

YOBE STATE GOVERNMENT

**ECONOMIC AND FISCAL UPDATE (EFU),
FISCAL STRATEGY PAPER (FSP) AND
BUDGET POLICY STATEMENT (BPS)**

2022 – 2024

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Table of Contents

| | | |
|-------|---|----|
| 1 | Introduction and Background | 7 |
| 1.A | Introduction | 7 |
| 1.A.1 | Budget Process..... | 8 |
| 1.A.2 | Summary of Document Content | 11 |
| 1.A.3 | Preparation and Audience | 12 |
| 1.B | Background | 13 |
| 1.B.1 | Legislative and Institutional arrangement for PFM | 13 |
| 2 | Economic and Fiscal Update | 16 |
| 2.A | Economic Overview..... | 16 |
| 2.A.1 | Global Economy | 16 |
| 2.A.2 | Africa | 18 |
| 2.A.3 | Nigerian Economy | 20 |
| 2.A.4 | Yobe State Economy | 22 |
| 2.B | Fiscal Update | 24 |
| 2.B.1 | Historic Trends | 24 |
| 2.B.2 | Debt Position..... | 39 |
| 3 | Fiscal Strategy Paper | 40 |
| 3.A | Macroeconomic Framework | 40 |
| 3.B | Fiscal Strategy and Assumptions..... | 40 |
| 3.C | Indicative Three-Year Fiscal Framework..... | 41 |
| 3.C.1 | Assumptions..... | 43 |
| 3.C.2 | Fiscal Trends..... | 44 |
| 3.D | Fiscal Risks..... | 46 |
| 4 | Budget Policy Statement..... | 47 |
| 4.A | Budget Policy Thrust | 47 |
| 4.B | Sector Allocations (3 Year) | 47 |
| 4.C | Considerations for the Annual Budget Process..... | 49 |
| 5 | Summary of Key Points and Recommendations..... | 50 |

List of Figures

| | |
|--|----|
| Figure 1: MTEF Process..... | 11 |
| Figure 2: Statutory Allocation..... | 24 |
| Figure 3: VAT..... | 25 |
| Figure 4: IGR | 26 |
| Figure 5: Excess Crude | 27 |
| Figure 6: Grants | 28 |
| Figure 7: Other Capital Receipts..... | 29 |
| Figure 8: Loans/Financing..... | 30 |
| Figure 9: Personnel..... | 31 |
| Figure 10: Social Contributions and Social Benefits | 32 |
| Figure 11: Overheads..... | 33 |
| Figure 12: Grants, Contributions, Subsidies, Transfers | 34 |
| Figure 13: Public Debt Service | 35 |
| Figure 14: Capital Expenditure | 36 |
| Figure 15: Recurrent: Capital Expenditure Ratio..... | 37 |
| Figure 16: Sector Expenditure Trend..... | 37 |
| Figure 17: Yobe State Macroeconomic Framework | 40 |
| Figure 18: Yobe State Revenue Trend | 44 |
| Figure 19: Yobe State Expenditure Trend..... | 45 |
| Figure 20: Sector Allocations (proposed 2022-2024)..... | 47 |

List of Tables

| | |
|---|----|
| Table 1: Budget Calendar | 15 |
| Table 2: Real GDP Growth - Selected Countries..... | 16 |
| Table 3: Inflation (CPI) - Selected Countries..... | 17 |
| Table 4: Nigeria Key Macroeconomic Indicators..... | 20 |
| Table 5: Debt Position as at 31st December 2020 | 39 |
| Table 6: Yobe State Medium Term Fiscal Framework..... | 41 |
| Table 7: Fiscal Risks..... | 46 |
| Table 8: Indicative Sector Expenditure Ceilings 2022-2024 | 47 |

List of Abbreviations

| | |
|--------|---|
| BIR | Board of Internal Revenue |
| BPP | Bureau of Public Procurement |
| BRINCS | Brazil, Russia, India, Nigeria, China, South Africa |
| CBN | Central Bank of Nigeria |
| CRF | Consolidated Revenue Fund |
| DMO | Debt Management Office |
| EFU | Economic and Fiscal Update |
| ExCo | Executive Council |
| FAAC | Federal Allocation Accounts Committee |
| FRB | Fiscal Responsibility Board |
| FSP | Fiscal Strategy Paper |
| GDP | Gross Domestic Product |
| HRM | Human Resource Management |
| IGR | Internally Generated Revenue |
| IMF | International Monetary Fund |
| MDA | Ministry, Department and Agencies |
| MINT | Mexico, Indonesia, Nigeria and Turkey |
| MoBEP | Ministry of Budget & Economic Planning |
| MoF | Ministry of Finance |
| MTBF | Medium Term Budget Framework |
| MTEF | Medium Term Expenditure Framework |
| MTFF | Medium Term Fiscal Framework |
| MTSS | Medium Term Sector Strategy |
| NBS | National Bureau of Statistics |
| NNPC | Nigerian National Petroleum Company |
| NYCSO | Network of Yobe Civil Society Organisations |
| PFM | Public Financial Management |
| PITA | Personal Income Tax Act |
| PMS | Premium Petroleum Spirit |
| SHoA | State House of Assembly |
| VAT | Value Added Tax |
| WEO | World Economic Outlook |
| YBSG | Yobe State Government |

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All praises are due to ALLAH (SAW) the Lord of the worlds, who has spared our lives to witness the production of the State Medium Term Expenditure Framework (MTEF) covering the period 2022 – 2024.

First and foremost, the state must acknowledge the support being received from numerous National and International Development Partners in the area of public financial management reforms. Similarly, the State should note with appreciation, the efforts of DFID SPARC in providing support to the state with the Economic and Fiscal Update, Fiscal Strategy Paper and Budget Policy Statement (EFU, FSP, BPS) template and its extensive training to the staff of the Ministry of Budget and Economic Planning and that of Ministry of Finance on the use of the template for sustainability.

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Alh. Modu Maáji Ajiri mni
Permanent Secretary
Ministry of Budget & Economic Planning


Foreword

The Yobe State Medium Term Expenditure Framework and Fiscal Strategy Paper (MTEF/FSP) 2022 – 2024 provides estimates and projections that guide annual budget planning and fiscal management over a three-year period.

The fundamental objective of government in preparing a budget is to ensure that resource allocation is prioritized in a manner that ensures that funds reach where they are required most. Budgets are tools that the government employs to drive economic policies aimed at uplifting underprivileged sections of the society, facilitating financial inclusion, providing proper educational and health facilities and other critical infrastructural development. This underscores the utmost importance government attaches to the preparation, implementation and monitoring of well-planned annual budgets.

In compliance with the provisions of the state fiscal responsibility law 2016, Yobe state prepares the MTEF/FSP to encapsulate the policy thrust behind government's revenue and expenditure estimates. The document highlights revenue projections, expenditure plans and fiscal targets over the medium term based on a reliable and consistent fiscal outlook.

This MTEP/FSP is not simply an internally draft blueprint, but rather a framework that has been informed by a process, broad-based dialogue with all PFM core group MDAs, relevant stakeholders and indeed the general public through their representatives in the Network for Yobe State Civil Society Organizations.



Hon. Muhammad Garba Gagiyo
Honourable Commissioner
Ministry of Budget and Economic Planning

1 Introduction and Background

1.A Introduction

1. The Economic and Fiscal Update (EFU) provides economic and fiscal analyses which form the basis for budget planning process. The Medium-Term Expenditure Framework and Fiscal Strategy Paper (MTEF & FSP) is a major feature of the annual budget preparation cycle. It provides the basic structure for the estimates and assumptions that underlie the annual budgets. It is aimed primarily at policy makers and decision takers in Yobe State Government to facilitate greater budgetary predictability for line ministries, improved allocative efficiency, more efficient, transparent, prudence and judicious use of public funds. Integrating the top-down resource envelope projection with the bottom-up sectoral programme expenditure estimation ensures that the policy making, planning, and budgeting processes are linked and developed into a body of consistent goals to be achieved within a three-year period.
2. The EFU also provides an assessment of budget performance (both historical and current) and identifies significant factors affecting implementation. Fiscal Strategy Paper (FSP) and Budget Policy Statement (BPS) On the other hand, are key elements in Medium Term Expenditure Framework (MTEF) and annual budget process, and as such, they determine the resources available to fund Government projects and programmes from a fiscally sustainable perspective.
3. Yobe State Government decided to adopt the preparation of the EFU-FSP-BPS for the first time in 2015 as part of the movement toward a comprehensive MTEF process. This is the 7th rolling iteration of the document and covers the period 2022 -2024. In developing this MTEF & FSP, the broad strategic objectives of government for various sectors have been given extensive consideration. The expenditure framework reflects the resource constraints, government policies, and sector priorities within which decisions are made to maximize socioeconomic outcomes. It will also make public expenditures more efficient and effective, essentially by giving MDAs greater flexibility in managing their budgets in the context of hard budget constraints and stipulatory policies and programmes.
4. The MTEF, FSP & BPS will further serve as a yardstick to MDAs in the formulation of their medium-term sector strategies, by prioritising projects and programmes that will ensure economic growth and development. It will also provide further stimulus for the ongoing drive to accelerate investment in critical infrastructures and human capital, boosting our internal revenue based and reduce overdependence on Federal Allocations. This will further encapsulate government's plan to accelerate economic growth and recovery processes, promote social inclusion, sustained its open-door policy and participatory governance, strengthen resilience of the economy, and completion of all ongoing developmental projects and programmes that have direct bearing on the life of the common man.

1.A.1 Budget Process

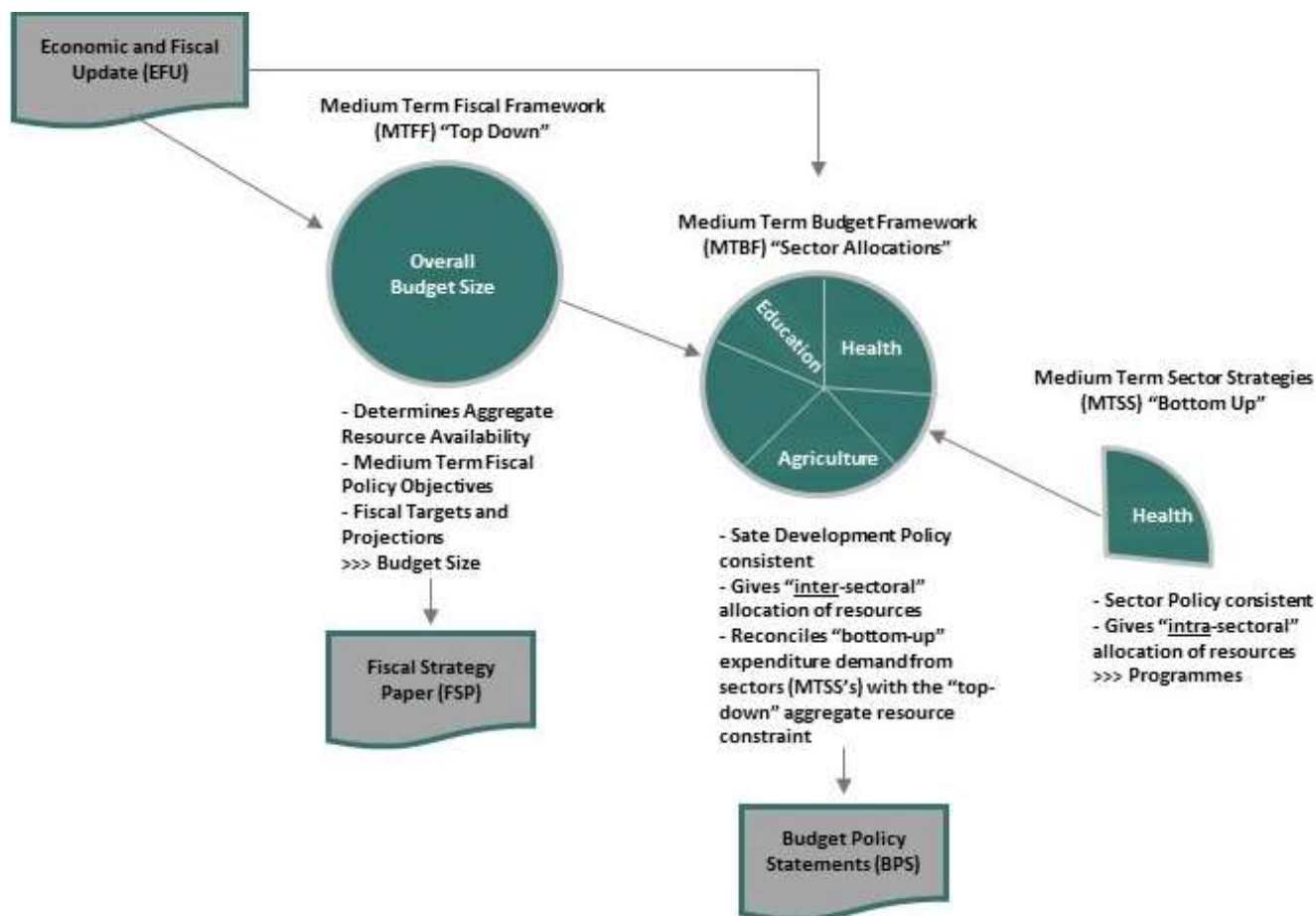
5. The budget plays a significant role in the process of government’s efforts in fulfilling its economic, political, legal and managerial functions. Therefore, a good budget process is a tool that enables government to channel expenditure towards those areas that make the greatest contribution to its objectives.
6. The formal budget preparation process starts with the issuance of the annual budget call circular (BCC) by MoBEP to all MDAs of government. In principle, the call circular should include the following which have already been developed and agreed at the Strategic Planning stage:
 - Economic and fiscal outlook of Nigeria (particularly Yobe State) for the fiscal year;
 - Aggregate spending limit for the year;
 - A summary of State Budget Policy Statement;
 - Government-wide priorities (providing budget policy thrust, priorities, etc.);
 - Explanations and guidelines on downloading projects and programmes in YOSERA and MTSSs;
 - Sectors/MDAs Ceilings;
 - Form and format the budget estimates would take;
 - Input spending boundaries (e.g. capital versus recurrent and personnel versus overhead costs);
 - Guidelines for preparing recurrent expenditure (particularly personnel costs);
 - Budget Classification and Chart of Accounts (BC & CoA);
 - Instructions for completing the budget forms; and
 - Detailed time table for submission of proposal and defense.
7. Budget processes have six generic iterative stages. The 6 (six) iterative stages, starts with the Policy Review, Strategic Planning, Budget Preparation and Budget Execution, Accountability and Monitoring up to Auditing of Annual Financial Statements.



8. The cycle continues year-in year-out. The budget process describes the budget cycle in a fiscal year. Its conception is informed by the MTEF process which has three components namely:
 - i. Medium Term Fiscal Framework (MTFF);
 - ii. Medium Term Budget Framework (MTBF);
 - iii. Medium Term Sector Strategies (MTSS).
9. The MTEF is an annual three-year expenditure rolling plan that sets out the medium-term expenditure priorities and hard budget constraints against which sector plans and budget will be developed and refined. It is a multi-year (three-year) budget, which provides: a top-down estimate of total resources available for public spending; a bottom-up costing of sector programmes; a reconciliation of needs with resource allocated to sectors; a process to ensure that annual budget submissions and budget execution reflect agreed medium term plans.
10. The MTEF establishes realistic macroeconomic projections of total available resources and sector ceilings/resource envelopes consistent with available resources and government policy priorities for the medium-term period. The MTEF also disaggregates sector envelopes to guide the preparation of budget proposals based on available resources.
11. The MTSS is thus a road map that combines ambition and realism, and clearly plots priorities, deliverables and costs. It shows the chain of results that will achieve policy goals. The MTSS process involves getting the spending agencies within a sector to articulate their medium-term goals and objectives against the background of the overall goals of the YOSERA; identify and document key initiatives being embarked upon to achieve their goals and objectives (i.e. their key projects and programs); cost these initiatives, prioritize and phase the initiatives over a three year period; define the expected outcomes of the initiatives in clear measurable terms; and link expected outcomes to their objectives and goals. The State Development Plan - Yobe State Socio-Economic Reform Agenda (YOSERA) defines economic targets, policy road map and goals while the MTSS set out specific inputs and activities to deliver specific outputs in the YOSERA.
12. The MTBF are the fiscal arrangements that allow government to extend the horizon for fiscal policy making beyond the annual budgetary provision calendar. Although, the approval of the annual budget remains the key step in which important decisions on budgetary policy are adopted, most fiscal measures have budgetary implications that go well beyond the usual yearly budgetary cycle. MTBF is developed in two stages a) the first stage aimed at ensuring aggregate fiscal discipline and the sustainability of the budget policies, through preparation of MTEF. The MTBF should be based on realistic revenue forecasts. Its preparation should involve the sections responsible for macroeconomic management, budgeting and revenue management; b) the second stage focuses on intersectoral resource allocation, through preparation of an MTBF consisting of future expenditure estimates aggregated by sector or ministry, referred to as sector ceilings.

13. It commences with the conception through preparation, execution, control, monitoring and evaluation and goes back again to conception for the ensuing year's budget. The budget principles of Yobe State Government is based on the following:
- ❖ The budget must encompass all the fiscal operations of Yobe State Government and must also enforce policy decisions having financial implications to be made against the background of a hard budget constraint and in competition with other demands;
 - ❖ The total amount of money the Government spends should be closely aligned to what is affordable over the medium term, and in tune with the annual budget. Therefore, a budget derived from dispassionate projections of both revenue and expenditure;
 - ❖ The Government expenditures should reflect government priorities as articulated in the development plan (and similar policy documents) and operationalised in the medium-term sector strategies. Therefore, Government resources will be allocated to only activities with clear outputs and service delivery contributing to the attainment of the targets set by the Government in the development plans and/or medium-term strategies;
 - ❖ The resources allocated to each organisational level should be utilised in efficient and effective manner to produce intended results at least cost and best quality; and
 - ❖ The development plans, sector strategies and costing, assumptions and basis for fiscal forecasts, and financial performance reports be accessible, clear and communicated to the wider community for their input. Also, decision makers both members of Executive Council (ExCo) and SHoA have all relevant fiscal information before them when they make decisions.
14. There are various activities to be performed in each stage of the annual budget process. Each activity or sub-activity must be performed by a government entity within a fixed timeline for the Appropriation Bill to be approved by the SHoA before the start of the fiscal year.
15. The MTEF process is summarised Figure 1.

Figure 1: MTEF Process



1.A.2 Summary of Document Content

16. In accordance with international best practice in budgeting, the production of a combined Economic and Fiscal Update (EFU), Fiscal Strategy Paper (FSP) and Budget Policy Statement (BPS) is the first step in the budget preparation cycle for Yobe State Government (YBSG) for the period 2022-2024.
17. The purpose of this document is three-fold:
 - i. To provide a backwards looking summary of key economic and fiscal trends that will affect the public expenditure in the future - Economic and Fiscal Update;
 - ii. To set out medium term fiscal objectives and targets, including tax policy; revenue mobilisation; level of public expenditure; deficit financing and public debt - Fiscal Strategy Paper and MTFF; and
 - iii. Provide indicative sector envelopes for the period 2022-2024 which constitute the MTBF.

18. The EFU is presented in Section 2 of this document. The EFU provides economic and fiscal analysis in order to inform the budget planning process. It is aimed primarily at budget policy makers and decision takers in the Yobe State Government. The EFU also provides an assessment of budget performance (both historical and current) and identifies significant factors affecting implementation. It includes:
 - Overview of Global, National and State Economic Performance;
 - Overview of the Petroleum Sector;
 - Trends in budget performance over the last six years.
19. The FSP is a key element in the YBSG Medium Term Expenditure Framework (MTEF) process and annual budget process. As such, it determines the resources available to fund the Government's growth and poverty reduction programme from a fiscally sustainable perspective.

1.A.3 Preparation and Audience

20. The purpose of this document is to provide an informed basis for the 2022-2024 budget preparation cycle for all of the key Stakeholders, specifically:
 - The State House of Assembly (SHoA);
 - The State Executive Council (ExCo);
 - Ministry of Finance;
 - All Government Ministries, Departments and Agencies (MDA's);
 - Network of Yobe Civil Society Organisation (NYCSO).
21. The document is prepared within in the first two quarters of the year prior to the annual budget preparation period. It is prepared by Yobe State Government (EFU-FSP-BPS) Working Group using data collected from various sources both local and International.

