

ANNEX 1

TABLE OF ASSUMPTIONS

Assumptions:		Projection Methodology	SOURCE
Economic activity	State GDP (at current prices)	State GDP projected using actual and projected National GDP nominal growth	
Revenue	Revenue	2 to 5% growth rate	
	1. Gross Statutory Allocation ('gross' means with no deductions)		
	of which Net Statutory Allocation ('net' means of deductions)		
	of which Deductions		
	2. Derivation (if applicable to the State)		
	3. Other FAAC transfers (exchange rate gain, augmentation, others)		
	4. VAT Allocation		
	5. IGR		
	6. Capital Receipts		
	Grants		
	Sales of Government Assets and Privatization Proceeds		
	Other Non-Debt Creating Capital Receipts		
Expenditure	Expenditure	Between 2 and 5%	
	1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)		
	2. Overhead costs		
	3. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)		
	4. Capital Expenditure		
Closing Cash and Bank Balance	Closing Cash and Bank Balance		
Proceeds from Debt-Creating Borrowings	Planned Borrowings (new bonds, new loans, etc.)	Projections for new loans is predicated on the developmental projects envisaged	
	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Inf Loans, and MSMEDF)		

Assumptions:		Projection Methodology	SOURCE
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Inf Loans, and MSMEDF)		
	State Bonds (maturity 1 to 5 years)		
	State Bonds (maturity 6 years or longer)		
	Other Domestic Financing		
	New External Financing in Million US Dollars		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)		
	External Financing - Bilateral Loans		
	Other External Financing		
Debt Amotization and Interest Payments	Debt Outstanding at end-2019		
	External Debt - amortization and interest		
	Domestic Debt - amortization and interest		
	New debt issued/contracted from 2020 onwards		
	New External Financing	7% interest rate at 10 years maturity with 1 year of grace period	DMO
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)		
	External Financing - Bilateral Loans		
	Other External Financing		
	New Domestic Financing in Million Naira	11% interest rate at 5 years maturity with 1 year of grace period	DMO
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Inf Loans, and MSMEDF)		
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Inf Loans, and MSMEDF)		
	State Bonds (maturity 1 to 5 years)		
	State Bonds (maturity 6 years or longer)		
	Other Domestic Financing		

