



OFFICE OF THE DIRECTOR GENERAL
DEBT MANAGEMENT DEPARTMENT
MINISTRY OF FINANCE, SOKOTO.

Usman Farouk Secretariat,
P.M.B 2106,
Fax: 060-232845
Sokoto, State.

CABLES & TELEGRAMS FUND, SOKOTO
Tel: 060-232825, 232393, 233567
Mobile: 08146171994
Email: agsokotastategov@gmail.com

Our Ref: _____ Your Ref: _____ Date: _____

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30th December, 2020
The Director General
Debt Management Office
Abuja.

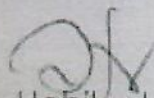


Dear Madam,

FORWARDING OF SOKOTO STATE 2020 DEBT SUSTAINABILITY REPORT.

I am pleased to write and forward the State 2020 Annual debt sustainability analysis report.
The report provides guidance to the state in its borrowing decisions and well as providing input into the state budget and other financial matters.

I therefore submit for reference and future correspondences.
Thank you for your continued support.


Habibu Isah
Director General,
Debt Management Dept.



**SOKOTO STATE
DEBT SUSTAINABILITY ANALYSIS (SS - DSA)
REPORT**

October 2020

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1. INTRODUCTION

Sokoto State Debt Sustainability Analysis covers the period 2015 to 2019 (5 year historical) and 2020-2029 (10-year projection), under various macroeconomic assumptions, Shock scenarios and related policies adopted in the State. To ensure that State debt stock remains sustainable in the medium to long-term, by using the State's macroeconomic framework with a view to assessing the current and future debt levels, as well as its ability to meet debt service obligations as and when due, and without compromising growth and development.

Sokoto State Debt Sustainability Analysis primary balance projection that comprises the difference between revenue and expenditure, plus the existing debt service (interest payment and principal repayments). The State's Internal Revenue Services was restructured to boost revenue generation in the State. The reform was based on the State Revenue laws, which provided for capital gains tax, property tax, etc, in order to expand the tax base/web to maximally increase the State's Internally Generated Revenue that are considered achievable. However, the State also envisage increase in recurrent and capital expenditures with expected growth in the National economy, industries, agriculture and mining activities with vast effects on the State's economy.

2. THE STATE FISCAL AND DEBT FRAMEWORK

As part of the Federal Government's efforts to enshrine sound financial practices in the States, States' Fiscal, Transparency, Accountability and Sustainability (SFTAS) was introduced with the view to achieving this. However, Sokoto State Government has been practicing the culture of involving the public in its budgetary preparation by way of citizens participation in budgeting, this is very important in the developing countries as a means of improving the performance and accountability of bureaucracies and improving social justice. The State Government has vibrant economic policies to harness the abundant economic potentials, particularly agriculture and solid minerals. The Government set up a State Economic Management Team to address the economic challenges posed by dwindling revenue and COVID-19 pandemic. The Team is currently working hard to come up with a revised blueprint for the present and future economic development of the State. Part of the fall out of the Team is the restructuring of Revenue Agency into Sokoto Inland Revenue Services (SIRS). The Sokoto State Government also rolled out a social intervention programme to provide support to the poor and the unemployed; reconstructed and equipped skills acquisition centre to provide training for women and youth towards self-reliance; and building the critical infrastructure needed to speed up the development of the State.

The COVID-19 (Corona Virus Disease) devastated the world in the early part of year 2020. The COVID-19 which appeared in China gradually became a global pandemic. The global fight against the deadly virus led to collapse of the economies of the leading industrialised countries because of which oil demand declined worldwide, as well as collapse in the commodity market. This pandemic

led to recession in almost all the nations. In addition, the world suffers attendant consequences of policies like lockdown, which came into effect in many parts of the world to contain the virus. Many countries of the world including Nigeria are currently experiencing various degrees of economic difficulties due to pandemic. This has impacted on the revenue generation negatively.

The Government has put in place a harmonized revenue law to expand the tax net and boost internally generated revenue. The increase in IGR is expected to positively impact on the financial obligation of the State as well as the economic development of the State. The State plans to augment the State budget through borrowings from domestic loans and external loans.

3. THE STATE REVENUE, EXPENDITURE, AND PUBLIC DEBT TRENDS (2015 – 2019)

The Sokoto State economy recorded substantial growth in 2019 with growth in the IGR from 1.25 percent in 2018 to 34.68 percent in 2019.

This was due to economic reforms to improve tax and other service sectors, as well as other initiatives by the Government.

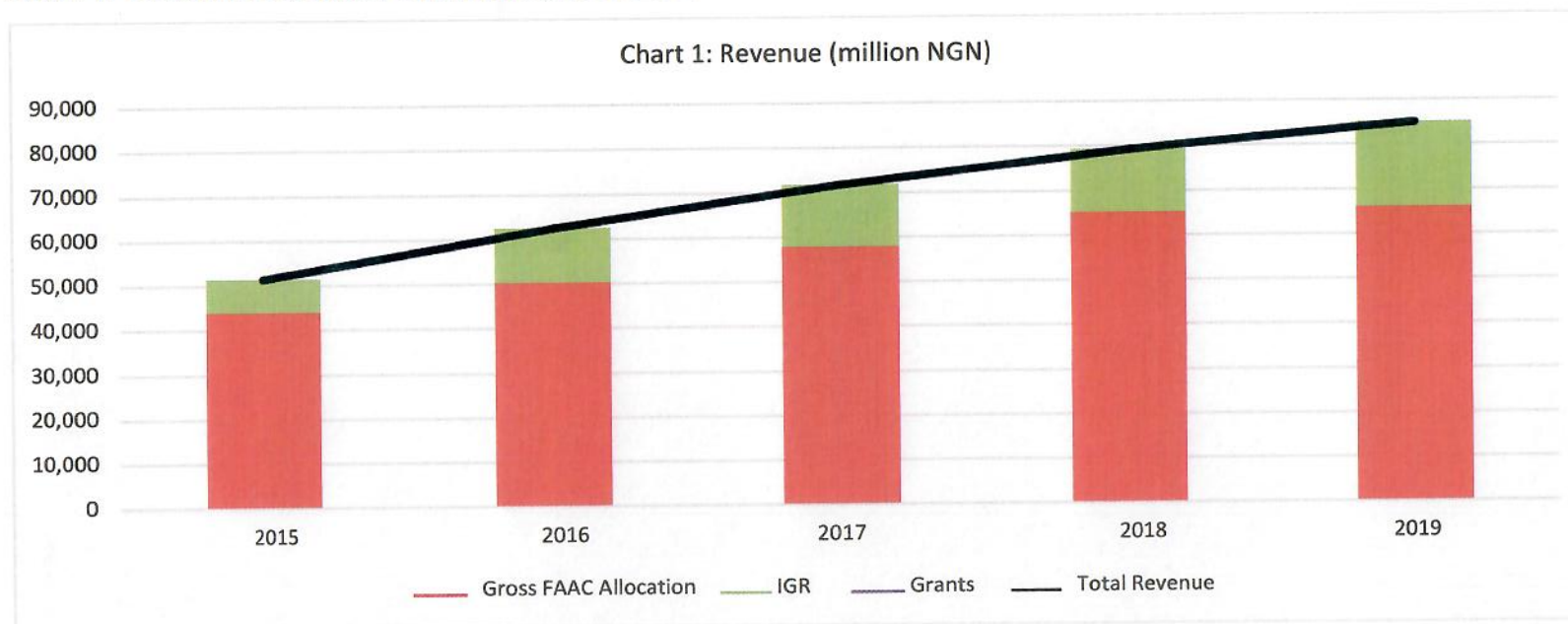
Revenue and Expenditure

The State's Revenue includes Statutory Allocation, VAT Allocation, IGR, and Capital Receipt. The State's economy grew as the State reported an average Revenue growth of 28.21 percent from 2015 to 2019. This growth increased the financial resources to the real sector of the economy, and effective implementation of the Economic Policies in the State. Statutory allocation, VAT allocation, and other transfers has increased from N43,855.44 million in 2015 to N65,432.92 million in 2019.

