BENUE STATE

GOVERNMENT OF NIGERIA

DEBT SUSTAINABILITY ANALYSIS [DSA-MTDS] REPORT

Developed by the

BENUE STATE DEBT MANAGEMENT OFFICE

In Collaboration with

DMO, ABUJA & the World Bank

December, 2025

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Abbreviation and Acronyms

AFDB/AFDF	African Development Bank/Fund
BENGIS	Benue Geographic Information System
BDMO	Benue Debt Management Office
BSCPG	Benue State Civil Protection Guards
BSGN	Benue State Government of Nigeria
BVN	Biometric Verification Number
BIRS	Benue Internal Revenue Service
CBN	Central Bank of Nigeria
DLI	Disbursement Linked Indicator
DMO	Debt Management Office, Abuja
DPR	Debt Portfolio Review
DMS	Debt Management Strategy
DSA	Debt Sustainability Analysis
EXCO	Executive Council
FY	Fiscal Year
FGN	Federal Government of Nigeria
FAAC	Federation Accounts Allocation Committee
IGR	Internally Generated Revenue
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
ISPO	Irrevocable Standing Payment Order
LGA	Local Government Area
LGCs	Local Government Councils
MDAs	Ministries, Departments and Agencies
MTEF	Medium Term Expenditure Framework
MTDS	Medium Term Debt Strategy
MSMEDF	Micro Small and Medium Enterprises Development Fund
MSMEs	Micro Small and Medium Enterprises
NBS	National Bureau of Statistics
N-CARES	Nigeria Covid-19 Action Recovery and Economic Stimulus
NEITI	Nigeria Extractive Industries Transparency Initiative
NIBSS	Nigeria Inter-Bank Settlement System
PSEs	Public Sector Entities
RAAMP3	Nigeria – Rural Access and Agricultural Marketing Project: Component Three.
SABER	State Actions for Business Enabling Reforms
SGDP	State Gross Domestic Product
SFTAS	State Fiscal Transparency, Accountability and Sustainability
SUBEB	State Universal Basis Education Board
WBG	World Bank Group

1.0 Introduction

1.1 Background

The Debt Sustainability Analysis–Medium Term Debt Strategy (DSA-MTDS) serves as a strategic appraisal tool developed by Nigeria's Debt Management Office (DMO) in collaboration with the World Bank. Benue State's Technical Team utilized this framework to assess the State's fiscal profile from 2020 to 2024 and to evaluate its capacity to sustain its debt portfolio over the medium to long term (2025–2034).

According to the World Bank, "debt sustainability refers to a government's ability to meet future financial obligations without resorting to drastic fiscal adjustments. It hinges on the soundness of policies and institutions governing public expenditure and revenue generation. Unsustainable fiscal policies can lead to excessive debt accumulation, prompting corrective actions to mitigate the adverse consequences of a heavy debt burden".

In line with this, the MTDS evaluates the cost of public debt and the risks associated with macroeconomic and fiscal shocks. The analysis supports informed decision-making on debt strategy and fiscal planning.

1.2 Debt Management Policy Objectives

Benue State's primary debt management objective is to meet its financing needs and debt service obligations at the lowest possible cost, within an acceptable level of risk across short, medium, and long-term horizons.

Specific objectives include:

i. Determining optimal borrowing levels and currency composition for debt servicing.
ii. Identifying appropriate financing sources and instruments.
iii. Maximizing the socio-economic benefits of domestic and external borrowing.
iv. Developing robust debt management indicators.
v. Enhancing institutional capacity for risk management.

The DSA-MTDS provides a framework to project Benue State's debt service requirements over the medium and long term, aligning with its development agenda. Should significant shifts occur in exchange rates, interest rates, or economic conditions within a year of conducting the DSA-MTDS, a reassessment is recommended using updated macroeconomic and monetary data

1.3 Methodology

The DSA-MTDS process involves the following steps:

1. Compilation of economic data and projections, including revenue, fiscal deficits, borrowing plans, market interest rates, and exchange rates for existing and anticipated debt.
2. Reference to the current Benue State debt strategy.
3. Assessment of the existing debt portfolio through the Debt Portfolio Review (DPR), including key debt ratios.
4. Scenario modeling to test debt sensitivity under varying economic conditions:
   i. Baseline
   ii. Pessimistic and Optimistic shocks to:
      a. Revenue
      b. Expenditure
      c. Exchange Rate
      d. Interest Rate
5. Submission of findings to the Debt Management Committee/Board and the State Executive Council (EXCO).
6. Review and recommendation for updating the State's debt strategy.

1.4 Summary of Findings

The DSA-MTDS indicates that Benue State's public debt outlook for 2025–2034 is sustainable, based on projections of internally generated revenue (IGR), expenditure trends, and the structure of existing and proposed debt portfolios (Sections 3.2 and 4.1).

Key determinants include:

1. National economic forecasts (GDP growth, oil prices, exchange rates) and their impact on FAAC allocations.
2. Benue State's strong IGR performance, driven by recent tax administration reforms, including:
    i. Revenue taskforce initiatives
    ii. Enhanced tax audits
    iii. Diversified revenue sources
    iv. Automated collection and remittance systems
    v. Effective control of recurrent expenditure growth and a relatively low public debt level.
    vi. Adoption of the baseline debt strategy (S1) to mitigate adverse effects from economic shocks.

These findings align with the State's debt management policy objectives (Section 1.2):

1. Benue State maintains a solid and sustainable debt position (Section 4.3).
2. Strong IGR mobilization and fiscal discipline underpin its debt sustainability (Sections 3.2 and 4.1).
3. Long-term debt outlook remains favorable under reasonable economic and fiscal assumptions (Section 4.1).
4. The State employs a prudent debt strategy, balancing cost (**4.0%)** and risk exposure (**2.6%)** through a mix of concessional external loans and domestic financing.

Overall, the medium-term cost-risk profile of Benue State's debt portfolio is consistent with its strategic debt management objectives (Section 5.2.4).

1.5 Debt Management Recommendations for Strengthening State Fiscal Sustainability

To enhance the State's fiscal profile, optimize borrowing options, and safeguard long-term debt sustainability, the following strategic recommendations are proposed:

1. Uphold Core Debt Management Objectives:
    i. Ensure the State's financing needs and debt service obligations are met at the lowest possible cost across short, medium, and long-term horizons.
    ii. Maintain a prudent level of risk exposure in line with fiscal sustainability goals.
2. Adopt a Prudent and Diversified Debt Strategy:
    i. Utilize a balanced mix of financing sources, including concessional external loans and domestic instruments with average cost structures.
    ii. Manage debt servicing costs and risk exposure effectively.
3. Strengthen Economic and Budgetary Forecasting.
   Develop reliable macroeconomic projections and realistic budget assumptions to align the medium-term cost-risk profile of public debt with strategic objectives.
4. Institutionalize Annual Debt Sustainability Analysis (DSA) and Medium-Term Debt Strategy (MTDS).
   Conduct yearly DSA-MTDS assessments to evaluate the State's debt-carrying capacity and ensure alignment with long-term fiscal goals.
5. Deepen Fiscal Reforms and Policy Alignment.
   Reinforce existing fiscal reforms and introduce practical development-oriented policies to catalyze economic transformation.
6. Enforce Compliance with Key Fiscal Laws:

   i. Strengthen implementation of the State Fiscal Responsibility Law (FRL), Debt Management Office Law (DMOL), and Public Procurement Commission Law (PPCL).
   ii. Promote transparency, accountability, and value-for-money in public financial management.
7. Develop a Realistic Medium-Term Expenditure Framework (MTEF):
   i. Establish a three-year fiscal framework with clear policy targets to guide annual budgets, revenue projections, expenditure plans, and debt strategies.
   ii. Use borrowing to supplement revenue shortfalls caused by internal constraints and external market fluctuations.
8. Align Borrowing with MTDS and Historical Debt Trends:
   i. Implement borrowing plans based on the MTDS (2026–2028) and historical debt data (2020–2024), targeting a debt portfolio of **N13,151.4** billion for 2026.
   ii. Focus on reducing cost and risk through structured borrowing.
9. Utilize MTDS Alternatives to Manage Risk:
   i. Select borrowing options that mitigate currency, interest rate, and rollover risks.
   ii. Support domestic debt market development and fund strategic capital investments.
10. Leverage Domestic Financing Instruments:
   i. Source medium-term loans from commercial banks and issue State Bonds to diversify financing at manageable costs.
   ii. This approach balances risk exposure and ensures a moderate debt burden.
11. Minimize Fiscal Deficits:
   i. Avoid excessive deficits that impair repayment capacity and inflate debt ratios.
   ii. Enhance revenue mobilization and control expenditure growth to maintain fiscal balance.
12. Intensify Revenue Generation and Spending Efficiency:
   i. Expand domestic revenue sources, curb corruption, and improve the business climate.
   ii. Align fiscal spending and deficit plans with debt sustainability targets.
13. Safeguard Growth and Stability:
   i. Prevent debt distress by maintaining sustainable debt levels.
   ii. Avoid defaults that could restrict market access and elevate borrowing costs.
14. Prioritize Productive Borrowing:
   i. Ensure new debt aligns with fiscal plans and yields measurable returns.
   ii. Evaluate the cost-benefit of borrowing decisions rigorously.
15. Finance High-Impact Projects.
    Channel debt into infrastructure and social investments that generate income and offset debt service costs.
16. Enhance Debt Reporting and Monitoring:
   i. Improve debt statistics and reporting mechanisms.
   ii. Adhere to monthly budget-aligned repayment plans to maintain affordability and repayment capacity.
17. Implement Strategic Growth Initiatives:
   i. Leverage provisions of the Finance Act (2020) to boost revenue and reduce reliance on new borrowing.
   ii. Monitor the debt service-to-revenue ratio closely.
18. Align Expenditure with Fiscal Strategy Paper.
    Ensure spending priorities reflect the objectives of the MTEF and Fiscal Strategy Paper, focusing on human capital and welfare.
19. Maintain Flexibility in Debt Management Plans:

   i. Allow for cancellation or adjustment of debt management plans if they become ineffective.
   ii. Resume direct payments to creditors when necessary.

20. Set Clear Debt Repayment Timelines:
   i. Structure debt management plans to achieve full repayment within three to five years.
   ii. Align repayment schedules with MTEF and annual budget provisions.

2.0. The State Fiscal and Debt Framework

2.1 Fiscal Reforms

Benue State's fiscal reforms over the past 3–5 years reflect a deliberate and structured approach to improving financial governance, transparency, and economic resilience. Key Fiscal Reforms based on recent assessments and reports:

1. Revenue Mobilization & Administration:
   i. Internal Revenue Administration (Amendment) Law 2020 and automation efforts have significantly boosted Internally Generated Revenue (IGR).
   ii. The Debt Sustainability Analysis (DSA) report (2025) shows improved revenue-to-debt ratios, indicating better fiscal space and reduced reliance on federal allocations.
2. Land and Property Reforms.
   Full implementation of Benue Geographic Information System (BENGIS) has streamlined land registration and property documentation, enhancing transparency and revenue from land-based taxes.
3. Ease of Doing Business:
   i. Through State Actions for Business Enabling Reforms (SABER), Benue has improved its business climate, attracted investment and supported MSMEs.
   ii. Fitch Ratings upgraded Benue's credit rating in 2025, citing these reforms as key drivers of economic growth and investor confidence.
4. Public Financial Management:
   i. Establishment of Budget Intelligence and Efficiency Units and adoption of Treasury Single Account (TSA) have improved expenditure tracking and reduced leakages.
   ii. Payroll reforms using NIBSS have helped eliminate ghost workers and ensure accurate wage payments.
5. Institutional Strengthening.
   Laws such as the Fiscal Responsibility Law (FRL), Debt Management Office Law (DMOL), and Public Procurement Commission Law (PPCL) have institutionalized fiscal discipline, debt transparency, and competitive procurement practices.
6. Transparency and Accountability.
   Because of these reforms, Benue ranked average (19th out of 36 states) in the 2025 Nigerian States Budget Transparency Survey, indicating challenges in public access to budget documents and procurement information. Benue State therefore, needs to improve on timely publication of fiscal documents like the MTEF, FSP, and Mid-Year Reviews to improve transparency.

Benue State's fiscal reform trajectory is commendable, especially in revenue mobilization, debt management, and institutional strengthening. However, gaps remain in budget transparency and public participation. Addressing these will be crucial for sustaining investor confidence and maximizing the benefits of ongoing reforms.

2.2 Approved 2025 Budget and Medium-Term Expenditure Framework (MTEF) 2026-2028

2.2.1 Approved 2025 Budget Summary:

In response to the lingering public health and economic effects of the post-COVID-19 era, the Benue State 2025 Approved Budget sets a strategic course for revitalizing key sectors and enhancing human capital development. With a total budget size of ₦560,594.06million, the fiscal plan prioritizes education, healthcare, infrastructure, agriculture, and digital innovation to reposition the state as a self-reliant federating unit within Nigeria.

Anchored on the State's Medium-Term Expenditure Framework (MTEF), Strategic Development Plan, and initiatives such as N-CARES and ALIA-CARES, the budget aims to accelerate rural infrastructure development, support COVID-19 recovery efforts, and empower farmers and entrepreneurs through targeted investments in agribusiness, mechanized farming, and market expansion.

The budget also reinforces the government's commitment to fiscal transparency and public financial management reforms. This includes the adoption of digital tools for revenue and expenditure tracking, ensuring accountability, value for money, and prudent resource utilization across all government operations.

Given the volatile national macroeconomic environment—characterized by inflationary pressures, exchange rate instability, fuel subsidy removal, and security challenges—the budget was crafted with cautious optimism. Revenue projections are based on inputs from the World Bank and Debt Management Office (WBG-DMO), with anticipated growth driven by reforms in internally generated revenue (IGR), diversification into agriculture and ICT, and the revitalization of state-owned enterprises.

The 2025 revenue projection stands at ₦565,793.64million, sourced from statutory allocations, VAT, IGR, grants, loans, and asset sales. Capital expenditure is allocated ₦357,610.65million (63.2%), while recurrent expenditure is pegged at ₦202,983.41million (35.9%), reflecting a strategic emphasis on long-term development over short-term consumption.

This budget represents a bold step toward economic resilience, inclusive growth, and sustainable development for Benue State.

2.2.2 Key Objectives of Approved 2025 Budget

These include:

1. Infrastructure Development. The budget earmarks 20% for infrastructure, including urban and rural road networks and water accessibility projects.
2. NG-CARES and ALIA-CARES Programs. The budget emphasizes social protection and outreach to vulnerable groups, aligning with NG-CARES and ALIA-CARES goals.
3. Strengthening IGR Collection. The budget includes reforms to improve Internally Generated Revenue (IGR), with collaboration across local government councils.
4. Technology for Leakages and Payroll Transparency. Digital economy investments include tech infrastructure to block financial leakages and improve payroll/pension transparency.
5. Financial Management Reforms and SABER Commitments. The budget supports ongoing financial reforms and results-based programs like SABER to enhance fiscal sustainability.
6. Security and Emergency Response (BSCPG "Anyam Nyor"). The budget includes initiatives to improve public safety, including launching civil protection units.
7. Post-Election Stabilization and Appointments. The budget reflects a shift toward institutional stability and governance continuity post-2023 elections.
8. Debt Management (Salaries, Pensions, Contracts). The budget prioritizes clearing arrears and outstanding obligations to restore fiscal balance.
9. Youth Empowerment and Agricultural Value Chains. 15.28% of the budget is allocated to agriculture and food security, with plans for silos, market upgrades, and youth-focused programs.

2.2.3 Medium-Term (Three Year Fiscal Framework - 2026–2028) Policy, Objectives and Targets

I. Policy Statement

The fiscal policy strategies underpinning the 2026–2028 Medium-Term Expenditure Framework (MTEF) are anchored on the priorities and assumptions of the Approved 2025 Budget. These strategies guide revenue mobilization, expenditure management, and debt sustainability over the medium term.

Benue State's fiscal direction emphasizes the diversification of its revenue base by strengthening internally generated revenue (IGR) mechanisms. This approach aims to reduce the State's reliance on Federation Account Allocation Committee (FAAC) transfers, donor grants, and externally assisted projects.

To ensure fiscal sustainability, the government will enforce spending limits, promote aggregate fiscal discipline, enhance allocative efficiency, and improve the effectiveness of public expenditure. These measures will foster a credible and performance-driven budgeting system.

Indicative Three-Year Fiscal Framework

The indicative three-year fiscal framework for the period 2026-2028 is presented in the table below.

Medium-Term (Three Year Fiscal Framework) Policy Objectives and Targets

State Medium Term Fiscal Framework (2026-2028

Benue State Government Revenue Forecast for the Period 2026 – 2028

Macro-Economic Framework				
Item	**2025**	**2026**	**2027**	**2028**
National Inflation (CPI)	3.40%	3.20%	3.30%	3.30%
National Real GDP Growth	24.00%	23.00%	17.00%	15.00%
State Inflation (CPI)				
State Real GDP Growth				
State GDP Nominal				
Oil Price Actual	70.0000	60.0000	60.0000	60.0000
Oil Price Benchmark	$65.00	$55.00	$55.00	$55.00
Oil Production Benchmark (MBPD)	1.6500	1.7000	1.7500	1.8000
NGN:USD Exchange Rate	1500	1500	1500	1500
Other Assumptions				
FAAC Deductions	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
Mineral Ratio (Before Subsidy)	18%	20%	22%	24%
Fiscal Framework				
Item	**2025**	**2026**	**2027**	**2028**
Opening Balance				
Recurrent Revenue	**2025**	**2026**	**2027**	**2028**
Statutory Allocation	201,606,229,071	164,434,719,590	191,502,683,689	195,332,737,362
Derivation	0	0	0	0
VAT	73,885,099,565	88,748,514,419	103,357,604,324	105,424,756,411
IGR	35,569,068,784	51,491,917,246	59,968,116,013	61,167,478,333
Excess Crude / Other Revenue	254,733,277,845	119,538,585,119	134,625,446,335	137,317,955,262
Total Recurrent Revenue	**565,793,675,265**	**424,213,736,374**	**489,453,850,361**	**499,242,927,368**
Recurrent Expenditure				
Personnel Costs	83,658,952,218	55,133,184,817	59,339,008,339	60,525,788,506
Social Contribution and Social Benefit	-	30,317,132,773	32,629,868,933	33,282,466,311
Overheads	108,843,390,506	97,339,755,655	97,454,330,507	99,403,417,117
Grants, Contributions and Subsidies	57,738,614,074	828,620,270	779,798,657	795,394,630
Public Debt Service	4,470,202,494	5,638,983,037	5,448,414,396	5,467,414,162
Total	**254,711,159,293**	**189,257,676,551**	**195,651,420,830**	**199,474,480,725**
Transfer to Capital Account	**311,082,515,973**	**234,956,059,823**	**293,802,429,531**	**299,768,446,643**

Capital Receipts				
Grants	26,471,929,591	45,172,352,344	44,418,709,695	45,307,083,889
Other Capital Receipts	88,400,030,906	53,588,429,192	50,376,487,903	51,953,815,044
Total	**114,871,960,497**	**98,760,781,536**	**94,795,197,599**	**97,260,898,933**
Reserves				
Contingency Reserve	16,303,162,624	16,685,842,343	19,429,881,638	19,851,467,569
Planning Reserve	11,615,488,235	10,459,490,468	11,684,981,072	11,930,076,642
Total Reserves	**27,918,650,859**	**27,145,332,811**	**31,114,862,710**	**31,781,544,211**
Capital Expenditure	**357,610,646,206**	**289,531,860,998**	**344,420,048,850**	**351,308,449,827**
Discretional Funds	303,777,928,275	233,384,336,196	284,903,672,559	290,006,582,248
Non-Discretional Funds	53,832,717,931	56,147,524,802	59,516,376,290	61,301,867,579
Financing (Loans)	6,010,864,672	5,503,670,219	5,634,846,980	5,795,768,255
Total Revenue (Including Opening Balance)	**586,785,270,434**	**528,478,188,129**	**589,883,894,940**	**602,299,594,556**
Total Expenditure (including Contingency Reserve)	**640,240,456,358**	**505,934,870,361**	**571,186,332,390**	**582,564,474,762**
Closing Balance				
Ratios				
Growth in Recurrent Revenue	67.55%	-17.34%	8.32%	8.29%
Growth in Recurrent Expenditur	72.40%	-33.63%	3.40%	3.20%
Capital Expenditure Ratio	65.01%	66.82%	68.33%	69.82%
Deficit (Financing) to Total Expe	0.00%	0.00%	0.00%	0.00%
Deficit (Financing) to GDP Ratio	NA	NA	NA	NA

Note: Source: Ministry of Finance, Budget & National Planning.

