Anambra State Debt Sustainability Analysis and Debt Management Strategy (State DSA-DMS)

DEVELOPED BY THE

ANAMBRA STATE DEBT MANAGEMENT DEPARTMENT

IN COLLABORATION WITH

ANAMBRA STATE MINISTRY OF FINANCE

ANAMBRA STATE OFFICE OF THE ACCOUNTANT GENERAL

ANAMBRA STATE BUDGET OFFICE

ANAMBRA STATE SABER PROGRAMME

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1. Introduction

Debt Sustainability Analysis (DSA) analyzes trends and patterns in Anambra State's public finance during the period 2019-2023, and evaluates the debt sustainability in 2024-2033 (long-term). The analysis highlights recent trends in revenue, expenditure, and public debt, and related policies adopted by the State government. A debt sustainability assessment was conducted which includes scenario and sensitivity analysis, in order to evaluate the prospective performance of the State's public finance management.

The main objective of debt management strategy is, to ensure that government's financing needs and payment obligations are met when due, and at the lowest possible cost, consistent with a prudent degree of risk. Consequently, analysis of the four debt management strategies (DMS) shows cost of carrying public debt, and measures the risk associated with macroeconomic and fiscal shocks.

Furthermore, analysis showed that Anambra State has solid debt position, within the period under review that appears sustainable in the long term. The State's solid debt position emanated from its strong performance in terms of IGR mobilization, which is underpinned by numerous successful revenue administration reforms, and strict measures aimed at reducing recurrent to capital expenditure ratio. Considering the State economic forecast vis-à-vis national forecast for national economic outlook, and some reasonable assumptions concerning the State's revenue and expenditure policies, the State's long-term outlook for public debt appears sustainable.

Finally, the State pursues a prudent debt management strategy that maintains an adequate cost of carrying debt, and an admissible exposure to risk. A prudent debt management strategy emerged from the State's reliance on a mix of sources of debt financing, which includes external concessional loans and domestic low-cost debt instruments. Based on the State's economic forecast, and reasonable assumptions underlining the State's budget estimates vis-a-vis financing options, medium-term cost-risk profile for the public debt portfolio appears consistent with debt-management objectives.

2. The State Fiscal and Debt Framework

Anambra State has introduced measures to grow her Internally Generated Revenue (IGR), to augment her Statutory Revenue Allocation from Federal Government in the mid-term. Some of these measures include: enrolling ndi Anambra into the Tax net through the Anambra State Social Identity Number (ANSSID), eliminating cash-based revenue payments, automating tax administration processes and introduction of Treasury Single Account. These measures contributed to significant increase in Internally Generated Revenue (IGR), from a monthly figure of N5 billion in 2022, to approximately N6.5 billion in 2023.

On the side of expenditure, the State has implemented numerous strategies targeted at reducing cost of governance. This has contracted budget deficit and the need to borrow. Notable among these measures is automation of State‘s Payroll, which links Civil Servant data to bank verification numbers (BVN) to eliminate ghost workers, and conversion of all State diesel powered Street Light to Solar powered.

The current administration of Prof. Charles Chukwuma Soludo, came in with automation of IGR collection processes to increase internal revenue drive by centralizing the payment gateways and doing away with cash-based revenue collection which hitherto has been prone to fraud and corruption. To enable the state embark on a robust infrastructural development which is the major agenda of the current administration, the State has experienced unprecedented cost reduction measures to ensure value for money and cut waste.

The 2024 State approved budget shows that total revenue excluding loan is ₦259.1 billion of which the opening balance is statutory allocation ₦68.6 billion, derivation ₦8 billion, value added tax (VAT) allocation ₦58.4 billion, other statutory allocation ₦64.3 billion, internally generated revenue (independent Revenue) ₦50 billion and Capital Receipt ₦9.5 billion respectively.

2.1 Medium Term Budget Forecast and Assumptions:

Medium-term budgetary frameworks (MTBFs) are those fiscal arrangements that allow government to extend fiscal policy making beyond the annual budgetary calendar. Anambra State adopted this measure in 2018 and produced its maiden Medium Term Expenditure Framework for 10 pilot sectors. Since then, the State has remained consistent with this approach.

The purpose of Medium-Term Budget Forecast is to:

a) Provide a summary of key economic and fiscal trends that will affect government spending in the future - Economic and Fiscal Update;

b) To set out medium term fiscal objectives and targets, including tax policy, revenue
Mobilization, level of public expenditure, deficit financing and public debt - Fiscal

Strategy Paper; and

c) Provide indicative sector envelopes for the period 2023-2026

The 2023 fiscal outcomes and Multi-Year Budget Forecast for Anambra State 2023-2026 are presented in the table below.

Table 1: Medium Term Budget Forecast and assumptions (2023-2026)

Fiscal Framework				
Item	**2023**	**2024**	**2025**	**2026**
Opening Balance	43,184,849,905	20,341,335,015	0	0
Recurrent Revenue				
Statutory Allocation	41,638,208,035	68,695,839,497	68,730,187,420	68,764,552,510
Derivation	10,123,746,516	8,019,130,302	8,023,139,870	8,027,151,442
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Excess Crude/ Other Revenue	14,220,333,800	64,303,215,516	64,335,367,124	64,367,534,818
Total Recurrent Revenue	**149,478,427,214**	**249,585,744,443**	**249,710,537,179**	**249,835,392,506**
Capital Receipts				
Grants	11,431,000,000	9,531,000,000	9,535,765,498	9,540,533,373
Other Capital Receipts	0	0	0	0
Total Capital Receipts	**11,431,000,000**	**9,531,000,000**	**9,535,765,498**	**9,540,533,373**
Total Receipts	**160,909,427,214**	**259,116,744,443**	**259,246,302,677**	**259,375,925,879**
Recurrent Expenditure				
Personnel Costs	22,873,283,272	30,748,334,080	30,185,919,546	30,201,012,529
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Public Debt Service	19,242,136,483	11,230,000,000	11,235,615,006	11,241,232,809
Total Recurrent Expenditure	**96,002,880,373**	**96,781,186,746**	**96,250,037,737**	**96,298,163,315**
Capital Expenditure				
Discretional Funds	153,030,659,032	304,399,288,526	304,551,489,548	304,703,765,222
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Total Capital Expenditure	**164,461,659,032**	**313,930,288,526**	**314,087,255,046**	**314,244,298,595**
Contingency Reserve	0	0	0	0
Total Expenditure (Budget Size)	**260,464,539,405**	**410,711,475,272**	**410,337,292,783**	**410,542,461,910**
Financing (Loans)	**14,028,694,691**	**128,840,513,618**	**128,904,933,870**	**128,969,386,342**

(Note: As at the time the Excel template for this report was populated, state MTEF 2023-2026 was the latest version available.)

- **Statutory Allocation** – This assumes that the subsidy on PMS (amounting to N6.72) will no longer be provided for by the Federation in 2024. The statutory revenue using national assumptions is estimated at N68.6bn, which is a 65% increase from N41.6bn estimated in 2023.

  The budget for 2024 will be prepared using the realistic estimate. However, if any change arises, the executive will submit a supplementary budget during the year to maximize the opportunity.

- **Derivation -** The projection for derivation is based on the 2023 actual of N7.7bn**.** We projected N24bn for 2024, 2025, and 2026. The 13% derivation fund is the amount set aside for a share of oil production derivable from the State.
- **VAT -**The estimate for VAT is based on external factors. This is estimated at N58.4bn for 2024.
- **Other Federation Account Revenues**– An estimate of N64.3bn was used for 2024, which is a 352% increase from N14.2bn in 2023.
- **Internally Generated Revenue (IGR)** – The Internally Generated Revenue (IGR) was estimated at N50bn in 2024, which is a 4.2% increase from N48bn in 2023. These optimistic IGR projections are in line with the current revenue drive by the Anambra State Internal Revenue Service, through the usage of digital platforms for IGR collection, thereby blocking loopholes in the process.
- **Grants** – Over the forecast period, modest amounts have been projected for grants, based on the amount of grants received in the past. The estimated amount for 2024, 2025 and 2026 is N9.5bn respectively.
- **Financing**– Financing is estimated to be N128 billion for the year under consideration. This will comprise (both internal and external) grants and loans, to be sourced from Government Fund Raising Activities and other programs.
- **Personnel** – The amount estimated for 2024 is 30.7bn, which is a 34.4% increase from N22.8bn in 2023. This increase is expected to accommodate promotions, possible new recruitments and the recent increase in minimum wage.
- **Social Benefits and Social Contributions** - The projection for 2024, 2025, and 2026 is N16bn for each year. The projection considered the trend of actual expenditure for social benefit and contribution using a 4-year moving average.
- **Overheads** – Overhead projections increased from N27.4bn in 2023 to N35.7bn in 2024. This represents 30.4% increase. The projection stays at N35.7bn in 2025, then slightly increases to N35.8bn in 2026.

- **Grants, Contributions, Subsidies, and Transfers -** The Grant, Contributions, Subsidies, and Transfers Includes Consolidated Revenue Fund Charge (excluding pension gratuity and public debt charges) and Below the Line (BTL) Charges.
- **Capital Expenditure –** The capital projects will be guided by priority projects to be submitted by MDAs on 20th October, 2023.

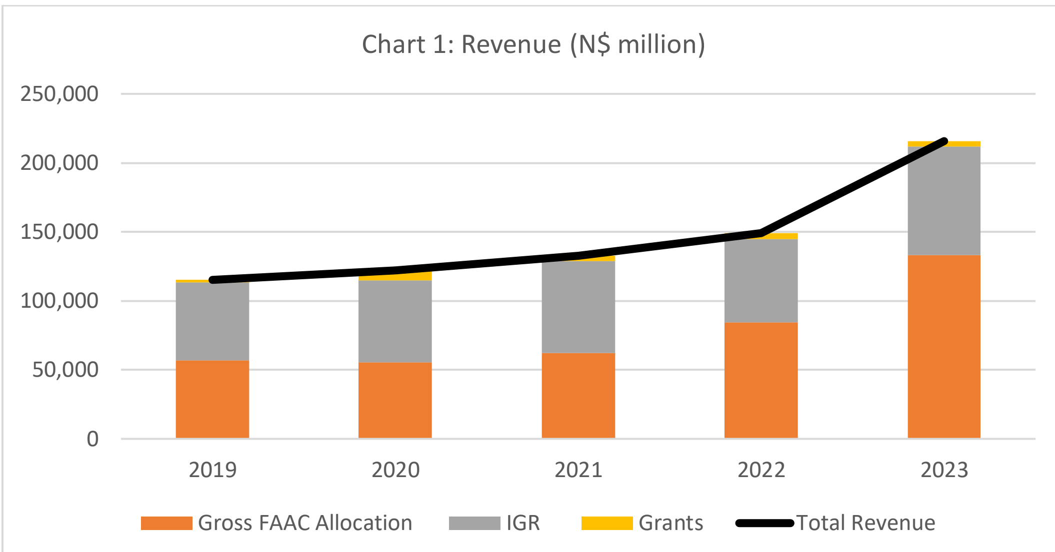
3. The State Revenue, Expenditure, and Public Debt Trends (2019–2023)

This section includes two subsections: (a) Revenue, Expenditure, Overall and Primary Balance and (b) Existing Public Debt Portfolio. In these subsections, the actual revenue, expenditure, primary and overall outturns in 2019-2023, and the outstanding debt stock trend in the same period are explained with particular emphasis on 2023.

3.1 Revenue, Expenditure, Overall and Primary Balance

Revenue

The State's total revenue comprises; Statutory Allocation from Federation Accounts Allocation Committee, Derivation, Value Added Tax Allocation, Internally Generated Revenue, and Capital Receipts.



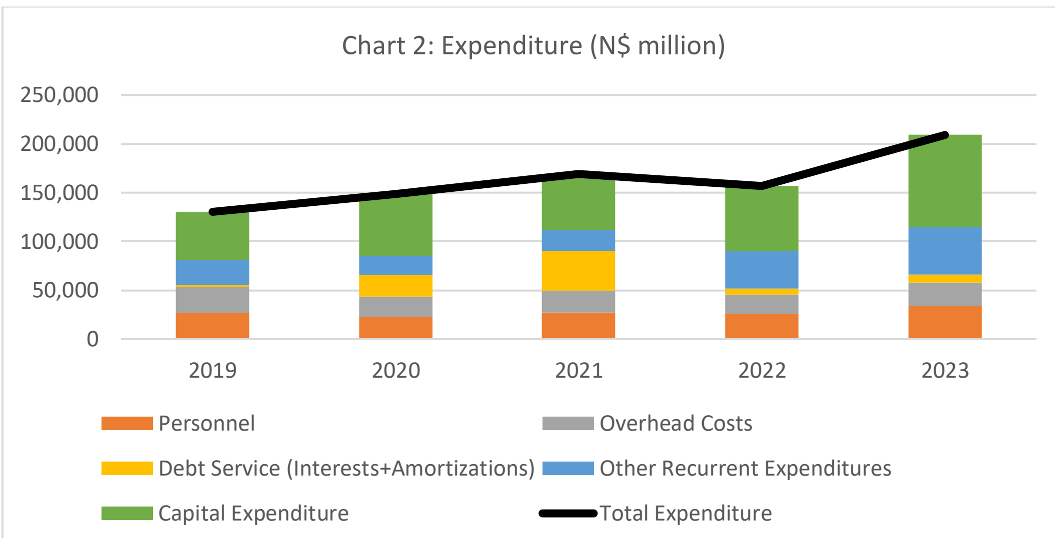
From the above chart (chart 1), total revenue increased from N115.2billion in 2019 to N215.7 billion in 2023, which is an 87% increase. Analyzing the growth trend of all the revenue components between 2019 and 2023, Gross FAAC decreased from ₦56.7b in 2019 to ₦55.2b in 2020. It eventually rose to ₦133.3b in 2023. The Internally Generated Revenue (IGR) component increased from N56.6 billion in 2019 to N59.7 billion in 2020. The IGR figure went up to N60.4 billion in 2022 and further increased to N78.6 billion in 2023. Also, Grants increased from N1.7 billion in 2019 to N3.7 billion in 2023.