1.B Background

1.B.1 Legislative and Institutional arrangement for PFM¹

22. Financial Regulations are made to guide and regulate the actions of executives in order to enable decisions to be rational and non-personal. The objectives of financial management, whether in the public or private sector, include the utilization of available resources in the most efficient manner. In order to achieve these objectives, it is necessary to formulate a good accounting system, and to evolve financial regulations, which will enhance greater accountability.
23. The main legal provision guiding PFM at all levels in Nigeria is the 1999 constitution. The constitution stipulates how funds should be kept and the conditions for spending; payment of revenue into the Federation Account and the Consolidated Revenue Fund. The constitution also provides for establishment of the consolidated revenue fund of the state, authorization of expenditure from the consolidated revenue fund (i.e., preparation of budget and appropriation by the SHoA. It also specifies the institutions that are involved in PFM and the Audit of Public Accounts.
24. The Financial Regulations are accounting and financial control documents. Specifically, they provide a body of guiding principles as well as a number of methods or uniformity in the recording of financial transactions, events and positions. As a body of rules, the Financial Regulations are generally expected to aid the achievement of probity and accountability in government. FR also comprises of codes of regulations made up of rules, which specify actions acceptable, and those deemed not acceptable in the handling of public finances.
25. Other legal provisions are the Annual Appropriation Law, the Supplementary Appropriation Law and the Commissioner of Finance/Accountant-General's periodic circulars in accordance with the existing laws, the state Fiscal Responsibility and Public Procurement Laws 2016 among other laws.
26. The Institutional Framework for PFM in Yobe State comprised of the State Ministry of Finance being the coordinating agency and core assisted by the State Ministry of Budget and Economic Planning with membership drawn from the core PFM group, including State House of Assembly, Office of the Auditor General, Board of Internal Revenue, Fiscal Responsibility Board, representative of the Network of Yobe Civil Society Organisation among other stakeholders. Ministry of Budget and Economic Planning is at the apex of the planning and budgeting processes, reviewing the budget of all sectors in the State, in line with the State Government's policies and priorities, and collates monthly expenditure and revenue returns from MDAs.
27. The State Ministry of Finance has the responsibility for the management and control of state government finances. The Office of the Accountant-General of the state is the treasury department of the Ministry of Finance. The Office of the Accountant General is responsible for all accounting and internal audit functions of government; hence it

¹ Based on 2010 PEFA Assessment for Yobe State

posts all accounts and internal audit staff to the different ministries, departments and agencies (MDAs). The office is equally responsible for preparation of financial reports and banks/accounts reconciliation documents.

28. The State Ministry of Budget and Economic Planning is responsible for preparing the development plan of the state as well as formulating the budget policy for approval by the state executive council. The ministry coordinates all budget activities throughout the government. Budget estimates are submitted to the ministry for compilation and articulation and ultimate presentation to the legislature for approval.
29. The State Bureau of Public Procurement is the secretariat of the State Tenders Board, where Fiscal Responsibility Board is mandated to ensure check and balances concerning the in-flows and out-flows of public funds to ensure transparency, fiscal prudence, optimum and judicious utilisation of public funds in the state.
30. The office of the Auditor General for the state has the mandate to audit the public accounts of all offices and courts and submit reports to the legislature. The constitution stipulates that for that purposes the Auditor-General or any person authorized by him in that behalf shall have access to all the books, records, returns and other documents relating to those accounts.
31. The State House of Assembly has the power to approve the budget and pass into law the finance and appropriation law for each year. For this purpose, it has the Finance and Appropriation Committee that act as lead facilitator of budget process at the SHoA. The SHoA also has oversight functions over PFM and over other government activities which make it have the Public Accounts Committee which receives Auditor General's reports and the other committees which oversee the different MDAs. The State House of Assembly worked hand-in-hand with the CSOs, organises public hearings and stakeholders' consultations so as to ensure the inclusive governance and make sure that all yearnings and aspirations of the common man is been attended to.
32. Network of Yobe Civil Society Organisation help the state government implement projects and programmes that has direct bearing on the life of the common man, the CSOs are involved in the overall budget processes since from preparation to implementations, for this reasons citizen are expected to be tracking the budget implementation and advise government where appropriate.
33. Overview of Budget Calendar. The budget calendar provides the stages and the activities (and/or sub-activities), responsible entity or entities, and timeline (i.e., period for performing each activity or sub-activity).

34. Indicative Budget Calendar for Yobe State Government is presented Table 1:

Table 1: Budget Calendar

| | | |
|---|--------------|--|
| Annual Sector Performance Review | March to May | Sectors with support from Ministry of Budget and Economic Planning (MoBEP) |
| Preparation of Economic and Fiscal Update, Fiscal Strategy Paper & Budget Policy Statement (EFU-FSP-BPS) document | May to June | Budget Working Group (BWG) |
| Review and Roll-over of MTSSs | May to June | Sectors with support from MoBEP |
| Submission of EFU-FSP-BPS to ExCo for approval | July | MoBEP |
| Stakeholder Consultations (MDAs, Civil Society Organizations (CSOs), other stakeholders) | July | MoBEP after ExCo approval |
| Submission of EFU-FSP-BPS to SHoA | July | MoBEP |
| Issuance of Budget Call Circular | July | MoBEP |
| Preparation and Submission of MDA's Budget Proposals | September | MDAs |
| Bilateral Discussions and Defence | September | MoBEP |
| Consolidation of MDA's Proposals | October | MoBEP |
| ExCo review and approval of draft budget | October | ExCo |
| Presentation of proposed budget to SHoA | October | HE, The Governor |
| Budget defence by MDA's before SHoA | November | SHoA |
| Debate and approval of budget by SHoA | December | SHoA |
| Governor's assent | December | HE, The Governor |

2 Economic and Fiscal Update

2.A Economic Overview

2.A.1 Global Economy

35. Countries selected are chosen to represent G20, BRINCS, MINT, N-11, Petro-economies and other large African countries.

Table 2: Real GDP Growth - Selected Countries

| Country | Actual ² | | Forecast | |
|----------------|---------------------|------|----------|------|
| | 2019 | 2020 | 2021 | 2022 |
| Mexico | -0.2 | -8.3 | 6.3 | 4.2 |
| Indonesia | 5.0 | -2.1 | 3.9 | 5.9 |
| Turkey | 0.9 | 1.8 | 5.8 | 3.3 |
| United States | 2.2 | -3.5 | 7.0 | 4.9 |
| Germany | 0.6 | -4.8 | 3.6 | 4.1 |
| United Kingdom | 1.4 | -9.8 | 7.0 | 4.8 |
| China | 6.0 | 2.3 | 8.1 | 5.7 |
| Italy | 0.3 | -8.9 | 4.9 | 4.2 |
| South Africa | 0.2 | -7.0 | 4.0 | 2.2 |
| Brazil | 1.4 | -4.1 | 5.3 | 1.9 |

Source: IMF's World Economic Outlook, July 2021 Update.

36. Global GDP grows faster than baseline by just under $\frac{1}{2}$ percentage point in 2021, accelerating to almost 1 percentage point in 2022, but moderating sharply in 2023 to something very close to baseline. Advanced economy GDP growth is roughly $\frac{1}{2}$ percentage point above baseline in 2021, accelerating to more than 1 percentage point above baseline in 2022. Growth in emerging market and developing economy GDP is roughly $\frac{1}{4}$ percentage point above baseline in 2021, accelerating to $\frac{3}{4}$ percentage point above baseline in 2022. The faster recovery, combined with the associated unwinding of some of the scarring assumed in the baseline, leaves global output almost 1 percent above baseline by the end of the WEO horizon.
37. Unconventional monetary policy measures are assumed to prevent significant increases in sovereign rates. The lack of conventional monetary policy space and shrinking fiscal space limit policymakers' ability to respond further, and no additional discretionary fiscal measures are assumed. The weaker rebound in activity leads to more proportional scarring than assumed in the baseline, slowing the speed of bounce-back once vaccine availability and efficacy have improved sufficiently to allow mobility to return to pre-pandemic levels.

² IMF's World Economic Outlook, July 2021 Update

38. Global GDP growth slows by roughly 1½ percentage points more than in the baseline in 2021 and by a further 1 percentage point below baseline in 2022 before rebounding mildly above baseline in 2023 and thereafter. Growth in advanced and emerging market and developing economies suffers to about the same degree in 2021, but sharper tightening in financial conditions for vulnerable businesses in emerging market and developing economies means that their growth suffers more than growth in advanced economies in 2022. The much slower recovery leads to additional scarring and, combined with tighter financial conditions, results in output roughly 1½ percent below baseline by the end of the WEO horizon.

Table 3: Inflation (CPI) - Selected Countries

| Country | Actual | Forecast | |
|----------------|--------|----------|------|
| | 2020 | 2021 | 2022 |
| Mexico | 3.4 | 3.5 | 3.1 |
| Indonesia | 2.0 | 2.0 | 3.1 |
| Turkey | 12.3 | 13.6 | 11.8 |
| United States | 1.2 | 2.3 | 2.4 |
| Germany | 0.4 | 2.2 | 1.1 |
| United Kingdom | 0.9 | 1.5 | 1.9 |
| China | 2.4 | 1.2 | 1.9 |
| Italy | -0.1 | 0.8 | 0.9 |
| South Africa | 3.3 | 4.3 | 4.5 |
| Brazil | 3.2 | 4.6 | 4.0 |

Source: IMF's World Economic Outlook, July 2021 Update.

39. In most cases inflation should subside to its pre-pandemic ranges in 2022 once the transitory disturbances work their way through prices. This judgment rests on three pillars: even with diminished participation rates, labour market slack remains substantial (albeit with reported shortages and hiring difficulties in sectors such as hospitality and travel); inflation expectations are well anchored; and structural factors that have lowered the sensitivity of prices to changes in slack are still expected to operate as before (some have possibly intensified—for example, automation). However, inflation is expected to remain elevated into 2022 in some emerging market and developing economies, related in part to continued food price pressures and lagged passthrough from higher oil prices for importers. A key question for the outlook is how inflation expectations will evolve in this context.
40. Many factors are at work in this uncharted recovery from an unprecedented recession, including accelerating demand running up against temporary supply shortages and logistical bottlenecks; rising commodity prices; still-substantial fiscal support and accommodative monetary policy; and excess household savings that will likely be drawn down going forward with reopening.

41. Amid fears that these transitory pressures turn more persistent, the combination of these factors could cause an increase in medium-term inflation expectations (which for now appear to be anchored near central bank targets across most economies). Clear central bank communications on their interpretation of inflation drivers and on the monetary policy outlook will continue to be critical to shaping these expectations.
42. Uncertainty surrounding the global baseline remains high, primarily related to the prospects of emerging market and developing economies. Although growth could turn out to be stronger than projected, downside risks dominate in the near term.
43. Emerging market and developing economies in particular could face a double hit from tighter external financial conditions and the worsening health crisis, further widening the fault lines in the global recovery. Weaker growth would in turn further adversely affect debt dynamics and compound fiscal risks. Finally, social unrest, geopolitical tensions, cyberattacks on critical infrastructure, or weather-related natural disasters—which have increased in frequency and intensity due to climate change—could further weigh on the recovery.

2.A.2 Africa

44. Sub-Saharan Africa is still contending with an unprecedented health and economic crisis. In the months since the October 2020 Regional Economic Outlook: Sub-Saharan Africa, the region has confronted a second coronavirus (COVID-19) wave that swiftly outpaced the scale and speed of the first. While this episode has eased for now, many countries are bracing for further waves, particularly as access to vaccines remains scant. The COVID-19 crisis of 2020 was a truly global tragedy—affecting both wealthy and poor countries alike. The welcome global recovery in 2021, however, will be less even-handed.
45. Many advanced economies have secured enough vaccine doses to cover their own populations many times over and are looking to the second half of the year with a renewed sense of hope. In Africa, however, with limited purchasing power and few options, many countries will be struggling to simply vaccinate their essential frontline workers this year, and few will achieve widespread availability before 2023. Similarly, the recovery in advanced economies will be driven in large part by the extraordinary level of policy support, including trillions in fiscal stimulus and continued accommodation by central banks.
46. For countries in sub-Saharan Africa, however, this is generally not an option. If anything, most entered the second wave with depleted fiscal and monetary buffers. In this context, and despite a more buoyant external environment, sub-Saharan Africa will be the world's slowest growing region in 2021. The global economy improved more rapidly than expected in the second half of 2020, with spillovers to the region in the form of increased trade, higher commodity prices, and a resumption of capital inflows. Estimates now suggest that sub-Saharan Africa contracted by –1.9 percent in 2020.

47. This is better than anticipated last October (–3.0 percent) but is still the worst result on record. Looking ahead, the region will grow by 3.4 percent in 2021, up from 3.1 percent projected in October, and supported by improved exports and commodity prices, along with a recovery in both private consumption and investment. However, per capita output is not expected to return to 2019 levels until after 2022—in many countries, per capita incomes will not return to precrisis levels before 2025. As in October, the current outlook is still subject to greater-than-usual uncertainty, and risks remain dominated by the global pandemic.
48. Sub-Saharan Africa could well face repeated COVID-19 episodes before vaccines become widely available. Other key uncertainties include the availability of external finance (official and private), political instability, and the return of climate-related shocks, such as floods or droughts. More positively, an accelerated vaccine rollout—or a swift, cooperative, and equitable global distribution—could boost the region’s near-term prospects. During the height of the crisis, policy discussion was often tailored to different phases of the pandemic: immediate actions to save lives and livelihoods; near-term initiatives to secure a recovery once the acute phase of the crisis had passed; and then longer-term measures to build a more resilient and sustainable economy.
49. For sub-Saharan Africa, however, all these phases may overlap, leaving authorities in the position of trying to boost and rebuild their economies while simultaneously dealing with repeated outbreaks as they arise. The first priority is still to save lives. This will require added spending, not only to strengthen local health systems and containment efforts, but also to ensure that the logistical and administrative prerequisites for a vaccine rollout are in place. For most countries, the cost of vaccinating 60 percent of population will be sizable—representing an increase of up to 50 percent in existing health spending. The next priority is to do whatever is possible to support the economy. Ultimately, however, this will require restoring the health of public balance sheets. In the context of limited fiscal space, nationwide deficits are expected to narrow by just over 1½ percent of GDP in 2021, easing the average debt level back to about 56 percent of GDP.
50. Going forward, the general challenge for policymakers will be to create more fiscal space, through domestic revenue mobilization, prioritization and efficiency gains on spending, or perhaps debt management. Beyond specific revenue and spending measures, authorities can also maximize fiscal space by improving their fiscal frameworks—a medium term framework that credibly balances the need for short-term support with medium-term consolidation can contain borrowing costs and sustain confidence. On debt, seventeen countries were either in debt distress or at high risk of distress in 2020, one more than before the crisis—these countries include a number of small or fragile states, and represent about one-quarter of the region’s GDP, or 17 percent of the region’s debt stock.

2.A.3 Nigerian Economy³

Macroeconomic

51. The Nigerian economy is expected to grow by 2.5 percent in 2021—boosted by higher oil values and production and a broad-based recovery in the non-oil sectors. Over the medium term, the global shift to greener energy will continue to weigh on oil production, while non-oil growth will likely remain sluggish without a determined effort to address Nigeria’s long-standing structural weaknesses, including infrastructure and human-capital bottlenecks, and weak policies and governance. The economy sustained a tepid recovery in first quarter of 2021 posting a Year-on-Year (YoY) GDP growth of 0.51%, consolidating the exit from recession in Q4 2020, and reflecting the easing of COVID19 induced restrictions.
52. The growth was driven by the non-oil sector, which rose by 0.79% YoY masking the deterioration in oil GDP (-2.21% YoY). Sectoral growth in non-oil GDP growth was primarily in telecommunication and agriculture sectors recording 7.69% and 2.28% YoY growth, respectively. Manufacturing sector grew by 3.4% YoY to aided by a boost in cement and food, beverage, and tobacco subsectors. Similarly, the output of the real estate and financial institutions subsectors increased by 1.77% and 0.15% YoY, respectively. Significant concerns persist over the performance of trade (-2.43% YoY) and road transport (-23.75% YoY) subsectors which are yet to rebound to pre-pandemic levels.
53. The key parameters as well as other macroeconomic projections driving the medium-term revenue and expenditure framework are indicative of gradually rebounding activities in both the global and domestic economy.

Table 4: Nigeria Key Macroeconomic Indicators

| Indicator | 2021 | 2022 | 2023 | 2024 |
|---------------------------------|------------|------------|------------|------------|
| GDP Growth | 2.50 | 4.20 | 2.30 | 3.30 |
| GDP (Billion Naira) | 168,602.6 | 184,382.0 | 201,153.0 | 221,775.8 |
| Inflation (%) | 15.00 | 13.00 | 11.00 | 10.00 |
| Exchange Rate (NGN:USD FX Rate) | 41.0 | 410.15 | 410.15 | 410.15 |
| Oil Price Benchmark (US\$/b) | 40.0 | 57.0 | 57.0 | 55.0 |
| Oil Production (mbpd) | 1.86 | 1.88 | 2.23 | 2.22 |
| Nominal Consumption (N’bn) | 136,568.11 | 149,349.40 | 162,933.91 | 179,638.41 |

Source: Budget Office of the Federation / FMFBNP 2022 – 2024 MTEF/FSP

³ Source: Budget Office of the Federation / FMFBNP 2022 – 2024 MTEF/FSP

Petroleum Sector

54. Crude oil production accounted for 9.25% of Nigeria's real GDP in the first quarter of 2021. Average crude oil and condensate production increased sharply from 1.96 mbpd in December 2019 to 2.07 mbpd in January 2020 and declined afterwards to 1.42 mbpd in December 2020 with 1.22 mbpd crude only. Reflecting efforts towards budget realism, the divergence between the output benchmark and actual output has declined significantly recently. Although Nigeria has capacity to produce 2.5mbpd, a total of about 1.4mbpd of crude is currently being produced in compliance with the OPEC+ production quota. This excludes 300,000bpd of condensates. Data from the Department of Petroleum Resources (DPR) indicates that an average of 1.8mbpd of crude oil (inclusive of condensates) was produced in the first half of 2021, including Condensates and about 127,000 bpd of production devoted to repayment of pre-2015 Joint Venture cash call arrears.
55. Crude oil production was 0.16mbpd (inclusive of condensates) below the 1.86mbpd benchmark for the 2021 budget. Production volume was also 0.12mbpd (7.7 percent) above the 1.56mbpd reported in the fourth quarter of 2020 and 0.38mbpd (18.5 percent) below 2.06mbpd recorded in the first quarter of 2020. The NNPC attributed recent production disruptions to challenges such as shutdown of flow stations for pipeline leakage repairs, community protests, terminal maintenance, pump and flare management, boiler failure and fire incidents. Theft of products and pipeline vandalism have also affected operations. Reflecting collaborative efforts of the NNPC, local communities and other stakeholders, the incidence of vandalism declined from 65 pipeline points in April 2020 to 43 points in December 2020 and 27 points in January 2021. Hence, pipeline vandalization and crude theft have continued to affect crude oil revenue performance.
56. More significant is the impact of subsidies on Petroleum Motor Spirit (PMS) supply in the downstream sector. To ensure continuous PMS supply and effective distribution across the country, a total of 1.44 billion litres of PMS translating to 46.30 million litres per day were supplied in January 2021. Consequently, the fiscal significance of the crude oil has declined considerably recently. The contribution of crude oil receipts to Federal Government's revenues declined from N437.8 billion in the first quarter of 2020 to N299.3 billion in the same period in 2021.
57. In FY 2020, gross oil and gas revenue was projected at N3.03 trillion. Actual receipt was N4.40 trillion, representing 45.2% performance over the budget. After deductions (including 13% derivation), net oil and gas revenue inflows to the Federation Account was N3.02 trillion. This is N914.87 billion (or 43.6%) more than the target. The remarkable performance in oil and gas revenue is attributable to the average market price of oil which was 54% higher than the budget oil price benchmark. In addition, oil and gas revenues were monetized at a higher rate than the budget benchmark – an outcome of an agreement between the fiscal and monetary authorities, which required dollar earnings to be exchanged at 2% less the Import & Export Window rate.

58. The gross oil and gas revenue was projected at N5.19 trillion. As of May 2021, N1.49 trillion was realized out of the prorated sum of N2.16 trillion. This represents 69% performance. Oil and gas deductions were N189.93 billion (or 44.8%) more than the budget. This is mainly attributable to petroleum subsidy costs which was not provided for in the 2021 Budget. After netting out deductions (including 13% derivation), net oil and gas revenue inflows to the Federation Account amounted to N876.54 billion. This is N859.82 billion or 49.5% less than the projection as of May.

2.A.4 Yobe State Economy

59. Yobe State is endowed with abundant Agricultural and Solid Mineral Resources. The Agricultural Resources include Groundnuts, Rice, Wheat, Sesame Seeds, Gum Arabic, Sorghum, Cow Pea and Livestock among others, while Solid Minerals Resources include Limestone, Gypsum, Kaolin, Trona, Bentonite, Diatomite, Silica Sand, Iron Ore and Coal. The State is also blessed with tourism potentials such as the Gogaram Fishing and Cultural Festivals, ruins of Birnin Ngazargamu, Barakau Festival among others. In addition, the State is home to the largest Cattle and Grains Markets in the West African Sub-Region.