While the Internally Generated Revenue (IGR) shows steady growth during the period under review. IGR grew from N2,741.63 million in 2015 to N5,937.00 million in 2019. The improvement in IGR is mainly because of tax reforms aimed at improving collection efficiency and broadening the tax revenue base.

Revenue Performance	2015	2016	2017	2018	2019
Total Revenue	81302.35	76242.52	84076.324	88568.27	96548.4
Gross FAAC	30,845.49	22,827.87	31,249.18	46,938.27	45,380.04
Derivation	0.00	11,980.50	12,882.26	0.00	600.00
Other Transfers	4,738.18	6,695.59	3,305.96	6,808.12	7,532.28
VAT	8,301.77	8,674.25	10,317.82	11,300.36	12,520.60
IGR	7,507.99	12,248.41	13,937.67	14,111.81	19,005.09
Privatization	4,302.96	13,679.07	12,375.55	3,059.19	1,482.11
Capital Receipt	112.59	136.83	7.88	3.29	2.44
Borrowings	25,493.37	0.00	0.00	5,573.83	10,025.83

Chart 1: Trends in Revenue Performance, 2015-2019

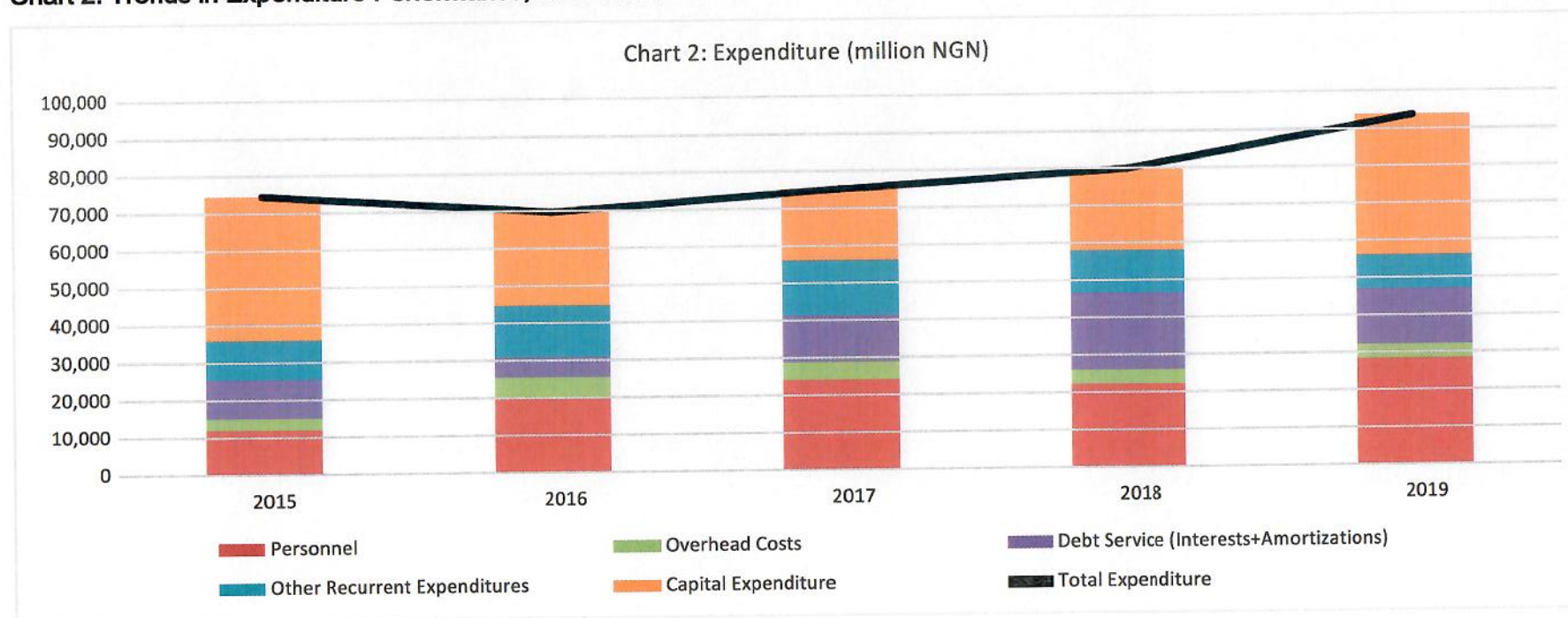


Expenditure

The State's Total Expenditure includes Capital expenditure, Personnel costs, Overhead costs, other recurrent expenditure, and Debt service (interest payment and principal repayment), which recorded an increase of N79,955 million as at end-December 2018 and N93,710 million as at end-December 2019, which represent 17 percent increase or N13,755 million. The personnel cost shows an average increase of 26.44 percent from N12,171.63 million in 2015 to N28,369.18 million in 2019. The overhead cost stood at N3,832.43 million in 2019 compared to N3,760.76 million in 2018. Between 2015 to 2019, Capital expenditure declined from N38,670.24 million to N21,883.42 million in 2018 but picked up in 2019 with N37,712.04.

Expenditure	2015	2016	2017	2018	2019
Total Expenditure	74,606.76	69,958.39	75,295.54	79,954.78	93,710.39
Personnel	12,171.63	20,434.52	24,160.04	22,211.24	28,369.18
Overhead Cost	2,999.48	5,248.23	4,764.74	3,760.76	3,832.34
Debt Service	10,312.55	5,292.69	12,496.53	20,648.57	14,955.43
Other Recurrent Exp	10,452.85	13,745.63	14,685.92	11,450.78	8,841.39
Capital Expenditure	38,670.24	25,237.32	19,188.30	21,883.42	37,712.04

Chart 2: Trends in Expenditure Performance, 2015-2019



Existing Debt Portfolio

EXISTING DEPT PORTFOLIO

Subnational 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 term, consistent with a prudent degree of risk. In a broader 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 faces policy choices 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 propagating economic crises in many countries throughout history.

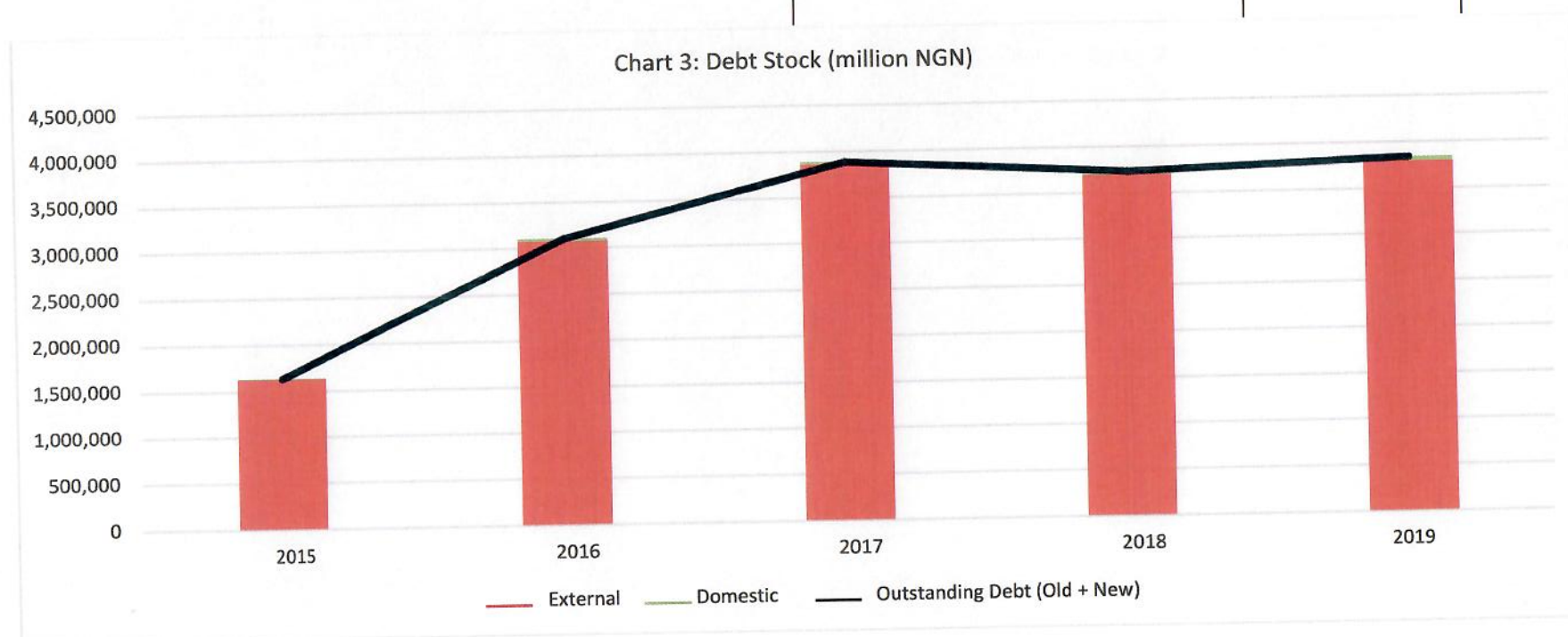
Sound risk management practices are essential given that a government's debt portfolio is usually the largest financial portfolio in the country and can contain complex and risky financial structures, which have the potential to generate substantial risk to the government's balance sheet and overall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

