JIGAWA STATE GOVERNMENT

2025

DEBT SUSTAINABILITY ANALYSIS & DEBT MANAGEMENT STRATEGY (DSA-DMS) REPORT

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Chapter 1: Introduction

The State Debt Sustainability Analysis (S-DSA) Toolkit was created by the Debt Management Office of Nigeria and underwent a review by the World Bank. Its purpose is to examine the financial developments in the State from 2019 to 2024 and assess the State's capacity to manage its debt in the long term, spanning from 2025 to 2034. Jigawa State's Technical Team conducted a Debt Sustainability Analysis (DSA), which included an evaluation of recent revenue, expenditure, public debt trends, and the policies implemented by the State Government, while considering the State's policy direction. This assessment involved analysing various scenarios and sensitivity factors to gauge how the State's public finances might perform in the future. The goal is to assist Jigawa State Government in making informed decisions regarding the execution of its programs and the issuance of new loans, based on the most up-to-date trends in the State's public finances.

The JS DSA-DMS forecast for primary balance that comprises the difference between revenue and expenditure, plus the existing debt service (interest payment and principal repayments). The revenue was based on the harmonized revenue law of the state government, which provided for capital gains tax, and other property tax to expand the tax base to maximally increase the state internally generated revenue that are considered achievable. Also, the state forecasts increased recurrent and capital expenditures with expected growth in the National economy with cascading effects in the State's economy leading to increase in overall economic activities in the private sector, as well as job creation in the public sector.

Growth prospects vary significantly across regions. GDP growth in the United States is projected to be 3.84% in the second quarter of 2025, before slowing to 2.0% in 2026. The recovery in real household incomes, tight labour markets and reductions in policy interest rates continue to drive growth. Euro area GDP growth is projected at 1.3% in 2025 and 1.5% in 2026. Growth in Japan is projected to expand by 1.5% in 2025 but then decline to 0.6% in 2026. China is expected to continue to slow, with GDP growth of 4.7% in 2025 and 4.4% in 2026.

The global economy is growing more strongly than expected this year, despite rising trade tensions and high uncertainty around US economic policy. Real global GDP is projected to rise 3.1 percent in 2025 and 2.9 percent in 2026, down from 3.3 percent last year. Optimism about artificial intelligence (AI), particularly in the United States, has offset some of the drag from other factors for now. Looking ahead, however, the outlook is fragile and individual economies face different headwinds and risks.

Last spring in the United States, policy changes—especially substantial new tariffs—were expected to weigh heavily on private domestic demand. So far, however, economic momentum has proved more resilient than anticipated. US GDP growth now is projected to moderate to 1.7 percent in 2026 from 1.9 percent in 2025 and 2.8 percent in 2024. The effects of the policy shifts appear to be unfolding only gradually, while optimism about AI has boosted demand.

Economic growth in the euro area remains mixed. In Japan, fiscal stimulus under new leadership should lift growth temporarily in 2026, but the boost is likely to fade as inflation rises and policies subsequently tighten. The United Kingdom continues to experience muted growth amid fiscal restraint, a strong pound, and weak productivity. Among the large emerging-market economies, India and China continue to lead even under tariff pressures. Brazil faces slower growth as tight monetary policy continues to restrain demand. Russia's economy remains weak, held back by low oil prices and financial sanctions.

The International Monetary Fund (IMF) has upgraded Nigeria’s economic growth projection, forecasting a 3.9% expansion in 2025 and 4.2% in 2026.

The revised figures were announced on the 14th Day of October, 2025 during the launch of the World Economic Outlook (WEO) 2025 at the ongoing World Bank and IMF Annual Meetings in Washington, D.C.

In its July 2025 update, the IMF had projected Nigeria's growth at 3.4 percent, but the latest report reflects a 0.5 percentage point increase, signaling renewed confidence in the country's reform-driven economic recovery.

Also, the Fund projected that the Nigerian economy would grow by 4.2% in 2026, an improvement from 3.2% it predicted in July.

The Fund's updated projection places Nigeria ahead of South Africa but slightly below the broader Sub-Saharan African regional average.

According to the report, South Africa's growth forecast was raised marginally from 1.0 to 1.1 percent for 2025 but revised downward from 1.3 to 1.2 percent for 2026. Meanwhile, Sub-Saharan Africa's growth outlook improved from 4.0 to 4.1 percent for 2025 and from 4.3 to 4.4 percent for 2026.

In conclusion, the Jigawa State Government has put in place a harmonized revenue law to expand the tax net and boost Internally Generated Revenue. The increase in Internally Generated Revenue is expected to positively impact on the debt obligations as well as economic development of the State. The State plans to augment the State budget through borrowings from domestic loans and external loans in as the Jigawa State Debt Risk is moderate because the indicators are below the threshold while others are above.

Chapter 2: The State Fiscal and Debt Framework

The 2024 Budget is planned to add-on the achievement of 2024 to attain the agenda of the renewed mandate for another 4-year term. Consistent with the provision of the overarching State development policy document (i.e., the State Comprehensive Development Framework).

2.1 Medium-Term Budget Forecast

Jigawa State Economic and Fiscal Update (EFU), Fiscal Strategy Paper (FSP) and Budget Policy Statement (BPS) constitute the major components of the Annual Budget Process. These set of principles provides logical starting point for the development of Medium-Term Expenditure Framework (MTEF), which highlight the context of the annual budget. The key objective is to achieve fiscal realism and sustainability for both the medium and long-term development of the State through an institutionalized fiscal reform.

The foundation for any fiscal discipline and the attainment of fiscal realism starts with the Economic and Fiscal Update (EFU). It (the EFU) presents data and analyzed information on all the strata of the state, national and global economic and fiscal situations. This forms the basis for fiscal and macroeconomic assumptions and projections reflected in the Fiscal Strategy Paper which also goes further to manifest medium-term fiscal projections (revenue and expenditure). The EFU gives a measured reflection of recent budget performance identifying factors that significantly affects the attainment of budgetary outputs and outcomes which transmit into the subsequent fiscal plans.

The EFU provides the context for a prospective Fiscal Strategy Paper (FSP) that feeds into the Medium-Term Expenditure Framework (MTEF) where resources are strategically allocated considering Government policy objectives and priorities as dictated by the budget policy statements.

Thus FSP is an indispensable element in annual budget process as it determine the resources available to fund government prioritized projects and programmes in a sustainable manner and consistent with its development policy objective and priorities as encapsulated in the existing policy document It provides justification and corroborate the estimation for medium-term major Revenue and Expenditure aggregates including important components of the MTEF Process such as fiscal targets, fiscal constraints and an assessment of the fiscal risks.

In line with the Medium-Term Budget forecast FSP strategy, the Government has reviewed its fiscal policies in the areas of Cash management, IGR, etc. These fiscal components are targeted towards boosting of revenue generation for Government financial obligation as well as investment,

Fiscal policies strongly recommend that the existing debt and new borrowing should be kept below the established threshold in line with the Fiscal Responsibility Act, 2007. The Fiscal Strategy Paper prioritized projects and programmes in a sustainable manner and consistent with its development policy objective of the Government.

The macroeconomic assumptions revealed the projected revenue from N162,872.70 2025, N178,882.90 in 2026, N190,002.30 million in 2027 and N261,751.10million in 2028. On the other hand, the expenditure was estimated at N215,412.90 2025, N194,567.20million in 2026, N193,947.70million in 2027 and N214,450.40million in 2028, respectively. The details of the macroeconomic assumptions are as shown in the table below.

Jigawa State Medium Term Expenditure Framework (MTEF), 2026-2028

Macroeconomic Assumptions	2025	2026	2027	2028
National Inflation	22.00%	18%	16%	14%
National Real GDP Growth	3.20%	3.20%	3.30%	3.30%
Budget Oil Production Volume (mbpd)	1.5000	1.700	1.8000	1.8000
Projected Oil Budget Benchmark Price (US$ per barrel)	$75.00	$63.30	$63.70	$65.60
Average Exchange Rate (N/US$)	1,602.70	1,400.00	1,400.00	1,400.00
Revenue				
Gross Statutory Allocation	42,552.0	48,692.4	49,056.7	58,868.0
Other FAAC transfers	12,376.8	13,614.5	14,975.9	16,473.5
VAT Allocation	20,585.0	22,643.5	24,907.9	27,398.6
IGR	46,261.7	50,887.9	55,976.7	61,574.3
Grants	30,886.4	32,430.7	34,052.3	35,754.9
Sales of Government Assets	530.5	546.4	562.8	579.6
Other Non-Debt Creating Capital Receipts	9,680.3	10,067.5	10,470.2	10,889.0
Total Revenue (A)	162,872.70	178,882.90	190,002.50	211,537.90
Expenditure				
Personnel costs	78,000.0	80,000.0	85,000.0	97,000.0
Overhead costs	50,000.0	22,814.5	22,280.4	22,746.3
Other Recurrent Expenditure*	7,865.0	7,953.8	11,592.4	15,438.2
Capital Expenditure	79,547.9	83,798.9	75,074.8	79,265.9
Total Expenditure (B)	215,412.90	194,567.20	193,947.60	214,450.40
New Domestic Borrowing	10,838.3	27,133.7	23,009.7	34,377.5
New External Borrowing	0.0	0.00	0.00	0.00
New Borrowing (C)	10,838.3	27,133.7	23,009.7	34,377.5
Budget Balance Variance (A+C-B) **Closing Balance**	(41,701.90)	11,449.40	19,064.60	31,465.40

Opening Balance	81,082.2 **39,380.03**	39,380.03 **50,829.43**	50,829.43 **69,894.03**	69,894.03 **101,359.43**

Source: *Jigawa State Government Micro Economic and Mineral/Fiscal Framework 2026-2028*

*Other Recurrent Expenditure comprises Debt Charges and other recurrent Expenditure.

It could be seen from the MTEF table above that there is negative budget balance of N 41,701.90 billion in the year 2025, this is as a result of prudent revenue projection couple with realistic estimation of expenditure because the current administration is seriously concerned about the capital and recurrent expenditure. Also the projection take in to consideration the high opening budget balance brought forward from the fiscal year 2024 amounting to N 81,082.2 billion which is enough to abridge the negative balance leaving a positive balance of N39,380.03 to be carried forward to the fiscal year 2026.

On the other hand, the projection of the loan to finance the current and foreseeable negative budget balance, the new borrowing projections of 2026 to 2028 were all from domestic borrowing due to low-risk expectation and its ease of access. Also, the debt projection is varying with the projections and estimations of revenue and expenditures over the projection years.

State's Revenue policies: Jigawa State Comprehensive Development Framework (CDF) which is the key policy document of the State Government has outlined the focus of the State's Public Expenditure and Financial Management Reforms (PEFM) recognizing "exercise of control and stewardship in the use of public funds" as one of the primary objectives of the reforms. Ultimately, the reforms seem to entrench a good PFM system which is essential for the implementation of policies and the attainment of the overall State's developmental objectives.

Jigawa State Government introduced new" A ***Law to establish Economic Planning and Fiscal responsibility Council, 2009"*** A law to provide for sound Public Expenditure and Financial Management in Jigawa State aimed at ensuring that for the purpose of overall economic development of the State Government strives towards the followings:

- Aligning its income and expenditure by keeping its spending limits within the dictates of its available resources;
- Ensuring that the budget process is pursued within a framework that supports strategic prioritization and rational resources allocation and in accordance with the overall development policy objectives of the state; and,
- Ensuring strict adherence to "due-process" in the budget execution as well as accountability, transparency and prudence in the entire public financial management.

Jigawa State Government introduced new" ***Jigawa State Revenue (Codification and Consolidation Law, 2019"*** A Law to provide the harmonization, Consolidation and Codification of all Jigawa State Internal Revenue and also to restructure the board of Internal Revenue with a view to sanitizing the Revenue system in the State in respect of Assessment, Collection and Remittance to Revenue Single Account (RSA) for effective service delivery in the State and Related Matters.

State's Expenditure policies: Jigawa's Expenditure Policies drives through a State's Comprehensive Development Framework (CDF) which is to develop a holistic socioeconomic development strategy that puts together all major elements affecting the development of the State. The effort represents a shared vision of all stakeholders, a development framework that is designed to guide short and medium-term state development plans and ensure effective linkage to the budget through a Medium-Term Expenditure Framework with sufficient flexibility to respond to emerging needs and exigencies.

This section provides a brief review of the development process of the State since its creation, the overall development objectives, and priorities, as well as its mission and vision. The section also gives an overview of the conceptual underpinnings for the sustainable economic development of the State outlined in the Jigawa State CDF.

Note:

The DSA-MTDS report is based on the exchange rate of N 1,602.70 *to US $1 from the national Medium-Term Expenditure Framework (MTEF) prepared in 2025, which is yet* *to be reviewed alongside other macroeconomic indicators to reflect current economic realities*.

Chapter 3: The State Revenue, Expenditure, and Public Debt Trends (2019 - 2024)

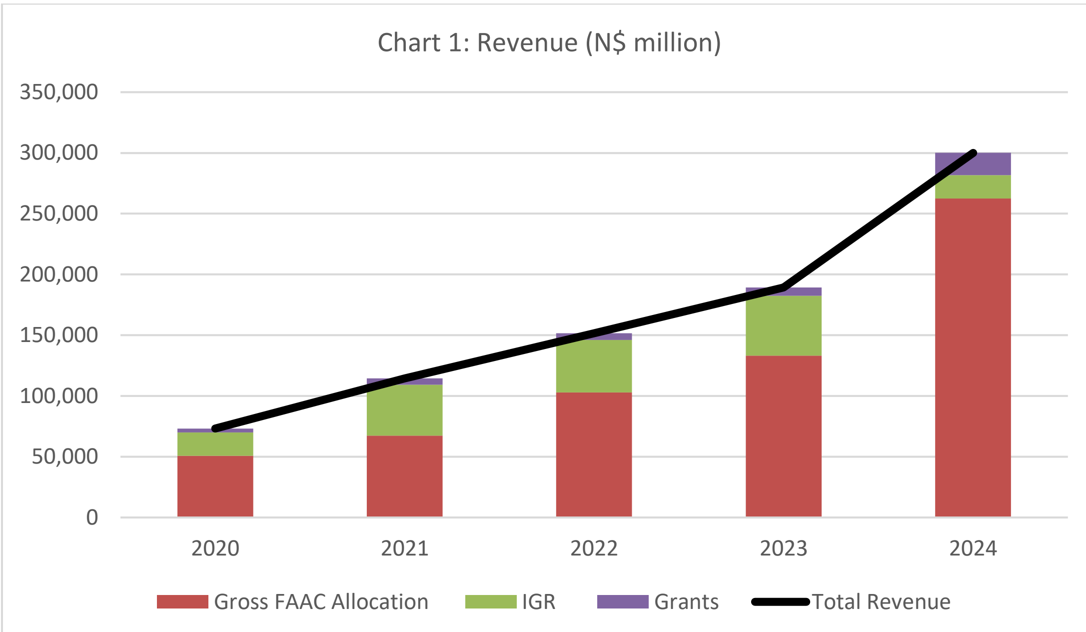
3.1 Revenue and Expenditure

Revenue - The State's economy comprises Statutory Allocation, Derivation, VAT Allocation, IGR, and Capital Receipt. the State's Revenue increase from N73,206 million in 2020, N114,534million in 2021, N151,546million in 2022, with an increase in 2023 which stood at N189,210.00 million and shape rises in 2024 at amounted to N300,015.00 million was as a result of revenue improvement initiatives.

a. The record for the Jigawa State's FAAC allocation stood at N50,828million in 2020, N67,238million in 2021, N102,836million in 2022, N133,169million in 2023 and N262,558million in 2024, respectively.

b. Jigawa witnessed modest growth and significant improvement in the State **Internally Generated Revenue (IGR)**, where the IGR grew from N19,080million in 2020, N42,006million in 2021, N43,148million in 2022, N49,164million in 2023, with a decrease in 2024 which recorded N19,160million. The improvement in IGR in 2020 to 2023 is mainly due to the tax reforms aimed at improving collection efficiency and broadening the tax revenue base, the increase was as a result of tax reform activities as started earlier, while the sharp decrease to N19,160million in 2024 fiscal year is associated with the termination of contracts of almost all the revenue collection consultants such as ERCAS Payment Solution Ltd and other traditional revenue collection mediums with the purview of reforming the system to grossly improve the revenue collections, introducing new ways and addressing leakages of which it yielded a positive tremendous result because the actual and projections improves a lot in the subsequent years.