II. Policy Objectives

The medium-term fiscal policy objectives are designed to support inclusive infrastructure development and economic resilience. Key objectives include:

a. Reducing the cost of governance through streamlined and efficient service delivery.
b. Establishing robust institutional frameworks to drive rural transformation and infrastructure expansion.
c. Boosting IGR by at least 25% annually through diversified revenue sources and strengthened enforcement via dedicated taskforces.
d. Expanding access to potable water and sanitation services across urban and rural communities.
e. Promoting a healthy environment conducive to public health and well-being.
f. Optimizing water resource utilization, including surface and underground sources, for agriculture, domestic use, and industrial development.

III. Fiscal Targets

To translate policy into measurable outcomes, the following fiscal targets will be pursued:

a. Project Execution: Complete all ongoing capital projects before initiating new ones.
b. Cost Efficiency: Reduce non-essential overheads and maintain lean recurrent spending.
c. Expenditure Management: Sustain personnel and overhead costs at manageable levels to free up resources for capital investment.
d. Revenue Growth: Increase IGR by a minimum of 25% annually from 2026 to 2028.
e. Recurrent Funding: Achieve full funding of recurrent expenditure from recurrent revenue sources (IGR, VAT, and non-mineral statutory allocations).

f. Strategic Investment: Channel spending toward sectors with comparative advantage to stimulate economic growth.
g. Revenue Realism: Continuously review and adjust revenue projections to reflect economic realities.
h. Capital Project Delivery: Accelerate execution of critical capital projects identified by the government.
i. Alternative Financing: Explore non-loan financing options such as grants, aid, and public-private partnerships (PPP).
j. Loan Utilization: Restrict borrowing strictly to capital expenditure projects.
k. Budget Compliance: Adhere to Nigeria Governors' Forum (NGF) budget guidelines as issued periodically.

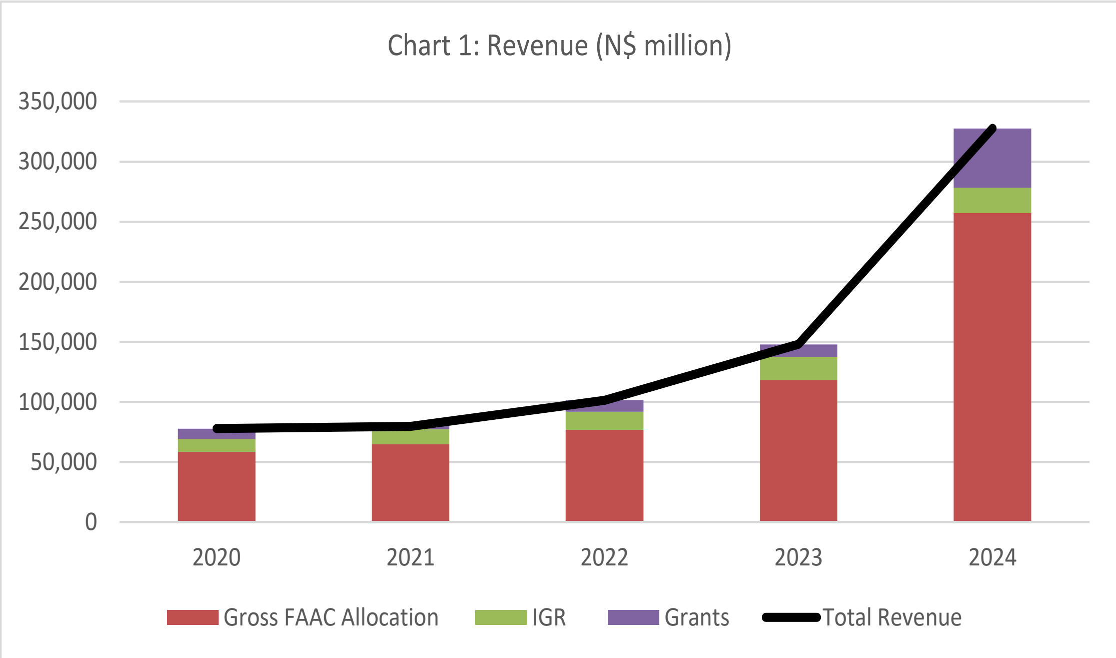
According to Section 4.2 of the Benue State Debt Sustainability Analysis and Medium-Term Debt Strategy (DSA-MTDS) Report, during the 2026–2028 Medium-Term Expenditure Framework (MTEF), the Benue State Government intends to secure funding from commercial banks and the capital market. This borrowing is aimed at supporting infrastructure development and other investment programs. The strategy is designed to compensate for shortfalls in the state's total expected revenue—including Internally Generated Revenue (IGR)—which have been adversely affected by lingering post-COVID-19 disruptions and external market volatility. These factors have impacted the state's revenue, expenditure, and debt performance relative to the original 2025 budget projections.

3.0 The State Revenue, Expenditure, and Public Debt Trends (2020 – 2024)

The actual revenue, expenditure outturns in 2020-2024 and the outstanding debt stock trend during 2020-2024 are explained below.

3.1 Revenue and Expenditure

The actual revenue and expenditure outturns in 2020-2024 are represented by the following charts sheet of the DSA-MTDS template for the historical period [Chart 1 and 2]:



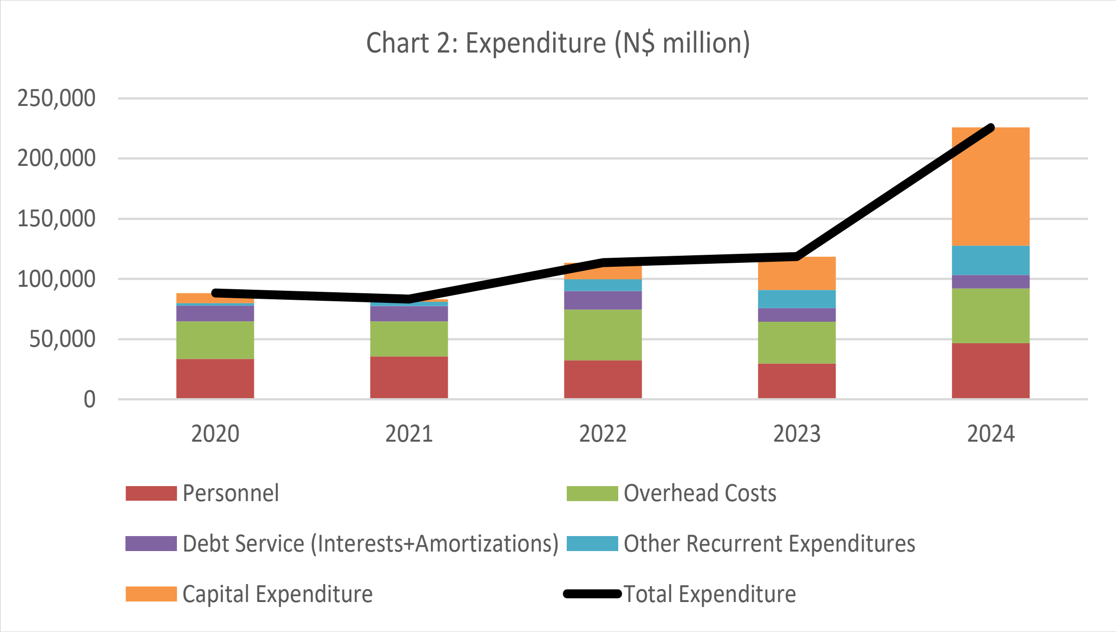
Revenue Performance Analysis (2020–2024)

Benue State's total revenue, comprised of Statutory allocations (VAT inclusive) and Internally Generated Revenue (IGR). Between 2020 and 2024, the State's total revenue rose sharply from **₦89,927.00** million to **₦327,614.96** million. This growth was driven by two key factors: (i) improved internally generated revenue (IGR) resulting from tax administration reforms, and (ii) a substantial increase in federal transfers, including FAAC allocations and special grants.

Federal Transfers: Federal allocations—including transfers from the Excess Crude Account—registered significant year-on-year increases during the review period. Growth rates were particularly notable in: 2021(+0.09% over 2020), 2022(+16.88% over 2021), 2024(+128.50% over 2023). As a share of State Gross Domestic Product (SGDP), federal transfers increased from 1.19% in 2020 to 2.86% in 2024, reflecting both higher nominal receipts and an expanding economic base. The upward trend was supported by elevated oil prices, improved non-oil revenue mobilization at the federal level, and targeted interventions such as World Bank SFTAS grants.

Internally Generated Revenue (IGR): The State demonstrated strong IGR performance, underpinned by reforms aimed at broadening the tax base and enhancing collection efficiency. Key trends include: - IGR as a percentage of aggregate revenue rose from 16.69% in 2020 to 23.60% in 2021, before moderating to 18.41% (2022), 24.04% in 2023 and 15.72% in 2024. IGR as a percentage of SGDP increased from 0.42% in 2020 to 0.65% in 2023 and further to 0.80% in 2024.

The temporary dip in 2024 reflects a relative surge in federal transfers rather than a contraction in IGR itself. Overall, the State's revenue structure became more diversified, with IGR contributing meaningfully to fiscal sustainability.



Recurrent Expenditure Trend (2020-2024)

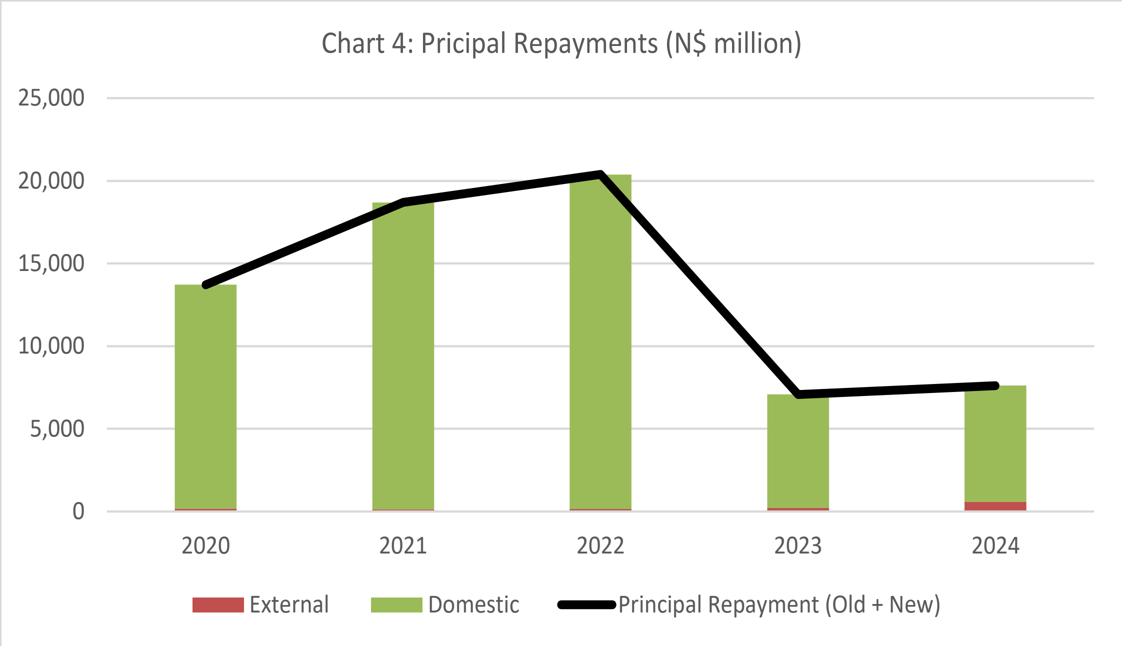
The total recurrent expenditure—which includes personnel and overhead costs, public debt charges (including loan repayments), and capital expenditure—increased significantly from **₦88,232.00** million in 2020 (base year) to **₦225,783.79** million in 2024 (Chart 2). This surge is largely attributed to intensified administrative reforms within the State and a notable rise in overhead costs, driven by heightened political activities following the 2023 elections. While some increases may be justifiable due to administrative reforms and political transitions, the magnitude of the increases in 2024 (57.18% for personnel costs and 30.85% for overhead costs) raises concerns about fiscal prudence and transparency.

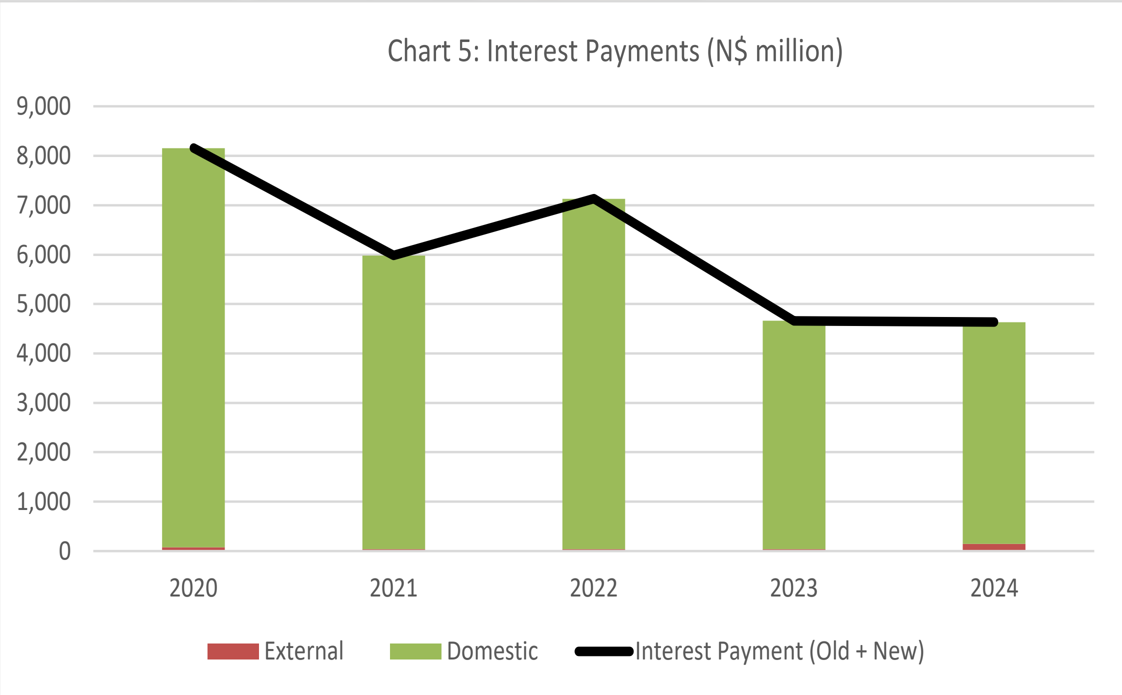
Over the past five years, the trend in personnel and overhead costs reveals distinct fluctuations: - Personnel Costs declined sharply from 5.68% in 2021 to -8.52% in 2022, marginally improved to -8.50% in 2023, then surged dramatically to 57.18% in 2024.

Overhead Costs, dropped from -5.93% in 2021, rose sharply to 44.55% in 2022, reflecting increased political activity ahead of the 2023 elections, slightly decreased by -18.07% in 2023, then spiked to 30.85% in 2024, driven by post-election governance exigencies (Section 2.0). These trends underscore the fiscal impact of political cycles and administrative restructuring on State expenditure, particularly in the post-election period.

Public debt charges (interest payments) declined significantly from 7.66% of aggregate expenditure in 2020 to 6.25% in 2022, before stabilizing at 3.90% (2023) and dropped to 2.05% in 2024. Similarly, loan repayments (principal) fell from 8.16% in 2021 to 7.09% in 2022, and further to 5.80% in 2023 and dropped to 3.04% (2024).

In contrast, capital expenditure experienced a dramatic shift, rising from 2.74% in 2021 to 12.04% in 2022. It then increased to 23.36% in 2023, and further moderated to 43.41% in 2024, relative to aggregate expenditure (see Charts 2, 4, and 5).





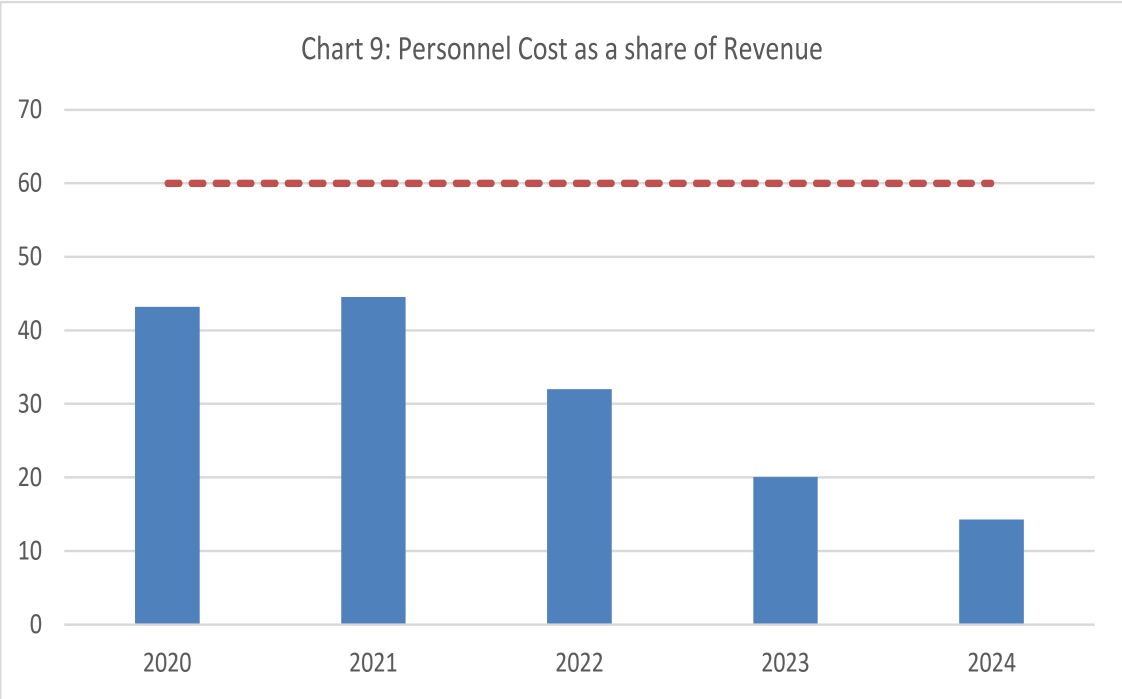
Fiscal Expenditure Trend (2020–2024)

Aggregate Expenditure: During the period under review, real aggregate expenditure recorded a significant upward trajectory. It moved from a contraction of (5.71%) in 2021 to a sharp increase of 36.45 % in 2022, and further accelerated to 90.59% in 2024. However, when measured as a percentage of SGDP, aggregate spending showed a declining trend — from 2.47% in 2020 to 2.18% in 2023, before rising modestly to 3.51% in 2024. This suggests that while nominal spending increased, its relative weight in the economy remained subdued until the final year.

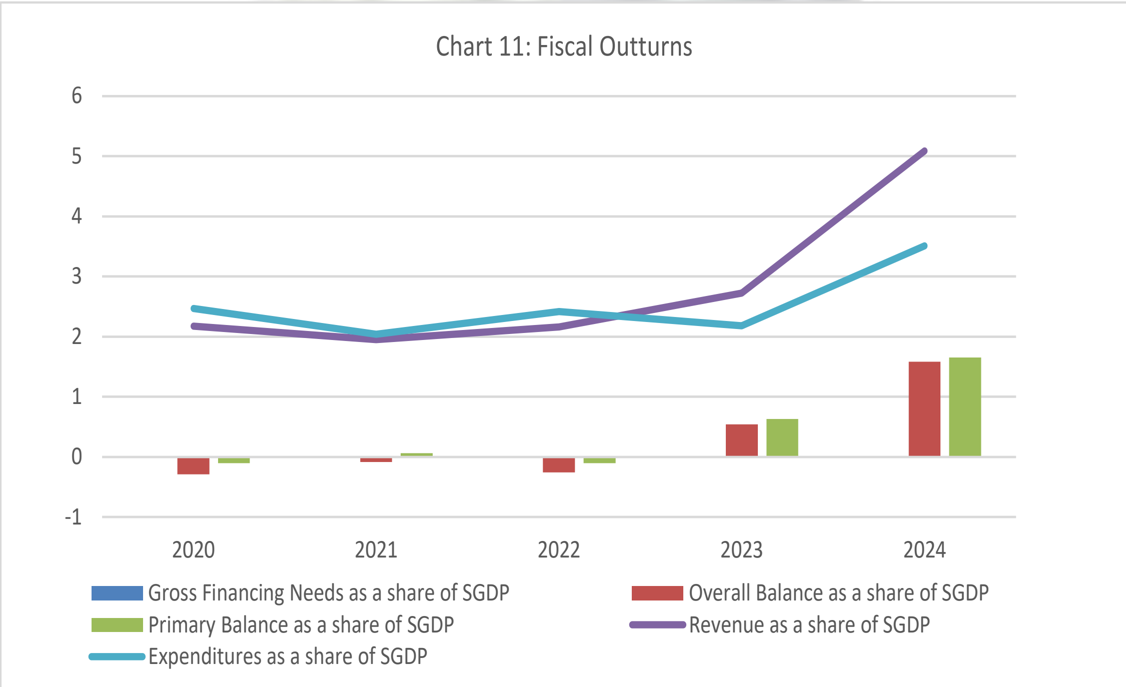
Capital spending exhibited considerable volatility throughout the period. It surged by 500.71% in 2022, reflecting a strong investment push, but dropped sharply to 102.46% 2023. The trend rebounded in 2024, registering a growth of 254.14%, and continued upward. These fluctuations may indicate inconsistent capital project execution or shifts in fiscal priorities.