Debt Stock

Sokoto State Debt stock comprises of External and Domestic Debt, the total debt stock as at December 31, 2019 was N59,316.93 million compared to N50,644.91 million as at December 31, 2018, representing an increase of N8,672.02 million or 17.12 percent. The increase in the Debt stock was reflected in both Domestic and External Debt components. The Total External Debt stock as at December 31, 2019 was N11,606.43 million or 19.57 percent of the Total Debt stock, while the Total Domestic Debt stock was N47,710.50 million or 80.43 percent of the Total Debt stock. Whereas the decline in the external debt in 2019 was largely due to repayments made on existing Multilateral loans, the growth in the domestic debt was attributed to new loan from Federal Government intervention fund.

	2015	2016	2017	2018	2019
	19,921.68	34,584.88	38,623.43	50,644.91	59,316.93
Outstanding Debt (Old + New)	8,263.47	12,134.63	12,595.33	12,040.20	11,606.43
External	11,658.21	22,450.25	26,028.10	38,604.71	47,710.50
Domestic					

Chart 3: Total Debt Stock, 20215-2019



Debt composition

The domestic debt portfolio consists of Bail out loans, Budget Support Facility, Excess Crude Account Backed Loan, Contractor's Arrears and Pensions & Gratuity arrears. While the External Debt includes World Bank (IDA) and African Development Fund (AfDF). The ratio of External to Domestic Debt in the Total Debt portfolio was 19.57 percent external and 80.43 percent domestic as at December 31, 2019.

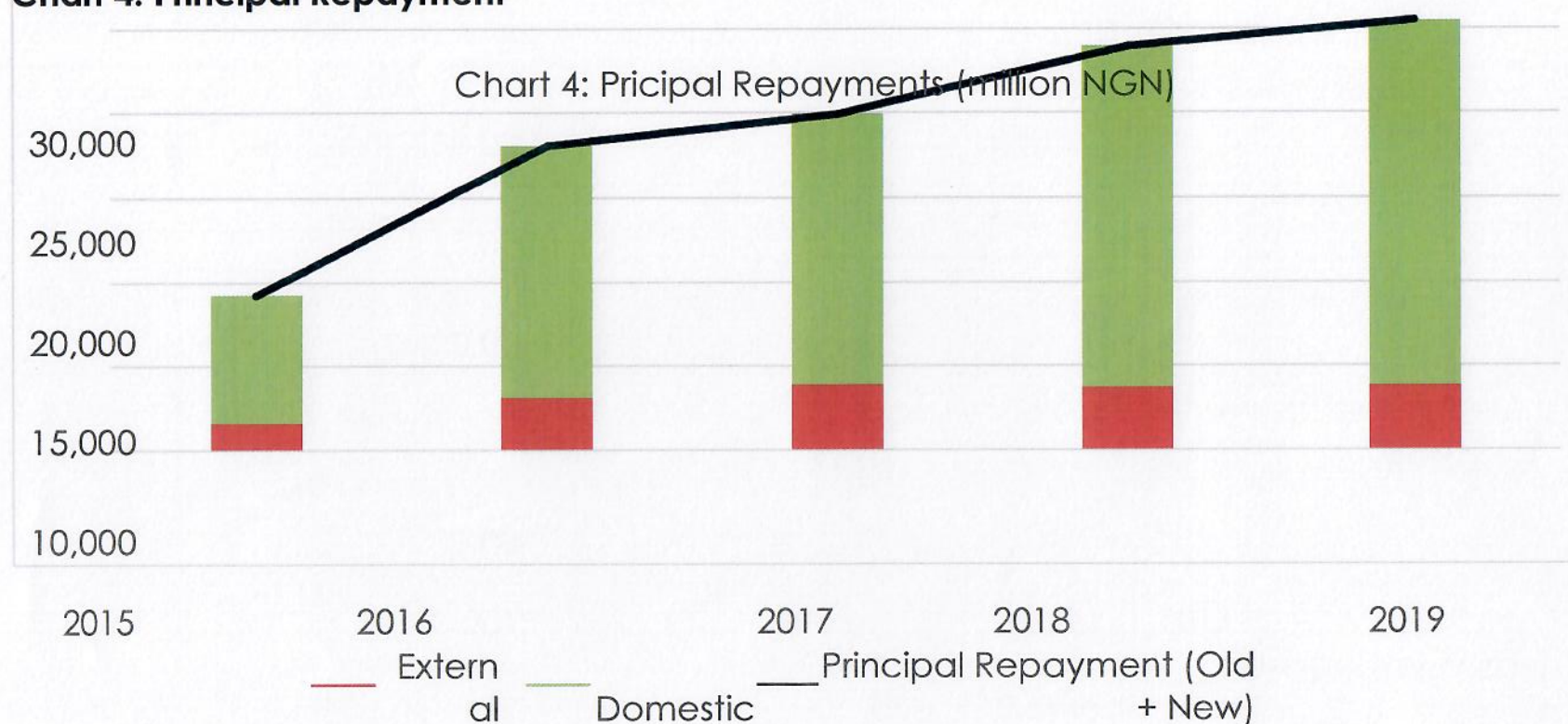
Debt Service

The Sokoto State Debt Service amounted to N14,955.43 million as at end-December 2019 compared to N20,648.57 million as at end-December 2018, representing a decrease of N5,693.14 million or 27.57 percent. The principal repayment showed a slight increase from N20,608 million to N20,517 million in 2018 and 2019, respectively. While the Interest Payment showed a slight increase from N2,190 in 2018 to N3,858 million in 2019. The principal repayments and Interest Payment made were on both External Debt and Domestic Debt.

