



GOVERNMENT OF IMO STATE, NIGERIA

2025

IMO STATE

**DEBT SUSTAINABILITY
ANALYSIS**

AND

DEBT MANAGEMENT STRATEGY

(DSA-DMS)

REPORT

(SIXTH EDITION)

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FOREWORD

The 2025 Imo State's Debt Sustainability Analysis and Debt Management Strategy (DSA-DMS) Report is the Sixth Edition in a row accomplished under the prodigious administration and leadership of the Executive Governor of Imo State, His Excellency, Distinguished Senator Hope Uzodinma, after the success of the First Edition in 2020.

The First Edition, which majorly reported the sustainability of the State relative to its Debt, Debt Service and Revenue only, hence titled Debt Sustainability Analysis (DSA) Report, was limited in its scope. The addition of the Debt Management Strategy (DMS) in the 2021 Report, however, raised the bar as it was expected to guide the borrowing activities of the State Government in the medium-term to the long-term by meeting Government's financing needs at minimal cost with a prudent level of risk under the four different strategies. The Third, Fourth and Fifth Edition continued to evaluate the State's risk of distress, considering its capacity to carry its current debt and future borrowings under baseline and shock scenarios. This 2025 Report, however, goes further to consolidate the previous year's report Analytical Tool and methodology.

Among the pillars of best practices in recent Public Debt Management policies are the formulation and implementation of a Debt Management Strategy; thereby prompting the evaluation, scrutiny, and reporting on the DMS from the year 2025-2034, while using the Analytical Tool Template developed by the Debt Management Office (DMO), Abuja and the World Bank Group. This activity is apparently meant to improve the assessment, of States in general and Imo State in particular, in terms of its Public Debt management practice and implementation of fiscal transparency by Rating Agencies, Development Partners, Investors, Governments (both local and international), and other stakeholders.

Debt Management Strategy is said to be anchored on the prudent access to concessionary financing that is needed to fund growth and development within a sustainable debt profile with improving grant inflows while facilitating private sector participation in the funding of critical infrastructures in particular, and the real sector in general. More so, the objective of the Debt Management Strategy is to further broaden and deepen the Domestic Bond Market especially through the issuance of Long-term Bonds for the development of the real sector of the State while complying with the necessary applicable laws such as the Fiscal Responsibility Law, Debt Management Law, and the Medium-Term Expenditure Framework (MTEF).

The empirical Baseline Scenario findings under the DSA show that the State's Public Debt Ratios (Stock and Service) demonstrate a positive position from 2025 to 2034, which are significantly below the thresholds. The Debt Stock to Revenue Ratio threshold under the Revenue and Expenditure shocks was within limits.

The conclusion is thus that the State will BE able to preserve the sustainability of its debt in the medium term and in the long term. Continuous and significant efforts in revenue revamps and growth (particularly the Internally Generated Revenue-IGR) should be initiated as a matter of urgency; future borrowings should be curtailed and the present borrowings should be deployed to revenue generating ventures or projects with returns in order to sustain the positive trend.

With respect to the DMS on the other hand, it is in favour of the Preferred Strategy (S1) among the four Debt Management Strategies set out. This Preferred DMS focuses on increased dependence on long-term tenured Domestic and External financing with a corresponding reduction in short-term instruments, especially short-term Commercial Banks Loans in order to moderate refinancing risks. In addition, it anticipates that the Cost Profile of the State's Public Debt portfolio will be maintained at a sustainable level in the medium to long term while ensuring that the government's financing needs are met at the lowest cost and with a prudent level of risk.

Going forward, the fiscal and economic reform policies highlighted in this report with respect to serious Internally Generated Revenue drive revamp and blockage of revenue leakages, Treasury Single Account (TSA), effective Cash Management, efficient Expenditure control, and prudent Borrowing Limit plans according to the respective enacted laws and as currently being championed by the Administration of His Excellency, Distinguished Senator Hope Uzodimma, are but the only ways to guide the State to sustainable debt position both in the medium and long terms.

Without mincing words, the germaneness of the yearly DSA-DMS Report, particularly this 2025 Analysis, goes beyond meeting up the requirements of the States' Fiscal Transparency, Accountability and Sustainability (SFTAS) Disbursement Linked Indicator (DLI) 7.2 to also satisfying the requirements of the State Action for Business Enabling Reforms (SABER) Eligibility Criteria.

As the Commissioner for Finance and Coordinating Economy and on behalf of my team, I wish to sincerely and immensely appreciate His Excellency, the Governor for giving his full support in all ramifications to produce this report in line with the requirements of SFTAS; and in pushing the limits, expecting the best, and bringing the best out of us in the process.

I explicitly commend the absolute commitment of the Imo State DSA-DMS Team, comprising all relevant stakeholder institutions headed by the Debt Management Office; the Ministry of Budget, Economic Planning, and Statistics; Bureau for Public Procurement and Price Intelligence and Office of the Accountant General of Imo State; with technical supports from the Debt Management Office (DMO), Abuja and the World Bank Group.



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CHAPTER ONE

INTRODUCTION

1.0 Introduction

The state, Imo, derives its name from the Imo River, which originates from the Okigwe/Akwa uplands, located between latitudes 40.45'N and longitudes 50.50'E to 70.25'E. The State was established on February 3, 1976, by the Federal Military Government as one of the seven newly created states. Prior to its creation, Imo was part of the former East Central State, now recognized as the South-Eastern region of Nigeria. Geographically, Imo occupies the area between the lower River Niger and the upper and middle reaches of the Imo River. Strategically positioned in the heart of the nine Igbo-speaking eastern states, Imo shares boundaries with Abia State to the east, the River Niger and Delta State to the west, Anambra State to the north, and Rivers State to the south.

Imo State spans a landmass of approximately 5,289 square kilometers and is home to a population exceeding 4.9 million, growing at an annual rate of 4.1%. With a population density of about 1,400 people per square kilometer, the State is one of the most densely populated in Nigeria. Fondly referred to as "The Eastern Heartland of Hope," Imo takes pride in its vibrant, highly educated, and industrious human capital. The State also boasts a fertile and serene environment that offers a secure and promising landscape for investment—particularly in agriculture, agro-allied industries, information and communication technology (ICT), tourism and hospitality, and manufacturing.

The State's economy is predominantly driven by agricultural production, with cassava serving as a cornerstone crop. Its by-products are widely consumed as staple foods and also utilized as industrial raw materials. Palm oil is another essential agricultural commodity, relied upon by the majority of residents for cooking and domestic use. In addition to agriculture, the extraction of crude oil and natural gas plays a significant role in the State's economic landscape, particularly in the northern and western regions of Imo.

Imo State comprises 27 Local Government Areas and is organized around three major urban zones: Owerri, Orlu, and Okigwe. The State capital, Owerri, is widely celebrated as "The Entertainment Hub of the East" and "The Home of Hospitality," reflecting its vibrant tourism, entertainment, and hospitality sectors. These industries thrive in Owerri's dynamic urban environment, making it a focal point for cultural expression, leisure, and investment in southeastern Nigeria.

Historically, Imo State's economic outlook was largely characterized by a dominant public service and agricultural sector. However, the current administration is actively reshaping this narrative, steering the State toward a more dynamic, private sector-driven economy. This transformation is guided by the **Shared Prosperity Administration's Macro-Economic Blueprint**, anchored on the **"3-R" Strategic Initiatives: RECONSTRUCTION of core infrastructure, REHABILITATION of component micro-economic institutions, and RECOVERY of damaged economic structures**. The ongoing wave of infrastructural revitalization and other progressive policies stand as compelling evidence of this shift. These efforts are strategically aimed at enhancing the ease of doing business and fostering long-term prosperity for all citizens.

However, like every other state in the country, Imo is equally grappling with the challenge of servicing and sustaining its growing debt portfolio. Over the years, this debt expanded due to the pressing need for infrastructural and human capital development needs often financed through internal and external loans when budgetary resources were insufficient. Therefore, addressing this financing gap and ensuring effective debt management going forward has necessitated the formulation of the Debt Sustainability Analysis (DSA) and Debt Management Strategy (DMS). These frameworks are designed to guide the government in maintaining a borrowing structure that minimizes cost and risk, while ensuring its ability to meet both current and future debt obligations without resorting to exceptional financial assistance or risking default.

The 2025 Debt Sustainability Analysis and Debt Management Strategy (DSA-DMS), now in its sixth edition, is obviously a critical instrument for evaluating the State's fiscal trajectory. It assesses key developments in historical fiscal activities from 2020 to 2024 to determine the State's capacity to meet its debt obligations as they fall due (liquidity) over the medium to long term (2025–2034), with particular emphasis on revenue performance. Furthermore, the report aims to safeguard against over-borrowing (solvency) by promoting the prudent implementation of developmental and borrowing plans. These strategies are, thus, designed to optimize the composition of the State's debt portfolio (addressing the financing gap) while carefully weighing the cost-risk trade-offs of various financing options.

1.1 Background

While on one hand the Debt Sustainability Analysis (DSA) is designed to highlight and analyze trends and patterns in the State's public finance during the historical period of 2020-2024 and evaluates the debt sustainability during the medium to long term of 2025-2034 with related policies recently adopted by the State, including a debt sustainability assessment conducted,

scenarios and sensitivity analysis in order to properly evaluate the prospective performance of the State's public finance.

The main objective of the Debt Management Strategy (DMS) on the other hand is to ensure that the State Government's financing needs are well structured and payment obligations are met at the lowest possible cost over the medium to long term, consistent with a prudent degree of risk that is within acceptable tolerances; especially as modern risk management has become an important tool for achieving strategic debt targets in the world of business and governance today. Thus, Four Debt Management Strategies have been formulated, and the analysis there of calculates the costs of carrying public debt and measures the inherent risks associated with macro-economic and fiscal shocks using the updated tool-kit (**DSA-DMS Template**) developed by the Debt Management Office, Abuja, Nigeria in partnership with the World Bank.

The data used in this analysis were derived, among others, from the Financial Statements published by the Office of the Accountant General of the State; the State 2025 Appropriation Law; MTEF (2025-2027), and Macro-economic inputs from the Ministry of Budget and Economic Planning; revenue reports from Imo State Internal Revenue Service; Debt Stock Reports of the Debt Management Office; and revenue projections of 2025 to 2034 from Debt Management Office and World Bank.

The State's Total Public Debt, which stood at N180.59 billion in 2020 and rose to N239.65 billion in 2023, declined to N219.01 billion in 2024, before a sharp increase of N702.66 billion in 2025. This is expected to gradually decline from N680.14 billion in 2026 to N399.77 billion at the end of December 2034. Total Public Debt as a share of Revenue, which depicted 211% in 2020, dropped to 164% in 2021, before rising again to a height of 200% and 206% in 2022 and 2023, respectively, and thereafter nosedived to the lowest point of 55% in 2024. From 2025 onward, there is an expected decrease from 282% to 20%, representing a 92.91% decrease, thereby indicating improved fiscal sustainability. As per the State's repayment capacity in terms of Debt Service to Revenue, it was all within its threshold of 40% from 2020 to 2034.

This risky but positive Debt Service position and the subsequent improvement in the Public Debt Stock to Revenue ratio as stated above, are however only attainable given the State's continuous strong stand on effective cost of governance in terms of its recurrent expenditures, efficient integrated personnel information system via the linkage of the BVN and Imo State Social Benefit Number (IMSSBN) of staff, creation and efficient mobilization of IGR sources with automated process, blockage of revenues leakages, technologically driven and effectively monitored Treasury Single Account.

Others include the employment and training of more revenue officers in order to increase tax revenue collection, implementation of a self-help tax assessment electronic platform - Electronic Payment, Filing System, and Registration; the revamping and diversification of the economy with the 3-Rs mantra, improved procurement practices for increased transparency and value for money; effective and efficient cash management system; and most importantly, *continuous ample provision for Debt Service in the Budget in order to hedge out unsustainability.*

1.2 Summary of Findings

Revenue and Expenditure data were analyzed to determine how sustainable the State debts are. Emphasis was drawn from Internally Generated Revenue, Federal transfers, and Grants to extrapolate for the solvency of the State in the long run, and just as the personnel cost, overhead cost, and other expenditure components were also considered in reaching the empirical conclusions.

- The Total Revenue (FAAC, IGR, and Grants) received within this period (2020–2024) was N816.021billion, and the Total Expenditure incurred was N1, 006.56billion, with a deficit balance of N190.54billion.
- The peak of the Expenditure was in 2024 when Debt Service was N46.57billion, thereby accounting for 12.71% of the Total Expenditure of N366.25billion. Capital Expenditure was the highest at N240.37billion, which accounted for 65.63% of the Total Expenditure.
- The Total Revenue expected for the forecast period (2025–2034) is N10.707 trillion with an expected Total Expenditure of N18.235 trillion, amounting to a deficit balance of N7.528 trillion. The reason for this deficit is not far-fetched as the State Government is expected to review and implement a new Minimum wage and make provision for both human and infrastructural development capital projects, in both the medium and long term.

1.3 Overall Results

Total Public Debt decreased significantly in the projection years, portraying the State's repayment capacity relative to the public debt position not surpassing the threshold of 200%. Debt-to-SGDP, also, was below the threshold of 25% for both historical and projection periods; while Debt Service-to-Revenue projections were below the threshold of 40% Personnel Cost-to-Revenue was also below the threshold of 60% in the entire duration; just as the Fiscal Outturns showed stability in the long term aside from the deficits in 2022, 2023 and 2025 of the Overall Balance as a share of S-GDP.

The above empirical Baseline Scenario findings thus show that the State's Public Debt Ratios (Stock and Service) demonstrate a positive position from 2020 to 2034, which are significantly



below the thresholds. A further critical examination of the impact of the different shock scenarios (as shown in Chart 28), shows that the State's sustainability, apart from 2025, was not threatened in the medium term and the long term as the Debt Stock to Revenue Ratio threshold under the Revenue shocks never exceeded at 200%.

From the foregoing, therefore, it suffices to conclude that the State will **BE** able to preserve the sustainability of its debt in the medium term and in the long term.

Treasury Single Account (TSA) has also become sacrosanct in the system with automated revenue collection structure vigorously being pursued in collaboration with **Inter-switch Ltd.** Meanwhile, expansion and inclusion of revenue heads such as Land Use Charge and many more, hitherto not captured in the State's budget but very germane for the development of the State are equally being tracked to improve the sustainability of the State; in addition to the shrewd aggregate expenditure control policy, especially with the Personnel and Overhead Costs; and a robust debt management strategy.

CHAPTER TWO

IMO STATE FISCAL AND DEBT FRAMEWORK

2.1 Fiscal Reforms in the Last 3 to 5 years

Over the past few years, Imo State has embarked on a bold journey of fiscal reform, institutional strengthening, and inclusive development. Under the current administration, the State has recorded measurable growth in Internally Generated Revenue (IGR), enhanced expenditure efficiency, and embraced transparency and accountability. National policies such as the Petroleum Industry Act (PIA) and the Minimum Wage Law have also influenced fiscal dynamics, among other things.

- i. **The State Development Plan (SDP):** Imo State has outlined a ten-year development plan. The plan focuses on transforming the State into an industrialized region through infrastructural expansion and economic development. The 3R framework of Reconstruction, Rehabilitation and Recovery will guide the development plan.
- ii. **The State Action on Business Enabling Reforms (SABER):** The objectives of SABER include: improving the efficiency of land administration, the regulatory framework for private investment in fiber optic infrastructure, services provided by investment promotion agencies and public-private partnership units, and the efficiency and transparency of government-to-business services. This initiative also aims to offer additional incentives, such as employing result-based funding to improve the business climate of the State.
- iii. **The Imo State Business Enabling Reform Action Plan (IMOBBERAP):** The plan provides a foundation for the State's continuous corporate, economic and social growth. It strengthens the capabilities of the relevant agencies for the long term and sustains the improvements on an ongoing basis.
- iv. **The Debt Management Law:** This Law, enacted in June 2021 with full domestication in the State, repealed the incomprehensive Imo State Debt Securities Issuance Law of 2016. With the advent of this new Law, the Debt Management Office of the State became fully birthed and subsequently empowered to manage on behalf of the Government, its Internal and External debts. In addition to the management, to conduct and implement any debt issuance program of the Imo State Government for the financing of its capital budget or public investment projects and commitments, and the restructuring of any existing debt. The Imo State Arrears Clearance Framework was equally promulgated.

- v. **The Orashi Energy Free Trade Zone:** Imo State launched the Orashi Energy Free Trade Zone in April 2025, aiming to boost industrialization, energy investment, and export capacity—especially through improved waterway access via Oguta Lake and Orashi River, commencing with the dredging of the Oguta Lake and Orashi River sea-route to the Atlantic Ocean. The Orashi Special Energy Free Trade Zone (OSEFTZ), located in Mmahu and Abacheke communities of Ohaji-Egbema LGA, is a strategic initiative by the Imo State Government to unlock the region’s hydrocarbon potential and stimulate economic growth. The zone is designed to attract investments in oil, gas, petrochemicals, and power generation, while also serving as a logistics and industrial hub.
- vi. **The Imo State Electricity Regulatory Commission (ISERC):** The State is among the first states to take advantage of the new constitutional provision that removed power generation and transmission from the Exclusive Legislative list to the Concurrent list. The State Government, has thus signed a Memorandum of Understanding (MOU) with the Orashi Electricity Company Limited to generate, transmit and distribute electricity in all the 27 Local Government Areas of the State. An exercise expected to positively impact on the intending industrialization vision.
- vii. **Automatic promotion for Civil/Public Servants:** As part of the ongoing reforms exercise, the Government has made a broader initiative to revamp the civil service and improve public administration, with the implementation of the promised automatic promotion of all civil and public servants who were due for elevation in 2023. This is aimed to boost morale and productivity among the public workforce.
- viii. **The Civil Service and Pension System Reforms:** Among other reforms introduced by the State Government is the Biometric and BVN capturing of Workers and Pensioners. The exercise was undertaken to give credence to the monthly salary and pension payments. Today, every eligible civil servant and pensioner is known with a verifiable **Imo State Social Benefit Number (IMSSBN)**, which has greatly curtailed the issue of ghost workers and pensioners in the State, thereby preventing fund leakages and freeing more funds for other developmental purposes.
- ix. **The Minimum Wage Increase:** Having successfully truncated salary and pension fraud by ensuring e-salary and pension payment with verifiable **BVN** via the **IMSSBN**, the State Government has equally approved the new **N104,926.65 Minimum Wage** with the least junior civil servant going home with at least N104,926.65 as allowed by the Labour Law.
- x. **The National Health Insurance Scheme (NHIS):** The National Health Insurance Scheme is a body corporate established under the NHIA Act. The government of Imo

State has established the Imo State Insurance scheme that will be administered by the Imo State Insurance Agency (IMSHIA). Its main objective is to ensure the poor and vulnerable shall have access to the basic minimum package of healthcare.

- xi. Establishment of Imo State Geographical Information System (IGIS):** The Office was created to provide the State with a modern and efficient land administration backed by automated systems and a fully trained staff that can produce secured land titles and increase Internally Generated Revenue. IGIS collects, collates, verifies and digitalize all geospatial data. The processed information is then stored in a database.
- xii. Skill-Up Imo Digital Scheme:** The State Government created the Ministry of Digital Economy and E-Government to enhance the economy of the State. The Ministry initiated a policy named IDEA (Imo Digital Economic Agenda). The Ministry is empowering 300,000 youths on new innovative and self-employment skills of ICT that will equip them to be productive and self-reliant over a period of five years.
- xiii. One Kindred, One Business Initiative (OKOBI):** This is an initiative which is aimed at grassroots business empowerment from kindred and communities. The model exemplifies the collaboration of two or more individuals pooling resources to establish lucrative, sustainable and profitable business ventures. The primary objective is to empower communities, fostering employment and wealth creation through well-structured cooperative enterprises across the state.

Other Fiscal reforms undertaken and mentioned in the preceding 2022 and 2023 reports which include the IPSAS Revenue Code, the Fiscal Responsibility Act, the Audit Law and the Tax Law Reform on PIT are obviously still having continuous direct impacts on the fiscal efficiency of the State.

2.2 2025-2027 Medium-Term Expenditure Framework (MTEF), 2025 Appropriation Act (Budget) and 2024 Budget Performance

- i. 2025-2027 Medium-Term Expenditure Framework:** The MTEF provides a tool for multi-year fiscal planning and budget formulation process aimed at enabling the State Government to set fiscal targets and efficiently allocate scarce resources or public funds to strategic priorities for efficient and effective results or programs. The key elements of the MTEF are the Macro-economic Framework (MEF), Fiscal Strategy Paper (FSP), Budget Policy Statement (BPS), Consolidated Debt Statement (CDS) and the Economic Fiscal Update (EFU).
 1. **The MEF** sets out the macro-economic projections for the next three financial years based on several different sources of information such as the National

Inflation, Real GDP growth, Oil Production, Oil Price Benchmark, CBN official exchange rate, the mineral ratio that reflects the percentage of the crude oil sales that get to the federation account and the State GDP.

2. **The FSP** considers the overall policy of government along the State Developmental Plan of **"RECONSTRUCTION, REHABILITATION AND RECOVERY"** with the following key criteria: investment in education, healthcare, social welfare, security of lives and properties, good governance, rebuilding and expanding of decaying infrastructures, promotion of agriculture and food security; as well as its Cash Management Strategy and Procurement Act.
3. **The BPS** states the policy goals that will guide the Government's budget decisions in aggregate revenue and expenditure, and how the budget accords with the government's short-term intentions going forward. To achieve its vision the current administration will focus on five areas namely; Economic Development, Agriculture, Social Welfare, Security and justice, and Governance. Consequently, financial resources will be strictly dedicated to meeting the objectives outlined in the State Developmental Plan.
4. **The CDS** describes the fiscal significance of the debt liability of the State Government and measures to reduce any such liability with the principles of responsible fiscal management; and more so with the passage of the Debt Management Law.
5. **The EFU** is a mid-year report that provides revised economic forecast for government next fiscal year. Further, it provides information on the current and projected financial position of government general sector. It is aimed primarily at policy makers and decision takers in government. It also provides an assessment platform for budget performance (both historical and current).

The MTEF 2025-2027 macro-economic assumptions as postulated by the State Ministry of Budget, Economic Planning and Statistics and the Budget Office of the Federation are shown in the table below, using key parameters as well as other macro-economic projections driving the Medium-Term Revenue and Expenditure Framework in accordance with the Federal Government template.

Table 2.1: Macro-Economic Assumptions of 2024 and 2025 Imo State Budgets and 2025-2027 MTEF Assumption

S/N	INDICATORS	2024 BUDGET	2024 MTEF	2025 MTEF	2026 MTEF	2027 MTEF
1	Oil Price (US \$/b)	77.96	77.96	75.00	76.20	75.30
2	Oil Production (mbpd)	1.78	1.78	2.06	2.10	2.35
3	NGN-USD Exchange Rate	N800.00	N800.00	N1,400.00	N1,400.00	N1,400.00
4	Inflation	21.40%	21.40%	15.75%	14.21%	10.04%
5	GDP Growth (real)	3.80%	3.80%	4.60%	4.40%	5.50%
6	State GDP Growth Rate	3.58%	3.58%	3%	3%	3%
7	State Nominal GDP (N 'billion)	9,570.98	9,570.98	10,995.91	12,233.53	13,611.34

Source: FG MTEF 2025-2027 and WBG

As at the time of writing this report, there is no publicly available “Imo State Medium Term Expenditure Framework 2026-2028”. While the Real GDP growth rate was at 3.80% in 2024, it is projected to rise to 4.60% in 2025, decrease slightly to 4.40% in 2026, before rising to a peak of 5.50% in 2027; showing that growth rate is expected to increase beyond the 2025-2027 Medium Term Expenditure Framework. This increase is driven by global economic conditions and the government’s overall development policy thrust. The State Nominal GDP is also expected to rise to increase from N9,571 in 2024 to N13,611 in 2027, largely due to inflation-driven consumption expenditures. The inflation rate declines from an average of 21.40% to 10.04%, depicting the increase in GDP Growth rate for the respective years. The stabilization of the exchange rate of N1,400 per US \$ over the medium term based in the expected rebound of economic activities. The current crude oil price is US \$ 75.00 per barrel has been adopted for 2025. This estimate is 3.8% lower than \$ 77.96 per barrel in 2024. Oil prices are expected to rise in 2026 & 2027 due to weather and climate disruptions and further escalation of the conflict in the Middle East. From 1.78 million barrel a day in 2024, there is an increasing trend to 2.35 million a day in 2027. This divergence reflects the ongoing security crackdown on cases of crude oil theft and government fiscal policies, especially on import tariff on oil imports.

- ii. **2025 Appropriation Act (Budget):** The 2025 Fiscal Year Budget, called ***Budget of Expanded Economic Opportunities***, was signed into law on 31st December 2024 and is based on the above macro-economic assumptions (as shown in Table 2.1 above). An aggregate Sum of N807,088,041,220.00 was appropriated by the Imo State House of Assembly with a Recurrent Expenditure of N112,302,000,000.00 representing 13.91% while the Capital Expenditure is N694,786,041,220.00 representing 86.09% of the Total Budget Estimate.

