 percent in 2021, 67.03 percent in 2023, 50.66 percent in 2025, but start increasing to 62.98 percent in 2027, 66.54 percent in 2028, 75.23 percent in 2029, and 80.77 percent in 2030 as against the threshold of 200 percent over the projection period.

Debt Service as percentage of Revenue projected to increase from 10.69 percent in 2021 to 13.56 percent in 2030 (with indicative threshold of 40 percent). Personnel Cost as percentage of Revenue estimated to decline from 40.17 percent in 2021 to 23.73 percent in 2025, and 24.66 percent in 2030 as against the threshold of 60 percent. Debt Service as a percentage of Gross FAAC Allocation, Interest as percentage Revenue and External Debt Service as percentage of Revenue estimated at 15.71 percent, 5.88 percent, and 0.87 percent in 2030.

#### **4.1 MEDIUM-TERM BUDGET FORECAST**

Debt sustainability analysis of the State is predicated on the continuation of recent efforts to grow the IGR of the State annually in the medium term. The economy is expected to gradually recover from 2021-2024, with real GDP expanding at an average annual rate of 4 percent and domestic inflation decreasing below 10.94 percent by 2022. The moderate recovery will be supported by economic growth through diversification and increase in the share of VAT. The Tax Administration reforms adopted by the State Government will also strengthen resources provided by IGR, as well as numerous industries that are being attracted to the State through industrialization drive, which are expected to continue in the next few years. This will benefit the economy immensely.

#### **Yobe State Debt burden indicators as at end-2020**

| <b>Indicators</b>                     | <b>Thresholds</b> | <b>Ratio</b> |
|---------------------------------------|-------------------|--------------|
| Debt as % of GDP                      | 25%               | 7.13         |
| Debt as % of Revenue                  | 200%              | 111.49       |
| Debt Service as % of Revenue          | 40%               | 8.73         |
| Personnel Cost as % of Revenue        | 60%               | 45.13        |
| Debt Service as % of FAAC Allocation  | Nil               | 9.89         |
| Interest Payment as % of Revenue      | Nil               | 4.32         |
| External Debt Service as % of Revenue | Nil               | 0.83         |

The State has put in various Tax Administration reforms to strengthen its IGR in order to sustain its debt, these include the enactment of The State Development Plan - Yobe State Socio-Economic Report Agenda (YOSERA), Revenue Administration Law, with these new reforms adopted by the State Government, the IGR of the State is expected to grow in the next few years and this will benefit the state towards overall economic recovery. On the other hand, is the Civil Service Reform Policies being implemented with regard to personnel and overhead cost, which are likely to decline from their historical trends.

#### **4.2 BORROWING OPTIONS**

Yobe state government intends to finance its new borrowing from 2021 to 2030 mainly from Domestic financing through Commercial Bank Loans (maturity 1-5 years) with an average of 35.77 percent, Commercial Bank Loans (maturity 6 year above) estimated at 10.24 percent, State Bonds (maturity 1-5 years) at 18.97 percent, and State Bonds (maturity 6 years above) at 13.13 percent, over projection period, compared with External financing – Concessional financing which was estimated at 16.05 percent and Bilateral financing projected at 5.84 percent. For external financing was due to the limited funding envelopes from the external borrowing with long processing time required loans from Multilateral and Bilateral.

#### **4.3 DSA SIMULATION RESULTS**

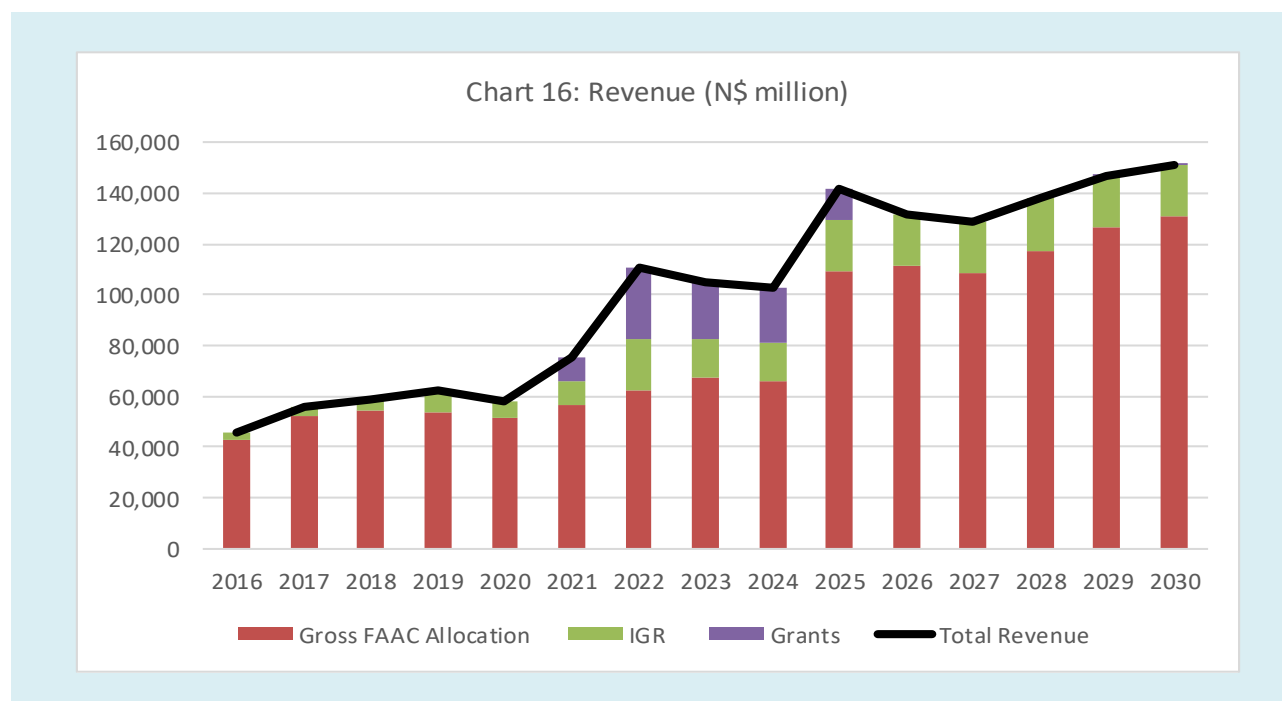
Recent shocks underscore the urgent need to significantly diversify and improve government revenues and reduce the dependence on oil revenue sources. Government remains committed to using innovative ways to raise the revenues required to finance its expenditure and diversifying its revenue sources. Higher revenue collections will enable Government to deliver public services more effectively, enhance infrastructure investment, and improve investment in human capital.

Yobe State Total Revenue (including grants and excluding other capital receipts) is expected to increase from N58.222 billion in 2020 to N151.286 billion in 2030, representing an increase of N93.064 billion or 159.84 percent over the projection period. Gross FAAC Allocation projected to grow from 51.389 billion in 2020 to 130.636 billion in 2030, and Grants projected to grow from 10.000 billion in 2021 to N112.200 billion in 2025. The projections were sources from the Approved 2021 Budget; Economic and Fiscal Update (EFU), Fiscal Strategy Paper (FSP) and Budget Policy Statement (BPS), 2022-2024; and projections period of 2025-2030 was estimated by the Ministry of Budget & Economic Planning official.

The Internally Generated Revenue (IGR)'s tax system will be further strengthened over the medium term by improving collection efficiency, enhancing compliance, and reorganizing the business practices of revenue agencies in the state as well as employing appropriate



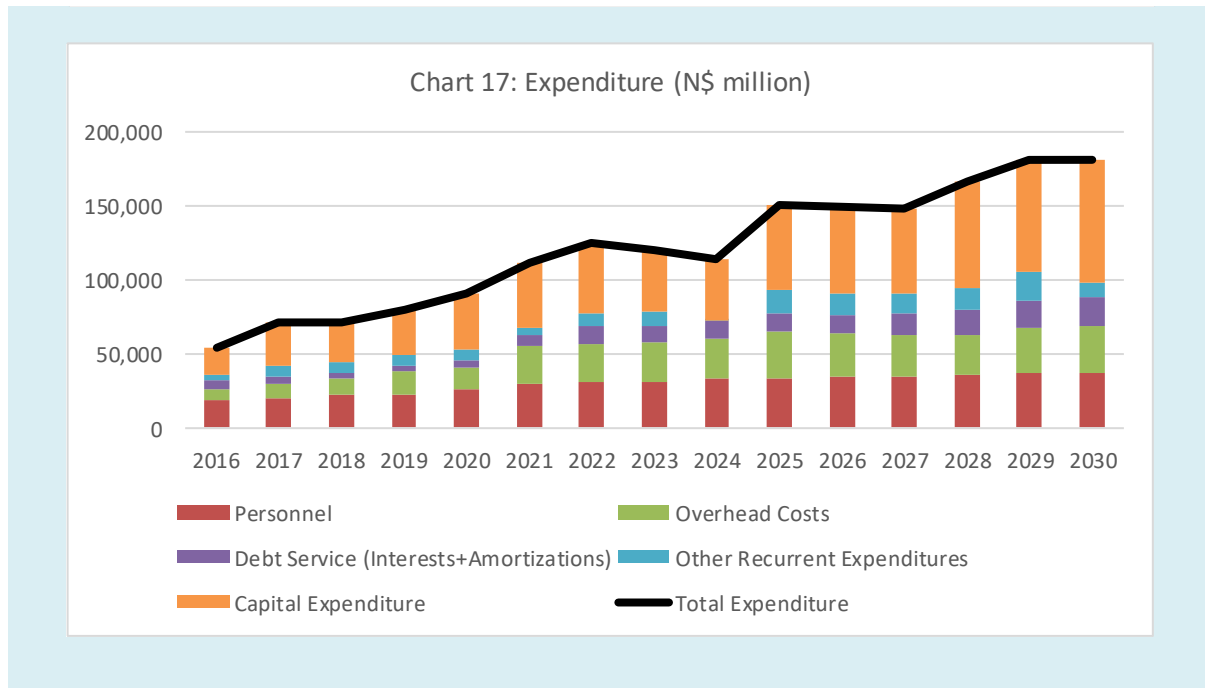
technology. In addition, efforts will be made to bring more businesses in the informal sector into the tax net. IGR estimated to grow by N8.347 billion or 122.16 percent (from N6.833 billion in 2020 to N20.400 billion in 2030), over the projection period of the Approved 2021 Budget; Economic and Fiscal Update (EFU), Fiscal Strategy Paper (FSP) and Budget Policy Statement (BPS), 2022-2024; and projections period of 2025-2030 was estimated by the Ministry of Budget & Economic Planning official.



