

YOBE STATE GOVERNMENT

2024

**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 2019 - 2023 while also evaluating the ability of the State to sustain its debt in the long term (2024 – 2033). 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 five to seven 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 2024 Budget and Economic and Fiscal Update (EFU), Fiscal Strategy Paper (FSP) and Budget Policy Statement (BPS), 2024-2027

2.2.1 Approved 2024 Budget

The 2024 Budget was prepared amidst global challenges created as a result of Russia/Ukraine and middle east conflict that resulted in inflation, exchange rate instability, economic recession, 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 2024 Budget is estimated at N216.950 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 N216.950 billion is proposed by the Yobe State Government in 2024. The 2024 proposed Expenditure comprises, personnel cost of N42.851 billion, Overhead of N40.620 billion, Debt service (Interest and Principal) of N11.95 billion, Other Recurrent Expenditure of N1.963 billion, and Capital Expenditure of N120.121 billion, respectively.

2.2.2 Indicative Three-Year Fiscal Framework

The indicative three-year fiscal framework for the period 2024-2027 is presented in the table below.

Yobe State Medium Term Fiscal Framework

YOBE STATE GOVERNMENT PROPOSED MTEF 2024 - 2027

Macro-Economic Framework

Item	2024	2025	2026	2027
National Inflation	22.80%	15.75%	14.21%	10.04%
National Real GDP Growth	3.75%	4.60%	4.40%	5.50%
Oil Production Benchmark (MBPD)	1.5000	2.06	2.10	2.35
Oil Price Benchmark	\$70.00	\$75.00	\$76.20	\$75.30
NGN:USD Exchange Rate	750	1400	1400	1400
Other Assumptions				
Mineral Ratio	21.75%	21.75%	21.75%	21.75%

Fiscal Framework

Item	2024	2025	2026	2027
Opening Balance	3,500,000,000	5,000,000,000	5,000,000,000	5,000,000,000

Recurrent Revenue

Statutory Allocation	40,687,223,880	26,902,077,756	24,289,070,535	22,412,072,595
VAT	32,978,784,472	47,612,995,818	60,109,528,640	75,037,135,181
IGR	14,559,057,444	14,562,861,703	16,631,468,924	18,970,496,599
Excess Crude/Other FAAC Revenue	14,274,934,204	112,233,064,723	113,916,931,901	115,625,295,624
Total Recurrent Revenue	102,500,000,000	201,311,000,000	214,947,000,000	232,045,000,000

Recurrent Expenditure

Personnel Costs	35,862,332,000	52,743,108,000	55,380,263,400	58,149,276,570
Social Contribution and Social Benefit	6,998,300,000	10,253,464,000	10,766,137,200	11,304,444,060
Overheads	40,619,510,000	57,796,677,000	58,952,610,540	60,131,662,751
Grants, Contributions and Subsidies	1,398,900,000	4,387,538,000	4,475,288,760	4,564,794,535
Public Debt Service	11,950,000,000	18,856,000,000	16,970,400,000	15,273,360,000
Total	96,829,042,000	144,036,787,000	146,544,699,900	149,423,537,916

Transfer to Capital Account

	9,170,958,000	62,274,213,000	73,402,300,100	87,621,462,084
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Capital Receipts

Grants	55,400,000,000	22,500,000,000	22,500,000,000	22,500,000,000
Other Capital Receipts	28,100,000,000	50,000,000,000	30,000,000,000	0
Total	83,500,000,000	72,500,000,000	52,500,000,000	22,500,000,000

Reserves

Contingency Reserve	0	0	0	0
Planning Reserve	0	0	0	0
Total Reserves	0	0	0	0

Capital Expenditure

	120,120,958,000	176,774,213,000	144,902,300,100	129,121,462,084
Discretionary Funds	105,220,958,000	152,274,213,000	128,402,300,100	112,621,462,084
Non-Discretionary Funds	14,900,000,000	24,500,000,000	16,500,000,000	16,500,000,000

Financing (Loans)

	27,450,000,000	42,000,000,000	19,000,000,000	19,000,000,000
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Total Revenue (Including Opening Balance)	216,950,000,000	320,811,000,000	291,447,000,000	278,545,000,000
Total Expenditure (including Contingency Reserve)	216,950,000,000	320,811,000,000	291,447,000,000	278,545,000,000

Closing Balance

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Note: *The DSA-MTDS report is based on the exchange rate of N1,300 to US \$1 from the national Medium-Term Expenditure framework (MTEF) prepared in 2024, which is yet to be reviewed alongside other macroeconomic indicators to reflect current economic realities.*

The Key Objectives of Approved 2024 Budget

- i. Sustain and improve the State's healthcare delivery system by establishment of emergency medical Ambulance services to reduce loss of lives, renovation of primary health centers and construction of critical ones especially in hard-to-reach communities, recruitment of health care professionals to reduce gaps in human resource needed in the health facilities.
- ii. Provision and maintenance of electricity transmission network in the state
- iii. Enhance the overall improvement in human capital by Providing Employment opportunities and promote self-reliance for economic empowerment to youths, women, people with disability and other vulnerable groups.
- iv. consolidate and improve on the provision of functional education strategy already embarked upon in the State, with emphasis on zero level of out of school children, renovation of schools, recruitment of more teachers etc.
- v. Provision of safe drinking water across the state.
- vi. Ensure security of lives and properties of the residents of the State.
- vii. To ameliorate the effects of covid 19 on people, SMEs and MSMEs across the State by proving loans through NG cares programs.
- viii. Ensure the completion of the on-going capital projects and sustain the current investment in infrastructural facilities.
- ix. Sustain and intensify the current efforts in Independent Revenue generation.
- x. Improve the state's public financial management to entrench transparency, accountability, and integrity; and
- xi. 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 considered critical by the citizens.
- 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 re-structuring) 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, 2019-2023

3.1 Revenue

Yobe State’s Recurrent Revenue stood at N100.556 billion in 2023 compared to N82.906 billion in the period of 2022, which represent an increase of N17.65 billion or 21.3 percent. The Revenue has shown improvements from 2019 (N66.110 billion) to (N153.536 billion) in 2023, 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.

	2019 (NBillion)	2020 (NBillion)	2021 (NBillion)	2022 (NBillion)	2023 (NBillion)
Total Revenue	62,194	68,220	76,344	87,473	126,871
Gross FAAC Allocation	53,679	51,389	57,935	72,790	89,226
IGR	8,515	6,833	8,492	10,117	11,195
Grants	0	9,998	9,917	4,566	26,450

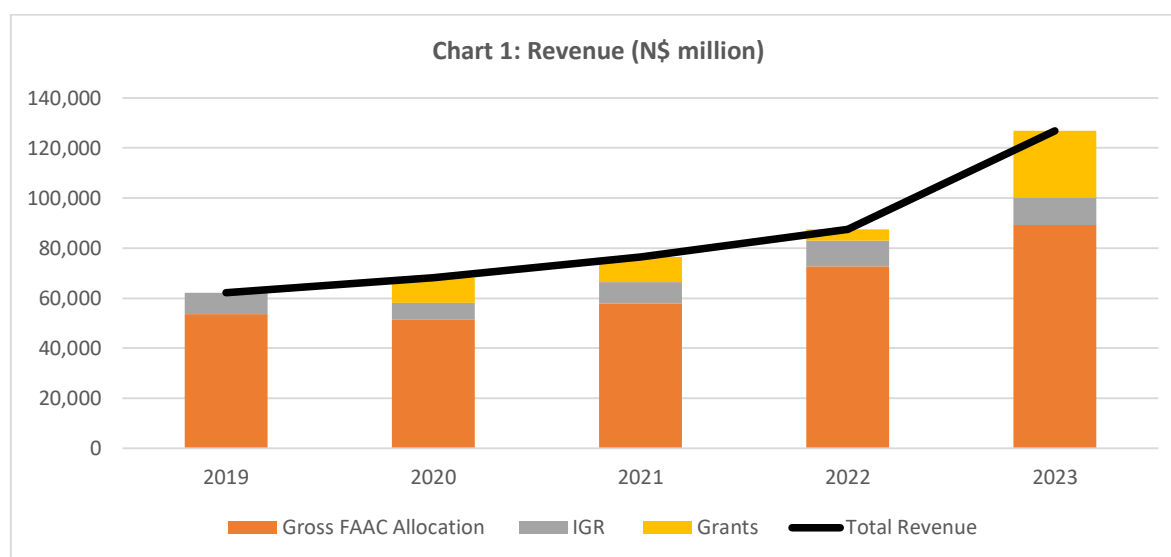


Chart 1: Indicate the Gross FAAC allocation that comprises the Statutory allocation, derivations, VAT allocation, exchange rate gain, augmentation among others declined from N42.382 billion in 2019 to N33.838 billion in 2020, which present a declined of N 8.544 billion or 25.3 percent, the decline was due to slow in financial activities during the Coronavirus Pandemic Period in 2020. Meanwhile an increase is recorded from 34.356 in 2021 to 36.681 billion in 2022 and decline to 30.934 in 2023.

Yobe State’s Internally Generated Revenue (IGR) shows a growth during the period under review, the IGR shows a decline from N8.515 billion 2019, N6.833 billion in 2020, the declined is due to coronavirus pandemic in 2020 and shows a significant increase from N8.492billion in 2021 to N11.195billion in 2023. 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.

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).

