



CROSS RIVER STATE
DEBT SUSTAINABILITY ANALYSIS
&
DEBT MANAGEMENT STRATEGY REPORT (DSA-DMS)
2025

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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 2025. The DSA analyzes the trends and patterns of the State's Public Finance during the period 2020 – 2024 and evaluates the State's long-term debt sustainability between the years from the year 2025 to 2034. 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 2025 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 2020- 2024 while also evaluating the ability of the State to sustain its debt in the long term (2025-2034). The State Government undertook the conduct of the Debt Sustainability Analysis and Debt Management Strategy (State DSA-DMS) exercise for the year 2025. It was an exercise that took into consideration the State's historical macroeconomic data from the period 2020 – 2024 and projected data from the period 2025 – 2034.

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 2025 revealed the following;

- The revenue accruing to the state increased substantially due to the reforms being implemented by the Federal Government. Total revenue rose from **N140,945M** in 2023 to **N354,617M** in 2024 thereby increasing the fiscal space.
- The debt position of the state as at December 2024 also increased, just like revenue. The increase in the debt position is in the external debt due to the unification of exchange rates. Total Debt as at Dec 2024 is **N381,967M** while Revenue is **N354,617M**
- The state debt portfolio rose from **N284,001M** in 2023 to **N381,967M** in 2024 representing a 34% increase.
- The cost of Debt Servicing for the same period stands at **N 39,233M**
- Total revenue (including grants and excluding other capital receipts) is projected to increase from **N354,617M** in 2024 to **N 707,328M** by 2034 (**Chart 16**). There is a need for the state to further undertake activities that will sustain an increase in Internally Generated Revenue.
- The State's total expenditure is expected to expand from **N374,903 M** in 2024 to **N716,625 M** by 2034 (**Chart 17**).
- The Debt Stock to Revenue ratio breached the threshold in 2023 in the historical period, while the Debt Service to Revenue ratios did the same twice. Both performance indicators have been projected to witness a steady decline throughout the projection period, except for 2028, where the Debt Stock to Revenue ratio rose but did not breach 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 crystallize, 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 2025, the national GDP is expected to grow at 4.6%, Oil price benchmark set at \$75, Oil production per day is expected to be 2.06mbpd while inflation is projected to decline to 15.75%, and exchange rate at N1,400/\$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 to ensure transparency, accountability, and sustainability in sourcing, management, 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 19 of 2007
- CRS Fiscal Responsibility Law No. 13 of 2011
- CRS Debt Management Department Law No. 5 of 2014
- 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 2025 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 2020-2024 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 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 consultants
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 Nigeria Tax Act of 2025 – This bill was signed by the President on 26 June 2025. The new Tax Reform Bill includes four new Acts, namely, The Nigeria Tax Act (NTA), The Nigeria Tax Administration Act (NTAA), The Nigerian Revenue Service Establishment Act (NRSA) and the Joint Revenue Board Establishment Act. Together, these reforms consolidate and repeal more than a dozen outdated tax statutes, settle a unified direction for personal income tax, corporate taxation, VAT, capital gains tax and fiscal governance.
- The Petroleum Industry Act: The Petroleum Industry Act 2021. 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 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 of states and, indeed, the entire country.

The President also signed other Executive Orders that have the potential to impact the national economic climate. The orders are listed below:

- Customs Excise Tariff Amendment Order, 2023: The President's new executive order 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 the Import Tax Adjusted levy on certain vehicles were suspended by President Tinubu.

In Year 2024, President Tinubu also signed the following Executive Orders, which are 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 by, amongst others, high operating costs 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 2025 – 2027.

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

Item	2025	2026	2027	2028
National Inflation	15.75%	14.21%	10.04%	15%
National Real GDP Growth	4.6%	4.40%	5.5%	3.3%
Oil Production Benchmark (MBPD)	2.06	2.10	2.35	1.8
Oil Price Benchmark	\$75.00	\$76.72	\$75.3	\$55
NGN: USD Exchange Rate	₦1,400	₦1,400	₦1,400	₦1,400

Source: Federal Ministry of Finance, Budget & National Planning

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

Approved 2025 Budget

The 2025 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, the USA-China trade war and the Russia-Ukraine war, which have serious effects on national and state economies.

The 2025 budget for Cross River State, with the theme: ***Sustainable Growth***, represents a significant commitment to sustainable development and infrastructure improvement, with a clear focus on enhancing the welfare of its citizens through targeted investments in key sectors. It further underscores the government's proactive approach to addressing economic challenges and seizing new opportunities for growth.

The fiscal framework thrust for 2026-2028 is a commitment to create a conducive environment to enable Foreign Direct Investment and complete ongoing projects in the State. The State is warming up to actualize the gains of the previous budget and the industrialisation of the State.

The Key Objectives of the Approved 2025 Budget

- a. To erase the social imbalance of demographics.
- b. Facilitate better access to healthcare, assistive technologies, education, and employment opportunities tailored to their capabilities.
- c. Provide payment for gratuity, debt services, counterpart funds, nutrition activities, social protection, climate change, and gender responsiveness.
- d. Intensify our revenue mobilization efforts
- e. Provide credit facilities and grants to new and existing farmers and entrepreneurs.

CHAPTER THREE

CROSS RIVER STATE REVENUE, EXPENDITURE, FISCAL AND DEBT PERFORMANCE, 2020-2024

3.0 Introduction

This section looks at the historical performance of Cross River State relating to Revenue, Expenditure and Public Debt Trends from 2020 – 2024. The figures captured here reflect 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 2024.

The total revenue in this context is all revenue accruing to the state but excluding capital receipts. The total revenue that accrued to the state increased steadily from N66,719M in 2020 to N354,617M in 2024, representing an increase of 432%.

Like every other sub-national 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 N54,244M in 2020 to N265,825M in 2024. This increase, especially for the year 2024, is due to the reforms being carried out at the Federal level, which involves the removal of subsidies, resulting in higher revenue into the Federation Account to be shared by the 3 tiers of Government.

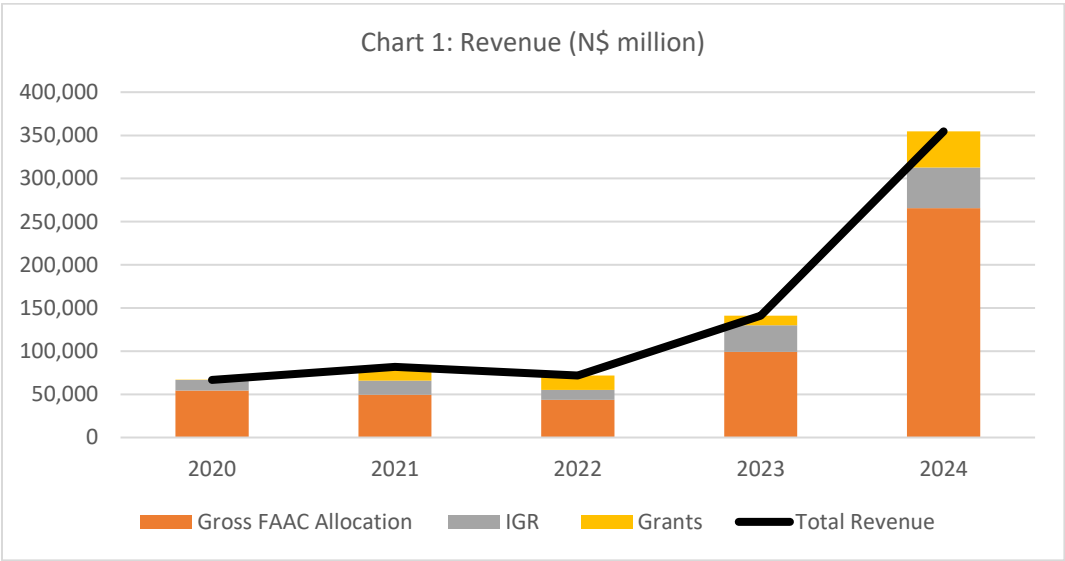
The increase in the IGR followed the same pattern with a high figure of N46,744M recorded for the year 2024. This is a result of the numerous policies and initiatives being embarked upon by the State Government to improve IGR, by widening the tax net and plugging loopholes.

See details below of the total revenue trend for the historical years

Table 3.1 Cross River State Aggregate Revenue for 2020-2024

Revenue	2020	2021	2022	2023	2024
Gross FAAC	54,244	49,409	43,642	99,141	265,825
Allocation					
IGR	12,195	16,530	11,531	30,859	46,744
Grants	280	16,011	16,534	10,945	42,049
Total Revenue	66,719	81,950	71,706	140,945	354,617

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



ii. **FAAC Allocations trend in the last five years.** Aside years 2021 and 2022, when the state recorded a decline in federal transfers by N4,834M and N5,767M respectively, all other years in the historical period had witnessed an increase in transfers, especially in 2024. The FAAC transfers recorded in 2024 are N265,825M, 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 throughout the historical period from moments of increase to those of decline. However, the State recorded a huge IGR of N46,744M in 2024, which is unprecedented in the history of the State. The actions being taken by the state to improve IGR are mainly tax administration reforms aimed at improving collection rates and broadening the tax revenue base, and plugging loopholes in returns.

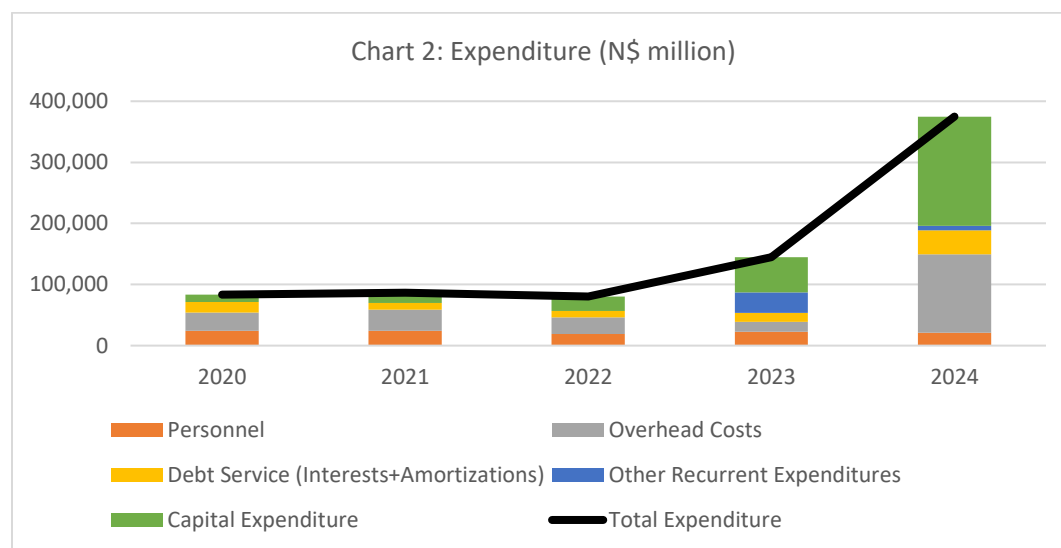
iv. **Aggregate (total) Expenditure trend in the last five years and its composition in 2024.** Total expenditure in this context includes all categories of expenses (Personnel, Overhead Cost, Capital Expenditure, Interest, and Amortization). Total expenditure rose from N83,263M in 2020 to N374,903M in 2024.