This is further broken down in Table 2.2 below in terms of its Expected Revenue and Expenditure heads. While the Total Revenue is made up of 41.60% Recurrent Revenue and 58.4% of Capital Receipts, the Total Expenditure comprises 13.91% of Recurrent Expenditure and 86.09% of Capital Expenditure.

Further deduced from the Table, the 2025 Budget policies are anchored on an expected increase in FAAC revenues, as the target for other FAAC transfers is pegged at N183,209,583,373.18 representing 45.63% of the Expected Recurrent Revenue, while VAT takes 23.64%. The expectation is obviously high for derivation revenues in the State compared to 2024, which had N11, 969,420,146.00 as natural gas resources are being consciously and systematically activated.

Table 2.2: The Description of 2025 Budget (Revenue & Expenditure Sources)

S/N	DESCRIPTION	AMOUNT IN NAIRA (₦)	%
A	RECURRENT REVENUE:	335,731,187,206.00	41.60%
1	IGR	42,577,065,257.00	
2	Gross Statutory (FAAC)	21,568,112,101.19	
3	VAT	75,368,036,619.38	
4	13% Derivation	13,008,389,855.25	
5	Other FAAC Transfers	183,209,583,373.18	
B	CAPITAL RECEIPTS:	471,356,854,014.00	58.40%
1	Aids and Grants	43,217,692,793.84	
2	CDF (Domestic Loans/ borrowings Receipt)	428,139,161,220.16	
	TOTAL REVENUE:	807,088,041,220.00	100
C	RECURRENT EXPENDITURE:	112,302,000,000.00	13.91%
1	Personnel Cost (Including Pension & Gratuity)	67,402,000,000.00	
2	Overhead Cost	31,487,970,669.38	
3	Public Debt Service (Prin. + Int.)	13,412,029,330.62	
D	CAPITAL EXPENDITURE:	694,786,041,220.00	86.09%
1	Administration Services Sector	16,608,136,000.00	
2	Economic Sector	569,735,671,220.00	
3	Law and Justice Sector	2,994,000,000.00	
4	Social Services Sector	105,448,234,000.00	
	TOTAL EXPENDITURE:	807,088,041,220.00	100

Source: Imo State 2025 Appropriation Act

The State also hopes to access funds from Aids and Grants to the tune of N43,217, 692,793.84, and an expected foreign borrowing of N428,139,161,220.16 to co-finance this Budget, as spelt out in Table 2.3 below.

Table 2.3: 2025 Budget Capital Receipts Composition

S/N	DESCRIPTION	AMOUNT IN NAIRA (₦)	%
1	Capital Development Fund	226,020,000,000.16	47.95%
2	International Development Association (IDA)	62,156,248,164.84	13.19%
3	United Nations Children’s Fund (UNICEF)	663,545,030.00	0.14%
4	United Nations Fund for population activities	256,226,000.00	0.05%
5	World Bank Trust Fund	1,535,961,932.00	0.33%
6	Donation by Federal Government	12,412,831,667.00	2.63%
7	African Development Bank	36,088,041,220.00	7.66%
8	International Fund for Agricultural Development	132,224,000,000.00	28.05%
TOTAL CAPITAL RECEIPTS:		471,356,854,014.00	100

Source: Imo State 2025 Appropriation Act

It is pertinent to note there was a sharp increase in VAT from N40, 184,524,128 to N79, 368,036,619.18 in 2024 and 2025 respectively. This was appropriated for by the State House of Assembly and duly assented by the Executive Governor, Distinguished Senator Hope Uzodimma.

The massive road constructions to be actualized with the above Capital Receipts include, but not limited to, the construction of Orlu-Urualla-Akokwa-Uja roads, the construction of the Amaraku-Umunkwu-Amazari-Umundugba roads, and the completion of the Imo Light-Up project that will distribute power to the 27 LGAs of the State. Other infrastructural projects include the rehabilitation of the 305 Primary Health Centers across the LGAs of the State and the completion of the Assumpta roundabout flyover within the Owerri Metropolis. The Capital Expenditures provisions as captured in the Budget are shown in Table 2.4 below.

Table 2.4: 2025 Budget Capital Expenditure Composition

S/N	DESCRIPTION	AMOUNT IN NAIRA (₦)	%
1	Purchase of Fixed Assets	94,129,786,653.00	13.55%
2	Construction / provision of Fixed Assets	486,579,040,746.00	70.03%
3	Rehabilitation / repairs of Fixed Assets	65,994,440,821.00	9.50%
4	Preservation of the environment	17,422,000,000.00	2.51%
5	Other Capital Projects	30,660,773,000.00	4.41%
TOTAL CAPITAL EXPENDITURE		694,786,041,220.00	100

Source: Imo State 2025 Appropriation Act

- iii. **2024 Budget Performance Assessment:** The “*2024 Shared Wealth Prosperity Budget of Renewed Economic Growth*” was pegged at N592,234,594,177.00, which comprised of N177,672,722,455.61 as Recurrent Expenditure and N474,561,871,721.39 as Capital Expenditure, including an expected Recurrent Revenue of N241,002,701,430.00 with a Capital Receipts of N351,231,892,747.00 as shown in Table 2.5 below.

Table 2.5: The 2024 Budget and Its Performance Assessment

S/N	DESCRIPTION	2024 BUDGET (₦)	2024 ACTUAL (₦)	VARIATION (₦)	DEGREE OF PERF. (%)
A	RECURRENT REVENUE:	241,002,701,430.00	196,873,522,833.76	-44,129,178,596.24	18.31
1	IGR	104,987,382,838.00	20,223,780,975.50	-84,763,601,862.50	
2	Gross Statutory (FAAC)	41,834,054,715.00	29,029,866,980.14	-12,804,187,734.86	
3	VAT	40,184,524,128.00	64,238,261,804.04	24,053,737,676.04	
4	13% Derivation	11,969,420,146.00	60,590,460,201.52	48,621,040,055.52	
5	Other FAAC Transfers	42,027,319,603.00	22,791,152,872.56	-19,236,166,730.44	
B	CAPITAL RECEIPTS:	351,231,892,747.00	179,007,749,351.33	-172,224,143,395.67	49.03
1	Aids and Grants	79,887,587,293.00	22,168,536,572.00	-57,719,050,721.00	
2	CDF (Domestic Loans/ borrowings Receipt)	271,344,305,454.00	156,839,212,779.33	-114,505,092,674.67	
	TOTAL REVENUE:	592,234,594,177.00	375,881,272,185.09	-216,353,321,991.91	36.53
C	RECURRENT EXPENDITURE:	100,366,578,240.61	59,931,490,833.98	40,435,087,406.02	40.29
1	Personnel (Incl. Pens. & Grat.)	61,181,593,385.56	5,414,236,617.34	55,767,356,768.22	
2	Overhead Cost	37,131,459,854.75	25,342,390,653.87	11,789,069,200.88	
3	Public Debt Service	2,053,525,000.30	29,174,863,562.77	-27,121,338,562.77	
D	CAPITAL EXPENDITURE:	474,561,871,721.39	240,374,928,407.30	234,186,943,314.09	49.39
1	Administration Services Sector	168,566,710,000.00	28,088,234,772.97	140,478,475,227.03	
2	Economic Sector	251,070,000,925.39	197,950,110,486.18	53,119,890,439.21	
3	Law and Justice Sector	4,259,600,000.00	2,637,433,950.00	1,622,166,050.00	
4	Social Services Sector	50,665,560,769.00	11,699,149,198.15	38,966,411,570.85	
E	LOAN REPAYMENT:	17,306,144,215.30	20,894,523,368.22	-3,588,379,152.92	17.17
	TOTAL EXPENDITURE:	592,234,594,177.00	321,200,942,609.50	271,033,651,567.50	45.77
	CASH BALANCE:				
	NET CASH: (TR-TE)		54,680,329,575.59		
	OPENING BALANCE		31,100,624,334.82		
	CLOSING BALANCE:		85,780,953,9103.41		

Source: Imo State 2024 Appropriation Act and 2024 Financial Statements

Evaluating the 2024 Budget performance, the budgeted Recurrent Revenue of N241,002,701,430.00 was not realized, falling short by 18.21%, even though the targets of its VAT and 13% derivation were surpassed by 37.45% and 80.25% respectively. The Capital Receipt on the other hand was N179,007,749,351.33 representing 60.97% of its budget, with Aids and Grants amounting to N22,168,536,572.00 while Borrowings (Internal and External) accounted for N156,839,212,779.33.

The Expenditure segment, on the other hand, has an actual Recurrent Expenditure of N59,931,490,833.98, which represents 60.71% of its budgeted of N100,366,578,240.61. The Capital Expenditure's actual performance was N240,374,928,407.30 as against its budget provision of N474,561,871,721.39, thereby depicting a performance of 49.39%. The limited revenue access, together with unforeseen circumstances beyond the administration, were major setbacks in achieving the expectation in this regard.

From Table 2.5 above, the Actual Performance shows a positive Cash Balance of N54,680,329,575.59, and when added to the Opening Balance of N31,100,624,334.82,



presents a Closing Balance of N85,780,953,910.41. This represents an improved performance compared to the previous year. The State also wishes to maintain a yearly Minimum Cash and Bank Balance of N2 billion in the projections from 2025 before taking on any Borrowing Plan.

CHAPTER THREE

THE STATE REVENUE, EXPENDITURE AND PUBLIC DEBT TRENDS (2020 – 2024)

3.0 Introduction

Significantly examined here are the State’s historical performances under the different categories of Revenue, Expenditure, Overall and Primary Balance, including Public Debt Portfolio from 2020 to the year 2024.

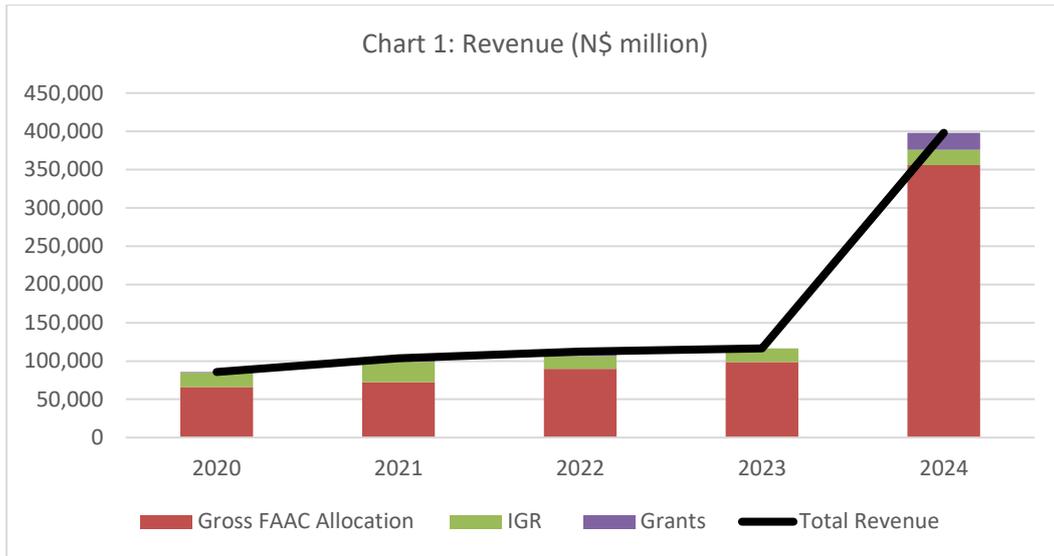
3.1 Revenue and Expenditure Performance, and Fiscal Outturns, 2020-2024

- i. **Aggregate Total Revenue trend in the last five years and its composition in 2024:** The State’s Aggregate Revenue, which is a composition of FAAC, IGR and Grants (excluding Proceeds from Debt Creating Receipts and other Non-Debt Creating Receipts), grew reasonably within the period under review from its approximated N85.63 billion in 2020 to N116.60 billion in 2023 at a growth rate of about 36.17%. However, there was a sharp increase in 2024 of over 1000% of Other FAAC Transfers and 81.12% of VAT respectively, as depicted in Table 3.1 and Chart 1 below.

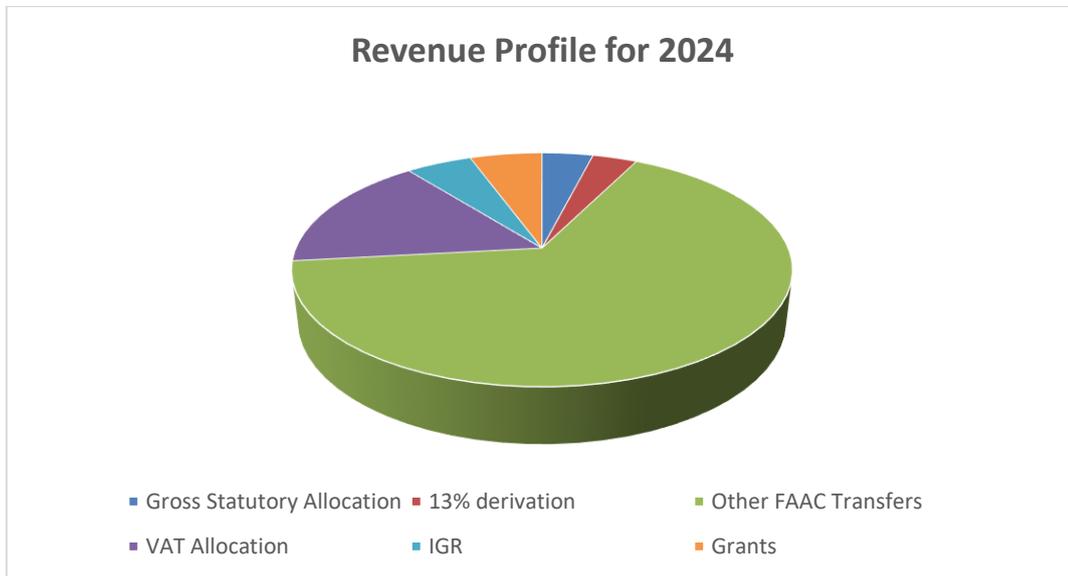
Table 3.1: Aggregate Total Revenue Trend in the last Five Years

S/N	REVENUE COMPOSITION	AMOUNT IN NAIRA (in Millions)					(2022) REV. COMP. AS % OF TOTAL REVENUE
		2020	2021	2022	2023	2024	
1	Gross Statutory Allocation	35,747	36,837	39,470	59,745	15,683	3.94%
2	13% Derivation	8,738	9,985	17,907	540	13,347	3.35%
3	Other FAAC Transfers	6,300	3,644	5,631	2,621	262,389	65.92%
4	VAT Allocation	15,550	21,644	26,631	35,466	64,238	16.14%
	Gross FAAC Transfers	65,829	72,109	89,639	98,372	355,657	89.35%
5	IGR	15,805	26,832	16,711	18,227	20,224	5.08%
6	Grants	1,000.00	4,638	5,809	0.00	22,168	5.57%
	TOTAL REVENUE	85,634	103,579	112,159	116,599	398,049	100.00%

Source: State’s Financial Statements



Source: State’s Financial Statements



Source: State’s Financial Statements

From Figure 1 above, the Total Revenue composition in the year 2024 has Gross Statutory Allocation accounting for 3.94%, Derivation 3.35%, Other FAAC Transfers provided 65.92%, VAT 16.14%, while IGR produced 5.08% and Grants delivered 5.57%.

- ii. Gross FAAC Transfers trend in the last five years:** As shown in Table 3.1 and Chart 1 above, Transfers from FAAC in 2020 stood at N65.83billion and then rose steadily by 49.43% to N98.37. This growth in 2023 was due to the growing economy globally. There was this sharp increase to N355.66 in 2024 which was precipitated by effective fiscal policies.
- iii. Internally Generated Revenue (IGR) trend in the last five years:** The IGR of the State was N15.81 billion for the year ended 2020 before an increase of 69.70% in 2021 to the value of N26.83. The scenario changed with a downward trend to N16.71 billion

in 2022. This was caused by the security challenges forcing people to stay at home on Mondays, thereby reducing productivity. The sharp increase of N18.23 in 2023 and N20.22 in 2024 respectively was due to the introduction of Treasury Single Accounts, blockages of revenue leakages, recovery of some outstanding PAYEs from Federal Institutions in the State, a further impact of revenue drive, and economy-impacting policies.

iv. Grants trend in the last five years: The grants received were in 2020, 2021, 2022 and 2024 to the tune of N1billion, N4.64 billion, N5.81 billion and N22.17 billion respectively. These last three amounts came as a result of the different efforts of the State Government (in terms of transparency and accountability) by ensuring that the State embraces all activities of the Federal Government and Foreign Donor Agencies that will attract investments and free monies to improve the economy of the State. Some of these programmes include SFTAS (P4Rs), NG-CARES, CSDP, SABER and many more.

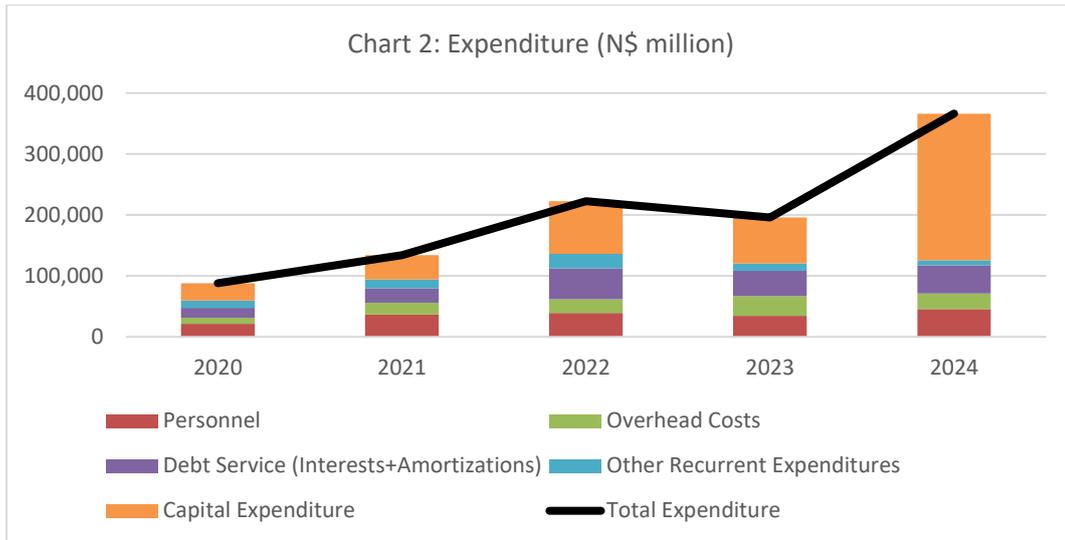
v. Aggregate Expenditure trend in the last five years and its composition in 2024:

The State’s Total Expenditure represents the composition of the following costs - Personnel, Overhead, Debt Service (Interests plus Amortizations), Other Recurrent Expenditures and Capital Expenditure. As shown in Table 3.2 and Chart 2 below, the aggregate sum stood at N88.03billion in 2020 before the upward trend to N134.14 billion in 2021 and then an increase to N222.31 billion in 2022. However, there was a decrease by 13.02% to N195.83 the following year. The year 2024 had a close-range competition among two major expenditure components of Capital Expenditure and Debt Service with each gulping N240.37 billion (65.64%) and N46.59 billion (12.71%) respectively of the Total Expenditure.

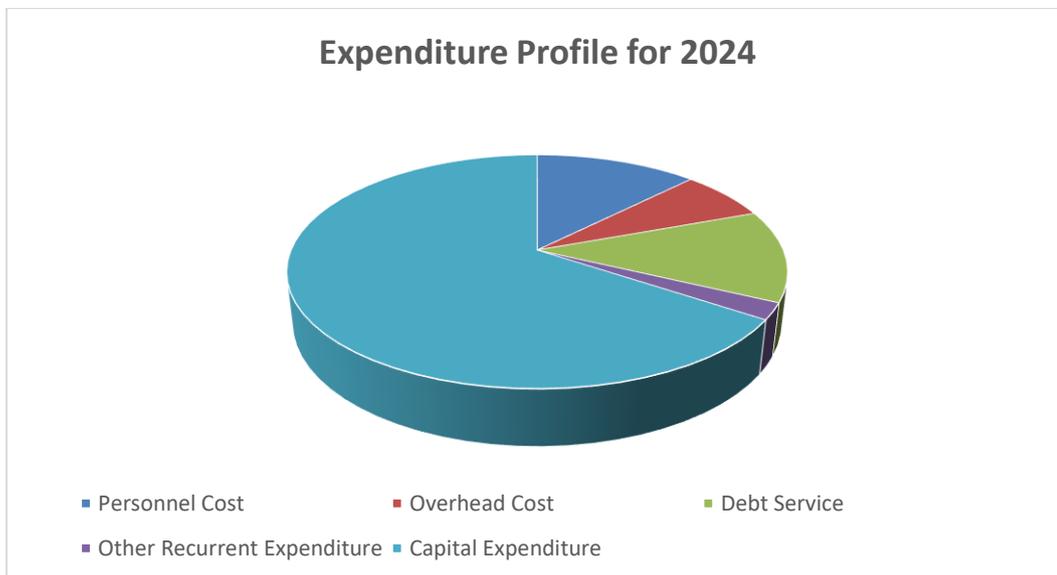
Table 3.2: Aggregate Expenditure Trend in the last Five Years

S/N	EXPENDITURE COMPOSITION	AMOUNT IN NAIRA (in Millions)					(2022) EXP. COMP. AS % OF TOT. EXP.
		2020	2021	2022	2023	2024	
1	Personnel Cost	21,167	36,439	38,964	34,746	45,605	12.45%
2	Overhead Costs	10,372	19,728	22,888	32,042	25,342	6.92%
3	Debt Service (Inte. + Amort.)	16,325	23,564	50,083	41,647	46,567	12.71%
4	Other Recurrent Expend.	11,598	14,432	23,994	11,769	8,358	2.28%
	Total Recurrent Expenditure	59,462	94,163	135,929	120,204	125,872	34.36%
5	Capital Expenditure	28,365	39,982	86,380	75,627	240,375	65.64%
	TOTAL EXPENDITURE	88,027	134,145	222,309	195,832	366,247	100.00%

Source: State’s Financial Statements



Source: State’s Financial Statements



Source: State’s Financial Statements

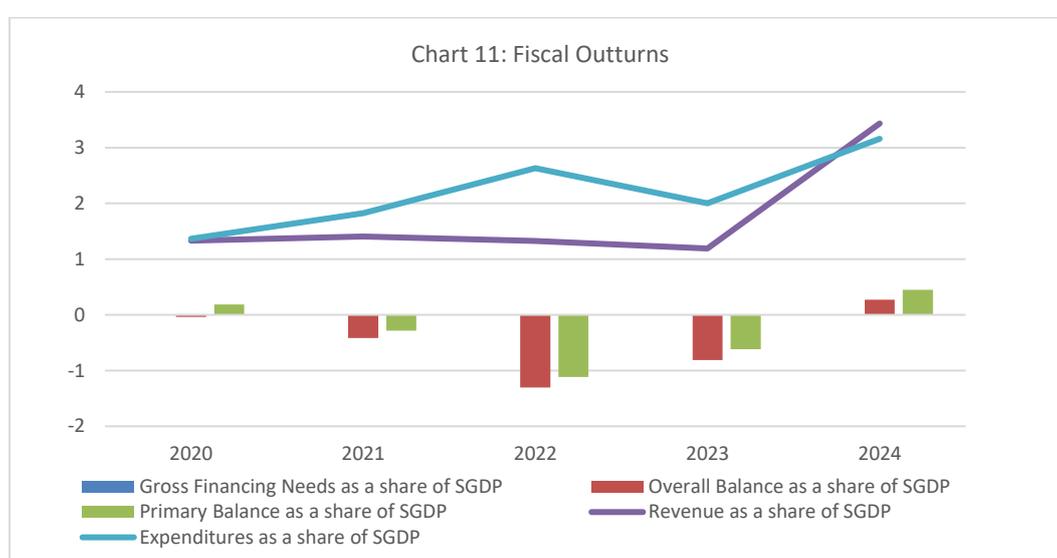
Summarily, the Expenditure composition for 2024 as shown in Figure 2 above portrays that Personnel Cost gulped 12.45%, Overhead 6.92%, Debt Service accounted for 12.71%, while Other Recurrent Expenditure took 2.28% and Capital Expenditure 65.64%.

vi. Main Expenditure Variations in the last five years by economic classification:

The variations among the components of the Total Expenditure – Personnel Cost, Overhead Cost, Other Recurrent Expenditure, Capital Expenditure and Debt Service occurred at diverse amounts under the reviewed periods; as each had its lowest and highest points in different years. But the most to have shown variation by value is the Overhead Cost, which had N10.57 billion as the lowest figure in 2020, only to rise by about 308.93% to N32.04 billion in 2023. Other sharp variations are the Capital Expenditure, which showed an increase of 216.05% from N39.98 billion in 2021 to

N86.38 billion in 2022 and the Debt Service, which went upwards from N23.56 in 2021 to N50.083 in 2022 representing an increase of 212.54%.

vii. Overall and primary balance trend in the last five years: The Overall balance as a share of SGDP was zero (0) during this review period of 2020 to 2021, showing the consistency of FAAC Revenues to the State. The Primary fiscal balance has followed the same trend as the Overall Balance from 2020 to 2021. Revenue as a percentage of State GDP remained constant at 1% throughout the period of 2020 to 2022. Expenditure as a percentage of State GDP was at 1% in 2020 but increased to 2% in 2021 and 3% in 2022 respectively. This was due to the adjustment of expenditures and the upturn of FAAC revenues.