	2019 (N\$Billion)	2020 (N\$Billion)	2021 (N\$Billion)	2022 (N\$Billion)	2023 (N\$Billion)
Total Expenditure	79,186	90,197	117,456	133,367	147,429
Personnel	22,872	26,274	28,880	34,381	38,817
Overhead Costs	15,102	13,927	25,786	20,504	31,413
Debt Service (Interests + Amortizations)	3,537	5,255	13,532	39,930	15,661
Other Recurrent Expenditures	7,579	7,576	4,837	5,621	11,031
Capital Expenditure	30,096	37,165	44,421	32,931	50,507

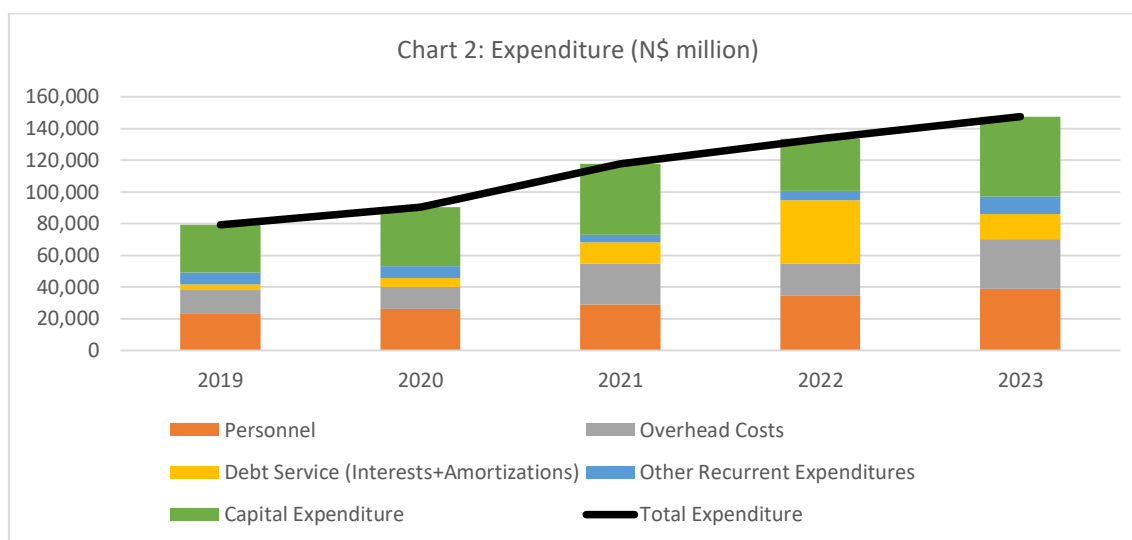


Chart 2: shows Yobe State Expenditure amounted to N147.429 billion in 2023 compared to N133.367 billion in 2022, which represent a growth of N14.062 or 10.54 percent. The personnel cost stood at N22.872 billion in 2019, N26.274 billion in 2020, N28.880 billion in 2021, N34.381 billion in 2022 and 38.817 in 2023, respectively. The overhead cost stood at

N31.413billion in 2023, N20.504 in 2022, N25.786 billion in 2021, N13.927 billion in 2020, and N15.102 billion in 2019 Capital expenditure amounted to N50.507 in 2023, N32.931 in 2022, N44.421 in 2021, N37.165 billion in 2020, and N30.096 billion in 2019, respectively. The Total debt service that comprises the interest payment and principal repayment stood at N15.661 in 2023, N39.930 in 2022, N13.532 in 2021, compared to N3.537 billion in 2019 (see table below).

3.3 STATE DEBT PORTFOLIO, 2019 - 2023

Yobe State’s Debt stock amounted to N119.780 in 2023 compared to N101.820 billion in 2022, representing an increase of N17.96billion or 16.69 percent. The increase in the Total Debt stock was reflected in both Domestic and External Debt components. The external debt stock increased from N10.091 billion in 2022 to N19.337 billion in 2023, while the domestic debt stock significantly increased to N100.44 billion in 2023 from N91.729 billion in 2022, domestic debt increase was due to additional new stock from Commercial Bank Loans of (N9.273 billion of contract financing from Polaris Bank, N1.204 billion zenith bank) and N5.189 billion NG-Cares loan facility) in 2023.

	2019 (NBillions)	2020 (NBillions)	2021 (NBillions)	2022 (NBillions)	2023 (NBillions)
Outstanding Debt (Old + New)	35,765	62,969	90,047	101,820	119,780
External	6,788	8,103	7,587	10,091	19,337
Domestic	28,977	54,866	82,460	91,729	100,443

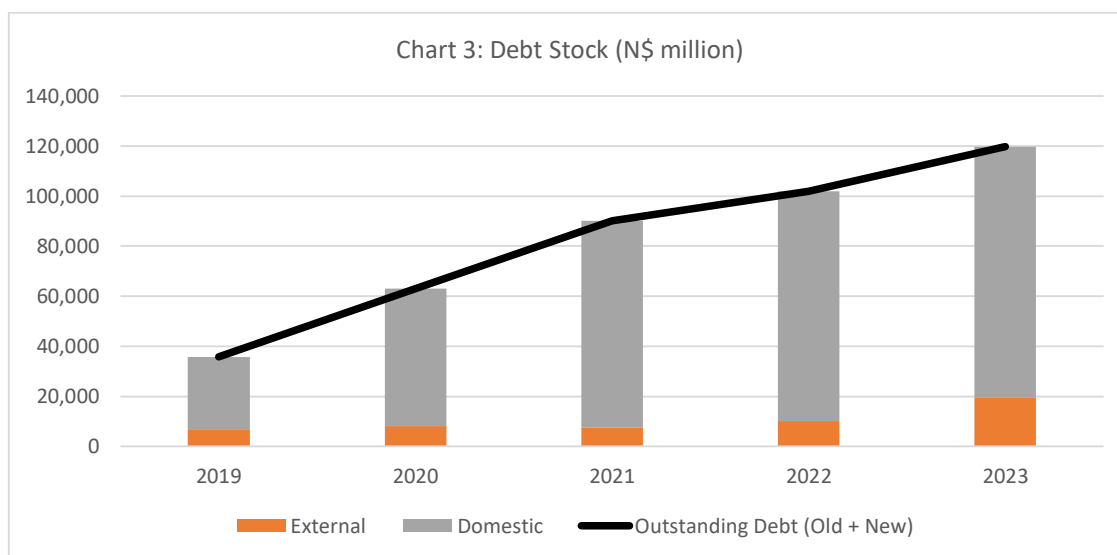


Chart 3: shows an increase in the Debt Stock from N35.765 billion in 2019 to N119.780 billion in 2023. Domestic debt comprises Budget Support Facility, Excess Crude Account Backed Loan, Pension and Gratuity Arrears, with the new additional stock in 2023 from Commercial Bank Loans, and NG-cares.

Yobe State Debt composition consists of external debt N19.33 billion or 16.1 percent and Domestic debt was amounted to N100.443 billion or 83.9 percent, respectively.

Yobe State holds a medium cost and medium risk debt portfolio. The debt portfolio has an average domestic interest rate of 19.79 percent and average external interest of 1.66 percent in 2023. 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 8.51 percent of total debt stock in 2023. 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 N3.293 billion in 2019, N4.987 billion in 2020, N14.624 billion in 2021, N21.815 billion in 2022 AND N16.513 in 2023 respectively.

	2019 (₦Billion)	2020 (₦Billion)	2021 (₦Billion)	2022 (₦Billion)	2023 (₦Billion)
Principal Repayment (Old + New)	1,613	2,525	9,277	13,957	8,791
External	139	165	189	404	565
Domestic	1,474	2,360	9,088	13,553	8,226

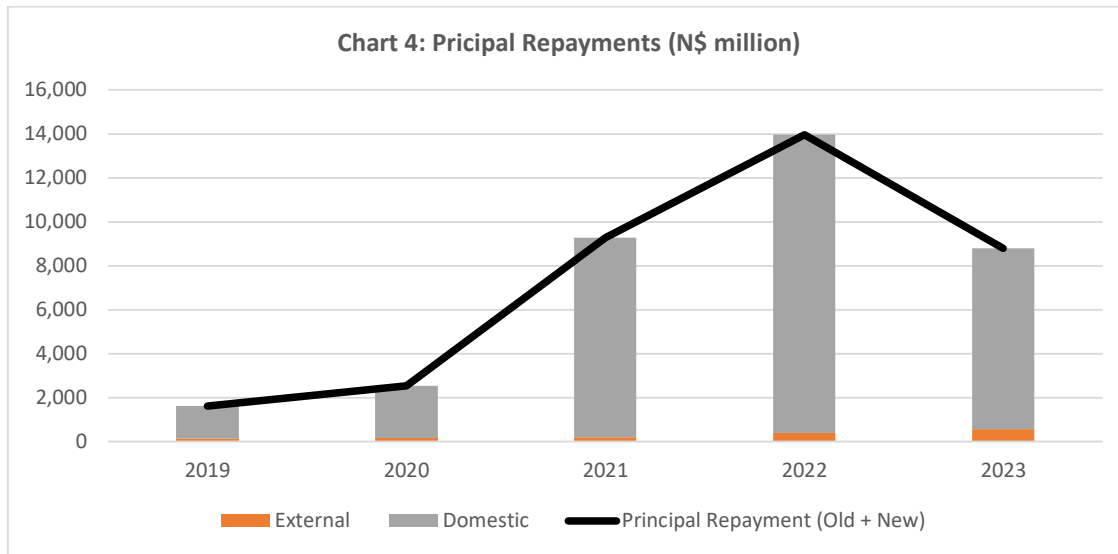


Chart 4: Shows principal repayment amounted to N1.613 billion in 2019 N2.525 billion in 2020, N9.277 billion in 2021 and N13.957billion in 2023 for both external and internal debt respectively.

	2019 (N\$Billion)	2020 (N\$Billion)	2021 (N\$Billion)	2022 (N\$Billion)	2023 (N\$Billion)
Interest Payment (Old + New)	1,679	2,462	5,348	7,858	7,722
External	197	223	267	45	1,016
Domestic	1,482	2,239	5,081	7,813	6,706

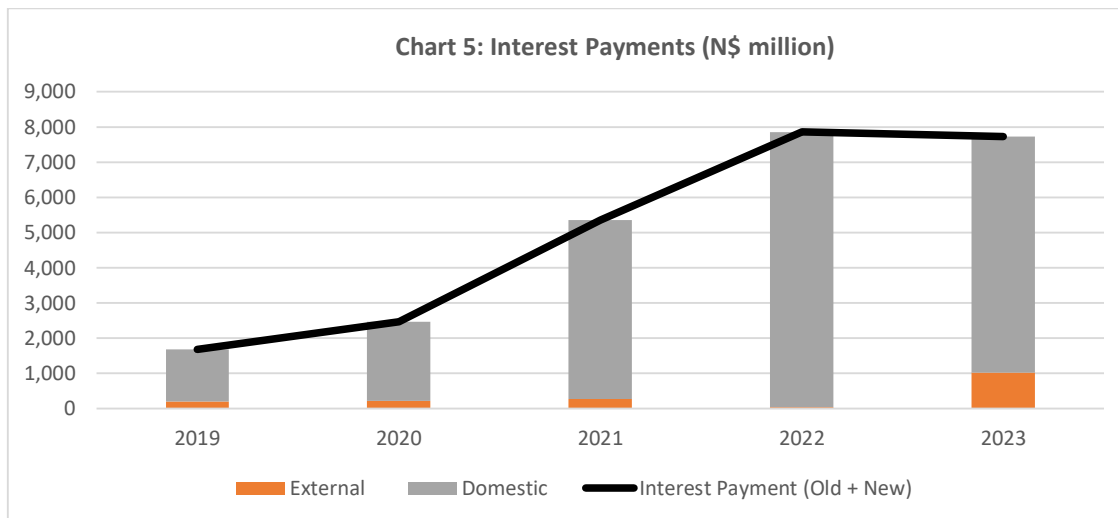


Chart 5: Shows Interest Payment amounted to N7.722 billion in 2023 compared to N7.858 billion in 2022 for both External Debt and Domestic Debt.

