



**REPORT OF THE BAYELSA STATE DEBT
SUSTAINABILITY ANALYSIS (DSA)**

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CHAPTER ONE:

1.1 BACKGROUND

This document presents the outcome of the 2020 Debt Sustainability Analysis (DSA) For the State, conducted using the Debt Sustainability Framework for Low- Income Countries (DSF-LIC) Template. This DSA exercise was conducted by the State's DSA Team comprising all relevant stakeholder institutions under the leadership of the State DMD. The other institutions involved were the State Ministry of Finance, The State Ministry of Budget and Planning, The State Accountant General's Office, and the State Board of Internal Revenue. The analysis provides a comprehensive framework for the analysis of debt issues, including new financing within the context of long term macroeconomic projections.

The Bayelsa State Debt Sustainability Analysis (DSA) IS Prepared to analyze the State's capacity to finance its policy objectives and service the ensuing debt without unduly large adjustments, which could otherwise compromise its stability.

The objective of the State Debt Sustainability Analysis is to assess the current debt situation, its maturity structure whether it has fixed or floating rates or whether it is indexed, and by whom it is held; to identify vulnerabilities in the debt structure or the policy framework before payment difficulties arise.

The framework consists of two complementary components: the analysis of the sustainability of total public debt and that of total external debt. Each component includes a baseline scenario based on a set of macroeconomic projections that articulate the government's intended policies, with the main assumptions and parameters clearly laid out, and a series of sensitivity tests applied to the baseline scenario, providing a probabilistic upper bound for the debt dynamics under various assumptions regarding policy variables, macroeconomic developments, and financing costs. The paths of debt indicators under the baseline scenario and the stress tests allow to assess the vulnerability of the State to a payment crisis.

1.2 SUMMARY OF FINDINGS/ OVERALL RESULTS

The State exhibits a solid debt position that appears sustainable in the long term. A solid debt position that results from the State's strong performance in terms of mobilizing IGR underpinned by successful tax administration and civil service reforms introduced in the last few years, and its control of recurrent expenditure growth. Given the State's own forecast for the economy and reasonable assumptions concerning the State's revenue and expenditure policies going forward, the long term outlook of the public debt appears sustainable.

CHAPTER TWO:

BAYELSA STATE FISCAL AND DEBT FRAMEWORK

2.1 FISCAL REFORMS IN THE LAST 3 TO 5 YEARS

The serious decline in the price of oil has led to a decrease in the funds available for distribution both to the Federal and State governments. The need for State and Local Governments to generate adequate revenue from internal sources has therefore become a matter of extreme urgency and importance. To this end, Bayelsa State Government has embarked on several Fiscal reforms in the last 3 – 5 years for economic development. Some of the reforms include: Civil service reform, Pension reform and Tax reforms. No doubt these has led to a slight but consistent increase in IGR and a reduction in personnel and overhead costs in the last 3 – 5 years. The State has also established policies and frame works such as Arrears Clearance Framework, Medium Term Expenditure Framework, and implementation of the National Minimum wage which all have an overall effect on the State's fiscal variables.

2.2 2021 – 2023 MEDIUM TERM EXPENDITURE FRAMEWORK, MTEF, 2020 APPROPRIATION ACT (BUDGET)

The original year 2020 budget was informed by an expected crude oil price of USD \$55. The amended Year 2020 budget was as a result of the drastic fall in oil price from USD \$55 to USD\$ 20. The fall of oil Price to USD \$20 was occasioned by the closure of many factories globally as a response to the COVID-19 Lock down measures worldwide. More so, the revised price was also in line with the federal Government of Nigeria's (FGN) Medium Term Expenditure Framework (MTEF) as approved by the National Assembly. A decrease in oil price by USD \$35 resulted in the revised budget and has negatively impacted on both the revenue and expenditures of the State. The State's planned borrowing shows a reduced amount of 3.5 billion in 2020 reflecting the effect of The global pandemic (COVID -19) and considering debt service difficulties of high borrowing. However, Planned borrowing will increase to 9 billion in year 2021, 2022 and 2023 respectively. This is on the assumption that global economic activities must have gone back to normal (Post COVID-19 era) by 2022.

2.3 MEDIUM TERM DEBT MANAGEMENT STRATEGY

The State's Medium Term Debt Management Strategy otherwise known as "Domestic Arrears Clearance Framework" is developed to ensure that contractual liabilities, outstanding pensions and Gratuities and judgement debts in the context of domestic arrears definition are objectively defrayed in a planned manner. The framework stands out as a focal instrument dictating how the recorded Liabilities are continuously defrayed through the instrumentality of the provisions of the annual budget.

CHAPTER 3:

THE STATE REVENUE, EXPENDITURE, AND PUBLIC DEBT TRENDS (2015 -2019)

3.1 REVENUE AND EXPENDITURE

I. Aggregate State Total Revenue: The State's aggregate revenue from 2015 – 2019 is determined Mainly by Gross FAAC allocations, IGR and Grants with FAAC allocations contributing the highest Percentage over the years as follows:

YEAR	2015	2016	2017	2018	2019
TOTAL REVENUE	117253	109323	170049	212279	190234
GROSS FAAC ALLO.	92.6%	92.5%	92.7%	93.4%	91.2%
IGR	6.9%	7.5%	7.3%	6.6%	8.8%
GRANTS	0.5%	0%	0%	0%	0%

Aggregate State revenue decrease in 2019 Owing to a sharp decline in federal transfers as a result of the Global pandemic (COVID 19) which led to a fall in oil price.

ii. FAAC allocations trend in the last five years: "Federal transfers registered sharp declines due to lower crude oil receipts. According to the Federal Debt Management Office (DMO), the State's federal allocation, including transfers from the excess crude account, fell by 35% between 2015 – 2019, while as a percentage of GSDP, it fell from 2.4 percent in 2015 to 1.2 percent in 2019). The decline is largely attributable to a slide in federal oil receipts.

iii. IGR trend in the last five years: The State exhibited slight IGR growth during the review period. IGR grew by 1.9% between 2015 and 2019. The slight improvement in IGR is mainly a result of tax administration reforms aimed at improving collection rates and broadening the tax revenue base.

iv. Aggregate (total) Expenditure trend in the last five years:

	2015	2016	2017	2018	2019
Total Expenditure	153,346	129,082	157,652	216,614	153,807
Personnel	43,257	26,162	45,699	60,742	49,823
Overhead Costs	23,550	23,244	30,600	69,845	42,543
Debt Service (Interests Amortizations)	6,701	10,344	13,613	11,839	11,610
Other Recurrent Expenditures	18,308	19,474	22,212	26,432	7,672
Capital Expenditure	61,531	49,858	45,529	47,755	42,159