Revenue	2020	2021	2022	2023	2024
Total Revenue	73,206	114,534	151,546	189,210	300,015
Gross FAAC Allocation	50,828	67,238	102,836	133,169	262,558
IGR	19,080	42,006	43,148	49,164	19,160
Grants	3,298	5,289	5,562	6,878	18,298

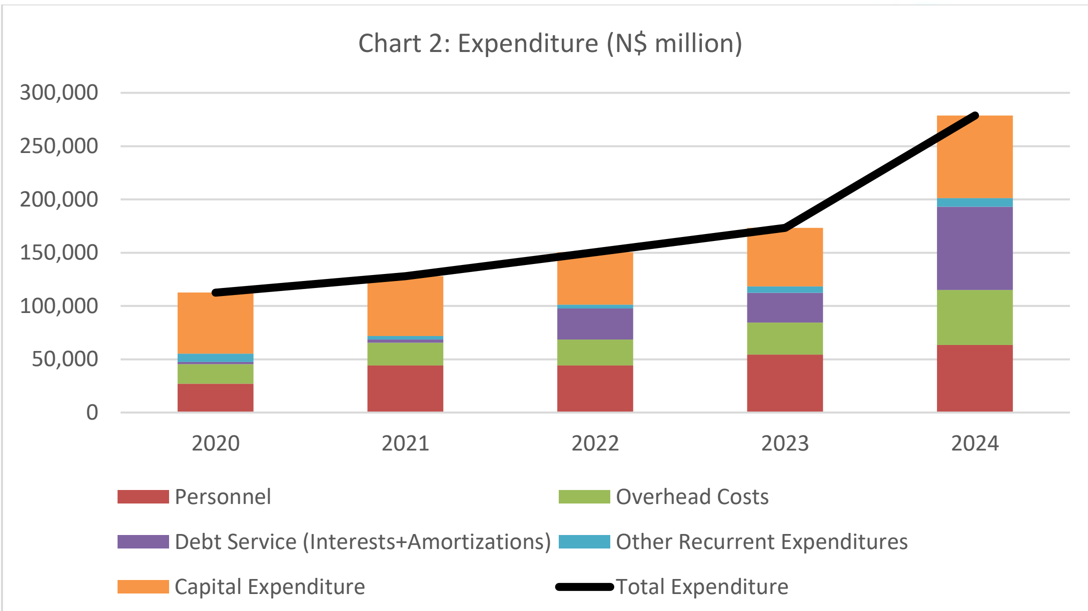


Expenditure- The State's Total expenditure covers Capital expenditure, Personnel costs, Overhead costs, other recurrent expenditure, and Debt service (interest payment and principal repayment) recorded at N119,731 million in 2020, N127,954 million 2021, N127,954 million in 2022, N150,609 million in 2023, and N173,413 million in 2024, respectively.

Personnel recorded at N26,968 million, N44,241 million, N44,176 million, N54,402 million and N63,409 million in 2020, 2021, 2022, 2023 and 2024, respectively. Overhead cost amounted from N18,456 million in 2020 and N51,665 million in 2023. Capital Expenditure amounted to N57,272million in 2020, N56,210 million in 2021, N49,238 million in 2022, N55,050 million in 2023, and N77,451 million in 2024 respectively.

Expenditure Performance	2020	2021	2022	2023	2024

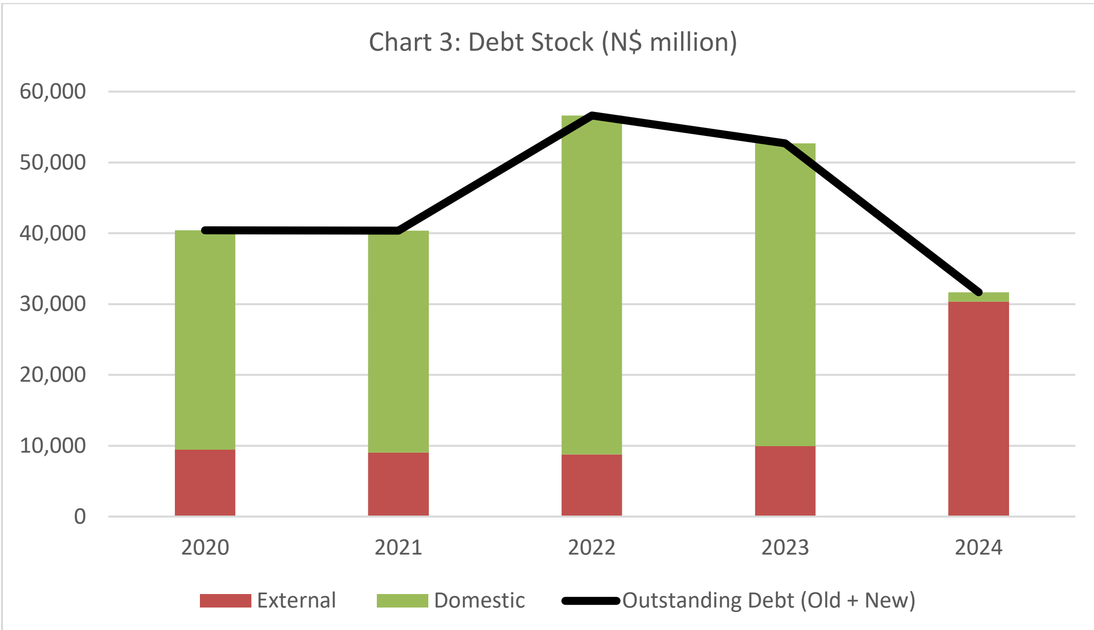
Total Expenditure	**112,518**	**127,954**	**150,609**	**173,413**	**278,753**
Personnel	26,968	44,241	44,176	54,402	63,409
Overhead Costs	18,290	21,149	24,196	30,157	51,665
Debt Service (Interests + Amortizations)	2,231	2,983	29,321	27,718	78,071
Other Recurrent Expenditures	7,756	3,371	3,679	6,086	8,157
Capital Expenditure	57,272	56,210	49,238	55,050	77,451



3.2 Existing Public Debt Portfolio

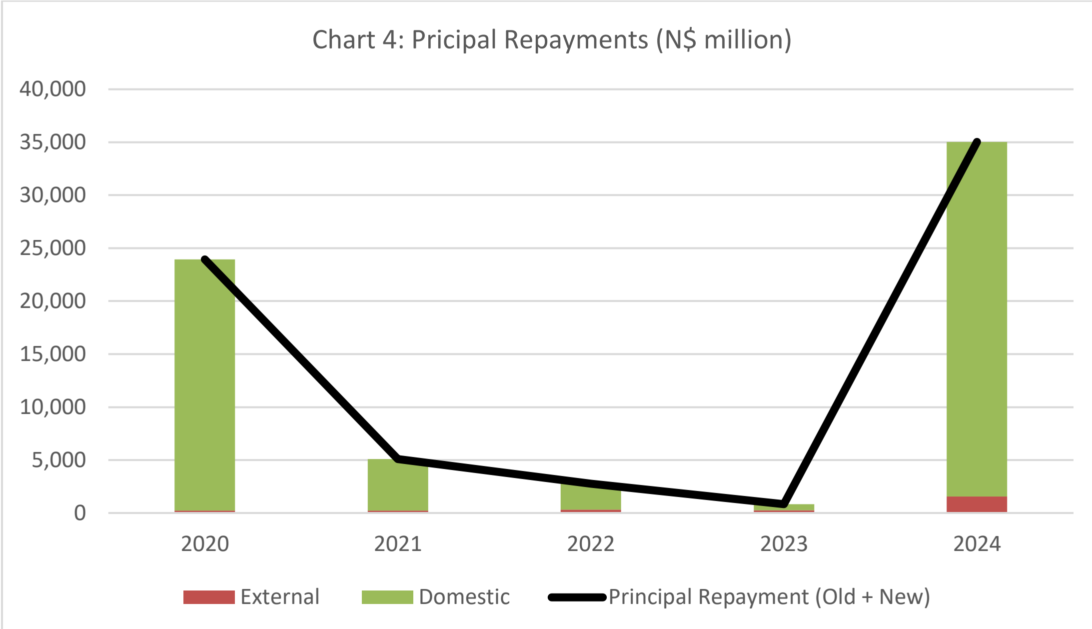
a. Debt Stock - Jigawa State Total Debt comprised External and Domestic Debts amounted to N40,362 in 2021 compared to N31,671 million in 2024, which represents a Decrease of NN8,691 million b or 21 percent respectively. The External Debt grew from N9,450 million in 2020 to N30,342 million in 2024 due to sharp significant and persistent rises in the dollar to naira exchange rate, and the Domestic Debt stock stood at N30,970 million in 2020 to N1,329 million in 2024 due to debt swap program by the Federal Government of Nigeria in 2024 where Budget Support Facility, Bridging Finance and Excess Crude Account were netted-off thereby leaving only two facilities named Small and Medium Scale Enterprises (SMEs) and Commercial Agricultural Scheme (CACs) of which were all settled in the month of May, 2025.

	2020	2021	2022	2023	2024
Outstanding Debt (Old + New)	40,242	40,362	56,628	52,709	31,671
External	9,450	9,029	8,769	9,952	30,342
Domestic	30,970	31,334	47,858	42,758	1,329

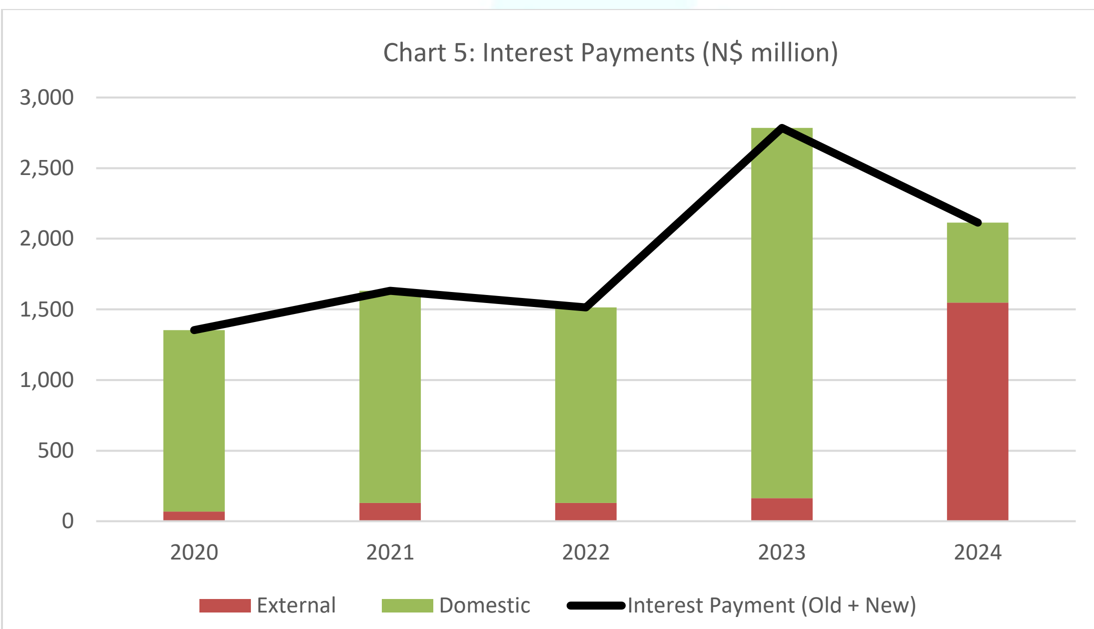


b. The Jigawa State Debt Service amounted at N37,147 million in 2024 which comprises the principal repayment of N2,107 million and interest payment of N35,040 million. The principal repayments and Interest Payment made were on both External Debt and Domestic Debt (chart 4 and 5).

Principal Repayment	2020	2021	2022	2023	2024
Principal Repayment	31,412	23,955	5,199	2,711	34,033
External	213	222	317	271	560
Domestic	31,199	23,733	4,882	2,440	33,473



Interest Payment	2020	2021	2022	2023	2024
Interest Payment	1,353	1,633	1,514	2,785	2,114
External	63	129	130	165	1,547
Domestic	1,284	1,503	1,384	2,620	567



Chapter 4: Debt Sustainability Analysis

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

Table 1: Jigawa State Debt burden indicators as at end-2024

Indicators	Thresholds	Ratio
Debt as % of GDP	25%	3.10
Debt as % of Revenue	200%	80
Debt Service as % of Revenue	40%	3.56
Personnel Costas % of Revenue	60%	60.65
Debt Service as % of FAAC Allocation	Nil	4.90
Interest Payment as % of Revenue	Nil	2.42
External Debt Service as % of Revenue	Nil	0.40

Source: Jigawa State DMD

4.2 Borrowing Options

The borrowing options are considered due to the timing of government's cash flows throughout the fiscal year. Domestic financing serves as one of the main sources of borrowing and given the limited funding envelopes from the external borrowing with long processing time required, domestic borrowings are mainly through: the commercial banks, Federal Government and other Central Bank of Nigeria (Interventions) loans are main source of financing. See below the proposed financing;

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)	30.%	5	0
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)	32%	6	1
State Bonds (maturity 1 to 5 years)	18%	5	1
State Bonds (maturity 6 years or longer)	20%	10	1
Other Domestic Financing	12%	15	1
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)	2.47%	30	3
External Financing - Bilateral Loans	2.15%	20	2
Other External Financing	3.00%	7	2

