State of States

THE 2018 EDITION

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About BudgIT

BudgIT is a civic organisation driven to make the Nigerian budget and public data more understandable and accessible across every literacy span. BudgIT's innovation within the public circle comes with a creative use of government data by either presenting these in simple tweets, interactive formats or infographic displays. Our primary goal is to use creative technology to intersect civic engagement and institutional reform.

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Executive Summary

Fiscal Sustainability Index Analysis

Rivers state sits on top of the Fiscal Sustainability Index due to its robust revenue profile and manageable recurrent expenditure obligation. The state's actual revenue of N209.12 billion in 2017, when juxtaposed with its recurrent expenditure obligation of N141 billion in the same year, indicates Rivers is fiscally stable, and able to cover its recurrent expenditure without borrowing.

Given that in 2018, recurrent expenditure is expected to fall to approximately N132 billion, at face value, the state should have no problems paying its way, going forward. Rivers is also one of Nigeria's most vibrant, in terms of crude oil deposits; this position comes with a significant share of annual Federal Account Allocation Committee (FAAC) allocations.

Our analysis shows that increase in statutory allocations, mainly guided by oil revenues, had a significant impact on the Index. Rivers, Bayelsa, Delta, Akwa Ibom, Edo and Ondo are among the top ten states in our Index. We also see a commendable appearance by the states with low expenditure outlay and sizeable debt burden such as Anambra, Enugu and Katsina. We also noticed that Abia has tightened its recurrent projection, providing it the opportunity to leap on our sustainability rankings.

Lagos dropped from 2nd to 4th place on the Fiscal Sustainability Index notwithstanding the state's fiscal advantage. Lagos' Internally Generated Revenue (IGR), when compared with other states, is relatively high. Her IGR as at the end of 2016 was N287 billion; higher than its 2015 level of N268.2 billion. In 2017, the state planned a recurrent expenditure spending of N305 billion or N25 billion monthly. With its IGR not expected to grow significantly above N300 billion, and its share of FAAC revenue in the first six months of 2017 at N6.6 billion, Lagos is expected to meet its recurrent expenditure obligations. However, Lagos' unusually high overhead costs and debts continue to weigh its revenue down.

Our research also showed that Osun state is not out of the woods yet as it still ranks 35 out of the 36 states. We are extremely concerned about the poor fiscal management thinking in Cross River with its bogus budget plan of N1.3 trillion, which severely weighed it down on the Index. The state's inability to meet its recurrent expenditure obligations, its heavy debt profile and inefficient IGR collection weighed seriously on the state.

While the fiscal structure of states has improved on the back of increasing oil revenue, state governments need to tremendously embrace a high level of transparency and accountability, develop workable economic plans, take haircuts—especially on overheads—expand their IGR base and cut down on debt accumulation.

Internally Generated Revenue

State governments and state-controlled entities (local governments) collect and control ALL revenues generated from personal income tax, property tax, road tax, radio and television tax, among others. In 2017, Lagos state accounted for approximately 35.86 percent of total IGR collected by states, down from 2016 level of 37 percent. Lagos, Ogun, Delta and Rivers lead in terms of IGR uptake per capita. Collection efficiency in Kano is abysmal but improving; despite its vast market size, it could only collect N3,139 per head in 2017 up from N2,367 per head in 2016. Kwara state's per capita IGR uptake at N5,969 per head shows the state is aggressively mobilising funds.

On average, IGR uptake is N3,818 per head across the states; it is only in 10 states that collection efficiency is higher than the statewide average. The least performing states include Bauchi, Katsina, Borno, Kebbi and Yobe states. It is crucial for state governments to design innovative policies around tax collection, especially collection efficiency.

Value Added Tax

Due to its market size, Lagos state tops in terms of VAT revenue in the first six months of 2018. Lagos VAT revenue receipts between January and June 2018 averaged N8.033 billion monthly up from the average of N6.38 billion in the first six months of 2017, significantly higher than Kano's.

Nasarawa, Bayelsa, Gombe and Ebonyi trail the pack. It is evident in our analysis that many states lack the formal structures for the payment VAT. Twenty-nine out of 36 states got less than N1 billion monthly, despite huge differential in population.

Debt Stock

Total debt stock of Nigerian states has increased significantly from the 2012 level of N1.79 trillion to N4.49 trillion in 2017. With increased inability to meet recurrent expenditure obligations and increased pressure, most states resort to more debt uptake. Total debt profile of the states rose from the 2014 level of N2.13 trillion to 2017 level of N4.49 trillion.

The total debt of Lagos state--the most indebted state in Nigeria--rose from the 2014 level of N456.8 billion to N813.04 billion in 2017, accounting for 18.08 percent of the total debt stock of state governments.

Index A

Index A looks at the ability of states to meet their recurrent expenditure obligation with state-owned revenue like value added tax, 13 percent derivation and IGR. In terms of weight, Index A was assigned 35 percent weight as it was critical that personnel and overheads (recurrent expenditure) of government are covered with tax revenue and other associated revenue peculiar to the state like 13 percent derivation paid to oil-producing states without resorting to borrowing.

While growing states IGR by widening the personal income tax net is ideally the path for most states, some may use indirect tax through increased Value Added Tax undertaking due to socio-religious norms, political pressure and from the policy front adopted in 1991. States with natural resources like oil and solid minerals should explore those resources given the socio-economic status of most Nigerians at this time as it gets increasingly difficult to tax already heavily taxed people.

Alternatively, some states may keep operating costs (like personnel and overhead costs) low to free up more spending for social and economic infrastructure. States like Rivers, Lagos, Delta, Bayelsa and Edo sit on top of Index A.

Index B

Equally important is the states' ability to cover all recurrent expenditure obligations without resorting to borrowing. Index B which was assigned a weight substance of 50 percent looks at states' ability to meet its recurrent expenditure obligation using all revenue sources. Interestingly, about 16 states could cover the recurrent expenditure obligation without borrowing funds--a marked improvement over 2017.

In the first six months of 2017, only 4 states could effectively meet their recurrent expenditure obligation without borrowing, selling assets or/and donor funds. States like Kano, Bayelsa, Edo, Rivers and Delta sit on top of the Index.

Index C

Index C focuses on states' ability to manage their debts sustainably. It examines the extent to which today's gross revenue can service outstanding debts. Index C was assigned a weight of 15 percent. States with low debts like Anambra, Yobe, Sokoto and Katsina sit on top of Index C.

Conclusion

States will need to focus on boosting IGR collection and simultaneously slowing down on borrowing. It is also important to rein in recurrent expenditure and re-work the budgeting system. If this is done, states can increase their budget performance as well as pay backlogs of civil servants' salaries, whilst grappling with a ghost worker problem.

Questions on the credibility and usefulness of budgets are being asked, particularly at the state level. Some states, like Cross River, have huge expenditure size which is not commensurate with their revenue reality.

Stakeholders, including citizens, investors, civil society organisations and development partners are now talking more about the usefulness of the key budget information as a planning instrument.

States need to look beyond rhetorics and commit to a reduction in their operating costs, including significantly slashing unreasonable overheads while freeing up more spending for social and economic infrastructure. States will need to link future borrowing to sustainable projects, which can pay back the capital cost of its current loans and improve the overall income profile of the state.

Economic planners will need to lift states from a perpetual cycle of borrowing, work to improve tax collection efficiencies and realign budgeting with statewide plans.

Significant investment is needed to improve the overall economic performance at the state level, which invariably could create jobs that feed into states' IGR. Improved spending is also critical for value-added tax revenue. Opportunities in aquaculture, agriculture, manufacturing, trade, logistics and tourism abound across states, but it seems many states lack the rigour and foresight to explore them.

Only then, will state budgets perform for the people; only then, will states become fiscally sustainable.

South West

OSUN

COCOA

As at 2016, Nigeria is the fifth largest producer of cocoa after Côte d'Ivoire, Ghana, Indonesia and Cameroon.

Nigeria is presently targeting cocoa production of 500,000 tonnes per year, and earnings of about $1bn. Osun could choose to become a major player in the field.

OYO

HIGH-QUALITY CASSAVA FLOUR

Oyo could become a net exporter of HQCF and achieve export figures of $3bn. Also, Oyo's ability to get its Ikere dam functional, could effectively give the state a seat at the table of major power hubs in Nigeria. This dam simultaneously holds the likelihood of significant revenue from aquaculture, as frozen freshwater shrimps generated $1.8bn in export sales in 2017; a 21.4% rise from 2016.

OGUN

FROZEN CHICKEN

Ogun is known for its poultry farming, and must capitalize on its connection to Kwara and Niger by rail and road, to transform itself into a prominent supplier and exporter of poultry products.

Fresh chicken shipments worldwide amounted to $5.9bn in 2017, while the value of frozen chicken exports continues to be much higher, at $16.1bn.

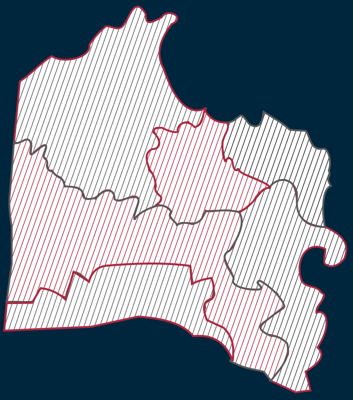
Population

38,257,260

2016 Estimate (CBN)

South West

Export Potential



EKITI

CERAMICS

In 2017, ceramics products bought globally amounted to $52.7bn.

Ekiti could leverage on its abundant laterite and clay deposits to become a significant player in the sector, and earn approximately $1.2bn from ceramic sales.

ONDO

COCOA & ASPHALT SHINGLE

A recent study estimates the global market for asphalt shingles will exceed $10bn by 2022, with the North America market expected to remain dominant, and bring in sales of roughly $6bn.

It is believed that there are over 42.47 billion tonnes of bitumen around Ondo - an important industrial feedstock for the asphalt shingles industry, the State could become a major player.

LAGOS

TECHNOLOGY & BIODESEL

The state's water body simultaneously holds huge Aquaculture potentials.

Lagos could potentially become a net exporter of algae biodiesel - becoming a significant player in a global industry projected to be worth $209.42bn by 2021.

Ogun State

Sustainability Rank 8

> Authorities may develop and/or adjust housing policies to draw in residents, especially those working in Lagos, and could make additional revenue from land sales, mortgage schemes and property development.

In 2018, Ogun state is planning to spend N343.9bn, as against the N221.1bn budgeted in 2017.

Investment drives have maintained and attracted some 100 industries to the state in the last two years. This is reflected in its IGR rates, which more than doubled from N34.6bn in 2015, to N73bn in 2016. In 2017, IGR amounted to N74.84bn, growing at an annual average of 59.56% between 2013 and 2017.

When compared with its population, Ogun state collected N14,343 per person, with IGR contributing approximately 74.08% to Total revenue in 2017.

However, in that year, the state's Recurrent expenditure projection of N102bn was higher than the Actual revenue received, which was recorded as N101.21bn.

The figures suggest Ogun's debt is slowly assuming proportions at a pace that should worry the custodians of its purse strings.

With an External debt overhang of $107.5mn as at December 2017 (from $103.4mn in 2016), coupled with an increase in Domestic debt from N58.38bn in 2013 to N106.53bn in 2017, Ogun's debt servicing costs could create a big dent in its future revenue prospects.

Though IGR grew at an annual average rate of 59.56%, Domestic debt is also accelerating, at about 17.58% every year.

To guarantee the full implementation of the vast infrastructure projects contained in its budget, Ogun state must strike the delicate balance of boosting IGR and taming debt.

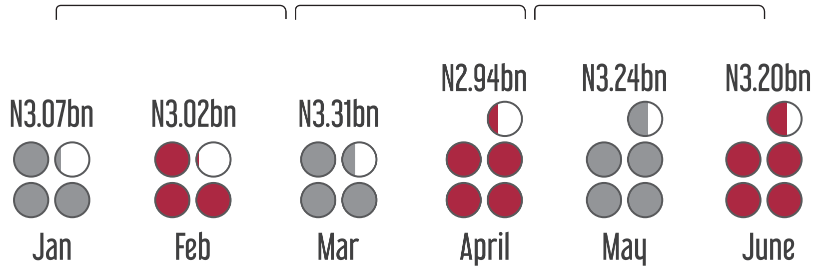
One place to begin is the cases of abandoned projects such as seen in the Akute-Alagbole area. Opportunities still exist as about 36.7% of Ogun state's households reside in rented apartments, according to 2013 figures from the National Bureau of Statistics (NBS).

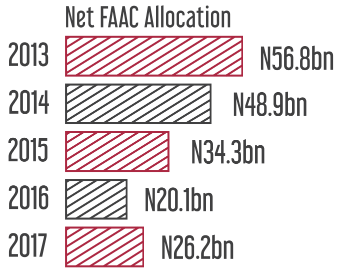
Authorities may develop and/or adjust housing policies to draw in residents, especially those working in Lagos, and could make additional revenue from land sales, mortgage schemes and property development.

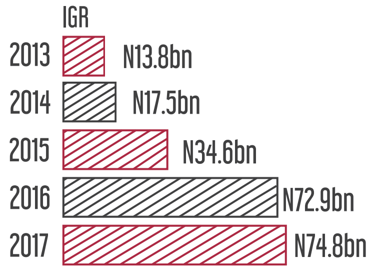
Ogun State

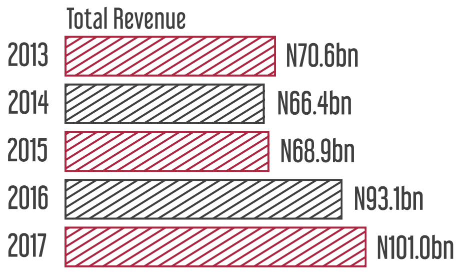
Gateway State

Net FAAC Allocation 2018









Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)
N2.06bn

Average Monthly VAT (Jan-Jun 2018)
N1.07bn

Average Monthly 13% Share of Derivation (Jan-Jun 2018)
Nil

Average Monthly IGR (Jan-Jun 2018)
N6.24bn

Average Monthly Revenue

N9.37bn*

(Jan-June 2018)

N106.5bn
Domestic Debt
(2017)

$107.4m
External Debt
(2017)

EXPENDITURE

N6.82bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

N3.27bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

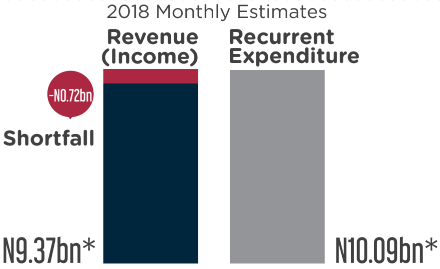
AVERAGE MONTHLY RECURRENT EXPENDITURE

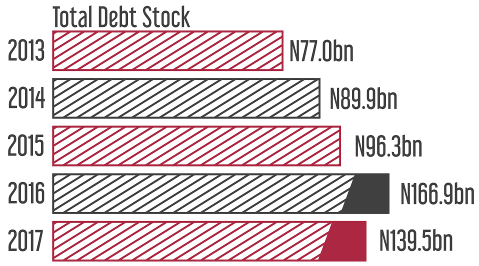
N10.09bn*

(Jan-June 2018)

Download: State of States Datasheet (CSV)

Ability to Meet Monthly Recurrent Expenditure Commitments





Source: NBS, OAGF, DMO, World Bank, BudgIT Research BudgIT Estimate*

Frozen Chicken

Ogun State

Gateway State

Ogun must find a middle ground between Expenditure versus IGR, and improve its tax collection efforts. The most obvious opportunity here lies in the fact that about 36.7% of households reside in rented apartments, according to 2013 figures from the National Bureau of Statistics (NBS).

The state should also explore policies that could revamp the lagging agricultural sector.

Ogun is known for its poultry farming, and must capitalize on its connection to Kwara and Niger by rail and road, to transform itself into a prominent supplier and exporter of poultry products.

Fresh chicken shipments worldwide amounted to $5.9bn in 2017, while the value of frozen chicken exports continues to be much higher, at $16.1bn.

Overall, the value of fresh chicken exports by country increased by an average of 11.6% since 2013, when fresh chicken meat shipments were valued at $5.3bn. In contrast, total frozen chicken meat shipments fell by 10.8%, over the same five-year period.

Notwithstanding, Ogun state could tap into the Africa Continental Free Trade Agreement (ACFTA) to enter the wider frozen chicken market, and potentially grow its export value to $4bn in the medium term.

Ogun's unique location should be merged with its drive for industrialisation.

Given that the Lagos-Kano railways run through the state, and a new standard gauge railtrack will connect Ogun to the Lagos port system as a whole, there is also the option for Ogun to directly enter into agreements between the Nigerian Railway Corporation and interested private sector stakeholders, to procure railcars that ease the transport of goods, individuals and services, for added revenue.

The Olokola Free Trade Zone, if speedily executed, could also become an industrial enclave, while a new deep-sea port could propel the state several notches up the fiscal ladder.

Being home to almost 30 tertiary institutions is one reason for Ogun to strategically work towards becoming a knowledge hub; the state stands to benefit from the economic impact students will bring to the local economy.

Ogun may however need to invest more on security and encourage schools to expand, as the Nigerian university system can only take in about 500,000 candidates per year, despite figures showing that 1.7million people sought admission into tertiary institutions nationwide in 2017.

As a big player in cement production (where output is approaching 20 million tons), Ogun is also known for its granite. Commodities such as these should be exploited, especially as the state continues to attract companies seeking larger operational bases situated near Lagos.

The current reality is that Ogun is rapidly industrializing, and will therefore need to upgrade infrastructure in its industrial parks and ease policies around doing businesses in such parks, if it hopes to continue to attract the big factories, and by extension, bigger revenues.

Ekiti

Sustainability Rank 34

> Ekiti must revamp her revenue collection institutions, and appraise the metrics utilised in preparing its budgets; the state's revenue of N36.9bn in 2016 was inadequate to cover its Recurrent Expenditure of N41.4bn.

Ekiti state, renowned for its agricultural economy, is planning to spend N96bn in 2018.[1]

Notably, the state's budget size has almost doubled, from N53.26bn in 2016, to N94.45 and N96bn in 2017 and 2018 respectively.

Actual revenue in 2017 was N30.6bn, with internally-generated revenue (IGR) contributing 16.23% to the revenue mix.

Admirably, IGR has more than doubled from N2.34bn in 2013 to N4.96bn in 2017; on average, IGR grew by 25% per annum between 2013 and 2017.

Ekiti's IGR per capita was N1,519 in 2017, far below its regional peers Kwara Lagos, and Ogun, who achieved N6,150, N26,610 and N14,343 annually per head.

Ekiti must revamp her revenue collection institutions, and appraise the metrics utilised in preparing its budgets; the state's revenue of N36.9bn in 2016 was inadequate to cover its Recurrent Expenditure of N41.4bn.

In 2017, Ekiti collected N30.6bn as Total revenue, while Recurrent expenditure spending was an estimated N55.03bn.

This trend where revenue persistently falls short of Recurrent expenditure comes with implications may translate to further Debt.

Total debt as at December 2017 was N141.44bn, while External debt which was $56.9mn as at December 2016, rose to $78.05mn in 2017.

Domestic debt, from N22.38bn in 2013, jumped to N117.5bn in 2017, showing an annual growth rate of 52.16% within the period.

The new leadership has its work cut out, to stem growth in Debt figures in the near term.

This is because Ekiti's revenue from the federation account (FAAC) may drop due to recession cycles, a proliferation of electric cars and undulating oil production. As such, the sustainable path for the state is to grow its IGR and do so sustainably.

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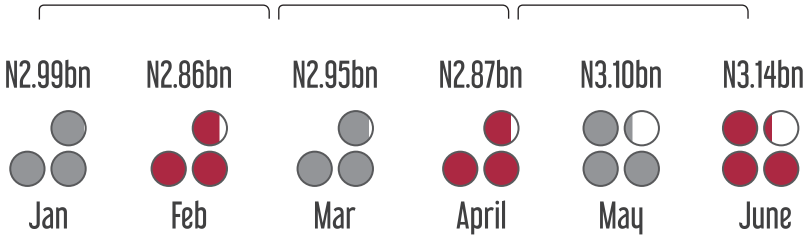
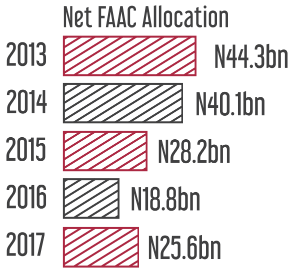
[1] http://www.punchng.com/ekiti-assembly-passes-n96bn-2018-budget/

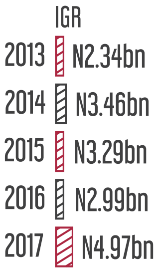
Ekiti State

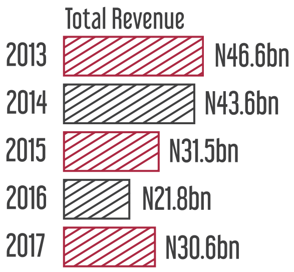
Land of Honour and Integrity

Net FAAC Allocation 2018









Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)	Average Monthly VAT (Jan-Jun 2018)	Average Monthly 13% Share of Derivation (Jan-Jun 2018)	Average Monthly IGR (Jan-Jun 2018)
N2.15bn	N832.9m	Nil	N413.9m

Average Monthly Revenue

N3.39bn*

(Jan-June 2018)

N117.5bn
Domestic Debt
(2017)

$78.1m
External Debt
(2017)

EXPENDITURE

N1.74bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

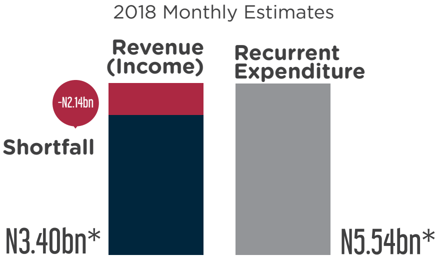
N3.80bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

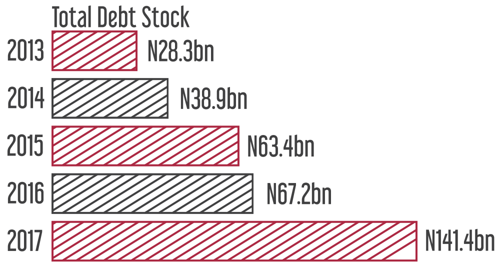
AVERAGE MONTHLY RECURRENT EXPENDITURE

N5.54bn*

(Jan-June 2018)

Ability to Meet Monthly Recurrent Expenditure Commitments





Source: NBS, OAGF, DMO, World Bank, BudgIT Research BudgIT Estimate*

Ceramics

Ekiti
State
Land of Honour and
Integrity

Lying within the famed cocoa belt of Nigeria, this state could shore up its weakening financial base by paying intense attention to resuscitating agriculture. Investments into the main cash crops - cocoa, oil palm and timber - must be accelerated, while others such as sorghum could become major industrial feedstock. As farming rakes in over 90% of Ekiti's Gross Domestic Product (GDP), this sector is the fastest gateway to greater export opportunities.

Ekiti could also tap into its significant clay deposits and become a net producer of tiles, whilst exploiting its other mineral resources, most of which remain untapped. These include feldspar, muscovite, bauxite clay, cassiterite, columbite and tantalite; all found in Ijero.

The ceramic (ball) clays and kaolinite clays available at Isan Ekiti, as well as the recently-revived Ire burnt-brick factory, could ensure the state emerges a frontrunner in the supply of bricks to the Nigerian construction industry, a development that could deliver close to 200,000 jobs and significant revenue potentials. Ekiti will need to surmount the challenge of promoting its unique red brick aggressively, as the national construction sector tends to lean more towards concrete block usage.

In 2017, ceramics products bought globally amounted to $52.7bn. Ekiti could leverage on its abundant laterite and clay deposits to become a significant player in the sector, and earn approximately $1.2bn from ceramic sales.

Ekiti could also draw in more revenue if the Ikogosi Warm Spring is upgraded further, as tourism remains a fast income earner - provided the requisite investments are made, and maintained.

Lagos

Sustainability Rank 4

> In particular, frugality is key, because with the federal government's growing focus on the Lagos-Ibadan railways, Lagos could begin to lose some of its revenue (from taxing workers) to neighbouring states, given that Personal Income tax should be paid to a citizen's state of residence, not where they work.

Lagos' 2018 spending plans suggest she may be borrowing heavily through the financial year. The southwestern Nigerian State has a proposed budget of approximately N1.046tn,[2] with 66.8% (or N699.082bn) going into Capital items, while the balance will be spent on Recurrent items, including the servicing of public debts, payment of salaries and emoluments of workers and other associated Overhead costs.

At N1.046tn, Lagos' expansionist 2018 budget is a rise of 28.65%, from 2017 levels of N813bn. Capital expenditure projections in 2018 stand at N699.082bn, from N436.26bn in 2017.

Lagos is hoping for a Revenue base of N897bn, which is significantly higher than 2017 projections of N642bn. Actual revenue in 2017 was N423.66bn, with IGR contributing the biggest bracket at 78.83% into Lagos' income pot.

Full details on the state's revenue projections for 2018 have not been made public, in what appears to be a pattern of opacity.

In 2017, Lagos' budget was anchored on IGR projections of N450.87bn, but actual IGR collected was N333.97bn.

When compared to many of its peers, the state's IGR is relatively high, being N287bn as at the end of 2016; a growth from 2015 levels of N268.2bn. Previous audit reports show that IGR came to N236.19bn and N276.16bn in 2013 and 2014 respectively.

With revenue for 2018 projected at N897bn and the entire budget amounting to N1.046tn, the deficit for Lagos is pegged at N149bn, which will most likely be closed by borrowing, and sales of government properties - as seen in previous years.

Precedent also shows that Lagos revenue can conveniently cover its Recurrent expenditure, but caution is advised as always, regarding the accumulation of debt.

Total debt for Lagos as end of 2017 was N813.04bn, and Domestic debt is on the rise.
In 2017, Domestic debt grew from 2016 levels of N311.76bn to N363.29bn, while External debt presently stands at $1.47bn, also as at 2017.

In particular, frugality is key, because with the federal government's growing focus on the Lagos-Ibadan railways, Lagos could begin to lose some of its revenue (from taxing workers) to neighbouring states, given that Personal Income tax should be paid to a citizen's state of residence, not where they work.

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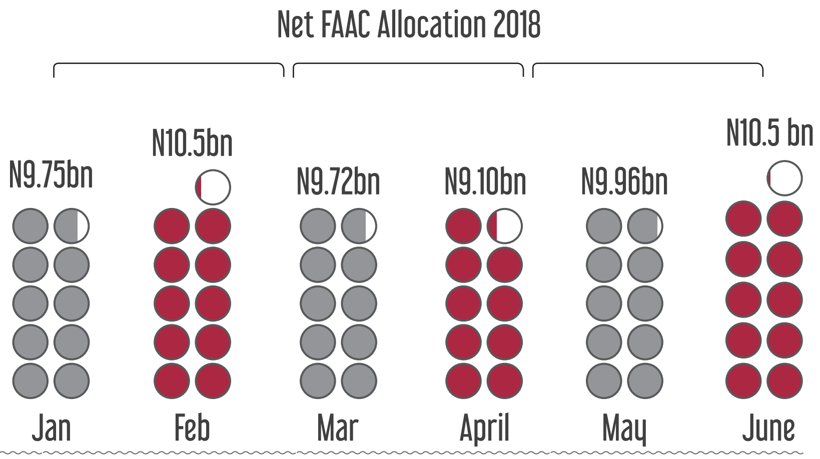
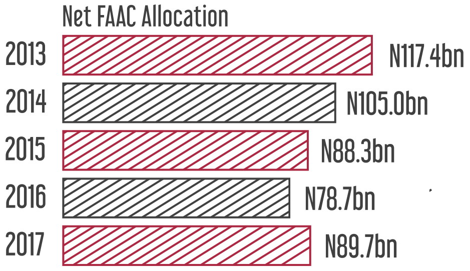
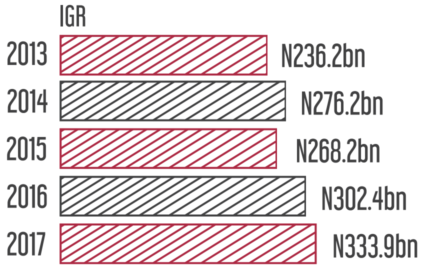
[2] https://www.premiumtimesng.com/regional/ssouth-west/257126-lagos-assembly-passes-n1-046-trillion-budget-2018.html

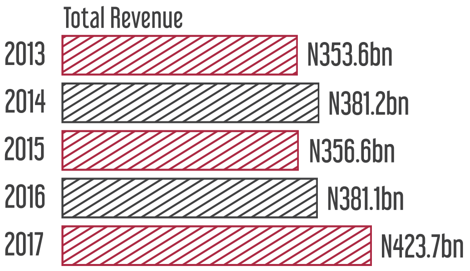
Lagos State

Centre of Excellence









Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)	Average Monthly VAT (Jan-Jun 2018)	Average Monthly 13% Share of Derivation (Jan-Jun 2018)	Average Monthly IGR (Jan-Jun 2018)
N1.86bn	N8.03bn	N21.7m	N27.8bn

Average Monthly Revenue

N37.8bn*

(Jan-June 2018)

N363.3bn
Domestic Debt
(2017)

$1.47bn
External Debt
(2017)

EXPENDITURE

N9.35bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

N19.57bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

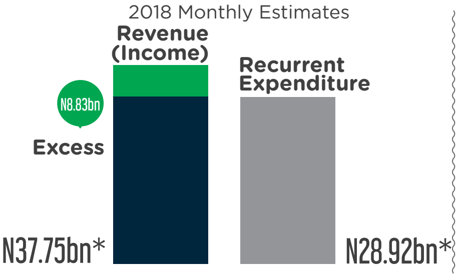
AVERAGE MONTHLY RECURRENT EXPENDITURE

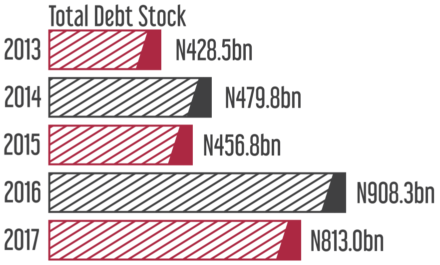
N28.92bn*

(Jan-June 2018)

Download: State of States Datasheet (CSV)

Ability to Meet Monthly Recurrent Expenditure Commitments





Source: NBS, OAGF, DMO, World Bank, BudgIT Research   BudgIT Estimate*

Technology & Biodiesel

Lagos State
Centre of Excellence

As a major economic center and the financial hub of Nigeria, it is critical for Lagos to continue to attract investment and talent. The state's proximity to the Atlantic Ocean and its huge population make it the preferred destination to land undersea fiber optic cables, as investors continue to delve into Africa's telecommunication sectors.

As no less than eight companies currently have their undersea cables running on Lagos waters, the state must deliver the requisite environment that secures and sustains these high-caliber investments.

Lagos could also tap into the growing number of companies within the Yaba area to create "Yabacon Valley," a technology and innovation cluster, that could be a major service point for the over 500 million Internet users in Africa. Significant investment to connect offices and homes to Internet access, upgrading infrastructure around Yaba and developing new or existing incubation centers should help accelerate this transformation.

It is in the interest of the state government to expand access to loans for small businesses and startups that specifically enhance a technology-based economy.

The state's water body simultaneously holds huge Aquaculture potentials; Epe and Badagry are just two of several regions that could become major aquacultural hubs that situate Lagos in a global industry projected to be worth $209.42bn by 2021.

In order to reduce Nigeria's dependence on the oil and gas economy (which rakes in over 70% of revenue) and establish a strong link between the downstream petroleum industry and agricultural activities, the Nigerian government could commit to algae plantation and extraction for biofuels production from local feedstock, with Lagos being the spearhead for these projects.

Amid a high rate of consumption of non-renewable fossil fuels, the need for bioethanol and biodiesel, is rising, with projected annual demand in Nigeria pegged at 5.04bn and 900mn liters respectively.

Provided processing technologies that effectively achieve the use of biofuel from algae as a replacement for fossil fuels are researched and implemented, Lagos can produce algae biodiesel and export same to countries such as China, South Africa and India.

Also, the Badagry and Lekki ports could be focused on, turning these localities into major manufacturing hubs. The catch is that these measures must be complemented with efficient road and rail networks, to enable the working population easily commute, and enhance distribution of goods.

In addition, Lagos is a real estate haven, and adjusting its mortgage programmes to suit the various demographics in the state can fill up abandoned houses, and the state's purse.

Ondo

Sustainability Rank 9

> Arguments have been put forward that Debt may have returned to steady growth due to revenue shortfalls; the state's IGR dropped from N11.72bn in 2014, to N10.93bn in 2017.

Ondo has a budget for 2018 worth N159.52bn - this is a steady rise from 2016 and 2017 estimates of N123.72bn and N169.7bn respectively; the state also foresees revenue uptake of N137.48bn in 2018.

In 2017, Actual revenue was N56.83bn, which fell far short of Recurrent expenditure estimates of N95.16bn in that year.

This trend will most like be replicated for 2018 because though Ondo has started cutting down its Recurrent expenditure, revenue expectations suggest unfounded optimism.

Ondo's Recurrent expenditure in 2017 was N111.7bn, while that for Capital expenditure was N58bn; the figures for 2018 are far less - N78.59bn and N80.93bn for Recurrent and Capital expenditure respectively.

Therefore, with Revenue not expected to grow beyond N65bn in 2018, Ondo's ability to remain in the black, will likely be fraught with challenges.

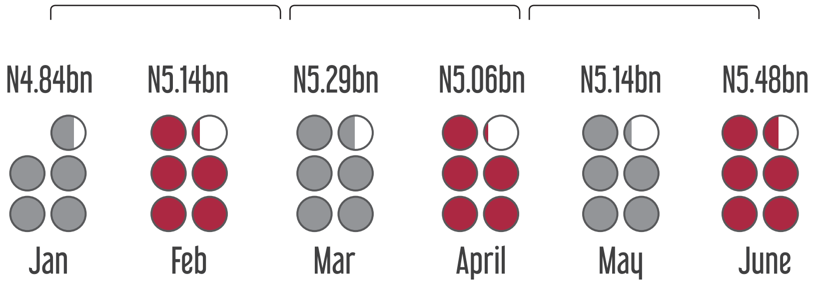
Already, Domestic debt has almost doubled from N30.88bn in 2013, to N58.55bn in 2017.

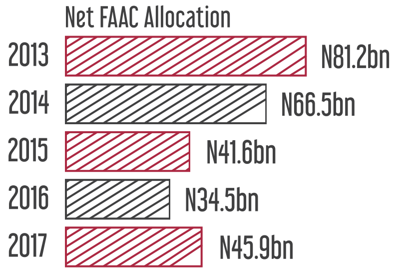
External debt has more or less moved within a tight range; from $50.2m in 2015, down to $49.53m in 2016, then growing to $50.25mn in 2017.

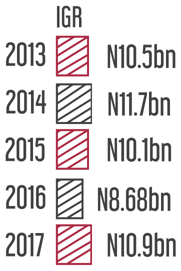
Noteworthy is that these figures are among the lowest of all Southwestern states in Nigeria.

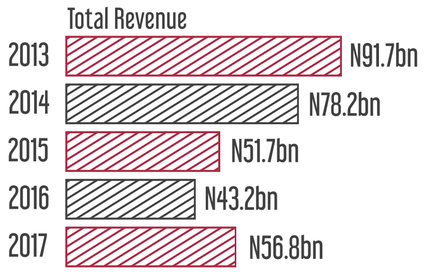
Arguments have been put forward that Debt may have returned to steady growth due to revenue shortfalls; the state's IGR dropped from N11.72bn in 2014, to N10.93bn in 2017. Furthermore, IGR accounted for only 19.23% of Ondo's revenue in 2017, and was N2,339 per person.

Net FAAC Allocation 2018









Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)
N2.68bn

Average Monthly VAT (Jan-Jun 2018)
N929.4m

Average Monthly 13% Share of Derivation (Jan-Jun 2018)
N1.55bn

Average Monthly IGR (Jan-Jun 2018)
N910.7m

Average Monthly Revenue

N6.07bn*
(Jan-June 2018)

N58.6bn
Domestic Debt
(2017)

$50.3m
External Debt
(2017)

EXPENDITURE

N3.16bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

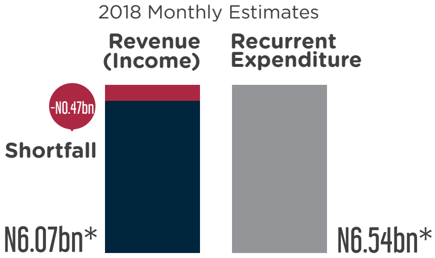
N3.38bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

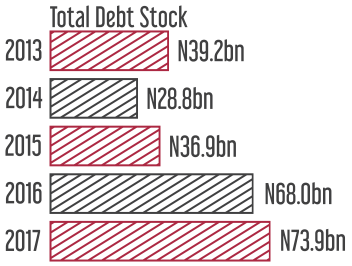
AVERAGE MONTHLY RECURRENT EXPENDITURE

N6.54bn*
(Jan-June 2018)

Download: State of States Datasheet (CSV)

Ability to Meet Monthly Recurrent Expenditure Commitments





Source: NBS, OAGF, DMO, World Bank, BudgIT Research   BudgIT Estimate*

Cocoa & Asphalt Shingles

Ondo needs to save its economy by tapping into its agricultural products, especially cocoa.

As Ondo, Osun and Ekiti States are historically known for the commercial cocoa production in the early 1960s that comprised the powerhouse of Nigeria's South-west economy, revitalizing the cocoa trade will tangibly move Ondo towards self-sustenance.

To migrate away from the federal government's statutory allocations, Ondo could target delivery of 50,000 tons of quality cocoa annually, which should create jobs and also extend its markets to the over 125 factories in China that use cocoa for industrial feedstock.

Ondo could potentially receive $1bn annually from the cocoa markets if trade policies, fiscal incentives and accountability are aligned with cutting-edge infrastructure and cropping practices, to achieve production targets.

The state would also benefit from coming up with strategies that look further afield, including investing in its bitumen industry, diversifying its crude oil revenue base and laying infrastructure that specifically boosts inter-state trade. With bitumen, Ondo could become a major roofing hub for the West African market, as well as selling to road construction companies, all of which may be achieved via a joint-venture system with potential investors.

Asphalt shingle, which utilises bitumen for waterproofing is widely used as roofing covers, particularly in North America. Relatively more low in cost when compared with aluminum or stone roofing, the material is also very simple to install as well.

A recent study estimates the global market for asphalt shingles will exceed $10bn by 2022, with the North America market expected to remain dominant, and bring in sales of roughly $6bn.

It is believed that there are over 42.47 billion tonnes of bitumen in Nigeria - an important industrial feedstock for the asphalt shingles industry.

As such, Ondo could build an economy around the asphalt shingles sector - and use its domestic market advantage and the ACFTA initiative to advance the application of this product to Africa's housing market, which is growing on the back of a youthful population.

Ondo's access to trade markets will be largely enhanced, if plans with the Ogun state government to develop a deep-sea port and free-trade zone around Olokola (in the coastline areas between both states), become a reality.

As this project is meant to serve as an export-processing zone as well as an oil and gas logistics base, Ondo is advised to utilise it to create seamless transportation of her processed resources and reduce the pressure on the two functional free trade zones (Onne and Calabar) in Nigeria. An added advantage is that this scheme could see Ondo emerge a major logistic base in the West, alongside the Lagos free-trade zone.

Osun

Sustainability Rank 35

> With IGR per capita in 2017 recorded as N1,378 per person, the state must expedite extensive tweaking of its budgeting and revenue generation systems.

Osun continues to struggle financially, amid news reports on its efforts to meet wage and pension bills.

The state plans to spend N176.4bn[3] in 2018; about 51.2% of the budget will go to Capital expenditure.

