



Anniversary
Edition



#STATE OF STATES

2021 EDITION

FISCAL OPTIONS FOR
BUILDING BACK BETTER



About BudgIT

BudgIT is a civic organisation driven to make the Nigerian budget and public data more understandable and accessible across every literacy span. BudgIT's innovation within the public circle comes with a creative use of government data by either presenting these in simple tweets, interactive formats or infographic displays. Our primary goal is to use creative technology to intersect civic engagement and institutional reform.

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Definition of Terms

VAT: This is the amount of consumption tax that is levied on goods that go into the federation account and which is distributed between all tiers of government¹.

Total Revenue: Total revenue of a state refers to the combination of Internally Generated Revenue (IGR) and Statutory Revenue (i.e., IGR + Statutory Revenue + Capital Receipts); this includes receipts from Aids and Grants but excludes receipts from loans.

IGR (Audited Report): This is the internally generated revenue obtained within a state as reported by the state's Auditor General in their audited reports.

IGR (NBS): This is the internally generated revenues obtained within the state from numerous sources such as PAYE, road taxes, direct assessment, taxes reported by the National Bureau of Statistics.

Capital Receipts: This includes incoming cash flows from the sales of fixed assets, shares, and the issuance of a debt instrument such as bonds and loans that are non-recurring in nature.

Opening Balance: The amount of money a state has in its account from the previous year that is brought forward at the start of another fiscal year.

Loan Repayments: This is the amount a state spends to pay back borrowed funds to foreign and domestic lenders, through a series of scheduled repayments of the principal and interest.

Capital Expenditure: Capital Expenditure is money spent by the government to acquire or build fixed capital assets, land, or intangible assets. It includes the state's investments in projects like the building of schools, hospitals, roads, or buying security equipment. Capital Expenditure is sometimes called 'Capex'.

Total Debt: The total value of debt owed by a state government in Nigeria to all its lenders. Total debt includes foreign debt and domestic debt.

Domestic Debt: The value of debt a state owes to lenders within its country or debt issued in its local currency.

External Debt: The portion of a state's debt obtained in foreign currency. These loans are required to be paid back in the currency it was issued.

Debt Ceiling - Capital Market: This is the total debt size for a state, above which the Debt Management Office (DMO) guidelines restricts it from borrowing further from the capital market.

Debt Ceiling - External Borrowing: This is the total debt size for a state above which the Debt Management Office (DMO) guidelines restricts it from further external borrowing.

Cash Flow Statement: This is a financial statement that shows the summary of inflows of revenue receipts and spending during a specific period of time. It consists of three main parts: Cash Flows from Operating Activities, Cash Flows from Investment Activities, and Cash Flows from Financing Activities.

1. See the Federal Inland Revenue Service (FIRS) (Website). 'Value Added Tax', at <https://www.firs.gov.ng/value-added-tax-vat/>. Date accessed-23/08/2021.

Abbreviations

APA: Annual Performance Assessment

CAPEX: Capital Expenditure

COVID-19: Coronavirus Disease

DLR: Disbursement Linked Results

DMO: Debt Management Office

FAAC: Federal Account Allocation Committee

IGR: Internally Generated Revenue

NBS: National Bureau of Statistics

NIPC: Nigerian Investment Promotion Commission

OPEC: Organisation of the Petroleum Export Countries

PAYE: Pay as You Earn

PPP: Public-Private Partnership

SFTAS: States Fiscal Transparency, Accountability, and Sustainability

TSA: Treasury Single Account

USAID: United States Agency for International Development

VAT: Value Added Tax

Data Sources

Capital Expenditure: States' 2020 Audit Report

Recurrent Expenditure: States' 2020 Audit Report

Total Revenue: States' 2020 Audit Report

2021 Subnational Budget (Approved): State's Revised

Appropriation Laws, 2020

Internally Generated Revenue: National Bureau of Statistics

2020 Gross FAAC Allocation: National Bureau of Statistics

2020 VAT Allocation: National Bureau of Statistics

2020 Domestic Debt: Debt Management Office

2020 Foreign Debt (USD): Debt Management Office

2020 Foreign Debt (NGN): BudgIT Research (Calculated using
an, exchange rate of N380/\$1as at December 31st, 2020)

2020 Total Subnational Debt (NGN): BudgIT Research
(Domestic Debt + Foreign Debt in Naira)

Exchange Rate: CBN, N305.9/\$1 (as at December 2019),
N380/\$1 (as at December 31st, 2020)

Subnational Poverty Rates, 2019: National Bureau of Statistics,
2019 Poverty and Inequality in Nigeria

Unemployment and Underemployment Rate by State: National
Bureau of Statistics

Labor Force Statistics: Unemployment and Underemployment
Report, Q2 2020

SFTAS Performance Assessment: 2019 Annual Performance
Assessment (APA) released in Q2 2020

The Research Methodology

Index A looks at the ability of states to meet their Operating Expenses (Recurrent Expenditure) obligations with only the sum of their Internally Generated Revenue and VAT received.

**Index A
45%**

$$\frac{\text{Operating Expenses}}{\text{IGR} + \text{VAT}}$$

Index B reviews the states' ability to cover all operating expenses and loan repayment obligations with their Total Revenue (Internally Generated Revenue + Statutory Allocations + Capital Receipts) without resorting to borrowing

**Index B
35%**

$$\frac{\text{Operating Expenses} + \text{Loan Repayments}}{\text{Total Revenue}}$$

Index C estimates how much fiscal room states have to borrow more; states that rank higher on Index C have more room to borrow than those at the bottom. It is measured by evaluating the extent to which the state's total revenue in a single year can theoretically pay off outstanding debts.

**Index C
10%**

$$\frac{\text{Domestic} + \text{Foreign Debt}}{\text{Total Revenue}}$$

Index D evaluates the degree to which each State prioritises capital expenditure with respect to their operating expenses (recurrent expenditure).

**Index D
10%**

$$\frac{\text{Operating Expenses}}{\text{Capital Expenditure}}$$

Executive Summary

Fiscal Outlook

Economic shocks from the COVID-19 pandemic took a toll on states' Internally Generated Revenue (IGR) and their share of federally collected revenue in 2020. Cumulatively, all 36 states saw a 3.43% decline in their IGR from N1.26tn in 2019 to N1.21tn in the year 2020 under review. In total, 18 states saw a decline in their year-on-year IGR² while 18 other states could weather the fiscal storm induced by the pandemic, growing their revenue — in some cases by as high as 87.02%. Worthy of note is Lagos state, which despite being the epicentre of the pandemic, saw a 5.08% growth in its IGR, a testament to the resilience of its fiscal strategy.

Rivers state once again topped the overall 2021 Fiscal Performance Ranking despite COVID-19 induced fiscal shocks to its IGR, indicating that the fiscal fundamentals of this state, compared to others in the country, are more prudently managed. Two states made it, as new entrants, to the Top 5 category in the overall 2021 ranking - Ebonyi state emerged in 2nd position; up from 6th position in 2020 ranking, and Kebbi state emerged in 5th position, up from 11th position in 2020. The entrance of Ebonyi and Kebbi states into the Top 5 category was driven largely

by growth in both state's IGR as recorded by the National Bureau of Statistics. Ebonyi state grew its IGR by 82.3% from N7.5bn in 2019 to N13.6bn in 2020, while Kebbi state grew its revenue by 87.02% from N7.4bn in 2020 to N13.8bn in 2020. In the case of Ebonyi state, an additional performance driver was that it also significantly prioritized investment in state infrastructure, given its available revenue; it spent more on capital expenditures (N76.1bn) compared to its spending on operating expenses (N29.5bn). Ebonyi is also one of five states who spent more on capital expenditures than operating expenses.

In the 2021 Performance Ranking, two states dropped out of the Top 5 in overall ranking; Ogun state (now 19th) and Kano state (now 22nd), due to a sharp decline in their IGR in 2020. This decline in IGR affected their performance in Index A, a component of the overall ranking model with the highest weight (45%). In the case of Ogun state, the reduced priority placed on investment in infrastructure — when compared to its operating expense — affected its performance on the 'Index D' component of the ranking model, further contributing to its decline.

². Note: NBS data was used for this decline analysis.

States comparative viability

Only three (3) states in the country can meet their operating expenses obligations with a combination of their IGR and Value Added Tax (VAT) as measured in our ‘Index A’ ranking; these states are Lagos, Rivers, and Anambra and they appear at the top of the ‘Index A’ ranking. In contrast, states at the bottom of the ‘Index A’ ranking need to do more to rapidly consolidate on any ongoing strategies to improve their IGR and by extension, their viability as federating entities. This is necessary considering the comparative size of their operating expenses and the global push to transition away from fossil fuels like crude oil, a key source of federally distributed revenue. These states at the bottom of ‘Index A’ ranking include Jigawa, Delta, Benue, Taraba and Bayelsa. Nevertheless, all Nigerian states still need to work hard to build economic prosperity and create more jobs in their states to ensure that there is more money in circulation and economic activities that can be taxed to improve their IGR.

Subnational debt outlook

Cumulatively, the 36 states total debt burden increased by N472.63bn³ (or 8.78%) from N5.39tn in 2019 to N5.86tn in 2020. This increase in total subnational debt was driven largely by exchange rate volatility which saw the value of the naira jump from N305.9/\$1 in 2019 to N380/\$1 as at December 31st 2020. States with the highest foreign debt were significantly hit due to negative exposure to exchange rate volatility. These states include: Lagos, Kaduna, Edo, Cross River and Bauchi (See the datasheet on 2020 Foreign Debt by state). Furthermore, five (5) states accounted for more than half (that is 63.63% or N300.7bn) of the net year-on-year subnational debt increase of N472.63bn for all the states between 2019 and 2020: the states are Lagos, Kaduna, Anambra, Benue and Zamfara.

Eleven states in the country still have a comparatively low debt burden; their debt profiles are so low they can theoretically pay it off in a single year (using their 2020 total revenue). These states are: Jigawa, Sokoto, Kogi, Ebonyi, Katsina, Yobe, Bayelsa, Ondo, Kebbi, Kwara and Nasarawa and they appear

at the top of the ‘Index C’ ranking. Eight (8) of these eleven states mentioned are in the north, while three (3) are in the south. We note that a low debt burden in itself is not necessarily a good or a bad thing; however, these states are highlighted because they still have comparatively more leeway to borrow. Thus, they need additional technical support to be more strategic in their future borrowing to ensure value for money.

Additionally, states at the bottom of the ‘Index C’ ranking have a high debt burden when compared with their 2020 total revenue. These states will need to urgently develop Public-Private Partnership (PPP) models for financing expenditures in critical sectors, as their attractiveness to potential lenders is significantly reduced. The least attractive states in this regard are Cross River, Plateau, Imo, Adamawa and Bauchi, and they would need the most support from local and international development partners to build their capacity to leverage different Public-Private Partnership models for effective and affordable public service delivery.

Spending priorities

Based on each state’s 2020 revenue, five states prioritized investment in infrastructure by spending more on capital expenditure than operating expenses. The states are Ebonyi, Rivers, Anambra and Cross River states in the south and Kaduna state in the north. These states appear at the top of the ‘Index D’ ranking.

States appearing at the bottom of ‘Index D’ are those who prioritized operating expenses over investment in infrastructure for their citizens: a fiscal practice this project does not encourage. Notable in this regard are Benue, Kogi, and Taraba, whose overhead cost component of their operating expenses was higher than their respective investments in capital expenditure in 2020. There is a need for the affected states to immediately rein in their overhead expenditures and reprioritize investments in capital infrastructure for citizens.

Nineteen states, including eight oil-producing states, saw a year-on-year decline in their

capital expenditure, while seventeen states were still able to improve their investment in capital expenditure, from 2019 levels despite fiscal constraints induced by COVID-19. For a breakdown by state, see the datasheet/infographic of “Year-on-Year capital expenditure growth by States”.

Building back better

Without a doubt, COVID-19 ravaged the revenues of many Nigerian state governments and the need to explore options for ‘building back better’⁴ cannot be overstressed. A critical first step for states would be to rapidly block financial leakages that could further drain the little available revenue or future revenue. From the Annual Performance Assessment (APA) results of states under the State Fiscal Transparency, Accountability And Sustainability (SFTAS) program, released in Q2 2021, only 7 states in Nigeria had functioning Treasury Single Accounts (TSA), an otherwise critical fiscal strategy that gives states more control over their revenues and could help states reduce leakages. The results were better for states that had introduced reforms to block leakages, due to the existence of “ghost workers” and other forms of payroll fraud. About 24 states and 27 states respectively, had introduced “Biometric use in payroll management” and “Bank verification number use in payroll management”.

Furthermore, only 16 states published details of their contracts online for public scrutiny, while 20 states were yet to do so at the time of the assessment. Procurement processes are one of the biggest areas through which revenue leakages can occur. Hence, the need for states to adopt open contracting principles⁵ to minimize instances of inflated contracts and other forms of procurement and procedural fraud.

To ensure a sustainable recovery and more resilience against future shocks, states need more revenue from a diverse revenue base

spanning multiple sectors. Unfortunately, 39.1m people representing 56.1% of the combined 69.7m labor force across all states in the country could not contribute adequately to the IGR pool of their respective states, through payment of income taxes (PAYE) as they were either unemployed or underemployed. This cost the states billions of naira in forgone revenue and remains a critical setback all 36 states have to address, in their enlightened self-interest, if they would like to be more resilient. States have to revamp their economic prosperity blueprints and redesign them around incentivizing the private sector to exploit each state’s export potential across different sectors to stimulate job creation.

Aside from the huge revenue forgone from income taxes as a result of high unemployment and underemployment in their states in 2020, the states also missed out on the multiplier effects of having a gainfully employed workforce from the revenues (Road Taxes, Value Added Taxes, etc.) that would have accrued from having more people in their states with higher purchasing power for consumption goods and services. This needs to change.

Furthermore, to complement efforts in raising revenue and blocking revenue leakages, states also require a rapid build-up of capacity in deploying custom and innovative Public-Private Partnership (PPP) models to deliver on critical infrastructure projects and programs. This is especially in key sectors like Health, Education, Housing, and Agriculture given the shrinking fiscal space in which states are operating and will continue to operate in the next few years.

Welcome to the 2021 State of States report and we hope you find one or two golden nuggets.

³. Note: Exchange rate used for calculating total debt as at Q4 2020 is N379/\$1.

⁴. See the World Bank. ‘Building back better from the crisis: What will it take for the poorest countries?’, by Georgia Harley and Yasmine Acheampong, on March 9 2021, in World Bank Blogs. Available at: <https://blogs.worldbank.org/voices/building-back-better-crisis-what-will-it-take-poorest-countries>.

⁵. See Open Contracting Partnership (Website). Global Principles. Available at: <https://www.open-contracting.org/what-is-open-contracting/global-principles/>.

2021 Fiscal Performance Ranking



For more information on the ranking and rank scores, please download our State of States 2021 report on our website

www.yourbudgit.com/data

2021 Ranking	State
1	Rivers
2	Ebonyi
3	Anambra
4	Lagos
5	Kebbi
6	Kaduna
7	Gombe
8	Cross River
9	Edo
10	Kwara
11	Zamfara
12	Sokoto
13	Osun
14	Enugu
15	Abia
16	Nasarawa
17	Borno
18	Plateau
19	Ogun
20	Imo
21	Yobe
22	Kano
23	Oyo
24	Akwa Ibom
25	Jigawa
26	Niger
27	Bauchi
28	Kogi
29	Ekiti
30	Ondo
31	Delta
32	Adamawa
33	Katsina
34	Benue
35	Taraba
36	Bayelsa

States Performance on Index A



States that rank higher on Index A have comparatively limited dependence on federally distributed revenue for their operations and thus have greater viability if they were to theoretically exist as an independent entity. In contrast, states that rank lower on Index A either need to work harder on growing their Internally Generated Revenue considering the size of their operating expenses or work on pruning their operating expenses. The lower-ranking states also have more work to do to promote economic prosperity in their states which would invariably lead to more earnings from Value Added Tax.

Rank	State	Index A
1st	Lagos	0.70
2nd	Rivers	0.81
3rd	Anambra	0.99
4th	Ebonyi	1.08
5th	Cross River	1.21
6th	Kaduna	1.22
7th	Kebbi	1.26
8th	Osun	1.36
9th	Ogun	1.38
10th	Zamfara	1.45
11th	Plateau	1.48
12th	Gombe	1.49
13th	Edo	1.54
14th	Kwara	1.55
15th	Enugu	1.66
16th	Oyo	1.66
17th	Sokoto	1.72
18th	Imo	1.76
19th	Abia	1.78
20th	Kano	1.82
21st	Borno	1.99
22nd	Nasarawa	1.99
23rd	Kogi	2.09
24th	Bauchi	2.18
25th	Yobe	2.26
26th	Niger	2.30
27th	Adamawa	2.33
28th	Ondo	2.33
29th	Akwa Ibom	2.34
30th	Katsina	2.41
31st	Ekiti	2.47
32nd	Jigawa	2.47
33rd	Delta	2.51
34th	Benue	2.64
35th	Taraba	3.23
36th	Bayelsa	5.32

States Performance on Index B



States that rank higher on Index B have comparatively more public revenue left to invest in capital infrastructure after fulfilling repayment obligations to lenders and their government's operating expenses. States that rank lower on Index B have comparatively less revenue left to invest capital infrastructure for citizens and thus face a greater risk of resorting to more borrowing or risk of under-investing in capital infrastructure for citizens. These lower ranking states need to more rapidly adopt Public-Private Partnership (PPP) models in delivering public goods due to their constrained revenue.

Rank	State	Score
1st	Ebonyi	0.47
2nd	Rivers	0.48
3rd	Kebbi	0.51
4th	Anambra	0.53
5th	Kaduna	0.57
6th	Gombe	0.58
7th	Sokoto	0.61
8th	Kwara	0.61
9th	Jigawa	0.62
10th	Nasarawa	0.63
11th	Akwa Ibom	0.63
12th	Edo	0.63
13th	Borno	0.64
14th	Imo	0.65
15th	Osun	0.68
16th	Yobe	0.69
17th	Cross River	0.70
18th	Delta	0.72
19th	Kogi	0.75
20th	Abia	0.77
21st	Kano	0.77
22nd	Bayelsa	0.78
23rd	Enugu	0.79
24th	Plateau	0.80
25th	Ekiti	0.81
26th	Niger	0.81
27th	Lagos	0.81
28th	Bauchi	0.85
29th	Ogun	0.91
30th	Adamawa	0.95
31st	Katsina	0.95
32nd	Ondo	0.95
33rd	Zamfara	0.96
34th	Oyo	0.98
35th	Benue	1.00
36th	Taraba	1.19

States Performance on Index C



States that rank higher on Index C have more comparative fiscal bandwidth to borrow more due to their comparatively low debt burden. In contrast, states that rank lower on Index C have a high debt burden when compared to their annual revenue necessary to service the debt and thus would be less attractive to potential lenders. These lower ranking states need to more rapidly adopt Public-Private Partnership (PPP) models in delivering public goods due to their potentially limited access to funds from lenders.

Rank	State	Score
1st	Jigawa	0.38
2nd	Sokoto	0.66
3rd	Kogi	0.76
4th	Ebonyi	0.78
5th	Katsina	0.84
6th	Yobe	0.87
7th	Bayelsa	0.89
8th	Ondo	0.91
9th	Kebbi	0.97
10th	Kwara	0.98
11th	Nasarawa	0.99
12th	Delta	1.00
13th	Kano	1.01
14th	Borno	1.07
15th	Oyo	1.10
16th	Niger	1.11
17th	Rivers	1.12
18th	Anambra	1.13
19th	Akwa Ibom	1.21
20th	Gombe	1.22
21st	Enugu	1.35
22nd	Abia	1.40
23rd	Zamfara	1.56
24th	Lagos	1.58
25th	Ekiti	1.70
26th	Edo	1.73
27th	Taraba	1.73
28th	Osun	1.77
29th	Ogun	1.77
30th	Benue	1.77
31st	Kaduna	1.80
32nd	Bauchi	1.83
33rd	Adamawa	1.99
34th	Imo	2.05
35th	Plateau	2.15
36th	Cross River	2.50

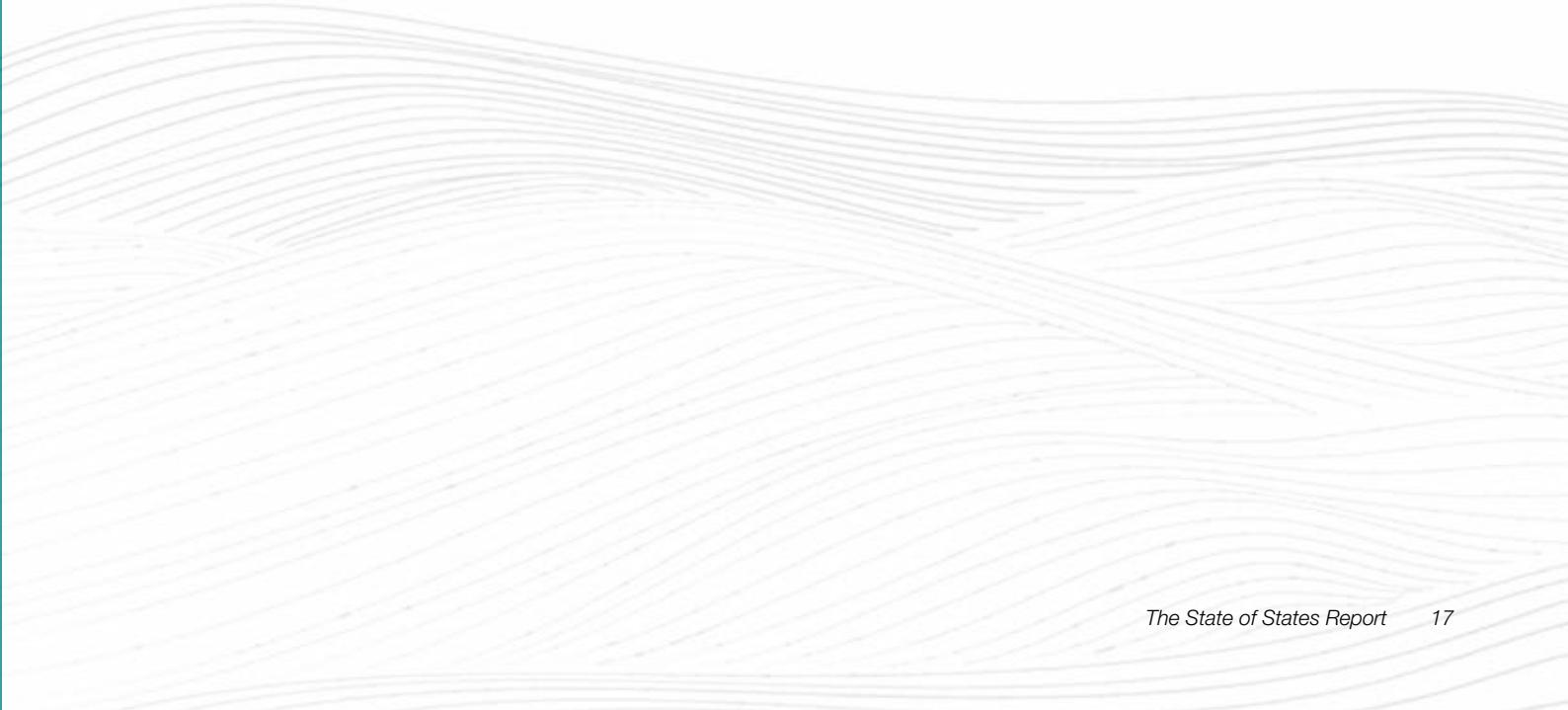
States Performance on Index D



States that rank higher on Index D give comparatively higher priority to investing in capital expenditure compared to their operating expenses. States that rank lower on Index D have a financial strategy that prioritizes investment in their operating expenses over capital expenditure in the state. These states are not sufficiently investing in building a sustainable future.

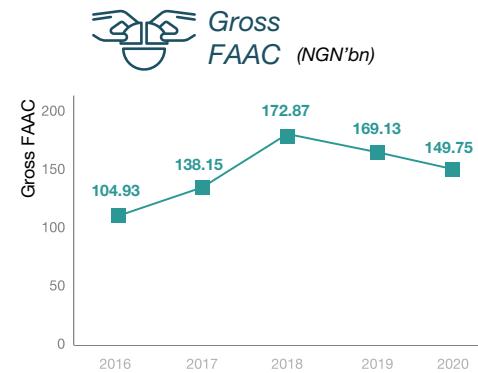
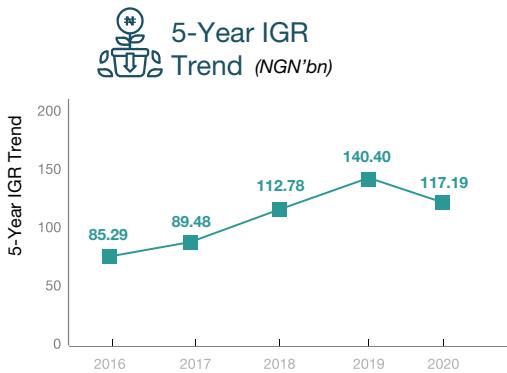
Rank	State	Score
1st	Ebonyi	0.39
2nd	Rivers	0.68
3rd	Anambra	0.69
4th	Cross River	0.73
5th	Kaduna	0.85
6th	Gombe	1.12
7th	Zamfara	1.15
8th	Akwa Ibom	1.19
9th	Lagos	1.27
10th	Yobe	1.29
11th	Kebbi	1.34
12th	Borno	1.40
13th	Niger	1.40
14th	Abia	1.42
15th	Enugu	1.43
16th	Nasarawa	1.47
17th	Jigawa	1.47
18th	Edo	1.48
19th	Bauchi	1.61
20th	Ekiti	2.00
21st	Imo	2.01
22nd	Sokoto	2.11
23rd	Kwara	2.26
24th	Osun	2.49
25th	Plateau	2.51
26th	Adamawa	2.51
27th	Kano	2.89
28th	Oyo	2.92
29th	Ogun	3.03
30th	Delta	3.14
31st	Ondo	3.18
32nd	Katsina	3.29
33rd	Bayelsa	3.45
34th	Kogi	4.75
35th	Taraba	5.31
36th	Benue	8.30

South South *Region*

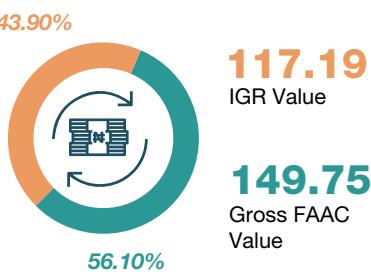


Rivers State

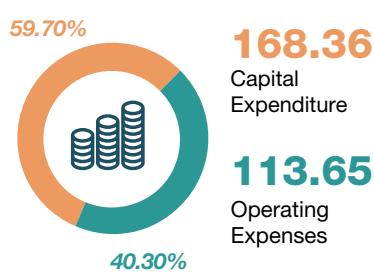
Treasure Base of the Nation



Structure of State of States Recurrent Revenue (2020) (NGN'bn)



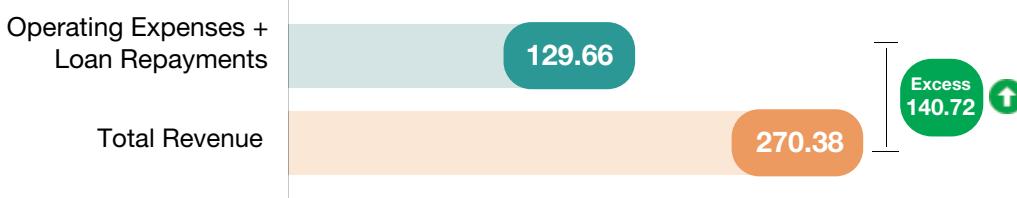
Spending Priority (2020) (NGN'bn)



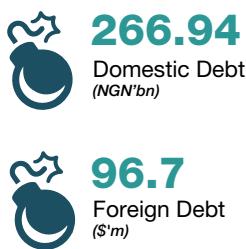
Per Capita Analysis (2020) NGN



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



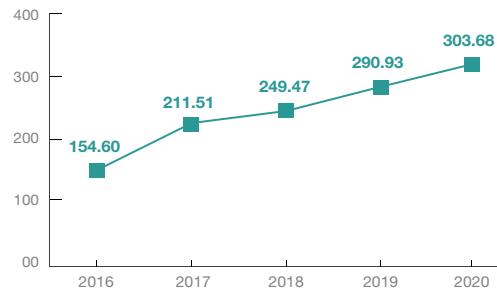
Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





Fiscal Performance Rank

1

Once again, the “Treasure Base of the Nation” retains its position at the top of the 2021 States’ Fiscal Performance Index, despite shocks from the COVID-19 Pandemic to its revenue. Year-on-year, its IGR saw a decline of -16.53%, from N140.4bn in 2019 to N117.2bn in 2020. Nevertheless, the state’s IGR was still the second highest in the country and accounted for 9.65% of the total N1.21tn in IGR generated by all 36 states; it was surpassed only by Lagos state with an IGR of N418.98bn in 2020.

The state will need to work hard in further boosting its IGR especially as headwinds from the COVID-19 pandemic significantly affected federally distributed revenue, causing the state’s Gross FAAC allocated to decline by -11.46%, from N169.13bn in 2019 to N149.7bn in 2020. Although crude oil prices are recovering, the global push for energy transition from fossil fuels like crude oil to clean energy, means the days of relatively easy oil revenue are numbered.



Once again, the “Treasure Base of the Nation” retains its position at the top of the 2021 States’ Fiscal Performance Index, despite shocks from COVID-19 Pandemic to its revenue.

Rivers state’s capital expenditure declined by -24.14% from N221.9bn in 2019 to N168.4bn in 2020. However, for the second year in a row, the state still emerged as one of the 5 states in the country that prioritized capital infrastructure spending over operating expenses; the latter received only N113.6bn. Furthermore, of the state’s N168.4bn capital expenditure, the

economic sector received the highest priority with N85.28bn, followed by ‘Special Heads’ which received N31.46bn. The Social Sector, Administrative Sector and Law/Justice sector received N23.94bn, N20.46bn and N7.21bn respectively.

The state also had the 3rd highest per capita spending on capital expenditure of N20,120 exceeded only by Ebonyi and Lagos States with a per capita spending of N23,608 and N21,895, respectively. However, knowledge about the actual quality of expenditure and value for money obtained from them would benefit from further analysis. Preliminary evaluations indicate that the Ministry of Education and Ministry of Health received N2.8bn and N1.5bn, respectively for capital expenditure, while the Rivers State Government House received N27.7bn for capital expenditures through ‘Security Vote’ envelope in addition to another N16.1bn received through the main Government House capital expenditures envelope.

Furthermore, the social sector received only N20.46bn, a significant -63.07% decline from N64.84bn spent in 2019. Citizens and civil society are encouraged to ensure that expenditures received by the different state government agencies as reported in the state’s audit report are translating to value for money and tangible projects on the ground.



Fiscal Options for building back better

High unemployment continues to cause the state to lose billions from income taxes (PAYE), further weakening its resilience. The state played host to the second-highest number of unemployed people in the country as of Q4 2020; 1.64m people of Rivers state's 3.92m labor force⁶ were unemployed, while 694,827 residents remained underemployed, bringing the combined unemployed and unemployment rate in the state to 59.22%. Rivers state needs to leverage its comparative advantage to boost economic prosperity and job creation to turn this situation around.

The state needs to update its economic prosperity blueprint and build it around incentivising the private sector to harness its export potential in manufacturing and agro-processing, especially as it plays host to two large seaports in the country: Rivers Port Complex and Onne Ports Complex. The state has to implement policies that adequately incentivise formation of private sector clusters focused on the refining of Palm Oil which had a global market of \$42.8bn as at 2020 that is expected to grow to \$57.2bn by 2026⁷. Palm Oil today sells for \$106.53/barrel making it more expensive than a barrel of crude oil which costs \$75.34/barrel. A 5-year strategy that can assist Rivers state produce and refine up to 200,000 barrels of palm oil per day would go a long way in improving the state's economy, creating jobs

and boosting the state government's finances and resilience in the event of future shocks.

The state government needs to introduce special interventions that simplify access to capital and equipment for the private sector interested in oil palm production or refining, with a target of claiming 20% of 2020's \$42.8bn market size within the next 5 years. This could involve the creation of some sort of economic belt between Rivers, Edo state — home to Nigerian Institute for Oil-Palm Research (NIFOR) and Kogi which has immense potential for palm oil production using clusters of smallholder farmers.

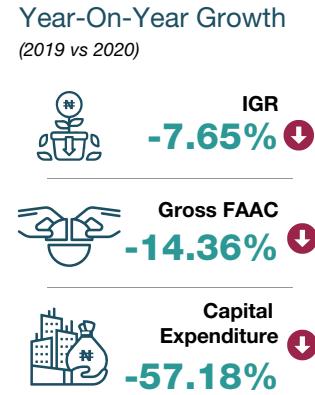
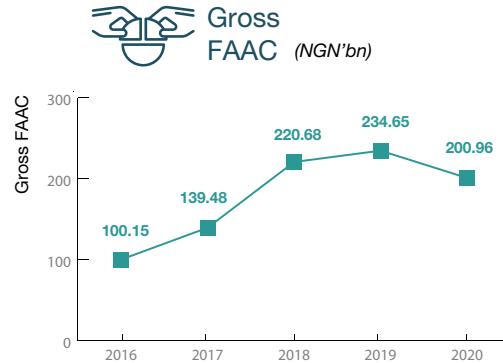
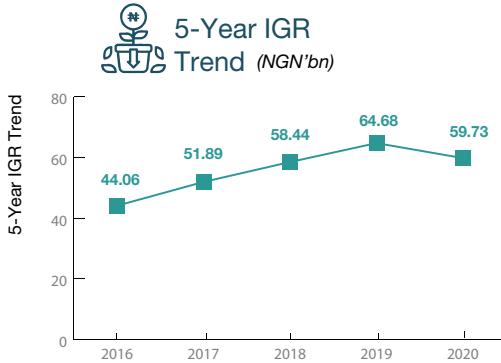
However, we note that efforts at resilience would be futile if Rivers State does not rapidly consolidate ongoing efforts to block leakages of public revenue. From the most recent Annual Performance Assessment (APA) results of states under the State Fiscal Transparency, Accountability And Sustainability (SFTAS) program released in Q2 2021, Rivers State did not have a functioning 'Treasury Single Account' and had not fully introduced "Biometric use in payroll management" and "Bank verification number use in payroll management". These reforms would otherwise significantly reduce the state's exposure to risks from leakages due to ghost workers, general payroll fraud and give it more control over state revenue.

⁶. See the National Bureau of Statistics. (March, 2021). Labour Force Statistics, Unemployment And Under-Employment By State, Q2 2020, at: <https://nigerianstat.gov.ng/download/1135>.

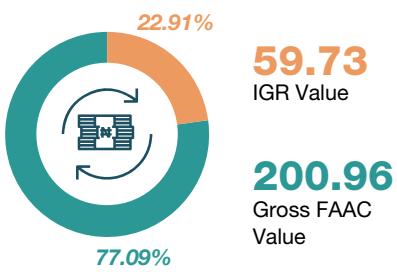
⁷. See 'Global Palm Oil Market Report 2021: Market to Reach \$57.2 Billion by 2026 - U.S. Market is Estimated at \$11.9 Billion, While China is Forecast to Reach \$11.7 Billion by 2026', by Research and Markets, on July 19 2021, at: <https://cutt.ly/aEyTmh3>.

Delta State

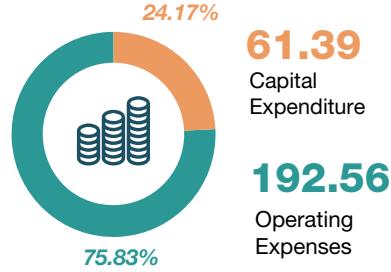
The Big Heart



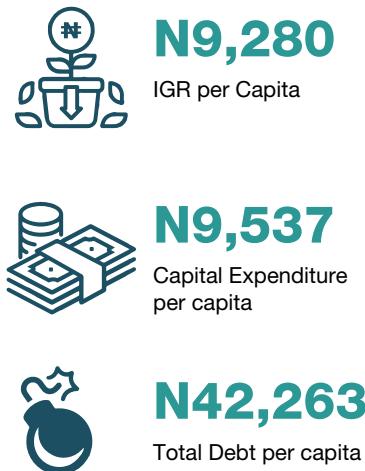
Structure of State of States Recurrent Revenue (2019) (NGN'bn)



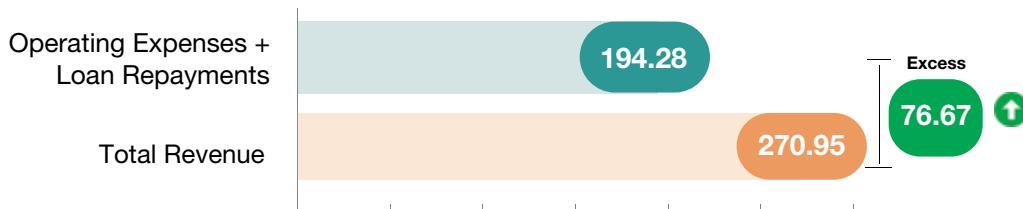
Spending Priority (2020) (NGN'bn)



Per Capita Analysis (NGN)



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



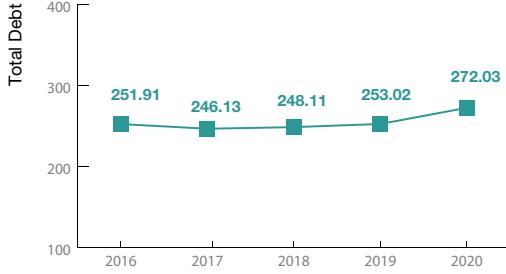
Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





Fiscal Performance Rank

31

"The Big Heart", Delta state took a hit from the infamous economic assassin, COVID-19 in 2020 which saw its IGR tumble by -7.65% from N64.68bn in 2019 to N59.73bn in 2020. The state's historically high dependency on federally distributed revenue has always left it vulnerable to shocks from crude oil price volatility; a situation which crystallized in 2020 as crude prices plummeted to \$9.12 per barrel⁸, its lowest price in decades, leading to a further decline in its revenue.

With a 2020 spending on operating activities reaching N192bn, the state had the second highest annual operating expenses after Nigeria's commercial nerve centre, Lagos state — without having its industrial clout to depend on for revenue generation for sustainability. It also does not have the IGR generating capacity of its neighboring oil producing state - Rivers - to depend on to satisfy its recurrent expenditure appetite. Rivers state raised N117.2bn IGR in 2020; nearly twice the N59.73bn IGR raked in by Delta state in the same year. To sustainably



In 2020, investment in capital infrastructure suffered a 56.89% decline from N142.03bn in 2019 to N61.38bn in 2020, which was the highest year-on-year decline across all 36 states

finance its high operating expenses, the state needs to urgently identify new ways of turbo-charging its IGR, otherwise citizens may find the state increasingly resorting to more domestic debt to survive, further crowding out other

entrepreneurs from accessing loans to grow their businesses. Critical expenditures could also suffer; for example the state reduced pension payments to retirees in the state by 23.07% from N13bn in 2019 to N10bn in 2020.

Delta state, is now the fourth most indebted state in Nigeria with a total debt burden of N272.03bn as at December 2020 and debt per capita of N42,263 per citizen, which is higher than N27,316 per citizen, the average for all 36 states. Delta's domestic debt surged by 6.22% from N233.89bn in 2019 to N248.45bn in 2020; this surge is higher than the 2.22% year-on-year domestic debt growth the state experienced from N228.81bn in 2018 to N233.89bn in 2019. However, we noted a decline in the state's foreign debt portfolio of 0.76% from \$62.53m in 2019 to \$62.06m in 2020.

In 2020, investment in capital infrastructure suffered a 56.89% decline from N142.03bn in 2019 to N61.38bn in 2020, which was the highest year-on-year decline across all 36 states. The implication of this would be stalled delivery of capital projects in the state and reduced payments to contractors for ongoing projects, with a negative ripple effect on the balance sheet of the affected contractors.

Due to the weak performance of its fiscal fundamentals, low prioritization of capital expenditures, decline in its IGR, growing debt-to-revenue ratio, the state declined from 23rd position on the annual ranking in 2020 to 31st position in 2021 out of 36 states.

⁸. See US Energy Information and Administration-Today in Energy. 'Crude oil prices briefly traded below \$0 in spring 2020 but have since been mostly flat' on January 5 2020, at <https://www.eia.gov/todayinenergy/detail.php?id=46336>



Fiscal Options for Building Back Better

One of the options Delta State government has for creating a resilient fiscal strategy that is more resistant to the effect of external shocks (like COVID-19) on its revenue, leans heavily on improving the earning capacity of the state's labour force. This, by extension, improves their ability to pay income taxes (PAYE), which can become a significant contributor to the state's IGR pool. Unfortunately, the state has a labour force of 2.7m people out of which 831,481 people representing 31.14% are unemployed and 640,963 representing 21.04% are underemployed; this means a total of 1,472,444 people do not have the capacity to pay enough income taxes to the Delta State government. This situation needs to be turned around rapidly if the state intends to significantly boost its IGR over the next 4years.



The state needs to incentivize the private sector to set up agro-processing clusters of smallholder farmers, entrepreneurs and service providers interested in taking advantage of this huge global market for Cassava starch.

To create jobs that can generate adequate revenue for the government, Delta state needs to leverage its potential in agro-processing of Cassava (*Manihot esculenta*). The global Cassava starch market size is projected to reach \$66.84bn⁹ by 2026 and the state can position itself to claim up to 10% of this market share in the next 5 years. This could see local companies and farmers resident in the state

making additional revenues of \$6.6bn (N2.7tn). The spillover effect of this would mean more jobs, more income taxes, more movement of people and goods in the state (and by extension, more revenue from Road Taxes) and more VAT generated.

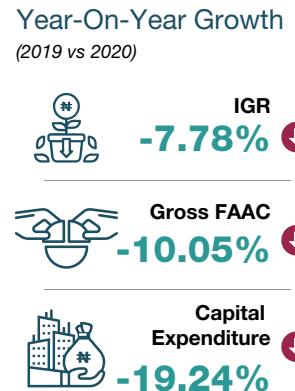
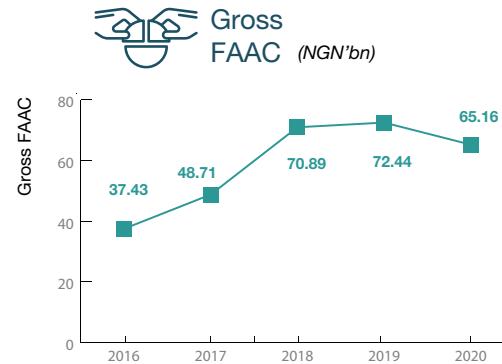
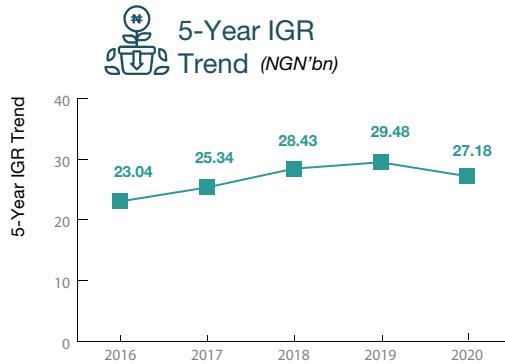
The state needs to incentivize the private sector to set up agro-processing clusters of smallholder farmers, entrepreneurs and service providers interested in taking advantage of this huge global market for Cassava starch. This could come in the form of creating cluster infrastructure, simplifying access to capital through public-private partnerships, organizing Cassava starch innovation competitions, financing product research at research institutes in the state that can ultimately attract up to 500 companies to set up local operations within the value chain. The state is making some effort to encourage Cassava cultivation but most of it seems geared towards production for local consumption, whereas a significant chunk of the revenue the state can make lies in the processing spectrum of the Cassava value chain.

The State government also has to work on improving the capacity of its tax officials to collect tax revenue. It also has to further digitize and simplify all its tax collection process for all tax types in the state as well as block all potential sources of leakages.

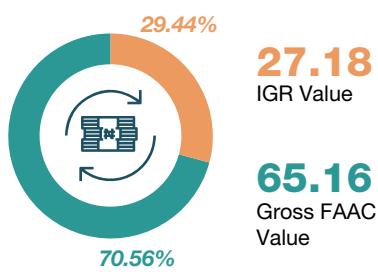
⁹. See Fortune Business Highlights. 'The global cassava starch market Size was valued at USD 40.53 billion in 2018 and is projected to reach USD 66.84 billion by 2026, exhibiting a CAGR of 6.50% during the forecast period', on March, 2020, at: <https://www.fortunebusinessinsights.com/cassava-starch-market-102415>

Edo State

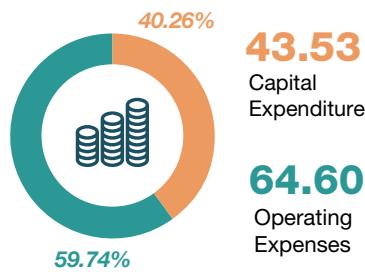
Heartbeat of Nigeria



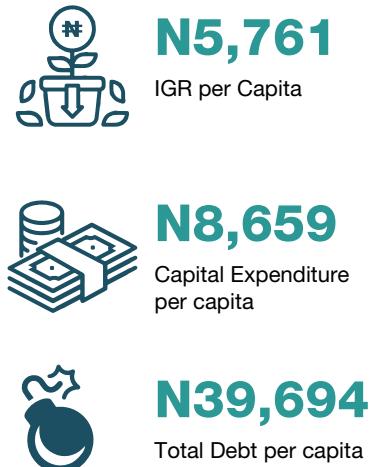
Structure of State of States Recurrent Revenue (2019) (NGN'bn)



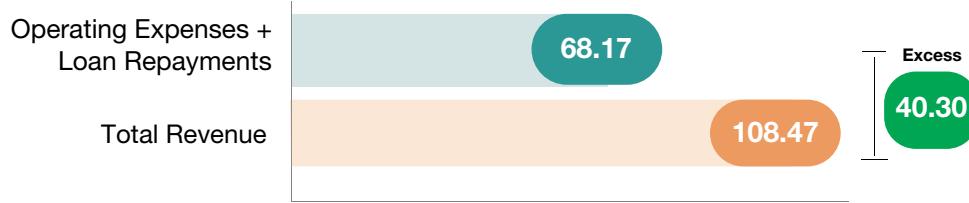
Spending Priority (2020) (NGN)



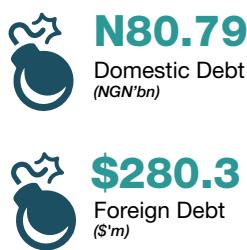
Per Capita Analysis (2020) (NGN)



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





Fiscal Performance Rank

9

The heartbeat of the nation suffered a significant blow to its revenue due to fiscal shocks induced by the COVID-19 pandemic. It's IGR declined by -7.78% from N29.48bn in 2019 to N27.18bn in 2020. However, the state could still conveniently cover its operating expenses and make loan repayments by using its total revenue, without resorting to borrowing. Edo State comes in 9th position in the 2021 Fiscal Performance Ranking, up from 13th position in 2020.

