



NIGER STATE GOVERNMENT

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

2024

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CHAPTER ONE

Introduction

The essence of Debt Sustainability Analysis is to assess the current and future debt levels of a State, as well as its ability to meet its Debt Service obligations as and when due, and without compromising growth and development.

Niger State Debt Sustainability Analysis (NS - DSA) covers the period of 5-year historical, from 2019 to 2023, and 10-year projection period from 2024-2033, under different macroeconomic assumptions and Shock scenarios, so as to ensure that State debt stock remains sustainable in the medium to long-term.

Niger State DSA forecast for primary balances comprises of the difference between Revenue and Expenditure, plus the existing debt service (interest payment and principal repayments). The Revenue projections were based on the Niger State Tax Administration and Consolidation Law (2022), which introduced new taxes and revenue heads such as; Entertainment Tax (Consumption Tax), Educational Tax, 2.5% Processing Fee on Contracts and Property Tax (Land Use Charge), with a view to expanding the tax base in order to maximally increase the State Internally Generated Revenue (IGR).

Also, the State forecasts increase recurrent and capital expenditures in line with the expected growth in the National economy with cascading effects in the State's economy leading to an increase in overall economic activities in both the Private and Public sectors. This forecast is in line with best International Public Sector Accounting Standards (IPSAS) and consistent with our Strategic Plans in the medium to long-terms.

CHAPTER TWO

The State Fiscal and Debt Framework

The Niger State Government's Annual Budget is prepared in line with the Federal Government's outlook for each fiscal year, by using oil price and production benchmarks to project the Statutory allocation, with consideration for inflation rate, exchange rate and GDP growth rate during the projections period. Before the commencement of each annual budget cycle the Niger State Government prepares and submits the Medium-Term Expenditure Framework and Fiscal Strategy Paper (MTEF/FSP) to the State House Assembly in line with the provisions of the State's Fiscal Responsibility Law (2010).

A critical component of the MTEF is the Medium-Term Sector Strategy (MTSS). This outlines the priority areas of government expenditure and translates government policies and programs into action. Key priority areas of the State Government include Security, Agriculture, youth and women empowerment, health, education, infrastructural development and provide an enabling environment for Small Medium Enterprises to thrive and to also pave way for industrial development of the State. The MTSS also contains social intervention programs to provide support to the poor and the unemployed.

The FSP on its part identifies the various sources of government revenues needed to finance government expenditure. These include Statutory Allocation, Value Added Tax Receipts, IGR, Grants/Capital Receipts, and loans (local and foreign loans).

Medium-Term Budget Forecast

The Medium-Term Budget Forecast determines the accessible resources and ensures the use of these resources in the medium term. Medium-Term Expenditure Framework is a source document for the preparation of State Budget Forecast to be tabled before the State House of Assembly. 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 Budget Forecast covers Macroeconomic analysis, Government's fiscal policy objectives for medium term, State budget Revenue projections and State budget Expenditure ceilings for each Ministries, Departments and Agencies (MDAs) in the medium term. The Niger State Macroeconomic assumptions are as shown in the table below:

Niger State Medium Term Expenditure Framework (MTEF)-(FY2024-2027)

Fiscal Framework

Item	2024	2025	2026	2027
Opening Balance	6,965,627,921.00	5,000,000,000.00	5,000,000,000.00	5,000,000,000.00

Recurrent Revenue	2023	2024	2025	2026
Statutory Allocation	123,994,283,737	231,508,384,528	290,824,030,289	369,886,548,735
Derivation				
VAT	54,186,519,719	77,493,211,536	106,127,401,407	143,859,661,072
IGR	30,995,766,315	71,290,262,523	85,548,315,028	102,657,978,034
Excess Crude/ Other Revenue	57,346,215,053	9,576,322,737.00	9,767,849,191.00	9,963,206,175.00
Total Recurrent Revenue	266,522,784,825	294,161,375,032.00	351,807,850,894.00	421,673,368,642.00

Recurrent Expenditure

Personnel Costs	50,641,745,550	78,494,705,603	86,344,176,163	94,978,593,779
Social Contribution and Social Benefit	10,599,070,493	14,838,698,690	16,322,568,559	17,954,825,415
Overheads	41,924,996,029	43,601,995,870	45,346,075,705	47,159,918,733
Grants, Contributions and Subsidies	4,141,705,380	4,555,875,917	5,011,463,509	5,512,609,860
Public Debt Service	39,302,563,163	43,232,819,479	45,394,460,453	46,756,294,267
Total	146,610,080,614	184,724,095,559	198,418,744,389	212,362,242,054

Transfer to Capital Account	126,878,332,131	259,060,902,383	348,744,004,477	469,898,207,971
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Capital Receipts

Grants	53,023,025,105	24,701,442,685	24,630,980,790	56,482,691,234.00
Other Capital Receipts	-	1,100,000,000	1,200,000,000	1,300,000,000
Total	53,023,025,105.00	25,801,422,685	25,830,980,790	2,024,801,747,218

Reserves

Contingency Reserve	3,889,059,885.00	5,773,636,809.00	6,399,192,616.00	7,287,118,272.00
Planning Reserve	9,722,649,713.00	14,434,092,023.00	15,997,981,540.00	18,217,795,680.00
Total Reserve	13,611,709,598.00	20,207,728,832.00	22,397,174,156.00	25,504,913,952.00

Capital Expenditure	176,463,997,475	606,184,444,728	554,953,924,178	2,520,770,624,784
Discretionary Funds	113,658,931,910	234,334,563,628	333,369,516,973	300,285,451,151
Non- Discretionary Funds	62,805,065,565	371,849,881,100	221,584,407,205	2,220,485,173,633

Financing (Loans)	9,320,582,034	366,572,541,736	221,773,320,300	215,429,748,880
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Total Revenue (Including Opening Balance)	335,832,019,884	836,158,982,363	794,767,049,956	2,922,491,946,123
BUDGET BALANCE	335,832,019,884	836,158,982,363	794,767,049,956	2,922,491,946,123

Ratios				
Growth in Recurrent Revenue	53.90%	64.63%	23.56%	24.92%
Growth in Recurrent Expenditure	73.91%	26.00%	7.41%	7.03%
Capital Expenditure Ratio	55.26%	76.36%	73.55%	90.88%
Deficit (Financing) to Total Expenditure	2.78%	43.84%	27.90%	7.37%
Deficit (Financing) to GDP Ratio	NA	NA	NA	NA

Notes:

¹Other Capital Receipt covers non-debt creating capital receipts only.

²Other Recurrent Expenditure – new and existing debt charges were included.

Niger State's Revenue Policies- The Niger State Government enacted a new Law, Niger State Tax Administration and Consolidation Law (2022). This law empowers the Niger State Internal Revenue Service as the sole collector of all revenues due to the State and Local Government Areas (LGAs).

The objectives of the new bill are as follows:

- To establish a single Central revenue account (Consolidated Revenue Account) for all the internally generated revenue of the State;
- To reduce the multiplicity of taxes in order to encourage the thriving of business and to attract new investments in the State;
- Introduction of new tax types, such as entertainment and education taxes, so as to expand collectable revenue to the State;
- Introduction of Presumptive Tax to enhance collections in the informal sector; and,
- Harmonization of collections of all levies, fees and charges of all the LGAs in the State.

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 objectives of 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;

NIGER STATE BUDGET BALANCES (2024– 2027)

Niger State Budget size increased from N335,832,019,884 in 2024 to N836,158,982,363 or (148.98%) in 2025, N794,767,049,956 in 2026 and N2,922,491,946,123 in 2027 respectively during the period. The State IGR also increase from N30,995,766,315 in 2024 to N71,290,262,523 in 2025 or (130%) and N85,548,315,028 in 2026 and N102,657,978,034 in 2027 respectively showing an increase of 20 percent. The State total recurrent Revenue increase from N438,784,997,942 in 2025 to N542,162,748,866 or (23.56%) in 2026 and 677,260,450,025 in 2027. The Debt stock as a share of Revenue was above the threshold during the projection period and also the Debt service as a share of Revenue was also above the threshold during the Projection period. This requires creating enabling environment for investments to thrive and to also implement reforms in Revenue generation as well as to reduce borrowing for the State to remain within the Debt sustainability threshold in line with the debt Management framework.

The Resource projection were guided by the threshold of actual performance over 5 years period and estimation method adopted for different Revenues. The State Statutory Allocation was estimated using elasticity-based forecast. The indices used for the estimation of SA are oil price, and production benchmarks, National GDP growth rate, National inflation rate and exchange rate of Naira to the Dollar.

MACROECONOMIC FRAMEWORK;

Niger State 2025- 2027 macroeconomic framework and assumption was premised on prevailing economic realities. The National real GDP growth and inflation forecast are based on the April 2024, IMF world economic outlook. The mineral ratio reflects the current reality in terms of the cost of fuel subsidy and anticipated mineral sector revenues estimates of FGN in their 2025- 2027 MTEF- FSP document. The NGN: USD exchange rate is based on the current CBN rate and the price and production are based on prudent forecast given current performance.

Niger State Macroeconomic Framework

Item	2025	2026	2027
National Inflation	23.00%	20.30%	19.60%
National Real; GDP Growth	3.70%	3.90%	4.10%
Oil Production Benchmark (MBPD)	1.700	1.8000	1.8500
Oil Price Benchmark	\$70.00	\$74.00	\$79.00
NGN: USD Exchange Rate	1444.48	1400	1350
Other Assumptions			
Mineral Ratio	30%	32%	35%

FISCAL STRATEGY AND ASSUMPTIONS

Policy Statement: Niger State Fiscal policy is envisaged to control and enforce compliance with established spending limit to achieve a sound Budgeting system, which includes aggregate fiscal discipline, allocative efficiency and effective spending.

OBJECTIVES AND TARGETS

- i. Effectively manage Personal and overhead expenditure to allows greater resource for capital development;
- ii. Grow IGR by a minimum of 130% in 2025, 20% in 2026 and 2027 respectively,
- iii. Ensure Loans will only be used for implementation of capital projects;
- iv. Achieve long term target of funding all recurrent expenditure with revenue of a recurrent nature (IGR,VAT and Non mineral component of statutory Allocation);
- v. Target sources of capital receipt and financing outside of Loans (Grants, PPPs others)
- vi. Ensures projected capital receipt are based on MOu and others agreements signed with Development Partners
- vii. Grow the Economy through targeted spending in areas of comparative advantage.