Source: State's Financial Statements

3.2 Imo State Public Debt Portfolio, 2020-2024

The State Public Debt includes explicit financial commitments (Internal and External) such as loans and securities or bonds covered with paper contracts necessitating the Government promises to repay (ISPO); the contractors' obligations, pension and gratuity and salary arrears inclusive.

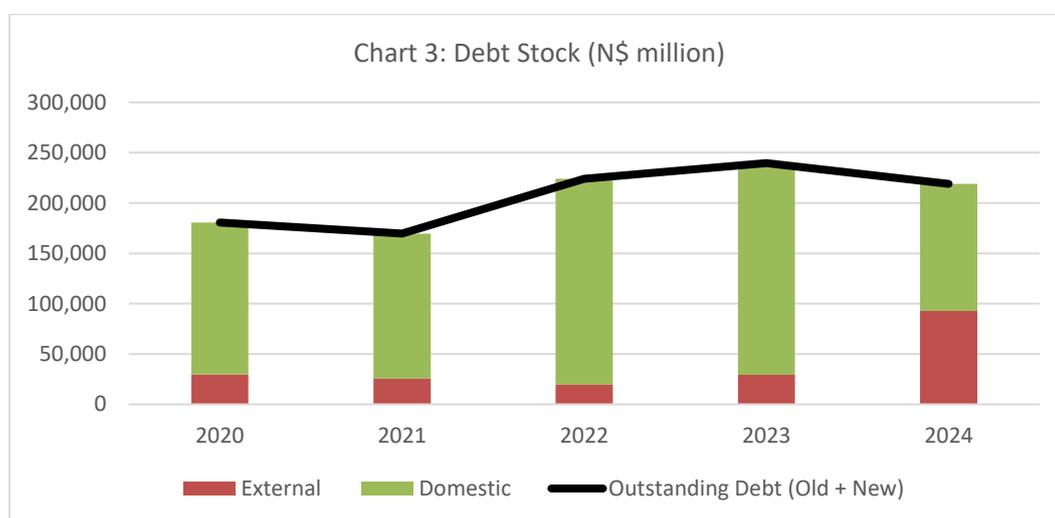
i. Public Debt Stock Amount or its shares on Total Revenue at end-2024 and its growth in the last five years: The State public debt stood at N180.59 billion as of 2020, fell to N169.67 billion in 2021, rose to N223.97 billion in 2022 and rising again to N239.65 billion in 2023, before declining to N219.00 billion in 2024. The percentage of Total Public Debt-to-Revenue was 211% in 2020 and came down to 164% by 2021, followed by a significant upward drift to 200% by 2022. There was an increasing trend in the preceding year 2023 due to the securing of the Differentiated Cash Reserve Ratio (DCRR) and Bridge Finance Facility. The internal loan for Contractors' Development

Infrastructure Scheme was obtained in 2024. The written-off of the Budget Support Fund Facility, Excess Crude Loan Facility, Bridge Finance Facility and Salary Bailout Facility in 2024, matched with an improvement in revenue generation contributed to a healthy Debt-to-Revenue ratio of 55%, as shown in Table 3.3 and Chart 3 below.

Table 3.3: Imo Public Debt Stock Amount and share of Revenue (2020 –2024)

S/N	DEBT CATEGORY	AMOUNT IN NAIRA (in Millions)				
		2020	2021	2022	2023	2024
	Outstanding Debt (Old + New)	180,591	169,670	223,938	239,649	219,007
A	Domestic	150,959	144,047	204,224	210,314	126,144
B	External	29,632	25,623	19,714	29,335	92,863
	Total Revenue	85,634	103,579	112,159	116,599	398,050
	Debt as % of Revenue	211%	164%	200%	205%	55%

Source: State’s Financial Statements and Debt Profile



Source: State’s Debt Profile

ii. The existing Public Debt Portfolio Composition at end-2024: The Debt Portfolio of the State principally consists of External/Foreign and Internal/Domestic Loans. As at December 2024, the External Debt Stock made up of loans from IDA, AfDF, IFAD, EDF and AFD account for 42.40% of the Total Public Debt Profile; while the Domestic Loans comprising Restructured Commercial Bank (FGN Bond), Contractors’ Infrastructure Development Scheme, Healthcare Intervention Fund, Differentiated Cash Reserve Ratio (DCRR), Contractors’ Arrears, Salary Claims and Pension and Gratuity Arrears accounts for 57.60%.

From Figure 3 shown below, DCRR of 47.31% accounts for the largest chunk of the Domestic Debt Stock, followed by Restructured Commercial Bank Loans (FGN bonds) of 24.19%, and then Contractors Arrears of 10.05%, Contractors Development

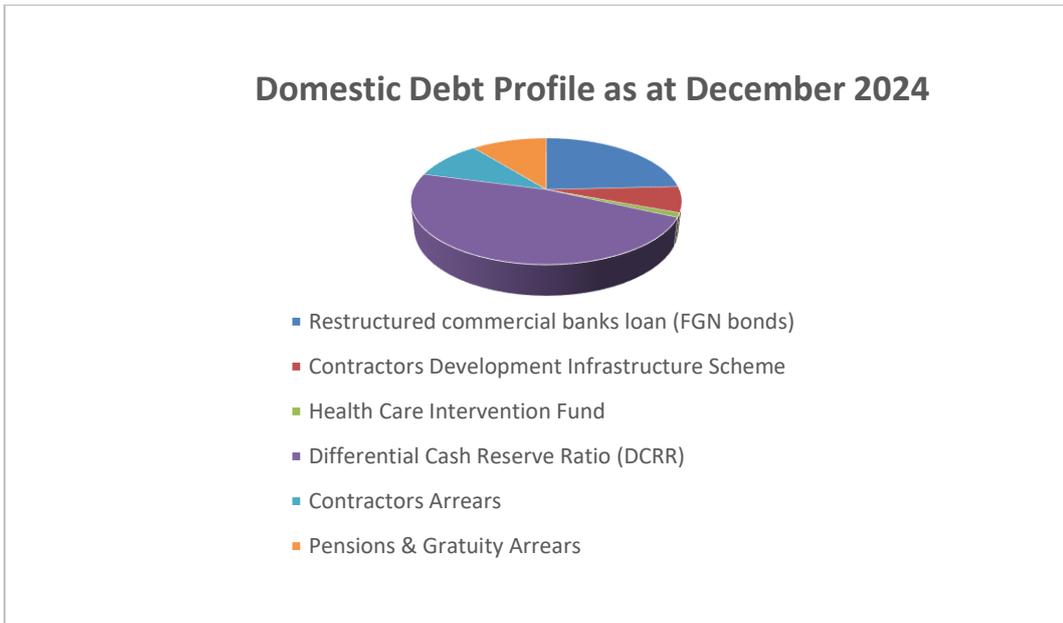
Infrastructure Scheme of 6.59%,Pensions & Gratuity Arrears of 10.72%,Healthcare Intervention Fund of 1.13% and Salary Claims of 0.01%.

The External on the other hand and as shown in Figure 4, consists of 55.73% of IDA, 36.43% of AfDF, 4.42% of EDF, 2.62% of ADF and 0.80% of IFAD.

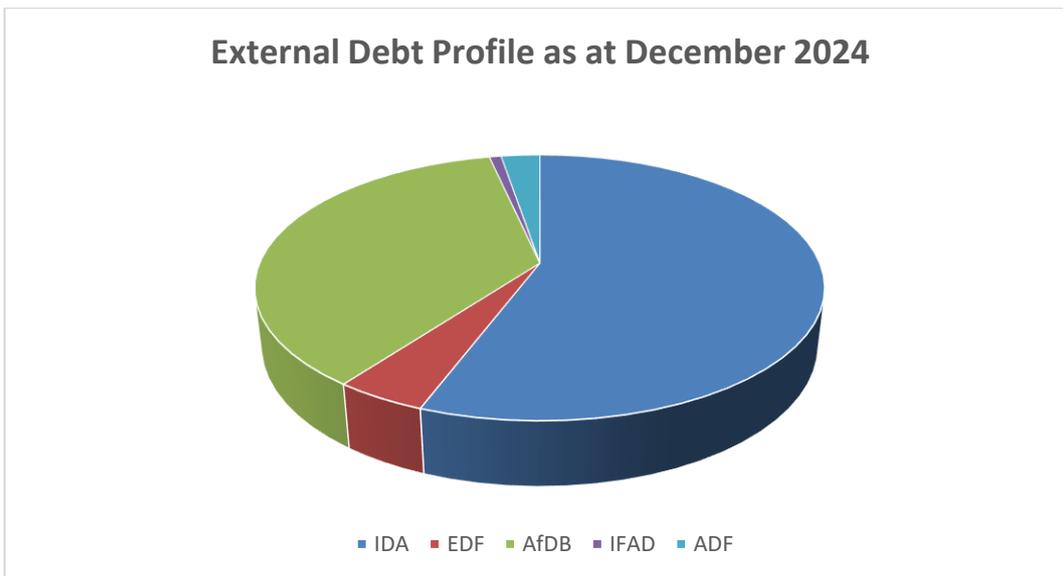
Table 3.4: Imo State Public Debt Portfolio composition as at December 2024

S/N	DEBT CATEGORY	AMOUNT	%
DOMESTIC DEBT			
1	RESTRUCTURED COMMERCIAL BANKS (FGN)	39,516,575,868.54	
2	CONTRACTORS DEVELOPMENT INFRASTRUCTURE SCHEME	8,315,698,028.29	
3	HEALTH CARE INTERVENTION FUND	1,422,360,413.33	
4	DIFFERENTIAL CASH RESERVE RATIO (DCRR)	59,680,519,976.81	
5	CONTRACTORS ARREARS	12,676,721,000.99	
6	PENSIONS & GRATUITY ARREARS	13,521,184,121.78	
7	SALARY CLAIMS	11,043,183.62	
Sub-total		126,144,102,593.36	57.6
EXTERNAL DEBT			
1	INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)	51,753,000,000.00	
2	EUROPEAN DEVELOPMENT FUND (EDF)	4,109,000,000.00	
3	FRENCH DEVELOPMENT AGENCY(ADF)	2,434,000,000.00	
4	AFRICAN DEVELOPMENT BANK (AfDB)	33,826,000,000.00	
5	INTERNATIONAL FUND for AGRICULTURAL FUND (IFAD)	741,000,000.00	
Sub-total		92,863,000,000.00	42.4
Grand Total		219,007,102,593.36	100.00

Source: State's Debt Profile and Financial Statement



Source: State's Debt Profile

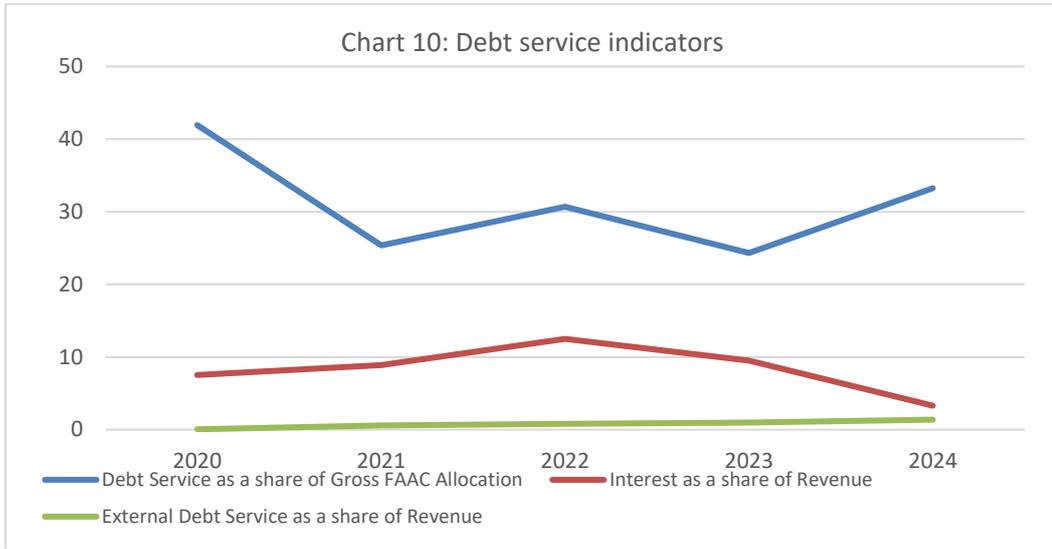


Source: State's Debt Profile

iii. Cost and Risks Exposure of the existing Public Debt Portfolio at end-2024:

The Debt Portfolio has an average interest rate of 3% in 2024, a 33% Debt Service as a share of Gross FAAC Allocation and 1% External Debt Service as a share of Revenue. In addition, the Debt Portfolio is narrowly exposed to currency, interest rate, and rollover risks. Exposure to currency fluctuations is a possibility because the foreign currency-denominated liabilities were up to 48.66% of the total stock. However, most of these Internal and External Loans are fixed-rate obligations, thus not affected by changes in interest rates. Rollover risk associated with potential deterioration of domestic financial conditions is also highly negligible as these loans have maturities

running from 10 to 40 years and as they are either secured from the Federal Government or multilateral organizations.



Source: State's Debt Profile

CHAPTER FOUR

CONCEPT OF DEBT SUSTAINABILITY, ASSUMPTIONS, RESULTS ANALYSIS AND FINDINGS

4.0 Introduction - Concept of Debt Sustainability

Debt sustainability, which is a forward-looking concept, simply refers to the ability of the government to honour its future financial obligations. In other words, it 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. This connotes that fiscal policies are deemed unsustainable when they lead to excessive accumulation of public debt, which could in the long run cause the government to take action to address the unwanted consequences of a heavy debt burden.

Therefore to assess the State's Debt Sustainability, the following debt burden or performance indicators computed include: Solvency thresholds for the fiscal block (combined external and domestic debt), which is the Present Value (PV) of Total Public Debt-to-GDP ratio set at 25% for states, PV of Total Public Debt-to-Revenue ratio set at 200%; Liquidity Thresholds for the PV of the Debt Service-to-Revenue ratio also set at 40% and Personnel Cost-to-Revenue set at a 60%.

In addition, other indicators without thresholds analyzed in this chapter include Debt Service as a percentage of Gross FAAC Allocation, Interest as a percentage of Revenue, and External Debt Service as a percentage of Revenue. These indicators are further buttressed later in this chapter.

4.1 Medium-Term Budget Forecast

The Imo State Government and the Federal Government has not released its specific Medium-Term Expenditure Framework (MTEF) for 2026-2028. The FGN 2025-2027 MTEF, has been prepared against the backdrop of continuing global and domestic challenges and considering the following impacting factors:

- The ongoing Russia and Ukraine war that has assumed a new dimension with severe implications on food and energy prices;
- Renewed elevated inflation in most countries, prompting monetary tightening in these economies with the inherent negative impact on capital inflow to emerging markets economies like Nigeria;
- Challenging domestic macroeconomic and business environment;
- The impact of the removal of the fuel subsidy, as the CBN has predicted a renewed pressure in the foreign exchange market and the accompanied naira depreciation;

- The negative impact of insecurity on the domestic economy; and
- The unification of the exchange rate regime

Drawing from the above, the State’s Medium-Term Debt sustainability is predicated upon a gradual recovery of the Nigerian economy. FAAC statutory allocation is expected to increase going forward, even as the Nigerian economy is expected to gradually recover in the period 2025-2027, with real GDP expanding at an average annual rate of 4.83.% and domestic inflation averaging 13.33%. And with such a moderate recovery that will be supported by high oil prices in global markets, an increase in domestic production, economic diversification, prudent fiscal policy, oil and gas revenue, as well as shared resources such as customs duties and VAT that would then rub off on the State’s revenue from the Federal Government. The assumptions underlying the 2025-2027 Medium Term Expenditure Framework indicate that economic growth rate over the next three years would be higher than the modest rate recorded since the end of the recession in 2020.

The table below presents the State’s Macro-Economic projections for the 2025-2027 Medium-Term Expenditure Framework on a yearly basis.

Table 4.1: Macro-Economic Assumptions for 2025 - 2027 MTEF

S/N	INDICATORS	2025 MTEF	2026 MTEF	2027 MTEF
1	Oil Price (US \$/b)	75.00	76.20	75.30
2	Oil Production (mbpd)	2.06	2.10	2.35
3	NGN-USD Exchange Rate	N1,400.00	N1,400.00	N1,400.00
4	Inflation	15.75%	14.21%	10.04%
5	GDP Growth (real)	4.60%	4.40%	5.50%
6	State GDP Growth Rate	3.00%	3.00%	3.00%
7	State Nominal GDP (₦ 'billion)	10,995.91	12,233.53	13,611.34

Source: FGN 2025-2027 MTEF and State’s Forecast

The State’s Debt sustainability analysis is predicated on the continuation of recent efforts to mobilize local revenue by expanding revenue sources, blocking all revenues leakages and automation of revenue collection, ensuring highly technologically driven Treasury Single Account for effective monitoring, employment and training of more revenue officers in order to increase tax revenue collection, a self-help tax assessment electronic platform - Electronic Payment and Filing System (e-Services) to cover e-Payments, e-Filing, e-Registration. Others include the diversification of the economy and youths’ empowerment programmes in Micro-Small-Medium Enterprises; the control of recurrent expenditure growth with an unchanged policy concerning personnel and other operating expenses; improved procurement practices for increased transparency and value for money, and most importantly, continuous ample provision for Debt Service in the Budget in order to hedge out unsustainability.

These various reforms presently adopted by the State Government to strengthen resources provided by IGR are expected to continue in the next years and thereby expected to lead to effective and efficient economic performance. On the premise of the above highlighted points, the Medium-Term Budget Forecast is made to aid the State in its projections. The table below therefore shows the forecasts for the relevant components of the Medium-Term Budget.

Table 4.2: Medium-Term Budget Forecast for 2026–2028

S/N	DESCRIPTION	2025 (₦)	2026 (₦)	2027 (₦)	2028 (₦)
A	RECURRENT REVENUE:	335,730,000,000	244,918,600,000	283,921,200,000	793,049,220,000
1	IGR	42,577,000,000	45,218,000,000	59,786,000,000	67,091,100,000
2	Gross Statutory (FAAC)	21,568,000,000	38,133,000,000	44,616,000,000	522,088,040,000
3	VAT	75,368,000,000	91,423,900,000	103,428,300,000	121,011,070,000
4	13% Derivation	13,008,000,000	26,760,500,000	31,309,800,000	36,632,480,000
5	Other FAAC Transfers	183,209,000,000	44,782,100,000	44,782,100,000	46,226,530,000
B	CAPITAL RECEIPTS:	471,357,000,000	0	0	0
1	Aids and Grants	43,218,000,000	0	0	0
2	CDF (Domestic Loans/ borrowings Receipt)	428,139,000,000	0	0	0
	TOTAL REVENUE:	807,087,000,000	244,918,600,000	283,921,200,000	793,049,220,000
C	RECURRENT EXPENDITURE:	102,185,600,000	113,480,400,000	133,303,000,000	156,154,400,000
1	Personnel Cost (Incl. Pen. & Grat.)	67,402,000,000	69,171,000,000	69,104,600,000	81,128,300,000
2	Overhead Cost (Including Covid-19)	31,487,900,000	39,309,200,000	57,587,200,000	67,606,900,000
3	Public Debt Service (Int. Payment)	3,295,700,000	5,000,200,000	6,611,200,000	7,419,200,000
D	CAPITAL EXPENDITURE:	694,786,000,000	384,611,700,000	440,179,900,000	517,333,700,000
E	LOAN REPAYMENT:	10,116,200,000	15,347,900,000	20,292,700,000	22,772,800,000
	TOTAL EXPENDITURE:	807,087,000,000	517,440,000,000	593,775,600,000	696,260,900,000
	BUDGET BALANCE (-/+):	0	(268,521,400,000)	(309,854,400,000)	(412,339,700,000)

Source: State's Forecast

4.2 Borrowing Assumptions (Under the Reference or Baseline Strategy)

Imo's Total Public Debt Stock is slightly higher than the State's Revenue, causing an increasing need for more funds to sustain the economic recovery and address the huge infrastructural deficits in the State in order to continue to attract investments and foster the intending human capital development.

From Table 4.2 above, the Budget Balances in the Medium-Term are –N286,521,400,000.00, –N309,854,400,000.00 and –N412,339,700,000.00 in the year 2026, 2027 and 2028 respectively. All borrowings are to be financed with new Planned Borrowings Assumptions expected to be in accordance with the Fiscal Responsibility Act, Medium-Term Expenditure Framework (MTEF) of the State and in conformity with the Debt Management Strategy as they all aim at restructuring the Debt Portfolio Mix for Domestic and External debts (at 65:35) minimal; including attaining a higher Long-term Tenured Debt relative to the Short-term in the Domestic Debt Portfolio Mix

(that is an improved Bond Market activities); and with an encouraging External Concessional and Bilateral borrowings of not more than 3%.

Table 4.3: Borrowing Terms of New Debt from 2024 onwards

BORROWING CATEGORY	NEW BORROWING TERMS		
	Interest Rate	Maturity (Years)	Grace Period
NEW DOMESTIC BORROWING			
Commercial Bank Loans - Short term	30.00%	5	0
Commercial Bank Loans - Long term	28.50%	15	1
State Bonds - Short term	22.00%	5	0
State Bonds - Long term	22.00%	10	1
Other Domestic Financing	20.00%	15	1
NEW EXTERNAL BORROWING			
External Financing - Concessional Loans	1.00%	35	7
External Financing - Bilateral Loans	3.00%	20	5
Other External Financing	3.00%	20	5

Source: State's Forecast

Domestically, loans will be sourced from commercial banks as well as State Bonds and other Domestic financing sources as appropriate in order to mitigate interest risk and insolvency. The same applies to External financing whereby loans will be obtained occasionally from Multi-lateral agencies such as World Bank, IMF, and ADB, Bilateral loans to be sourced from foreign governments such as France, China, USA, UK, for capital developments or projects bearing in mind the Exchange Rate risk.

However, the priority of the State's new borrowings shall be on Commercial Bank Loans and Other Domestic Financing, being the easiest to come by but the inherent high-interest rates. This shall be followed by Bonds in order to encourage the development of the Domestic Capital Market and the general reduction of overall Debt Servicing costs to the State. This shall also be complimented by a mix of External Multilateral and Bilateral Loans, due to their low interest rates.

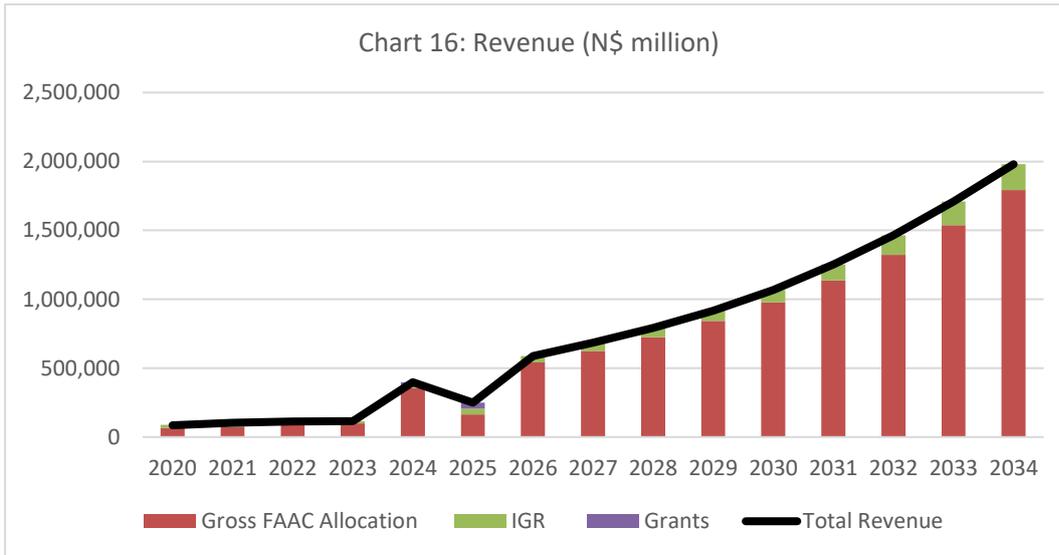
The Bonds sources (short and long) will include the two options of 5 years and 10 years maturities, are available therein at Interest Rates of 22.00% and grace periods of 0 and 1 year respectively. While other domestic financing sources from Pension Fund Administrators and so on could also be taken at an interest rate of 20.00%, maturity of 15 years and grace period of 1 year. Commercial Banks' borrowings, on the other hand, are expected at Interest Rates of 30.00% for short-term loans and 28.50% for long-term loans, grace periods of 0 and 1 year, and maturities of 5 and 15 years for short and long terms respectively.