During the period under review from 2019 to 2023, the State (IGR) grew by 38.8%. Taking a look at (IGR) as a share of aggregate revenue, it recorded 49.1% in 2019, while in 2023, it was 36.4%. The tax administration reforms aimed at improving collection rates and broadening the tax revenue base has contributed immensely to the growth of (IGR) in the State. It is worthy to mention that the introduction of Anambra State Social Identity Number (ANSSID), which is a unique Tax identity for all eligible taxpayers in the state for payment of all IGR has helped streamline IGR payment into the State Treasury Single Account, and also improved the IGR billing system. The State also introduced the use of USSD code in the payment of taxes.

The Statutory FAAC allocation, which includes transfers from Excess Crude Account, increased by 134.8% between 2019-2023.

The FAAC allocation shows a contribution of over 49.2% of the total revenue of Anambra State in 2019, and it decreased to 45.2% in 2020. It later increased to 61.8% in 2023. There was a slight decrease in 2020 due to the COVID-19 Pandemic lockdown that caused a decline in Crude oil price, which is the main revenue earner for Nigeria. The highest share was in 2023 where the Gross FAAC allocation contributed 61.8% to the Total Revenue.

Also, there was an increase in revenue from Grant by 113.6% between 2019 and 2023. The year with the highest revenue from Grant is 2020, with a 5.7% share of total revenue. The increase in Grants for 2020 was as a result of increase in Grants from World Bank for SEPIP and SLOGOR projects.



From Chart 2 above, there was an increase in total expenditure from N130.4 billion in 2019 to N209 billion in 2023, which indicates a 60.3% growth rate.

Capital expenditure: There was an increase in this expenditure category between 2019 and 2021 from N49.5 billion to N57.5 billion. In 2023, there was a massive increase to N94.5 billion. In 2019, the share of capital expenditure to total expenditure is 37.9%, and it increased to 45.2% in 2023. This represents an increase of 19.2% between 2019 and 2023. The increase in the share of capital expenditure witnessed across the year under review, and especially in 2023 was due to the State Government's policy of spending more on capital projects like road construction, in line with budget best practices to drive sustainable development, for a livable and prosperous state.

Personnel cost: This increased from N26.6bn in 2019 to N27.1bn in 2021, which is a 2.1% increase. It eventually rose to N33.8bn in 2023. Personnel cost as a share of total expenditure, decreased from 20.4% in 2019, to 16.1% in 2023.

Overhead cost: Between 2019 and 2023 this expenditure category increased by 9.5%. The share of overhead cost to total expenditure was 20.2% in 2019, and it decreased by 14% in 2020. It eventually dropped to 11.4% in 2023.

Debt servicing: From 2019 to 2021, there was an increase in this category from N2.4bn to N40.5bn, representing a 93.9% increase. It reduced to N8.6bn between 2021 and 2023, indicating a 78% decrease. The reduction in debt service in 2022 is as a result of the settlement of some categories like MSMEDF and AADS. The aforementioned debt categories have been cleared hence, they no longer exist in 2022.

The share of debt servicing to total expenditure in 2019 was 1.8%, and it increased to 23.9% in 2021. It later decreased to 4.1% in 2023.

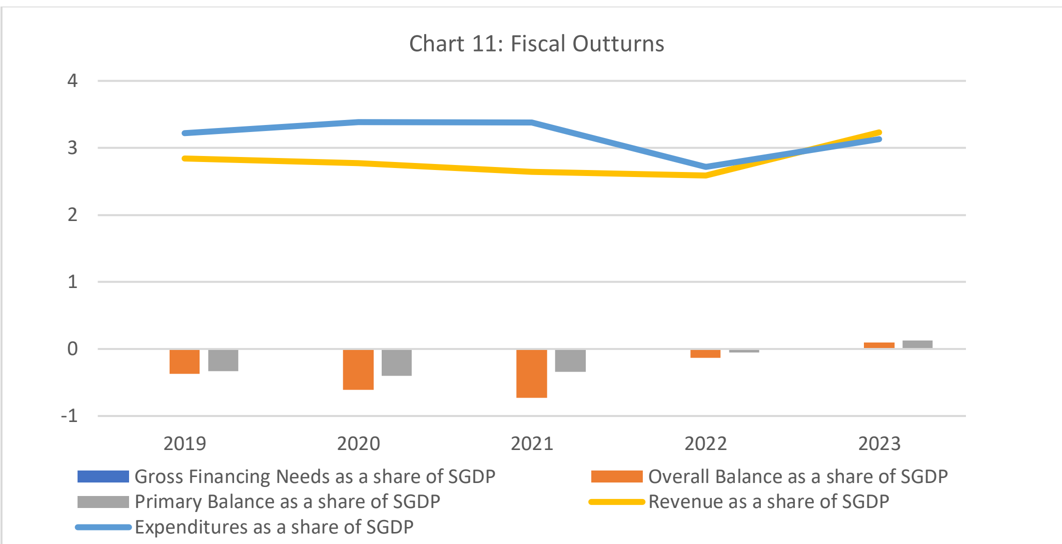
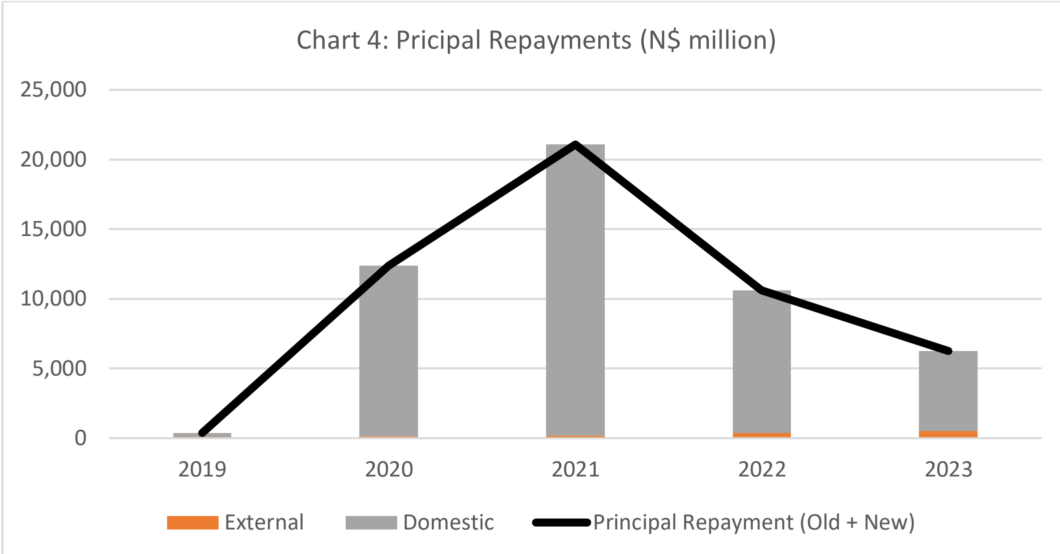
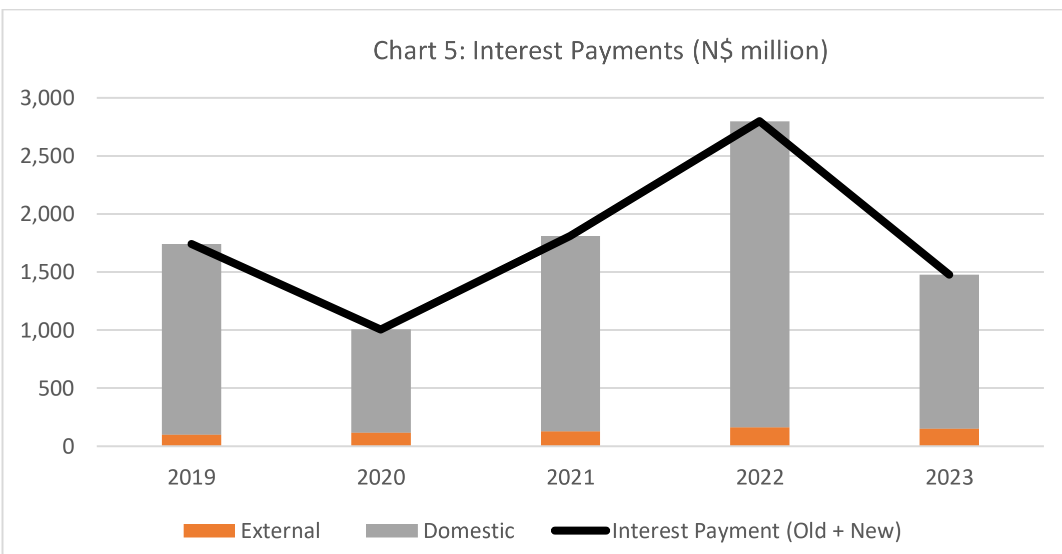


Chart 11 presents a variation of the total revenue and expenditure as a percentage of State-GDP. Total expenditure of the State as a percentage of the State GDP was 3% in 2019, and it maintained same all through to 2023. Also, revenue as a share of GDP exhibited a similar trend from 2019 to 2023 at 3%. From 2019, the overall balance depicts a zigzag movement reducing from 0% in 2019 to -1% in 2020 and 2021. It later returned to 0% in 2022 and 2023.



From Chart 4, there was an increase in principal repayment by 3,182% from 2019 to 2020. Then, it later dropped by 70% between 2021 and 2023. The most principal loan repayments are for domestic loans which have shorter maturity period. From 2019 to 2021, the sum total of principal loan repayment for domestic loans is N33.4billion. Then, in 2022, domestic loan repayment dropped to N10.2billion, and it further decreased to N5.7billion in 2022. The drop in repayment as at 2022 was as a result of the settlement of some debt categories like MSMEDF and AADS in 2021. The principal loan repayment for External loan within the five years period under review (201 – 2023) was between N104million and N517millon.



From chart 5, it indicates that interest payments on loans within the period of review, is mostly for domestic loans. The share of interest payment on domestic loans was 94.3% in 2019. It thereafter decreased to 88.5% in 2020. In 2021, it rose to 93%, and later stood at 89.8% in 2023. The decrease in 2020 was as a result of the suspension of debt servicing by the Federal Government on categories such as Excess Crude Account loan

(ECA), and Budget Support Facility (BSF), which later resumed in 2021. The external debts have longer maturity period and their interest repayment is spread over a longer period of time.

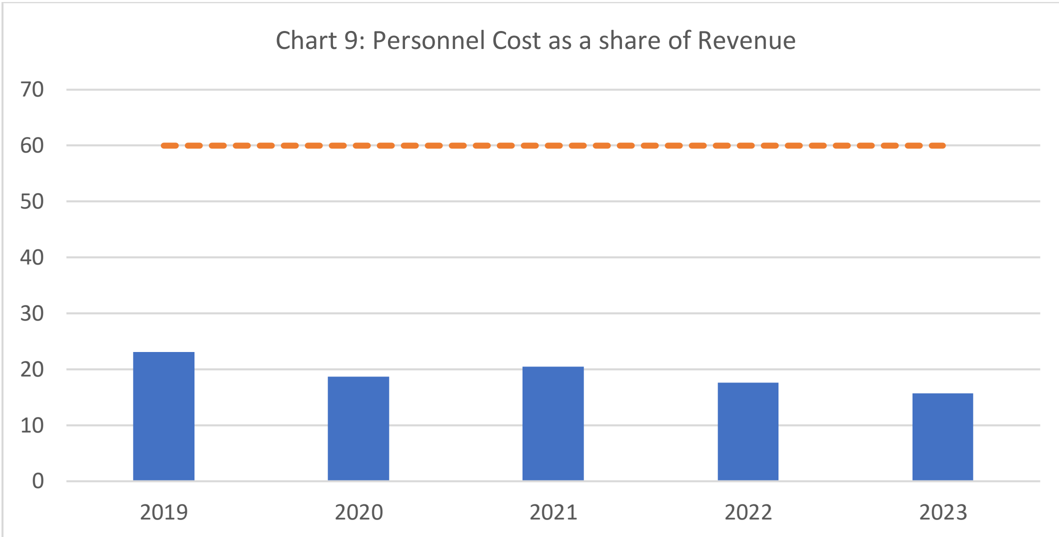
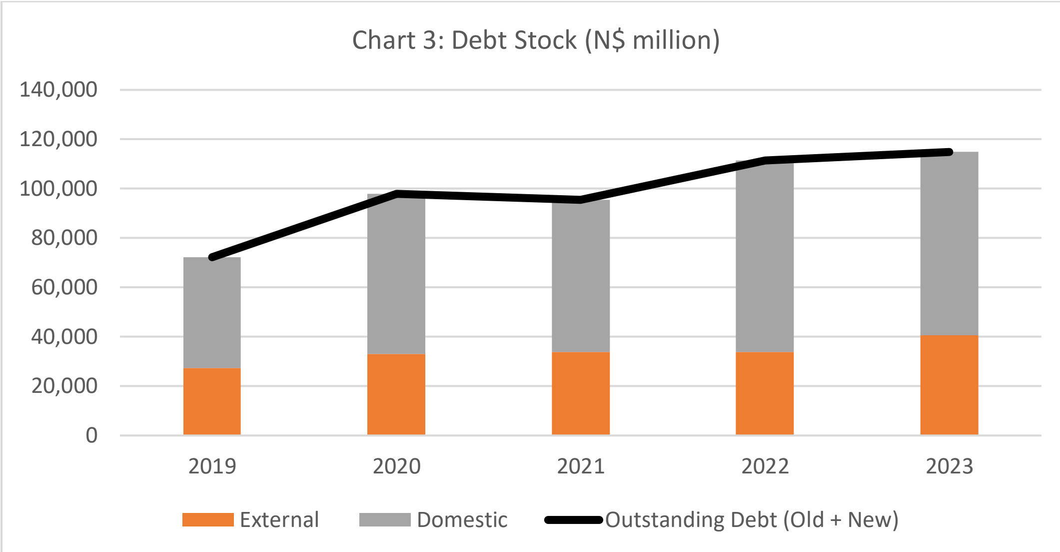


Chart 9 shows that from 2019 to 2023, the personnel cost share of total revenue is below 25%. This is below the 60% threshold. It dropped from 23% in 2019, to 20% in 2021 and it further decreased to 16% in 2023. The decrease is as a result of the State government's policy on continuous verification of Public Servants and automating the state payroll database, linking them to the Bank Verification Numbers of workers which resulted in the elimination of ghost workers.

