2023

REPORT OF THE

EKITI STATE DEBT SUSTAINABILITY ANALYSIS AND DEBT MANAGEMENT STRATEGY

(STATE DSA-DMS)

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CHAPTER ONE

1.0 INTRODUCTION

1.1 Objective and Content of the State DSA-DMS Report

Ekiti State Debt Sustainability Analysis and Debt Management Strategy (State DSA-DMS) for the year 2023 was conducted by the State Debt Management Unit in the Ministry of Finance in collaboration with other relevant Ministries, Departments, and Agencies. In the State DSA-DMS Report, the DSA portion analyzes the trends and patterns of the State's Public Finance during the period 2018 – 2022 and estimates the State's long-term debt sustainability in 2023 - 2032. The analysis highlights recent trends in revenue, expenditure, public debt, and the related policies adopted by the State. A Debt Sustainability Assessment was conducted, along with scenario and sensitivity analysis to evaluate the prospective performance of the State's Public Finances. The report includes the State's Debt Management Strategy (DMS) with permissible cost and risk.

The main objective of the debt management strategy is to ensure that Ekiti State Government's financing needs and payment obligations are met at the lowest possible cost, consistent with a prudent degree of risk. There are four different Debt Management Strategies. The analysis calculates the costs of carrying public debt and measures the risk associated with macroeconomic and fiscal shocks for the four strategies.

The State DSA-DMS Report was produced using the DSA-DMS Template and Toolkit developed by the Debt Management Office, in partnership with the World Bank Group to analyze the trends and patterns in the State's public finances between 2018 and 2022 while also evaluating the ability of the State to sustain its debt in the long term (2023-2032). The conduct of the Debt Sustainability Analysis and Debt Management Strategy (State DSA-DMS) exercise for the year 2023 took into consideration the State's historical macroeconomic data from the period 2018 – 2022 and projected data from the period 2022 – 2032.

1.2 Summary of Findings and Results of the State DSA-DMS

The results of the 2023 Sustainability Analysis revealed that the long-term outlook (2023-2032) for Ekiti State exhibits a solid debt position that appears sustainable. Total revenue (including grants and excluding other capital receipts) is projected to increase from ₦103.94billion in 2022 to ₦318.40 billion by 2032**(chart 12)**. The State's total expenditure will expand from ₦115.37billion in 2022 to ₦334.03 billion by 2032**(chart 13)**.
The solid revenue position results from the State's strong performance in terms of mobilizing Internally Generated revenue (IGR) – underpinned by the successful tax administration reforms. Ekiti State Internal Revenue is now autonomous with more competent personnel to follow through on its vision with the assistance of up-to-date technology. Also worthy of note is the State's control of recurrent expenditure growth and its low level of public debt.

The public debt and the State's amortization payment are projected to rise due to a consistent increase in domestic loans **(Chart 14)**. The State's debt is expected to increase from ₦156.99billion as of the end of 2022 to ₦212.39 billion by the end of 2032. Total public debt considers non-contingent debt and the obligation to repay them is independent of the circumstances as well as excludes the contingent liabilities (i.e. guarantee, State-owned enterprises, and non-guaranteed liabilities). The total domestic debt stock decreased from ₦94.9billion in 2018 to ₦84.20billion in 2020. The domestic debt, however, rose steadily to ₦106.39billion in 2021 and further to ₦116.97 billion in 2022. Within the period 2018 – 2022, the value of the total debt stock of Ekiti State increased by 28.81% (nominal growth rate) from ₦121.87billion in 2018 to ₦156.99billion in 2022. The increase in the trend of the public debt stock over the period 2018 – 2022 was a result of the federal government bailout, budget support facility, an increase in State government arrears, and external financing.
The DSA results from certain assumptions and conditions concerning the State's Revenue (i.e. the performance in terms of mobilizing IGR) and Expenditure projections (i.e. Personnel and Overhead Costs and Capital expenditure measures) going forward. Given the State's forecasts for the economy and reasonable assumptions concerning the State's revenue and expenditure policies going forward, the long-term outlook for the public debt appears sustainable.

The State pursues a prudent debt management strategy that maintains an adequate cost of carrying debt and an admissible exposure to risks. A prudent debt management strategy emerges from the State's reliance on a mix of sources of finance, including external concessional loans and domestic low-cost financing. Given the State's own forecasts for the economy and reasonable assumptions concerning the State's budget and financing policies going forward, the medium-term cost-risk profile for the public debt portfolio appears consistent with debt management objectives.

CHAPTER TWO

2.0 EKITI STATE FISCAL AND DEBT FRAMEWORK

2.1 Fiscal Reforms - Revenue and Expenditure in the last 3-5 years

Ekiti State Government had introduced and started the implementation of some fiscal reforms within the last 3 – 5 years. Among the reforms are the following:

i. Implementation of the Treasury Single Account via the Remita Payment platform across the State for transparent and accountable revenue collection in the State.
ii. Enactment of Ekiti State Debt Management Law 2020
iii. The State Government has introduced mandatory payment of 'Property Tax' payable by landlords and landowners across the 16 Local Government Areas of the state. The new tax policy was part of efforts to shore up the state's Internally Generated Revenue (IGR) for more infrastructural development. The new tax policy was part of efforts to shore up the State's Internally General Revenues (IGR) for more infrastructural development.
iv. Ekiti State Fiscal Responsibility Law No. 4, 2011 was repealed and re-enacted in the year 2019 to provide for the prudent management of the State resource; ensure long-term macro-economic stability, secure greater accountability and transparency in fiscal operation within a Medium-Term Fiscal Policy Framework (MTEF) and the establishment of the Fiscal Responsibility Commission;
v. Ekiti State Board of Internal Revenue Law was passed and assented in the year 2019 to boost internal revenue generation and enhance the optimum collection of all taxes in the State. The law also included the provision for the Autonomy of the State's Board of Internal Revenue.
vi. The State Government adopted the State Fiscal Transparency Accountability and Sustainability programme which was recently introduced by the World Bank to strengthen State-level fiscal transparency, accountability, and sustainability; and also adopted Open Government Partnership to boost transparency in Government.
vii. Complete autonomous of the State Board of Internal Revenue Service;
viii. Ekiti State Revenue Service has started a review of the IGR sources and collection modalities to improve the IGR performance through the deployment of a new Revenue collection known as Ekiti Revenue Autonomous System (ERAS).
ix. Introduction and implementation of strategic and well-coordinated empowerment programmes and other social investment programmes;
x. Promotion of good governance through E-Government Initiative, Budget discipline, probity, and accountability in the allocation and utilization of public funds.

In addition to the above, the Federal Government has also introduced some laws which may have a consequent impact on the State fiscal variable (i.e. revenues and expenditures) among which is the Finance Act 2020.

2.2 2022 Ekiti State Approved Budget and Medium-Term Expenditure Framework (MTEF), 2023- 2025

2.2.1 Overview of Ekiti State 2023 Budget
Ekiti State Government 2023 Approved Budget Summary

Ekiti State Government 2023 Approved Budget Summary				
Item	**2021 Full Year Actuals**	**2022 Revised Budget**	**2022 Performance January to September**	**2023 Approved Budget**
Opening Balance	**16,545,637,798.04**	**7,200,000,000.00**	**8,351,267,792.00**	**5,000,000,000.00**
Recurrent Revenue	**65,355,420,082.63**	**83,907,265,490.61**	**52,413,601,137.11**	**80,362,578,854.29**
11 - GOVERNMENT SHARE OF FAAC	53,253,315,541.96	65,220,957,635.71	43,658,259,631.35	64,542,117,000.20
12 - Independent Revenue	12,102,104,540.67	18,686,307,854.90	8,755,341,505.76	15,820,461,854.09
Recurrent Expenditure	**61,919,069,866.01**	**83,907,265,490.61**	**57,696,152,456.67**	**79,510,633,058.89**
21 - Personnel Cost	17,119,479,365.71	21,558,260,172.91	21,099,455,219.76	30,349,822,491.81
22 - Other Recurrent Costs	44,799,590,500.30	62,349,005,317.70	36,596,697,236.91	49,160,810,567.08
Transfer to Capital Account	**19,981,988,014.66**	**7,200,000,000.00**	**3,068,716,472.44**	**5,851,945,795.40**
Capital Receipts	**24,360,246,324.68**	**31,561,774,166.66**	**26,085,081,314.71**	**28,210,139,669.53**
13 - Aid And Grants	9,187,024,831.45	18,561,774,166.66	11,100,542,082.61	20,710,139,669.53
14 - Capital Developmentfund (Cdf) Receipts	15,173,221,493.23	13,000,000,000.00	14,984,539,232.10	7,500,000,000.00
23 - Capital Expenditure	**36,760,493,349.72**	**38,761,774,166.66**	**14,016,176,845.99**	**34,062,085,464.93**
Total Revenue (including OB)	**106,261,304,205.35**	**122,669,039,657.27**	**86,849,950,243.82**	**113,572,718,523.82**
Total Expenditure	**98,679,563,215.73**	**122,669,039,657.27**	**71,712,329,302.66**	**113,572,718,523.82**
Closing Balance	**7,581,740,989.62**	**-**	**15,137,620,941.16**	**-**

2.2.2 Ekiti State Fiscal Policy Strategies for the 2023 Budget

Macroeconomic Framework

1. The macroeconomic framework is based on a detailed analysis of the following:
    a. IMF National Real GDP growth and inflation forecast from the World Economic Outlook April, 2022;
    b. African Development Bank West Africa Economic Outlook October, 2021
    c. Mineral benchmarks (oil price, production and exchange rate) from the 2019-2021 Federal Fiscal Framework.
    d. NBS CPI Inflation Report May 2022
    e. NBS GDP Report 2022 Q1
    f. CBN MPC Communique 142 May 2022
    g. CBN Monthly Report January 2022
    h. NNPC Monthly Report August 2021
    i. NNPC FAAC Report May 2022
    j. December 2021 FAAC Distributions
    k. Federal Government 2023-2025 MTEF
    l. Nigeria Economic Sustainability Plan
2. The current and forecast trends in mineral sector indices and the national macroeconomic indices are reflected below:

Macro-Economic Framework

Item	2022	2023	2024	2025
National Inflation	16.10%	17.50%	17.50%	17.50%
National Real GDP Growth	3.40%	3.10%	3.05%	3.00%
State Inflation	14.00%	12.00%	11.50%	11.00%
State Real GDP Growth	2.80%	2.50%	2.40%	2.20%
State GDP Actual	1,170,357,440	1,271,593,359	1,376,983,016	1,484,676,858
Oil Production Benchmark (MBPD)	1.5000	1.6900	1.6000	1.8000
Oil Price Benchmark	$62.00	$70.00	$70.00	$70.00
NGN:USD Exchange Rate	415	435.57	425	425
Other Assumptions				
Mineral Ratio	16%	22%	25%	25%

Source: National Bureau of Statistics (NBS), Ekiti State Bureau of Statistics, NNPC, Federal Ministry of Budget&NationalPlanning

Fiscal Strategy and Assumptions

Policy Statement

Our administration's policy statement and operational ideology aim to transform Ekiti State into an economic hub, where individuals can carry out their lawful businesses and live in dignity. This policy serves as a guide for the government, and will also function as a benchmark for all developmental matters, such as budget preparation and implementation. We will ensure budget discipline and control through transparent and accountable governance.

Objectives and Targets

The key targets from a fiscal perspective are:

i. to establish a fiscal framework consistent with Government Fiscal Policy, Extant Rules such as the Ekiti Public Finance Management Law, Fiscal Responsibility Law, Public Procurement Law, and Debt Management Law among others for effective implementation of the proposed 2023 Budget;

ii. to maintain and increase the vibrant platform for the development of Agriculture and Micro, Small, and Medium Scale Enterprises (MSMSEs) and Agribusinesses in the State towards aggressive revenue growth and rapid job creation;

iii. to ensure speedy completion of all ongoing developmental projects with a view to transforming the State's economy.

iv. to further explore all revenue sources, expand the tax base, to continue to use the Treasury Single Account (TSA) with a view to improving and widening the revenue generation drive of the State hence, reducing the dependence on Federal Allocation;

v. to eliminate poverty through strategic and well-coordinated empowerment programmes and other social investment programmes;

vi. to cushion the effect of the global economic crisis on the social and economic activities in the State;

vii. to strengthen the ease-of-doing business policy by through the creation of an enabling environment for socio-economic activities in the State;

viii. to sustain current efforts aimed at improving Human Capital Development and capacity building in the State through strategic investments in qualitative education businesses, and health care delivery system, Agribusiness, etc;

ix. to promote good governance through E-Government Initiative, Budget discipline, probity, and accountability in the allocation and utilization of public funds; and

x. to further attract investors to the State with a view to increasing its Gross Domestic Product (GDP).

2.2.3 Ekiti State Medium-Term Fiscal Framework

Indicative Three-Year Fiscal Framework

The indicative three-year fiscal framework for the period 2023-2025 is presented in the table below.

Macro-Economic Framework

Item	2022	2023	2024	2025
National Inflation	16.10%	17.50%	17.50%	17.50%
National Real GDP Growth	3.40%	3.10%	3.05%	3.00%
State Inflation	14.00%	12.00%	11.50%	11.00%
State Real GDP Growth	2.80%	2.50%	2.40%	2.20%
State GDP Actual	1,170,357,440	1,271,593,359	1,376,983,016	1,484,676,858
Oil Production Benchmark (MBPD)	1.5000	1.6900	1.6000	1.8000
Oil Price Benchmark	$62.00	$70.00	$70.00	$70.00
NGN:USD Exchange Rate	415	435.57	425	425
Other Assumptions				
Mineral Ratio	16%	22%	25%	25%

Fiscal Framework

Item	2022	2023	2024	2025
Opening Balance	7,200,000,000	5,500,000,000	0	0
Recurrent Revenue				
Statutory Allocation	34,096,523,107	48,689,294,134	56,275,061,959	66,238,599,520
Derivation				
VAT	24,142,970,880	30,893,991,874	40,448,845,532	53,485,055,033
IGR	20,202,947,148	22,223,241,863	24,445,566,050	26,890,122,654
Excess Crude / Other Revenue	2,650,800,208	2,650,800,208	2,650,800,208	2,650,800,208
Total Recurrent Revenue	**81,093,241,344**	**104,457,328,080**	**123,820,273,749**	**149,264,577,415**
Recurrent Expenditure				
Personnel Costs	22,346,059,141	23,463,362,098	24,636,530,203	25,868,356,713
Social Contribution and Social Benefit	7,728,895,710	8,115,340,496	8,521,107,520	8,947,162,896
Overheads	27,784,998,143	30,989,490,008	31,007,428,902	32,118,111,809
Public Debt Service	10,109,994,906	11,475,115,108	12,840,235,310	12,840,235,310
Total	**67,969,947,900**	**74,043,307,710**	**77,005,301,935**	**79,773,866,729**
Transfer to Capital Account	**20,323,293,444**	**35,914,020,370**	**46,814,971,814**	**69,490,710,687**
Capital Receipts				
Grants	23,622,025,000	14,872,025,000	9,590,025,000	9,590,025,000
Other Capital Receipts	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Total	**24,622,025,000**	**15,872,025,000**	**10,590,025,000**	**10,590,025,000**
Reserves				
Contingency Reserve	2,575,320,965	2,717,247,240	2,843,990,206	3,332,876,280
Planning Reserve	2,679,805,018	2,815,952,714	3,259,710,419	4,343,497,363
Total Reserves	**5,255,125,983**	**5,533,199,954**	**6,103,700,625**	**7,676,373,642**
Capital Expenditure	**55,540,974,371**	**56,285,854,325**	**59,090,507,755**	**79,193,573,610**
Discretional Funds	26,218,406,011	39,613,829,325	45,468,482,755	66,571,548,610
Non-Discretional Funds	29,322,568,360	16,672,025,000	13,622,025,000	12,622,025,000
Financing (Loans)	15,850,781,910	10,033,008,910	7,789,211,566	6,789,211,566
Total Revenue (Including Opening Balance)	**128,766,048,253**	**135,862,361,989**	**142,199,510,315**	**166,643,813,981**
Total Expenditure (including Contingency Reserve)	**128,766,048,253**	**135,862,361,989**	**142,199,510,315**	**166,643,813,981**

Assumptions

1. **Statutory Allocation –** the estimation for statutory allocation is based on elasticity forecast, taking into consideration the macro-economic framework (National) and the mineral assumptions in the2023-2025 Federal Fiscal Strategy Paper. It is based on historical mineral revenue flows and elasticity-based forecasts using national Real GDP and Inflation data.There is a high level of contagion across main macroeconomic indices in response to crude oil prices and production shocks – GDP, inflation, exchange rates and public expenditure are all suffering.
2. **VAT –** is based on elasticity forecast using the combined change in GDP and inflation rate. The estimate for 2023-2025 is in line with the current rate of collections (i.e. 7.5%). This forecast is contingent upon the resolution of the agitation for the collection and distribution of VAT in favour of the status quo. The forecast should be revisited if there are any changes to the VAT collection and distribution arrangement in the country.
3. **Excess Crude/Other Federation Account Distributions –** The forecast method used its own value (historical).The own value used is based on the actual Receipts from January to May, 2022. Furthermore, it is anticipated that its own value will be sustained throughout the forecasting period (2023 -2025).
4. **Internally Generated Revenue (IGR) –** The forecast is calculated based on the projected growth rate (own percentage). IGR is expected to increase annually by 10% in 2023,2024 and 2025 based on IGR reform initiatives being introduced by the current administration of the State.
5. **Grants –** the estimates for internal Grants are based on the actual receipts for 2020 and performance from January to April, 2022. External grants are based on signed Grant Agreements with International Institutions e.g. the World Bank, UNICEF, EU, etc.
6. **Miscellaneous Capital Receipts –** – modest amount from sundry sources such as refunds from the Federal Government and transfers is provided for the years.
7. **Financing (Net Loans) –** The internal and external loan projections are based on signed Agreements and other borrowing expectations.
8. **Personnel –** The outgoing administration began the payment of the consequential adjustment to workers on Grades 07-08 which was suspended given the economic realities. However, the new Administration intends to reinstate the consequential adjustment for GL09-12 and offset the outstanding salaries of the workforce. Consequently, the personnel cost of the State is projected to rise by 5% annually for years 2023-2025.
9. **Social Contribution and Social Benefits –** This includes pension, gratuity, and contributions to Retirement Fund and benefits for past Political Office Holders. It is anticipated that the current growth rate will be maintained at 5% for forecasting period under review.