	2015	2016	2017	2018	2019
Principal Repayment					
	7,775.22	15,256.73	16,383.11	20,607.04	22,036.36
Principal Repayment (Old + New)					
	222.35	279.46	300.40	339.93	366.44
External					
	7,552.87	14,977.27	16,082.71	20,267.11	21,669.92
Domestic					

Chart 4: Principal Repayment

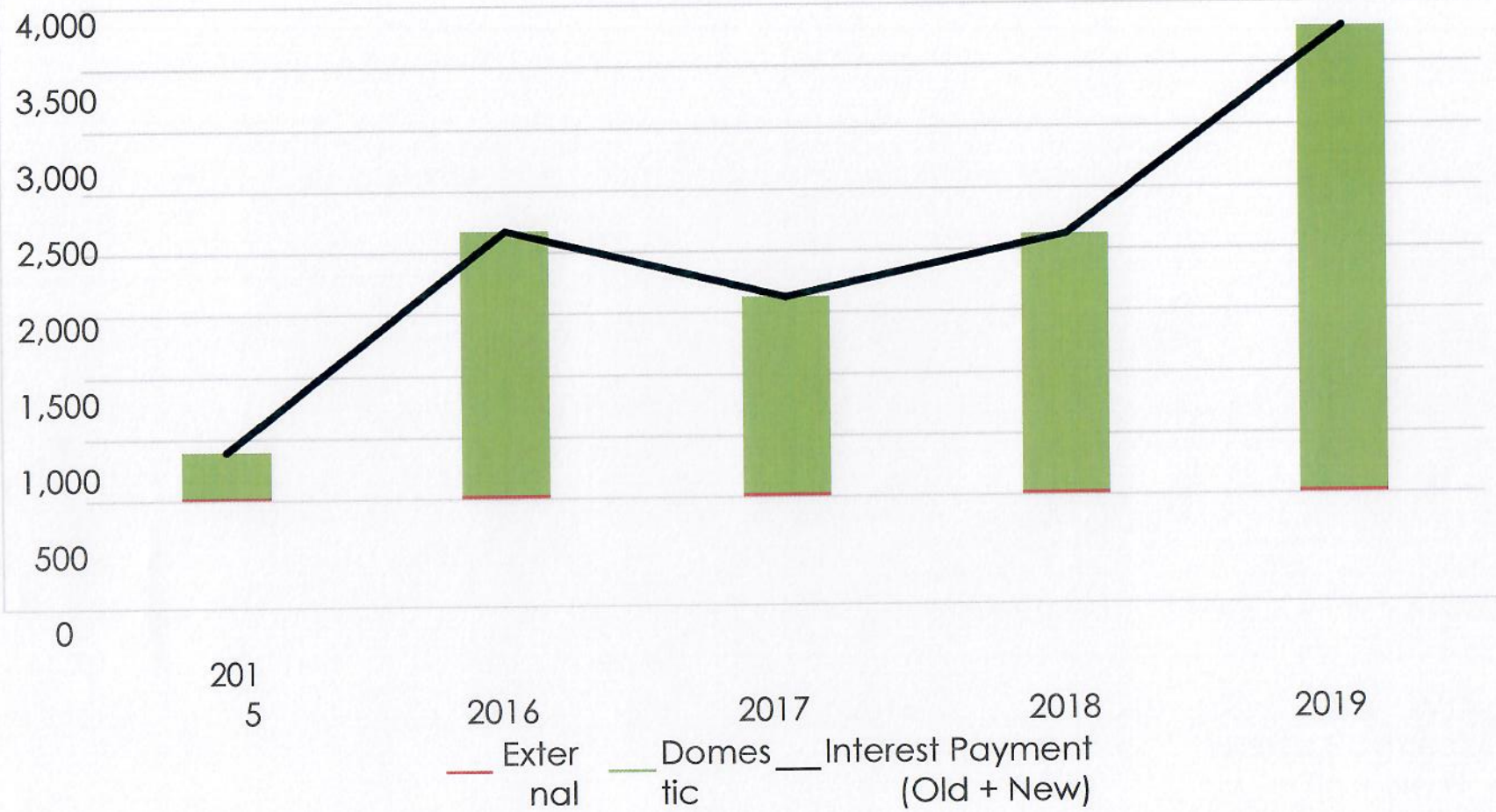
Chart 4: Principal Repayment



Interest Payment

	2015	2016	2017	2018	2019
Interest Payment (Old + New)	448.65	2,241.74	1,695.57	2,190.06	3,852.58
External	77.39	94.49	98.92	99.07	94.76
Domestic	371.26	2,147.25	1,596.65	2,090.99	3,757.82
Chart 5: Interest Payment					

Chart 5: Interest Payments (million NGN)



4. DEBT SUSTAINABILITY ANALYSIS

"The concept of debt sustainability refers to the ability of the government to honor its future financial obligations. Since policies and institutions governing spending and taxation largely determine such obligations, debt sustainability ultimately refers to the ability of the government to

maintain sound fiscal policies over time without having to introduce major budgetary or debt adjustments in the future. Conversely, fiscal policies are deemed unsustainable when they lead to excessive accumulation of public debt, which could eventually cause the government to take action to address the unwanted consequences of a heavy debt burden”.

The ratio of Sokoto State Debt as percent of GDP slightly increase from 3.02 percent in 2018 to 3.17 percent in 2019. The ratio is within the State Debt threshold of 25 percent. Debt as % of Revenue stood at 132.43 percent in 2019 compare to 119.01 percent in 2018. Debt service as % of Revenue remained below the threshold of 40 percent. Personnel Cost as at end December 2019 was 33.36 percent compared to threshold of 60 percent. .

Sokoto State Debt Burden Indicators

	Threshold	2015	2016	2017	2018	2019
Debt as % of GDP	25	1.62	2.44	2.58	3.02	3.17
Debt as % of Revenue	200	38.72	52.10	53.86	63.95	70.60
Debt Service as % of Revenue	40	16.00	28.03	25.22	28.80	28.66
Personnel Cost as % of Revenue	60	23.68	32.73	33.70	28.06	33.36
Debt Service as % of Gross FAAC Allocation	Nil	18.73	34.87	31.30	35.05	36.91

Medium-Term Budget Forecast

Sokoto State Medium-Term Budget Forecast (MTBF) is a fiscal arrangement that allow Government to extend the horizon for fiscal policy making beyond the annual budgetary calendar. Although the approval of the Annual budget law remains the key step in which important decisions on budgetary policy are adopted, most fiscal measures have budgetary implications that go well beyond the usual yearly budgetary

cycle. As a result, a single year perspective provides a poor basis for sound fiscal planning. The Medium-Term Budget Framework (MTBF) projection and indicative macroeconomic assumptions reflects the national policy directions and oil statutory revenue projection as contained in the Revised FGN MTEF 2021-2023. Forecast cover the preparation, execution, and monitoring of multiannual budget plans and contain both expenditure and revenue projections as well as the resulting budget balances.

The forecast covers 2020-2029 macroeconomic analysis, government's fiscal policy for medium and long-term, state budget revenue projections and state budget expenditure ceilings for each ministry and their agencies (MDAs) for medium to long-term.

Sokoto State Government work with all stakeholders through collaboration, commitment, and partnership to achieve the following: sufficient levels of budget transparency; public participation in the budget; Strengthen monitoring & oversight of budget execution; and, Sustain improvements on open budgeting Government participation.

State's Revenue policies

Sokoto State House of Assembly has passed the long-awaited consolidated Revenue Bill into law. The Bill is to provide for the establishment of Fiscal Responsibility Agency with a view to generating sufficient revenue for the state. Sokoto State has suffered from the activities of armed bandits and other criminalities in the last few years. These unholy activities have greatly affected virtually all aspects of life including revenue generation. This necessitated the State House of Assembly to finding ways of reviving the state Internally Generated Revenue. Presenting the committee's report to the

house for consideration and passage into law, the Bill will improve the State revenue generation and block all leakages/wastages. The Bill adopted version of successful Revenue Laws of some neighboring States which will help in the free flow of economic activities across the States and the country at large.

State's Expenditure policies

Government spending drives economic activities either through the development of large-scale infrastructural projects or through the execution of capital project and provision of resources to the citizens in the form of social grants. Investments in education and health have long-term economic benefits. Fiscal policy is the deliberate adjustment of government spending, borrowing or taxation to help achieve desirable economic objectives in a State.