ASSUMPTIONS;

STATUTORY ALLOCATION; The estimation for Statutory Allocation is based on an elasticity forecast taking into consideration the key macroeconomic and fiscal assumptions as well as the mineral ratio and considering the mid- point between possible removal of subsidy.

Statutory Allocation is a transfer from the Federation Allocation Accounts Committee (FAAC) and is based on the collection of minerals (Largely oil) and non- mineral Revenues (companies income tax, custom and excise duties) at the national level, which is then shared among the 3 tiers of Government using ratio.

VAT; Considering that changes in the macroeconomic parameters including the nature of impact of the volatile commodity prices and exchange rate on aggregate economic activity, VAT was forecasted using the elasticity forecast method. The forecast might change if macroeconomic assumptions change.

VAT, is an ad valorem tax on most goods and services. VAT is collected by the Federal inland Revenue Services and distributed among the 3 tiers of Government on monthly basis.

GRANTS; The internal Grants are based on actual receipt for 2023 and performance from January to April 2024. External Grants are based on signed Grants agreement with the Development Partners.

Grant are receipts from internal and external sources such as SDGs Conditional Grant Scheme as well as Grant from international development Partners and others. Actual Grants receipt have been fluctuating throughout the period under review. In most of the Years Actuals were far below the Budget.

INTERNAL GENERATED REVENUE; The current administration has sustained reforms such as Automation of Revenue Management and harmonization of Revenue between State and Local Governments. These measures have started yielding results. In forecasting IGR, we considered the State economic condition and outlook, performance in the 1st Quarter of the current fiscal year 2024 as well as historical trend over the last five years. it is anticipated that IGR will grow at the rate of 130% in 2025, 20% in 2025 and 2026 respectively.

CAPITAL EXPENDITURE;is based on the balance from the recurrent account plus capital receipt and less contingency reserve as outlined above. The percentage of capital to recurrent expenditure from 2018 to 2023 was in the range of 22% to 40%. However, the percentage of capital expenditure in 2025, 2026, and 2027 is expected to be 76.36%, 73.55% and 90.88% respectively.

PERSONAL COST: The transfer of salary payment to the Ministry of communication and digital economy is to ensure efficiency and check abnormalities in the pay roll. The State is determined to sustain the trend in checking payroll frauds and reduce outrageous increase in personal cost. It is anticipated that the number of political office holders will also be reduced, and the personal cost is projected to register increase along the projection year.

OVERHEADS: Comprises mainly of operational and maintenance cost for running day to day activities of the Government. Overhead allocation is transferred to MDAs on a monthly basis subject to warrants and availability of fund. The actual increased from N15,341.10 million in 2022 to N17,890.40 million in 2023 or N2,549.30 or 16%.

Social Contribution and Social Benefits; include Pension and Gratuity, Employees Benefit, several allowances, and Death Benefits which were captured under the office of the Head of Service as part of the traditional personnel emolument. The actual Social Contribution and Social Benefits have been on an upwards trend trajectory over the period 2019 to 2022 and decreased in 2023.

CHAPTER THREE

The State Revenue, Expenditure, and Public Debt Trends (2019 - 2023)

Niger State experience a slight decrease in 2023, of 8.3 percent decrease in the IGR from N16,345 million in 2022 to N14,976.4 million in 2023.

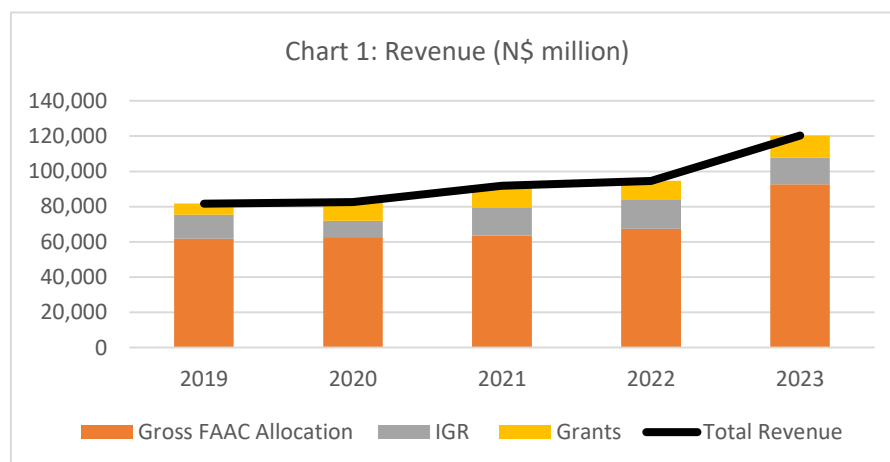
3.1 Revenue and Expenditure

Revenue—Niger State Total Revenue comprises of Statutory Allocation, Derivation, VAT Allocation, IGR, and Capital Receipt. Niger State Total Revenue amounted to N138,521.1 million as at end 2023 from N111,182.5 million as at end 2022, representing an increase of N27,338.6 million or 24.58 percent. This growth increased resulted to the real sector of the economy and effective implementation of the Economic Policy in the State.

- Niger State recorded a slight growth in the FAAC Allocation from N45,061.32 million in 2022 compared to N52,599.2 million in 2023 representing N7,537.88 million or 16.72 percent.
- Niger witnessed a slight decrease in the State Internally Generated Revenue (IGR), the State IGR decrease by 8.3 percent or N1,368.6 million from N16,345 million in 2022 to N14,976.4 million in 2023 (as shown in Chart 1, below).
- The State Grants was N10,785.70 million in 2022 and N12,589.4 million in 2023 representing an increase of N1,803.7 or 16.72 percent. The State Grant are largely from donor Agency i.e. world Bank and others.

TREND OF NIGER STATE REVENUE

Revenue	2019	2020	2021	2022	2023
Total Revenue	83,723.1	108,267.7	105,399.30	111,182.5	138,521.1
Gross FAAC Allocation	48,774.30	46,879.40	41,296.70	45,061.32	52,599.2
IGR	13,613.22	9,234.00	15,639.91	16,345.00	14,976.4
Grants	6,277.05	10,519.4	12,530.54	10,785.70	12,589.4



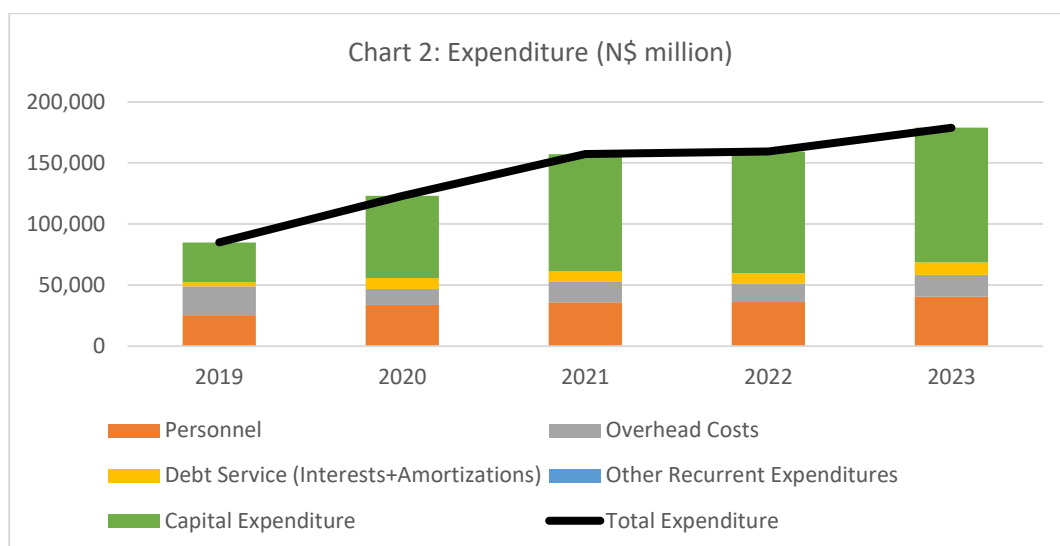
Expenditure; -Niger State's Total Expenditure Comprises of Capital Expenditure, Personnel costs, Overhead costs, other recurrent expenditure, and Debt service (interest payment and principal repayment). Niger State Total Expenditure was N157,213 million in 2021, N159,345 million in 2022 and N178,837.50 million 2023.

Personnel: Niger State Personnel costs stood at N25,488.08 million in 2019, N35,882.44 million in 2021, N36,123.10 million in 2022 and N40,567.1 million in 2023, respectively.

Overhead Cost: Niger State Overhead costs stood at N19,754.39 million in 2018, N23,598.07 million in 2019, N16,775.74 million in 2021, N15,341.10 million in 2022 and N17,890.40 million in 2023, respectively.