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Domestic Financing										
Commercial Bank Loans 1 <> 5 years	0.0	0.0	15,000.0	14,377.5	0.0	11,657.0	0.0	17,276.2	0.0	0.0
Commercial Bank Loans - 6 years >	0.0	27,133.7	0.0	0.0	20,000.0	0.0	0.0	0.0	0.0	0.0
State Bonds - 1 <> 5 years)	0.0	0.0	8,009.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State Bonds - 6 years >	0.0	0.0	0.0	20,000.0	0.0	0.0	0.0	0.0	19,398.1	0.0
Other Domestic Financing	10,838.3	0.0	0.0	0.0	27,045.3	0.0	6,066.7	0.0	0.0	12,427.8
omestic Financing (NGN' Million)	**10,838.3**	**27,133.7**	**23,009.7**	**34,377.5**	**47,045.3**	**39,657.0**	**20,066.7**	**17,276.2**	**19,398.1**	**12,427.8**
External Financing										
rnal Financing - Concessional Loans (e. WB, AfDB)	0.0	0.0	0.0	0.0	0.0	20.0	10.0	0.0	0.0	0.0
External Financing - Bilateral Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other External Financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
External Financing (US$' Million)	**0.0**	**00**	**0.0**	**0.0**	**0.0**	**20.0**	**10.0**	**0.0**	**0.0**	**0.0**
otal Gross Borrowing Requirements (NGN' Million)	**10,838.3**	**27,133.7**	**23,009.7**	**34,377.5**	**47,045.3**	**67657.0**	**34,066.70**	**17,276.2**	**19,398.1**	**12,427.8**

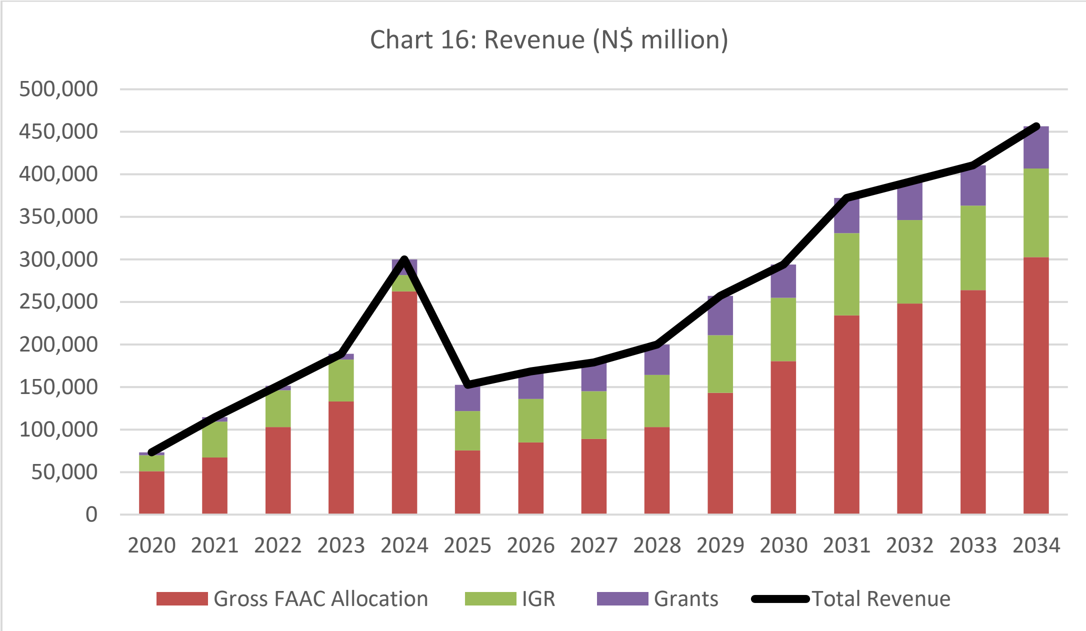
Planned Borrowing

4.3.1 DSA Simulation Results

Revenue, expenditure, overall and primary balance over the long-term.

Revenue is expected to grow during the projected period, driven largely by expected improvement in FAAC allocation and Internally Generated Revenue (IGR) over the projection period, the Revenue projected to grow from N152,662 million in 2025, N257,328 million 2029 and N456,523 million in 2034, respectively.

The FAAC allocation is estimated to increase from N75,514 million in 2024 to N263,975 million in 2033. Similarly, the IGR projected to increase from N19,160 million in 2024 to N104,083 million in 2034, and Grants projected at N30,886 million in 2025, N 34,052million in 2027, N46,314 million in 2029, N41,391 million in 2031, and N49,740 million in 2034, respectively. The grant was based on singed agreements with the following a. Capital Domestic Aids b. Domestic Grants c. Global Education Grants (World Bank - BESDA Project) d. Basic Healthcare Provision Fund Receipts - estimated at N21.41 billion f. Foreign Grants g. UNICEF Primary Healthcare Grants h. Sasakawa Global Agricultural Grants i. Global Alliance for Vaccine (GAVI) Fund Grants - projected to N13.20 billion.



Expenditure projected to grow by N219,997 million to N649,486 million over the projection period with Capital expenditure having the largest share over the estimated period. indicating stability in the state growth recovery. The growth in the period is predicated on sustaining effective implementation of the new laws. Government is expected to continue its fiscal strategy of directing resources to the most productive and growth-enhancing sectors, including Agriculture, Infrastructure, Manufacturing, Housing and Construction, Education, Health and Water Resources within the period.

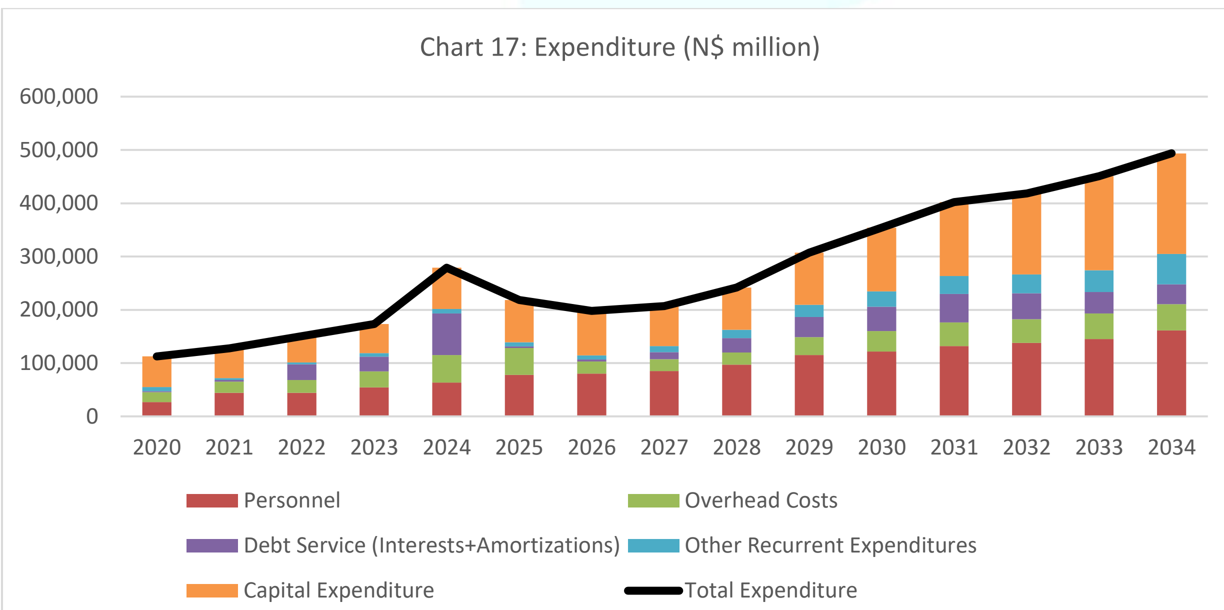
Personnel cost - The State is determined to sustain the trend to reduce personnel cost. It is anticipated that the number of political office holders will also be reduced, and the personnel cost is projected to increase from N78,000 million in 2025, N121,500 million in 2030, and N161,000 million in 2034 respectively.

Overheads – overhead costs estimated to increase from N50,000 million in 2025, N22,746 million in 2028, N44,144 million in 2031 and N49,442 million in 2034 respectively, the increase was due expectation from the substantive recorded in the past five years not until 2031 that it is projected to start declining.

Total Debt Service – is based on the projected principal and interest repayments over the projection period. Hence, an own value has been used anticipating that public debt charge will increase significantly over the years due to the projected level of borrowing.

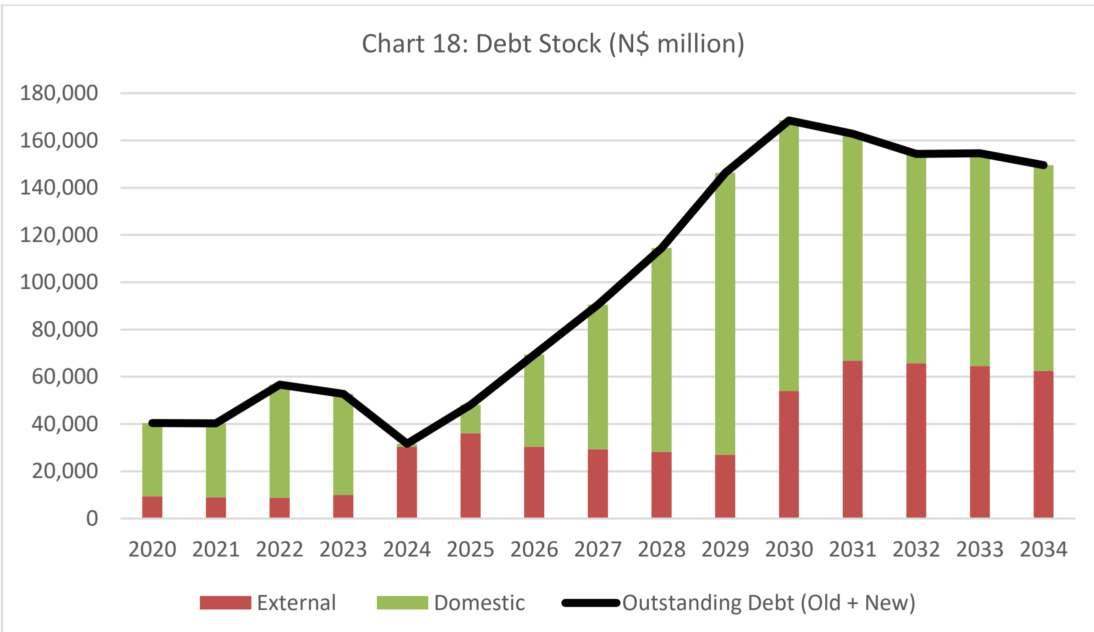
Other Recurrent Expenditures – other recurrent expenditure comprises Social Contribution and Social Benefits – Pensions and gratuity payments is expected to grow over the years. Other recurrent expenditure projected to N7,865 million in 2025, N22,691 million in 2029 and N40,497 million in 2033 respectively.

Capital Expenditure – capital expenditure projected at N77,451 million in 2025, N83,799 million in 2026, N75,075 million in 2027, N79,266 million in 2028, N98,011 million in 2029, N119,005 million in 2030, N138,702 million in 2031, N151,847 million in 2032, N176,996 million in 2033 and N188,555 million in 203, respectively.

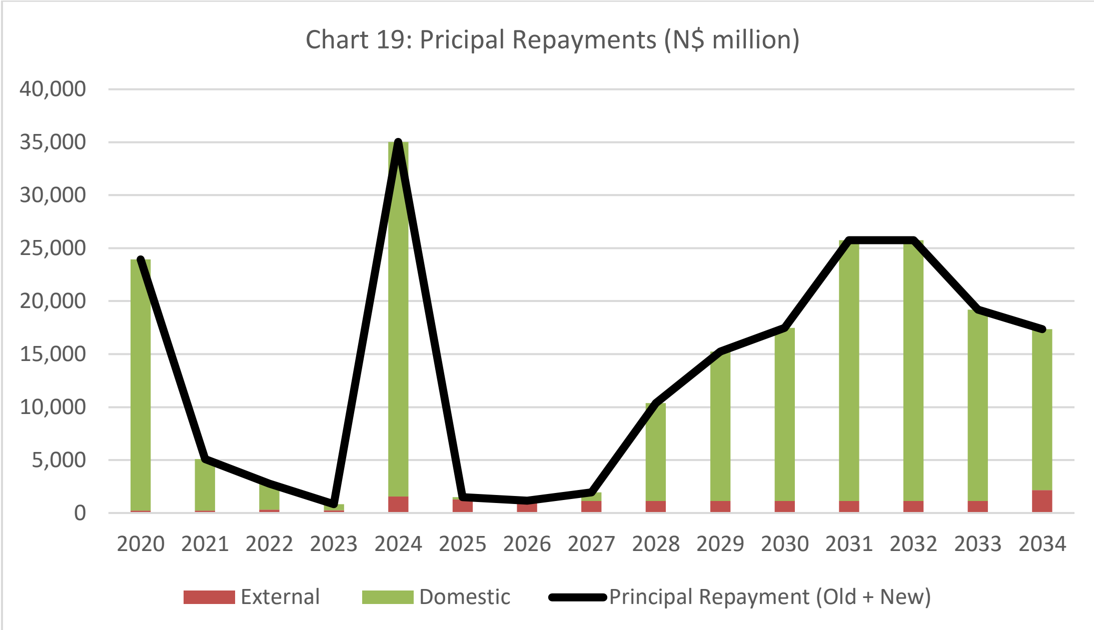


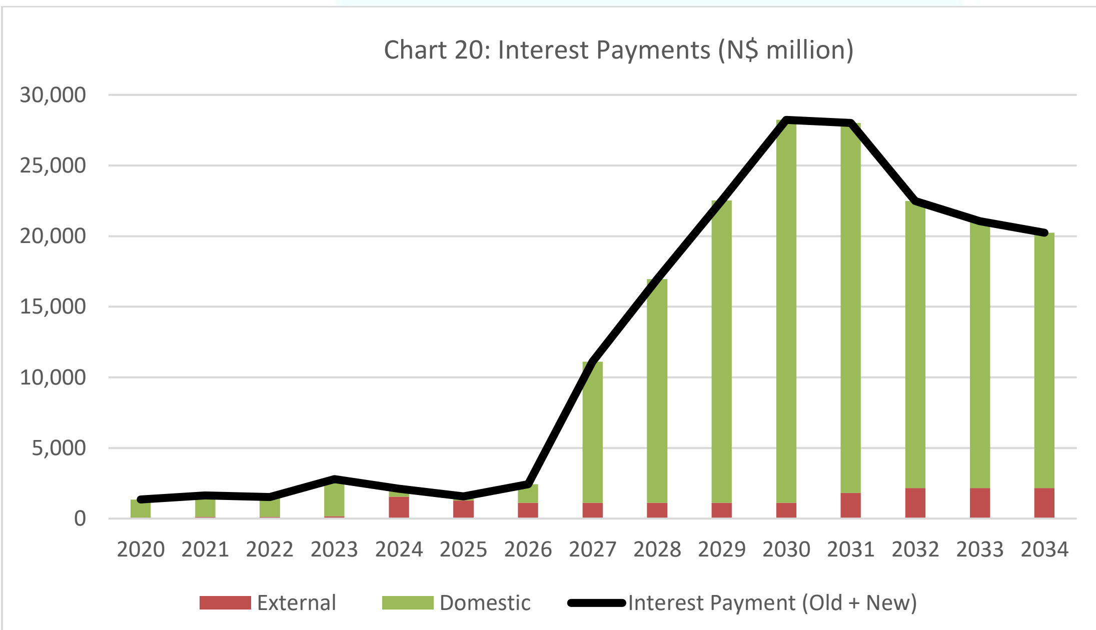
Gross Financing Needs (GFN) - is the sum of budget deficits and funds required to roll over debt that matures over the year. The GFN for Jigawa State 2024-2027 estimate at N8,937.34 million in 2024, N27,504 million in 2024, N278,490 million in 2026 and N129,629 respectively. The gross financing needs over the projection period of 2023 - 2033 is estimated at an average of N130,925.29 million. The fiscal deficit projection beyond the MTEF period is hinged on the anticipated improvement on the revenue due to the various initiatives and reforms by Government, as well as efficiency and quality of spending.

