**KEYNOTE ADDRESS BY DR. (MRS.) ZAINAB SHAMSUNA AHMED, HONOURABLE MINISTER OF FINANCE, BUDGET AND NATIONAL PLANNING, AT THE 6TH ANNUAL INTERNALLY GENERATED REVENUE PEER LEARNING EVENT**

PROTOCOLS

1. Good morning. I thank you for inviting me to deliver the keynote address at the 6th Annual Internally Generated Revenue Peer Learning Event. Permit me to start by commending the Nigeria Governors’ Forum for organising this annual flagship meeting that not only brings together the various State Commissioners of Finance and the Executive Chairmen of the State Internal Revenue Services, but also, provides a platform for discourse, shared learnings and experiences on tax policy and administration reforms at the sub-national level.
2. These are indeed challenging times for the global and local economy brought on by the unforeseen impact of the COVID-19 pandemic. As with most countries of the world, the Nigerian economy is in a recession. Despite this, global analysts posit that Nigeria remains the fastest growing economy in Africa. Furthermore, business and economic indicators anticipate that the country’s path toward economic recovery will commence in the fourth quarter of 2020.
3. Overall, economic analysts have predicted that the global economy will recover in 2021, especially with the positive outcomes of the race toward the discovery of a vaccine. For Nigeria, economic analysts forecast that the economy will experience positive growth in the first or second quarter of 2021.
4. Going forward, the impact of COVID-19 on the economic and fiscal revenue outlook for 2021 presents a significant opportunity for States to strategise and reposition your fiscal revenue management systems for this era called the ‘new normal’.

Fiscal reforms are important now, more than ever, to mitigate against current and future risks, bearing any future pandemics or other global crises.

1. The Federal Government has embarked on a fundamental strategy that comprises wide-ranging reforms in its tax policies and administration in the last few years. For instance, the Finance Act 2019 and Finance Bill 2020 have brought significant changes and consolidation to tax administration and management in the country.
2. As with the previous version, the Finance Bill 2020 seeks to achieve the promotion of fiscal equity; reform domestic tax laws in alignment with global best practices; introduce tax incentives; support MSMEs and raise revenues for the government. Some of the key provisions of the Bill include: tax relief for companies that donate to a COVID-19 relief fund; a reduction of 50 percent in the minimum tax rate from 0.5 percent to 0.25 percent of gross turnover for financial years ending January 1, 2020 to December 31, 2020; an exemption from tertiary education tax by companies with turnover of less than 25 million Naira; among others.
3. Furthermore, in terms of tax policy reforms and consolidation, the Finance Bill 2020 will amend the following laws in order to facilitate and strengthen revenue mobilization and growth in 2021 - the Capital Gains Tax Act, Companies Income Tax Act, Personal Income Tax Act, Tertiary Education Trust Fund (Establishment) Act, Customs and Excise Tariff, Etc. (Consolidated) Act, Value Added Tax Act, Federal Inland Revenue Services (Establishment) Act, Nigerian Export Processing Zone Act, Oil and Gas Export Free Zone Act, Fiscal Responsibility Act, Companies and Allied Matters Act 2020, and the Public Procurement Act.
4. Some of the other ongoing initiatives of the Federal government include the Integrated Revenue Monitoring System; the implementation of the National (Single Window) Project; and the full nationwide adoption of the Joint tax Board – TIN. With these initiatives, we seek to chart a new course for the tax system while addressing tax encumbrances for individuals and businesses in Nigeria.
5. For instance, the Integrated Revenue Monitoring System and the Tax Expenditure Statement are already incorporated, for the first time, in the 2021 – 2023 Medium Term Expenditure Framework and Fiscal Strategy Paper. Both measures are geared towards improving transparency of revenue generation and accountability for revenue utilization (including tax forgone) by way of incentives and waivers.
6. In the area of tax administration, the government is leveraging on technology and digitalization to drive revenue mobilization, data management and cost optimisation. Some of the technologies being deployed include the government integrated financial management information system (GIFMIS), which focuses on the improvement of public expenditure management processes, to enhance greater accountability and transparency across Ministries, Departments and Agencies.
7. Then there’s project lighthouse, which makes use of analytics to mine and analyse data for optimal tax collection. Technology is also being used for the purpose of assessing and collecting stamp duties; as well as for the automation of VAT collections in the retail, banking and telecommunications sectors – with more sectors being explored for onboarding.
8. All FIRS Offices are currently running on the Tax Pro platform for e-TCC, e-Receipt and e-WHT. Offices within the FCT are currently using the VAT module of the TaxPro.
9. Other technology modules are being developed, even as more digital tools are being adopted and deployed across the spectrum of the revenue generation agencies of the federal government. Indeed, the use of technology have led to significant improvements in revenue generation and cost optimization in the medium term. The overarching aim of the Federal Government is to achieve revenue growth and sustainability for the foreseeable future.
10. As I conclude, it is important for me to intimate you on the Strategic Revenue Growth Initiative, also known as the SRGI. The SRGI is a blueprint and mechanism for enhancing fiscal revenues from 6% to 15% of GDP by 2023. The initiative seeks to: (1) Achieve sustainability in revenue generation (2) Identify and enforce new and existing revenue streams, and (3) Achieve cohesion through people and tools.
11. Through this initiative, we are building and strengthening sustainable revenue generation systems through the application of the right incentives, safeguards, and performance management systems. There are several initiatives under the SRGI with revenue generation and enhancement potential, which are closely monitored using data-driven performance management to achieve the results and set targets.
12. With the SRGI, we are partnering with interested State Ministries of Finance and State revenue generating agencies in achieving the set target of attaining revenue to GDP of 15% by 2023. We are working on the second phase of the SRGI – having reviewed our strategies, identified the challenges and re-assessed the prospects and opportunities. Subsequently, the SRGI 2.0 involves a top down approach that is driven by enhanced data and technology to complement a bottom up approach aimed at improving operational efficiencies. We are willing and available to partner with all State governments yet to join us on this transformative journey.
13. Considering the impact of COVID-19, the revenue outlook for 2021 depends on the willingness of State governments to embrace the right tools, technology and strategies to transform, enhance and strengthen revenue growth and sustainability, and adopt cost optimization plans.
14. I look forward to receiving the communique from this meeting to serve as input into our various initiatives as it affects the SRGI, revenue reforms and the overall economy.

1. I wish you a happy deliberation
2. Thank you!

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