The increase in the expenditure profile of the state is in the Overhead cost of N128,257M and capital expenditure, which rose from N57,719M in 2023 to N178,989M in 2024. 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 2020-2024

Expenditure	2020	2021	2022	2023	2024
Personnel	24,257	24,055	19,254	22,498	21,342
Overhead Costs	29,621	34,872	27,112	16,484	128,257
Debt Service	17,418	10,762	10,196	14,737	39,233
Other Recurrent	0	0	0	33,146	7,082
Capital Expenditure	11,966	16,641	23,841	57,719	178,989
Total Expenditure	83,262.60	86,329.60	80,402.80	144,583.10	374,903
Growth Rate	7%	4%	-7%	80%	159%

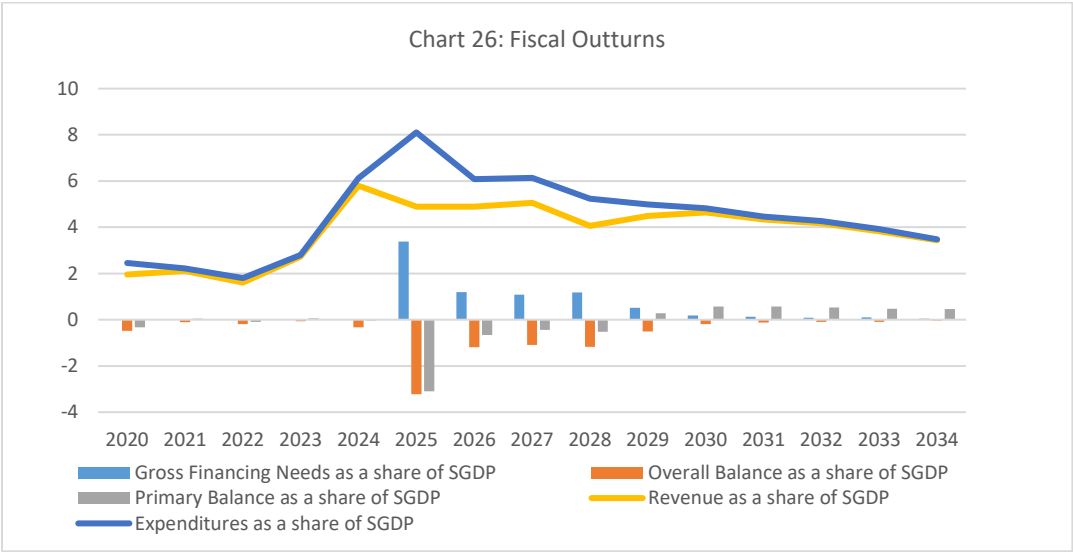
Below is the Expenditure chart depicting the trend between 2020 – 2024



V. Main expenditure variations in the last five years by economic classification. Over the period, analysis shows that Overhead Cost and Capital Expenditure are both responsible for this increase in Expenditure especially for 2024.

Capital Expenditure recorded an increase of N167,023M 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 -0.49% in 2020 to -0.33% in 2024. 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’s 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-2024 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.

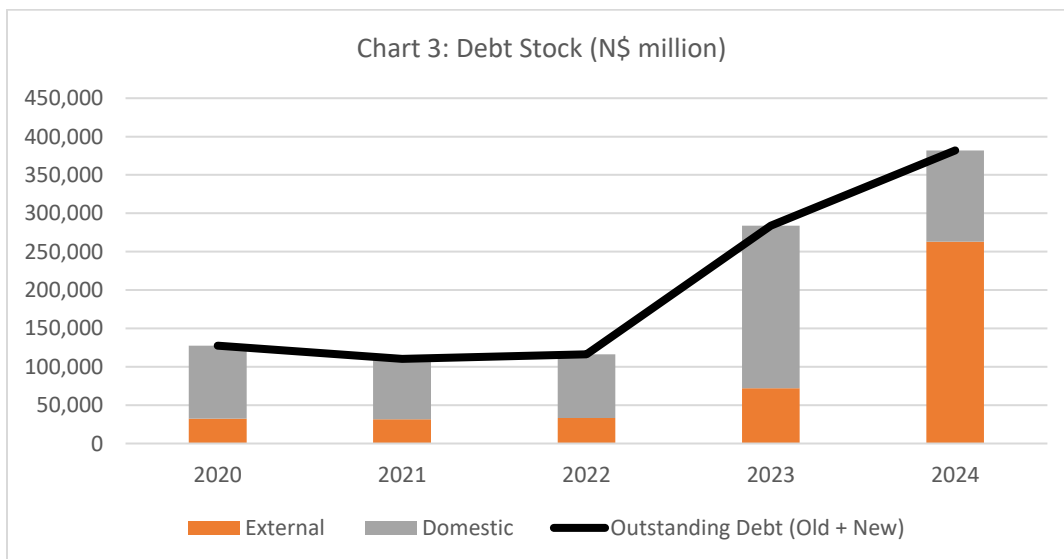
CRS State Debt	2020	2021	2022	2023	2024
External	32,474	31,570	33,350	71,972	263,120
Domestic	94,982	78,718	83,065	212,029	118,847
Total Outstanding Debt	127,456	110,287	116,415	284,001	381,967

The outstanding debt balance for the state as at December 2024 is N381,967M. The state debt had witnessed an increase of N254,509M, representing 200% 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 Domestic debt witnessed a decrease, which can be attributed to the reconciliation and settlement of the following debt categories: Budget support, Salary Bailout, and Excess Crude Loans. The debt stock to revenue ratio improved from 191% in 2020 to 108% in 2024.

In summary, the state debt position is stated below.

S/N	DEBT CATEGORY	AMOUNT(Millions)	%
1	Total Domestic Debt	118,847	31
2	Total External Debt	263,120	69
	TOTAL	381,967	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-2024.** As stated above, Cross River State debt portfolio largely consists of foreign loans. The state still has existing domestic loans. See loan schedule below;

Cross River State Debt Data as at December, 2024

S/N	DEBT CATEGORY FOR DOMESTIC	BALANCE N'M
3	Restructured Commercial Bank Loans (FGN Bond)	27,238.00
5	Commercial Banks Loans	370.00
6	State Bonds	15,116.00
7	Government-to-Government Debt	14,044.70
8	Contractors' Arrears	17,170.00
9	Pension and Gratuity Arrears	25,800.00
10	Other Debts	19,108.20
	TOTAL DOMESTIC	118,847.90
S/N	DEBT CATEGORY FOR EXTERNAL	BALANCE \$'M
1	World Bank (WB)	169.3
2	African Development Bank (AfDB)	33.1
	TOTAL EXTERNAL	202.4

Note: All figures are expressed in Millions

iii. **Cost and risks exposure of the existing public debt portfolio at end-2024.**

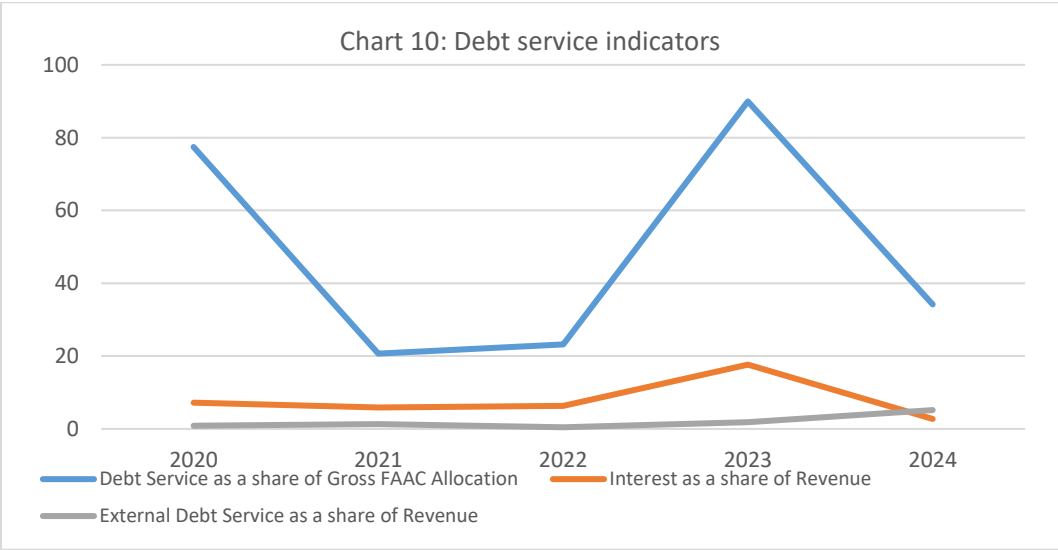
The debt portfolio of the state showed improved debt management activities from 2020 to 2024 as the state debt witnessed a gradual decline from N127,458M in 2020 to N116,415M in 2022, but starting from 2023, the state debt rose astronomically from N116,415M in 2022 to N381,967M in 2024, with its attendant 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, the following categories of loans were reconciled and settled: Budget Support, Salary Bailout, and Excess Crude, leading to a decline. As for External loans, the

devaluation of the Naira resulted in the revaluation of the debt balances to reflect the prevailing exchange rates of the Naira to the Dollar.

Debt service cost increased from N17,418M in 2020 to N39,233M in 2024, which is a consequence of the exchange rate reforms.

We noted that the debt portfolio is now narrowly exposed to currency, interest rate, and rollover risks due to policies being implemented by the Federal Government. Exposure to currency fluctuations is marginally limited as the exchange rate has now stabilized and the naira is beginning to gain value against the dollar. The chart below shows debt service indicators for the historical years.



CHAPTER FOUR

DEBT SUSTAINABILITY ANALYSIS

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 show that the debt levels are sustainable. See the table below for indicators with threshold.

Table 4.1 Performance Indicators with Threshold

Performance Indicator	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Debt as % of SGDP	3.75	2.84	2.61	5.49	6.24	9.30	8.49	8.25	8.01	7.39	6.53	5.70	4.93	4.25	3.62
Threshold	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
Debt as % of Revenue	191	135	162	201	108	190	174	163	197	165	141	131	118	111	105
Threshold	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
Debt Service as % of Revenue	63	13	14	10	11	9	17	17	23	25	23	23	22	22	22
Threshold	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
Personnel Cost as % of Revenue	36	29	27	16	6	13	12	11	19	17	16	16	17	16	17
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 6.24% in 2024 in the historical years, while for the projections of 2025 – 2034, the highest figure of 9.30% happened in 2025. In all, they were all very distant from the 25% threshold, which 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 only in the historical year of 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 are favourable and sustainable, subject to the 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, the indicator remained within the threshold. It remained positive for the rest of the years. Personnel cost as a percentage remained below the threshold of 60% all throughout the historical and projection periods.

In summary, the debt sustainability position of the state for the historical and future years is positive, as all performance indicators show favourable positions throughout 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 reached 90% in 2023 due to a huge settlement made for contractors' arrears. However, the ratio, especially in the projection period, started declining, and it is expected that it will be at 26% by 2034 with the increase in FAAC and IGR.

