

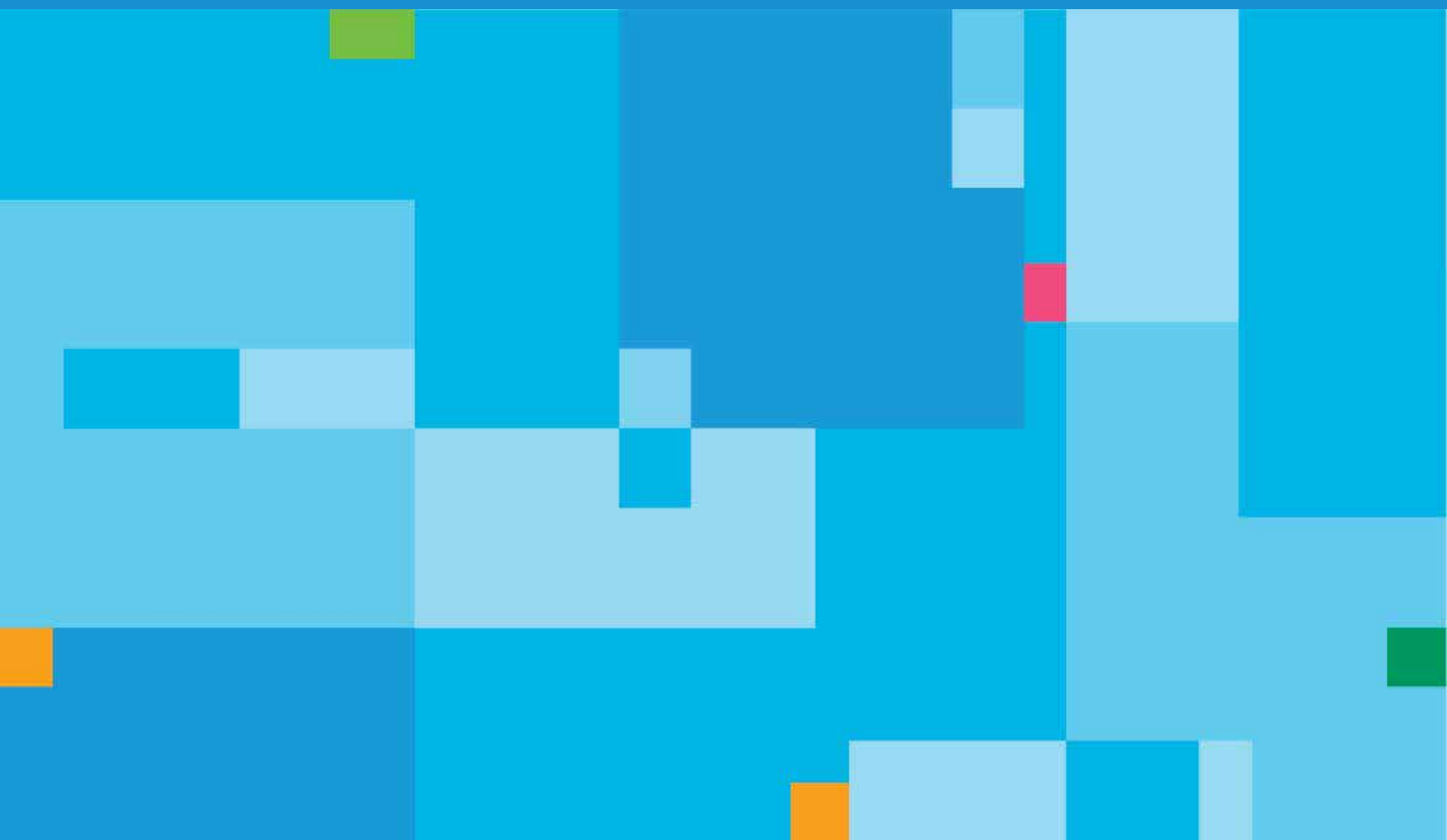


**CFA Society
Nigeria**
LET'S MEASURE UP™

Q3 2021

CFA SOCIETY NIGERIA

NEWSLETTER





WELCOME

Dear Members,

It is the end of another eventful quarter, and I am once again happy to share with you our progress and achievements in Q3 2021. I would like to begin by officially announcing our upcoming Environmental Social and Governance (ESG) Roundtable scheduled to hold on 4 November 2021. I am also delighted to announce our presence in Abuja with the opening of an Office in November 2021 to cater for our candidates and members. We have come a long way as a Society, and I must say that the Board is indeed proud of the progress we have made from 2013 when the Society was registered in Nigeria till now.

The ESG Roundtable themed, 'Unlocking value through ESG investing' is a stimulus to advocate and promote awareness in Africa for environmental and sustainable issues alongside the traditional governance issues we have always espoused. As sustainable investing accelerates in demand around the world, we hope to awaken the investment community on the continent by putting ESG issues on the front burner, with a practical call to action to all the relevant stakeholders - investors, fund managers, asset owners, intermediaries, regulators, and other stakeholders. The conference is the beginning of a sustained effort to develop local capacities in ESG Investing as CFA Institute would be launching the ESG Certification in Nigeria during the conference. The conference will feature local and international speakers who are experts in various aspects of ESG Investing. The event is open to all stakeholders and the sessions will be streamed live on all our platforms. Please look out for registration details in your email boxes.

