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Ogun State: The Debt Trap -Leaning
Against The Wind

April 2019

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Executive Summary



Ogun State is one of Nigeria's four states that are fiscally and administratively viable. The States internally generated revenue (IGR) is the second largest after, Lagos State (which is its geographically smaller neighbour) and its federation account allocation (FAAC) is the 34th largest in the country (or what amounts to the fourth-lowest of the 36 States and Abuja, FCT). With a landmass of 16,409.26sq km (the second largest in the South West and the twenty-fourth (24) largest in the country) Ogun State has one of the largest arable land areas in Nigeria with massive room for industrial and agricultural expansion, unlike the less geographically endowed. Ogun State has a population of 7m people and is potentially the industrial epicentre of the South West Nigeria economy.

This report reviews the robustness of Ogun State by identifying key revenue sources, administrative and economic cost centres and standard of transparent governance guidance.

- ❶ **Section 1** looks at how the government has attempted to withstand a downturn in revenues and the relatively low internal revenue generation since 2014. It dives into the fiscal recurrent and capital expenditure.
- ❷ **Section 2** reviews the state of borrowing of the subnational and identifies the problems associated with the debt-to-revenue and debt-to-GDP ratios for overall fiscal stability.
- ❸ **Section 3** visits the impact of recession (2015/2016) on the state's recent finances and explains the implications for the government purse going forward. The section looks at the architecture of revenue and deconstructs sources of revenue and inferences from existing revenue models and governance structure. The report looks at what should or could be done to support a growth strategy that is self-financing and fiscally stable.
- ❹ **Section 4** adopts a theoretical framework designed to integrate Ogun State into a larger Lagos project that draws up clear areas of infrastructural and fiscal complementarity and mutually beneficial joint strategy. The plan is to see Ogun State as Lagos 2.0
- ❺ **Section 5** Concludes that Ogun State can be the nation's industrial powerhouse with a strong agricultural sector that integrates agricultural processing with value-added export growth that would lead to Ogun State becoming the natural largest IGR subnational entity.

Debt Ratios for 2016		
Debt Sustainability Ratio	Recommended Threshold	State Ratio (2016)
Liquidity Ratio (12 months average deduction from FAAC/12 months average FAAC)	40%	38%
Solvency Ratio (total domestic debt/IGR)	92%-167%	111%
Solvency Ratio (total liabilities/total recurrent revenue)	250%	98%

Source: Delcom Consulting

ANNUAL IGR FIGURE (N' Billion)	
Year	Total
2013	13.80
2014	17.50
2015	34.60
2016	72.90
2017	74.80
2018*	63.10
2019 forecast	85.52

Note * 9 months figure

Source: Ogun State Ministry of Budget and Planning

AVERAGE MONTHLY NET FAAC ALLOCATION	
Year	Average
2013	4.73
2014	4.08
2015	2.86
2016	1.68
2017	2.18
2018*	3.3

Note * 9 months figure

Source: Ogun State Ministry of Budget and Planning

ANNUAL NET FAAC ALLOCATION (N' Billion)	
Year	Total
2013	56.8
2014	48.9
2015	34.3
2016	20.1
2017	26.2
2018*	29.1
2019 forecast	25.5

Note * 9 months figure

Source: Ogun State Ministry of Budget and Planning

AVERAGE MONTHLY IGR (N' Billion)	
Year	Average
2013	1.15
2014	1.46
2015	2.88
2016	6.08
2017	6.23
2018*	7.01

Note * 9 months figure

Source: Ogun State Ministry of Budget and Planning

FOREIGN DEBT PROFILE (\$' Million)	
Year	External debt
2013	116.8
2014	109.15
2015	103.33
2016	103.42
2017	107.45
2018*	105.40
2019 forecast	103.26

* as at June 2018

Source: Ogun State Ministry of Budget and Planning

DOMESTIC DEBT PROFILE (N' Billion)	
Year	Internal Loans
2013	58.38
2014	70.19
2015	75.92
2016	79.54
2017	105.04
2018*	104.93
2019 forecast	117.98

* as at June 2018

Source: Ogun State Ministry of Budget and Planning

Ogun State Debt Profile / Analysis		
Debt Category	2015 (N)	(2016) (N)
Debt Deductions from FAAC Allocations	4,330,975,129	12,422,183,890
Total Domestic Debt as at end of financial year	74,301,872,313	79,426,403,867
Total External Debt as at end of financial year	21,445,793,764	22,726,287,949
Total Debt Service	19,662,279,447	12,810,289,168
Total External Debt Service	618,139,217	749,325,036
Total Domestic Debt Service	19,044,140,230	12,060,964,132
Total Liabilities at end of financial year	101,962,098,485	113,071,068,721

Source: Ogun State audited financial statement (2015), management account (2016) and budget (2017)

Expenditure Review – Jan to Sept 2017					
Details	Approved Budget (N) Billion	Prorated Provision Jan-Sept 2017 (N) Billion	Actual Expenditure Jan-Sept 2017 (N) Billion	% Proportionate Performance	% Contribution Jan-Sept 2017
Salaries and Allowances	65,336,312,000	49,002,234,000	38,797,827,679.31	79.18	38.78
Consolidated Revenue Fund Charges	14,500,000,000	10,875,000,000	8,955,751,119.49	82.35	8.95
Total Personnel Cost	79,836,312,000	59,877,234,000	47,753,578,798.80	79.75	47.74
Overhead Cost	27,594,624,000	20,695,968,000	7,900,690,239.84	38.18	7.90
Public Debt Charges (Overhead)	3,000,000,000	2,250,000,000	4,074,795,477.97	181.1	4.07
Total Recurrent Expenditure	110,430,936,000	82,823,202,000	59,729,064,516.61	72.12	59.71
Capital Expenditure	95,659,908,017	71,744,931,013	32,643,041,869.69	45.5	32.63
Public Debt Charges (Capital)	15,000,000,000	11,250,000,000	7,666,079,089.05	68.14	7.66
Total Capital Expenditure	110,659,908,017	82,994,931,013	40,309,120,958.74	48.57	40.29
Total Expenditure	221,090,844,017	165,818,133,013	100,038,185,475.35	60.33	100.00

Source: Ogun State Ministry of Budget and Planning

Expenditure Review – Jan to Sept 2018					
Details	Approved Budget (N) Billion	Prorated Provision Jan-Sept 2018 (N) Billion	Actual Expenditure Jan-Sept 2018 (N) Billion	% Proportionate Performance	% Contribution Jan-Sept 2018
Salaries and Allowances	68,033,500,000.00	51,025,125,000.00	31,476,522,289.81	61.69	27.61
Consolidated Revenue Fund Charges	13,500,000,000.00	10,125,000,000.00	6,332,810,429.75	62.55	5.55
Total Personnel Cost	81,533,500,000.00	61,150,125,000.00	37,809,332,719.56	61.83	33.16
Overhead Cost	34,569,069,850.00	25,926,802,421.25	10,818,724,456.54	41.73	9.49
Public Debt Charges (Overhead)	5,000,000,000.00	3,750,000,000.00	5,698,388,496.86	151.96	5.00
Total Recurrent Expenditure	121,102,569,895.00	90,826,927,421.25	54,326,445,672.96	59.81	47.65
Capital Expenditure	200,731,392,211.00	150,548,544,158.25	51,300,930,862.04	34.08	45.00
Public Debt Charges (Capital)	22,150,000,000.00	16,612,500,000.00	8,378,874,421.52	50.44	7.35
Total Capital Expenditure	222,881,392,211.00	167,161,044,158.25	59,679,805,283.56	35.70	52.35
Total Expenditure	343,983,962,106.00	257,987,971,579.50	114,006,250,956.52	44.19	100.00

Source: Ogun State Ministry of Budget and Planning

REVENUE PERFORMANCE - FUNDING SOURCES JAN -SEPT 2018									
S/N	Details	2018				2017			
		2018 Estimates (N'Bn)	Prorated Budget (N' Bn)	Jan- Sept Actual (N' Bn)	% Performance	2017 Estimates (N' Bn)	Prorated Budget (N' Bn)	Jan-Sept Actual (N' Bn)	% Performance
i	(IGR)								
(a).	Ministries	118.7	89.0	53.3	59.9%	32.6	24.4	9.2	37.5%
(b).	Boards and Corporations	30.7	23.1	9.8	42.4%	81.7	61.3	47.6	77.7%
	Total IGR	149.4	112.1	63.1	56.3%	114.3	85.7	56.8	66.2%
ii.	Statutory Allocation	36.0	27.0	30.3	112.1%	30.0	22.5	27.4	121.6%
iii.	VAT	12.0	9.0	9.6	107.0%	11.0	8.3	8.1	97.6%
	Total Revenue	197.4	148.1	103.0	69.6%	155.3	116.5	123.8	106.3%
iv.	Capital Receipts	96.6	72.5	0.7	1.0%	65.8	49.3	31.6	64.1%
v.	Capex Refunds	50.0	37.5	10.8	28.8%				
vi.	Total inflows	344.0	258.0	114.5	44.4%	221.1	165.8	155.4	93.7%

