* Eligibility Criteria (EC)
  + Publish Annual Budget and Audited Financial Statements Online.
* Original SFTAS Programme Disbursement Linked Indicators (DLIs)
  + DLI 1 – Improved budget and financial reporting transparency.
  + DLI 2: Increased openness and citizens’ engagement in the budget process
  + DLI 3 – Improved cash management and reduced revenue leakages through implementation of a functional Treasury Single Account (TSA) at State level.
  + DLI 4 – Strengthened Internally Generated Revenue (IGR) collection.
  + DLI 5 – Personnel spending: Use of biometric and Bank Verification Number (BVN) to reduce payroll fraud.
  + DLI 6 – Improved public procurement systems and practices.
  + DLI 7: Strengthened public debt management and fiscal responsibility framework
  + DLI 8 – Improved clearance/reduction of stock of domestic expenditure arrears
  + DLI 9 - Improved debt sustainability
* **SFTAS New Disbursement Linked Indicators (Additional Financing)**
* DLI 10 - Enhanced transparency and accountability of funds in the COVID-19 response and resilient recovery phases
* DLI 11 - Provided structured tax relief in response to COVID-19 and strengthened tax administration (personal income tax and property taxation) to enhance non-oil tax collection in the resilient recovery phase
* DLI 12 - Strengthened procurement function for COVID-19 or emergency situation and facilitated participation of SMEs in public procurement in the resilient recovery phase
* DLI 13 - Established a fiscally sustainable response to COVID-19 through COVID-19 responsive budgets
* **Eligibility Citeria, Disbursement Linked Results, Disbursement Linked Indicators and attendant grants**

| **Year 1 – 2018** | **Year 2 - 2019** | **Year 3 - 2020** | **Year 4 - 2021** |
| --- | --- | --- | --- |
| FY19 state budget approved by the State Assembly and published online by end Feb 2019  AND  FY17 audited financial statement submitted to the State Assembly and published by Dec 2018 | FY20 state budget approved by the State Assembly and published online by end Jan 2020  AND  FY18 audited financial statement submitted to the State Assembly and published by Sept 2019 | FY21 state budget, prepared under national Chart of Accounts, approved by the State Assembly and published online by end Jan 2021  AND  FY19 audited financial statement, prepared in accordance with IPSAS, submitted to the State Assembly and published by Aug 2020 | FY22 state budget, prepared under national Chart of Accounts, approved by the State Assembly and published online by end Jan 2022  AND  FY20 audited financial statement, prepared in accordance with IPSAS, submitted to the State Assembly and published by Jul 2021 |

| **Disbursement-Linked Indicator** | **Disbursement-Linked Results** | | | |
| --- | --- | --- | --- | --- |
| **Year 1 - 2018** | ***Year 2 – 2019*** | ***Year 3 – 2020*** | ***Year 4 – 2021*** |
| **DLI 1: Improved financial reporting and budget reliability** | 1.1 FY18 quarterly budget implementation reports published on average within 6 weeks of quarter-end to enable timely budget management  1.2 FY18 deviation for total budget expenditure is < 30% | 1.1 FY19 quarterly budget implementation reports published on average within 6 weeks of quarter end to enable timely budget management  1.2 FY19 deviation for total budget expenditure is < 25% | 1.1 FY20 quarterly budget implementation reports published with Q2, Q3 and Q4 reports published on average within 4 weeks of quarter end to enable timely budget management  1.2 FY20 deviation for total Amended budget expenditure is < 15% | 1.1 FY21 quarterly budget implementation reports published on average within 4 weeks of quarter end to enable timely budget management  1.2 FY21 deviation for total budget expenditure is < 15% |
| *DLR 1.1 value* | *$0.3m per state* | *$0.3m per state* | *$0 .3m per state* | *$0.3m per state* |
| *DLR 1.2 value* | *$1m per state* | *$1m per state* | *$1m per state* | *$1m per state* |
| **DLI 2 Increased openness and citizens’ engagement in the budget process** | 2.1 Citizens’ inputs from formal public consultations are published online, along with the proposed FY19 budget | 2.1 Citizens’ inputs from formal public consultations are published online, along with the proposed FY20 budget  2.2 Citizens’ budget based on approved FY19 state budget published online by end April 2019 | 2.1 Citizens’ inputs from formal public consultations are published online, along with the proposed FY21 budget  2.2 Evidence of dissemination event to explain amendments to FY2020 State budget published online along with the Citizens’ budget based on Amended FY2020 State budget by end September 2020 with functional online feedback mechanisms | 2.1 Citizens’ inputs from formal public consultations are published online, along with the proposed FY22 budget  AND Citizens’ budget based on approved FY21 state budget published online by end April 2021 with functional online feedback mechanisms  2.2 Citizens accountability report based on audited financial statements/reports published online for FY20 no later than end Sept 2021 |
