



CROSS RIVER STATE
DEBT SUSTAINABILITY ANALYSIS
&
DEBT MANAGEMENT STRATEGY REPORT (DSA-DMS)
2024

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CHAPTER ONE

INTRODUCTION

1.0

1.1 Objective of Debt Sustainability Analysis and Debt Management Strategy

The Government of Cross River State conducted the Debt Sustainability Analysis and Debt Management Strategy (State DSA-DMS) for the year 2024. The DSA analyzes the trends and patterns of the State's Public Finance during the period 2019 – 2023 and evaluates the State's long-term debt sustainability between the years from the year 2024 to 2033. The analysis highlights recent trends in revenue, expenditure, public debt, and the related policies adopted by the State. A Debt Sustainability Assessment was conducted, along with scenario and sensitivity analysis to evaluate the prospective performance of the State's Public Finances. The report includes the State's Debt Management Strategy (DMS) which focused on low cost and prudent degree of risk.

The main objective of the DMS is to ensure that Cross Rivers State Government's financing needs and payment obligations are met at the lowest possible cost, consistent with a prudent degree of risk. Four different Debt Management Strategies were set and evaluated. This comprises of the reference strategy referred as Strategy 1(S1) and other 3 Alternate Strategies (S2-S4). The analysis calculates the costs of carrying public debt and measures the risk associated with macroeconomic and fiscal shocks.

Cross River State DSA-DMS for the year 2024 was conducted and produced by the State's Debt Management Office in collaboration with the Office of Accountant-General and the Ministry of Budget and Economic Planning. The State DSA-DMS was produced using the DSA-DMS Template and Toolkit developed by the Debt Management Office, in partnership with the World Bank Group to analyze the trends and patterns in the State's public finances during the period of 2019- 2023 while also evaluating the ability of the State to sustain its debt in the long term (2024-2033). The State Government undertook the conduct of the Debt Sustainability Analysis and Debt Management Strategy (State DSA-DMS) exercise for the year 2024. It was an exercise that took into consideration the State's historical macroeconomic data from the period 2019 – 2023 and projected data from the period 2024 – 2033.

1.2 Summary of Findings and Results of the State DSA-DMS

By the DSA-DMS exercise carried out, the State exhibits a solid debt position that appears sustainable in the medium to the long term. The state will have to work to ensure that the

projected revenue generating capacity is sustained, manage existing and future debts more efficiently and embark on critical expenditure control.

The DSA-DMS exercise for 2024 revealed the following;

- The debt position of the state as at December 2023 is high when compared to the revenue accruing to the state. Total Debt as at Dec 2023 is **N284,001M** while Revenue is **N140,945M**
- The state debt portfolio rose from **N116,415M** in 2022 to **N284,001M** in 2023 representing a 144% increase which is massive for a state.
- The cost of Debt Servicing as at same period stands at **N24,889M**
- Total revenue (including grants and excluding other capital receipts) is projected to increase from **N140,945M** in 2023 to **N693,417M** by 2033 (**Chart 16**). There is need for the state to further embark on activities that will sustain increment of Internally Generated Revenue for the state.
- The State's total expenditure will expand from **N144,583M** in 2023 to **N725,075M** by 2033 (**Chart 17**).
- The Debt Stock to Revenue and Debt Service to Revenue ratios breached the threshold twice in the historical period of 2019-2023 and have been projected to witness a steady decline all though the projection period except for 2024 where the Debt Service to Revenue ratio marginally breached the threshold. This implies that the debt sustainability position of the state is solid especially for projection years.
- For other Performance Indicators with threshold; Debt Stock to GDP, Personnel Cost to Revenue, the outputs are positive and favourable to the state as the thresholds were not breached.
- The DSA sensitivity analysis carried out also showed that should the risk associated with Revenue and Expenditure crystallizes, the projected deficit will widen and the state will have to borrow more hence the need to ensure that Revenue most importantly is sustained.

The outlook of the Nigerian economy which is the basis of the assumptions for the DSA-DMS exercise is projected to record an increase in key macroeconomic parameters, indicating a continuous gradual rebound of the Nigerian economy based on the following economic indicators. For 2024, the national GDP is expected to grow at 3.8%, Oil price benchmark set at \$75, Oil production per day is expected to be 1.76mbpd while inflation is projected to remain

stable at 21.40%, and exchange rate at N800/\$1. FAAC allocations are projected to increase in the present and future years especially with the removal of fuel subsidy and the liberalization of the foreign exchange rates.

Given the State's own forecasts for the economy and reasonable assumptions concerning the State's budget and financing policies going forward, the medium-term cost-risk profile for the public debt portfolio appears consistent with debt-management objectives, however consistent and progressive fiscal actions need to be taken to improve the debt sustainability position of the state.

CHAPTER TWO

CROSS RIVER STATE FISCAL AND DEBT FRAMEWORK

2.1 FISCAL REFORMS IN THE LAST 3-5 YEARS

The Cross River State Government had instituted, adopted, adapted and implemented a number of fiscal reforms to ensure transparency, accountability, and sustainability in the sourcing, management and utilization of State resources and debt for the purpose of achieving good governance in the State. Amongst these were the formulation/enactment and revision of various fiscal policies, Laws and plans for improved revenue generation, budgeting, accounting and auditing; effective and efficient treasury management. The following highlights fiscal policy legislations, strategies/programmes and initiatives rolled out for ensure transparency, accountability, and sustainability in sourcing, management and utilization of State resources and debt management within the public finance sector during the period under consideration and subsequent years;

- CRS Public Finance Law No. 12 of 2011
- CRS Fiscal Responsibility Law No. 13 of 2011
- CRS Debt Management Department Law No. 5
- CRS Public Procurement Law No. 1 (Amended) of 2011
- CRS Amended Revenue Administration Law No. 16
- CRS Local Government Harmonized fees/Rates and Charges (2015)
- CRS Harmonized Fees, Levies and Charges for MAs (CRS House of Assembly Resolution 43 of Sept. 2016)
- Consolidated Revenue Code
- Implementation of the National minimum wage increases to workers of the State based on State Government's affordability
- Automation of Internal revenue collections through the pay-direct system platform
- Development and implementation of the Fiscal Strategy Paper (2020-2023) and the 2023 Medium Term Expenditure Framework to facilitate budget planning and expenditure monitoring and reporting
- Domestication of the National Chart of Accounts of budgeting, accounting and reporting.
- State implementation of the 22 Point Fiscal Sustainability Plan (FSP 2015-2018) of the Federal Government for Budget Support Facility which was designed to improve transparency and accountability, increase public revenue, rationalize public expenditure, improve public finance management and facilitate sustainable debt management.

- Implementation of the Ministerial Single Account (MSA)/Treasury Single Account (TSA)
- Development and implementation of the Cross River State Growth and Development Strategy (2018-2048) with emphasis on infrastructural development and industrialization of the State
- Participation in and implementation of the EU-world Bank Assisted State and Local Government Reforms Project and the on-going FGN-World Bank assisted State Fiscal Transparency, Accountability and Sustainability Programme for Results (SFTAS PforR)
- Biometric Registration of all State Civil Servants and pensioners and the linkage of Payroll with Bank Verification Number (BVN) to reduce payroll fraud
- Implementation of COVID-19 Tax Compliance Relief Program for individual tax payers and business etc.

The implementation of the above fiscal measures (some of which are still ongoing) by the Cross River State Government have also impacted immensely on the fiscal variables of revenues and expenditures of the State not only for the period 2019-2024 but would continue to do so even in the medium term and long term.

Strategies for continuous optimal internally generated revenue (IGR) collection for future years are as follows:

1. Continuous sensitization and enlightenment of taxpayers for Voluntary Compliance
2. Monthly reviews of IGR collection to upscale collection
3. Blockage of leakages and elimination of obstacles constituted by appointees of the State Government to revenue optimization. The 8th Legislature, on Tuesday December 19th, 2017, passed Resolution, delisting some MDAs from revenue collection.
4. Updating relevant revenue Statutes (including passage of new Laws, Amendment of some existing laws and enactment of some new Regulations) to broaden the State scope of Internally Generated Revenue (IGR) Collection. In this regard, the following specific bills are considered and forwarded to the Cross River State 8th Assembly: -

a. Proposed New Laws

- ✓ Cross River State Land Use Charges Law
- ✓ Cross River State Radio / TV License Law
- ✓ Cross River State Stamp Duties Law
- ✓ Cross River State Capital Gains Tax Law
- ✓ Cross River State Economic Development Levy Law
- ✓ Cross River State Environment and Ecology Levy Law

- ✓ Cross River State Maritime Sector (Regulation) Law

b. Proposed Amendments to Existing Laws

- ✓ Tourism Development Levy (Amendment) Law
- ✓ Tax Exemption (for Low Income Workers) (Amendment) Law

c. Proposed Regulations

- ✓ Cross River State Land Use Charges Regulations
 - ✓ Cross River State Radio / TV License Regulations
 - ✓ Cross River State Stamp Duties Regulations
 - ✓ Cross River State Capital Gains Tax Regulations
 - ✓ Cross River State Economic Development Levy Regulation
 - ✓ Cross River State Environment and Ecology Levy Regulation
 - ✓ Cross River State Maritime Sector (Regulation) Regulation
 - ✓ Cross River State Scrap Regulatory Agency (Law) Regulations
 - ✓ Road Infrastructure Maintenance Levy Regulations
 - ✓ Tax Exemption (for Low Income Workers) Regulation
5. Consistent monitoring and evaluation of MDAs collections.
 6. Training and retraining of our revenue Staff
 7. Review the performance of revenue generating consultant
 8. Continuous harmonization of revenue heads and collection mechanisms amongst sundry Ministries Departments and Agencies (MDAs) with overlapping revenue jurisdictions.
 9. Continuous engagement with Local Government Councils to mitigate conflicts in revenue jurisdictions.
 10. Back Duty Recoveries
 - 11 Budget implementation report

At the National level, the Federal Government has also put in place laws that will impact on the fiscal position of states by virtue of the federal allocations accruing to states. Some of these laws include;

- The Finance Act of 2019 – This law was signed by the President and became effective on 13 January 2020. The chargeable VAT rate was increased from 5% to 7.5%. The Act also increased Corporate Tax rate relating the company's turnover. This increases the Tax income to the FG and also increases the VAT allocation to the States and share of FAAC.
- The Petroleum Industry Act: The new Petroleum Industry Act 2021 was recently assented and signed into law by the President. The PIA was enacted to provide for the legal, governance, regulatory and fiscal framework for the Nigerian Petroleum Industry, the establishment and development of host communities and other related matters in the upstream, midstream and downstream of the petroleum industry in Nigeria.
- The Electricity Act: This bill was signed by the President Bola Tinubu in June 2023. It is a bill that grants states, companies, and individuals the authority to generate, transmit, and distribute electricity. This new law replaces the Electricity and Power Sector Reform Act of 2005 and consolidates regulations concerning the Nigerian Electricity Supply Industry (NESI). It aims to establish a comprehensive legal and institutional framework for a competitive electricity market, improve access to electricity, and promote the use of renewable energy. This bill is huge and has the potential to turn around the economic fortune states and indeed the entire country.

The President also signed four Executive Orders that has the potentials to impact the National Economic Climate. The orders are listed below:

- The Finance Act (Effective Date Variation) Order: This order deferred the date of commencement that was contained in the Act from May 23, 2023, to September 1, 2023.
- Customs Excise Tariff Amendment Order, 2023: The President's new executive order, which moved the commencement of the date of tax changes from March 27, 2023, to August 1, 2023.
- 5% Excise Tax on Telecomm suspended: The president also signed an executive order that stopped the 5% Excise Tax on telecommunication services and the excise duty on locally made products.
- Suspension of Green Tax: The newly introduced Green Tax on single-use plastics and Import Tax Adjusted levy on certain vehicles were suspended by President Tinubu.

In Year 2024, President Tinubu also signed the following Executive Orders which is expected to impact the Fiscal Space in the Country;

- Oil and Gas Companies (Tax Incentives, Exemption, Remission, etc.) Order, 2024: The Oil and Gas Companies (Tax Incentives, Exemption, Remission, etc.) Order (OGCO) introduces tax incentives for various sectors of the gas industry.
- Presidential Directive on Local Content Compliance Requirements, 2024: The Local Content Directive (LCD) was issued pursuant to Section 100 of the Nigerian Oil and Gas Industry Content Development Act (NOGICDA) 2010. The objective of the LCD is to address the issue of significant reduction in investment in the Nigerian Oil and gas industry caused, amongst others, by high operating cost and incessant project delivery delays compared with global standards.
- Presidential Directive on Reduction of Petroleum Sector Contracting Costs and Timelines, 2024: This is Based on comparative analysis presented in the executive order, the contracting cycle within the Nigerian petroleum sector exceeds global industry standards by 4 to 6 times. Thus, the Directive on Contracting Costs and Timelines (DCCT) is targeted at addressing the gaps in the oil industry

Below is the Summary of the National Macroeconomic framework from 2024 – 2027.

Table 2.1 Medium Term Macro-Economic Framework – Key Parameters for the National Macroeconomic projections

Item	2024- Revised	2025	2026	2027
National Inflation	21.40%	15.75%	14.21%	10.04%
National Real GDP Growth	3.8%	4.6%	4.40%	5.5%
Oil Production Benchmark (MBPD)	1.76	2.06	2.10	2.35
Oil Price Benchmark	\$77.96	\$75.00	\$76.72	\$75.3
NGN: USD Exchange Rate	₦800.00	₦1,400	₦1,400	₦1,400

Source: Federal Ministry of Finance, Budget & National Planning

2.2 The 2024 Cross River State Budget and the Medium-Term Expenditure Framework (MTEF) 2025-2027

Approved 2024 Budget

The 2024 State's budget was prepared with many unforeseen problems in the global trend and the domestic front due to uncertainty in global oil prices, inflation, the gradual recovery from the coronavirus pandemic in preceding years and the Russia Ukraine war which have serious effects on the National and State economies.