Climate and Vegetation

60. Yobe State has hot and dry climatic features in the Northern part for most of the year. In the Southern part, especially in the rocky areas of Gujba and Fika Local Government Areas, it is hot between the months of March and June and cooler for most part of the year. The hottest months are March, April and May with temperatures ranging from 30oc to 42oc. The period of rainy season in the State varies from place to place, but generally lasts for about 120 days in the North and more than 140 days in the South.
61. Annual rainfall ranges from 500mm to 10000mm and the rainy season is normally from June to September in the North and May to October in the South. The two vegetation zones in the State, namely, the Sahel in the North and the Sudan Savannah in the South have been severally under threat of desert encroachment thereby creating arid and semi-arid conditions.

Population

62. According to the head count conducted by the National Population Commission in 2006, Yobe State has an estimated population of 2.3 million made up of 52% male and 48% female. The 2016 estimate put the figure at 3.3 million.

TABLE II: POPULATION DISTRIBUTION BY LOCAL GOVERNMENT

| S/NO. | LOCAL GOVT. | LOCAL GOVT. HEADQUARTERS | 2006 PROVISIONAL FIGURES | 2016 PROVISIONAL FIGURES |
|-------|-------------|--------------------------|--------------------------|--------------------------|
| 1. | Bade | Gashua | 139,872 | 198,400 |
| 2. | Bursari | Dapchi | 109,124 | 155,700 |
| 3. | Damaturu | Damaturu | 88,014 | 124,500 |
| 4. | Fika | Fika | 136,895 | 194,000 |
| 5. | Func | Damagum | 300,760 | 428,500 |
| 6. | Geidam | Geidam | 157,295 | 221,000 |
| 7. | Gujba | Buni Yadi | 130,088 | 184,200 |
| 8. | Gulani | Bara | 103,510 | 146,900 |
| 9. | Jakusko | Jakusko | 229,083 | 329,900 |
| 10. | Karasuwa | Jaji Maji | 106,992 | 149,700 |
| 11. | Machina | Machina | 61,060 | 86,600 |
| 12. | Nangere | S/Garin Nangere | 87,823 | 124,200 |
| 13. | Nguru | Nguru | 150,632 | 213,900 |
| 14. | Potiskum | Potiskum | 205,876 | 290,700 |
| 15. | Tarmuwa | Babban Gida | 77,204 | 110,200 |
| 16. | Yunusari | Kanamma | 125,821 | 178,700 |
| 17. | Yusufari | Yusufari | 111,086 | 157,100 |

SOURCES: NATIONAL POPULATION COMMISSION

People and Culture

63. Yobe State has a pluralistic population with rich and diverse historical and cultural heritage. The major ethnic groups in the state include Kanuri, Fulani, Karai-karai, Bolewa, Ngizim, Bade, Ngamo, Shuwa and Hausa. Most of the people are peasant farmers with quite number engaged in livestock/production, trading and fishing. The people of Yobe are known for Durbar and other rich cultures and traditions that find roots from their historical linkages with Arabs Land. The Durbar is usually organized on important occasions like Sallah Celebrations, Turbanning Ceremonies of Traditional Rulers as well as to honour August visitors.
64. Another notable feature of the State’s cultural heritages is the Annual Fishing and Cultural Festival, which takes place annually in Jakusko Local Government Area of the State. There is also the State Council of Chiefs, which plays advisory role to the State as Local Government, in the search for peace, preservation and protection of cultural heritage and tradition of the people of the state. The Yobe State Council of Chiefs is headed by His Royal Highness, the Emir of Fika, and a First-Class Emir with Headquarter in Potiskum.

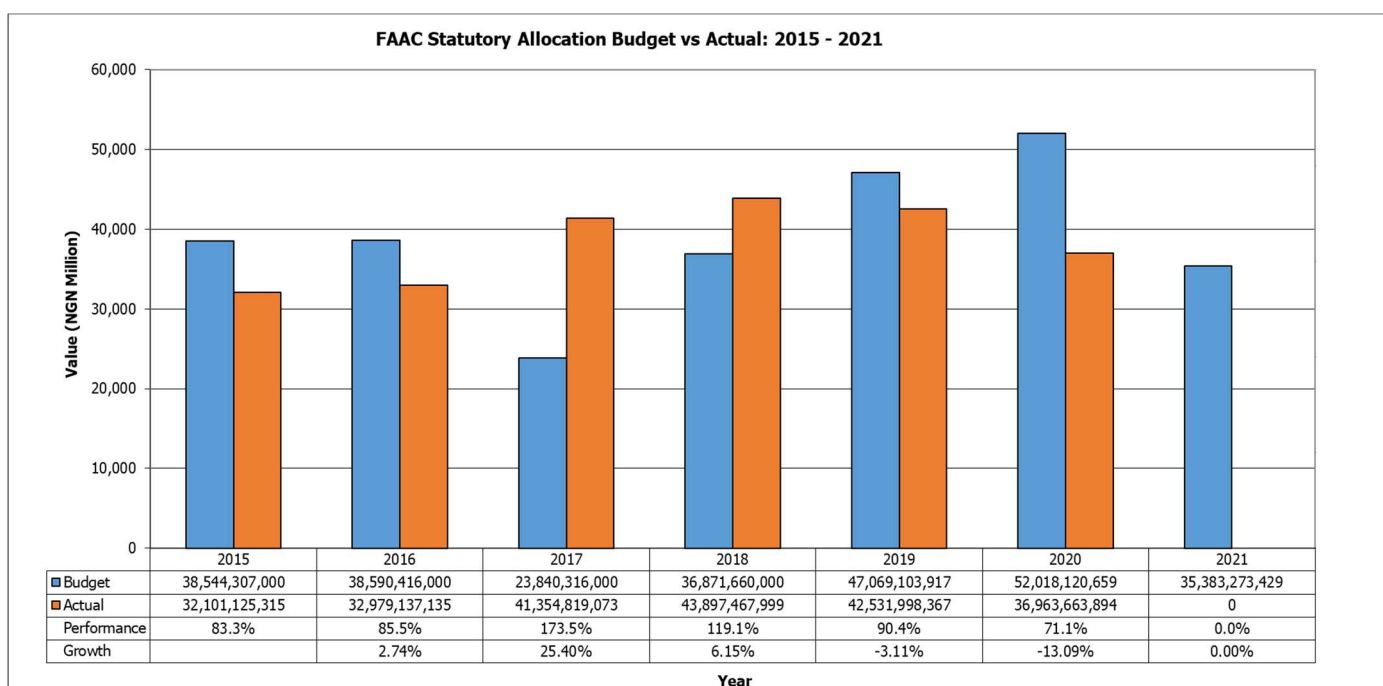
2.B Fiscal Update

2.B.1 Historic Trends

Revenue Side

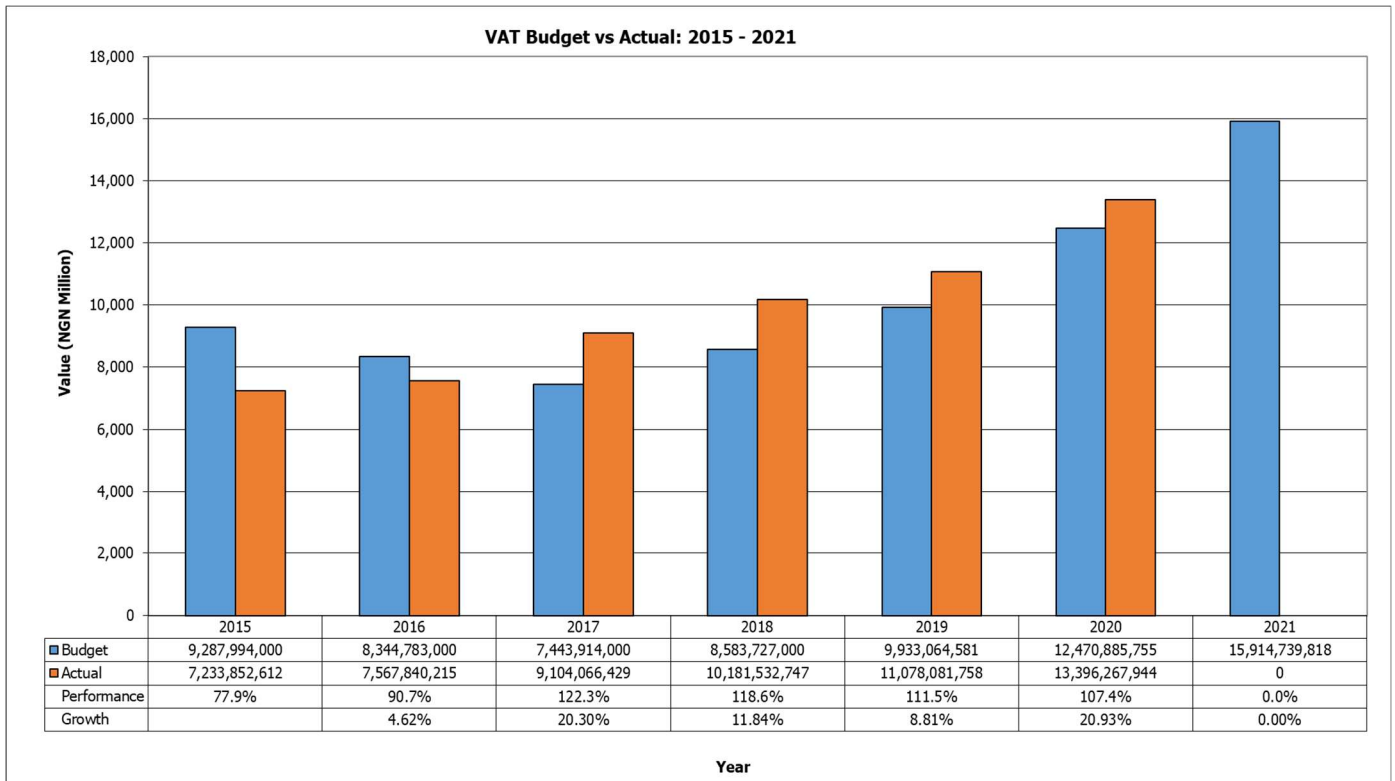
65. On the revenue side, the document looks at Statutory Allocation, VAT, IGR, Excess Crude, and Capital Receipts – budget versus actual for the period 2015-2020 (six year historic) and 2021 budget.

Figure 2: Statutory Allocation



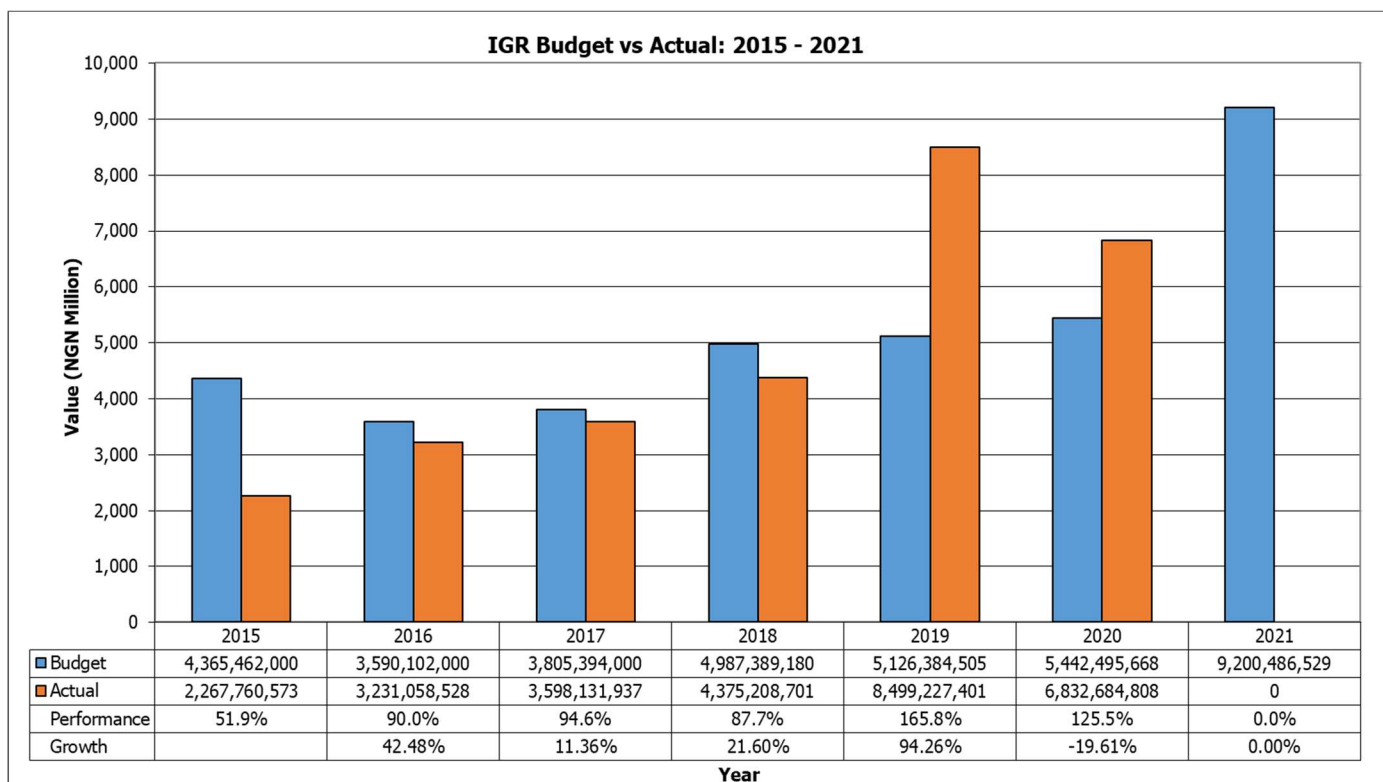
66. The Figure above shows the trend of Statutory Allocation based on the collection of both Oil and non-mineral revenues (companies’ income tax, customs and excise) at the national level, which is then shared between the three tiers of government using sharing ratios. As indicated above, it can be seen that actual statutory allocation received was much higher than the budgeted figure in 2017 and 2018, 90% in 2019, 71% in 2020. In 2015 and 2016 over 80% was received.

Figure 3: VAT



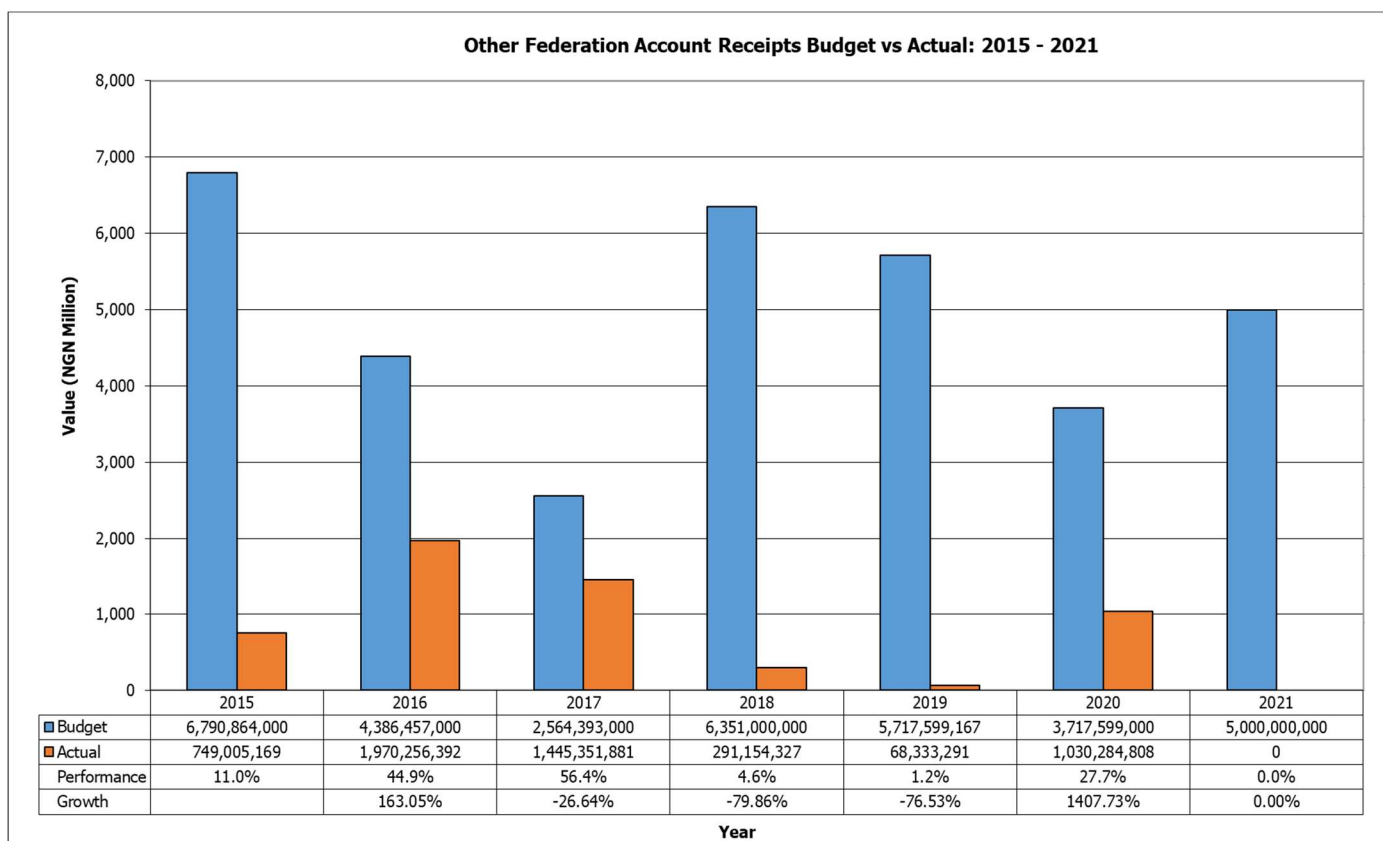
67. Figure above shows trend of VAT received by Yobe State 2015 to Date. It can be seen that over and above 100% was received from 2017 to 2020, 90.7% in 2016 and 77.9% in 2015.

Figure 4: IGR



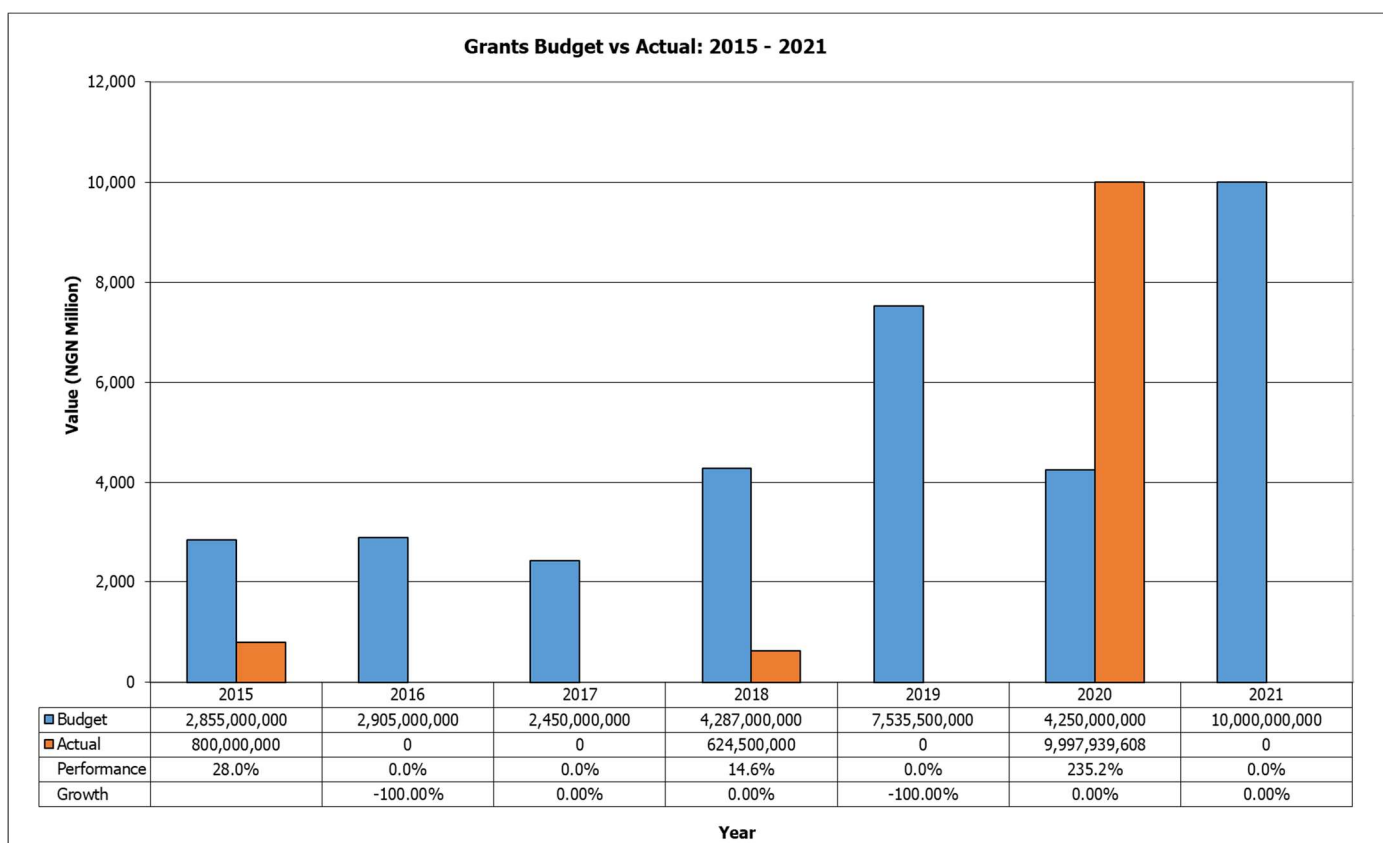
- 68. This is the independent sources of government revenue generated from tax revenues such as P.A.Y.E.E, stamp duty, withholding tax, direct assessment tax, property tax, and non-tax revenues comprising of licences, fees, fines, sales, earnings, rent on government building, rent on land, repayments, investment income, interest-earn and reimbursements.
- 69. IGR has grown at a steady pace between 2016 to 2017 on an average of 5%. There was a drop in 2018 while in 2019 there is a greater increase much higher than the Approved Budget.
- 70. The IGR growth showed fluctuations within the periods under consideration as 2015 and 2017 shows a considerable fall while picking up in 2019 and 2020 respectively. These performances in 2019 and 2020 was impressive as the highest figures recorded in the history of the State.