A dampener on Osun's prospects is that her debt servicing obligations (based on debt statutory allocations) will persistently drag down revenue during this period. Deductions in 2016 amounted to a whopping N28.99bn in 2016; these arrangements might linger until Osun's debt runs out.

Simultaneously, External debt has hit an all-time high of $96.6mn in 2017, from $70.5mn in 2016 and $76.9mn in 2015.

Domestic debt which spiralled from N41.4bn in 2013 to N147.07bn in 2016, is trending lower, amounting to N138.24bn in 2017.

Unless Recurrent expenditures are subjected to further cuts, Osun's inability to meet its obligations to civil servants and other contractors may be perpetuated.

Its Total revenue in 2017 was N16.9bn - a whopping 348% less than the N75.8bn budgeted for Recurrent expenditure obligations.

Given that Recurrent expenditure is expected to increase to N86.26bn in 2018, Osun's planning models should assume a realistic appraisal of its Revenue versus Expenditure, and proffer near-term solutions.

This is crucial because its IGR is dropping - from N8.88bn in 2016 to N6.49bn in 2017; IGR in 2013, 2014 and 2015 was N7.28b, N8.51bn and N8.07bn respectively.

With IGR per capita in 2017 recorded as N1,378 per person, the state must expedite extensive tweaking of its budgeting and revenue generation systems.

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[3] https://www.premiumtimesng.com/regional/ssouth-west/260786-osun-assembly-increases-2018-states-budget-estimate-n2-4-billion.html

Osun State

Land of Virtue

Net FAAC Allocation 2018

Jan	Feb	Mar	April	May	June
N1.70bn	N1.63bn	N1.66bn	N1.59bn	N1.85bn	N1.82bn

Net FAAC Allocation

2013	N46.1bn
2014	N35.9bn
2015	N20.2bn
2016	N5.91bn
2017	N10.4bn

IGR

2013	N7.28bn
2014	N8.51bn
2015	N8.07bn
2016	N8.89bn
2017	N6.49bn

Total Revenue

2013	N53.4bn
2014	N44.5bn
2015	N28.3bn
2016	N14.8bn
2017	N16.9bn

Structure of State's Revenue 2018

IGR	24.05%
NET FAAC	75.95%

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)	Average Monthly VAT (Jan-Jun 2018)	Average Monthly 13% Share of Derivation (Jan-Jun 2018)	Average Monthly IGR (Jan-Jun 2018)
N782.4m	N924.8m	Nil	N540.5m

Average Monthly Revenue

N2.25bn*

(Jan-June 2018)

N138.2bn	$96.6m
Domestic Debt (2017)	External Debt (2017)

EXPENDITURE

N5.33bn*

AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

N1.89bn*

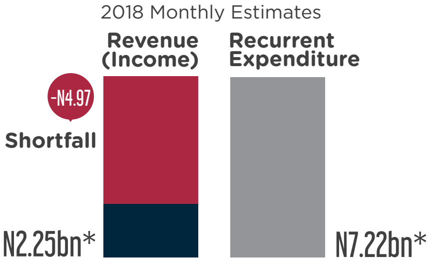
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

AVERAGE MONTHLY RECURRENT EXPENDITURE

N7.22bn*

(Jan-June 2018)

Ability to Meet Monthly Recurrent Expenditure Commitments



Total Debt Stock

2013	N51.3bn
2014	N51.2bn
2015	N159.9bn
2016	N102.5bn
2017	N167.9bn

Download: State of States Datasheet (CSV)

Source: NBS, OAGF, DMO, World Bank, BudgIT Research   BudgIT Estimate*

Cocoa

Osun State
Land of Virtue

One way for Osun to grow its earnings in the near term is to follow through with the Memorandum of Understanding it has with the International Institute of Tropical Agriculture (IITA), Ibadan, to boost cocoa production. If the policy is sustained, Osun could aggressively promote her cocoa yield to top 40,000 tons.

During the 1960-1970s, cocoa production numbers of 308,000 metric tonnes contributed significantly to Nigeria's foreign exchange earnings. By the end of 2015, total cocoa production was estimated to be in the region of 192,000 metric tonnes, partly due to the abolition of commodity boards during the Structural Adjustment Policy period of austerity measures in the 80s.

As at 2016, Nigeria is the fifth largest producer of cocoa after Côte d'Ivoire, Ghana, Indonesia and Cameroon. Osun could choose to become a major player in the field, as Nigeria has experienced fluctuating production quantity over the last 10 years, despite global production remaining relatively stable at an average of 4,375,004 million tonnes per year.

Nigeria is presently targeting cocoa production of 500,000 tonnes per year, and earnings of about $1bn; Osun can fill in the market gaps. Extensive investment in required logistics-based infrastructure, administrative policies and the efficient management of every tenet of the value chain are factors that will greatly aid Osun's chances of success.

Also, given that countries such as Netherlands, Belgium, Germany, Czech Republic, Denmark, Slovakia, Finland, USA, France, UK, Canada, Italy, Spain and Poland lead the cocoa import charts, Nigeria will need to attain some form of trade agreements with the European Union and the USA.

Osun's proximity to the major cities in Wouth-west Nigeria (including Lagos, Ibadan and Abeokuta via rail) could potentially make the state a major food hub sending cassava, yams, vegetables and other produce throughout the region.

A marketing board system, complemented by a marketing strategy (similar to what Kebbi and Lagos did regarding the Lake Rice initiative), could be adopted.

Non-edible revenue streams Osun may explore are its gold and clay deposits. These are a few of the measures Osun may choose to utilise, to revamp her revenue base and take her books out of their current precarious position.

Oyo

Sustainability Rank 30

Indications are that Oyo intends to target its informal workforce of 2.38million workers to generate more revenue.

Oyo state has a budget of N271.73bn[4] in fiscal year 2018, from its 2017 spending plan worth N209bn. The Recurrent component of the state's 2018 budget at N121.79bn is outsized, when compared with the state's income; Actual revenue in 2017 was N66.92bn.

Oyo state's Recurrent expenditure which was projected at N128bn in fiscal year 2017 remains a gaping hole in the state's accounts.

A breakdown of revenue for 2017 shows that IGR made up 33.5% of Total revenue, while the balance comes in from FAAC.

Trends also show Oyo's IGR fluctuates; in 2014 it was N16.30bn, but dropped to N15.66bn in 2015, later increasing to N18.88bn in 2016.

For 2017, the IGR figures of N22.45bn indicate that revenue maybe on the path of growth, but when Oyo's IGR per capita of N2,863 per person is taken into consideration, revenue generated is below the national average.

The irony of the state's dependence on federal allocations (from the FAAC) is that despite tagging its 2017 plan a "Budget of Self Reliance," in fiscal year 2016, Oyo's FAAC allocations constituted 65.4% of her revenue mix. By 2017, the number had risen to 66.5%, (or N66.46bn) of all revenue accruing to Oyo.

Debt levels are also rising; Total debt was N157.81bn in 2017, with Domestic debt climbing from N19.1bn in 2013 to N129.21bn in 2017. External debt which went from $66.75mn (in 2015) to $71.91mn (in 2016), now stands at $93.22mn as at year-end 2017.

These figures are projected to grow even further, unless checks are made, to balance the books.

Indications are that Oyo intends to target its informal workforce of 2.38million workers to generate more revenue. One of several related initiatives recently announced by the state government is a security levy placed on residences; Oyo is hoping to rake in N2bn annually through this tax.

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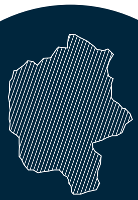
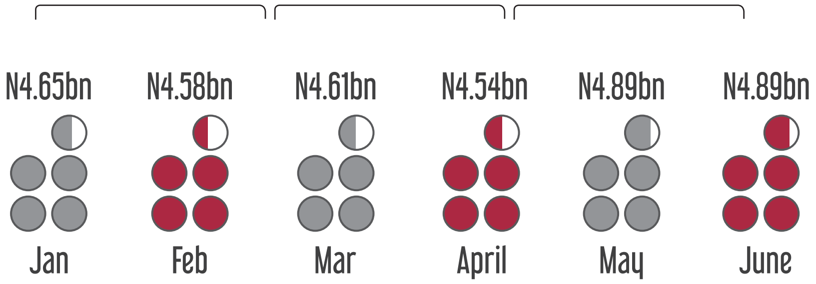
[4] http://www.tribuneonlineng.com/oyo-passes-n271-7bn-2018-budget/

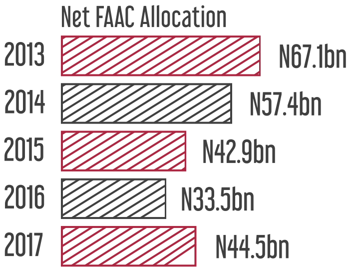


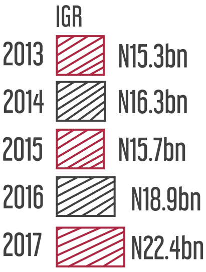
Oyo State

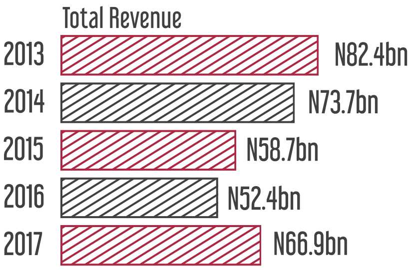
Pace Setter

Net FAAC Allocation 2018









Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)	Average Monthly VAT (Jan-Jun 2018)	Average Monthly 13% Share of Derivation (Jan-Jun 2018)	Average Monthly IGR (Jan-Jun 2018)
N3.32bn	N1.38bn	Nil	N1.87bn

Average Monthly Revenue

N6.56bn*

(Jan-June 2018)

N129.2bn
Domestic Debt
(2017)

$93.2m
External Debt
(2017)

EXPENDITURE

N3.32bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

N6.82bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

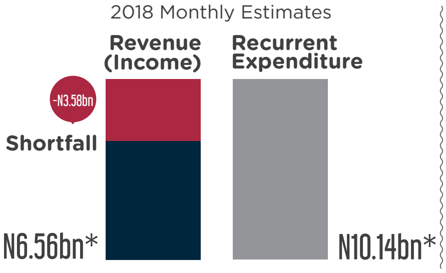
AVERAGE MONTHLY RECURRENT EXPENDITURE

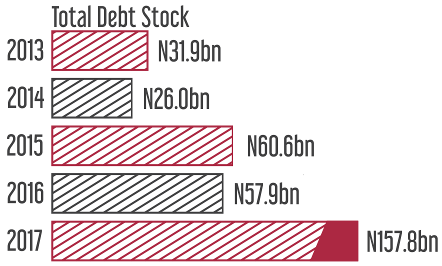
N10.14bn*

(Jan-June 2018)

Download: State of States Datasheet (CSV)

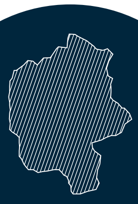
Ability to Meet Monthly Recurrent Expenditure Commitments





Source: NBS, OAGF, DMO, World Bank, BudgIT Research BudgIT Estimate*

High-quality Cassava flour



Oyo State

Pace Setter

Indications are that Oyo intends to target its informal sector of 2.38 million workers, to generate revenue.

We advise that Oyo instead revamps existing revenue streams, rather than embark on more expensive, new ones that may be unwittingly punitive on the masses.

The Ikere Gorge Dam, which can potentially generate over 3750MW of hydroelectricity and irrigate up to 12,000 hectares of farmland, remains abandoned. In turn, the 12,000 hectares of land, which draws water from the Ikere dam, could be put to use as a rice paddy, with crop yield servicing the Lagos market, and beyond.

Nigeria currently imports 96% of starch, as local demand of 600,000 tonnes are not being met, while 200,00 tonnes or 100% of sweeteners used in the country are currently being imported.

For high quality cassava flour (HQCF), about 88% of the 504,000 tonnes demanded locally is currently imported.

Oyo could become a net exporter of HQCF in the medium term by tapping into the high demand for cassava starch in Nigeria, which is in excess of 350,000 tons per annum.

The commodity is widely used in industries including: textile; pharmaceuticals; oil drilling; paper and packaging; gum and adhesives; chemicals, as well as household products manufacturing.

A need to conserve foreign exchange and reduce import dependency is the driving force for cassava starch demand, especially due to its partial substitution for cornstarch in user industries.

Oyo will therefore need to embark of extensive agronomy and research, to push yield up from 10 tons per hectare to 40 tons per hectare. Outside Nigeria, Oyo could achieve export figures of $3bn of this commodity, with strategic planning and marketing.

Away from agriculture, Oyo's ability to get its Ikere dam functional, could effectively give the state a seat at the table of major power hubs in Nigeria.

This dam simultaneously holds the likelihood of significant revenue from aquaculture, as frozen freshwater shrimps generated $1.8bn in export sales in 2017; a 21.4% rise from 2016.

Ecuador, Greenland, Canada and Denmark exported freshwater shrimps worth $366.6mn, $323.9mn, $301.7mn and $287.5mn respectively, in the same year.

Oyo can take advantage of the Ikere dam to breed freshwater prawns, and other species, possibly exporting freshwater shrimps worth $400mn in the near to medium term.

South East

ENUGU

COAL & CEMENT

Per capita cement consumption in Africa's largest economy is significantly below the global average of 500kg, meaning there is huge potential for growth.

With production in the region of 48 million metrics tons and domestic use totalling about 30 million metric tons, the sector has huge export potential.Enugu could also use its abundant coal deposits to build an industrial base around the cement sector.

EBONYI

RICE

"Abakaliki rice" has witnessed a major resurgence, after disappearing from tables in the South-east as a food staple for many years.

From 120 metric tons of rice processed daily, output today stands at 180 metric tons, with room to raise production, due to increased demand nationwide.

ANAMBRA

ANIMAL FEED

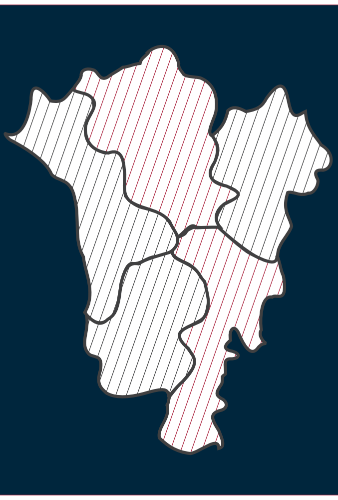
The state could potentially become a booming export hub if the river Niger is fully passable. This transportation network may also service the South-east's petroleum needs, while Anambra could take grains from Nigeria's middle-belt area, process these into animal feed and use its logistics base to sell these products further afield in-country and regionally.

Population

21,955,414

2016 Estimate (CBN)

South East
Export Potential



IMO

SHRIMPS & PLASTER OF PARIS

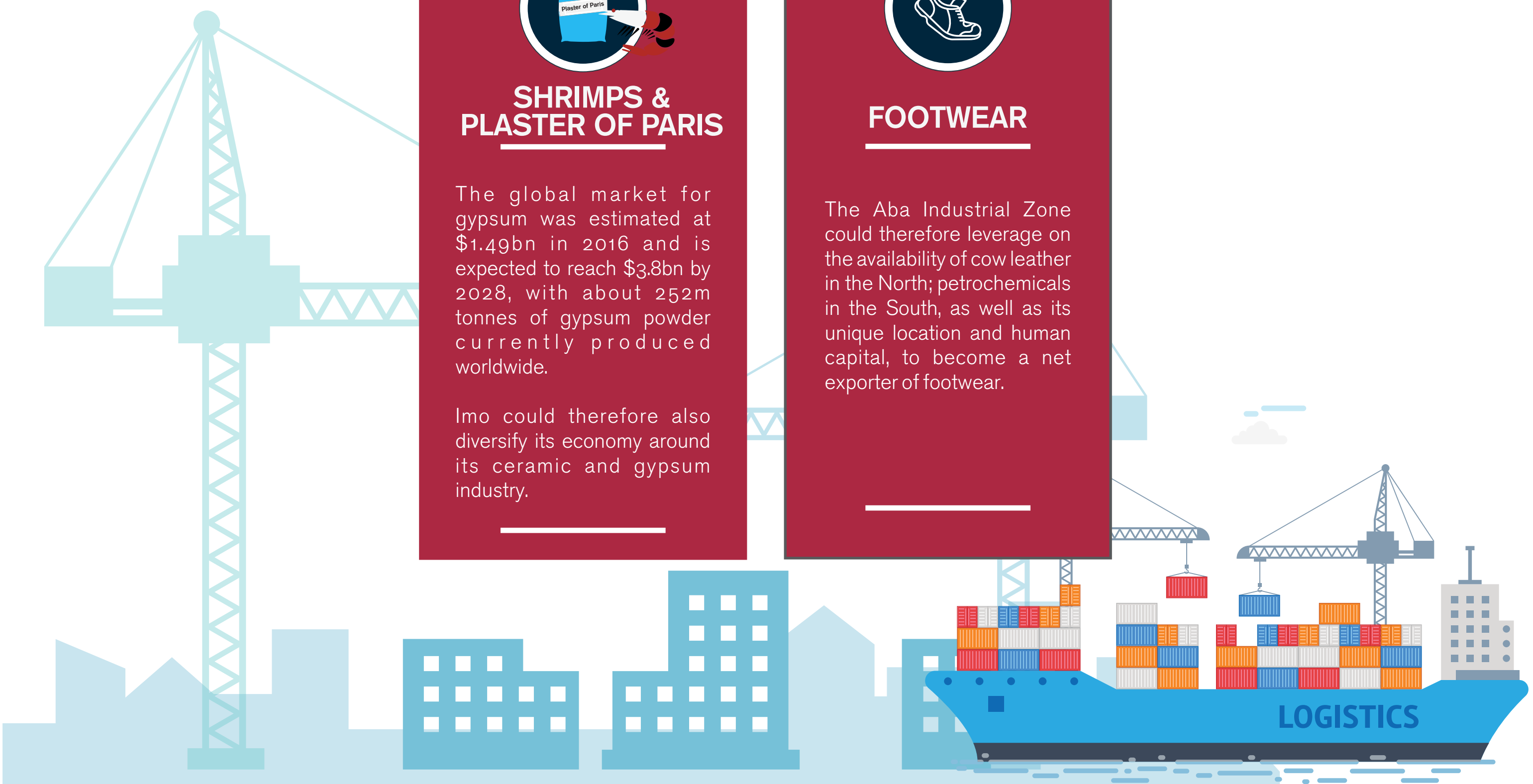
The global market for gypsum was estimated at $1.49bn in 2016 and is expected to reach $3.8bn by 2028, with about 252m tonnes of gypsum powder currently produced worldwide.

Imo could therefore also diversify its economy around its ceramic and gypsum industry.

ABIA

FOOTWEAR

The Aba Industrial Zone could therefore leverage on the availability of cow leather in the North; petrochemicals in the South, as well as its unique location and human capital, to become a net exporter of footwear.



Abia

Sustainability Rank 12

> In the interim, Abia may continue to grapple with unbalanced books, except immediate steps are taken to rein in its Overheads costs, which are projected to increase from 2017 levels of N15.9bn to N17.605bn in 2018.

Abia's budget for 2018 is worth N141bn, and directed at boosting trade and commerce, reinvigorating its agriculture and agribusiness sectors as well as stimulating the emergence of small and medium scale manufacturing. To achieve these, the state hopes to attract investment and directly spend on critical infrastructure, particularly on Health and Education.[5]

However, one of the key limitations holding Abia back is its revenue. Abia's Total revenue was approximately N53.79bn in 2017; about 72.27% of this comes from the federation account (administered by the Federation Accounts and Allocation Committee - FAAC), reinforcing the argument that Abia remains highly dependent on these monthly handouts from FAAC for its survival. Internally Generated Revenue (IGR) was N14.92bn and N12.69bn in 2017 and 2016 respectively. States pool IGR from taxes and levies, including Personal Income Tax; Withholding Tax (from individuals only); Capital Gains Tax (individuals only) and Stamp Duties on instruments executed by individuals.

In 2018, Abia hopes to grow it IGR to about N29.18bn.[6] Juxtaposed against its estimated population of about 7 million, the state could only generate IGR per capita of N4,002 per head in 2017 - an abysmal figure compared to the N26,000 that Lagos (its peer in terms of industrialisation), is currently generating.

Analysts and state government officials have linked Abia's low IGR uptake to the huge size of her informal economy and taxation architecture (which is majorly cash-based, and therefore susceptible to revenue leakages and maladministration. Therefore, Abia may need to explore alternatives to expand her undulating income. It is critical to grow revenue markedly and sustainably; IGR was N12.5bn, N12.37bn and N13.35bn in 2013, 2014 and 2015 respectively, but fell to N12.69bn in 2016, and rose to N14.92bn in 2017.

Also, Abia's Recurrent expenditure obligations (which were projected at N57.4bn in 2017) are higher than its revenue. Actual revenue in 2017 (Statutory, VAT and IGR) which was approximately N53.79bn, could not cover Recurrent expenditure, despite the state's budget calling for an additional spending of N45.185bn on Capital items.

The nationwide trend is that often, revenue shortfalls in the books translate to raised levels of debt. Abia's domestic debt profile - pegged at N53.5bn in December 2016 - now stands at N60.65bn (as at December, 2017) and may continue its upward trajectory. Domestic debt grew at an annual average of 21.39% between 2013 and 2017, while IGR grew about 4.85% per annum within the same period.Worth noting is that External Debt as at December 2017 was $101.49mn; a rise of 145%, from $41.3mn in 2016.

At face value,these figures suggest that the State has been accumulating debt faster than its capacity to grow IGR. However, it must be considered that plans to locate a Special Economic Zone in Aba have been announced.

This could reverse rising debt in the long term, given the industrial and job creation potential the zone could bring. In the interim, Abia may continue to grapple with unbalanced books, except immediate steps are taken to rein in its Overheads costs, which are projected to increase from 2017 levels of N15.9bn to N17.605bn in 2018.

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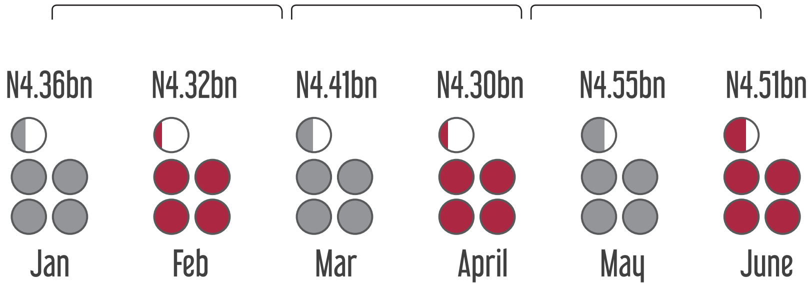
[5] http://www.abiastate.gov.ng/news/2018-budget-speech-presented-by-okezie-victor-ikpeazu-ph-d-governor-of-abia-state/

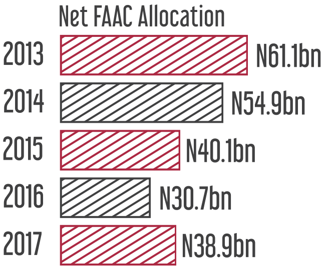
[6] http://nigerianstat.gov.ng/resource/2017%20IGR.xlsx

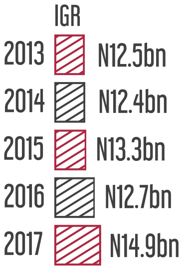
Abia State

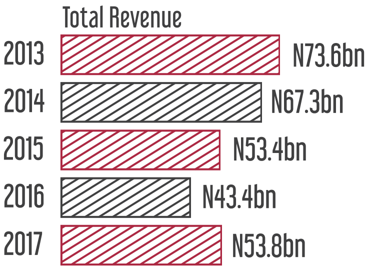
God's Own State

Net FAAC Allocation 2018









Structure of State's Revenue 2018

> REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)
N2.85bn

Average Monthly VAT (Jan-Jun 2018)
N885m

Average Monthly 13% Share of Derivation (Jan-Jun 2018)
N673.9m

Average Monthly IGR (Jan-Jun 2018)
N1.24bn

>

Average Monthly Revenue

N5.65bn*
(Jan-June 2018)

N60.6bn
Domestic Debt
(2017)

$101.5m
External Debt
(2017)

> EXPENDITURE

N2.70bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

N3.00bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

>

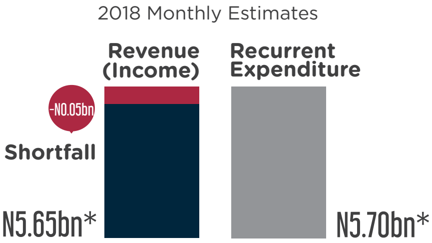
AVERAGE MONTHLY RECURRENT EXPENDITURE

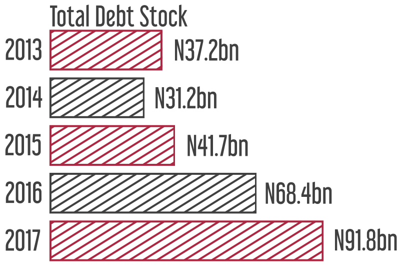
N5.70bn*
(Jan-June 2018)

Download: State of States Datasheet (CSV)

>

Ability to Meet Monthly Recurrent Expenditure Commitments





Source: NBS, OAGF, DMO, World Bank, BudgIT Research   BudgIT Estimate*

Footwear

Abia State
God's Own State

Abia could position its manufacturing sector to tap into the eco-friendly footwear sub-sector.

The state enjoys a significant advantage over other regions in Nigeria due to its proximity to the Niger river, but will however need to dredge the Obuaku river and kickstart the Obuaku River Port Complex, for maximum impact.

These projects should connect Abia directly to the Atlantic Ocean, potentially reducing the costs of moving industrial feedstock, and rapidly transforming the Aba Industrial Zone.

Infrastructure within the Aba manufacturing region will also need to be revamped, alongside indices that ease commerce, including the costs covering minimum capital to open a business and operate same; obtaining electricity connections; constructing new warehouses and access to credit.

The Textile, Apparel and Footwear sub-sector of the Nigerian economy is presently estimated at N2.02tn, and is expected to grow rapidly on the back of improving discretionary spending.

The Aba Industrial Zone could therefore leverage on the availability of cow leather in the North; petrochemicals in the South, as well as its unique location and human capital, to become a net exporter of footwear.

With the worldwide trade in shoes expected to top $371.8bn by 2020, Nigeria and Abia state have an advantage; they could overtake Vietnam, which presently exports approximately $13bn worth of goods to the United States and Europe. The market for leather footwear for women, men and children is expected to increase to $207bn by 2021.

Given that 54% of footwear in 2016 was sold in Europe, Abia may choose to exploit Nigeria's location and corner a share of the European market.

Opportunities also abound in Asia, America and Africa; if business activities are tangibly formalised in Abia, Aba could – with strategic planning, improved production process and aggressive marketing strategies - become a major player in these regions in the near future.

In terms of revenue uptake, the state's internally-generated revenue (IGR) can receive a significant boost from leather goods, as the global footwear sub-sector remains labour intensive.

Anambra

Sustainability Rank 11

> Anambra appears to have beneficially tapped into the debt markets to set up/expand industrial zones. However, caution is necessary, to ensure debts are only invested in self-liquidating assets. Anambra will also need to slow down growth in Recurrent expenditure figures, whilst growing its IGR (which is approximately N3,141 per capita in 2017).

The Anambra state government has self-admittedly taken a shrewd fiscal position during a settling of crude oil prices. Its annual Recurrent Expenditure was projected at N56.6bn in 2017, a figure slightly lower from 2016 estimates of about N60bn. Lower expenditure projections are itself a buck in the trend where states progressively raise their spending prospects.

Internally-generated revenue (IGR) for Anambra grew from N16.19bn 2016, to N17.37bn. When compared with the state's estimated Total revenue of N58.7bn in 2017, IGR accounted for approximately 30% of all revenue for the fiscal year. In 2013, 2014 and 2015, IGR was N8.7bn, N10.24bn and N14.8bn respectively.

With her Recurrent expenditure obligations estimated at N56.6bn in 2017, the state's fiscal position indicates some semblance of vigour, notwithstanding its relatively low IGR uptake.

In the 2018 financial year, Anambra aims to spend a total sum of N170.9bn,[7] and notes it will attempt to attain fiscal independence in four years by realigning its systems such that IGR will cover Recurrent expenditure, while the balance would support Capital items.[8]

A closer look shows that the 2018 budget delineates about N63.9bn for Recurrent expenditure, above 2017 estimates of N56.6bn. The Personnel costs component of Recurrent expenditure comes in at N21.6bn; a rise from 2017 budget figures of N20.4bn; Overheads are also expected to grow to N21.2bn.

With precedents forcing the standpoint that Anambra's revenue will not exceed N62bn, the state's debt could expand in the near to medium term.

But currently, Anambra's debt levels are commendable for their being comparably low; Domestic debt was N2.6bn as at end-December 2017, lower than 2015 levels of N3.99bn. External debt was approximately $50.5mn, which puts Anambra's Total debt at N28.97bn, and makes it the least-indebted state in Nigeria.

Anambra appears to have beneficially tapped into the debt markets to set up/expand industrial zones. However, caution is necessary, to ensure debts are only invested in self-liquidating assets. Anambra will also need to slow down growth in Recurrent expenditure figures, whilst growing its IGR (which is approximately N3,141 per capita in 2017).

With IGR itself growing at an annual average of 19.48%, Anambra must accelerate the pace of IGR growth. An integrated and expansive plan focused on improving tax collection efficiency in the near and medium term will be one of the fastest ways to achieve this.

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[7] http://anambrastate.gov.ng/news?r=anambra-assembly-passes-2018-budget-&hs=04da5b0ed7741357aef52b252a7603c4

[8] http://www.anambrablog.ng/2017/12/full-speech-of-2018-budget-presented-by.html

Anambra State

Light of the Nation

Net FAAC Allocation 2018

Jan	Feb	Mar	April	May	June
N4.37bn	N4.33bn	N4.38bn	N4.26bn	N4.56bn	N4.52bn

	Net FAAC Allocation	IGR	Total Revenue
2013	N58.9bn	N8.73bn	N67.7bn
2014	N52.2bn	N10.5bn	N62.7bn
2015	N40.4bn	N14.8bn	N55.2bn
2016	N32.7bn	N16.2bn	N48.9bn
2017	N41.3bn	N17.4bn	N58.7bn

Structure of State's Revenue 2018

IGR	24.73%
NET FAAC	75.27%

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)	Average Monthly VAT (Jan-Jun 2018)	Average Monthly 13% Share of Derivation (Jan-Jun 2018)	Average Monthly IGR (Jan-Jun 2018)
N3.36bn	N1.04bn	Nil	N1.45bn

Average Monthly Revenue

N5.85bn*

(Jan-June 2018)

N2.6bn	$85.9m
Domestic Debt (2017)	External Debt (2017)

EXPENDITURE

N1.80bn*

AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

N3.57bn*

AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

AVERAGE MONTHLY RECURRENT EXPENDITURE

N5.37bn*

(Jan-June 2018)

Ability to Meet Monthly Recurrent Expenditure Commitments

2018 Monthly Estimates

Revenue (Income)	Recurrent Expenditure
N5.85bn*	N5.37bn*

Excess N0.48bn

Total Debt Stock

2013	N7.86bn
2014	N11.0bn
2015	N15.6bn
2016	N18.9bn
2017	N28.9bn

Source: NBS, OAGF, DMO, World Bank, BudgIT Research   BudgIT Estimate*

Animal Feed

Anambra State

Light of the Nation

Anambra's lying on the river Niger could form the backbone of a cheaper transportation network for feedstock and other industrial raw materials.

Guaranteed economic independence will come to Anambra, if the lower Niger can be fully dredged and the Onitsha port comes on-stream, serving the South-east and North-east of Nigeria.

The state could potentially become a booming export hub if the river Niger is fully passable. This transportation network may also service the South-east's petroleum needs, while Anambra could take grains from Nigeria's middle-belt area, process these into animal feed and use its logistics base to sell these products further afield in-country and regionally.

Export of animal feeds excluding pet dog and cat food totaled $13.8bn in 2016, while European countries accounted for the highest dollar worth of exported animal feeds in the same year, with shipments valued at $8.4bn, or 60.8% of the global total.

In second place were Asian exporters at 18%; about 13.3% of worldwide shipments for animal feeds originated from North America.
Smaller percentages come from Latin America (excluding Mexico) but including the Caribbean (5.6%), Africa (1.1%) and Oceania (1.1%) - led by Australia. Anambra can therefore cash in, to serve the Nigerian and African markets through continental free trade agreements.

The state may also choose to capitalise on its extensive deposits of clay, glass sand, kaolin, limestone, bentonite and aluminum, to become a major producer of tiles, particularly within the Nigerian housing market, which is set to expand by 20 million housing units in the next decade alone.

Ongoing initiatives, such as the public-private partnership which resulted in a 75-hectare poultry farm with a capacity of two million birds per annum (which should take Anambra's annual production numbers to five million), align with greater economic independence.

Nevertheless, significant investments in feed mills, silos and associated infrastructure is needed, if Anambra expects to surpass a target beyond 20 million birds in the next ten years.

The state will need investment in the region of $3bn to become a big player in the near term. We also advise Anambra to consolidate its hold on Nigeria's rice production value-chain by ramping up measures that anticipate and meet the logistics needs of the sub-sector.

Ebonyi

Sustainability Rank 18

> Regarding debt, Ebonyi state may have to streamline its budget implementation, as Total debt which stood at N34.6bn as at year-end 2017, is growing. Domestic debt rose from N13.2bn in 2013 to N34.17bn in 2015.

Ebonyi budgets a spend of N208.33bn in 2018.[9]

The Recurrent component of this budget is estimated at N43.33bn; a rise N40.171bn in 2017, with Capital expenditure projected to cost N165bn in 2018.

The state's 2018 fiscal plan is based on revenue uptake of N88.88bn, and Ebonyi plans to close the deficit by pooling N18.89bn from previous savings, and borrowing N100.52bn from internal and external sources.

In 2017, Actual revenue was N40.59bn, while Recurrent expenditure estimates came to N40.17bn. Ebonyi's revenue sufficiently met its Recurrent expenditure commitments as projected in the 2017 budget. The fiscal plan for 2018 also appears to be toeing this path, going by figures from the first quarter of 2018.

Regarding debt, Ebonyi state may have to streamline its budget implementation, as Total debt which stood at N34.6bn as at year-end 2017, is growing. Domestic debt rose from N13.2bn in 2013 to N34.17bn in 2015. In 2016, there was some respite: Domestic debt reduced to N28.06bn, before rising again in 2017. On average, Debt for Ebonyi grew at an annual rate of 87.33% between 2013 and 2017.

However, the fall in oil prices in 2014/2015 exposed the state's financial vulnerability. Its budget is highly dependent on routine monthly handouts from the FAAC, and Domestic debt therefore spiralled by approximately 391.21% in a year, during this period.

By 2016, Ebonyi's IGR dropped to N2.42bn, from N11.03bn in 2015.

The 2017 numbers placing IGR at N5.1bn show improvement, but Ebonyi is yet to return to its financial status before the oil pricing crisis; IGR accounted for only 12.57% of the state's Total revenue in 2017.

Despite this Debt, lessening revenue and the general economic slowdown, Ebonyi is one of the very few that met its Recurrent Expenditure obligations. More work is nevertheless called for on its IGR drive, as IGR per capita amounts to N1,772 per head.

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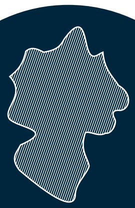
[9] http://www.ebonyistate.gov.ng/Ministry/Finance/Budget_2018.aspx

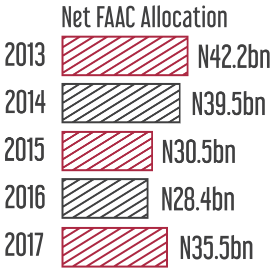


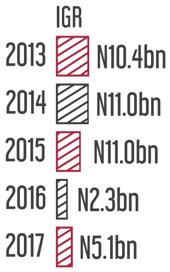
Ebonyi State

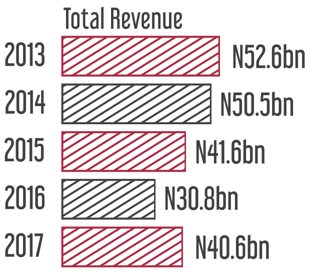
Salt of the Nation

Net FAAC Allocation 2018

N3.63bn	N3.53bn	N3.58bn	N3.52bn	N3.77bn	N3.63bn
Jan	Feb	Mar	April	May	June







Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)
N2.78bn

Average Monthly VAT (Jan-Jun 2018)
N824.1m

Average Monthly 13% Share of Derivation (Jan-Jun 2018)
Nil

Average Monthly IGR (Jan-Jun 2018)
N425.2m

Average Monthly Revenue

N4.03bn*
(Jan-June 2018)

N36.6bn
Domestic Debt
(2017)

$63.4m
External Debt
(2017)

EXPENDITURE

N1.18bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

N2.38bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

AVERAGE MONTHLY RECURRENT EXPENDITURE

N3.56bn*
(Jan-June 2018)

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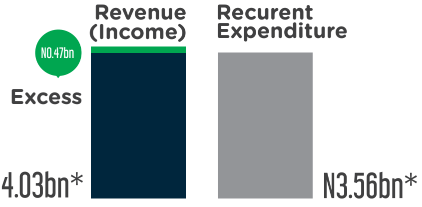
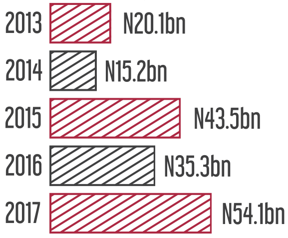
Ability to Meet Monthly Recurrent Expenditure Commitments

2018 Monthly Estimates



Total Debt Stock



Source: NBS, OAGF, DMO, World Bank, BudgIT Research BudgIT Estimate*

Rice

Ebonyi State
Salt of the Nation

The opportunities here center around the agriculture sector, which the governor has announced as a priority.

“Abakaliki rice” has witnessed a major resurgence, after disappearing from tables in the South-east as a food staple for many years. From 120 metric tons of rice processed daily, output today stands at 180 metric tons, with room to raise production, due to increased demand nationwide.

This could be achieved by attracting investors to either set up modernised rice processing mills, as well as by incentivising paddy rice farmers, such that although Ebonyi has targeted 350,000 metric tons of rice by the end of 2018, it could achieve 1-2 million metric tons before the end of 2019.

This would be a notable share of the rice market, in a country with an estimated consumption of six million metric tons per annum.

Ebonyi may also decide to enter into agreements with consumer-grower states in Nigeria and further afield, following the strategy implemented by Kebbi and Lagos, which resulted in the production of the Lake (Lagos-Kebbi) Rice brand.

Were Ebonyi to raise rice production numbers to 2 million tons (via improved seedlings and increased mechanisation), the state could potentially sell 40 million bags (at 50kg each) under partnership initiatives.

However, Ebonyi will need investments worth at least $1.5bn to achieve these sales; a solution to offsetting its debts in this regard could be appending a tax of N2000 per 50kg bag, which could boost the state’s IGR by N80bn.

Enugu

Sustainability Rank 10

Enugu should therefore start exploring ways of formalising these sectors and making use of its unique location to attract industrial manufacturers with heavy energy requirements, including fossil fuels.

Enugu is planning N103.5bn for the 2018 financial year; a significant rise from 2017 expenditure estimates of N98.56bn.[10]

The 2018 budget delineates N60.7bn for Recurrent items, while N42.8bn will go to Capital items, if the budget is fully implemented as passed.

Enugu aims for IGR of about N30bn[11] in 2018; IGR in 2017, 2016 and 2015 was N22.04bn, N14.24bn and N18.08bn.

Between 2013 and 2017, IGR grew at an average rate of 5.6% annually, dropping from N20.2bn in 2013 to N19.25bn in 2014. Against its projected population, IGR per capita of the self-named "Coal state" comes to N4,996 per person.

