



**YOBE STATE DEBT  
SUSTAINABILITY ANALYSIS  
DEBT MANAGEMENT STRATEGY  
(YOBE S-DSA-DMS) REPORT**

**2025**

**Yobe State Debt Management**

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## **1.0 INTRODUCTION**

## **2.0 YOBE STATE FISCAL AND DEBT FRAMEWORK**

### **2.1 Fiscal Reforms**

The Fiscal Reforms being implemented by the Yobe State Government in the last five to seven years include the Public Financial Management (PFM) and Human Resource Management (HRM) which are sub-divided into Budget reform, Audit reform, Public Procurement reform, Tax Administration reform, and Civil Service & Pension reform. These reforms led to the enactment of Laws that regulates implementation of Fiscal Policies in the State. The Laws are Yobe State Socio-Economic Reform Agenda (YOSERA), Yobe State Fiscal Responsibility Law (FRL); Medium Term Fiscal Framework (MTFF); Medium Term Budget Framework (MTBF); Medium Term Sector Strategies (MTSS). Yobe State Finance Management Law; Yobe State Government Financial Regulations; Yobe State Public Procurement Law. The FRL for instance, provides for the creation of the implementation organ, medium term fiscal framework, how public expenditure should be carried out, borrowing process, transparency and accountability in governance and principles of sound financial management.

### **2.2 Yobe State Approved 2025 Budget and Economic and Fiscal Update (EFU), Fiscal Strategy Paper (FSP) and Budget Policy Statement (BPS), 2025-2028**

#### **2.2.1 Approved 2025 Budget**

The 2025 Budget was prepared amidst global challenges created as a result of Russia/Ukraine and middle east conflict that resulted in inflation, exchange rate instability, economic recession, and heightened global economic uncertainty have had important implications for our economy.

Based on the foregoing fiscal assumptions and parameters. The Yobe State total revenue available to fund the 2025 Budget is estimated at N320.796 billion. This includes Internally Generated Revenue, Statutory Allocation, Value Added Tax, Other Statutory Revenue, Domestic Grants, Foreign Grants, Opening Balance, Domestic Loans, Foreign Loans and Sale of Government Assets, respectively.

An aggregate expenditure of N320.796 billion is proposed by the Yobe State Government in 2025. The 2025 proposed Expenditure comprises, personnel cost of N64.119 billion, Overhead of N58.190 billion, Debt service (Interest and Principal) of N18.856 billion, Other Recurrent Expenditure of N4.287 billion, and Capital Expenditure of N175.342 billion, respectively.

## 2.2.2 Indicative Three-Year Fiscal Framework

The indicative three-year fiscal framework for the period 2025-2028 is presented in the table below.

### Yobe State Medium Term Fiscal Framework

**YOBE STATE GOVERNMENT  
PROPOSED MTEF 2025 - 2028**

#### Macro-Economic Framework

Item	2025	2026	2027	2028
National Inflation	23.00%	22.80%	22.80%	14.00%
National Real GDP Growth	3.00%	3.50%	4.10%	3.30%
State Inflation				
State Real GDP Growth				
State GDP Actual				
Oil Production Benchmark (MBPD)	1.3000	1.4000	1.5000	2.06
Oil Price Benchmark	\$80.00	\$86.00	\$88.00	\$80.00
NGN:USD Exchange Rate	1200	1000	950	1400
<b>Other Assumptions</b>				
Mineral Ratio	21.75%	21.75%	21.75%	21.75%

#### Fiscal Framework

Item	2025	2026	2027	2028
<b>Opening Balance</b>	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000

<b>Recurrent Revenue</b>				
Statutory Allocation	26,902,077,756	24,289,070,535	22,412,072,595	68,458,997,702
Derivation	0	0	0	0
VAT	47,612,995,818	60,109,528,640	75,037,135,181	89,103,083,506
IGR	14,562,861,703	16,631,468,924	18,970,496,599	19,581,643,164
Excess Crude/Other FAAC Revenue	34,233,064,723	35,936,931,901	37,733,295,624	112,233,064,723
<b>Total Recurrent Revenue</b>	<b>123,311,000,000</b>	<b>136,967,000,000</b>	<b>154,153,000,000</b>	<b>289,376,789,095</b>

#### **Recurrent Expenditure**

Personnel Costs	35,677,694,651	37,954,957,860	40,265,712,241	71,004,430,175
Social Contribution and Social Benefit	11,831,233,182	16,151,840,537	20,832,450,869	17,619,794,834
Overheads	51,594,929,594	52,626,828,186	53,679,364,749	73,324,511,947
Grants, Contributions and Subsidies	3,111,561,253	5,171,575,977	8,235,386,914	6,183,501,860
Public Debt Service	26,600,000,000	23,940,000,000	21,546,000,000	13,746,024,000
<b>Total</b>	<b>128,815,418,680</b>	<b>135,845,202,560</b>	<b>144,558,914,774</b>	<b>181,878,262,816</b>
<b>Transfer to Capital Account</b>	<b>-504,418,680</b>	<b>6,121,797,440</b>	<b>14,594,085,226</b>	<b>112,498,526,279</b>

#### **Capital Receipts**

Grants	100,500,000,000	90,500,000,000	90,500,000,000	25,700,000,000
Other Capital Receipts	50,000,000,000	30,000,000,000	0	0
<b>Total</b>	<b>150,500,000,000</b>	<b>120,500,000,000</b>	<b>90,500,000,000</b>	<b>25,700,000,000</b>

#### **Reserves**

Contingency Reserve	0	0	0	0
Planning Reserve	0	0	0	0
<b>Total Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Capital Expenditure</b>	<b>191,995,581,320</b>	<b>145,621,797,440</b>	<b>124,094,085,226</b>	<b>190,198,526,279</b>
Discretionary Funds	167,495,581,320	129,121,797,440	107,594,085,226	168,498,526,279
Non-Discretionary Funds	24,500,000,000	16,500,000,000	16,500,000,000	21,700,000,000

<b>Financing (Loans)</b>	42,000,000,000	19,000,000,000	19,000,000,000	52,000,000,000
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<b>Total Revenue (Including Opening Balance)</b>	<b>320,811,000,000</b>	<b>281,467,000,000</b>	<b>268,653,000,000</b>	<b>372,076,789,095</b>
<b>Total Expenditure (including Contingency Reserve)</b>	<b>320,811,000,000</b>	<b>281,467,000,000</b>	<b>268,653,000,000</b>	<b>372,076,789,095</b>

<b>Closing Balance</b>				
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**Note: *The DSA-MTDS report is based on the exchange rate of N1,300 to US \$1 from the national Medium-Term Expenditure framework (MTEF) prepared in 2024, which is yet to be reviewed alongside other macroeconomic indicators to reflect current economic realities.***

### **2.2.3 Summary Analysis of the MTB Forecasts (2025–2028) and Implications for Fiscal & Debt Policy**

The Medium-Term Budget (MTB) projections for 2025–2028, when assessed against the State’s latest Debt Sustainability Analysis (DSA 2020–2034), confirm that Yobe State maintains a sustainable and resilient fiscal and debt position over the medium term. The DSA results show that key debt burden indicators have improved markedly between 2021 and 2024 and are projected to remain well below all prudential thresholds throughout the forecast period.

#### **i. MTB–DSA Alignment and Sustainability Outlook**

Under the baseline DSA path, the State’s debt-to-GDP ratio fell sharply from 9% in 2021 to 4% in 2024 and is projected to decline further to about 2% by 2033—far below the 25% prudential ceiling. The debt-to-revenue ratio improved from 118% in 2021 to 29% in 2024, remaining comfortably under the 200% sustainability benchmark. These trends indicate that the State enters the 2025–2028 MTB period with strong fiscal space and limited solvency risk.

Likewise, the debt service-to-revenue ratio—one of the most critical liquidity indicators—dropped from a peak of 25% in 2022 to 8% in 2024, well below the 40% threshold. The MTB projections maintain this declining trajectory, driven by the State’s successful refinancing strategy, reduced exposure to high-cost domestic debt, and prudent borrowing decisions.

#### **ii. Fiscal Capacity and Space for 2025–2028**

Given the favourable DSA outcomes, the MTB forecasts suggest adequate fiscal space to support targeted expansion in priority sectors, particularly infrastructure, education,

health, and agriculture, provided borrowing remains focused on high-return, growth-enhancing projects.

Other critical indicators reinforce this room for maneuver:

- Personnel-cost-to-revenue ratio declined from 39% in 2020 to 19% in 2024—well below the 60% limit—indicating strong control over recurrent spending.
- Debt service as a share of FAAC (9%), interest-to-revenue (3%), and external debt service (1%) remain low, ensuring that debt obligations will not crowd out essential expenditures.
- Stress tests—including shocks to revenue, expenditure, interest rates, and exchange rates—show that even under adverse conditions, the State’s debt remains safely below prudential benchmarks.

## **ii. Implications for Fiscal Policy (2025–2028)**

The MTB projections, supported by DSA evidence, imply that fiscal policy during 2025–2028 should focus on consolidation matched with strategic expansion, guided by three priorities:

### **a. Sustain Fiscal Discipline and Contain Recurrent Costs**

- Maintain tight control over personnel and overhead costs to preserve fiscal space.
- Continue implementing efficiency measures and expenditure prioritisation.

### **b. Enhance Domestic Revenue Mobilisation**

- Strengthen IGR through digital systems, improved compliance, and broadening of the tax base.
- Reduce dependence on FAAC transfers, thereby increasing fiscal resilience.

## **The Key Objectives of Approved 2025 Budget**

- i. Sustain and improve the State’s healthcare delivery system by establishment of emergency medical Ambulance services to reduce loss of lives, renovation

- of primary health centers and construction of critical ones especially in hard-to-reach communities, recruitment of health care professionals to reduce gaps in human resource needed in the health facilities.
- ii. Provision and maintenance of electricity transmission network in the state
  - iii. Enhance the overall improvement in human capital by Providing Employment opportunities and promote self-reliance for economic empowerment to youths, women, people with disability and other vulnerable groups.
  - iv. consolidate and improve on the provision of functional education strategy already embarked upon in the State, with emphasis on zero level of out of school children, renovation of schools, recruitment of more teachers etc.
  - v. Provision of safe drinking water across the state.
  - vi. Ensure security of lives and properties of the residents of the State.
  - vii. To ameliorate the effects of covid 19 on people, SMEs and MSMEs across the State by proving loans through NG cares programs.
  - viii. Ensure the completion of the on-going capital projects and sustain the current investment in infrastructural facilities.
  - ix. Sustain and intensify the current efforts in Independent Revenue generation.
  - x. Improve the state’s public financial management to entrench transparency, accountability, and integrity; and
  - xi. Strategic diversification of the state’s economy using the Public Private Partnership (PPP) model.

***Fiscal Strategy Objectives and Targets***

The key targets from a fiscal perspective are:

- i. Completion of on-going legacy projects.
- ii. Continue to ensure reduction in non-essential overheads.

- iii. Executions of capital considered critical by the citizens.
- iv. Diversify the internal revenue base and also reviewing revenue projections to reflect current realities.
- v. Compliance with NGF Budget guidelines that maybe given from time to time.
- vi. Ensure adjustment of debt servicing or repayment period (re-financing and re-structuring) in order to free up funds for other developmental projects.
- vii. Use loans to finance capital expenditure projects only;
- viii. Target sources of capital receipts and financing outside of loans (e.g., Aid and Grants, PPP, etc.).

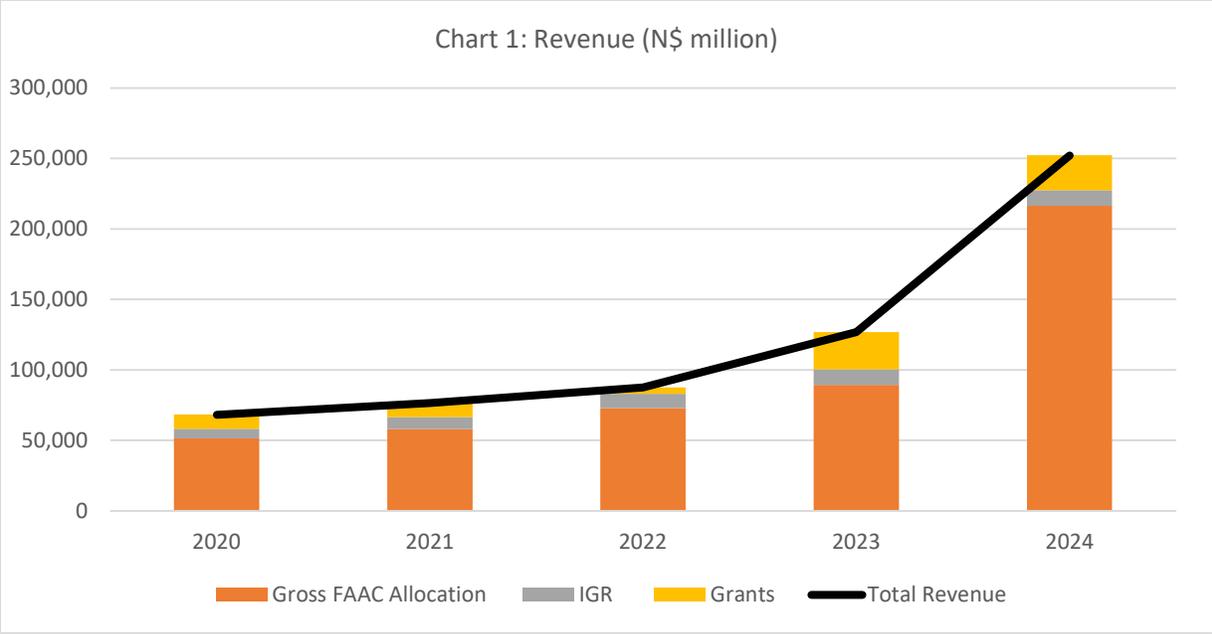
### **3.0 REVENUE, EXPENDITURE, FISCAL AND DEBT PERFORMANCE, 2020-2024**

#### **3.1 Revenue**

Yobe State’s Recurrent Revenue stood at N126.871 billion in 2023 compared to N87.473 billion in the period of 2022, which represents an increase of N39.398 billion or 45.040 percent. The Revenue has shown improvements from 2020 (N68.220 billion) to (N252.182 billion) in 2024,

the increase was due to the growth increase in the financial resources to the real sector of the economy, and effective implementation of the Economic Policies in the State.

	<b>2020</b> <b>(₦Billion)</b>	<b>2021</b> <b>(₦Billion)</b>	<b>2022</b> <b>(₦Billion)</b>	<b>2023</b> <b>(₦Billion)</b>	<b>2024</b> <b>(₦Billion)</b>
Total Revenue	68,220	76,344	87,473	126,871	252,182
Gross FAAC Allocation	51,389	57,935	72,790	89,226	216,302
IGR	6,833	8,492	10,117	11,195	11,230
Grants	9,998	9,917	4,566	26,450	24,650



**Chart 1: Revenue (N\$ Billion)**

The Gross FAAC Allocation, which comprises Statutory Allocation, Derivations, VAT Allocation, Exchange Rate Gain, Augmentation, and others, shows an upward trend during the period under review. The allocation increased from ₦51.889 billion in 2020 to ₦57.935 billion in 2021, representing an increase of ₦6.046 billion or 11.7 percent. Further increases were recorded to ₦72.790 billion in 2022 and ₦89.226 billion in 2023. A significant rise was observed in 2024, reaching ₦216.302 billion, reflecting a strong rebound in national revenue inflows and improved fiscal transfers to the State. The sharp rise in 2024 can be attributed to exchange rate adjustments and improved oil revenue performance.

Yobe State’s Internally Generated Revenue (IGR) also showed consistent growth during the period. Following a pandemic-induced decline in 2020 to ₦6.833 billion from ₦8.515 billion in 2019, IGR increased to ₦8.492 billion in 2021, ₦10.117 billion in 2022, and ₦11.195 billion in 2023. A slight increase to ₦11.230 billion was recorded in 2024. The improvement in IGR is largely attributed to comprehensive tax administration reforms. These reforms strengthened the legal, institutional, and operational frameworks of the

Yobe State Internal Revenue Service. The enactment of a new Revenue Administration Law consolidated all IGR sources under one legal code. Additionally, the state enhanced its electronic payment systems, automated collection processes, and expanded the taxpayer database through the development of an electronic taxpayer management system. The introduction of the Land Use Charge and efforts to block revenue leakages further contributed to sustained growth.