Source: Ogun State Ministry of Budget and Planning

FUNDS AVAILABLE ON ACCOUNT (N' Billion)	
Year	Total
2016	10.63
2017	22.84

MAJOR REVENUE GENERATING AGENCIES: 9MONTH 18					
S/N	AGENCIES	APPROVED PROVISION (N' BN)	PROPORTIONATE TARGET (N' BN)	ACTUAL PERFORMANCE (N' BN)	% PROPORTIONATE PERFORMANCE
1	Board of Internal Revenue	84,631,261,285.00	63,473,445,963.75	42,234,049,599.52	66.54
2	OPIC	8,036,674,967.00	6,027,506,240.25	1,894,236,038.73	31.43
3	Bureau of Lands and Survey	16,000,000,000.00	12,000,000,000.00	6,044,753,297.48	50.37
4	Ogun State Urban and Regional Planning Board	7,458,000,000.00	5,593,500,000.00	1,122,408,096.26	20.07
5	Ministry of Commerce and Industry	4,000,000,000.00	3,000,000,000.00	542,176,317.00	18.07
6	Ministry of Education	1,500,000,000.00	1,125,000,000.00	854,764,829.99	75.98
7	Ministry of Works and Infrastructure	345,400,000.00	259,050,000.00	14,030,011.00	5.42
8	Ministry of Physical Planning	856,500,000.00	642,375,000.00	230,419,533.41	35.87
9	Ministry of Agriculture	450,040,000.00	337,530,000.00	154,509,169.75	45.78
10	Ministry of Forestry	300,000,000.00	225,000,000.00	150,884,697.62	67.06
11	Ogun State Water Corporation	350,000,000.00	262,500,000.00	91,755,321.22	34.95
12	Agricultural Development Corporation	300,000,000.00	225,000,000.00	195,053,028.34	86.69
13	Agro Services Corporation	317,610,000.00	238,207,500.00	99,956,520.00	41.96
	Sub-Total	124,545,486,272.00	93,409,114,704.00	53,628,996,460.32	57.41
	Others	24,884,675,834.00	18,663,506,875.50	9,467,747,606.40	50.73
	TOTAL	149,430,162,106.00	112,072,621,579.50	63,098,744,066.72	56.30

Source: Ogun State Ministry of Budget and Planning



Ogun State is one of Nigeria's four states that are financially and technically viable. The State's internally generated revenue (IGR) is the second largest after, Lagos State (which is its geographically smaller neighbour) and its federation account allocation (FAAC) is the 34th largest in the country (or what amounts to the fourth lowest of the 36 States and Abuja, FCT). With a landmass of 16,409.26sq km (the second largest in the South West and the twenty fourth (24) largest in the country), Ogun State has one of the largest arable land areas in Nigeria with massive room for industrial and agricultural expansion, unlike less geographically endowed, Lagos State, which is land constrained. Ogun State has a population of 7m people and is potentially the industrial epicentre of the South West Nigeria economy, but despite its huge industrial prospects there are numerous stumbling blocks to its development. The state's primary problems include, but are not limited to, a laundry list of factors such as:

- ❗ Poor social and industrial infrastructure
- ❗ Poor collaborative integration amongst industries within the state
- ❗ Poor transportation infrastructure and logistics service delivery platforms
- ❗ Poor project programming and execution reflected in scattered uncompleted projects across the state
- ❗ Poor project scaling
- ❗ Poor collaboration between academia and the state's industrial sector (Ogun State has the largest number of tertiary institutions of any state in the country)
- ❗ High debt to IGR and debt to FAAC ratios (debt is twice IGR comparable to Lagos State with a much larger state GDP)
- ❗ High compound annual debt growth (12% per annum)
- ❗ Difficulties in the ease of doing business (bureaucracy still obstructs business growth especially in the areas of land acquisition and title documentation)
- ❗ Weak public sector accounting oversight and compliance framework. The State still struggles to meet with global best practices of the International Public Sector Accounting Standards (IPSAS)



Chart 1: Ogun State's Fiscal Dashboard 2013-2019 (forecast)



Source: Ogun State audited financial statements (2015), management account (2016) and budget (2017); 2018 *=9 Months 2018 figures; 2019 forecasts are based on Proshare's in-house analytical templates



Leaning Against The Debt Wind



Leaning Against The Debt Wind



Debt can be a dangerous thing and Ogun State is finding this out the hard way. The state's escalating debt profile is causing increased anxiety amongst Fiscal policy analysts. The state debt deductions from its Federation Account Allocations rose from N4.3bn in 2015 to N12.4bn in 2016, a leap of +188%. The state total domestic debt as at the end of 2015 rose from N74bn to N79bn in 2016, a rise of +6.7%. This is relatively modest in absolute growth terms but when considered as a proportion of total liabilities of the state of N113bn in 2016, the heavy 70% burden is significant. On the other hand since external debt is only 30% of total state liabilities, foreign currency debt risks appear mild. In addition domestic debt servicing fell from N19bn in 2015 to N12bn in 2016, representing a fall of -35%. This is good from the standpoint of fiscal balance as lower debt service could or should translate into higher budgetary commitments to capital outlays. Nevertheless, dampening the positive decline in domestic debt service was a significant rise in foreign debt obligations which rose from \$618m in 2015 to \$749m in 2016, a 21.2% rise in foreign debt commitment.

The polarity (increase/decrease in the implications of the direction of debt movement) between 2015 and 2016 shows a predominantly negative trend. Debt deductions from federation account allocations (FAAC) went up by +187% between the two years, thereby reducing cash available for capital projects meaning there was a negative cash out flow (-ve polarity). Total domestic debt between both years also went up by +7% showing another cash outflow which equally implied -ve polarity. Of the seven debt categories (see chart below) only two items showed off as positive; the state's domestic debt service ratio fell -37% and total debt service -35%. Lower domestic debt service and total debt service implied a drop in net cash outflows over the period (representing an improvement in polarity, +ve); this was at a time the national economy was dealing with its first recession in over two decades.

Table 1: Ogun State Debt Profile/Analysis

Ogun State Debt Profile / Analysis		
Debt Category	2015	2016
Debt Deductions from FAAC Allocations	4,330,975,129	12,422,183,890
Total Domestic Debt as end of financial year	74,301,872,313	79,426,403,867
Total External Debt as end of financial year	21,445,793,764	22,726,287,949
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Total Domestic Debt Service	19,044,140,230	12,060,964,132
Total Liabilities at end of financial year	101,962,098,485	113,071,068,721

Source: Ogun State audited financial statements (2015), management account (2016) and budget (2017)

Table 2: Ogun State Debt Category

Debt Category	Ratio of Increase from 2015 to 2016	Polarity /Comment
Debt Deductions from FAAC Allocations	187%	Negative
Total Domestic Debt as end of financial year	7%	Negative
Total External Debt as end of financial year	6%	Negative
Total Debt Service	-35%	Positive
Total External Debt Service	21%	Negative
Total Domestic Debt Service	-37%	Positive
Total Liabilities at end of financial year	11%	Negative

Source: Ogun State audited financial statements (2015), management account (2016) and budget (2017)

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Digging Out of A Debt Hole



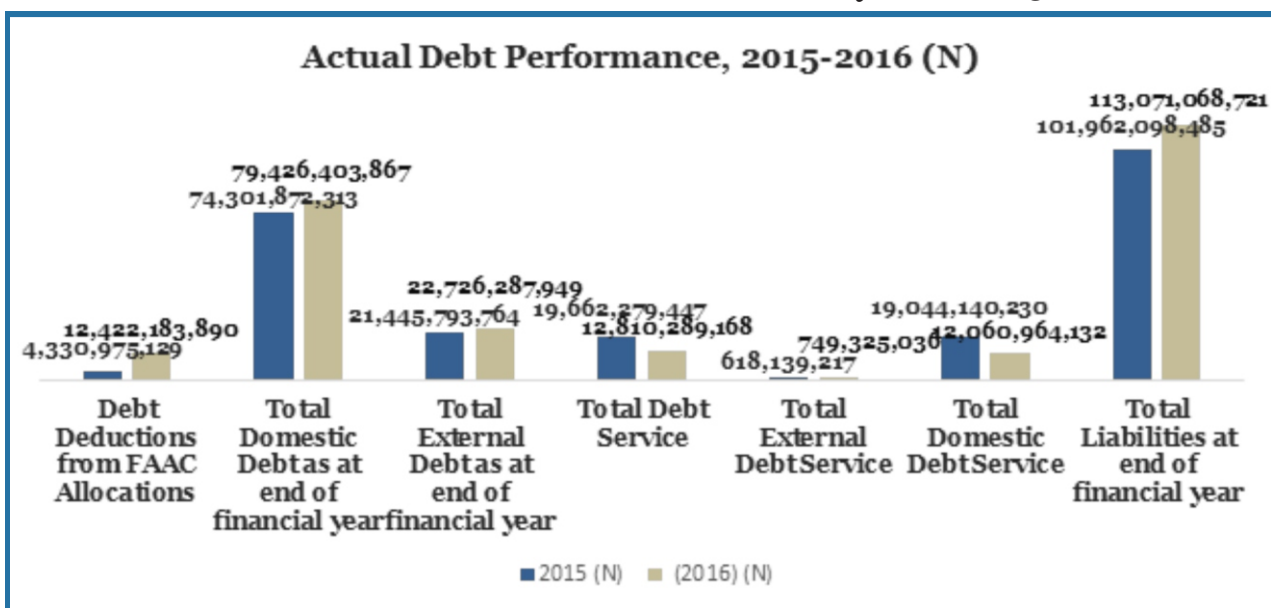
Ogun States debt situation requires creative financial re-engineering; where possible loan tenors need to be stretched and rates brought down, while operating costs are reduced by between 10% and 15% and revenues raised by an additional minimum of 15%.

Table below shows that the State's FAAC deductions for debt rose from N358m monthly average in 2015 to N1bn monthly average in 2016. However debt service dropped by -35% as a result of a major reduction in short term liabilities by extending loan tenor by way of the Federal Government of Nigeria's state bailouts.

