NIGER STATE GOVERNMENT

DEBT SUSTAINABILITY ANALYSIS AND DEBT MANAGEMENT STRATEGY (DSA-DMS) 2021 REPORT

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CHAPTER ONE

Introduction

NigerState Debt Sustainability Analysis (NS - DSA) covers the period of 5-year historical from 2016 to 2020 and 10-year projection 2021-2030, under various macroeconomic assumptions and Shock scenarios. To ensure that State debt stock remains sustainable in the medium to long-term, by using the State's macroeconomic framework, to assess the current and future debt levels, as well as its ability to meet debt service obligations as and when due, and without compromising growth and development.

The Niger State DSA forecast for primary balance that comprises the difference between revenue and expenditure, plus the existing debt service (interest payment and principal repayments). The revenue were based on the harmonized revenue law of the state government, which provided for capital gains tax, and other property tax to expand the tax base to maximally increase the state internally generated revenue that are considered achievable. Also, the state forecasts increased recurrent and capital expenditures with expected growth in the National economy with cascading effects in the State's economy leading to increase in overall economic activities in the private sector, as well as job creation in the public sector. The forecast is in line with international public sector accounting standards (IPSAS) and consistent with our strategic plan in the medium-term to long-term vision.

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CHAPTER TWO

The State Fiscal and Debt Framework

NigerState Government Budget prepared it's in line with the Federal Government's outlook for each fiscal year, by using oil price benchmark per barrel to project the Statutory allocation, considered inflation rate and exchange rate during projections. The economy is the primary and critical component of life; the NigerState Government submitted an Economic Policies and Procurement Bills to the State House of Assembly with a view to transforming the State economy in urban and rural area, particularly health care, agriculture, education, agriculture, Small Medium Enterprises, solid minerals. This is expected to boost Internal Generated Revenue.

NigerState GovernmentBudget is driven by Agriculture, youth empowerment and provide an enabling environment for Small Medium Enterprises to grow and pave way for industrial development of the State's government. The Government also rolled out a social intervention programme to provide support to the poor and the unemployed; reconstructed and equipped skills acquisition centres to provide training for women and youth towards self-reliance; and building the critical infrastructure needed to speed up the development of the State.

In the first quarter of the 2020, however, the Coronavirus Disease (COVID-19) which appeared in Asia gradually became a global pandemic. The global fight against the deadly virus led to the shutdown of the economies of the world and this affects Nigeria's revenue that accrued to the State. Both import and export commodities were affected.This unprecedented dire situation led to recession in some part of the world. Nigeria had it fear share of the COVID-19 pandemic recession due to fall in the revenue and this seriously led to loss of job, businesses and lives. In addition, the world economy suffers greatly due the consequences of policies like lockdown, which came into effect in many parts of the world to contain the virus. Nigeria and many countries are currently experiencing various degrees of economic difficulties.

The Government has put in place a harmonized revenue law to expand the tax net and boost Internally GeneratedRevenue. The increase in Internally GeneratedRevenue expected to positively impact on the debt obligations as well as economic development of the State. The State plans to augment the State budget through borrowings from domestic loans and external loans.

Medium-Term Budget Forecast

Niger State Government's Medium-Term Budget Forecast determine the accessible resources and ensured the use of these resources for the medium term. Medium-Term Expenditure Framework is a five-year

period projection as well as source document for the preparation of State Budget proposal to be tabled before the State House of Assemble. Medium-Term Budget Planning implies approval of State Budget law for one year, and determination of maximally allowable expenditure levels for the subsequent two years.

Niger State's Medium-term covers macroeconomic analysis, Government's fiscal policy objectives for medium term, State budget revenue projections and State budget expenditure ceilings for each ministry and their agencies (MDAs) for medium term. The details of the macroeconomic assumptions are as shown in the table below.

Niger State Medium Term Expenditure Framework (MTEF)-(FY2022-2024)

Macroeconomic Assumptions	**2021 Approved Budget**	**MTEF, 2022-2024**		
		2022	**2023**	**2024**
National Inflation	11.95%	10.94%	11.02%	11.10%
National Real GDP Growth	3.00%	4.68%	3.86%	3.04%
Budget Oil Production Volume (mbpd)	1.86	2.09	2.38	2.67
Projected Budget Benchmark Price (US$ per barrel)	40	40	40	40
Average Exchange Rate (N/US$)	379	379	379	379
Revenue				
Gross Statutory Allocation	95,370.60	54,282.41	64,953.69	68,002.40
Other FAAC transfers	0.00	4,870.00	4,870.00	0.00
VAT Allocation	18,120.25	20,792.44	24,289.59	27,990.79
IGR	15,840.77	12,155.54	12,763.32	13,401.48
Other Capital Receipts[1]	0.00	46,651.00	32,338.00	31,065.00
Total Revenue	**129,331.62**	**138,751.39**	**139,214.60**	**140,459.67**
Expenditure				
Personnel costs	38,293.70	37,681.55	39,565.63	40,752.60
Overhead costs	16,059.00	13,738.00	24,012.80	19,293.00
Other Recurrent Expenditure[2]	21,001.19	35,039.00	24,083.76	43,327.08
Capital Expenditure	77,045.09	85,360.22	66,111.13	69,398.65
Total Expenditure	**152,399.00**	**171,818.77**	**153,773.32**	**172,771.32**
Capital Expenditure Rate	**50.55**	**49.68**	**42.99**	**40.17**
New Borrowing	**-23,067.38**	**-33,067.38**	**-14,558.72**	**-32,311.65**

Total Budget size	**152,399.00**	**171,818.77**	**153,773.32**	**172,771.32**

Notes:

[1]Other Capital Receipt coversnon-debt creating capital receipts only.

[2]Other Recurrent Expenditure – new and existing debt charges was included.

State's Revenue policies- Niger State Government introduced new "*Revenue Bill 2020*" the bill make provision for the repeal and re-enactment of a law no. 002 of 2019 for the administration and collection of revenue accrued to the Niger State Government and local government. Under the new bill the "Taxable person" includes an individual or body, individuals, family, corporation sole, trustee or executor or a person who carries out in a place an economic activity, a person exploiting tangible or intangible property for the purpose of obtaining income there from by way of trade of business or person or agency of government acting in that capacity.

Purpose of the new bill is as follows:

- To establish a single Central revenue account (herein after called "the Account") for all the internally generated revenue of the state.
- The account should be utilized by SIRS for the purpose of capturing the total revenue collection of the state.
- The account shall be maintained and operated with the designated IGR reporting Bank, which shall account for all revenues collected by Lead Bank through designated collecting Bank as may from time to time be authorized by the Governor or any other person authorized by him.

State's Expenditure policies - Government spending drives economic activity either through the development of large-scale infrastructural projects or through the provision of resources to the poor in the form of social grants. Investments in education and health have long-term economic benefits.

Fiscal policy is the deliberate adjustment of government spending, borrowing or taxation to help achieve desirable economic objectives. Niger State Government introduced new Bill titled "Price Intelligence and Public Procurement Bill, 2020" the objectivesof the bill are as follows:

- Maximize economy and efficiency in public procurement;
- Promote economic development through public procurement
- Obtain value for money in public procurement;
- Promote integrity and engender public confidence in the public procurement process;
- Foster transparency in the public procurement process;
- Encourage participation in public procurement
- Provide for the fair and equitable treatment of all persons participating in public procurement proceedings; and,

- Encourage the State economic growth by enabling the participation of small and medium sized enterprises in Public procurement.

CHAPTER THREE

The State Revenue, Expenditure, and Public Debt Trends (2016 - 2020)

The State economy experienced a decline in 2020, with5.4 percent decline in the IGR from N13,613.22 million in 2019 to N9,234.00 millionin 2020. This decline in the IGR was largely due to COVID-19 pandemic that led to collapse of the economic in the State but gradually pick up through intervention of the Federal Government and State Initiatives.

3.1 Revenue and Expenditure

Revenue - The State's economycomprises Statutory Allocation, Derivation, VAT Allocation, IGR, and Capital Receipt. the State's Revenue recorded to N82,507.30 million as at end 2020 from N81,723.12 million as at end 2019, representing an increase of N784.18 million or 0.95 percent. This growth increased flows of financial resources to the real sector of the economy and effective implementation of the Economic Police in the State.

a. Niger recorded a slight growth in the review period relative to the preceding year, as the FAAC Allocations increased from N62,573.90 million in 2020 compared to N61,832.90 million in 2019 representing N921.00 million or 1.49percent.
b. Niger witnessed a slight decline in the State **Internally Generated Revenue (IGR)**, where the IGR declined by 5.40percent or N4,379.22 millionfrom N9,234.00 million in 2020to N13,613.22million in 2019 (as shown in Chart 1, below). The decline in the IGR was largely due to COVID-19 pandemic.
c. The Grants recorded N10,519.40 million in 2020 and N6,277.00 million in 2019 representing an increase of N4,242.40 or 68 percent. The increase is due to grants from COVID-19 intervention fund and SFTAS grants.

Revenue	2016	2017	2018	2019	2020
Total Revenue	65,001.86	67,987.48	79,440.59	81,723.12	82,507.30
Gross FAAC Allocation	59,459.02	61,923.38	62,399.69	61,832.90	62,753.90
IGR	4,812.84	6,064.10	16,913.30	13,613.22	9,234.00
Grants	730.00	-	127.60	6,277.00	10,519.40

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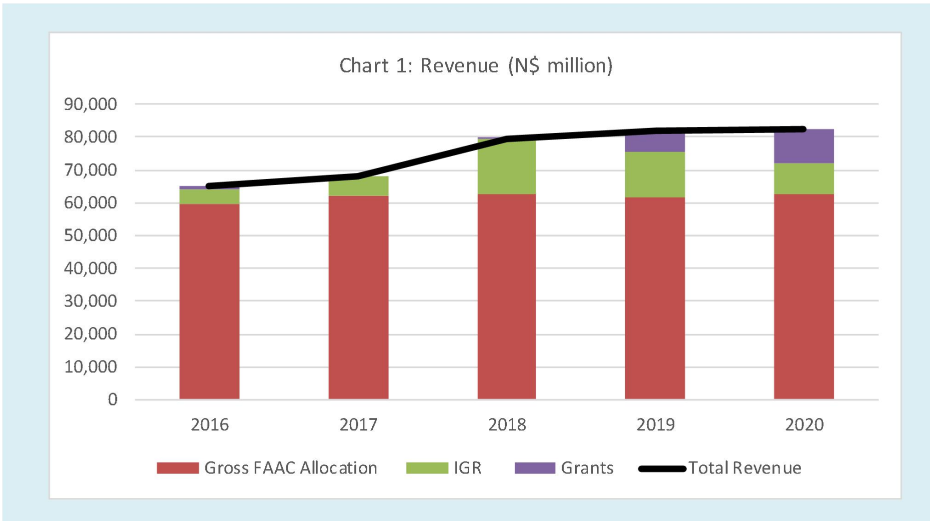


Expenditure- The State's Totalexpenditure covers Capital expenditure, Personnel costs, Overhead costs, other recurrent expenditure, and Debt service (interest payment and principal repayment)recorded at N62,518 million in 2016, N79,891 million in 2018and N123,057 million 2020.