10. **Overheads –** These are expenses relating to day-to-day operations and maintenance cost. It is projected that the overhead cost of the State would increase steadily over the periods due to prevailing economic realities. The new Administration is expected to defray some backlog of arrears of subventions to the tertiary institutions in the State. The estimation technique used is the Own value method.
11. **Public Debt Service -** This represents the State's total obligation on judgment debts and short-term borrowings. The Own Value estimating method is used in making projections for 2023 – 2025.
12. **Contingency and Planning Reserves –** 2% of Total Revenue has been allocated to Contingency Reserves to be set aside for future occurrence and appropriated in accordance with PFM Law during budget implementation. Also, 5% of the Total Revenue is set aside for the Planning Reserve which will be allocated during Envelope Sharing/MDA Budget defence when they will justify the need for the allocation of more resources over and above the given ceiling.
13. **Capital Expenditure –** This is the balance from the Recurrent Account plus Capital Receipts, less Planning and Contingency Reserves. The projection is contingent upon the Reserves and ease of accessing long-term loans/Drawdown

2.2.4 Budget Policy Statement

Budget Policy Thrust

The administration aims to ensure that governance in Ekiti State is inclusive, particularly in the budget process, by using participatory and bottom-up approaches in budget preparation. The budget, which serves as a short-term development plan, will be adopted to promote sustainable and rapid development in the state. It will be based on the 2021-2050 State Development Plan and will serve as a benchmark for all developmental activities related to the new administration's six-point agenda. The policy objectives are summarized in the following statements:

i. to provide quality education and harness the benefits of the State's Knowledge Zone to create jobs, new markets, and attract financing for industrious Ekiti entrepreneurs to start or grow their businesses;

ii. to complete all strategic infrastructure projects in transport, agriculture and energy to improve the quality of life for all and make Ekiti competitive for businesses of all sizes;

iii. to provide a conducive environment and sustainable welfare package for Ekiti State's workers, retirees and traditional institutions, develop the State's rural, support farmers and improve the productivity of the agriculture sector;

iv. to develop the Arts, Culture and Tourism industry by investing in attractions, cultural endowments and assets;

v. to drive innovation, create wealth and bring deserved development; and

vi. to promote prosperity, peace and progress through a secure environment and competitive markets.

2.2.5 Analysis of the Medium-Term Policy

The ceiling for the total budget size for 2023 fiscal year is **₦135,862,361,989.00** of which the sum of **₦74,043,307,710.00** will be for Recurrent Expenditure, **₦56,285,854,325.00** for Capital Expenditure, and **₦5,533,199,954.00** will be for contingency and planning reserve that will be allocated to sectors at bilateral discussion stage to fund critical expenditure items. The Capital Expenditure component is divided into Discretionary Capital expenditure of the sum of **₦39,613,829,325.00** that will be spent across all MDAs and non-discretionary Capital Expenditure of **₦16,672,025,000.00** which is specifically earmarked for projects and programmes in Health, Education, Infrastructure, Agriculture and Governance. The non-discretionary amount is in the form of loans and grants. The Sectoral Allocation for capital expenditure in the State is captured in line with the six-point Agenda of the Administration. As captured in the manifesto of the new Administration, job creation for young people and human capital development would be the top priorities of the State Government to further tap the rich human resources of the State. Other critical areas in the State's policy thrust include Agriculture and Rural Development; Infrastructure and Industrialisation; Arts, Culture, and Tourism; and Governance.

The key points arising from this document are summarised below.

i. Internally Generated Revenue growth drive should be pursued to a level commensurate with the State's economic activities
ii. Government Plans to improve macro-economic performance through service delivery in major areas such as road networks, water supply, power supply to provide the infrastructure needed for sustainable economic growth and development in all sectors of the Ekiti economy
iii. The National Government should intensify efforts towards mitigating the impact of COVID-19 pandemic and activities of the Herdsmen, kidnappers, Boko Haram in the North-East and other insurgent groups across the Country in order to achieve high level of revenue to finance the Budget
iv. The Recurrent Ratio to Capital Ratio is relatively normal. However, Budget discipline and monitoring should be sustained in order to achieve higher Budget performance
v. This document should serve as a tool for economic recovery, growth and sustainable economic development
vi. The Risk associated with political instability and unrest should be controlled to a bearable minimal
vii. The ultimate goal is to modernize agriculture to ensure food security, employment and provide raw materials for industrial development
viii. The goal of the Government is to correct the decline in the Education sector and strengthen the human capital development in the State

ix. The State Government is determined to curb poverty to reduce the mortality rate and incessant illness in Ekiti State

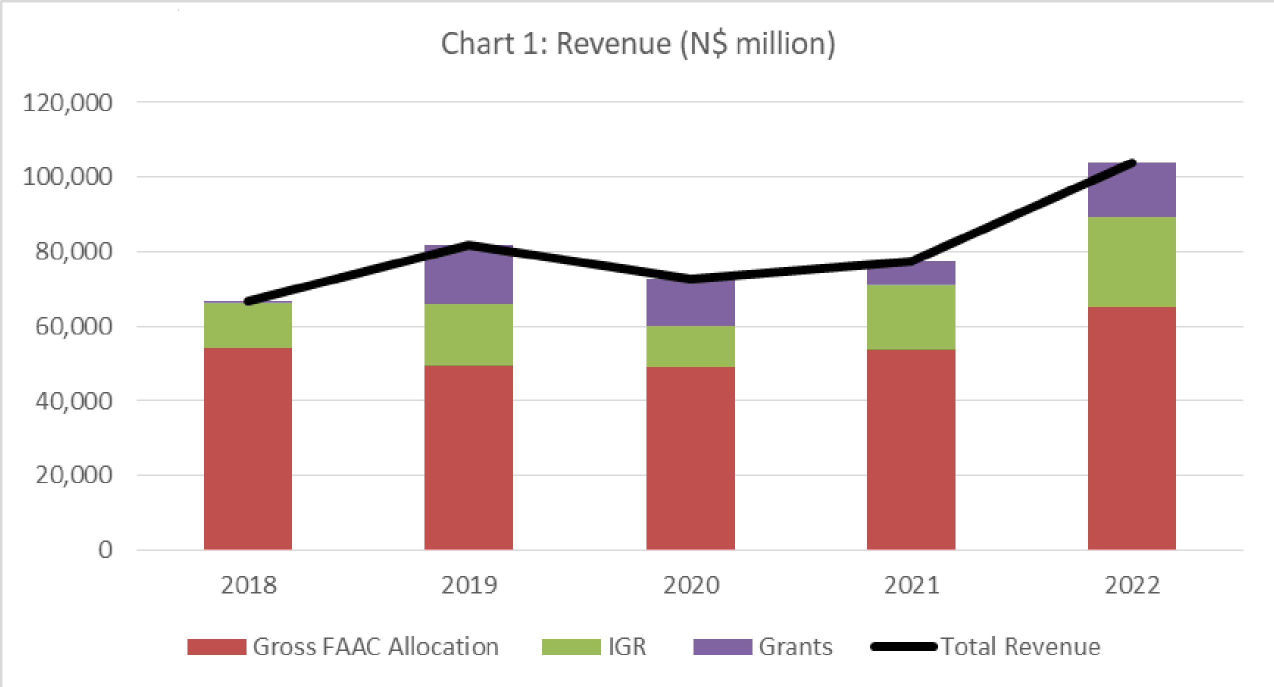
x. The State Government is further committed to promoting public involvement and massive participation of all stakeholders in the Budget process through Town/Community meetings, thereby creating a platform for His Excellency, the Governor to have one-on-one/group interaction with the good people of Ekiti in order to know their peculiar challenges and to fashion out administrative strategies to solve the identified challenges.

CHAPTER THREE

REVENUE, EXPENDITURE, FISCAL AND PUBLIC DEBT TRENDS (2018-2022)

3.1 Revenue, Expenditure, Overall and Primary Balance (2018-2022)

3.1.1 Revenue Performance



Ekiti State's aggregate total revenue is made up of the following:

i. Statutory Allocation from the Federal Government (Oil, Customs, and CIT tax revenues);
ii. Other FAAC transfers include exchange rate gains, and augmentations, among others (i.e. Excess Crude Accounts);
iii. Value Added Tax (VAT) allocation;
iv. Internally Generated Revenue (IGR) includes tax and non-tax-independent revenues;
v. Capital Receipts include grants (domestic and foreign), sales of government assets, proceeds from debt-creating borrowings, etc.

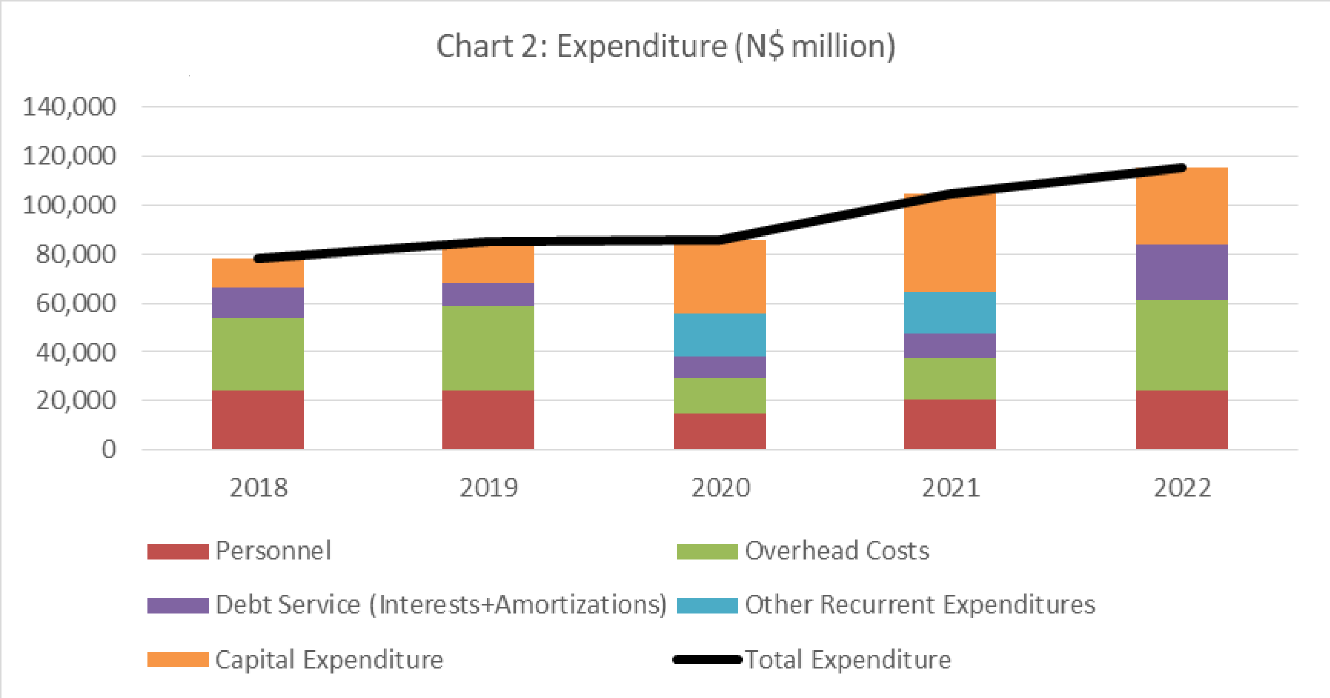
- **Aggregate State TOTAL Revenue trend in the last five years and its composition in 2022 -** From 2018 to 2019, the State experienced a 22.83% growth in total revenue. However, in 2020, there was a decrease in revenue. Thereafter, the aggregate revenue of the State rose within the period 2020 to 2022(**Chart 1**). The total revenue was ₦66.72 billion in the year 2018, and by 2019, it had risen to ₦81.95 billion, largely driven by growth in Gross FAAC allocation and Grants. Due to the adverse impact of the COVID-19 pandemic on the State's IGR inflows and monthly FAAC allocations, the aggregate State revenue declined to ₦72.72 billion in 2020, a decrease of ₦9.23 billion. Within the period 2018 to 2022, the nominal growth rate of the Total Revenue stands at 55.79%. The State invested in grant and donor-funded opportunities, which started to yield significant results in 2019 when Ekiti State received over ₦16 billion as grants. Subsequently, in an effort to secure additional funding from various development projects, the State Government has taken the proactive step of creating an Office for Development Partnerships. This office is tasked with actively seeking out and attracting grants from both local and international partners, in order to further promote the growth and progress of the state. By establishing this dedicated resource, the government aims to broaden its financial resources and create more opportunities for development and positive change. The preceding assisted the State in accessing a significant sum of a grant of ₦14.66 billion in 2022. The State's actual revenue in 2022 was ₦103.94 billion.

- **FAAC Allocation trend in the last five years –**In the reviewed period, the revenue generated from FAAC Allocation constituted the highest proportion of the total revenue earned. Over a period of 5 years, from 2018 to 2022, there were fluctuations in the Federal transfers received by the State. The initial years saw a decline from ₦54.24 billion in 2018 to ₦49.41 billion in 2019. However, this downward trend was reversed in the following two years (2021 and 2022). The State's federal allocation, which includes transfers from the excess crude account, experienced an overall increase of 19.95% between 2018 and 2022. It is worth noting that the FAAC allocations decreased by 8.91% between 2018 and 2019, but later increased significantly by 32.63% from 2019 - 2022. This is largely attributed to an augmentation in federal oil receipts to stimulate the economy of the State in response to the adverse effect of the COVID-19 pandemic. The Gross FAAC Allocation increased from ₦53.72 billion in 2021 to ₦65.06 billion in 2022 (21.11% increase).

- **Internally Generated Revenue in the last five years -** During the period under review, the State experienced a notable and somewhat unstable growth in its Internally Generated Revenue (IGR). Specifically, the IGR grew significantly by 98.56% between 2018 and 2022, while its share of aggregate revenue (excluding grants) increased marginally by 8.77% (from 18.36% in 2018 to 27.13% in 2022). This noteworthy improvement in the IGR was largely attributable to the tax administration reforms that were initiated by the State Government in 2018.

Furthermore, the State Government recently introduced a new policy that requires the payment of land use charge tax by all landowners in Ekiti State. This new policy is expected to further augment the State's revenue, while the implementation of the Ekiti State Internal Revenue Law 2020 triggered a significant increase in the State's revenue. Overall, these initiatives demonstrate the State's commitment to enhancing its revenue generation capacity and promoting sustainable development. These reforms which were aimed at enhancing revenue collection and expanding the tax revenue base resulted in an increase of 37.85% from ₦17.57 billion in 2021 to ₦24.22 billion in 2022.

3.1.2 Expenditure Performance



The expenditure items of the State include the following:

i. **Personnel costs** – Salaries, Pensions and Gratuity, Allowances and Contributions, etc.;
ii. **Overhead Costs** – Travel and Transport, Utilities, Materials and Supplies, Maintenance Services, etc.;
iii. **Other Recurrent Expenditure** – other recurrent expenditure excluding Personnel Costs, Overhead Costs and Interest Payments;
iv. **Capital Expenditure** – Acquisition of non-financial assets and capital transfer to Public Entities, among others;
v. **Amortized Payments** – amortized payments of State bonds, commercial bank loans, and external loans.

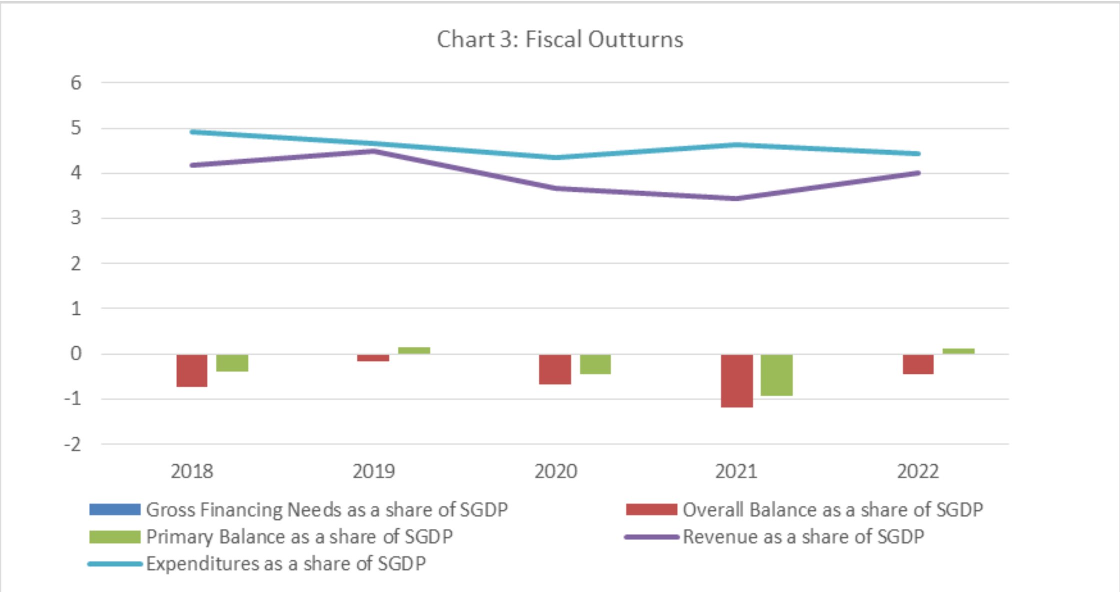
Aggregate (total) Expenditure trend in the last five years and its composition in 2022 – Between 2018 and 2020, Ekiti State's total spending remained steady, with a growth rate of 9.42%. However, the total expenditure rose significantly by 34.39% from ₦85.85 billion in 2020 to ₦115.37 in 2022. In 2022, the spending on overhead had the largest share of the total expenditure.

Main expenditure variation in the last five years by economic classification - The majority of the spending went towards recurrent expenses such as personnel costs, overhead, and debt service (interest + amortization).The personnel component of total spending decreased by ₦9.57 billion, a reduction of 39.46% between 2018 and 2020.

The personnel cost, however, increased from ₦14.69 billion in 2020 to ₦24.48 billion in 2022 resulting in an increase of 66.70%. In line with the personnel costs trend, overhead costs decreased by 50.08% during the period 2018 - 2020. This was due to the fiscal policy aimed at ensuring budget realism. Meanwhile, other recurrent expenses excluding personnel costs, overhead costs, and interest payments, which recorded no spending between 2018 and 2019, rose to ₦18.08 billion and ₦16.97 billion in 2020 and 2021, respectively. The State did not incur other recurrent expenditures in 2022.

From 2018 to 2020, debt service decreased significantly by 33.95%, thanks to the successful debt management policy of the State Government. However, the debt service costs increased from ₦8.33 billion in 2020 to ₦22.31 billion in 2022. This is due to the expiration of the moratorium given to the State on some financial obligations. Capital expenditure experienced an increase of 164.02% within the period 2018 and 2022. The rise in capital projects expenditure can be attributed to the State Government's deliberate policy to fulfill their election promises. They have taken on various capital projects in order to achieve their goals and deliver on their commitments. This strategic approach has led to an increase in the number of projects being undertaken, ultimately resulting in the growth of the economy and overall development of the state.

