



# BORNO STATE GOVERNMENT NIGERIA

# BORNO STATE DEBT SUSTAINABILITY ANALYSIS REPORT (DSA - DMS 2022)

AND

**DEBT MANAGEMENT OFFICE ABUJA** 

IN

COLLABORATION WITH WORLD BANK

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#### CHAPTER ONE

#### INTRODUCTION

#### 1.0 Back Ground of Debt Sustainability Analysis

Careful management of public debt is important in ensuring economic stability and future growth, conducting a regular Debt Sustainability Analysis (DSA) is a best practice for states to identify risks and vulnerabilities associated with the debt profile and is a key tool for debt management. The conduct of the DSA involves a number of steps including, the preparation of baseline assumptions for macroeconomic and debt variables; Subjecting these assumptions to shocks checks; projecting the evolution of key debt burden ratios over the medium to long term; and comparing the projections to specific thresholds to assess the risk of debt distress. Emphasis is placed on key debt burden indicators, such as the size of debt relative to Gross Domestic Product (GDP), as well as the share of Internally Generated Revenue (IGR) needed to meet debt service obligations. The DSA exercise also identifies risks and vulnerabilities associated with the debt portfolio and proposes remedial measures for interventions in order to mitigate such risks and vulnerabilities.

# 1.1 Borno State Debt Sustainability Analysis (DSA 2022)

The Government of Borno State conducted an annual Debt Sustainability Analysis (DSA) exercise in collaboration with the World Bank and Debt management Office Abuja in fulfillment of the requirements of Disbursement Linked Indicator 7.2 (DLI 7.2) under the auspices of State Fiscal Transparency Accountability and Sustainability (SFTAS). The DSA exercise was conducted in order to ascertaining the capacity of the state with regard to sustainability of its public debt and future debt service obligation over the medium to long term.

The Borno State DSA analyzes trends and patterns in its State's public finances during the period 2018-2022 (medium term), and evaluates the debt sustainability in 2023-2032 (long-term). The analysis highlights recent trends in revenue, expenditure, and public debt, and the related policies adopted by the State. A debt sustainability assessment was conducted, including scenario and sensitivity analysis, in order to evaluate the prospective performance of the State's public finances.

Borno State Debt Sustainability Analysis (DSA) for the period (2022-2032) indicate an increase in public expenditure (capital and recurrent), through concerted efforts toward increase in revenue generation as well as overall appraisal of debt status for the period stated. The analysis portrays immediate past trends in revenue, expenditure, and public debt, and the similar activity adopted by the Borno State. A debt sustainability assessment was conducted to reasonably forecast the evolution of future trends in Borno State's public finances.

The DSA results from assumptions concerning the State's revenue i.e., the performance in terms of mobilizing (IGR) and expenditure projections (i.e., Personnel and Overhead Costs and Capital expenditure measures). The DSA forecast for revenue were based on effective usage of the harmonized revenue law accented to by His Excellency which provided for capital gains tax, stamp duty and other property tax to expand the tax base, identify and block leakage areas and to maximally increase the state internally generated revenue that are considered achievable.

The DSA looked at the level and terms of the outstanding and new public debt.

Also, the state forecasts increased in recurrent and capital expenditures with expected growth in the National economy with cascading effects in the State's economy leading to increased staff employment in the public sector.

The DSA results also depended on the forecasts made for the Nigerian economy (i.e., GDP growth, oil production and prices, exchange rate) and its implication on the FAAC Allocations.

Borno State shows a solid debt position, and is confident that the State debt is sustainable taking into account of the fiscal policies stated above. The State plans to strictly control its recurrent and capital expenditure and also maintain a low public debt with a vigorous drive to clear outstanding arrears.

The State pursues a prudent debt management strategy that maintains an adequate cost of carrying debt and an admissible exposure to risks. A prudent debt management strategy emerges from the State's reliance on a mix of sources of finance, including external concessional loans and domestic low-cost financing. Given Borno State's own forecasts for the economy and reasonable

assumptions concerning the State's budget and financing policies going forward, the medium-term cost-risk profile for the public debt portfolio appears consistent with debt-management objectives

#### **CHAPTER TWO**

#### 2.0 STATE FISCAL AND DEBT FRAMEWORK

Borno State fiscal policy focuses primarily on diversifying the revenue base of the state, through concerted efforts to improve the independent revenue base of the state so as to reduce the state overdependence on FAAC Allocations, donor partner grants and assisted project. Also, efforts and strategies on control and enforcement of spending limits that will ensure sound budgeting system and fiscal consolidation over the medium term appropriately based on both revenue and expenditure measures. This will intensify and promote macro-economic policy objectives, such as promoting rapid growth and development of state in every sector, generating employment opportunity and maintaining price stability levels. Policies for growth and development are subject to change periodically, however, these objectives have remained relatively constant. The basic policy direction of the State Government was to ensure effective and efficient delivery of the Ten (10) pact development agenda which include the reconstruction and rehabilitation of basic infrastructure and social services in terms of road networks, housing and electricity, water and sanitation, security, education development, health care facilities. The Government has put in place a harmonized revenue law in order to expand the tax net and boost internally generated revenue. The increase in IGR is expected to positively impact on the debt status of the state, other innovations in place include Borno State Contributory Health Care Management Agency.

The reform of revenue administration was successful with the implementation of Treasury Single Account, the IGR projection in the term is expected to surpass 2022 approved estimates, however, actual collections are largely expected to rise due to ongoing effort geared toward blocking leakages. It is believed that current effort to establish taxpayer's database by Borno State Board of Internal Revenue, complete perfection of the TSA and the technical support from the development partners toward harmonization/review of tax rate and other effort focused on blocking leakages and dealing with the phenomena of tax avoidance/evasion collection is hoped to improved.

Also, the Borno State Board of Internal Revenue has introduced more revenue sources intended to boost IGR inflows such as ground rent and other collection

from grain and cattle markets etc. Also, as part of fiscal reform, Borno State has a set of laws and regulations that regulate its budget preparation and implementation as well as sustainable debt management. The laws are:

- Borno State Public Procurement Law 2019 (Amended 2020).
- Borno State Fiscal Responsibility Law 2020.
- Borno State Internal Revenue Law 2020.
- Borno State Audit Law 2021-State.
- Borno State Audit Law 2021-Local Government.
- Borno State Debt Management Law 2021, among other laws.

# 2.1 Borno State Approved 2023 Budget and Medium-Term Expenditure Framework 2023-2025

In accordance with international best practice in budgeting, the production of a combined Economic and Fiscal Update, Fiscal Strategy Paper and Budget Policy Statement is the first step in the budget preparation cycle for Borno State Government for the period 2023-2025

The 2023 budget was prepared amidst a challenging global and domestic economic environment due to the war in Ukraine which contributed significant slowdown in global economic growth in 2023, an elevated inflation which complicated trade off which CBN battles between containing price pressures and safeguarding growth, high interest rate cause by upward review of lending rate, as a result of tightened policies by CBN Monetary Policy Committee etc.

Based on the foregoing fiscal assumptions and parameters, Borno State total revenue available to fund the 2023 budget is estimated at N235,326 billion, this include Statutory Gross FAAC Allocation N105,975 billion which represent 44.7% of the estimated revenue, Internally Generated Revenue N33,170. Billion which constitute 14.3% of the total projected revenue, Capital Receipt of N96,186 billion which represent 41 % of the projected revenue.

TOTAL PROJECTED REVENUE									
	2023	2024	2025	2026					
<b>Total Recurrent Revenue</b>	235,331,950,000	219,606,570,985	249,626,406,950	301,670,162,046					
Statutory Allocation	67,981,950,000	113,459,490,056	141,770,808,313	174,433,838,401					
VAT	30,193,605,000	49,421,117,666	63,531,267,047	79,757,271,496					
IGR	33,171,306,000	24,133,823,263	26,547,205,590	29,201,926,148					
Capital Receipt	96,185,089,000	14,592,140,000	5,777,126,000	5,277,126,000					
Excess Crude / Other Revenue	7,800,000,000	18,000,000,000	12,000,000,000	13,000,000,000					

Source: Borno State 2023 M-TEF

The proposed projected expenditure in 2023 Budget totaling N235.33 billion, which comprises of N42.129 billion on personnel cost which constitute 17.9% of the estimated expenditure, N62.12 billion on other recurrent cost which constitute 26.4% of the estimated expenditure and capital expenditure of N131.09 billion which constitute 55.7% of the estimated expenditure.

PROJEC	PROJECTED EXPENDITURE									
2023 2024 2025										
Total Expenditure	235,326	207,429	236,373	286,367						
Personnel	42,129	39,191	45,069	49,576						
Overhead Costs	45,280	29,903	34,389	39,547						
Debt Service (Interests+Amorti	14,715	21,882	25,916	30,526						
Other Recurrent Expenditures	2,115	37,196	40,916	30,657						
Capital Expenditure	131,086	79,256	90,083	136,062						

Source: Borno State 2023 M-TEF

Overhead Cost which is contain in other recurrent expenditure in the table above comprises mainly of operational and maintenance cost for running day to day activities of the government. Overhead allocations are transferred to MDAs monthly subject to warrants and availability of fund.

Borno State government, going forward, will reduce overhead expenditure so as to bring cost of governance not more than necessary.

# 2.2 The Key Reform Drivers of Borno State Approved 2022 Budget

- I Ensure the completion of on-going project
- li Reduction in the cost of running Government

lii Create efficiencies in personnel and overhead expenditure to allow greater resources for capital development and debt service.

Iv Ensure speedy execution of capital projects, most especially those considered critical by the Government.

V Improve the state's public financial management to entrench transparency, accountability and integrity. With the introduction of BOSIFMIS (Borno State Integrated Financial Management Information System) a milestone achievement is on the way.

Vi Diversify the internal revenue base and also reviewing revenue projections to reflect current realities.

## 2.2.1 Medium Term Budget Policy Objectives and Targets 2023-2026

The overall medium-term policy objectives are

- Borno State's policy direction focuses mainly on diversifying the revenue base of the state, through intensifying effort to improve the independent revenue base of the state so as to reduce the state's overdependence on FAAC allocations, Donor Partner grants and assisted projects.
- Effort and strategies on control and enforcement of spending limits that will ensure sound budgeting system is being put in place. This will also include aggregate fiscal discipline, allocative efficiency and effective spending.
- Pursuit of initiatives that would continue to generate economic growth and guarantee security. This would involve implementation of programs that generate employment and create wealth and ensure adequate security, grow the economy through targeted spending in areas of comparative advantage.
- Furthermore, Borno State Government as priority area is to broaden governance reforms particularly in the area of policy and strategy, public expenditure and financial management, and public service management. As part of this process, government has introduced Borno State Integrated Financial Management Information System (BOSIFMIS) as part of the

State Medium Term Development Plan and Medium-Term Sector Strategy for the key sectors.

#### **CHAPTER THREE**

# BORNO STATE REVENUE, EXPENDITURE AND PUBLIC DEBT TRENDS (2018-2022)

## 3.0 Revenue, Expenditure and Overall Primary Balance

Borno State Government revenue to a large extend depend on the State's share of the Statutory Allocation from Federation Account, the State also gets substantial amount on Capital Receipt like Aid and Grant, Value Added Tax and to some extent Internally Generated Revenue are contributing to the revenue base of the state. Other sources of income like excess crude oil, ecological fund, exchange rate gains and stabilization fund are irregular inflow. The bulk of the expenditure was in capital project, then personal cost and overhead cost.

#### 3.1 Revenue Performance

The total revenue of Borno State in 2022 stood at N132,150.6 billion when compared with N99,144.3 billion in 2021, there was an increase of N33,006.3 billion which represent 33.1%.

The revenue performance dwindles down in 2018, 2019 and 2020, but due to an increase inflow of financial resources to the real sector of the economy and effective implementation of economic policies and programmed base on the ten (10) pact agenda for resuscitation of post insurgency Borno State, the revenue performance shows improvement from 2021 and 2022. Although, the huge revenue recorded 2022 was mainly driven by the large amount of grants received during the year, IGR mobilization and FAAC allocation shows significant improvement.

# 3.1.1 FAAC Allocations trend in the last five years. (Chart 1).

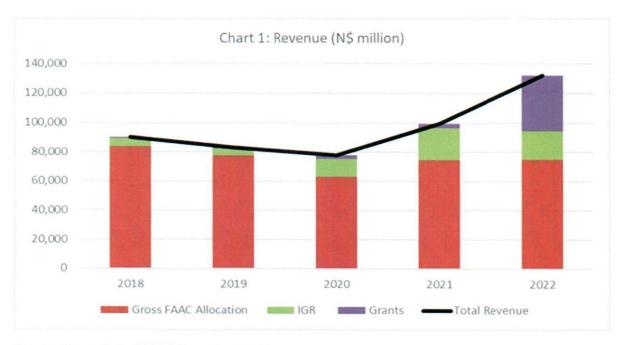
The Gross FAAC allocation which comprises of statutory allocation, VAT, derivations, exchange rate gain, augmentation etc decreases from N83,538 billion in 2018 to N74,874 billion in 2022 which show's a different of N8,664 Billion or a decline of 11.6%. The decreased was due to many factors, impact of

COVID 19 on global economy and it implication on domestic economy, the impact of periodic new interest regime introduced by CBN at different times, an elevated inflation which slowdown activities in the domestic economy and the recent impact of the war in Ukraine as well as the impact of the insecurity in 2022.