Interest as a share of revenue ratio got averagely higher in the projection years.

Table 4.2 Performance Indicators without Threshold

INDICATOR	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Debt Service as a share of Gross FAAC Allocation	77	21	23	90	34	11	21	20	28	30	27	27	27	27	26
Interest as a share of Revenue	7	6	6	18	3	2	4	6	8	10	9	9	9	10	9
External Debt Service as a share of Revenue	1	1	2	2	5	4	4	2	2	2	2	2	2	2	2

4.1 Cross River State Medium Term Expenditure Forecast

Cross River State's medium-term debt sustainability is predicated upon a continued recovery of the Nigerian economy that will increase FAAC statutory allocation. According to the Federal Government and states' own forecasts, the Nigerian economy is expected to gradually recover in the period 2025-2028, with real GDP expanding at an average annual rate of 4.6% percent and domestic inflation hovering around 15.75% percent by 2025. 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 customs 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 2025 -2028 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	2025	2026	2027	2028
National Inflation	15.75%	14.21%	10.04%	15%
National Real GDP Growth	4.6%	4.40%	5.5%	3.3%
Oil Production Benchmark (MBPD)	2.06	2.10	2.35	1.8
Oil Price Benchmark	\$75.00	\$76.72	\$75.3	\$55
NGN: USD Exchange Rate	₦1,400	₦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 2025, moderate to 4.4% in 2026, and then rise to 5.5% in 2027. 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, 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 the 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 a reduction in supply-side constraints occasioned by a drastic reduction in domestic insecurity, improved infrastructure, and a 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 projected net amount accruable to the Federation Account in 2025 is N58.79 trillion. Of this amount, N51.61 trillion is projected to flow into the Main Pool, while N6.95 trillion and N228.85 billion are projected to accrue to the VAT Pool and EMTL, respectively. Oil revenues are projected to be N40.42 trillion, about 69% of total Federation Account receipts and 78% of Main Pool receipts. The Federation Account revenues include Corporate Tax of N5.66 trillion, Customs Revenue of N3.21 trillion, Special Levies of N677.07 billion, NLNG Dividend of N1.40 trillion, Solid Minerals of N31.93 billion, and Nigeria Police Trust Fund (NPTF) levy of N5 billion. The

share of the Federal Government from the Main Federation Account Pool will be N27.19 trillion, while the State and Local governments are projected to get N13.79 trillion and N10.63 trillion, respectively. The FGN share of revenue from the VAT Pool and EMTL are projected to be N1.04 trillion and N34.33 billion, respectively. The state shares from the VAT Pool and EMTL are projected to be N3.47 trillion and N114.42 billion, while those of the local governments are N2.43 trillion and N80.10 billion, respectively.

The 2025 Budget and MTEF for Cross River State, covering 2026 – 2028, 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	2025	2026	2027	2028
Statutory Allocation	241,325.00	272,050.00	323,525.00	287,057.90
VAT	46,059.60	61,710.10	80,946.00	75,801.90
IGR	47,313.00	52,045.00	54,647.00	62,597.20
Total	334,697.60	385,805.10	459,118.00	425,457.00
Recurrent Expenditure				
Personnel	45,975.60	47,345.60	51,678.20	83,564.80
Overhead Costs	25,773.20	28,350.50	31,185.50	37,675.90
Debt Service	31,131.24	69,374.97	81,238.64	102,119.97
Other Recurrent	55,625.00	75,174.30	85,877.80	96,595.30
Total	158,505.04	220,245.37	249,980.14	319,955.97
Transfer to Capital Account	176,192.56	165,559.73	209,137.86	105,501.03
Capital Receipts				
Grants	12,365.20	12,670.10	13,683.70	14,778.40
Other Capital Receipts	0	0	0	0
Total	12,365.20	12,670.10	13,683.70	14,778.40
Capital Expenditure	417,043.70	275,467.00	324,571.50	248,059.70
Discretionary Funds	417,043.70	275,467.00	324,571.50	248,059.70

Non-Discretionary Funds				
Net Financing	228,485.94	97,237.17	101,749.94	127,780.27

The huge projections for revenue and expenditure from 2024 to 2033 is premised on the expected increase in 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, has increased substantially since 2023 when the reforms commenced.

Revenue and Expenditure Assumptions

Federation Account revenue estimates (Statutory Allocation, VAT) for the period 2026-2028 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 2024 levels (this is a prudent assumption), 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 2025 are based on the approved 2025 budget and thereafter until 2028. 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 by an average of 6.8% over the projection years. The State is working to ensure it is continually assessing potential sources of grants, both from within 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 acknowledges 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 2025 approved budget as a base, personnel costs are forecast to rise by 22.9% and overheads by 6.9% on the average over the period 2025-2034.

Capital expenditure is forecast to grow at an average of 10.8% from 2025 - 2034

4.2 Borrowing Options

The debt sustainability and analysis exercise has helped to ascertain the funding gap for the projection years of 2025-2034. See details below;

Table 4.5 Total Gross Borrowing Requirements for 2025-2034

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Gross Borrowing Requirements	240,184.8	97,237.2	101,749.9	127,780.3	61,597.1	25,197.5	18,057.3	15,369.7	17,261.9	9,296.8

Cross River State is planning to create new debts by sourcing for funds from both 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 2025-2034

New Domestic Financing in Million of Local Currency	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Commercial Bank Loans (maturity 1 to 5 years)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9,296.8
Commercial Bank Loans (maturity 6 years or longer)	30,528.9	16,183.2	6,253.1	26,619.5	0.0	0.0	0.0	15,369.7	17,261.9	0.0

State Bonds (maturity 1 to 5 years)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State Bonds (maturity 6 years or longer)	35,000.0	11,012.6	25,496.8	40,000.0	18,530.7	0.0	0.0	0.0	0.0	0.0
Other Domestic Financing ()	174,655.9	70,041.4	0.0	61,160.8	43,066.4	25,197.5	18,057.3	0.0	0.0	0.0
New External Financing in Million US Dollars	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	0.0	0.0	0.0	0.0	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 2025 onwards)	Interest Rate (%)	Maturity (# of years)	Grace (# of years)
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	30.00%	5	0

Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)	31.00%	10	1
State Bonds (maturity 1 to 5 years)	19.00%	5	1
State Bonds (maturity 6 years or longer)	20.00%	15	2
Other Domestic Financing ()	12.00%	20	2
Borrowing Terms for New External Debt (issued/contracted from 2025 onwards)	Interest Rate (%)	Maturity (# of years)	Grace (# of years)
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	2.50%	30	5
External Financing - Bilateral Loans	3.00%	25	3
Other External Financing	3.00%	25	3

4.3 DSA Simulation Results

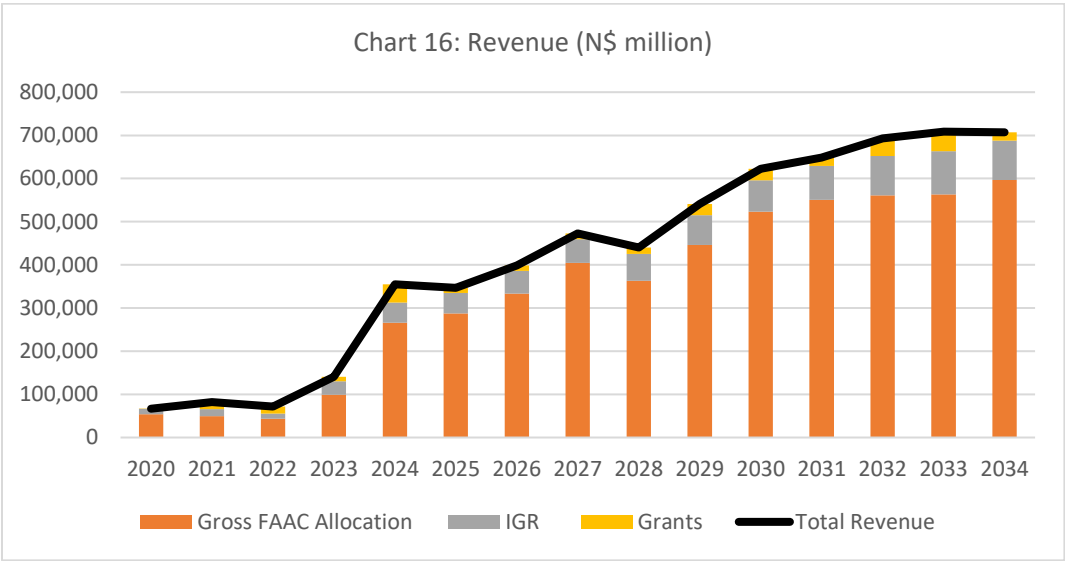
Revenue, expenditure, overall, and primary balance over the long term.

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

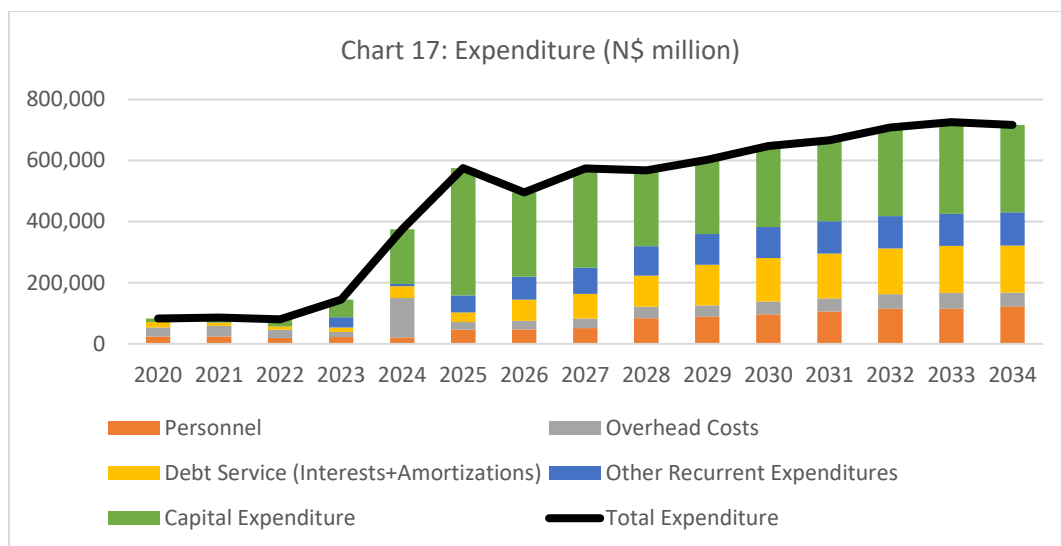
Revenue is very critical for this process. Cross River State's Total Revenue (including grants and excluding other capital receipts) is expected to increase from N354,617M in 2024 to N707,328M in 2034, representing an increase of 99% over the projection period. The Gross FAAC is projected to constitute a substantial part of the income accruing to the state in the projection period. Gross FAAC Allocation is projected to grow from N265,825M in 2024 to N596,618M in 2034. Grants are projected to grow on average by N24,851M from 2024 to 2034. These projections were sourced from the Approved 2025 Budget and MTEF, 2026-2028; 2029-2034 projections..

