

## **Federal Republic of Nigeria**

### **States Fiscal Transparency, Accountability and Sustainability Program for Results and Fiscal Governance and Institutions Project**

#### **Chair Summary\***

**June 27, 2018**

Executive Directors approved a credit in the amount of SDR 521.6 million (US\$750 million equivalent) for the States Fiscal Transparency, Accountability and Sustainability Program for Results and a credit in the amount of SDR 87 million (US\$125 million equivalent) for the Fiscal Governance and Institutions Project to the Federal Republic of Nigeria, on the terms and conditions set out in the President's Memoranda.

Executive Directors supported the Program for Results and the project, which aim to strengthen the fiscal transparency, accountability and sustainability in the participating states and to improve the credibility of public finance and national statistics at the federal level. Taking note of the inherent challenges of working across multiple states, Directors noted the need for a common set of good fiscal behaviors and enabling learning across states. They welcomed the strengthening of the fiscal governance framework at federal level and noted how the two operations together support closer alignment and coordination between the Federal Government and States on fiscal management.

Directors noted that weak domestic revenue mobilization remains a major challenge, constraining government spending and undermining the long-term sustainability of the public finances and underscored the importance of targeted actions with regard to tax and fiscal reforms. Directors welcomed that the two operations were part of a comprehensive programmatic engagement on revenue mobilization, working in close coordination with development partners, covering oil and non-oil revenues, tax policy and administration issues at the federal and state-level, and linking taxes with service delivery. They inquired about the balance of using IDA and IBRD funds in blend countries and the approach going forward.

Directors acknowledged the overall risks associated with both operations including substantial political and governance, and fiduciary risks, and underscored the need to ensure independent and credible verification of the results, via checks and balances and social accountability measures built into the operations. They also stressed the importance of a good communication strategy to secure citizen engagement and buy-in for the fiscal agenda.

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\* This summary is not an approved record.