2024

ABIA STATE DEBT SUSTANABILITY ANALYSIS/ DEBTMANAGEMENT STRATEGY (DSA-DMS) REPORT

CONTENTS

1.0 INTRODUCTION

1.1 BACKGROUND

The State Debt Sustainability Analysis (S-DSA) Toolkit was developed by Debt Management Office, Nigeria and reviewed by the World Bank to analyze the trends and patterns in State public finances during the period of 2019-2023 while also evaluating the ability of the state to sustain its debt in the long term (2024-2033).

The DSA carried out by Abia State Technical team appraised recent Revenue, Expenditure, State Public Debt trends, and Related Policies adopted by the State Government, while considering the policy trust of the State.

A sub national Sustainability assessment was conducted using baseline scenarios and sensitivity analysis in order to evaluate the prospective performance of the State public finances going forward. The intention is to assist Abia State Government in striking a balance between the States program execution and new borrowings by utilizing recent trends in the State public finances.

1.2 SUMMARY OF FINDINGS

The result of Abia State S-DSA Shows that Abia State debt portfolio appears sustainable in the long term. The State has made giant strides in IGR mobilization through the recently introduced, improved, tax administration reforms. The State's revenue office has been equipped with competent personnel to follow through on the state's vision with the assistant of up-to-date technology hence, the full automation of the State's Revenue System. The Government of Abia State has also engaged in the continuous training of Revenue personnel, aggressive monitoring and enforcement of revenue collection, restructuring of all sections/departments in the State Revenue Office.

Given the State's forecast for the economy and reasonable assumptions concerning its revenue and expenditure policies, there is need to cut down on recurrent expenditure to reduce the deficit which can disrupt the forecast by increasing debt stock and debt service payment astronomically.

2.0 **ABIA STATE FISCAL AND DEBT FRAMEWORK.**

2.1 Fiscal Reforms in the last 4 to 6 years

The fiscal reforms being implemented by Abia State government in the last four to six years include the Public Financial management (PFM) and Human resource Management (HRM) which are sub divided into budget reform, Audit reform, public procurement reform which has led to reduction of wastes through transparency in procurement and due process, Tax administration reform, and civil service and pension reform. These reforms led to the enactment of the following laws/policies

- Procurement law of 2019
- Debt management law of 2019
- Fiscal responsibility law
- Abia State Government Financial Regulations
- Abia State Fiscal Responsibility Law, 2012.
- Abia State Audit Law, 2021
- Abia State Tax Codification and Consolidation Law no 7 of 2020
- Domestic Debt Management Law of 2019
- Direct Bank lodgments
- Automation
- Biometric Capture etc

2.2 **Abia State Approved 2024 Budget and Medium-Term Expenditure Framework (MTEF)2025-2027**

2.3 2.2.1 **Approved 2024 Budget.**

The 2024 Budget was prepared amidst a challenging global and domestic environment resulting from global economic recession, low oil prices and heightened global economic uncertainty which had serious implication on our economy.

Based on the foregoing fiscal assumptions and parameters, the Abia State Total Revenue available to fund 2024 Budget is estimated at N131.816billion. This includes Internally Generated Revenue, Statutory Allocation, Net Derivation, Value Added Tax, Other Statutory Revenue, Domestic Grants, Foreign Grants, Domestic Loans, and Foreign Loans respectively.

An aggregate expenditure of N131.816billion is proposed by Abia State Government in 2023. The 2023 Expenditure comprises, Debt Repayment (Interest and Principal) of N4.400 billion, Recurrent Expenditure excluding Debt Repayments of N58.225 billion, and Capital Expenditure of N69.191 billion respectively.

2.2.2 **Indicative Three-Year Fiscal Framework**

The indicative three-year fiscal framework for the period 2024-2026 is presented in the Table Below:

Table 1: Abia State Medium Term Fiscal Framework

ABSG 2024 BUDGET AND 2024-2027 MTEF				
ITEMS	2024	2025	2026	2027
RECURRENT REVENUE				
STATUTORY ALLOCATION	136,569.94	141,679.75	144,827.66	169,448.36
DERIVATION	12125.58	12342.53	12721.14	14883.74
VAT	10,437.90	13,158.10	14,145.00	25,000.00
IGR	32,143.10	38,669.70	41,569.20	43,647.66
EXCESSS CRUDE/OTHER REVENUE	10,437.90	13,158.10	14,145.00	25,000.00
TOTAL RECURRENT REVENUE	**201,714.42**	**219,008.18**	**227,408.00**	**277,979.76**
RECURRENT EXPENDITURE				
PERSONNEL COSTS/SOCIAL CONTRIBUTION	47,836.20	48,927.10	50,150.30	51,654.81
OVERHEADS	23,662.20	24,082.30	24,684.20	25,424.73
OTHER OVERHEAD COST	5,697.50	19,164.90	19,644.00	20,233.32
PUBLIC DEBT SERVICE	14,660.11	15,026.62	15176.882	15,328.65
TOTAL RECURRENT EXPENDITURE	**91,856.01**	**107,200.92**	**109,655.38**	**112,641.51**
TRANSFER TO CAPITAL ACCOUNT	**135,777.95**	**137,135.73**	**138,507.08**	**139,892.15**
CAPITAL RECIPTS				
GRANTS	16,491.40	41,395.70	-	30,000.00
OTHER CAPITAL RECIPTS	319,136.40	31,594.80	-	20,000.00
TOTAL	**335,627.80**	**72,990.50**	**-**	**50,000.00**
RESERVES				
CONTIGENCES RESERVE	12,102.87	13,140.49	13,644.48	16,678.79
PLANNING RESERVE	8,068.58	8,760.33	9,096.32	11,119.19
TOTAL RESERVES	**20,171.44**	**21,900.82**	**22,740.80**	**27,797.98**
CAPITAL EXPENDITURE	475,741.50	487,911.70	500,109.40	218,791.75
DISCRTIONAL FUNDS	-	-	-	-
NON DISCRETIONAL FUNDS	-	-	-	-
FINANCING LOANS	30,255.29	303,113.94	382,356.78	3,453.50
TOTAL REVENUE INCLUDING OPENING BALANCE	**567,597.51**	**595,112.62**	**609,764.78**	**331,433.26**
TOTAL EXPENDITURE INCLUDING CONTIGENCY RESERVES	**567,597.51**	**595,112.62**	**609,764.78**	**331,433.26**

2.2.3 **The Key Objectives of Approved 2024 Budget**

I. Supporting the reinvention of typical Abia and Aba enterprising spirit and ingenuity to stimulate industrialization through the establishment of Cottage industries in the 17 LGAs.

II. Proper prioritization of needs to limit programmes and projects only to those that will render maximum value to the greatest number of Abians while guaranteeing value for money in their implementation.

III. Careful identification, harmonization and monitoring of revenue generation windows for effective mobilization towards attaining our set goals for 2023.

IV. Putting appropriate measures in place to cushion revenue leakages, economic waste in resources utilization and to ensure proper resource redistribution.

V. Strengthening our public financial management and procurement mechanisms to ensure synergy in resource management and results obtained from them.

VI. Identification and promotion of service providers in all sectors that will lead innovations and inventions across all spectrum of product and services to deliver employment and sustainable development in every part of the State.

VII. Re-jigging of our Agencies to make them capable of interpreting the government visions and delivering multi-sectorial growth for the whole of Abia State.

2.2.4 Medium-Term Policy Objectives and Targets

The overall medium-term policy objectives are:

I. Create efficiencies in personnel and overhead expenditure to allow greater resources for capital development.

II. Grow IGR by a minimum of 78.70%, in 2024, 20.3% in 2025, 7.5% in 2026, and then a 5% increase in 2027 upwards.

III. To harness the public, corporate, and private individual Grants to boost the State Revenue.

IV. Work on the natural endowments in the three senatorial zones to efficiently draw out resources that will boast the State economy.

V. Have a long-term plan of Funding all Recurrent Expenditure with Recurrent Revenue (IGR, VAT, DERIVATION, STATUTORY REVENUE AND OTHER STATUTORY REVENUE)

CHAPTER 3.0 REVENUE, EXPENDITURE, FISCAL AND DEBT PERFORMANCE, 2019-2023

3.1 REVENUE

Abia State's total Revenue increased throughout the period under review except for 2021 where it declined marginally. The total revenue grew to N90.217 billion in 2020 from N87.642 Billion in 2019 then declined to N87.237billion in 2021. However, the total Revenue increased significantly to N160.409 billion in 2023 representing an increase of N73.172 billion or 84%. The Revenue has shown improvements from 2019 - 2023, due to increased growth in the financial resources to the real sector of the economy, and effective implementation of the Economic policies in the State.

The gross FAAC allocation comprises the statutory allocations, derivations, VAT allocation, and exchange rate gain, augmentation among others decreased from N59.3 billion in 2019 to N55.9 billion in 2020 which represents a decrease of N3.4 billion or 5.7%. It then increased to N61.50 billion in 2021representing an increase of N5.6 billion or 10%. However, the state share of Gross FAAC Allocation Increased to N82.94 billion in 2022 and N107.1 billion in 2023 representing an increase of N24.16 billion or 29%.

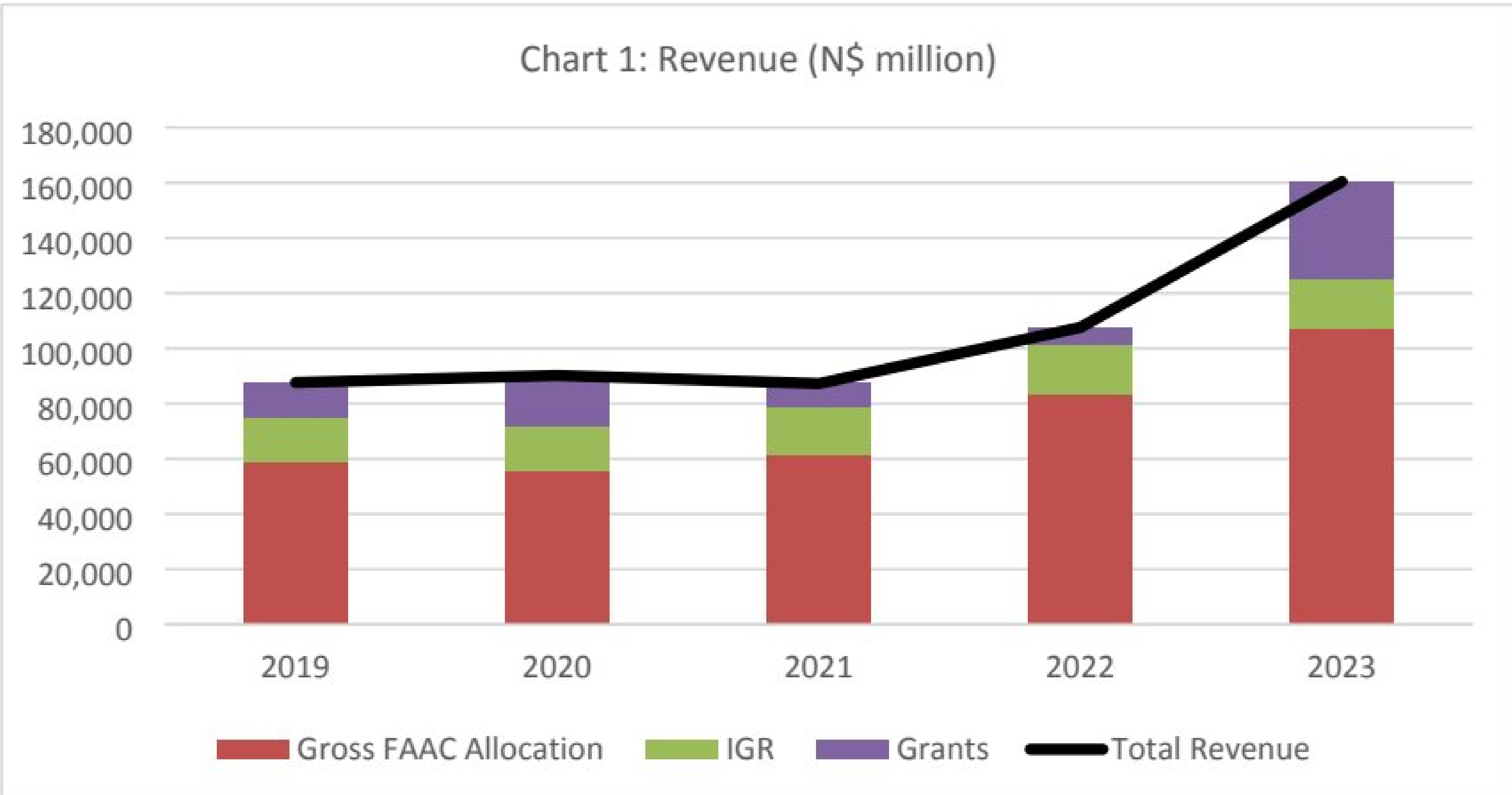
Abia State Internally Generated Revenue (IGR) showed a steady increase throughout the period under review except for in 2023 where it decreased marginally. The IGR decreased from N18.65 billion in 2022 to N17.99 billion in 2023 which represents a decrease of N0.66 billion or 3.54%.

Accordingly, several reform activities were instituted to strengthen the IGR collection. Specifically, some fiscal policies were introduced among other things which includes direct bank lodgment, Automation, increased payment channels, Biometric capture, Aggressive monitoring, and enforcement, generating and validation of receipts, integrating all the MDAs into the central system, and developing of an electronic taxpayer database system. Revenue sources were also expanded to include the introduction of Land use Charges. All revenue leakages were blocked through this automation process.

Table 2: 2019-2023 Abia State Revenue

	2019	2020	2021	2022	2023
Total Revenue	117,969	114,100	144,992	201,429	169,317
Gross FAAC Allocation	27,845	26,274	34,005	30,337	29,895
IGR	19,718	15,945	15,809	17,634	24,019
Grants	15,599	19,575	24,895	57,101	26,184

Source: Abia States Published Financial Statement



Source Abia state published financial statement.

3.2 Expenditure Performance

The State's Total Expenditure includes Capital Expenditure, Personnel Costs, Overhead Costs, Other recurrent expenditures, and Debt service (interest payment and principal repayment). In 2020 Abia State's total expenditure amounted to N114.1billion compared to N117.97billion as at the end of December 2019, which represent a decrease of N3.87billion or 3.3%. However, the State total expenditure increased in 2021 to N144.99billion representing an increase of N30.89billion 27.1%. Subsequently, the State total expenditure decreased to N169.32Billion in 2023 from N201.43billion in 2022 which represents a decrease of N32.1billion or 15.9%

The State personnel cost decreased from N27.85 billion in 2019 to N26.27 billion in 2020 which represents a decrease of N1.6billion or 5.7%. However, in 2021 there was an increase to N34.0billion and then decreased again to N30.34billion in 2022 to N30.0billion in 2023 representing a decrease of N0.34billion or 1.12%.