#### 3.1.2 IGR trend in the last five years. (Chart 1).

The Internally Generated Revenue (IGR) in Borno State shows a significant growth during the period under review, the IGR grew from N5,730.9 billion in 2018 to N21,885.0 billion in 2021 and slightly declined of N19,739.2 billion in 2022. The improvement in IGR generation was mainly because of effective and efficient tax administration reform. The reform includes legal, institutional and operational frameworks. Several reforms were instituted to strengthen IGR collection, specifically, as a foundation for other reforms, new revenue administration was passed to consolidate state revenue code covering all the state IGR sources. Collection was thereafter enhanced with improvement on all electronic platforms and payment gateways use by state Internal Revenue Service. Revenue sources were expanded to include introduction of Land Charge and effort were made to block all revenue leakages through automation system. The table and the chart below show the revenue trend for the period under review:

REVENUE PERFORMANCE									
2018 2019 2020 2021 2022									
<b>Total Revenue</b>	89,992	83,294	77,923	99,144	132,151				
<b>Gross FAAC Allocation</b>	83,538	77,472	63,045	74,416	74,874				
IGR	5,731	4,766	12,206	21,885	19,739				
Grants	723	1,056	2,672	2,843	37,537				

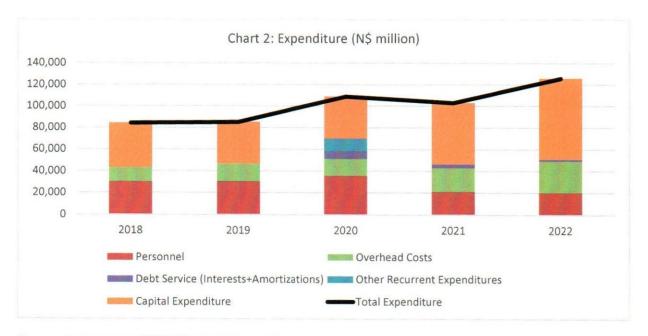


#### 3.2 Expenditure Performance

# 3.2.1 Aggregate (total) Expenditure trend in the last five years and its composition in 2022.

Borno State's overall items for Expenditure are Capital expenditure, Personnel costs, Overhead costs, other recurrent expenditure, and Debt service (interest payment and principal repayment). In 2022 Borno State total expenditure amounted N 125,869.4 billion compared to N84,160.5 billion as at end-December 2018, which represent a growth of N41,708.9 billion or 50 percent. The personnel cost stood at N30,036.17 billion in 2018, N30,116.73 billion in 2019, and N35,456.9 billion in 2020, 20,849.30 in 2021 and N 20,010.0 in 2022 respectively. The overhead cost stood at N 29,104.9 billion in 2022 compared to N21,829 billion in 2021. Capital expenditure amounted to N 75,065.5 in 2022, N56,613 billion in 2021, N39,208.8 billion in 2020, N38,422.53 billion in 2019, N41,120.13 billion in 2018, respectively. During the period, the bulk of expenditure went to capital spending, while recurrent expenditure personnel costs, overheads, debt charges also took substantial amount of the spending. The table and chart 2 below show

EXPENDITURE PERFORMANCE									
	2018	2019	2020	2021	2022				
Total Expenditure	84,160	85,019	108,862	103,031	125,869				
Personnel	30,036	30,117	35,457	20,849	20,010				
Overhead Costs	13,004	16,480	15,676	21,829	29,105				
Debt Service (Interests+Amorti	0	0	6,992	3,741	1,689				
Other Recurrent Expenditures	0	0	11,527	0	0				
Capital Expenditure	41,120	38,423	39,209	56,613	75,066				



Source: Borno State 2022 DSA-DMS template

# 3.2.2 Main expenditure variations in the last five years by economic classification.

Borno state capital expenditure shows a significant variation, this is largely due to aggressive reconstruction and rehabilitation of basic infrastructures and social services rendered in the state arising from destruction of these facilities by Boko haram. The variations in personnel cost and overhead costs were also significant. (Chart 2).

**3.2.3 Overall and primary balance trend in the last five years**. Borno State has a positive balance to GSDP in 2018 and 2022, negative balance in 2019, 2020 and 2021 as compared to GSDP. The balance shows N5,732 billion in 2018, -N1,724.8 billion in 2019, -N30,639 billion in 2020, -N3,886.7 billion in 2021 and N6,281.2

billion in 2022. Some of the reason for negative budget balance or deficit are decline in crude oil price at the international market culminated to drop in revenue and FAAC allocation, the negative effect of COVID-19 pandemic which affected both macro and micro economic performance. (Chart 11).



Source: Borno State 2022 DSA-DMS template

#### 3.3 Public Debt Portfolio

Public debts are explicit financial commitment (loans and securities) that have paper contract agreement the government promises to repay. Subnational Debt Management is the process of establishing and executing a process and strategy for managing the government's debt in order to raise the required amount of funding at the lowest possible cost over the medium to long term, consistent with a prudent degree of risk. In a wider macroeconomic context for public policy, governments should seek to ensure that both the level and rate of growth in their public debt are on a sustainable path and that the debt can be serviced under a wide range of circumstances, including economic and financial market stress, while meeting cost and risk objectives.

Every government confront policy preference concerning debt management objectives, in particular its preferred risk tolerance, the parts of the government

balance sheet that debt managers should be responsible for, the management of contingent liabilities, and the establishment of sound governance for public debt management. Poorly structured debt portfolios, in terms of maturity, currency, or interest rate composition and large contingent liabilities, have been important factors in inducing or causing economic crises in many developing countries throughout history.

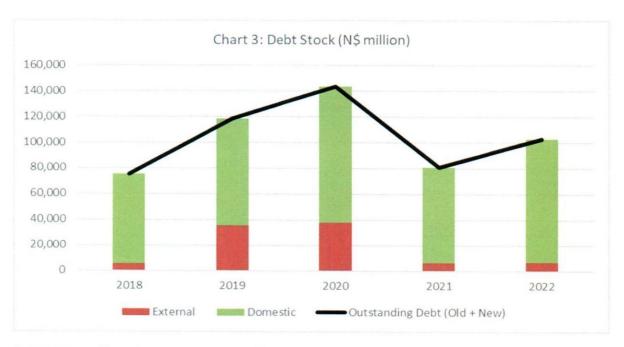
Sound risk management practices are essential, given that a government's debt portfolio is usually the largest financial portfolio in the country and can contain complex and risky financial structures, which have the potential to generate substantial risk to the government's balance sheet and overall financial stability. Debt crises have highlighted the importance of sound debt management practices.

#### 3.3.1 Borno State existing public debt portfolio composition at end-2022:

Borno State has a domestic debt that represents 93.3 percent of the total debt portfolio of the State Debt profile, while External debts represents 6.7 percent of the total debt profile of the State.

Borno State public debt stood at N102,995.6 billion as of end-2022 and has been increasing rapidly since the collapse of oil prices. Borno State total percentage of revenue to it public debt stock is about 78% as at the end of 2022. Public debt in Borno has been increasing at an average rate of 25% each year from 2018 to 2022. Borno State between the periods 2018 and 2022 also contracted loan on Gratuity Payment Loan, Accelerated Agric Development Scheme Loan, Family Home Loan, Healthcare Project Loan etc. apart from existing loans on Salary Bailout 1 and 2 Loan, Budget Support Facility and Excess Crude Account Loan. The detail of the debt stock are as shown in the Table and Chart 3 below.

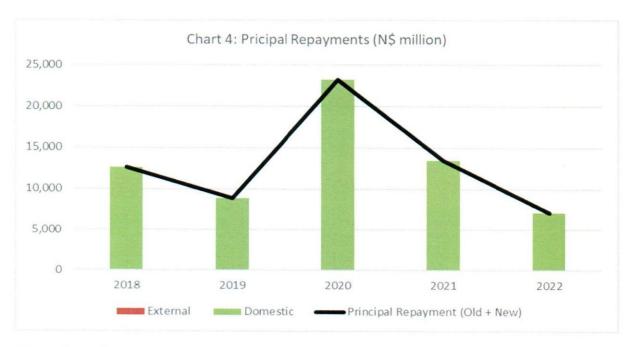
BORNO STATE DEBT STOCK AS DEC, 2022								
	2018	2019	2020	2021	2022			
Outstanding Debt (Old + New)	75,459	118,646	143,720	81,102	102,996			
External	5,474	35,259	38,098	6,469	6,860			
Domestic	69,985	83,386	105,622	74,633	96,136			



#### 3.4 Debt Service

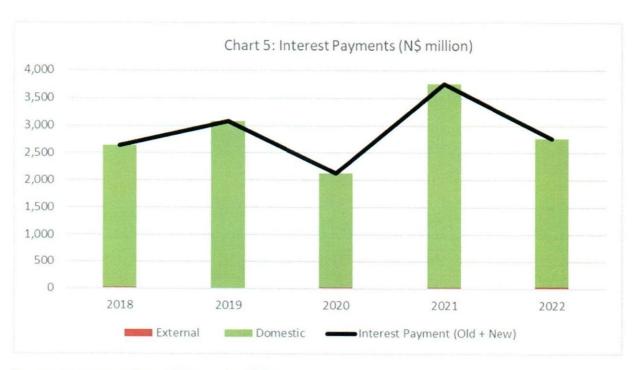
The composition of debt service are Principal Repayment and Interest Charges or payment. The actual principal repayment are N 12,649 Billion in 2018, N8,827 in 2019, N23,236 in 2020, N13,510 in 2021 and N7,128 in 2022 for both internal and external loan respectively.

PRINCIPAL REPAYMENT							
	2018	2019	2020	2021	2022		
Principal Repayment (Old + New)	12,649	8,827	23,236	13,510	7,128		
External	85	52	94	82	106		
Domestic	12,564	8,776	23,142	13,428	7,022		



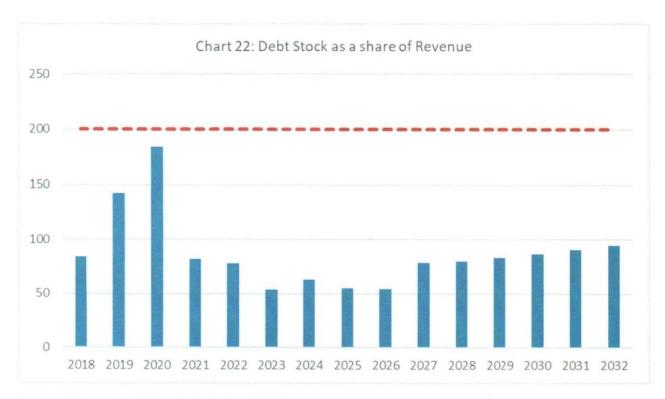
Interest Payment amounted to, N2,644.66 million in 2018, N3,087.50 million in 2019, N2,124 million in 2020 and N3,762.90 million in 2021 and N 2,764 in 2022 for both internal and external loan respectively.

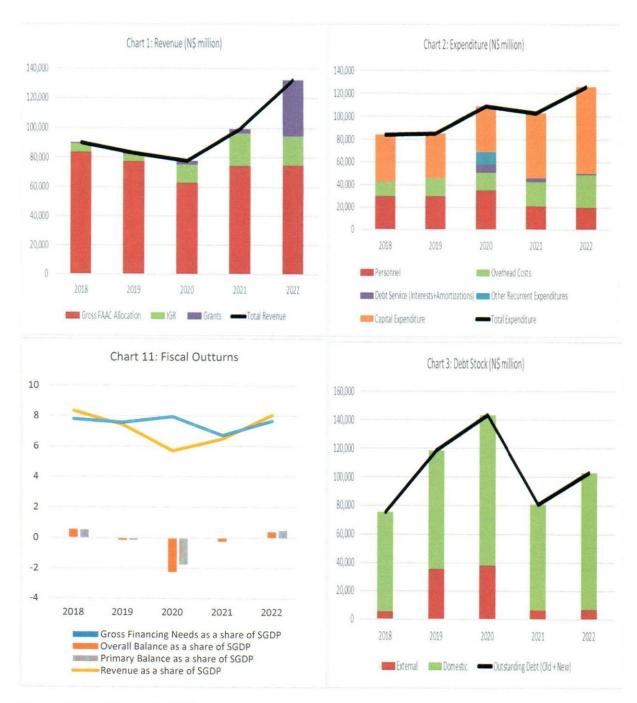
INTEREST PAYMENT								
	2018	2019	2020	2021	2022			
Interest Payment (Old + New)	2,644	3,087	2,123	3,762	2,764			
External	24	14	25	22	28			
Domestic	2,620	3,074	2,098	3,741	2,736			



# 3.4.1 Cost and risks exposure of the existing public debt portfolio at end-2021.

Borno State holds a low-cost, low-risk debt portfolio. The average debt portfolio showed, an implicit interest rate of 3 percent in 2021-2022 and the interest payments represented just 2 percent of total expenditure. Furthermore, the debt portfolio is narrowly exposed to currency, interest rate, and rollover risks. Exposure to currency fluctuations is limited because the foreign currency denominated liabilities are only 6.7 percent of the total stock. Most internal loans and all external loans are fixed-rate obligations, thus not affected by changes in interest rates. As these loans have maturities running from 5 to 30 years and include financing from the Federal Government and multilateral organizations, rollover risk associated with potential deterioration of domestic financial conditions is negligible. The chart below depicts the State Debt Stock as a share of revenue which is below the prescribed threshold of 200, ranging from 5 years historical period up to the 10 years projected period, indicating that the state debt stock is within the debt carrying capacity in the period stated. Cautionary measure on reduction in the cost of running government, prudent management of scarce Government resources, enhanced revenue optimization, cutting down unnecessary overhead spending etc. must be monitor and effectively adhere to limit set out.