Edo state is still highly dependent on federally distributed revenue, contributing about 70% of its total recurrent revenue. This state needs to do more to change this dynamic as shocks to the federal government revenues in a post-COVID-19 world would significantly affect its spending plans. In 2020, reduced federally collected revenue, IGR and capital receipts had a knock-on effect on Edo's actual capital expenditure which dipped by -31.42% from N63.47bn in 2019 to N43.54bn in 2020. Citizens and civil society are encouraged to ensure that expenditures received by the different government agencies as reported in the state's audit report translate to value for money and tangible projects on ground.

Further analysis of the state's capital expenditure indicates that; 'Govt. House & Protocol (GHP)' received N17.26bn from the total 2020 actual capital expenditure, up 444.63% from the N3.17bn it got in 2019. N16.28bn from this amount was spent by 'Govt. House & Protocol (GHP)' on Road & Infrastructure contracts. This is in addition to the N7.37bn spent on Roads

and Infrastructure by the State's Ministry of Infrastructure for the year 2020. In contrast, the state's Ministry of Health received only N709m, down -70.48% from the actual N2.4bn capital expenditure it got in 2019. The Ministry of Education suffered a similar fate as its capital spending was cut by -93.64% from N13.91bn received in 2019 to N884m in 2020¹⁰.

Fiscal constraints on the revenue side also led to a decline in the state's operating expenses by -14.1% from N75.22bn in 2019 to N64.60bn in 2020. The biggest components affected include 'Social Benefits' which saw a -31% reduction, from N14.48bn in 2019 to N10.05bn in 2020 and 'Overhead costs' which was slashed by -31% from N29.04bn in 2019 to N20.086bn in 2020 according to data from the State's Auditor General's report.

With an external debt of \$280.30m, up by 1.58% from \$275.93m in 2019, Edo State has the 3rd largest external debt in the country, making its fiscals one of the most exposed to risks from exchange rate volatility. Year-on-year, the state's total debt burden grew by a modest 4.00% from N180.10bn in 2019 to N187.30bn in 2020, significantly influenced by a volatile exchange rate regime which saw a devaluation of the naira from N305.9/\$1 in 2019 to N380/\$1 in 2020: further bloating the size of its external debt component in naira terms. Overall, the state is still the 8th most indebted state in the country with a total debt per capita of N39,694 which is higher than the average debt per capita of N27,316.

¹⁰. See, Government of Edo State. Supplementary Note 14a; Statement Of Capital Expenditure By MDAs, For The Year Ended 31st December 2020, at pages 69 - 71.



Fiscal Options for Building Back Better

High unemployment and underemployment in Edo state is costing the government to lose billions of naira in income taxes (PAYE) every year as nearly 69.89% of the state's labor force can not adequately support the state's internal revenue generation efforts; the state has 709,099 unemployed people representing 49.02% of its 1.45m strong labour force while 229,446 people or 15.86% of its labor force are underemployed. As part of the state's fiscal strategy, it needs to finance interventions through its annual budget that allow collaboration with the private sector to turn this trend around as unemployed people cannot pay tax.

A key pathway to improving its revenue generation and fiscal resilience includes



The goal would be for the economic belt to reverse the trend of importation of palm oil into the country and target up to 10% or \$5.7bn of the estimated \$57.2bn global market size.

consolidating ongoing efforts to build economic prosperity and job creation by further promoting the Edo State Oil Palm Programme (ESOPP) to tap into the global palm oil market which

is expected to grow to \$57.2bn by 2026¹¹. Crude Palm Oil today sells for \$106.53/barrel¹² making it more expensive than a barrel of crude oil which costs \$75.34/barrel. Unfortunately, despite having immense capacity for producing palm oil, Nigeria still spent as much as \$500m in importing¹³ the product as most states primarily focus on federally distributed revenue despite having resources that can generate more revenue for them.

The recent allocation of 57,000 hectares of land¹⁴ to smallholder farmers and estate holders under the ESOPP is commendable, but the state needs to collaborate with Rivers state (which has port facilities for export) and Kogi state with potential high yield for oil palm to form a solid Economic Belt around the oil palm value chain with a key focus on palm oil refining.

The goal would be for the economic belt to reverse the trend of importation of palm oil into the country and target up to 10% or \$5.7bn of the estimated \$57.2bn global market size. The proposed Edo, Kogi, Rivers states 'Oil Palm Economic Belt' can jointly finance the creation of cluster infrastructure (power, processing facilities etc.), simplify access to capital for up to 1,000 companies, as well as finance and share research findings from the Nigerian Institute for Oil-Palm Research (NIFOR).

¹¹.See 'Global Palm Oil Market Report 2021: Market to Reach \$57.2 Billion by 2026 - U.S. Market is Estimated at \$11.9 Billion, While China is Forecast to Reach \$11.7 Billion by 12. 2026', on July 19 2021, at: <https://cutt.ly/aEyTmh3>.

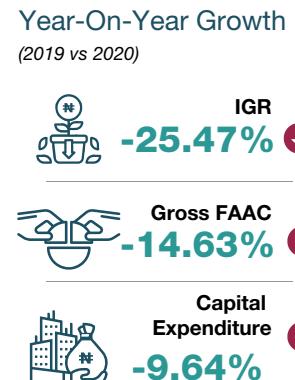
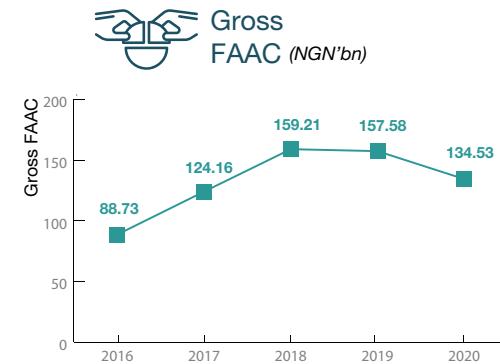
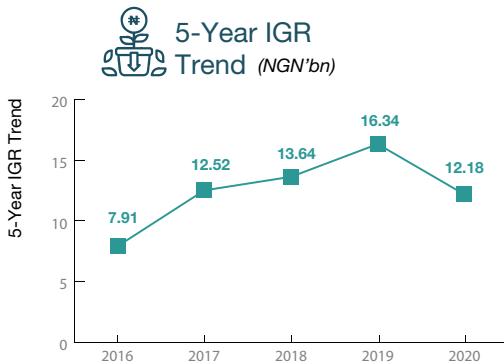
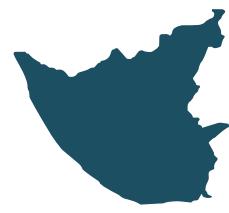
¹² BudgIT Research.

¹³ See 'How Nigeria Blew Billions On Importation of Palm Oil', by Idowu Isamotu, in Daily Trust (Online) Newspaper, on February 20 2020, at: <https://allafrica.com/stories/202002200110.html>.

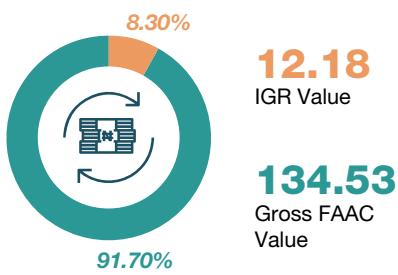
¹⁴ See 'Edo allocates 57,000 hectares to oil palm investors', by Michael Egbejule, in the Guardian (Online) Newspaper, on August 16 2021, at: <https://guardian.ng/features/edo-allocates-57000-hectares-to-oil-palm-investors/>

Bayelsa State

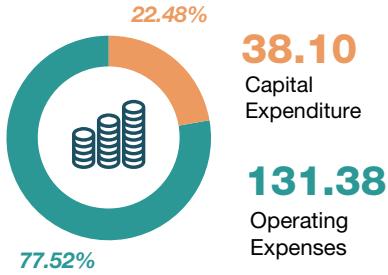
Glory of all Lands



Structure of State of States Recurrent Revenue (2019) (NGN'bn)



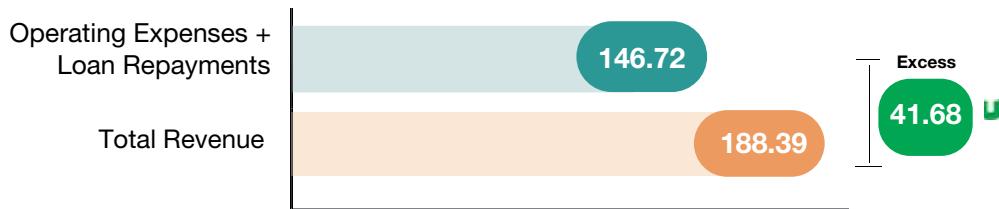
Spending Priority (2020) (NGN'bn)



Per Capita Analysis (NGN)



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



Debt Profile

N144.13
Domestic Debt (NGN'bn)

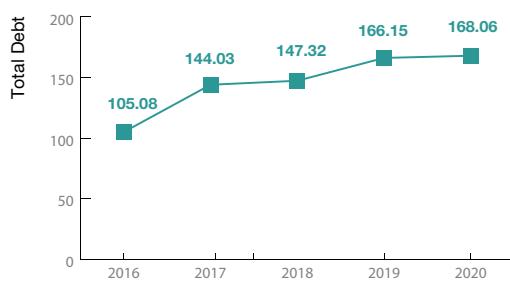
\$63.0
Foreign Debt (\$'m)

Total Debt Analysis

11.98%
Debt Growth (2016 - 2020)

11th/36
Most Indebted in the country
Debt Size Position

Total Debt (NGN'bn)





Fiscal Performance Rank

36

Ranking 36th position, the “Land of Glory” sits ingloriously at the bottom of the 2021 ranking of states’ fiscal performance, the same position it occupied in 2020. Bayelsa state is still significantly bogged down by the weight of the government’s bloated operating expenses when compared to the size of its population (estimated at 2.4m people), its meagre internal revenue generation capacity and its total revenue inflows. At N131.38bn, the state has the 3rd highest operating expense in the country, exceeded only by Lagos and Delta states with operating expenses of N386.51bn and N192.56bn respectively. Its operating expenses are larger than those of states like Rivers, Kano, Kaduna and Oyo states, each of which has more than 3 times Bayelsa’s population and generates more IGR than Bayelsa.



Despite being blessed with enormous potential for economic prosperity from which it can potentially generate additional revenue, the state still had one of the smallest IGR in Nigeria in 2020, larger than only other 11 states.

Meeting its combined operating expenses and loan repayments obligations of N146.72bn gulped 78% of the state’s total revenue of N188.39bn in 2020, leaving a meagre 22% of its total revenue for investment in capital infrastructure for citizens in the state. As a result, the state was one of five states in the country that gave the least priority to capital expenditure investment in 2020; its operating

expenses alone of N131.38bn was 3.4 times its capital infrastructure spending of N38.10bn. The state needs to prune its operating expenses or grow its IGR fast enough to finance critical infrastructure spending adequately.

With a total debt burden of N168.06bn as of December 2020, Bayelsa state is the 11th most indebted state in the country. It also has a very high total debt per capita of N65,695 which is more than twice the average total debt per capita of N27,316 for all 36 states. Its total debt is also more than 50% of its 2020 total revenue, meaning it may be unable to raise funding from the capital market in 2021 as section 223 (1b) of the Investments and Securities Act (ISA), 2007 restricts further borrowing from the capital market once this threshold is breached to reduce risk of default by any state.

Despite being blessed with enormous potential for economic prosperity from which it can potentially generate additional revenue, the state still had one of the smallest IGR in Nigeria in 2020, larger than only other 11 states. The state was also one of 18 states unable to withstand the shocks from COVID-19 pandemic to its Internally Generated Revenues, as it experienced a 12.44% decline in its IGR from N13.85bn in 2019 to N12.18bn in 2020. This meagre IGR makes the state highly dependent on federally distributed revenue, which accounts for 90% of the state’s recurrent revenue, unlike its neighbouring oil-producing state, Rivers State, which has one of the least dependency on federally distributed revenue.



Fiscal Options for Building Back Better

The first fiscal option for this state is to trim down its high N131.38bn operating expenses which is currently the 3rd largest in the country by introducing institutional fiscal reforms to block leakages that may be bloating it. As an example, in 14,258 cases of ghost workers reviewed amongst Local Government and Primary School Staff, 612 were confirmed to be Ghost workers¹⁵. According to the most recent assessment results of states under the State Fiscal Transparency, Accountability And Sustainability (SFTAS) program released in Q2 2021, Bayelsa State has not fully introduced “Biometric use in payroll management” and “Bank verification number use in payroll management” as required under the SFTAS program, a key lapse that allows instances of payroll fraud and ghost workers.



The state will also need to boost the capacity of its citizens to pay income taxes (PAYE) through fiscal interventions for economic prosperity that stimulate the private sector to create job opportunities for Bayelsans.

Bayelsa state needs to rapidly adopt open contracting principles, which would reduce the state government's exposure to risks of contract and procedural fraud which can cause severe leakages of public funds. Low-hanging fruits would include the adoption of 'e-procurement', competitive electronic contract bidding and complete compliance with another requirement

of the SFTAS program, Disbursement Linked Results (DLR 6.2) to publish all state government contracts online; preferably these should be published in Open Contracting Data Standard (OCDS) enables disclosure of data and documents at all stages of the contracting process by defining a common data model¹⁶.

The state will also need to boost the capacity of its citizens to pay income taxes (PAYE) through fiscal interventions for economic prosperity that stimulate the private sector to create job opportunities for Bayelsans. One key cornerstone of its intervention could be stimulating private sector participation in aquaculture which has a global market¹⁷ valued at \$285bn in 2019, and is projected to reach \$378bn by 2027. Bayelsa is 75% mangrove or freshwater swamp with an estimated 180km of coastline and vast waters resources, including rivers, creeks, rivulets, lakes and swamps and approximately 150,000 small-scale (subsistence) marine and inland capture fishermen¹⁸. Bayelsa needs to finance cluster infrastructure (power, processing facilities etc) through public-private partnerships and its budget, simplify access to local and international capital, organize aquaculture innovation competitions and finance aquaculture research at higher institutions; these would attract up to 1,000 companies to set up operations in various aspects of the commercial aquaculture value chain. The state needs to target capturing 5% or \$18.9bn of the projected \$378bn global aquaculture market in the next 6 years which would lead to gainful employment and more income tax revenue for the state.

¹⁵. See 'Bayelsa uncovers 612 ghost workers, dead persons in payrolls', by Julius Osahon, in the Guardian (Online) Newspaper, on August 17 2021, at: <https://guardian.ng/news/bayelsa-uncovers-612-ghost-workers-dead-persons-in-payrolls/>

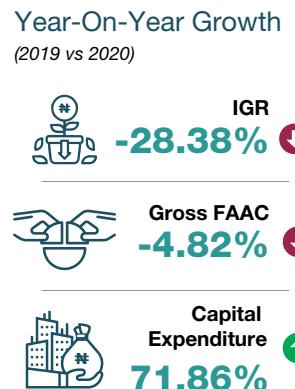
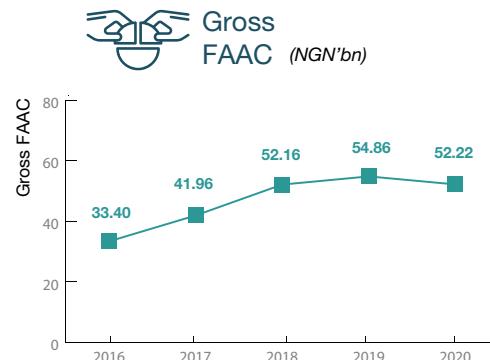
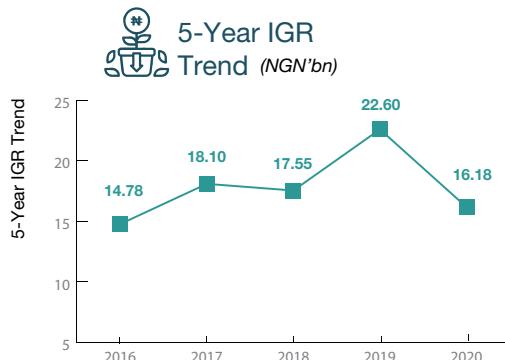
¹⁶. See Open Contracting Partnership. 'Open Contracting Data Standard', at: <https://standard.open-contracting.org/latest/en/>

¹⁷. See Allied Market Research. 'Aquaculture Market by Environment (Marine Water, Fresh Water and Brackish Water) and Fish Type (Carps, Mollusks, Crustaceans, Mackerels, Sea Bream and Others), by Sumesh Kumar and Roshan Deshmukh, on November 2020, at: <https://www.alliedmarketresearch.com/aquaculture-market>

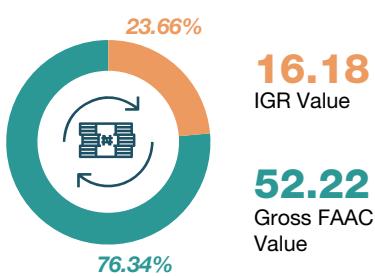
¹⁸. See the Bayelsa Investment Promotion Agency (BIPA). 'Aquaculture', at: <https://investbayelsa-by.gov.ng>

Cross River State

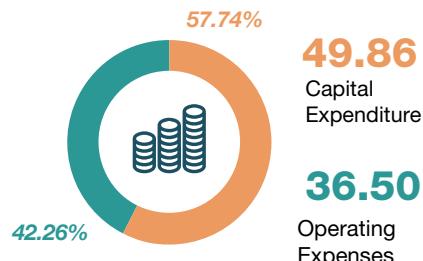
The People's Paradise



Structure of State of States Recurrent Revenue (2019) (NGN'bn)



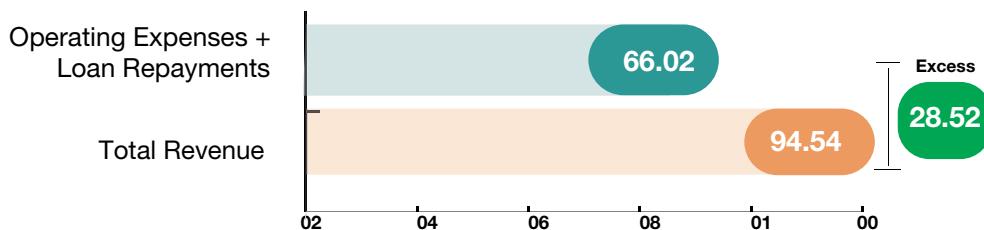
Spending Priority (2020) (NGN'bn)



Per Capita Analysis (2020) (NGN)



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



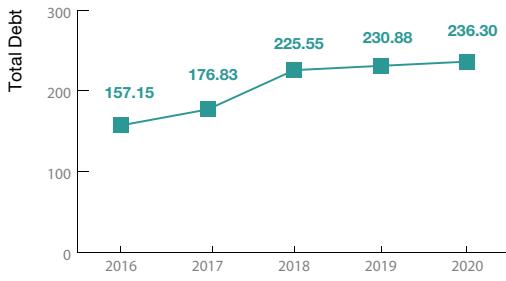
Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





Fiscal Performance Rank

8

"The People's Paradise", Cross River state, performed creditably well in the annual ranking of states' fiscal performance, improving from 14th position in 2020 to 8th position in 2021. This was driven largely by increased prioritization of capital expenditure over its operating expenses, in a year when 19 other states cut down their investment in capital infrastructure for citizens. Instead, in a commendable fiscal reform, the state cut down its operating expenses (recurrent expenditure) by -30.51% from N52.52bn in 2019 to N36.50bn in 2020. The biggest cost chunk of its operating expenses pruned down was its overhead expenses which was cut by -71.31% from N25.77bn in 2019 to N6.62bn in 2020.



The state needs to explore fiscal options for broadening its Internally Generated Revenue as this could reduce the propensity to fall back on debt once revenues shrink.

Year-on-Year, the state grew its capital expenditure investments by 71.86% from N29.01bn in 2019 to N49.86bn in 2020, making it one of five states to spend more on capital expenditures than operating expenses (recurrent expenditures); the other states to achieve this feat in 2020 are Ebonyi, Rivers, Anambra and Kaduna. The state's capital expenditure per capita stands at N11,484 which is higher than the country average of N8,129 per citizen. The state's economic sector received the greatest priority, N20.85bn or 42% of all the N49.86bn capital spending. Nevertheless, there is a need for civil society to remain vigilant and ensure expenditures recorded on paper in the state's audit report are commensurate with the quality and size of new capital infrastructure in the state.

Cross River suffered a -28.38% decline in its IGR from N22.60bn in 2019 to N16.18bn in 2020, largely due to shocks induced by the COVID-19 pandemic. PAYE accounted for N7.18bn or 44.3% of its total N16.18bn IGR in 2020; this was higher than the N6.5bn realised from PAYE in 2019 which could point to successes in reforms to broaden the tax net and plug revenue leakages. Road taxes brought in N790.79m or 4.9% of its total IGR pool while Other taxes, Direct assessments and MDA revenues accounted for the balance. Overall, the state had the 19th largest IGR in the country in 2020, so there is still room for improvement if the state hopes to get to the largest 5 IGRs in the country within the next five years.

The state's 2020 recurrent revenue structure indicates that Cross River is still over 76% dependent on federally distributed revenue, which is a precarious situation, considering the known risks from crude oil price volatility on which a significant chunk of federally collected revenue depends. The state needs to explore fiscal options for broadening its Internally Generated Revenue as this could reduce the propensity to fall back on debt once revenues shrink.

Year-on-year, the state's domestic debt burden declined by 2.27% from N166.95bn in 2019 to N163.16bn in 2020. Similarly, its foreign debt burden declined by 7.89% from \$208.96m in 2019 to \$192.48m in 2020. However, its total debt burden (in naira) still saw a slight increase by 2.35% from N230.88bn in 2019 to N236.30bn in 2020 largely due to devaluation of the naira from N305.9/\$1 in 2019 to N380/\$1 in 2020.



Fiscal Options for Building Back Better

Although Cross River suffered a 28.38% decline in its IGR from N22.60bn in 2019 to N16.18bn in 2020, largely due to shocks induced by the COVID-19 pandemic, one component of the IGR, income taxes (PAYE) was resilient; it grew by 10.46% from N6.5bn in 2019 to N7.18bn in 2020. The state still has some work to do in boosting its IGR pool as there were up to 1.33m people representing 71.46% of the state's labour force who did not contribute adequately to the state's revenue pool because they were either unemployed or underemployed. This situation needs to be turned around by broadening the tax base.

To generate more revenue from income taxes, Cross River state needs to consolidate on progress made through the establishment and operation of Cross River Garment Factory, Calabar with a capacity to employ 3,000 people. The state can incentivise up to 500 companies and fashion houses to set up operations in Cross River by financing the creation of garment manufacturing clusters, funding adequate infrastructure in the clusters,



Cross River has made commendable efforts with the introduction of a 24,000 per day Frozen Chicken Factory, in Calabar.

simplifying access to capital and hosting regional and global fashion competitions. The Global Apparel Manufacturing industry is estimated at \$825.7bn in 2021; clusters of companies in Cross River can aim to claim up to 5% or \$41.28bn of this market share and this could lead to the creation of over 100,000 jobs in the next 5-years in the state with the capacity to generate more income taxes (PAYE) for the state government.

Cross River has made commendable efforts with the introduction of a 24,000 per day Frozen Chicken Factory, in Calabar. The state can consolidate on this effort and incentivize the private sector to set up operations in clusters within the state to take advantage of opportunities in the Frozen Chicken value chain. Nigeria imported 1.9m metric tonnes of frozen chicken in 2019 and despite the ban on frozen chicken, it is still being smuggled into the country. Cross River can position itself to meet up with the local demand and become a net exporter of frozen chicken.

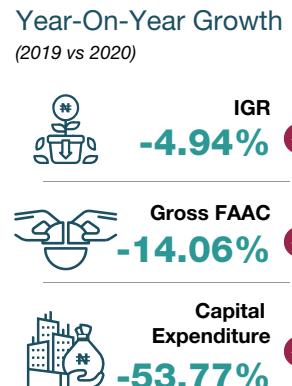
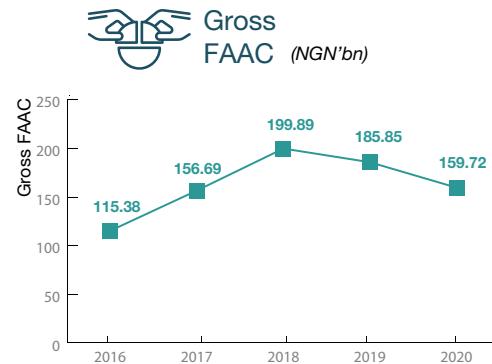
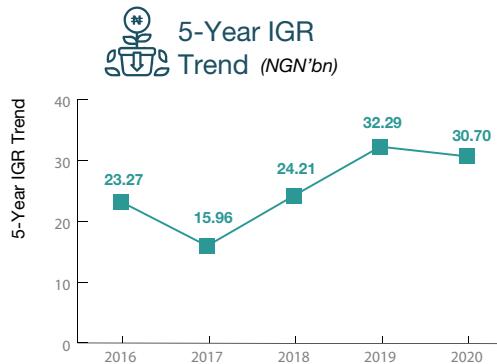
Commendably, the state is one of 27 states that had introduced the use of biometrics payroll management since 2019, this can help it greatly reduce the risk of revenue loss through payroll fraud and ghost workers.

¹⁹ See 'CBN vows to end 1.2m metric tons frozen poultry importation', by Uche Usim, in the Sun (Online) Newspaper, on July 8 2019, at: <https://www.sunnewsonline.com/cbn-vows-to-end-1-2m-metric-tons-frozen-poultry-importation/>

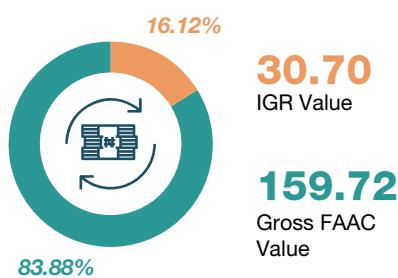
Akwa Ibom State



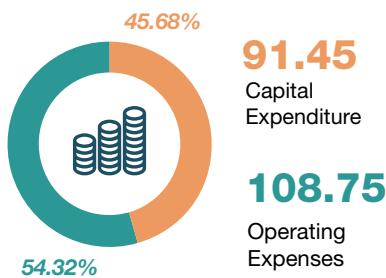
The Land of Promise



Structure of State of States Recurrent Revenue (2019) (NGN'bn)



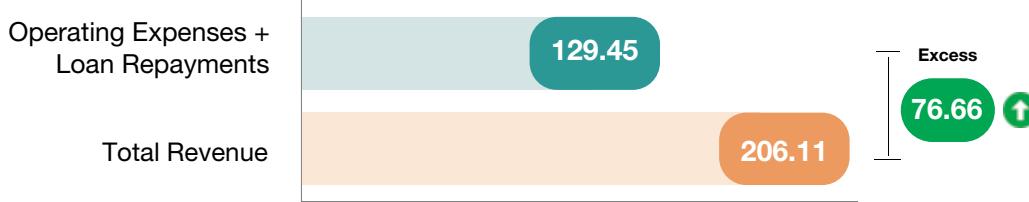
Spending Priority (2020) (NGN'bn)



Per Capita Analysis (2020) NGN)



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



Debt Profile

N230.81
Domestic Debt (NGN'bn)

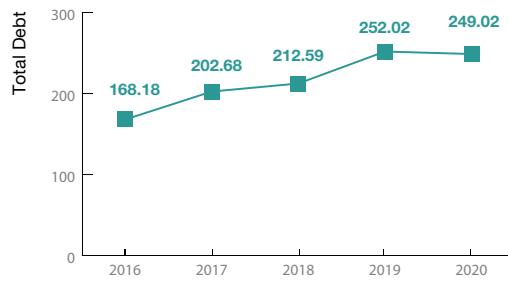
\$47.9
Foreign Debt (\$'m)

Total Debt Analysis

48.06%
Debt Growth (2016 - 2020)

5th/36
Most Indebted in the country
Debt Size Position

Total Debt (NGN'bn)





Fiscal Performance Rank **24**

The “Land of Promise”, Akwa Ibom state, performed a bit poorly in the annual ranking of the fiscal performance of states, dropping from 20th position in 2020 to 24th position in 2021. The state’s downward performance slip was driven largely by a decline in its year-on-year growth in its Internally Generated Revenue and reduced prioritization of capital expenditure over its operating expenses; it was one of 19 other states to cut down their investment in capital infrastructure for citizens.

For the period under review, the state continued to be highly dependent on federally distributed revenue, accounting for more than 80% of its recurrent revenue, making it precariously exposed to federal revenue fluctuations due to risks from crude oil price volatility. Its IGR also declined by 4.94% from N32.29bn in 2019 to N30.70bn in 2020; although this was one of the smallest declines in the South South region, Akwa Ibom is still in the category of 18 other states that were unable to withstand fiscal shocks induced by the COVID-19 pandemic



Akwa Ibom is the 5th most indebted state in the country with a total debt of N249.02bn as at December 31st, 2021, however, we note that this is a 1.19% decline from a total debt of N252.02bn recorded in the previous year.

to their IGR. The state had an IGR per capita of N4,887 which was slightly higher than the average IGR per capita N4,616 for all 36 states.

Akwa Ibom state cut down its capital expenditure by 53.77%, from N197.83bn in

2020 to N91.45bn in 2020; the second largest decline in capital infrastructure spending amongst all 36 states. However, its capital expenditure per capita of N14,560 was still more than the average capital expenditure per capita of N8,129 for all 36 states. The Ministry of Works and Fire Service received N29.65bn for capital expenditure while the Office of the Accountant General and the Office of the Secretary to the State Government N13.33bn and N4.33bn, respectively. However, critical ministries like the Ministry of Housing, Education and Health received N718m, N985m and N2.13bn, respectively. Citizens need to engage their elected and appointed officials at the state levels to ensure the executive arm of government is adequately prioritizing Health, Education and Housing with the state’s limited resources.

Akwa Ibom is the 5th most indebted state in the country with a total debt of N249.02bn as at December 31st, 2021, however, we note that this is a 1.19% decline from a total debt of N252.02bn recorded in the previous year. The state’s debt per capita of N39,648 is significantly higher than the average debt per capita of N27,316 for all 36 states in the country.

This oil-rich state can live up to its name as being the “Land of Promise” for a better life to millions of its indigenes and tourists, however, it needs to revamp its IGR strategy to maximize the state’s potential while also prioritizing capital infrastructure investment in critical sectors like education and also health.



Fiscal Options for Building Back Better

The biggest pathway to fiscal resilience against future shocks to Akwa Ibom state's revenue lies in the state government intensifying efforts to expand the capacity of citizens in the state to be able to pay income taxes (PAYE). Closely linked to this is the option for the state to boost economic prosperity in the state with the goal of increasing its earnings from road taxes and other tax forms due to increased movement of people and goods within the state as a result of more economic activities. As at Q4 2020, 67.69% of the state's 2.48m labour force were unable to contribute meaningfully to the state's revenue generation pool through income taxes to support public infrastructure as they were either unemployed or underemployed. Akwa Ibom has the second highest number of unemployed people, 1.26m in the South South representing 51.00% of the state's labour force, while 16.69% or 413,272 are underemployed. Meaning that the state has more work to do than others in the South South region of the country.



Beyond improving its revenue pool, the state government needs to also work towards further reducing risks of contract and procedural fraud which can cause severe leakages of public funds.

Akwa Ibom state government can invest in creating infrastructure for the private sector for clusters of commercial fish farmers in the state

with the goal of fulfilling up to 10% of the global fish farming market which is expected to grow²⁰ to \$376.4bn by 2025; this can be done through well-designed Public-Private Partnerships (PPP). Nigeria imported²¹ more than N123bn of fish in Q1 2021; this includes importation of species which can be farmed or processed locally if the state's potential are adequately harnessed. The state can work towards reversing this trend, and incentivizing up to 1,000 companies to set up local operations in the commercial fish farming value chain in the state. This would create jobs for thousands of citizens resident in the state, and invariably lead to more income taxes for the state government. The state is doing well in terms of PPP with the operation of the state's airline, Ibom Air, and this success needs to be consolidated.

Beyond improving its revenue pool, the state government needs to also work towards further reducing risks of contract and procedural fraud which can cause severe leakages of public funds. It needs to fully adopt open contracting principles across its entire procurement value chain. The state also has to consolidate efforts to fully deploy and maintain a functioning Treasury Single Account for the state's finances which is one of the performance indicators for the State Fiscal Transparency, Accountability And Sustainability (SFTAS) program.

²⁰. See Allied Market Research. 'Global Fish Farming Market to Reach \$376.48 billion by 2025: AMR', on January 13, 2021, at: <https://cutt.ly/sEvy0XL>.

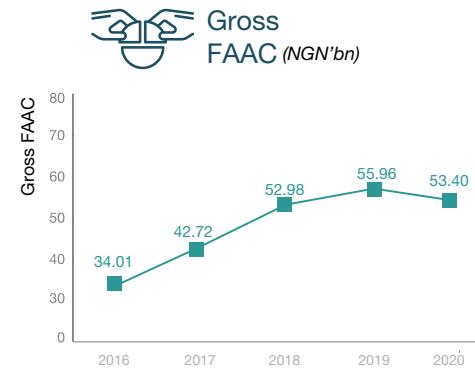
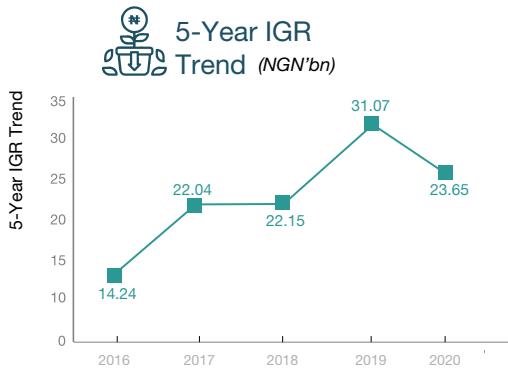
²¹. See 'FG spends N140.6bn on fish, salt importation in H1 2021 – NBS', by Benjamin Umuteme, in the Blueprint (Online) Newspaper, on September 8, 2021, at: <https://www.blueprint.ng/fg-spends-n140-6bn-on-fish-salt-importation-in-h1-2021-nbs/>

South East

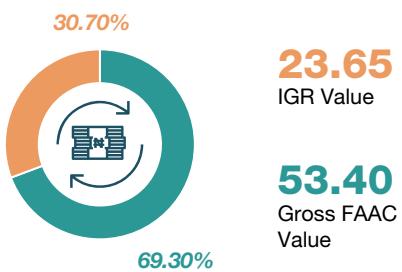
Region

Enugu State

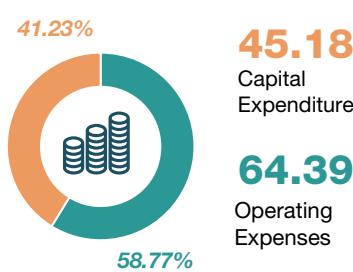
Coal City State



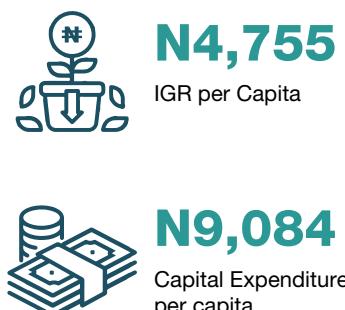
Structure of State of States Recurrent Revenue (2020) (NGN'bn)



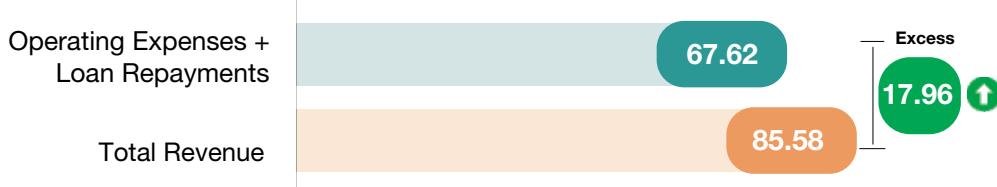
Spending Priority (2020) (NGN'bn)



Per Capita Analysis (2020) (NGN)



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)



Fiscal Performance Rank **14**

Given the fiscal turmoil COVID-19 pandemic brought on economies of the world in 2020, Enugu State's local economy and by extension its government's revenue was not spared. The state ranked 14th in the Fiscal Performance Index, down 5 places from 9th position in 2020. Enugu was not able to meet its total spending obligations of N112.79bn without resorting to borrowing; the total revenue raised by the state (including Aids and Grants) summed up to N85.6bn in the fiscal year 2020.

As at December 31st 2020, the state's total debt stock stood at N115.30bn, a 72.14% increase from N66.98bn recorded 5years ago in 2016, making it the 20th most indebted state in the country today. It's debt stock consists of \$124.24m external debt and N68.09bn domestic debt. Year-on-year, the state's domestic debt saw an 11.57% growth from the N61.03bn recorded in 2019 to N68.09bn in 2020. Except the state does something about its current revenue predicament, further borrowings may be inevitable. Unfortunately, its

In 2020 revenue generation became even more strenuous for Enugu state as it experienced a 23.88% downturn in its IGR from the N31.07bn generated in 2019 to N23.65bn in 2020. This decrease was driven largely by a 39.53% decline in income taxes (PAYE) from N18.1bn in 2019 to N10.95bn in 2020 and a 19.13% decrease in revenue from road taxes due to reduced movements and economic activities. The state's recurrent revenue structure still indicates that the state has a high dependency on federally collected revenue which accounted for about 69.03% of its revenue while IGR contributed 30.96%.

The state's 2020 total expenditure of N112.79bn comprised N64.39bn operating expenses, N3.2bn loan repayments and capital expenditure of N45.18bn (which is 81.35% higher than the N24.91bn capital expenditure in 2019). Clearly, Enugu state's spending priorities are gradually tilting towards investing in capital infrastructure compared to operating expenses despite capital spending accounting for only 40% of the state's total expenditure. The compelling improvement in capital expenditure is visible in Economic Affairs (Road Transport, Agriculture, Electricity etc.) which moved up 139.88% from N10.78bn in 2019 to N25.86bn in 2020. Similarly, Health got a total of N992.52m in 2020 from the state's Capital Development Fund, up by 282.16% from the N259.66m in 2019. Unfortunately, capital expenses for education dropped by 44.81% from N4.08bn to N2.25bn.



In 2020 revenue generation became even more strenuous for Enugu state as it experienced a 23.88% downturn in its IGR from the N31.07bn generated in 2019 to N23.65bn in 2020.

borrowing options are narrowing down as it has breached a critical debt ceilings; Section 223 (1b) of the Investments and Securities Act (ISA), 2007 restricts further borrowing from the capital market for any state once its total debt is also more than 50% of the previous year's revenue.



Fiscal Options for Building Back Better

All economies, both big and small, are on the road to recovery from fiscal shocks induced by COVID-19. Countries and subnational entities are taking measures to ensure that they bounce back, however, bouncing back and achieving resilience cannot be achieved without paying close attention to critical areas that caused governments to lose revenue. An estimated 906,231 residents in Enugu representing 52.91% of 1.71m of the state's labour force could not contribute adequately to the state's internal revenue pool through payment income taxes (PAYE) as they were either unemployed or underemployed.

One of the major opportunities that can help the state government solve its unemployment problem and reduce risks of forgone income tax revenue lies in exploring value addition in the mining sector. Enugu is blessed with numerous natural resources including Iron Ore from which 98% of steel²² is manufactured; the global demand for steel is expected to grow to \$1.01 trillion²³ by 2025. In Nsukka, the Agbaja plateau hosts extremely huge deposits of iron. The total

deposit of iron in Nigeria is about 3bn metric tons and 100m metric tons is found in Enugu²⁴. The Enugu state government can leverage PPPs that incentivize the private sector to form clusters of companies around the Agbaja axis that are interested in maximizing the profits in the steel manufacturing value chain.

Enugu which means "on top of a hill" is one that is blessed with a lot of caves, hills, springs, waterfalls and natural lakes. Tourism can be a major source of revenue for countries, Malaysia received N22.20bn²⁵ as revenue from travels and tourism in 2019. Latest data reveals that tourism and Commerce marketing contributes 11.5% to the United Arab Emirates. Dubai made \$27.9bn in revenue from tourism²⁶: "The total contribution of the travel and tourism sector to employment, including jobs indirectly supported by the industry, was 10.4% of total employment which was 617,500 jobs. This is expected to rise by 2% per annum to 770,000 jobs in 2027 which would be 11.1% of total jobs".²⁷ The Tourism value chain is one area where the Enugu state government can leverage PPP's in designing sustainable best practices that can maximize the opportunities in the sector for revenue generation and creation of employment opportunities.



The Tourism value chain is one area where the Enugu state government can leverage PPP's in designing sustainable best practices that can maximize the opportunities in the sector for revenue generation and creation of employment opportunities.

²² See Nigerian Infopedia. 'List of Natural Mineral Resources Found in Enugu State', by David Atulegwu, on August 19 2020, at: <https://nigerianinfopedia.com.ng/natural-resources-found-in-enugu-state/>.

²³ See Grand View Research. 'Steel Market Size Worth \$1.01 Trillion By 2025 | CAGR: 2.6%', on May, 2017, at: <https://www.grandviewresearch.com/press-release/global-steel-market>

²⁴ See Africa News Circle. 'Mineral Resources in the Igbo Parts of Nigeria: Special Report', by Osita Mordi, on July 26 2017, at: <https://www.africanewscircle.com/?p=25046>

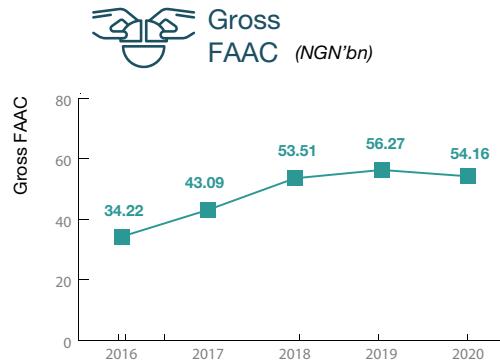
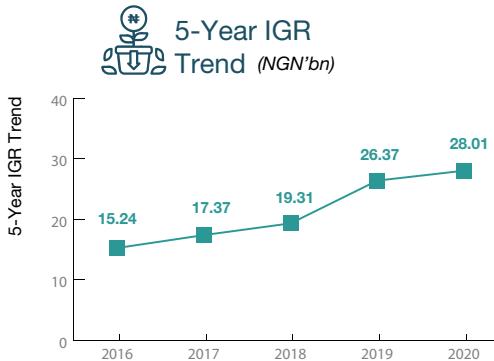
²⁵ See generally, Malaysia Tourism Promotion Board. Annual Report, 2019, at: https://www.tourism.gov.my/files/uploads/annual_report_2019.pdf

²⁶ See Arabian Business. 'Dubai attracts record 16.7m tourists in 2019, up 5.1%', by Sam Bridge, on January 21 2020, at: <https://www.arabianbusiness.com/travel-hospitality/438261-dubai-attracts-record-167m-tourists-in-2019-up-51>

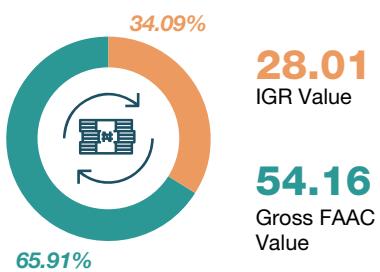
²⁷ See United Arab Emirates. The United Arab Emirates Government Portal: Travel and Tourism, at: <https://u.ae/en/information-and-services/visiting-and-exploring-the-uae/travel-and-tourism>.

Anambra State

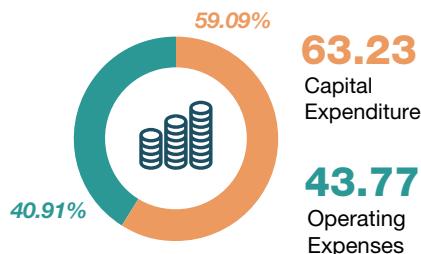
Light of the Nation



Structure of State of States Recurrent Revenue (2019) (NGN'bn)



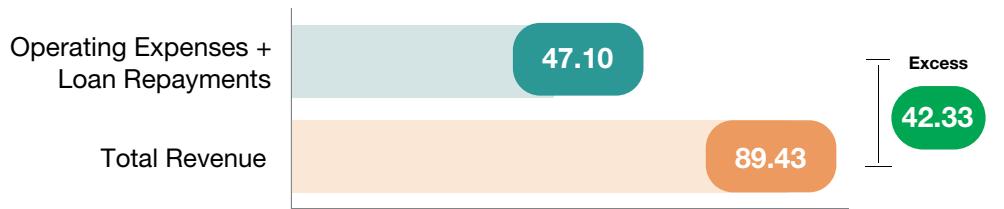
Spending Priority (2020) (NGN'bn)



Per Capita Analysis (2020) NGN



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





Fiscal Performance Rank

3

In the country, Anambra State emerged 3rd in the 2021 fiscal performance ranking, down one position from its 2nd position in 2020, giving it the second best performance in the South East in 2021.

Historically a low-debt state, the state saw a year-on-year surge of 76.83% in its domestic debt burden from N33.92bn in 2019 to N59.98bn in 2020. This surge is significantly higher than the 1.27% year-on-year domestic debt growth from N33.49bn in 2018 to N33.92bn in 2019. Nevertheless, the state still has one of the smallest domestic debt in the country ranking 24th by size. Anambra's total debt stands at N100.05bn (inclusive of \$108.09m external debt); its total debt per capita stands at N16,343, significantly lower than the country average of N27,316.

Fiscal shocks induced by the COVID-19 pandemic caused a slowdown in the state's year-on-year IGR growth which increased by



Despite a slowdown in its IGR growth, the state was one of 5 states that prioritized investment in capital infrastructure over investments in operating expenses in 2020.

6.22% from N26.37bn in 2019 to N28.01bn in 2020, compared to a 36.59% growth witnessed between 2018 and 2019 when the state pulled in N19.31bn and N26.37bn, respectively in both years. The state's IGR is low compared to its population and its economic potential; in 2020 its IGR per capita stood at N4,530, which is slightly less than the country average IGR per

capita of N4,616 across all states, a scenario the state needs to work on improving.

Despite a slowdown in its IGR growth, the state was one of 5 states that prioritized investment in capital infrastructure over investments in operating expenses in 2020. Other states to achieve this feat in 2020 are Ebonyi, Rivers, Cross River and Kaduna. Out of Anambra state's N110.33bn 2020 spending, 57% or N63.23bn went for capital expenditure while operating expenses gulped N43.77bn and N3.32bn on loan repayments. The state's 2020 capital expenditure of N63.23bn represents a 27.71% increase from the N49.51bn capital spending in 2020 making it one of the 19 states in the country to increase their capital expenditure even as COVID-19 pandemic dealt blows, to varying degrees, to all states.

At N43.77bn, Anambra had one of the five smallest operating expenses for running the state government amongst all 36 states. It cut its overhead component of its operating expense by 22.11% from N23.55bn in 2019 to N18.34bn in 2020.

Despite an overall decent fiscal performance in 2020, Anambra still needs to take critical measures to improve its resilience by boost foriegn trade in the state, increase economic prosperity to reduce the risk of reliance on borrowing to meet citizen's needs.