The most convenient External source of course is from Multilateral institutions with 1% Interest Rate, maturity of 35 years and grace period of 7 years; and the Bilateral institutions with 3% Interest Rate, maturity of 20 years and grace period of 5 years will follow next in accordance

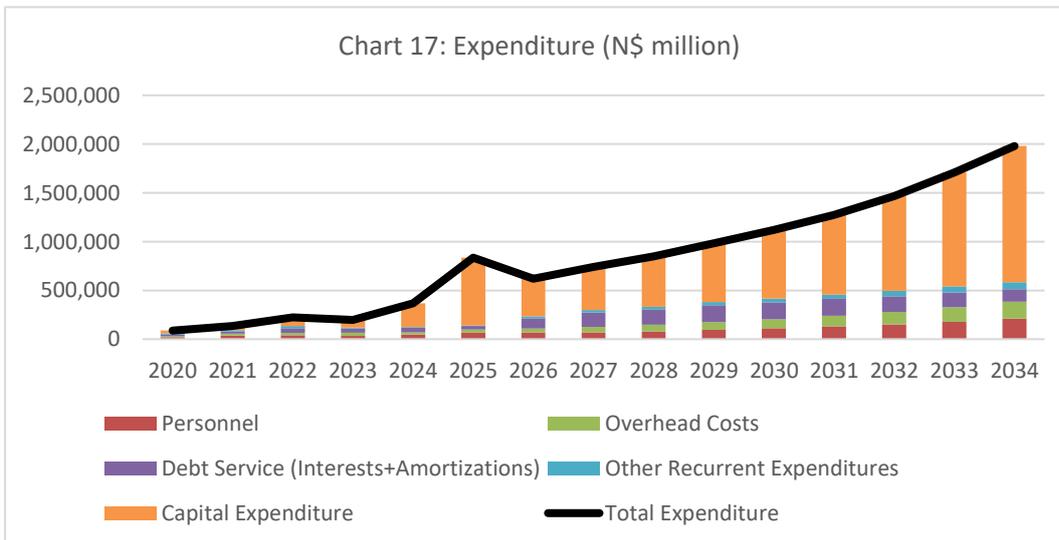
with the State’s Fiscal Responsibility Act. The Table of Assumptions of the State DSA-DMS Template included in the Annexure gives further clarifications in this regard.

4.3 DSA Simulation Results and Findings

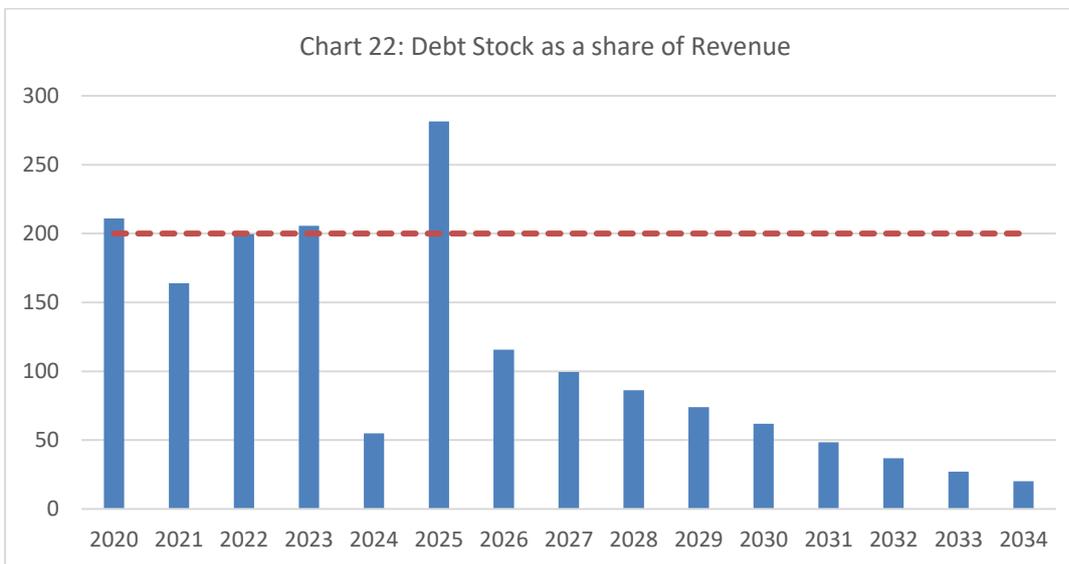
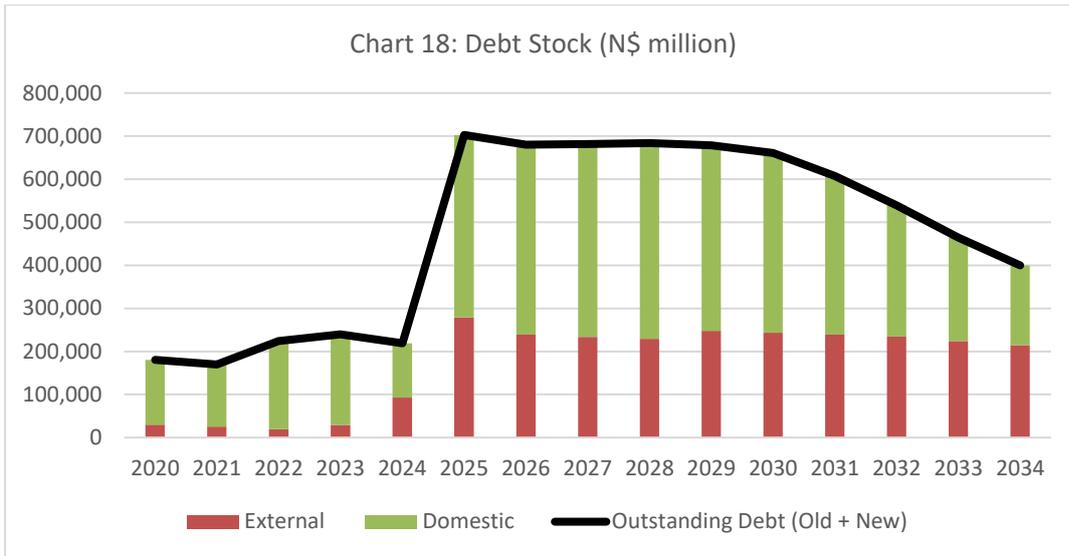
In the Baseline Scenario, Total Revenue (including grants and excluding other capital receipts) is projected to increase from N398.05billion in 2024 to N1, 979.68billion by 2034. Total Expenditure, on the other hand, is expected to expand from N366.25billion in 2024 to N1, 980.00billion by 2034, representing a fiscal surplus of N31.80billion in nominal terms.



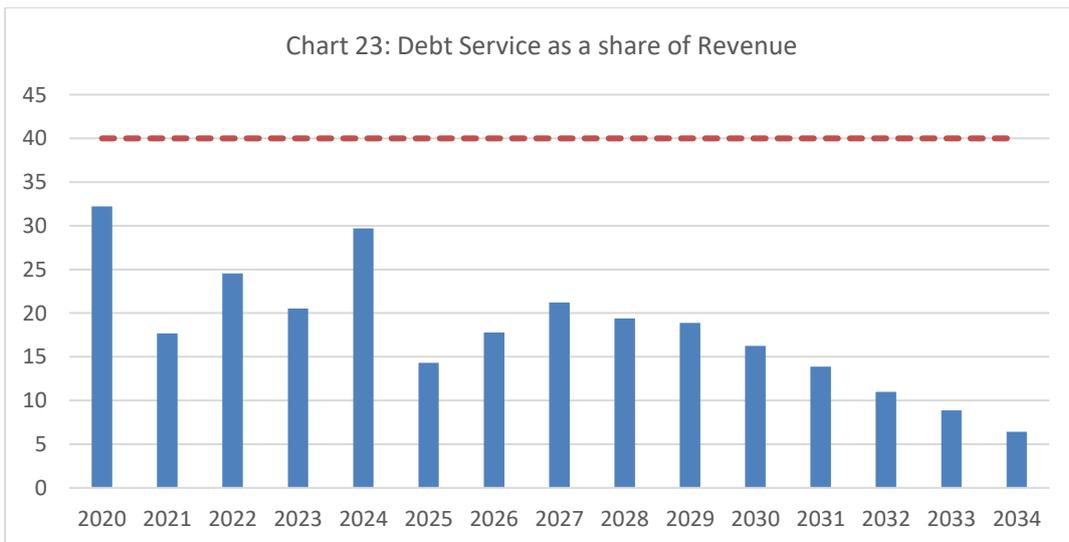
Source: State’s Forecast



Source: State’s Forecast



Source: State's Forecast



The Total Public Debt is projected to increase over time from N219.01 billion at the end of 2024 to N399.77 billion by 2034, as External Debt is anticipated to grow by N122.60 billion or

233.17% and Domestic Debt to increase by N58.96 billion or 201.06% over the projection period.

Table 4.4: Debt Burden/Performance Indicators (2020 - 2034)

INDICATORS	2020	2021	2022	2023	2024	2025	2026	2027
With Indicative Thresholds:								
Debt as % of SGDP (25%)	3	2	3	2	2	5	4	4
Debt as % of Revenue (200%)	211	164	200	206	55	282	116	99
Debt Service as % of Revenue (40%)	32	18	25	21	30	14	18	21
Personnel Cost as % of Revenue (60%)	25	35	35	30	11	27	12	10
Without Indicative Thresholds:								
Debt Service as a share of Gross FAAC Allocation	42	25	31	24	33	22	19	23
Interest as a share of Revenue	8	9	12	10	3	5	15	14
External Debt Service as a share of Revenue	0	1	1	1	1	3	1	1

INDICATORS	2028	2029	2030	2031	2032	2033	2034
With Indicative Thresholds:							
Debt as % of SGDP (25%)	3	3	3	2	2	1	1
Debt as % of Revenue (200%)	86	74	62	48	37	27	20
Debt Service as % of Revenue (40%)	19	19	16	14	11	9	6
Personnel Cost as % of Revenue (60%)	10	10	10	10	10	10	11
Without Indicative Thresholds:							
Debt Service as a share of Gross FAAC Allocation	21	21	18	15	12	10	7
Interest as a share of Revenue	12	11	9	8	6	4	3
External Debt Service as a share of Revenue	1	1	1	1	0	1	1

Source: State's Forecast

The Main Findings: As observed from Table 4.4 above, Total Public Debt decreased significantly in the projection years, depicting the State's repayment capacity relative to the public debt position staying below the threshold of 200%, except in 2025. Debt-to-SGDP and Debt Service-to-Revenue were below the threshold of 25% and 40% for both historical and projection periods respectively. Personnel Cost-to-Revenue was also below the threshold of 60% in the entire duration; just as the Fiscal Outturns showed stability in the long term aside from the deficit in 2025 of the Overall Balance as a share of S-GDP and Primary Balance as a share of S-GDP.

The above empirical Baseline Scenario findings show that the State's Public Debt Ratios (Stock and Service) demonstrate a positive position from 2020 to 2034, which are significantly below the thresholds. Thus, a further critical examination of the impact of the different shock scenarios (as shown in Chart 28 below), shows that the State's sustainability will not be threatened from the year 2026 to 2034 as the Debt Stock to Revenue Ratio threshold under the Revenue and Expenditure shocks were still within the threshold of 200% from 2026 and beyond.

From the foregoing therefore, it suffices to conclude that **the State will BE able to preserve the sustainability of its debts both in the medium and long term.** Sustaining this viable trend will require continuous and significant efforts in revenues growth. Future borrowings should be curtailed and the present borrowings deployed to revenue generating ventures or projects with returns.

Expected Policies to boost Sustainability: No doubt the State Government in recent time has embarked on various transformation policies and reforms in the areas of revenue boost and cost control, but more needed to be done in order to avert foreseeable future unsustainability and ensure the continued sustainability of the State as highlighted below.

- **Revenue:** The State is hopeful that its revenue base will improve considerably over time as a result of the following policies being championed by this Administration and some of which started in 2022, taking into cognizance that the State's major adverse effect or shock is inadequate revenue, especially Internally Generated Revenue (IGR):
 1. The implementation of the **Treasury Single Account (TSA)** warehousing all revenue collections is to be further strengthened and monitored among all MDAs in the State.
 2. A more robust IGR collection administration with effective Automation/IT system to stringently curtail leakages and diversions by the revenue collecting agencies of government; and the possible evasion from business owners in the State is currently ongoing. **Inter-switch Ltd** was engaged in this regard.
 3. Necessary data are being gathered as regards the number of business premises, markets, shops, and so on that will aid the State in the projection of future revenue inflows and for other economic purposes. This information database was not available before now.
 4. Articulation and creation of untapped and unaccounted revenue sub-heads hitherto eluding the State Government, especially from the formal and informal sectors such as the Land Use Charge revenue and others being facilitated and to fully materialize in due course. The Imo Geographical Information System (**IGIS**) was just launched to do more in this direction.
 5. The present administration with its "**3-R**" Algorithm Macro-Economic Programme of **Recovery** of damaged economic structures, **Reconstruction** of core infrastructure, and **Rehabilitation** of component micro-economic institutions (Micro-Small-Medium Enterprises via Public Private Partnership (PPP) ; is expectant of a positive

transformation in the business environment in the State and subsequent positive impact on revenue generation.

6. The State Government also just launched a **Digital Economy and E-Governance** Ministry (the first of its kind in Nigeria) to tap into the global scene of developing economy, gainfully engage the growing youth population and thereby foster the development of the State in the Information Communication Technology (ICT) sector. To this extent, over **40,000 Imo youths** have been sent for relevant training in different segments of the ICT sector.
7. The State is equally partnering with Imo and Igbo sons and daughters (including those in the Diasporas) in the establishment of Small and Medium-Scale industries in order to absorb the unemployed fresh graduates; create wealth, and eventually generate more revenue for the government. A typical example is the replica of the ICT Hub or Computer Village in Lagos offered by our sons and daughters based in Lagos. This will not only provide employment but further afford our young secondary school leavers and universities graduates the opportunity to develop themselves in the technology world, and so doing generating enormous future IGR benefits to the State.
8. Furthermore, the State just recently trained over **30,000 Imo youths** in agricultural-related businesses and financial support as take-off grants in order to foster the economic well-being of these youths and the State benefitting in the long run.
9. According to the Department of Petroleum Resources (DPR) records, Imo State currently has the highest deposit of natural gas in the country, and with the **Special Metering System** recently recommended by the administration of His Excellency Distinguished Senator Hope Uzodinma to identify the quantity of gas being piped to Bonny NLNG; more revenue is expected to accrue to the State.
10. The **Orashi Power Development Project** was inaugurated by the present government. Imo State leveraged on the Power Reform Act of 2023 to establish the **Orashi Electrical Company** with the sole aim of electrifying the 27 Local Government Areas of the state.
11. As a follow-up to the above-mentioned project, the State Government decided to create the **Orashi Energy Free Trade** zone. This initiative will attract traffic in terms of organizations and companies that will want to invest in methanol plants, fertilizer plants, Liquid Natural Gas plants and refineries. It is the only energy free trade zone with hydrocarbon deposits in Nigeria.

- **Expenditure:** Other expected policies in terms of Expenditure control to avert this risk of unsustainability include the following:
 1. Comprehensive automation of the Payroll Process through the application of verifiable BVN and allocation of Imo State Social Benefit Number (**IMSSBN**) to Imo workers and pensioners. This has not only stopped the menace of payroll fraud and reduced the once over-bloated Personnel Cost, but has tremendously freed funds and afforded the State Government the ample opportunity to fund other projects.
 2. An improved procurement practice for increased transparency and value for money according to the global best practice is also being championed by this Administration so as to avoid over-bloated contracts. Now contracts are advertised, competitively bided for, and awarded in a very transparent manner on an **e-procurement platform** by the State Bureau for Public Procurement and Price Intelligence, thus expenditure is monitored and controlled.
- **Cash Management:** Finally, but not the least, is the efficient and effective Cash Management Policy of the Government which will continue to lead to improve and robust cash collection and handling, with prudent disbursement and application of these funds in the State.

4.4 DSA Sensitivity Analysis (Shock Analysis)

This 2025 Imo State DSA covers four main scenarios, namely: four shock scenarios (Revenue, Expenditure, Exchange Rate and Interest Rate), while juxtaposing their deviations from the Baseline Scenario. Agreeably, the Baseline Scenario is premised on the evaluation of some macroeconomic variables including current and projected fiscal data; it is however paramount to mention that the Baseline Scenario faces diverse fiscal risks associated with the possibility of adverse country-wide macro-economic conditions and the reversal of the State's revenue and expenditure policies.

The State has thus undertaken a sensitivity analysis considering macroeconomic shocks and policy shocks to evaluate the robustness of the sustainability assessment for the Baseline scenario while considering both macroeconomic and policy shocks.

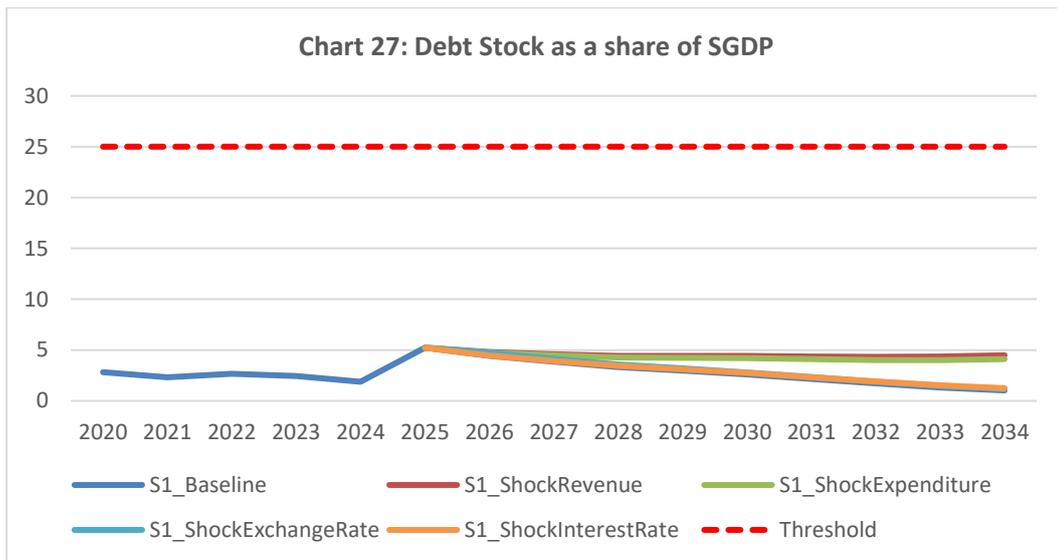
- **ShockRevenue Scenario:** From 2026, the impact of a 10% decline in all Revenue sources including Grants was measured, while Expenditures and other macroeconomic factors remain constant. The result obtained under this scenario showed a higher need for Total Gross Borrowing of N88.84billion in 2026 as against N30.03billion in the Baseline. The State's debt sustainability was ascertained with this scenario as the percentages of Debt to Revenue were well below the threshold of 200% from the year 2026 going forward. Debt Service to Revenue on the other hand though showed

positivity throughout the entire period. The Personnel Cost to Revenue ratios were all below the threshold of 60%, ***due to the effort in keeping recurrent expenditure under check.***

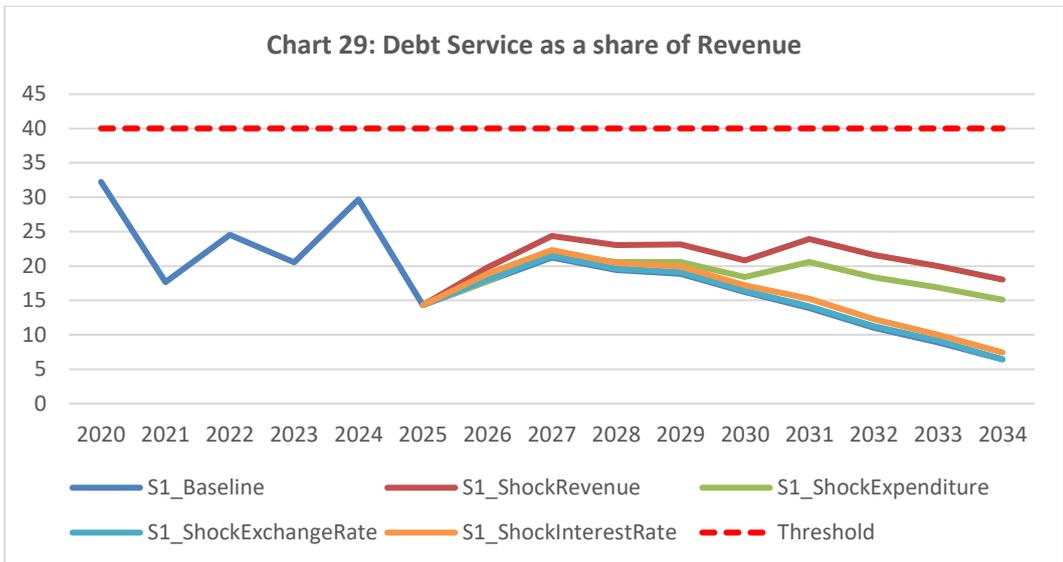
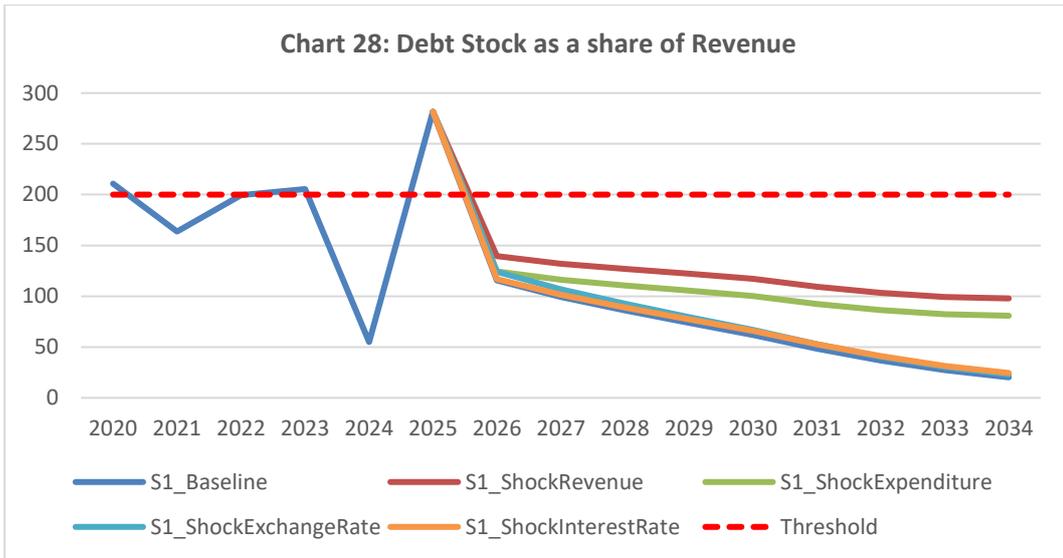
- **ShockExpenditure Scenario:** With a 10% increase in Personnel, Overhead, Recurrent and Capital Expenditure from 2026 while Revenue sources remain constant, the State's Total Gross Borrowing moved from N81.37billion in 2026 to N357.25billion in 2034 as against the Baseline Scenario figures of N30.03billion and N0.32billion for 2026 and 2034 respectively. The State's debt sustainability became covered, from the year 2025 as the percentage of Debt to Revenue did not go beyond the threshold of 200%. Debt Service to Revenue in the medium term looked sustainable. It also went below the threshold of 40%. Personnel Cost to Revenue and Debt as a percentage of GDP however kept low profiles underneath their respective thresholds of 60% and 25% respectively throughout the years. ***Going forward, the current expenditure patterns should further be sustained so as not to trigger unsustainability in the economy.***
- **ShockExchange Rate Scenario:** A 20% increase in Exchange Rate or the devaluation of the Naira in the year 2025, had just an iota of impact on the State's Total Gross Borrowing need as it reflected an increase of N1,462.94million only as against the Baseline Scenario figure; and almost same as in the other projection years. This of course is not farfetched as external borrowing is conscientiously maintained within its appropriate percentage of 30% to 35%. The State's debt sustainability thus looked moderately sustainable in all the indicators; hence rendering ***the State's debt sustainable.***
- **ShockInterest Rate Scenario:** The effect of a 2% yearly Interest Rate increment on domestic borrowing plans showed a projected fiscal surplus of N6, 323.46 billion in 2026 as against the Baseline Scenario. Other projected years' deficits are equally not too distanced from the Baseline figures. However, the State's debt sustainability became covered, as the percentage of Debt to Revenue went far below the threshold of 200%, except in 2026 and 2027. The Debt Service to Revenue also came threatening from the year 2030 as it moved well above the threshold of 40%. From the aforementioned, ***the State's debt sustainability is at risk*** if mitigating factors such as borrowing more from fixed interest rates and long term sources instead of floating rates is not embraced.