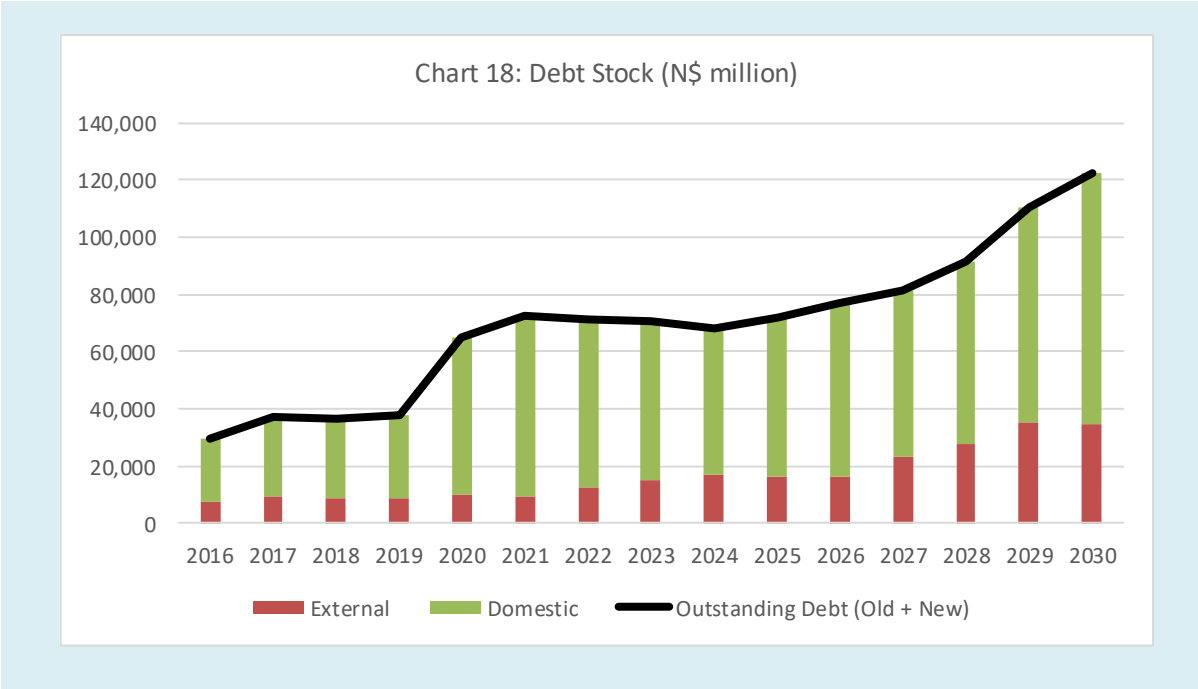
Total expenditure projected at N110.974 billion in 2021, N125.331 billion in 2022, N119.874 billion in 2023, N114.067 billion in 2024, N150.709 billion in 2025, N149.768 billion in 2026, N148.474 billion in 2027, N165.927 billion in 2028, N181.430 billion in 2029 and N181.141 billion in 2030, respectively, indicating stability in the state growth recovery. Personnel estimated at N30.330 billion in 2021, N30.925 billion in 2023, N33.600 billion in 2025, N35,200 billion in 2027 and N36.500 billion in 2029, respectively. Overhead Costs projected at N24.602 billion in 2021, N26.330 billion in 2022, N26.5.94 billion in 2023, N26.126 billion in 2024, N31.023 billion in 2025, N29.023 billion in 2026, N27.156 billion in 2027, N27.15 billion in 2028, N31.000 billion in 2029, and N31.000 billion in 2030, respectively. Debt Service comprises interest and principal repayment of external and domestic debt estimated at N8.070 billion in 2021, N11.633 billion in 2023, N12.992 billion in 2024, N11.718 billion in 2026, N16.506 billion in 2028 and N20.521 billion in 2030, respectively.

Other Recurrent Expenditures estimated at N5.034 billion in 2021, N9.787 billion in 2023, N15.000 billion in 2025, N13.000 billion in 2027, N9.565 billion in 2030, respectively. Capital

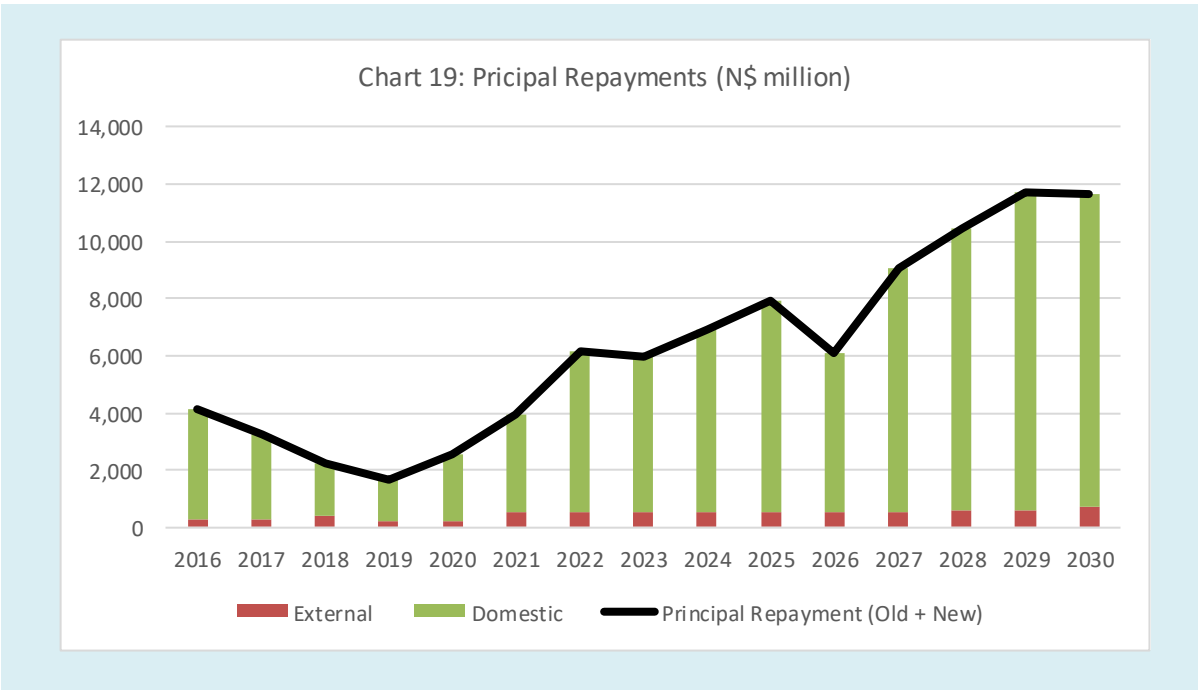
Expenditure estimated to increase over the projection period from N42.938 billion in 2021, N40.935 billion in 2023, N58.095 billion in 2025, N71.224 billion in 2028 and N82.756 billion in 2030, respectively. over the projection period as provided in the Approved 2021 Budget; Economic and Fiscal Update (EFU), Fiscal Strategy Paper (FSP) and Budget Policy Statement (BPS), 2022-2024; and projections period of 2025-2030 was estimated by the Ministry of Budget and Economic Planning official.



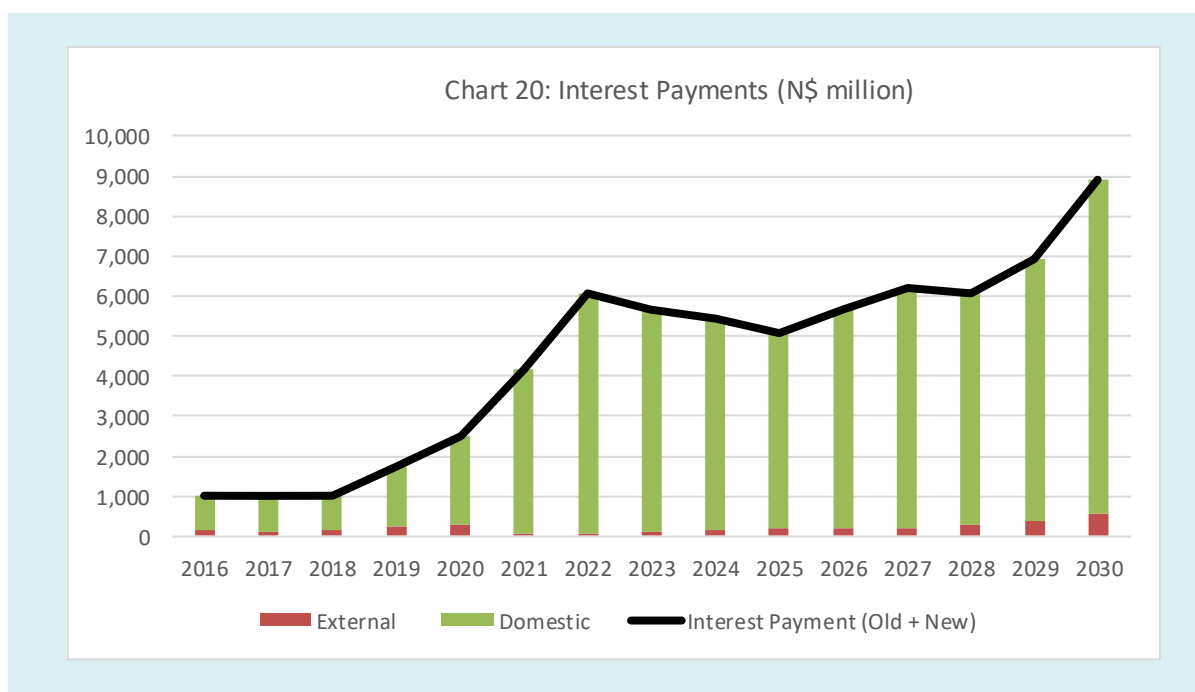
As a result of the State’s modest increase in GDP, great improvement in IGR, increase in Personnel, Overhead costs, and Capital Expenditure. The increased in projected expenditure increase the debt through Primary Balance. Yobe State’s Debt Stock estimated to increase from N64.912 billion in 2020 to N122.200 in 2030. External Debt projected to increase by N24.80 billion and Domestic Debt by N24.819 billion over the projection period, 2021-2030.