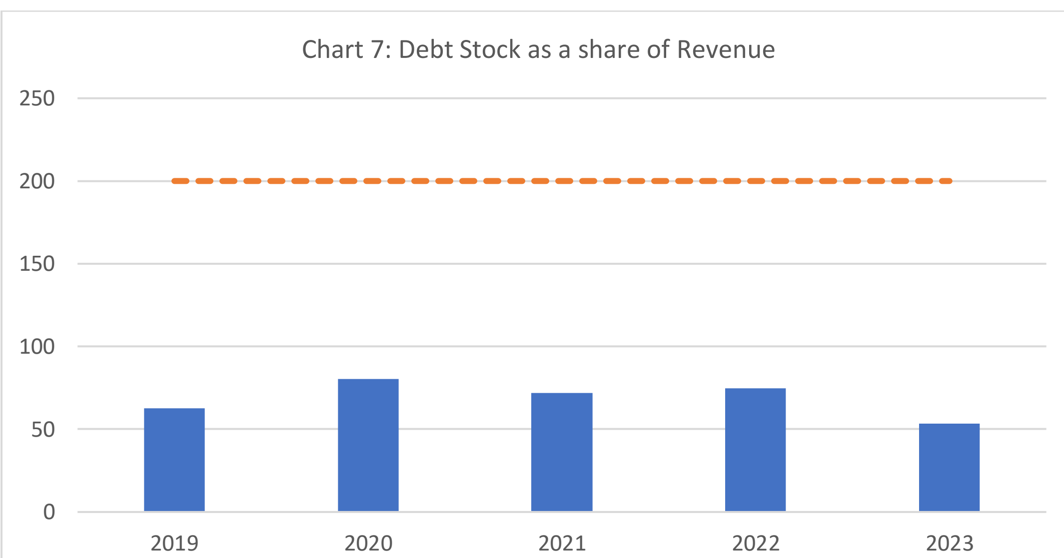
3.2 Existing Public Debt Portfolio

Public debt in this report includes the explicit financial commitments – like loans and securities – that have paper contracts which instrument the government's promises to repay. The State adopts this standard definition of public debt, which considers non-contingent debt and thus the obligation to repay them is independent of the circumstances, as well as excludes contingent liabilities (i.e.

Guarantees, state owned enterprises non-guaranteed liabilities).



From Chart 3, the State public debt increased from N72.2billion in 2019 to N114.8billion in 2023. This increase was as a result of the government's commitment to the development of capital intensive projects. The external debt in 2019 was N27.3billion, and it increased to N40.6billion in 2023. Similarly, domestic debt increased from N44.8billion in 2019 to N74.1billion in 2023. The increase in domestic debt crowds out the increase in internally generated revenue recorded across the years (2019-2023) under review. As at 2019, the share of total public debt as a percentage of the State Total Revenue was 63%, and it further increased to 75% in 2022. It later dropped to 53% in 2023. However, in terms of the state GDP, in nominal terms, the share of total public debt across the years was below 4% from 2019 to 2023. The chart showing the State's public debt as a share of the total revenue is presented below:



The State's public debt portfolio largely consists of Domestic loans. The external debt was lower than Domestic debt in all the years under review. Domestic debt rose by a wider margin during the period, it increased by 65%, while external debt grew by 48.5% from 2019 to 2023. The external debt kept increasing every year while the domestic debt increased from 2019 to 2020, and dropped in 2021. The domestic debt later increased in 2022, and dropped again in 2023.

The major contributors to the rising public debt are: Excess Crude Account Backed Loan, Judgement Debts, Contractors' Arrears, Pension and Gratuity Arrears, Commercial Agriculture Loan and Small and Medium Enterprise Development Fund.

Judging from the two charts presented above, it can be concluded that Anambra State holds a low-cost, moderate-risk debt portfolio. The debt portfolio carried an average, implicit interest rate of 9% in 2019-2023. In addition, the debt portfolio is narrowly exposed to currency, interest rate, and rollover risks. Exposure to currency fluctuations is limited because the foreign currency-denominated liabilities are only 35.3% of the total stock in 2023. All Domestic loans and External loans have fixed-rate obligations, thus not affected by changes in interest rates. Quite a good number of these loans have maturities exceeding 10 years and include financing from the Federal Government and multilateral organizations.

4. Debt Sustainability Analysis

The concept of debt sustainability refers to the ability of the government to honor its future financial obligations. Since policies and institutions governing spending and taxation largely determine such obligations, debt sustainability ultimately refers to the ability of the government to maintain sound fiscal policies over time without having to introduce major budgetary or debt adjustments in the future. Conversely, fiscal policies are deemed unsustainable when they lead to excessive accumulation of public debt, which could eventually cause the government to take action to address the unwanted consequences of a heavy debt burden.

Table 2: Anambra State Debt burden and performance indicators as at 2023

Indicator	**Thresholds**	**Anambra State Score**
Debt/SGDP	25%	2%
Debt/Revenue	200%	53%
Debt Service/Revenue	40%	4%
Personnel Cost/Revenue	60%	16%
Debt Service/FAAC Allocation	Nil	6%
Interest Payment/Revenue	Nil	1%
External Debt Service/Revenue	Nil	0%

Note: Nil means not available

Source: State's Financial Statements

From the indicative threshold presented in Table 2, Public Debt as a share of SGDP was at 2%, which falls below the threshold of 25%. Public Debt as a share of the total revenue was 63% in 2019 and 53% in 2023, which is also below the 200% threshold. Debt Service as a percentage of Total Revenue was below the threshold of 40% as the highest share of 17% was recorded in 2021, while in 2023 it was 4%. The personnel cost share as a percentage of total revenue was also below the threshold of 60%. The figure was 23% in 2019, and later decreased to 16% in 2023. The Anambra State performance against variables with indicative threshold shows that debt burden is very sustainable.

For the debt burden without threshold, Debt service as a share of FAAC allocation was 4% in 2019. This increased to 37% in 2021, and it later dropped to 6% in 2023. The projected values indicate a rise to 68% by 2033. For interest payment as a share of revenue, the historical figure (2019-2023) was below 4%, also the projected figure (2024-2033) was between 0% and 29% throughout the years. Also, External Debt Service as a share of Revenue was 0% from 2019 to 2023. Then between 2024 and 2033, the projection ranges from 2% to 9% for the projected years. The Anambra State performance against variables without indicative threshold shows that debt burden is not fantastically sustainable, even in the long-run.

4.1 Medium-Term Budget Forecast

The real GDP growth of Nigeria's economy is projected at 3.76% in 2024, and it is expected to rise to 4.22% in 2025.

With passage of Petroleum Industry Act (2021) into law, more investment is expected in the oil and gas industry. This improved investor's confidence in the oil and gas sector, even though oil production is projected to drop to from 1.67mbpd in 2025, and to 1.58mbpd in 2026.

The table below presents the Macro-Economic assumptions adopted by the State for the 2024-2026 Medium-Term Expenditure Framework.

Table 3: Macro-Economic Assumptions for 2024 - 2026 Medium-Term Budget Forecast

ITEM	2024	2025	2026
BASIC ASSUMPTIONS			
National GDP (at current prices) (N)	276,896,670.5	320,333,476.4	364,213,501.6
GDP Growth Rate (National) (%)	3.76%	4.22%	4.78%
State GDP (at current prices) (N)	7,885,732.0	9,122,767.0	10,372,424.0
Oil Production Benchmark (mbpd)	1.73	1.67	1.58
Oil Price Benchmark (USD)	74.0	73.8	69.9
Exchange rate (US$/N)	660.84	665.61	669.79
Inflation (%)	21.40%	20.30%	18.60%

Source: Anambra State Multi Year Budget 2023

The State's Debt sustainability analysis is predicated on the continuation of recent efforts to mobilize local revenue sources by expanding revenue sources, blocking all revenue leakages and automation of revenue collection. Presently the State Internal Revenue Service has undertaken reforms to ensure effective revenue administration by deploying technology and training its staff to drive these reforms, as against relying on external service providers. The service in addition has set up a self-service portal that aids Electronic Payment and Filing System (e-Services) to cover e-Payments, e-Filing, and e-Registration.

On the expenditure side, the control of recurrent expenditure growth with an unchanged policy concerning personnel and other operating expenses; has improved procurement practices for increased transparency and value for money; and most importantly, continuous budgetary provisions for Debt Service to ensure debt sustainability.

These reforms are continuous and are expected to be sustained throughout the medium-term, thus, are expected to lead to effective and efficient economic performance. The details of the macroeconomic assumptions and internal reforms, informed the projections for the Medium Term Budget Forecast as presented in the Table below:

Table 4: Medium-Term Budget Forecast (2023-2026)

ITEMS	**2023**	**2024**	**2025**	**2026**
Recurrent Revenue				
Gross Statutory Allocation	41,638,208,035	68,695,839,497	68,730,187,420	68,764,552,510
Derivation	10,123,746,516	8,019,130,302	8,023,139,870	8,027,151,442
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Outflows				
Recurrent Expenditure				
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	61,381,259,671	**72,091,195,882**	**78,241,013,619**	**82,961,105,329**
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Total Expenditure (Budget Size)	**260,464,539,405**	**410,711,475,272**	**410,337,292,783**	**410,542,461,910**
Financing (Loans)	**14,028,694,691**	**128,840,513,618**	**128,904,933,870**	**128,969,386,342**

(Note: As at the time the Excel template for this report was populated, state MTEF 2023-2026 was the latest version available.)

From the Multi Year Budget forecast presented in Table 4, the implication of the measures and assumptions considered for the fiscal and debt policies is that Anambra's debt profile will be shielded from external factors like Crude oil prices, Exchange rate and interest rates fluctuations which are capable of deteriorating the state debt portfolio, thus making it not sustainable. The State would increase both revenue and expenditure in 2024, in order to have enough funds to execute developmental projects and at the same time, meet up with debt servicing. This pattern would continue through 2025 and 2026, in order to sustain the gains from increased revenue and expenditure, such as a favourable debt service to revenue share, and increased number of developmental projects.

4.2 Borrowing options

Table 5: Loan categories and financing terms under the reference strategy

Borrowing Terms for New Domestic Debt (issued/contracted from 2021 onwards)	**Interest Rate (%)**	**Maturity (years)**	**Grace Period (years)**
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	35	5	2
Commercial Bank Loans (maturity 6 years or longer, including			

Agric Loans, Infrastructure Loans, and MSMEDF)	35	15	2
State Bonds (maturity 1 to 5 years)	0	0	0
State Bonds (maturity 6 years or longer)	15	7	0
Other Domestic Financing	9	20	0

For the reference debt strategy (S1), Anambra State plans borrowing from both domestic and external sources, specifically other domestic finanacing and concessional loans respectively. Under other domestic financing, the state can access CBN backed loans through the federal government. They have a modest interest rate of around 9%, and a 20 years maturity period. Some examples include; Budget Support Facility, Commercial Agriculture Credit scheme etc. On the other hand, world bank concessional loans is the category of external loans the state plans to borrow. They have an interest rate of 2%, with a maturity period of 20 years. The state plans to alternate between both sources for the 10 projection years; (2024-2033).

Table 6: Strategy 1

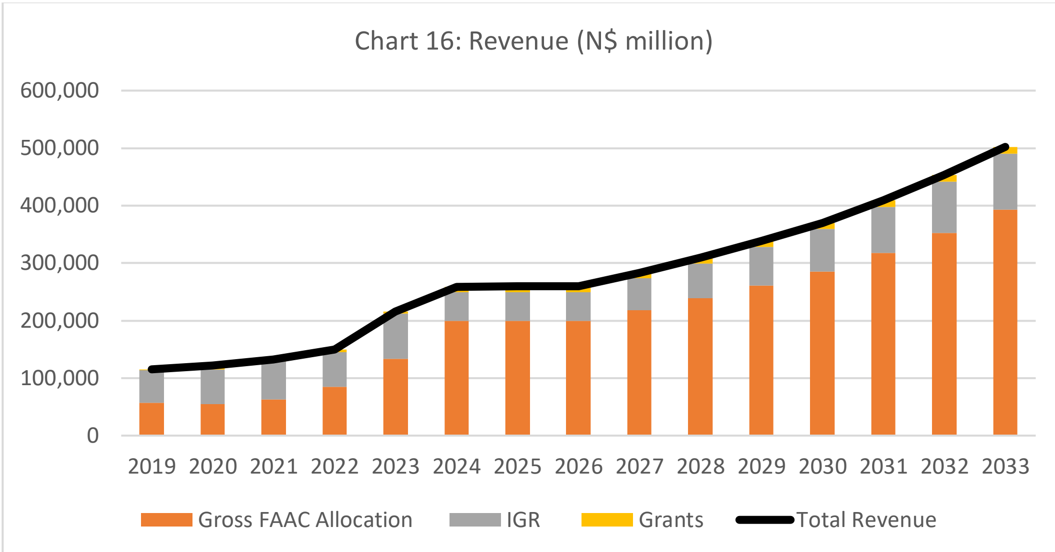
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Domestic Financing (N) Millions										
Domestic: other domestic financing (maturity: 20 years or longer)	199,807.5	179,495.5		196,500.9	184,956.2	275,197.2		342,407.2	391,749.3	371,570.6
External Financing (USD) Millions										
External: concessional loans (maturity: 20 years or longer)			183.3		46.2		320.7			92.9
Total gross borrowing requirements	199,807.5	179,495.5	201,637.8	196,500.9	231,195.3	275,197.2	320,675.1	342,407.2	391,749.3	464,463.2

4.3 DSA Simulation Results

Revenue, expenditure, overall and primary balance in the long-term

4.3.1 Revenue: Total revenue including grants and excluding other capital receipts) is projected to increase from N215 billion in 2023 to N502 billion by 2033. Gross FAAC contributes most to this increase, both in the medium and long-term. Gross FAAC share of the total revenue was 61% in 2023, and is projected to increase to 78% by 2033. The share of Internally Generated Revenue was 36% in 2023 and it is projected to decrease to 19% by 2033. The Grants share of Revenue in

2023 was 1.7%, and it increased to 2.33% in 2033. Details of the revenue growth and projections are presented in the Figure below:



In the Baseline Scenario under the reference debt strategy (S1), the State preserves debt sustainability.