State expenditure remained unstable during the period. Between 2015 – 2019, real aggregate expenditure grew by 0.3 percent. Capital spending was relatively stable, but showed a negative growth of 12 .7 percent over the analyzed period, while recurrent expenditure though unstable

registered a modest growth of 12.7% between 2015 and 2019. During the period, the bulk of expenditure went to recurrent spending (personnel costs, overheads, debt charges, and other recurrent expenditures) representing 68.6% of total spending on average.

v. Main expenditure variations in the last five years by economic classification:

Expenditure line items showed great variations during the analyzed period with debt service (interest Amortizations) and capital expenditure been a little bit more stable at an average of 6.8% and 31.45 respectively during the period under review (2015-2019). Personnel cost, overhead costs and other recurrent expenditures maintained an average of 45.1billion, 38billion and 8.8billion respectively between 2015 – 2019. The evolution of these expenditure line items was generated by the debt management strategy and civil service reforms implemented by the state government during the period under review.

.2 EXISTING PUBLIC DEBT PORTFOLIO

"The public debt includes the explicit financial commitments like loans and securities that have paper contracts instrumenting the government promises to repay".

- 1 Public debt stock amount or its share on total Revenue at end -2019 and its growth in the last five years:** The collapse of the oil price in 2015 led to a drastic increase in the state governments public debts to meet the governments development agenda. The State public debt amounted to N 167.3 billion as at end 2019 and is expected to increase rapidly with the collapse of oil prices if not properly managed.

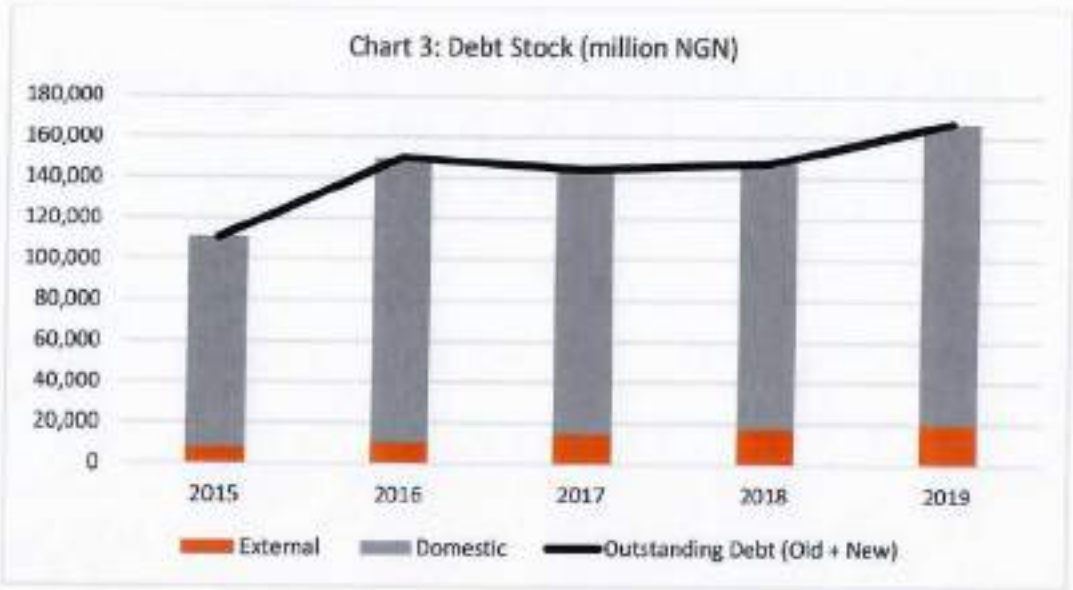
- ii The existing public debt portfolio composition at end -2019:** The State public debt is composed of external and Domestic debts. External debts comprise of Multilateral loans such as WB, IDA, EDF and IFAD and constitutes 11.6% of the total public debt in 2019 while the domestic debt comprises of Budget support facility, Salary bailout, Federal Government bonds, Excess crude account loans, Commercial bank loans, Commercial Agric credit Scheme 1 & 2, MSMEDF, Contractor Arrears, Pension and Gratuity, and Other loans, and constitutes 88.4% of the total public debt stock in 2019.

- iii The State holds a low-cost, low-risk debt portfolio.** The debt portfolio carried an average, implicit interest rate of 9 percent in 2018 -2019 and the interest payments represented just 6.6% of total expenditure. In addition, the debt portfolio is narrowly exposed to currency, interest rate, and rollover risks. Exposure to currency fluctuations is limited because the foreign currency-denominated liabilities are only 11.6 percent of the total stock. Most internal and all external loans are fixed – rate obligations, thus not affected by changes in interest rates. As these loans have maturities running from 10 – 40 years and include financing from the federal Government and multilateral organizations, rollover risk associated with potential deterioration of domestic financial conditions is negligible.

