

**NIGERIA GOVERNORS' FORUM
PEER REVIEW ON JIGAWA STATE, NIGERIA
GOVERNOR: HIS EXCELLENCY, SULE LAMIDO**

Document Control: NGF -PR - 28/Jigawa State /North West/Nigeria

Title:	Nigeria Governors' Forum: - Peer Review Preliminary Report on IGR
Client:	Jigawa State Government
Date:	21st – 24th April, 2010
Duration:	4 Days
Classifications:	Public Revenue Management, Law and Public Policy
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>
Global	60.9 Trillion	100%		
G20	59.5 Trillion	85%		
Africa	1.2 Trillion	2%		
Nigeria	207 Billion	0.3%	16%	
Jigawa State	3bn			1.4%

Recession is a Reality?:- Declining Distributable Revenue from FAAC	
FAAC	Months
• N746 bn	May 2008
• N285 bn	February 2009
• N506 bn	December, 2009
• N386 bn	January, 2010
• Exchange Rate: From N117 to N147.55 [official] to N150 + [Unofficial] as at January 2010.	
• Global Oil Price: From \$45 to <\$74.47 as at January 2010.	

FISCAL DEPENDENCY OF JIGAWA STATE - 2010			
Description	2010	REMARKS	
IGR	3.75		0
Population	4,000,000		NGN 938
FAAC	24.50		7
Budget	70.90		19
Capital	39.50		11
Recurrent	29.60		8
Personnel Cost	17.50		5
Overhead Cost	10		3
Consolidate Revenue Fund (CRF)	2.1		0.6

Jigawa State is dependent on federal allocations compared to IGR, this has taken into consideration; Budget and Population indices.

BENCHMARKS & LEARNING POINTS FOR OTHER STATES

- 1) *Solid Co-operative Scheme and Talakawa based Intervention to empower taxpayers*
- 2) *A clear understanding that the dependence of Oil Revenue is Unsustainable.*
- 3) *Maigatari Boarder Free Zone Concept is Exceptional*
- 4) *Maximum Tax Incentives and Very Liberal Free Enterprise Regime*
- 5) *Marshall plan Toward Exploring Solid Mineral Potentials*
- 6) *Solid Agro-allied Industrial Plan for economic diversifications*
- 7) *Liberal land access policy for Residential, Commercial and Industrial Uses*

GAP ANALYSIS:

(Helping Jigawa State Government in Closing the Gap: Quick wins)

- 1) Huge financial and business activities **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 Jigawa State. (Small scale farming; small traders; backyard employment; self-help finance; street vending and unregulated craftsmanship). E.g. This is evident from the low of Registered Business Premises/Taxable corporate entities in the state.
- 2) Lack of Operational and Financial Autonomy for the Tax Authority & Oversight Powers over MDAs; Comprehensive Taxpayer Enumeration; Building an Integrated Tax Management Office (Business Premises, Motor Vehicle Administration Office (MVAO).
- 3) Inter-State Co-operation and Collaboration on harnessing the Potentials of Maigatari Boarder Free Zone with neighboring states especially; Kano, Borno and katsina.
- 4) Lack of Integration between Tax Planning, Urban Planning & Urban Regeneration and Various Talakawa based Intervention projects for purposes of Data Collection for Future Tax Planning.

JIGAWA STATE IGR: LOOKING TO THE FUTURE

S/No	Description	Comments/Observations
1	Jigawa (Trans-Saharan Trade and Commerce Potentials)	<p>❖ Rediscovering its Historical Legacy – Jigawa Trans-Sahara Corridor: This can be achieved by exploring the full potentials of the Maigatari Boarder Free Zone: Typically Jigawa state needs to harness the potentials associated with key;</p> <p>✓ Boarder Market, (Sara Market, Gujungu Market and Maigatari) - More local private</p>

		<p><i>sector participation including foreign infusion of capital) - Currently about 3bn naira transaction is consummated annually in this markets, upon completion of Maigatari Phase 1 Jigawa will is expected to close to \$1bn and may exceed \$15bn annually upon successful completion of phase (2 & 3).</i></p> <p>✓ Transportation Systems – <i>Construction of Train Services linking Maigatari Board Free Zone which is just 27km from the National Rail Way Line. Currently Jigawa Station has about 12 Rail Stations passing through the State.</i></p> <p>✓ Upgrading of the a Jigawa Tricycle Assembling Plant – <i>CCKD; to a full tricycle manufacturing plant and Technology Transfer Arrangements.</i></p>
2	Fiscal Autonomy & Dependency	<p>❖ NFG - Revenue Substitution Strategy – (NGF-RSS): 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 Jigawa State needs to embrace Revenue Substitution Strategy (RSS): The first intervention would be replacing Oil Revenue with G/nuts Revenue – remembering the “Dala G/nut Pyramids”; Replacing Oil Revenue with Rice Revenue; Replacing Oil Revenue with Gum Arabic/Limestone/Glass Revenue.</p> <p>❖ Establishment “Grazing Reserves” to substitute the “traditional herding free range system” with significant private sector participation and involvement for over 6million livestock in Jigawa State.</p> <p>❖ Generating the “critical-mass matrix of grassroots and commercial scale farmers” in terms of “volume & scale” as it is currently being pursued by the State.</p>

3	Africa: Comparative Ranking	❖ Jigawa State's GDP is greater than 15 African Countries (These countries are – Togo Liberia, Swaziland, Central Africa, Sierra Leone and The Gambia; Niger; Guinea- Bissau, Burundi, Lesotho etc)
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