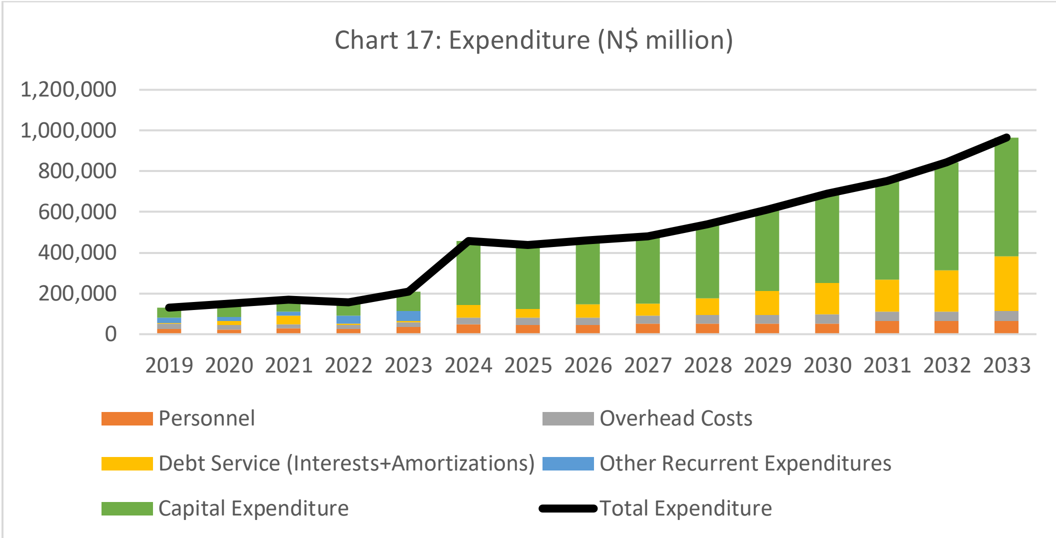
4.3.2 Expenditure: Total expenditure is expected to increase from N209 billion in 2023 to N965 billion by 2033.

Personnel cost which occupied a share of 16.1% in 2023 is expected to decrease to 6.6% by 2033.

Overhead cost with a share of 11.4% in 2023, is projected to reduce to 5.2% share of the total expenditure by 2033.

For **capital expenditure**, its share of total expenditure in 2023 was 45.2%, and it increased to 60% by 2033.

Details of the historical and projected expenditure are presented in the chart below:



4.3.3 Debt stock.

As a consequence of the modest increase in investment and domestic borrowings to finance the observed budget deficit, the public debt will increase. However, the State's repayment capacity will rise simultaneously as can be seen in Chart 22 below. Debt is projected to rise from N114 billion as at end of 2023 to N2.4 trillion by 2033 (Chart 18). The main driver of this increase in debt stock is the Domestic borrowings, mainly from Agricultural and Infrastructure support loans, which increased from 64% in 2023 to 73% in 2033. The debt stock as a share of total revenue is expected to increase from 53% in 2023 to 479% by 2033. From 2023 to 2025, the debt stock as a share of total revenue was below the threshold of 200. It eventually gets to rise above the threshold in 2026, considering the chart 22 below. This shows negative implication for the State debt profile and if it is not adequately tackled, it will endanger the State's chances of further borrowing. Therefore, the State is advised to open up more IGR potential windows and look forward to attracting more Grants.

The following charts as described above are included below to aid understanding of the Anambra State debt sustainability analysis.

Chart 18: Baseline Scenario

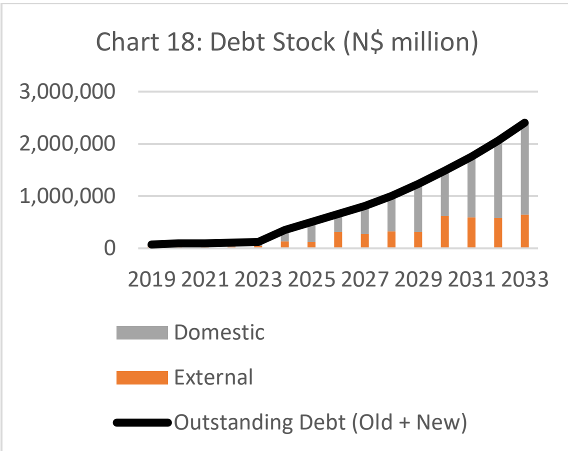
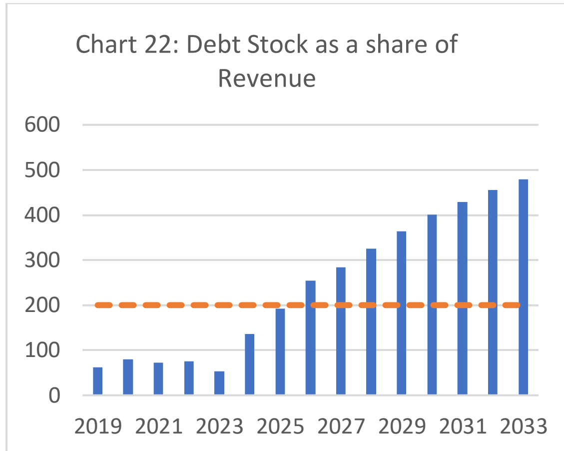


Chart 22: Baseline Scenario



Source: State's Forecast

Chart 23: Baseline Scenario

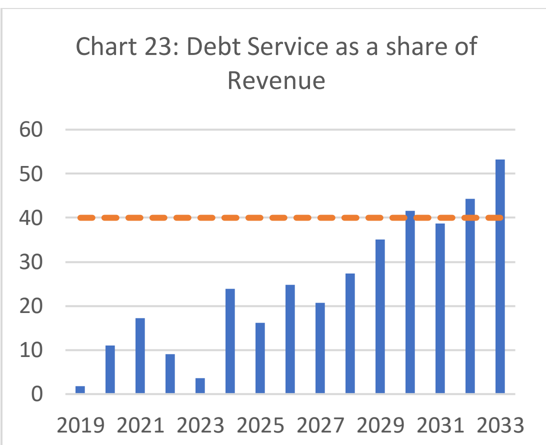
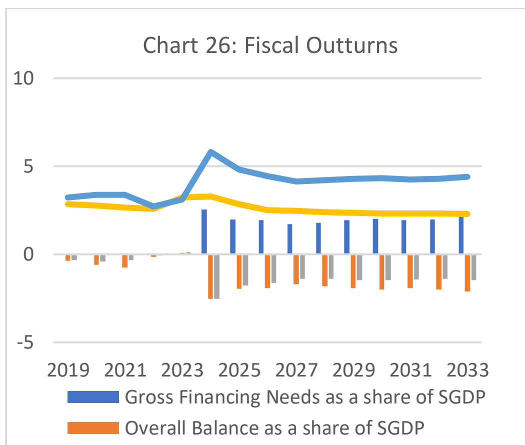


Chart 26: Baseline Scenario



Source: State's Forecast

Conclusion

The outcome of the 2024 DSA revealed that Anambra State's total debt is on the increasing risk of debt distress with substantial space to accommodate some levels of shocks in Revenue, Expenditure, Exchange rate and Interest Rate. The risk is because a look at the results on the debt sustainability indicates the state performed well in all the scenarios except for debt as share of revenue and debt service as share revenue whose figure exceeded the benchmark in the long run.

However, the ongoing efforts by the government towards increasing revenue generation, through various reforms in Tax Administration and Collections, attracting more grant, as well as the Public Financial Management aimed at reducing the cost of governance, will help to further improve the outlook for Debt sustainability both in the medium term and in the long-term.

Detailed On-going and Expected Policies to Strengthen Debt Sustainability in Anambra State:

Revenue:

In a bid to ensure and further strengthen the debt sustainability of the State, the State is hopeful that its internally generated revenue base will improve considerably over time as a result of the policies by the State Internal Revenue Service to shore up the revenue figures of the state to accommodate expenditure and debt servicing. Some of the policies are:

1. The implementation of the Treasury Single Account (TSA) to ensure that all revenue due to the state are collected and paid into one account to enhance revenue monitoring and accounting.

2. Introducing diverse revenue collection mechanisms to ensure a wider reach and reduce time wasted in making payment. These measures which include deploying Point of Sale (POS) Terminals to the entire State, introducing USSD payment options and Anambra State IGR payment app are presently being implemented, with Interswitch LTD driving the process.

3. Continuous data collection and validation is being carried out with the introduction of Anambra State Social Identity Number (ANSSID) which is a unique identity for all eligible taxpayers and businesses in the state. ANSSID contains other specific data of taxpayers and businesses that will help the state categorize tax payers eligible for different categories of IGR and also help in projecting future revenue inflows and for other economic purposes.

4. Making functional untapped revenue heads hitherto eluding the State Government, especially the Land Use Charge revenue and Waste Management revenue.

Expenditure:

Policies being implemented by the State to further strengthen the debt position in terms of Expenditure control include:

1. Reduction of cost of governance through the reduction of the share of recurrent expenditures of the total expenditure.
2. Comprehensive automation of Payroll Process through the application of verifiable BVN and allocation of ANSSID to State workers and pensioners. This has helped removed ghosts from the system and ensured a continuous cleaning of the state Personnel share of the total expenditure to reflect realities
3. The passage of Anambra State Public Procurement Law 2020 and Anambra State Public Finance Law 2020 has an improved procurement practice for increased transparency and value for money according to the global best practices.

4. Introduction of Cash Management Strategy by the Accountant General has helped in the distribution of funds efficiently in line with the state priority, hence removing the incidence of channeling funds to projects without economic impact.

4.4 DSA Sensitivity Analysis

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

The following parameters were chosen for the purpose of sensitivity analysis; **Revenue, Expenditure, Exchange rate and Interest rate** as shock scenarios and a historical scenario which assume that the State GDP, revenues and primary expenditures in 2024-2033 grow in line with their respective historical average growth rates observed in 2019-2023. These scenarios are analyzed in terms of their deviation from the baseline scenario.

From the result, the State's debt sustainability is expected to moderately deteriorate if the revenue shock was to occur under the reference debt strategy (S1), as a result of diminished repayment capacity. The debt stock as a percentage of the SGDP remains lower than the threshold across the projected years. Personnel cost as a percentage of revenue remained far below the threshold throughout the projected period. The results of the shock scenario were consistent with the historical scenario except for debt stock as a percentage of revenue which grew above the threshold in the projected years. Therefore, a major risk for debt sustainability is the reversal of the State's successful revenue mobilization efforts in the attraction of more grants.

The State's debt sustainability is expected to largely deteriorate if expenditure shock were to occur under the reference debt strategy (S1), as a result of both excessive deficits and diminished repayment capacity. The public debt ratio grows up to unsustainable levels in the next few years. The debt stock as a percentage of the SGDP remains lower than the threshold across the projected years, while debt stock as a percentage of revenue started to witness risk from 2025 where it is 192%, and increased to 479% in 2032, against the threshold of 200%. Also the Debt service as a percentage of revenue exhibited a similar pattern as it grew to 35% in 2029 and later to 53% in 2033, against the threshold of 40%. Personnel cost as a percentage of revenue remained far below the threshold throughout the projected period. The figure for grants throughout the historical and projected years is relatively low. Therefore, the state is advised to look towards attracting more grants, while more effort should be put into increasing the IGR. It is also important for the State to curtail expenditure, especially on non economic activities.

The State's debt sustainability would deteriorate moderately if interest rate shocks materialize, mainly as a consequence of a diminished repayment capacity. The debt stock as a percentage of SGDP remains lower than the threshold across the projected years, while debt stock as a share of revenue rose above the threshold in 2026 at 255%. Debt service as a percentage of revenue grew more than the threshold in 2030 at 42%, and it got to 53% by 2033.

Personnel cost as a percentage of revenue remained far below the threshold throughout the projected period. The results of the shock scenario were consistent with the historical scenario. This implies a moderate worsening of the State's public debt position and a build-up of fiscal vulnerability in the medium-term.

Conclusion:

The 2024 DSA shows that Anambra State remains moderately sustainable in the medium-term but, at a high risk of debt distress in the long-term under the conducted Sensitivity Analysis as the current revenue position is considered not adequate to secure the financial future of the State, because of the adverse effect of the shock in the long-term. The current expenditure patterns should also be kept under check, so as not to trigger an unsustainable debt level in the economy over the long term. .

The Charts below explain the State's debt sustainability position as explained in this section.