Figure 5: Excess Crude



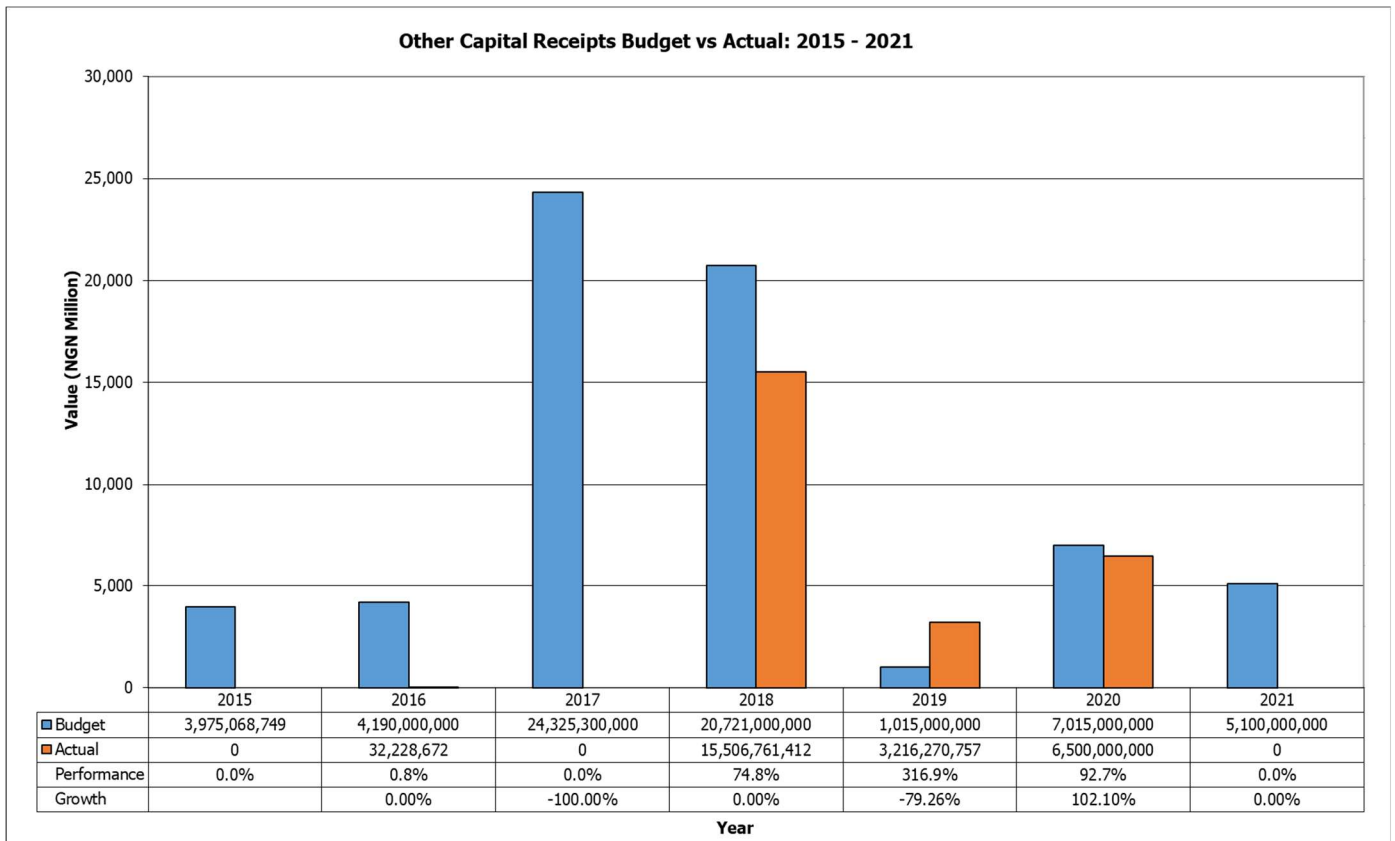
71. Other Federation Account Revenues derived from FAAC Special Allocation, includes excess crude, ecological fund, stabilisation fund, excess bank charges, exchange gain differential, solid minerals among other sources accruable to the state. It can be seen that only in 2027 56% was received, the remaining years’ performance is below average 11% in 2015, 45% in 2016, 5% in 2018, down to 1.2% in 2019, and scale up to 28% in 2020 respectively.

Figure 6: Grants



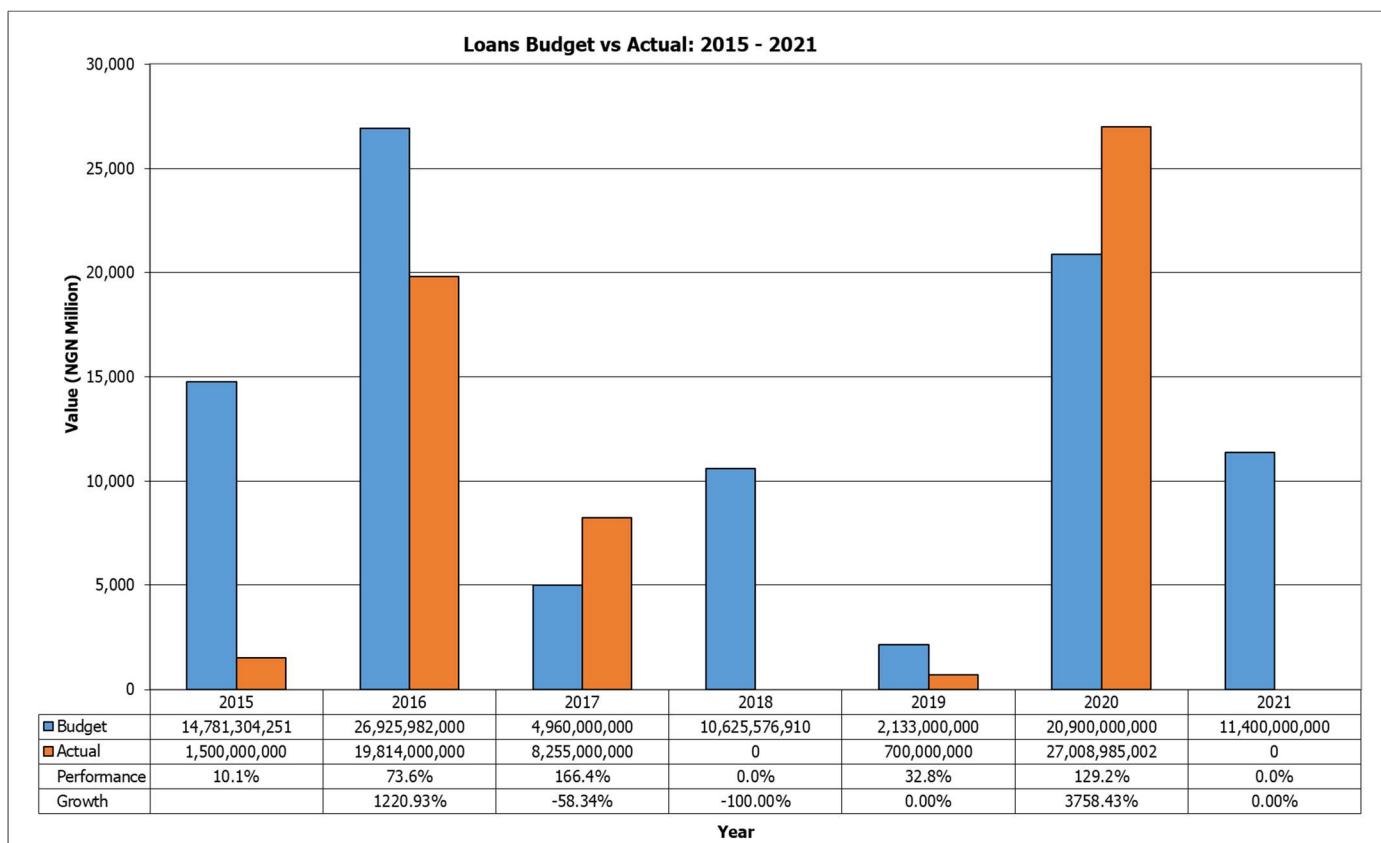
72. In terms of grants, it is revealed in figure 6, that the performance is not favourable, the forecast is affected by unforeseen circumstances. The receipts come from within and outside the country i.e., the World Bank, EU, among other partners. As shown in figure above only in 2015, 2018 and 2020 that some token amount is realised translating into 28%, 15% and 100% performance. The 2020 fiscal year appreciable performance was attributed to the state’s ability to achieve some DLR under the SFTAS Programme.

Figure 7: Other Capital Receipts



73. Other capital receipts, usually comprises of refund on the expenses incurred by the state government on the construction of Federal roads and other projects, disposal of fixed assets among other sources. In 2018, 2019 and 2020, substantial amount has been realised, translating into 75%, 317% and 93% performance.

Figure 8: Loans/Financing

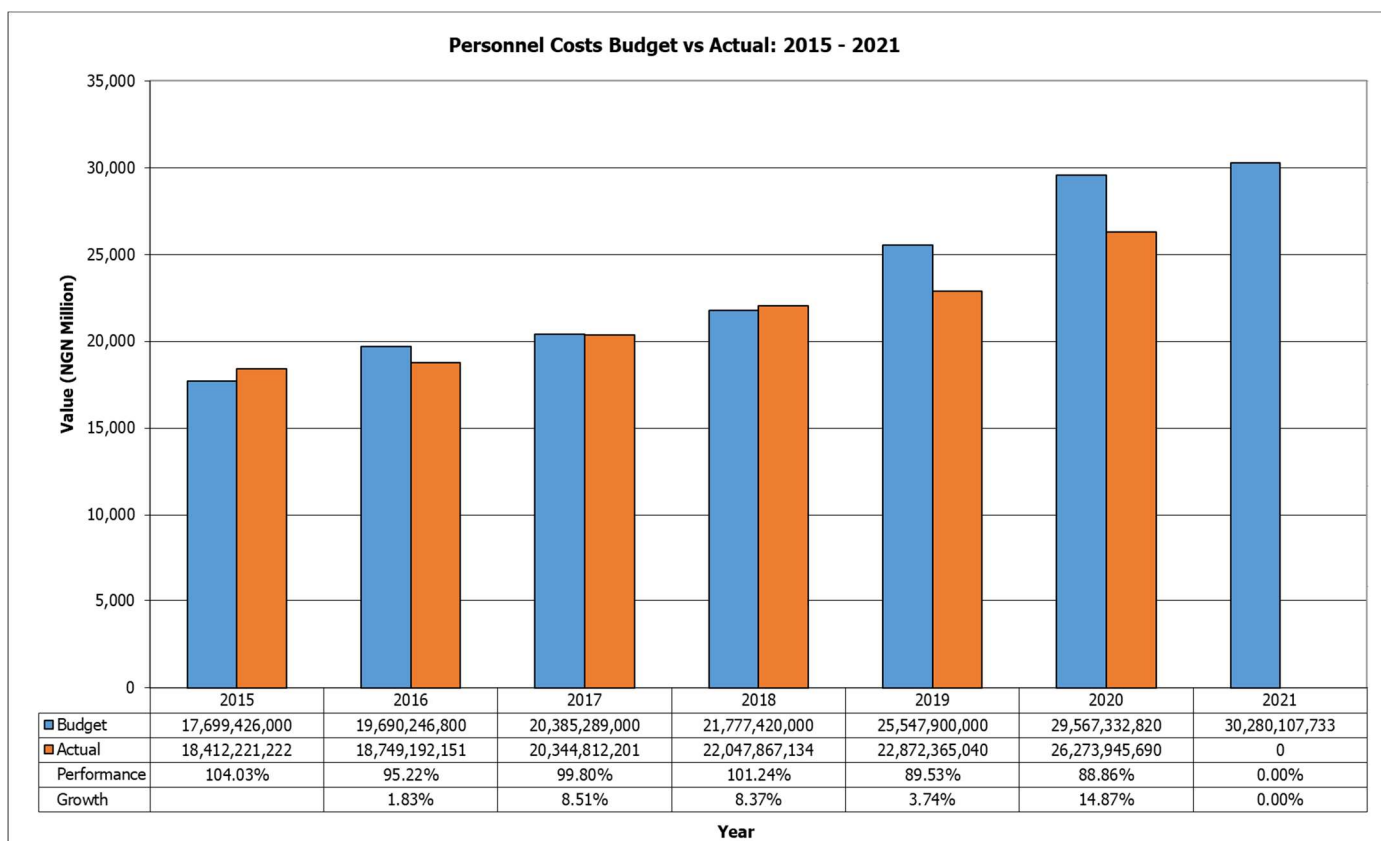


74. Loans facilities and other deficit financing recorded an appreciable performance in 2016, 2017 and 2020 translating into 74%, 166% and 129%, and only 33%, 10% in 2019 and 2015 respectively.

Expenditure Side

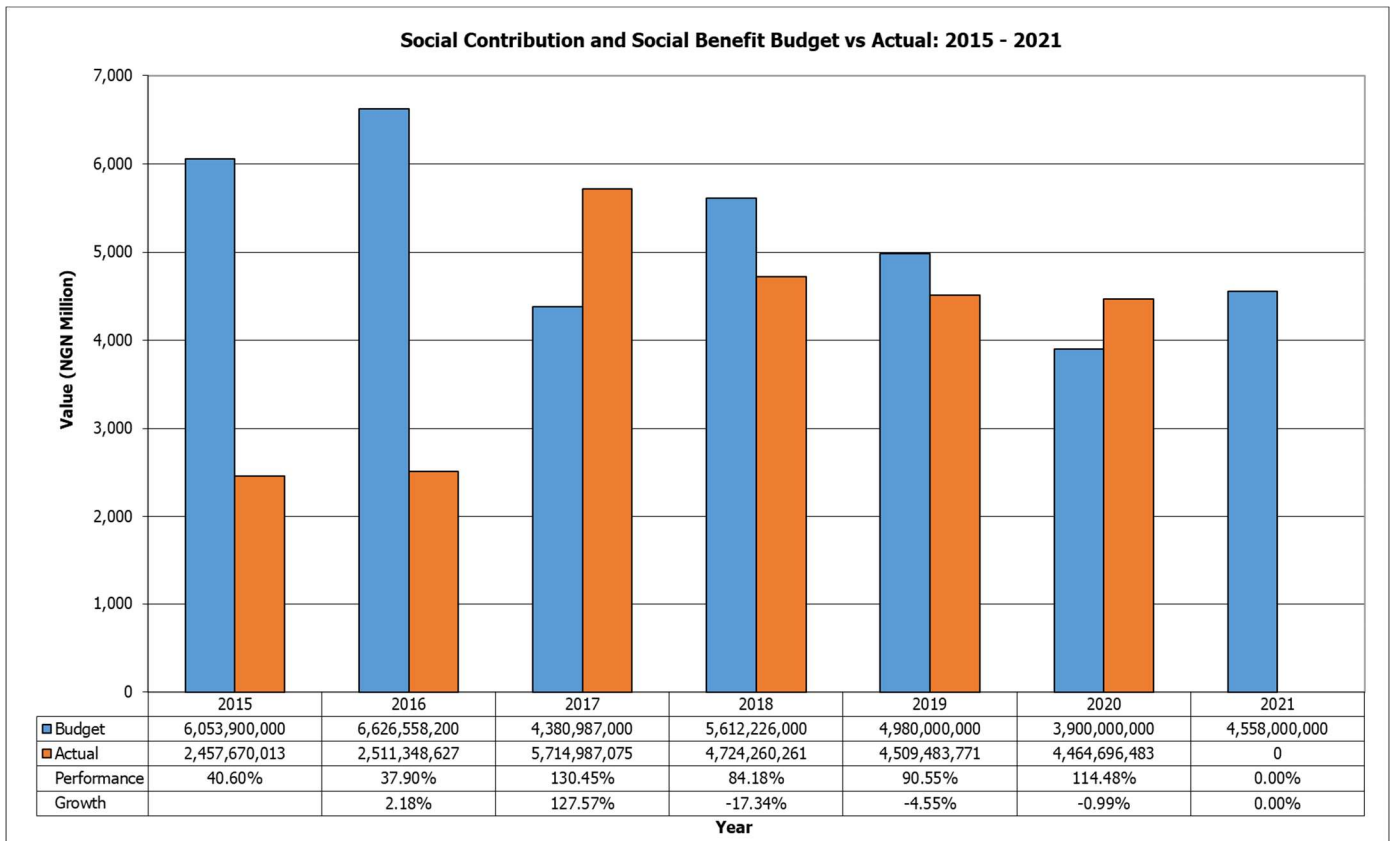
75. On the expenditure side, the document looks at Consolidated Revenue Fund (CRF) charges, Personnel, Overheads and Capital Expenditure – budget versus actual for the period 2015-2020 (six years) and 2021 budget.

Figure 9: Personnel



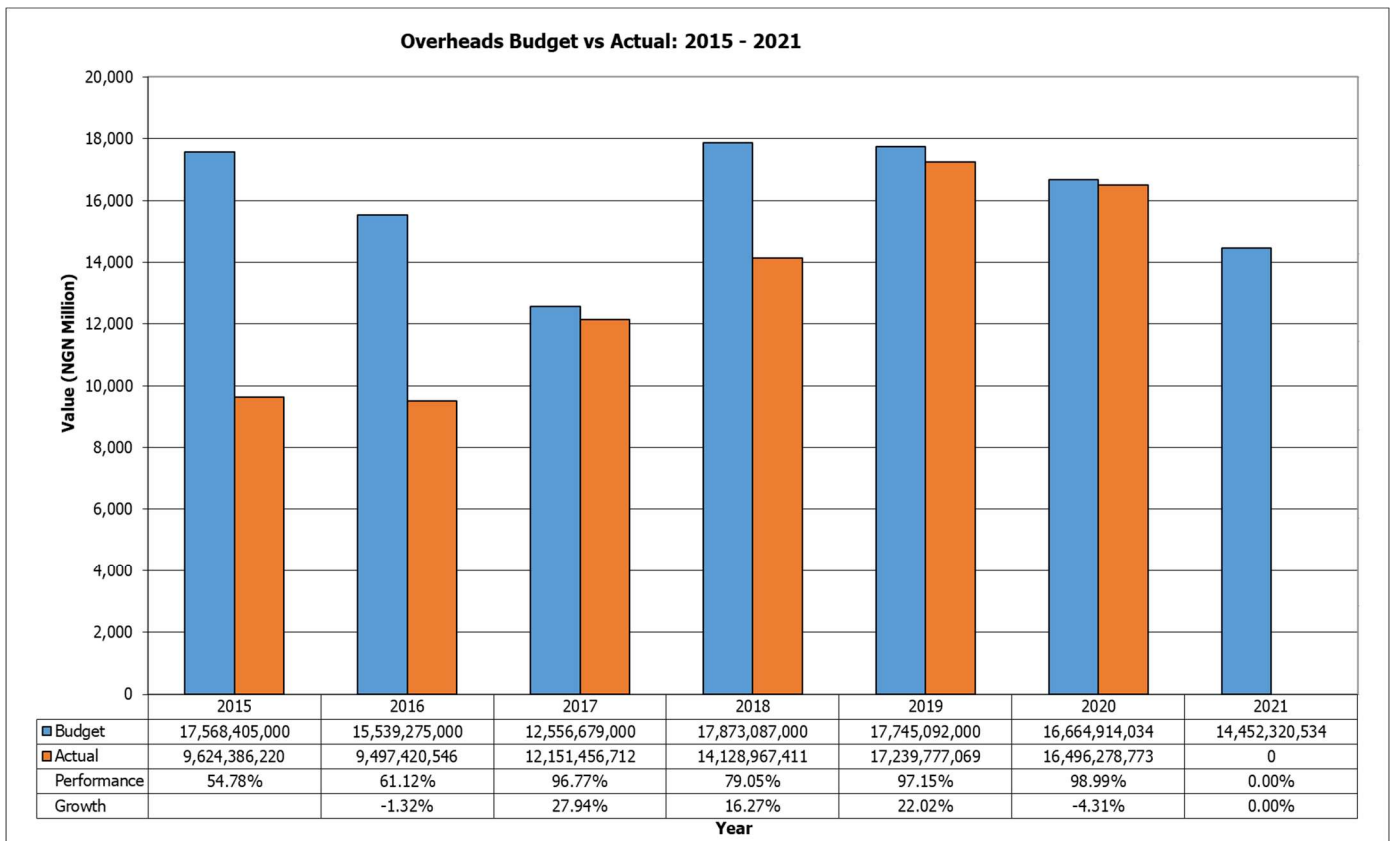
76. Personnel cost captured under economic class 21, consisting of personnel emolument, allowances and salaries of public office holders. In the years 2016, 2017, 2019 and of course 2020 the performance is commendable. It is not an achievement as indicated in 2015 and 2018, but rather the forecast was not accurate and affected by unforeseen circumstances.