Principal Repayment projected to increase from N3.911 billion in 2021 to N11.627 billion in 2030. External principal repayment projected to increase by N245 million and Domestic principal repayment by N10.881 billion over the projection period.



Interest payment projected to increase from N4.159 billion in 2021 to N8.894 billion in 2030. External principal repayment projected to increase by N503 million and Domestic principal repayment by N8.326 billion from 2021 to 2030 over the projection period.



### MAIN FINDING

The Baseline Scenario results shows that the ratio of Debt as % of GDP estimated at 6.67 percent in 2021, 5.28 percent in 2023, 4.47 percent in 2026, 4.47 percent in 2028 and 5.00 percent in 2030, respectively, as against the indicative threshold of 25 percent. The ratio of Debt as % of Revenue estimated at 95.90 percent in 2021, 67.03 percent in 2023, 50.66 percent in 2025, 66.54 percent in 2028 and 80.77 percent in 2030, respectively, the ratio of Debt as % of Revenue remain below the threshold over the projection period. Meanwhile, the ratios of Debt Service to Revenue and Personnel Cost to Revenue trends remains below threshold over the projection period from 2021 to 2030, with the strong minded efforts by the State Government through its various initiatives and reforms in the key sectors of the economy, respectively.



**CONCLUSION**

**Yobe State DSA result shows that, the State remains at the Low Risk of Debt Distress.** The State remains mostly sensitive to the revenue shocks, expenditure shocks, exchange rate shocks, interest rate shocks and historical shocks, indicating that an increase

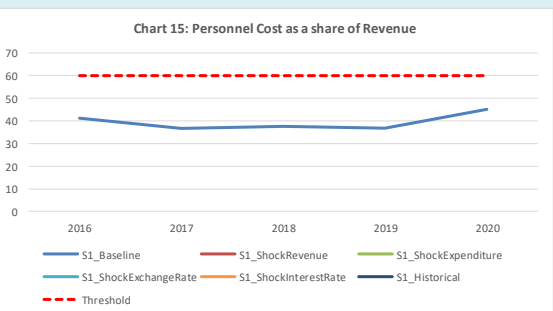
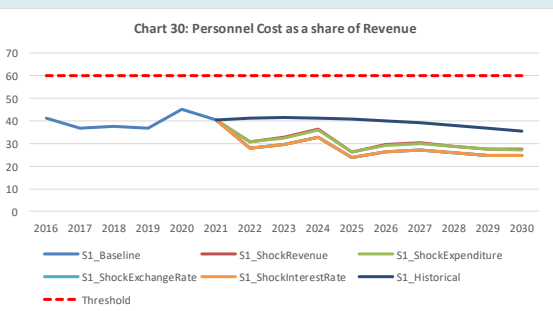
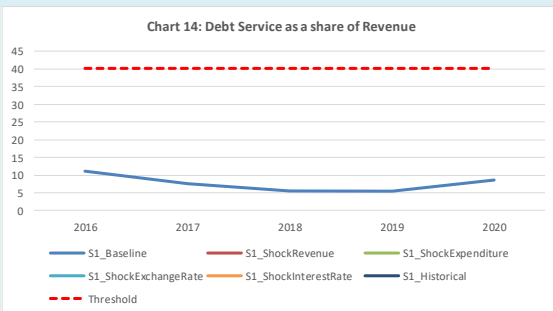
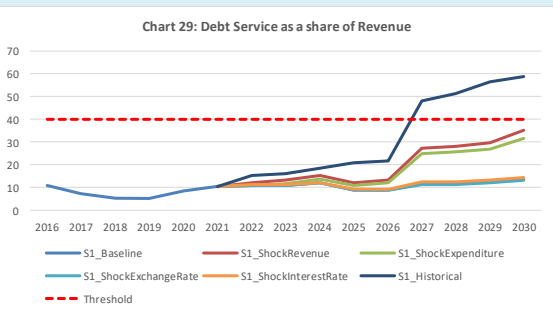
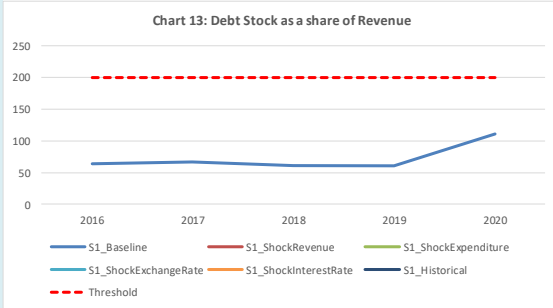
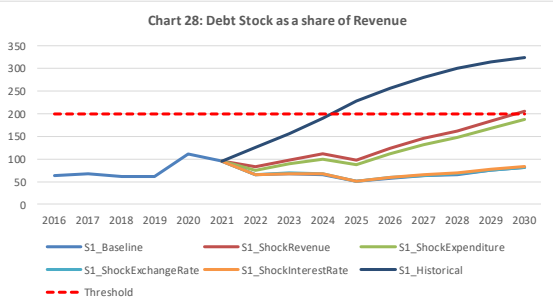
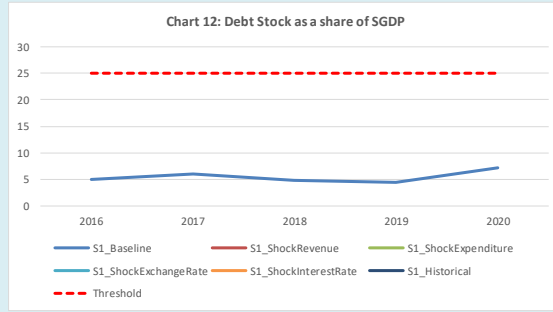
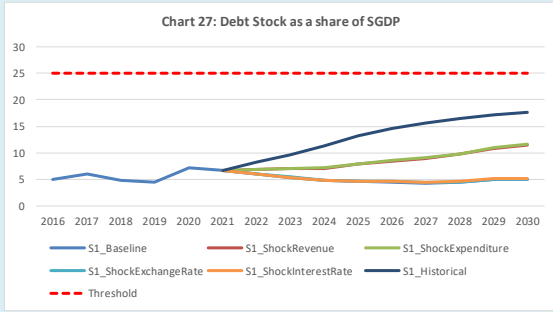
**Yobe State Debt Management Unit 2021**

in aggregate output, does not result to a proportionate increase in revenue. There is, therefore, the urgent need for the authorities to fast-track efforts aimed at further diversifying the sources of revenue away from crude oil (FAAC), as well as implement far-reaching policies that will bolster IGR into the state. This has become critical, given the continued volatility in the FAAC allocation.

#### **4.4 DSA SENSITIVITY ANALYSIS**

The State faces important sources of fiscal risks associated to the possibility of adverse country wide macroeconomic conditions and the reversal of the State's revenue and expenditure policies. A sensitivity analysis is undertaken considering macroeconomic shocks and policy shocks to evaluate the robustness of the sustainability assessment for the baseline scenarios discussed in the previous sub-sections. When considering both macroeconomic and policy shocks, it is assumed that external and domestic borrowings cover any revenue shortfall and additional expenditure relative to the baseline scenario discussed earlier.

**The 2021 DSA analysis shows that Yobe remains at moderate of debt distress under sensitivity analysis.** The State DSA analysis shows deteriorate related to revenue shocks, expenditure shocks, exchange rate shocks, interest rate shocks and historical shock, that would lead to increase Gross Financing Needs over the projection period. The shocks apply breached the threshold under debt as percent of Revenue from 2024 to 2030 under historical shocks. The debt service as percent of Revenue breached the benchmarks from 2026 to 2030 through historical shocks. There is, an urgent need for the authorities to fast-track efforts aimed at further diversifying the sources of revenue away from crude oil (FAAC), as well as implement far-reaching policies that will bolster IGR into the state. This has become critical, given the continued volatility in the FAAC allocation.



## 5.0 DEBT MANAGEMENT STRATEGY

Public debt management is the process of establishing and executing a strategy for managing the government's debt in order to raise the required amount of funding at the lowest possible cost over the medium to long run, consistent with a prudent degree of risk. Debt Management Strategy examines the costs and risks inherent in the current debt portfolio, as well as in the debt portfolios that would arise from a range of possible issuance strategies, considering factors such as the macroeconomic and financial market environment, the availability of financing from different creditors and markets, and vulnerabilities that may have an impact on future borrowing requirements and debt service costs.