Source: Borno State DSA-DMS template 2022

#### **CHAPTER FOUR**

#### 4.0 INTRODUCTION

A debt sustainability analysis (DSA) assesses how a state or nation's current level of debt and prospective borrowing affect it present ability and capacity to meet future debt service obligations. The concept of debt sustainability refers to the ability of Government to honor its future financial obligation. A key factor for achieving public debt and external debt sustainability is the macro-economic stability. Since policies and institutions governing spending and taxation largely determine such obligations, debt sustainability ultimately refers to ability of Government to maintain a sound fiscal policy over time without having to introduce major budgetary or debt adjustment in the future. Conversely, fiscal policies are deemed unsustainable when they lead to excessive accumulation of public debt, which could eventually cause the government to take action to address the unwanted consequences of a heavy debt burden. Government should endeavor to strike a balance between revenue and expenditure, so that any new loan incurred will not have negative impact on the state in order to avoid any type of financial crises.

## 4.1 Borno State Debt Sustainability Analysis and Threshold Indices

Borno State Debt burden indicators shows that the Debt as percentage of SGDP stood at 6 percent in 2022 as against the State Debt threshold of 25 percent. Debt as percentage of Revenue stood at 78 percent in 2022, Debt service as percentage of Revenue remained at 7 percent which is within the threshold of 40 percent. Personnel Cost as at end December 2022 was 15 percent compared to threshold of 60 percent. The details of the debt burden indicators are as shown in tabular below

BORNO STATE DEBT BURD	EN INDICATOR	
	Threshold	25%
Debt as % of GDP	State	
Debt as % of GDP	position as	
	at 2022	6%
	Threshold	200%
Debt as % of Revenue	State	
Debt as % of Revenue	position as	
	at 2022	78%
	Threshold	40%
Debt Service as % of Revenue	State	
Debt Service as % of Revenue	position as	
	at 2022	7%
	Threshold	60%
Personel Cost as % of Revenue	State	
	position as	
	at 2022	15%

Chart 21 shows the debt as a percentage of State GDP (with indicative threshold of 25%) for the projected period of 10 years. The sustainability position of the state total debt portfolio to GDP in the fiscal block shows a horizontal trend from 2023 to 2032 at 5 percent. The ratio has only increase gradually over the period under review in 2031 and 2032 by 6 percent only and it is within the threshold. Based on this, the State GDP have slow grown and can also accommodate the state debt stock with minimal effect on the state economy.

Chart 22 shows the debt stock as a percentage of revenue, in 2020 (historical period) the debt to revenue ratio peak because of increased borrowing and depressed revenue cause by impact of COVID-19. The baseline sees debt to revenue ratio dropping to 78 in 2022 and the trend move relatively in the projected period of 2023, 2024, 2025 and 2026, it remain within the threshold throughout the projected period.

Chart 23 shows debt service as a percentage of revenue, debt service will naturally increase over the medium-term to long-term as the debt portfolio increases. It was below 40% threshold in the historical years throughout, it consistently remains below the threshold of 40% within the medium-term to long term projected.

Chart 24 Shows personnel cost as a percentage of revenue, it consistently remains below the threshold of 60% up to 2032.

External debt service as a percentage of revenue, the maximum exposure of the Borno State revenue to external debt shows that it was properly managed and the trend in the baseline projected period shows sign of no debt distress.

#### 4.2 Medium Term Budget Forecast

Borno State Medium Term Budget Forecast and Debt Sustainability Analysis were predicated base on state government continuous effort to expand the tax net or grow the IGR by 3.0% annually and restrict expenditure to essential services necessitated by the implementation of capital project in the medium term. The economy is expected to gradually grow from 2023-2026 with real GDP expanding at an annual average of 4 percent, domestic inflation decreasing below 8.12 percent. The moderate recovery will be supported by economic growth through diversification and increase in VAT share. The Tax administration reforms adopted by the State Government will also strengthen resources provided by IGR. To mitigate and fulfilled the financing need of the State Government in the Medium-Term, borrowing terms for new domestic debt (issued/contracted from 2023-2026 onwards) shall be at 22% interest rates with maturity periods of 5 and 7 years respectively. borrowing terms for new External Debt (issued/contracted from 2023-2026 onwards) is 2% with 30 years maturity period.

#### 4.2 Macro-Economic Outlook

Borno State medium-term debt sustainability is predicated on reduce overdependence on Federal transfers through improved independent revenue generation achievable via a technological-driven and autonomous Board of Internal Revenue that would strengthen IGR in order to sustain its debt. Pursue initiative that would continue to generate economic growth and guarantee security. This would involve implementation of programmed that generate employment, create wealth and boost economic activities, ensure adequate security in order to have conducive atmosphere for IGR generation.

With the stoppage of subsidy regime in July 2023, the State medium term debt sustainability is also predicated upon gradual recovery of the Nigerian economy that will increase FAAC statutory Allocation. An anticipated moderate recovery

will be supported by higher oil prices in the global markets, an increase on domestic production, prudent fiscal policy and stabilization of exchange rate relevant for international public financial transactions at its current level, Oil and Gas revenue as well as shared resources such as custom duties and VAT would then increase relative to the depressed levels observed before, thus improving the State's revenue position.

#### 4.2.1 Fiscal Strategy And assumptions

#### **Policy Statement**

Borno State's policy direction focuses mainly on diversifying the revenue base, through intensifying efforts to improve the independent revenue base of the state so as to reduce the state's overdependence on FAAC Allocations, Donor Partner grants and assisted projects. Furthermore, efforts and strategies on control and enforcement of spending limits that will ensure sound budgeting system is being put in place. This will also include aggregate fiscal discipline, allocative efficiency and effective spending. Also worthy of note is that, the DSA-MTDS report is based on the exchange rate of N435.35 to US S1 from National Medium Term Expenditure Framework (MTEF) prepared in 2022, which is yet to be reviewed alongside other macroeconomic indicators to reflect current realities.

MACRO ECONOMIC FRAMEWORK		EXECUTE A	THE PARTY OF	THE REAL PROPERTY.
	2023 BUDGET	2024 M-TEF	2025 M-TEF	2026 M-TEF
openning balance	1,300,000,000.00			
RECURRENT REVENUE	artis - 13			
Statutory Allocation	67,981,950,000	113,459,490,056	141,770,808,313	174,433,838,401
Grants and Capital Receipt	96,185,089,000			
VAT	30,193,605,000	49,421,117,666	63,531,267,047	
IGR	33,171,306,000	24,133,823,263		
Excess Crude / Other Revenue	7,800,000,000	18,000,000,000	12,000,000,000	
Total Recurrent Revenue	235,331,950,000	219,606,570,985		
RECURRENT EXPENDITURE	ELECTIVE TO			
Personnel Costs	42,129,006,000	39,190,628,987	45,069,223,336	49,576,145,669
Social Contribution and Social Benefit	11,200,000,000			
Overheads	41,725,649,000	29,903,486,730	34,389,009,739	
Grants, Contributions and Subsidies		18,994,848,796		
Public Debt Service	9,191,224,000	20,000,000,000		
Total	104,245,879,000	126,290,514,045	142,374,271,235	158,131,148,845
Transfer to Capital Account	34,900,982,000	74,923,916,940	101,475,009,715	138.261.887.200
RESERVES	<b>建筑建筑建筑</b>			
Contingency Reserve	5,016,512,000	5,862,317,847	5,362,606,786	7,176,950,660
Planning Reserve		4,924,737,420		
Total Reserves	5,016,512,000	10,787,055,267	10,355,134,925	13,210,353,901
CAPITAL EXPENDITURE				
	131,086,071,000	109,159,301,674	96,897,000,791	130,328,659,299
Discretional Funds	78,661,642,600			129,551,533,299
Non-Discretional Funds	52,424,428,400		777,126,000	
Financing (Loans)	5,000,000,000		0	0
Total Revenue (Including Opening Balance)	235,331,950.000	246,236,870,985	249,626,406,950	301.670.162.046
Total Expenditure (including Contingency Reserve		246,236,870,985		

# 4.2.3 Assumptions

- b. Statutory Allocation This is estimated using the elasticity forecasting which projected 67.981,950,000. in government's share of FAAC in 2023. ₩113,459,490,056 in 2024 and ₩141,770,808,313. in 2025 and ₩174,433,838,401 in 2026. This assumption is however, based on expected rise in crude oil prices and production rate and stable inflationary rate predicted within this period.
- c. VAT Government share of VAT is also estimated using the elasticity forecasting which is projected to be \$ 30,193,605,000 in 2023, \$49,421,117,666 in 2024, \$63,531,267,047 in 2025 and \$79,757,271,496 in 2026. This sustained

rise in VAT is based on the assumption that the increased VAT rate from 5% to 7.5% and the expanded area of coverage including areas such as banks and mobile phone transactions will no doubt make up the projections.

- d. Other Federation Account Excess Crude and other FAAC Revenues is earmarked at \$6,500,000,000 in 2023, \$11,500,000,000 in 2024, \$12,000,000,000 and \$13,000,000,000 for 2025 and 2026.
- e. Internally Generated Revenue (IGR) The state government anticipate to increase its revenue base, blocking the identified leakages and exploring new avenues of revenue sources. The most critical of all is to sustain and continuous enforcement of payment of ground rent by property owners and improving on IGR steadily by 2.5% annual growth. The sum of ₦33,171,306,000 is projected for 2023.
- f. Financing The sum of ₦5,000,000,000. billion and ₦30,430,000,000 billion loans for 2023, and 2024 will be incurred respectively. The major source of financing is commercial bank loan and concessional loan from World Group
- g. Personnel cost, social contribution, overhead, grant, public debt service was earmarking the sum of \$104,245,790,000 billion, \$126,290,514,045 billion, \$142,374,271,235 billion, and \$157,131,148,845 billion for 2023, 2024, 2025, and 2026 respectively.
- h. Capital Expenditure The sum of ₩131,086.071,000 billion in 2023, ₩109,159,301,674 billion, №96,879,000,791 billion, 130,328,659,299 in 2024, 2025 and 2026.

# 4.3 Summary of MTB Forecast

- ♦ The projections for the various revenue and expenditure items are premised on credible forecasting techniques based on global best practice. The volatility of the exchange rate in the 2023 resulted high prices of goods and services
- Similarly, the fiscal policies and the budget policy statement are reflections of the State's economic status as well as the nation's economy while taking into consideration the global economic trend. Amendment to these projections were considered with care based on the improved economic environment as well as reasonable and credible forecasting techniques in the budget preparation.

♦ The projections for revenue items, especially from the federation account were conservatively arrived at from a collection of forecasting options, so as to reflect the economic status of the State. The Internally generated revenue figure are less encouraging due to fire incidences that engulfed three major markets in February 2023 (Maiduguri Monday Market, Gamboru Market and Biu Timber Market) in the state which are major sources of revenue. 2023 half year (Jan-June) IGR performance was N12 billion, the projection for 2024 was arrived at based on own value performance in the half year of 2023.

- ♦ Downside risks to economic development have been taken into consideration in the preparation of the 2023 -2026 MTEF
- ♦ The Government will focus on eliminating waste and ensuring prudent and efficient use of scarce resources; and Extra budgetary spending will be sanctioned and discouraged.
- ♦ Borno State must continue to monitor the performance of mineral-based revenues to ensure estimates are consistent with the latest development globally and within the Federal Government's budget process.

#### 4.3.1 Borno State Borrowing Options

Gross Financing Needs is the sum of budget deficit and funds required to roll over debt that matures over the years. Borno State Government intend to source its Gross financing Need mainly through domestic borrowing from Commercial Banks, Federal Government and other CBN Intervention over the projection period, 2023-2032, as well as external financing through concessional window either from Multilateral or Bilateral and other external financing available. The details of the Financing options are shown on the table below

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
				New Dom	estic Financ	ing in Local	Currency			
Commercial Bank Loans (maturity 1 to 5 years,										
including Agric Loans, Infrastructure Loans, and MSMEDF)	11,142.3	6,502.9	4,490.0	8,510.3	19,503.3	25,315.7	17,031.9	22,708.9	13,402.6	23,191.6
Commercial Bank Loans (maturity 6 years or										
longer, including Agric Loans, Infrastructure Loans, and MSMEDF)	17,676.5	11,023.9	8,879.3	22,106.4	17,818.7	21,679.8	40,566.0	50,440.2	76,329.6	87,681.9
State Bonds (maturity 1 to 5 years)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State Bonds (maturity 6 years or longer)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Domestic Financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
			ı	New Extern	al Financin	g in Million	US Dollars			
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	5.0	5.0	0.0	0.0	0.5	0.5	0.5	0.8	0.0	0.0
External Financing - Bilateral Loans	0.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other External Financing	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.8
Total Gross Borrowing Requirements (calculated										
by the Template Baseline Scenario)	30,996.7	21,882.5	13,369.3	30,616.7	37,539.8	47,431.0	57,815.7	73,497.6	89,732.2	111,222.0

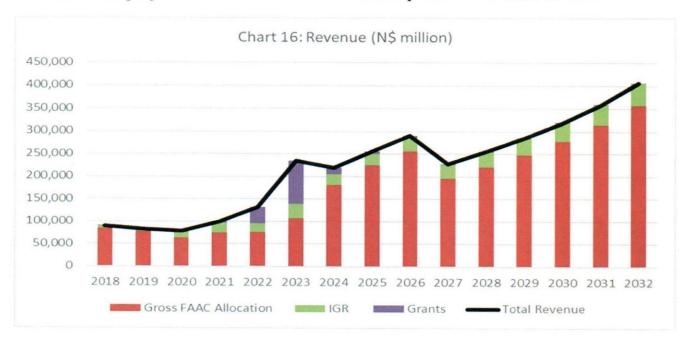
# 4.4. DSA Simulation Analysis Results

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

In the Baseline Scenario, Borno State preserves debt sustainability. Total revenue (including grants and excluding other capital receipts) is projected to increase from N 132,150.6 billion in 2022 to N 406,794 billion by 2032 (Chart 16). Total expenditure will expand from N 125,869 billion in 2022 to N 480,163 billion by 2032 (Chart 17). Therefore, the fiscal deficit—computed as the difference between revenue and expenditure—is expected to remain within a range of N 6,281 billion to N-73,369 billion in nominal terms in the long-run. Main finding and conclusion of the baseline scenario in terms of debt sustainability as a consequence of the modest increase in domestic and external borrowing, the public debt will rise in 2023 to 2032, and the State expenditure is higher, the State's repayment capacity will be affected if pro-active measures are not taken to mitigate the impact of risen debt profile (Charts 22). Debt is projected to raise from N102,996 billion as of end-2022 to N386,484 billion by 2032. It is expected to increase from 78 percent of the Revenue in 2022 to 95 percent by 2032. As the fiscal deficit increases in nominal terms over the years, and the public debt ratio to revenue rise higher (within the threshold), the analysis of the Baseline Scenario suggests the State will be able to preserve the sustainability of its debt in the longterm.