Debt as % of Revenue

	2019 %	2020 %	2021 %	2022 %	2023 %
Debt as % of Revenue	58	92	118	116	94
Threshold	200	200	200	200	200

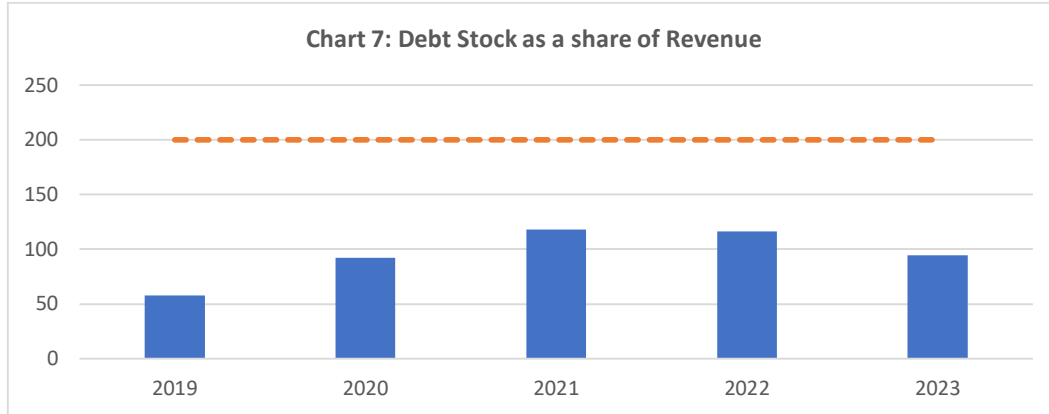


Chart 7: Shows an increase in debt as percentage of revenue from 58% in 2019 to 92% in 2020, 118% in 2021 then decrease to 116% in 2022 and 94% in 2023 which are all below the threshold of 200%.

Fiscal Outturns

	2019	2020	2021	2022	2023
Gross Financing Needs as a share of SGDP	0	0	0	0	0
Overall Balance as a share of SGDP	-2	-2	-4	-4	-1
Primary Balance as a share of SGDP	-2	-2	-3	-3	-1
Revenue as a share of SGDP	7	7	7	7	9
Expenditures as a share of SGDP	9	10	11	11	11

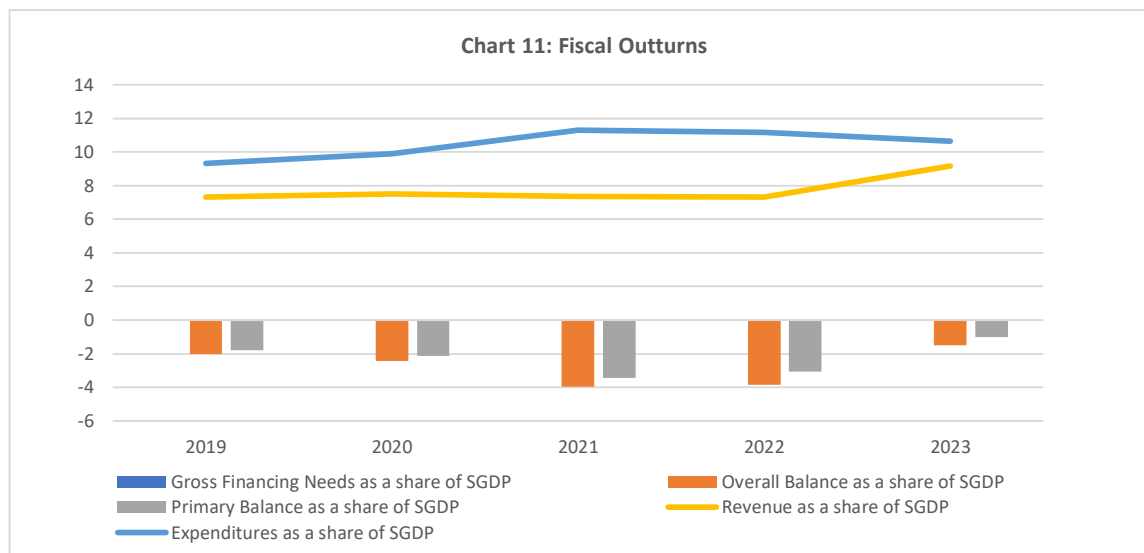


Chart 11: Shows Yobe State fiscal performance from 2019 to 2023 shows a consistent budget deficit, with the overall balance improving from -4% of SGDP in 2021 and 2022 to -1% in 2023, while the primary balance followed a similar trend; revenue remained stable at 7% of SGDP until 2023, when it rose to 9%, but expenditures increased from 9% of SGDP in 2019 to 11% in 2023, indicating rising government spending amidst challenges of balancing revenue and fiscal deficit.

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 2019 to 2033. Even though the ratio has continued to decline steadily over the period to 4.11 percent in 2033 compared with 8.66 percent in 2023 and 8.52 percent in 2022, it is well within the threshold insinuating room for additional further borrowing under the right circumstances.

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 116.40 percent in 2022 to 94.41 percent in 2023, decrease to 95.97 percent in 2024, 86.65 percent in 2025, and increase to 95.68 percent in 2026, 106.73 percent in 2027, also decrease to 51.41 percent in 2032, and 44.53 percent in 2033 as against the threshold of 200 percent over the projection period.

Debt Service as percentage of Revenue projected to increase from 11.80 percent in 2024 to 17.94 percent in 2033 (with indicative threshold of 40 percent). Personnel Cost as percentage of Revenue estimated to decline from 30.60 percent in 2023 to 27.14 percent` in 2024, and 17.69 percent in 2033 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 19.27 percent, 9.73 percent, and 0.41 percent in 2033.

4.1 MEDIUM-TERM BUDGET FORECAST

The sustainability of the State's medium-term debt is closely tied to the gradual recovery of the Nigerian economy, a prospect that is expected to strengthen the FAAC (Federation Account Allocation Committee) statutory allocation. In light of the current economic conditions marked by high inflation, largely attributed to the recent removal of fuel subsidies and a notable increase in the exchange rate, the State's outlook envisions a gradual economic rebound from 2025 to 2027. This revival is characterized by an anticipated 3% average annual expansion in real GDP and a concerted effort to bring domestic inflation levels back below the 10% mark by 2025. These optimistic prospects are rooted in several contributing factors, including a positive trajectory in global oil prices, a resurgence in domestic production, the application of prudent fiscal policies, and the pursuit of stability in the exchange rate utilized for international financial transactions.

In essence, while acknowledging the challenging economic backdrop characterized by elevated inflation and exchange rate fluctuations, the State's debt sustainability plan hinges on a carefully projected economic resurgence, driven by a combination of strategic measures and external economic dynamics. One noteworthy development contributing to this economic recovery is the efforts by the Nigerian government to enhance non-oil revenue sources, such as customs duties and VAT and removal of fuel subsidy, are anticipated to enhance the State's financial position compared to the relatively subdued levels witnessed in 2021.

To reinforce debt sustainability, it is imperative that the State continues its ongoing initiatives to mobilize local revenue sources. The State Government's proactive measures, including the enactment of The State Development Plan - Yobe State Socio-Economic Report Agenda (YOSERA), implementation of the Revenue Law, have strengthened internal revenue generation (IGR) and are set to persist in the coming years. Furthermore, the construction of five mother markets, construction of cargo airport, and increase in tax rate in Yobe, alongside other measures, promises to augment revenue streams. This shift towards enhancing local revenue aligns with the broader economic recovery, reinforcing fiscal stability. In terms of expenditure, there are no expected policy changes regarding personnel and overhead costs. Historical trends in these areas are likely to remain unaltered, contributing to budgetary predictability.

In summary, the combination of increase in statutory allocation as result of removable of fuel subsidy, the construction of 5 modern market, construction of cargo international airport and increase in tax rate in Yobe is expected to enhance revenue and play a vital role in the State's debt management strategy. These positive developments underscore a commitment to fiscal sustainability and provide avenues for debt reduction, ultimately ensuring the State's long-term financial health.

Yobe State Debt burden indicators as at end-2023

Indicators	Thresholds	Ratio
Debt as % of GDP	25%	9.27
Debt as % of Revenue	200%	86.88
Debt Service as % of Revenue	40%	13.02
Personnel Cost as % of Revenue	60%	30.60
Debt Service as % of FAAC Allocation	Nil	18.51
Interest Payment as % of Revenue	Nil	6.09
External Debt Service as % of Revenue	Nil	1.25

4.2 BORROWING OPTIONS

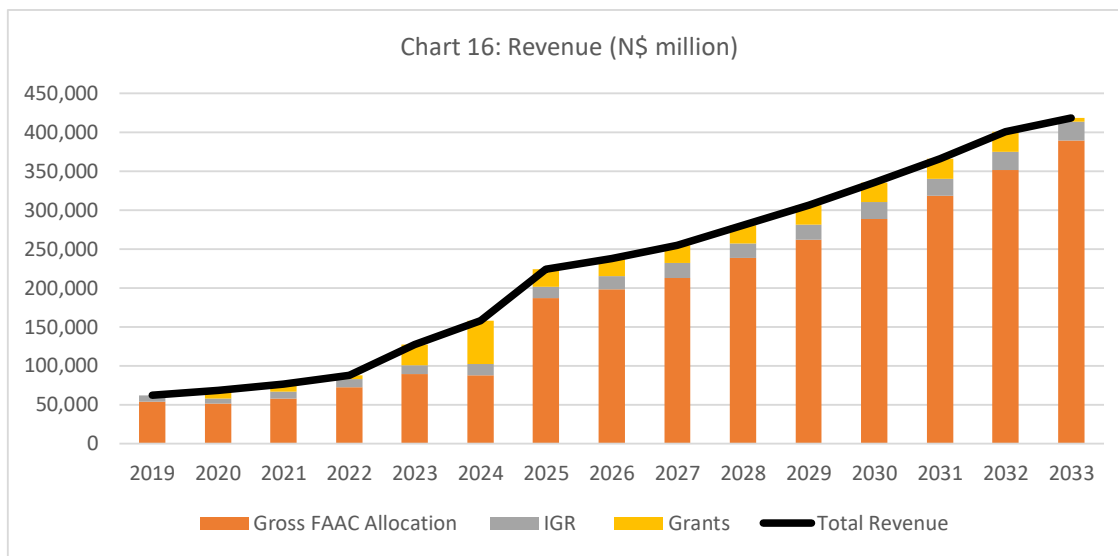
Yobe state government intends to finance its new borrowing from 2024 to 2033 mainly from Domestic financing through Commercial Bank Loans (maturity 1-5 years) with an average of 19.23 percent, Commercial Bank Loans (maturity 6 year above) estimated at 33.52 percent, State Bonds (maturity 1-5 years) at 18.63 percent, and State Bonds (maturity 6 years above) at 28.62 percent, over projection period. 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.