ANNEX II

BASELINE PROJECTIONS

	Actuals					Projections (Baseline Scenario)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Economic Indicators															
State GDP (million NGN, at current prices)	3,242,036.00	3,189,510.00	5,142,862.00	4,192,576.00	4,421,130.00	4,012,548.00	4,588,085.00	5,189,846.00	5,293,463.00	5,293,463.00	5,293,463.00	5,293,463.00	5,293,463.00	5,293,463.00	5,293,463.00
Exchange Rate NGN/US\$ (end-Period)	196.49	253.19	305.79	306.50	326.00	379.00	379.00	379.00	379.00	379.00	379.00	379.00	379.00	379.00	379.00
Fiscal Indicators (million NGN)															
Revenue	284,323.00	249,242.00	361,058.55	327,156.64	469,341.97	341,744.95	424,734.32	443,862.45	494,489.11	514,913.72	504,649.22	526,896.10	477,390.30	535,303.53	523,301.94
1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT Allocation here)	28,298.00	20,495.00	28,507.00	42,751.00	41,399.00	33,000.00	36,000.00	37,800.00	40,000.00	42,000.00	44,100.00	46,305.00	48,620.00	48,620.00	51,051.00
of which Net Statutory Allocation ('net' means of deductions)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which Deductions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Derivation (if applicable to the State)	116,691.00	63,307.00	93,268.00	149,055.00	118,505.00	90,000.00	115,000.00	121,500.00	129,300.00	138,670.00	142,900.00	144,035.00	149,721.00	153,500.00	162,700.00
3. Other FAAC transfers (exchange rate gain, augmentation, others)	20,224.00	47,799.00	82,659.55	43,755.64	41,598.97	35,000.00	50,000.00	51,750.00	52,612.00	58,330.00	63,950.00	63,307.50	67,988.00	75,055.00	77,554.00
4. VAT Allocation	8,886.00	8,884.00	10,655.00	12,262.00	13,342.00	15,000.00	16,000.00	16,800.00	17,640.00	19,278.00	20,646.74	22,112.66	23,682.66	25,364.12	27,164.98
5. IGR	18,730.00	16,290.00	19,513.00	28,213.00	35,504.00	30,556.00	38,003.00	39,903.00	45,000.00	47,250.00	49,612.05	52,093.13	54,697.78	57,432.67	60,304.30
6. Capital Receipts	91,494.00	92,467.00	126,456.00	166,549.00	218,993.00	138,188.95	169,731.32	176,109.45	209,937.11	209,385.72	183,440.43	199,042.81	132,680.86	175,331.74	144,527.66
Grants	0.00	743.00	4,184.00	9,012.00	14,636.00	12,568.00	14,389.10	15,396.34	16,747.08	17,627.27	18,861.18	20,181.46	21,594.16	23,105.76	24,723.16
Sales of Government Assets and Privatization Proceeds	0.00	0.00	0.00	0.00	2,775.00	0.00	0.00	0.00	3,000.00	1,500.00	0.00	0.00	0.00	0.00	0.00
Other Non-Debt Creating Capital Receipts	78,511.00	58,256.00	122,052.00	150,885.00	153,513.00	148,245.00	157,139.70	175,996.46	197,116.04	220,769.96	225,185.36	229,689.07	234,282.85	238,968.51	267,644.73
Proceeds from Debt-Creating Borrowings (bond issuance, loan disbursements, etc.)	12,983.00	33,468.00	220.00	6,652.00	48,069.00	-22,624.05	-1,797.48	-15,283.35	-6,926.01	-30,511.51	-60,606.11	-50,827.72	-123,196.15	-86,742.53	-147,840.23
Expenditure	329,261.32	230,442.37	289,405.09	406,009.54	394,260.02	368,228.95	417,385.32	447,968.45	492,526.11	514,913.72	504,649.22	526,896.10	477,390.30	535,303.53	523,301.94
1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	35,442.00	33,055.00	35,108.00	41,374.00	39,616.00	55,002.00	56,542.00	57,445.00	58,223.00	62,598.61	66,659.51	73,325.46	78,458.25	80,027.41	84,028.78
2. Overhead costs	15,990.00	9,226.00	17,187.00	13,703.00	13,057.00	14,222.00	15,075.32	18,910.48	21,179.74	21,603.33	22,035.40	23,577.88	24,049.44	25,251.91	26,282.14
3. Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)	4,458.61	12,840.85	14,281.95	12,403.66	12,200.75	15,516.05	12,496.09	11,000.08	9,667.52	7,755.35	4,058.32	-123.98	-5,163.41	-11,374.58	-18,879.38
4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)	69,987.23	56,240.21	60,588.16	75,502.30	66,152.72	55,439.52	68,211.50	71,122.10	74,178.18	78,387.10	80,756.40	84,294.62	84,935.22	86,442.12	90,137.50
5. Capital Expenditure	114,415.00	91,562.00	117,089.00	168,170.00	197,832.00	188,942.00	226,964.00	248,457.00	287,218.00	298,706.72	310,654.99	304,680.85	310,774.47	316,989.16	323,329.76
6. Amortization (principal) payments	88,968.48	27,518.31	45,150.98	94,856.58	65,401.55	39,107.38	38,096.41	41,033.79	42,059.67	45,862.61	20,484.60	41,141.28	-15,663.67	37,967.51	18,403.15
Budget Balance ('+' means surplus, '-' means deficit)	0.00	0.00	0.00	0.00	0.00	-26,484.00	7,349.00	-4,106.00	1,963.00	0.00	0.00	0.00	0.00	0.00	0.00

Opening Cash and Bank Balance	30,572.00	7,651.00	7,813.00	17,179.00	15,558.00	36,719.00	10,235.00	17,584.00	13,478.00	15,441.00	15,441.00	15,441.00	15,441.00	15,441.00	15,441.00
Closing Cash and Bank Balance	7,651.00	7,813.00	17,179.00	15,558.00	36,719.00	10,235.00	17,584.00	13,478.00	15,441.00	15,441.00	15,441.00	15,441.00	15,441.00	15,441.00	15,441.00

	Actuals					Projections (Baseline Scenario)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029

Financing Needs and Sources (million NGN)

Financing Needs						125,620.95	155,342.22	160,713.11	193,190.03	191,758.45	164,579.25	178,861.35	111,086.70	152,225.98	119,804.50
i. Primary balance						-97,481.52	-97,400.72	112,785.24	139,499.84	138,140.49	140,036.33	137,844.06	131,913.78	125,633.05	120,280.74
ii. Debt service						54,623.43	50,592.50	52,033.87	51,727.19	53,617.96	24,542.92	41,017.29	-20,827.08	26,592.93	-476.24
Amortizations						39,107.38	38,096.41	41,033.79	42,059.67	45,862.61	20,484.60	41,141.28	-15,663.67	37,967.51	18,403.15
Interests						15,516.05	12,496.09	11,000.08	9,667.52	7,755.35	4,058.32	-123.98	-5,163.41	-11,374.58	-18,879.38
iii. Financing Needs Other than Amortization Payments (e.g., Variation in Cash and Bank Balances)						-26,484.00	7,349.00	-4,106.00	1,963.00	0.00	0.00	0.00	0.00	0.00	0.00
Financing Sources						125,620.95	155,342.22	160,713.11	193,190.03	191,758.45	164,579.25	178,861.35	111,086.70	152,225.98	119,804.50
i. Financing Sources Other than Borrowing						148,245.00	157,139.70	175,996.46	200,116.04	222,269.96	225,185.36	229,689.07	234,282.85	238,968.51	267,644.73
ii. Gross Borrowings						-22,624.05	-1,797.48	-15,283.35	-6,926.01	-30,511.51	-60,606.11	-50,827.72	123,196.15	-86,742.53	147,840.23
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)						0.00	0.00	45,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
State Bonds (maturity 1 to 5 years)						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
State Bonds (maturity 6 years or longer)						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Domestic Financing						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)						0.00	0.00	0.00	1,895.00	0.00	0.00	0.00	0.00	0.00	0.00
External Financing - Bilateral Loans						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other External Financing						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Residual Financing						-22,624.05	-1,797.48	-60,283.35	-8,821.01	-30,511.51	-60,606.11	-50,827.72	123,196.15	-86,742.53	147,840.23