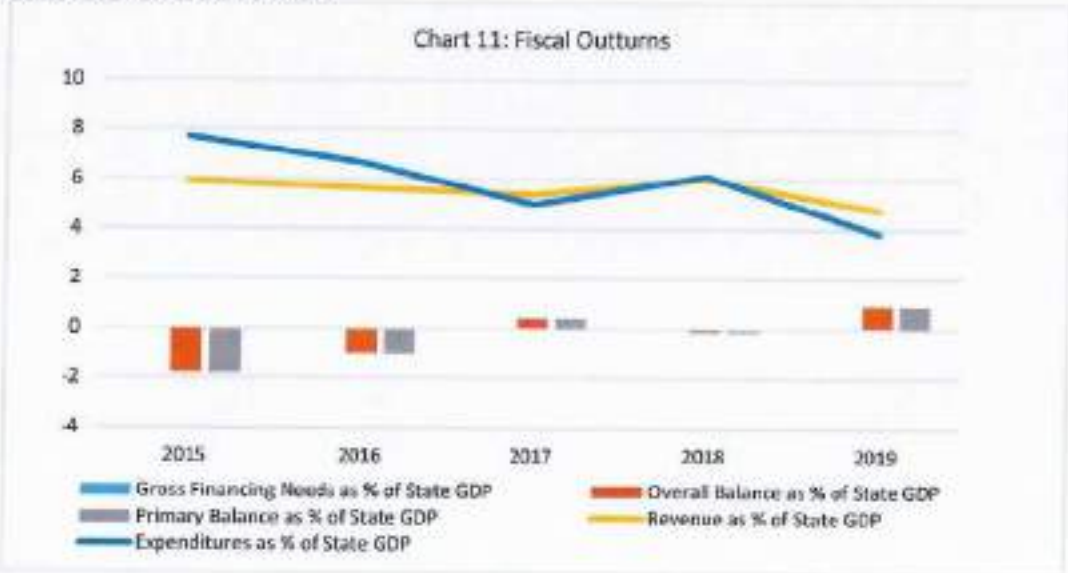
Source: State's Financial Statements



Source: State's Financial Statements



Source: State's Debt Management Department



Source: State's Financial Statements

CONCEPT OF DEBT SUSTAINABILITY, UNDERLYING ASSUMPTIONS, RESULT ANALYSIS AND FINDINGS

4.0 INTRODUCTION: - CONCEPT OF DEBT SUSTAINABILITY ANALYSIS

- i. "The concept of debt sustainability refers to the ability of the government to honor its future financial Obligations. Since policies and institutions governing spending and taxation largely determine such Obligations, debt sustainability ultimately refers to the ability of the government to maintain sound Fiscal policies over time without having to introduce major budgetary or debt adjustments in the future. Conversely, fiscal policies are deemed unsustainable when they lead to excessive accumulation of public Debt, which could eventually cause the government to take action to address the unwanted Consequences of a heavy debt burden".
- ii. The indicative threshold for Debt/GDP is 25% but the State maintains a 1-3% Debt/GDP ratio. The indicative threshold for debt as a percentage of revenue is 200% while the state maintained 88% in 2019 which is sustainable. Also in 2019, the State maintained a 25% debt service /Revenue ratio which is sustainable considering the indicative threshold of 40%. The State also maintained a 26% ratio of personnel cost/Revenue in 2019 which is sustainable going by the 60% indicative threshold. Finally, Debt service as a percentage of Gross FAAC Allocation and Interest as a percentage of Revenue is 28% and 25% respectively in 2019 which are all sustainable.

4.1 MEDIUM TERM BUDGET FORECAST

- i. **Main features of the macroeconomic outlook under which the state DSA baseline Scenario is being conducted:** The State medium-term debt sustainability is predicated upon a gradual recovery of the Nigerian economy that will gradually increase FAAC, statutory allocations. According to the Federal Government and States' owned forecasts, the Nigerian economy is expected to gradually recover in the period 2021 – 2023, with real GDP expansion at an average annual rate of 3 percent and domestic inflation Decreasing below 10 percent by 2022. Such a moderate recovery will 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 custom duties and VAT, would then increase relative to the depressed levels observed in 2020, thus improving the State's revenue position.
- ii. **State's revenue and expenditure policies going forward under the baseline scenario:** Debt sustainability analysis is also predicated on the continuation of recent efforts to mobilize local revenue sources and unchanged policies concerning personnel and other operating expenses. At local level, the tax administration 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, which are thus likely to preserve their historical trends.

4.2 BORROWING ASSUMPTIONS / OPTIONS

The State intends to cover its gross financing needs from commercial bank loans ranging from 1-5 years' tenor and longer than 6 years' tenor, and through State Government Bonds and other domestic financing sources. The State does not intend to borrow from external sources within the forecast period.

The terms of the borrowing needs are: Commercial banks 9% interest rate, maturity period of 1-10 years, less than 6yrs with 1-year grace period. State Government Bonds is made up of Coupon rate 15%, 10yrs tenor with no grace period. While other domestic financing is made up of an interest rate of 23%, one-year tenor with no grace period. The macroeconomic assumptions of the borrowing needs between 2020 – 2029 are: a gradual recovery of the global economy between 2021-2023, Reduction of inflation rate by less than 10% in 2022, increase in oil prices from 2021, Stabilization of exchange rate by 2021 and increase in FAAC allocation and VAT by 2021.

i. Revenue expenditure, overall and primary balance over the long time:

In the baseline scenario, the State preserves debt sustainability. Total revenue (including grants and excluding other capital receipts) is projected to increase from ₦190.2 billion in 2019 to ₦245.1 billion by 2029 (chart 16). Total Expenditure will expand from ₦153.8 billion in 2019 to ₦260 billion in 2029 (chart 17). Therefore, the fiscal deficit- computed as the difference between revenue and expenditure- is expected to remain within a range of ₦1 billion to ₦15 billion in nominal terms compared to the 2019 surplus of ₦36.4 billion.

ii. Main finding and conclusion of the baseline scenario in terms of debt sustainability:

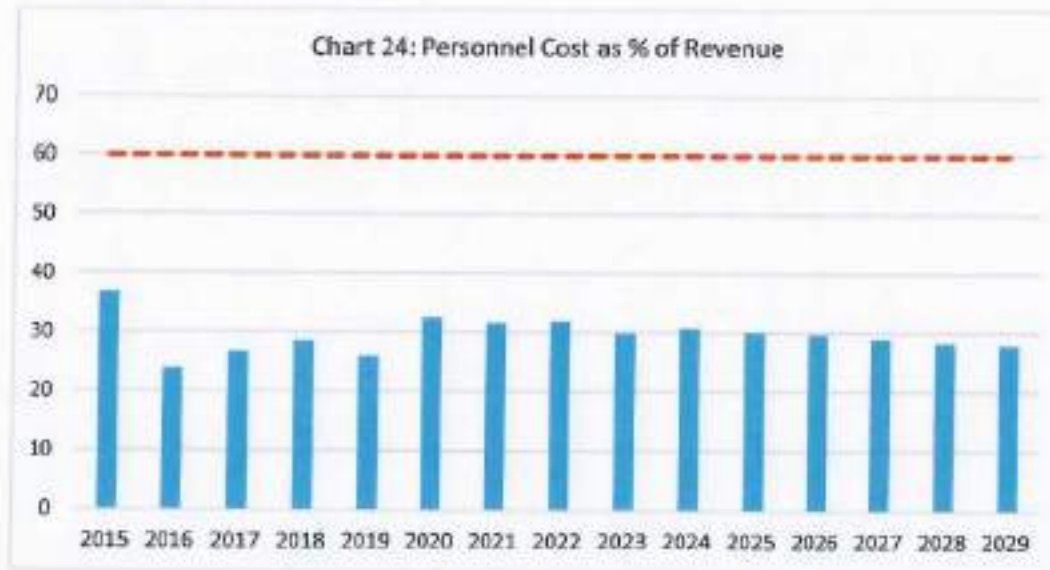
As a consequence of the modest increase in investment and external borrowings, the state's public debt Will decline and the State's repayment capacity will rise *Pari passu* (charts 22). Debt is projected to decline from ₦167.3 billion as at end – 2019 to ₦48.2 billion by 2029. As the fiscal deficit stabilizes, in nominal terms over the next few years, and the public debt ratio improves, the analysis of the baseline scenario suggests that the state is able to preserve the sustainability of its debt in the medium term.