Fiscal Options for Building Back Better

With a current total volume of 203 trillion cubic feet (N192.85tn) of Natural Gas in the country (and the largest reserves on the continent), Anambra state can facilitate the extraction of its own local potential by engaging with the federal government on extraction. Nigeria's market for gas is small, as the country exports 75% of its available reserves. The NIPC (2020) stated that Anambra in particular has 10 trillion cubic feet of untapped gas reserves translating into N9.5tn at current prices. While this would not be revenues for the state alone, the multiplier effect of increased economic activity can translate into more revenue from Direct Assessments, Capital Gains tax and revenue from fees, charges and licenses.

Anambra also has potential to produce rice, as the latter's global export market was worth \$24.5bn (or N13.4trn) in 2020. The state can collaborate with Ebonyi, Kebbi and Benue to form a rice farming and processing economic belt which can aim to meet local demand and claim up to 10% of the global export market per year; this will lead to the creation of a significant number of jobs. The value of Nigeria's rice export potential is above \$500m (or N275bn) and domestic consumption rates are 32kg per capita (64 million tonnes, per annum). Linkages for profitable rice production are similar to those for other produce and consist of provision of storage facilities and irrigation (Anambra has

significant irrigation potential). IGR sources to improve from an optimized rice value-chain, are Road taxes, Market taxes and Direct Assessments.

The state, in addition, has viability in the Tourism industry, as it has one of the lowest crime rates in the country (NIPC, 2020). With a global value of \$19.9bn (N10.94tn) in 2019. The value of the Nigerian market for Tourism and its allied industries, amounted to N1.2tn in 2020 of which Anambra can exploit and expand. Some of the attractions include artifacts of the Nri civilization which produced the earliest documented bronze works in Sub-saharan Africa and was the cradle of Igbo civilization, the Agulu Lake crocodiles and the Ogbunike Caves (NIPC, 2020).

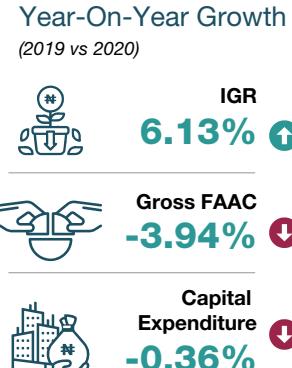
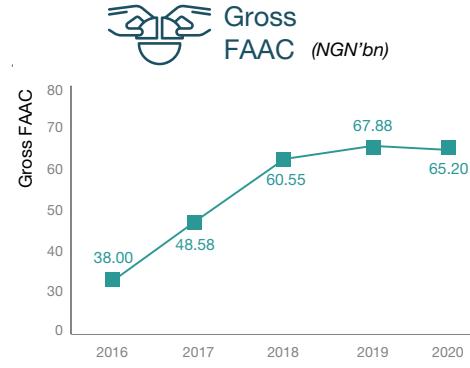
Regarding the plugging of leakages for revenue savings, the state was unable to achieve three critical SFTAS results relating to optimal public finance management as at the last assessment done for states. It achieved the use of Biometrics in payroll management, the state has a number of indicators on which to improve.



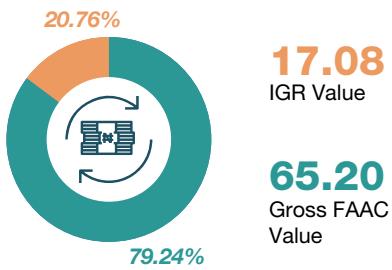
Regarding the plugging of leakages for revenue savings, the state was unable to achieve three critical SFTAS results relating to optimal public finance management as at the last assessment done for states.

Imo State

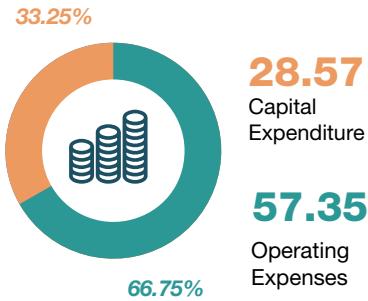
Eastern Heart Land



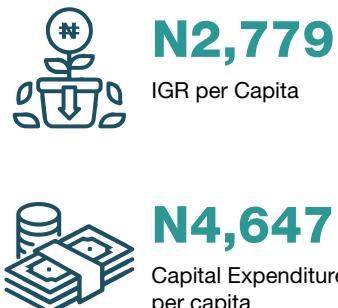
Structure of State of States Recurrent Revenue (2020) (NGN'bn)



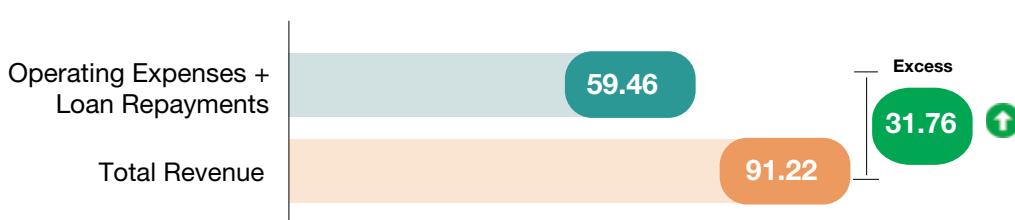
Spending Priority (2020) (NGN'bn)



Per Capita Analysis (2020) (NGN)



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



Debt Profile

150.20
Domestic Debt (NGN'bn)

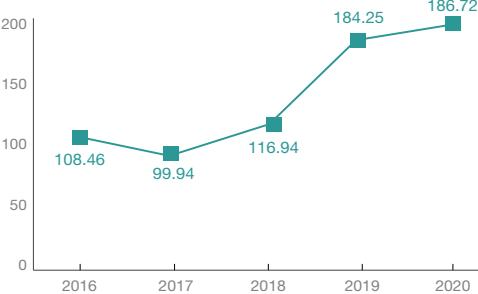
96.1
Foreign Debt (\$'m)

Total Debt Analysis

72.16%
Debt Growth (2016 - 2020)

9th/36
Most indebted in the country
Debt Size Position

Total Debt (NGN'bn)





Fiscal Performance Rank

20

Imo state emerged 20th in the 2021 Fiscal Performance Ranking; this was the worst of all Southeastern states. Imo state depends on the federal government, through statutory transfers, for about 79.23% or N65.20bn of its total recurrent revenue while 20.76% or N17.08bn was realized from IGR, thus exposing it to significant risks of increased borrowing whenever there are shocks to federally distributed revenue. Imo state recorded the total sum of N65.20bn as Gross FAAC in 2020 which is a drop from the N67.88bn realized in 2019. Due to the effects of the COVID-19 pandemic on the global and national market, it is no surprise that there was a decline in the federally allocated funds the state received.

The state's IGR saw a modest growth of 6.13% from N16.09bn in 2019 to N17.08bn in 2020; however, this growth is still too small to reduce the state's high dependency on statutory handouts from the federation account. Imo state would be treading on thin ice if it does

Imo state had one of the smallest IGR per capita of N2,779 compared to the country average of N4,616 per citizen or the best IGR per capita performance of N29,373 recorded by Lagos state

not significantly revamp its internal revenue generation blueprint to reverse this trend. The component's of its IGR had varying degrees of growth; income taxes (PAYE) grew slightly by 3.23% from N12.42bn in 2019 to N12.82bn in 2020 while Road Taxes declined by -41.17% from N901.2m in 2019 to N530.5m in 2020, while MDAs' revenue saw a 171.93% surge

from N840.79m in 2019 to N2.29bn in 2020.

Imo state had one of the smallest IGR per capita of N2,779 compared to the country average of N4,616 per citizen or the best IGR per capita performance of N29,373 recorded by Lagos state, the nerve center of economic activities in the country during the fiscal year 2020.

As seen in previous years, Imo state in 2020 prioritized investment in operating expenses which gulped N57.35bn or 65.16% of the state's total expenditure over investments in capital infrastructure which received N28.57bn or 32.45%. The balance N2.11bn or 2.39% was spent on loan repayments as part of its financing activities. Overall, Imo state's investment in capital expenditure per capita of N4,647 is significantly smaller than the country average of N8,129 per citizen.

On the capital expenditure spectrum of the state's spending, the Economic Sector received a total of N16.49bn, up by 49.23% from the N11.05bn in 2019. Unfortunately, the Social Sector (comprising the Ministry of Health, Education, Social Welfare etc) experienced a significant decline of 81.61% from N2.64bn in 2019, to N485.31m in 2020, a time the raging pandemic required the social sector to receive better priority.



Fiscal Options for Building Back Better

With the advent of COVID-19 in 2020, many businesses shut down and jobs were lost, economic growth slowed down across Nigeria. 82.52% or 1.61m of the state's 1.95m labour force²⁸ were either unemployed or underemployed and as such could not contribute meaningfully to the state's revenue pool through payment of income taxes (PAYE) as at Q4 2020; causing the state government to forgo billions in potential revenue. The state needs to reverse this trend immediately.

If Imo state wants to generate adequate revenue from income taxes (PAYE) to boost its resilience, BudgIT estimates the state would have to incentivize the private sector to set up local operations capable of creating 275,361 jobs. The International Monetary Fund (IMF), in recent times, stated that Nigeria as a country will need to create 5 million jobs²⁹ annually for 10 years to close up the unemployment gap;



Despite a slowdown in its IGR growth, the state was one of 5 states that prioritized investment in capital infrastructure over investments in operating expenses in 2020.

Imo state already has its job cut out for it as its fiscal future is tied to income taxes these jobs can generate for it and the multiplier effects improved economic activities can have on the state's finances, peace and prosperity.

For Imo state, it can leverage its potential of Shrimp farming and processing which has a global market demand³⁰ estimated to grow to \$54.6bn by 2027. The state can lead by partnering with leading financial institutions, angel investors and venture capitalists to simplify access to non-collateralized finance for up to 500 entrepreneurs to maximize the opportunities in the shrimp farming and processing value chain. Excellent conditions of the Oguta lake can be leveraged to create a cluster of adequate infrastructure to attract companies interested in maximizing opportunities for breeding and processing freshwater prawns and other species; the state can support entrepreneurs to target supplying up to 10% or \$5.4bn of the global shrimp market share by 2025³¹.

The state should make more efforts at full implementation of the Treasury Single Account (TSA) reforms which could help it more efficiently manage its finances. Other reforms to consider include introduction of biometrics and bank verification numbers to their payroll system; these are requirements under the State Fiscal Transparency, Accountability And Sustainability (SFTAS). Implementing some of these reforms would eradicate risks of leakages of government revenue payments to ghost workers and other forms of payroll fraud.

²⁸ BudgIT Research

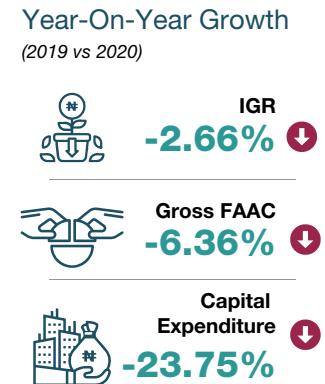
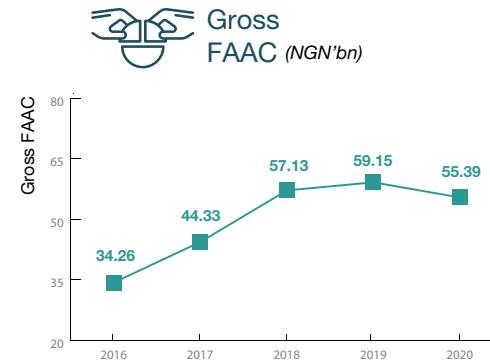
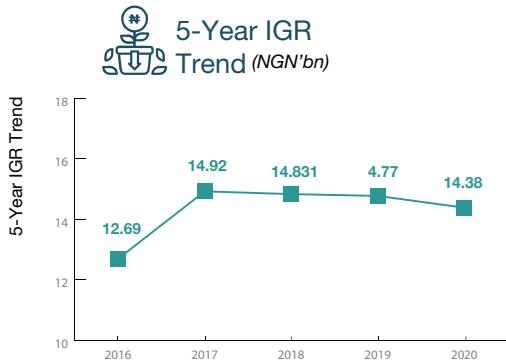
²⁹ See 'Nigeria needs 5 million jobs annually for 10 years to close gap — IMF', by Oge Udegbunam, on February 9 2021, in Premium Times (Online) Newspaper, at: <https://cutt.ly/zEbRXOa>.

³⁰ See 'Global Shrimp Market (2021 to 2027) - by Type, Source, Form, End-use, Distribution Channel and Region', by Research and Markets, on June 14 2021, at: <https://cutt.ly/lEbRJ3N>.

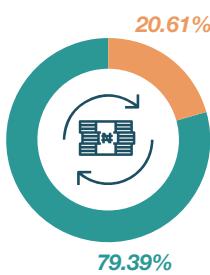
³¹ BudgIT Foundation. (2018). State of States: the 2018 Edition, at p. 9, at: <https://yourbudget.com/wp-content/uploads/2018/09/State-of-State-2018-Final-Print-Copy.pdf>

Abia State

God's Own State



Structure of State of States Recurrent Revenue (2019) (NGN'bn)



14.38
IGR Value
55.39
Gross FAAC Value

Spending Priority (2020) (NGN'bn)



35.53
Capital Expenditure
50.40
Operating Expenses

Per Capita Analysis (2020) (NGN)



N3,462

IGR per Capita



N8,557

Capital Expenditure per capita



N30,324

Total Debt per capita

Operating Expenses +
Loan Repayments

69.83

Total Revenue

90.22

Excess

20.39



Debt Profile



N89.14

Domestic Debt (NGN'bn)



\$96.8

Foreign Debt (\$'m)

Total Debt Analysis



96.93%

Debt Growth (2016 - 2020)



18th/36

Most Indebted in the country
Debt Size Position

Total Debt (NGN'bn)





Fiscal Performance Rank 15

God's Own State, Abia emerged 15th position, up 10 places from its 25th position in 2020. This improvement was driven largely by cuts to the state's operating expenses from N53.1bn in 2019 to N50.4bn in 2020 and by the relative resilience of its IGR generating capacity. Of the 18 states that saw a decline in their 2020 IGR, Abia recorded the smallest shock, declining by only -2.66% from N14.77bn in 2019 to N14.37bn in 2020. However, we note that the state had one of the smallest IGR per capita of N3,462 which is lower than the country average of N4,616 per citizen, making the state susceptible to the risk of incurring more debt.

Abia state may find itself sliding down the slippery black hole of debt, if it does not do more to improve the size and resilience of its



Abia state's dependence on statutory handouts from the federation account, instead of its IGR (like Rivers and Lagos states) exposes it to risks of further indebtedness, especially when there are shocks to the core sources of federally collected revenue.

internal revenue generating capacity through harnessing more of the state's economic potential and sources of revenue. Its domestic debt stock surged by 29.63% from N68.76bn in 2019 to N89.14bn in 2020. Its external debt

stock as of December 2020 stood at \$96.79m leaving it with a combined total debt burden (in naira) of N125.82bn, making it the 19th most indebted state in the country. Its total debt per capita stands at N30,324, higher than the country average of N27,316 per citizen.

Gross FAAC received by Abia state in 2020 stood at N55.39bn, accounting for 79.4% of the state's recurrent revenue of N69.76bn, while IGR contributed just 20.61%. Abia state's dependence on statutory handouts from the federation account, instead of its IGR (like Rivers and Lagos states) exposes it to risks of further indebtedness, especially when there are shocks to the core sources of federally collected revenue.

In 2020, the state's total available revenue of N91.81bn was quite distant from its total expenditure of N105.36bn. With its recurrent revenue at N69.76bn, its recurrent expenditure stood at N69.83bn in 2020-from the N67.17bn expense in 2019. With Personnel costs consisting of employee compensation and social benefits accounting for N32.35bn, and overhead cost summing up to N15.94bn, and the sum of N19.43bn going to public debt charges and loan repayments which is 27.82% of the recurrent expense in 2020. Capital expenditure experienced a fall from N46.60bn in 2019 to N35.53bn in 2020, contributing 33.59% to the total expenditure in 2020.



Fiscal Options for Building Back Better

An estimated 50.70% or 818,926 of the state's 1.63m labour force could not contribute to the revenue pool of the state government through income taxes as they were unemployed. Furthermore, nearly 30.67% of the state's residents live in poverty meaning they have very limited purchasing power, limiting the amount of goods and services they can afford and thus revenues the state can earn from VAT. This is partly why its IGR per capita of N3,462 is lower than the country average of N4,616. It is in this light that it seems the only saving grace for the state in generating larger IGR lies in investing in job creation, economic transformation and fiscal restructuring.

One of the largest commercial hubs in the south-east, Aba is located in God's own State, Abia state; this is an asset the state can consolidate on. The state is home to over 30,000 footwear makers³². The global footwear



Aba houses the Ariaria International Market, one of the largest in sub-Saharan Africa nicknamed as the "China of Africa" by some avid watchers because of its versatility in leather works and wears most especially footwears;

market is estimated to reach \$440bn by 2026; and Abia state can expand ongoing efforts to support the footwear industry and deepen their capacity to serve up to 5% or \$22bn of the

estimated \$440bn global demand by 2026³³. Efforts to provide stable power supply for clusters of shops should be consolidated and partnership with the private sector to simplify access to capital for up to 5,000 entrepreneurs should be fostered.

Aba houses the Ariaria International Market, one of the largest in sub-Saharan Africa nicknamed as the "China of Africa" by some avid watchers because of its versatility in leather works and wears most especially footwears; some analyst estimate this market's annual turnover³⁴ to be in the region of over \$3bn. This holds another opportunity for the state government to continue exploring PPPs in construction, maintenance, financing of standardized infrastructure and shared equipment for clusters of businesses manufacturing high quality "Made in Nigeria" products; this could significantly boost the market's turnover.

Beyond boosting economic activities, it also needs to minimize tax evasion and block leakages in its tax system through digitization. The state should also implement recommended reforms in the State Fiscal Transparency, Accountability And Sustainability (SFTAS) program. In the 2019 assessment of states performance in SFTAS, Abia state was yet to fully implement the Treasury Single Account reform which is essential for consolidating and managing the state's revenue and reducing risk of revenue diversion.

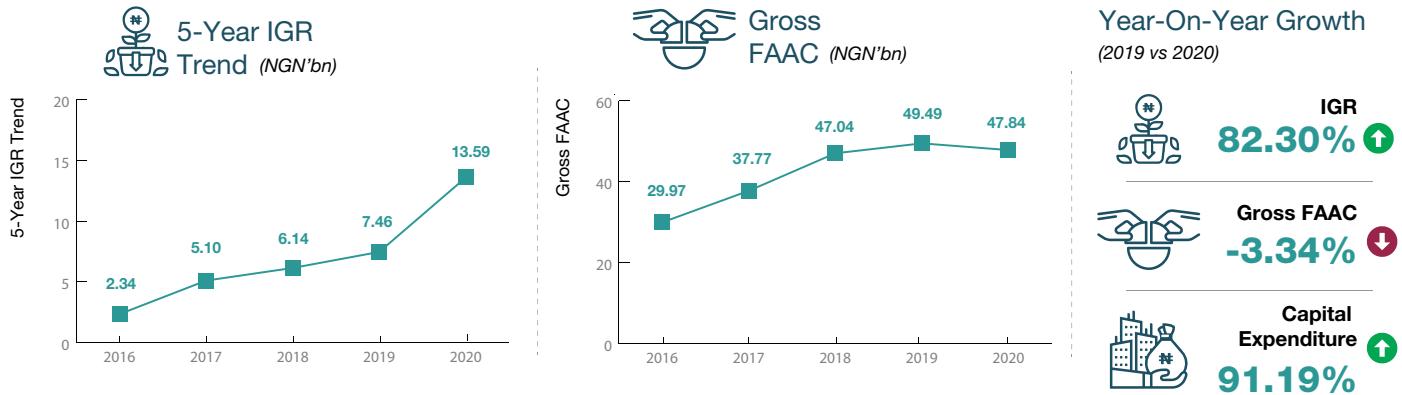
³² See 'Ariaria International Market Aba; All You Should Know' by Lois M. Onyeka, 2021, in Information to Know (Online) Newsblog, at: <https://informationtoknow.com/ariaria-international-market-ab/>

³³ See 'Global Footwear Market to Reach \$440 Billion by 2026' by Reportlinker, on July 12 2021, at: <https://cutt.ly/3EbIFO1>.

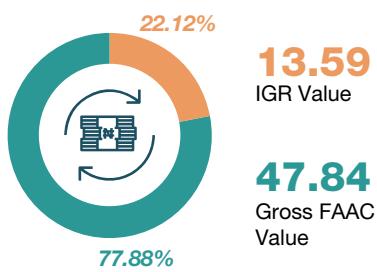
³⁴ See 'Ariara: The International Market', by Tici Barrah, on September 11 2021, at Nigerdelta Connect (Online) Newsblog, at: <https://nigerdeltacconnect.com/ariaria-the-international-market/>

Ebonyi State

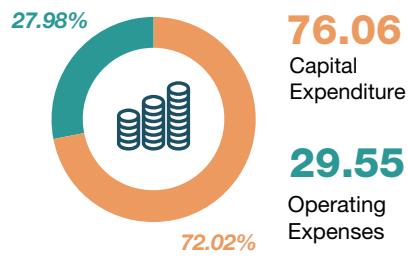
Salt of the Nation



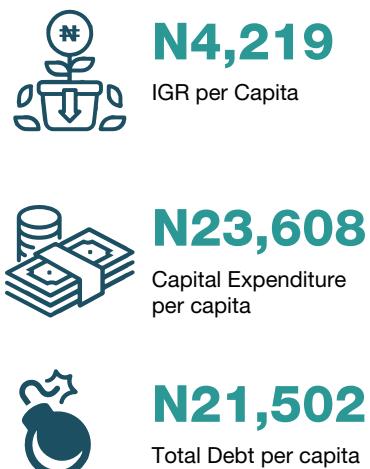
Structure of State of States Recurrent Revenue (2019) (NGN'bn)



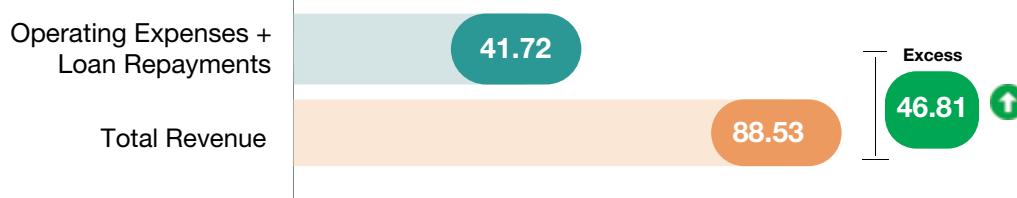
Spending Priority (2020) (NGN)



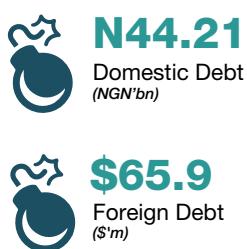
Per Capita Analysis (2020) (NGN)



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





Fiscal Performance Rank

2

Ebonyi State emerged in the 2nd position in the 2021 ranking, up from its 6th position in 2020 and 13th in 2019. Its steady growth is commendable, and key areas of its fiscal strengths need to be consolidated to sustain this improved performance. The improvement in this year's ranking is driven by the improvement in the state's IGR and increased prioritization of investment in capital expenditure over operating expenses. Ebonyi is one of 5 states to spend more in capital expenditures than operating expenses. The other four states are Rivers, Anambra, Cross River and Kaduna.

In 2020, despite fiscal shocks from the COVID-19 pandemic across the country, the state recorded a total internally generated revenue of N13.59bn, up by 82.03% from the N7.46bn IGR recorded in 2019. This performance is better than the 21.33% year-



Ebonyi state, despite the economic downturn, outdid itself in its investment in capital expenditure, recording a 91.19% year-on-year increase from N39.78bn to N76.05bn.

on-year IGR growth the state witnessed from N6.14bn in 2018 to N7.46bn in 2019. Although this feat is laudable, we note that Ebonyi still has one of the smallest IGR sizes among the states, ranking 22nd by size, indicating there is more work to do. The biggest growth in its IGR was primarily driven by a N2.92bn increase in MDAs Revenue, representing a 256.09% growth from N1.14bn in 2019 to N4.01bn in 2020. Income taxes (PAYE) also saw a 44.74% growth from N4.65bn in 2019 to N6.74bn in 2020.

However, an analysis of the structure of Ebonyi state's recurrent revenue component of its total revenue indicates it is still dangerously dependent on federally distributed statutory revenue. A trend it still needs to reverse by consolidating on the momentum in its IGR growth.

Ebonyi ranks 33rd most indebted state in Nigeria and the least indebted in the southeast region with a total debt stock of N69.27bn as at December 2020. Its domestic debt component saw a 5.40% year-on-year decline from N46.74bn in 2019 to N44.21bn in 2020. The state's total debt per capita stood at N21,502, which was lower than the country average of N27,316 per citizen for all 36 states.

Ebonyi state, despite the economic downturn, outdid itself in its investment in capital expenditure, recording a 93.03% year-on-year increase from N39.65bn in 2019 to N76.54bn in 2020. The most significant improvement in capital expenditures was noticeable in the Social Sector (comprising the Ministry of Health, Education, among others) which received N26.69bn up from the N6.27bn in 2019. The Economic Sector which shot up from N23.91bn in 2019 to N37.24bn in 2020. The priorities Ebonyi state has placed on investing in the citizens is truly commendable and the growth is worth emulating by other states. However, citizens still need to follow the money to ensure that public projects in Ebonyi state deliver value for money.



Fiscal Options for Building Back Better

The state is popular for its nutritious and tasty Abakaliki rice, a comparative advantage the state can leverage on to improve the state's economic activities and by extension its own. An estimated 664,845 represting 62.14% of the state's labour force could not contribute adequately to the states revenue pool as they were either unemployed or underemployed. The state can turn this situation around by harnessing the economic opportunities in the rice farming and processing value chain for job creation.

Nigeria is the largest importer of rice in Africa, with an annual import of over 2.2million metric tons and yet has the capacity to be the largest



An estimated 664,845 represting 62.14% of the state's labour force could not contribute adequately to the states revenue pool as they were either unemployed or underemployed.

rice producer in Africa³⁵. The global rice market is estimated to grow³⁶ to \$313bn by 2025 and Ebonyi state can position itself claim up to 10% of this market share in addition to meeting the local demand. This would involve modernizing the milling processes, developing solid value chains around clusters, upgrading the market infrastructure, simplifying access to local capital and helping companies improve their operational efficiency.

Some efforts are already underway; the state

government in partnership with UNIDO and the leadership of Abakaliki Ricemill Owner Industry Association intends to partner with 19 other states for the distribution³⁷ of the Abakaliki rice. But these efforts need to be rapidly scaled up. Ebonyi state, despite the peril the economy of Nigeria faced in the light of the Covid-19 pandemic improved greatly in revenue generation within the state. Yet it is evident that Ebonyi has one of the lowest IGR in the country and will need to double efforts to sustain the growth and reduce its dependence on federally allocated funds, it needs to ensure at all avenues of leakages are blocked and the state is not losing resources on futile efforts.

The state still clearly suffers from payroll fraud, despite achieving the SFTAS DLI 5 on "Biometric registration and bank verification number (BVN) used to reduce payroll fraud". In March 2021, The Ebonyi state governor David Umahi dissolved the Secondary Education Board, "The dissolution is as a result of the fraudulent practices discovered in the administration and management of the Board, where dead persons, persons who have resigned and those that have secured employments in other places, are still in the payroll of the Board and to the full knowledge of some members of the Board³⁸." These fraudulent activities are avenues with which the state loses funds if reforms are not properly implemented.

35. <https://businessday.ng/research-reports/article/nigeria-still-the-largest-rice-importing-country-in-africa/>

36. <https://www.industryarc.com/Research/Rice-Market-Research-509581>

37. <https://www.vanguardngr.com/2016/10/food-security-ebonyi-partner-19-states-distribution-abakaliki-rice/>

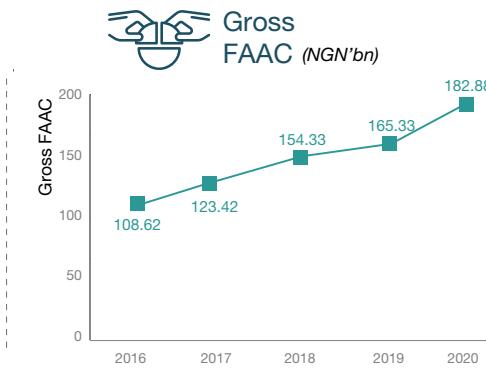
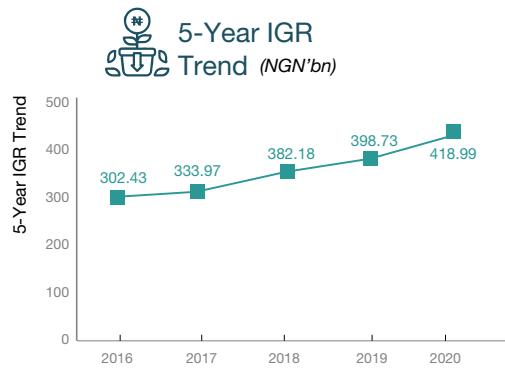
38. <https://nationaltabloid.com/fraud-ebonyi-govt-sacks-seb-chairman-members-over-payroll-of-dead-persons/>

South West

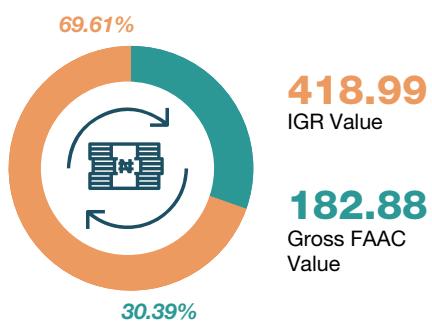
Region

Lagos State

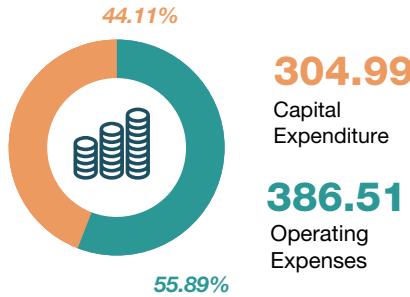
Centre of Excellence



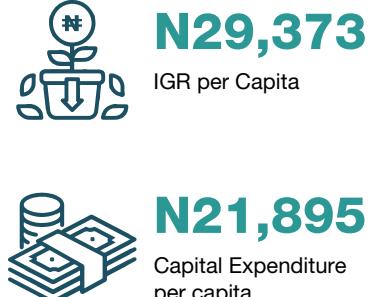
Structure of State of States Recurrent Revenue (2020) (NGN'bn)



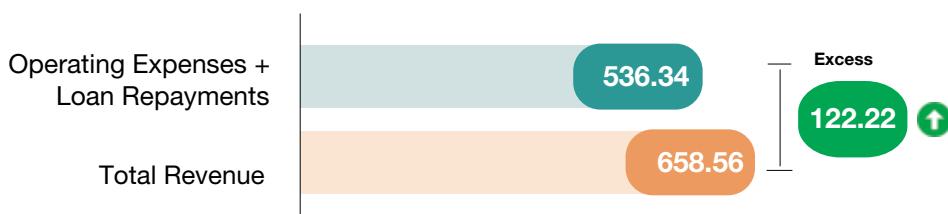
Spending Priority (2020) (NGN'bn)



Per Capita Analysis (2020) (NGN)



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



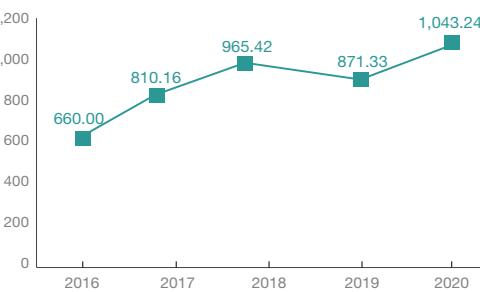
Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





Fiscal Performance Rank

4

Despite being the epicenter of the COVID-19 pandemic and exposed to risk of fiscal shocks to its revenue, Lagos state emerged in 4th position in the 2021 Fiscal Performance Ranking, demonstrating its resilience with a total revenue of N658.56bn for the fiscal year 2020. The state saw a 5.08% growth in its IGR from N398.73bn in 2019 to N418.99bn³⁹ in 2020 and was one of 18 states to see a growth in its IGR despite the fiscal storm induced by COVID-19. The growth in IGR was driven largely by a 31.43% growth in MDAs Revenue from N39.41bn in 2019 to N51.79bn in 2020 followed by a 3.31% or N8.92bn growth in income taxes (PAYE) from N269.96bn in 2019 to N278bn in 2020. However, we note that this growth in income taxes is slower than the 12.74% or N30.51bn growth from N239.45bn recorded in 2018 to N269.96bn in 2019. Overall, the state had an IGR per capita of N29,373, more than five times the country average of N4,616 per citizen.



With a total debt burden of N1.04tn, up by 19.73% from N871.33bn in 2019, Lagos State is the most indebted state out of the 36 states.

Lagos State saw a 24.38% or N2.38bn growth in the Road Taxes component of its IGR from N9.76bn in 2019 to N12.13bn in 2020. An analysis of the state's recurrent revenue component of its total revenue indicates that 70% was obtained from its internally generated revenue while 30% was received from statutory

allocation making the state the least dependent on federally distributed revenue in the country.

The Center of Excellence has not lost sight of capital investments that could increase the quality of life of citizens and it was one of the 17 states in the country to increase its investment in capital infrastructure, growing its actual capital spending by 26.52% from N241.06bn in 2019 to N304.99bn in 2020. Breakdown of capital spending indicates that expenditure on Economic Affairs increased by 43.27% from N108.63bn in 2019 to N155.63bn in 2020, while that on education increased by 144.30% from N7.11bn in 2019 to N17.37bn in 2020. Overall, the state had a capital expenditure per capita of N21,895, which is more than 2 times the country average of N8,129 and the second highest per capita spending in 2020.

On the operating expenses spectrum of the state's expenditure, it cut down spending on General and Administrative by -38.95% or N63.96bn from N164.23bn in 2019 to N100.27bn in 2020.

With a total debt burden of N1.04tn, up by 19.73% from N871.33bn in 2019, Lagos State is the most indebted state out of the 36 states. It also has the highest external debt of \$1.41bn, giving it the highest exposure to risks of exchange rate volatility. Domestic debt increased by 14.53% from N444.23bn in 2019 to N508.78bn in 2020.

39. Note that Lagos State generates other sources of revenue in addition to the N418bn by the NBS as the state's IGR. All other revenue made by the state outside statutory allocation from the federal government have been added to give its total revenue of N658.56bn which was used in calculating the state's ranking on Index A component of the Fiscal Performance Index. Please see the segment on methodology in this document for more details.



Fiscal Options for Building Back Better

A significant part of Lagos is made up of lagoons and creeks which covers a total area of about 426km² with coastline and inland waterways⁴⁰. Plagued by traffic congestion due to overpopulation, Lagos needs to make massive investments in coastal and inland water transportation to reduce the pressure on roads, reduce travel time for commuters and cargoes, and create employment opportunities for the 1.85m unemployed people of the state. Global investment commitments in transport infrastructure projects with private participation was valued at \$10.5bn in 2020 alone⁴¹. Hence, there is an opportunity for Lagos to explore public-private partnership models to develop its coastal and inland water transport sector to facilitate commerce, promote wealth creation, generate revenue, and grow dormant ancillary sectors like boat building.



The state can consolidate on efforts of its Eko Innovation Centre and Lagos State Employment Trust Fund (LSETF) to support the emergence of up to 2million data scientists and software developers who can work remotely from Nigeria

Lagos state recorded an earning of N12.14bn from road taxes in 2020, this amount from transportation tax can be significantly more if the state has a more efficient transportation system for speedily moving millions of people

and goods across the state daily. We estimate that a more efficient transport system coupled with improved digitization of its tax collection system could triple the current earnings from road taxes.

Lagos, being an emerging megacity and the commercial nerve centre of sub-Saharan Africa, is not only home to some of the most popular and talented entertainment stars in the world but also home to some of the most talented and industrious entrepreneurs on the African continent. The state can consolidate on efforts of its Eko Innovation Centre and Lagos State Employment Trust Fund (LSETF) to support the emergence of up to 2million data scientists and software developers who can work remotely from Nigeria, serving the world in the next 5 years. This would generate more revenue from income taxes for the state and position the state as Africa's premium technology hub.

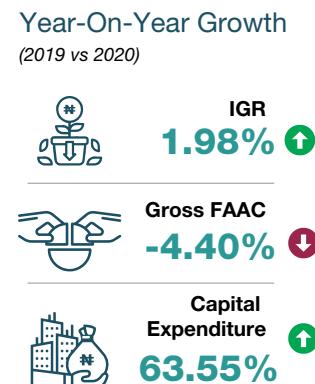
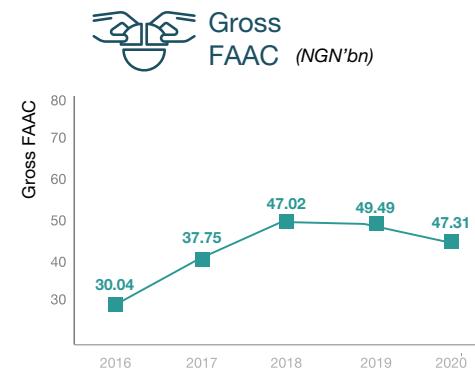
In response to a violation of intellectual property rights currently confronting a lot of creatives in the state's entertainment and media industry, Lagos needs to enact and enforce policies, regulations and laws to protect intellectual property rights. It also needs to develop tax schemes to properly capture the state's digital economy, but more importantly house-ownership schemes to enable it to retain some of the state's brightest talents.

40. See generally, Q. A. Adejare, Q., Olusina, J. and Olaleye. J. (2017). Empirically Determined Passenger Ferry Navigable Routes within Lagos Lagoon. In the Nigerian Journal of Technological Development, Vol. 14, No. 2, 2017, at: <https://www.ajol.info/index.php/njtd/article/view/165846/155280>

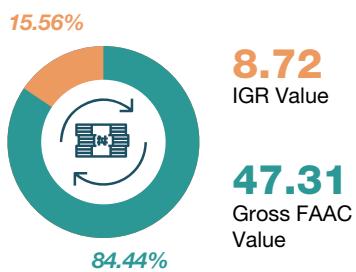
41. See the International Bank for Reconstruction/ the World Bank. Private Participation in Infrastructure (PPI)-2020 Annual Report, at: https://ppi.worldbank.org/content/dam/PPI/documents/PPI_2020_AnnualReport.pdf

Ekiti State

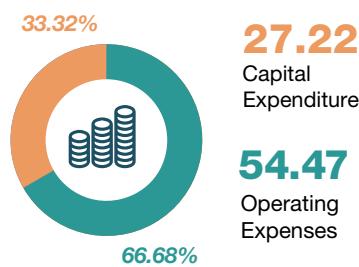
The Fountain of Knowledge



Structure of State of States Recurrent Revenue (2020) (NGN'bn)



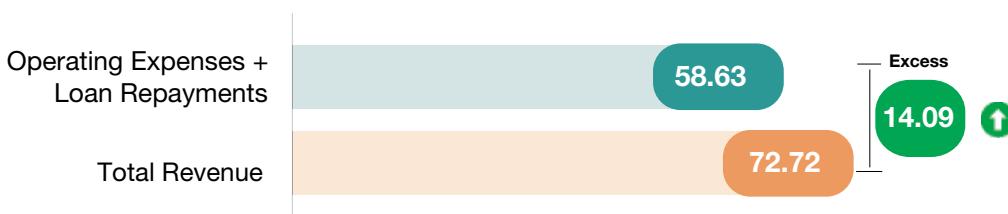
Spending Priority (2020) (NGN'bn)



Per Capita Analysis (2020) (NGN)



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



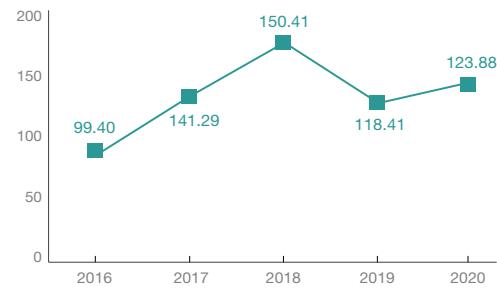
Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





Fiscal Performance Rank **29**

Ekiti state has emerged 29th in Fiscal Performance Ranking, up 6 places from its 35th position in 2019. This growth is driven largely by a positive growth in its IGR and increased prioritization of its capital expenditures over operating expenses. However, the state is one of 33 states that would be unable to finance its operating expenses using just its IGR and VAT; it still has to rely on a mix of statutory handouts from the federation, borrowing and other sources.

The state's recurrent revenue structure indicates the high dependency on federally distributed revenue which brings in 84% of the total recurrent revenue pool, while IGR rakes in the balance 16%. This is despite the reality that the state's IGR has grown commendably by 191.64% from N2.99bn in 2016 to N8.72bn in 2020. Year-on-Year, its IGR increased by 1.99% from N8.55bn in 2019 to N8.72bn in 2020. Nevertheless, it is still ranked 31st in terms of size in 2020, and has one of the smallest IGR per capita of N2,354 which is lower than the country average IGR per capita of N4,616 per citizen.



The state government cut down expenses on operating activities by -18.17% from N66.56bn in 2019 to N54.47bn in 2020 while the capital expenditure saw a commendable upturn of 63.55% from N16.64bn in 2019 to N27.22bn in 2020

The state government cut down expenses on operating activities by -18.17% from N66.56bn in 2019 to N54.47bn in 2020 while the capital expenditure saw a commendable upturn of 63.55% from N16.64bn in 2019 to N27.22bn in 2020. However, its capital expenditure per capita stands at N7,351, less than the country average of N8,129 per citizen across all 36 states.

Ekiti State with a total debt stock of N123.88bn, up by 4.53% from N118.41bn in 2019 is ranked 19th most indebted state as of December 31, 2020. Nevertheless, the total debt per capita stands at N33,457, higher than the average total debt per capita of N27,316. Domestic debt fell by -2.52% from N86.91bn in 2019 to N84.72bn in 2020. The state's external debt increased slightly by 0.03% from \$102.91m in 2019 to \$103.03m in 2020, making it the 11th largest external debt in the country; this leaves Ekiti State exposed to risks from exchange rate volatility.



Fiscal Options for Building Back Better

To generate more revenue for a sustainable recovery, the state needs to improve the purchasing power and disposable income of its residents. With a poverty rate of 28.04%, a labour force of 1.45m people, and an unemployment rate of 32.21%, Ekiti state still has some work to do before it can adequately rely on its labour force for revenue generation. It will need to stimulate the creation of at least 116,756 jobs yearly for the next four years to significantly reduce its unemployment and underemployment rate. For this to happen, the state as a matter of urgency needs to massively invest in areas where it has a comparative advantage.

Ekiti has made very commendable efforts through PPPs to produce up to 3.65m litres of milk per year. It needs to further incentivize up to 100 companies in the private sector to form clusters around the existing project with a target



The Ekiti State Government can explore public-private partnerships to establish a cocoa grinding industry, which has a global market size of \$12.37bn in 2020⁴³

of producing up to 360 million liters of milk per year in the next 4years to meet local demand. Nigeria consumes an 1.6 billion litres of milk;⁴² an estimated 60% of which is imported.

Cocoa—an important raw material used in the production of beverages, confectionaries,

and pharmaceuticals—which currently sells for \$2,500 per tonne contributed \$366m to Ghana's GDP in 2019 and represents an estimated 30% of Ghana's export earnings and 57% of its agricultural export⁴³.

While Ekiti State Government's policies in its cocoa sector have largely focused on farm inputs and primary production, not much has been done on commercialization, processing, and markets. The Ekiti State Government can explore public-private partnerships to establish a cocoa grinding industry, which has a global market size of \$12.37bn in 2020⁴⁴. The process of cocoa grinding produces semi-finished cocoa products, such as cocoa powder, cocoa butter and cocoa liquor which are key ingredients of chocolate, chocolate syrup, and chocolate confections. The state can also work to simplify access to credit for up to 100 companies interested in this value chain.

Ekiti State did comparatively well in implementing the reforms tied to 9 disbursement-linked indicators in the 2019 SFTAS assessment. However, the state is yet to significantly operationalize its Treasury Single Account (TSA) to capture the majority of the state government's finances, a reform that would help it curb potential revenue leakages.

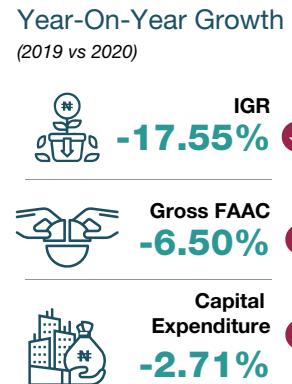
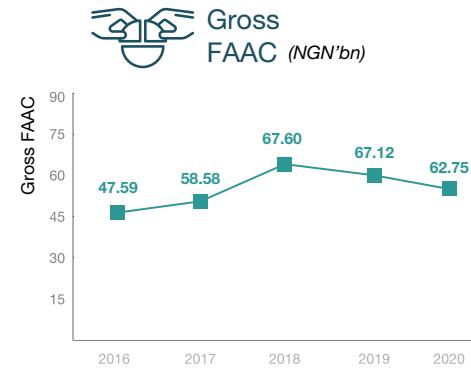
42. See 'Nigeria Spends \$1.5bn Annually On Milk Import' by Joseph Chibueze, April 2021, in Leadership (Online) Newspaper, at: <https://leadership.ng/nigeria-spends-1-5bn-annually-on-milk-import>.

43. See Statista. 'Contribution from cocoa sector to the Gross Domestic Product (GDP) in Ghana from 2014 to 2024', by Doris Sasu, on May 14 2021, at: <https://www.statista.com/statistics/1235774/contribution-from-cocoa-sector-to-gdp-in-ghana/>, and the Conversation. 'Ghana's cocoa production relies on the environment, which needs better protection', by Stephen Takyi and Owusu Ampomah, on April 5 2020, at: <https://cutt.ly/2EbFdtM>.

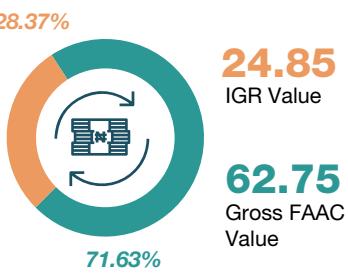
44. See 360 Research Reports. 'Cocoa Grindings Market 2021 is estimated to clock a modest CAGR of 7.8% during the forecast period 2021-2026 With Top Countries Data', on April 3 2021, at: <https://cutt.ly/6EbFjf>.