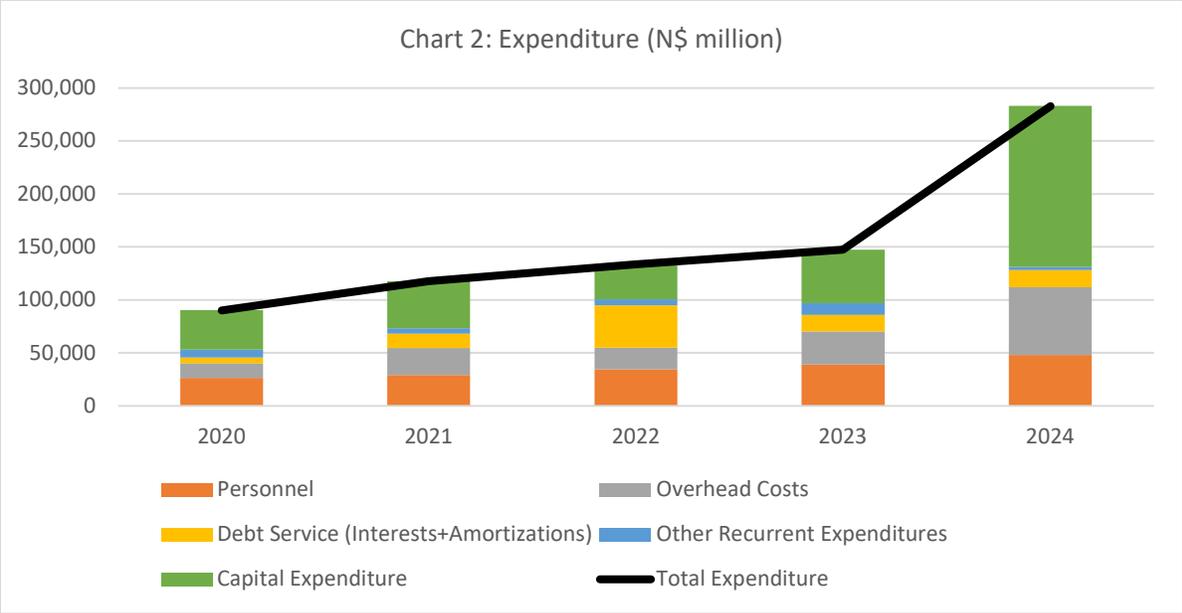
Grants fluctuated over the period, declining from ₦9.998 billion in 2020 to ₦4.566 billion in 2022 before increasing sharply to ₦26.450 billion in 2023 and ₦24.650 billion in 2024. The variation reflects the timing of receipts from donor-supported programs and federal interventions.

Overall, total revenue rose steadily from ₦68.220 billion in 2020 to ₦126.871 billion in 2023, and further to ₦252.182 billion in 2024, indicating improved fiscal performance and enhanced domestic revenue mobilization efforts by the State.

### 3.2 Expenditure Performance

The State's Total Expenditure includes Capital expenditure, Personnel costs, Overhead costs, other recurrent expenditure, and Debt service (interest payment and principal repayment).

	2020 (₦Billion)	2021 (₦Billion)	2022 (₦Billion)	2023 (₦Billion)	2024 (₦Billion)
Total Expenditure	90,197	117,456	133,367	147,429	282,926
Personnel	26,274	28,880	34,381	38,817	47,951
Overhead Costs	13,927	25,786	20,504	31,413	63,803
Debt Service (Interests + Amortizations)	5,255	13,532	39,930	15,661	16,439
Other Recurrent Expenditures	7,576	4,837	5,621	11,031	2,943
Capital Expenditure	37,165	44,421	32,931	50,507	151,790



**Chart 2: Expenditure (₦ Billion)**

Yobe State’s total expenditure has shown a steady increase over the period 2020–2024, reflecting both growth in fiscal operations and expanded service delivery responsibilities. Total expenditure rose from ₦90.197 billion in 2020 to ₦117.456 billion in 2021, ₦133.367 billion in 2022, ₦147.429 billion in 2023, and reached ₦282.926 billion in 2024. This sharp increase in 2024 underscores heightened investments in infrastructure and social services, alongside rising recurrent spending.

Personnel costs maintained an upward trend during the review period, increasing from ₦26.274 billion in 2020 to ₦28.880 billion in 2021 and ₦34.381 billion in 2022. Further growth to ₦38.817 billion in 2023 and ₦47.951 billion in 2024 was recorded, driven largely by periodic wage adjustments, recruitment in key sectors, and the implementation of new salary structures in critical public service institutions.

Overhead costs also witnessed significant fluctuations, increasing from ₦13.927 billion in 2020 to ₦25.786 billion in 2021, followed by a decline to ₦20.504 billion in 2022. However, sharp increases were observed in 2023 (₦31.413 billion) and 2024 (₦63.803 billion).

billion), reflecting higher operational expenses due to inflationary pressures and expanded government programs.

Debt service (comprising interests and amortizations) rose substantially from ₦5.255 billion in 2020 to ₦13.532 billion in 2021 and ₦39.930 billion in 2022, indicating repayment of maturing obligations. However, the figure declined to ₦15.661 billion in 2023 and slightly rose again to ₦16.439 billion in 2024. The fluctuations are linked to variations in debt repayment schedules and exchange rate adjustments on external debt servicing.

Other recurrent expenditures show irregular patterns—declining from ₦7.576 billion in 2020 to ₦4.837 billion in 2021, then increasing modestly to ₦5.621 billion in 2022 and ₦11.031 billion in 2023 before falling again to ₦2.943 billion in 2024. This variation is mainly due to changes in transfers, grants, and subventions to agencies and institutions.

Capital expenditure accounted for a significant portion of total spending during the period, underscoring the government's commitment to infrastructural development. Capital outlay rose from ₦37.165 billion in 2020 to ₦44.421 billion in 2021, then declined to ₦32.931 billion in 2022 before increasing to ₦50.507 billion in 2023. A major jump to ₦151.790 billion was recorded in 2024, driven by substantial investments in roads, health, education, and other public infrastructure projects.

Overall, the expenditure pattern indicates prudent fiscal expansion aimed at balancing recurrent obligations with increased capital investments to stimulate economic growth and improve service delivery across the State.

### **3.3 STATE DEBT PORTFOLIO, 2020 - 2024**

Yobe State's total debt stock increased from ₦62.970 billion in 2020 to ₦108.592 billion in 2023, before reducing to ₦73.497 billion in 2024. The 2023 figure represented an increase of ₦9.528 billion or 9.6 percent over ₦99.064 billion in 2022.

The rise in 2023 was driven by both domestic and external borrowings. External debt grew from ₦7.335 billion in 2022 to ₦8.149 billion in 2023, and further to ₦30.240 billion in 2024, largely due to exchange rate adjustments and project-linked inflows.

Domestic debt also increased from ₦91.729 billion in 2022 to ₦100.443 billion in 2023 but declined sharply to ₦43.257 billion in 2024. The reduction in 2024 was mainly due to a debt swap arrangement, where the Federal Government exchanged part of the State’s loan obligations with the equivalent value of the Excess Crude Account (ECA) amount due to the State.

Overall, the debt trend shows a steady rise up to 2023, followed by a notable decline in 2024, reflecting improved debt management and fiscal sustainability measures.

	2020 (₦Billion)	2021 (₦Billion)	2022 (₦Billion)	2023 (₦Billion)	2024 (₦Billion)
Outstanding Debt (Old + New)	62,970	90,047	99,064	108,592	73,497
External	8,104	7,587	7,335	8,149	30,240
Domestic	54,866	82,460	91,729	100,443	43,257

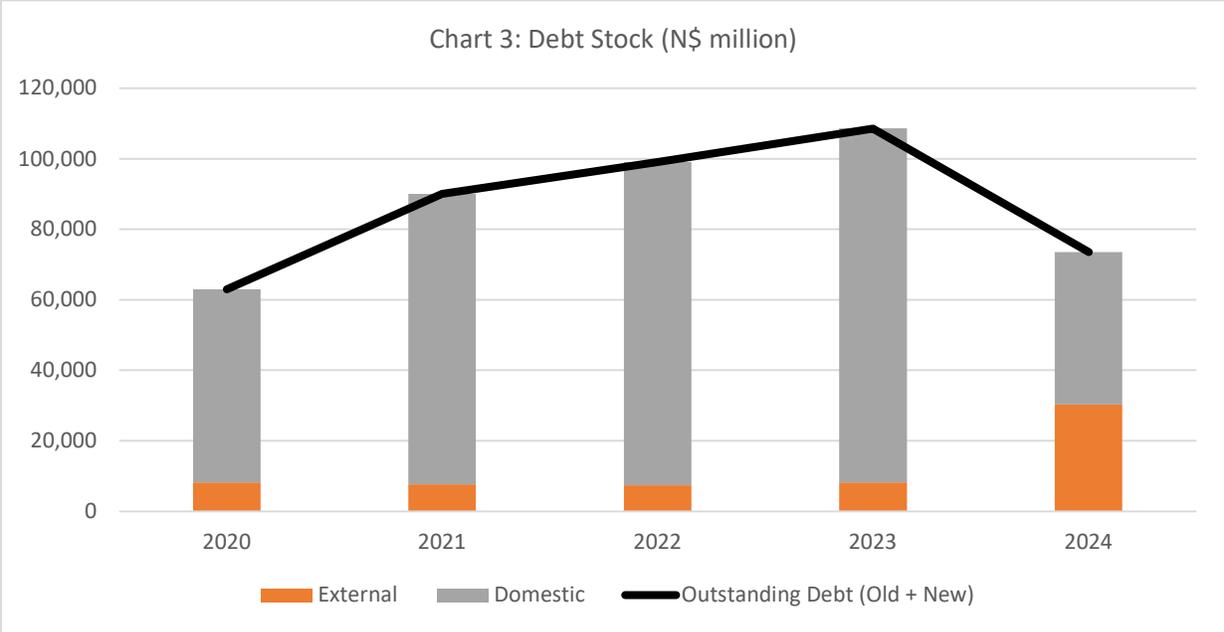


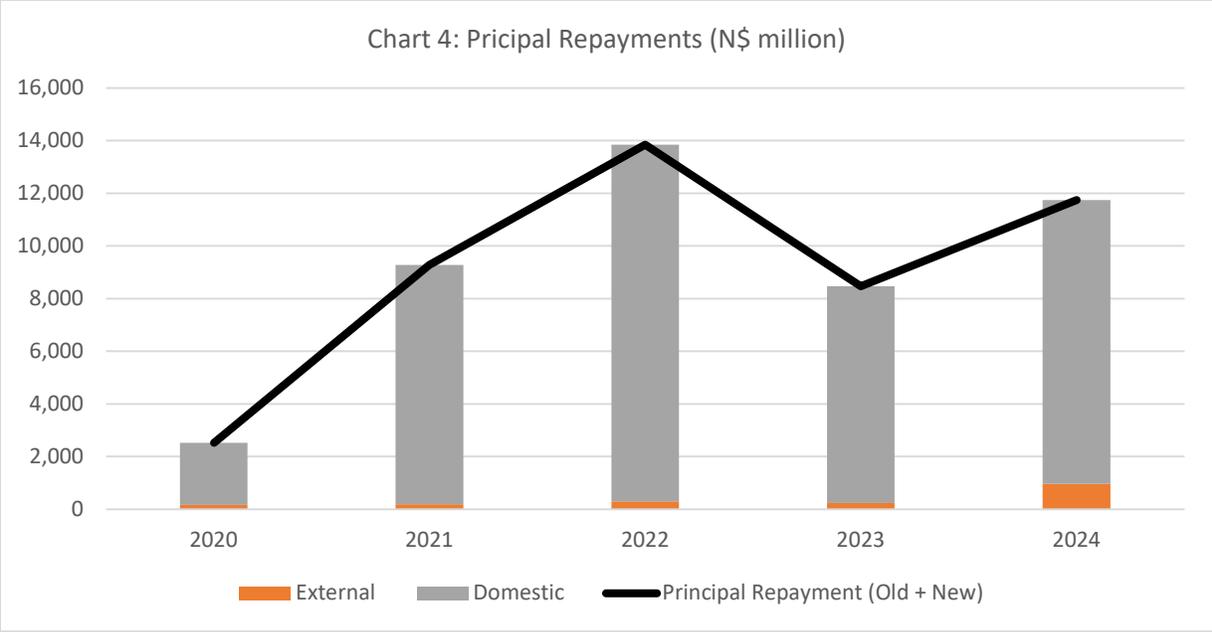
Chart 3 illustrates Yobe State’s debt position between 2020 and 2024. The total outstanding debt (both domestic and external) rose steadily from ₦62.970 billion in 2020 to ₦108.592 billion in 2023, before declining to ₦73.497 billion in 2024. The increase up to 2023 reflects the State’s active borrowing strategy to finance critical infrastructure and development projects.

External debt fluctuated slightly in the early years—from ₦8.104 billion in 2020 to ₦7.335 billion in 2022—before rising to ₦8.149 billion in 2023 and sharply increasing to ₦30.240 billion in 2024, largely due to exchange rate adjustments and disbursements for donor-supported programs.

Domestic debt followed a similar upward trend, increasing from ₦54.866 billion in 2020 to ₦100.443 billion in 2023, mainly driven by new commercial bank loans and facilities under the NG-CARES program. However, in 2024, domestic debt fell significantly to ₦43.257 billion due to the Federal Government’s debt swap arrangement, where part of the State’s loan obligations was offset through the Excess Crude Account (ECA) entitlement.

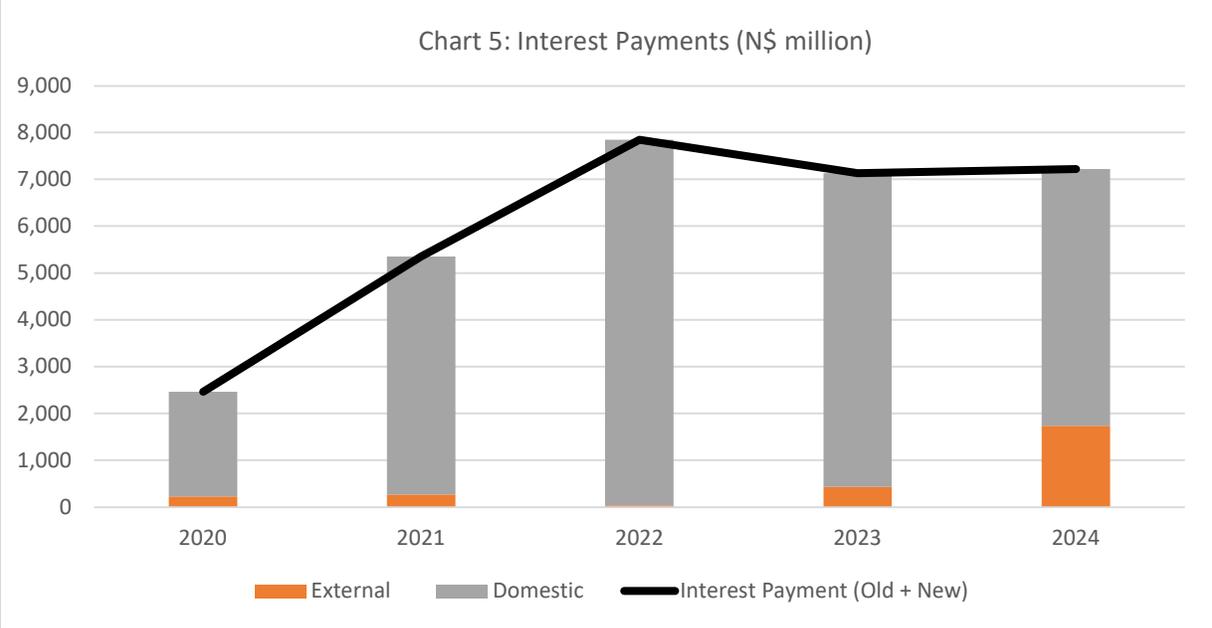
Overall, the chart shows a rising debt trend up to 2023, followed by a substantial reduction in 2024, indicating improved debt management and the positive impact of fiscal relief measures from the Federal Government.