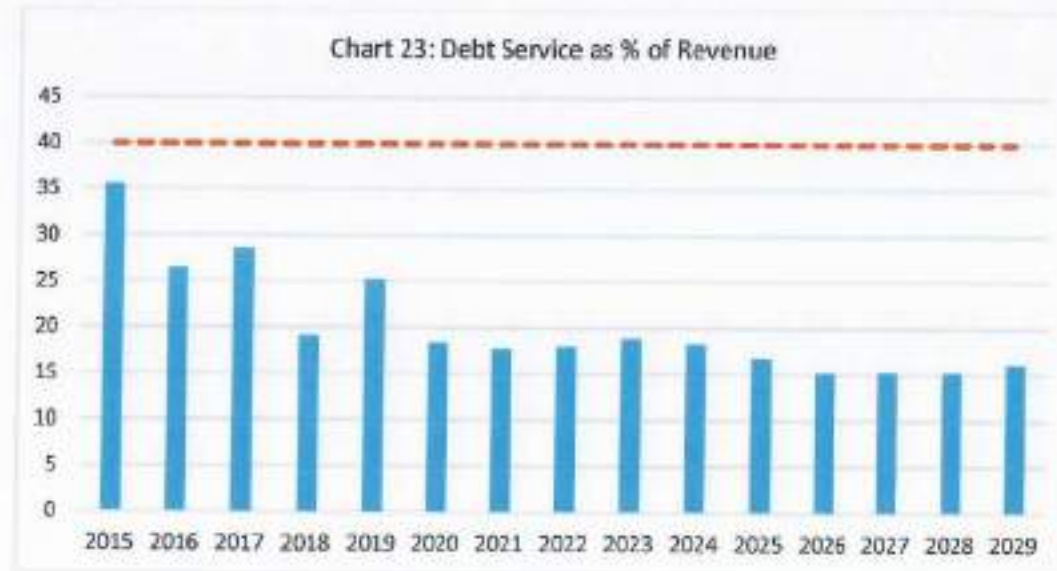
Source: State's forecasts



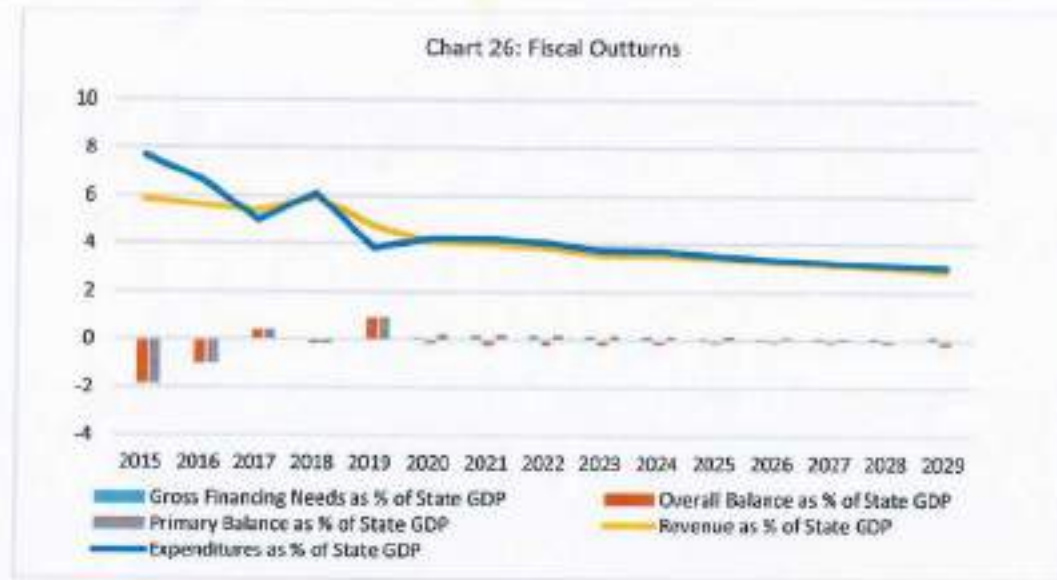
Source: State's forecasts



Source: States forecasts



Source: States Forecasts

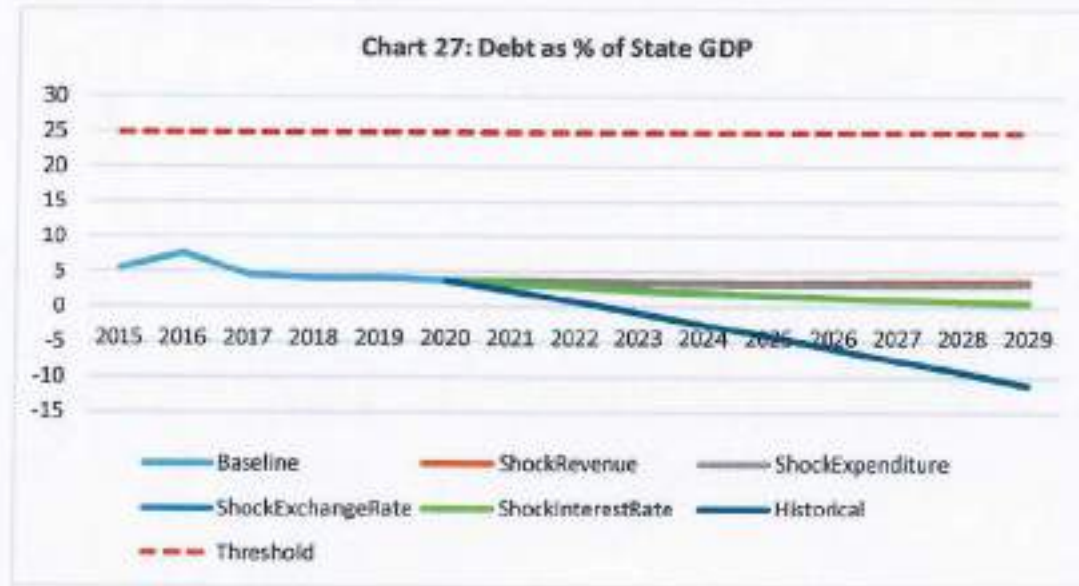


Source: State's forecasts

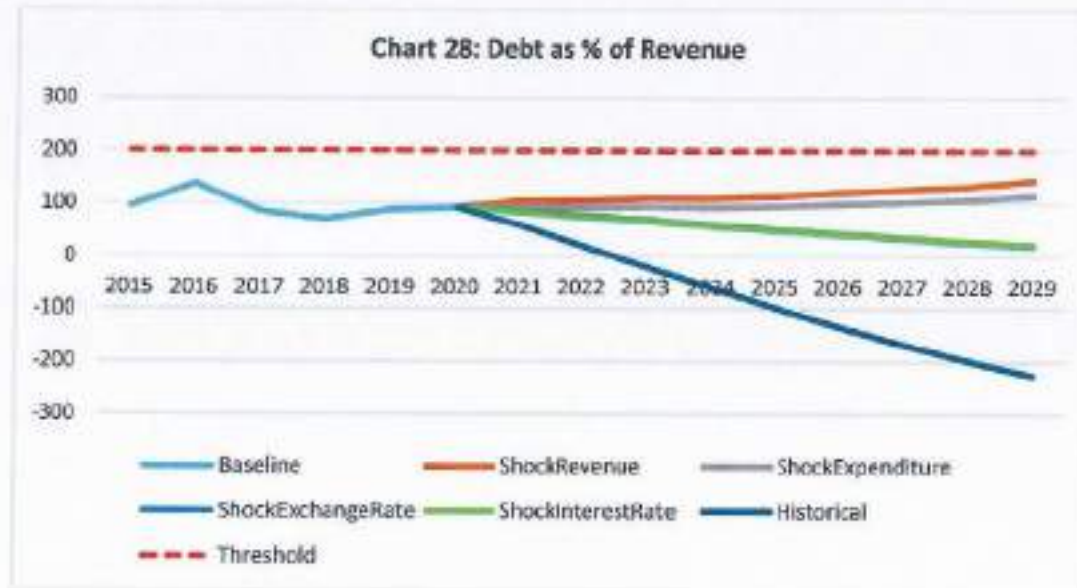
4.4 DSA SENSITIVITY ANALYSIS (SHOCK ANALYSIS)

- i. The State faces important sources of fiscal risks associated to the possibility of adverse country wide macroeconomic conditions and the reversal of the State's revenue and expenditure policies. A sensitivity analysis is undertaken considering macroeconomic shocks and policy shocks to evaluate the robustness of the sustainability assessment for the baseline scenarios discussed in the previous sub-sections. When considering both macroeconomic and policy shocks, it is assumed that external and domestic borrowings cover any revenue shortfall and additional expenditure relative to the baseline scenario discussed earlier.
