

**NIGERIA GOVERNORS' FORUM
PEER REVIEW ON GOMBE STATE, NIGERIA
GOVERNOR: HIS EXCELLENCY, MUHAMMAD DANJUMA GOJE**

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Environmental Risks:	Category "C" no significant direct impact on indigenous people in accordance with United Nations Convention

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SYNOPSIS

The total value of the world's financial assets—including equities, private and government debt securities, and bank deposits— was about \$170 trillion in 2008 – (IMF & World Bank Reconciled Figures).

2008 Global Comparative Indices				
<i>Description</i>	<i>2008 GDP(\$)</i>	<i>Global GDP (%)</i>	<i>% Africa GDP</i>	<i>% Nigeria</i>
<i>Global</i>	<i>60.9 Trillion</i>	<i>100%</i>		
<i>G20</i>	<i>59.5 Trillion</i>	<i>85%</i>		
<i>Africa</i>	<i>1.2 Trillion</i>	<i>2%</i>		
<i>Nigeria</i>	<i>207 Billion</i>	<i>0.3%</i>	<i>16%</i>	
<i>Gombe State</i>	<i>2.5bn</i>		<i>0.21%</i>	<i>1.7%</i>

Recession is a Reality?:- Declining Distributable Revenue from FAAC	
FAAC	Months
<ul style="list-style-type: none">• N746 bn	May 2008
<ul style="list-style-type: none">• N285 bn	February 2009
<ul style="list-style-type: none">• N386 bn	January, 2010
<ul style="list-style-type: none">• Exchange Rate: From N117 to N147.55 [official] to N150 + [Unofficial] as at January 2010.	
<ul style="list-style-type: none">• Global Oil Price: From \$45 to <\$74.47 as at January 2010.	

FISCAL DEPENDENCY COMPARATIVE ANALYSIS - 2008 vs 2009					
Description	2008	2009	2008	2009	
IGR	1.94	2.80	0	0	Gombe State is XX dependent on federal allocations compared to IGR, this has taken into consideration; Budget and Population indices
Population	2,400,000	2,500,000	NGN 792	NGN 1,120	
Budget	49.60	51.87	26	19	
Capital	30.60	26.42	16	9	
Recurrent	18.76	25.45	10	9	
Personnel Cost	6.24	7.37	3	3	
Overhead Cost	9.2	9.56	5	3	
Consolidate Revenue	3.32	3.73	2	1.3	

BENCHMARKS & LEARNING POINTS FOR OTHER STATES

- ✓ Significant Revenue Growth from 610m in 2003 to 2.8bn by 2009
- ✓ Motivation of staff (Owner occupier houses; revolving loan scheme; training and re-training)
- ✓ Integrated Tax Management Office (Bank, Motor Vehicle Administration Office, UTIN)
- ✓ Good Office Infrastructures and good working conditions and environment
- ✓ Good Technology Deployment for Tax Administration Systems
- ✓ Adequate Logistical Support for Tax Administration
- ✓ Centralization of Revenue Account & Oversight function BIRS over MDAs
- ✓ Partial Autonomy of the Revenue Board: (Operational autonomy): More autonomy need to be granted to the Board by cutting the umbilical cord that tied it to the state civil service in terms of administrative and financial autonomy. E.g. Gombe, Lagos, Cross Rivers and Bauchi.

GAP ANALYSIS:
Helping Gombe State Government in Closing the Gap: “Quick Wins”

- 1) **Integration of the Informal Sector into the Taxpayers Data Base:** *The aggregate financial and business activity that operates outside government control or the organized private sector contributing neither in taxes nor part of the state’s Gross Domestic Product (GDP) is larger than those under the purview of formal control in Gombe State. This includes everything from small scale farming, backyard employment and self-help finance to street vending and unregulated craftsmanship and small scale manufacturing which makes up the informal sector. Therefore, Gombe State needs to immediately deploy proactive measures/interventions built on community/grassroots foundations through Strategic Community Involvement Partnership (SCIP); Formation of Gombe Trade Council; Development of SOPs for the informal sector.*

- 2) **Harness the huge untapped IGR potentials from Land; Housing & Urban Development related revenue sources e.g.**
 - 1) *Undertake a comprehensive property audit e.g. Lagos where 46,000 properties were identified;*
 - 2) *Introduction of Geographic Information Management System (GIMS) in the Bureau for Lands, Housing & Urban Development; e.g. FCT, Lagos, Ogun, Cross Rivers.*
 - 3) *Development of new land layouts to take advantage of the good road network of the state;*
 - 4) *Scale down processing duration for the issuance of certificates and grants;*
 - 5) *Service-Based Revenue Enhancement Strategy: Some of the good revenue sources are;*
 - a) *Government Consent for sub-lease;*
 - b) *Change of purpose/conversion fees;*
 - c) *Ground Rents;*
 - d) *Revision fees in every five (5) years;*
 - e) *Recertification fees;*