The Debt Management Strategy provides alternative strategies to meet the financing requirements for Yobe. The strategies are shown by the breakdown of funding mix (domestic debt and external debt) and within the broad categories of domestic and external, the share of each stylized instrument has also been illustrated. Following four strategies are assessed by the government. The Yobe's Debt Management Strategy, 2021-2025, analyses the debt management strategies outcomes of the three debt management performance indicators namely Debt Stock to Revenue, Debt Services to Revenue and Interest to Revenue. The cost is measured by the expected value of a performance indicator in 2025, as projected in the baseline scenario. Risk is measured by the deviation from the expected value in 2025 caused by an un-expected shock, as projected in the most adverse scenario.

### 5.1 Alternative Borrowing Options

**Strategy 1 (S1) reflects a "Baseline" MTEF Financing Mix:** It follows the broad parameters of the financing mix in the fiscal year 2021 and MTEF, 2021-2023. External gross borrowing under Concessional loans accounts on average 23.87 percent over the strategic period mainly through World Bank and African Development Bank. The Domestic gross financing comprises commercial bank loans, State bonds and other domestic financing. The Domestic Financing under the Commercial Bank loans (maturity of 1-5 years) accounts on average 48.54 percent, Commercial Bank loans (maturity above 6 years) accounts on average 9.02 percent, and State Bonds (maturity of 1-5 years) accounted on average of 18.57 percent over the DMS period of 2021 to 2025.

**Strategy 2 (S2) focus more financing through commercial bank loans:** In this strategy it has been assumed the distribution between external and domestic borrowing remains the same in 2021 as its in strategy 1. The remaining of borrowing distributions from 2022 to 2025, the state government will focus its financing through commercial bank loans with average 64.51 percent under maturity of 1-5 years and 10.20 percent under maturity of



above 6 years, State Bonds with average of 16.22 percent, and External financing (Concessional) with average of 9.27 percent, over the strategic period, compared to other financing needs.

**Strategy (S3) focus its financing through domestic debt market.** In strategy 3, the government decided to focus more of its financing from 2021 to 2025, through State Bonds (1-5 years), State Bonds (above 6 years), Commercial Bank loans (1-5 years) with an average of 38.74 percent, 11.96 percent, 24.43 percent, respectively. as against the Commercial Bank loans with the maturity of above 6 years with average of 8.13 percent and External Concessional Loans sources with average of 16.74 percent. This strategy considers the scenario where proportions of external and domestic debt instruments in 2021 remains the same with strategy 1.

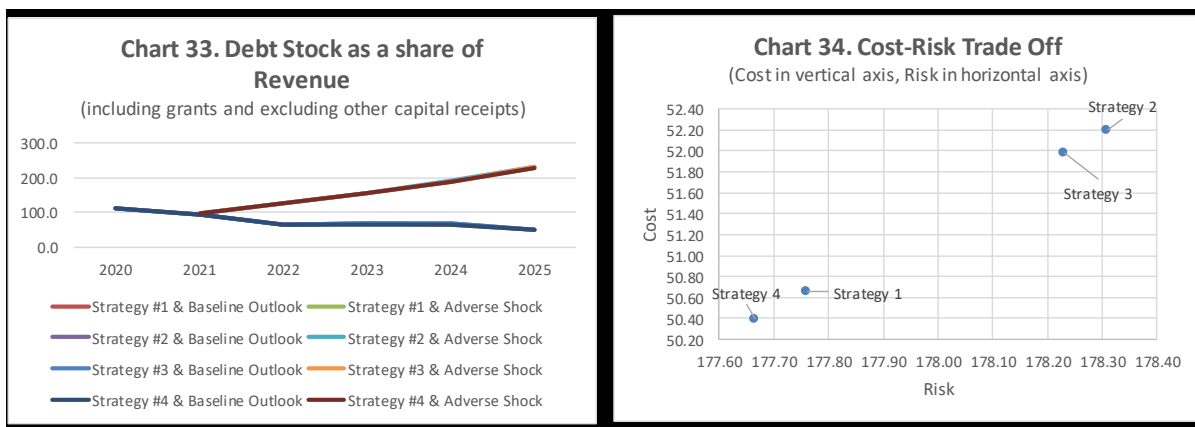
**Strategy (S4) focus its financing through external Concessional Loans.** This Strategy (S4) considers the scenario where proportions of external and domestic debt instruments in 2021 remains the same with strategy 1. External Financing - Concessional Loans and Bilateral loans represents an average of 37.87 percent and 8.12 percent from 2021-2025, compared with the other gross financing which comprises Commercial bank loans (1-5 years) of 40.07 percent and Commercial bank loans (above 6 years) of 13.95 percent, respectively.

## 5.2 DMS Simulation Results

Analysis of strategies & outcomes of the analysis. The cost risk trade off charts illustrate the performance of the alternative strategies with respect to four debt burden indicators.

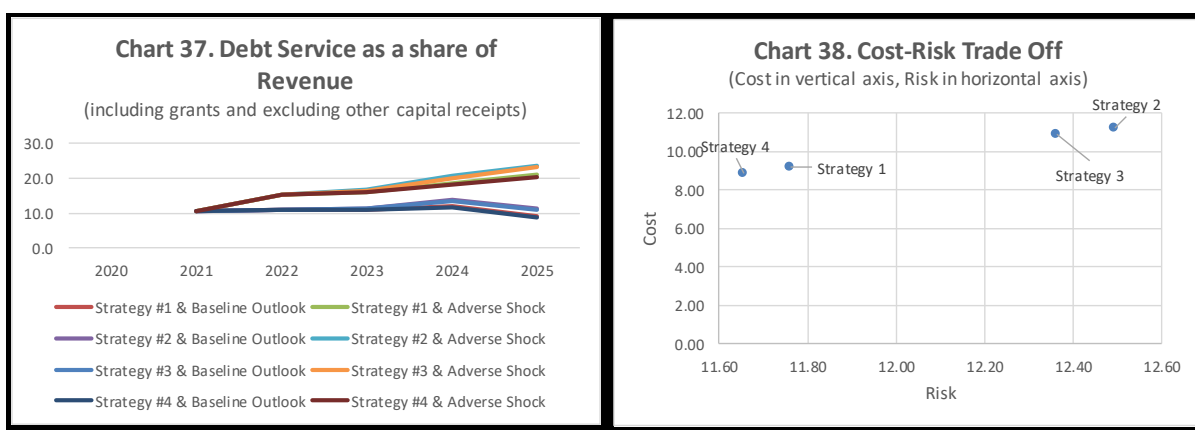
### a. Debt as a share Revenue:

- Strategy 4 shows the Cost ratio of Debt to Revenue estimated to decrease from 95.90 percent in 2021 to 50.39 percent, as against Strategy 1 of 50.66 percent, Strategy 3 of 51.98 percent and Strategy 2 of 52.20 percent, over the DMS period of 2025, compared with the Risks measured of Strategy 4 (177.66 percent), Strategy 1 (177.76 percent), Strategy 3 (178.23 percent) and Strategy 2 (178.31 percent), respectively.
- Analysis using this debt indicator of debt to revenue shows that S4 is the least costly and riskier which was estimated at 50.39 percent and 177.66 percent compared to Strategy 1 (50.66 percent and 177.76 percent) Strategy 3 (51.98 percent and 178.23 percent), respectively. On the other hand, Strategy 2 is the costliest and riskiest strategy which was estimated as 52.20 percent and 178.31 percent, Strategy 2 concentrated on more State bonds borrowings and commercial bank loans with little proportion of external financing over the DMS period of 2021-2025.



**b. Debt Service as a share of Revenue:**

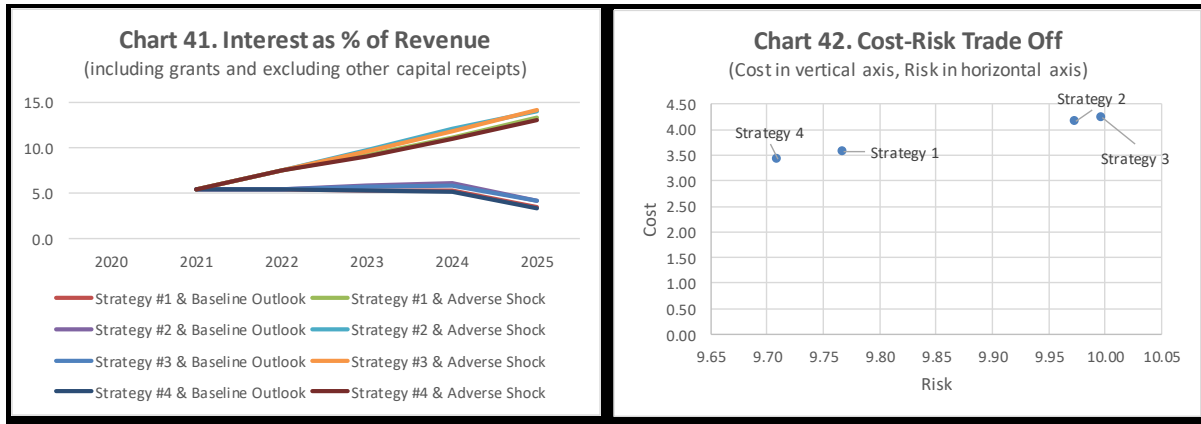
- In terms of Debt Service to Revenue, Strategy 4 has the lowest costs of 10.63 percent in 2021 to 8.88 percent in 2025 and lowest risks of 11.66 percent compared to Strategy 1 (costs at 9.18 percent and risks at 11.76 percent), Strategy 3 (costs at 10.87 percent and risks at 12.36 percent) and Strategy 2 (costs at 11.24 percent and risks at 12.50 percent), respectively, as at end of the strategic period of 2025.
- Strategy 4 has the lowest costs at 8.88 percent and minimum risks at 11.66 percent under the Debt Service to Revenue, followed by Strategy 1 costs at 9.18 percent and risks at 11.76 percent. But the Strategy 2 is the costliest and riskiest strategy as the domestic debt financing considered more State Bonds.



