



**PLATEAU STATE GOVERNMENT**



**UNVEILING PLATEAU STATE'S  
INTERNALLY GENERATED REVENUE POTENTIALS:  
A COMPARATIVE ANALYSIS**



## PERISCOPING: Looking to the future

**In line with the vision of HE, Jonah David Jang , Executive Governor of Plateau State to promote good governance and sustain peace and development”.**



## **GAP ANALYSIS** **"Helping State Governments in closing the Gap**

According to the "Gap Analysis" focused on State Governments conducted by IdeaEdge Consulting on 18 States during the NGF Peer Review, the following were revealed:

**GAP1-The people:** States are a combination of complex "people-to-people" configurations that always require home-grown, grassroots and native intelligence to succeed.

**GAP2-The Economy:** IGR enhancement is the only sure future for the State Governments to meet developmental goals and also ensure rapid economic growth without increasing the taxpayers' burden.

**GAP3-The Political Equation:** States are faced with the challenges of meeting the needs of impoverished and uneducated electorate alongside achieving modernization goals for becoming a civilized society.



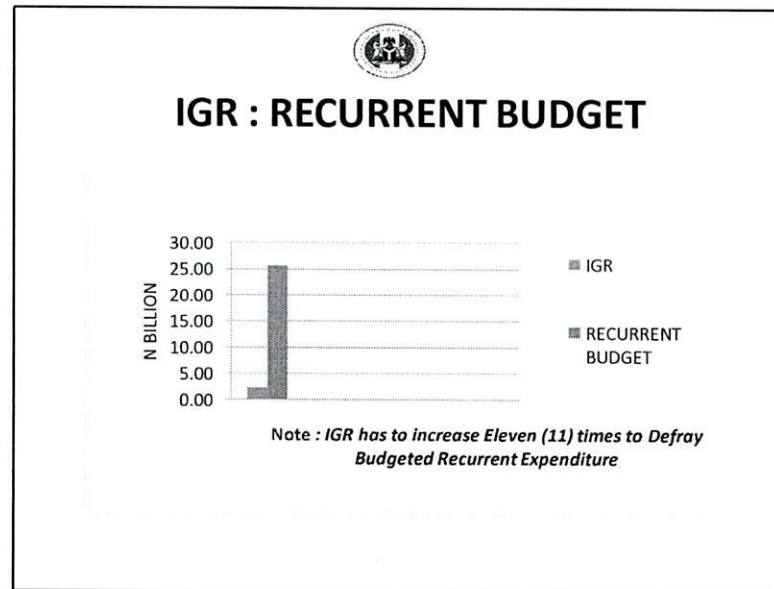
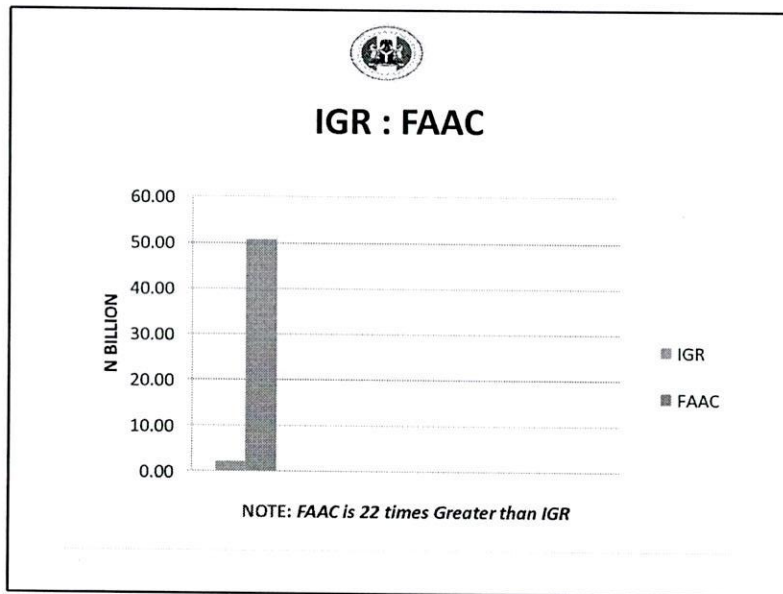
## RATIONALE

- 1) Fiscal Autonomy for States & Local Governments shall Deepen and Strengthen our Federal System.
- 2) Diversification of other Sources of Revenue Generation within the Value Chain for Resources Mobilization and Allocation without increasing the taxpayers' burden.
- 3) Empowerment and Integration of the Informal Sector into the Taxpayers' Database Management system.
- 4) Installation of a robust Financial Management Infrastructure for IGR enhancement.