From the foregoing fiscal assumptions and parameters, the State total revenue made to fund the 2024 budget is estimated at N269,415M. This includes Statutory Allocation, Value Added Tax Internal Generated Revenue, Non-Debt Capital Receipt and Domestic Grants & Foreign Grants. The expenditure proposed by the State Government for the year 2024 stands at N324,462M. These is made up of statutory transfer, recurrent expenditure and capital expenditure.

The deficit position that is to be funded by borrowings for the year 2024 stands at N 55,047M. However, with the analysis done with the DSA-DMS template, the established deficit to be funded by way of borrowings is established to be N45,905M.

The fiscal framework thrust for 2025-2027 is a commitment to create a conducive environment to enable Foreign Direct Investment and complete on-going projects in the State. The State is warming up to actualize the gains of previous budget and industrialization of the State.

The Key Objectives of Approved 2024 Budget

- a. Ensure leveraging on the comparative advantage in Agriculture and Tourism to create job opportunities in the State;
- b. Ensure the completion of all on-going Capital projects and sustain the current investment in infrastructural facilities;
- c. Sustain and intensify the current efforts in independent revenue generation;
- d. Improve the State's public financial management to entrench transparency, accountability and integrity;
- e. The present administration plans to pay attention on the educational need of its citizens bearing in mind its social-cultural, economic and political benefits to the State and citizens alike
- f. Health care delivery has been prioritized to be an integral part of the State development agenda

- g. Develop the social and economic and economic infrastructure to support development in all ramifications
- h. Strategic diversification of the State's economy using the Public Private Partnership model

CHAPTER THREE

CROSS RIVER STATE REVENUE, EXPENDITURE, FISCAL AND DEBT PERFORMANCE, 2019-2023

3.0 Introduction

This section looks at the historical performance of Cross River State relating to Revenue, Expenditure and Public Debt Trends from 2019 – 2023. The figures captured here reflects the actual performance of the state for this period supported by the State financial statements.

3.1 Revenue, Expenditure, Overall & Primary Balance

i. Aggregate State TOTAL Revenue trend in the last five years and its composition in 2023.

The total revenue in this context is all revenue accruing to the state but excluding capital receipt. The total revenue that accrued to the state increased steadily from N56,791M in 2019 to N140,944M in 2023 representing an increase of 148%.

Like every other subnational in the country, the Gross FAAC made up the substantial part of the revenue accruing to the state during this period. The Gross FAAC improved over the years from N43,672M in 2019 to N99,141M in 2023. This increase especially for year 2023 is due to the reforms being carried out at the Federal level which involves removal of subsidies resulting in higher revenue into the Federation Account to be shared by the 3 tiers of Government.

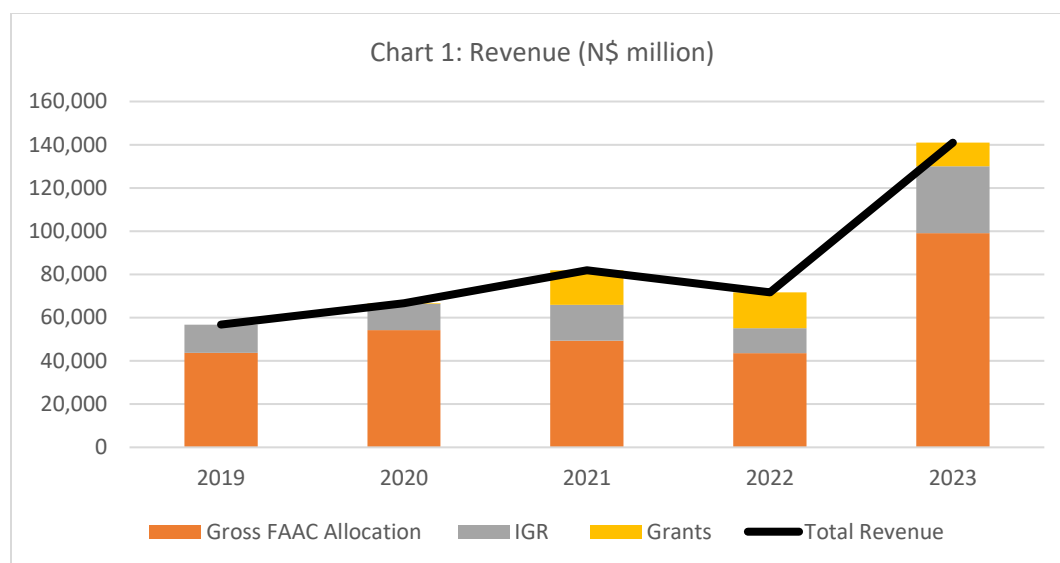
The increase in the IGR followed same pattern with a high figure of N30,859M recorded for year 2023. This is a result of the numerous policies and initiatives being embarked upon by the State Government to improve IGR

See below details of total revenue trend for the historical years

Table 3.1 Cross River State Aggregate Revenue for 2019-2023

Revenue	2019	2020	2021	2022	2023
Gross FAAC Allocation	43,672	54,244	49,409	43,642	99,141
IGR	13,119	12,195	16,530	11,531	30,859
Grants	-	280	16,011	16,534	10,945
Total Revenue	56,791	66,719	81,950	71,706	140,945

Below is the chart on Total revenue for the historical years;



ii. **FAAC Allocations trend in the last five years.** Cross River State recorded a decline in federal transfers by N4,834M and N5,767M in 2021 and 2022 respectively. The decline is largely attributable to a slide in federal oil receipts due to the volatility in the international oil market, lower oil prices and the attacks on oil installations in the South-South region of the country as at that time. However, FAAC transfers recorded in 2023 is N99,141M which is the highest ever.

iii. **IGR trend in the last five years.** The State exhibited strong IGR growth during the review period except for year 2022. The IGR of the state has fluctuated all though the historical period from moments of increase to that of decline. However, the state recorded a huge IGR of N30,859M in 2023 which is unprecedented in the state. The actions being taken by the state to improve IGR mainly tax administration reforms aimed at improving collection rates and broadening the tax revenue base are being strengthened.

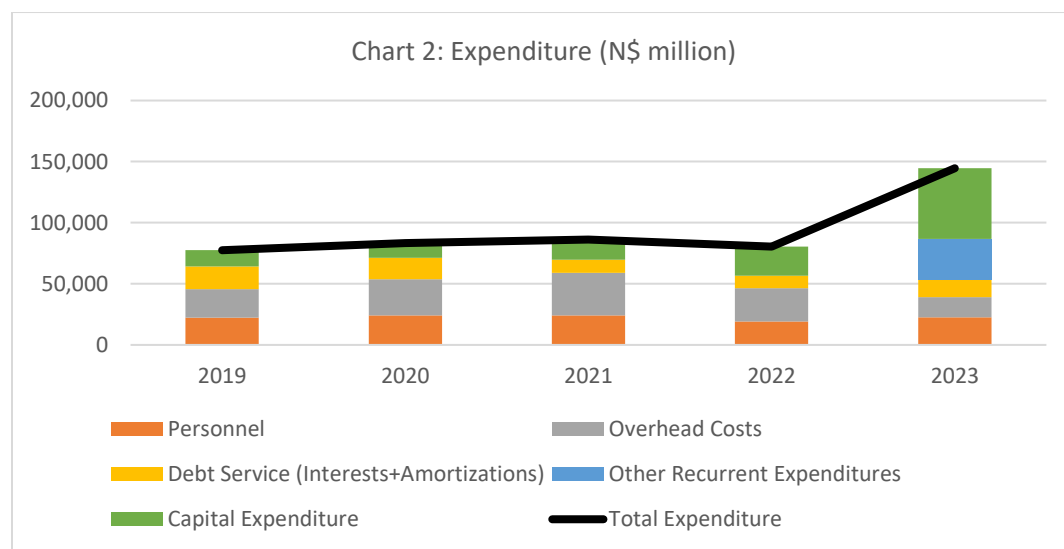
iv. **Aggregate (total) Expenditure trend in the last five years and its composition in 2023.** Total expenditure in this context includes is all categories of expenses (Personnel, Overhead Cost, Capital Expenditure, interest and amortization). Total expenditure rose from N77,485M in 2019 to N144,583M in 2023.

The increase in the expenditure profile of the state is in the Other Recurrent cost of N33,146M and capital expenditure which rose from N23,841M in 2022 to N57,719M in 2023. Below is the table showing the expenditure details in the historical years and the growth rate over the period.

Table 3.2 Cross River State Aggregate Expenditure for 2019-2023

Expenditure	2019	2020	2021	2022	2023
Personnel	22,327	24,257	24,055	19,254	22,498
Overhead Costs	23,427	29,621	34,872	27,112	16,484
Debt Service	18,378	17,418	10,762	10,196	14,737
Other Recurrent	0	0	0	0	33,146
Capital Expenditure	13,353	11,966	16,641	23,841	57,719
Total Expenditure	77,484.90	83,262.60	86,329.60	80,402.80	144,583.10
Growth Rate		7%	4%	-7%	80%

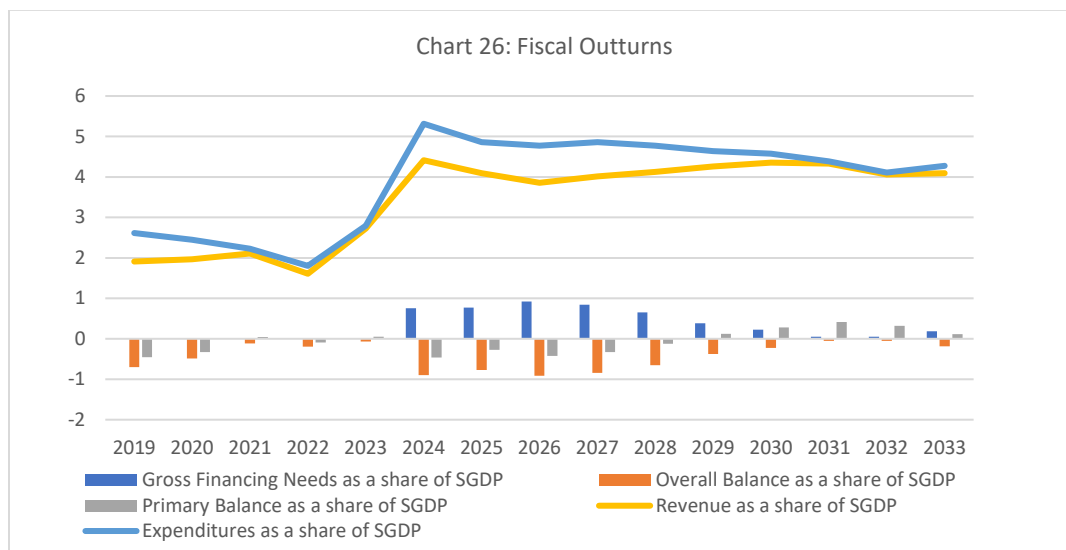
Below is the Expenditure chart depicting the trend between 2019 – 2023



V. Main expenditure variations in the last five years by economic classification. Over the period, analysis shows that Other Recurrent Expenditure and Capital Expenditure are both responsible for this increase in Expenditure especially for 2023.

Capital Expenditure recorded an increase of N44,366M over the historical years. This is significant.

vi. Overall and primary balance trend in the last five years.



From the chart above, the Overall balance as a share of state GDP has been improving. It moved from -0.70% in 2019 to -0.07% in 2023. Primary Balance followed, Revenue and Expenditure all as a share of state GDP all improved over the historical years.

3.2 Existing Public Debt Portfolio

The State public debt is the total amount that includes Domestic debt, External debt, Arrears and other types of outstanding financial liabilities. It includes the explicit financial commitments – like loans and securities – that have paper contracts instrumenting the government promises to repay.

i. Public debt stock amount or its shares on total Revenue at end-2023 and its growth in the last five years.

The table below shows the evolution of the Cross River State debt profile over the historical period.

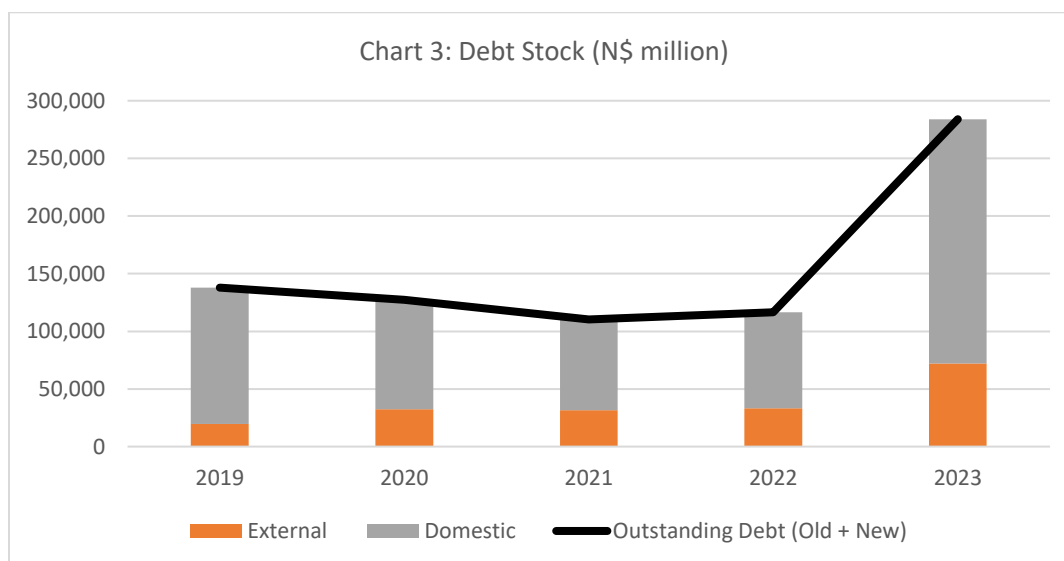
CRS State Debt	2019	2020	2021	2022	2023
External	19,749	32,474	31,570	33,350	71,972
Domestic	118,067	94,982	78,718	83,065	212,029
Total Outstanding Debt	137,816	127,456	110,287	116,415	284,001

The outstanding debt balance for the state as at 2023 December is N284,001M. The state debt had witnessed an increase of N146,185M representing 106% over the last 5 years with its attendant impact on the share of revenue. The increase in the external debt is due to the floating of the exchange rate which resulted in the declining strength of the Naira while the increase in Domestic debt is due to the state contracting new loans in the following categories; Commercial Bank Loans, State Bonds, Restructured Commercial Bank Loan (FGN Bonds). A court ruling against the state resulted in higher Judgement Debts while Contractors Arrears and Pension & Gratuity Arrears also increased in the period under review. The debt stock to revenue ratio improved from 243% in 2019 to 201% in 2023.