CFA Society Nigeria has berthed in Abuja!

In response to our growing Society, especially increasing members and candidates in Abuja, we opened the Abuja Office, our second office in Nigeria with the support from CFA Institute. The office is suited at Leadway House, 4th floor, Plot 1061, Herbert Macaulay Way, Central Business District, Abuja - easily accessible. This initiative will deepen member value in the Northern region of the country, aid collaboration with the Regulators whilst paying attention to the capacity building of our future professionals through our university outreaches. We believe these actions will draw us closer to our various stakeholders including the regulators making our advocacy efforts more impactful.

The office, when fully set up, will radiate the same welcoming ambience of our Lagos office featuring a 15-man study area for candidates, a mini work-area for members and staff. The official launch date will be communicated.

Our Quarterly Leadership Series for Q3 held in August. We had the pleasure of hosting His Highness Khalifa Muhammadu Sanusi II, The 14th Emir of Kano, and former Governor of the Central Bank of Nige-



WELCOME

ria. The session was a huge success, for the first time in the history of our virtual events, we reached the maximum capacity of our zoom platform – 1,000 and channeled the overflow to our YouTube live stream. This re-affirms the gap identified when the Leadership Series was set up. I look forward with great excitement and energy to the next speaker on this series. Please look out for the announcements on our social media platforms.

Other activities in Q3 included the successful launch of our maiden Networking Session for our Young CFA Charterholders which was well-received. The event provided a safe and comfortable space for our young members to meet and interact with one another and with other senior members via games and other activities.

We also had the Breakfast Knowledge Session presented by Mr. Taiwo Oyedele, Fiscal Policy Partner & Africa Tax Leader at PwC which dissected the newly signed Petroleum Industry Act and the opportunities for the finance industry especially the fund managers. We kicked off our 2021/2022 CFA Institute Research Challenge with 23 Universities onboard, crowned winners in our 2021 Walk Challenge and successfully hosted the 2nd Edition of our Industry Practitioners' Ethics Challenge and our CFA Level I Revision Bootcamp. You will find details of these initiatives and more in the newsletter.

I would like to thank all the volunteers who take time out to serve the society in various capacities. The collective effort of every one of us has shaped the achievements we have seen within our society. With your support, the Society will continue to create positive impact in our industry and country. Please enjoy the read and as usual, we look forward to your feedback.

Sincerely,

Ibukun Oyedeji, CFA
President

CONTENT

- Society Initiatives
- Advocacy Corner
- University Outreach
- Candidate Support Initiatives
- Members' Take
- Society Office Updates
- Upcoming Events

Environmental, Social and Governance (ESG) Roundtable

Hosted by CFA Society Nigeria

Theme: Unlocking Value Through ESG Investing

📅 Thursday, 4 November 2021 📍 Zoom

KEYNOTE SPEAKER



Okey Enelema, CFA

Former Minister of Trade, Industries, and Investment

Chairman/Co-Founder, African Capital Alliance

GUEST SPEAKERS



Lamido Yuguda, CFA

Director General

Securities and Exchange Commission, Nigeria



Mrs. Aishah Ahmad, CFA

Deputy Governor, Financial System Stability

Central Bank of Nigeria

1st Roundtable - ESG Considerations in Investing across Emerging Markets: The perspective of International Investors



Arun Kelshiker, CFA, CAIA

Advisory Board Member
Cambridge Sustainable Investment Partners



Guy Alexander

Manager, ESG Impact
CDC Group Plc



Ayaan Adam

Senior Director & CEO
AFC Capital Partners



Manish Shaktwip, PhD

Executive Director
MSCI ESG Research LLC

2nd Roundtable - ESG-focused Investing: Opportunities and Challenges in Nigeria



Temi Popoola, CFA

Chief Executive Officer
Nigerian Exchange Group (NGX) Ltd



Rukaiya El-Rufa

Partner, Sustainability & Climate Change and Public Sector RAS
PwC Nigeria



Solape Hammond

Special Adviser
Lagos State Office of the SDGs and Investments



Dr. Gregory Jobome, HCIB

ED, Risk Management
Access Bank Plc

Presentation by CFA Institute on the ESG Certification



Klaus Paesler, CFA

Senior Director, Institutional Relations, EMEA
CFA Institute



CFA Society
Nigeria

SOCIETY INITIATIVES

Meet the Winners of our 31-Day E-Walk Challenge (2021)

In July, we held our E- Walk Challenge geared toward encouraging health and wellness amongst members. This challenge was opened to members and non-members in the financial industry to foster collaboration. Unlike the previous challenge, this was dynamic to make it fun, foster bonding and healthy competition. Participants contested in the following categories: Members Category, Candidates Category, Industry Professionals Category and Group Category.

We had a total of 185 active participants comprising society members, candidates, and industry professionals.