	2020 (₦Billion)	2021 (₦Billion)	2022 (₦Billion)	2023 (₦Billion)	2024 (₦Billion)
Principal Repayment (Old + New)	2,525	9,277	13,846	8,464	11,740
External	165	189	293	238	964
Domestic	2,360	9,088	13,553	8,226	10,776



**Chart 4:** Shows principal repayment amounted to N2.525 billion in 2020, N9.277 billion in 2021 and N11.740billion in 2024 for both external and internal debt respectively.

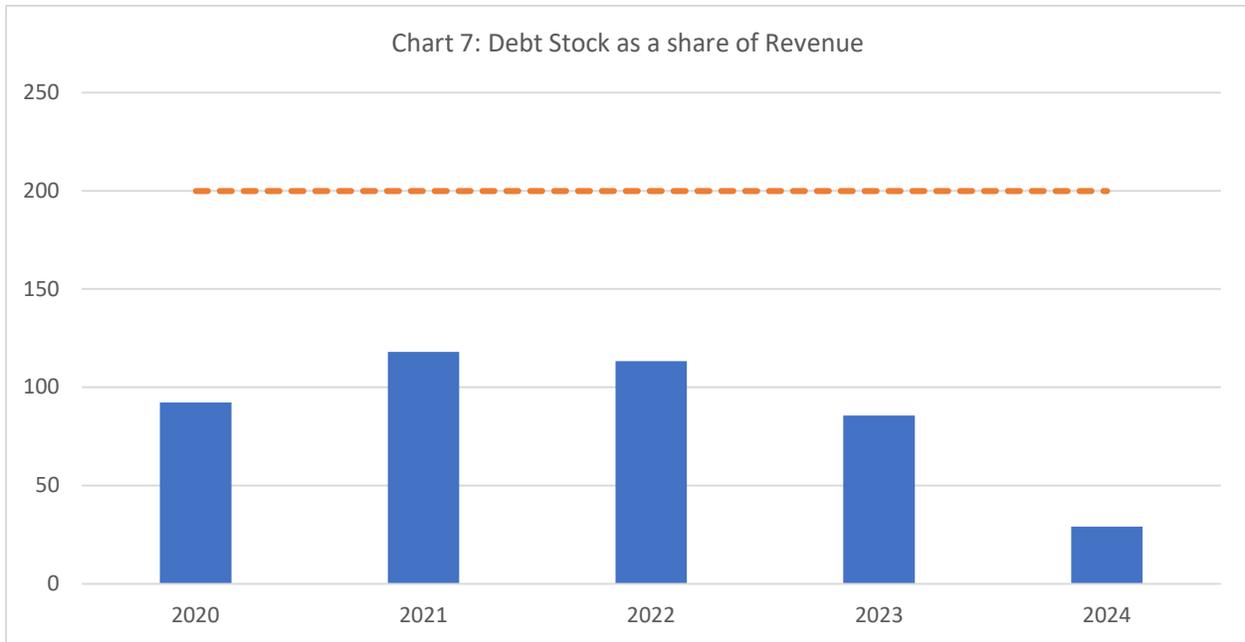
	2020 (N\$Billion)	2021 (N\$Billion)	2022 (N\$Billion)	2023 (N\$Billion)	2024 (N\$Billion)
Interest Payment (Old + New)	2,462	5,348	7,846	7,134	7,222
External	223	267	33	428	1,735
Domestic	2,239	5,081	7,813	6,706	5,487



**Chart 5:** Shows Interest Payment amounted to N7.222 billion in 2024 compared to N7.134 billion in 2023 for both External Debt and Domestic Debt.

**Debt as % of Revenue**

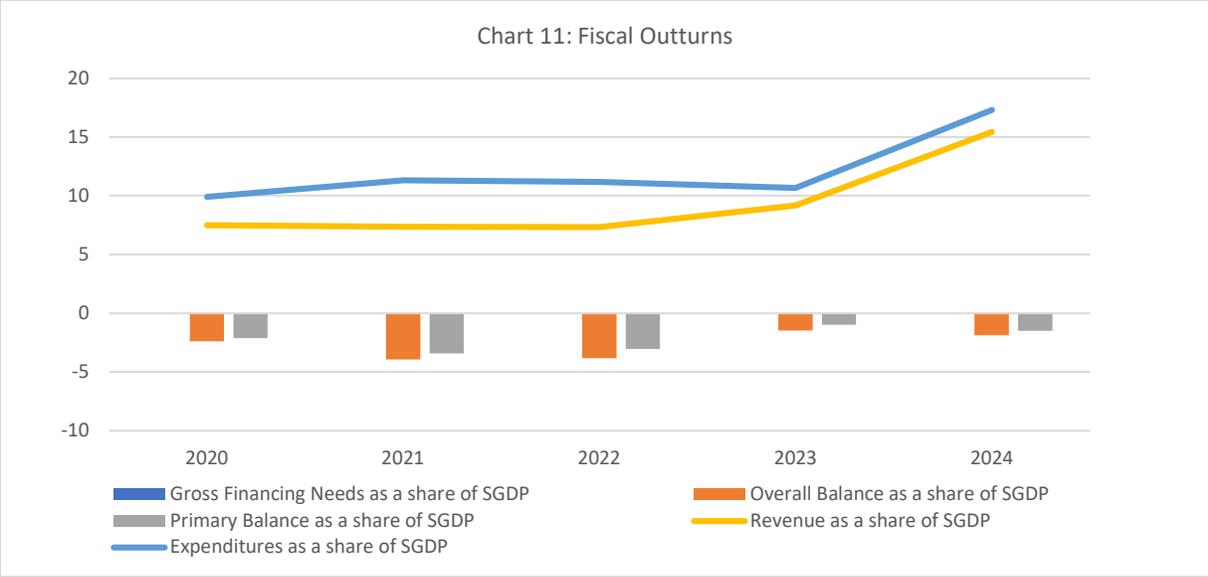
	2020 %	2021 %	2022 %	2023 %	2024 %
Debt as % of Revenue	92	118	113	86	29
Threshold	200	200	200	200	200



**Chart 7:** Shows an increase in debt as percentage of revenue from 92% in 2020, 118% in 2021 then decrease to 113% in 2022 and 29% in 2024 which are all below the threshold of 200%.

**Fiscal Outturns**

	2020	2021	2022	2023	2024
Gross Financing Needs as a share of GDP	0	0	0	0	0
Overall Balance as a share of SGDP	-2	-4	-4	-1	-2
Primary Balance as a share of SGDP	-2	-3	-3	-1	-1
Revenue as a share of SGDP	7	7	7	9	15
Expenditures as a share of SGDP	10	11	11	11	17



**Chart 11:** Shows Yobe State fiscal performance from 2020 to 2024 shows a consistent budget deficit, with the overall balance improving from -4% of SGDP in 2022 to -2% in 2024, while the primary balance followed a similar trend; revenue stood at 10% of SGDP in 2020 and remain stable until 2024, when it rose to 15% but expenditures increased from 10% of SGDP in 2020 to 17% in 2024, indicating rising government spending amidst challenges of balancing revenue and fiscal deficit.

**4.0 DEBT SUSTAINABILITY ANALYSIS**

**A debt sustainability analysis (DSA) assesses how a state or nation's current level of debt and prospective borrowing affect its present and future ability to meet debt service obligations. It is a consensus that a key factor for achieving external and public debt sustainability is macroeconomic stability.** The concept of debt sustainability refers to the ability of the Government to honor its future financial obligations. Since policies and institutions governing spending and taxation largely determine such obligations, debt sustainability ultimately refers to the ability of the Government to maintain sound fiscal policies over time without having to introduce major budgetary or debt adjustments in the future. Conversely, fiscal policies are deemed

unsustainable when they lead to excessive accumulation of public debt, which could eventually cause the Government to take action to address the unwanted consequences of a heavy debt burden. Government therefore should endeavor to strike a balance between revenue and expenditure, so that any debt incurred will not impact negatively on the State, leading to serious financial crisis.

## **YOBE STATE DEBT SUSTAINABILITY ANALYSIS**

**Chart 21** illustrates the Debt as a percentage of State GDP (SGDP) **(with Indicative Threshold of 25%)** for Yobe State, benchmarked against the indicative fiscal sustainability threshold of 25 percent. The trend reveals that the State's debt position remains comfortably within sustainable limits throughout the projection period (2020–2034).

The ratio shows a gradual increase from 7 percent in 2020 to 9 percent in 2021, reflecting additional borrowing undertaken to support post-pandemic recovery. It stabilized at around 8 percent in 2022 and 2023, before dropping sharply to 4 percent in 2024, largely due to the debt swap arrangement in which part of the State's FGN loan was exchanged with the Excess Crude Account (ECA) entitlement.

Over the medium-term projection (2025–2034), the ratio is expected to fluctuate moderately between 2 and 6 percent, well below the 25 percent threshold. This pattern demonstrates that the State's debt portfolio is sustainable, with significant borrowing space available should fiscal needs arise.

The sustainability outlook suggests that Yobe State's economy has strong growth potential and sufficient capacity to accommodate its current debt levels without exerting adverse pressure on fiscal stability or macroeconomic performance.

### **4.1 MEDIUM-TERM BUDGET FORECAST**

The sustainability of the State's medium-term debt is closely tied to the gradual recovery of the Nigerian economy, a prospect that is expected to strengthen the FAAC (Federation Account Allocation Committee) statutory allocation. In light of the current economic

conditions marked by high inflation, largely attributed to the recent removal of fuel subsidies and a notable increase in the exchange rate, the State's outlook envisions a gradual economic rebound from 2025 to 2027. This revival is characterized by an anticipated 3% average annual expansion in real GDP and a concerted effort to bring domestic inflation levels back below the 10% mark by 2025. These optimistic prospects are rooted in several contributing factors, including a positive trajectory in global oil prices, a resurgence in domestic production, the application of prudent fiscal policies, and the pursuit of stability in the exchange rate utilized for international financial transactions.

In essence, while acknowledging the challenging economic backdrop characterized by elevated inflation and exchange rate fluctuations, the State's debt sustainability plan hinges on a carefully projected economic resurgence, driven by a combination of strategic measures and external economic dynamics. One noteworthy development contributing to this economic recovery is the efforts by the Nigerian government to enhance non-oil revenue sources, such as customs duties and VAT and removal of fuel subsidy, are anticipated to enhance the State's financial position compared to the relatively subdued levels witnessed in 2021.

To reinforce debt sustainability, it is imperative that the State continues its ongoing initiatives to mobilize local revenue sources. The State Government's proactive measures, including the enactment of The State Development Plan - Yobe State Socio-Economic Report Agenda (YOSERA), implementation of the Revenue Law, have strengthened internal revenue generation (IGR) and are set to persist in the coming years. Furthermore, the construction of additional modern markets, construction Mega shopping complex, construction motor park, deployment of electronic platform for revenue collections and increase in tax rate in Yobe, alongside other measures, promises to augment revenue streams. This shift towards enhancing local revenue aligns with the broader economic recovery, reinforcing fiscal stability. In terms of expenditure, there are no expected policy changes regarding personnel and overhead costs. Historical trends in these areas are likely to remain unaltered, contributing to budgetary predictability.

In summary, the combination of increase in statutory allocation as result of removable of fuel subsidy, the construction of Additional modern market, construction Mega shopping complex, construction motor packs, deployment of electronic platform for revenue collections and increase in tax rate in Yobe is expected to enhance revenue and play a vital role in the State's debt management strategy. These positive developments underscore a commitment to fiscal sustainability and provide avenues for debt reduction, ultimately ensuring the State's long-term financial health.

### **Yobe State Debt burden indicators as at end-2024**

<b>Indicators</b>	<b>Thresholds</b>	<b>Ratio</b>
Debt as % of GDP	25%	4.50
Debt as % of Revenue	200%	29.14
Debt Service as % of Revenue	40%	7.52
Personnel Cost as % of Revenue	60%	19.01
Debt Service as % of FAAC Allocation	Nil	8.77
Interest Payment as % of Revenue	Nil	2.86
External Debt Service as % of Revenue	Nil	1.09

## **4.2 BORROWING OPTIONS**

Yobe state government intends to finance its new borrowing from 2025 to 2034 mainly from Domestic financing through Commercial Bank Loans (maturity 1-5 years) with an average of 11.88 percent, Commercial Bank Loans (maturity 6 year above) estimated at 4.54 percent, State Bonds (maturity 1-5 years) at 61.43 percent, and State Bonds (maturity 6 years above) at 22.16 percent, over projection period. For external financing was due to the limited funding envelopes from the external borrowing with long processing time required loans from Multilateral and Bilateral.

## **4.3 DSA SIMULATION RESULTS**

Recent shocks underscore the urgent need to significantly diversify and improve government revenues and reduce the dependence on oil revenue sources. Government remains committed to using innovative ways to raise the revenues required to finance its

expenditure and diversifying its revenue sources. Higher revenue collections will enable Government to deliver public services more effectively, enhance infrastructure investment, and improve investment in human capital.

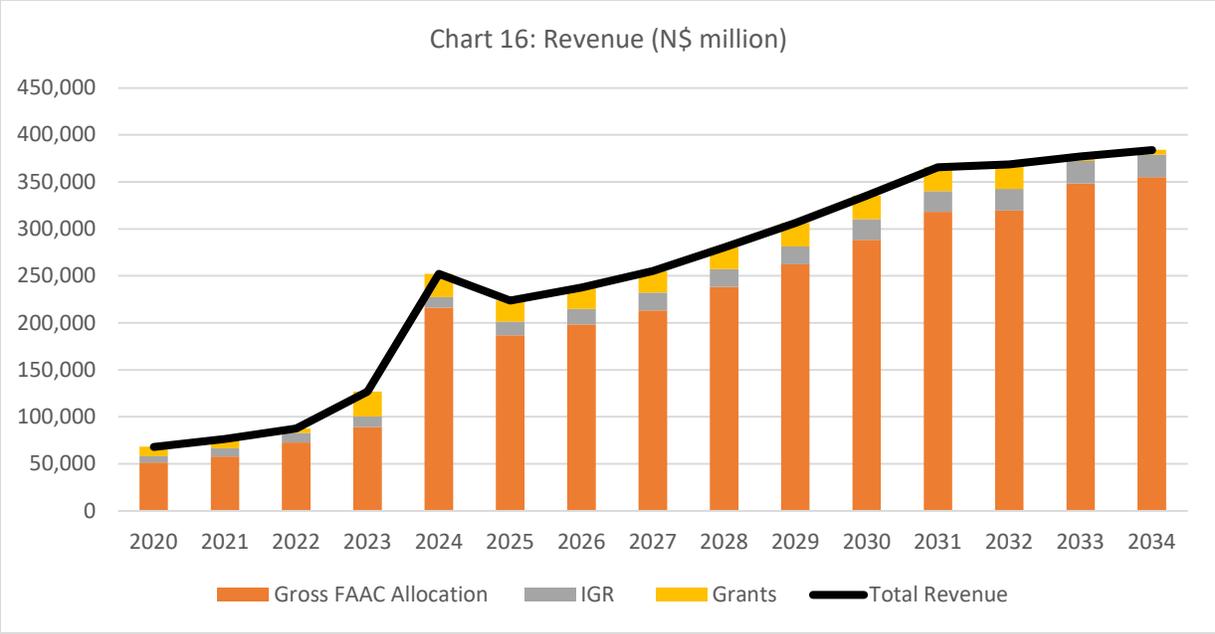
**Chart 16** presents the trend of Yobe State’s total revenue from 2020 to 2034, showing steady growth across the major revenue components—FAAC allocations, Internally Generated Revenue (IGR), and grants. The State’s total revenue rose from ₦68.220 billion in 2020 to ₦126.871 billion in 2023 and is projected to reach ₦384.000 billion by 2034, reflecting improved fiscal performance and stronger domestic revenue mobilization.

The Gross FAAC Allocation remains the dominant revenue source, accounting for over 80 percent of total receipts. It increased from ₦51.389 billion in 2020 to ₦216.302 billion in 2024, and is projected to rise steadily to ₦355.000 billion by 2034. The sharp rise in 2024 reflects the impact of exchange rate adjustments, improved oil receipts, and increased federation transfers.