The State will need to:

- ❗ Reduce external debt exposure as foreign exchange risk accentuates between 2019 and 2020 as global economic uncertainty persists;
- ❗ Reduce recurrent expenditure by 10% over the next 7 years, thereby halving the proportion of recurrent expenditure to total expenditure in the State's budget hence creating wider leeway for capital growth;
- ❗ Creating a sinking fund for retirement of statutory obligations on longer term debt instrument; and
- ❗ Create a capital reserve fund as part of a state sovereign wealth fund to be used to generate revenues through strategic investments across capital and money market instruments including real estate investments that meet investment grade criteria.

Chart 2: Actual Debt Performance in A Recessionary Hole 2015-2016



Source: Ogun State Ministry of Budget and Planning, Proshare Content

Borrowing Into Growth



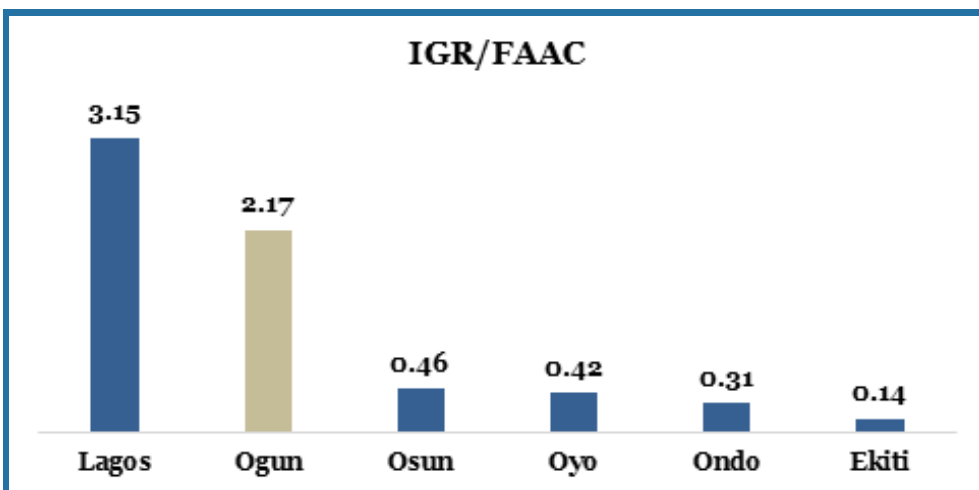
A major reason why the Ibikunle Amosun-led administration of the State went into heavy debt borrowing was its desire to meet certain millennium development goals or SMDGs and expand the state's GDP on a sustainable basis. The state's MDGs amongst other things is based on the state's five (5) cardinal programs of:

- 📍 Healthcare
- 📍 Education (No Child Left Behind)
- 📍 Agriculture
- 📍 Housing
- 📍 Infrastructure/Urban renewal

The state borrowing profile has made it one of the country's most leveraged fiscal treasuries but this is not necessarily bad if the resources generated have been channeled into the improvement of economic value chains across diverse sectors. The state arguably is the fastest industrializing subnational unit in the country with over a hundred companies being set up annually in the state with an average investment outlay of \$100m. This prepares the state for faster-paced growth of its IGR.

The State IGR is twice (2 times) its federation account earnings making the state the second most financially viable state in the country after Lagos State that generates three (3) times in FAAC revenue in IGR (see chart below).

Chart 3: State's IGR / FAAC 9months 2018

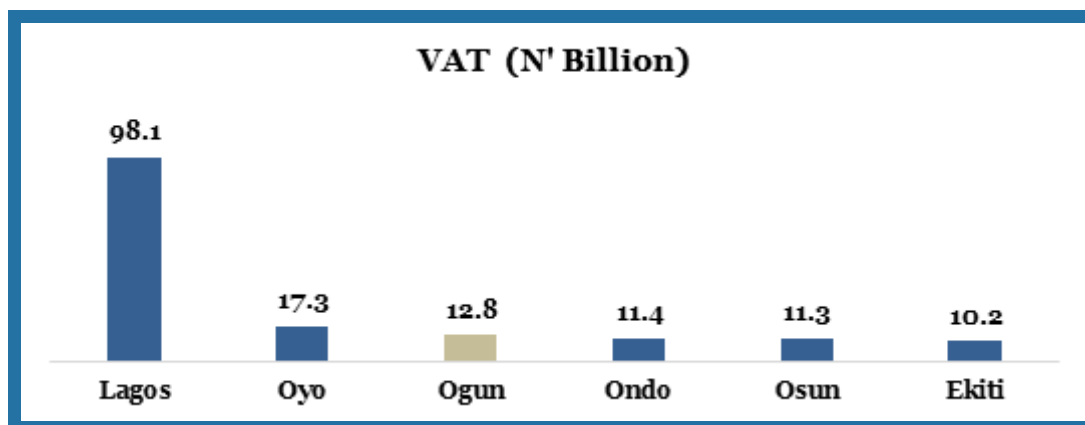


Source: National Bureau of Statistics (NBS)

The state seems to lack sufficient retail and commercial activity such that value added tax (VAT) is a weak accruable revenue line. For example, Lagos State generates seven (7) times more VAT income than its Ogun State counterpart. While Lagos State generated VAT revenue of N98bn

for the nine (9) months of 2018, Ogun state, in turn, generated a much smaller N12.8bn over the period. In other words Lagos State generated 667%, more VAT than its larger neighbor. In fact, rather surprisingly, Ogun State generated N5.5bn less VAT than its Oyo State counterpart; even though Ogun's proximity to Lagos would suggest that it is more cosmopolitan and should earn more taxable incomes from hospitality, fast moving consumer goods (FCMGs) and other non-manufacturing activities than its Oyo State neighbor, the State appears to be underperforming in VAT collection. However, it needs to be said that per capita income in Ogun state is lower than that of Lagos State and this might partly explain the reduced capacity for VAT generation.

Chart 4: State's VAT 9months 2018



Source: National Bureau of Statistics (NBS)

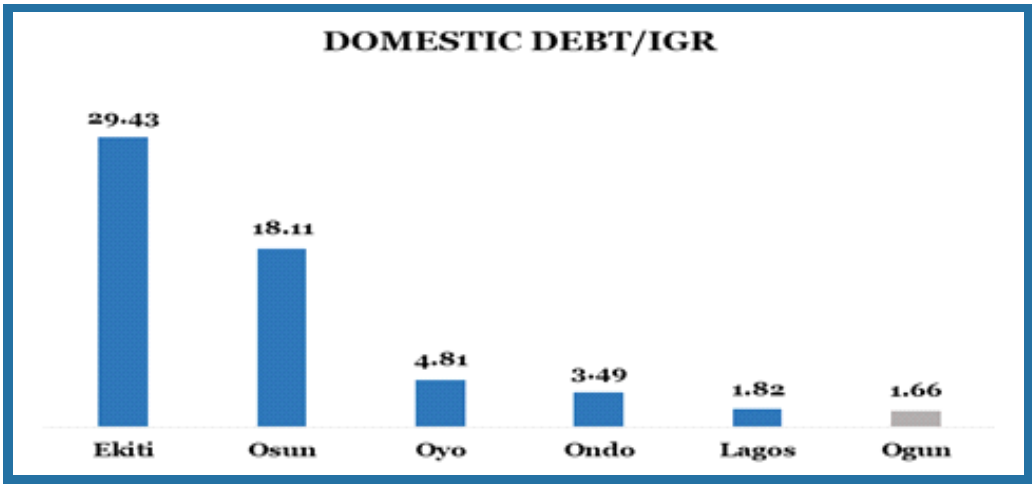
The Problem:

The challenge of the state is not so much that the state government has not been proactive in raising domestic revenue but that the increase in revenues have been chased by rising debt, thereby creating a fiscal debt-to-revenue ratio that is weaker than would otherwise have been the case if debts were not being accumulated at such a pace.

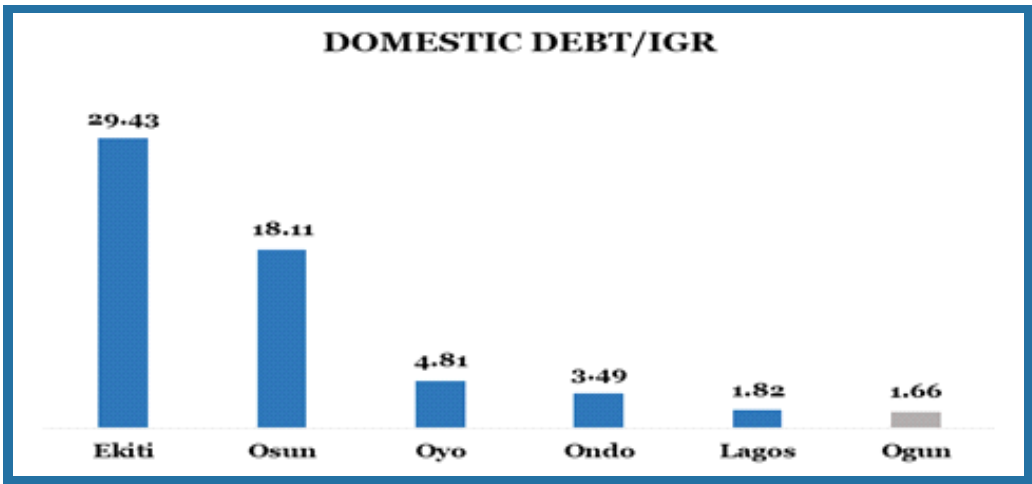
Nevertheless, based on 9 months 2018 statistics, the state's debt to IGR ratio is the lowest for the six states in South Western Nigeria (and the reverse, its IGR to debt ratio is the highest). The state with the highest debt to IGR ratio is Ekiti State at 29.43, followed by Osun State at 18.11, Oyo State at 4.81, Ondo State at 3.49 and Lagos State at 1.82. This means that even though Lagos and Ogun States have high debt profiles both generate revenues that ensure that debts are repaid sustainably. However, it must be mentioned that the debt figures for Ogun State do not include the State's pension liabilities and its unpaid obligations to local contractors. Including these numbers would attenuate the debt to revenue ratio of the state as it would increase the size of the state's debt.