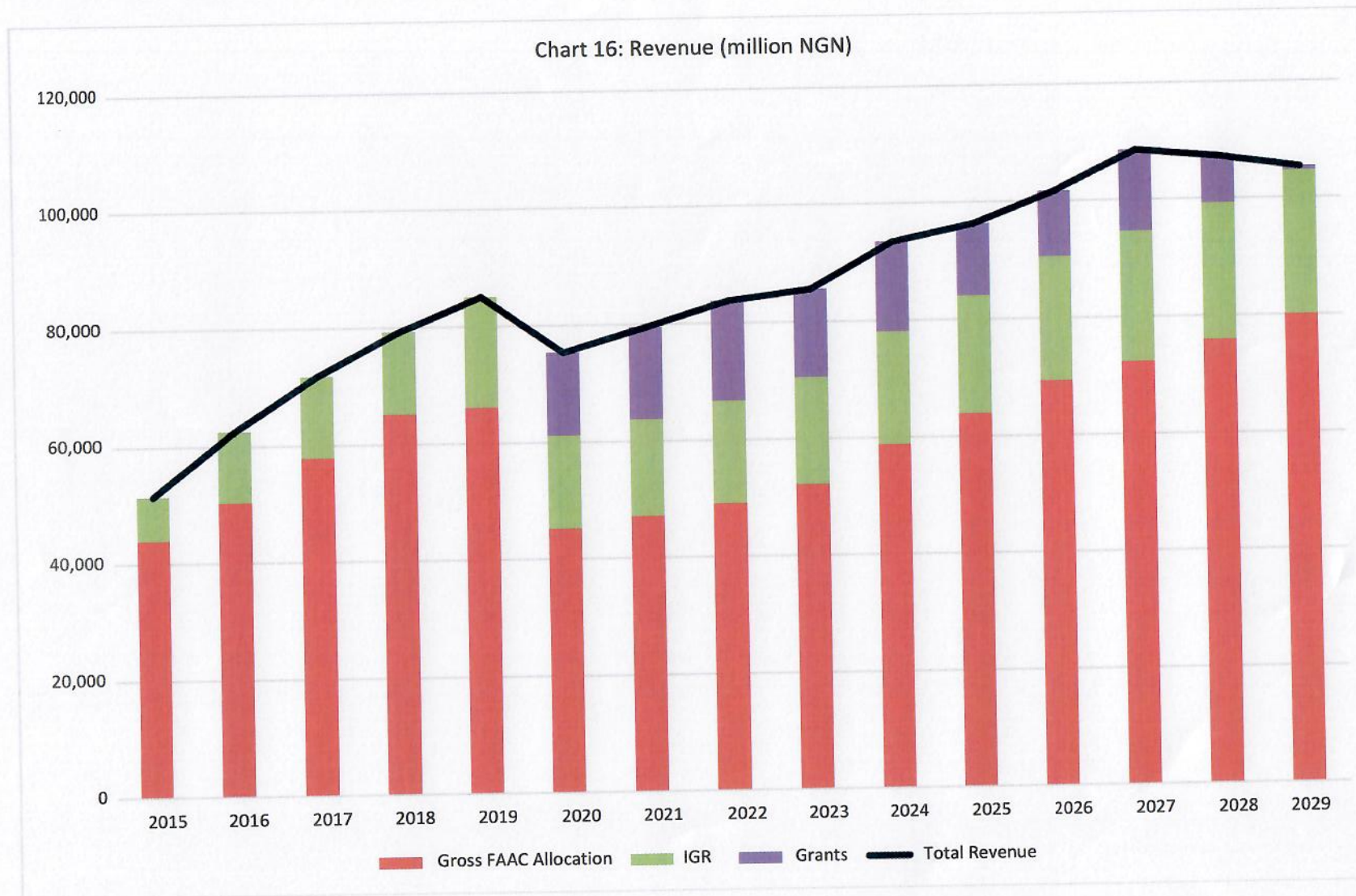
Borrowing options

Sokoto State Government intends to finance its activities between 2020 to 2029 mainly through domestic borrowing from commercial Banks, domestic debt market (State Bonds) Federal Government and other Central Bank of Nigeria (Interventions), due to the limited funding envelopes from the external borrowing with long processing time required loans from Multilateral and Bilateral.

DSA Simulation Results

Sokoto State Revenue (including grant and excluding other capital receipts) is estimated an average grow of 57 percent or N94,631.08 million during the projected period, this is based on largely the expectation on improved FAAC allocation in average of N61,309.00 million over the projection period from 2020 to 2029. The FAAC allocation is estimated to increase from N31,670.74 million in 2020 to N59,594.84 million in 2029. Similarly, the IGR estimated to grow from N18,000.00 million in 2020 compare to N24,000 million in 2029, respectively.

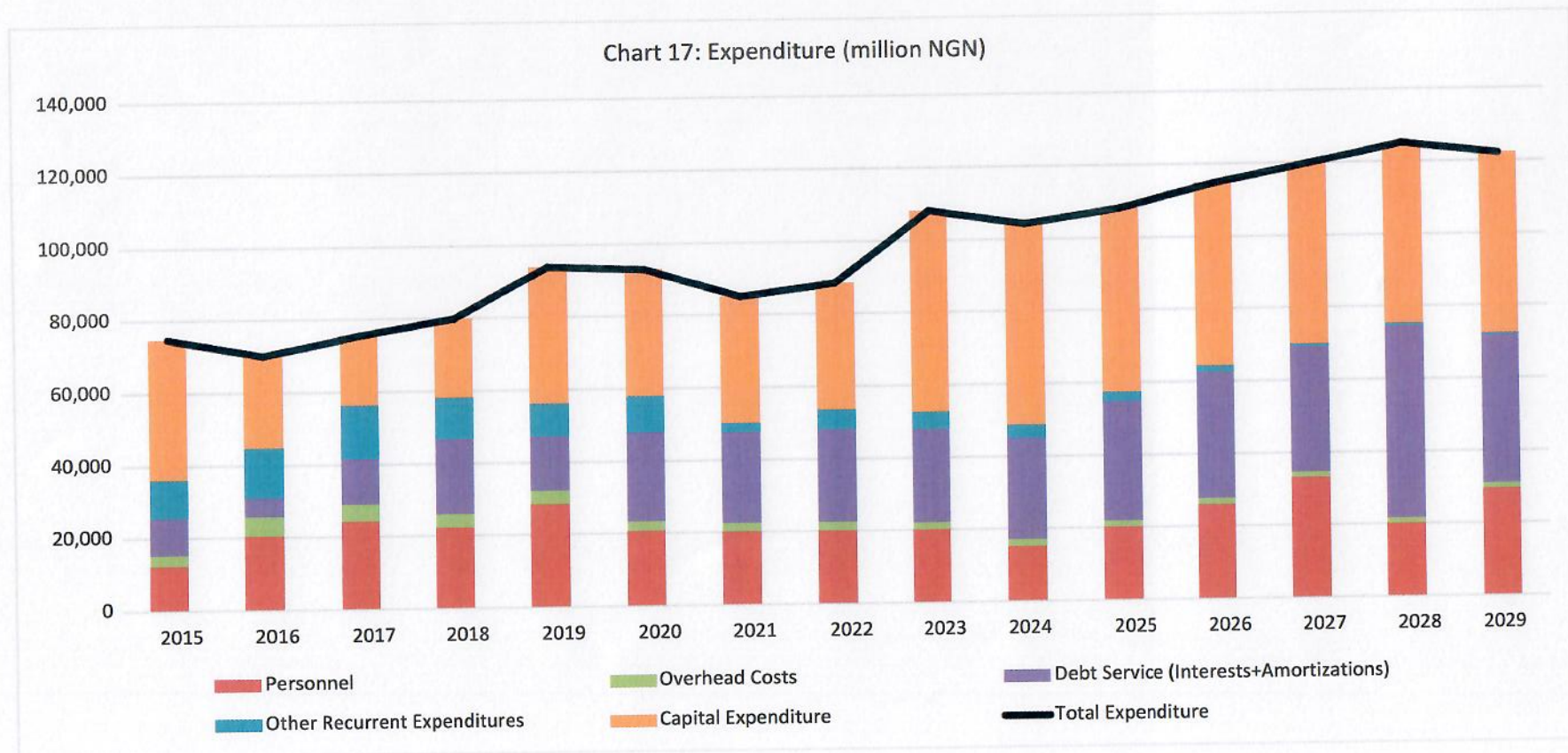
Chart 6: State's Revenue



State Expenditure

The State Expenditure estimated an average increase of N104,808.64 million or 3.06 percent over the projection period, which was expected to grow to from N92,803.08 million in 2020 to N118,563 million in 2029, respectively indicating stability in the State economic growth recovery. The growth in the period is predicated on sustaining effective implementation of the new laws. Government is expected to continue its fiscal strategy of directing resources to the most productive and growth-enhancing sectors.