Internally Generated Revenue (IGR) showed consistent growth from ₦6.833 billion in 2020 to ₦11.230 billion in 2024, and is projected to reach ₦24.000 billion by 2034. This growth trajectory underscores the effectiveness of the State’s tax administration reforms, including automation of revenue processes, expansion of the taxpayer database, and the introduction of new sources such as the Land Use Charge.

Grants, on the other hand, fluctuated across the period. After peaking at ₦26.450 billion in 2023, grants are projected to stabilize around ₦22–26 billion between 2025 and 2032, before tapering to ₦5.000 billion by 2033–2034 due to the gradual completion of donor-supported programs and federal intervention projects.

Overall, the chart indicates a positive revenue outlook for Yobe State, driven by enhanced FAAC inflows, sustained IGR reforms, and strategic fiscal management that continues to strengthen the State’s financial base over the medium to long term.



**Chart 17** presents Yobe State’s expenditure pattern from 2020 to 2034, showing a steady upward trend driven by increases in both recurrent and capital spending. Total expenditure rose from ₦90.197 billion in 2020 to ₦147.429 billion in 2023 and is projected to reach ₦432.283 billion by 2034, reflecting the government’s continuous commitment to service delivery and infrastructure investment.

**Personnel costs** increased steadily from ₦26.274 billion in 2020 to ₦47.951 billion in 2024 and are expected to rise to ₦80.000 billion by 2034. The growth is attributed to salary adjustments, recruitment in critical sectors, and implementation of wage reviews to improve public service efficiency.

**Overhead costs** showed fluctuations, rising from ₦13.927 billion in 2020 to ₦31.413 billion in 2023, and further to ₦63.803 billion in 2024, reflecting inflationary effects and expansion of government operations. They are projected to stabilize around ₦70.000 billion by 2034 as the State continues to strengthen expenditure control and efficiency mechanisms.

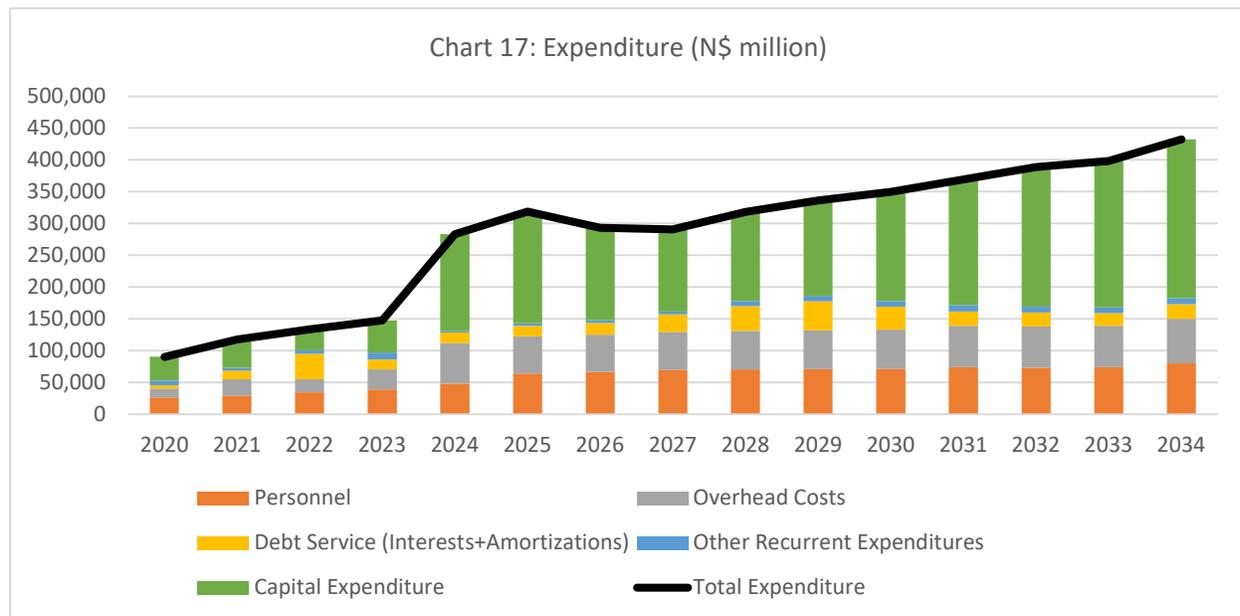
**Debt service** (interest and amortization) fluctuated during the period, increasing from ₦5.255 billion in 2020 to ₦39.930 billion in 2022, then declining to ₦15.661 billion in

2023. It is projected to remain moderate, averaging around ₦25 billion annually, indicating improved debt management and refinancing strategies.

**Other recurrent expenditures** remained modest, fluctuating between ₦4–₦10 billion throughout the period, mainly due to changes in transfers and grants to agencies and institutions.

**Capital expenditure**—the major driver of fiscal growth—increased significantly from ₦37.165 billion in 2020 to ₦151.790 billion in 2024 and is projected to reach ₦250.000 billion by 2034. The steady rise reflects the State’s strong focus on infrastructure development in roads, education, health, and water supply sectors.

Overall, the expenditure profile shows a well-balanced fiscal strategy, combining prudent recurrent spending with robust capital investments aimed at promoting sustainable economic growth and social development in Yobe State.



As a result of the State’s modest increase in GDP, great improvement in IGR, increase in Personnel, Overhead costs, and Capital Expenditure.

**Chart 18** illustrates the trend in Yobe State’s outstanding debt stock, disaggregated into domestic and external components, for the period 2020 to 2031. The total debt stock

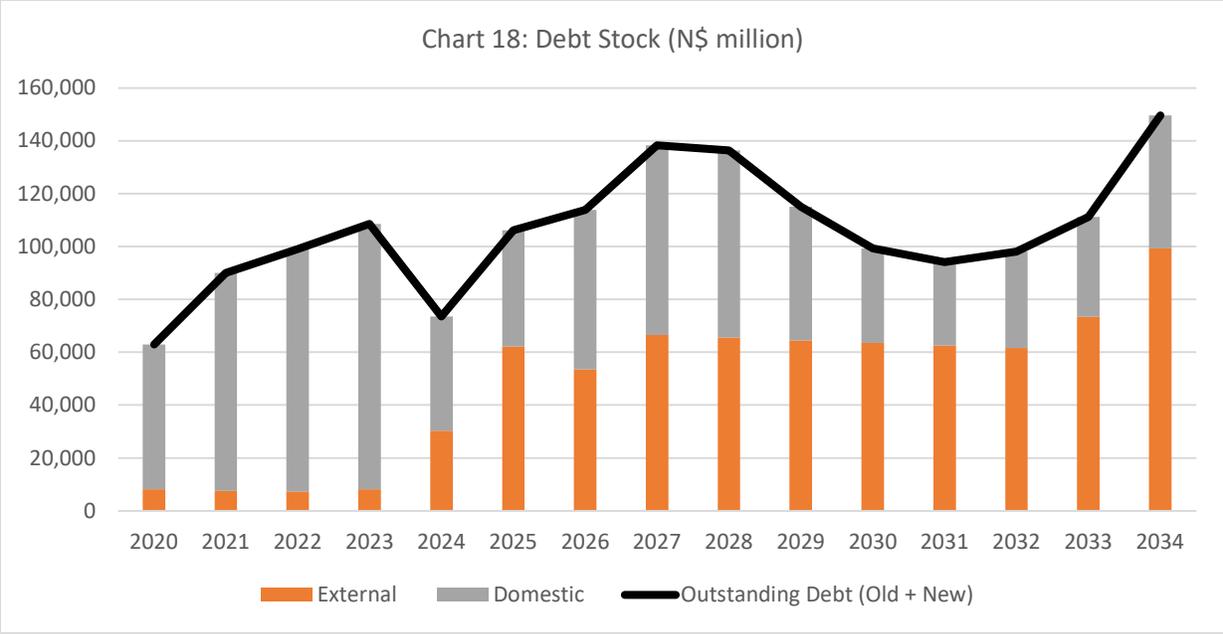
rose steadily from ₦62.970 billion in 2020 to a peak of ₦108.592 billion in 2023, before declining sharply to ₦73.497 billion in 2024 due to the Federal Government's debt swap arrangement, where part of the State's loan obligations was settled against its share of the Excess Crude Account (ECA).

The debt stock is projected to rise again to ₦138.281 billion in 2027, reflecting new borrowings to finance capital projects, and thereafter gradually decline to ₦94.080 billion by 2031 as debt repayments intensify. This trend reflects the State's efforts to balance fiscal expansion with long-term debt sustainability.

**External debt** remained relatively low between 2020 and 2023, averaging around ₦7–₦8 billion, before surging to ₦30.240 billion in 2024 and further to ₦62.184 billion in 2025. This rise is mainly attributed to exchange rate adjustments and disbursements from multilateral and bilateral financing sources for key development projects. The stock is projected to decline steadily thereafter, reaching ₦62.580 billion by 2031.

**Domestic debt** rose consistently from ₦54.866 billion in 2020 to ₦100.443 billion in 2023 but dropped sharply to ₦43.257 billion in 2024 following the debt swap. It is expected to rise moderately again to ₦71.781 billion in 2027, before declining gradually to ₦31.500 billion in 2031 as repayments continue.

Overall, the debt trend demonstrates prudent fiscal management, where short-term increases are tied to productive investments, followed by medium-term consolidation to ensure sustainability and compliance with fiscal responsibility thresholds.

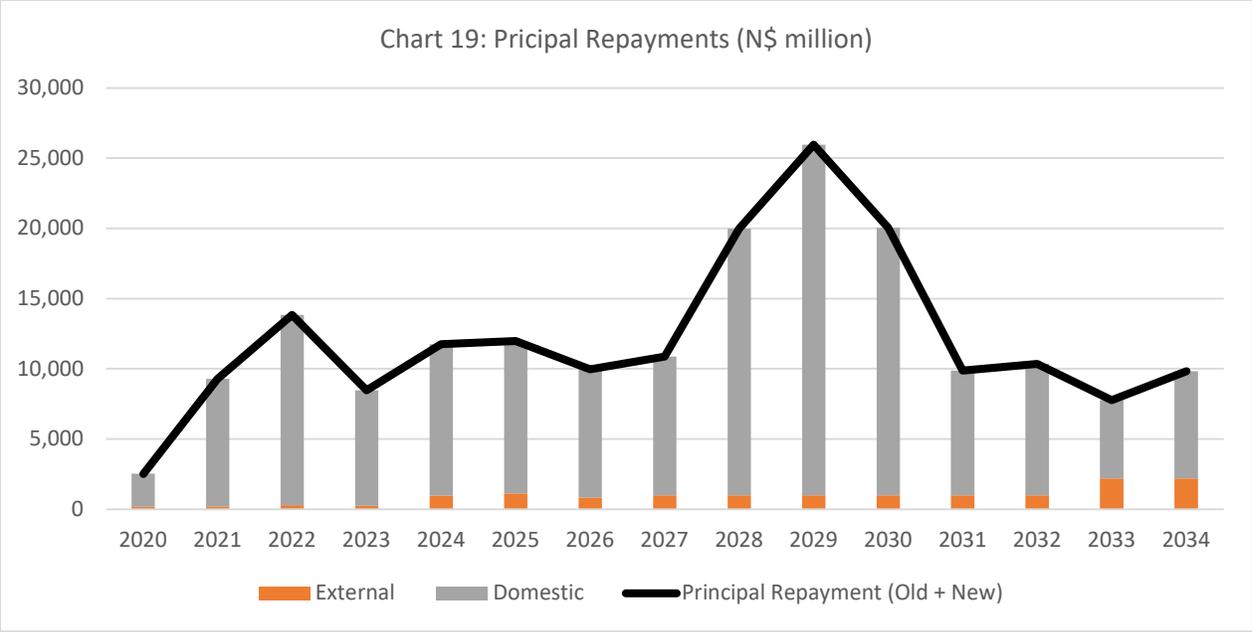


**Chart 19** presents the trend of principal repayments on Yobe State’s total debt (domestic and external) from 2020 to 2034. The total principal repayment increased significantly from **₦2.53 billion in 2020** to a peak of **₦13.85 billion in 2022**, reflecting intensified efforts to reduce domestic debt obligations. It then fluctuated moderately between **₦8.46 billion in 2023** and **₦11.99 billion in 2025**, before rising again to **₦25.96 billion in 2029** due to scheduled maturities of both domestic and external facilities.

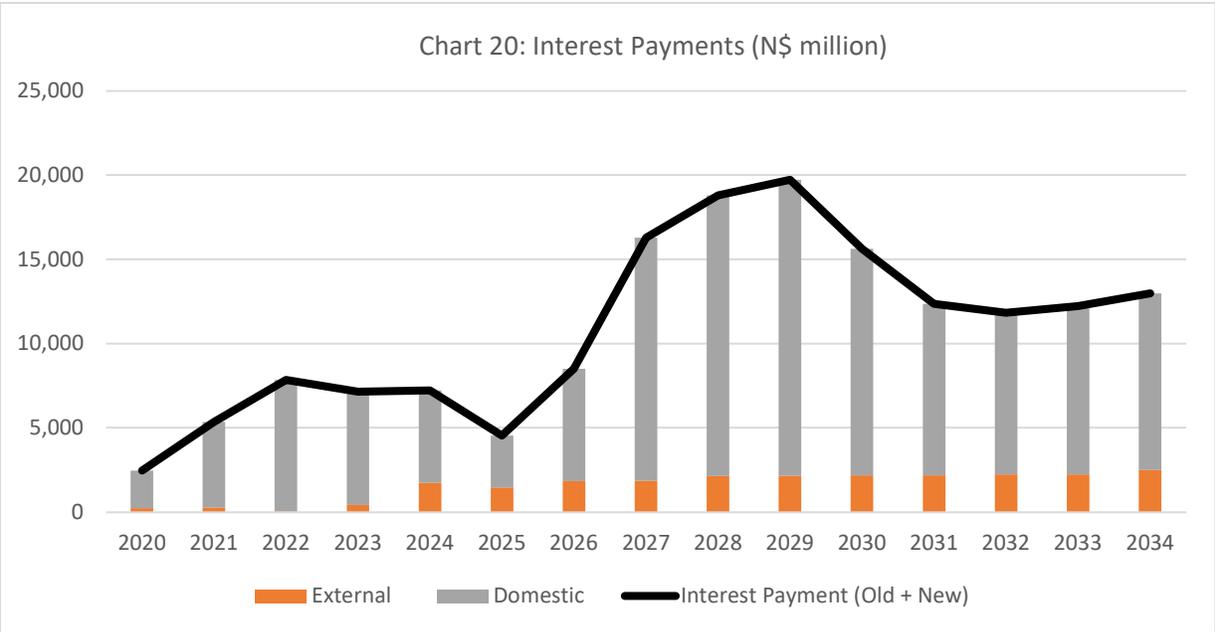
From 2030 onward, repayments are projected to decline steadily, reaching **₦9.81 billion by 2034**, consistent with the debt reduction strategy and completion of key loan tenors.

**Domestic repayments** dominated the portfolio, accounting for over 90% of total repayments up to 2025, before tapering off as new borrowings reduce and old facilities are liquidated. **External repayments**, on the other hand, remained relatively low and stable throughout the period, ranging between **₦0.16 billion and ₦2.19 billion**, reflecting concessional loan terms with longer maturities and grace periods.

Overall, the trend indicates a **manageable repayment profile** aligned with fiscal capacity, showing that the State is gradually shifting from debt accumulation to **debt consolidation and sustainability** in the medium to long term.



Interest payment projected to increase from 4.529 billion in 2025 to N12.969 billion in 2034. External principal repayment is projected to increase by 1.040 billion and Domestic interest increase by N7.401 billion from 2025 to 2034 over the projection period.