Also, Abia State's overhead cost decreased steadily from N19.7 billion, N15.95 billion, and N15.81 billion in 2019-2021. However, overhead cost increased from N17.63billion in 2022 to N24.02billion in 2023 representing an increase of N6.4billion or 36.2%.

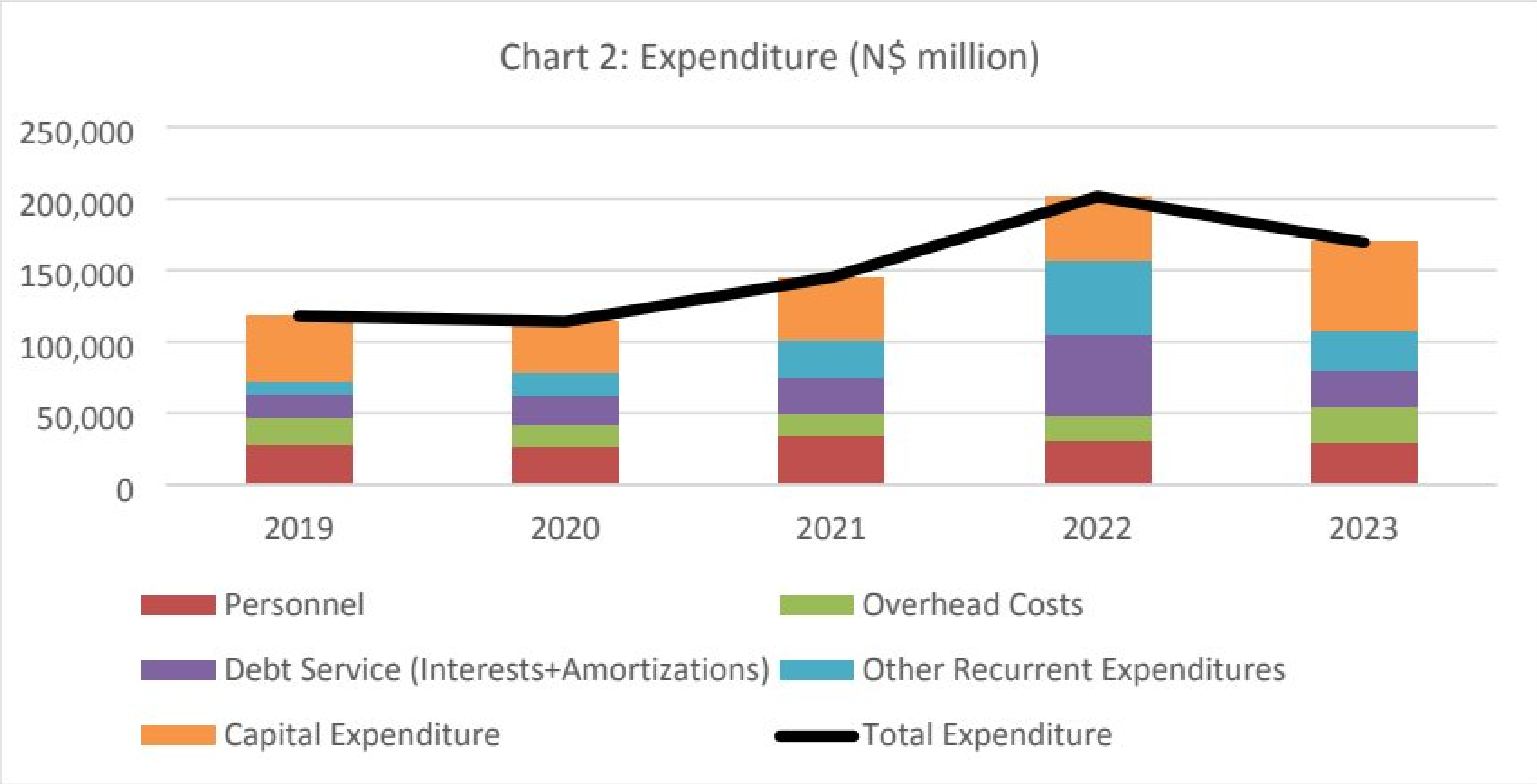
The total debt service that comprises the interest payment and principal repayment stood at N26.18billion at the end of 2023 compared to N15.60billion it was in 2019.

Also, other recurrent expenditure experienced an upward movement between 2019 and 2022 but decreased in 2023 which stood at N27.05billion this represents a decline of N23.89billion or 46.9%.

The State capital expenditure decreased from N46.60billion in 2019 to N35.53billion in 2020 representing a decrease of N11.1billion or 23.76%. However, the State's Capital Expenditure increased throughout 20221 N43.5billion, 2022 N45.42billion and 2023 N62.17 billion representing N16.75 billion increase or 36.88%.

Table 3: 2019-2023 Abia State Expenditure

	2019	2020	2021	2022	2023
Total Expendit	117,969	114,100	144,992	201,429	169,317
Personnel	27,845	26,274	34,005	30,337	29,895
Overhead Cost	19,718	15,945	15,809	17,634	24,019
Debt Service (I	15,599	19,575	24,895	57,101	26,184
Other Recurre	8,204	16,772	26,761	50,935	27,054
Capital Expend	46,603	35,534	43,522	45,422	62,165



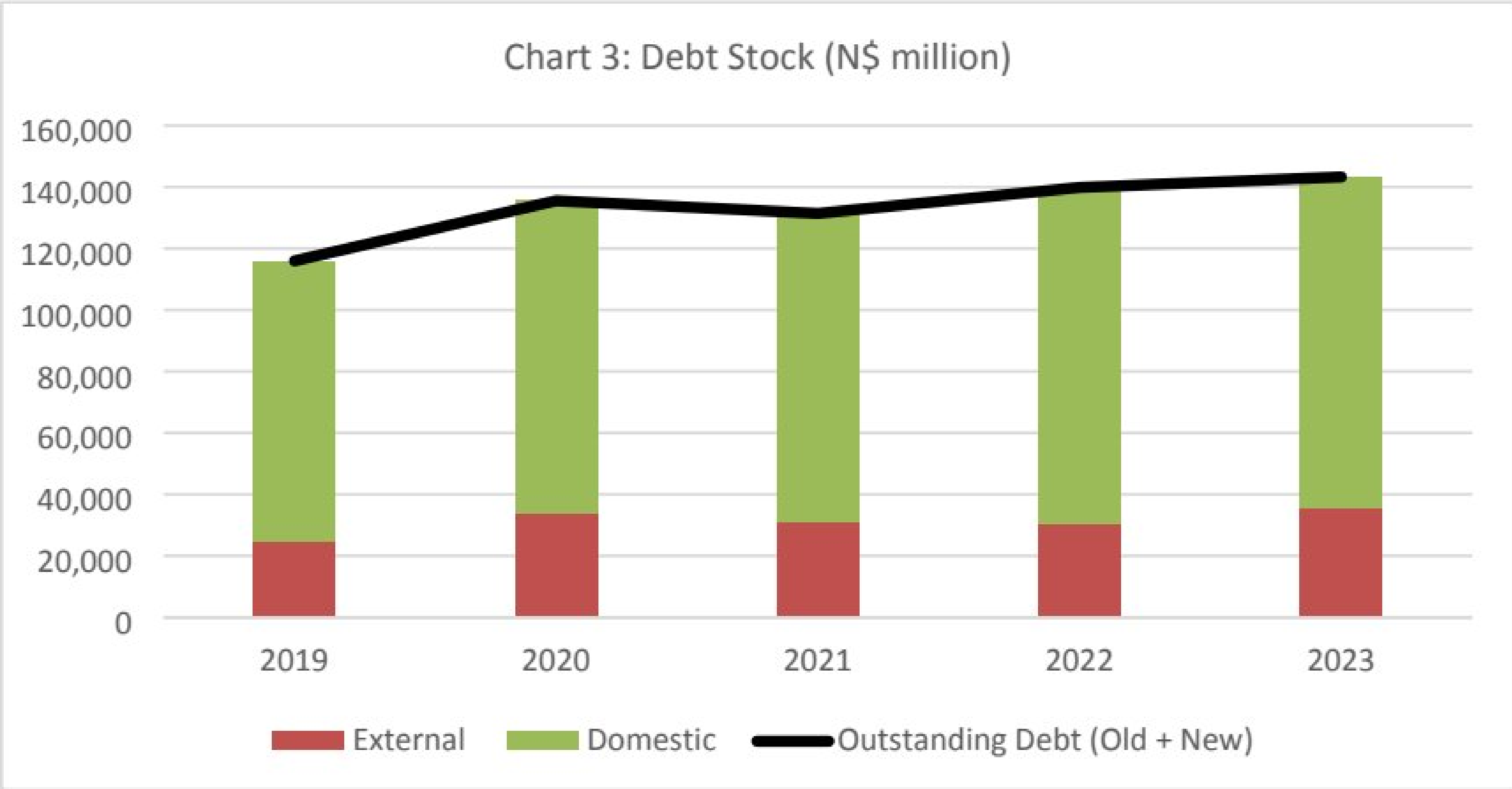
SourceAbia state financial statement

3.3 STATE DEBT PORTFOLIO 2019-2023

Abia State's Debt stock amounted to N115.97billion as at the end of December 2019 compared to N135.53billion as of December 2020, representing an increase of N19.56Billion or 16.9% and further decreased to N131.40Billion in 2021 representing a decrease of N4.13Billion or 3.05%. It further increased to N139.86 billion in 2022 and N143.26 in 2023 which represents an increase of N3.4 billion or 2.43%. The increase in the total Debt stock was reflected in both Domestic and External debt components. The domestic debt stock decreased from N109.10billion in 2022 to N107.50billion in 2023 which represents a decrease of N1.6billion or 1.47%, while the external debt stock increased from N30.8billion in 2022 to N35.7billion in 2023 representing an increase N4.9billion or 15.9%.

Table 4: 2019-2023 Abia State Debt Stock Profile

	2019	2020	2021	2022	2023
Outstanding D	115,969	135,525	131,403	139,855	143,256
External	24,818	33,789	30,987	30,752	35,752
Domestic	91,151	101,736	100,416	109,103	107,504