Actual revenue for Enugu state - at N56.42bn in 2017 - when compared with its Recurrent expenditure estimate of N55.2bn for the same year shows some fiscal stability. However, revenue estimates of N88.24bn for 2018 point to an unrealistic leap between the current budget projection and past Actual revenue.

Enugu will need to intensify policies and existing initiatives that drive IGR, to control its debt portfolio. From 2013 to 2017, IGR has grown at an annual average of 5.69%, while the state has been accumulating Domestic debt at the rate of 51.47% annually.

Domestic debt which was N12.06bn as at December 2013 has climbed to N59.75bn in 2017; External debt is now in the region of $133.11mn.

Enugu state must prioritise frugality in its Recurrent expenditure to free funds for developmental items. Compared to its peers, the state should also ramp up on debt only for self-liquidating ventures.

Enugu could also look into upgrading the earning power - and consequently the tax potential - of its citizens. About 3,200 people work in its Mining sector, up to 58,000 people work in Manufacturing, and 1.4million are in Agriculture, according to the National Bureau of Statistics.

Enugu should therefore start exploring ways of formalising these sectors and making use of its unique location to attract industrial manufacturers with heavy energy requirements, including fossil fuels.

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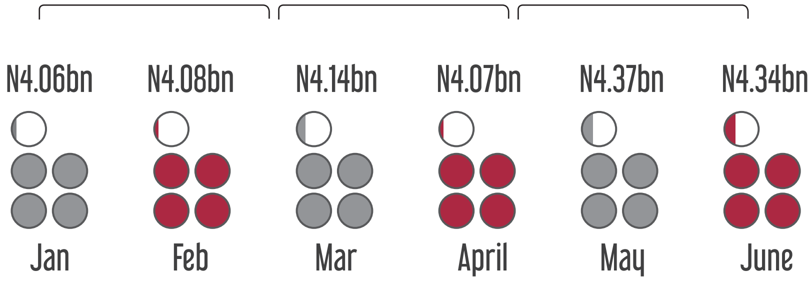
[10] http://www.tribuneonlineng.com/gombe-assembly-passes-2018-budget-n114-billion/

[11] http://www.businessdayonline.com/enugu-targets-n30bn-igr-fund-2018-budget/

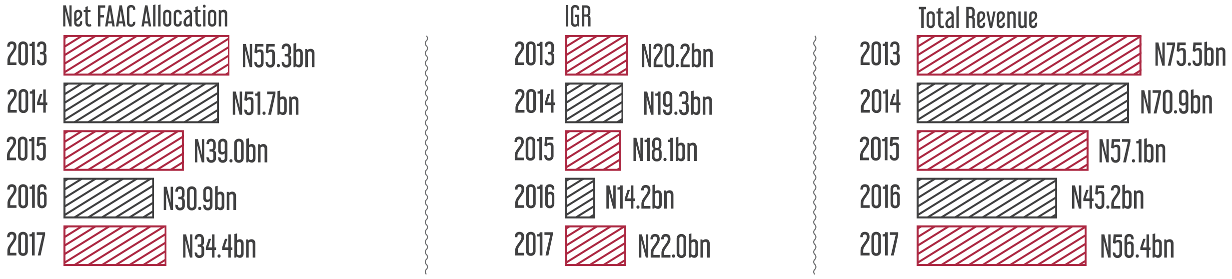
Enugu State

Coal City State

Net FAAC Allocation 2018



Jan	Feb	Mar	April	May	June
N4.06bn	N4.08bn	N4.14bn	N4.07bn	N4.37bn	N4.34bn



Net FAAC Allocation

2013	N55.3bn
2014	N51.7bn
2015	N39.0bn
2016	N30.9bn
2017	N34.4bn

IGR

2013	N20.2bn
2014	N19.3bn
2015	N18.1bn
2016	N14.2bn
2017	N22.0bn

Total Revenue

2013	N75.5bn
2014	N70.9bn
2015	N57.1bn
2016	N45.2bn
2017	N56.4bn

Structure of State's Revenue 2018

IGR	30.54%
NET FAAC	69.46%

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)	Average Monthly VAT (Jan-Jun 2018)	Average Monthly 13% Share of Derivation (Jan-Jun 2018)	Average Monthly IGR (Jan-Jun 2018)
N3.25bn	N925.2m	Nil	N1.84bn

Average Monthly Revenue

N6.01bn*

(Jan-June 2018)

N59.7bn	Domestic Debt (2017)
$133.1m	External Debt (2017)

EXPENDITURE

N3.13bn*

AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

N1.93bn*

AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

AVERAGE MONTHLY RECURRENT EXPENDITURE

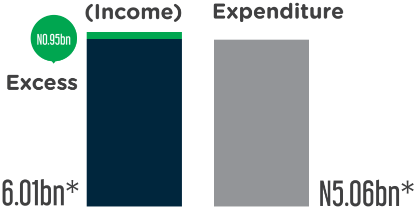
N5.06bn*

(Jan-June 2018)

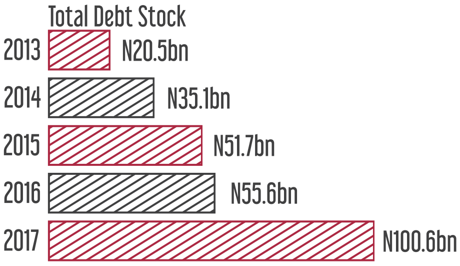
Download: State of States Datasheet (CSV)

Ability to Meet Monthly Recurrent Expenditure Commitments

2018 Monthly Estimates



Total Debt Stock



2013	N20.5bn
2014	N35.1bn
2015	N51.7bn
2016	N55.6bn
2017	N100.6bn

Source: NBS, OAGF, DMO, World Bank, BudgIT Research   BudgIT Estimate*

Coal & Cement

Enugu State
Coal City State

To get extra revenue, Enugu must look to its population; about 3,200 people work in its Mining sector, up to 58,000 people work in Manufacturing, and 1.4million are in Agriculture, according to the National Bureau of Statistics.

The state should therefore start exploring ways of formalising these sectors, making use of its unique location to attract industrial manufacturers with heavy energy requirements.

Nigeria is expected to produce approximately 48 million tons of cement in 2018, a rise from approximately 10 million metric tonnes produced a decade ago.

In 2017, cement worth N551.78bn was sold in Nigeria, compared to a peak of N596.17bn in 2015 . Government remains the largest buyer of cement in the country, responsible for an estimated 50% of total consumption.[12]

Domestic consumption of the product is projected to increase significantly in the near term, on the back of a rapidly-expanding household size and increase demand for infrastructure.

Also, Nigeria is facing a huge housing deficit, and with attempts to rework the nation's mortgage system, demand could grow significantly in the medium to long term.

Cement use in Nigeria is however in the region of 149kg/person, or 28 million metric tonnes per annum. Per capita cement consumption in Africa's largest economy is significantly below the global average of 500kg, meaning there is huge potential for growth.

With production in the region of 48 million metrics tons and domestic use totalling about 30 million metric tons, the sector has huge export potential.

Enugu could also use its abundant coal deposits to build an industrial base around the cement sector.

Though the effect of the Paris Climate Accord on the coal mining sector (and by extension Enugu's revenue from coal) cannot be immediately ascertained, worth noting is that the state's tourism and renewable energy potentials could help offset any negative effect on earnings in the interim.

For instance, Enugu's wind energy potential is well documented by the ministry of Science and Technology, and therefore the state would benefit greatly by ensuring alternative energy initiatives become mainstream.

Also, her beautiful lakes, caves, hills, falls, and springs could gain more prominence as attractive locations for Nigerian and foreign tourists if further developed, promoted and made more secure, which in turn could significantly boost Enugu's earning prospects in the immediate and foreseeable future.

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[12] https://www.proshareng.com/articles/NSE-&-Capital-Market-/Nigeria-s-Cement-Manufacturing-Industry-Rep/1560

Imo

Sustainability Rank 15

> As an oil-producing state with approximately 163 oil wells across 12 locations, Imo should shore up its revenue from this sector, and complement these measures with extensive reduction and formalization of its workforce as well as a rapid improvement of infrastructure, to enhance its prospects at financial viability.

Imo State has budgeted approximately N190bn in 2018; a 45% leap from N131.14bn. in 2017.[13]

Revenue in 2017 for Imo, which has an economy still centred around agriculture and trade, was N44.97bn. IGR contributes only 15.24% to the state's revenue pool, reinforcing the argument that Imo is mainly reliant on monthly FAAC disbursements.

In 2017, IGR stood at N6.85bn; far lower than the N8.1bn achieved in 2014; for 2015 and 2016, IGR was N5.47bn and N5.87bn respectively.

Imo's IGR per capita was N1,264 per head, and the proposed budget for 2017 also showed that its Revenue of N44.9bn could not cover lower Recurrent expenditure estimates of N53.73bn - compared to the 2016 estimates of N60.7bn.

These developments occurred amid Total debt stock of N100.06bn as at 2017. Domestic debt for Imo grew from N12.63bn in 2013, to N80.79bn in 2017, at an annual average of 73.40%.

External debt is just as significant, presently recorded at $62.85bn as at December 2017.

This cyce of revenue shortfall and debt accumulation could continue, as Imo's revenue is not expected to be significantly higher than N50bn, meaning the state may resort to dipping into savings, or even borrowing to meet Recurrent expenditure commitments.

It is best Imo proactively and extensively reins in Overheads (its operating costs) and cuts down on capital spending.

As an oil-producing state with approximately 163 oil wells across 12 locations, Imo should shore up its revenue from this sector, and complement these measures with extensive reduction and formalization of its workforce as well as a rapid improvement of infrastructure, to enhance its prospects at financial viability.

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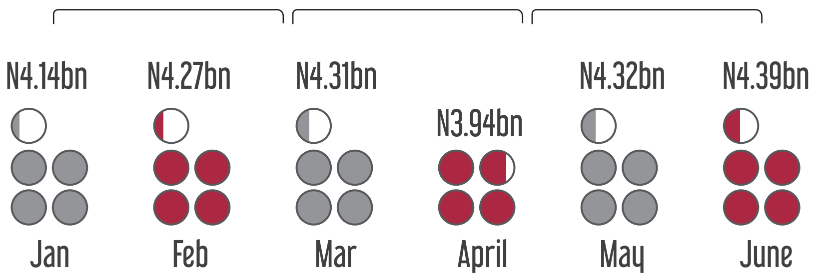
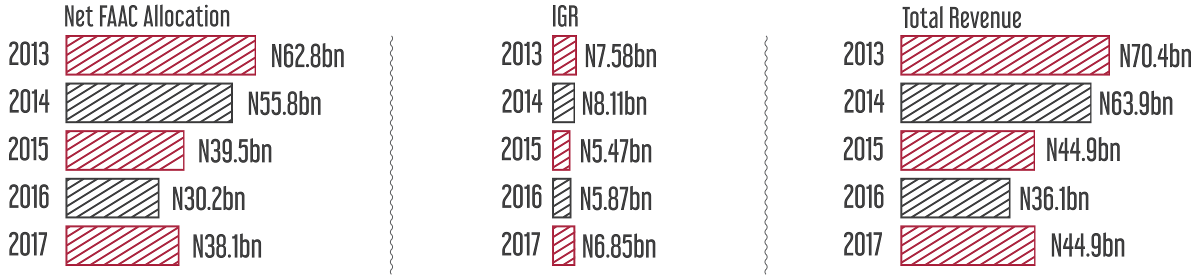
[13] https://www.thisdaylive.com/index.php/2017/12/14/imo-budgets-n190bn-for-2018-fiscal-year/

Imo State

Eastern Heartland

Net FAAC Allocation 2018





Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)	Average Monthly VAT (Jan-Jun 2018)	Average Monthly 13% Share of Derivation (Jan-Jun 2018)	Average Monthly IGR (Jan-Jun 2018)
N2.80bn	N982.6m	N444.9m	N570.9m

Average Monthly Revenue

N4.80bn*

(Jan-June 2018)

N80.8bn Domestic Debt (2017)

$62.8m External Debt (2017)

EXPENDITURE

N2.08bn*

AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

N2.74bn*

AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

AVERAGE MONTHLY RECURRENT EXPENDITURE

N4.83bn*

(Jan-June 2018)

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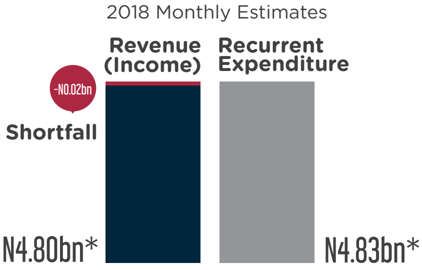
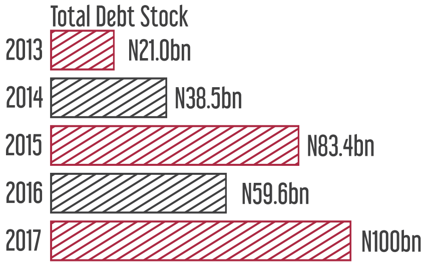
Ability to Meet Monthly Recurrent Expenditure Commitments





Source: NBS, OAGF, DMO, World Bank, BudgIT Research   BudgIT Estimate*

Shrimps, Gypsum Powder (Plaster of Paris)

Imo State

Eastern Heartland

Imo has a retinue of options to boosting its books; the state could tap into its status as an oil-producing one with approximately 163 oil wells across 12 locations, as well as exploit its deposits of natural gas, lead, calcium carbonate, gypsum and zinc production potential.

Abundant white clay could be transformed into revenue from ceramics manufacturing, while Imo's limestone could be purposed for industrial cement production. In the latter instance, incentives could be granted to private and public entities that construct roads, houses and other infrastructure, provided they use state-produced cement.

The global market for gypsum was estimated at $1.49bn in 2016 and is expected to reach $3.8bn by 2028, with about 252m tonnes of gypsum powder currently produced worldwide.

Imo could therefore also diversify its economy around its ceramic and gypsum industry. Already, the state has made some inroads in the production and export of Plaster of Paris, an important commodity used in the ceramic and construction industry.

Plaster of Paris is used in the making of toys and statues, chalk crayons, gypsum plaster boards, and decorative picture frames, as well as a wide range of applications in the interior decoration of buildings - all markets that Imo can corner a share of.

Imo may also decide to reverse the current situation where its largest natural lake now serves in part as a septic pool for domestic urban sewage. The Oguta Lake, if revamped, holds huge promise for the public purse; careful planning, regeneration and investment, could see it remain a tourist favourite, as well as emerge a prawn production haven.

Frozen freshwater shrimps generated $1.8bn in export sales in 2017, climbing 21.4% from 2016. Ecuador, Greenland, Canada and Denmark exported freshwater shrimps worth $366.6mn, $323.9mn, $301.7mn and $287.5mn respectively.

Imo may choose to take advantage of the Oguta Lake, which possesses excellent conditions for breeding freshwater prawn, and other species. The state could potentially export fresh water shrimps worth $400mn in the near to medium term.

Other investment opportunities include chemical production, which could serve the steady demand for industrial feedstock from the oil and gas sector. Oil palm cultivation could also see a boost, if Imo's equatorial rain forest belt with an average annual rainfall of 3,100 mm is exploited responsibly.

North West

JIGAWA

BEEF

Jigawa can learn from the US beef sector and deliberately become the biggest beef exporter in Africa.

The United States of America is the largest exporter of beef, with sales projected to be in the region of 331 million kg in 2018, up from 2017 levels by 12.2%

KANO

TEXTILE, APPAREL & FOOTWEAR

Kano could exploit the availability of cow leather in the North, petrochemicals in the South, as well as her unique location and human capital, to become a net exporter of Textile, Apparel and Footwear

KATSINA

COTTON

Katsina could rebuild its economy around cotton, which is one of its foremost tradable commodities. The state may aim for a yearly output of five million bales, to corner an estimated $12bn from the global market for cotton.

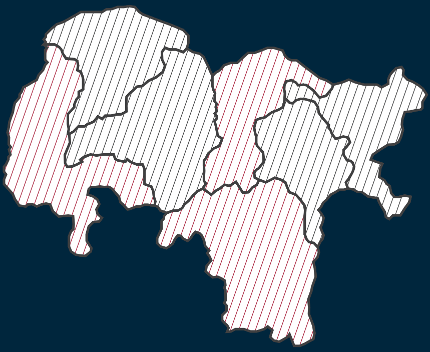
Population

48,942,307

2016 Estimate (CBN)

North West

Export Potential



KEBBI

RICE

With Lagos being the consumer, and Kebbi the producer, this strategic plan to transform the agriculture ecosystem suggests Kebbi is eager to take the initiative to shore up its economic prospects. Reports of industrial flour mills about to be established in Kebbi also indicate more related agro-based initiatives are in the offing.

ZAMFARA

FROZEN FRENCH FRIES, IRON ORE

Zamfara is also positioning herself to as a major Irish potatoes producer, and will have to speedily mechanise its production chain if it hopes to get any earnings from the global potato export market, which totaled $4.1bn in 2017.

SOKOTO

CEMENT

Sokoto must strategically harness benefits such as having one of the largest limestone reserves in Africa, and her substantial deposits of gypsum - which is essential feedstock for industrial cement production.The state seems to have taken the hint, with reports of a new cement manufacturing firm being built via Public Private Partnership in Kware local government area.

KADUNA

SOYBEAN

In terms of export, Kaduna could become a big player in the soybean production and export market. Nigeria ranks 15th, with production of soybean in the region of 588,201 tons. Interestingly, global production of soybean in 2016 was estimated to be approximately 335 million tons. With better agronomy and improved seedlings, Kaduna could expand production by 5 million tons in the medium term, and expect export revenue worth $1.5bn.

Jigawa

Sustainability Rank 29

> Over the last five years, Domestic debt grew annually by 342.95%, recorded at N1.6bn, N1.57bn and N22.19bn in 2013, 2014 and 2015 respectively.

In 2018, Jigawa state plans to spend N138.67bn, compared to the N129.87bn cited the previous year.[14]

Jigawa's Actual revenue in 2017 was approximately N51.91bn, with IGR accounting for only 12.8% of this income.

A whopping 87.19% of all revenue came from the federation account (FAAC), while IGR was a modest N6.65bn and N3.54bn in 2017 and 2016 respectively.

In terms of IGR per capita, Jigawa state could only generate N1141 per head in 2017 - about a third behind the average achieved by its peers.

Internally-generated revenue (IGR) was approximately N6.65bn in 2017; a rise from N3.54bn in 2016 level but more of a declining trend, when figures of N9.76bn, N6.27bn and N5.08bn in 2013, 2014 and 2015 respectively are taken into account.

A review of Jigawa state's budget for 2017 shows that its revenue at N51.91bn fell short of its Recurrent expenditure estimates of N61.88bn, against significant Total debt stock of N43.55bn.

Despite being an agrarian state with great agricultural potential, Jigawa's already sizeable Domestic debt grew 73%, from N19bn in 2016, to N33.27bn in 2017.

Over the last five years, Domestic debt grew annually by 342.95%, recorded at N1.6bn, N1.57bn and N22.19bn in 2013, 2014 and 2015 respectively.

External debt at $33.5mn (for 2017) is also on the up, from 2016 levels of $32.4mn. It is evident that without the monthly federally-collected revenue from FAAC, Jigawa's books will likely remain in the red. This could impede essential infrastructural development for its people and region.

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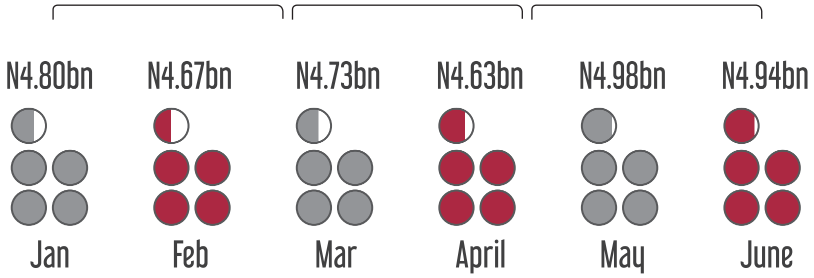
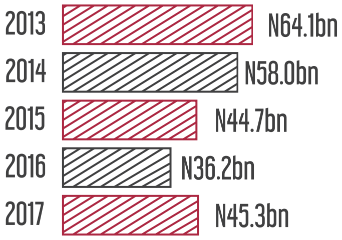
[14] https://jigawastate.gov.ng/news/2017/11/29/the-year-2018-appropriation-bill-presentation-to-the-jigawa-state-house-of-assembly-by-his-excellency-muhammad-badaru-abubakar-mon-mni/

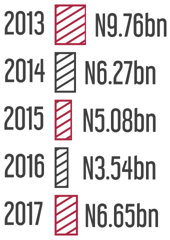
Net FAAC Allocation 2018



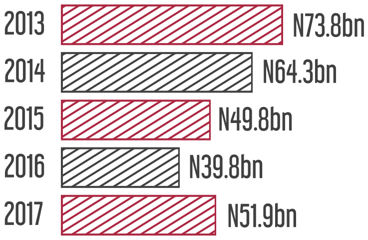
Net FAAC Allocation



IGR



Total Revenue



Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)
N3.73bn

Average Monthly VAT (Jan-Jun 2018)
N1.05bn

Average Monthly 13% Share of Derivation (Jan-Jun 2018)
Nil

Average Monthly IGR (Jan-Jun 2018)
N554.2m

Average Monthly Revenue

N5.35bn*
(Jan-June 2018)

N33.3bn
Domestic Debt
(2017)

$33.5m
External Debt
(2017)

EXPENDITURE

N2.02bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

N3.95bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

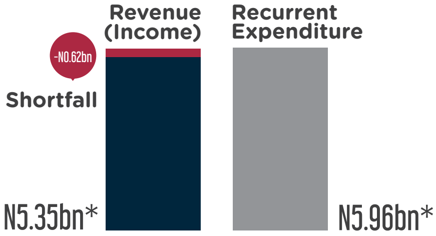
AVERAGE MONTHLY RECURRENT EXPENDITURE

N5.96bn*
(Jan-June 2018)

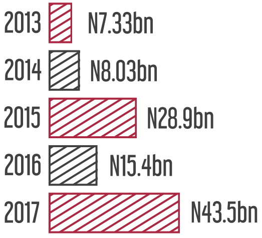
Download: State of States Datasheet (CSV)

Ability to Meet Monthly Recurrent Expenditure Commitments

2018 Monthly Estimates



Total Debt Stock



Source: NBS, OAGF, DMO, World Bank, BudgIT Research   BudgIT Estimate*

Beef

Jigawa State
The New World

We advise that Jigawa's best chances lie in the expansion of its agricultural produce base. As part of its efforts to replace subsistence farming with commercial agriculture, the state government introduced a cluster farming initiative, where four target crops (rice, groundnuts, sesame, and soya beans) were identified as core areas of competitive advantage upon which Jigawa can boost revenue figures.

We concur with established estimates that the introduction of this scheme could result in an average yield of 10 tons per hectare of rice in the next few years.

Jigawa is right to also merge industrial-scale agriculture with manufacturing in these areas: the Jigawa Tomato and Citrus Processing model farm located at Kazaure; the Jigawa State Flour Mills and allied products, which will be processing grains into flour and grits; the Jigawa State Dairy Products and model farm at Birnin Kudu; the Sugar Processing Company at Sara as well as the Atafi Rice Processing Company at Hadejia for paddy rice, which have all been completed and reported as functioning.

The next few months and indeed years could see a turnaround of Jigawa's fortunes, provided she maintains, and expands upon these initiatives.

We strongly recommend that the proposed Fertiliser Manufacturing Industry; Meat Processing Industry and Sheet Glass Manufacturing Industry are completed on time and are fully functional.

This could attract more investors, provided the ongoing electrification of villages and towns to the national grid system by the Jigawa State Rural Electricity Board continues apace.

The state could also become a net beef exporter. The United States of America is the largest exporter of beef, with sales projected to be in the region of 331 million kg in 2018, up from 2017 levels by 12.2%. The US exports beef to 99 different countries and Japan is the top destination, followed by South Korea and Mexico. Jigawa can learn from the US beef sector and deliberately become the biggest beef exporter in Africa.

But caution must be exercised. Though global consumption of beef came to 58 billion kg of beef in 2016, consumption is however low in Africa. The growth and investment opportunity for beef in Africa is an intricate one. Beef consumption per capita in Africa between 1990 and 2010 has grown minimally, rising to about 10kg per annum, still trailing other regions - Uruguay, Argentina and Hong Kong consumed more than 45kg of beef per capita.

However, with Africa's economies expected to expand in the coming years, beef consumption per capita is expected to grow considerably and Jigawa stands to benefit if market expansion is aligned with policy, for maximum profitability.

Jigawa has also shown a penchant for renewable energy sources, by mounting wind turbines in its grazing reserves. We recommend that the state must toe this path aggressively; turbines could generate approximately 3MW of electricity, meaning Jigawa may be on course to potentially supply close to 5,000MW into the desperately underserved Nigerian energy market.

Kaduna

Sustainability Rank 14

> On the flip side, Kaduna may need to develop a sustainable path to financing its infrastructure plans in the near term. One of several solutions would be improving its IGR per capita, which amounts to N3,215.

Kaduna has proposed a spend of N216.65bn in 2018, some 60.56% of which is allocated to Capital expenditure (N131.21bn).

This budget is planned on the back of revenue uptake of N91.03bn in 2018, which is N3.59bn lower than 2017 budget projections of N94.62bn.

The 2018 budget projections may be overly optimistic, as IGR was projected at N50.23bn for fiscal year 2017 but in actual fact, the state could only collect N26.53bn.

Notwithstanding this shortcoming, Kaduna has made some progress in terms of IGR, which is projected to grow by 61.78% (or N16.39bn) to N42.92bn in 2018.

In 2017, Actual IGR receipts for Kaduna was N26.53bn - an improvement from N23bn in 2016, and N13.6bn in 2015.

As Kaduna's wage bill was reduced from N26.8bn in 2015 to N21.8bn in 2016, the state's IGR alone can offset its monetary obligations to civil servants. However, Actual spending on Non-Staff Recurrent expenditure (Overheads) jumped to N26.2bn in 2016, a sharp rise from the N18.6bn recorded in 2015.

The sum of these figures shows that without near-perfect revenue collection, the expenditure component of Kaduna's budget could become unrealistic.

Recurrent expenditure projections for Kaduna in 2018 are pegged at N85.44bn, an increase from 2017 budgetary projections of N83.47bn.

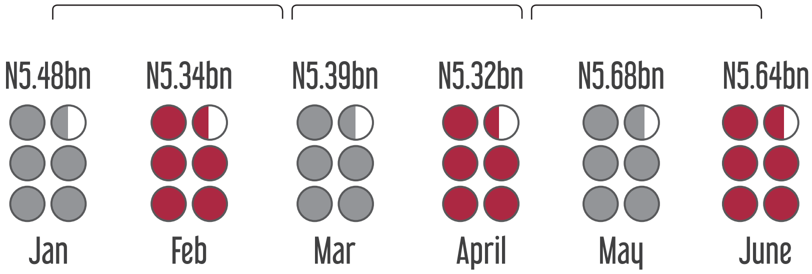
A breakdown of the state's Recurrent expenditure shows that Personnel costs and Overheads cost for 2018 are N42bn and N43.44bn respectively.

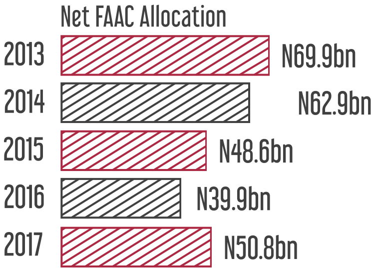
When Actual revenue (N77.34bn) for Kaduna in 2017 is compared with its much higher Recurrent expenditure projections for the same year (N83.47bn), the conclusion is that the state may be edging further towards borrowing.

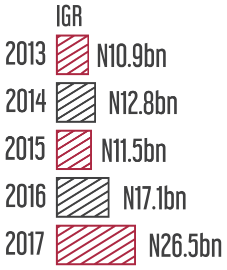
Total debt is in the region of N156.92bn, while Domestic debt - at N83.83bn in 2017 - is on a steep rise, from N9.83bn in 2013. Kaduna's Domestic debt grew at an average annual rate of 81.97% between 2013 and 2017, while External debt in 2017 came to $282.28mn.

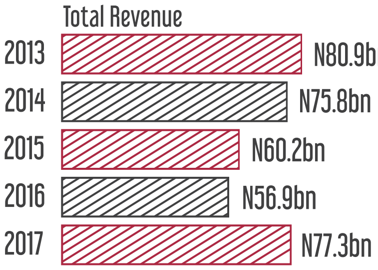
On the flip side, Kaduna may need to develop a sustainable path to financing its infrastructure plans in the near term. One of several solutions would be improving its IGR per capita, which amounts to N3,215.

Net FAAC Allocation 2018









Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)
N4.21bn

Average Monthly VAT (Jan-Jun 2018)
N1.26bn

Average Monthly 13% Share of Derivation (Jan-Jun 2018)
Nil

Average Monthly IGR (Jan-Jun 2018)
N2.21bn

Average Monthly Revenue

N7.69bn*
(Jan-June 2018)

N83.8bn
Domestic Debt
(2017)

$238.3m
External Debt
(2017)

EXPENDITURE

N3.50bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

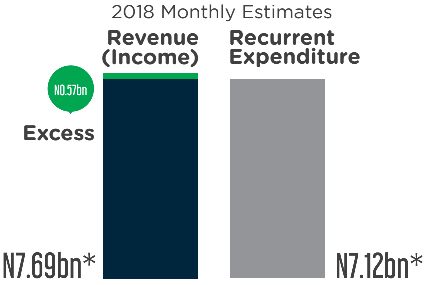
N3.62bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

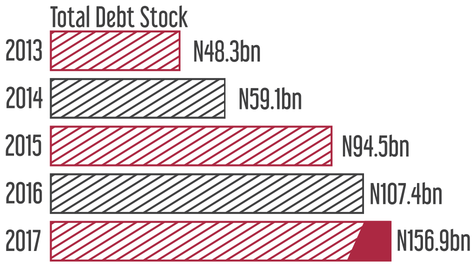
AVERAGE MONTHLY RECURRENT EXPENDITURE

N7.12bn*
(Jan-June 2018)

Download: State of States Datasheet (CSV)

Ability to Meet Monthly Recurrent Expenditure Commitments





Source: NBS, OAGF, DMO, World Bank, BudgIT Research BudgIT Estimate*

Soybean

Kaduna State
Centre of Learning

Kaduna's strong agrarian economy could be pushed towards greater profitability if the government pursues collaborations with the organised private sector to restart some of its comatose agro-allied factories.

The state can also enjoy revenue from its vast graphite deposits. The global graphite market was valued at $13.004bn in 2015, and is projected to reach $18.7bn by 2022. Graphite is flexible in nature and has both metallic and non-metallic properties, which makes it appropriate for a diverse range of industrial applications.

The non-metallic properties of graphite include high thermal resistance, chemical inertness, and lubricity, while the metallic properties include electrical and thermal conductivity.

Further afield, Kaduna is an important junction on Nigeria's narrow gauge railway network – a branch line connects the Lagos–Nguru Railway to the Port Harcourt–Maiduguri Railway, strategically positioning the state as a commercial hub.

Kaduna could leverage on these dynamics to build the requisite logistical support infrastructure that ensures it emerges a service center for the northern region. This will ensure Kaduna benefits massively from Nigeria's drive to become a net exporter of agricultural and manufacturing products.

In terms of export, Kaduna could become a big player in the soybean production and export market. Nigeria ranks 15th, with production of soybean in the region of 588,201 tons. Interestingly, global production of soybean in 2016 was estimated to be approximately 335 million tons. With better agronomy and improved seedlings, Kaduna could expand production by 5 million tons in the medium term, and expect export revenue worth $1.5bn.

Kaduna will also need to revitalise its 17 grazing reserves sitting atop some 172,000 hectares; tangible investment in fences, irrigation and the planting of legumes and grass, as well as resolving the longstanding security challenges around grazing rights will be critical, if the state hopes to retain its cattle and pull investors in.

Finally, we advise Kaduna to leverage on the Nigerian pipeline transportation system which brings crude from the Niger Delta oil fields, to build a hydro-carbon manufacturing base.

Kaduna is also connected by road and rail to Abuja, and she could therefore consolidate plans to become a net exporter of food and quality manufacturing products to Nigeria's rapidly expanding capital.

Kano

Sustainability Rank 7

> Kano must therefore check its Overhead costs, reform its tax collection processes as well as revive and diversify its agriculture, trade and manufacturing-centred economy.

Kano state, the commercial nerve center of Northern Nigeria and the country's second largest city has earmarked the sum of N246.61bn as its budget estimate for 2018.

Recurrent expenditure is expected to gulp N83.43bn - a climb from 2017 budget estimates of N79.46bn. In particular, Personnel costs are projected to grow to N56.16bn from N56.66bn in 2017, with Overhead costs for 2018 set at N17.54bn - or 21% of Recurrent expenditure.

The Capital component of the budget for the 2018 financial year is pegged at N163.18bn, a figure about 15% higher than the N138.48bn estimated for capital expenditure in 2017.

For the 2018 budget to be fully implemented, Kano state is hoping for a revenue uptake of N153.86bn - an addition of N6.94bn from 2017 projections of N146.92bn.

With respect to IGR, about N53bn is expected for 2018, compared to 2017 budget projections of N49.23bn. These 2018 IGR figures are markedly above Actual IGR of N42.42bn in 2017.

For statutory revenue and Value Added tax, Kano state is aiming to achieve N73.45bn in 2018, as against N65.14bn in 2017.

Though Kano could only generate IGR per capita of N3,244 in the 2017 financial year, the state is growing generating revenue inwards at a fast pace.

In 2017, Total IGR was N42.24bn, from N30.96bn in 2016; the numbers recorded for 2013 and 2014 were N17.14bn and N13.66bn respectively.

A review of fiscal activities in 2017 shows that Total revenue at approximately N107.56bn (comprising of Statutory, Value Added Tax and Internally generated revenue) could amply cover Recurrent expenditure, as estimated in Kano's budget.

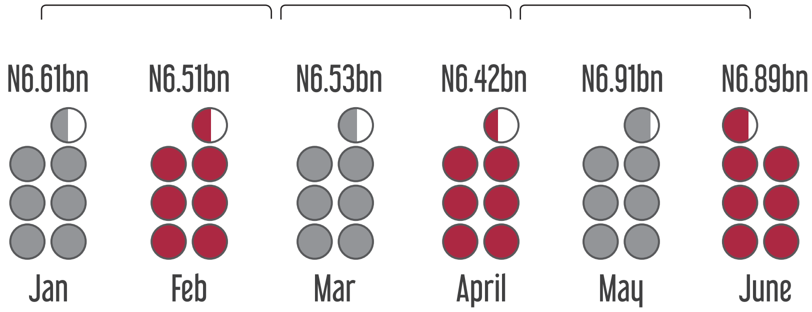
Caution is nevertheless crucial, as the state's Recurrent expenditure is growing, and could exert a strain on its debt profile.

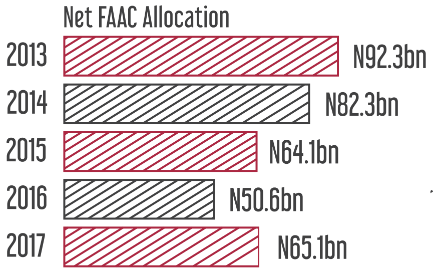
Total debt was N112.67bn at the end of 2017; in 2018, Kano is looking to close the deficit by raising more Debt totalling N28.95bn.

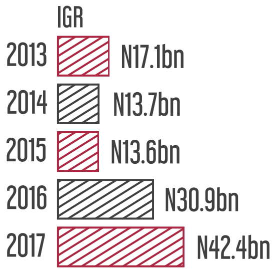
Domestic debt as at year-end 2017 was approximately N92.26bn, growing from N21.4bn in 2014; External debt within this period was approximately $66.53mn.

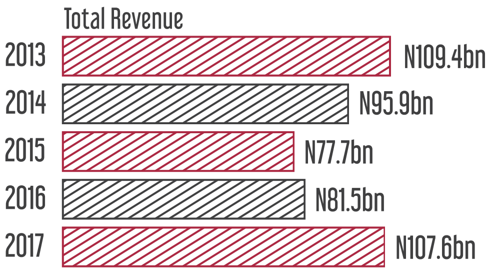
Kano must therefore check its Overhead costs, reform its tax collection processes as well as revive and diversify its agriculture, trade and manufacturing-centred economy.

Net FAAC Allocation 2018









Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)
N5.04bn

Average Monthly VAT (Jan-Jun 2018)
N1.61bn

Average Monthly 13% Share of Derivation (Jan-Jun 2018)
Nil

Average Monthly IGR (Jan-Jun 2018)
N3.53bn

Average Monthly Revenue

N10.2bn*
(Jan-June 2018)

N92.3bn
Domestic Debt
(2017)

$66.5m
External Debt
(2017)

EXPENDITURE

N4.93bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

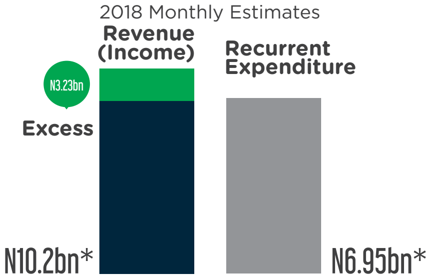
N2.02bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

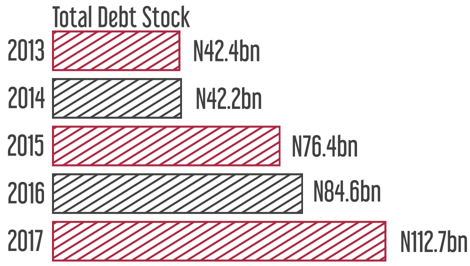
AVERAGE MONTHLY RECURRENT EXPENDITURE

N6.95bn*
(Jan-June 2018)

Download: Adamawa State Data (CSV)

Ability to Meet Monthly Recurrent Expenditure Commitments





Source: NBS, OAGF, DMO, World Bank, BudgIT Research BudgIT Estimate*

Textile, Apparel & Footwear

Kano State
Centre of Commerce

The Textile, Apparel and Footwear sub-sector of the Nigerian economy is presently estimated at N2.02tn, and is expected to grow rapidly on the back of improving discretionary spending.

Kano could exploit the availability of cow leather in the North, petrochemicals in the South, as well as her unique location and human capital, to become a net exporter of Textile, Apparel and Footwear.

Turkey exported clothing and other related accessories (not knit or crochet) worth $6bn in 2017. Should Kano revitalise its manufacturing base, the state could achieve clothing exports of $2bn in the medium term.

Also, as the worldwide trade in shoes is expected to top $371.8bn by 2020, Kano could - in the long term - overtake Vietnam, which presently exports about $13bn worth of goods to the United States and Europe.

Indices that Kano can rely on are that: Nigeria's Ministry of Agriculture estimates there are 19.5 million cattle in-country, which could become a strong base to build the footwear market; Africa's footwear market is now in the region of $790mn, and is projected to grow at an average rate of 13.5% over the next five years.

Finally, with rapidly expanding household size in Africa, the footwear market is expected to top $1.3bn in 2022.

Kano must also strive to rebuild its industrial base, which was once anchored around the textile mills, and pursue new trade routes with neighbouring states. By boosting investment in research and modern techniques, Kano could potentially lift cotton yield to above one million bales per annum.

The state can also capitalise on its irrigation potentials to increase production of food crops including millet, cowpeas, sorghum, maize and rice, opting for the profitable markets on the Lagos-Kano rail corridor. Another strategy would be to become a major supplier of animal feed, to service the booming South-west poultry markets.

The Sitti-Rimi-Kibiya-Rano conclave, believed to hold significant resources such as laterite rock, could significantly elevate Kano's civil construction sector, and by extension the Nigerian economy.

The Riruwai-Dajin Falgore axis, endowed with deposits of lead, zinc, molybdenum, silver, copper and lithium may also be exploited, to raise Kano's economic prospects. In particular, the global demand for lithium-based batteries across many devices, including phones, laptops and cars creates a greater incentive for Kano to develop its mining sector and catalyse a much-needed spike in revenue figures.