Ondo State

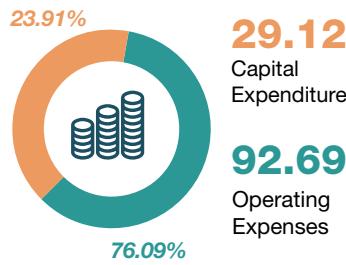
The Gateway State



Structure of State of States Recurrent Revenue (2020) (NGN'bn)



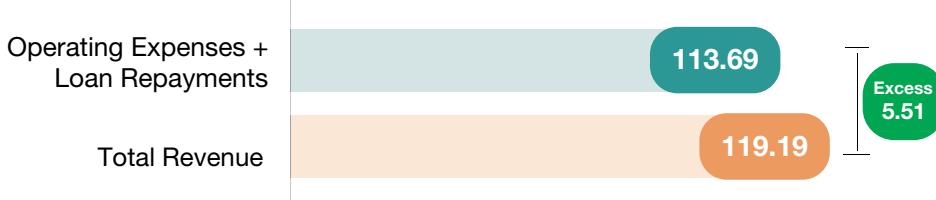
Spending Priority (2020) (NGN'bn)



Per Capita Analysis (2020) (NGN)



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



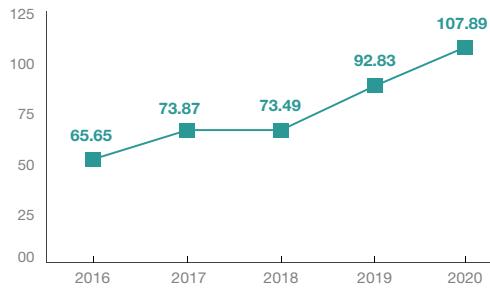
Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





**Fiscal
Performance
Rank**

30

The Sunshine State, Ondo, emerged 30th in the 2021 Fiscal Performance Ranking, down -6 places from 24th position in 2020. This drop was due to a fall in its IGR and reduced priority placed on capital expenditure during the fiscal year. The state's IGR dropped by -17.55% from N30.14bn in 2019 to N24.85bn in 2020. Income taxes (PAYE) declined by -15.48% or N2.66bn from N17.18bn in 2019 to N14.52bn in 2020, while Road Taxes saw an uptick of 35.71% from N790m in 2019 to N1.07bn in 2020, making it one of only 14 states in the country to see its road taxes grow as the COVID-19 pandemic ravaged local economies across the country. Nevertheless, given its population, it still needs to work hard to boost its internally generated revenue; this will go a long way in reducing the risk of further indebtedness.



The state needs to reign in its operating expense which grew by 11.65% from N86.24bn in 2019 to N92.69bn in 2020. In contrast, the state's capital expenditures declined slightly by -4.68% from N30.55bn in 2019 to N29.12bn in 2020.

The state's total revenue for 2020 was N119.19bn, this is an increase of 23.07% from 2019 N96.85bn. Ondo state cannot fund both its recurrent and capital expenditures

with its revenue unless it goes the route of debt. The state's expenditure profile includes N92.69bn on operating expenses, N29.12bn on capital expenditures and N21.00bn on loan repayments, bringing its total expenditure to N142.81bn. Whereas, the state had total revenue inflows (including Aids & Grants) of N119.19bn, Opening Balance as at January 1, 2021 of N25.23bn and proceeds from long term borrowings of N15.2bn. The best the state can do is to cut down its operating expenses or

The state needs to reign in its operating expense which grew by 11.65% from N86.24bn in 2019 to N92.69bn in 2020. In contrast, the state's capital expenditures declined slightly by -4.68% from N30.55bn in 2019 to N29.12bn in 2020. This state needs to invest more in capital infrastructure as its operating expenses of N92.69bn in 2020 was more than three times its capital expenditure of N29.12bn. It's capital expenditure per capita stands at N5,529 which is way lower than the average capital expenditure per capita of N8,129.

Ondo state's total debt has been on a gradual increase in the past five years, rising by 64.33% between from N65.65n 2016 to N107.89n in 2020; year-on-year it's total debt grew by 16.12% from N92.83bn in 2019 to N107.89n in 2020, but it still holds the status of having the smallest debt profile in the entire South West region.



Fiscal Options for Building Back Better

The outbreak of the COVID-19 pandemic in Nigeria not only worsened the poverty rate across Nigeria but significantly affected spending plans of states like Ondo that often rely mainly on revenue from the federal government. To prevent future recurrence of this situation, the state needs to build more resilience into its fiscal strategy. One key area of focus should be to contain two of its biggest competitors; unemployment and underemployment that prevent the state from earning more revenue through income taxes (PAYE).

An estimated 1.02m people representing 41.25% of the state's labour force of 2.5m people could not make adequate contribution to the state's revenue generation pool because



With an estimated housing deficit of about 17.3 million homes, 135,000 kilometres⁴⁶ of untarred roads across the country and rail lines either yet to be built or rehabilitated, the demand for bitumen is likely to grow as Nigeria tries to bridge its huge infrastructure deficit.

they were either unemployed or underemployed as at Q4 2020. Specifically, 17.09% or 426,537 people in the labour force could not make any income tax payment at all as they were unemployed. To reverse this trend and improve its revenue fortunes, we estimate that Ondo would need to create 106,364 jobs every year for the next four years.

Nigeria has an estimated 38 billion barrels of extra-heavy oils and bitumen reserves, while Ondo's estimated probable reserves of bitumen is 16 billion barrels⁴⁵. Bitumen can be used for the construction of roads, runways, railway tracks and platforms; mastic floorings for factories; canal lining to prevent erosion; and waterproofing to prevent water seepage. With an estimated housing deficit of about 17.3 million homes, 135,000 kilometres⁴⁶ of untarred roads across the country and rail lines either yet to be built or rehabilitated, the demand for bitumen is likely to grow as Nigeria tries to bridge its huge infrastructure deficit.

Nigeria, despite having the sixth-largest reserves of bitumen and extra-heavy oils, imported \$54.8m worth of bitumen in 2020, whereas Côte d'Ivoire's export value for bitumen in the same year was \$51.1m⁴⁷. According to the Ondo State Government Bitumen exploration can create 30,000 jobs annually in Ondo⁴⁸. The state needs to rapidly consolidate actions aimed at exploration, but also those aimed at refining bitumen which can create thousands of additional jobs. Ondo state needs to collaborate with the Ministry of Mines and Steel on incentives that attract investments into the bitumen sector in the state. Also, the state should explore public-private partnerships, creation of clusters and simplify access to capital for companies to develop its bitumen sector. This will position it to earn revenue from resulting income taxes and multiplier effects of economic prosperity on its other revenue sources.

45. See generally Henrich Böll Stiftung. (2016). Bitumen in Nigeria: Weighing the True Costs of Extraction by Christina Milos, at: https://ng.boell.org/sites/default/files/bitumen_in_nigeria.pdf, and also African Review of Business and Technology. 'Nigeria kicks off exploration of bitumen reserves', on August 3 2020, at: <https://cutt.ly/nEbGt8s>.

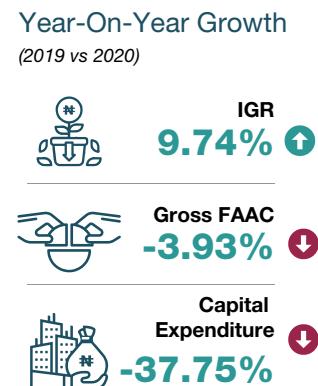
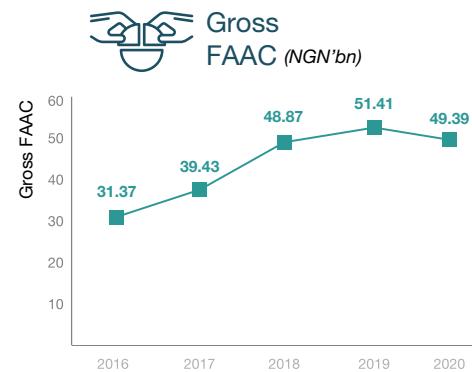
46. See the Infrastructure Concession Regulatory Commission (Website). ' 135,000km road network in Nigeria un-tarred- ICRC', on September 7 2017, at: <https://www.icrc.gov.ng/135000km-road-network-nigeria-un-tarred-icrc/>

47. See Africa Bitumen (Website). Statistics of Africa Bitumen Trade-Bitumen Market 2010 -2020, Bitumen Demand Value, at: <https://www.africabitumen.com/africa-bitumen-trade/>

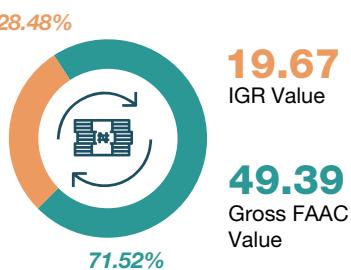
48. See 'Bitumen exploration'll create 30,000 jobs annually in Ondo — Akarakiri', by Dapo Akinrefon, on October 6 2017, in the Vanguard (Online) Newspaper, at: <https://cutt.ly/DEbGvik>.

Osun State

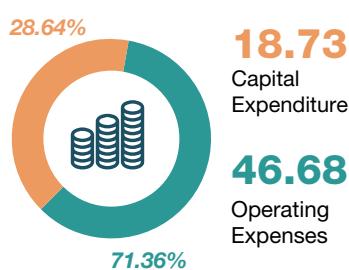
The Land of Virtue



Structure of State of States Recurrent Revenue (2020) (NGN'bn)



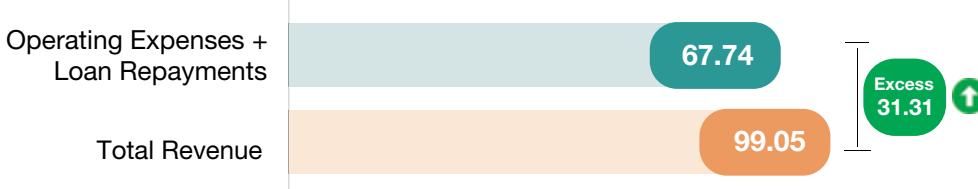
Spending Priority (2020) (NGN'bn)



Per Capita Analysis (2020) (NGN)



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



Debt Profile

134.11
Domestic Debt (NGN'bn)

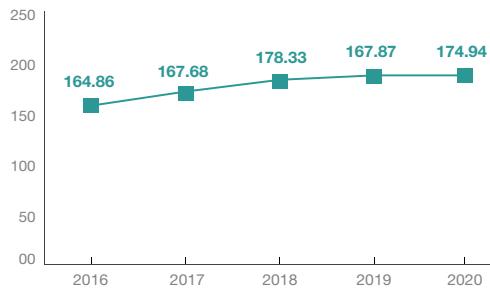
107.4
Foreign Debt (\$m)

Total Debt Analysis

6.11%
Debt Growth (2016 - 2020)

10th/36
Debt Size Position

Total Debt (NGN'bn)





Fiscal Performance Rank

13

Osun state emerged 13th in the 2021 Fiscal Performance Ranking. Nevertheless, the Land of Virtue is still highly dependent on statutory handouts from federation accounts, a risky fiscal strategy especially considering crude oil price volatility on which a sizable chunk of federally distributed revenue depends. The state's statutory allocation (Gross FAAC) declined by 3.93%, from N51.41bn in 2019 to N49.39bn in 2020.

Commendably, year-on-year, its Internally Generated Revenue (IGR) saw an increase of 9.74%, from N17.92bn in 2019 to N19.67bn in 2020. However, this is not enough, the state is still existing beneath its true potential as it has one of the smallest IGR per capita of N3,678, which is smaller than the average IGR per capita of N4,616 for all 36 states.



The state needs to look into boosting its internally generated revenue as its allocation to capital expenditure may highly be affected by its low revenue.

Osun state was one of the 17 states that deprioritized capital expenditure, cutting year-on-year spending by 37.75% from N30.09bn in 2019 to N18.73bn in 2020, the 4th smallest investment in capital expenditure made by any state in 2020. Furthermore, per capita analysis indicates that Osun state's capital expenditure translates to a meagre investment of N3,503 compared to the country average of N8,129 per citizen. This raises some concern about the depth of interest and capacity the state has

in investing in infrastructural development of the state that can improve the quality of life of citizens. In contrast, there was a slight 7.04% (or N3.07bn) uptick in expenses recorded for operating activities from N43.60bn in 2019 to N46.67bn in 2020. The state needs to look into boosting its internally generated revenue as its allocation to capital expenditure may highly be affected by its low revenue.

With a total debt burden of N174.94bn as of December 31st 2020, the state had one of the highest total debt per capita of N32,710, significantly higher than the country average of N27,316 per citizen. This means future debt servicing and repayment obligations would continue to drown out a sizable component of the state's future revenue. For example, loan repayments gulped N21.06bn in 2020, the third largest loan repayment made by any state in Nigeria. Simultaneously, External debt has hit an all-time high of \$107.4m in 2020, from \$95.49m in 2019 and \$99.09m in 2018. Domestic debt which stood at N147.07bn in 2016 saw a downturn to N138.65bn in 2019, declining further to N134.11bn in 2020.

High debt burden, imprudent fiscal planning, misplaced expenditure priorities could carve a clear path to financial difficulties for the state. With its Debt burden almost nine times bigger than its IGR in 2020, the state needs to work harder to boost its IGR.



Fiscal Options for Building Back Better

For a state that borders 5 other states, Osun was only able to raise a paltry N296.73m in road taxes in 2020. When compared to other states with lesser road networks like Niger, Sokoto, Katsina, and Cross River, the state is way behind in generating revenue through road taxes; this could be due to low economic activities but also to weak tax collection system and leakages. Osun State needs to digitize its entire tax collection system which will not only make it easier for people to pay taxes, but also lead to improved efficiency and reduced opportunities for corruption.

Osun is blessed with gold reserves in commercial quantities, but it has largely been unable to exploit this rich mineral resource and utilize it for wealth creation and the development of the state. The global export value of Gold, the world's 8th most traded product, continues to grow as the total global trade of gold stood at \$341bn in 2019.⁴⁹



Osun needs to position itself to become the Gold refining hub of Africa. To achieve this status, it has to collaborate with the private sector to provide infrastructure to support the existence of clusters of up to 100 companies to harness opportunities in the gold mining and gold refining value chain.

Some efforts are being made, but these need to be accelerated and steered towards more gold refining rather than just gold mining to maximise job creation. In the first quarter of

2021, the state government announced that the Segilola Gold Mine which is Nigeria's first and largest industrial-scale gold mine owned by the Canadian mineral exploration company, Thor Explorations Limited, will be pouring its first gold from the mine in the state in August 2021. The Segilola gold project, a high-grade gold project in Osun has an estimated probable reserve of 3million tonnes, with contained gold of 405,000 oz grading 4.2g/t Au.⁵⁰

Osun needs to position itself to become the Gold refining hub of Africa. To achieve this status, it has to collaborate with the private sector to provide infrastructure to support the existence of clusters of up to 100 companies to harness opportunities in the gold mining and gold refining value chain. It also needs to create backward and forward linkages that assure job creation and improved welfare for the people of the state.

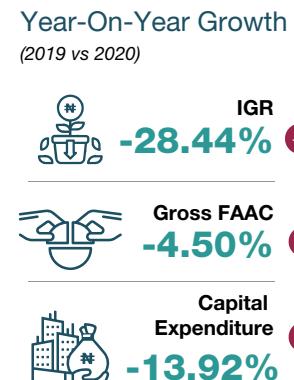
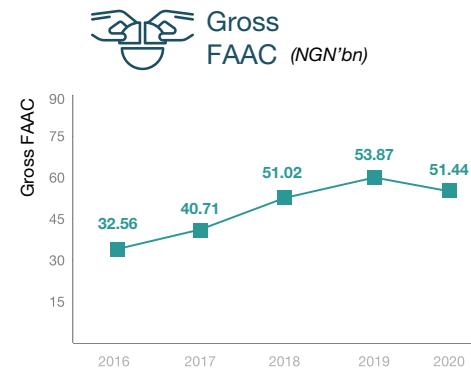
Although Osun State has within the last three years carried out commendable sweeping governance reforms like the use of Biometric technology and Bank Verification Number (BVN) in payroll management, the operationalization of its Treasury, Single Account (TSA), and enactment of a public procurement law, the state needs to engage citizens more in its budget process. For citizen's to take ownership of governments projects and programs, their inputs and needs to be adequately reflected in the budget of the government.

49. See the Observatory of Economic Complexity (OEC) (Website). Gold, at: <https://oec.world/en/profile/hs92/gold>

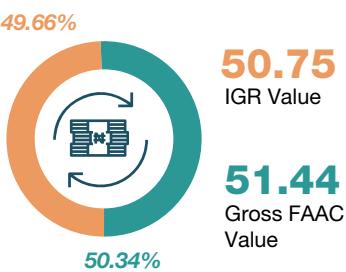
50. See Verdict Media Limited. Mining Technology: Segilola Gold Project, at: <https://www.mining-technology.com/projects/segilola-gold-project/>

Ogun State

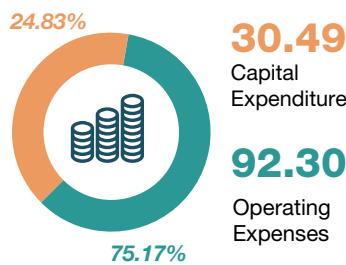
The Gateway State



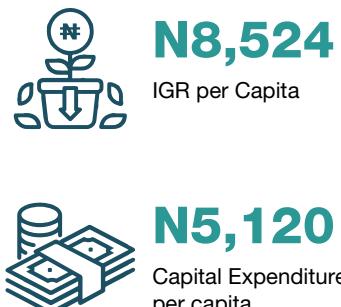
Structure of State of States Recurrent Revenue (2020) (NGN'bn)



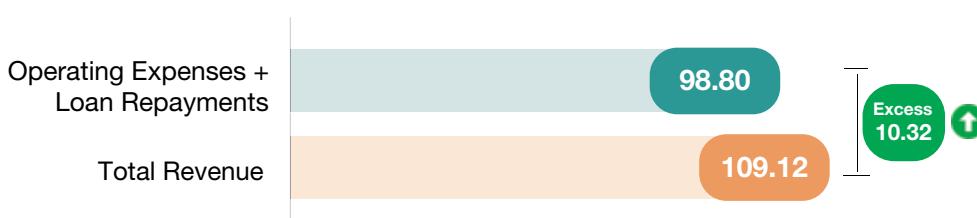
Spending Priority (2020) (NGN'bn)



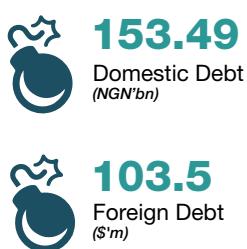
Per Capita Analysis (2020) (NGN)



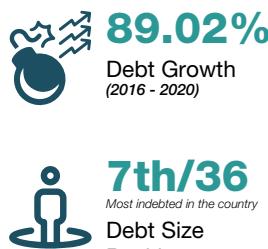
Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





Fiscal Performance Rank

19

The Gateway State emerged 19th on the 2021 Fiscal Performance Ranking down 16 places from 3rd position in 2020. This steep downward slide was driven mainly by a significant decline in its Internally Generated Revenue (IGR) which fell by 28.44% or N20.17bn from N70.92bn earned in 2019 to N50.75bn earned in 2020.

All components of its IGR (Road Taxes, MDAs Revenue, Direct Assessment, Other Taxes) witnessed a downturn except for income taxes (PAYE) which increased marginally by 4.65% from N24.30bn in 2019 to N25.03bn in 2020. This makes the state one of 18 states in the country that were not resilient enough to survive COVID-19 induced fiscal shocks to their internally generated revenue. Nevertheless, the state still had the second largest IGR in the South West region, behind only Lagos State and had the 5th largest IGR in Nigeria. However, this is not good enough given its population size, diverse economic potential and infrastructure needs.

The total revenue in 2020 fell by 44.26%, from N195.76bn in 2019 to N109.12bn in 2020.



Ogun State cut its capital spending by 13.92% from N35.42bn in 2019 to N30.49bn in 2020, making it one of 19 states to deprioritize capital expenditure as COVID-19 ravaged their revenue sources.

The IGR accounted for 46.51% (nearly half) of its total revenue in 2020, while the remaining balance of 42.61% came from statutory allocations, VAT and other sources (e.g Aids and Grants).

Ogun State cut its capital spending by 13.92% from N35.42bn in 2019 to N30.49bn in 2020, making it one of 19 states to deprioritize capital expenditure as COVID-19 ravaged their revenue sources. The state's capital expenditure per capita stood at N5,120 per citizen, significantly lower than the country average per capita spending of N8,129 for all 36 states.

Ogun State is ranked 7th most indebted state out of the 36 states with a total debt stock stood at N192.82bn as of December 31, 2020, up by 11.41% from N173.07bn in 2019. Domestic debt increased by 7.87% from N142.29bn in 2019 to N153.49bn in 2020 while its external debt experienced a slower growth recording an upturn of 2.86%, from \$100.61mn in 2019 to \$103.49mn in 2020.



Fiscal Options for Building Back Better

Ogun is home to one of Nigeria's most successful special economic zones, the Ogun-Guangdong Free Trade Zone (OGFTZ). The OGFTZ, which sits on 2,000 hectares of land, has created over 6,000 jobs since it became operational in 2009⁵¹. The state will need to leverage on the tax, tariff and custom duty incentives that the OGFTZ provides and development support that it has acquired from multilateral agencies to attract both local and foreign direct investments in its manufacturing and agricultural sector.

The state, through the federal government, obtained a \$250m loan from the World Bank for the "Ogun State Economic Transformation Project" in 2020. The objective of the project is to "increase the participation of the private



Furthermore, Ogun state can leverage on existing railway infrastructure and its geographical location as it is in close proximity to the state with the largest markets and busiest ports, Lagos

sector in the economy of Ogun State with a focus on improving the business-enabling environment, strengthening agri-food value-chains and upgrading skills".⁵²

Ogun is blessed with 74% arable land which is optimal for agricultural activities⁵³. The state grows a variety of crops including cassava, maize, oil palm, cocoa, yam, cotton, cashew and plantain. Ibiade and Ikene, both in Ogun State, are reported to have rubber plantations in commercial quantities spanning 500 hectares⁵⁴. One ton of rubber can be produced per hectare, per year with trees cultivated at a density of 150 per acre⁵⁵. With rubber going for an average price of \$2.37 per kilogram, Ogun State can earn a revenue of \$2.93m per year per 500 hectares of rubber plantation.

Furthermore, Ogun state can leverage on existing railway infrastructure and its geographical location as it is in close proximity to the state with the largest markets and busiest ports, Lagos. This would be to not only produce agricultural foods that serve the Lagos markets but also provide low cost housing for persons who work in an already congested Lagos. The state can explore public-private partnership models that involve providing land to private investors at subsidized rates, who in turn develop cost efficient affordable housing units. This can potentially lead to improved revenue through land use tax, consumption tax, VAT, and road tax

51. See Nigeria Export Processing Zones Authority (Website). 'NEPZA boss urges collaborative efforts on development of FTZs outside infrastructure' on August 20 2020, at: <https://cutt.ly/SEbjawS>.

52. See the International Bank for Reconstruction and Development/ the World Bank. Project Appraisal Document on A Proposed Credit In the Amount Of SDR 181.3 Million (Us\$250 Million Equivalent) to the Federal Republic of Nigeria For the Ogun State Economic Transformation Project, January 22, 2020. Agriculture and Food Global Practice: Finance, Competitiveness and Innovation Global Practice- Africa Region at: <https://cutt.ly/0EbJz1J>.

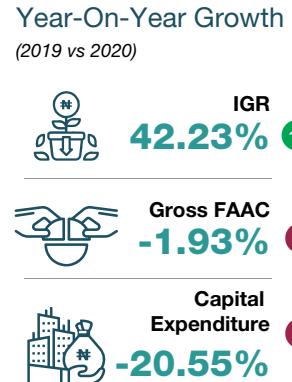
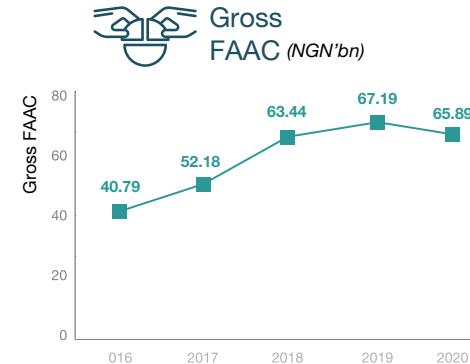
53. See the Nigerian Investment Promotion Commission. (2020). Book of States, 2020, on p. 31, at: <https://nipc.gov.ng/wp-content/uploads/2021/04/Book-of-States-final.pdf>

54. See Encyclopedia Britannica (Online). 'Rubber: Tapping and Coagulation', by Alan Grant, on June 4 2020, at: <https://cutt.ly/9EbKX2y>.

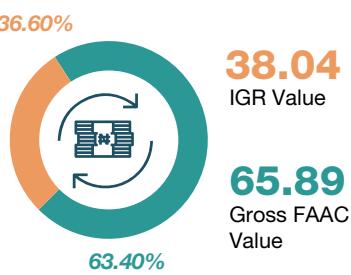
55. See Encyclopedia Britannica. 'Rubber: Tapping and Coagulation', op.cit.

Oyo State

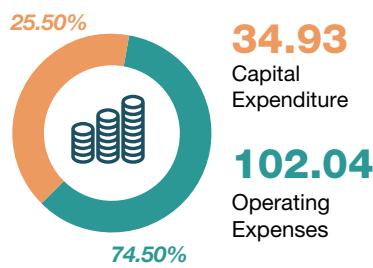
The Pacesetter State



Structure of State of States Recurrent Revenue (2020) (NGN'bn)



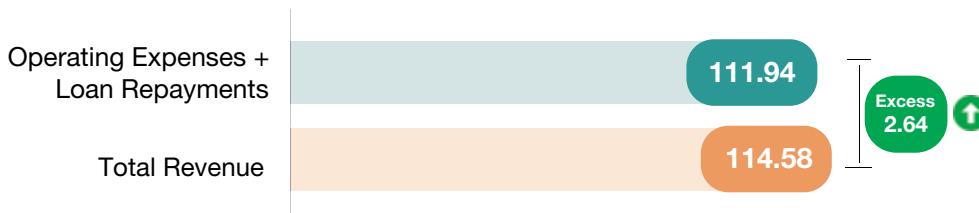
Spending Priority (2020) (NGN'bn)



Per Capita Analysis (2020) (NGN)



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



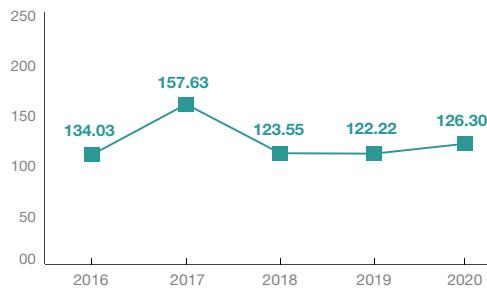
Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





Fiscal Performance Rank **23**

The Pacesetter State came out in 23rd position, up 3 places from 26th position in 2020. The state saw a 42.23% year-on-year growth from N26.75bn in 2019 to N38.04bn in 2020; this growth was faster than the 8.57% year-on-year growth recorded between 2018 and 2019 when its Internally Generated Revenue (IGR) improved from N24.64bn to N26.75bn. From a 5-year point of view, Oyo's 2020 IGR reflects a 101.51% increase from the N18.88bn recorded in 2016 which looks amazing especially in the light of the effect COVID-19 outbreak had on the local economies and internally generated revenue of several other states in the country. However, considering its population, the state's IGR per capita is only N4,235 which is lower than the country average IGR per capita of N4,616 indicating there is still more work to do.

Also, the state needs to consolidate on gains recorded in IGR growth as a pathway to further reducing its level of reliance on federally



Although this growth is commendable, analysis of the state's N146.86bn total expenditure indicates Oyo is still in the category of 31 other states that prioritized spending on operating expenses (N102.03bn) over capital expenditure

distributed revenue. Statutory handouts from the federal government still account for about 60% of its total revenue, a situation that leaves the state's annual expenditure plans exposed

to risks from crude oil price volatility on which a considerable chunk of federally collected revenue depends. Revenue allocated to Oyo state is the second highest in the South West region in 2020; Oyo state received a Gross FAAC allocation of N65.89bn while Lagos got N182.88bn, Ondo N62.75bn, Ogun N51.44bn, Osun N49.39bn, and Ekiti taking the lowest with N47.31bn as their gross FAAC.

Analysis indicates that the state's operating expenses of N102.03bn (the second highest in the South West region) and loan repayments of N9.8bn to lenders amounted to N111.94bn and took up nearly 98% of all its N114.58bn revenue inflows in 2020, leaving the state exposed to the risk of incurring further debt to adequately invest in capital expenditures. Notwithstanding, the state increased its capital expenditures by 20.55% year-on-year from N28.97bn in 2019 to N34.93bn in 2020. Although this growth is commendable, analysis of the state's N146.86bn total expenditure indicates Oyo is still in the category of 31 other states that prioritized spending on operating expenses (N102.03bn) over capital expenditure (N34.93bn) which amounts to 69.48% and 23.78%, respectively. Loan repayments of N9.8bn accounted for the balance 6.74% of the total expenditure.

Oyo's total debt as of 2020 was N126.22bn, up by 3.34% from N122.22bn in 2019. Domestic debt is on the rise, growing from N91.57bn in 2019 to N94.5bn in 2020, while external debt stood at \$83.7m, as of December 2020.



Fiscal Options for Building Back Better

The Pace Setter State—as Oyo is fondly called—harbours one of the first skyscrapers (Cocoa House) in West Africa which was built in 1965 with the export proceeds of cocoa, timber, rubber etc. The state grows a diverse number of food and cash crops including cassava, rice, oil palm, cashew nut, plantain, cocoa and yam, which if properly managed and given adequate value addition, can put the state on a path to sustainable prosperity.

The Lagos-Ibadan highway and railway connects Oyo to the commercial capital of Nigeria and to the trans-national highway to the Republic of Benin and the West African sub-region and as such, there exists transportation channels to viable markets both domestically and regionally for the agricultural products produced in Oyo which the state can leverage on.

In addition to the fact that Oyo has a vast acreage of fertile arable land suitable for agriculture, it also has an abundance of solid minerals like marble, gemstone, granite, columbite, iron ore etc. Oyo has the largest marble deposit, second largest gemstone

concentration and second largest granite deposit in Nigeria. The value of marble—which is used for buildings, monuments, interior decoration, statues, and table tops—together with travertine and alabaster traded between countries globally in 2019 is \$2.15bn.

Oyo can significantly grow its revenue base from its solid minerals sector by attracting investments to establish the needed technology and infrastructure to reduce waste and improve productivity in the mining and processing of minerals. One of the aforementioned infrastructure includes industrial stone-cutting and polishing processing centres for artisanal miners to integrate their operations with end-users.

All of the efforts aimed at improving the revenue generating capacity of Oyo will be rendered futile if the state is unable to implement the right reforms to plug revenue leakages. According to the World Bank SFTAS assessment done in 2019, Oyo state is yet to operationalize its Treasury Single Account (TSA) to cover at least 60% of the state government's finances.



Oyo can significantly grow its revenue base from its solid minerals sector by attracting investments to establish the needed technology and infrastructure to reduce waste and improve productivity in the mining and processing of minerals.

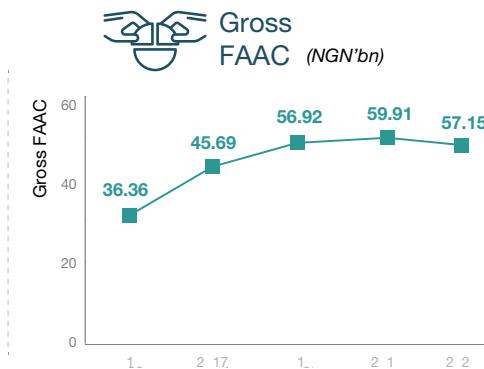
56. See the Observatory of Economic Complexity (OEC) (Website). Marble, Travertine and Alabaster, 2019, at: <https://oec.world/en/profile/hs92/marble-travertine-and-alabaster>

North West

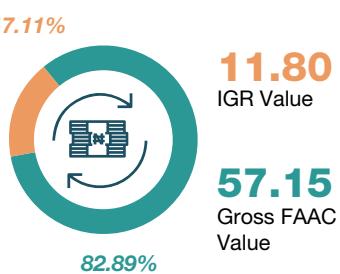
Region

Sokoto State

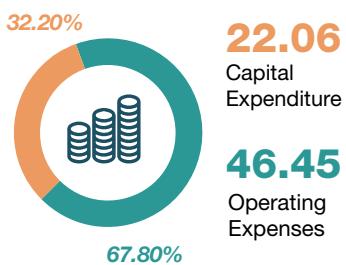
Seat of the Caliphate



Structure of State of States Recurrent Revenue (2020) (NGN'bn)



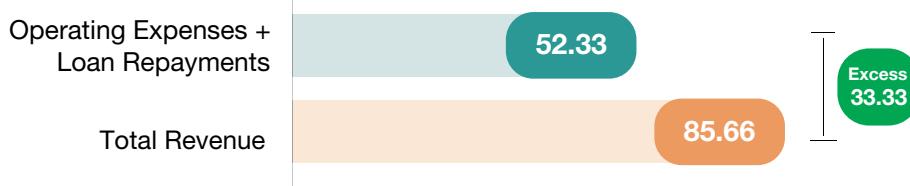
Spending Priority (2020) (NGN'bn)



Per Capita Analysis (2020) (NGN)



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



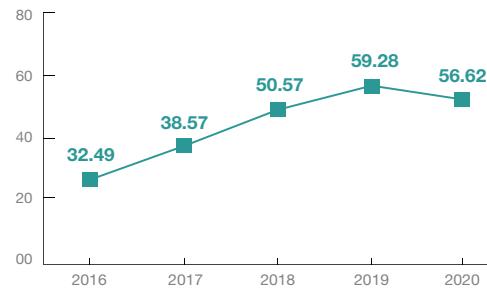
Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





Fiscal Performance Rank **12**

In line with the fiscal realities resulting from the adverse impact of the COVID-19 pandemic on the 5.6 million people and revenue projections of Sokoto State, the government enacted an 18.8% downward revision of its 2020 budget from N202.44bn to N164.39bn. However, Sokoto—having incurred a total expenditure of N74.40bn in 2020—implemented only 45.26% of its 2020 revised budget. While 90% of the approved estimate of N33.61bn for personnel cost was disbursed and N6.78bn out of the N26.54bn earmarked for overhead cost was spent, only 22.62% of the N97.51bn allocated to capital expenditure was disbursed.⁵⁷

As at December 31, 2020, Sokoto—only behind Jigawa as the least-indebted Nigerian state—had a total debt stock of N56.62bn comprising a domestic debt of N42.36bn and a foreign debt of \$37.51m (N14.26bn at N380/\$1)

Interestingly, Sokoto surpassed its 2020 recurrent revenue expectations of N47.58bn by 38.55%, realizing N54.12bn from Gross FAAC and N11.8bn from IGR. However, It experienced a revenue decline of 11.5% from N74.48bn in 2019 to N65.92bn in 2020. Ranked high amongst the reasons why Sokoto had a poor implementation of its 2020 budget was because it didn't meet its projections for financing its budget deficit. While it was only able to realize 23% of its projections for direct

receipts, 69% for its projections for independent revenue, and 71% of its projections for aids and grants, Sokoto did not carry out its plan to incur an additional debt of N32.17bn from external loans and other borrowing sources.

Some MDAs spent above the sum approved for personnel expenditure in the 2020 revised budget. For instance, the Ministry of Social Welfare and Community Development and Ministry of Science and Technology, respectively spent 118% and 121% of the 2020 approved sum on salaries. Sadly, none of the funds earmarked for capital expenditure on “poverty reduction program”, “Department for Physically Challenged”, “FADAMA III program” etc were disbursed. Essential MDAs like the Ministry of Agriculture and Natural Resources and Ministry of Health, respectively got 7% of and 57% of the funds allocated to them for capital expenditure.

As at December 31, 2020, Sokoto—only behind Jigawa as the least-indebted Nigerian state—had a total debt stock of N56.62bn comprising a domestic debt of N42.36bn and a foreign debt of \$37.51m (N14.26bn at N380/\$1). The state reduced its total debt liability by 4.49% from N59.28bn in 2019 to N56.62bn in 2020. In the same light, it spent N1.44bn on servicing internal debts⁵⁸. Sokoto has been able to keep its debt profile and debt servicing costs within sustainable limits.

57. See Sokoto State Government. 'Report of End Year Fourth Quarter (Q4) Performance 2020- Budget Report, Ministry of Budget and Economic Planning', January 2021, on p.7, at: <https://cutt.ly/CEvfgy9>.

58. See Sokoto State Government. 'Report of End Year Fourth Quarter (Q4) Performance 2020- Budget Report, Ministry of Budget and Economic Planning', op.cit.



Fiscal Options for Building Back Better

Sokoto State needs to prioritize investments in its agricultural sector. The state, with a total land mass of 25.97km² and a comparative advantage of a sizable landmass of fertile arable land for agricultural development, should invest more in programs like FADAMA III which got zero of the funds allocated to it for capital expenditure in 2020. The FADAMA III project is a World Bank funded program aimed at increasing the incomes for users of rural lands and water resources and restoring the livelihoods of conflict affected households in the north eastern part of Nigeria.⁵⁹

To build back better in a sustainable way, Sokoto has to make massive investments in the production of crops like millet, sugarcane, onions and garlic. For context, in a quest to boost immunity by eating healthy meals, some consumers are moving away from the consumption of junk foods to more nutritious foods like millet and its derivatives, prompting a rise in the global demand for millet which



The Sokoto State Government can form partnerships with private investors to develop grain storage chains and irrigation systems.

had a global export value of \$201m in 2019⁶⁰. Developing adequate infrastructure and

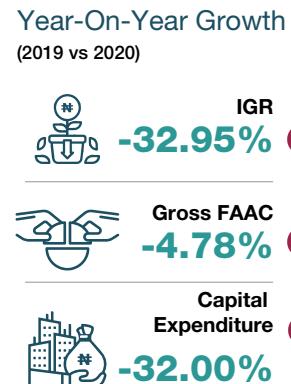
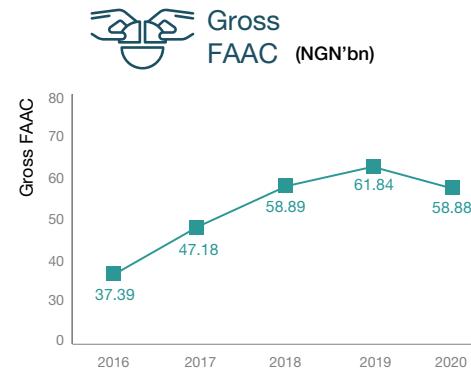
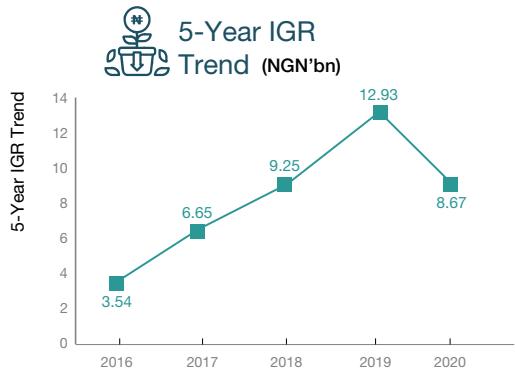
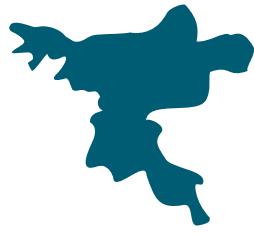
improving efficiency along the agriculture value-chain will significantly impact the lives of smallholder farmers and has the potential to lift the predominant agrarian population of Sokoto—whose poverty rate stood at 87.73% in 2020—out of poverty. A good irrigation system can facilitate an increase in crop yields, aid the production of a broader range of crops that are usually not viable under dryland agriculture, and create greater income stability for farmers. The Sokoto State Government can form partnerships with private investors to develop grain storage chains and irrigation systems. This will free up much needed scarce resources that could have been tied up in construction costs and provide an opportunity for knowledge transfer on grain storage technology between private sector players and the government.⁶¹

Commendably, Sokoto is one of the few States to have operationalized its Treasury Single Account (TSA) covering at least 60% of its finances, and as a result earned \$1.5m from the SFTAS programme. An increase from 60% to 80% of the state government's finances being domiciled in the TSA in 2021 can result in reduced revenue leakages, improved appropriation control, and reduced the bank fees and transaction costs associated with keeping several bank accounts.⁶²

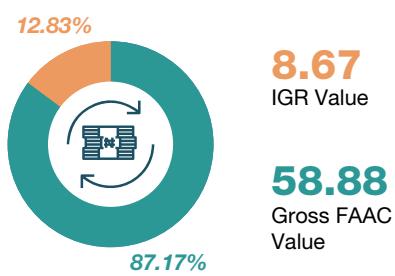
59. See the International Bank for Reconstruction and Development/ the World Bank. 'Projects and Operations: Third National FADAMA Development Project (FADAMA III)', at: <https://projects.worldbank.org/en/projects-operations/project-detail/P096572>
 60. See the Observatory of Economic Complexity (OEC) (Website). Millet, 2019, at: <https://oec.world/en/profile/h92/millet>
 61. See the World Bank. PPP Knowledge Lab: Grain Storage, at: <https://pppknowledgelab.org/sectors/grain-storage>
 62. See the World Bank. State Fiscal Transparency, Accountability and Sustainability Program (SFTAS); Program For Results (PFORR) Implementation Arrangements, on October 15 2019, at: <https://www.sftas.org.ng/program-for-results-pforr-implementation-arrangements/>

Jigawa State

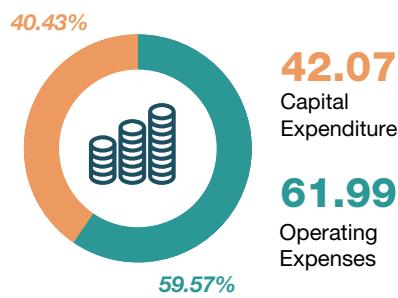
A New World



Structure of State of States Recurrent Revenue (2020) (NGN'bn)



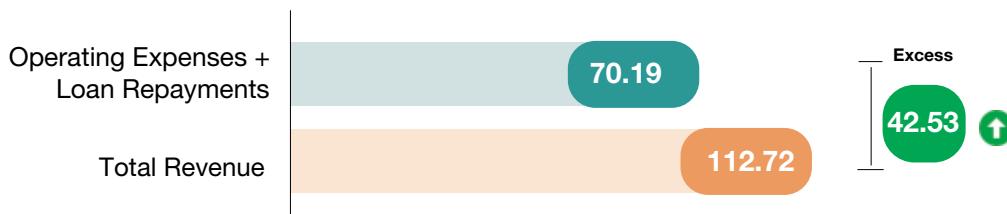
Spending Priority (2020) (NGN'bn)



Per Capita Analysis (2020) (NGN)



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





Fiscal Performance Rank **25**

Despite the COVID-19 pandemic that significantly affected the federally distributable revenue in 2020, Jigawa earned a statutory revenue of N58.98bn, exceeding its statutory revenue projection of N50.83bn by 16.03%. In the same vein, the state generated 39.39% more than its N2.64bn projected tax revenue. However, revenue from tax constituted only 3.67% of the total recurrent revenue of N100.37bn that accrued to the state in 2020. A breakdown of Jigawa's tax revenue shows that while 99.37% of the N3.68bn generated was corporate taxes⁶³, the state could only raise the sum of N14.84m through direct assessment.

Despite acquiring a loan of N1.55bn to finance its 2020 budget deficit, Jigawa seems to be one of the few states to have experienced a negative year-on-year growth in its total debt stock. However, the state spent N2.62bn on debt servicing, surpassing what it projected by 67.76%. Ranked as the least indebted state in Nigeria, Jigawa's total debt fell by 2.96% from N44.08bn in 2019 to N42.78bn in 2020.



The state seemed to have prioritized road infrastructure in 2020 as 99.37% of the N13.67bn approved for capital expenditure in the Ministry of Work was spent.

Having spent N62bn on recurrent expenditure and N41.92bn on capital expenditure, Jigawa is ascertained to have implemented 88.60% of

its recurrent budget and 74.59% of its capital budget. The budget allocation for capital spending in the state's agricultural sector in 2020 was N6.12bn, however, the sum of N2.27bn was spent. While 98.42% of the N1.15bn earmarked for capital spending on the state's Agricultural Development and Extension (JARDA) program was spent, the Fadama III Development Project and the Integrated Agriculture and Rural Development Project got only 3.76% and 2.75% of their capital allocations respectively.

The state seemed to have prioritized road infrastructure in 2020 as 99.37% of the N13.67bn approved for capital expenditure in the Ministry of Work was spent. Also, rural electrification was a top priority of the state, as 97.04% of the funds set aside for the Rural Electricity Board was disbursed. Jigawa did creditably well in the implementation of its education and health sector budgets as the Ministry of Education, Science and Technology and the Ministry of Health, respectively accessed 98.63% and 96.92% of the funds earmarked for capital expenditure. Hospitals and Primary Healthcare Centres across the state ranked high on the agenda of the Jigawa State Government in 2020 as it disbursed 99.19% of the N1.62bn allocated to improving general hospitals and 97.77% of the N160m earmarked for upgrading Primary Healthcare Centres across the state.

63. See page 31 of Jigawa's Audit Report (Note To The Financial Statement No. 2a: Tax Revenue 2020).



Fiscal Options for Building Back Better

For a population of 6.5 million people, Jigawa raised very little in road taxes in 2020 compared to a state like Ondo with one million less people but more than 6 times the road taxes realized by Jigawa in 2020. Similarly, revenue realized in 2020 from direct assessment was significantly little compared to its estimated number of 500,000 micro-enterprises across all economic activities in the state. The relatively small contribution of road taxes and direct assessment to Jigawa's IGR may be attributed to the possibility that the state has been unable to properly capture persons in the informal sector tax bracket and fully harmonize and centralize its tax collection. Similar to other states, a lot of the revenue generated from road taxes are lost to middlemen and consultants. Also, cash payments provide an opportunity for corrupt practices. Hence if Jigawa State is to significantly improve its IGR, especially from road taxes and direct assessment, it needs to



Owing to the climate change-induced farmer herder clashes resulting from nomadic herding in Nigeria, there is an opportunity for the state to simplify access to cheap capital for private individuals to set up ranches

bring more people in the informal sector into the tax bracket, digitize its tax collection, and

eliminate cash payments.

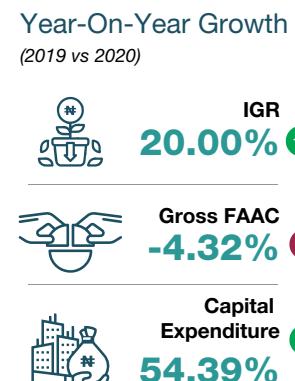
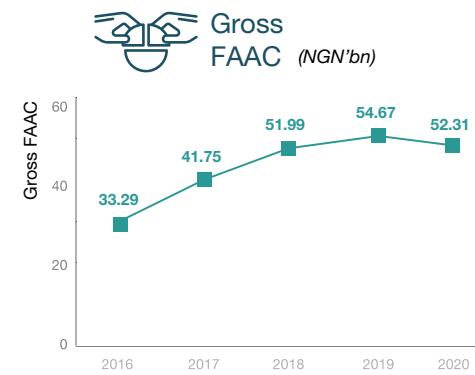
Agriculture, being the largest contributor to the GDP of Jigawa State⁶⁴, can be a major driver of poverty reduction (Jigawa's poverty rate was 87.02% in 2020) and economic prosperity with a massive inflow of both private and public capital. Livestock production is an important component of agriculture and performs a very supportive economic role in Jigawa and Nigeria at large. Owing to the climate change-induced farmer herder clashes resulting from nomadic herding in Nigeria, there is an opportunity for the state to simplify access to cheap capital for private individuals to set up ranches. Home to one of the largest cattle markets, Jigawa should consider investing heavily in ranching of cattle and other livestock. According to Nigeria's Minister of Agriculture and Rural Development, Nigeria can currently meet only 40% of its milk demand and spends about \$1.5bn on milk importation annually⁶⁵. There is a huge incentive for Jigawa to invest heavily in dairy production as a means to meet the high local demand and grow the state's GDP.