The Internally Generated Revenue (IGR)'s tax system will be further strengthened over the medium term by strengthening the institutional and legal frameworks, improving collection efficiency, strengthening enforcement & reducing leakages, improving taxpayers' education & compliance, and reorganizing the business practices of revenue agencies in the state, as well as

deploying appropriate technology and data analytics. In addition, efforts will be made to bring more businesses in the informal sector into the tax net. See below the revenue chart (historical and projectios).

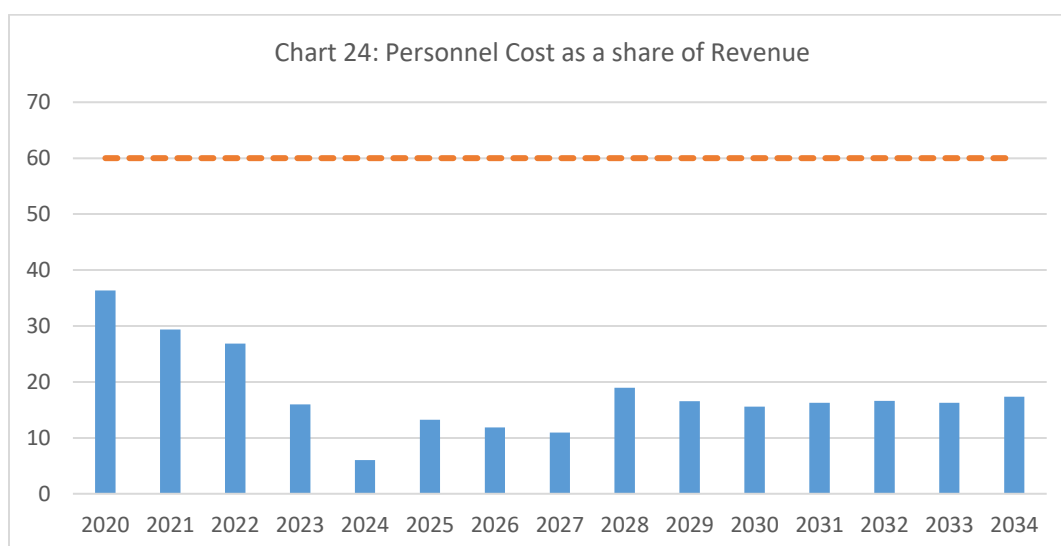


Total expenditure for the projection years is projected to expand from N374,903M in 2024 to N716,625M by 2034. Expenditure is projected to grow by more than 91% over the projection years. The decision by the state government to continually improve the infrastructural position of the state necessitated 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 Costs and Overheads were also projected to increase over the years due to the inflationary trend in the country.

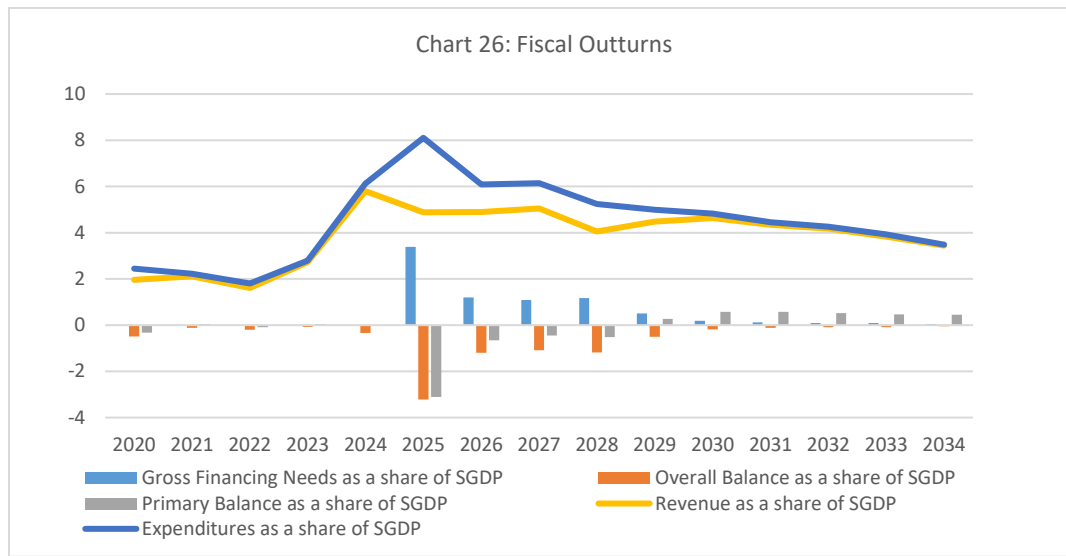


Therefore, the fiscal deficit—computed as the difference between revenue and expenditure—is expected to remain within a range of N240,184.8M to N9,296.8M in nominal terms.

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.



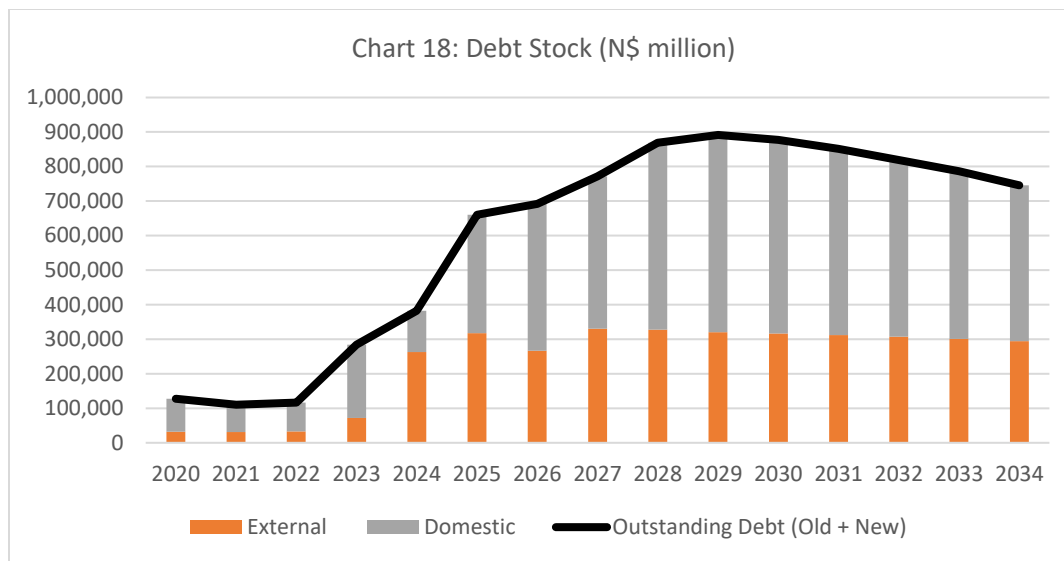
The primary balance which is the difference between the state's revenue and its non interest expenditure can be measured as a percentage of state GDP.



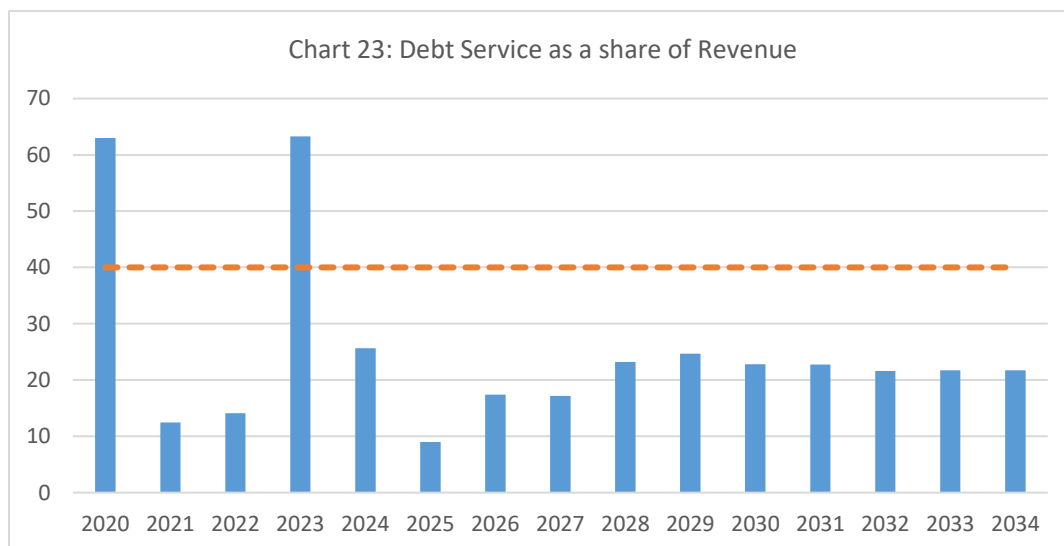
Revenue as a share of state GDP and expenditure as a share of GDP both witnessed marginal fluctuations in the projection years of 2025 – 2034. The overall balance and the primary balance as a share of state GDP recorded negative values in some of the projection years.

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

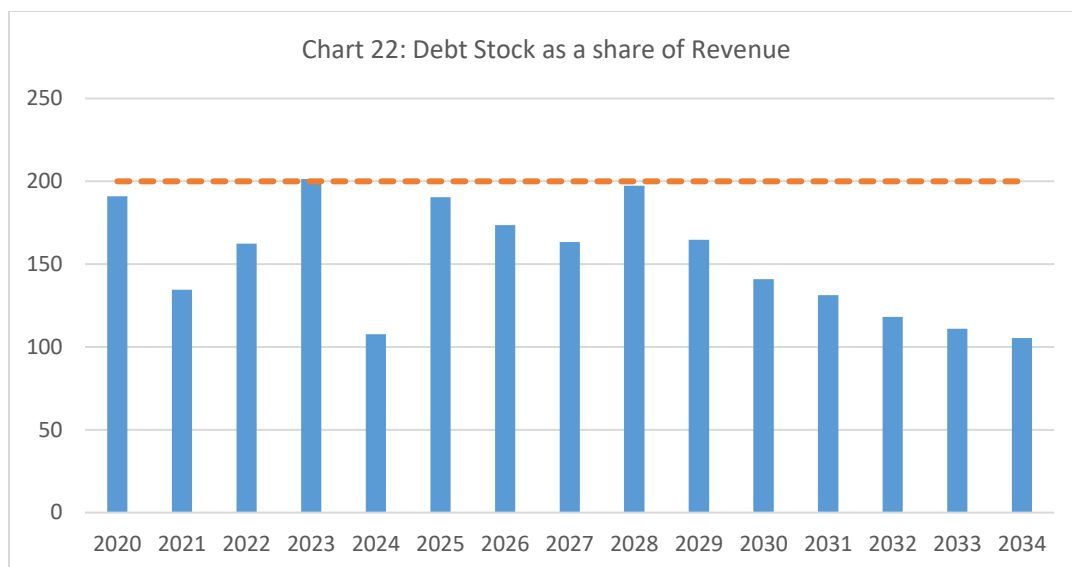
The gross financing requirement necessitated creating new borrowings for the projection years. By the debt management policy the state intends to implement, the state's debt is projected to increase from N381,967M as of the end of 2024 to N745,292M by 2034. See the chart below.



