

**Welcome Message at the 6th IGR Peer Learning Event holding at Wells Carlton Hotel Abuja, 14th December 2020**

PROTOCOL

I am pleased to welcome you all to the Nigeria Governors’ Forum’s 6th IGR Peer Learning Event.

This flagship meeting started in 2015 with the aim of sharing practical tax reform lessons implemented at the sub-national level to improve domestic resource mobilisation in the country, taking on homegrown and international experiences and resources. At the time, it was borne out of the mid-2014 – 2015 oil crisis which saw government revenues crashing and a subsequent recession in 2016.

Around this time every year since then, we bring together the Commissioners of Finance and heads of tax authorities from the 36 States of the Federation and the Federal Capital Territory to discuss yearly events of what has worked, what has not worked and areas that require collective action.

Last year, the theme of the event was on the imperative of tax compliance in financing the future. This year, the country and indeed state governments are experiencing a set of existential pressures from the COVID-19 pandemic and the fall in oil prices which have resulted in considerable economic and social concerns for the country.

As the impact of the COVID-19 pandemic prolongs, governments at both the national and sub-national level have suffered a revenue shortfall and contraction in their tax base owing from the decline in business activities. Governments have been compelled to increase public spending to mitigate the impact of the pandemic, by setting-up testing and treatment centres from scratch and implementing targeted responses in public health, security, public works, social safety and other stimulus-targeted interventions, including tax relief for individual taxpayers and businesses.

At the onset of the pandemic, the NGF Secretariat provided two important advisories for states – on taxes and federation revenues – including a tax advisory for tax authorities; and a budget advisory for State ministries of finance and budget which estimated the revenue gap expected from the fall in oil prices and shutdown in businesses. Although very useful, nearly 10 months after, we have seen the emergence of a second wave globally; here, we are starting to record daily cases which are as high as what was recorded 6 months ago. This means that the current economic and social risks are not going away soon. Governments must prepare actively to confront them.

This meeting is one of those mechanisms for these discussions – for States to share their experiences about what measures proved most effective during the period of lockdown and after, as well as plans for 2021 to stabilise public finance and incentivise business recovery for jobs, growth and stability.

The sessions selected for this year’s meeting will focus on the most important government actions that impact on State public finance today, including the place for tax data in closing the data deficit at the sub-national level to help improve governments’ capacity to respond to the challenges citizens are facing. Unlike economic data which experience lags, tax data provides real time information about the impact of the pandemic that can be analysed daily. We believe that tax data recorded digitally can provide an accurate representation of the cost of the pandemic on the society; It can also provide direction on counter measures required to steer the economy into recovery.

The second session will focus on the use of tax incentives which all States have released to help support taxpayers and businesses through survival and recovery; while the third session is aimed at discussing the role of tax consolidation and harmonisation in improving the tax environment. The final session looks at the new Finance Bill 2020 as it impacts on business activities and the revenue of governments. I should state that this meeting provides a unique opportunity to share feedback with the federal government on the impact of the proposed amendments on States.

Our team will be on ground to document these lessons to engage with State Governors as well as the federal government as the case may be. Our HelpDesk is also always available to provide any technical assistance that may be required by States.

I wish you a successful event and look forward to the final outcome of the day.

Thank you.

**Asishana Okauru**

**Director General**