Chart 27: Baseline, Shock and Hist. Scenarios

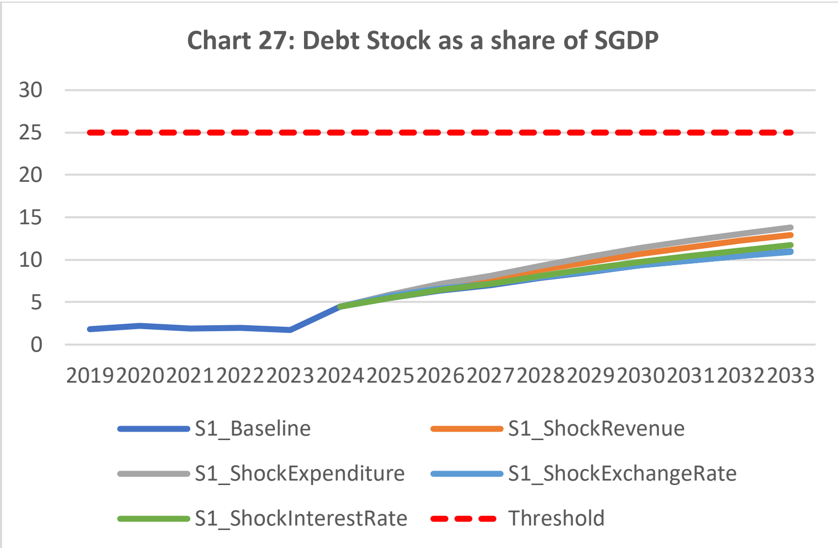
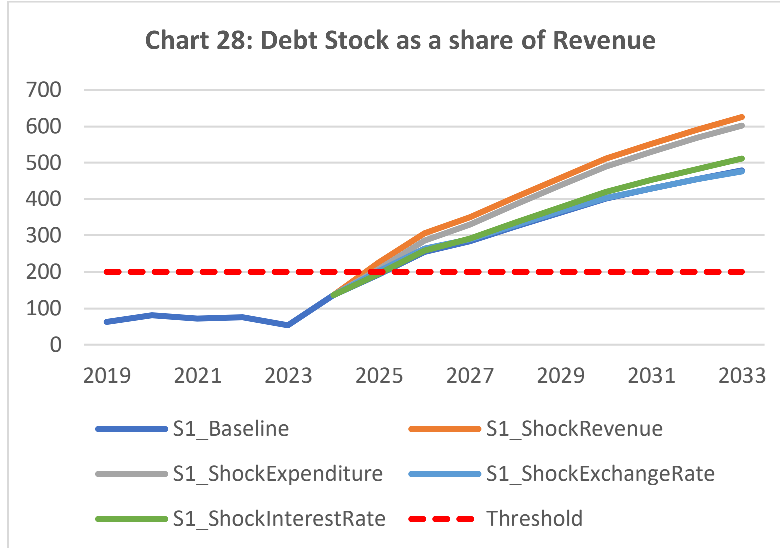


Chart28: Baseline, Shock and Hist. Scenarios



Source: State's Forecast

Chart 29: Baseline, Shock and Hist. Scenarios

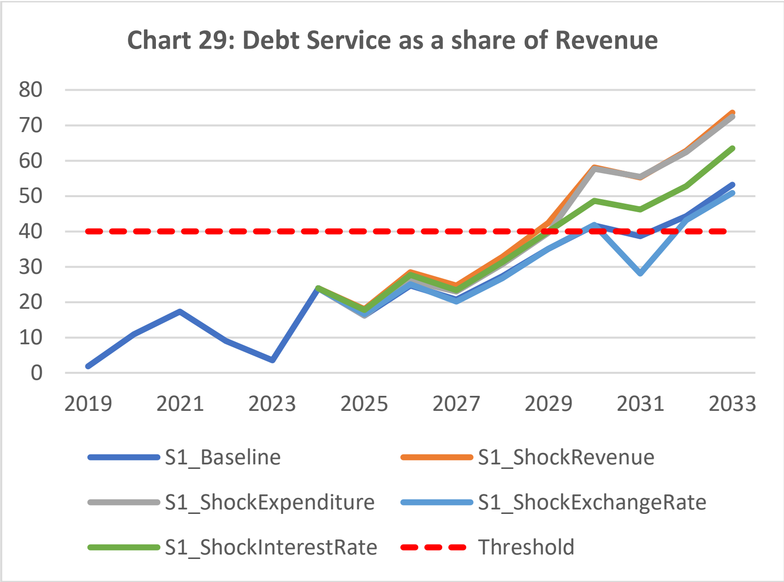
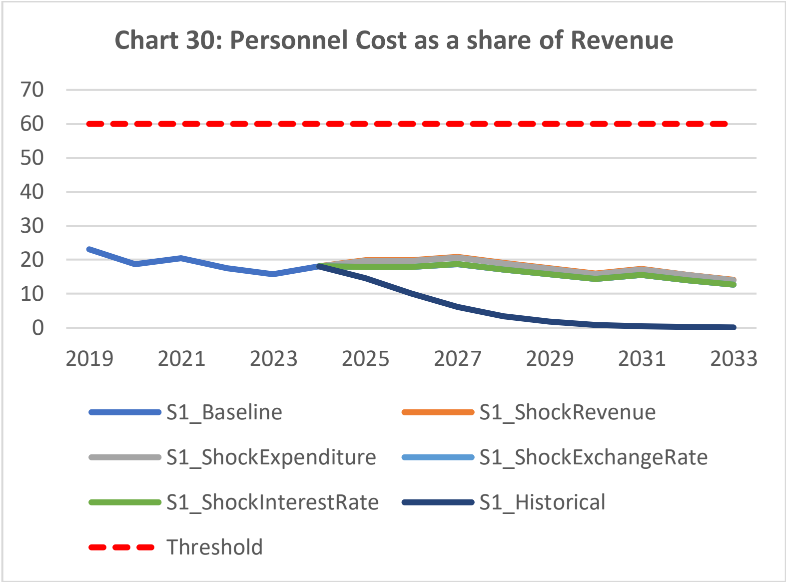


Chart 30: Baseline, Shock and Hist. Scenarios



Source: State's Forecast

5. Debt Management Strategy

Public debt management is the process of establishing and executing a strategy for managing the government's debt in order to raise the required amount of funding at the lowest possible cost over the medium to long term, consistent with a prudent degree of risk.

Three debt management performance indicators were utilized to assess the debt management strategies outcomes: Debt Stock/Revenue (%), Debt Service/Revenue (%) and Interest/Revenue (%)[1]. For any DMS, its cost is measured by the expected value of a performance indicator in 2027 (as projected in the baseline scenario). Risk is measured by the deviation from the expected value in 2027, caused by an un-expected shock (as projected in the most adverse scenario).

5.1 Alternative Borrowing Options

This section explains Anambra State's borrowing plans for the reference debt strategy (S1), the three alternative DMS (S2, S3 and S4), the financing terms, and how the State plans to cover the gross financing needs between 2024 and 2033 under each of them.

Table 7: Loan categories and financing terms under the alternative strategies

Borrowing Terms for New Domestic Debt (issued/contracted from 2021 onwards)	**Interest Rate (%)**	**Maturity (years)**	**grace period (years)**
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	35	5	2
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)	35	15	2
State Bonds (maturity 1 to 5 years)	0	0	0
State Bonds (maturity 6 years or longer)	15	7	0
Other Domestic Financing	9	20	0
Borrowing Terms for New External Debt	**Interest Rate (%)**	**Maturity (years)**	**Grace (years)**
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	2	20	2
External Financing - Bilateral Loans	3	20	1
Other External Financing	3	10	1

Strategy 1

Strategy one maintains the MTEF Financing Mix highlighted in Section 4. It follows the broad parameters of the financing mix in the fiscal year 2023, and MTEF 2024-2026, which draws from

[1] Other three debt-management performance indicators—not necessary to include in the report—are computed in Charts DMS (Debt Stock/SGDP, Debt Services/SGDP and Interest/SGDP).

both domestic and external sources. For domestic loans, the state plans to go with other domestic financing, with an interest rate of not more than 9%, and a maturity period of 20 years and above. The state also plans to borrow externally from the world bank; under concessional loans. This has an interest rate of 2%, and a maturity period of 20 years and above.

Details of the Strategy are presented in the Table below.

Table 8: Strategy 1

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Domestic Financing (N) Millions										
Domestic: other domestic financing (maturity: 20 years or longer)	199,807.5	179,495.5		196,500.9	184,956.2	275,197.2		342,407.2	391,749.3	371,570.6
External Financing (USD) Millions										
External: concessional loans (maturity: 20 years or longer)			183.3		46.2		320.7			92.9
Total gross borrowing requirements	199,807.5	179,495.5	201,637.8	196,500.9	231,195.3	275,197.2	320,675.1	342,407.2	391,749.3	4,463.2

Strategy 2

For DMS (S2), Anambra State plans to borrow from only domestic sources. The state plans to go with other domestic financing, which has a 9% interest rate, and a 20 year maturity period.

Table 9: Strategy 2

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Domestic Financing (N) Millions										
Other Domestic Financing	199,807.5	179,495.5	201,637.8	221,064.1	258,289.9	300,432.1	348,298.7	408,552.5	464,381.1	526,376.8
External Financing (USD) Millions										
External Financing										
Total Gross Borrowing Requirements	199,807.5	179,495.5	201,637.8	221,064.1	258,289.9	300,432.1	348,298.7	408,552.5	464,381.1	526,376.8

Strategy 3

For DMS (S3), financing would be done exploring only external financing, specifically world bank concessional loans, with interest rate of 2% and 20 years maturity. The grace period is 2 years.

Table 10: Strategy 3

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
External Financing (USD) Millions										
Concessional loans (world bank)	153.7	129.3	141.5	159.4	178.5	199.2	222.1	253.4	275.0	298.3
Total Gross Borrowing Requirements	199,807.5	155,211.2	155,661.4	159,368.2	178,461.5	199,168.7	222,111.5	253,434.6	275,043.1	298,326.6

Strategy 4

For (S4), the State plans to borrow from both domestic and external sources. This time, the domestic borrowing would be done through state bonds. This has an interest rate of 15%, with a 7 years maturity period. On the other hand, the state plans to borrow externally through concessional loans from the world bank. This has a 2% interest rate, and a 20 years maturity period.

A breakdown of this borrowing option is presented in the Table below.

Table 11: Strategy 4

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Domestic Financing (N) Millions										
Domestic: State bonds Maturity: 6 years or longer	159,846.0	159,257.8	192,693.8	228,656.6	282,928.7	347,215.2	423,314.7	517,777.8	600,842.0	698,550.5
External Financing (USD) Millions										
External: Concessional loans Maturity: 20 years or more	30.7	33.2	43.8	57.2	70.7	86.8	105.8	129.4	150.2	174.6
Total Gross Borrowing Requirements	199,807.5	199,072.3	240,867.3	285,820.8	353,660.8	434,019.0	529,143.3	647,222.3	751,052.5	873,188.1

5.2 DMS Simulation Results

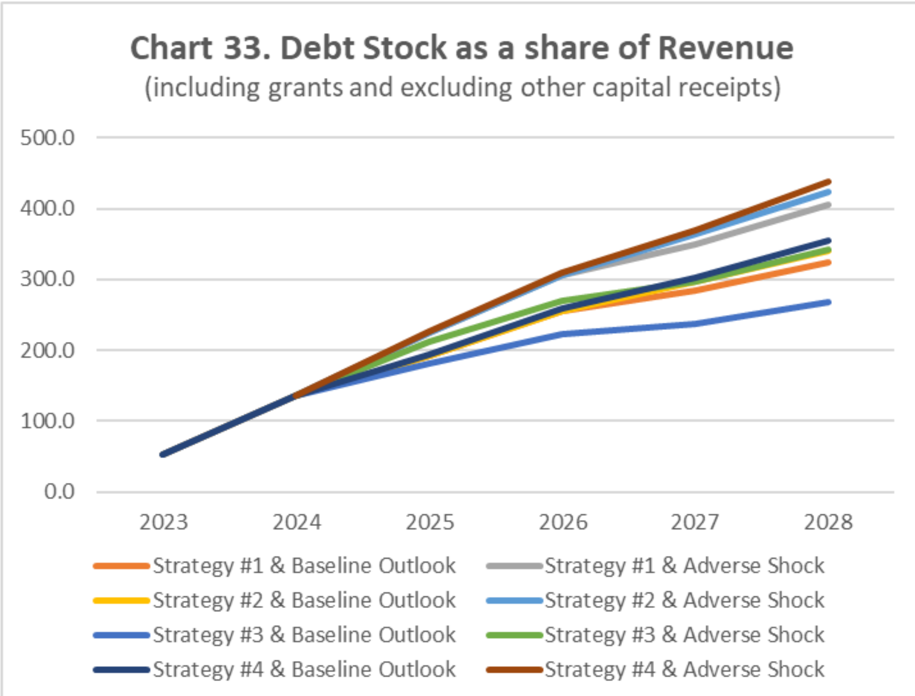
In this section, the results obtained from the four DMS, focusing on the three performance indicators (Debt/Revenue, Debt service/Revenue and Interest/Revenue) are presented and analyzed. The analysis includes comparisons between the reference debt strategy (S1) and the three alternatives (S2, S3, and S4).

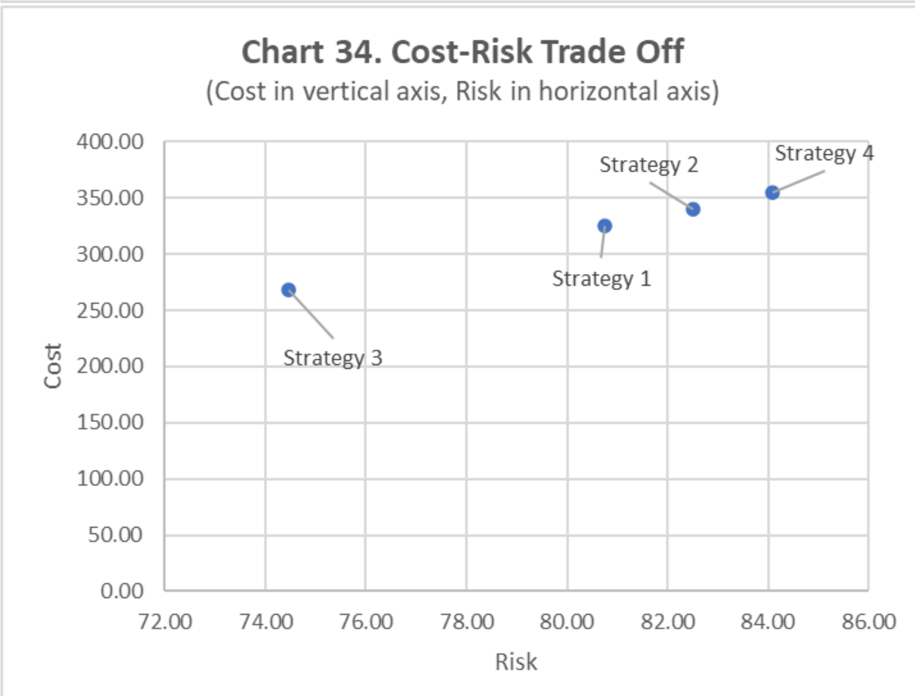
5.2.1 Debt as a share of Revenue

In the Baseline Scenario under the reference debt strategy (S1), the debt stock as a percentage of revenue (including grants and excluding other capital receipts) is projected to increase from 136.1% in 2024 to 324.7% in 2028. For debt strategy (S2), debt stock as a percentage of revenue is projected to increase from 136.1% in 2024 to 340.4% in 2028. For debt strategy (S3), debt stock as a percentage of revenue is projected to increase from 136.1% in 2024 to 268.0% in 2028. For debt strategy (S4), debt stock as a percentage of revenue is projected to increase from 136.1% in 2024 to 354.7% in 2028. The results from the strategies indicate that the State preserves debt sustainability.