Recurrent expenditure maintained a consistent upward trend. It grew by 1.36% in 2021, accelerated to 23.39% in 2022, and further decreased by -9.07% in 2023. By 2024, it spiked significantly to 40.73%, underscoring the growing burden of routine government obligations.

Spending Composition: Throughout the period, recurrent expenditure — comprising personnel costs, overheads, and debt charges — dominated the fiscal outlay, accounting for an average of 74.02% of total spending. Within this category, personnel costs alone represented an average of 28.78% of total revenue (Chart 9), highlighting the structural rigidity in public sector spending.



The general movements of the overall (2020-2024) and primary budget balance were **N101,831.17 (Million)** in 2024 which is an indication of minimal prudent planning and management of financial resources of the State resulting from fiscal constraints, control measures and disciplines (DSA-MTDS – template Chart 11).



The Overall balance improved during the review period, from a deficit of 0.04 per cent of SGDP in 2021 to a surplus of 0.54 per cent of SGDP in 2023 and 1.58% (2024). These movements over the period (2020-2023), were due largely to the slight increase in federal transfers (non-oil receipts). From -0.04% in 2021, overall balance partially recovered to 0.54% (2023) and a surplus of 1.58% (2024) of SGDP due to the adjustment of personnel expenditure (pensions and gratuities) and the upturn of federal transfers.

On the other hand, primary fiscal balance declined negatively during the review period, from a deficit of 0.14% of SGDP in 2020 to a deficit of 0.19 percent of SGDP in 2021, and moved up sharply to a surplus of 1.58% (2024), as earlier mentioned, owing to the slight increase in federal transfers and decline in the growth of capital expenditures.

3.2 Existing Public Debt Portfolio (2020–2024)

Between 2020 and 2024, Benue State's public debt stock—measured against total revenue (inclusive of grants but exclusive of capital receipts)—showed a notable downward trend: 2020 (177.13%) and 2021(176.15%). This decline was driven by a modest reduction in both domestic and external debt financing, although Internally Generated Revenue (IGR) remained low - 2022 (18.41%). A continued gradual drop, reflecting cautious borrowing and early signs of revenue improvement – 2023(134.03%)

Further reduction attributed to enhanced fiscal discipline and restrained loan acquisition – 2024(47.91%). A sharp decline, largely due to significant improvements in IGR following successful tax administration reforms, more effective tax audits, and fewer new loans contracted. This trajectory reflects a positive shift in fiscal sustainability, with the debt burden easing considerably over the five-year period.

SGDP Trend (Nominal Terms): In contrast to the declining debt-to-revenue ratio, the State's Gross Domestic Product (SGDP) trended upward during the same period: 2021(14.15%), 2022(14.93%), and 2024(18.37%). This reversed pattern suggests that while debt levels were falling, the state's economic output was growing steadily—an encouraging sign of macroeconomic resilience and improved revenue mobilization:

Historical years	**2020**	**2021**	**2022**	**2023**	**2024**
Total Debt to Total Rev.	177.13	176.15	148.84	134.03	47.91
State GDP (millions of ₦)	3,578,569.35	4,084,855.25	4,694,757.83	5,438,552.86	6,437,703.81
Growth rate of SGDP	-	14.15	14.93	15.84	18.37

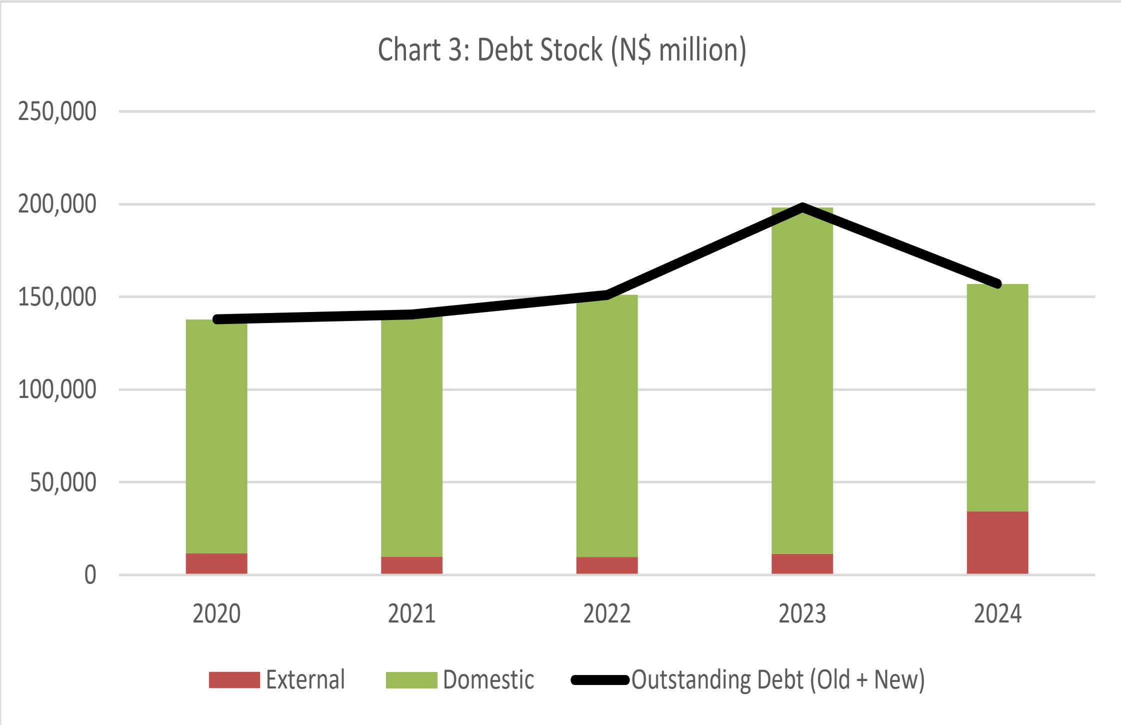
Composition and Risk Profile of Benue State's Public Debt Portfolio (End-2024)

At the end of 2024, Benue State's public debt portfolio was composed as follows: Domestic debt (78.09%) of total debt and External debt (21.91%) of total debt. External debt figures were derived using below-the-line flows and valuation effects (Chart 3).

Risk Exposure and Fiscal Pressure: The debt portfolio at end-2024 carries relatively high-risk exposure in terms of interest rate volatility, currency fluctuations, rollover and refinancing risks. These risks exert considerable pressure on the State's total accrued revenue from both the Federation Account Allocation Committee (FAAC) and Internally Generated Revenue (IGR).

Fiscal Resilience and Debt Servicing Capacity: Despite these risks, several factors have strengthened the State's ability to service its debt and meet recurrent expenditure needs without resorting to additional borrowing: Gradual increase in FAAC allocations, controlled cost of governance, reduced impact of post-COVID-19 disruptions and favorable movements in global oil prices. These developments have enhanced fiscal space and improved debt sustainability.

Definition of Public Debt (DSA-MTDS Framework): According to the State's data request and the Debt Sustainability Analysis–Medium Term Debt Strategy (DSA-MTDS) report, "Public debt includes explicit financial commitments—such as loans and securities—that are backed by formal contracts obligating the government to repay. This definition focuses on non-contingent liabilities, meaning the obligation to repay is independent of future circumstances. It excludes contingent liabilities such as guarantees and non-guaranteed obligations of state-owned enterprises." This definition underpins the State's debt reporting standards, even as other fiscal exigencies may arise.



Summary of Public Debt Analysis Based on DSA-MTDS Data Inputs
The chart above reflects insights derived from the outstanding external and domestic debt stock categories captured in the Debt Sustainability Analysis–Medium-Term Debt Strategy (DSA-MTDS) data inputs. The findings are summarized as follows:

I. **Public Debt Stock and Revenue Share at End-2024**
As of end-2024, Benue State's total public debt stock stood at **₦156,969.30** million, with external debt calculated using below-the-line flows and valuation effects. The debt trajectory has shown a sharp upward trend since the global collapse in oil prices, as detailed in Section 3.2 of the report. This increase between 2020 and 2024 is primarily attributed to FGN Bridge Financing, CBN COVID-19 Health Intervention Fund, Federal Government bailouts to Benue State (including LGAs), Excess Crude Account (ECA) infrastructure loan, Budget Support Facility, AfDB RAAMP3 Counterpart Fund, SUBEB Counterpart Funds, Declining federal oil receipts, Accumulated domestic arrears, External financing and Currency depreciation.

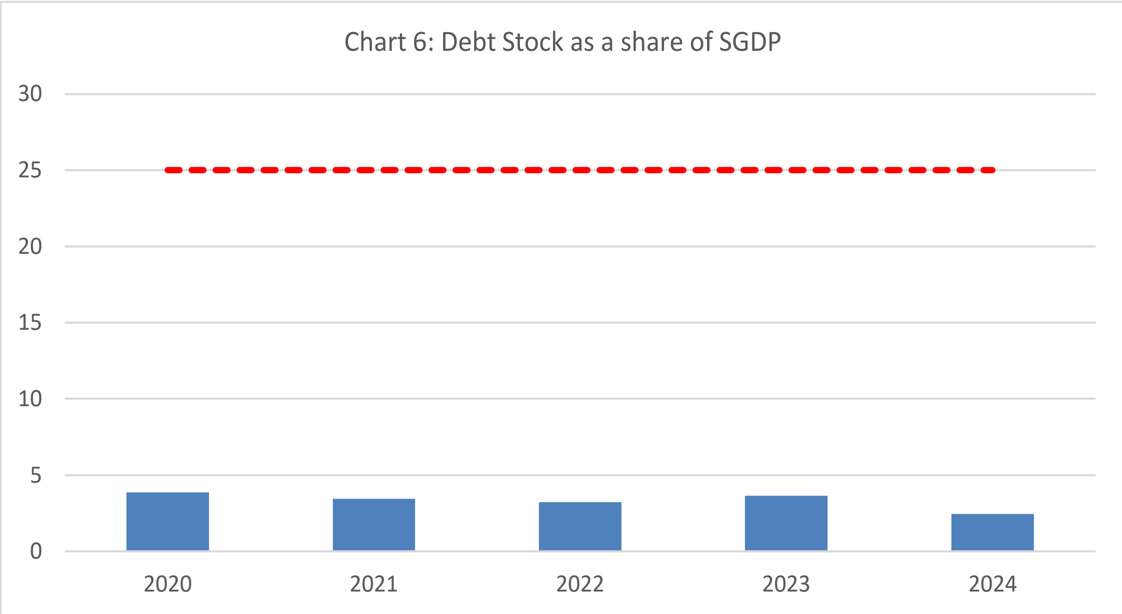
II. **Composition of Public Debt Portfolio at End-2024**
The debt portfolio is composed of 78.09% domestic debt and 21.91% external debt.
External Debt (**₦34,393.68** million), key sources include: World Bank (IDA and IBRD), African Development Bank (AfDB), including AfDFP and Africa Growing Together Fund.
Domestic Debt (**₦122,575.62** million), major components include: FGN Bridge Financing, CBN COVID-19 Health Intervention Fund, Budget Support Facility, Salary Bailout Facility, Restructured Commercial Bank Loans (FGN Bond), ECA-Backed Loan, Commercial Bank Loans, Commercial Agriculture Loan, MSMEDF (CBN Development Financing Facility), AfDB RAAMP3 Counterpart Fund, Government-to-Government Debts (LGAs Salary Bailout), SUBEB Counterpart Funds, Contractors' Arrears, Pension and Gratuity Arrears, Salary Arrears and Other Staff Claims.

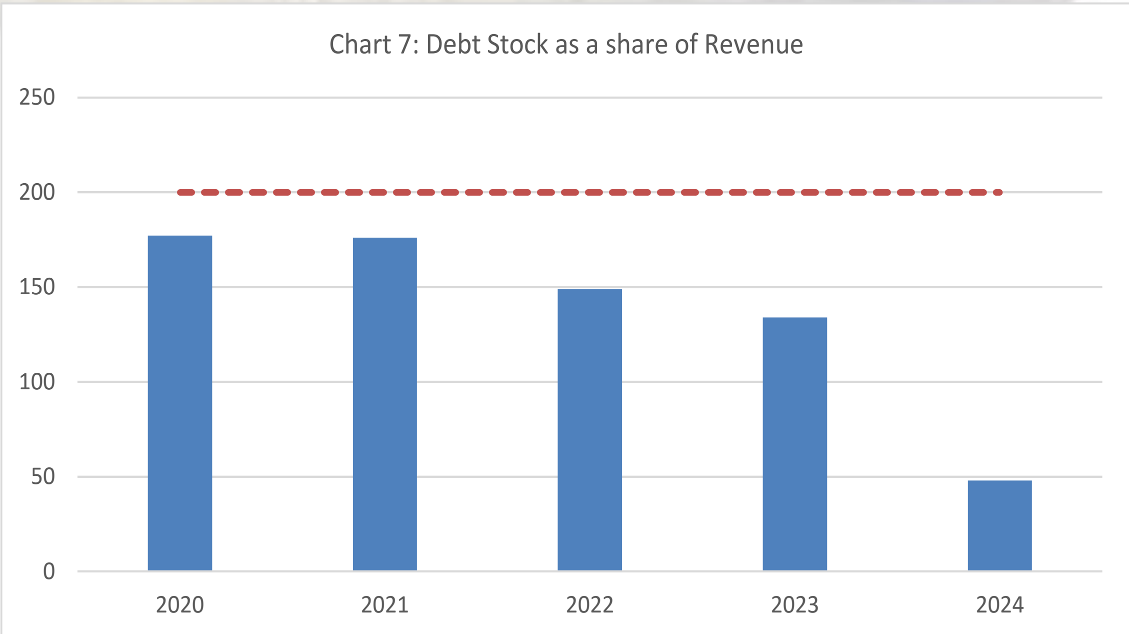
III. **Cost and Risk Exposure of the Debt Portfolio at End-2024**
Benue State's debt portfolio is characterized as low-cost and low-risk:

- Average implicit interest rate - 2.95% (2023–2024)
- Interest payments as share of total expenditure (1.41%)

- Currency risk: Limited, as foreign currency-denominated debt accounts for only 21.91% of the total
- Interest rate risk: Minimal, with most loans being fixed-rate
- Rollover risk: Negligible, due to long maturities (10–40 years) and stable financing sources from the Federal Government and multilateral institutions

These characteristics suggest a sustainable debt outlook, with limited exposure to adverse financial conditions. (Refer to Charts 6–8 for visual representation).





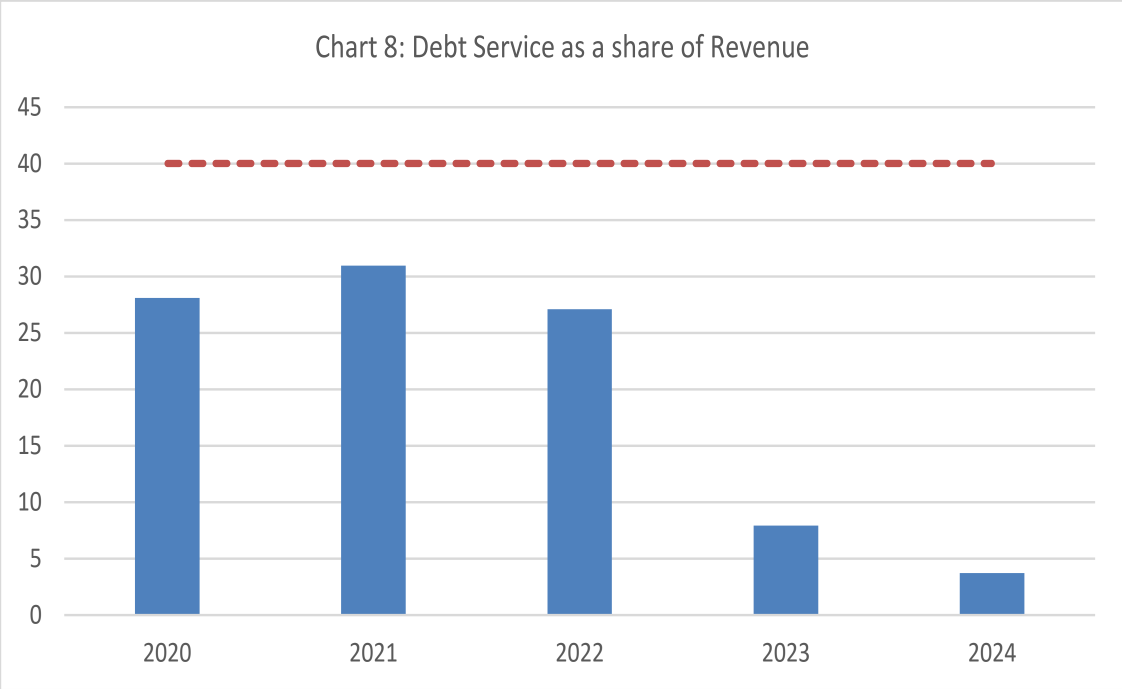


Chart 8: Debt Service as a share of Revenue
45
40
35
30
25
20
15
10
5
0
2020
2021
2022
2023
2024

4.0 Debt Sustainability Analysis

As outlined in Section 1.0, debt sustainability refers to a government's ability to meet its future financial obligations without resorting to significant fiscal adjustments. This capacity is largely shaped by the policies and institutions that govern public spending and taxation. In essence, debt sustainability reflects the government's ability to maintain prudent fiscal management over time, avoiding disruptive changes to budgets or borrowing practices. Conversely, fiscal policies are considered unsustainable when they result in an excessive buildup of public debt, potentially forcing the government to implement corrective measures to mitigate the adverse effects of a heavy debt burden.

The primary objective of Debt Sustainability Analysis (DSA) is to assess the risk of debt distress faced by the State. This involves evaluating its ability to manage existing debt and accommodate future borrowing needs under both baseline projections and adverse (shock) scenarios.

The debt burden with and without indicative thresholds are presented below:

Debt Burden with Indicative Thresholds:

Debt Burden	Indicative Thresholds	Indicators Computed – 2024
Debt as % of SGDP	25	2
Debt as % of Revenue	200	48
Debt Service as % of Revenue	40	4
Personnel cost as % of Revenue	60	14

Debt Burden without Indicative Thresholds:

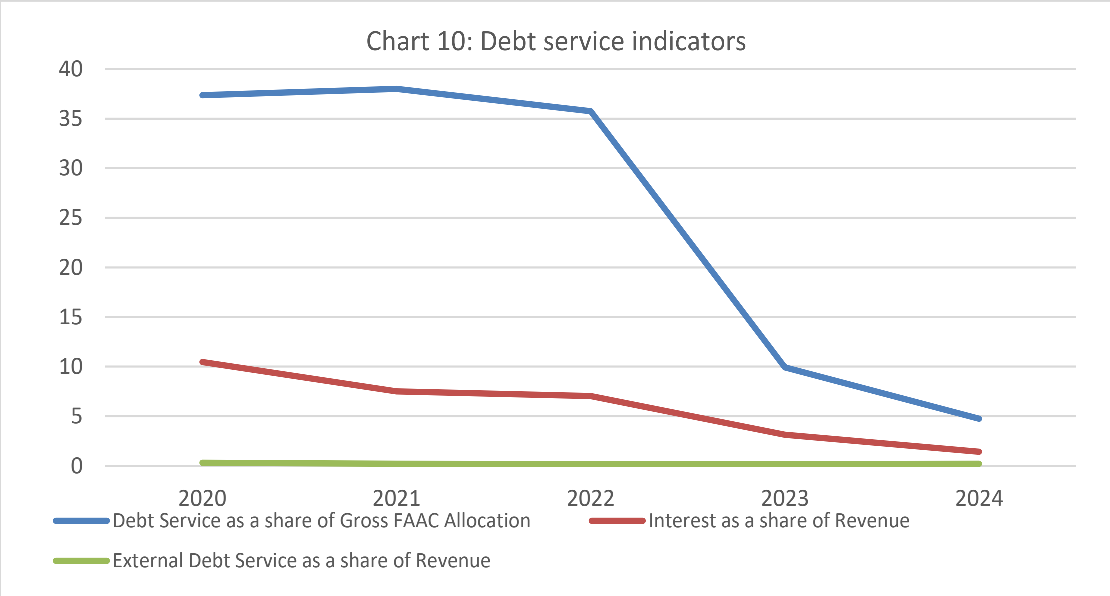
Debt Burden	Indicators Computed – 2024
Debt Service as % of Gross FAAC Allocation	5
Interest as % of Revenue	1
External Debt Service as % of Revenue	0
Domestic Debt Service as % of Total Revenue	4

In FY2024, key fiscal indicators reflected a strong debt sustainability position:

- Total debt as a percentage of SGDP stood at 2%, significantly below the threshold of 25%.
- Debt service as a percentage of revenue was 4%, well under the 40% benchmark.
- Personnel cost as a percentage of revenue was 14%, also comfortably below the 60% threshold.
- Total debt as a percentage of revenue was 48%, indicating a relatively low level compared to the 200% threshold.