Source Abia state financial statement

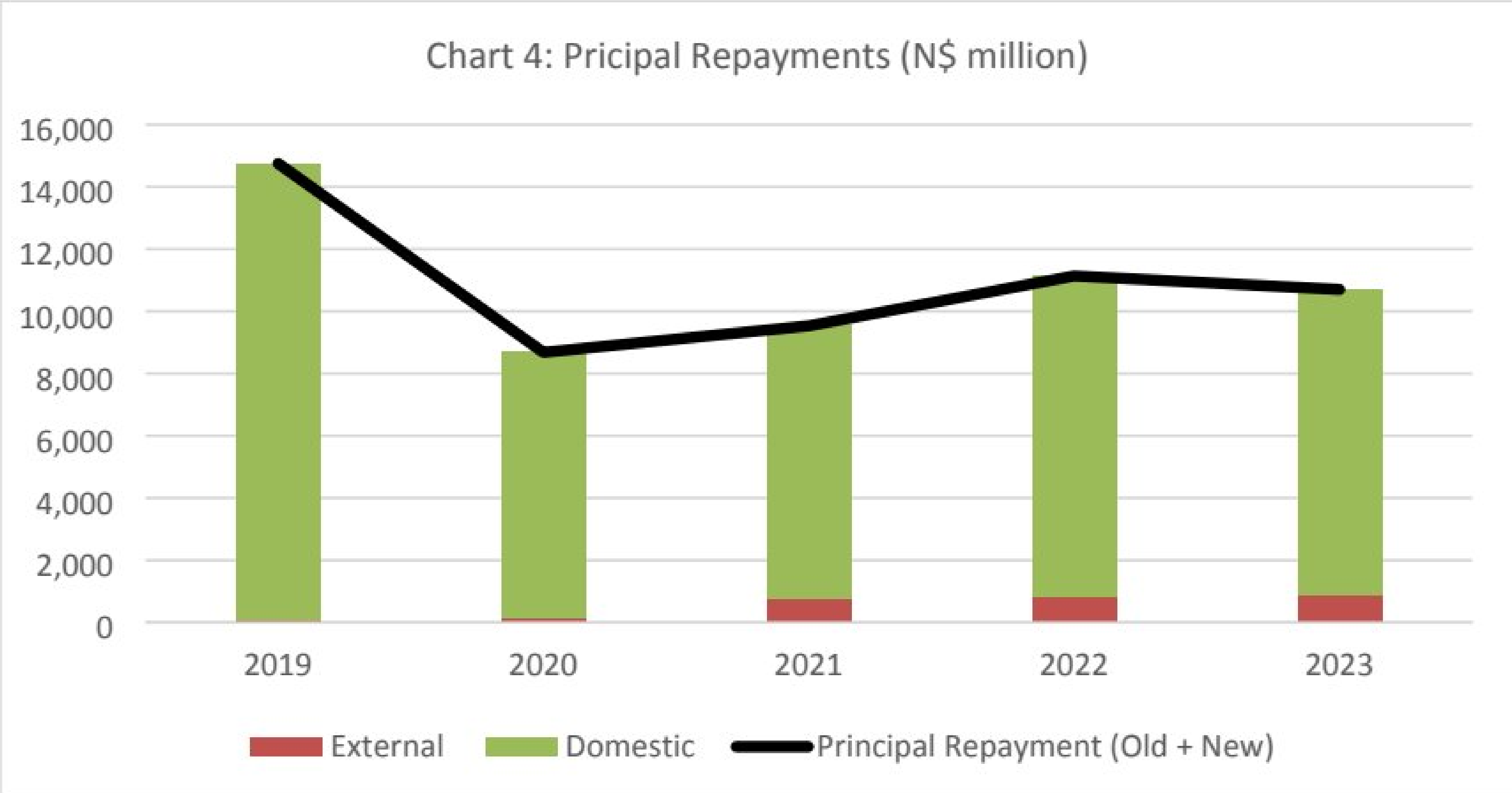
3.4 STATE **DEBT SERVICE 2019-2023**

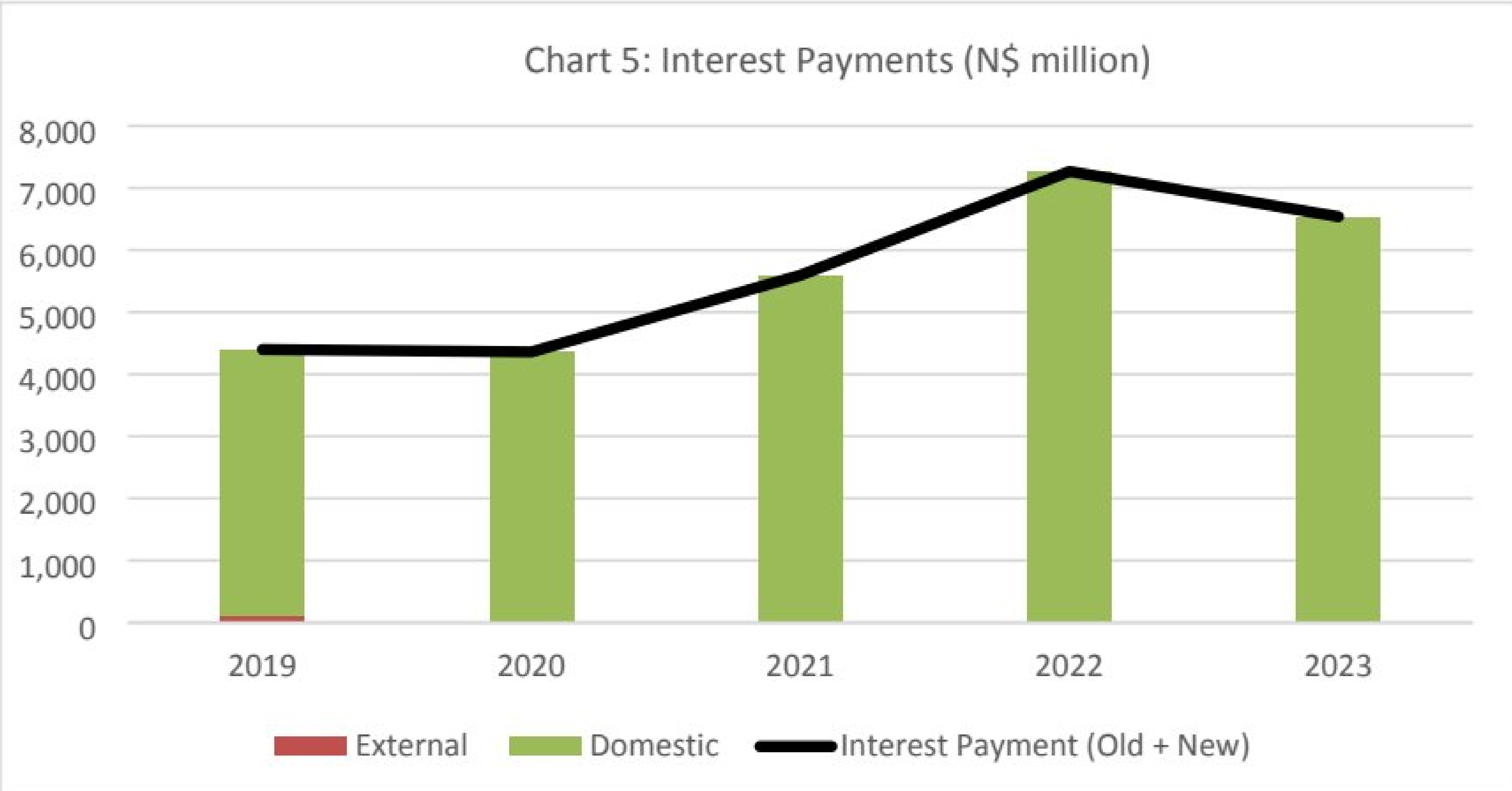
Abia State debt services Principal repayments amounted to N14.75 billion, N8.68 billion, N9.53 billion, N11.14 billion, and N10.70 billion for 2019-2023 respectively. While the interest payment amounted to N6.54 billion in 2023 compared to N4.40 billion it was in 2019. The principal repayment and interest payments were made up of both external debt and Domestic Debt.

To further explain this, see the Tables and charts below.

Table 5: 2019-2023 Abia State Debt Service Profile

	2019	**2020**	**2021**	**2022**	**2023**
Principal Repa	14,753	8,679	9,533	11,136	10,699
External	116	122	739	786	913
Domestic	14,636	8,557	8,794	10,351	9,786
	2019	2020	2021	2022	2023
Interest Payme	4,400	4,359	5,595	7,266	6,539
External	122	6	6	7	8
Domestic	4,278	4,353	5,589	7,260	6,531





3.5

Table: Summary Analysis of Revenue, Expenditure, and Budget Balance

	2019	2020	2021	2022	2023
Total Revenue	87,642.00	90,217.00	87,237.00	107,593.00	160,409.00
Total Expenditure	117,969.00	114,100.00	144,992.00	201,429.00	169,317.00
Debt service(Principal+Interest)	19,153.00	13,038.00	15,128.00	18,402.00	17,238.00
Budget Balance Funded through borrowing	49,480.00	36,921.00	72,883.00	112,238.00	26,146.00

The total Revenue generated for the periods 2019 to 2023 was not enough to cater for the total expenditure hence the borrowing. In 2023 the sum of #26,164 million was borrowed to fund the budget deficit.

CHAPTER 4. DEBT SUSTAINABILITY ANALYSIS

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

ABIA STATE DEBT SUSTAINABILITY ANALYSIS

Chart 21 shows the Debt as a percentage of State GDP (with an indicative threshold of 25%). The State's debt as a percentage of GDP has remained within the threshold throughout the period under review, insinuating room for further borrowing under the right circumstances. Based on this, the State GDP has potential growth and can also accommodate the State's debt stock, with minimal effect on the economy of the State.

Charts 23 and 24 shows that, debt service as a percentage of revenue and personnel cost as a percentage of revenue are below the threshold, but chart 22 which is which represents debt stock as a share of revenue remained below the threshold except for projection years of 2026 and 2027 where it went above the threshold. The Government is coming up with various reforms in its revenue drive.

Debt as a percentage of Gross FAAC Allocation (without any indicative threshold) is estimated to decrease from 38% in 2024 to 10% in 2026, increase to 28% in 2027, and decrease to 24% in 2028. Afterward, there was a continuous decrease throughout the projection years.

Interest payment as a percentage of revenue decreased from 2% in 2024 to 1% in 2025 then increased to 6% in 2026 and 17% in 2027. From 2028, the interest payment as a percentage of revenue continuously decreased from 14% to 6% in 2033. This reveals that the maximum exposure of the state interest towards revenue is at 17% in the year 2027. Looking at external debt service as a percentage of Revenue, the maximum exposure of the State's Revenue towards External debt shows that the External Debt of the State was properly managed, peaking at 5% in the year 2032.

4.1 **MEDIUM-TERM BUDGET FORECAST**

Debt sustainability analysis of the State is predicted on the continuation of a recent effort to grow the IGR of the State annually by a minimum of 65.8% in 2024. Internally Generated Revenue (IGR) is collected by BIR and revenue-collecting MDA's. The major sources of IGR are PAYE, lands and land Services, withholding tax, dividends from state investments, fines, fees, licenses, and other sources. IGR has grown year-on-year from 2019 to 2022, from 15.5 billion to 18.64 billion over the period and decreased in 2023 N17.9, which represents an average annual growth rate of approximately 20% per annum.

Table 5: ABIA STATE DEBT BURDEN INDICATOR AS AT THE END OF 2023

INDICATORS	THRESHOLDS	RATIO
Debt as % of SGDP	25%	3%
Debt as % of Revenue	200%	89%
Debt service as % of Revenue	40%	11%
Personnel cost as % of Revenue	60%	19%
Debt service as % of FAAC	Nill	16%
Interest payment as % of Revenue	Nill	4%
External debt service as % of Revenue	Nill	1%

The state has put in various Tax administration reforms to strengthen its IGR in other to sustain its debt, these include the automation of the revenue system in the state, generating and validation of receipt, and restructuring to block all existing loopholes among others will help to grow the state IGR in the next few years and this will benefit the State towards overall economic recovery. On the other hand, the civil service reform policies being implemented about personnel cost and overhead cost, are likely to maintain their historical trend and possibly keep them under watch to grow within the projected values to forestall unsustainability in the overall system.

4.2 BORROWING OPTIONS

From a total estimated new borrowing of N30.47billion from 2024 to 2033, Abia State government intends to source about N109.05billion representing 0.32% of total new borrowing from Commercial Bank Loans (maturity 6 years and above), N360.1billion representing 1.18% of the new borrowing through other domestic financings, External concessional financing of about N30billion representing 98.5% will also be accessed.

TABLE 6: ABIA STATE BORROWING OPTION AND BORROWING MIX

The table below shows the borrowing options and borrowing mix of Abia State Government from 2024 to 2033.

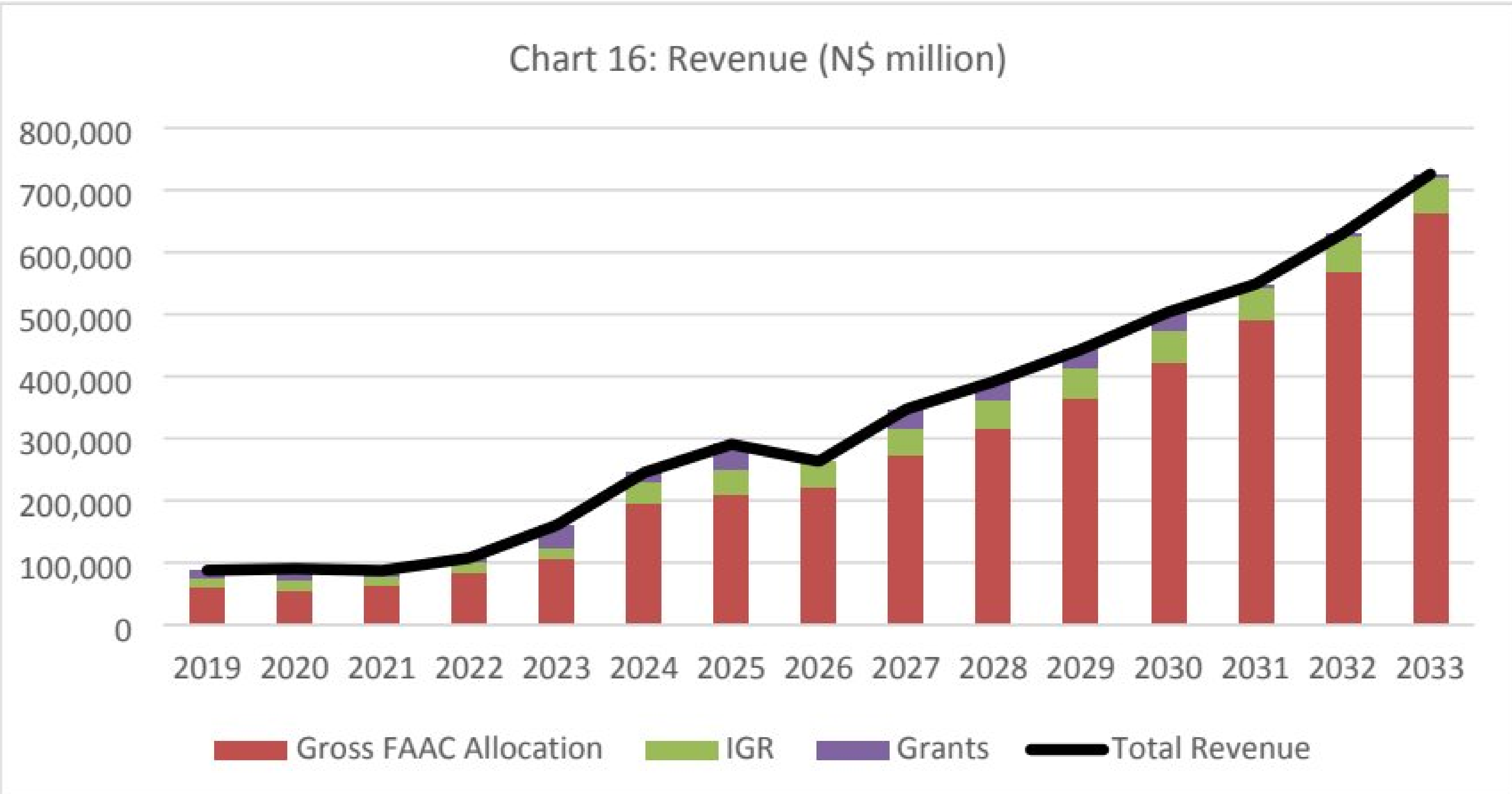
NATURE OF FACILITY	INTEREST RATE(%)	MATURITY(# OF YEARS)	GRACE PERIOD (#OF YEARS)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2024-2033	% oF Total
COMMERCIAL BANK LOANS (MATURITY 1-5 YEARS), INCLUDING AGRIC. LOANS, INFRASTRUCTURE LOANS AND MSMEEDF	35%	3	0	-	-	70,000.00	-	5,000.00	-	5,257.64	24,954.40	-	3,838.62	109,054.01	13.66
commercial Bank Loans(maturity 6 years or longer, including Agric. Loans and MSMEDF	35%	6	0	-	-	-	-	-	-	-	-	-	-	-	0.00
State Bonds (Maturity 1-5 years)	25%	5	1	-	-	-	-	-	-	-	-	-	-	-	0.00
State Bonds (Maturity 6years or longer	23%	9	2	5,931.74	108,292.03	155,689.15	25,284.75	13,364.54	16,954.27	-	-	34,582.60	-	360,099.08	45.12
Other Domestic Financing	9%	20	2											-	0.00
External Financing- Concessional Loans eg Word Bank, African Development Bank	3%	20	5	39,000.00	180,000.00	110,000.00	-	-	-	-	-	-	-	329,000.00	41.22
TOTAl				**44,931.74**	**288,292.03**	**335,689.15**	**25,284.75**	**18,364.54**	**16,954.27**	**5,257.64**	**24,954.40**	**34,582.60**	**3,838.62**	**798,149.73**	100

4.3 DSA SIMULATION RESULTS.

Recent shocks underscore the urgent need to significantly diversify and improve government revenues and reduce the over-dependence on oil revenue sources. The government remains committed to using innovative ways to raise the revenues required to finance its expenditures and diversify its revenue sources. The medium-term target is to increase the revenue-to-GDP ratio by 15%. Higher revenue collection will enable the government to deliver public services more effectively, enhance infrastructure investment, and improve investment in human capital.

Abia State's total revenue (including grants and excluding other capital receipts) is expected to increase from N245.0 billion in 2024 to N725.91 billion in 2033, representing an average annual increment of 18.9% over the projection period. Gross FAAC allocation projected to grow from N196.39billion in 2024 to N662.42billion in 2033 being an average annual growth of 23.7%. Grant is also projected to grow from N16.5billion in 2024 to N41.4 billion in 2025, reduce to N30.0billion from 2028 through 2030. Then remained at N5billion all through 2031-2033. Projections were sourced from the approved 2024 budget, MTEF, 2025-2027, 2028 -2033 projections as estimated by Abia State Planning Commission and Budget officials.