**c. Interest as a share of Revenue**

- Strategy 4 is the least costs with regards Interest to Government revenues, which projected the Costs at 3.41 percent and Risks at 9.71 percent, whilst Strategy 3 is the most costly and risky strategy at 4.22 percent and 10 percent, compared to Strategy 1 with moderate costs and risks of 3.58 percent and 9.77 percent and Strategy 2 with estimated costs and risks of 4.16 percent and 9.97 percent, as at end of the strategic period of 2025.

- The ratios of Interest as percent of Revenue analysis shows that S4 yield the lowest costs and risks due to high external financing, as the external debt service terms requirement has low interest rate, longer maturity and grace period in concessional external financing. Compared to S1 and S2 with the moderate costs and risks. S3 is the most costly and risky strategy.



### 5.3 DMS Assessment

The preferred strategy was not solely based on the Analytical Tool assessment of all four strategies but took into consideration the ability to implement the chosen strategy successfully in the medium-term. Therefore, although the Analytical Tool's results of costs and risks would suggest that the recommended strategy be S4 these results were just marginally better when compared with Strategy S1. ***Strategy 1 was considered as the most feasible of the strategies to implement in the short to medium-term and it would still greatly improve the portfolio's debt position relative to the base year 2020.***

In comparison to the current debt position, Yobe State debt portfolio stood at N 64,912 billion as at end-2020, which expected an increase to N71.724 billion under Strategy 1 to the end of the strategic period, compared to Strategy 2 (N73.904 billion), Strategy 3 (N73.599 billion), and Strategy 4 (N 71.347 billion). In addition to this, the cost/risk trade-offs are considered, using the debt to GDP, debt to revenue, debt service to GDP, debt service to revenue, interest to GDP and interest payment to GDP ratios, S1 is selected as the preferred strategy for the 2021-2025.

The Debt Management Strategy, 2021-2025 represents a robust framework for prudent debt management, as it provides a systematic approach to decision making on the appropriate composition of external and domestic borrowing to finance the 2021 budget. The cost-risk trade-off of alternative borrowing strategies under the DMS has been evaluated within the medium-term context.

## ASSUMPTION

- a. Opening Balance – The state anticipated opening balance of ₦3.5 billion for the three years period.
- b. Statutory Allocation – This is estimated using the elasticity forecasting which project ₦38.644 government's share of FAAC in 2022, ₦43.887 billion, 2023 and slightly decline to ₦41.989 billion in 2024.
- c. Value Added Tax (VAT) – government share of VAT is estimated using own value ₦20.526 billion in 2022, 2023 and 2024.
- d. Excess Crude – Excess Crude and other FAAC Revenues expected is earmarked at ₦2.982 billion for the three years period.
- e. Internally Generated Revenue (IGR) – The state government anticipate increasing its revenue base, blocking the identified leakages. The sum of ₦20.181 billion was earmarked in 2022. This also include refund on NEPA ground rent of ₦5 billion.
- f. Grants – sum of ₦28 billion was earmarked as grants in 2022 comprising internal grant of ₦22.3 billion and ₦5.7 billion external grant.
- g. Miscellaneous Capital Receipts – ₦15 billion was earmarked as other capital receipt expected from the refunds on expenditures government incurred on federal roads and other sources of government revenues.
- h. Financing (Net Loans) – sum of ₦5 billion is expected to be collected from NCARES on programme for results loan facility basis.
- i. Personnel – sum of ₦30.618 billion earmarked as personnel cost in 2022, ₦32.149 billion in 2023 and ₦33.757 billion in 2024 respectively.
- j. Social Contribution and Social Benefits – ₦3.792 was earmarked for payment of pension, gratuities and other social contributions.
- k. Overheads – other recurrent services witnessed a steady growth year-on-year with ₦26.330 billion in 2022, ₦26.594 billion and ₦27.126 billion in 2023 and 2024 respectively using own percentage forecasting method.
- l. Grants, Contributions, Subsidies and Transfers – sum of ₦21.615 million was earmarked in 2022, ₦24.857 and ₦28.586 billion in 2023 and 2024 respectively.
- m. Public Debt Service – Sum of ₦21.153, ₦10.576 and ₦6.346 billion was earmarked to service the debts in 2022, 2023 and 2024 respectively.
- n. Contingency and Planning Reserves – Planning reserve of ₦4.292 billion, ₦4.303 and ₦4.209 billion was set aside for planning purposes in the 3 years 2022 – 2024.
- o. Capital Expenditure – sum of ₦47.625 billion in 2022, ₦40.935 billion and ₦41.220 billion in 2023 and 2024 translating into 38.22% and 39.00% growth.