3.1.3 Fiscal Outturns – overall and primary balance trend in the last five years



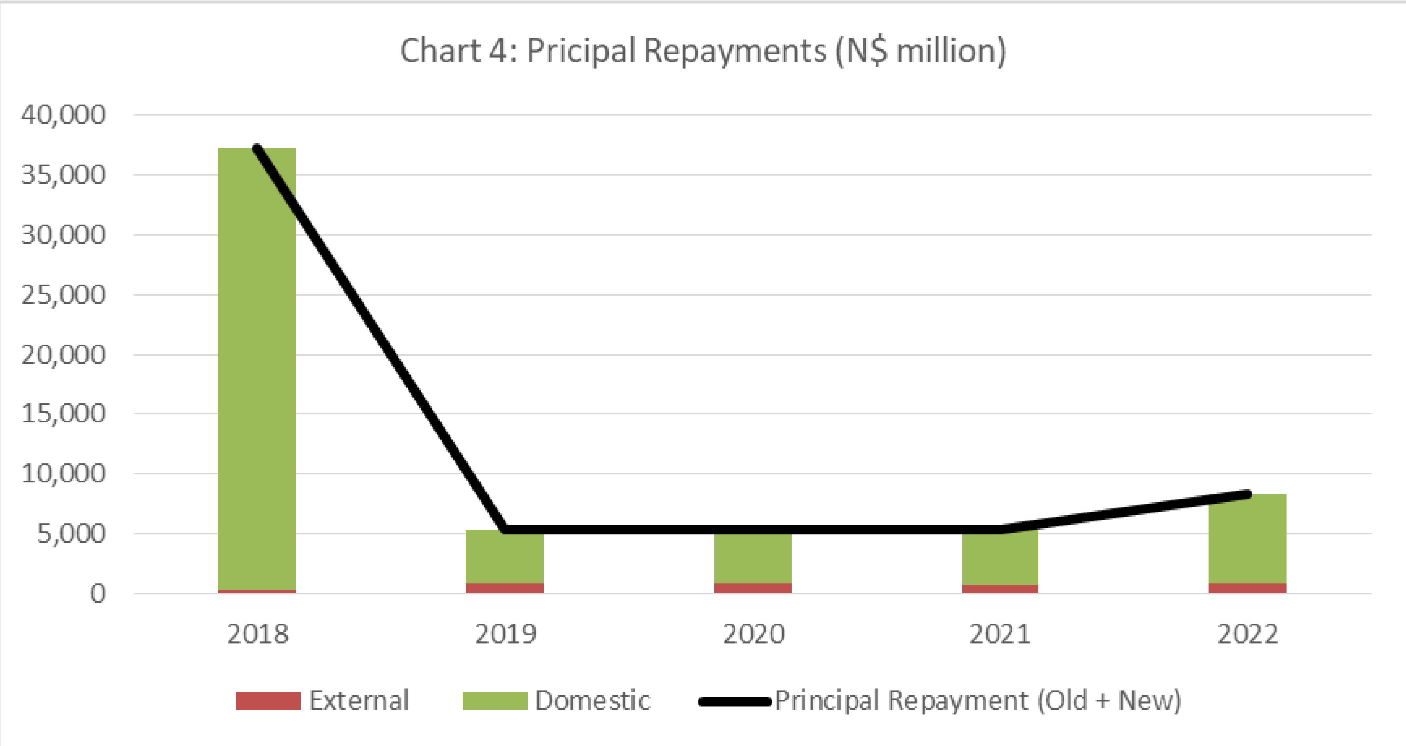
The overall balance is calculated as total revenue including grants and excluding other capital receipts minus total expenditure including interest and principal payments; the primary balance as revenue minus total expenditure including amortization payments and excluding interest payments; and the gross financing need as the primary balance plus debt services and financing needs other than amortization payments.

The overall fiscal balance and the primary fiscal balance experienced some declines during the period under review. The overall balance maintained an average deficit of 0.6% of State Gross Domestic Products (S-GDP) from 2018 – 2022 with an average deficit of 0.3% in the years 2019 and 2022. The decline could be traced to the fall in the federal transfer (oil receipt) from the federal government. The primary fiscal balance had an average fiscal decline of 0.2% from the period2018 to 2020 and in the year 2022. It declined further to a deficit of 0.9% in 2021owing to the decline in federal transfers and the growth of capital expenditures. Overall balance recorded a deficit of 0.4% of the State GDP in 2022. However, the primary balance was had a recovery of 0.1% in 2022.

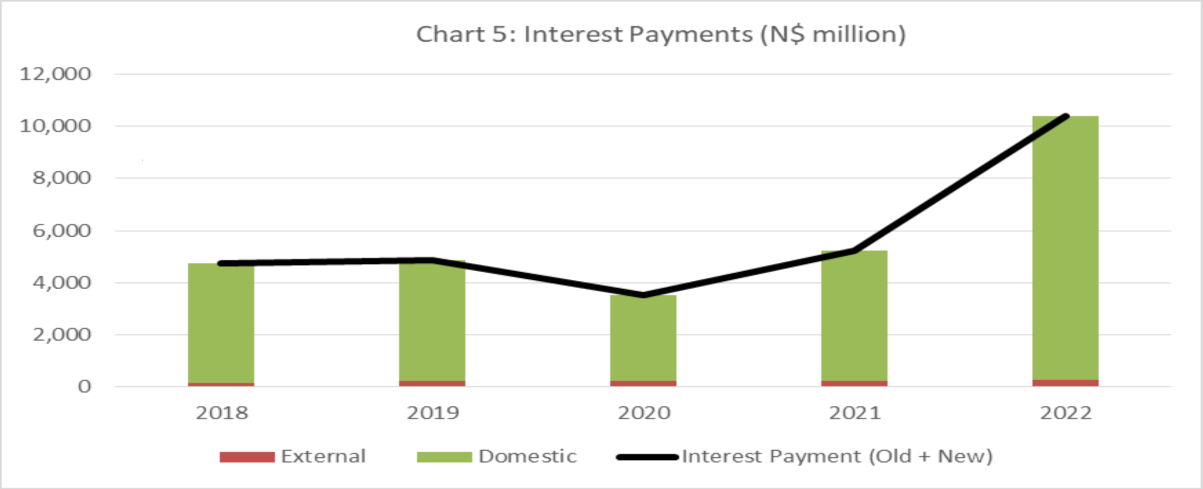
3.1.4 Other Charts

- **Principal Repayment**

The State's repayment profile is dominated by domestic debt repayment, mainly due to it constituting most of the State's debt, and the much shorter maturity profile of domestic debt, when compared with concessionary foreign debt which tends to be much longer dated, with flexible moratorium periods. Within the period under review, the principal repayment the total principal repayment had an offshoot of a sum of ₦37.16 billion in 2018, thereafter the repayment fell on average to ₦5.39 billion owing to the FGN Restructuring Programme. As a result of the negative impact of the COVID pandemic, the State found it necessary to secure additional loans to maintain fiscal stability which led to a slight rise in the principal repayment amount for the year 2022.

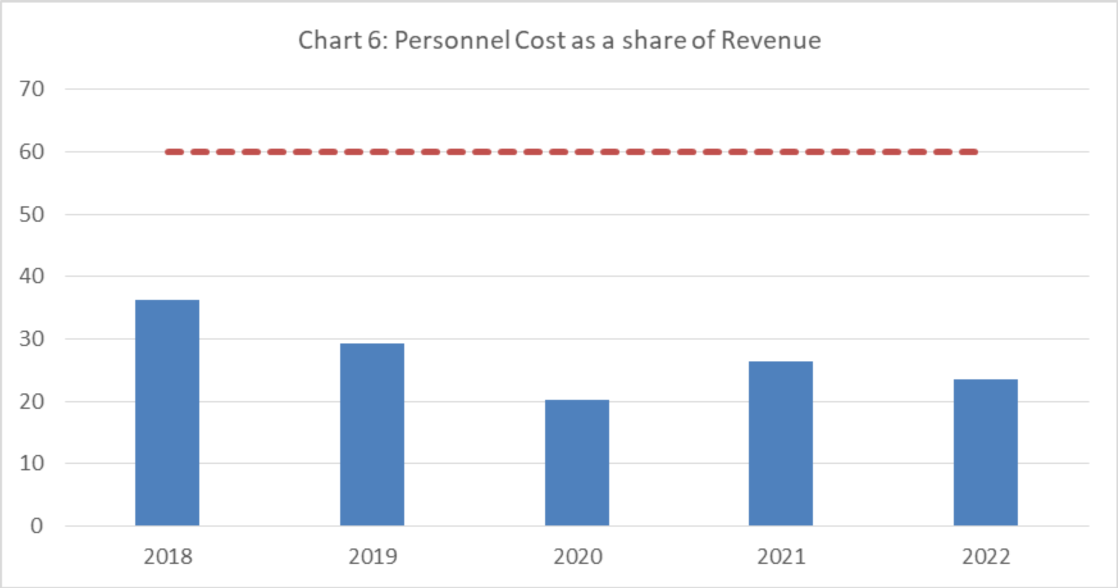


- **Interest Payment**



The payment of interest is composed of both internal and external factors, which together determine the total interest payable. Over the years, we have seen a decline in interest payments from ₦4.76 billion in 2018 to ₦3.54 billion in 2020. However, we have witnessed a subsequent increase, with interest payments rising from ₦5.24 billion in 2021 to ₦10.40 billion in 2022. This trend highlights the importance of keeping a close eye on the factors that affect interest payments, both internally and externally, in order to make informed decisions and manage financial resources effectively. As expected the domestic component accounted for more of the total interest payment.

- **Personnel Cost**

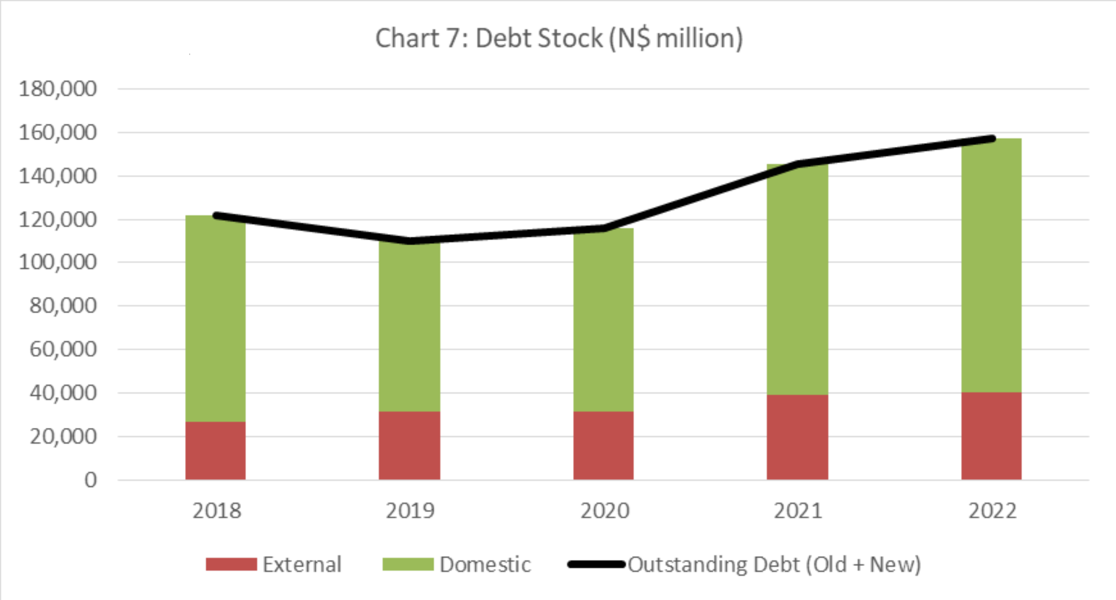


Over the years, the percentage of personnel cost as a proportion of revenue has been closely monitored. Fortunately, it has consistently remained below the 60% threshold.

Notably, in 2018, it was recorded at 36%, but it reduced significantly to 20% in 2020. However, it marginally increased to 24% in 2022.

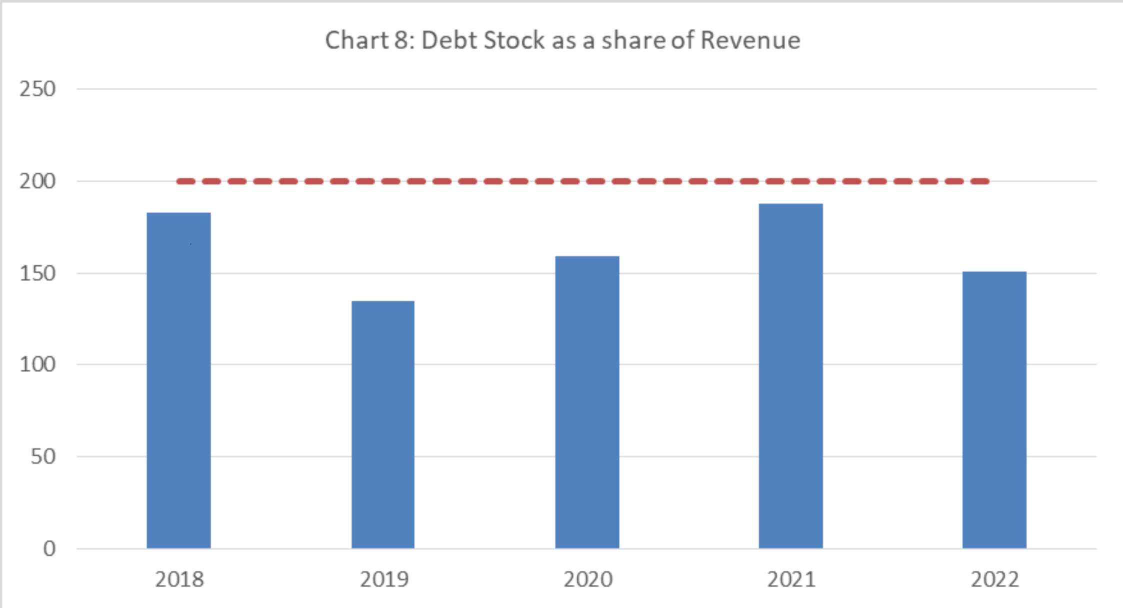
3.2 Existing Public Debt Portfolio of Ekiti State

3.2.1 The Evolution of the State Debt Stock between 2018 and 2022

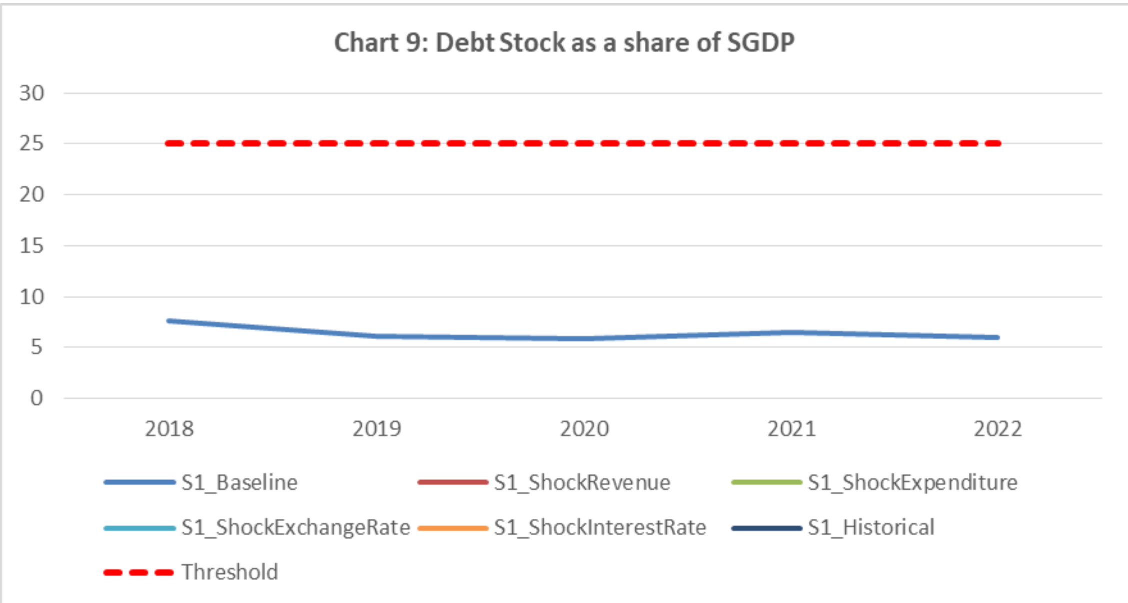


The total public debt encompasses a wide range of explicit financial commitments undertaken by the State Government, including loans and securities that are documented by paper contracts. These financial instruments represent the State Government's promise to repay the borrowed funds, along with any applicable interest and fees, over a specified period. The public debt also includes any other financial obligations that the government has incurred, such as unfunded pension liabilities and contractual obligations to provide services or make payments in the future.

Total public debt considers non-contingent debt and the obligation to repay them is independent of the circumstances as well as excludes the contingent liabilities (i.e. guarantee, State-owned enterprises and non-guaranteed liabilities). The total debt stock increased from ₦110.21billion in 2019 to ₦152.99billion in 2022. Within the period 2018 – 2022, the value of the debt stock of Ekiti State increased by 28.81% (nominal growth rate) from ₦121.87billion in 2018 to ₦156.99billion in 2022. Between 2018 and 2022, the public debt stock increased due to a few factors. These include the federal government's bailout and budget support facility, the increase in State government arrears, and external financing aimed at lessening the negative effects of the COVID-19 pandemic on the State's economy.



The debt-to-revenue ratio (debt stock as a share of revenue) remains below the threshold of 200% within the period 2018 and 2022. This is the percentage of the State's revenue which is used to offset public debt. The share of public debt stock on total Revenue at years end 2018, 2019, 2020, 2021 and 2022 stood at 183%, 134%, 159%, 188% and 151% respectively.



The debt stock as a share of SGDP ratio remains steadily below the threshold of 25% between the years 2018 – 2022. Over the course of 2018 to 2022, the ratio of the baseline scenario decreased from 8% to 6%. This indicates a consistent trend in the proportion of the State's Gross Domestic Products that were utilized to counterbalance the State's debt stock during the four-year period.

3.2.2 Debt Portfolio Composition

Ekiti State's public debt is composed of two main components: domestic debt and external debt. The domestic debt includes various loans and arrears, such as the Budget Support Facility, Salary Bailout, FGN Restructuring Bond, Excess Crude Accounts Backed Loan, Commercial Bank Loan, State Bonds, Commercial Agriculture Loan, Judgment Debt, Contractors Arrears, Pension and Gratuity Arrears, and Salary Arrears. These represent the various financial obligations owed by the state government to different creditors, including banks, pensioners, contractors, and public servants.The external debt stock comprises World Bank and African Development Bank loans.

The domestic debt stock makes up 79.72% of the total public debt portfolio, while external debt makes up the balance of 20.28% of the public debt portfolio as at the year-end 2022.

3.3 Cost and Risk Exposure of the existing public debt portfolio at the end - 2022

The public debt includes explicit financial commitments– like loans and securities – that have paper contracts instrumenting the government promises to pay. The State's debt portfolio at the end of 2022 was held at a low cost and low risk. The debt portfolio carried on average, an implicit interest rate (share of interest payments paid in 2022 on the public debt stock in 2022) of 6.62% in 2019-2022 and the interest payments as a share of the total revenue (includes grants and excludes other capital receipts) was 10% at end – 2022. This means that the State did enter into a minimal financial commitment with an implicit interest rate. In addition, the interest payments represented just 19.33% of the total expenditure (including interest and amortization payments).The debt portfolio exposure to currency risk is calculated by the share of the foreign currency-denominated liabilities on the total debt stock. The debt portfolio exposure to currency risk is 25.49% which indicates that the debt portfolio is narrowly exposed to currency, interest rate, and rollover risks. Ekiti State's exposure to currency fluctuation is limited because the foreign currency-denominated liabilities are only 25.49% of the total debt stock. Most internal loans and all external loans are fixed-rate obligations, thus not affected by changes in interest rates. As the average maturity of these loans is between 10 to 40 years and Ekiti State financial obligations including financing from the Federal Government and the multilateral organizations, rollover risk associated with potential deterioration of domestic financing condition is negligible.