Debt Stock projected to N48,082 million in 2025, N90,528 million in 2027, N146,316 million in 2029, N162,820 million in 2031, N1,49,617 million in 2034, respectively.



The debt service comprises principal repayment and interest payment, the debt service was projected at N43,062 million in 2025, 13,055 million in 2027, 27,330 million in 2028, N37,792 million in 2029, N53,971 million in 2030, N53,763 million in 2031, N48,228 million in 2032, N40,262 million in 2033, and N37,604 million in 2034, respectively.





Main Key Findings

On the Total Debt Sustainability Analysis, the results show that the ratio of Debt to revenue remains below its indicative threshold under the Baseline scenario. Except for Revenue and Expenditure shocks that breached the threshold at around 2029, other shock scenarios remain positive. This indicates the state is likely at the risk debt distress over the projection period provided revenue and expenditure are kept under watch.

2024 DSA exercise shows that there is substantial Space to Borrow based on the state's current revenue profile. Meanwhile, the ratios of Debt Service to Revenue and Personnel Cost to Revenue trends remains under the threshold over the projection period from 2024 to 2034, with the strongminded efforts by the State Government through its various initiatives and reforms in the key sectors of the economy.

The ratio of Debt to GDP projected to 3.10 percent in 2024, 5.26 percent in 2026, 8.54 percent in 2028, 11.70 percent in 2030, 16.67 percent in 2033 respectively. Jigawa State would remain under the threshold for Debt to SGDP ratio for 25 percent over the projection period.

The revenue-based indicators show that the Debt to Revenue projected at 80 percent in 2024, 160.80 percent in 2027, 300.27 percent in 2029, 452.92 percent in 2030, and 786.71 percent in 2033, respectively and were still below the threshold of 200 percent.

The outcomes of Debt Service to Revenue estimates the ratios at 3.56 percent in 2024, 56.49 percent in 2027, 105.94 percent in 2030 and 167.85 percent in 2033 respectively, as against the threshold of 216.66 percent to the end of the projection period in the medium to long term.

The Personnel Cost to Revenue remained under state threshold of 60 percent from 60.65percent in 2024, 59.47 percent in 2027, 53.18 percent in 2030 and 51.68 percent in 2033 respectively. Thus, Jigawa State Debt remained sustainable on the revenue and debt indicators.

Debt Service to Gross FAAC Allocation projected at 43.76, Interest to Revenue at 11.25 percent in 2032 and External Debt Service to Revenue at 1.26 percent at the end of projected period of 2032.

Jigawa State Debt burden indicators

	Threshold	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Debt as % of SGDP	25	1.24	1.57	1.78	1.94	2.23	2.31	2.00	1.71	1.54	1.34
Debt as % of Revenue	200	31.50	41.29	50.58	57.24	56.86	57.28	43.75	39.44	37.65	32.77
Debt Service as % of Revenue	40	2.01	2.14	7.29	13.66	14.69	15.54	14.45	12.32	9.81	8.24
Personnel Cost as % of Revenue	60	51.09	47.54	47.49	48.48	44.69	41.30	35.47	35.26	35.32	35.27
Debt Service as a share of Gross FAAC Allocation		0.66	1.60	12.16	24.42	24.81	24.12	21.70	18.12	14.01	11.00
Interest as a share of Revenue		1.03	1.60	7.73	11.02	11.77	13.36	11.37	10.32	10.60	10.48
External Debt Service as a share of Revenue		1.68	1.33	1.25	1.12	0.87	0.76	0.79	0.84	0.80	0.95
Gross Financing Needs as a share of SGDP		1.68	1.33	1.25	1.12	0.87	0.76	0.79	0.84	0.80	0.95
Overall, Balance as a		-1.70	-0.67	-0.55	-0.71	-0.76	-0.82	-0.36	-0.30	-0.40	-0.33

share of SGDP											
Primary Balance as a share of SGDP		-1.66	-0.62	-0.33	-0.42	-0.42	-0.43	-0.02	-0.05	-0.19	-0.15
Revenue as a share of SGDP		3.95	3.80	3.51	3.39	3.92	4.02	4.58	4.33	4.08	4.08
Expenditures as a share of SGDP		5.65	4.47	4.06	4.10	4.68	4.84	4.94	4.62	4.48	4.41

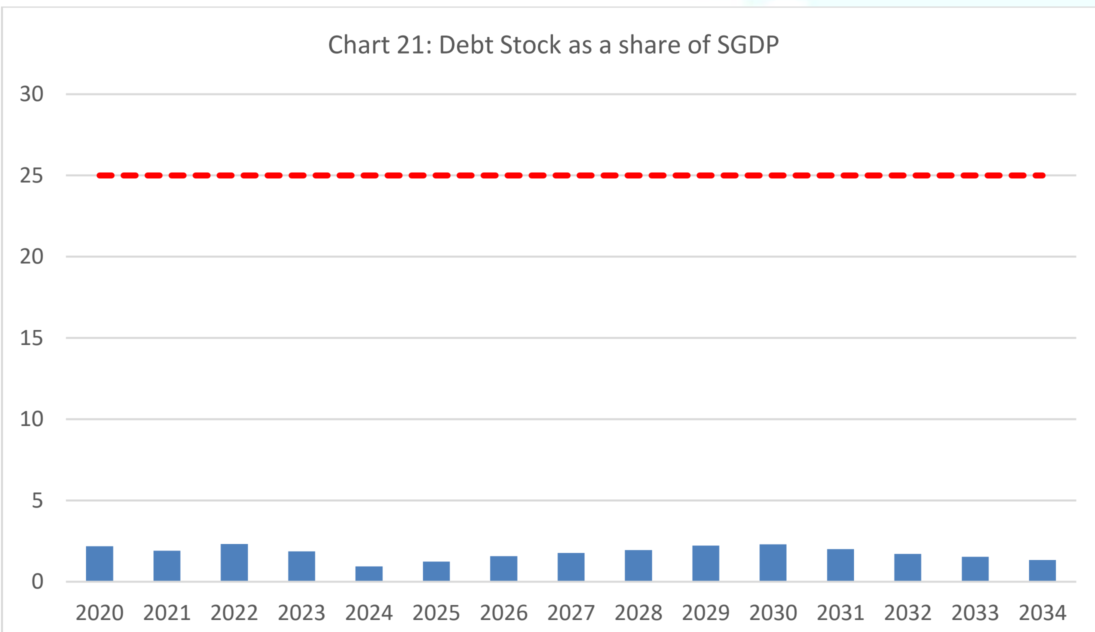


Chart 21: Debt Stock as a share of SGDP

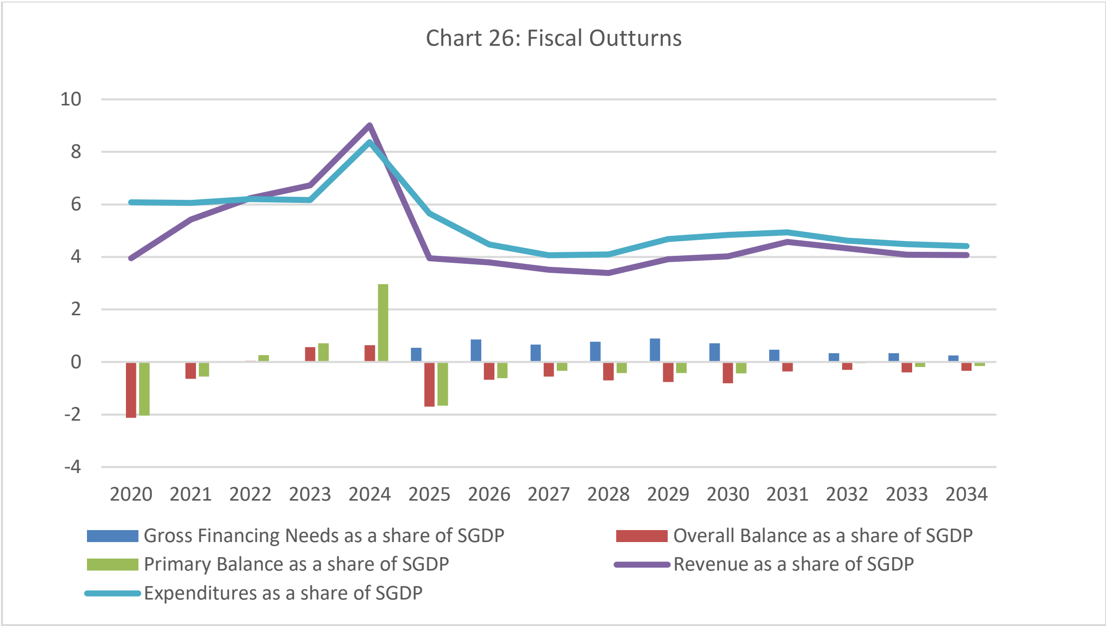


Chart 26: Fiscal Outturns
10
8
6
4
2
0
-2
-4
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
Gross Financing Needs as a share of SGDP
Overall Balance as a share of SGDP
Primary Balance as a share of SGDP
Revenue as a share of SGDP
Expenditures as a share of SGDP

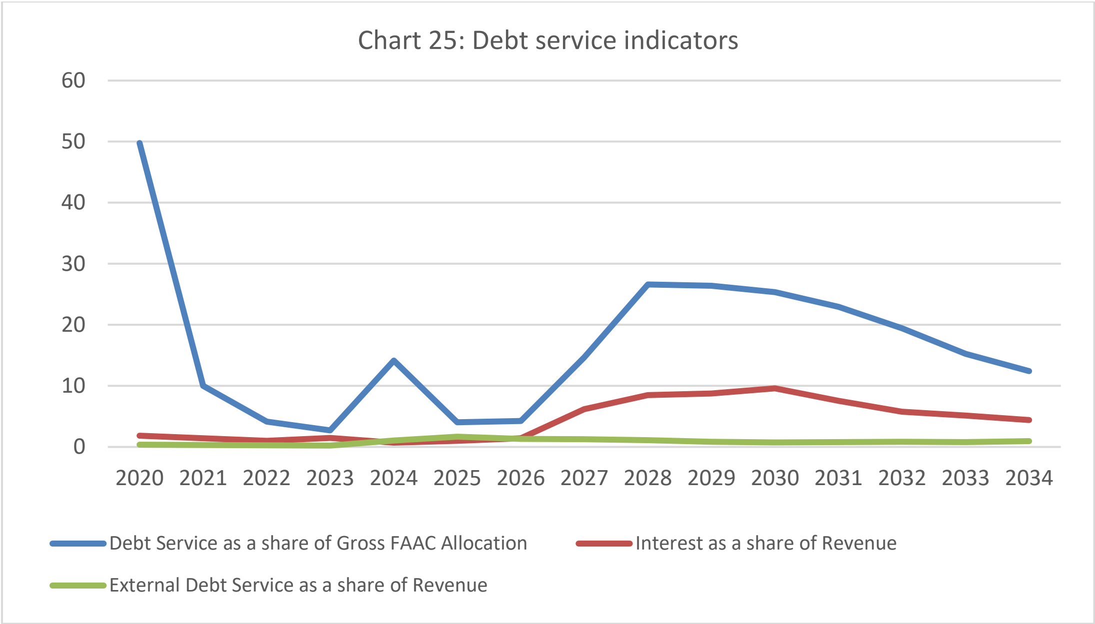


Chart 25: Debt service indicators
60
50
40
30
20
10
0
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
Debt Service as a share of Gross FAAC Allocation
Interest as a share of Revenue
External Debt Service as a share of Revenue

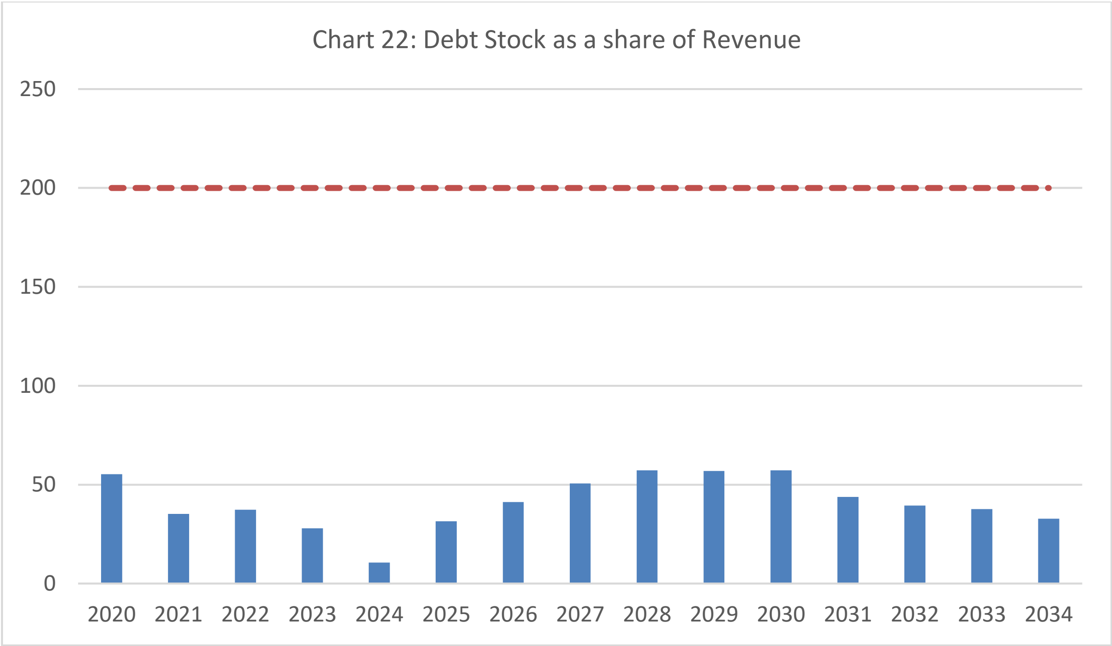


Chart 22: Debt Stock as a share of Revenue
250
200
150
100
50
0
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034