Consequent upon the debt projections, the debt service to revenue ratio of the state is expected to decrease from 26% in 2024 to 22% in 2034. It's important to note that the debt service ratio did not breach the threshold all through the projection years.



The debt as a percentage of revenue performance indicator, which is set at a threshold of 200% is positive throughout the projection years. This shows a solid debt sustainability position for the state from 2025 to 2034. The state must continue its fiscal reforms measures, make efforts to increase revenue, and manage its 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 remains positive as there is no expected major breach of the threshold throughout the projection years. The same applies to the Debt Service to Revenue ratio.

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) suggests 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. Broaden the state tax base by informal sector engagement, digitized land registries, and improve tourism and hospitality tax, given the state's tourism potential.
- b. Strengthen enforcement and reduce leakages through digital monitoring & audit trails, introduction of special revenue courts or tribunals, and building the capacity and integrity of revenue officers.
- c. Continued implementation of the reforms in the IGR sector to continue by bringing more people into the tax net, deploying technology in tax assessment and collection, so that internally generated revenue can continue to improve.

- d. The cost management initiatives being embarked upon by the State, especially regarding recurrent expenditure (overhead and personnel cost), should continually be pursued.
- e. Explore the possibility of getting more grants, both locally and externally, to improve revenue over the years
- f. Renegotiate the financing terms of the existing debts to be more favourable in terms of cost and repayment cycle, where necessary
- g. Ensure new loans are contracted at the least possible cost
- h. Focus more on reducing foreign loans as the exchange rate is presently high.

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 shocks (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 macro-economic 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 would cover any revenue shortfall and additional expenditure relative to the baseline scenario.

The 2025 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. While a 10% increase in expenditure will likely not affect the state adversely, a 10% decrease in revenue will likely result in crossing the threshold for some years in the projection period, hence the need for the State to ensure revenue sustenance as highlighted above. The State must therefore continue to work to ensure that revenue projections over the future years do not decline, and in fact must be increased substantially. The state must continue to make efforts to bring more people into the tax net and improve IGR. Expenditure must be well

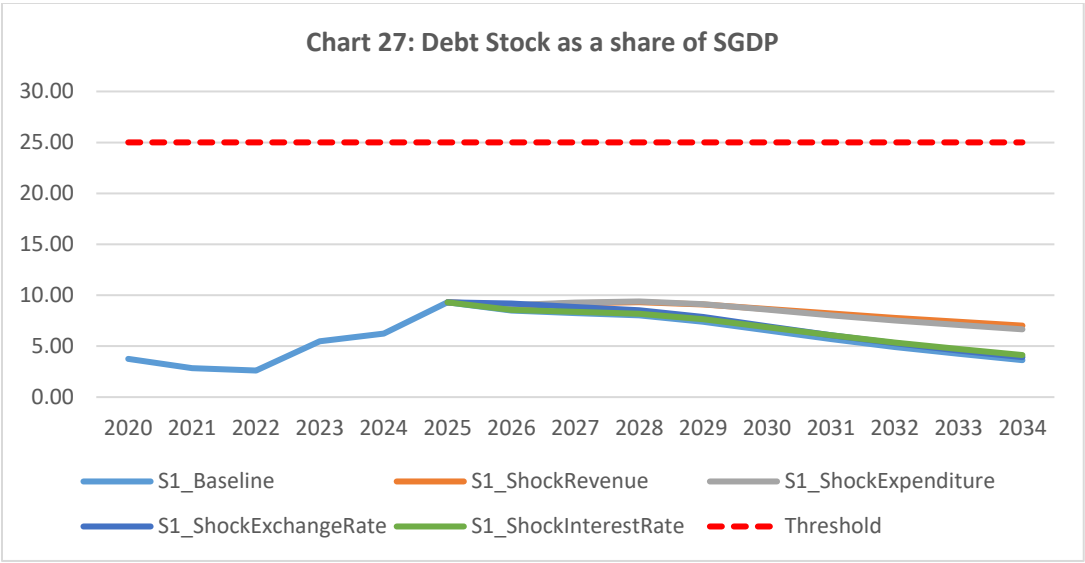
managed to remain under control, while debt managers must also work to reduce the state’s exposure to debt, especially the foreign component, due to the high exchange rate.

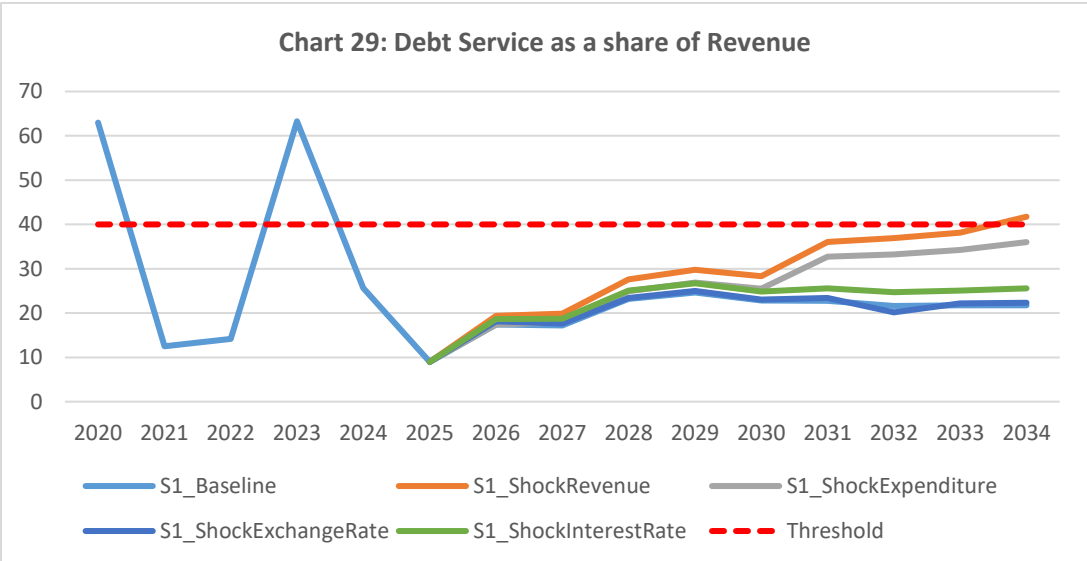
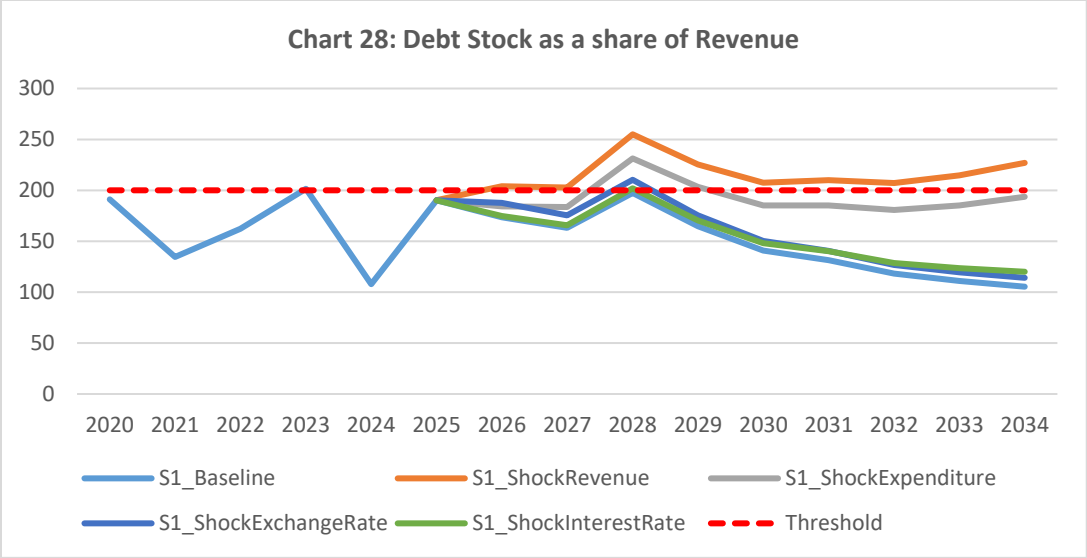
For Debt Service to Revenue, all the shocks remain moderate except for revenue in the year 2034. That notwithstanding, the state must continually monitor revenue and expenditure throughout the projection years to avert any risk.

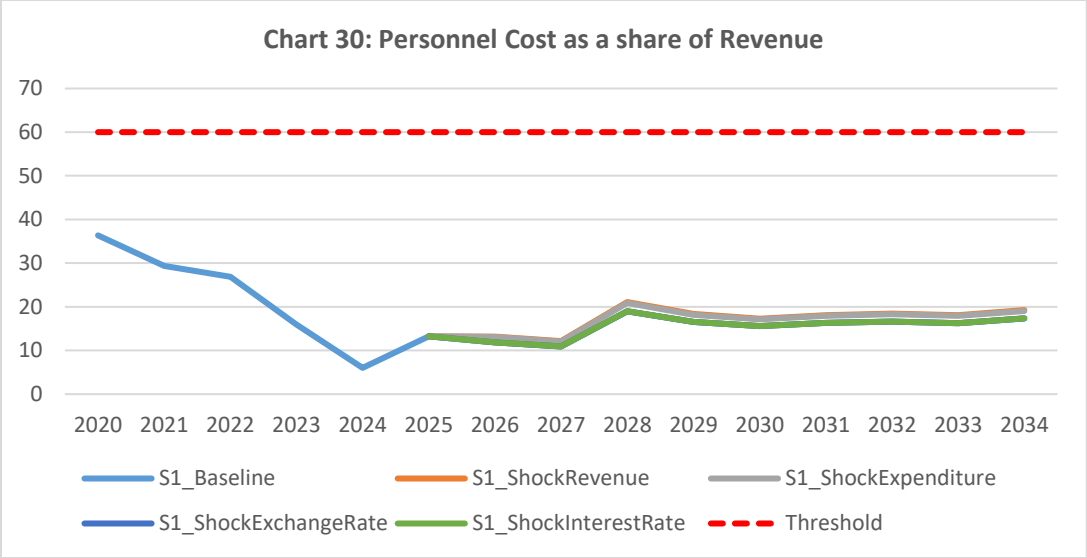
None of the other shock scenarios breached the threshold in other performance indicators, which justifies the medium debt sustainability assumptions by the state.

Relevant State authorities must continue to work to ensure that the debt sustainability position is not further threatened in the medium to long term. While we projected fresh debts of N240 Billion for 2025, the State has borrowed only N35 Billion for the year. It is expected that our finances will show greater resilience for the full year, and our debt management strategies would continue to support the borrowing of funds at the cheapest cost, with very low risk.

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 debts, 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, 2025-2029, 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 2029, as projected in the baseline scenario. Risk is measured by the deviation from the expected value in 2029 caused by an unexpected shock, as projected in the most adverse scenario.

5.1 Alternative Borrowing Options

Aside from the baseline strategy, there are three other strategies (S2, S3, S4) set up as alternative strategies. A debt management strategy analysis will be conducted to identify the worst possible scenario that outperforms 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 2025-2034 while ensuring that it's done at the lowest cost possible with a prudence of risk.