64. See generally, Jigawa State Government. Directorate of Budget & Economic Planning Directorate. (November, 2020) 2021 - 2023 Economic and Fiscal Update (EFU), Fiscal Strategy Paper (FSP) and Budget Policy Statement (BPS), at <https://www.jigawastate.gov.ng/budget/2021-2023%20EFU-FSP-BPS.pdf>.

65. See Food and Beverage West Africa (Website). TAG: Nigerian Food and Beverage Exhibition. 'Nigeria's Dairy Imports Stands at \$1.5bn Says Nanono', at: <https://fab-westafrica.com/tag/nigerian-food-and-beverage-exhibition/>

Zamfara State

Farming is Our Pride



Structure of State of States Recurrent Revenue (2020) (NGN'bn)



18.50
IGR Value
52.31
Gross FAAC Value

Spending Priority (2020) (NGN'bn)



41.73
Capital Expenditure
47.84
Operating Expenses

Per Capita Analysis (2020) (NGN)



N3,605

IGR per Capita



N8,131

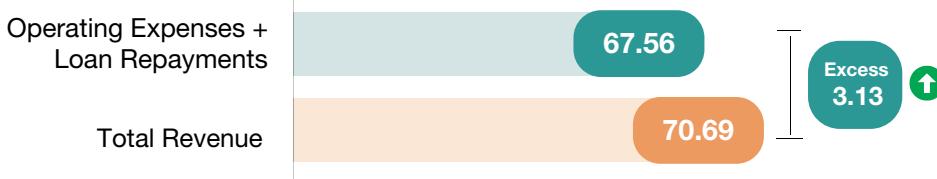
Capital Expenditure per capita



N21,475

Total Debt per capita

Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



Debt Profile

98.02
Domestic Debt (NGN'bn)

32.1
Foreign Debt (\$'m)

Total Debt Analysis

64.99%
Debt Growth (2016 - 2020)

22nd/36
Most indebted in the country
Debt Size Position

Total Debt (NGN'bn)





Fiscal Performance Rank 11

Zamfara, a state with an estimated population of 5.13 million people, enacted a budget of N127.33bn in 2020. In its 2020 budget titled “Budget of Peace and Renewal”, the sum of N58.32bn was allocated to recurrent expenditure while N69.02bn was allocated to capital expenditure. However, the state ended up spending N47.84bn (82.03% of the allocated sum) on recurrent expenditure and N41.73bn (60.46% of the allocated sum) on capital expenditure. The bulk of capital spending carried out by the State in 2020 was executed on economic affairs related activities and on “housing and community amenities”, with the former getting N19.50bn and the latter getting N10.33bn. Interestingly, the state executed a capital spending of N1.5bn on “Recreation,



Zamfara had one of the highest year-on-year increases in its total debt as its debt profile rose by 29.76% from N80.79bn in 2019 to N120.21bn in 2020

Culture and Religion”, while critical social sectors like health and education could only access the 4.27% and 1.61% respectively of the funds allocated in the budget for capital expenditure.

Although having earned a total recurrent revenue of N59.94bn, Zamfara exceeded its 2020 projection of N59.84bn by 0.15%; it had

a recurrent revenue growth of -3.6% in 2020 as its recurrent revenue declined from the sum of N62.13bn earned in 2019. Owing to the oil price-induced reduction in accruals to the federation account in 2020, the state received a statutory allocation of N38.82bn, representing 87.59% of the amount received in 2019. Conversely, Zamfara grew its IGR by 11.79% from N5.94bn in 2019 to N6.64bn in 2020 and earned more from VAT in 2020 than it did in the previous year.⁶⁶

Zamfara had one of the highest year-on-year increases in its total debt as its debt profile rose by 29.76% from N80.79bn in 2019 to N120.21bn in 2020. The state exceeded the debt servicing limits as stipulated in its 2020 budget. While it budgeted N3.71bn for repayment of internal loan principals in 2020, it ended up spending N9.71bn. Similarly, having spent N7.98bn on the repayment of interests on internal loans, it exceeded the budgeted amount of N3.71bn by 150.94%.

According to the most recent SFTAS assessment of states performance, Zamfara is one of the four Nigerian states alongside Rivers, Imo and Bayelsa that didn’t meet the eligibility criteria (EC)—which entails the online publication of the annual approved state budgets and audited financial statements on a timely basis—required to obtain the SFTAS grant.

⁶⁶. See the Government of Zamfara State: Office of the Accountant General. Annual Audit Report, 2019, at: http://accountantgeneral.zm.gov.ng/images/State_Audit/AuditReport2019.pdf



Fiscal Options for Building Back Better

Zamfara state has one of the largest solid mineral deposits in Nigeria. However, the state has been unable to explore the large deposits of minerals like gold, copper, iron ore, tantalite, manganese etc. largely due to an absence of a robust regulatory framework, inadequate infrastructure, and activities of illegal artisanal miners and other criminal elements. The economic prosperity of Zamfara state is not only dependent on progressive regulatory and fiscal frameworks that allow resource-rich states explore and develop the natural resources in their domains, but also on an enabling business environment that assures the protection of lives, livelihoods and property. In the recent ease of doing business rating—which had four indicators namely Infrastructure and Security, Transparency and Access to Information, Regulatory Environment and Skills Workforce Readiness—done by the Presidential Enabling Business Environment Council, Zamfara ranked last in the country.⁶⁷



There is a huge opportunity for states like Zamfara—a state as big as Switzerland, with a land mass of 39,762km²—to harness its beef export potential.

Cattle rearing and beef processing can be a huge revenue earner in Zamfara State, the sector is largely underdeveloped. It is characterized by nomadism, poor handling of

livestock, and very minimal value addition. In 2020, the total value of global beef export was \$41.3bn, and Africa had a paltry 0.5% share of that value⁶⁸. There is a huge opportunity for states like Zamfara—a state as big as Switzerland, with a land mass of 39,762km²—to harness its beef export potential. To do this, the state has to intensify efforts to modernize practices across the cattle value chain by investing heavily in ranching, improving cross breeding to genetically raise the potential for higher dairy yields, increasing vaccination rates to broaden the herd's survivability and market potential to produce beef suitable for export.⁶⁹

According to the SFTAS assessment done by the World Bank in 2019, Zamfara state failed to meet the DLI on the implementation of its Treasury Single Account (TSA), and Biometric registration and bank verification number (BVN) integration used to reduce payroll fraud in its civil service. To mobilize revenue, Zamfara State needs to operationalize its TSA, capture the biometrics of its civil servants and integrate the BVN into the state's payroll management system as this will enable the state to mop up much needed resources that is lost annually to leakages and eliminate ghost workers which will reduce the state's recurrent expenditure burden and free up funds for capital spending in its critical social sectors.

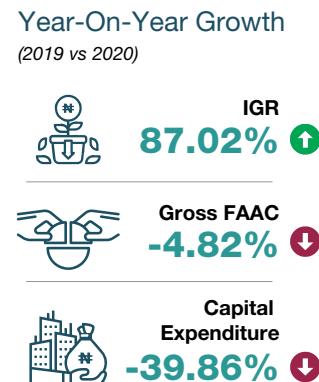
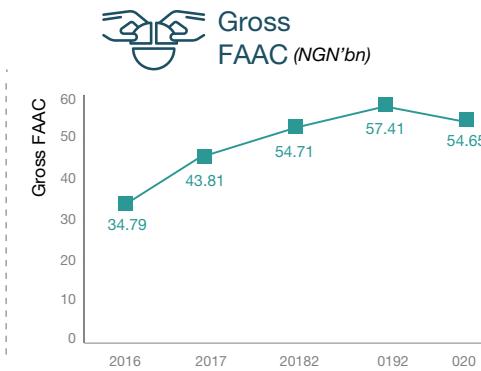
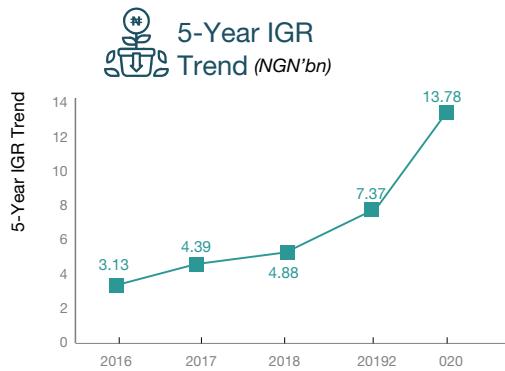
67. See 'Gombe, Sokoto top ease of doing business, Anambra 7th, Ondo 8th, Lagos 20th', by Everest Amaefule, on June 21 2021, in the Punch (Online) News papers, at: <https://punchng.com/gombe-sokoto-top-ease-of-doing-business-anambra-7th-ondo-8th-lagos-20th/>

68. See World's Top Exports (Website). Top Beef Exporting Countries, 2021 by Daniel Workman, at: <https://www.worldstopexports.com/top-beef-exporting-countries/>

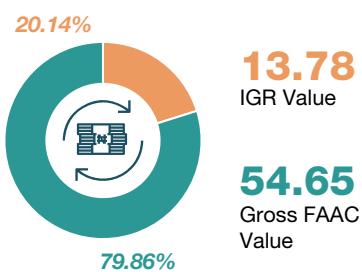
69. See Agricdemy. 'RUGA Cattle Value Chain Opportunities, on August 28 2019,at: <https://agricdemy.com/post/ruga-cattle-value-chain>

Kebbi State

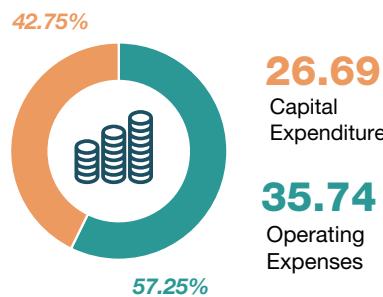
Land of Equity



Structure of State of States Recurrent Revenue (2020) (NGN'bn)



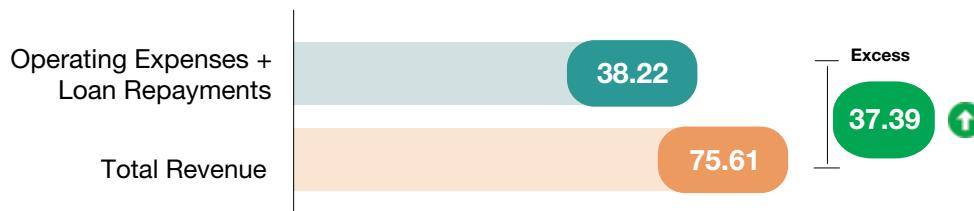
Spending Priority (2020) (NGN'bn)



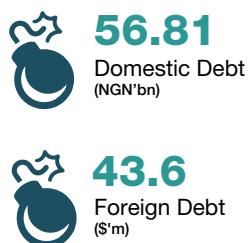
Per Capita Analysis (2020) (NGN)



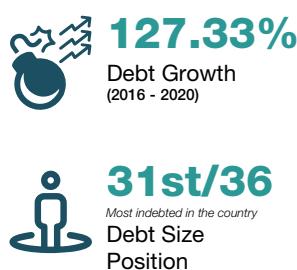
Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





Fiscal Performance Rank

5

The Land of Equity, Kebbi with an estimated population of 5.03 million people enacted a N99.68bn revised budget in 2020, allocating N57.69bn and N41.99bn for capital and recurrent spending respectively; this implied a greater priority on capital expenditure than recurrent in its 2020 revised budget; however, in implementing the 2020 budget, the reverse was the case. The state incurred the sum of N35.74bn on recurrent expenditure and N26.69bn on capital expenditure⁷⁰. Kebbi's actual expenditure of N62.43bn in 2020 was 23% less than its 2019 total expenditure of N81.08bn.

A trend analysis of Kebbi's expenditure shows that the state's capital expenditure has experienced a steady decline in recent years



Having recorded a debt to revenue ratio of 114% and debt service to revenue ratio way below the threshold of 40% in 2020, it can be inferred that Kebbi's debt burden is still within sustainable limits

from N59.67bn in 2017 to N44.38bn in 2019 and N26.69bn in 2020. Kebbi State's capital spending in critical social sectors in 2020 significantly declined from what was spent in 2019: N2.92bn was spent by the Ministry of Education, N1.04bn by the Ministry of Higher

Education, N1.08bn by the Ministry of Health.

Kebbi State surpassed its 2020 Value Added Tax (VAT) projection of N12.07bn but did not meet its Internally Generated Revenue (IGR) projection of N10.49bn: It got the sum of N14.52bn as VAT and realized the sum N7.98bn from IGR. Similarly, the state obtained a statutory allocation of N35.79bn and Excess Crude oil revenue of N773.54m. Taxes and Indirect taxes formed 88.35% of what Kebbi generated as IGR in 2020. Kebbi State has a policy that allows MDAs to spend realized revenue at source without recourse to the appropriate quarters; this was listed as a limitation by the state's Auditor General.⁷¹ This policy creates leakages in the system and provides an avenue for corruption to take place.

Having recorded a debt to revenue ratio of 114% and debt service to revenue ratio way below the threshold of 40% in 2020⁷², it can be inferred that Kebbi's debt burden is still within sustainable limits. The state reduced its total debt burden by 11.30% from N82.73bn in 2019 to N73.38bn in 2020, thus ranking it among the top three states that scaled down their debt in 2020. Although the state did not incur any additional debt in 2020 to fund its budget, it spent the sum of N602m and N1.88bn on external loan repayment and internal loan repayment respectively in the same year.

⁷⁰ See the Government of Kebbi State. Office of the Accountant General. 2020 State Audit Report, at: <https://www.kebbistate.gov.ng/file/1776/download?token=edciFln>

⁷¹ See the Government of Kebbi State. Office of the Accountant General. 2020 State Audit Report, op.cit., at page 21.

⁷² See the Government of Kebbi State. Kebbi State Debt Sustainability Analysis Report for Debt Indicator Thresholds, at p. 12, at: <https://www.kebbistate.gov.ng/sites/default/files/KEBBI%20STATE%202020%20DSA%20REPORT%20-%20FINAL.pdf>



Fiscal Options for Building Back Better

Despite an abundance of solid minerals like magnesite, copper, quartz, feldspar, aluminium and manganese⁷³, Kebbi earned a meagre revenue of N72.32m from solid minerals in 2020. This signals that the state has made very little efforts to develop its solid minerals sector, harness its inert potential, and use it as a focal point for diversifying the state's revenue base. Africa's contribution to global trade with respect to commodities like gold and copper still remains infinitesimal. The value of gold and copper exported globally in 2020 is \$395bn and \$58bn respectively; however, Africa's contribution to global export of gold and copper was 7.7% and 3.2% sequentially⁷⁴. There is an opportunity for Kebbi to significantly improve its revenue from solid minerals by investing in geo-science data gathering, integrating informal artisanal miners into the formal mining sector, offering training and equipment support to artisanal miners, and intensifying efforts to ensure the protection of the lives and livelihoods of people resident in the state.

Kebbi state has a cultivable land area of 320,000 hectares upland and 170,000 hectares of irrigable land, with surface water and

extractable shallow aquifer to support medium and small-scale irrigation activities which is suitable for all-year round farming activities.⁷⁵ Similarly, Nigeria's rice ban provides the perfect opportunity for Kebbi to ramp up rice production to meet the increased local demand and potentially export. To do this, the state needs to provide sufficient extension services, improve access to agro-chemicals, fertilizers, and improved seeds, and better coordinate the activities of smallholder farmers in the state.

According to the World Bank SFTAS assessment done in 2019, Kebbi state is yet to operationalize its Treasury Single Account. The state still has an opportunity to earn \$1.5m in 2021 from the World Bank if it operationalizes its TSA by instituting a cash management strategy covering a minimum of 80% of state government's finances. This measure will also help the state significantly improve its IGR.



Nigeria's rice ban provides the perfect opportunity for Kebbi to ramp up rice production to meet the increased local demand and potentially export.

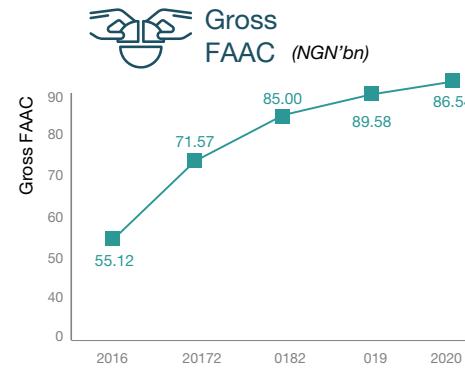
⁷³ See Nigerian Infopedia. List of Mineral Resources Found in Kebbi State, by David Atulegwu, on September 4 2020, at: <https://nigerianinfopedia.com.ng/mineral-resources-found-in-kebbi-state/>

⁷⁴ See World's Top Exports (Website). Gold Exports by Country, 2021 by Daniel Workman, at: <https://www.worldstopexports.com/gold-exports-country/> and See World's Top Exports (Website). Copper Ore Exports by Country, 2021 by Daniel Workman, at: <https://www.worldstopexports.com/copper-ore-exports-by-country/>

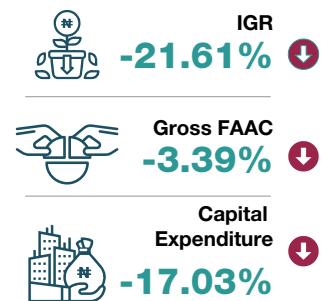
⁷⁵ See Michigan State University, and the International Food Policy Research Institute. Innovation Lab for Food Security Policy: Nigeria Agricultural Policy Project. Published by the Department of Agricultural, Food, and Resource Economics, Michigan State University, Justin S. Morrill Hall of Agriculture, 446 West Circle Dr, East Lansing, Michigan 48824. Online version at: <https://www.canr.msu.edu/fsp/countries/nigeria/Kebbi%20State%20Policy%20Note%202.pdf>

Kano State

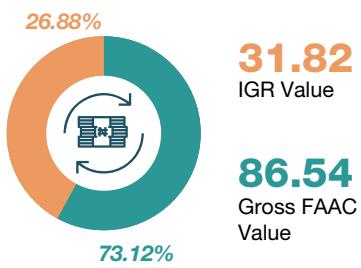
Centre of Commerce



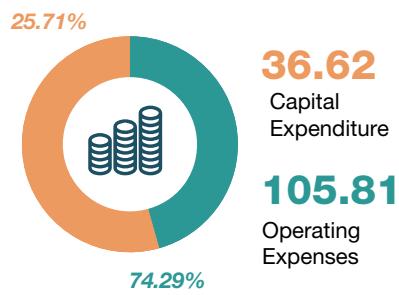
Year-On-Year Growth (2019 vs 2020)



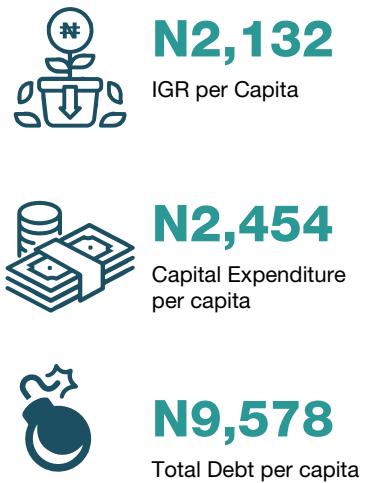
Structure of State of States Recurrent Revenue (2020) (NGN'bn)



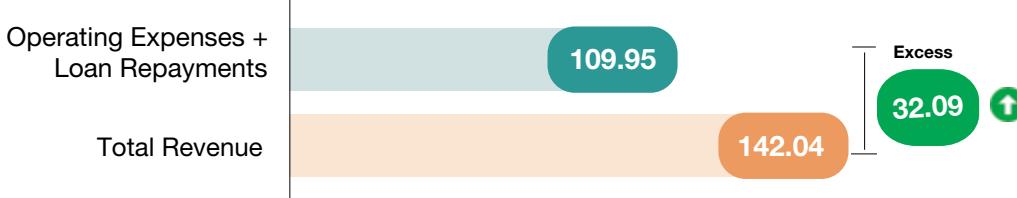
Spending Priority (2020) (NGN'bn)



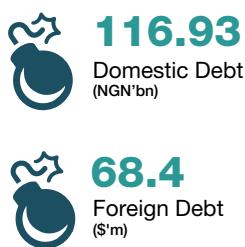
Per Capita Analysis (2020) (NGN)



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



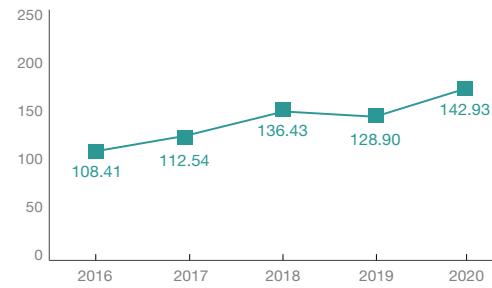
Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





Fiscal Performance Rank 22

Kano State, the Centre of Commerce, surpassed its 2020 Internally Generated Revenue (IGR) projection of N28.4bn by 12.04%, having recorded a realized IGR of N31.82bn in 2020. Similarly, the state received a gross allocation of N81.27bn from the federal government in the 2020 fiscal year. The gross allocation received by Kano State consisted of a statutory allocation of N52.55bn, Value Added Tax (VAT) of N26.28bn and N7.39bn from excess crude sales and other revenue sources. The recurrent revenue (IGR and gross allocation) to Kano State for the implementation of its 2020 budget fell by 3.86% from N123.08bn in 2019 to N118.33bn in 2020.

Kano State planned to spend N138.28bn in 2020 as posited in its 2020 Revised Budget

The total debt stock of Kano State as at December 31, 2020 stood at N142.93bn, a 10.89% increase from N128.90bn in December 2019

christened the “Budget of Sustainable Social Development”⁷⁶. The ratio of its recurrent to capital expenditure was 1.29:1, with a recurrent and capital expenditure of N77.79bn and N60.49bn, respectively. Despite Kano State exceeding its total revenue projections

by 5.95% in 2020, it implemented 95% of its personnel budget, 91.09% of its overhead budget and just 28.83% of its capital budget.⁷⁷

Faced with huge human capital and infrastructure deficit in its social sector and the socio-economic effects of the COVID-19 pandemic, it was expected that Kano State would have committed a large part of its resources realized in 2020 to capital spending in critical sectors like education, health, water, agriculture and sanitation and hygiene (WASH). However, Kano spent a paltry sum of N1.9bn, which was 8.66% of the N21.93bn approved for capital expenditure in its social sector in the 2020 fiscal year.

The total debt stock of Kano State as at December 31, 2020 stood at N142.93bn, a 10.89% increase from N128.90bn in December 2019. N116.94bn, making up 81.86% of the total debt stock, was sourced domestically. Although Kano State’s external debt of \$69.11m as at December 31, 2019 declined by 1.02% to \$68.4m in December 2020, the devaluation of the naira from N305.9/\$1 to N360/\$1 in March 2020 and further to N379/\$1 in August of the same year raised the value of Kano’s \$68.4m prevailing external debt from N20.92bn in February 2020 to N25.92bn in December 2020.

76. See the Kano State Government. Kano State 2020 Approved Revised Budget, at: <https://kanobudget.files.wordpress.com/2020/10/kano-state-2020-approved-review-covid-19.pdf>

77. See the Kano State Government. Ministry of Planning and Budget. Y2020, Full Year Budget Performance (Financially), at: <https://kanobudget.files.wordpress.com/2021/01/full-year-performance-2020.pdf>



Fiscal Options for Building Back Better

Nigeria's population is expected to double by 2050, which could have dire implications for food security in the most populous black nation. Kano State, the third largest commercial centre in Nigeria, can position itself to profit from Nigeria's population-induced increasing demand for food, significantly grow its IGR and boost its GDP by mobilizing investments in the production and processing of rice, sorghum, tomatoes and other staple crops within the Gafan Staple Crop Processing Zone (GSCPZ).⁷⁸

Kano State can mobilize additional sources for funding and financing infrastructure in critical sectors of its economy like education, health, water, energy and transport by leveraging on Public Private Partnerships (PPPs). The state needs to fasttrack the PPP-modelled \$72m Kano Economic City project which will establish open market areas, shops, warehouses, an ICT Hub, a pharmaceutical market, textile Market, an agri hub and logistics hub.⁷⁹ The construction of the 203km Kano-Kaduna rail line costing \$1.2bn provides an avenue for the haulage of goods and services to and from

Kano to other parts of Nigeria.⁸⁰

For Kano to effectively and efficiently mobilize revenues internally and block leakages, it will have to fully operationalize its Treasury Single Account (TSA). Currently, MDAs are not complying with section 28(K) of the Kano State Public Financial Management Law that mandates all revenue generating MDAs to remit all revenues generated to the Consolidated Revenue Fund (CRF) account on or before the end of every calendar month. This provision of the law needs to be implemented to the later.

Kano has deposits of transition metals like lithium, copper, zinc, and molybdenum. While the global export value of lithium-ion batteries totaled \$2.7bn in 2020, that of copper was \$58bn.⁸² As the world transitions from the use of fossil fuels as a primary source of energy, transition metals will become more valuable. Hence, Kano can grow its export potential and resulting revenue by investing in the exploration and production of the aforementioned transition metals.



Kano State can mobilize additional sources for funding and financing infrastructure in critical sectors of its economy like education, health, water, energy and transport by leveraging on Public Private Partnerships (PPPs).

⁷⁸ See generally, the Nigerian Investment Promotion Commission. (2019). Greenfield and Brownfield Investment Opportunities, at: <https://nipc.gov.ng/wp-content/uploads/2020/07/AIS-Slides-12012020-3.pdf>

⁷⁹ See the Nigerian Investment Promotion Commission. Greenfield and Brownfield Investment Opportunities, op.cit.

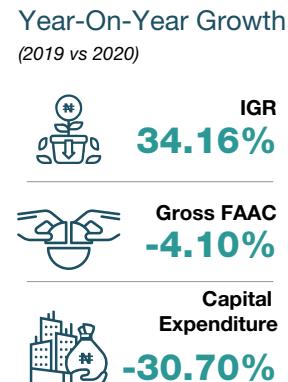
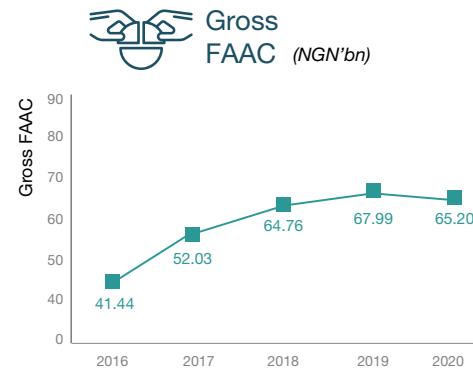
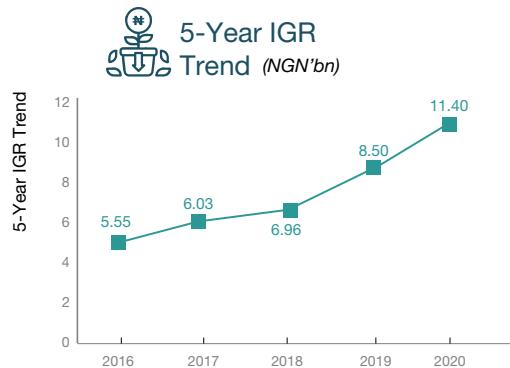
⁸⁰ See '203.8km Kano-Kaduna rail line will be linked to Tin Can Island port-Buhari', Agency Report, on July 15 2021, in the Punch (Online) Newspapers, at: <https://punchng.com/203-8km-kano-kaduna-rail-line-will-be-linked-to-tin-can-island-port-buhari/>

⁸¹ See Kano State Government-Budget Department. Public Financial Management Law, 2020, at: <https://budget.kn.gov.ng/2020/07/24/public-financial-management-law-2020/>

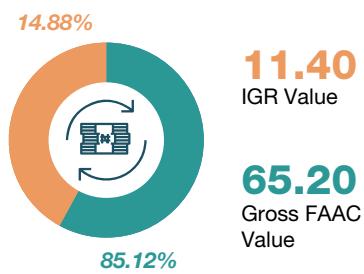
⁸² See World's Top Exports (Website). Copper Ore Exports by Country, 2021 by Daniel Workman, at: op.cit.

Katsina State

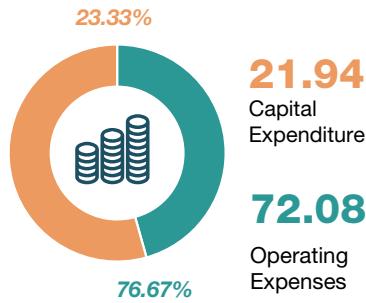
Home of Hospitality



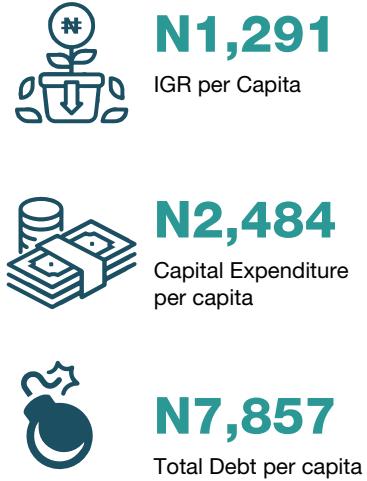
Structure of State of States Recurrent Revenue (2020) (NGN'bn)



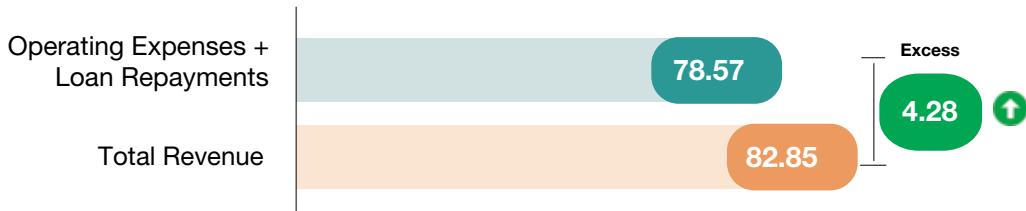
Spending Priority (2020) (NGN'bn)



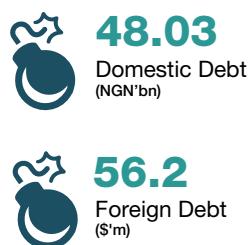
Per Capita Analysis (2020) (NGN)



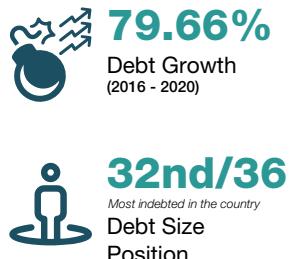
Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



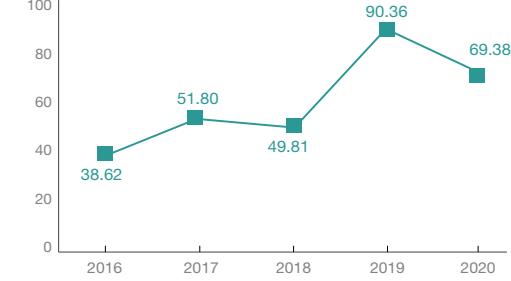
Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





**Fiscal
Performance
Rank** **33**

Nigeria's 5th most populous state, Katsina, allocated N68.40bn to recurrent expenditure and N113.23bn to capital expenditure in its 2020 amended budget. However, the state was only able to implement 48.72% of the budget.

The state, with 19,971 persons on its payroll as at December 2020, expended N31.22bn on personnel cost in 2020: This was 104.15% of the N29.98bn set aside for personnel costs in the 2020 amended budget. Similarly, Katsina spent 81.59% of the N19.99bn allocated to overhead costs and N11.66bn—making 63.28% of the allocated sum—on consolidated revenue charges in 2020. Katsina state added 432 new personnel on its payroll between April and December 2020 and removed 1266 personnel from its payroll within the same period. However, despite having a net removal of 834 persons from its payroll between April and December 2020, Katsina State's personnel cost grew by 19.48% from N26.13bn in 2019 to N31.22bn in 2020. In the same vein, it is expected that Katsina's overhead cost would have drastically reduced compared to 2019 in



In 2020, capital spending in critical social sectors of the Katsina economy was not prioritized

light of the fact that the state was shut down for a couple of months during the peak of the

COVID-19 pandemic in 2020 and non-essential workers were asked to work from home. However, Katsina experienced just a slight 0.9% decline in its overhead cost from N16.47bn in 2019 to N16.32bn.

In 2020, capital spending in critical social sectors of the Katsina economy was not prioritized. The state implemented poorly the capital budget for its economic sector, having disbursed only 12.82% of the allocated funds for the Ministry of Agriculture and Natural Resources, 10.33% of the allocated sum for employment and social intervention, and 18.21% of the funds set aside for capital spending in the Ministry of Commerce and Industry. Following a similar trend, out of the N15.43bn and N29.91bn allocated to Ministry of Education and Ministry of Health for capital expenditure in the 2020 amended budget of Katsina State, only N2.10bn and N1.28bn was disbursed to both Ministries respectively.

Capital expenditure usually entails spending on assets but interestingly, Katsina included debt servicing in its capital expenditure budget for 2019 and 2020; this is an anomaly compared to other states. Although Katsina increased its total debt profile by 44.88% from N49.81bn in 2018 to N90.36bn in 2019, it reduced its 2019 debt stock by 29.93% to N69.38bn in 2020.



Fiscal Options for Building Back Better

A review of Katsina's IGR in 2020 shows that there is room for tremendous improvement in certain components of the state's IGR. Katsina's actual IGR in 2020 was N11.38bn, a 33.69% increase in the sum of N8.52bn generated in 2019. Having earned N7.01bn from Pay As You Earn (P.A.Y.E) and N3.40bn from "Established liabilities on P.A.Y.E", tax earned from PAYE formed the bulk of the revenue generated internally by Katsina in 2020.

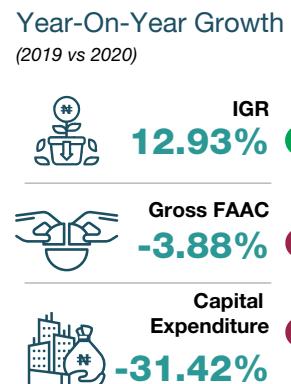
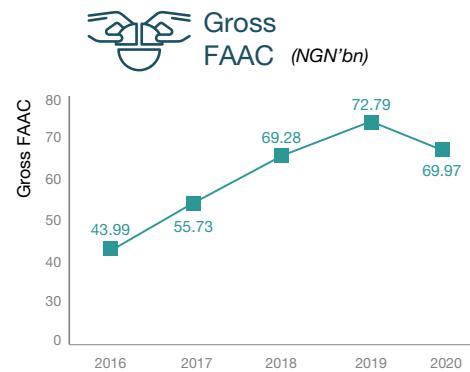
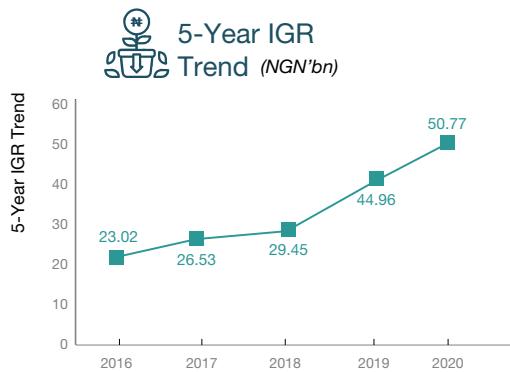
Disappointingly, Katsina earned a paltry sum of N168.86m—just 28.14% of the projected sum—from direct assessment tax in the same year under review: This suggests that not only has Katsina been unable to effectively and efficiently collect direct assessment tax, but also there still remains a huge proportion of self-employed residents of Katsina state that have not been captured in the personal income tax bracket. Katsina needs to broaden its tax base to include many more self-employed individuals. This can be achieved first by intensifying sensitization on the adoption of tax identification

numbers by citizens and later tieing such to access to essential services.

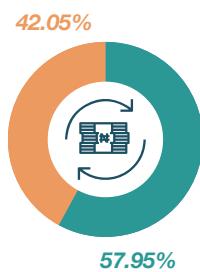
In the last assessment of the state's performance under the SFTAS program, Katsina didn't achieve the Disbursement-Linked Result (DLR) on the operationalisation of their TSA. This means that the state still runs multiple accounts which often make the state susceptible to revenue leakages. The state was only able to realize the sum of N4.41bn as revenue generated by MDA's. Katsina needs to fully operationalize its TSA to ensure that at least 80% of the revenues generated by its MDAs are domiciled in the TSA. Not only will the state get more revenues generated by the MDAs, it will also earn the \$1.5m World Bank grant attached to the DLI on "Improved cash management and reduced revenue leakages through implementation of State TSA."

Kaduna State

Centre of Learning



Structure of State of States Recurrent Revenue (2020) (NGN'bn)



50.77
IGR Value
69.97
Gross FAAC Value

Spending Priority (2020) (NGN'bn)



101.89
Capital Expenditure
86.38
Operating Expenses

Per Capita Analysis (2020) (NGN)



N5,456

IGR per Capita



N10,951

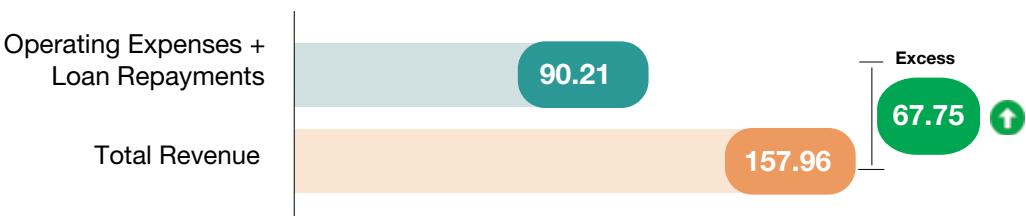
Capital Expenditure per capita



N30,566

Total Debt per capita

Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



Debt Profile

68.75
Domestic Debt (NGN'bn)

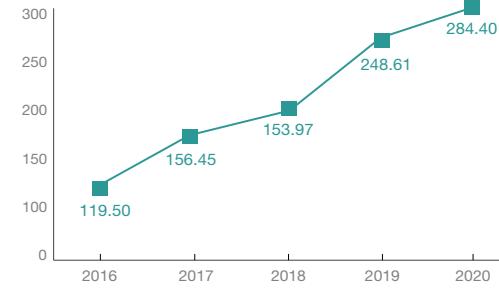
567.5
Foreign Debt (\$'m)

Total Debt Analysis

138.00%
Debt Growth (2016 - 2020)

3rd/36
Most indebted in the country
Debt Size Position

Total Debt (NGN'bn)





Fiscal Performance Rank

6

Kaduna State, also known as the Centre of Learning, revised downward its 2020 budget by 13.75% from N259.25bn to N223.60bn. Kaduna maintained its recent commendable practice of allocating more funds to capital than recurrent expenditure. Kaduna, having spent N101.89bn on capital expenditure and N86.38bn on recurrent expenditure, was one of the five states to have prioritized capital expenditure over recurrent expenditure in 2020.

Kaduna seemed to have prioritized capital spending in critical sectors of its economy in 2020: it disbursed 82.53% of the approved budget allocation to its Ministry of Education, 87.85% to Ministry of Health, 97.20% to the Contributory Health Management Authority, 88.82% to Ministry of Public Works and Infrastructure, 85.10% to Primary Healthcare Development Agency, 91.81% to Rural Water Supply and Sanitation, and 82.22% to the State Universal Basic Education Board.⁸³ However, despite the massive opportunity that investments in sectors like agriculture, information technology and mining portend, Kaduna made minimal capital spending on its Ministry of Agriculture, Agricultural Development Project, Ministry of Business Innovation and Technology, and its Mining Development Company; the state invested less than N1bn cumulatively on capital expenditure in the four aforementioned MDAs.

Having realized an IGR of N50.77bn in 2020, Kaduna surpassed its IGR projection of N29.42bn by 72.57%. Similarly, it exceeded its FAAC projection of N48.29bn by 11.12%.

Despite the economic shock precipitated by the COVID-19 pandemic, Kaduna State grew its IGR by 12.9% from N44.97bn in 2019 to N50.77bn in 2020. Kaduna has been able to significantly grow its IGR in recent years by carrying out sweeping reforms geared towards improving productivity, plugging leakages, and eliminating duplication of roles and redundancy. These reforms include the harmonization and centralization of all revenue collection, prohibition of cash collection, creation of a tax intelligence and high net-worth unit, automation of motor vehicle administration and improved staff welfare packages.⁸⁴

Kaduna was ranked the 3rd most-indebted state in Nigeria with a total debt stock of N284.40bn as at December 31, 2020. The state grew its debt stock by 38.07% from N153.97bn in 2018 to N248.61bn in 2019 and further grew its debt by 13.01% to N287.40bn in 2020. Foreign debt makes up the bulk of Kaduna's total debt stock with foreign debt to domestic debt ratio being 3.34:1, meaning that Kaduna State's foreign debt is more than 3 times its domestic debt stock. Kaduna, with the second highest external debt profile in the country, is highly exposed to exchange rate volatility. For example, without incurring any additional external debt, Kaduna's external debt of \$567.49m as at December 2020 rose by N42.06bn from N173.59bn (at N305.9 per \$1) to N215.65bn (at N380 per \$1). Increases in these sorts of debt liabilities due to external conditions crowd out investments in other critical sectors of the state's economy.

83. See Kaduna State Government. Fourth Quarter Budget Implementation Report (October-December, 2020), at: <https://pbc.kadgov.ng/upload/pdf/2020%20Q4%20BUDGET%20IMPLEMENTATION.pdf>

84. See 'Kaduna Internal Revenue Service and the benefits of reforms', by Emmanuel Ado, in the Cable (Online) Newsblog, on January 2 2020, at: <https://www.thecable.ng/kaduna-internal-revenue-service-and-the-benefits-of-reforms>



Fiscal Options for Building Back Better

Kaduna, blessed with a vast acreage of arable land, is one of Nigeria's largest producers of maize, tomato, soya bean, ginger, and rice. According to a report by Oxford Business Group, Kaduna State is responsible for 22% of the country's rice output, 27% of the country's soya bean output, over 700,000 tonnes of tomato and ginger respectively, and it also produced 22% of Nigeria's maize output as at 2017.⁸⁵ Kaduna's agricultural sector has suffered a significant decline in recent times largely due to the state of insecurity in the state. For Kaduna to be able to ramp up production of cash crops that it has comparative advantage in, attract both domestic and foreign investors, and maximize its export potential leveraging on the Kaduna-Abuja rail line and airport, the state of security in the state has to greatly improve. Correspondingly, the State needs to allocate adequate resources and prioritize capital spending in its agriculture-related MDAs including the Ministry of Agriculture and Agricultural Development Project.



Kaduna State should consider the massive exploration of lithium, which is an important element of rechargeable batteries.

Despite the existence of commercial deposits of minerals like gemstones, copper, Gold, tantalite, manganese, molybdenum, columbite,

lithium, graphite and nickel, Kaduna's mining sector has remained largely undeveloped and its resources largely underutilized. Between 2013 and 2017, the contribution to GDP of mining and quarrying industries in Kaduna was less than 1%. Kaduna State should consider the massive exploration of lithium, which is an important element of rechargeable batteries. As the world emphasizes the pivot away from fossil fuel powered vehicles to electric vehicles as a measure to reduce greenhouse gas emissions, lithium and graphite will become more valuable and expensive mineral resources. Hence, investments in the exploration and production of transition metals like lithium and graphite has the potential to exponentially grow the export earnings of Kaduna State.

Correspondingly, the huge power infrastructure gap can be bridged by investments in renewable energy technologies such as solar, wind, waste-to-energy, biomass, and geothermal energy: These sources of energy offer the potential of increased energy security and reduced exposure to fuel price volatility. Kaduna can rely on public-private partnership with a build, operate and transfer model, to set up solar farms and provide power to industrial clusters in the state. This will stimulate economic activities, improve the ease of doing business, grow the state's GDP and ultimately grow the states' IGR.

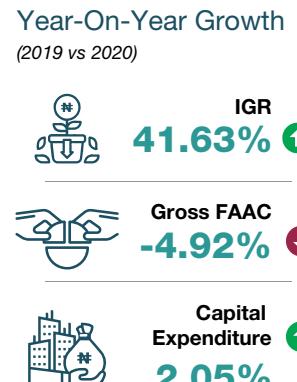
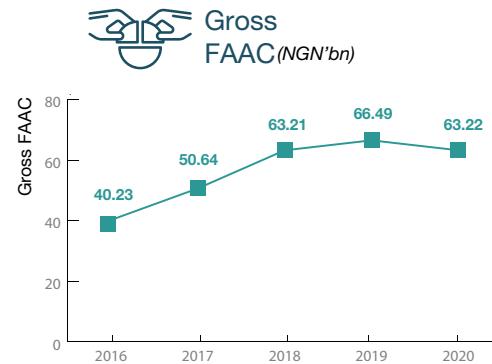
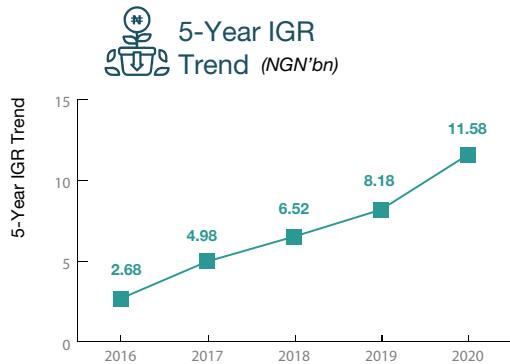
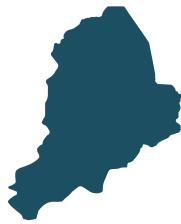
⁸⁵. See Oxford Business Group. (2020). The Kaduna 2020 Focus Report, at: <https://cutt.ly/pEbNVk6>.