This figure incorporates below-the-line flows and valuation effects, accounting for net valuation changes in both the creditor and debtor countries (refer to Charts 6–8).

Additionally, several debt burden indicators without formal thresholds were computed for FY2024 using the DSA-DMS input template. These include: Debt service as a share of gross FAAC allocation, Interest payments as a percentage of revenue, External debt service as a percentage of revenue and Domestic debt service as a percentage of total revenue. These are presented in Chart 10.



4.1 Medium-Term Budget Forecast

I. Main Features of the Macroeconomic Outlook Underpinning the State DSA-MTDS Baseline Scenario

Benue State's medium-term debt sustainability framework is anchored on the projected gradual recovery of the Nigerian economy, which is expected to drive an increase in FAAC statutory allocations. FAAC inflows are projected to grow at an average annual rate of 25% between 2025 and 2034, based on elasticity forecasting of the government's share of FAAC during the 2025–2028 period. This projection is underpinned by several macroeconomic assumptions:

- A sustained rise in global crude oil prices and domestic production levels.
- The removal of fuel subsidies and stabilization of inflation rates.
- A shift in government posture toward reform-oriented policies and diversification, particularly in the agricultural sector.

Despite the recessionary pressures stemming from global oil price volatility, signs of stabilization observed in Q4 2024 support the outlook for a gradual recovery. These factors collectively justify the anticipated FAAC growth trajectory outlined in Annex I: Table of Assumptions – Benue State DSA-MTDS Template.

According to forecasts from the Federal Government (National Bureau of Statistics – NBS) and Benue State's Medium-Term Expenditure Framework (MTEF), the Nigerian economy is expected to recover progressively between 2025 and 2028:

- Real GDP is projected to grow at an average annual rate of 3.5% nationally, with State GDP (SGDP) reaching 4.5% in 2025.
- Domestic inflation is expected to decline to below 15% by 2025, supported by prudent fiscal management and improved supply chains.
- Exchange rate stability is anticipated, maintaining current levels relevant for international public-sector financial transactions.

This moderate recovery will be driven by:

- Higher global oil prices and increased domestic output.
- Strengthened fiscal policy and improved revenue mobilization.
- Enhanced oil and gas revenues, alongside growth in shared resources such as customs duties and VAT.

These developments are expected to improve Benue State's revenue position relative to the depressed levels recorded in 2024, thereby reinforcing the sustainability of its medium-term debt strategy.

II. Benue State's Revenue and Expenditure Policies Under the Baseline Scenario

The debt sustainability analysis (DSA) assumes the continuation of recent efforts by the Benue State Government to mobilize local revenue sources. Under the baseline scenario, the State anticipates a significant expansion of its revenue base through the elimination of leakages and the exploration of new revenue streams. A key priority is the sustained enforcement of ground rent payments by property owners, alongside targeted improvements in Internally Generated Revenue (IGR), projected to grow by 25% annually in 2025 and maintain that rate through 2026–2028.

Expenditure policies are expected to remain unchanged, particularly regarding personnel and operating costs. Cost containment measures will focus on reducing overhead expenses and optimizing personnel headcount, driven by ongoing NIBSS-BVN operations, natural attrition through staff retirements, and selective staff replacement.

At the local level, tax administration reforms initiated by the State Government to enhance IGR performance are expected to continue over the medium term. These reforms will be supported by broader economic recovery, further strengthening the State's fiscal position.

No new policy changes are anticipated concerning personnel and overhead costs, which are expected to follow historical trends.

Refer to Annex I: Table of Assumptions in the Benue State DSA-MTDS Template for detailed projections.

4.2 Borrowing Options

In alignment with the Medium-Term Debt Strategy (MTDS), the Benue State Government is considering borrowing from either commercial banks or the capital market to finance infrastructure development and other strategic investment plans. This initiative is being pursued despite prevailing challenges associated with public sector borrowing.

1. Commercial Bank Loans. Direct bank loans—typically short to medium term—are primarily used to finance budget deficits. However, they present notable limitations:
   - Tenor Restrictions. Commercial banks often restrict loan tenors to the remaining term of the current state administration, limiting long-term planning.
   - High Interest Rates. Loans under the Baseline Scenario (S1) are projected at 28.00% interest for a 4-year maturity (including Agriculture Loans and MSMEDF) and 30.00% interest for a 12-year maturity
2. Capital Market Instruments (the external amounts are defined in millions of US Dollar). Raising funds through bonds—long-term, tax-exempt debt securities typically backed by Irrevocable Standing Payment Orders (ISPO)—is another viable option. However, this route involves:
   - Extensive Due Diligence. Rigorous documentation and compliance requirements.
   - Lengthy Approval Process. Bonds must be rated and approved, making them suitable only for projects with long gestation periods that enhance socio-economic development.

To encourage regular issuance of state bonds and deepen both primary and secondary market activities, the Central Bank of Nigeria (CBN), on March 2, 2010, conferred liquid asset status on eligible state government bonds. This decision, made under the CBN Act (2007), is strictly enforced through operational guidelines for bond processing.

Projected bond terms under the Baseline Scenario include: State Bonds - 28.00% interest for a maturity of 5 years or longer and Private Bonds (Domestic Financing) - 30.00% interest for a 7-year maturity.

3. External Financing

At present, the Benue State Government does not plan to pursue external borrowing beyond the Federal Government of Nigeria (FGN)/World Bank SABER loans and grant-based programs. However, concessional and bilateral loans remain viable options for future consideration due to their favorable terms. Concessional loans—such as those offered by the World Bank and the African Development Bank—typically carry an average interest rate of 3.00% and a maturity period of up to 20 years. Bilateral loans, sourced through agreements with foreign governments or institutions, also average 3.00% interest with a 15-year maturity. Other forms of external financing may be available at similar interest rates, with tenors extending to 10 years or more.

These external instruments offer significantly lower interest rates and longer tenors, making them ideal for large-scale, long-term development projects aimed at improving infrastructure and socio-economic outcomes across the state.

4. Strategic Rationale. The borrowing plan is designed to augment the state's total accruable revenue—including Internally Generated Revenue (IGR)—which has been adversely affected by post-COVID-19 economic disruptions and external market fluctuations. The strategy aims to bridge the gap between projected and actual revenues, expenditures, and debt obligations for the period 2025–2034, as outlined in the Benue State DSA-MTDS Template (Annex I).

Breakdown of planned Borrowing by the State in line with DSA-DMS Temp (millions of Naira (External Amounts are defined in millions of US Dollar):

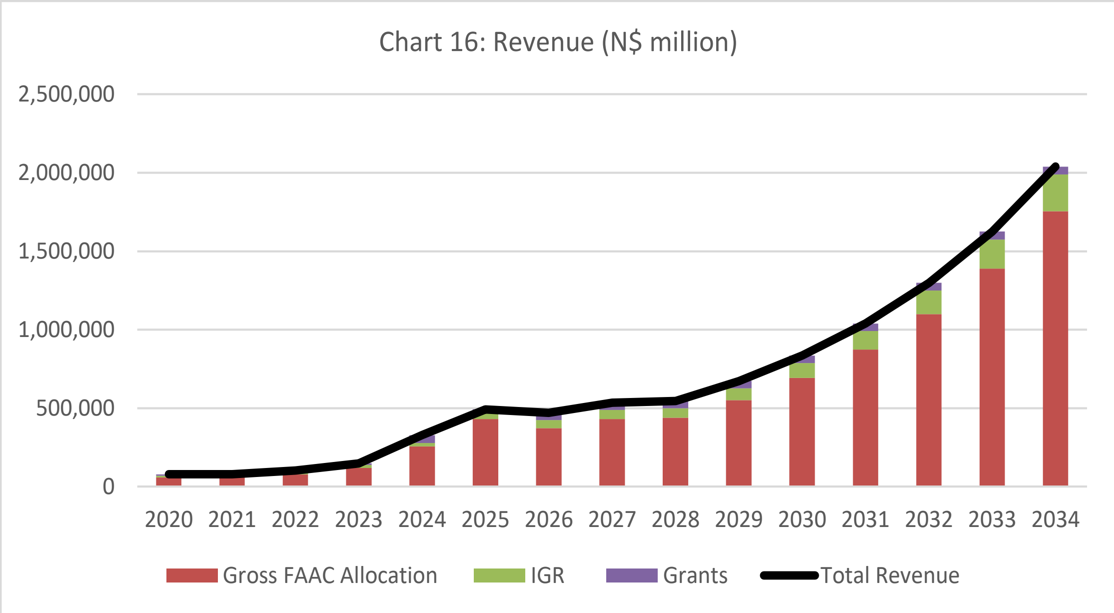
D/Financing (MN) - Source	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Bank (1-5yrs (Agric Infra. &MSMEDF)	9,236.2	0.0	4,679.3	7,736.2	0.0	25,673.1	26,150.2	70,500.0	55,112.4	95,000.0
Bank (6yrs or more (Agric. Infra. & MSMEDF)	0.0	290.2	0.0	4,504.2	15,556.9	0.0	38,998.0	0.0	133,726.1	80,208.4
Bonds (1-5yrs)	0.0	0.0	0.0	0.0	7,776.5	0.0	0.0	0.0	0.0	0.0
Bonds (6 yrs. or more)	0.0	0.0	3,393.0	0.0	0.0	0.0	36,971.1	0.0	44,394.3	0.0
Other D/ Financing	6,444.4	5,861.3	0.0	3,412.3	10,773.5	31,107.3	0.0	85,303.1	0.0	155,002.6
External: Conce'nal Loans: WB, AfDB	0.0	0.0	3.0	0.0	0.0	0.0	0.0	0.0	10.0	0.0
Bilateral Loans	0.0	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	20.0
Other Ext.Fina'g	0.0	5.0	0.0	0.0	0.0	0.0	0.0	7.0	5.0	10.0
Total	**15,680.7**	**13,151.4**	**12,272.3**	**15,652.6**	**34,106.9**	**59,580.4**	**102,119.3**	**165,603.1**	**254,232.8**	**372,211.0**

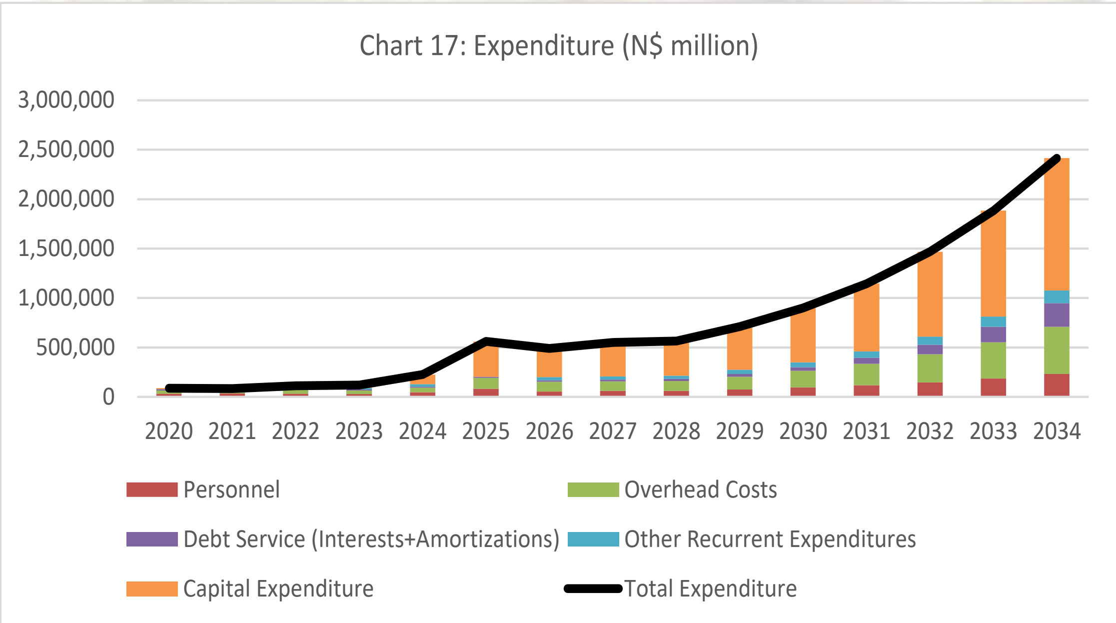
4.3 DSA Simulation Results

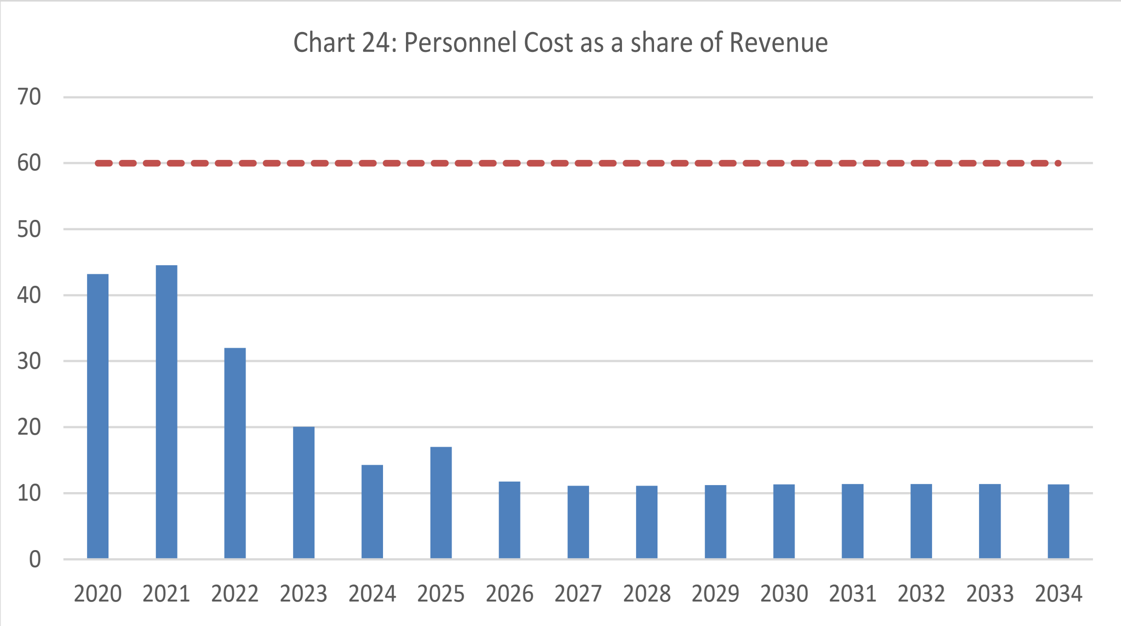
I. Revenue, Expenditure, Overall and Primary Balance Over the Long Term

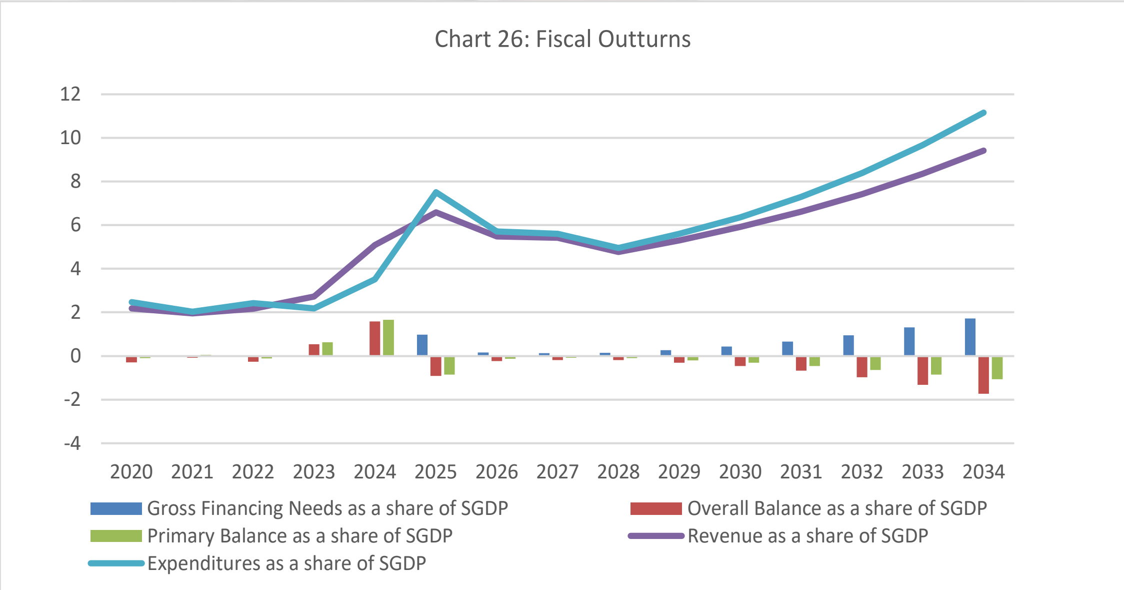
Under the Baseline Scenario and the reference debt strategy (S), Benue State maintains a sustainable debt trajectory. Total revenue—comprising grants and excluding other capital receipts—is projected to grow significantly from **₦327,614.96** million in 2024 to **₦2,374,330.72** million by 2034 (see Chart 16). Over the same period, total expenditure is expected to rise from **₦225,783.79** million in 2024 to **₦2,414,929.30** million (see Chart 17).

As a result, the fiscal balance—defined as the difference between revenue and expenditure—is forecast to shift from a surplus of **₦101,831.17** million in 2024 to a modest deficit of **₦2,437.49** million by 2034. This trajectory reflects a narrowing fiscal space over the long term, though it remains within manageable bounds under the current debt strategy.









II. **Main Finding and Conclusion of the Baseline Scenario under the Reference Debt Strategy (S1): Debt Sustainability**

Under the baseline scenario aligned with the reference debt strategy (S1), a modest increase in investment and reliance on internal borrowings is expected to drive a significant rise in public debt. Consequently, the State's debt repayment capacity is projected to weaken proportionately. As illustrated in Charts 18 and 22, total public debt is forecast to grow from **₦156,969.30** million at the end of 2024 to **₦923,990.06** million by 2034.