Chart 5: State's Domestic Debt/IGR 9months 2018



or



Source: Debt management Office (DMO)

What seems to be more of a challenge for the state is the underperformance of its expected revenue (see table below). Nine (9) months 2018 statistics show that the decline in broad economic activity as a result of a slower growth in the economy is taking its toll on the state's finances. Treasury expectations have been punctured by lower than expected revenue inflows. For the full year 2018, the government expected the following revenues:

- 📌 IGR N149.43bn
- 📌 Statutory/Other Revenues N36bn
- 📌 VAT N12bn
- 📌 CAPEX(FGN Road Refund) N50bn
- 📌 Capital Receipts N96.55bn



The Total Annual Expected Revenue for 2018 was N343.98bn

On a pro rata basis for 9 months of 2018 the figures were as follows:

- IGR N112.07bn
- Statutory/Other revenues N27bn
- VAT N9bn
- CAPEX (FGN Road Refund) N37.50bn
- Capital Receipts N72.42bn

The Total 9-Month Expected Revenue for 2018 was N257.99bn

The total actual revenue numbers for 2018, underscore the fiscal challenge that still plagues Ogun State's finances, and may in part explain why it is having problems paying workers and settling its pensions and general retiree obligations. The actual revenue performances for the 9 months of 2018 were as follows:

- IGR N63.10bn
- Statutory/Other Revenues N30.26bn
- VAT N9.64bn
- CAPEX (FGN Road Refund) N10.81bn
- Capital Receipts N0.72bn

This suggests that for the better part of last year the government achieved the following revenue performance:

- IGR 56.30%
- Statutory/Other Revenues 112.07%
- VAT 107.8%
- CAPEX (FGN Road Refund) 28.84%
- Capital Receipts 0.99%

Revenues from FAAC and VAT were robust in the 9 months of 2018 as actual FAAC receipts were 112.07% of the prorated expectations and VAT inflows were 107.8% of expectations; IGR, however, told a different tale. The State was able to generate only 56% of its prorated revenue expectation for the 9 months between January and September, 2018. This suggests that non-VAT IGR was much lower than the budget plan for the year. This appears to imply that a slow growth of manufacturing sector in the State hindered growth in non-VAT revenues from corporate taxes and levies.



**Interpreting Data for Intelligent
Decision Making**

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Table 2: Ogun State Revenue/ Funding Sources

REVENUE/FUNDING SOURCES						
S/No.	Details	Budget (N'bn)	Prorated Budget (N'bn)	Actual (N'bn)	Proportionate Performance	% of Total
i.	IGR	149.43	112.07	63.1	56.30%	55.10%
ii.	Statutory/Other revenue	36	27	30.26	112.07%	26.42%
iii.	VAT	12	9	9.64	107.08%	8.42%
Iv	CAPEX (F.G ROAD REFUND)	50	37.5	10.81	28.84	9.44
v.	Capital Receipts	96.55	72.42	0.72	0.99%	0.63%
	Total	343.98	257.99	114.52	44.39%	100.00%

Source: Ogun State Debt Profile/Analysis



The Difficult Economics of Spending



A difficult challenge with Ogun State's finances is the slant of its expenditures. In the 9 months to September 2018 the State met 59.82% of its prorated spending plan for the three quarters but it was able to achieve only a modest 35.70% of its capital expenditure plan.

In other words, the government has been struggling to cope with fiscal obligations and the capital aspect of this responsibility has been the worst hit by slow economic growth.

Even though the State has been able to achieve about 60% of prorated recurrent expenditure, Public Sector Treasury managers have still found it difficult to do the following:

- ❗ Pay the salaries of public workers as at when due. Some sections of the State's workforce such as teachers at the State's College of Education have been owed salaries for as long as 29 months and arrears for as long as 48 months. However, figures available from the State's Ministry of Budget and Planning suggests that as at September 2018, 79% of salary obligations due have been met, in other words N48bn out of N60bn expected payments have been made
- ❗ Meet the payments of contractors for a number of the State's new road projects and suppliers of goods to government ministries, departments and agencies (MDAs) suggesting that the State's debt profile could actually be higher if recurrent liabilities of unpaid road and infrastructure contractors and sundry suppliers are taken into account
- ❗ Cover total budgeted capital expenditure costs. The State's capacity to cover its total project costs plus capital debt charges is relatively modest. Its proportionate performance in the 9 months to September 2018 was 48.7% and its percentage contribution 40.29%.

Table 3: Nine (9) Months Budget Performance Summary (Jan-Sept 2018)

Expenditure						
S/No.	Details	Budget (N'bn)	Prorated Budget (N'bn)	Actual (N'bn)	% Proportionate Performance	% of Total
i.	Recurrent Expenditure	121.1	90.83	54.33	59.82%	47.65%
ii.	Capital Expenditure	222.88	167.16	59.68	35.70%	52.35%
	Total Expenditure	343.98	257.99	114.01	44.19%	100%

Source: Ogun State Ministry of Budget and Planning

Table 4: Ogun State Debt Profile/Analysis

Expenditure Review – Jan to Sept 2018					
Details	Approved Budget (N) Billion	Prorated Provision Jan-Sept 2018 (N) Billion	Actual Expenditure Jan-Sept 2018 (N) Billion	% Proportionate Performance	% Contribution Jan-Sept 2018
Salaries and Allowances	68,033,500,000.00	51,025,125,000.00	31,476,522,289.81	61.69	27.61
Consolidated Revenue Fund Charges	13,500,000,000.00	10,125,000,000.00	6,332,810,429.75	62.55	5.55
Total Personnel Cost	81,533,500,000.00	61,150,125,000.00	37,809,332,719.56	61.83	33.16
Overhead Cost	34,569,069,850.00	25,926,802,421.25	10,818,724,456.54	41.73	9.49
Public Debt Charges (Overhead)	5,000,000,000.00	3,750,000,000.00	5,698,388,496.86	151.96	5.00
Total Recurrent Expenditure	121,102,569,895.00	90,826,927,421.25	54,326,445,672.96	59.81	47.65
Capital Expenditure	200,731,392,211.00	150,548,544,158.25	51,300,930,862.04	34.08	45.00
Public Debt Charges (Capital)	22,150,000,000.00	16,612,500,000.00	8,378,874,421.52	50.44	7.35
Total Capital Expenditure	222,881,392,211.00	167,161,044,158.25	59,679,805,283.56	35.70	52.35
Total Expenditure	343,983,962,106.00	257,987,971,579.50	114,006,250,956.52	44.19	100.00

Source: Ogun State Ministry of Budget and Planning

A Recessionary Throwback

Between 2015 and 2016 Nigeria scurried into a recession which had dire impact on state finances. Recurrent expenditure hopped 12.9% from N61.7bn in 2015 to N70bn in 2016 at a time when federal fiscal revenues and FAAC allocations were under pressure as a result of falling international petrol prices. Personnel cost dropped from N42bn to N39bn, a slide of 7.1%. This is a trend that needs to continue, but may be adversely affected by a recently passed and signed minimum wage law which raises the country's national minimum wage from N18,000 per month to N30,000 per month, a rise of 67%.

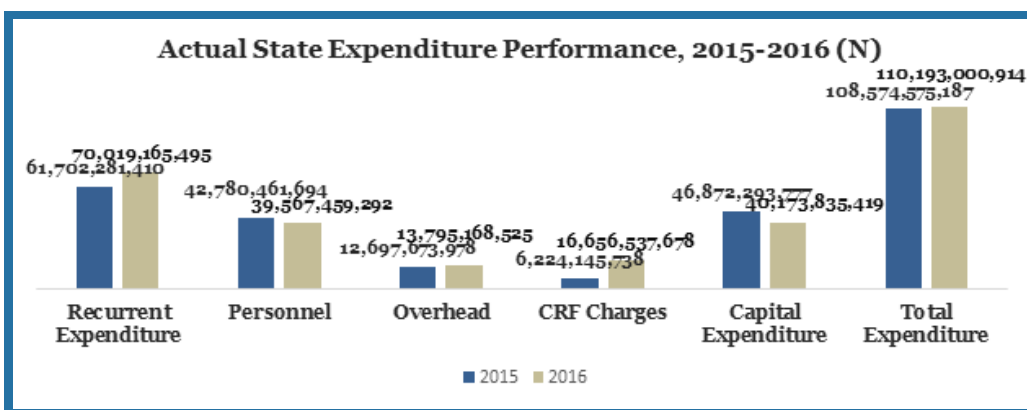
A rising wage bill will require a countervailing rise in either tax rates or a broadening of the tax base or both. This will be a critical fiscal decision in 2019. The good thing about the wage rise is that it contains some elements of a built-in stabilize.

The new bill will push many workers into higher tax brackets meaning that the state will claw back a portion of the bill increase by way of PAYE, PIT and VAT (through the “wealth illusion” effect of the wage increase leading to a temporary rise in consumption spending).

To push against economic headwinds in a slow moving economy the State will have to:

- 🔸 Bring down expenditure by reducing recurrent spending and also rescale and refinance capital projects at lower interest rates;
- 🔸 Keep overheads down by an additional 10%;
- 🔸 Tackle the niggling problem of public debt charges (capital and overheads) which comes in at over N1bn monthly combined; and
- 🔸 Manage consolidated revenue fund charges (CFR) in a more sustainable manner.