# ANNEXTURE I

2021

| Assumptions:                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Projection Methodology                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Source                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Economic activity</b>                                                        | State GDP (at current prices)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | State GDP projected using the actual S-GDP and projected N-GDP nominal growth rate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | State Statistics and NBS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Revenue</b>                                                                  | <p><b>Revenue</b></p> <ol style="list-style-type: none"> <li>Gross Statutory Allocation ('gross' means with no deductions; do not include VAT Allocation here)               <ol style="list-style-type: none"> <li>of which Net Statutory Allocation ('net' means of deductions)</li> <li>of which Deductions</li> </ol> </li> <li>Derivation (if applicable to the State)</li> <li>Other FAAC transfers (exchange rate gain, augmentation, others)</li> <li>VAT Allocation</li> <li>IGR</li> <li>Capital Receipts               <ol style="list-style-type: none"> <li>Grants</li> <li>Sales of Government Assets and Privatization Proceeds</li> <li>Other Non-Debt Creating Capital Receipts</li> </ol> </li> </ol>                                                                                            | <p><b>Statutory Allocation</b> – This is estimated using the elasticity forecasting which project N38.644 government's share of FAAC in 2022, N43.887 billion, 2023 and slightly decline to N41.989 billion in 2024</p> <p><b>Statutory Allocation</b> – This is estimated using the elasticity forecasting which project N38.644 government's share of FAAC in 2022, N43.887 billion, 2023 and slightly decline to N41.989 billion in 2024</p> <p><b>Statutory Allocation</b> – This is estimated using the elasticity forecasting which project N38.644 government's share of FAAC in 2022, N43.887 billion, 2023 and slightly decline to N41.989 billion in 2024</p> <p><b>Excess Crude</b> – Excess Crude and other FAAC Revenues expected is earmarked at N2.982 billion for the three years period</p> <p><b>VAT</b> – government share of VAT is estimated using own value N20.526 billion in 2022, 2023 and 2024</p> <p><b>Internally Generated Revenue (IGR)</b> – The state government anticipate to increase its revenue base, blocking the identified leakages. The sum of N20.181 billion was earmarked in 2022. This also include refund on NEPA ground rent of N5 billion.</p> <p><b>Grants</b> – sum of N28 billion was earmarked as grants in 2022 comprising internal grant of N22.3 billion and N5.7 billion external grant.</p> <p><b>Miscellaneous Capital Receipts</b> – N15 billion was earmarked as other capital receipt expected from the refunds on expenditures government incurred on federal roads and other sources of government revenues.</p> | <p>2021 Approved Budget &amp; EFU-FSP-BPS, 2022-2024</p> <p>2021 Approved Budget &amp; EFU-FSP-BPS, 2022-2024</p> <p>2021 Approved Budget &amp; EFU-FSP-BPS, 2022-2024</p> <p>2021 Approved Budget &amp; EFU-FSP-BPS, 2022-2024</p> <p>2021 Approved Budget &amp; EFU-FSP-BPS, 2022-2024</p> <p>2021 Approved Budget &amp; EFU-FSP-BPS, 2022-2024</p> <p>2021 Approved Budget &amp; EFU-FSP-BPS, 2022-2024</p> <p>2021 Approved Budget &amp; EFU-FSP-BPS, 2022-2024</p> <p>2021 Approved Budget &amp; EFU-FSP-BPS, 2022-2024</p> |
| <b>Expenditure</b>                                                              | <p><b>Expenditure</b></p> <ol style="list-style-type: none"> <li>Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)</li> <li>Overhead costs</li> <li>Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)</li> <li>Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)</li> <li>Capital Expenditure</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                             | <p><b>Personnel</b> – sum of N30.618 billion earmarked as personnel cost in 2022, N32.149 billion in 2023 and N33.757 billion in 2024 respectively</p> <p><b>Overheads</b> – other recurrent services witnessed a steady growth year-on-year with N26.330 billion in 2022, N26.594 billion and N27.126 billion in 2023 and 2024 respectively using own percentage forecasting method.</p> <p><b>Grants, Contributions, Subsidies and Transfers</b> – sum of N21.615 million was earmarked in 2022, N24.857 and N28.586 billion in 2023 and 2024 respectively.</p> <p><b>Social Contribution and Social Benefits</b> – N3.792 was earmarked for payment of pension, gratuities and other social contributions. 2.Grants, Contributions, Subsidies and Transfers – sum of N21.615 million was earmarked in 2022, N24.857 and N28.586 billion in 2023 and 2024 respectively.</p> <p><b>Capital Expenditure</b> – sum of N47.625 billion in 2022, N40.935 billion and N41.220 billion in 2023 and 2024 translating into 38.22% and 39.00% growth.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>2021 Approved Budget &amp; EFU-FSP-BPS, 2022-2024</p> <p>2021 Approved Budget &amp; EFU-FSP-BPS, 2022-2024</p> <p>2021 Approved Budget &amp; EFU-FSP-BPS, 2022-2024</p> <p>2021 Approved Budget &amp; EFU-FSP-BPS, 2022-2024</p> <p>2021 Approved Budget &amp; EFU-FSP-BPS, 2022-2024</p>                                                                                                                                                                                                                                     |
| <b>Closing Cash and Bank Balance</b>                                            | <b>Closing Cash and Bank Balance</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Closing Balance</b> – The state anticipated closing balance of N3.5 billion for the three years period                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 2021 Approved Budget & EFU-FSP-BPS, 2022-2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Debt Amortization and Interest Payments</b>                                  | <p><b>Debt Outstanding at end-2020</b></p> <p>External Debt - amortization and interest</p> <p>Domestic Debt - amortization and interest</p> <p><b>New debt issued/contracted from 2021 onwards</b></p> <p><b>New External Financing</b></p> <p>External Financing - Concessional Loans (e.g., World Bank, African Development Bank)</p> <p>External Financing - Bilateral Loans</p> <p>Other External Financing</p> <p><b>New Domestic Financing</b></p> <p>Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)</p> <p>Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSM)</p> <p>State Bonds (maturity 1 to 5 years)</p> <p>State Bonds (maturity 6 years or longer)</p> <p>Other Domestic Financing</p> | <p><b>Amortization and interest payments estimated using profiles recorded in the DMO. Include the external debt service paid through FAAC deductions</b></p> <p><b>Amortization and interest payments estimated using profiles recorded in the DMO. Include the external debt service paid through FAAC deductions</b></p> <p><b>Insert the Borrowing Terms for New External Debt: interest rate (%), maturity (# years) and grace period (#)</b></p> <p>Interest Rate 1.5%, Maturity of 30 years, and Grace period of 7 year</p> <p>Interest Rate 2.5%, Maturity of 12 years, and Grace period of 5 year</p> <p>Interest Rate 15%, Maturity of 4 years, and Grace period of 1 year</p> <p><b>Insert the Borrowing Terms for New Domestic Debt: interest rate (%), maturity (# years) and grace period (#)</b></p> <p>Interest Rate 15%, Maturity of 4 years, and Grace period of 1 year</p> <p>Interest Rate 9%, Maturity of 10 years, and Grace period of 1 year</p> <p>Interest Rate 12%, Maturity of 5 years, and Grace period of 1 year</p> <p>Interest Rate 11%, Maturity of 7 years, and Grace period of 1 year</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>DMO, Nigeria and Yobe State Government</p> <p>DMO, Nigeria and Yobe State Government</p> <p>DMO, Nigeria and Yobe State Government</p> <p>DMO, Nigeria and Yobe State Government</p> <p>DMO, Nigeria and Yobe State Government</p> <p>DMO, Nigeria and Yobe State Government</p> <p>DMO, Nigeria and Yobe State Government</p> <p>DMO, Nigeria and Yobe State Government</p> <p>DMO, Nigeria and Yobe State Government</p>                                                                                                    |
| <b>Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S1</b> | <p><b>Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S1</b></p> <p><b>New Domestic Financing in Million Naira</b></p> <p>Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)</p> <p>Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSM)</p> <p>State Bonds (maturity 1 to 5 years)</p> <p>State Bonds (maturity 6 years or longer)</p> <p>Other Domestic Financing</p> <p><b>New External Financing in Million US Dollar</b></p> <p>External Financing - Concessional Loans (e.g., World Bank, African Development Bank)</p> <p>External Financing - Bilateral Loans</p> <p>Other External Financing</p>                                                                                | <p><b>Financing (Net Loans)</b> – sum of N5 billion is expected to be collected from NCARES on programme for results loan facility basis</p> <p><b>Financing (Net Loans)</b> – sum of N5 billion is expected to be collected from NCARES on programme for results loan facility basis</p> <p><b>Financing (Net Loans)</b> – sum of N5 billion is expected to be collected from NCARES on programme for results loan facility basis</p> <p><b>Financing (Net Loans)</b> – sum of N5 billion is expected to be collected from NCARES on programme for results loan facility basis</p> <p><b>Financing (Net Loans)</b> – sum of N5 billion is expected to be collected from NCARES on programme for results loan facility basis</p> <p><b>Financing (Net Loans)</b> – sum of N5 billion is expected to be collected from NCARES on programme for results loan facility basis</p> <p><b>Financing (Net Loans)</b> – sum of N5 billion is expected to be collected from NCARES on programme for results loan facility basis</p> <p><b>Financing (Net Loans)</b> – sum of N5 billion is expected to be collected from NCARES on programme for results loan facility basis</p> <p><b>Financing (Net Loans)</b> – sum of N5 billion is expected to be collected from NCARES on programme for results loan facility basis</p>                                                                                                                                                                                                                                                           | <p>2021 Approved Budget &amp; EFU-FSP-BPS, 2022-2024</p> <p>2021 Approved Budget &amp; EFU-FSP-BPS, 2022-2024</p> <p>2021 Approved Budget &amp; EFU-FSP-BPS, 2022-2024</p> <p>2021 Approved Budget &amp; EFU-FSP-BPS, 2022-2024</p> <p>2021 Approved Budget &amp; EFU-FSP-BPS, 2022-2024</p> <p>2021 Approved Budget &amp; EFU-FSP-BPS, 2022-2024</p> <p>2021 Approved Budget &amp; EFU-FSP-BPS, 2022-2024</p> <p>2021 Approved Budget &amp; EFU-FSP-BPS, 2022-2024</p>                                                          |
| <b>Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S2</b> | <p><b>Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S2</b></p> <p><b>New Domestic Financing in Million Naira</b></p> <p>Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)</p> <p>Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSM)</p> <p>State Bonds (maturity 1 to 5 years)</p> <p>State Bonds (maturity 6 years or longer)</p> <p>Other Domestic Financing</p> <p><b>New External Financing in Million US Dollar</b></p> <p>External Financing - Concessional Loans (e.g., World Bank, African Development Bank)</p> <p>External Financing - Bilateral Loans</p> <p>Other External Financing</p>                                                                                | <p><b>Financing distributions was agreed by the State DSA-DMS Technical Team</b></p> <p><b>Financing distributions was agreed by the State DSA-DMS Technical Team</b></p> <p><b>Financing distributions was agreed by the State DSA-DMS Technical Team</b></p> <p><b>Financing distributions was agreed by the State DSA-DMS Technical Team</b></p> <p><b>Financing distributions was agreed by the State DSA-DMS Technical Team</b></p> <p><b>Financing distributions was agreed by the State DSA-DMS Technical Team</b></p> <p><b>Financing distributions was agreed by the State DSA-DMS Technical Team</b></p> <p><b>Financing distributions was agreed by the State DSA-DMS Technical Team</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>DSA-DMS Technical Team</p> <p>DSA-DMS Technical Team</p> <p>DSA-DMS Technical Team</p> <p>DSA-DMS Technical Team</p> <p>DSA-DMS Technical Team</p> <p>DSA-DMS Technical Team</p> <p>DSA-DMS Technical Team</p>                                                                                                                                                                                                                                                                                                                |
| <b>Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S3</b> | <p><b>Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S3</b></p> <p><b>New Domestic Financing in Million Naira</b></p> <p>Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)</p> <p>Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSM)</p> <p>State Bonds (maturity 1 to 5 years)</p> <p>State Bonds (maturity 6 years or longer)</p> <p>Other Domestic Financing</p> <p><b>New External Financing in Million US Dollar</b></p> <p>External Financing - Concessional Loans (e.g., World Bank, African Development Bank)</p> <p>External Financing - Bilateral Loans</p> <p>Other External Financing</p>                                                                                | <p><b>Financing distributions was agreed by the State DSA-DMS Technical Team</b></p> <p><b>Financing distributions was agreed by the State DSA-DMS Technical Team</b></p> <p><b>Financing distributions was agreed by the State DSA-DMS Technical Team</b></p> <p><b>Financing distributions was agreed by the State DSA-DMS Technical Team</b></p> <p><b>Financing distributions was agreed by the State DSA-DMS Technical Team</b></p> <p><b>Financing distributions was agreed by the State DSA-DMS Technical Team</b></p> <p><b>Financing distributions was agreed by the State DSA-DMS Technical Team</b></p> <p><b>Financing distributions was agreed by the State DSA-DMS Technical Team</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>DSA-DMS Technical Team</p> <p>DSA-DMS Technical Team</p> <p>DSA-DMS Technical Team</p> <p>DSA-DMS Technical Team</p> <p>DSA-DMS Technical Team</p> <p>DSA-DMS Technical Team</p> <p>DSA-DMS Technical Team</p>                                                                                                                                                                                                                                                                                                                |
| <b>Proceeds from Debt-Creatine Borrowines</b>                                   | <b>Planned Borrowines (new bonds, new loans, etc.) for Debt Stevatey S4</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Financing distributions was agreed by the State DSA-DMS Technical Team</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | DSA-DMS Technical Team                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