## **MAIN FINDING**

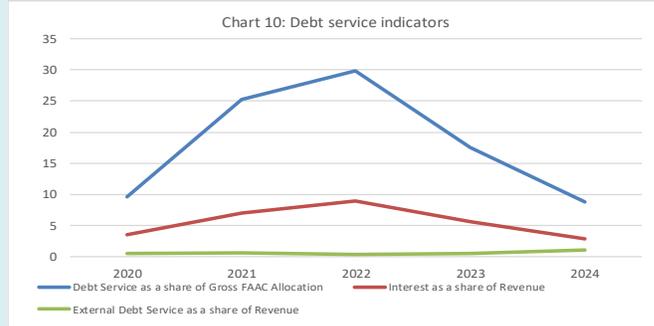
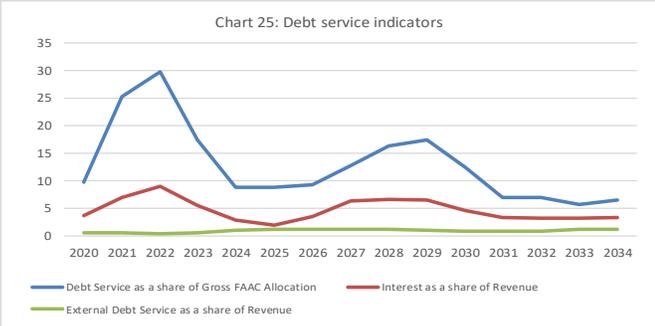
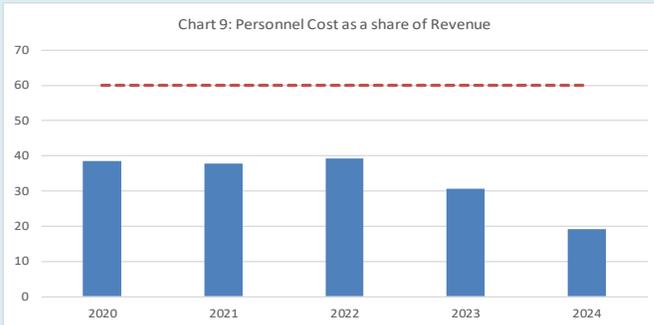
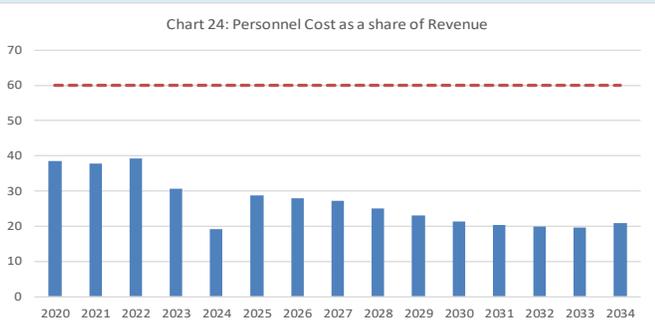
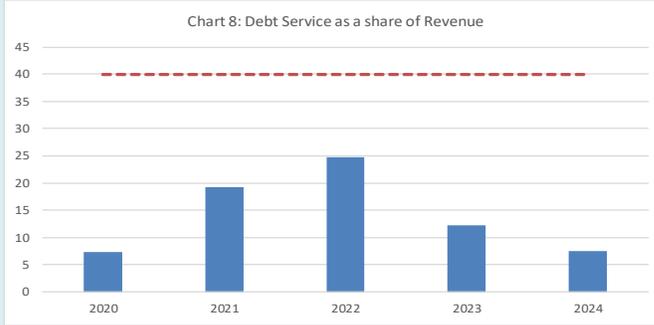
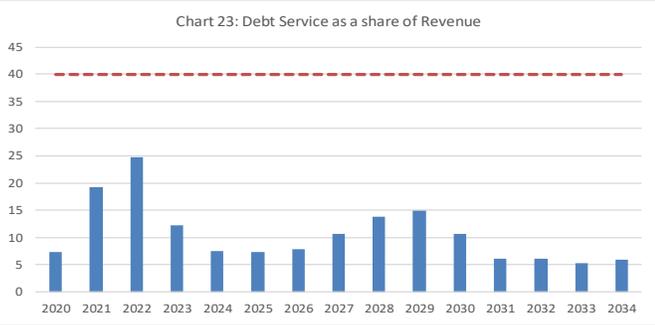
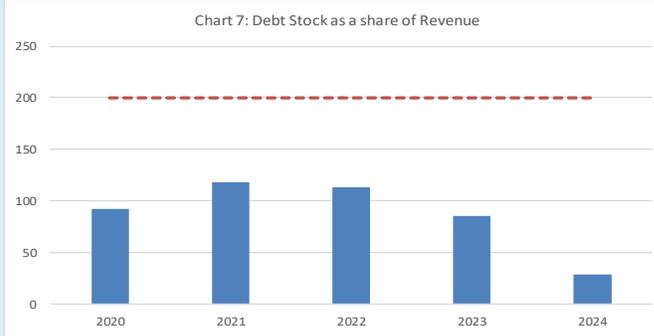
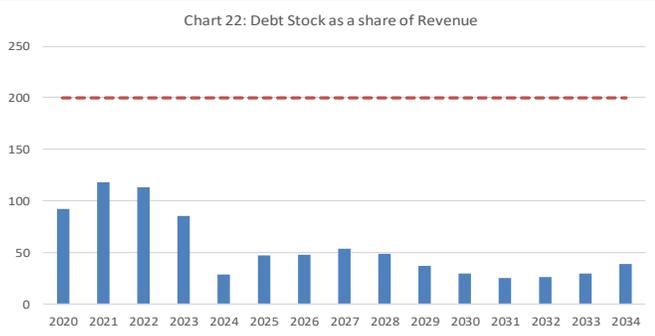
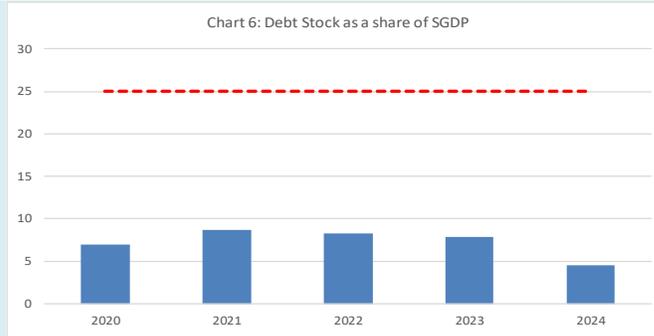
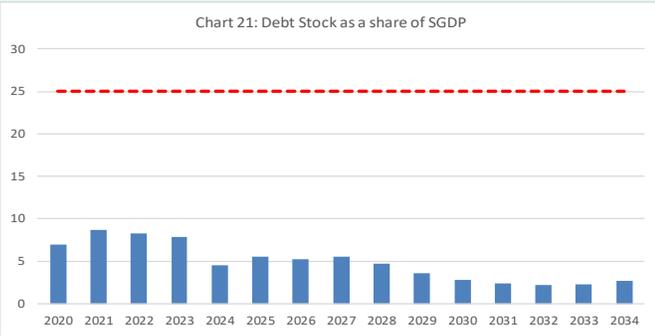
The Debt Sustainability Analysis (DSA) for Yobe State covering 2020–2034 indicates that the State’s debt position remains sustainable and within acceptable fiscal thresholds under both baseline and stress test scenarios.

Under the baseline scenario, total debt as a percentage of State GDP declined steadily from 9% in 2021 to 4% in 2024, reaching a low of 2% by 2033, well below the 25% prudential threshold. Similarly, debt-to-revenue ratio dropped from 118% in 2021 to 29% in 2024, maintaining a comfortable margin below the 200% limit, which implies sufficient fiscal space for responsible borrowing.

The debt service-to-revenue ratio declined from a peak of 25% in 2022 to 8% in 2024, remaining below the 40% sustainability benchmark. This improvement reflects prudent debt management, refinancing efficiency, and a reduction in high-cost domestic obligations. The personnel cost-to-revenue ratio also fell consistently from 39% in 2020 to 19% in 2024, staying within the 60% threshold, indicating better control of recurrent expenditure and fiscal discipline.

Other indicators, including debt service as a share of FAAC (9%), interest as a share of revenue (3%), and external debt service (1%), all remain comfortably low. Stress test results under various shock scenarios (revenue, expenditure, exchange rate, and interest rate) show that while the indicators worsen moderately, they remain well below their respective thresholds, confirming the resilience of the State’s fiscal position.

Overall, the DSA demonstrates that Yobe State’s debt is sustainable in the medium to long term, with strong capacity to meet obligations without compromising essential spending. However, sustaining this trajectory will require continued fiscal prudence, enhanced revenue mobilization, and cautious management of new borrowing aligned with growth-oriented investments.



## **CONCLUSION**

**Yobe State DSA result shows that, the State remains at the Low Risk of Debt Distress.** The State remains mostly sensitive to the revenue shocks, expenditure shocks, exchange rate shocks, interest rate shocks and historical shocks, indicating that an increase in aggregate output, does not result to a proportionate increase in revenue. There is, therefore, the urgent need for the authorities to fast-track efforts aimed at further diversifying the sources of revenue away from crude oil (FAAC), as well as implement far-reaching policies that will bolster IGR into the state. This has become critical, given the continued volatility in the FAAC allocation.

### **4.4 DSA SENSITIVITY ANALYSIS**

The State faces important sources of fiscal risks associated to the possibility of adverse country wide macroeconomic conditions and the reversal of the State's revenue and expenditure policies. A sensitivity analysis is undertaken considering macroeconomic shocks and policy shocks to evaluate the robustness of the sustainability assessment for the baseline scenarios discussed in the previous sub-sections. When considering both macroeconomic 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 2025 DSA analysis shows that Yobe remains at moderate of debt distress under sensitivity analysis.** The State DSA analysis shows Yobe State's debt-to-revenue ratio to various fiscal and macroeconomic risks between 2025 and 2034, using an indicative sustainability threshold of 200 percent. Across all scenarios, the State's debt position remains sustainable and below the critical limit, though the magnitude of risk varies by type of shock.

Under the baseline scenario, the debt-to-revenue ratio remains stable and moderate, averaging around 44 percent over the projection period, ranging from 47 percent in 2025 to 39 percent by 2034. This indicates that even without any shocks, the State maintains a comfortable fiscal space for new borrowing and debt servicing.

Under the revenue shock scenario, where revenue performance weakens relative to projections, the debt-to-revenue ratio rises gradually from 64 percent in 2026 to 156 percent in 2034. Although this represents a significant deterioration compared to the baseline, it remains below the 200 percent threshold, implying that Yobe State could still withstand a severe shortfall in revenue without falling into fiscal distress.

The expenditure shock scenario—which assumes higher-than-expected spending—shows a similar trend, with the ratio increasing from 59 percent in 2026 to 142 percent in 2034. This suggests that while fiscal pressures could intensify, the debt position would still be manageable if spending overruns are contained.

Under the exchange rate shock, the ratio remains very low, falling between 33 percent and 59 percent over the projection horizon. This reflects the limited exposure of the State's debt portfolio to foreign exchange risk, given the relatively small share of external debt compared to total revenue.

The interest rate shock produces a mild impact, with the ratio fluctuating between 48 percent in 2025 and 41 percent in 2034, remaining the least volatile among the scenarios. This shows that the State's debt service burden is relatively insulated from changes in borrowing costs.

However, under the historical scenario, where past fiscal imbalances are assumed to persist, the debt-to-revenue ratio escalates sharply, peaking at 431 percent between 2030 and 2032, well above the sustainability limit. This underscores the importance of maintaining ongoing reforms in fiscal discipline and revenue expansion.

In summary, all projected shock scenarios except the historical case indicate that Yobe State's debt remains sustainable, with sufficient fiscal buffers to absorb adverse economic shocks. Continued efforts in revenue diversification, prudent borrowing, and expenditure control will be critical to sustaining this favorable debt outlook.

Chart 27: Debt Stock as a share of SGDP

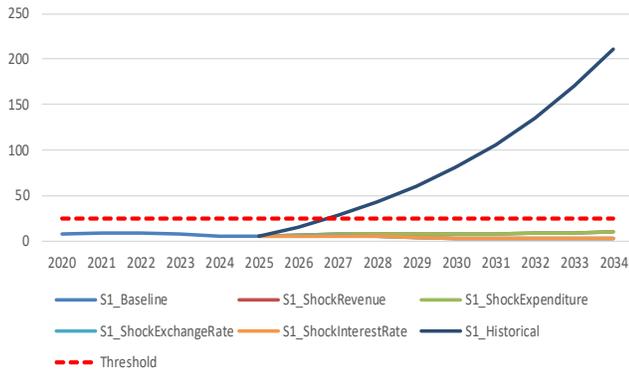


Chart 12: Debt Stock as a share of SGDP

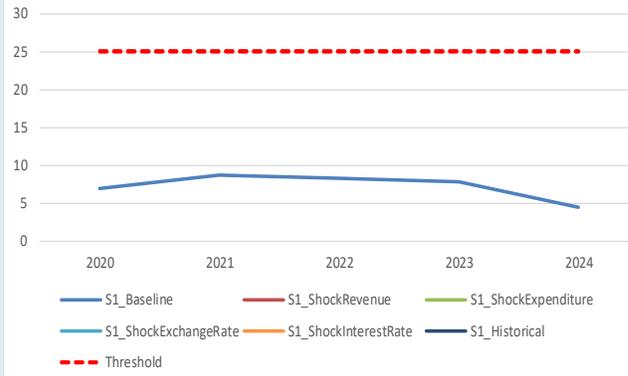


Chart 28: Debt Stock as a share of Revenue

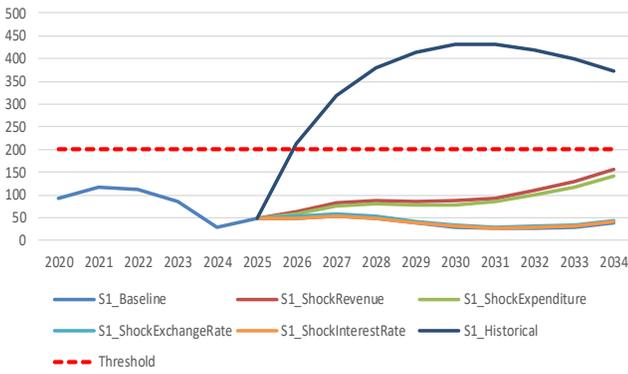


Chart 13: Debt Stock as a share of Revenue

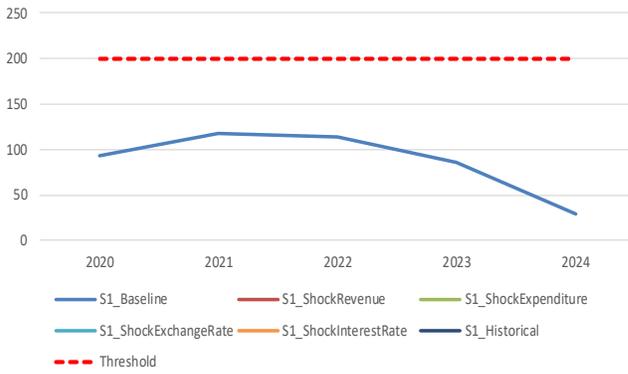


Chart 29: Debt Service as a share of Revenue

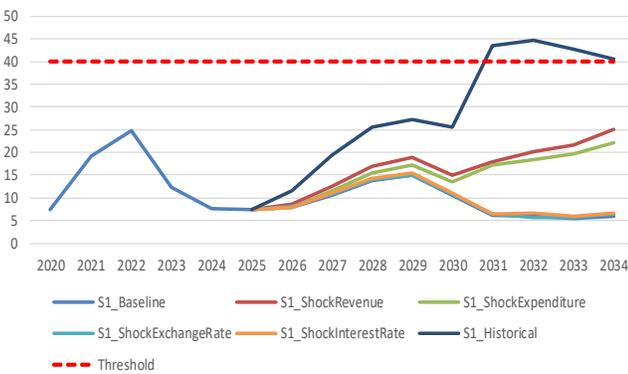


Chart 14: Debt Service as a share of Revenue

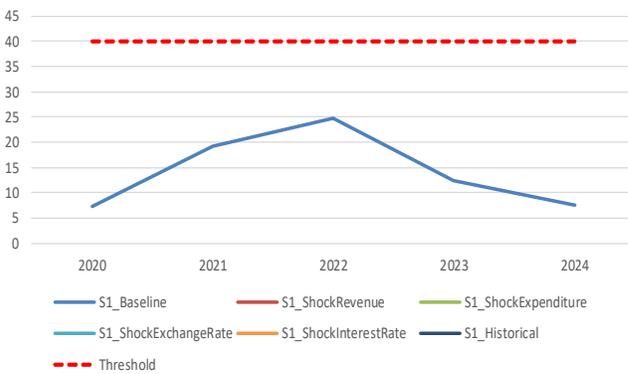


Chart 30: Personnel Cost as a share of Revenue

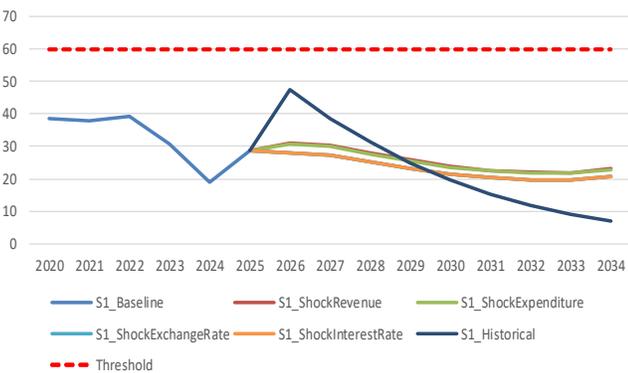
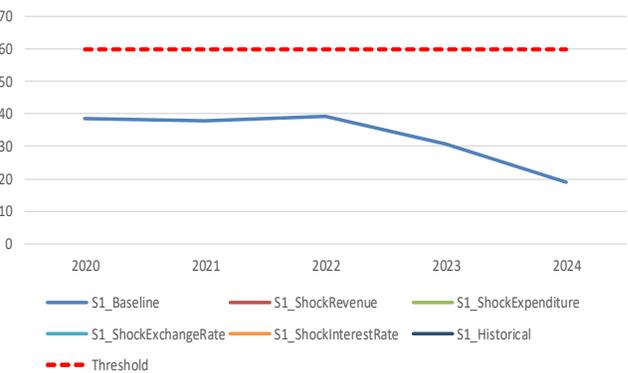


Chart 15: Personnel Cost as a share of Revenue



## **5.0 DEBT MANAGEMENT STRATEGY**

Public debt management is the process of establishing and executing a strategy for managing the government's debt in order to raise the required amount of funding at the lowest possible cost over the medium to long run, consistent with a prudent degree of risk. Debt Management Strategy examines the costs and risks inherent in the current debt portfolio, as well as in the debt portfolios that would arise from a range of possible issuance strategies, considering factors such as the macroeconomic and financial market environment, the availability of financing from different creditors and markets, and vulnerabilities that may have an impact on future borrowing requirements and debt service costs.