Capital Expenditure: Capital Expenditure was N95,765.23 million in 2021 compared to N99,631.20 million in 2022, representing an increase of N3,865.97 million or 3.8 percent and N110,130 million in 2023

Expenditure Performance	2019	2020	2021	2022	2023
Total Expenditure	84,916.20	123,057.10	157,213.00	159,345.00	178,837.5
Personnel	25,488.08	33,816.57	35,882.44	36,123.10	40,567.1
Overhead Costs	23,598.07	13,207.74	16,775.74	15,341.10	17,890.4
Other Recurrent Expenditures	-	-	-	-	-
Capital Expenditure	32,373.44	67,242.76	95,765.23	99,631.20	110,130



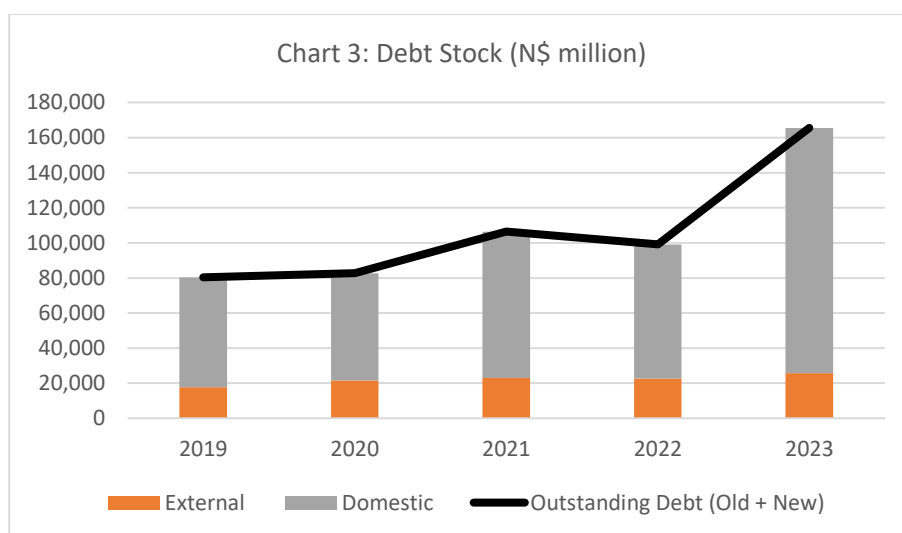
3.2 DESCRIPTION OF NIGER STATE PUBLIC DEBT PORTFOLIO

Niger State Total Public Debt Stock comprises of both External and Domestic Debt Stock. The External Debt Stock is related to Loans from IDA, ADFD, ADF and IsDB, while the Domestic Debt Stock comprises of Bonds, Budget Support Facility, Family Homes Loans, Bridge Finance, SME Loans and Agricultural Development Loans.

Niger Total Debt Stock stood at N106,387.90 million, in 2021, N99,096.10 million, in 2022 and N165,574.10 million in 2023 respectively. The External Debt was N22,559.20 million in 2022 compared to N25,772.00 million in 2023, representing N3,212.8 or 14.24 percent. The reason for the increase due Exchange rate floatation. The State Domestic Debt Stock increase from N76,536.90 million in 2022 to N139,802.10 million in 2023. (representing N63,265.2 or 82.65 percent. The increase in the domestic stock was as a result of the State Government borrowing new additional Loans from the capital market.

TREND OF NIGER STATE PUBLIC DEBT PORTFOLIO

	2019	2020	2021	2022	2023
Outstanding Debt (Old + New)	80,325.28	82,705.19	106,387.90	99,096.10	165,574.10
External	17,723.28	21,466.19	22,987.5	22,559.20	25,772.00
Domestic	62,602.00	61,239.50	83,400.40	76,536.90	139,802.10



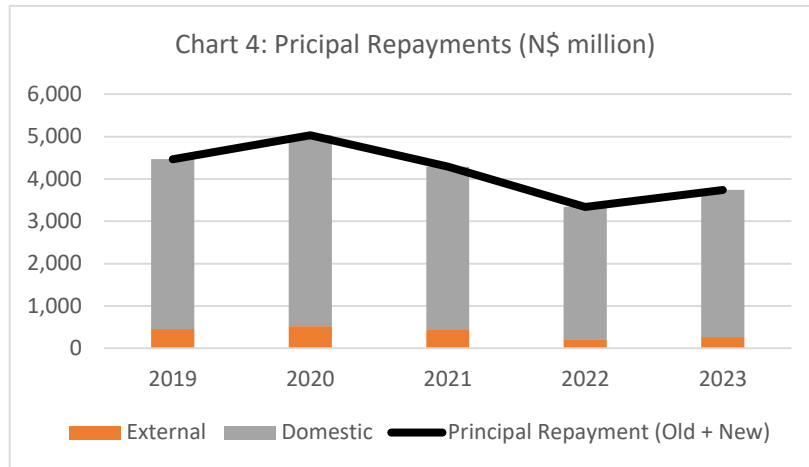
Niger State Debt Stock Composition

Niger State 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 2022 the composition of External Debt to Domestic Debt Portfolio was 22.76 percent to 77.24 percent, compared to the Debt composition of the External Debt to Domestic Debt Portfolio of 15.56 percent to 84.44 percent in 2023.

Debt Service; -The Niger State Principal Repayment increased relatively from N3,341.60 million in 2022 to N3,740.00 million in 2023, reflecting an increase of N398.40 million or 11.92 percent. The principal repayment showed a huge repayment from N4,466.54 million in 2019 to N5,031.64 million in 2020.

TREND OF NIGER STATE PRINCIPAL REPAYMENT

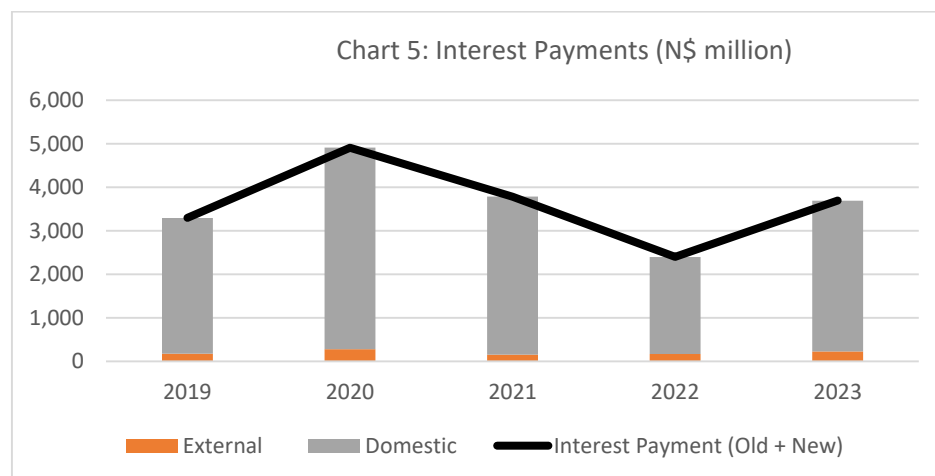
Principal Repayment	2019	2020	2021	2022	2023
Principal Repayment	4,466.54	5,030.64	4,286.90	3,341.60	3,740.
External	455.74	519.84	429.10	195.60	265.30
Domestic	4,010.80	4,510.80	3,857.80	3,146.00	3,475.20



Niger State Total Interest Repayment stood at N2,398.40 million in 2022 and N3,692.10 million in 2023, representing an increase of N1,293.7 or 53.94 percent. The principal repayments and Interest Payment made were on both External Debt and Domestic Debt Stock.

TREND OF NIGER STATE INTEREST REPAYMENT

Interest Payment	2019	2020	2021	2022	2023
Interest Payment	3,293.53	4,909.21	3,731.95	2,398.40	3,692.10
External	177.23	275.21	153.25	163.00	227.40
Domestic	3,116.30	4,634.00	3,628.70	2,235.40	3,464.70



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”.

Table1: Niger State Debt burden indicators as at end-2023

Indicators	Thresholds	Ratio
Debt as % of GDP	25%	2.85
Debt as % of Revenue	200%	226.92
Debt Service as % 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

4.2 Borrowing Options

The borrowing options are considered due to the timing of Government’s cash flows throughout the fiscal year. Domestic borrowing serves as one of the main sources of borrowing with average ratio of N83,098.76 (Gross Borrowings) million percent over the projection period from 2024 to 2033 and given the limited funding envelopes from the External borrowing with long processing time required, Domestic borrowings are mainly through: the commercial banks, Federal Government and other Central Bank of Nigeria (Interventions) loans are main source of financing.

Borrowing Options

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Domestic Financing (NGN 'million)										
Commercial Bank Loans 1 < 5 years	0.0	25,607.6	13,927	23,450.6	50,981	72,635.6	93,583.8	95,788	45,798	99,250
Commercial Bank Loans - 6 years >	116,596.90	0.0	0.0	0.0	64,796.5	0.0	0.0	17,046.4	61,338.3	50,187.7
State Bonds - 1 < 5 years)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State Bonds - 6 years >	0.0	0.0	0.0	0.0	0.0	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)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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	116,596.9	25,607.6	13,927.0	23,450.6	115,777.5	72,635.6	93,583.8	112,834.4	107,136.3	149,437.7

4.2.2 FINANCING TERM FOR NEW DOMESTIC BORROWING:

1. COMMERCIAL BANK LOAN OF MATURITY 1 to 5 years (INCLUDING AGRIC LOANS, INFRASCTURAL LOANS AND MSMFEDF)

The Financing term for this new Domestic Debt borrowing is interest rate of 35.00% with maturity rate of 5years and No. Grace period and the currency in use is the Naira.

2. COMMERCIAL BANK LOAN OF MATURITY 6 or Longer (INCLUDING AGRIC LOANS, INFRASCTURAL LOANS AND MSMFEDF).

The Financing term for this new Domestic Debt borrowing is interest rate of 33% with maturity rate of 7years and No Grace period and the currency in use is the Naira.

3. STATE BONDS OF MATURITY 1 to 5years

The Financing term for these new Domestic Debt borrowing is interest rate of 27.72% with maturity rate of 5years and No Grace period and the currency in use is the Naira.

4. STATE BONDS OF MATURITY 6years or Longer

The Financing term for these new Domestic Debt borrowing is interest rate of 25.72% with maturity rate of 7years and No Grace period and the currency in use is the Naira.

FINANCING TERM FOR EXTERNAL BORROWING:

1. EXTERNAL FINANCING – Concessional Loans

2. The Financing term for this new External Debt borrowing is interest rate of 4% with maturity rate of 30years and grace period of 10year and the currency in use is the Dollars.

4.2.3 ANALYSIS OF STATE DEBT PROJECTION AND ITS IMPLICATION

Debt Stock as a share of SGDP

Niger State Debt Stock as a share of SGDP shown in Chart 21, Debt Stock as a share of SGDP was below the threshold from 2019 to 2033

Debt Stock as a share of Revenue: Niger State Debt Stock as a share of Revenue in chart 22 shows that the State was below the threshold from 2019 – 2023, as showed in chart. Also, the chart 22, shows that the debt stock as a share of Revenue rose from 2030 to 2033.

Debt Service as a share of Revenue: From Chart 23, Niger State debt service as a share of Revenue shows that the State Debt Service as a share to Revenue was below the threshold from 2019 to 2028 and later rose from 2029 to 2033 of the projection years.