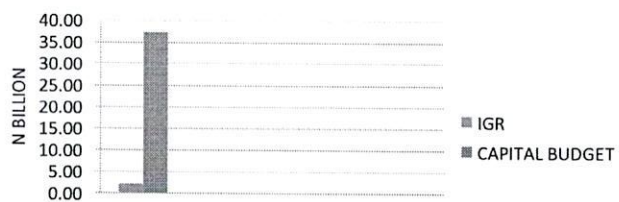
## DATA

- The following are the sources of the data used in generating the charts below;
- Federation Account (FAAC): 2008
- Internally Generated Revenue (IGR): 2005-2009
- Recurrent Budget: 2008
- Capital Budget: 2008
- Budget Total: 2008
- External Debt Deductions: 2008.





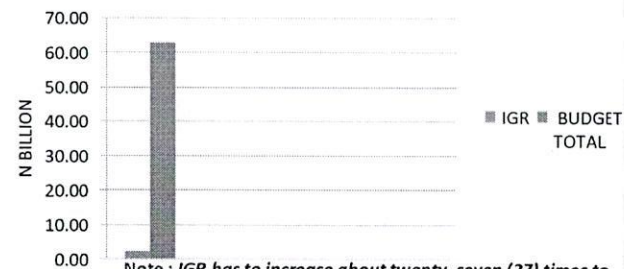
### IGR : CAPITAL BUDGET



*Note : IGR needs to increase Sixteen (16) times to meet budgeted Capital Expenditure*



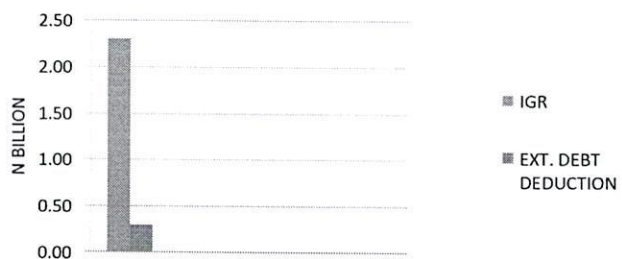
### IGR : BUDGET TOTAL



*Note : IGR has to increase about twenty-seven (27) times to finance the state's 2008 budget*



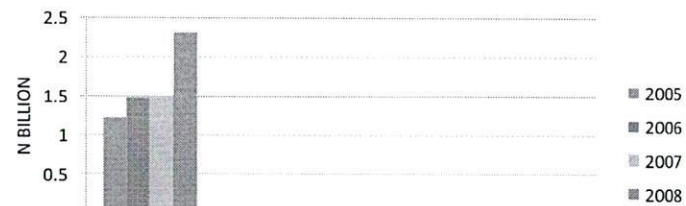
### IGR : EXTERNAL DEBT DEDUCTION



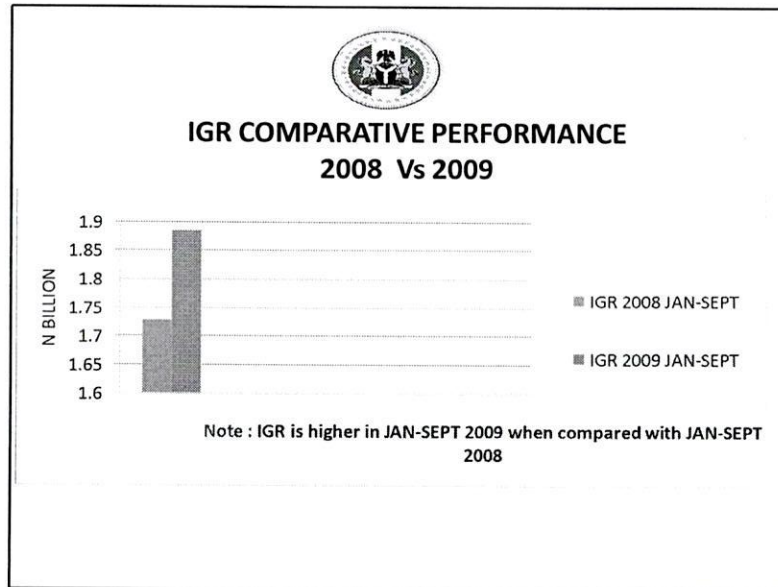
Note : IGR is sufficient to service External Debt Deduction for about Eight (8) times.