Chart 6: Actual State Recessionary Expenditure Performance 2015-2016



Source: Ogun State Ministry of Budget and Planning, Proshare Content

Where The Money Was Made in 2018

The State made most of its revenue from taxes, fees and levies this constituted 66.5% of its proportionate target for the period between January and September 2018, the education sector was the best performer with the sector meeting 75% of its target, while the Bureau of Land and Survey was able to achieve 50% of the proportionate budget target. The Agricultural Development Corporation was able to achieve 86.7% of its proportionate target but this was from a relatively low revenue base of N225m, with actual revenue achievement of N195m.

Table 5: Major Revenue Generating Agencies: 9 months 2018

MAJOR REVENUE GENERATING AGENCIES: 9M 18					
S/N	AGENCIES	APPROVED PROVISION (N' BN)	PROPORTIONATE TARGET (N' BN)	ACTUAL PERFORMANCE (N' BN)	% PROPORTIONATE PERFORMANCE
1	Board of Internal Revenue	84,631,261,285.00	63,473,445,963.75	42,234,049,599.52	66.54
2	OPIC	8,036,674,967.00	6,027,506,240.25	1,894,236,038.73	31.43
3	Bureau of Lands and Survey	16,000,000,000.00	12,000,000,000.00	6,044,753,297.48	50.37
4	Ogun State Urban and Regional Planning Board	7,458,000,000.00	5,593,500,000.00	1,122,408,096.26	20.07
5	Ministry of Commerce and Industry	4,000,000,000.00	3,000,000,000.00	542,176,317.00	18.07
6	Ministry of Education	1,500,000,000.00	1,125,000,000.00	854,764,829.99	75.98
7	Ministry of Works and Infrastructure	345,400,000.00	259,050,000.00	14,030,011.00	5.42
8	Ministry of Physical Planning	856,500,000.00	642,375,000.00	230,419,533.41	35.87
9	Ministry of Agriculture	450,040,000.00	337,530,000.00	154,509,169.75	45.78
10	Ministry of Forestry	300,000,000.00	225,000,000.00	150,884,697.62	67.06
11	Ogun State Water Corporation	350,000,000.00	262,500,000.00	91,755,321.22	34.95
12	Agricultural Development Corporation	300,000,000.00	225,000,000.00	195,053,028.34	86.69
13	Agro Services Corporation	317,610,000.00	238,207,500.00	99,956,520.00	41.96
	Sub-Total	124,545,486,272.00	93,409,114,704.00	53,628,996,460.32	57.41
	Others	24,884,675,834.00	18,663,506,875.50	9,467,747,606.40	50.73
	TOTAL	149,430,162,106.00	112,072,621,579.50	63,098,744,066.72	56.30

Looking Ahead

From 2019 the State's fiscal arithmetic may change somewhat with two developments leading the charge:

- ❶ The rise in minimum wage from N18, 000 to N30, 000 per month will likely increase the State's total wage bill which could rise from N79.8bn in 2018 to N133bn in 2019. Since the minimum wage implementation will not kick in until the end of Q2 2019, the bill may actually be closer to N106.4bn or 33% above the previous year. This will mean that the government will have to increase revenues by way of either widening the tax base or increasing tax rates or both. This could slow economic growth in the State as manufacturers and commercial businesses will try to pass on the added tax costs to consumers or absorb the rise against operating profits.
- ❷ Value Added Tax (VAT) rate is not likely to rise in 2019, as the Federal Inland Revenue Services (FIRS) has insisted that there will be no tax hikes in the year. The problem is that Ogun State has a low VAT base. The 2018 budget for VAT revenue was N12bn from a total State Revenue of N343.98bn, or 3.5%. The actual 9 month 2018 figure was N9.64bn out of total revenue for the period of N114.52bn or 8.4%.

Ogun State Needs to Increase its VAT Revenue and to do this it must:

- ❶ Increase commercial activity in the State through developing projects that skim social activities off Lagos State, this means developing arcades and malls around areas with close proximity to Lagos State. The Ojodu Berger axis of the State could attract heavy commercial activities if properly scaled and executed. The burgeoning growth of communities along the Ojodu Berger axis of the Lagos Ibadan expressway (80% of the expressway is in Ogun State) down to Arepo, Mowe, Ibafo and Shagamu could exponentially increase the States VAT income. The same could be said of Agbara and Ijebu Ode via Ikorodu. The State needs to promote heavy private sector investment along the axis and develop a framework for the axis to grow in an orderly and strategic manner devoid of the present chaos.
- ❷ Build specialized markets on a Private Public Participation (PPP) basis in close proximity to Lagos State. For example, a meat market with an abattoir at Kara, in the Ifo Local Government Area, and a modern fish market at Agbara and Ota (en route Abule Egba), Lagos. These markets would generate regular daily inflows into the State's coffers by way of fees, charges and levies. The State could also generate strong revenues from truck parks that provide one stop shops for interstate articulated vehicular traffic. A series of strategic commercial projects on a joint venture (JV) basis with private sector investors putting up capital and management with the side benefit of jump starting the State's VAT collection. Alternatively, the State could approach the local capital market to raise a revenue bond at a possible coupon rate of between 14.5% and 15.75% structured in a manner that the cash flows from the projects can pay down both principal and coupon payments on a semi-annual basis after the first year. These projects are low hanging fruits but require professionalism and expertise to package as well as the discipline to insulate the bonds from local politics (see below links)

- ❶ 'Lagos States Municipality Note Default: Understanding The Issues, Implications and Lessons
- ❷ Lagos State Government Defaults On Municipality Note Issue; Investors Fret Over Yields



Ogun State as Lagos State 2.0

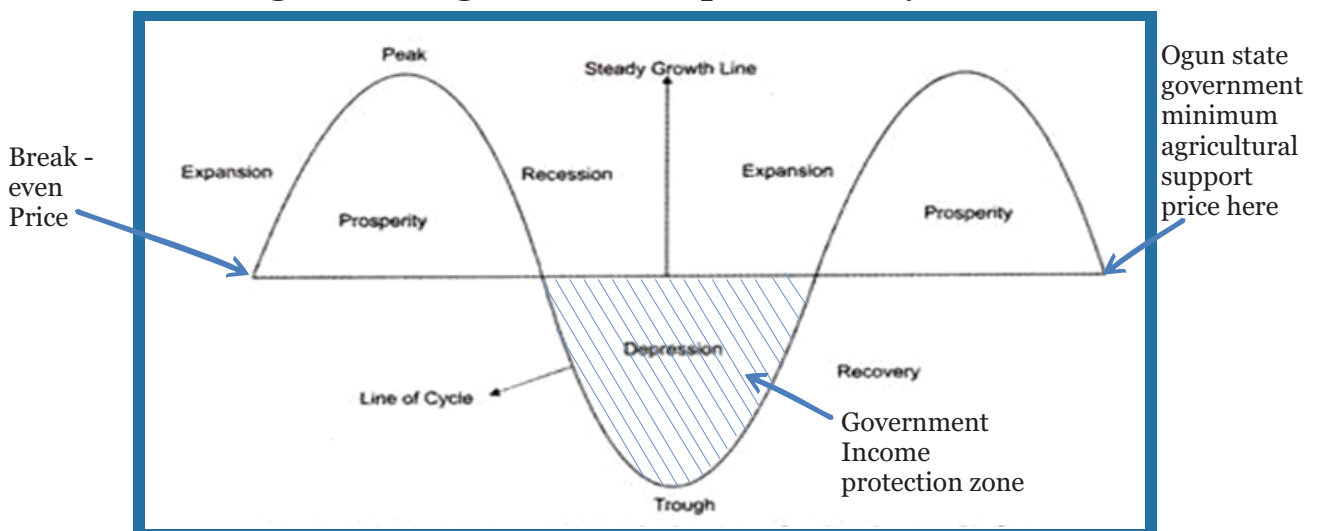


Ogun State has a tremendous potential of driving higher levels of IGR and VAT thereby outpacing Lagos in terms of GDP growth. With its larger landmass and abundant cultivatable land, the State is potentially primed to grow at a decent 8% per annum outstripping the national GDP growth rate of 1.81% as at December 2018; the State in other words is very capable of becoming Lagos State 2.0 over a period of 8 years. What to do?

To bring about the growth and development required; a number policy actions must be taken:

- ❶ Strategically structured border economies need to be created at carefully picked locations such that they generate cash inflows that yield returns on investments of between 15% and 18% per annum. Places like Idi Iroko, Sango Ota and Sagamu need to be developed into sub economies that are optimized for maximum revenue inflows. These economies will form the financial support nexus for capital growth and expansion in other parts of the state.
- ❷ Ogun State is estimated to have 80% arable land. This means that the State can create an agricultural belt that becomes the food basket for the South Western part of the country. To do this, the governments needs to:
 - ❶ Delineate specific locations within the State as farm belts
 - ❷ Form and/or identify existing cooperative societies that will manage the cultivation of specific crops within each zone within the belt
 - ❸ Provide storage/warehousing facilities for farm gate crops within the belt
 - ❹ Provide price support programmes that guarantee farmers minimum incomes that support their individual product life and income cycles