| *DLR 2.1 value* | *$0.3m per state* | *$0.3m per state* | *$0.3m per state* | *$0.5m per state* |
| *DLR 2.2 value* | *N/A* | *$0.3m per state* | *$0.5m per state* | *$0.3m per state* |
| **DLI 3: Improved cash management and reduced revenue leakages through implementation of State TSA** | TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 50 percent of state government finances | TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 60 percent of state government finances. | TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 70 percent of state government finances. | TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 80 percent of state government finances. |
| *DLR 3 value* | *$1.5m per state* | *$1.5m per state* | *$1.5m per state* | *$1.5m per state* |
| **DLI 4: Strengthened Internally Generated Revenue (IGR) collection** | 4.1 State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published. *(one-time payment for year in which DLR is first achieved, up to end of 2021)* | | | |
| 4.2 2018-2017 annual nominal IGR growth rate meets target: **Basic target**: 20%-39% **Stretch target:** 40% or more | 4.2 2019-2018 annual nominal IGR growth rate meets target: -**Basic target**: 20%-39% -**Stretch target:** 40% or more | 4.2 2020 nominal IGR collection is equal to or higher than the 2019 nominal IGR collection | 4.2 2021-2020 annual nominal IGR growth rate meets target: -**Basic target**: 20%-39% -**Stretch target:** 40% or more |
| *DLR 4.1 value* | *$2m per state* | *$2m per state* | *$2m per state* | *$2m per state* |
| *DLR 4.2 Basic value* | *$1m per state* | *$1m per state* | *N/A* | *$1m per state* |
| *DLR 4.2 Stretch value* | *$2m per state* | *$2m per state* | *$2m per state* | *$2m per state* |
| **DLI 5: Biometric registration and bank verification number (BVN) used to reduce payroll fraud** | 5.1 Biometric capture of at least 60 percent of current civil servants completed and linked to payroll, and identified ghost workers taken off the payroll  5.2 Link BVN data to at least 60 percent of current civil servants on the payroll and payroll fraud addressed | 5.1 Biometric capture of at least 75 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll  5.2 Link BVN data to at least 75 percent of current civil servants and pensioners on the payroll and payroll fraud addressed | 5.1 Biometric capture of at least 90 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll  5.2 Link BVN data to at least 90 percent of current civil servants and pensioners on the payroll and payroll fraud addressed | 5.1 Biometric capture of at least 95 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll  5.2 Link BVN data to at least 95 percent of current civil servants and pensioners on the payroll and payroll fraud addressed |
| *DLR 5.1 value* | *Per State $0.5m* | *Per State $0.5m* | *Per State $0.75m* | *Per State $0.75m* |
| *DLR 5.2 value* | *Per State $0.5m* | *Per State $0.5m* | *Per State $0.75m* | *Per State $0.75m* |
| **DLI 6: Improved procurement practices for increased transparency and value for money** | 6.1 Existence of a public procurement legal framework and procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) eProcurement; 2) establishment of an independent procurement regulatory agency and 3) cover all MDAs receiving funds from the state budget. *(one-time payment for year in which DLR is first achieved, up to end of 2021)* | | | |
| 6.2 Publish contract award information above a threshold set out in the Operations Manual for 2018 on a monthly basis in OCDS format on the state website | 6.2 Publish contract award information above a threshold set out in the Operations Manual for 2019 on a monthly basis in OCDS format on the online portal | 6.2 Basic Target: Framework contract for e-Procurement signed by 31 December 2020 AND Publish contract award information above a threshold set out in the State’s procurement law/regulation on a monthly basis in OCDS format on the state website or online portal if available.  6.2 Stretch Target: Implement e-Procurement in at least 3 MDAs (incl. Education, Health and Public Works) and publish all contract award information in OCDS format on the online portal for the 3 MDAs  AND  *For those MDAs without e-procurement:* Publish contract award information above a threshold set out in the State’s procurement law/regulation on a monthly basis in OCDS format on the state website or online portal if available | 6.2 No later than June 30, 2022, implement e-procurement in at least 4 MDAs (incl. Education, Health and Public Works)  publish all contract award information in OCDS format on the online portal for the 4 MDAs  AND  *For those MDAs without e-procurement:*  Publish contract award information above a threshold set out in the State’s procurement law/regulation on a monthly basis in OCDS format on the state website or online portal if available |