Winners

Members Category



Abiodun Ogunoiki, CFA
TOP MALE STEPPER

1,288,177 Steps



Irene Onyeke, CFA
TOP FEMALE STEPPER

1,151,843 Steps

Candidates Category



Joseph Ugwu
TOP MALE STEPPER

1,547,827 Steps



Adzahemen Vajime
TOP FEMALE STEPPER

373,610 Steps

Industry Professionals Category



Uchebenu Aniogor
TOP MALE STEPPER

716,593 Steps



Temitope Braimah
TOP FEMALE STEPPER

1,049,904 Step

Group Category

AVERAGE OF TOP 5 STEPPERS

Advocacy Committee

2,173,819
Total cumulative steps

424,764
average steps of top 5 steppers

SOCIETY INITIATIVES

Advocacy Committee, the Champion of the Group Category dines with the Board

The winning committee in the group category was hosted to dinner with the Board of Governors of CFA Society Nigeria in Lagos and Abuja



SOCIETY INITIATIVES

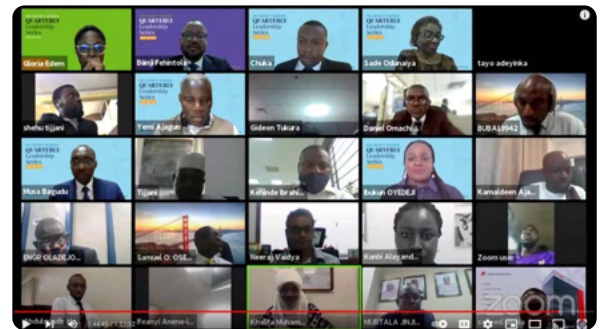
Quarterly Leadership Series

On 17 August, we hosted the 2nd edition of our Quarterly Leadership Series featuring His Highness Khalifa Muhammadu Sanusi II, The 14th Emir of Kano, and former Governor of the Central Bank of Nigeria.

The Society continues to break its records as this edition recorded 2,400+ registrations and 1000 attendees on our maxed-out Zoom platform and 100+ viewers on the YouTube live stream. The Guest speaker shared practical insights on his experience with building an effective team, preparing for opportunities, building an identity by defining values etc. **Click on the button below to watch the replay.**



His Highness Khalifa Muhammadu Sanusi II,
The 14th Emir of Kano, and former Governor of the Central Bank of Nigeria



We remain grateful to His Highness Khalifa for honouring our invitation and availing us of the opportunity to learn from his wealth of experience and journey in leadership.

SOCIETY INITIATIVES

Networking Session for Young Professionals

On 3 September, we hosted our maiden Networking Session for Young Professionals at the Oriental Hotel, Lagos. The event was planned to provide a comfortable and relaxed environment for our younger CFA Charterholders to network and interact; a partial fulfilment of the Society's mission 'to provide a vibrant community for the interaction and professional development of our members'.

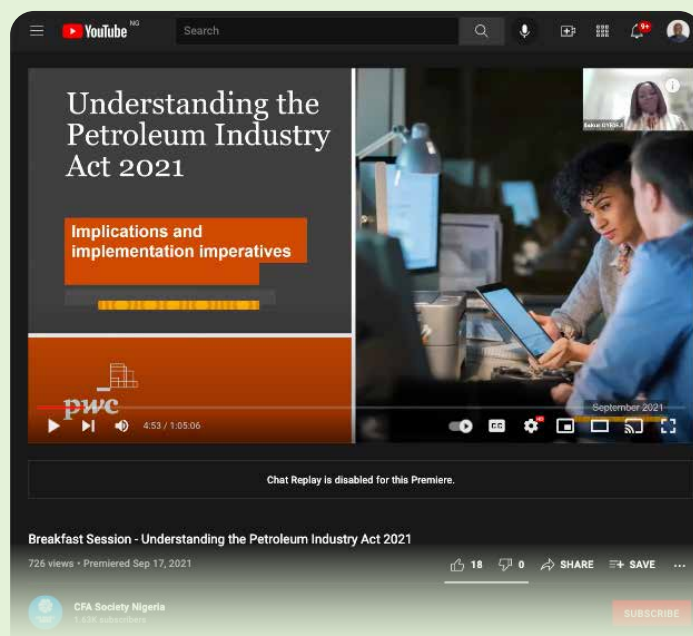
The evening event featured lots of fun activities and games to foster inclusion, togetherness, and platform/avenue to interact with senior professionals in the Society. Our guest speakers Feyi Olusanya, CFA and Razaq Ahmed, CFA shared their practical and personal tips on networking and its benefits.



Breakfast Knowledge Sharing Session – Understanding the Petroleum Industry Act 2021

On 17 September, we hosted our Breakfast Knowledge Sharing Session on the theme Understanding the Petroleum Industry Act 2021. The session was facilitated by Taiwo Oyedele, a Fiscal Policy Partner & Africa Tax Leader at PwC. The event recorded 300+ live attendees, more than our 300-zoom capacity

[Watch now](#)