In summary, the state debt position is stated below;

S/N	DEBT CATEGORY	AMOUNT(Millions)	%
1	Total Domestic Debt	212,029	74.66
2	Total External Debt	71,972	25.34
	TOTAL	284,001	100%

The chart below also explains the trend in the Debt stock over the historical years;



ii. **The existing public debt portfolio composition at end-2023.** As stated above, Cross River State debt portfolio largely consists of domestic loans. The state equally has external loans. See loan schedule below;

Cross River State Debt Data as at December, 2023

S/N	DEBT CATEGORY FOR DOMESTIC	BALANCE N
1	Budget Support Facility	17,209.30
2	Salary Bailout Facility	6,432.10
3	Restructured Commercial Bank Loans (FGN Bond)	27,879.80
4	Excess Crude Account Backed Loan	8,458.80
5	Commercial Banks Loans	24,898.30
6	State Bonds	21,156.40
7	Judgement Debts	32,049.70
8	Contractors' Arrears	39,125.70
9	Pension and Gratuity Arrears	26,709.50
10	Salary Arrears and Other Staff Claims	8,109.00
	TOTAL DOMESTIC	212,028.60
S/N	DEBT CATEGORY FOR EXTERNAL	BALANCE \$
1	World Bank (WB)	100.9
2	African Development Bank (AfDB)	89.0
	TOTAL EXTERNAL	189.9

Note: All figures are expressed in Millions

iii. **Cost and risks exposure of the existing public debt portfolio at end-2023.**

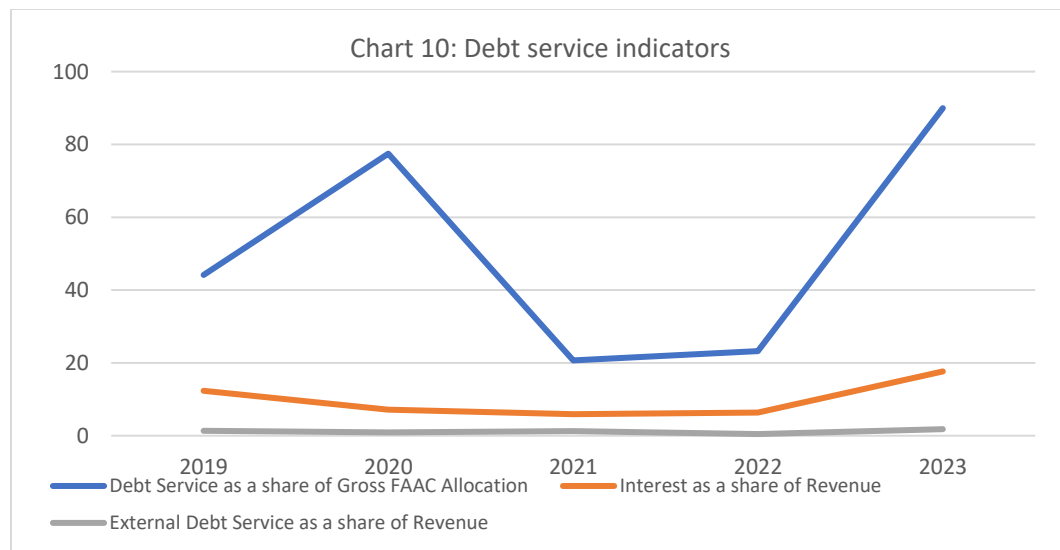
The debt portfolio of the state showed improved debt management activities from 2019 to 2022 as the state debt witnessed a gradual decline from N137,816M in 2019 to N116,415M in 2022 but in 2023, the state debt rose astronomically from N116,415M in 2022 to N284,001M in 2023

with its attendant implications on the fiscal strength of the state. This burden was only eased due to the increased revenue accruing to the state.

For the Domestic loans, Commercial Bank Loans, State Bonds, Judgement Debts and Contractors Arrears which were all almost paid down in 2022 all witnessed huge increase in 2023 resulting in high domestic debt. As for External, the devaluation of the Naira resulted in the revaluation of the debt to reflect the prevailing exchange rates of Naira to the Dollar.

Debt service cost declined from N18,378B in 2019 to N14,737B in 2023 which is a consequence of the deliberate debt management efforts being put in place by the state over the years.

We noted that the debt portfolio is narrowly exposed to currency, interest rate, and rollover risks which will surely change in the medium term due to policies been implemented by the Federal Government. Exposure to currency fluctuations is marginally limited because the foreign currency-denominated liabilities is 25 percent of the total debt stock. Chart below is showing debt service indicators for the historical years.



CHAPTER FOUR

4.0 Introduction

The concept of debt sustainability refers to the ability of the state government to honour its future financial obligations. Since policies and institutions governing spending and taxation largely determine such obligations, debt sustainability ultimately refers to the ability of the government to maintain sound fiscal policies over time without having to introduce major budgetary or debt adjustments in the future. Conversely, fiscal policies are deemed unsustainable when they lead to excessive accumulation of public debt, which could eventually cause the government to take action to address the unwanted consequences of a heavy debt burden.

The debt and debt service indicators for Cross River State for the historical and projection years shows that the debt levels are sustainable. See table below for indicators with threshold;

Table 4.1 Performance Indicators with Threshold

Performance Indicator	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Debt as % of SGDP	4.64	3.75	2.84	2.61	5.49	6.91	5.79	5.22	4.86	4.51	3.94	3.23	2.46	1.81	1.42
Threshold	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
Debt as % of Revenue	243	191	135	162	201	157	141	135	121	109	92	74	57	45	35
Threshold	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
Debt Service as % of Revenue	34	63	12	14	63	41	30	28	25	25	23	24	22	20	17
Threshold	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
Personnel Cost as % of Revenue	39	36	29	27	16	10	13	13	13	12	11	10	10	10	10
Threshold	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60

For Debt as a share of GDP, the state recorded the highest figure of 5.49% in 2023 in the historical years, while for the projections of 2024 – 2033, the highest figure of 6.91% happened in 2024. In all they were all very distant from the 25% threshold, that is an indication of the robustness of the productivity level of the state to accommodate the debt levels. For

debt as a percentage of revenue, the state crossed the threshold in two of the historical years of 2019 and 2023. For the projection years, the state did not breach the threshold as all the years remained below the threshold. This is an indication that the projected debt levels in the state is favourable and sustainable subject to continued implementation of its fiscal policies and also finding a way to sustain the revenue generation capacity of the state to accommodate the existing and projected debt levels. For Debt service as a percentage of revenue, the threshold is 40% and the state breached the threshold in 2020 and 2023 for the historical years while for the projection years it only happened in 2024. It remained positive for the rest of the historical and projection years. Personnel cost as a percentage remained below the threshold of 60% all through the historical and projection period.

In summary, the debt sustainability position of the state for the historical and future years is positive as all performance indicators shows favourable positions all through the projection years. However, efforts must continue to be made to sustain the fiscal base of the state.

The following indicators without threshold;

- Debt service to FAAC
- Interest Payment to Revenue
- External debt service revenue

The Debt service to FAAC ratio was high in 2020 and got to 90% in 2023 due to a huge settlement made for contractor's arrears. However, the ratio especially in the projection period started declining and it is expected that it will be at 20% by 2033 with the increase in FAAC and IGR.

Interest as a share of revenue ratio also improved in the projection years.

Table 4.2 Performance Indicators without Threshold

INDICATOR	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Debt Service as a share of Gross FAAC Allocation	44	77	21	23	90	50	37	36	31	31	28	29	26	24	20
Interest as a share of Revenue	12	7	6	6	18	10	12	13	13	13	12	12	11	9	7
External Debt Service as a share of Revenue	1	1	1	0	2	11	9	7	6	5	5	5	4	4	4

4.1 Cross River State Medium Term Expenditure Forecast

Cross River State medium-term debt sustainability is predicated upon a gradual recovery of the Nigerian economy that will increase FAAC statutory allocation. According to the Federal Government and State's own forecasts, the Nigerian economy is expected to gradually recover in the period 2024-2027, with real GDP expanding at an average annual rate of 3.8% percent and domestic inflation hovering around 21.40% percent by 2024. Such a moderate recovery will be supported by higher oil prices in global markets, an increase in domestic production, prudent fiscal policy, and the stabilization of the exchange rate relevant for international public-sector financial transactions at its current level. Oil and gas revenue, as well as shared resources such as custom duties and VAT, would then increase relative to the depressed levels observed in 2020, thus improving the State's revenue position.

The table below presents the National Macro-Economic projections for the 2024-2027 Medium-Term Expenditure Framework;

Table 4.3 Medium Term Macro-Economic Framework – Key Parameters for the National Macroeconomic projections

The medium term is projected to record an increase in key macroeconomic parameters, indicating a continuous gradual rebound of the Nigerian economy. However, the oil price benchmark is projected to moderate while the exchange rate is projected to average N1400/\$ over the medium term.

Item	2024- Revised	2025	2026	2027
National Inflation	21.40%	15.75%	14.21%	10.04%
National Real GDP Growth	3.8%	4.6%	4.40%	5.5%
Oil Production Benchmark (MBPD)	1.76	2.06	2.10	2.35
Oil Price Benchmark	\$77.96	\$75.00	\$76.72	\$75.3
NGN: USD Exchange Rate	₦ 800.00	₦ 1,400	₦ 1,400	₦ 1,400

Source: Ministry of Budget & Economic Planning; NUPRC; BOF; NBS

The projected economic growth rate for the 2025-2027 Medium-Term Expenditure Framework indicates that growth is expected to increase gradually over the next three years. Real GDP is projected to increase to 4.6% in 2024, moderate to 4.4% in 2025 and then rise to 5.5% in 2026. The principal drivers are increased investments in infrastructure, agriculture, and social services. While the economy is still largely consumption-driven, most of the growth in real GDP during the period will be driven by the anticipated increase in domestic oil refining capacity, telecommunications, crop production, and employment, with the bulk of projected growth coming from the non-oil sector. Targeted investments through the Renewed Hope Infrastructure Development Fund will significantly improve growth.

Nominal consumption is projected to increase to N206.83 trillion in 2025 and N233.31 trillion and N263.95 trillion in 2026 and 2027, respectively, due to the expected increase in wages following the new minimum wage and cash transfers to households. These factors will also impact the inflation rate, which, although projected to decline to 15.8% in 2025, will remain at a lower double-digit level over the medium term.

A reduction in inflation rate is anticipated in 2026 and 2027 due to the lag effect of tight monetary policy on demand for goods and services, expected lower deficit financing and reduction in supply-side constraints occasioned by a drastic reduction in domestic insecurity, improved infrastructure, and generally better operating environment for businesses.

Based on the underlying assumptions for the medium term, the Federation Account revenues are expected to increase as the government sustains its policy on petrol subsidy removal and a market-determined exchange rate. In addition, increases in non-oil taxes are projected to boost accretion into the Federation Account significantly.

The 2024 Budget and MTEF for Cross River State covering 2025 – 2027 upon which this debt sustainability exercise is premised is hereby presented below;

Table 4.4 Cross River State Medium Term Fiscal Framework

Cross River State Medium Term Fiscal Framework				
Recurrent Revenue	2024	2025	2026	2027
Statutory Allocation	218,957.09	232,347.16	245,959.91	288,807.16
VAT	38,965.60	44,567.90	50,765.40	56,435.70
IGR	11,492.15	12,066.75	12,670.09	13,683.70
Total	269,414.84	288,981.81	309,395.40	358,926.56
Recurrent Expenditure				
Personnel	26,997.60	37,796.64	39,686.47	47,623.77
Overhead Costs	23,685.90	28,567.80	32,456.70	35,986.70
Debt Service	109,467.50	85,809.59	87,829.42	89,200.57
Other Recurrent	33,808.41	34,484.58	35,174.27	35,877.76
Total	193,959.41	186,658.61	195,146.86	208,688.79
Transfer to Capital account	75,455.43	102,323.20	114,248.54	150,237.77
Capital Receipts				
Grants	11,492.15	12,066.75	12,670.09	13,683.70
Other Capital Receipts	0.00	0.00	0.00	0.00
Total	11,492.15	12,066.75	12,670.09	13,683.70
Capital Expenditure	130,502.79	156,603.35	187,924.02	225,508.82
Discretionary Funds	130,502.79	156,603.35	187,924.02	225,508.82
Non-Discretionary Funds				
Net Financing	43,555.22	42,213.40	61,005.38	61,587.35

The huge projections for revenue and expenditure from 2024 to 2033 is premised on the expected the increase the FAAC allocations to the state.

Due to the reforms being implemented by the Federal Government, the revenue accruing to the Federation account which is to be shared by all Tiers of Government have increased substantially since 2023 when the reforms commenced.