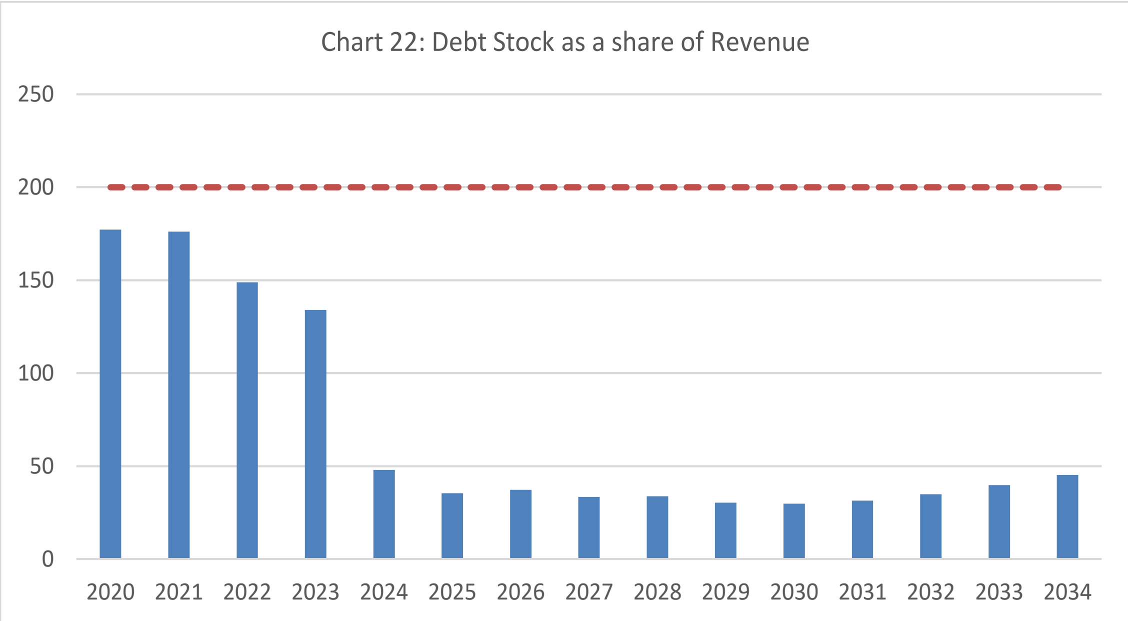
Conclusion

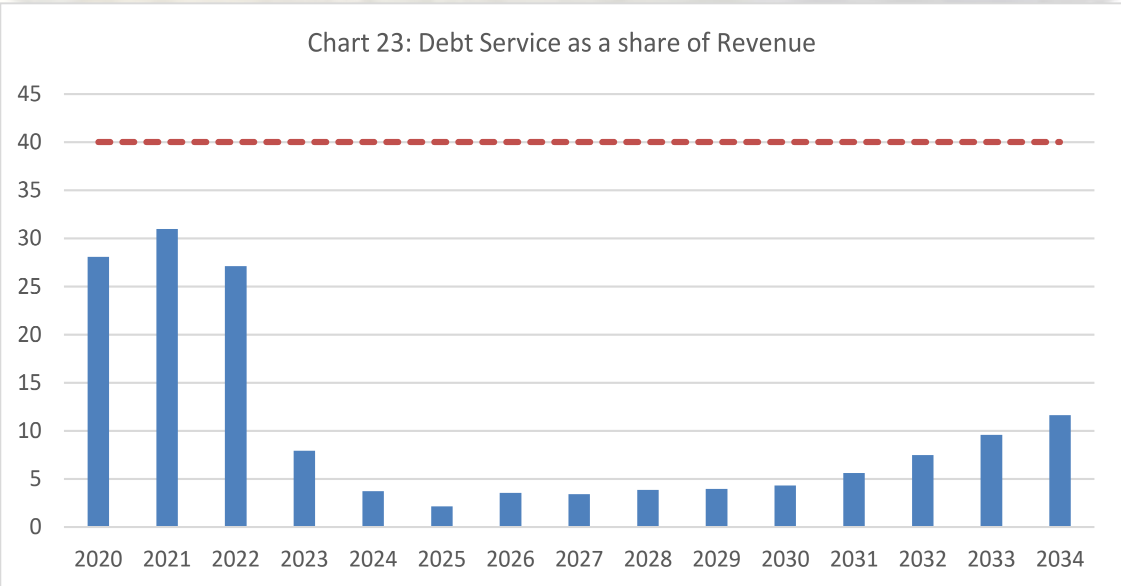
As the fiscal deficit stabilizes in nominal terms over the coming years and the public debt ratio gradually declines, the Baseline Scenario under the reference debt strategy (S1) indicates that the State can maintain debt sustainability in the medium term (Chart 23). This outlook is contingent on the continued implementation of fiscal reforms (Section 2.1), alongside intensified efforts to boost domestic revenue, enhance spending efficiency, combat corruption, and improve the business environment—all aligned with the State's fiscal and deficit plans.

The Debt Management Strategy (DMS) analysis under strategy S1 highlights areas for improvement in the public debt portfolio. The portfolio is projected to grow from **₦156,969.30** million at end-2024 to

₦204,785.85 million by 2029, maintaining a medium-level debt profile with a moderate burden and risk exposure—consistent with the State's debt management objectives (Section 1.0).

Borrowings under strategy S1 are expected to reduce the cost of debt servicing (4.0%) and market risk exposure (2.6%) relative to revenue. Additionally, currency and rollover risks will be mitigated. The share of foreign-currency debt will increase slightly from 21.91% in 2024 to 22.07% in 2029, while the proportion of debt maturing in three years or more will decline from 47.91% to 29.51%, reflecting a lower volume of new long-term borrowings.





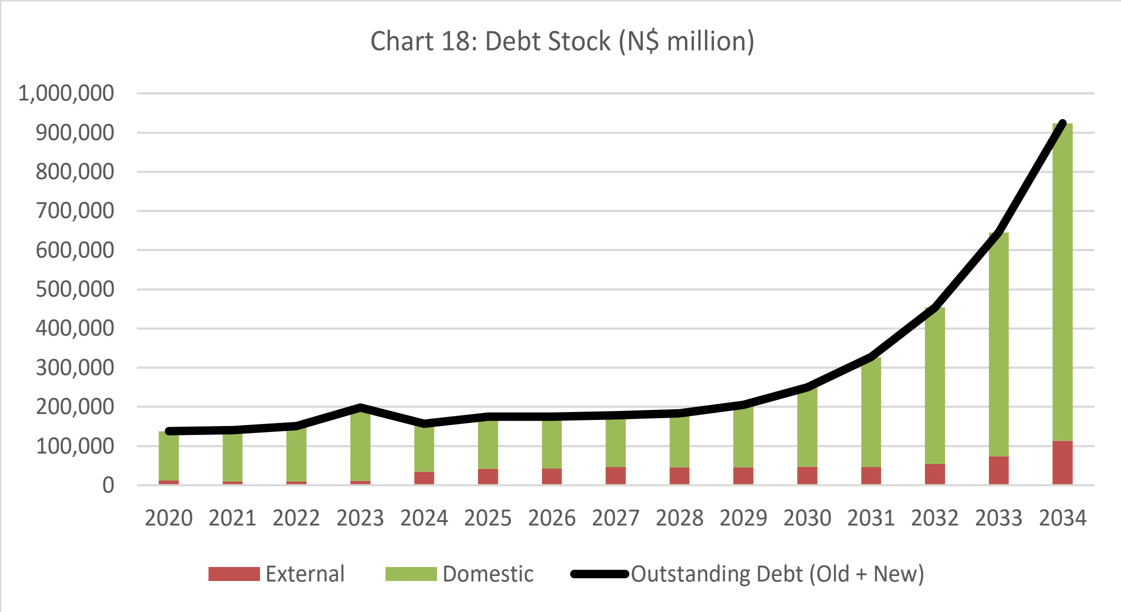


Chart 18: Debt Stock (N$ million)
1,000,000
900,000
800,000
700,000
600,000
500,000
400,000
300,000
200,000
100,000
0
2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034
External
Domestic
Outstanding Debt (Old + New)

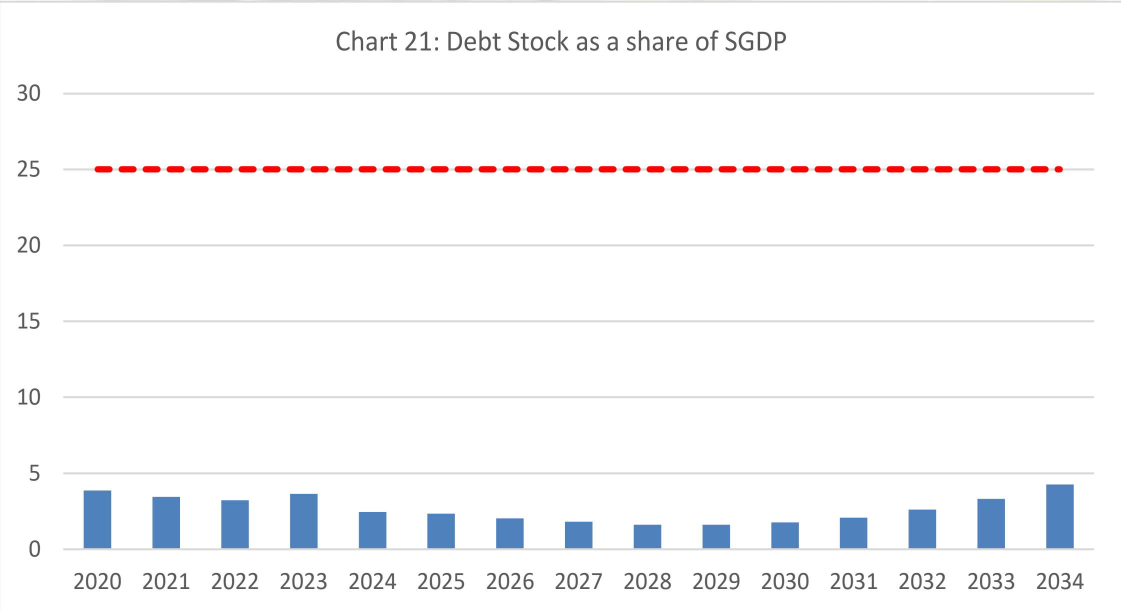


Chart 21: Debt Stock as a share of SGDP
30
25
20
15
10
5
0
2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034

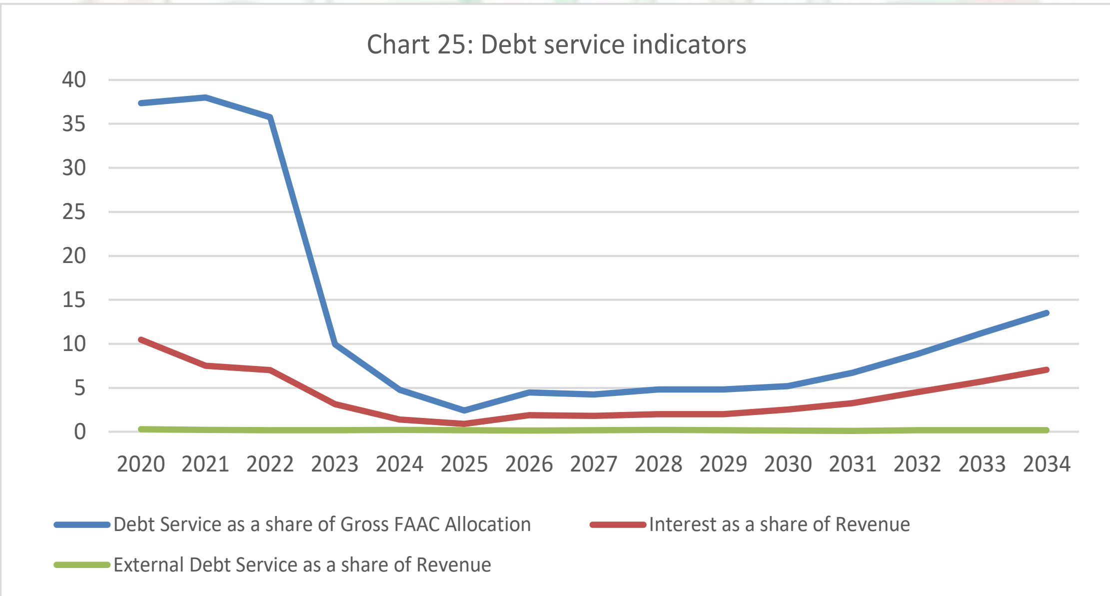


Chart 25: Debt service indicators
40
35
30
25
20
15
10
5
0
2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034
Debt Service as a share of Gross FAAC Allocation
Interest as a share of Revenue
External Debt Service as a share of Revenue

4.4 DSA Sensitivity Analysis

Benue State is exposed to significant fiscal risks stemming from potential adverse macroeconomic developments at the national level and possible reversals in the State's revenue and expenditure policies.

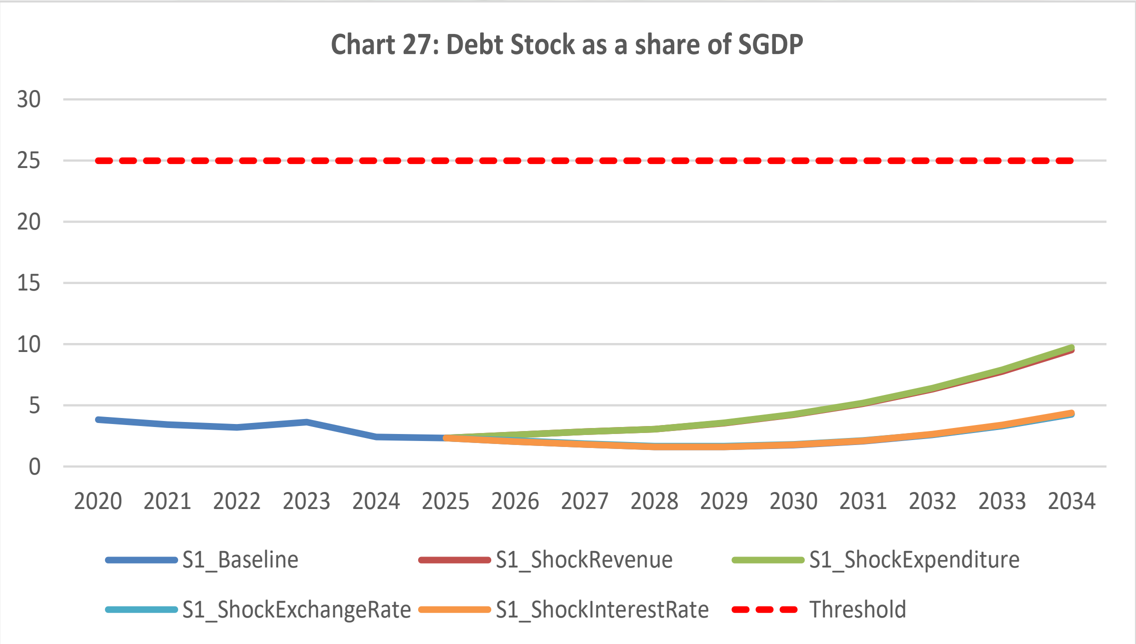
To assess the robustness of the debt sustainability analysis (DSA) under the Baseline Scenario and reference debt strategy (S1) outlined in Section 4.3, a sensitivity analysis was conducted. This analysis considered both macroeconomic and policy shocks. It was assumed that any revenue shortfalls or additional expenditures relative to the Baseline Scenario would be financed through external and domestic borrowings.

Under scenarios involving exchange rate and interest rate shocks, the State's debt sustainability deteriorates moderately, primarily due to reduced repayment capacity. Projected fiscal balances decline from a deficit of ₦5,096.18 million in 2027 onward, representing a significant deviation from the Baseline Scenario projections. Conversely, the public debt-to-revenue ratio improves substantially, driven by increased revenue mobilization, reaching 29.87% of Total Revenue by 2029. This indicates a moderate enhancement in the State's debt position and a gradual build-up of fiscal resilience over the medium term.

The results and conclusions for each shock scenario—including macroeconomic, policy, and historical shocks—are presented for the period 2025–2034 (see Charts 27–30). These scenarios evaluate the impact on debt sustainability, focusing on debt stock, debt service obligations, and personnel cost projections as a share of total revenue, compared against the Baseline Scenario.

Projected Items (2025)	Shock	Baseline	Historical	Projected Items (2034)	Shock	Baseline	Historical
Debt Stock	**35**	**35**	**35**	Debt Stock	**112**	**45**	**0**
Debt Services	**2**	**2**	**2**	Debt Services	**21**	**12**	**0**
Personnel Cost	**17**	**17**	**17**	Personnel Cost	**13**	**11**	**0**

The analysis indicates that Benue State's debt sustainability is projected to experience only minimal deterioration under the reference debt strategy (S1), should a revenue/expenditure shock occur. This outcome stems from marginal fiscal deficits and a slight weakening in repayment capacity. Fiscal imbalances are expected to decline steadily over time, falling below ₦5,199.59 million by 2029 in the no-shock scenario. Moreover, the public debt ratio is anticipated to drop to levels considered sustainable within the next few years. However, a key risk to this outlook is the potential reversal of the State's recent success in revenue mobilization, coupled with an inability to sustain current expenditure growth trends (see Charts 27–30).



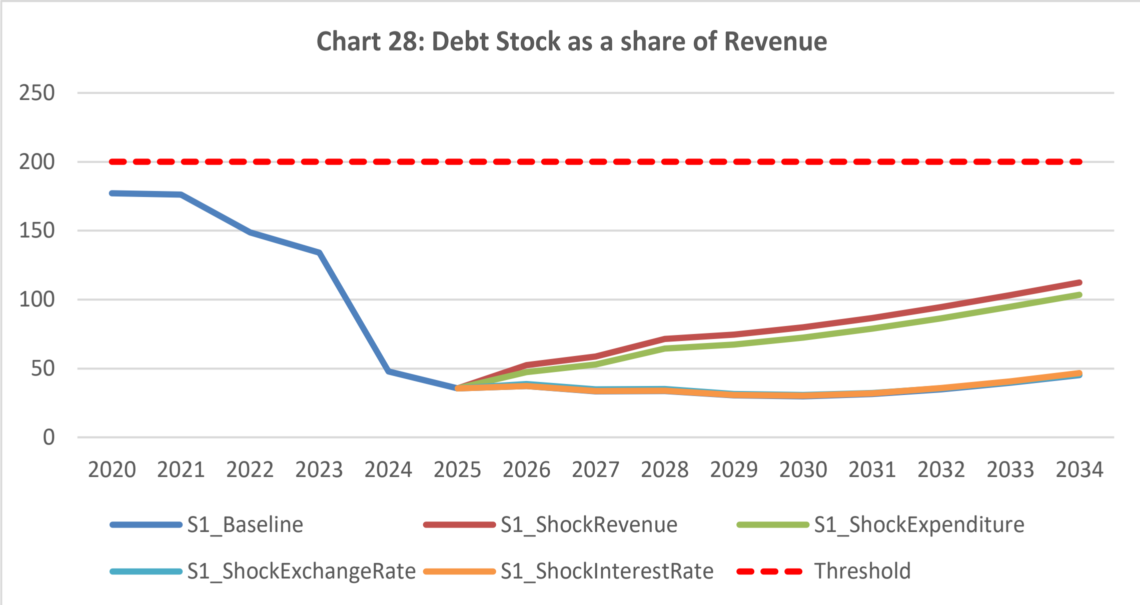


Chart 28: Debt Stock as a share of Revenue
250
200
150
100
50
0
2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034
S1_Baseline
S1_ShockRevenue
S1_ShockExpenditure
S1_ShockExchangeRate
S1_ShockInterestRate
Threshold

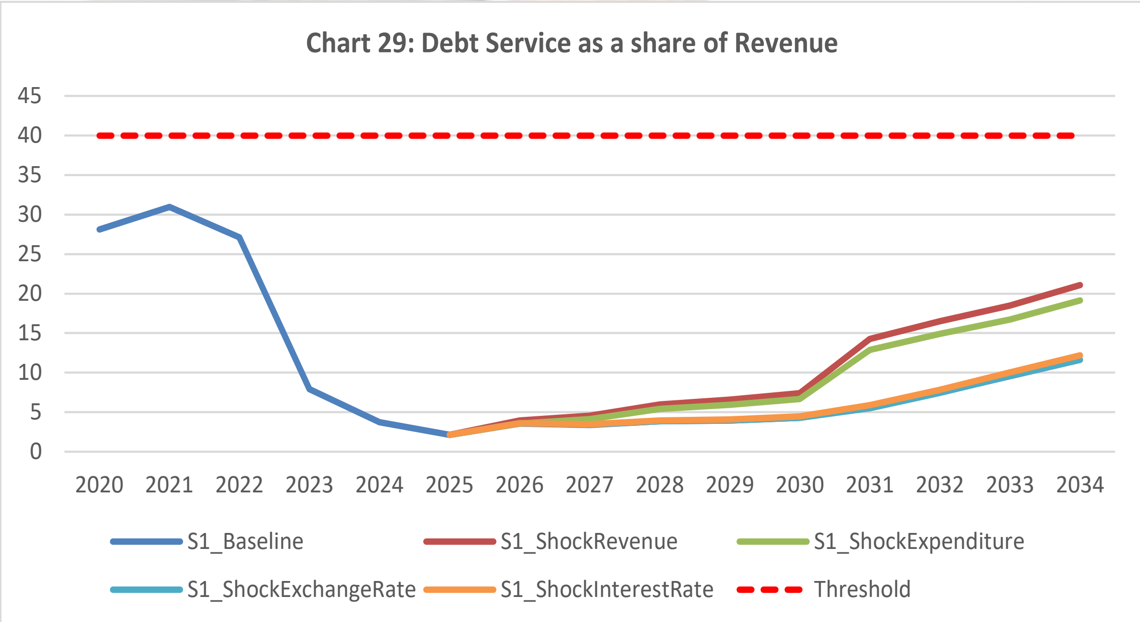
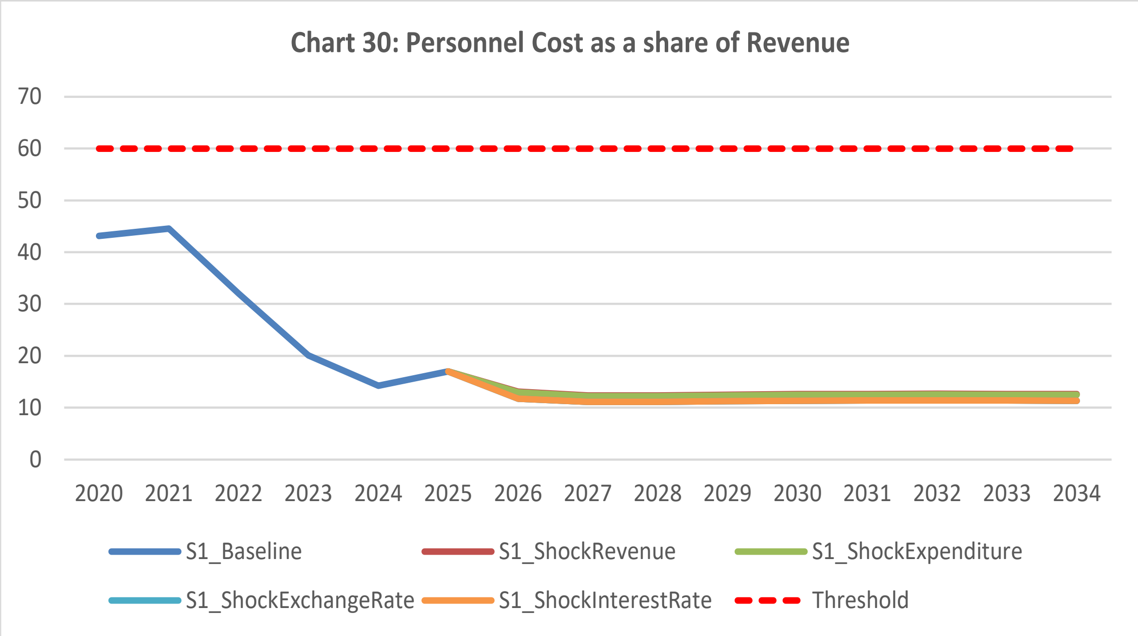


Chart 29: Debt Service as a share of Revenue
45
40
35
30
25
20
15
10
5
0
2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034
S1_Baseline
S1_ShockRevenue
S1_ShockExpenditure
S1_ShockExchangeRate
S1_ShockInterestRate
Threshold



Based on the outcomes of the shock scenarios (2029–2034; Charts 28–29), the reference debt strategy (S1) emerges as the most realistic and acceptable option for ensuring Benue State's debt sustainability. This strategy is designed to mitigate the adverse impacts of economic shocks—particularly those related to exchange rates, inflation, and interest rates—given the sensitivity of public debt to such fluctuations. Additionally, the State remains vulnerable to various risk exposures, including the crystallization of contingent liabilities, persistent herdsmen attacks, and natural disasters such as recurrent flooding, erosion, and fire outbreaks.