| *DLR 6.1 value* | *$2m per state* | *$2m per state* | *$2m per state* | *$2m per state* |
| *DLR 6.2 value* | *$0.5m per state* | *$0.5m per state* | *Basic Target: $1m per state* | *$2m per state* |
|  |  |  | *Stretch Target: $1.5m per state* |  |
| **DLI 7: Strengthened public debt management and fiscal responsibility framework** | 7.1 State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits. *(one-time payment for year in which DLR is first achieved, up to end of 2021)* | | | |
| 7.2 Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2018 | 7.2 Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2019 | 7.2 Quarterly state debt reports for Q2, Q3 and Q4 2020 accepted by the DMO on average two months or less after the end of the quarter in 2020  AND  Annual state debt sustainability analysis published by end of December 2020 | 7.2 Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2021  AND  Annual state debt sustainability analysis and Medium-term debt management strategy published by end of December 2021 |
| *DLR 7.1 value* | *$2m per state* | *$2m per state* | *$2m per state* | *$2m per state* |
| *DLR 7.2 value* | *$0.5m per state* | *$0.5m per state* | *$0.5m per state* | *$0.5m per state* |
| **DLI 8: Improved clearance/reduction of stock of domestic expenditure arrears** | Domestic arrears as of end 2018 reported in an online publicly-accessible database, with a verification process in place and an arrears clearance framework established. | Domestic arrears as of end 2018 and end 2019 reported in an online publicly - accessible database, with verification process in place.  AND Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state’s arrears clearance framework.  -**Basic target:** At least a 5 percent decline or maintain stock below 5 billion naira -**Stretch target:** More than 20 percent decline | Basic Target: Domestic arrears as of end 2019 and end 2020 reported in an online publicly-accessible database, with verification process in place.  Stretch Target: Domestic arrears as of end 2019 and end 2020 reported in an online publicly-accessible database, with verification process in place AND at least a 5 percent decline in the verified stock of domestic arrears at end 2020 compared to end 2019 consistent with the state’s arrears clearance framework or maintain stock below 5 billion. | Domestic arrears as of end 2020 and end 2021 reported in an online publicly-accessible database, with verification process in place.  AND  Percentage decline in the verified stock of domestic arrears at end 2021 compared to end 2020 meets target and is consistent with the state’s arrears clearance framework.  -**Basic target:** At least a 5 percent decline or maintain stock below 5 billion naira -**Stretch target:** More than 20 percent decline |
| *DLR 8 Basic value* | *$1m per state* | *$1m per state* | *$1m per state* | *$1m per state* |
| *DLR 8 Stretch value* | *$2m per state* | *$2m per state* | *$2m per state* |
| **DLI 9: Improved debt sustainability** | Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2018  AND  Total debt stock at end of December 2018 as a share of total revenue for FY2018 meets target:  **-Basic target:**  < 150% **-Stretch target:**  < 125% | Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2019  AND  Total debt stock at end of December 2019 as a share of total revenue for FY2019 meets target:  **-Basic target:**  < 140% **-Stretch target:**  < 115% | Total debt stock at end of December 2020 as a share of total revenue for FY2020 meets target:  **-Basic target:**  < 150% **-Stretch target:**  < 125% | Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021  AND  Total debt stock at end of December 2021 as a share of total revenue for FY 2021 meets target:  **-Basic target:**  < 120% **-Stretch target:**  < 95% |
| *DLR 9 Basic value* | *$1m per state* | *$1m per state* | *$1m per state* | *$1m per state* |
| *DLR 9 Stretch value* | *$1.5m per state* | *$1.5m per state* | *$1.5m per state* | *$1.5m per state* |

Summary of SFTAS Fiscal Reform Status