## 4.4.1 Projected Revenue

Borno State projected revenue from 2023-2032 is presented in chart 16 below:



Source: Borno State DSA-DMS template 2022

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Total Revenue	89,992	83,294	77,923	99,144	132,151	235,326	219,607	256,626	291,170	227,398	255,906	286,081	320,008	359,277	406,794
Gross FAAC Allocation	83,538	77,472	63,045	74,416	74,874	105,970	180,881	224,302	256,191	195,106	220,634	247,677	278,802	314,670	358,062
IGR	5,731	4,766	12,206	21,885	19,739	33,170	24,134	26,547	29,202	30,892	33,673	36,703	40,007	43,607	47,532
Grants	723	1,056	2,672	2,844	37,537	96,186	14,592	5,777	5,777	1,400	1,600	1,700	1,200	1,000	1,200

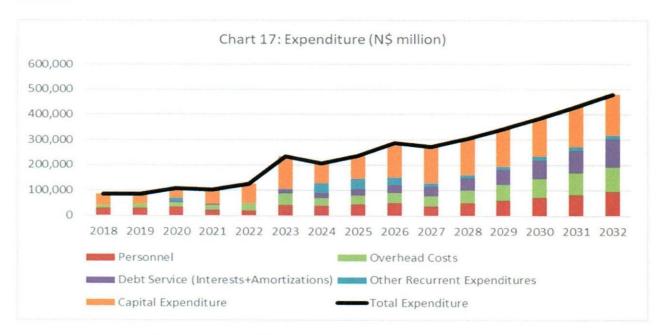
Source: Borno State DSA-DMS template 2022

Borno State Total Revenue (including grant and excluding other capital receipt) is expected to rise up from N235,326 billion in 2023 to N406,794 in 2032, an increase of N171,468 billion or 73% over the projection period. Gross FAAC Allocation is projected to grow from N105,970 billion in 2023 to N358,062 billion in 2032, an increase of N252,092 or 239% over the projection period, with the exception of 2027 which is a political activities period (Electioneering period) characterized by low economic activities that usually affect revenue generation, particularly FAAC allocation. IGR is projected to be N33,170 in 2023 to 47,532 in 2032 an increase of 43.3% in the long term. Also, Grant is projected to drop

from N96,186 in 2023 to N1,200. In the Medium-Term projection, all the revenue indices are favorable to Borno State.

# 4.4.2 Projected Expenditure

Borno State projected expenditure from 2023-2032 are presented in the chart 17 below:

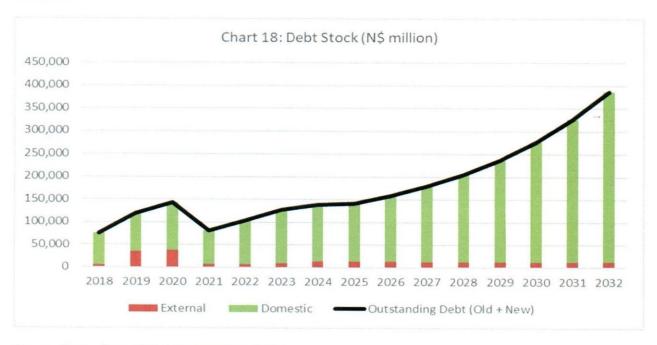


	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Total Expenditure	84,160	85,019	108,862	103,031	125,869	235,326	207,429	236,373	286,367	271,500	305,187	343,368	386,846	430,877	480,163
Personnel	30,036	30,117	35,457	20,849	20,010	42,129	39,191	45,069	49,576	37,940	49,270	60,601	71,931	83,262	94,592
Overhead Costs	13,004	16,480	15,676	21,829	29,105	45,280	29,903	34,389	39,547	39,252	50,645	62,038	73,431	84,824	96,217
Debt Service (Interests+Amorti	0	0	6,992	3,741	1,689	14,715	21,882	25,916	30,526	37,540	47,431	57,816	73,498	89,732	111,222
Other Recurrent Expenditures	0	0	11,527	0	0	2,115	37,196	40,916	30,657	12,257	12,880	13,503	14,127	14,750	15,373
Capital Expenditure	41,120	38,423	39,209	56,613	75,066	131,086	79,256	90,083	136,062	144,511	144,961	149,410	153,860	158,309	162,759

Total Expenditure is projected to grow from N235,326 billion in 2023 to N480,163 in 2032, an increase of N244,837 billion or 104%

# 4.4.3 Projected Debt Stock

Borno State Projected Debt Stock from 2023-2032 is presented in the Chart 18 Below:

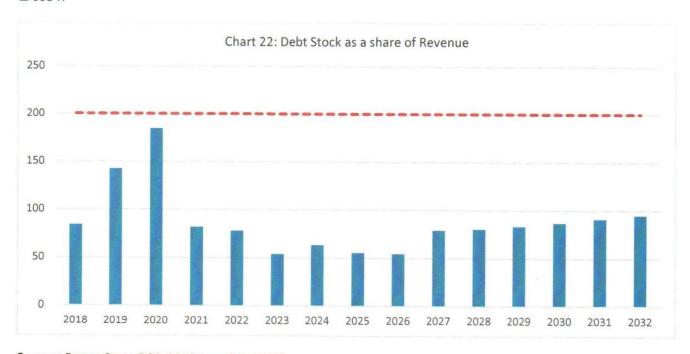


	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Outstanding Debt (Old + New)	75,459	118,646	143,720	81,102	102,996	126,937	139,157	141,977	158,522	179,327	205,392	237,728	277,547	326,471	386,484
External	5,474	35,259	38,098	6,469	6,860	9,765	13,773	13,345	12,926	12,725	12,725	12,491	12,387	11,935	11,737
Domestic	69,985	83,386	105,622	74,633	96,136	117,172	125,384	128,632	145,596	166,602	192,667	225,238	265,160	314,536	374,747

Borno State Debt Stock (domestic and external) is estimated to increase from N126,937 billion in 2023 to N386,484 billion in 2032 representing an increase of N259,547 billion or 200.4% over the projection period.

In the Medium Terms (2023-2026) Borno State debt is sustainable with slight increase as its lies within the threshold of 200%.

Borno State projected debt as a percentage of revenue is shown in Chart 22 Below

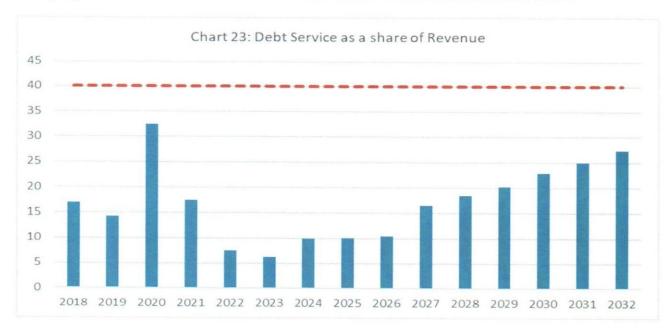


	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Debt as % of Revenue	84	142	184	82	78	54	63	55	54	79	80	83	87	91	95
Threshold	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200

The ratio of Debt as percentage of Revenue is estimated at 54% in 2023, 63% in 2024, 55% in 2026 and 54% in 2026 in the Medium Term. The ratio remains below the Threshold of 200% in the long-run showing a favorable index of Debt Sustainability.

# 4.4.4 Projected Debt Service as a Percentage of Revenue

The projected debt service as a share of revenue is shown in chart 23 below

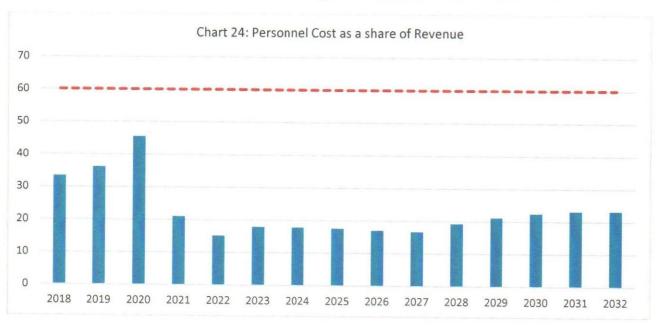


	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Debt Service as % of Revenue	17	14	33	17	7	6	10	10	10	17	19	20	23	25	27
Threshold	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40

The state debt as percentage of revenue is within the prescribed threshold of 40%, relative to the state borrowing capacity, public debt position will increase, it is expected to increase from 6% in 2023 to 27% in 2032 in debt as a share of revenue, thus, making the state to be sustainable within the projected period of short term and long term.

# 4.4.5 Projected Personnel Cost as a Share Revenue

Borno State Personnel Cost as a Percentage of Revenue is shown in 24 below



Source: Borno State DSA-DMS template 2022

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Personnel Cost as % of Revenu	33	36	46	21	15	18	18	18	17	17	19	21	22	23	23
Threshold	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60

Personnel cost as a share of revenue is projected to increase from 18% as at 2023 to 23% in 2032. The analysis of the Baseline Scenario suggests the state will be able to preserve the sustainability of its personnel cost in the medium-term to the long-run because it is within the limit of the prescribed threshold of 60%.

### 4.5 FINDING AND CONCLUSION OF THE BASELINE SCENARIO IN TERMS OF DEBT SUSTAINABILITY

Borno State is found to be sustainable within all the threshold in all the key indicators in historical period, short- and medium-term projected period.

The ratio of debt as a share revenue it is estimated at 54% in 2023, 63% in 2024, 55% in 2025 and 54% in 2026, debt is sustainable in the medium-term.

In the ratio of Debt Service as a share of revenue, it is estimated at 6% in 2023, 10% in 2024, 10% in 2025 and 10% in 2026 and debt is sustainable in the medium.

In personnel cost as a share of revenue, it is projected to be stable and sustainable in the medium-term to long-term.

The baseline Scenario results shows that the ratio of Debt Stock as a percentage of GDP in the medium-term to the long-term are all below the threshold.

Borno State Government is planning to preserve the sustainability of the Debt position through the following policies that will be implemented:

### 4.5.1 The key targets from a fiscal perspective are:

- Ensure the completion of on-going projects.
- Continue to ensure reduction in non-essential overheads.
- Create efficiencies in personnel and overhead expenditure to allow greater resource for capital development;
- Steady grow of IGR by a minimum of 2.5% every year from 2024 to 2026
- Achieve long term target of funding all recurrent expenditure with revenue of a recurrent nature (IGR, VAT and Non-mineral component of Statutory Allocation);

- Grow the economy through targeted spending in areas of comparative advantage
- Diversify the internal revenue base and also reviewing revenue projections to reflect current realities.
- Ensure speedy executions of capital projects, most especially those considered critical by the government.
- Use loans to finance only capital projects
- Give priority to the completion of ongoing capital projects before new projects are commenced

The result of the 2023 DSA shows that Borno remains at a moderate risk of debt distress in the long-term relative to the baseline scenario with Some-Space to accommodate shocks. However, debt sustainability remains mostly sensitive to the revenue shocks and expenditure shocks, indicating that an increase in aggregate output, does not result to a proportionate increase in revenue. There is, therefore, the urgent need for the authorities to fast-track efforts aimed at further diversifying the sources of revenue away from crude oil (FAAC) and donors grant, diversify the internal revenue base and also reviewing revenue projections to reflect current realities, as well as implement far-reaching policies that will bolster IGR into the state. This has become critical, given the continued volatility in the FAAC allocation and over relaying in grants.

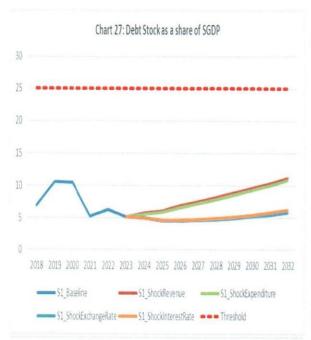
### 4.5.2 Risk of Debt Distress Under Indicative DSA Sensitivity Analysis

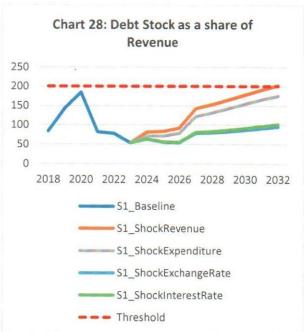
The Borno State DSA analysis shows deterioration related to revenue shocks and that would lead to increase Gross Financing Need over the projection period. Debt Service to Revenue ratio ascended to 27% in 2032 and is below the indicative threshold under revenue shocks.