The baseline debt strategy (S1), with a projected cost-risk trade-off of **4.0 - 2.6** by 2029, appears feasible and preferable for preserving fiscal sustainability over the medium to long term. Its success hinges on the continued implementation of key fiscal reforms (2.1), alongside intensified efforts to boost domestic revenue, enhance spending efficiency, combat corruption, and improve the business environment. These measures must remain aligned with the State's fiscal spending and deficit management plans going forward.

5.0 Debt Management Strategy

According to the World Bank Group (WBG), "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."

To evaluate the effectiveness of debt-management strategies—specifically in relation to the reference debt strategy (S1)—three key performance indicators are employed:

- Cost Indicator: Measures the average interest cost of the debt portfolio over time, helping assess whether the strategy achieves funding at a low cost.
- Risk Indicator: Evaluates the exposure of the debt portfolio to refinancing, interest rate, and exchange rate risks, ensuring the strategy maintains a prudent level of risk.
- Operational Efficiency Indicator: Assesses the extent to which the strategy is implemented effectively, including timely execution, market development, and adherence to planned issuance.

Debt-management performance indicators:

Baseline(S1) DM Performance	Indicators/Cost - 2029	Risk Measured
Debt Stock/Revenue (%)	30.4	44.2
Debt Services/Revenue (%)	4.0	2.6
Interest/Revenue (%)	2.0	2.4

The table outlines the State's definitions of 'cost' and 'risk' for any DMS. Specifically, cost is defined as the expected value of a performance indicator in 2029, based on the baseline scenario. Risk is defined as the deviation from that expected value in 2029 resulting from an unexpected shock, as projected in the most adverse scenario.

5.1 Alternative Borrowing Options

Policy Objectives and Borrowing Options in Benue State's Debt Management Strategy

The policy objectives guiding Benue State's three alternative Debt Management Strategy (DMS) options—S2, S3, and S4—include:

- Risk Mitigation: Addressing key financial risks such as currency, interest rate, and rollover risks.
- Domestic Market Development: Strengthening and deepening domestic debt markets.
- Targeted Financing: Mobilizing funds for specific expenditures, particularly capital investments.
- Liquidity Management: Securing liquid assets to support effective cash flow management.

The overarching goal is to explore alternative financing strategies beyond the reference debt strategy (S1), with the aim of raising the required funding at the lowest possible cost over the medium to long term, while maintaining a prudent level of risk.

DMS Options S2 and S3: Domestic Borrowing. Under DMS S2 and S3, new domestic borrowing would be sourced from the following instruments: Commercial Bank Loans - 4-year maturity at an average interest rate of 28.00% (including Agric Loans and MSMEDF), 12-year maturity at an average interest rate of 30.00%, State Bonds Issued through capital markets with a maturity of 7 years or longer at an average interest rate of 30.00% and Other Domestic Financing Instruments - 10-year maturity at an average interest rate of 28.00%.

DMS Option S4: Mixed Financing with External Borrowing. DMS S4 proposes a blended financing approach, combining all three options and incorporating external borrowing—subject to Federal Government approval. Benue State is a participant in the planned COVID-19 external loan program led by the Federal Government of Nigeria (FGN), involving concessional and bilateral financing from the World Bank and African Development Bank (AfDB) between 2029 and 2034. These funds will be on-lent to states and supplemented by the FGN/World Bank SABER programme (performance-for-results).

External financing terms include: Concessional Loans (World Bank, AfDB) - 20-year maturity at an average interest rate of 3.00%, Bilateral Loans - 15-year maturity at an average interest rate of 3.00% and Other External Financing Instruments - 10-year or longer maturity at an average interest rate of 3.00%.

Note: Table assumptions are based on the Benue State DSA-MTDS Template, as presented in Annex I.

5.2 DMS Simulation Results

The analysis of results from the four Debt Management Strategies (DMS), based on three key debt-management performance indicators—Debt-to-Revenue, Debt Service-to-Revenue, and Interest-to-Revenue—under both the baseline and most adverse scenarios of the reference strategy (S1), as well as the alternative strategies (S2, S3, and S4), is presented in the Charts DMS sheet of the State DSA-MTDS Template 2025.

Debt-management performance indicators (2029):

S1- DM Performance	Cost	Risk	S2- DM Performance	Cost	Risk
Debt Stock/Revenue (%)	30.4	44.2	Debt Stock/Revenue (%)	31.8	44.4
Debt Services/Revenue (%)	4.0	2.6	Debt Services/Revenue (%)	4.8	2.7
Interest/Revenue (%)	2.0	2.4	Interest/Revenue (%)	2.6	2.5

S3- DM Performance	Cost	Risk	S4- DM Performance	Cost	Risk
Debt Stock/Revenue (%)	32.1	44.4	Debt Stock/Revenue (%)	30.6	44.3
Debt Services/Revenue (%)	4.9	2.8	Debt Services/Revenue (%)	3.7	2.6
Interest/Revenue (%)	2.7	2.5	Interest/Revenue (%)	2.1	2.4

A comparative analysis of the three alternative borrowing strategies (S2, S3, and S4) against the baseline debt strategy (S1), using the 2029 debt management performance (DMP) indicators, reveals that Strategy S3 incurs the highest cost and risk exposure across all indicators. Strategy S2 follows with slightly lower debt burden and risk levels, while Strategy S4 demonstrates the most favorable profile—offering reduced debt burden and moderate risk exposure—if adopted to secure the required funding.

5.2.1 Debt/Revenue

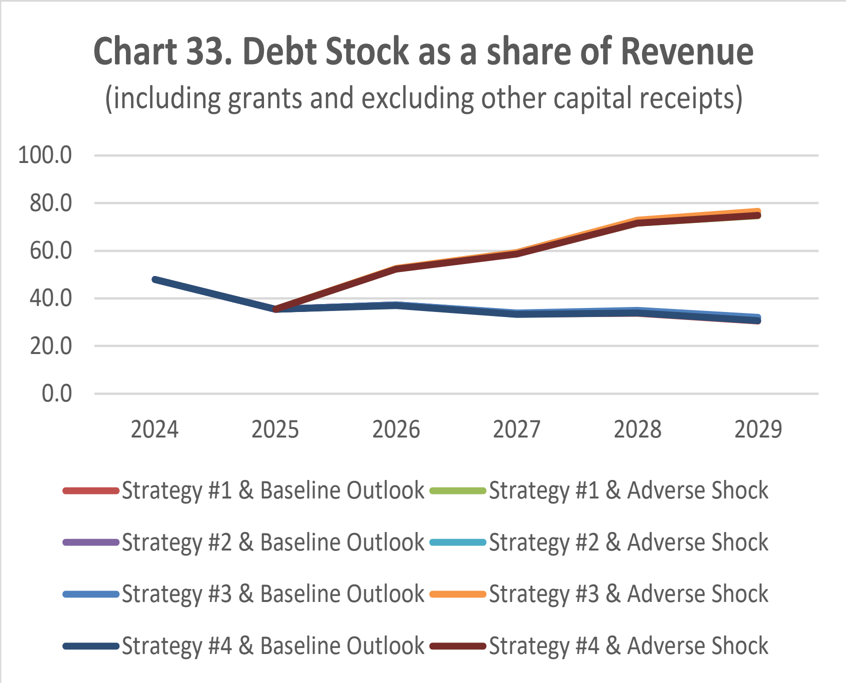
The State projected Debt Stock/Revenue under the four strategies (Charts 31 and 32) presented the Debt Stock as a percentage of Revenue for the baseline scenario for the period 2025-2029:

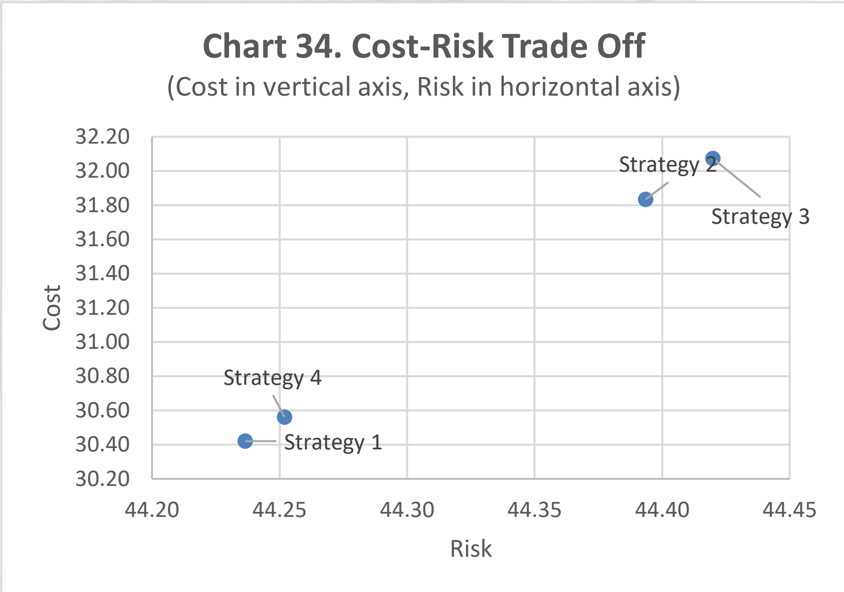
Debt Stock as % of Revenue (including grants and excluding other capital receipts)

Baseline Outlook	2025	2026	2027	2028	2029(Cost)	RISK
S1	35.5	37.2	33.4	33.7	30.4	44.2
S2	35.5	37.2	33.8	34.7	31.8	44.4
S3	35.5	37.3	33.9	34.9	32.1	44.4
S4	35.5	37.0	33.3	33.8	30.6	44.3

The table above illustrates the structure of debt burden and risk exposure based on the selected debt portfolio strategies. Among these, Strategy S1—followed closely by S4—offers the lowest cost with moderate risk.

Cost and risk metrics, projected for the year 2029 under both baseline and worst-case scenarios (as detailed in section 5.2.1), reveal distinct patterns in the cost-risk trade-off across the four strategies (see Charts 33 and 34). In the scatter plot: S3 appears at the extreme top-right, indicating high cost and high risk, S2 is positioned slightly below S3, S4 is located toward the lower center while S1 sits at the bottom-left, representing the most sustainable debt portfolio with the most favorable cost-risk balance.





5.2,2 **Debt Services/Revenue**

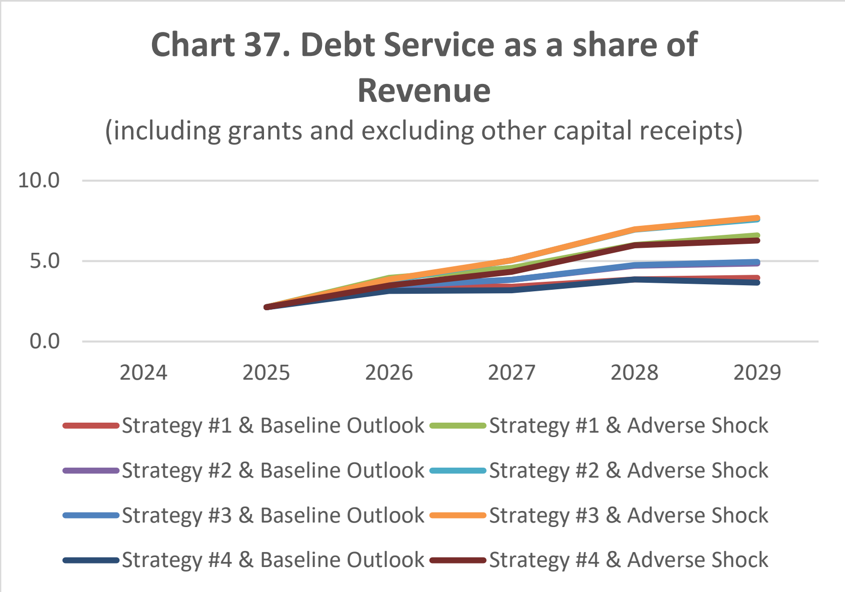
The projected Debt Service-to-Revenue ratios under the four strategies (Charts 37 and 38) illustrate debt service obligations as a percentage of government revenue in the baseline scenario for the period 2025–2029.

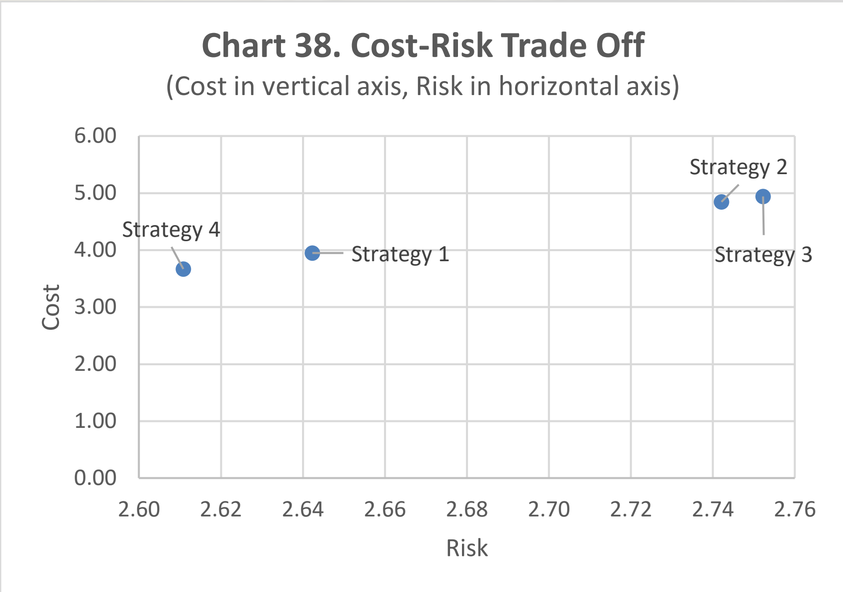
Debt Services as % of Revenue (including grants and excluding other capital receipts)

Baseline Outlook	2025	2026	2027	2028	2029 (Cost)	RISK
S1	2.1	3.6	3.4	3.9	4.0	2.6
S2	2.1	3.4	3.8	4.7	4.8	2.7
S3	2.1	3.5	3.8	4.7	4.9	2.8
S4	2.1	3.1	3.2	3.9	3.7	2.6

Similarly, the Debt Service-to-Revenue table above reflects the structure of debt burden and risk exposure across the selected debt portfolio strategies. Among them, Strategy S4 appears to offer a relatively low cost with moderate risk—positioned just after the baseline strategy (S1)—and compares favorably to the alternative strategies S2 and S3.

The cost and risk projections for 2029, under both baseline and worst-case scenarios, highlight the fundamental patterns of the cost-risk trade-off across the four strategies (see Charts 37 and 38). In the scatter plot: S3 is located at the extreme top-right, indicating the highest cost and risk, S2 follows slightly lower, S4 is positioned toward the extreme-left and downward while S1 sits at the Centre-left, representing the most sustainable debt portfolio with the most favorable cost-risk balance.





5.2.3 **Interest/Revenue**

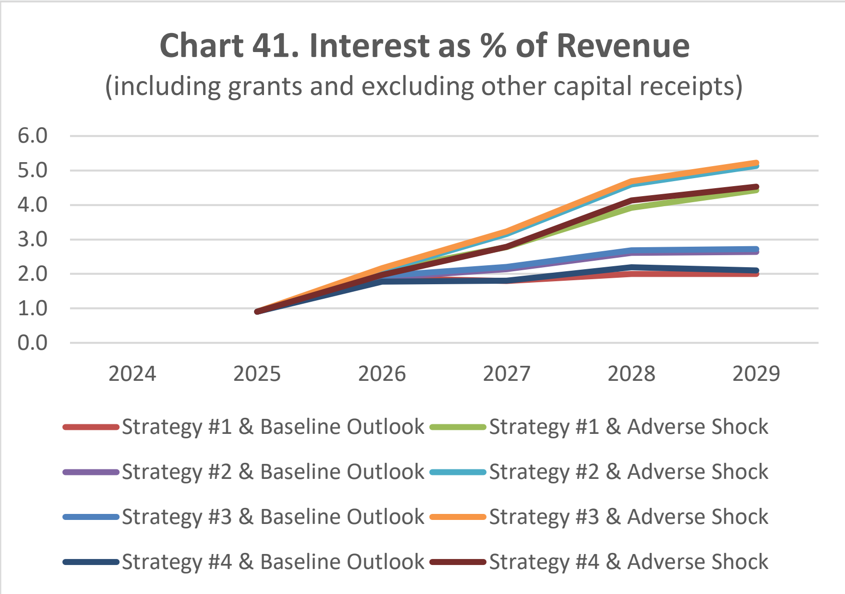
The projected Interest-to-Revenue ratios under the four strategies—illustrated in Charts 41 and 42—depict interest as a percentage of revenue for the baseline scenario covering the period 2025 to 2029.