Figure 10: Social Contributions and Social Benefits



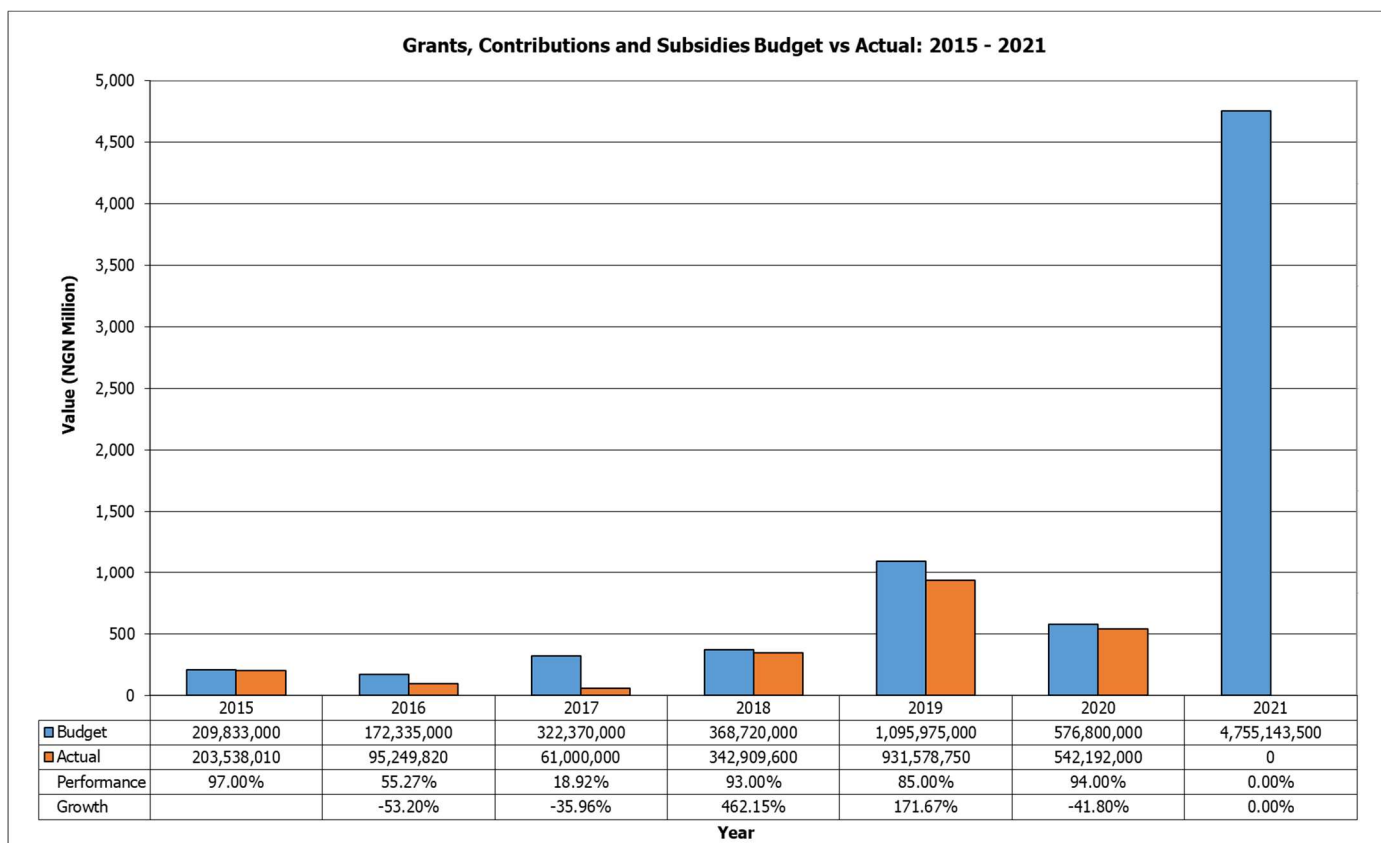
77. Social contribution and social benefit also captured under economic class 21 comprising pension and gratuities, death benefits, contributory healthcare funds etc., in 2017 and 2020 over 100% was expended, the least are 38% in 2016 and 41% in 2015.

Figure 11: Overheads



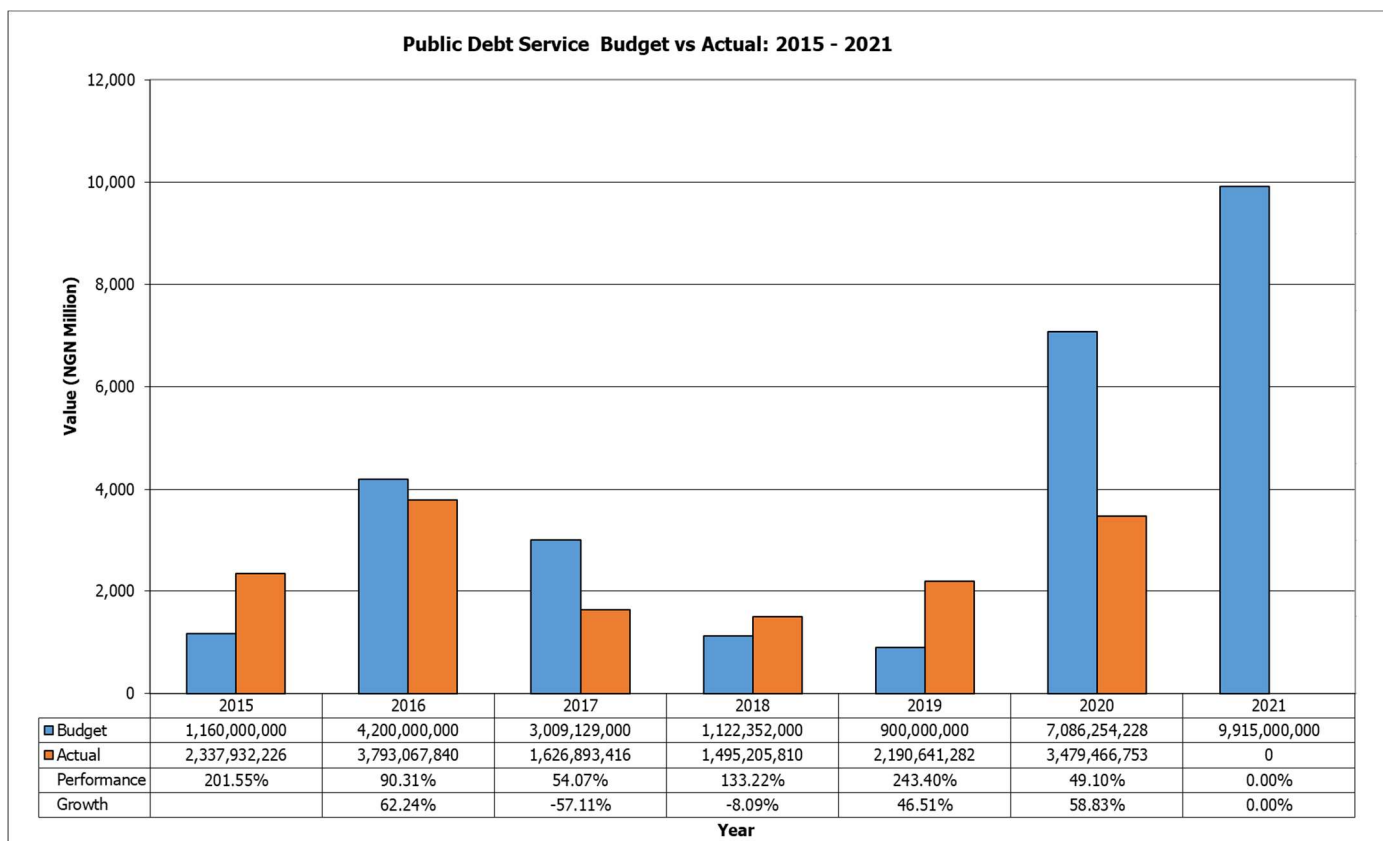
78. Cost of governance and running cost witnessed a remarkable achievement in terms of budget implementation where over 90% performance was realised in 2017, 2019 and 2020 fiscal years, 2018 it dropped to 79%. Furthermore 55% to 61% in 2015 and 2016 being the least performance throughout the five years period.

Figure 12: Grants, Contributions, Subsidies, Transfers



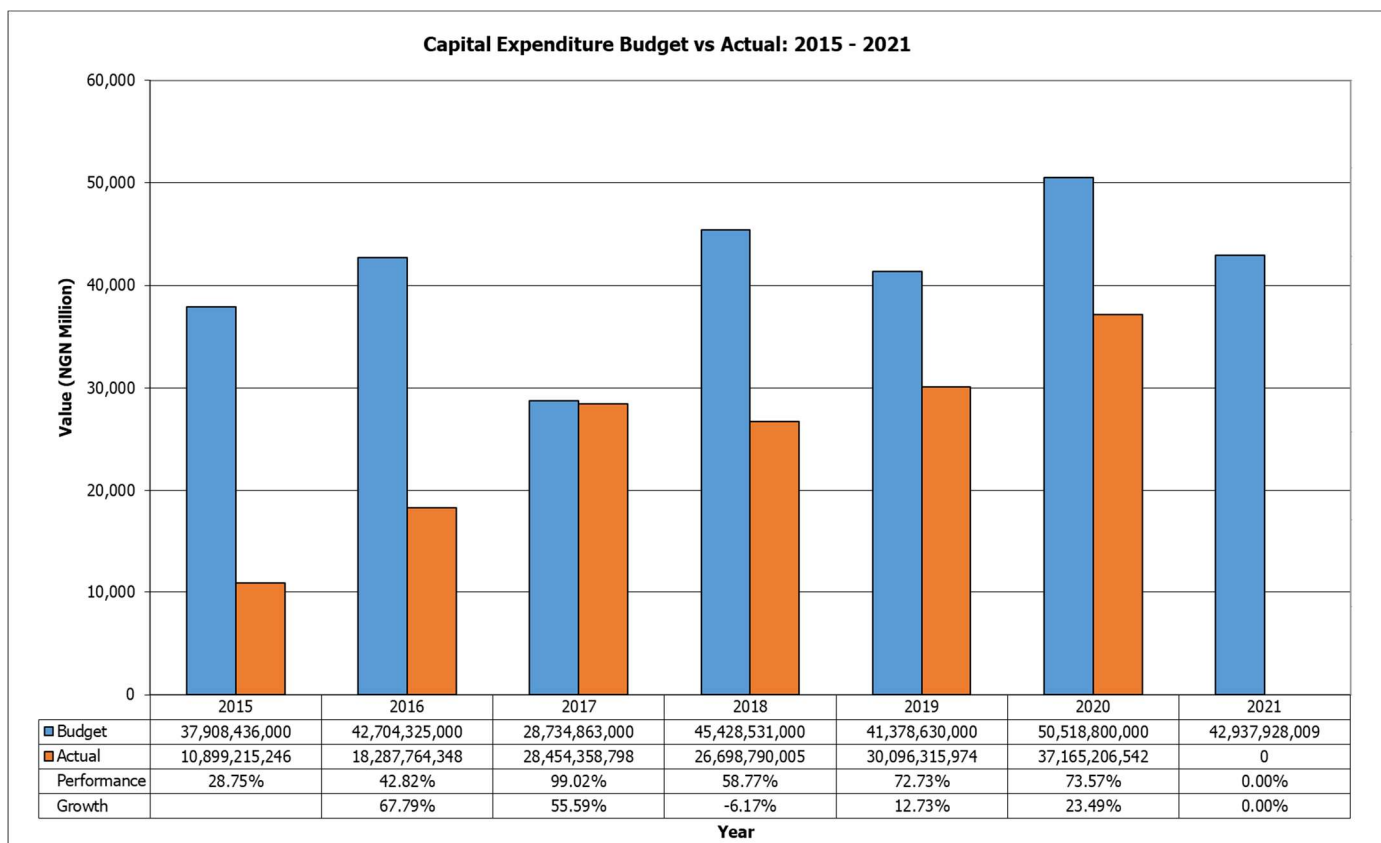
79. Grants, Contributions and Subsidies captured under sub-economic class 2204 and 2205 made up subvention to boards, grants to communities and NGOs, subsidies on agricultural inputs etc. The performance in this section looks good, but it follows a galloping scope, where the performance is over 90% in 2015, dropped to 55% in 2016, 18% - 93% 2017 – 2018, down to 85% in 2019 then went up again in 2020.

Figure 13: Public Debt Service



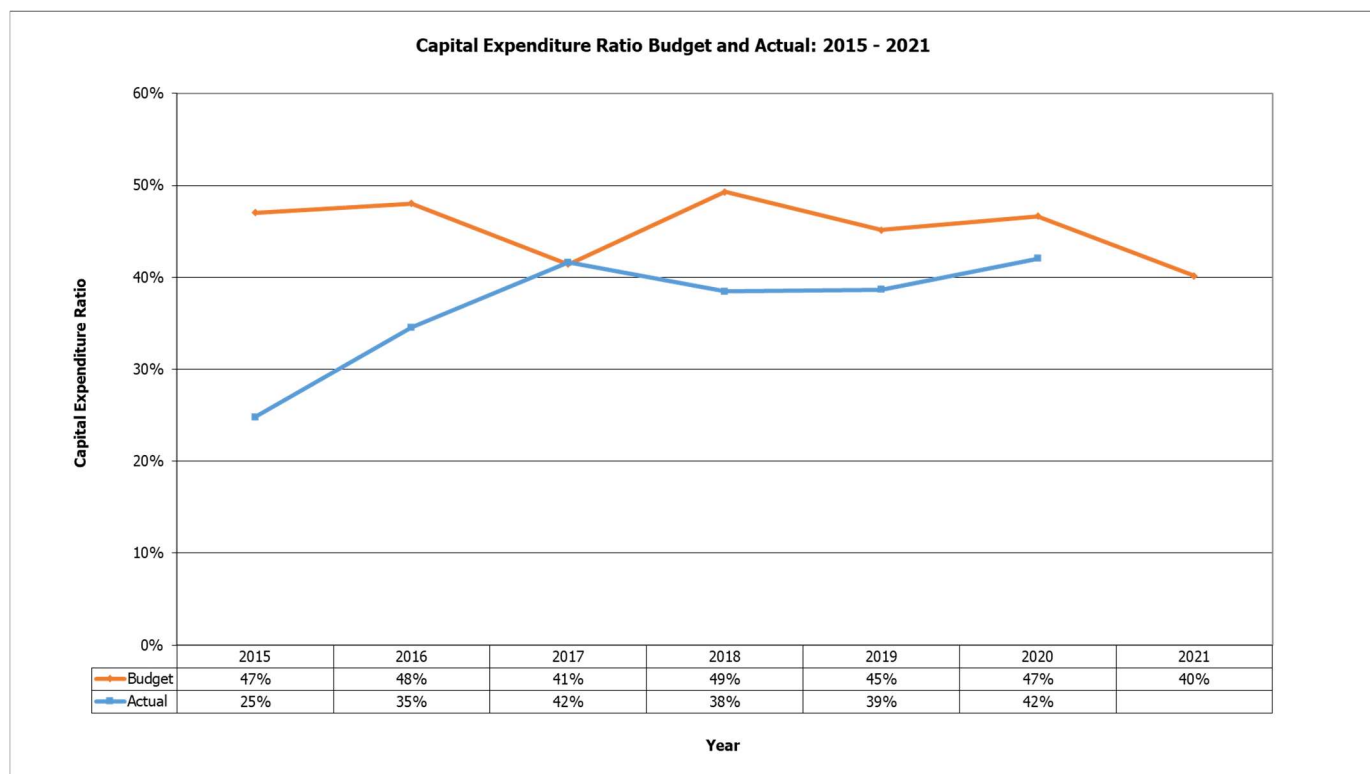
80. This section shows the trend of the state government’s effort in servicing the loans received from various sources to finance some of the developmental projects and programmes and financing the budget deficit. As indicated in figure 13, over 200% was expended in 2019 and 2015, 133% in 2018, 90% in 2016, the least is 49% in 2020.

Figure 14: Capital Expenditure



81. In terms of capital expenditure, as shown in Figure 14, execution of various development projects and programmes recorded appreciable performance. In the years 2017, 2018, 2019 and 2020 the performance is quite above average, indicating 99%, 59%, 73% and 74%. Performance in these years shows government’s commitment and determination to bring developmental projects and deliver dividend of democracy to its citizenry, except in 2015 where only 29% of the budgeted figure was actualised.

Figure 15: Recurrent: Capital Expenditure Ratio



82. It can be seen in figure 15 that capital expenditure ratios steadily increase from year 2015, sloping down in the subsequent year. Performance also follows suit of the projection 25% in 2015, 35% to 42% in 2016 – 17, later dropped down to 38% in 2018 and steeply increased to 42% in 2020 fiscal year.