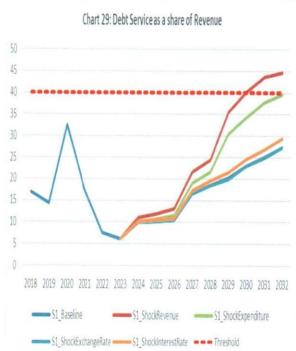
The analysis of two shocks as simulated (shock to revenue and shock to expenditure) cross the threshold in 2030 and 2032 while (shock to interest rate and shock to exchange rate) all have lesser impact on ratio analyzed at the magnitude tested. The four shocks all have a marked impact on Debt Service, but in terms of its deviation from the baseline scenario, what it entails is to plan for more future flexibility. But this deviation may have negative impacts beyond the

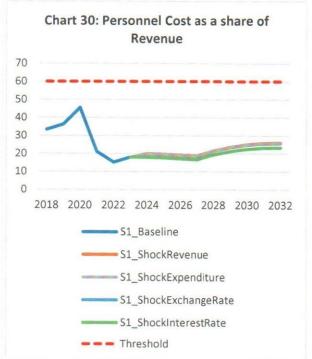
period of analysis. The analysis shows the need to intensify effort to increase IGR, to ensure a balanced debt portfolio, not to borrow too excessively, and to create sufficient buffers within the ratio analysis so as not to breach them as a result of a shock. Fiscal buffers, including contingency funds and debt service are finds and would also help alleviate the impact of shocks.

The charts below explain the shocks scenarios









### **CHAPTER FIVE**

### 5.0 DEBT MANAGEMENT STRATEGY

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

The Debt Management Strategy provides alternative strategies to meet the financing requirements for Borno State, the strategies are shown by the breakdown of funding mix (domestic debt and external debt) and within the broad categories of domestic and external, the share of each stylized instrument has also been illustrated. The Borno State's Debt Management Strategy, 2023-2027, analyses the debt management strategies outcomes of the three debt management performance indicators namely Debt Stock to Revenue, Debt Services to Revenue and Interest to Revenue. The cost is measured by the expected value of a performance indicator in 2026, as projected in the baseline scenario. Risk is measured by the deviation from the expected value in 2027 caused by an un-expected shock, as projected in the most adverse scenario.

### 5.1 Alternative Borrowing Options

Borno State is planning to borrow through the Commercial Bank at an estimated interest rate of 22% with 5 years and 7 years maturity respectively, with a year grace period. Also, the State planned to borrow External Concessional loans, bilateral or other external credit at 2% interest rate, maturity of 30 years and grace period of 10, 7 or 4 years. The State proposed 4 alternative strategies (S1, S2, S3 and S4) which consider cost and risk in order to mitigate certain risk (currency, interest rate and rollover) to develop domestic debt markets, to fund specific expenses (such as capital investment) and to secure liquid assets for the

cash management. The following four strategies are assessed by the government.

**Strategy 1(S1)**: reflects a "Baseline" MTEF Financing Mix: It follows the broad parameters of the financing mix under MTEF, 2023-2026. External gross borrowing under Concessional loans over the strategic period mainly from World Bank Group and African Development Bank. The State intends to contract external financing through concessional window of the World Bank and African Development Bank with an interest rate of 2 percent over the DMS projection period.

The domestic gross financing comprises of commercial bank loans and other domestic financing. The State intend to borrow Commercial Bank loans with the maturity of 5-7 years and 22 percent interest. The overall financing requirement under S1 amounted to N65,868.4 billion over the medium-term projected period.

**Strategy 2(S2)**: focus on both commercial bank and external loans: In this strategy, the government decided to focus its borrowing through commercial bank loans with average 22 percent interest under maturity of 1-5 years and external loan with 2 percent interest under maturity of above 10, 7, and 5 years, over the strategic period, compared to other financing needs. Strategy 2 focuses on both commercial bank and external loans for easy access to loan for critical projects in the State. The total borrowing requirement under S2 is N70,766.9 billion.

**Strategy 3(S3)**: focus its financing through external Concessional Loans, external bilateral loan, other external financing and commercial bank loans. This Strategy (S3) considers the scenario where proportions of Commercial bank loans (1-5 years) with average of 22 percent interest, Commercial bank loans and external financing through Concessional, bilateral and other external financing loans with average of 0.02 percent, respectively. The borrowing requirement in total under S3 is N71,852.7

Strategy 4(S4): focus its financing by increasing Federal government intervention. In strategy 4, the government decided to finance its Commercial Bank loans (1-5 years) with an average of 22 percent interest, and Commercial Bank loans with

the maturity of above 6 years with average of 22 percent interest, over the DMS period of 2023-2026. While Concessional loans under external financing has an average of 0.02 percent still. The total financing requirement under S4 is N70,020.6 The table explains the borrowing requirement under each strategy.

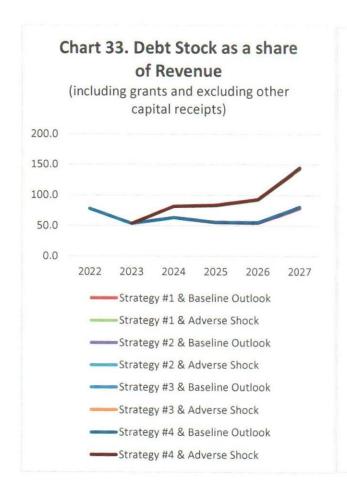
GRO	SS BORROW ME	ING REQUI		N THE
YEARS	2024	2025	2026	TOTAL
<b>S1</b>	21,882.5	13,369.3	30,616.7	65,868.4
<b>S2</b>	22,318.1	14,926.4	33,522.4	70,766.9
<b>S3</b>	22,318.1	15,520.4	34,014.3	71,852.7
54	22,318.1	14,782.6	32,920.0	70,020.6

### 5.2 DMS Simulation Result

Analysis of strategies & outcomes of the analysis, the cost risk trade off charts illustrates the performance of the alternative strategies with respect to three debt burden indicators. Results were obtained from the four DMS (S1, S2, S3, and S4) and the analysis will focus on three performance indicators which include Debt Stock as a Share Revenue, Debt Service as a Share Revenue and Interest as a Share Revenue, also the reference debt strategy (S1) will be compared with the alternative strategies (S2, S3 and S4) to facilitate the drafting and exposition.

### 5.2.1 Debt as a share of Revenue

The share of debt as percentage of revenue and cost-risk trade-off for the referenced strategy (S1) and alternatives strategies (S2, S3, and S4) are presented in the Chart 33 and 34:





						COST	RISK measu
Debt Stock as % of Revenue (including grants and e	2022	2023	2024	2025	2026	2027	
Strategy #1 & Baseline Outlook	77.9	53.9	63.4	55.3	54.4	78.9	63.4
Strategy #1 & Adverse Shock		53.9	81.5	82.9	92.0	142.2	
Strategy #2 & Baseline Outlook	77.9	53.9	63.6	56.0	55.7	81.1	63.6
Strategy #2 & Adverse Shock		53.9	81.7	83.6	93.3	144.8	
Strategy #3 & Baseline Outlook	77.9	53.9	63.6	55.9	55.3	80.4	63.6
Strategy #3 & Adverse Shock		53.9	81.7	83.5	92.9	144.0	
Strategy #4 & Baseline Outlook	77.9	53.9	63.6	55.9	55.3	80.4	63.6
Strategy #4 & Adverse Shock		53.9	81.7	83.5	92.9	144.0	

Strategy 1 shows the Cost ratio of Debt to Revenue is estimated to increase from 53.9 percent in 2023 to 78.9 percent, adverse shock 142.2 with 63.4 level of Risk. The Risk is only measured in 2026 and is the least compare to other Strategies.

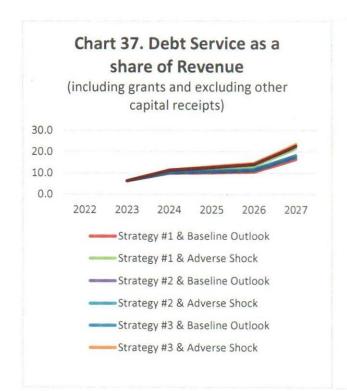
Strategy 2 shows the Cost ratio of Debt to Revenue is estimated to increase from 53.9 percent in 2023 to 81.1 percent, adverse shock 144.8 with 63.6 percent

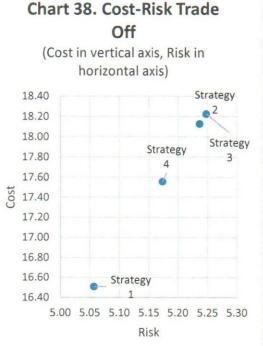
degree of risk. Given Strategy 2, both Cost and Risk are a bit costlier compare to Strategy 1 as shown in the chart.

- Strategy 3 shows Cost ratio of Debt to Revenue is estimated to increase from 53.9 in 2023 to 80.4 percent, adverse shock 144 with 63.6 percent degree of risk. Strategy 3 and Strategy 2 share some similarities, both Cost and Risk are a bit costlier compare to Strategy 1 as shown in the chart.
- Strategy 4 shows the Cost ratio of Debt to Revenue is estimated to increase from 53.9 percent in 2023 to 80.4 percent, adverse shock 144 with 63.6 level of Risk. The Risk is only measured in 2027 and compare to Strategy 2 and Strategy 3. Strategy, 4 share same similarities in terms of cost and risk level.
- Analysis: using this debt indicator of Debt to Revenue shows that S1 is the least costly and riskier which was estimated at 53.9 percent and 78.9 percent compared to Strategy 2 (53.9 percent and 81.1 percent), Strategy 3 (53.9 percent and 80.4 percent) and Strategy 4 (53.9 percent and 80.4 percent), respectively. Strategy 1 is the least costly and moderate risk strategy, which was estimated as 53.9 percent and 78.9 percent, which concentrated on commercial Bank loans with maturity period of 6 years and above. Strategy 3 and Strategy 4 have the highest cost and risk of 53.9 and 80.4, respectively. On the Strategy 2 also has high cost and risk of 53.9 and 81.1 respectively. Therefore, Strategy 1 has moderate costs and risk over the DMS period of 2023-2027 with a portfolio mix of domestic commercial BANK loans and external financing through concessional window

### 5.2.2 Debt Service as a share of Revenue:

The share of debt services as percentage of revenue and cost- risk trade-off for referenced strategy and alternatives strategies are presented in the chart 37 and 38:





						COST	RISK measu
Debt Service as % of Revenue (including grants and	2022	2023	2024	2025	2026	2027	
Strategy #1 & Baseline Outlook		6.3	10.0	10.1	10.5	16.5	5.1
Strategy #1 & Adverse Shock		6.3	11.1	12.0	13.2	21.6	
Strategy #2 & Baseline Outlook		6.3	10.2	10.7	11.5	18.1	5.2
Strategy #2 & Adverse Shock		6.3	11.3	12.7	14.3	23.4	
Strategy #3 & Baseline Outlook		6.3	10.2	10.9	11.7	18.2	5.2
Strategy #3 & Adverse Shock		6.3	11.3	12.9	14.5	23.5	
Strategy #4 & Baseline Outlook		6.3	10.2	10.6	11.3	17.6	5.2
Strategy #4 & Adverse Shock		6.3	11.3	12.6	14.0	22.7	

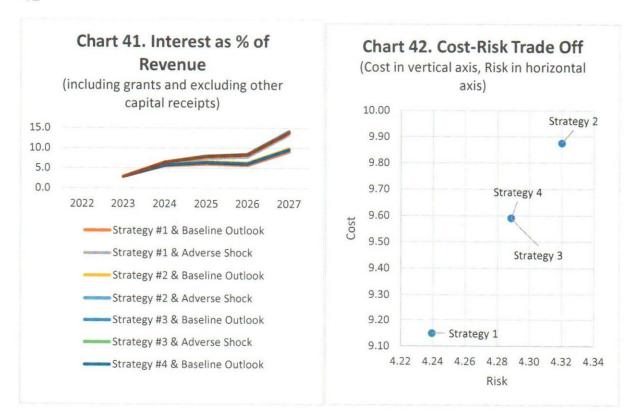
- > Strategy 1 shows the Cost of Debt Service to Revenue is estimated to increase from 6.3 in 2023 to 16.5 in 2027 with 65.1degree of risk and adverse shock of 21.6 The Risk is measured only in 2027 as shown in the chart.
- > Strategy 2 shows the Cost of Debt Service to Revenue is estimated to increase from 6.3 in 2023 to 18.1 in 2027 with 5.2 degree of risk and adverse shock of 23.4 The Risk is measured only in 2027 as shown in the chart.
- > Strategy 3 shows the Cost of Debt Service to Revenue is estimated to increase from 6.3 in 2023 to 18.2 in 2027 with 5.2 degree of risk with adverse shock of 23.5 The Risk is measured only in 2027 as shown in the chart.

➤ Strategy 4 shows the Cost of Debt Service to Revenue is estimated to increase from 6.3 in 2023 to 17.6 in 2027 with 5.2 degree of risk and adverse shock of 22.7 The Risk is measured only in 2027 as shown in the chart. Strategy1 has the lowest Cost and Risk when compared to others.

Analysis: Strategy 1 has the lowest costs at 16.5 percent and minimum risks at 5.1 percent and adverse shock of 21.6 under the Debt Service to Revenue, followed by Strategy 4 costs at 17.6 percent and risks at 5.2 percent and adverse shock shock of 22.7, followed by Strategy 2 costs at 18.1 percent and risks at 5.2 percent and adverse shock of 23.4. But Strategy 3 is the costliest strategy with cost at 18.2 percent and risks at 5.2 percent and adverse shock of 23.5.