Revenue and Expenditure Assumptions

Federation Account revenue estimates (Statutory Allocation, VAT) for the period 2025-2027 are as per the Cross River State MTEF which are based on elasticity forecasting (see MTEF for more details). Beyond this, it is assumed that Statutory Allocation remains stable at the 2023 levels (this is a prudent assumptions) where VAT grows by a further 7.5% per annum (which is modest given the likely inflation rates and Federal tax reforms).

IGR forecasts for 2024 is based on the approved 2024 budget, and thereafter until 2027. This is premised on IGR reforms that are currently being implemented in the state. It is expected that the full effect of the IGR reforms should be more visible in future years. It is also anticipated that State IGR will grow at the same pace as State nominal GDP.

Grants are anticipated to increase on the average of 7.7% over the projection years. State is working to ensure it is continually assessing potential sources of grants both from withing Nigeria and externally.

From an expenditure perspective, Cross River State Government has the desire to ensure sufficient funds are available for Capital Expenditure, but at the same time acknowledging the need to keep up with and ensure operation and maintenance costs (i.e., overheads) are sufficient to maintain assets and provide services. Using the 2024 approved budget as a base, personnel costs are forecast to rise by 12.6% and overheads by 11.8% on the average over the period 2024-2033.

Capital expenditure is forecast to grow on the average of 26% from 2024 - 2033

4.2 Borrowing Options

The debt sustainability and analysis exercise has helped to ascertain the funding gap for the projection years of 2024-2033. See details below;

Table 4.5 Total Gross Borrowing Requirements for 2024-2033

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
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Total Gross Borrowing Requirements	45,905.5	54,280.2	73,675.5	75,271.1	64,522.2	41,964.1	27,522.8	7,081.1	7,416.5	31,657.9
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Cross River State is planning to create new debts by sourcing for funds both from the domestic and external markets to address these established funding gaps.

Below are the details of the financing options the state intends to utilize for each of the projection years;

Table 4.6 Total Planned Borrowing for 2024-2033

New Domestic Financing in Million of Local Currency	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Commercial Bank Loans (maturity 1 to 5 years)	0.0	10,000.0	0.0	0.0	8,000.0	30,000.0	0.0	0.0	7,416.5	0.0
Commercial Bank Loans (maturity 6 years or longer)	20,347.8	0.0	0.0	20,000.0	0.0	0.0	27,522.8	0.0	0.0	0.0
State Bonds (maturity 1 to 5 years)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7,081.1	0.0	0.0
State Bonds (maturity 6 years or longer)	25,557.7	0.0	40,675.5	0.0	26,522.2	0.0	0.0	0.0	0.0	0.0
Other Domestic Financing ()	0.0	32,280.2	0.0	30,271.1	0.0	11,964.1	0.0	0.0	0.0	21,657.9

New External Financing in Million US Dollars	0.0	10.0	30.0	0.0	30.0	0.0	0.0	0.0	0.0	10.0
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	0.0	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0.0	0.0
External Financing - Bilateral Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

The financing terms for these category of financing options for both domestic and external instrument is detailed below;

Borrowing Terms for New Domestic Debt (issued/contracted from 2024 onwards)	Interest Rate (%)	Maturity (# of years)	Grace (# of years)
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	34.00%	5	0
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)	31.00%	8	0
State Bonds (maturity 1 to 5 years)	16.00%	5	0
State Bonds (maturity 6 years or longer)	19.00%	15	0
Other Domestic Financing ()	10.00%	10	0

Borrowing Terms for New External Debt (issued/contracted from 2024 onwards)	Interest Rate (%)	Maturity (# of years)	Grace (# of years)
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	2.00%	20	1
External Financing - Bilateral Loans	2.00%	20	1
Other External Financing	3.00%	20	1

4.3 DSA Simulation Results

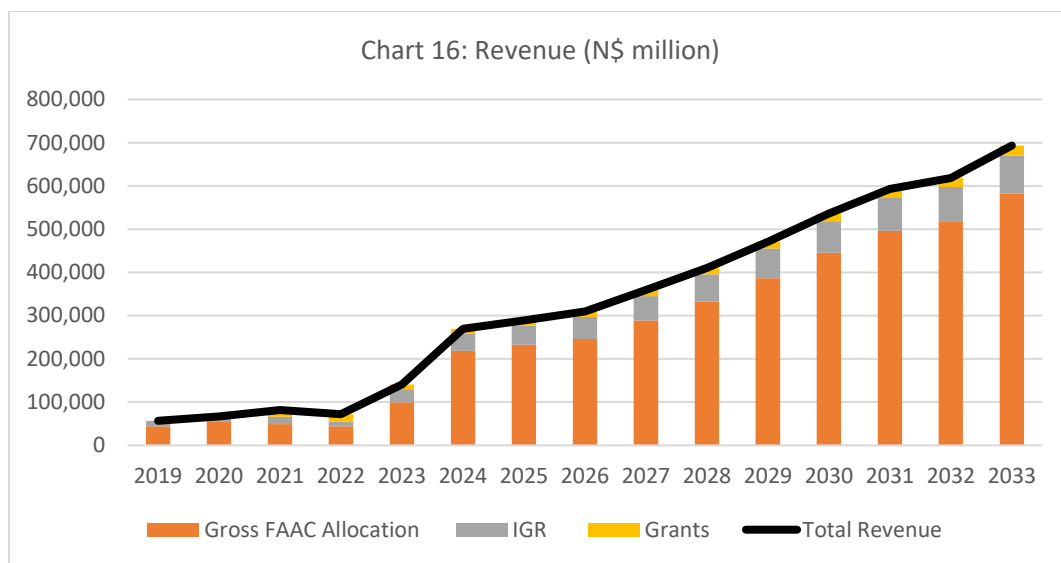
Revenue, expenditure, overall and primary balance over the long-term.

The objective of the debt sustainability analysis simulation exercise is to analyse the sustainability of the state's public debt portfolio and build an optimum debt management strategy based on macroeconomic framework.

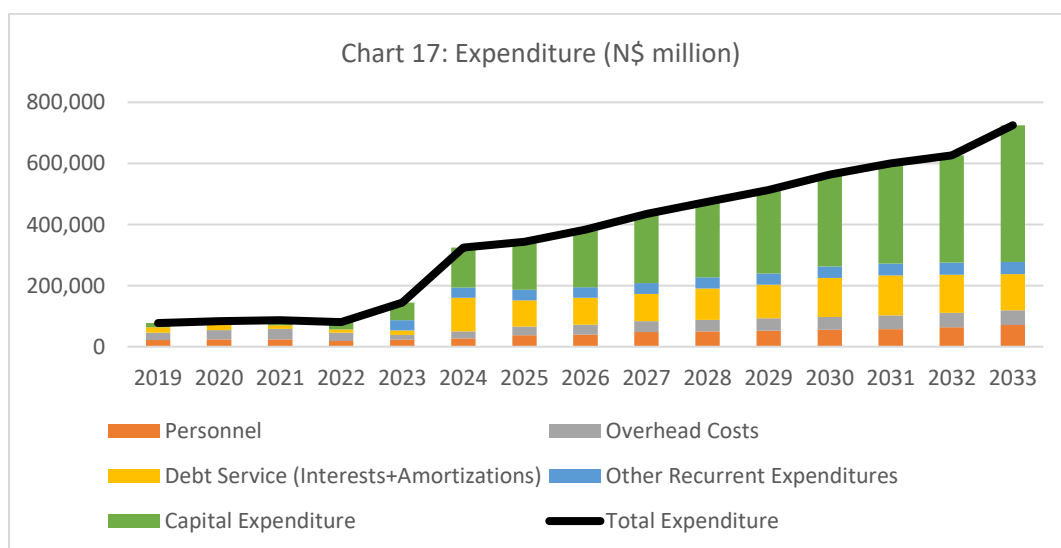
Cross River State Total Revenue (including grants and excluding other capital receipts) is expected to increase from N140,944M in 2023 to N693,417M in 2033, representing an increase of 391% percent over the projection period. The Gross FAAC is projected to constitute the substantial part of the income accruing to the state in the projection period. Gross FAAC Allocation is projected to grow from N99,141M in 2023 to N582,021M in 2033. Grant is projected to grow from N10,945M in 2023 to N22,943M in 2033. These projections were sourced from the Approved 2024 Budget; MTEF, 2025-2027; 2028-2033 projections as estimated by the Ministry of Economic Planning & Budget official.

The Internally Generated Revenue (IGR)'s tax system will be further strengthened over the medium term by improving collection efficiency, enhancing compliance, and reorganizing the business practices of revenue agencies in the state as well as employing appropriate technology. In addition, efforts will be made to bring more businesses in the informal sector into the tax net. IGR estimated to increase by N57,594M from N30,859M in 2023 to N88,453M in 2033.

See below the revenue chart;

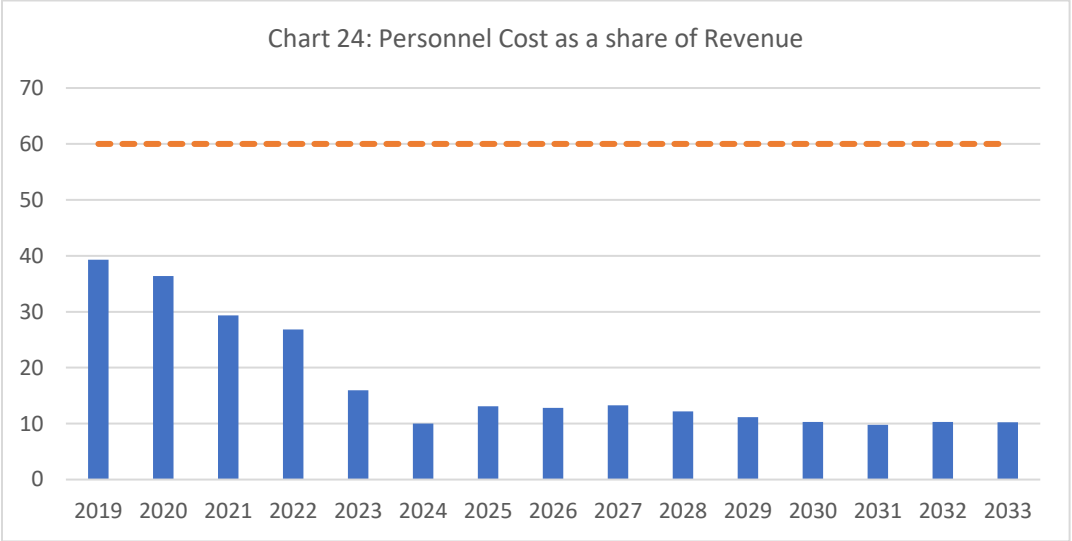


Total expenditure for the projection years is projected to expand from N144,583M in 2023 to N725,075M by 2033. Expenditure is projected to grow by more than 401% over the projection years. The decision by the state government to continually improve the infrastructural position of the state necessitated the increased projection for capital projects. The debt position of the state relative to revenue also made projection for debt servicing to increase. Other categories of expenditure like Personnel and overheads were also projected to increase substantially over the years due to the new minimum wage bill and the inflationary trend in the country

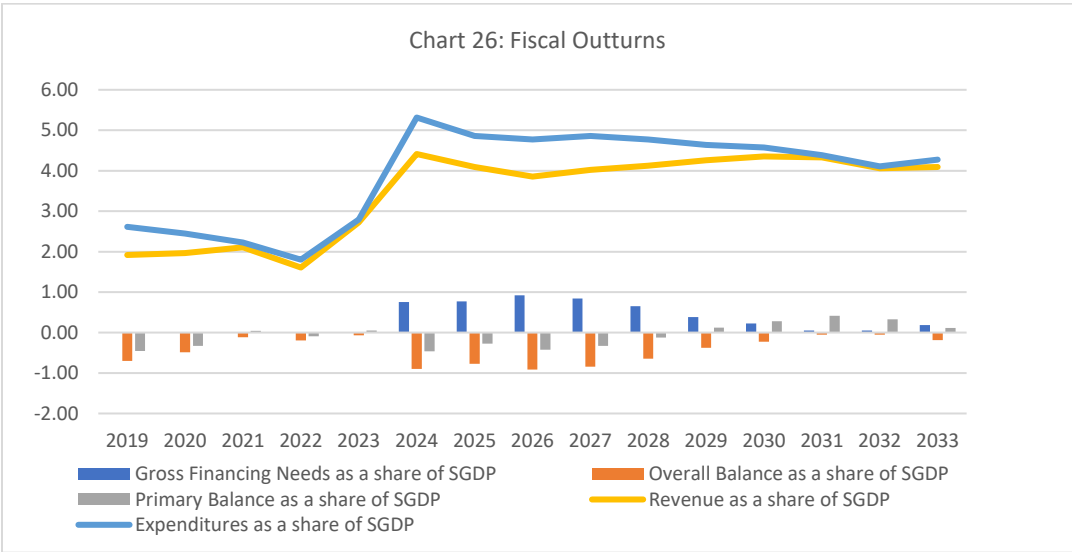


Therefore, the fiscal deficit—computed as the difference between revenue and expenditure—is expected to remain within a range of N45,905M to N31,657M in nominal terms.

A major component of recurrent expenditure in the state is Personnel Cost. Established threshold for personnel cost as a share of revenue is 60%. Cross River State did not breach this threshold in both the historical and projection years. The effect of the reforms ongoing in the state's civil service is evident in the chart below.