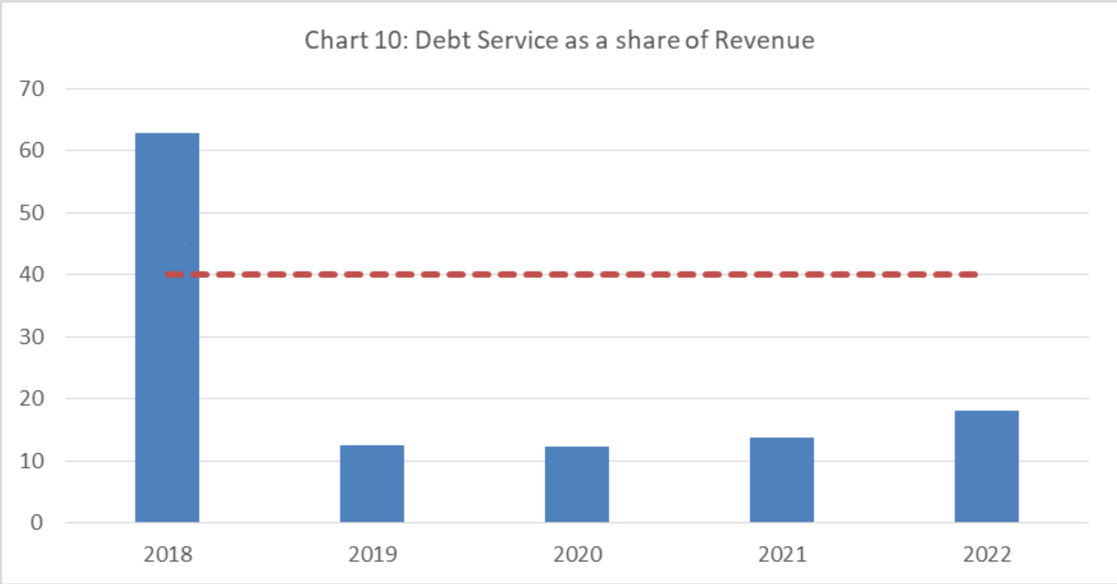


Chart 10: Debt Service as a share of Revenue
70
60
50
40
30
20
10
0
2018
2019
2020
2021
2022

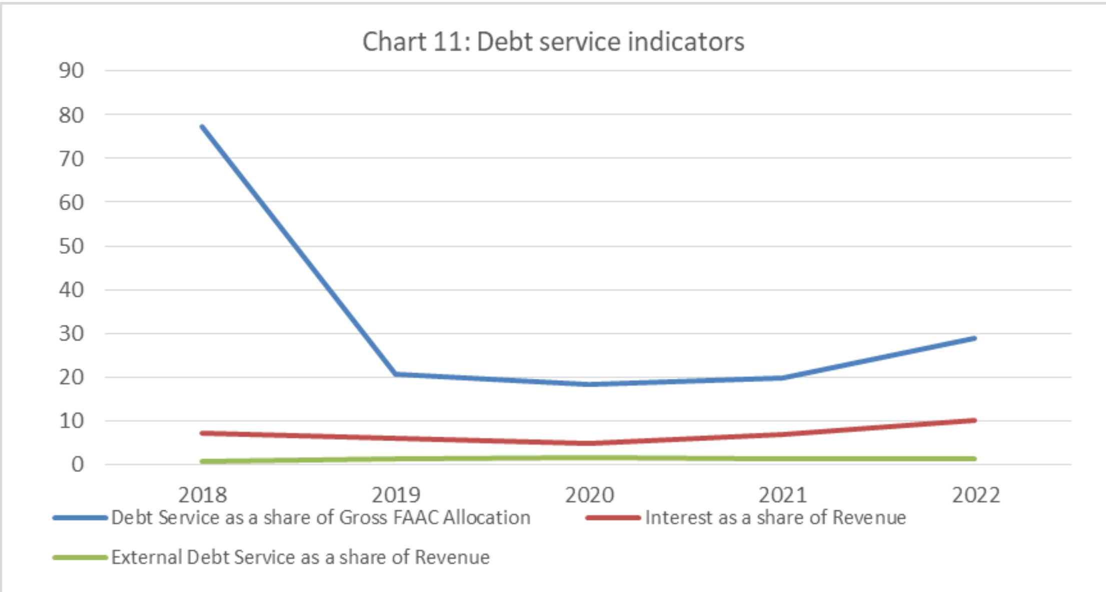


Chart 11: Debt service indicators
90
80
70
60
50
40
30
20
10
0
2018
2019
2020
2021
2022
Debt Service as a share of Gross FAAC Allocation
Interest as a share of Revenue
External Debt Service as a share of Revenue

CHAPTER FOUR

DEBT SUSTAINABILITY ANALYSIS

4.0 Introduction - Concept of Debt Sustainability Analysis

Definition of Debt Sustainability

The concept of debt sustainability refers to the ability of the government to honour its future financial obligations. Since policies and institutions governing spending and taxation largely determine such obligations, debt sustainability ultimately refers to the ability of the government to maintain sound fiscal policies over time without having to introduce major budgetary or debt adjustments in the future. Conversely, fiscal policies are deemed unsustainable when they lead to excessive accumulation of public debt, which could eventually cause the government to take action to address the unwanted consequences of a heavy debt burden. Debt sustainability is a situation in which the borrower is expected to be able to continue servicing its debts (the 'solvency' condition) without an 'unrealistically large' future correction to the balance of income and expenditure (IMF, 2001).

Debt Burden and Performance Indicators 2018– 2032

		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
WITH INDICATIVE THRESHOLDS	Debt/SGDP	8	6	6	6	6	6	5	4	4	4	4	4	5	5	6
	Threshold	**25**	**25**	**25**	**25**	**25**	**25**	**25**	**25**	**25**	**25**	**25**	**25**	**25**	**25**	**25**
	Debt/Revenue	183	134	159	188	151	135	122	103	97	95	99	108	123	147	179
	Threshold	**200**	**200**	**200**	**200**	**200**	**200**	**200**	**200**	**200**	**200**	**200**	**200**	**200**	**200**	**200**
	Debt Service/ Revenue	63	13	12	14	18	9	10	11	11	11	9	11	15	19	24
	Threshold	**40**	**40**	**40**	**40**	**40**	**40**	**40**	**40**	**40**	**40**	**40**	**40**	**40**	**40**	**40**
	Personnel Cost/Revenue	36	29	20	26	24	19	17	15	15	14	14	13	12	12	11
	Threshold	**60**	**60**	**60**	**60**	**60**	**60**	**60**	**60**	**60**	**60**	**60**	**60**	**60**	**60**	**60**
WITHOUT THRESHOLDS	Debt Service / FAACAllocation	77	21	18	20	29	13	13	14	14	15	12	15	19	25	32
	Interest/Revenue	7	6	5	7	10	6	7	6	6	6	6	7	9	12	15
	External Debt Service/Revenue	1	1	2	1	1	1	1	1	1	1	1	1	1	1	2

Source: ChartsDSA Sheet of Ekiti State DSA-DMS Template

The table provided above offers a comprehensive overview of Ekiti State's debt burden and performance indicators, which are crucial in determining the fiscal health of the state. The indicators used in the table assess the sustainability of the state's debt, some with predetermined thresholds, while others lack such thresholds. By analyzing these performance indicators, policymakers, investors, and other stakeholders can make informed decisions about the state's financial future.

4.1 Medium-Term Budget Forecast

4.1.1 Main features of the macroeconomic outlook under which the State DSA-DMS Baseline Scenario is being conducted

Even before the outbreak of the COVID-19 pandemic, Ekiti State and the Nigerian economy had been grappling with various difficulties, hindering their progress towards economic stability and growth. Economic growth is still fragile and dependent on only a few sectors, despite improving since 2017. There is a high level of contagion across main macroeconomic indices in response to crude oil prices and production shocks – GDP, inflation, exchange rates and public expenditure are all suffering. In 2020, Nigeria's economy experienced a recession as the real GDP contracted by 1.8%. This downturn marks a reversal of the three-year period of recovery that occurred between 2017 and 2020. This downturn resulted from the fall in crude oil prices on account of falling global demand and containment measures to fight the spread of the COVID–19 pandemic. However, in the fourth quarter of 2020, the Nigerian economy recovered and expanded by 0.11%; exiting one of its worst recessions, having posted a decline of 6.1% and 3.6% in 2020 Q2 and Q3, respectively. Ekiti State's medium-term sustainability is predicated upon a gradual recovery of the Nigeria economy that will increase FAAC statutory allocation. According to the Federal Government and State Government forecasts (Ekiti State MTEF, 2023-2025), the Nigeria economy is expected to sustain its economic recovery. The recovery is expected to be supported by higher oil prices in global markets, an increase in domestic production, prudent fiscal policy, and the stabilization of the exchange rate relevant for international public-sector financial transactions at its current level. Oil and gas revenue, as well as shared resources such as customs duties and VAT, would then increase thereby improving the State's revenue position.

4.1.2 Ekiti State's revenue and expenditure policies going forward under the baseline scenario.

Under the State's Debt Sustainability Analysis, the nation's GDP growth rate is expected to have an impact on the State's revenue. The DSA is also predicated on the continuation of recent efforts by Ekiti State Government to mobilize local revenue sources, and on unchanged policies concerning personnel and other operating expenses. The fiscal reforms adopted by the State Government to strengthen resources provided by IGR, are expected to continue in the next few years and will benefit from the overall economic recovery. On the other hand, no new policies are anticipated with regard to personnel and overhead costs. However, the State is expected to ensure consistent annual increment in its personnel and overhead costs by making provision for a steady annual increase of 5%.

4.2 Borrowing options

The following are the key assumptions on the planned borrowings of the reference debt management strategy (S1) for Ekiti State:

i. the **names of debt instruments**

New Domestic Financing in Million of Local Currency			
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	Naira	Million	
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)	Naira	Million	
State Bonds (maturity 1 to 5 years)	Naira	Million	
State Bonds (maturity 6 years or longer)	Naira	Million	
Other Domestic Financing	Naira	Million	
New External Financing in Million US Dollars			
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	US Dollars	Million	
External Financing - Bilateral Loans	US Dollars	Million	
Other External Financing	US Dollars	Million	

ii. the**financing terms (maturity, grace period, and interest rate) of each of the debt instruments**

Borrowing Terms for New Domestic Debt (issued/contracted from 2023 onwards)	Interest Rate (%)	Maturity (# of years)	Grace (# of years)
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	22.50%	4	1
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)	20.50%	10	2
State Bonds (maturity 1 to 5 years)	19.50%	4	1
State Bonds (maturity 6 years or longer)	19.50%	15	2
Other Domestic Financing	18.50%	7	0
Borrowing Terms for New External Debt (issued/contracted from 2023 onwards)	**Interest Rate (%)**	**Maturity (# of years)**	**Grace (# of years)**
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	2.50%	30	6
External Financing - Bilateral Loans	1.28%	25	4
Other External Financing	4.00%	35	5

The total planned borrowings of the reference debt management strategy (S1) for Ekiti State within the projected period (2023 – 2032) are reported in the table below:

2023 (#000,000)	2024 (#000,000)	2025 (#000,000)	2026 (#000,000)	2027 (#000,000)	2028 (#000,000)	2029 (#000,000)	2030 (#000,000)	2031 (#000,000)	2032 (#000,000)
13,108.51	6,394.22	8,362.70	13,706.67	24,950.73	33,239.98	53,142.27	82,149.19	121,079.91	171,712.58

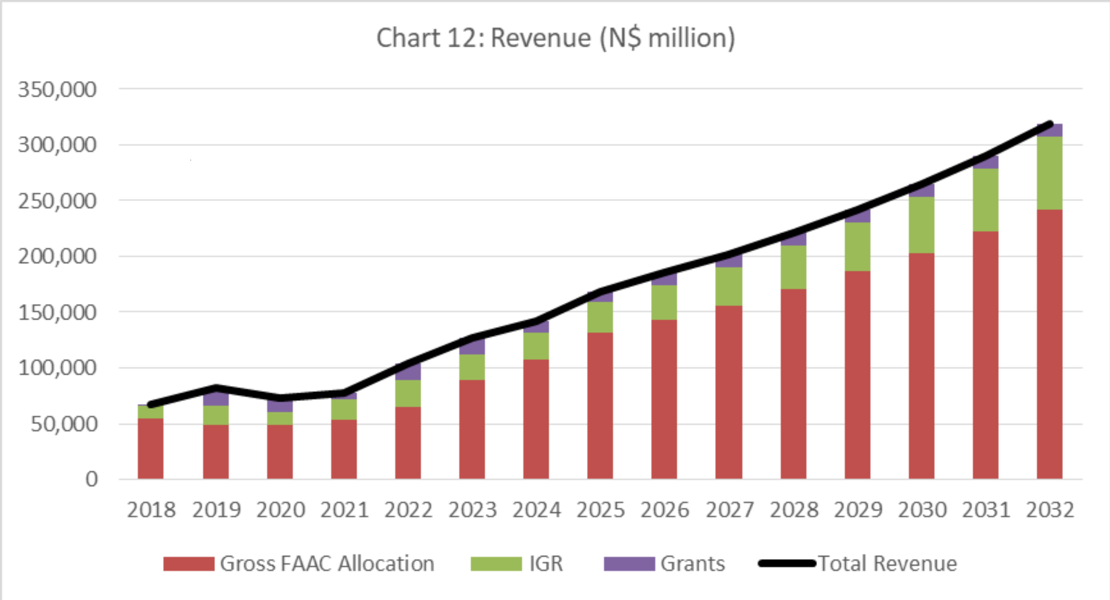
The State plans to use new domestic financing in Naira and new external financing in US Dollars as presented in the table below to cover its gross financing needs under the reference debt strategy (S1) between the projected period of 2023 and 2032.

New Domestic Financing in Million of Local Currency	Units	Scale	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	Naira	Million	9,709.90	-	-	-	8,895.90	-	13,089.90	-	22,998.40	87,375.50
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)	Naira	Million	3,006.60	4,695.50	-	-	7,779.00	-	10,829.70	31,363.40	-	18,393.80
State Bonds (maturity 1 to 5 years)	Naira	Million	-	-	6,717.80	-	-	15,294.50	-	21,701.00	21,207.20	8,341.00
State Bonds (maturity 6 years or longer)	Naira	Million	-	-	-	8,000.70	-	-	9,473.70	-	32,631.00	16,048.90
Other Domestic Financing	Naira	Million	-	-	1,644.90	-	-	-	5,331.60	9,222.80	6,871.40	-
New External Financing in Million US Dollars												
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	US Dollars	Million	0.90	1.00	-	2.50	9.10	11.90	12.80	10.20	33.80	50.50
External Financing - Bilateral Loans	US Dollars	Million	-	1.90	-	5.80	6.90	9.90	11.80	13.20	10.90	44.90
Other External Financing	US Dollars	Million	-	1.00	-	4.80	3.00	19.40	8.50	22.20	41.10	-
Total Planned Borrowing	Naira	Million	13,108.51	6,394.22	8,362.70	13,706.67	24,950.73	33,239.98	53,142.27	82,149.19	121,079.91	171,712.58
Total Gross Borrowing Requirements (calculated by the Template Baseline Scenario)	Naira	Million	13,108.48	6,394.17	8,362.69	13,706.69	24,950.69	33,240.01	53,142.33	82,149.17	121,079.88	171,712.56

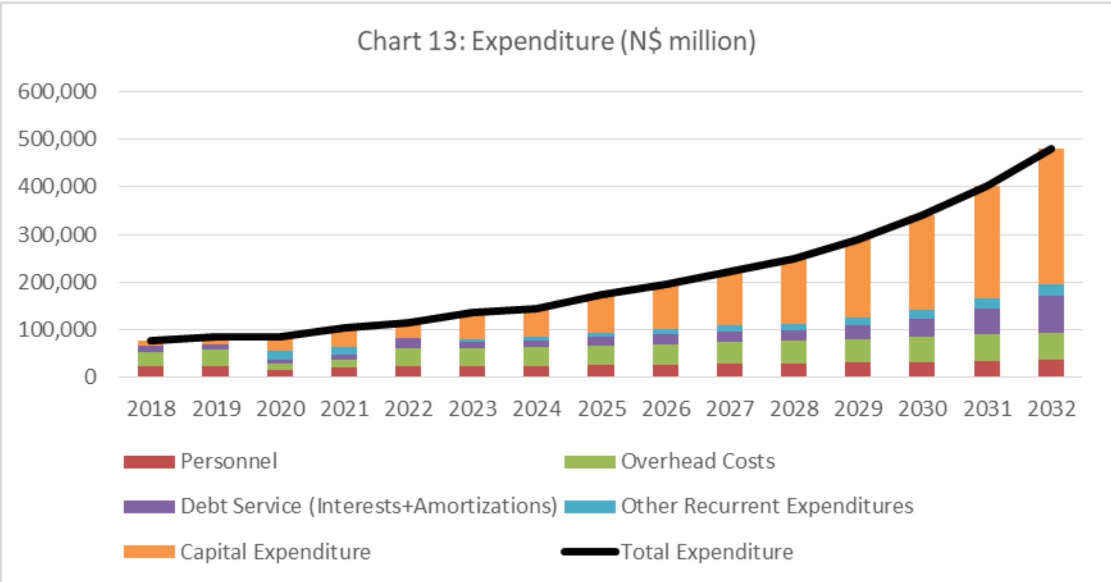
4.3 Debt Sustainability Analysis Simulation Results and Findings

The main DSA findings and results of the Baselines Scenario under the reference debt strategy (S1) in terms of projected revenue, expenditure, primary and overall balance; and debt stock and debt service indicators and thresholds are presented below:

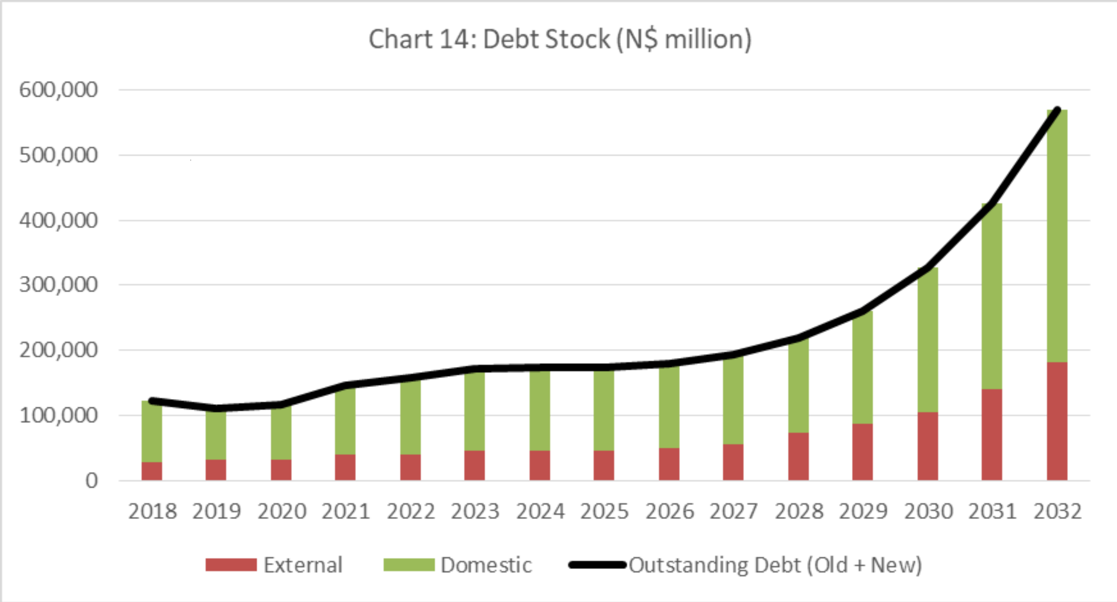
4.3.1 Revenue



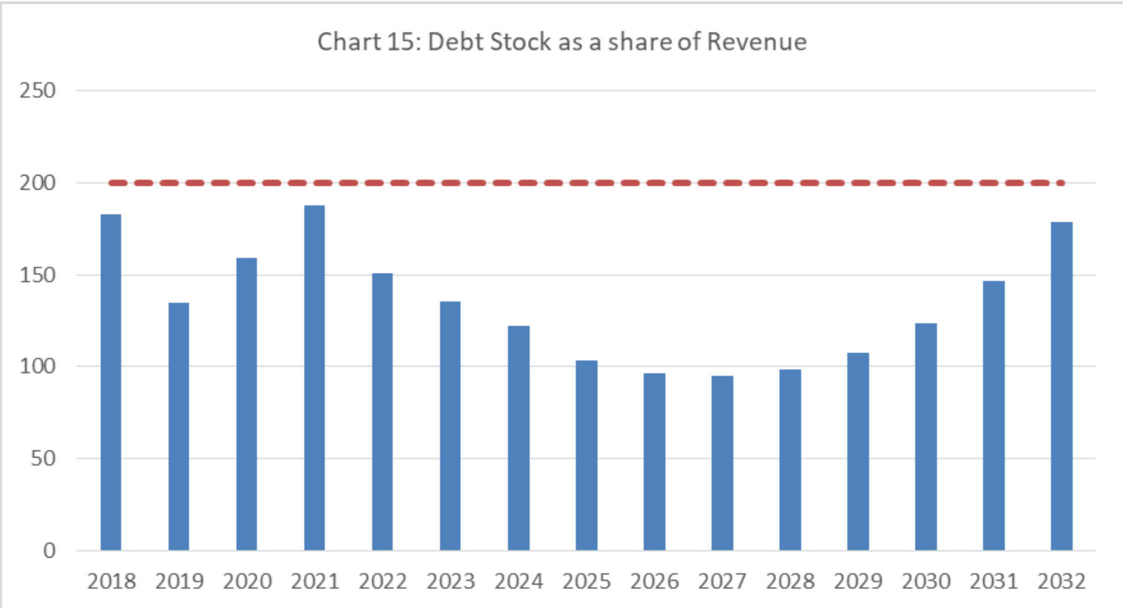
4.3.2 Expenditure



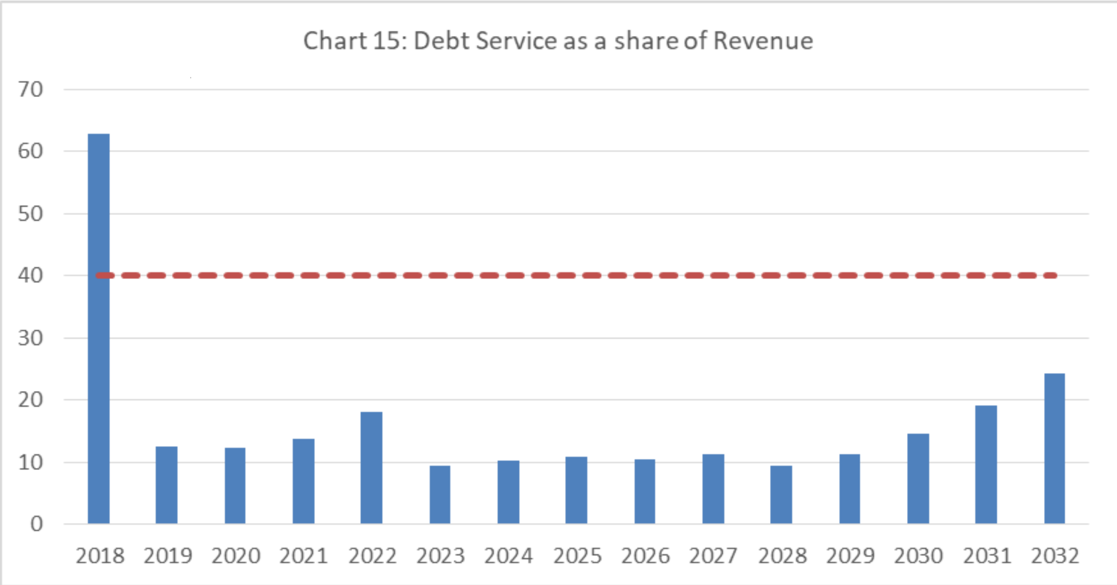
4.3.3 Debt Stock



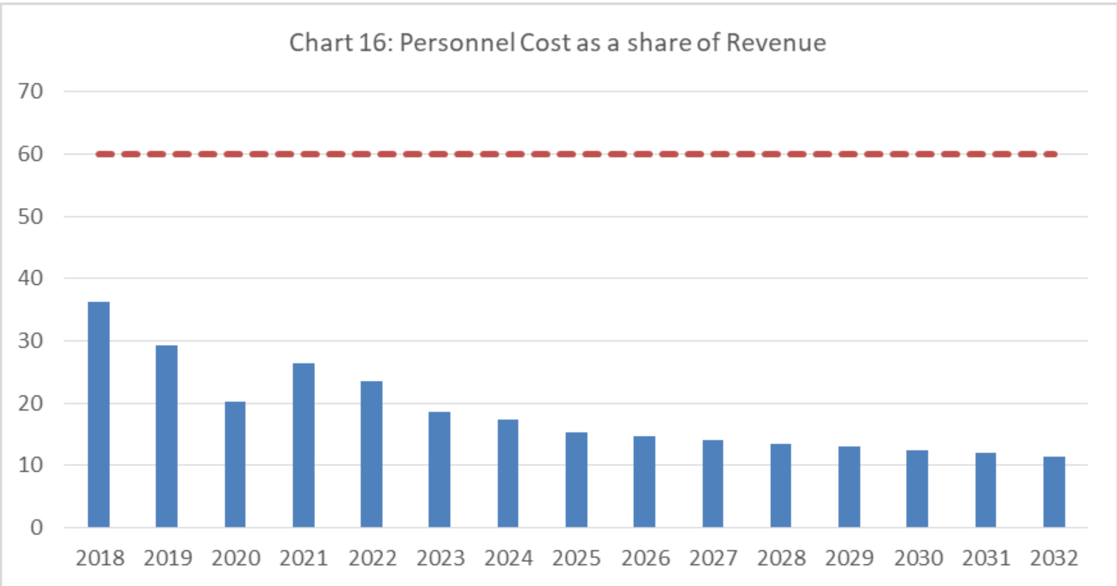
4.3.4 Debt as a Share of Revenue



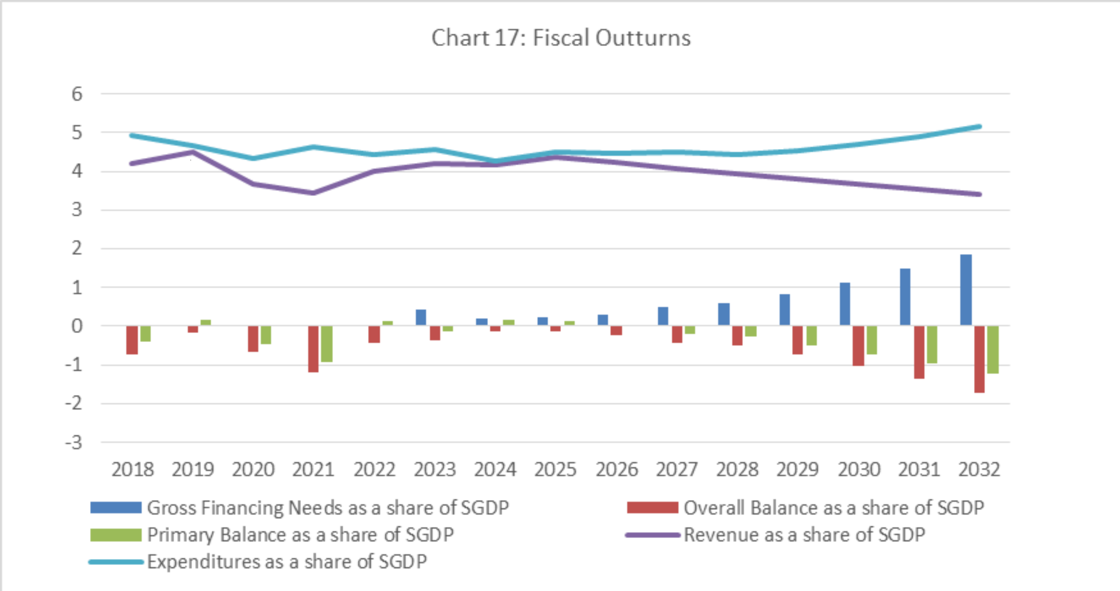
4.3.5 Debt Service as a Share of Revenue

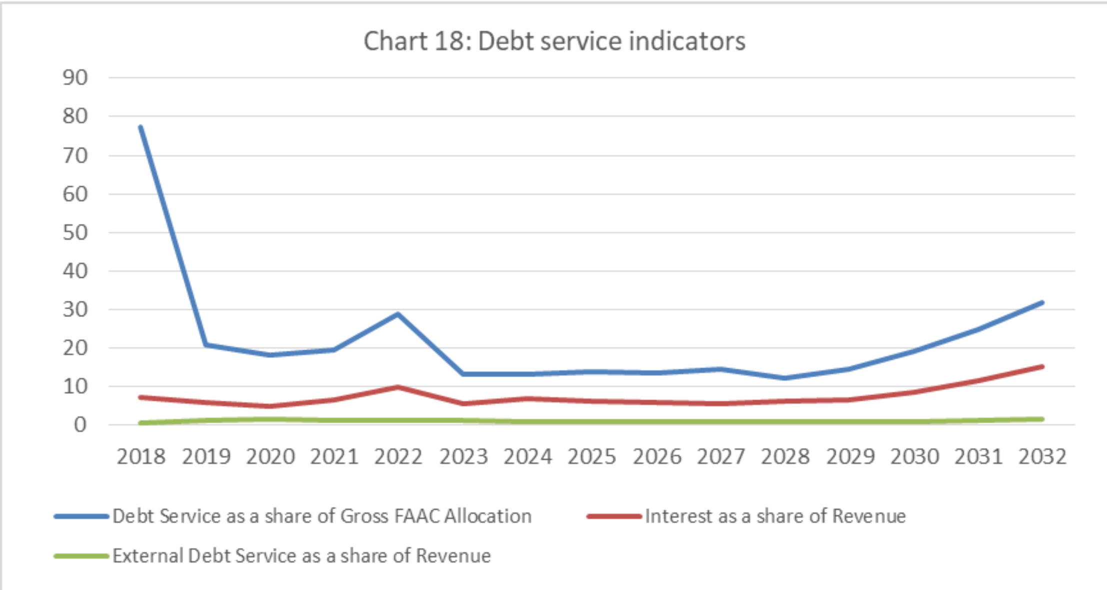


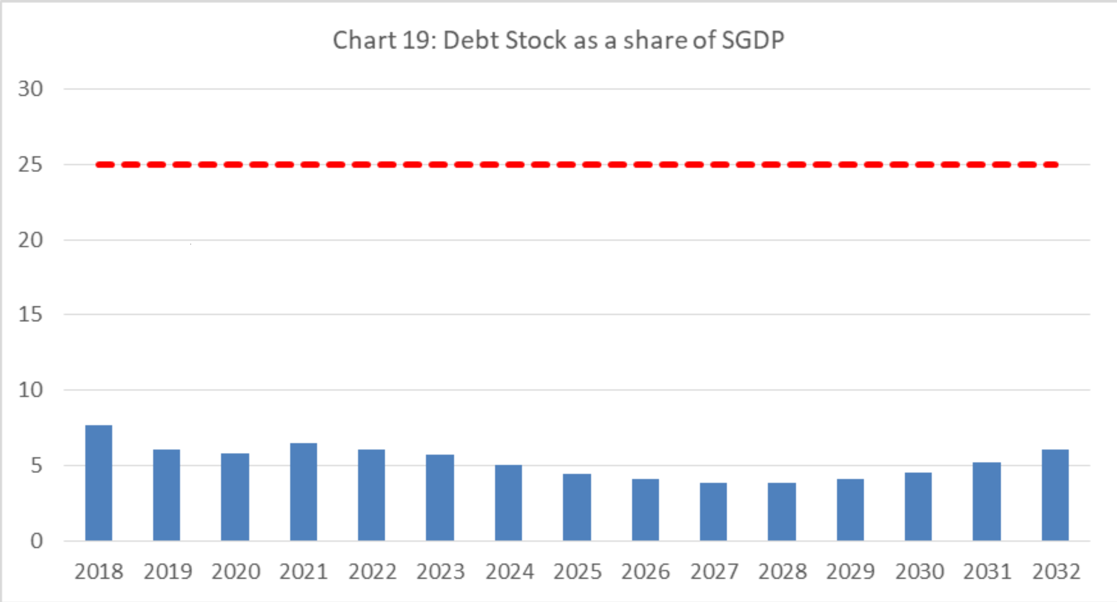
4.3.6 Personnel Cost



4.3.7 Fiscal Outturns







Main Findings and Results of the Baseline Scenario under the reference Debt strategy (S1).

Overall Balance and

i. **Revenue, expenditure, overall and primary balance over long term.** In the Baseline Scenario under the reference debt strategy (S1), the State preserves debt sustainability. In the short run, the State's debt sustainability is expected to deteriorate moderately. However, in the long run, the debt sustainability indicators are projected to record a rapid deterioration between 2028 – 2032 as a result of revenue and expenditure shocks due to both excessive deficit and diminished repayment capacity. Ekiti State Government should embark on fiscal measures to reduce recurrent expenditure and sustain all the ongoing revenue drive reforms to mitigate the shocks in the future. **Total revenue** is made up of Gross FAAC Allocation, IGR and Grants, and excluding other capital receipts. The total revenue is projected to increase steadily from ₦103.94 billion in 2022 to ₦318.40 billion by 2032 (chart 16) resulting in a growth of 206.33%. Under the projected years, gross FAAC allocation is expected to contribute immensely to the aggregate revenue. The State is therefore expected to sustain its revenue reforms to ensure that the share of IGR in the aggregate revenue is significant. **The total expenditure** will expand by 315.86% from ₦115.37 billion in 2022 to ₦479.80 billion by 2032 (chart 17). The capital expenditure would contribute mostly to the aggregate expenditures of the State in the long term. The State is expected to spend more on capital projects for the development of infrastructural development in the State to further boost the revenue in the future. Overall Balance is computed as the difference between Revenue including grants and excluding other capital receipts and expenditures including interest and amortization payments. The primary balance is the Revenues minus Expenditures including amortization payments and excluding interest payments i.e. overall balance minus the interest payments. The primary and overall balance in nominal values (naira) is presented in the table below. Therefore, **the fiscal deficit** –

computed as the difference between revenue and expenditure – is expected to stand at an average deficit of ₦44.31 billion within the period 2022 to 2032.The fiscal deficit shall remain within a range of deficit of ₦3.995 billion to a deficit of ₦161.398 billion in normal terms, compared to the 2022 deficit of ₦11.433 billion.

Overall Balance and Primary Balance in Nominal Values

	2018 (000,000)	2019 (000,000)	2020 (000,000)	2021 (000,000)	2022 (000,000)	2023 (000,000)	2024 (000,000)	2025 (000,000)	2026 (000,000)	2027 (000,000)	2028 (000,000)	2029 (000,000)	2030 (000,000)	2031 (000,000)	2032 (000,000)
Total Revenue	66,719.06	81,949.66	72,720.39	77,478.97	103,939.89	126,552.63	141,711.26	168,304.36	185,200.08	202,129.69	221,087.61	241,978.83	265,006.63	290,396.35	318,397.96
Total Expenditure	78,458.26	85,100.07	85,845.72	104,435.36	115,373.87	137,662.16	145,706.68	173,788.55	195,452.57	222,935.34	249,353.57	289,152.29	339,993.16	402,881.07	479,796.32
Overall Balance	-11,739.21	- 3,150.42	-13,125.33	- 26,956.40	- 11,433.98	- 11,109.52	- 3,995.42	- 5,484.18	- 10,252.49	- 20,805.65	- 28,265.96	- 47,173.46	- 74,986.54	-112,484.72	-161,398.36
Primary Balance	-17,064.52	- 9,237.99	-17,297.65	- 32,899.09	- 26,215.48	- 18,271.32	- 13,701.50	- 15,900.04	- 21,244.58	- 32,281.90	- 41,848.98	- 63,512.70	- 98,118.98	-146,117.30	-209,415.00

ii. **Main finding and conclusion of the baseline scenario under the reference debt strategy (S1) in terms of debt sustainability.** The public debt and the State's amortization payment are projected to rise due to a substantial increase in internal loans (Chart 18). The debt stock at ₦156.99 billion is expected to rise to ₦569.74 billion in 2032 with a growth rate of 262.91%. The share of domestic debt is expected to contribute more to the aggregate debt and debt repayment in the years under review. However, the debt and the debt service indicators under the baseline scenario indicate the sustainability of the state's public debt trend and repayment capacity. **The debt stock as a percentage of revenue** was 151% in 2022. It however fell minimally to 95% in 2027 and thereafter rose to 179% in 2032. It remains below the threshold of 200% within the projected period (2023 – 3032). Likewise, **the debt service as a share of revenue** would remain under the threshold of 40% within the projected years of 2022 - 2032. The debt service to revenue ratio is expected to stand at 0.18 by 2022 and fall to 0.09 in 2028 thereafter it is expected to rise to 0.24 by 2032. Flowing from the expected increase in the debt commitment and repayment by the State Government, the debt service share of the State's revenue would stand below the threshold in the projected period 2022-2032. **The State's debt service as a percentage of FAAC allocation** is projected to be 29% in 2022 and fall to 12% in 2028. It would later increase minimally to 32% in the year 2032. Within the projected period of 2022 – 2032, **the external debt service to revenue ratio** would exhibit a steady trend of 1% from 2022 to 2031. The ratio would increase to 2% in 2032. This is expected to result from the minimum of the State's exposure to external debt**. Interest repayment to revenue** is expected to be 10% in 2022 and increase to 15% in the year 2032. The percentage of **Ekiti State's debt on the S-GDP** remains under the threshold of 25% with an average ratio of 4.82% between 2022 and 2032. Based on the above-presented scenario, the debt and debt services indicators indicate that Ekiti State's public finances debts will remain sustainable in the medium and long term. Consequently, the analysis of the Baseline Scenario under the reference debt strategy (S1) suggests that the State will be able to preserve the sustainability of the debt in the medium and long term. Consequently, the outcome of the analysis under the Baseline Scenario reveals that Ekiti State's domestic and external Debt Portfolio remains at low risk of debt distress.