Chart 7: State's Expenditure

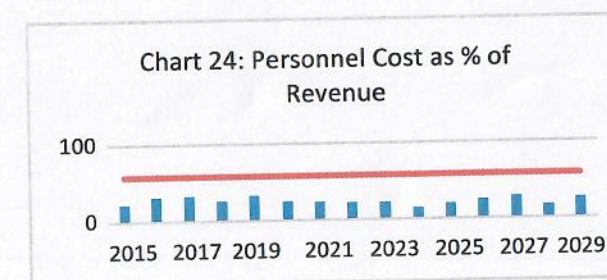
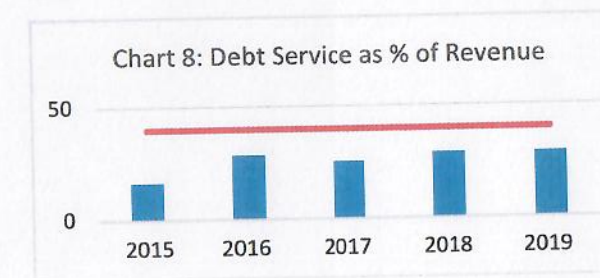
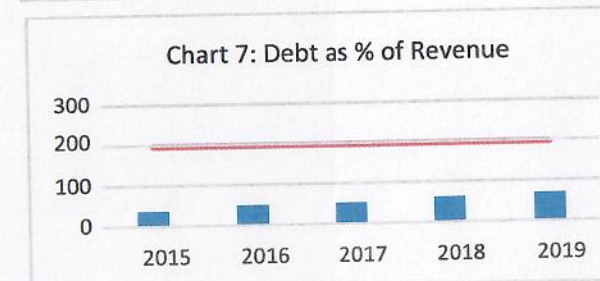
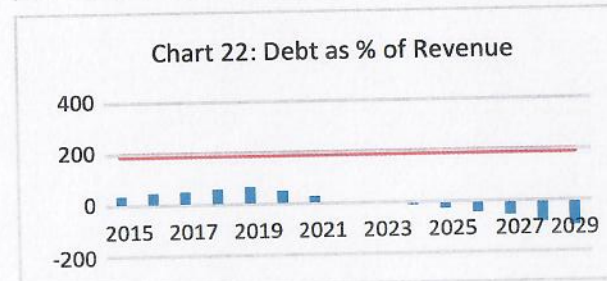
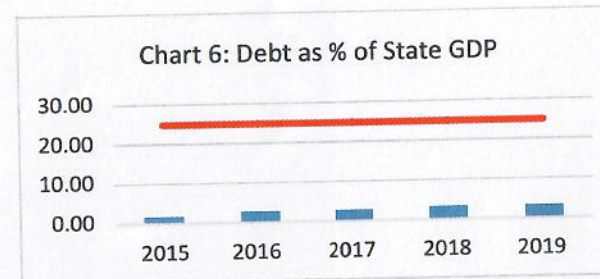
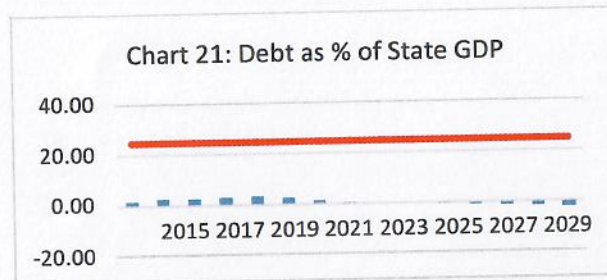


Primary Balance - Is the overall fiscal balance excluding net interest payments on state debt – it is equally important feature of short-run sustainability, as it illustrates to what extent a Government can honors its obligations without incurring additional debt. Side by side with net interest payments for debt servicing, which constitute an inflexible part of State budgeting. The primary balance provides a clearer picture of the state of fiscal management in a country/subnational. Sokoto State Government primary balance is derived from the State's MTEF, 2020-2022. However, the overall balance projected to grow to N1,842.92 million in 2020, N2,104.62 million 2022, and N11,767 million in 2029, respectively.

Main finding

The Baseline Scenario results shows that the ratio of Debt as % of GDP is projected at 2.18 percent in 2020 and 0.21percent in 2023, as against the indicative threshold of 25 percent. The ratio of Debt as % of Revenue estimated at 55.9 percent in 2020 and 6.6 percent in 2023. Meanwhile, the ratios of Debt Service to Revenue and Personnel Cost to Revenue trends remains under the threshold over the projection period from 2020 to 2029, with the strongminded efforts by the State Government through its various initiatives and reforms in the key sectors of the economy, respectively.

Chart 8: Debt and Debt Service Indicators and Thresholds – Baseline Scenario



Debt Service as % of revenue in 2020, 2025, and 2029 were projected at 32.00 percent, 31.00 percent, and 35.00 percent with threshold of 40 percent to the end of the projection period in the medium to long term. The Personnel Cost to Revenue remained under State threshold of 60 percent. **Thus, Sokoto State remained sustainable on the revenue and debt indicators, in which the baseline indicators remain under the threshold in medium and long-term.**