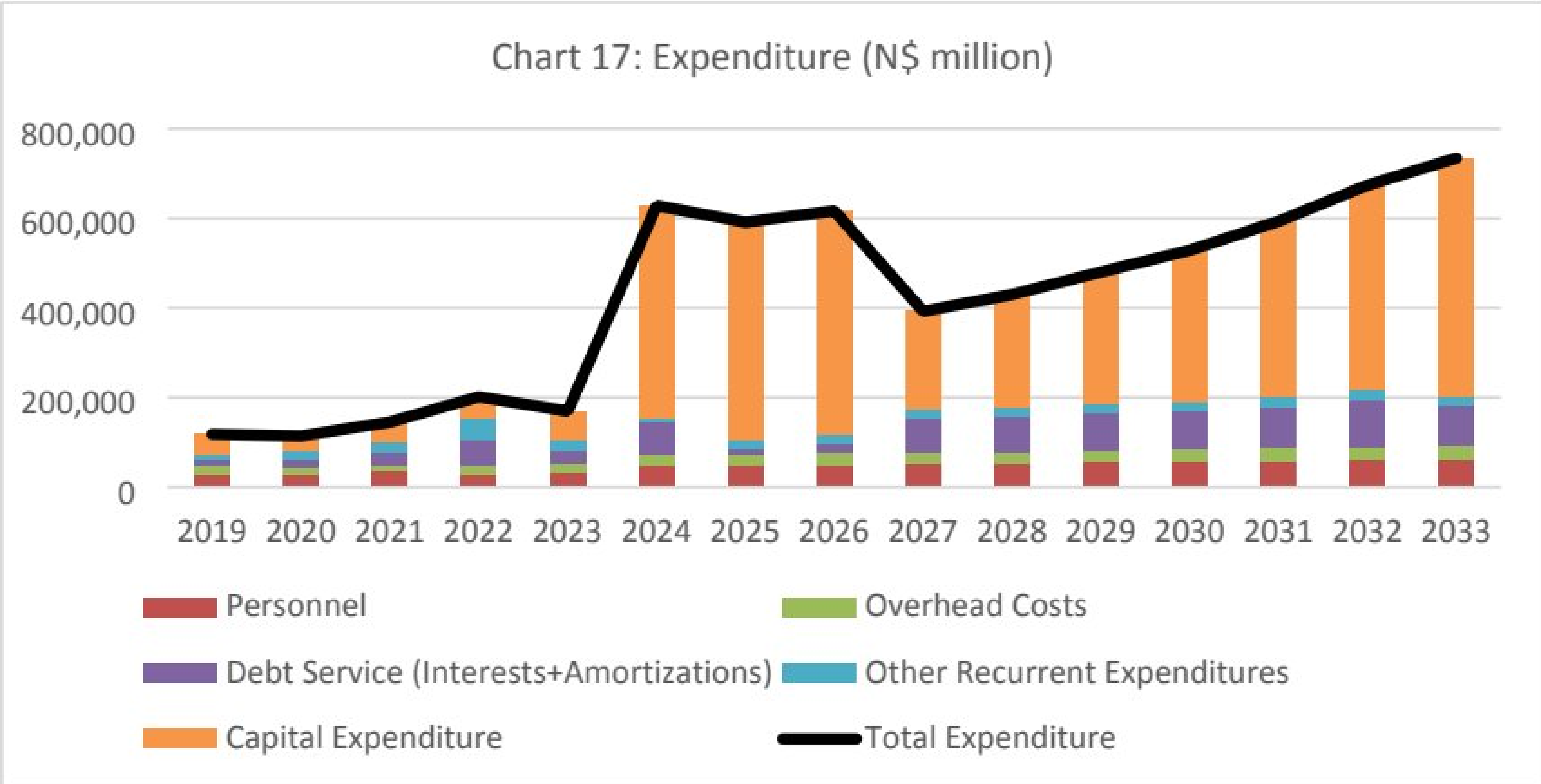
The internally generated Revenue (IGR)'s tax system will be further strengthened over the medium term by improving collection efficiency, enhancing compliance, and reorganizing the business practices of revenue agencies in the State as well as employing appropriate technology to get the desired result. In addition, efforts will be made to bring more businesses in the informal sector into the Tax net. IGR is estimated to grow by an annual average of 11.1% over the projection period of 2025-2033 as seen in the Approved 2024 Budget; MTEF, 2025-2027 projections and as estimated by Abia State Planning Commission and Budget Officials.



Expenditure comprises of Personnel cost, Overhead cost, Social Contribution & Social benefits, public debt service and Capital Expenditure. Total expenditure projected at N591.49illion in 2025, is expected to increase steadily to N734.75billion representing an average annual growth of 11% throughout the projection period of 2025-2033 indicating stability in the state growth recovery.

Personnel costs, overhead costs, debt service, and other recurrent expenditures estimated to grow from N47.84billion in 2024 to N61.68billion in 2033, N23.66billion in 2024 to N30.36billion in 2033, N75.56billion in 2024 to N88.62billion in 2033, and N5.70billion in 2024 to N24.16billion in 2033 respectively. Capital Expenditure is estimated to increase over the projection period from N475.74billion in 2024, to

N500.11billion in 2026 then to N218.79billion in 2027 to N529.93billion in 2033 over the projection period of the Approved 2024 Budget; MTEF, 2025-2027 projections and as estimated by Abia State Planning Commission and Budget Officials for 2028-2033.

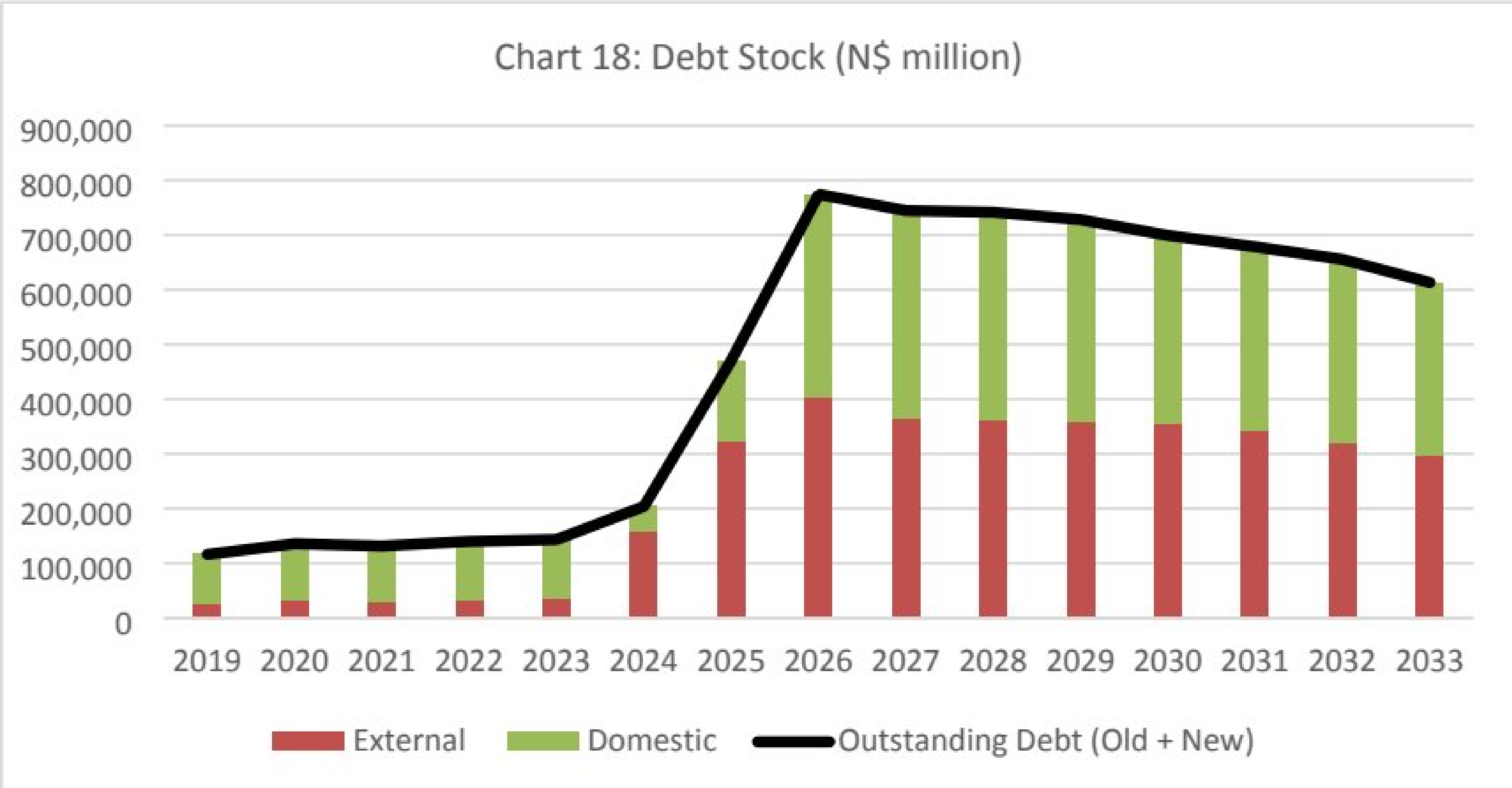


As a result of the State's modest increase in GDP, expected increase in Revenue, increase in personnel costs, overhead cost, other recurrent expenditure, and Capital

expenditure. The increase in projected expenditure increased the debt through primary balance. Abia State debt stock is estimated to increase from N203.77billion in 2024 to N774.33billion in 2026 and reduced to N744.48billion in 2027 to N613.14billion in 2033 representing an annual average growth of N678.39illion or 11% over the projection period 2024-2033.

External debt is projected to grow from N323.41billion in 2025 to N403.81billion in 2026 representing 24.9% increase. It is expected to decrease to N364.69billion and N298.9billion in 2027 to 2033 representing a decrease of 14.29%.

Domestic facility is expected to increase from N147.67billion in 2025 to N379.45billion in 2028 where it is expected to decrease from N368.17billion in 2029 to N314.24billion in 2033.



ABIA STATE MAIN FINDING.

The baseline scenario result shows that the ratio of Debt as % of SGDP is projected to move from 4% in 2024 to 10% in 2026. Within the projection years of 2027 – 2033, the ratio of debt to SGDP remained at 10% to 4% as against the indicative threshold of 25%.

The ratio of debt as a percentage of revenue is estimated at 162% in 2025, 189% in 2028, 124% in 2031, and 84% in 2033. The debt as % of revenue remains below the threshold over the projection years except in 2026 and 2027 when it exceeded the 200% threshold at 294% - 214% respectively. Meanwhile, the ratio of debt service and personnel cost to revenue trends remains under the threshold over the projection period from 2025 to 2033, with the strong-minded effort of the State Government through its various initiative and reforms in the key sectors of the state's economy.

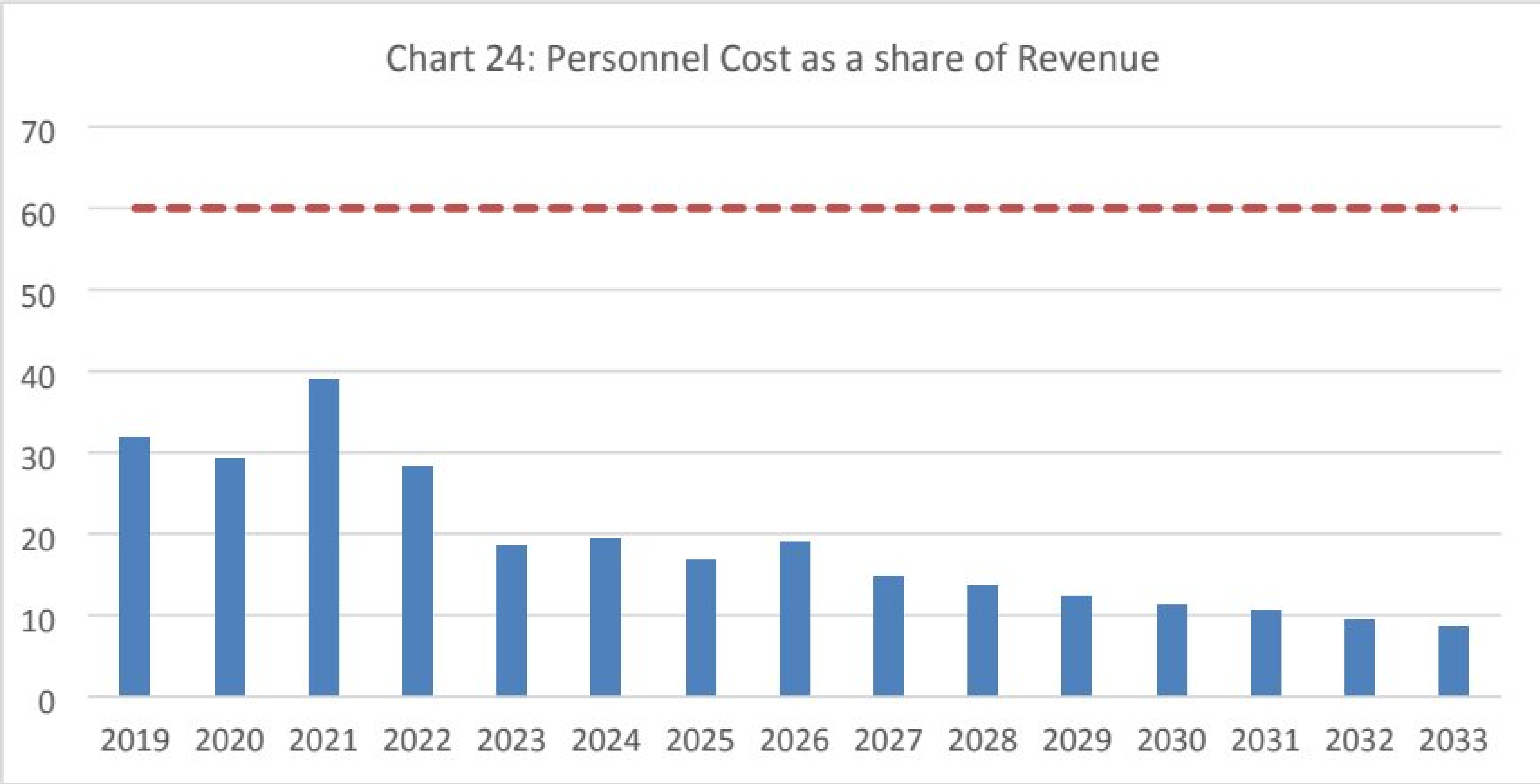


Chart 24: Personnel Cost as a share of Revenue
70
60
50
40
30
20
10
0
2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033