By Sector

83. Figure 16 shows the expenditure trend according to sector in terms of personnel, overhead and capital.

Figure 16: Sector Expenditure Trend

| Personnel Expenditure by Sector | | | | | | | | | |
|---------------------------------|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| No. | Sector | 2017 Budget | 2017 Actual | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Actual | 2020 Budget | 2020 Actual |
| 1 | Governance | 2,989,845,000 | 404,623,942 | 2,686,259,000 | 4,075,217,381 | 3,661,333,000 | 336,640,229 | 4,136,416,765 | 3,565,662,549 |
| 2 | Agriculture | 1,221,232,000 | 154,432,600 | 1,061,695,000 | 1,080,664,667 | 1,205,154,000 | 310,697,501 | 1,627,668,540 | 1,507,373,029 |
| 3 | Works, Housing and Energy | 871,898,000 | 208,676,574 | 824,073,000 | 112,052,248 | 973,978,000 | 164,305,284 | 1,034,266,196 | 955,182,666 |
| 4 | Commerce and Industry | 138,500,000 | 185,678,730 | 112,023,000 | 892,473,635 | 147,029,000 | 140,042,740 | 174,550,920 | 175,582,902 |
| 5 | Water | 442,236,000 | 11,824,025,407 | 439,388,000 | 412,336,394 | 487,726,000 | 10,095,893,158 | 551,130,380 | 533,998,759 |
| 6 | Justice, Peace and Security | 1,005,847,000 | 4,158,606,501 | 891,306,000 | 829,941,760 | 1,140,719,000 | 3,881,920,481 | 1,345,734,940 | 1,132,611,488 |
| 7 | Health | 3,674,710,000 | 315,149,308 | 4,849,514,000 | 4,714,594,888 | 5,983,129,000 | 235,123,683 | 6,946,007,011 | 6,135,880,554 |
| 8 | Education | 8,943,559,000 | 254,220,501 | 9,633,335,000 | 8,748,732,008 | 10,369,189,000 | 229,662,724 | 11,889,686,828 | 10,585,807,999 |
| 9 | Environment | 589,111,000 | 211,695,181 | 752,050,000 | 708,796,322 | 808,309,000 | 227,369,183 | 1,035,721,820 | 950,998,285 |
| 10 | Social Development | 508,351,000 | 1,771,811,278 | 527,777,000 | 473,057,831 | 571,334,000 | 2,144,375,762 | 645,607,420 | 568,403,776 |
| | Total | 20,385,289,000 | 19,488,920,020 | 21,777,420,000 | 22,047,867,133 | 25,347,900,000 | 17,766,030,744 | 29,386,790,820 | 26,111,502,007 |

| Overhead Expenditure by Sector | | | | | | | | | |
|--------------------------------|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| No. | Sector | 2017 Budget | 2017 Actual | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Actual | 2020 Budget | 2020 Actual |
| 1 | Governance | 14,763,378,000 | 18,558,285 | 16,946,096,000 | 14,281,608,228 | 16,447,512,500 | 127,450,030 | 22,431,915,476 | 22,242,197,712 |
| 2 | Agriculture | 516,121,000 | 299,494,866 | 500,121,000 | 1,627,174,500 | 1,489,350,000 | 334,455,676 | 722,950,000 | 33,860,000 |
| 3 | Works, Housing and Energy | 144,600,000 | 28,693,550 | 157,300,000 | 203,650,500 | 445,614,000 | 122,217,858 | 438,348,000 | 450,219,275 |
| 4 | Commerce and Industry | 54,700,000 | 141,999,036 | 58,200,000 | 15,608,000 | 60,275,000 | 579,526,767 | 60,275,000 | 13,225,000 |
| 5 | Water | 65,260,000 | 6,371,462,709 | 65,260,000 | 38,817,000 | 203,676,000 | 2,569,421,119 | 196,166,000 | 153,236,460 |
| 6 | Justice, Peace and Security | 480,455,000 | 3,109,854,356 | 669,468,000 | 284,343,000 | 727,072,000 | 891,009,735 | 750,472,000 | 215,927,500 |
| 7 | Health | 840,830,000 | 131,064,898 | 1,322,700,000 | 612,433,952 | 1,258,860,000 | 259,050,593 | 856,610,000 | 624,054,176 |
| 8 | Education | 2,784,200,000 | 26,980,707 | 4,313,594,000 | 1,826,444,852 | 3,484,636,000 | 10,649,089 | 2,342,803,286 | 1,121,994,625 |
| 9 | Environment | 359,745,000 | 56,290,112 | 495,345,000 | 149,150,000 | 376,470,000 | 77,945,697 | 239,470,000 | 118,272,625 |
| 10 | Social Development | 259,876,000 | 6,810,579,968 | 448,301,000 | 156,907,240 | 427,601,500 | 8,587,010,828 | 369,500,500 | 161,055,078 |
| | Total | 20,269,165,000 | 16,994,978,487 | 24,976,385,000 | 19,196,137,273 | 24,921,067,000 | 13,558,737,392 | 28,408,510,262 | 25,134,042,451 |

| Capital Expenditure by Sector | | | | | | | | | | | |
|-------------------------------|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------|--|
| No. | Sector | 2017 | | 2018 | | 2019 | | 2020 | | 2020 | |
| | | 2017 Budget | 2017 Actual | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Actual | 2020 Budget | 2020 Actual | | |
| 1 | Governance | 4,870,364,000 | 2,792,969,810 | 5,086,613,000 | 3,360,006,714 | 6,068,281,000 | 3,089,961,839 | 6,532,300,000 | 3,432,571,690 | | |
| 2 | Agriculture | 1,327,182,000 | 1,584,471,077 | 2,165,000,000 | 1,153,872,533 | 2,101,750,000 | 1,685,496,885 | 1,952,000,000 | 50,511,000 | | |
| 3 | Works, Housing and Energy | 10,375,536,000 | 14,150,879,140 | 18,910,000,000 | 35,949,955 | 15,668,530,000 | 16,539,320,657 | 22,711,000,000 | 23,560,741,743 | | |
| 4 | Commerce and Industry | 613,958,000 | 84,161,070 | 443,000,000 | 17,230,340,643 | 323,000,000 | 1,218,005,832 | 4,411,000,000 | 6,565,583,882 | | |
| 5 | Water | 1,683,228,000 | 642,536,330 | 1,898,000,000 | 854,878,007 | 1,122,000,000 | 214,244,258 | 1,525,000,000 | 464,407,866 | | |
| 6 | Justice, Peace and Security | 690,300,000 | 425,454,665 | 739,000,000 | 828,368,754 | 1,056,000,000 | 415,557,894 | 987,000,000 | 394,000,000 | | |
| 7 | Health | 2,927,645,000 | 2,482,206,238 | 7,571,000,000 | 1,818,941,731 | 5,882,349,000 | 1,896,762,907 | 4,185,000,000 | 360,928,109 | | |
| 8 | Education | 5,594,354,000 | 6,093,930,895 | 7,594,918,000 | 6,279,161,953 | 8,317,720,000 | 5,121,572,984 | 7,628,500,000 | 2,024,749,628 | | |
| 9 | Environment | 368,234,000 | 218,999,202 | 560,000,000 | 127,641,292 | 420,000,000 | 67,132,000 | 319,000,000 | 156,220,500 | | |
| 10 | Social Development | 284,062,000 | 29,459,000 | 461,000,000 | 66,450,000 | 419,000,000 | 120,618,437 | 268,000,000 | 173,967,126 | | |
| | Total | 28,734,863,000 | 28,505,067,428 | 45,428,531,000 | 31,755,611,582 | 41,378,630,000 | 30,368,673,693 | 50,518,800,000 | 37,183,681,544 | | |

84. As shown in the tables above, in 2017, the sum of ₦20.385 billion was budget for personnel cost. Out of which education sector received ₦8.944 billion, followed by Health sector with ₦3.675 billion, Governance ₦2.989 billion, Agriculture ₦1.221 billion, Justice, Peace and Security received ₦1.006 billion, the least is water which only received ₦442 million. In terms of performance the sum of ₦19.489 billion was expended in water sector which least amount in the projection expended about ₦11.824 billion, representing 61% of the total amount. In the year 2020, the sum of ₦29.387 billion was earmarked and ₦26.112 billion was expended, of this amount, education received ₦10.586 billion representing 41% performance, the least is Commerce and Industry which received ₦176 million only.
85. In respect of the overhead cost, out of the sum of ₦16.995 billion expended, water, and social development sector received ₦6.371 billion and ₦6.811 billion respectively, followed by law and justice which receives ₦3.109 billion in the year 2017. But in 2018, governance sector took the lion share of the ₦19.196 billion expended, receiving ₦14.282 billion this continues throughout the remaining years governance taking the lion share.
86. In terms of capital expenditure performance, works and housing is taking the lion share throughout the years except in the year 2018 commerce and industry take the lead followed by Education and Governance sectors where social development remained the least in 2017.

2.B.2 Debt Position

87. A summary of the consolidated debt position for Yobe State Government is provided in the table below.

Table 5: Debt Position as at 31st December 2020

| A | DSA RATIO SCENARIOS: | Sustainability Thresholds | As at 31st December 2020 |
|----------|--|----------------------------------|---------------------------------|
| | Solvency Ratios | Percentage | Percentage |
| 1 | Total Domestic Debt/IGR | 150% | 958.50% |
| 2 | Total External Debt/Gross FAAC | 150% | 14.79% |
| 3 | Total Public Debt/Total Recurrent Revenue | 150% | 84.53% |
| 4 | Total Public Debt/State GDP Ratio | 25% | No GDP Figure Available |
| | Liquidity Ratios | Percentage | Percentage |
| 5 | Domestic Debt Service/IGR | 15% | 57.56% |
| 6 | External Debt Service/Gross FAAC | 10% | 0.51% |
| 8 | Debt Service Deductions from FAAC/Gross FAAC | 40% | 3.17% |
| 8 | Total Debt Service/Total Recurrent Revenue | 25% | 4.72% |
| | | | |
| B | PUBLIC DEBT DATA AS AT 31st DECEMBER 2020 | | Naira |
| 1 | Total Domestic Debt | | 52,166,403,937 |
| 2 | Total External Debt | | 10,090,443,369 |
| 3 | Total Public Debt | | 62,256,847,306 |
| | | | |
| 4 | Total Domestic Debt Service 2020 | | 3,132,745,356 |
| 5 | Total External Debt Service in 2020 | | 346,721,397 |
| 6 | Total Public Debt Service | | 3,479,466,753 |

88. The figure above shows the state total debt portfolio is ₦62,256,847,306 comprising of ₦52,166,403,937 domestic debt and ₦10,090,443,369 as total external debt.

89. Total debt service in 2020 stands at ₦3,479,466,753 with ₦3,132,745,356 as domestic debt service and ₦346,721,397 as external debt service.

3 Fiscal Strategy Paper

3.A Macroeconomic Framework

90. The key parameters and macroeconomic projections driving the medium-term revenue and expenditure framework as proposed by the Federal Government and adopted by Yobe State in its 2022-2024 MTEF/FSP are presented below:

Figure 17: Yobe State Macroeconomic Framework

Macro-Economic Framework

| Item | 2022 | 2023 | 2024 |
|---------------------------------|-------------|-------------|-------------|
| National Inflation | 13.00% | 11.00% | 10.00% |
| National Real GDP Growth | 4.20% | 2.30% | 3.30% |
| Oil Production Benchmark (MBPD) | 1.8800 | 2.2300 | 2.2000 |
| Oil Price Benchmark | \$57.00 | \$57.00 | \$55.00 |
| NGN:USD Exchange Rate | 410.15 | 410.15 | 410.15 |
| Other Assumptions | | | |
| Mineral Ratio | 30% | 30% | 30% |

3.B Fiscal Strategy and Assumptions

Policy Statement

91. The Yobe State's policy direction focuses on diversifying the revenue sources and intensify efforts to improve the independent revenue base of the state to reduce the state's overdependence on FAAC Allocations and Donor Partners grants and assisted projects. It further intensifies effort and strategies on control and enforced compliance with the established spending limits to achieve sound budgeting system, which include aggregate fiscal discipline, allocative efficiency and effective spending. It also aimed at continued robust fiscal response to COVID 19 pandemic and a restored relative peace in the state.

Objectives and Targets

92. The key targets from a fiscal perspective are:

- Completion of on-going legacy projects.
- Continue to ensure reduction in non-essential overheads.
- Executions of capital expenditures both COVID-19 related and those considered critical by the government.
- Diversify the internal revenue base and also reviewing revenue projections to reflect current realities.
- Compliance with NGF Budget guidelines that maybe given from time to time.
- Ensure adjustment of debt servicing or repayment period (re-financing and re-structuring) in order to free up funds for other developmental projects.
- Use loans to finance capital expenditure projects only;
- Target sources of capital receipts and financing outside of loans (e.g., Aid and Grants, PPP, etc.).

3.C Indicative Three-Year Fiscal Framework

93. The indicative three-year fiscal framework for the period 2022-2024 is presented in the table below.

Table 6: Yobe State Medium Term Fiscal Framework

Fiscal Framework

| Item | 2022 | 2023 | 2024 |
|------------------------|---------------|---------------|---------------|
| Opening Balance | 3,500,000,000 | 3,500,000,000 | 3,500,000,000 |

| Recurrent Revenue | | | |
|---------------------------------|-----------------------|-----------------------|-----------------------|
| Statutory Allocation | 38,643,642,465 | 43,886,794,111 | 41,989,736,547 |
| VAT | 20,525,503,792 | 20,525,503,792 | 20,525,503,792 |
| IGR | 20,180,802,773 | 15,180,802,773 | 15,180,802,773 |
| Excess Crude/Other FAAC Revenue | 2,982,338,710 | 2,982,338,710 | 2,982,338,710 |
| Total Recurrent Revenue | 82,332,287,740 | 82,575,439,386 | 80,678,381,822 |

| Recurrent Expenditure | | | |
|--|-----------------------|-----------------------|-----------------------|
| Personnel Costs | 30,618,548,584 | 32,149,476,013 | 33,756,949,814 |
| Social Contribution and Social Benefit | 3,792,324,605 | 3,792,324,605 | 3,792,324,605 |
| Overheads | 26,330,466,900 | 26,593,771,569 | 27,125,647,000 |
| Grants, Contributions and Subsidies | 21,614,940 | 24,857,181 | 28,585,758 |
| Public Debt Service | 21,152,874,393 | 10,576,437,196 | 6,345,862,318 |
| Total | 81,915,829,422 | 73,136,866,565 | 71,049,369,495 |
| Transfer to Capital Account | 3,916,458,318 | 12,938,572,821 | 13,129,012,327 |

Capital Receipts

| | | | |
|------------------------|-----------------------|-----------------------|-----------------------|
| Grants | 28,000,000,000 | 22,300,000,000 | 22,300,000,000 |
| Other Capital Receipts | 15,000,000,000 | 5,000,000,000 | 5,000,000,000 |
| Total | 43,000,000,000 | 27,300,000,000 | 27,300,000,000 |

Reserves

| | | | |
|-----------------------|----------------------|----------------------|----------------------|
| Contingency Reserve | 0 | 0 | 0 |
| Planning Reserve | 4,291,614,387 | 4,303,771,969 | 4,208,919,091 |
| Total Reserves | 4,291,614,387 | 4,303,771,969 | 4,208,919,091 |

| | | | |
|----------------------------|-----------------------|-----------------------|-----------------------|
| Capital Expenditure | 47,624,843,931 | 40,934,800,852 | 41,220,093,236 |
| Discretionary Funds | 25,624,843,931 | 18,934,800,852 | 19,220,093,236 |
| Non-Discretionary Funds | 22,000,000,000 | 22,000,000,000 | 22,000,000,000 |

| | | | |
|--------------------------|---------------|---------------|---------------|
| Financing (Loans) | 5,000,000,000 | 5,000,000,000 | 5,000,000,000 |
|--------------------------|---------------|---------------|---------------|

| | | | |
|--|------------------------|------------------------|------------------------|
| Total Revenue (Including Opening Balance) | 133,832,287,740 | 118,375,439,386 | 116,478,381,822 |
| Total Expenditure (including Contingency Reserve) | 133,832,287,740 | 118,375,439,386 | 116,478,381,822 |

| | | | |
|------------------------|--|--|--|
| Closing Balance | | | |
|------------------------|--|--|--|

| Ratios | | | |
|--|--------|---------|--------|
| Growth in Recurrent Revenue | 41.23% | 0.30% | -2.30% |
| Growth in Recurrent Expenditure | 91.97% | -10.72% | -2.85% |
| Capital Expenditure Ratio | 38.79% | 38.22% | 39.00% |
| Deficit (Financing) to Total Expenditure | 3.74% | 4.22% | 4.29% |

| ITEM | 2022 | 2023 | 2024 |
|--|-----------------------|-----------------------|-----------------------|
| Internal Grants | | | |
| Development of Mineral Resources & Tourism | 20,000,000,000 | 20,000,000,000 | 20,000,000,000 |
| FGN Grant for SDG | 300,000,000 | 300,000,000 | 300,000,000 |
| UBE Matching Grant | 1,500,000,000 | 1,500,000,000 | 1,500,000,000 |
| Agro-Climatic Resilience | 500,000,000 | 500,000,000 | 500,000,000 |
| | | | |
| | | | |
| Sub-Total Internal Grant | 22,300,000,000 | 22,300,000,000 | 22,300,000,000 |

| | | | |
|---------------------------------|----------------------|----------|----------|
| External Grants | | | |
| SFTAS | 5,700,000,000 | 0 | 0 |
| N-CARES | 0 | 0 | 0 |
| | | | |
| | | | |
| Sub-Total External Grant | 5,700,000,000 | 0 | 0 |

| | | | |
|--|-----------------------|-----------------------|-----------------------|
| Grant Balancing Item / Blue Sky | | | |
| Total Grants | 28,000,000,000 | 22,300,000,000 | 22,300,000,000 |

| | | | |
|---|----------------------|----------------------|----------------------|
| Internal Loans | | | |
| CBN Infrasturural Development Credit Facility | 0 | 0 | 0 |
| Capital Market Issuances | 0 | 0 | 0 |
| N-CARES | 5,000,000,000 | 5,000,000,000 | 5,000,000,000 |
| | | | |
| | | | |
| Total | 5,000,000,000 | 5,000,000,000 | 5,000,000,000 |

| | | | |
|-----------------------|----------|----------|----------|
| External Loans | | | |
| WB | | | |
| | | | |
| | | | |
| Total | 0 | 0 | 0 |

| | | | |
|---------------------------------------|----------------------|----------------------|----------------------|
| Loan Balancing Item / Blue Sky | | | |
| Total Loans | 5,000,000,000 | 5,000,000,000 | 5,000,000,000 |

| | | | |
|-------------------------------|-----------------------|----------------------|----------------------|
| Other Capital Receipts | | | |
| Refund on Federal Roads | 15,000,000,000 | 5,000,000,000 | 5,000,000,000 |
| | | | |
| | | | |
| Total | 15,000,000,000 | 5,000,000,000 | 5,000,000,000 |

| | | | |
|--------------------------------------|-----------------------|----------------------|----------------------|
| OCR Balancing Item / Blue Sky | | | |
| Total Other Capital Receipts | 15,000,000,000 | 5,000,000,000 | 5,000,000,000 |

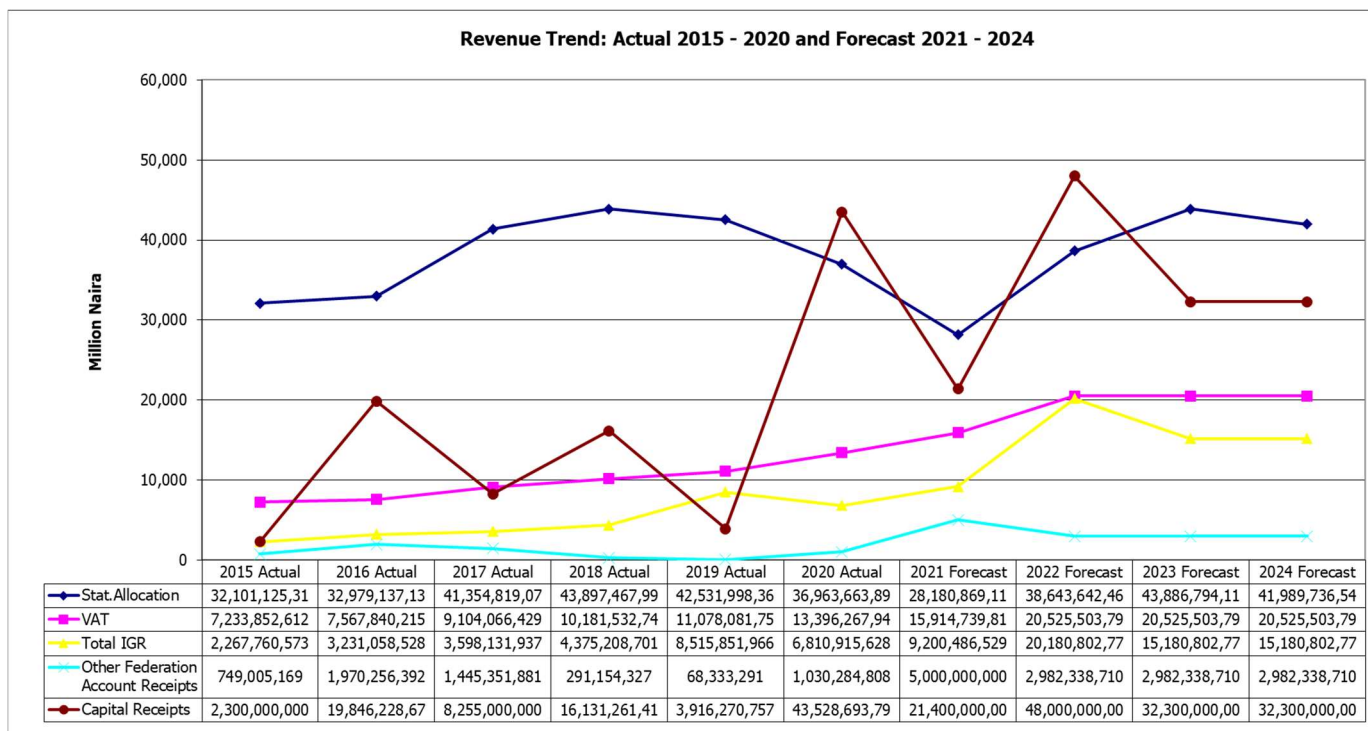
3.C.1 Assumptions

94. Opening Balance – The state anticipated opening balance of ₦3.5 billion for the three years period
95. Statutory Allocation – This is estimated using the elasticity forecasting which project ₦38.644 government's share of FAAC in 2022, ₦43.887 billion, 2023 and slightly decline to ₦41.989 billion in 2024.
96. VAT – government share of VAT is estimated using own value ₦20.526 billion in 2022, 2023 and 2024
97. Excess Crude – Excess Crude and other FAAC Revenues expected is earmarked at ₦2.982 billion for the three years period
98. Internally Generated Revenue (IGR) – The state government anticipate to increase its revenue base, blocking the identified leakages. The sum of ₦20.181 billion was earmarked in 2022. This also include refund on NEPA ground rent of ₦5 billion.
99. Grants – sum of ₦28 billion was earmarked as grants in 2022 comprising internal grant of ₦22.3 billion and ₦5.7 billion external grant.
100. Miscellaneous Capital Receipts – ₦15 billion was earmarked as other capital receipt expected from the refunds on expenditures government incurred on federal roads and other sources of government revenues.
101. Financing (Net Loans) – sum of ₦5 billion is expected to be collected from NCARES on programme for results loan facility basis
102. Personnel – sum of ₦30.618 billion earmarked as personnel cost in 2022, ₦32.149 billion in 2023 and ₦33.757 billion in 2024 respectively
103. Social Contribution and Social Benefits – ₦3.792 was earmarked for payment of pension, gratuities and other social contributions.
104. Overheads – other recurrent services witnessed a steady growth year-on-year with ₦26.330 billion in 2022, ₦26.594 billion and ₦27.126 billion in 2023 and 2024 respectively using own percentage forecasting method.
105. Grants, Contributions, Subsidies and Transfers – sum of ₦21.615 million was earmarked in 2022, ₦24.857 and ₦28.586 billion in 2023 and 2024 respectively.
106. Public Debt Service – Sum of ₦21.153, ₦10.576 and ₦6.346 billion was earmarked to service the debts in 2022, 2023 and 2024 respectively.
107. Contingency and Planning Reserves – Planning reserve of ₦4.292 billion, ₦4.303 and ₦4.209 billion was set aside for planning purposes in the 3 years 2022 – 2024.
108. Capital Expenditure – sum of ₦47.625 billion in 2022, ₦40.935 billion and ₦41.220 billion in 2023 and 2024 translating into 38.22% and 39.00% growth.