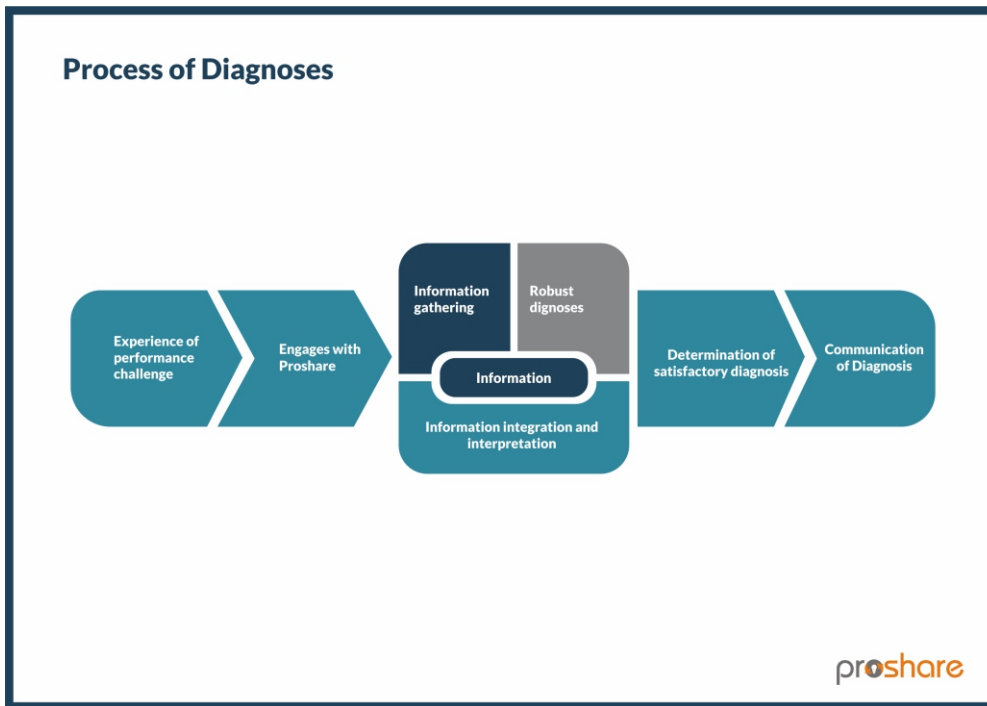
Illustration 1: Ogun State Agricultural Crop Price Lifecycles



Source: Proshare Content

- ① Develop a commodities exchange linkage that allows secondary market transactions that provide farmers with liquidity and alternative price protection (the State's Agricultural Development Corporation was able to achieve over 86% of the prorated budgeted income in the 9 months to September of 2018, showing a capacity of the sector to generate sizeable income for the State's treasury coffers if managed creatively with more active private sector participation and commodity market involvement)
- ① Encourage forward integration with industries that use raw farm inputs. Companies like CHI and FUMAAN have started this with fruit processing in the State.
- ① Cut down the State's fiscal deficit and refinance short term liabilities with longer term structured borrowing. This will spread out repayment tenor and unburden short term debt service obligations. This should create an inverted yield curve for fiscal liabilities from the short end of the yield curve. The impact of this strategy was seen in 2016 when it was noticed that despite an increase in debt (+7% domestic, +6% foreign) the State's debt servicing obligations fell (-35%) because the government refinanced short term bank loans with longer tenored Federal government bailout funds spread over ten (10) years (in contrast to twenty (20) years that was preferred by other States). In the light of the present circumstances with major constraints on capital budget, the State government should negotiate tenor extension for another 10 years to further ease its repayment burden.
- ① Education should be a major focus of the State government. Ogun State has the largest number of tertiary educational establishments in the country, the State should, therefore, be at the vanguard of the country's industrialization, technology and data analytics initiatives including artificial intelligence (AI). A science, technology, engineering and mathematics (STEM) orientation should enable the State leap frog its peers and pull huge sums of revenue from knowledge-based service delivery such as educational tourism.
- ① A major weakness in Ogun State and several other counterpart states is an aversion to drive fiscal policy on the basis of data analytics. The reluctance to run government based on analytical constructs founded on deep data dive has resulted in several wrong policy and project manoeuvres leading to developmental choke points where several projects within the state are at different uncoordinated levels of completion based on budget overruns, execution failures and dried up funds. For the state to nudge ahead of Lagos, it must drive a thorough programme of project conception, execution and coordination that rests on big data and advance analytics. To be the best, a fighter must beat the best. The same applies to governance; superior thought and execution will always trounce mediocrity. In the age of the 4th Industrial Revolution, information and its application is at the centre of efficiency, effectiveness and excellence.

Illustration 2: Problem Diagnoses and Resolution



Source: Proshare Content

Table 6: State Performance on Debt Management Actions

S/N	QUESTIONS	STATUS	SCORE	COMMENT
1	Does your State have a credit rating?	No	D	No credit rating has been undertaken in the last 36 months.
2	Has your State received from the Federal Government guidelines on issuance of fast-track Municipal bonds?	No	N/A	The State has not received this guidelines from the federal government.
3	Has your State accessed funds from the capital market for bankable projects through the issuance of fast-track Municipal bonds?	No	N/A	The State government has no plans of selling Municipal bonds. The state is discussing with Federal Government and World Bank to access a \$350 million IDA facility to finance its Development Policy Operation (DPO)
4	Has your State fully complied with the FRA with respect to not undertaking of commercial bank loans since the FSP?	Yes	N/A	The State has not borrowed from any commercial bank since the FSP was developed.

5	Does your State make routine submissions of updated profile reports to the Debt Management Office?	Yes	N/A	The State makes routine submissions to DMO quarterly. However, data from DMO reports the latest data from the State as at December 2015.
6	Has your State received a benchmark rate for Municipal loans from the CBN?	No	N/A	The State has not received a benchmark rate from the CBN.
7	Has your State established measures to ensure that current total liabilities do not exceed 250% of total revenue for the preceding year (2016)? Solvency ratio?	Yes	B	The State has a debt management strategy which sets the borrowing limits. Its solvency ratio was recorded as 98% in 2016.
8	Has your State established measures to ensure that monthly debt service deductions do not exceed 40% of the average FAAC allocation for the preceding 12 months?	Yes	C	Its liquidity ratio was recorded as 38% in 2016. The ratio has increased substantially from 11% recorded in 2015.
9	Does the State run currently a sinking fund for maturing loans?	No	D	The State does not operate a sinking fund.
10	In addition to a sinking fund, has your State established a consolidated debt service account to be funded from the State's consolidated reserve fund account to a minimum of 5% of IGR?	Yes	B	Although a CDSA is in place, transfers are not strictly adhered to because there is no guiding framework to ensure transfers from IGR.

Source: Delcom Consulting

Table 7: Summary of Major Findings

SUMMARY OF MAJOR FINDINGS				
S/N	FSP Objective	Actions Implemented	Work in progress	Action(s) not Implemented
1	Accountability and Transparency	Adoption of IPSAS Open competitive bidding*C7	Adoption of IPSAS compliant software developed by the federal government	Publication of audited financial statement Publication of budget Publication of budget implementation/performance report Establishment of public compliant and anti-corruption commission*
2	Public Revenue	Set realistic IGR target Implementation of TSA Attend quarterly financial reconciliation meeting Review of revenue related laws and tariffs		

3	Public Expenditure	Set limits for personnel expenditure (including biometric capture) Establish efficiency unit Introduce a system of continuous audit Conduct community needs assessment to inform budget*		
4	Public Financial Management	Consider privatisation or concession of suitable state-owned enterprises	Domestication of the Fiscal Responsibility Act (FRA)	Create fixed assets and liability register Establish a capital development fund
5	Sustainable Debt Management	Compliance with debt threshold (Solvency and liquidity ratio) Full compliance with FRA		Attain and maintain good credit rating Access capital market funds Establish sinking fund and consolidated debt service account to be funded by the consolidated debt reserve fund account

Notes: * Open Government Partnership action

Source: Delcom Consulting

Table 8: Review of Ogun States Fiscal Performance in Recessionary 2016

STATE 'S FISCAL PERFORMANCE, 2016									
Description	Value	Score				Score GUIDE			
		A	B	C	D	A	B	C	D
Aggregate expenditure out-turn compared to original approved budget	60.2%			C		Less than 15% deviation(positive or negative)	Deviation of between 15% and 30% (positive or negative)	Deviation of between 30% and 45% (positive or negative)	Deviation of more than 45% (positive or negative)
Composition of expenditure out-turn compared to original approved budget	47.1%				D	Less than 15% deviation(positive or negative)	Deviation of between 15% and 30% (positive or negative)	Deviation of between 30% and 45% (positive or negative)	Deviation of more than 45% (positive or negative)
Aggregate expenditure out-turn compared to original approved budget-administrative sector	49.3%				D	Less than 15% deviation(positive or negative)	Deviation of between 15% and 30% (positive or negative)	Deviation of between 30% and 45% (positive or negative)	Deviation of more than 45% (positive or negative)
Aggregate expenditure out-turn compared to original approved budget-economic sector	50.9%				D	Less than 15% deviation(positive or negative)	Deviation of between 15% and 30% (positive or negative)	Deviation of between 30% and 45% (positive or negative)	Deviation of more than 45% (positive or negative)
Aggregate expenditure out-turn compared to original approved budget-social sector	33.8%				D	Less than 15% deviation(positive or negative)	Deviation of between 15% and 30% (positive or negative)	Deviation of between 30% and 45% (positive or negative)	Deviation of more than 45% (positive or negative)
Aggregate expenditure out-turn compared to original approved budget-regional sector	38.2%				D	Less than 15% deviation(positive or negative)	Deviation of between 15% and 30% (positive or negative)	Deviation of between 30% and 45% (positive or negative)	Deviation of more than 45% (positive or negative)
Aggregate expenditure out-turn compared to original approved budget- law and justice sector	38.2%				D	Less than 15% deviation(positive or negative)	Deviation of between 15% and 30% (positive or negative)	Deviation of between 30% and 45% (positive or negative)	Deviation of more than 45% (positive or negative)
Aggregate revenue out-turn	63.8%			C		Less than 15% deviation(positive or negative)	Deviation of between 15% and 30% (positive or negative)	Deviation of between 30% and 45% (positive or negative)	Deviation of more than 45% (positive or negative)
Federal Account Revenue out-turn compared to original approved budget	77.7%		B			Less than 15% deviation(positive or negative)	Deviation of between 15% and 30% (positive or negative)	Deviation of between 30% and 45% (positive or negative)	Deviation of more than 45% (positive or negative)
IGR out-turn compared to original approved budget	67.7%			C		Less than 15% deviation(positive or negative)	Deviation of between 15% and 30% (positive or negative)	Deviation of between 30% and 45% (positive or negative)	Deviation of more than 45% (positive or negative)
Capital Receipts out-turn compared to original approved budget	24.4%				D	Less than 15% deviation(positive or negative)	Deviation of between 15% and 30% (positive or negative)	Deviation of between 30% and 45% (positive or negative)	Deviation of more than 45% (positive or negative)
Proportion of Recurrent Expenditure funded by IGR	134.1%	A				60% and above	Between 41% and 59%	Between 20% and 40%	Less than 20%
Proportion of Recurrent Expenditure funded by IGR and VAT	150.7%	A				80% and above	Between 61% and 79%	Between 41% and 60%	Less than 40%
Capital Expenditure Ratio	57.4%		B			60% and above	Between 41% and 59%	Between 20% and 40%	Less than 20%
Personnel Expenditure Ratio	35.9%		B			Less than 26% of total expenditure	Between 26% and 39%	Between 40% and 50%	more than 50%