## ANNEXURES II

| Indicator                                                                                                | Actuals          |                  |                  |                   |                   | Projections       |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|----------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                                                          | 2016             | 2017             | 2018             | 2019              | 2020              | 2021              | 2022              | 2023              | 2024              | 2025              | 2026              | 2027              | 2028              | 2029              | 2030              |
| <b>BASELINE SCENARIO</b>                                                                                 |                  |                  |                  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| <b>Economic Indicators</b>                                                                               |                  |                  |                  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| State GDP (at current prices)                                                                            | 600,955.00       | 623,046.00       | 758,924.00       | 849,453.00        | 910,480.00        | 1,085,954.00      | 1,204,113.00      | 1,330,419.00      | 1,446,911.00      | 1,576,670.00      | 1,721,408.00      | 1,879,434.00      | 2,051,966.00      | 2,240,336.00      | 2,445,999.00      |
| Exchange Rate NGN/US\$ (end-Period)                                                                      | 253.19           | 305.79           | 306.50           | 326.00            | 379.00            | 379.00            | 379.00            | 379.00            | 379.00            | 379.00            | 379.00            | 379.00            | 379.00            | 379.00            | 379.00            |
| <b>Fiscal Indicators (Million Naira)</b>                                                                 |                  |                  |                  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| <b>Revenue</b>                                                                                           | <b>65,594.00</b> | <b>63,757.00</b> | <b>74,877.00</b> | <b>66,110.00</b>  | <b>101,729.00</b> | <b>98,943.09</b>  | <b>130,331.34</b> | <b>114,874.34</b> | <b>112,977.08</b> | <b>155,892.75</b> | <b>151,473.93</b> | <b>145,673.74</b> | <b>163,927.35</b> | <b>183,430.17</b> | <b>183,641.12</b> |
| 1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT Allocation here)     | 20,254.00        | 28,157.00        | 43,023.00        | 42,382.00         | 33,838.00         | 35,383.00         | 38,644.00         | 43,887.00         | 41,989.74         | 66,910.00         | 68,975.00         | 63,674.00         | 69,917.00         | 76,369.00         | 78,706.00         |
| 1.a. of which Net Statutory Allocation ('net' means of deductions)                                       | 18,974.00        | 26,677.00        | 41,528.00        | 40,218.00         | 32,644.00         | 33,219.00         | 36,480.00         | 41,723.00         | 39,825.74         | 64,746.00         | 66,811.00         | 61,510.00         | 67,753.00         | 74,205.00         | 76,542.00         |
| 1.b. of which Deductions                                                                                 | 1,280.00         | 1,480.00         | 1,495.00         | 2,164.00          | 1,194.00          | 2,164.00          | 2,164.00          | 2,164.00          | 2,164.00          | 2,164.00          | 2,164.00          | 2,164.00          | 2,164.00          | 2,164.00          | 2,164.00          |
| 2. Derivation (if applicable to the State)                                                               | 0.00             | 0.00             | 0.00             | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              |
| 3. Other FAAC transfers (exchange rate gain, augmentation, others)                                       | 14,695.00        | 14,643.00        | 1,165.00         | 219.00            | 4,155.00          | 5,000.00          | 2,982.34          | 2,982.34          | 2,982.34          | 5,603.10          | 5,568.10          | 6,100.00          | 6,138.83          | 6,445.77          | 6,768.06          |
| 4. VAT Allocation                                                                                        | 7,568.00         | 9,104.00         | 10,182.00        | 11,078.00         | 13,396.00         | 15,914.00         | 20,525.00         | 20,525.00         | 20,525.00         | 36,678.00         | 37,019.00         | 38,873.00         | 41,301.00         | 43,372.00         | 45,162.00         |
| 5. IGR                                                                                                   | 3,231.00         | 3,598.00         | 4,375.00         | 8,515.00          | 6,833.00          | 9,200.00          | 20,180.00         | 15,180.00         | 15,180.00         | 20,200.00         | 20,250.00         | 20,300.00         | 20,451.10         | 20,400.00         | 20,400.00         |
| 6. Capital Receipts                                                                                      | 19,846.00        | 8,255.00         | 16,132.00        | 3,916.00          | 43,507.00         | 33,446.09         | 48,000.00         | 32,300.00         | 32,300.00         | 26,501.65         | 19,661.84         | 16,726.74         | 26,119.42         | 36,843.40         | 32,605.06         |
| 6.a. Grants                                                                                              | 0.00             | 0.00             | 0.00             | 0.00              | 0.00              | 10,000.00         | 28,000.00         | 22,300.00         | 22,300.00         | 12,200.20         | 0.00              | 0.00              | 0.00              | 250.00            | 250.00            |
| 6.b. Sales of Government Assets and Privatization Proceeds                                               | 32.00            | 0.00             | 0.00             | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              |
| 6.c. Other Non-Debt Creating Capital Receipts                                                            | 0.00             | 0.00             | 16,132.00        | 3,216.00          | 16,498.00         | 12,046.09         | 15,000.00         | 5,000.00          | 5,000.00          | 3,000.00          | 8,300.00          | 3,500.00          | 5,200.00          | 6,100.00          | 9,000.00          |
| 6.d. Proceeds from Debt-Creating Borrowings (bond issuance, loan disbursements, etc.)                    | 19,814.00        | 8,255.00         | 0.00             | 700.00            | 27,009.00         | 11,400.00         | 5,000.00          | 5,000.00          | 5,000.00          | 11,301.45         | 11,361.84         | 13,226.74         | 20,919.42         | 30,493.40         | 23,355.06         |
| <b>Expenditure</b>                                                                                       | <b>54,254.36</b> | <b>70,947.90</b> | <b>71,090.00</b> | <b>79,185.83</b>  | <b>90,197.21</b>  | <b>110,974.09</b> | <b>125,331.34</b> | <b>119,874.34</b> | <b>114,066.60</b> | <b>150,709.33</b> | <b>149,767.83</b> | <b>148,473.74</b> | <b>165,927.35</b> | <b>181,430.17</b> | <b>181,141.12</b> |
| 1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)                            | 18,749.00        | 20,345.00        | 22,048.00        | 22,872.00         | 26,274.00         | 30,330.00         | 30,619.00         | 30,925.19         | 33,757.00         | 33,600.00         | 34,925.00         | 35,200.00         | 35,750.00         | 36,500.00         | 37,300.00         |
| 2. Overhead costs                                                                                        | 7,810.00         | 9,860.00         | 11,499.00        | 15,102.00         | 13,927.00         | 24,602.00         | 26,330.00         | 26,594.00         | 26,126.00         | 31,022.90         | 29,022.90         | 27,150.00         | 27,150.00         | 31,000.00         | 31,000.00         |
| 3. Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)            | 1,002.19         | 999.23           | 1,009.25         | 1,736.28          | 2,515.67          | 4,159.43          | 6,082.43          | 5,657.14          | 5,426.14          | 5,065.85          | 5,658.28          | 6,195.05          | 6,071.41          | 6,906.80          | 8,893.83          |
| 3.a. of which Interest Payments (Public Debt Charges, excluding interests deducted from FAAC Allocation) | 868.00           | 876.00           | 856.00           | 1,482.00          | 2,239.00          | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              |
| 3.b. of which Interest deducted from FAAC Allocation                                                     | 134.19           | 123.23           | 153.25           | 254.28            | 276.67            | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              | 0.00              |
| 4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)         | 4,294.00         | 8,067.00         | 7,697.00         | 7,579.00          | 7,576.00          | 5,034.00          | 8,541.35          | 9,786.96          | 594.35            | 15,000.00         | 15,000.00         | 13,000.00         | 15,300.00         | 19,400.00         | 9,565.00          |
| 5. Capital Expenditure                                                                                   | 18,288.00        | 28,454.00        | 26,699.00        | 30,096.00         | 37,165.00         | 42,938.00         | 47,625.90         | 40,935.00         | 41,220.00         | 58,094.70         | 59,101.90         | 57,888.60         | 71,223.70         | 75,900.90         | 82,755.50         |
| 6. Amortization (principal) payments                                                                     | 4,111.17         | 3,222.67         | 2,137.75         | 1,800.55          | 2,739.54          | 3,910.66          | 6,132.66          | 5,976.05          | 6,943.10          | 7,925.88          | 6,059.76          | 9,040.09          | 10,432.23         | 11,722.47         | 11,626.79         |
| <b>Budget Balance ('+' means surplus, '-' means deficit)</b>                                             | <b>11,339.64</b> | <b>-7,190.90</b> | <b>3,787.00</b>  | <b>-13,075.83</b> | <b>11,531.79</b>  | <b>-12,031.00</b> | <b>5,000.00</b>   | <b>-5,000.00</b>  | <b>-1,089.52</b>  | <b>5,183.42</b>   | <b>1,706.10</b>   | <b>-2,800.00</b>  | <b>-2,000.00</b>  | <b>2,000.00</b>   | <b>2,500.00</b>   |
| Opening Cash and Bank Balance                                                                            | 9,139.30         | 20,478.94        | 13,288.04        | 17,075.04         | 3,999.21          | 15,531.00         | 3,500.00          | 8,500.00          | 3,500.00          | 2,410.48          | 7,593.90          | 9,300.00          | 6,500.00          | 4,500.00          | 6,500.00          |
| Closing Cash and Bank Balance                                                                            | 20,478.94        | 13,288.04        | 17,075.04        | 3,999.21          | 15,531.00         | 3,500.00          | 8,500.00          | 3,500.00          | 2,410.48          | 7,593.90          | 9,300.00          | 6,500.00          | 4,500.00          | 6,500.00          | 9,000.00          |