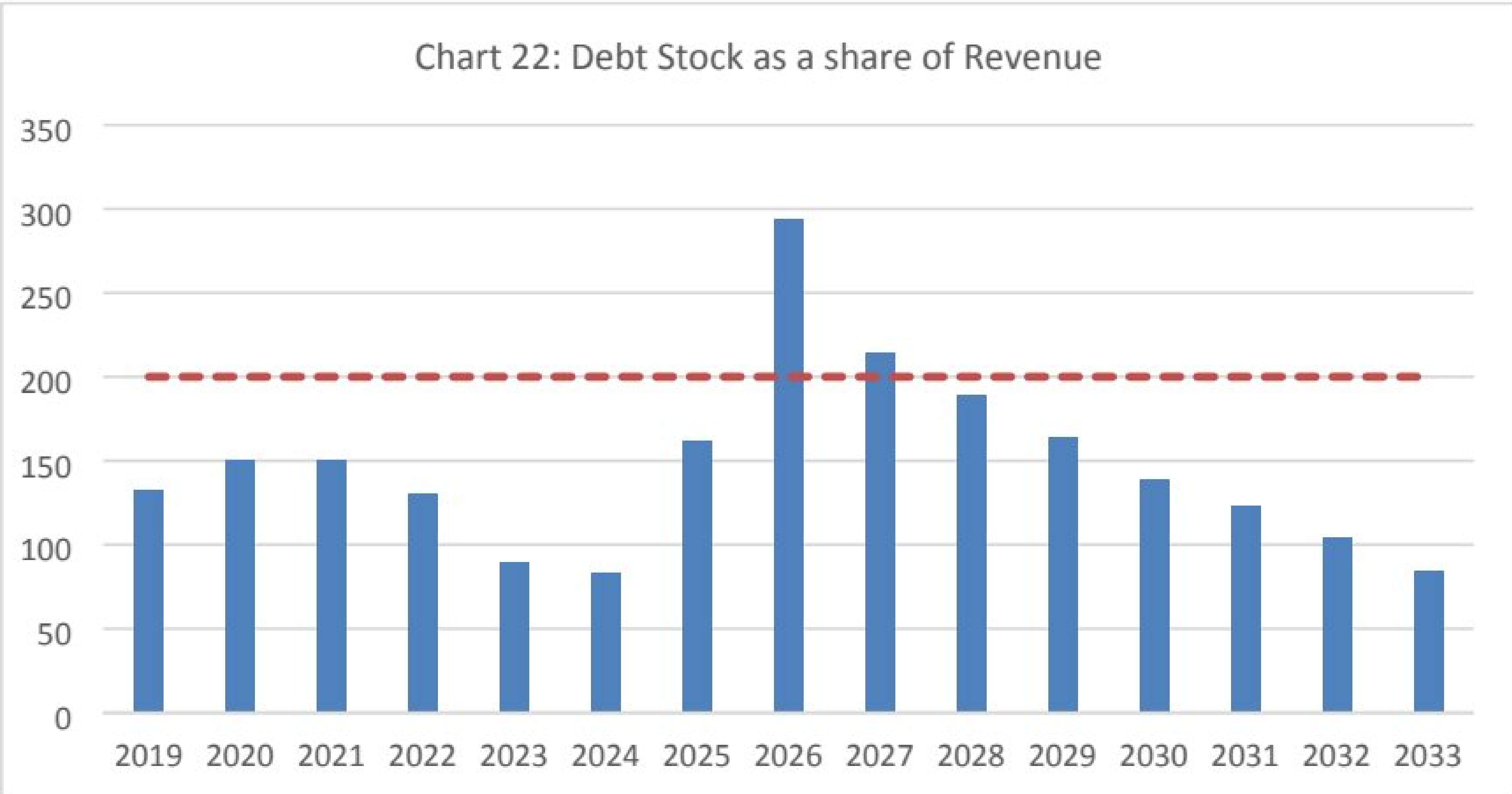


Chart 22: Debt Stock as a share of Revenue
350
300
250
200
150
100
50
0
2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033

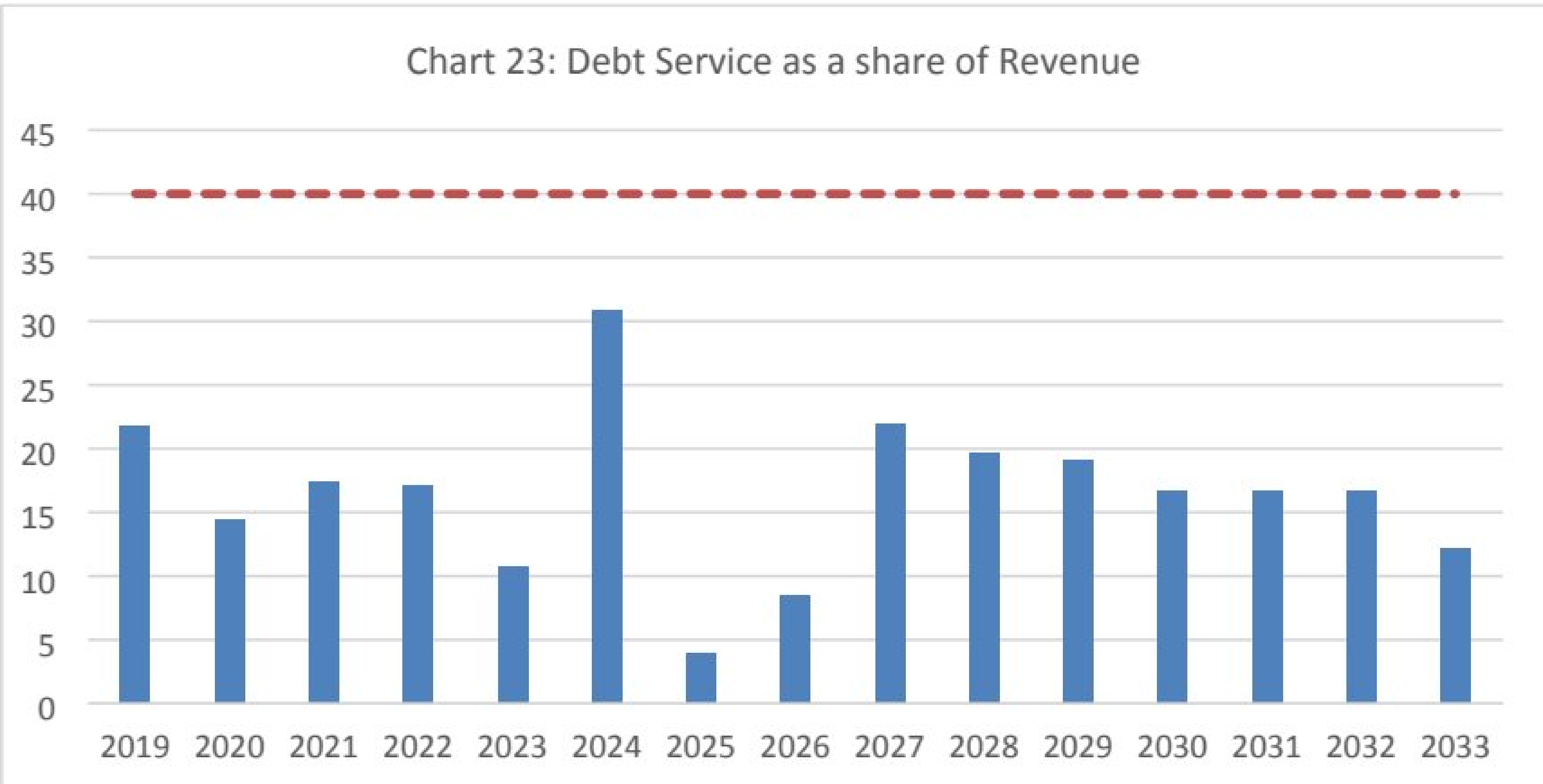
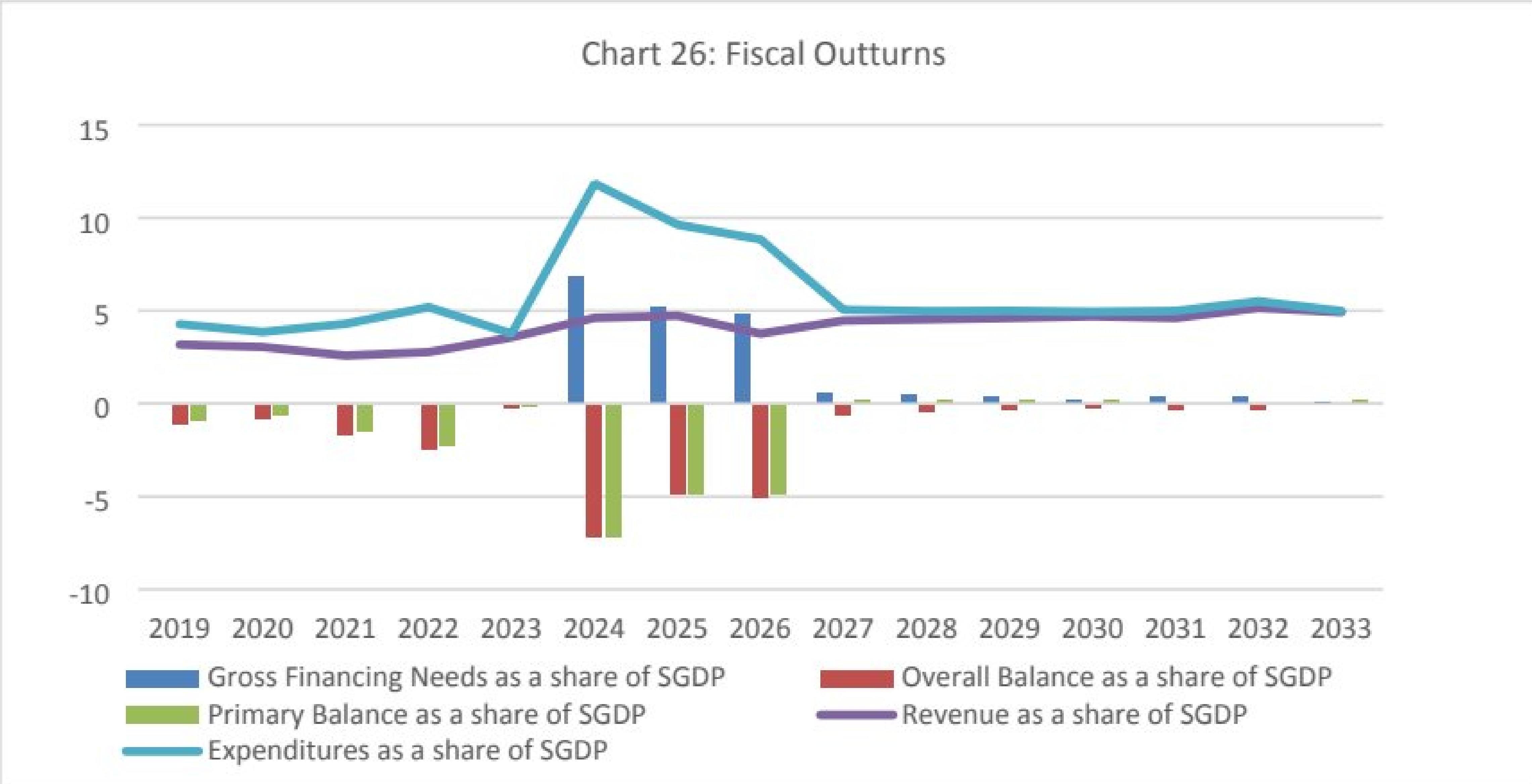


Chart 23: Debt Service as a share of Revenue
45
40
35
30
25
20
15
10
5
0
2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033



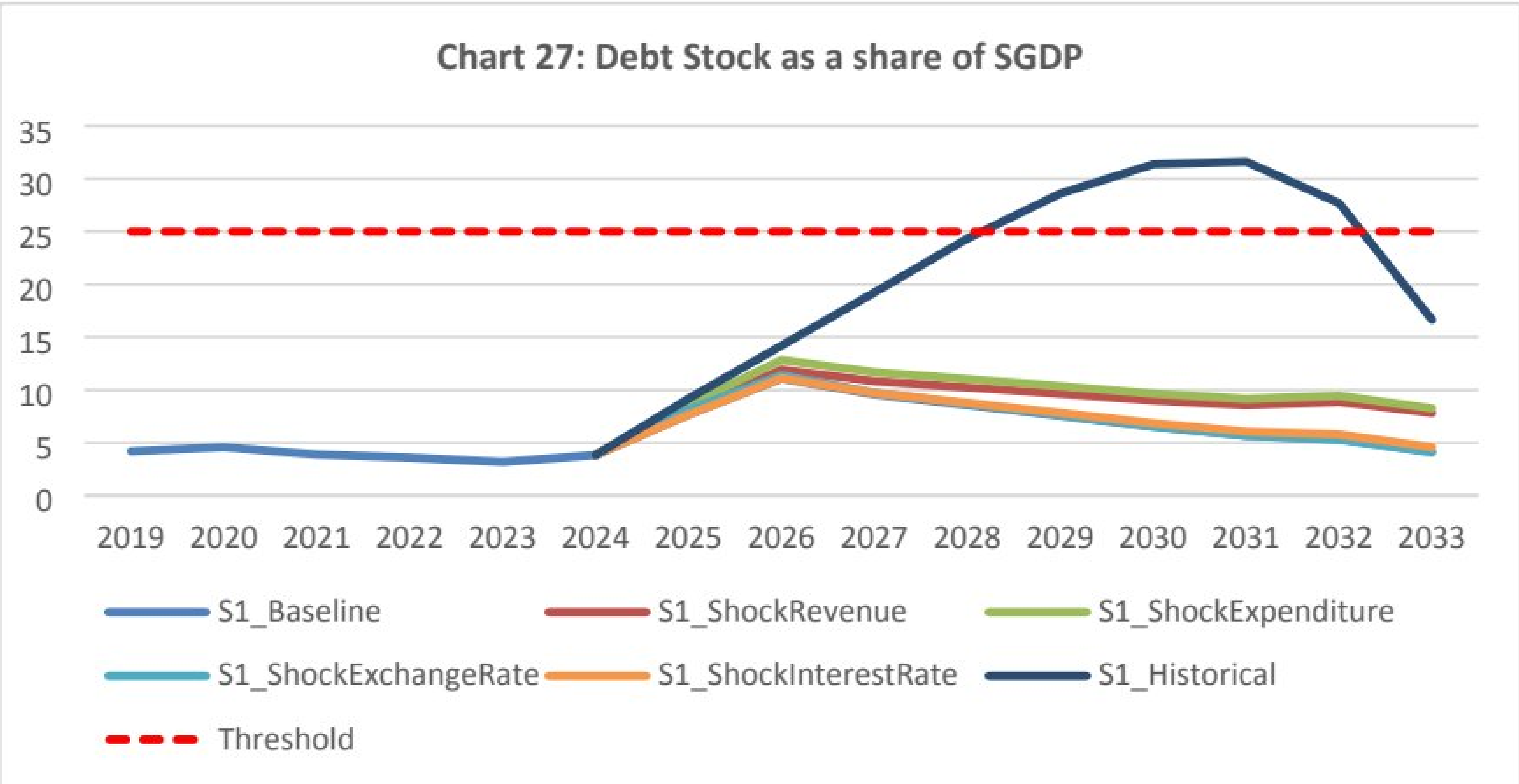
CONCLUSION.