North East

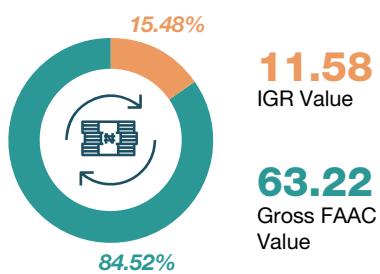
Region

Borno State

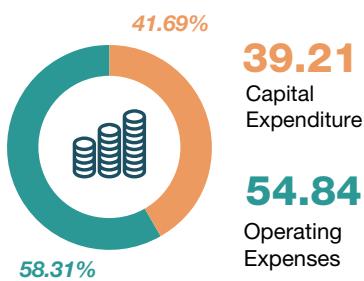
Home of Peace



Structure of State of States Recurrent Revenue (2019) (NGN'bn)



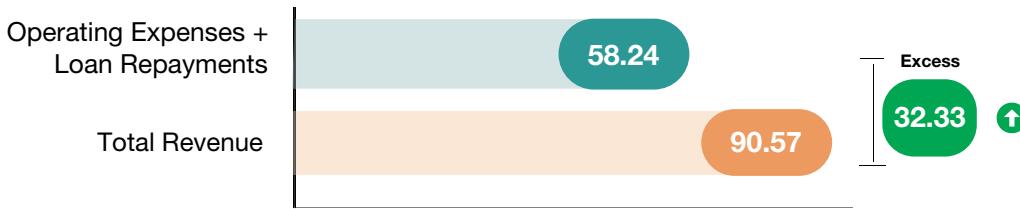
Spending Priority (2020) (NGN'bn)



Per Capita Analysis (2020) NGN



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





Fiscal Performance Rank 17

Borno state, the “Home of Peace” has barely enjoyed peace in the last decade. In 2020 it faced the double jeopardy of fiscal shocks from COVID-19 pandemic and ongoing attacks by despicable terrorist groups and bandits. Nevertheless, its IGR capacity demonstrated resilience, witnessing +41.63% year-on-year IGR growth, from N8.18bn in 2019 to N11.58bn in 2020, the 27th in the country by size, but the second best in the North-east region. However, given the state’s population and infrastructure needs, this is still very small; Borno’s IGR per capita is barely N1,725 compared to the average IGR per capita of N4,616 for all 36 states. This abysmally low IGR contributed to the state emerging 17th out of all the 36 states in the 2020 States Fiscal Performance Index.

Borno State 25 Year Development Framework and 10 Year Strategic Transformation Plan



The state's capital expenditure of N39.21bn accounts for 40.24% of the N97.44bn total expenditure recorded during the fiscal year under review

(BSYDF/STP) may be implemented at a slower pace if the annual growth rate for capital expenditure is not increased in the state. Year-on-year the state improved its capital expenditure by 2.05% from N38.42bn in 2019 to N39.21bn in 2020. Capital expenditure per capita stands at N5,840 per citizen which is

very low compared to the country average of N8,129 per citizen for all states.

We note however, that although the state’s total revenue (Total Receipts, Aids and Grants) of N90.5bn is still too small to meet its infrastructural needs, it was still the largest recorded amongst all states in the North East region.

The state’s capital expenditure of N39.21bn accounts for 40.24% of the N97.44bn total expenditure recorded during the fiscal year under review, making it one of the 31 states that prioritized operating expenses over investments in capital infrastructure investments; N14.8bn from the state’s capital expenditure was devoted to COVID-19 projects. Operating expenses gulped N54.84bn while loan repayments took up N3.40bn representing 56.28% and 3.49% of the state’s total expenditures respectively.

With a total debt burden of N96.96bn, Borno is the 26th most indebted state, making its debt one of the smallest in the country. The state’s total debt per capita is N14,441 which is significantly less than the average total debt per capita of N27,316. The state’s external debt component stands at \$20.81m, up by 21.61% from \$17.11m in 2019, making it the second smallest external debt size in the country and by extension, one of the least exposed to risks of exchange rate volatility.



Fiscal Options for Building Back Better

With a precarious security situation in the state, Borno has to be deliberate about its collaborations with the private sector. Fortunately, the state has commodities from which it can generate IGR. The state has capacity in pepper and onion production (Book of States, 2020) and if rail lines can be harnessed, it can be a national exporter. The global onion export market was worth \$3.89 billion dollars in 2020⁸⁶. Nigeria can produce in excess of 2.2 million tonnes per year.⁸⁷ The global pepper export market was worth \$4.1 billion dollars in 2018⁸⁸ and national production capacity is estimated at 818,000 tonnes.⁸⁹

The benefits of an enhanced market, certainly means improved IGR, as increase in economic activity will result in more Road taxes, Direct taxation, Market taxes and Levies. However, the state must provide infrastructure to support production, via expanded road networks linking rural areas with urban ones and improving energy supply that can encourage innovative ways of storage.

The state can also consider creating a profile for the cultivation of groundnuts. With a global export volume of 1.2 million tonnes of groundnuts, valued at over \$948 million dollars, the state can key into this market. Nigeria's potential export capacity is estimated at \$320 million dollars (or N176bn). Similar to requirements for Onions and Peppers, the state must provide complementary infrastructure and collaborate through fit-for-purpose PPPs that leverage the state's unique position. IGR proceeds will come from Direct taxation and Road taxes, among others.

The state's performance on the SFTAS governance performance indicators can be improved considerably, especially regarding the implementation of Treasury Single Account procedures. The state can benefit from proper management and administration of revenue, from both IGR and existing bank balances.

⁸⁶ See Workman, D. (2021). World's Top Exports (Website). 'Onion Exports by Country', at: <https://www.worldstopexports.com/onions-exports-by-country/>.

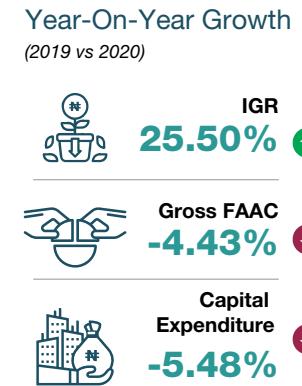
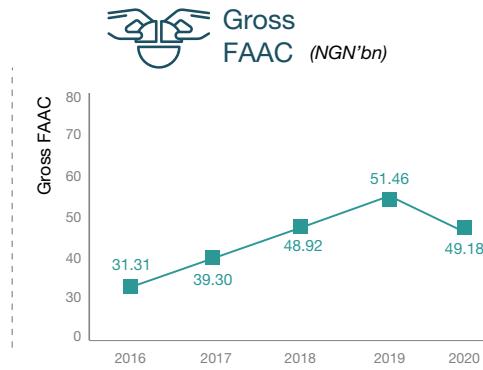
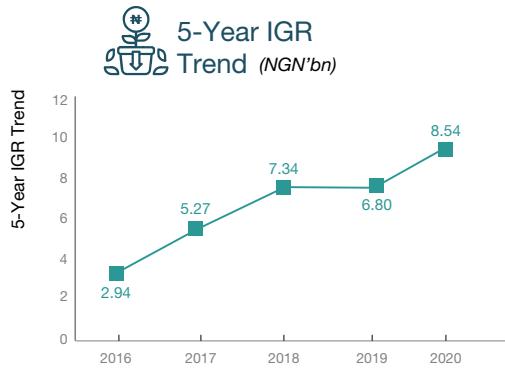
⁸⁷ See Centre for the Promotion of Imports from Developing Countries (CBI). (2021). Food Loss In Nigeria – Value Chain Analysis of Tomato, Onions & Chili Value Chains, at p. 13. Kingdom of the Netherlands. Available at: <https://cutt.ly/9EamuwL>.

⁸⁸ See Research and Markets (Website). 'Global Pepper Markets Analysis, Forecast, Size, Trends and Insights, 2007-2018 & 2019-2025, at: <https://cutt.ly/5EavUSU>.

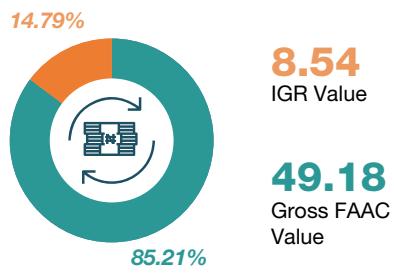
⁸⁹ See Centre for the Promotion of Imports from Developing Countries (CBI). Food Loss In Nigeria – Value Chain Analysis of Tomato, Onions & Chili Value Chains, op. cit, at p. 14.

Gombe State

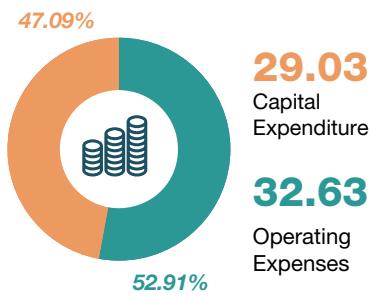
Jewel of the Savanah



Structure of State of States Recurrent Revenue (2020) (NGN'bn)



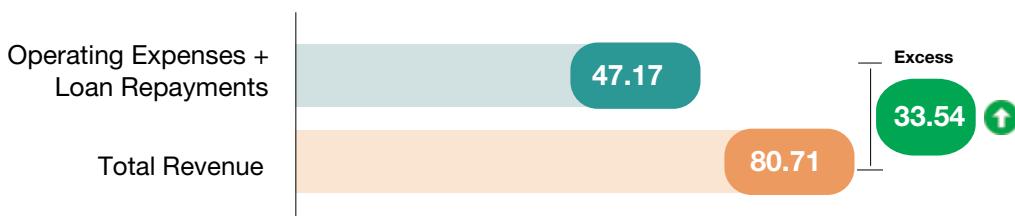
Spending Priority (2020) (NGN'bn)



Per Capita Analysis (2020) (NGN)



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



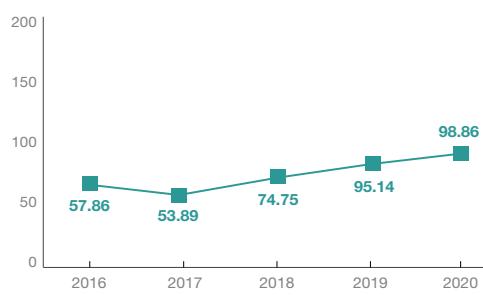
Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





Fiscal Performance Rank

7

The Jewel of the Savannah ranked 7th on the 2020 Fiscal Performance Index. Despite the distortion of COVID-19 pandemic to local economies and government revenues worldwide, Gombe State's Internally Generated Revenue (IGR) witnessed a +25.50% year-on-year increase from N6.80bn in 2019 to N8.54bn in 2020, however, its IGR is still one of the smallest in the country. The state requires more work on its IGR generating capacity; the state's IGR translates to an IGR per capita of N2,306 which is very small compared to the average IGR per capita of N4,616 for all 36 states.

The state's low IGR makes the state dangerously dependent on the federal government for a significant chunk of its recurrent revenue; the state's N8.54bn IGR accounts for 14.79% of its total recurrent revenue of N57.7bn while federally distributed revenue through Gross FAAC accounted for 85.21% or N49.1bn of the balance.

Gombe state pruned its operating expenses by -22.8% from N42.88bn in 2019 to N32.62bn in 2020, with its overhead cost component experiencing the greatest cut of -47.16% from N9.89bn in 2019 to N18.72bn in 2020. This

contributed to its improvement in the 2021 Fiscal Performance Ranking which significantly rewards states for improving their IGR or cutting their cost of operations. In contrast, capital expenditure was cut by -5.48% from N30.72bn in 2019 to N29.03bn in 2020. The state still has more work to do as its capital expenditure per capita translates to N7,843 which is still lower than the average capital expenditure per capita of N8,129 for 2020. The state still has infrastructure gaps in Education, Health and Roads that need significant capital investment.

December 31 2020, brought Gombe's total debt stock to N98.86bn, making it the 25th most indebted in the country. The total debt stock of Gombe comprises a domestic debt of N84.97bn naira and a foreign debt of \$36.55m. The state spent N13.92bn on servicing internal loans and N616.68m on servicing external loans in the 2020 fiscal year.



Fiscal Options for Building Back Better

Gombe state is centrally located within the region and the largest grains depot in North East Nigeria; it is an optimal investment location for grain storage facilities. Public Private Partnership (PPP) models can be explored to share investment risk among state and private sector. The state can invest in fostering the creation of clusters of grain storage facilities that would be provided with accessible land and critical infrastructure (energy,⁹⁰ road networks) and access to capital. Successfully attracting up to 100 companies to take advantage of the opportunities in the cluster would have significant multiplier effects; revenue from Road taxes as a result of increased inflow and outflow of grains will ensue. In addition, post harvest losses, held to be N3.5tn per annum,⁹¹ will be reduced.

Another investment option the state can foster for the private sector is in cotton production and processing. The Global Cotton Processing Market size was estimated⁹² at \$64.86bn in 2020 and expected to reach \$69.00bn in 2021. The state can incentivise companies to take advantage of this opportunity by fostering the creation of cotton production and processing clusters which would be provided with

appropriate infrastructure, simplified access to credit and land; where the state can make available 24,710 acres for entrepreneurs to cultivate cotton, total output could nearly meet global demand at 2.3m bales per annum.⁹³

A third source of IGR is the state's gypsum deposits. Globally, the gypsum export market is worth \$1.29bn and it has been stated that total gypsum deposits in Nigeria may exceed 1 billion tonnes.⁹⁴ This non-metallic development mineral⁹⁵ forms a key component in cement production among others.⁹⁶ Gombe state can get a portion of the \$32m in gypsum export potential available to the country.

Gombe state is moving in the right direction when it comes to blocking leakages of government revenue. In 2019 it recorded improvement in 3 critical disbursement linked results under the SFTAS program indicators (TSA, Biometric data capture for state payroll and BVN), the state can go even further by implementing a procurement law recommended by SFTAS to improve procurement practices.

⁹⁰ The energy can come from the state's dams (namely: 'Dadin Kowa', 'Balanga' and 'Cham') which can provide significant amounts.

⁹¹ See Nairametrics. 'Nigeria loses N3.5 trillion to post harvest loss annually – Farmcrowdy boss' by Abiola Odutola, on November 17 2020, at: <https://cutt.ly/sEe215c>.

⁹² Insights on the cotton processing global market to 2026- [researchandmarkets.com](https://bwnews.pr/3uf6pv8). Business Wire. (2021, August 26). Retrieved September 25, 2021, from <https://bwnews.pr/3uf6pv8>

⁹³ Budgit in-house calculations based on average cotton yield per hectare in Nigeria. See Adeoti, S., Ajayi, A., and Agunbiade, M. (2020). Yield estimation and profitability of Cotton Production in Northern Nigeria, at p. 217. In the Journal of Agricultural and Crop Research, Vol. 8 (10), pp. 215, at: <https://cutt.ly/UErfMUj>.

⁹⁴ See Foraminifera Market Research. 'Gypsum Mining and Processing In Nigeria: The Opportunity', at: <https://cutt.ly/dErne4o>.

⁹⁵ The Nigerian Federal government classifies Gypsum as a 'Development Mineral'. See the Ministry of Mines and Steel Development. Gypsum Occurrence In Nigeria, at: <https://portal.minesandsteel.gov.ng/MarketPlace/Mineral/Occurrence/73>.

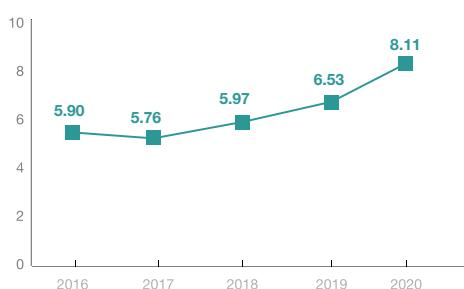
⁹⁶ See Foraminifera Market Research. Gypsum Mining and Processing In Nigeria: The Opportunity, op. cit.

Taraba State

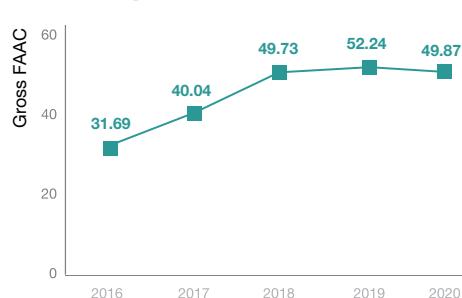
Nature's Gift to the Nation



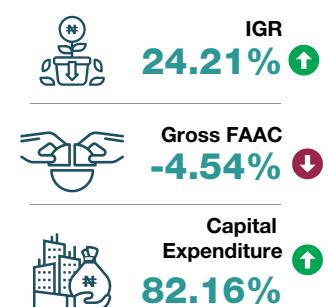
5-Year IGR Trend (NGN'bn)



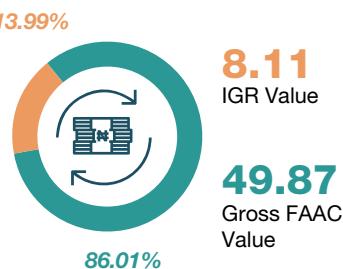
Gross FAAC (NGN'bn)



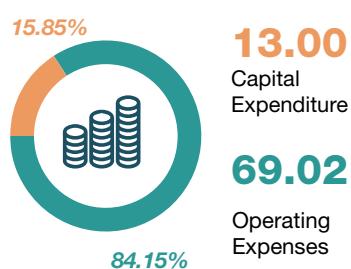
Year-On-Year Growth (2019 vs 2020)



Structure of State of States Recurrent Revenue (2020) (NGN'bn)



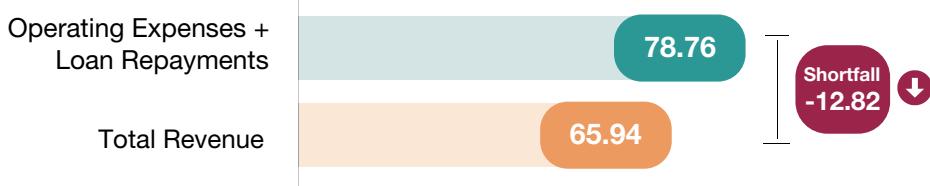
Spending Priority (2020) (NGN'bn)



Per Capita Analysis (2020) (NGN)



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





Fiscal Performance Rank

35

'Nature's Gift to the Nation' ranked 35th out of 36 states in the 2021 Fiscal Performance Ranking, down 7 places from 27th in 2021. It is one of two states whose total revenue inflows (including Aids and Grants) were barely sufficient to finance the combination of their operating expenses and loan repayment obligations to lenders, the second state in this category is Benue state. Taraba had total revenues of N65.94bn whereas its operating expense of N56.02bn and loan repayments⁹⁷ of N9.74bn summed up to N65.76bn.

The N16.08bn overhead cost component of its operating expense was larger than its entire capital expenditure of N12.99bn, placing it in an unenviable category with Benue and Kogi states who prioritized overhead expenditures above their capital expenditure. Taraba's capital expenditure was also the smallest in the NorthEast region and the second smallest in the entire country. It's per capita capital expenditure amounts to N3,775 which is less than half of the average per capita of N8,129 for all 36 states.

Taraba state experienced a commendable growth in its IGR which saw a 24.21% increase



The state has high dependency on federally distributed revenue for a large component of its recurrent revenue is a critical fiscal risk that needs to be addressed

from N6.53bn in 2019 to N8.11bn in 2020. Despite the growth, the state's Internally Generated Revenue (IGR) was the second smallest amongst all 36 states. Considering the state's economic potential and population, the state has more work to do to boost its IGR generation capacity. Per capita analysis indicates that Taraba's IGR per capita stood at N2,356 per citizen which is about half of the average IGR per capita for all states of N4,616 per citizen.

The state has high dependency on federally distributed revenue for a large component of its recurrent revenue is a critical fiscal risk that needs to be addressed; the state's N8.11bn IGR accounts for 13.99% of its total recurrent revenue of N57.99bn whereas federally distributed revenue through Gross FAAC accounted for 86.01% or N49.87bn of the balance.

Taraba State is the 21st most indebted state out of the 36 states. In 2020, its total debt grew by 28.43%, from N88.72bn in 2019 to N113.95bn in 2020. Domestic debt increased by 28.82% from N82.32bn in 2019 to N106.05bn in 2020. External debt declined little by 0.66% from \$20.93m in 2019 to \$20.79m in 2020.

⁹⁷ Analyst's calculation of loan repayment consists of N7.39bn spent on domestic and foreign loan repayments and the N2.35bn it spent on repaying part of an overdraft facility of N9.90bn brought forward from 2019 as recorded in the state's 2020 Audit Report.



Fiscal Options for Building Back Better

Taraba state has the primary requirement to improve its handling of its financial framework. For starters, the state can mop up leakages by focusing on the following: operationalizing its Treasury Single Account (TSA), using Biometrics in payroll management and use of Bank verification numbers in payroll management. Taraba state has not been able to meet these indicators and they contribute to substantial losses.

In terms of viable natural resources, the state is home to several mineral resources that can be extracted. One of them is Zirconium, which had a global market size as at 2020 of \$1.38bn and in commercial quantities in Nigeria. The infrastructure investments that the state should provide, would revolve around energy provision, quality road networks (that links mining sites to interstate roads) and pipe-borne water. Apart from attracting employment, a collaborative effort between the state and the private sector

would yield revenue from Direct Assessments, Capital Gains taxes and Stamp Duties, among others.

Looking at the potential in maize production, Taraba can key into a global market valued at 1.11 billion metric tonnes, as at 2020. Business Day (citing the International Institute for Tropical Agriculture) states that as of 2017, the size of the maize industry in Nigeria was \$6bn (or N2.5tn). However, it is important to note that despite the extent of local demand (8 million metric tonnes) and the volume of production (33 million tonnes in 2019), the country was still importing over 262,000 thousand tonnes of the product in 2020. This crop is a staple for not just the country but for the global economy and is a sure means of raising revenue, where the necessary infrastructure (the spatial linkages of roads and energy and perhaps fertilizer) is made available by the government.

98. See IMARC Services (Website). 'Zirconium Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2021-2026', at: <https://www.imarcgroup.com/zirconium-market>.

99. See International Finance Corporation. (October, 2020). A Country Private Sector Diagnostic- Creating Markets In Nigeria: Crowding in the Private Sector: Nigeria's Path to Faster Job Creation and Structural Transformation, at p. 85. Available at: <https://cutt.ly/EEs2Mtc>.

100. See Expert Market Research. 'Global Corn Market: By Application: Feed & Residual, Food, Seed, Industrial; Regional Analysis; Historical Market and Forecast (2016-2026)-Report', 2021, at: <https://www.expertmarketresearch.com/reports/corn-market>.

101. See 'Nigeria's \$6bn maize industry and the supply shortfall', by Josephine Okojie, on March 10 2021, in Business Day (Online), at: <https://businessday.ng/agriculture/article/nigerias-6bn-maize-industry-and-the-supply-shortfall/>.

102. See Elephant Group Plc. (Website). 'Maize', at: <https://www.elephantgrp.com/maize>.

103. See AllAfrica (Website). 'Nigeria: Bridging the Maize Supply Gap', by Oluchi Chibuzor and Maduabuchi Ubani, on September 16 2020, in Thisday (Online) Newspaper, at: <https://allafrica.com/stories/202009160265.html>.

Adamawa State

Land of Beauty



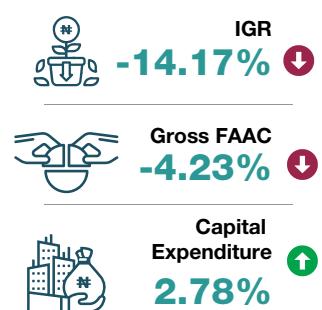
5-Year IGR Trend (NGN'bn)



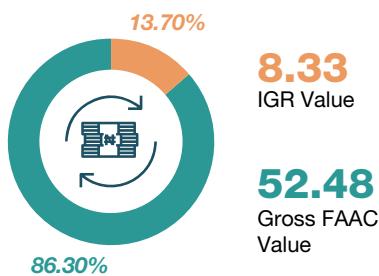
Gross FAAC (NGN'bn)



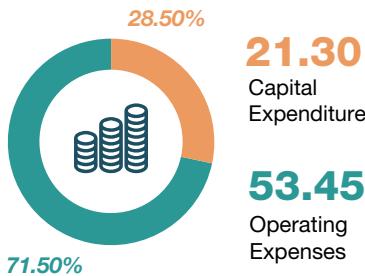
Year-On-Year Growth (2019 vs 2020)



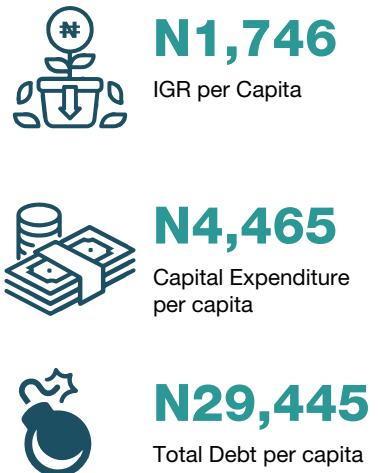
Structure of State of States Recurrent Revenue (2019)



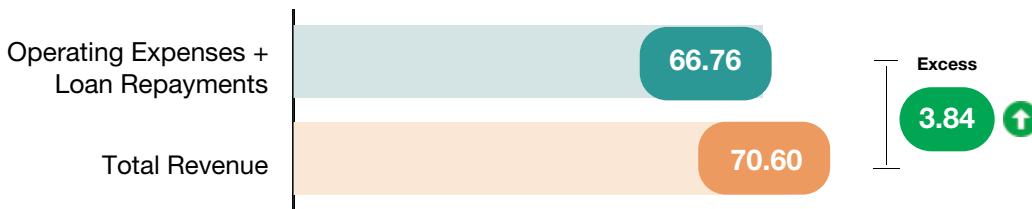
Spending Priority (2020) (NGN'bn)



Per Capita Analysis (2020) NGN



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



Debt Profile

N98.90
Domestic Debt (NGN'bn)

\$109.4
Foreign Debt (\$'m)

Total Debt Analysis

68.56%
Debt Growth (2016 - 2020)

15th/36
Most indebted in the country
Debt Size Position

Total Debt (NGN'bn)





**Fiscal
Performance
Rank** **32**

The land of beauty was able to slightly improve on the 2021 Fiscal Performance Ranking. Moving up from its 33rd position in 2020 to 32nd position in 2021 is an improvement, even though it is still in the bottom 5 worst performing states in the federation. Adamawa state recorded a slight 2.78% growth in capital expenditure between 2019 and 2020 (i.e., moving from N20.72bn to N21.30bn); making it the 6th smallest capital spending by any state in 2020. However, this was not the case for IGR, with the state dropping from N9.70bn in 2019 to N8.32bn in 2020, losing about 14.17%, year-on-year.

A glance at the state Accountant General's report for 2020, shows the bulk of capex went to 'Improvements to Human Health'; about N6.41bn. However, in light of the emergence of the COVID-19 pandemic in 2020, this spending is commendable representing 30.09% of the entire capex for the year. Yet, in terms of capex per capita, we observe the state spent only N4,465 per citizen less than the national average of N8,129, in 2020.

Taking a deep dive into the state's revenue performance, we note that Adamawa had the 12th lowest year-on-year growth, among the states of the federation. In addition, it had the 3rd lowest IGR for 2020 and generated the 7th least per capita IGR at N1,746 per citizen compared to its peers. Adamawa spent less than the national average of N4,616. An IGR component analysis shows that 'MDAs Revenue' recorded the highest negative change, falling from N3.02bn in 2019 to N1.63bn in 2020: an actual reduction of N1.38bn.

Regarding the state's recurrent revenue structure, we see that in 2020 Adamawa depended quite heavily on allocations from the federation account. This translated to a composition of 13.70% for the state's IGR and 86.30% for FAAC, respectively. This places the state in a precarious position, as allocations from the federation account may not always be distributed in the volumes they are in-oil being the mainstay of the federal government and a volatile commodity.



Fiscal Options for Building Back Better

Adamwa state can build a more dependable economy through efficient and effective exploitation of its mineral resources, such as its Barite deposits. The global export market for this non-metallic and strategic mineral, was pegged at \$549.7m in 2020 and the national demand was placed at about \$300m, in 2020. This means there is enormous demand for local purposes, as well as global. For the state to encourage private sector investment, it must ensure the provision of stable energy, qualitative road networks (for easy conveyance from the deposit sites) and simple land acquisition procedures. The revenue to flow from the provision of these linkages can come from Road Taxes and other tax types.

Another potential revenue stream can come from coal extraction. With a global market size of \$1.02tn and a potential Nigerian export market worth \$350 million dollars (or N192.5bn) coal can fetch considerable revenue for the state economy. Nigeria's estimated reserves may be in the region of 380 million tonnes and if current consumption rates remain stable, our coal will last over 1000 years. Similar to

the spatial linkages for Barite extraction, coal requires intentional investment in infrastructure to allow investors direct their funds to coal extraction facilities. The IGR sources for Coal are identical to those of Barite above.

The state can also consider revenue that can come from the production of poultry. With a local industry estimated to be worth \$4.2bn and local consumption of 180m birds, per annum, this is a settled source of revenue.

Looking at the state's performance in the most recent States Fiscal Transparency, Accountability, and Sustainability (SFTAS) assessment of the state, Adamawa was able to achieve a critical reform; which is the use of bank verification number use in payroll management. However, it needs to do more and consolidate efforts to fully deploy Treasury Single Account reforms and the use of biometrics in payroll management (in addition to BVNs).



The state can also consider revenue that can come from the production of poultry. With a local industry estimated to be worth \$4.2bn and local consumption of 180m birds, per annum, this is a settled source of revenue.

104. It is interesting to note that Nigeria currently holds the fourth largest deposits of barite in the world, with an estimated reserve of over 21 million metric tons. See generally, Afolayan, D., Adetunji, A., Onwualu, A., Ogolo, O., and Amankwah, R. (2021). Characterization of Barite Reserves in Nigeria for Use as Weighting Agent in Drilling Fluid. Journal of Petroleum Exploration and Production Technology, Volume 11, pages 2157–2178 (2021). Available at: <https://link.springer.com/article/10.1007/s13202-021-01164-8>.

105. See WBOC (Website). 'Barite Products Market 2021 is estimated to clock a modest CAGR of 1.0% during the forecast period 2021-2026 With Top Countries Data', at: <https://cutt.ly/wEaPmeg>.

106. See Nairametrics. 'Nigeria to save \$300 million from Importation of Barite' by Williams Ukpe, on July 19 2020, at: <https://cutt.ly/kEaPqem>.

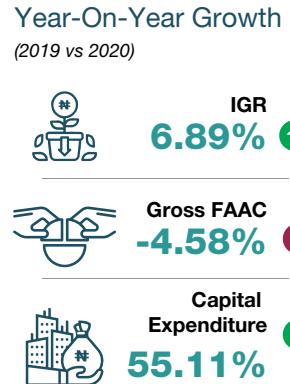
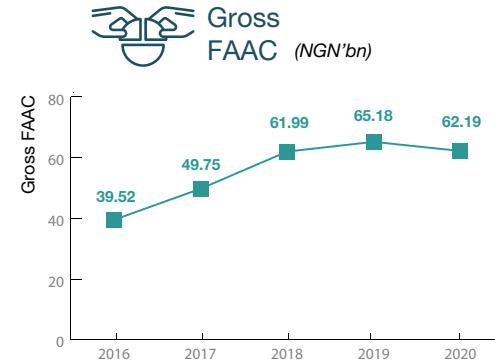
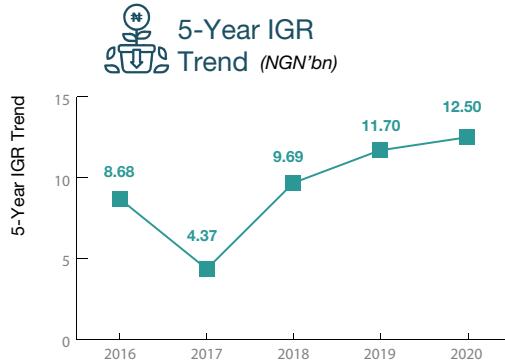
107. See The Business Research Company (Website). Coal Market - By Type (Bituminous Coal, Sub-Bituminous Coal, Lignite, Anthracite), By End-User (Electricity, Steel, Cement, Others) and By Region, Opportunities And Strategies – Global Forecast To 2030, at: <https://www.thebusinessresearchcompany.com/report/coal-market>.

108. See Worldometer (Website). Nigeria Coal, at: <https://www.worldometers.info/coal/nigeria-coal/>.

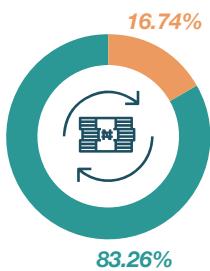
109. See Agroberichten Buiteland (Website). Kansenkaart Nigeria Poultry, at: <https://cutt.ly/lEaLTau>.

Bauchi State

Pearl of Tourism



Structure of State of States Recurrent Revenue (2019) (NGN'bn)



12.50
IGR Value
62.19
Gross FAAC Value

Spending Priority (2020) (NGN'bn)



39.42
Capital Expenditure
63.64
Operating Expenses

Per Capita Analysis (2020) (NGN)



N1,669

IGR per Capita



N5,263

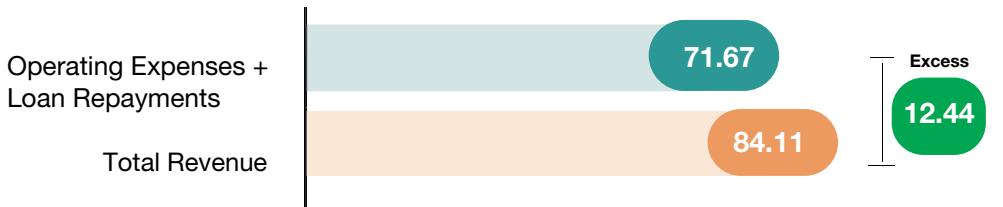
Capital Expenditure per capita



N20,573

Total Debt per capita

Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



Debt Profile

N102.82
Domestic Debt (NGN'bn)

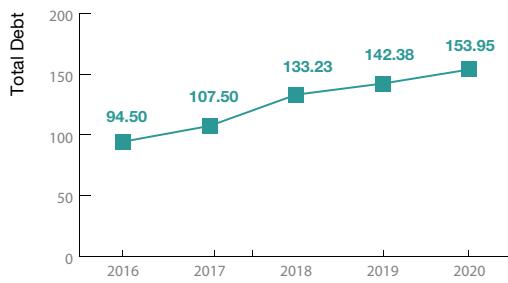
\$134.9
Foreign Debt (\$'m)

Total Debt Analysis

63.05%
Debt Growth (2016 - 2020)

12th/36
Most indebted in the country
Debt Size Position

Total Debt (NGN'bn)





Fiscal Performance Rank **27**

The ‘Pearl of Tourism’, renowned for its beautiful vegetational zones and landscape emerged 27th in the 2021 Fiscal Performance Ranking. The state cannot cover its operating expenses of N63.64bn with just its Internally Generated Revenue (IGR) and Value Added Tax (VAT) as measured by one of the four metrics (Index A) in the Fiscal Performance Ranking model. A combination of its operating expense of N63.64bn and loan repayment obligations of N8.03bn which adds up to N71.67bn wiped out 85% of its total revenue of N84.1bn leaving very limited fiscal space for the state to invest in capital infrastructure.

The state grew its capital spending by 55.11% from N25.41bn in 2019 to N39.41bn in 2020, this is the second largest capital expenditure in the North East. The state’s capital expenditure per capita stands at N5,263 which is less than the average per capita capital expenditure of N8,129 for all states. Like 31 other states



Even though Bauchi's IGR is larger than others in the North East, statutory allocation contributed over 70% of the state's total N84.1bn revenue

in Nigeria, Bauchi spent more on operating expenses (N63.64bn) than capital expenditure (N39.41bn) in the 2020 fiscal year. Bauchi state

can make significant gains when it comes to prioritization of capital projects.

IGR grew by 6.89% year-on-year from N11.70bn in 2019 to N12.5bn in 2020. This growth was slower than the 20.70% year-on-year growth the state achieved, growing its IGR from N9.69bn in 2018 to N11.70bn in 2019. Given the state’s large population, Bauchi’s IGR per capita was N1,669 in 2020 was far below its regional peers Adamawa, Borno, Gombe, Taraba and Yobe who achieved N1,746, N1,725, N2,306, N2,356 and N2,053 annually per citizen, respectively; this is despite the reality that Bauchi’s N12.5bn IGR was the highest in the region, respectively.

Even though Bauchi’s IGR is larger than others in the North East, statutory allocation contributed over 70% of the state’s total N84.1bn revenue, making the state disproportionately dependent on federally distributed revenue. A state of such significance should be able to confidently finance its operations with its IGR; clearly Bauchi still has more work to do to boost its IGR capacity.

The Pearl of Tourism should start looking at ways to address its debt profile that keeps shooting up by the passing year. Bauchi state’s total debt stock had growth of 63.05% from N94.5bn in 2016 to N154.08bn in 2020.



Fiscal Options for Building Back Better

Bauchi state has several avenues to improve its fiscal profile and the first is in the realm of plugging its revenue leakages. This is one of the 29 States in Nigeria not to have operationalized its Treasury Single Account (TSA) exposing at least 60% of its finances to leakages.

Nevertheless, the state has operationalised use of Biometrics in payroll management and Bank verification number use in payroll management.

In terms of exploiting its natural resources, the state is home to deposits of Titanium. Global market for the metallic mineral is set at about \$5.87bn and the value of titanium imports (as at 2018) was about \$528,000. The requirements for the mining of this highly durable mineral the state government can provide, are stable energy supply, good quality road networks and straightforward land acquisition processes. IGR to result from this activity (where appropriately regulated), will come from Direct Assessments, Road taxes, Stamp duties and Capital Gains taxes.

Another revenue source for the state is in Sugarcane production. The global market size for the product has been anticipated to reach \$75bn, at the end of 2022 and the total volume was observed to be about 193.2 million tonnes. Nigeria's demand for sugar has been steadily increasing since 2016/2017 and is now 1.61 million tonnes. With the addition of sustained irrigation facilities, the state can augment the business environment, by providing streamlined land acquisition, high quality road network and steady energy supply (the latter to allow producers to process the crop for storage).

In terms of Ecotourism, the state has notable potential for enhancement. Home to the famous 'Yankari Game Reserve', the state can tap into the global ecotourism market, valued at \$181m in 2019 and said to be worth an estimated \$224m (or N125.95bn), in 2016. Though the investment by the state would be in more than just energy and roads (tourism has its own multilayered ecosystem), the resulting IGR would be immense, as the state would gain directly from tourists changing their foreign currency, while touring.



Home to the famous 'Yankari Game Reserve', the state can tap into the global ecotourism market, valued at \$181m in 2019 and said to be worth an estimated \$224m (or N125.95bn), in 2016.

110. See News Channel Nebraska Central (Website). 'Titanium Ore Market Size and Share 2021 by Industry Impact, Sales Revenue, Future Demands, Growth Factors and Drivers, Emerging Trends, Competitive Landscape and Forecast to 2027', at: <https://cutt.ly/2EaCuil>.

111. See World Integrated Trade Solutions (Website). 'Nigeria Titanium ores and concentrates imports by country in 2018', at: <https://cutt.ly/QEaCExA>.

112. See Persistence Market Research (Website). Industrial Sugar Market, at: <https://www.persistencemarketresearch.com/market-research/industrial-sugar-market.asp>.

113. See Research and Markets. Sugar Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2021-2026 (Report), on April 2021, at: <https://www.researchandmarkets.com/reports/5311742/sugar-market-global-industry-trends-share>.

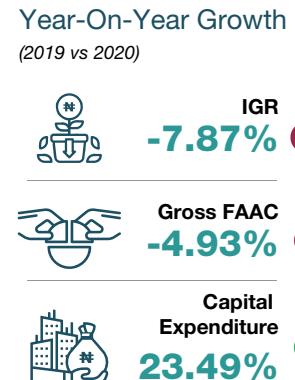
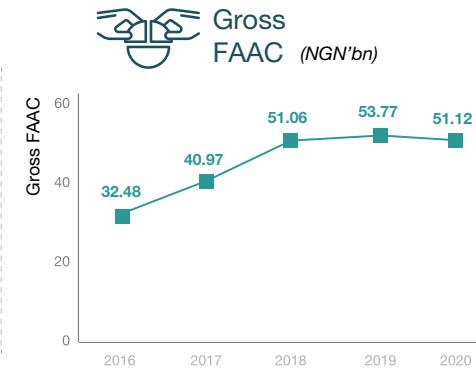
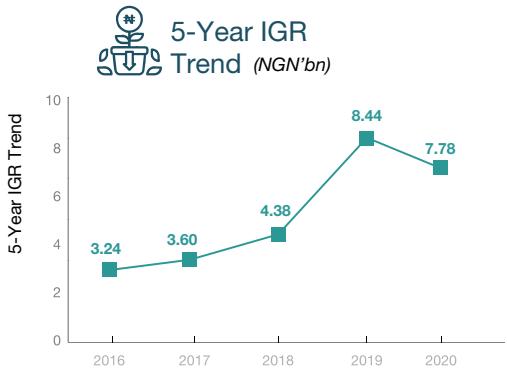
114. See United States Department of Agriculture Foreign Agricultural Service. Sugar: World Markets and Trade (Report), May 2021, at p.6, at: <https://cutt.ly/dEaVhWQ>.

115. See Allied Market Research. Ecotourism Market, January 2021, at: <https://www.alliedmarketresearch.com/eco-tourism-market-A06364>.

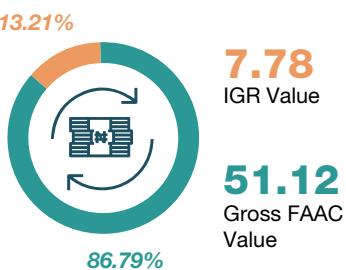
116. See Eneji, A., Odey, A., and Bullus, L. (2016). Diversification of Nigeria's Economy: Impact of Tourism on Sustainable Development in Nigeria. In the International Journal of Research in Humanities and Social Studies, Volume 3, Issue 5, May 2016, p. 36, at: <https://cutt.ly/FEaBIC1>.

Yobe State

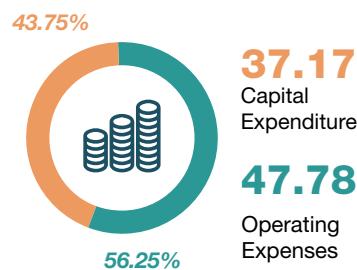
The Pride of the Sahel



Structure of State of States Recurrent Revenue (2020) (NGN'bn)



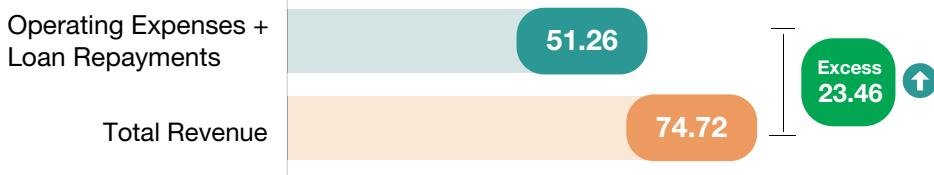
Spending Priority (2020) (NGN'bn)



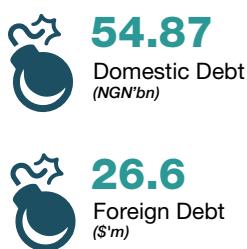
Per Capita Analysis (2020) (NGN)



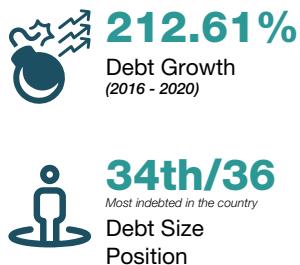
Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



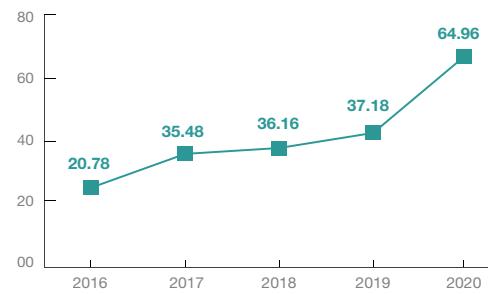
Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





Fiscal Performance Rank

21

The Pride of the Sahel, was unable to make adequate improvements in its fiscal profile and dropped from the 18th position in 2020 to 21st position in 2021, going by BudgIT's ranking of states according to fiscal performance. For IGR, we see the state's IGR fell year-on-year between 2019 and 2020 by about 7.87%.

Looking at the state's revenue performance, we see that though the state grew IGR year-on-year, between 2016-2020 by 140.05%, this growth was negative in the short term between 2019 and 2020 as the state's IGR growth in percentages shrank to a 7.87%. The figures show that in 2019 the state had an IGR of N8.44bn while in 2020 that figure fell to N7.77bn, being a reduction by over N660m. This is the smallest IGR generated by any of the 36 states. The highest contributor to the state's IGR in 2020 was PAYE at N5.59bn and the lowest was Direct Assessment at N4.10m.

Directing our attention to capital expenditure, year-on-year, we observe Yobe state had the 12th largest percentage growth in capital expenditure in the federation. The state's capital expenditure grew by 23.49% from N30.09bn in 2019 to N37.16bn in 2020, representing a percentage change of 23.49%. In terms of per

capita capital expenditure, Yobe spent N9,808 per citizen which was more than the average capex per capita at N8,129. In terms of sector allocation, the state prioritised the Economic sector with N31.42bn of the total allocation to capex; this amount represents 84.55% of the total percentage amount. This is a critical point to note as this sector comprises of Works and Housing, Water and Sanitation and Agriculture.

Considering the recurrent revenue structure in the state, the data shows a high dependence on federally allocated funds (i.e, FAAC), to about 86.79% of its total recurrent revenue earnings. With a dependence of 13.21% on IGR, the state (like many other states) can do much better in raising its IGR ratio to exceed 50% to dwarf federal allocations, placing it in a much safer fiscal space.

Domestic debt grew at a rate of 303.98% from N13.58bn in 2016 to N54.87bn in 2020. It still has one of the smallest domestic debts in the country. External debt stood at \$26.55m at the end of 2020, also one of the smallest in the country. Judging by Yobe's 2021 fiscal plan, it is conceivable that Yobe may attempt to increase its debt profile to sustain its required earnings.



Fiscal Options for Building Back Better

Livestock rearing plays a key role in the economies of West African countries providing, at times, 44% of agricultural GDP. With 60m head of cattle; West Africa is an exceptional region for livestock rearing. In comparison with the entire sub-Saharan Africa region, the Sahel and West Africa contain 25% of the cattle, 33% of the sheep, and 40% of the goats.¹¹⁷ With Yobe state having the largest cattle market in West Africa, it can partner with the private sector, to develop modern methods for cattle rearing, whilst exploiting its wind and solar potentials to irrigate the grazing fields. According to recent estimates, the livestock sector is worth N30tn.¹¹⁸

Yobe state can consider the exploitation of another of its resources: gum arabic. The latter has a global market value of \$2.5bn in 2020¹¹⁹ and a domestic market worth \$88.08m (or N48.44bn), as far back as 2004 (trade volumes were nearly 19,000 metric tonnes).¹²⁰

The added benefit of tree crops is that they provide suitable cover against desertification. In general, the state can harness its capacity to produce the commodity by offering linkages and infrastructure that will encourage private investment. Mainly, by providing accessible and simplified land acquisition processes, standard roads and road networks and energy (so as to enable the processing of the sap to intermediate forms with an identifiable value add).

Regrettably, the state is yet to fully block leakages in its fiscal resources as the implementation of the Treasury Single Account is yet to be fully actualised as required under the State's Fiscal Transparency, Accountability and Sustainability Program (SFTAS). However, the state has been able to commence use of Biometrics and Bank verification numbers in payroll management to reduce payroll fraud and ghost workers.

¹¹⁷ See <https://www.oecd.org/swac/publications/41848366.pdf>.

¹¹⁸ See 'Nigeria's Livestock Industry Growing 12.7% Annually', Thisday (Online) Newspaper, at: <https://www.thisdaylive.com/index.php/2020/06/17/nigeria-livestock-industry-growing-12-7-annually/>.