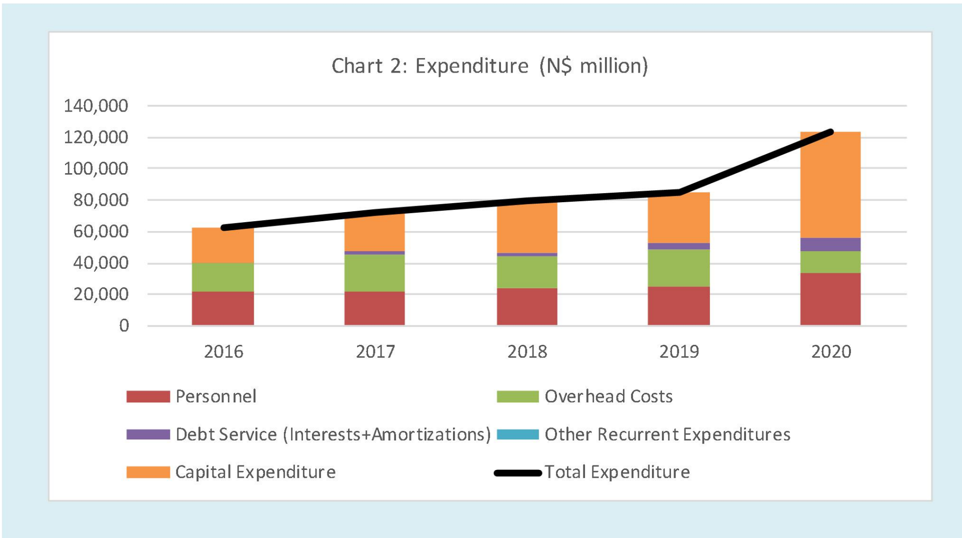
Personnel: Niger State Personnel costs stood at N21,978.07 million in 2016, N22,209.29 million in 2017, N24,238.67 million in 2018, N25,488.08 million in 2019 and N33,816.57 million in 2020, respectively.

Overhead Cost: Niger State Overhead costs stood at N17,725.84 million in 2016, N23,422.31 million in 2017, N19,754.39 million in 2018, N23,598.07 million in 2019 and N13,207.74 million in 2020, respectively.

Capital Expenditure: Capital Expenditure recorded N67,242.76 million in 2020 compared to N32,373.44 million in 2019, representing an increase of N34,869.32 million or 107.71, the increase was due to construction of COVID-19 facility centres and critical medical facilities in the State.

Expenditure Performance	2016	2017	2018	2019	2020
Total Expenditure	62,518.00	71,747.50	79,891.20	84,916.20	123,057.10
Personnel	21,978.07	22,209.29	24,238.67	25,488.08	33,816.57
Overhead Costs	17,725.84	23,422.31	19,754.39	23,598.07	13,207.74
Debt Service (Interests+Amortizations)	290.19	1,888.36	1,914.64	3,456.61	8,790.03

Other Recurrent Expenditures	-	-	-	-	-
Capital Expenditure	22,523.90	24,227.54	33,983.50	32,373.44	67,242.76



3.2 Existing Public Debt Portfolio

Total Debt Stock comprises of the External and Domestic Debts. In year 2020 the Niger debt Stock stood at N87,845.30million, 2019 (N85,389 million, 2018 (N63,500 million), 2017 (N52,506 million) and 2016 (N41,786 million), respectively. The External Debt stood to N22,787.4millionin 2019 compared to N26,605.80 million in 2020, while the Domestic Debt stock declined from N62,602.009 million in 2019 to N61,239.50millionin 2020. The decline in the domestic stock was as a result debt service suspension initiative by the Federal Government during the year.

	2016	2017	2018	2019	2020
Outstanding Debt (Old + New)	41,785.91	52,505.76	63,500.20	85,389.40	87,845.30
External	11,494.81	17,368.66	18,819.10	22,787.40	26,605.80
Domestic	30,291.10	35,137.10	44,681.10	62,602.00	61,239.50

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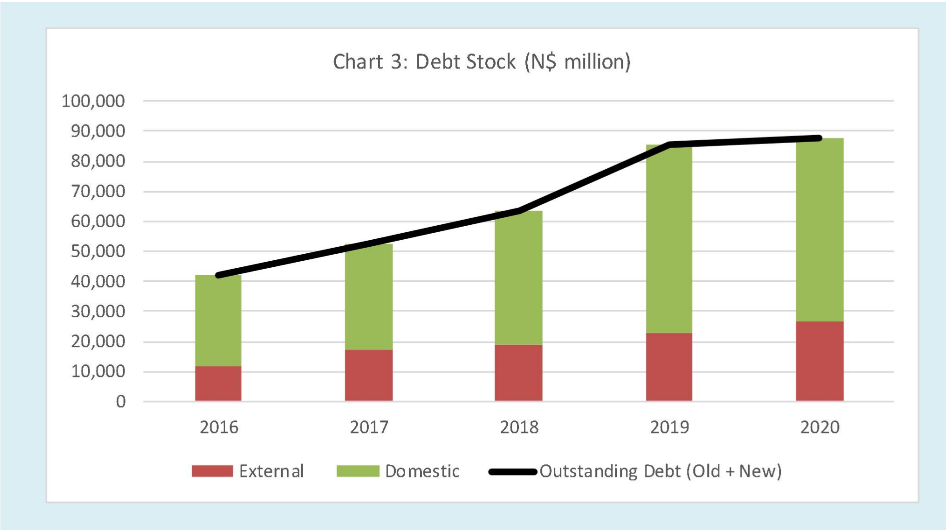
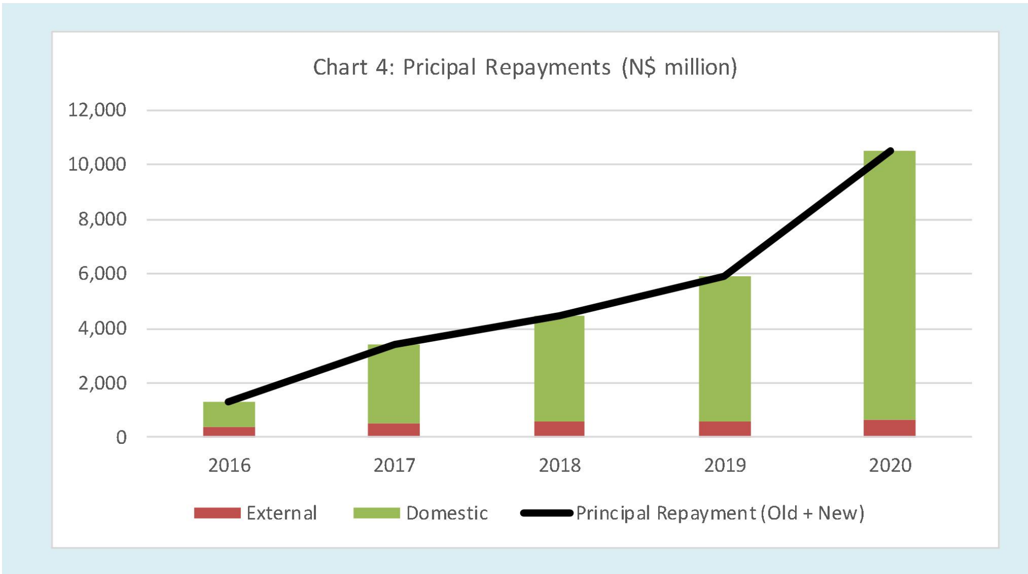


Debt composition - The main domestic debt portfolio consists of Budget Support Facility, Excess Crude Account Backed Loan, Salary Bail-Out Fund, Commercial Agricultural Credit Scheme, Contractor's Arrears and Pensions & Gratuity arrears. While the External Debt includes World Bank (IDA and IFAD) and African Development Fund (AfDF). In 2020 the composition of external debt to domestic debt portfolio stood at 30.29percent to 69.71 percent, compared to the debt composition of the external debt to domestic debt portfolio of 26.69percent to 73.31percent in 2019.

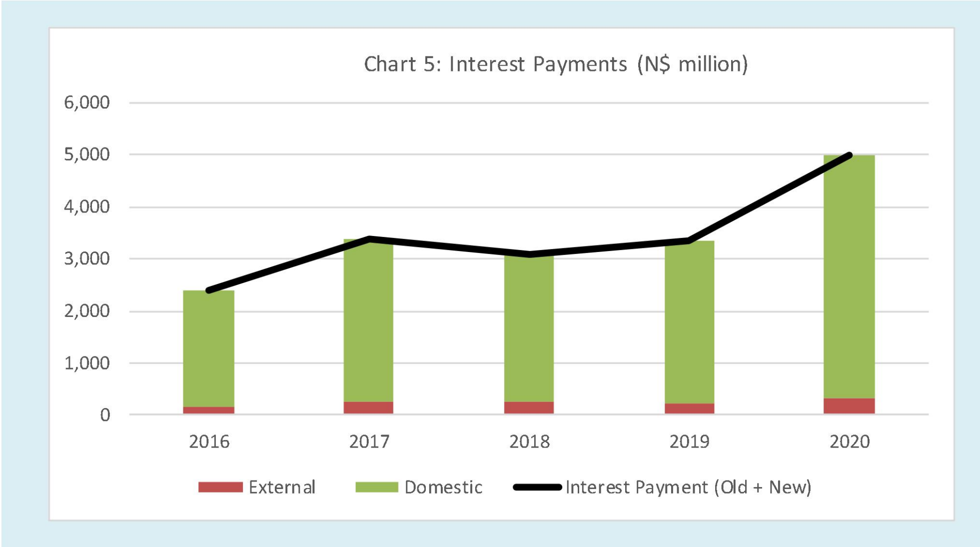
Debt Service - The Niger State Debt Service grew relatively from N9,239.20 million in 2019 to N15,505.70 million in 2020, reflecting an increase of N6,266.50 million or 67.83 percent. The principal repayment showed a hugeincrease from N5,894.70 million in 2019 to N10,530.60 million.