Personal Cost as a share of Revenue; Niger State Personal Cost as a share of Revenue in Chart 24, shows that the State Personal Cost as a Share of Revenue was below the threshold from 2019 to 2033.

Debt Service indicator: Chart 25, shows the trend of Niger State Debt service indicator over the projection period.

Fiscal outturns; Chart 26, shows the trend of Niger State Fiscal outturns throughout the projection period under the baseline Scenario.

GROWTH TREND OF NIGER STATE DEBT STOCK UNDER THE BASELINE SCENARIO

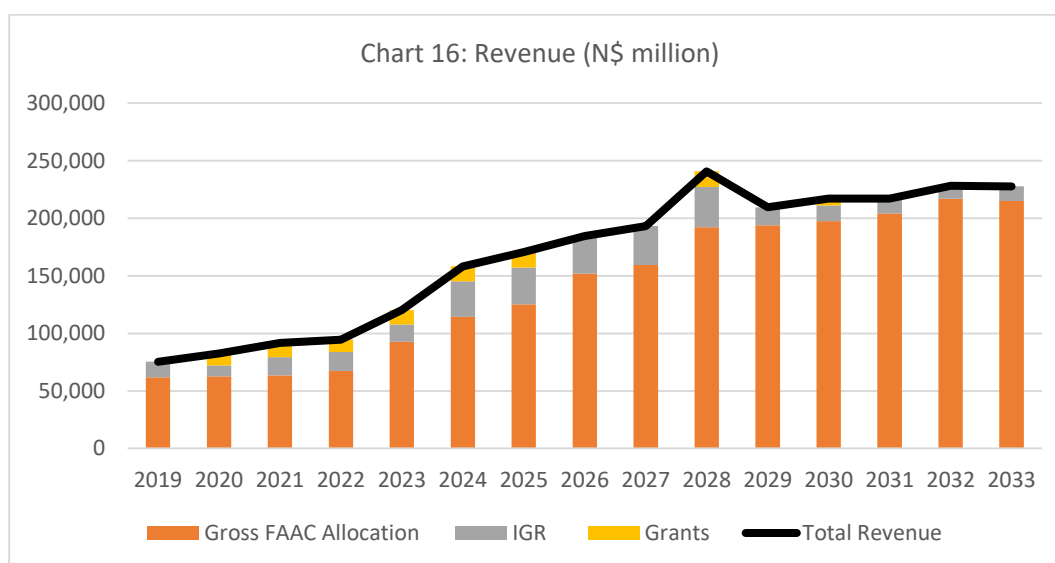
Niger State Debt Stock projection from 2024 – 2033 has grown over the period due to additional and new Financing coming to the State through various sources. The baseline scenario has shown growth form 2024 – 2033.

4.3.1 DSA Simulation Results

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

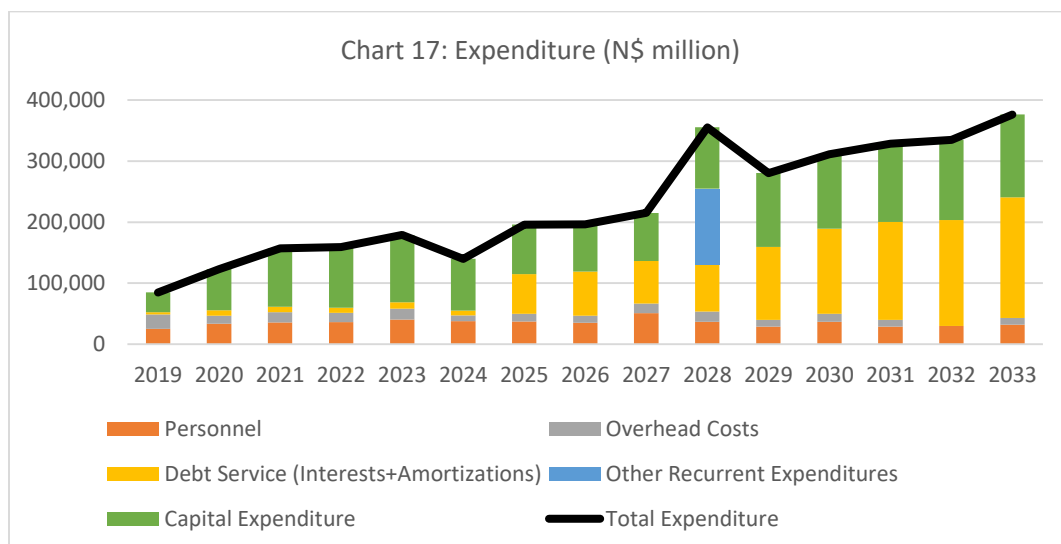
Revenue. The Macroeconomic framework is based on IMF's national real GDP growth and inflation forecasts from April 2022, IMF World Economic Outlook document, and mineral benchmarks (oil price, production and NGN/USD exchange rate) from Federal Government of Nigeria's MTEF/FSP 2025-2027.

4.3.2 Revenue is 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 N92,755 million in 2023 to N114,308 million in 2024, and N159,431 million in 2027 and N193,821 in 2029 and N214,876 in 2033 respectively. The State IGR was N14,976.40 million in 2023 compared with N32,883.20 million in 2026 and N34,885.6 in 2028.

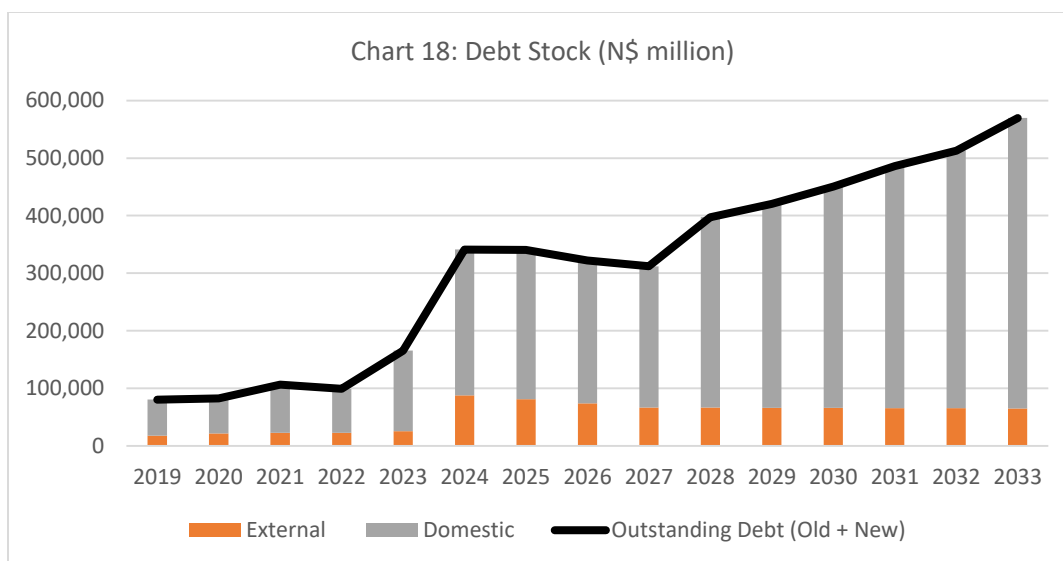


NIGER STATE TOTAL EXPENDITURE:

Niger Total Expenditure stood at N196,043.02 million in 2025, N215,21.67 million in 2027, N355,149.54million in 2028 and N376,277.24 in 2033, respectively, 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.



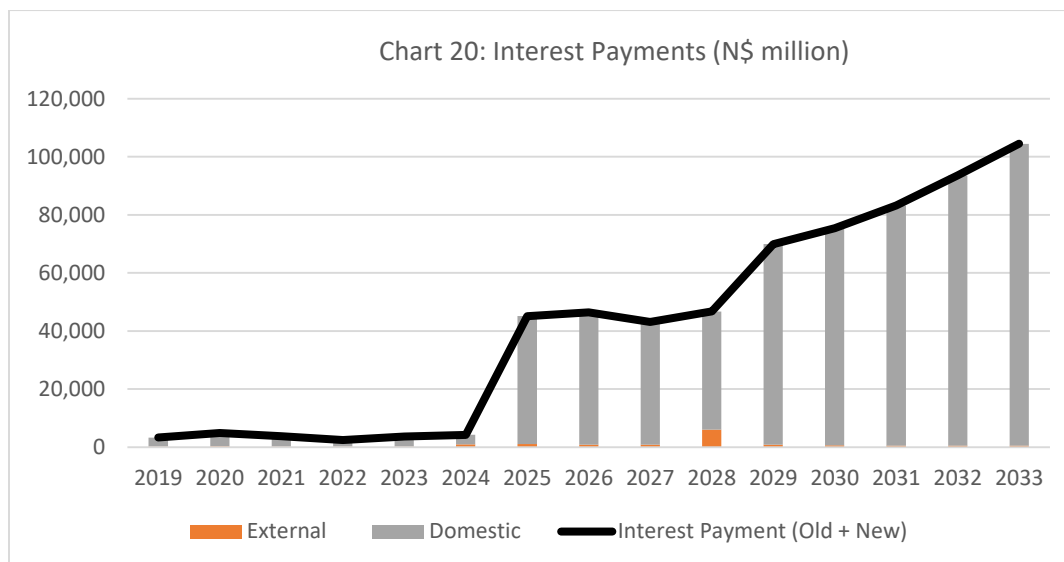
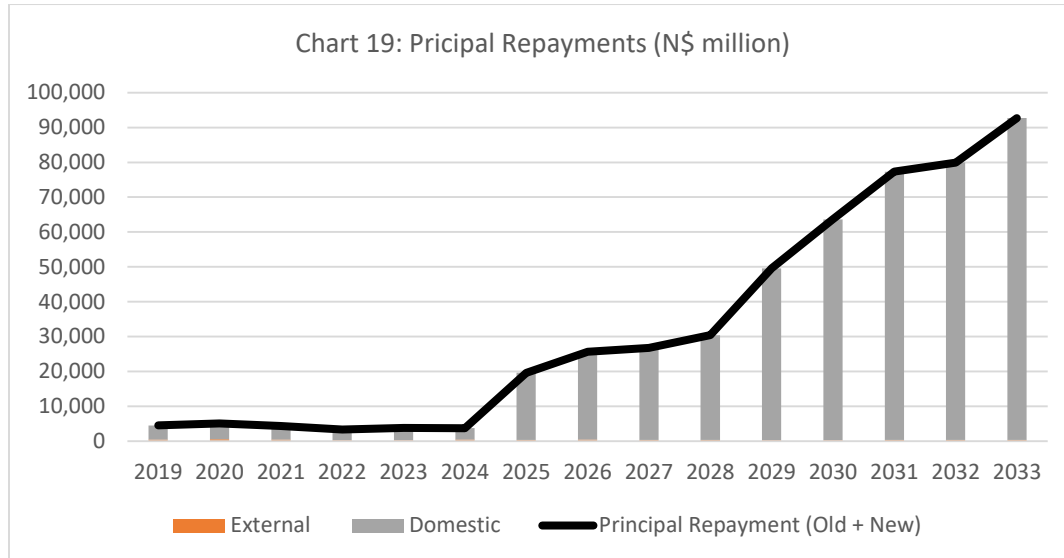
Niger State Total Debt Stock was projected to increase from N341,118.90 million in 2024, N321,961.97million in 2026, and N312,008.91 million in 2027, and N569,855.52 in 2033 respectively.