For Strategy 2. The assumption is that the state intends to finance its funding gap by contracting only commercial bank loans and other domestic financing options all through the projection years. The reason is that domestic loans are easier to access. It also comes with an opportunity for renegotiation of the borrowing terms should the need arise. The state will be borrowing within the range of N240,184.8M to N196,443.1M all through 2025-2034.

There are two categories of Commercial bank loans: the first is 1-5 years, which serves short-term funding requirements, and the other is 6 years and above, which 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 & above, in addition to other domestic financing, 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 N240,184.8M to N89,192.5M from 2025-2034.

For Strategy 4.

The state assumes that Commercial Bank Loans and State Bonds of 6 years 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 N240,184.8M to N348,315.6M from 2025-2034.

For all 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 2025 onwards)	Interest Rate (%)	Maturity (# of years)	Grace (# of years)
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	30.00%	5	0
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)	31.00%	10	1
State Bonds (maturity 1 to 5 years)	19.00%	5	1
State Bonds (maturity 6 years or longer)	20.00%	15	2
Other Domestic Financing ()	12.00%	20	2

Borrowing Terms for New External Debt (issued/contracted from 2025 onwards)	Interest Rate (%)	Maturity (# of years)	Grace (# of years)
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	2.50%	30	5
External Financing - Bilateral Loans	3.00%	25	3
Other External Financing	3.00%	25	3

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 analyzed 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

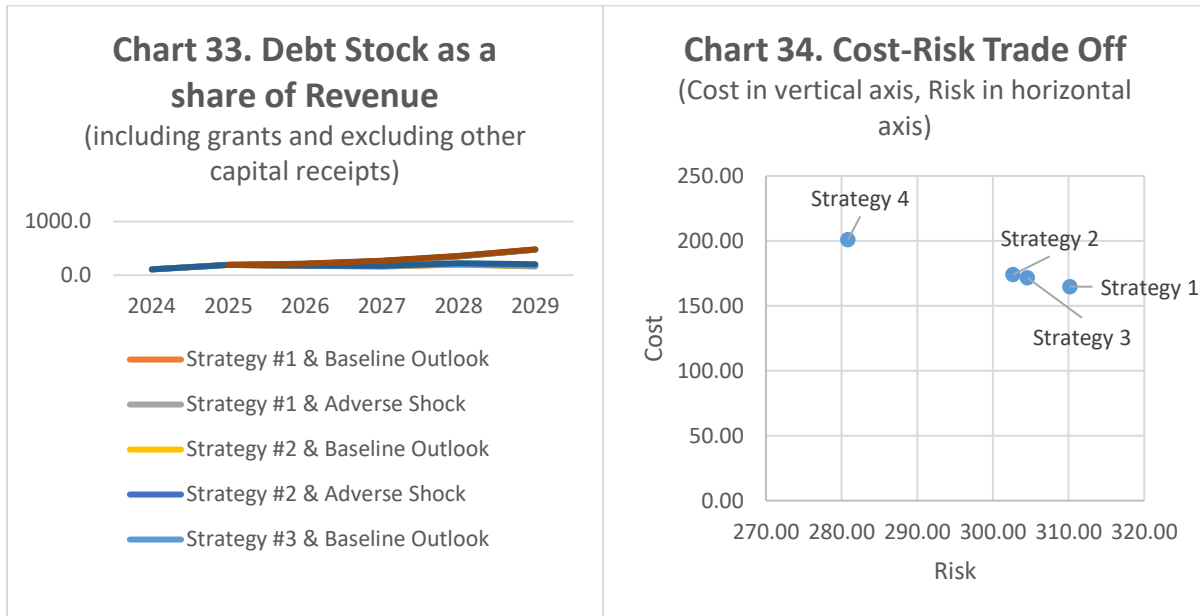
The table below shows the performance of the State from 2025-2029 when expressing debt as a percentage of revenue.

The baseline outlook(S1) presented the lowest cost but the highest risk among all four strategies. Cost as at 2029 is projected to be 164.7% while the risk is 310.2%.

						COST	RISK measured only in 2029
Debt Stock as % of Revenue (including grants and excluding other capital receipts)	2024	2025	2026	2027	2028	2029	
Strategy #1 & Baseline Outlook	107.7	190.3	173.5	163.3	197.4	164.7	310.2
Strategy #1 & Adverse Shock		190.3	210.3	263.0	349.8	474.9	
Strategy #2 & Baseline Outlook	107.7	190.3	173.4	162.8	201.4	174.0	302.7
Strategy #2 & Adverse Shock		190.3	210.3	262.8	350.9	476.7	
Strategy #3 & Baseline Outlook	107.7	190.3	174.2	165.3	202.9	171.7	304.6

Strategy #3 & Adverse Shock		190.3	210.8	264.0	351.3	476.2	
Strategy #4 & Baseline Outlook	107.7	190.3	178.8	175.0	223.5	201.0	280.8
Strategy #4 & Adverse Shock		190.3	214.2	268.8	356.8	481.8	

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



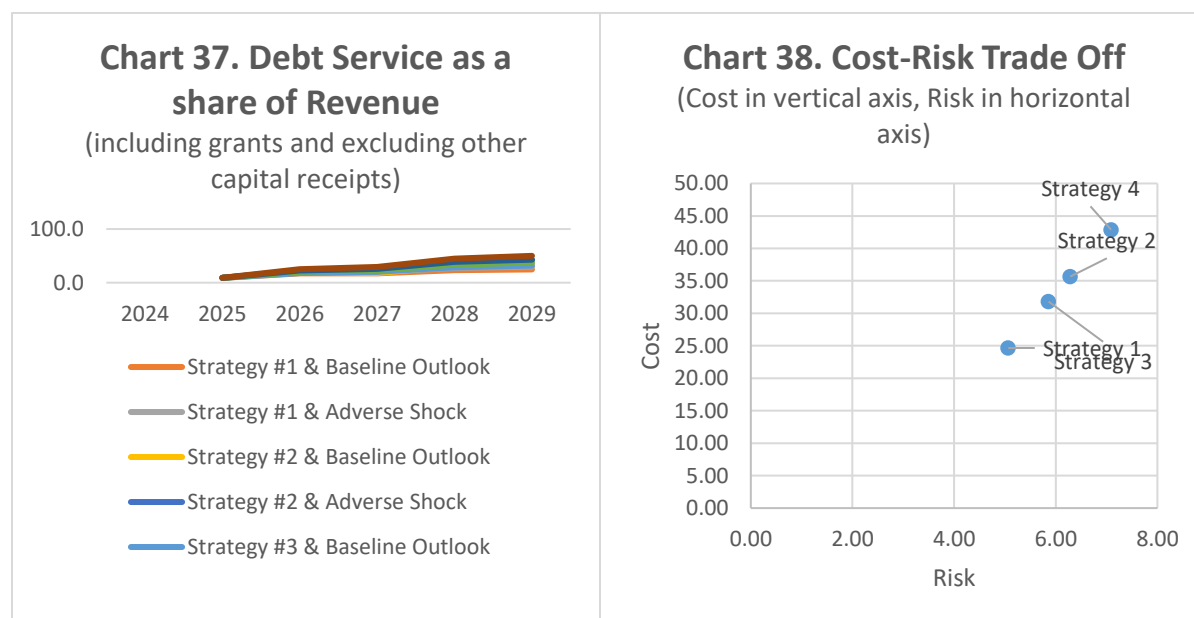
5.2.2 Debt Service/Revenue

The table below shows the performance of the state from 2025-2029 when expressing debt service as a percentage of revenue.

Under this performance indicator, strategy S1 in the year of measurement (2029) recorded a cost of 24.7% and 5.1% as risk, which is the lowest when compared to other alternative strategies.

					COST	RISK measured only in 2029
Debt Service as % of Revenue (including grants and excluding other capital receipts)	2025	2026	2027	2028	2029	
Strategy #1 & Baseline Outlook	9.0	17.4	17.2	23.2	24.7	5.1
Strategy #1 & Adverse Shock	9.0	19.3	19.8	27.6	29.7	
Strategy #2 & Baseline Outlook	9.0	19.6	18.0	30.9	35.7	6.3
Strategy #2 & Adverse Shock	9.0	21.8	20.8	36.2	42.0	
Strategy #3 & Baseline Outlook	9.0	18.1	20.3	28.7	31.8	5.9
Strategy #3 & Adverse Shock	9.0	20.1	23.3	33.7	37.7	
Strategy #4 & Baseline Outlook	9.0	22.7	25.9	38.8	42.9	7.1
Strategy #4 & Adverse Shock	9.0	25.2	29.6	45.0	50.0	

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.



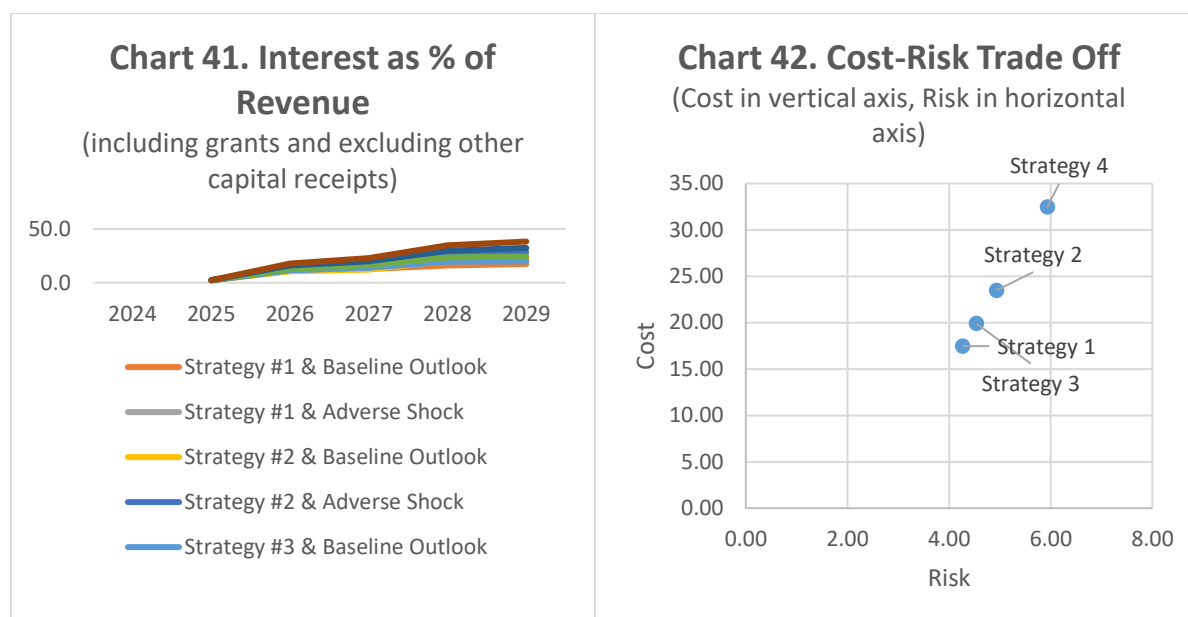
5.2.3 Interest/Revenue

Under this performance indicator, Strategy 1 equally has the lowest cost and risk at 17.5% and 4.3% respectively.