Principal Repayment	2016	2017	2018	2019	2020
Principal Repayment	1,320.20	3,383.74	4,430.45	5,894.70	10,530.60
External	405.10	519.84	582.35	586.80	644.30
Domestic	915.10	2,863.90	3,848.10	5,307.90	9,886.30



Niger state Interest Payment stood at N4,975.10 million in 2020 and N3,344.50 million in 2019, representing an increase of N1,630.60 or 48.75 percent. The principal repayments and Interest Payment made were on both External Debt and Domestic Debt.

Interest Payment	2016	2017	2018	2019	2020
Interest Payment	2,409.43	3,372.21	3,084.40	3,344.50	4,975.10
External	177.23	275.21	245.20	228.20	341.10
Domestic	2,232.20	3,097.00	2,839.20	3,116.30	4,634.00



CHAPTER FOUR

Debt Sustainability Analysis

"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".

Table 1:Niger State Debt burden indicators as at end-2020

Indicators	Thresholds	Ratio
Debt as % of GDP	25%	2.29
Debtas % of Revenue	200%	106.47
Debt Serviceas % of Revenue	40%	18.79
Personnel Costas % of Revenue	60%	40.99
Debt Serviceas % of FAAC Allocation	Nil	24.71
Interest Paymentas % of Revenue	Nil	6.03
External Debt Serviceas % of Revenue	Nil	1.19

Note: Nil means not available
Source: Niger State DMB

4.2 Borrowing Options

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The borrowing options are considered due to the timing of government's cash flows throughout the fiscal year. Domestic borrowing serve as one of the main sources of borrowingwith average ratio of N24,603.60 million percent over the projection period from 2021 to 2030and given the limited funding envelopes from the external borrowing with long processing time required, domestic borrowingsare mainly through: the commercial banks, Federal Governmentand other Central Bank of Nigeria (Interventions) loans are main source offinancing.

Borrowing Options

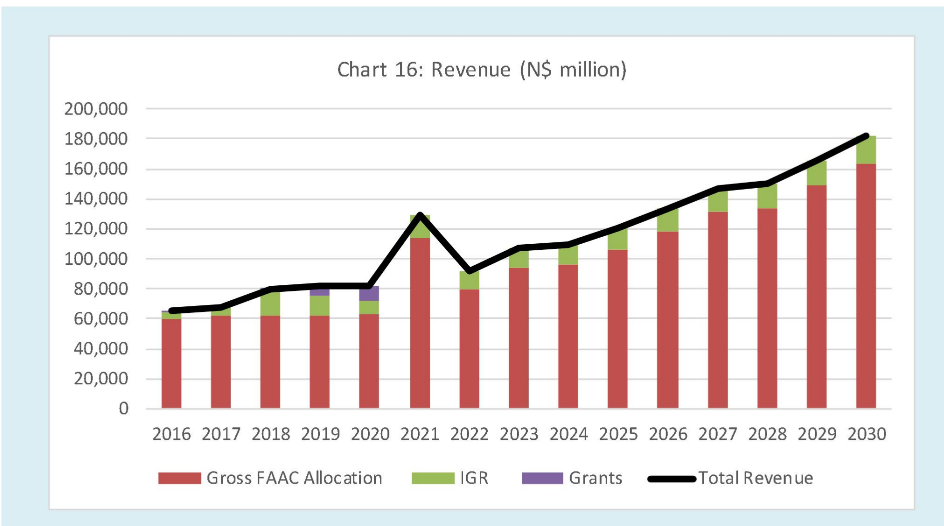
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Domestic Financing (NGN ‘ million)										
Commercial Bank Loans 1 <> 5 years	2,500.0	7,000.0	7,000.0	8,000.0	9,500.0	7,000.0	4,000.0	10,000.0	12,000.0	7,946.6
Commercial Bank Loans - 6 years >	15,176.9	10,000.0	3,768.7	10,000.0	4,364.0	4,481.3	0.0	3,500.0	0.0	7,000.0
State Bonds - 1 <> 5 years)	0.0	0.0	0.0	0.0	10,000.0	0.0	0.0	0.0	7,500.0	0.0
State Bonds - 6 years >	0.0	0.0	0.0	0.0	0.0	17,000.0	0.0	15,000.0	0.0	0.0
Other Domestic Financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
External Financing (US$’ million)										
External Financing - Concessional Loans (e.g., WB, AfDB)	14.2	42.4	10.0	37.8	0.0	0.0	28.3	15.6	18.7	0.0
External Financing - Bilateral Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other External Financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Gross Borrowing	**23,067.4**	**33,067.4**	**14,558.7**	**32,311.7**	**23,864.0**	**28,481.3**	**14,743.4**	**34,400.7**	**26,595.0**	**14,946.6**

4.3.1 DSA Simulation Results

Revenue, expenditure, overall and primary balance over the long-term.

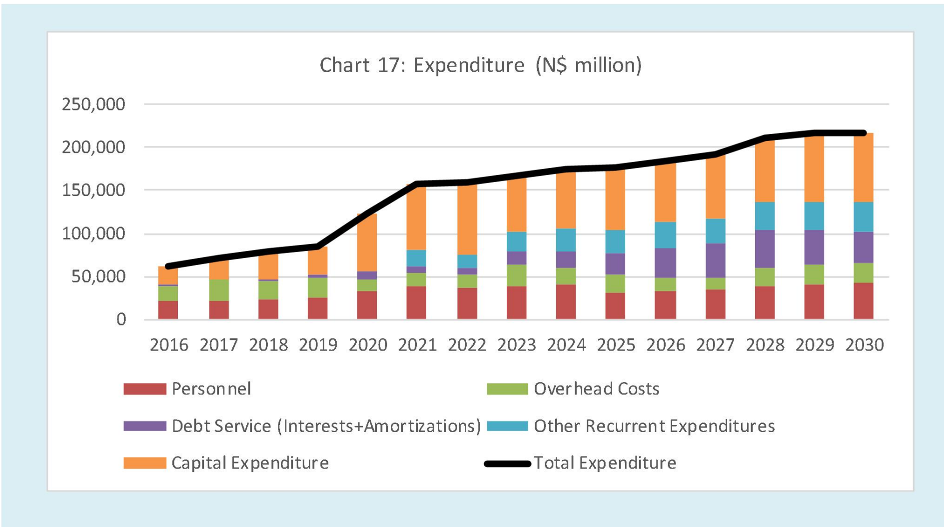
Revenue The Macroeconomic framework is based on IMF's national real GDP growth and inflation forecasts from April 2021, IMF World Economic Outlook document, and mineral benchmarks (oil price, production and NGN/USD exchange rate) from Federal Government of Nigeria's MTEF/FSP 2022-2024.

4.3.2 Revenueis expected to grow during the projected period, driven largely by expected improvement through FAAC allocation the FAAC allocation is estimated to increase in the medium term from N113,490.85 million in 2021 to N118,755.60 million in 2026, and N163,917 million in 2030. IGR projected at N15,840.77 million in 2021 compared with N17,959.27 million in 2030. The increase is due to stability in heath sector and containment of COVID-19 pandemic. Estimated on Revenue were sources from the Approved 2021 Budget; Economic & Fiscal Update (EFU), Fiscal Strategy Paper (FSP) and Budget Policy Statement (BPS), 2022-2024; the projections period from 2025-2030 projections as estimated by the official of Niger State Ministry of Budget and Economic Planning.

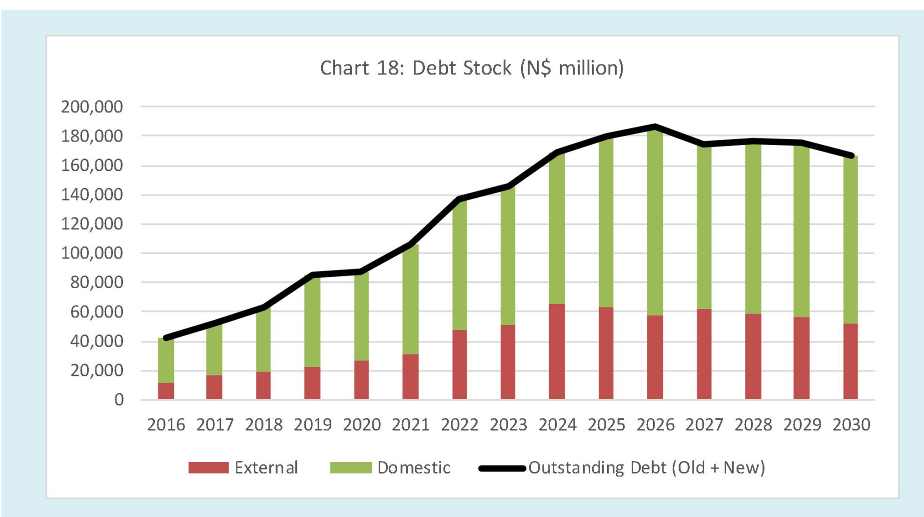


Expenditure: Niger Total Expenditure stood at N157,835 million in 2021, N159,862 million in 2022, N167,864 million in 2023, N175,593 million in 2024, N176,562 million in 2025, N185,252 million in 2016, N191,732 million in 2027, N211,786 million in 2028, N215,891 million in 2029 and N217,058 million in 2030 respectively, the Capital expenditure estimated to has the largest shareof 48.81 percent in 2021, 39.52 percent in 2024, 39.01 percent 2027 and 37.40 percent in 2030 respectively, respectively. indicating stability in the state growth recovery. The growth in the period is predicated on sustaining effective implementation of the new laws. Government is expected to continue its fiscal strategy of directing resources to the most productive and growth-enhancing sectors, including Agriculture, Infrastructure, Manufacturing, Housing and Construction, Education, Health and Water Resources within the period..