- ii. The State's debt sustainability would deteriorate moderately if the exchange rate /interest rate shocks materialize, mainly as a consequence of a diminished repayment capacity.
- iii. The State's debt sustainability is expected to largely deteriorate if the revenue/expenditure shock were to occur, as a result of both excessive deficits and diminished repayment capacity. The projected fiscal deficits increase systematically going forward to 2029. In addition, the public debts ratio grows up unsustainable levels in the next few years. Notably, therefore, a major risk for debt sustainability is the reversal of the State's successful revenue mobilization efforts and a failure to maintain current patterns of expenditure growth.

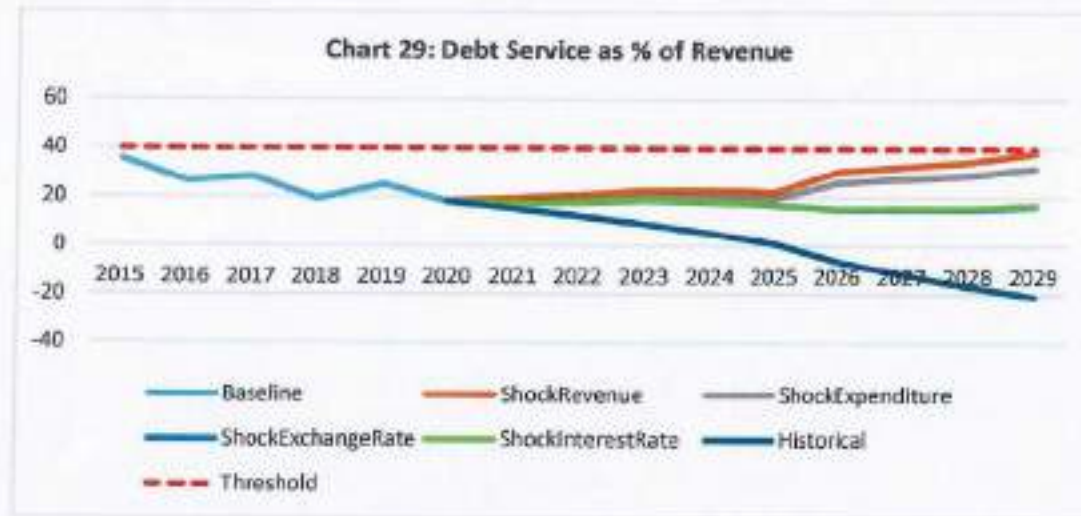
LIST OF CHARTS:



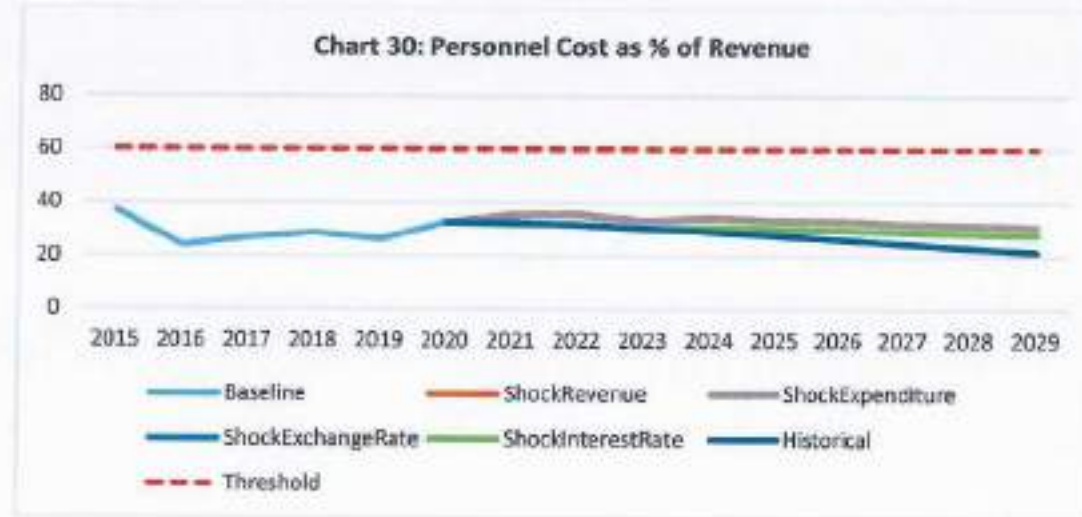
Source: State's forecasts



Source: State's forecasts



Source: State's forecasts



Source: State's forecasts

LIST OF ANNEXURES:

ANNEXURE 1: TABLE OF ASSUMPTIONS

Assumptions:		Projection Methodology	Source
Economic activity	State GDP (at current prices)	State real and nominal GDP figures were obtained from Federal Debt Management office	NBS /WBG
Revenue	Revenue		
	1. Gross Statutory Allocation ('gross' means with no deductions) of which Net Statutory Allocation ('net' means of deductions) of which Deductions	Historical trend analysis of Gross Statutory Allocation forecast within model using federal revenue sharing assumptions	Financial Statements /Monthly FAAC Allocations
	2. Derivation (if applicable to the State)	Derivation is assumed to increase by 0.002% and 0.0002% between year 2022 and year 2029	Financial Statements / FAAC Allocations/MTEF
	3. Other FAAC transfers (exchange rate gain, augmentation, others)	Other FAAC transfer is assumed to fluctuate in year 2020 and year 2021 but is projected in increase by approximately 1billion from year 2023	Financial Statements / FAAC Allocations/MTEF
	4. VAT Allocation	VAT Allocation is projected to increase by 0.074% from year 2023 to year 2029	Financial Statements / FAAC Allocations/MTEF
	5. IGR	IGR is projected to increase by 0.025% from year 2020 - year 2029	State Board of Internal Revenue/MTEF
	6. Capital Receipts	Sum of the components	DMD/Financial Statements /FAAC
	Grants	Grants is expected to increase by 001% and 0.025% between 2021 and 2029	Financial Statements
	Sales of Government Assets and Privatization Proceeds		
	Other Non-Debt Creating Capital Receipts	Other non- debt creating capital receipts is expected to increase by approximately 3million from year 2022	Financial Statements
Expenditure	Expenditure		
	1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	Personnel cost is projected to increase by 0.12% in 2020 and 0.0075% from 2021 to 2029	Financial Statements MTEF
	2. Overhead costs	Overhead cost is projected to increase by 0.1% in 2020, 0.007% in 2021 and 0.05% from 2022 - 2029	Financial Statements/MTEF
	3. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)	Other recurrent expenditure is expected to increase by 0.02% in 2020 and 0.05% from 2021 - 2029	Financial Statements/MTEF

	4. Capital Expenditure	Capital expenditure is projected to increase by 0.1% in 2020 and 0.05% from 2021 - 2029	Financial Statements/MTEF
Closing Cash and Bank Balance	Closing Cash and Bank Balance	state financial reports	Financial Statements
Proceeds from Debt-Creating Borrowings	Planned Borrowings (new bonds, new loans, etc.)		
	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Inf Loans, and MSMEDF)	15.5 Billion (interest rate 9%, maturity (3 years) and grace period (1 year))	State DMD /Financial statements
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Inf Loans, and MSMEDF)	34.01 Billion (interest rate 9%, maturity (10 years) and grace period (1 year))	State DMD/Financial statements
	State Bonds (maturity 1 to 5 years)		
	State Bonds (maturity 6 years or longer)	23.4 Billion (coupon rate (15%) maturity(10 years) and grace period (0))	State DMD Financial statements
	Other Domestic Financing	7.75 Billion (interest rate 23%, maturity (1 year) and grace period (0))	State DMD/Financial statements
	New External Financing in Million US Dollars		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)		
	External Financing - Bilateral Loans		
Other External Financing			
Debt Amortization and Interest Payments	Debt Outstanding at end-2019		
	External Debt - amortization and interest	amortization and interest payment estimated using profiles recorded in DMD including external debt service paid through FAAC deductions	
	Domestic Debt - amortization and interest	amortization and interest payment estimated using profiles recorded in DMD including the ones paid directly by the state through FAAC deductions	
	New debt issued/contracted from 2020 onwards		
	New External Financing	Insert the Borrowing Terms for New External Debt: interest rate (%), maturity (# years) and grace period (#)	
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)		
	External Financing - Bilateral Loans		
	Other External Financing		
	New Domestic Financing in Million Naira	Insert the Borrowing Terms for New Domestic Debt: Interest rate (%), maturity (# years) and grace period (#)	

Commercial Bank Loans (maturity 1 to 5 years, including Agric
Loans, Inf Loans, and MSMEDF)

interest rate 9%, maturity (3 years) and grace period (1 year)

State DMD/MTEF

Commercial Bank Loans (maturity 6 years or longer, including Agric
Loans, Inf Loans, and MSMEDF)

interest rate 9%, maturity (10 years) and grace period (1 year)

State DMD /MTEF

State Bonds (maturity 1 to 5 years)

coupon rate (15%) maturity(10 years) and grace period (0)

State DMD /MTEF

State Bonds (maturity 6 years or longer)

Other Domestic Financing

interest rate 23%, maturity (1 year) and grace period (0)