### IGR PERFORMANCE (2005 -2008)



Note : Highest IGR performance was in 2008 which shows that there is a great increase in IGR in 2008 compared to other years.



- SUMMARY OF ANALYSIS**
- FAAC is greater than IGR by 22 times
  - For IGR to meet the Recurrent Budget Expenditure then it has to increase by approximately 11 times the current IGR
  - For IGR to meet the Capital Budget Expenditures, then it needs to increase the current IGR by approximately 16 times
  - IGR has to increase by approximately 27 times at the current rate in order to meet the State Expenditures
  - It is shown in the above chart that IGR is sufficient to service the External Debt Deductions for about 8 times



## SUMMARY OF ANALYSIS – Cont'd

- The highest IGR performance was in 2008 with about 53% increase as compared to 2007, and it can also be seen that IGR has been increasing over the years.
- There was a 9.08% increase in IGR in JAN-SEPT 2009 as compared to JAN-SEPT 2008



## MAJOR RECOMMENDATIONS “Proposed Action Plan by NGF Secretariat”

The NGF Secretariat having successfully concluded the 1<sup>st</sup> National Round-table Strategy Session on IGR proposes the following Action Plan (AP) that would drive the implementation of the key recommendations of the Conference. To achieve this, the NGF Secretariat hereby presents the under-listed

Action	Plan:
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- 1) Implementation of the Final Report of the 1<sup>st</sup> National Round-Table Strategy Session on Internally Generated Revenue, organized by the Nigeria Governors' Forum, which recommended the execution of the National Internal Revenue Generation and Diversification Project (NIRGDP).





**MAJOR RECOMMENDATIONS - Cont'd**  
**"Proposed Action Plan by NGF Secretariat"**

- 2) Organize the "National Round-Table Strategy Session on Internally Generated Revenue" as an annual event that would serve as a national annual forum for discussing IGR matters between States and Local Governments within the Federal System.
- 3) Support and encourage Technical Assistance for Capacity Building and Institutional Strengthening for Improved Revenue Generation in States and Local Governments.
- 4) Undertake rigorous Taxpayers' Education programme targeted to change the negative perception of the taxpayers regarding payment of their Tax Obligations by rebuilding their confidence in Governance. This project shall be funded by the States via the Nigeria Governors' Forum, NGF. *The project period is three (3) months.*



**MAJOR RECOMMENDATIONS - Cont'd**  
**"Proposed Action Plan by NGF Secretariat"**

- 5) Review States' Tax Administration and Financial Management Infrastructure to determine the sustainability of the States' current system for economic and financial data generation and utilization, as well as installing Data Management Systems for Economic Analysis as well as for purposes of accounting intelligence. *The Project period is 6 months.*
- 6) Undertake Peer Review of Fiscal Statutes, and propose the States' version of FIRS Act, 2007; and also evaluate existing local government by-laws on taxation so as to create the required level of incentives within the Tax System. *The Project period is six (6) months.*
- 7) Install and build capacity for an All-Inclusive Budgeting Model that would optimize the utilization and accounting for Donor Funds, Grants, Aids, and Loans. *The Project period is three (3) months.*



**MAJOR RECOMMENDATIONS - Cont'd**  
**"Proposed Action Plan by NGF Secretariat"**

- 8) Establish transparent and corruption-free reporting infrastructure; and also install modalities and streamline issues relating to the establishment of Tax Courts. *The Project period is two (2) years.*
- 9) Establish macroeconomic management infrastructure that would give vent to the availability of the initial conditions required for sub-national Credit Rating and investment enhancement. *The Project period is two (2) years.*



**CONCLUSION: IMPLEMENTATION MANDATE**

The Nigeria Governors' Forum is requested to sanction/approve the implementation of recommendations 1-9 above.



CONTACT INFORMATION

Nigeria Governors' Forum (NGF)  
1, Deng Xiaoping Street, Off AIT Junction,  
Asokoro Extension, Abuja