### 5.2.3 Interest as a share of Revenue

The share of interest as percentage of revenue and cost-risk trade-off for referenced strategy and alternatives strategies are presented in the chart 41 and 42



						COST	RISK measu
Interest as % of Revenue (including grants and excl	2022	2023	2024	2025	2026	2027	
Strategy #1 & Baseline Outlook		2.8	5.6	6.0	5.7	9.1	4.2
Strategy #1 & Adverse Shock		2.8	6.2	7.4	7.8	13.4	
Strategy #2 & Baseline Outlook		2.8	5.8	6.5	6.2	9.9	4.3
Strategy #2 & Adverse Shock		2.8	6.4	8.0	8.4	14.2	
Strategy #3 & Baseline Outlook		2.8	5.8	6.4	6.1	9.6	4.3
Strategy #3 & Adverse Shock		2.8	6.4	7.8	8.2	13.9	
Strategy #4 & Baseline Outlook		2.8	5.8	6.4	6.1	9.6	4.3
Strategy #4 & Adverse Shock		2.8	6.4	7.8	8.2	13.9	

- ➤ Strategy 1 shows the Cost of Interest as Percentage of Revenue is estimated to increase from 2.8 in 2023 to 9.1 in 2027 with 4.2 degree of risk and adverse shock of 13.4 The Risk is measured only in 2027 as shown in the chart.
- > Strategy 2 shows the Cost of Interest as Percentage of Revenue is estimated to increase from 2.8 in 2023 to 9.9 in 2027 with 4.3 degree of risk and adverse shock of 14.2 The Risk is measured only in 2027 as shown in the chart.
- Strategy 3 shows the Cost of Interest as Percentage of Revenue is estimated to increase from 2.8 in 2023 to 9.6 in 2027 with 4.3 degree of risk and adverse shock of 13.9 The Risk is measured only in 2027 as shown in the chart.
- ➤ Strategy 4 shows the Cost of Interest as Percentage of Revenue is estimated to increase from 2.8 in 2023 to 9.6 in 2027 with 4.3 degree of risk and adverse shock of 13.9. The Risk is measured only in 2026 as shown in the chart.

**Analysis:** The ratios of Interest as percent of Revenue analysis shows that Strategy 1 which is the reference strategy yield the lowest costs of 9.1 and lowest risks of 4.2 and least adverse shock of 13.4 due to high Commercial Bank loans with maturity of 1 to 5 years and above, and external concessional loan, as the debt service terms requirement has lower interest rate. Compared to S2, S3 and S4 with the moderate costs and risks.

### 5.3 DMS Assessment

The preferred strategy was not solely based on the Analytical Tool assessment of all four strategies but took into consideration the ability to implement the chosen

strategy successfully in the medium-term. Going by all assessment, the Analytical Tool's results of cost and risk shows that Strategy 1 has the lowest costs and risks under debt as a share revenue, debt service as a share revenue and interest payment as a share of revenue, Strategy 1 which is reference strategy considered the most feasible of the strategy to implement in the short-term which shows moderate cost and risk over the DMS under debt as a share of revenue, debt service as a share of revenue and interest as a share of revenue, and it would still greatly improve the portfolio's debt position relative to the base year 2022. In comparison to the current debt position, Borno State debt portfolio stood at N102,995.50 billion as at end-2022, which expected an increase to N 158,522 billion under S1 during the strategic period, compared to S2 (N 162,071.12 billion), S3 (N 161,104.13 billion), and S4 (N 161,104.14 billion). Furthermore, the cost/risk trade-offs are considered, using the debt to GDP, debt to revenue, debt service to GDP, debt service to revenue, interest to GDP and interest payment to GDP ratios, Strategy 1 which is the reference strategy is selected as the preferred strategy for the 2022-2026, which shows moderate cost and risk over the DMS under debt as a share of revenue, debt service as a share of revenue and interest as a share of revenue.

Borno State opted for Strategy 1 because the state have set out medium term fiscal objectives and target, which include tax policy, revenue mobilization, limit on level of expenditure, deficit financing and public debt-fiscal strategy paper.

The Fiscal Strategy Paper prioritized projects and programmed in a sustainable manner and consistent with its development policy objective of the Government. The fiscal policies strongly recommend that the existing debt and new borrowing should be kept below the established threshold. Also, Fiscal Responsibility Act, 2007 as well as Debt Management Act, 2003 provides for prudent spending of public funds by cutting non-essential Overhead expenditure. The Government will always operate within the ambit of the law by keeping it debt stock below the established threshold at minimum cost and risk. The above stated policies are implementable under the chosen strategy (S1). Borno State Government can select any other alternative strategy in the future if the chosen strategy (S1) seem to be not feasible, so as to diversify the internal revenue base and also review revenue projections to reflect current realities

The cost of carrying debt and risk exposure depend largely on the debt management strategy adopted by the Government. The debt management strategy to be adopted will be able to provide for the Government the much-needed fund at minimum cost and risk without recourse to other financing options. Given the projections, both Baseline and Optimistic scenario shows that the debt is sustainable and resilient, and this is due to high expectation on the revenue. The Debt management Strategy 1 (2023-2027) represent a robust framework for prudent debt management, as its provides a systematic approach to decision making on the appropriate composition of both external and domestic borrowing to finance 2023 budget,

The Debt management strategy to be adopted both in the baseline and the most-adverse shock would be subjected to the principle of cost and risk analysis. The Government is expected by the Fiscal Responsibility Act, 2007, and the Debt Management Act, 2003, provides that the State to borrow or raise the required amount of funding at the lowest possible cost over the medium to long run, consistent with a prudent degree of risk. Debt Management Strategy examines the costs and risks inherent in the current debt portfolio, as well as in the debt portfolios that would arise from a range of possible issuance strategies. The borrowed fund should be used for capital project as well as human capital development. Other strategy such as portfolio mix of domestic and external debt ratio in order to hedge against risk.

The report conclude that there is a need for Borno State government to diversify sources of revenue away from FAAC allocation and donor grants, as well as full implementation of policies that will boost IGR into the State. The state remains mostly sensitive to revenue shock.

### Annex I: Baseline Assumptions

Statutory Allocations – the estimation for statutory allocation is based on an elasticity forecast taking into consideration the macroeconomic framework (national) and the mineral assumptions in the 2023-2026 Federal Fiscal Strategy Paper. It is based on historical mineral revenues flows and elasticity-based forecast using national Real GDP and inflation data.

VAT – is based on elasticity forecast using the combined change in GDP and inflation rate. The estimate for 2023-2026 is in line with the current rate of collections, if there are any changes to the VAT rates as proposed in the previously forecast changes will be made to reflect the current reality.

Other Federation Account Distributions – the estimation is based on the current receipt.

Internally Generated Revenue (IGR) — the estimation is own value which is calculated based on the current growth rate marked up slightly to factor the current administration's reform initiatives to grow the IGR and all payments of any nature must be done through the TSA

Grants – The grants are mostly based on the expected grant from domestic and external donors and programs. External grants are mostly based on signed grant agreements with the World Bank, UNICEF, EU etc

Financing (Net Loans) – the internal and external loans are projections based on agreement. Consolidated Revenue Fund Charges – this includes public debt charges (including is external debt servicing) which is changing in medium term. The estimation is own value determined based on the debt servicing costs (principal and interest repayment) for 2023-2026

Overheads – overhead has been relatively stable over the years to date. It is anticipated that the status quo will remain stable. Consequently, the estimation is own value calculated using the current growth rate.

Capital Expenditure – this is based on the balance from the recurrent account plus capital receipts, less than planning and contingency reserve as outlined above.

Staistics and Debt Management Office, Abuja The World Bank Group, National Bureau of Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2026 Planningt. Borno State M-TEF 2023-2027 Planningt. Borno State M-TEF 2023-2028 Planningt. Borno State M-TEF 2023-2029 Planningt. Borno State M-TEF 2023-2026 Planningt. Borno State M-TEF 2023-2027 Ministry of Education Borno State sustained rise is based on assumption that increased VAT rate from 5% to 7.5% and the in Crude Oil prices and production rate and stable inflationary rate predicted within the in Crude Oil prices and production rate and stable inflationary rate predicted within the in Crude Oil prices and production rate and stable inflationary rate predicted within the cash flow to FAAC for sharing for the the three tiers of Government, and expected rise cash flow to FAAC for sharing for the the three tiers of Government, and expected rise cash flow to FAAC for sharing for the three tiers of Government, and expected rise production rate which at times rises and falls, variation are taken care of by taking the average. Also removal of subsidy regime in the oil sector will have a positive impact on expanded area of coverage including areas such as bank and mobile phone transaction Borno State Government anticipate to increase its revenue base, by blocking identified Government share of VAT is also estimate to increase using elasticity forecating. The The Government anticipate grants from International Donors and other local donors. assumption is base on the removal of fuel subsidy which will result in an increase of assumption is base on the removal of fuel subsidy which will result in an increase of assumption is base on the removal of fuel subsidy which will result in an increase of leakages and exploring new avenues of revenue sources. The most critical of all is to Borno State GDP is base on the estimated prepared by World Bank Group, National Excess Crude and other FAAC revenues is expected to increase for the three years The Statutory Allocation is estimated to increase using elasticity forecasting. The The Statutory Allocation is estimated to increase using elasticity forecasting. The medium term projected period. To take care of fluctuations in Crude Oil price and The Statutory Allocation is estimated to increase using elasticity forecasting. The sustain and continuous enforcement of Ground Rent by property owners and Also the State anticipate achieving all DLIs under SFTAS to get Grants, he State anticipate grants for BESDA and AGILE programme Bureau of Statistics and the Debt Management Office Abuja Pr h Met sy No initiative for sale of government assets for now. No initiative for sale of government assets for now. Deivation fund is not applicable to borno State improving on IGR up to 25 percent growth. will no doubt make up the projection the other FAAC transfers. medium term period. medium term period. medium term period. 3. Other FAAC transfers (exchange rate gain, augmentation, 1.a. of which Net Statutory Allocation ('net' means of 1. Gross Statutory Allocation ('gross' means with no 6.b. Sales of Government Assets and Privatization 6.c. Other Non-Debt Creating Capital Receipts deductions; do not include VAT Allocation here) 2. Derivation (if applicable to the State) 1.b. of which Deductions State GDP (at current prices) 6. Capital Receipts 4. VAT Allocation deductions 6.a. Grants Revenue 5. IGR **Economic activity** ssumptions: Revenue

Expenditure	Expenditure  1. P el cost ' ies, P i Socie	recurrent expenditure as a readily increasing (through employment of quaimed youths to	Minist and F
	Benefits, other) 2. Overhead costs	Overhead cost is expected to increase because of expected increase in government activities in areas like constructions, rehabilitation, record keeping ect.	Planningt. Borno State M-1EF 2023-2026 Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2026
	<ol> <li>Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)</li> </ol>	Interest payment is base on repayment schedule (amortization) projected.	Borno State DMO
	Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)	There will be expenditure on Aids and Grant, Capital Development funds etc.	Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2026
	5. Capital Expenditure	Capital expenditure is expected to increase steadily with gradual implementation of the Borno States 10 year Strategic Transformation Plan (STP).	Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2026
Closing Cash and Bank Balance	Closing Cash and Bank Balance	The closing cash and bank balances is by subtracting total expenditure from total revenue.	Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2026
Debt Amotization and Interest Payments	Debt Outstanding at end-2022		
	External Debt - amortization and interest	The proposed Debt Service is based on the expected amount of interest and principal due for payment on debts owed, base on own value	Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2026
	Domestic Debt - amortization and interest	The proposed Debt Service is based on the expected amount of interest and principal due for payment on debts owed, base on the agreed Amortization Scheduled	Borno State DMO
	New debt issued/contracted from 2023 onwards		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	The State expects to access concessional loans from WBG only based on agreement at 10% interest rates, 30 years maturity and 7 years grace period in order to finance capital project and human capital development purpose.	Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2026
	External Financing - Bilateral Loans	External bilateral loans are projected based on agreement. As it is part of proposal in Borno State 2023 Budget and M-TEF 2023-2026. The estimation is own value determined based on debt servicing cost.	Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2027
	Other External Financing	Other external loans are projected based on agreement. As it is part of proposal in Borno State 2023 Budget and M-TEF 2023-2026. The estimation is own value	Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2028
	New Domestic Financing	הניכון וווויכת מספרת כון מכסר פרי אימון 6 כספר	
	Commercial Bank Loans (maturity 1 to 5 years, including	The State intend to borrow domestically from commercial bank with 5 to 7 years materials at 17 % interest and 1 year grape paging	Ministry of Finance, Budget and Economic
	Commercial Bank Loans (maturity 6 years or longer,	maturey, at 17.7 miserest and 1 year grace period. The State intend to borrow domestically from commercial bank with 7 years maturity,	Ministry of Finance, Budget and Economic
	including Agric Loans, Infrastructure Loans, and MSMEDF)	at 17 % interest and 1 year grace period The State concentrate on domestic Commercial Bank horrowing and External	Planningt. Borno State M-TEF 2023-2027
	State Bonds (maturity 1 to 5 years)	(Concessional and Bilateral) borrowing for the interim and will explore the options of Bonds in the capital market and other domestic borrowing if necessitated.	Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2028
	State Bonds (maturity 6 years or longer)	The State concentrate on domestic Commercial Bank borrowing and External (Concessional and Bilateral) borrowing for the interim and will explore the options of Bonds in the capital market and other domestic borrowing if necessitated.	Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2029
	Other Domestic Financing	The State concentrate on domestic Commercial Bank borrowing and External (Concessional and Bilateral) borrowing for the interim and will explore the options of Bonds in the capital market and other domestic borrowing if necessitated.	Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2030