Estimated on Revenue were sources from the Approved 2021 Budget; Economic & Fiscal Update (EFU), Fiscal Strategy Paper (FSP) and Budget Policy Statement (BPS), 2022-2024; the projections period from 2021-2030 projections as estimated by the official of Niger State Ministry of Budget and Economic Planning.



Niger State Total Debt Stock projected to increase from N106,524 million in 2021, N168,891 million in 2024, N173,793 million in 2027 and N166,685.29million in 2030 respectively, respectively.



Niger State Total Debt Service comprises Interest payment and Principal repayment from both External and Domestic, the Total Debt service projected to increase from N8,207 million in 2021, N19,445 million in 2024, N41,835 million in 2027 and N35,942 million in 2030 respectively, respectively. while the

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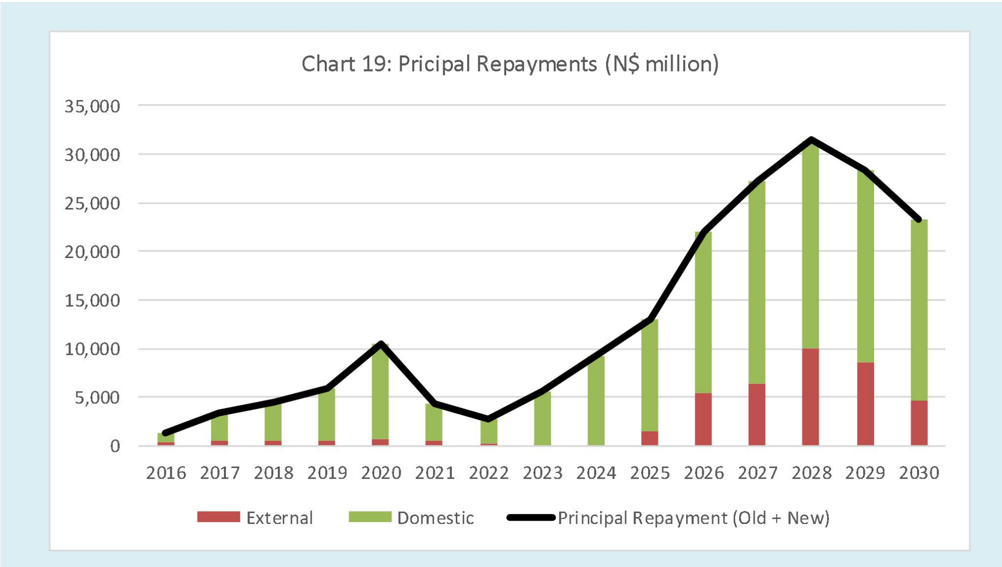
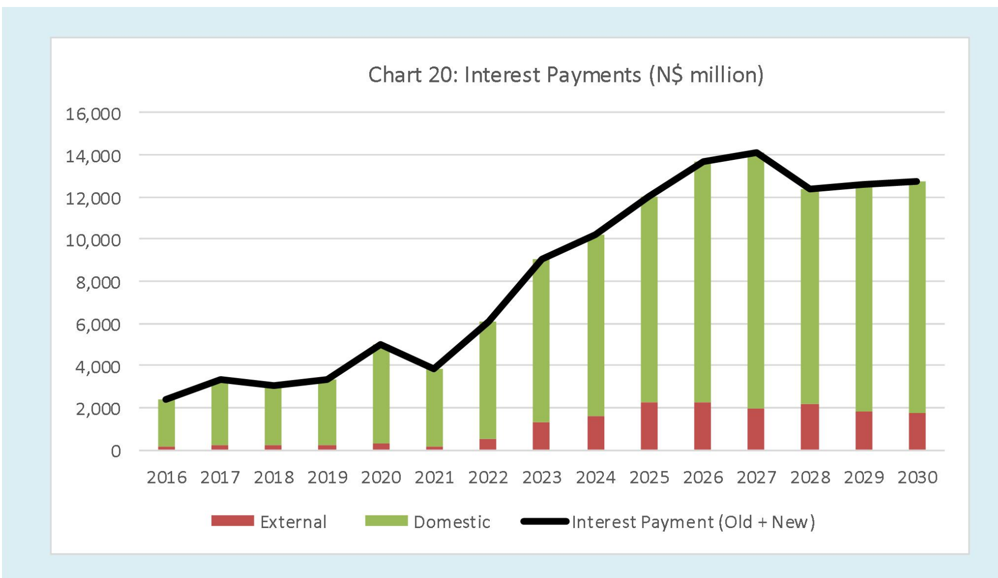
Principal repayment estimated to increase from N4,388 million in 2021, N9,206 million in 2024, N27,227 million in 2027 and N23,217 million in 2030 compared with Interest payment estimated to growth from N3,818 million in 2021, N10,239 million in 2024, N14,108 million in 2027 and N12,726 million in 2030 respectively.





Main Key Findings

On the Total Debt Sustainability Analysis under Baseline Scenario, the Debt Sustainability Analysis results shows that the ratio of Debt as % of GDP is projected at 2.33 percent in 2021, 2.70 percent in 2022, 2.60 percent in 2023, 2.77 percent in 2024, 2.70 percent in 2025, 2.57 percent in 2026, 2.19 percent

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in 2027, 2.04 percent in 2028, 1.85 percent in 2029 and 1.62 percent in 2030, respectively, as against the indicative threshold of 25 percent.

On the Total Debt Sustainability Analysis, the results show that the ratio of Debt to revenue remains below its indicative threshold under the Baseline scenario. However, based on the Most Extreme Shock in Revenue, Expenditure, Exchange rate and Interest rate, and historical remains moderate debt distress over the projection period.

2021 DSA exercise shows that there is substantial Space to Borrow based on the state's current revenue profile. The ratios of Debt Service to Revenue and Personnel Cost to Revenue trends remains under the threshold over the projection period from 2021 to 2030, with the strongminded efforts by the State Government through its various initiatives and reforms in the key sectors of the economy.

The revenue-based indicators show that the Debt to Revenue at 82.37 percent in 2021, 136.41 percent in 2023, 139.50 percent in 2026, 118.06 percent in 2028 and 91.65 percent in 2030the trends remains below the threshold of 200 percent. Niger State would remain under the threshold for Debt to SGDP ratio for 25 percent over the projection period.

For the Debt Service to Revenue, the outcome estimates the ratios in 2021 (6.35 percent), 2024 (17.77 percent), 2026 (26.67 percent), 2028 (29.28 percent) and 2030 (19.76 percent), as against the threshold of 40 percent to the end of the projection period in the medium to long term.

The Personnel Cost to Revenue remained under state threshold of 60 percent from 29.61 percent in 2021 to 23.47 percent in 2030. Thus, Niger State Debt remained sustainable on the revenue and debt indicators.