¹¹⁹ See WBOC-Delmarva's News Leader (Website). 'Gum Arabic Market Size is estimated to clock a modest CAGR of 3.1% During the forecast period 2021-2027 with Top Countries Data', on June 28 2021, at: <https://cutt.ly/6EdPDEB>.

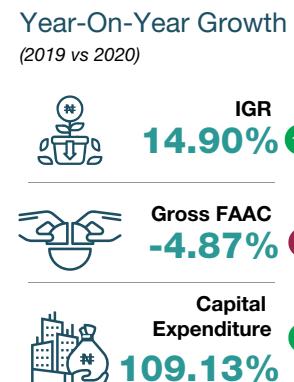
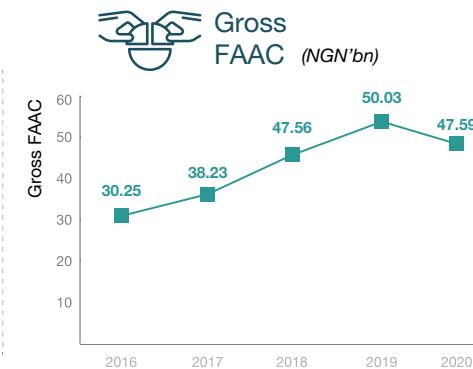
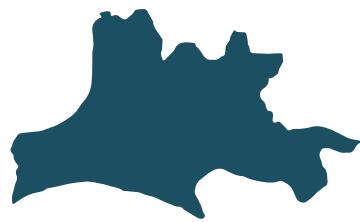
¹²⁰ See Foraminifera Market Research. 'Gum Arabic Processing In Nigeria; The Feasibility Report', at: <https://cutt.ly/lEdDrxx>.

North Central

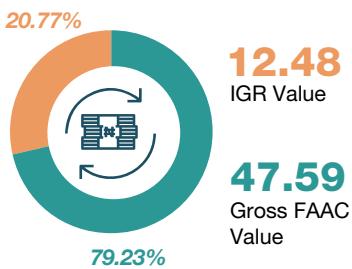
Region

Nasarawa State

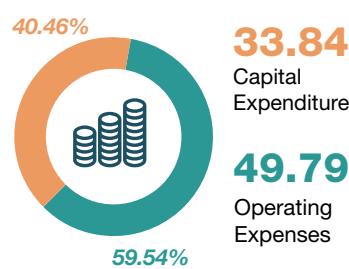
Home of Solid Minerals



Structure of State of States Recurrent Revenue (2020) (NGN'bn)



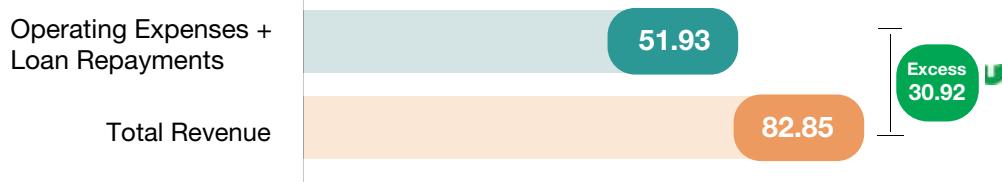
Spending Priority (2020) (NGN'bn)



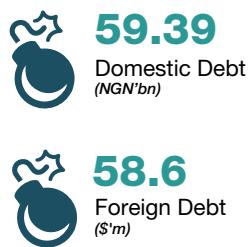
Per Capita Analysis (2020) (NGN)



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





Nasarawa state, the ‘Home of Solid Minerals’ performed relatively ‘solid’ on BudgIT’s 2021 Fiscal performance ranking, as it was able to move from 21st position in 2020 to 16th in 2021. The improvement was due to an improvement in capital spending from the previous year. Nasarawa state grew its capex by 109.13% from N16.17bn in 2019 to N33.83bn in 2020. Looking at capital expenditure per person, it was observed that the state spent about N11,892 per citizen, higher than the national average of N8,129 per citizen.

In terms of sector prioritisation for capital expenditure, Nasarawa spent N18.66bn on its Social Sector, representing 55.14% of the total N33.84bn spent on capital expenditure. This is significant for human capital development, as the state is spending more on health, education, Women affairs and Youth and Sports. What the Civil Society needs to do is ensure that expenditures recorded in the audit report are being used effectively and efficiently.



In our analysis of revenue performance, the state did relatively well in spite of the pandemic-by growing Internally Generated Revenue (IGR) from N10.86bn in 2019 to N12.48bn in 2020, depicting a 14.90% increase.

Nasarawa state’s total operating expenses dropped by 2.79% from N51.22bn in 2019 to N49.79bn in 2020, but this was more than

its capital expenditure of N33.83bn. Placing it in the category of 31 states in the country who prioritize spending on operating expenses over capital spending. The most significant reduction in the state’s operating expenses was in Overhead costs which fell from N20.06bn in 2019 to N15.25bn in 2020, representing a 23.75% decrease.

In our analysis of revenue performance, the state did relatively well in spite of the pandemic-by growing Internally Generated Revenue (IGR) from N10.86bn in 2019 to N12.48bn in 2020, depicting a 14.90% increase. The largest component of this growth came from Pay As You Earn (PAYE) taxes which stood at N9.51bn, representing 76.26% of total IGR for the state in 2020. While direct evidence is needed, it may be speculated that this growth in PAYE collection could be due to an improvement in state capacity to collect taxes, due to Public Financial Management (PFM) reforms. Despite this increase in IGR, Nasarawa is 24th in terms of IGR size for 2020, which means it has ample room to improve its revenue generation capabilities.

Nasarawa’s total debt stock had negative growth of -33.80% from N103.42bn in 2018 to N74.25bn in 2019 fiscal year, but grew by 5.09% from N74.25bn in 2019 to N81.65bn in 2020 fiscal year. Total debt as at 2020 stands at N81.65bn. In comparison to other states, Nasarawa is the 23rd most indebted state according to the size of its external debt and 30th by its domestic debt size.



Fiscal Options for Building Back Better

Nigeria has a nationwide housing deficit exceeding 18 million housing units with a 1.7m deficit in the Federal Capital Territory, FCT. Nasarawa state which borders the nation's capital and can leverage on this proximity to create a booming, affordable housing sector for workers. The state can rapidly consolidate on-going housing-focused PPPs, further simplify land acquisition and access to capital for housing construction for home owners. This has the potential to not only generate employment but yield revenues running to N198 million naira from processing fees alone.

Nigeria currently imports 93% of its annual sugar consumption and spent N433.4bn importing 1.53m metric tonnes of sugar in 2020. The state can significantly boost economic prosperity and job creation if it aims to meet just 50% of this national demand by rapidly consolidating on-going private sector



Also, the state has comparative advantage to produce rice, which market is globally worth over \$20.2 billion dollars (over N11.11tn) in 2021

Sugar Refining efforts in the state, which currently hovers around a meagre 180,000 metric tonnes. More jobs for Nasarawa citizens in sugar refineries means larger revenue from income taxes (PAYE) for the state government;

more economic prosperity from movement of people and goods means more revenue from road taxes for the state. the nation's sugar consumption, projected at 1.6 million metric tonnes in 2021/2022 and worth over \$400 million dollars.

Also, the state has comparative advantage to produce rice, which market is globally worth over \$20.2 billion dollars (over N11.11tn) in 2021. More interestingly, the potential for Nigerian export is worth about N275bn. The state needs to incentivise access to long-term financing for clusters of small holder farmers, access to quality inputs and significantly de-risk investment in post-harvest rice processing facilities through PPPs or shared commercial facilities.

Nasarawa state has achieved some success in terms of plugging potential sources of leakages of public revenue by the introduction of biometrics and use of Bank Verification Number (BVN) in its payroll management to reduce risks of payroll fraud and incidence of ghost workers since 2020. These efforts need to be consolidated as well as efforts to consolidate its Treasury Single Account (TSA) reforms recommended under the State Fiscal Transparency, Accountability And Sustainability (SFTAS) program.

121. See PWC article: <https://cutt.ly/IW3GTZ6>.

122. See "Nasarawa govt to build 4,400 houses", in the Punch Newspapers, on 23 May 2021, at: <https://punchng.com/nasarawa-govt-to-build-4400-houses/>. This is based on the 4,400 homes the current governor intends to build and calculated according to the processing fees stated by the Nasarawa Geographic Information Service (NAGIS).

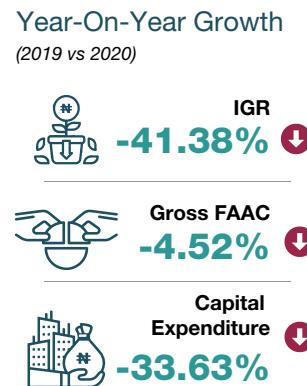
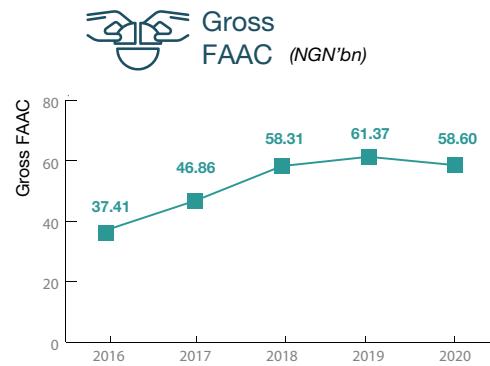
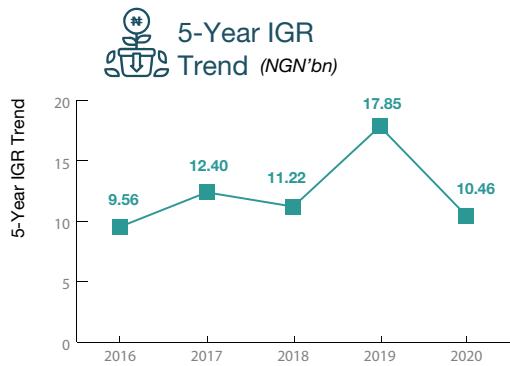
123. See USDA Report: Sugar Annual, at: <https://cutt.ly/7W3Xj8Q>.

124. See Nairametrics article: <https://nairametrics.com/2021/07/19/attaining-self-sufficiency-in-sugar-production-in-nigeria/>

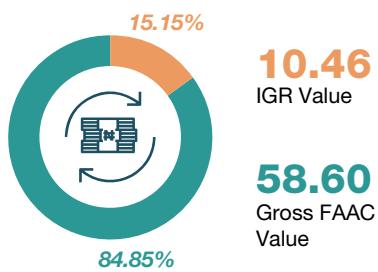
125. See Statista data: <https://www.statista.com/outlook/cmo/food/bread-cereal-products/rice/nigeria>.

Benue State

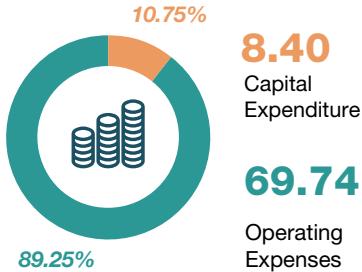
Food Basket of the Nation



Structure of State of States Recurrent Revenue (2019) (NGN'bn)



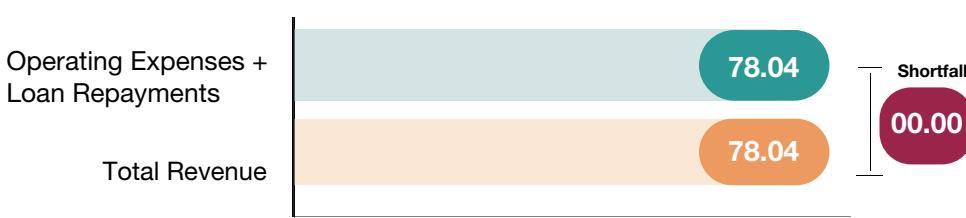
Spending Priority (2020) (NGN'bn)



Per Capita Analysis (2020) (NGN)



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





Fiscal Performance Rank **34**

The state known as the “Food basket of the Nation”, was unable to translate its agricultural fruitfulness into fiscal fruitfulness in 2020. The state fell from its 32nd position in 2020 to 34th position in the 2021 Fiscal Performance Ranking. This fall may be traceable in part to changes in Benue’s capital expenditure of N8.40bn in 2020 which was a drop from its 2019 figure of N12.65bn. The state’s recurrent expenditure fell by very minimal levels being N69.74bn in 2019 to N69.73bn in 2020, being a 0.014% reduction. Though there was year-on-year increase in the ‘Personal Emoluments’ [sic] and ‘Overhead costs’ sub-components of the recurrent expenditure profile, the ‘Social Benefits’ sub-component of recurrent expenditure actually dropped from N5.29bn in 2019 to N1.53bn in 2020, by about N3.8bn (a 71.07% decrease).

Turning the spotlight to capital expenditure, it was observed that Benue state also experienced negative growth: In 2019 Benue spent N12.65bn and in 2020, it spent N8.40bn (a difference of N4.25bn) decreasing by about 33.59%. This decline in actual capex translates to N1,298 per capita—the lowest in the entire

federation—which is a far cry from the national average of N8,129. Perhaps more disturbing (despite the occurrence of the COVID-19 pandemic) is the fact that the state spent eight times more on recurrent expenditure (N69.73bn) in 2020, than on capex (N8.40bn). The bulk of the spending on recurrent expenditure, went to ‘Personal Emoluments’ [sic] and ‘Overhead costs’, which represents 92.68% of the total recurrent expenditure. In terms of sectoral allocation, the Economic sector received the highest allocation of N8.10bn, meaning that the sector took 96.42% of the state’s entire capital expenditure.

Benue state had one of the worst IGR performances in the federation. Its IGR fell by 41.38% from N17.85bn in 2019 to N10.46bn in 2020.

The 2020 total debt figures of N138.48bn translates to a debt per capita of N21,390 and Benue is one of the 5 states in the federation with the highest additions to their total debt stock. Its debt stock grew from N108.96bn in 2019 to N138.48bn in 2020.



Fiscal Options for Building Back Better

With total deposits in excess of 2 billion metric tonnes of limestone¹²⁶ across the nation, Benue can harness its own deposits. The Dangote Cement plant in Gboko (which incorporates Limestone in its production) is said to produce 4.0 million metric tonnes¹²⁷ annually. With a national demand of 20.7 million tonnes¹²⁸, the state can incentivize and de-risk emerging competitive cement producers or mining consortiums, through Public Private Partnerships (PPPs) that streamline land acquisition and provide critical infrastructure. Specifically, quality roads and water provision as cement production is very water intensive.

In addition to creating avenues for expanded IGR for the state through rent payments, direct assessments and road taxes-from the new employment created-the additional cement production can contribute to export. The value of this export market for Nigeria is held to be \$350 million dollars (or N192.5bn). In addition, there is potential in enhancing River Benue's Inland Waterway capacity. While this is a long term project the National Inland Waterways Authority (NIWA) and the Ministry of Transportation, commenced dredging parts

of the river in 2017. With the ease in transport that this can lead to, the cost of movement of goods will reduce. This can allow for an inflow of goods to states within the region and beyond. An obvious advantage of this is road taxes and the non-tax revenue from various charges and licenses.

Perhaps the most potentially lucrative source of revenue in Benue is agriculture, as the state produces about 70% of Nigeria's Soybeans, among other things¹²⁹. The total size of the Soybean value chain in Nigeria, is approximately 1.15 million metric tonnes, making it the largest in the sub-continent¹³⁰. The total possible available revenue from export is \$2.5 billion dollars (or N1.37tn). In terms of achievement on the World Bank 2020 SFTAS Public Financial Reform (PFM) indicators, the state has fulfilled the three significant public management items of: Treasury Single Account (TSA), Biometric and Bank Verification numbers. However, all potential proceeds will not be realized without a critical investment in security infrastructure: the most significant component of public goods that the state can provide.

¹²⁶ See Foraminifera Market Research. (2018). Limestone Mining In Nigeria, The Pre-Feasibility Report. Available at: <https://cutt.ly/CW7Pbz>.

¹²⁷ See Dangote Cement: Nigeria Operations, at: <https://www.dangotecement.com/nigeria-operations/>.

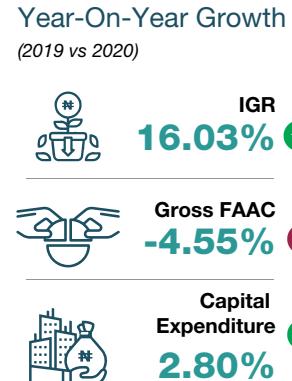
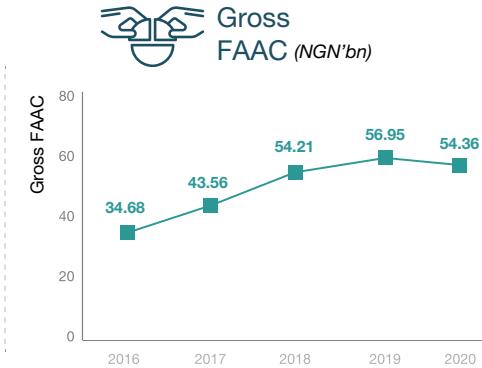
¹²⁸ See Reuters. Africa. 'Nigeria raps dominance of large cement firms hampering Economy', at: <https://www.reuters.com/world/africa/nigeria-raps-dominance-large-cement-firms-hampering-economy-2021-04-21/>.

¹²⁹ Some of the crops are as follows: Cash crops- soybeans, rice, peanuts, mango varieties, citrus, palm oil, melon, African pear, chili pepper, tomatoes etc. Food crops- Yam, Cassava, Sweet potato, Beans, Maize, Millet, Guinea corn, Vegetables etc. Animal production include, Cattle, Pork, Poultry and Goats.

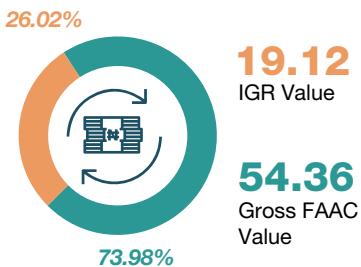
¹³⁰ See Business a.m. 'Soybean production: Global market relevance beckons, for Africa's largest economy, Nigeria', by Onome Amuge, on November 24 2020, at: <https://cutt.ly/PEbMgee>.

Plateau State

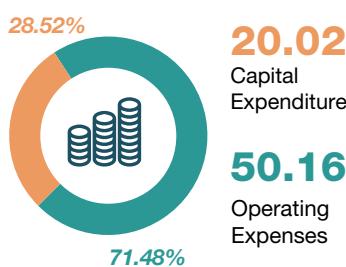
Home of Peace and Tourism



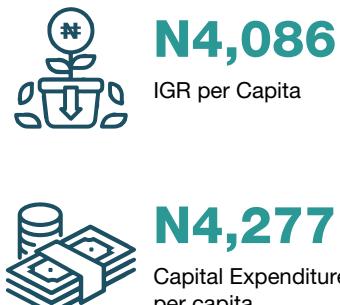
Structure of State of States Recurrent Revenue (2020) (NGN'bn)



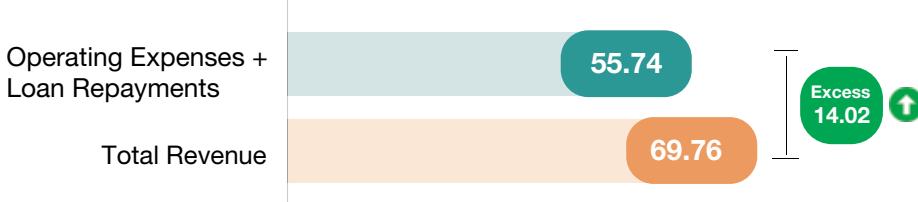
Spending Priority (2020) (NGN'bn)



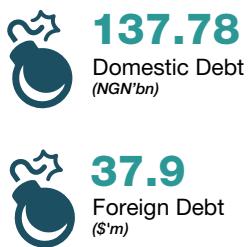
Per Capita Analysis (2020) (NGN)



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





Fiscal Performance Rank 18

The state known as the ‘Home of Peace and Tourism’ was somewhat fiscally peaceful, as it was able to sustain a climb in the Budgit fiscal performance index, from its 34th position in 2020 to 18th position in 2021. The state may have been able to achieve this by a significant reduction in its recurrent expenditure from N69.21bn in 2019 to N50.15 in 2020: a 27.53% decrease. While there was an increase in capital expenditure (from N19.47bn in 2019 to N20.01bn in 2020) year-on-year and an increase in Internally Generated Revenue (IGR), from N16.48bn in 2019 to N19.12bn in 2020, the said increases were minimal.

Taking a closer look at the nature of change in capital expenditure, it was observed that capex only grew by 2.80% (i.e., from N19.47bn in 2019 to N20.01bn in 2020) year-on-year. In comparing its spend on capex to its spend on recurrent expenditure, the latter far exceeded the former, with a total of N20.01bn on capex and N50.15bn on recurrent expenditure. However, Plateau was the 11th lowest spender on capex, compared to its fellow subnational units, with Lagos as the highest spender on

capex. When capex is dimensioned into per capita spending, it was N4,277 per capita (a figure which is half the national average and more than N2,000 below the national median). In terms of sector prioritisation, the state spent N13.73bn on its Economic sector, representing 68.61% of the total allocation towards capex.

In terms of revenue performance, observations show that Plateau state is quite dependent on allocations from the federation account, as analysis shows this is up to 73.98%. This means that the remaining 26.02%, is the state’s IGR strength. As is apparent, this is an unsafe fiscal position, meaning that the state must (alongside its debt overhang) consider innovative ways of increasing its revenue.

In terms of state debt, Plateau is the 14th most indebted state, at N150.29bn. In the 2019-2020 fiscal year, it grew by 4.30% moving from N144.09bn to N150.29bn. In terms of external debt, Plateau is the 13th most indebted with a debt liability of \$32.92m. In comparison to its regional peers, Plateau ranks the highest in total debt stock.



Fiscal Options for Building Back Better

The state has notable advantages in agriculture specifically in Potato and Tomato production. With a global potato market worth \$140.5 billion dollars in 2019¹³¹ (and global consumption to hit 441 million tonnes at the end of 2030)¹³², Plateau has the capacity to produce 960,000 metric tonnes of potatoes¹³¹. With a minimal level of intervention, Plateau alone can meet domestic demand, said to be at a conservative estimate of 1 million tonnes¹³⁴ (approximately N1.65bn).

Regarding tomato production: “Despite producing 2.3 million metric tonnes of tomato annually, current national demand is estimated to be slightly higher at 3 million metric tonnes annually”¹³⁵. Beyond this seemingly low capacity, at least 45% of production is lost, post-harvest, speculated to cost N28.4bn per annum¹³⁶. Worse, Nigeria is the 3rd largest net importer of tomato paste in Africa.¹³⁷ Where the state can provide stable energy supply (for cold storage), easy to obtain long leases and ensure

the state road network is safe and of high quality: IGR from trade in tomatoes alone (direct assessments, land registration and stamp duties) can certainly be made.

In addition, Plateau has substantial mineral deposits, chief among which is granite. Global value of granite trade, hit \$1.63 billion dollars in 2019¹³⁸ and trade volumes were estimated to have hit 23 trillion metric tonnes in 2020.¹³⁹ Despite Nigeria producing 17.5 million tonnes in 2017¹⁴⁰, high demand makes the country spend N4bn annually on importation¹⁴¹. Plateau can collaborate with the private sector to ensure key infrastructure to enhance mineral extraction, such as water and energy. With such, revenue inflow from direct assessments, road taxes and stamp duties are bound to follow. For plugging administrative revenue outflow, the state can do more in terms of setting up a structured Treasury Single Account, according to 2020 SFTAS specifications.

131. See Global Trade. ‘The Global Potato Market Hits Record Highs’, on June 29 2020, at: <https://www.globaltrademag.com/the-global-potato-market-hits-record-highs/>.

132. See Global Trade. ‘The Global Potato Market Hits Record Highs’, op. cit.

133. See Nairametrics. ‘Plateau State potato production capacity hits 960,000 metric tons annually’, by Williams Ukpé, on July 19 2021, at: <https://nairametrics.com/2021/07/19/plateau-state-potato-production-capacity-hits-960000-metric-tons-annually/>. However, see also Daily Trust (Online) Newspaper. ‘Despite Challenges, Plateau Targets 7m Metric Tons Of Irish Potato’, by Ado Musa, on February 18 2021, at: <https://dailytrust.com/despite-challenges-plateau-targets-7m-metric-tons-of-irish-potato>.

134. See Nigerian Infopedia. ‘Irish Potato Farming in Nigeria: Guide on How to Start (2021)’, by Abdulwali Yahaya, May 9 2020, at: <https://nigerianinfopedia.com.ng/irish-potato-farming-in-nigeria/>.

135. See Nairametrics. ‘Nigeria is the 14th largest producer of tomatoes in the world, second in Africa – NIHORT’, by Chidi Emenike, December 2 2020, at: <https://cutt.ly/TEta9F7>. However, Technoserve places Nigeria’s production capacity less than this, at 1.8 million metric tonnes a year and the total demand at 2.3 million metric tonnes. See Technoserve. ‘Successful Farming: Reducing Post-Harvest Loss Through Cottage Tomato Processing’, by Technoserve, on July 23 2020, at: <https://cutt.ly/CEye9vd>.

136. See Daily Trust (Online) Newspaper. ‘Nigeria Loses N28.4bn Worth Of Tomatoes Annually’, by Webmaster, on October 5 2017, at: <https://dailytrust.com/nigeria-losses-n28-4bn-worth-of-tomatoes-annually>.

137. See Nairametrics. ‘Nigeria is the 14th largest producer of tomatoes in the world, second in Africa – NIHORT’, op. cit.

138. See the Observatory of Economic Complexity (OEC). Granite: 2516 (Harmonized System 1992 For 4-Digit), at: <https://oec.world/en/profile/hs92/granite>.

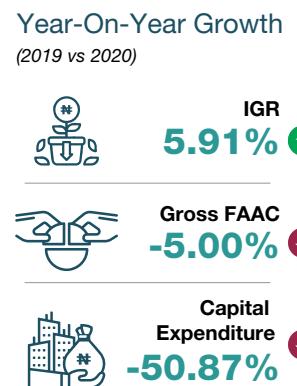
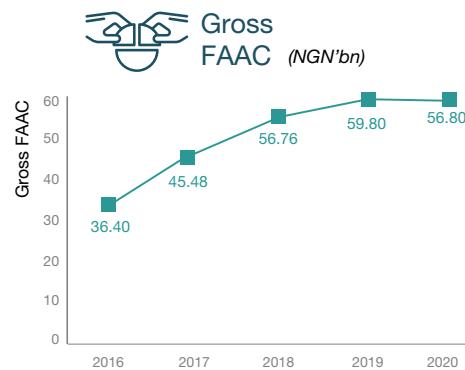
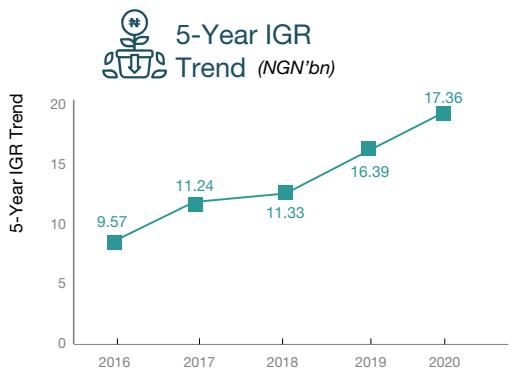
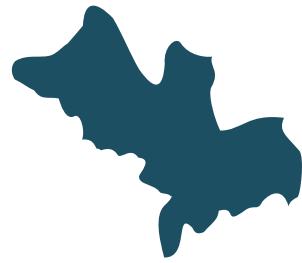
139. See Businesswire. ‘Global Strategic Business Report on Granite, Marble and Stone Market 2020 with Global Competitor Market Shares - ResearchAndMarkets.com’, at: <https://cutt.ly/MEyh35T>.

140. See Aggregates Business. ‘Granite leads solid minerals production in Nigeria’, on August 6 2018, at: <https://www.aggbusiness.com/ab10/news/granite-leads-solid-minerals-production-nigeria>.

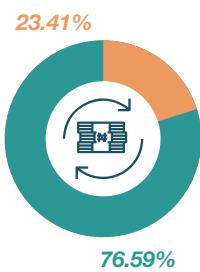
141. See Vanguard (Online) Newspaper. ‘Nigeria spends over \$4bn on importation of granite annually — Fayemi’, on May 26 2017, at: <https://www.vanguardngr.com/2016/05/nigeria-spends-4bn-importation-granite-annually-fayemi/>.

Kogi State

The Confluence State



Structure of State of States Recurrent Revenue (2020) (NGN'bn)



17.36
IGR Value
56.80
Gross FAAC Value

Spending Priority (2020) (NGN'bn)



14.05
Capital Expenditure
66.77
Operating Expenses

Per Capita Analysis (2020) (NGN)



N3,441

IGR per Capita



N2,785

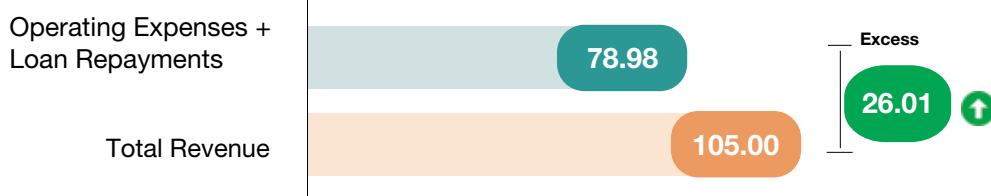
Capital Expenditure per capita



N15,772

Total Debt per capita

Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



Debt Profile

68.09
Domestic Debt
(NGN'bn)

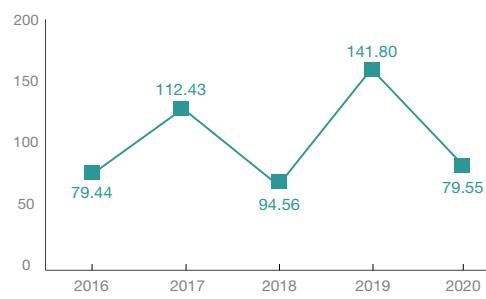
30.2
Foreign Debt
(\$m)

Total Debt Analysis

0.14%
Debt Growth
(2016 - 2020)

30th/36
Most indebted in the country
Debt Size Position

Total Debt (NGN'bn)





Fiscal Performance Rank **28**

The state, home to where the nation's two largest rivers meet, flowed very briefly to one rank above its former position in the 2021 State Fiscal Performance Index, moving from 29th in 2020 to 28th in 2021. This movement may have been due to a modest reduction in its total recurrent expenditure for the 2019/2020 period. Total recurrent expenditure fell from N94.77bn in 2019 to N70.88bn, representing a 25.20% reduction. The largest reduction in the recurrent expenditure subcomponent happened with the 'Social Benefits' subhead, which declined by 59.53% from N25.60bn in 2019, to N10.36bn in 2020.

Kogi State recorded a significant shrinkage in its capital expenditure which reduced by 50.87% from N28.58bn in 2019 to N14.04bn in 2020. This translates to a very low capital expenditure per capita of N2,785 which is less than one quarter of the national average per



Considering the state's recurrent revenue structure, an over-dependence on federation allocations is evident, with Kogi having 76.59% of its revenue from the federation and only 23.41% coming from the state.

capita of N8,129. It was the 3rd lowest spender on capital expenditure, in 2020, across the federation-outdone only by Taraba and Benue.

Kogi grew its Internally Generated Revenue (IGR) by 5.91% from N16.38bn in 2019 to

N17.35bn in 2020. Looking at the component performance of the state's IGR, one observes that the bulk of the revenue came from 'PAYE', about N11.7bn in 2020. However, this was very similar to what the state earned in 2019-about N11.09bn. The next largest component came from 'Other taxes', which were N2.4bn in 2020, which had climbed from N1.33bn in 2019. Its IGR per capita of N3,441 was also low, compared to the national average of N4,616 per capita. 25 states within the federation had an IGR per capita, less than the national average.

Considering the state's recurrent revenue structure, an over-dependence on federation allocations is evident, with Kogi having 76.59% of its revenue from the federation and only 23.41% coming from the state. This is an unsafe fiscal position for the state and shows that Kogi has a lot of leeway to improve its internal revenue, by not only reducing its dependence but also expanding its fiscal space for capital and social sector projects.

The state's debt profile is intriguing, as total debt stock had a year-on-year increase by 49.96% from N94.56bn in 2018 to N141.8bn in 2019 fiscal year, but then shrank by 43.93% from N141.8bn in 2019 to N79.55bn in 2020 fiscal year. In comparison to its fellow sub-national units, Kogi is one of the 5 states in the federation with the lowest additions to their total debt stock.



Fiscal Options for Building Back Better

Kogi has numerous options for building back better and key among its resources, of which Nigeria is one of the top 5 world producers is Palm Oil¹⁴². With a global market value of \$42.8 billion dollars in 2020¹⁴³, this multi-use commodity has immense revenue benefits for the state. Nigeria's export potential for Palm Oil, is within the realm of \$5 billion dollars (or N2.75tn). Local demand alone was 1.34 million metric tonnes, and as at 2019, the country was only producing 1.03 million metric tonnes.¹⁴⁴ Critical forward and backward linkages that the state can make available for entrepreneurs and small holder farmers, is simplified and secure access to land, safe roads (to enhance movement to the ports) and stable energy supply.

A second viable agricultural product is Cashew nuts, of which the state already possess 58% of the entire cashew trees in the West African sub-region. Global production reached 3.9 million tonnes in 2018, with Nigeria producing about a fraction of that at 200,000 tonnes in the same year¹⁴⁵. The global export market is valued at \$6.84 billion dollars and the export value for Nigeria alone is \$500 million dollars

(or N275bn)¹⁴⁶. High revenue earnings that can result from Kogi providing infrastructure (energy, roads and simplified land acquisition), will flow from road taxes, direct assessments and stamp duties, among others.

Lastly and perhaps most importantly the state possesses some of Nigeria's purest deposits of iron ore-hence the siting of the nation's steel mill in Ajaokuta-an estimated 3 billion tonnes¹⁴⁷. The global export market is valued at \$93 billion dollars and Nigeria's potential export market is about \$2.5 billion dollars (or N1.37tn). Despite the decades-long production issues within the national sector, it is still a critical source of revenue (through the rendering of fundamental infrastructure) and employment, not just for the federal government but for the state as well.

The most pressing areas to plug revenue leakages, according to the 2020 SFTAS indicators, have been accomplished by the state (Treasury Single Account (TSA), Biometric data for payroll and Bank Verification numbers linked to payroll information); what remains is for a build up of better fiscal management practices.

142. See Voora, V., Larrea, C., Bermudez, S. and Balliño, B. (2019). Global Market Report: Palm Oil. International Institute for Sustainable Development, at: <https://cutt.ly/sEyRmWv>.

143. See Research and Markets. 'Global Palm Oil Market Report 2021: Market to Reach \$57.2 Billion by 2026 - U.S. Market is Estimated at \$11.9 Billion, While China is Forecast to Reach \$11.7 Billion by 2026', on July 19 2021, at: <https://cutt.ly/aEyTrmh3>.

144. See PricewaterhouseCoopers-Nigeria. (2019). 'X-rayng the Nigerian Palm Oil Sector, at p. 1, at: <https://cutt.ly/qEyU4RO>.

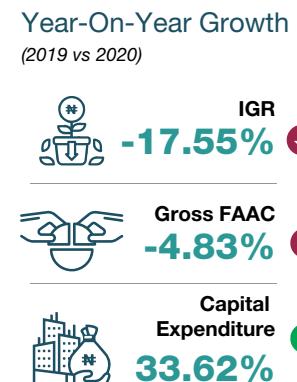
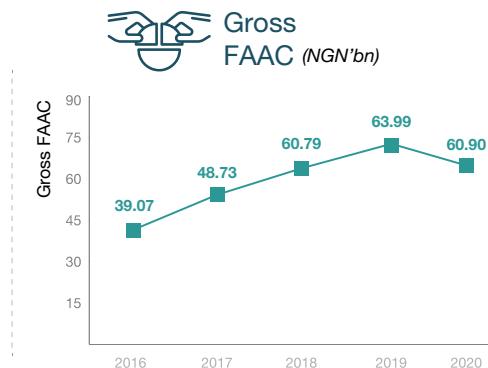
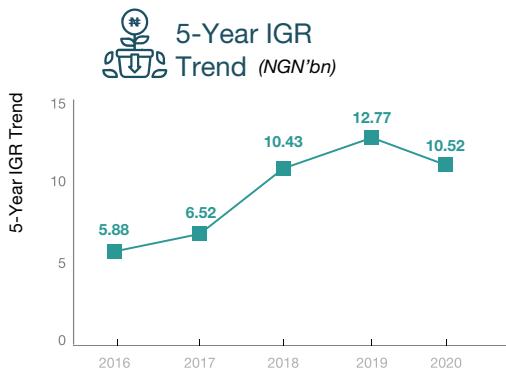
145. See United Nations Conference on Trade and Development (UNCTAD). (2021). Commodities at A Glance: Special Issue on Cashew Nuts, No. 14, on pages 18 and 20, at: <https://cutt.ly/wEyFiss>.

146. BudgIT in-house data calculations.

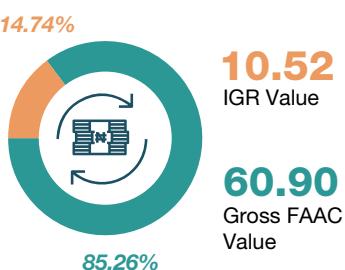
147. See the Vanguard (Online) Newspaper. 'Nigeria sees first iron ore output in 2012', on September 5 2011, at: <https://www.vanguardngr.com/2011/09/nigeria-sees-first-iron-ore-output-in-2012/>.

Niger State

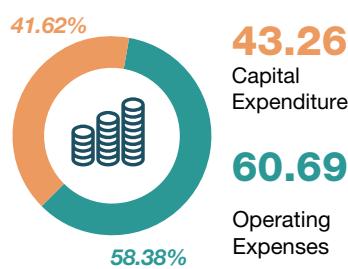
The Power State of the Country



Structure of State of States Recurrent Revenue (2020) (NGN'bn)



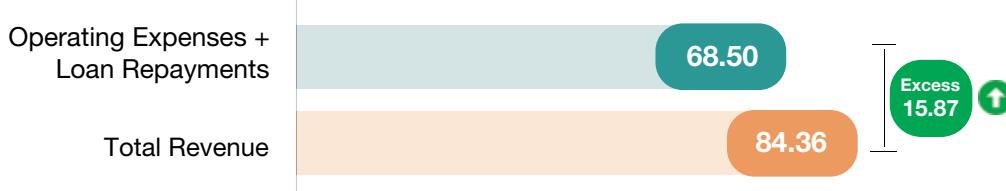
Spending Priority (2020) (NGN'bn)



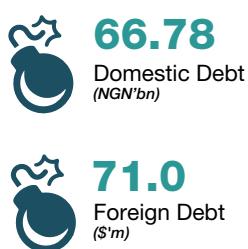
Per Capita Analysis (2020) (NGN)



Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



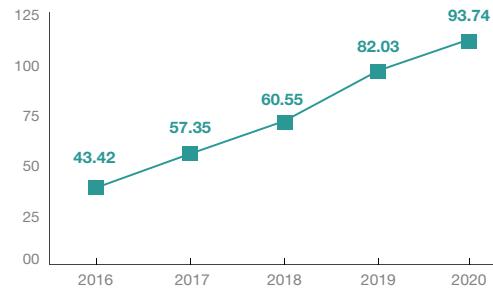
Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





Fiscal Performance Rank **26**

The power state of the country performed relatively weak on the BudgIT fiscal performance ranking. Niger fell from its 19th position in 2020, to 26th position in 2021. This poor performance was despite some considerable increase in capital expenditure growth between 2019 and 2020. It was also despite a near stagnancy in the state's total actual recurrent expenditure, as the latter only slightly rose by a mere 0.044%, from N60.41bn in 2019 to N60.68bn in 2020. However, despite this slight rise, the total 'Overhead Costs' fell by about N6.62bn, from N18.26bn in 2019 to N11.64bn in 2020.

In addition, the pandemic created new lines of spending, namely 'Covid Personal Allowances' and 'Covid Related Overheads', both of which were N4.50bn and N1.56bn, respectively.

Moving our focus to capital expenditure, we observed that Niger state's allocations grew by 33.62%, from N32.37bn in 2019 to N43.25bn in 2020. This made the state the 9th highest in terms of capex allocations in the entire federation. Comparing this capex spend to recurrent expenditure spend, one can notice that capex is at least N17bn less than recurrent

expenditure. The state's capex per capita is N6,796, which is less than the national average of N8,129 per capita.

In terms of revenue performance, Niger state is the 4th lowest in the federation at N1,653 per capita, while the national average is N4,616 per capita. The state's Internally Generated Revenue (IGR) shrank by 17.55%, when it moved from N12.76bn in 2019, to N10.52bn in 2020. The largest subcomponent of IGR came from 'MDAs revenue', where it climbed from N463.2m in 2019, to N1.77bn in 2020: a growth of 282%. This can be contrasted with the fall in 'Other taxes', which was N7.02bn in 2019 and then moved downward to N3.13bn in 2020, depicting a 55.41% decrease.

The state's total debt stock grew by 26.19% from N60.55bn in 2018 to N82.03bn in the 2019 fiscal year but slowed down to 12.69% in the 2019-2020 fiscal year, growing from N82.03bn to N93.74bn. The state's total debt per capita stands at N14,726, lower than the country average total debt per capita of N27,316.



Fiscal Options for Building Back Better

Niger state has significant potential in livestock production and animal husbandry¹⁴⁸ which are both sources of beef (and other animal protein) and leather (NIPC, 2020). The global export market value of beef and leather is \$22 billion dollars and \$53.1 billion dollars respectively. Overall, Nigeria's potential share in this export market is \$180 million dollars for beef (or N99bn) and \$450 million dollars for leather (or N247.5bn). In terms of local consumption, Nigeria's estimated figure is around 360,000 tonnes per year.¹⁴⁹ Due to the land intensive nature of livestock production, the state can unbundle its land acquisition processes, expand and deepen water supply and quality to more locations within the state and improve its existing road network. Where implemented in collaboration from the private sector (in ranching), IGR from Market and Road taxes, and Stamp Duties will likely follow.

In addition, the state has demonstrable capacity and output in rice production (NIPC, 2020). Valued at \$20.2 billion dollars, the global export value of rice will certainly increase, with global population growth. The value of Nigeria's export potential in rice is within the region of \$500 million dollars (or N275bn) and its domestic

consumption rate is 32kg per person (64 million tonnes, per annum)¹⁵⁰. Linkages required for profitable rice production are identical to those for livestock and include provision of storage facilities. IGR sources to grow from an optimally managed rice value-chain, are Road and Market taxes and Direct Assessments.

Niger's performance on the 2020 SFTAS, disbursement linked results has been modest, with the state achieving the Bank verification number use and Biometric use in payroll management but recorded no success in the adoption of Treasury Single Account. The latter is key to the state blocking revenue outflows as a result of inefficient and low supervision of state finances and the state should consider taking up.

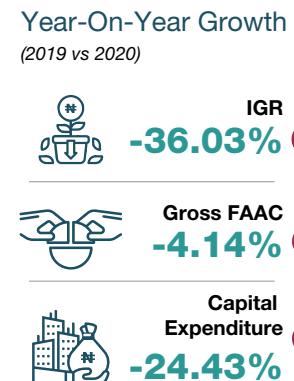
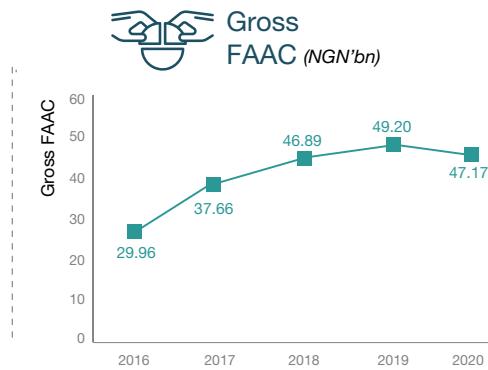
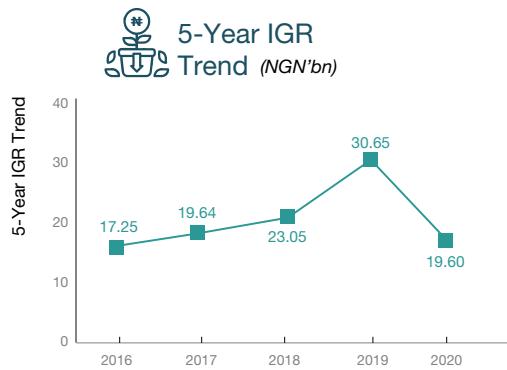
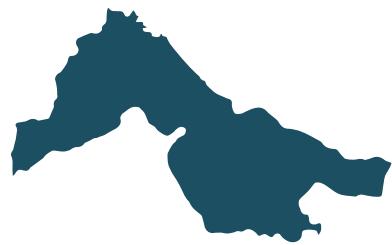
148. In terms of agricultural products and livestock management and the revenue that can be generated therefrom, the state has numerous options to choose from. This is because, apart from being the largest state in the federation, nearly 80% of its landmass is cultivable (NIPC, 2020).

149. See the Vanguard (Online) Newspapers. 'Nigeria, consumes 360,000 tonnes of beef each year', on June 26 2029, at: <https://www.vanguardngr.com/2019/06/hunger-for-beef-offers-rewards-and-risks-for-nigerias-pastoralists-2/>.

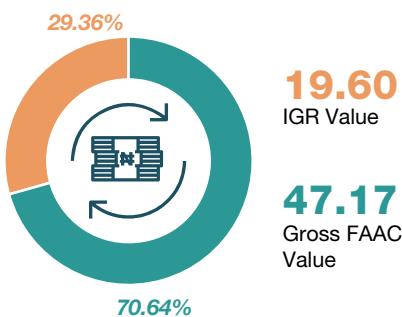
150. See generally, PricewaterhouseCoopers-Nigeria. (2018). 'Boosting rice production through increased Mechanisation' (Report), at: <https://cutt.ly/oEiKLzx>.