State DMD /MTEF

ANNEXURE 2: BASELINE PROJECTIONS

	Actuals					Projections (Baseline Scenario)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Economic Indicators															
State GDP (million NGN, at current prices)	1,388,159.09	1,941,876.00	3,155,775.00	3,575,899.99	3,991,908.00	4,184,266.00	4,598,328.00	5,031,673.00	5,677,900.00	6,028,696.00	6,457,843.00	6,911,642.00	7,430,178.00	7,972,782.00	8,502,963.00
Exchange Rate (NGN/US\$ (end-Period))	196.49	253.18	305.79	306.59	326.01	379.00	379.00	379.00	379.00	379.00	379.00	379.00	379.00	379.00	379.00
Fiscal Indicators (million NGN)															
Revenue	118,616.29	125,408.01	180,121.23	212,475.43	290,429.99	174,589.51	183,671.96	205,713.90	211,030.63	224,713.02	228,571.56	231,349.14	240,633.93	248,999.08	259,777.08
1. Gross Statutory Allocation (Gross* means with no deductions; do not include VAT Allocation here)	24,904.50	18,097.26	25,088.58	37,623.64	36,433.63	29,374.07	33,400.00	34,791.96	11,644.28	30,037.17	32,156.28	31,720.97	35,332.60	36,992.58	37,702.56
Excess Crude	1,808.35	9,226.55	5,876.00	0.00	0.00	0.00	9,000.00	15,949.75	13,364.59	16,771.88	17,397.31	18,141.26	19,304.09	21,086.17	21,887.83
Ecological Fund	0.00	0.00	0.00	0.00	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Derivation (if applicable to the State)	67,277.83	40,970.82	72,387.04	116,071.97	100,776.94	62,302.82	68,365.47	90,159.38	85,347.97	106,980.42	108,654.93	109,920.07	112,677.25	115,494.22	115,782.96
3. Other FAAC transfers (exchange rate gain, augmentation, others Agencies)	9,552.98	34,370.02	10,957.22	34,582.53	25,892.46	22,008.50	21,274.75	25,139.75	36,964.59	27,854.42	28,773.63	28,723.14	30,794.01	31,712.24	32,763.91
4. VAT Allocation	6,875.38	7,142.53	9,330.80	9,885.78	31,321.39	8,774.03	12,000.00	13,380.59	34,376.46	15,438.17	16,580.62	17,807.56	19,125.32	19,543.60	22,080.58
5. IGR	8,061.90	8,207.39	12,884.96	14,115.59	16,898.23	13,419.12	30,000.00	21,500.00	32,000.00	32,990.00	33,128.79	33,691.99	34,283.88	34,890.98	35,513.73
6. Capital Receipts	640.92	6,913.43	165.94	896.01	185.74	8,159.87	20,651.74	20,749.02	20,689.34	21,252.34	18,391.89	17,476.81	18,910.80	19,354.46	20,053.31
Grants	681.16	0.00	0.00	0.00	4.00	4,309.00	11,494.09	11,900.00	11,500.00	11,000.00	11,771.10	11,663.89	11,596.86	11,421.49	11,907.27
Donations	0.00	0.00	0.00	0.00	0.00	0.00	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Non-Debt Creating Capital Receipts (Refunds)	59.67	6,923.48	195.94	196.01	195.74	168.58	168.88	171.41	173.98	176.58	179.24	181.93	184.68	187.93	190.24
Proceeds from Debt-Clearing Borrowings (bond issuance, loan disbursements, etc.)	0.00	0.00	0.00	0.00	0.00	3,684.49	1,972.87	8,677.62	8,915.86	6,188.28	6,343.95	5,643.40	6,789.32	7,745.55	14,654.48
Expenditure	153,146.35	129,082.38	157,651.80	216,613.94	153,807.03	176,828.43	189,745.77	205,826.58	211,578.37	224,393.11	228,783.46	232,563.68	240,843.59	245,195.54	259,978.43
1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	43,256.73	35,162.07	45,094.58	60,742.85	48,623.36	55,813.43	58,644.08	62,943.18	68,361.43	66,367.57	66,895.55	67,387.27	67,902.75	68,412.07	68,931.11
2. Overhead costs	23,548.98	23,243.81	30,500.66	60,845.48	41,542.96	35,393.72	45,563.40	47,841.57	58,233.65	52,745.38	55,382.60	58,151.73	61,059.57	64,112.28	67,317.90
3. Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)	0.00	0.00	0.00	0.00	0.00	15,218.08	18,482.88	18,235.44	18,511.27	17,572.15	16,515.98	14,355.97	12,952.90	12,472.53	12,301.52
4. Other Recurrent Expenditure (Including Personnel Costs, Overhead Costs and Interest Payments)	18,369.29	18,473.88	22,211.77	28,432.29	7,871.89	7,825.02	8,216.27	8,627.69	9,058.44	9,511.36	9,966.93	10,489.28	11,032.59	11,581.12	12,138.18
5. Capital Expenditure	61,530.67	49,895.27	45,529.24	47,758.07	42,158.18	46,375.10	48,699.85	51,128.54	51,094.97	56,399.22	58,187.68	62,107.06	65,251.42	68,517.14	71,942.89
6. Amortization (principal payments)	0.00	0.00	0.00	0.00	0.00	16,143.26	15,188.29	17,650.76	15,728.62	21,799.48	20,823.71	20,026.77	22,663.61	24,120.45	17,351.78
Budget Balance (* + ' means surplus, * - ' means deficit)	-4,640.63	16,593.78	7,241.18	-10,713.83	4,640.68	-2,239.10	-133.81	-132.67	-557.73	317.91	-218.30	-318.93	-209.65	-206.48	-203.35
Opening Cash and Bank Balance	11,591.08	1,998.46	14,492.23	19,693.41	8,979.39	13,620.27	11,381.17	11,267.34	11,154.69	10,996.96	10,914.86	10,896.30	10,482.63	10,272.98	10,057.52
Closing Cash and Bank Balance	1,998.46	12,452.23	19,693.41	8,979.39	13,620.27	11,381.17	11,267.34	11,154.69	10,996.96	10,914.86	10,896.30	10,482.63	10,272.98	10,057.52	9,866.17