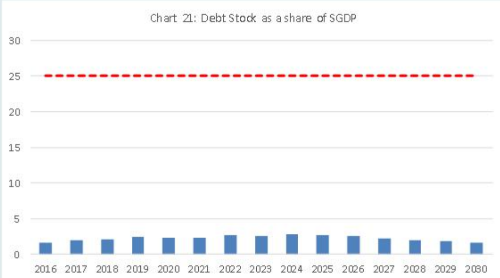


Chart 21: Debt Stock as a share of SGDP

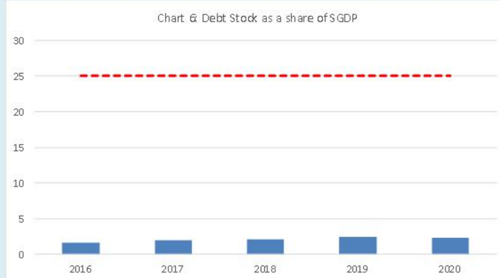


Chart 6: Debt Stock as a share of SGDP

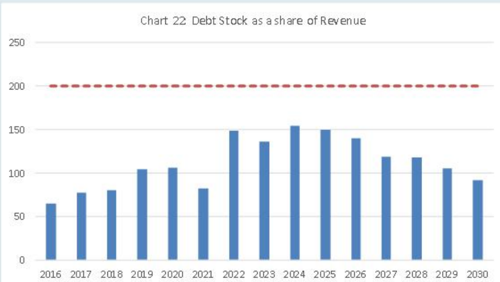


Chart 22: Debt Stock as a share of Revenue


Chart 7: Debt Stock as a share of Revenue

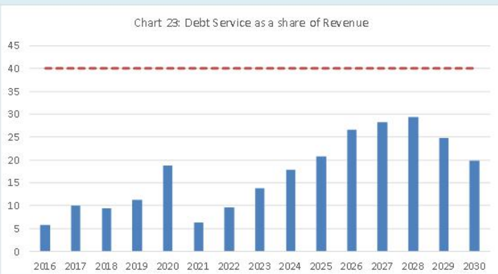


Chart 23: Debt Service as a share of Revenue

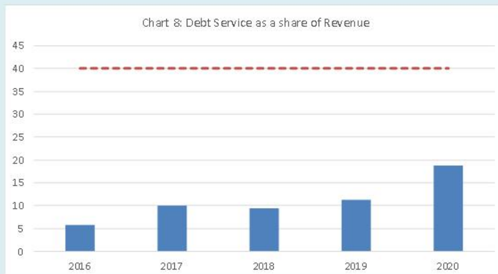


Chart 8: Debt Service as a share of Revenue

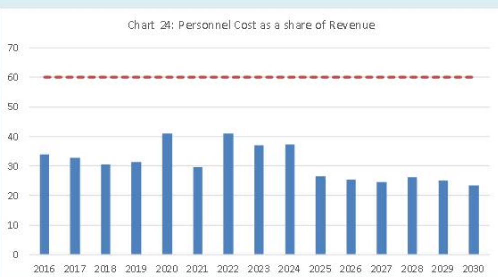


Chart 24: Personnel Cost as a share of Revenue


Chart 9: Personnel Cost as a share of Revenue

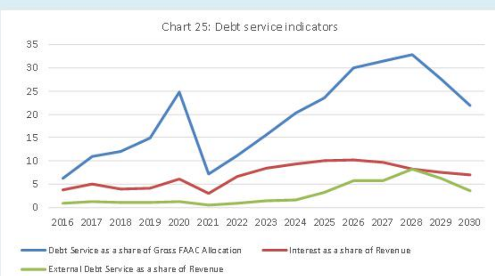


Chart 25: Debt service indicators

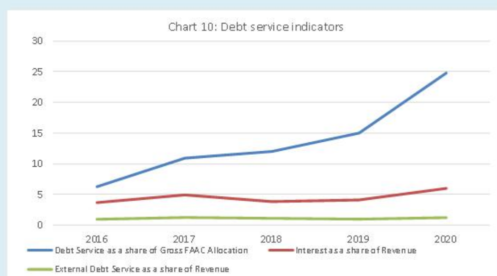


Chart 10: Debt service indicators

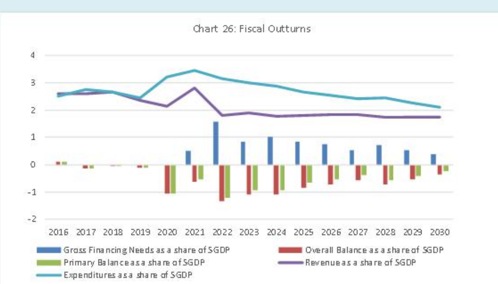


Chart 26: Fiscal Outturns

Chart 11: Fiscal Outturns

CONCLUSION

The outcome of the 2020 DSA revealed that Niger's Total Debt remains at a Very Low Risk of Debt distress with substantial space to accommodate shocks. NigerState Risk Rating remains at a Moderate Risk of debt distress with capacity to accommodate shocks in Revenue, Expenditure, Exchange rate and Interest Rate. The ongoing efforts by the government towards improving revenue generation and diversifying the economy, through various initiatives and reforms in Tax Administration and Collections, as well as the Strategic Revenue Law, would improve the outlook for Total Debt with enhanced revenue performance. Thus, the Revenueindicators and Borrowing Space are expected to improve in the medium to long-term.

4.3.2 DSA Sensitivity Analysis

Niger State 2021 DSA analysis remains at moderate risk 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 all the indicators are still below the thresholds during the projection period, except the and historical shock that breached the thresholds in debt to GDP, debt to revenue and debt service to revenue. There is, a 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.

NIGER STATE

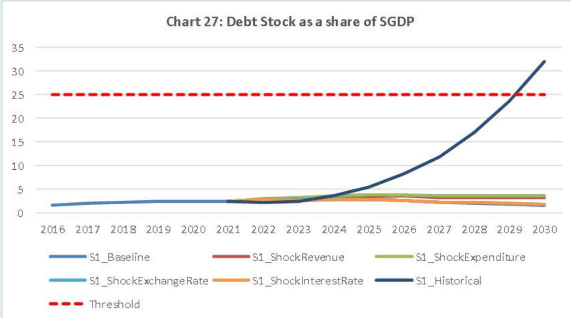


Chart 27: Debt Stock as a share of SGDP

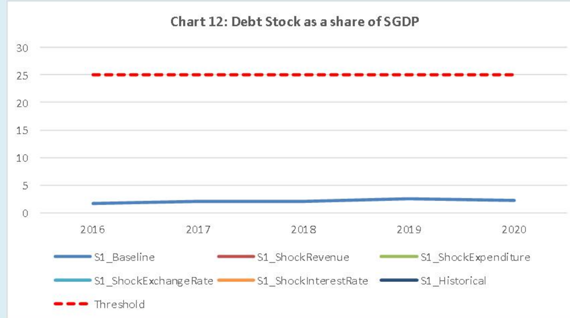


Chart 12: Debt Stock as a share of SGDP

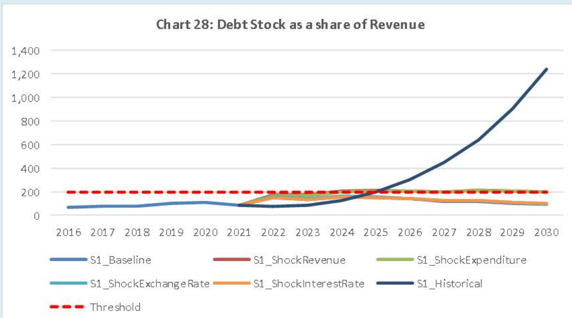


Chart 28: Debt Stock as a share of Revenue

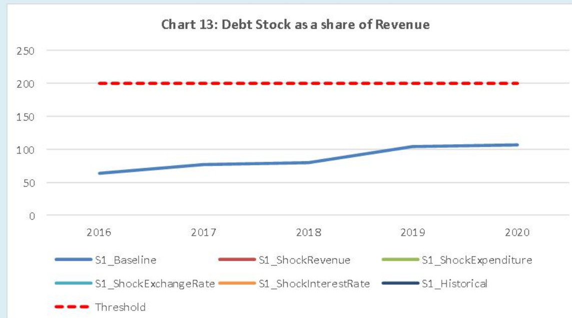


Chart 13: Debt Stock as a share of Revenue

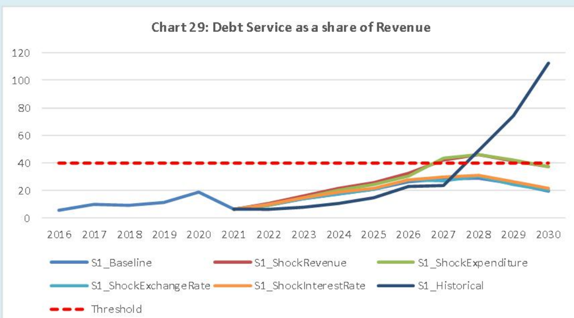


Chart 29: Debt Service as a share of Revenue

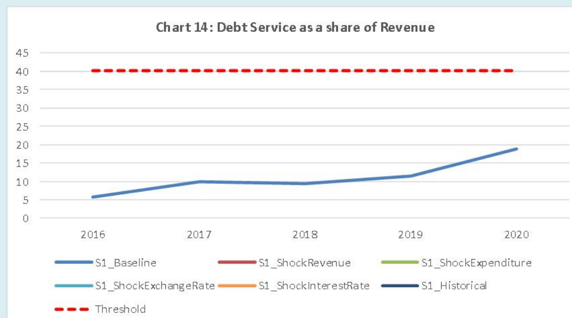


Chart 14: Debt Service as a share of Revenue

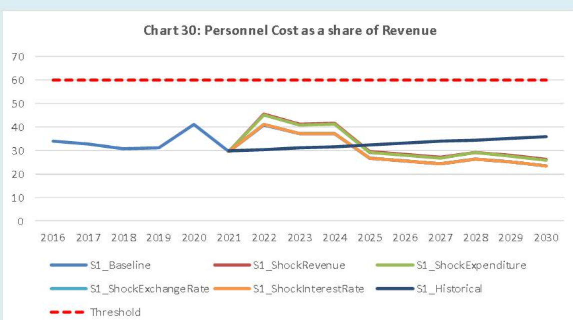


Chart 30: Personnel Cost as a share of Revenue

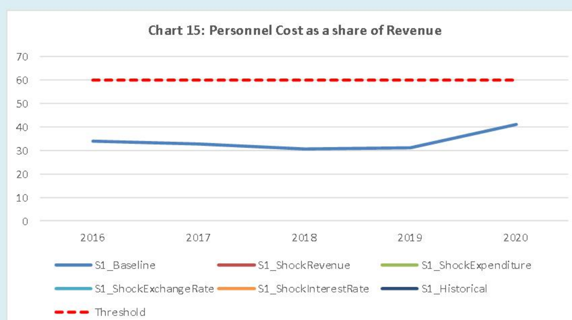


Chart 15: Personnel Cost as a share of Revenue

CHAPTER FIVE

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, in light of 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 Niger State. 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. The Niger State'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. The following four strategies are assessed by the government.

5.1 Alternative Borrowing Options

Strategy 1 (S1) Reflects a "status quo" MTEF Financing Mix: It follows the broad parameters of the financing mix in the fiscal year 2021 and MTEF, 2022-2024. External gross borrowing under Concessional loans accounts on average 16.89 percent over the strategic period mainly through World Bank and African Development Bank account on average of 31.18 percent, respectively. The Domestic gross financing comprises commercial bank loans, State bonds and other domestic financing. The Commercial Bank loans with the maturity of 1-5 years is projected to account on average of 26.80 percent over the strategic period. The Commercial Bank loans with the maturity of above 6 years and State Bonds (1-5 years) estimated with an average of 34.14 percent and 7.88 percent over the DMS period of 2021-2025.

Strategy 2 (S2) Focus more on 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 39.23 percent under maturity of 1-5 years and 30.27 percent under maturity of above 6 years, State bonds of 1-5 years maturity (13.00 percent), State

Bonds of above 6 years (10.06 percent) and other gross financing needs through external financing (concessional loans), which estimated to account on average of 7.43 percent over the strategic period..

Strategy (S3) Focus its financing through domestic debt market. In strategy 3, the government decided to focus its financing from 2021 to 2025, through Commercial Bank loans (1-5 years), Commercial Bank loans with the maturity of above 6 years and State Bonds (1-5 years) State Bonds (above 6 years) and Concessional Loans with an average of 28.86 percent, 16.97 percent, 26.95 percent, 23.58 percent and 3.63 percent, respectively. This strategy considers the scenario where the proportions of external and domestic debt instruments in 2021 remain the same with strategy 1.