4.4 DSA Sensitivity Analysis

4.4.1 Sensitivity analysis is a technique used to understand how changes in various independent variables impact a particular dependent variable while keeping a set of assumptions constant. It is a powerful tool used in decision-making processes for evaluating and comparing the impact of different scenarios, and identifying which variables have the most significant effect on the outcome. By analyzing the sensitivity of a model, one can better understand the risks and uncertainties associated with the underlying assumptions, and make more informed decisions. In other words, sensitivity analysis studies how the uncertainty in the output of a model or system can be divided and allocated to different sources of uncertainty in its inputs. Sensitivity analysis determines how different values of an independent variable affect a particular dependent variable under a given set of assumptions.

Under the DSA sensitivity analysis, Ekiti State faces important sources of fiscal risks associated with the possibility of adverse country-wide macroeconomic conditions and the reversal of the State's revenue and expenditure policies. The sensitivity analysis used macroeconomic shocks and policy shocks to evaluate and assess the robustness of the sustainability assessment for the baseline scenario under the reference debt strategy (S1) discussed in the previous subsection. When considering both the macroeconomic and policy shocks, it is assumed that external and domestic borrowings cover any revenue shortfall and additional expenditure relative to the baseline scenario.

The DSA Sensitivity analysis for Ekiti State shall be conducted under six scenarios (one baseline scenario, four shock scenarios and one historical scenario). Shocks are measured as a percentage deviation from the baseline scenario.

1. **Baseline** scenario shows the <u>fiscal projections provided by the State for the period 2023-2032</u>. The 2023 projections include the 2023 Budget figures. The 2024-2025 projections include the 2023-2025 MTEF figures. If the State does not produce forecasts for a 10-year period, the projections for 2026-2032 will be provided by the State based on the guidance of the DMO and the World Bank.

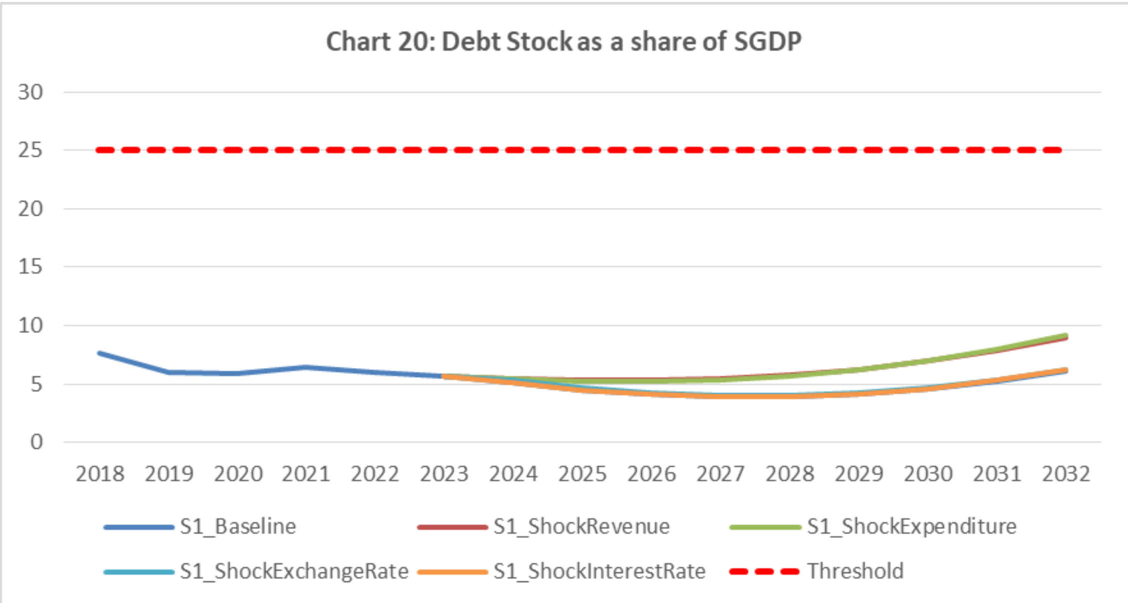
2. **Shock Revenue** scenario includes <u>a 10% decline of the Gross Statutory Allocation, Derivation, Other FAAC Transfers, VAT Allocation, IGR and Grants</u> in nominal terms each year, starting from 2024 until 2032. Note we refer to Gross FAAC Allocation as the sum of Gross Statutory Allocation, Derivation, Other FAAC Transfers, and VAT Allocation.

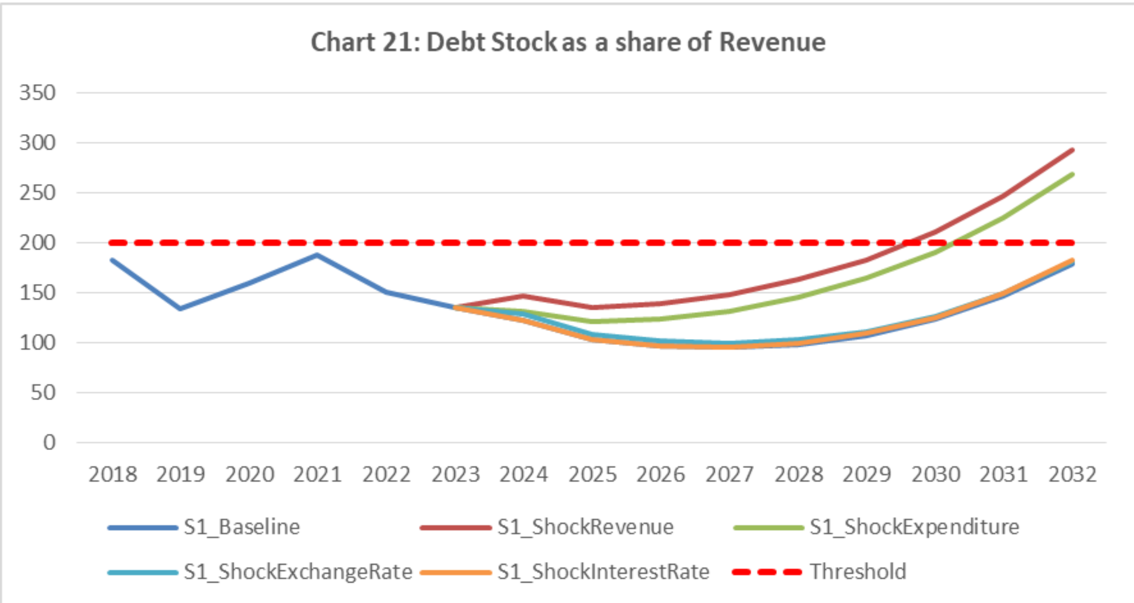
3. **Shock Expenditures** scenario includes <u>a 10% increase of the Personnel cost, Overhead cost, Other recurrent expenditure and Capital expenditure</u> in nominal terms each year, starting in 2024 until 2032.

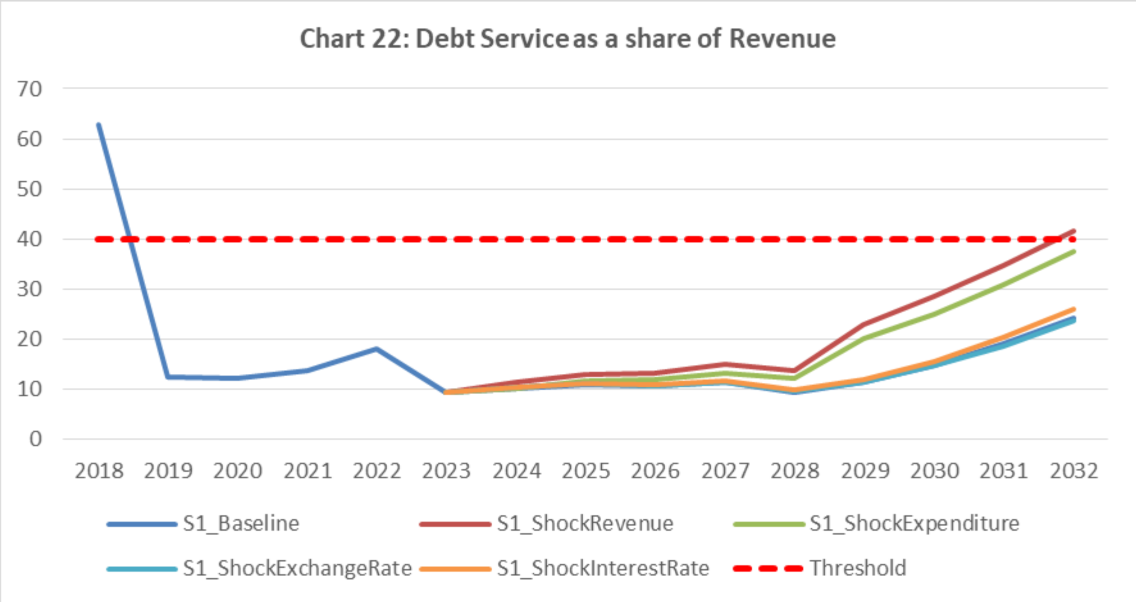
4. **Shock Exchange Rate** scenario includes a one-time 20% devaluation (NGN/US$) in 2023. The exchange rate difference regarding the baseline is maintained over the projected period (2024-2032).
5. **Shock Interest Rate** scenario includes a 200 basis points increase of the new domestic financing interest rate each year, starting in 2023 until 2032.
6. **Historical** scenario assumes that the State GDP, revenues and primary expenditures in 2024-2032 grow in line with their respective historical average growth rates observed in 2019-2022.

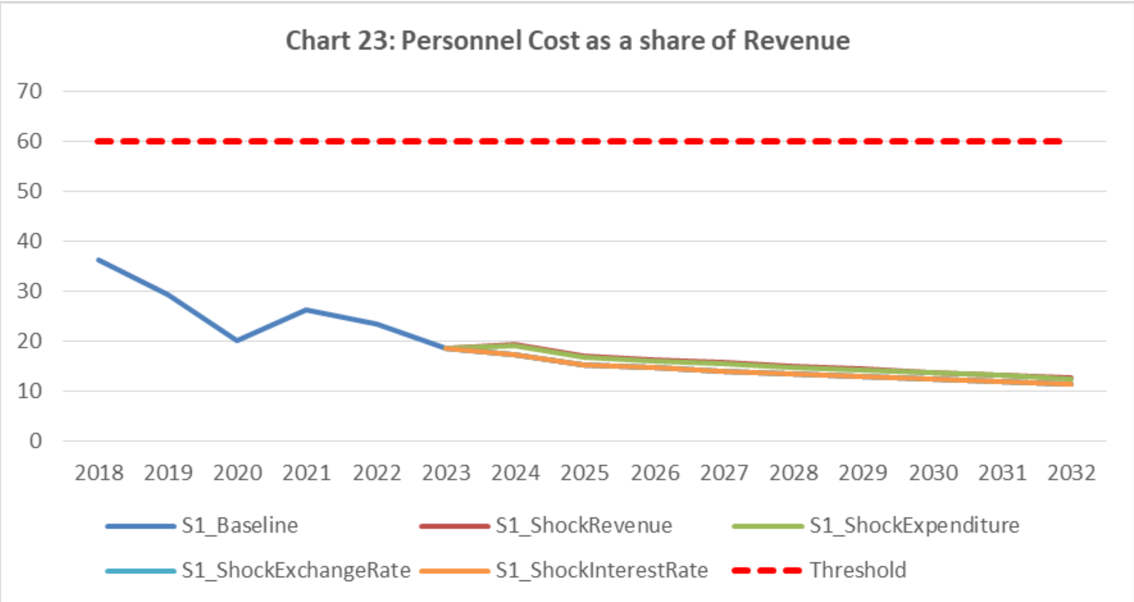
4.5 The DSA Sensitivity Analysis for Ekiti State

The findings and conclusions of each shock scenario under the reference debt strategy (S1) according to debt sustainability are presented below. The historical period provides an unreliable scenario. Consequently, the findings exclude the historical scenario:









4.6 Results and Conclusion of the Shock Scenario in Terms of Debt Sustainability of Ekiti State

Under the reference strategy, the State's debt sustainability is expected to deteriorate moderately if the exchange rate/interest rate shocks materialize under the reference debt strategy (S1), mainly as a consequence of excessive deficits and diminished repayment capacity. The State's debt sustainability is expected to largely deteriorate if the revenue/expenditure shocks were to occur under the reference debt strategy (S1), as a result of reduced revenue inflows. The debt sustainability indicators are expected to be affected significantly by the revenue and expenditure shocks in the long term due to both excessive deficits and diminished repayment capacity. The State therefore needs to do more to ensure the sustainability of all the ongoing revenue drive reforms to mitigate the shocks in the future.

CHAPTER FIVE

DEBT MANAGEMENT STRATEGY

5.0 Introduction - Concept of Debt Management Strategy

Definition of Public Debt Management

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

There are three debt-management performance indicators utilized in this report to assess the debt-management strategies outcomes of Ekiti State

- Debt Stock as % of Revenue (including grants and excluding other capital receipts)
- Debt Service as % of Revenue (including grants and excluding other capital receipts)
- Interest as % of Revenue (including grants and excluding other capital receipts)

The **measure of cost** is simply the value of the given performance indicator obtained in the last projected year (2027) by combining the four strategies and the baseline outlook. The **measure of risk** is the change in the value of the given performance indicator in the fifth year of the projection when it moves from the baseline to the adverse shock. For example, if the debt service to revenue ratio in 2027 is expected to be 20% under the reference strategy S1 but the adverse shock scenario placed the same indicator in the value of 25% in 2027, then the risk of carrying the reference strategy S1 is 5% points. The cost and Risk are only measured in 2027 for the baseline

5.1 Alternative Borrowing Options

Ekiti State has three distinct alternative Debt Management Strategies (S2, S3, and S4) that it can choose from. The second alternative DMS (S2) prioritizes borrowing from domestic debt instruments like commercial bank loans, bonds, and other domestic financings to minimize the risks of exposure to foreign debt instruments and to promote the development of the domestic debt markets. In contrast, the third Strategy (S3) concentrates solely on external financing, where the State borrows from external sources such as concessional loans from entities like the World Bank and African Development Bank, and Bilateral Loans. This strategy is preferred because external financing is generally contracted under concessionary terms and conditions. The fourth strategy (S4) takes a balanced approach by giving fair consideration to all financing instruments to fund specific expenses in the State, such as capital investments. The summary tables with share of proceeds from each funding sources under the Reference Debt Management Strategy and other three Alternative Debt Management Strategies are presented below.

Reference Debt Management Strategy (S1)

4.A. Reference Debt Management Strategy S1. Information on Planned Borrowings Creating New Debt (new bonds, new loans, etc.) (See Note 4 in Guidance for Completing Data Request)

Insert planned Borrowings (new bonds, new loans, etc.) as nominal amounts in Million of local currency or Million of US dollars. Total Planned Borrowings must equal the Gross Borrowing Requirement (calculated by the Template in the Baseline Scenario)

New Domestic Financing in Million of Local Currency											
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	Naira	Million	9,709.9	0.0	0.0	0.0	8,895.9	0.0	13,089.9	0.0	22,998.4	87,375.5
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)	Naira	Million	3,006.6	4,695.5	0.0	0.0	7,779.0	0.0	10,829.7	31,363.4	0.0	18,393.8
State Bonds (maturity 1 to 5 years)	Naira	Million	0.0	0.0	6,717.8	0.0	0.0	15,294.5	0.0	21,701.0	21,207.2	8,341.0
State Bonds (maturity 6 years or longer)	Naira	Million	0.0	0.0	0.0	8,000.7	0.0	0.0	9,473.7	0.0	32,631.0	16,048.9
Other Domestic Financing	Naira	Million	0.0	0.0	1,644.9	0.0	0.0	0.0	5,331.6	9,222.8	6,871.4	0.0
New External Financing in Million US Dollars											
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	US Dollars	Million	0.9	1.0	0.0	2.5	9.1	11.9	12.8	10.2	33.8	50.5
External Financing - Bilateral Loans	US Dollars	Million	0.0	1.9	0.0	5.8	6.9	9.9	11.8	13.2	10.9	44.9
Other External Financing	US Dollars	Million	0.0	1.0	0.0	4.8	3.0	19.4	8.5	22.2	41.1	0.0

First Alternative Debt Management Strategy (S2)

4.B. Alternative Debt Management Strategy S2. Information on Planned Borrowings Creating New Debt (new bonds, new loans, etc.) (See Note 4 in Guidance for Completing Data Request)

Insert planned Borrowings (new bonds, new loans, etc.) as nominal amounts in Million of local currency or Million of US dollars. Total Planned Borrowings must equal the Gross Borrowing Requirement (calculated by the Template in the Baseline Scenario)

New Domestic Financing in Million of Local Currency											
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	Naira	Million	0.0	0.0	3,771.9	9,191.2	7,708.2	7,791.5	22,918.3	15,984.4	22,297.0	45,130.5
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)	Naira	Million	0.0	0.0	5,664.6	4,567.0	1,836.7	13,421.6	0.0	24,466.2	39,347.0	55,987.2
State Bonds (maturity 1 to 5 years)	Naira	Million	13,108.5	0.0	0.0	0.0	5,976.8	7,123.0	0.0	28,172.4	39,123.0	28,567.0
State Bonds (maturity 6 years or longer)	Naira	Million	0.0	6,139.5	0.0	0.0	3,728.9	8,265.4	36,727.8	27,103.4	27,659.8	59,752.7
Other Domestic Financing	Naira	Million	0.0	0.0	0.0	683.4	6,860.0	3,064.5	5,708.1	2,970.9	16,469.2	23,368.2
New External Financing in Million US Dollars											
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	US Dollars	Million	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
External Financing - Bilateral Loans	US Dollars	Million	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other External Financing	US Dollars	Million	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Second Alternative Debt Management Strategy (S3)

4.C. Alternative Debt Management Strategy S3. Information on Planned Borrowings Creating New Debt (new bonds, new loans, etc.) (See Note 4 in Guidance for Completing Data Request)													
Insert planned Borrowings (new bonds, new loans, etc.) as nominal amounts in Million of local currency or Million of US dollars. Total Planned Borrowings must equal the Gross Borrowing Requirement (calculated by the Template in the Baseline Scenario)													
New Domestic Financing in Million of Local Currency													
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	Naira	Million		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)	Naira	Million		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State Bonds (maturity 1 to 5 years)	Naira	Million		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State Bonds (maturity 6 years or longer)	Naira	Million		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Domestic Financing	Naira	Million		6.6	2.9	9.4	2.1	6.3	0.0	0.0	0.0	0.0	0.0
New External Financing in Million US Dollars													
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	US Dollars	Million		9.8	3.7	1.0	3.0	9.8	17.8	36.5	40.0	71.2	96.0
External Financing - Bilateral Loans	US Dollars	Million		10.7	2.6	1.5	4.0	15.3	18.1	23.2	48.5	79.4	79.3
Other External Financing	US Dollars	Million		9.6	2.7	1.5	6.0	5.6	17.0	25.9	40.0	33.2	79.2