Katsina

Sustainability Rank 13

> The state will need to manage its debt accumulation, which has grown at an average of 527.13% per annum, over the last five years.

Katsina state proposes a budget totalling N213.64bn in 2018, with 75.57% (or N161.44bn) slated for Capital expenditure.

Revenue for 2018 is expected to come to N131.1bn. This is a somewhat overly optimistic figure, as it is N78.73bn higher than Actual revenue in 2017, which was N52.37bn.

Katsina's revenue for 2017 is amply below her Recurrent expenditure obligations of N47.73bn, as estimated in the budget.

However, in planning to spend N52.19bn on Recurrent expenditure in 2018, unless Actual revenue rates markedly increase, Kaduna may be unable to offset her Recurrent obligations.

Internally generated revenue (IGR) contributed a meagre 11.51% to Katsina's revenue pool in 2017, and the state has Nigeria's second lowest IGR per capita, at N770 per person.

In 2017, IGR was N6.03bn lower than 2013 and 2014 levels of N6.85bn and N6.22bn respectively; figures for 2015 were recorded at N5.79bn.

Katsina's reliance on handouts from the federation is reflected in its debt profile.

Total debt as at year-end 2017 was N59.93bn, and Domestic debt grew astronomically to N31.12bn in 2017, from N269.65mn in 2013. Domestic debt in 2014 and 2015 was N586.7mn and N11.45bn respectively, while External debt for Katsina was $67.86mn for the 2017 financial year.

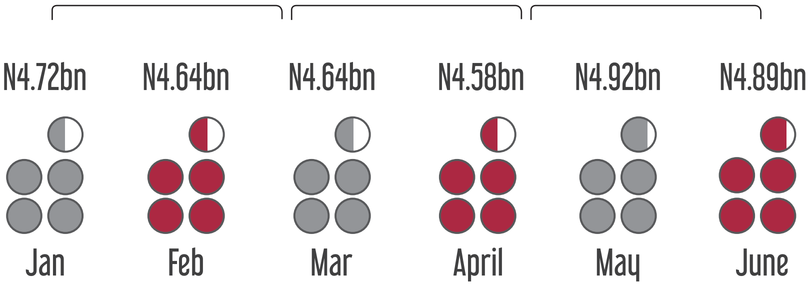
The state will need to manage its debt accumulation, which has grown at an average of 527.13% per annum, over the last five years.

A coherent strategy devoid of semantics and heavy on implementation on how best to grow IGR is therefore vital, and more sustainable in the long-term.

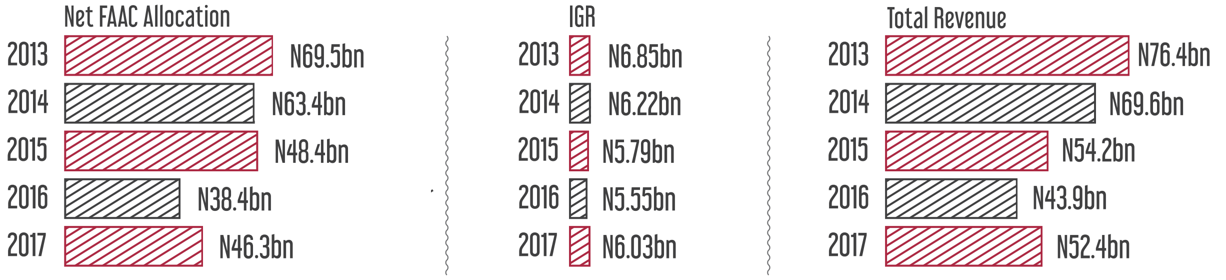
Katsina State

Home of Hospitality

Net FAAC Allocation 2018



Jan	Feb	Mar	April	May	June
N4.72bn	N4.64bn	N4.64bn	N4.58bn	N4.92bn	N4.89bn



Net FAAC Allocation		IGR		Total Revenue	
2013	N69.5bn	2013	N6.85bn	2013	N76.4bn
2014	N63.4bn	2014	N6.22bn	2014	N69.6bn
2015	N48.4bn	2015	N5.79bn	2015	N54.2bn
2016	N38.4bn	2016	N5.55bn	2016	N43.9bn
2017	N46.3bn	2017	N6.03bn	2017	N52.4bn

Structure of State's Revenue 2018

IGR	9.60%
NET FAAC	90.40%

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)	Average Monthly VAT (Jan-Jun 2018)	Average Monthly 13% Share of Derivation (Jan-Jun 2018)	Average Monthly IGR (Jan-Jun 2018)
N3.58bn	N1.15bn	Nil	N502.5m

Average Monthly Revenue

N5.24bn*

(Jan-June 2018)

N31.1bn
Domestic Debt
(2017)

$67.9m
External Debt
(2017)

EXPENDITURE

N2.06bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

N2.23bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

AVERAGE MONTHLY RECURRENT EXPENDITURE

N4.28bn*

(Jan-June 2018)

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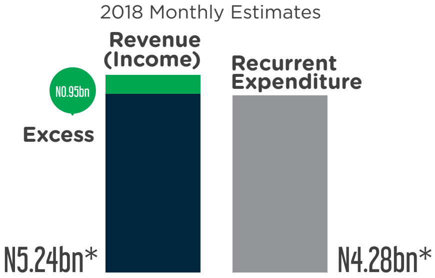
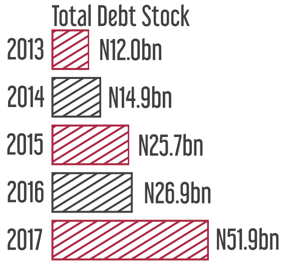
Ability to Meet Monthly Recurrent Expenditure Commitments





Total Debt Stock	
2013	N12.0bn
2014	N14.9bn
2015	N25.7bn
2016	N26.9bn
2017	N51.9bn

Source: NBS, OAGF, DMO, World Bank, BudgIT Research BudgIT Estimate*

Cotton

Katsina State
Home of Hospitality

Katsina could rebuild its economy around cotton, which is one of its foremost tradable commodities. The state may aim for a yearly output of five million bales, to corner an estimated $12bn from the global market for cotton.

The value of cotton exports worldwide is in the region of $62.8bn, and Asian countries bought nearly two-thirds of this. In 2017, China, Bangladesh, Vietnam and Turkey purchased cotton worth US$8.6bn, $5.3bn, $4.2bn and $3bn respectively.

Katsina can disrupt the sector for revenue gains but beyond the cultivation and production of seed cotton and lint, the state may also move into light manufacturing of cotton-based products.

With its large land mass and climate, Katsina is also strategically positioned to benefit from the renewable energy market, whilst making a dent in meeting demands at national level.

Presently, the state has piloted a 10MW pilot wind farm project; augmenting this with solar electricity and ramping up wind-based electricity generation could leapfrog Katsina into becoming a manufacturing and renewable energy hub. In the near term, these energy sources could be put to use to boost other areas of revenue.

For instance, solar and wind energy could be used in cattle ranches and the irrigation of farms, thereby ramping up livestock production and pushing back desert encroachment respectively.

Katsina could go further by exploiting its Silica Sand and Feldspar deposits, manufacturing ceramics and glassware that will contribute to sustaining the Nigerian construction and housing market.

We also advise Katsina to design a workable plan that not only covers the exploration and extraction of the 34 solid minerals within its borders, but also foresees the building of a manufacturing base around the resulting commodities.

Kebbi

Sustainability Rank 16

> The state will need to develop a sustainable path to financing its developmental plans in the near term, away from the vagaries of federal allocations.

Kebbi state has a budget of N151.2bn[15] in 2018, a jump from 2017 spending estimates of N139.3bn. The biggest proportion (N108bn) is going into Capital expenditure, while the balance of N42.9bn will be spent on Recurrent expenditure.

In 2017, Recurrent expenditure was projected at N40bn, with N99.1bn cited for Capital expenditure. A review of the state's budget performance in 2017 shows that its Actual revenue of approximately N44.47bn was sufficiently below Recurrent expenditure of N40bn.

Internally-generated revenue (IGR) in Kebbi state over the last five years showed lacklustre growth of 5.97% on average. In real terms, however, IGR rose from N3.12bn in 2016 to N4.39bn in 2017.

For 2013, 2014 and 2015, IGR was N3.73bn, N3.83bn and N3.59bn respectively. Debt on the other hand tended to accelerate faster, averaging 565.22% in annual growth between 2013 and 2017.

Kebbi's Total debt stood at N63.4bn for 2017, with Domestic debt rising from N852.68mn in 2013 to N48.73bn in 2017.

Meanwhile, External debt at year-end 2017 was approximately $47.8mn, up from 2016 levels of $46.1mn.

This sharp increase in Debt over the last five years has been linked to Kebbi's over dependence on federation revenue - which dropped due to a fall in crude prices in 2014 and the economic recession Nigeria endured in 2016.

Vestiges of these dynamics still remain; in 2017, IGR contributed only 9.88% to Kebbi's revenue base, and its GDP per capita was N990.

The state will need to develop a sustainable path to financing its developmental plans in the near term, away from the vagaries of federal allocations.

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[15] https://www.premiumtimesng.com/regional/nwest/259708-bagudu-signs-n151-2-billion-kebbi-budget-law.html

Net FAAC Allocation 2018

Jan	Feb	Mar	April	May	June
N4.31bn	N4.19bn	N4.28bn	N4.19bn	N4.49bn	N4.46bn

	Net FAAC Allocation
2013	N58.4bn
2014	N53.9bn
2015	N40.9bn
2016	N31.7bn
2017	N40.1bn

	IGR
2013	N3.73bn
2014	N3.83bn
2015	N3.59bn
2016	N3.13bn
2017	N4.39bn

	Total Revenue
2013	N62.2bn
2014	N57.7bn
2015	N44.6bn
2016	N34.8bn
2017	N44.5bn

Structure of State's Revenue 2018

IGR	7.81%
NET FAAC	92.19%

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)	Average Monthly VAT (Jan-Jun 2018)	Average Monthly 13% Share of Derivation (Jan-Jun 2018)	Average Monthly IGR (Jan-Jun 2018)
N3.41bn	N914.1m	Nil	N366.1m

Average Monthly Revenue

N4.69bn*

(Jan-June 2018)

N48.7bn
Domestic Debt
(2017)

$47.8m
External Debt
(2017)

EXPENDITURE

N1.52bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

N2.07bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

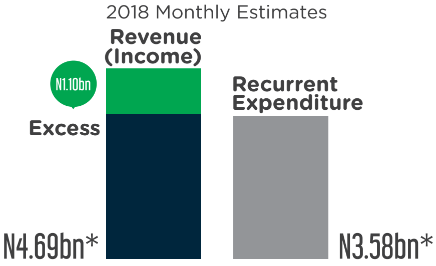
AVERAGE MONTHLY RECURRENT EXPENDITURE

N3.58bn*

(Jan-June 2018)

Download: State of States Datasheet (CSV)

Ability to Meet Monthly Recurrent Expenditure Commitments



	Total Debt Stock
2013	N8.33bn
2014	N25.2bn
2015	N72.7bn
2016	N33.5bn
2017	N63.4bn

Source: NBS, OAGF, DMO, World Bank, BudgIT Research   BudgIT Estimate*

Rice

Kebbi's move to embark on large-scale rice cultivation across 17 of its 21 local government areas could culminate in the production of 70% of Nigeria's rice requirements annually. An MOU signed in March 2016 with Lagos state resulted in the production of the Lake (Lagos-Kebbi) Rice brand.

With Lagos being the consumer, and Kebbi the producer, this strategic plan to transform the agriculture ecosystem suggests Kebbi is eager to take the initiative to shore up its economic prospects.

Reports of industrial flour mills about to be established in Kebbi also indicate more related agro-based initiatives are in the offing.

The state could potentially increase production to 3 million tons in the near term, and sell 60 million bags (of 50kg each). Placing a tax on each 50kg bag should significantly boost the state's IGR.

Noteworthy is that, India, Thailand and the US are the biggest rice exporters, with sales estimates of $5.5bn, $5.2bn and $1.8bn respectively, in 2016. To join these ranks, Kebbi will need an initial investment in the region of $2bn.

In the interim, the state must improve its logistics base by capitalising on its inland waterways, rivers and land routes, if it hopes to ensure access to sub-national markets for the goods it produces.

This is most pertinent because Kebbi is also known for other mineral resources such as Salt, Gold, Iron–Ore, Feldspar, Limestone, Quartz, Bauxitic Clay, Manganese, Kaolin and Mica, which will need to be mined, and transformed into commodities that generate income.

Sokoto

Sustainability Rank 23

> As over 80% of its inhabitants rely on farming, Sokoto should expand its earning power by various measures, including creating grazing reserves and ranches to enhance cattle production figures, as well as developing socially-inclusive ways to tax the 1.05 million workers employed in its informal sectors.

Sokoto has a budget of N220.5bn[16] in 2018, and has admirably allocated almost a third of (26.1%) of its spending to the education sector, showing a tangible focus on reversing its status as an educationally-disadvantaged State.

On the other hand, Sokoto has made the curious decision to spend a greater 30% (or N67.6bn) of the 2018 budget on Recurrent items, while the balance of N152.8bn constitutes Capital expenditure.

In 2017, Recurrent expenditure estimates of N63.33bn fell short of Actual revenue, which came to N50.26bn. This is against a backdrop of Total debt worth N38.65bn as at year-end 2017.

Sokoto's Domestic debt over 2013 to 2017 has grown from N5.74bn to N26.03bn - at an annual average of 48.55%.

External debt stood at $41.16mn upon the conclusion of 2017; debt is likely to persist in growth except the state's IGR rises significantly.

Sokoto's IGR for 2015 and 2016 was approximately N6.22bn and N4.54bn respectively, with an average annual IGR growth rate of 21.05% between 2013 and 2017.

Its IGR per capita is among the lowest among its peers, at N1,804 per head.
We advise Sokoto to look inwards for lasting financial security; already a State whose economy is predominantly agro-allied, capital investments around its agricultural sector should be initiated and /or maintained.

As over 80% of its inhabitants rely on farming, Sokoto should expand its earning power by various measures, including creating grazing reserves and ranches to enhance cattle production figures, as well as developing socially-inclusive ways to tax the 1.05 million workers employed in its informal sectors.

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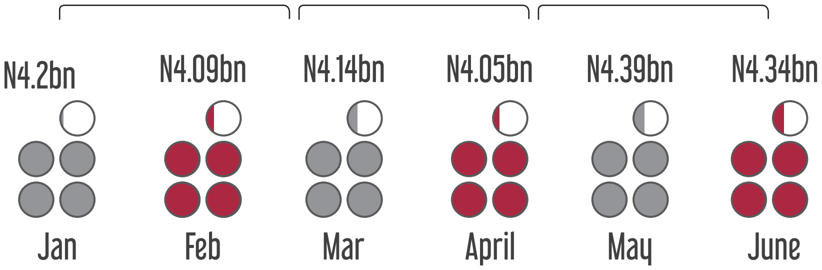
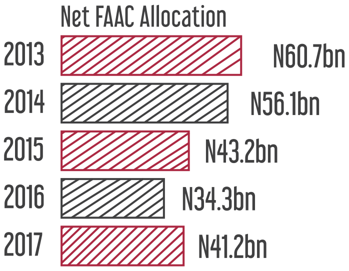
[16] https://www.premiumtimesng.com/regional/nwest/258618-tambuwal-signs-sokotos-n220-5-billion-2018-budget.html

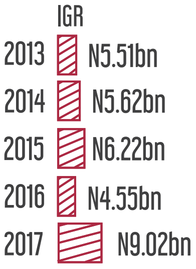
Sokoto State

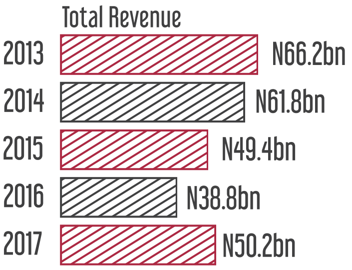
Seat of the Caliphate

Net FAAC Allocation 2018









Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)
N3.26bn

Average Monthly VAT (Jan-Jun 2018)
N940.9m

Average Monthly 13% Share of Derivation (Jan-Jun 2018)
Nil

Average Monthly IGR (Jan-Jun 2018)
N751.6m

Average Monthly Revenue

N4.95bn*
(Jan-June 2018)

N26.0bn
Domestic Debt
(2017)

$41.2m
External Debt
(2017)

EXPENDITURE

N2.08bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

N3.55bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

AVERAGE MONTHLY RECURRENT EXPENDITURE

N5.63bn*
(Jan-June 2018)

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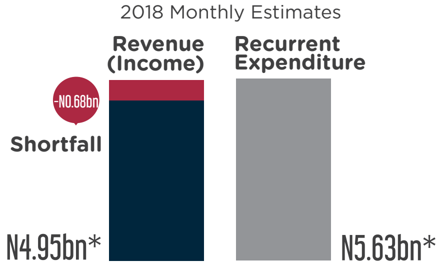
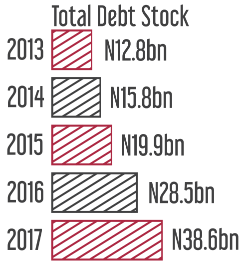
Ability to Meet Monthly Recurrent Expenditure Commitments





Source: NBS, OAGF, DMO, World Bank, BudgIT Research   BudgIT Estimate*

Cement

Sokoto State

Seat of the Caliphate

We advise Sokoto to look inwards for lasting financial security; it is already a state whose economy is predominantly agro-allied, and capital investments around its agricultural sector should therefore be encouraged.

The flood plains of the Rima River are rich in grainy soil, which is suitable for commercial production of climate-suited crops including sugar cane, garlic and onions.

As home to the Goronyo dam, one of Nigeria's largest, as well as the Shagari and Lugu dams, Sokoto should ensure these resources operate at their fullest capacity, providing hydropower needed for irrigation farming, and water supply on an industrial scale.

Particularly encouraging is Sokoto's partnership with the World Bank on the implementation of the Nigeria Erosion and Watershed Management Project, which entails the rehabilitation and construction of earth dams in the State.

Sokoto must strategically harness benefits such as having one of the largest limestone reserves in Africa, and her substantial deposits of gypsum - which is essential feedstock for industrial cement production.

The state seems to have taken the hint, with reports of a new cement manufacturing firm being built via Public Private Partnership in Kware local government area. In addition, available reports note that Sokoto State has also entered into another set of arrangements with the World Bank, to access $6mn to support mining activities within its borders. Stepping in to meet national and regional demand for cement and solid minerals should therefore be Sokoto's priority - the ACFTA could open new markets that are under protection, to Nigerian producers in Sokoto.

Finally, for a State where over 80% of its inhabitants rely on farming, Sokoto should explore its agricultural resources, creating grazing reserves and ranches to enhance cattle production figures, whilst developing socially-inclusive ways to tax the 1.05 million workers employed in its informal sectors.

ZAMFARA

Sustainability Rank 19

> Given that the biggest proportion of economic activities occur informally, Zamfara may need a holistic strategy to capture the informal sector into its tax net; especially its prominent agricultural sector.

Zamfara state's fiscal plan for 2018 calls for a total spending of N133bn.[17]

About N86.6bn has been budgeted for administrative and developmental Capital projects, while the Recurrent component is projected to amount to N46.4bn; an increase from N41bn in 2017.

Total Revenue for Zamfara (which comprised of share of federation revenue and IGR) was approximately N31.4bn in 2017. When compared with Recurrent expenditure obligations of N41bn for that year's budget, Yobe had a recurrent deficit of N9.58bn.

This significant imbalance puts enormous pressure of the state purse, likely a factor in why Zamfara's debt stood at N80.61bn by year-end 2017.

Domestic debt grew at an average annual rate of 75.79% between 2013 and 2017, from N28.22bn, to N69.92bn respectively. In 2014, 2015 and 2016, Domestic debt stock was N11.07bn, N46.28bn and N58.32bn respectively.

External debt was $34.83mn as at the end of 2017. Judging by its 2018 fiscal plan, it is possible that Zamfara will increase its debt profile to sustain its chequered earnings.

Internally-generated revenue (IGR) accounted for an abysmal 19.17% to the Actual revenue mix for Zamfara in 2017.

At N1,334 per person in 2017, IGR per capita also comes across as low, compared to the nationwide average of N3,939 per person.

However, efforts to grow IGR seem to be yielding gains; IGR grew from 2013 level of N3.04bn to N6.02bn in 2017.

In 2014, 2015 and 2016, IGR was N3.15bn, N2.74bn and N4.77bn respectively.

Given that the biggest proportion of economic activities occur informally, Zamfara may need a holistic strategy to capture the informal sector into its tax net; especially its prominent agricultural sector.

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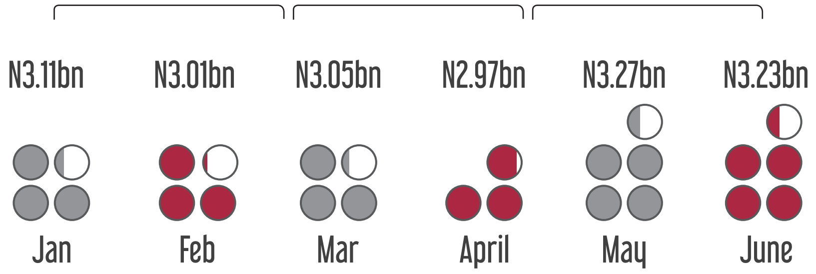
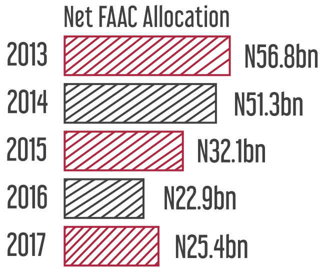
[17] h http://sunnewsonline.com/zamfara-gov-signs-n133b-2018-budget-into-law/

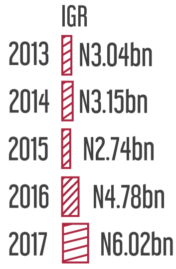
Zamfara State

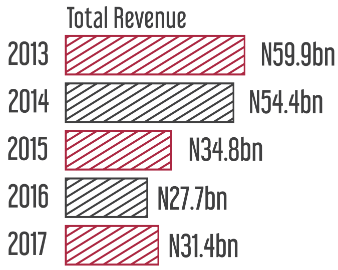
Farming is Our Pride

Net FAAC Allocation 2018









Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)
N2.20bn

Average Monthly VAT (Jan-Jun 2018)
N903.2m

Average Monthly 13% Share of Derivation (Jan-Jun 2018)
Nil

Average Monthly IGR (Jan-Jun 2018)
N501.9m

Average Monthly Revenue

N3.61bn*
(Jan-June 2018)

N69.9bn
Domestic Debt
(2017)

$34.8m
External Debt
(2017)

EXPENDITURE

N2.10bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

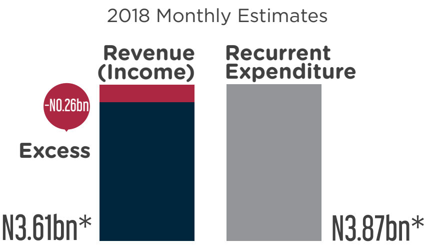
N1.77bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

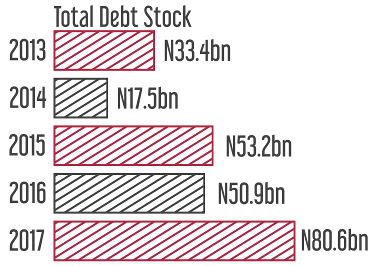
AVERAGE MONTHLY RECURRENT EXPENDITURE

N3.87bn*
(Jan-June 2018)

Download: State of States Datasheet (CSV)

Ability to Meet Monthly Recurrent Expenditure Commitments





Source: NBS, OAGF, DMO, World Bank, BudgIT Research   BudgIT Estimate*

FROZEN FRENCH FRIES, IRON ORE

Zamfara State
Farming is Our Pride

We argue that a priority for Zamfara should be sustainable investments to improve yield for the corn, beans and legumes the state is already known for.

Zamfara is also positioning herself to as a major Irish potatoes producer, and will have to speedily mechanise its production chain if it hopes to get any earnings from the global potato export market, which totaled $4.1bn in 2017.

Zamfara's economic plan going forward should also take into account its large deposits of solid minerals including gold, copper, iron ore, tantalite and manganese, to build an industrial economy around these commodities.

As the state is also becoming a powerhouse in terms of gold mining, we advise that Zamfara should formalise its mining cycle, to prevent any recurrence of the lead poisoning epidemics which ravaged communities, and still blights victims.

The state has huge potential in steel production, given its abundant iron-ore deposits. Iron Ore exporters sold approximately $94.9bn worth of the commodity in 2017, down by a third (-33.6%) from 2013, when iron ore shipments were valued at $143bn.

As African suppliers accounted for a meagre 6.1% of exports, Zamfara could potentially become a major exporter of the commodity.

Noteworthy is that the state is investing in a 25MW greenfield solar power project spanning 50 hectares, on the outskirts of the city of Gusau. As this plant could potentially generate significant electricity in the near term, this could transform the state into an agro-allied manufacturing hub.

Zamfara would do well to ensure kickoff and sustainability of this project is achieved. The state could also exploit this renewable energy potential to close the energy gap in the mining sector within its region, creating jobs, booming associated industries and commonwealth for all.

North East

YOBE

BEEF

Yobe will have to develop a grazing reserve or ranching system that can hold millions of herd of cattle, whilst exploiting its wind and solar potentials to irrigate the grazing fields.

With careful planning and further investment in security, Yobe could attain economic independence.

BAUCHI

SUGAR

Bauchi's significant economic plan is one of its most recent: a public-private partnership that aims to place 60,000 hectares of land under sugarcane cultivation.

The complement to this is a proposed sugar milling plant and refinery that will transform industrial feedstock into 5,000 metric tons of sugar per day, creating at least 5,000 direct and indirect employment opportunities immediately.

GOMBE

COTTON

Gombe can also exploit its solid mineral-based resources, including those to do with the manufacture of paints, ceramics, blocks, glass/bottles, as well as metal fabrication, jewelry and gem cutting.

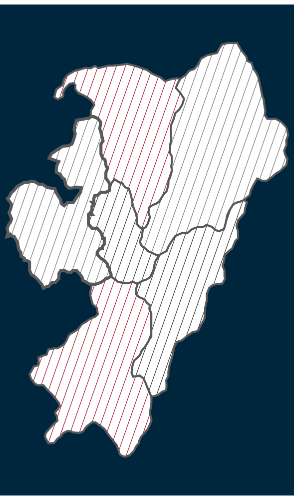
Population

26,263,866

2016 Estimate (CBN)

North East

Export Potential



BORNO

ALFALFA & HONEY

With its approximately five million hectares of farmland now well below production, Borno could put 1,000,000 hectares of deserted lands under alfalfa cultivation, as a means to attract cattle into its grazing area.As bees are known to thrive well on alfalfa plantations, Borno could also work towards achieving net exporter status in the global honey trade; estimated at $6.6bn in 2016.

ADAMAWA

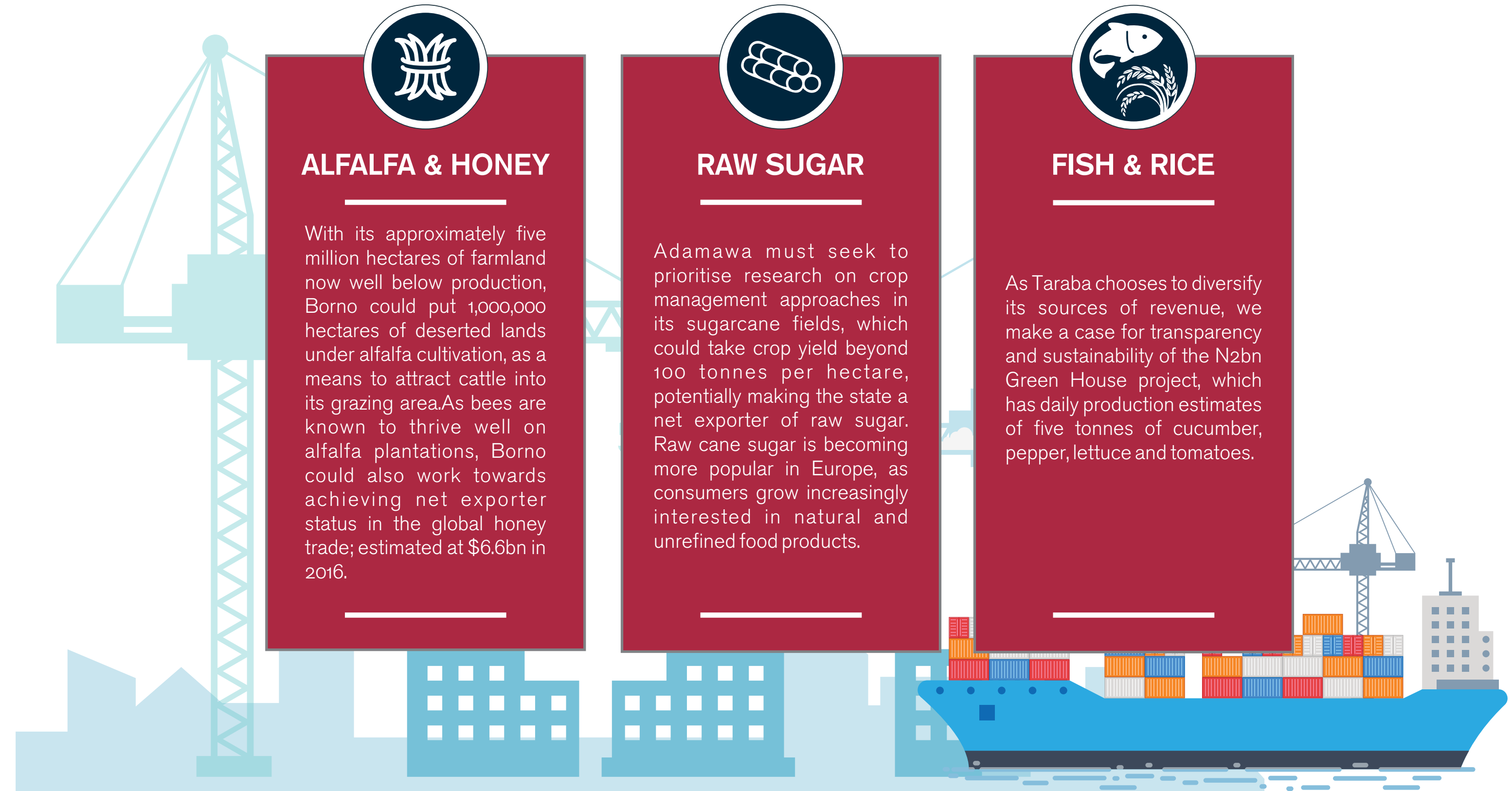
RAW SUGAR

Adamawa must seek to prioritise research on crop management approaches in its sugarcane fields, which could take crop yield beyond 100 tonnes per hectare, potentially making the state a net exporter of raw sugar. Raw cane sugar is becoming more popular in Europe, as consumers grow increasingly interested in natural and unrefined food products.

TARABA

FISH & RICE

As Taraba chooses to diversify its sources of revenue, we make a case for transparency and sustainability of the N2bn Green House project, which has daily production estimates of five tonnes of cucumber, pepper, lettuce and tomatoes.



Adamawa

Sustainability Rank 33

> To attain financial viability, Adamawa may need to evaluate the re-workings of its tax collection systems. Presently, the state's IGR per capita is one of the lowest in Nigeria - coming to N1460 per annum, when factored using its 2016 estimated population.

Adamawa is planning to spend N177.9bn in 2018.[18] The state's priorities include infrastructural development, education, health, agriculture, housing and urban development. Renowned for the cultivation of cotton, groundnuts, maize, yam, guinea corn, millet and rice, Adamawa nevertheless continues to operate at suboptimal levels, partly due to revenue shortage.

Total revenue in 2017 was N43.6bn; Adamawa's fiscal plan in this year was highly dependent on statutory revenue - approximately 85.79% of the state's revenue came from FAAC disbursements.

Internally-generated revenue (IGR) for Adamawa was N6.2bn in 2017 - a rise from N5.78bn in 2016. For 2013, 2014 and 2015, IGR was N4.15bn, N4.62bn and N4.4bn respectively.

Most crucial is that Adamawa's Total revenue was N43.64bn in 2017. This is a shortfall of significant proportions, considering her fiscal authorities planned a total Recurrent expenditure of N60.06bn.

In 2018, Adamawa is looking to spend N177.9bn, despite revenue not expected to grow beyond the N50bn threshold - which leaves the credibility of Adamawa's budget instruments as a planning tool in question.

If the state decides to press on with its fiscal plan, then its debt profile and loan obligations may rise as well, potentially limiting Adamawa's ability to dedicate future revenue wholly to developmental agenda.

Already, Domestic debt which was N62.15bn as at end-2016 is now N69.61bn in 2017; a rise of 163%, from 2014 levels of N26.44bn. Adamawa's Domestic debt has grown between 2013 and 2017 at an average of 46.92% per annum, while IGR has not risen at the same pace; IGR grew at a modest annual average of 11.66% within the same five-year period.

Adamawa's External debt is also growing in tandem; as at December 2017, the state was indebted to the tune of $94.57mn, up from the $83.7mn recorded for 2016.

To attain financial viability, Adamawa may need to evaluate the re-workings of its tax collection systems. Presently, the state's IGR per capita is one of the lowest in Nigeria - coming to N1460 per annum, when factored using its 2016 estimated population.

The state may also have to align her budget with current realities - working with a spending plan of N177.9bn when revenue projections (of N50bn) are more than three times less, will likely retard fiscal progress.

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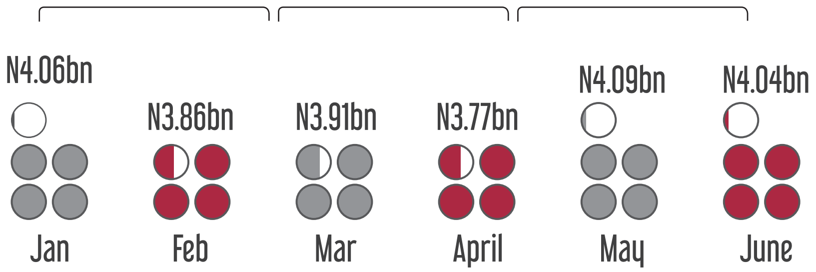
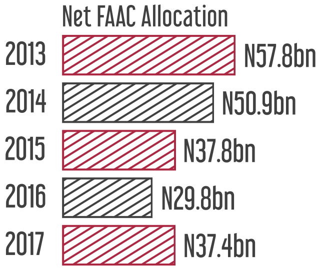
[18] http://nigeriana.news/adamawa-assembly-approves-2018-budget.html

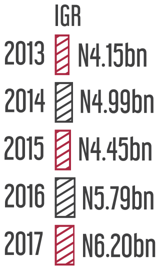
Adamawa State

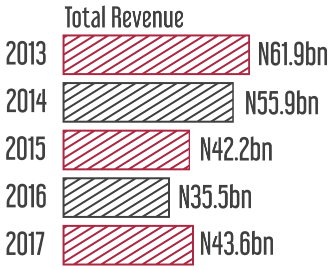
Highest Peak of the Nation

Net FAAC Allocation 2018









Structure of State's Revenue 2018

> REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)	Average Monthly VAT (Jan-Jun 2018)	Average Monthly 13% Share of Derivation (Jan-Jun 2018)	Average Monthly IGR (Jan-Jun 2018)
N3.04bn	N914.9m	Nil	N516.8m

Average Monthly Revenue

N4.47bn*

(Jan-June 2018)

N69.6bn
Domestic Debt
(2017)

$94.6m
External Debt
(2017)

> EXPENDITURE

N2.74bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

N3.76bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

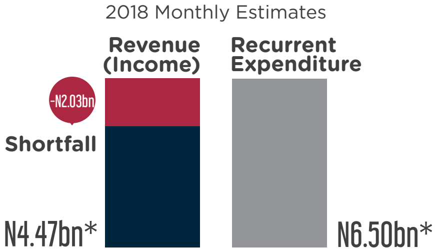
AVERAGE MONTHLY RECURRENT EXPENDITURE

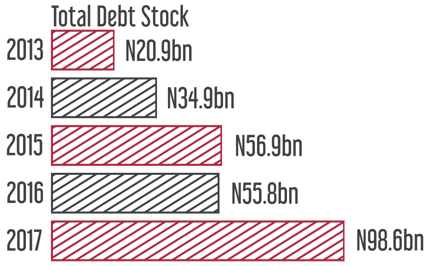
N6.50bn*

(Jan-June 2018)

Download: State of States Datasheet (CSV)

> Ability to Meet Monthly Recurrent Expenditure Commitments





Source: NBS, OAGF, DMO, World Bank, BudgIT Research BudgIT Estimate*

Raw Sugar

Adamawa State
Highest Peak of the Nation

To attain fiscal viability, Adamawa may need to evaluate the workings of its tax collection systems; majority of her population work in the informal sector and therefore, innovative ways to capture them into the tax bracket are possible. Worth nothing here is that the collection of tax imposes a fiscal responsibility on states to deliver premium services to the people.

The Kiri dam, which was completed in 1982, still has the potential to become a hydroelectric power plant generating between 35MW to 50MW. With additional investments in drip irrigation systems and other renewable energies, Kiri could simultaneously irrigate close to 500,000 hectares of land.

Prospects are also deliverable via the Adamawa savanna sugarcane plantation, which sits on approximately 36,000 hectares, and presently employs approximately 5,000 workers.

In this regard, Adamawa must seek to prioritise research on crop management approaches in its sugarcane fields, which could take crop yield beyond 100 tonnes per hectare, potentially making the state a net exporter of raw sugar. Raw cane sugar is becoming more popular in Europe, as consumers grow increasingly interested in natural and unrefined food products.

Given that Europe does not produce any raw cane sugar and has to import all of the commodity it uses, Adamawa is better placed to position itself as supplier and exporter of close to five million tons of raw sugarcane.

However, Adamawa would need an initial investment in the region of $1bn to set these plans in motion.

Also, Sugarcane Tops (SCT), a major byproduct of sugarcane, is becoming a major source of feed for cattle. As about 21 tons of SCT produced per hectare is sufficient to feed a cow for a year, Adamawa can immediately leverage on this resource, to expand its livestock size and rise through the ranks into a net exporter of meat and meat products.

We however advise the adoption of an agriculture marketing board first, to make it easier for the bulk purchase of associated produce and commodities. This would be augmented with the development of a transportation plan around the logistics needs of the agriculture sector.

Nigeria's Ministry of Agriculture estimates there are 19.5 million cattle in Nigeria; Adamawa could potentially generate up to N30bn and add over five million more cattle, if it incentivizes its 30 grazing reserves, as well as improves herd size and quality.

Down the value chain, investments into feedlots, modern abattoirs and a central marketplace for all associated raw materials will ensure Adamawa makes a name as a net supplier and exporter of milk, meat and leather into the global commodities markets.

Bauchi

Sustainability Rank 32

> Bauchi will need to focus on boosting IGR collection, and simultaneously slowing down its borrowing. It is also important to rein in Recurrent expenditure and re-work the budgeting system.

Bauchi has a budget of N167.89bn for 2018; about 60% of the budget will be spent on Capital items, while the balance will be used to offset Recurrent expenditure, including personnel cost obligations, paydown overcosts and servicing the state's Debt. In 2017, the Recurrent expenditure estimates for Bauchi amounted to N58.85bn, while Actual revenue (from the FAAC and IGR) was significantly lesser, at N43.89bn.

Given these records for 2017, it is unclear how Bauchi will fund its N167.89bn budget in 2018, as Revenue is not expected to grow above N50bn in the near term. The prospects for riding on IGR to make bank are significantly low; at N668 per capita, IGR for Bauchi is the lowest in Nigeria.