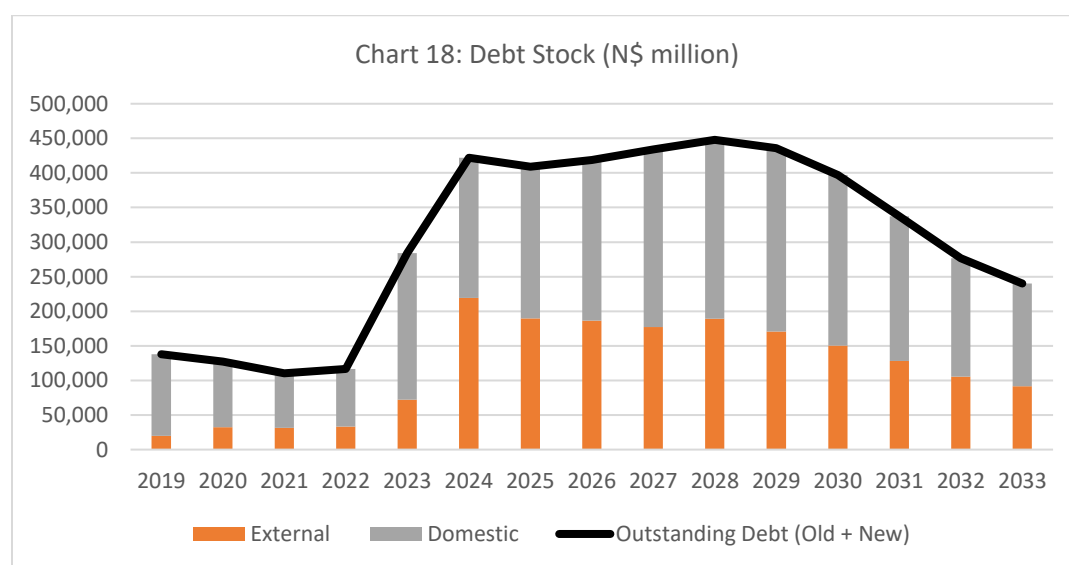
Primary balance which is the difference between the state's revenue and its non interest expenditure can be measured as a percentage of state GDP.



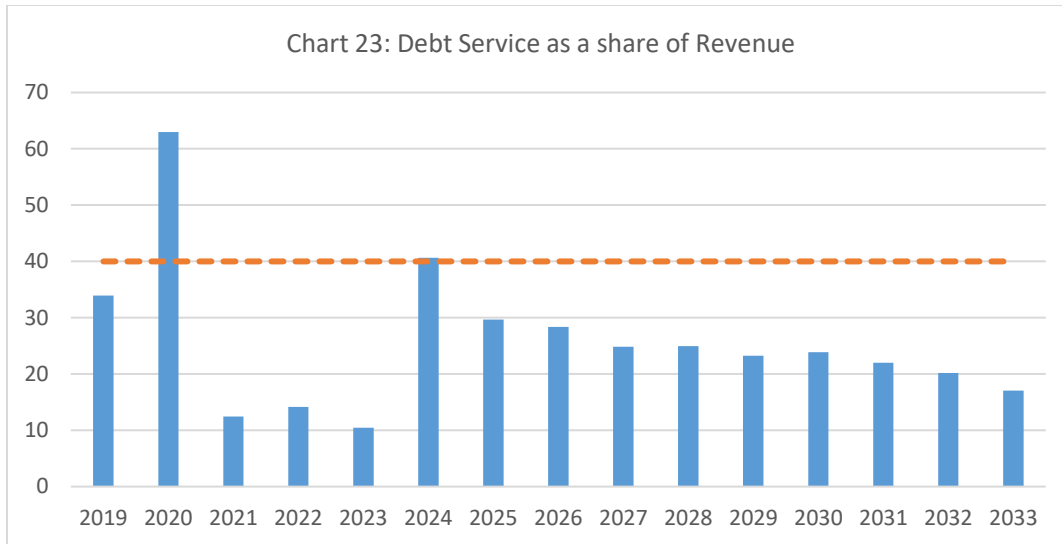
Revenue as a share of state GDP and expenditure as a share of GDP both witnessed marginal fluctuations in the projection years of 2024 – 2033. The overall balance and the primary balance as a share of state GDP recorded negative values in some of the projection years.

Main finding and conclusion of the baseline scenario under the reference debt strategy (S1) in terms of debt sustainability.

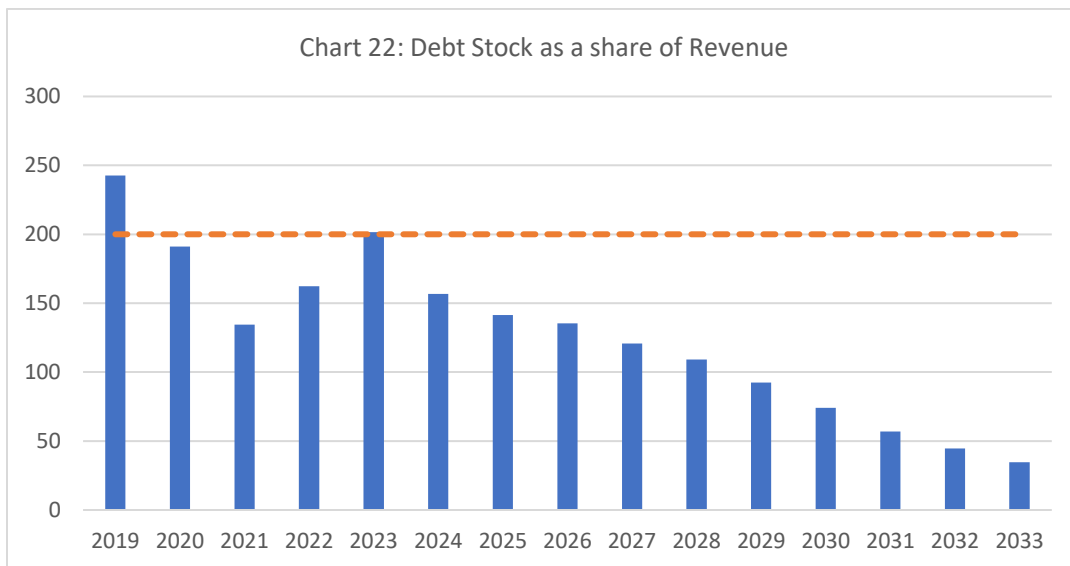
The gross financing requirement necessitated creating new borrowings for the projection years. By the debt management policy the state intends to implement, the state's debt is projected to reduce from N284,001M as of end-2023 to N240,340M by 2033. See chart below;



As a consequence of the decrease in debt stock from 2023-2033, the debt service ratio of the state will also decrease from 63% in 2023 to 17% in 2033. Its important to note that the debt service ratio did not breach the threshold all through the projection years except for 2024 at 41%..



Except for year 2024, debt as a percentage of revenue performance indicator which is set at a threshold of 200% is positive all through the projection years by the state. This shows a solid debt sustainability position for the state from 2025 to 2033. State must continue its fiscal reforms measure, make efforts to increase revenue and manage debt position more effectively and efficiently.



Conclusion

Cross River State DSA result shows that the State remains at Low Risk of Debt Distress in the future years. Revenue and expenditure as a percentage of state GDP will improve in the medium term to the long term into the projection years. The debt service to revenue indicator remain

positive as there is no expected major breach of the threshold all through the projection years, the debt stock to revenue indicator only breached the threshold in year 2023, for the other 9 years of the projection periods, it remained well below the threshold.

Other performance indicators like Debt stock as a percentage of State GDP and Personnel Cost as a share of revenue all remained positive.

The analysis of the baseline indicators under the reference debt Strategy (S1) suggest that the debt sustainability position of the State is not threatened in the medium and long term. To ensure that this debt sustainability position is maintained, the state must continue to carry out the following in addition to the measures highlighted in chapter 2;

- a. The implementation of the reforms in IGR sector to continue by bring more people into the tax net, deploy technology in tax assessment and collection, so that internally generated revenue can continue to improve.
- b. The cost management initiatives being embarked upon by the state especially regarding recurrent expenditure (overhead and personnel cost) should continually be pursued.
- c. Explore possibility of getting more grants both locally and externally to improve revenue over the years
- d. Renegotiate the financing terms of the existing debt to be more favourable in terms of cost and repayment cycle where necessary
- e. Ensure new loans are contracted at the least possible cost
- f. Focus more on getting foreign loans at the terms are more favourable

4.4 Debt Sustainability Analysis Sensitivity Analysis

The Debt Management Strategy put together by Cross River State is structured to have six scenarios; the baseline scenario, four shock (Shock Revenue, Shock Expenditure, Shock Exchange Rate & Shock Interest Rate) scenarios, and the historical scenario. The shocks are used in testing the resilience of the figures in the baseline scenario. Shocks are measured as a percentage deviation from the baseline scenario. The state relied on the projected macroeconomic assumptions in setting up the reference strategy which requires that a sensitivity analysis needs to be undertaken considering macroeconomic and policy shocks to evaluate the robustness of the sustainability assessment for the Baseline scenario under the reference debt strategy S1. In considering both macroeconomic and policy shocks, the State assumed that the

external and domestic borrowings will cover any revenue shortfall and additional expenditure relative to the baseline scenario.

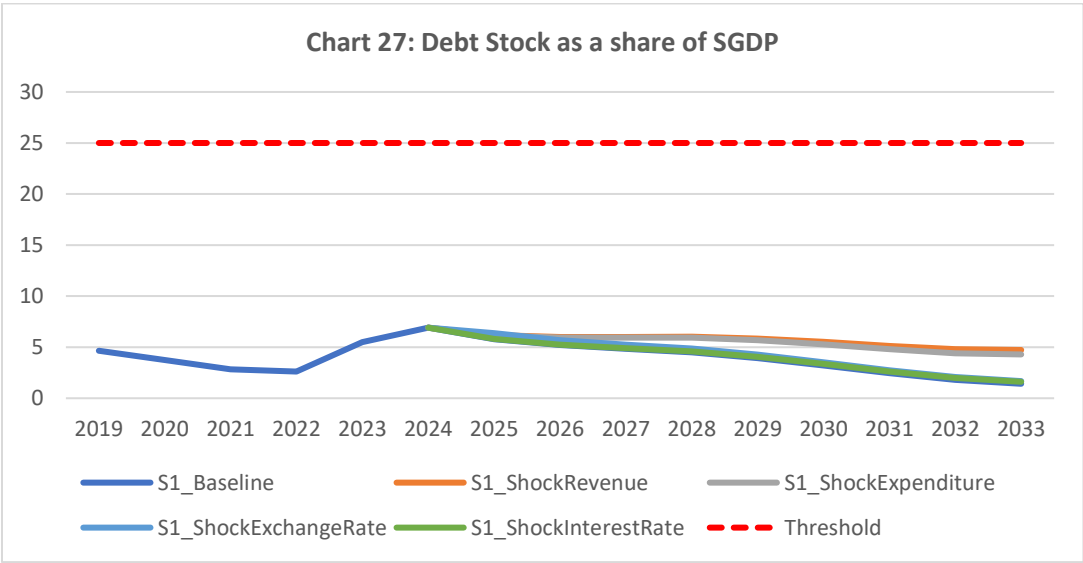
The 2024 DSA analysis shows that Cross River State remains at low risk of debt distress under sensitivity analysis. Under the Debt to Revenue performance indicator with a threshold of 200%, the shock revenue scenario and shock expenditure remained below the threshold all through the projection years. A 10% reduction in revenue and 10% increase in expenditure will likely not affect the state adversely. Nonetheless, the state must work to ensure that revenue projections over the future years do not decline and in fact must be increased substantially. State must continue to make effort to bring more people into the tax net and improve IGR. Expenditure must be well managed to remain under control while Debt managers must also work to reduce the state’s exposure to debt.

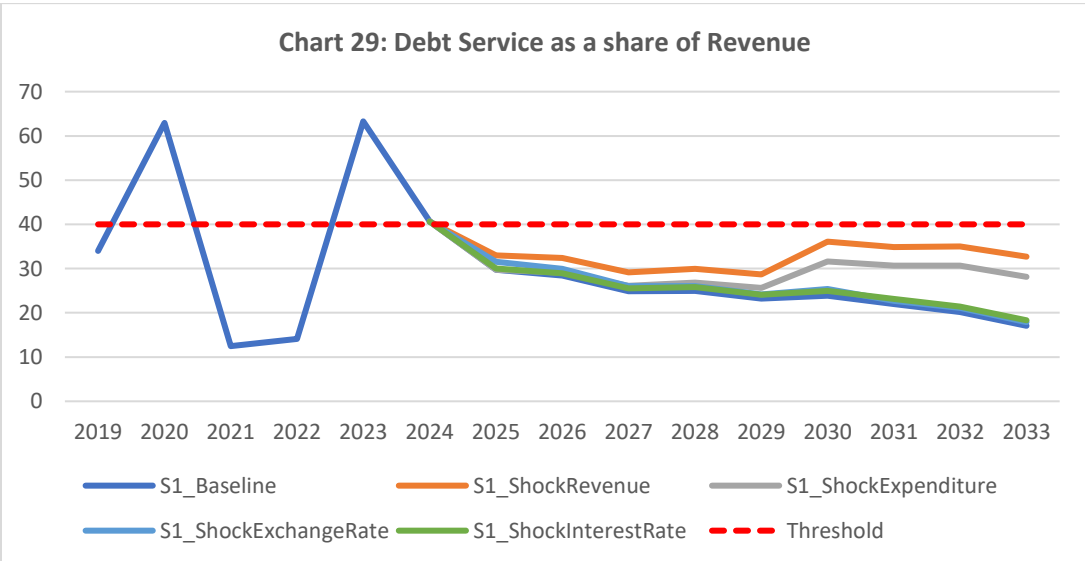
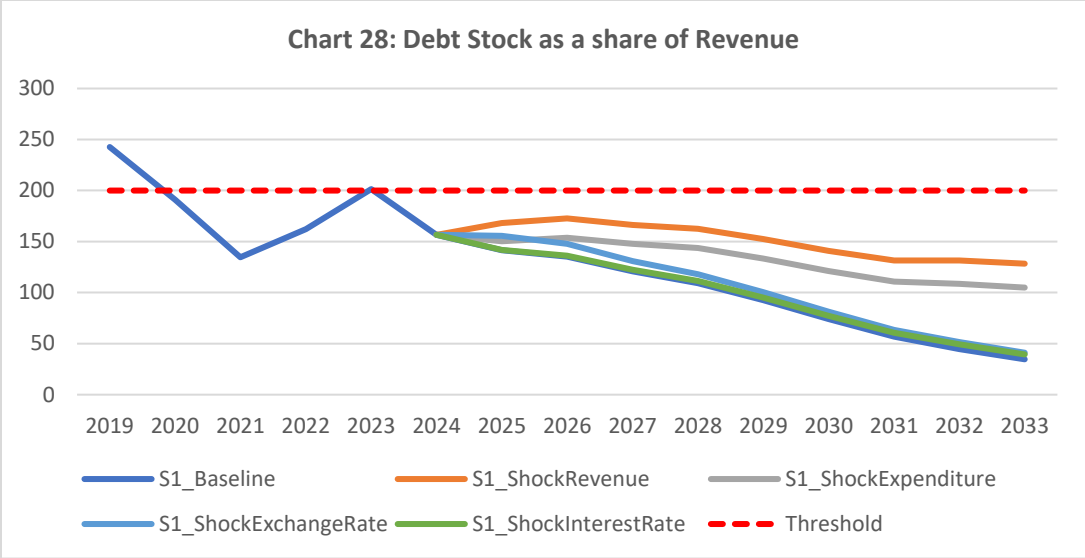
For Debt Service to Revenue, all the shocks remain moderate. That notwithstanding, the state must continually monitor revenue and expenditure all through the projection years to avert any risk.