The Debt Management Strategy provides alternative strategies to meet the financing requirements for Yobe. The strategies are shown by the breakdown of funding mix (domestic debt and external debt) and within the broad categories of domestic and external, the share of each stylized instrument has also been illustrated. Following four strategies are assessed by the government. The Yobe's Debt Management Strategy, 2024-2028, analyses the debt management strategies outcomes of the three debt management performance indicators namely Debt Stock to Revenue, Debt Services to Revenue and Interest to Revenue. The cost is measured by the expected value of a performance indicator in 2028, as projected in the baseline scenario. Risk is measured by the deviation from the expected value in 2028 caused by an un-expected shock, as projected in the most adverse scenario.

### **5.1 Alternative Borrowing Options**

#### **Strategy S1 – Baseline (Current Policy) Strategy**

The baseline strategy represents the continuation of the state's existing borrowing pattern. Under this approach, about 70 percent of new borrowing is sourced from domestic commercial banks, while 30 percent comes from concessional external loans obtained from multilateral institutions such as the World Bank and the African Development Bank.

Domestic loans are contracted at high market interest rates, ranging between 19 and 35 percent, with relatively short maturities of four to five years and an average grace period of one year. In contrast, concessional external loans are contracted at 2 to 5 percent interest, with long maturities of up to 30 years and grace periods of between 5 and 7 years.

While this strategy offers stability and predictability, it also maintains high debt servicing costs due to the dominance of short-term domestic borrowing. The refinancing risk remains moderate, as a large portion of the domestic debt stock matures within five years.

### **Strategy S2 – Domestic Expansion Strategy**

This strategy adopts an aggressive domestic financing stance designed to meet higher funding needs entirely from local sources. It eliminates external borrowing and focuses 100 percent on domestic funding, particularly through commercial bank loans (60 percent) and state bonds (40 percent).

Under this option, borrowing is front-loaded, rising from about ₦43 billion in 2025 to over ₦215 billion by 2034. The weighted average interest rate is estimated at 28 to 30 percent, with maturities spanning 4 to 10 years. The strategy targets accelerated domestic liquidity mobilization to support expansionary fiscal and infrastructure spending.

However, it carries substantial cost and rollover risks. The high domestic interest rates will significantly increase the state's debt service-to-revenue ratio, while the absence of concessional funding removes the low-cost buffer that helps sustain debt affordability. S2 is therefore a high-cost, high-risk strategy, appropriate only in periods of robust revenue growth and stable domestic interest conditions.

### **Strategy S3 – Bond-Focused Financing Strategy**

This option shifts the state's borrowing composition toward bond issuances, which account for approximately 70 percent of total borrowing, while commercial bank loans

provide the remaining 30 percent. The strategy focuses on extending debt maturities and reducing annual refinancing pressures.

Under this approach, the state relies mainly on both short- and long-term bonds, with interest rates ranging from 19 to 22 percent and maturities of five to seven years. Commercial bank loans are used selectively for short-term liquidity management, with interest rates averaging 35 percent and maturities of four years.

This strategy aims to deepen the domestic debt market, stabilize annual debt service payments, and reduce refinancing concentration. By issuing medium- to long-term state bonds, the state benefits from a predictable repayment structure and lower annual cash flow pressure. Overall, S3 provides a lower-cost, lower-risk option compared to heavy reliance on short-term bank loans and is well aligned with prudent debt management objectives.

#### **Strategy S4 – Balanced Portfolio Strategy**

The balanced portfolio strategy seeks to combine the advantages of both commercial bank borrowing and bond financing in a well-diversified debt structure. Under this option, borrowing is evenly distributed—50 percent from commercial bank loans and 50 percent from state bonds, all sourced domestically.

The average interest rate under this strategy is projected at 25 percent, with maturities extending between 4 and 7 years, and an average grace period of one year. No external borrowing is included, thereby insulating the debt portfolio from exchange rate fluctuations.

This option strikes a balance between cost and risk by spreading debt across instruments with varied maturities and pricing structures. It reduces exposure to rollover risk compared to a loan-heavy portfolio (as in S2) and moderates the interest burden compared to short-term domestic borrowing (as in S1). S4 therefore represents a moderate-cost, moderate-risk strategy, ideal for a state pursuing sustainable debt management while maintaining flexibility to adjust to market conditions.

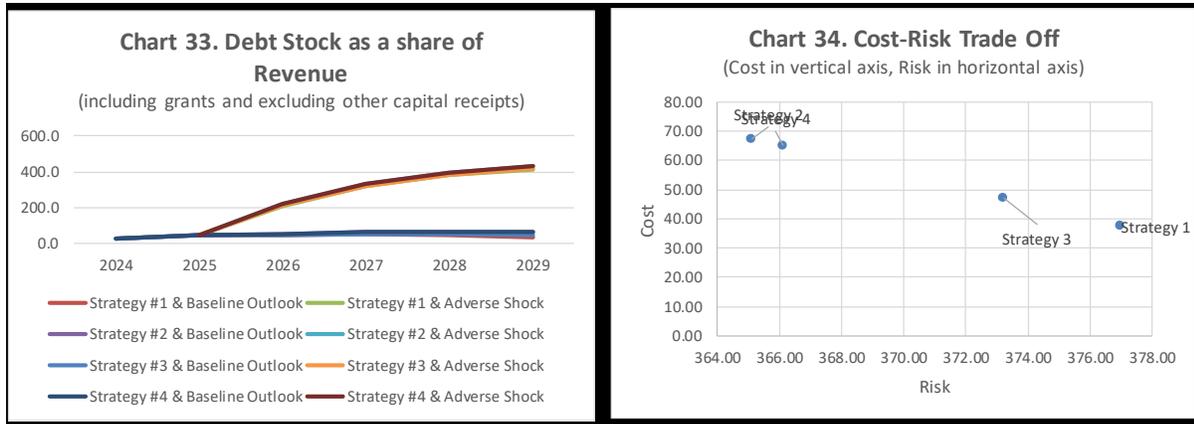
## 5.2 DMS Simulation Results

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

### a. Debt as a share Revenue:

The comparative analysis of the cost implications across the four strategies shows distinct differences in fiscal impact. Under the baseline outlook, Strategy 1 maintains the lowest cost at 37.6%, reflecting its reliance on a mix of short-term domestic borrowing and limited concessional financing. Strategy 3, which focuses on medium- to long-term bonds, follows with a moderate cost of 47.1%, balancing affordability with market stability. Strategies 2 and 4, however, exhibit higher costs at 67.5% and 65.0% respectively, driven by heavier reliance on expensive domestic loans. While Strategy 2's purely domestic approach significantly raises interest and rollover costs, Strategy 4's mixed portfolio moderates cost slightly but still remains high relative to revenue performance. Overall, Strategy 3 offers the most cost-efficient structure among the options, ensuring predictable repayment obligations without excessive fiscal strain.

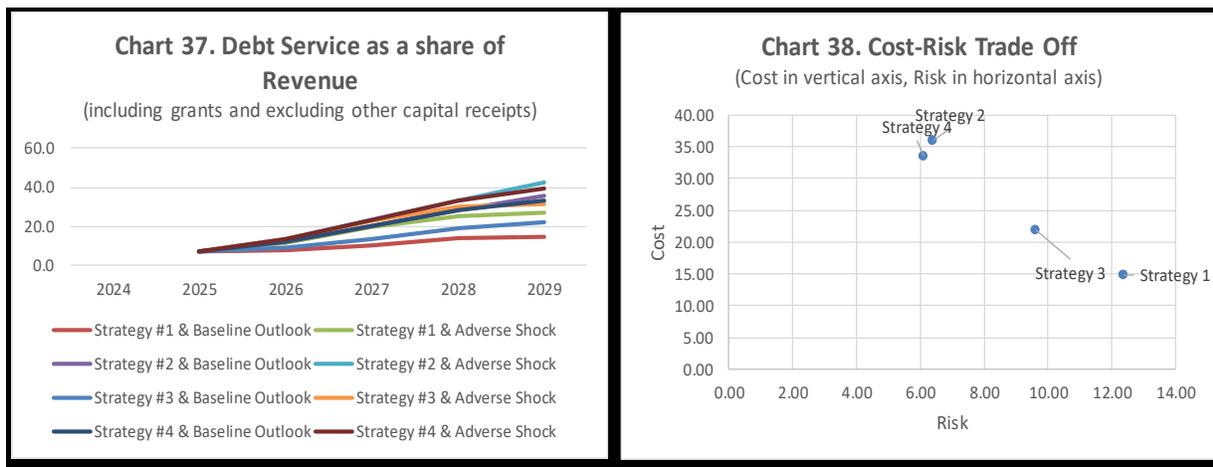
In terms of risk exposure, the indicators measured for 2029 reveal that all strategies remain within manageable levels, though differences in composition create varying degrees of vulnerability. Strategy 1 records a moderate risk score of 377, but its sensitivity to adverse shocks—where the debt-to-revenue ratio escalates above 400%—signals high macro-fiscal exposure. Strategy 3, despite a comparable risk score of 373.2, demonstrates better resilience due to longer maturities and reduced refinancing pressure. Strategy 2 (risk = 365.1) and Strategy 4 (risk = 366.1) appear marginally lower in numerical risk but face practical challenges, as both become unsustainable under shocks with debt ratios exceeding 430%. Thus, when balancing both cost and risk, Strategy 3 provides the most sustainable debt path, minimizing exposure to market shocks while maintaining fiscal stability.



**b. Debt Service as a share of Revenue:**

- Debt service as a percentage of revenue indicates how much of the state’s income is used to repay debt obligations. Under the baseline outlook, Strategy 1 shows a steady increase from 7.4% in 2025 to 14.9% in 2028, before slightly improving to 12.4% in 2029, suggesting moderate and manageable debt service pressure. However, under adverse shock conditions, the ratio rises sharply to 27.3% by 2028, reflecting sensitivity to unfavorable fiscal or macroeconomic conditions.
- Strategy 2 exhibits higher volatility, starting at 7.4% in 2025 and climbing to 35.9% in 2028 under the baseline, though with a surprisingly lower cost of 6.4% in 2029, implying improved repayment terms or refinancing. Nonetheless, under shock conditions, the ratio surges to 42.3%, making it the most risky and potentially unsustainable if revenue underperforms.
- Strategy 3 performs better in terms of stability. Under the baseline, debt service peaks at 21.9% in 2028, with a manageable 9.6% cost in 2029. Even under adverse shocks, it rises moderately to 31.5%, which is still below the extreme levels seen in Strategy 2. This suggests Strategy 3 offers a balanced mix of affordability and resilience.

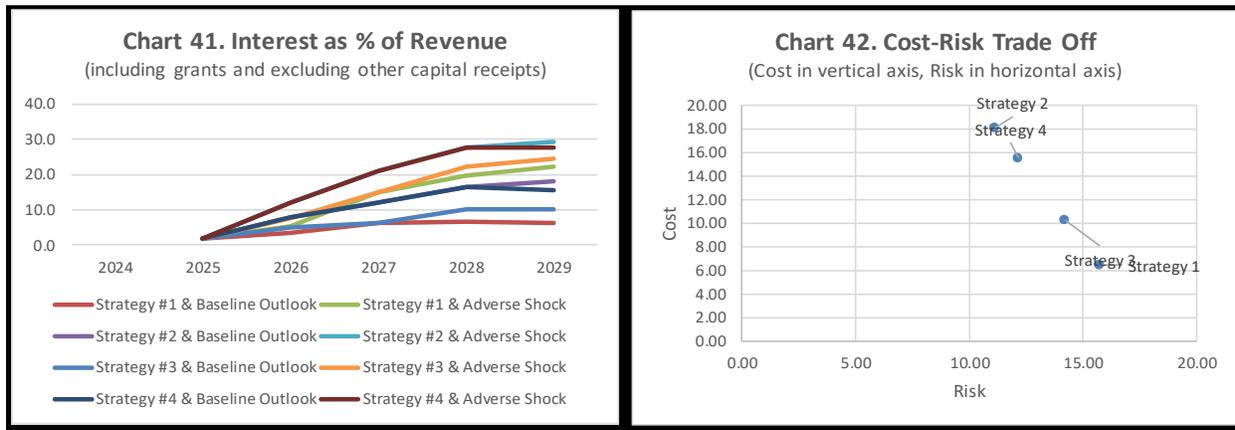
- Strategy 4 closely mirrors Strategy 2 in structure but records slightly lower costs — 6.1% in 2029 versus 6.4% — and milder risks, reaching 39.5% under shocks. This indicates better cost containment with somewhat reduced exposure compared to Strategy 2.
- In summary, Strategy 3 demonstrates the best balance between cost and risk, maintaining manageable debt service ratios under both baseline and shock conditions. Strategy 1 is also sustainable but less flexible under stress, while Strategies 2 and 4 deliver lower long-term costs at the expense of higher near-term fiscal risks



### c. Interest as a share of Revenue

Under the baseline outlook, interest payments as a share of revenue rise moderately across all strategies, indicating growing but controlled debt servicing costs. Strategy 1 increases from 2.0% in 2025 to 6.4% in 2028, ending with a higher cost of 15.7% in 2029, suggesting escalating interest pressure over time. Strategy 2 records a steeper rise to 18.1% in 2028, but with a lower 11.1% cost in 2029, implying improved refinancing terms. Strategy 3 remains the most stable, peaking at 10.3% in 2028 and ending with 14.2%, showing balanced cost management. Strategy 4 mirrors Strategy 2 but maintains slightly lower interest burdens, ending at 12.1%. Under adverse shocks, all strategies experience sharp increases, with Strategy 2 and 4 rising above 27%, indicating higher

vulnerability. Overall, Strategy 3 offers the best balance between affordability and resilience, while Strategy 1 shows the highest long-term interest burden



### 5.3 DMS Assessment

The preferred strategy was not solely based on the Analytical Tool assessment of all four strategies but took into consideration the ability to implement the chosen strategy successfully in the medium-term. Therefore, although the Analytical Tool’s results of costs and risks would suggest that the recommended strategy should be S2 these results were just marginally better when compared with Strategy S1. ***Strategy 3 was considered as the most feasible of the strategies to implement in the short to medium-term and it would still greatly improve the portfolio’s debt position relative to the base year 2025.***

In comparison to the current debt position, Yobe State debt portfolio stood at N 73.497 billion as at end of-2024, which expected an increase to N115.036 billion under Strategy 1 to the end of the strategic period, compared to Strategy 2 (N206.692 billion), Strategy 3 (N144.167 billion), and Strategy 4 (N198.970 billion). In addition to this, the cost/risk trade-offs are considered, using the debt to GDP, debt to revenue, debt service to GDP, debt service to revenue, interest to GDP and interest payment to GDP ratios, S3 is selected as the preferred strategy for the 2025-2029.