Abia State DSA result shows that, the State remains at the low risk of debt distress. The state remains mostly sensitive to the Revenue shocks, expenditure shocks, exchange rate shocks, interest rate shocks and historical shocks indicating that an increase in aggregate output, does not result to a proportionate increase in revenue. There is therefore, need for the authorities to continue in diversifying the sources of revenue away from Crude oil (FAAC) due to its volatility, as well as implement far reaching policies that will bolster IGR into the State in order to remain sustainable.

4.4 **DSA SENSITIVITY ANALYSIS.**

Abia State faces important sources of fiscal risks associated to the possibility of adverse country wide macroeconomic conditions and the reversal of the State's revenue and expenditure policies. A sensitivity analysis is undertaken considering macroeconomic shocks and policy shocks to evaluate the robustness of the sustainability assessment for the baseline scenarios discussed in the previous sub-sections. When considering both macroeconomic shocks, it is assumed that external and domestic borrowings cover any revenue shortfall and additional expenditure relative to the baseline scenario discussed earlier.

The 2024 DSA analysis shows that Abia State remains at a low risk of debt distress under sensitivity analysis. All the baseline appears positive throughout the review period. The State DSA analysis shows deterioration related to revenue shocks and expenditure shocks from 2026 and 2030 respectively with exchange rate shocks and interest rate shocks remaining within threshold throughout the projection period except for 2026 and 2027. Therefore, the current revenue drive of the State should thus be sustained and even hyped while expenditure pattern should continually remain under check so as not to trigger unsustainability in the economy.



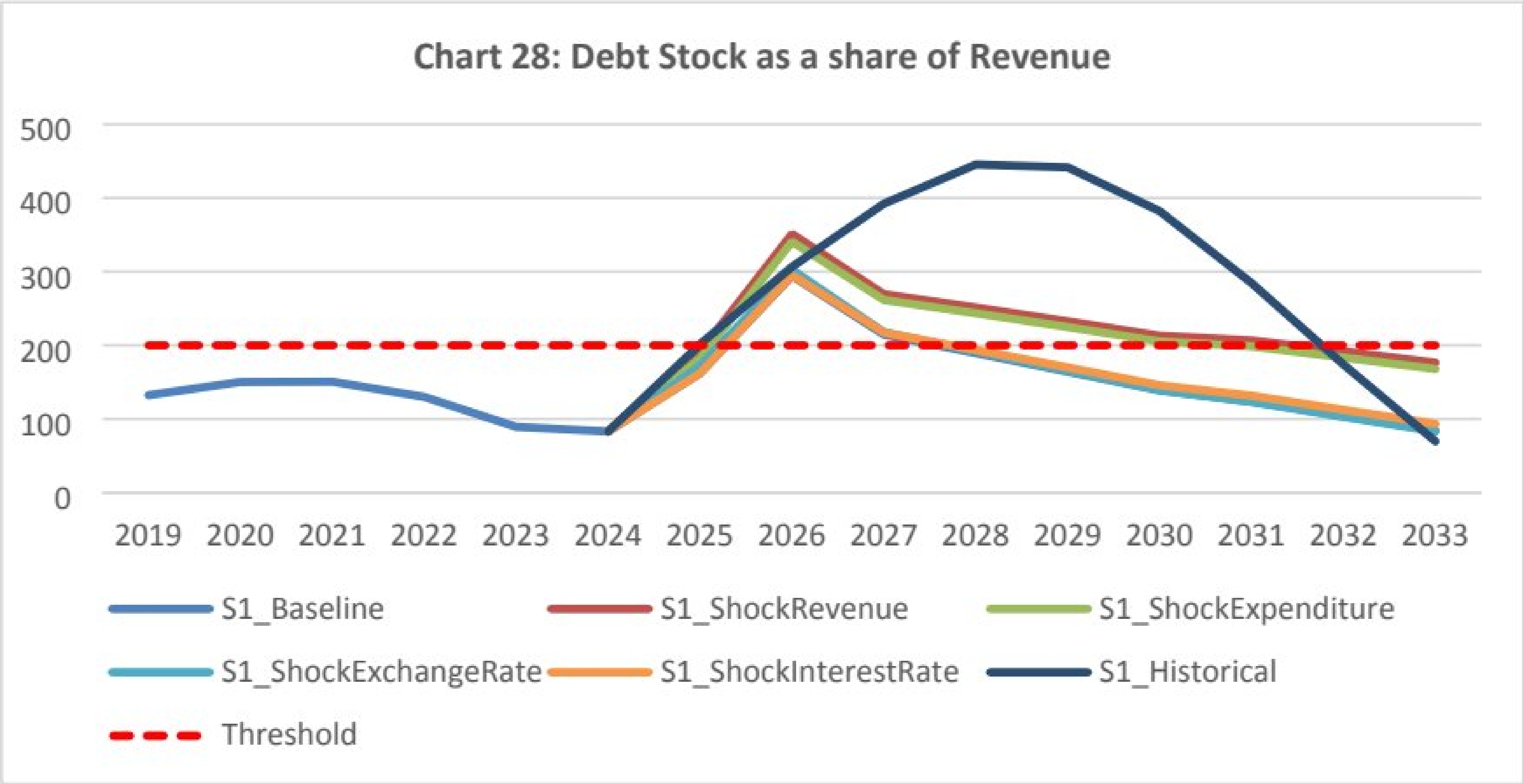


Chart 28: Debt Stock as a share of Revenue
500
400
300
200
100
0
2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033
S1_Baseline
S1_ShockRevenue
S1_ShockExpenditure
S1_ShockExchangeRate
S1_ShockInterestRate
S1_Historical
Threshold

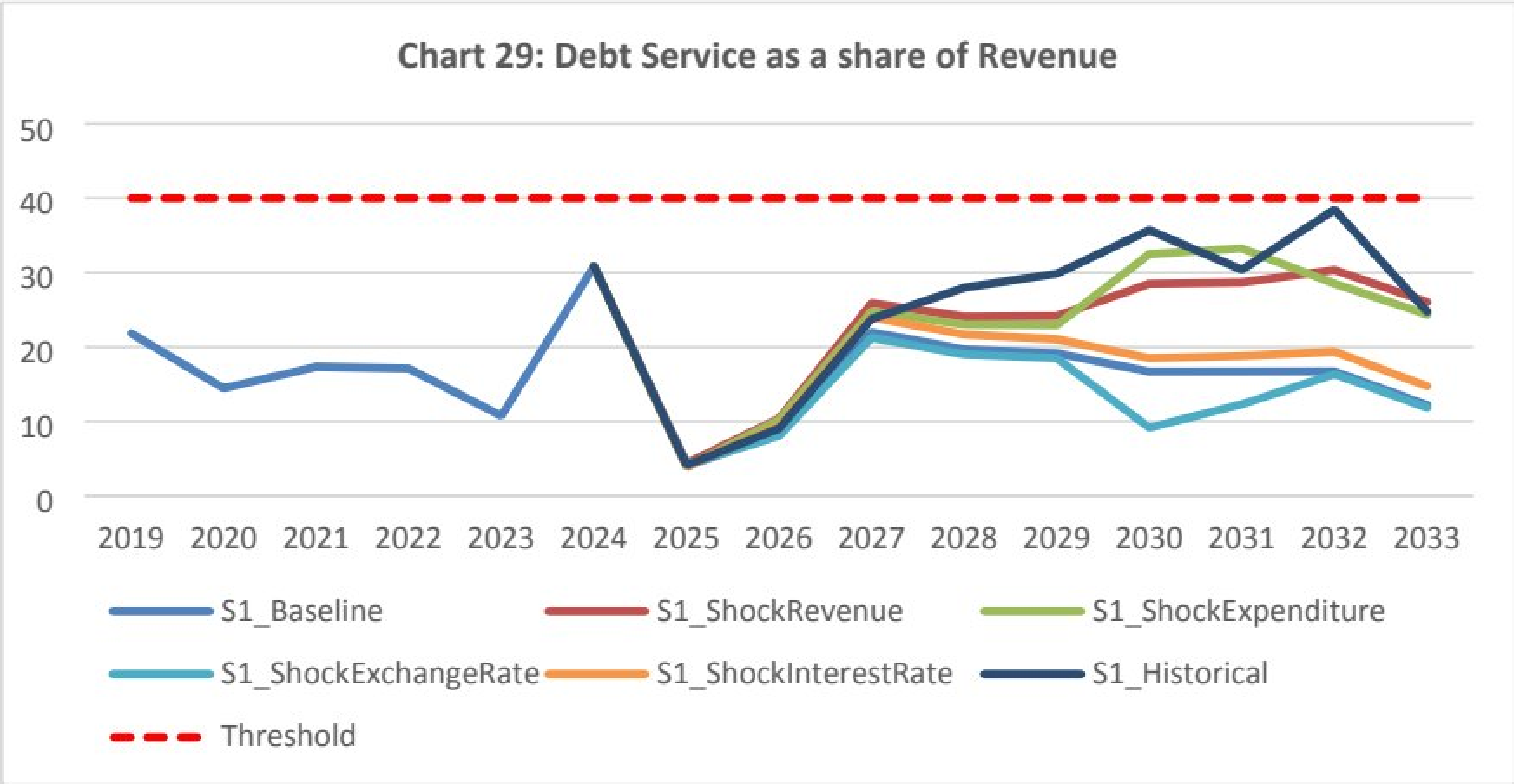


Chart 29: Debt Service as a share of Revenue
50
40
30
20
10
0
2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033
S1_Baseline
S1_ShockRevenue
S1_ShockExpenditure
S1_ShockExchangeRate
S1_ShockInterestRate
S1_Historical
Threshold

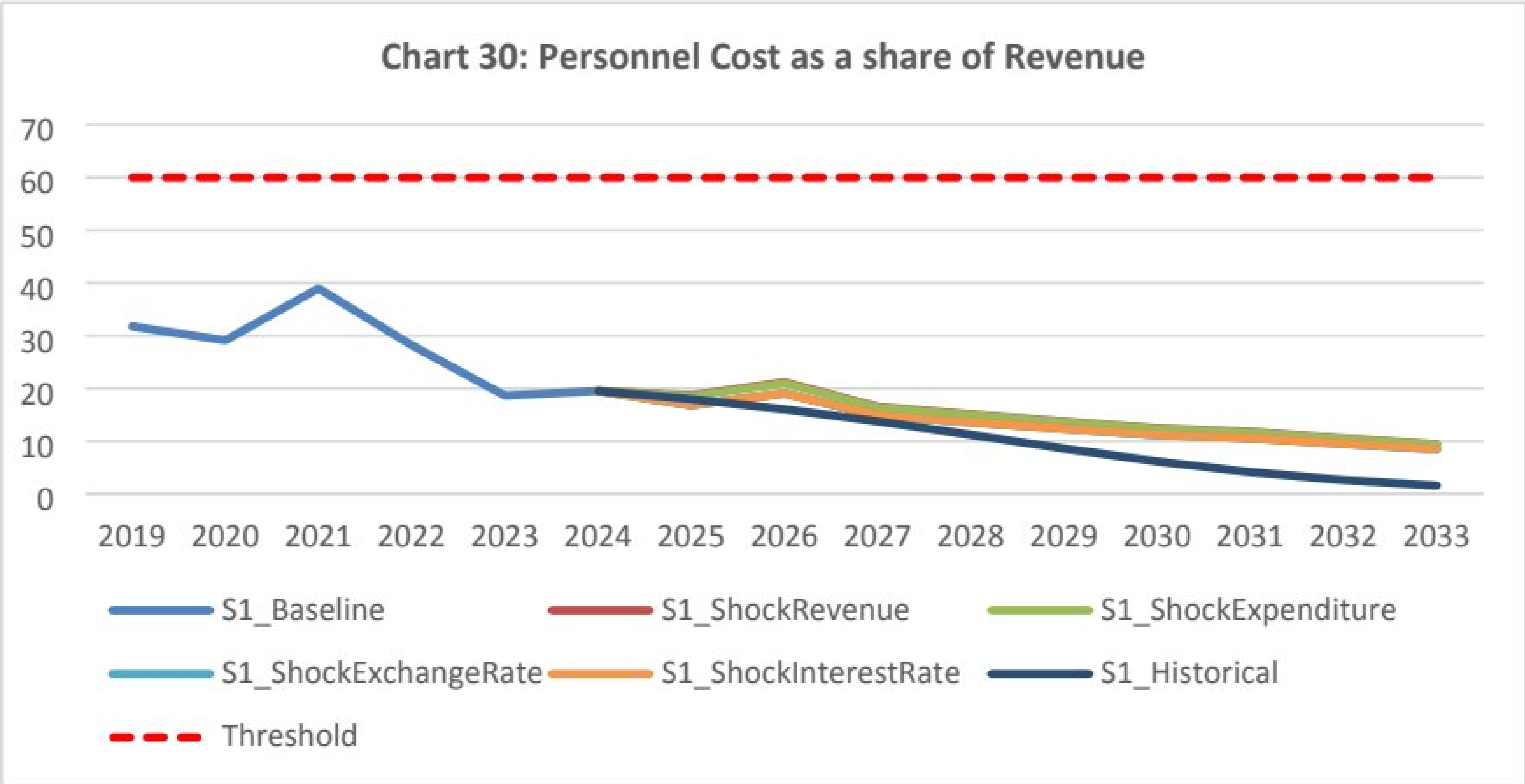


Chart 30: Personnel Cost as a share of Revenue
70
60
50
40
30
20
10
0
2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033
S1_Baseline
S1_ShockRevenue
S1_ShockExpenditure
S1_ShockExchangeRate
S1_ShockInterestRate
S1_Historical
Threshold

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 cost and risks inherent in the current debt portfolio, as well as the debt portfolios that would arise from a range of possible issuance strategies, considering factors such as the macroeconomic and financial market environment, the availability of financing from the 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 requirement of the 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 following four strategies are assessed by the government. Abia State Debt Management Strategy, 2024-2028 analyses the debt management strategies outcomes of the three debt management performance indicators namely Debt Stock to Revenue, debt Service to Revenue and interest to Revenue. The cost is measured by the expected value of a performance indicator in 2028. As projected in the baseline scenario. Risk is measured by the deviation from the expected value in 2028 caused by an un-expected shock, as projected in the most adverse scenario.