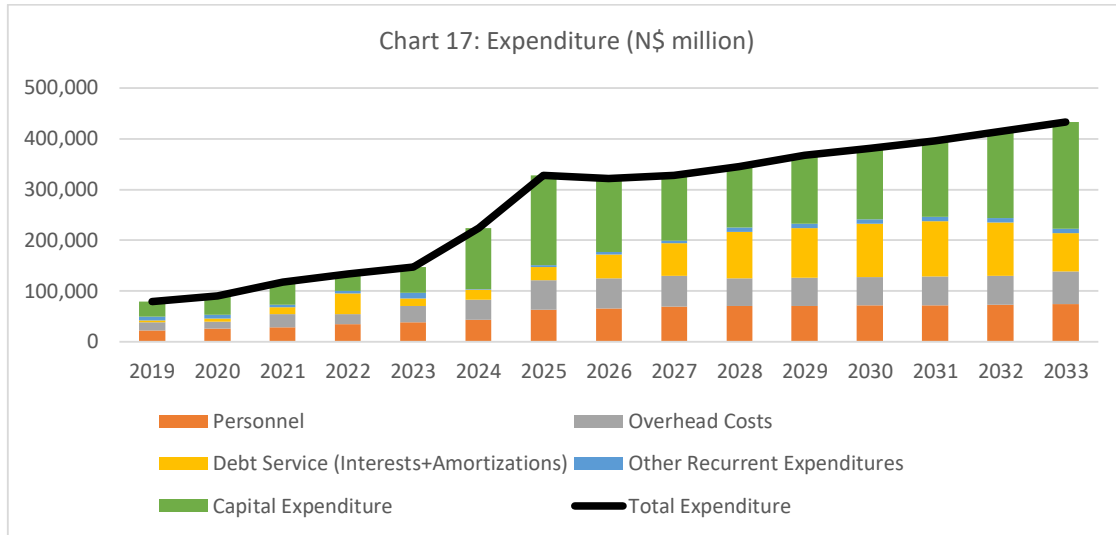
Yobe State Total Revenue (including grants and excluding other capital receipts) is expected to increase from N126.871 billion in 2023 to N418.311 billion in 2033, representing an increase of N291.44 billion or 230 percent over the projection period. Gross FAAC Allocation projected to grow from N89.226 billion in 2023 to N389.311 billion in 2033, and Grants projected to decline from 26.450 billion in 2023 to N5.00 billion in 2033. The projections were sources from the Approved 2024 Budget; Economic and Fiscal Update (EFU), Fiscal Strategy Paper (FSP) and Budget Policy Statement (BPS), 2025-2027; and projections period of 2028-2033 was estimated by the Ministry of Economic Planning & Budget 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 N12.805 billion or 114.38 percent (from N11.195 billion in 2023 to N24.00 billion in 2033), over the projection period of the Approved 2024 Budget; Economic and Fiscal Update (EFU), Fiscal Strategy Paper (FSP) and Budget Policy Statement (BPS), 2025-2027; and projections period of 2028-2033 was estimated by the Ministry of Economic Planning & Budget official.

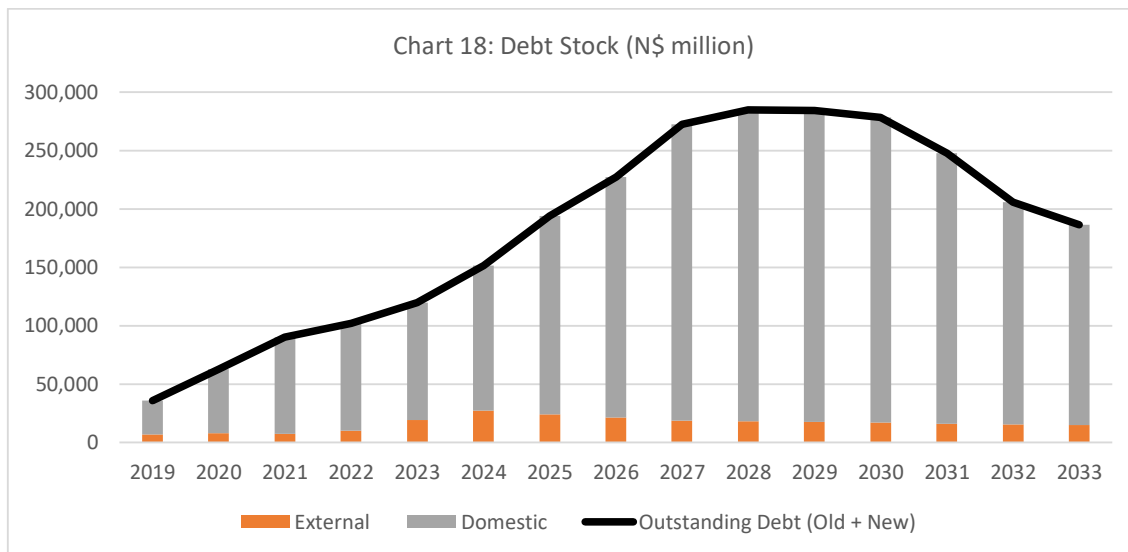


Total expenditure projected at N224.201 billion in 2024, N328.208 billion in 2025, N321.940 billion in 2026, N328.240 billion in 2027, 345.591 billion in 2028, N367.529 billion in 2029, N381.593 billion in 2030 and N396.110 billion in 2031, N414.259 in 2032 and N433.036 in 2033, respectively, indicating stability in the state growth recovery. Personnel, Overhead Costs, Debt Service, Other Recurrent Expenditures estimated at N74.000 billion, N65.000 billion, N75.036 billion, and N9.000 billion in 2033. Capital Expenditure estimated to increase

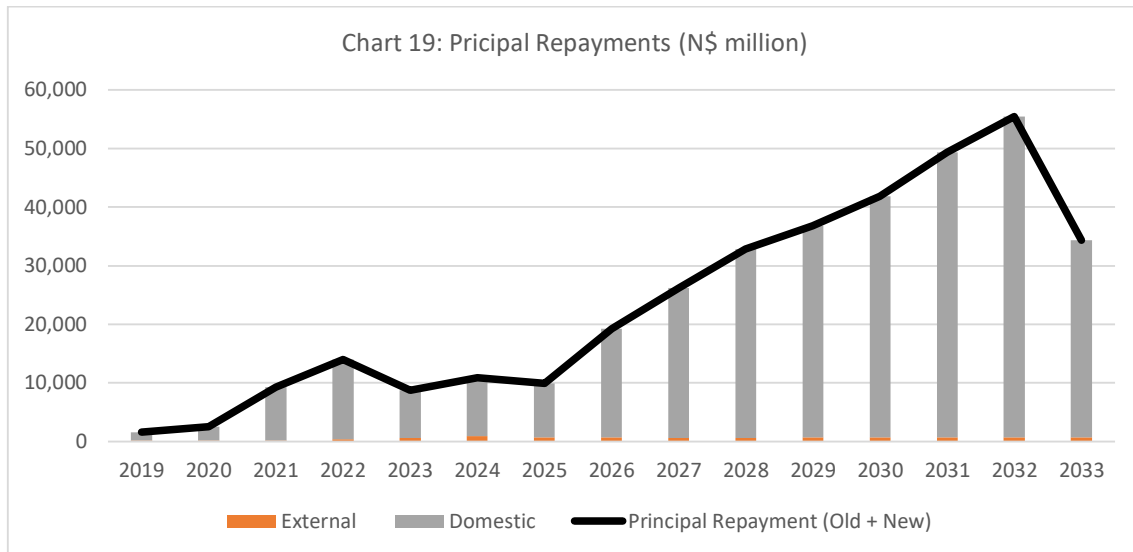
over the projection period from N50.507 billion in 2023, N129.122 billion in 2027, N135.000 billion in 2029 and N210.000 billion in 2033, respectively. over the projection period as provided in the Approved 2024 Budget; Economic and Fiscal Update (EFU), Fiscal Strategy Paper (FSP) and Budget Policy Statement (BPS), 2024-2027; and projections period of 2027-2033 was estimated by the Ministry of Economic Planning & Budget official.



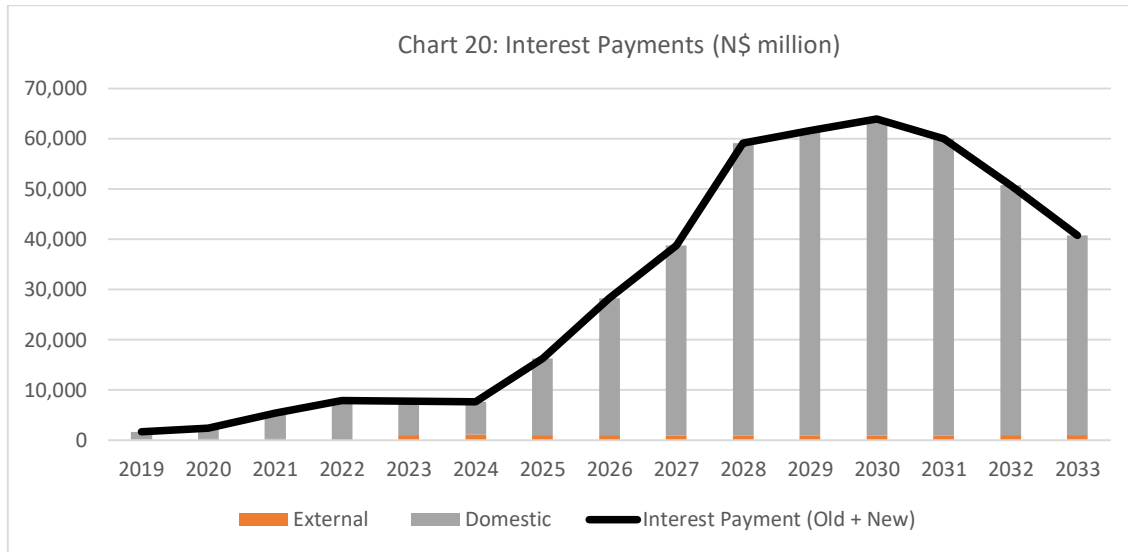
As a result of the State’s modest increase in GDP, great improvement in IGR, increase in Personnel, Overhead costs, and Capital Expenditure. The increased in projected expenditure increase the debt through Primary Balance. Yobe State’s Debt Stock estimated to decrease from N151.537 billion in 2024 to N186.281 in 2034. External Debt projected to decrease to N14.778 billion while Domestic Debt to increase by N171.504 billion over the projection period, 2024-2033.