About 90% of Bauchi's revenue flows in from the capital of Abuja, meaning the state is chronically dependent on monthly FAAC receipts. Between 2013 and 2017, IGR grew at a yearly average of 5.17%. Currently, IGR stands at N4.37bn, falling from N8.68bn in 2016.

It is thus no surprise that the state is reliant on donor funds, such as its plans to build and/or rehabilitate 1,000 kilometers of rural roads through the support of the World Bank.

Other figures force the argument that Bauchi's financial obligations may grow further; the state's Domestic debt stood at N69.99bn at the end of 2016, growing from N57.7bn in 2015.

In general, between 2013 and 2017, Domestic debt grew an average of 49.87% per year; from N16.8bn to a whopping N74.02b. With regards to External debt, Bauchi had racked up $109.8mn, which puts the state's Total debt profile at N107.7bn, as at December 2017.

Bauchi will need to focus on boosting IGR collection, and simultaneously slowing down its borrowing. It is also important to rein in Recurrent expenditure and re-work the budgeting system. The state has the distinction of increasing its 2017 budget by N2.5bn,[19] and was listed in January 2018 as among states struggling to pay backlogs of civil servants salary, whilst grappling with a ghost worker problem.[20]

Bauchi is not in isolation; the credibility and usefulness of budgets are being questioned, particularly at the national level. Stakeholders, including citizens, investors, civil society organisations and development partners are now taking more than a passing interest in state governments and the administration of public funds.

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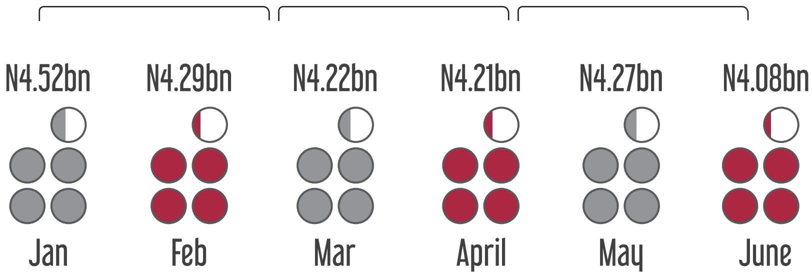
[19] https://www.dailytrust.com.ng/news/bauchi/bauchi-assembly-increases-2017-budget-by-n2-5bn/187257.html

[20] https://www.vanguardngr.com/2018/01/many-states-still-owe-workers-salaries-despite-bailout-funds-survey/

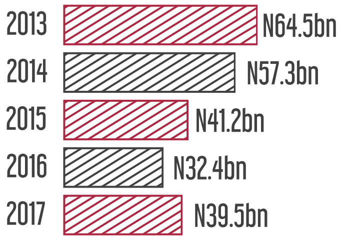
Bauchi State

Pearl of Tourism

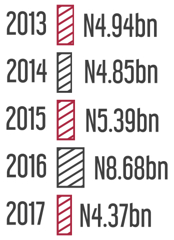
Net FAAC Allocation 2018



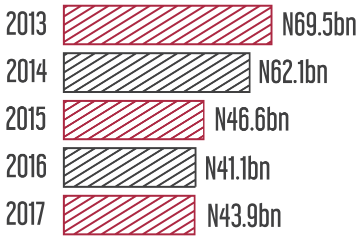
Net FAAC Allocation



IGR



Total Revenue



Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)
N3.23bn

Average Monthly VAT (Jan-Jun 2018)
N1.04bn

Average Monthly 13% Share of Derivation (Jan-Jun 2018)
Nil

Average Monthly IGR (Jan-Jun 2018)
N364.1m

Average Monthly Revenue

N4.63bn*
(Jan-June 2018)

N74.02bn
Domestic Debt
(2017)

$109.8m
External Debt
(2017)

EXPENDITURE

N2.38bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

N3.22bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

AVERAGE MONTHLY RECURRENT EXPENDITURE

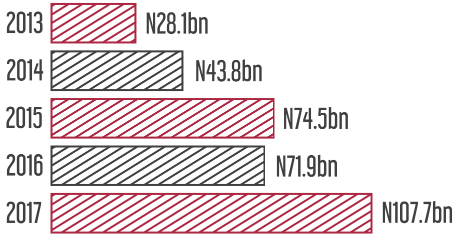
N5.59bn*
(Jan-June 2018)

Download: State of States Datasheet (CSV)

Ability to Meet Monthly Recurrent Expenditure Commitments

2018 Monthly Estimates

Total Debt Stock



Source: NBS, OAGF, DMO, World Bank, BudgIT Research   BudgIT Estimate*

Sugar Cane

Bauchi State
Pearl of Tourism

Bauchi's significant economic plan is one of its most recent: a public-private partnership that aims to place 60,000 hectares of land under sugarcane cultivation.

The complement to this is a proposed sugar milling plant and refinery that will transform industrial feedstock into 5,000 metric tons of sugar per day, creating at least 5,000 direct and indirect employment opportunities immediately.

To raise its earning potential, Bauchi should follow through on the Kafin Zaki dam, which aims to put 120,000 hectares of arable land under irrigation. The project would also support the production of one million tons of sugarcane annually, with over one million jobs in agro-allied industries.

The state will need investment worth $1.8bn to put the dam and irrigated land to full use, but provided efficiency and accountability are optimised, the project should prove a worthwhile venture.

Bauchi could emulate Brazil, Thailand, France and Guatemala, who exported sugar worth $11.4bn, $2.6bn, $1.3bn and $826.2mn in 2017 respectively.

Sugar exports totaled US$27.6bn in 2017; Latin America and the Caribbean accounted for the highest amount of exports - their shipments amounted to $14.3bn.

Bauchi may also rely on its Yankari National Park to rake in revenue. As home to several natural warm water springs, as well as a wide variety of flora and fauna, these renowned reserves of about 2,244 square kilometres will increase net spending from Nigerians and foreign tourists, provided the Internet and other multimedia channels are used to professionally promote Yankari, and security is guaranteed and enforced.

With the requisite marketing, investments and maintenance culture, Bauchi could achieve foreign earnings of $500mn annually.

Borno

Sustainability Rank 28

> Borno may incur more debt in the nearest future as it tries to revive the local economy amid this checkered battle against insurgency within its borders. Essential healthcare, education and administrative infrastructure are being rebuilt.

Borno State, Nigeria's second-largest by land area, is planning to spend N181bn over 2018.[21]

Its Recurrent expenditure in the 2017 financial year was approximately N59.6bn, notably below Actual revenue estimated at N51.52bn.

Going by these 2017 numbers, it may be impossible for Borno to meet the projected Recurrent expenditure commitments as contained in its 2018 budget. Aiming to spend N181bn in 2018 when revenue is estimated at a far off N65bn may create and/or exacerbate challenges for the state in the near to medium term.

Borno's Domestic debt rose at an average rate of 26.65% yearly, between 2013 and 2017; specifically from N23.94bn in 2013 to N54.04bn in 2017.

For 2014, 2014 and 2015, Domestic debt was N22.3bn, N22.34bn and N30.93bn in respectively.

While External debt stood at $22.59mn as at December 2017, overall, the state's Total debt was approximately N60.97bn in 2017. Borno is in a distinctly unfortunate position due to persistent attacks by terrorist organisation Boko Haram. Over about a decade, Boko Haram has destroyed property worth $5.2bn.[22]

Borno may incur more debt in the nearest future as it tries to revive the local economy amid this checkered battle against insurgency within its borders. Essential healthcare, education and administrative infrastructure are being rebuilt.

Approximately 90.33% of Borno's revenue in 2017 was from the FAAC - as statutory revenue.

The state's IGR grew to N4.98bn, from 2016 levels of N2.68bn; in 2013, 2014 and 2015, IGR was N2.13bn, N2.76bn and N3.53bn respectively.

Over 2013 to 2017, though IGR for Borno grew at an annual average of 29.84%, revenue generation rates in general remain abysmal.

When calculated with its projected population, IGR per capita for 2017 was approximately N850 per head. Comparing this figure to states like Benue and Anambra (which have roughly the same population and bring in IGR at N2,159 and N3,141 per head respectively), it is clear Borno needs to conceptualise and develop a working plan on how it can improve its fiscal independence.

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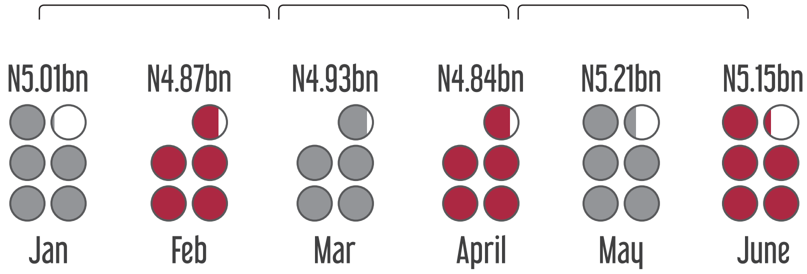
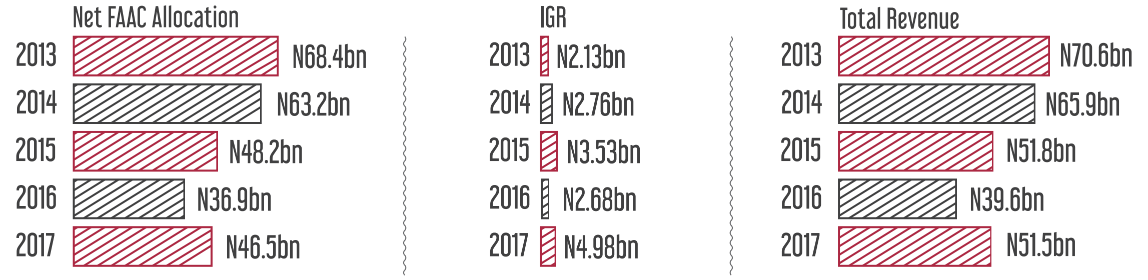
[21] https://www.premiumtimesng.com/regional/nnorth-east/257826-borno-governor-signs-n181-2-billion-budget-2018.html

[22] https://www.newsweek.com/cost-terrorism-boko-haram-nigeria-648854

Net FAAC Allocation 2018





Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)
N4.02bn

Average Monthly VAT (Jan-Jun 2018)
N982.0m

Average Monthly 13% Share of Derivation (Jan-Jun 2018)
Nil

Average Monthly IGR (Jan-Jun 2018)
N415.3m

Average Monthly Revenue

N5.42bn*
(Jan-June 2018)

N54.0bn
Domestic Debt
(2017)

$22.6m
External Debt
(2017)

EXPENDITURE

N2.68bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

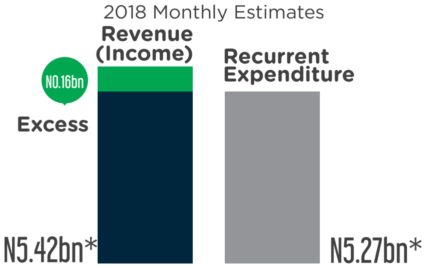
N2.59bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

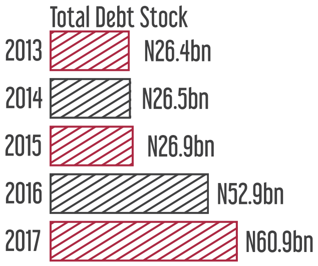
AVERAGE MONTHLY RECURRENT EXPENDITURE

N5.27bn*
(Jan-June 2018)

Download: State of States Datasheet (CSV)

Ability to Meet Monthly Recurrent Expenditure Commitments





Source: NBS, OAGF, DMO, World Bank, BudgIT Research   BudgIT Estimate*

Alfafa & Honey

With Domestic debt of N30.9bn as at end-December 2016, Borno may in the nearest future incur more debt, as it tries to revive the economy in the aftermath of a seeming decline of insurgency within its borders.

Though the prospects of regaining financial security are directly hinged on the Federal government's ongoing anti-insurgency war, the state government should take the viewpoint that post-crisis development creates opportunities for growth.

With its approximately five million hectares of farmland now well below production, Borno could put 1,000,000 hectares of deserted lands under alfalfa cultivation, as a means to attract cattle into its grazing area. Significant investments will also be required for the protection of farmlands – the primary driver of the economy.

Interestingly, US exports of alfalfa to China were pegged at 1.5 million metric tons (worth $417mn) in 2016. Borno could export five million tons of the legume worldwide, potentially cornering $2bn in profits over the next few years.

As bees are known to thrive well on alfalfa plantations, Borno could also work towards achieving net exporter status in the global honey trade; estimated at $6.6bn in 2016.

Here, the state may deploy funding towards large-scale pollination of flowering plants, which could be added to its alfalfa plantations, to ensure a balanced ecosystem and nutritional grazing.

Gombe

Sustainability Rank 25

> To boost earnings, the state could take advantage of its relative peaceful status to attract international firms within the extractives sector aiming to set up shop in the Niger Delta.

Gombe state, with considerable prospects for tourism, is planning to spend N114bn in 2018,[23] up from 2017 estimates of N85bn.

The budget schedules N52.97bn for Recurrent items, and is hinged on a revenue uptake of N73.07bn.

However, Actual revenue in 2017 for Gombe was N36.51bn, while Recurrent expenditure estimates for 2017 amounted to N46.89bn. The state's revenue was insufficient to meet its Recurrent expenditure commitments as projected in 2017 budget, and currently, the fiscal plan for 2018 seems to be adhering to this precedent.

The consequences could be far-reaching, as Gombe's total debt stock was pegged at N53.96bn as at 2017.

In 2017, IGR contributed only 16.88% to the revenue mix of the state; Gombe is extremely reliant on federation revenue (FAAC).

Internally-generated revenue (IGR) was N5.27bn by the end of fiscal year 2017, from N2.94bn in 2016. Gombe's IGR per capita is N1,619 per head, which is much lower than the average (N3,939) for all 36 states in Nigeria.

Noteworthy is that the government has embarked on remedial plans, such as the Industrial Policy of Gombe State and on the Gombe State Investment Guide. However, measurable progress is imperative on these projects, while Recurrent expenditure and debt accumulation must be reduced in the near term.

The state's Domestic debt grew at an annual average rate of 15.89% from 2013 to 2017, with its IGR growing at 16.79%. If this continues, it means Recurrent expenditure may skyrocket, as Debt servicing costs become elevated.

Domestic debt for Gombe amounted to N41.9bn as at December 2017, which was a significant rise from the N27.99bn recorded in 2013. External debt was $31.19mn, by year-end 2017.

Gombe's vast agricultural potential and numerous mineral resources constitute invaluable assets for economic investments. If properly harnessed, then IGR should show a more positive trend in the medium to long term.

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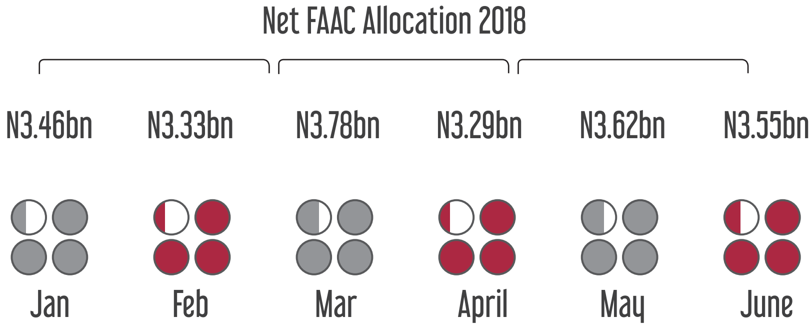
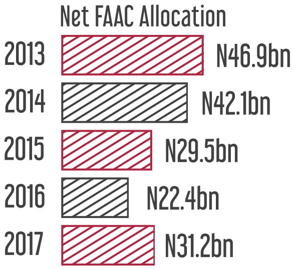
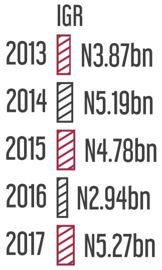
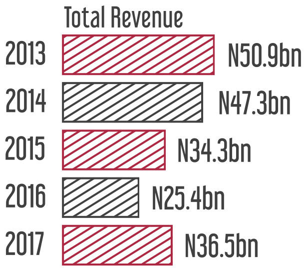
[23] http://www.tribuneonlineng.com/gombe-assembly-passes-2018-budget-n114-billion/









REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)
N2.62bn

Average Monthly VAT (Jan-Jun 2018)
N822.6m

Average Monthly 13% Share of Derivation (Jan-Jun 2018)
Nil

Average Monthly IGR (Jan-Jun 2018)
N439.4m

Average Monthly Revenue

N3.88bn*
(Jan-June 2018)

N41.9bn
Domestic Debt
(2017)

$39.2m
External Debt
(2017)

EXPENDITURE

N1.50bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

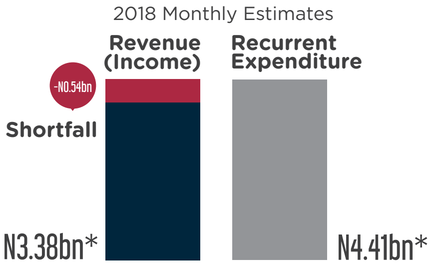
N2.91bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

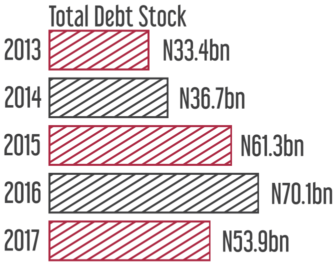
AVERAGE MONTHLY RECURRENT EXPENDITURE

N4.41bn*
(Jan-June 2018)

Download: State of States Datasheet (CSV)

Ability to Meet Monthly Recurrent Expenditure Commitments





Source: NBS, OAGF, DMO, World Bank, BudgIT Research   BudgIT Estimate*

Cotton

Gombe
State
Jewel of the Savannah

Gombe's people, her vast agricultural potential and numerous mineral resources constitute invaluable assets for economic investments. If properly harnessed, particularly for agro-based and solid mineral based manufacturing industries, these could ensure the state makes a tangible break towards financial security.

But first, Gombe must modernize its outlook, as most of the existing industries within its borders were those established long before the state itself was created. These are mostly agro-based, with the exception of Ashaka Cement.

In 2011, the Bank of Industry approved a loan worth N903.4mn for the development of Micro, Small and Medium Enterprises (MSMEs) in Gombe, 80% of which was specifically dedicated to agro-processing. Unfortunately, very little information exists on the distribution of this loan.

Nevertheless, cotton production still holds significant promise, as investment in research and modern techniques could potentially lift yield upwards, with increased earnings in tow. If Gombe were willing to put one million hectares under cotton cultivation alone, its total output could top five million bales per annum.

For 2016, Nigeria produced 303,057 tons of cotton, which makes up 0.46% of the global output for the year (at 65,391,535 tons). China, Bangladesh,and Vietnam led the import chart as at May 2017 with import values of $7.7bn, $4.7bn and $3.7bn respectively.

To increase production numbers and improve the downline, Gombe will have to invest in mechanized farming, quality storage infrastructure, top-notch processing facilities and distribution networks.

Gombe can also exploit its solid mineral-based resources, including those to do with the manufacture of paints, ceramics, blocks, glass/bottles, as well as metal fabrication, jewelry and gem cutting.

In the tourism and hospitality sector, investment opportunities of note fall under the establishment of hotels, amusement parks, zoos, cinemas, as well as museums and art galleries development. Also pertinent is the need for huge investments in this sector, to upgrade the aesthetic and business profile of Gombe State.

Taraba

Sustainability Rank 24

> Aiming to develop its rich mineral resources, the state is obtaining licenses for small-scale mining for the Taraba Solid Minerals Development Company and acquiring 14 lease Exclusive Prospecting Licenses (EPL) to commence joint-venture exploration partnerships.

Ranked among Nigeria's agriculturally rich States, Taraba is unfortunately plagued by the menace of "tribal herdsmen," who are accused of killing and maiming hundreds, including farmers.

The local economy has also been affected in part by a resurgence of terrorist groups. Notwithstanding these developments, Taraba appears to be making cutbacks with its plan to spend N104.3bn[24] in 2018, a drop from the N110.2bn contained in the 2017 budget.

This is a welcome move, because Actual Revenue for Taraba was N39.69bn in 2017, which is well below the state's Recurrent expenditure obligations of N49.3bn.

To reconcile this deficit, Taraba may have to undertake further borrowing, but must proceed with great caution.

Total debt as at the end of fiscal year 2017 was N68.70bn; Domestic debt grew to N60.85bn in 2017, from N13.88bn in 2013. This is a sizeable average growth rate of 48.22% per year, between 2013 and 2017.

Domestic debt in 2014, 2015 and 2016, was recorded at N14.39bn, N27.65bn and N38.87bn respectively.

External debt was $26.56mn as at the end of 2017, up from 2016 levels of $21.9mn.

Taraba's vulnerability to revenue handed down from the federation is demonstrated by the fact that IGR contributed only 14.52% to the state's Total revenue in 2017.

Internally-generated revenue figures show troughs and slight peaks, growing from N3.34bn in 2013 to N5.89bn in 2016 before dropping again to N5.76bn in 2017.

The state's IGR per capita is also relatively low, at N1,880 per person.

However, it is not all doom and gloom, as Taraba is making monthly savings of N500mn, after successfully weeding out ghost workers.

In addition, a number of moribund State-owned firms are reported as being resuscitated, including the Mambilla Beverages Company; Taraba Sugar Company; Baisa Timber Company and the Taraba Cassava Processing Company.

Aiming to develop its rich mineral resources, the state is obtaining licenses for small-scale mining for the Taraba Solid Minerals Development Company and acquiring 14 lease Exclusive Prospecting Licenses (EPL) to commence joint-venture exploration partnerships.

The state must therefore use this fiscal year to face the challenge of translating these initiatives to immediate revenue growth.

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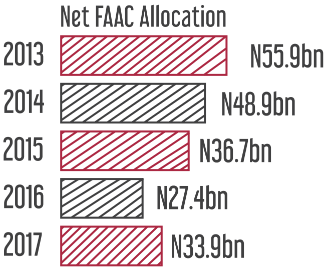
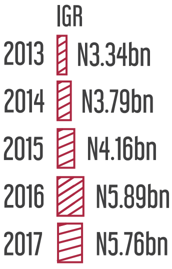
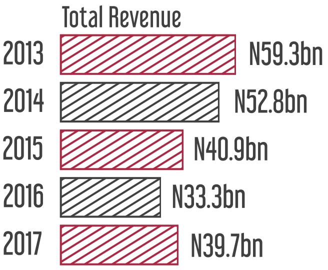
[24] http://tarabastate.gov.ng/gov-ishaku-signs-n104-3bn-2018-taraba-budget/

Net FAAC Allocation 2018

Jan	Feb	Mar	April	May	June
N3.77bn	N3.64bn	N3.68bn	N3.64bn	N3.89bn	N3.87bn







Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)
N2.92bn

Average Monthly VAT (Jan-Jun 2018)
N824.9m

Average Monthly 13% Share of Derivation (Jan-Jun 2018)
Nil

Average Monthly IGR (Jan-Jun 2018)
N480.4m

Average Monthly Revenue

N4.23bn*
(Jan-June 2018)

N60.9bn
Domestic Debt
(2017)

$26.6m
External Debt
(2017)

EXPENDITURE

N2.38bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

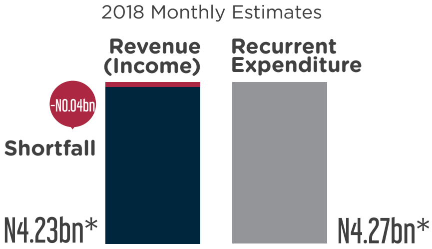
N1.89bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

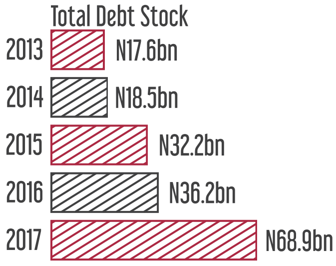
AVERAGE MONTHLY RECURRENT EXPENDITURE

N4.27bn*
(Jan-June 2018)

Download: State of States Datasheet (CSV)

Ability to Meet Monthly Recurrent Expenditure Commitments





Source: NBS, OAGF, DMO, World Bank, BudgIT Research   BudgIT Estimate*

Fish & Rice

Taraba State
Nature's Gift to the Nation

As Taraba chooses to diversify its sources of revenue, we make a case for transparency and sustainability of the N2bn Green House project, which has daily production estimates of five tonnes of cucumber, pepper, lettuce and tomatoes.

This will largely generate employment and facilitate technology transfer to the State university and College of Agriculture, which are both in the capital of Jalingo.

Energy generation could also hold a lot of promise for Taraba's economic prosperity. The proposed Mambilla Dam, with a reservoir at 1,300 metres (4,300 ft) above sea level, will meet power needs, as well as boost freshwater fishing and farming.

The export market for frozen fish was worth an estimated $23.7bn in 2017 - European and Asia countries accounted for the highest export shipments, cornering 33.7% and 32.5% respectively. Latin America and the Caribbean took a 10% share, while the African market followed at 5.9%. Taraba may therefore choose to utilise current capacity to export fish worth $1bn worldwide in the near term.

Hydropower could also transform the state into a major player in rice production, particularly when augmented with investments in milling infrastructure such as plants, silos and elevators. Taraba could enter into agreements with others states in Nigeria and beyond - increasing its rice production numbers to 1 million tons, and potentially boost her IGR takings by N40bn in taxes alone.

Yobe

Sustainability Rank 22

> One way to begin is a drastic cut in Overhead costs, as well as a reform of Yobe's tax collection and audit processes.

Yobe state has budgeted N92.18bn towards its obligations in 2018, foreseeing a spend of N45.43bn on Capital expenditure.

Recurrent expenditure is projected to grow to N47.4bn[25] in 2018; rising from 2017 levels of N41.9bn. Given that Actual revenue in 2017 was N43.09bn, Yobe barely met its Recurrent expenditure obligations for that year and could encounter challenges in meeting the higher expenditure figures for 2018.

Presently, revenue collected from the Federation is 65% of Yobe's income, meaning fiscal stability may be distant, particularly as the state is now ensconced in the league of debtors.

Domestic debt stock leapt from N1.12bn in 2013 to N26.47bn in 2017.

Although External debt dropped to $28.54mn in 2016 from $30.46mn in 2015, its growth has resume,; hitting $29.56mn at year-end 2017.

As a whole, Yobe's Total debt stock has steadily climbed since 2013, rising from N6.4bn in 2013 to N7.3bn in 2014, and a whopping N35.54bn in 2017.

This may be due the fact that the state's Recurrent expenditure obligations take a greater hunk of revenue, leaving little for Capital items that boost earnings, as well as the added challenge of security amid insurgency.

Yobe's IGR was N3.6bn, contributing a mere 8.35% of Total revenue in 2017.

IGR itself has grown at an annual average rate of 7.07% between 2013 and 2017; IGR was N3.07bn, N3.07bn, N2.25bn and N3.24bn in 2013, 2014, 2015 and 2016 respectively.

It therefore pertinent that Yobe steps up its efforts to boost the local economy and aggressively increase its IGR; which has a current per capita rate of N1,092 per person.

The state is hoping to collect approximately N4.5bn in 2018 - a fair budget projection, which will be dependent on the leadership's will to push the fortunes of Yobe state towards greater financial balance.

One way to begin is a drastic cut in Overhead costs, as well as a reform of Yobe's tax collection and audit processes.

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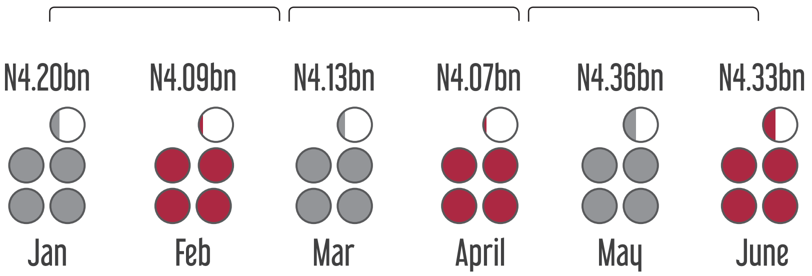
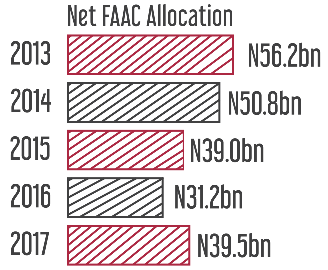
[25] http://hallmarknews.com/yobe-gov-signs-2018-budget-into-law/

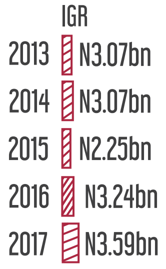
Yobe State

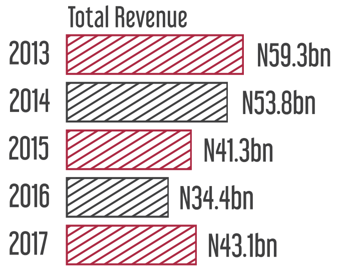
Pride of the Sahel

Net FAAC Allocation 2018









Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)
N3.36bn

Average Monthly VAT (Jan-Jun 2018)
N833.0m

Average Monthly 13% Share of Derivation (Jan-Jun 2018)
Nil

Average Monthly IGR (Jan-Jun 2018)
N299.8m

Average Monthly Revenue

N4.49bn*

(Jan-June 2018)

N26.5bn
Domestic Debt
(2017)

$29.6m
External Debt
(2017)

EXPENDITURE

N1.81bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

N2.08bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

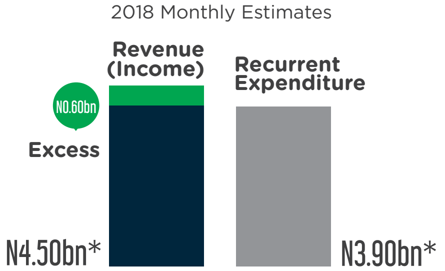
AVERAGE MONTHLY RECURRENT EXPENDITURE

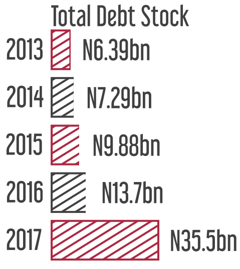
N3.90bn*

(Jan-June 2018)

Download: State of States Datasheet (CSV)

Ability to Meet Monthly Recurrent Expenditure Commitments





Source: NBS, OAGF, DMO, World Bank, BudgIT Research   BudgIT Estimate*

Beef

Yobe State
Pride of the Sahel

Yobe will have to develop a grazing reserve or ranching system that can hold millions of herd of cattle, whilst exploiting its wind and solar potentials to irrigate the grazing fields. With careful planning and further investment in security, Yobe could attain economic independence.

In this regard, the state must prioritise research on crop management approaches in its grazing fields, and leverage on this resource to expand its livestock size and attain the status of net exporter of meat and meat products within Africa, as discretionary tastes and consumer spending are expected to push beef consumption per capita towards growth.

Just as important is that within Yobe's borders lie 247 million tons of proven limestone deposits, 1.9million tons of kaolin and 141 million tons of gypsum (used for making gypsum drywall, an alternative to concrete blocks), as well as 152.8million tons of Diatomite, which is essential for manufacturing insulators, roofing sheets, plastic, paints, pesticides and cement mixtures.

Yobe could revive her earnings on the back of these solid mineral deposits being channeled into a viable industrial and manufacturing economy, provided the war against insurgency is waged in such a way it brings lasting peace to the state, and her neighbours.

North Central

NIGER

SHEA & GRAIN

Niger could focus on net exportation of sorghum, as it has the capacity to expand production by 20 million tons in the medium term, and thereby generate income of about $4bn.

The state may also choose to aggressively formalise the existing trade in shea nut. The global market for shea butter is estimated to be in the region of $20bn, and projected to top $30bn by 2020.

KWARA

GRAINS & ANIMAL FEED

In terms of export, Kwara could become a big player in the soybean/maize production and supply market. Nigeria ranks 15th worldwide, with soybean production in the region of 588,201 tons.

Global sales from maize exports by country totaled $29.6bn in 2017, with countries like Ukraine exporting $3bn worth of grains in that year.

KOGI

IRON ORE & CEMENT

Kogi can augment current revenue streams gained from its significant limestone deposits, which have pushed cement production towards 15 million tons per annum.

Nigeria is expected to produce approximately 48 million tons of cement in 2018; a jump from estimates of 10 million metric tonnes produced 10 years ago.

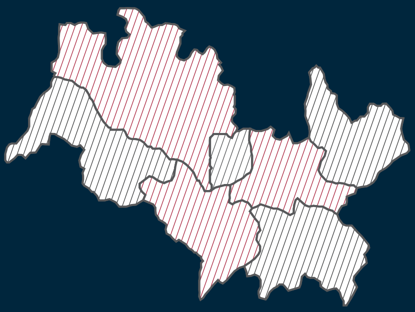
Population

25,688,282

2016 Estimate (CBN)

North Central

Export Potential



NASARAWA

GRAINS & BAUXITE/ ALUMINUM

For the export markets, Nasarawa may seek a share of the soybean/maize production and export pie; global production of soybean in 2016 was approximately 335 million tons. Nasarawa, could therefore expand production by 5 million tons in the medium term, and possibly see export revenue worth about $1.5bn.

BENUE

FRUIT CONCENTRATE SOY OIL

Adamawa must seek to prioritise research on crop management approaches in its sugarcane fields, which could take crop yield beyond 100 tonnes per hectare, potentially making the state a net exporter of raw sugar. Raw cane sugar is becoming more popular in Europe, as consumers grow increasingly interested in natural and unrefined food products.

PLATEAU

FROZEN FRENCH FRIES

Global exports of potatoes totaled $4.1bn during 2017 for spuds in their raw form. In addition, the value of shipments for prepared or preserved potatoes, including frozen French fries, represents another $9.3bn - Netherlands, Belgium, United States and Canada exported frozen french fries worth $2.2bn, $2bn, $1.4bn and $1.1bn respectively in 2017. Plateau could purposely work towards the exportation of frozen French fries.

Benue

Sustainability Rank 26

> Benue will need to adopt a frugal approach on her Overhead costs and align spending with a pressing duty to shore up the trust of the "working poor," particularly in light of the state's well-documented security challenges.

Benue, a largely agrarian economy, has a budget worth N190.03bn for 2018,[26] which shows that N81.9bn will go to Recurrent expenditure. With Capital expenditure for the fiscal year projected at N108bn, the overall deficit is N35.1bn.

In 2017, the state proposed Capital expenditure of N97.56bn, while its annual Recurrent expenditure came to N66.3bn. Given that Actual revenue in 2017 was N52.2bn, Benue may have struggled to meet her Recurrent expenditure payments for the fiscal year.

Juxtaposing these 2017 Actual revenue figures with current Personnel costs for 2018 (which are projected at N51.02bn), forces the conclusion that Benue may be operating an unsustainable budget.

The state will need to reevaluate its plan to spend N190.03bn in 2018 on the back of estimated revenue worth N60bn, as this is not tenable. In 2017, Benue's IGR of N12.399bn accounted for 23.75% of the state's total revenue.

However, cumulatively, IGR has grown at an average of 11.51% per annum between 2013 and 2017. The state amassed IGR worth N8.37bn, N8.28bn, N7.63bn and N9.56bn in 2013, 2014, 2015 and 2016 respectively.

When IGR numbers are compared with the state's projected population, Benue's IGR per capita is at N2,159 per person; significantly lower than the statewide average of N3,939 per person.

Considering that majority of Benue's working population are engaged directly and/or indirectly in the agricultural sector, the state may need to conceive and deploy effective and humane strategies to capture its huge working population into the tax bracket.

Regarding debt, Benue is entering uncharted territory; between 2013 and 2017, Debt grew at an annual average of 43.2%. As at December 2017, the state's Total debt was approximately N85.83bn.

Benue's Domestic debt, estimated at N24.99bn in 2013, has since grown to N74.94bn in 2017, while External debt stood at N35.5bn as at year-end 2017.

Benue will need to adopt a frugal approach on her Overhead costs and align spending with a pressing duty to shore up the trust of the "working poor," particularly in light of the state's well-documented security challenges.

In particular, the public's trust will be critical, if Benue hopes to succeed in its self-imposed goal of taking its IGR numbers above N20bn over the next two years.

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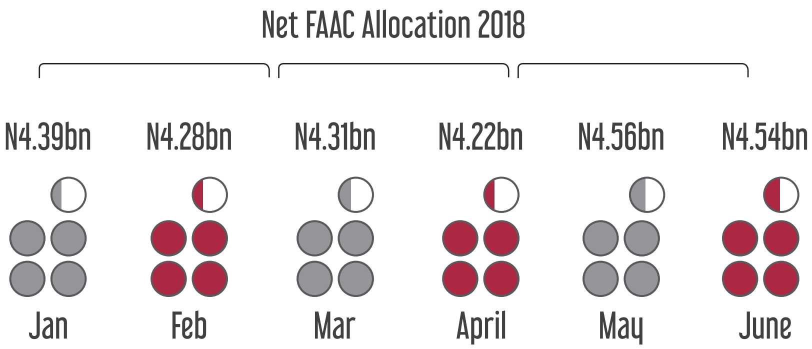
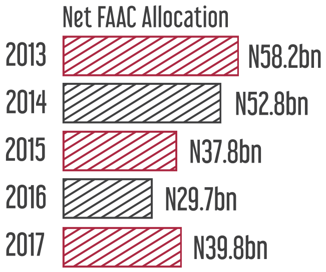
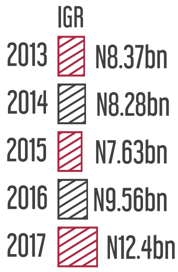
[26] https://www.vanguardngr.com/2018/04/benue-assembly-passes-2018-budget/

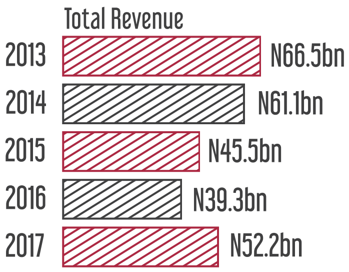
Benue State

Food Basket of the Nation









Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)	Average Monthly VAT (Jan-Jun 2018)	Average Monthly 13% Share of Derivation (Jan-Jun 2018)	Average Monthly IGR (Jan-Jun 2018)
N3.38bn	N994.4m	Nil	N1.03bn

Average Monthly Revenue

N5.42bn*

(Jan-June 2018)

N74.9bn
Domestic Debt
(2017)

$35.5m
External Debt
(2017)

EXPENDITURE

N4.25bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

N2.58bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

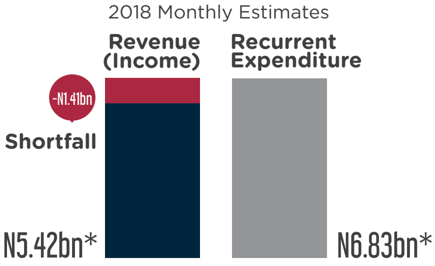
AVERAGE MONTHLY RECURRENT EXPENDITURE

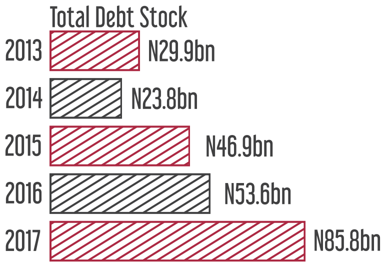
N6.83bn*

(Jan-June 2018)

Download: State of States Datasheet (CSV)

Ability to Meet Monthly Recurrent Expenditure Commitments





Source: NBS, OAGF, DMO, World Bank, BudgIT Research   BudgIT Estimate*

FRUIT CONCENTRATE SOY OIL

Benue State
Food Basket of the Nation

Dredging the Benue River is one way to open up the state, as easy movement of goods to new markets can mean Benue builds a new manufacturing base around the river ports on the back of cheaper logistic costs and abundant agricultural products.