3.C.2 Fiscal Trends

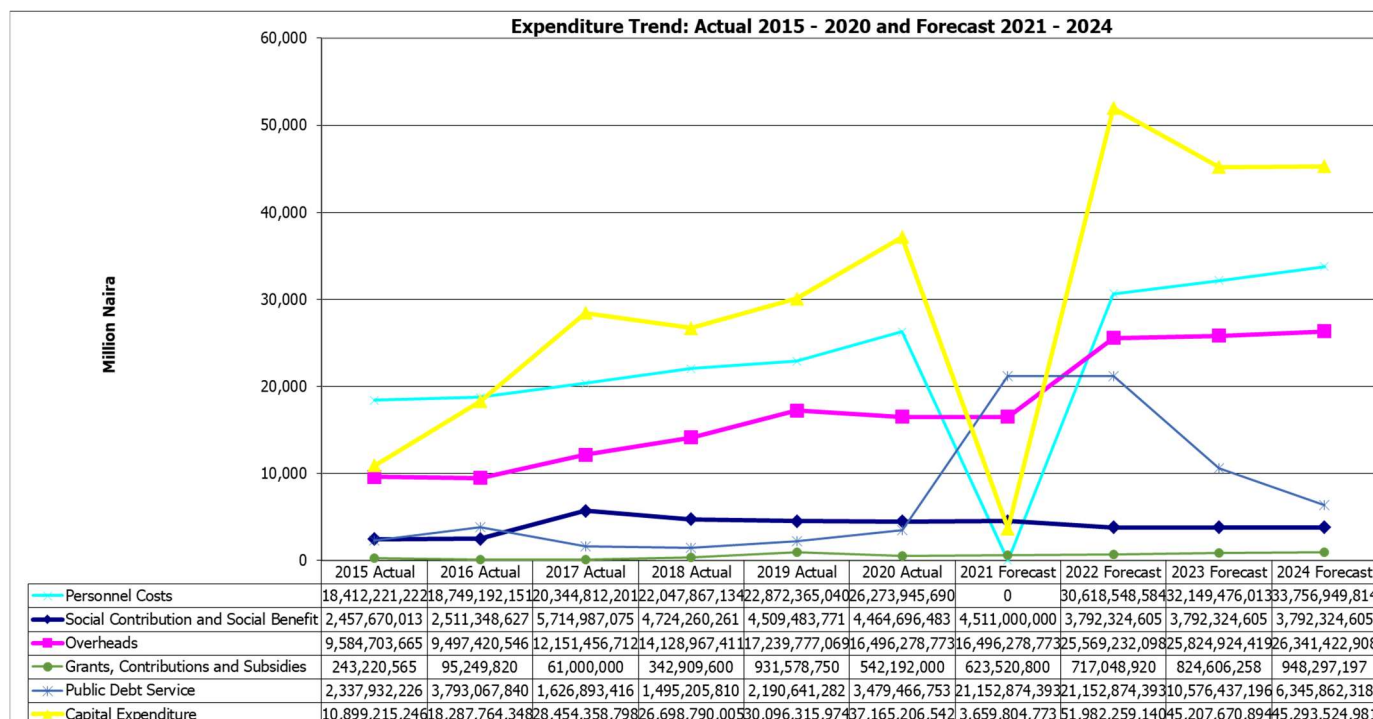
109. Based on the above envelope, plus actual figures for 2022-2024 (using the same basis for forecasting as noted in the sub-sections within section 3.B), the trend from historical actual to forecast can be seen for revenue and then expenditure in the line graphs below:

Figure 18: Yobe State Revenue Trend



110. Figure 18 show the revenue trend and forecast for 2021 – 2024. As indicated, sum of ₦32.101 billion was received in 2015 as Statutory Allocation, ₦32.979 billion, ₦41.355 billion, ₦43.897 billion, ₦42.532 billion was also received in 2016, 2017, 2018 and 2019. It is further expected that the sum of ₦28.181 billion will be receive in 2021, ₦38.644 billion, ₦43.882 billion and ₦41.989 billion in 2022, 2023 and 2024 respectively. The trend in other revenues, VAT, IGR, Other Capital Receipts also follows the same suit.

Figure 19: Yobe State Expenditure Trend



111. Figure 19 shows the Yobe State expenditure trend within the five years period 2015 to 2020 actuals and projections for 2021 to 2024 in terms of personnel, social contribution and social benefits, overheads, grants, contribution and subsidies, public dept service and capital expenditure.

3.D Fiscal Risks

112. The analysis and forecasting basis as laid out above implies some fiscal risks, including but not limited to.

Table 7: Fiscal Risks

| Risk | Likelihood | Impact | Reaction |
|---|------------|--------|---|
| Uncertainty and fluctuations in Crude Oil Price and Production Volatility could impact FAAC Revenues | High | High | Increase IGR effort to reduce reliance on federal transfers. Seeking alternative means to diversify the revenue sources etc. |
| Insecurity situation in the state and country at large, activities of the insurgents, arm bandits, kidnappers and boko haram | Medium | Medium | The estimates for VAT and Statutory allocation are not over ambitious. In addition, clear prioritisation of projects in the capital budget is made. |
| Over reliance on FAAC allocation and low IGR base is a major risk for the State | High | High | Increase the internal revenue base by blocking all the identified leakages |
| Third wave outbreak of COVID-19 | Low | Low | Not likely to happen. |
| 2022 is year of political parties' campaign, while 2023 is electioneering year. The activities of insurgency may likely increase. | High | High | Increase sensitization and awareness campaign on the citizens' to be low abiding |

113. It should be noted however that no budget is without risk. The ongoing implementation of the 2021 budget should be closely monitored.

4 Budget Policy Statement

4.A Budget Policy Thrust

114. Government's policy thrust and direction in 2022 is completion of all ongoing legacy projects.

4.B Sector Allocations (3 Year)

115. Presented in the table below are the indicative three envelopes for sectors and sub-sectors. This is a bid to accelerate the development activities in the state by altercating foreign and domestic investors into the state, improvement in the general wellbeing of the society and increase job creation which will have a positive impact on poverty reduction.

116. Sector ceilings for 2022-2024 is shown in tables above indicate that in terms of personnel cost education took the higher percentage (i.e., 36.28%) in the year 2022, followed by health sector 22.40% and governance 21.57%, the least are commerce and industry, 0.55%, water sector 1.58% and social development 1.75%. The trend in 2023 and 2024 follows the same pattern, only that governance gotten 23% and health 22% which came third position.

117. For overhead, it can be seen that governance takes the lion share, this indicates that cost of governance increase, education gets 6.22% and 2.27%. For the capital expenditure works, housing and energy got 37.77%, governance 15.17% and education 14.26% in 2022 fiscal year and the trend follows the same suit in the subsequent years, where environment and social development gotten less than 1%.

Figure 20: Sector Allocations (proposed 2022-2024)

Table 8: Indicative Sector Expenditure Ceilings 2022-2024

| Personnel Expenditure by Se | | | | | | | |
|-----------------------------|-----------------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|
| No. | Sector | % 2022 | 2022 Allocation | % 2023 | 2023 Allocation | % 2024 | 2024 Allocation |
| 1 | Governance | 21.57% | 6,605,645,396 | 23.50% | 7,553,606,866 | 23.61% | 7,971,337,542 |
| 2 | Agriculture | 5.18% | 1,587,041,729 | 5.21% | 1,675,184,824 | 5.24% | 1,767,826,711 |
| 3 | Works, Housing and Energy | 3.79% | 1,161,081,853 | 3.81% | 1,225,567,274 | 3.83% | 1,293,344,966 |
| 4 | Commerce and Industry | 0.55% | 168,435,126 | 0.55% | 177,789,163 | 0.56% | 187,622,143 |
| 5 | Water | 1.58% | 483,165,551 | 1.59% | 509,999,906 | 1.59% | 538,204,949 |
| 6 | Justice, Peace and Security | 3.60% | 1,101,044,857 | 3.61% | 1,162,197,331 | 3.63% | 1,226,467,157 |
| 7 | Health | 22.40% | 6,859,270,184 | 22.17% | 7,128,368,563 | 22.28% | 7,522,584,394 |
| 8 | Education | 36.28% | 11,106,979,530 | 34.48% | 11,085,019,821 | 34.15% | 11,527,581,752 |
| 9 | Environment | 3.30% | 1,008,891,676 | 3.31% | 1,064,925,430 | 3.33% | 1,123,817,078 |
| 10 | Social Development | 1.75% | 536,992,683 | 1.76% | 566,816,836 | 1.77% | 598,163,124 |
| | Total | 100.00% | 30,618,548,584 | 100.00% | 32,149,476,013 | 100.00% | 33,756,949,814 |

| Capital Expenditure by Sector | | Total Capital Envelope | | | | | |
|-------------------------------|-----------------------------|------------------------|-----------------------|----------------|-----------------------|----------------|-----------------------|
| No. | Sector | % 2022 | 2022 Allocation | % 2023 | 2023 Allocation | % 2024 | 2024 Allocation |
| 1 | Governance | 8.2% | 3,898,487,312 | 6.3% | 2,589,655,492 | 6.3% | 2,596,315,812 |
| 2 | Agriculture | 6.8% | 3,261,884,342 | 2.3% | 948,085,800 | 2.3% | 950,524,176 |
| 3 | Works, Housing and Energy | 62.3% | 29,702,169,549 | 69.7% | 28,524,226,495 | 69.8% | 28,678,238,040 |
| 4 | Commerce and Industry | 3.2% | 1,505,606,813 | 4.1% | 1,670,579,825 | 4.1% | 1,674,876,380 |
| 5 | Water | 3.1% | 1,501,492,268 | 2.6% | 1,068,729,141 | 2.6% | 1,071,477,799 |
| 6 | Justice, Peace and Security | 1.2% | 567,174,145 | 1.0% | 413,777,339 | 1.0% | 414,841,530 |
| 7 | Health | 2.4% | 1,157,136,537 | 3.2% | 1,319,577,958 | 3.2% | 1,322,971,773 |
| 8 | Education | 10.8% | 5,163,717,095 | 8.7% | 3,553,392,211 | 8.7% | 3,558,673,318 |
| 9 | Environment | 1.5% | 734,212,538 | 1.6% | 670,867,874 | 1.6% | 671,307,328 |
| 10 | Social Development | 0.4% | 198,764,154 | 0.4% | 145,006,791 | 0.4% | 145,379,733 |
| | Total | 100.00% | 47,690,644,753 | 100.00% | 40,903,898,925 | 100.00% | 41,084,605,890 |

| Overhead Expenditure by Sector | | Total Capital Envelope | | | | | |
|--------------------------------|-----------------------------|------------------------|-----------------------|----------------|-----------------------|----------------|-----------------------|
| No. | Sector | % 2022 | 2022 Allocation | % 2023 | 2023 Allocation | % 2024 | 2024 Allocation |
| 1 | Governance | 85.07% | 22,399,747,965 | 77.21% | 20,533,689,505 | 73.36% | 19,900,370,464 |
| 2 | Agriculture | 1.80% | 473,300,629 | 1.56% | 414,839,199 | 1.73% | 469,806,749 |
| 3 | Works, Housing and Energy | 1.26% | 332,633,636 | 1.62% | 431,424,616 | 1.80% | 488,589,788 |
| 4 | Commerce and Industry | 0.11% | 28,661,651 | 0.14% | 35,945,676 | 0.15% | 40,708,596 |
| 5 | Water | 0.49% | 128,936,667 | 0.61% | 161,704,421 | 0.68% | 183,130,786 |
| 6 | Justice, Peace and Security | 1.53% | 401,843,470 | 1.90% | 503,967,316 | 2.10% | 570,744,632 |
| 7 | Health | 2.27% | 596,538,601 | 5.79% | 1,539,174,187 | 6.43% | 1,743,119,798 |
| 8 | Education | 6.22% | 1,638,705,869 | 9.73% | 2,587,636,809 | 12.14% | 3,292,720,933 |
| 9 | Environment | 0.52% | 136,777,787 | 0.65% | 171,538,272 | 0.72% | 194,267,653 |
| 10 | Social Development | 0.73% | 193,320,625 | 0.80% | 213,851,570 | 0.89% | 242,187,602 |
| | Total | 100.00% | 26,330,466,900 | 100.00% | 26,593,771,569 | 100.00% | 27,125,647,000 |

4.C Considerations for the Annual Budget Process

118. All spending agencies are advised to adhere strictly to the following INSTRUCTIONS in the preparation of their 2022 budget proposals. It is expected that every spending entity is advised to ensure that all liabilities and other relevant activities considered important in 2022 fiscal year are included in their proposed budget. They are further expected to articulate their budget against the background of the overall goals of YOSERA V and the Sustainable Development Goals and ensure the link between MTSS and the annual budget. Furthermore, MDAs, while submitting their budget proposals are advised to adhere to the following:

- Inputs from the citizens' collected during the Public Consultations (Budget Dialogue) meetings at the Headquarter of the three (3) senatorial districts should form part of the 2022 budget proposals.
- Ensure that budget estimates are within the ceiling provided and use of appropriate budget classification and codes and liaise with their respective departments and unit in coming up with their budgetary proposals.
- In allocating capital budget resources, MDAs are enjoined to accord priority to ongoing projects, especially those nearing completion that fit into government's current priorities. MDAs may not be allowed to initiate new projects/programmes unless they can demonstrate that adequate provisions have been made for ongoing projects;
- MDAs are required to provide full information on the projects that require counterpart funding. Counterpart funds will be available to any MDAs that justify the projects and make necessary provisions in their budgets;
- Ensure consistency with sector strategy.

5 Summary of Key Points and Recommendations

119. Major key points arising in this document is summarise below:

- The projections for the various revenue and expenditure items are premised on credible forecasting techniques based on global best practice. The COVID 19 and its associated economic and fiscal effects had significantly exerted pressure on the State Fiscal Resources and to a large extent undermines the State 2021 Approved Budget implementation.
- Similarly, the fiscal policies and the budget policy statement are reflections of the State's economic status as well as the nation's economy while taking into consideration the global economic trend. Amendment to these projections were carefully considered based on the improved economic environment as well as reasonable and credible forecasting techniques in the budget preparation.
- The projections for revenue items, especially from the federation account were conservatively arrived at from the arrays of forecasting options, and to reflect real economic status of the State. The Independent Revenue figures especially in the last one year has been very encouraging. However, it has been observed that some government Parastatals generate revenue, retain it and spend to meet their operational cost against the State laid down Financial Rules and Regulations.
- Grants and credits from Development Partners and other Donor Agencies will be seriously explored by government as they provide additional source of funding;
- Government will continue providing conducive working environment to Development Partners through the timely payment of Government Cash Contribution (GCC) and other logistics;
- The Government will focus on eliminating waste and ensuring prudent and efficient use of scarce resources; and Extra budgetary spending will be sanctioned.
- Policy direction of government for 2022 fiscal year is the completion of on-going legacy projects;
- MDAs are expected to incorporate citizen needs generated across the three Senatorial Districts in the budget proposals.
- Revenue generating agencies are expected to exercise prudence while handling public funds and ensure timely remittances of the revenues collected into the coffers of government. For this reason, all internal revenue sources will be explored and blocked the identified.

YOBE STATE GOVERNMENT OF NIGERIA
PROPOSED MTEF 2022 - 2024

Macro-Economic Framework

| Item | 2022 | 2023 | 2024 |
|---------------------------------|---------|---------|---------|
| National Inflation | 13.00% | 11.00% | 10.00% |
| National Real GDP Growth | 4.20% | 2.30% | 3.30% |
| Oil Production Benchmark (MBPD) | 1.8800 | 2.2300 | 2.2000 |
| Oil Price Benchmark | \$57.00 | \$57.00 | \$55.00 |
| NGN:USD Exchange Rate | 410.15 | 410.15 | 410.15 |
| Other Assumptions | | | |
| Mineral Ratio | 30% | 30% | 30% |

Fiscal Framework

| Item | 2022 | 2023 | 2024 |
|------------------------|---------------|---------------|---------------|
| Opening Balance | 3,500,000,000 | 3,500,000,000 | 3,500,000,000 |

| Recurrent Revenue | | | |
|---------------------------------|-----------------------|-----------------------|-----------------------|
| Statutory Allocation | 38,643,642,465 | 43,886,794,111 | 41,989,736,547 |
| VAT | 20,525,503,792 | 20,525,503,792 | 20,525,503,792 |
| IGR | 20,180,802,773 | 15,180,802,773 | 15,180,802,773 |
| Excess Crude/Other FAAC Revenue | 2,982,338,710 | 2,982,338,710 | 2,982,338,710 |
| Total Recurrent Revenue | 82,332,287,740 | 82,575,439,386 | 80,678,381,822 |

Recurrent Expenditure

| | | | |
|--|-----------------------|-----------------------|-----------------------|
| Personnel Costs | 30,618,548,584 | 32,149,476,013 | 33,756,949,814 |
| Social Contribution and Social Benefit | 3,792,324,605 | 3,792,324,605 | 3,792,324,605 |
| Overheads | 26,330,466,900 | 26,593,771,569 | 27,125,647,000 |
| Grants, Contributions and Subsidies | 21,614,940 | 24,857,181 | 28,585,758 |
| Public Debt Service | 21,152,874,393 | 10,576,437,196 | 6,345,862,318 |
| Total | 81,915,829,422 | 73,136,866,565 | 71,049,369,495 |
| Transfer to Capital Account | 3,916,458,318 | 12,938,572,821 | 13,129,012,327 |

Capital Receipts

| | | | |
|------------------------|-----------------------|-----------------------|-----------------------|
| Grants | 28,000,000,000 | 22,300,000,000 | 22,300,000,000 |
| Other Capital Receipts | 15,000,000,000 | 5,000,000,000 | 5,000,000,000 |
| Total | 43,000,000,000 | 27,300,000,000 | 27,300,000,000 |

Reserves

| | | | |
|-----------------------|----------------------|----------------------|----------------------|
| Contingency Reserve | 0 | 0 | 0 |
| Planning Reserve | 4,291,614,387 | 4,303,771,969 | 4,208,919,091 |
| Total Reserves | 4,291,614,387 | 4,303,771,969 | 4,208,919,091 |

| | | | |
|----------------------------|-----------------------|-----------------------|-----------------------|
| Capital Expenditure | 47,624,843,931 | 40,934,800,852 | 41,220,093,236 |
| Discretionary Funds | 25,624,843,931 | 18,934,800,852 | 19,220,093,236 |
| Non-Discretionary Funds | 22,000,000,000 | 22,000,000,000 | 22,000,000,000 |

| | | | |
|--------------------------|---------------|---------------|---------------|
| Financing (Loans) | 5,000,000,000 | 5,000,000,000 | 5,000,000,000 |
|--------------------------|---------------|---------------|---------------|

| | | | |
|---|------------------------|------------------------|------------------------|
| Total Revenue (Including Opening | 133,832,287,740 | 118,375,439,386 | 116,478,381,822 |
| Total Expenditure (including Conti | 133,832,287,740 | 118,375,439,386 | 116,478,381,822 |

| | | | |
|------------------------|--|--|--|
| Closing Balance | | | |
|------------------------|--|--|--|