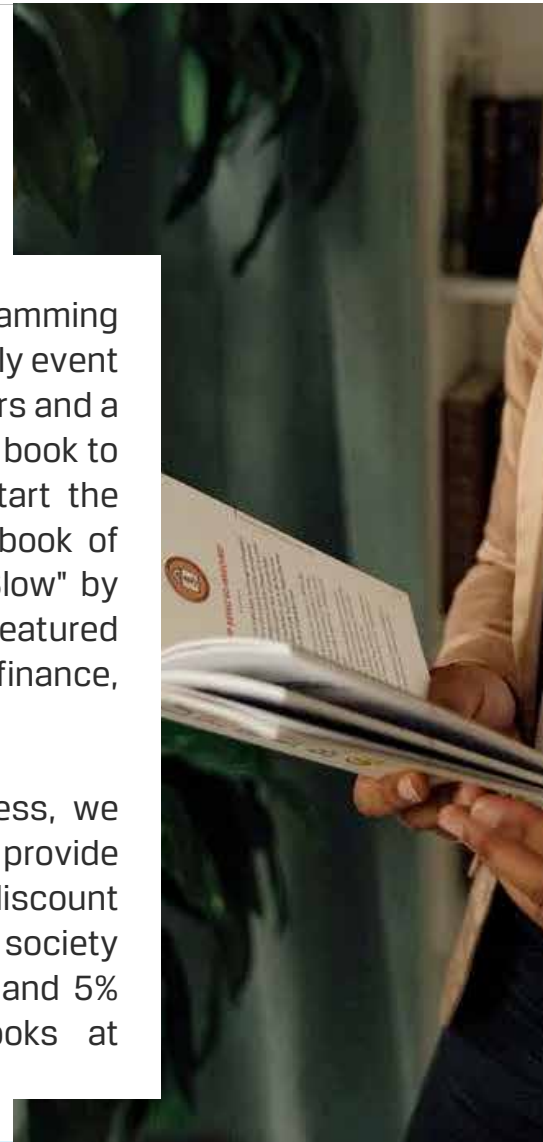


SOCIETY INITIATIVES

Members-only Quarterly Book Review Series

In line with member value and networking, the programming committee initiated a book club. The book club is a member only event geared to promote a reading culture amongst society members and a networking opportunity. Every quarter, members will select a book to read and meet to review physically or virtually. To kick start the program, a poll vote was launched in August, to select a book of choice for Q4 2021. The selected book "Thinking Fast and Slow" by Daniel Kahneman will be reviewed at the end of the quarter. Featured reads will include but are not limited to selected books on finance, business, and economics.

To facilitate the process and make the experience seamless, we partnered with Rovingheights, a bookstore in Lagos to provide discount on selected books. Rovingheights will provide 10% discount on selected books to be reviewed, additional perks to society members, including doorstep delivery anywhere in Nigeria, and 5% discount on other purchase when they shop for books at Rovingheights.



Career Services Initiative is live now!

Our Career Services Initiative was launched on 1 September to society members. This member-only initiative is a joint project of the Membership and Employer Relations Committees designed to provide bespoke career services aimed at delivering member value and supporting the professional development of members.

Our services include:

- Career Coaching
- Upskilling
- Industry Insights
- Counseling
- Interview Prep Sessions
- Internship and job opportunities for members seeking to switch roles

Send an email to

careerservices@nigeria.cfasociety.org



ADVOCACY CORNER

2021 Industry Practitioners' Ethics Challenge

On 25 September we hosted our 2021 Industry Practitioners' Ethics Challenge Final at Oriental Hotel, Lagos. This year's competition saw a 232% increase in application which was a total of 226 from 68 in 2020. 70 of the 226 participants qualified to be randomly placed in 14 teams of 5 and competed in two virtual semi-finals on 18 September. 6 teams qualified for the finals with Team Unicorn emerging as Champions, followed by Teams Win (1st Runner Up) and Mavericks (2nd Runner Up)

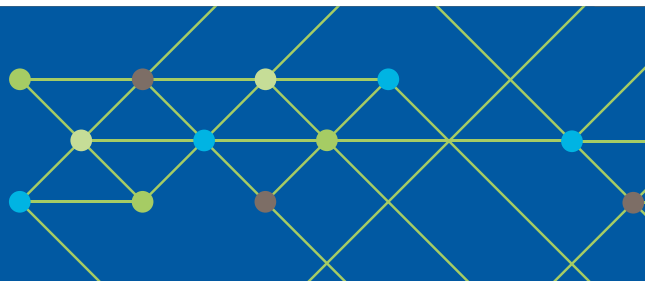


Why the Ethics Challenge for Practitioners?

The Challenge is designed to imbue in the participants knowledge of the CFA Institute's Code of Ethics and Standards of Professional Conduct which is central to the value system of the Institute as high ethical standards are fundamental to cultivating and maintaining the trust of the public in financial markets and in the investment profession.

While the participants get exposed to principles of ethical and professional conduct and expand their network, firms also benefit from the knowledge acquired by the participants who have learnt to always place the interest of the client ahead of that of the firm and theirs.

Thank you to all the Judges and members of the Ethics Subgroup of the Advocacy Committee for volunteering their time to make this year's edition a successful one.