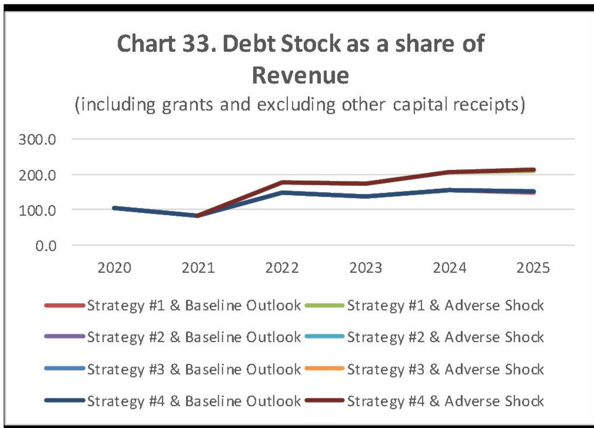
Strategy (S4) increases the share of external borrowing. In this strategy, External Financing (Concessional Loans) represents an average of 30.49 percent from 2021-2025, other gross financing comprises other Domestic financing, Commercial bank loans (1-5 years), Commercial bank loans (above 6 years) and State Bonds (1-5 years) with average period of 38.79 percent, 21.06 percent and 9.66 percent, respectively.

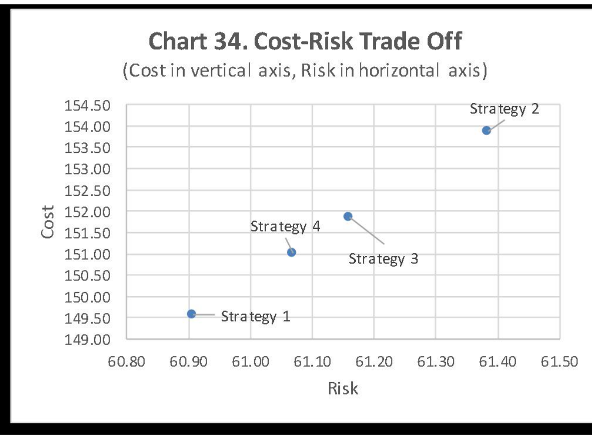
5.2 DMS Simulation Results

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:

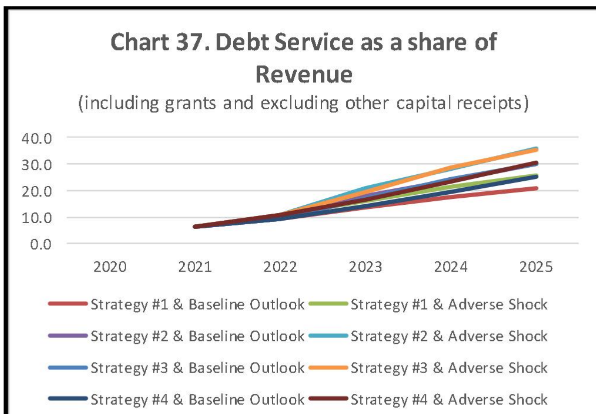
- Strategy 1 shows the Cost ratio of Debt to Revenue estimated at 149.6 percent in 2025, as against Strategy 2 (153.9 percent), Strategy 3 (151.9 percent) and Strategy 4 (1510 percent), over the DMS period of 2025, compared with the Risks measured of Strategy 1 (60.9 percent), Strategy 2 (61.4 percent), Strategy 3 (61.2 percent) and Strategy 4 (61.1 percent), respectively.
- Analysis using this debt indicator of debt to revenue shows that S1 has the lowest costs and risks with the average measured by 149.6 percent and 60.9 percent compared with Strategy 4, Strategy 3 and Strategy 2, compared with Strategy 2 with the highest Costs and risks under debt to GDP ratio. Strategy 4 is the riskiest strategy as this concentrated on more Concessional and bilateral financing with little proportion of domestic financing over the DMS period of 2021-2025.

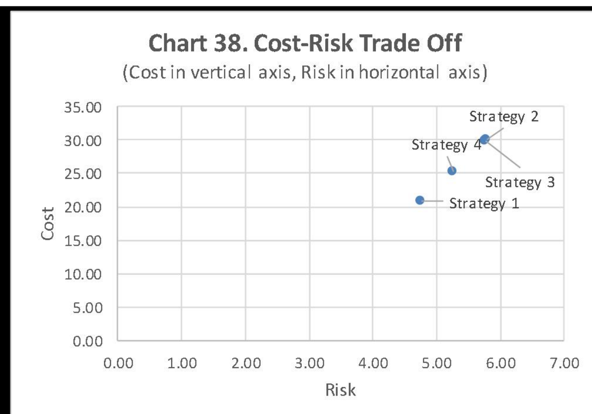




b. **Debt Service as a share of Revenue:**

- In terms of Debt Service to Revenue, Strategy 1 has lowest costs and risks with 20.8 percent and 4.77 percent by the end of strategy period compared with Strategy 4 of 25.3 percent and 5.27 percent and Strategy 3 of 29.9 percent and 5.77 percent all under moderate costs and risks, as against Strategy 2 with the highest costs and risks of 30.0 percent and 5.80 percent respectively, as at end of the strategic period of 2023.
- S1 has the lowest costs and risks of 20.8 percent and 4.77 percent under the Debt Service to Revenue compared with S2 with highest costs and risks of 30.0 percent and 5.80 percent, Strategy 4 and 3 are considered as the moderate strategy by the end of strategy period.

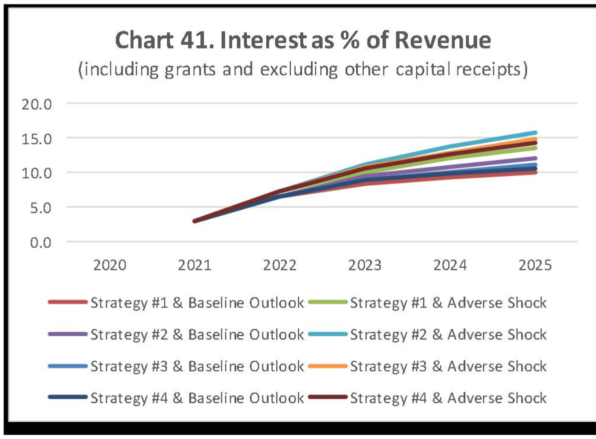


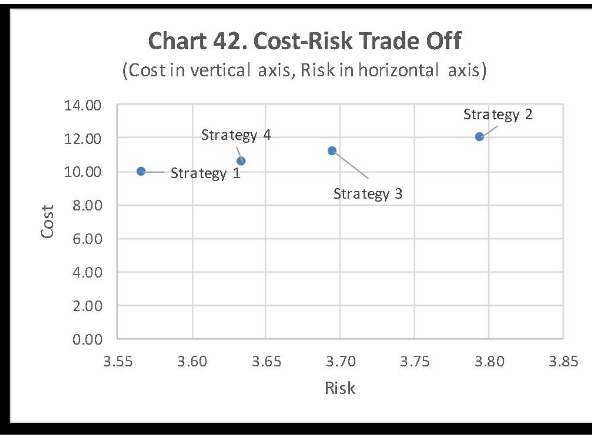


c. **Interest as a share of Revenue**

- S1 is the least costly and risky with regards Interest to Government revenues, which projected at 1011.0 percent and 3.6 percent, whilst S2 is the riskiest strategy which estimated at 12.0 percent and 3.8 percent, compared to S4 and S3 with moderate costs of 10.6 percent and 11.1 percent compared with moderate risks 3.6 percent and 3.7 percent, as at end of the strategic period of 2023.

- The analysis shows that S4 yield the lowest cost due to high external financing assumed in S1, as the external debt service terms requirement has low interest rate, longer maturity and grace period in concessional external financing. Compared to S4 and S3 with the moderate costs and risks. S2 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 cost and risk would suggest that the recommended strategy be S4 these results were just marginally better when compared with S4, S3, and S4. ***it was considered that S1 is the most feasible of the strategies to implement in the short-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, Niger State debt portfolio stood at N82,507 million as at end-2020, which expected an increase to N179,755.29 million under S1 during the strategic period, compared to S2 (N184,908.47 million), S3 (N182,488.03 million), and S4 (N181,493.27 million). 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.

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Annex I: Baseline Assumptions

Statutory Allocation is estimated with an elasticity based forecast using oilprice benchmark of $53 per barrel (pb), NGN: USD Exchange rate of N370 toUS$1 and One Million and Eight Hundred Thousand (1.8m) barrels per day (bpd)oil production benchmark. It also adopted real GDP Growth and Inflation fromthe Federal Government MTEF 2022-2024.

VAT - The estimate for VAT is based on a 3-year moving average growth rate.When compared to other moving averages and elasticity based forecasts, the 3year moving average gives figures that is in the middle of all the estimates.

Excess Crude – Excess crude is very difficult to forecast and is not guaranteedfor distribution every month.

Internally Generated Revenue (IGR) –the State IGR increased in 2017, 2018 and 2019 due to reforms instituted by the government. This administration has shown commitment to sustain the existing reform efforts and introduced additional reform measures such as instant remittance of all revenues collected by MDAs to treasury, improved systems and processes for revenue administration including Automation of revenue collections/payment. It is expected that these reforms will bring about substantial improvement in IGR. Hence, the State IGR is projected to increase by 10% in 2022 and 5% each in 2023 and 2024. It is anticipated that the IGR will attain more than N1billion monthly collections by 2021.

Grants and Loans – Grants and loans have been estimated at N79.68 billion for2021. This is based on the following:Additional Bond N billion; IDB Loan of N26.53 billion; Short term funding from commercial banks of N16.59 billion;Internal Grants of N11.90 billion [from SDGs, Federal Ministry ofHealth, ATASP1(FGN), SCTU(FGN), PEPFAR, SOML); External Grants of N24.66 billion (from UNICEF, ICCM, SFH,BMGF,, GF ATM/ARFH,PHRI/MSH, Philip Pharm/Foundation, RF& Roche, Doctors Without Borders/WHO, ANRIN BESDA, IFAD,Bilingual Education, NEWMAP, MITOSATH and World Bank).

Personnel – The on-going staff verification is to check abnormalities in the pay roll. The State is determined to sustain the trend to reduce personnel cost. It is anticipated that the number of political office holders will also be reduced and the personnel cost is projected to register increase of 10%, 5% and 3% in 2022, 2023 and 2024 respectively.

Overheads – Annual increases were relatively low over the period 2015 and 2016. However, there was a large increase in 2017-2019 and fell in 2020. Increment of 2% has been proposed for 2022, 2023 and 2024 respectively.

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Capital Expenditure – Capital expenditure is based on the recurrent account surplus and the capital receipts. The percentage of capital to recurrent expenditure from 2014 to 2019 was in the range of 33% to 43%. However, the percentage of capital expenditure in 2022, 2023 and 2024 is expected to be 66.52%, 63.47% and 58.47% respectively.