NIGER STATE TOTAL DEBT SERVICE REPAYMENT:

Niger State Total Debt Service comprises Interest repayment and Principal repayment from both External and Domestic, the Total Debt service projected to increase from N64,693.03 million in 2025, N69,876.67 in 2027 and N119,523.11 in

2029 respectively. While the Total Principal repayment estimated to increase from N19,568.70 million in 2025 N26,703.62 million in 2027, and N30,362.24 million in 2028 compared with Interest repayment estimated to growth from N45,124.32 million in 2025, N43,173.05 million in 2027, and N46,710.30 million in 2028 respectively.



Main Key Findings

Total Debt Sustainability Analysis under Baseline Scenario: Debt Sustainability Analysis results shows that the ratio of Debt Stock as % of GDP was projected at 4.96 percent in 2024, 3.56 percent in 2026, 3.55 percent in 2028, and 2.99 percent in 2033, respectively.

The Total Debt Sustainability Analysis, the results show that the ratio of Debt stock to Revenue was above its indicative threshold under the Baseline scenario in 2024 and decrease below the threshold for the period that goes from 2025 to 2029. From 2030 to 2033 it breaches again the indicative threshold of 200%. 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.

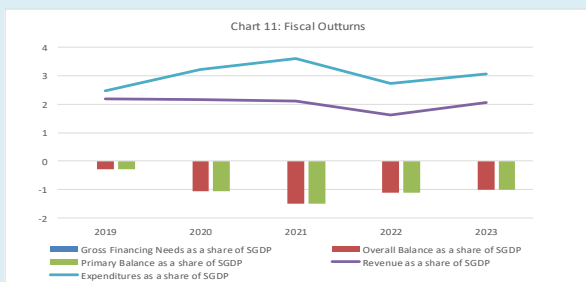
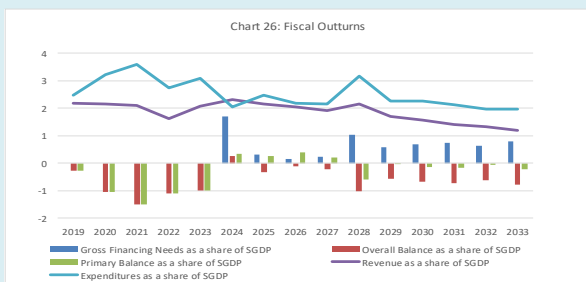
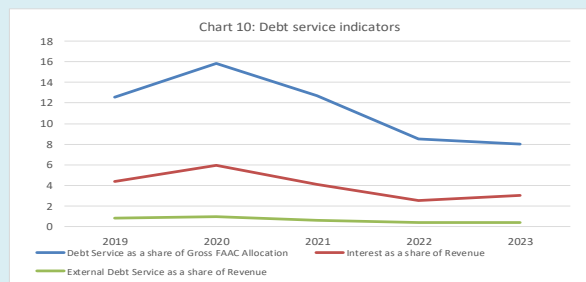
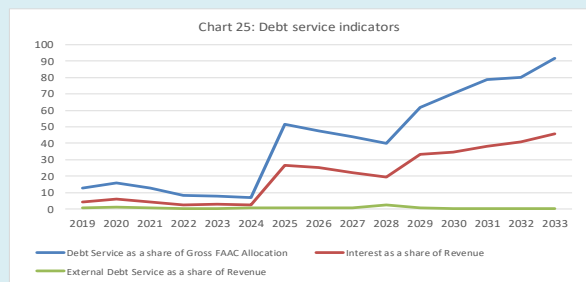
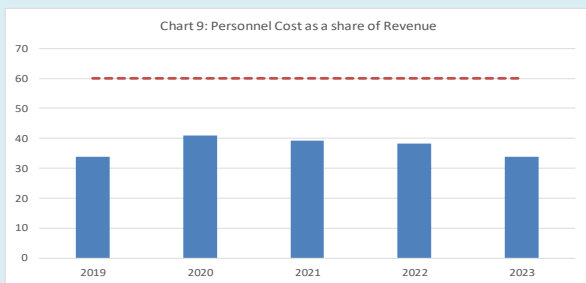
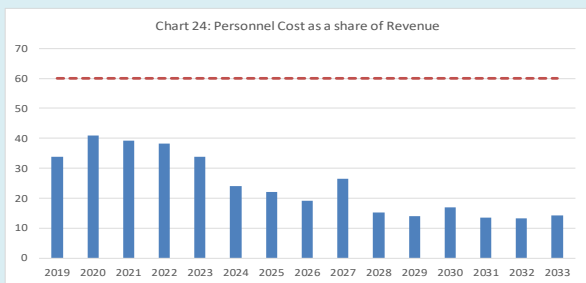
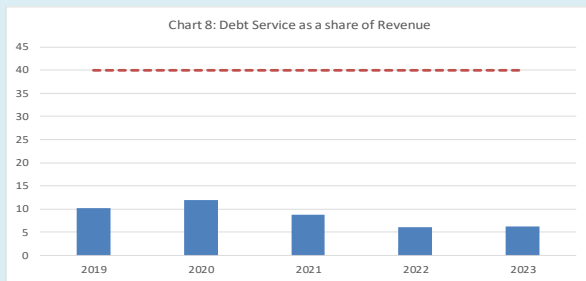
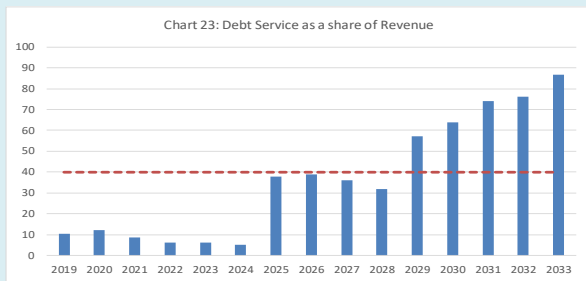
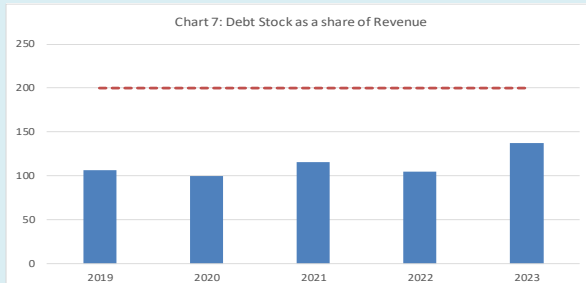
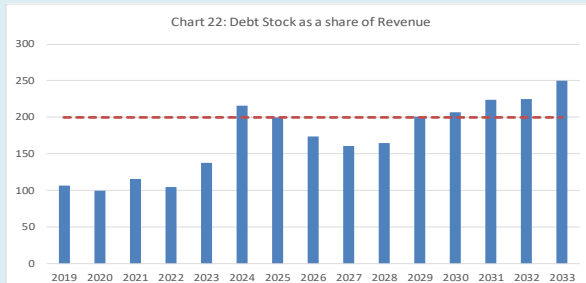
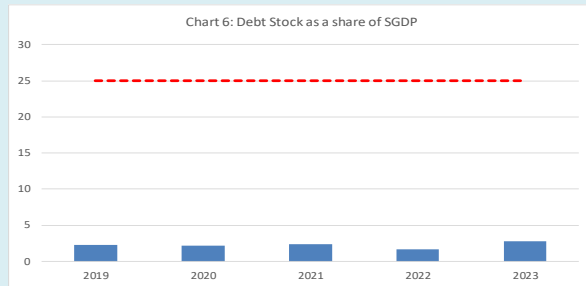
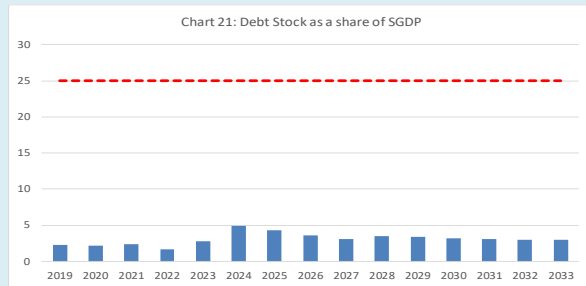
2024 DSA exercise shows that there is Room to Borrow based on the State's current Revenue Profile. with the strong-minded efforts by the State Government through its various initiatives and reforms in the key sectors of the economy to improve on its Revenue generation.

The Revenue-based indicators show that the Debt Stock as % to Revenue at 215.53 percent in 2024, 174 percent in 2026, and 250 percent in 2033 respectively.

The Debt Service as a % to SGDP, the outcome ratios were 0.12 percent in 2024, 0.81percent, in 2026 and 0.73 in 2028. This shows that there is rise through the projection period. (under the indicator baseline)

Personnel Cost as a % to Revenue remained under threshold. This shows that from 24.09 percent in 2024, 19 percent in 2026, 15 percent in 2028. The above percent shows the baseline scenario over the projection period.

Interest rate as a % to revenue, the outcome ratios in 2024 is 2.69 percent, 2026 is 25.13percent, and 2033 is 45.89. This shows that there is rise through the projection period.