Principal Repayment projected to increase from N10.933 billion in 2024 to N34.332 billion in 2033. External principal repayment projected to decrease by 210 million and Domestic principal repayment by N23.609 billion over the projection period.



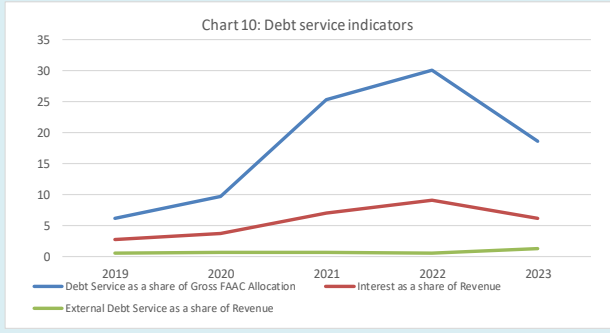
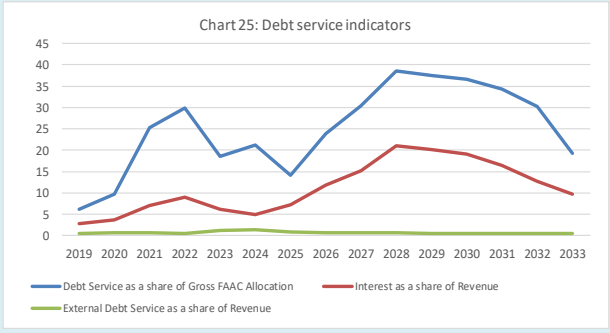
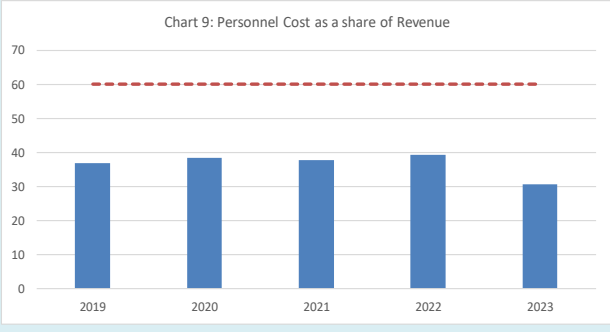
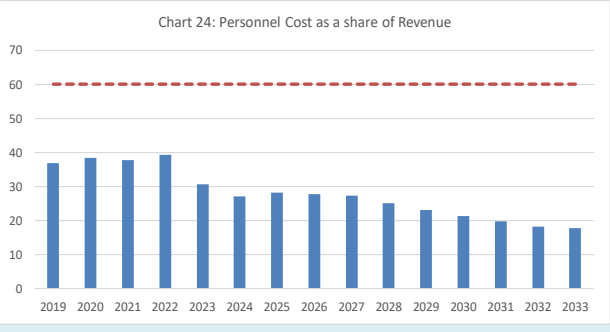
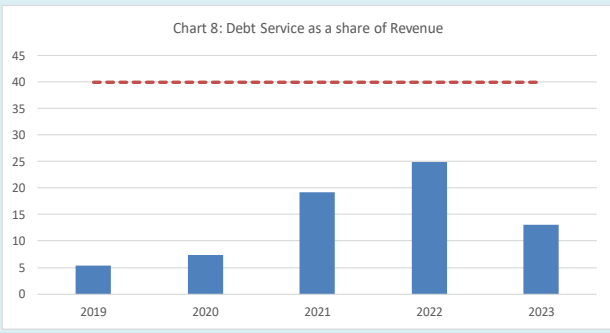
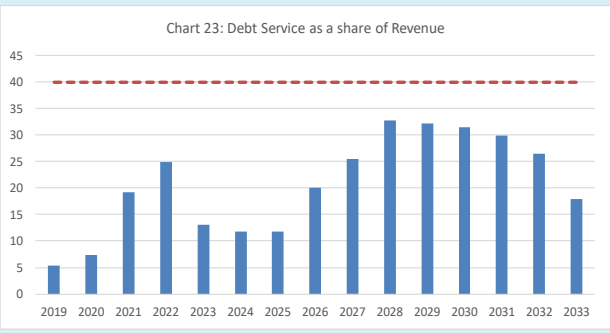
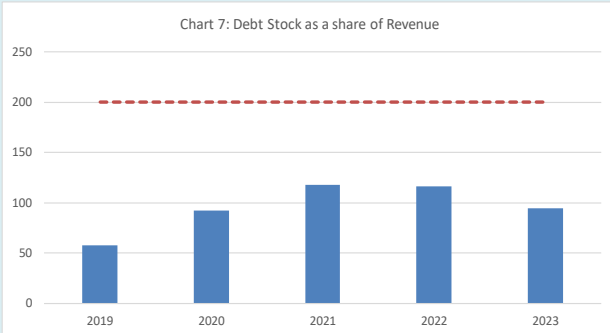
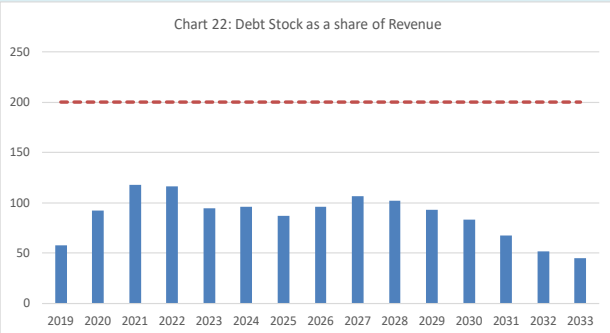
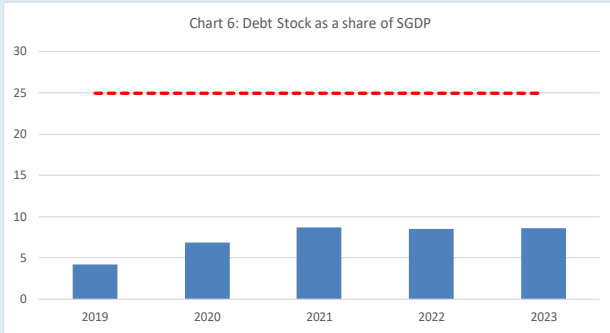
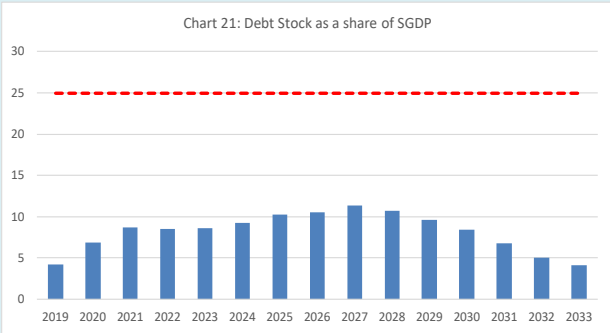
Interest payment projected to increase from N7.703 billion in 2024 to N40.703 billion in 2033. External principal repayment projected to decrease by N165 million and Domestic interest increase by N33.1651 billion from 2024 to 2033 over the projection period.



MAIN FINDING

The Baseline Scenario results shows that the ratio of Debt as % of GDP estimated at 8.52 percent in 2022, 9.27 percent in 2024, 11.38 percent in 2027, 9.60 percent in 2029 and 4.11 percent in 2033, respectively, as against the indicative threshold of 25 percent. The ratio of Debt as % of Revenue estimated at 116.4 percent in 2022, 94.41 percent in 2023, 86.86

percent in 2025, 101.64 percent in 2028 and 44.53 percent in 2033, respectively, the ratio of Debt as % of Revenue remains below the threshold of 200 percent 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 2024 to 2033, with the strongminded efforts by the State Government through its various initiatives and reforms in the key sectors of the economy, respectively.