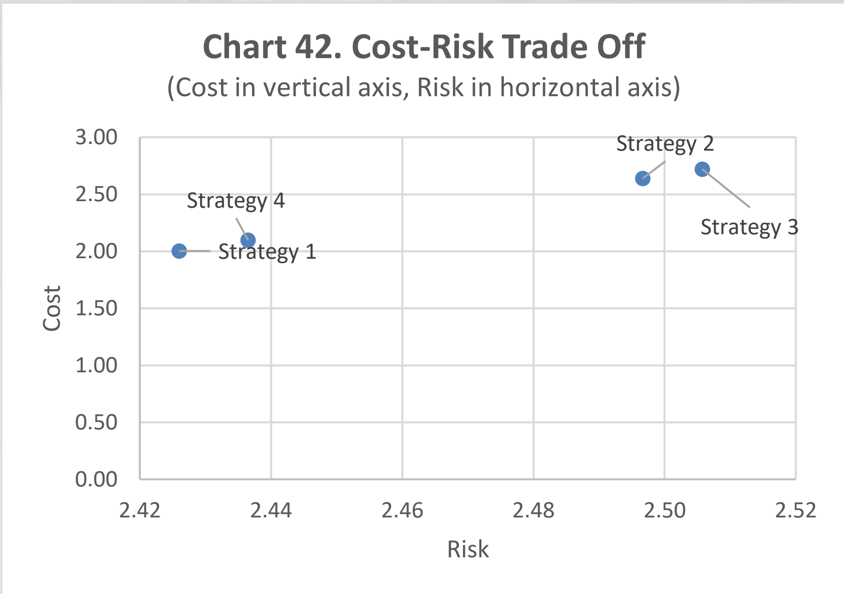
Interest as % of Revenue (including grants and excluding other capital receipts)

Baseline Outlook	2025	2026	2027	2028	2029 (Cost)	RISK
S1	0.9	1.9	1.8	2.0	2.0	2.4
S2	0.9	1.9	2.1	2.6	2.6	2.5
S3	0.9	1.9	2.2	2.7	2.7	2.5
S4	0.9	1.8	1.8	2.2	2.1	2.4

Likewise, the Interest/Revenue table above illustrates the structure of the debt burden and associated risk exposure under each selected debt portfolio strategy. Among these, the baseline strategy (S1) demonstrates the lowest cost with a moderate level of risk, making it more favorable compared to alternative strategies S2, S3, and S4.

The cost and risk metrics, assessed for the year 2029 under both baseline and worst-case adverse scenarios, highlight the interest components and the overall cost-risk trade-offs across the four strategies (see Charts 41 and 42). In the plot, S3 appears at the top, indicating the highest cost-risk profile; S2 is positioned slightly below; S4 follows near the center-top; while S1 is located toward the lower-left quadrant, suggesting a more sustainable debt portfolio with minimal cost and risk exposure.





5.2.4 DMS Assessment

Based on the key observations regarding the cost-risk profiles of the four Debt Management Strategies (DMSs: S1–S4), the reference strategy (S1) presents a medium-level debt portfolio with a moderate debt burden and associated risk for the State. Compared to the alternative strategies (S2, S3, and S4), adopting either S2 or S3 would result in a higher debt burden, as indicated by their respective cost-risk profiles and debt management performance outlooks for 2025–2029 (Sections 5.2.1–5.2.3).

Conversely, S4 offers a relatively low-burden debt portfolio, enabling the State to raise the required funding at the lowest possible cost over the medium to long term. This is consistent with a prudent risk level, as reflected in its cost-risk profile and Debt Management Performance (DMP) outlook (Sections 5.2.1–5.2.3).

However, implementing S4 or S3 may prove challenging under the shock scenarios projected for 2029–2034 (Charts 28–29). These challenges stem from the sensitivity of public debt to macroeconomic shocks, including fluctuations in exchange rates, inflation, and interest rates. Additionally, the State remains vulnerable to various risk exposures, such as the crystallization of contingent liabilities, persistent herdsmen attacks, and recurring natural disasters like floods, erosion, and fires.

The baseline strategy (S1), with a projected cost-risk trade-off of **4.0%** (cost) and **2.6%** (market risk) by 2029, appears feasible and preferable for maintaining debt sustainability over the medium to long term. The DMS analysis indicates that while S1 aligns with the State's debt management objectives (Section 1.0), there remains room for improvement in the public debt portfolio. The portfolio is expected to grow from **₦156,969.30** million at end-2024 to **₦204,785.85** million by 2029, maintaining a moderate debt burden and risk profile.

In effect, the borrowings under S1 are expected to reduce the cost of debt servicing and exposure to market risks relative to revenue. Furthermore, currency and rollover risks will be mitigated. The share of foreign-currency debt is projected to remain relatively stable, increasing slightly from 21.91% in 2024 to 22.07% in 2029. Meanwhile, the proportion of public debt maturing in three years or more is expected to decline from 47.91% to 30.42% over the same period, reflecting a lower volume of new debt issuance.

Sign:

Hon. Commissioner for Finance and Economic Planning

Annex I: Table Assumptions of the Benue State DSA-MTDS Template

2025			
		Projection Methodology	Source
Assumptions:			
Economic activity	State GDP (at current prices)	The suggested forecasts for State GDP and FAAC revenue in the State DSA-DMS Template.	The World Bank/Debt Management Office, Abuja/Benue State Budget, and Planning Commission
Revenue	Revenue	The suggested forecasts for State GDP and FAAC revenue in the State DSA-DMS Template. IGR will improve through impact of taskforce on revenue drive, efficient and effective Tax audit, improvement and exploring new revenue sources, blocking leakages and use of automated revenue collection and remittance processes.	The World Bank/Debt Management Office, Abuja; State MoF, BIRS Benue State, Benue State Budget, and Planning Commission.
	1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT Allocation here)	This is estimated using the elasticity forcasting which projected government's share of FAAC (2026-2028). This assumption is however, based on the expected rise in crude oil prices, production rate, full subsidy removal and stable inflationary rate predicted within this period. This is also expected to increase gradually because of new reforms and diversifications in the Agricultural economy despite the current recession largely due to global oil price fluctuation which picked up at the end of Fourth quarter 2024. ie increase in the growth rate of 25%, 2029-2034.	The World Bank/Debt Management Office, Abuja, DSA Team, Ministry of Finance, Budget and Economic Planning, Benue State Budget, and Planning Commission
	1.a. of which Net Statutory Allocation ('net' means of deductions)		DSA Team, Ministry of Finance, Budget and Economic Planning, Benue State Budget, and Planning Commission.
	1.b. of which Deductions		DSA Team, Ministry of Finance and Economic Planning, Benue State Planning Commission.
	2. Derivation (if applicable to the State)		
	3. Other FAAC transfers (exchange rate gain, augmentation, others)	The suggested forecasts for FAAC revenue in the State DSA-DMS Template.	The World Bank/DMO, Nigeria, Abuja; DSA Team, Ministry of Finance, Budget and Economic Planning, Benue State Budget, and Planning Commission
	4. VAT Allocation	Government share of VAT is also estimated using the elsaticity forcasting (2026-2028). This sustained rise in VAT is based on the assumption that the increased VAT rate from 7.5% to 10%, and the expanded area of coverage including areas such as banks and mobile phone transactions will no doubt make up the projections. The figures which are based on elasticity forcasting will increase ie the growth rate of 25%, 2029-2034.	The World Bank/DMO, Nigeria, Abuja; DSA Team, Ministry of Finance, Budget and Economic Planning, Benue State Budget, and Planning Commission
	5. IGR	The State Government anticipates an increase in its revenue base by blocking leakages and exploring new revenue sources. The most critical of all is to sustain continuous enforcement of payment of ground rent by property owners and improve IGR up to 25% annual growth rate. There will be 25% average growth rate (2026-2034) because of impact of taskforce on revenue drive, efficient and effective tax audit, improvement in revenue sources and use of automated revenue collection and remittance processes. It is also based on the Ten year projections by BIRS. Improving the State IGR through various sources and Taskforce's activities. Also, the Benue GIS program and improvement in ease of doing business in the State will provide additional revenues for the State going forward.	DSA Team, Ministry of Finance, Budget and Economic Planning, BIRS, Benue State Budget, and Planning Commission
	6. Capital Receipts	The State expects some loans/grants from International Donors and other Local Donors. The World Bank new program, SABER (State Action on Business Enabling Reforms) which is ongoing, growth rate of 2% within the period. This is because the major sources of government grants which are the INGOs and NGOs would be sustained in the State.	DSA Team, Ministry of Finance, Budget and Economic Planning, Benue State Budget, and Planning Commission
	6.a. Grants	There is a likelihood of accessing the SABER Funds partly by the year end (2025). It will increase by 2% on average based on the expectation of the World Bank Disbursements resulting from performance for result program of the SABER when it is implemented fully.	DSA Team, Ministry of Finance, Budget and Economic Planning, Benue State Budget, and Planning Commission
	6.b. Sales of Government Assets and Privatization Proceeds		
	6.c. Other Non-Debt Creating Capital Receipts	Accessing the FGN/CBN intervention funds and other State based programs and projections by the FGN.	DSA Team, Ministry of Finance, Budget and Economic Planning, Beneu State Budget, and Planning Commission
Expenditure	Expenditure		

	1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	This will increase by 25% (2029-2034) based on the full implementation of minimum wage, replacement of staff, and the intention of the State Government to rationalise the work force through personnel audit and new skills acquisition as well as improvement in doing things with less workforce.	DSA Team, Ministry of Finance, Budget and Economic Planning, Benue State Budget, and Planning Commission
	2. Overhead costs	The other recurrent services steadily increase year-on-year using own percentage forecasting method, 20% (2026), based on high inflation. This will then increase by 30% growth rate (2029-2034) due to the economic Impacts and exigencies of the established new Offices e,g State DMO, State FRC, State PPC, BENDISMEA, BENIPA and other cost of governance due to the new reforms expected to be intoduced by the new government.	DSA Team, Ministry of Finance, Budget and Economic Planning, Benue State Budget, and Planning Commission
	3. Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)		
	4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)	Cost minimisation will be strictly applied going forward. However, this will increase by 25% growth rate (2029-2034) due to the economic Impacts and exigencies of the established new Offices e.g., State DMO, State FRC, State PPC, BENDISMEA, BENIPA, and other cost of governance due to the new reforms expected to be introduced by the new government.	DSA Team, Ministry of Finance, Budget and Economic Planning, Benue State Budget, and Planning Commission
	5. Capital Expenditure	The present Administration is committed to spend huge amount on infrastructure developments, which is translated in the 2025 budget for implementation. There will be an increment at an average growth rate of 25% because of the on-going and planned commitments in infrastructural development and policy objectives/targets of the new Administration (2029 - 2030), 25% (2031-2034).	DSA Team, Ministry of Finance, Budget and Economic Planning, Benue State Budget, and Planning Commission
Closing Cash and Bank Balance	Closing Cash and Bank Balance	Cash balance is projected at a decreasing rate of 90%(2025-2034), for effective budget implementation due to unpredictable economic circumstances going forward, and since contingency and planning reserves for fiscal receipts and capital investments shortfalls in nominal terms are already provided.	DSA Team, Ministry of Finance, Budget and Economic Planning, Benue State Budget, and Planning Commission
Debt Amotization and Interest Payments	Debt Outstanding at end-2024		
	External Debt - amortization and interest		
	Domestic Debt - amortization and interest		
	New debt issued/contracted from 2025 onwards		
	New External Financing		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	Benue State Government currently has no plan for external financing category except the FGN/ WB SABER loans/grants-based programme. External Financing - Concessional Loans (e.g., World Bank, African Development Bank) at 3% for maturity of 20 year.	The World Bank/DMO, Nigeria, Abuja; DSA Team, Ministry of Finance, Budget and Economic Planning, Benue State Budget, and Planning Commission
	External Financing - Bilateral Loans	External Financing - Bilateral Loans at 3% for maturity of 15 years.	
	Other External Financing	Other External Financing at 3% for maturity of 10 years or more.	
	New Domestic Financing		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	The main new domestic borrowing category would be sourced from Commercial Bank (Loans) at an average interest rate of 28% for maturity of 4 years, [including Agric Loans and MSMEDF] and/or interest rate of 30% for maturity of 12 years; State Bonds to be sourced from capital markets at an average interest rate of 28% for maturity of 7 years or longer) and other Domestic Financing at an average interest rate of 30% for maturity of 10 years.	DSA Team, Ministry of Finance, Budget and Economic Planning, Benue State Budget, and Planning Commission
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)		
	State Bonds (maturity 1 to 5 years)		
	State Bonds (maturity 6 years or longer)		
	Other Domestic Financing		
Proceeds from Debt-Creating Borrowings	Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S1		
corresponding to Debt Strategy S1	New Domestic Financing in Million Naira		

	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	The main new domestic borrowing category would be sourced from Commercial Bank (Loans) at an average interest rate of 28% for maturity of 4 years, [including Agric Loans and MSMEDF] and/or interest rate of 30% for maturity of 12 years; State Bonds to be sourced from capital markets at an average interest rate of 28% for maturity of 7 years or longer) and other Domestic Financing at an average interest rate of 30% for maturity of 10 years.	DSA Team, Ministry of Finance, Budget and Economic Planning, Benue State Budget, and Planning Commission
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)		
	State Bonds (maturity 1 to 5 years)		
	State Bonds (maturity 6 years or longer)		
	Other Domestic Financing		
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	Benue State Government currently has no plan for external financing category except the FGN/ WB SABER loans/grants-based programme. External Financing - Concessional Loans (e.g., World Bank, African Development Bank) at 3% for maturity of 20 year.	DSA Team, Ministry of Finance, Budget and Economic Planning, Benue State Budget, and Planning Commission
	External Financing - Bilateral Loans	External Financing - Bilateral Loans at 3% for maturity of 15 years.	
	Other External Financing	Other External Financing at 3% for maturity of 10 years or more.	
Proceeds from Debt-Creating Borrowings	Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S2		
corresponding to Debt Strategy S2	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	The main new domestic borrowing category would be sourced from Commercial Bank (Loans) at an average interest rate of 28% for maturity of 4 years, [including Agric Loans and MSMEDF] and/or interest rate of 30% for maturity of 12 years; State Bonds to be sourced from capital markets at an average interest rate of 28% for maturity of 7 years or longer) and other Domestic Financing at an average interest rate of 30% for maturity of 10 years.	DSA Team, Ministry of Finance, Budget and Economic Planning, Benue State Budget, and Planning Commission
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)	The main new domestic borrowing category would be sourced from Commercial Bank (Loans) at an average interest rate of 28% for maturity of 4 years, [including Agric Loans and MSMEDF] and/or interest rate of 30% for maturity of 12 years; State Bonds to be sourced from capital markets at an average interest rate of 28% for maturity of 7 years or longer) and other Domestic Financing at an average interest rate of 30% for maturity of 10 years.	DSA Team, Ministry of Finance, Budget and Economic Planning, Benue State Budget, and Planning Commission
	State Bonds (maturity 1 to 5 years)		
	State Bonds (maturity 6 years or longer)		
	Other Domestic Financing		
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	Benue State Government currently has no plan for external financing category except the FGN/ WB SABER loans/grants-based programme. External Financing - Concessional Loans (e.g., World Bank, African Development Bank) at 3% for maturity of 20 year.	
	External Financing - Bilateral Loans	External Financing - Bilateral Loans at 3% for maturity of 15 years.	
	Other External Financing	Other External Financing at 3% for maturity of 10 years or more.	
Proceeds from Debt-Creating Borrowings	Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S3		
corresponding to Debt Strategy S3	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	The main new domestic borrowing category would be sourced from Commercial Bank (Loans) at an average interest rate of 28% for maturity of 4 years, [including Agric Loans and MSMEDF] and/or interest rate of 30% for maturity of 12 years; State Bonds to be sourced from capital markets at an average interest rate of 28% for maturity of 7 years or longer) and other Domestic Financing at an average interest rate of 30% for maturity of 10 years.	DSA Team, Ministry of Finance, Budget and Economic Planning, Benue State Budget, and Planning Commission
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)		
	State Bonds (maturity 1 to 5 years)		
	State Bonds (maturity 6 years or longer)		
	Other Domestic Financing		

	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	Benue State Government currently has no plan for external financing category except the FGN/ WB SABER loans/grants-based programme. External Financing - Concessional Loans (e.g., World Bank, African Development Bank) at 3% for maturity of 20 year.	DSA Team, Ministry of Finance, Budget and Economic Planning, Benue State Budget, and Planning Commission
	External Financing - Bilateral Loans	External Financing - Bilateral Loans at 3% for maturity of 15 years.	
	Other External Financing	Other External Financing at 3% for maturity of 10 years or more.	
Proceeds from Debt-Creating Borrowings	Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S4		
corresponding to Debt Strategy S4	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	The main new domestic borrowing category would be sourced from Commercial Bank (Loans) at an average interest rate of 28% for maturity of 4 years, [including Agric Loans and MSMEDF] and/or interest rate of 30% for maturity of 12 years; State Bonds to be sourced from capital markets at an average interest rate of 28% for maturity of 7 years or longer) and other Domestic Financing at an average interest rate of 30% for maturity of 10 years.	DSA Team, Ministry of Finance, Budget and Economic Planning, Benue State Budget, and Planning Commission
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)	The main new domestic borrowing category would be sourced from Commercial Bank (Loans) at an average interest rate of 28% for maturity of 4 years, [including Agric Loans and MSMEDF] and/or interest rate of 30% for maturity of 12 years; State Bonds to be sourced from capital markets at an average interest rate of 28% for maturity of 7 years or longer) and other Domestic Financing at an average interest rate of 30% for maturity of 10 years.	DSA Team, Ministry of Finance, Budget and Economic Planning, Benue State
	State Bonds (maturity 1 to 5 years)		
	State Bonds (maturity 6 years or longer)		
	Other Domestic Financing		
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	Benue State Government currently has no plan for external financing category except the FGN/ WB SABER loans/grants-based programme. External Financing - Concessional Loans (e.g., World Bank, African Development Bank) at 3% for maturity of 20 year.	DSA Team, Ministry of Finance, Budget and Economic Planning, Benue State Budget, and Planning Commission
	External Financing - Bilateral Loans	External Financing - Bilateral Loans at 3% for maturity of 15 years.	
	Other External Financing	Other External Financing at 3% for maturity of 10 years or more.	