CONCLUSION

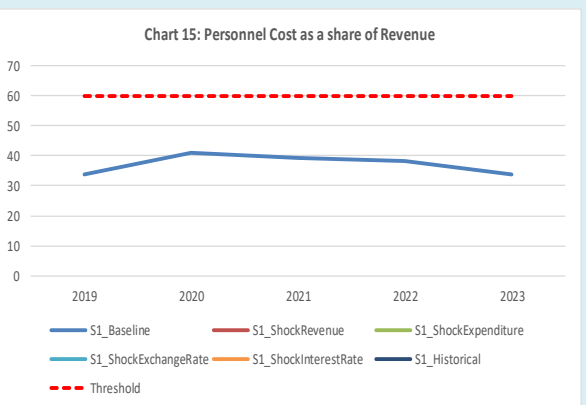
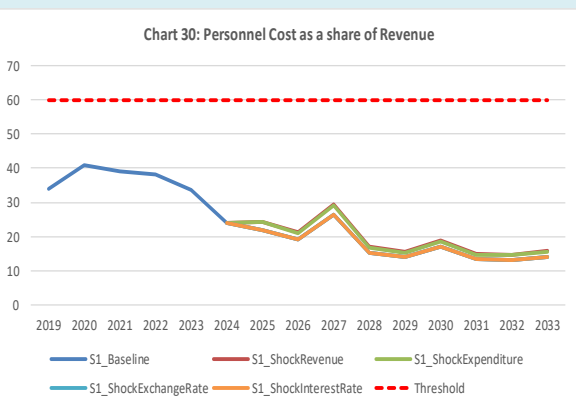
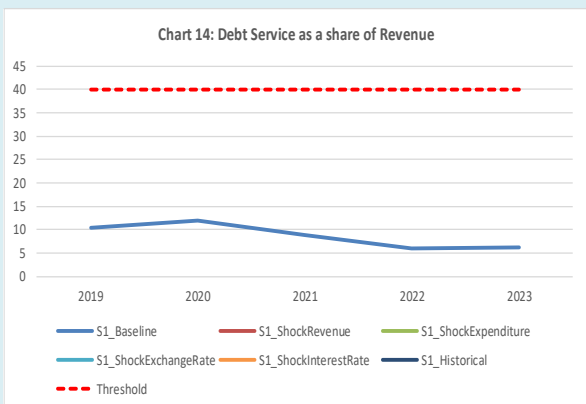
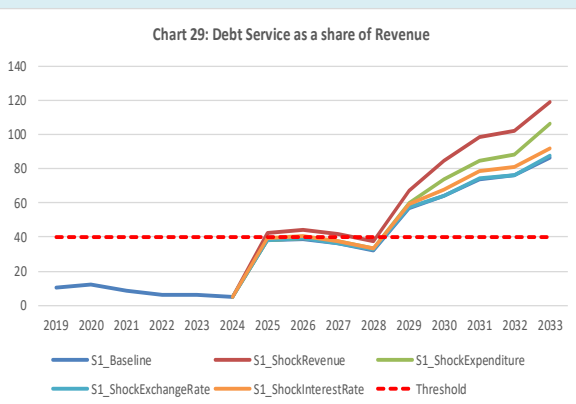
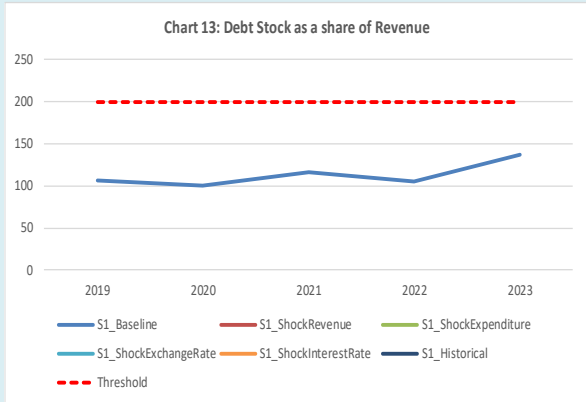
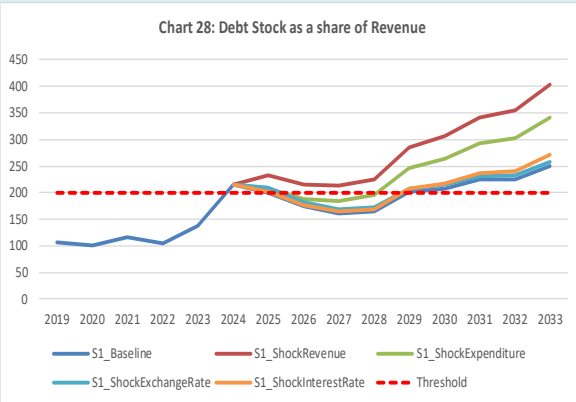
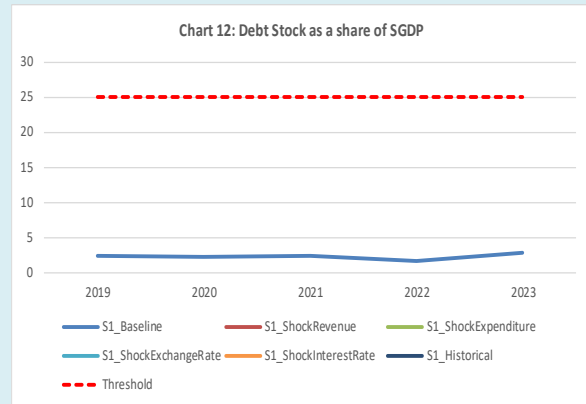
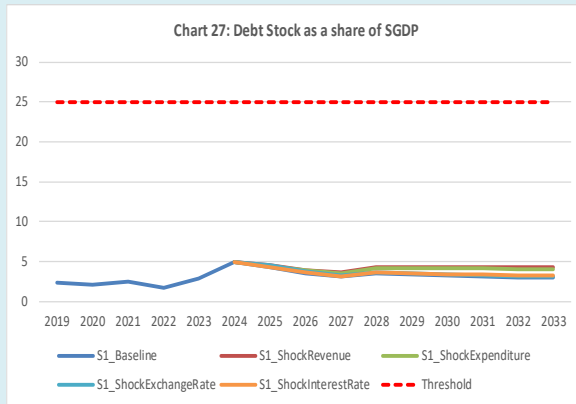
The outcome of the 2024 DSA revealed that Niger's Total Debt remains at a Very moderate Risk of Debt distress with substantial space to accommodate shocks. Niger State Risk Rating remains at a Moderate Risk of debt distress with capacity to accommodate shocks in Revenue, Expenditure, Exchange rate and 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 Revenue indicators and Borrowing Space are expected to improve in the medium to long-term.

4.3.2 DSA Sensitivity Analysis

Niger State 2024 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 some of the indicators are still below the thresholds, except the historical shock were all below the thresholds 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.

The section deals with the impact of shocks on the various indicators;

1. Debt Stock as a percentage share of SGDP (chart 27)
2. Debt Stock as a percentage share of Revenue (chart 28)
3. Debt service as a percentage of Revenue (chart 29)
4. Personal cost as a share of Revenue (chart 30)



REVENUE SHOCK

The impact of the shock might be an increased need to borrow, or reduce capacity to service existing Debt especially the non – flow (pension/ Gratuity and other Arrears of payment) among other things.

EXPENDITURE SHOCK

This stock has a similar impact to the Revenue Shock, with an average increase of Debt to SGDP ratios of 13% all through the projection period. But the Debt to Revenue and Debt service to Revenue further deviating from the baseline substantially as other expenditures may crowd out service and cause the need for more borrowing.

INTEREST RATE SHOCK

The Interest Rate Shock has impact on Debt Stock to SGDP ratio, Debt Stock to Revenue and Debt Service to Revenue ratio with the exception of Debt Service to personnel cost. The impact would be an increase in all the variable with that of Debt to Revenue exceeding the 200% threshold.

HISTORICAL SHOCK

The Historical Shock actually result in a weak debt position for the four indicators when compared to the baseline. The five shock as simulated all have impacts on the ratios at the magnitudes tested, with the revenue, interest rate and Exchange rate.

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, 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. 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 2024 and MTEF, 2025-2027. 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 57,891.3percent over the strategic period. The Commercial Bank loans with the maturity of above 6 years was 61,993.2.

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 different from 2019 over to the projection period. (2033).

its financing through commercial bank loans with average 186,506 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 2024 to 2026, 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 2024-2026, 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 165.0percent in 2028, as against Strategy 2 (161.7 percent), Strategy 3 (160.2 percent) and Strategy 4 (159.6 percent), over the DMS period of 2028, compared with the Risks measured of Strategy 1 (58.9 percent), Strategy 2 (58.6 percent), Strategy 3 (58.4 percent) and Strategy 4 (58.3 percent), respectively.
- Analysis using this debt indicator of debt to revenue shows that S4 has the lowest costs and risks with the average measured by 159.6 percent and 58.3 percent compared with, Strategy 3 and Strategy 2, compared with Strategy 1 with the highest Costs and risks under debt to Revenue ratio. Strategy 1 is the riskiest strategy as this concentrated on more Concessional and bilateral financing with little proportion of domestic financing over the DMS period.