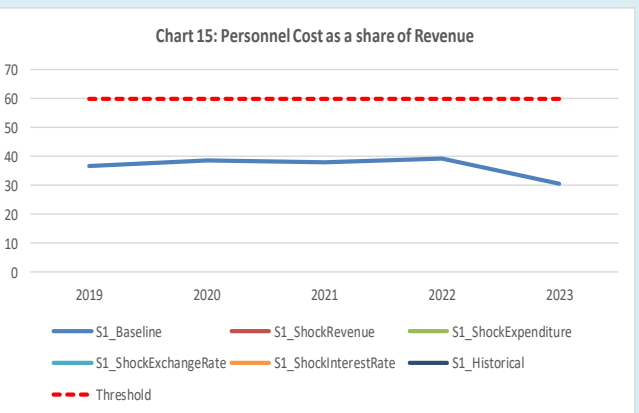
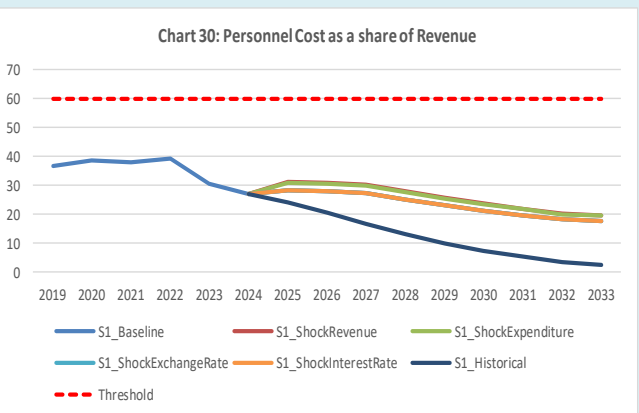
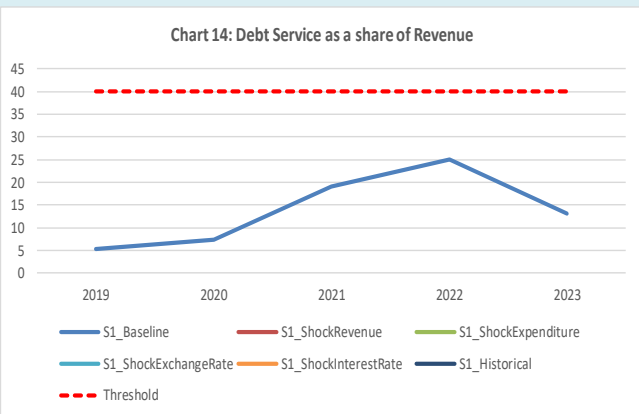
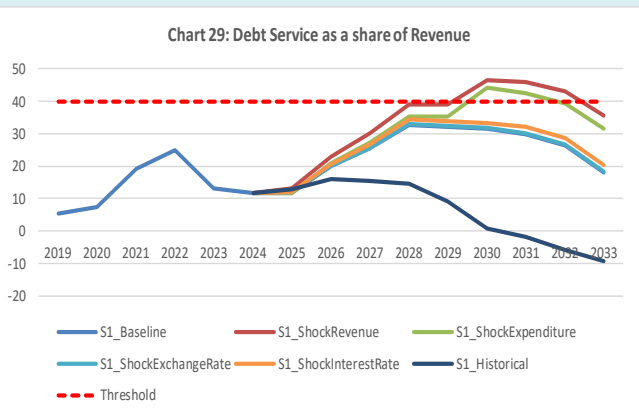
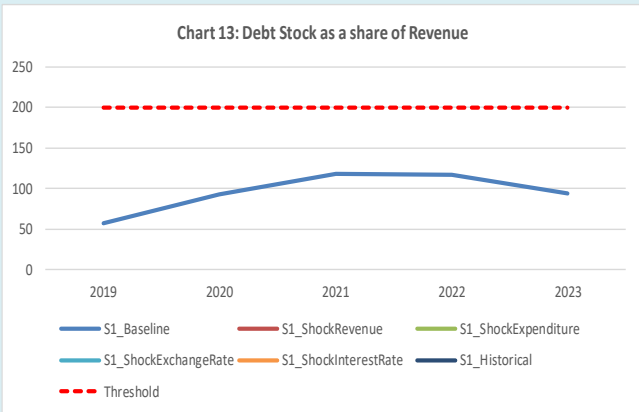
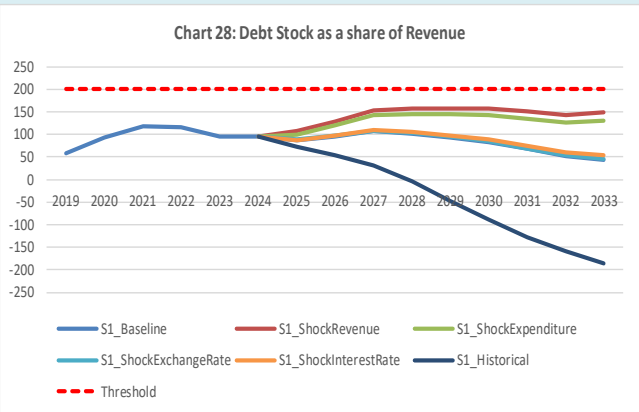
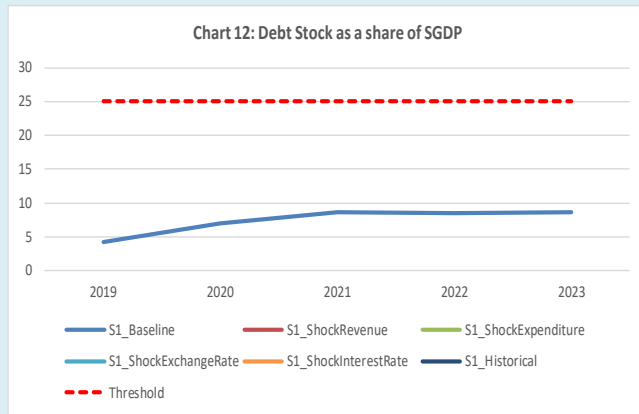
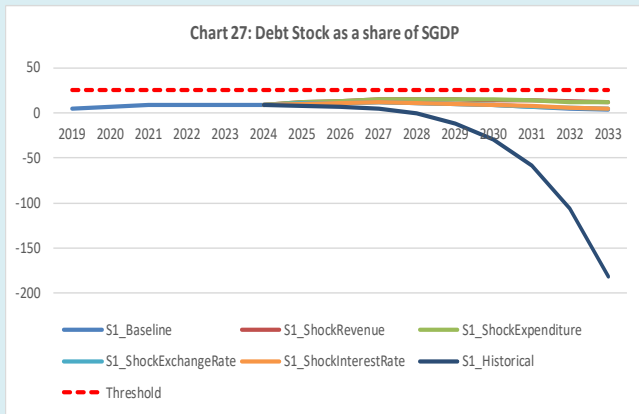
CONCLUSION

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 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 2024 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 is close to the threshold under debt as percent of Revenue from 2027 to 2033 under revenue and expenditure shocks. The debt service as percent of Revenue is above the benchmarks from 2028 to 2031 through revenue and expenditure 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 boost 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, 2024-2028, 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 2028, as projected in the baseline scenario. Risk is measured by the deviation from the expected value in 2028 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: In this strategy the government decided to focus more of its financing from 2024 to 2028, through The Domestic gross financing comprises of commercial bank loans, State bonds and other domestic financing. Domestic Financing under the Commercial Bank loans (maturity of 1-5 years) accounts on average 19.23 percent, Commercial Bank loans (maturity above 6 years) accounts on average 33.52 percent, State Bonds (maturity of 1-5 years) accounted on average of 18.63 percent and state Bonds (maturity 6 years or longer) 28.62 percent over the DMS period of 2024 to 2028.

Strategy 2 (S2) focus more financing through commercial bank loans: In this strategy it has been assumed the distribution remains the same in 2024 as its in strategy 1. The remaining of borrowing distributions from 2024 to 2028, the state government will focus its financing through commercial bank loans with average 19.49 percent under maturity of 1-5 years and 0.00 percent under maturity of above 6 years, State Bonds with average of 44.30

percent (maturity of 1-5 years) and 36.21 percent under (maturity of above 6 years) 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 2024 to 2028, through Commercial Bank loans (1-5 years) with an average of 39.13 percent, State Bond (1-5 years) 18.99 percent, State Bond (Maturity 6 years or longer) 0.00 percent respectively. as against the Commercial Bank loans with the maturity of above 6 years with average of 41.87 percent. This strategy considers the scenario where proportions of external and domestic debt instruments in 2024 remain the same with strategy 1 and 2.

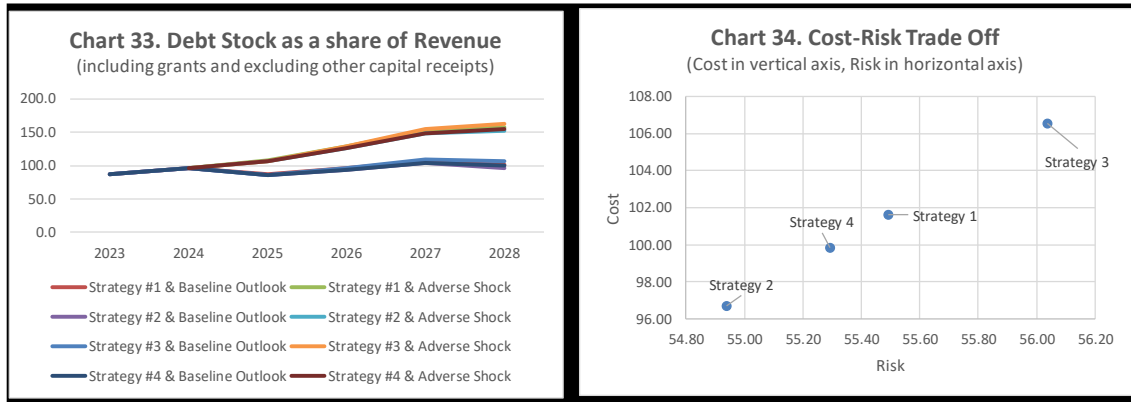
Strategy (S4) focus its financing through external Concessional Loans. It follows the broad parameters of the financing mix in the fiscal year 2024 and MTEF, 2024-2027. This Strategy (S4) considers the scenario where proportions of external and domestic debt instruments in 2024 differs with strategy 1,2 and 3. External Financing - Concessional Loans and Bilateral loans represents an average of 0.003 percent from 2024-2028 , compared with the other gross financing which comprises Commercial bank loans (1-5 years) of 40.845 percent and Commercial bank loans (above 6 years) of 14.634 percent, state bonds (maturity 1-5 years) of 22.456 and 22.062 percent (maturity above 6 years) percent respectively.

5.2 DMS Simulation Results

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

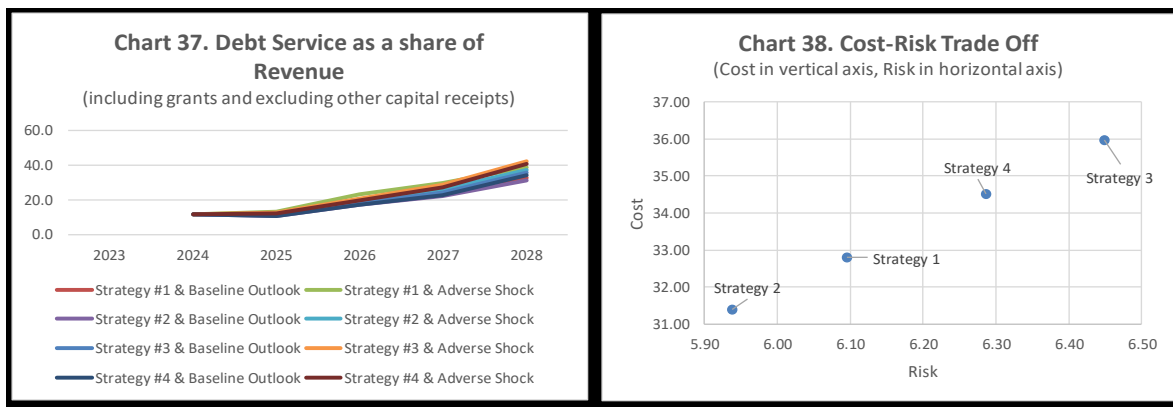
a. Debt as a share Revenue:

- Strategy 3 shows the Cost ratio of Debt to Revenue estimated to decrease from 96.0 percent in 2024 to 106.5 percent, as against Strategy 1 of 101.6 percent, Strategy 2 of 96.7 percent over the DMS period of 2028, compared with the Risks measured of Strategy 3 (56.0 percent), Strategy 1 (55.5 percent), Strategy 2 (54.9 percent) and Strategy 4 (55.3 percent), respectively.
- Analysis using this debt indicator of debt to revenue shows that S3 is the least costly and riskier which was estimated at 96.7 percent and 54.9 percent compared to Strategy 1 (101.6 percent and 55.5 percent) while Strategy 4 (99.8 percent and 55.3 percent), respectively. On the other hand, Strategy 3 is the costliest and riskiest strategy which was estimated as 106.5 percent and 56.0 percent, Strategy 1,2 and 3 concentrated on more commercial bank loans and State bonds borrowings with no proportion of external financing over the DMS period of 2024-2028.



b. Debt Service as a share of Revenue:

- In terms of Debt Service to Revenue, Strategy 2 has the lowest costs of 11.8 percent in 2024 to 31.4 percent in 2028 and lowest risks of 5.9 percent compared to Strategy 1 (costs at 32.8 percent and risks at 6.1 percent), Strategy 3 (costs at 36.00 percent and risks at 6.4 percent) and Strategy 4 (costs at 34.5 percent and risks at 6.3 percent), respectively, as at end of the strategic period of 2028.
- Strategy 2 has the lowest costs at 31.4 percent and minimum risks at 5.9 percent under the Debt Service to Revenue, followed by Strategy 1 costs at 32.8 percent and risks at 6.1 percent. But the Strategy 3 is the costliest and riskiest strategy as the domestic debt financing considered more commercial bank loans.