JUDGES



Kai Orga
Managing Director
ARM Investment Managers



Sulaiman Adedokun, CFA
Managing Director
Meristem Wealth Management Limited



Olubusola Popoola, CFA
Senior Manager, Banking Operations
Central Bank of Nigeria



Paula Faniran, CFA
Head Risk Management
Sigma Pensions Limited



Feyi Olusanya, CFA
Former Director, Investment
Banking
ABSA Capital Limited



Okey Umeano, CFA
Chief Economist
Securities & Exchange Commission,
Nigeria



Odiri Ogini, CFA
MD/CEO
United Capital Asset Management
Limited



Obafemi Bamidele, CFA
Director, Investment Services
Axcent Capital



Dolapo Bello, CFA
Vaccine Financing Associate
Clinton Health Access Initiative



Jummai Dawah, CFA
Accountant
National Orientation Agency Nigeria



Razaq Ahmed, CFA
CEO/Co-Founder
Cowrywise



Elizabeth Ekpo, CFA
Team Lead, Listing Analysis,
Listing Regulation
Nigeria Exchange Group (NGX) Ltd



Oladapo Akisanya
Chief Executive Officer
Tangerine Pensions Limited



Sonia Gandhi, CFA
Director of Ethics Education, EMEA
CFA Institute

PARTICIPANTS

TEAM ALPHA



Oladele Osinnowo
Accountant
Capitalfield Investment Group LTD



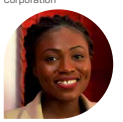
Yemisi Okunowo
Graduate Trainee
Stanbic IBTC



Lee Adewusi, CFA
Budget Officer
Nigeria Deposit Insurance
Corporation

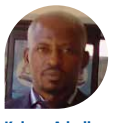


Rebecca Ayoade
Finance Manager
Dotmac Technologies Limited



Adebisi Okunuga
Relationship Officer
GTBank

TEAM ACE



Kolapo Adedipe
General Manager, Finance
Humuza Holdings Limited



Jennifer Okwechime
Analyst, Financial Advisory
Deloitte Nigeria



Esther Nwankwo
Fixed Income & Research Analyst
FCSL Asset Management

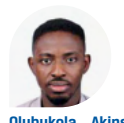


Carl Macaulay
Economic Analyst
Stears Business



Hafsat Saliu
Analyst
Norenberger Financial Group

TEAM ARETE



Olubukola Akinsulere
Legal Counsel
CardinalStone Partners Limited



Oladimeji Adekola
Team member, Finance
and Strategy
Coronation Insurance Plc



Philip Oguntoye
Head, Financial Advisory and
Investment Management
Ecofinar Financial Solutions



Victor Jiaqponnah
Accountant
Federal Ministry of Science
and Technology



Akinlolu Ojetunde
Chief Accountant
Nigeria French Language Village

TEAM EFTA



Sodiq Safiriyu
Financial Analyst
Investment One Financial
Services



Oluwatosin Akinnibi
Investment Analyst/Cards
Asset Management



Daniel Nnamaga
Economic Analyst
Nova Merchant Bank



Taiwo Adeboye
Relationship Manager, Corporate
& Investment Banking, Ecobank
Nigeria Limited



Sesan Adeyeye
Equity Research Analyst
CSL Stockbrokers Limited

TEAM MAVERICKS



Okpara Somadinachi
Finance Officer
Rishon Associate



Ayomide Akinsanya
Investment Banking Analyst
MBC Capital Limited



Foluke Aboderin
Strategy and Transactions
Analyst Ernst and Young



Sunday Kadiri
Business manager (credit)
Stanbic IBTC



Ibrahim Lasisi
Analyst
Leonine Investment Services
Limited

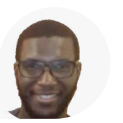
TEAM NOBLE



Ujunwa Okeke
Corporate and Investment
Banker Access Bank PLC



Chima Onunwa
Human Resource and
Administrative Assistant
Lagos Bus Services Limited



Moyosoreoluwa Oyegbami
Investment Banking Analyst
Stanbic IBTC



Mohammed Adejoh
Accountant, Finance and
Admin Manager
Center for Peace and
Environmental Justice



Tochukwu Amagwula
Senior Financial Analyst
Brainac Business solutions

TEAM WIN



Onyinyechukwu Mbidom
Economic Researcher/Analyst
Zenith Bank Plc



Stella Onianwah
Department Head, MSME
Banking
Keystone Bank Ltd



Onyinye Uba
Structured Finance Transactor
Access Bank PLC



Uchebenu Aniogor
Investment Management
Analyst
ARM Investment Managers



Damiloia Oluwalayomi
Investment Banking Analyst
Ezellone Capital

TEAM UNICORN



Oluwatoye Olosunde
Audit Associate
KPMG Nigeria



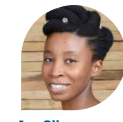
Oluwasanmi Owoso
Financial Reporting
Coronation Life Assurance
Limited