Overhead Expenditure Ratio	12.5%	A			Less than 15% of total expenditure	Between 15% and 19%	Between 20% and 30%	more than 30%
Real IGR Growth	11.2%		B		IGR growth at 20% and above	IGR growth between 6% and 19% above	IGR growth between 0% and 5% above	IGR growth below 0%
Ratio of average monthly debt services deducted from FAAC revenue	38.1%			C	Less than 10% of total gross allocation	Between 10% and 25% of gross allocation	Between 25% and 40% of gross allocation	More than 40% of gross allocation
Total Liabilities as percentage of Total Recurrent Revenue	98.4%		B		Less than 50%	Between 50% and 150%	Between 150% and 250%	More than 250% or no records
Stocks of expenditure payment arrears	N/A				Less than 2% of aggregate actual expenditure	Between 2% and 5% of actual expenditure	Between 5% and 10% of actual expenditure	More than 10% of actual expenditure

Source: Delcom Consulting



JUMIA TECHNOLOGIES AG

Memo to the Market

JUMIA's IPO and Q1 2019 Result;
Understanding The Numbers and Ignoring the 'Noise'

May 2019

1602 - 8842 Vol. 1 No. 207



MTN Nigeria Communications Plc

Memo to the Market

Beyond The Noise - MTN's Post Listing Issues,
Gaps in Regulation & Lessons Learnt

May 2019

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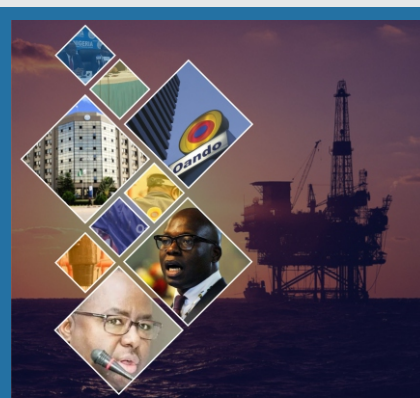


FBN Holdings Plc

A Performance Assessment Report
(for the period ended 31st March 2017)

August 2017

1599-8842 Vol.1 No.153



Oando Plc

Market Memorandum

The Oando Corporate Journey - At The Regulators Gate

December 2017

1599-8842 Vol.1 No.161



Conclusion



Ogun State's fiscal position is much better than several states but much worse than its potential. The State has tremendous economic potential to be the fastest industrializing state in the country and the wealthiest, indeed ahead of Lagos State. To achieve faster paced growth and development, the State government needs to draw up short, medium and long term plans with appropriate financial frameworks. In addition the State must also:

- ❗ Fully adopt best global fiscal governance practices as outlined by IPSAS (the State's deficiencies in this regard is contained in our check off list in the Appendix to this report)
- ❗ Obtain a State Credit Rating from a reputable Credit Rating agency. This will enable the State establish the cost of raising capital market funds based on expected default risk evaluation
- ❗ Establish a debt to revenue threshold that will guide borrowing and revenue plans
- ❗ Establish a State Sovereign Wealth Fund should be established under private sector management with baseline performance requirements and acceptable risk standards
- ❗ Put in place both strategic revenue and debt review report IMMEDIATELY to access the sustainability of State finances
- ❗ Outline an integrated accelerated economic development roadmap to be developed that assigns timelines, project targets, officers and institutions concerned and cost and revenue expectations. This plan lines up with the states Medium Term Economic Framework and takes off from the concept of developing border economies and a Lagos State Proximity Economic Sub-Project (this looks at issues of JVs and PPPs to develop economic structures in places that border the Lagos economy).
- ❗ Deliberately reduce the State's debt to IGR and debt to FAAC ratio over a four year horizon
- ❗ Encourage a series of big ticket Foreign Direct Investment (FDIs) initiatives. This will depend majorly on how successful the State government is in repositioning the State's finances and creating the environment for local investors to come to the State to invest.

Ogun State has potential for exceptional development but there is no guarantee that it will fulfil this promise; as veteran United States of America Army General, Gordon R. Sullivan once noted, "Hope is not a method". Planning and deliberate and focused execution will be the ultimate determinant of how well the State fulfils or betrays its destiny.

Data, Analysis,
Infographics & Videos
on **2018 Review & 2019 Outlook**

Find out **HERE**

proshare



Federation Account Allocation Committee (FAAC) December 2018 Disbursement

Distribution of Revenue Allocation to State and Local Governments by FAAC
for the month of November, 2018 Shared in December, 2018

OGUN STATE





 **20**
No. of LGCs


BENEFICIARIES

1 of 3




Gross Statutory Allocation	13% Share of Derivation (Net)	Gross Total
 N3,490,799,098.89	 N0.00	 N3,490,799,098.89

DEDUCTIONS

External Debt	Contractual Obligation (ISPO)	Other Deductions (see Note)
 N76,473,042.12	 N0.00	 N1,133,331,119.97

Net Statutory Allocation		Gross VAT Allocation
N2,280,994,936.80		N1,044,504,560.84
Distribution of N70.000 Billion FOREX Account =N398,673,272.74		Deductions
Distribution of Exchange Gain =N6,216,879.40		-----
Total Gross Amount	Total Net Amount	Net VAT Allocation
N4,940,193,811.88	N3,730,389,649.79	N1,044,504,560.84

LGAs

Gross Statutory Allocation	 N2,598,830,965.27
Deduction	 N (115,776,950.40)
Value Added Tax	 N690,662,271.59

Distribution of 70.000Billion FOREX Account =N296,804,375.41
Distribution of Exchange Gain Allocation =N4,628,343.90

 Total Allocation
N3,475,149,005.76



Total Allocation

ABEOKUTA NORTH	▶		N179,140,285.61
ABEOKUTA SOUTH	▶		N187,218,905.12
ADO-ODO/OTA	▶		N288,370,880.39
EGBADO NORTH	▶		N184,316,716.93
EGBADO SOUTH	▶		N167,273,025.73
EWEKORO	▶		N126,302,049.47
REMO NORTH	▶		N123,873,346.78
IFO	▶		N283,628,029.16
IJEBU EAST	▶		N162,023,150.25
IJEBU NORTH	▶		N208,070,612.02
IJEBU ODE	▶		N159,938,075.29
IKENNE	▶		N144,724,372.98
IJEBU NORTH EAST	▶		N129,500,957.78
IMEKO-AFON	▶		N146,722,270.52
IPOKIA	▶		N157,167,050.06
OBAFEMI/OWODE	▶		N190,164,557.20
ODEDAH	▶		N156,787,713.33
ODOGBOLU	▶		N148,558,995.63