Kwara State

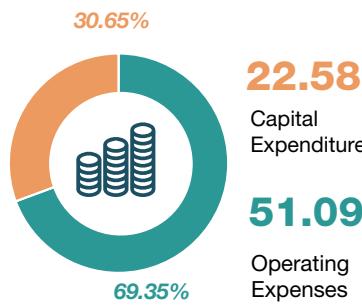
State of Harmony



Structure of State of States Recurrent Revenue (2020) (NGN'bn)



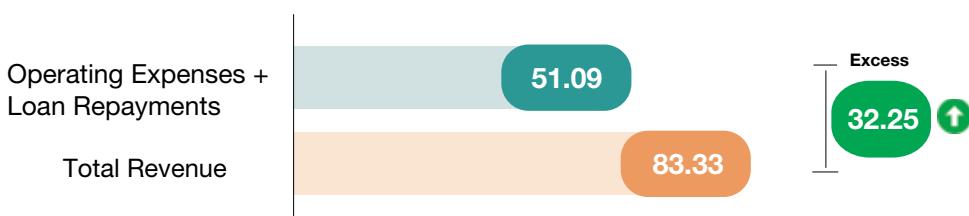
Spending Priority (2020) (NGN'bn)



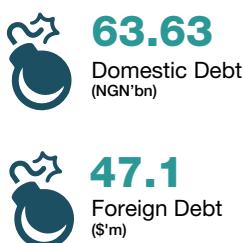
Per Capita Analysis (2020) (NGN)



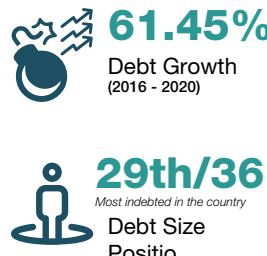
Ability to meet Operating Expenses and make Loan Repayments with Total Revenue (NGN'bn)



Debt Profile



Total Debt Analysis



Total Debt (NGN'bn)





**Fiscal
Performance
Rank**

10

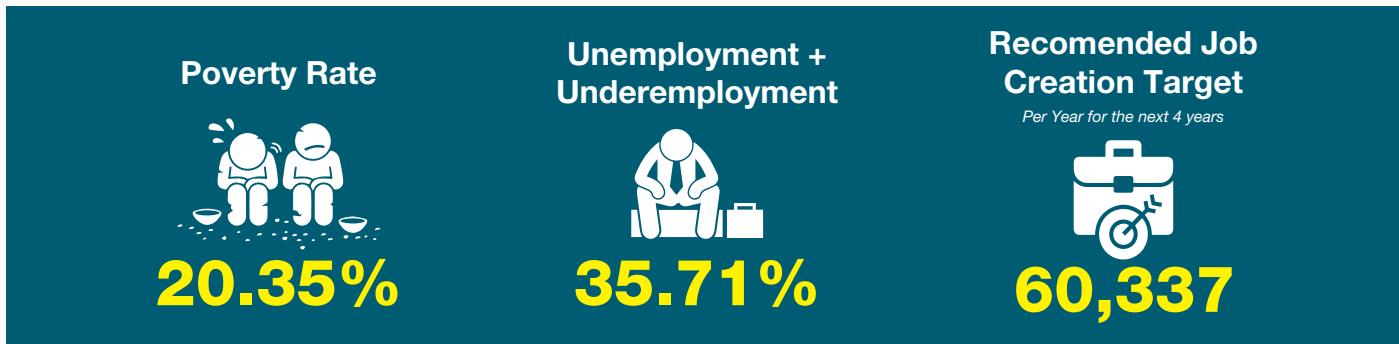
The ‘State of Harmony’ may have achieved some level of fiscal ‘harmony’, as it was able to move from 12th position on BudgIT’s fiscal performance ranking in 2020, to 10th position in 2021. Kwara state is the best performing state within the north-central region and has maintained a decent position. Kwara’s recurrent expenditure also dropped year-on-year by 28.64% between the same fiscal year, moving from N71.59bn in 2019 to N51.08bn in 2020.

The state reduced its capital expenditure year-on-year between 2019 and 2020 from N29.87bn to N22.57bn, at 24.43%. Noting the state’s capital expenditure performance, it is observed that Kwara was the 9th lowest spender on Capital expenditure in 2020, when ranked alongside the states of the federation. In terms of capital expenditure per capita, Kwara spent N6,272 per citizen in 2020, which is below the national average capital expenditure per capita of N8,129 per citizen and slightly lower than the national median capex per capita of N6,612 per citizen.

In terms of Internally Generated Revenue (IGR) performance, the state did not perform well and

had a percentage decrease of 36.03%, being a move from N30.64bn in 2019 to N19.60bn in 2020. Kwara state had the 3rd worst decline (comparing by percentage) in IGR. Looking at the components of Kwara’s IGR, it can be seen that the largest negative change was recorded in ‘MDAs Revenue’, which dropped from N17.35bn in 2019 to N10.32bn in 2020, representing a 40.51% reduction. Yet, Kwara still had the highest IGR within its region in 2020, exceeding Plateau State by nearly N500m (Plateau had an IGR of N19.12bn in 2020).

The state’s debt profile is relatively low, as its total debt stock had a minimal increase of 4.51% in the 2018-2019 fiscal year and grew by 5.15% in the 2019-2020 fiscal year. Total debt from 2018 to 2020 ran from N73.96bn to N77.45bn to N81.51bn. For foreign debt, the state owed N14.40bn but due to the April, 2020 Central Bank of Nigeria exchange rate devaluation (from N306 to N380), foreign debt increased by approximately N3.48bn to N17.88bn. In comparison to its fellow sub-national units, Kwara is the 8th least indebted state in the federation.



Fiscal Options for Building Back Better

Kwara state has significant potential to earn revenue from wood production and possibly for engineered wood manufacture. With a global wood market size of \$666.43bn in 2021 and a total sales for sawn wood at \$36.8bn in 2020¹⁵¹, data for Nigeria (between 2011- 2015) shows it exported only about \$400.1m of wood¹⁵². In addition, the global export market for engineered wood stood at about \$13.4bn and the potential export market for Nigeria was about \$1.2 billion dollars. This component of the state's resources will contribute positively to the increase in IGR, especially where the government is able to ensure easy-to-understand land acquisition processes (leases, rents, and purchase). In addition, where the state can guarantee cheap and accessible electricity, processing of wood to transportable units will be easier. This means revenue from Road taxes, Stamp Duties, Capital gains and Direct Assessments.

A second high revenue earner for the state is Tantalum (or Tantalite). Although its current



The third source of IGR, can come from Sesame production, which has a global export market worth \$251m and a Nigerian export market worth \$30m.

total volume in Nigeria is unknown, it has been

observed that Plateau state alone may have over 14,000 tonnes¹⁵³. Even if 10,000 tonnes of this amount can be exported, it could fetch at least N770bn¹⁵⁴. With minerals being energy intensive, the government is advised to invest heavily in energy provision, road networks and water. The IGR, from this commodity alone-apart from improvement in employment-will come from Road taxes and other taxes.

The third source of IGR, can come from Sesame production, which has a global export market worth \$251m and a Nigerian export market worth \$30m. The state can key into ramping up production by providing forward and backward linkages, in terms of energy, road networks and irrigation facilities.

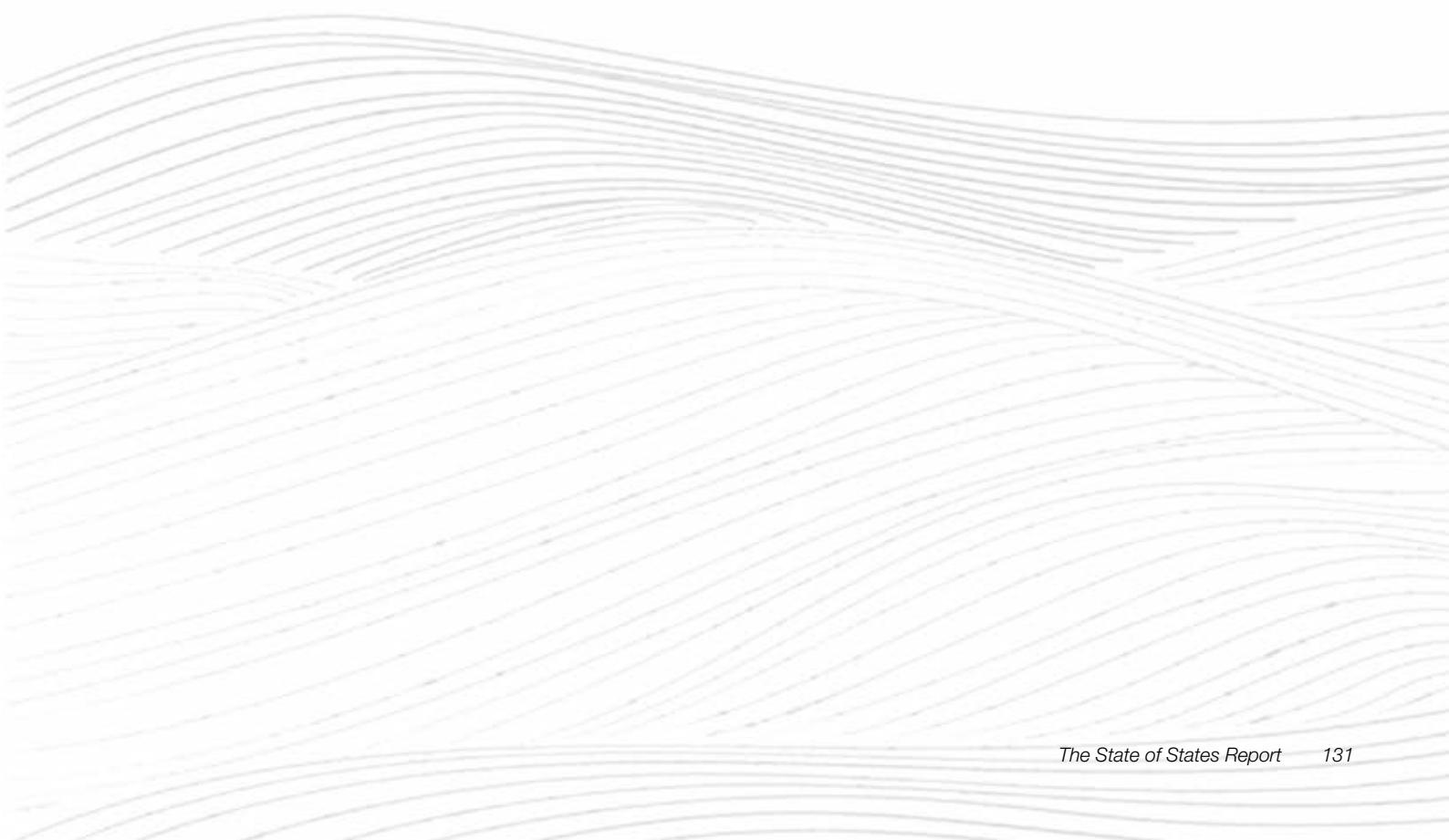
Looking at the state's efforts at blocking revenue leakages, it can be noted that Kwara has yet to implement a fully functional Treasury Single Account (TSA). This means this limits its ability to efficiently have full view and better control of all its revenue for more effective management. On the positive side, it has implemented Biometric data usage for payroll and the linking of staff Civil Service data with Bank Verification Numbers.

147. See World Top Exports (Website). Sawn Wood Exports by Country, at: <https://www.worldtopexports.com/sawn-wood-exports-country/>.
 148. See Idumah, F.O. and Awe, F. (2017). Contribution of Timber Exports to Economic Growth In Nigeria: An Econometric Analysis, at p. 47. In the Journal of Research in Forestry, Wildlife & Environment Vol. 9(4) December, 2017, at: <https://cutt.ly/pEi9bhe>.

149. See Foraminifera Market Research. (2018). Tantalum Ore (1%) Mining And Processing To Tantalum Ore (60%) In Nigeria, The Feasibility Report, at: <https://cutt.ly/wEi4hix>.

150. Budgit conservative calculations at \$140,000 per tonne, at N550 per dollar. See Metalary (Website). Tantalum Price, at: <https://www.metalary.com/tantalum-price/>.

Infographics & Charts



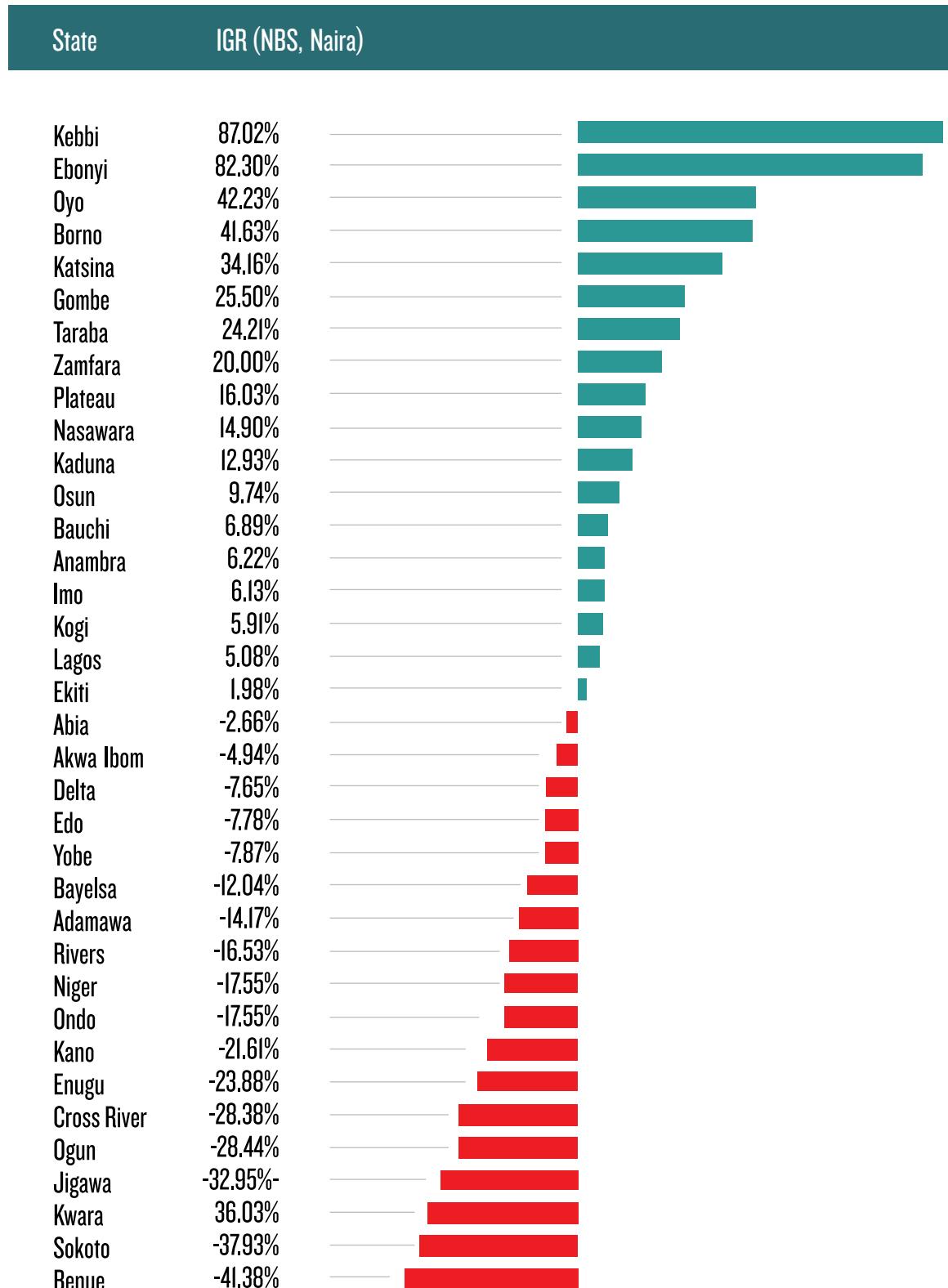
IGR per capital



State per capita

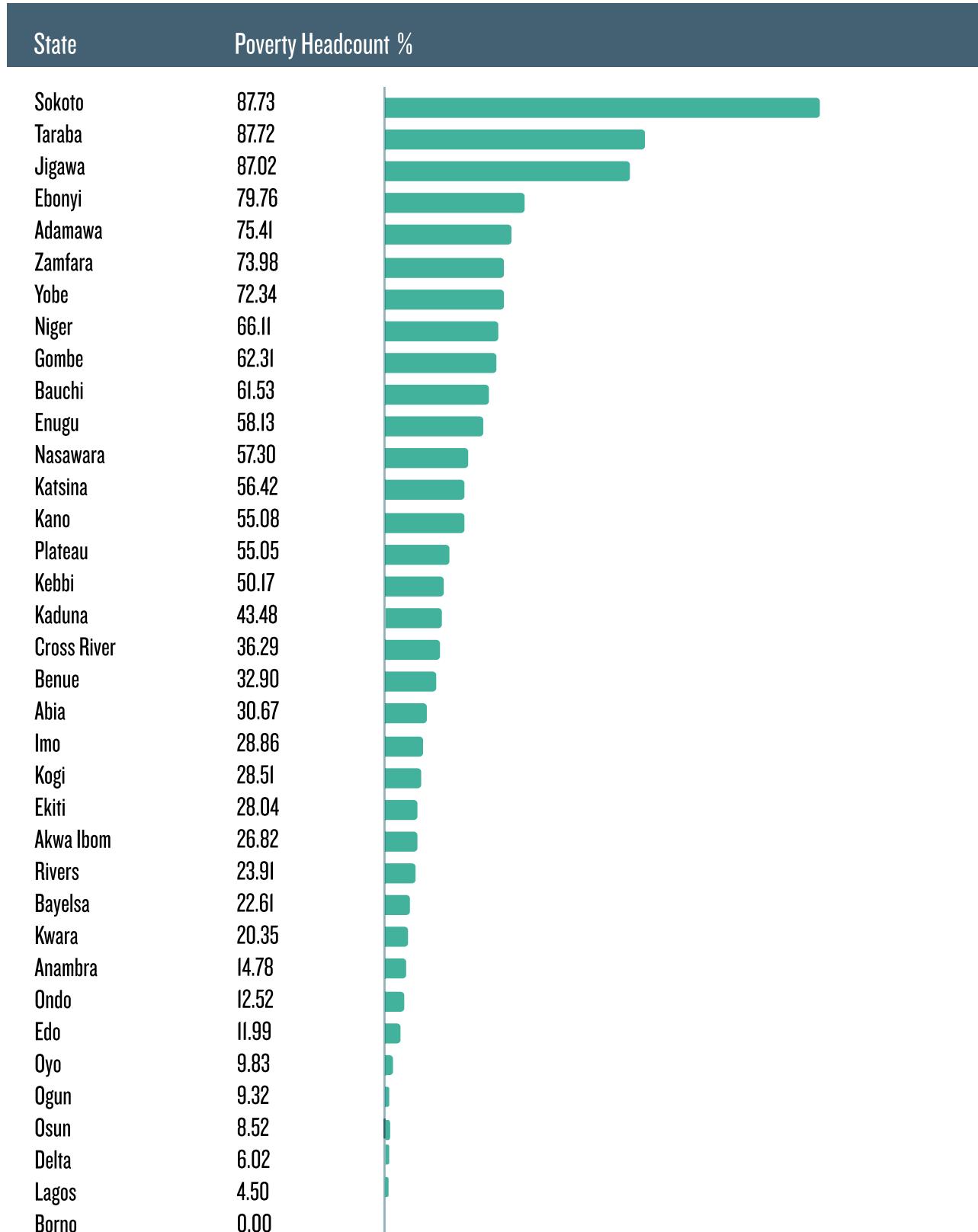
State	 per capita
Lagos	29,373
Rivers	14,005
Delta	9,280
Ogun	8,524
Edo	5,761
Kaduna	5,456
Kwara	5,446
Akwa Ibom	4,887
Bayelsa	4,762
Enugu	4,755
Ondo	4,717
Anambra	4,530
Nasawara	4,385
Oyo	4,235
Ebonyi	4,219
Plateau	4,086
Cross River	3,727
Osun	3,678
Zamfara	3,605
Abia	3,462
Kogi	3,441
Imo	2,779
Kebbi	2,741
Taraba	2,356
Ekiti	2,354
Gombe	2,306
Kano	2,132
Sokoto	2,093
Yobe	2,053
Adamawa	1,746
Borno	1,725
Bauchi	1,669
Niger	1,653
Benue	1,616
Jigawa	1,324

IGR Year-on-Year Growth



Sources: BudgIT Research

Poverty and Inequality in Nigeria



Sources: National Bureau of Statistics

Unemployment + Underemployment



Unemployment + Underemployment

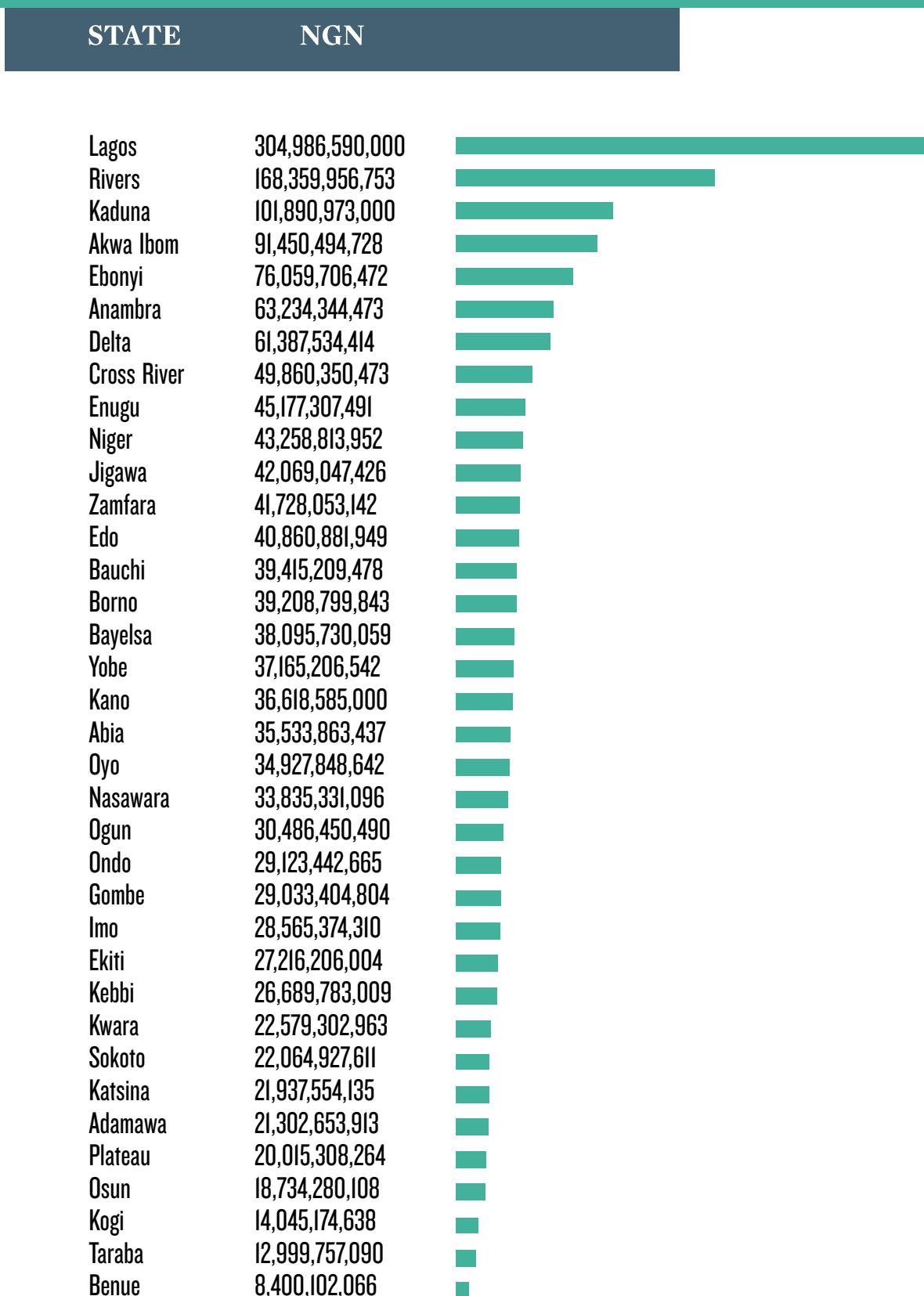
State	Unemployment + Underemployment
Imo	82.54%
Jigawa	79.98%
Adamawa	79.56%
Yobe	74.12%
Cross River	71.46%
Kogi	67.79%
Taraba	67.72%
Akwa Ibom	67.69%
Borno	67.10%
Kaduna	67.00%
Bayelsa	66.92%
Gombe	66.20%
Abia	65.94%
Edo	64.88%
Bauchi	64.23%
Niger	62.24%
Ebonyi	62.14%
Nasawara	60.89%
Anambra	60.70%
Rivers	59.22%
Kano	56.56%
Benue	55.50%
Delta	55.15%
Zamfara	54.72%
Ekiti	53.39%
Enugu	52.91%
Plateau	52.74%
Kebbi	51.92%
Katsina	48.82%
Lagos	41.66%
Ondo	41.25%
Oyo	37.63%
Osun	37.33%
Kwara	35.71%
Sokoto	33.66%
Ogun	26.23%

Average Monthly Gross VAT



Source: OAG, NBS, Budget Research

Actual Capital Expenditure (2020)

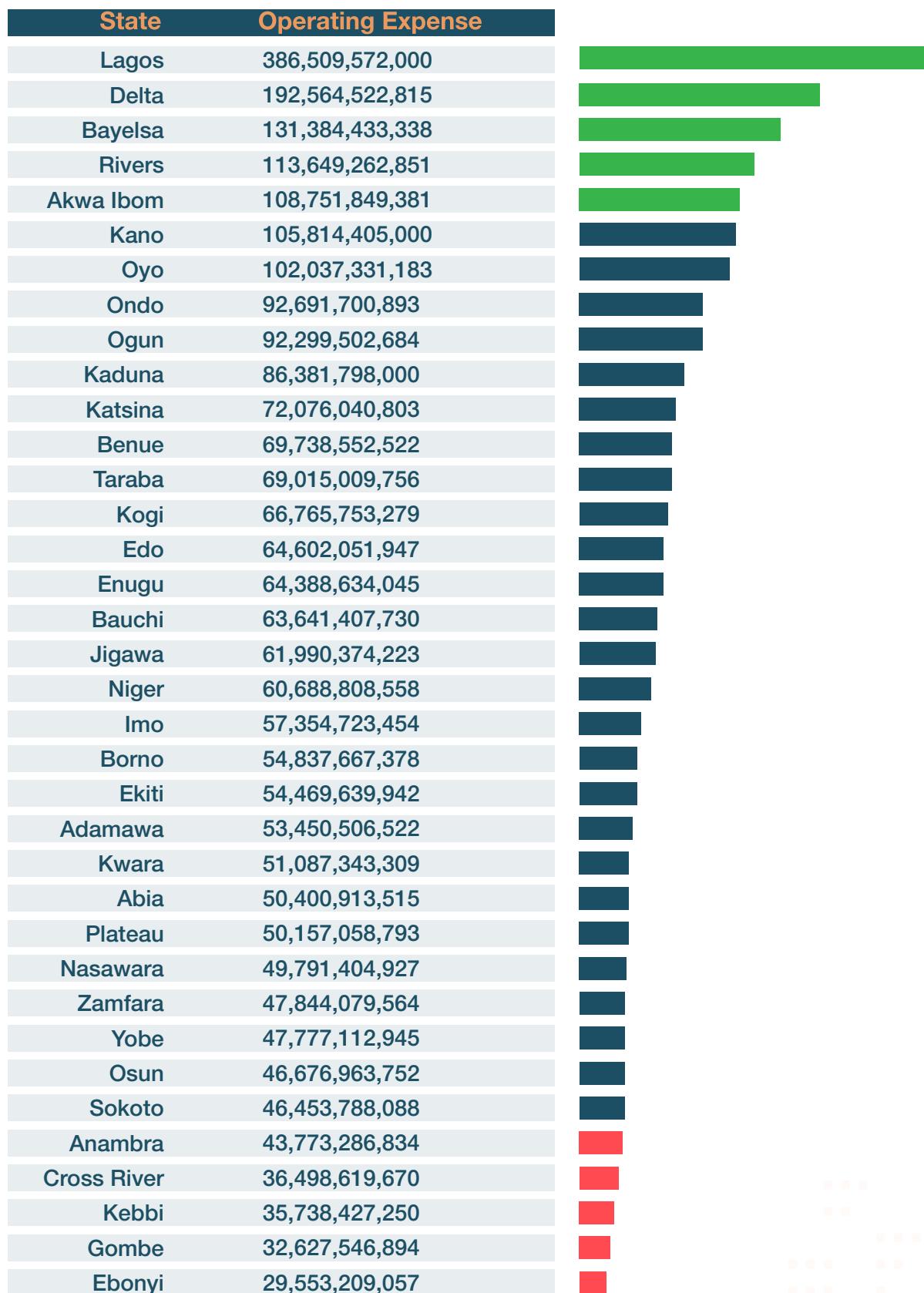


Capital Expenditure Growth (Year-on-Year)



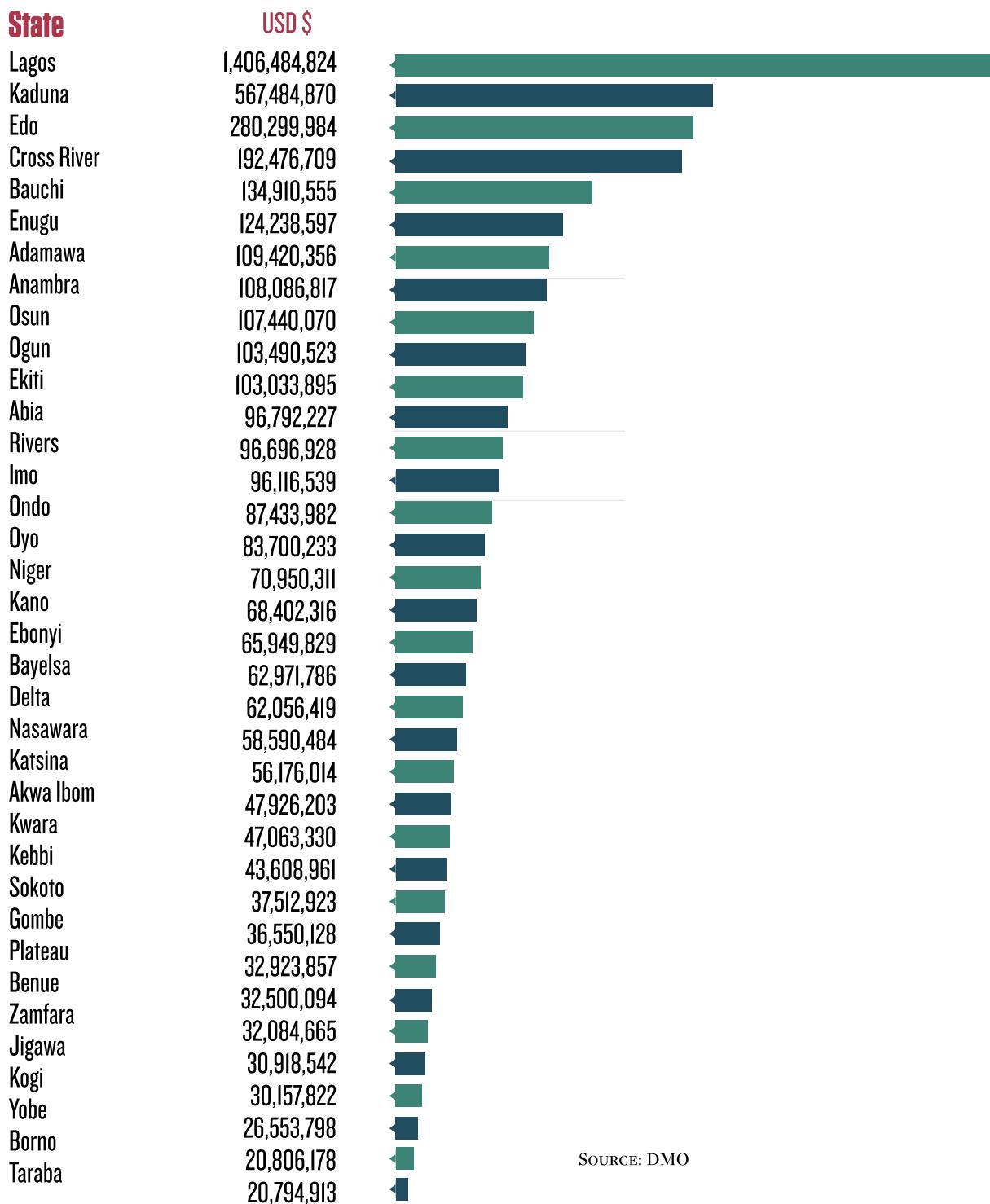
State	2019	2020	% Growth
Nasawara	16,179,438,137	33,835,331,096.00	109.13%
Ebonyi	39,782,287,175	76,059,706,471.83	91.19%
Taraba	7,136,628,638	12,999,757,090.38	82.16%
Enugu	24,912,050,750	45,177,307,490.57	81.35%
Cross River	29,012,048,571	49,860,350,473.01	71.86%
Ekiti	16,640,857,658	27,216,206,004.00	63.55%
Bauchi	25,411,599,893	39,415,209,478.22	55.11%
Zamfara	27,027,182,897	41,728,053,141.79	54.39%
Niger	32,373,438,585	43,258,813,952.00	33.62%
Anambra	49,512,752,664	63,234,344,473.40	27.71%
Lagos	241,057,123,000	304,986,590,000.00	26.52%
Yobe	30,096,315,974	37,165,206,542.00	23.49%
Oyo	28,973,231,426	34,927,848,642.30	20.55%
Kano	31,289,959,000	36,618,585,000.00	17.03%
Plateau	19,471,079,489	20,015,308,263.52	2.80%
Adamawa	20,726,987,838	21,302,653,913.13	2.78%
Borno	38,422,534,465	39,208,799,843.00	2.05%
Imo	28,669,017,426	28,565,374,309.69	-0.36%
Ondo	29,934,492,655	29,123,442,665.24	-2.71%
Gombe	30,715,081,084	29,033,404,804.15	-5.48%
Bayelsa	42,159,117,673	38,095,730,059.05	-9.64%
Ogun	35,418,281,381	30,486,450,489.55	-13.92%
Abia	46,603,225,241	35,533,863,436.74	-23.75%
Rivers	221,937,955,644	168,359,956,753.15	-24.14%
Kwara	29,878,717,239	22,579,302,962.65	-24.43%
Katsina	31,655,043,236	21,937,554,134.82	-30.70%
Edo	63,477,398,918	43,534,917,964.70	-31.42%
Kaduna	148,572,055,000	101,890,973,000.00	-31.42%
Jigawa	61,867,637,413	42,069,047,425.87	-32.00%
Benue	12,655,761,385	8,400,102,065.74	-33.63%
Osun	30,095,322,847	18,734,280,108.30	-37.75%
Kebbi	44,378,837,859	26,689,783,008.98	-39.86%
Sokoto	37,712,044,907	22,064,927,611.46	-41.49%
Kogi	28,589,764,955	14,045,174,638.00	-50.87%
Akwa Ibom	197,832,592,593	91,450,494,728.37	-53.77%
Delta	142,396,408,764	61,387,534,414.29	-56.89%

2020 Actual Operating Expense



RANKING

External Debt (2020)



SOURCE: DMO

RANKING

Domestic Debt (2020)

State

NGN

Lagos	508,778,694,538
Rivers	266,936,225,794
Delta	248,450,746,202
Akwa Ibom	230,807,337,367
Cross River	163,162,001,534
Ogun	153,490,666,025
Imo	150,197,089,835
Bayelsa	144,128,506,240
Plateau	137,779,659,849
Osun	134,110,843,535
Benue	126,125,643,794
Kano	116,934,604,600
Taraba	106,045,259,063
Bauchi	102,817,667,317
Adamawa	98,900,403,447
Zamfara	98,017,526,124
Oyo	94,496,184,530
Abia	89,139,250,723
Borno	89,049,423,819
Gombe	84,968,849,359
Ekiti	84,723,128,108
Edo	80,788,643,633
Ondo	74,663,201,246
Kaduna	68,754,361,084
Kogi	68,092,548,069
Enugu	68,088,637,239
Niger	66,777,350,647
Kwara	63,632,954,679
Anambra	59,976,318,423
Nasawara	59,390,353,152
Kebbi	56,810,548,829
Yobe	54,866,197,723
Katsina	48,031,272,843
Ebonyi	44,213,730,467
Sokoto	42,363,236,702
Jigawa	30,969,503,689

SOURCE: DMO



Gross FAAC Allocation

Source: NBS, BudgIT Research

Notes to the 2021 Fiscal Performance Index



1 Data extracted from each state's audit report was used to determine their positions in the 2021 Fiscal Performance Ranking. However, this data was shared with each of the 36 state governments for validation; states were asked to respond if they had concerns about the data. Seven states responded with concerns; four of those concerns were addressed while three could not be addressed. For the three that could not be addressed, data from their cash flow statements in their respective audit reports were relied upon for the analysis.

2 For some states, there were differences between debt figures quoted in the state's audit report and values reported by the country's Debt Management Office (DMO). In one case — Kano State — the feedback we received is that debt data reconciliation is ongoing with the DMO. In at least two other states there were significant differences in the external debt data (in USD) as of December 31st, 2020 which was reported by the National Bureau of Statistics (NBS), the DMO, and the state's audit reports.

3 Across different states' audit reports, the exchange rate used in calculating the external debt component of their respective total debt varied from N410/\$1 to N380/\$1 and to N379/\$1. It is in this light have used debt data as of 31st December 2020 published by the DMO for each of the 36 states for consistency. A uniform exchange rate of \$380/\$1 (as of 31st December 2020) was adopted for converting external debt components of each state's debt.

4 We note that for some states, the total figures recognized as their IGR in NBS data were different from those recognized by some states as their internal revenue in the Audit Report. In all cases, all revenues/inflows/receipts (excluding "Proceeds from Loans" and "Opening Balance") were used in evaluating each state's total revenue inflow to determine their position on the Fiscal Performance Ranking in a year. However, to conduct a like-for-like comparison for IGR components, data from the NBS for all state's IGR (which is disaggregated by PAYE, Road Taxes, Direct Assessments, MDA Revenues, etc.) was used, as nearly all state's audit reports did not contain consistent disaggregation by these categorizations to enable like-for-like comparison of the performance of key IGR subcomponents.

5 Data composition for Total Revenue for each state used for the 2021 Fiscal Performance Ranking, includes Statutory allocation, IGR, and all other revenues made by states and recorded in their audit report (including Aids & Grants) but excludes loans and opening balances (for states who include them as total revenue). The previous year's data relied on total recurrent revenue for states.

6 In some state audit reports, the year 2020 figures for some expenditure items differ depending on the table within the audit report being viewed. Hence, data from each state's "Statement of Cashflow as of December 31st, 2020" have been used for the Fiscal Performance Ranking (in line with the data composition described in the methodology) for consistency.

7 Gross FAAC data from the NBS was not used in calculating each state's performance in Index A, B, C, and D of the methodology to determine their respective position in the 2021 Fiscal Performance Ranking as was done in previous years.

However, we have used Gross FAAC data from the NBS for evaluating each state's dependency on federally allocated revenue, when compared to their main recurring stream of income (IGR). This dependency is reflected on the dashboard page for each state in the document. The dashboard page also uses Gross FAAC to show a trend in allocations due to states from the federal government each year

2021 States' Fiscal

		Based on 2020 Data				
2021 Ranking	STATE	VAT	IGR	IGR + VAT	Total Revenue	Operating Expenses
1	Rivers	22,572,401,155	117,189,729,245	139,762,130,401	270,378,440,333	113,649,262,851
2	Ebonyi	13,816,935,029	13,591,038,584	27,407,973,613	88,531,686,809	29,553,209,057
3	Anambra	16,382,850,799	28,009,906,580	44,392,757,380	89,431,643,648	43,773,286,834
4	Lagos	130,970,187,004	418,988,587,897	549,958,774,901	658,563,824,000	386,509,572,000
5	Kebbi	14,522,931,240	13,778,260,800	28,301,192,040	75,607,635,448	35,738,427,250
6	Kaduna	20,170,307,696	50,768,523,407	70,938,831,103	157,958,388,000	86,381,798,000
7	Gombe	13,377,878,334	8,537,983,927	21,915,862,261	80,713,951,713	32,627,546,894
8	Cross River	13,960,218,815	16,183,341,456	30,143,560,271	94,539,080,789	36,498,619,670
9	Edo	14,739,190,293	27,184,350,735	41,923,541,028	108,471,750,657	64,602,051,947
10	Kwara	13,341,205,678	19,604,303,788	32,945,509,465	83,332,478,680	51,087,343,309
11	Zamfara	14,465,715,172	18,499,252,092	32,964,967,263	70,688,937,959	47,844,079,564
12	Sokoto	15,275,918,675	11,796,827,128	27,072,745,803	85,662,142,970	46,453,788,088
13	Osun	14,725,930,021	19,668,371,916	34,394,301,937	99,048,740,967	46,676,963,752
14	Enugu	15,194,381,670	23,650,723,357	38,845,105,027	85,578,215,948	64,388,634,045
15	Abia	13,897,632,520	14,376,871,322	28,274,503,842	90,217,382,779	50,400,913,515
16	Nasarawa	12,533,143,967	12,476,738,650	25,009,882,617	82,846,572,312	49,791,404,927
17	Borno	16,023,372,784	11,578,518,121	27,601,890,904	90,567,834,311	54,837,667,378
18	Plateau	14,660,371,017	19,122,375,802	33,782,746,819	69,756,859,312	50,157,058,793
19	Ogun	15,901,862,528	50,749,595,850	66,651,458,379	109,123,905,278	92,299,502,684
20	Imo	15,549,837,621	17,081,878,985	32,631,716,606	91,218,491,473	57,354,723,454
21	Yobe	13,396,267,944	7,779,631,176	21,175,899,120	74,720,841,062	47,777,112,945
22	Kano	26,279,518,294	31,819,816,712	58,099,335,005	142,037,959,000	105,814,405,000
23	Oyo	23,241,086,523	38,042,733,036	61,283,819,559	114,577,104,390	102,037,331,183
24	Akwa Ibom	15,814,067,687	30,696,770,278	46,510,837,965	206,109,354,783	108,751,849,381
25	Jigawa	16,395,911,906	8,667,720,608	25,063,632,514	112,721,397,226	61,990,374,223
26	Niger	15,874,494,889	10,524,281,921	26,398,776,810	84,360,375,459	60,688,808,558
27	Bauchi	16,724,443,118	12,502,599,364	29,227,042,481	84,109,917,821	63,641,407,730
28	Kogi	14,643,922,997	17,357,833,532	32,001,756,529	104,998,234,689	66,765,753,279
29	Ekiti	13,345,338,512	8,716,460,194	22,061,798,706	72,720,393,266	54,469,639,942
30	Ondo	14,892,602,066	24,848,466,193	39,741,068,259	119,194,355,754	92,691,700,893
31	Delta	17,071,036,206	59,732,882,663	76,803,918,869	270,948,060,713	192,564,522,815
32	Adamawa	14,630,808,387	8,329,870,707	22,960,679,094	70,604,715,738	53,450,506,522
33	Katsina	18,502,451,466	11,399,650,510	29,902,101,976	82,846,572,312	72,076,040,803
34	Benue	15,968,828,907	10,463,674,281	26,432,503,188	78,038,803,464	69,738,552,522
35	Taraba	13,277,113,086	8,114,973,143	21,392,086,229	65,940,631,209	69,015,009,756
36	Bayelsa	12,519,882,553	12,180,775,243	24,700,657,796	188,392,582,077	131,384,433,338

2021 States Fiscal Sustainability Index Analysis								
Operating Expenses + Loan Repayments	Capital Expenditure (Audit, Actual)	Total Debt (Dec. 31. 2020)	Index A	Index B	Index C	Index D	2021 Index Point	Scores (100 / Index)
129,661,453,859	168,359,956,753	303,681,058,491	0.81	0.48	1.12	0.68	0.71	140
41,720,587,984	76,059,706,471.83	69,274,665,362	1.08	0.47	0.78	0.39	0.77	130
47,098,945,774	63,234,344,473.40	101,049,308,997	0.99	0.53	1.13	0.69	0.81	123
536,342,204,000	304,986,590,000	1,043,242,927,772	0.70	0.81	1.58	1.27	0.89	113
38,217,277,664	26,689,783,008.98	73,381,953,922	1.26	0.51	0.97	1.34	0.98	102
90,211,615,000	101,890,973,000	284,398,611,752	1.22	0.57	1.80	0.85	1.01	99
47,169,207,613	29,033,404,804.15	98,857,897,892	1.49	0.58	1.22	1.12	1.11	90
66,022,863,950	49,860,350,473.01	236,303,150,806	1.21	0.70	2.50	0.73	1.11	90
68,167,173,932	43,534,917,964.70	187,302,637,705	1.54	0.63	1.73	1.48	1.23	81
51,087,343,309	22,579,302,962.65	81,517,020,152	1.55	0.61	0.98	2.26	1.24	81
67,557,422,040	41,728,053,142	110,209,698,702	1.45	0.96	1.56	1.15	1.26	79
52,333,620,864	22,064,927,611	56,618,147,507	1.72	0.61	0.66	2.11	1.26	79
67,736,446,699	18,734,280,108	174,938,069,990	1.36	0.68	1.77	2.49	1.28	78
67,617,037,537	45,177,307,490.57	115,299,304,186	1.66	0.79	1.35	1.43	1.30	77
69,831,687,771	35,533,863,436.74	125,920,297,036	1.78	0.77	1.40	1.42	1.35	74
51,928,805,589	33,835,331,096	81,654,737,117	1.99	0.63	0.99	1.47	1.36	73
58,235,253,187	39,208,799,843	96,955,771,500	1.99	0.64	1.07	1.40	1.37	73
55,735,297,705	20,015,308,264	150,290,725,426	1.48	0.80	2.15	2.51	1.41	71
98,804,562,992	30,486,450,490	192,817,064,640	1.38	0.91	1.77	3.03	1.42	70
59,461,911,773	28,565,374,309.69	186,721,374,560	1.76	0.65	2.05	2.01	1.42	70
51,256,579,698	37,165,206,542	64,956,641,092	2.26	0.69	0.87	1.29	1.47	68
109,951,210,000	36,618,585,000	142,927,484,562	1.82	0.77	1.01	2.89	1.48	68
111,935,737,510	34,927,848,642	126,302,272,880	1.66	0.98	1.10	2.92	1.49	67
129,446,875,051	91,450,494,728.37	249,019,294,442	2.34	0.63	1.21	1.19	1.51	66
70,193,485,402	42,069,047,425.87	42,718,549,748	2.47	0.62	0.38	1.47	1.52	66
68,495,268,681	43,258,813,952	93,738,468,653	2.30	0.81	1.11	1.40	1.57	64
71,666,624,927	39,415,209,478.22	154,083,678,304	2.18	0.85	1.83	1.61	1.62	62
78,984,646,904	14,045,174,638	79,552,520,531	2.09	0.75	0.76	4.75	1.75	57
58,629,513,209	27,216,206,004	123,876,008,197	2.47	0.81	1.70	2.00	1.76	57
113,689,118,651	29,123,442,665	107,888,114,520	2.33	0.95	0.91	3.18	1.79	56
194,275,910,315	61,387,534,414.29	272,032,185,320	2.51	0.72	1.00	3.14	1.79	56
66,762,895,136	21,302,653,913.13	140,480,138,803	2.33	0.95	1.99	2.51	1.83	55
78,565,749,080	21,937,554,134.82	69,378,158,289	2.41	0.95	0.84	3.29	1.83	55
78,038,803,464	8,400,102,065.74	138,475,679,464	2.64	1.00	1.77	8.30	2.54	39
78,763,051,395	12,999,757,090	113,947,325,930	3.23	1.19	1.73	5.31	2.57	39
146,715,928,728	38,095,730,059.05	168,057,784,905	5.32	0.78	0.89	3.45	3.10	32

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The journey to hold the government accountable was crafted in challenges, but we found fortune in a community willing to keep our dreams valid.

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- Oluseun Onighinde

