

**States of States BudgiT 2018 Report**

**Executive Summary Prepared by NGF Secretariat**

**Overview**

BudgIT was Founded in 2011. Its core mandate is to simplify the budget and matters of public spending for citizens, with the primary aim of raising standard of transparency and accountability in government. This is the fifth publication, its first publication dates to 2013. BudgiT (States of States 2018 Edition) contains: Executive Summary, Analysis on Internally Generated Revenue (IGR), Debt Stock (DS), Fiscal Sustainability Index (FSI), Net FAAC Allocation, Ease of Doing Business, Various Health Indicators, Research Methodology and Various Rankings.

BudgiT report (2018 Edition) is structured as follows:

|  |  |  |
| --- | --- | --- |
| S/no | Description | Page No |
| 1 | Executive Summary | 05 – 07  |
| 2 | South – West (Oyo, Ekiti, Osun, Ondo, Lagos and Ogun) | 8 – 27 |
| 3 | South – East (Enugu, Imo, Ebonyi, Abia and Anambra) | 28 – 44 |
| 4 | North – West (Zamfara, Sokoto, Kaduna, Kebbi, Katsina, Kano and Jigawa) | 45 – 67 |
| 5 | North – East (Bauchi, Borno, Taraba, Adamawa, Gombe and Yobe) | 68 – 87 |
| 6 | North – Central (Niger, Kogi, Benue, Plateau, Nassarawa and Kwara) | 88 – 107  |
| 7 | South – South (Bayelsa, Akwa Ibom, Edo, Rivers, Cross River and Delta) | 108 – 127 |
| 8 | Rankings  | 128 – 135  |
| 9 | Research Methodology  | 136 |
| 10 | States Fiscal Sustainability Index | 137 – 138 |
| 11 | Per Capita Internally Generated Revenue  | 139 |

**Internally Generated Revenue (IGR)**[[1]](#footnote-1)

The urgency for States to improve on their tax collection efficiency has never been more pronounced. Collection inefficiencies has hindered the rate of collection of taxes.

*Source: BudgiT and NGF*

**Debt Stock[[2]](#footnote-2)**

Swollen debt profile of States led to short term corrective measures by the federal government: the bailouts in 2015 to States – salary bailout, restructured bank loans, ECA-backed loans and the 2016 budget support facility. Overall, total public debts have tripled in the last seven years, growing by a compound annual average of 23 percent from N1 Trillion in 2010 to N4.5 Trillion in 2017. The impact of such gigantic growth rate is evident in the increase debt service coverage ratio as most continue to struggle to service basic obligations such as salaries and pensions.

*Source: Budgit and DMO*

**Ranking Methodology**

In ranking states according to their Fiscal Sustainability three basic components were critically examined and weighted, See below:

|  |  |  |  |
| --- | --- | --- | --- |
| S/No | Component | Description | Weight  |
| 1 | Index A  | Ability of States to meet Recurrent Expenditure Recurrent Expenditure obligations using State-own revenue (IGR + Statutory Allocations) | 35% |
| 2 | Index B | Ability of States to meet Recurrent Expenditure without debts or grant. | 50% |
| 3 | Index C | Examines duration to repay debt, considering respective States “today’s” revenue. | 15% |

The formula used to derive the Fiscal Sustainability Index score is as follows:

|  |  |
| --- | --- |
|  | **((Index A x 0.35) + (Index B x 0.50) + (Index C x 0.15)) = Score (100/Index)** |

**Fiscal Sustainability Index (FSI) Ranking**

This ranking shows the ability of a State government to sustain its current spending, tax and other policies in the long run without threatening government solvency or defaulting on some of its liabilities or promised expenditures.

In calculating this index, the following indicators were used:

1. FAAC Allocations
2. Internally Generated Revenue
3. Total Monthly Average Revenue
4. Total Debt Stock (As at December 2017)
5. Recurrent Expenditure (Budgetary Allocation)

*Source: Budgit*

**Conclusion**

Significant investment is needed to improve the overall economic performance at the State level. All States can benefit from the following:

* Freeing up resources for social infrastructure.
* Improving efficiency in tax collection
* Reducing cost, particularly overhead cost.
* Linking future borrowings to sustainable projects.
* A thriving environment for SME’s, will create jobs and expand the tax base.