The Debt Management Strategy, 2025-2029 represents a robust framework for prudent debt management, as it provides a systematic approach to decision making on the

appropriate composition of external and domestic borrowing to finance the 2025 budget. The cost-risk trade-off of alternative borrowing strategies under the DMS has been evaluated within the medium-term context.

## **ASSUMPTION**

- 1.** Opening Balance – The state anticipated opening balance of ₦5 billion for the three years period
- 2.** Statutory Allocation – This is estimated using 3 year Moving Average forecast, which project ₦26.902 as government’s share of FAAC in 2025, ₦24.289 billion in 2026 and slightly decrease to ₦22.412 billion in 2027.
- 3.** VAT – Government share of VAT is estimated using MA method ₦47.633 billion 2025, ₦60.110 billion in 2026 and ₦75.037 billion in 2027
- 4.** Excess Crude – Excess Crude and other FAAC Revenues expected is earmarked at ₦34.233 billion in 2025, ₦35.936 in 2026 and ₦37.733 billion in 2027.
- 5.** Internally Generated Revenue (IGR) – The state government anticipate to increase its revenue base, blocking the identified leakages. The sum of ₦14.562 billion was earmarked in 2025.
- 6.** Grants – the sum of ₦100.500 billion was earmarked as grants in 2025 internal grants.
- 7.** Other Capital Receipts – ₦50.00 billion was earmarked as other capital receipt.
- 8.** Financing (Net Loans) – sum of ₦34.077 billion is expected to be collected from Capital Market Issuance.
- 9.** Personnel cost including social contributions – the sum of ₦47.508 billion earmarked as personnel cost in 2025, ₦54.106 billion in 2026 and ₦61.098 billion in 2026 respectively
- 10.** Overheads – other recurrent services witnessed a steady growth year-on-year with ₦51.594 billion in 2025, ₦52.626 billion and ₦53.679 billion in 2026 and 2027 respectively using own percentage forecasting method.

- 11.** Grants, Contributions, Subsidies and Transfers – the sum of ₦3.111 billion was earmarked in 2025, ₦5.171 and ₦8.235 billion in 2026 and 2027 respectively.
- 12.** Public Debt Service – Sum of ₦26.600, billion was earmarked to service the debts in 2025.
- 13.** Capital Expenditure – the sum of ₦150.500 billion in 2025, ₦120.500 billion and ₦90.500 billion in 2026 and 2027.

# ANNEXURE I

2025		Projection Methodology	Source
<b>Assumptions:</b>			
<b>Economic activity</b>	State GDP (at current prices)	State GDP projected using the actual 5-GDP and projected N-GDP nominal growth rate	State Statistics and NBS
<b>Revenue</b>	<p><b>Revenue</b></p> <ol style="list-style-type: none"> <li>Gross Statutory Allocation ('gross' means with no deductions; do not include VAT Allowance)               <ol style="list-style-type: none"> <li>of which Net Statutory Allocation ('net' means of deductions)</li> <li>of which Deductions</li> </ol> </li> <li>Derivation (if applicable to the State)</li> <li>Other FAAC transfers (exchange rate gain, augmentation, others)</li> <li>VAT Allocation</li> <li>IGR</li> <li>Capital Receipts               <ol style="list-style-type: none"> <li>Grants</li> <li>Sales of Government Assets and Privatization Proceeds</li> <li>Other Non-Debt Creating Capital Receipts</li> </ol> </li> </ol>	<p><b>Statutory Allocation</b> – This is estimated using the MA 3 Year simple forecasting which project N26.902,418 billion, 2025 and slightly decline to N24.289 billion in 2026, 22</p> <p><b>Statutory Allocation</b> – This is estimated using the MA 3 Year simple forecasting which project N26.902,418 billion, 2025 and slightly decline to N24.289 billion in 2026, 22</p> <p><b>Excess Crude</b> – Excess Crude and other FAAC Revenues expected is earmarked at 112.233 billion in 2025, 113.917 billion in 2026, N115.625 billion in 2027 while 2028 to 21 VAT – government share of VAT is estimated using the MA 5 outlier forecasting which projected N47.613 billion in 2025 and 60.110 billion in 2026 and 2027 75.037 billion.</p> <p><b>Internally Generated Revenue (IGR)</b> – The state government anticipate to increase its revenue base, blocking the identified leakages. The sum of N14.5629 billion was earn</p> <p><b>Grants</b> – sum of N22.5 billion was earmarked as grants in 2025 comprising 20 billion FGN Grants from Revenue Mobilisation and Fiscal Commission, 1.5 billion UBE Mach</p> <p><b>Other Capital Receipts</b> N50 billion was earmarked as other capital receipt expected from the refunds of airport</p>	<p>2025 Approved Budget &amp; EFU-FSP-BPS, 2025-2027</p>
<b>Expenditure</b>	<p><b>Expenditure</b></p> <ol style="list-style-type: none"> <li>Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)</li> <li>Overhead costs</li> <li>Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)</li> <li>Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)</li> <li>Capital Expenditure</li> </ol>	<p><b>Personnel</b> – the sum of N64.119 billion earmarked as personnel cost in 2025, N66.147 billion in 2026 and N69.454 in 2027 respectively</p> <p><b>Overheads</b> – other recurrent services witnessed a steady growth year-on-year with N40.620 billion in 2024, N57.797 billion and N58.953 billion in 2025 and 2026, N60.11</p> <p><b>Interest payments</b> was earmarked as N7.166 billion in 2024, N16.317 billion in 2025, N28.244 billion in 2026 and N38.743 billion in 2027 respectively.</p> <p><b>Grants, Contributions, Subsidies and Transfers</b> – the sum of N4.388 and N4.475 billion in 2025 and 2026 respectively.</p> <p><b>Capital Expenditure</b> – the sum of N175.342 billion in 2025, N144.902 billion and N129.121 billion in 2026 and 2027.</p>	<p>2025 Approved Budget &amp; EFU-FSP-BPS, 2025-2027</p>
<b>Closing Cash and Bank Balance</b>	<b>Closing Cash and Bank Balance</b>	<b>Closing Balance</b> – The state anticipated closing balance of N5.000 billion in 2025, N5.000 in 2026 and N5.000 in 2027	2025 Approved Budget & EFU-FSP-BPS, 2025-2027
<b>Debt Amortization and Interest Payments</b>	<p><b>Debt Outstanding at end-2024</b></p> <p>External Debt - amortization and interest</p> <p>Domestic Debt - amortization and interest</p> <p><b>New debt issued/contracted from 2025 onwards</b></p> <p><b>New External Financing</b></p> <p>External Financing - Concessional Loans (e.g., World Bank, African Development Bank)</p> <p>External Financing - Bilateral Loans</p> <p>Other External Financing</p> <p><b>New Domestic Financing</b></p> <p>Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans)</p> <p>Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans)</p> <p>State Bonds (maturity 1 to 5 years)</p> <p>State Bonds (maturity 6 years or longer)</p> <p>Other Domestic Financing</p>	<p><b>Amortization and interest payments</b> estimated using profiles recorded in the DMO. Include the external debt service paid through FAAC deductions</p> <p><b>Amortization and interest payments</b> estimated using profiles recorded in the DMO. Include the external debt service paid through FAAC deductions</p> <p><b>Interest Rate 2%, Maturity of 30 years, and Grace period of 7 year</b></p> <p><b>Interest Rate 5%, Maturity of 12 years, and Grace period of 5 year</b></p> <p><b>Interest Rate 1%, Maturity of 4 years, and Grace period of 1 year</b></p> <p><b>Interest Rate 35%, Maturity of 4 years, and Grace period of 1 year</b></p> <p><b>Interest Rate 32%, Maturity of 10 years, and Grace period of 1 year</b></p> <p><b>Interest Rate 19%, Maturity of 5 years, and Grace period of 1 year</b></p> <p><b>Interest Rate 22%, Maturity of 6 years, and Grace period of 1 year</b></p> <p><b>Interest Rate 22%, for other domestic financing</b></p>	<p>DMO, Nigeria and Yobe State Government</p>
<b>Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S1</b>	<p><b>Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S1</b></p> <p><b>New Domestic Financing in Million Naira</b></p> <p>Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans)</p> <p>Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans)</p> <p>State Bonds (maturity 1 to 5 years)</p> <p>State Bonds (maturity 6 years or longer)</p> <p>Other Domestic Financing</p> <p><b>New External Financing in Million US Dollar</b></p> <p>External Financing - Concessional Loans (e.g., World Bank, African Development Bank)</p> <p>External Financing - Bilateral Loans</p> <p>Other External Financing</p>	<p><b>Projected based on fiscal financing needs and past trends.</b> Assumed disbursements annually (N11.5 billion in 2025, N25.4 billion in 2026, N4.6 billion in 2029, N4.6 billion in 2030)</p> <p><b>Planned borrowing of NGN 18 billion in 2028 and 4.3 billion in 2030</b> from commercial banks to fund infrastructure. Tenor of 6 years or longer with monthly repayment. In MTEF, EFU-FSP-BPS, 2025-2027, Ministry of Budget and Ministry of Finance projection</p> <p><b>Planned borrowing of N21.3 billion in 2027 and N14.3 billion in 2032</b> to finance infrastructure</p> <p><b>No projections within the period.</b> Government priority is concessional/development financing.</p> <p><b>No projections included.</b> No additional instruments expected beyond bank loans and bonds.</p> <p><b>Planned borrowing of \$19.8m in 2025, \$10m in 2027, \$10m in 2033.</b> Terms: 2% interest, 30-year maturity, 7-year grace period. Funds from multilateral sources like World External Financing Agreement, Borrowing Terms Sheet</p> <p><b>\$20m projected in 2034</b> for agriculture. Interest rate: 5%, maturity: 12 years, grace period: 5 years.</p> <p><b>No borrowing assumed from commercial sources during the projection period to avoid FX risks.</b></p>	<p>DMO, Nigeria and Yobe State Government</p> <p>MTEF, EFU-FSP-BPS, 2025-2027, Ministry of Budget and Ministry of Finance projection</p> <p>MTEF, EFU-FSP-BPS, 2025-2027, Ministry of Budget and Ministry of Finance projection</p> <p>MTEF, EFU-FSP-BPS, 2025-2027, Ministry of Budget and Ministry of Finance projection</p> <p>2025 Approved Budget &amp; EFU-FSP-BPS, 2025-2027 bilateral partner agreement</p> <p>2025 Approved Budget &amp; EFU-FSP-BPS, 2025-2027</p>
<b>Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S2</b>	<p><b>Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S2</b></p> <p><b>New Domestic Financing in Million Naira</b></p> <p>Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans)</p> <p>Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans)</p> <p>State Bonds (maturity 1 to 5 years)</p> <p>State Bonds (maturity 6 years or longer)</p> <p>Other Domestic Financing</p> <p><b>New External Financing in Million US Dollar</b></p> <p>External Financing - Concessional Loans (e.g., World Bank, African Development Bank)</p> <p>External Financing - Bilateral Loans</p> <p>Other External Financing</p>	<p><b>Domestic bank borrowing projected in 2025 of N43.2 billion, N36 billion in 2027 N60 billion in 2028 and N88.2 billion in 2030</b> to finance fiscal deficits and short-term infrastructure</p> <p><b>Long-term commercial bank loans projected for 2028-2029 - 2031 and 2032, supporting infrastructure.</b> Interest: 32%, Maturity: 10 years, Grace: 1 year. Assumes fixed-rate</p> <p><b>Short-term bonds 166 billion and 215 billion was projected in 2033 and 2034</b></p> <p><b>Assume No Planned projection of state bonds</b></p> <p><b>No alternative instruments included.</b> Government to rely on banks and bonds for domestic needs.</p> <p><b>No concessional loans planned under Strategy 2.</b> Focus is on domestic sources.</p> <p><b>The sum of \$10 million was projected to be borrowed in 2032</b> to finance infrastructure</p> <p><b>No borrowing planned.</b></p>	<p>MTEF, EFU-FSP-BPS, 2025-2027, Ministry of Budget and Ministry of Finance projection</p> <p>MTEF, EFU-FSP-BPS, 2025-2027, Ministry of Budget and Ministry of Finance projection</p> <p>MTEF, EFU-FSP-BPS, 2025-2027, Ministry of Budget and Ministry of Finance projection</p> <p>MTEF, EFU-FSP-BPS, 2025-2027, Ministry of Budget and Ministry of Finance projection</p> <p>MTEF, EFU-FSP-BPS, 2025-2027, Ministry of Budget and Ministry of Finance projection</p> <p>External Financing Agreement, Borrowing Terms Sheet</p> <p>2025 Approved Budget &amp; EFU-FSP-BPS, 2025-2027 bilateral partner agreement</p> <p>2025 Approved Budget &amp; EFU-FSP-BPS, 2025-2027</p>
<b>Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S3</b>	<p><b>Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S3</b></p> <p><b>New Domestic Financing in Million Naira</b></p> <p>Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans)</p> <p>Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans)</p> <p>State Bonds (maturity 1 to 5 years)</p> <p>State Bonds (maturity 6 years or longer)</p> <p>Other Domestic Financing</p> <p><b>New External Financing in Million US Dollar</b></p> <p>External Financing - Concessional Loans (e.g., World Bank, African Development Bank)</p> <p>External Financing - Bilateral Loans</p> <p>Other External Financing</p>	<p><b>20 billion was projected in 2027 and 39 billion in 2031</b> to meet short-term funding needs. Disbursement aligned with fiscal deficit. Interest: 35%, Maturity: 4 years, Grace: 1 year.</p> <p><b>The sum of 25 billion was assumed in 2027.</b> Used for infrastructure financing. Interest: 32%, Maturity: 10 years, Grace: 1 year. Bullet repayment.</p> <p><b>The sum of 43.2 billion was planned to be borrowed in 2025, 29 billion in 2026 35.9 billion in 2030, 79 billion and 118 billion in 2033 and 2034</b></p> <p><b>Main financing instrument in 2028-2034</b> to support infrastructure and refinance maturing debt. Assumed terms: Interest: 22%, Maturity: 7 years, Grace: 0 years.</p> <p><b>No other domestic instruments assumed.</b></p> <p><b>No external concessional borrowing assumed under Strategy 3.</b> Focus is purely domestic.</p> <p><b>None projected.</b> Government aims to avoid FX exposure.</p> <p><b>No borrowing planned.</b></p>	<p>MTEF, EFU-FSP-BPS, 2025-2027, Ministry of Budget and Ministry of Finance projection</p> <p>MTEF, EFU-FSP-BPS, 2025-2027, Ministry of Budget and Ministry of Finance projection</p> <p>MTEF, EFU-FSP-BPS, 2025-2027, Ministry of Budget and Ministry of Finance projection</p> <p>MTEF, EFU-FSP-BPS, 2025-2027, Ministry of Budget and Ministry of Finance projection</p> <p>MTEF, EFU-FSP-BPS, 2025-2027, Ministry of Budget and Ministry of Finance projection</p> <p>External Financing Agreement, Borrowing Terms Sheet</p> <p>2025 Approved Budget &amp; EFU-FSP-BPS, 2025-2027 bilateral partner agreement</p> <p>2025 Approved Budget &amp; EFU-FSP-BPS, 2025-2027</p>
<b>Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S4</b>	<p><b>Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S4</b></p> <p><b>New Domestic Financing in Million Naira</b></p> <p>Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans)</p> <p>Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans)</p> <p>State Bonds (maturity 1 to 5 years)</p> <p>State Bonds (maturity 6 years or longer)</p> <p>Other Domestic Financing</p> <p><b>New External Financing in Million US Dollar</b></p> <p>External Financing - Concessional Loans (e.g., World Bank, African Development Bank)</p> <p>External Financing - Bilateral Loans</p> <p>Other External Financing</p>	<p><b>Projected based on fiscal financing needs and past trends.</b> Assumed disbursements annually 2025-2027 and again in 2031-2033. Interest rate: 35%, maturity: 4 years, grace: 1 year.</p> <p><b>Very limited usage in 2032 only (N10 billion).</b> Used for select infrastructure projects. Interest 32%, Maturity 10 years, Grace 1 year. Bullet repayment.</p> <p><b>Issued from 2028-2029-2030</b> with the sum of 59.3 billion, 61.3 billion and 62.3 billion to diversify borrowing and reduce interest burden. Interest 19%, Maturity 5 years, G</p> <p><b>Major financing option from 2031 to 2034</b> with the sum of 73.9 billion and 169 billion with interest of 22%, Maturity 7 years, Grace 1 year. Supports infrastructure, refin</p> <p><b>No borrowing planned.</b></p> <p><b>No borrowing planned.</b></p> <p><b>No borrowing planned.</b></p> <p><b>No borrowing planned.</b></p>	<p>MTEF, EFU-FSP-BPS, 2025-2027, Ministry of Budget and Ministry of Finance projection</p> <p>MTEF, EFU-FSP-BPS, 2025-2027, Ministry of Budget and Ministry of Finance projection</p> <p>MTEF, EFU-FSP-BPS, 2025-2027, Ministry of Budget and Ministry of Finance projection</p> <p>MTEF, EFU-FSP-BPS, 2025-2027, Ministry of Budget and Ministry of Finance projection</p> <p>MTEF, EFU-FSP-BPS, 2025-2027, Ministry of Budget and Ministry of Finance projection</p> <p>External Financing Agreement, Borrowing Terms Sheet</p> <p>2025 Approved Budget &amp; EFU-FSP-BPS, 2025-2027 bilateral partner agreement</p> <p>2025 Approved Budget &amp; EFU-FSP-BPS, 2025-2027</p>