Conclusion: From the above shock scenarios, the 2025 DSA shows that ***Imo State debt is sustainable in the medium-term and at a moderate risk of debt distress in the long-term under the conducted Sensitivity Analyses*** as the current revenue position is considered enough to secure the financial future of the State. The current expenditure patterns should also be further kept under check and expending only on capital projects with economic returns so as not to trigger unsustainability in the economy over the long-term. As regards the Exchange Rate, the State is encouraged to continue to put its debt in a basket of currencies (a composition of many currencies, XDR (WB) bank Unit of Account, etc.) in order to hedge out unsustainability risk. More so is the Interest Rate Shocks by ensuring that most of its loans are in fixed rate, not floating rate.

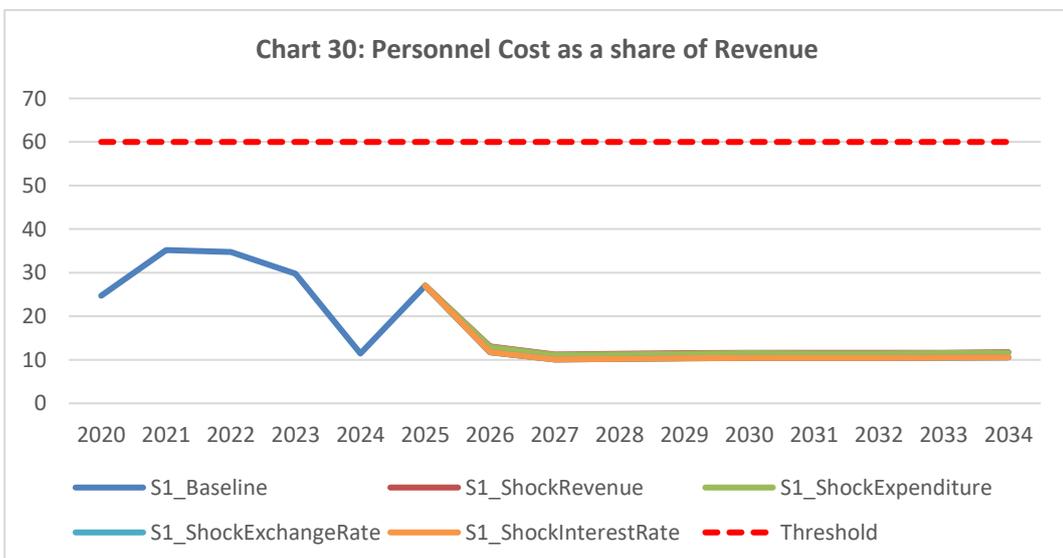
To this extent, bold, decisive and urgent action is urgently required to address revenue underperformance in the State, while efforts should be focused on improving tax administration and collection efficiency alongside business environment friendly policies. Foreign investors (local and international) should also be attracted with incentives for possible economic expansion.



Source: State's Forecast



Source: State's Forecast



Source: State's Forecast

CHAPTER FIVE

DEBT MANAGEMENT STRATEGY

5.0 Introduction - Concept of Debt Management Strategy

Public Debt Management, as defined, involves the process of establishing and executing a strategy for managing government 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 and to achieve other goals, such as developing the domestic debt market. To this extent, considering that modern risk management has become an important tool for achieving strategic debt targets, debt management strategy policy, therefore, has become a fundamental part of today's world of business and governance. Hence, the costs of carrying public debts and risks associated with macroeconomic and fiscal shocks are necessary to be conducted, measured and analyzed regularly.

The **Cost of carrying Public Debt** or **Implied Interest Rate** is a measure of the debt portfolio's cost of borrowing, determined by the weighted average interest rates of the different debt instruments in the portfolio and measured in this case, by the expected value of a performance indicator in 2029 (as projected in the baseline scenario). The **Risk** on the other hand includes among others, interest rate, foreign exchange, roll-over, credit, liquidity, solvency and operational risks; and is measured in this case by the deviation from the expected value in 2029 caused by an unexpected shock (as projected in the most adverse scenario of Revenue).

The Debt Management performance indicators derivable in this 2025 DSA-DMS Template thus include Debt Stock/Revenue (%), Debt Services/Revenue (%), Interest/Revenue (%), Debt Stock/SGDP (%), Debt Services/SGDP (%) and Interest/SGDP (%); however the three essentially utilized to assess the Debt Management Strategies outcomes in this Report include: Debt Stock to Revenue, Debt Services to Revenue and Interest to Revenue.

5.1 Alternative Borrowing Options (Alternative Strategies (S2, S3 & S4))

The three Alternative Debt Management Strategies (S2, S3 and S4) being proposed here are still being guided by the contents of the State's Fiscal Responsibility Act (2016, part IX), Debt Management Law (2016 and 2021), and the Medium-Term Expenditure Framework wherein the State Government can borrow using (Bonds, Commercial banks, Multilateral and Bilateral loans) under the following general conditions or fiscal policies:

- That the State Government can only borrow for capital expenditure and human capital development provided that such borrowing shall be on concessional terms with a low-

interest rate of 3% and a reasonably long amortization period subject to the approval of the State House of Assembly.

- That the State Government shall ensure that the level of Public Debt as a proportion of State income is held at a sustainable level.
- To mitigate certain risks (currency, interest rate and rollover).
- That the State Government may borrow from the capital market for the development of the domestic debt markets according to the DMD Law.
- To secure liquid assets for cash management according to the Cash Management policy of the State.

The Alternative Debt Management Strategies, their Cost and Risk implications on the Total Public Debt profile in the future were thus analyzed as follow:

a. Strategy 2 (S2): Domestic State Bond Focused Strategy

- Gross borrowings will be only from Domestic Market.
- New borrowings will be only from State bonds on both short and long term.
- Short-term bonds shall be 30% of the borrowings, while long-term bonds shall be 70%.
- No External borrowing is to be sourced.

b. Strategy 3 (S3): All Domestic Borrowings Focused Strategy

- Gross borrowings will be only from Domestic Market.
- New borrowings will be from the diverse Domestic Markets.
- Short-term commercial bank loans and bonds shall be 20% each (i.e. 40%) of the Gross borrowings, while long-term commercial bank loans and bonds shall be 25% each (i.e. 50%).
- Other Domestic borrowing shall be 10% of the Gross borrowings.
- No External borrowing is to be sourced.

c. Strategy 4 (S4): Selected Domestic & External Borrowings Focused Strategy

- Gross borrowings will be from both Domestic and External Markets.
- New borrowings will be 70% from the Domestic Market and 30% of the External Market.
- Short-term commercial bank loans and long-term bonds shall be 30% and 70% respectively of the allocated Domestic Gross borrowings.
- External borrowing is to be sourced from Concessional and Semi-concessional funding (Multilateral and Bilateral), while the Residual will be market-based financing sourced from the International Financial Market (e.g. the issuances of Eurobonds) in the proportion of 40%, 40% and 20% respectively.

5.2 DMS Simulation Results and Findings

Table 5.1 below shows the Cost, Risk and Adverse Shock Indicators of the State’s Total Debt Portfolio as at December 31, 2029 in relation to the implementation of the different Debt Management Strategies. The burden performance indicators specifically utilized to assess these Debt Management Strategies outcomes mainly include: Debt Stock/Revenue (%), Debt Services/Revenue (%) and Interest/Revenue (%).

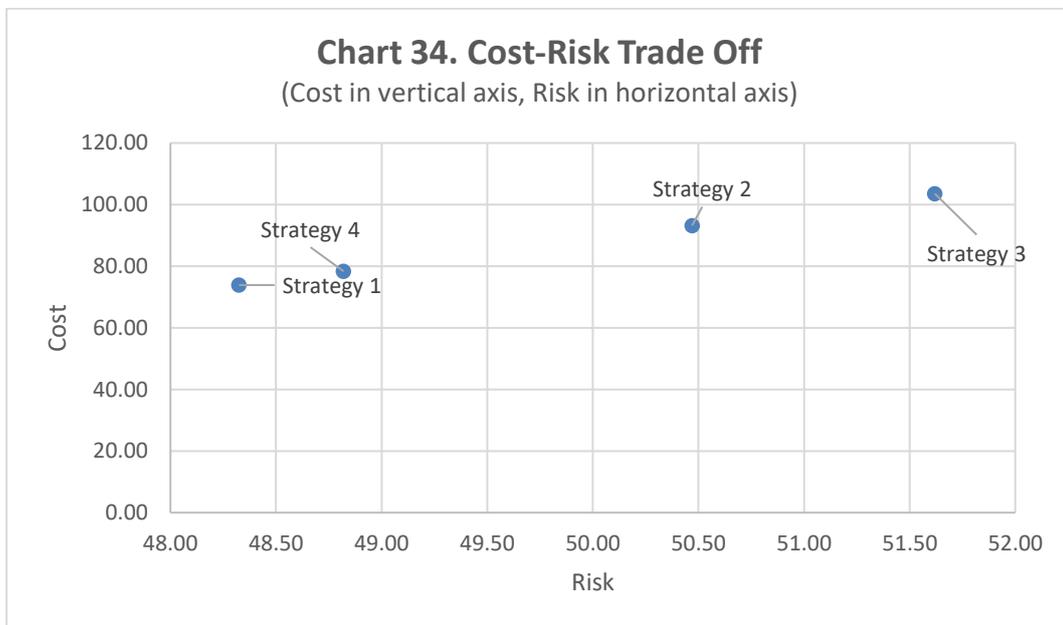
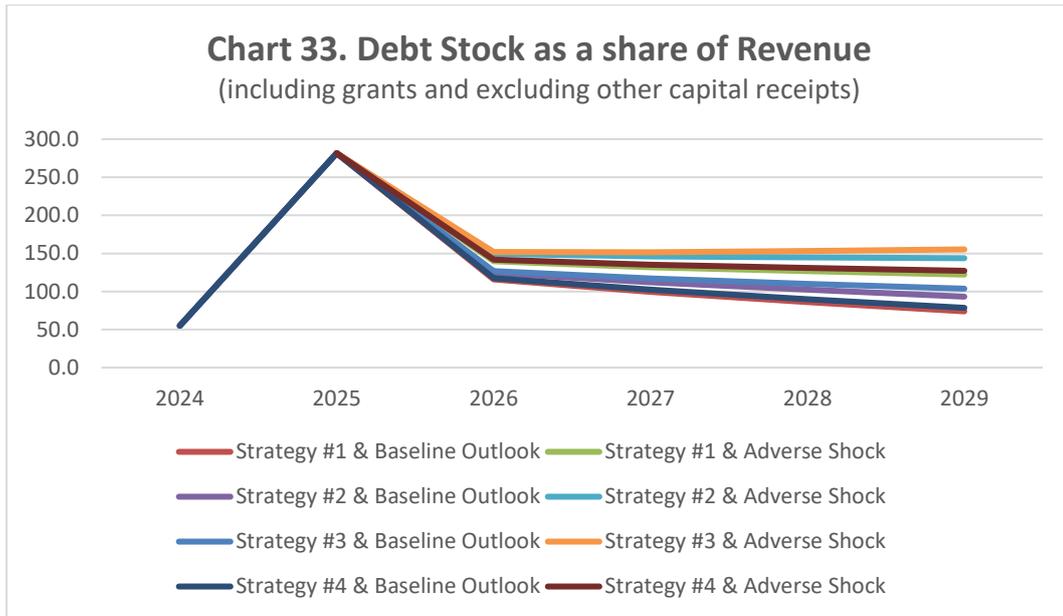
Table 5.1: Imo State DMS Cost, Risk and Adverse Shock Performance Indicators

INDICATORS	REFERENCE DMS			ALTERNATIVE DMS									MOST PREFERRED STRATEGY	2ND PREFERRED STRATEGY
	STRATEGY 1			STRATEGY 2			STRATEGY 3			STRATEGY 4				
	COST	RISK	ADV SHCK	COST	RISK	ADV SHCK	COST	RISK	ADV SHCK	COST	RISK	ADV SHCK		
Debt Stock as % of Rev.	73.9	48.3	122.2	93.2	50.2	143.7	103.5	51.6	155.2	78.3	48.8	127.2	S1	S4
Debt Service as % of Rev.	18.9	4.2	23.1	30.2	5.5	35.7	34.8	6.0	40.8	22.2	4.6	26.9	S1	S4
Interest as % of Rev.	11.2	3.4	14.6	16.7	4.0	20.7	20.4	4.4	24.8	12.4	3.5	16.0	S1	S4

Source: State’s Forecast

5.2.1 Debt Stock/Revenue

- i. **Comment:** Under this performance indicator and as shown in Table 5.1 above and Chart 34 below, S1 Cost Ratio pushed down from 281.5% in 2025 to 86.2% in 2028 in the Baseline compared to S2 (281.5% to 102.2%), S3 (281.5% to 109.9%) and S4 (281.5% to 90.0%) under the same period. Equally, the Risk Ratio of S1 as at 2029 depicted 48.3% as against 50.5%, 51.6% and 48.8% of others – S2, S3, and S4 respectively. The Revenue Adverse Shock in 2027 also showed S1 having 122.2% when compared with S2, S3 and S4 which have 143.7%, 155.2% and 127.2% respectively. Apparently, since the DMS-related performance indicator outcomes are below the threshold of 200% under the Cost Ratio and Adverse Shock, it suffices to say that the State’s debt is affordable and resilient to shocks over the medium to long term.
- ii. **Cost-Risk Trade-off Analysis:** The Debt Stock to Revenue shows S1 as the lowest trade-off DMS in terms of Cost (73.9%), when compared to S4 (78.3%), S2 (93.2%) and S3 (103.5%). Meanwhile S1 also shows the lowest trade-off DMS in terms of risk (48.3%), when compared to the S4 (48.8%), S2 (50.5%) and S3 (51.6%). S1 still has the lowest level of Revenue Adverse Shock of 122.2%. From the foregoing, S1 is the least expensive and less risky strategy. The inclusion of a reasonable mix of Commercial Bank Loans, Bonds and Foreign Loans as a strategy was a key factor as this helps to mitigate Interest, Market and Refinancing Risks.

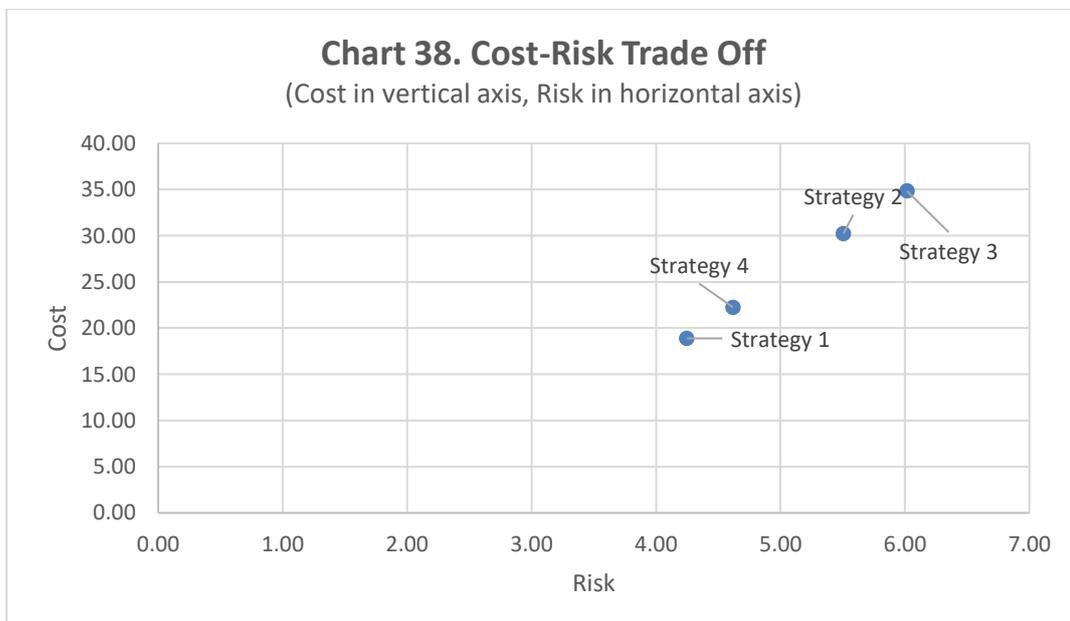
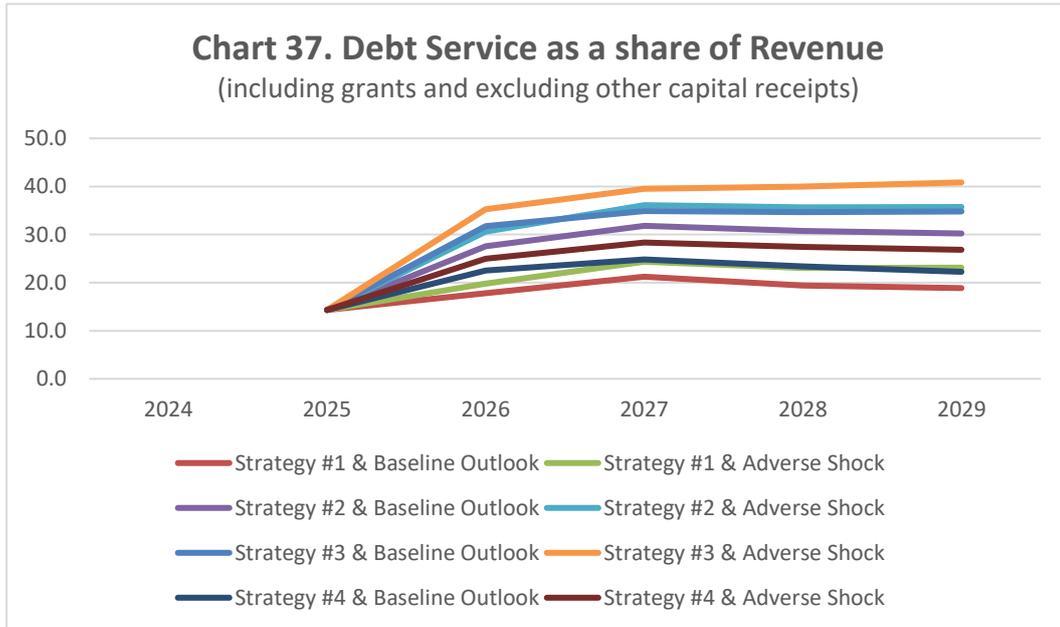


Source: State's Forecast

5.2.2 Debt Service/Revenue

- i. **Comment:** The burden performance indicator of Debt Service to Revenue as shown in Table 5.1 above and Chart 38 below, shows S1 Cost Ratio steadily moved up from 14.3% in 2025 to 19.4% in 2028 in the Baseline as against S2 (14.3% to 30.8%), S3 (14.3% to 34.7%) and S4 (14.3% to 23.4%) during the same period. The Risk Ratio of S1 showed 4.2% as against 4.6%, 5.5% and 6.0% of S4, S2 and S3 respectively. The Revenue Adverse Shock in 2028 on the other hand, indicated S1 has 23.0% when compared to S4, S2 and S3 which have 26.9%, 35.7% and 40.8% respectively. From the foregoing, the State's debt **IS** satisfactorily affordable and resilient to shocks over the medium to long term since the DMS-related performance indicator's threshold of 40% has not been breached with the Cost Ratio and Adverse.

ii. Cost-Risk Trade-off Analysis: Table 5.1 above and Charts 37 and 38 below show S1 as the lowest trade-off DMS in terms of Cost at the end of 2029 with 18.9% of the Debt Service to Revenue, compared to the S4 (22.2%), S2 (30.2%) and S3 (34.8%). The table and charts show S1 as the lowest trade-off DMS in terms of risk (4.2%) when compared to S4 (4.6%), S2(5.5%) and S3(6.0%). The Revenue Adverse Shock shows that S1 and S4 have the lowest levels of 23.1% and 26.9% respectively. This indicates that S1 is the preferred DMS with the lowest Cost and Risk.



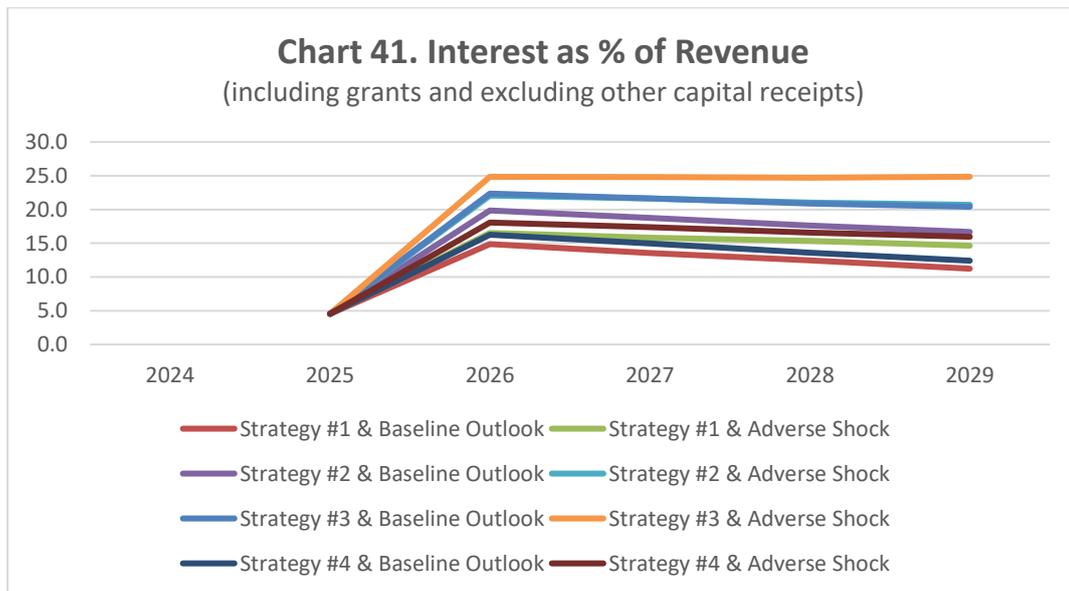
Source: State's Forecast

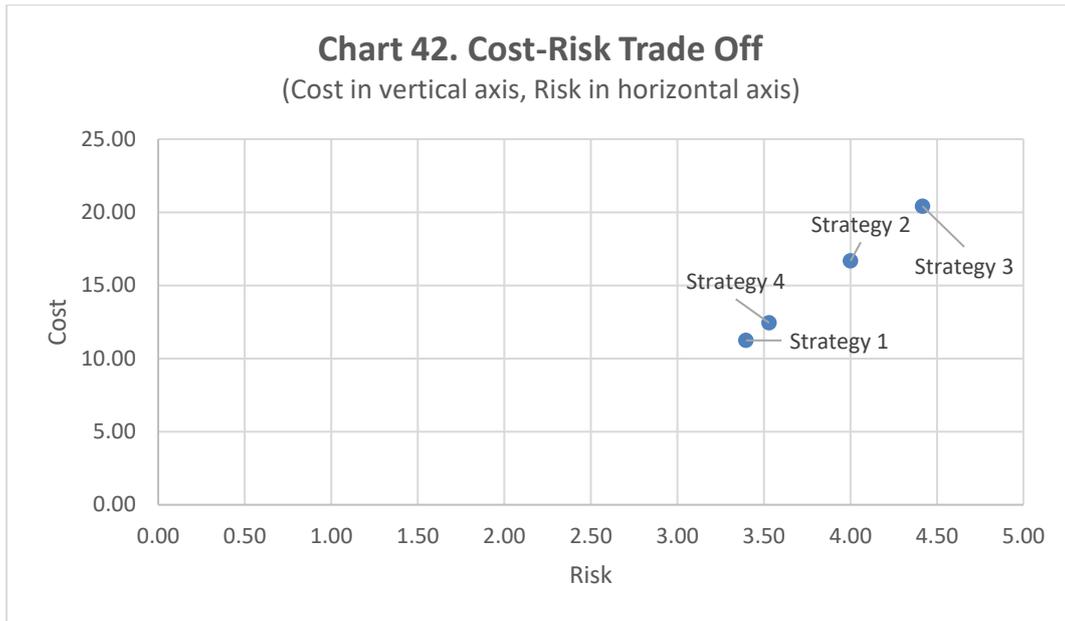
5.2.3 Interest/Revenue

i. Comment: The Interest to Revenue burden performance indicator in Table 5.1 above and Chart 41 below, depicts S1 Cost Ratio steadily grew from 4.5 % in 2025 to 12.5%

by 2028 in the Baseline compared to S4 (4.5% to 13.6%), S2 (4.5% to 17.6%) and S3 (4.5% to 20.9%) under the same period. On the other hand, Risk Ratio of S1 as at 2029 depicts 3.4% as against 3.5%, 4.0% and 4.4% of S4, S2 and S3 respectively. The Revenue Adverse Shock in 2029 equally shows S1 accounting for 14.6% as against S4, S2 and S3 which have 16.0%, 20.7% and 24.8% respectively. The State’s debt is considered moderately affordable and resilient to shocks over the medium-term under this performance indicator since the Adverse Shocks are not too distanced from the Cost Ratios.

- ii. **Cost-Risk Trade-off Analysis:** This burden performance indicator of Interest to Revenue, as depicted in Table 5.1 and Charts 41 and 42 below, shows S1 as the least trade-off DMS in terms of Cost of 11.2% of the Total Interest to Revenue, when compared to the S4 (12.4%), S2 (16.7%) and S3 (20.4%). Meanwhile S1 shows the lowest trade-off DMS in terms of risk of 3.4%, when compared to S4 (3.5%), S2 (4.0%) and S3 (4.2%) respectively. S1 has the least Cost ratio, as well as the least Risk ratio compared to the alternative Reference Debt Strategies. Therefore, S1 is the preferred strategy.