As Benue currently produces over 1,000,000 metric tons of citrus fruits per annum, she is in pole position for a stake in the Fruit Concentrate Market, which is expected to exceed $34.6bn by 2019. A fruit concentrate plant within the Makurdi Industrial Estate with the requisite infrastructure, as well as expanding farmers' capacity to grow more fruits, would serve Benue well.

The state will first have to invest in its orchards and improve agronomy systems, with boosting crop yield and enhancing storage facilities being top priority.

Spain, Mexico and Netherlands presently export lime and lemon concentrates; a segment of the expansive concentrate market worth US$832.3mn, $512.5mn and $337.4mn respectively.

Even by modest standards, Benue can export concentrate worth $3bn in the medium to long term.

Benue can also place some 500,000 hectares of land under maize/soybean cultivation, to make optimal use of its climate and topography, whilst tapping into national and regional market demands.

A yield of at least ten tons per hectare of these crops could effectively transform the state into a major raw material hub for soybean oil, flour, animal and dairy feed.

Soybean oil is one of the most common used worldwide for cooking; nearly two-thirds the amount of soybean produced across the globe is used for soybean oil production.

As the global market for soybean oil will be worth an estimated $21.37bn by 2022, Benue may directly benefit from building its manufacturing economy around the soy oil export market.

To stand a chance at becoming the largest exporter of soy oil in sub-Saharan Africa, Benue will need to invest the financial, human and administrative resources necessary to take its soybean crushing capacity beyond 3.5million tons.

Kogi

Sustainability Rank 21

> Notably, these dire financial straits where the state government's IGR can barely cover its Recurrent expenditure is happening despite the presence of the Ajaokuta mills and Dangote Cement factory, as well as huge limestone and iron ore deposits.

Kogi state aims a spend of N151.68bn in 2018, a sharp cut well below the N185.06bn budgeted in 2017.

Recurrent expenditure is expected to grow from N87.72bn in 2017 to N91.23bn in 2018.

Revenue for 2018 is expected to be N91.23bn, but Actual revenue in 2017 was N50.89bn; a figure 41.9% lower than the state's revenue projections of N87.72bn for that same year.

A review of Kogi's budget performance in 2017 shows that Actual revenue (N50.89bn) could not cover Recurrent expenditure obligations of N87.72bn, as estimated in the 2017 budget.

In 2018, Recurrent expenditure is expected leap to N91.23b, even as Revenue is not expected to increase above N60bn. This implies that the fiscal imbalance in Kogi's debt stock and her current outstanding obligations such as payment of workers' salaries could persist for years.

Kogi State closed 2017 with a Domestic Debt profile of N102.36bn. This is an unprecedented 1338% rise from N7.11bn in 2013.

Domestic debt in 2014, 2015 and 2016 was N10.3bn, N42.03bn and N71.38bn respectively. This sharp growth in Debt is likely being exacerbated by the slow uptake of IGR.

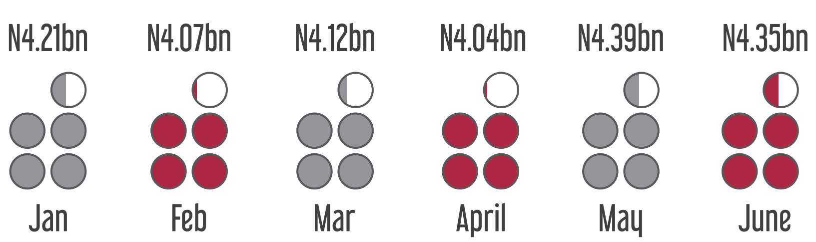
Kogi's IGR per capita was N2,514 per person in 2017; IGR contributed only 22.09% to the state's revenue pool.

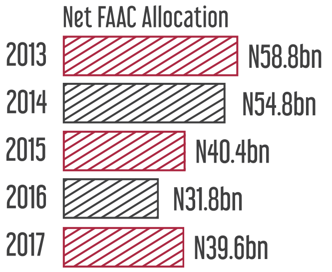
Notably, these dire financial straits where the state government's IGR can barely cover its Recurrent expenditure is happening despite

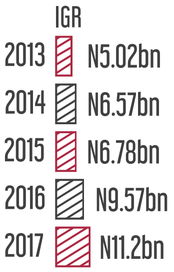
Kogi State

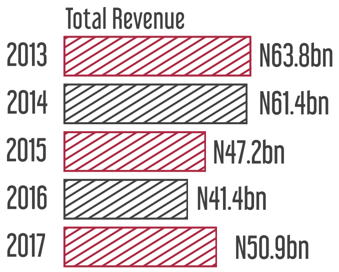
The Confluence State

Net FAAC Allocation 2018




Net FAAC Allocation


IGR


Total Revenue

Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)
N3.28bn

Average Monthly VAT (Jan-Jun 2018)
N917.9m

Average Monthly 13% Share of Derivation (Jan-Jun 2018)
Nil

Average Monthly IGR (Jan-Jun 2018)
N937m

Average Monthly Revenue

N5.13bn*
(Jan-June 2018)

N102.4bn
Domestic Debt
(2017)

$33.0m
External Debt
(2017)

EXPENDITURE

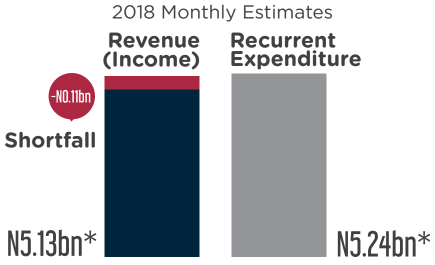
N2.35bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

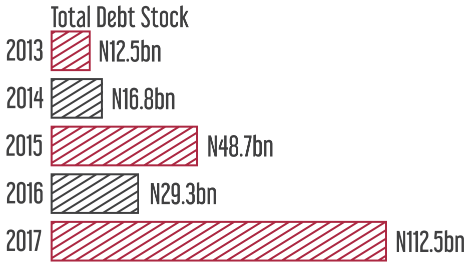
N2.89bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

AVERAGE MONTHLY RECURRENT EXPENDITURE

N5.24bn*
(Jan-June 2018)

Ability to Meet Monthly Recurrent Expenditure Commitments


2018 Monthly Estimates


Total Debt Stock

Source: NBS, OAGF, DMO, World Bank, BudgIT Research BudgIT Estimate*

Iron Ore & Cement

Kogi State
The Confluence State

Kogi can augment current revenue streams gained from its significant limestone deposits, which have pushed cement production towards 15 million tons per annum.

Nigeria is expected to produce approximately 48 million tons of cement in 2018; a jump from estimates of 10 million metric tonnes produced 10 years ago.

Cement use in Nigeria is however in the region of 149kg/person, or 28 million metric tonnes per annum. This is markedly below the global average of 500kg, meaning there is a maket for Kogi to make profits in-country.

Furthermore, as cement consumption is expected to grow by more than 5% in sub-Saharan Africa between now and 2020, Kogi stands to benefit from exports, as the state's limestone can amply support the production of over 30 million tons of cement per year.

The proposed Lokoja River Port could be one way to strategically transform Kogi into a hub for the distribution of cement, agriculture and agro-allied goods, as Kogi shares its borders with almost a dozen other states.

This is critical because beyond rice, Kogi is renowned for the production of coffee, cocoa, palm oil, cashews, groundnuts, maize, cassava, yam, rice and melon.

With a good logistics base, the state could become a net supplier of these products into neighbouring cities, and beyond.

Within, the National Iron Ore Mining Company (NIOMCO) is capable of providing employment opportunities to thousands, and simultaneously improving Kogi's IGR.

The Itakpe Hills also holds significant promise, based on its iron ore deposits, with production expected to top 10 million tons per annum, if Kogi can attract sustainable investments.

Finally, dedicated management of the Ajaokuta Steel Mill, given the state's mineral deposits, Kogi emerge and remain a thriving, profitable steel belt in the region.

Kwara

Sustainability Rank 20

> To avoid the often-trod route of borrowing, drawing down on savings and donor funds, Kwara must continue to build on its IGR level which is encouraging, when measured against its population; Kwara presently collects IGR per capita of N6,150, a figure almost double the national average of N3,939.

Kwara state's budget amounts to N190.9bn[27] in 2018, up from 2017 estimates of N135.26bn. The Capital component of the 2018 budget is expected to top N110.09bn, while its Recurrent expenditure should grow from 2017 levels of N64.28bn, to N79.91bn in 2018.

In the 2017 budget, Actual revenue was N52.74bn, significantly less than the Expenditure component worth N64.28b.

To avoid the often-trod route of borrowing, drawing down on savings and donor funds, Kwara must continue to build on its IGR level which is encouraging, when measured against its population; Kwara presently collects IGR per capita of N6,150, a figure almost double the national average of N3,939.

In terms of its contribution to the revenue pot, IGR accounts for 37.23% of Kwara's Total revenue in 2017. However, managing the cost of governance is most critical, as the state's expenditure plans look unrealistic, especially against the backdrop of its debt profile.

Total debt for Kwara as at end-December 2017 was approximately N55.83bn. Domestic debt stock has since risen to N40.26bn in 2017, from N22.42bn in 2013 .

For 2014, 2014 and 2016, Domestic debt was N22.15bn, N31.97bn and N38.14bn respectively. External debt was recorded at $50.73bn by year-end 2017.

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[27] https://www.premiumtimesng.com/regional/north-central/253209-kwara-assembly-passes-n190-9-billion-budget-2018.html

Kwara State

State of Harmony

Net FAAC Allocation 2018

Jan	Feb	Mar	April	May	June
N3.58bn	N3.48bn	N3.56bn	N3.42bn	N3.70bn	N3.65bn

	Net FAAC Allocation	IGR	Total Revenue
2013	N50.0bn	N13.8bn	N63.9bn
2014	N44.4bn	N12.5bn	N56.9bn
2015	N34.1bn	N7.18bn	N41.2bn
2016	N25.8bn	N17.3bn	N43.1bn
2017	N33.1bn	N19.6bn	N52.7bn

Structure of State's Revenue 2018

IGR	31.46%
NET FAAC	68.54%

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)	Average Monthly VAT (Jan-Jun 2018)	Average Monthly 13% Share of Derivation (Jan-Jun 2018)	Average Monthly IGR (Jan-Jun 2018)
N2.72bn	N843.8m	Nil	N1.64bn

Average Monthly Revenue

N5.20bn*

(Jan-June 2018)

N40.3bn Domestic Debt (2017)

$50.7m External Debt (2017)

EXPENDITURE

N1.16bn*

AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

N5.53bn*

AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

AVERAGE MONTHLY RECURRENT EXPENDITURE

N6.69bn*

(Jan-June 2018)

Download: State of States Datasheet (CSV)

Ability to Meet Monthly Recurrent Expenditure Commitments

2018 Monthly Estimates

	Revenue (Income)	Recurrent Expenditure
Shortfall	-N1.49bn	
	N5.20bn*	N6.69bn*

Total Debt Stock

2013	N29.7bn
2014	N31.7bn
2015	N42.0bn
2016	N61.4bn
2017	N55.8bn

Source: NBS, OAGF, DMO, World Bank, BudgIT Research   BudgIT Estimate*

Grains & Animal feed

Kwara State
State of Harmony

To its credit, Kwara State was able to persuade farmers from Zimbabwe to set up farms about a decade ago, which now provide poultry, milk, processed cassava, soya bean, maize and rice and ginger in industrial quantities. Consequently, between 3,000 to 4,000 people are employed during the harvesting season.

But the state will have to do more, if it wants to use agriculture to achieve financial stability. Kwara has the advantage of being connected to most of its peers in the South-west and North-west via rail, and with a rapidly expanding middle class population in these areas and increasing demand for poultry products, soybeans and maize, Kwara could move in on the feed manufacturing sector.

With stringent planning and investment drives, over 500,000 hectares could come under grain cultivation, and raise profitability. Investments must include the provision of silos and elevators along the rail corridor, all of which could help transform Kwara into a major agro-based trading bloc.

In terms of export, Kwara could become a big player in the soybean/maize production and supply market. Nigeria ranks 15th worldwide, with soybean production in the region of 588,201 tons. Global sales from maize exports by country totaled $29.6bn in 2017, with countries like Ukraine exporting $3bn worth of grains in that year.

Kwara - with better agronomy and improve seedlings - could expand production by 10 million tons in the medium term, and likely inch towards export revenue worth $2.5bn.

The state could simultaneously leverage its landmass to become a major producer of tomatoes, soybeans and maize; Kwara already seems to be cognizant of this, with a proposed tomato-processing factory.

Should this become a reality, Kwara may dominate distribution of the crop, servicing major cities in the South-west. Other crops that Kwara can competitively bring to market include cotton, kolanut, tobacco and beniseed.

In the area of mining, Kwara will need to ensure its $300mn cement factory comes onstream in a timely manner. We advise joint ventures with willing investors to drive exploration of her abundant mineral resources, which include limestone, marble, feldspar, clay, kaolin, quartz and granite rocks.

Nasarawa

Sustainability Rank 27

> To remain financially buoyant, Nasarawa may need to make significant cuts to her Recurrent expenditure budget, especially all Overheads, as well as aggressively increase IGR, with a focus on how to draw the middle class and business owners who commute to and from neighbouring Abuja into its Pay As You Earn (PAYE) tax net, and justify this with top-notch service delivery, including road, rail and health infrastructure.

Nasarawa, an agricultural-based economy, is looking to spend N125.4bn in 2018.

The state, which had a relatively modest IGR of N6.17bn in 2017 is hoping to spend N45.9bn on Recurrent expenditure, and N72.8bn on Capital items in 2018.

Nasarawa's IGR contributed only 16.18% of the state's Actual revenue (N38.16bn) in 2017. Given that Recurrent expenditure for that year was approximately N38.6bn, the state seems to be barely breaking even financially.

However,with the larger sums projected in the 2018 budget Nasarawa may embark on a path of fiscal hardship except it adjusts its expenditure pattern accordingly, and grows IGR simultaneously.

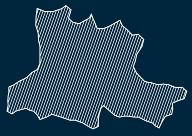
The state's IGR per capita comes to N2,447 per person.

As at year-end 2016, IGR was approximately N3.4bn, significantly down from 2014 and 2015 figures of N4.1bn and N4.3bn respectively.

Nasarawa is likely to struggle to meet her monthly Recurrent expenditure obligations in 2018, as its debt is rising.

In 2017, Total debt was approximately N90.65bn: Domestic debt at N71.36bn, up from N59.05bn in 2016, while External debt was $62.88mn in 2017 - a leap compared to 2016 levels of $49.9mn.

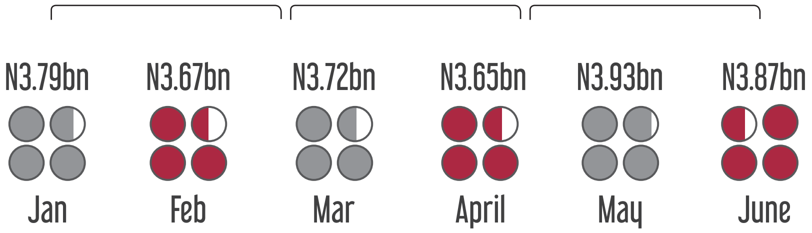
To remain financially buoyant, Nasarawa may need to make significant cuts to her Recurrent expenditure budget, especially all Overheads, as well as aggressively increase IGR, with a focus on how to draw the middle class and business owners who commute to and from neighbouring Abuja into its Pay As You Earn (PAYE) tax net, and justify this with top-notch service delivery, including road, rail and health infrastructure.

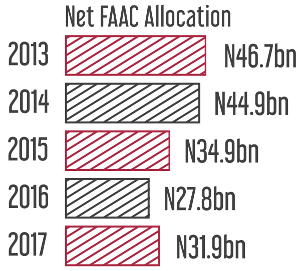


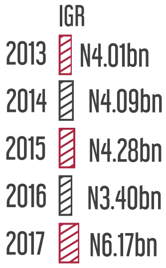
Nasarawa State

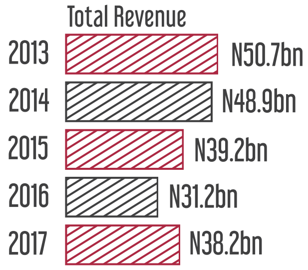
Home of Solid Minerals

Net FAAC Allocation 2018









Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)	Average Monthly VAT (Jan-Jun 2018)	Average Monthly 13% Share of Derivation (Jan-Jun 2018)	Average Monthly IGR (Jan-Jun 2018)
N2.98bn	N787.7m	Nil	N514.5m

Average Monthly Revenue

N4.29bn*

(Jan-June 2018)

N71.4bn
Domestic Debt
(2017)

$62.9m
External Debt
(2017)

EXPENDITURE

N2.01bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

N2.43bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

AVERAGE MONTHLY RECURRENT EXPENDITURE

N4.44bn*

(Jan-June 2018)

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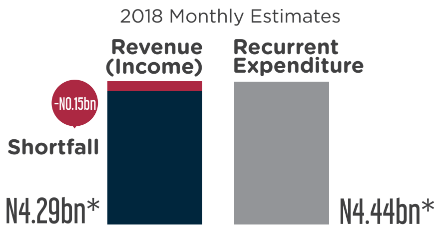
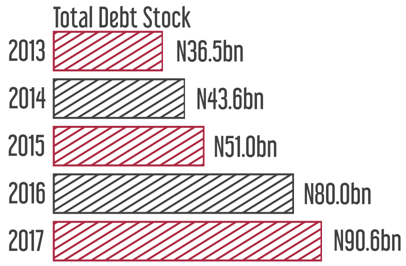
Ability to Meet Monthly Recurrent Expenditure Commitments





Source: NBS, OAGF, DMO, World Bank, BudgIT Research

BudgIT Estimate*

Grains & Bauxite/ Aluminum

Nasarawa State
Home of Solid Minerals

In terms of grain cultivation, Nasarawa could make use of the Benue River to boost its agricultural earnings and diversify its current crop portfolio. Nasarawa's strong agrarian economy could be further pushed towards profitability, if the government pursues collaborations with organised private stakeholders, to restart some of its comatose agro-allied factories.

For the export markets, Nasarawa may seek a share of the soybean/maize production and export pie; global production of soybean in 2016 was approximately 335 million tons.

Nasarawa, could therefore expand production by 5 million tons in the medium term, and possibly see export revenue worth about $1.5bn.

As for maize, global exports in 2017 totalled $29.6bn, with North American countries behind 35% of this sum - or $10.4bn. In second place was Europe, cornering 30.6% of the market, while 30% of worldwide shipments originated from shippers in Latin America (excluding Mexico) and the Caribbean. Africa, at 2.4%, Asia at 1.9% and Oceania at 0.1% are much smaller exporters of corn. Nasarawa could change these dynamics by expanding production by 10 million tons and bag export revenue projected at $2.5bn over the next few years.

Strategic mining is also crucial, as Nasarawa sits atop huge deposits of bauxite; a solid mineral commodity used to produce aluminum.

The state may choose to enter into joint-venture agreements to explore and mine this commodity, and become a major producer and exporter of aluminum roofing sheets, as well as other associated commodities.

Whatever means or commodities it chooses to broaden its revenue base, Nasarawa will have to find a way to connect with the Lagos-Kano railways, or leverage on the Niger river waterways to ensure access to market.

Niger

Sustainability Rank 17

> The state is advised to boost its earning power by focusing on its prime assets; hydroelectric power and agriculture, for greater profitability, and by extension, increased financial progress.

Niger state has announced a budget worth N134.29bn;[28] a rise of about 15% from the N116bn cited in the 2017 budget.

Capital expenditure for 2018 is pegged at N81.04bn, (compared to N67bn in 2017), while Recurrent expenditure is expected to be in the region of N53.24bn.[29]

Actual revenue in 2017 was N48.99bn. This is a shade higher than the N48bn Niger delineated for Recurrent expenditure that same year.

The implication is that despite being home to two of Nigeria's major hydroelectric power stations (the Kainji and Shiroro dams), Niger unfortunately seems to have little financial power to keep its economy stable.

Total debt as at the end of fiscal year 2017 was N57.46bn, and Domestic debt grew to N40.03bn in 2017, from N24.7bn in 2013. Niger's External debt as at 2017 was $56.82mn, from 2016 levels of $45.35mn.

The state's IGR which constitutes only 13.3% of all revenue in 2017 needs to grow tangibly, if Niger hopes to achieve its documented fiscal plans covering 2018-2021.

This is because IGR over the last five years grew at an annual average of 13.2%, from N4.12bn to N6.52bn; IGR in 2014, 2015 and 2016 was N5.74bn, N5.98bn and N5.88bn respectively. At N1,173 per person, Niger's IGR per capita can be considered abysmal.

The state is advised to boost its earning power by focusing on its prime assets; hydroelectric power and agriculture, for greater profitability, and by extension, increased financial progress.

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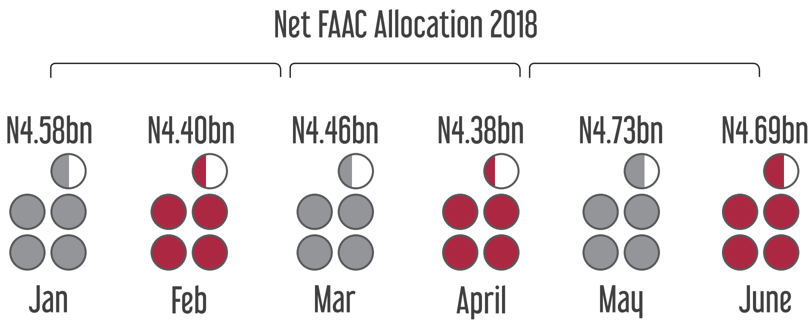
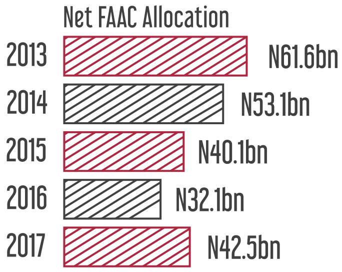
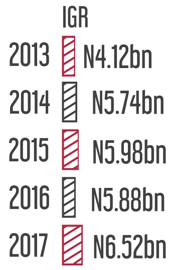
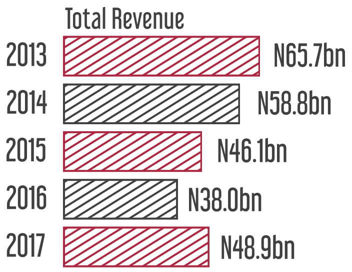
[28] https://www.premiumtimesng.com/regional/north-central/262554-niger-gov-signs-n134-billion-2018-budget.html
[29] https://www.channelstv.com/2018/03/21/niger-governor-signs-2018-budget/









Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)
N3.55bn

Average Monthly VAT (Jan-Jun 2018)
N980.9m

Average Monthly 13% Share of Derivation (Jan-Jun 2018)
Nil

Average Monthly IGR (Jan-Jun 2018)
N543.2m

Average Monthly Revenue

N5.08bn*
(Jan-June 2018)

N40.0bn
Domestic Debt
(2017)

$56.8m
External Debt
(2017)

EXPENDITURE

N2.38bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

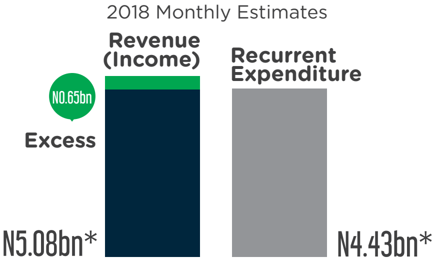
N2.06bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

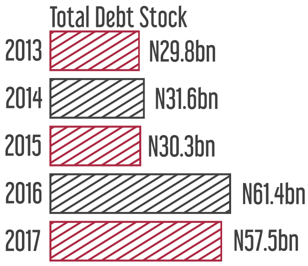
AVERAGE MONTHLY RECURRENT EXPENDITURE

N4.43bn*
(Jan-June 2018)

Download: State of States Datasheet (CSV)

Ability to Meet Monthly Recurrent Expenditure Commitments





Source: NBS, OAGF, DMO, World Bank, BudgIT Research BudgIT Estimate*

Shea & Grain

Niger
State
The Power State

Niger must begin to look inwards to make, and maintain financial progress. The state could exploit its land and water resources to repurpose itself as a leading grain producer in Africa, harnessing these to increase agricultural production focused on the food, biofuel and feed industries.

Niger could also tap into its hydroelectric and wind power credentials, to accelerate industrialisation within and outside of its borders. Work on a renewable energy mini-grid project to provide electricity across the state is encouraged, and advised to remain a priority.

Niger could focus on net exportation of sorghum, as it has the capacity to expand production by 20 million tons in the medium term, and thereby generate income of about $4bn.

The state may also choose to aggressively formalise the existing trade in shea nut. The global market for shea butter is estimated to be in the region of $20bn, and projected to top $30bn by 2020.

With yield estimated at 500kg of shea butter from one tons of shea nut, Nigeria could expand production by 1 million tons in the medium term, to possibly see export revenues worth about $1.5bn.

Niger state stands to benefit from this sector, but must consider significant investment amounting to at least $150mn, to put more hectares under shea tree cultivation.

Niger's location places it in Nigeria's mineral resources belt. Rich commercial deposits of talc, gold, silica, marble, iron, feldspar, lead and limestone could be used for domestic and export purposes. In particular, being a uranium exporter since the 1960s, the state may also choose to improve investment in this sector and do so within global guidelines.

To maximise profit for all these commodities, the Baro River Port – if completed – could become a major logistics hub for goods coming from Kebbi, Sokoto and Zamfara.

As Niger is also on the Lagos-Kano rail corridor, the Baro Port could also service Kaduna, Kano and Katsina, bringing in more avenues for earning income on behalf of the people.

Plateau

Sustainability Rank 31

> With IGR per capita at N2,568 per person, Plateau may need to cut down on its Recurrent expenditure budget (especially its Overheads), as well as aggressively increase IGR, which contributed 26.7% to its Total revenue pool in 2017.

Plateau state plans to spend N146bn in the 2018 financial year,[30] from N139.49bn in 2017.

The 2018 figures are similar to those from 2016, when the budget was N146.7bn.

A review of available fiscal records suggest the state's non-familiarity with its own spending patterns; despite hinging its 2017 budget on Revenue projections of N75.7bn, Actual revenue was only N40.41bn that year.

Also, though Plateau had a budget size N139.49bn in 2017, the Actual spend was N65.58bn; for instance, N70.13bn was proposed for capital items, but the amount spent was recorded as N11.53bn. Furthermore, a total of N54.05bn was spent on Recurrent expenditure in 2017, as against the budget projections of N75.9bn.[31]

These widely varying figures mean Plateau could enter another round of astronomical debt growth without careful consideration of revenue, which has been insufficient to cover Recurrent expenditure obligations.

Total debt stood at N131.57bn at the end of 2017 and appears set to grow; Domestic debt jumped from 2013 levels of N52.42bn to N122.35bn in 2017.

However, External debt was $30.07mn, slightly up from $29.14mn in 2016.
Plateau's self-announced goal to grow its IGR significantly seems to have failed - in 2017, budget projections called for IGR uptake of N23bn, yet Actual IGR was N10.79bn.

This was however a rise from 2016 and 2015 levels of N9.19bn and N6.94bn respectively.

With IGR per capita at N2,568 per person, Plateau may need to cut down on its Recurrent expenditure budget (especially its Overheads), as well as aggressively increase IGR, which contributed 26.7% to its Total revenue pool in 2017.

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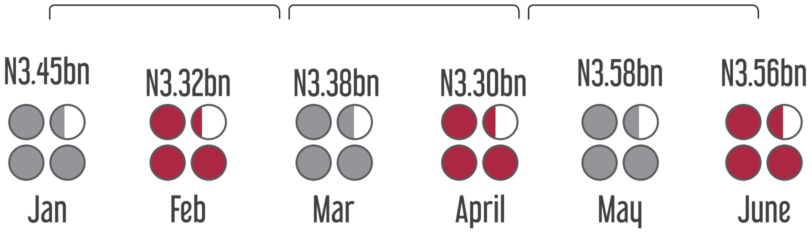
[30] http://www.tribuneonlineng.com/lalong-signs-n146bn-budget-for-2018-into-law/

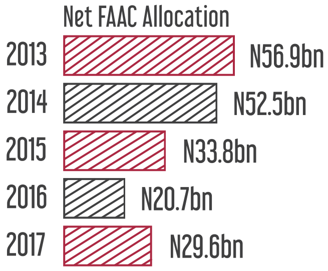
[31] https://www.plateaustate.gov.ng/themes/plsg/downloads/PLATEAU%20STATE%202018%20APPROVED%20BUDGET%20VERSION%201.pdf

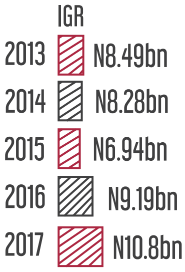
Plateau State

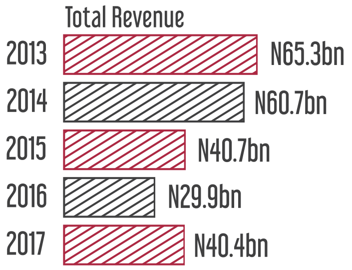
Home of Peace and Tourism

Net FAAC Allocation 2018




Net FAAC Allocation


IGR


Total Revenue

Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)
N2.52bn

Average Monthly VAT (Jan-Jun 2018)
N914.9m

Average Monthly 13% Share of Derivation (Jan-Jun 2018)
Nil

Average Monthly IGR (Jan-Jun 2018)
N899.0m

Average Monthly Revenue

N4.33bn*
(Jan-June 2018)

N122.3bn
Domestic Debt
(2017)

$30.1m
External Debt
(2017)

EXPENDITURE

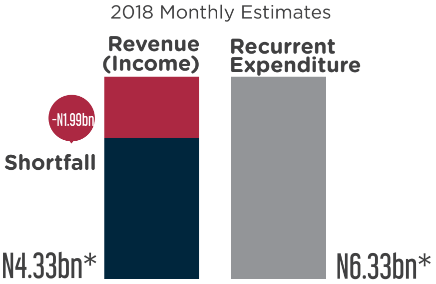
N2.22bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

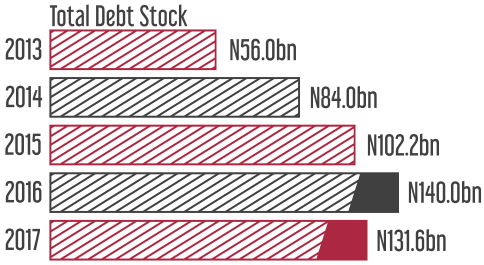
N4.11bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

AVERAGE MONTHLY RECURRENT EXPENDITURE

N6.33bn*
(Jan-June 2018)

Ability to Meet Monthly Recurrent Expenditure Commitments


2018 Monthly Estimates


Total Debt Stock

Source: NBS, OAGF, DMO, World Bank, BudgIT Research BudgIT Estimate*

Exotic Crops

Plateau State

Home of Peace and Tourism

Plateau lies atop a very unique climate and favourable soil that are both suitable for growing some exotic crops, vegetables and fruits, including Irish potatoes, strawberry, beetroot, celery, broccoli and blackcurrants.

These fruits and vegetables are hardly grown in any other part of the country, placing the state in pole position to become a hub for food exports in Africa.

To achieve this, Plateau would need to place more land under cultivation, and augment this with a sterling transportation plan, while greater investment in Irish potato processing plants will be needed, to cut down on wastage.

One development worth watching which may yet boost Plateau's industrialisation credentials and its revenue base is the ongoing 700-hectare potato project, which lies across Kwaal and Gyel communities.

Projected to ensure the capital Jos makes Nigeria emerge as West Africa's largest potato producer in the nearest future, the scheme is expected to result in the production of 100 tonnes of the staple per day.

Global exports of potatoes totaled $4.1bn during 2017 for spuds in their raw form. In addition, the value of shipments for prepared or preserved potatoes, including frozen French fries, represents another $9.3bn - Netherlands, Belgium, United States and Canada exported frozen french fries worth $2.2bn, $2bn, $1.4bn and $1.1bn respectively in 2017.

Plateau could purposely work towards the exportation of frozen French fries. Sales into the African market under the ACFTA could top $500mn in the medium term.

Plateau's unique weather is not just suited to agriculture; places like the Jos wildlife Safari Park, Zoological Gardens and Asop Falls will likely appeal to a wider range of tourists across the globe, throughout the year.

For this to happen however, the security situation in the state will have to improve markedly.

South South

EDO

SHEA & GRAIN

If Edo puts 400,000 hectares under rubber cultivation and invests in research to take yield above four tons per hectares, its rubber-based economy could top $3bn in the near term, on the back of efficient distribution through the seaport.

CROSS RIVER

GRAINS & ANIMAL FEED

Cross River could also elect to place 500,000 hectares or more of farmland under palm plantation, for the sole purpose of exporting palm oil and creating jobs along the value chain. Exports of palm oil totaled US$33.3bn in 2017, and Nigeria is the 4th largest producer of palm oil (behind Indonesia with 53.3% of global output, Malaysia (28.8%) and Thailand (4%)), accounting for 2.6% of total global output at a production quantity of 7.8mn tons.

DELTA

ENGINEERED WOOD

The market for engineered wood is growing rapidly at about 24.8% yearly, and is expected to be valued at $42bn by 2022.Nigeria presently imports almost all engineered wood, with commercial vehicles and train manufacturers currently pushing demand up - due to the application of these products in automotive flooring.

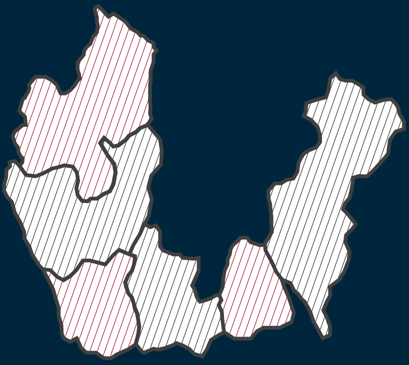
Population

28,829,288

2016 Estimate (CBN)

South South

Export Potential



BAYELSA

BIOPLASTICS

Bayelsa may also develop its human resources for deployment in mariculture, a specialized branch of aquaculture involving the cultivation of marine organisms for food and other products in the open ocean. As the global canned seafood market size was estimated at $21.50bn in 2016, the state may choose to build her manufacturing base around seafood

RIVERS

BIOFUEL (ALGAE)

With a rich network of coastlines that run into the Atlantic Ocean, an added aquaculture market is available for the taking.The government will however have to formally support artisanal fishermen in the riverine areas, to tangibly transform Rivers' agriculture economy from subsistence to industrial levels.

AKWA-IBOM

FISH

Nigeria's fishing sub-sector is worth an estimated N530bn, and a significant market share is Akwa Ibom's for the taking, if attention is paid to various aspects of the value chain, including seismic data acquisition, geotechnical engineering and aqua-processing services. For instance, about 70-80% of the seafood consumed in the UK comes from outside its borders.

Akwa Ibom

Sustainability Rank 5

> To boost earnings, the state could take advantage of its relative peaceful status to attract international firms within the extractives sector aiming to set up shop in the Niger Delta.

Akwa Ibom is Nigeria's largest oil producing state, churning approximately 504,000 barrels per day. Budget-wise, she plans to spend N646.6bn[32] in 2018, a jump from 2017 approved estimates of N485.792bn[33].

The state's Total revenue for 2017 was N159.57bn, yet its budget for 2018 on capital items alone is N437.674bn.

Though Akwa Ibom's revenue is not expected to go beyond N180bn, annual Recurrent expenditure is expected to reach N214bn in 2018 (from 2017 levels of N169.3bn). Therefore, the earlier-mentioned N646.6bn budget for the state in 2018 appears overly optimistic, and may push Akwa Ibom's debt profile beyond manageable thresholds.

A breakdown of Akwa Ibom's revenue shows that its IGR of N15.96bn, constituted a meagre 10% of its income in 2017. Currently, nearly all the state's earnings are comprised of Statutory revenue, Value Added tax and the 13% derivation fund.

As at year-end 2016, IGR stood at N23.269bn, rising from N14.791bn in 2015; but as shown by the N15.9bn IGR for 2017, the recent gains made are being erased.

For previous years, IGR in 2013 and 2014 was N15.398bn and N15.676bn respectively.

The 2017 numbers also reveal that with Revenue significantly lower than Akwa Ibom's estimated Recurrent expenditure, the state could lean more towards debt accumulation. Over the past four years, Domestic debt grew by 35.44% per annum, while IGR growth averaged a modest 6.75% per year.

In actual terms, Domestic debt rose from N81.756bn in 2014, to N155.4bn as at the end of 2016, and was an estimated N187.3bn as 2017.

Should Akwa Ibom seek to take up more debt, the numbers may increase significantly in the coming months; its Recurrent expenditure which is in the region of N213.826bn must therefore undergo sharp cuts, particularly as trends suggest that revenue will not significantly surpass N180bn.

Akwa Ibom will also need to improve its IGR uptake, which amounts to N2,911 per capita in 2017.

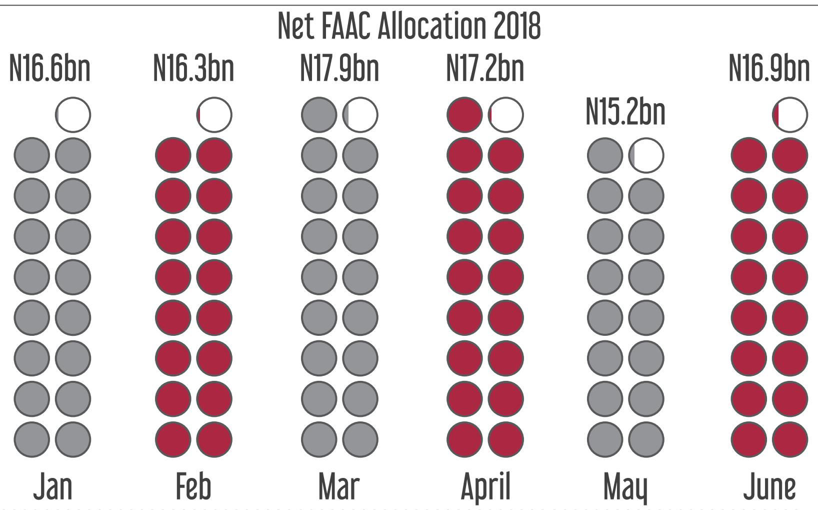
This is a comparably low figure, compared to states like Lagos, Rivers and Ogun, which bagged N26,610, N12,252 and N14,343 respectively as IGR per person, in 2017.

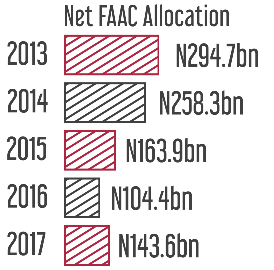
To boost earnings, the state could take advantage of its relative peaceful status to attract international firms within the extractives sector aiming to set up shop in the Niger Delta.