For the cost-risk tradeoff, under the reference debt strategy (S1), the cost of adopting the strategy is 324.7% and a risk of 80.8%. Under debt strategy (S2), the cost of adopting the strategy is 340.4% and a risk of 82.5%. For debt strategy (S3), the cost of adopting the strategy is 268% and a risk of 74.5%. While for debt strategy (S4), the cost of adopting the strategy is 354.7% and a risk of 84.1%. The chart is presented below for more emphasis.

Strategy 3 has the lowest cost and risk estimated at 268% and 74.5% respectively. Strategy 4 has the highest costs and risks of 354.7% and 84.1% respectively. This is compared to Strategy 1 and Strategy 2 that are estimated to have moderate costs and moderate risks during the projection period, 2024-2028.





Source: State's Forecasts

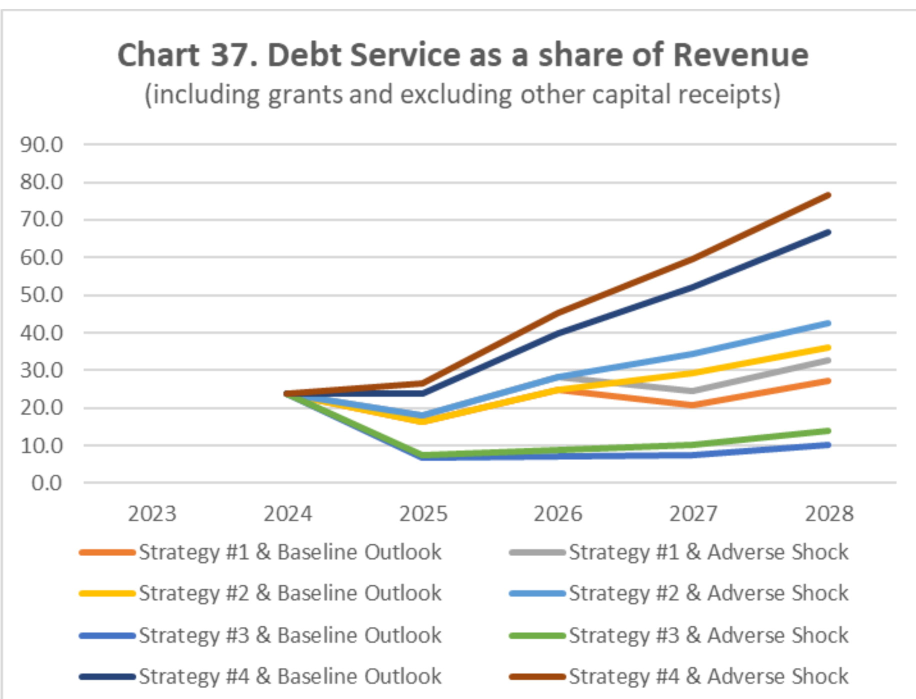
5.2.2 Debt Service as a share of Revenue

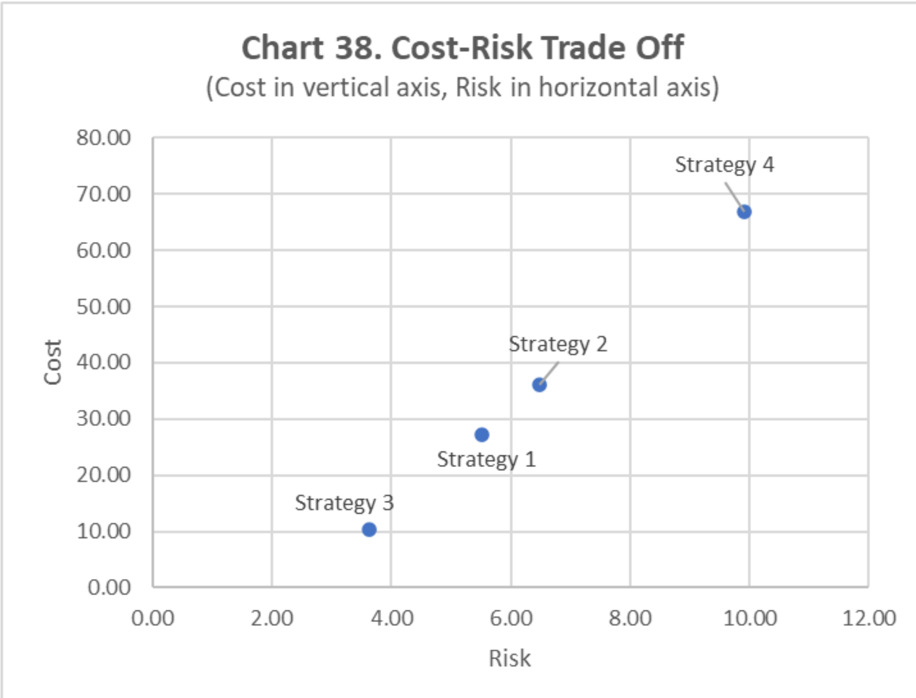
In the Baseline Scenario under the reference debt strategy (S1), the debt service as a percentage of revenue is projected to increase from 23.9% in 2024 to 27.3% in 2028. For debt strategy (S2), debt service as a percentage of revenue is projected to increase from 23.9% in 2024 to 36% in

2028. For debt strategy (S3), debt service as a percentage of revenue is projected to decrease from 23.9% in 2024 to 10.3% in 2028. For debt strategy (S4), debt service as a percentage of revenue is projected to increase from 23.9% in 2024 to 66.9% in 2028. The results from the strategies indicate that the State preserves debt sustainability. The information is presented in the figure below.

For the cost-risk tradeoff, under the reference debt strategy (S1), the cost of adopting the strategy is 27.3% and a risk of 5.5%. Under debt strategy (S2), the cost of adopting the strategy is 36% and a risk of 6.5%. For debt strategy (S3), the cost of adopting the strategy is 10.3% and a risk of 3.6%. While for debt strategy (S4), the cost of adopting the strategy is 66.9% and a risk of 9.9%. The information is presented in the figure below.

Thus, Strategy 3 has the lowest cost and risk estimated at 10.3% and 3.6% respectively. Strategy 4 has the highest costs and risks of 66.9% and 9.9% respectively. This is compared to Strategy 1 and Strategy 2 that are estimated to have moderate costs and moderate risks during the projection period, 2024-2028.





Source: State's Forecasts

5.2.3 Interest as a share of Revenue

In the Baseline Scenario under the reference debt strategy (S1), interest as a percentage of revenue is projected to increase from 0.5% in 2024 to 16.8% in 2028. For debt strategy (S2), interest as a percentage of revenue is projected to increase from 0.5% in 2024 to 21.9% in 2028. For debt strategy (S3), interest as a percentage of revenue is projected to increase from 0.5% in 2024 to 4% in 2028. For debt strategy (S4), interest as a percentage of revenue is projected to increase from 0.5% in 2024 to 30.3% in 2028. The results from the strategies indicate that the State preserves debt sustainability. The information above is presented in the chart below.

For the cost-risk tradeoff, under the reference debt strategy (S1), the cost of adopting the strategy is 16.8% and a risk of 4.4%. Under debt strategy (S2), the cost of adopting the strategy is 21.9% and a risk of 5.4%. For debt strategy (S3), the cost of adopting the strategy is 4% and a risk of 3.4%. While for debt strategy (S4), the cost of adopting the strategy is 30.3% and a risk of 5.9%. The information above is presented in the chart below.

Thus, Strategy 3 has the lowest cost and risks estimated at 4% and 3.4% respectively. Strategy 4 has the highest costs and risks of 30.3% and 5.9% respectively. This is compared to Strategy 1 and Strategy 2 that are estimated to have moderate costs and moderate risks during the projection period, 2024-2028.

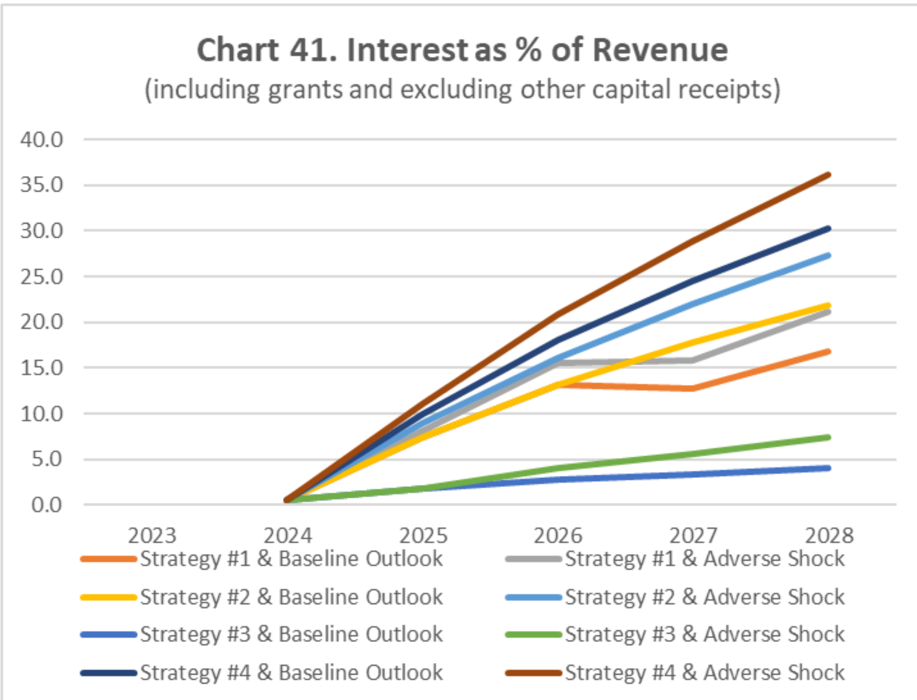
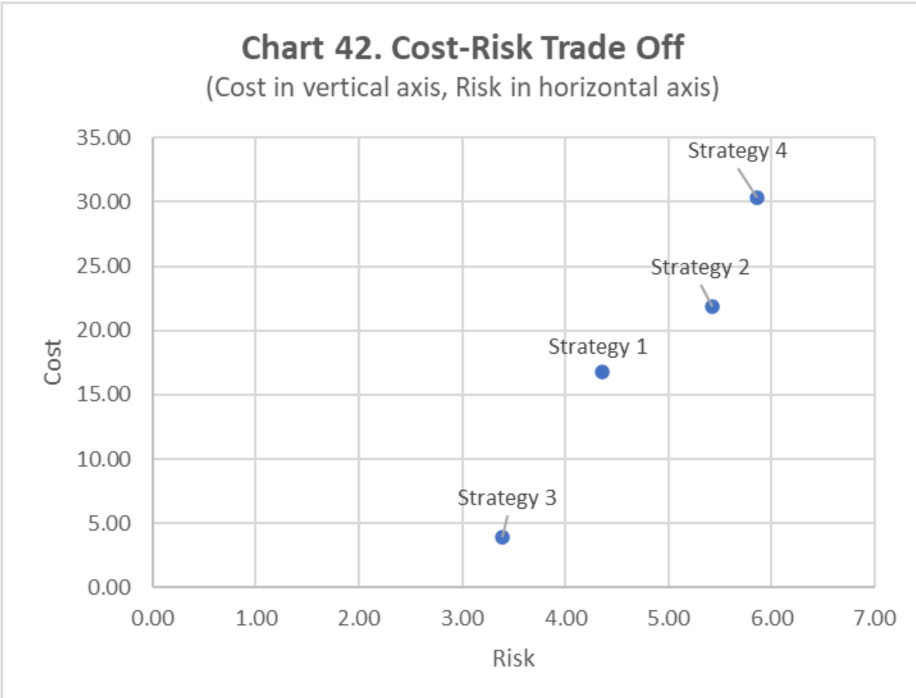


Chart 41. Interest as % of Revenue
(including grants and excluding other capital receipts)
40.0
35.0
30.0
25.0
20.0
15.0
10.0
5.0
0.0
2023
2024
2025
2026
2027
2028
Strategy #1 & Baseline Outlook
Strategy #1 & Adverse Shock
Strategy #2 & Baseline Outlook
Strategy #2 & Adverse Shock
Strategy #3 & Baseline Outlook
Strategy #3 & Adverse Shock
Strategy #4 & Baseline Outlook
Strategy #4 & Adverse Shock



Source: State's Forecasts

5.2.4 DMS Assessment

The Debt Management Strategy, 2024-2028 presents a robust framework for prudent debt management, as it provides a systematic approach to decision making on the appropriate composition of external and domestic borrowing to finance the budget. The cost-risk trade-off of alternative borrowing strategies under the DMS has been evaluated within the medium-term context.

Below are some key observations concerning the cost-risk profile of the four Debt Management Strategies:

1. **For debt stock as a percentage of revenue,** the performance of the reference strategy 4 (S1) has the cost-risk profile of 354.7% and 84.1% respectively compared to the performance of the other three alternatives. Strategy 3 has the lowest cost and risk estimated at 268% and 74.5% respectively, while Strategy 1 and Strategy 2 are estimated to have moderate costs and moderate risks during the projection period, 2024-2028.
2. **For debt service as a percentage of revenue,** the performance of Strategy 4 has the highest cost and risk estimated at 66.9% and 9.9% respectively. Strategy 3 has the lowest costs and risks of 10.3% and 3.6% respectively. Strategy 1 and 2 are estimated to have moderate costs and moderate risks during the projection period, 2024-2028.

3. **For interest as a percentage of revenue,** the performance of the reference strategy (S4) has a higher cost-risk profile at 30.3% and 5.9% respectively. Strategy 3 has the lowest

cost and risks estimated at 4% and 3.4% respectively. Strategy 1 and Strategy 2 are estimated to have moderate costs and moderate risks during the projection period, 2024-2028.

Based on the analysis of each of the four strategies, S3 is the preferred strategy because of the lowest costs and risks, but the State may not afford it considering the difficulty in accessing external loans due to exchange rate fluctuations, however the recommended strategy to be applied by the state in the mid-term to improve the State's debt portfolio relative to the base year 2023 is Strategy 1. The results (risk and cost) when applying Strategy 1 in the three debt management performance indicators and in the other three (Debt Stock/SGDP, Debt Services/SGDP and Interest/SGDP) not included in the analysis, were better when compared with the Strategy (S2) and strategy (S4).