5.1 Alternative Borrowing Options.

Strategy 1 (S1) reflects a "Baseline" MTEF Financing Mix: It follows the broad parameters of the financing mix in the fiscal year 2023 and MTEF, 2024-2028. For 2023-2027. External gross borrowing under concessional loans accounts on average 34.8% over the strategic period mainly through World Bank and African Development Bank. The Domestic gross financing comprises commercial Bank loans maturing 1-5years accounts for 1.3%, Commercial Bank loans (maturity above 6 years) account on average 5.3% and other Domestic loan accounts on average 58.6% over the DMS period of 2023-2027.

Strategy 2 (S2) focus more on financing through State Bonds maturing within 1-5years and 6years and above. In this strategy, the government decided to focus more of its financing from 2024-2028, through State bond maturing above 6 years which account for 90.8%, State Bond with maturity ranging from 1-5years accounts for 9.2% over the DMS period 2024-2028.

Strategy (S3) considers a mix of other domestic facility with External loan. 56.9% of the total loan requirement will be funded by other domestic loan while the balance of 43.1% from External facility within the DMS period 2023-2027.

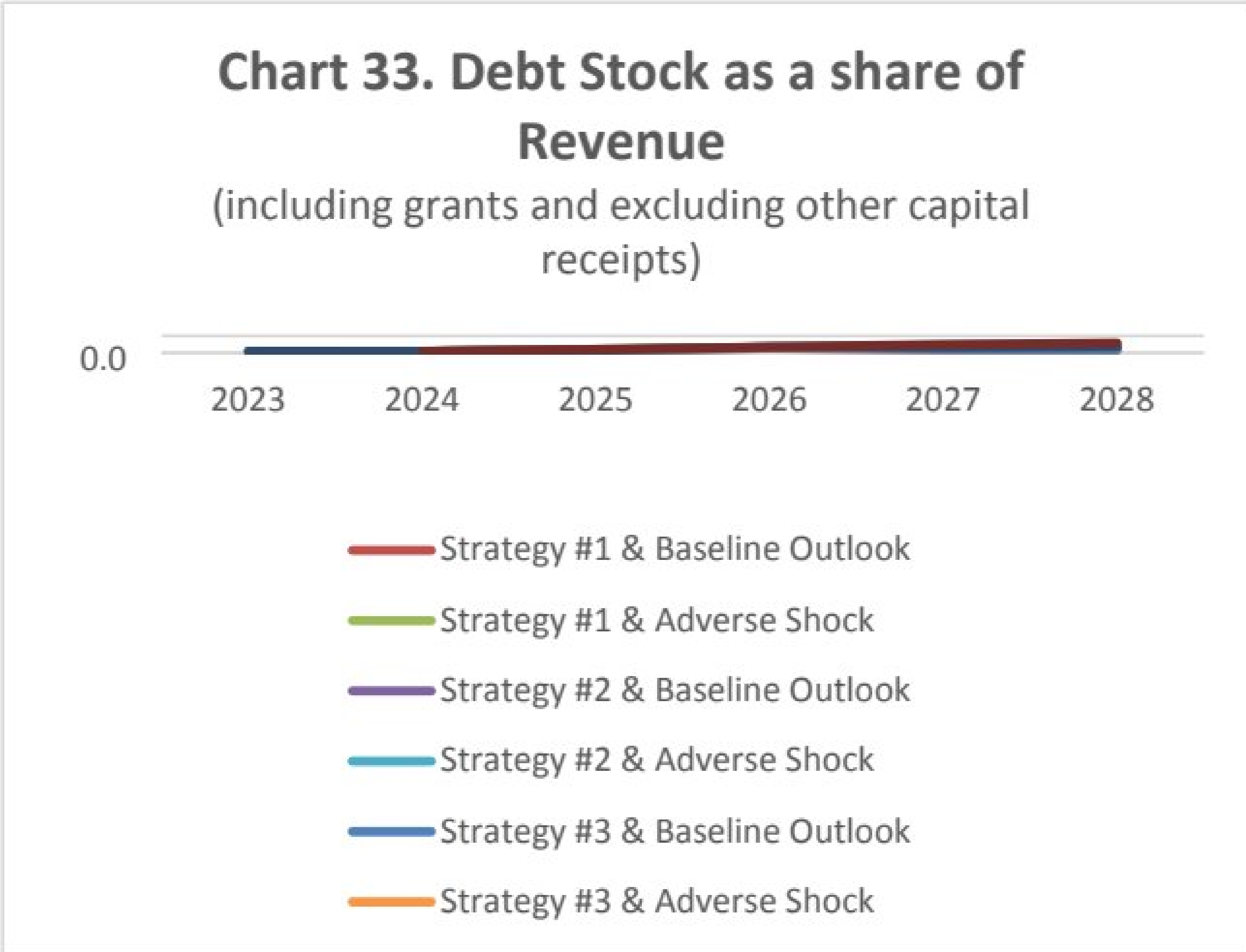
Strategy (S4) focus it's financing through short term commercial loan with maturity (1-5) which accounts for 1.4% and Commercial Bank Loan (6 years and above) accounting for 98.5% over the DMS period 2024-2028 under this alternative strategy.

5.2 DMS Simulation Results

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

A. Debt as a share of Revenue:
   - Strategy 1 shows the cost ratio to debt Revenue estimated to increase from 83.2% in 2024 to 189.4% with a risk of 255.9% as against Strategy 2 with 286.9% in 2028, strategy 3 with 197.5%, and strategy 4 with 365.4% in 2028 and with a risk measure of strategy 2 at 233.8%, Strategy 3 at 254.1% and strategy 4 at 216.0% respectively.
   - Analyzing using this debt indicator shows that S1 is the strategy with the least cost estimated to be 189.4% but has the highest risk of 255.9% compared with strategy 4 which has 365.4% cost and 216.0% risk and strategy 2 estimated at 286.9% cost and 233.8% risk. On the other hand, Strategy 3 which was estimated at 197.5% cost and 254.1% risk which concentrated only on commercial borrowing with short maturity period of 1-5years.

STRATEGY	COST (DEBT REVENUE RATIO (%) IN 2026	RISK (%)
STRATEGY 1	189.4	255.9
STRATEGY 2	286.9	233.8
STRATEGY 3	197.5	254.1
STRATEGY 4	365.4	216.0

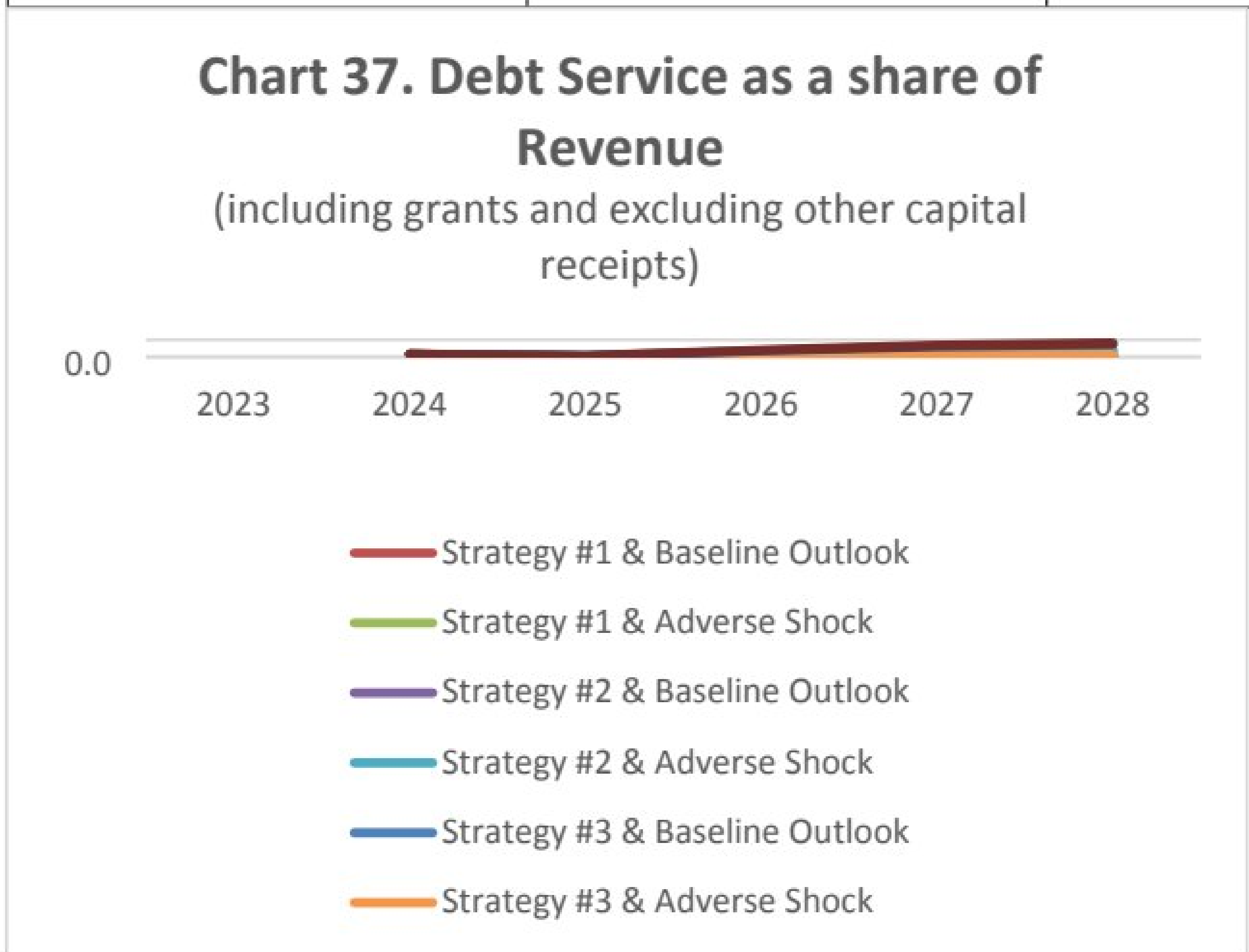


B Debt service as a share of Revenue:

- In terms of debt service to Revenue, Strategy 3 has the lowest cost and minimal risk, the cost decreased from 30.8% in 2024 to 18.1% in 2028 with a risk of 8.6% compared with Strategy 4 with 145.2% cost and 18.3% risk in 2028, strategy 2 with 67.2% cost and 9.7% risk in 2028 and strategy 1 with a cost of 19.7% and risk of 8.3% in the year 2028.
- Strategy 3 has the lowest cost under the debt service to Revenue at 18.1% cost and 8.6% risk, followed by strategy 1 with cost at 19.7% and risk of 8.3%. Again strategy 4 is the costliest and riskiest strategy as the

debt financing considered both short-term and long term commercial bank maturing.

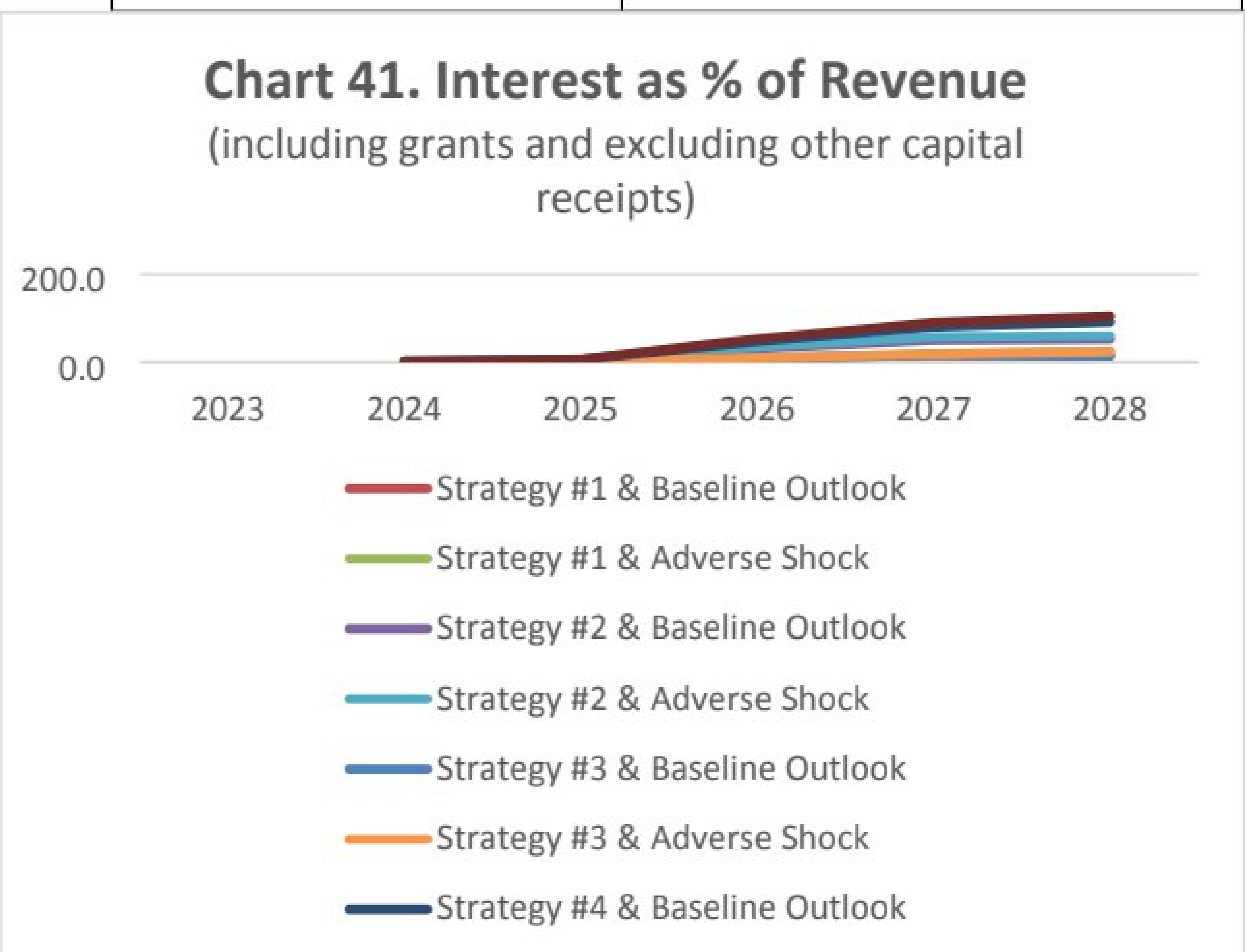
STRATEGY	COST (DEBT SERVICE TO REVENUE RATIO (%) IN 2026	RISK (%)
STRATEGY 1	19.7	8.3
STRATEGY 2	67.2	9.7
STRATEGY 3	18.1	8.6
STRATEGY 4	145.2	18.3



C Interest as a share of Revenue

- Strategy (S3) is the least cost with regards to interest/revenues ratio, which is projected to increase from 1.7% in 2024 to 13.8% in 2028 with a risk of 9.6%, while strategy 4 has the highest cost and highest risk with 91.4% and 12.4% respectively. Similarly, Strategy 1 and Strategy 2 are estimated at 14.3% cost, 9.5% risk and 51.5% cost, 7.9% risk to the end of the strategic period 2028.
- The ratio of interest as a percentage of Revenue analysis shows that strategy 3 yields the lowest cost and moderate risks due to high external financing, as the external debt service terms requirement has low interest rate, longer maturity, and grace period in concessional external financing, compared to strategy (S1) with the moderate costs and risks.