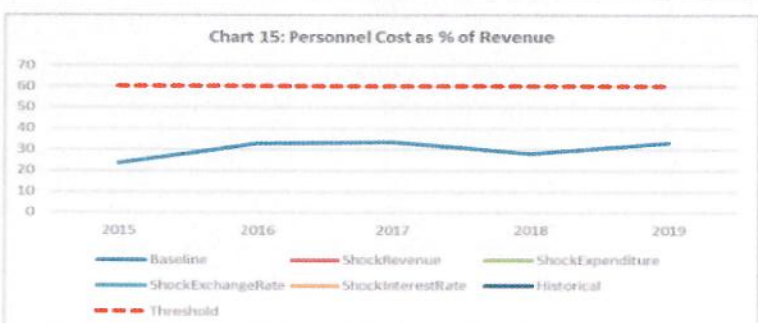
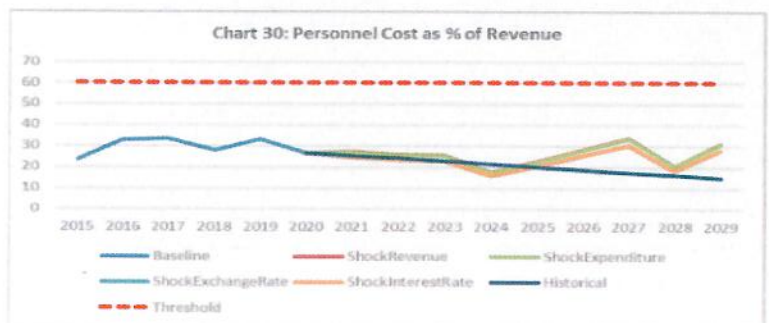
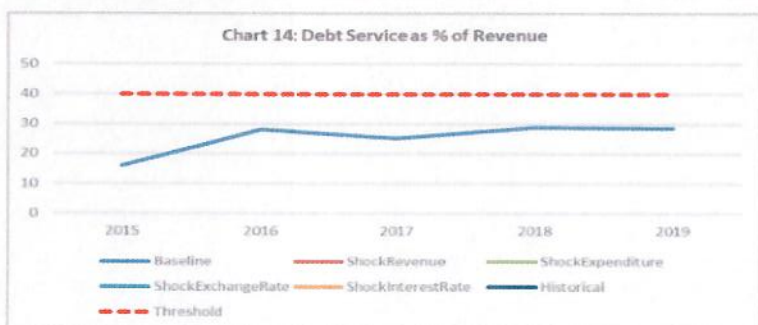
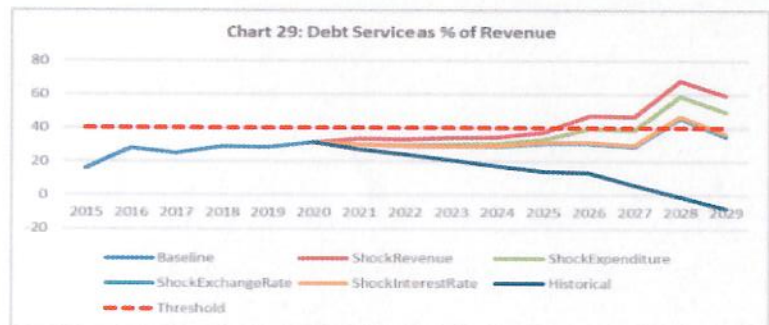
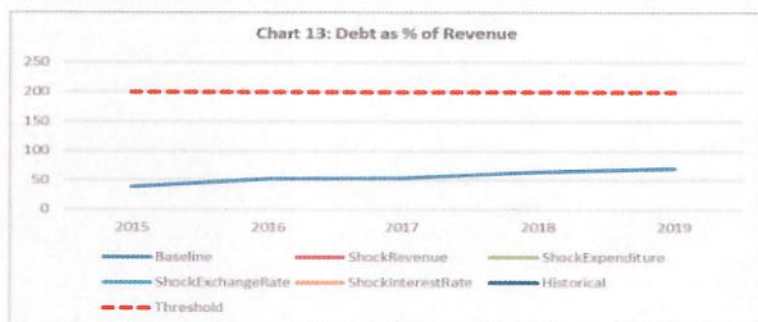
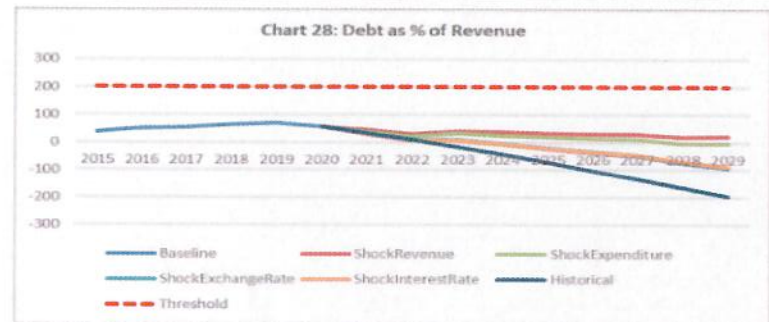
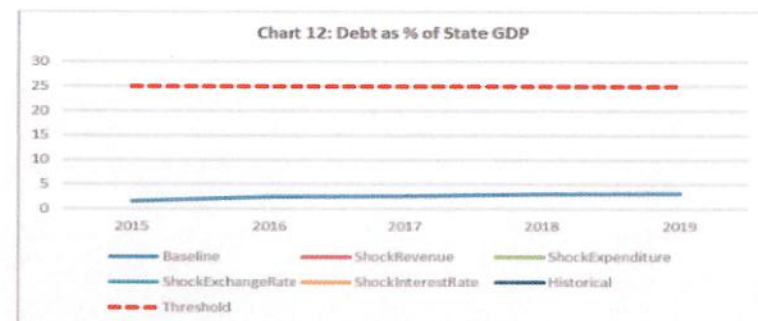
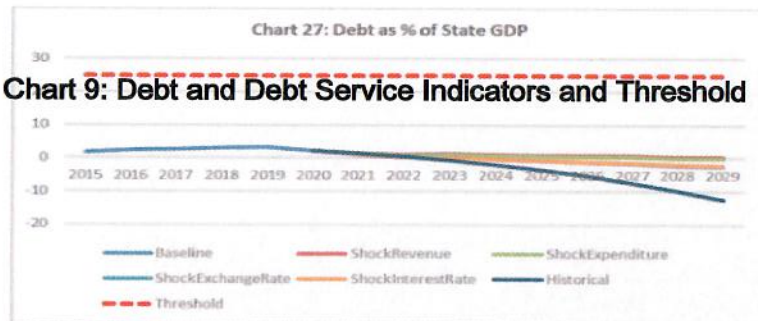
a. Conclusion

The result of the 2020 DSA shows that Sokoto remains at a moderate risk of debt distress 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), 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.

b. DSA Sensitivity Analysis

2020 DSA analysis shows that Sokoto remains at moderate risk of debt distress under sensitivity analysis, were the ratio of debt as % of revenue remain under the State threshold. However, debt service as % of revenue breached the threshold under revenue shocks in 2025.

Chart 9: Debt and Debt Service Indicators and Threshold



Annex I: Baseline Assumptions

Revenue Assumptions:

The State's economy grew as the State reported an average Revenue growth of 13.54 percent from 2015 to 2019. This growth increased the financial resources to the real sector of the economy, and effective implementation of the Economic Policies in the State. It is envisaged that the oil revenue forecast base on the key projection parameters (oil prices in US Dollars, exchange rate, oil production) will boost revenue generation. The IGR is projected using time series analysis, VAT is projected with the assumption of its responsiveness to economic activities and projection on the changes in IGR.

Expenditure Assumptions:

Personnel cost for 2021 (moving forward) is projected with the assumption of minimum wage implementation. Overhead cost is projected on the assumption of fiscal policy to reduce cost of governance and pave way for improved capital investment and industrial development in the State.

Borrowing Assumptions (Options)

Domestic Borrowing - Terms (interest rate, maturity and Grace Period)

Domestic borrowing is anticipated to be through the issuance of bond, with an interest rate of not more than 14% (but could be lower) and with repayment period of not less than 6 years.

External Borrowing - Terms (Interest rate, maturity and Grace Period):

External borrowings are usually tied to a specific project/program and is not envisaged for now though within the MTEF.

Assumptions:
Economic activity

Revenue

State GDP (at current prices)

For example: State GDP projected using the actual S-GDP and projected N-GDP nominal growth rate

For example: State Bureau of Statistics, NBS, etc.

The state is using the conservative from the National Average GDP rate of 2.9%

Revenue

1. Gross Statutory Allocation ('gross' means with no deductions)
of which Net Statutory Allocation ('net' means of deductions)
of which Deductions
2. Derivation (if applicable to the State)
3. Other FAAC transfers (exchange rate gain, augmentation, others)
4. VAT Allocation
5. IGR
6. Capital Receipts
Grants
Sales of Government Assets and Privatization Proceeds
Other Non-Debt Creating Capital Receipts

For example: Forecast within model using Federation Revenue and Revenue Sharing assumptions

The persistent weakening of oil demand and the effects of covid-19 on the global economy plunged oil price below potential uncertainty disruption of global supply/output chains

Weakening global demand for crude and the possibility of disturbances to crude production activities in Nigeria will invariably affect the share of FAAC

Disruption in foreign exchange earnings and increased pressure on foreign reserves.

1. Present government tax charges, rate and increasing new taxable items/heads

For example: following State GDP nominal growth

The State GDP Growth rate is projected to reduce over a couple of years as a result of shocks to National Growth components often which the State Economy relied heavily

An inflation rate & low economic activity caused by prolong disruption economy activities that are largely commerce, informal sector and little industries that faced closure of factories and movement across borders

Expenditure

Expenditure

1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)
2. Overhead costs
3. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)
4. Capital Expenditure

For example: following CPI inflation

The State still maintained double digit inflation rate of 14%

For example: following State GDP nominal growth

Closing Cash and Bank Balance

Closing Cash and Bank Balance

Target for Cash and Bank Balance

Proceeds from Debt-Creating Borrowings

Planned Borrowings (new bonds, new loans, etc.)