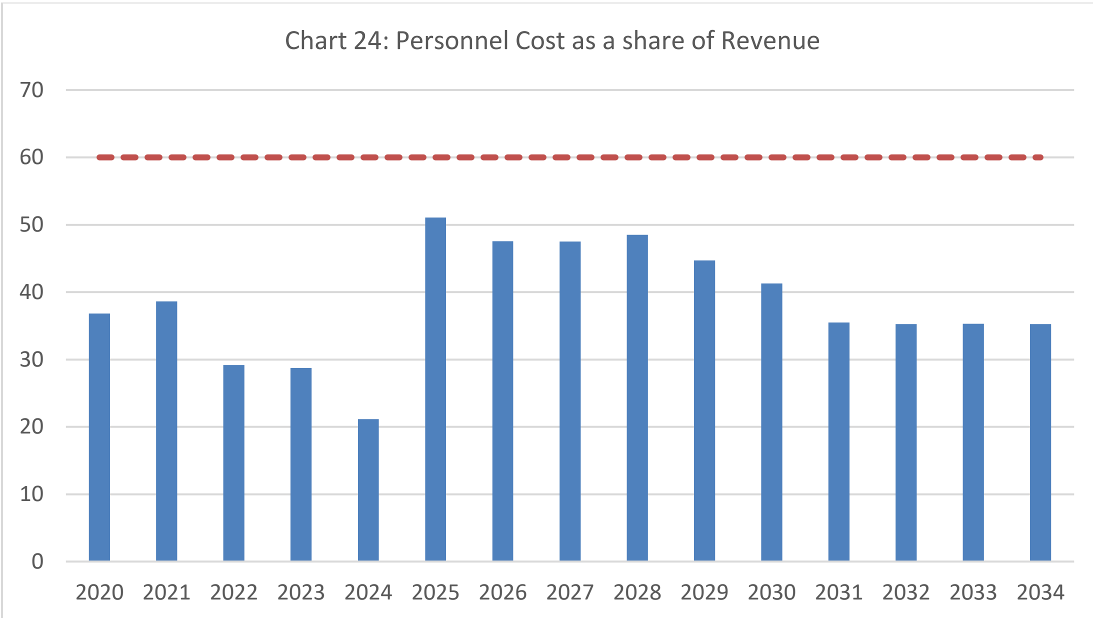


Chart 24: Personnel Cost as a share of Revenue
70
60
50
40
30
20
10
0
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034

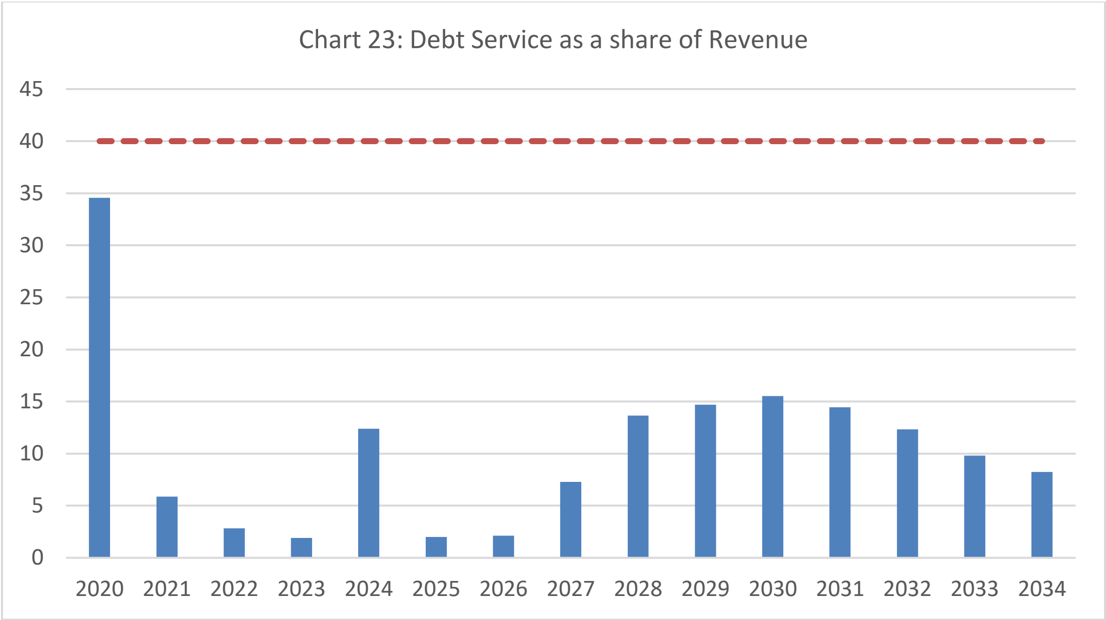


Chart 23: Debt Service as a share of Revenue
45
40
35
30
25
20
15
10
5
0
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034

Conclusion

The outcome of the 2025 DSA revealed that Jigawa's Total Debt remains at moderate Risk because some debt indicators are below the threshold while some are above.

4.3.2 DSA Sensitivity Analysis

Jigawa State, 2025 DSA analysis remains at low risk of debt distress under sensitivity analysis. The State DSA analysis shows deteriorating levels at the latter years of the projection period relating to revenue shocks and expenditure shocks that would lead to increase Gross Financing Needs over the projection period. The exchange rate shocks and interest rate shocks remain positive while and historical shock is not under consideration. There is an urgent need for the authorities to fast-track efforts aimed at further diversifying the sources of revenue away from crude oil (FAAC), as well as implement far-reaching policies that will bolster IGR into the state. This has become critical, given the continued volatility in the FAAC allocation.

In line with the projections, the Jigawa State 2025 DSA remains sustainable of course with strict adherence to prudent debt management as well as fiscal discipline. With the provisions of law guiding domestic and international borrowing by Fiscal Responsibility Act, and Debt Management, the Government is positioned for prudent debt management and fiscal discipline in order to be able to honor its future financial obligations. Fiscal policies guiding Cash Management and IGR is expected to consolidate on the gains of the State achievements.

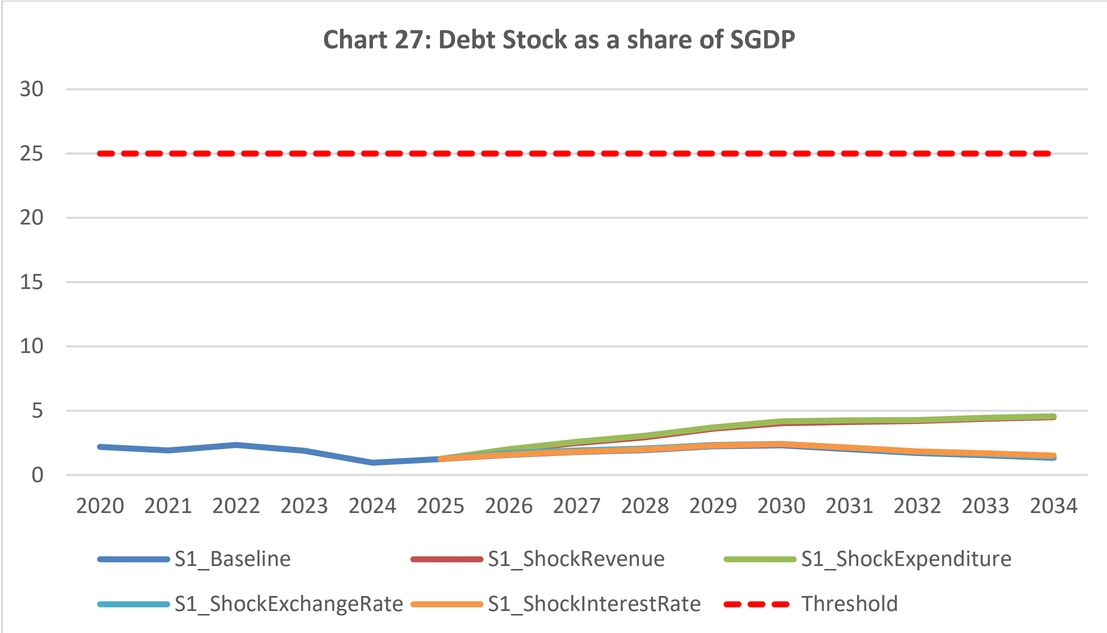


Chart 27: Debt Stock as a share of SGDP
30
25
20
15
10
5
0
2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034
S1_Baseline
S1_ShockRevenue
S1_ShockExpenditure
S1_ShockExchangeRate
S1_ShockInterestRate
Threshold

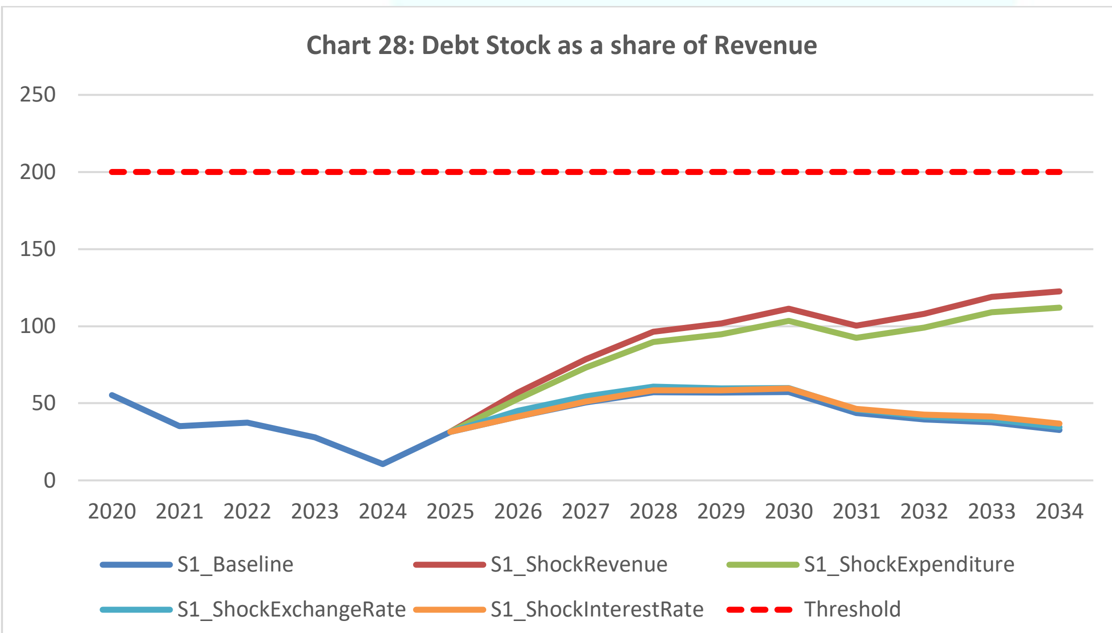


Chart 28: Debt Stock as a share of Revenue
250
200
150
100
50
0
2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034
S1_Baseline
S1_ShockRevenue
S1_ShockExpenditure
S1_ShockExchangeRate
S1_ShockInterestRate
Threshold

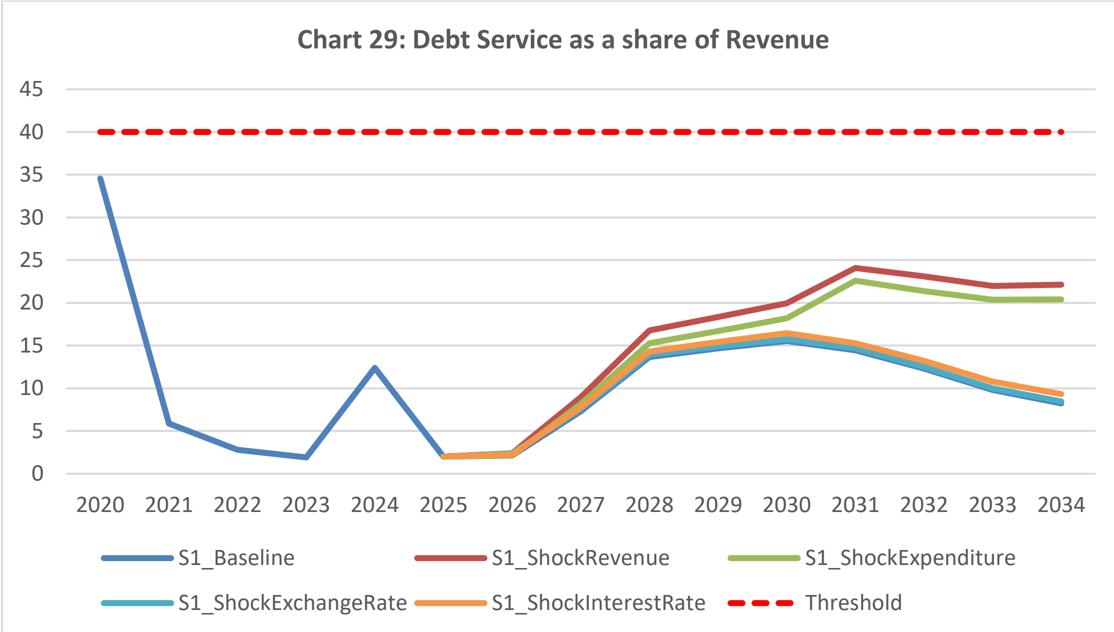


Chart 29: Debt Service as a share of Revenue
45
40
35
30
25
20
15
10
5
0
2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034
S1_Baseline
S1_ShockRevenue
S1_ShockExpenditure
S1_ShockExchangeRate
S1_ShockInterestRate
Threshold

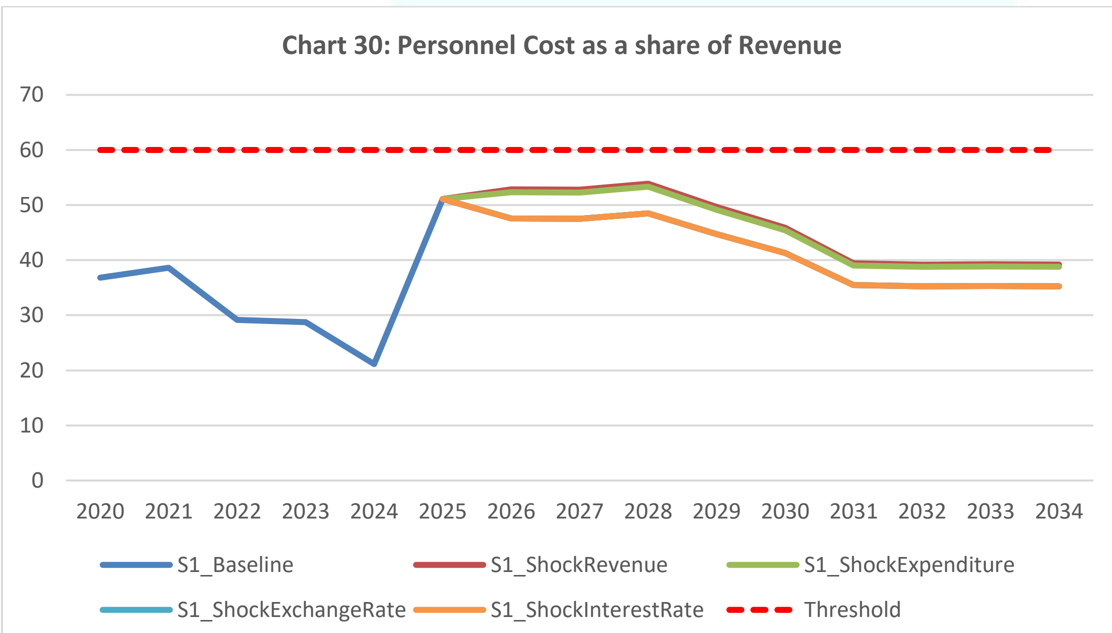


Chart 30: Personnel Cost as a share of Revenue
70
60
50
40
30
20
10
0
2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034
S1_Baseline
S1_ShockRevenue
S1_ShockExpenditure
S1_ShockExchangeRate
S1_ShockInterestRate
Threshold

Chapter 5: Debt Management Strategy

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

The Debt Management Strategy provides alternative strategies to meet the financing requirements for Jigawa. The strategies are shown by the breakdown of funding mix (domestic debt and external debt) and within the broad categories of domestic and external, the share of each stylized instrument has also been illustrated. Following four strategies are assessed by the government. The Jigawa's Debt Management Strategy, 2026-2028, analyses the debt management strategies outcomes of the three debt management performance indicators namely Debt Stock to Revenue, Debt Services to Revenue and Interest to Revenue. The cost is measured by the expected value of a performance indicator in 2029, as projected in the baseline scenario. Risk is measured by the deviation from the expected value in 2029 caused by an un-expected shock, as projected in the most adverse scenario.