**YOBE STATE GOVERNMENT OF NIGERIA
PROPOSED MTEF 2022-2024**

Capital Receipt

| ITEM | 2022 | 2023 | 2024 |
|--|-----------------------|-----------------------|-----------------------|
| Internal Grants | | | |
| State and LG Joint Projects | 0 | 0 | 0 |
| Development of Mineral Resources & Tourism | 20,000,000,000 | 20,000,000,000 | 20,000,000,000 |
| FGN Grant for SDG | 300,000,000 | 300,000,000 | 300,000,000 |
| UBE Matching Grant | 1,500,000,000 | 1,500,000,000 | 1,500,000,000 |
| Agro-Climatic Resilience | 500,000,000 | 500,000,000 | 500,000,000 |
| | | | |
| | | | |
| Sub-Total Internal Grant | 22,300,000,000 | 22,300,000,000 | 22,300,000,000 |

| | | | |
|---------------------------------|----------------------|----------|----------|
| External Grants | | | |
| SFTAS | 5,700,000,000 | 0 | 0 |
| N-CARES | 0 | 0 | 0 |
| | | | |
| Sub-Total External Grant | 5,700,000,000 | 0 | 0 |

| | | | |
|--|-----------------------|-----------------------|-----------------------|
| Grant Balancing Item / Blue Sky | | | |
| Total Grants | 28,000,000,000 | 22,300,000,000 | 22,300,000,000 |

| | | | |
|---|----------------------|----------------------|----------------------|
| Internal Loans | | | |
| CBN Infrastructural Development Credit Facility | 0 | 0 | 0 |
| Capital Market Issuances | 0 | 0 | 0 |
| N-CARES | 5,000,000,000 | 5,000,000,000 | 5,000,000,000 |
| | | | |
| Total | 5,000,000,000 | 5,000,000,000 | 5,000,000,000 |

| | | | |
|-----------------------|----------|----------|----------|
| External Loans | | | |
| WB | | | |
| | | | |
| Total | 0 | 0 | 0 |

| | | | |
|---------------------------------------|----------------------|----------------------|----------------------|
| Loan Balancing Item / Blue Sky | | | |
| Total Loans | 5,000,000,000 | 5,000,000,000 | 5,000,000,000 |

| | | | |
|-------------------------------|-----------------------|----------------------|----------------------|
| Other Capital Receipts | | | |
| Refund on Federal Roads | 15,000,000,000 | 5,000,000,000 | 5,000,000,000 |
| | | | |
| Total | 15,000,000,000 | 5,000,000,000 | 5,000,000,000 |

| | | | |
|--------------------------------------|-----------------------|----------------------|----------------------|
| OCR Balancing Item / Blue Sky | | | |
| Total Other Capital Receipts | 15,000,000,000 | 5,000,000,000 | 5,000,000,000 |

SUMMARY OF REVENUE TREND 2020 - JUNE 2021

| DESCRIPTION | 2020 ACTUALS | REVISED BUDGET 2021 | ACTUAL JAN- JUNE 2021 | PROPOSED BUDGET 2022 |
|------------------------------------|------------------------|------------------------|-----------------------|------------------------|
| | ₱ | ₱ | ₱ | ₱ |
| Treasury Opening Balance | 2,223,232,298 | 14,900,000,000 | 15,531,272,122 | 3,500,000,000 |
| Estimated Recurrent Revenue | | | | |
| 1. Internally Generated Revenue | 6,810,915,628 | 9,200,486,529 | 4,067,916,512 | 20,180,802,773 |
| 2. Statutory Allocation | 36,963,663,894 | 35,383,273,429 | 14,921,528,952 | 38,643,642,465 |
| 3. Value added Tax (VAT) | 13,396,267,944 | 15,914,739,818 | 10,262,751,896 | 20,525,503,792 |
| 4. Excess Crude/Other FAAC Revenue | 1,030,284,808 | 5,000,000,000 | 1,491,169,355 | 2,982,338,710 |
| 6. Grants | 9,997,939,608 | 16,476,000,000 | 7,470,700,000 | 28,000,000,000 |
| 7. External loans | - | - | - | |
| 8. Internal Loans | 27,008,985,002 | 31,400,000,000 | 8,358,781,143 | 5,000,000,000 |
| 9. Other Revenues | 6,521,769,180 | 11,600,000,000 | - | 15,000,000,000 |
| TOTAL | 103,953,058,362 | 139,874,499,776 | 62,104,119,979 | 133,832,287,740 |

SUMMARY OF EXPENDITURE TREND 2020 - JUNE 2021

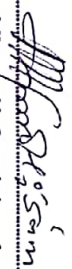
| S/N DESCRIPTION | 2020 ACTUALS | REVISED BUDGET 2021 | ACTUAL JAN- JUNE 2021 | PROPOSED BUDGET 2022 |
|------------------|-----------------------|------------------------|-----------------------|------------------------|
| | ₱ | ₱ | ₱ | ₱ |
| 1 Personnel cost | 26,273,945,690 | 30,064,607,733 | 14,117,002,833 | 34,410,873,189 |
| 2 Overhead cost | 24,982,634,009 | 41,789,604,034 | 18,311,662,181 | 47,504,956,233 |
| 3 Capital | 37,165,206,542 | 68,020,288,009 | 20,994,838,359 | 47,624,843,931 |
| 4 State-wide | | | | 4,291,614,387 |
| TOTAL | 88,421,786,241 | 139,874,499,776 | 53,423,503,373 | 133,832,287,740 |

FINANCING THE 2022 - 2024 MEDIUM TERM EXPENDITURE FRAMEWORK

| DESCRIPTION | 2022 PROPOSED BUDGET | | | 2023 PROJECTION | | | 2024 PROJECTION | | |
|---|------------------------|------------------------|------------------------|----------------------|--|--|----------------------|--|--|
| | ₱ | | | ₱ | | | ₱ | | |
| 1) Opening Cash Balance | 3,500,000,000 | | | 3,500,000,000 | | | 3,500,000,000 | | |
| REVENUE | | | | | | | | | |
| Recurrent Revenue | 82,332,287,740 | 82,575,439,386 | 80,678,381,822 | | | | | | |
| Grants | 28,000,000,000 | 22,300,000,000 | 22,300,000,000 | | | | | | |
| Miscellaneous Receipts | 15,000,000,000 | 5,000,000,000 | 5,000,000,000 | | | | | | |
| 2) Total Revenue | 125,332,287,740 | 109,875,439,386 | 107,978,381,822 | | | | | | |
| 3) Total State funds available for expenditure = (1+2) | 128,832,287,740 | 113,375,439,386 | 111,478,381,822 | | | | | | |
| EXPENDITURE | | | | | | | | | |
| Total Recurrent Expenditure | 81,915,829,422 | 73,136,866,565 | 71,049,369,495 | | | | | | |
| Total Capital Expenditure | 47,624,843,931 | 40,934,800,852 | 41,220,093,236 | | | | | | |
| State Wide | 4,291,614,387 | 4,303,771,969 | 4,208,919,091 | | | | | | |
| 4) Total Expenditure | 133,832,287,740 | 118,375,439,386 | 116,478,381,822 | | | | | | |
| 5) Budget Deficit (3-4): | 5,000,000,000 | 5,000,000,000 | 5,000,000,000 | | | | | | |
| Deficit financing: | | | | | | | | | |
| i) Internal loans | 5,000,000,000 | 5,000,000,000 | 5,000,000,000 | | | | | | |
| ii) External loans | - | - | - | | | | | | |
| Total deficit financing | 5,000,000,000 | 5,000,000,000 | 5,000,000,000 | | | | | | |
| Closing Cash Balance | - | | | - | | | - | | |

DOMESTIC DEBT DATA REPORTING TEMPLATE FOR STATES AND FCT
 YOBE STATE DOMESTIC DEBT DATA AS AT 30TH DECEMBER, 2020
 (AMOUNTS IN NAIRIA)

| DEBT CATEGORY | 3RD QUARTER (JULY- SEPT. 2020) | | | | 4TH QUARTER (OCT- DEC. 2020) | | | | 1ST QUARTER (JAN -MARCH. 2021) | | | PROJECTION |
|---|--|--------------------------|-------------------------|-----------------------|------------------------------|-------------------------|--|--------------------------|--------------------------------|-----------------------|--|-------------------------|
| | DEBT STOCK | ACTUAL | | DEBT STOCK | ACTUAL | | NEW LOAN/ DISBURSEMENT/AR REARS/ DEBTS | DEBT STOCK | ACTUAL | | NEW LOAN/ DISBURSEMENT/ARREA RS/ DEBTS | |
| | | PRINCIPAL | INTEREST | | PRINCIPAL | INTEREST | | | PRINCIPAL | INTEREST | | |
| BUDGET SUPPORT FACILITY | 17,520,291,595.19 | | | | 17,520,291,595.19 | | | | 17,520,291,595.19 | | | |
| SALARY BAIL-OUT | | | | | | | | | | | | |
| RESTRUCTURED COMMERCIAL BANK LOANS (FCN BONDS) | | | | | | | | | | | | |
| EXCESS CRUDE ACCOUNT (ECA) LOAN | 9,047,246,409.39 | | | | 9,047,246,409.39 | | | | 9,047,246,409.39 | | | |
| STATE BONDS | | | | | | | | | | | | |
| COMMERCIAL BANK LOANS | 7,659,297,182.17 | 717,748,585.17 | 432,967,038.92 | 9,641,663,616.98 | 692,370,484.22 | 438,499,948.51 | 2,674,736,919.03 | 12,110,590,358.66 | 531,073,258.32 | 419,871,368.06 | 3,000,000,000.00 | |
| AGRIC. LOAN | A. CACS (Commercial Agriculture Credit Scheme) | | | | | | | | | | | |
| | B. OTHERS | | | | | | | | | | | |
| INFRASTRUCTURE LOAN | A. PAIF (Power and Aviation Intervention Fund) | | | | | | | | | | | |
| | B. OTHERS | 7,978,601,157.75 | | | 15,957,202,315.50 | 120,127,230.30 | 7,978,601,157.75 | 15,957,202,315.50 | | 359,037,052.11 | | |
| MICRO SMALL MEDIUM ENTERPRISE DEVELOPMENT FUND (MSMEDF) | | | | | | | | | | | | |
| JUDGEMENT DEBTS | A. FCN JUDGEMENT DEBTS | | | | | | | | | | | |
| | B. OTHER JUDGEMENT DEBTS | | | | | | | | | | | |
| GOVT - GOVT DEBTS | A. State Govt to Federal Govt | | | | | | | | | | | |
| | B. State Govt to Local Govt Authorities | | | | | | | | | | | |
| | C. Others | | | | | | | | | | | |
| CONTRACTORS' ARREARS | | 2,794,882.00 | | | 2,794,882.00 | | | | 2,794,882.00 | | | |
| PENSION AND GRATUITY ARREARS | | 2,749,234,541.00 | 389,004,247.32 | | 2,696,998,903.62 | 403,259,017.62 | 351,023,380.24 | 2,677,121,956.62 | 300,000,000.00 | | 280,123,033.00 | |
| SALARY ARREARS AND OTHER STAFF CLAIMS | | | | | | | | | | | | |
| OTHER DEBTS | A. Pledges | | | | | | | | | | | |
| | B. Others | | | | | | | | | | | |
| TOTAL | | 44,957,465,675.00 | 1,106,752,832.49 | 432,967,038.92 | 54,866,197,722.68 | 1,095,629,501.84 | 558,627,178.81 | 11,004,361,457.02 | 57,315,247,497.36 | 831,073,258.32 | 776,908,420.17 | 3,280,123,033.00 |

Signed: 
 Honorable Commissioner for Finance
 Yobe State Ministry of Finance
 Name: M. A. Geidam PCNA ml
 Date: 29/01/2021

Signed: 
 Head, Yobe State Debt Management Unit
 Name: M. A. Geidam Ibrahim
 Date: 29/01/2021



- Note : Documents to accompany the duly completed template are as follows:
- i) Copies of signed Loan Agreements if there were new loans or facilities acquired during the period;
 - ii) Copies of Amortization schedules for new loans;
 - iii) Documentary evidence of disbursements during the period;
 - iv) Documentary evidence of repayment that occurred during the period;
 - v) Documentary evidence of bond issuance;
 - vi) Breakdown of Other Liabilities;
 - vii) Additional information/explanation justifying changes in the debt stock and service between the previous and the current quarters.

NOTE: H
INVESTMENT

SCHEDULE OF QUOTED INVESTMENT AS AT 31st DECEMBER 2019 and 2020

| CODE | NAME OF COMPANY | NO. OF SHARES | 2019 | | 2020 | |
|----------|-------------------------------------|---------------|-----------------------|---------------|-----------------------|--|
| | | | VALUE (N) | NO. OF SHARES | VALUE (N) | |
| 31090101 | Union Bank Plc | 3,091,329.00 | 18,547,974.00 | 3,091,329.00 | 16,538,610.15 | |
| 31090101 | Sterling Bank | 3,473,246.00 | 6,911,759.54 | 3,473,246.00 | 8,335,790.40 | |
| 31090101 | FLOURMILLS | 600.00 | 11,820.00 | 600.00 | 15,600.00 | |
| 31090101 | SCOA | 70,447.00 | 206,409.71 | 70,447.00 | 206,409.71 | |
| 31090101 | GTBank | 567,927.00 | 16,867,431.90 | 567,927.00 | 18,372,438.45 | |
| 31090101 | NAHCO | 315,219.00 | 756,525.60 | 315,219.00 | 725,003.70 | |
| 31090101 | Royal Exchange | 70,731.00 | 21,219.30 | 70,731.00 | 18,390.06 | |
| 31090101 | Niger Insurance | 281,781.00 | 56,356.20 | 218,781.00 | 43,756.20 | |
| 31090101 | AIICO Insurance | 5,553,425.00 | 3,998,466.00 | 5,553,425.00 | 6,275,370.25 | |
| 31090101 | First Bank Plc | 7,777,164.00 | 47,829,558.60 | 7,777,164.00 | 55,606,722.60 | |
| 31090101 | Unity Bank | 46,929,828.00 | 30,035,089.92 | 46,625,828.00 | 30,032,529.92 | |
| 31090101 | R. T Briscoe | 6,791.00 | 1,426.11 | 6,791.00 | 1,358.20 | |
| 31090101 | CONOIL | 18,000.00 | 333,000.00 | 18,000.00 | 375,300.00 | |
| 31090101 | FIDELITY BANK | 100,000.00 | 205,000.00 | 100,000.00 | 252,000.00 | |
| 31090101 | GLAXOSMITHKLINE | 12,500.00 | 76,250.00 | 12,500.00 | 86,250.00 | |
| 31090101 | UBA | 50,000.00 | 355,000.00 | 50,000.00 | 432,500.00 | |
| 31090101 | CADBURY PLC | 250,000.00 | 2,637,500.00 | 250,000.00 | 2,250,000.00 | |
| 31090101 | NASCON | 750,000.00 | 9,712,500.00 | 750,000.00 | 10,875,000.00 | |
| 31090101 | UNILEVEL | 126,380.00 | 2,780,360.00 | 126,380.00 | 1,756,682.00 | |
| 31090101 | LAFARGE AFRICA (WAPCO) | 143,009.00 | 2,188,037.70 | 143,009.00 | 3,010,339.45 | |
| 31090101 | VITAFORM | 3,009.00 | 13,239.60 | 3,009.00 | 23,470.20 | |
| 31090101 | FORT OIL | 5,184.00 | 93,830.40 | 5,184.00 | 70,243.20 | |
| 31090101 | SUNU ASUARANCE | 590,000.00 | 118,000.00 | 118,000.00 | 118,000.00 | |
| 31090101 | Skye Shelter | 1,000.00 | 85,500.00 | - | - | |
| 31090101 | Dunlop Nig Plc | 750,000.00 | 150,000.00 | 750,000.00 | 150,000.00 | |
| 31090101 | Aso Saving Nig Ltd | 120,000.00 | 60,000.00 | 120,000.00 | 60,000.00 | |
| 31090101 | Investment and Allied Insurance Plc | 455,000.00 | 227,500.00 | - | - | |
| 31090101 | Universal Insurance | 300,000.00 | 60,000.00 | 300,000.00 | 60,000.00 | |
| 31090101 | Multiverse | 270,213.00 | 54,042.60 | 270,213.00 | 54,042.60 | |
| 31090101 | Staco | 239,940.00 | 115,171.20 | 239,940.00 | 115,171.20 | |
| 31090101 | Access Bank of Nig. Plc | 158,370.00 | 1,583,700.00 | 158,370.00 | 1,338,226.50 | |
| 31090101 | Dangote Sugar | - | - | 4,814,888.00 | 84,742,028.80 | |
| 31090101 | SFS Real Est. Inv. Trust Fund | - | - | 1,000.00 | 69,300.00 | |
| | SUB TOTAL | | 146,092,668.38 | | 242,010,533.59 | |

NOTE: H
INVESTMENT

SCHEDULE OF UNQUOTED INVESTMENT AS AT 31st DECEMBER 2019 and 2020

| CODE | NAME OF COMPANY | NO. OF SHARES | 2019 | | 2020 | | REALIZABLE VALUE (N) |
|----------|---|----------------|-----------------------|----------------------|----------------|-----------------------|----------------------|
| | | | VALUE (N) | REALIZABLE VALUE (N) | NO. OF SHARES | NOMINAL VALUE (N) | |
| 31090102 | Lion of African Insurance Ltd | 9,493,260.00 | 9,493,260.00 | | 9,493,260.00 | 9,493,260.00 | |
| 31090102 | Stirling Civil Engineering Ltd | 1,345,027.00 | 2,690,054.00 | | 1,345,027.00 | 2,690,054.00 | |
| 31090102 | Kaduna Textiles Ltd | 7,075,593.00 | 3,527,796.00 | | 7,075,593.00 | 3,527,796.00 | |
| 31090102 | Dornanlong Amalgamated Eng | 3,304,134.00 | 1,653,063.00 | | 3,304,134.00 | 1,653,063.00 | |
| 31090102 | Steyre Nig Ltd | 427,545.00 | 427,545.00 | | 427,545.00 | 427,545.00 | |
| 31090102 | Savanah Sugar Company Ltd | 5,335,417.00 | 5,335,417.00 | | 5,335,417.00 | 5,335,417.00 | |
| 31090102 | Maiduguri Flour Mills Ltd | 12,665,775.00 | 6,332,887.00 | 12,665,770.00 | 12,665,775.00 | 6,332,887.00 | 12,665,770.00 |
| 31090102 | Nigerian Technical Company Ltd | 226,800.00 | 226,800.00 | | 226,800.00 | 226,800.00 | |
| 31090102 | Epic Industrial Trust Ltd | 675,000.00 | 337,500.00 | | 675,000.00 | 337,500.00 | |
| 31090102 | Lake Chad Hotel Company Ltd | 783,000.00 | 783,000.00 | | 783,000.00 | 783,000.00 | |
| 31090102 | Yobe Bricks and Building Materials Ltd | 102,000,000.00 | 102,000,000.00 | 45,000,000.00 | 102,000,000.00 | 102,000,000.00 | 45,000,000.00 |
| 31090102 | Niger-Delta Power Holding Co. Nig | 19,863,490.00 | 19,863,490.00 | 19,863,490.00 | 19,863,490.00 | 19,863,490.00 | 19,863,490.00 |
| | SUB TOTAL | - | 152,670,812.00 | 77,529,260.00 | - | 152,670,812.00 | 77,529,260.00 |
| | SUMMARY | | | | | | |
| | QUOTED INVESTMENT | - | 146,092,668.38 | - | - | 242,010,533.59 | - |
| | UNQUOTED INVESTMENT | - | 152,670,812.00 | - | - | 152,670,812.00 | - |
| | UNQUOTED INVESTMENT REALIZABLE VALUE | | 77,529,260.00 | - | - | 77,529,260.00 | - |
| | TOTAL | - | 376,292,740.38 | 77,529,260.00 | - | 472,210,605.59 | 77,529,260.00 |

Source: Yobe Investment Company Ltd

NOTE: I
REVOLVING LOAN ACCOUNTS

| CODE | DESCRIPTION | OPENING BAL. | DISBURSEMENTS | TOTAL | REPAYMENTS | CLOSING BAL. | REMARKS |
|------|----------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------|
| a | Car Loan | 329,125,827.78 | 350,360,000.00 | 679,485,827.78 | 54,808,715.12 | 624,677,112.66 | |
| b | Furniture Loan | 176,477,043.15 | 142,030,000.00 | 318,507,043.15 | 57,320,636.76 | 261,186,406.39 | |
| | TOTAL | 505,602,870.93 | 492,390,000.00 | 997,992,870.93 | 112,129,351.88 | 885,863,519.05 | |