The table below shows the performance of the state from 2024-2029 when expressing interest as a percentage of revenue.

Interest as % of Revenue (including grants and excluding other capital receipts)	2025	2026	2027	2028	2029	COST	RISK measured only in 2029
Strategy #1 & Baseline Outlook	2.4	10.9	12.7	16.2	17.5	4.3	
Strategy #1 & Adverse Shock	2.4	12.1	14.8	19.8	21.7		
Strategy #2 & Baseline Outlook	2.4	10.8	12.3	20.7	23.5	4.9	
Strategy #2 & Adverse Shock	2.4	12.0	14.4	24.9	28.4		
Strategy #3 & Baseline Outlook	2.4	11.5	14.1	19.6	19.9	4.5	
Strategy #3 & Adverse Shock	2.4	12.8	16.4	23.6	24.4		
Strategy #4 & Baseline Outlook	2.4	16.2	19.9	29.7	32.5	5.9	
Strategy #4 & Adverse Shock	2.4	18.0	22.9	34.9	38.4		

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 the 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 the lowest degree of risk for the four strategies in all the performance indicators considered, except the high-risk level in the Debt to Revenue ratio. Hence, S1 is recommended for implementation.

Though the current debt stock of the state is presently tilted towards foreign loans, which is at 69% of the state debt stock, the state will be exploring more domestic options in meeting its funding gap for the projection years. With the way the strategies were set up, S1 has high components of domestic loans and a bit of foreign loans, hence making it a good choice. Implementation of S1 is also feasible when compared to other strategies.

The current debt portfolio for Cross River State as of the end of 2024 is N381,967M, the portfolio is expected to rise to N891,509.45M in 2029 in S1, N941,890.16M in S2, N929,177.64M & N1,087,569.55M 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, 2025-2029, 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 2025 budget. The cost-risk trade-off of alternative borrowing strategies under the DMS has been evaluated within the medium-term context.

Annex 1

2025		Projection Methodology	Source
Assumptions:			
Economic activity	State GDP (at current prices)	The Projection for CRS Gross Domestic Product (at Current Prices) is in line with the World	Debt Management Office, Abuja
Revenue	Revenue		
	1. Gross Statutory Allocation ('gross' means with	Projections are based on the Medium-Term Expenditure Framework (2025-2027). FAAC Allo	DSA Team, Ministry of Finance and Economic Development. Cross River State
	1.a. of which Net Statutory Allocation ('net' me	The net statutory Allocation is projected to increase in line with the National GDP growth ra	DSA Team, Ministry of Finance and Economic Development. Cross River State
	1.b. of which Deductions	Deduction is projected in line with projected higher debt repayments.	DSA Team, Ministry of Finance and Economic Development. Cross River State
	2. Derivation (if applicable to the State)	Not Applicable for now, though plans are underway to restore the State to an oil producing state. This would give us funds from the Derivation Account.	
	3. Other FAAC transfers (exchange rate gain, augm	We expect the exchange rate to be quite stable in the coming years based on the various int	DSA Team, 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 Federal Govt. We also expect a	DSA Team, Ministry of Finance and Economic Development. Cross River State
	5. IGR	The State's reforms on its IGR have resulted in a tremendous increase in collections. The grc	DSA Team, Ministry of Finance and Economic Development. Cross River State
	6. Capital Receipts		
	6.a. Grants	Grant is expected to grow on the average of 7.7% over the projection years as the State cont	DSA Team, 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		
	1. Personnel costs (Salaries, Pensions, Civil Serva	Personnel cost is expected to increase based on the N70,000.00 State minimum wage in line with the national Minimum wage policy .	DSA Team, Ministry of Finance and Economic Development. Cross River State
	2. Overhead costs	Overhead costs are likely to increase based on the high inflation rate.	DSA Team, Ministry of Finance and Economic Development. Cross River State
	3. Interest Payments (Public Debt Charges, includi	Interest payments will increase as loans increase	
	4. Other Recurrent Expenditure (Excluding Person	These are expected to grow over time.	DSA Team, Ministry of Finance and Economic Development. Cross River State
	5. Capital Expenditure	Capital expenditure will increase,based on the various capital projects proposedby the State	
Closing Cash and Bank Balance	Closing Cash and Bank Balance	The closing Cash and Bank balances is projected to follow the State's budget balances based on Economic realities in the State.	

Debt Amotization and Interest	Debt Outstanding at end-2024	
	External Debt - amortization and interest	The Naira value of this is expected to increase based on increased exchange rate
	Domestic Debt - amortization and interest	As captured by the existing Amortization Schedule.
	New debt issued/contracted from 2025 onwards	
	New External Financing	
	External Financing - Concessional Loans (e.g., Wo	We do not envisage additional external borrowing.
	External Financing - Bilateral Loans	
	Other External Financing	
	New Domestic Financing	
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)		
State Bonds (maturity 1 to 5 years)		
State Bonds (maturity 6 years or longer)		
Other Domestic Financing		
Proceeds from Debt-Creating B corresponding to Debt Strategy	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 30%, Maturity Period 5 Years, Grace Period 0 years
	Commercial Bank Loans (maturity 6 years or long	Interest rate 31%, Maturity Period 10 Years, Grace Period 1 year
	State Bonds (maturity 1 to 5 years)	Interest rate 19%, Maturity Period 5 Years, Grace Period 1 year
	State Bonds (maturity 6 years or longer)	Interest rate 20%, Maturity Period 15 Years, Grace Period 2 year
	Other Domestic Financing	Interest rate 12%, Maturity Period 20 Years, Grace Period 2 year
	New External Financing in Million US Dollar	
	External Financing - Concessional Loans (e.g., Wo	Interest rate 2.5%, Maturity Period 30 Years, Grace Period 5 year
	External Financing - Bilateral Loans	Interest rate 3.0%, Maturity Period 25 Years, Grace Period 3 year
	Other External Financing	Interest rate 3.0%, Maturity Period 25 Years, Grace Period 3 year
Proceeds from Debt-Creating B corresponding to Debt Strategy	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 30%, Maturity Period 5 Years, Grace Period 0 years
	Commercial Bank Loans (maturity 6 years or long	Interest rate 31%, Maturity Period 10 Years, Grace Period 1 year
	State Bonds (maturity 1 to 5 years)	Interest rate 19%, Maturity Period 5 Years, Grace Period 1 year
	State Bonds (maturity 6 years or longer)	Interest rate 20%, Maturity Period 15 Years, Grace Period 2 year
	Other Domestic Financing	Interest rate 12%, Maturity Period 20 Years, Grace Period 2 year
	New External Financing in Million US Dollar	
	External Financing - Concessional Loans (e.g., Wo	Interest rate 2.5%, Maturity Period 30 Years, Grace Period 5 year
	External Financing - Bilateral Loans	Interest rate 3.0%, Maturity Period 25 Years, Grace Period 3 year
	Other External Financing	Interest rate 3.0%, Maturity Period 25 Years, Grace Period 3 year

Proceeds from Debt-Creating B **Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S3**
corresponding to Debt Strategy

New Domestic Financing in Million Naira

Commercial Bank Loans (maturity 1 to 5 years, in	Interest rate 30%, Maturity Period 5 Years, Grace Period 0 years
Commercial Bank Loans (maturity 6 years or long	Interest rate 31%, Maturity Period 10 Years, Grace Period 1 year
State Bonds (maturity 1 to 5 years)	Interest rate 19%, Maturity Period 5 Years, Grace Period 1 year
State Bonds (maturity 6 years or longer)	Interest rate 20%, Maturity Period 15 Years, Grace Period 2 year
Other Domestic Financing	Interest rate 12%, Maturity Period 20 Years, Grace Period 2 year

New External Financing in Million US Dollar

External Financing - Concessional Loans (e.g., Wo	Interest rate 2.5%, Maturity Period 30 Years, Grace Period 5 year
External Financing - Bilateral Loans	Interest rate 3.0%, Maturity Period 25 Years, Grace Period 3 year
Other External Financing	Interest rate 3.0%, Maturity Period 25 Years, Grace Period 3 year

Proceeds from Debt-Creating B **Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S4**
corresponding to Debt Strategy

New Domestic Financing in Million Naira

Commercial Bank Loans (maturity 1 to 5 years, in	Interest rate 30%, Maturity Period 5 Years, Grace Period 0 years
Commercial Bank Loans (maturity 6 years or long	Interest rate 31%, Maturity Period 10 Years, Grace Period 1 year
State Bonds (maturity 1 to 5 years)	Interest rate 19%, Maturity Period 5 Years, Grace Period 1 year
State Bonds (maturity 6 years or longer)	Interest rate 20%, Maturity Period 15 Years, Grace Period 2 year
Other Domestic Financing	Interest rate 12%, Maturity Period 20 Years, Grace Period 2 year

New External Financing in Million US Dollar

External Financing - Concessional Loans (e.g., Wo	Interest rate 2.5%, Maturity Period 30 Years, Grace Period 5 year
External Financing - Bilateral Loans	Interest rate 3.0%, Maturity Period 25 Years, Grace Period 3 year
Other External Financing	Interest rate 3.0%, Maturity Period 25 Years, Grace Period 3 year

