

**Opening Address of the Chairman of the Nigeria Governors’ Forum, H.E Kayode Fayemi at the 6th Internally Generated Revenue (IGR) National Peer Learning Event**

**Monday 14th December 2020**

*Protocol*

I welcome you all to the Forum’s 6th Annual Internally Generated Revenue (IGR) peer learning event; an annual occasion where we meet as executives, partners, and stakeholders to discuss the objective of deepening the drive for improved domestic revenues at the State-level through effective, efficient, fair and legal tax administration.

This year has presented us with a perfect storm of difficulties to deal with – from a health pandemic to the second economic recession in five years. At the wake of the COVID-19 pandemic, the Forum worked with the federal government, international partners, and the private sector to deliver the necessary response needed to contain the virus and ease out its impact on the lives of our citizens. These include the set-up of intervention funds, roll-out of social investment programmes, distribution of palliatives, initiation of tax incentive programmes to protect and support livelihoods and businesses.

Unfortunately, the decline in oil prices that followed the global lockdown and the social unrest which echoed the demands of the ENDSARS protests further worsened the country’s economic and social conditions for months. This exacerbated the already vulnerable fiscal environment for governments at both the national and sub-national level. Other accompanying trends have included rising inflation rate, degrading exchange rate and growing unemployment.

As we pick up from the aftermath and work together to reflate the economy, improving government revenues to adequately service planned expenditures cannot be overemphasised. The 2020 half-year year-on-year IGR performance reported a negative growth of 11.7 percent for the 36 States and the FCT. This represents a decline of NGN81 billion for 2020 half-year from NGN694 billion for the half-year period in 2019. Despite the overall decline, some States recorded positive growth, including Ebonyi, Gombe and Yobe State which recorded more than 50% in growth. I trust these States have experiences to share that others can learn from.

At the federal level, a new Finance Bill is being proposed to provide a legal framework that underpins many of the reform recommendations to stimulate the economy and deliver an effective but friendly tax system. The Forum is actively engaging with the Federal Ministry of Finance Budget and National Planning on the provisions of the Bill, especially those impacting State taxes and jurisdiction. It is important the Bill services the interest of all and not a few.

At the State level, we are professionalising our Internal Revenue Services to be taxpayer-centric and responsive to the new normal of digitalizing tax administration. The world’s trade and financial market are going digital and we must adapt or be left behind. We are not canvassing or proposing for new taxes to be introduced but emphasising the need for our Internal Revenue Services to be more strategic, innovative and pragmatic in administering those taxes, fees, levies and charges that have been legally prescribed for collection across various jurisdictions.

Already, most States have passed a consolidated State revenue code as required under the World Bank SFTAS Programme for Results (PforR) but more importantly to limit the incidence of multiple and illegal taxation. This implies that taxes, levies, fees and charges in these States are now harmonised. Other reforms being implemented by State governments under the SFTAS programme and as detailed in the “COVID-19 Response for Tax Authorities” issued by the NGF Secretariat and endorsed by us at the Forum earlier this year include: ending the contracting-out of tax collections and assessments; increased collaboration between the Internal Revenue Service, MDAs, and local governments; roll-out of tax-for-service initiatives; scale-up of cashless payments; and the deployment of a Geographic Information System (GIS) to support effective land administration and property taxation.

Pivotal to the success of these series of reforms is taxpayer enumeration which is still very much weak. While technology presents us with a platform to strengthen our taxpayer databases, we must collaborate, share data, intelligence and information, and embrace advanced taxpayer profiling techniques to inform our approach to taxpayer management.

Before closing, I would like to assure you all of our support as we look forward to the receiving and working with the resolutions and recommendations from this meeting. I implore you to look beyond the conventional approaches and be open to innovative ideas I believe will emanate from the rich discussions outlined in today’s agenda.

On behalf of my colleagues, I welcome you all and wish you a fruitful deliberation.

**His Excellency, Kayode Fayemi**

**Executive Governor of Ekiti State**

**Chairman, Nigeria Governors’ Forum**