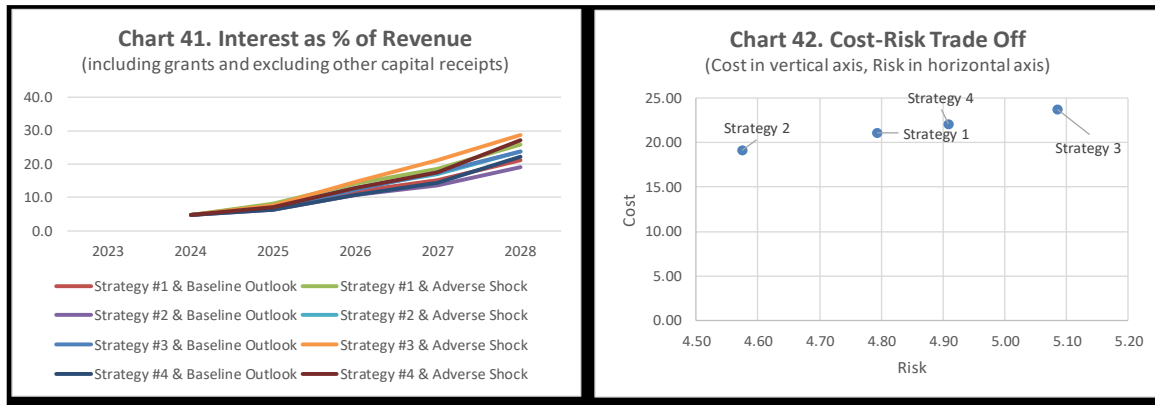


c. Interest as a share of Revenue

- Strategy 2 is the least costs with regards to Interest to Government revenues, which projected the Costs at 19.1 percent and Risks at 4.6 percent, whilst Strategy 3 is the most costly and risky strategy at 23.7 percent and 5.1 percent, compared to Strategy 1 with moderate costs and risks of 21.1 percent and 4.8 percent and Strategy 4 with

estimated costs and risks of 22.1 percent and 4.9 percent, as at end of the strategic period of 2028.

- The ratios of Interest as a percentage of Revenue analysis shows that S2 yields the lowest costs and risks due to combination of commercial bank of 1 to 5 year and 6 year with state bond of 1-5 years maturity. Compared to S1 and S3 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 should be S2 these results were just marginally better when compared with Strategy S1. **Strategy 2 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 2024.**

In comparison to the current debt position, Yobe State debt portfolio stood at N 119.779 billion as at end of-2023, which expected an increase to N289.940 billion under Strategy 1 to the end of the strategic period, compared to Strategy 2 (N270.858 billion), Strategy 3 (N298.503 billion), and Strategy 4 (N279.556 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, S2 is selected as the preferred strategy for the 2024-2028.

The Debt Management Strategy, 2024-2028 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 2024 budget. The cost-risk

trade-off of alternative borrowing strategies under the DMS has been evaluated within the medium-term context.

ASSUMPTION

1. Opening Balance – The state anticipated opening balance of ₦3.500 billion for the three years period
2. Statutory Allocation – This is estimated using 3 year Moving Average forecast, which project ₦40.687 as government’s share of FAAC in 2024, ₦26.902 billion in 2025 and slightly decrease to ₦24.289 billion in 2026.
3. VAT – Government share of VAT is estimated using MA method ₦32.978 billion in 2024, ₦47.633 billion 2025 and ₦60.110 billion in 2026
4. Excess Crude – Excess Crude and other FAAC Revenues expected is earmarked at ₦14.559 IN 2024, N112.233 billion in 2025 and N1113.917 in 2026.
5. Internally Generated Revenue (IGR) – The state government anticipate to increase its revenue base, blocking the identified leakages. The sum of ₦14.559 billion was earmarked in 2024.
6. Grants – the sum of ₦55.400 billion was earmarked as grants in 2024 internal grants.
7. Miscellaneous Capital Receipts – ₦28.100 billion was earmarked as other capital receipt.
8. Financing (Net Loans) – sum of ₦34.077 billion is expected to be collected from Capital Market Issuance.
9. Personnel cost including social contributions – the sum of ₦42.861 billion earmarked as personnel cost in 2024, ₦62.997 billion in 2025 and ₦66.147 billion in 2026 respectively
10. Overheads – other recurrent services witnessed a steady growth year-on-year with ₦40.620 billion in 2024, ₦57.797 billion and ₦58.953 billion in 2025 and 2026 respectively using own percentage forecasting method.
11. Grants, Contributions, Subsidies and Transfers – the sum of ₦1.962 billion was earmarked in 2024, ₦4.388 and ₦4.475 billion in 2025 and 2026 respectively.
12. Public Debt Service – Sum of ₦11.950, billion was earmarked to service the debts in 2024.
13. Capital Expenditure – the sum of ₦120.121 billion in 2024, ₦176.774 billion and ₦144.902 billion in 2025 and 2026.

ANNEXURES I

Assumptions		Projection Methodology	Source
Economic activity	State GDP (at current prices)	State GDP projected using the actual S-GDP and projected N-GDP nominal growth rate	State Statistics and NBS
Revenue	Revenue		
	1. Gross Statutory Allocation (gross)	Statutory Allocation – This is estimated using the MA 3 Year simple forecasting which project N40.687 government's share of FAAC in 2024, N26,902,418 billion, 2025 and sllg	2024 Approved Budget & EFU-FSP-BPS, 2025-2027
	1a. of which Net Statutory Allocation	Statutory Allocation – This is estimated using the MA 3 Year simple forecasting which project N40.687 government's share of FAAC in 2024, N26,902,418 billion, 2025 and sllg	2024 Approved Budget & EFU-FSP-BPS, 2025-2027
	1b. of which Deductions	Statutory Allocation – This is estimated using the MA 3 Year simple forecasting which project N40.687 government's share of FAAC in 2024, N26,902,418 billion, 2025 and sllg	2024 Approved Budget & EFU-FSP-BPS, 2025-2027
	2. Derivation (if applicable to the State)		2024 Approved Budget & EFU-FSP-BPS, 2025-2027
	3. Other FAAC transfers (exchange rate)	Excess Crude – Excess Crude and other FAAC Revenues expected is earmarked at N14,559 billion in 2024, 112,283 billion in 2025, 113,917 billion in 2026, N115.625 billion in 2027	2024 Approved Budget & EFU-FSP-BPS, 2025-2027
	4. VAT Allocation	VAT – Government share of VAT is estimated using the MA 5 outlier forecasting which projected N32.978 billion in 2024, 47,613 billion in 2025 and 60,110 billion in 2026 and 2027	2024 Approved Budget & EFU-FSP-BPS, 2025-2027
	5. IGR	Internally Generated Share (IGR) – The state government anticipates to increase its revenue base, blocking the identified leakages. The sum of N14,559 billion was earmarked	2024 Approved Budget & EFU-FSP-BPS, 2025-2027
	6. Capital Receipts		2024 Approved Budget & EFU-FSP-BPS, 2025-2027
	6a. Grants	Grants – sum of N55,400 billion was earmarked as grants in 2024 comprising N300 mill expected from conditional grant scheme (CGS), 21 billion for the development of nat	2024 Approved Budget & EFU-FSP-BPS, 2025-2027
	6b. Sales of Government Assets and Privatization proceeds	Grants, Contributions, Subsidies and Transfers – the sum of N1,962 billion was earmarked in 2024, N4,388 and N4,675 billion in 2025 and 2026 respectively.	2024 Approved Budget & EFU-FSP-BPS, 2025-2027
	6c. Other Non-Debt Creating Cap	Other Capital Receipts N28,100 billion was earmarked as other capital receipt expected from the refunds of airport N26,000 billion, and N2,100 billion being Refund from Fed	2024 Approved Budget & EFU-FSP-BPS, 2025-2027
Expenditure	Expenditure		
	1. Personnel costs (Salaries, Pensions)	Personnel – the sum of N43,863 billion earmarked as personnel cost in 2024, N69.99 billion in 2025 and N66,147 billion in 2026 and N69,454 in 2027 respectively	2024 Approved Budget & EFU-FSP-BPS, 2025-2027
	2. Overhead costs	Overheads – other recurrent services witnessed a steady growth year-on-year with N40,620 billion in 2024, N57,797 billion and N58,953 billion in 2025 and 2026, N60,132 bill	2024 Approved Budget & EFU-FSP-BPS, 2025-2027
	3. Interest Payments (Public Debt Ch)	Interest payments was earmarked as N7,166 billion in 2024, N16,317 billion in 2025, N28,244 billion in 2026 and N38,743 billion in 2027 respectively.	2024 Approved Budget & EFU-FSP-BPS, 2025-2027
	4. Other Recurrent Expenditure (incl)	Grants, Contributions, Subsidies and Transfers – the sum of N1,962 billion was earmarked in 2024, N4,388 and N4,675 billion in 2025 and 2026 respectively.	2024 Approved Budget & EFU-FSP-BPS, 2025-2027
	5. Capital Expenditure	Capital Expenditure – the sum of N120,121 billion in 2024, N176,774 billion and N194,902 billion in 2025 and 2026 while N129,122 billion in 2027.	2024 Approved Budget & EFU-FSP-BPS, 2025-2027
Closing Cash and Bank Balance	Closing Cash and Bank Balance	Closing Balance – The state anticipated closing balance of N5,000 billion in 2024, N5,000 in 2025 and N5,000 in 2026	2024 Approved Budget & EFU-FSP-BPS, 2025-2027
Debt Amortization and Interest Pay	Debt Outstanding at end-2023		
	External Debt - amortization and int	Amortization and interest payments estimated using profiles recorded in the DMO. Include the external debt service paid through FAAC deductions	DMO, Nigeria and Yobe State Government
	Domestic Debt - amortization and int	Amortization and interest payments estimated using profiles recorded in the DMO. Include the external debt service paid through FAAC deductions	DMO, Nigeria and Yobe State Government
	New debt issued/contracted from 2024 onwards		
	New External Financing		
	External Financing - Concessional Loan	Interest Rate 5%, Maturity of 30 years, and Grace period of 7 year	DMO, Nigeria and Yobe State Government
	External Financing - Bilateral Loans	Interest Rate 5%, Maturity of 12 years, and Grace period of 5 year	DMO, Nigeria and Yobe State Government
	Other External Financing	Interest Rate 3%, Maturity of 4 years, and Grace period of 1 year	DMO, Nigeria and Yobe State Government
	New Domestic Financing		
	Commercial Bank Loans (maturity 1 to 5 years)	Interest Rate 35%, Maturity of 4 years, and Grace period of 1 year	DMO, Nigeria and Yobe State Government
	Commercial Bank Loans (maturity 6 years or long)	Interest Rate 27%, Maturity of 30 years, and Grace period of 1 year	DMO, Nigeria and Yobe State Government
	State Bonds (maturity 1 to 5 years)	Interest Rate 23%, Maturity of 5 years, and Grace period of 1 year	DMO, Nigeria and Yobe State Government
	State Bonds (maturity 6 years or long)	Interest Rate 23%, Maturity of 8 years, and Grace period of 1 year	DMO, Nigeria and Yobe State Government
	Other Domestic Financing		DMO, Nigeria and Yobe State Government
Proceeds from Debt-Creating Borr	Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy 51		
corresponding to Debt Strategy 51	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years)	Financing (Net Loans) – sum of N27,450 billion is expected from Capital Market Issuance the sum N19,950 billion, N-CARES N6,000 billion and Women Development, Loan N	2024 Approved Budget & EFU-FSP-BPS, 2025-2027
	Commercial Bank Loans (maturity 6 years or long)	Financing (Net Loans) – sum of N27,450 billion is expected from Capital Market Issuance the sum N19,950 billion, N-CARES N6,000 billion and Women Development, Loan N	2024 Approved Budget & EFU-FSP-BPS, 2025-2027
	State Bonds (maturity 1 to 5 years)	Financing (Net Loans) – sum of N27,450 billion is expected from Capital Market Issuance the sum N19,950 billion, N-CARES N6,000 billion and Women Development, Loan N	2024 Approved Budget & EFU-FSP-BPS, 2025-2027
	State Bonds (maturity 6 years or long)	Financing (Net Loans) – sum of N27,450 billion is expected from Capital Market Issuance the sum N19,950 billion, N-CARES N6,000 billion and Women Development, Loan N	2024 Approved Budget & EFU-FSP-BPS, 2025-2027
	Other Domestic Financing	Financing (Net Loans) – sum of N27,450 billion is expected from Capital Market Issuance the sum N19,950 billion, N-CARES N6,000 billion and Women Development, Loan N	2024 Approved Budget & EFU-FSP-BPS, 2025-2027
	New External Financing in Million US Dollar		
	External Financing - Concessional Loan	Financing (Net Loans) – sum of N27,450 billion is expected from Capital Market Issuance the sum N19,950 billion, N-CARES N6,000 billion and Women Development, Loan N	2024 Approved Budget & EFU-FSP-BPS, 2025-2027
	External Financing - Bilateral Loans	Financing (Net Loans) – sum of N27,450 billion is expected from Capital Market Issuance the sum N19,950 billion, N-CARES N6,000 billion and Women Development, Loan N	2024 Approved Budget & EFU-FSP-BPS, 2025-2027
	Other External Financing	Financing (Net Loans) – sum of N27,450 billion is expected from Capital Market Issuance the sum N19,950 billion, N-CARES N6,000 billion and Women Development, Loan N	2024 Approved Budget & EFU-FSP-BPS, 2025-2027
Proceeds from Debt-Creating Borr	Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy 52		
corresponding to Debt Strategy 52	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years)	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team
	Commercial Bank Loans (maturity 6 years or long)	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team
	State Bonds (maturity 1 to 5 years)	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team
	State Bonds (maturity 6 years or long)	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team
	Other Domestic Financing	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team
	New External Financing in Million US Dollar		
	External Financing - Concessional Loan	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team
	External Financing - Bilateral Loans	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team
	Other External Financing	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team
Proceeds from Debt-Creating Borr	Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy 53		
corresponding to Debt Strategy 53	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years)	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team
	Commercial Bank Loans (maturity 6 years or long)	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team
	State Bonds (maturity 1 to 5 years)	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team
	State Bonds (maturity 6 years or long)	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team
	Other Domestic Financing	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team
	New External Financing in Million US Dollar		
	External Financing - Concessional Loan	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team
	External Financing - Bilateral Loans	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team
	Other External Financing	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team
Proceeds from Debt-Creating Borr	Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy 54		
corresponding to Debt Strategy 54	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years)	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team
	Commercial Bank Loans (maturity 6 years or long)	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team
	State Bonds (maturity 1 to 5 years)	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team
	State Bonds (maturity 6 years or long)	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team
	Other Domestic Financing	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team
	New External Financing in Million US Dollar		
	External Financing - Concessional Loan	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team
	External Financing - Bilateral Loans	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team
	Other External Financing	Financing distributions were agreed by the State DSA-DMS Technical Team	DSA-DMS Technical Team