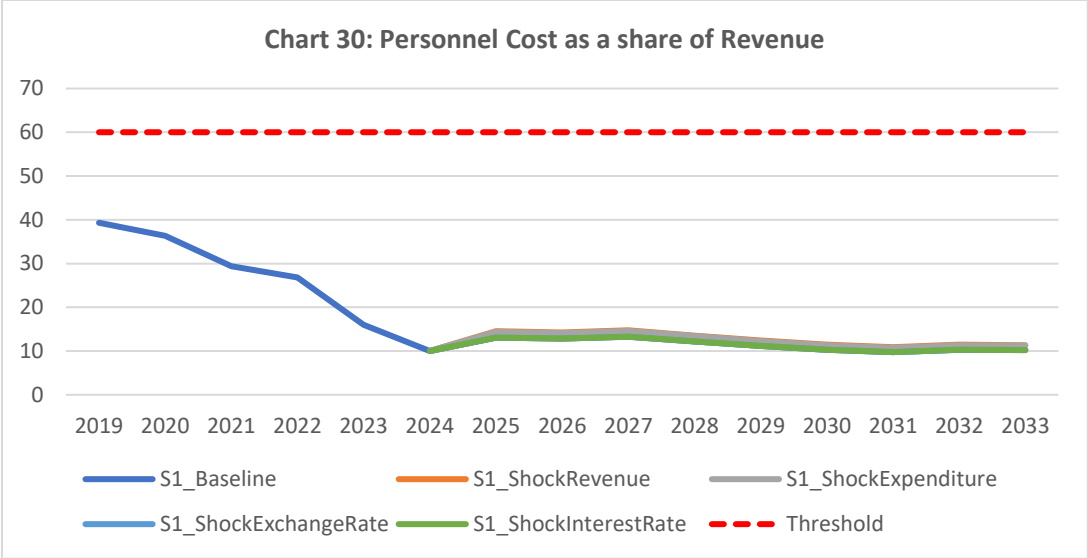
None of the other shock scenarios breached the threshold in other performance indicators which justifies the medium debt sustainability assumptions by the state.

Relevant state authorities must continue to work to ensure that the debt sustainability position is not further threatened in the medium to the long term.

See below the relevant charts.







CHAPTER FIVE

DEBT MANAGEMENT STRATEGY

5.0 Introduction

Public debt management is the process of establishing and executing a strategy for managing the government's debt in order to raise the required amount of funding at the lowest possible cost over the medium to long run, consistent with a prudent degree of risk. Debt Management Strategy examines the costs and risks inherent in the current debt portfolio, as well as in the debt portfolios that would arise from a range of possible issuance strategies, considering factors such as the macroeconomic and financial market environment, the availability of financing from different creditors and markets, and vulnerabilities that may have an impact on future borrowing requirements and debt service costs.

The Debt Management Strategy provides alternative strategies to meet the financing requirements for Cross River State. The strategies are shown by the breakdown of funding mix (domestic debt and external debt) and within the broad categories of domestic and external, the share of each stylized instrument has also been illustrated. The following four strategies are assessed by the government. The Cross River State Debt Management Strategy, 2024-2028, analyses the debt management strategies outcomes of the three debt management performance indicators namely Debt Stock to Revenue, Debt Services to Revenue and Interest to Revenue. The cost is measured by the expected value of a performance indicator in 2028, as projected in the baseline scenario. Risk is measured by the deviation from the expected value in 2028 caused by an un-expected shock, as projected in the most adverse scenario.

5.1 Alternative Borrowing Options

Aside the baseline strategy, there are other three strategies (S2, S3, S4) set up as alternative strategies. A debt management strategy analysis will be conducted to identify the worst possible scenario that outperform the baseline for every strategy.

Cross River state government intends to utilize the financing options available in the domestic market (Commercial bank loans, State bonds and other domestic financing – CBN loans) and external market (Concessional loans from World Bank & AFDB, Bilateral loans) to fund the gross borrowing requirement for 2024-2033 while ensuring that it's done at the lowest cost possible with a prudent of risk.

For Strategy 2. The assumption is that the state intends to finance its funding gap by contracting only commercial bank loans all through the projection years. Reason being that domestic loans are the easier to access. It also comes with opportunity for renegotiation of the borrowing terms should the need arises. The state will be borrowing within the range of N45,905M to N475,190M all through 2024-2033.

There are two categories of Commercial bank loans; first is 1-5 years which serves short term funding requirement and the other is 6 years and above, this takes care of the medium to long term.

For Strategy 3. The state assumes that State Bonds both for 1-5 years and 6 years and above will be sourced to fund its deficit for the projection years. Utilizing state bonds comes with a moderate cost and the foreign exchange rate risk will be mitigated. The state will be raising within the range of N45,905M to N62,963M from 2024-2033.

For Strategy 4.

The state assumes that Commercial Bank Loans of 1-5 years, State Bonds of 1-5 years and External Financing (Concessional Loans) will be sourced to fund its deficit for the projection years. Utilizing these options comes with the advantage of moderate cost, long repayment periods. The state will be raising within the range of N33,042.2M to N92,850M from 2024-2033.

For all the four strategies, the borrowing assumptions remain the same;

Table 5.1 Borrowing Terms and Assumptions for New Loans

Borrowing Terms for New Domestic Debt (issued/contracted from 2024 onwards)	Interest Rate (%)	Maturity (# of years)	Grace (# of years)
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	34.00%	5	0
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)	31.00%	8	0
State Bonds (maturity 1 to 5 years)	16.00%	5	0
State Bonds (maturity 6 years or longer)	19.00%	15	0
Other Domestic Financing ()	10.00%	10	0
Borrowing Terms for New External Debt (issued/contracted from 2024 onwards)	Interest Rate (%)	Maturity (# of years)	Grace (# of years)

External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	2.00%	20	1
External Financing - Bilateral Loans	2.00%	20	1
Other External Financing	3.00%	20	1

5.2 Debt Management Strategy Simulation Results

In analysing the debt management strategy and necessary outputs, the baseline strategy S1 is compared with the other three alternative strategies S2, S3 and S4 using the following debt performance indicators highlighted above. They are Debt stock/revenue ratio, Debt service/revenue and interest/ revenue ratios. The cost and risk for each alternative strategy is analysed in comparison to the reference strategy (S1) including the trade-offs for each strategy in terms of risk and cost.

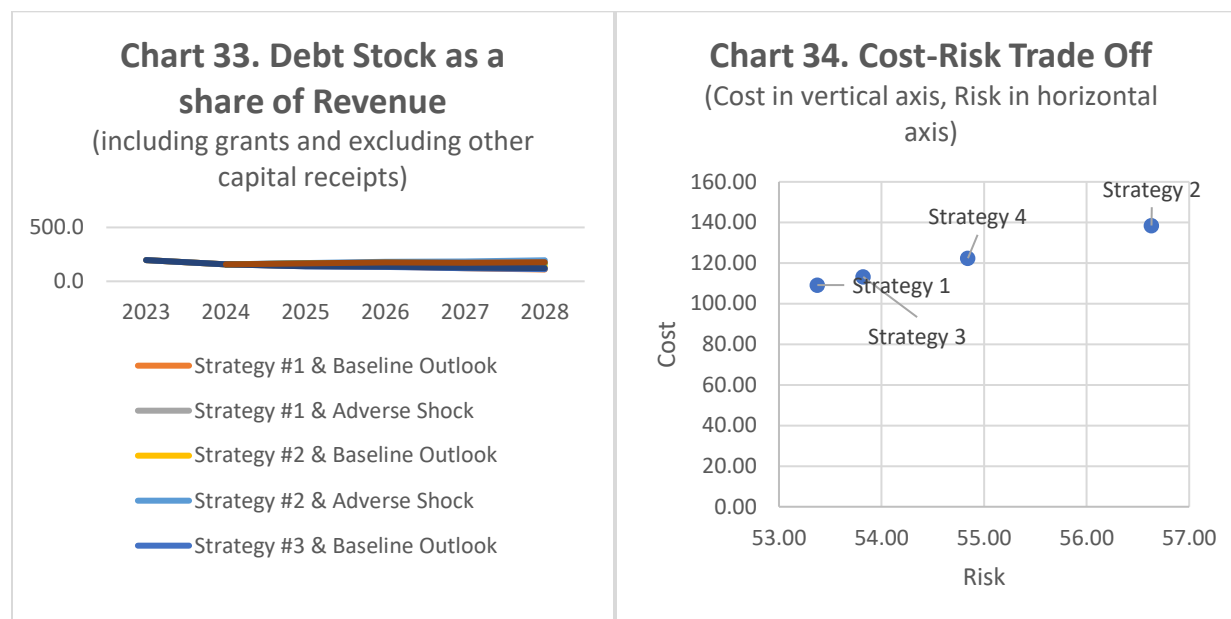
5.2.1 Debt Stock/Revenue

The table below shows the performance of the state from 2024-2028 when expressing debt as a percentage of revenue.

The baseline outlook(S1) presented the lowest cost and lowest risk in all the 4 strategies. Cost as at 2028 is projected to be 109.2% while the risk is 53.4%.

							COST	RISK measured only in 2028
Debt Stock as % of Revenue (including grants and excluding other capital receipts)	2023	2024	2025	2026	2027	2028	2028	
Strategy #1 & Baseline Outlook	196.6	156.7	141.5	135.4	120.9	109.2	53.4	
Strategy #1 & Adverse Shock		156.7	168.3	172.7	166.2	162.5		
Strategy #2 & Baseline Outlook	196.6	156.7	143.0	142.1	137.9	138.5	56.6	
Strategy #2 & Adverse Shock		156.7	170.0	180.2	185.1	195.1		
Strategy #3 & Baseline Outlook	196.6	156.7	140.6	134.7	122.9	113.2	53.8	
Strategy #3 & Adverse Shock		156.7	167.4	172.0	168.5	167.0		
Strategy #4 & Baseline Outlook	196.6	156.7	140.2	137.0	126.5	122.4	54.8	
Strategy #4 & Adverse Shock		156.7	166.8	174.5	172.4	177.2		

From the Cost-Risk trade off chart below, strategy 1 has the lowest cost and the lowest risk.



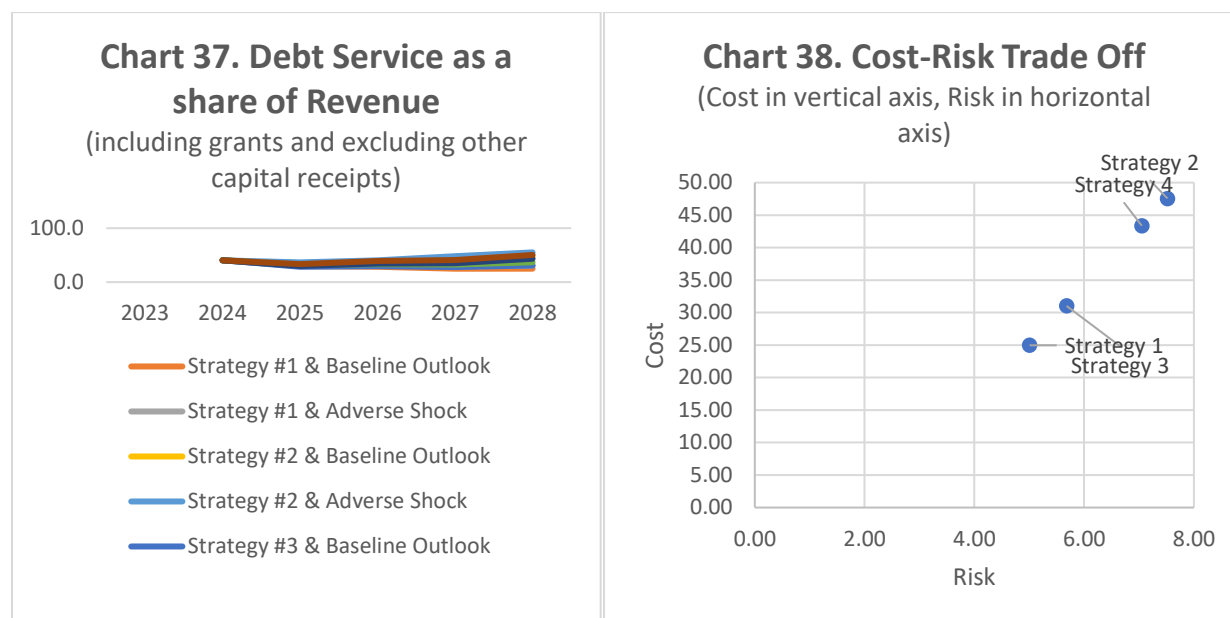
5.2.2 Debt Service/Revenue

The table below shows the performance of the state from 2024-2028 when expressing debt service as a percentage of revenue.