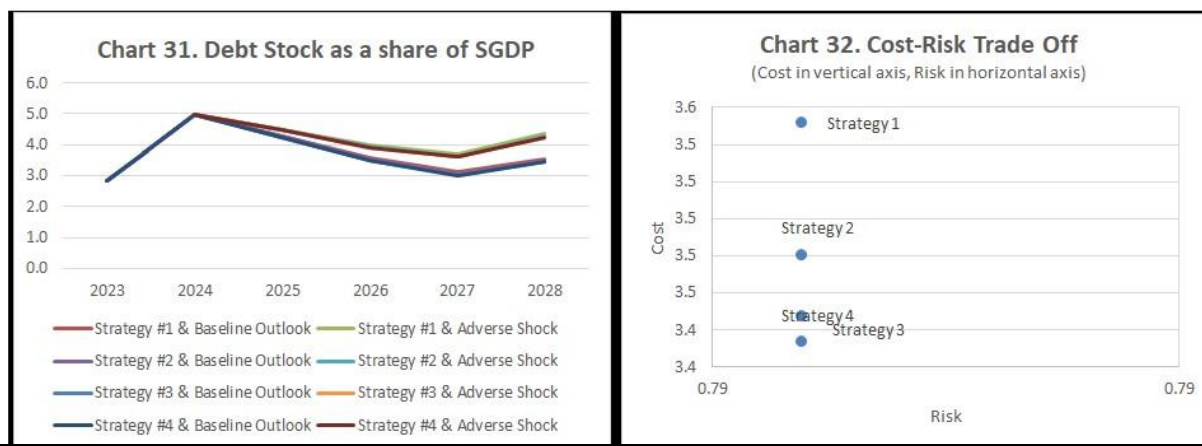


Chart 33. Debt Stock as a share of Revenue

(including grants and excluding other capital receipts)

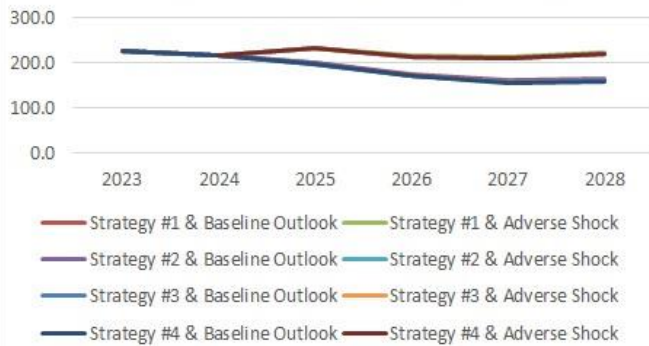


Chart 34. Cost-Risk Trade Off

(Cost in vertical axis, Risk in horizontal axis)



b. Debt Service as a share of Revenue:

- In terms of Debt Service to Revenue, Strategy 3 and 4 has lowest costs and risks with 31.5 percent and 5.7 percent by the end of strategy period compared with Strategy 1 of 32.0 percent and 5.7 percent and Strategy 2 of 31.7 percent and 5.7 percent all under moderate costs and risks, as against Strategy 1 with the highest costs and risks of 32.0 percent and 5.7 percent respectively, as at end of the strategic period of 2028.

Chart 37. Debt Service as a share of Revenue

(including grants and excluding other capital receipts)



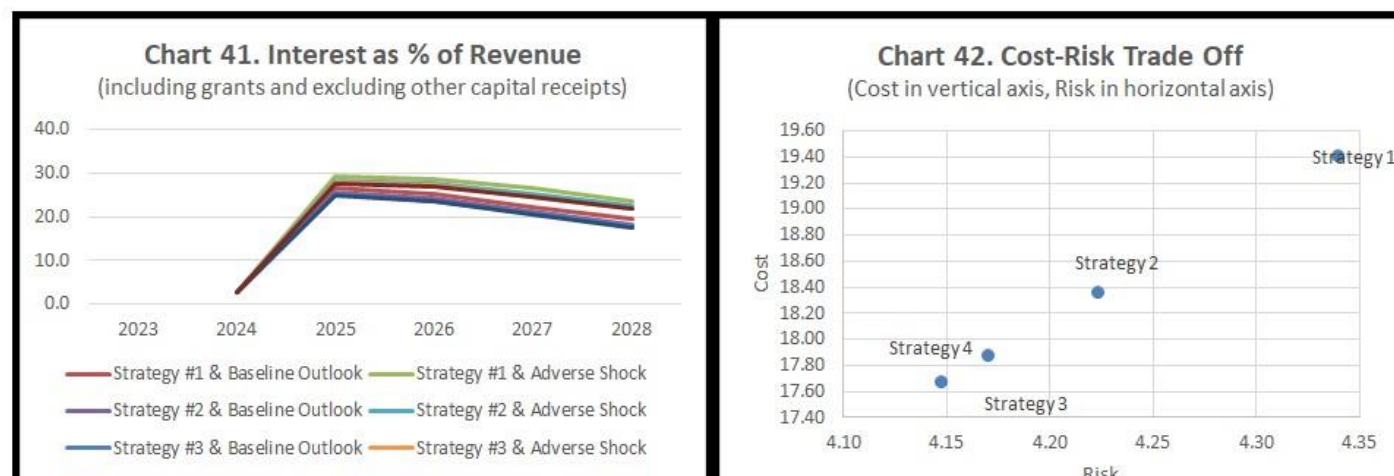
Chart 38. Cost-Risk Trade Off

(Cost in vertical axis, Risk in horizontal axis)



INTEREST RATE AS A SHARE OF REVENUE

- S4 is the least costly and risky with regards Interest to Government revenues, which projected at 17.7 percent and 4.1 percent, whilst S1 is the riskiest strategy which estimated at 19.4 percent and 4.3 percent, compared to S3 and S2 with moderate costs of 17.9 percent and 4.2 percent and 18.4 percent and 4.2 percent respectively.at the end of the strategic period of 2028.
- The analysis shows that S4 yield the lowest cost due to high domestic 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.
-
- **Interest as a share of Revenue**



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 S3, S2, and S1. ***it was considered that S4 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 2024***

In comparison to the current debt position, Niger State debt portfolio stood at N341,118.90 million as at end-2024, which expected an increase to N569,855.52 million in 2033 under S4 during the strategic period, compared to S2 and S3. 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, S4 is selected as the preferred strategy for the 2025-2027.

The Debt Management Strategy, 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.

Annex I: Baseline Assumptions

Statutory Allocation is estimated with an elasticity-based forecast using oil price benchmark of \$53 per barrel (pb), NGN: USD Exchange rate of N1000 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 from the Federal Government MTEF 2025-2027.

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 guaranteed for distribution every month.

Internally Generated Revenue (IGR) –the State IGR increased in 2019, 2020 and 2021 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.

Grants and Loans – Grants and loans have been estimated at N12,967 billion for2024. 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, ATASPI(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).

2024		Projection Methodology
Assumptions:		
Economic activity	State GDP (at current prices)	The State GDP was being provided by then National Bureau of Statistics
Revenue	Revenue	
	1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT)	This is the estimation for statutory allocation based on an elasticity forecast taking into consideration the key macroeconomic and fiscal assumption as well as the mineral ratio and considering the mid-point between removal of subsidy and adoption of floating exchange rate policy.
	1.a. of which Net Statutory Allocation ('net' means of deductions)	Net statutory allocation is the amount after all the deductions due to the State is made.
	1.b. of which Deductions	The figure for deductions represent all the deduction made on the Gross Allocations.
	2. Derivation (if applicable to the State)	The State does not have any derivation at the moment.
	3. Other FAAC transfers (exchange rate gain, augmentation, others)	These are other source of revenue to the State Government. The estimate is based on actual receipt in 2023, it is also anticipated that the sub national will pressure FAAC for excess crude distribution in 2025 to fund the new minimum wage.
	4. VAT Allocation	Considering that changes in key macroeconomic parameters including the nature of impact of the volatile commodity prices and exchange rate on aggregate economic activity, VAT was forecasted using the elasticity forecast method. The forecast might change if macroeconomic assumption changes.
	5. IGR	The current administration has sustained reforms such as the Automation of Revenue Management and harmonization of Revenues between State and Local Governments. These measures have started yielding results. In forecasting IGR, we considered the States economic conditions and outlook, performance in the 2nd quarter of the current fiscal year 2024 as well as historical trend over the last 5 year. It is anticipated that IGR will grow at the rate of 130% in 2025, 10% each in 2026 and 2027 respectively.
	6. Capital Receipts	other source of revenue to Niger State include refund from the federal roads constructed by the state and budget support facility excess paris club deduction refund and from withholding tax, dividend from north south power electricity liability company.
	6.a. Grants	The internal Grant are based on the actual receipts for 2023 and performance from January to April 2024. External Grants are based on signed Grant agreement with the Development Partners.
	6.b. Sales of Government Assets and Privatization Proceeds	The sales of Government asset and privatization are other source of revenue to the State Government.
	6.c. Other Non-Debt Creating Capital Receipts	
Expenditure	Expenditure	
	1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	The Transfer of Salary payment to the Ministry of Communication and Digital economy is to ensure efficiency and check abnormalities in the payroll. The State is determined to sustain the trend in checking payroll frauds and reduce outrageous increase in personal cost. It is anticipated that the number of Political office holders will also be Personal cost. It is anticipated that the numbers of political office holders will be reduced, and the personal cost is projected to address the increase that may occur as a result of agitation for a new minimum wage.
	2. Overhead costs	Annual overhead fluctuated between 2018 - 2020. it was 12.72BN in 2018. it thereafter rose to 16.36bn in 2019, fell to 13.20bn in 2020. and subsequently rose to 19.77bn in 2021, 26.54bn in 2022 and 40.31B
	3. Interest Payments (Public Debt Charges, including interests deducted from FAAC)	The interest payment are the service charge on all the loans facility of the state
	4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)	
	5. Capital Expenditure	Niger State capital expenditure is based on the balance from the recurrent account plus capital receipt and less contingency reserve as outlined above. The percentage of capital to recurrent expenditure from 2018 to 2024 was in the range of 22% to 40%. However the percentage of capital expenditure in 2025, 2026 2027 is expected to be 76.573.55% and 90.80% respectively.
Closing Cash and Bank Balance	Closing Cash and Bank Balance	The closing cash and bank balance are the balances by the end of the fiscal year of the state, this balances form the part for the opening balance of a new fiscal year of the state
Debt Amortization and Interest Payments	Debt Outstanding at end-2023	
	External Debt - amortization and interest	The External Debt amortization and interest rate is based on the Terms and condition of the agreement made
	Domestic Debt - amortization and interest	The Domestic Debt amortization and interest rate is based on the Terms and condition of the agreement made
	New debt issued/contracted from 2024 onwards	
	New External Financing	
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	The External Debt amortization and interest rate is based on the Terms and condition of the agreement made
	External Financing - Bilateral Loans	The Domestic Debt amortization and interest rate is based on the Terms and condition of the agreement made
	Other External Financing	
	New Domestic Financing	
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans)	The interest rate is 35.00% with maturity period of 5 years without any Grace Period and the currency in used is Naira
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans)	The interest rate is 33.00% with maturity period of 7 years without any Grace Period and the currency in used is Naira
	State Bonds (maturity 1 to 5 years)	The interest rate is 27.72% with maturity period of 5 years without any Grace Period and the currency in used is Naira
	State Bonds (maturity 6 years or longer)	The interest rate is 25.72% with maturity period of 7 years without any Grace Period and the currency in used is Naira
	Other Domestic Financing	
Proceeds from Debt-Creation By Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy		