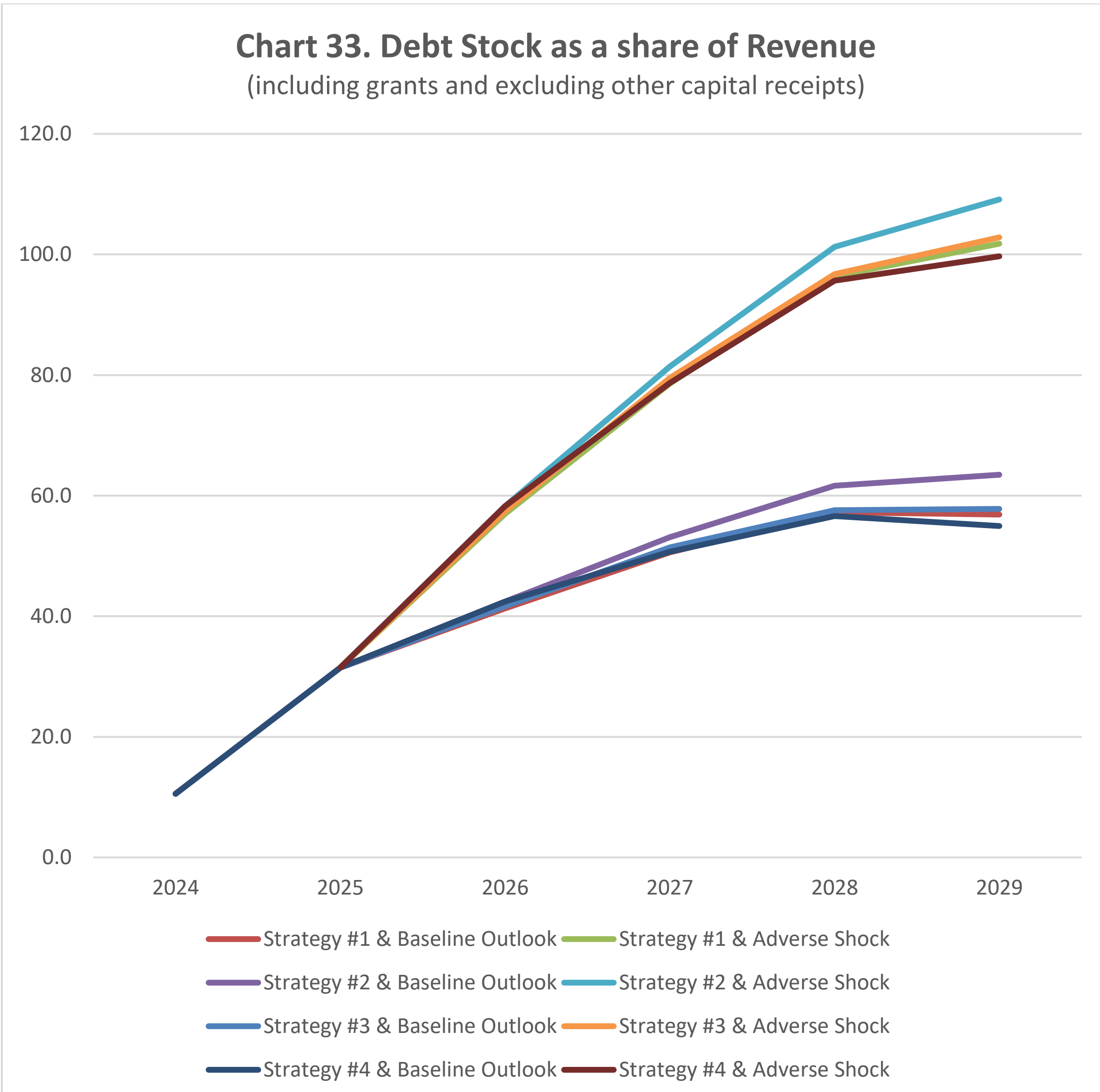
5.1 DMS Simulation Results

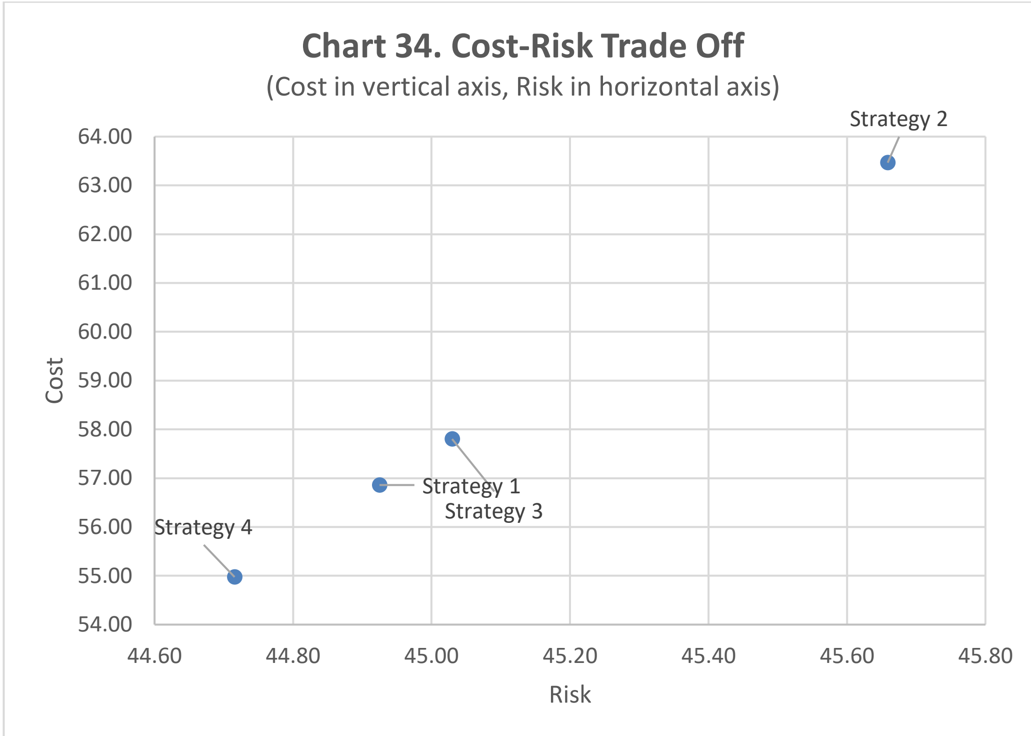
Analysis of strategies & outcomes of the analysis. The cost risk trade off charts illustrates the performance of the alternative strategies with respect to four debt burden indicators.

a. Debt as a share Revenue:

- Strategy 1 shows the Cost ratio of Debt to Revenue estimated at 56.9 percent in 2029, as against Strategy 4 (55 percent), Strategy 3 (57.8 percent) and Strategy 2 (63.5 percent), over the DMS period of 2029, compared with the Risks measured of Strategy 4 (44.5 percent), Strategy 3 (45 percent), Strategy 2 (45.7 percent) and Strategy 1 (44.9 percent), respectively.

- Analysis using this debt indicator of debt to revenue shows that S4 is the least costly and riskiest at 55 & 44.7 percent compared to S 1 (56.9 percent and 44.9 percent), S 3 (57.8 percent and 45 percent), and S 2 (63.5 percent and 45.7 percent), over the DMS period of 2025-2029.





Debt Service as a share of Revenue:

- Strategy 4 is the least costly and riskiest with regards Debt Service to revenues, which projected at 13.5 percent and 3.5 percent, Strategy 1 (14.7 percent and 3.7 percent) Strategy 3 (15.6 percent and 3.8 percent) and Strategy 2 (17.8 percent and 4 percent) and with moderate costs and risks, as at end of the strategic period of 2028.

- The analysis shows that Strategy 4 yield the lowest costs and risks due to high external financing assumed in the Strategy, as the external debt service terms requirement has low interest rate, longer maturity, and grace period in concessional external financing. Compared to Strategy 1, Strategy 2 and Strategy 3.

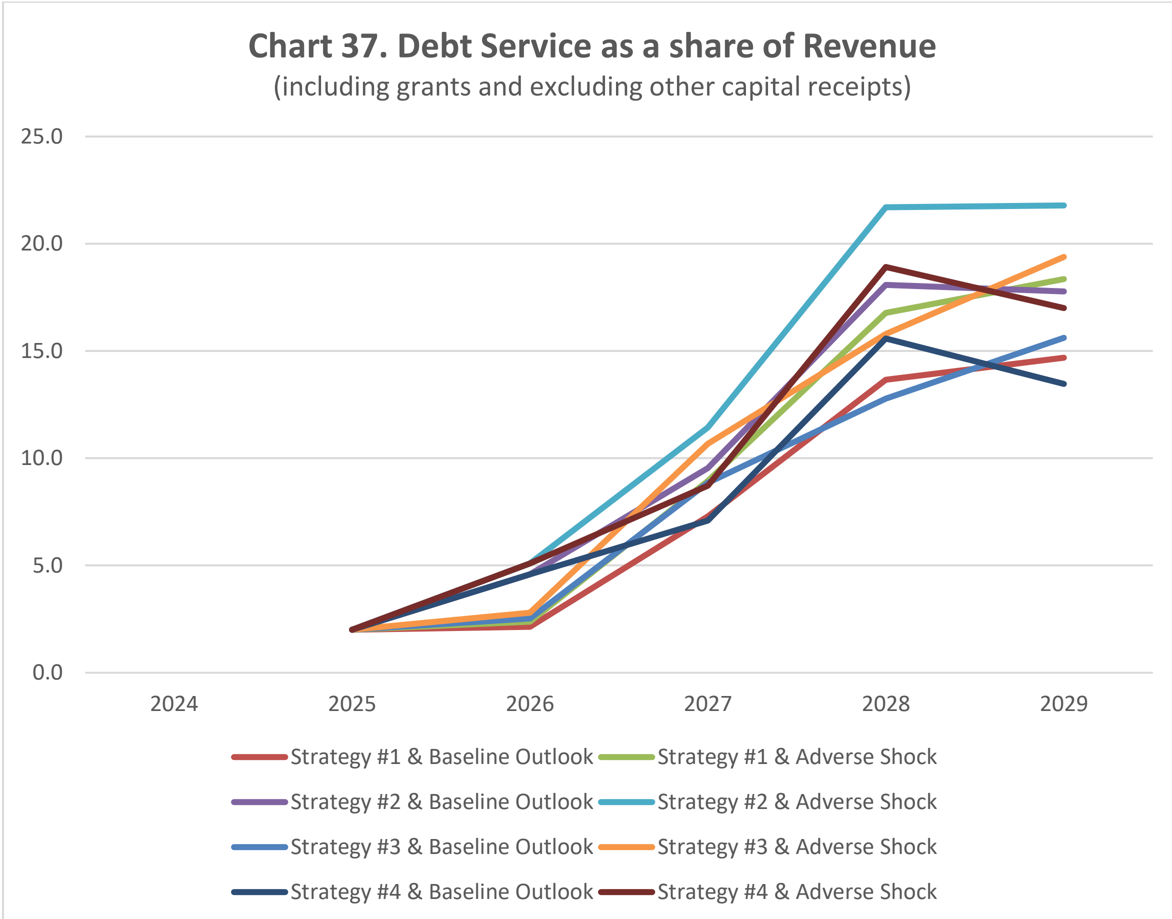
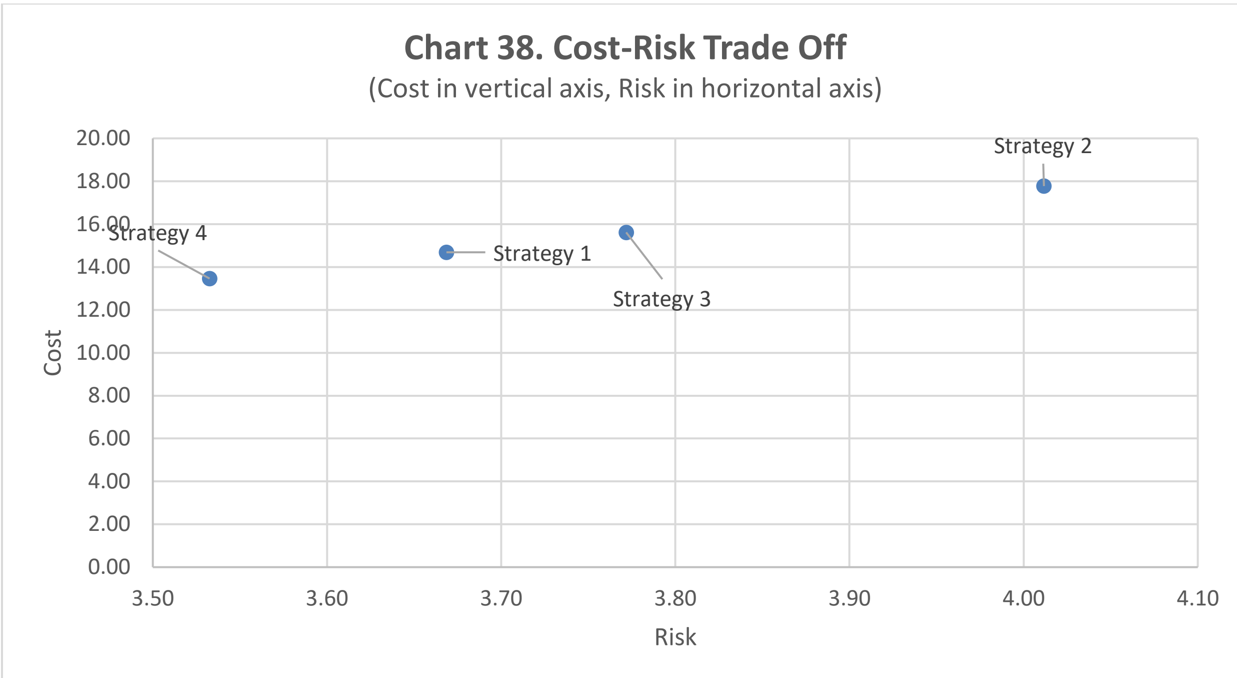


Chart 37. Debt Service as a share of Revenue
(including grants and excluding other capital receipts)
25.0
20.0
15.0
10.0
5.0
0.0
2024
2025
2026
2027
2028
2029
Strategy #1 & Baseline Outlook
Strategy #1 & Adverse Shock
Strategy #2 & Baseline Outlook
Strategy #2 & Adverse Shock
Strategy #3 & Baseline Outlook
Strategy #3 & Adverse Shock
Strategy #4 & Baseline Outlook
Strategy #4 & Adverse Shock



b. Interest as a share of Revenue

- S4 is the least costly with regards Interest to revenue, which projected cost at 7.4 percent, Strategy 1 at 8.8 percent, S3 at 9.4 percent and S1 at 11.9 percent.