Under this performance indicator, strategy S1 in the year of measurement (2028) recorded cost of 25% and 5.0% as risk which is the lowest when compared to other alternative strategies.

						COST	RISK measured only in 2028
Debt Service as % of Revenue (including grants and excluding other capital receipts)	2024	2025	2026	2027	2028	2028	
Strategy #1 & Baseline Outlook	40.6	29.7	28.4	24.9	25.0	5.0	
Strategy #1 & Adverse Shock	40.6	33.0	32.4	29.2	30.0		
Strategy #2 & Baseline Outlook	40.6	32.9	35.8	41.6	47.6	7.5	
Strategy #2 & Adverse Shock	40.6	36.6	40.6	47.8	55.1		
Strategy #3 & Baseline Outlook	40.6	28.4	29.4	28.0	31.0	5.7	
Strategy #3 & Adverse Shock	40.6	31.6	33.5	32.6	36.7		
Strategy #4 & Baseline Outlook	40.6	30.1	34.4	35.2	43.4	7.1	
Strategy #4 & Adverse Shock	40.6	33.4	39.0	40.7	50.4		

From the Cost-Risk trade off, strategy 1 comes easily as the most preferred scenario being that it has the lowest cost and the lowest degree of risk.



5.2.3 Interest/Revenue

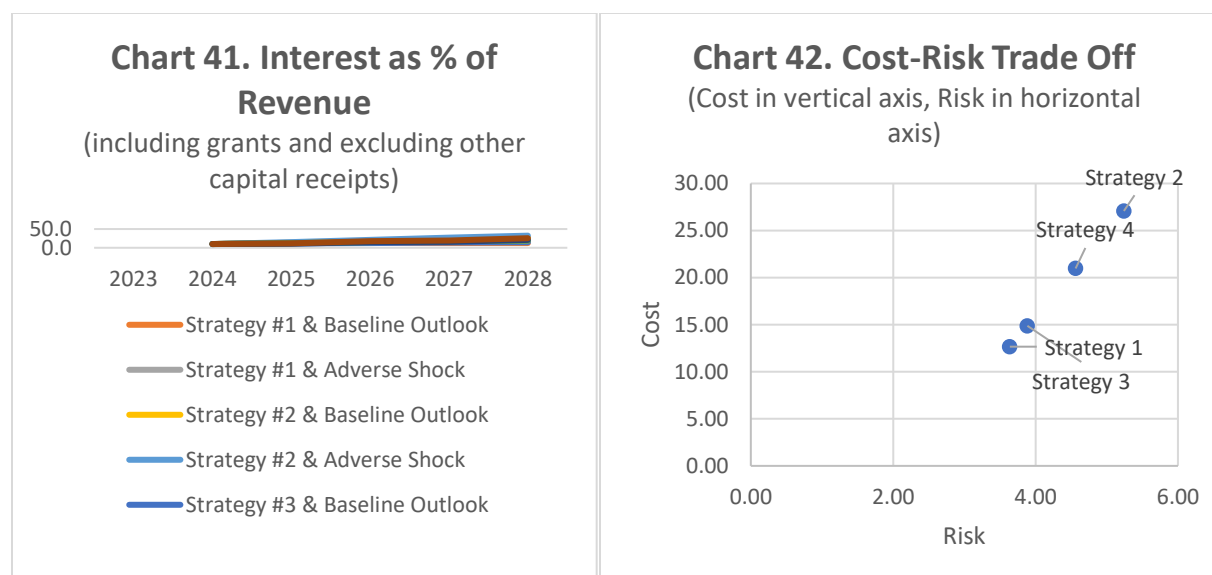
Under this performance indicator, Strategy 1 equally has the lowest cost and risk at 12.7% and 3.6% respectively.

The table below shows the performance of the state from 2024-2028 when expressing interest as a percentage of revenue.

	COST					RISK measured only in 2028
Interest as % of Revenue (including grants and excluding other capital receipts)	2024	2025	2026	2027	2028	2028
Strategy #1 & Baseline Outlook	9.9	12.2	12.9	12.8	12.7	3.6
Strategy #1 & Adverse Shock	9.9	13.5	15.2	15.7	16.3	
Strategy #2 & Baseline Outlook	9.9	13.7	17.9	22.9	27.1	5.2
Strategy #2 & Adverse Shock	9.9	15.2	20.7	27.0	32.3	
Strategy #3 & Baseline Outlook	9.9	11.3	12.7	14.3	14.9	3.9
Strategy #3 & Adverse Shock	9.9	12.6	14.9	17.4	18.8	
Strategy #4 & Baseline Outlook	9.9	10.8	15.4	15.9	21.0	4.6

Strategy #4 & Adverse Shock	9.9	12.0	18.0	19.2	25.5	
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From the Cost-Risk trade off chart below, strategy 1 comes easily as the most preferred scenario being that it has the lowest cost and the lowest degree of risk.



5.2.4 Debt Management Strategy Assessment

From the analysis of cost-risk profile of the four debt management strategies, S1 comes easily as the most preferred strategy being that it recorded the lowest cost and lowest degree of risk for the four strategies in all the performance indicators considered hence recommended for implementation.

The current debt stock of the state is presently tilted towards domestic loan which is at 75% of the state debt stock. This comes with its high debt service obligations when compared to foreign loans that characteristically have low cost and more favorable borrowing terms. With the way the strategies were set up, S1 has components of foreign loan hence making it a good choice. Implementation of S1 is also feasible when compared other Strategies.

The current debt portfolio for Cross River State as of end of 2023 is N284,001M, the portfolio is expected to rise to N447,837M in 2028 in the S1, N568,144M in S2, N464,361M & N550,277M in S3 & S4 respectively. This implies that implementing S1 will benefit the state more than any other strategy even in the medium term.

The Debt Management Strategy, 2024-2028 represents a robust framework for prudent debt management, as it provides a systematic approach to decision making on the appropriate composition of external and domestic borrowing to finance the 2024 budget. The cost-risk trade-off of alternative borrowing strategies under the DMS has been evaluated within the medium-term context.

Annex 1

2024

		Projection Methodology	Source
Assumptions:			
Economic activity	State GDP (at current prices)	The Projection for CRS Domestic Product (at Current Prices) is in line with the World B	Debt Management Office, Abuja
Revenue	Revenue	Projection is based on Federal Government Medium Term Expenditure Framework(2023 -2026) FAAC Allocation will continue to grow upward leaving the State with more money because of the removal of subsidy. The subsidy fund will be reinvested back to States rather than paying foreign exchange.	Ministry of Finance and Economic Development. Cross River State
	1. Gross Statutory Allocation ('gross' means with	The Net Statutory Allocation is projected to increase in line with the national GDP growth rate.	Ministry of Finance and Economic Development. Cross River State
	1.a. of which Net Statutory Allocation ('net' m		Ministry of Finance and Economic Development. Cross River State
	1.b. of which Deductions	Deduction is projected to increase in line with the National GDP growth rate.	Ministry of Finance and Economic Development. Cross River State
	2. Derivation (if applicable to the State)	Not Applicable	
	3. Other FAAC transfers (exchange rate gain, augm	Not Applicable	Ministry of Finance and Economic Development. Cross River State
	4. VAT Allocation	The VAT rate is 7.5% and its allocation to States is based on FG MTEF	Ministry of Finance and Economic Development. Cross River State
	5. IGR	The state continued implementation of reforms on its IGR process is expected to impact improvement of average increase of 11.3% over the projection years	Ministry of Finance and Economic Development. Cross River State
	6. Capital Receipts		
	6.a. Grants	Grant is projected to grow on the average of 7.7% over the projection years as the state continues to source for donors	Ministry of Finance and Economic Development. Cross River State
	6.b. Sales of Government Assets and Privatization Proceeds		
	6.c. Other Non-Debt Creating Capital Receipts		
Expenditure	Expenditure	Personnel cost is projected to increase based on the N73,000.00 national minimum wage policy and the recent agitation for increase in salary due to removal of fuel subsidy	Ministry of Finance and Economic Development. Cross River State
	1. Personnel costs (Salaries, Pensions, Civil Serva		Ministry of Finance and Economic Development. Cross River State
	2. Overhead costs		Ministry of Finance and Economic Development. Cross River State
	3. Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)		Ministry of Finance and Economic Development. Cross River State
	4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)		Ministry of Finance and Economic Development. Cross River State
	5. Capital Expenditure	Capital expenditure will experience slow but steady increase but will witness a reduction in Capital expenditure in 2028.	
Closing Cash and Bank Balance	Closing Cash and Bank Balance	The Closing Cash and Bank balances is projected to follow the State projections based on Economic realities in the State.	

Debt Amortization and Interest Payments	Debt Outstanding at end-2023	
	External Debt - amortization and interest	
	Domestic Debt - amortization and interest	As captured by the existing Amortization Schedule
	New debt issued/contracted from 2024 onwards	
	New External Financing	
	External Financing - Concessional Loans (e.g., Wo	Interest Rate - 3% - Maturity 20 Years Grace - 5 Years
	External Financing - Bilateral Loans	Interest Rate - 3% - Maturity 15 Years Grace - 5 Years
	Other External Financing	Interest Rate - 3% Maturity - 15% , Grace 5 Years
	New Domestic Financing	
	Commercial Bank Loans (maturity 1 to 5 years, in	Interest Rate 20%, Maturity - 4 Years; Grace 0-6 Years
Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S1	Commercial Bank Loans (maturity 6 years or long	Interest Rate - 19% Maturity -8 Years, Grace 1 years
	State Bonds (maturity 1 to 5 years)	Interest Rate - 19%; Maturity - 5 Years; Grace 0 - 6 years
	State Bonds (maturity 6 years or longer)	Interest Rate 18%; Maturity - 10 year, Grace - 1 year
	Other Domestic Financing	Interest Rate 10% , Maturity - 15 Years , Grace 0 year
	Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S1	
	New Domestic Financing in Million Naira	
	Commercial Bank Loans (maturity 1 to 5 years, in	Interest Rate 34%; Maturity - 5 Years
	Commercial Bank Loans (maturity 6 years or long	Interest Rate - 31%; Maturity - 8 Years
	State Bonds (maturity 1 to 5 years)	Interest Rate - 16%; Maturity - 5 Years
	State Bonds (maturity 6 years or longer)	Interest Rate - 19%; Maturity - 15 Years
Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S2	Other Domestic Financing	Interest Rate 10% , Maturity - 10 years
	New External Financing in Million US Dollar	
	External Financing - Concessional Loans (e.g., Wo	Interest Rate - 2% - Maturity 20 Years Grace - 1 Year
	External Financing - Bilateral Loans	Interest Rate - 2% - Maturity 20 Years Grace - 1 Year
	Other External Financing	Interest Rate - 2% - Maturity 20 Years Grace - 1 Year
	Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S2	
	New Domestic Financing in Million Naira	
	Commercial Bank Loans (maturity 1 to 5 years, in	Interest Rate 34%; Maturity - 5 Years
	Commercial Bank Loans (maturity 6 years or long	Interest Rate - 31%; Maturity - 8 Years
	State Bonds (maturity 1 to 5 years)	Interest Rate - 16%; Maturity - 5 Years
	State Bonds (maturity 6 years or longer)	Interest Rate - 19%; Maturity - 15 Years
	Other Domestic Financing	Interest Rate 10% , Maturity - 10 years
	New External Financing in Million US Dollar	
	External Financing - Concessional Loans (e.g., Wo	Interest Rate - 2% - Maturity 20 Years Grace - 1 Year
	External Financing - Bilateral Loans	Interest Rate - 2% - Maturity 20 Years Grace - 1 Year
	Other External Financing	Interest Rate - 2% - Maturity 20 Years Grace - 1 Year

**Proceeds from Debt-Creating Borrowings
corresponding to Debt Strategy S3**

Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S3

New Domestic Financing in Million Naira

Commercial Bank Loans (maturity 1 to 5 years, in	Interest Rate 34%; Maturity - 5 Years
Commercial Bank Loans (maturity 6 years or long	Interest Rate - 31%; Maturity - 8 Years
State Bonds (maturity 1 to 5 years)	Interest Rate - 16%; Maturity - 5 Years
State Bonds (maturity 6 years or longer)	Interest Rate - 19%; Maturity - 15 Years
Other Domestic Financing	Interest Rate 10% , Maturity - 10 years

New External Financing in Million US Dollar

External Financing - Concessional Loans (e.g., Wo	Interest Rate - 2% - Maturity 20 Years Grace - 1 Year
External Financing - Bilateral Loans	Interest Rate - 2% - Maturity 20 Years Grace - 1 Year
Other External Financing	Interest Rate - 2% - Maturity 20 Years Grace - 1 Year

**Proceeds from Debt-Creating Borrowings
corresponding to Debt Strategy S4**

Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S4

New Domestic Financing in Million Naira

Commercial Bank Loans (maturity 1 to 5 years, in	Interest Rate 34%; Maturity - 5 Years
Commercial Bank Loans (maturity 6 years or long	Interest Rate - 31%; Maturity - 8 Years
State Bonds (maturity 1 to 5 years)	Interest Rate - 16%; Maturity - 5 Years
State Bonds (maturity 6 years or longer)	Interest Rate - 19%; Maturity - 15 Years
Other Domestic Financing	Interest Rate 10% , Maturity - 10 years

New External Financing in Million US Dollar

External Financing - Concessional Loans (e.g., Wo	Interest Rate - 2% - Maturity 20 Years Grace - 1 Year
External Financing - Bilateral Loans	Interest Rate - 2% - Maturity 20 Years Grace - 1 Year
Other External Financing	Interest Rate - 2% - Maturity 20 Years Grace - 1 Year