Debt Management Unit, Yobe State

ANNEXURES II

Indicator	Actuals					Projections									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
BASELINE SCENARIO															
Economic Indicators															
State GDP (at current prices)	849,452.68	910,479.66	1,039,291.76	1,194,466.59	1,383,707.09	1,634,394.74	1,890,782.33	2,149,786.09	2,391,905.75	2,661,294.13	2,961,022.38	3,294,507.53	3,665,551.44	4,078,384.17	4,537,712.19
Exchange Rate NGN/US\$ (end-Period)	253.19	305.79	306.50	448.50	899.39	1,300.00	1,200.00	1,100.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Fiscal Indicators (Million Naira)															
Revenue	66,110.00	101,729.00	111,309.00	127,007.00	153,536.00	220,075.97	328,205.30	321,939.95	328,240.07	345,590.76	367,528.93	381,592.98	396,110.27	414,258.66	433,035.55
1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT Allocation here)	42,382.00	33,838.00	34,356.00	36,681.00	30,934.00	40,687.00	26,902.00	24,289.00	22,412.00	35,000.00	40,000.00	40,800.00	41,616.00	42,448.32	43,297.29
1.a. of which Net Statutory Allocation ('net' means of deductions)	40,218.00	32,644.00	29,486.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.b. of which Deductions	2,164.00	1,194.00	4,870.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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)	219.00	4,155.00	3,611.00	12,425.00	27,389.00	14,275.00	112,233.00	113,917.00	115,625.00	127,187.50	137,362.50	148,351.50	160,219.62	173,037.19	186,880.16
4. VAT Allocation	11,078.00	13,396.00	19,968.00	23,684.00	30,903.00	32,978.00	47,613.00	60,110.00	75,037.00	76,000.00	84,921.45	99,358.10	116,248.97	136,011.30	159,133.22
5. IGR	8,515.00	6,833.00	8,492.00	10,117.00	11,195.00	14,559.00	14,562.00	16,631.00	18,970.00	19,000.00	22,000.00	22,000.00	23,000.00	24,000.00	24,000.00
6. Capital Receipts	3,916.00	43,507.00	44,876.00	44,100.00	53,115.00	117,576.97	126,895.30	106,992.95	96,196.07	88,403.26	86,244.98	71,083.38	56,025.67	39,761.85	19,724.89
6.a. Grants	0.00	9,998.00	9,917.00	4,566.00	26,450.00	55,400.00	22,500.00	22,500.00	23,000.00	23,000.00	25,000.00	25,000.00	25,500.00	26,000.00	5,000.00
6.b. Sales of Government Assets and Privatization Proceeds	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
6.c. Other Non-Debt Creating Capital Receipts	3,216.00	6,500.00	0.00	0.00	0.00	28,100.00	50,000.00	30,000.00	0.00	20,000.00	25,000.00	10,000.00	12,000.00	0.00	0.00
6.d. Proceeds from Debt-Creating Borrowings (bond issuance, loan disbursements, etc.)	700.00	27,009.00	34,959.00	39,534.00	15,667.00	34,076.97	54,395.30	54,492.95	73,196.07	45,403.26	36,244.98	36,083.38	18,525.67	13,761.85	14,724.89
Expenditure	79,185.83	90,197.21	117,456.29	133,367.00	147,429.00	224,200.97	328,205.30	321,939.95	328,240.07	345,590.76	367,528.93	381,592.98	396,110.27	414,258.66	433,035.55
1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	22,872.00	26,274.00	28,880.00	34,381.00	38,817.00	42,861.00	62,997.00	66,147.00	69,454.00	70,148.54	70,850.03	71,558.53	72,274.11	72,996.85	74,000.00
2. Overhead costs	15,102.00	13,927.00	25,786.00	20,504.00	31,413.00	40,620.00	57,797.00	58,953.00	60,132.00	54,215.79	54,757.95	55,305.53	55,858.58	56,417.17	65,000.00
3. Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)	1,736.28	2,515.67	5,410.90	9,327.00	6,817.00	7,703.27	16,317.34	28,244.68	38,743.17	59,078.87	61,653.09	63,939.93	60,024.75	50,744.46	40,703.13
3.a. of which Interest Payments (Public Debt Charges, excluding interests deducted from FAAC Allocation)	1,482.00	2,239.00	4,399.17	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.b. of which Interest deducted from FAAC Allocation	254.28	276.67	1,011.73	0.00	0.00	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)	7,579.00	7,576.00	4,837.00	5,621.00	11,031.00	1,962.70	4,388.00	4,475.00	4,565.00	8,317.35	8,400.52	8,484.53	8,569.37	8,655.07	9,000.00
5. Capital Expenditure	30,096.00	37,165.00	44,421.00	32,931.00	50,507.00	120,121.00	176,774.00	144,902.00	129,122.00	121,000.00	135,000.00	140,500.00	150,000.00	170,000.00	210,000.00
6. Amortization (principal) payments	1,800.55	2,739.54	8,121.39	30,603.00	8,844.00	10,933.00	9,931.96	19,218.27	26,223.90	32,830.21	36,867.35	41,804.47	49,383.45	55,445.12	34,332.43
Budget Balance ('+' means surplus, '-' means deficit)	-13,075.83	11,531.79	-6,153.29	-6,360.00	6,107.00	-4,125.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Opening Cash and Bank Balance	17,075.04	3,999.21	15,531.00	9,377.70	3,018.00	9,125.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
Closing Cash and Bank Balance	3,999.21	15,531.00	9,377.71	3,018.00	9,125.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00

LIST OF PARTICIPANTS

1. **Muhammad Alkali Dinkiri** – Accountant General
2. **Muhammad Ibrahim (Rabi’u)** – Head of Debt Management Unit
3. **Tijjani Kachalla Goni** – Principal Accountant Final Accounts
4. **Umar Abdu Umar** – Debt Management officer



Mohammed Abatcha Geidam mni, FCNA

Hon. Commissioner,
Ministry of Finance
Yobe State



Muhammad Ibrahim

Head Debt Management Unit
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