STRATEGY	COST (INTEREST TO REVENUE RATIO (%) IN 2026	RISK (%)
STRATEGY 1	14.3	9.5
STRATEGY 2	51.5	7.9
STRATEGY 3	13.8	9.6
STRATEGY 4	91.4	12.4



5.3 DMS ASSESMENT

The preferred strategy was not solely based on the Analytical tool assessment of all four strategies but took into consideration the ability to implement the chosen strategy successfully in the medium term. Therefore, although the Analytical tools result of Cost and risk would suggest the recommended Strategy to be Strategy 3 because of the presence of External facility. These results were just marginally better when compared to Strategy 1. **Strategy 1 was considered as the most feasible of the strategies to implement in the short to medium term and it will still greatly improve the debt portfolio's position relative to the base year 2024.**

In comparison to the current debt position, Abia State debt portfolio stood at N143.3billion as at end 2023, which expected an increase to N741.7billion under Strategy 1 at the end of the strategic period of 2028 compared with strategy 2 and Strategy 3 that has N350.1billion, and Strategy 4 that has N273.8billion all in 2028. In addition to this, the cost/risk tradeoffs are considered, using the debt to GDP, debt to revenue, debt service to GDP, debt service to revenue, interest to GDP, and interest payment to GDP ratios. S1 is selected as the preferred strategy for the period 2024-2028. The Debt management Strategy, 2024-2028 represents a robust framework for prudent debt management, as it provides a systematic approach to decision making on the appropriate composition of external and domestic borrowing to finance the 2024 budget. The cost/risk tradeoff of alternative borrowing strategies under the DMS has been evaluated within the medium term context.

ASSUMPTION

ANNEXURES 1

Assumptions			
Economic activity	State GDP (at current prices)	STATE GDP PROJECTIONWAS PROVIDED FOR BY THEWORLD BANK GROUP IN CONJUCTIONWITH THE DMO AND NATIONAL BUREAU OF STATISTIC	Debt Management Office, Abuja
Revenue	Revenue		
	1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT	2023, 2024-2026 were the State MTEF projections, while 2027 onwards were forecasts from Federal Revenue and Revenue sharing assumptions of DMO	DSA Team, Ministry of Finance and Economic Development, Abia State and State planning commission
	1.a. of which Net Statutory Allocation ('net' means of deductions)		DSA Team, Ministry of Finance and Economic Development, Abia State and State planning commission
	1.b. of which Deductions		DSA Team, Ministry of Finance and Economic Development, Abia State and State planning commission
	2. Derivation (if applicable to the State)	2023-2026 were the State MTEF projections, while 2027 onwards were forecasts from Federal Revenue and Revenue sharing assumptions of DMO	DSA Team, Ministry of Finance and Economic Development, Abia State and State planning commission
	3. Other FAAC transfers (exchange rate gain, augmentation, others)	2023-2026 were the State MTEF projections, while 2027 onwards were made in anticipation	DSA Team, Ministry of Finance and Economic Development, Abia State and State planning commission
	4. VAT Allocation	2023-2026 were the State MTEF projections, while 2027 onwards were forecasts from Federal Revenue and Revenue sharing assumptions of DMO	DSA Team, Ministry of Finance and Economic Development, Abia State and State planning commission
	5. IGR	2023-2026 were the State MTEF projections, while 2027onwards forecasts were made using a 5% increase. This is expected to materialize as a result of the St	DSA Team, Ministry of Finance and Economic Development, Abia State and State planning commission
	6. Capital Receipts	2023-2026 were the State MTEF projections, while 2027 projections onwards were done in anticipations	DSA Team, Ministry of Finance and Economic Development, Abia State and State planning commission
	6.a. Grants	2023-2026 were the State MTEF projections, while 2027 projections onwards were done in anticipations	DSA Team, Ministry of Finance and Economic Development, Abia State and State planning commission
	6.b. Sales of Government Assets and Privatization Proceeds		
	6.c. Other Non-Debt Creating Capital Receipts	The projections were done in anticipation.	DSA Team, Ministry of Finance and Economic Development, Abia State and State planning commission
Expenditure	Expenditure		
	1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	2023-2026 were the State MTEF projections, while projections for 2027 upwards were made using a 5% increase on the previous year.	DSA Team, Ministry of Finance and Economic Development, Abia State and State planning commission
	2. Overhead costs	2023-2026 were the State MTEF projections, while projections for 2027 upwards were made using a 5% increase on the previous year.	DSA Team, Ministry of Finance and Economic Development, Abia State and State planning commission
	3. Interest Payments (Public Debt Charges, including interests deducted from FAA(	this is as it appears in the state Audited Financial Statements.	DSA Team, Ministry of Finance and Economic Development, Abia State and State planning commission
	4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and I	2023-2026 were the State MTEF projections, while projections for 2027 upwards were made using a 5% increase on the previous year.	DSA Team, Ministry of Finance and Economic Development, Abia State and State planning commission
	5. Capital Expenditure	2023-2026 were the state MTEF projections, while for 2027 upward forecasts were made using 10% of expected recurrent revenue for the year.	DSA Team, Ministry of Finance and Economic Development, Abia State and State planning commission
Closing Cash and Bank Balance	Closing Cash and Bank Balance	The historical figures represent balances domiciled in all the commercial bank accounts that the state is operating, while 2024 -2033 forecasts were done in a	DSA Team, Ministry of Finance and Economic Development, Abia State and State planning commission
Debt Amortization and Interest	Debt Outstanding at end-2023		
	External Debt - amortization and interest	Amortization and interest payments estimated using profiles recorded in DMO including External debt service paid through FAAC deductions	[illegible]
	Domestic Debt - amortization and interest	Amortization and interest payments estimated using repayment schedules including the ones paid directly by the State through FAAC deductions.	[illegible]
Assumptions			

2024		Projection Methodology	Source
	New External Financing		
	External Financing - Concessional Loans (e.g., World Bank, African Development B	projections were made using 3% interest rate, 20 years maturity and 5 years grace period	State Financial Statement/DMO returns
	External Financing - Bilateral Loans	projections were made using 3% interest rate, 20 years maturity and 5 years grace period	State Financial Statement/DMO returns
	Other External Financing	projections were made using 2% interest rate, 20 years maturity and 5 years grace period	State Financial Statement/DMO returns
	New Domestic Financing		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric loans, Infrastructur	projections were made using 18% interest rate, 3 years maturity and no grace period	State Financial Statement/amortisation sheets
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrast	projections were made using 23% interest rate, 6 years maturity and no grace period	State Financial Statement/amortisation sheets
	State Bonds (maturity 1 to 5 years)	projections were made using a 25% interest rate, 5 years maturity, and 1 year grace period	State Financial Statement/amortisation sheets
	State Bonds (maturity 6 years or longer)	projections were made using 23% interest rate, 3 years maturity and 2 year grace period	State Financial Statement/amortisation sheets
	Other Domestic Financing	projections were made using 3% interest rate, 20 years maturity and 2 year grace period	State Financial Statement/amortisation sheets
Proceeds from Debt-Creating	**Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S1**		
corresponding to Debt Strate	**New Domestic Financing in Million Naira**		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric loans, Infrastructur	projections were made using 14% interest rate, 3 years maturity and no grace period	State Financial Statement/amortisation sheets
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrast	projections were made using 13% interest rate, 7 years maturity and no grace period	State Financial Statement/amortisation sheets
	State Bonds (maturity 1 to 5 years)	projections were made using 14% interest rate, 3 years maturity and 1 year grace period	State Financial Statement/amortisation sheets
	State Bonds (maturity 6 years or longer)	projections were made using 13% interest rate, 10 years maturity and 2 year grace period	State Financial Statement/amortisation sheets
	Other Domestic Financing	projections were made using 3% interest rate, 15 years maturity and 2 year grace period	State Financial Statement/amortisation sheets
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development B	projections were made using 3% interest rate, 20 years maturity and 5 years grace period	State Financial Statement/DMO returns
	External Financing - Bilateral Loans	projections were made using 3% interest rate, 20 years maturity and 5 years grace period	State Financial Statement/DMO returns
	Other External Financing	projections were made using 2% interest rate, 20 years maturity and 5 years grace period	State Financial Statement/DMO returns
Proceeds from Debt-Creating	**Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S2**		
corresponding to Debt Strate	**New Domestic Financing in Million Naira**		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric loans, Infrastructur	projections were made using 14% interest rate, 3 years maturity and no grace period	State Financial Statement/amortisation sheets
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrast	projections were made using 13% interest rate, 7 years maturity and no grace period	State Financial Statement/amortisation sheets
	State Bonds (maturity 1 to 5 years)	projections were made using 14% interest rate, 3 years maturity and 1 year grace period	State Financial Statement/amortisation sheets
	State Bonds (maturity 6 years or longer)	projections were made using 13% interest rate, 10 years maturity and 2 year grace period	State Financial Statement/amortisation sheets
	Other Domestic Financing	projections were made using 3% interest rate, 15 years maturity and 2 year grace period	State Financial Statement/amortisation sheets
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development B	projections were made using 3% interest rate, 20 years maturity and 5 years grace period	State Financial Statement/DMO returns
	External Financing - Bilateral Loans	projections were made using 3% interest rate, 20 years maturity and 5 years grace period	State Financial Statement/DMO returns
	Other External Financing	projections were made using 2% interest rate, 20 years maturity and 5 years grace period	State Financial Statement/DMO returns
Proceeds from Debt-Creating	**Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S3**		
corresponding to Debt Strate	**New Domestic Financing in Million Naira**		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric loans, Infrastructur	projections were made using 14% interest rate, 3 years maturity and no grace period	State Financial Statement/amortisation sheets
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrast	projections were made using 13% interest rate, 7 years maturity and no grace period	State Financial Statement/amortisation sheets
	State Bonds (maturity 1 to 5 years)	projections were made using 14% interest rate, 3 years maturity and 1 year grace period	State Financial Statement/amortisation sheets
	State Bonds (maturity 6 years or longer)	projections were made using 13% interest rate, 10 years maturity and 2 year grace period	State Financial Statement/amortisation sheets
	Other Domestic Financing	projections were made using 3% interest rate, 15 years maturity and 2 year grace period	State Financial Statement/amortisation sheets
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development B	projections were made using 3% interest rate, 20 years maturity and 5 years grace period	State Financial Statement/DMO returns
	External Financing - Bilateral Loans	projections were made using 3% interest rate, 20 years maturity and 5 years grace period	State Financial Statement/DMO returns
	Other External Financing	projections were made using 2% interest rate, 20 years maturity and 5 years grace period	State Financial Statement/DMO returns
Proceeds from Debt-Creating	**Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S4**		
corresponding to Debt Strate	**New Domestic Financing in Million Naira**		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric loans, Infrastructur	projections were made using 14% interest rate, 3 years maturity and no grace period	State Financial Statement/amortisation sheets
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrast	projections were made using 13% interest rate, 7 years maturity and no grace period	State Financial Statement/amortisation sheets
	State Bonds (maturity 1 to 5 years)	projections were made using 14% interest rate, 3 years maturity and 1 year grace period	State Financial Statement/amortisation sheets
	State Bonds (maturity 6 years or longer)	projections were made using 13% interest rate, 10 years maturity and 2 year grace period	State Financial Statement/amortisation sheets
	Other Domestic Financing	projections were made using 3% interest rate, 15 years maturity and 2 year grace period	[illegible]

Indicator	Actuals 2019	2020	2021	2022	2023	Projections 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
BASELINE SCENARIO															
Economic Indicators															
State GDP (at current prices)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Exchange Rate NGN/US$ (end-Period)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fiscal Indicators (Million Naira)															
Revenue	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1. Gross Statutory Allocation ("gross" means with no deductions; do not include VAT Allocation here)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1.a. of which Net Statutory Allocation ("net" means of deductions)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1.b. of which Deductions	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2. Derivation (if applicable to the State)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3. Other FAAC transfers (exchange rate gain, augmentation, others)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4. VAT Allocation	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5. IGR	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6. Capital Receipts	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6.a. Grants	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6.b. Sales of Government Assets and Privatization Proceeds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6.c. Other Non-Debt Creating Capital Receipts	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6.d. Proceeds from Debt-Creating Borrowings (bond issuance, loan disbursements, etc.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Expenditure	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2. Overhead costs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3. Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3.a. of which Interest Payments (Public Debt Charges, excluding interests deducted from FAAC Allocation)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3.b. of which Interest deducted from FAAC Allocation	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5. Capital Expenditure	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6. Amortization (principal) payments	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Budget Balance ("+" means surplus, "-" means deficit)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Opening Cash and Bank Balance	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Closing Cash and Bank Balance	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Financing Needs and Sources (Million Naira)															
Financing Needs						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
i. Primary balance						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ii. Debt service						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Amortizations						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Interests						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
iii. Financing Needs Other than Amortization Payments (e.g., Variation in Cash and Bank Balances)						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Financing Sources						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
i. Financing Sources Other than Borrowing						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ii. Gross Borrowings						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
State Bonds (maturity 1 to 5 years)						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
State Bonds (maturity 6 years or longer)						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other Domestic Financing						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
External Financing - Bilateral Loans						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other External Financing						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Residual Financing															

Indicator	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Actuals					Projections									
	BASELINE SCENARIO														
Debt Stocks and Flows (Million Naira)															
Debt (stock)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
External	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Domestic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gross borrowing (flow)						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
External						[illegible]	[illegible]	[illegible]	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Domestic						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Amortizations (flow)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
External	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Domestic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Interests (flow)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
External	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Domestic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Net borrowing (gross borrowing minus amortizations)						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
External						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Domestic						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Debt and Debt-Service Indicators															
Debt Stock as % of SGDP	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Debt Stock as % of Revenue (including grants and excluding other capital receipts)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Debt Service as % of SGDP						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Debt Service as % of Revenue (including grants and excluding other capital receipts)						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Interest as % of SGDP						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Interest as % of Revenue (including grants and excluding other capital receipts)						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Personnel Cost as % of Revenue (including grants and excluding other capital receipts)						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Adverse Shock Scenario is defined by the worst performance indicator measured in year 2028

For Debt Stock as % of SGDP the adverse shock is: Historical | Historical

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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