3) Introduction of Indirect Taxes instead of the application of direct taxes: A good example is the Lagos State Hotel Occupancy, Restaurants and Events Centres Consumption Tax Law, 2009 (the Lagos State Consumption Tax). The Law imposes a five per cent (5%) tax on all goods and services consumed in Hotels, Restaurants and Events Centres (situated within the territory of Lagos State). Typically, the Lagos State Consumption Tax is targeted and imposed on those who can afford to stay in hotels; eat in restaurants or those that can afford even a bottle of drink or beer in bars, invariably the middle-class and the upper middle-class people within the society are the primary targets. There is no significant direct impact on this new tax regime on prices of food stuffs in the market.

GOMBE STATE IGR: LOOKING TO THE FUTURE

S/No	Description	Comments/Observations
1	Gombe State Potentials)	<ul style="list-style-type: none"> ❖ Bauchi State needs to take advantage of the amendment of the National Park Act 2005, which transferred ownership and management the park from the federal government to the Bauchi State Government, by harnessing the potentials of the park to stand alongside notable parks in Africa such as The Maasai Mara National Reserve, Kenya or Central Kalahari Game Reserve in the Kalahari desert of Botswana which generates about \$360 million annually to the country.
2	Fiscal Autonomy & Dependency	<ul style="list-style-type: none"> • Learning from history, it's pertinent to note that the then Northern Region contributed over 65% of the total national revenue between 1914 to 1926 which was purely an agricultural economy. Therefore Gombe State needs to embrace Revenue Substitution Strategy (RSS): The first intervention would be replacing Oil

		<p>Revenue with Cowpea Revenue; Replacing Oil Revenue with Maize Revenue; Replacing Oil Revenue with Maize Revenue:- This can be achieved by Broadening participation to enable emerging farmers to contribute on average 25% of the National cotton crop by 2007 and 35% by 2014, ..</p> <p>❖ Currently Nigeria a slave to its oil-rich resources because within the last 50 years since independence, the country has failed to change from a typical petro-dollar and mono-product economy into a diversified industrial economy despite its huge potentials in human capital and other natural resources.</p>
3	Africa: Comparative Ranking of Gombe State	<p>❖ Gombe State's GDP is greater than some four African Countries GDP put together (These countries are -Liberia, Sao Tome & Principe, The Gambia, and Guinea-Bissau).</p>

INVESTMENT PROFILE FOR GOMBE STATE BY FIRO KAKA

Gombe State, located in the North Eastern part of Nigeria shares borders with Borno, Yobe, Taraba, Adamawa and Bauchi. With an area of 20,265 sq. km and a population of about 2,353,000 people (2006), Gombe State has two climates: the dry season (November – March) and the rainy season (April – October). As a state seeking to increase her Internally Generated Revenue, the government is working to create an investment haven in Gombe by taking advantage of the States resources.

For investors in the Agricultural sector, Gombe is blessed with arable land with about 80% of her population engaged in agriculture. To support this further, the government plans to construct additional dams to aid irrigation so that the production of food and cash crops (Cereal, Maize, Sorghum, Rice, Wheat, Soya beans, Groundnut, Mango, Oranges, Lemon, Paw-paw, amongst others), tree crops including Gum Arabic and Livestock can be increased. Given the cultivatable land, the already farming populace and the work by government to increase the dams, Gombe is an ideal place for investment

Though Dadin-kowa Dam, the 2nd largest dam in Nigeria has enough hydropower generation capacity to satisfy both Gombe and the other 5 states in the North Eastern part of Nigeria, the Hydropower generation sector is yet to be fully exploited. This is important as Gombe is the ideal and central location for Hydropower generation companies to be set up to service the North Eastern region. Furthermore, additional industries can be set up by investors to process the agricultural produce of the state into items that can be sold nationwide and also exported worldwide. Other industries that have a lot of potential include those for paint making, block making, glass/ bottle making, leather works, jewelry and gem cutting amongst others.

Housing and Infrastructure are another area with a lot of potential for investors as there is a gap to be filled. The government is currently looking to partner with investors to achieve their goal to provide affordable housing to the masses. As Gombe is a fairly new state, a lot of development work is still yet to be done. This creates an opportunity for investors to partake in the development of the state in the areas of Road Infrastructure, Hospitals, etc.

Known as the Jewel in the Savannah, Investors are hereby called upon to assist the State develop Tourism with the setup of hotels, parks, museums, zoos, etc.

The Gombe State government has documents on the Industrial Policy of the State and an Investment Guide that provides incentives for prospective investors. It is a no-brainer that Gombe is the place to invest in successfully.

Sources:

Gsu.edu.ng

Links.onlinenigeria.com