NATIONAL BUREAU OF STATISTICS

Date Issued: 18/01/2019



Total Allocation

OGUN WATERSIDE	▶		N138,759,018.91
SHAGAMU	▶		N192,608,992.61



NATIONAL BUREAU OF STATISTICS

Date Issued: 18/01/2019

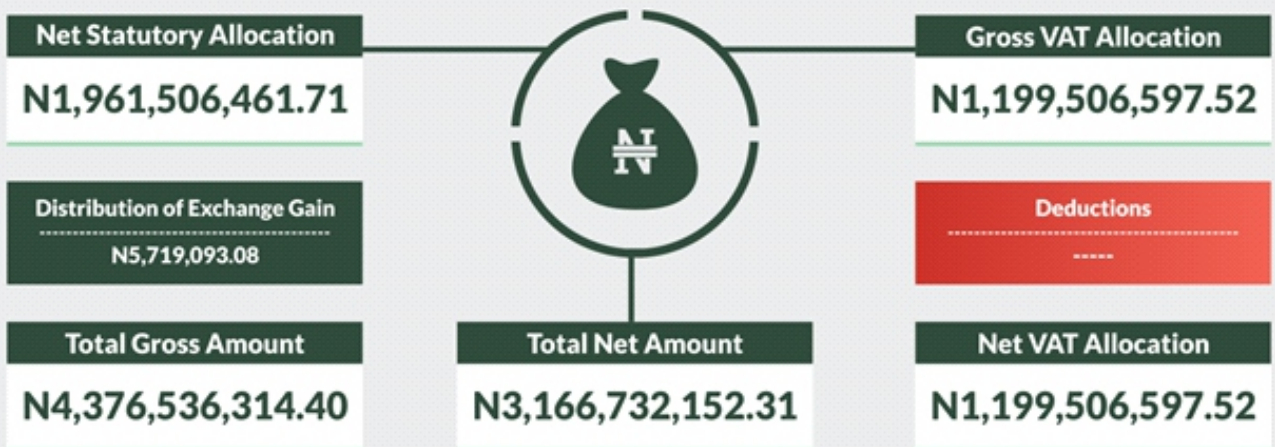
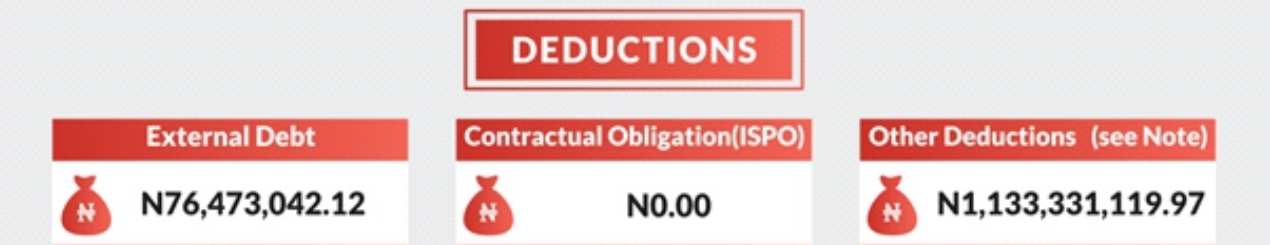
Federation Account Allocation Committee (FAAC) January 2019 Disbursement

Distribution of Revenue Allocation to State and Local Governments by FAAC
for the month of December, 2018 Shared in January, 2019

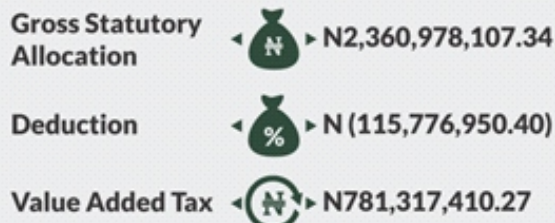


OGUN STATE

1 of 3



LGAs



Exchange Gain Difference = N4,257,751.81



Total Allocation **2 of 3**

ABEOKUTA NORTH	▶		N156,204,507.71
ABEOKUTA SOUTH	▶		N163,697,595.89
ADO-ODO/OTA	▶		N251,296,409.90
EGBADO NORTH	▶		N160,065,519.05
EGBADO SOUTH	▶		N145,926,123.39
EWEKORO	▶		N110,411,763.97
REMO NORTH	▶		N108,518,989.36
IFO	▶		N247,396,558.43
IJEBU EAST	▶		N140,560,557.13
IJEBU NORTH	▶		N181,332,202.50
IJEBU ODE	▶		N139,670,395.25
IKENNE	▶		N126,610,817.31
IJEBU NORTH EAST	▶		N113,251,196.03
IMEKO-AFON	▶		N127,565,150.29
IPOKIA	▶		N137,343,902.95
OBAFEMI/OWODE	▶		N165,703,788.95
ODEDAAH	▶		N136,277,122.88
ODOGBOLU	▶		N129,893,090.09

Total Allocation **3 of 3**

OGUN WATERSIDE	▶		N120,899,355.01
SHAGAMU	▶		N168,151,272.95

Federation Account Allocation Committee (FAAC) February 2019 Disbursement

Distribution of Revenue Allocation to State and Local Governments by FAAC
for the month of January, 2019 Shared in February, 2019



OGUN STATE

1 of 3

20
No. of LGCs

BENEFICIARIES

Gross Statutory Allocation	13% Share of Derivation (Net)	Gross Total
N2,892,720,813.10	N0.00	N2,892,720,813.10

DEDUCTIONS

External Debt	Contractual Obligation (ISPO)	Other Deductions (see Note)
N76,473,042.12	N0.00	N1,133,331,119.97

Net Statutory Allocation		Gross VAT Allocation
N1,682,916,651.01		N1,195,689,743.24
Excess Bank Charges Recovered =N53,174,929.42		Deductions -----
Distribution of Exchange Gain =N3,808,952.32		Net VAT Allocation
Total Gross Amount	Total Net Amount	N1,195,689,743.24
N4,430,161,061.46	N3,220,356,899.37	

LGAs

Gross Statutory Allocation	N2,153,573,497.07
Deduction	N (115,776,950.40)
Value Added Tax	N785,074,099.17

Excess Bank Charges Recovered =N39,587,684.44
Distribution of Exchange Gain Allocation =N2,835,689.76

	Total Allocation
	N3,077,297,145.33

NATIONAL BUREAU OF STATISTICS

Date Issued: 26/03/2019



Total Allocation

ABEOKUTA NORTH	▶		N158,635,185.40
ABEOKUTA SOUTH	▶		N166,330,264.21
ADO-ODO/OTA	▶		N255,888,317.25
EGBADO NORTH	▶		N162,539,503.63
EGBADO SOUTH	▶		N148,126,831.47
EWEKORO	▶		N111,815,871.31
REMO NORTH	▶		N109,895,336.04
IFO	▶		N251,915,607.29
IJEBU EAST	▶		N142,584,553.33
IJEBU NORTH	▶		N184,329,988.61
IJEBU ODE	▶		N141,737,862.81
IKENNE	▶		N128,394,201.30
IJEBU NORTH EAST	▶		N114,723,596.61
IMEKO-AFON	▶		N129,316,167.08
IPOKIA	▶		N139,364,406.92
OBAFEMI/OWODE	▶		N168,343,614.12
ODEDAH	▶		N138,222,658.32
ODOGBOLU	▶		N131,747,216.39



Total Allocation

OGUN WATERSIDE	▶		N122,517,239.65
SHAGAMU	▶		N170,868,723.59

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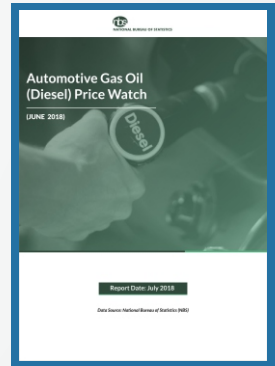
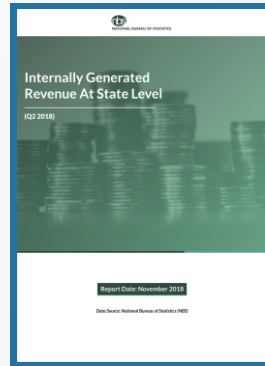
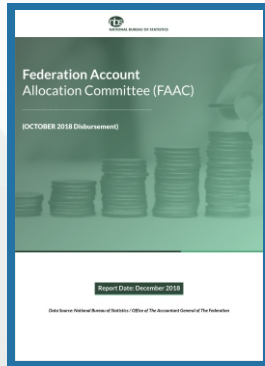
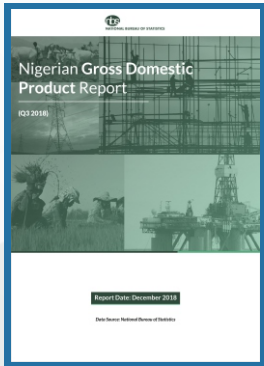
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Head, Research

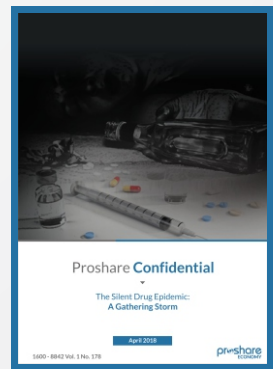
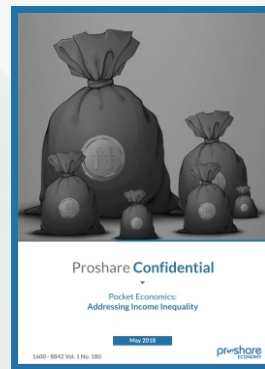
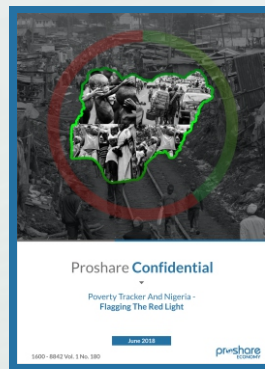
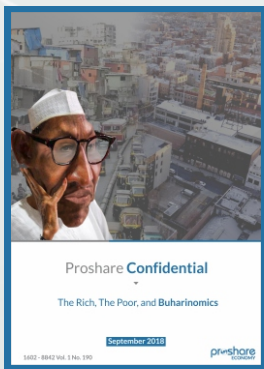
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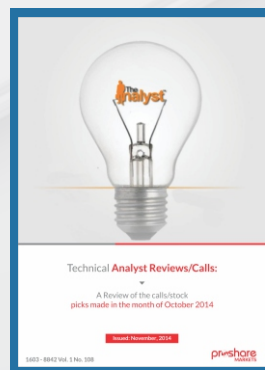
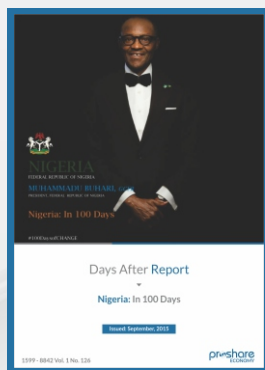
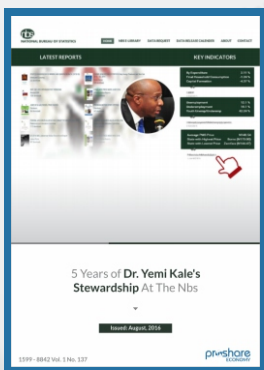
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