New Domestic Financing in Million Naira

Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Inf Loans, and MSMEDF)

Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Inf Loans, and MSMEDF)

State Bonds (maturity 1 to 5 years)

State Bonds (maturity 6 years or longer)

Other Domestic Financing

Reducing overdependent of Sokoto state on revenues from oil require state to be conservative to reduce the risk of revenue shocks

Government Investment Return

Loan recovery (maturity)

Loans are tied to only Economic viable projects i.e infrastructure, mining and agric supportive investments

New External Financing in Million US Dollars

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

External Financing - Bilateral Loans

Other External Financing

Maintain the State credibility status by adhering to terms

Renegotiating all terms that are not realistic giving the current realities

Debt Amortization and Interest Payments

Debt Outstanding at end-2019

External Debt - amortization and interest

Domestic Debt - amortization and interest

For example: amortization and interest payments estimated using profiles recorded in the DMO. Include the external debt service paid through FAAC deductions

DMO

For example: amortization and interest payments estimated using profiles recorded in the DMO. Include the ones paid directly by the State and through FAAC deductions

DMO

New debt issued/contracted from 2020 onwards

New External Financing

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

External Financing - Bilateral Loans

Other External Financing

Insert the Borrowing Terms for New External Debt: interest rate (%), maturity (# years) and grace period (#)

For example: Redemption profile linear, repayment in 40 years with 5-year grace period. Interest rate: fix at 1%

New Domestic Financing in Million Naira

Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Inf Loans, and MSMEDF)

Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Inf Loans, and MSMEDF)

State Bonds (maturity 1 to 5 years)

State Bonds (maturity 6 years or longer)

Other Domestic Financing

Insert the Borrowing Terms for New Domestic Debt: interest rate (%), maturity (# years) and grace period (#)

Annex II: Sokoto State Baseline Scenarios, 2020-2029

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000
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Annex II: Sokoto State Baseline Scenarios, 2020-2029... Cont'd

	2015	2016	Actuals 2017	2018	2019	2020	2021	2022	2023	Projections (Baseline Scenario)						2026	2027	2028	2029		
Financing Needs and Sources (million NGN)																					
Financing Needs						2,395.16	3,100.19	2,797.22	20,335.47	8,709.00	7,830.57	9,523.02	8,347.36	13,677.06	12,953.30						
i. Primary balance						9,080.74	21,632.17	22,247.06	4,950.99	18,575.00	22,042.95	21,493.79	22,902.92	35,708.36	24,069.66						
ii. Debt service						24,483.08	24,632.36	24,944.28	25,186.46	27,184.00	29,773.51	30,916.81	31,150.27	49,285.43	36,922.96						
Amortizations						20,605.17	20,581.33	20,641.66	20,673.40	20,713.62	22,516.36	23,151.44	22,778.02	40,393.52	28,733.79						
Interests						3,877.91	4,051.03	4,302.62	4,513.06	6,470.38	7,257.16	7,765.37	8,372.26	8,891.91	8,189.17						
iii. Financing Needs Other than Amortization Payments (e.g., Variation in Cash and Bank Balances)						-13,007.19	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00							
Financing Sources						2,395.16	3,100.19	2,797.22	20,335.47	8,709.00	7,830.57	9,523.02	8,347.36	13,677.06	12,953.30						
i. Financing Sources Other than Borrowing						552.20	622.15	692.60	763.10	833.60	904.14	974.68	1,045.22	1,115.76	1,186.30						
ii. Gross Borrowings						1,842.96	2,478.04	2,104.62	19,572.37	7,875.40	6,926.43	8,548.34	7,302.14	12,561.30	11,767.00						
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)						1,000.00	2,000.00	2,000.00	10,000.00	5,000.00	3,000.00	5,000.00	5,000.00	2,561.30	3,767.00						
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)						842.96	478.04	104.62	5,000.00	2,875.40	3,926.43	3,548.34	0.00	0.00	0.00						
State Bonds (maturity 1 to 5 years)						0.00	0.00	0.00	4,572.37	0.00	0.00	0.00	2,302.14	10,000.00	8,000.00						
State Bonds (maturity 6 years or longer)						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
Other Domestic Financing						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
External Financing - Bilateral Loans						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
Other External Financing						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
Residual Financing						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
Debt Stocks and Flows (million NGN)																					
Debt (stock)						19,900.13	32,523.58	38,614.64	50,625.30	60,035.24	43,276.74	25,173.45	6,636.40	5,535.37	-7,302.84	-22,892.77	-37,495.87	-52,971.75	-80,803.97	-97,770.76	
External						8,241.93	10,073.32	12,586.53	12,020.59	12,324.74	13,852.46	13,400.31	12,887.83	12,343.60	11,759.17	11,214.95	10,670.72	10,126.50	9,434.53	8,705.32	
Domestic						11,658.21	22,450.25	26,028.10	38,604.71	47,710.50	29,424.28	11,773.14	-6,251.42	-6,808.23	-19,062.01	-34,107.72	-48,166.60	-63,098.25	-90,238.50	-106,476.08	
Gross borrowing (flow)									1,842.96	2,478.04	2,104.62	19,572.37	7,875.40	6,926.43	8,548.34	7,302.14	12,561.30	11,767.00			
External									0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Domestic									1,842.96	2,478.04	2,104.62	19,572.37	7,875.40	6,926.43	8,548.34	7,302.14	12,561.30	11,767.00			
Amortizations (flow)						7,773.42	15,256.53	16,383.44	20,607.75	20,517.02	20,605.17	20,581.33	20,641.66	20,673.40	20,713.62	22,516.36	23,151.44	22,778.02	40,393.52	28,733.79	
External						220.55	279.26	300.72	340.64	387.84	476.00	452.15	512.48	544.22	584.44	544.22	544.22	544.22	691.98	729.21	
Domestic						7,552.87	14,977.27	16,082.71	20,267.11	20,129.18	20,129.18	20,129.18	20,129.18	20,129.18	21,972.14	22,607.22	22,233.79	39,701.55	28,004.58		
Interests (flow)						448.02	2,241.73	1,695.68	2,190.26	3,858.12	3,877.91	4,051.03	4,302.62	4,513.06	6,470.38	7,257.16	7,765.37	8,372.26	8,891.91	8,189.17	
External						76.77	94.48	99.03	99.27	100.30	120.09	108.92	112.70	112.68	112.77	112.00	111.86	111.72	111.62	109.99	
Domestic						371.26	2,147.25	1,596.65	2,090.99	3,757.82	3,757.82	3,942.11	4,189.92	4,400.38	6,357.62	7,145.16	7,653.50	8,260.53	8,780.29	8,079.18	
Net borrowing (gross borrowing minus amortizations)									-18,762.22	-18,103.29	-18,537.05	-1,101.03	-12,838.21	-15,589.93	-14,603.10	-15,475.88	-27,832.22	-16,966.79			
External									-476.00	-452.15	-512.48	-544.22	-584.44	-544.22	-544.22	-544.22	-691.98	-729.21			
Domestic									-18,286.22	-17,651.14	-18,024.56	-556.81	-12,253.78	-15,045.71	-14,058.88	-14,931.66	-27,140.24	-16,237.58			
Debt and Debt-Service Indicators																					
Debt as % of GDP						1.62	2.44	2.58	3.02	3.17	2.18	1.15	0.28	0.21	-0.26	-0.75	-1.14	-1.51	-2.14	-2.42	
Debt as % of Revenue						38.72	52.10	53.86	63.95	70.60	55.91	30.80	7.78	6.35	-7.72	-23.58	-36.98	-48.99	-74.94	-92.49	
Debt Service as % of Revenue						16.00	28.03	25.22	28.80	28.66	31.63	30.14	29.25	28.90	28.74	30.67	30.49	28.81	45.71	34.93	
Personnel Cost as % of Revenue						23.68	32.73	33.70	28.06	33.36	26.51	24.59	23.45	22.95	15.86	20.60	25.64	30.52	18.55	27.93	
Debt Service as % of Gross FAAC Allocation						18.73	34.87	31.30	35.05	36.91	54.29	52.41	50.92	48.33	46.27	46.68	44.63	43.10	65.00	46.16	
Interest as % of Revenue						0.87	3.59	2.37	2.77	4.54	5.01	4.96	5.04	5.18	6.84	7.48	7.66	7.74	8.25	7.75	
External Debt Service as % of Revenue						0.58	0.60	0.56	0.56	0.57	0.77	0.69	0.73	0.75	0.74	0.68	0.65	0.61	0.75	0.79	