**Opportunities Available to States**

|  |  |  |
| --- | --- | --- |
| S/No | STATE | OPPORTUNITIES |
| 1 | Abia State | Oil Palm, River Ports and Footwear |
| 2 | Adamawa State | Livestock, Sugar Cane and Hydroelectricity |
| 3 | Akwa Ibom State | Cocoa, Sea Port and Petro-Chemical |
| 4 | Anambra State | Clay, River Port and Poultry |
| 5 | Bauchi State | Sugar, Tourism and Livestock |
| 6 | Bayelsa State | Aqua-Culture, Sea Port, Bioplastics and Petro-Chemical |
| 7 | Benue State | Fish, Soya Bean and Fruit Concentrate  |
| 8 | Borno State | Livestock, Alfafa and Honey |
| 9 | Cross River State | Cocoa, Sea Port, Animal Feed and Carbon Trading |
| 10 | Delta State | Lignite, Sea Port and Engineered Wood |
| 11 | Ebonyi State | Rice, Potatoes and Industrial Starch |
| 12 | Edo State | Oil Palm, Rubber and Cashew |
| 13 | Ekiti State | Granite, Red Bricks, Ceramic and Tourism |
| 14 | Enugu State | Tourism, Red \Bricks, Coal, Cement and Wind Power |
| 15 | Gombe State | Tourism, Cotton and Cement |
| 16 | Imo State | Oil Palm, Rice and Fish |
| 17 | Jigawa State | Wind Power, Soy Beans and Tomatoes |
| 18 | Kaduna State | Livestock, Logistics Hub and Feed Mills |
| 19 | Kano State | Feed Mills, Cotton, Textile, Apparel, Footwear and Commerce |
| 20 | Katsina State | Livestock, Cotton and Feed Mills |
| 21 | Kebbi State | Rice, Wind Power and Glassware |
| 22 | Kogi State | Fish, River Port, Cement and Iron Ore |
| 23 | Kwara State | Feed Mills, Tomatoes and Cement |
| 24 | Lagos State | Aquaculture, Sea Port, Technology, Biodiesel and Housing |
| 25 | Nasarawa State | Logistic Hub, Bauxite/Aluminum and Grain |
| 26 | Niger State | Uranium, River Port and Feed Mills |
| 27 | Ogun State | Housing, Manufacturing Hub and Education |
| 28 | Ondo State | Cocoa, Deep Sea Port, Asphalt Shingles and Bitumen |
| 29 | Osun State | Food Hub, Cocoa and Red Bricks |
| 30 | Oyo State | Hydro Power, Fishing and Feed Mills |
| 31 | Plateau State | Tourism, Industrial Starch and Potato |
| 32 | Rivers State | Oil Palm, Manufacturing Hub, Biofuel (Algae) and Petro-Chemical |
| 33 | Sokoto State | Gypsum Dry Wall, Cement and Hydro-Electricity |
| 34 | Taraba State | Hydro-Power, Vegetables and Tourism |
| 35 | Yobe State | Cement, Diatomite and Livestock |
| 36 | Zamfara State | Solar Power, Manufacturing Hub, Iron Ore and Mining |

**States Top Agricultural Products**

|  |  |  |
| --- | --- | --- |
| S/No | STATE | TOP AGRICULTURAL PRODUCTS |
| 1 | Abia State | Oil Palm, Cassava and Rice |
| 2 | Adamawa State | Maize, Cassava and Millet  |
| 3 | Akwa Ibom State | Oil Palm, Fish, Banana and Timber  |
| 4 | Anambra State | Yam, Cassava, Animal Feed and Rice |
| 5 | Bauchi State | Sugarcane, Cassava and Cowpea |
| 6 | Bayelsa State | Fish, Cassava and Rice |
| 7 | Benue State | Fish, Yam and Citrus Fruits  |
| 8 | Borno State | Beef, Groundnut and Onion |
| 9 | Cross River State | Pineapple, Grains, Timber and Cocoa  |
| 10 | Delta State | Oil Palm, Cassava and Rubber |
| 11 | Ebonyi State | Rice, Sweet Potatoes and Oil Palm |
| 12 | Edo State | Oil Palm, Shea, Grain, Banana and Fish  |
| 13 | Ekiti State | Cocoa, Cassava and Yam |
| 14 | Enugu State | Oil Palm, Cassava and Melon |
| 15 | Gombe State | Gum Arabic, Tomatoes and Sorghum |
| 16 | Imo State | Oil Palm, Rice, Shrimp, Gypsum Powder (Plaster of Paris) and Cassava |
| 17 | Jigawa State | Cowpea, Sorghum and Livestock |
| 18 | Kaduna State | Sugarcane, Soybean, Livestock (Poultry) and Maize |
| 19 | Kano State | Groundnut, Livestock and Cowpea  |
| 20 | Katsina State | Livestock, Cotton and Sorghum. |
| 21 | Kebbi State | Rice, Maize and Onions. |
| 22 | Kogi State | Fish, Cassava and Rice |
| 23 | Kwara State | Livestock, Maize, Grains, Animal Feed and Sugarcane  |
| 24 | Lagos State | Fish, Vegetables and Livestock |
| 25 | Nasarawa State | Maize, Groundnut and Rice |
| 26 | Niger State | Maize, Fish, Shea and Rice. |
| 27 | Ogun State | Timber, Cassava and Maize, Frozen Chicken |
| 28 | Ondo State | Oil Palm, Cocoa and Cocoyam |
| 29 | Osun State | Cocoa, Cassava and Yam |
| 30 | Oyo State | Oil Palm, Cassava and Cashew Nut |
| 31 | Plateau State | Potato, Maize, Frozen French Fries and Groundnut |
| 32 | Rivers State | Oil Palm, Fish and Raffia Palm |
| 33 | Sokoto State | Cowpea, Onion and Livestock (Cattle) |
| 34 | Taraba State | Maize, Sorghum, Fish and Rice |
| 35 | Yobe State | Groundnut, Cowpea, Beef and Millet |
| 36 | Zamfara State | Guinea Corn, Livestock, Frozen French Fries and Cowpea |

1. IGR is the sum of funds accrued through imposition of levies and taxes on facilities, sales of goods and services, through State controlled entities [↑](#footnote-ref-1)
2. This represents the total pool of debt the States owe all lenders. [↑](#footnote-ref-2)