## ANNEXURES II

	Actuals					Projections									
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>BASELINE SCENARIO</b>															
<b>Economic Indicators</b>															
State GDP (at current prices)	910,479.66	1,039,291.76	1,194,466.59	1,383,707.09	1,634,394.74	1,901,054.17	2,180,465.62	2,505,908.87	2,904,108.40	3,231,183.60	3,595,095.66	3,999,993.31	4,450,492.55	4,951,729.28	5,509,417.79
Exchange Rate NGN/US\$ (end-Period)	305.80	306.50	326.00	379.00	1,535.00	1,602.69	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00
<b>Fiscal Indicators (Million Naira)</b>															
<b>Revenue</b>	<b>101,729.00</b>	<b>111,303.00</b>	<b>127,007.00</b>	<b>153,536.00</b>	<b>280,180.00</b>	<b>317,077.24</b>	<b>296,572.11</b>	<b>297,627.49</b>	<b>333,390.91</b>	<b>357,351.68</b>	<b>381,497.71</b>	<b>409,658.67</b>	<b>419,397.14</b>	<b>456,292.98</b>	<b>502,072.08</b>
1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT Allocation here)	33,838.00	34,356.00	36,681.00	30,934.00	155,944.00	26,902.00	24,289.00	22,412.00	35,000.00	40,000.00	40,800.00	41,616.00	42,448.32	43,297.29	45,000.00
1.a. of which Net Statutory Allocation ('net' means of deductions)	32,644.00	29,486.00	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
1.b. of which Deductions	1,194.00	4,870.00	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)	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. Other FAAC transfers (exchange rate gain, augmentation, others)	4,155.00	3,611.00	12,425.00	27,389.00	0.00	112,233.00	113,917.00	115,625.00	127,187.50	137,362.50	148,351.50	160,219.62	160,000.00	186,880.16	190,000.00
4. VAT Allocation	13,396.00	19,968.00	23,684.00	30,903.00	60,358.00	47,613.00	60,110.00	75,037.00	76,000.00	84,921.45	99,358.10	116,248.97	117,000.00	118,000.00	120,000.00
5. IGR	6,833.00	8,492.00	10,117.00	11,195.00	11,230.00	14,562.00	16,631.00	18,970.00	19,000.00	19,000.00	22,000.00	22,000.00	23,000.00	24,000.00	24,000.00
6. Capital Receipts	43,507.00	44,876.00	44,100.00	53,115.00	52,648.00	115,767.24	81,625.11	65,583.49	76,203.41	76,067.73	70,988.12	69,574.07	76,948.82	84,115.53	123,072.08
6.a. Grants	9,998.00	9,917.00	4,566.00	26,450.00	24,650.00	22,500.00	22,500.00	23,000.00	23,000.00	25,000.00	25,000.00	25,500.00	26,000.00	5,000.00	5,000.00
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	6,500.00	0.00	0.00	0.00	17,826.00	50,000.00	30,000.00	0.00	20,000.00	25,000.00	10,000.00	5,000.00	0.00	0.00	0.00
6.d. Proceeds from Debt-Creating Borrowings (bond issuance, loan disbursements, etc.)	27,009.00	34,959.00	39,534.00	15,667.00	10,172.00	43,267.24	29,125.11	42,583.49	33,203.41	26,067.73	35,988.12	39,074.07	50,948.82	79,115.53	118,072.08
<b>Expenditure</b>	<b>90,197.21</b>	<b>117,456.29</b>	<b>133,367.00</b>	<b>147,429.00</b>	<b>282,926.00</b>	<b>318,456.24</b>	<b>296,572.11</b>	<b>297,627.49</b>	<b>333,390.91</b>	<b>357,351.68</b>	<b>381,497.71</b>	<b>403,658.67</b>	<b>425,397.14</b>	<b>456,292.98</b>	<b>502,072.08</b>
1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	26,274.00	28,880.00	34,381.00	38,817.00	47,951.00	64,119.00	66,147.00	69,454.00	70,148.54	70,850.03	71,558.53	74,000.00	72,996.85	74,000.00	80,000.00
2. Overhead costs	13,927.00	25,786.00	20,504.00	31,413.00	63,803.00	58,191.00	58,953.00	60,132.00	61,000.00	61,000.00	61,610.00	65,000.00	65,000.00	65,000.00	70,000.00
3. Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)	2,515.67	5,410.90	9,327.00	6,817.00	6,231.00	4,528.96	12,136.91	16,510.48	28,204.93	31,554.10	30,320.26	29,342.92	36,380.40	42,903.46	48,691.09
3.a. of which Interest Payments (Public Debt Charges, excluding interests deducted from FAAC Allocation)	2,239.00	4,399.17	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	276.67	1,011.73	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 Interest Payments)	7,576.00	4,837.00	5,621.00	11,031.00	2,943.00	4,287.00	4,475.00	4,565.00	8,317.35	8,400.52	9,000.00	10,000.00	8,655.07	9,000.00	9,500.00
5. Capital Expenditure	37,165.00	44,421.00	32,931.00	50,507.00	151,790.00	175,342.00	144,902.00	129,121.00	140,000.00	150,000.00	172,000.00	198,000.00	220,000.00	230,000.00	250,000.00
6. Amortization (principal) payments	2,739.54	8,121.39	30,603.00	8,844.00	10,208.00	11,988.28	9,958.20	17,845.01	25,720.09	35,547.03	37,008.93	27,315.74	22,364.82	35,389.52	43,880.99
<b>Budget Balance ('+' means surplus, '-' means deficit)</b>	<b>11,531.79</b>	<b>-6,153.29</b>	<b>-6,360.00</b>	<b>6,107.00</b>	<b>-2,746.00</b>	<b>-1,379.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6,000.00</b>	<b>-6,000.00</b>	<b>0.00</b>	<b>0.00</b>
Opening Cash and Bank Balance	3,999.21	15,531.00	9,377.70	3,018.00	9,125.00	6,379.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	11,000.00	5,000.00	5,000.00
Closing Cash and Bank Balance	15,531.00	9,377.71	3,018.00	9,125.00	6,379.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	11,000.00	5,000.00	5,000.00	5,000.00

**Financing Needs and Sources (Million Naira)**

<b>Financing Needs</b>	<b>93,267.24</b>	<b>59,125.11</b>	<b>42,583.49</b>	<b>53,203.41</b>	<b>51,067.73</b>	<b>45,988.12</b>	<b>44,074.07</b>	<b>50,948.82</b>	<b>79,115.53</b>	<b>118,072.08</b>
i. Primary balance	-78,129.00	-37,030.00	-8,228.00	721.61	16,033.40	21,341.07	18,584.59	1,796.40	-822.55	-25,500.00
ii. Debt service	16,517.24	22,095.11	34,355.49	53,925.02	67,101.13	67,329.19	56,658.67	58,745.22	78,292.98	92,572.08
Amortizations	11,988.28	9,958.20	17,845.01	25,720.09	35,547.03	37,008.93	27,315.74	22,364.82	35,389.52	43,880.99
Interests	4,528.96	12,136.91	16,510.48	28,204.93	31,554.10	30,320.26	29,342.92	36,380.40	42,903.46	48,691.09
iii. Financing Needs Other than Amortization Payments (e.g., Variation in Cash and Bank Balances)	-1,379.00	0.00	0.00	0.00	0.00	0.00	6,000.00	-6,000.00	0.00	0.00
<b>Financing Sources</b>	<b>93,267.24</b>	<b>59,125.11</b>	<b>42,583.49</b>	<b>53,203.41</b>	<b>51,067.73</b>	<b>45,988.12</b>	<b>44,074.07</b>	<b>50,948.82</b>	<b>79,115.53</b>	<b>118,072.08</b>
i. Financing Sources Other than Borrowing	50,000.00	30,000.00	0.00	20,000.00	25,000.00	10,000.00	5,000.00	0.00	0.00	0.00
ii. Gross Borrowings	43,267.24	29,125.11	42,583.49	33,203.41	26,067.73	35,988.12	39,074.07	50,948.82	79,115.53	118,072.08
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	0.00	0.00	20,000.00	0.00	0.00	0.00	39,074.07	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	22,583.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
State Bonds (maturity 1 to 5 years)	43,267.24	29,125.11	0.00	0.00	0.00	35,988.12	0.00	0.00	79,115.53	118,072.08
State Bonds (maturity 6 years or longer)	0.00	0.00	0.00	33,203.41	26,067.73	0.00	0.00	50,948.82	0.00	0.00
Other Domestic Financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
External Financing - Bilateral Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other External Financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Residual Financing	0.00	0.00	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**Debt Stocks and Flows (Million Naira)**

<b>Debt (stock)</b>	<b>62,969.70</b>	<b>90,047.41</b>	<b>99,064.00</b>	<b>108,591.50</b>	<b>73,496.50</b>	<b>106,108.95</b>	<b>121,424.74</b>	<b>146,163.22</b>	<b>153,646.54</b>	<b>144,167.25</b>	<b>143,146.43</b>	<b>154,904.76</b>	<b>183,488.76</b>	<b>227,214.77</b>	<b>301,405.86</b>
External	8,103.70	7,587.41	7,335.00	8,148.50	30,239.50	30,451.11	25,760.00	24,780.00	23,800.00	22,820.00	21,840.00	20,860.00	19,880.00	18,900.00	17,920.00
Domestic	54,866.00	82,460.00	91,729.00	100,443.00	43,257.00	75,657.84	95,664.74	121,383.22	129,846.54	121,347.25	121,306.43	134,044.76	163,608.76	208,314.77	283,485.86
<b>Gross borrowing (flow)</b>						<b>43,267.24</b>	<b>29,125.11</b>	<b>42,583.49</b>	<b>33,203.41</b>	<b>26,067.73</b>	<b>35,988.12</b>	<b>39,074.07</b>	<b>50,948.82</b>	<b>79,115.53</b>	<b>118,072.08</b>
External						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Domestic						43,267.24	29,125.11	42,583.49	33,203.41	26,067.73	35,988.12	39,074.07	50,948.82	79,115.53	118,072.08
<b>Amortizations (flow)</b>	<b>2,525.13</b>	<b>9,276.74</b>	<b>13,846.40</b>	<b>8,464.08</b>	<b>11,740.25</b>	<b>11,988.28</b>	<b>9,958.20</b>	<b>17,845.01</b>	<b>25,720.09</b>	<b>35,547.03</b>	<b>37,008.93</b>	<b>27,315.74</b>	<b>22,364.82</b>	<b>35,389.52</b>	<b>43,880.99</b>
External	165.13	188.74	293.40	238.08	964.25	1,121.88	840.00	980.00	980.00	980.00	980.00	980.00	980.00	980.00	980.00
Domestic	2,360.00	9,088.00	13,553.00	8,226.00	10,776.00	10,866.40	9,118.20	16,865.01	24,740.09	34,567.03	36,028.93	26,335.74	21,384.82	34,409.52	42,900.99
<b>Interests (flow)</b>	<b>2,462.23</b>	<b>5,347.66</b>	<b>7,845.60</b>	<b>7,134.27</b>	<b>7,221.55</b>	<b>4,528.96</b>	<b>12,136.91</b>	<b>16,510.48</b>	<b>28,204.93</b>	<b>31,554.10</b>	<b>30,320.26</b>	<b>29,342.92</b>	<b>36,380.40</b>	<b>42,903.46</b>	<b>48,691.09</b>
External	223.23	266.66	32.60	428.27	1,734.55	1,450.96	1,280.13	1,292.93	1,305.86	1,318.92	1,332.11	1,345.43	1,400.00	1,400.00	1,400.00
Domestic	2,239.00	5,081.00	7,813.00	6,706.00	5,487.00	3,078.00	10,856.78	15,217.55	26,899.07	30,235.18	28,988.15	27,997.49	34,980.40	41,503.46	47,291.09
<b>Net borrowing (gross borrowing minus amortizations)</b>						<b>31,278.96</b>	<b>19,166.91</b>	<b>24,738.48</b>	<b>7,483.32</b>	<b>-9,479.30</b>	<b>-1,020.81</b>	<b>11,758.33</b>	<b>28,584.00</b>	<b>43,726.01</b>	<b>74,191.09</b>
External						-1,121.88	-840.00	-980.00	-980.00	-980.00	-980.00	-980.00	-980.00	-980.00	-980.00
Domestic						32,400.84	20,006.91	25,718.48	8,463.32	-8,499.30	-40.81	12,738.33	29,564.00	44,706.01	75,171.09

**Debt and Debt-Service Indicators**

Debt Stock as % of SGDP	6.92	8.66	8.29	7.85	4.50	5.58	5.57	5.83	5.29	4.46	3.98	3.87	4.12	4.59	5.47
Debt Stock as % of Revenue (including grants and excluding other capital receipts)	92.30	117.95	113.25	78.76	29.14	47.41	51.14	57.31	54.84	47.07	42.67	42.37	49.80	60.24	78.49
Debt Service as % of SGDP						0.87	1.01	1.37	1.86	2.08	1.87	1.42	1.32	1.58	1.68
Debt Service as % of Revenue (including grants and excluding other capital receipts)						7.38	9.31	13.47	19.25	21.91	20.07	15.50	15.94	20.76	24.11
Interest as % of SGDP						0.24	0.56	0.66	0.97	0.98	0.84	0.73	0.82	0.87	0.88
Interest as % of Revenue (including grants and excluding other capital receipts)						2.02	5.11	6.47	10.07	10.30	9.04	8.03	9.87	11.37	12.68
Personnel Cost as % of Revenue (including grants and excluding other capital receipts)						28.65	27.86	27.23	25.04	23.13	21.33	20.24	19.81	19.62	20.83

## LIST OF PARTICIPANTS

1. **Ahmed Ibrahim Jajere** – Director Final Accounts
2. **Mohammed Ibrahim (Rabi’u)** – Head of Debt Management Unit
3. **Tijjani Kachalla Goni** – Asst. chief Accountants
4. **Umar Abdu Umar** – Debt Management officer



**Mohammed Abatcha Geidam mni, FCNA**

Hon. Commissioner. Ministry of Finance  
Ministry of Finance  
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**Muhammad Ibrahim**

Head Debt Management Unit,  
Ministry of Finance