- Strategy 4 equally has the lowest risk at 2.9 percent, Compare to S1, S3 and S2 that estimated at 30 percent, 31 percent and 34 percent, as at end of the strategic period of 2029.

- The analysis shows that S2 yield the lowest cost and highest risk of 26.1 percent and 62.3 percent compared with Strategy 4 as the most costly and risky strategy as this concentrated on Commercial Bank Loans over the DMS period of 2025-2029.

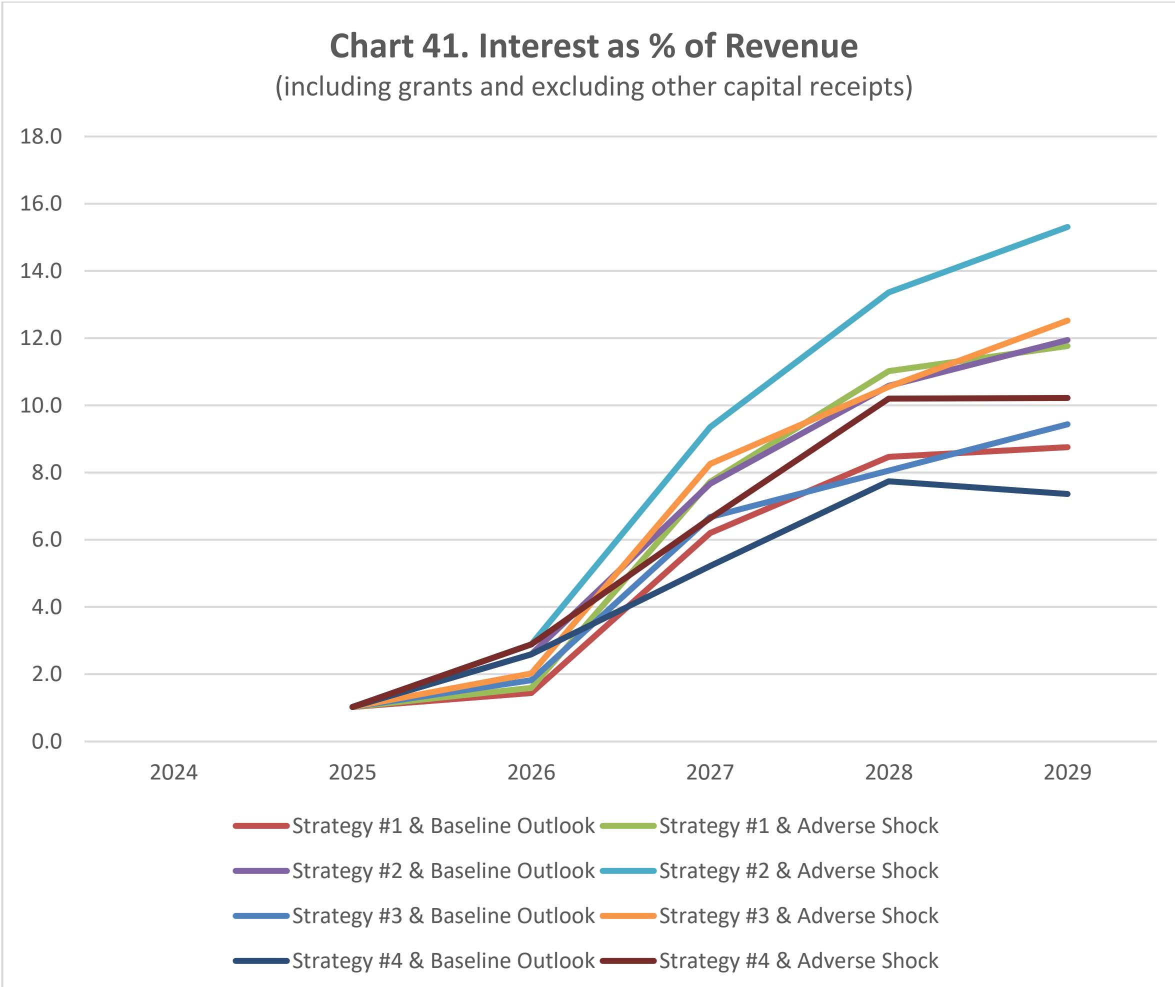
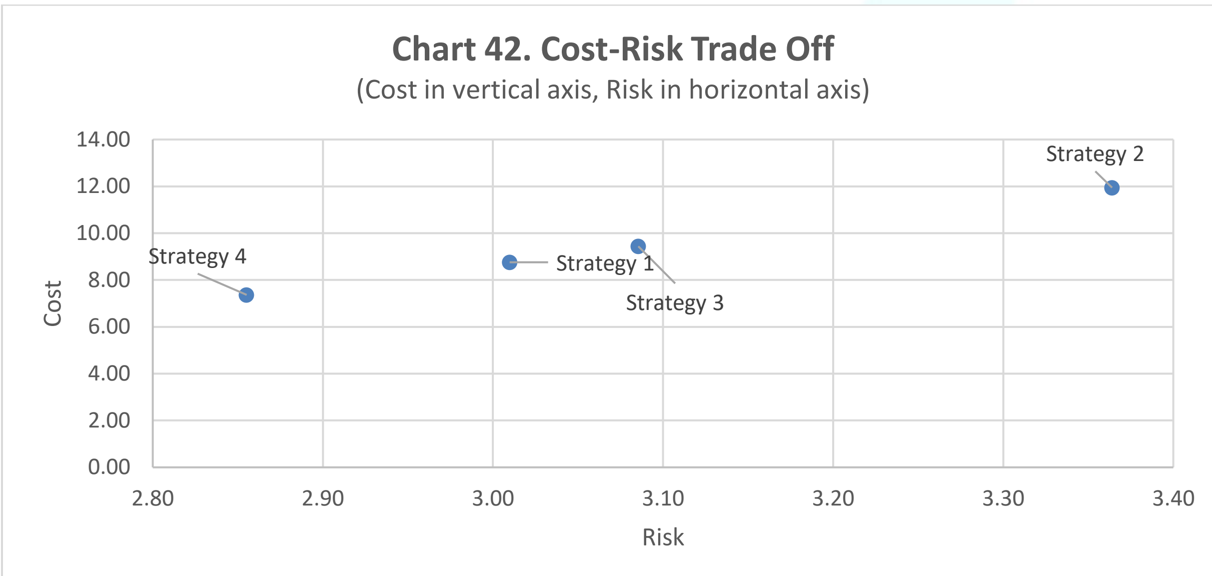


Chart 41. Interest as % of Revenue
(including grants and excluding other capital receipts)
18.0
16.0
14.0
12.0
10.0
8.0
6.0
4.0
2.0
0.0
2024
2025
2026
2027
2028
2029
Strategy #1 & Baseline Outlook
Strategy #1 & Adverse Shock
Strategy #2 & Baseline Outlook
Strategy #2 & Adverse Shock
Strategy #3 & Baseline Outlook
Strategy #3 & Adverse Shock
Strategy #4 & Baseline Outlook
Strategy #4 & Adverse Shock



5.2 DMS Assessment

The preferred strategy was not solely based on the Analytical Tool assessment of all four strategies but took into consideration the ability to implement the chosen strategy successfully in the medium-term. Although

the Analytical Tool's results of cost and risk would suggest that the recommended strategy be S4 being the Strategy with the Lowest Cost and Risk for all the analyzed performance indicators but it is not implementable due to the constraints placed on External Financing. Therefore, ***it is considered that S4 is the most feasible of the strategies to implement in the short-term and it would still greatly improve the portfolio's debt position relative to the base year 2025.***

In comparison to the current debt position, Jigawa State debt portfolio stood at N31,671.00 million in 2024, which expected an increase to N146,976.49 million under S1 in 2029, compared to S2 (N163,314.20 million), S3 (N148,743.41 million), and S4 (N141,467.83 million). In addition to this, the cost/risk trade-offs are considered, using the debt to GDP, debt to revenue, debt service to GDP, debt service to revenue, interest to GDP and interest payment to GDP ratios, S1 is selected as the preferred strategy for the 2025 -2029. 31,671.00

The Debt Management Strategy, 2025-2029 represents a robust framework for prudent debt management, as it provides a systematic approach to decision making on the appropriate composition of external and domestic borrowing to finance the 2025 budget. The cost-risk trade-off of alternative borrowing strategies under the DMS has been evaluated within the medium-term context.

Annex I: Baseline Assumptions

Statutory Allocations – Statutory Allocation – The Elasticity base forecasting method was used because of its dependence upon minerals and other macroeconomic parameters.

VAT – VAT – The Elasticity base forecasting method was used because of its dependence upon nonminerals and other macroeconomic parameters.

Other Federation Account Distributions – Other Federation Account receipts – Owing value is used because of its unpredictable nature.

Internally Generated Revenue (IGR) – Internally Generated Revenue (IGR) – Owing value is also used due to considering of combination of some factors such as actual collection trend of previous and current year, economic activities in the State, etc.

Grants – Grants – This was estimated base on the expectation of the implementation MDAs. The MDAs have full understanding of the expected grants and have the idea of what they have received as drawdowns and what are outstanding..

Financing (Net Loans) – Financing – This is arrived at by considering the magnitude of agreed loans to be drawn, how much was drawdown (if any) and expected amount to be reflected in the fiscal year.

Personnel – Personnel – Owing value is used taking into cognizance the actual expenditure and the projected amount to be end of the year, net of retirement and other exit, plus expected amount for new recruitments, promotions and yearly increments.

Overheads – Overheads – Owing value is used dependent on the other considerations apart from day-to-day running expenses, like implementation of some policies of government which are based on overhead costs, like payment of external examinations, school feeding, etc. Others include implementation of some capital projects which have overhead cost implications.

Capital Expenditure – Capital Expenditure – Owing value is used with consideration of expenditure trends of some projects that are ongoing and existing. Government directives are also considered.