	Actuals					Projections (Baseline Scenario)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Financing Needs and Sources (million NGN)															
Financing Needs						1,650.87	3,141.74	3,240.02	3,089.34	3,362.84	6,520.69	5,823.42	6,973.97	7,832.97	14,666.72
I. Primary Balance						25,531.37	21,610.01	25,924.50	28,582.81	30,326.70	30,597.11	28,343.29	28,432.88	18,454.55	24,805.17
II. Debt service						31,421.34	32,666.17	35,286.20	31,299.88	39,371.63	37,336.70	34,389.74	35,616.11	34,192.98	39,653.25
Amortizations						16,143.26	13,181.29	17,059.76	19,728.62	21,799.48	20,820.71	20,024.77	22,663.41	24,120.45	27,861.79
Interests						15,278.08	19,484.88	18,226.44	11,571.27	17,572.15	16,515.99	14,365.97	12,952.90	12,472.53	12,301.52
III. Financing Needs Other than Amortization Payments (e.g., Variation in Cash and Bank Balances)						-2,239.10	-113.81	-112.67	-517.73	517.91	-218.30	-213.98	-209.65	-203.45	-201.36
Financing Sources						1,650.87	3,141.74	3,240.02	3,089.34	3,362.84	6,520.69	5,823.42	6,973.97	7,832.97	14,666.72
I. Financing Sources Other than Borrowing						169.58	169.88	171.41	173.95	176.59	178.24	181.33	184.66	187.43	190.24
II. Gross Borrowings						1,484.49	1,972.87	1,071.62	8,915.39	9,186.25	6,342.65	5,642.09	6,789.32	7,745.55	14,466.48
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MIS/IDF)						1,484.49	0.00	1.00	0.00	0.00	6,342.65	5,642.09	0.00	0.00	0.00
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MIS/IDF)						0.00	1,972.87	1,071.62	0.00	1,186.25	0.00	0.00	6,789.32	0.00	0.00
State Bonds (maturity 1 to 5 years)						0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
State Bonds (maturity 6 years or longer)						0.00	0.00	1.00	8,915.39	0.00	0.00	0.00	0.00	0.00	14,456.48
Other Domestic financing						0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	7,245.55	0.00
External Financing – Concessional Loans (e.g., World Bank, African Development Bank)						0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
External Financing – Bilateral Loans						0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other External Financing						0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Residual Financing						0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Debt Stocks and Flows (million NGN)

Debt (stock)	110,762.69	150,115.64	146,076.81	147,388.47	167,341.15	157,840.80	253,650.18	146,652.03	134,843.77	122,230.15	107,751.48	93,358.20	77,403.91	61,119.00	48,223.76
External	7,388.45	9,898.40	14,601.14	17,350.00	19,413.63	22,379.58	23,993.04	21,331.94	21,093.22	20,388.71	19,545.90	18,732.35	18,017.96	17,218.76	16,380.60
Domestic	103,374.23	140,217.24	129,475.65	130,038.47	147,927.52	135,461.22	131,656.54	124,106.10	113,750.56	101,841.43	88,205.58	74,625.85	59,385.95	43,900.23	31,843.10
Gross borrowing (flow)						1,484.49	1,972.87	1,071.62	8,915.39	9,186.25	6,342.65	5,642.09	6,789.32	7,745.55	14,466.48
External						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Domestic						1,484.49	1,972.87	1,071.62	8,915.39	9,186.25	6,342.65	5,642.09	6,789.32	7,745.55	14,466.48
Amortizations (flow)	16,143.21	13,934.20	23,483.04	19,456.87	29,164.14	18,143.25	13,183.29	17,059.76	19,728.62	21,799.48	20,820.71	20,024.77	22,663.61	24,120.45	27,861.73
External	179.98	250.69	283.90	261.94	516.64	199.25	376.94	442.70	457.72	784.46	763.81	763.60	754.26	789.18	838.12
Domestic	15,963.23	13,683.51	23,200.14	19,194.93	28,647.50	17,944.00	12,806.35	16,617.06	19,270.90	21,015.02	20,057.90	19,261.17	21,899.35	23,331.27	27,023.61
Interests (flow)	15,278.08	19,484.88	19,029.80	17,422.60	18,236.85	15,278.08	11,482.88	11,235.44	11,511.27	17,572.15	16,515.98	14,365.97	12,952.90	12,472.53	12,301.52

External	81.05	86.97	100.05	122.29	140.17	82.50	101.43	105.90	158.94	159.29	157.23	155.58	150.66	144.45	137.30
Domestic	11,612.77	14,916.01	18,929.77	17,900.81	18,156.88	15,101.58	15,301.41	18,076.54	18,352.14	17,412.84	16,464.76	14,200.89	11,802.24	12,723.08	11,164.22
Net borrowing (gross borrowing minus amortizations)						-12,656.77	-4,210.42	-7,203.14	-10,833.26	-12,633.23	-14,475.06	14,383.28	15,874.30	36,374.90	12,885.24
External						-190.26	-376.94	-462.70	-657.72	-784.46	-762.81	-765.60	-764.39	-780.13	-833.12
Domestic						-12,450.51	-3,833.48	-7,530.44	-10,355.54	-11,828.77	-13,712.25	15,148.88	15,109.81	37,155.03	13,718.36

Debt and Debt Service Indicators

Debt as % of GDP	5.57	7.75	4.57	4.37	4.19	3.77	3.34	3.87	2.40	2.03	1.67	1.35	1.05	0.77	0.57
Debt as % of Revenue	95.46	137.31	84.75	69.44	87.07	67.34	83.25	74.14	66.78	66.76	68.64	41.22	33.17	25.35	19.17
Debt Service as % of Revenue	35.66	26.52	28.64	19.14	25.21	18.38	17.70	17.96	18.94	18.28	16.81	15.18	15.24	13.18	10.18
Renewal Cost as % of Revenue	36.89	23.32	20.87	28.61	24.18	32.63	31.76	32.04	29.89	30.15	30.15	29.75	29.06	28.18	28.12
Debt Service as % of Gross FVAC Allocation	18.50	18.48	30.77	20.65	17.08	20.53	21.34	21.59	22.71	21.74	19.95	17.06	18.00	17.17	10.01
Interest as % of Revenue	9.97	13.72	11.19	8.23	9.62	8.94	10.56	9.28	8.17	8.30	7.44	6.34	5.54	5.17	5.02
External Debt Service as % of Revenue	0.22	0.29	0.20	0.18	0.24	0.16	0.29	0.30	0.31	0.44	0.41	0.41	0.39	0.39	0.40

BAYELSA STATE TECHNICAL TEAM

- | | |
|----------------------|--|
| 1. Owoupele Daubri | Director, Bayelsa State DMD |
| 2. Collins David | Director, Board of internal Revenue |
| 3. Soroh Peremoboere | Director, Budget and Planning |
| 4. Godspower Oweibi | Technical Assistant to Commissioner of Finance |
| 5. Sikpi Loveday | Director, Final Accounts |

LIST OF PARTICIPATING AGENCIES

1. Bayelsa State Debt Management Department
2. Board of Internal revenue
3. Ministry of Budget and Planning
4. Ministry of Finance
5. Office of the Accountant General



Signed: Honourable Commissioner for Finance

Bayelsa State Ministry of Finance

Name: **MAXWELL EBIBAL**

Date: **23/12/2020**



Signed: Accountant General

Bayelsa State

Name: **IFIDI TORONI**

Date: **23-12-2020**



Signed: Dir, Bayelsa State Debt Management

Department

Name: **OWOUPALE DAUBRI**

Date: **23-12-2020**