

GOMBE STATE OF NIGERIA



GOMBE STATE DOMESTIC BORROWING PROCEDURES AND GUIDELINES (2025)

**Developed by the
Gombe State Debt Management Agency**

JANUARY, 2025

Section	Component	Detailed Provision / Requirement	Responsible Institution	Output / Documentation
1	Legal Basis	Domestic borrowing shall be undertaken strictly in accordance with the Gombe State Debt Management Agency Establishment Law, 2021; the Fiscal Responsibility framework; the annual Appropriation Law; and other applicable national regulations.	Debt Management Agency (DMA); Ministry of Finance	Legal compliance confirmation note
2	Scope of Borrowing	Covers all domestic instruments including bank loans, bonds, Sukuk, commercial facilities, bridging finance, refinancing arrangements, and contractor-related credit obligations within Nigeria.	DMA	Classified borrowing instrument register
3	Purpose Limitation	Borrowing shall primarily finance capital projects, infrastructure development, refinancing of existing debt, or legally approved cash flow support. Recurrent expenditure financing is prohibited except where expressly authorised by law.	Ministry of Finance; DMA	Borrowing Need Memorandum
4	Identification of Need	Financing gaps identified through budget implementation reviews, MTEF projections, revenue performance analysis, or project financing requirements.	Ministry of Finance; Ministry of Budget and Economic Planning	Financing Gap Report
5	Preliminary Risk Screening	Initial assessment of affordability, projected debt service impact, revenue sustainability, and macro-fiscal implications before proceeding.	DMA (Middle Office)	Preliminary Risk Assessment Brief
6	Comprehensive Debt Sustainability Analysis	Detailed DSA conducted using current debt stock, projected revenues, debt service ratios, stress scenarios, and refinancing risk metrics. Conducted independently of annual DSA cycle where borrowing is proposed.	DMA (Middle Office)	Debt Sustainability and Risk Analysis Report
7	Strategic Review	Review of borrowing proposal to ensure alignment with State debt strategy, fiscal framework, and approved budget priorities.	Commissioner for Finance; Executive Council	Executive Council Memorandum
8	Executive Approval	Formal approval of borrowing proposal by the State Executive Council prior to legislative submission.	State Executive Council	Executive Council Resolution

9	Legislative Authorization	Submission of borrowing request to the Gombe State House of Assembly with supporting DSA, repayment plan, and project justification.	Ministry of Finance; DMA	House of Assembly Resolution
10	Federal Regulatory Compliance	Where required, obtain clearance or No Objection from the Federal Debt Management Office in accordance with national debt regulations.	DMA; Ministry of Finance	DMO Clearance Letter
11	Instrument Selection	Selection of appropriate financing instrument based on cost-risk analysis, tenor structure, interest rate exposure, and market conditions.	DMA (Front and Middle Offices)	Instrument Evaluation Report
12	Negotiation of Terms	Negotiation of interest rates, covenants, repayment schedule, fees, and security structure under transparent and competitive conditions.	DMA; Ministry of Justice	Negotiated Term Sheet
13	Legal Review	Legal vetting of all borrowing agreements to ensure enforceability and compliance with State and federal laws.	Ministry of Justice	Legal Clearance Certificate
14	Execution	Signing of loan or bond documentation by duly authorised officials following full approval process.	Governor or Authorised Official; Commissioner for Finance	Executed Agreement
15	Recording and Registration	Immediate recording of borrowing in the State Debt Database and integration into the consolidated debt register.	DMA (Back Office)	Updated Debt Register
16	Disbursement Monitoring	Verification that funds are applied strictly to approved project purposes and capital expenditure lines.	Ministry of Finance; Implementing MDA; DMA	Disbursement Monitoring Report
17	Debt Service Forecasting	Quarterly update of amortisation schedules and projection of debt service obligations for budget planning.	DMA (Back Office)	Debt Service Forecast
18	Budgetary Provision	Ensure annual budget includes adequate appropriation for principal and interest repayments.	Ministry of Finance; Ministry of Budget	Debt Service Budget Line
19	Ongoing Risk Monitoring	Quarterly monitoring of interest rate exposure, refinancing risk, revenue volatility impact, and contingent liabilities.	DMA (Middle Office)	Quarterly Risk Monitoring Report

20	Reporting to Executive	Submission of periodic debt performance and risk reports to the Executive Council.	DMA	Quarterly Debt Performance Report
21	Public Disclosure	Disclosure of domestic debt stock and borrowing details in annual financial statements and public debt reports.	DMA; Ministry of Finance	Annual Domestic Debt Report
22	Internal Control and Audit	Debt transactions subject to internal audit and review by relevant oversight institutions.	Auditor-General; Internal Audit Unit	Audit Report
23	Compliance Verification	Periodic verification that all borrowing adheres to statutory limits and policy thresholds.	DMA	Compliance Certificate
24	Review and Update of Procedures	Procedures reviewed periodically to reflect amendments to the DMA Law, fiscal policy changes, and development partner standards.	DMA; Ministry of Finance	Revised Procedure Document

Director General
Gombe State Debt Management Agency