Source: State's Forecast

5.2.4 DMS Assessment

Evaluating Table 5.1 and the subsequent charts presented above, there is no doubt that the most favourable and preferred of the four Debt Management Strategies that shows complete dominance with the most effective and efficient cost, least risk, and as well as least adverse revenue shock is Strategy Four (S1) using our Analytical Tool. With a critical and qualitative examination of the reality of events in the global economy of business and governance, Foreign Loans, more often than not, poses a serious challenge to the sub-nationals, let alone obtaining them on a yearly basis and more so within the short to medium term period under review. Both the reference and second Debt strategies (S1 and S4 respectively) have Foreign Loans in their portfolios. So, it suffices to say that

The first preferred Debt Management Strategy is our Reference Debt Management Strategy (S1) and thereby considered and recommended as the most suitable, efficient and implementable strategy.

This is based on the following facts:

1. It is the most feasible, realistic, accessible and implementable within the short to medium term period of 2026 - 2028, as Foreign Loans were only sourced from 2025 and 2029, unlike the S4 where External Loans borrowing were obtained in the year 2025, 2029 and 2034. Accessing Foreign Loans do take some time as seeking approval from the Presidency, Federal Ministry of Finance, the National Assembly, and even the State House of Assembly. It is often a long process and a bottle-neck issue of over a year; and must be reflected in the Federal Government Budget on behalf of the sub-nationals.

2. With a portfolio mix proportion of External and Domestic Debt, it is least exposed to Foreign Exchange Risk and external shock.
3. It has realistic Borrowing Plans that are within the arm bit of the State's MTEF, Fiscal Responsibility Act (FRA), and Debt Management Law.
4. The Borrowing Plan supports the development of the Domestic Capital Market without exposing it to any risk of Interest Rate, Market, Liquidity, and many more.
5. In addition to the above and as a result of the Borrowings envisaged in the Reference Debt-Management Strategy (S1), the State's debt position is projected to comparatively rise from its current figure of N486.43 billion at the end of 2025 to N65.18 billion in 2029 and further to N0.32 billion in 2034, as against S2 (N169.22 billion in 2029 and N269.41 billion in 2034), S3 (N211.51 billion in 2029 and N412.00 billion in 2034), and S4 (N95.93 billion in 2029 and N61.98 billion in 2034). The above scenario establishes the superiority of S1 over others.
6. In addition to the aforementioned and considering the necessary parameters of burden performance indicators such as the Debt to GDP, Debt to Revenue, Debt service to GDP, Debt service to Revenue, and Interest to Revenue, S1 is selected as the Most Preferred Strategy for the period 2026-2028 and even beyond; as it gives the State better stability and the least risk-exposed strategy.

Conclusion:

This Preferred Strategy (S1) in the State's Debt Management Strategy for 2026-2028, focuses on increased dependence on Long-term Tenured Domestic and External financing with the corresponding inclusion of short-term instruments, especially short-term Commercial Banks Loans and bonds in order to moderate refinancing risks. It is also anticipated to help in ensuring that the Cost Profile of the State's Public Debt portfolio is maintained at a sustainable level in the medium to long term, and at the same time to ensure that government's financing needs are met at minimum cost and with a prudent level of risk.

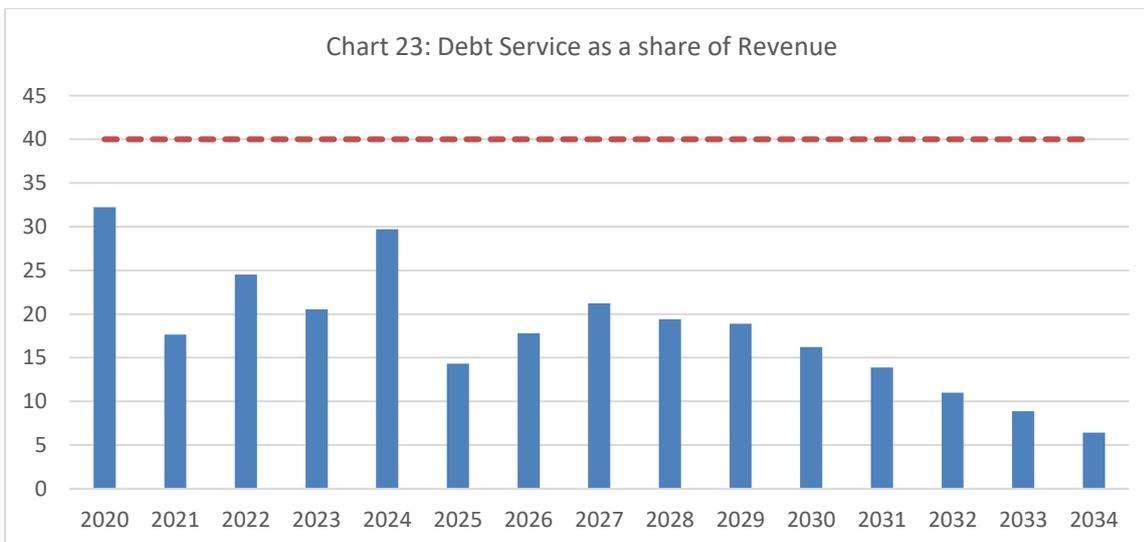
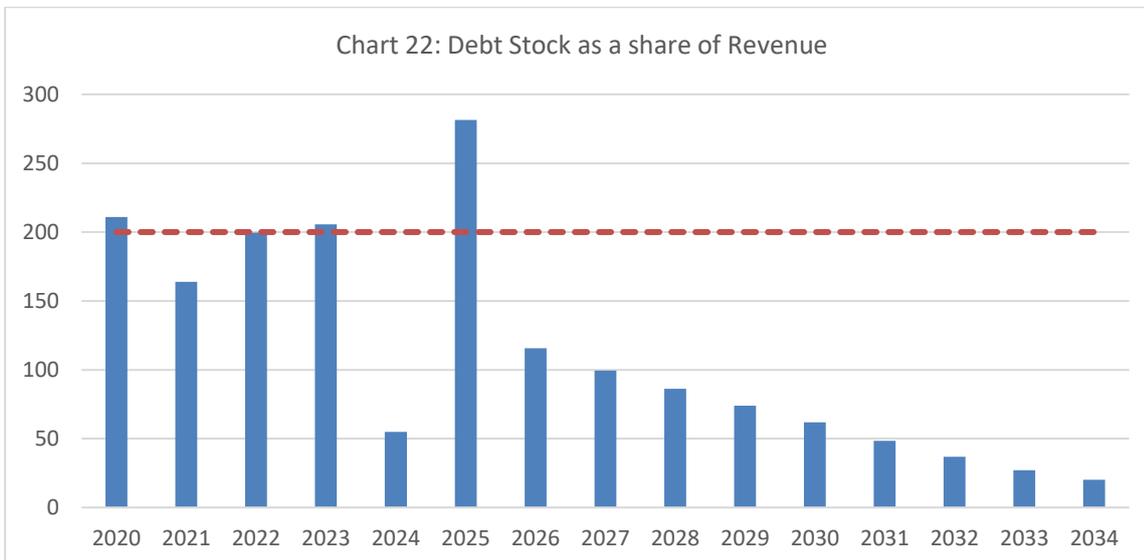
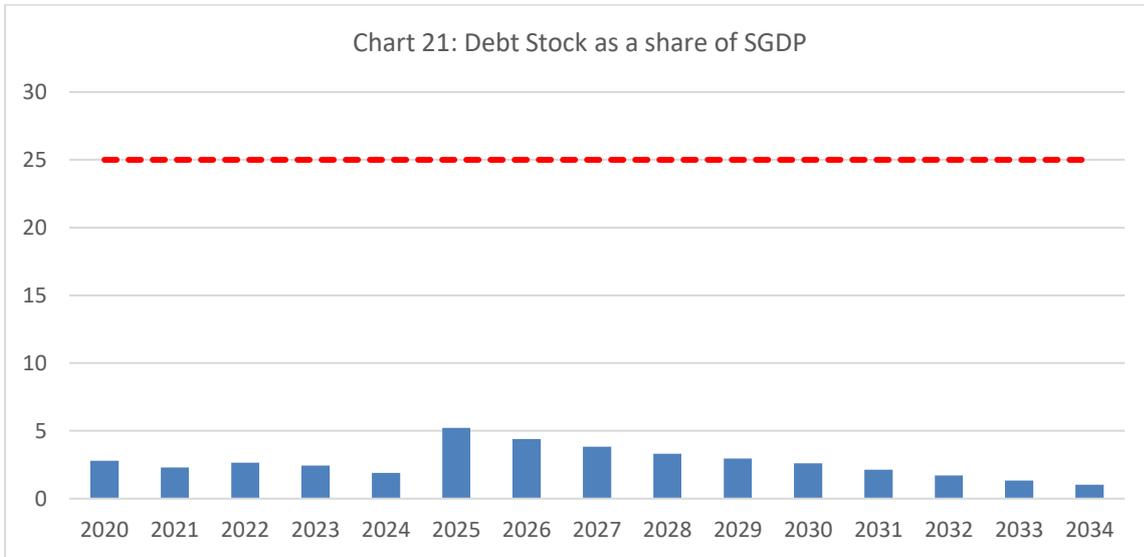
The relevant policies and reforms to the preservation and sustainability of the State's Debt Management thus among others include:

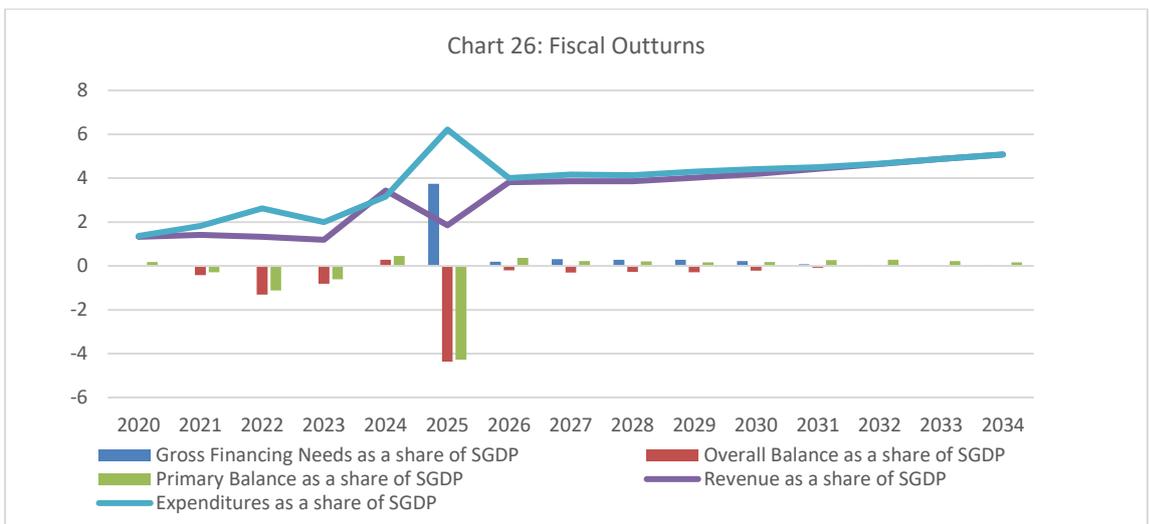
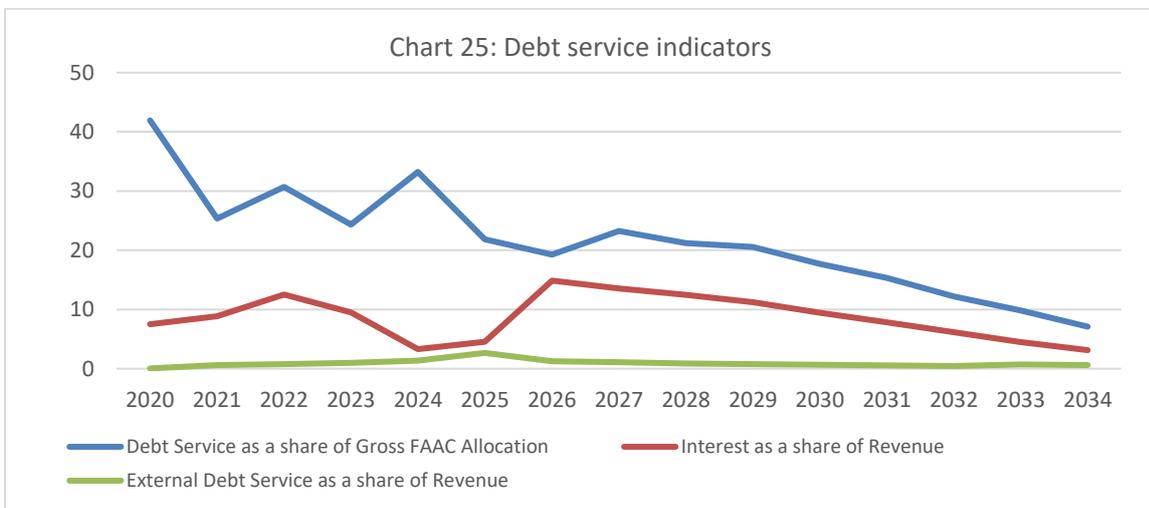
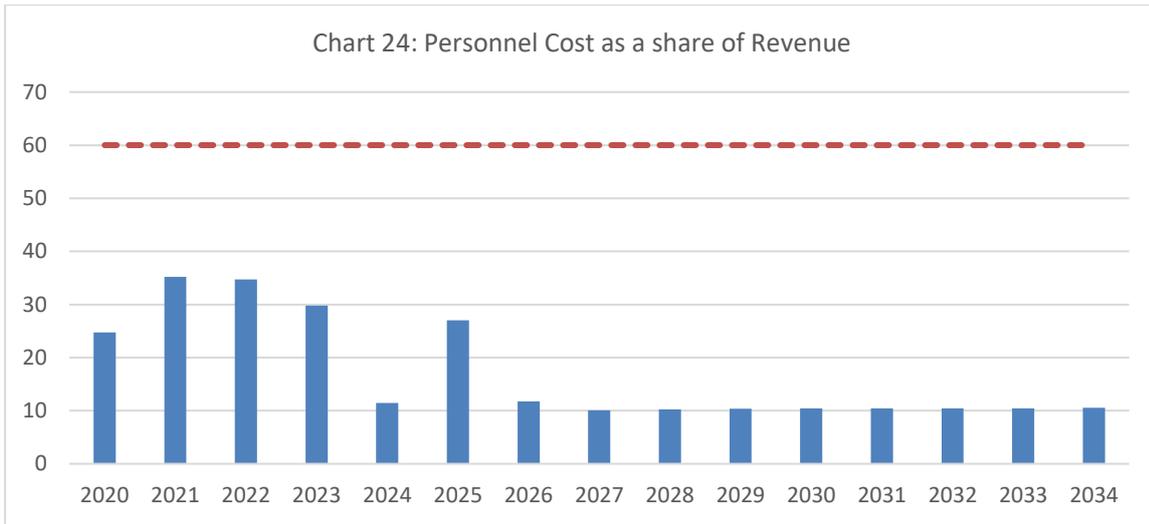
- ❖ Government subscription to the principle of prudent and sustainable borrowings and effective utilization of resources.
- ❖ Strengthening the existing legal and institutional frameworks for efficient debt management.
- ❖ Continuous building of a viable Domestic Market through Bonds.
- ❖ The establishment of a disciplined and well-focused public finance policy in terms of government borrowing policy.



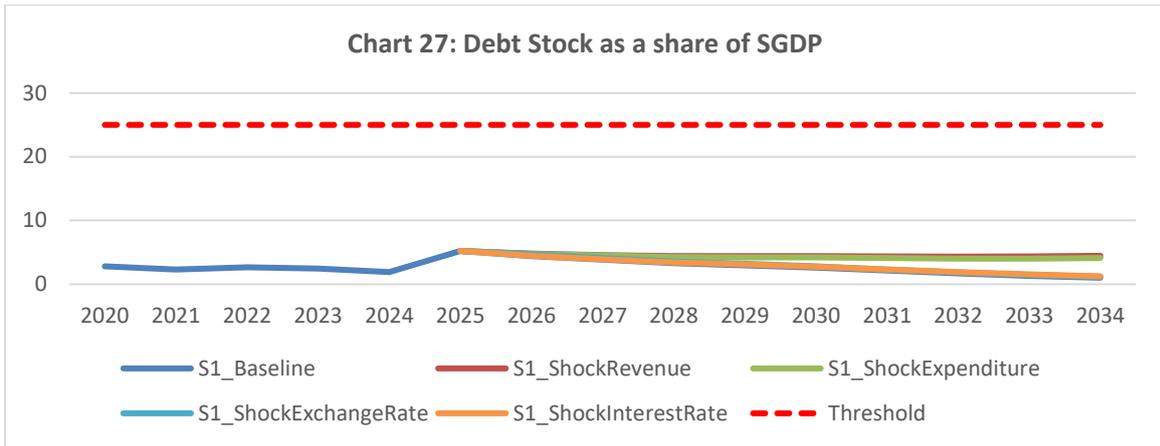
- ❖ Ensuring the availability of reliable and correct data for frequent evaluation.
- ❖ Regular evaluation of the costs and risks of existing debt portfolio and potential borrowings.
- ❖ Strengthening the development of the capacity and competency of debt management staff for effective public debt management staff for effective public debt management by the state.

LIST OF OTHER CHARTS

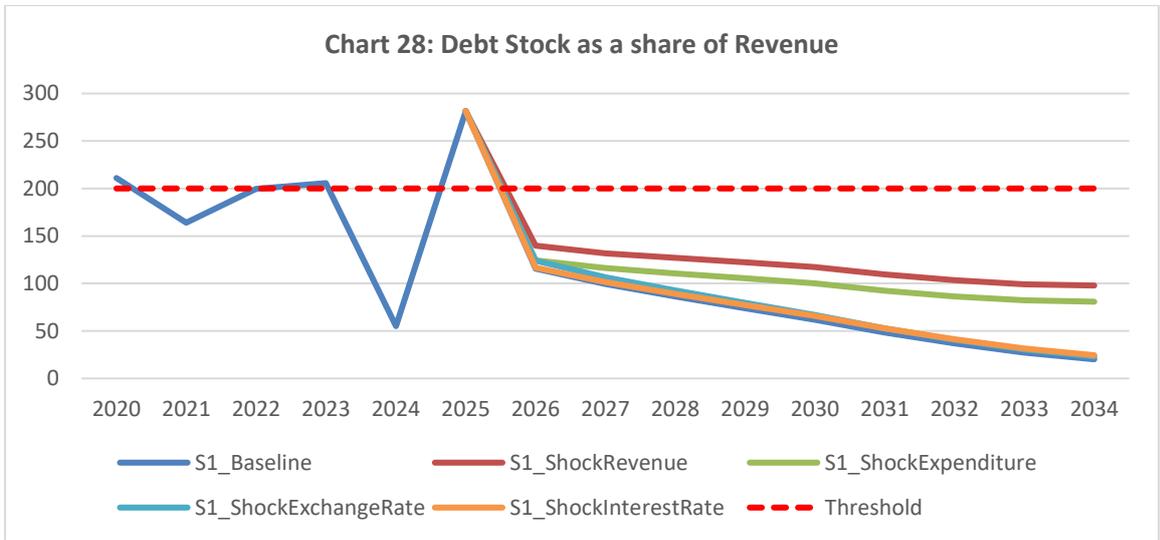




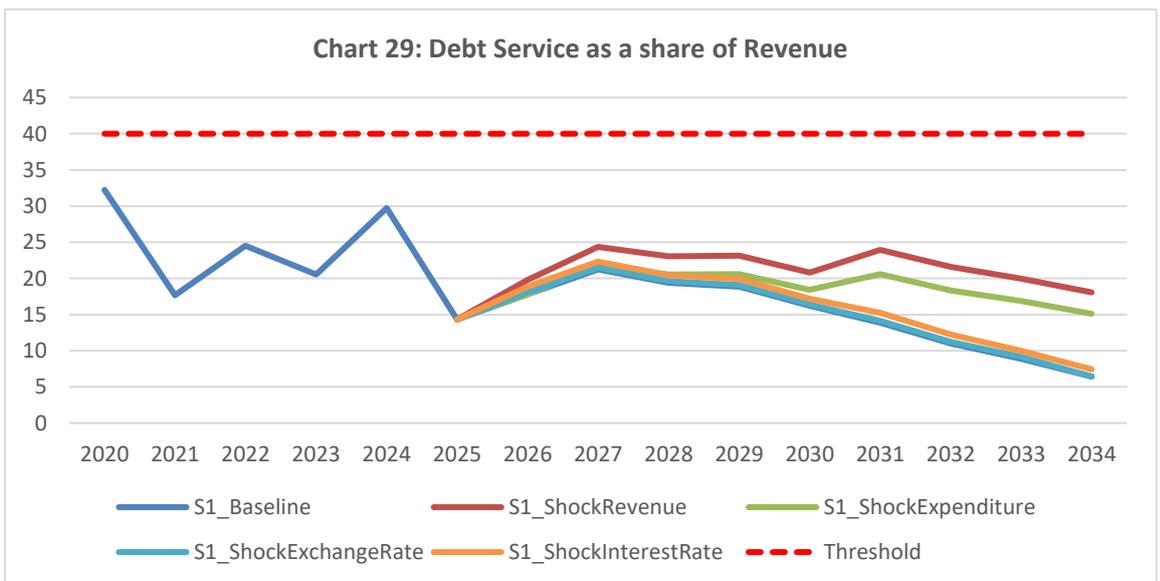
Source: State's Forecast

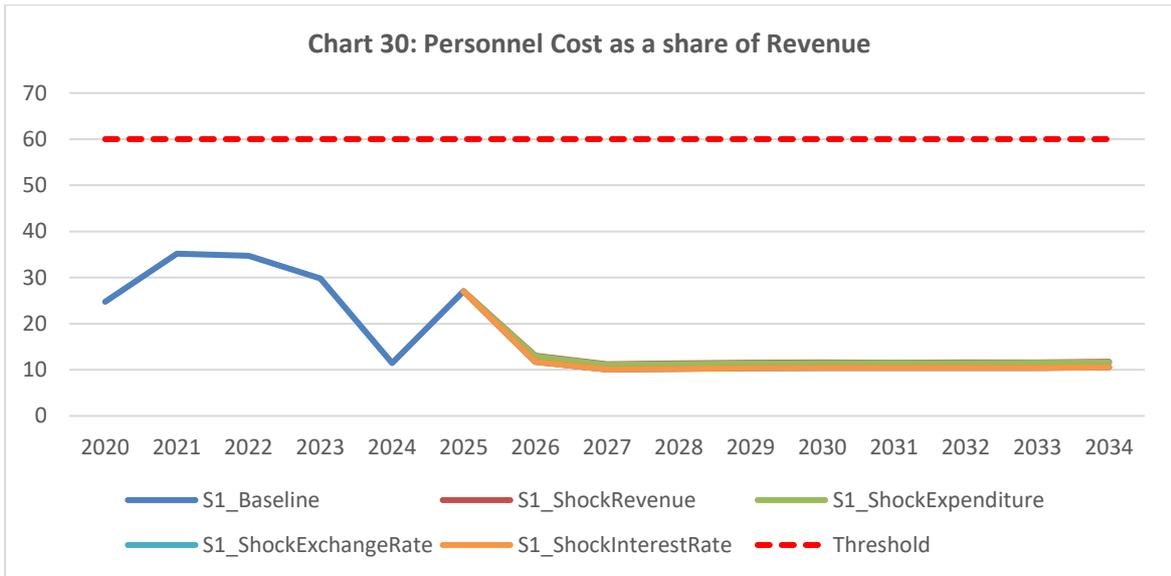


Source: State's Forecast



Source: State's Forecast





Source: State's Forecast

LIST OF ANNEXURES

Annexure 1: Table of Assumptions

2025		Projection Methodology	Source
Assumptions:			
Economic activity	State GDP (at current prices)	State GDP projection was provided for by the World Bank Group in conjunction with the Debt Management Office, Abuja and NBS	Debt Management Office, Abuja
Revenue	Revenue		
	1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT Allocation)	2025 was the State Budget provision; while 2026 onward were forecasts from Federation Revenue and Revenue Sharing assumptions based on FG MTEF	State Budget and FG MTEF
	1.a. of which Net Statutory Allocation ('net' means of deductions)	2025 was the State Budget provision; while 2026 onward were forecasts from Federation Revenue and Revenue Sharing assumptions based on FG MTEF	State Budget and FG MTEF
	1.b. of which Deductions	Projection is based on the existing loans and the repayment schedules	Debt Management Office, Imo
	2. Derivation (if applicable to the State)	2025 was the State Budget provision; while 2026 onward were forecasts from Federation Revenue and Revenue Sharing assumptions based on FG MTEF	State Budget and FG MTEF
	3. Other FAAC transfers (exchange rate gain, augmentation, others)	2026 was the State Budget provision; while 2026 onward were forecasts from Federation Revenue and Revenue Sharing assumptions based on FG MTEF	State Budget and FG MTEF
	4. VAT Allocation	2027 was the State Budget provision; while 2026 onward were forecasts from Federation Revenue and Revenue Sharing assumptions based on FG MTEF	State Budget and FG MTEF
	5. IGR	2025 was the State Budget provision; while 2026 onward were forecasts made on the basis of current collection and State policies	State Budget & extrapolation
	6. Capital Receipts	2025 was the State Budget provision	State Budget & extrapolation
	6.a. Grants	As contained in the 2025 State's Budget only	State Budget
	6.b. Sales of Government Assets and Privatization Proceeds	No projection made	No projection made
	6.c. Other Non-Debt Creating Capital Receipts	As contained in the 2025 State's Budget only	No projection made
Expenditure	Expenditure		
	1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	2025 was the State Budget provision; while 2026 onward were forecasts made on the basis of 12% of Net FAAC revenue	State Budget & extrapolation
	2. Overhead costs	2025 was the State Budget provision; while 2026 onward were forecasts made on the basis of 10% of Net FAAC revenue	State Budget & extrapolation
	3. Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)	No projection made	No projection made
	4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)	2025 was the State Budget provision; while 2026 onward were forecasts made on the basis of 45% of IGR	State Budget & extrapolation
	5. Capital Expenditure	2025 was the State Budget provision; while 2026 onward were forecasts made on the basis of 78% of Net FAAC revenue	State Budget & extrapolation
Closing Cash and Bank Balance	Closing Cash and Bank Balance	A minimum of N2 billion Closing Cash and Bank Balance was made for the projections	State Budget & extrapolation
Debt Amortization and Interest Payments	Debt Outstanding at end-2024		
	External Debt - amortization and interest	The repayments Schedules from the DMO, Abuja	DMO, Abuja
	Domestic Debt - amortization and interest	The repayments Schedules from the Debt Management Office, Imo	Debt Management Office, Imo
	New debt issued/contracted from 2025 onwards		
	New External Financing		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	Projection made using Interest rate of 1% with 35 years repayment and 7 years grace period	State Budget & applicable borrowing terms
	External Financing - Bilateral Loans	Projection made using Interest rate of 3% with 20 years repayment and 5 years grace period	State Budget & applicable borrowing terms
	Other External Financing	Projection made using Interest rate of 3% with 20 years repayment and 5 years grace period	State Budget & applicable borrowing terms
	New Domestic Financing		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans)	Projection made using Interest rate of 30% with 5 years repayment and 0 year grace period	State Budget & applicable borrowing terms
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans)	Projection made using Interest rate of 28.5% with 15 years repayment and 1 year grace period	State Budget & applicable borrowing terms
	State Bonds (maturity 1 to 5 years)	Projection made using Interest rate of 22% with 5 years repayment and 0 year grace period	State Budget & applicable borrowing terms
	State Bonds (maturity 6 years or longer)	Projection made using Interest rate of 22% with 10 years repayment and 1 year grace period	State Budget & applicable borrowing terms
	Other Domestic Financing	Projection made using Interest rate of 22% with 15 years repayment and 1 year grace period	State Budget & applicable borrowing terms

Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S1	Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S1		
	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans)	Short-term borrowings from the Commercial Banks from the 65% allocated to Domestic Market	State Fiscal Responsibility Law & Debt Management Law
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans)	Long-term borrowings from Commercial Banks as deemed necessary and accessible of the 65% allocated to Domestic Market	State Fiscal Responsibility Law & Debt Management Law
	State Bonds (maturity 1 to 5 years)	Short-term Bonds as deemed necessary and accessible of the 65% allocated to Domestic Market	State Fiscal Responsibility Law & Debt Management Law
	State Bonds (maturity 6 years or longer)	Long-term Bonds as deemed necessary and accessible of the 65% allocated to Domestic Market	State Fiscal Responsibility Law & Debt Management Law
	Other Domestic Financing	Borrowings from other Domestic Financing as deemed necessary and accessible of the 65% allocated to Domestic Market	State Fiscal Responsibility Law & Debt Management Law
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	Occasional Concessional Loans to be sourced out of the 35% allocated to the Foreign market or External Borrowings	State Fiscal Responsibility Law & Debt Management Law
	External Financing - Bilateral Loans	Occasional Bilateral Loans to be sourced out of the 35% allocated to the Foreign market or External Borrowings	State Fiscal Responsibility Law & Debt Management Law
Other External Financing	No Other External Borrowings	State Fiscal Responsibility Law & Debt Management Law	
Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S2	Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S2		
	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans)	No Commercial Bank Borrowing, only Bonds issuance under this Strategy	State Fiscal Responsibility Law & Debt Management Law
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans)	No Commercial Bank Borrowing, only Bonds issuance under this Strategy	State Fiscal Responsibility Law & Debt Management Law
	State Bonds (maturity 1 to 5 years)	30% Short term Bonds to be sourced from the Domestic Capital Market	State Fiscal Responsibility Law & Debt Management Law
	State Bonds (maturity 6 years or longer)	70% Long term Bonds to be sourced from the Domestic Capital Market	State Fiscal Responsibility Law & Debt Management Law
	Other Domestic Financing	No other Domestic Borrowing, only Bonds issuance under this Strategy	State Fiscal Responsibility Law & Debt Management Law
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	No External Borrowing applicable under this Strategy	State Fiscal Responsibility Law & Debt Management Law
	External Financing - Bilateral Loans	No External Borrowing applicable under this Strategy	State Fiscal Responsibility Law & Debt Management Law
Other External Financing	No External Borrowing applicable under this Strategy	State Fiscal Responsibility Law & Debt Management Law	
Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S3	Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S3		
	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans)	20% of the Loans to be sourced through Short-term Commercial Banks Facility	State Fiscal Responsibility Law & Debt Management Law
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans)	25% of the Loans to be sourced through Long-term Commercial Banks Facility	State Fiscal Responsibility Law & Debt Management Law
	State Bonds (maturity 1 to 5 years)	20% of the Loans to be sourced through Short-term State Bonds	State Fiscal Responsibility Law & Debt Management Law
	State Bonds (maturity 6 years or longer)	25% of the Loans to be sourced through Long-term State Bonds	State Fiscal Responsibility Law & Debt Management Law
	Other Domestic Financing	10% of the Loans to be sourced through other Domestic Borrowings	State Fiscal Responsibility Law & Debt Management Law
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	No External Borrowing applicable under this Strategy	State Fiscal Responsibility Law & Debt Management Law
	External Financing - Bilateral Loans	No External Borrowing applicable under this Strategy	State Fiscal Responsibility Law & Debt Management Law
Other External Financing	No External Borrowing applicable under this Strategy	State Fiscal Responsibility Law & Debt Management Law	
Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S4	Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S4		
	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans)	30% of the 70% allocated to the Domestic market to be sourced through Short-term Commercial Banks Facility	State Fiscal Responsibility Law & Debt Management Law
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans)	No Commercial Bank Borrowing under this Strategy	State Fiscal Responsibility Law & Debt Management Law
	State Bonds (maturity 1 to 5 years)	No State Bond Borrowing under this Strategy	State Fiscal Responsibility Law & Debt Management Law
	State Bonds (maturity 6 years or longer)	Balance of the 70% allocated to the Domestic market to be sourced through borrowing through Long-term Bonds	State Fiscal Responsibility Law & Debt Management Law
	Other Domestic Financing	No other Domestic Borrowing under this Strategy	State Fiscal Responsibility Law & Debt Management Law
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	40% Concessional Loans to be sourced out of the 30% allocated to the Foreign market or External Borrowings whenever needed	State Fiscal Responsibility Law & Debt Management Law
	External Financing - Bilateral Loans	40% Bilateral Loans to be sourced out of the 30% allocated to the Foreign market or External Borrowings whenever needed	State Fiscal Responsibility Law & Debt Management Law
Other External Financing	20% Other External Loans to be sourced out of the 30% allocated to the Foreign market or External Borrowings whenever needed	State Fiscal Responsibility Law & Debt Management Law	



Annexure 2: Baseline Scenario Projections

	Units	Scale	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
1. Information on State's Gross Domestic Product (See Note 1 in Guidance for Completing Data Request for State DSA)																		
State GDP (at current prices)	Naira	Million	6,443,111	7,354,664	8,452,777	9,791,958	11,590,901	13,453,023	15,430,309	17,733,345	20,551,248	22,865,832	25,441,097	28,306,400	31,494,409	35,041,466	38,988,012	
Nation GDP (at current prices)	Naira	Million	154,252,319	176,075,502	202,365,027	234,425,914	277,493,782	322,074,205	369,411,742	424,547,927	492,010,390	547,423,060	609,076,582	677,673,832	753,996,847	838,915,742	933,398,628	
Exchange Rate NGN/US\$ (end-Period)	Naira/USD		306	307	326	379	1,300	1,603	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	
3. Information on Revenues, Expenditure, and Financing Needs and Sources (See Note 3 in Guidance for Completing Data Request for State DSA)																		
Revenue	Naira	Million	100,101	147,146	223,754	193,601	420,927	752,934	618,148	739,366	850,140	983,375	1,121,418	1,275,394	1,467,493	1,709,074	1,980,000	
1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT)	Naira	Million	35,242	36,837	39,470	33,285	15,683	34,577	381,334	446,161	522,008	610,749	714,577	836,055	978,184	1,144,476	1,339,036	
1.a. of which Net Statutory Allocation ('net' means of deductions)	Naira	Million	25,767	25,457	18,230	10,661	-9,222	9,672	356,429	421,256	497,103	585,845	689,672	811,150	953,280	1,119,571	1,314,132	
1.b. of which Deductions	Naira	Million	9,475	11,381	21,240	22,624	24,905	24,905	24,905	24,905	24,905	24,905	24,905	24,905	24,905	24,905	24,905	
2. Derivation (if applicable to the State)	Naira	Million	8,738	9,985	17,907	9,156	13,347	11,826	26,761	31,310	36,632	42,860	50,146	58,671	68,645	80,315	93,968	
3. Other FAAC transfers (exchange rate gain, augmentation, others)	Naira	Million	6,300	3,644	5,631	20,465	262,389	42,027	43,383	44,782	46,227	47,718	47,956	48,196	48,437	48,679	48,922	
4. VAT Allocation	Naira	Million	15,550	21,644	26,631	35,466	64,238	75,368	91,424	103,428	121,011	141,583	165,652	193,813	226,761	265,310	310,413	
5. IGR	Naira	Million	18,805	26,832	16,711	18,227	20,224	42,577	45,218	59,786	67,091	75,288	88,254	116,688	142,569	169,974	187,342	
6. Capital Receipts	Naira	Million	15,468	48,204	117,403	77,002	45,046	546,559	30,028	53,899	57,170	65,177	54,832	21,972	2,896	320	318	
6.a. Grants	Naira	Million	1,000	4,638	5,809	0	22,169	43,218	0	0	0	0	0	0	0	0	0	
6.b. Sales of Government Assets and Privatization Proceeds	Naira	Million	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
6.c. Other Non-Debt Creating Capital Receipts	Naira	Million	5,585	0	31,595	35,002	2,877	16,914	0	0	0	0	0	0	0	0	0	
6.d. Proceeds from Debt-Creating Borrowings (bond issuance, loan disbursement)	Naira	Million	8,883	43,566	80,000	42,000	20,000	486,427	30,028	53,899	57,170	65,177	54,832	21,972	2,896	320	318	
6.d.1. of which Borrowings from Domestic bonds	Naira	Million	0	0	0	0	0											
6.d.2. of which Borrowings from Commercial bank loans	Naira	Million	0	43,566	80,000	42,000	20,000											
6.d.3. of which Borrowings from External loans	Naira	Million	8,883	0	0	0	0											
Expenditure	Naira	Million	88,027	134,144	222,309	195,832	366,247	836,715	618,148	739,366	850,140	983,375	1,121,418	1,275,394	1,467,493	1,709,074	1,980,000	
1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	Naira	Million	21,167	36,439	38,964	34,746	45,605	67,402	69,171	69,105	81,128	95,172	111,423	130,431	152,666	178,676	209,104	
2. Overhead costs	Naira	Million	10,372	19,728	22,888	32,043	25,342	31,488	39,309	57,587	67,607	79,310	92,852	108,693	127,222	148,897	174,253	
3. Interest Payments (Public Debt Charges, including interests deducted from FAAC)	Naira	Million	14,218	9,489	15,957	19,145	20,291	11,350	87,471	92,852	98,876	103,195	100,504	98,454	90,390	76,678	61,994	
3.a. of which Interest Payments (Public Debt Charges, excluding interests deducted from FAAC)	Naira	Million	6,371	2,032	524	2	1											
3.b. of which Interest deducted from FAAC Allocation	Naira	Million	7,847	7,457	15,434	19,143	20,290											
4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)	Naira	Million	11,598	14,432	23,993	11,769	8,357	7,289	20,348	26,904	30,191	33,880	39,714	42,510	54,156	61,488	72,304	
5. Capital Expenditure	Naira	Million	28,565	39,982	86,380	75,627	240,375	694,786	384,612	440,180	517,334	601,619	704,247	819,802	972,330	1,168,397	1,397,174	
6. Amortization (principal) payments	Naira	Million	2,107	14,074	34,126	22,503	26,275	24,400	17,237	52,738	55,004	70,200	72,677	75,505	70,729	74,937	65,171	
6.a. of which Amortization of Domestic bonds	Naira	Million	0	0	0	0	0											
6.b. of which Amortization of Commercial bank loans	Naira	Million	1,575	13,384	33,328	20,609	20,891											
6.c. of which Amortization of External loans	Naira	Million	533	690	798	1,894	5,384											
Budget Balance ('+' means surplus, '-' means deficit)	Naira	Million	12,074	13,001	1,445	-2,231	54,680	-83,781	0									
Opening Cash and Bank Balance	Naira	Million	6,812	18,886	31,887	33,332	31,101	85,781	2,000									
Closing Cash and Bank Balance	Naira	Million	18,886	31,887	33,332	31,101	85,781	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	
Calculation of Financing Needs and Sources																		
Financing Needs	Naira	Million						503,340.88	30,028.44	53,898.69	57,170.45	65,176.59	54,832.41	21,971.61	2,896.41	320.18	317.94	
i. Primary balance	Naira	Million	Sign +/- means source/use of funds						-551,372.21	74,679.13	91,691.72	96,709.30	108,217.76	118,349.06	151,987.63	158,222.41	151,294.84	126,847.20
ii. Debt service	Naira	Million						35,749.64	104,707.56	145,590.41	153,879.76	173,394.35	173,181.47	173,959.24	161,118.82	151,615.02	127,165.14	
Amortizations	Naira	Million						24,399.60	17,236.75	52,738.41	55,004.25	70,199.78	72,677.33	75,504.82	70,729.18	74,937.15	65,170.74	
Interests	Naira	Million						11,350.04	87,470.81	92,852.00	98,875.50	103,194.58	100,504.14	98,454.42	90,389.63	76,677.87	61,994.40	
iii. Financing Needs Other than Amortization Payments (e.g., Variation in Debt Service)	Naira	Million						-83,780.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Financing Sources	Naira	Million						503,340.88	30,028.44	53,898.69	57,170.45	65,176.59	54,832.41	21,971.61	2,896.41	320.18	317.94	
i. Financing Sources Other than Borrowing	Naira	Million						16,914.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
ii. Gross Borrowings	Naira	Million	Gross Borrowing = Primary Deficit + Debt Service + Financing Needs Other than Amortization						486,426.88	30,028.44	53,898.69	57,170.45	65,176.59	54,832.41	21,971.61	2,896.41	320.18	317.94
CONTROL: Financing Needs and Sources Must be Identical (i.e., no financing gap)								OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	



Annexure 3: ShockRevenue Scenario Projections

	Units	Scale	Shock (% deviation from Bas	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
1. Information on State's Gross Domestic Product (See Note 1 in Guidance for Completing Data Request for State DSA)																		
State GDP (at current prices)	Naira	Million		6,443,111	7,354,664	8,452,777	9,791,958	11,590,901	13,453,023	15,430,309	17,733,345	20,551,248	22,865,832	25,441,097	28,306,400	31,494,409	35,041,466	38,988,012
Nation GDP (at current prices)	Naira	Million		154,252,319	176,075,502	202,365,027	234,425,914	277,493,782	322,074,205	369,411,742	424,547,927	492,010,390	547,423,060	609,076,582	677,673,832	753,996,847	838,915,742	933,398,628
Exchange Rate NGN/US\$ (end-Period)	Naira/USD			306	307	326	379	1,300	1,603	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
3. Information on Revenues, Expenditure, and Financing Needs and Sources (See Note 3 in Guidance for Completing Data Request for State DSA)																		
Revenue	Naira	Million		100,101.20	147,145.52	223,754.07	193,600.87	420,927.00	752,934	618,148	744,071	860,705	1,001,129	1,147,938	1,371,381	1,590,920	1,864,842	2,174,423
1. Gross Statutory Allocation ('gross' means with no deductions; do not include VA	Naira	Million	-10.0	35,242.00	36,837.37	39,469.92	33,285.10	15,682.60	34,577	343,201	401,545	469,807	549,674	643,119	752,449	880,366	1,030,028	1,205,133
1.a. of which Net Statutory Allocation ('net' means of deductions)	Naira	Million	-10.0	25,766.80	25,456.60	18,230.08	10,660.80	-9,222.00	9,672	320,786	379,131	447,393	527,260	620,705	730,035	857,952	1,007,614	1,182,719
1.b. of which Deductions	Naira	Million	-10.0	9,475.20	11,380.80	21,239.85	22,624.30	24,904.60	24,905	22,414	22,414	22,414	22,414	22,414	22,414	22,414	22,414	22,414
2. Derivation (if applicable to the State)	Naira	Million	-10.0	8,737.80	9,984.57	17,906.80	9,155.80	13,347.26	11,826	24,084	28,179	32,969	38,574	45,132	52,804	61,781	72,283	84,571
3. Other FAAC transfers (exchange rate gain, augmentation, others)	Naira	Million	-10.0	6,299.50	3,643.64	5,631.27	20,465.10	262,389.36	42,027	39,045	40,304	41,604	42,946	43,160	43,376	43,593	43,811	44,030
4. VAT Allocation	Naira	Million	-10.0	15,549.90	21,643.64	26,631.25	35,465.90	64,238.26	75,368	82,282	93,085	108,910	127,425	149,087	174,432	204,085	238,779	279,372
5. IGR	Naira	Million	-10.0	18,804.50	26,831.93	16,711.35	18,227.10	20,223.78	42,577	40,696	53,808	60,382	67,759	79,429	105,019	128,313	152,976	168,608
6. Capital Receipts	Naira	Million		15,467.60	48,204.37	117,403.48	77,001.90	45,045.73	546,559	88,840	127,150	147,032	174,750	188,011	243,300	272,783	326,964	392,709
6.a. Grants	Naira	Million	-10.0	1,000.00	4,638.26	5,808.70	0.00	22,168.54	43,218	0	0	0	0	0	0	0	0	0
6.b. Sales of Government Assets and Privatization Proceeds	Naira	Million		0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0	0
6.c. Other Non-Debt Creating Capital Receipts	Naira	Million		5,584.90	0.00	31,594.78	35,001.90	2,877.19	16,914	0	0	0	0	0	0	0	0	0
6.d. Proceeds from Debt-Creating Borrowings (bond issuance, loan disburseme	Naira	Million		8,882.70	43,566.11	80,000.00	42,000.00	20,000.00	486,427	88,840	127,150	147,032	174,750	188,011	243,300	272,783	326,964	392,709
6.d.1. of which Borrowings from Domestic bonds	Naira	Million		0.00	0.00	0.00	0.00	0.00										
6.d.2. of which Borrowings from Commercial bank loans	Naira	Million		0.00	43,566.11	80,000.00	42,000.00	20,000.00										
6.d.3. of which Borrowings from External loans	Naira	Million		8,882.70	0.00	0.00	0.00	0.00										
Expenditure	Naira	Million		88,027.30	134,144.27	222,309.00	195,832.33	366,246.67	836,715	618,148	744,071	860,705	1,001,129	1,147,938	1,371,381	1,590,920	1,864,842	2,174,423
1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	Naira	Million		21,166.80	36,438.79	38,963.92	34,745.80	45,605.39	67,402	69,171	69,105	81,128	95,172	111,423	130,431	152,666	178,676	209,104
2. Overhead costs	Naira	Million		10,371.90	19,727.60	22,888.16	32,043.10	25,342.39	31,488	39,309	57,587	67,607	79,310	92,852	108,693	127,222	148,897	174,253
3. Interest Payments (Public Debt Charges, including interests deducted from FAAC	Naira	Million		14,218.20	9,489.31	15,957.45	19,144.60	20,291.21	11,350	87,471	97,557	109,441	120,949	127,024	135,629	140,565	142,584	146,843
3.a. of which Interest Payments (Public Debt Charges, excluding interests deduc	Naira	Million		6,371.00	2,032.14	523.82	1.80	1.00										
3.b. of which Interest deducted from FAAC Allocation	Naira	Million		7,847.20	7,457.17	15,433.63	19,142.80	20,290.20										
4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and In	Naira	Million		11,597.80	14,431.80	23,993.45	11,768.70	8,357.50	7,289	20,348	26,904	30,191	33,880	39,714	42,510	54,156	61,488	72,304
5. Capital Expenditure	Naira	Million		28,565.40	39,982.43	86,380.13	75,627.40	240,374.93	694,786	384,612	440,180	517,334	601,619	704,247	819,802	972,330	1,168,397	1,397,174
6. Amortization (principal) payments	Naira	Million		2,107.20	14,074.34	34,125.90	22,502.80	26,275.25	24,400	17,237	52,738	55,004	70,200	72,677	134,317	143,981	164,799	174,745
6.a. of which Amortization of Domestic bonds	Naira	Million		0.00	0.00	0.00	0.00	0.00										
6.b. of which Amortization of Commercial bank loans	Naira	Million		1,574.50	13,384.40	33,328.18	20,608.70	20,890.96										
6.c. of which Amortization of External loans	Naira	Million		532.70	689.93	797.76	1,894.10	5,384.29										
Budget Balance ('+' means surplus, '-' means deficit)	Naira	Million		12,073.90	13,001.20	1,445.07	-2,231.47	54,680.33	-83,781	0	0	0	0	0	0	0	0	0
Opening Cash and Bank Balance	Naira	Million		6,811.90	18,885.80	31,887.06	33,332.10	31,100.63	85,781	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Closing Cash and Bank Balance	Naira	Million		18,885.80	31,887.06	33,332.09	31,100.60	85,780.96	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Calculation of Financing Needs and Sources																		
Financing Needs	Naira	Million							503,340.88	88,840.37	127,150.38	147,032.46	174,750.46	188,010.92	243,300.05	272,783.33	326,963.95	392,708.95
i. Primary balance	Naira	Million	Sign +/- means source/use of funds						-551,372.21	15,867.20	23,144.99	17,412.38	16,397.94	11,690.51	26,645.35	11,762.73	-19,580.54	-71,121.02
ii. Debt service	Naira	Million							35,749.64	104,707.56	150,295.36	164,444.84	191,148.40	199,701.43	269,945.41	284,546.06	307,383.41	321,587.93
Amortizations	Naira	Million							24,399.60	17,236.75	52,738.41	55,004.25	70,199.78	72,677.33	134,316.75	143,980.87	164,799.16	174,744.61
Interests	Naira	Million							11,350.04	87,470.81	97,556.95	109,440.59	120,948.63	127,024.10	135,628.66	140,565.20	142,584.25	146,843.32
iii. Financing Needs Other than Amortization Payments (e.g., Variation in	Naira	Million							-83,780.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financing Sources	Naira	Million							503,340.88	88,840.37	127,150.38	147,032.46	174,750.46	188,010.92	243,300.05	272,783.33	326,963.95	392,708.95
i. Financing Sources Other than Borrowing	Naira	Million							16,914.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii. Gross Borrowings	Naira	Million	Gross Borrowing = Primary Deficit + Debt Service + Financing Needs Other than Amortizati						486,426.88	88,840.37	127,150.38	147,032.46	174,750.46	188,010.92	243,300.05	272,783.33	326,963.95	392,708.95
CONTROL: Financing Needs and Sources Must be Identical (i.e., no financing gap)									OK	OK	OK	OK	OK	OK	OK	OK	OK	OK