Annex II

Indicator	Actuals					Projections									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
BASELINE SCENARIO															
Economic Indicators															
State GDP (at current prices)	2,967,907.00	3,400,928.00	3,882,082.00	4,461,709.00	5,168,582.00	6,104,979.00	7,062,668.00	8,030,128.00	8,934,522.00	9,940,772.00	11,060,351.00	12,306,024.00	13,691,989.00	15,234,050.00	16,949,785.00
Exchange Rate NGN/US\$ (end-Period)	253.19	305.79	306.50	326.00	379.00	1,300.00	1,200.00	1,100.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Fiscal Indicators (Million Naira)															
Revenue	69,295.10	76,716.10	88,824.00	73,587.80	155,379.00	315,320.30	343,261.96	383,070.88	434,197.61	474,757.64	513,146.17	563,417.10	600,221.87	625,966.36	725,075.06
1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT Allocation here)	25,352.80	38,019.90	36,817.40	32,192.50	32,192.40	146,670.89	152,158.64	155,539.37	181,981.06	212,917.84	249,113.88	291,463.24	331,011.99	348,984.03	356,811.30
1.a. of which Net Statutory Allocation ('net' means of deductions)	13,231.50	27,342.10	28,612.40	23,987.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.b. of which Deductions	12,121.30	10,677.80	8,205.00	8,205.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Derivation (if applicable to the State)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Other FAAC transfers (exchange rate gain, augmentation, others)	9,260.40	6,009.20	1,547.40	600.00	34,663.50	34,663.50	36,396.68	40,036.34	42,038.16	44,140.07	48,554.07	50,981.78	53,530.87	56,207.41	59,017.78
4. VAT Allocation	9,059.10	10,214.80	11,044.20	10,849.00	32,284.70	37,622.70	43,791.84	50,384.20	64,787.94	75,801.89	88,688.21	103,755.21	111,405.30	112,044.20	166,191.71
5. IGR	13,118.90	12,195.30	16,529.70	11,531.00	30,859.30	38,965.60	44,567.90	50,765.40	56,435.70	62,597.20	68,865.20	72,456.60	78,231.30	80,456.80	88,453.20
6. Capital Receipts	12,503.90	10,276.50	22,885.40	18,415.70	25,379.00	57,397.61	66,346.90	86,345.56	88,954.75	79,300.64	57,924.81	44,760.28	26,042.41	28,273.92	54,601.06
6.a. Grants	0.00	279.50	16,011.00	16,533.70	10,944.90	11,492.15	12,066.75	12,670.09	13,683.70	14,778.39	15,960.66	17,237.52	18,961.27	20,857.40	22,943.14
6.b. Sales of Government Assets and Privatization Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.c. Other Non-Debt Creating Capital Receipts	0.00	0.00	0.00	1,881.60	2,458.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.d. Proceeds from Debt-Creating Borrowings (bond issuance, loan disbursements, etc.)	12,503.90	9,997.10	6,874.30	0.00	8,486.10	45,905.47	54,280.15	73,675.47	75,271.05	64,522.25	41,964.14	27,522.76	7,081.14	7,416.52	31,657.93
Expenditure	77,484.90	83,262.60	86,329.60	80,402.80	144,583.10	324,462.20	343,261.96	383,070.88	434,197.61	474,757.64	513,146.17	563,417.10	600,221.87	625,966.36	725,075.06
1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	22,327.10	24,257.20	24,055.10	19,254.00	22,498.00	26,997.60	37,796.64	39,686.47	47,623.77	50,004.95	52,505.20	55,130.46	57,886.99	63,781.33	70,820.40
2. Overhead costs	23,426.90	29,621.40	34,871.70	27,111.50	16,484.00	23,685.90	28,567.80	32,456.70	35,986.70	37,675.90	40,987.60	41,987.60	44,987.50	46,786.70	47,987.30
3. Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)	7,089.00	5,325.30	6,087.60	4,575.50	6,317.50	26,779.30	35,113.67	39,939.48	45,853.42	51,946.66	55,393.54	61,799.14	63,483.57	56,734.01	50,604.09
3.a. of which Interest Payments (Public Debt Charges, excluding interests deducted from FAAC Allocation)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.b. of which Interest deducted from FAAC Allocation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)	0.00	0.00	0.00	0.00	33,145.50	33,808.41	34,484.58	35,174.27	35,877.76	36,595.31	37,327.22	38,073.76	38,835.24	39,611.94	40,404.18
5. Capital Expenditure	13,353.30	11,966.10	16,640.90	23,840.90	57,719.00	130,502.79	156,603.35	187,924.02	225,508.82	248,059.70	272,865.67	300,152.24	328,159.85	350,917.85	447,463.74
6. Amortization (principal) payments	11,288.60	12,092.60	4,674.40	5,620.90	8,419.10	82,688.20	50,695.92	47,889.93	43,347.15	50,475.11	54,066.94	66,273.90	66,868.72	68,134.52	67,795.35
Budget Balance ('+' means surplus, '-' means deficit)	-8,189.80	-6,546.50	2,494.40	-6,815.00	10,795.90	-9,141.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Opening Cash and Bank Balance	13,578.00	5,388.20	-1,158.30	1,336.10	346.00	11,141.90	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
Closing Cash and Bank Balance	5,388.20	-1,158.30	1,336.10	-5,478.90	11,141.90	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00

Financing Needs and Sources (Million Naira)

Financing Needs	45,905.47	54,280.15	73,675.47	75,271.05	64,522.25	41,964.14	27,522.76	7,081.14	7,416.52	31,657.93
i. Primary balance	54,420.14	31,529.44	14,153.94	13,929.51	37,899.52	67,496.34	100,550.28	123,271.15	117,452.02	86,741.51
ii. Debt service	109,467.50	85,809.59	87,829.42	89,200.57	102,421.77	109,460.48	128,073.04	130,352.30	124,868.54	118,399.44
Amortizations	82,688.20	50,695.92	47,889.93	43,347.15	50,475.11	54,066.94	66,273.90	66,868.72	68,134.52	67,795.35
Interests	26,779.30	35,113.67	39,939.48	45,853.42	51,946.66	55,393.54	61,799.14	63,483.57	56,734.01	50,604.09
iii. Financing Needs Other than Amortization Payments (e.g., Variation in Cash and Bank Balances)	-9,141.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financing Sources	45,905.47	54,280.15	73,675.47	75,271.05	64,522.25	41,964.14	27,522.76	7,081.14	7,416.52	31,657.93
i. Financing Sources Other than Borrowing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii. Gross Borrowings	45,905.47	54,280.15	73,675.47	75,271.05	64,522.25	41,964.14	27,522.76	7,081.14	7,416.52	31,657.93
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	0.00	10,000.00	0.00	0.00	8,000.00	30,000.00	0.00	0.00	7,416.50	0.00
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)	20,347.80	0.00	0.00	20,000.00	0.00	0.00	27,522.80	0.00	0.00	0.00
State Bonds (maturity 1 to 5 years)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,081.10	0.00	0.00
State Bonds (maturity 6 years or longer)	25,557.67	0.00	40,675.50	0.00	26,522.20	0.00	0.00	0.00	0.00	0.00
Other Domestic Financing	0.00	32,280.15	0.00	30,271.10	0.00	11,964.10	0.00	0.00	0.00	21,657.90
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	0.00	12,000.00	33,000.00	0.00	30,000.00	0.00	0.00	0.00	0.00	10,000.00
External Financing - Bilateral Loans	0.00	0.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Other External Financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Residual Financing	0.00	0.00	-0.03	-0.05	0.05	0.04	-0.04	0.04	0.02	0.03

Debt Stocks and Flows (Million Naira)

Debt (stock)	137,816.10	127,456.09	110,287.40	116,415.20	284,000.60	422,115.77	408,840.00	418,805.54	433,789.44	447,836.58	435,733.78	396,982.64	337,195.06	276,477.05	240,339.64
External	19,748.80	32,474.49	31,569.50	33,349.80	71,972.10	219,180.00	189,840.00	186,340.00	177,073.68	189,168.42	170,647.37	150,247.37	128,347.37	105,447.37	91,647.37
Domestic	118,067.30	94,981.60	78,717.90	83,065.40	212,028.50	202,935.77	219,000.00	232,465.54	256,715.75	258,668.16	265,086.41	246,735.27	208,847.69	171,029.69	148,692.27
Gross borrowing (flow)						45,905.47	54,280.15	73,675.47	75,271.05	64,522.25	41,964.14	27,522.76	7,081.14	7,416.52	31,657.93
External						0.00	12,000.00	33,000.00	25,000.00	30,000.00	0.00	0.00	0.00	0.00	10,000.00
Domestic						45,905.47	42,280.15	40,675.47	50,271.05	34,522.25	41,964.14	27,522.76	7,081.14	7,416.52	21,657.93
Amortizations (flow)	12,254.36	37,216.92	5,371.40	5,586.40	64,303.90	82,688.20	50,695.92	47,889.93	43,347.15	50,475.11	54,066.94	66,273.90	66,868.72	68,134.52	67,795.35
External	607.66	397.52	858.20	195.60	2,160.30	27,690.00	24,480.00	20,680.00	17,326.32	17,905.26	18,521.05	20,400.00	21,900.00	22,900.00	23,800.00
Domestic	11,646.70	36,819.40	4,513.20	5,390.80	62,143.60	54,998.20	26,215.92	27,209.93	26,020.83	32,569.84	35,545.89	45,873.90	44,968.72	45,234.52	43,995.35
Interests (flow)	7,031.01	4,788.97	4,848.85	4,547.30	24,888.80	26,779.30	35,113.67	39,939.48	45,853.42	51,946.66	55,393.54	61,799.14	63,483.57	56,734.01	50,604.09
External	151.91	183.47	214.55	130.40	379.00	2,340.00	2,280.00	2,420.00	2,900.00	3,589.47	4,247.37	4,278.95	4,578.95	4,578.95	4,678.95
Domestic	6,879.10	4,605.50	4,634.30	4,416.90	24,509.80	24,439.30	32,833.67	37,519.48	42,953.42	48,357.19	51,146.17	57,520.19	58,904.62	52,155.06	45,925.14
Net borrowing (gross borrowing minus amortizations)						-36,782.74	3,584.23	25,785.54	31,923.90	14,047.14	-12,102.80	-38,751.14	-59,787.58	-60,718.00	-36,137.42
External						-27,690.00	-12,480.00	12,320.00	7,673.68	12,094.74	-18,521.05	-20,400.00	-21,900.00	-22,900.00	-13,800.00
Domestic						-9,092.74	16,064.23	13,465.54	24,250.22	1,952.40	6,418.25	-18,351.14	-37,887.58	-37,818.00	-22,337.42

Debt and Debt-Service Indicators															
Debt Stock as % of SGDP	4.64	3.75	2.84	2.61	5.49	6.91	5.79	5.22	4.86	4.51	3.94	3.23	2.46	1.81	1.42
Debt Stock as % of Revenue (including grants and excluding other capital receipts)	242.67	191.03	134.58	162.35	196.63	156.68	141.48	135.36	120.86	109.17	92.48	74.08	56.85	44.70	34.66
Debt Service as % of SGDP						1.79	1.21	1.09	1.00	1.03	0.99	1.04	0.95	0.82	0.70
Debt Service as % of Revenue (including grants and excluding other capital receipts)						40.63	29.69	28.39	24.85	24.97	23.23	23.90	21.98	20.19	17.07
Interest as % of SGDP						0.44	0.50	0.50	0.51	0.52	0.50	0.50	0.46	0.37	0.30
Interest as % of Revenue (including grants and excluding other capital receipts)						9.94	12.15	12.91	12.78	12.66	11.76	11.53	10.70	9.17	7.30
Personnel Cost as % of Revenue (including grants and excluding other capital receipts)						10.02	13.08	12.83	13.27	12.19	11.14	10.29	9.76	10.31	10.21
Adverse Shock Scenario is defined by the worst performance indicator measured in year 2028															
For Debt Stock as % of SGDP the adverse shock is: Revenue	Revenue														
Debt Stock as % of SGDP						6.91	6.20	5.99	6.01	6.04	5.85	5.52	5.12	4.80	4.73
For Debt Stock as % of Revenue (including grants and excluding other capital receipts) the adverse shock is: Revenue	Revenue														
Debt Stock as % of Revenue (including grants and excluding other capital receipts)						156.68	168.31	172.72	166.18	162.54	152.65	140.80	131.35	131.39	128.35
For Debt Service as % of SGDP the adverse shock is: Revenue	Revenue														
Debt Service as % of SGDP						1.79	1.21	1.12	1.05	1.11	1.10	1.41	1.36	1.28	1.20
For Debt Service as % of Revenue (including grants and excluding other capital receipts) the adverse shock is: Revenue	Revenue														
Debt Service as % of Revenue (including grants and excluding other capital receipts)						40.63	32.99	32.37	29.15	29.97	28.69	36.06	34.87	35.00	32.70
For Interest as % of SGDP the adverse shock is: Revenue	Revenue														
Interest as % of SGDP						0.44	0.50	0.53	0.57	0.61	0.61	0.64	0.63	0.56	0.51
For Interest as % of Revenue (including grants and excluding other capital receipts) the adverse shock is: Revenue	Revenue														
Interest as % of Revenue (including grants and excluding other capital receipts)						9.94	13.50	15.17	15.73	16.30	15.94	16.32	16.12	15.42	13.94

The Cross River State Technical Team

S/n	Name	Department	Designation
1	Ekpe Ekpe, FCIB	CRS Debt Management Department	Director General
2	Ansa Etim	CRS Debt Management Department	Deputy Director
3	Benjamin Ubi	Dept. of Budget, Monitoring & Evaluation	Director
4	Lawrence Omaji	Office of the Accountant General	Assistant Director



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Honourable Commissioner for Finance