**Proceeds from Debt-Creating Bc
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, etc.)
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, etc.)
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, etc.)
External Financing - Bilateral Loans
Other External Financing

The interest rate is 35.00% with maturity period of 5years without any Grace Period and the currency in used is Naira

The interest rate is 33.00% with maturity period of 7years without any Grace Period and the currency in used is Naira

The interest rate is 27.72% with maturity period of 5years without any Grace Period and the currency in used is Naira

The interest rate is 25.72% with maturity period of 7years without any Grace Period and the currency in used is Naira

The External Financing (concessional Loans) with interest rate of 4% and maturity period of 20 years and Grace period 3years

The External Financing (Bilateral Loans) is based on the Terms and condition of the agreement made

**Proceeds from Debt-Creating Bc
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, etc.)
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, etc.)
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, etc.)
External Financing - Bilateral Loans
Other External Financing

The interest rate is 35.00% with maturity period of 5years without any Grace Period and the currency in used is Naira

The interest rate is 33.00% with maturity period of 7years without any Grace Period and the currency in used is Naira

The interest rate is 27.72% with maturity period of 5years without any Grace Period and the currency in used is Naira

The interest rate is 25.72% with maturity period of 7years without any Grace Period and the currency in used is Naira

The External Financing (concessional Loans) with interest rate of 4% and maturity period of 20 years and Grace period 3years

The External Financing (Bilateral Loans) is based on the Terms and condition of the agreement made

**Proceeds from Debt-Creating Bc
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, etc.)
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, etc.)
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, etc.)
External Financing - Bilateral Loans
Other External Financing

The interest rate is 35.00% with maturity period of 5years without any Grace Period and the currency in used is Naira

The interest rate is 33.00% with maturity period of 7years without any Grace Period and the currency in used is Naira

The interest rate is 27.72% with maturity period of 5years without any Grace Period and the currency in used is Naira

The interest rate is 25.72% with maturity period of 7years without any Grace Period and the currency in used is Naira

The External Financing (concessional Loans) with interest rate of 4% and maturity period of 20 years and Grace period 3years

The External Financing (Bilateral Loans) is based on the Terms and condition of the agreement made

**Proceeds from Debt-Creating Bc
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, etc.)
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, etc.)
State Bonds (maturity 1 to 5 years)
State Bonds (maturity 6 years or longer)
Other Domestic Financing

New External Financing in Million US Dollar

The interest rate is 35.00% with maturity period of 5years without any Grace Period and the currency in used is Naira

The interest rate is 33.00% with maturity period of 7years without any Grace Period and the currency in used is Naira

The interest rate is 27.72% with maturity period of 5years without any Grace Period and the currency in used is Naira

The interest rate is 25.72% with maturity period of 7years without any Grace Period and the currency in used is Naira

Annex II: Niger State Baseline Scenarios, 2024-2033

Indicator	Actuals	Projections											
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Economic Indicators													
State GDP (at current prices)	4,369,717.00	5,822,152.00	5,817,816.00	6,871,836.00	7,949,821.00	9,038,806.00	10,056,802.00	11,189,449.00	12,449,681.00	13,851,804.00	15,411,864.00	17,147,625.00	19,078,876.00
Exchange Rate NGN/US\$ (end Period)	306.50	326.00	379.00	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	105,399.30	111,182.50	138,521.00	274,867.10	196,182.32	198,589.57	216,751.17	356,584.54	282,177.11	310,813.98	329,838.45	335,461.74	377,101.24
1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT Allocation here)	41,296.70	45,061.00	52,599.20	60,121.00	47,800.00	43,652.00	48,900.00	44,123.00	41,200.00	40,231.00	42,300.00	50,121.00	43,100.00
1.a. of which Net Statutory Allocation ('net' means of deductions)	32,327.70	33,715.00	37,921.00	41,871.00	40,987.00	39,250.00	38,210.00	36,843.00	35,761.00	31,231.00	30,123.00	44,981.00	33,500.00
1.b. of which Deductions	8,969.00	11,346.00	14,678.00	18,250.00	6,813.00	6,402.00	6,000.00	7,280.00	5,439.00	9,000.00	12,177.00	5,140.00	9,600.00
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
3. Other FAAC transfers (exchange rate gain, augmentation, others)	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. VAT Allocation	22,300.90	22,426.00	40,155.90	54,186.50	77,493.20	106,127.40	110,531.00	148,175.30	152,620.50	157,199.10	161,915.00	166,772.40	171,775.50
5. IGR	15,639.90	16,345.00	14,976.40	30,995.70	31,925.50	32,883.20	33,869.60	34,885.60	15,721.00	13,676.00	12,789.00	11,432.00	12,788.00
6. Capital Receipts	26,161.90	27,350.50	30,789.50	129,563.90	38,963.61	13,926.97	23,450.57	129,400.64	72,635.61	99,707.88	112,834.45	107,136.34	149,437.74
6.a. Grants	12,530.50	10,785.70	12,589.40	12,967.00	13,356.00	0.00	0.00	13,623.10	0.00	6,124.00	0.00	0.00	0.00
6.b. Sales of Government Assets and Privatization Proceeds	0.00	0.00	47,355.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.c. Other Non Debt Creating Capital Receipts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.d. Proceeds from Debt Creating Borrowings (bond issuance, loan disbursements, etc.)	13,631.40	15,763.00	18,200.10	116,596.90	25,607.62	13,926.97	23,450.57	115,777.54	72,635.61	93,583.88	112,834.45	107,136.34	149,437.74
Expenditure	157,213.20	159,345.40	178,837.50	139,833.10	196,043.02	196,244.97	215,212.67	355,149.54	280,233.11	311,080.98	328,260.45	334,618.74	376,277.24
1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	35,882.00	36,123.10	40,567.10	38,123.00	37,432.00	35,289.00	50,998.00	36,798.00	29,168.00	36,876.00	29,134.00	30,123.00	32,157.00
2. Overhead costs	16,775.70	15,341.10	17,890.40	9,245.00	12,675.00	11,702.00	15,777.00	16,789.00	10,987.00	13,278.00	10,812.00	0.00	11,120.00
3. Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)	0.00	0.00	0.00	4,262.00	45,124.32	46,407.15	43,173.05	46,710.30	69,924.23	75,398.86	83,197.03	93,552.83	104,484.85
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
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
4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	124,367.00	0.00	0.00	0.00	0.00	0.00
5. Capital Expenditure	95,765.20	99,631.20	110,130.00	84,523.00	81,243.00	77,234.00	78,561.00	100,123.00	120,555.00	121,900.00	127,800.00	130,984.00	135,822.00
6. Amortization (principal) payments	8,790.30	8,250.00	10,250.00	3,680.10	19,568.70	25,612.82	26,703.62	30,362.24	49,598.88	63,628.12	77,317.41	79,958.91	92,693.38
Budget Balance ('+' means surplus, '-' means deficit)	-51,814.00	-48,162.90	-40,316.50	135,034.00	139.30	2,344.60	1,538.50	1,435.00	1,944.00	-267.00	1,578.00	843.00	824.00
Opening Cash and Bank Balance	12,225.20	-39,589.00	-87,751.90	-128,068.40	6,965.60	7,104.90	9,449.50	10,988.00	12,423.00	14,367.00	14,100.00	15,678.00	16,521.00
Closing Cash and Bank Balance	-39,589.00	-87,751.90	-128,068.40	6,965.60	7,104.90	9,449.50	10,988.00	12,423.00	14,367.00	14,100.00	15,678.00	16,521.00	17,345.00
Financing Needs and Sources (Million Naira)													
Financing Needs				116,596.90	25,607.62	13,926.97	23,450.57	115,777.54	72,635.61	93,583.88	112,834.45	107,136.34	149,437.74
i. Primary balance	26,379.20	39,224.70	60,437.60	47,964.60	-37,270.00	48,831.50	45,176.10	49,258.00	67,218.40	48,564.50			
ii. Debt service				7,942.10	64,693.02	72,019.97	69,876.67	77,072.54	119,523.11	139,026.98	160,514.45	173,511.74	197,178.24
Amortizations				3,680.10	19,568.70	25,612.82	26,703.62	30,362.24	49,598.88	63,628.12	77,317.41	79,958.91	92,693.38
Interests				4,262.00	45,124.32	46,407.15	43,173.05	46,710.30	69,924.23	75,398.86	83,197.03	93,552.83	104,484.85
iii. Financing Needs Other than Amortization Payments (e.g., Variation in Cash and Bank Balances)				135,034.00	139.30	2,344.60	1,538.50	1,435.00	1,944.00	-267.00	1,578.00	843.00	824.00
Financing Sources	116,596.90	25,607.62	13,926.97	23,450.57	115,777.54	72,635.61	93,583.88	112,834.45	107,136.34	149,437.74			
i. Financing Sources Other than Borrowing	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
ii. Gross Borrowings	116,596.90	25,607.62	13,926.97	23,450.57	115,777.54	72,635.61	93,583.88	112,834.45	107,136.34	149,437.74			
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSME/DF)	0.00	25,607.62	13,927.00	23,450.60	50,981.00	72,635.60	93,583.80	95,788.00	45,798.00	99,250.00			
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSME/DF)	116,596.90	0.00	0.00	0.00	64,796.50	0.00	0.00	17,046.40	61,338.30	50,187.70			
State Bonds (maturity 1 to 5 years)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
State Bonds (maturity 6 years or longer)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
External Financing - Bilateral Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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	0.01	0.03	0.03	0.03	0.04	0.01	0.08	0.05	0.04			

NIGER STATE - TECHNICAL TEAM

1. Dauda Jiya
2. Musa Chado Mohammed
3. Musa Alhaji Dangana
4. Tanko David Tula
5. Mohammed DanteninTswasha.



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Hon. Commissioner for Finance,
Minna, Niger State