Annexure 4: ShockExpenditure Scenario Projections

	Units	Scale	Shock (% deviation from Bas	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
1. Information on State's Gross Domestic Product (See Note 1 in Guidance for Completing Data Request for State DSA)																		
State GDP (at current prices)	Naira	Million		6,443,111	7,354,664	8,452,777	9,791,958	11,590,901	13,453,023	15,430,309	17,733,345	20,551,248	22,865,832	25,441,097	28,306,400	31,494,409	35,041,466	38,988,012
Nation GDP (at current prices)	Naira	Million		154,252,319	176,075,502	202,365,027	234,425,914	277,493,782	322,074,205	369,411,742	424,547,927	492,010,390	547,423,060	609,076,582	677,673,832	753,996,847	838,915,742	933,398,628
Exchange Rate NGN/US\$ (end-Period)	Naira/USD			306	307	326	379	1,300	1,603	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
3. Information on Revenues, Expenditure, and Financing Needs and Sources (See Note 3 in Guidance for Completing Data Request for State DSA)																		
Revenue	Naira	Million		100,101.20	147,145.52	223,754.07	193,600.87	420,927.00	752,934	669,492	802,851	928,952	1,079,864	1,239,452	1,469,535	1,705,693	2,001,686	2,336,931
1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT)	Naira	Million		35,242.00	36,837.37	39,469.92	33,285.10	15,682.60	34,577	381,334	446,161	522,008	610,749	714,577	836,055	978,184	1,144,476	1,339,036
1.a. of which Net Statutory Allocation ('net' means of deductions)	Naira	Million		25,766.80	25,456.60	18,230.08	10,660.80	-9,222.00	9,672	356,429	421,256	497,103	585,845	689,672	811,150	953,280	1,119,571	1,314,132
1.b. of which Deductions	Naira	Million		9,475.20	11,380.80	21,239.85	22,624.30	24,904.60	24,905	24,905	24,905	24,905	24,905	24,905	24,905	24,905	24,905	24,905
2. Derivation (if applicable to the State)	Naira	Million		8,737.80	9,984.57	17,906.80	9,155.80	13,347.26	11,826	26,761	31,310	36,632	42,860	50,146	58,671	68,645	80,315	93,968
3. Other FAAC transfers (exchange rate gain, augmentation, others)	Naira	Million		6,299.50	3,643.64	5,631.27	20,465.10	262,389.36	42,027	43,383	44,782	46,227	47,718	47,956	48,196	48,437	48,679	48,922
4. VAT Allocation	Naira	Million		15,549.90	21,643.64	26,631.25	35,465.90	64,238.26	75,368	91,424	103,428	121,011	141,583	165,652	193,813	226,761	265,310	310,413
5. IGR	Naira	Million		18,804.50	26,831.93	16,711.35	18,227.10	20,223.78	42,577	45,218	59,786	67,091	75,288	88,254	116,688	142,569	169,974	187,342
6. Capital Receipts	Naira	Million		15,467.60	48,204.37	117,403.48	77,001.90	45,045.73	546,559	81,372	117,384	135,983	161,666	172,867	216,112	241,096	292,932	357,249
6.a. Grants	Naira	Million		1,000.00	4,638.26	5,808.70	0.00	22,168.54	43,218	0	0	0	0	0	0	0	0	0
6.b. Sales of Government Assets and Privatization Proceeds	Naira	Million		0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0	0
6.c. Other Non-Debt Creating Capital Receipts	Naira	Million		5,584.90	0.00	31,594.78	35,001.90	2,877.19	16,914	0	0	0	0	0	0	0	0	0
6.d. Proceeds from Debt-Creating Borrowings (bond issuance, loan disbursement)	Naira	Million		8,882.70	43,566.11	80,000.00	42,000.00	20,000.00	486,427	81,372	117,384	135,983	161,666	172,867	216,112	241,096	292,932	357,249
6.d.1. of which Borrowings from Domestic bonds	Naira	Million		0.00	0.00	0.00	0.00	0.00										
6.d.2. of which Borrowings from Commercial bank loans	Naira	Million		0.00	43,566.11	80,000.00	42,000.00	20,000.00										
6.d.3. of which Borrowings from External loans	Naira	Million		8,882.70	0.00	0.00	0.00	0.00										
Expenditure	Naira	Million		88,027.30	134,144.27	222,309.00	195,832.33	366,246.67	836,715	669,492	802,851	928,952	1,079,864	1,239,452	1,469,535	1,705,693	2,001,686	2,336,931
1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	Naira	Million	10.0	21,166.80	36,438.79	38,963.92	34,745.80	45,605.39	67,402	76,088	76,015	89,241	104,689	122,565	143,474	167,933	196,544	230,014
2. Overhead costs	Naira	Million	10.0	10,371.90	19,727.60	22,888.16	32,043.10	25,342.39	31,488	43,240	63,346	74,368	87,241	102,137	119,562	139,944	163,787	191,678
3. Interest Payments (Public Debt Charges, including interests deducted from FAAC)	Naira	Million		14,218.20	9,489.31	15,957.45	19,144.60	20,291.21	11,350	87,471	96,960	108,062	118,686	123,715	131,108	134,467	134,732	137,152
3.a. of which Interest Payments (Public Debt Charges, excluding interests deducted from FAAC)	Naira	Million		6,371.00	2,032.14	523.82	1.80	1.00										
3.b. of which Interest deducted from FAAC Allocation	Naira	Million		7,847.20	7,457.17	15,433.63	19,142.80	20,290.20										
4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)	Naira	Million	10.0	11,597.80	14,431.80	23,993.45	11,768.70	8,357.50	7,289	22,383	29,594	33,210	37,268	43,686	46,761	59,572	67,637	79,534
5. Capital Expenditure	Naira	Million	10.0	28,565.40	39,982.43	86,380.13	75,627.40	240,374.93	694,786	423,073	484,198	569,067	661,780	774,672	901,782	1,069,563	1,285,237	1,536,892
6. Amortization (principal) payments	Naira	Million		2,107.20	14,074.34	34,125.90	22,502.80	26,275.25	24,400	17,237	52,738	55,004	70,200	72,677	126,849	134,214	153,749	161,660
6.a. of which Amortization of Domestic bonds	Naira	Million		0.00	0.00	0.00	0.00	0.00										
6.b. of which Amortization of Commercial bank loans	Naira	Million		1,574.50	13,384.40	33,328.18	20,608.70	20,890.96										
6.c. of which Amortization of External loans	Naira	Million		532.70	689.93	797.76	1,894.10	5,384.29										
Budget Balance ('+' means surplus, '-' means deficit)	Naira	Million		12,073.90	13,001.20	1,445.07	-2,231.47	54,680.33	-83,781	0	0	0	0	0	0	0	0	0
Opening Cash and Bank Balance	Naira	Million		6,811.90	18,885.80	31,887.06	33,332.10	31,100.63	85,781	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Closing Cash and Bank Balance	Naira	Million		18,885.80	31,887.06	33,332.09	31,100.60	85,780.96	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Calculation of Financing Needs and Sources																		
Financing Needs	Naira	Million							503,340.88	81,372.45	117,383.77	135,982.77	161,665.95	172,866.51	216,112.33	241,095.85	292,932.47	357,248.87
i. Primary balance	Naira	Million	Sign +/- means source/use of funds						-551,372.21	23,335.11	32,314.16	27,083.31	27,219.72	23,525.42	41,844.12	27,584.97	-4,451.05	-58,436.30
ii. Debt service	Naira	Million							35,749.64	104,707.56	149,697.93	163,066.08	188,885.67	196,391.93	257,956.44	268,680.82	288,481.41	298,812.56
Amortizations	Naira	Million							24,399.60	17,236.75	52,738.41	55,004.25	70,199.78	72,677.33	126,848.84	134,214.26	153,749.47	161,660.10
Interests	Naira	Million							11,350.04	87,470.81	96,959.52	108,061.83	118,685.89	123,714.60	131,107.61	134,466.56	134,731.95	137,152.47
iii. Financing Needs Other than Amortization Payments (e.g., Variation in Debt Service)	Naira	Million							-83,780.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financing Sources	Naira	Million							503,340.88	81,372.45	117,383.77	135,982.77	161,665.95	172,866.51	216,112.33	241,095.85	292,932.47	357,248.87
i. Financing Sources Other than Borrowing	Naira	Million							16,914.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii. Gross Borrowings	Naira	Million							486,426.88	81,372.45	117,383.77	135,982.77	161,665.95	172,866.51	216,112.33	241,095.85	292,932.47	357,248.87
CONTROL: Financing Needs and Sources Must be Identical (i.e., no financing gap)									OK	OK	OK	OK	OK	OK	OK	OK	OK	OK



Annexure 5: ShockExchange Rate Scenario Projections

	Units	Scale	Shock (% deviation from Bas	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
1. Information on State's Gross Domestic Product (See Note 1 in Guidance for Completing Data Request for State DSA)																		
State GDP (at current prices)	Naira	Million		6,443,111	7,354,664	8,452,777	9,791,958	11,590,901	13,453,023	15,430,309	17,733,345	20,551,248	22,865,832	25,441,097	28,306,400	31,494,409	35,041,466	38,988,012
Nation GDP (at current prices)	Naira	Million		154,252,319	176,075,502	202,365,027	234,425,914	277,493,782	322,074,205	369,411,742	424,547,927	492,010,390	547,423,060	609,076,582	677,673,832	753,996,847	838,915,742	933,398,628
Exchange Rate NGN/US\$ (end-Period)	Naira/USD		20.0	306	307	326	379	1,300	1,603	1,680.00	1,680.00	1,680.00	1,680.00	1,680.00	1,680.00	1,680.00	1,680.00	1,680.00
3. Information on Revenues, Expenditure, and Financing Needs and Sources (See Note 3 in Guidance for Completing Data Request for State DSA)																		
Revenue	Naira	Million		100,101.20	147,145.52	223,754.07	193,600.87	420,927.00	752,934	619,611	740,949	851,782	985,140	1,123,030	1,278,507	1,470,847	1,713,671	1,980,351
1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT)	Naira	Million		35,242.00	36,837.37	39,469.92	33,285.10	15,682.60	34,577	381,334	446,161	522,008	610,749	714,577	836,055	978,184	1,144,476	1,339,036
1.a. of which Net Statutory Allocation ('net' means of deductions)	Naira	Million		25,766.80	25,456.60	18,230.08	10,660.80	-9,222.00	9,672	356,429	421,256	497,103	585,845	689,672	811,150	953,280	1,119,571	1,314,132
1.b. of which Deductions	Naira	Million		9,475.20	11,380.80	21,239.85	22,624.30	24,904.60	24,905	24,905	24,905	24,905	24,905	24,905	24,905	24,905	24,905	24,905
2. Derivation (if applicable to the State)	Naira	Million		8,737.80	9,984.57	17,906.80	9,155.80	13,347.26	11,826	26,761	31,310	36,632	42,860	50,146	58,671	68,645	80,315	93,968
3. Other FAAC transfers (exchange rate gain, augmentation, others)	Naira	Million		6,299.50	3,643.64	5,631.27	20,465.10	262,389.36	42,027	43,383	44,782	46,227	47,718	47,956	48,196	48,437	48,679	48,922
4. VAT Allocation	Naira	Million		15,549.90	21,643.64	26,631.25	35,465.90	64,238.26	75,368	91,424	103,428	121,011	141,583	165,652	193,813	226,761	265,310	310,413
5. IGR	Naira	Million		18,804.50	26,831.93	16,711.35	18,227.10	20,223.78	42,577	45,218	59,786	67,091	75,288	88,254	116,688	142,569	169,974	187,342
6. Capital Receipts	Naira	Million		15,467.60	48,204.37	117,403.48	77,001.90	45,045.73	546,559	31,491	55,481	58,813	66,942	56,444	25,084	6,250	4,917	669
6.a. Grants	Naira	Million		1,000.00	4,638.26	5,808.70	0.00	22,168.54	43,218	0	0	0	0	0	0	0	0	0
6.b. Sales of Government Assets and Privatization Proceeds	Naira	Million		0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0	0
6.c. Other Non-Debt Creating Capital Receipts	Naira	Million		5,584.90	0.00	31,594.78	35,001.90	2,877.19	16,914	0	0	0	0	0	0	0	0	0
6.d. Proceeds from Debt-Creating Borrowings (bond issuance, loan disbursement)	Naira	Million		8,882.70	43,566.11	80,000.00	42,000.00	20,000.00	486,427	31,491	55,481	58,813	66,942	56,444	25,084	6,250	4,917	669
6.d.1. of which Borrowings from Domestic bonds	Naira	Million		0.00	0.00	0.00	0.00	0.00										
6.d.2. of which Borrowings from Commercial bank loans	Naira	Million		0.00	43,566.11	80,000.00	42,000.00	20,000.00										
6.d.3. of which Borrowings from External loans	Naira	Million		8,882.70	0.00	0.00	0.00	0.00										
Expenditure	Naira	Million		88,027.30	134,144.27	222,309.00	195,832.33	366,246.67	836,715	619,611	740,949	851,782	985,140	1,123,030	1,278,507	1,470,847	1,713,671	1,980,351
1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	Naira	Million		21,166.80	36,438.79	38,963.92	34,745.80	45,605.39	67,402	69,171	69,105	81,128	95,172	111,423	130,431	152,666	178,676	209,104
2. Overhead costs	Naira	Million		10,371.90	19,727.60	22,888.16	32,043.10	25,342.39	31,488	39,309	57,587	67,607	79,310	92,852	108,693	127,222	148,897	174,253
3. Interest Payments (Public Debt Charges, including interests deducted from FAAC)	Naira	Million		14,218.20	9,489.31	15,957.45	19,144.60	20,291.21	11,350	87,952	93,450	99,600	104,051	101,198	99,195	91,259	77,681	63,218
3.a. of which Interest Payments (Public Debt Charges, excluding interests deducted from FAAC)	Naira	Million		6,371.00	2,032.14	523.82	1.80	1.00										
3.b. of which Interest deducted from FAAC Allocation	Naira	Million		7,847.20	7,457.17	15,433.63	19,142.80	20,290.20										
4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)	Naira	Million		11,597.80	14,431.80	23,993.45	11,768.70	8,357.50	7,289	20,348	26,904	30,191	33,880	39,714	42,510	54,156	61,488	72,304
5. Capital Expenditure	Naira	Million		28,565.40	39,982.43	86,380.13	75,627.40	240,374.93	694,786	384,612	440,180	517,334	601,619	704,247	819,802	972,330	1,168,397	1,397,174
6. Amortization (principal) payments	Naira	Million		2,107.20	14,074.34	34,125.90	22,502.80	26,275.25	24,400	18,219	53,723	55,922	71,109	73,595	77,877	73,213	78,531	64,299
6.a. of which Amortization of Domestic bonds	Naira	Million		0.00	0.00	0.00	0.00	0.00										
6.b. of which Amortization of Commercial bank loans	Naira	Million		1,574.50	13,384.40	33,328.18	20,608.70	20,890.96										
6.c. of which Amortization of External loans	Naira	Million		532.70	689.93	797.76	1,894.10	5,384.29										
Budget Balance ('+' means surplus, '-' means deficit)	Naira	Million		12,073.90	13,001.20	1,445.07	-2,231.47	54,680.33	-83,781	0								
Opening Cash and Bank Balance	Naira	Million		6,811.90	18,885.80	31,887.06	33,332.10	31,100.63	85,781	2,000								
Closing Cash and Bank Balance	Naira	Million		18,885.80	31,887.06	33,332.09	31,100.60	85,780.96	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Calculation of Financing Needs and Sources																		
Financing Needs	Naira	Million							503,340.88	31,491.38	55,481.47	58,812.65	66,941.77	56,444.38	25,084.40	6,249.83	4,917.37	669.08
i. Primary balance	Naira	Million	Sign +/- means source/use of funds						-551,372.21	74,679.13	91,691.72	96,709.30	108,217.76	118,349.06	151,987.63	158,222.41	151,294.84	126,847.20
ii. Debt service	Naira	Million							35,749.64	106,170.50	147,173.19	155,521.95	175,159.53	174,793.44	177,072.04	164,472.24	156,212.21	127,516.28
Amortizations	Naira	Million							24,399.60	18,218.78	53,723.24	55,921.88	71,109.00	73,594.95	77,876.99	73,212.79	78,531.27	64,298.64
Interests	Naira	Million							11,350.04	87,951.72	93,449.95	99,600.07	104,050.52	101,198.48	99,195.05	91,259.45	77,680.94	63,217.64
iii. Financing Needs Other than Amortization Payments (e.g., Variation in Debt Service)	Naira	Million							-83,780.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financing Sources	Naira	Million							503,340.88	31,491.38	55,481.47	58,812.65	66,941.77	56,444.38	25,084.40	6,249.83	4,917.37	669.08
i. Financing Sources Other than Borrowing	Naira	Million							16,914.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii. Gross Borrowings	Naira	Million	Gross Borrowing = Primary Deficit + Debt Service + Financing Needs Other than Amortization						486,426.88	31,491.38	55,481.47	58,812.65	66,941.77	56,444.38	25,084.40	6,249.83	4,917.37	669.08
CONTROL: Financing Needs and Sources Must be Identical (i.e., no financing gap)									OK	OK	OK	OK	OK	OK	OK	OK	OK	OK



Annexure 6: ShockInterest Rate Scenario Projections

	Units	Scale	Shock (% deviation from Bas	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
1. Information on State's Gross Dometic Product (See Note 1 in Guidance for Completing Data Request for State DSA)																		
State GDP (at current prices)	Naira	Million		6,443,111	7,354,664	8,452,777	9,791,958	11,590,901	13,453,023	15,430,309	17,733,345	20,551,248	22,865,832	25,441,097	28,306,400	31,494,409	35,041,466	38,988,012
Nation GDP (at current prices)	Naira	Million		154,252,319	176,075,502	202,365,027	234,425,914	277,493,782	322,074,205	369,411,742	424,547,927	492,010,390	547,423,060	609,076,582	677,673,832	753,996,847	838,915,742	933,398,628
Exchange Rate NGN/US\$ (end-Period)	Naira/USD			306	307	326	379	1,300	1,603	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
3. Information on Revenues, Expenditure, and Financing Needs and Sources (See Note 3 in Guidance for Completing Data Request for State DSA)																		
Revenue	Naira	Million		100,101.20	147,145.52	223,754.07	193,600.87	420,927.00	752,934	624,471	746,776	858,509	992,814	1,131,433	1,292,580	1,485,976	1,728,317	2,000,032
1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT)	Naira	Million		35,242.00	36,837.37	39,469.92	33,285.10	15,682.60	34,577	381,334	446,161	522,008	610,749	714,577	836,055	978,184	1,144,476	1,339,036
1.a. of which Net Statutory Allocation ('net' means of deductions)	Naira	Million		25,766.80	25,456.60	18,230.08	10,660.80	-9,222.00	9,672	356,429	421,256	497,103	585,845	689,672	811,150	953,280	1,119,571	1,314,132
1.b. of which Deductions	Naira	Million		9,475.20	11,380.80	21,239.85	22,624.30	24,904.60	24,905	24,905	24,905	24,905	24,905	24,905	24,905	24,905	24,905	24,905
2. Derivation (if applicable to the State)	Naira	Million		8,737.80	9,984.57	17,906.80	9,155.80	13,347.26	11,826	26,761	31,310	36,632	42,860	50,146	58,671	68,645	80,315	93,968
3. Other FAAC transfers (exchange rate gain, augmentation, others)	Naira	Million		6,299.50	3,643.64	5,631.27	20,465.10	262,389.36	42,027	43,383	44,782	46,227	47,718	47,956	48,196	48,437	48,679	48,922
4. VAT Allocation	Naira	Million		15,549.90	21,643.64	26,631.25	35,465.90	64,238.26	75,368	91,424	103,428	121,011	141,583	165,652	193,813	226,761	265,310	310,413
5. IGR	Naira	Million		18,804.50	26,831.93	16,711.35	18,227.10	20,223.78	42,577	45,218	59,786	67,091	75,288	88,254	116,688	142,569	169,974	187,342
6. Capital Receipts	Naira	Million		15,467.60	48,204.37	117,403.48	77,001.90	45,045.73	546,559	36,352	61,309	65,540	74,616	64,847	39,157	21,379	19,563	20,350
6.a. Grants	Naira	Million		1,000.00	4,638.26	5,808.70	0.00	22,168.54	43,218	0	0	0	0	0	0	0	0	0
6.b. Sales of Government Assets and Privatization Proceeds	Naira	Million		0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0	0
6.c. Other Non-Debt Creating Capital Receipts	Naira	Million		5,584.90	0.00	31,594.78	35,001.90	2,877.19	16,914	0	0	0	0	0	0	0	0	0
6.d. Proceeds from Debt-Creating Borrowings (bond issuance, loan disbursements)	Naira	Million		8,882.70	43,566.11	80,000.00	42,000.00	20,000.00	486,427	36,352	61,309	65,540	74,616	64,847	39,157	21,379	19,563	20,350
6.d.1. of which Borrowings from Domestic bonds	Naira	Million		0.00	0.00	0.00	0.00	0.00										
6.d.2. of which Borrowings from Commercial bank loans	Naira	Million		0.00	43,566.11	80,000.00	42,000.00	20,000.00										
6.d.3. of which Borrowings from External loans	Naira	Million		8,882.70	0.00	0.00	0.00	0.00										
Expenditure	Naira	Million		88,027.30	134,144.27	222,309.00	195,832.33	366,246.67	836,715	624,471	746,776	858,509	992,814	1,131,433	1,292,580	1,485,976	1,728,317	2,000,032
1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	Naira	Million		21,166.80	36,438.79	38,963.92	34,745.80	45,605.39	67,402	69,171	69,105	81,128	95,172	111,423	130,431	152,666	178,676	209,104
2. Overhead costs	Naira	Million		10,371.90	19,727.60	22,888.16	32,043.10	25,342.39	31,488	39,309	57,587	67,607	79,310	92,852	108,693	127,222	148,897	174,253
3. Interest Payments (Public Debt Charges, including interests deducted from FAAC)	Naira	Million		14,218.20	9,489.31	15,957.45	19,144.60	20,291.21	11,350	93,794	100,262	107,245	112,634	110,519	109,317	101,462	87,551	72,587
3.a. of which Interest Payments (Public Debt Charges, excluding interests deducted from FAAC)	Naira	Million		6,371.00	2,032.14	523.82	1.80	1.00										
3.b. of which Interest deducted from FAAC Allocation	Naira	Million		7,847.20	7,457.17	15,433.63	19,142.80	20,290.20										
4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)	Naira	Million		11,597.80	14,431.80	23,993.45	11,768.70	8,357.50	7,289	20,348	26,904	30,191	33,880	39,714	42,510	54,156	61,488	72,304
5. Capital Expenditure	Naira	Million		28,565.40	39,982.43	86,380.13	75,627.40	240,374.93	694,786	384,612	440,180	517,334	601,619	704,247	819,802	972,330	1,168,397	1,397,174
6. Amortization (principal) payments	Naira	Million		2,107.20	14,074.34	34,125.90	22,502.80	26,275.25	24,400	17,237	52,738	55,004	70,200	72,677	81,828	78,139	83,307	74,610
6.a. of which Amortization of Domestic bonds	Naira	Million		0.00	0.00	0.00	0.00	0.00										
6.b. of which Amortization of Commercial bank loans	Naira	Million		1,574.50	13,384.40	33,328.18	20,608.70	20,890.96										
6.c. of which Amortization of External loans	Naira	Million		532.70	689.93	797.76	1,894.10	5,384.29										
Budget Balance ('+' means surplus, '-' means deficit)	Naira	Million		12,073.90	13,001.20	1,445.07	-2,231.47	54,680.33	-83,781	0								
Opening Cash and Bank Balance	Naira	Million		6,811.90	18,885.80	31,887.06	33,332.10	31,100.63	85,781	2,000								
Closing Cash and Bank Balance	Naira	Million		18,885.80	31,887.06	33,332.09	31,100.60	85,780.96	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Calculation of Financing Needs and Sources																		
Financing Needs	Naira	Million							503,340.88	36,351.90	61,308.60	65,539.86	74,616.24	64,847.25	39,157.20	21,379.12	19,563.00	20,349.75
i. Primary balance	Naira	Million	Sign +/- means source/use of funds						-551,372.21	74,679.13	91,691.72	96,709.30	108,217.76	118,349.06	151,987.63	158,222.41	151,294.84	126,847.20
ii. Debt service	Naira	Million							35,749.64	111,031.03	153,000.32	162,249.17	182,834.00	183,196.31	191,144.83	179,601.52	170,857.83	147,196.95
Amortizations	Naira	Million							24,399.60	17,236.75	52,738.41	55,004.25	70,199.78	72,677.33	81,828.29	78,139.09	83,306.56	74,610.38
Interests	Naira	Million							11,350.04	93,794.27	100,261.91	107,244.92	112,634.22	110,518.98	109,316.54	101,462.43	87,551.28	72,586.57
iii. Financing Needs Other than Amortization Payments (e.g., Variation in Debt Service)	Naira	Million							-83,780.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financing Sources	Naira	Million							503,340.88	36,351.90	61,308.60	65,539.86	74,616.24	64,847.25	39,157.20	21,379.12	19,563.00	20,349.75
i. Financing Sources Other than Borrowing	Naira	Million							16,914.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii. Gross Borrowings	Naira	Million	Gross Borrowing = Primary Deficit + Debt Service + Financing Needs Other than Amortization						486,426.88	36,351.90	61,308.60	65,539.86	74,616.24	64,847.25	39,157.20	21,379.12	19,563.00	20,349.75
CONTROL: Financing Needs and Sources Must be Identical (i.e., no financing gap)									OK	OK	OK	OK	OK	OK	OK	OK	OK	OK



IMO STATE DSA TECHNICAL TEAM

1. AJUZIOGU EJIKE DEBT MANAGEMENT OFFICE
2. OLUJIMI OLUGBENGA AMOS, *CMA* MINISTRY OF FINANCE & COORDINATING ECON.
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