Onoriode Ighomereho
Management Associate
Firstbank of Nigeria Limited



Tunmise Oyedepo
Analyst
FBNQuest Capital Ltd



Joy Olisa
Senior Associate, Strategy and
Transactions
Ernst & Young Nigeria

PARTICIPANTS

TEAM THRIVE



Chinyere Akunna
Financial Reporting Manager
Food Concepts Plc



Adeola Falola
Finance Analyst
Bizniture Financial Services



Aghogho Uwejean
Team Lead Mobile Money
Operations
Money Master PSB



Ademola Akinwale
Deputy Finance Manager
InfraNergy LLC



Olusegun Afolabi
Compliance Officer
sterling Bank Plc

TEAM SYNERGY



Abiodun Oyelakin
Investment Banking Analyst
Greenwich Merchant Bank
Limited



Olayinka Sodipe
Investment Banking Analyst
AVA Capital Partners Limited



Chukwuemeka Nwagwu
Capital Market/Research Analyst
Capital Bancorp plc



Olutoyosi Ibronke
Treasury Analyst
Total Nigeria PLC



Ovoke Ohwogano
Undergraduate
Student

TEAM PROFESSIONALISM



Jane Ayamba
Legal Analyst
STL Trustees



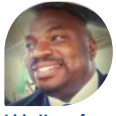
Emmanuel Etuk Ekom
Management consultant
Ernst & Young (CY)



Udeme Udoh
Investment Research Analyst.
Pearl Mutual Consulting Ltd.



Oluwatosan Nicol
Business Analyst
Ardova Plc



Idris Yoosuf
CFO
Riggs Ventures West Africa Plc

TEAM PRIMUS



Yusuf Popoola
Account Analyst
Pensions Alliance Limited



Tochukwu Emokam
Account Officer
Accion Microfinance Bank



Ifechukwu Obi
Analyst, Advisory
Andersen Nigeria



Ifeanyi Okerefor
Legal and Compliance
Mute Swan Capital Limited



Samuel Makinde
Equities Trader
West Securities Limited

TEAM WIN



Vester Omondia
Client Support/Relationship
Manager
Lead Capital Plc



Omolola Owonikoko
Internal Control Officer
Fidelity Bank PLC



Nnenna Ojiake
Solicitor - Managing Partner
TDC Ojiake & Co



Oluwakemi Odubela
Finance/Reconciliation Analyst
Beneprojecti Nig Ltd

TEAM CAMMA



Constance Etta
Product manager
Access Bank PLC



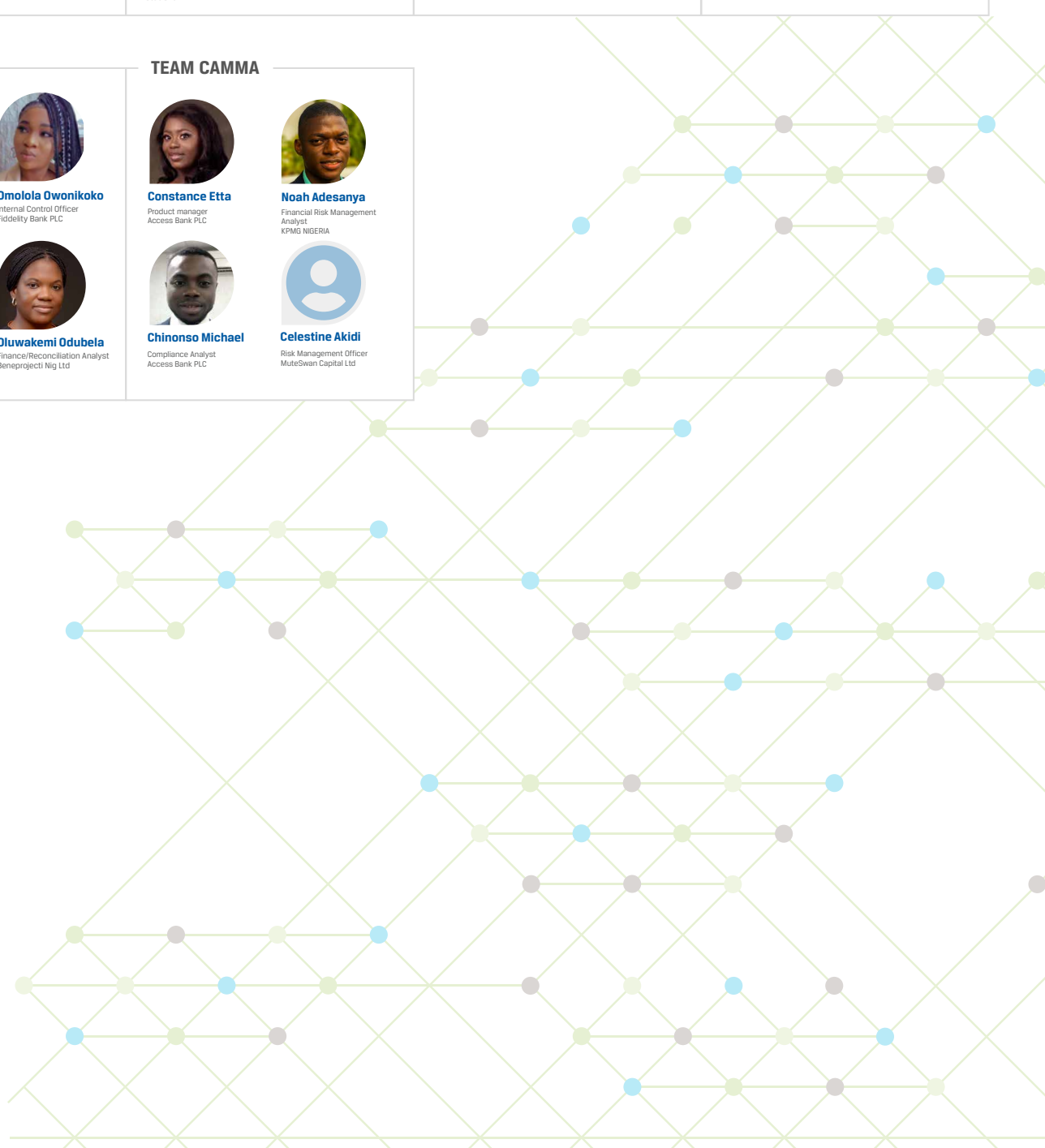
Noah Adesanya
Financial Risk Management
Analyst
KPMG NIGERIA