## Financing Needs and Sources (Million Naira)

|                                                                                                             |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|-------------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Financing Needs</b>                                                                                      | <b>23,446.09</b> | <b>20,000.00</b> | <b>10,000.00</b> | <b>10,000.00</b> | <b>14,301.45</b> | <b>19,661.84</b> | <b>16,726.74</b> | <b>26,119.42</b> | <b>36,593.40</b> | <b>32,355.06</b> |
| i. Primary balance                                                                                          | -27,407.00       | -2,784.91        | -3,866.81        | 1,279.72         | 3,873.70         | -6,237.70        | -4,291.60        | -11,615.77       | -15,964.13       | -9,334.44        |
| ii. Debt service                                                                                            | 8,070.09         | 12,215.09        | 11,633.19        | 12,369.24        | 12,991.73        | 11,718.03        | 15,235.14        | 16,503.65        | 18,629.27        | 20,520.62        |
| Amortizations                                                                                               | 3,910.66         | 6,132.66         | 5,976.05         | 6,943.10         | 7,925.88         | 6,059.76         | 9,040.09         | 10,432.23        | 11,722.47        | 11,626.79        |
| Interests                                                                                                   | 4,159.43         | 6,082.43         | 5,657.14         | 5,426.14         | 5,065.85         | 5,658.28         | 6,195.05         | 6,071.41         | 6,906.80         | 8,893.83         |
| iii. Financing Needs Other than Amortization Payments (e.g., Variation in Cash and Bank Balances)           | -12,031.00       | 5,000.00         | -5,000.00        | -1,089.52        | 5,183.42         | 1,706.10         | -2,800.00        | -2,000.00        | 2,000.00         | 2,500.00         |
| <b>Financing Sources</b>                                                                                    | <b>23,446.09</b> | <b>20,000.00</b> | <b>10,000.00</b> | <b>10,000.00</b> | <b>14,301.45</b> | <b>19,661.84</b> | <b>16,726.74</b> | <b>26,119.42</b> | <b>36,593.40</b> | <b>32,355.06</b> |
| i. Financing Sources Other than Borrowing                                                                   | 12,046.09        | 15,000.00        | 5,000.00         | 5,000.00         | 3,000.00         | 8,300.00         | 3,500.00         | 5,200.00         | 6,100.00         | 9,000.00         |
| ii. Gross Borrowings                                                                                        | 11,400.00        | 5,000.00         | 5,000.00         | 5,000.00         | 11,301.45        | 11,361.84        | 13,226.74        | 20,919.42        | 30,493.40        | 23,355.06        |
| Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)      | 8,000.00         | 1,500.00         | 2,000.00         | 2,500.00         | 4,301.45         | 0.00             | 5,226.74         | 4,000.00         | 12,493.40        | 9,000.00         |
| Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF) | 3,400.00         | 0.00             | 0.00             | 0.00             | 0.00             | 3,361.84         | 0.00             | 3,919.42         | 0.00             | 3,355.06         |
| State Bonds (maturity 1 to 5 years)                                                                         | 0.00             | 0.00             | 0.00             | 0.00             | 7,000.00         | 0.00             | 0.00             | 8,000.00         | 0.00             | 11,000.00        |
| State Bonds (maturity 6 years or longer)                                                                    | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             | 8,000.00         | 0.00             | 0.00             | 10,000.00        | 0.00             |
| Other Domestic Financing                                                                                    | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             |
| External Financing - Concessional Loans (e.g., World Bank, African Development Bank)                        | 0.00             | 3,500.00         | 3,000.00         | 2,500.00         | 0.00             | 0.00             | 8,000.00         | 5,000.00         | 0.00             | 0.00             |
| External Financing - Bilateral Loans                                                                        | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             | 8,000.00         | 0.00             |
| Other External Financing                                                                                    | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             |
| Residual Financing                                                                                          | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             |

## Debt Stocks and Flows (Million Naira)


|                                                            |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                   |                   |
|------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|
| <b>Debt (stock)</b>                                        | <b>29,456.91</b> | <b>37,207.81</b> | <b>36,215.62</b> | <b>37,717.06</b> | <b>64,911.50</b> | <b>72,400.84</b> | <b>71,268.18</b> | <b>70,292.13</b> | <b>68,349.03</b> | <b>71,724.60</b> | <b>77,026.68</b> | <b>81,213.33</b> | <b>91,700.51</b> | <b>110,471.45</b> | <b>122,199.72</b> |
| External                                                   | 7,215.91         | 9,026.81         | 8,422.62         | 8,740.06         | 10,043.50        | 9,542.84         | 12,542.18        | 15,022.57        | 17,021.91        | 16,487.15        | 15,956.17        | 23,423.67        | 27,861.24        | 35,268.48         | 34,522.41         |
| Domestic                                                   | 22,241.00        | 28,181.00        | 27,793.00        | 28,977.00        | 54,868.00        | 62,858.00        | 58,726.00        | 55,269.56        | 51,327.11        | 55,237.45        | 61,070.51        | 57,789.66        | 63,839.28        | 75,202.97         | 87,677.31         |
| <b>Gross borrowing (flow)</b>                              | <b>11,400.00</b> | <b>5,000.00</b>  | <b>5,000.00</b>  | <b>5,000.00</b>  | <b>11,301.45</b> | <b>5,000.00</b>  | <b>5,000.00</b>  | <b>5,000.00</b>  | <b>11,301.45</b> | <b>11,361.84</b> | <b>13,226.74</b> | <b>20,919.42</b> | <b>30,493.40</b> | <b>23,355.06</b>  |                   |
| External                                                   | 0.00             | 3,500.00         | 3,000.00         | 2,500.00         | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             | 8,000.00         | 5,000.00         | 8,000.00         | 0.00              |                   |
| Domestic                                                   | 11,400.00        | 1,500.00         | 2,000.00         | 2,500.00         | 11,301.45        | 11,361.84        | 5,226.74         | 15,919.42        | 22,493.40        | 23,355.06        |                  |                  |                  |                   |                   |
| <b>Amortizations (flow)</b>                                | <b>4,105.13</b>  | <b>3,215.57</b>  | <b>2,213.13</b>  | <b>1,653.30</b>  | <b>2,564.66</b>  | <b>3,910.66</b>  | <b>6,132.66</b>  | <b>5,976.05</b>  | <b>6,943.10</b>  | <b>7,925.88</b>  | <b>6,059.76</b>  | <b>9,040.09</b>  | <b>10,432.23</b> | <b>11,722.47</b>  | <b>11,626.79</b>  |
| External                                                   | 248.13           | 299.67           | 383.13           | 179.30           | 204.66           | 500.66           | 500.66           | 519.61           | 500.66           | 534.77           | 530.98           | 532.50           | 562.44           | 592.76            | 746.07            |
| Domestic                                                   | 3,857.00         | 2,915.90         | 1,830.00         | 1,474.00         | 2,360.00         | 3,410.00         | 5,632.00         | 5,456.44         | 6,442.44         | 7,391.11         | 5,528.78         | 8,507.59         | 9,869.80         | 11,129.71         | 10,880.72         |
| <b>Interests (flow)</b>                                    | <b>1,002.19</b>  | <b>999.23</b>    | <b>1,009.25</b>  | <b>1,736.28</b>  | <b>2,515.67</b>  | <b>4,159.43</b>  | <b>6,082.43</b>  | <b>5,657.14</b>  | <b>5,426.14</b>  | <b>5,065.85</b>  | <b>5,658.28</b>  | <b>6,195.05</b>  | <b>6,071.41</b>  | <b>6,906.80</b>   | <b>8,893.83</b>   |
| External                                                   | 134.19           | 123.23           | 153.25           | 254.28           | 276.67           | 64.43            | 64.43            | 113.14           | 158.14           | 191.85           | 188.06           | 184.27           | 296.69           | 371.69            | 567.90            |
| Domestic                                                   | 868.00           | 876.00           | 856.00           | 1,482.00         | 2,239.00         | 4,095.00         | 6,018.00         | 5,544.00         | 5,268.00         | 4,874.00         | 5,470.22         | 6,010.78         | 5,774.72         | 6,535.11          | 8,325.93          |
| <b>Net borrowing (gross borrowing minus amortizations)</b> | <b>7,489.34</b>  | <b>-1,132.66</b> | <b>-976.05</b>   | <b>-1,943.10</b> | <b>3,755.77</b>  | <b>5,302.08</b>  | <b>4,186.65</b>  | <b>10,487.18</b> | <b>18,770.93</b> | <b>11,728.27</b> |                  |                  |                  |                   |                   |
| External                                                   | -500.66          | 2,999.34         | 2,480.39         | 1,999.34         | -534.77          | -530.98          | 7,467.51         | 4,437.56         | 7,407.24         | -746.07          |                  |                  |                  |                   |                   |
| Domestic                                                   | 7,990.00         | -4,132.00        | -3,456.44        | -3,942.44        | 3,910.34         | 5,833.06         | -3,280.85        | 6,049.62         | 11,363.69        | 12,474.34        |                  |                  |                  |                   |                   |

## Debt and Debt-Service Indicators

|                                                                                        |       |       |       |       |        |       |       |       |       |       |       |       |       |       |       |
|----------------------------------------------------------------------------------------|-------|-------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Debt Stock as % of SGDP                                                                | 4.90  | 5.97  | 4.77  | 4.44  | 7.13   | 6.67  | 5.92  | 5.28  | 4.72  | 4.55  | 4.47  | 4.32  | 4.47  | 4.93  | 5.00  |
| Debt Stock as % of Revenue (including grants and excluding other capital receipts)     | 64.39 | 67.04 | 61.65 | 60.64 | 111.49 | 95.90 | 64.59 | 67.03 | 66.37 | 50.66 | 58.44 | 62.98 | 66.54 | 75.23 | 80.77 |
| Debt Service as % of SGDP                                                              |       |       |       |       |        | 0.74  | 1.01  | 0.87  | 0.85  | 0.82  | 0.68  | 0.81  | 0.80  | 0.83  | 0.84  |
| Debt Service as % of Revenue (including grants and excluding other capital receipts)   |       |       |       |       |        | 10.69 | 11.07 | 11.09 | 12.01 | 9.18  | 8.89  | 11.82 | 11.98 | 12.69 | 13.56 |
| Interest as % of SGDP                                                                  |       |       |       |       |        | 0.38  | 0.51  | 0.43  | 0.38  | 0.32  | 0.33  | 0.33  | 0.30  | 0.31  | 0.36  |
| Interest as % of Revenue (including grants and excluding other capital receipts)       |       |       |       |       |        | 5.51  | 5.51  | 5.39  | 5.27  | 3.58  | 4.29  | 4.80  | 4.41  | 4.70  | 5.88  |
| Personnel Cost as % of Revenue (including grants and excluding other capital receipts) |       |       |       |       |        | 40.17 | 27.75 | 29.49 | 32.78 | 23.73 | 26.50 | 27.30 | 25.94 | 24.86 | 24.66 |

LIST OF PARTICIPANTS

1. A
2. A
3. B

Sign  \_\_\_\_\_

Name: Usman M. Bura FCNA,FCESA, ACFI  
Permanent Secretary Ministry of Finance,  
For: Hon Commissioner,  
Date: 14/12/2021

Sign  \_\_\_\_\_

Muhammad Ibrahim  
Head Debt Management Unit  
Ministry of Finance,  
Date: 14/12/2021