Assumptions:			
Economic activity	State GDP (at current prices)	Jigawa State GDP projections is based on Projections by DMO and World Bank Figures provided in Annex 1 of the Guidance note and Control Sheet of this template for the	Debt Management Office, Abuja
Revenue	**Revenue**		
	1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT Allocation he	Statutory Allocation –Due to the Volatile nature of this Source and also considering the current situation, a 3 year moving average (MA 3 Year Simple) Forcasting method i	DSA Team, Ministry of Finance and Economic Development. Ekiti State
	1.a. of which Net Statutory Allocation ('net' means of deductions)	After deductions, the net allocation mirrored the gross figures, as no deductions were reported during the period under review.	DSA Team, Ministry of Finance and Economic Development. Ekiti State
	1.b. of which Deductions	After deductions, the net allocation mirrored the gross figures, as no deductions were reported during the period under review.	DSA Team, Ministry of Finance and Economic Development. Ekiti State
	2. Derivation (if applicable to the State)	Jigawa State is not among the Oil Producing States as such assumption is not applicable	
	3. Other FAAC transfers (exchange rate gain, augmentation, others)	Other Federation Account Distributions – the estimation is based on the current receipt using own value forecast 2025-2027 as the projection is not dependent on other v	DSA Team, Ministry of Finance and Economic Development. Ekiti State
	4. VAT Allocation	VAT - The Elasticity based forecasting method was used because of its dependence upon nonminerals and other macroeconomic parameters. The estimate for 2025-2027	DSA Team, Ministry of Finance and Economic Development. Ekiti State
	5. IGR	Internally Generatd Revenue (IGR) – the estimation is own value which is calculated based on the current growth rate marked up slightly to factor the current administrati	DSA Team, Ministry of Finance and Economic Development. Ekiti State
	6. Capital Receipts		
	6.a. Grants	Grants – The internal grants are based on the actual receipts for 2024 and performance from January to June 2025. External grants are based on signed grant agreements	DSA Team, Ministry of Finance and Economic Development. Ekiti State
	6.b. Sales of Government Assets and Privatization Proceeds	The Jigawa State MTEF 2025 -2027 under fiscal strategy and assumptions have no provision for Sales of Government Assets and Privatisation proceeds that is why there is neither actual nor projections for these category of capital receipts.	
	6.c. Other Non-Debt Creating Capital Receipts	The Jigawa State MTEF 2025 -2027 under fiscal strategy and assumptions have no provision for other Non-Creating Capital Receipts that is why there is neither actual nor projections for these category of capital receipts.	
Expenditure	**Expenditure**		
	1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	Personnel – Own value is used taking into cognizance the actual expenditure and the projected amount to be at the end of the year, net of retirement and other exit, plus the increased amount as a result of the new minimum wage policy and appointment of public service holders.	DSA Team, Ministry of Finance and Economic Development. Ekiti State
	2. Overhead costs	Overheads – Owing value is used dependent on the other considerations apart from day-to-day running expenses, like implementation of some policies of government wh	DSA Team, Ministry of Finance and Economic Development. Ekiti State
	3. Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)	Consolidated Revenue Fund Charges - This includes public debt charges (which is external debt servicing) which is changing in the medium term. The estimation is own value determined based on the debt servicing costs (principal and interest repayment) for 2023-2025	
	4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)	Consolidated Revenue Fund Charges - This includes public debt charges (which is external debt servicing) which is changing in the medium term. The estimation is own valu	DSA Team, Ministry of Finance and Economic Development. Ekiti State
	5. Capital Expenditure	Capital Expenditure – estimate is based on the balance from the recurrent account plus capital receipts net of planning and contingency reserve. The estimation is made with due regard to existing commitments, completion and commissioning of ongoing projects for the benefit of the people.	
Closing Cash and Bank Balance	**Closing Cash and Bank Balance**	The Closing Cash and Bank Balance of the Projected peroiod 2025 - 2034, Is Premised on five year moving average of the historic years of 2020 to 2024 then Extrpolated to 2034 end of projections.	
Debt Amotization and Interest Payments	**Debt Outstanding at end-2024**		
	External Debt - amortization and interest	Consolidated Revenue Fund Charges - This includes public debt charges (which is external debt servicing) which is changing in the medium term. The estimation is owing value determined based on the debt servicing costs (principal and interest repayment) for 2025-2027. Jigawa State External Debt are mainly from world Bank at provided single digit interest rate while some debt are concessional, the average period is 30 Years.	
	Domestic Debt - amortization and interest	Consolidated Revenue Fund Charges - This includes public debt charges (which is external debt servicing) which is changing in the medium term. The estimation is own value determined based on the debt servicing costs (principal and interest repayment) for 2024-2026.	
	New debt issued/contracted from 2025 onwards		
	New External Financing		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	Under this form of loan, the state planned to borrow $30 Million at 2.475% Concessional Interest Rate at maturity period of 30years and grace period of 3years. The decision for planning to borrow externally only in strategy 1 out of the 4 strategies is because of the high risk of external loans exchage rate fluctuations which eventually tends to inflate the debt servicing as in 2024. Also accessing external loan is full of administrative bottle necks and conditions.	
	External Financing - Bilateral Loans	The State Government is planning to Borrow Esternally only in strategy 3 amounting $297.00 million in the projection period 2025 to 2034 at as Bilateral interest rate of 3% with 20 years maturity period and 5 years grace period	
	Other External Financing	The State has no plan in all the 2,3 and 4 strategies to borrow from other external financing due to anonimity nature of the loan, riskiness and difficulties	
	New Domestic Financing		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MS	For commercial bank loans, those with a maturity of 1 to 5 years all the 4 strategies planned to borrow from it because it is easy to access despite the fact that it is at a 30% interest rate.	
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, an	For loans with a maturity of 6 years or longer, also in all the 4 strategies there were plans to borrow even though it is at a 32% interest rate because its maturity period is long and also it is easy to access with no risk of exchange rate.	
	State Bonds (maturity 1 to 5 years)	In all the 1 and 3 Strategies there is a plan to borrow from Bonds with maturity period of 1-5 years due to its low interest rate and also low risk	
	State Bonds (maturity 6 years or longer)	Strategies 1 plan to borrowFrom the state bonds with maturity period of 6 years or longer,	
	Other Domestic Financing	The State has plan in strategies 1 to borrow from other Domestic financing due to anonimity nature of the loan.	
Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S1	**Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S1**	**Insert the Borrowing Terms for New External Debt: interest rate (%), maturity (# years) and grace period (#)**	
	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MS	The State plans to borrow a total of ₦58.3 Million at 30% interest rate with maturity period of 5 years within the projection period of 2025–2034 for Strategy S1.	
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, an	With regards to loans with a maturity of 6 years or longer, in Strategy 1 the state intends to borrow N 27.13 Million , N 20.00 Million, in year (s) 2026,2029. respectively at 32% interest rate due to ease of access and little or no risk of exchange rate fluctuation.	
	State Bonds (maturity 1 to 5 years)	In terms of state bonds, the maturity of 1 to 5 years sees Strategy 1 planning for ₦ 8.72 Billion, at a 18% interest rate	
	State Bonds (maturity 6 years or longer)	The State plans to borrow a total of ₦39.39 Billion at 20% interest rate with an average maturity period of 10 years for Strategy S1 within the projection period of 2025–2034.Because of its high maturity period and low interest rate over a long period.	
	Other Domestic Financing	The Other Domestic Financing e plans to borrow a total of ₦56.37 Billion at 12% interest rate with an average maturity period of 15 years for Strategy S1 within the projection period of 2025–2034.Because of its high maturity period and low interest rate over a long period.	
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	The plan for Concessional Loans under this strategy 1 in 2030 ₦ 20.Million, 2031 ₦ 10 Million.	
	External Financing - Bilateral Loans	No plan for Bi-Lateral Loans under strategy 1 by the State	
	Other External Financing	No plan for other domestic financing	
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 MS	The State plans to borrow ₦27.8 Million, ₦54.3 Million, ₦54.5 Million and ₦ 98.5at 30% interest rate with maturity period of 5 years in 2027, 2029, 2031 and 2034 within the projection period of 2025–2034 for Strategy S2.	
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, an	The State plans to borrow ₦31.20 Million, ₦43.90.60 Million, ₦71.8.00.00 Million, ₦88.7 Million and ₦146.1 Million at 32% interest rate with maturity period of 6 years in 2026, 2028, 2030, 2032 and 2034 respectively within the projection period of 2025–2034 for Strategy S2.	
	State Bonds (maturity 1 to 5 years)	In terms of state bonds, the maturity of 1 to 5 years sees Strategy 2 planning for N52.47 Million, ₦47.96 Million, N100.98Million, N128.200 Million, N134.34Million, N260.35 Million and N120.00 Million at a 17.17% interest rate in 2027, 2028, 2029, 2030, 2032, 2033 and 2034 respectively. They are to be borrowed sequentially in order to avoid the risk of exchange rate vatiation and also to tap the advantage of long period of repayment.	
	State Bonds (maturity 6 years or longer)	In terms of state bonds, the maturity of 1 to 6 years sees Strategy 2 planning for N28.00 Million and ₦140.00 Million at the 17% interest rate in2026 and 2031 respectively.	
	Other Domestic Financing	No plan for other domestic financing	
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	No plan for Concessional Loans under this strategy as it is the strategy that reflect the best chice of the state	
	External Financing - Bilateral Loans	No plan for Bi-Lateral Loans under strategy 1 by the State	
	Other External Financing	No plan for other domestic financing	
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 MS	The State No plans of Startery 3 to borrow from 2025-2034	
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, an	The State plans to borrow ₦27 Million, ₦32..4 Million, ₦46.3 Million, ₦48.2 and ₦69.7 Million at rate of of 32% interest rate with maturity period of 6 years in 2028, 2030, and 2034 respectively within the projection period of 2025–2034 for Strategy S3.	
	State Bonds (maturity 1 to 5 years)	In terms of state bonds, the maturity of 1 to 5 years sees Strategy 3 planning for ₦10.3 Million, N25.5.98Million, ₦49..5 Million, ₦37.5 and ₦61. Million, at rate of 18% interest rate in 2025, 2027, 2029, 2031 and 2033 respectively. They are to be borrowed sequentially in order to avoid the risk of exchange rate vatiation and also to tap the advantage of long period of repayment.	
	State Bonds (maturity 6 years or longer)	No Plant state bonds, the maturity of 1 to 6 years sees Strategy 3 planning at 20% interest rate in 2025-2034	
	Other Domestic Financing	No plan for other domestic financing interest rate 2025-2034	
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	The State Government No planning to borrow 2025-2034	
	External Financing - Bilateral Loans	The State Government No planning to borrow	
	Other External Financing	The State has no plan to borrow externally in this strategy	
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 MS	The State plans to borrow ₦10.30 Million, ₦22.40 Million, ₦43.70 Million, N29.30 Million, N45.10 Million and ₦64.30 Million at 30% interest rate with maturity period of 5 years in 2025 2027, 2030, 2031,2031, 2032 and 2034 within the projection period of 2025–2034 for Strategy S4.	
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, an	The State plans to borrow ₦31 Million, ₦38.60 Million and ₦56.90 Million, at 32% interest rate with maturity period of 6 years in 2026, 2028 and 2030 respectively within the projection period of 2025–2034 for Strategy S4.	
	State Bonds (maturity 1 to 5 years)	In terms of state bonds, the maturity of 1 to 5 years sees Strategy 4 planning for ₦60.00 Million, ₦35.00 Million, ₦54.67 Million, ₦84.00 Million, N140.00 Million, ₦155.60 Million and ₦122.89 Million at a 17.17% interest rate in 2028, 2029, 2030, 2030, 2031,2032 2033 and 2034 respectively. They are to be borrowed sequentially in order to avoid the risk of exchange rate vatiation and also to tap the advantage of long period of repayment.	
	State Bonds (maturity 6 years or longer)	No plan for State s4	
	Other Domestic Financing	No plan for other domestic financing	
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	Financing distributions was agreed by the Jigawa State DSA-DMS Technical Team	
	External Financing - Bilateral Loans	Financing distributions was agreed by the Jigawa State DSA-DMS Technical Team	
	Other External Financing	Financing distributions was agreed by the Jigawa State DSA-DMS Technical Team	

Annex II: Jigawa State Baseline Scenarios, 2020-2034

Indicator	2020	2021	Actuals 2022	2023	2024	2025	2026	2027	2028	Projections 2029	2030	2031	2032	2033	2034
	BASELINE SCENARIO														
Economic Indicators															
State GDP (at current prices)	1,851,006.60	2,112,881.80	2,428,352.48	2,813,078.71	3,329,887.20	3,864,846.14	4,432,890.08	5,094,516.72	5,904,056.98	6,569,001.40	7,308,835.19	8,131,992.75	9,047,858.43	10,066,873.49	11,200,655.11
Exchange Rate NGN/US$ (end-Period)	305.80	306.50	326.00	379.00	1,300.00	1,602.69	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00
Fiscal Indicators (Million Naira)															
Revenue	**78,596.40**	**129,312.58**	**173,843.30**	**203,726.70**	**300,014.90**	**173,711.01**	**206,016.55**	**213,012.03**	**245,915.49**	**316,294.85**	**346,214.52**	**409,736.59**	**422,046.39**	**444,412.07**	**484,973.70**
1. Gross Statutory Allocation ('gross' means with no deductions; do not ir	34,617.00	39,599.28	41,944.90	35,801.20	16,970.53	42,552.00	48,692.42	49,056.65	58,868.04	85,962.40	127,155.00	169,258.90	178,879.04	193,318.64	224,977.76
1.a. of which Net Statutory Allocation ('net' means of deductions)	34,617.00	39,599.28	36,616.00	31,660.60	13,264.53	42,552.00	48,692.42	49,056.65	50,213.07	52,558.40	55,813.36	65,104.14	80,028.26	63,560.16	67,001.30
1.b. of which Deductions	0.00	0.00	5,328.90	4,140.60	3,706.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Derivation (if applicable to the State)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Other FAAC transfers (exchange rate gain, augmentation, others)	1,500.00	4,535.97	32,752.70	58,517.40	170,773.40	12,376.78	13,614.48	14,975.90	16,473.50	27,181.35	19,932.96	28,504.19	29,118.88	26,530.76	29,183.84
4. VAT Allocation	14,711.00	23,102.98	28,138.40	38,850.60	74,813.69	20,585.00	22,643.50	24,907.85	27,398.64	30,138.50	33,152.34	36,467.58	40,114.34	44,125.76	48,538.35
5. IGR	19,080.40	42,006.07	43,148.40	49,163.70	19,159.75	46,261.75	50,887.87	55,976.66	61,574.32	67,731.75	74,504.93	96,542.02	98,150.96	99,166.06	104,082.66
6. Capital Receipts	8,688.00	20,068.28	27,858.90	21,393.80	18,297.51	51,935.48	70,178.28	68,094.97	81,600.99	105,280.85	91,469.29	78,963.90	75,783.17	81,270.85	78,191.09
6.a. Grants	3,298.00	5,289.33	5,561.80	6,877.50	18,297.51	30,886.40	32,430.72	34,052.26	35,754.86	46,313.90	39,419.74	41,390.72	45,115.89	47,371.69	49,740.28
6.b. Sales of Government Assets and Privatization Proceeds	0.00	0.00	0.00	0.00	0.00	530.45	546.36	562.75	579.64	597.03	614.94	633.39	652.39	762.39	812.00
6.c. Other Non-Debt Creating Capital Receipts	0.00	9,738.70	10,268.40	0.00	0.00	9,680.32	10,067.53	10,470.23	10,889.04	11,324.61	11,777.59	16,873.05	12,738.64	13,738.64	15,211.00
6.d. Proceeds from Debt-Creating Borrowings (bond issuance, loan disbu	5,390.00	5,040.25	12,028.70	0.00	0.00	10,838.31	27,133.66	23,009.72	34,377.45	47,045.32	39,657.02	20,066.74	17,276.25	19,398.14	12,427.81
Expenditure	**112,517.63**	**127,954.27**	**150,609.00**	**173,413.00**	**278,752.70**	**218,474.41**	**198,165.25**	**207,002.63**	**241,780.89**	**307,396.05**	**353,843.02**	**401,828.69**	**418,182.09**	**450,976.57**	**493,678.10**
1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	26,968.33	44,241.17	44,175.50	54,401.80	63,408.63	78,000.00	80,000.00	85,000.00	97,000.00	115,000.00	121,500.00	132,000.00	138,000.00	145,000.00	161,000.00
2. Overhead costs	18,289.84	21,149.36	24,195.50	30,157.20	51,665.27	50,000.00	22,814.53	22,280.42	22,746.31	33,901.30	38,678.09	44,143.98	44,609.87	48,221.87	49,442.00
3. Interest Payments (Public Debt Charges, including interests deducted fr	1,448.38	1,597.04	5,383.40	4,232.00	77,555.30	1,569.85	2,420.60	11,103.37	16,952.22	22,536.00	28,228.90	28,020.59	22,486.16	21,060.81	20,240.63
3.a. of which Interest Payments (Public Debt Charges, excluding interest	1,448.38	0.00	0.00	0.00	3,893.44	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	1,597.04	5,383.40	4,232.00	73,661.90	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 Cos	7,756.26	3,370.79	3,678.70	6,086.00	8,156.73	7,865.00	7,953.82	11,592.43	15,438.21	22,691.35	28,952.09	33,220.66	35,497.28	40,497.28	57,077.84
5. Capital Expenditure	57,271.97	56,209.82	49,238.20	55,050.00	77,451.20	79,547.91	83,798.90	75,074.84	79,265.86	98,011.18	119,005.49	138,701.81	151,847.13	176,995.54	188,555.00
6. Amortization (principal) payments	782.85	1,386.09	23,937.70	23,486.00	515.83	1,491.65	1,177.40	1,951.57	10,378.30	15,256.22	17,478.44	25,741.65	25,741.65	19,201.08	17,362.63
Budget Balance (' + ' means surplus, ' - ' means deficit)	**-33,921.23**	**1,358.31**	**23,234.30**	**30,313.70**	**21,262.20**	**-44,763.40**	**7,851.30**	**6,009.40**	**4,134.60**	**8,898.80**	**-7,628.50**	**7,907.90**	**3,864.30**	**-6,564.50**	**-8,704.40**
Opening Cash and Bank Balance	**38,834.89**	**4,913.66**	**6,271.97**	**29,506.30**	**59,820.00**	**81,082.20**	**36,318.80**	**44,170.10**	**50,179.50**	**54,314.10**	**63,212.90**	**55,584.40**	**63,492.30**	**67,356.60**	**60,792.10**
Closing Cash and Bank Balance	**4,913.66**	**6,271.97**	**29,506.30**	**59,820.00**	**81,082.20**	**36,318.80**	**44,170.10**	**50,179.50**	**54,314.10**	**63,212.90**	**55,584.40**	**63,492.30**	**67,356.60**	**60,792.10**	**52,087.70**
Financing Needs and Sources (Million Naira)															
Financing Needs						**21,049.08**	**37,747.56**	**34,042.71**	**45,846.13**	**58,966.95**	**52,049.55**	**37,573.18**	**30,667.28**	**33,899.16**	**28,450.81**
i. Primary balance						-62,750.98	-26,298.26	-14,978.37	-14,381.02	-12,275.93	-13,970.71	24,096.96	21,424.84	-201.77	448.05
ii. Debt service						3,061.50	3,598.00	13,054.94	27,330.52	37,792.22	45,707.34	53,762.24	48,227.81	40,261.89	37,603.26
Amortizations						1,491.65	1,177.40	1,951.57	10,378.30	15,256.22	17,478.44	25,741.65	25,741.65	19,201.08	17,362.63
Interests						1,569.85	2,420.60	11,103.37	16,952.22	22,536.00	28,228.90	28,020.59	22,486.16	21,060.81	20,240.63
iii. Financing Needs Other than Amortization Payments (e.g., Variation in Cash and Bank Balances)						-44,763.40	7,851.30	6,009.40	4,134.60	8,898.80	-7,628.50	7,907.90	3,864.30	-6,564.50	-8,704.40
Financing Sources						**21,049.08**	**37,747.56**	**34,042.71**	**45,846.13**	**58,966.95**	**52,049.55**	**37,573.18**	**30,667.28**	**33,899.16**	**28,450.81**

Jigawa State - Technical Team

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26/11/2025

PROF HANANTU SABO AHMAD

HON. COMMISSIONER MINISTRY OF FINANCE

JIGAWA STATE