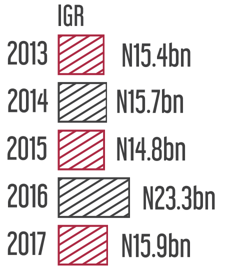
[32] http://dailypost.ng/2018/02/22/akwa-ibom-governor-emmanuel-signs-n646-6bn-2018-budget/
[33] http://www.unofficial-udomemmanuel.org/budget/full-address-akwa-ibom-state-2018-budget-proposals/

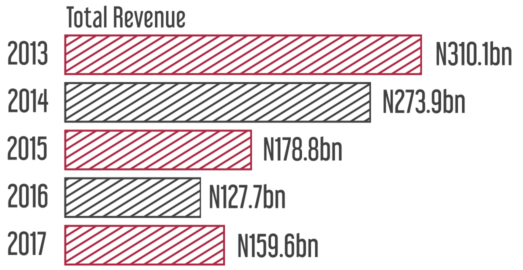
Akwa-Ibom State

Land of Promise









Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)
N2.95bn

Average Monthly VAT (Jan-Jun 2018)
N999.8m

Average Monthly 13% Share of Derivation (Jan-Jun 2018)
N12.7bn

Average Monthly IGR (Jan-Jun 2018)
N1.33bn

Average Monthly Revenue

N18.03bn*

(Jan-June 2018)

N187.3bn
Domestic Debt
(2017)

$50.5m
External Debt
(2017)

EXPENDITURE

N4.43bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

N13.53bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

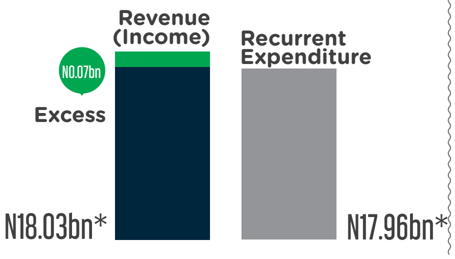
AVERAGE MONTHLY RECURRENT EXPENDITURE

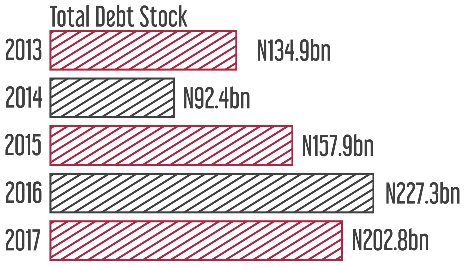
N17.96bn*

(Jan-June 2018)

Ability to Meet Monthly Recurrent Expenditure Commitments

2018 Monthly Estimates





Source: NBS, OAGF, DMO, World Bank, BudgIT Research BudgIT Estimate*

Fish

Akwa-Ibom
State
Land of Promise

Akwa Ibom can utilise the advantage of its access to the Atlantic ocean to boost its earning power, via a thriving aquaculture industry.

Nigeria's fishing sub-sector is worth an estimated N530bn, and a significant market share is Akwa Ibom's for the taking, if attention is paid to various aspects of the value chain, including seismic data acquisition, geotechnical engineering and aqua-processing services.

For instance, about 70-80% of the seafood consumed in the UK comes from outside its borders. Akwa Ibom can meet demand by becoming a major export base for seafood including fish and shrimps.

The export market for frozen fish was in the region of $23.7bn in 2017. European and Asia countries accounted for the highest dollar value worth of frozen fish exports, with shipments accounting for 33.7% and 32.5% respectively. Latin America and the Caribbean account for a 10% share, while the African market follows, at 5.9%.

Akwa Ibom can emulate the Faroe Islands, which had fish exports worth $363.9mn in 2017.

Akwa Ibom's crisp waters could back fish exports in the region of $1bn in the near term, with cascading effects on the state's revenue uptake.

Activating the proposed Ibom Deep Sea Port, alongside the Ibom Industrial Free Trade Zone will elevate the level of infrastructure necessary for importation and export of other products.

For instance, these facilities could also benefit Akwa Ibom's fledgling petrochemicals sector, which constitutes industrial feedstock for the production of aspirin, carpeting, crayons, detergents, dyes, fertilizers, herbicides and pesticides.

Elsewhere, Akwa Ibom is sitting atop 708,100 arable hectares, and already planning to expand cocoa cultivation to approximately 32,000 hectares within four years. We argue that the state may need to expand land under cultivation beyond 100,000 hectares; given that yield is not expected to top one ton per hectare.

Cocoa cropping should be complemented by investments in the energy and infrastructure needs that shore up the state's chocolate manufacturing potentials.

Diversifying into palm and rubber cultivation/exports will also translate to greater financial security, as land under palm oil cultivation above 100,000 hectares could deliver over 50,000 jobs and 430,000 tons of crude palm oil (CPO) to the local and national economy.

Bayelsa

Sustainability Rank 3

> The State will emphatically need to reduce Recurrent expenditure - to ensure it can pay salaries, cover Overhead costs and service outstanding debts without resorting to excessive borrowing.

Bayelsa State, which hosts Nigeria's largest crude oil and natural gas deposits, is planning a spend of N318bn[34] for the 2018 financial year.

Actual Revenue for 2017 was N117.78bn, while Bayelsa's annual Recurrent Expenditure was an estimated N155.1bn. This shows a wide gulf between the state's Revenue and its Recurrent expenditure - excluding the additional costs of Capital Expenditure, which were pegged at N88.1bn in 2017.

With Revenue lower than Recurrent expenditure, Bayelsa has taken the route of borrowing and/or drawing down on savings. Efforts by the state to expunge ghost workers from the payroll system are welcome but further structural reform is called for, to tangibly reduce Recurrent expenditure.

This is because Bayelsa's Domestic debt grew from approximately N69.51bn in 2013 to N129.5bn in 2017; at an annual average of 18.15%. Domestic debt was N91.68bn, N103.37bn and N140.18bn in 2014, 2015 and 2016 respectively.

External debt was $47.8mn, effectively pegging the state's Total debt at N144.12bn as year-end 2017.

Analysis of the 2017 fiscal year shows that Bayelsa received N105.3bn from the FAAC and collected N12.5bn as IGR within the period under review. Bayelsa is thus dependent on federation revenue, as it accounted for 89.4% of total revenue in 2017.

Internally-generated revenue grew at an average of 8.25% between 2013 and 2017. In actual terms, IGR grew by approximately N2bn between 2013 (N10.5bn) and 2017 (N12.52bn) respectively.

Noteworthy is that IGR figures in Bayelsa appear to be witnessing this slight rise from a downward trend where IGR was N10.96bn, N8.71bn and N7.91 bn in 2014, 2015 and 2016 respectively.

Bayelsa will need to ramp up work on its budget to achieve realistic returns; the state is planning to spend N318bn in 2018, despite the likelihood that revenue may be less than half of this figure - N120bn.

The State will emphatically need to reduce Recurrent expenditure - to ensure it can pay salaries, cover Overhead costs and service outstanding debts without resorting to excessive borrowing. An overhaul of IGR measures may also boost Bayelsa's chances at fiscal stability - the state collected IGR per capita of N5498 per head in 2017.

This is between 50%-500% less than Lagos, Ogun and Rivers who generate annual IGR per capita of N26,610, N14,343 and N12,252 per head respectively.

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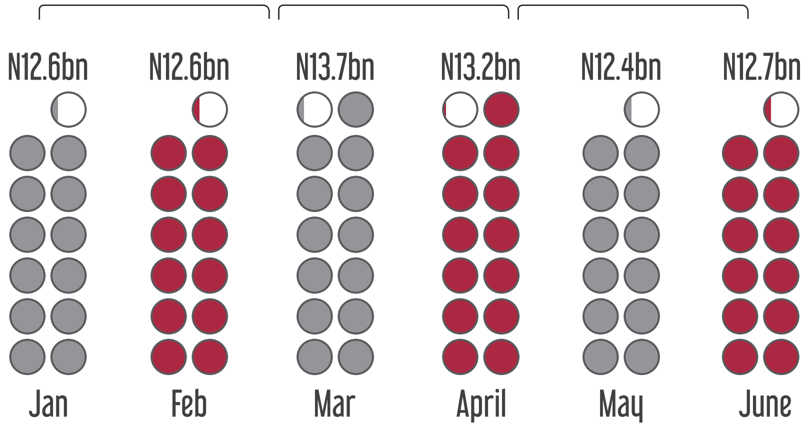
[34] https://www.vanguardngr.com/2018/04/968551/

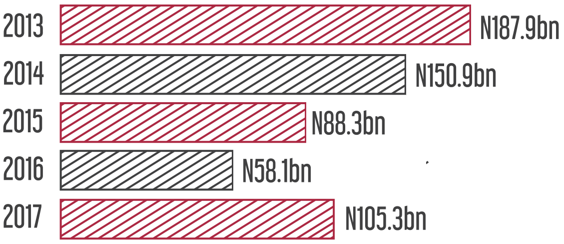
Bayelsa State

Glory of all Lands

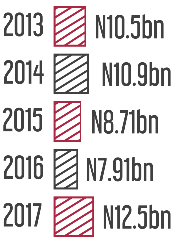
Net FAAC Allocation 2018



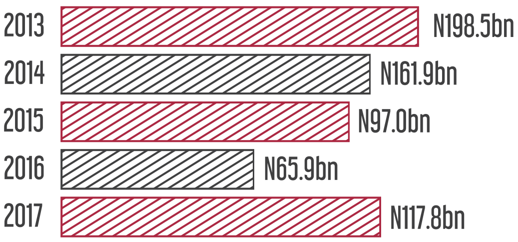
Net FAAC Allocation



IGR



Total Revenue



Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)
N1.89bn

Average Monthly VAT (Jan-Jun 2018)
N797.1m

Average Monthly 13% Share of Derivation (Jan-Jun 2018)
N10.2bn

Average Monthly IGR (Jan-Jun 2018)
N1.04bn

Average Monthly Revenue

N13.89bn*
(Jan-June 2018)

N129.5bn
Domestic Debt
(2017)

$47.8m
External Debt
(2017)

EXPENDITURE

N4.00bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

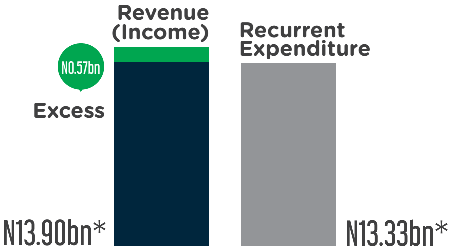
N9.33bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

AVERAGE MONTHLY RECURRENT EXPENDITURE

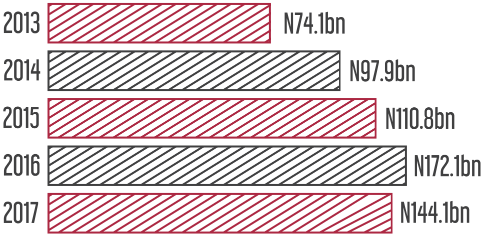
N13.33bn*
(Jan-June 2018)

Ability to Meet Monthly Recurrent Expenditure Commitments

2018 Monthly Estimates



Total Debt Stock



Source: NBS, OAGF, DMO, World Bank, BudgIT Research   BudgIT Estimate*

Bioplastics

Bayelsa State
Glory of all Lands

We advise that Bayelsa makes a departure from relying overwhelmingly on its share of oil derivation for its revenue. Surrounded by rivers and creeks, as well as numerous solid minerals and agricultural products, diversifying into aquaculture - with a focus on large-scale algae and fish farming - should be a priority. The key would be to build an economy that replaces plastic with bioplastic.

A likely market awaits in the Asia Pacific region, which is projected to become the world's largest consumer of bioplastics by 2020, followed by North America and Europe.

Eco-friendly initiatives by corporates and the availability of raw materials for manufacturing bioplastics are prominent factors driving growth in Asia Pacific bioplastics market; India alone exported plastic (including bioplastics) worth $8bn in 2017.

Bayelsa could potentially export bioplastic worth $15bn in the medium to long-term, if aggressive production and marketing strategies are put in place.

In particular, commercial and industrial algae cultivation form the basis for raw materials used in the production of omega-3 fatty acids, natural food colorants, fertilizers, bio-plastics and pharmaceuticals. Bayelsa could build algae ponds across its coastlines and leverage on its closeness to international waters to operate a bio-plastic powerhouse.

With the global market for bioplastics expected to reach $30.8bn by 2020, Bayelsa could readily begin the journey to transforming its economy away from oil. The state also holds significant aquaculture potentials, as algae are an important food source for some species of fish.

Bayelsa may also develop its human resources for deployment in mariculture, a specialized branch of aquaculture involving the cultivation of marine organisms for food and other products in the open ocean. As the global canned seafood market size was estimated at $21.50bn in 2016, the state may choose to build her manufacturing base around seafood and ready-to-eat seafood products.

However, a compulsory element to this would be improving Bayela's distribution infrastructure.

The plastics industry is evolving at a fast rate; analysts foresee bioplastics will exhibit tremendous growth over the next decade and investors will likely set their sights on proactive bioplastics manufacturers.

Bayelsa could exploit these dynamics, to great financial advantage.

Cross River

Sustainability Rank 36

> It is financially short-sighted for the state to spend N1.3tn in 2018, while possibly still struggling to meet Recurrent expenditure commitments from 2017, which fell under a more modest N301bn budget proposal.

Cross River has one of the budgets for 2018 that cross into the staggering trillion-Naira mark. The state proposes a spend of N1.3tn in 2018, up from budget projections of N301bn in 2017.

Termed the "Budget of Kinetic Crystallisations," the state's 2018 fiscal plan is built around key infrastructure projects, hoping to spend 70% of its budget on the Bakassi Deep Seaport; Cross River Garment Factory and a "super-highway." Cross River has announced it aims to pool private investment in the identified infrastructure projects, but specifics on how this will be achieved remain unclear.

In 2017, Total revenue for the state (N45.56bn) was six times less than its current 2018 budget, which informs the view that Cross River state may have to realign its budget projections. It is financially short-sighted for the state to spend N1.3tn in 2018, while possibly still struggling to meet Recurrent expenditure commitments from 2017, which fell under a more modest N301bn budget proposal.

To shift focus, the infrastructural expansion plans that Cross River is hoping to push in the 2018 financial year may also raise her debt profile significantly.

Total debt as at year-end 2017 was approximately N177.16bn, with External debt growing to $167.9mn in 2017, from $114.9mn in 2016.

Domestic debt also rose to N125.65bn in 2017, from N116.06bn in 2013; on average, Domestic debt grew by 2.27% annually, between 2013 and 2017.

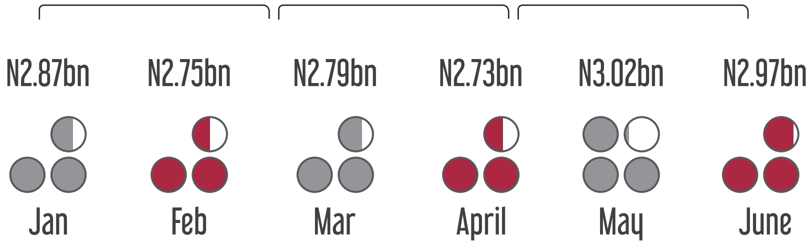
Internally-generated revenue (IGR) for Cross River in 2017 was recorded at N18.10bn, a leap from 2016 levels of N14.78bn; IGR was N12bn, N15.74bn and N13.57bn in 2013, 2014 and 2015 respectively.

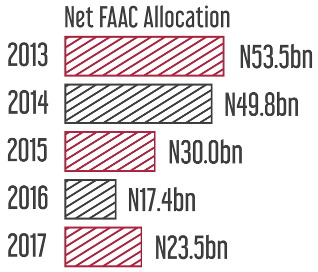
As IGR accounted for 43.57% of Cross River's revenue in 2017, while IGR per capita is N4,683 per head, the state will need to align its budget to suit the reality of its revenue-generating capacity.

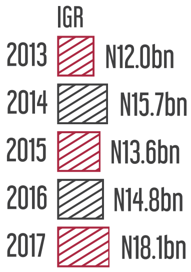
For instance, the 2017 budget called for Recurrent Expenditure spending of N74.52bn, while Actual revenue for that year was only N41.56bn.

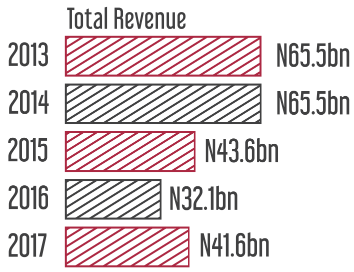
This means a gap of N32.96bn potentially exists in the recurrent part of the budget alone, a gap that the government must grapple with while currently navigating the 2018 budget outlay of N1.3tn.

Net FAAC Allocation 2018




Net FAAC Allocation


IGR


Total Revenue

Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)
N1.98bn

Average Monthly VAT (Jan-Jun 2018)
N878.9m

Average Monthly 13% Share of Derivation (Jan-Jun 2018)
Nil

Average Monthly IGR (Jan-Jun 2018)
N1.51bn

Average Monthly Revenue

N4.36bn*
(Jan-June 2018)

N125.6bn
Domestic Debt
(2017)

$167.9m
External Debt
(2017)

EXPENDITURE

N4.82bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

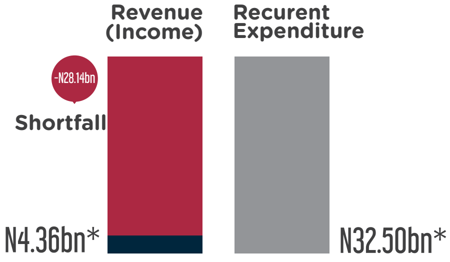
N27.68bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

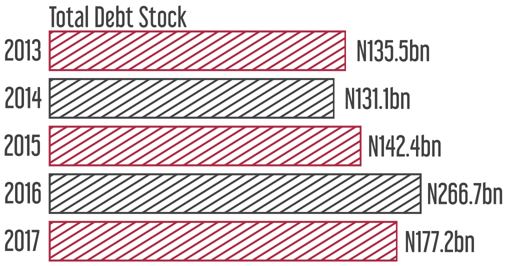
AVERAGE MONTHLY RECURRENT EXPENDITURE

N32.50bn*
(Jan-June 2018)

Ability to Meet Monthly Recurrent Expenditure Commitments

2018 Monthly Estimates




Total Debt Stock

Source: NBS, OAGF, DMO, World Bank, BudgIT Research BudgIT Estimate*

Palm Oil & Engineered Wood

Cross River
The People's Paradise

Cross River must exploit the fact that she accounts for approximately 58% of forests in Nigeria; a vast 6,000 square kilometers.

The state will have to find ways to sustainably manage these resources; its plans to build a superhighway through most of the forest, primarily to move goods from the Calabar port onwards, is understandably seen by critics as encouraging the deforestation of Nigeria on a large scale.

Alternatively, Cross River may seek to draw revenue via the carbon trading initiative, as well as through the exportation of engineered/composite wood by producing plywood, particleboards, fibreboards.

The latter will be achieved if the state harnesses its expansive timber industry, and given that abundant limestone deposits exist, Cross River could also aim to be a major exporter of building materials, all of which could directly assist Nigeria in closing her 20-million housing deficit.

Cross River could also elect to place 500,000 hectares or more of farmland under palm plantation, for the sole purpose of exporting palm oil and creating jobs along the value chain.

Exports of palm oil totaled US$33.3bn in 2017, and Nigeria is the 4th largest producer of palm oil (behind Indonesia with 53.3% of global output, Malaysia (28.8%) and Thailand (4%)), accounting for 2.6% of total global output at a production quantity of 7.8mn tons.

Should Cross River improve on its palm oil production, she could make about N2bn every year in export gains, inevitably boosting internally-generated revenue (IGR).

Cocoa cultivation is another commodity Cross River may delve into, provided all associated logistic infrastructure is extensively improved. The Calabar port will need to be dredged, and aggressive marketing will be the added complement to position the state as a hub of commerce for the South-south, South-east and North-east zones.

Whatever routes Cross River chooses, if the present administration aims to actualize its current ambitions towards industrial revolution, they must match investor funds with consistent delivery.

The deplorable state of the multi-million Naira Obudu Cattle Ranch and still remote access roads to this facility does not align with a state that professes to be interested in boosting its IGR figures.

Delta

Sustainability Rank 2

> The state should aim to expand its revenue base beyond the formal economy as well as reduce its Recurrent expenditure outlay and control debt accumulation.

Awash with huge deposits of crude oil, Delta State is planning to spend N308.89bn in 2018; a total sum of N161.61bn is earmarked for Capital expenditure in 2018 - a steep rise from the N136.44bn budgeted for 2017.

Personnel costs are admirably down by 11.10% to N71.56bn in the 2018 budget, compared to the N80.49bn projected in 2017.

However, Overhead costs remain relatively elevated; the price of keeping government running is projected to be about N70.71 bn for 2018, only slightly down from 2017 levels of N72.61bn.[35]

In total, the state has scheduled 47.68% of its 2018 budget (or N147.27bn) for Recurrent items, against expected revenue of N260.18bn.

With Actual revenue for Delta state being N163.09bn in 2017, compared with its Recurrent expenditure estimate of N158.01bn for the same year, there appears to be some semblance of fiscal balance.

Revenue estimates for 2018 at N229.62bn will however be a stretch, as the variance between the budget's projections and recorded Actual revenue is too wide.

The state may have to adjust its budget projections towards a more conservative figure and augment this with massive investment in capital projects that woo investors, particularly as volatility remains a factor in the global oil market.

Internally generated revenue(IGR) appears modest; N51.89bn was realised as IGR in 2017, accounting for 31.8% of the state's Total revenue. In 2016, 2015 and 2014, IGR fluctuated, at N44.8bn, N40.81bn and N42.82bn respectively.

Nevertheless, at N9,186 per head, its IGR per capita is almost triple the national average of N3,939.

Delta state will benefit from tightening its IGR strategies, as this component of its revenue base grew at a sluggish average of 1.58% between 2013 and 2017. The state should aim to expand its revenue base beyond the formal economy as well as reduce its Recurrent expenditure outlay and control debt accumulation.

Domestic debt for Delta state grew at an average rate of 32.19% between 2013 and 2017. However, Domestic debt has seen an admirable decline, down from 2015 levels of N320.61bn to N228.32bn in 2017.

External debt as at the conclusion of 2017 was $58.39mn, putting Delta State's total debt at N246.34bn.

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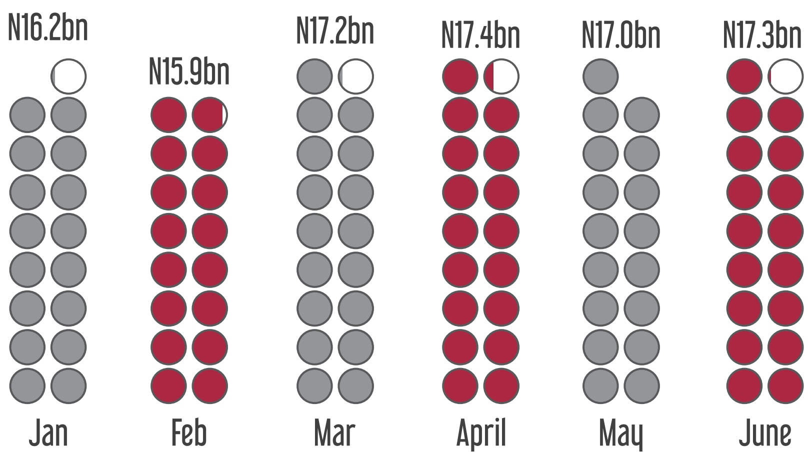
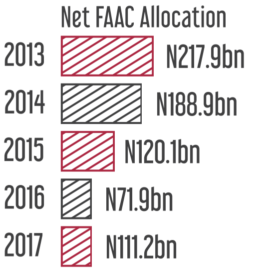
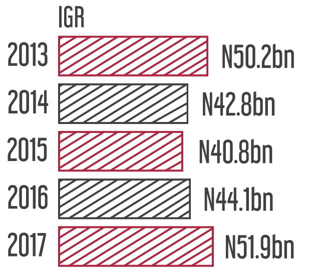
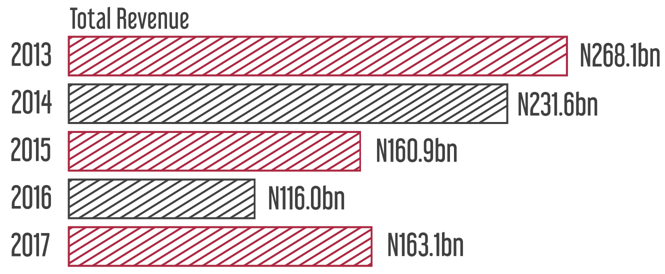
[35] http://yourbudgit.com/wp-content/uploads/2018/03/2018-Delta-state-Approved-Budget.pdf

Net FAAC Allocation 2018









Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)
N1.90bn

Average Monthly VAT (Jan-Jun 2018)
N1.07bn

Average Monthly 13% Share of Derivation (Jan-Jun 2018)
N13.9bn

Average Monthly IGR (Jan-Jun 2018)
N4.3bn

Average Monthly Revenue
N21.19bn*
(Jan-June 2018)

N228.3bn
Domestic Debt
(2017)

$58.4m
External Debt
(2017)

EXPENDITURE

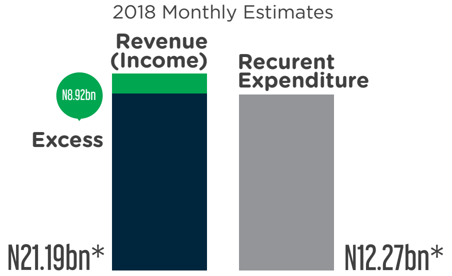
N5.96bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

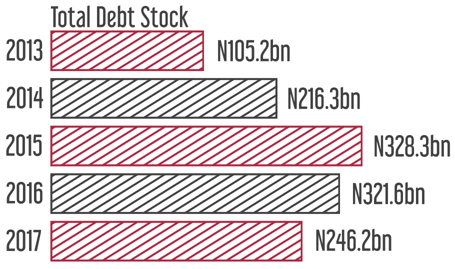
N6.31bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

AVERAGE MONTHLY RECURRENT EXPENDITURE
N12.27bn*
(Jan-June 2018)

Download: State of States Datasheet (CSV)

Ability to Meet Monthly Recurrent Expenditure Commitments





Source: NBS, OAGF, DMO, World Bank, BudgIT Research BudgIT Estimate*

Engineered Wood

Delta State
The Finger of God

With its extensive deposits of industrial clay, silica, lignite, kaolin, tar sand and limestone, Delta does not necessarily have to remain a predominantly crude oil and agro-based economy.

The state could launch into large-scale exporting of engineered/composite wood to service the manufacturing, interior decorating and housing industries.

Investments would also have to be diverted into converting Delta's hydrocarbon resources into adhesives that boost the production capacity of the engineered wood manufacturing sub-sector. The state will likely have to work with the federal government to negotiate trade deals with buyers of resulting end-products.

The market for engineered wood is growing rapidly at about 24.8% yearly, and is expected to be valued at $42bn by 2022.

Nigeria presently imports almost all engineered wood, with commercial vehicles and train manufacturers currently pushing demand up - due to the application of these products in automotive flooring.

Engineered wood like plywood also finds use in the marine industry for the construction of decks, and in the structural panel sector, where its uses include the manufacture of joists and beams that replace steel in many building projects.

Revenue from engineered wood could filter down to consumer levels, as the commodity is increasingly used in constructing homes, commercial buildings and offices.

In Africa, wood is mainly used for fuel, and consumption is in the region of 700 million cubic meters per annum. Demand for industrial wood on the continent is relatively small, making up only 5% of global demand but when merged with the use of wood as fuel, Africa consumes more wood overall than any other region, including North America.

Any demand for wood in Africa not covered by harvests from the continent's natural forests and vegetation is almost certainly imported.

Given that a need for industrial wood is projected to grow from 77 million m3 in 2016 to 300 million m3 by 2030, while supply will grow from 46 million m3 to 81 million m3 during the same period, forest plantations in Africa will meet less than 25% of industrial demand.

In reality, this might be somewhat optimistic, since some of the two-million hectare plantations owned by various Africa governments are poorly managed, and may be subject to deforestation. Nigeria could build a manufacturing economy around the sector; first to close the current gap in demand for wood, and thereafter adjust production sustainably.

As Delta is striving towards making a mark as a manufacturing hub, the state's lignite deposits could be explored for electricity generation, as every manufacturing hub needs power.

Also, Delta is connected to the Middle Belt region (a major grain producer) via rail and water; she can therefore leverage this to develop ports and establish an export hub for commodities along the rail corridor. Significant investments in silos, warehouses and personnel will be necessary, to ensure and sustain maximum operational capacity for greater revenue receipts.

Edo

Sustainability Rank 6

> With Edo planning to spend N150.09bn, but Revenue not expected to surpass N123.53bn, the state is looking at a budget deficit of N26.56bn.

Edo state is has a proposed budget of N150.09bn[36] in 2018, with 55% of the funds allocated to Capital expenditure; about N82.54bn.

The balance of N67.56bn will be spent on the payment of salaries, overheads and other Recurrent items. This is a slight rise from 2017, where Recurrent Expenditure was N66.04bn.

To fully implement the budget, Edo foresees a revenue uptake of N123.53bn, which is up 15.21%, compared to 2017 estimates of N107.22bn.

Internally-generated revenue (IGR) is expected to grow from N26.42bn in 2017 to N31.73bn in fiscal year 2018, while revenue from the Federation is projected to grow by N10bn and N1bn respectively.

With Edo planning to spend N150.09bn, but Revenue not expected to surpass N123.53bn, the state is looking at a budget deficit of N26.56bn. To plug this gap, Edo aims to raise N1.5bn from the Domestic debt market.

As at year-end 2017, the state's Domestic debt profile stood at N68.5bn; Edo also projects raising N25.06bn from the foreign debt market in 2018.

With its projected population of 4.24million people in 2016, Edo state will be spending approximately N150,000 per person in fiscal year 2018 ,if the budget is fully implemented.

However, Actual revenue may be lower, which could significantly impact on overall spending.
For instance, Edo anchored its 2017 budget projections on a FAAC revenue uptake of N58.75bn, but Actual FAAC receipts was N36.84bn; or only 62.7% of total revenue projections.

In all, Total revenue (from IGR and FAAC) in 2017 was N62.19bn, while its projected Recurrent expenditure was N66.03bn, meaning Edo may have resorted to borrowing or taking up grants to meet its Recurrent expenditure obligations.

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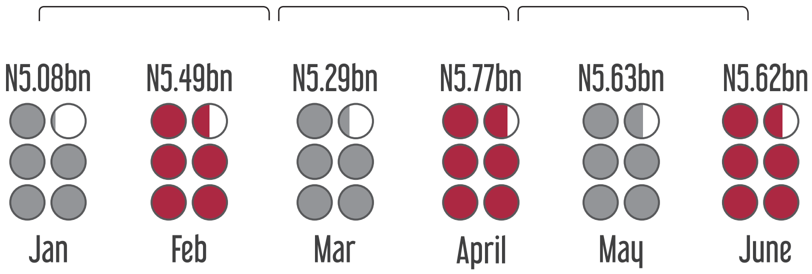
[36] http://yourbudgit.com/wp-content/uploads/2018/03/2018-Edo-State-Approved-Budget.pdf

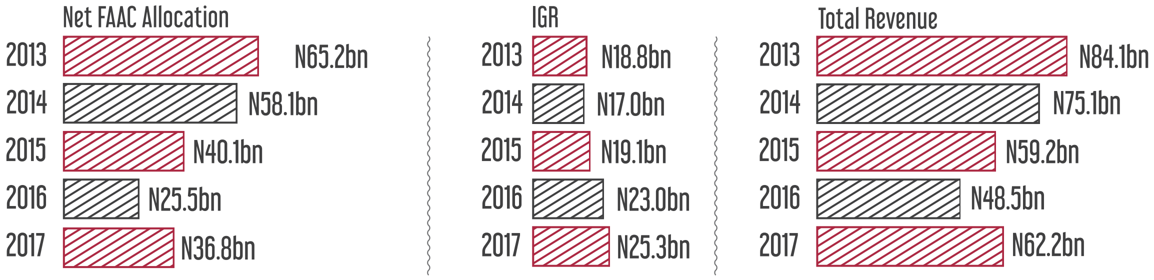
Edo State

Heartbeat of the Nation

Net FAAC Allocation 2018



Jan	Feb	Mar	April	May	June
N5.08bn	N5.49bn	N5.29bn	N5.77bn	N5.63bn	N5.62bn



Net FAAC Allocation	
2013	N65.2bn
2014	N58.1bn
2015	N40.1bn
2016	N25.5bn
2017	N36.8bn

IGR	
2013	N18.8bn
2014	N17.0bn
2015	N19.1bn
2016	N23.0bn
2017	N25.3bn

Total Revenue	
2013	N84.1bn
2014	N75.1bn
2015	N59.2bn
2016	N48.5bn
2017	N62.2bn

Structure of State's Revenue 2018

IGR	27.82%
NET FAAC	72.18%

> REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)	Average Monthly VAT (Jan-Jun 2018)	Average Monthly 13% Share of Derivation (Jan-Jun 2018)	Average Monthly IGR (Jan-Jun 2018)
N2.72bn	N983.3m	N1.77bn	N2.11bn

Average Monthly Revenue

N7.59bn*

(Jan-June 2018)

N68.5bn
Domestic Debt
(2017)

$232.2m
External Debt
(2017)

> EXPENDITURE

N2.65bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

N2.98bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

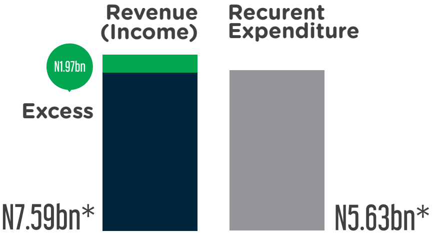
AVERAGE MONTHLY RECURRENT EXPENDITURE

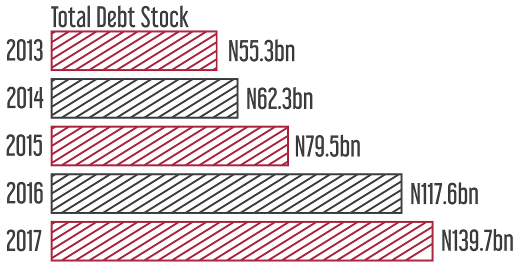
N5.63bn*

(Jan-June 2018)

> Ability to Meet Monthly Recurrent Expenditure Commitments

2018 Monthly Estimates





Total Debt Stock	
2013	N55.3bn
2014	N62.3bn
2015	N79.5bn
2016	N117.6bn
2017	N139.7bn

Source: NBS, OAGF, DMO, World Bank, BudgIT Research   BudgIT Estimate*

Rubber

Edo State

Heartbeat of the Nation

Edo state appears to have shown some initiative by trying to resuscitate its rubber and palm plantations in conjunction with the private sector, a move likely to increase earnings.

The plan is to “leverage on high-yielding varieties and long tradition of oil palm production to acquire about 100,000 hectares of land for the development of oil palm estates.”

We advise that the timelines in which this project will be achieved are crucial, if Edo hopes to make a dent in its debt profile and shore up revenue figures. The Gelegele Seaport, which is to be transformed into a container port, holds great promise, if Edo aggressively revitalises her rubber industry – especially as the commodity trades at about $2,000 per ton.

If Edo puts 400,000 hectares under rubber cultivation and invests in research to take yield above four tons per hectares, its rubber-based economy could top $3bn in the near term, on the back of efficient distribution through the seaport.

Despite increasing production capacity over the last seven years, Nigeria ranked 15 on the global production chart for rubber, as at 2016, with a capacity of 156,341 tons - a mere 1.19% of global output (at 13.15million tons).

This leaves a lot of market room, more so with the increasing application of rubber in the production of items such as stamp, shoes, mulch and roofing.

Edo can therefore achieve increase output by putting the following measures in place: mechanized farming; standard storage facilities; stellar transportation systems; processing facilities and alternate point(s) of export/exit point from the country. Formal trade agreements with any importing countries would also be a great advantage.

Investment in rail infrastructure could also potentially open Edo’s economy to the South-west and North-west corridor, ensuring smooth transfer of goods and services that in turn results in a larger transfer of funds into the public purse.

Rivers

Sustainability Rank 1

> To retain and elevate its revenue streams, Rivers State can also choose to tap into its various agricultural, aquaculture and tourism resources.

In fiscal year 2018, Nigeria's sixth most-populous state is planning to spend N510bn,[37] compared to the 2017 budget of N470bn and significantly above the 2016 budget, which was N307bn.

The state's Actual revenue of N209.12bn in 2017, when juxtaposed with its Recurrent expenditure obligation of N141bn in the same year, indicates Rivers is fiscally stable, and able to cover its Recurrent expenditure without resorting to borrowing.

Given that in 2018, Recurrent expenditure is expected to fall to approximately N132bn,[38] at face value, the state should have no problems paying its own way going forward.

Rivers is also one of Nigeria's richest, in terms of crude oil deposits; this position comes with a significant share of annual FAAC allocations.

In 2017, the state collected N119.63bn from the federation account, second only to Akwa Ibom. Internally-generated revenue (IGR) was approximately N89.48bn, contributing 42.79% of all income for 2017.

Rivers collected N12,252 per person as revenue, third in line to Lagos and Ogun state who have IGR per capita of N26,610 and N14,343 respectively. In 2015 and 2016, IGR for Rivers state was approximately N82.1bn and N85.2bn respectively.

Notwithstanding these laudable fiscal numbers, the state's revenue estimates for fiscal year 2018 look unrealistic - as suggested by figures from 2017.

Rivers state's revenue is not expected to surpass N260bn in 2018. Therefore, spending over N500bn on the back of potentially lower revenue could tilt the balance of its debt deeper into negative territory.

The state may then struggle to fund its expansive Capital expenditure plans pegged at N329bn, without the aid of donor funds or some form of domestic and/or foreign borrowing.

Total debt as at December 2017 was N211.64bn; the External debt component of this came to $66.77mn, while Domestic debt grew to N191.16bn in fiscal year 2017, from N91.76bn in 2013 to N142.42bn in 2016.

To retain and elevate its revenue streams, Rivers State can also choose to tap into its various agricultural, aquaculture and tourism resources. The government will however have to formally support artisanal fishermen in the riverine areas, to tangibly transform Rivers' agriculture economy from subsistence to industrial levels.

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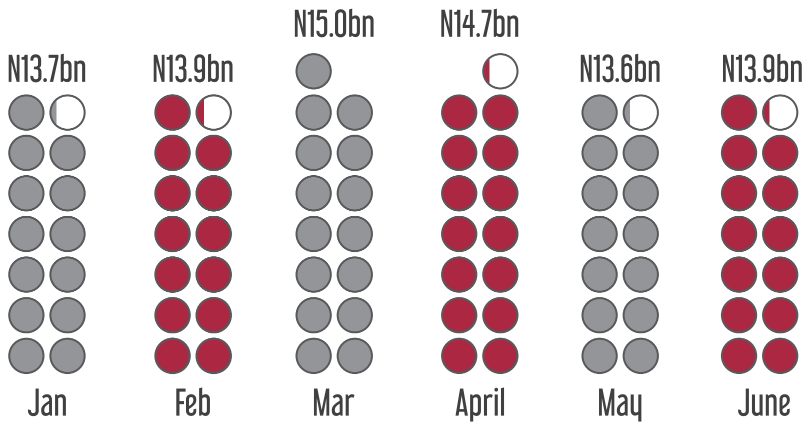
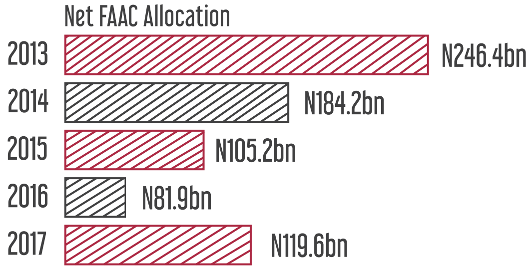
[37] https://www.vanguardngr.com/2018/01/rivers-assembly-passes-n510bn-2018-budget/
[38] https://www.vanguardngr.com/2018/01/wike-presents-n510bn-2018-budget-proposal-rivers-assembly/

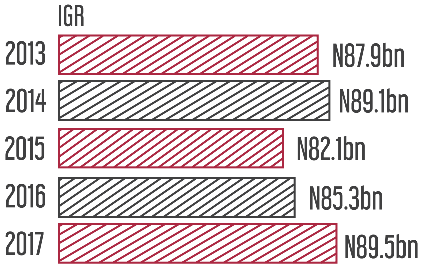
River State

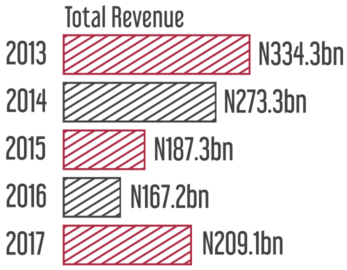
Treasure Base of the Nation

Net FAAC Allocation 2018









Structure of State's Revenue 2018

REVENUE

Average Monthly Statutory Allocation (Jan-Jun 2018)	Average Monthly VAT (Jan-Jun 2018)	Average Monthly 13% Share of Derivation (Jan-Jun 2018)	Average Monthly IGR (Jan-Jun 2018)
N2.88bn	N1.48bn	N9.81bn	N7.46bn

Average Monthly Revenue

N21.6bn*

(Jan-June 2018)

N191.2bn
Domestic Debt
(2017)

$66.8m
External Debt
(2017)

EXPENDITURE

N5.21bn*
AVERAGE MONTHLY PERSONNEL COST (JAN-JUN 2018)

N5.79bn*
AVERAGE MONTHLY OVERHEAD COST (JAN-JUN 2018)

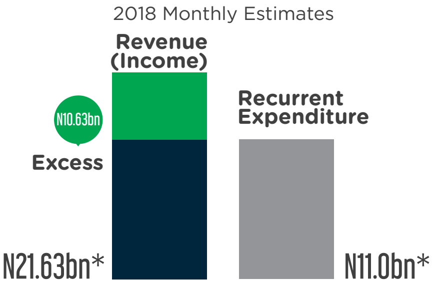
AVERAGE MONTHLY RECURRENT EXPENDITURE

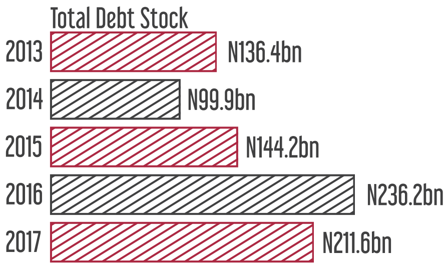
N11.00bn*

(Jan-June 2018)

Download: State of States Datasheet (CSV)

Ability to Meet Monthly Recurrent Expenditure Commitments





Source: NBS, OAGF, DMO, World Bank, BudgIT Research   BudgIT Estimate*

Biofuel (Algae)

River State

Treasure Base of the Nation

To keep revenue entering its coffers, Rivers state may decide to expand its various agricultural, aquaculture and tourism resources beyond oil.