Conclusion:

The Preferred Strategy (S3) in the State's Debt Management Strategy, 2024-2028, focuses on increased dependence on Long-term external financing with low interest rate and long maturity. It is a concessional type that has low interest rate, long maturity and a 2 years grace period. The strategy ensures reduction in short-term instruments, especially short-term Commercial Banks Loans in order to protect the State's economy from refinancing risks. Relying majorly on external (concessional) loan is also expected to help in ensuring that the Cost Profile of the State's Public Debt portfolio is sustainable in the medium to long-term as the State's financing needs are met at minimum cost and with a low risk level.

To sustain the State's economy, preserve the State's Debt Management portfolio and maintain adequate balance between the cost of carrying debt and the exposure to risks, some policies are proposed below:

1. The new regime of Government should strive to maintain the current policies of sustainable borrowings and prudent utilization of resources.

2. Strengthening the existing legal and institutional frameworks for efficient debt management.

3. Strengthening the existing legal and institutional frameworks for efficient revenue mobilization and resource utilization. For example, Public Procurement Law, Revenue Administration Law, Fiscal Responsibility Law, State Audit Law, Public Finance Law etc.

4. Ensuring a robust and focused public finance policy to guide government borrowings.

5. Support the Debt Management Department to ensure the availability of reliable and correct data for frequent evaluations of the State Debt portfolio, costs and risks.

6. Strengthening the capacity and competency of debt management staff of the state for effective and efficient public debt management.

Annex I. Table Assumptions

	A	B	C	D	E	F
1		**2024**				
2				**Projection Methodology**	**Source**	
3		Assumptions:				
4		**Economic activity**	State GDP (at current prices)	The State GDP as projected from 2024-2033 are based on extract from NBS projections.	Debt Management Office, Abuja	
5						
6		**Revenue**	**Revenue**			
7			1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT Allocation here)	The figures for 2025 and 2026 were gotten from the State 2023 MTEF document, while 10% markup was used to forecast from 2027 to 2030, and 15% mark up from 2031 to 2033. Actuals of 2019 to 2023 were also used as extracted from the State's Audited Financial Statement. This projection was carried out after a careful study of the Federal Government Budget which is showing a positive return.	DSA Team, Ministry of Finance and Economic Development. Anambra State	
8			1.a. of which Net Statutory Allocation ('net' means of deductions)		DSA Team, Ministry of Finance and Economic Development. Anambra State	
9			1.b. of which Deductions		DSA Team, Ministry of Finance and Economic Development. Anambra State	
10			2. Derivation (if applicable to the State)	This was gotten from the 2023 State MTEF document for the period 2025 - 2026. Then 8% mark up was applied from 2027 to 2033.		
11			3. Other FAAC transfers (exchange rate gain, augmentation, others)		DSA Team, Ministry of Finance and Economic Development. Anambra State	
12			4. VAT Allocation	The State MTEF document for 2023 was applied in 2025 and 2026. Then from 2027-2033, a mark up of 8% was applied.	DSA Team, Ministry of Finance and Economic Development. Anambra State	
13			5. IGR	The figures for the period 2025 and 2026 were obtained from the 2023 State MTEF document. Thereafter, a mark up of was applied from 2027 to 2033. The increase in mark up figures is as a result of the effort being made by the new Administration to Consolidate all State revenue windows and ensure all leakages are blocked.	DSA Team, Ministry of Finance and Economic Development. Anambra State	
14			6. Capital Receipts			
15			6.a. Grants	The figures for 2025 and 2026 were gotten from the State MTEF document, while 3% mark up was used to forecast between 2027 to 2033.	DSA Team, Ministry of Finance and Economic Development. Anambra State	
16			6.b. Sales of Government Assets and Privatization Proceeds			
17			6.c. Other Non-Debt Creating Capital Receipts			
18						
19		**Expenditure**	**Expenditure**			
20			1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	The figures for 2025 and 2026 were gotten from the State 2023 MTEF document, while 15% markup was used from 2027 to 2030, due to the increase in minimum wage, and an expansion of the State's workforce. There is a further mark up of 20% considering subsequent increase in minimum wage.	DSA Team, Ministry of Finance and Economic Development. Anambra State	
21			2. Overhead costs	The figures for 2025 and 2026 were gotten from the 2023 State MTEF document, while 5% markup was used to forecast 2027 to 2033.	DSA Team, Ministry of Finance and Economic Development. Anambra State	
22			3. Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)	Actuals as extracted from the State's Audited Financial Statement from 2019 to 2023.		
23			4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)		DSA Team, Ministry of Finance and Economic Development. Anambra State	
24			5. Capital Expenditure	The figures for 2025 and 2026 were gotten from the State MTEF document, while the projection was increased by a 5% mark up from 2026 - 2027. There is eventually a 10% mark up from 2027 - 2033, due to the State Government's focus on building developmental projects across the State.		
25						
26		**Closing Cash and Bank Balance**	**Closing Cash and Bank Balance**	A mark-up of 3% was applied from 2024 to 2033.		
27						
28		**Debt Amotization and Interest**	**Debt Outstanding at end-2023**			
29			External Debt - amortization and interest	External Debt (Amortization and Interest) was gotten from the DMO debt stock for the State as at end of December, 2023.		
30			Domestic Debt - amortization and interest	Domestic Debt (Amortization and Interest) was as extracted from the State DMD Report as at end of December, 2023.		
31			**New debt issued/contracted from 2024 onwards**			
32			**New External Financing**			
33			External Financing - Concessional Loans (e.g., World Bank, African Development Bank)			

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Row	B	C	D: Projection Methodology	E: Source
1	2024			
2			**Projection Methodology**	**Source**
34		External Financing - Bilateral Loans		
35		Other External Financing		
36		**New Domestic Financing**		
37		Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)		
38		Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)		
39		State Bonds (maturity 1 to 5 years)		
40		State Bonds (maturity 6 years or longer)		
41		Other Domestic Financing		
42				
43	**Proceeds from Debt-Creating E**	**Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S1**		
44	**corresponding to Debt Strateg**	**New Domestic Financing in Million Naira**		
45		Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	On our new planned borrowing in Strategy 1, we intend to borrow domestically, using other domestic financing like Federal Government intervention funds, due to its moderate interest rate of 9%. This is applicable from 2024-2025. We then switch to external loans in 2026, and back to domestic loans from 2027-2029. In 2030, we plan to go with external loans, and from 2031-2033, we go back to domestic sources. There are also cases where we plan	DSA Team, Ministry of Finance and Economic Development, Anambra State
46		Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)		
47		State Bonds (maturity 1 to 5 years)		
48		State Bonds (maturity 6 years or longer)		
49		Other Domestic Financing		
50		**New External Financing in Million US Dollar**		
51		External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	The external borrowing source would be concessional loans which has a low interest rate of 2%.	DSA Team, Ministry of Finance and Economic Development, Anambra State
52		External Financing - Bilateral Loans		
53		Other External Financing		
54				
55	**Proceeds from Debt-Creating E**	**Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S2**		
56	**corresponding to Debt Strateg**	**New Domestic Financing in Million Naira**		
57		Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	For Strategy 2, we plan to borrow domestic loans, under other domestic financing, which has a maturity period of at least 20 years.	DSA Team, Ministry of Finance and Economic Development, Anambra State
58		Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)		
59		State Bonds (maturity 1 to 5 years)		
60		State Bonds (maturity 6 years or longer)		
61		Other Domestic Financing		
62		**New External Financing in Million US Dollar**		
63		External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	No external borrowing plan.	DSA Team, Ministry of Finance and Economic Development, Anambra State
64		External Financing - Bilateral Loans		
65		Other External Financing		
66				
67	**Proceeds from Debt-Creating E**	**Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S3**		
68	**corresponding to Debt Strateg**	**New Domestic Financing in Million Naira**		
69		Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	No plans to borrow domestically.	DSA Team, Ministry of Finance and Economic Development, Anambra State
70		Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)		
71		State Bonds (maturity 1 to 5 years)		

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	B	C	D	E
1	2024			
2			**Projection Methodology**	**Source**
63		External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	No external borrowing plan.	DSA Team, Ministry of Finance and Economic Development. Anambra State
64		External Financing - Bilateral Loans		
65		Other External Financing		
66				
67	**Proceeds from Debt-Creating E**	**Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S3**		
68	**corresponding to Debt Strateg**	**New Domestic Financing in Million Naira**		
69		Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	No plans to borrow domestically.	DSA Team, Ministry of Finance and Economic Development. Anambra State
70		Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)		
71		State Bonds (maturity 1 to 5 years)		
72		State Bonds (maturity 6 years or longer)		
73		Other Domestic Financing		
74		**New External Financing in Million US Dollar**		
75		External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	We planned strategy 3 on external borrowing only, specifically concessional loans, due to its low interest rate of 2%.	DSA Team, Ministry of Finance and Economic Development. Anambra State
76		External Financing - Bilateral Loans		
77		Other External Financing		
78				
79	**Proceeds from Debt-Creating E**	**Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S4**		
80	**corresponding to Debt Strateg**	**New Domestic Financing in Million Naira**		
81		Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	For strategy 4, we plan to borrow domestically using State bonds. It has a moderate interest rate of 15%, with a maturity period of 6 years or more.	DSA Team, Ministry of Finance and Economic Development. Anambra State
82		Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF	(domestic loans 80%, external loans 20%) This is due to the current huge external loans the State is managing.	
83		State Bonds (maturity 1 to 5 years)		
84		State Bonds (maturity 6 years or longer)		
85		Other Domestic Financing		
86		**New External Financing in Million US Dollar**		
87		External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	Also, we plan to borrow externally using concessional loans, due to its low interst rate of 2%, and a maturity period of 20 years or more.	DSA Team, Ministry of Finance and Economic Development. Anambra State
88		External Financing - Bilateral Loans		
89		Other External Financing		

Annex II. Historical and projections of the S1_Baseline Scenario

Indicator	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Actuals					Projections									
BASELINE SCENARIO															
Economic Indicators															
State GDP (at current prices)	4,047,070.00	4,392,940.00	5,014,441.00	5,763,138.00	6,676,198.00	7,885,732.00	9,122,767.00	10,372,424.00	11,540,619.00	12,840,381.00	14,286,529.00	15,895,549.00	17,685,785.00	19,677,647.00	21,893,842.00
Exchange Rate NGN/US$ (end-Period)	253.19	305.79	306.50	326.00	379.00	1,300.00	1,200.00	1,100.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Fiscal Indicators (Million Naira)															
Revenue	**136,030.96**	**147,847.00**	**158,482.70**	**164,918.10**	**215,740.71**	**458,924.28**	**438,741.83**	**461,013.75**	**479,814.91**	**540,714.54**	**613,406.64**	**690,298.16**	**751,463.02**	**844,768.78**	**966,531.35**
1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT	40,941.13	34,690.47	35,207.70	37,745.40	31,853.66	68,695.84	68,730.19	68,764.55	75,641.01	83,205.11	91,525.62	100,678.18	115,779.91	133,146.89	153,118.93
1.a. of which Net Statutory Allocation ('net' means of deductions)	38,470.22	31,451.74	32,049.30	35,024.30	25,976.87	57,465.84	56,826.39	56,146.52	61,761.18	67,937.29	74,731.02	82,204.13	94,534.75	108,714.96	125,022.20
1.b. of which Deductions	2,470.90	3,238.73	3,158.40	2,721.10	5,876.79	11,230.00	11,903.80	12,618.03	13,879.83	15,267.81	16,794.60	18,474.05	21,245.16	24,431.94	28,096.73
2. Derivation (if applicable to the State)	0.00	0.00	0.00	4,039.20	7,725.73	8,019.13	8,023.14	8,027.15	8,669.32	9,362.87	10,111.90	10,920.85	11,794.52	12,738.08	13,757.13
3. Other FAAC transfers (exchange rate gain, augmentation, others)	2,313.73	4,161.67	3,750.80	12,459.50	54,089.02	64,303.22	64,335.37	64,367.53	70,804.29	77,884.72	85,673.19	94,240.51	103,664.56	114,031.01	125,434.12
4. VAT Allocation	13,524.82	16,382.85	23,373.40	30,134.40	39,662.55	58,499.07	58,528.32	58,557.59	63,242.20	68,301.57	73,765.70	79,666.95	86,040.31	92,923.53	100,357.42
5. IGR	56,662.52	59,750.17	66,253.20	60,460.30	78,653.62	50,068.48	50,093.52	50,118.57	55,130.42	60,643.46	66,707.81	73,378.59	80,716.45	88,788.10	97,666.90
6. Capital Receipts	22,588.76	32,861.39	29,897.60	20,079.30	3,756.12	209,338.54	189,031.30	211,178.36	206,327.67	241,316.81	285,622.42	331,413.08	353,467.27	403,141.16	476,196.86
6.a. Grants	1,757.71	6,958.96	4,125.40	4,314.40	3,756.12	9,531.00	9,535.77	9,540.53	9,826.75	10,121.55	10,425.20	10,737.95	11,060.09	11,391.90	11,733.65
6.b. Sales of Government Assets and Privatization Proceeds	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
6.c. Other Non-Debt Creating Capital Receipts	20,831.00	9,295.00	25,772.20	1.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.d. Proceeds from Debt-Creating Borrowings (bond issuance, loan disbursemen	0.00	0.00	0.00	0.00	0.00	199,807.54	179,495.53	201,637.83	196,500.92	231,195.26	275,197.22	320,675.12	342,407.18	391,749.27	464,463.21
Expenditure	**130,400.59**	**148,684.30**	**169,473.00**	**156,562.40**	**#######**	**458,360.89**	**438,161.54**	**460,416.06**	**479,199.28**	**540,080.44**	**612,753.51**	**689,625.45**	**750,770.12**	**844,055.10**	**965,796.26**
1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	26,614.77	22,849.51	27,184.30	26,233.00	33,816.92	46,777.80	46,223.40	46,246.51	53,183.48	53,183.48	53,183.48	53,183.48	63,820.18	63,820.18	63,820.18
2. Overhead costs	26,465.56	20,923.78	22,439.20	19,248.60	23,937.96	35,773.39	35,789.53	35,807.42	37,597.79	39,477.68	41,451.57	43,524.15	45,700.35	47,985.37	50,384.64
3. Interest Payments (Public Debt Charges, including interests deducted from FAAC	1,841.70	9,147.44	19,436.50	4,516.20	1,680.46	1,190.46	19,023.59	34,160.89	36,015.79	51,973.34	66,926.48	88,041.55	89,515.02	115,414.80	144,214.55
3.a. of which Interest Payments (Public Debt Charges, excluding interests deducte	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
3.b. of which Interest deducted from FAAC Allocation	2,470.90	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
4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Int	25,336.61	20,056.24	21,716.70	38,606.20	48,142.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5. Capital Expenditure	49,512.75	63,234.30	57,578.20	66,266.30	94,560.62	313,927.79	314,084.75	314,241.80	329,953.89	362,949.27	399,244.20	439,168.62	483,085.48	531,394.03	584,533.44
6. Amortization (principal) payments	629.20	12,473.11	21,118.10	1,692.10	6,951.82	60,691.45	23,040.28	29,959.44	22,448.32	32,496.66	51,947.78	65,707.64	68,649.08	85,440.71	122,843.46
Budget Balance (' + ' means surplus, ' - ' means deficit)	**5,630.36**	**-837.50**	**-10,990.30**	**8,355.90**	**6,650.33**	**563.39**	**580.29**	**597.70**	**615.63**	**634.10**	**653.12**	**672.72**	**692.90**	**713.68**	**735.09**
Opening Cash and Bank Balance	**9,971.29**	**15,601.65**	**14,763.70**	**3,773.40**	**12,129.30**	**18,779.63**	**19,343.02**	**19,923.31**	**20,521.01**	**21,136.64**	**21,770.74**	**22,423.86**	**23,096.57**	**23,789.47**	**24,503.16**
Closing Cash and Bank Balance	**15,601.65**	**14,763.71**	**3,773.40**	**12,129.30**	**18,779.63**	**19,343.02**	**19,923.31**	**20,521.01**	**21,136.64**	**21,770.74**	**22,423.86**	**23,096.57**	**23,789.47**	**24,503.16**	**25,238.25**
Financing Needs and Sources (Million Naira)															