2021

		Projection Methodology	Source
Assumptions:			
Economic activity	State GDP (at current prices)	State GDP projected using the actual S-GDP and projected N-GDP nominal growth rate	DMO and World Bank
Revenue	**Revenue**		
	1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT Allocation here)	Statutory Allocation is estimated with an elasticity based forecast using oil price benchmark of $53 per barrel (pb), NGN: USD Exchange rate of N370 to US$1 and One Million and Eight Hundred Thousand (1.8m) barrels per day (bpd) oil production benchmark. It also adopted real GDP Growth and inflation from the Federal Government MTEF 2022-2024.	
	1.a. of which Net Statutory Allocation ('net' means of deductions)	Statutory Allocation is estimated with an elasticity based forecast using oil price benchmark of $53 per barrel (pb), NGN: USD Exchange rate of N370 to US$1 and One Million and Eight Hundred Thousand (1.8m) barrels per day (bpd) oil production benchmark. It also adopted real GDP Growth and inflation from the Federal Government MTEF 2022-2024.	
	1.b. of which Deductions	Statutory Allocation is estimated with an elasticity based forecast using oil price benchmark of $53 per barrel (pb), NGN: USD Exchange rate of N370 to US$1 and One Million and Eight Hundred Thousand (1.8m) barrels per day (bpd) oil production benchmark. It also adopted real GDP Growth and inflation from the Federal Government MTEF 2022-2024.	
	2. Derivation (if applicable to the State)	It is not applicable to Niger State.	
	3. Other FAAC transfers (exchange rate gain, augmentation, others)	Excess Crude – Excess crude is very difficult to forecast and is not guaranteed for distribution every month.	
	4. VAT Allocation	VAT - The estimate for VAT is based on a 3-year moving average growth rate. When compared to other moving averages and elasticity based forecasts, the 3 year moving average gives figures that is in the middle of all the estimates.	t
	5. IGR	Internally Generated Revenue (IGR) –the State IGR increased in 2017, 2018 and 2019 due to reforms instituted by the government. This administration has shown commitment to sustain the existing reform efforts and introduced additional reform measures such as instant remittance of all revenues collected by MDAs to treasury, improved systems and processes for revenue administration including Automation of revenue collections/payment. It is expected that these reforms will bring about	
	6. Capital Receipts		
	6.a. Grants	Grants and Loans – Grants and loans have been estimated at N79.68 billion for 2021. This is based on the following: Additional Bond N billion; IDB Loan of N26.53 billion; Short term funding from commercial banks of N16.59 billion; Internal Grants of N11.90 billion [from SDGs, Federal Ministry of Health, ATASP1(FGN), SCTU(FGN), PEPFAR, SOML); External Grants of N24.66 billion (from UNICEF, ICCM, SFH, BMGF,, GF ATM/ARFH,PHRI/MSH, Philip Pharm/Foundation, RF & Roche, Doctors Without Borders/WHO, ANRIN BESDA, IFAD, Bilingual Education, NEWMAP, MITOSATH and World Bank).	
	6.b. Sales of Government Assets and Privatization Proceeds	the peojction for sale of government is based onthe estimated useful life of the asset taking depreciation into cognisance.	
	6.c. Other Non-Debt Creating Capital Receipts		
Expenditure	**Expenditure**		
	1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	Personnel – The on-going staff verification is to check abnormalities in the pay roll. The State is determined to sustain the trend to reduce personnel cost. It is anticipated that the number of political office holders will also be reduced and the personnel cost is projected to register increase of 10%, 5% and 3% in 2022, 2023 and 2024 respectively.	
	2. Overhead costs	Overheads – Annual increases were relatively low over the period 2015 and 2016. However, there was a large increase in 2017-2019 and fell in 2020. Increment of 2% has been proposed for 2022, 2023 and 2024 respectively.	
	3. Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)	The interest payments are projected based on the trend of payments on loans and agreements signed. Interest payments on loans , especially external loans are deducted from the source (FAAC) and handed over to the DN	
	4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)		
	5. Capital Expenditure	Capital Expenditure – Capital expenditure is based on the recurrent account surplus and the capital receipts. The percentage of capital to recurrent expenditure from 2014 to 2019 was in the range of 33% to 43%. However, the percentage of capital expenditure in 2022, 2023 and 2024 is expected to be 66.52%, 63.47% and 58.47% respectively.	
Closing Cash and Bank Balance	**Closing Cash and Bank Balance**	the projected cash and bank balances is difference beteen the estimated revenue and proposed expenditure during the period under review . The Previous year closing balance is tthe estimated opening balance for the sul	
Debt Amotization and Interest Payments	**Debt Outstanding at end-2020**		
	External Debt - amortization and interest	The amortization period on external debts is based on the Memorandum signed by the Federal Government on behalf of the State.	
	Domestic Debt - amortization and interest	The estimated amortization period is based on the agreement signed betweenthe State and lending institutions.	
	New debt issued/contracted from 2021 onwards		
	New External Financing	**Insert the Borrowing Terms for New External Debt: Interest rate (%), maturity (# years) and grace period (#)**	
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	The State did not access new external finacing in 2021 fiscal year.	
	External Financing - Bilateral Loans		
	Other External Financing		
	New Domestic Financing	**Insert the Borrowing Terms for New Domestic Debt: Interest rate (%), maturity (# years) and grace period (#)**	
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF	The term for borrowing are 14 percentage interate rate, with 5years tenor and 1year Grace period.Currency in Naira	
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MS	The term for borrowing are 12 percentage interate rate, with 7years tenor and 1year Grace period. The currency is in Naira	
	State Bonds (maturity 1 to 5 years)	The erm and condition of the bonds are 10 percent interate rate, 4years tenor with no Grace period, currency in Naira	
	State Bonds (maturity 6 years or longer)		
	Other Domestic Financing		
Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S1	**Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S1**		
	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF	The term for borrowing are 14 percentage interate rate, with 5years tenor and 1year Grace period.Currency in Naira	
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MS	The term for borrowing are 12 percentage interate rate, with 7years tenor and 1year Grace period. The currency is in Naira	
	State Bonds (maturity 1 to 5 years)	The erm and condition of the bonds are 10 percent interate rate, 4years tenor with no Grace period, currency in Naira	
	State Bonds (maturity 6 years or longer)		
	Other Domestic Financing		
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	The State is already expecting new draw down that from the previous external loan contracted.	
	External Financing - Bilateral Loans		
	Other External Financing		
Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S2	**Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S2**		
	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF	The terms and condition for borrowing are 14 percent interate rate, 5 years Tenor and 1 year Grace period, the Currency is Naira	
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)		
	State Bonds (maturity 1 to 5 years)	The terms and condition for borrowing of the Bond is 10 percent interate rate, 4 years Tenor and 0year Grace period	
	State Bonds (maturity 6 years or longer)	The terms and condition for the Bond issuance is 9 percent interate rate, 7 years Tenor and with no Grace period	
	Other Domestic Financing		
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	The State did not access any External financing at this period due to the expectance of several draw downs, from World bank	
	External Financing - Bilateral Loans		
	Other External Financing		
Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S3	**Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S3**		
	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF	The State did not access any Commercial in this Strategy	
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)		
	State Bonds (maturity 1 to 5 years)		
	State Bonds (maturity 6 years or longer)	The terms for the Bond issuance are 9 percent interate rate, 7 years Tenor with no Grace period, Currency is Naira	
	Other Domestic Financing		
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	The State did not access any External financing at this period due to the expectance of several draw downs, from World bank	
	External Financing - Bilateral Loans		
	Other External Financing		
Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S4	**Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S4**		
	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF	The term and condition of the Loan are 14 percent and 5 years Tenor and 1 year Grace period, and the currency used is Naira, this loan from the commercial bank	
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)		
	State Bonds (maturity 1 to 5 years)		
	State Bonds (maturity 6 years or longer)		
	Other Domestic Financing		
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)		
	External Financing - Bilateral Loans		
	Other External Financing		