### Proceeds from Dobt-Creating Rorrowin corresponding to Debt Strategy S1

New Domestic Financing in Million Naira

including Agric Loans, Infrastructure Loans, and MSMEDF) Commercial Bank Loans (maturity 1 to 5 years, including Commercial Bank Loans (maturity 6 years or longer, Agric Loans, Infrastructure Loans, and MSMEDF)

State Bonds (maturity 1 to 5 years)

State Bonds (maturity 6 years or longer)

Other Domestic Financing

### New External Financing in Million US Dollar

External Financing - Concessional Loans (e.g., World Bank, African Development Bank)

External Financing - Bilateral Loans

Other External Financing

# Planned Borrowings (new bonds, new loans, etc.) for Debt

### New Domestic Financing in Million Naira

Strategy S2

Proceeds from Debt-Creating Borrowings

corresponding to Debt Strategy S2

including Agric Loans, Infrastructure Loans, and MSMEDF) Commercial Bank Loans (maturity 1 to 5 years, including Commercial Bank Loans (maturity 6 years or longer, Agric Loans, Infrastructure Loans, and MSMEDF)

maturity, at 17 % interest and 1 year grace period

State Bonds (maturity 1 to 5 years)

State Bonds (maturity 6 years or longer)

Other Domestic Financing

### New External Financing in Million US Dollar

External Financing - Concessional Loans (e.g., World Bank, African Development Bank)

External Financing - Bilateral Loans

Other External Financing

The State intend to borrow domestically from commercial bank with 7 years maturity, The State intend to borrow domestically from commercial bank with 5 to 7 years maturity, at 17 % interest and 1 year grace period

at 17 % interest and 1 year grace period

(Concessional and Bilateral) borrowing for the interim and will explore the options of (Concessional and Bilateral) borrowing for the interim and will explore the options of (Concessional and Bilateral) borrowing for the interim and will explore the options of The State concentrate on domestic Commercial Bank borrowing and External The State concentrate on domestic Commercial Bank borrowing and External The State concentrate on domestic Commercial Bank borrowing and External Bonds in the capital market and other domestic borrowing if necessitated Bonds in the capital market and other domestic borrowing if necessitated Bonds in the capital market and other domestic borrowing if necessitated. The State expects to access concessional loans from WBG only based on agreement at 10% interest rates, 30 years maturity and 7 years grace period in order to finance capital project and human capital development purpose

External bilateral loans are projected based on agreement. As it is part of proposal in Borno State 2023 Budget and M-TEF 2023-2026. The estimation is own value determined based on debt servicing cost.

Other external loans are projected based on agreement. As it is part of proposal in Borno State 2023 Budget and M-TEF 2023-2026. The estimation is own value determined based on debt servicing cost.

Ministry of Finance, Budget and Economic Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2026 Planningt. Borno State M-TEF 2023-2027

Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2028

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Ministry of Finance, Budget and Economic

Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2030

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Ministry of Finance, Budget and Economic Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2026 Planningt. Borno State M-TEF 2023-2027 The State intend to borrow domestically from commercial bank with 7 years maturity, The State intend to borrow domestically from commercial bank with 5 to 7 years

Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2028

(Concessional and Bilateral) borrowing for the interim and will explore the options of

The State concentrate on domestic Commercial Bank borrowing and External

at 17 % interest and 1 year grace period

(Concessional and Bilateral) borrowing for the interim and will explore the options of

The State concentrate on domestic Commercial Bank borrowing and External

Bonds in the capital market and other domestic borrowing if necessitated.

(Concessional and Bilateral) borrowing for the interim and will explore the options of

Bonds in the capital market and other domestic borrowing if necessitated.

The State concentrate on domestic Commercial Bank borrowing and External

Bonds in the capital market and other domestic borrowing if necessitated.

Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2029 Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2030

> The State expects to access concessional loans from WBG only based on agreement at 10% interest rates, 30 years maturity and 7 years grace period in order to finance capital project and human capital development purpose

External bilateral loans are projected based on agreement. As it is part of proposal in Borno State 2023 Budget and M-TEF 2023-2026. The estimation is own value determined based on debt servicing cost

Other external loans are projected based on agreement. As it is part of proposal in Borno State 2023 Budget and M-TEF 2023-2026. The estimation is own value

determined based on debt servicing cost.

Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2026

Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2027

Planningt. Borno State M-TEF 2023-2028

Ministry of Finance, Budget and Economic

Agric Loans, infrastructure Loans, and MiSMEDF) maturity, at 17% interest and 1 year grace period
Commercial Bank Loans (maturity 6 years or longer,  The State intend to borrow domestically from commercial bank with 7 years maturity, including Agric Loans, Infrastructure Loans, and MSMEDF) at 17 % interest and 1 year grace period
The State concentrate on domestic Commercial Bank borrowing and External (Concessional and Bilateral) borrowing for the interim and will explore the options of Bonds in the capital market and other domestic borrowing if necessitated.
The State concentrate on domestic Commercial Bank borrowing and External (Concessional and Bilateral) borrowing for the interim and will explore the options of Bonds in the capital market and other domestic borrowing if necessitated.
The State concentrate on domestic Commercial Bank borrowing and External (Concessional and Bilateral) borrowing for the interim and will explore the options of Bonds in the capital market and other domestic borrowing if necessitated.
The State expects to access concessional Loans (e.g., World Bank, Afr 10% interest rates, 30 years maturity and 7 years grace period in order to finance capital project and human capital development purpose.
External bilateral loans are projected based on agreement. As it is part of proposal in Borno State 2023 Budget and M-TEF 2023-2026. The estimation is own value determined based on debt servicing cost.

Flammed borro	Toceeds Holli Debt-cleaning bollowings

nned Borrowings (new bonds, new loans, etc.) for Debt Strategy S4
ew Domestic Financing in Million Naira
Commercial Bank Loans (maturity 1 to 5 years, including The Sta
Agric Loans, Infrastructure Loans, and MSMEDF)
Commercial Bank Loans (maturity 6 years or longer, The Sta
including Agric Loans, Infrastructure Loans, and MSMEDF)
at 17 %

State Bonds (maturity 1 to 5 years)

State Bonds (maturity 6 years or longer)

Other Domestic Financing

## New External Financing in Million US Dollar

External Financing - Concessional Loans (e.g., World Bank, African Development Bank)

External Financing - Bilateral Loans

Other External Financing

The State intend to borrow domestically from commercial bank with 5 to 7 years maturity, at 17 % interest and 1 year grace period

The State intend to borrow domestically from commercial bank with 7 years maturity, at 17 % interest and 1 year grace period

The State concentrate on domestic Commercial Bank borrowing and External

(Concessional and Bilateral) borrowing for the interim and will explore the options of Bonds in the capital market and other domestic borrowing if necessitated.

The State concentrate on domestic Commercial Bank borrowing and External

(Concessional and Bilateral) borrowing for the interim and will explore the options of

Bonds in the capital market and other domestic borrowing if necessitated.

The State concentrate on domestic Commercial Bank borrowing and External (Concessional and Bilateral) borrowing for the interim and will explore the options of Bonds in the capital market and other domestic borrowing if necessitated.

The State expects to access concessional loans from WBG only based on agreement at 10% interest rates, 30 years maturity and 7 years grace period in order to finance capital project and human capital development purpose.

External bilateral loans are projected based on agreement. As it is part of proposal in Borno State 2023 Budget and M-TEF 2023-2026. The estimation is own value determined based on debt servicing cost.

Other external loans are projected based on agreement. As it is part of proposal in Borno State 2023 Budget and M-TEF 2023-2026. The estimation is own value determined based on debt servicing cost.

Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2026 Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2027 Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2028

Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2029

Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2030

Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2026 linistry of Finance, Budget and Economic lanningt. Borno State M-TEF 2023-2027

Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2028

Borno State 2023 Budget and M-TEF 2023-2026. The estimation is own value

Other External Financing

determined based on debt servicing cost

Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2026 Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2027

Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2028 Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2029

Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2030

Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2026 Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2027 Ministry of Finance, Budget and Economic Planningt. Borno State M-TEF 2023-2028

# BORNO STATE Baseline Scenarios

State GDP (at current prices)	1,080,636.62	1,122,898.83	1,368,695.34	1,531,960.95	1,642,021.18	2,439,155.54	2,802,299.12	3,117,706.63	3,468,838.34	3,859,516.26	4,294,194.28	4,777,827.91	5,315,930.78	5,914,637.48	6,580,773.53
Exchange Rate NGN/US\$ (end-Period)	253.19	305.79	306.50	326.00	379.00	435.57	435.57	435.57	435.57	435.57	435.57	435.57	435.57	435.57	435.57
Fisal Indicatos (Million Naira)															
American de la companya del la companya de la compa															
Revenue	89,992.00	83,294.06	77,922.60	99,144.30	132,150.60	266,322.58	241,489.05	269,995.68	321,786.82	264,938.23	303,337.41	343,896.39	393,505.86	449,009.09	518,015.94
1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT Allocation here)	19.679,07	64,399.02	47,021.82	51,869.50	47,165.80	67,980.00	113,459.49	141,770.81	174,433.84	138,935.56	152,829.11	168,112.02	184,923.22	203,415.55	223,757.10
1.a. of which Net Statutory Allocation ("net" means of deductions)	0.00	000	0.00	0.00	0.00	0.00	000	000	0000	0000	000	0.00	0.00	0000	000
1.b. of which Deductions	0.00	00:0	000	00:0	000	0.00	0000	00.0	0.00	0.00	0.00	00.0	0.00	0.00	000
2. Derivation (if applicable to the State)	0.00	000	0000	0000	0.00	0.00	0000	0.00	0.00	0.00	0.00	0.00	0.00	000	000
3. Other FAAC transfers (exchange rate gain, augmentation, others)	723.00	0.00	000	00:0	0.00	7,800.00	18,000.00	19,000.00	2,000.00	3,000.00	4,000.00	3,000.00	2,000.00	1,000.00	2,000.00
4. VAT Allocation	12,135.36	13,073.04	16,023.37	22,546.23	27,708.30	30,190.00	49,421.12	63,531.27	79,757.27	53,170.41	63,804.50	76,565.39	91,878.47	110,254.17	132,305.00
5. (GR	5,730.92	4,766.00	12,205.70	21,885.00	19,739.20	33,170.00	24,133.82	26,547.21	29,201.93	30,892.44	33,672.76	36,703.31	40,006.61	43,607.20	47,531.85
6. Capital Receipts	723.00	1,056.00	2,671.70	2,843.60	37,537.30	127,182.58	36,474.62	19,146.40	36,393.79	38,939.82	49,031.05	59,515.66	74,697.55	71.282.17	112,421.99
6.a. Grants	723.00	1,056.00	2,671.70	2,843.60	37,537.30	96,185.90	14,592.14	5,777.13	5,777.13	1,400.00	1,600.00	1,700.00	1,200.00	1,000.00	1,200.00
6.b. Sales of Government Assets and Privatization Proceeds	0.00	0.00	000	0000	0.00	0.00	000	000	000	0.00	0.00	000	0.00	0.00	0.00
6.c. Other Non-Debt Creating Capital Receipts	0.00	000	0000	0000	0.00	0.00	0.00	0.00	000	0.00	0.00	0.00	0.00	0.00	0000
6.d. Proceeds from Debt-Creating Borrowings (bond issuance, loan disbursements, etc.)	0.00	000	0000	000	0.00	30,996.68	21,882.48	13,369.28	30,616.66	37,539.82	47,431.05	57,815.66	73,497.55	89,732.17	111,221.99
Expenditure	84,160.49	85,018.82	108,862.00	103,031.03	125,869.40	235,325.60	207,428.86	236,373.42	286,367.30	271,500.06	305,187.44	343,368.21	386,846.26	430,877.04	480,163.01
1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	30,036.17	30,116.73	35,456.90	20,849.30	20,010.00	42,129.00	39,190.63	45,069.22	49,576.15	37,940.00	49,270.42	60,600.85	71,931.27	83,261.69	94,592.11
2. Overhead costs	13,004.20	16,479.56	15,676.46	21,828.50	29,104.90	45,280.02	29,903.49	34,389.01	39,547.36	39,252.30	50,645.29	62,038.28	73,431.26	84,824.25	96,217.24
3. Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)	0.00	0.00	6,992.00	3,740.63	1,689.00	6,636.16	12,219.97	15,367.23	16,453.39	20,805.17	26,065.02	32,336.29	39,818.99	48,923.93	60,012.95
3.a. of which Interest Payments (Public Debt Charges, excluding interests deducted from FAAC Allocation)	0.00	0000	0000	2,532.24	0.00	0.00	0.00	0.00	000	000	0.00	0.00	000	00:0	0000
3.b. of which Interest deducted from FAAC Allocation	0.00	0000	0000	1,208.49	0.00	0.00	0.00	000	000	000	0000	0.00	000	0000	00:00
4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)	0.00	0.00	11,527.43	0.00	0.00	2,115.30	37,196.40	40,916.04	30,656.60	12,256.88	12,880.11	13,503.35	14,126.58	14,749.81	15,373.04
5. Capital Expenditure	41,120.13	38,422.53	39,208.80	56,612.60	75,065.50	131,086.10	79,255.86	90,083.10	136,061.53	144,511.05	144,960.57	149,410.08	153,859.60	158,309.11	162,758.63
6. Amortization (principal) payments	0.00	000	000	000	000	8,079.03	9,662.52	10,548.82	14,072.27	16,734.66	21,366.03	25,479.37	33,678.57	40,808.24	51,209.04
Budget Balance ( + 'means surplus, - 'means denot)	5,832.00	-1,724.76	-30,939.00	-3,886.73	6,281.20	30,996.98	34,060.20	33,622.26	35,419.52	-6,561.82	-1,850.02	528.18	6,659.60	18,132.05	37,852.93
Opening Cash and Bank balance	4,821.58	1,010.42	-714.58	-31,653.60	-35,540.30	-29,259.10	1,737.88	35,798.08	69,420.34	104,839.86	98,278.03	96,428.01	96,956.19	103,615.78	121,747.83
Closing Cash and Bank Balance	1,010.42	-714.58	-31,653.60	-35,540.30	-29,259.10	1,737.88	35,798.08	69,420.34	104,839.86	98,278.03	96,428.01	96,956.19	103,615.78	121,747.83	159,600.76