Indicator	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
			Actuals							Projections					
BASELINE SCENARIO															
Financing Needs						**199,807.54**	**179,495.53**	**201,637.83**	**196,500.92**	**231,195.26**	**275,197.22**	**320,675.12**	**342,407.18**	**391,749.27**	**464,463.21**
i. Primary balance						-137,362.23	-136,851.37	-136,919.80	-137,421.18	-146,091.16	-155,669.84	-166,253.21	-183,550.18	-190,180.07	-196,670.11
ii. Debt service						61,881.92	42,063.87	64,120.33	58,464.11	84,470.00	118,874.26	153,749.19	158,164.10	200,855.51	267,058.00
Amortizations						60,691.45	23,040.28	29,959.44	22,448.32	32,496.66	51,947.78	65,707.64	68,649.08	85,440.71	122,843.46
Interests						1,190.46	19,023.59	34,160.89	36,015.79	51,973.34	66,926.48	88,041.55	89,515.02	115,414.80	144,214.55
iii. Financing Needs Other than Amortization Payments (e.g., Variation in Cash and Bank Balances)						563.39	580.29	597.70	615.63	634.10	653.12	672.72	692.90	713.68	735.09
Financing Sources						**199,807.54**	**179,495.53**	**201,637.83**	**196,500.92**	**231,195.26**	**275,197.22**	**320,675.12**	**342,407.18**	**391,749.27**	**464,463.21**
i. Financing Sources Other than Borrowing						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii. Gross Borrowings						199,807.54	179,495.53	201,637.83	196,500.92	231,195.26	275,197.22	320,675.12	342,407.18	391,749.27	464,463.21
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	0.00	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						199,807.54	179,495.53	0.00	196,500.92	184,956.21	275,197.22	0.00	342,407.18	391,749.27	371,570.57
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)						0.00	0.00	201,637.83	0.00	46,239.05	0.00	320,675.12	0.00	0.00	92,892.64
External Financing - Bilateral Loans						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other External Financing						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Residual Financing						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debt Stocks and Flows (Million Naira)															
Debt (stock)	**72,225.63**	**97,851.84**	**95,347.25**	**111,326.50**	**114,841.58**	**#######**	**#######**	**#######**	**806,213.50**	**#######**	**#######**	**#######**	**#######**	**#######**	**#######**
External	27,365.48	33,051.46	33,806.95	33,838.80	40,645.00	135,562.62	121,573.83	309,561.18	278,133.01	320,862.53	306,952.75	613,718.11	596,866.89	580,344.41	638,899.29
Domestic	44,860.15	64,800.38	61,540.30	77,487.70	74,196.58	217,165.61	377,181.76	350,741.64	528,080.49	684,049.58	921,208.79	869,410.92	1,160,020.22	1,482,851.26	1,765,916.13
Gross borrowing (flow)						**199,807.54**	**179,495.53**	**201,637.83**	**196,500.92**	**231,195.26**	**275,197.22**	**320,675.12**	**342,407.18**	**391,749.27**	**464,463.21**
External						0.00	0.00	201,637.83	0.00	46,239.05	0.00	320,675.12	0.00	0.00	92,892.64
Domestic						199,807.54	179,495.53	0.00	196,500.92	184,956.21	275,197.22	0.00	342,407.18	391,749.27	371,570.57
Amortizations (flow)	**377.03**	**12,374.01**	**21,074.58**	**10,609.25**	**6,241.68**	**60,691.45**	**23,040.28**	**29,959.44**	**22,448.32**	**32,496.66**	**51,947.78**	**65,707.64**	**68,649.08**	**85,440.71**	**122,843.46**
External	103.81	125.37	183.90	391.20	517.20	3,852.95	3,560.89	3,519.32	3,286.25	3,509.54	13,909.77	13,909.77	16,851.21	16,522.48	34,337.76
Domestic	273.23	12,248.64	20,890.68	10,218.05	5,724.48	56,838.50	19,479.39	26,440.11	19,162.07	28,987.12	38,038.01	51,797.87	51,797.87	68,918.23	88,505.69
Interests (flow)	**1,739.61**	**1,005.02**	**1,810.24**	**2,799.68**	**1,475.47**	**1,190.46**	**19,023.59**	**34,160.89**	**36,015.79**	**51,973.34**	**66,926.48**	**88,041.55**	**89,515.02**	**115,414.80**	**144,214.55**
External	97.65	114.75	125.67	163.00	149.29	1,146.37	1,033.07	922.75	4,484.52	4,463.84	5,362.04	5,132.78	11,268.06	11,013.01	10,757.96
Domestic	1,641.96	890.27	1,684.57	2,636.68	1,326.18	44.09	17,990.51	33,238.14	31,531.28	47,509.50	61,564.44	82,908.77	78,246.96	104,401.80	133,456.59
Net borrowing (gross borrowing minus amortizations)						**139,116.08**	**156,455.25**	**171,678.39**	**174,052.60**	**198,698.60**	**#######**	**#######**	**#######**	**#######**	**341,619.75**

	Indicator	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
				Actuals							Projections					
	BASELINE SCENARIO															
	Net borrowing (gross borrowing minus amortizations)						139,116.08	156,455.25	171,678.39	174,052.60	198,698.60	#######	#######	#######	#######	341,619.75
	External						-3,852.95	-3,560.89	198,118.50	-3,286.25	42,729.51	-13,909.77	306,765.35	-16,851.21	-16,522.48	58,554.88
	Domestic						142,969.04	160,016.14	-26,440.11	177,338.85	155,969.09	237,159.21	-51,797.87	290,609.31	322,831.04	283,064.87
	Debt and Debt-Service Indicators															
Indicator1_baseline	Debt Stock as % of SGDP	1.78	2.23	1.90	1.93	1.72	4.47	5.47	6.37	6.99	7.83	8.60	9.33	9.93	10.48	10.98
Indicator2_baseline	Debt Stock as % of Revenue (including grants and excluding other cap	62.70	70.62	71.85	67.50	53.23	136.13	192.39	254.57	284.57	324.67	363.14	401.25	429.50	455.43	478.98
Indicator3_baseline	Debt Service as % of SGDP						0.78	0.46	0.62	0.51	0.66	0.83	0.97	0.89	1.02	1.22
Indicator4_baseline	Debt Service as % of Revenue (including grants and excluding other capital receipts)						23.88	16.23	24.72	20.64	27.29	35.15	41.60	38.67	44.34	53.19
Indicator5_baseline	Interest as % of SGDP						0.02	0.21	0.33	0.31	0.40	0.47	0.55	0.51	0.59	0.66
Indicator6_baseline	Interest as % of Revenue (including grants and excluding other capital receipts)						0.46	7.34	13.17	12.71	16.79	19.79	23.82	21.88	25.48	28.72
	Personnel Cost as % of Revenue (including grants and excluding other capital receipts)						18.05	17.83	17.83	18.77	17.18	15.73	14.39	15.60	14.09	12.71
	Adverse Shock Scenario is defined by the worst performance indicator measured in year 2028															
	For Debt Stock as % of SGDP the adverse shock is: Expenditure															
Indicator1_shock	Debt Stock as % of SGDP						4.47	5.90	7.16	8.12	9.28	10.36	11.38	12.25	13.06	13.81
	For Debt Stock as % of Revenue (including grants and excluding other capital receipts) the adverse shock is: Revenue															
Indicator2_shock	Debt Stock as % of Revenue (including grants and excluding other capital receipts)						136.13	224.87	305.96	350.14	405.42	458.76	511.57	552.48	590.54	625.66
	For Debt Service as % of SGDP the adverse shock is: Interest Rate															
Indicator3_shock	Debt Service as % of SGDP						0.78	0.50	0.69	0.58	0.75	0.95	1.13	1.07	1.22	1.46
	For Debt Service as % of Revenue (including grants and excluding other capital receipts) the adverse shock is: Revenue															
Indicator4_shock	Debt Service as % of Revenue (including grants and excluding other capital receipts)						23.88	18.03	28.36	24.62	32.81	42.32	58.06	55.32	62.71	73.58
	For Interest as % of SGDP the adverse shock is: Interest Rate															
Indicator5_shock	Interest as % of SGDP						0.02	0.25	0.40	0.38	0.50	0.58	0.69	0.64	0.74	0.84
	For Interest as % of Revenue (including grants and excluding other capital receipts) the adverse shock is: Revenue															
Indicator6_shock	Interest as % of Revenue (including grants and excluding other capital receipts)						0.46	8.15	15.52	15.82	21.14	25.26	30.51	29.07	33.74	38.02

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Row		Indicator	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
			Actuals					Projections									
7		BASELINE SCENARIO															
81		External						-3,852.95	-3,560.89	198,118.50	-3,286.25	42,729.51	-13,909.77	306,765.35	-16,851.21	-16,522.48	58,554.88
82		Domestic						142,969.04	160,016.14	-26,440.11	177,338.85	155,969.09	237,159.21	-51,797.87	290,609.31	322,831.04	283,064.87
84		**Debt and Debt-Service Indicators**															
86	Indicator1_baseline	Debt Stock as % of SGDP	1.78	2.23	1.90	1.93	1.72	4.47	5.47	6.37	6.99	7.83	8.60	9.33	9.93	10.48	10.98
87	Indicator2_baseline	Debt Stock as % of Revenue (including grants and excluding other cap	62.70	70.62	71.85	67.50	53.23	136.13	192.39	254.57	284.57	324.67	363.14	401.25	429.50	455.43	478.98
88	Indicator3_baseline	Debt Service as % of SGDP						0.78	0.46	0.62	0.51	0.66	0.83	0.97	0.89	1.02	1.22
89	Indicator4_baseline	Debt Service as % of Revenue (including grants and excluding other capital receipts)						23.88	16.23	24.72	20.64	27.29	35.15	41.60	38.67	44.34	53.19
90	Indicator5_baseline	Interest as % of SGDP						0.02	0.21	0.33	0.31	0.40	0.47	0.55	0.51	0.59	0.66
91	Indicator6_baseline	Interest as % of Revenue (including grants and excluding other capital receipts)						0.46	7.34	13.17	12.71	16.79	19.79	23.82	21.88	25.48	28.72
92		Personnel Cost as % of Revenue (including grants and excluding other capital receipts)						18.05	17.83	17.83	18.77	17.18	15.73	14.39	15.60	14.09	12.71
94		**Adverse Shock Scenario is defined by the worst performance indicator measured in year 2028**															
95		For Debt Stock as % of SGDP the adverse shock is: Expenditure															
96	Indicator1_shock	Debt Stock as % of SGDP						4.47	5.90	7.16	8.12	9.28	10.36	11.38	12.25	13.06	13.81
98		For Debt Stock as % of Revenue (including grants and excluding other capital receipts) the adverse shock is: Revenue															
99	Indicator2_shock	Debt Stock as % of Revenue (including grants and excluding other capital receipts)						136.13	224.87	305.96	350.14	405.42	458.76	511.57	552.48	590.54	625.66
101		For Debt Service as % of SGDP the adverse shock is: Interest Rate															
102	Indicator3_shock	Debt Service as % of SGDP						0.78	0.50	0.69	0.58	0.75	0.95	1.13	1.07	1.22	1.46
104		For Debt Service as % of Revenue (including grants and excluding other capital receipts) the adverse shock is: Revenue															
105	Indicator4_shock	Debt Service as % of Revenue (including grants and excluding other capital receipts)						23.88	18.03	28.36	24.62	32.81	42.32	58.06	55.32	62.71	73.58
107		For Interest as % of SGDP the adverse shock is: Interest Rate															
108	Indicator5_shock	Interest as % of SGDP						0.02	0.25	0.40	0.38	0.50	0.58	0.69	0.64	0.74	0.84
110		For Interest as % of Revenue (including grants and excluding other capital receipts) the adverse shock is: Revenue															
111	Indicator6_shock	Interest as % of Revenue (including grants and excluding other capital receipts)						0.46	8.15	15.52	15.82	21.14	25.26	30.51	29.07	33.74	38.02

SIGNED:

Izuchukwu Okafor
Commissioner for Finance
Anambra State