Chinonso Michael
Compliance Analyst
Access Bank PLC



Celestine Akidi
Risk Management Officer
MuteSwan Capital Ltd





JOIN YOUR LOCAL COMMUNITY OF INVESTMENT MANAGEMENT PROFESSIONALS.

Renew your society
membership today.



© 2021 CFA Institute. All rights reserved.

THERE IS STILL TIME TO RENEW YOUR MEMBERSHIP.

Professionals like you not only make the financial industry what it is, you are the future of the industry, and we want to keep working with you to drive the industry forward whilst supporting your career goals.

RENEW YOUR MEMBERSHIP TODAY

[Register here](#)



UNIVERSITY OUTREACH

2021/2022 CFA Institute Research Challenge Kickoff with Subject Company, Seplat Energy Plc

The CFA Institute Research Challenge is a great test for all students who are bold enough to face it. But, like any great challenge, the opportunities and rewards it offers are even greater. This is an exciting opportunity to accelerate the learning of students while giving participating universities great exposure on national and global stages.

The Society opened applications for the 2021/2022 CFA Institute Research Challenge season on 31 July 2021 and have onboarded 23 universities who will be participating in the competition. Each team is made of 4 students and a faculty adviser supported by CFA Society Nigeria volunteers serving as Industry Mentors.

Participating Universities

- Abia State University
- Ahmadu Bello University
- Atiba University
- Bowen University
- Clifford University Owerri
- Covenant University
- Crescent University
- Federal University of Technology Akure
- Lagos State University
- Madonna University
- Mountain Top University
- Nasarawa State University
- Nile University
- Nnamdi Azikiwe University
- Obafemi Awolowo University
- University of Abuja
- University of Benin
- University of Ibadan
- University of Ilorin
- University of Lagos
- University of Maiduguri
- University of Nigeria
- University of Port Harcourt

How are we positioning our students to excel at the global stage?

- ✓ To provide more hands-on and technical support to participating teams, we hosted a Research Report Writing Workshop on 18 September 2021 training students on the art of writing a standard equity research report.
- ✓ We also hosted the subject company presentation with Seplat Energy Plc virtually on 23 September 2021 providing an opportunity for the students to gain insights on the company they would be analyzing.
- ✓ A valuation bootcamp for the students has been slated for 2 October 2021 and will be facilitated by a CFA Charterholder and member of the Society.

CANDIDATE SUPPORT INITIATIVES

CFA Level I Revision Bootcamp – 2021 3rd Edition

On 31 July and 1 August, the society hosted the 3rd CFA Level I Revision Bootcamp for the year 2021. The revision session was open to CFA candidates in Nigeria within the African region and beyond. The 2-day session which was well attended by 200+ candidates, featured live sessions for the 10 modules in the CFA Level I curriculum and was facilitated by society volunteers who are CFA Charterholders.

Meet the facilitators



Odiri Ogini, CFA

Managing Director
United Capital Asset Management Ltd
Topic Covered: Ethical and Professional Standards



Dimeji Oladosu, CFA

Manager, Financial Reporting Group,
Audit Services
Ernst & Young
Topic Covered: Financial Reporting and Analysis



Ibrahim Salami, CFA

Portfolio Manager, Employee Banking
Banker. Standard Chartered Bank
Topic Covered: Quantitative Methods



Mohammed Buba, CFA

Deputy Manager Investment Research
Analyst
Central Bank of Nigeria
Topic Covered: Alternative Investments



Olawale Balogun, CFA

Team Lead, Treasury
Nigeria Exchange Group (NGX) Ltd
Topic Covered: ECorporate Finance



Wale Okunrinboye, CFA

Senior Associate - Portfolio Manager
(RSA Funds) and Unit Head,
Investment Research
Sigma Pensions Limited
Topic Covered: Economics



Musa Bagudu, CFA

Head, External Funds Management
Office
Central Bank of Nigeria
Topic Covered: Fixed Income



Oluwasegun Jimoh, CFA

Financial Controller, Sub-Sahara Africa
Schlumberger Oilfield Services
Topic Covered: Equity Investments



Bukola Akerele, CFA

Portfolio Manager
Zenith Bank Plc
Topic Covered: Portfolio Management and Wealth Planning



Folaranmi Abimbola, CFA

Senior Frontier Analyst
Stanbic IBTC Holdings
Topic Covered: Economics



Thank you to our volunteers who facilitated the bootcamp as tutors and to the membership committee for driving this initiative.

Bootcamp Sponsors



Sponsorship opportunities are available for our upcoming October Bootcamp. Send an email to info@nigeria.cfasociety.org for more information.