Annex II

Indicator	Actuals					Projections									
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
BASELINE SCENARIO															
Economic Indicators															
State GDP (at current prices)	3,400,928.00	3,882,082.00	4,461,709.00	5,168,582.00	6,118,135.00	7,101,036.00	8,144,726.00	9,360,359.00	10,847,760.00	12,069,489.00	13,428,815.00	14,941,235.00	16,623,992.00	18,496,269.00	20,579,411.00
Exchange Rate NGN/US\$ (end-Period)	305.80	306.50	326.00	379.00	1,300.00	1,602.69	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00
Fiscal Indicators (Million Naira)															
Revenue	76,716.10	88,824.00	73,587.80	155,378.90	359,886.70	587,247.64	495,712.37	574,551.64	568,015.67	602,779.21	648,091.78	666,198.11	708,683.47	725,851.89	716,624.79
1. Gross Statutory Allocation ('gross' means with no deducti	38,019.90	36,817.40	32,192.50	32,192.40	203,154.00	220,325.00	250,000.00	300,000.00	242,917.80	299,113.90	351,463.20	371,012.00	388,984.00	382,811.20	390,601.30
1.a. of which Net Statutory Allocation ('net' means of dedi	27,342.10	28,612.40	23,987.50	0.00	13,295.70	220,325.00	250,000.00	300,000.00	242,917.80	299,113.90	351,463.20	371,012.00	388,984.00	382,811.20	390,601.30
1.b. of which Deductions	10,677.80	8,205.00	8,205.00	0.00	43,631.30	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, o	6,009.20	1,547.40	600.00	34,663.50	0.00	21,000.00	22,050.00	23,525.00	44,140.10	58,554.10	67,981.80	68,530.90	59,207.40	61,017.80	86,163.20
4. VAT Allocation	10,214.80	11,044.20	10,849.00	32,284.70	62,670.50	46,059.60	61,710.10	80,946.00	75,801.90	88,688.20	103,755.20	111,405.30	112,808.20	119,364.70	119,853.60
5. IGR	12,195.30	16,529.70	11,531.00	30,859.30	46,743.70	47,313.00	52,045.00	54,647.00	62,597.20	68,865.20	72,456.60	78,231.30	91,456.80	100,453.20	90,857.60
6. Capital Receipts	10,276.50	22,885.40	18,415.70	25,379.00	47,318.20	252,550.04	109,907.27	115,433.64	142,558.67	87,557.81	52,434.98	37,018.61	56,227.07	62,204.99	29,149.09
6.a. Grants	279.50	16,011.00	16,533.70	10,944.90	42,049.20	12,365.20	12,670.10	13,683.70	14,778.40	25,960.70	27,237.50	18,961.30	40,857.40	44,943.10	19,852.30
6.b. Sales of Government Assets and Privatization Proceec	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	1,881.60	2,458.80	5,269.00	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 issua	9,997.10	6,874.30	0.00	8,486.10	0.00	240,184.84	97,237.17	101,749.94	127,780.27	61,597.11	25,197.48	18,057.31	15,369.67	17,261.89	9,296.79
Expenditure	83,262.60	86,329.60	80,402.80	144,583.10	374,902.50	575,548.74	495,712.37	574,551.64	568,015.67	602,779.21	648,091.78	666,198.11	708,683.47	725,851.89	716,624.79
1. Personnel costs (Salaries, Pensions, Civil Servant Social Be	24,257.20	24,055.10	19,254.00	22,498.00	21,341.50	45,975.60	47,345.60	51,678.20	83,564.80	89,456.30	96,875.60	105,564.80	115,243.20	115,378.00	122,569.30
2. Overhead costs	29,621.40	34,871.70	27,111.50	16,484.00	128,257.10	25,773.20	28,350.50	31,185.50	37,675.90	35,987.60	41,987.50	42,987.50	47,786.10	51,325.10	45,387.20
3. Interest Payments (Public Debt Charges, including interests	5,325.30	6,087.60	4,575.50	6,317.50	17,850.50	8,218.88	43,372.17	59,938.84	71,187.93	94,549.36	102,713.61	103,198.10	102,453.14	104,245.10	102,907.37
3.a. of which Interest Payments (Public Debt Charges, excl	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, O	0.00	0.00	0.00	33,145.50	7,081.80	55,625.00	75,174.30	85,877.80	96,595.30	100,327.20	102,073.80	105,254.60	105,254.60	104,542.30	109,563.20
5. Capital Expenditure	11,966.10	16,640.90	23,840.90	57,719.00	178,989.10	417,043.70	275,467.00	324,571.50	248,059.70	243,548.10	265,152.20	265,000.00	290,568.60	300,654.00	285,365.00
6. Amortization (principal) payments	12,092.60	4,674.40	5,620.90	8,419.10	21,382.50	22,912.36	26,002.80	21,299.80	30,932.05	38,910.65	39,289.07	44,193.11	47,377.83	49,707.39	50,832.71
Budget Balance ('+' means surplus, '-' means deficit)	-6,546.50	2,494.40	-6,815.00	10,795.80	-15,015.80	11,698.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Opening Cash and Bank Balance	5,388.20	-1,158.30	1,336.10	-5,478.90	5,316.90	-9,698.90	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	-1,158.30	1,336.10	-5,478.90	5,316.90	-9,698.90	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						240,184.84	97,237.17	101,749.94	127,780.27	61,597.11	25,197.48	18,057.31	15,369.67	17,261.89	9,296.79
i. Primary balance						-197,354.70	-27,862.20	-20,511.30	-25,660.30	71,862.90	116,805.20	129,333.90	134,461.30	136,690.60	144,443.30
ii. Debt service						31,131.24	69,374.97	81,238.64	102,119.97	133,460.01	142,002.68	147,391.21	149,830.97	153,952.49	153,740.09
Amortizations						22,912.36	26,002.80	21,299.80	30,932.05	38,910.65	39,289.07	44,193.11	47,377.83	49,707.39	50,832.71
Interests						8,218.88	43,372.17	59,938.84	71,187.93	94,549.36	102,713.61	103,198.10	102,453.14	104,245.10	102,907.37
iii. Financing Needs Other than Amortization Payments (e.g., Variation in Cash and Bank Balances)						11,698.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financing Sources						240,184.84	97,237.17	101,749.94	127,780.27	61,597.11	25,197.48	18,057.31	15,369.67	17,261.89	9,296.79
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						240,184.84	97,237.17	101,749.94	127,780.27	61,597.11	25,197.48	18,057.31	15,369.67	17,261.89	9,296.79
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,296.79
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)						30,528.90	16,183.18	6,253.14	26,619.51	0.00	0.00	0.00	15,369.67	17,261.89	0.00
State Bonds (maturity 1 to 5 years)						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
State Bonds (maturity 6 years or longer)						35,000.00	11,012.60	25,496.80	40,000.00	18,530.69	0.00	0.00	0.00	0.00	0.00
Other Domestic Financing						174,655.94	70,041.40	0.00	61,160.76	43,066.42	25,197.48	18,057.31	0.00	0.00	0.00
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)						0.00	0.00	70,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
External Financing - Bilateral Loans						0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Debt Stocks and Flows (Million Naira)																
Debt (stock)	127,457.56	110,287.40	116,415.20	284,000.60	381,967.00	660,503.96	691,524.62	771,974.76	868,822.99	891,509.45	877,417.86	851,282.06	819,273.90	786,828.40	745,292.47	
External	32,475.96	31,569.50	33,349.80	71,972.10	263,120.00	317,973.72	266,420.00	330,540.00	327,740.00	320,600.00	316,400.00	312,340.00	307,580.00	300,720.00	294,560.00	
Domestic	94,981.60	78,717.90	83,065.40	212,028.50	118,847.00	342,530.24	425,104.62	441,434.76	541,082.99	570,909.45	561,017.86	538,942.06	511,693.90	486,108.40	450,732.47	
Gross borrowing (flow)						240,184.84	97,237.17	101,749.94	127,780.27	61,597.11	25,197.48	18,057.31	15,369.67	17,261.89	9,296.79	
External						0.00	0.00	70,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Domestic						240,184.84	97,237.17	31,749.94	127,780.27	61,597.11	25,197.48	18,057.31	15,369.67	17,261.89	9,296.79	
Amortizations (flow)	37,216.94	5,371.40	5,586.40	64,303.90	81,288.00	22,912.36	26,002.80	21,299.80	30,932.05	38,910.65	39,289.07	44,193.11	47,377.83	49,707.39	50,832.71	
External	397.54	858.20	195.60	2,160.30	15,600.00	6,410.76	11,340.00	5,880.00	2,800.00	7,140.00	4,200.00	4,060.00	4,760.00	6,860.00	6,160.00	
Domestic	36,819.40	4,513.20	5,390.80	62,143.60	65,688.00	16,501.60	14,662.80	15,419.80	28,132.05	31,770.65	35,089.07	40,133.11	42,617.83	42,847.39	44,672.71	
Interests (flow)	4,788.98	4,848.85	4,547.30	24,888.80	9,680.90	8,218.88	43,372.17	59,938.84	71,187.93	94,549.36	102,713.61	103,198.10	102,453.14	104,245.10	102,907.37	
External	183.48	214.55	130.40	379.00	2,730.00	5,769.68	2,800.00	2,940.00	4,970.00	5,110.00	5,250.00	5,810.00	5,950.00	6,230.00	4,620.00	
Domestic	4,605.50	4,634.30	4,416.90	24,509.80	6,950.90	2,449.20	40,572.17	56,998.84	66,217.93	89,439.36	97,463.61	97,388.10	96,503.14	98,015.10	98,287.37	
Net borrowing (gross borrowing minus amortizations)						217,272.48	71,234.37	80,450.14	96,848.23	22,686.46	-14,091.59	-26,135.80	-32,008.16	-32,445.50	-41,535.93	
External						-6,410.76	-11,340.00	64,120.00	-2,800.00	-7,140.00	-4,200.00	-4,060.00	-4,760.00	-6,860.00	-6,160.00	
Domestic						223,683.24	82,574.37	16,330.14	99,648.23	29,826.46	-9,891.59	-22,075.80	-27,248.16	-25,585.50	-35,375.93	
Debt and Debt-Service Indicators																
Debt Stock as % of SGDP	3.75	2.84	2.61	5.49	6.24	9.30	8.49	8.25	8.01	7.39	6.53	5.70	4.93	4.25	3.62	
Debt Stock as % of Revenue (including grants and excluding other	191.04	134.58	162.35	196.63	107.71	190.31	173.54	163.28	197.35	164.73	140.86	131.34	118.17	111.04	105.37	
Debt Service as % of SGDP						0.44	0.85	0.87	0.94	1.11	1.06	0.99	0.90	0.83	0.75	
Debt Service as % of Revenue (including grants and excluding other capital receipts)						8.97	17.41	17.18	23.20	24.66	22.80	22.74	21.61	21.73	21.74	
Interest as % of SGDP						0.12	0.53	0.64	0.66	0.78	0.76	0.69	0.62	0.56	0.50	
Interest as % of Revenue (including grants and excluding other capital receipts)						2.37	10.88	12.68	16.17	17.47	16.49	15.92	14.78	14.71	14.55	
Personnel Cost as % of Revenue (including grants and excluding other capital receipts)						13.25	11.88	10.93	18.98	16.53	15.55	16.29	16.62	16.28	17.33	
Adverse Shock Scenario is defined by the worst performance indicator measured in year 2029																
For Debt Stock as % of SGDP the adverse shock is: Historical	Historical															
Debt Stock as % of SGDP						9.30	14.14	26.05	51.37	103.88	210.23	422.27	840.19	1656.73	3241.51	
For Debt Stock as % of Revenue (including grants and excluding other capital receipts) the adverse shock is: Historical	Historical															
Debt Stock as % of Revenue (including grants and excluding other capital receipts)						190.31	210.35	262.99	349.82	474.93	642.74	860.51	1138.12	1488.53	1928.33	
For Debt Service as % of SGDP the adverse shock is: Historical	Historical															
Debt Service as % of SGDP						0.44	0.84	1.24	2.15	4.02	7.61	17.59	35.55	71.30	142.12	
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)						8.97	19.34	19.84	27.60	29.73	28.28	36.02	36.89	38.11	41.74	
For Interest as % of SGDP the adverse shock is: Historical	Historical															
Interest as % of SGDP						0.12	0.52	1.02	1.88	3.72	7.35	14.64	29.20	57.92	114.03	
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)						2.37	12.09	14.84	19.79	21.74	21.28	21.61	21.21	22.28	23.47	

The Cross River State Team

- I. Ekpe Ekpe - Director General, CRS Debt Management Department
- II. Ajah F. Ajah - Permanent Secretary, Ministry of Finance
- III. Mrs. Ansa Etim - CRS Debt Management Department
- IV. Lawrence Omaji - Office of the Accountant General, Cross River State
- V. Hon. Ben Ubi - Department of Budget Monitoring & Evaluation, Cross River State



Dr. Michael Odere, ACA, FCIB, ACTI, FIMC
Honourabe Commissioner for Finance