Annex II: Historical and projections of the S1_Baseline Scenario

	Indicator			Actuals							Projections					
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
		BASELINE SCENARIO														
	Economic Indicators															
	State GDP (at current prices)	3,578,569.35	4,084,855.25	4,694,757.83	5,438,552.86	6,437,703.81	7,471,945.22	8,570,150.16	9,849,279.48	11,414,371.68	12,699,915.29	14,130,243.25	15,721,661.89	17,492,314.06	19,462,385.93	21,654,337.15
	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	**89,927.00**	**81,383.50**	**113,611.03**	**147,980.38**	**327,614.96**	**565,793.64**	**483,366.14**	**546,924.67**	**560,998.03**	**708,085.85**	**895,695.93**	**1,142,850.55**	**1,464,857.56**	**1,880,480.66**	**2,412,491.81**
	1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT Allocation here)	38,014.00	39,711.53	42,573.90	35,902.69	16,915.91	201,606.23	164,434.72	191,502.68	195,332.74	253,932.56	330,112.33	429,146.02	557,889.83	725,256.78	942,833.81
	1.a. of which Net Statutory Allocation ('net' means of deductions)	26,629.00	26,151.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	1.b. of which Deductions	11,385.00	13,559.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	2. Derivation (if applicable to the State)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	3. Other FAAC transfers (exchange rate gain, augmentation, others)	4,569.00	2,909.94	7,241.54	44,626.96	167,096.59	154,842.05	119,538.59	134,625.45	137,317.96	164,781.55	197,737.86	237,285.43	284,742.51	341,691.01	410,029.22
	4. VAT Allocation	15,969.00	22,281.13	27,139.33	37,632.56	73,131.38	73,885.10	88,748.51	103,357.60	105,424.76	131,780.95	164,726.18	205,907.73	257,384.66	321,730.82	402,163.53
	5. IGR	10,464.00	12,601.16	15,013.11	19,204.27	20,919.54	35,569.07	51,491.92	59,968.12	61,167.48	76,459.35	95,574.18	119,467.73	149,334.66	186,668.33	233,335.41
	6. Capital Receipts	20,911.00	3,879.73	21,643.16	10,613.90	49,551.54	99,891.20	59,152.40	57,470.82	61,755.10	81,131.45	107,545.38	151,043.64	215,505.89	305,133.71	424,129.84
	6.a. Grants	8,798.00	2,218.01	9,520.65	10,613.90	49,551.54	26,471.93	45,172.35	44,418.71	45,307.08	46,213.23	47,137.49	48,080.24	49,041.84	50,022.68	51,023.14
	6.b. Sales of Government Assets and Privatization Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	6.c. Other Non-Debt Creating Capital Receipts	102.00	0.00	0.00	0.00	0.00	57,738.61	828.62	779.80	795.39	811.30	827.53	844.08	860.96	878.18	895.74
	6.d. Proceeds from Debt-Creating Borrowings (bond issuance, loan disbursements, etc.)	12,011.00	1,661.72	12,122.51	0.00	0.00	15,680.65	13,151.43	12,272.31	15,652.62	34,106.92	59,580.37	102,119.32	165,603.08	254,232.85	372,210.96
	Expenditure	**88,232.00**	**83,189.86**	**113,511.48**	**118,464.92**	**225,783.79**	**560,594.06**	**489,028.56**	**552,020.85**	**565,584.59**	**712,213.75**	**899,411.05**	**1,146,194.15**	**1,467,866.80**	**1,883,188.98**	**2,414,929.30**
	1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	33,597.00	35,505.03	32,478.35	29,719.09	46,711.75	83,658.95	55,133.18	59,339.01	60,525.79	75,657.24	94,571.54	118,214.43	147,768.04	184,710.05	230,887.56
	2. Overhead costs	31,019.00	29,179.97	42,181.09	34,557.71	45,220.22	108,843.39	97,339.76	97,454.33	99,403.42	129,224.44	167,991.77	218,389.31	283,906.10	369,077.93	479,801.31
	3. Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)	6,760.00	5,922.53	7,096.83	4,626.01	4,626.01	4,470.20	8,825.37	9,593.50	10,863.85	13,489.22	21,066.49	33,894.40	58,429.41	92,866.39	143,676.83
	3.a. of which Interest Payments (Public Debt Charges, excluding interests deducted from FAAC Allocation)	0.00	0.00	0.00	4,626.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	3.b. of which Interest deducted from FAAC Allocation	0.00	0.00	7,096.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)	2,000.00	3,521.45	10,040.12	15,018.70	24,341.22	0.00	30,317.13	32,629.87	33,282.47	41,603.08	52,003.85	65,004.82	81,256.02	101,570.03	126,962.53
	5. Capital Expenditure	8,400.00	2,275.84	13,671.19	27,678.26	98,019.42	357,610.65	289,531.86	344,420.05	351,308.45	439,135.56	548,919.45	686,149.32	857,686.65	1,072,108.31	1,340,135.38
	6. Amortization (principal) payments	6,456.00	6,785.03	8,043.90	6,865.15	6,865.15	6,010.86	7,881.25	8,584.09	10,200.61	13,104.21	14,857.93	24,541.88	38,820.59	62,856.28	93,465.68
	Budget Balance (' + ' means surplus, ' - ' means deficit)	**1,695.00**	**-1,806.36**	**99.55**	**29,515.46**	**101,831.17**	**5,199.59**	**-5,662.42**	**-5,096.18**	**-4,586.56**	**-4,127.91**	**-3,715.12**	**-3,343.60**	**-3,009.24**	**-2,708.32**	**-2,437.49**
	Opening Cash and Bank Balance	**-79,910.18**	**-78,215.18**	**-80,021.54**	**-79,921.99**	**-50,406.54**	**51,424.63**	**56,624.22**	**50,961.80**	**45,865.62**	**41,279.06**	**37,151.15**	**33,436.04**	**30,092.43**	**27,083.19**	**24,374.87**
	Closing Cash and Bank Balance	**-78,215.18**	**-80,021.54**	**-79,921.99**	**-50,406.54**	**51,424.63**	**56,624.22**	**50,961.80**	**45,865.62**	**41,279.06**	**37,151.15**	**33,436.04**	**30,092.43**	**27,083.19**	**24,374.87**	**21,937.38**
	Financing Needs and Sources (Million Naira)															
	Financing Needs						**73,419.27**	**13,980.05**	**13,052.11**	**16,448.02**	**34,918.22**	**60,407.89**	**102,963.40**	**166,464.05**	**255,111.03**	**373,106.70**
	i. Primary balance						-57,738.61	-2,935.85	29.30	29.89	-12,452.70	-28,198.59	-47,870.72	-72,223.29	-102,096.68	-138,401.67
	ii. Debt service						10,481.07	16,706.62	18,177.59	21,064.47	26,593.43	35,924.42	58,436.28	97,250.00	155,722.67	237,142.51
	Amortizations						6,010.86	7,881.25	8,584.09	10,200.61	13,104.21	14,857.93	24,541.88	38,820.59	62,856.28	93,465.68
	Interests						4,470.20	8,825.37	9,593.50	10,863.85	13,489.22	21,066.49	33,894.40	58,429.41	92,866.39	143,676.83
	iii. Financing Needs Other than Amortization Payments (e.g., Variation in Cash and Bank Balances)						5,199.59	-5,662.42	-5,096.18	-4,586.56	-4,127.91	-3,715.12	-3,343.60	-3,009.24	-2,708.32	-2,437.49
	Financing Sources						**73,419.27**	**13,980.05**	**13,052.11**	**16,448.02**	**34,918.22**	**60,407.89**	**102,963.40**	**166,464.05**	**255,111.03**	**373,106.70**
	i. Financing Sources Other than Borrowing						57,738.61	828.62	779.80	795.39	811.30	827.53	844.08	860.96	878.18	895.74
	ii. Gross Borrowings						15,680.65	13,151.43	12,272.31	15,652.62	34,106.92	59,580.37	102,119.32	165,603.08	254,232.85	372,210.96
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)						9,236.21	0.00	4,679.31	7,736.15	0.00	25,673.10	26,150.25	70,500.00	55,112.44	95,000.00
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)						0.00	290.17	0.00	4,504.21	15,556.92	0.00	38,997.97	0.00	133,726.10	80,208.40
	State Bonds (maturity 1 to 5 years)						0.00	0.00	0.00	0.00	7,776.54	0.00	0.00	0.00	0.00	0.00
	State Bonds (maturity 6 years or longer)						0.00	0.00	3,393.00	0.00	0.00	0.00	36,971.11	0.00	44,394.30	0.00
	Other Domestic Financing						6,444.44	5,861.26	0.00	3,412.26	10,773.46	31,107.27	0.00	85,303.08	0.00	155,002.56
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)						0.00	0.00	4,200.00	0.00	0.00	0.00	0.00	0.00	14,000.00	0.00
	External Financing - Bilateral Loans						0.00	0.00	0.00	0.00	0.00	2,800.00	0.00	0.00	0.00	28,000.00
	Other External Financing						0.00	7,000.00	0.00	0.00	0.00	0.00	0.00	9,800.00	7,000.00	14,000.00
	Residual Financing						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Debt Stocks and Flows (Million Naira)															
	Debt (stock)	**137,831.02**	**140,426.73**	**151,054.43**	**198,337.25**	**156,969.30**	**174,647.26**	**174,642.91**	**178,331.13**	**183,783.14**	**204,785.85**	**249,508.28**	**327,085.72**	**453,868.21**	**645,244.79**	**923,990.06**
	External	11,706.02	9,809.42	9,760.11	11,321.24	34,393.68	41,706.19	42,823.98	46,416.30	45,808.61	45,200.93	47,393.25	46,785.56	54,577.88	73,570.20	113,562.51
	Domestic	126,125.00	130,617.31	141,294.32	187,016.01	122,575.62	132,941.07	131,818.93	131,914.83	137,974.52	159,584.92	202,115.03	280,300.15	399,290.33	571,674.59	810,427.55
	Gross borrowing (flow)						**15,680.65**	**13,151.43**	**12,272.31**	**15,652.62**	**34,106.92**	**59,580.37**	**102,119.32**	**165,603.08**	**254,232.85**	**372,210.96**
	External						0.00	7,000.00	4,200.00	0.00	0.00	2,800.00	0.00	9,800.00	21,000.00	42,000.00
	Domestic						15,680.65	6,151.43	8,072.31	15,652.62	34,106.92	56,780.37	102,119.32	155,803.08	233,232.85	330,210.96
	Amortizations (flow)	**13,713.07**	**18,688.70**	**20,382.69**	**7,076.67**	**7,605.84**	**6,010.86**	**7,881.25**	**8,584.09**	**10,200.61**	**13,104.21**	**14,857.93**	**24,541.88**	**38,820.59**	**62,856.28**	**93,465.68**
	External	162.07	128.91	141.50	212.07	564.28	695.66	607.68	607.68	607.68	607.68	607.68	607.68	2,007.68	2,007.68	2,007.68
	Domestic	13,551.00	18,559.79	20,241.18	6,864.59	7,041.56	5,315.20	7,273.57	7,976.41	9,592.93	12,496.53	14,250.25	23,934.20	36,812.91	60,848.59	91,458.00
	Interests (flow)	**8,158.39**	**5,984.33**	**7,133.08**	**4,662.43**	**4,634.09**	**4,470.20**	**8,825.37**	**9,593.50**	**10,863.85**	**13,489.22**	**21,066.49**	**33,894.40**	**58,429.41**	**92,866.39**	**143,676.83**
	External	73.39	33.70	36.25	36.42	144.55	178.21	155.67	365.67	491.67	491.67	491.67	575.67	575.67	827.67	1,415.67
	Domestic	8,085.00	5,950.62	7,096.83	4,626.01	4,489.54	4,291.99	8,669.70	9,227.83	10,372.18	12,997.54	20,574.81	33,318.73	57,853.73	92,038.72	142,261.16
	Net borrowing (gross borrowing minus amortizations)						**9,669.79**	**5,270.18**	**3,688.22**	**5,452.01**	**21,002.71**	**44,722.43**	**77,577.44**	**126,782.49**	**191,376.57**	**278,745.28**
	External						-695.66	6,392.32	3,592.32	-607.68	-607.68	2,192.32	-607.68	7,792.32	18,992.32	39,992.32
	Domestic						10,365.45	-1,122.14	95.90	6,059.69	21,610.39	42,530.11	78,185.12	118,990.18	172,384.26	238,752.96
	Debt and Debt-Service Indicators															
Indicator1_baseline	**Debt Stock as % of SGDP**	**3.85**	**3.44**	**3.22**	**3.65**	**2.44**	**2.34**	**2.04**	**1.81**	**1.61**	**1.61**	**1.77**	**2.08**	**2.59**	**3.32**	**4.27**
Indicator2_baseline	**Debt Stock as % of Revenue (including grants and excluding other capital receipts)**	**177.13**	**176.15**	**148.84**	**134.03**	**47.91**	**35.47**	**37.21**	**33.40**	**33.75**	**30.42**	**29.87**	**31.45**	**34.96**	**39.70**	**45.31**
Indicator3_baseline	**Debt Service as % of SGDP**						**0.14**	**0.19**	**0.18**	**0.18**	**0.21**	**0.25**	**0.37**	**0.56**	**0.80**	**1.10**
Indicator4_baseline	**Debt Service as % of Revenue (including grants and excluding other capital receipts)**						**2.13**	**3.56**	**3.40**	**3.87**	**3.95**	**4.30**	**5.62**	**7.49**	**9.58**	**11.63**
Indicator5_baseline	**Interest as % of SGDP**						**0.06**	**0.10**	**0.10**	**0.10**	**0.11**	**0.15**	**0.22**	**0.33**	**0.48**	**0.66**
Indicator6_baseline	**Interest as % of Revenue (including grants and excluding other capital receipts)**						**0.91**	**1.88**	**1.80**	**2.00**	**2.00**	**2.52**	**3.26**	**4.50**	**5.71**	**7.05**
	Personnel Cost as % of Revenue (including grants and excluding other capital receipts)						**16.99**	**11.75**	**11.11**	**11.11**	**11.24**	**11.32**	**11.37**	**11.38**	**11.36**	**11.32**
	Adverse Shock Scenario is defined by the worst performance indicator measured in year 2029															
	For Debt Stock as % of SGDP the adverse shock is: Historical	**Historical**														
Indicator1_shock	**Debt Stock as % of SGDP**						**2.34**	**7.67**	**24.79**	**72.28**	**197.22**	**508.51**	**1221.27**	**2603.31**	**4187.60**	**314.17**
	For Debt Stock as % of Revenue (including grants and excluding other capital receipts) the adverse shock is: Revenue	**Revenue**														
Indicator2_shock	**Debt Stock as % of Revenue (including grants and excluding other capital receipts)**						**35.47**	**52.45**	**58.78**	**71.55**	**74.66**	**79.86**	**86.55**	**94.58**	**103.31**	**112.41**
	For Debt Service as % of SGDP the adverse shock is: Historical	**Historical**														
Indicator3_shock	**Debt Service as % of SGDP**						**0.14**	**0.19**	**0.57**	**1.76**	**5.06**	**13.68**	**37.82**	**92.79**	**203.30**	**351.74**
	For Debt Service as % of Revenue (including grants and excluding other capital receipts) the adverse shock is: Revenue	**Revenue**														
Indicator4_shock	**Debt Service as % of Revenue (including grants and excluding other capital receipts)**						**2.13**	**3.95**	**4.56**	**6.00**	**6.59**	**7.41**	**14.26**	**16.52**	**18.50**	**21.09**
	For Interest as % of SGDP the adverse shock is: Historical	**Historical**														
Indicator5_shock	**Interest as % of SGDP**						**0.06**	**0.10**	**0.48**	**1.68**	**4.96**	**13.59**	**35.03**	**84.10**	**179.19**	**288.19**
	For Interest as % of Revenue (including grants and excluding other capital receipts) the adverse shock is: Revenue	**Revenue**														
Indicator6_shock	**Interest as % of Revenue (including grants and excluding other capital receipts)**						**0.91**	**2.09**	**2.78**	**3.92**	**4.43**	**5.44**	**6.62**	**8.31**	**9.91**	**11.60**

Annex III: Minimum Requirements to Achieve DLI 7.2 on State DSA-MTDS Report in 2025

Note: CY 2022 is the last year of SFTAS APA, but to ensure sustainability, this DSA-MTDS report will maintain 2022 requirements. Therefore, the 2022 requirements will be the basic standard for the DSA-MTDS report.

DLR description as per DLI Matrix & Definition/Description of DLR achievement
Annual state debt sustainability analysis and medium-term debt management strategy published by end of December 2022 States publish an annual State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) by December 31, 2022. The SDSA-DMSR must include the following: (1) medium-term budget forecasts; (2) detailed description of the debt portfolio and borrowing options; including a summary analysis of the projections of performance indicators used to assess Debt Management Strategy, and their implications for cost-risk profile of State debt portfolio in 2026; and (3) analysis of the debt and fiscal figures in the preceding calendar year. The SDSA-DMSR must be published on a state official website. See below for the detailed definition of the **minimum requirements** of the SDSA-DMSR for Year 2022.
The SDSA-DMSR 2022 must include: **For *(1) medium-term budget (MTB) forecasts,* the SDSA-DMSR 2022 must contain:** **1.1 Presentation of MTB forecasts in either a table OR chart(s) (OR both table and chart(s)) with projected annual figures from 2022 to 2025 for all of the following variables:** - Revenues: Total Revenues, FAAC, Derivation (if applicable), IGR, Capital Receipts, and Grants. - Expenditures: Total Expenditures, Personnel Costs, Overhead Costs, Interest Payments, Capital Expenditures, and Amortization Payments. - Budget Balance. **AND** **1.2 Description of assumptions underpinning the MTB forecasts from 2022 to 2026: either a table with assumptions OR corresponding explanations in writing (OR both) for all of the following variables:** - Revenues: Total Revenues, FAAC, Derivation (if applicable), IGR, Capital Receipts, and Grants. - Expenditures: Total Expenditures, Personnel Costs, Overhead Costs, Interest Payments, Capital Expenditures, and Amortization Payments. - Budget Balance. **AND** **1.3 A summary analysis of MTB forecasts and their implications for fiscal and debt policies throughout the period 2022-2026: analysis (in writing) of whether and how the MTB forecasts inform the prospective fiscal and debt policies to be adopted at least in 2022** (for example, a commentary on whether fiscal adjustments should be adopted to preserve debt sustainability, or whether there is sufficient fiscal space to adopt expansionary policies or support public investment). **AND** **1.4 The presentation and analysis in the entire forecast period need to be of adequate quality, and do not contain:** i) negative figures for revenue, expenditure or debt variables (budget balance can be negative); ii) contradictory or illogical statements or arguments (for example, the written text contains wrong assertions such as ‘sustainability is strengthened when the fiscal indicators deteriorate’);

iii) inconsistencies between the written assessment and the data, assumptions and projections presented in the document (for example, the written text refers to figures and projections significantly different from those reported in the tables and charts).

For *(2) detailed description of the debt portfolio and borrowing options*, the SDSA-DMSR 2022 must contain:

2.1 Presentation of debt and borrowing projections in the baseline scenario: either a table OR charts (OR both) with projected figures from 2021 to 2031 for all of the following variables:

- Debt Stock.
- Debt as % of Revenues.
- Debt Services as % of Revenues.
- Borrowings (requirements and/or sources).
- Debt stock as % of State GDP, *ONLY for states for which the official State GDP figures have been published by the National Bureau of statistics. Other states, can do this on an optional basis.*

AND

2.2 Description of assumptions underpinning the borrowing options presented: either a table with assumptions OR corresponding explanations in writing (OR both) for all of the following variables:

- Borrowing Sources (for example, external and domestic borrowings).
- Financing Terms (for example, maturity, interest rates, currency).

AND

2.3 A summary analysis of the debt projections and their implications for debt sustainability and fiscal policies throughout the period 2022-2031: analysis (in writing) of:

(i) whether debt projections and thresholds suggest the State debt is sustainable (or not) over the medium- to long-term; AND

(ii) what fiscal policies can help preserve (or restore) debt sustainability (for example, a commentary—based on comparisons between debt projections and thresholds in the baseline scenario and shock scenarios—on (a) whether the State debt is sustainable (or not), and (b) what fiscal and debt policies should be adopted to preserve (or restore) debt sustainability).

AND

2.4 A summary analysis of the projections of performance indicators used to assess DMS throughout the period 2022-2026, and their implications for cost-risk profile of State debt portfolio in 2026. The analysis (in writing) should describe:

(i) whether DMS-related performance indicators suggest the State debt is affordable and resilient to shocks (or not) over the medium-term, and

(ii) what debt-management policies can help preserve (or restore) an adequate balance between cost of carrying debt and the exposure to risks. For example, a commentary—based on comparisons between projections of DMS-related performance indicators in the baseline scenario and most-adverse shock scenarios—on (i) whether the cost-risk profile of the State debt under the reference strategy is acceptable (or not), and (ii) what debt-management policies should be adopted to mitigate the cost and risk of the State debt portfolio.

AND

2.5 The presentation and analysis in the entire forecast period need to be of adequate quality, and not contain:

(i) negative figures for debt and borrowing projections;

(ii) contradictory or illogical statements or arguments (for example, the written text contains wrong assertions such as 'sustainability is strengthened when the debt indicators deteriorate');

(iii) inconsistencies between the written assessment and the data, assumptions and projections presented in the document (for example, the written text refers to figures and projections significantly different from those reported in the tables and charts).

For ***(3) analysis of the debt and fiscal annual figures in the preceding calendar year,*** **the SDSA-DMSR 2021 must contain:**

3.1 Presentation of revenue, expenditure, budget balance, and debt information, at least for 2021: either a table OR charts (OR both table and chart(s)) with historical figures for at least 2021 (but can extend to years preceding 2021) all of for the following variables:

- Revenues: Total Revenues, FAAC, Derivation (if applicable), IGR, Capital Receipts, and Grants.
- Expenditures: Total Expenditures, Personnel Costs, Overhead Costs, Interest Payments, Capital Expenditures, and Amortization Payments.
- Budget Balance.
- Debt Stock.
- Debt as % of Revenues.

AND

3.2 A summary analysis of the information presented on revenue, expenditure, budget balance, and debt in 2021: analysis (in writing) of fiscal and debt situation in 2021 (for example, a commentary on budget and debt outcomes and economic trends, what may have affected them).

AND

3.3 A summary analysis (in writing) of the consistency between:

i) the fiscal and debt information for 2021 presented in the SDSA-DMSR 2022 and;

ii) the fiscal and debt information presented in the 2021 Financial Statement and the 2021 Q4 State Debt Report.

AND

3.4 The presentation and analysis in the entire historical period need to be of adequate quality, and not contain:

i) negative values for revenue, expenditure, debt service or debt stock figures;

ii) contradictory or illogical statements or arguments (for example, the written text contains wrong assertions such as ‘sustainability is strengthened when the debt indicators deteriorate’);

iii) inconsistencies between the written assessment and the data, assumptions and projections presented in the document (for example, the written text refers to figures significantly different from those reported in the tables and charts).

Data Sources

- **State Ministry of Finance** for: (1) the quarterly SDDR (submitted to the DMO and acknowledgements); (2) the 2021 SDSA-DMSR; and (3) the 2022 SDSA-DMSR.
- **State official website(s)** for the published 2022 SDSA-DMSR.
- **State Debt Management Departments (DMDs**) for additional information (if requested by the IVA).
- **(Federal) Debt Management Office (DMO)** for: (1) the guidelines and templates provided by DMO for the SDDR, the SDSAR, and the SDSA-DMSR; (2) the standard internal protocols used by DMO for reviewing and approving SDDR, assessing the SDSAR and assessing the SDSA-DMSR; (3) the State Domestic and External Debt Report (SDEDR) and supporting documentation (format and content detailed in DLI 9 for each state; (4) DMO’s assessment of the SDSAR; and (5) DMO’s assessment of the SDSA-DMSR.

Annex IV: List of Benue State Technical Team for the DSA-DMS Report in 2025.

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