Debt Stocks and Flows (million NGN)

Debt (stock)	148,823.54	208,304.74	220,684.98	225,198.73	256,419.81	197,231.32	157,337.43	101,020.29	52,034.61	-24,339.52	105,430.23	197,399.22	304,931.70	429,641.74	595,885.11
External	10,358.77	12,798.74	15,448.32	13,994.79	15,641.48	17,661.40	17,013.31	16,247.73	17,312.72	16,471.34	15,156.21	13,841.08	12,499.42	11,104.70	10,145.83

Domestic	138,464.77	195,506.00	205,236.66	211,203.94	240,778.33	179,569.92	140,324.12	84,772.56	34,721.89	-40,810.86	120,586.44	211,240.30	317,431.12	440,746.44	606,030.94
Gross borrowing (flow)						-22,624.05	-1,797.48	-15,283.35	-6,926.01	-30,511.51	-60,606.11	-50,827.72	123,196.15	-86,742.53	147,840.23
External						0.00	0.00	0.00	1,895.00	0.00	0.00	0.00	0.00	0.00	0.00
Domestic						-22,624.05	-1,797.48	-15,283.35	-8,821.01	-30,511.51	-60,606.11	-50,827.72	123,196.15	-86,742.53	147,840.23
Amortizations (flow)	88,968.48	27,518.31	45,150.98	94,856.58	65,401.55	39,107.38	38,096.41	41,033.79	42,059.67	45,862.61	20,484.60	41,141.28	-15,663.67	37,967.51	18,403.15
External	788.89	958.07	1,069.64	1,178.49	449.88	523.02	648.09	765.58	830.01	841.38	1,315.13	1,315.13	1,341.66	1,394.72	958.87
Domestic	88,179.59	26,560.24	44,081.34	93,678.09	64,951.67	38,584.36	37,448.32	40,268.21	41,229.66	45,021.23	19,169.47	39,826.15	-17,005.33	36,572.79	17,444.28
Interests (flow)	2,091.46	10,644.55	14,467.26	12,872.40	12,585.12	15,516.05	12,496.09	11,000.08	9,667.52	7,755.35	4,058.32	-123.98	-5,163.41	-11,374.58	-18,879.38
External	259.38	255.00	218.83	166.94	111.10	117.49	113.35	125.03	129.10	260.47	258.86	224.27	187.08	148.46	109.12
Domestic	1,832.08	10,389.55	14,248.43	12,705.46	12,474.02	15,398.56	12,382.74	10,875.05	9,538.42	7,494.88	3,799.46	-348.25	-5,350.49	-11,523.04	-18,988.50
Net borrowing (gross borrowing minus amortizations)						-61,731.43	-39,893.89	-56,317.14	-48,985.68	-76,374.12	-81,090.71	-91,968.99	107,532.48	124,710.04	166,243.37
External						-523.02	-648.09	-765.58	1,064.99	-841.38	-1,315.13	-1,315.13	-1,341.66	-1,394.72	-958.87
Domestic						-61,208.41	-39,245.80	-55,551.56	-50,050.67	-75,532.74	-79,775.58	-90,653.86	106,190.82	123,315.32	165,284.50

Debt and Debr-Service Indicators

Debt as % of GDP	4.59	6.53	4.29	5.37	5.80	4.92	3.43	1.95	0.98	-0.46	-1.99	-3.73	-5.76	-8.12	-11.26
Debt as % of Revenue	77.18	132.24	92.42	79.00	96.77	91.26	58.40	35.68	17.27	-7.53	-31.00	-56.72	-83.25	-112.16	-147.68
Debt Service as % of Revenue	47.22	24.23	24.97	37.79	29.43	25.27	18.78	18.38	17.17	16.59	7.22	11.79	-5.69	6.94	-0.12
Personnel Cost as % of Revenue	18.38	20.98	14.70	14.51	14.95	25.45	20.99	20.29	19.32	19.37	19.60	21.07	21.42	20.89	20.83
Debt Service as % of Gross FAAC Allocation	52.30	27.17	27.72	43.47	36.30	31.57	23.31	22.84	21.59	20.76	9.04	14.87	-7.18	8.79	-0.15
Interest as % of Revenue	1.08	6.76	6.06	4.52	4.75	7.18	4.64	3.88	3.21	2.40	1.19	-0.04	-1.41	-2.97	-4.68
External Debt Service as % of Revenue	0.54	0.77	0.54	0.47	0.21	0.30	0.28	0.31	0.32	0.34	0.46	0.44	0.42	0.40	0.26