MEMBERS' TAKE

Do we really need a new revenue-sharing formula in Nigeria?

Michael Jejelola - jejelolamichael@yahoo.com



The Federal Government of Nigeria (FG), through the Revenue Mobilization and Fiscal Allocation Commission (RMFAC) hinted at a change to the current revenue allocation formula among the three tiers of government in Nigeria. Presently, the FG takes 52.68% of the net distributable revenue in Nigeria, while states and local governments are entitled to 26.72% and 20.60%, respectively. Clearly, this proportion stands in favour of the federal government. The push for a review corroborates the age-long clamour by states for an increase in revenue allocation. Regardless, the big question is whether or not a new revenue-sharing formula is needed.

For a start, is there really any problem with the existing revenue sharing formula? Well, the state and local governments believe it is unfair and inequitable. Quoting the commissioner of the RMFAC, six additional states and 184 local government areas have been created since 1992, when the current formula was introduced. In all fairness, this is a justification to push up what goes to states as revenue allocation, and a minimum estimate will be to allocate 31.72% to states, 25.40% to local government, and 42.88% to the federal government.

Before a review of the allocation formula begins, it is imperative to conduct an independent audit of the states and local government to verify how well they have utilized the funds allocated to them, at least, in the last decade. This exercise should precede any legislative push for approving the new ratio. This is because if the past two to three political administration in a state has not judiciously utilized the funds allocated to them for infrastructural development, revenue creation, security, industrialization and attraction of foreign investors, there is no justification that there will be an improvement when a higher revenue allocation comes in. An independent audit of the finances of states should be conducted, and the report submitted to the

RMFAC, the national assembly, and also published in the national dailies.

While these earlier arguments are still geared in favour of a review of the revenue allocation formula, there are veritable reasons why we do not need a change. Like the previous paragraph advances, not all the funds dispensed to states and LGAs are utilized appropriately. A budget implementation report of states will reveal the true colour, but most states are unwilling to publish this report. No doubt, there are certain states that are living up to expectations by utilizing most of the allocated funds, but more than half of the 36 states in Nigeria are far behind on capital projects.

When the new ratio is presented to the National Assembly for signing into law, one of the key topics for debate will be how the revenue allocation approach has enabled a system of laziness among state governors and LGA chairmen. It is well known that most sub-national administrators rely heavily on allocation from the FG without taking time out to develop inclusive revenue generation channels. It goes without saying that states and LGAs have one potential or the other, but the certainty of inflows from the federal government has emboldened revenue generation laxity on the part of states.

Speaking to the numbers, the Federation Accounts Allocation Committee (FAAC) allocated N2.29 trillion to the 36 states of the federation and the FCT against an Internally Generated Revenue (IGR) of N1.31 trillion in 2020. This explains the earlier point. Ideally, states should generate more revenue than what they get as allocation from the federal government. In fact, 41% of the entire IGR was generated by Lagos and Rivers state only, which shows the lagging position of other states. This leniency will continue until the FG is able to tie revenue allocation to IGR as a key performance indicator.

MEMBERS' TAKE

The situation appears more critical at the local government level, where grass root development is expected to be on the high end. Oftentimes, the LGAs fail to get their allocation on time due to politicking by state governments, and when they eventually do, the funds are poorly utilized. This explains why many infrastructures within the management of local government are in deplorable states. Moreover, there is no reliable model for tracking how the allocations are utilized. The severity of this malady is better understood when we consider that there are 774 LGAs in Nigeria.

To submit, the effort by states and LGAs is not enough impetus to warrant an upward review in the revenue

allocation. This effort bothers on revenue-generation and infrastructural development. While a claim for fairness and equity can hold sway on the surface, a deeper analysis suggests that states and LGAs should work harder to generate more revenue, by looking inwards for areas where the revenue-generating potentials lie. Also, states and LGAs should use the existing allocation from FAAC efficiently to improve infrastructure, attract foreign investors and drive industrialization. If states and LGAs can achieve these objectives with the existing allocation, they will see no need for an upward review in FAAC allocation.

SOCIETY OFFICE UPDATES

Upcoming events

CFA Level I Revision Bootcamp

Date: 30 – 31 October 2021

Time: 9:00 AM Daily

Venue: Zoom



Environmental, Social and Governance (ESG) Conference

Date: 4 November 2021

Time: 10:00 AM

Venue: Zoom

[Register now](#)



CONNECT WITH US

Stay connected with us on social media; click on the handles below to engage with CFA Society Nigeria on all listed platforms



[cfasocietyng](#)



[CFASocietyNG](#)



[CFASocietyNG](#)



[cfasocietyng](#)



[CFA Society Nigeria](#)



[Website](#)



Thank You

Thank you for contributing to a successful Q3 2021. See you in Q4.



Society Office Directory

- **YEMI AJAGUN, CFA**
Executive Director/Chief Operating Officer
yemi.ajagun@nigeria.cfasociety.org
- **FRANK OKWEDADI**
Head, Programs
frank.okwedadi@nigeria.cfasociety.org
- **GLORIA EDEM**
Head, Communications And Member-relations
gloria.edem@nigeria.cfasociety.org