Third Alternative Debt Management Strategy (S4)

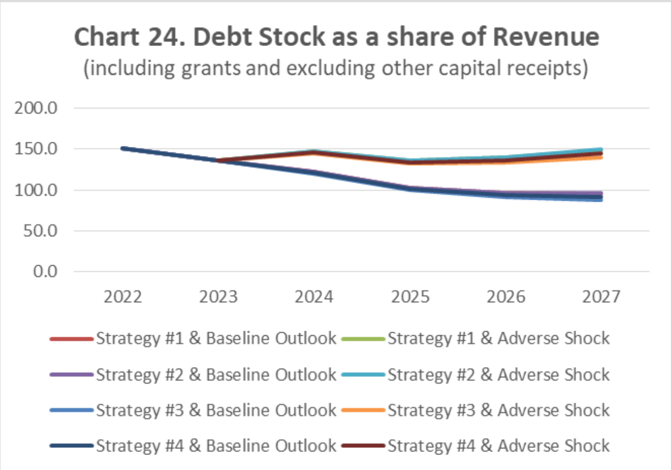
4.D. Alternative Debt Management Strategy S4. Information on Planned Borrowings Creating New Debt (new bonds, new loans, etc.) (See Note 4 in Guidance for Completing Data Request)													
Insert planned Borrowings (new bonds, new loans, etc.) as nominal amounts in Million of local currency or Million of US dollars. Total Planned Borrowings must equal the Gross Borrowing Requirement (calculated by the Template in the Baseline Scenario)													
New Domestic Financing in Million of Local Currency													
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	Naira	Million		5,828.1	0.0	0.0	0.0	5,560.6	8,750.0	12,882.8	7,265.5	8,888.8	30,065.3
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)	Naira	Million		0.0	0.0	0.0	6,758.0	0.0	0.0	3,726.2	8,124.3	11,612.8	18,012.0
State Bonds (maturity 1 to 5 years)	Naira	Million		0.0	0.0	3,650.7	0.0	0.0	9,391.7	14,111.0	11,891.0	10,987.9	26,514.0
State Bonds (maturity 6 years or longer)	Naira	Million		0.0	0.0	0.0	0.0	7,835.7	0.0	10,143.0	10,285.6	10,879.0	14,043.8
Other Domestic Financing	Naira	Million		1,313.1	1,289.6	0.0	0.0	0.0	6,462.6	1,123.0	6,121.6	2,756.5	1,034.6
New External Financing in Million US Dollars													
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	US Dollars	Million		4.9	0.0	1.7	3.5	5.1	2.2	9.2	43.9	55.0	42.2
External Financing - Bilateral Loans	US Dollars	Million		8.8	0.0	1.1	2.2	3.0	5.1	5.5	38.1	55.0	82.9
Other External Financing	US Dollars	Million		0.0	9.5	1.8	1.2	5.9	3.0	5.9	6.1	65.7	43.9

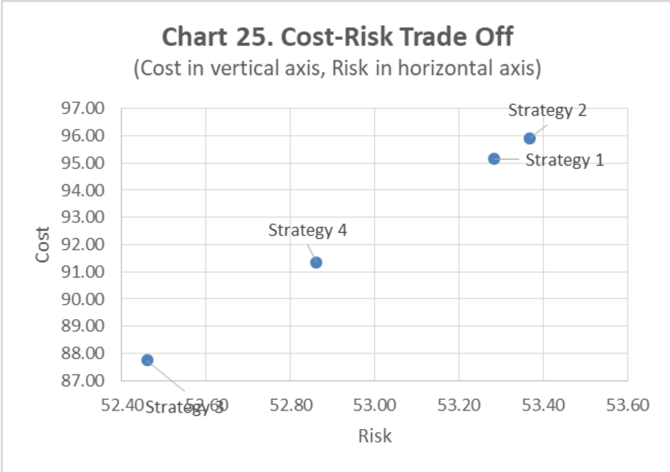
5.2 Debt Management Strategy (DMS) Simulation Results

The analysis of the results obtained from the four DMS focuses on the three performance indicators. The three debt-management performance indicators are presented for the baseline and the most adverse scenario of the reference debt strategy (S1) and the alternative debt strategy (S2, S3, S4). It should be noted that there are no thresholds for the assessment of the debt-management performance indicators under the different debt strategies.

5.2.1 Debt/Revenue

Under the four strategies, the projected Debt/Revenue in the Baseline Scenario for the period 2022 – 2027 all continuously decreased from 135.5% in 2023 to 94.4% on average in 2026.

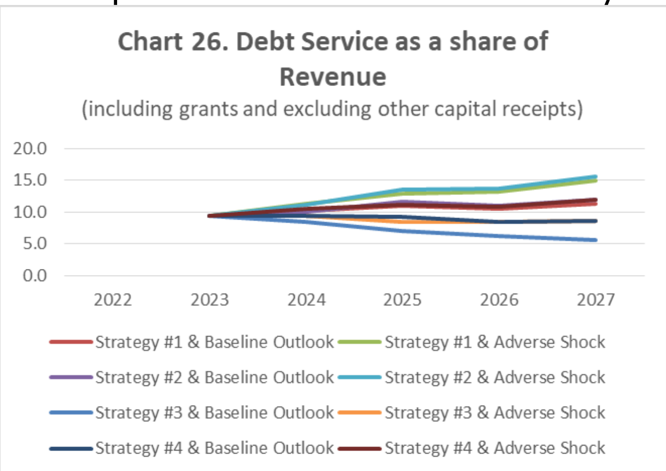


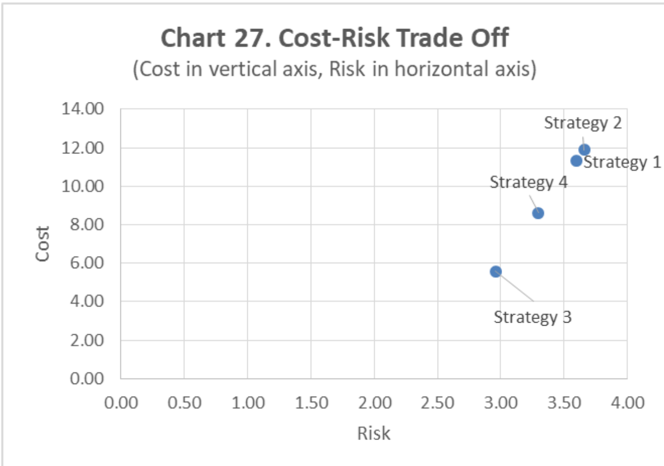


The Cost-Risk Trade-off scatter plot shows the trade-off of the cost and risk for the four DMS. Looking at the chart, the preferred strategy combines the lesser cost coupled with the lesser risk. For the debt/revenue indicator, the **alternative strategy (S3)** is the preferred one since it shows the lesser cost and the lesser risk (87.7% Cost and 52.5% Risk).

5.2.2 Debt Service/Revenue

Under the four strategies, the projected Debt service/Revenue in the Baseline Scenario for the period 2022 – 2027 rises steadily.

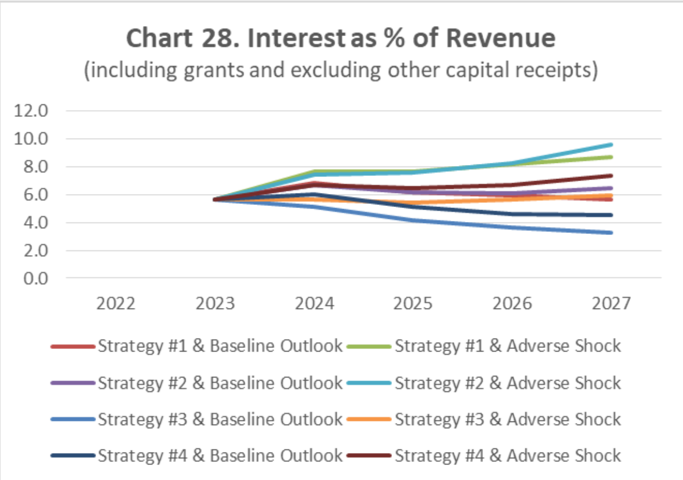


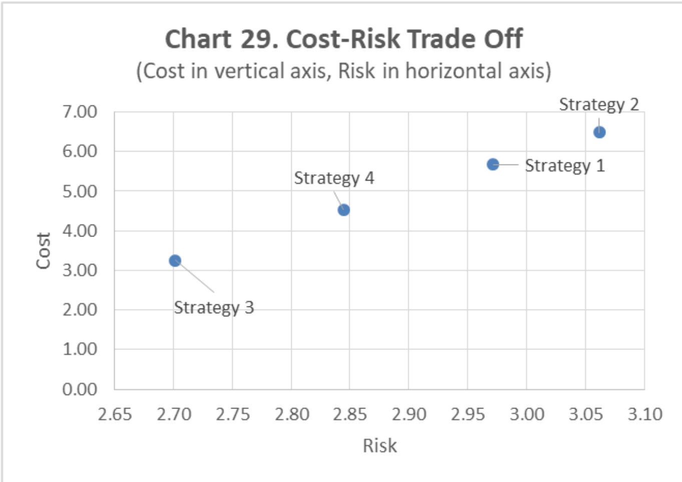


The Cost-Risk Trade-off scatter plot shows the trade-off of the cost and risk for the four DMS. Looking at the chart, the preferred strategy combines the lesser cost coupled with the lesser risk. For the debt service/revenue indicator, the **alternative strategy (S3)** is the preferred one since it shows the lesser cost and the lesser risk (5.6% of Cost and 3.0% of Risk)

5.2.3 Interest/Revenue

Under the four strategies, the projected Interest/Revenue in the Baseline Scenario for the period 2022 – 2027 experienced a consistent increase.





The Cost-Risk Trade-off scatter plot shows the trade-off of the cost and risk for the four DMS. Looking at the chart, the preferred strategy combines the lesser cost coupled with the lesser risk. Like the previous indicators, for the interest/revenue indicator, the **alternative strategy (S3)** is the preferred one since it shows the lesser cost and the lesser risk with a risk of 3.2% and a cost of 2.7%.

5.2.4 Debt Management Strategy Assessment

The cost-risk profile observed in the four DMS revealed that it would be optimal for the State to operate under the alternative Strategy (S3). It should be noted that while Strategy S3 may seem like a viable option, it is not practical for the State government to rely more heavily on external borrowing than domestic borrowing. This is because increasing reliance on foreign debt instruments could potentially expose the State to greater financial risk and instability. As such, it is important for State officials to carefully consider the potential drawbacks of this approach before making any decisions on how to proceed. In addition to the above, it should be noted that the fragile nature of the country's economy and its vulnerability to foreign exchange indicators would not allow the State to adopt the alternative Strategy (S3).

Consequently, the State would settle for the Reference Strategy (S1) which gave fair consideration to all the available financing instruments (both domestic and foreign). A comparison of the performance of the reference strategy (S1) with the performance of the other three alternative strategies (S2, S3, and S4) proves that the best strategy under the three indicators is the Reference Strategy (S1).

Ekiti State is expected to experience an improvement in the cost of carrying debt portfolio to market risks as a consequence of borrowings in the reference debt management strategy (S1). The State would need to ensure that its interest burden and debt-service obligation are reduced (relative to revenue) to mitigate the exposure of the State to currency risk and rollover risk.

2023

		Projection Methodology	Source
Assumptions:			
Economic activity	State GDP (at current prices)	The projections for Ekiti State Gross Domestic Price (at current prices) for the period 2023 - 2031 in line the WB and DMO Estimates, while 2032 was extrapolated	Debt Management Office, Abuja; Ekiti State Debt Management Unit.
Revenue	Revenue		
	1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT Allocation here)	The Gross Statutory Allocation was projected in line with the State MTEF for the years 2023-2025, the growth rate for the nation GDP was used to project for the period 2026 - 2032	DSA Team, Ministry of Finance and Economic Development. Ekiti State
	1.a. of which Net Statutory Allocation ('net' means of deductions)	Net Statutory Allocation is projected to increase in line the National GDP Growth Rate	DSA Team, Ministry of Finance and Economic Development. Ekiti State
	1.b. of which Deductions	This is projected to rise in tandem with the growth rate of the National Gross Domestic Product	DSA Team, Ministry of Finance and Economic Development. Ekiti State
	2. Derivation (if applicable to the State)	Not Applicable	
	3. Other FAAC transfers (exchange rate gain, augmentation, others)	The Growth Rate of the National Gross Domestic Products is expected to determine the figures for Other FAAC Transfer to Ekiti State.	DSA Team, Ministry of Finance and Economic Development. Ekiti State
	4. VAT Allocation	VAL Allocation is estimated beased on the available State MTEF 2022-2025, then in line with the National GDP Growth Rate for the preriod 2026 - 2032	DSA Team, Ministry of Finance and Economic Development. Ekiti State
	5. IGR	The State's Internally Generated Revenues for the years 2023 - 2025 follow the three years fiscal framework (State MTEF), the State GDP Growth Rate of 13.36% was used to project for the remaiing years of 2026 - 2032	DSA Team, Ministry of Finance and Economic Development. Ekiti State
	6. Capital Receipts	Not Applicable	
	6.a. Grants	Projections for Grants follow the State's MTEF for 2023 - 2025, the average of the initial three years was used to project for the subsequent years (2026 -2032)	DSA Team, Ministry of Finance and Economic Development. Ekiti State
	6.b. Sales of Government Assets and Privatization Proceeds	Not Applicable	
	6.c. Other Non-Debt Creating Capital Receipts	Not Applicable	

Expenditure	Expenditure		
	1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	Projected in line with the State MTEF 2023-2025 and therafter it is estimated to increase by 5% annually. 5% is the average growth rate of the historical figures (2018-2022) for the personnel costs.	Ekiti State MTEF 2023-2025, DSA Team, Ministry of Finance and Economic Development. Ekiti State
	2. Overhead costs	Projected in line with the State MTEF 2023-2025 and therafter it is estimated to increase by 5% annually.	Ekiti State MTEF 2023-2025, DSA Team, Ministry of Finance and Economic Development. Ekiti State
	3. Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)	NOT APPLICABLE	
	4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)	The average of the historical figures is used as the projection for year 2023 and theafter, Other Recurrent Expenditure is estimated to increase by 15% annually (2024.2032)	Ekiti State MTEF 2023-2025, DSA Team, Ministry of Finance and Economic Development. Ekiti State
	5. Capital Expenditure	Projected in line with the State MTEF 2023-2025 and therafter it is expected increase by 20% annually with a view to stimulate the State's economic growth from 2026 - 2032	Ekiti State MTEF 2023-2025, DSA Team, Ministry of Finance and Economic Development. Ekiti State
Closing Cash and Bank Balance	Closing Cash and Bank Balance	The closing cash and bank balance is expected to follow the State projections in line with the annual growth rate of 20% in tandem with the capital expenditure	DSA Team, Ministry of Finance and Economic Development. Ekiti State

Debt Amotization and Interest Payments	**Debt Outstanding at end-2022**		
	External Debt - amortization and interest	The projection is expected to remain constant over the projection period using the 3-year (2020-2022) average value of $2.7million for amortization and $0.7 million for interest rate	DSA Team, Ministry of Finance and Economic Development. Ekiti State
	Domestic Debt - amortization and interest	As captured by the existing amortization schedule	DSA Team, Ministry of Finance and Economic Development. Ekiti State
	New debt issued/contracted from 2023 onwards		
	New External Financing		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	Interest Rate - 2.50%; Maturity - 30 Years; Grace - 6 Years	DMO, Ekiti State, WB - https://treasury.worldbank.org/en/about/unit/tre asury/ida financial products/lending rates and
	External Financing - Bilateral Loans	Interest Rate - 1.28%; Maturity - 25 Years; Grace - 4 Years	DMO, Ekiti State, WB - https://treasury.worldbank.org/en/about/unit/tre asury/ida-financial-products/lending-rates-and-fees
	Other External Financing	Interest Rate - 4.00%; Maturity - 35 Years; Grace - 5 Years	DMO, Ekiti State, WB - https://treasury.worldbank.org/en/about/unit/tre asury/ida-financial-products/lending-rates-and-fees
	New Domestic Financing		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	Interest Rate - 22.50%; Maturity - 4 Years; Grace - 1 Year	DMO, Ekiti State, CBN - Money and Credit Statististics
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)	Interest Rate - 20.50%; Maturity - 10 Years; Grace - 2 Years	DMO, Ekiti State, CBN - Money and Credit Statististics
	State Bonds (maturity 1 to 5 years)	Interest Rate - 19.50%; Maturity - 4 Years; Grace - 1 Year	DMO, Ekiti State, CBN - Money and Credit Statististics
	State Bonds (maturity 6 years or longer)	Interest Rate - 19.50%; Maturity - 15 Years; Grace - 2 Years	DMO, Ekiti State, CBN - Money and Credit Statististics
	Other Domestic Financing	Interest Rate - 18.00%; Maturity - 7 Years; Grace - 0 Year	DMO, Ekiti State, CBN - Money and Credit Statististics

Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S1	**Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S1**		
	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	Interest Rate - 22.50%; Maturity - 4 Years; Grace - 1 Year	DMO, Ekiti State, CBN - Money and Credit Statististics
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)	Interest Rate - 20.50%; Maturity - 10 Years; Grace - 2 Years	DMO, Ekiti State, CBN - Money and Credit Statististics
	State Bonds (maturity 1 to 5 years)	Interest Rate - 19.50%; Maturity - 4 Years; Grace - 1 Year	DMO, Ekiti State, CBN - Money and Credit Statististics
	State Bonds (maturity 6 years or longer)	Interest Rate - 19.50%; Maturity - 15 Years; Grace - 2 Years	DMO, Ekiti State, CBN - Money and Credit Statististics
	Other Domestic Financing	Interest Rate - 18.00%; Maturity - 7 Years; Grace - 0 Year	DMO, Ekiti State, CBN - Money and Credit Statististics
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	Interest Rate - 2.50%; Maturity - 30 Years; Grace - 6 Years	DMO, Ekiti State, WB - https://treasury.worldbank.org/en/about/unit/treasury/ida-financial-products/lending-rates-and-fees
	External Financing - Bilateral Loans	Interest Rate - 1.28%; Maturity - 25 Years; Grace - 4 Years	DMO, Ekiti State, WB - https://treasury.worldbank.org/en/about/unit/treasury/ida-financial-products/lending-rates-and-fees
	Other External Financing	Interest Rate - 4.00%; Maturity - 35 Years; Grace - 5 Years	DMO, Ekiti State, WB - https://treasury.worldbank.org/en/about/unit/treasury/ida-financial-products/lending-rates-and-fees

Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S2	**Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S2**		
	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	Interest Rate - 22.50%; Maturity - 4 Years; Grace - 1 Year	DMO, Ekiti State, CBN - Money and Credit Statististics
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)	Interest Rate - 20.50%; Maturity - 10 Years; Grace - 2 Years	DMO, Ekiti State, CBN - Money and Credit Statististics
	State Bonds (maturity 1 to 5 years)	Interest Rate - 19.50%; Maturity - 4 Years; Grace - 1 Year	DMO, Ekiti State, CBN - Money and Credit Statististics
	State Bonds (maturity 6 years or longer)	Interest Rate - 19.50%; Maturity - 15 Years; Grace - 2 Years	DMO, Ekiti State, CBN - Money and Credit Statististics
	Other Domestic Financing	Interest Rate - 18.00%; Maturity - 7 Years; Grace - 0 Year	DMO, Ekiti State, CBN - Money and Credit Statististics
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	Interest Rate - 2.50%; Maturity - 30 Years; Grace - 6 Years	DMO, Ekiti State, WB - https://treasury.worldbank.org/en/about/unit/treasury/ida-financial-products/lending-rates-and-fees
	External Financing - Bilateral Loans	Interest Rate - 1.28%; Maturity - 25 Years; Grace - 4 Years	DMO, Ekiti State, WB - https://treasury.worldbank.org/en/about/unit/treasury/ida-financial-products/lending-rates-and-fees
	Other External Financing	Interest Rate - 4.00%; Maturity - 35 Years; Grace - 5 Years	DMO, Ekiti State, WB - https://treasury.worldbank.org/en/about/unit/treasury/ida-financial-products/lending-rates-and-fees

Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S3	**Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S3**		
	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	Interest Rate - 22.50%; Maturity - 4 Years; Grace - 1 Year	DMO, Ekiti State, CBN - Money and Credit Statististics
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)	Interest Rate - 20.50%; Maturity - 10 Years; Grace - 2 Years	DMO, Ekiti State, CBN - Money and Credit Statististics
	State Bonds (maturity 1 to 5 years)	Interest Rate - 19.50%; Maturity - 4 Years; Grace - 1 Year	DMO, Ekiti State, CBN - Money and Credit Statististics
	State Bonds (maturity 6 years or longer)	Interest Rate - 19.50%; Maturity - 15 Years; Grace - 2 Years	DMO, Ekiti State, CBN - Money and Credit Statististics
	Other Domestic Financing	Interest Rate - 18.00%; Maturity - 7 Years; Grace - 0 Year	DMO, Ekiti State, CBN - Money and Credit Statististics
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	Interest Rate - 2.50%; Maturity - 30 Years; Grace - 6 Years	DMO, Ekiti State, WB - https://treasury.worldbank.org/en/about/unit/treasury/ida-financial-products/lending-rates-and-fees
	External Financing - Bilateral Loans	Interest Rate - 1.28%; Maturity - 25 Years; Grace - 4 Years	DMO, Ekiti State, WB - https://treasury.worldbank.org/en/about/unit/treasury/ida-financial-products/lending-rates-and-fees
	Other External Financing	Interest Rate - 4.00%; Maturity - 35 Years; Grace - 5 Years	DMO, Ekiti State, WB - https://treasury.worldbank.org/en/about/unit/treasury/ida-financial-products/lending-rates-and-fees

Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S4	**Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S4**		
	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	Interest Rate - 22.50%; Maturity - 4 Years; Grace - 1 Year	DMO, Ekiti State, CBN - Money and Credit Statististics
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)	Interest Rate - 20.50%; Maturity - 10 Years; Grace - 2 Years	DMO, Ekiti State, CBN - Money and Credit Statististics
	State Bonds (maturity 1 to 5 years)	Interest Rate - 19.50%; Maturity - 4 Years; Grace - 1 Year	DMO, Ekiti State, CBN - Money and Credit Statististics
	State Bonds (maturity 6 years or longer)	Interest Rate - 19.50%; Maturity - 15 Years; Grace - 2 Years	DMO, Ekiti State, CBN - Money and Credit Statististics
	Other Domestic Financing	Interest Rate - 18.00%; Maturity - 7 Years; Grace - 0 Year	DMO, Ekiti State, CBN - Money and Credit Statististics
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	Interest Rate - 2.50%; Maturity - 30 Years; Grace - 6 Years	DMO, Ekiti State, WB - https://treasury.worldbank.org/en/about/unit/treasury/ida-financial-products/lending-rates-and-fees
	External Financing - Bilateral Loans	Interest Rate - 1.28%; Maturity - 25 Years; Grace - 4 Years	DMO, Ekiti State, WB - https://treasury.worldbank.org/en/about/unit/treasury/ida-financial-products/lending-rates-and-fees
	Other External Financing	Interest Rate - 4.00%; Maturity - 35 Years; Grace - 5 Years	DMO, Ekiti State, WB - https://treasury.worldbank.org/en/about/unit/treasury/ida-financial-products/lending-rates-and-fees

Indicator	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	BASELINE SCENARIO														
Economic Indicators															
State GDP (at current prices)	1,593,681.00	1,824,238.00	1,977,000.00	2,256,700.00	2,600,710.00	3,008,954.00	3,412,926.00	3,868,893.00	4,385,778.00	4,971,717.00	5,635,939.00	6,388,900.00	7,242,457.00	8,210,050.00	9,306,912.68
Exchange Rate NGN/US$ (end-Period)	253.19	305.79	306.50	326.00	379.00	435.57	435.57	435.57	435.57	435.57	435.57	435.57	435.57	435.57	435.57
Fiscal Indicators (Million Naira)															
Revenue	**76,716.11**	**88,824.00**	**86,952.48**	**96,004.68**	**117,017.20**	**139,661.12**	**148,105.44**	**176,667.05**	**198,906.77**	**227,080.38**	**254,327.62**	**295,121.16**	**347,155.80**	**411,476.23**	**490,110.51**
1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT Allocation here)	38,019.91	36,817.36	30,307.57	31,661.40	33,943.56	48,686.29	56,275.06	66,238.60	72,038.45	78,498.86	85,705.05	93,572.78	102,162.76	111,541.30	121,780.79
1.a. of which Net Statutory Allocation ('net' means of deductions)	27,342.09	28,612.35	22,515.92	17,534.55	17,666.89	21,042.32	23,331.85	25,779.27	28,036.50	30,550.82	33,355.38	36,417.40	39,760.52	43,410.54	47,395.63
1.b. of which Deductions	10,677.82	8,205.01	7,791.66	14,126.88	16,276.67	19,386.49	21,495.86	23,750.69	25,830.30	28,146.76	30,730.63	33,551.70	36,631.75	39,994.54	43,666.04
2. Derivation (if applicable to the State)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Other FAAC transfers (exchange rate gain, augmentation, others)	6,009.18	1,547.41	5,401.84	2,650.80	8,292.68	9,877.08	10,951.77	12,100.56	13,160.09	14,340.28	15,656.72	17,094.01	18,663.24	20,376.52	22,247.09
4. VAT Allocation	10,214.62	11,044.20	13,345.34	19,408.30	22,826.40	30,893.99	40,448.85	53,485.06	58,168.21	63,384.73	69,203.45	75,556.33	82,492.40	90,065.20	98,333.18
5. IGR	12,195.88	16,529.68	10,909.30	17,567.78	24,215.55	22,223.24	24,445.57	26,890.12	30,482.64	34,555.12	39,171.69	44,405.03	50,337.54	57,062.63	64,686.20
6. Capital Receipts	10,276.52	22,885.35	26,988.43	24,716.40	27,739.00	27,980.51	15,984.20	17,952.71	25,057.39	36,301.38	44,590.71	64,493.02	93,499.86	132,430.57	183,063.25
6.a. Grants	279.47	16,011.01	12,756.34	6,190.69	14,661.71	14,872.03	9,590.03	9,590.03	11,350.69	11,350.69	11,350.69	11,350.69	11,350.69	11,350.69	11,350.69
6.b. Sales of Government Assets and Privatization Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.c. Other Non-Debt Creating Capital Receipts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.d. Proceeds from Debt-Creating Borrowings (bond issuance, loan disbursements, etc.)	9,997.05	6,874.35	14,232.09	18,525.70	13,077.29	13,108.48	6,394.17	8,362.69	13,706.69	24,950.69	33,240.01	53,142.33	82,149.17	121,079.88	171,712.56
Expenditure	**78,458.26**	**85,100.07**	**85,845.72**	**104,435.36**	**115,373.87**	**137,662.16**	**145,706.68**	**173,788.55**	**195,452.57**	**222,935.34**	**249,353.57**	**289,152.29**	**339,993.16**	**402,881.07**	**479,796.32**
1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	24,257.19	24,055.06	14,684.57	20,423.02	24,478.67	23,463.36	24,636.53	25,868.36	27,161.77	28,519.86	29,945.86	31,443.15	33,015.31	34,666.07	36,399.38
2. Overhead costs	29,621.36	34,871.72	14,785.90	16,892.77	36,995.00	39,104.83	39,528.54	41,065.27	43,118.54	45,274.47	47,538.19	49,915.10	52,410.85	55,031.40	57,782.97
3. Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)	5,325.31	6,087.57	4,172.32	5,942.69	14,781.50	7,161.80	9,706.08	10,415.86	10,992.09	11,476.26	13,583.02	16,339.24	23,132.44	33,632.58	48,016.64
3.a. of which Interest Payments (Public Debt Charges, excluding interests deducted from FAAC Allocation)	0.00	0.00	857.53	587.77	4,653.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.b. of which Interest deducted from FAAC Allocation	0.00	6,087.57	3,314.79	5,354.92	10,128.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)	0.00	0.00	18,079.52	16,964.54	0.00	7,008.81	8,060.13	9,269.15	10,659.52	12,258.45	14,097.22	16,211.80	18,643.57	21,440.11	24,656.13
5. Capital Expenditure	11,966.14	16,640.86	29,963.52	40,061.59	31,593.30	56,285.85	59,090.51	79,193.57	95,032.29	114,038.75	136,846.50	164,215.79	197,058.95	236,470.74	283,764.89
6. Amortization (principal) payments	7,288.26	3,444.87	4,159.87	4,150.76	7,525.40	4,637.50	4,684.90	7,976.33	8,488.36	11,367.55	7,342.79	11,027.21	15,732.03	21,640.17	29,176.32
Budget Balance ('+' means surplus, '-' means deficit)	**-1,742.16**	**3,723.93**	**1,106.76**	**-8,430.68**	**1,643.50**	**1,998.96**	**2,398.75**	**2,878.50**	**3,454.20**	**4,145.04**	**4,974.05**	**5,968.86**	**7,162.64**	**8,595.16**	**10,314.19**
Opening Cash and Bank Balance	**13,693.40**	**11,951.24**	**15,675.15**	**16,781.91**	**8,351.20**	**9,994.80**	**11,993.76**	**14,392.51**	**17,271.01**	**20,725.22**	**24,870.26**	**29,844.31**	**35,813.18**	**42,975.81**	**51,570.97**
Closing Cash and Bank Balance	**11,951.24**	**15,675.17**	**16,781.91**	**8,351.23**	**9,994.80**	**11,993.76**	**14,392.51**	**17,271.01**	**20,725.22**	**24,870.26**	**29,844.31**	**35,813.18**	**42,975.81**	**51,570.97**	**61,885.17**
Financing Needs and Sources (Million Naira)															

Financing Needs						**13,108.48**	**6,394.17**	**8,362.69**	**13,706.69**	**24,950.69**	**33,240.01**	**53,142.33**	**82,149.17**	**121,079.88**	**171,712.56**
i. Primary balance						689.78	10,395.56	12,908.01	9,227.95	2,038.16	-7,340.15	-19,807.01	-36,122.06	-57,211.97	-84,205.40
ii. Debt service						11,799.30	14,390.98	18,392.19	19,480.45	22,843.81	20,925.81	27,366.45	38,864.47	55,272.75	77,192.96
Amortizations						4,637.50	4,684.90	7,976.33	8,488.36	11,367.55	7,342.79	11,027.21	15,732.03	21,640.17	29,176.32
Interests						7,161.80	9,706.08	10,415.86	10,992.09	11,476.26	13,583.02	16,339.24	23,132.44	33,632.58	48,016.64
iii. Financing Needs Other than Amortization Payments (e.g., Variation in Cash and Bank Balances)						1,998.96	2,398.75	2,878.50	3,454.20	4,145.04	4,974.05	5,968.86	7,162.64	8,595.16	10,314.19
Financing Sources						**13,108.48**	**6,394.17**	**8,362.69**	**13,706.69**	**24,950.69**	**33,240.01**	**53,142.33**	**82,149.17**	**121,079.88**	**171,712.56**
i. Financing Sources Other than Borrowing						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii. Gross Borrowings						13,108.48	6,394.17	8,362.69	13,706.69	24,950.69	33,240.01	53,142.33	82,149.17	121,079.88	171,712.56
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)						9,709.90	0.00	0.00	0.00	8,895.90	0.00	13,089.90	0.00	22,998.40	87,375.50
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)						3,006.60	4,695.50	0.00	0.00	7,779.00	0.00	10,829.70	31,363.40	0.00	18,393.80
State Bonds (maturity 1 to 5 years)						0.00	0.00	6,717.80	0.00	0.00	15,294.50	0.00	21,701.00	21,207.20	8,341.00
State Bonds (maturity 6 years or longer)						0.00	0.00	0.00	8,000.70	0.00	0.00	9,473.70	0.00	32,631.00	16,048.90
Other Domestic Financing						0.00	0.00	1,644.90	0.00	0.00	0.00	5,331.60	9,222.80	6,871.40	0.00
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)						392.01	435.57	0.00	1,088.93	3,963.69	5,183.28	5,575.30	4,442.81	14,722.27	21,996.29
External Financing - Bilateral Loans						0.00	827.58	0.00	2,526.31	3,005.43	4,312.14	5,139.73	5,749.52	4,747.71	19,557.09
Other External Financing						0.00	435.57	0.00	2,090.74	1,306.71	8,450.06	3,702.35	9,669.65	17,901.93	0.00
Residual Financing						-0.03	-0.05	-0.01	0.03	-0.04	0.03	0.06	-0.02	-0.03	-0.02
Debt Stocks and Flows (Million Naira)															
Debt (stock)	**121,872.55**	**110,204.66**	**115,765.37**	**145,707.87**	**156,989.48**	**171,433.63**	**173,142.90**	**173,529.25**	**178,747.59**	**192,330.73**	**218,227.95**	**260,343.06**	**326,760.20**	**426,199.92**	**568,736.15**
External	26,890.92	31,486.76	31,569.50	39,315.60	40,018.21	45,207.35	45,730.03	44,553.99	49,083.92	56,183.71	72,953.15	86,155.07	104,770.77	140,757.92	180,713.74
Domestic	94,981.63	78,717.89	84,195.87	106,392.27	116,971.27	126,226.28	127,412.87	128,975.26	129,663.67	136,147.02	145,274.80	174,187.99	221,989.44	285,441.99	388,022.41
Gross borrowing (flow)						**13,108.48**	**6,394.17**	**8,362.69**	**13,706.69**	**24,950.69**	**33,240.01**	**53,142.33**	**82,149.17**	**121,079.88**	**171,712.56**
External						392.01	1,698.72	0.00	5,705.97	8,275.83	17,945.48	14,417.37	19,861.99	37,371.91	41,553.38
Domestic						12,716.47	4,695.45	8,362.69	8,000.73	16,674.86	15,294.53	38,724.96	62,287.18	83,707.97	130,159.18
Amortizations (flow)	**37,156.22**	**5,391.15**	**5,392.82**	**5,338.66**	**8,337.65**	**4,637.50**	**4,684.90**	**7,976.33**	**8,488.36**	**11,367.55**	**7,342.79**	**11,027.21**	**15,732.03**	**21,640.17**	**29,176.32**
External	336.83	877.93	888.85	771.67	936.45	1,176.04	1,176.04	1,176.04	1,176.04	1,176.04	1,176.04	1,215.45	1,246.30	1,384.75	1,597.56
Domestic	36,819.39	4,513.23	4,503.97	4,566.98	7,401.21	3,461.46	3,508.86	6,800.30	7,312.32	10,191.51	6,166.75	9,811.77	14,485.73	20,255.42	27,578.77
Interests (flow)	**4,764.40**	**4,855.60**	**3,529.34**	**5,236.60**	**10,397.07**	**7,161.80**	**9,706.08**	**10,415.86**	**10,992.09**	**11,476.26**	**13,583.02**	**16,339.24**	**23,132.44**	**33,632.58**	**48,016.64**
External	158.95	221.27	214.55	228.20	268.81	304.90	314.70	353.60	353.60	496.79	686.62	1,209.40	1,562.16	2,132.12	3,273.54
Domestic	4,605.45	4,634.33	3,314.79	5,008.40	10,128.26	6,856.90	9,391.38	10,062.25	10,638.49	10,979.47	12,896.40	15,129.83	21,570.28	31,500.46	44,743.10
Net borrowing (gross borrowing minus amortizations)						**8,470.98**	**1,709.27**	**386.35**	**5,218.34**	**13,583.14**	**25,897.23**	**42,115.11**	**66,417.14**	**99,439.71**	**142,536.23**
External						-784.03	522.68	-1,176.04	4,529.93	7,099.79	16,769.45	13,201.92	18,615.69	35,987.16	39,955.82
Domestic						9,255.01	1,186.59	1,562.39	688.41	6,483.35	9,127.78	28,913.19	47,801.45	63,452.56	102,580.41
Debt and Debt-Service Indicators															
Debt Stock as % of SGDP	**7.65**	**6.04**	**5.86**	**6.46**	**6.04**	**5.70**	**5.07**	**4.49**	**4.08**	**3.87**	**3.87**	**4.07**	**4.51**	**5.19**	**6.11**
Debt Stock as % of Revenue (including grants and excluding other capital receipts)	**182.67**	**134.48**	**159.19**	**188.06**	**151.04**	**135.46**	**122.18**	**103.10**	**96.52**	**95.15**	**98.71**	**107.59**	**123.30**	**146.76**	**178.62**
Debt Service as % of SGDP						**0.39**	**0.42**	**0.48**	**0.44**	**0.46**	**0.37**	**0.43**	**0.54**	**0.67**	**0.83**
Debt Service as % of Revenue (including grants and excluding other capital receipts)						**9.32**	**10.16**	**10.93**	**10.52**	**11.30**	**9.46**	**11.31**	**14.67**	**19.03**	**24.24**
Interest as % of SGDP						**0.24**	**0.28**	**0.27**	**0.25**	**0.23**	**0.24**	**0.26**	**0.32**	**0.41**	**0.52**
Interest as % of Revenue (including grants and excluding other capital receipts)						**5.66**	**6.85**	**6.19**	**5.94**	**5.68**	**6.14**	**6.75**	**8.73**	**11.58**	**15.08**
Personnel Cost as % of Revenue (including grants and excluding other capital receipts)						**18.54**	**17.39**	**15.37**	**14.67**	**14.11**	**13.54**	**12.99**	**12.46**	**11.94**	**11.43**

EKITI STATE TECHNICAL TEAM

a. Mrs.LucyB.Bamisile	Director, State Finances, Ministry of Finance
b. Mrs Olanike Ilori	Office of the Accountant-General
c. Mr.Mathew A. Olagoke	Head, Ekiti State Debt Management Unit
d. Mr.Taye Titus Adelusi	Focal Person, SFTAS, Ekiti State.

AKINTUNDE OYEBODE
HON. COMMISSIONER
MINISTRY OF FINANCE, EKITI STATE
15thDecember, 2023