Annex II: Niger State Baseline Scenarios, 2021-2030

	Actuals					Projections									
Indicator	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	BASELINE SCENARIO														
Economic Indicators															
State GDP (at current prices)	2,477,827.00	2,606,186.00	2,977,560.00	3,455,011.00	3,828,125.00	4,579,517.00	5,077,796.00	5,610,436.00	6,101,686.00	6,648,885.00	7,259,253.00	7,925,652.00	8,653,227.00	9,447,593.00	10,314,882.00
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
Fiscal Indicators (Million Naira)															
Revenue	68,336.50	78,742.50	87,710.20	83,723.10	108,267.70	152,399.00	171,818.77	153,773.32	172,771.32	176,830.12	188,531.01	188,777.14	212,100.92	218,182.27	221,249.55
1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT Allocation here)	24,146.70	33,583.85	50,367.47	48,774.38	46,879.40	95,370.60	54,282.41	64,953.69	68,002.40	73,734.84	81,257.46	87,935.39	88,300.36	101,766.21	105,814.51
1.a. of which Net Statutory Allocation ('net' means of deductions)	15,734.60	27,335.05	43,145.94	41,233.64	33,822.30	77,250.35	54,282.41	64,953.69	68,002.40	73,734.84	81,257.46	87,935.39	88,300.36	101,766.21	105,814.51
1.b. of which Deductions	8,412.13	6,248.80	7,221.52	7,540.74	13,057.00	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)	25,942.82	17,728.23	0.00	0.00	0.00	0.00	4,870.00	4,870.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. VAT Allocation	9,369.50	10,611.30	12,032.22	13,058.52	15,874.50	18,120.25	20,792.44	24,289.59	27,990.79	32,367.73	37,498.14	43,338.51	45,137.26	47,016.96	58,102.21
5. IGR	4,812.84	6,064.10	16,913.30	13,613.22	9,234.00	15,840.77	12,155.54	12,763.32	13,401.48	14,071.56	14,775.14	15,513.89	16,289.59	17,104.07	17,959.27
6. Capital Receipts	4,064.60	10,755.00	8,397.20	8,277.00	36,279.90	23,067.38	79,718.38	46,896.72	63,376.65	56,655.99	55,000.27	41,989.35	62,373.71	52,295.03	39,373.56
6.a. Grants	730.00	0.00	127.60	6,277.00	10,519.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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	276.37	0.00	0.00	0.00	0.00	0.00	46,651.00	32,338.00	31,065.00	32,792.00	26,519.00	27,246.00	27,973.00	25,700.00	24,427.00
6.d. Proceeds from Debt-Creating Borrowings (bond issuance, loan disbursements, etc.)	0.00	10,755.00	8,397.20	2,000.00	25,760.50	23,067.38	33,067.38	14,558.72	32,311.65	23,863.99	28,481.27	14,743.35	34,400.71	26,595.03	14,946.56
Expenditure	62,518.00	71,747.50	79,891.20	84,916.20	123,057.10	157,834.90	159,862.07	167,864.32	175,593.12	176,561.82	185,252.21	191,731.94	211,786.12	215,891.47	217,057.75
1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	21,978.07	22,209.29	24,238.67	25,488.08	33,816.57	38,293.70	37,681.55	39,565.63	40,752.60	31,856.62	33,855.83	35,887.18	39,475.90	41,449.70	42,693.19
2. Overhead costs	17,725.84	23,422.31	19,754.39	23,598.07	13,207.74	16,059.00	13,738.00	24,012.80	19,293.00	19,880.73	14,244.25	12,244.25	20,489.14	21,738.92	22,993.70
3. Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)	0.00	0.00	0.00	0.00	0.00	3,818.20	6,114.15	9,031.52	10,238.53	12,001.47	13,647.46	14,108.48	12,406.28	12,590.23	12,725.56
3.a. of which Interest Payments (Public Debt Charges, excluding interests deducted from FAAC Allocation)	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.b. of which Interest deducted from FAAC Allocation	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
4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)	0.00	0.00	0.00	0.00	0.00	18,230.49	14,246.34	23,500.06	26,704.00	27,962.00	29,220.00	27,478.00	31,736.00	32,994.00	34,252.00
5. Capital Expenditure	22,523.90	24,227.54	33,983.50	32,373.44	67,242.76	77,045.09	85,360.22	66,111.13	69,398.65	71,861.61	72,324.57	74,787.54	76,250.50	78,713.46	81,176.42
6. Amortization (principal) payments	290.20	1,888.40	1,914.60	3,456.60	8,790.00	4,388.40	2,721.80	5,643.18	9,206.35	12,999.39	21,960.10	27,226.50	31,428.29	28,405.15	23,216.87
Budget Balance ('+' means surplus, '-' means deficit)	5,818.50	6,995.00	7,819.00	-1,193.00	-14,789.00	-5,435.90	11,956.70	-14,091.00	-2,821.80	268.30	3,278.80	-2,954.80	314.80	2,290.80	4,191.80
Opening Cash and Bank Balance	7,574.70	13,393.20	20,388.20	28,207.20	27,014.20	12,225.20	6,789.30	18,746.00	4,655.00	1,833.20	2,101.50	5,380.30	2,425.50	2,740.30	5,031.10
Closing Cash and Bank Balance	13,393.24	20,388.20	28,207.20	27,014.20	12,225.20	6,789.30	18,746.00	4,655.00	1,833.20	2,101.50	5,380.30	2,425.50	2,740.30	5,031.10	9,222.90
Financing Needs and Sources (Million Naira)															
Financing Needs						23,067.38	79,718.38	46,896.72	63,376.65	56,655.99	55,000.27	41,989.35	62,373.71	52,295.03	39,373.56
i. Primary balance						-20,296.68	-58,925.72	-46,313.02	-46,753.57	-31,386.83	-16,113.91	-3,609.18	-18,224.33	-9,008.84	760.68
ii. Debt service						8,206.60	8,835.95	14,674.70	19,444.88	25,000.86	35,607.56	41,334.98	43,834.58	40,995.38	35,942.44
Amortizations						4,388.40	2,721.80	5,643.18	9,206.35	12,999.39	21,960.10	27,226.50	31,428.29	28,405.15	23,216.87
Interests						3,818.20	6,114.15	9,031.52	10,238.53	12,001.47	13,647.46	14,108.48	12,406.28	12,590.23	12,725.56
iii. Financing Needs Other than Amortization Payments (e.g., Variation in Cash and Bank Balances)						-5,435.90	11,956.70	-14,091.00	-2,821.80	268.30	3,278.80	-2,954.80	314.80	2,290.80	4,191.80
Financing Sources						23,067.38	79,718.38	46,896.72	63,376.65	56,655.99	55,000.27	41,989.35	62,373.71	52,295.03	39,373.56
i. Financing Sources Other than Borrowing						0.00	46,651.00	32,338.00	31,065.00	32,792.00	26,519.00	27,246.00	27,973.00	25,700.00	24,427.00
ii. Gross Borrowings						23,067.38	33,067.38	14,558.72	32,311.65	23,863.99	28,481.27	14,743.35	34,400.71	26,595.03	14,946.56
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)						2,500.00	7,000.00	7,000.00	8,000.00	9,500.00	7,000.00	4,000.00	10,000.00	12,000.00	7,946.56
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)						15,176.90	10,000.00	3,768.72	10,000.00	4,363.99	4,481.27	0.00	3,500.00	0.00	7,000.00
State Bonds (maturity 1 to 5 years)						0.00	0.00	0.00	0.00	10,000.00	0.00	0.00	0.00	7,500.00	0.00
State Bonds (maturity 6 years or longer)						0.00	0.00	0.00	0.00	0.00	17,000.00	0.00	15,000.00	0.00	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)						5,390.48	16,067.38	3,790.00	14,311.65	0.00	0.00	10,743.35	5,900.71	7,095.03	0.00
External Financing - Bilateral Loans						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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)															
Debt (stock)	41,785.91	52,505.76	63,500.20	85,389.40	87,845.30	106,524.28	136,869.85	145,785.39	168,890.69	179,755.29	186,276.46	173,793.32	176,765.73	174,955.60	166,685.29
External	11,494.81	17,368.66	18,819.10	22,787.40	26,605.80	31,465.68	47,267.75	50,944.05	65,142.00	63,604.88	58,126.72	62,444.41	58,341.54	56,818.51	52,179.40
Domestic	30,291.10	35,137.10	44,681.10	62,602.00	61,239.50	75,058.60	89,602.10	94,841.34	103,748.69	116,150.41	128,149.74	111,348.90	118,424.18	118,137.09	114,505.89
Gross borrowing (flow)						23,067.38	33,067.38	14,558.72	32,311.65	23,863.99	28,481.27	14,743.35	34,400.71	26,595.03	14,946.56
External						5,390.48	16,067.38	3,790.00	14,311.65	0.00	0.00	10,743.35	5,900.71	7,095.03	0.00
Domestic						17,676.90	17,000.00	10,768.72	18,000.00	23,863.99	28,481.27	4,000.00	28,500.00	19,500.00	14,946.56
Amortizations (flow)	1,320.20	3,383.74	4,430.45	5,894.70	10,530.60	4,388.40	2,721.80	5,643.18	9,206.35	12,999.39	21,960.10	27,226.50	31,428.29	28,405.15	23,216.87
External	405.10	519.84	582.35	586.80	644.30	530.60	265.30	113.70	113.70	1,537.12	5,478.16	6,425.66	10,003.58	8,618.06	4,639.11
Domestic	915.10	2,863.90	3,848.10	5,307.90	9,886.30	3,857.80	2,456.50	5,529.48	9,092.65	11,462.27	16,481.94	20,800.84	21,424.72	19,787.09	18,577.76
Interests (flow)	2,409.43	3,372.21	3,084.40	3,344.50	4,975.10	3,818.20	6,114.15	9,031.52	10,238.53	12,001.47	13,647.46	14,108.48	12,406.28	12,590.23	12,725.56
External	177.23	275.21	245.20	228.20	341.10	189.50	496.92	1,338.19	1,603.49	2,281.18	2,289.59	1,983.47	2,205.04	1,853.98	1,781.62
Domestic	2,232.20	3,097.00	2,839.20	3,116.30	4,634.00	3,628.70	5,617.23	7,693.33	8,635.04	9,720.30	11,357.87	12,125.01	10,201.24	10,736.25	10,943.94
Net borrowing (gross borrowing minus amortizations)						18,678.98	30,345.58	8,915.54	23,105.30	10,864.60	6,521.17	-12,483.15	2,972.41	-1,810.12	-8,270.31
External						4,859.88	15,802.08	3,676.30	14,197.95	-1,537.12	-5,478.16	4,317.69	-4,102.87	-1,523.03	-4,639.11
Domestic						13,819.10	14,543.50	5,239.24	8,907.35	12,401.72	11,999.33	-16,800.84	7,075.28	-287.09	-3,631.20
Debt and Debt-Service Indicators															
Debt Stock as % of SGDP	1.69	2.01	2.13	2.47	2.29	2.33	2.70	2.60	2.77	2.70	2.57	2.19	2.04	1.85	1.62
Debt Stock as % of Revenue (including grants and excluding other capital receipts)	61.40	77.23	80.06	104.49	106.47	82.37	148.61	136.41	154.39	149.58	139.50	118.40	118.06	105.47	91.65
Debt Service as % of SGDP						0.18	0.17	0.26	0.32	0.38	0.49	0.52	0.51	0.43	0.35
Debt Service as % of Revenue (including grants and excluding other capital receipts)						6.35	9.59	13.73	17.77	20.80	26.67	28.16	29.28	24.71	19.76
Interest as % of SGDP						0.08	0.12	0.16	0.17	0.18	0.19	0.18	0.14	0.13	0.12
Interest as % of Revenue (including grants and excluding other capital receipts)						2.95	6.64	8.45	9.36	9.99	10.22	9.61	8.29	7.59	7.00
Personnel Cost as % of Revenue (including grants and excluding other capital receipts)						29.61	40.91	37.02	37.25	26.51	25.35	24.45	26.37	24.99	23.47

Niger State - Technical Team

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5. Aminu Bawa

OFFICE OF THE COMMISSIONER
NIGER STATE MINISTRY OF
FINANCE MINNA
SIGN............
DATE............

14/12/21

Zakari Abubakar
Honourable Commissioner
Niger State Ministry for Finance,
Minna.

NIGER STATE