With a rich network of coastlines that run into the Atlantic Ocean, an added aquaculture market is available for the taking.

The government will however have to formally support artisanal fishermen in the riverine areas, to tangibly transform Rivers' agriculture economy from subsistence to industrial levels.

Rivers state earns most of its income from crude oil, a commodity with an increasingly bleak outlook, as demand slows, amid production gluts.

Also, the global electric car market is expected to catch on across Europe, with battery-powered vehicles expected to account for all new cars sold in 11 European countries by as early as 2035.

Blessed with an upland area of 760,000 arable hectares, Rivers is a leader among its peers in the production of palm oil, yam, rice and beans.

The state could build a vibrant manufacturing-export industry based around that sector, if it engages speedily with the federal government to expand activities at the Rivers Port Complex.

This should be augmented with a full overhaul of the processes that cover the assessment, exploitation and management of the state's hydrocarbon potentials. We advise that Rivers becomes hands-on with the scheduled oil spill clean-up being mediated by the United Nations.

A speedy resolution of all existing crises which affect its crude earnings will also proactively free up revenue that can be channeled into diversifying Rivers' economy away from the finite commodity that is crude.

Rankings

ABILITY OF STATES TO MEET MONTHLY RECURRENT EXPENDITURE OBLIGATIONS JAN - JUNE, 2018)

States	Average Monthly Recurrent Expenditure (NGN'bn)	Average Monthly Revenue (NGN'bn)	Recurrent Expenditure Surplus/Deficit (NGN'bn)
ABIA	5.7	5.65	-0.05
ADAMAWA	6.5	4.47	-2.03
AKWA IBOM	17.96	18.03	0.07
ANAMBRA	5.37	5.85	0.48
BAUCHI	5.59	4.63	-0.96
BAYELSA	13.33	13.9	0.57
BENUE	4.23*	5.42	1.19
BORNO	5.27	5.42	0.16
CROSS-RIVER	32.5	4.36	-28.14
DELTA	12.27	21.19	8.92
EBONYI	3.56	4.03	0.47
EDO	5.63	7.59	1.97
EKITI	4.69*	3.4	-1.29
ENUGU	4.33*	6.01	1.69
GOMBE	4.41	3.88	-0.54
IMO	4.83	4.8	-0.02
JIGAWA	5.96	5.35	-0.62
KADUNA	4.80*	7.69	2.88
KANO	4.35*	10.18	5.83
KATSINA	4.28	5.24	0.95
KEBBI	3.58	4.69	1.1
KOGI	5.24	5.13	-0.11
KWARA	6.69	5.2	-1.49
LAGOS	28.92	37.75	8.83
NASARAWA	4.44	4.29	-0.15
NIGER	3.92*	5.08	1.16
OGUN	10.09	9.37	-0.72
ONDO	3.51*	6.07	2.56
OSUN	7.22	2.25	-4.97
OYO	10.14	6.56	-3.58
PLATEAU	6.33	4.33	-1.99
RIVERS	11	21.63	10.63
SOKOTO	5.63	4.95	-0.68
TARABA	4.27	4.23	-0.04
YOBE	3.9	4.5	0.6
ZAMFARA	3.87	3.61	-0.26

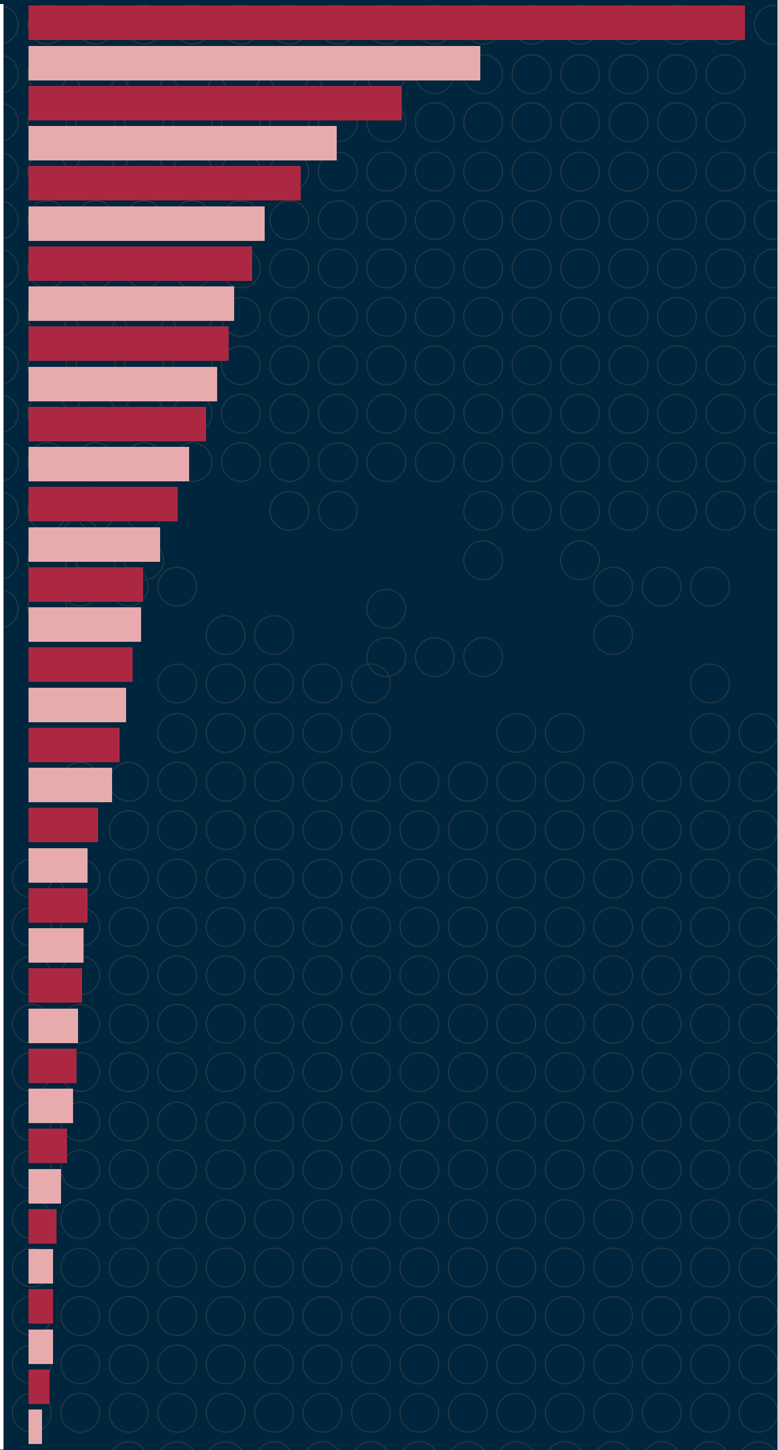
Source: OAGF, NBS, State Government websites, BudgIT Research

*Actual Recurrent Expenditure (Based on Audited Financial Statements)

🟩 Surplus 🟥 Deficit

INTERNALLY GENERATED REVENUE RANKING 2017

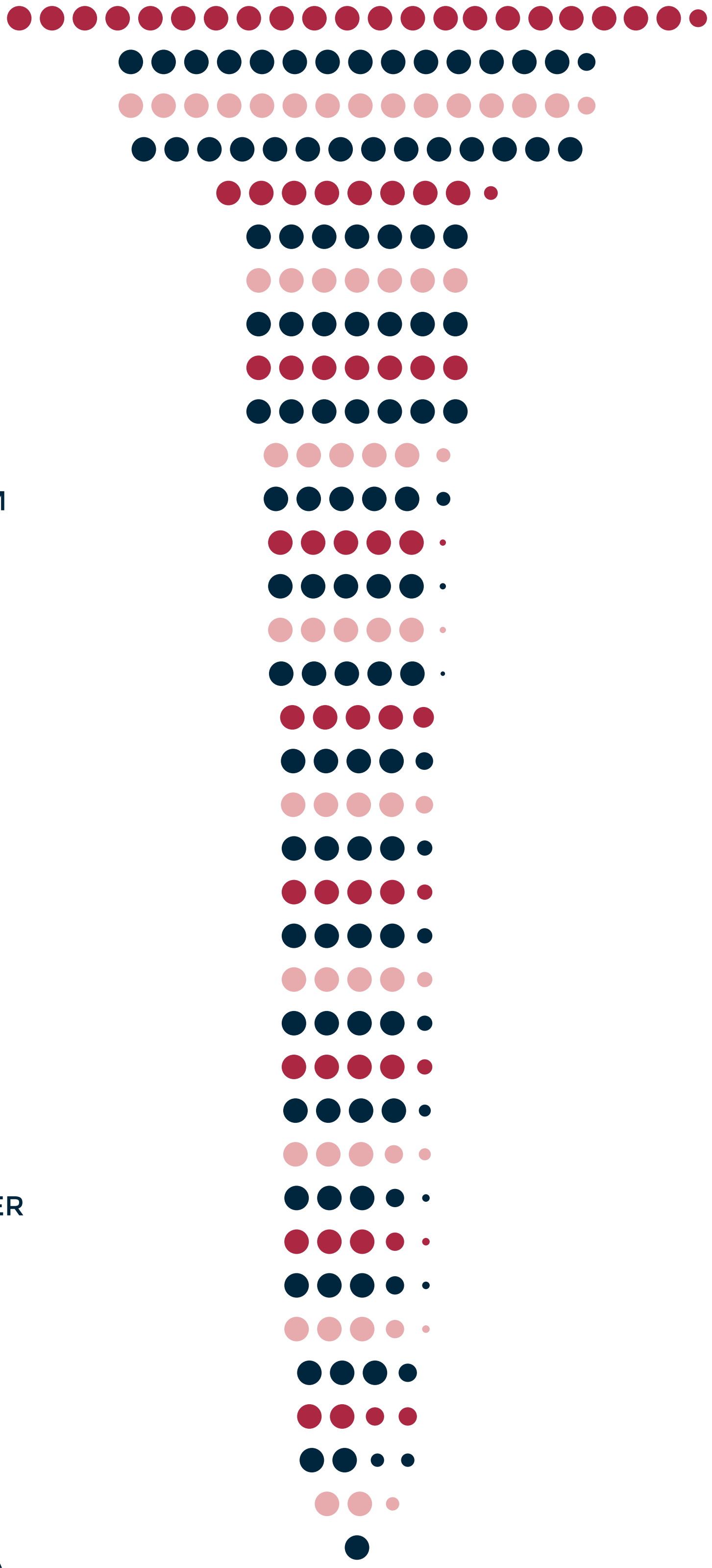
State	(NGN’bn)
LAGOS	333,967,978,880
RIVERS	89,484,983,409
OGUN	74,835,979,001
DELTA	51,888,005,338
KANO	42,418,811,471
KADUNA	26,530,562,881
EDO	25,342,829,212
OYO	22,448,338,825
ENUGU	22,039,222,903
KWARA	19,637,873,512
CROSS RIVER	18,104,562,226
ANAMBRA	17,365,385,831
AKWA IBOM	15,956,354,035
ABIA	14,917,141,806
BAYELSA	12,523,812,451
BENUE	12,399,414,558
KOGI	11,244,260,975
ONDO	10,927,871,480
PLATEAU	10,788,283,409
SOKOTO	9,018,844,307
IMO	6,850,796,866
JIGAWA	6,650,200,980
NIGER	6,517,939,033
OSUN	6,486,524,226
ADAMAWA	6,201,369,567
NASARAWA	6,174,136,953
KATSINA	6,029,850,858
ZAMFARA	6,023,994,931
TARABA	5,764,251,234
GOMBE	5,272,273,408
EBONYI	5,102,902,367
BORNO	4,983,331,049
EKITI	4,967,499,816
KEBBI	4,393,773,965
BAUCHI	4,369,411,450
YOBE	3,598,131,937



Source: NBS

AVERAGE MONTHLY VAT

JANUARY- JUNE, 2018



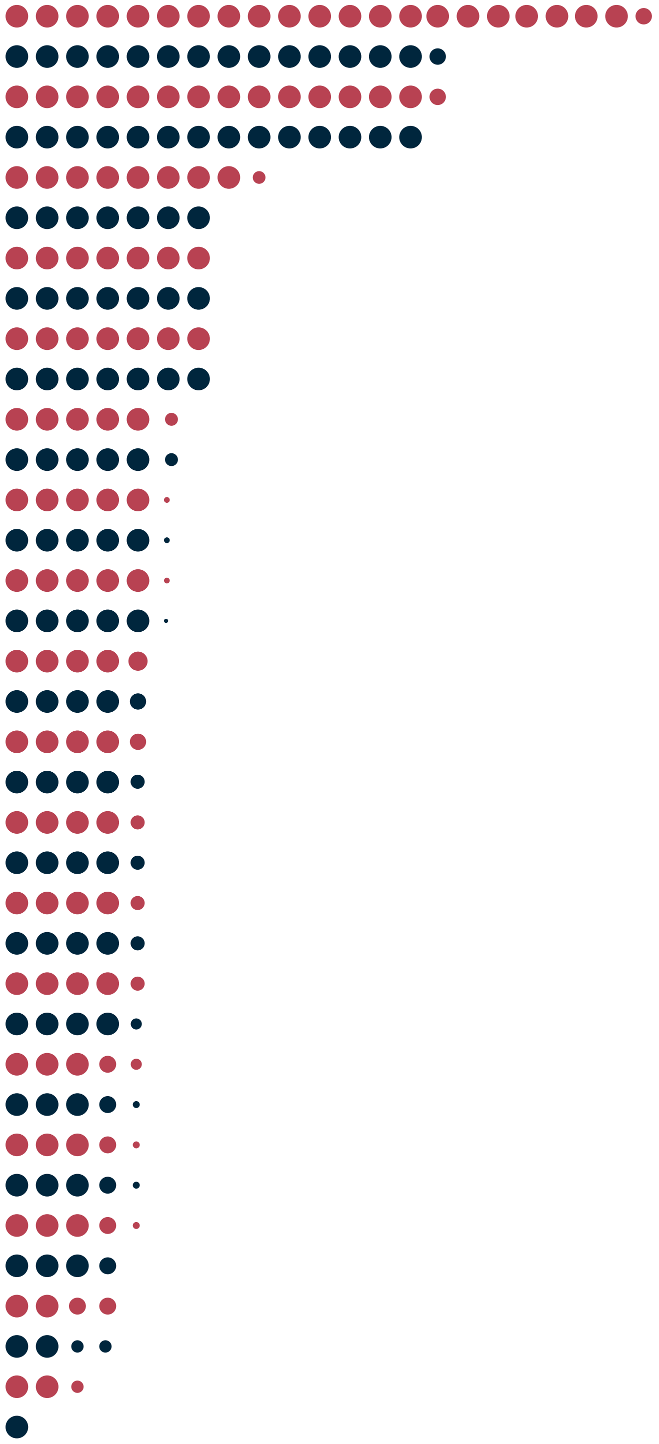
State	(NGN)
LAGOS	8,033,486,674.33
KANO	1,611,579,042.20
RIVERS	1,479,360,693.70
OYO	1,375,443,802.92
KADUNA	1,264,497,808.35
KATSINA	1,153,958,058.53
OGUN	1,073,051,769.39
DELTA	1,066,072,249.59
JIGAWA	1,053,685,948.59
ANAMBRA	1,039,095,961.67
BAUCHI	1,035,249,614.84
AKWA IBOM	999,807,172.21
BENUE	994,372,063.21
EDO	983,309,310.39
IMO	982,648,578.61
BORNO	982,039,892.95
NIGER	980,944,994.70
SOKOTO	940,894,406.80
ONDO	929,403,196.96
ENUGU	925,238,962.12
OSUN	924,835,685.06
KOGI	917,894,291.96
ADAMAWA	914,883,126.47
PLATEAU	914,852,402.05
KEBBI	914,055,341.05
ZAMFARA	903,162,844.68
ABIA	885,633,699.69
CROSS RIVER	878,993,879.95
KWARA	843,809,984.66
YOBE	833,002,601.55
EKITI	832,879,299.52
TARABA	824,942,908.26
EBONYI	824,128,401.85
GOMBE	822,613,429.09
BAYELSA	797,110,129.72
NASARAWA	787,652,119.47

Source: OAGF, BudgIT Research

TOTAL NET FAAC ALLOCATION

JANUARY - JUNE, 2018

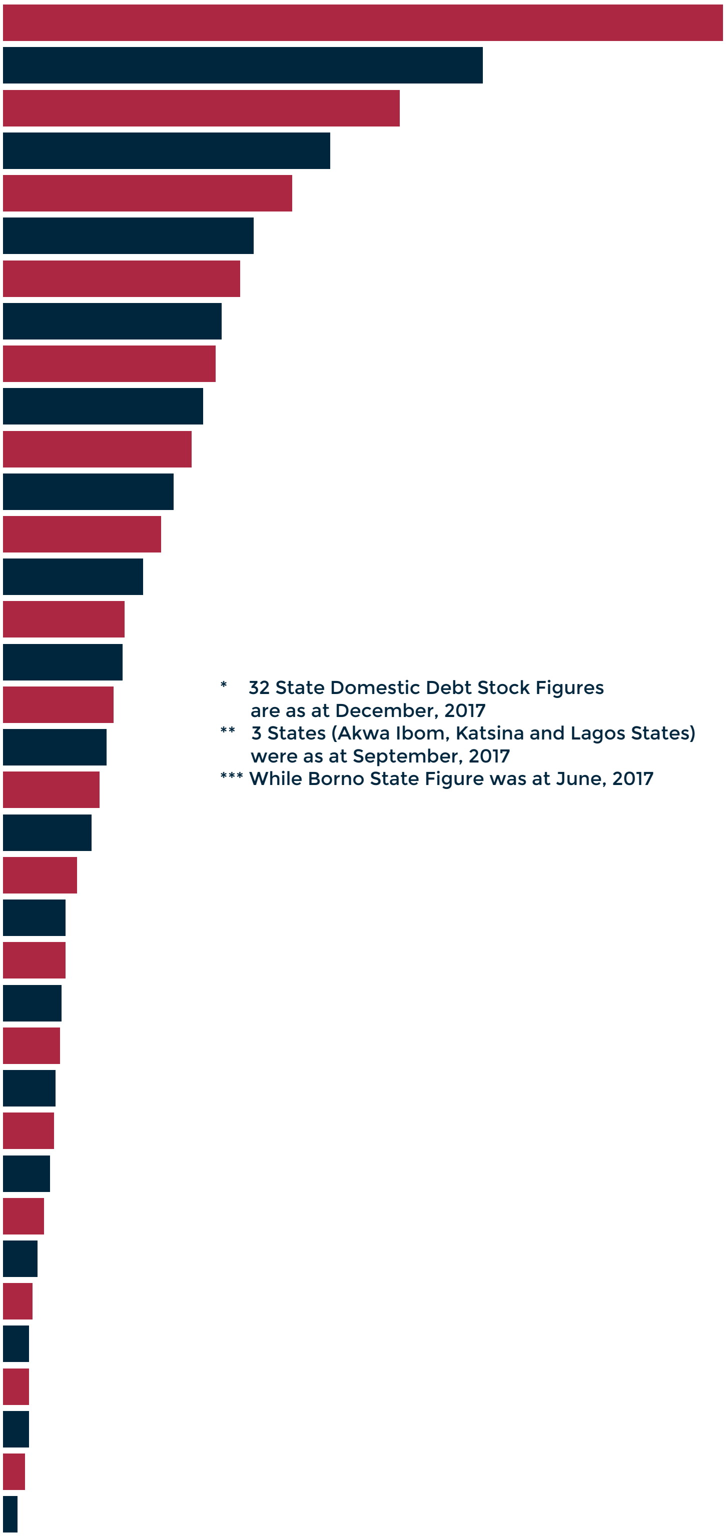
State	(NGN)
DELTA	190,962,781,383
AKWA IBOM	182,663,388,643
RIVERS	152,742,441,190
BAYELSA	142,929,651,913
LAGOS	107,848,456,767
KANO	49,550,359,978
EDO	49,419,613,997
ONDO	45,823,482,798
KADUNA	40,448,070,959
OYO	36,412,552,578
BORNO	35,928,291,701
ABIA	35,813,668,789
KATSINA	35,320,590,023
JIGAWA	35,070,508,950
IMO	33,945,382,955
NIGER	33,122,107,508
ANAMBRA	32,657,769,876
BENUE	32,272,437,952
BAUCHI	31,807,368,178
KEBBI	31,404,725,741
SOKOTO	30,863,863,973
KOGI	30,683,664,520
ENUGU	30,611,689,367
YOBE	30,183,106,702
ADAMAWA	29,204,615,839
TARABA	27,443,528,358
NASSARAWA	27,359,762,000
EBONYI	26,550,754,660
KWARA	26,455,055,937
PLATEAU	26,087,692,440
GOMBE	25,571,765,953
OGUN	25,231,833,368
ZAMFARA	24,062,330,766
EKITI	22,912,306,994
CROSS RIVER	22,400,167,785
OSUN	15,792,381,865



Source: OAGF, BudgIT Research

RANKINGS -DOMESTIC DEBT (2017)

Rank	States	(NGN)
1	LAGOS	363,292,140,059.09
2	DELTA	228,328,360,009.20
3	RIVERS	191,156,694,184.66
4	AKWA IBOM	187,277,308,914.29
5	OSUN	138,239,593,287.18
6	BAYELSA	129,469,645,258.94
7	OYO	129,213,604,205.51
8	CROSS RIVER	125,648,705,542.50
9	PLATEAU	122,349,286,591.51
10	EKITI	117,495,679,340.86
11	OGUN	106,530,499,037.83
12	KOGI	102,359,193,069.66
13	KANO	92,257,051,132.42
14	KADUNA	83,825,686,332.40
15	IMO	80,785,160,471.66
16	BENUE	74,937,383,496.72
17	BAUCHI	74,020,717,883.30
18	NASARAWA	71,359,977,984.75
19	ZAMFARA	69,923,231,483.13
20	ADAMAWA	69,609,083,183.53
21	EDO	68,514,312,630.61
22	TARABA	60,851,260,638.76
23	ABIA	60,648,431,912.05
24	ENUGU	59,746,077,051.15
25	ONDO	58,550,792,418.38
26	BORNO	54,042,067,995.82
27	KEBBI	48,729,499,853.64
28	GOMBE	41,939,190,055.53
29	KWARA	40,264,714,626.56
30	NIGER	40,031,508,233.85
31	EBONYI	34,613,143,814.14
32	JIGAWA	33,269,858,797.75
33	KATSINA	31,116,244,034.12
34	YOBE	26,467,942,394.82
35	SOKOTO	26,028,103,448.98
36	ANAMBRA	2,612,431,503.89



* 32 State Domestic Debt Stock Figures are as at December, 2017

** 3 States (Akwa Ibom, Katsina and Lagos States) were as at September, 2017

*** While Borno State Figure was at June, 2017

Source: DMO

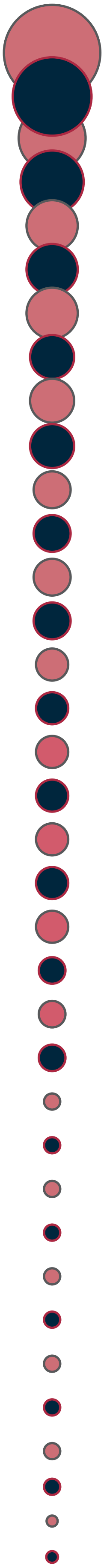
RANKINGS : EXTERNAL DEBT (2017)

State	USD
Lagos	1,466,164,553.72
Kaduna	238,279,089.98
Edo	232,204,507.95
Cross River	167,922,477.17
Enugu	133,109,100.89
Bauchi	109,828,380.96
Ogun	107,449,174.80
Abia	101,486,013.74
Osun	96,607,386.38
Adamawa	94,574,331.40
Oyo	93,218,640.36
Anambra	85,924,044.73
Ekiti	78,053,560.27
Katsina	67,864,607.66
Rivers	66,766,028.40
Kano	66,534,693.84
Ebonyi	63,373,675.28
Nasarawa	62,878,628.37
Imo	62,848,234.69
Delta	58,391,491.08
Niger	56,822,601.53
Kwara	50,726,592.99
Akwa Ibom	50,523,477.21
Ondo	50,251,762.16
Kebbi	47,820,060.27
Bayelsa	47,769,179.56
Sokoto	41,161,222.60
Gombe	39,194,159.32
Benue	35,503,110.17
Zamfara	34,833,758.57
Jigawa	33,497,712.80
Kogi	33,030,039.02
Plateau	30,071,776.51
Yobe	29,564,923.26
Taraba	26,563,234.69
Borno	22,594,569.70

Source: DMO

2018 Budget Size

States	Budget Size
Cross River	1.3tn
Lagos	1.046tn
Akwa -Ibom	646.65bn
Rivers	510bn
Ogun	343.9bn
Bayelsa	316.9bn
Delta	308.8bn
Oyo	271.5bn
Kano	246.6bn
Sokoto	220.5bn
Kaduna	216.5bn
Kastina	213.6bn
Ebonyi	208.33bn
Imo	190.9bn
Kwara	190.9bn
Ondo	181.42bn
Borno	181.2bn
Benue	178.4bn
Adamawa	177.9bn
Osun	176.4bn
Anambra	170.9bn
Bauchi	167.89bn
Kogi	151.6bn
Kebbi	151.2bn
Edo	150.09bn
Plateau	146.4bn
Abia	141bn
Jigawa	138.6bn
Niger	134.2bn
Zamfara	133bn
Nasarawa	125.4bn
Gombe	114bn
Taraba	104.3bn
Enugu	103.5bn
Ekiti	98.6bn
Yobe	92.18bn



Source: State Government Websites, BudgIT Research

The Research Methodology

Weight of the Fiscal Sustainability Inex

35%
Index A

Ability of States to meet Recurrent Expenditure obligations using state-own revenue (IGR + 13% Derivation + Value Added Tax)

50%
Index B

Ability of States to meet Recurrent Expenditure obligations using state's Total revenue without recourse to debts or grant.

15%
Index C

Looks at Length of time (in years) required to repay outstanding debts using today's revenue.

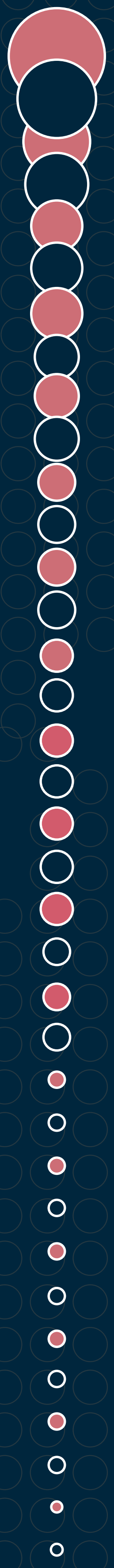
2018 STATES' FISCAL SUSTAINABILITY INDEX

										METHODOLOGY			
									Index A	Index A	Index A	Sustainability Idex	Scores
Rank	States	Gross Statutory Allocation (Average January to July 2018)	*13% Share of Derivation Oil Producing State	*Gross VAT Allocation (Average January to July 2018)	Internally Generated Revenue	*Total Average Monthly Revenue	Total Debt Stock (As at December 2017)	Recurrent Expenditure (Budgetary Allocation)	(Recurrent Expenditure / IGR + 13% Derivation + VAT)	(Monthly Recurrent Expenditure Estimated / Total Revenue)	(Total Debt Stock / Total Revenue)	((Index A x 0.35) + (Index B x 0.50) + (Index C x 0.15))	(100/Index)
1	RIVERS	15,278,463,871.61	9,453,672,002.58	1,453,534,866.39	7,457,081,951.00	33,642,752,691.58	211,637,173,396.36	132,000,000,000.00	7.18786342853	3.92357906055	6.29072107555	5.42114989159	18.44627099411
2	DELTA	18,914,011,693.69	13,449,778,523.68	1,059,579,920.76	4,324,000,445.00	37,747,370,583.13	246,239,949,897.99	147,270,000,000.00	7.81963540676	3.90146380330	6.52336695494	5.66610933726	17.64879462216
3	BAYELSA	14,235,935,815.67	9,759,867,458.84	791,624,597.43	1,043,651,038.00	25,831,078,909.94	144,122,841,088.97	160,000,000,000.00	13.79888102279	6.19408893286	5.57943559351	8.76356816343	11.41087718325
4	LAGOS	12,837,875,126.48	18,573,517.65	8,011,590,803.26	27,830,664,907.00	48,698,704,354.39	813,038,116,912.70	347,000,000,000.00	9.67629604421	7.12544624339	16.69527203426	9.45371754231	10.57784935423
5	AKWA IBOM	17,479,330,795.47	12,170,604,672.88	992,177,104.06	1,329,696,170.00	31,971,808,742.41	202,775,385,548.46	215,510,000,000.00	14.87047286110	6.74062583498	6.34231823361	9.52632615391	10.49722614829
6	EDO	6,149,671,363.51	1,722,929,170.91	983,421,517.80	2,111,902,434.00	10,967,924,486.22	139,743,045,444.27	67,500,000,000.00	14.00922663898	6.15430933034	12.74106560634	9.89154382976	10.10964534162
7	KANO	7,296,145,667.14		1,603,615,750.56	3,534,900,956.00	12,434,662,373.70	112,666,568,467.84	83,430,000,000.00	16.23620292866	6.70947046994	9.06068577351	10.39650912603	9.61861320832
8	OGUN	4,394,691,745.69		1,060,488,768.38	6,236,331,583.00	11,691,512,097.07	139,490,533,407.73	121,100,000,000.00	16.59626990503	10.35794164130	11.93092324154	12.77730377364	7.82637728362
9	ONDO	5,836,842,588.18	1,479,333,827.59	925,305,392.56	910,655,956.60	9,152,137,764.93	73,965,520,460.96	78,500,000,000.00	23.67813296099	8.57723102692	8.08177524866	13.78822833710	7.25256338633
10	ENUGU	4,530,177,261.33		920,996,692.37	1,836,601,909.00	7,287,775,862.70	100,577,293,749.16	60,700,000,000.00	22.01190556517	8.32901575784	13.80082149122	13.93879805041	7.17421973102
11	ANAMBRA	4,596,090,679.52		1,027,756,821.55	1,447,115,486.00	7,070,962,987.07	28,969,632,224.82	64,400,000,000.00	26.02154454738	9.10767035802	4.09698541455	14.27592358278	7.00480073462
12	ABIA	4,921,450,257.73	645,475,531.84	878,342,477.06	1,243,095,150.00	7,688,363,416.63	91,779,266,626.80	68,400,000,000.00	24.72068911161	8.89656176398	11.93742564618	14.89113591798	6.71540442252
13	KATSINA	5,557,218,951.73		1,145,670,275.52	502,487,571.50	7,205,376,798.75	51,933,712,433.83	51,410,000,000.00	31.19240071147	7.13494955724	7.20763311682	15.56595999516	6.42427450868
14	KADUNA	5,955,053,197.99		1,252,858,714.85	2,210,880,240.00	9,418,792,152.84	156,917,797,183.77	85,400,000,000.00	24.65543769701	9.06697999215	16.66007643416	15.66190465515	6.38491947192
15	IMO	5,161,913,870.76	427,320,531.94	979,007,647.18	570,899,738.80	7,139,141,788.68	100,063,856,462.82	57,900,000,000.00	29.28342224750	8.11021852680	14.01623044124	16.40674161621	6.09505545581
16	KEBBI	4,696,728,662.93		907,186,340.63	366,147,830.40	5,970,062,833.96	63,398,303,341.46	42,990,000,000.00	33.76175789363	7.20092923570	10.61936952838	17.00998530987	5.87889984490
17	NIGER	5,225,030,199.25		973,967,576.63	543,161,586.10	6,742,159,361.98	57,461,841,253.18	53,200,000,000.00	35.06622989454	7.89064706776	8.52276521039	17.49691877853	5.71529200460
18	EBONYI	4,029,759,522.01		819,031,542.45	425,241,863.90	5,274,032,928.36	54,053,018,706.28	42,700,000,000.00	34.31721660375	8.09627102827	10.24889670590	17.59649583133	5.68294965989
19	ZAMFARA	4,469,033,930.59		897,692,903.56	501,999,577.60	5,868,726,411.75	80,608,486,924.48	46,400,000,000.00	33.15013878016	7.90631505791	13.73526064583	17.61599519889	5.67665913115
20	KWARA	4,032,183,207.07		837,573,611.09	1,636,489,459.00	6,506,246,277.16	55,825,097,026.24	80,308,000,000.00	32.45996473205	12.34321551613	8.58023115759	18.81963008792	5.31360072078
21	KOGI	4,878,318,336.42		911,811,551.43	937,021,747.90	6,727,151,635.75	112,491,157,539.05	62,874,000,000.00	34.00739267450	9.34630336945	16.72195954990	19.08403305328	5.23998254042
22	YOBE	4,390,792,208.20		827,040,930.80	299,844,328.00	5,517,677,467.00	35,536,982,604.83	46,750,000,000.00	41.48603385742	8.47276780486	6.44056902879	19.72258110684	5.07033027058
23	SOKOTO	4,891,737,201.74		936,517,570.17	751,570,358.90	6,579,825,130.81	38,654,308,481.53	67,600,000,000.00	40.04530737759	10.27382926690	5.87467109126	20.03397287929	4.99152118267
24	TARABA	4,276,226,521.19		819,199,310.50	480,354,269.50	5,575,780,101.19	68,999,532,879.92	51,240,000,000.00	39.42892450806	9.18974548316	12.37486622996	20.25122625390	4.93797258232
25	GOMBE	4,197,730,048.75		817,336,064.49	439,356,117.40	5,454,422,230.64	53,961,998,426.94	52,970,000,000.00	42.15033781808	9.71138605707	9.89325654399	21.09229974646	4.74106670216
26	BENUE	5,012,346,732.90		987,545,617.05	1,033,284,546.00	7,033,176,895.95	85,827,962,541.37	81,900,000,000.00	40.52789863171	11.64480877015	12.20329927871	21.83766379798	4.57924441575
27	NASSARAWA	4,091,426,257.14		781,803,851.28	514,511,412.70	5,387,741,521.12	90,647,997,237.25	53,241,000,000.00	41.07102761140	9.88187718199	16.82486007948	21.83952726691	4.57885368936
28	BORNO	5,434,926,320.80		976,023,494.85	415,277,587.40	6,826,227,403.05	60,972,952,251.30	63,180,000,000.00	45.41073158502	9.25547835863	8.93215954453	21.86131916575	4.57428937576
29	JIGAWA	5,058,852,182.45		1,045,426,932.88	554,183,415.00	6,658,462,530.33	43,545,282,199.15	71,565,000,000.00	44.73902040884	10.74797667990	6.53984039120	22.01362154173	4.54264191880
30	OYO	5,403,156,909.41		1,377,911,100.97	1,870,694,902.00	8,651,762,912.38	157,808,422,135.94	121,700,000,000.00	37.46222222354	14.06649734077	18.24003081616	22.88103107105	4.37043242018
31	PLATEAU	4,654,335,857.11		906,699,361.96	899,023,617.50	6,460,058,836.57	131,573,804,035.95	75,900,000,000.00	42.03302547697	11.74911899723	20.36727642342	23.64120987907	4.22990195982
32	BAUCHI	5,323,646,679.79		1,030,821,495.46	364,117,620.90	6,718,585,796.15	107,710,573,742.78	67,120,000,000.00	48.11679535889	9.99019764523	16.03173301806	24.24073715094	4.12528708914
33	ADAMAWA	4,484,269,877.72		909,238,619.58	516,780,797.30	5,910,289,294.60	98,619,759,340.48	78,000,000,000.00	54.69771244115	13.19732353394	16.68611372891	28.24577818071	3.54035209652
34	EKITI	4,039,746,852.78		830,830,668.31	413,958,318.00	5,284,535,839.09	141,438,608,953.68	66,530,000,000.00	53.44680964540	12.58956359192	26.76462290358	29.01585860739	3.44639120810
35	OSUN	4,191,125,326.53		918,044,917.12	540,543,685.50	5,649,713,929.15	167,873,909,059.25	86,600,000,000.00	59.37246448001	15.32820972637	29.71370075803	32.90152254489	3.03937302183
36	CROSS RIVER	4,484,336,133.26		875,467,034.07	1,508,713,519.00	6,868,516,686.33	177,158,925,414.40	390,000,000,000.00	163.57821537375	56.78081859744	25.79289437660	89.51171883602	1.11717215690

OAGF, NBS, DMO, BUDGIT RESEARCH

2017: PER CAPITA INTERNALLY GENERATED REVENUE

Ranking	State	Amount
1	Lagos	25,772
2	Ogun	13,877
3	Rivers	11,842
4	Delta	8,874
5	Kwara	5,969
6	Edo	5,824
7	Bayelsa	5,341
8	Enugu	4,849
9	Cross-River	4,549
10	Abia	3,895
11	Kano	3,139
12	Kaduna	3,120
13	Anambra	3,055
14	Akwa Ibom	2,813
15	Oyo	2,767
16	Plateau	2,500
17	Kogi	2,439
18	Nassarawa	2,374
19	Ondo	2,270
20	Benue	2,096
21	Taraba	1,826
22	Sokoto	1,751
23	Ebonyi	1,723
24	Gombe	1,568
25	Ekiti	1,472
26	Adamawa	1,418
27	Osun	1,335
28	Zamfara	1,292
29	Imo	1,227
30	Niger	1,134
31	Jigawa	1,108
32	Yobe	1,055
33	Kebbi	959
34	Borno	822
35	Katsina	747
36	Bauchi	646



Average N3,818/Year

Source: NBS, CBN, BudgIT Research

* State Population 2017 Population Forecast

** IGR Numbers Source: NBS 2017

*All IGR per capita figures are calculated based on IGR in 2017, and population figures from 2017.

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SIMPLIFYING THE NIGERIAN BUDGET

At BudgIT, we believe it is the RIGHT of every citizen to have access to, and also understand public budgets. We also believe budgets must be efficiently implemented for the GOOD of the people.

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