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Financing Needs						30,996.68	21,882.48	13,369.28	30,616.66	37,539.82	47,431.05	57,815.66	73,497.55	89,732.17	111,221.99
i. Primary balance						14,715.48	34,060.20	46,169.04	35,328.52	-6,561.82	-1,850.02	528.18	09.659'9	18,132.05	37,852.93
ii. Debt service						14,715.18	21,882.48	25,916.05	30,525.66	37,539.82	47,431.05	57,815.66	73,497.55	89,732.17	111,221.99
Amortizations						8,079.03	9,662.52	10,548.82	14,072.27	16,734.66	21,366.03	25,479.37	33,678.57	40,808.24	51,209.04
Interests						6,636.16	12,219.97	15,367.23	16,453.39	20,805.17	26,065.02	32,336.29	39,818.99	48,923.93	60,012.95
iii. Financing Needs Other than Amortization Payments (e.g., Variation in Cash and Bank Balances)						30,996.98	34,060.20	33,622.26	35,419.52	-6,561.82	-1,850.02	528.18	6,659.60	18,132.05	37,852.93
Financing Sources						30,996.68	21,882.48	13,369.28	30,616.66	37,539.82	47,431.05	57,815.66	73,497.55	89,732.17	111,221.99
i. Financing Sources Other than Borrowing						0.00	000	0.00	0.00	00:0	0.00	0000	0.00	00.00	0.00
ii. Gross Borrowings						30,996.68	21,882.48	13,369.28	30,616.66	37,539.82	47,431.05	57,815.66	73,497.55	89,732.17	111,221.99
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)						11,142.30	6,502.90	4,490.00	8,510.30	19,503.30	25,315.70	17,031.90	22,708.90	13,402.60	23,191.60
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)						17,676.50	11,023.90	8,879.30	22,106.40	17,818.70	21,679.80	40,566.00	50,440.20	76,329.60	87,681.90
State Bonds (maturity 1 to 5 years)						0.00	0.00	0.00	00.0	00:0	0000	0.00	00:0	0000	0.00
State Bonds (maturity 6 years or longer)						0.00	000	0.00	0000	0.00	000	0.00	000	0000	0.00
Other Domestic Financing						0.00	0.00	0.00	0.00	00.00	00:0	00:0	0.00	00:0	0.00
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)						2,177.85	2,177.85	0.00	00.0	217.79	217.79	217.79	348.46	00.00	0.00
External Financing - Bilateral Loans						0.00	2,177.85	0.00	0000	0000	00:00	0000	000	00.00	000
Other External Financing						0.00	0.00	0.00	000	0000	217.79	0000	0000	0000	348.46
Residual Financing						0.03	-0.02	-0.02	-0.04	0.04	-0.02	-0.02	0000	-0.03	0.03
															CONTRACTOR MARKET
Debt Stocks and Flows (Million Naira)															
Debt (stock)	75,458.64	118,645.65	143,720.34	81,102.47	102,995.50	126,937.07	139,157.04	141,977.50	158,521.89	179,327.05	205,392.07	237,728.36	277,547.35	326,471.28	386,484.23
External	5,473.52	35,259.46	38,097.95	6,469.47	6,859.90	9,765.24	13,773.12	13,345.36	12,926.19	12,724.80	12,724.84	12,490.72	12,387.28	11,935.38	11,737.25
Domestic	69,985.12	83,386.19	105,622.39	74,633.00	96,135.60	117,171.83	125,383.91	128,632.13	145,595.70	166,602.25	192,667.23	225,237.64	265,160.07	314,535.90	374,746.98
Gross borrowing (flow)						30,996.68	21,882.48	13,369.28	30,616.66	37,539.82	47,431.05	57,815.66	73,497.55	89,732.17	111,221.99
External						2,177.85	4,355.70	00:0	0.00	217.79	435.57	217.79	348.46	0.00	348.46
Domestic						28,818.83	17,526.78	13,369.28	30,616.66	37,322.04	46,995.48	57,597.88	73,149.10	89,732.17	110,873.53
Amortizations (flow)	12,648.71	8,827.31	23,236.22	13,509.67	7,128.14	8,079.03	9,662.52	10,548.82	14,072.27	16,734.66	21,366.03	25,479.37	33,678.57	40,808.24	51,209.04
External	84.71	51.79	94.07	82.07	105.74	296.43	347.82	427.76	419.17	419.17	435.54	451.90	451.90	451.90	546.59
Domestic	12,564.00	8,775.52	23,142.15	13,427.60	7,022.40	7,782.60	9,314.70	10,121.06	13,653.10	16,315.48	20,930.49	25,027.47	33,226.67	40,356.35	50,662.46
Interest (flow)	2,643.77	3,087.47	2,122.85	3,762.37	2,763.73	6,636.16	12,219.97	15,367.23	16,453.39	20,805.17	26,065.02	32,336.29	39,818,99	48,923.93	60,012.95
External	23.54	13.60	24.82	21.74	27.93	90.79	109.63	195.00	188.88	186.82	189.18	195.45	199.80	206.77	198.62
Domestic	2,620.23	3,073.87	2,098.03	3,740.63	2,735.80	6,572.10	12,110.34	15,172.23	16,264.51	20,618.35	25,875.83	32,140.85	39,619.18	48,717.16	59,814.33
Net borrowing (gross borrowing minus amortizations)						22,917.66	12,219.97	2,820.46	16,544.39	20,805.17	26,065.02	32,336.29	39,818.99	48,923.93	60,012.95
External						1,881.42	4,007.88	-427.76	-419.17	-201.39	0.03	-234.11	-103.44	-451.90	-198.13
Domestic						21,036.23	8,212.08	3,248.22	16,963.56	21,006.56	26,064.98	32,570.41	39,922.43	49,375.83	60,211.08

because NGSOP  becaus																Silversia de la companya della companya della companya de la companya de la companya della compa
Stoke Name in federal by the worsy performance indicator measured in page 2027         Revenue         SER	Debt Stock as % of SGDP Debt Stock as % of Revenue (including grants and excluding other capital receipts) Debt Service as % of SGDP Debt Service as % of Revenue (including grants and excluding other capital receipts) Interest as % of SGDP Interest as % of Revenue (including grants and excluding other capital receipts) Personnel Cost as % of Revenue (including grants and excluding other capital receipts)	83.85	10.57	184.44	81.80	77.94	5.20 53.94 0.60 6.25 0.27 2.82 17.90	4.97 63.37 0.78 9.96 0.44 5.56	4.55 55.32 0.83 10.10 0.49 5.99	4.57 54.44 0.88 10.48 0.47 5.65	4,65 78.86 0.97 16.51 0.54 9.15	4.78 80.26 1.10 18.53 0.61 10.19	4.98 83.10 1.21 20.21 0.68 11.30 21.18	5.22 86.73 1.38 22.97 0.75 12.44 22.48	5.52 90.87 1.52 24.98 0.83 13.62	5.87 95.01 1.69 27.34 0.91 14.75 23.25
Stoke Section         Stoke Se	Adverse Shock Scenario is defined by the worst performance indicator measured in year 2027															
Stoke Stoke the rather including grants and extending other capital receipts) The adverse bods is: Revenue.         Revenue.         5.594         81.22         8.25         91.55         142.24         152.71         154.02         177.66         150.09         2.75           Street as: N. 4 Stoth the adverse bods is: Revenue.         Revenue.         Revenue.         0.00         0.78         0.78         0.79         1.14         1.31         1.51         1.28         2.28           Street as: N. 4 Stoth the adverse bods is: Revenue.         Revenue.         Revenue.         0.00         0.78         0.78         0.79         1.14         1.31         1.24         1.28         1.28         2.28           Street as: N. 4 Stoth the adverse bods is: Revenue.         Revenue.         Revenue.         6.25         1.160         1.158         1.150         1.15         1.14         1.31         1.24         2.28         1.24         1.24         1.24         2.28         1.25         1.24         2.28         8.37         8.37         8.37         1.34         1.34         1.34         1.34         1.34         1.34         1.34         1.34         1.34         1.34         1.34         1.34         1.34         1.34         1.34         1.34         1.34         1.34 </td <td>For Debt Stock as % of SGDP the adverse shock is: Revenue Debt Stock as % of SGDP</td> <td>Revenue</td> <td></td> <td></td> <td></td> <td></td> <td>6.20</td> <td>X.</td> <td>614</td> <td>56 9</td> <td>150</td> <td>91</td> <td>88</td> <td>130</td> <td>10 30</td> <td>11.73</td>	For Debt Stock as % of SGDP the adverse shock is: Revenue Debt Stock as % of SGDP	Revenue					6.20	X.	614	56 9	150	91	88	130	10 30	11.73
Service as % of SCOP the adverse chock is: Revenue (including grants and excluding other capital receipts) the adverse chock is: Revenue (including grants and excluding other capital receipts) the adverse chock is: Revenue (including grants and excluding other capital receipts) the adverse chock is: Revenue (including grants and excluding other capital receipts) the adverse chock is: Revenue (including grants and excluding other capital receipts) the adverse chock is: Revenue (including grants and excluding other capital receipts) and excluding other capital	For Debt Stock as % of Revenue (including grants and excluding other capital receipts) the adverse shock is: Revenue Debt Stock as % of Revenue (including grants and excluding other capital receipts)	Revenue					53.94	81.52	87.85	91.95	142.24	152.71	164.82	177.46	190.09	201.68
Service as N of Revenue (including gants and excluding other capital receipts)         Revenue         6.25         1.107         1.158         1.316         2.157         24.48         35.53         40.72         43.76           site as N of Revenue (including gants and excluding other capital receipts)         Revenue         Revenue         0.27         0.44         0.55         0.59         0.71         0.82         1.134           s % of SGDP         S % of SGDP         S % of SGDP         0.27         0.44         0.55         0.59         0.71         0.82         0.59         1.134           s % of SGDP         S % of SGDP         S % of SGDP         0.44         0.55         0.59         0.71         0.82         0.59         1.134           s % of SGDP         S % of SGDP         S % of SGDP         0.44         0.55         0.59         0.71         0.82         0.92         1.134           s % of SGDP         S % of SGDP         S % of SGDP         S % of SGDP         0.44         0.55         0.59         0.71         0.82         1.134           s % of SGDP         S % of SGDP         S % of Revenue (including gants and excluding other capital receipts)         Revenue         0.24         7.24         7.24         7.74         7.79         13.39 </td <td>For Debt Service as % of SGDP the adverse shock is: Revenue Debt Service as % of SGDP</td> <td>Revenue</td> <td></td> <td></td> <td></td> <td></td> <td>090</td> <td>0.78</td> <td>0.89</td> <td>0.99</td> <td>1.14</td> <td>131</td> <td>1.91</td> <td>2.18</td> <td>2.39</td> <td>2.49</td>	For Debt Service as % of SGDP the adverse shock is: Revenue Debt Service as % of SGDP	Revenue					090	0.78	0.89	0.99	1.14	131	1.91	2.18	2.39	2.49
5 % of SGDP the adverse shock is: Revenue       Revenue         6 % of SGDP       0.27       0.44       0.55       0.59       0.71       0.82       1.03       1.14         5 % of SGDP       st as % of Revenue (including grants and excluding other capital receipts) the adverse shock is:       Revenue       2.82       6.18       7.41       7.79       13.39       15.20       17.11       19.01       20.91       2.9	For Debt Service as % of Revenue (including grants and excluding other capital receipts) the adverse shock is: Revenue Debt Service as % of Revenue (including grants and excluding other capital receipts)	Revenue					6.25	11.07	11.98	13.16	21.57	24.48	35.53	40.22	43.76	44.69
st as % for Renue (including grants and excluding other capital receipts) the adverse shock is:  Revenue  2.82 6.18 7.41 7.79 13.39 15.20 17.11 19.01 20.91	For Interest as % of SGDP the adverse shock is: Revenue Interest as % of SGDP	Revenue					0.27	0.44	0.55	0.59	17.0	0.82	0.92	1.03	1.14	1.26
	For Interest as % of Revenue (including grants and excluding other capital receipts) the adverse shock is: Revenue Interest as % of Revenue (including grants and excluding other capital receipts)	Revenue					2.82	6.18	7.41	7.79	13.39	15.20	17.11	19.01	20.91	22.69

Debt and Debt-Service Indicators

WHAT THE PARTY OF THE PARTY OF

Sign: Honourable Commissioner, Borno State Ministry of Finance

and Economic Development

me Hon. Xhmael At, Xhmec

le December, 2002.

# **BORNO STATE TECHNICAL TEAM**

- 1- UMAR ALI KA`ANA DIRECTOR GENERAL BORNO STATE DEBT MANAGEMENT OFFICE
- 2- SHEHU YAKUBU GANA DIRECTOR, COMPUTER AND FINAL ACCOUNT AND FOCAL PERSON SFTAS
- 3- ABBA LIMAN MUSTAPHA HEAD, PORTFOLIO MANAGEMENT, STATE DEBT MANAGEMENT OFFICE
- 4- TITUS JOHN DATA COLLECTION OFFICER STATE DEBT MANAGEMENT OFFICE